



GREEN Coalition

BIENNIAL ACTION PLAN

Introduction to the Green Coalition

Vision

Established on August 7, 2023, during the Amazon Summit in Belém do Pará, Brazil, the Green Coalition of Public Development Banks (herein the Green Coalition or the Coalition) represents a significant stride toward sustainable development. The Coalition is a collective response by signatory development banks and international partners to nurture economic growth, socio-environmental well-being, and sustainable progress in the Amazon region. Recognizing the Amazon's social needs and its crucial role in global biodiversity, climate balance, and as a frontline in the battle against climate change, the Coalition underscores the urgent need for the sustainable development of the region, supporting conservation and restoration efforts while promoting economic prosperity and improving the lives of residents.

Scaling Up Sustainable Investments in the Amazon Region

The core of the Green Coalition approach is to provide greater access to and scale investments toward sustainable economic activities that take a holistic view and harmonize environmental stewardship with the creation of income-generating activities that improve local livelihoods. This balance is not just beneficial but essential for the future of the Amazon.

Recognizing the increasing need for financial and technical support for equitable and sustainable development of the Amazon region, the Green Coalition is the result of public development banks that operate in the region joining forces to leverage the best of each institution to facilitate and scale investments in green, sustainable productive activities in the Amazon. This commitment translates into actions aimed at bridging financial and technical gaps that prevent the implementation of such sustainable economic activities in the region and ensuring a transition that is fair, inclusive, and aligned with the sustainable development goals.

Objectives and Strategic Approach

The Green Coalition's foundational objective is to leverage capacities and resources of public development banks operating in the Amazon region toward implementing best practices and financing activities and projects that promote sustainable development of the Amazon region while reducing social and regional inequalities. This involves creating and implementing financial solutions and providing technical support tailored to local and regional characteristics and the needs of the region and each country. These solutions will focus on strengthening and financing enterprises, producers, and borrowers that implement activities that are inclusive; socially, environmentally, and economically sustainable; and compatible with the biome's conservation and/or restoration.

Catalytic Financial Solutions

The Green Coalition members and international partners will work together, and with strategic partners and allies as needed, to develop and implement technical and financial solutions with a goal to overcome existing barriers and mobilize capital (concessional and commercial) at scale toward sustainable projects and activities in the Amazon.

1. Introduction

The Green Coalition's Biennial Action Plan was developed by the 20 original members of the Green Coalition to guide the actions of its members toward the central objectives of the Coalition. The Action Plan is intended to be a roadmap for the next two years, from January 2024 until the 30th Conference of the Parties of the Climate Convention takes place in Belém, Brazil, in December 2025.

The plan's development began at the Coalition's inaugural meeting, held on August 7, 2023, in Belém, Pará, Brazil, during the Amazon Summit. An initial structure for the Action Plan with four proposed workstreams was discussed at the Coalition's first working session, also on August 7, 2023, in Belém. After the initial working session, suggestions and demands of Coalition members and strategic partners were gathered through interviews and mapping questionnaires, and two additional hybrid (online/in-person) meetings of the Green Coalition were held in Cartagena, Colombia (September 6, 2023, during FiCS [Finance in Common Summit]), and in Rio de Janeiro, Brazil, at the headquarters of BNDES (October 25–26, 2023).

The final general Action Plan was agreed upon during the third working session in Rio de Janeiro. It contains the main deliverables and guiding elements for each of the four workstreams, with relevant dates/events for each of the deliverables over the course of these two years. Moreover, during the Rio meeting, members of the Coalition volunteered to lead and be alternate leads for each workstream.

Additional details of the activities, sub-activities, intermediary actions and intermediary deliverables, frequency of meetings of each workstream, and further assignments for the person within each institution who will be in charge, as well as plans for organizing subgroups, will be determined throughout the development of the work and by the leadership of each group, with the support of the international partners, the executive secretariat, and the Steering Committee.

2. Green Coalition Goals

The Joint Declaration of the Green Coalition of Public Development Banks establishes that the Coalition intends to work in an integrated and concerted manner to promote sustainable development of the Amazon region. The Coalition will do so by creating and implementing financial solutions and delivering technical support designed according to the Amazon's peculiarities and stakeholders' needs in order to enable the scalability of enterprises that are socially, environmentally, and economically sustainable, enhancing inclusive productive activities that promote the conservation and restoration of the Amazon biome and the reduction of social and regional inequalities while respecting local and regional characteristics.

The Green Coalition's Action Plan was conceived to support and materialize both the Coalition's goals as outlined above as well as its financial ambition.

Financial Ambition

With the implementation of the Action Plan that will kick off work in January 2024, the Green Coalition aims to create the best conditions to mobilize significant financial resources for the Amazon region over time, with an initial aspirational goal of US\$10 billion to US\$20 billion until 2030. As part of the implementation of this Action Plan, this financial ambition will be refined to better reflect the availability of additional resources toward sustainable activities in the region as well as Coalition members' strategies, the development of financial instruments and financial ambitions for the Amazon region.

This aspirational amount will be channeled through public development banks, with the collaboration of international partners, to support financial and technical investments in a broad set of activities that meet relevant social and environmental requirements. This may include creating socially inclusive productive activities—such as those that promote the conservation and restoration of the Amazon biome or the reduction of social and regional inequalities in the region while also contributing to the preservation of the Amazon—and strengthening and scaling various productive activities and small and medium-sized enterprises (SMEs) in the region that have a solid sustainability-based business model.

Action Plan Implementation

As previously stated, the Coalition's work over the next two years has been structured around key deliverables (flagship products/activities). In order to execute such deliverables, the Action Plan was designed with four pivotal workstreams (see Section 3 of this report). For each workstream (working group), the Coalition's Action Plan establishes a set of actions that, as they are implemented, will help develop these flagship products/activities.

Green Coalition members have been assigned as leads and alternates for each of the four workstreams and will be responsible for the execution of the work that enables the Green Coalition to achieve its goals, with technical support from the international partners and the Secretariat. The implementation of these four workstreams will provide participants the opportunity to (i) share and exchange knowledge, enhance capacities, and refine their strategies and financial goals toward supporting sustainable activities in the region; (ii) create/enhance capacities to establish a common Sustainable Finance Framework that will be tailored to the Amazon region and the specificities of each Amazon country for effective and transparent resource allocation; (iii) design and implement financial products through the creation and running of a financial innovation lab that will develop financial instruments and provide technical support to members and end borrowers according to the needs of the region; and (iv) mobilize the needed resources to attend to members' portfolio needs using innovative solutions including grants, loans, capital markets, and blended finance schemes to channel resources to the region through the Green Coalition's members.

3. Action Plan Workstreams

Workstream 1: Integration and Collaboration

This workstream focuses on establishing a starting point for the actions of the Green Coalition. The main goal is to identify similarities, differences, and complementarities in the members' activities in the Amazon region, as well as to map challenges and bottlenecks that may limit their operations in the area. Additionally, it aims to identify knowledge and potential partnerships that can leverage financing options in the Amazon region, aiming for sustainable development, environmental conservation, and economic growth.

The expected result is the alignment of strategies and efforts of the Green Coalition members in the Amazon region, promoting the growth of their operations, knowledge sharing, and the formation of strategic partnerships, thus contributing to environmental conservation and economic growth in the region.

- **Activities**

1. Map in detail existing portfolios in the Amazon, as well as identify current bottlenecks faced by development banks when operating in the Amazon region, including regulatory, environmental, social, and economic issues.
2. Assess the similarities, differences, and complementarities in members' operations, highlighting opportunities for cooperation through specialized knowledge available at each institution that can be shared and used to improve operations in the region.
3. Explore potential strategic partnerships among Coalition members, non-governmental organizations, government agencies, and other relevant actors in the Amazon region.
4. Develop recommendations to promote integration and collaboration among development banks and other relevant actors in the Amazon region, aiming to enhance support for sustainable development.

- **Deliverables and Key Milestones:**

1. **Publication of the current investment scenario in the Amazon, including volume, audience, and main challenges for operations in the region (including success stories and bottlenecks).**
2. **Publication of financing options for the Amazon.**
3. **Publication of a diagnostic report on bottlenecks and potential partnerships.**
4. **Goal: Creation of a platform/hub of knowledge and best practices for the dissemination of successful member cases and knowledge sharing.**

Leadership: Banco Agrario de Colombia

Participating Members: IDB, CAF, World Bank, BNDES, BDP, Banco do Brasil, Banco da Amazônia, Caixa Econômica Federal, BNB, Banpará, FINEP, FINDETER, CONAFIPS, NOB, FDN, COFIDE, Finagro, Corporación Financiera Nacional

Workstream 2: Common Framework

This workstream focuses on establishing a common framework for the actions of the Green Coalition members in the Amazon region, guided by the principles of sustainable finance.

The main goal is to propose a sustainable finance framework that encompasses criteria for the use of development banks' resources in the region, eligibility criteria for projects, definition of priority sectors, and target audiences that align with the principles of sustainable development.

The establishment of this framework is expected to promote greater coordination among development banks and stakeholders in the region. The outcome should be a set of guidelines that ensure financial resources are used effectively and accessed by stakeholders in a way that promotes sustainable development in the Amazon region.

- **Activities**

1. Survey existing sustainable finance frameworks used by members and international entities/standards to identify best practices and lessons learned.
2. Propose a set of criteria for the use of development banks' resources in the Amazon region.
3. Propose eligibility criteria for projects seeking financing from development banks, ensuring alignment with sustainable development goals.
4. Identify priority sectors where financial resources should be directed to optimize positive impact in the region.
5. Determine minimum performance and effectiveness indicators.
6. Engage in consultations with key stakeholders, including governments and local communities, non-governmental organizations, and the private sector to ensure the framework is adapted to local needs and realities.
7. Map out member demand for technical assistance in implementing the framework.

- **Deliverables and key milestones:**

1. **Publication of proposed criteria for a common framework for the Amazon, aligned with international criteria and local policies (financial and capital markets).**
2. **Definition of indicators for continuous reporting of the Green Coalition's contributions to the Amazon.**
3. **Mapping of gaps and assistance needed for framework implementation.**
4. **Goal: Framework for Sustainable Financing of the Green Coalition.**

Leadership: CONAFIPS

Alternative Leadership: Banco Agrario de Colombia

Participating Members: IDB, CAF, World Bank, BNDES, BDP, Banco do Brasil, Banco da Amazônia, Caixa Econômica Federal, BNB, Banpará, FINEP, FINDETER, CONAFIPS, NOB, FDN, COFIDE, Corporación Financiera Nacional

Workstream 3: Financial Instruments and Technical Support

This workstream aims to develop and promote innovative financial products and technical solutions geared toward economic development and the preservation of the Amazon biome from the perspective of banking assets. The goal is to establish an innovation lab for financial products and technical support. To achieve this, a task force focused on asset instruments will be formalized and divided into three subgroups:

- 1) **Amazonian focused financial products + grants + technical assistance**
- 2) **Risk mitigation (e.g., guarantee funds, blended finance, currency risks)**
- 3) **Promote and facilitate medium-sized companies' access to capital markets**

The establishment of this financial products and technical support lab is expected to result in innovative solutions to the specific challenges faced in the Amazon region by the region's public development banks. The proposed solutions should contribute to reducing inequalities, generating income, and preserving the biome, supporting sustainable development in the region.

• **Activities**

1. Map the main bottlenecks in the operation of development banks in the Amazon region, identifying specific challenges related to environmental conservation, income generation, and social equity.
2. Develop innovative financial products and technical solutions aimed at promoting sustainable development in the Amazon region.
3. Provide technical support and training for the implementation of financial instruments projects and access to sustainable capital.

• **Deliverables and key milestones:**

1. **Goal: Lab for the creation of banking products and financial solutions dedicated to reducing inequalities, generating income, and preserving and recovering the Amazon biome.**
2. **Pilot of instruments/products from the task force subgroups.**
3. **Publication of innovative instruments.**
4. **Seminars offered to development banks on financial solutions.**

Co-Leadership: BDP and Caixa Econômica Federal

Alternative Leadership: COFIDE

Participating Members: IDB, CAF, World Bank, BNDES, Bancóldex, Banco Agrario de Colombia, Banco do Brasil, Banco da Amazônia, BNB, Banpará, FINEP, FINDETER, CONAFIPS, FDN, COFIDE, Corporación Financiera Nacional

Workstream 4: Resources Mobilization

The primary goal of this workstream is to identify opportunities for mobilizing resources for development banks in the Amazon region by surveying available funds at local, regional, and international levels and identifying key requirements and potential barriers to accessing this capital as well as existing efforts that can be leveraged to expand mobilized resources. The focus will be on considering banking liabilities. For this purpose, the workstream will be divided into two task forces:

- 1) Amazon Bonds
- 2) Amazon Loans

The expected outcome is to have a clear view of the opportunities to mobilize financial resources for sustainable projects in the Amazon region, facilitating access to catalytic capital and expanding the resources available to development banks in the pursuit of sustainable development and environmental conservation in the region.

• **Activities**

1. Conduct a comprehensive survey of resources available to development banks in the Amazon region, including local, regional, and international funds.
2. Identify the main requirements and eligibility criteria associated with these resources, as well as any existing barriers that may hinder access.
3. Perform an analysis of opportunities to attract catalytic capital, including public-private partnerships, impact investments, and innovative financing mechanisms.
4. Identify ongoing efforts in the Amazon region that could be leveraged to expand resource mobilization.

• **Deliverables and key milestones:**

1. Guidelines for resource mobilization.
2. Pilot of instruments/products from the task force subgroups.
3. Publication of innovative instruments.

4. **Seminars offered for development banks on financial solutions.**
5. **Goal: Financial mechanism(s) for the coordinated mobilization of resources for the Green Coalition.**

Leadership: BNDES

Alternate Leadership: Banco da Amazônia

Participating Members: IDB, CAF, World Bank, Bancóldex, Banco Agrario de Colombia, Banco do Brasil, BNB, Banpará, FINEP, FINDETER, CONAFIPS, FDN, Corporación Financiera Nacional, BDP, Caixa Econômica Federal