



**SCF**

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# 2025 Sustainable Finance Index Results

(using data up to 2024)



## Sustainable Finance Index

The Sustainable Finance Index (SFI) is a tool developed by the Climate Finance Group for Latin America and the Caribbean (GFLAC) and applied annually. Its purpose is to monitor national and international revenues and expenditures related to climate change and sustainable development, as well as to identify resources that are still allocated to activities that hinder the transition toward low-carbon and climate-resilient economies—particularly those linked to the extraction and production of fossil fuels and mining.

**Sixth Edition:** Applied to the 20 countries with the highest greenhouse gas emissions in Latin America and the Caribbean, corresponding to the year 2024.



## Variables

**Sustainable Revenues (SR):** Refers to resources originating from international development financing, as well as funds disbursed by bilateral and multilateral sources aimed at biodiversity and climate change.

**Carbon-Intensive Revenues (CIR):** Includes revenues generated from the exploration, extraction, and exploitation of fossil fuels, hydrocarbons, and minerals.

IFS

**Sustainable Budgets (SB):** Represents the allocation of public resources to sectors and programs related to biodiversity, climate change, renewable energy, energy efficiency, forest management, marine conservation, sustainable transport, and disaster prevention and response.

**Carbon-Intensive Budgets (CIB):** Covers public budgets allocated to hydrocarbon exploitation activities and associated industrial processes, as well as resources assigned to state-owned companies responsible for the production and commercialization of gas and oil, where applicable.



# Methodology

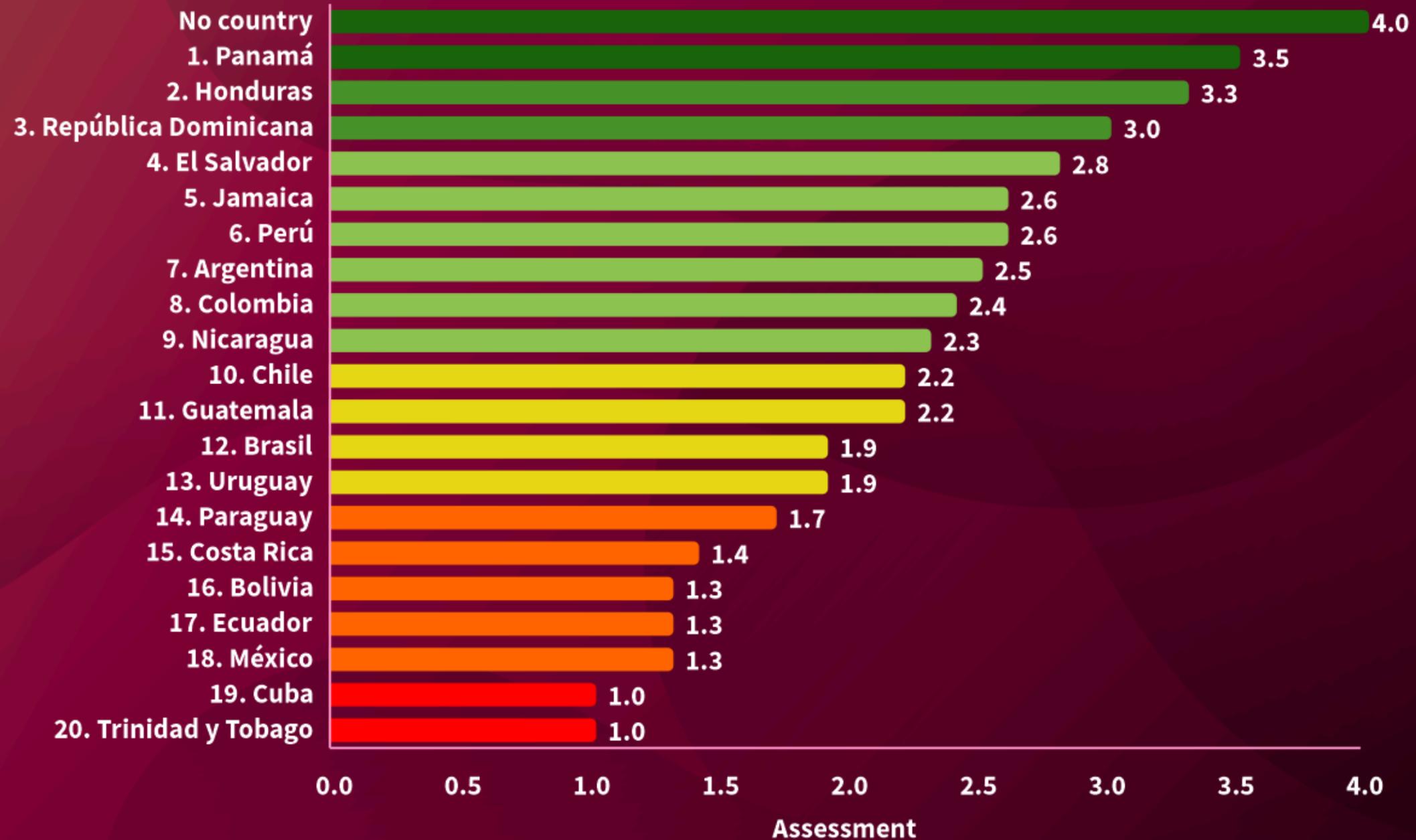
The estimation of the SFI is based on a comparative analysis of revenues and expenditures, distinguishing between those that promote the sustainable transition and those that reinforce dependence on carbon-intensive sectors. Each variable is rated on a scale from 0 to 1.

In this framework, sustainable revenues and budgets are considered positive variables, meaning that countries allocating more resources to these sectors achieve scores closer to 1 point. Conversely, carbon-intensive revenues and budgets are considered negative variables, so countries concentrating a larger share of resources in these sectors obtain scores closer to 0 points.

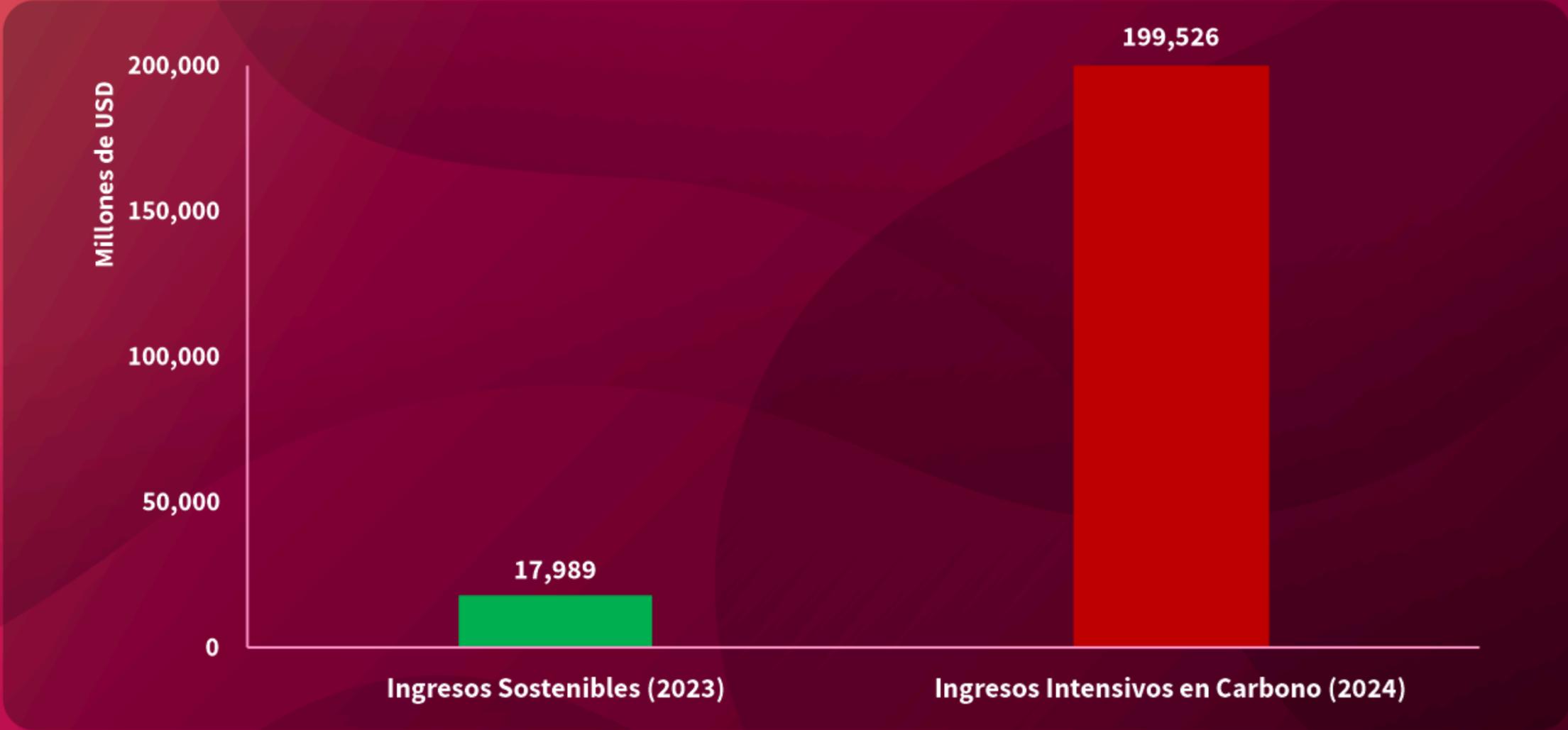
- Based on these ratings, countries are classified into seven levels of sustainable finance performance:

<b>Very High</b>	<b>Score: 3.5 – 4.0</b>
<b>High</b>	<b>Score: 2.9 – 3.4</b>
<b>Medium-High</b>	<b>Score: 2.3 – 2.8</b>
<b>Medium</b>	<b>Score: 1.8 – 2.2</b>
<b>Medium-Low</b>	<b>Score: 1.2 – 1.7</b>
<b>Low</b>	<b>Score: 0.6 – 1.1</b>
<b>Very Low</b>	<b>Score: 0.0 – 0.5</b>

# Sustainable Finance Ranking 2025 (Data as of 2024)

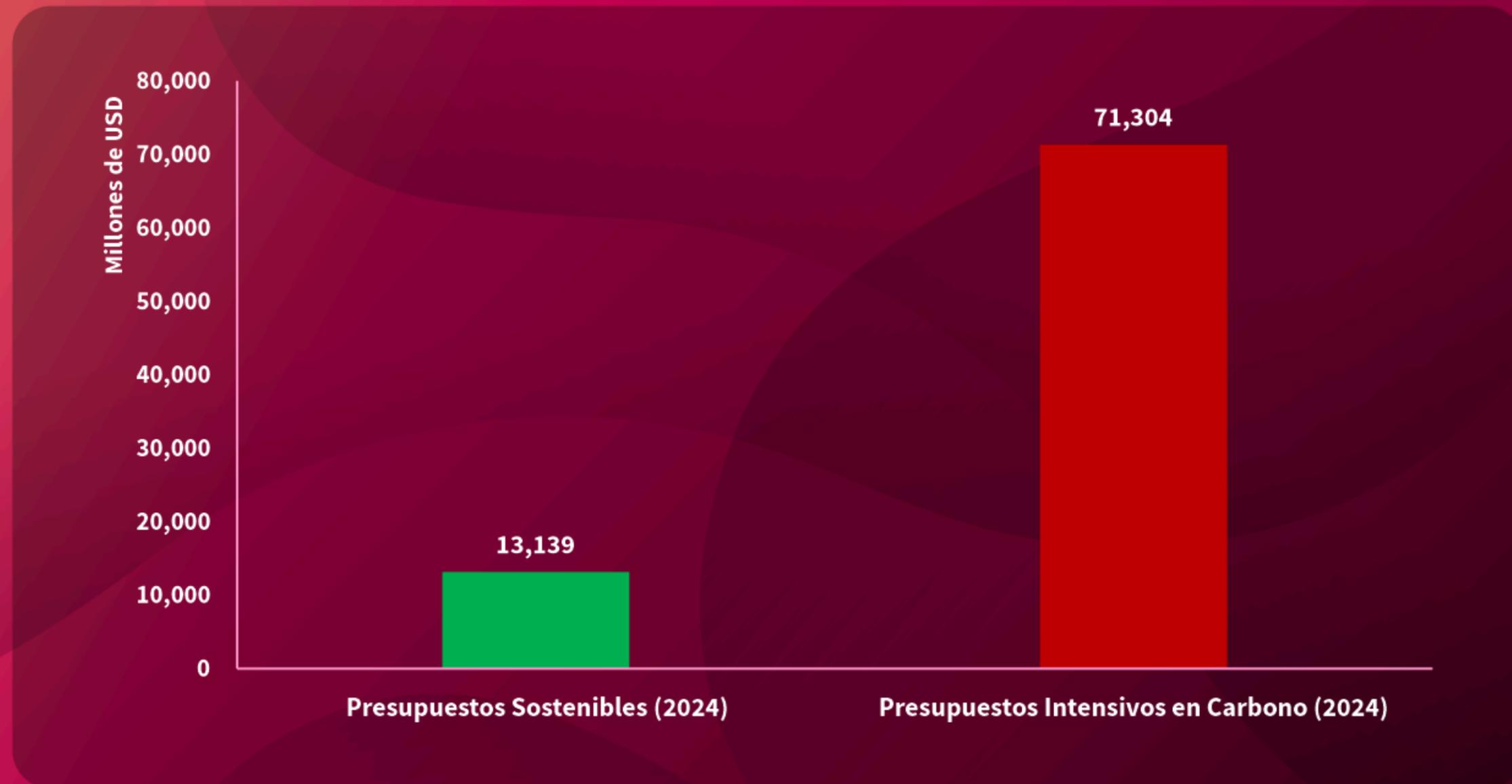


# Regional Analysis: Sustainable Revenues versus Carbon-Intensive Revenues



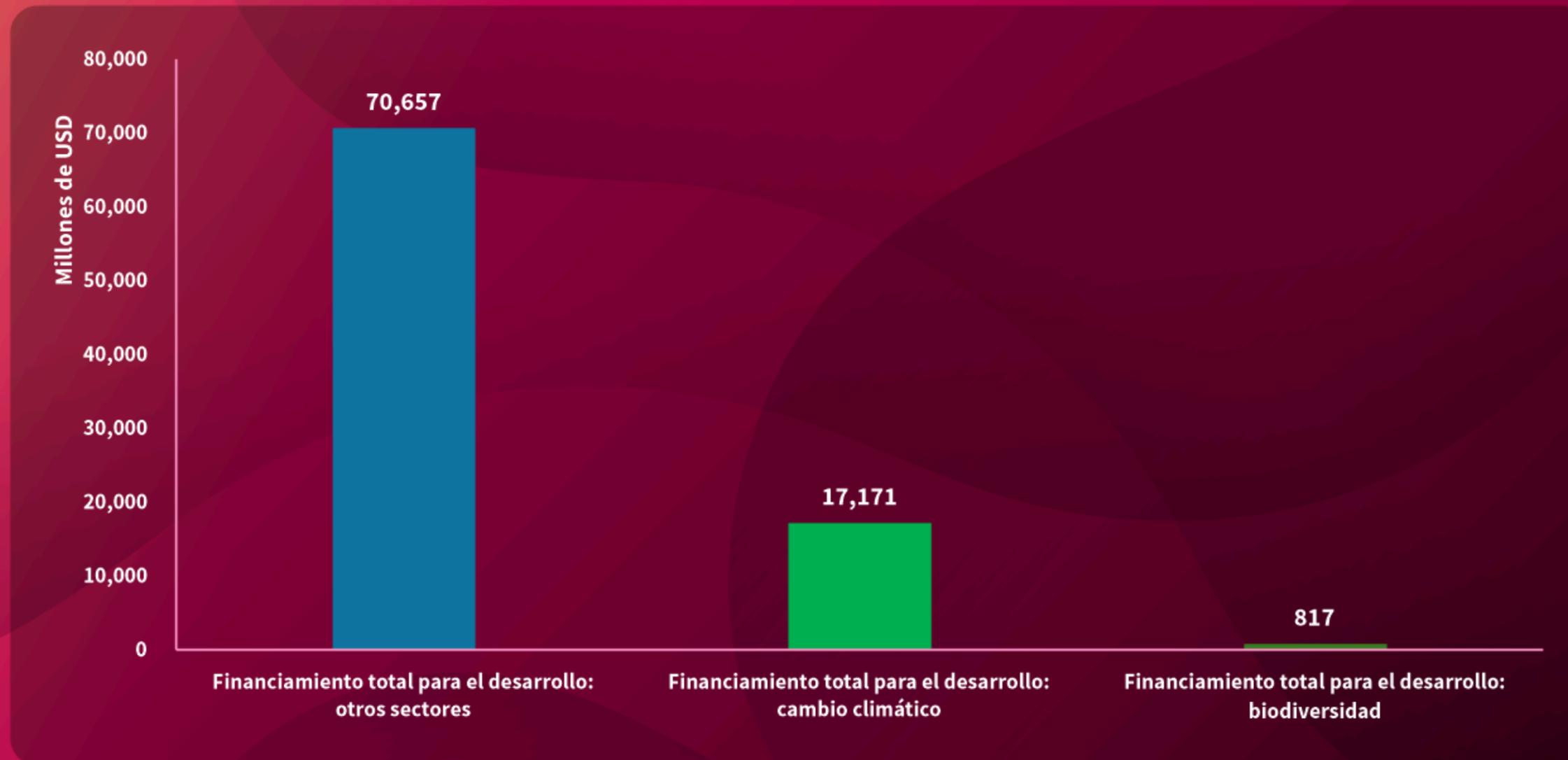
**Carbon-intensive revenues were 11 times higher than sustainable revenues. Together, the 20 countries analyzed generated USD 199.5 billion from the extraction, export, and commercialization of fuels, hydrocarbons, and minerals, compared to just USD 17.9 billion obtained from sustainable activities.**

# Regional Analysis: Sustainable Budgets versus Carbon-Intensive Budgets



Carbon-Intensive Budgets were 5 times higher than Sustainable Budgets. In absolute terms, sustainable budgets reached USD 13.1 billion, while carbon-intensive budgets totaled USD 71.3 billion.

# Challenge 1. Financing for biodiversity and climate change continues to represent a limited share of total development financing in Latin America and the Caribbean in 2023

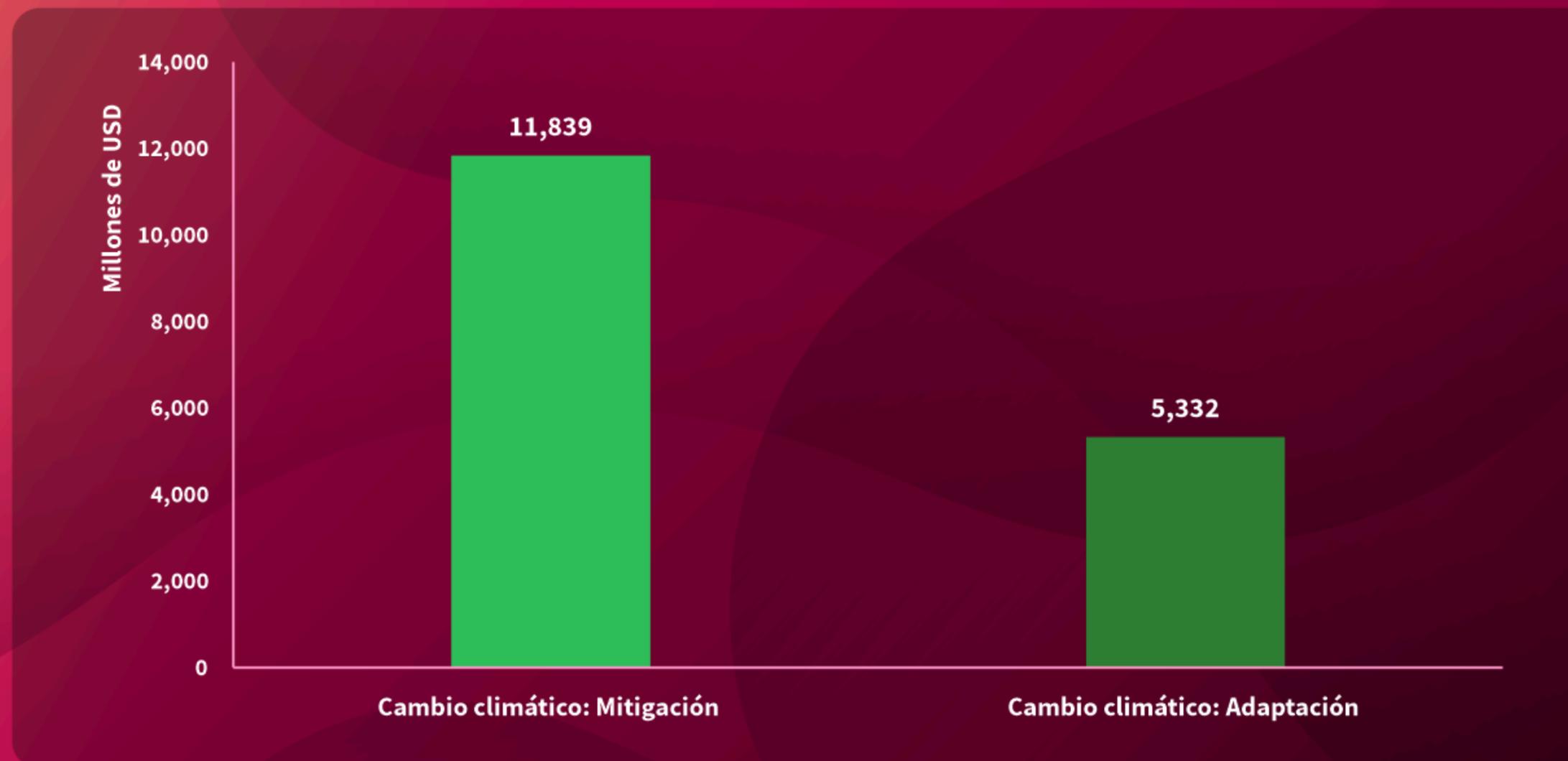


Note. The information on Latin America and the Caribbean refers to the 20 countries included in the IFS study.

Source: GFLAC based on OECD, 2025.

In 2023, Latin America and the Caribbean received a total of USD 70.6 billion in development financing. Of this amount, USD 17.9 billion —equivalent to 25.45% of the total— was allocated to initiatives aimed at addressing climate change.

## Challenge 2. Adaptation continues to receive fewer resources than mitigation in Latin America and the Caribbean in 2023



Source: GFLAC based on OECD, 2025.

Of the total USD 17.1 billion allocated to climate action in Latin America and the Caribbean, the largest share was directed toward mitigation activities, with USD 11.8 billion, while adaptation actions received USD 5.3 billion.

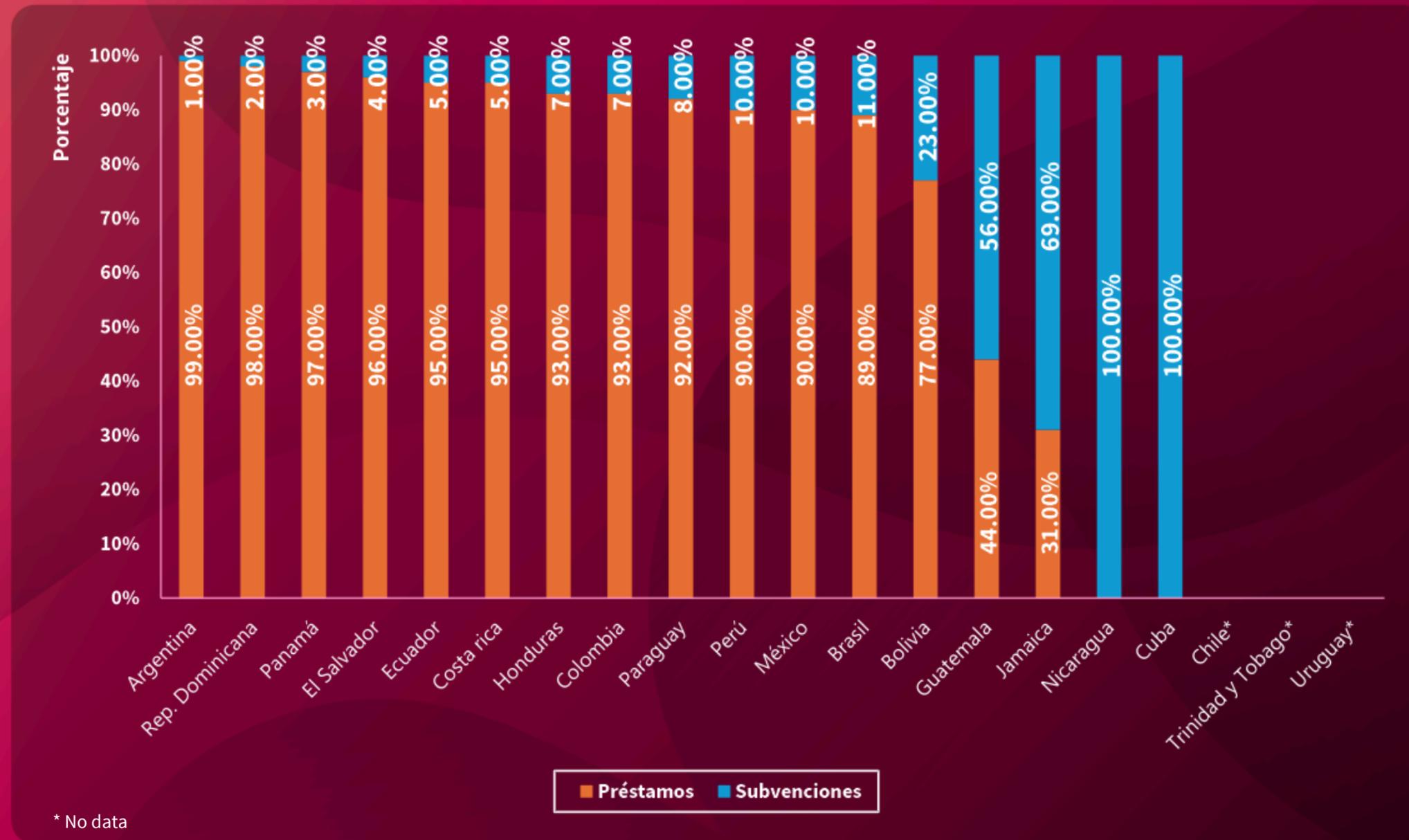
**Challenge 3. Access to climate finance in Latin America and the Caribbean varies significantly among countries, depending on eligibility conditions, institutional priorities, and technical capacities to meet the requirements of international funds.**

**Case 1. Cumulative financing from the Green Climate Fund (GCF) expressed in millions of dollars.**



Source: GFLAC based on the Green Climate Fund, 2025.

## Challenge 4. Most of the financing allocated to climate change and biodiversity was provided through loans rather than grants (data as of 2023).



Source: GFLAC based on OECD, 2025.

In 2023, of the total financing allocated to climate action in Latin America and the Caribbean, 92.1% was provided in the form of loans, while only 7.9% corresponded to grants. In most countries of the region, over 90% of resources were channeled through debt instruments. Cuba and Nicaragua are the only exceptions, receiving 100% of their financing in the form of grants.

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