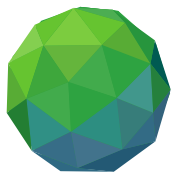


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FUND**

# **Creation of Green Banks in Latin America and the Caribbean**

Leo Park  
Private Sector Facility – Green Climate Fund  
June, 2017



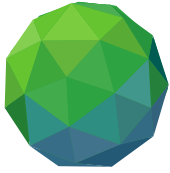
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# Mandates and Objectives

Country  
ownership

Greening  
the financial  
sector

Help  
countries  
meet their  
NDCs



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# Potential GCF Interventions

## Accreditation

- FIs naturally become greener and more sustainable by going through GCF accreditation process (e.g. ESS and gender requirements)

## Readiness Programme/ Project Preparation Facility

- Promote country-level green banking initiatives (e.g. Protocol Verde in Brazil, Protocolo Verde in Colombia, Sustainable Banking Protocol in Ecuador, Sustainability Protocol in Mexico and Regulation for Social and Environmental Management in Peru)
- Conduct necessary analyses and feasibility studies and organize stakeholder engagement activities

## Debt

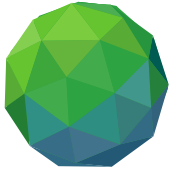
- Green credit lines and green bonds which can be used exclusively for green projects

## Equity

- Equity investment in green banks and micro-finance institutions (e.g. XacBank)

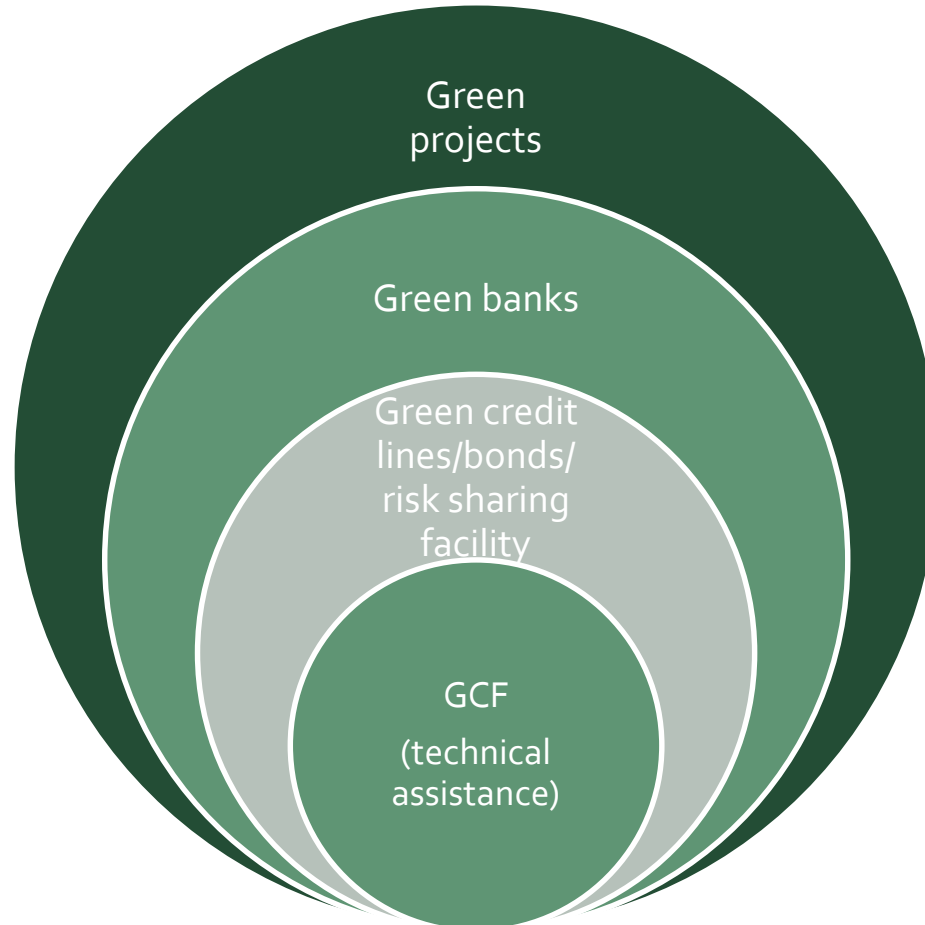
## Grant

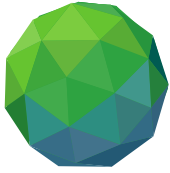
- Technical assistance for capacity building of banks, ESS/gender mainstreaming, etc.



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# Green Ripple Effect





# Creating a Green Bank: 3-Step Process

1

## Analysis and Stakeholder Engagement

- Market analysis
- Legal analysis
- Capitalization analysis
- Outreach to stakeholders

### Activity

- Provide **readiness funding at the request of the NDA**
  - hire a firm as a delivery partner to conduct the analyses
  - develop an outreach plan and a strategic framework and host workshops.

### GCF support

2

## Establishment

- Stakeholder consensus
- Enabling legal actions
- Staffing

- Additional feasibility studies required can be covered by the **readiness funding and/or project preparation facility, requested by an AE**

3

## Operations

- Market approach and product design
- Capitalization and commencement of operations
- Ongoing operations and reporting

- GCF can participate in the **capitalization process through an AE**





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