

SUSTAINABLE DEVELOPMENT AGENDA

March 2021



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CAF's Sustainable Development Agenda



Sustainable Development Agenda

Cities with future

Water

Education

Health

Social inclusion and Gender Equality

Climate Change, Natural Capital, Internal Environmental Management

Strategic scopes of development

Territorial vision

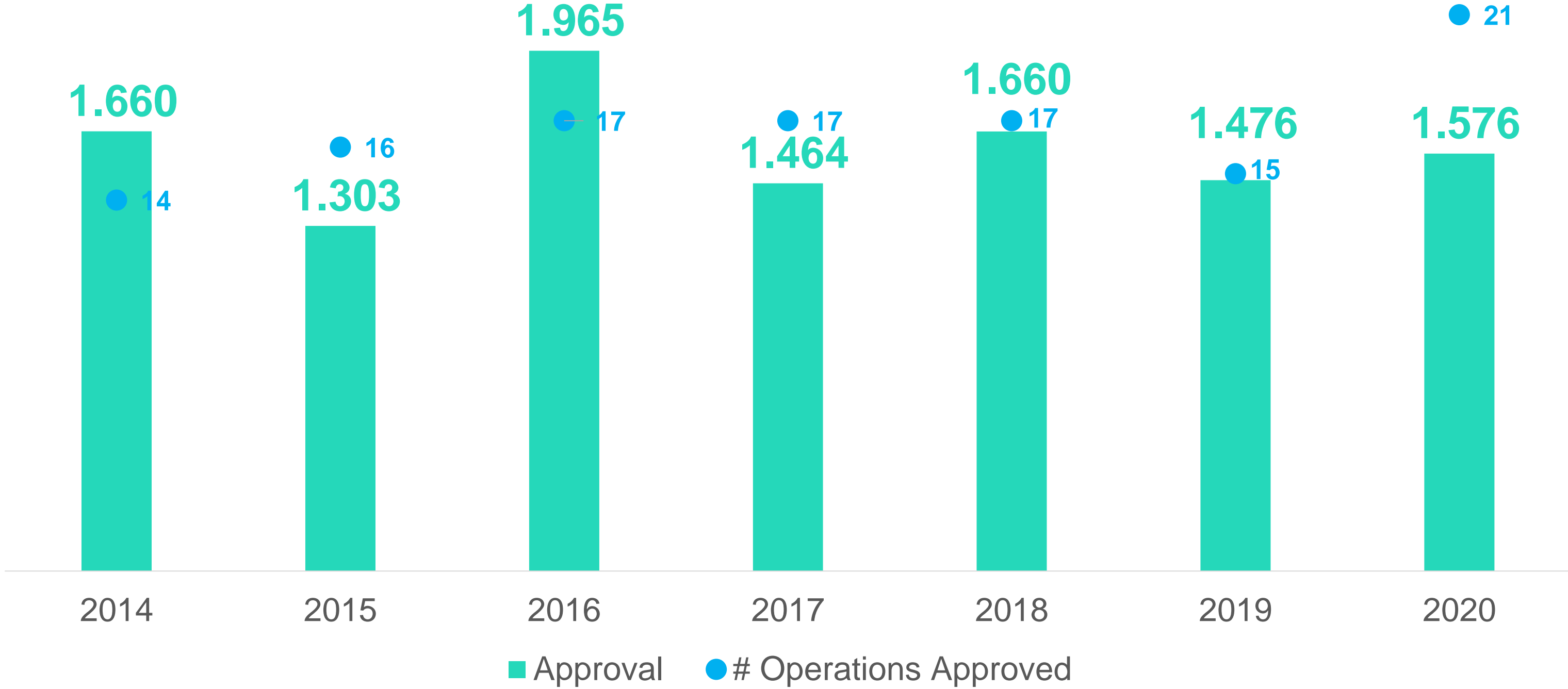
Intervention sectors

Crosscutting concepts

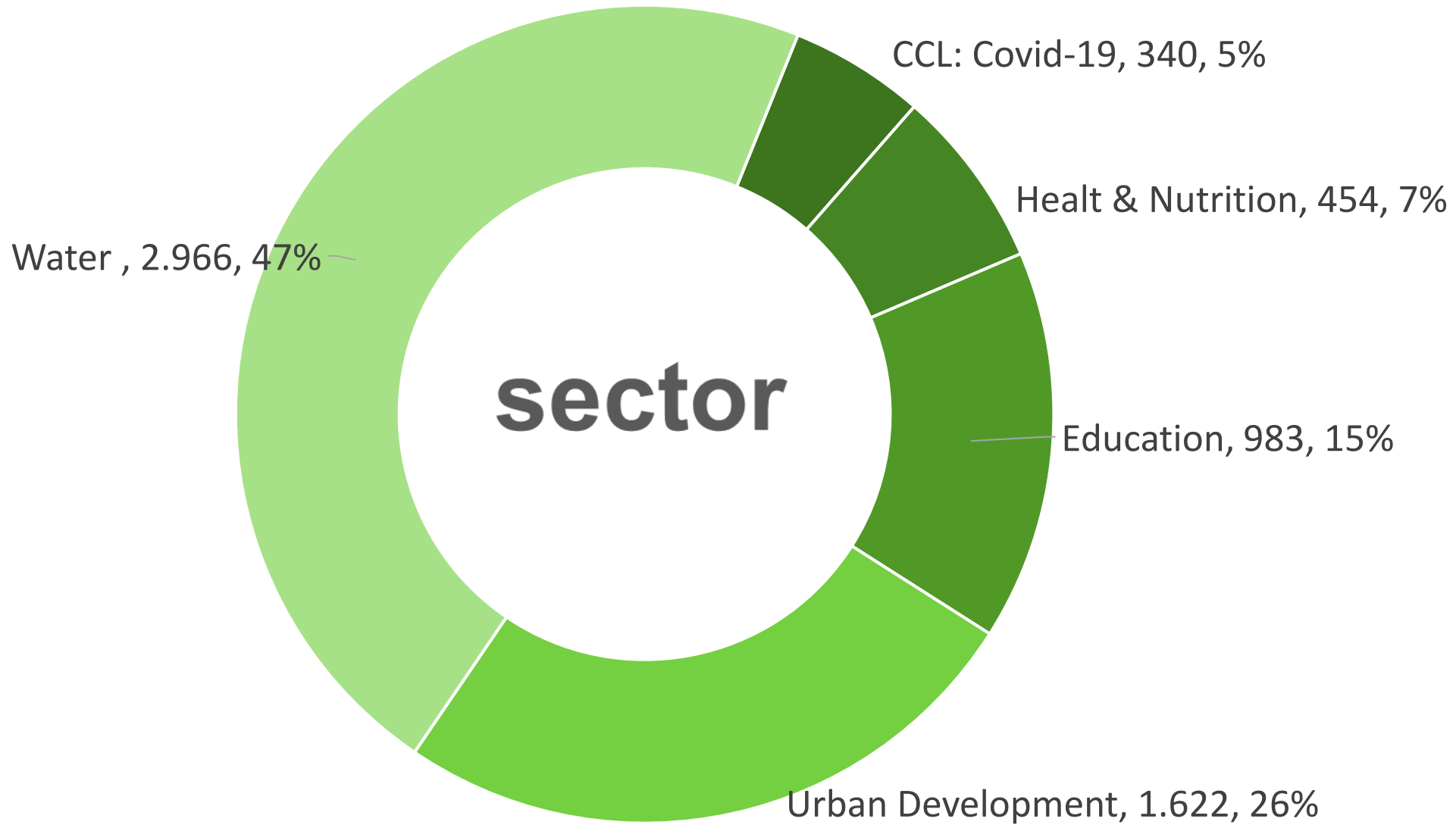
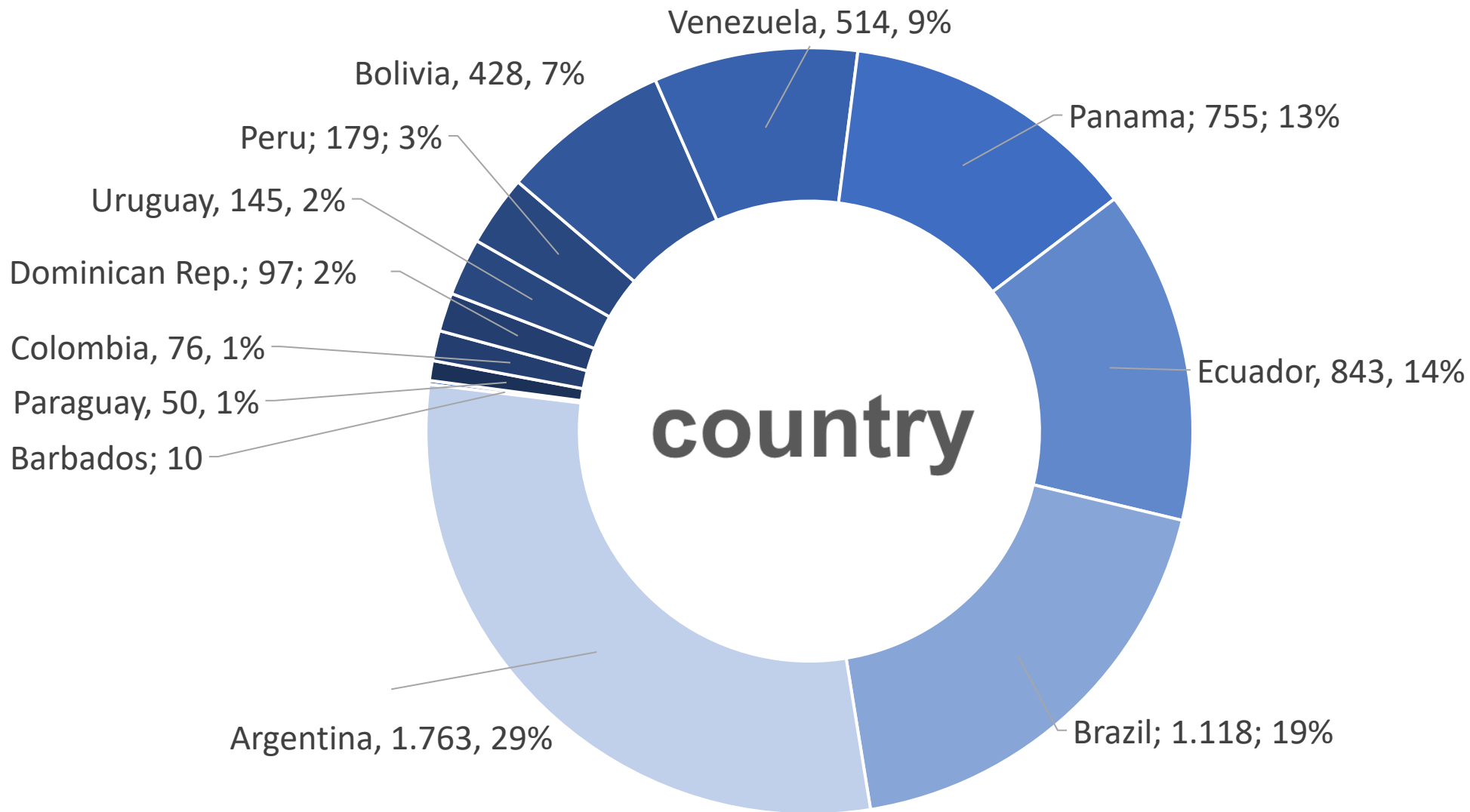
Sustainable development: Loan approvals (2014 - 2020)

Total approvals 2014-2020 (USD millions): 11.104
Average approval per operation (USD millions): 94,9

Total approvals 2014-2020 (# operations): 117
Average operations approved per year (#): 16,7



Loan approvals per country and sector (2014 – 2020)



Contingent Credit Line (CCL) not included at country pie chart distribution

Water

Strategic Objectives

Water Security

- CAF promotes universal and safe access to water and sanitation, and support socio-economic development through supporting (i) efficient use of water, (ii) wastewater pollution reduction, (iii) ecosystems preservation, and (iv) water-related disasters prevention and solutions.

Strategic
Objectives

1. Water and Sanitation access for all (safe and affordable)

2. Water pollution reduction and ecosystems preservation

3. Low-scale irrigation for agriculture (effective and affordable)

4. Multi-sectorial water development for agroindustry and other productive uses

5. Governance improvement and sustainable water management

Sanitation Program - Panama

- CAF: USD 628 M.
- 1,5 MM beneficiaries

CAF leads co-financing with other partners: WB, EIB, IADB, JICA & KfW, for total of USD 2.3 B.

Panama City

- Social inclusion and environmental quality in Panama Bay
- Expansion of sewerage
- Construction and expansion of Juan Díaz WWTP

West Panama

- Sanitation in Burunga, Arraiján y La Chorrera



Juan Diaz Wastewater Treatment Plant

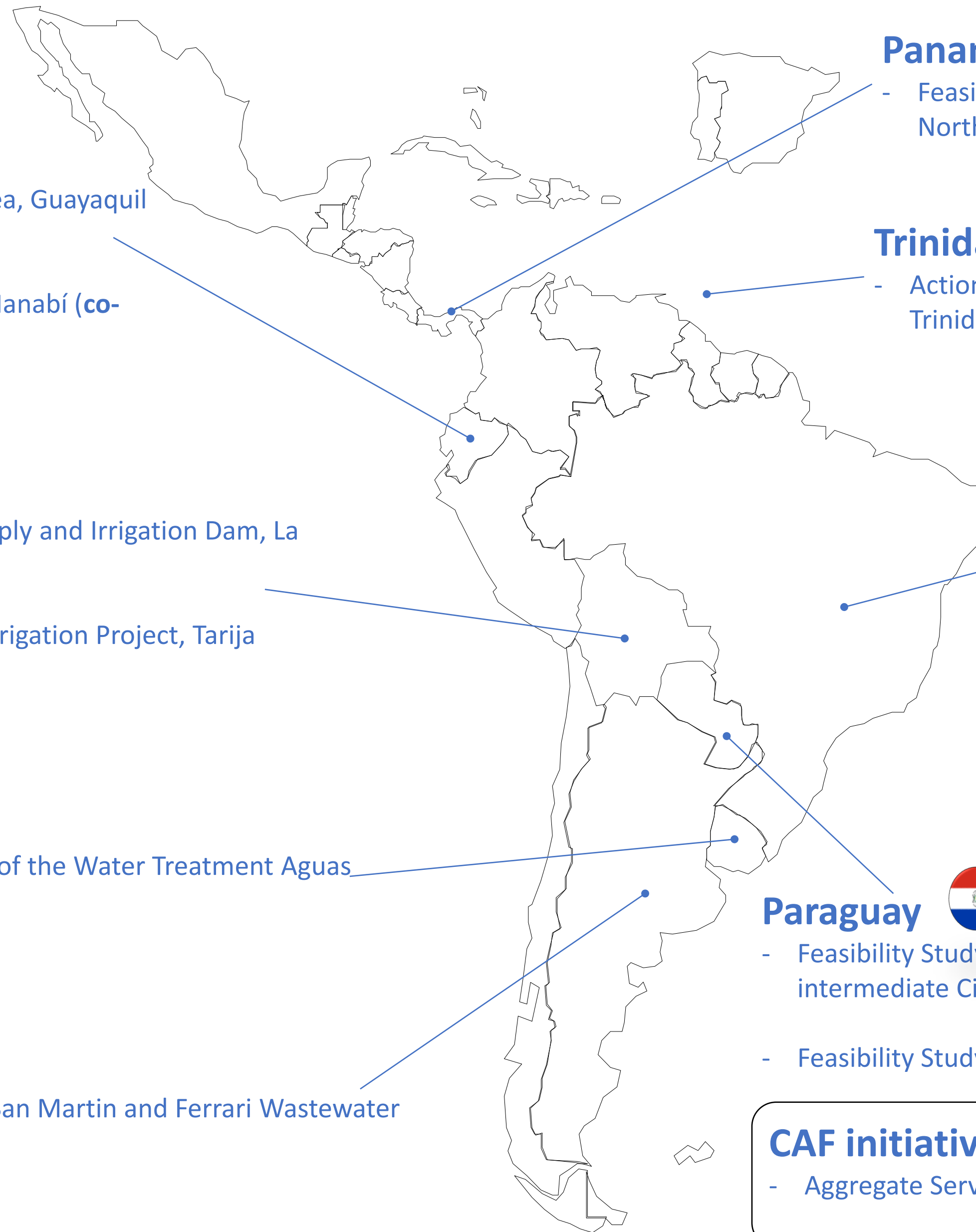


Panama Bay



Plan view of the Program

Water Project Preparation Facility (CAF-PPSA)



Ecuador

- Final Design for water supply in Monte Sinaí area, Guayaquil City
- Final Design of the WWTP for Portoviejo City, Manabí (co-financed by AFD)



Bolivia

- Final Design for Chojña Khota Water Supply and Irrigation Dam, La Paz
- Final Design for Carachimayo Dam and Irrigation Project, Tarija



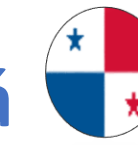
Uruguay

- Final Design for Sludge Management of the Water Treatment Aguas Corrientes



Argentina

- Final Design of the new Pump Station San Martin and Ferrari Wastewater Treatment Plant



Panamá

- Feasibility Study and Basic Design of Sanitation Program in Panama North Sector



Trinidad y Tobago

- Action Plan and Final Design of Immediate Measures for Flood Control for Trinidad & Tobago



Brasil

- Feasibility Study and Basic Design of Drainage System of São Bernardo do Campo, São Paulo
- Feasibility Study and Basic Design for DMA in the Downtown area and RB-1 in Mogi das Cruzes, São Paulo
- Final Design for Drainage System in Santo André Municipality, São Paulo
- Final Design of Water and Sanitation for Tourist Cities of the State of Ceará



Paraguay

- Feasibility Study for Sanitation in Mariano Roque Alonso and Final Design in four intermediate Cities –Phase I
- Feasibility Study and Basic Design for Intermediate Cities – Phase II

CAF initiative

- Aggregate Services for Tender Agents and External Supervision for Studies of PPSA-2

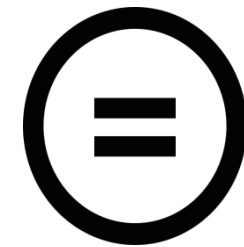
Cities

Cities with Future

a CAF initiative



Environment and
Climate Change



Gender Equality



Governance

+ Inclusion
+ Productivity

Access to
opportunities



+ Inclusion

Slum Socio Urban Integration in Buenos Aires City, Argentina



Aim:

Slum upgrading focused on greater access to opportunities to improve productivity and social inclusion through a participatory decision making process

Program:

CAF financing amount: USD 100 MM

Executor: Housing Institute of the City of Buenos Aires

Program Components: basic infrastructure improvement, housing solutions, community equipment and public spaces, institutional strengthening

+ Productivity

Urban Renewal and Revitalization in Salvador de Bahia, Brazil



Aim:

To support the tourism sector development of Salvador, through strategic urban areas upgrading, territorial integration of tourism services and facilities, high quality public spaces, sanitation service improvement, and a better digital connectivity

Program:

CAF financing amount: USD 60,7 MM

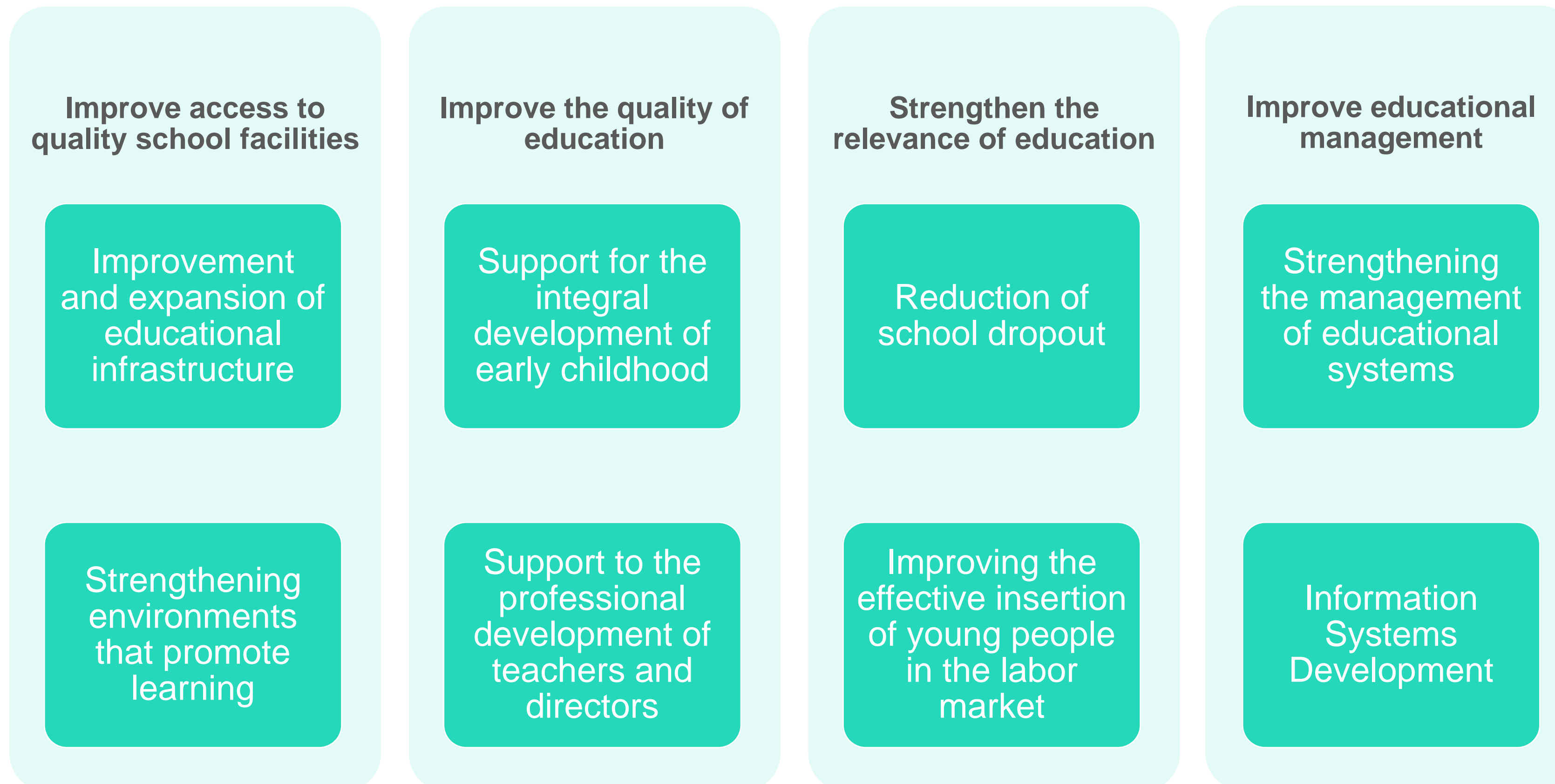
Executor: Municipality of Salvador

Program components: sanitation and water services, urban renewal and revitalization, public space interventions, creation of cultural institutions in an iconic building in the historic center of the city, and improving digital connectivity in more than 700 public buildings and squares

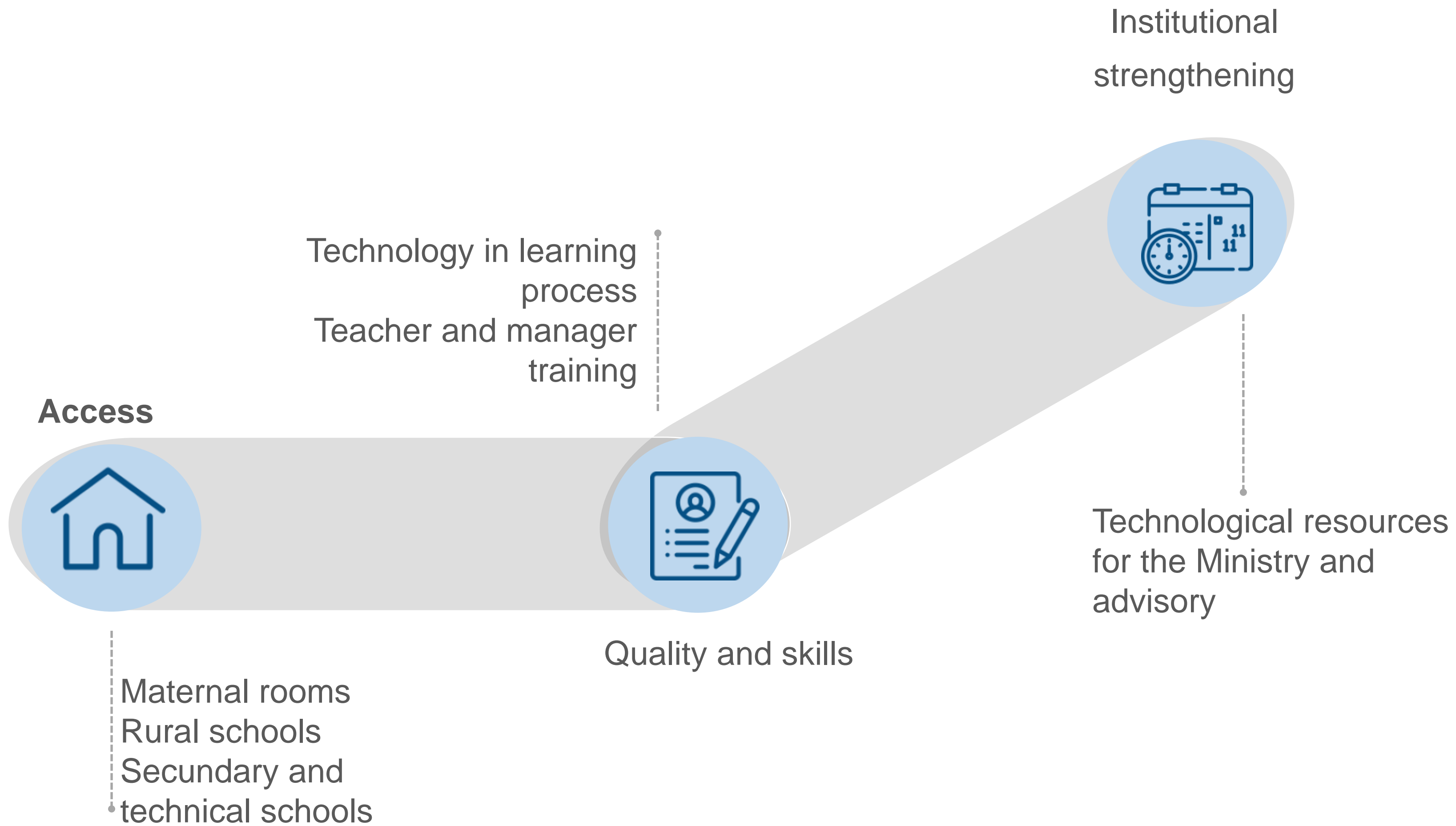
Education

Education Agenda

Contribute to close gaps in access, improve the quality, relevance of education and improve management, based on comprehensive interventions that recognize the specific conditions of each educational system



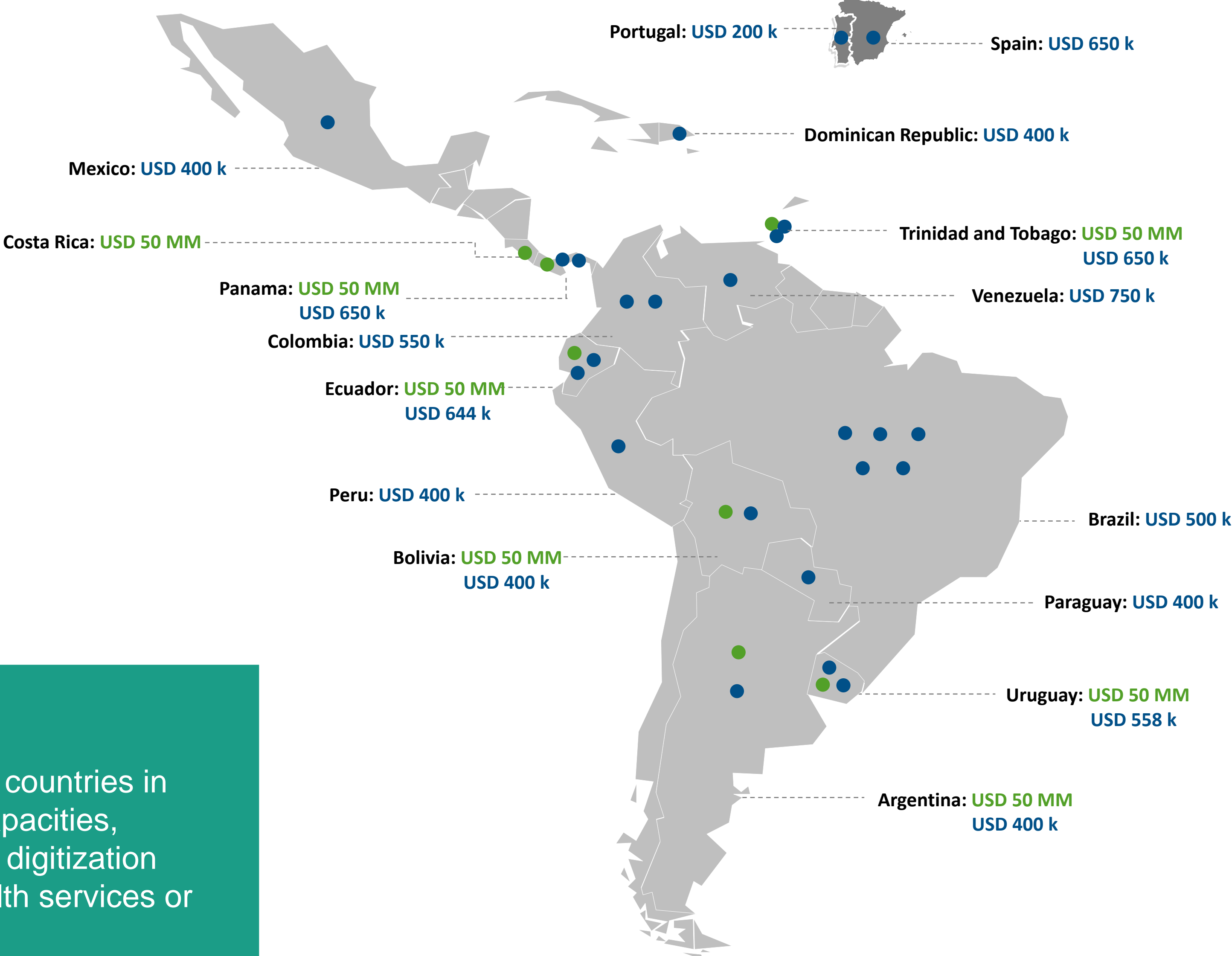
More and better access to education: PROMACE Jujuy (Argentina)



Health & Nutrition

CAF response to attend the pandemic

Contingent credit line for USD 340 MM
Humanitarian emergency USD 6,2 MM
Technical assistance USD 1,3 MM



New Facility 2021: USD 1.000 MM

Objective: Strengthen the health systems of CAF countries in vaccination process, epidemiological surveillance capacities, development and use of technologies for the sector digitization (telemedicine and others), coverage of essential health services or programs, in the context of the COVID-19 Pandemic.

Green Agenda: Climate Change & Natural Capital

Climate Change in Latin America

- The rainfall pattern and flow rates have changed, resulting in more extreme events that manifest in shorter periods of time; therefore, floods and droughts have been exacerbated.
- There is evidence of a dramatic glaciers' retreat in the Central Andes, which affects the water supply and annual hydrological regime.
- Extreme droughts have led to an increase in forest fires in sensitive ecosystems such as the Amazon rainforest, especially in highly vulnerable systems such as the dry forests.



Natural Capital in Latin America

- Latin America holds the planet's greatest biodiversity (60% of known species and 6 of the 17 mega-diverse countries).
- **USD 24 trillion** per year is the economic value of terrestrial and coastal ecosystem services.

Latin America faces significant challenges with regard to climate change and biodiversity loss



CAF's Green Agenda

Strategic Objectives and Programmatic Lines of Work

To promote the transition of Latin American countries towards green and low-carbon economies, through the enhancement of natural capital and the development of responsible climate measures, incorporating the environmental component in CAF's operations and mobilizing resources for green financing

Assist countries in their environmental and climate change commitments

Development of environmental and climate change policies, strategies, and programs

- GCF Readiness Program for Countries
- Biodiversity Program BIOCAF 2021-2025
- Forestry Program (CAF Bosques)

Strengthening Institutional Capacity

- Cities and Climate Change (UE – LAIF)
- Financial Institutions

Project Structuring with environmental and climate change components

Integrate environmental and climate change components to CAF's projects

- Project Preparation (GCF and GEF)
- Finance of Pilot Projects (Adaptation Fund and GEF)
- Co-financing of Investment Projects (GCF)
- Performance Based Climate Finance (UE – LAIF)

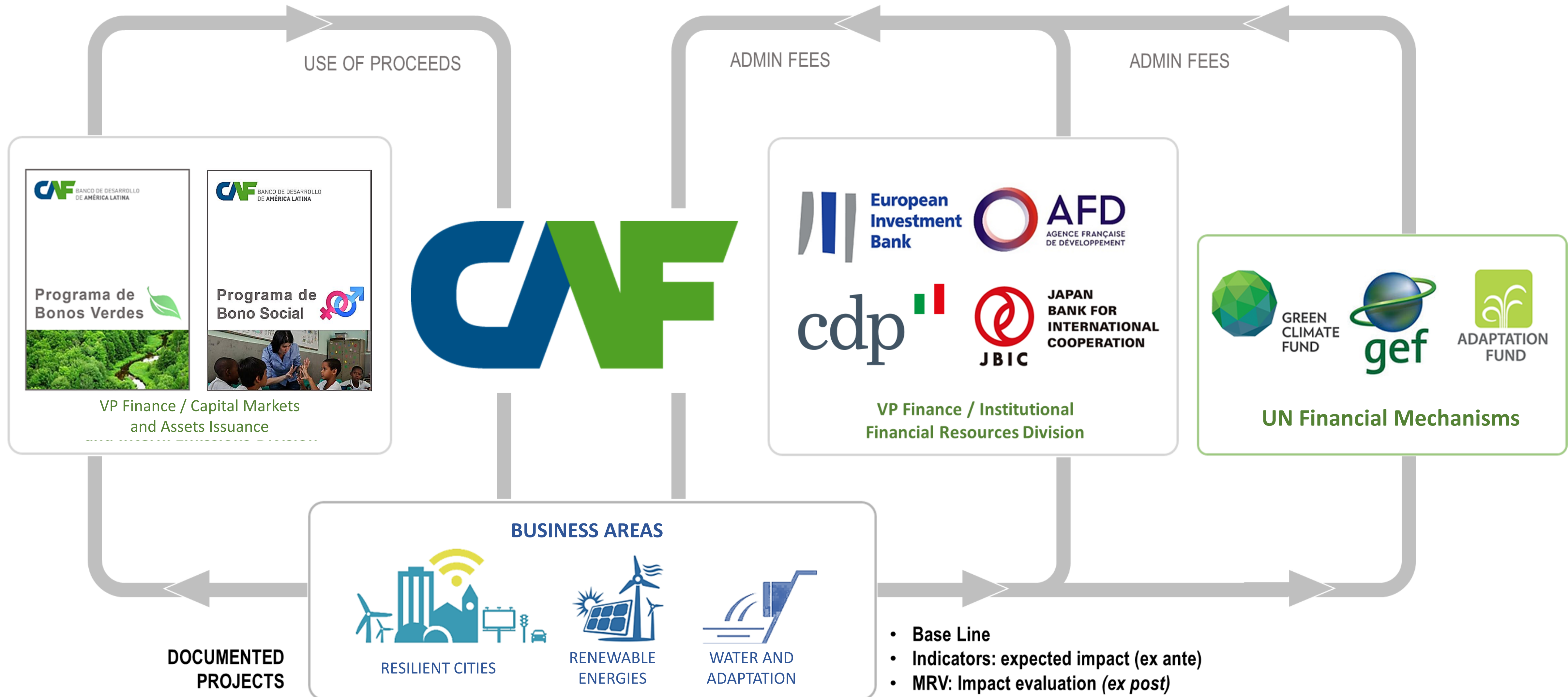
Mainstreaming Green Finance

- Green Bond Program
- Lines of Credit with Strategic Partners
- Alliances: IDFC, OECD, ECLAC
- Action Plan for Green Finance

CAF's Green Agenda – Areas of Work



Green Finance virtuous cycle



Green Finance projects / programs

National Projects



- ~USD 236 MM catalyzed for environmental and climate change projects and programs
- On average **28-30%** of yearly approvals with green/climate components
- CAF is a **carbon-neutral** organization (emissions compensated from 1970).

Regional / Multi-country Programs

Program	Countries	USD MM
◆ Adaptación al Cambio Climático en los Andes (AICCA)	Bolivia, Colombia, Ecuador y Perú	10,2
◆ Pesca sostenible Caribe	Barbados, Belice, Guayana, Jamaica, Panamá, Santa Lucia	7,9
◆ Bermejo	Argentina, Bolivia	6,4
◆ Cuenca del Río Plata	Argentina, Bolivia, Brasil, Paraguay, Uruguay	2,2
◆ Acuífero Guaraní	Argentina, Brasil, Paraguay, Uruguay	2,2
■ Instituciones Financieras Locales	Chile, Ecuador, Panamá, Perú	100
▲ Río Uruguay, ecosistemas vulnerables	Argentina, Uruguay	14
▲ Inundación en zonas costeras	Chile, Ecuador	14

Final remarks

1. Latin America maintain important gaps in access, quality and institutions in the main social sectors, such as water, urban development, education or health, as well as in the green agenda.
2. The pandemic has exacerbated these gaps.
3. Closing these gaps requires significant investment and specialized knowledge.
4. This situation represents a major challenge for the region but also an opportunity for bigger, better, smarter and more sustainable investments.



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