



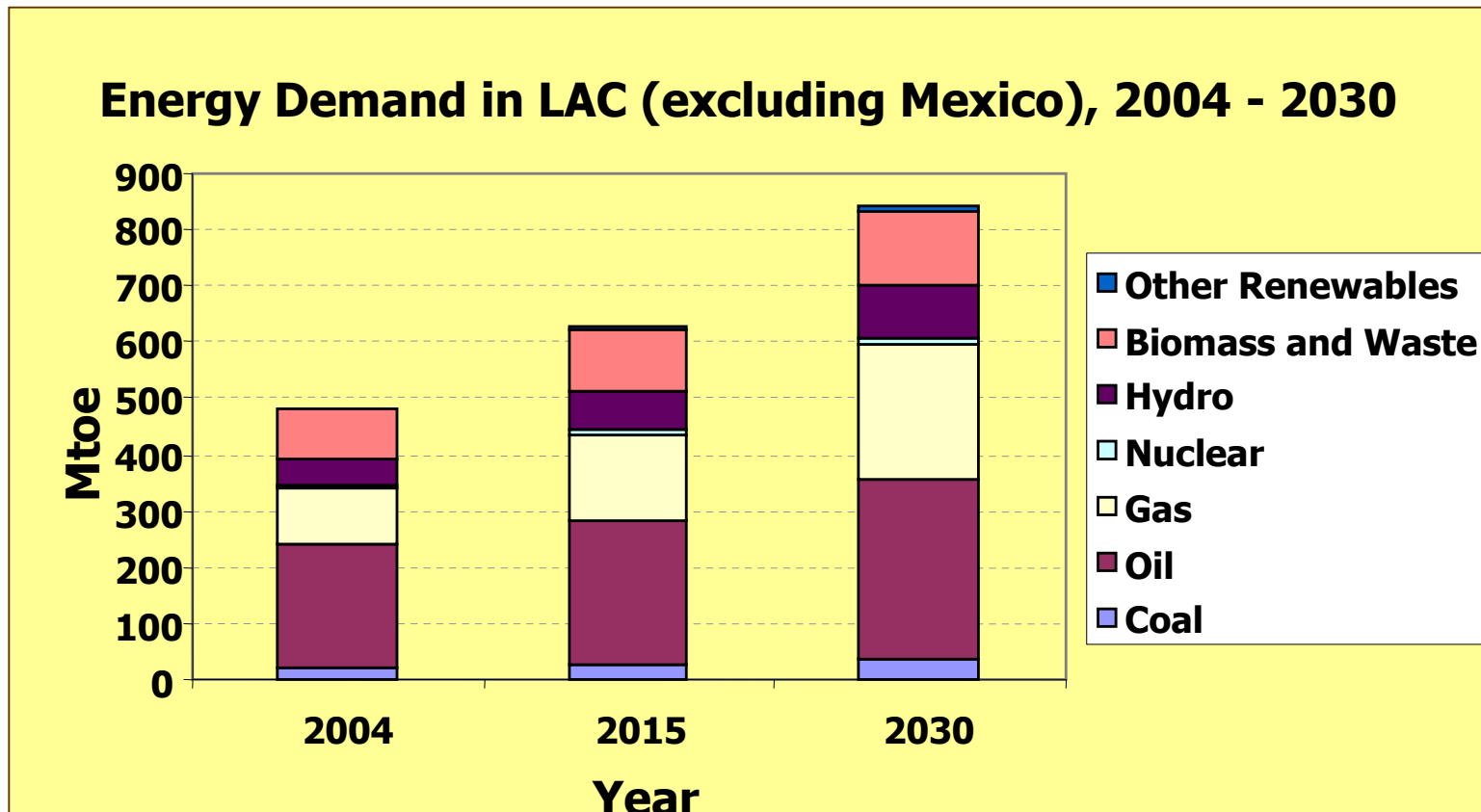
Climate Change Strategy

Inter-American Development Bank

Expected Impacts of Climate Change in LAC

- Andean inter-tropical glaciers likely to disappear over the next decades
- Changes in precipitation trends
- Continuous decline in natural land cover at very high rates
- Risk of significant species extinctions in many areas of tropical Latin America
- 50% of agricultural lands likely to be subjected to desertification and salinisation in some areas, by the 2050s
- Increase in the number of people experiencing water stress likely to be between 7 and 77 million by the 2020s
- The expected increases in sea-level rise, weather and climatic variability and extremes are very likely to affect coastal areas

Towards the future: Energy demand in LAC



IDB's response: Sustainable Energy and Climate Change Initiative (SECCI)

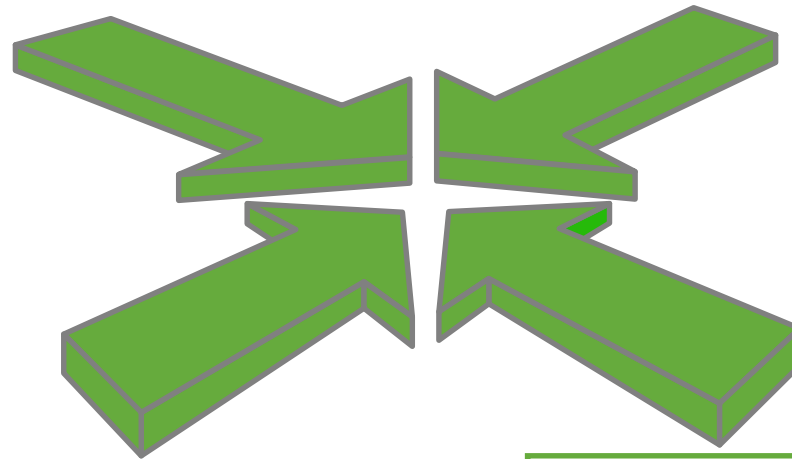
- Approved by the IDB Board in March 2007
- A response to LAC's request for an expanded role in sustainable energy and climate change
- IDB contribution to the new international clean energy investment framework
- Bank wide-initiative complementing the Bank's existing efforts in energy
- Assistance and finance through: Technical Cooperation; mainstreaming in IDB project lending; Climate Change Policy-based Loans; and Investment Grants



SECCI 2008 Activities

1. RENEWABLE ENERGY AND EFFICIENCY
15 TCs (US\$8.5m) / 5 Loans (US\$300m)

2. SUSTAINABLE BIOENERGY
9 TCs (US\$4.2m) / 4 Loans (US\$310m)

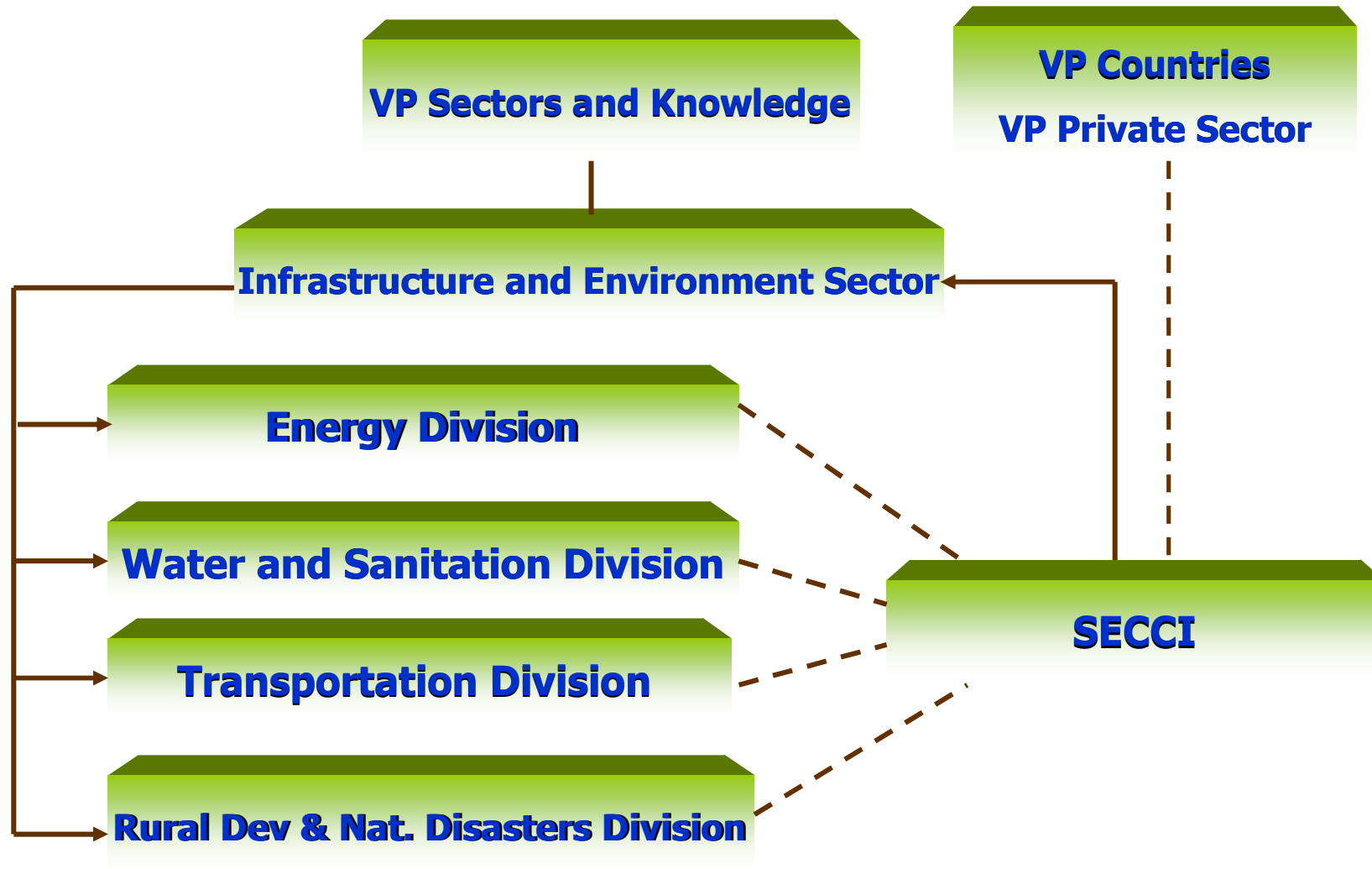
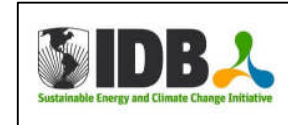


3. CARBON FINANCING
5 TCs (US\$2.8m)

4. CLIMATE CHANGE ADAPTATION
3 TCs (US\$2.6m)

5. MULTI-PILLAR
10 TCs (US\$6.3m) / 3 PBL Loans (US\$825m)

SECCI's Operational Structure



SECCI's Operational Framework

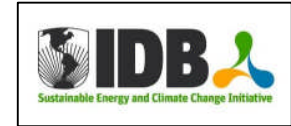
- Stand-alone Products
(e.g. CDM Methodologies)
 - Mainstreamed Activities, into:
 - Country programming (VPC)
 - Sector Work (VPS)
 - Projects (VPS, VPP)
 - Knowledge creation and dissemination
 - Policy Innovation a key element
-

SECCI Policy-based programs: Mexico, Colombia and Peru



- Country-specific Economics of Climate Change Studies
- Strengthening Environmental Ministries responsible for developing CC policies
- Mainstreaming CC in priority sectors
- Development of CC plans for 15 states (Mexico)

2009



- Climate Change Task Force to be established
- Develop IDB strategic framework for responding to the emerging post-2012 framework
- Sectoral approaches – including C finance
- MRV actions – role in building understanding and capacity
- Policy-based loans creating institutional space, dialogue and capacity
- CIF utilised in programmatic way – transformative

Thank you