

RESOLUTION AG-6/16 AND CII/AG-2/16

Increasing Financing for Climate Change

WHEREAS:

Pursuant to Resolution AG-7/10 of July 21, 2010, the Board of Governors of the Inter-American Development Bank (“IDB”) approved document AB-2764, entitled “Report on the Ninth General Increase in the Resources of the Inter-American Development Bank” (the “Report”);

In accordance with the Report, the Board of Governors of the IDB recognized the priority “to protect the environment, respond to climate change, promote renewable energy, and ensure food security”, and set a target for the IDB “to increase lending to climate change initiatives, renewable energy and environmental sustainability from 5% up to 25% at the end of 2015”;

On March 22, 2011, the Board of Executive Directors of the IDB approved document GN-2609-1, entitled “IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy”, which provides guidance for the IDB’s support for climate change and sustainable development interventions in Latin America and the Caribbean (“LAC”);

Pursuant to Resolution CII/DE-26/13, of June 25, 2013, the Board of Executive Directors of the Inter-American Investment Corporation (“IIC”) approved a new Environmental and Social Sustainability Policy, which recognizes climate change mitigation and adaptation as a priority for IIC investment and technical assistance activities in LAC and reaffirms the IIC’s commitment to work closely with the IDB in its efforts to promote sustainable development;

Pursuant to Resolution AG-8/15 of March 30, 2015, the Board of Governors of the IDB approved document AB-3008, entitled “Update to the Institutional Strategy 2010-2020: Partnering with Latin America and the Caribbean to Improve Lives” (the “Institutional Strategy”), which recognizes climate change and sustainability as cross-cutting issues that require the IDB’s interventions to address the economic and social impacts of climate change adaptation and mitigation;

Pursuant to Resolution CII/DE-38/15 of November 3, 2015, the IIC Board of Executive Directors approved document CII/GN-290-5, entitled “IIC Policies and Guidelines Review. Revised Version”, which requires that IIC operations be consistent with the Institutional Strategy;

Pursuant to Resolution AG-9/15 and CII/AG-2/15 of March 30, 2015, the Boards of Governors of the IDB and the IIC approved the consolidation of IDB and IIC non-sovereign guaranteed and private sector activities into the IIC, and the IIC Board of Governors mandated the design of a business plan for such activities that would include among its priorities fostering green growth and environmental and social sustainability;

The IDB and IIC further acknowledge that increasing financing for climate change in LAC will be subject to the demand of member countries and private sector clients and the institutions' respective policies relating to portfolio concentration limits; recognize the relevance of accessing complementary donor funding for climate change in LAC; and welcome Management's objective to improve the evaluation of climate risks and to identify opportunities for resilience and adaptation measures at the project concept stage; and

The IDB and IIC have taken a leadership role in supporting climate change related projects, have stepped up their efforts to assist LAC in its development activities linked to climate change and environmental sustainability, and plan to accelerate efforts to mainstream climate change, as well as to give particular consideration to climate change and environmental sustainability, throughout their operations.

The Boards of Governors of the IDB and IIC, each separately and in accordance with the Agreement Establishing the Inter-American Development Bank and the Agreement Establishing the Inter-American Investment Corporation, respectively,

RESOLVE:

To endorse the goal of increasing the financing of climate change related projects in LAC to 30% of the IDB's and IIC's combined total approvals of loans, guarantees, investment grants, technical cooperation and equity operations by December 31, 2020, subject to demand from borrowing countries and clients and access to external sources of concessional financing.

(Adopted on 10 April 2016)