

## Media Release

# Taxonomy Roadmap for Chile: One more step towards consolidating the local Green Finance Agenda

*Prepared by the Climate Bonds Initiative, in association with Chile's Ministry of Finance, La Mesa, the Inter-American Development Bank (IDB), and sponsored by the International Climate Initiative (IKI), the report provides an assessment on what the best approach may be for developing a national taxonomy in Chile*

**Chile, May 2021:** Climate Bonds Initiative in association with Chile's Ministry of Finance, the Green Finance Public-Private Roundtable (La Mesa) and the Interamerican Development Bank has just released the **Taxonomy Roadmap for Chile**, which will guide the Chilean Government towards the future development of a Chilean green taxonomy.

A national taxonomy can be used across sectors and is a multi-functional classification system for financial and non-financial sectors that will serve as a blueprint for greening Chile's economy. According to the report's analysis, priority sectors include Energy, Transport, Construction, and Industry (mining).

A sustainable classification system may facilitate the capital flows into sustainable activities and assets and act as guidance for climate-aligned investments and project development. Moreover, it supports the correct assessment of climate-related risks for the financial sector.

The recommended pathway for Chile is to adopt, adapt, and lead.

- First step is to adopt the eligibility criteria from international taxonomies where possible;
- Second, to adapt and modify international criteria to account for local circumstances;
- And third, to take leadership globally in developing new criteria in areas that are underdeveloped.

**The Taxonomy Roadmap** shows that a taxonomy can be applied to a wide range of users and financial instruments. However, it is recommended to initially focus on green debt instruments and later expand to other financial instruments, products, and entities.

### **Justine Leigh-Bell, Deputy CEO, Climate Bonds Initiative:**

"We are very excited to see Chile continuing its commitment to the green finance agenda through the development of a national taxonomy roadmap. The alignment of this taxonomy with international ones will be a core objective of the taxonomy development process for Chile. This initiative is extremely important for the region as it establishes precedent for other Latin American countries to move towards a low carbon economy."

### **Rodrigo Cerda, Minister, Ministry of Finance:**

"Chile has taken concrete steps on climate action in recent years. This report should be an important building block in supporting the taxonomy discussion in our economy."

### **Trinidad Lecaros, Coordinator of La Mesa**

"To facilitate the allocation of capital to low-emission and climate-resilient sectors, we must be able to classify green economic activities, -which is what a taxonomy allows-, making it easier for the financial sector to identify and respond to the multiple opportunities that will come under our climate goals. The world must keep the global temperature below 2 degrees, allowing future generations to enjoy a more liveable and sustainable planet. Chile is devoted to this enormous challenge and this Report is a clear signal."

**Florencia Attademo-Hirt, IDB Representative in Chile**

“For the IDB, it is a pleasure to continue partnering with Chile’s comprehensive green finance agenda, a leading and pioneering effort in Latin America and the Caribbean. We congratulate the Ministry of Finance for its leadership in this topic and ability to develop a critical dialogue with other regulators and supervisors. I am sure the Taxonomy Roadmap will be very useful for the strengthening of this agenda in Chile.”

***Chile is leading the way to a low-carbon economy in Latin America***

The green finance agenda is a priority for the Government of Chile. This can be observed through Chile’s updated NDCs (Nationally Determined Contribution commitments by countries established as part of the Paris Agreement of 2015) which set a goal of carbon neutrality by 2050, and the country’s implementation of several national policies, plans and pieces of legislation to achieve this goal, such as the climate change bill currently being discussed in Congress.

In June 2019, Chile issued the first ever sovereign green bond in the Americas. With an amount of USD 1,418 million, this bond funded projects dedicated to infrastructure for electrified public transport (trains, buses); solar projects; energy efficiency; renewable energy; water management and green buildings. The Government of Chile has continued its sovereign green program into 2020 with two more green issuances reaching US\$ 8.09 billion.

The Taxonomy Roadmap for Chile is available for download [here](#).

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**Notes to the editor:**

**About the Climate Bonds Initiative:** The Climate Bonds Initiative is a non-profit organization focused on promoting large scale investments in the low carbon economy. Visit our website: [www.climatebonds.net](http://www.climatebonds.net)

**About the Inter-American Development Bank (IDB):** The Inter-American Development Bank is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance and training to public and private sector clients throughout the region.

**About La Mesa:** Led by Chile’s Ministry of Finance, the Green Finance Public-Private Roundtable (La Mesa) is composed of financial regulators, the local financial industry, and the Government, with the

main objective to define a space for cooperation in the promotion of green finance and climate risk management. The members are committed to contributing their knowledge and capacities to the non-compulsory implementation of the Green Agreement subscribed by its members in 2019, as part of the Government's goal for achieving carbon neutrality by 2050.

**About the International Climate Initiative (IKI):** International Climate Initiative (IKI) is one of the most important instruments of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) for the international financing of climate change mitigation and biodiversity. IKI operates within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD), financing climate change mitigation and biodiversity conservation in developing, emerging and transition countries.

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