Climate change and sustainable finance webinar series

Building Resilience Through Green Bonds

April 23rd at 10:30
Anna Creed
Anna is the Head of Standards at the Climate Bonds Initiative, responsible for the development of all screening criteria for the Climate Bonds Standard. The Standard has been used to certify approximately 20% of all green bonds issued globally.

Dr Craig Davies
Dr Davies lead EBRD's climate resilience investment operations in emerging markets from North Africa to Central Asia. His team helps businesses, financial institutions, utilities and government agencies to understand how they are affected by physical climate risks, and to integrate climate resilience into their business operations.

Gianleo Frisari
Gianleo is a senior climate change specialist at the InterAmerican Development Bank where he focuses on climate finance and sustainable investments. He works on financial solutions for the public sector, such as sovereign green bonds, and green finance regulation and supervision.
Despite the impacts of the coronavirus pandemic, the world mustn't forget the "deeper environmental emergency" facing the planet. We must act decisively to protect our planet from both the coronavirus and the existential threat of climate disruption.

UN Secretary General Antonio Guterres – April 22, 2020
Climate Change Vulnerability and Resiliency

“The coronavirus crisis holds profound lessons that can help us address climate change—if we make greater economic and environmental resiliency core to our planning for the recovery ahead.”

McKinsey, April 2020

However, climate change is gradual, cumulative → Preparation and Prevention
Latin America and the Caribbean is the second-most disaster-prone region in the world – UN Office for Coordination Humanitarian Affairs, 2020

Majority of LAC countries showing significant vulnerability to climate change – ND Global Adaptation Country Index

Over 50% of the region’s population is currently residing in countries with ‘high’ or ‘extreme’ climate vulnerability risks - CAF, 2014

Climate Change Vulnerability in LAC

https://gain.nd.edu/our-work/country-index/
Climate Change Vulnerability in LAC – Impacts and Risks

**Key Risks**

- Agriculture / Food Security
- Water Availability
- Energy Access
- Infrastructure / Housing
- Tourism
- Health / Safety
Climate Change Financing: Green Bonds

- **LAC market** grown in size and diversity
- **Climate Change Financing**: Green Bonds

- **Lion's share of funds** used in Energy and Transport, but Land use is the key sector

- **Latin America & Caribbean**: Green finance state of the market 2019
The key barriers to financing resiliency

Globally, only 3-5% of green bond proceeds for climate resilience related efforts to date – CBI, 2018

Barriers to investment in climate resilience
• Lack of Awareness of climate resilience benefits
• Lack of Common Methodologies for Climate Risk Assessment
• Lack of Common Definition and Taxonomy
• ... and more.

IDB Adaptation Taxonomy

Potential Solutions

Climate Resilience Principles

Climate Resilience Principles
Climate Resilience and Green Bonds – Key Questions

- Why do we need Climate Resilience Principles in the Green Bond Market?
- What qualifies as Climate Resilient Investment according to the Principles?
- How do the Principles relate to other Sustainable Finance Taxonomies?
- How has EBRD used the Principles to issue its first Climate Resilient Bond?
- Which projects will EBRD finance with the CR Bond?
- How resilience impacts will be reported?
Green Bonds – Deals Supported by IDB

Colombia
- Bancoldex
  Cooperación técnica para la emisión
  COP 200,000 millones
  Segunda opinión

Colombia
- Bancoldex
  Cooperación técnica para la emisión
  COP 400,000 millones
  Segunda opinión

Colombia
- Findeter
  Cooperación técnica para la emisión
  COP 400,000 millones
  Segunda opinión

Perú
- COFIDE
  Cooperación técnica para la emisión
  PEN 100 millones
  Segunda opinión

Gobierno de Chile
- Garantía a la emisión
  USD 1,418 millones y EUR 861 millones
  Segunda opinión

México
- FIRA
  Cooperación técnica para la emisión
  MXN 2,500 millones
  Segunda opinión

Ecuador
- Gobierno del Ecuador
  Garantía a la emisión
  USD 300 millones
  Segunda opinión
Climate Change Division (CCS) and Connectivity and Financial Markets Division (CMF)

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