

Sustainable Development Bonds

Climate Action

13 CLIMATE
ACTION



Focus Area:

IDB GROUP CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN

Due to its geographic location and socio-economic context, the Latin America and Caribbean region is **vulnerable to climate change impacts**. By 2050, rising sea levels, temperature increases and changes in rainfall patterns will result in an estimated annual cost of around 2-4 percent of the region's GDP.

All IDB's 26 borrowing member countries have signed Nationally Determined Contributions (NDCs) as part of the Paris Agreement. The IDB works in partnership with its members to help them achieve their targets.

The IDB Group has been increasingly mainstreaming climate change in its portfolio to support low-carbon and climate-resilient development and meet the 30 percent climate finance target by 2020. Support includes backing investments in renewable energy, energy efficiency, low-carbon transportation, sustainable urban development and other climate considerations throughout the Group's portfolio.



Challenges:

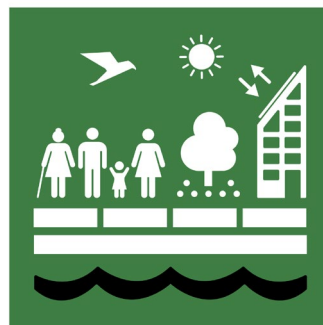
IDB STRATEGY AND SDG 13

Significant levels of financing are needed to fulfill commitments made to the 2015 Paris Climate Change Agreement.

In 2019, the IDB Group financed over **USD5 billion** in climate change related activities benefiting Latin America and the Caribbean-through loans, grants, technical cooperation, guarantees and equity investments accounting for 30% of the total IDB Group annual approvals.

- **USD2.6 billion** in Climate Mitigation Finance towards efforts to reduce or capture greenhouse gas emissions.
- **USD1.6 billion** in Climate Adaptation Finance invested in the change of processes aimed at lowering the current and expected risks or vulnerability posed by climate change.
- **USD0.9 billion** provided towards projects with simultaneous mitigation and adaptation benefits.

TARGET 13-1



STRENGTHEN
RESILIENCE AND
ADAPTIVE CAPACITY
TO CLIMATE RELATED
DISASTERS

TARGET 13-2



INTEGRATE CLIMATE
CHANGE MEASURES
INTO POLICIES AND
PLANNING

TARGET 13-3



BUILD KNOWLEDGE
AND CAPACITY TO MEET
CLIMATE CHANGE



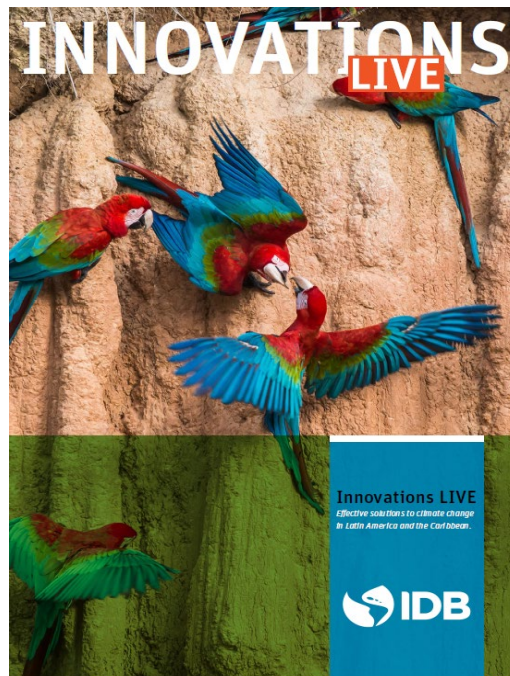
SDG13: Supporting Investments with Research and Innovation

Research and publications undertaken by the IDB helps to identify and prepare investment loans focused on climate action.

[Click on the image to access the publication](#)



DELIVERING A CLIMATE
AGENDA FOR LAC:
IDB GROUP ACTIONS TO 2020



TECHNOLOGY FOR CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN



How ICT and Mobile Solutions Contribute to a Sustainable, Low-Carbon Future

Denis Jorisch
Christina Mallin
Mauro Accurso
Antonio García Zaballón
Enrique Iglesias Rodríguez



Project: Strengthening the Climate Change Resilience in El Salvador's Coffee Forests

CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN

Year Approved: 2019

IDB Financing: \$45 million

Country: El Salvador

13 CLIMATE ACTION



Salvadorian coffee is produced in agroforestry systems known as coffee forests. These ecosystems represent 22% of country's forests and are known for their rich biodiversity. They also provide crucial ecosystem services such as carbon sequestration, water regulation, aquifer recharge, and erosion control. In recent years, however, the range of the coffee forests has been reduced dramatically (by about 12%) and replaced with single crop systems that can be harmful to the environment.

Climate change is among the main causes of the decline in coffee forests. Climate change has affected coffee productivity through changes in temperature and rainfall that disrupt the optimal conditions for coffee production. Climate change has also increased the prevalence of plagues and diseases such as coffee rust and coffee berry. In the 2012–2013 agricultural season, the country experienced an outbreak of coffee rust that affected 74% of coffee areas, reducing the harvest by 54% and employment in the coffee sector by 59%. This all contributes to El Salvador's high vulnerability to climate change.

To design this IDB project, a climate change model was applied to a sample of more than 10,000 coffee farms to identify areas at risk of becoming unsuitable for growing coffee. The analysis showed that by 2050 an estimated 70% of farms will require significant changes in their production systems to remain suitable for growing coffee (systemic adaptation) and 16% will need to completely shift to growing other crops (transformative adaptation). Furthermore, the analysis suggests that the altitude suitable for growing coffee will increase from 825 to 958 meters above sea level by 2050.

The project will assist smallholder farmers in areas that will loss suitability for coffee growth to adapt by using agroforestry systems—improving farmers' income security and maintaining the ecosystem services provided by the coffee forests.



Project: Building Coastal Resilience in the Bahamas

CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN

13 CLIMATE ACTION



Year Approved: 2017

IDB Financing: \$35 million

Country: The Bahamas

Through the Climate Change and Sustainable Landscapes technical cooperation, the IDB is assisting decision makers from the public and private sectors in coping with the challenges of climate change for the management, use, and conservation of sustainable landscapes. The work is focused on (i) strengthening capacity for planning and designing approaches that promote sustainable landscapes and (ii) supporting technical inputs for future investment plans under NDCs.

IDB-financed research conducted at Stanford predicts that degradation or loss of protective ecosystems (e.g. coral reefs and mangrove forests) could lead to a tripling of storm-related damages. The Bahamas is using these findings to identify key areas where investment in natural ecosystems could support a more storm-resilient future.

The IDB is financing a \$35 million Climate Resilient Coastal Management and Infrastructure Program, which aims to improve coastal protection infrastructure (including nature-based solutions) and integrated management of the coast. Specifically, the program will finance (i) science-based shoreline stabilization and coastal flooding control measures in East Grand Bahama, Central Long Island, and Nassau/Junkanoo Beach in New Providence; (ii) restoration of mangroves and reefs in Andros; and (iii) institutional strengthening for coastal risk management. The program seeks to reduce economic losses due to natural disasters and increase local economic activity.



Project: Green Solutions for Road Resilience in Ecuador and Peru

CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN

Year Approved: 2019

IDB Financing: \$128.2 million

Country: Ecuador and Peru

13 CLIMATE ACTION



The border integration project is financing improvements to the remaining 52-kilometer section of Axis Road 4. It will contribute to strengthening the economies of southern and southeastern Ecuador and northern Peru, improving trade between the two countries, and addressing social accessibility needs for isolated populations. It is also emblematic for complying with the 1998 peace accord.

Ecuador and Peru are exposed to multiple natural hazards, including earthquakes, tsunamis, floods, landslides, droughts, and volcanic eruptions. The two provinces in the project intervention area—Loja and Zamora Chinchipe—are especially susceptible to landslides due to intense rain. More than 1,600 landslides were recorded between 2000 and 2018, a number that is expected to increase because of climate change. As a consequence of the landslides, the existing road is in very bad condition, decreasing its reliability and increasing travel times and maintenance costs.

At the request of Ecuador's Ministry of Transportation and Public Works, a Study on Disaster Risk Management including Effects of Climate Change was conducted to identify critical areas at risk of landslide and design structural risk-reduction measures, taking into account the IPCC's future climate change scenarios. As a result of the study, 83 critical points were identified under several climate change scenarios, at which partial or total closure of the road could occur due to the landslides. The study proposed several types of structural slope stability measures, including green-infrastructure measures such as forestation and reforestation of critical areas.

The study also proposes piloting an Early Warning System and an Emergency Plan for landslides, which will apply innovative approaches including using drones to monitor hazards, algorithms to detect areas at risk of future landslides, and smartphones to communicate warnings.



SDG 13 IDB Corporate Results Framework Indicators¹

IDB AND THE SUSTAINABLE DEVELOPMENT GOALS



1,144,784

beneficiaries

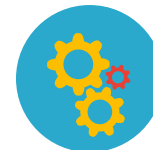
IMPROVED MANAGEMENT AND
SUSTAINABLE USE OF NATURAL CAPITAL



182,931

households

WITH NEW OR IMPROVED ACCESS
TO ELECTRICITY SUPPLY



10,362,036

hectares

TERRESTRIAL AND MARINE AREAS
WITH IMPROVED MANAGEMENT



12,156,188

Metric tons CO₂

REDUCTION OF EMISSIONS WITH
SUPPORT OF IDBG FINANCING



20,197

Households

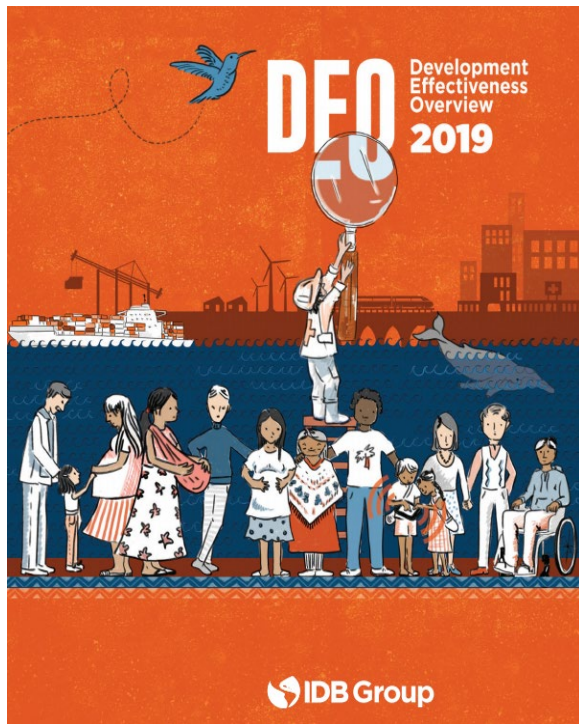
PROTECTED FROM
FLOOD RISK



100%

INSTALLED POWER
GENERATION CAPACITY FROM
RENEWABLE SOURCES

REPORTS



The Development Effectiveness Overview (DEO) is an annual report produced by the IDB group to show the results and Impact of its work in Latin America and the Caribbean.



In the annual Sustainability Report, IDB shares its approach to sustainability and showcase some of its projects, initiatives and research.



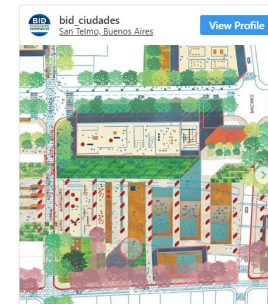
The Global Reporting Initiative (GRI) sets global standards for sustainability reporting, relying on best practices for reporting on a range of economic, environmental and social impacts.

[Click on the image to access the publication](#)

Emerging and Sustainable Cities Program

CLIMATE ACTION IN LATIN AMERICA AND THE CARIBBEAN

Follow us on social media



Click [here](#) to visit our website dedicated to environment and natural disasters!

CONDITIONS AND DISCLAIMER

This information is being delivered to a limited number of prospective investors in order to assist them in determining whether they have an interest in the type of securities offered from time to time by the Inter-American Development Bank ("IADB"). By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees and representatives to, use the information only to evaluate the potential interest in the securities offered from time to time by the IADB and for no other purpose.

This information has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. No representation or warranty can be given with respect to the accuracy, timeliness or completeness of the information, or that any future offer of securities will conform to any potential terms mentioned in this information. If any such offer of securities is made, it will be made pursuant to a definitive offering document, prepared by the IADB, which would contain material information not contained herein and to which prospective purchasers are referred. In the event of any such offering, this information shall be deemed superseded, amended and supplemented in its entirety by such offering document.

The information contained herein does not purport to contain all of the information that may be required to evaluate any purchase of securities and any recipient is encouraged to read the corresponding offering document. Any decision to invest in such securities should be made solely in reliance upon such offering document. Potential investors should also conduct appropriate investigations and consult their legal, accounting and tax advisors in order to make an independent determination of the data contained herein and of the suitability and consequences of an investment in the securities of the IADB.

Because this information is provided solely for general informational purposes and may or may not, at the time of its receipt, remain accurate, timely and complete, the IADB disclaims any and all liability relating to this information, including without limitation any express or implied representations or warranties for, statements contained in, and omissions from, this information. All information should be read in conjunction with the applicable definitive offering document and any applicable amendment or supplement thereto. This document contains or makes reference to various dates but makes no representation for subsequent events. Additional information is available upon request. Past performance is not necessarily indicative of future results.

