### ****Unlocking Local Potential: How Quasi-Sovereigns and Thematic Bonds can Power Sustainable Development in LAC****

### ****Website and registration:**** <https://www.caf.com/en/currently/events/unlocking-local-potential-how-quasi-sovereigns-and-thematic-bonds-can-power-sustainable-development-in-lac/>

**Date**: April 30th, 2025

**Time:** 16:45 to 18:00

**Venue:** Room CR-D UN HQ, New York

**Organized by:** CAF and GGGI

The Fourth International Conference on Financing for Development (FfD4) highlights the urgency of scaling innovative financing to meet the Sustainable Development Goals (SDGs). The Addis Ababa Action Agenda continues to serve as a guiding framework, emphasizing the need to align financial flows with sustainable development objectives. One of the most prominent messages emerging from FfD4 is the strategic importance of national development banks (NDBs) and other quasi-sovereign entities as essential actors in mobilizing domestic public resources and bridging financing gaps at the local level.

In Latin America and the Caribbean (LAC), these institutions—ranging from NDBs to subnational governments—are uniquely positioned to respond to national climate and development priorities. Yet, their full potential remains largely untapped. Thematic bonds—such as green, SDG, and sustainability-linked bonds—have proven to be powerful tools for channeling capital into sustainable investments. While the region has seen growth in sovereign thematic issuances and innovative instruments like SLBs and debt-for-nature swaps, quasi-sovereign participation remains limited.

To date, international thematic bond issuances by quasi-sovereigns in LAC have totaled just USD 8.94 billion across 51 bonds, representing only 23% of the region’s USD 210.39 billion thematic bond market. This gap represents not only a challenge but a transformational opportunity: to unlock local capital, strengthen domestic markets, and accelerate progress on Nationally Determined Contributions (NDCs) and SDGs by empowering quasi-sovereign issuers.

**CAF and GGGI’s Role**

As a technical partner with a strong regional footprint, **GGGI** has supported numerous sovereign and quasi-sovereign entities in accessing sustainable financing vehicles. It brings deep experience in providing transactional technical assistance to thematic bond issuers across public, private, and financial sectors in the LAC region, helping strengthen institutional capacity and readiness to engage in sustainable finance markets.

**CAF**, in its role as a regional development bank, is committed to unlocking local sustainable finance ecosystems. It has structured specialized credit facilities for climate and development finance and contributed to improving enabling conditions in the region. Building on its newly launched Sustainable Finance Framework, CAF aims to scale up replicable solutions that support countries and subnational entities in aligning their financing with sustainability goals.

CAF can support quasi-sovereign issuers by:

* Developing national and subnational sustainable finance taxonomies and frameworks
* Structuring thematic bonds aligned with international standards and local priorities
* Acting as an anchor investor to increase market confidence and attract private capital
* Co-developing enabling policy environments and institutional capabilities for long-term sustainability

CAF's work with Banco de Desarrollo Productivo (BDP) in Bolivia marks an important step in supporting quasi-sovereign issuers in the region. This experience serves as a foundation for broader engagement, and CAF is now strategically positioned to become a regional enabler of next-generation sustainable finance solutions.

**Objectives**

* Demonstrate the catalytic role of quasi-sovereigns—including NDBs and subnational entities—in mobilizing resources for sustainable development
* Identify enabling conditions and institutional capacities required to foster thematic bond issuances at the subnational level
* Showcase successful models and technical assistance strategies that have supported quasi-sovereign issuers in the region
* Explore innovative approaches and partnerships to unlock domestic investment vehicles that advance NDCs and SDGs
* Highlight CAF’s strategic role in supporting the design, structuring, and de-risking of sustainable finance solutions for quasi-sovereign actors

**Key Topics**

* Emerging trends and gaps in the LAC thematic bond market
* Institutional readiness and regulatory frameworks for quasi-sovereign participation
* Opportunities to scale local investment vehicles aligned with climate and development goals
* Case studies of successful quasi-sovereign issuances and lessons learned
* The role of MDBs, technical partners, and anchor investors in enabling market growth
* Forward-looking models for replicable and scalable sustainable finance solutions

**Expected Outcomes**

* Strengthened understanding of the transformative potential of quasi-sovereigns in sustainable finance
* Shared insights on enabling conditions and support strategies to unlock their participation in thematic bond markets
* Identification of collaborative pathways between MDBs, technical partners, and quasi-sovereign actors
* Concrete proposals for pilot programs or partnerships in the lead-up to FfD4 that scale local finance for sustainable development

**Agenda**

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| **Time** | **Presentation/Topic** | **Speakers** |
| 10 minutes | Opening remarks: welcome and introduction to the panel | Mr. Gianpiero Leoncini, Executive Vice-president, CAF – Development Bank of Latin America and the Caribbean |
| 60 minutes | Panel topics:   * The strategic role of MDBs as enablers of sustainable investments in emerging economies. * The evolving landscape of green and social bonds, regulatory developments, and market expectations. * Enabling Conditions and credit enhancement facilities to scale up sustainable financing in emerging markets * Leveraging international cooperation and specialized technical assistance to mobilize sustainable financing in emerging economies. * Success Story of Quasi sovereign issuances in LAC | * Mrs. Maria Paz Uribe, Principal Executive, Financial Policy and International Issuances Division, CAF – Development Bank of Latin America and the Caribbean * S&P Global Ratings representative * Mr. Kevin Bender, Director Greening Sovereign Debt, The Nature Conservancy * Mr. Randall Hooker, Sustainable Finance Officer for LAC, GGGI * Representative from Mexico\* |
| **5 minutes** | **Wrap up and final remarks by Moderator** | |