FINANCING CLIMATE-SMART POLICIES & ACTIONS

MERCOSUR-EUROPEAN UNION DIALOGUE ON CLIMATE CHANGE, ENERGY & FOOD SECURITY

BRASILIA, BRAZIL & AUGUST 15-16, 2017



Progress Along Carbon-Smart Pathways Requires Strategic Partnerships & Financing

Calls to align all **financial flows** for low-carbon and climate-resilient development

PARIS AGREEMENT

Strongly urges developed countries to jointly increase **climate finance** to U\$100B per year by 2020.



Development Banks Are an Essential Part of Strategic Partnerships & Financing

World Bank/LAC

(IBRD & IDA)

IDB (Sov. Guaranteed)

CAF (Sov. Guaranteed)

BNDES

U\$ 8.2B

U\$ 9.3B

U\$ 5.8B

R\$ 88.3B

20-25 Years



Our Corporate Mandate & Sector Policies Motivate Shifts in Thinking & Sector Dialogues

IDB-IIC BOARD OF GOVERNORS' MANDATE:



... "increasing the financing of climate change related project in LAC to 30% of the IDB's and IIC's combined total approvals [...] by December 31, 2020..."

Effective: July 2016 Regulations > OP > Sector Framework > OP-2019 Regulations > OP > Sector Policies > OP-704 OP-2019 Energy SFD OP-704 Disaster Risk Effective: December 2015 Effective: December 2015 Management Policy Effective: May 2017 Regulations > OP > Sector Strategies > OP-1011

> OP-1011 Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy



OP-2001 Agriculture and Natural Resources Management SFD

Regulations > OP > Sector Framework >

OP-2017 Food Security SFD



OP-2018 Climate Change SFD

Effective: December 2015



And a Diverse Array of Products for Our Clients Translates Dialogues Into Actions...

Business As Usual

- Sector Dialogues
 - Programming
- Planning & Preparation
 - Implementation
 - Unforeseen Events
- Long-term Sustainability

Climate-Smart Pathways

- integrate innovative technologies & instruments
- includes priorities for NDC implementation
- incorporates climate adaptation & mitigation
- incentivizes improved productivity & sustainability
- buffered by insurance and coping mechanisms
- backed by financial solutions



...As These Examples Illustrate





ESWs • Knowledge Partners • NDC Invest Market Booster





NDC Invest Programmer ◆ Country Strategies



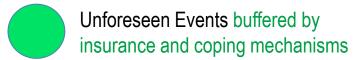


NDC Invest Accelerator ◆ Resilience screening





Loans for Productivity ◆ Incentives for SFM





Insurance ◆ Adaptive water mgmt. & sanitary controls





NDC Invest Finance Mobilizer





THANK YOU!

ANNETTE B.C. KILLMER
Climate Change & Sustainable Development Sector
Inter-American Development Bank (IDB)



NDC Invest Platform

NDC Programmer

Identification of sectoral priorities and support the enabling environment for NDC implementation in LAC.

NDC Finance Mobilizer

Increase access to concessional resources and blend with IDB and IIC capital to enhance economic feasibility and/or provide risk-sharing in climate-smart investments.

NDC Pipeline Accelerator

Support to develop pipeline on sustainable infrastructure and integration of sustainability considerations into Infrastructure PPPs.

NDC Market Booster

(7)

Overcoming market and other non financial barriers to design and promotion of innovative financial instruments and prototyping of new technology.