BANCO DE DESARROLLO DE AMÉRICA LATINA Y EL CARIBE

América Latina y el Caribe

Cada camino, una oportunidad

SUSTAINABLE TRANSPORT AWARD 26

Electromobility and the Just Energy Transition in Latin America and the Caribbean

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Electromobility on the path to sustainable mobility...

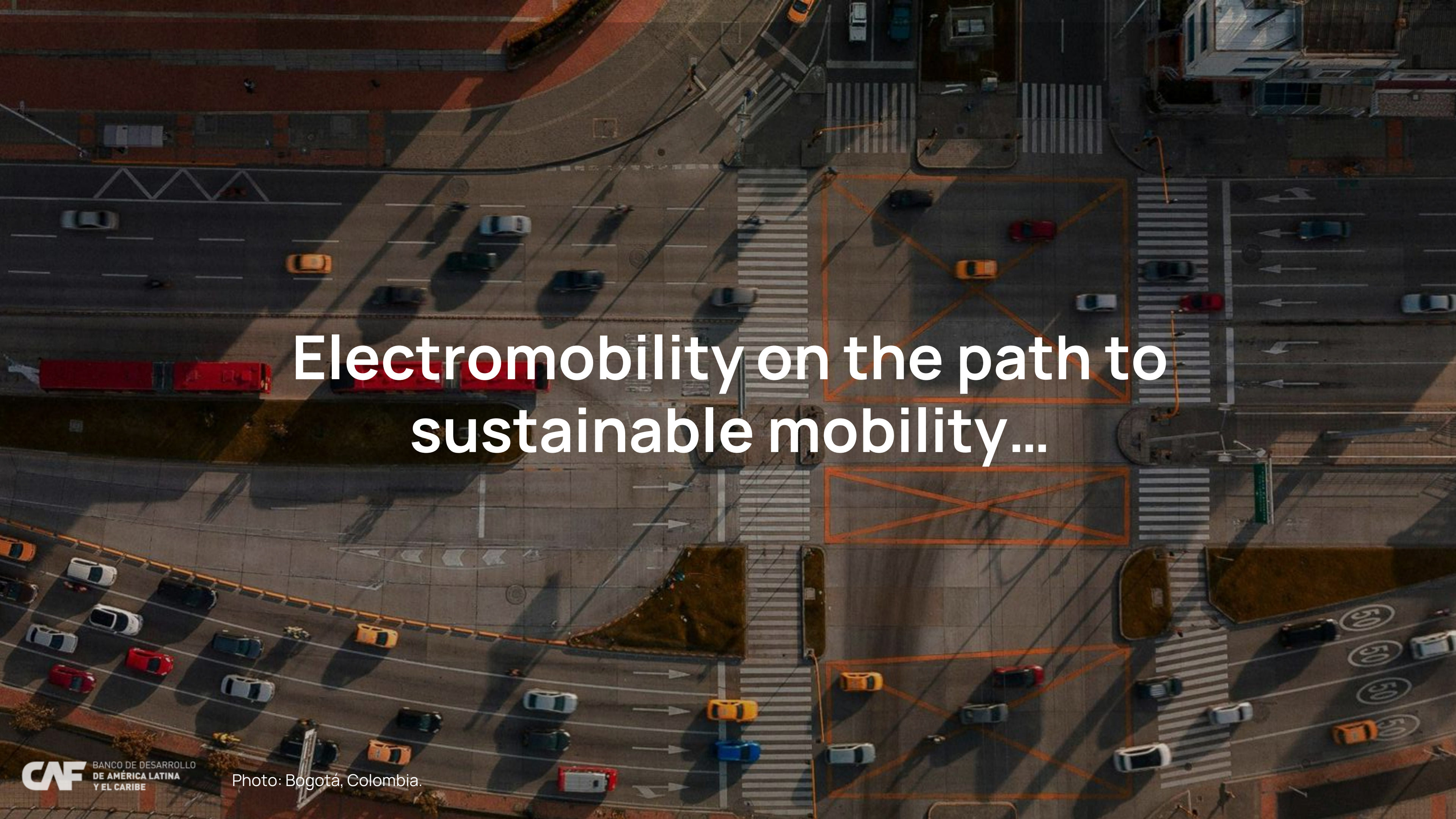

Photo: Bogotá, Colombia.

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Urban mobility is a strategic pillar for sustainable development in Latin America and the Caribbean

Key challenges: Congestion, emissions, unequal access to transportation, and rapid urbanization.

Impact of transportation: Responsible for 40% of CO_2 emissions in the region and key to 6% of regional GDP.

68% of trips are made using sustainable modes Public transit: 35% (average) - Active transportation: 33% (average)

Up to 4%

of GDP is lost to congestion in major cities

+13%

of income spent on transportation by low-income households

Leading cause

of death among children aged 5–14: traffic accidents

7 out of 10

of women feel unsafe on public transportation

What is CAF doing to promote a just energy transition in mobility?

Objective: To support national and subnational governments in **structuring, financing, and implementing sustainable, inclusive, and resilient urban mobility systems** that promote social well-being, economic prosperity, and environmental protection.

1

Promotion of **public policy, planning, and pre-investment** for the deployment of sustainable urban mobility networks.

2

Fund comprehensive, efficient, and equitable **mobility systems**, with a focus on public transportation and sustainable road, pedestrian, and bicycle infrastructure, as well as urban logistics.

3

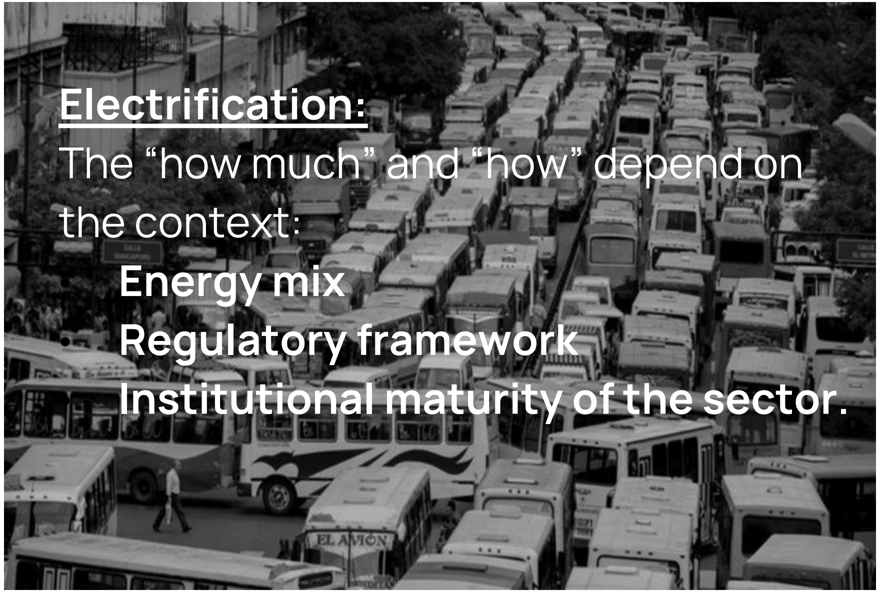
Strengthening, management, and innovation to improve efficiency and governance.

Mainstreaming and integrating **gender perspectives, inclusion, diversity, road safety, and climate action.**

Electromobility as a tool, not an end in itself…

- As part of the transition to a low-carbon economy, electrifying the fleet reduces emissions and presents an opportunity to improve service quality and reliability.

- The challenge is complex, and there is no single action or solution.



Source: Electric buses: the city's new mode of transportation

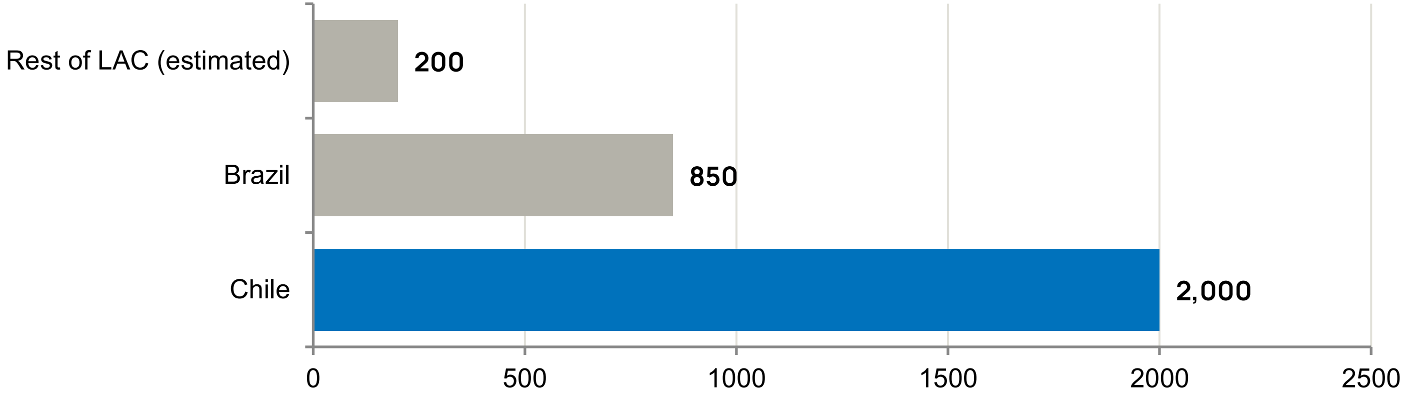
Regional Spotlight: LAC Nearly Tripled Its Electric Bus Sales in 2025

LAC nearly tripled its electric bus sales in 2025 compared to 2024, surpassing the United States.

E-bus sales in LAC, 2025
+3,000 units

Chile leads in 2025
1 in 5 buses in LAC

Growth in Chile and Brazil:
30% of global sales



Source: **IEA, Global EV Outlook 2026**

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Financing and Electromobility - CAF

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E-Motion: Electric and Low-Carbon Mobility (230 MM USD)

CAF - mobilizes resources to accelerate the transition toward low-emission transportation that is **better organized, more efficient, equitable, comfortable, safe, sustainable, resilient, and affordable.**

GREEN CLIMATE FUND

AFD CAF giz

IN PROGRESS

EMOTION CAF
Panama, Paraguay, Uruguay

Total amount: up to USD 231 million (CAF up to USD 122 million + GCF up to USD 77 million, including grants and concessional financing).

Non-reimbursable technical assistance for business models, regulatory frameworks, and training

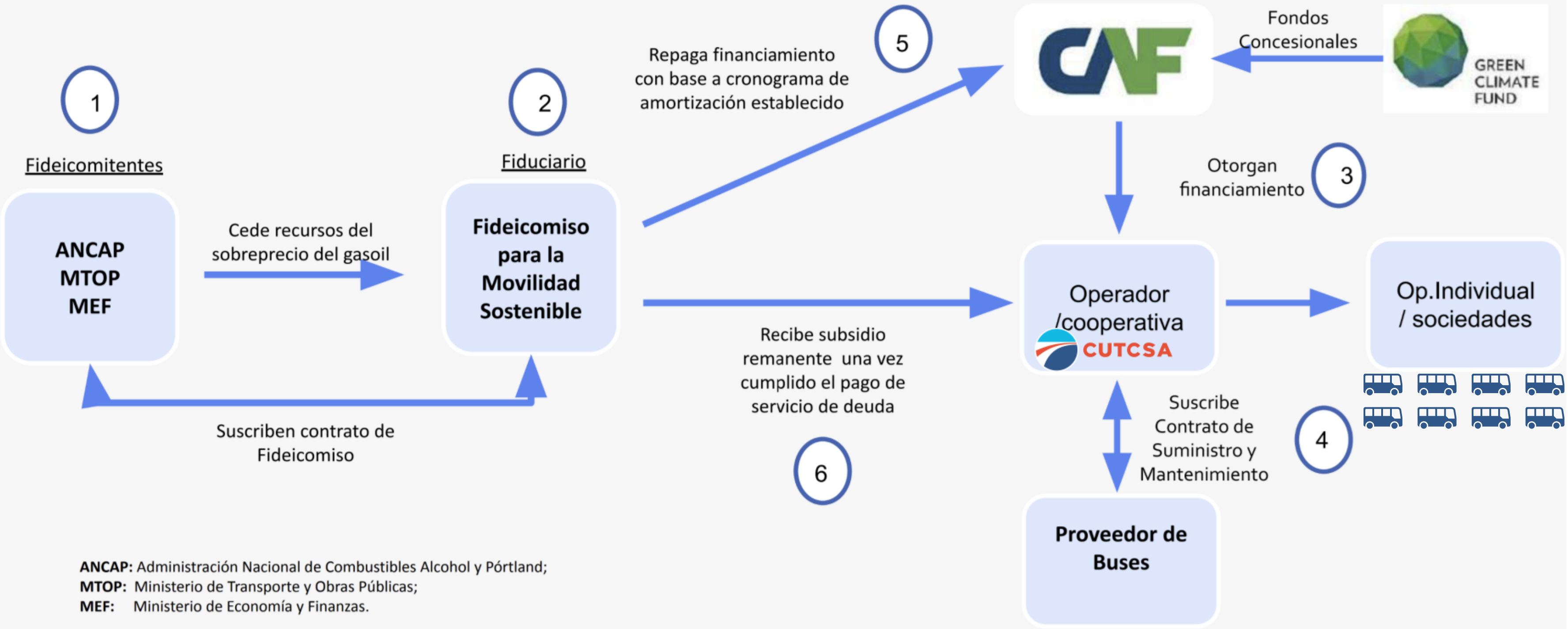
Concessional financing

Public transportation fleet, freight infrastructure, and institutional fleet.

E-Motion: BUSINESS MODEL—THE URUGUAY CASE

CAF-CUTCSA Loan of USD 20 MM (2025): 60 electric buses + charging infrastructure

Corporate Loan



ANCAP: Administración Nacional de Combustibles Alcohol y Pórtland;
MTOP: Ministerio de Transporte y Obras Públicas;
MEF: Ministerio de Economía y Finanzas.

Some Lessons Learned

1

An enabling regulatory framework with a long-term policy that provides certainty for the private sector to invest

National Sustainable Mobility Policy + 2050 zero-emissions target

2

Transparent remuneration mechanisms that translate into clear guarantees

Fares + Sustainable Mobility Trust Fund with a surcharge on diesel fuel

3

Pool resources and scale up to overcome the barrier of high upfront costs

Cooperative → a single borrower

4

Efficient risk allocation

Technological, operational, regulatory, and foreign exchange risks—each managed by the party best equipped to handle it.

Closing Remarks

Electrification involves structuring projects that are bankable and scalable

Different contexts, different paths to electromobility.

There is no single replicable model: each system combines a different set of tools depending on its starting point.

Opportunity

- The transition to electromobility is also an opportunity to review and improve public transportation quality standards.
- *Example: digitalization that makes information more accessible to users and enables better allocation of routes, vehicles, and drivers.*

A risk

- It may leave many people behind, especially in contexts with many unregulated services, which consequently do not have access to the benefits of these policies.

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Thank you very much!