

# FINANCING THE TRANSITION TOWARD A GREEN ECONOMY



Supporting National Development Banks  
in the design and implementation of  
green strategies

**CMF**

CAPITAL MARKETS  
AND FINANCIAL INSTITUTIONS DIVISION



Inter-American  
Development Bank

# A HOLISTIC APPROACH FOR EACH CLIENT AND SITUATION

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Based on recent IDB experiences, green financing strategies should offer a global support via the combination of a comprehensive set of instruments, tailored to the specific needs of the sector

Definition of priority sectors  
Alignment with National priorities  
Market studies

Addressing **non financial barriers**:  
Structuring the demand for finance

Addressing **financial barriers**:  
Developing adequate financial  
instruments

Support  
technology  
and service  
providers

Build  
financial  
institutions  
capacity

Raise  
awareness  
and  
promote  
standard  
practices

Promote  
business  
models and  
project  
incubation

Credit  
Guarantees

Performance  
guarantees

Insurance

Medium and  
long term  
concessional  
credit

# OBJECTIVES

Significant amounts of funding are required to achieve the investment required to mitigate climate change, and adapt to its effects. The private sector accounts for the majority (86%) of investments that are relevant for activities to address climate change.

**Unlocking private capital will be essential to achieve large and long term low carbon development programs.**

National Development Banks (NDBs) in Latin America and the Caribbean (LAC) have been financing long term private sector investments amounting to around US\$ 700 million a year. NDBs can play a crucial role in promoting the effective implementation of sectorial mitigation programs and channeling some of their funds towards private sector low-carbon projects and programs.

The Capital Markets Division of the IDB is supporting many green finance programs in different countries in the region .

NDBs are the direct beneficiaries of the cooperation and the expected end beneficiaries are private investors in sectors that are strategic for the transition towards a green economy.



ENERGY



MANUFACTURING



HOUSING



TRANSPORT



AGRICULTURE



FORESTRY



SERVICES

# OUTREACH, DISSEMINATION, KNOWLEDGE SHARING

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Each intervention is expected to promote partnerships among the NDBs and various market players such as public entities, private businesses, chambers of commerce, commercial financial institutions, and academic and research institutions.

The IDB supports the sharing of experiences and lessons learned and the dissemination of best practices through different channels and tools such as:

A strong relationship and collaboration with ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo),

KLAVE “Finanzas Verdes”, an online knowledge product aimed at disseminating concrete experiences on green financing.

Finanzas Carbono, a knowledge e-platform, developed by the IDB and maintained by the Fundación Torcuato Di Tella of Argentina which aims at providing – in Spanish – a virtual meeting point for the community of practice in LAC.



# EXPECTED OUTCOME

Development of new business models  
Local environmental, social and economic co-benefits  
Contribution to economic and social development, through increased productivity  
Strengthening of financial innovation capacity

Sector	NDBs	Countries
ENERGY EFFICIENCY	Bancoldex, Findeter, BNB, Fira, Sociedad Hipotecaria, Nafin, AFD	Colombia, Brazil, Mexico, Paraguay
RENEWABLE ENERGY	Bandesal, Nafin	El Salvador, Mexico
SUSTAINABLE TRANSPORT	Bancoldex	Colombia
WASTE MANAGEMENT	BNB	Brazil
AGRICULTURE AND FORESTRY (SUSTAINABLE BIOMASS)	Financiera Rural, Fira, AFEAM, Banco Agrario	Mexico, Brazil, Colombia



ENERGY  
EFFICIENCY



RENEWABLE  
ENERGY



SUSTAINABLE  
AGRO AND FORESTRY  
PRACTICES



SUSTAINABLE  
TRANSPORT



SOCIAL IMPACTING  
INVESTMENT



WASTE  
MANAGEMENT

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*To explore collaboration opportunities, contact:*

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*For more information go to:*

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**<http://kp.iadb.org/finanzasverdes>**

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