Advancing Sustainable Financing in Latin America and the Caribbean

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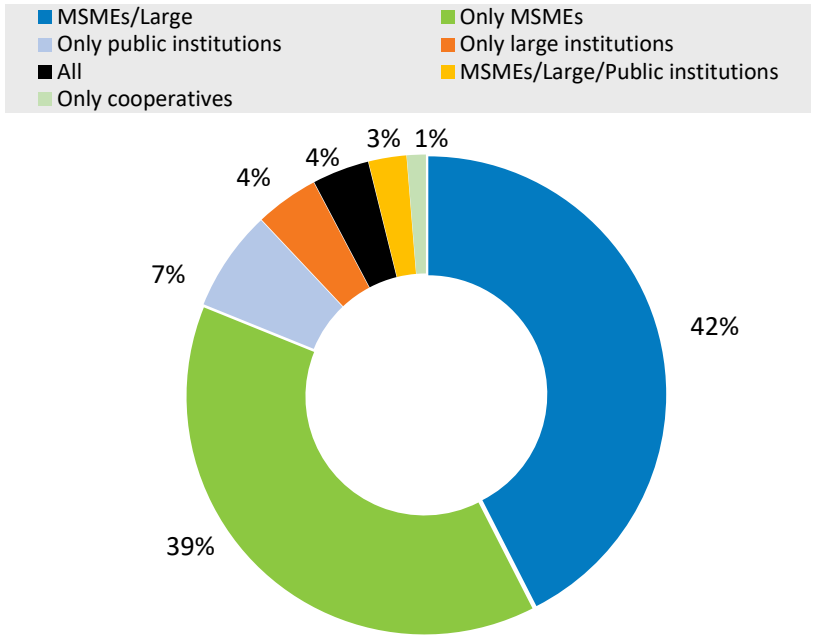
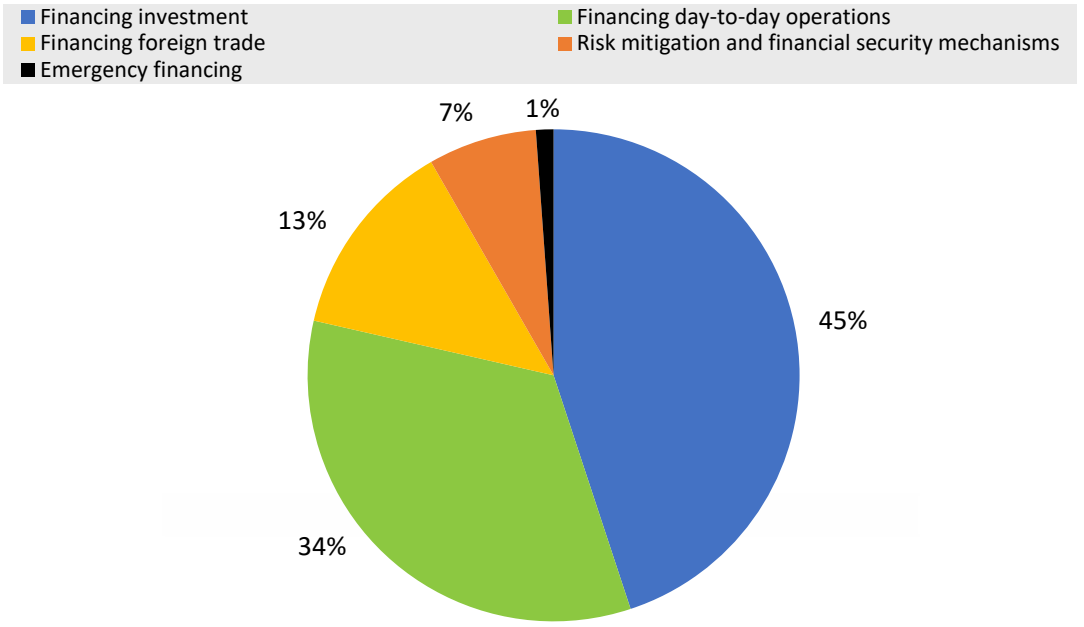
DFIs play a pivotal role in delivering **innovative financial services** to MSMEs

Targets of financial instruments in selected DFIs in LAC, 2023



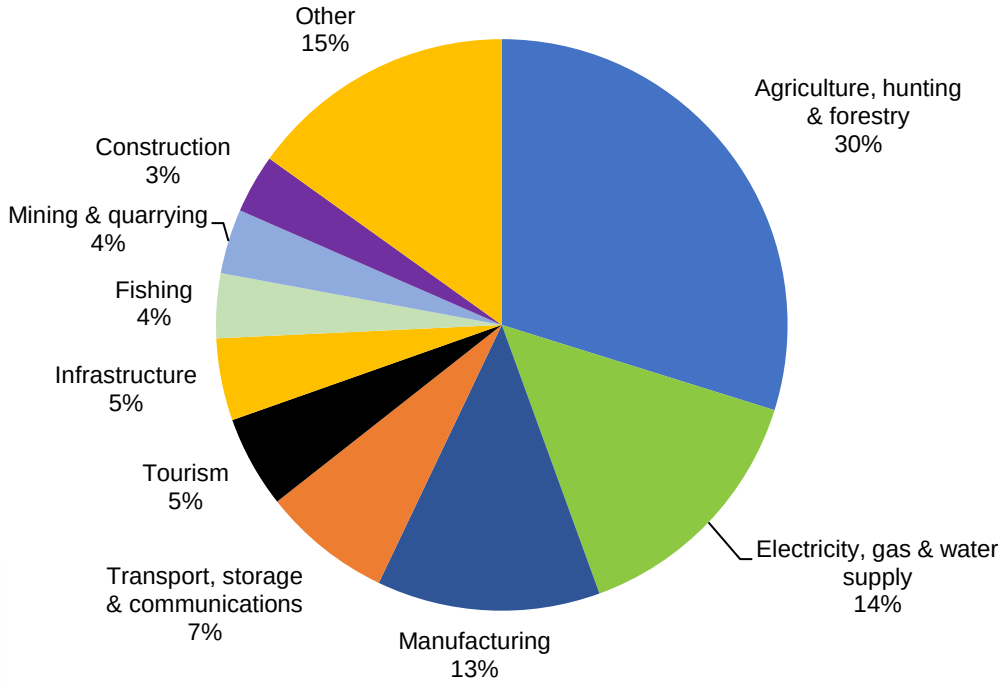
Distribution of financing types offered to MSMEs by public DFIs in LAC, 2023



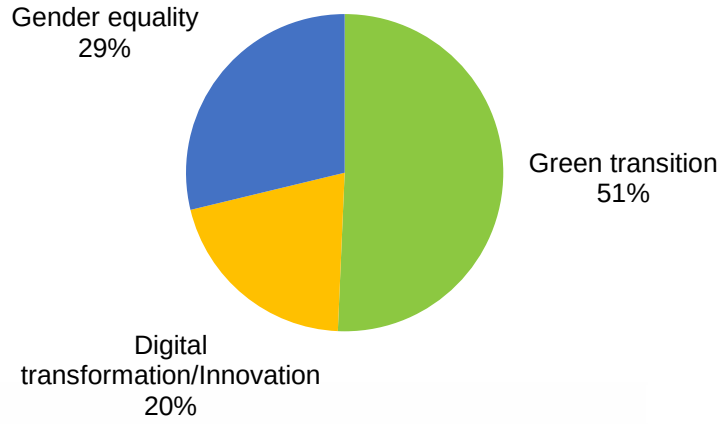
Source: Latin American Economic Outlook 2023

DFIs can boost **key production sectors** and contribute to **green, digital and gender goals**

Distribution of the sector-targeted financial instruments offered to MSMEs by DFIs, 2023

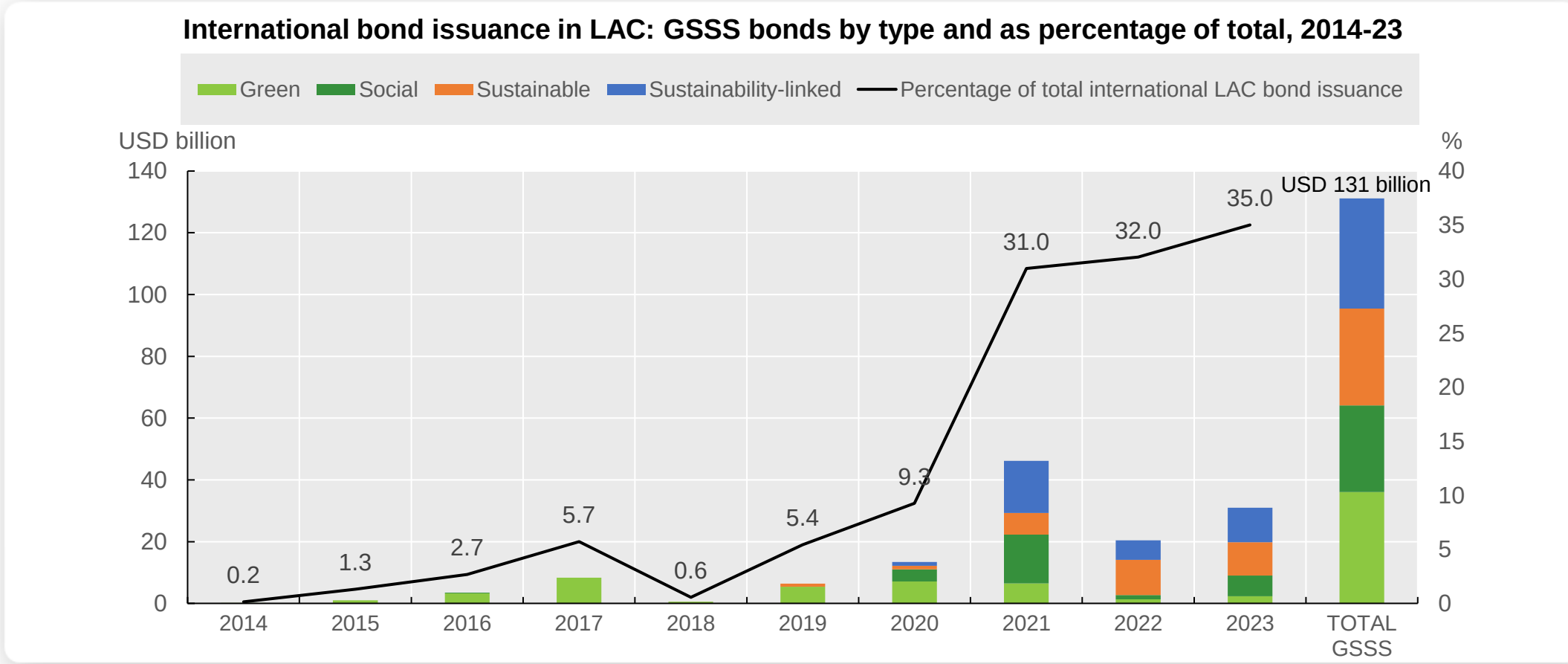


Distribution of financial instruments targeting green, digital and gender dimensions, 2023



Source: Latin American Economic Outlook 2023

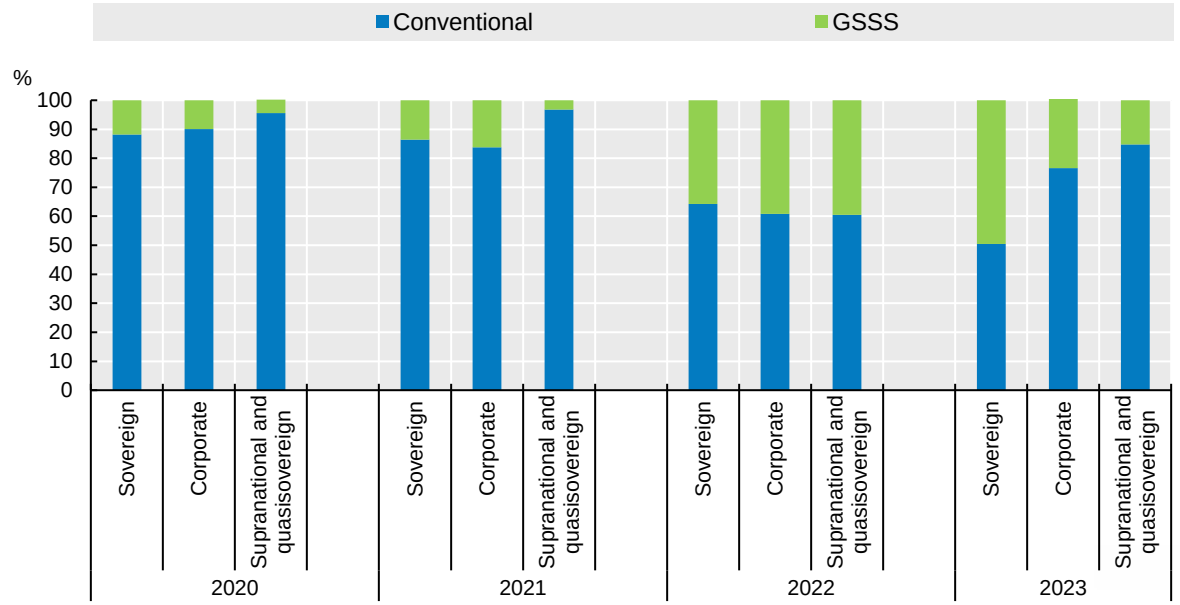
Innovative sustainable financing mechanisms such as GSSS bonds can facilitate resource mobilisation where it is needed most



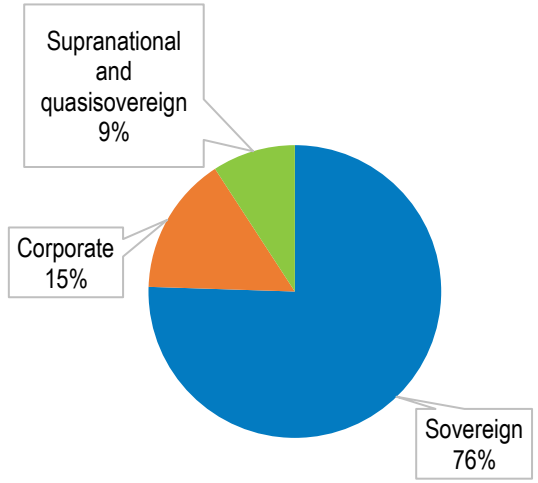
Source: Latin American Economic Outlook 2024 (Forthcoming)

The gradual shift towards **thematic debt securities** over conventional bonds indicates a growing investor appetite in sustainable projects

Panel A. LAC international GSSS and conventional bond issuance as a percentage of sovereign, corporate, supranational and quasisovereign total bond issuance, 2020-2023



Panel B. LAC international GSSS bond issuances by type of issuer, 2023



Source: Latin American Economic Outlook 2024 (Forthcoming)

Sustainability-linked bonds (SLBs) innovative structures can offer financing for key development areas with multiple sustainable objectives

LAC SLB sovereign issuance in international markets, 2023

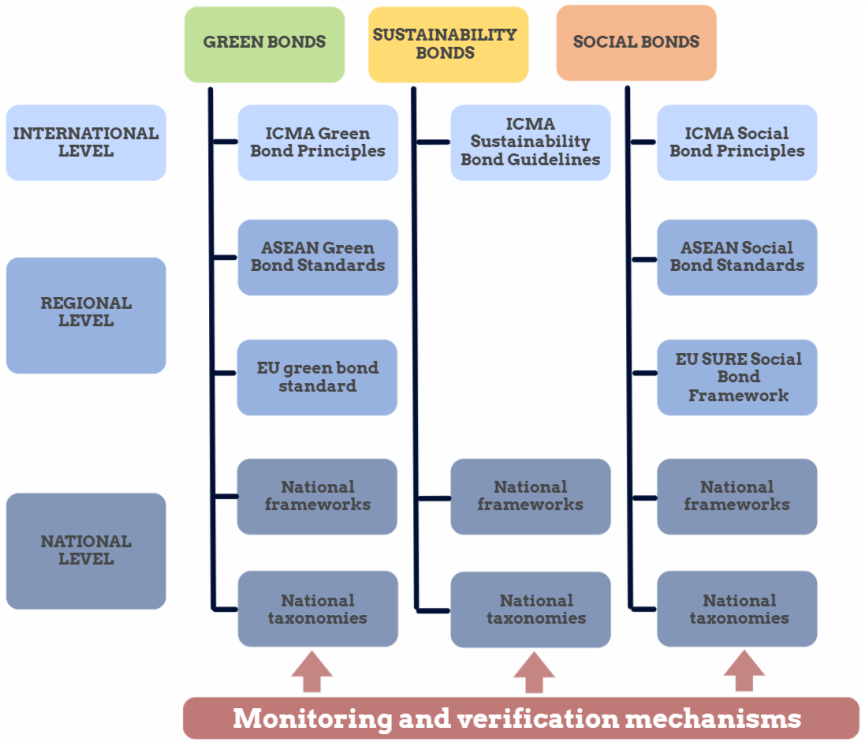
Country	Bond type	Date of issuance	USD (Billion)	Maturity	Coupon	bps
Chile	SLB	27-Jun-23	1.1	2054	5.33%	5 bps in 2034 if 1 target is not met 10 bps in 2034 if 2 targets are not met
Chile	SLB	27-Jun-23	1.1	2036	4.95%	25 bps in 2034 if 1 target is not met 50 bps in 2034 if 2 targets are not met
Chile	SLB	28-Jun-23	0.8	2034	4.13%	50 bps in 2034 if 1 target is not met 100 bps in 2034 if 2 targets are not met
Chile	SLB	20-Jul-23	2.1	2037	5.30%	
Chile	SLB	18-Oct-23	0.9	2039	3.40%	7.5 bps in 2039 if 1 target is not met 15 bps in 2039 if 2 targets are not met
Chile	SLB	25-Oct-23	1.9	2034	5.80%	
Uruguay	SLB	06-Nov-23	0.7	2033	5.75%	15 bps if 1 target is not met 30 bps if 2 targets are not met

Source: Latin American Economic Outlook 2024 (Forthcoming)

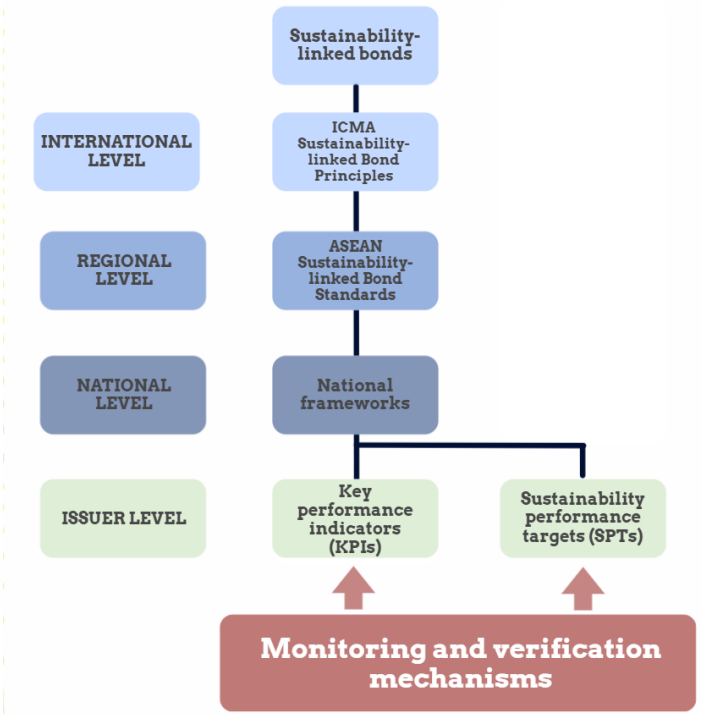
Sustainable debt instruments could benefit from **harmonised regulation** and **monitoring**

Overview of sustainable financial frameworks for GSSS bonds

Panel A. Overview of GSS Bond Sustainable Finance Framework



Panel B. Overview of Sustainability-linked Bond Finance Framework



Source: Latin American Economic Outlook 2023