Early Warning System

WB-P514127

Supporting LAC countries to mobilize private sector carbon finance

Quick Facts

Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-07-31
Borrower	ENVIRONMENTAL DEFENSE FUND, INCORPORATED
Sectors	Climate and Environment, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 2.30 million
Loan Amount (USD)	$ 2.30 million
Project Cost (USD)	$ 12.30 million

Project Description

According to the WB, this proposed Investment Project Financing (IPF) operation aims to enhance the capacity of participating Latin America and Caribbean (LAC) countries to effectively monetize carbon credits generated through different projects including World Bank-supported operations (e.g. FCPF, ISFL, others). By strengthening institutional, legal, and technical frameworks, the project will enable countries to access and benefit from private sector carbon finance, thereby supporting the sustainable development objective including sustainable job creation. The operation will provide targeted support to government agencies and relevant stakeholders in participating countries, focusing on:- Clarification of institutional arrangements for country participation in carbon market transactions;- Operationalizing key carbon market and Article 6 tools to enable the issuance of Letters of Authorization;- Providing 'last mile' transaction support to enable transaction of carbon credits;- Supporting knowledge exchange and regional collaboration to promote best practices and innovation in carbon finance.Through these interventions, the project seeks to unlock new sources of private sector finance, strengthen country ownership in accessing sustainable debt-free financing streams, and contribute to the achievement of national and regional sustainable development goals. The operation will be closely aligned with World Bank priorities including creation of sustainable economic opportunities and job creation. The operation will use a Recipient-Executed small grant to a recipient/grantee and then this grantee could execute those funds and deliver the project activities or also hire firms to cover some of the activities is not able to deliver directly (e.g. legal transaction advice).

Investment Description

- World Bank (WB)

Contact Information

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Project Information Document - Supporting LAC countries to mobilize private sector carbon finance -