# Estrategia País CAF Chile 2023-2026: Desarrollo Sostenible y Descentralización

**Date**: 2023-03-06

**Location**: Santiago, Chile

## Executive Summary

The CAF Chile Country Strategy 2023-2026 outlines a comprehensive framework for supporting Chile’s sustainable development and economic reactivation following its rejoining CAF as a full member in March 2023. The strategy focuses on four key areas: strengthening regional capacities, promoting a green transition, enhancing digital connectivity, and fostering inclusive growth. CAF aims to mobilize approximately USD 5 billion in technical assistance and financing to address challenges such as productivity stagnation, social inequalities, and environmental vulnerabilities. Specific initiatives include supporting the development of renewable energy, digital infrastructure, and the hydrogen economy, while also emphasizing the importance of gender inclusion and regional equity. The strategy aligns with Chile’s commitments to carbon neutrality by 2050 and aims to position the country as a digital hub in Latin America.

## Characteristics

* **Sustainable Development Focus**: The CAF Chile Country Strategy 2023-2026 emphasizes sustainable, inclusive growth, aiming to support Chile’s economic reactivation and environmental commitments through green financing and technical assistance.
* **Decentralization and Regional Empowerment**: The strategy prioritizes strengthening regional governments (GORE) to enhance local governance, resource management, and reduce disparities among vulnerable populations.
* **Digital Transformation**: It aims to position Chile as a digital hub in Latin America by closing digital gaps, improving connectivity, and supporting the digitalization of public services.
* **Green Energy Transition**: The strategy supports Chile’s transition to renewable energy, including the development of green hydrogen, aligning with national goals for carbon neutrality by 2050.
* **Inclusive Growth**: Incorporating gender, diversity, and inclusion into all initiatives, the strategy seeks to ensure equitable access to opportunities for marginalized groups.
* **Financial Innovation**: CAF plans to provide innovative financial products to support small and medium enterprises (SMEs) and promote sustainable investment in key sectors.

## Actors

| Category | Actor |
| --- | --- |
| Political Actors | Gabriel Boric; Mario Marcel; Sergio Díaz-Granados; Julián Suárez Migliozzi |
| Economic Actors | CAF; CORFO; BancoEstado; CIFI; Triodos Bank |
| Research and Innovation Actors | Universities; Technology Organisations |

## Main Themes

| Category | Subcategory |
| --- | --- |
| Digital Transformation & Strategy | Digital Infrastructure; Digital Platforms; Digital Skills Development |
| Technology & Innovation | Artificial Intelligence; AI Ethics |
| Data & Governance | Digital Governance; Data Governance |
| Inclusion & Social Development | Digital Inclusion; Gender Equality in Tech |

## Practical Applications

* Chile rejoined CAF as a full member on March 6, 2023, which included the opening of a CAF Country Office in February 2023 to enhance the bank’s operations in the country.
* CAF approved 11 financing operations in 2023 amounting to USD 920 million, including two sovereign initiatives for USD 160 million and nine non-sovereign credits for USD 760 million.
* CAF has committed to providing technical assistance for 15 priority initiatives in Chile, amounting to USD 6 million, which includes:
* Studies for the feasibility of a submarine fiber optic cable to Antarctica.
* Pre-investment studies for the Digital Gap Zero Plan.
* A diagnostic and proposal for strengthening the institutional capacities of the 16 regional governments.
* Support for the regulation of the Law for Nature and the definition of the National Green Taxonomy.
* CAF is involved in the implementation of the Sustainable Public Transport Strategy in collaboration with the Global Environment Facility, the Ministry of Environment, and the Ministry of Transport and Telecommunications.
* The “Program for Strengthening Equity of Regional Governments - Phase I” is a USD 80 million results-based loan aimed at enhancing the planning, management, and execution capabilities of regional governments.
* The “Program to Support the Development of the Green Hydrogen Industry” is another USD 80 million initiative to finance projects related to hydrogen production and demand.
* CAF is supporting the implementation of the AdaptaClima platform in Antofagasta and Taltal to enhance climate resilience in these cities.
* CAF is working on the “Plan for the Sustainable Development of Public Transport” with the Ministry of Environment and the Ministry of Transport, which includes initiatives for electromobility in various cities.
* CAF is providing technical assistance for the development of a high-performance computing center for artificial intelligence in Chile.
* The establishment of a national green taxonomy is being supported by CAF to promote sustainable investments.
* CAF is facilitating the development of a logistics profile for Chile to enhance the country’s logistics capabilities and improve trade facilitation.
* CAF is involved in the financing of projects aimed at improving digital connectivity and closing the digital gap in rural areas through the Digital Gap Zero Plan.
* The CAF Country Strategy includes a commitment to integrate gender, inclusion, and diversity in all initiatives and operations in Chile.

## Commitments

* Commit to ensuring that by 2026, at least 40% of new financings will have environmental and climate co-benefits, in line with internationally accepted taxonomy.
* Provide approximately USD 5 billion in technical assistance and direct financing for the period 2023-2026.
* Approve 11 credit operations amounting to USD 920 million in 2023, including two sovereign initiatives for USD 160 million and nine non-sovereign credits for USD 760 million.
* Allocate USD 6 million for technical assistance for 15 priority initiatives in 2023.
* Aim to produce the most economical green hydrogen in the world by 2030 and to be one of the top three exporters by 2040, with a target of 200,000 tons of annual production and 5 GW of electrolyzer capacity by 2025.
* Target to attract USD 5 billion in investments for green hydrogen by 2025.
* Commit to achieving carbon neutrality by 2050 as per the Climate Change Framework Law.
* Aim for 100% of new additions to urban public transport and 100% of sales of light and medium vehicles to be zero emissions by 2035.
* Plan to implement the Digital Gap Zero Plan from 2022 to 2025 to ensure all inhabitants have internet access.
* Support the establishment of a high-performance computing center for artificial intelligence in Chile.