

Proposals to Accelerate Investment in Green Industry in Latin America and the Caribbean

The region receives only **0.5% of GDP annually in green investment**, but needs between **3.7% and 4.9%** of GDP per year until 2030 to meet its climate targets.

What limits investment in green industry in Latin America and the Caribbean?



1. Insufficient capital and limited fiscal capacity, which make it difficult to finance the climate transition.



2. Lack of integration between climate objectives and economic policies, which reduces coherence and effectiveness



3. Institutional fragmentation across levels of government, which hinders the implementation of transition strategies.



4. Technological and infrastructure deficits, especially in electricity transmission, storage and recycling.



5. Lack of citizen participation, which generates resistance and weakens the social legitimacy of projects.



6. Fiscal dependence on fossil fuels, without alternative mechanisms to sustain the energy transition.



7. Immature green markets, with few bankable projects, limited guarantees and weak development of carbon and biodiversity markets.

How to overcome these barriers?

Idea 1

Harmonize regulatory frameworks and create common green taxonomies, integrating inclusive governance mechanisms.

Idea 2

Deploy innovative financial instruments that combine public, private and multilateral resources.

Idea 3

Invest in critical infrastructure and specialized human capital through training and reskilling programs.

Idea 4

Strengthen climate and financial information systems, standardizing reporting and building inclusive narratives.

Idea 5

Consolidate EU-LAC bi-regional cooperation through governance platforms, data observatories and climate diplomacy.

These are the conclusions of the working group **'Accelerating Investments in Green Industry in Latin America'**, led by alinnea and dedicated to identifying bottlenecks and proposing measures to drive the climate transition in the region.

The full report is available here:

<https://bit.ly/3KEZFU0>

