

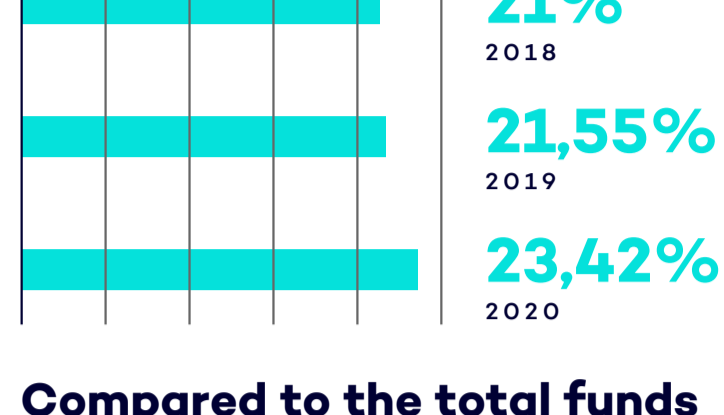
CAF, THE GREEN BANK OF LATIN AMERICA AND THE CARIBBEAN

TOWARDS A CLEANER, MORE SUSTAINABLE REGION

CAF has been a catalyst for green financing sources for Latin America and the Caribbean, including low-cost co-financing.

We help drive sustainable development of the region based on the strategic vision of our Green Agenda, based on which we fund initiatives that promote a more equitable economic development, guided by conservation, the enhancement and sustainable use of biodiversity and responsible climate action, thus improving the adaptability and resilience of the economies of CAF member countries. Our goal is to become the green bank of Latin America and the Caribbean.

CAF has pledged to expand its green portfolio indicator by 21% from 2018, i.e. the percentage of the total amount approved (23.42% in 2020) for operations that meet the eligibility requirements according to the IDFC methodology.



Compared to the total funds approved in the year by CAF



CAF is committed to reaching **40%** in green financing by 2026

Strategic lines on our roadmap to becoming a green bank



Promoting an ever-growing portfolio of green operations that include interventions to enhance the value of natural capital, mitigation measures and adaptation to climate change. This guideline also includes the credit lines granted to intermediary financial institutions with which CAF works in its shareholder countries.



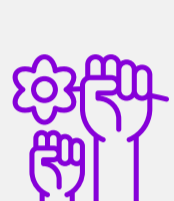
Strengthening strategic alliances with investors and international partners, such as specialized funds, banks and the private sector that operate in the same line as CAF in order to attract and mobilize funds on competitive terms, co-finance and use other financial and non-financial mechanisms that catalyze additional investment to the region.



Developing innovative financial instruments to optimize the use of CAF's capital and/or improve risk profiles of operations, thus encouraging the mobilization of funds under more competitive terms.



Attracting new and different types of allies such as universities, foundations, NGOs, sub-national governments, to exchange knowledge and best practices that enhance the capillarity of CAF.



Promoting the creation of a regional solid and consensual platform to address the climate crisis and biodiversity loss.



Deepening the relationship with local stakeholders in countries, such as national development banks and commercial banks, ensuring that we are all acting in coordination to support our shareholder countries in the fulfillment of their national development agendas.



Green financing in capital markets, under the framework of CAF's Green Bond Program, which will expand CAF's role as an issuer in international markets and strengthen its position as a benchmark at the regional level.



Promoting the transition of the business fabric towards sustainable and resilient production models, which comply with the commitments to reduce greenhouse gases, but also the involvement of companies in devising innovative solutions and in the projects of infrastructure and investments with co-benefits in sustainability.



To analyze and support the formation of a regional carbon market, which channels sizeable funds available in the international market in favor of the productive, sustainable and resilient transformation in our countries.

CAF AND ITS GREEN AGENDA

The Green Agenda is an key instrument to promoting an effective mainstreaming of environmental and climate value that transcends business indicators.

CAF's Green Agenda is articulated with its different initiatives and programs:

- Cities with a Future
- Inclusion and Financial Services
- Water
- Sustainable Mobility
- Strategic natural ecosystems and ecosystem services
- Biodiversity and urban forests
- Nature-based business solutions

We support member countries in accessing green finance funds, building institutional capacities and scaling successful experiences to meet the binding commitments set out in the 2030 Agenda for Sustainable Development, the Paris Agreement and the Global Biodiversity Framework Pot 2020.

CAF is **accredited to the main Green Funds for financing**, thus supporting member countries in the implementation of projects that **help honor their environmental and climate commitments**.



GREEN ADAPTATION FUND



GREEN CLIMATE FUND



GLOBAL ENVIRONMENT FACILITY

By 2020 we mobilized third-party funds for environmental and climate finance totaling **USD 665 MILLION** including credit operations and non-refundable technical cooperation

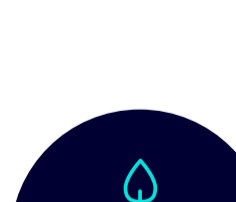
GREEN BOND PROGRAM



Through this Program, CAF channels funds from investors into the financing of projects on environmental sustainability, and climate change mitigation and adaptation.



This initiative is in line with the Green Bond Principles 2018 (GBP), according to Sustainability ESG validation.



EUR 750 MILLION

First green bond issued on the European public market

November 2019



USD 384 MILLION

Green bonds issued in the Swiss market to fund sustainable projects in Latin America

August 2020

DEVELOPMENT BANK CLUB

CAF plays a co-leadership role in the IDFC (International Development Finance Club), an organization with 26 members that work together to meet the **Sustainable Development Goals (SDGs)** and honor the commitments of the **Paris Climate Agreement**, joining forces to promote and leverage Investment in Sustainable Development all over the world.

