







# EXECUTIVE SUMMARY Mapping of Private Sector Climate Funding Sources in Latin America and the Caribbean







# **Preface**

This deliverable constitutes Deliverable Three (3) of the consultancy titled "Updated Report on Private Sector Financing Sources in Latin America and the Caribbean with a Focus on Climate Change," under Contract C.83490701, signed between **SURECO & Partners CORP** (consultant) and **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** (client). The deliverable consists of a report with the main findings, including a data tool in Excel format with the results of the private sector investment mapping exercise available for climate and biodiversity in the Latin America and the Caribbean (LAC) region, covering the clean energy, sustainable transport, and nature-based solutions sectors. This report was executed primarily based on publicly available secondary information.

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### Disclaimer

This report provides an overview of private sector climate financing sources in Latin America and the Caribbean (LAC). The information included is primarily based on publicly available secondary sources, complemented by interviews and surveys with key stakeholders. Therefore, the results should be understood as a representative and referential approximation, rather than an exhaustive mapping.

The analysis, conducted in just 3 months, reflects the state of the situation at the time of the study and is subject to change, given the dynamic nature of climate financing and private investments.

In the identification of sources and financial flows, public sources and multilateral climate funds are also included, as their catalytic role is key in mobilizing private capital in the region.

The results are based on the location of the headquarters of each entity, providing an illustrative overview of the geographical distribution. It is assumed that national entities primarily mobilize resources within their own country, without fully reflecting international or regional flows.

While the classification between mitigation, adaptation, and cross-cutting approaches follows an analytical tool, it is recommended to interpret it as a guiding framework rather than a strict delineation.

This report should be considered as a **robust starting point** for investors, policymakers, and cooperation actors seeking to deepen their understanding of the private sector stakeholder ecosystem in climate financing in the region. It is recommended to complement it with additional analysis, primary data collection, and validation processes to obtain a more complete, updated, and contextualized view of the landscape of private climate financing in Latin America and the Caribbean (LAC).

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# Executive Summary

The purpose of this report is to update and expand the <u>overview of private sector climate finance sources operating in Latin America and the Caribbean (LAC)</u>, with the aim of building a comprehensive information base that facilitates access to and mobilization of private capital for climate action. This, in response to the region's high climate vulnerability, which, despite the risks, also has strategic sectors that offer key opportunities to mobilize transformative investments.

The study, which was conducted over a three-month period, keeps the categorization established in the <u>first version</u> for both funding sources and financial instruments, thus ensuring methodological consistency. Furthermore, this updated report focuses on three priority sectors: clean energy, sustainable transport, and nature-based solutions (NbS).

In addition, the study is descriptive and non-exhaustive, based mainly on secondary public information, complementary interviews, and surveys of key private sector actors in the region. The report also includes a specific chapter on sources of private financing from the European Union and two case studies in the region (Brazil and Barbados), which illustrate the deployment of climate finance in different national and sectoral contexts. These case studies are presented in Annex A of the full report.

# **Key Findings**

The study identified a total of 590 private financing sources that provide and mobilize climate finance to LAC. Based on the geographic location from which they operate, it is evident that in LAC private sector financing sources are mainly concentrated in Brazil (125), while the United States also has a significant number of identified financing sources (91). On the other hand, within the

European Union, the Netherlands is the country with the most identified sources mobilizing resources to the region (21). The next figure shows the geographic location of private funding sources.

**Figure 1.** Geographic location of private funding sources



Source: Own elaboration, Sureco and Partners (2025)

In terms of the scale of impact of the identified funding sources, 39% concentrate their activity at the national (country) level, while 44.6% operate globally. Finally, 16.4% of funding sources have an explicit regional (LAC) impact.

On the other hand, the analysis shows that private financing is mainly directed towards cross-cutting projects (combining mitigation and adaptation) with 51.5%, followed by 36.8% allocated to mitigation, and only 11.7% allocated exclusively to adaptation, reflecting a gap and an opportunity in this type of investment.

Based on the financing sources mapped, the sector in which these show the greatest focus in the LAC region is clean energy (45.9%), followed by nature-based solutions (39%). In contrast, the sustainable transport sector receives only 15.1% of the sources identified mobilizing resources towards this sector.

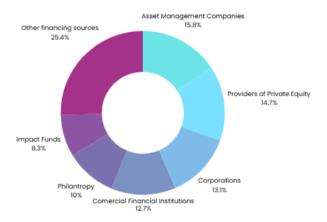
Figure 2. Financing sources by sector



Source: Own elaboration, Sureco and Partners (2025)

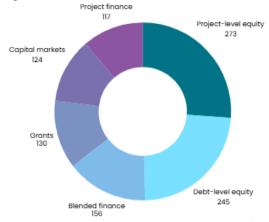
Regarding private sector funding sources, the six most relevant types of institutions, representing 75% of the total, are: asset management institutions (93), private equity providers (87), corporations (77), commercial financial institutions (75), NGOs or philanthropic capital (59), and impact funds (49). The following figure shows the percentage distribution of the financing sources identified in the study.

Figure 3. Percentage distribution of financing sources identified



On the other hand, the predominant financial instruments used by the identified sources were: project-level equity, project-level debt, blended finance, grants, capital markets, and project finance. The behavior of the six most prevalent financial instruments is summarized in the following figure, which specifies how many times each type of instrument appears deployed by the sources registered in the study database.

Figure 4. Predominant financial instruments



Source: Own elaboration, Sureco and Partners (2025)

# Sector Findings

The sector analysis revealed that private financing in LAC shows a pattern of concentration in the clean energy and nature-based solutions sectors. Similarly, there was evidence of use on traditional financial instruments, despite emerging

financial instruments are also being used, albeit to a lesser extent.

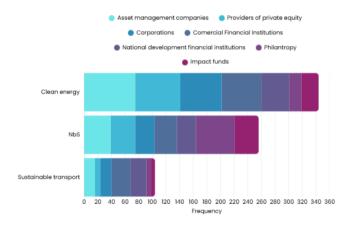
First, the clean energy sector stands out as the primary focus of the identified sources of financing. As previously mentioned, this sector attracts 46% of the actors. Among these, asset management companies, private equity providers, corporations, and commercial financial institutions were the most common, and they predominantly used financial instruments such as debt and equity at the project level.

Following energy sector in terms of attention of the identified funding sources is Nature-Based solutions sector, which exhibits a greater diversity of funding sources, with a combination of grants, equity, and debt at the project level, reflecting the growing relevance of this type of solution. However, risk aversion remains high in this sector, limiting the use of emerging financial instruments.

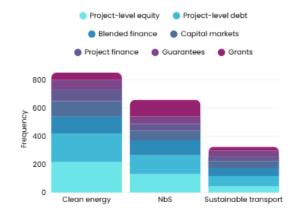
For the sustainable transport sector, which is the least prioritized compared to the clean energy and NBS sector, the financing sources are concentrated within a small group of actors, including commercial financial institutions, national development banks, corporations, asset management companies, and multilateral development banks. The analysis of financial instruments shows a strong concentration on debt at the project level, which is the primary financing instrument for this sector, followed by blended finance and capital markets.

The following two figures summarize the identification of funding sources and financial instruments used for the three prioritized sectors.

**Figure 5.** *Identification of main financing* sources for the three prioritized sectors



**Figure 6.** *Identification of the main financial instruments for the three prioritized sectors* 



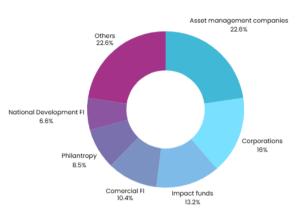
Source: Own elaboration, Sureco and Partners (2025)

Findings from the European Union Financing Sources

The 105 sources of funding identified come from 14 European Union countries, with a high concentration in the Netherlands, France and Spain, which stand out as the main sources of this type of funding. From the 105 sources of funding from the European Union that were mapped, 48.2% invest in the clean energy sector, 32.5% in nature-based solutions, and 19.3% in sustainable transport.

With regard to the types of EU funding sources, the main ones include asset managers, corporations, impact funds, commercial financial institutions, and NGOs or philanthropic capital, as illustrated in the next figure.

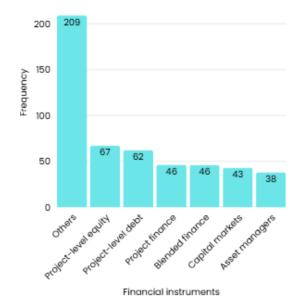
**Figure 7.** Percentage distribution of financing sources from the EU



Source: Own elaboration, Sureco and Partners (2025)

Because the diversity of private financing sources, the range of financial instruments offered by the EU is equally diverse. Among the financial instruments most commonly used by these entities are Project-level equity, project-level Debt, project financing, and blended finance, as shown in the figure below. The "others" includes category asset managers, grants, subordinated debt. guarantees. corporate loans, insurance, Results-Based Climate Finance (RBCF), retail loans, and Debt-for-Nature/Climate Swaps.

Figure 8. Financial instruments used by European Union financing sources



Source: Own elaboration, Sureco and Partners (2025)

Financing sources from the European Union are making a significant impact in the region, not only due to the resources mobilized but also because of the diversity of financial instruments used. This diverse approach to financial instruments, ranging from results-based financing to guarantees and blended finance, presents a great opportunity to leverage their flexibility and diversification in underfunded sectors. EU sources combine concessional and market-based approaches, making them a key strategic partner in mobilizing resources for the climate transition in LAC.

# **Conclusions**

This analysis indicates a concentration of funding sources targeting specific LAC countries and two of the three priority sectors-clean energy and nature-based solutions—while sustainable transport lags behind. Although clean energy and naturebased solutions are receiving significant attention, the sustainable transport sector faces challenges in attracting attention. This occurs mainly because NbS groups multiple subsectors, including agriculture, forestry, conservation, and other land uses (AFOLU), which together encompass a wide range of investment opportunities and types financing entities. In contrast, sustainable transport shows a smaller share in the

mapping, as it corresponds to a more specific group of actors and financial instruments, reflected in a lower number of identified sources.

The study also shows that private financing in LAC is largely concentrated in traditional financial instruments, such as project-level equity and debt. In second place, intermediate instruments appear, such as grants, capital markets, and project finance, that are also relevant. In contrast, innovative instruments (insurance, debt swaps, results-based climate finance) still show low penetration among the identified financing sources in LAC. This highlights a clear opportunity to promote these kinds of instruments, since they could play a critical role in attracting additional private capital, especially in sectors such sustainable transport and nature-based solutions, which show less diversification and ample room for development within the regional climate finance ecosystem.

The study also shows that a global scope (44.4%)predominates among fundina sources, reflecting international investment strategies rather than specific commitments to the region. Only 1 from 5 sources (16.6%) has an explicit focus on LAC, while 39% operate at the national level. In addition, the funding sources with the strongest regional focus on LAC are primarily based in the European Union (17%), notably in countries such as the Netherlands (20%), France (17%), and Spain (17%). By contrast, only 5% of U.S.-based sources identified in the mapping explicitly target the region of LAC.

Although this is not an exhaustive study and the results are largely dependent on publicly available information. it provides representative contribution to identifying the climate finance ecosystem available to the private sector in Latin America and the Caribbean, with a particular focus on the three priority sectors. This analysis offers a solid foundation understanding for resource mobilization and developing more inclusive and diversified financing strategies.

To improve the mobilization of private financing in LAC, it is crucial to diversify financial instruments beyond traditional ones, such as debt and equity. Therefore, efforts should focus on scaling up the use of existing instruments—such as green and blue bonds, blended finance. results-based climate finance, debt-for-nature swaps, and climate insurance—that have proven effective in reducing risks and mobilizing private capital. Finally, coordination and partnerships among governments, private investors, and regional financial institutions should be fostered to promote greater geographic diversification and increase the number and diversity of financing sources operating in LAC.

# Recommendations

The study recommends strengthening information systems and transparency on private climate finance in Latin America and the Caribbean by consolidating collaborative reporting platforms, harmonizing criteria for classifying sources and instruments, and strengthening the technical capacities of financial and regulatory actors.

It also suggests deepening the analysis and dissemination of existing financial instruments, especially those with less representation in the mapping, such as debt-for-nature swaps, results-based climate finance, thematic bonds, and blended finance, to diversify financing options and expand private sector participation in sectors such as clean energy, nature-based solutions, and sustainable transport.

