



Digital Workshop - TaiwanICDF
Financial Services in the
Post COVID-19 Era

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Chief Financial Officer.

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The Relationship between CABI the Republic of China (Taiwan)



US\$776.25 million is the capital amount subscribed by Taiwan as part of CABI's shared capital.

11.48% The Republic of China (Taiwan) is the extra-regional partner with the largest CABI shareholding.

CABI has managed approximately a total of:
from various institutions of the Republic of
China (Taiwan)

US\$ 266.7 million



**US\$ 262.0 million in
nine (9) refundable
credit facilities**

**US\$ 1.2 million in two
(2) non-refundable
technical assistance
operations**



中華民國外交部
MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA (TAIWAN)

**US\$ 3.5 million in one (1) non-
refundable financial cooperation
agreement**

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Relationship between CABEI and the TaiwanICDF

List of Operations

No.	Name of the Facility	Amount (US\$ million)	Year
1	Emergency Support and Preparedness Program for COVID-19 and Economic Reactivation- Credit to Finance the Public Sector	50.00	2020
2	Emergency Support and Preparedness Program for COVID-19 and Economic Reactivation- Financial Sector Support Facility for MSMEs	80.00	2020
3	Pilot Program to Attend Economically-Challenged Central Americans Affected by Coffee Pests and to Promote Sustainable Coffee Production Practices in the Region	40.00	2015
4	Credit Line for Microcredit and SMEs II	10.00	2010
5	CABEI Educational Credit Program	2.00	2008
6	Special Fund for the Social Transformation of Central America (FETS), in the Heavily Indebted Poor Countries (HIPC) of the region II	10.00	2007
7	Credit Line for Microcredit and SMEs I	10.00	2006
8	Special Fund for the Social Transformation of Central America (FETS), in the Heavily Indebted Poor Countries (HIPC) of the region I	10.00	2004
9	Loan for Micro, Small, and Medium-sized Enterprises	10.00	1997
10	Loan for Micro and Small Enterprises	10.00	1994
11	Loan to Finance the National Reconstruction Plan of El Salvador	30.00	1994
	Total	262.00	

Education



Coffee



Agriculture



MSMEs



Infrastructure

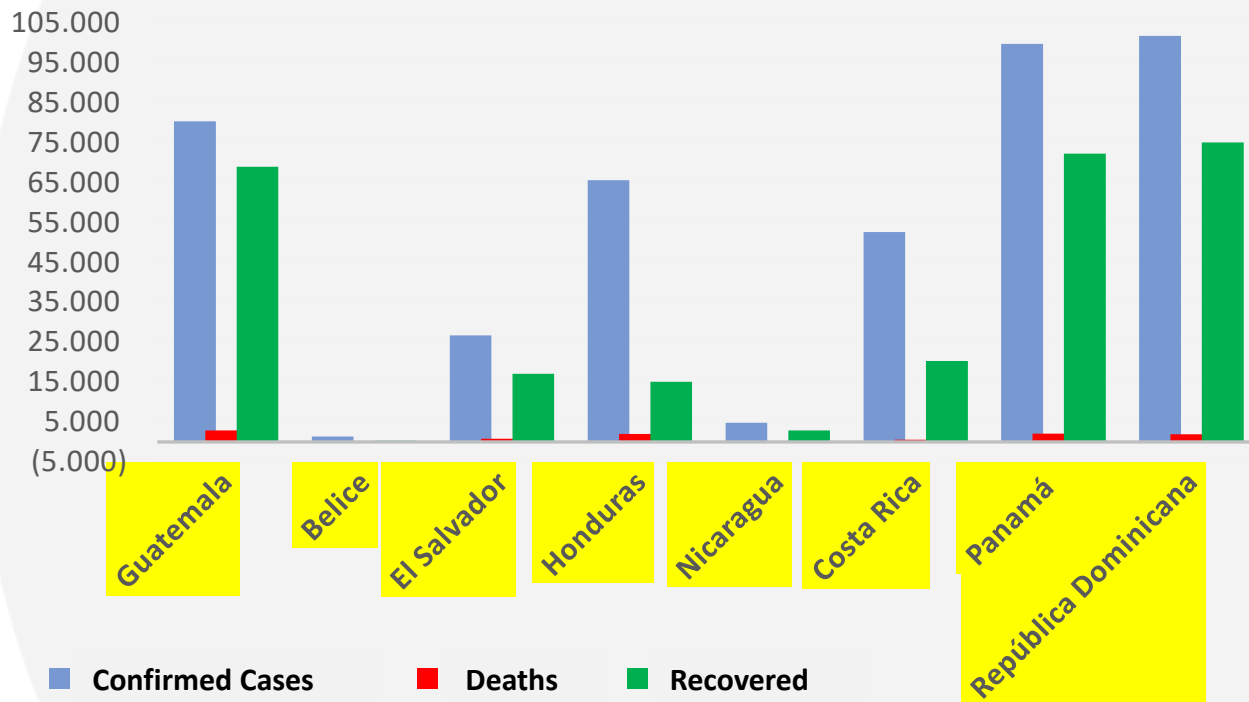


Poverty



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Impact of COVID-19 on the Health of Central American Countries*



*Data as of September 10, 2020.

Source: <https://www.worldometers.info/coronavirus/>

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Economic Impact of COVID-19 in the Central American Region

The impact of the pandemic will be larger than the Great Recession of 2008-2009; the magnitude can be compared with the Great Depression during the 1930s.



The GDP growth in 2020 for Central America is forecasted between -2.5 percent and -4.9 percent.



Economic growth will be affected by a reduction in commercial activities, construction, transportation, hotels, restaurants, and financial services.



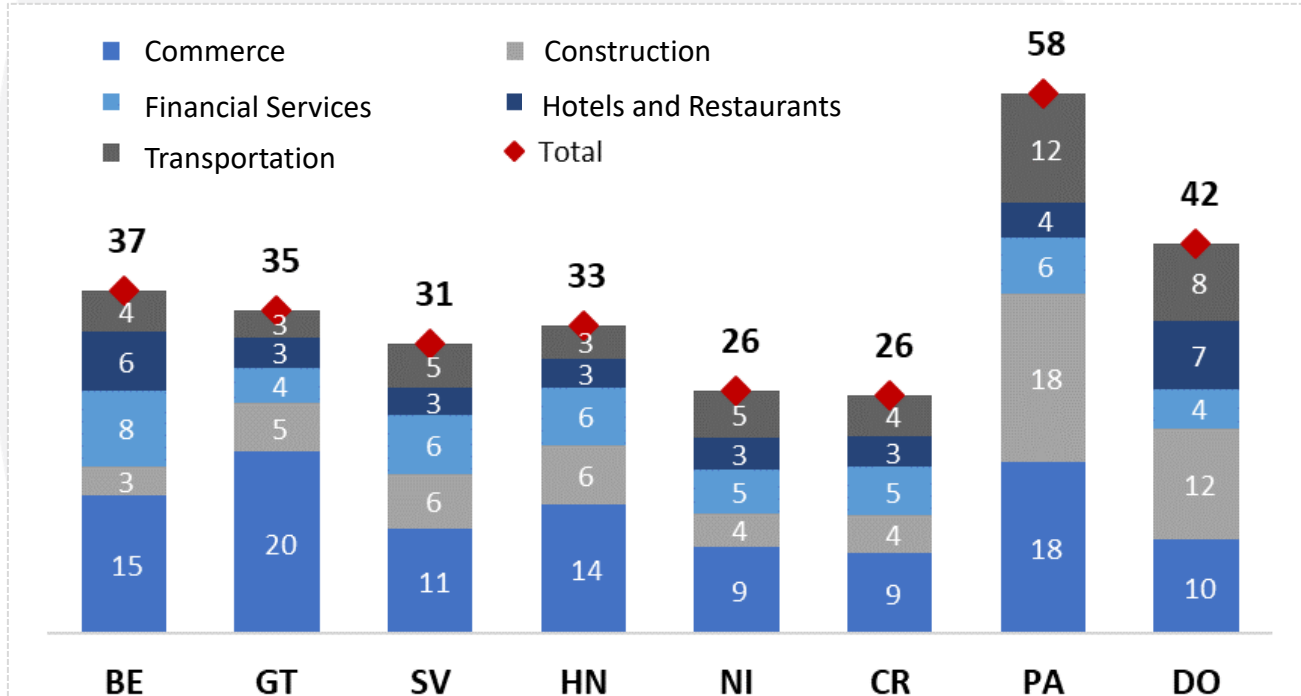
It is estimated that there will be a loss of eight million full-time jobs in the Central American region in the second quarter of 2020.

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Economic Effects of COVID-19 for Different Economic Activities in Each Country



The affected activities represent at least 26 percent of the GDP of each country.



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Emergency Support and Preparedness Program for COVID-19 and Economic Reactivation



Objective: To provide fast-disbursing financial resources to countries in the Central American Integration System (SICA) and other extra-regional countries in order to finance operations for the prevention, detection, and treatment of COVID-19 and mitigate the economic impact on the countries.

Amount: US\$ 2,360,125,000.00

Components	Amount (US\$)	Financial Instruments and Institutional Sector
1. Emergency Aid	8,000,000.00	Donation to the public sector
2. Aid for the Regional Purchase and Supply of Medicines and Medical Equipment for Early Detection of COVID-19	2,100,000.00	Donation to the public sector
3. Credit to Finance Public Sector Operations	600,000,000.00	Loans to the sovereign and non-sovereign public sector
4. Credit Program to Support the Liquidity Management of Central Banks	1,000,000,000.00	Credit line to central banks
5. Financial Sector Support Facility	350,000,000.00	Loans, factoring, guarantees
6. Support for the Trifinio Project	25,000.00	Donation to the Trifinio Project
7. Facility for the Acquisition and Application of COVID-19 Vaccines	400,000,000.00	Loans to the sovereign and non-sovereign public sector
Total Amount of the Program	2,360,125,000.00	

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Financial Sector Support Facility- Credit



Support enterprises affected by COVID-19, with the goal of **protecting employment and reactivating the economies of the region.**



Availability: US\$ 350.0 million, of which US\$ 80.0 million is from the TaiwanICDF



Duration: Until December 31, 2020, or until the last amount has been used, whichever occurs first



Mechanism: Through the Global Credit Lines (GCL) that CABEI has with the regional financial system, which covers around 90 institutions including public and commercial banks, financial institutions, and cooperatives

Financial Instruments



Credit



Guarantees



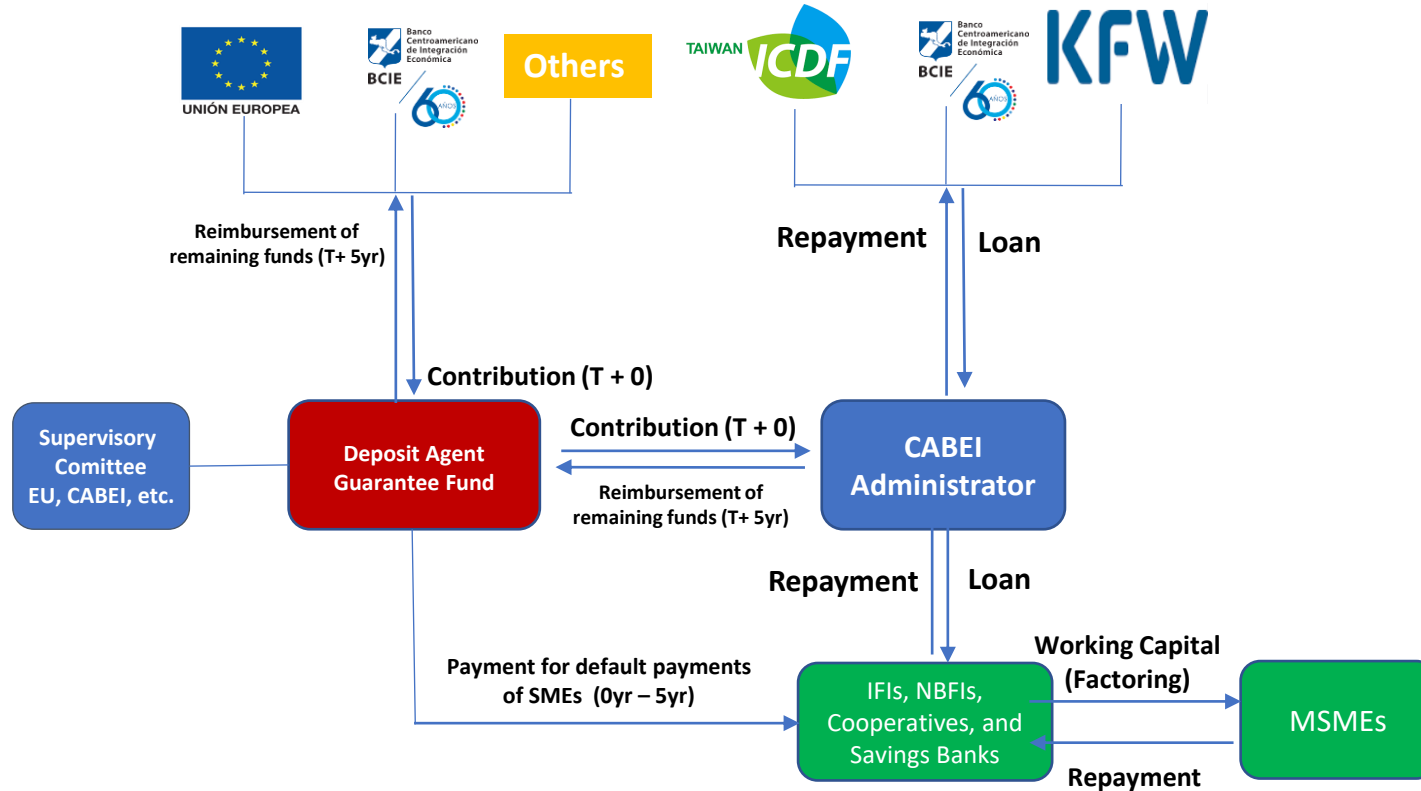
Technical Assistance



Donations and Seed Capital

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Financial Sector Support Facility- Guarantee Fund



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Financial Sector Support Facility- Areas and Sectors



Eligible Areas



Working capital and payment of contracted obligations (suppliers, leases, personnel, etc.)



Biosecurity measures



Changes/expansion of the business model during the situation (equipment, systems)



Invoice factoring or discounting



Entrepreneurship or new enterprises



Debt restructuring

Eligible Sectors

- Hospitality and Tourism
- Production of the agri-food chain
- Construction
- Creative Industry
- Renewable Energy
- Energy Efficiency
- Clean Production



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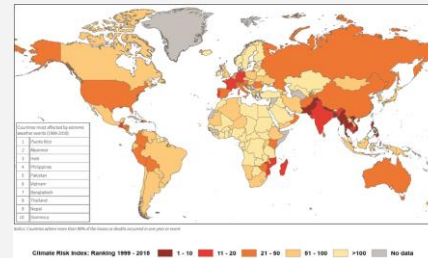
Climate Change in Central America



Main Challenges:

- ✓ Heat waves, droughts, forest fires, cyclones, flooding, rising sea levels, and ocean acidification are becoming more frequent.
- ✓ **Food security and losses of livelihoods:** Drought and desertification have caused the loss of millions of hectares where millions of tons of food could have been harvested.
- ✓ **Migration movements:** The environmentally displaced are people who are forced to move to different areas because of climate change.

Central America is one of the most vulnerable regions to climate change in the world.



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Future Challenges: Climate Change and COVID-19



- ❑ Investment in **climate change** must guarantee **employment creation**, especially for the most vulnerable populations.
- ❑ MSMEs contribute **33 percent of GDP** to the region's economies; **they are important job generators, creating around 45 percent of the economically active population** in all Central American countries.
- ❑ Facilitating **green finance** to SMEs is key to helping reestablish jobs during the crisis and boosting the economy of every country.

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Regional Coffee Growing Transformation Initiative (ITRECAFE)

Countries:



Amount: US\$ 150.0 million

Objective:

- ✓ Support the transformation of the region's coffee production chain in order to achieve its sustainability in the medium and long term through financial and non-financial resources to increase efficiency, productivity, systems, and volumes for all actors in the chain.



Financial Structure:

Source	Financial Instrument	Amount (US\$ million)
*Trust	Short and Long Term Credit	150.0
Strategic Allies	**Technical Assistance	-
TOTAL		150.0

Climate Impact:

- 430,500 tons of greenhouse gases prevented
- 1,270,500 jobs created during project execution
- 42,500 beneficiaries of technical assistance

*Trust: Can be composed of fund investors such as CABEL, IFC, KfW, GCF, etc.

** Arrangements will be made to provide technical assistance to coffee producers through strategic alliances with partners who have technical expertise (MOCCA, CRS, TechnoServe, Fairtrade, etc.)

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Productive Investment Initiative for Adaptation to Climate Change (CAMBio II)

Countries:



GCF Amount: US\$ 15.5 million

Objective:

- ✓ Increase resilience to climate change of micro-, small and medium-sized enterprises (MSMEs) by removing barriers to access of financial and non-financial resources, with the goal of adopting and applying best practices for adapting to climate change.



Financial Structure:

Source	Financial Instrument	Amount (US\$ million)
GCF	Senior Loan and Donation	15.5
CABEI	Senior Loan and Donation	12.5
TOTAL		28.0

Climate Impact:

- 69,720 people with stronger resilience to climate change

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Project *for* the Central *American* Dry Corridor and *Arid Zones* of the Dominican Republic

Countries:



GCF Amount: US\$ 186.6 million

Objective:

- ✓ Strengthen the adaptive capacity of vulnerable people, including small farmers and commercial farmers, as well as entrepreneurs of rural communities in the Dry Corridor and arid zones.



Financial Structure:



Source	Financial Instrument	Amount (US\$ million)
GCF	Senior Loan, Guarantee, and Donation	186.6
CABEI	Senior Loan	35.0
Participating Countries	Payment-in-kind	44.0
TOTAL		265.6

Climate Impact:

- 3,770,298 people with stronger resilience to climate change

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Bio-CLIMA Project

Country:



GCF Amount: US\$ 64.0 million



Objective:

- ✓ Introduce an integrated climate action to reduce deforestation and strengthen resilience in the Bosawas and Río San Juan biospheres.

Financial Structure:

Source	Financial Instrument	Amount (US\$ million)
GCF	Senior Loan and Donation	64.0
CABEI	Senior Loan	19.0
World Bank-FCPF	Payment based on results	24.3
GEF	Donation	8.3
TOTAL		115.6

Climate Impact:

- 26,500,000 tons of greenhouse gases prevented
- 665,821 people with stronger resilience to climate change

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Thank you!



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