

NDC *INVEST* ANNUAL OVERVIEW 2019

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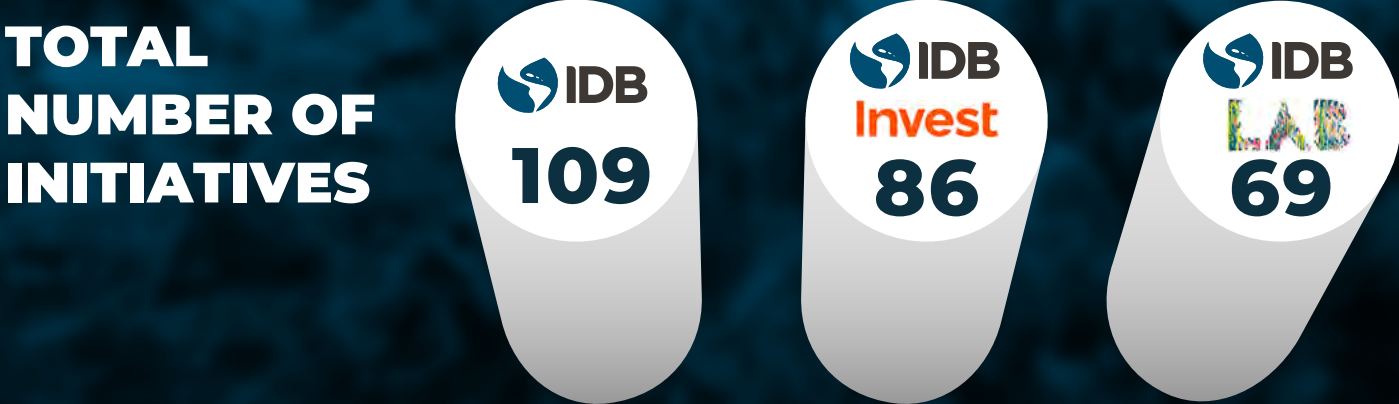


NDC INVEST – 2019 OVERVIEW

NDC INVEST Platform is consolidating its work and has become the largest NDC-related platform among all MDBs.

NDC INVEST INITIATIVES

COUNTRY	IDB	IDB Invest	IDB LAB
Argentina	2	5	3
Barbados	2	1	1
Belize	1	1	1
Bolivia	7	-	3
Brazil	7	4	3
Chile	2	3	2
Colombia	11	3	2
Costa Rica	-	1	1
Dominican Republic	1	2	1
El Salvador	1	6	1
Guatemala	7	4	1
Guyana	1	-	-
Haiti	1	4	2
Honduras	8	3	8
Jamaica	2	1	3
Mexico	9	13	6
Nicaragua	-	1	3
Panama	1	4	1
Paraguay	1	2	2
Peru	5	3	-
Suriname	2	-	2
Ecuador	-	5	3
Bahamas	-	2	-
Trinidad y Tobago	-	1	3
Uruguay	2	3	1



* Most of the countries on the list are also supported by NDC INVEST through regional operations. See map of beneficiary countries with regional operations.

NDC INVEST-REGIONAL ACTION THAT INSPIRES THE WORLD

The **Inter-American Development Bank Group (IDB¹)** promotes actions to address sustainability issues and the impacts of climate change by supporting low-emission and climate-resilient transition projects in **Latin American and Caribbean (LAC)** countries. In 2016, the **IDB Group** launched **NDC INVEST** as a "one-stop-shop" to support countries in the design and implementation of their **climate change-related goals** as articulated under their **NDCs** and **beyond**.

VISION:

NDC INVEST is the **IDB Group-wide** collective effort inspiring and supporting countries in the region to contribute to a successful outcome under the **Paris Agreement**, through the implementation of robust and ambitious **NDCs** and other national climate priorities, shifting to **net-zero emission, climate-resilient** and sustainable development pathways that **improve quality of life and prosperity in LAC**.

NDC INVEST brings relevant **IDB Group** services together, improving synergies between expertise and resources and matching country requests with the best innovative solutions. The platform offers a comprehensive package of **technical** and **financial assistance** that is delivered through **four components**:



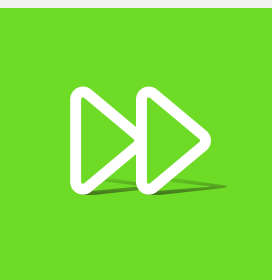
1. NDC Programmer provides technical support to public entities to improve decision making, identify barriers, design climate-smart development policies and strategies, and translate **NDCs** and other national climate and sustainable development objectives into investments and actions for the transition to **net-zero emission** and **climate-resilient economies**.



2. NDC Pipeline Accelerator provides technical assistance to public and private entities on **pre-investment activities** to accelerate the planning and designing of investments aligned with countries climate and sustainable development objectives.



3. NDC Market Booster provides financial and non-financial solutions for corporations, financial intermediaries, and project sponsors to **address market barriers, develop new markets**, and carry out the related investments that align them with countries climate and sustainable development objectives.



4. NDC Finance Mobilizer mobilizes funds from internal and external sources to support public and private sector investments that are aligned with countries' climate and sustainable development objectives and helps member countries to access climate finance and concessional resources to **finance innovative and transformational projects**.

¹ The IDBG is comprised of two separate legal entities: The Inter-American Development Bank (IDB) and the Inter American Investment Corporation (IIC), which was rebranded as IDB Invest in 2017. The Multilateral Investment Fund (MIF), recently rebranded as the IDB Lab, is a trust fund administered by the IDB, which is treated as a separate entity in this document due to its unique function as the IDBG's innovation laboratory.

OUR ACTIONS ARE POWERED BY:



Sustainable Energy and Climate Change Initiative Funds Multidonor SECCI Fund and IDB Fund





Ministry of Foreign Affairs of the Netherlands





REGERINGSKANSLIET
Ministry for Foreign Affairs Sweden





NAMA Facility



NDF NORDIC DEVELOPMENT FUND

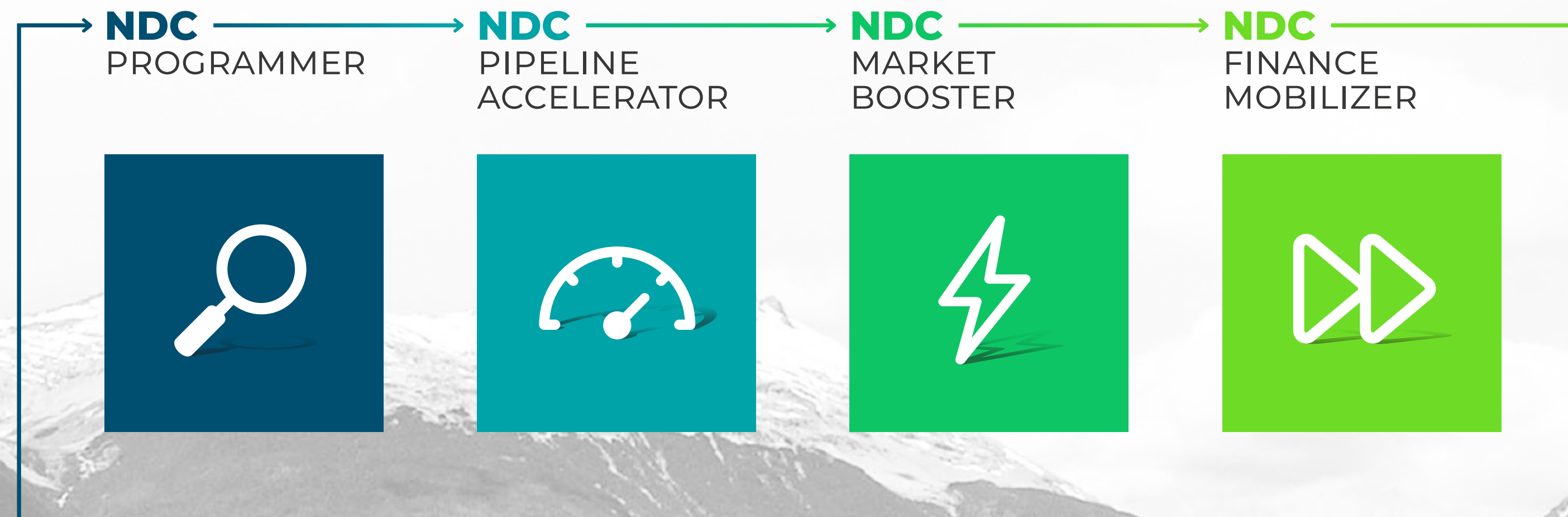


SIP
UK Sustainable Infrastructure Program



Proadapt
Climate resilience knowledge


In the region, the **IDB Group's** climate change support has become a reference for other **MDBs**. **NDC INVEST** Platform's strength relies on the comprehensive support provided through the **four different components**. In the following section we included a brief profile of some flagship projects and outcomes of the **four components of NDC INVEST**.



PROGRAMMER COMPONENT

NDC PROGRAMMER	OBJECTIVE	2019 AREAS	SECTORS	OUTCOMES	TOTAL OPERATIONS
	Promote effective integration of climate goals and national development priorities with strong institutional capacity empowering broad ownership	<div><div> Adaptation: 33%</div><div> Mitigation: 26%</div><div> Dual: 40%</div></div>	<div><div>1. Cross cutting sectors</div><div>2. Institutional capacity support or technical assistance</div></div>	<div><div> Climate goals are translated into policies, regulations and investments priorities</div><div> Climate goals are integrated into public planning and operational systems</div><div> Robust and transparent evidence is available and used to support climate goals design and implementation</div></div>	58 INITIATIVES







FLAGSHIP PROJECTS

<div><div>COSTA RICA</div></div>	RG-T2713, RG-T3283: “Supporting Costa Rica’s Decarbonization Plan”	USD \$288,000.00	<div><div>BRAZIL</div></div>	BR-T1377: “InfraInvest: “Sustainable Infrastructure in Brazil”	USD \$600,000.00
Developing a cost-benefit analysis of the Decarbonization Plan		Supporting the design of the national long term decarbonization strategy	Accelerating the implementation of Infrastructure Development Plans		Enabling financial tools, regulatory and policy frameworks to scale up sustainable infrastructure programs

This technical cooperation, which aligns to the **NDC INVEST – Programmer** Outcome “Climate goals are translated into policies, regulations and investments priorities”, is supporting the Government of Costa Rica in the development of National Decarbonization Plan.” The **IDB Group** is providing technical support in activities such as: (i) Supported the design of the Decarbonization Plan, (ii) Creating capacities to **strengthen research and including modeling capacity** of the University of Costa Rica and the Ministry of Environment and Energy (MINAE). This capacity is used to inform the design of the National Decarbonization Plan, (iii) Developing a **cost-benefit analysis of the Decarbonization Plan**, (iv) Advancing on the development of an investment plan and national adaptation policy.

This TC is supporting the Government of Brazil in the **planning, designing and programming of sustainable infrastructure programs**, which involves ensuring alignment with its NDC and coordination with the Ministry of Planning. As such, it aligns to the **NDC INVEST – Programmer Outcome** “Climate goals are integrated into Public planning and operational systems.” In 2019, the project achieved the following outcomes: (i) Coordination of two roundtables to promote high-level dialogue with the public and private sector to foster sustainable financial solutions to infrastructure needs; and (ii) Two sectorial analyses to identify areas of opportunity for sustainable infrastructure investments at the federal level and city level, with both studies including recommendations and proposals with financial solutions.

PIPELINE ACCELERATOR COMPONENT

NDC PIPELINE ACCELERATOR	OBJECTIVE	2019 AREAS	SECTORS	OUTCOMES	TOTAL OPERATIONS
	Foster execution of robust pipelines of climate-resilient, low carbon projects that support the goals of the Paris Agreement	<div><div> Adaptation: 19%</div><div> Mitigation: 37%</div><div> Dual: 44%</div></div>	<div><div>1. Transport</div><div>2. Renewable Energy</div><div>3. Water and wastewater systems</div></div>	<div><div> Robust and transparent evidence is available and used to support climate goal design and implementation</div><div> Increased public and private sector capacity to plan, design, and execute pipelines of bankable projects</div></div>	30 INITIATIVES






FLAGSHIP PROJECTS

<div>REGIONAL</div>	RG-T3368: “Regional Green Bonds Program for Latin America and the Caribbean”	USD \$1,900,000.00	<div> DOMINICAN REPUBLIC</div>	DR-T1173: "Resilient Transport Infrastructure: Support for the Development of Transport Infrastructure Adaptable to Climate Change."	USD \$1,000,000.00
Supporting institutional arrangements to scale-up and replicate IDB experience of issuing sovereign green bonds		Building technical capacities at the national and subnational level and with National Development Bank clients to develop methodological, knowledge and technical frameworks		Developing comprehensive management strategies for risks that include actions of prevention, mitigation, adaptation and financial protection	Strengthening the management of contingent tax liabilities of Governments

This TC is financed with the Sustainable Energy and Climate Change Multidonor Trust Fund (SECCI), ACL Fund and OC-SDP Ordinary Capital sustainable development funds and is supporting the technical structuring and issuing of green bonds in LAC. The TC is aligned with the **NDC INVEST – Accelerator Outcome** “Increased public and private sector capacity to plan, design and execute pipelines of bankable projects.” With continued support from the IDB, in June of 2019, Chile became **the first in Latin America** to issue a sovereign **green bond**, raising a volume of **\$1.42 billion** at a 3.5 percent interest rate, the lowest interest rate the country has ever paid. This was followed by a second issuance of €860 million. The proceeds of these green bond issuance are exclusively supporting the finance and refinance projects in the categories of **clean transport, renewable energies, water management and green buildings**. The bonds underlined the overwhelming interest of investors by reaching an orderbook of \$7 billion within a short period of time.

This TC seeks to support the Government with the development of a comprehensive risk management system that considers climate and natural disaster risk scenarios. As such, it aligns to the **NDC INVEST – Accelerator Outcome**: “Robust and transparent evidence is available and used to support climate goals design and implementation.” The TC supported the Ministry of Public Works and Communications (MPWC) with survey analysis and digital information such as photo interpretation of free high resolutions satellites images to update the national inventory of bridges and main road corridors. In 2019, the MPWC launched the first **national inventory of bridges and main road corridors**, and was made available to other institutions as well as the general population, through a geoportal: https://inventariovial.mopc.gob.do/gvsigonline/core/public_project_load/DIGRE/

MARKET BOOSTER COMPONENT

NDC MARKET BOOSTER	OBJECTIVE	2019 AREAS	SECTORS	OUTCOME	TOTAL OPERATIONS
	Support efforts to scale up private sector investments and shift business models to support the implementation of NDCs and other climate priorities	<div><div> Adaptation: 24%</div><div> Mitigation: 43%</div><div> Dual: 33%</div></div>	<div><div>1. Renewable energy technical assistance</div><div>2. Energy efficiency</div><div>3. Institutional capacity support or technical assistance</div></div>	<div><div></div><div>Low carbon, resilient climate markets developed and scaled up</div></div>	<div><div>147</div><div>INITIATIVES</div></div>

FLAGSHIP PROJECTS






<div>MEXICO</div>	Vinte Viviendas Integrales - Sustainable Bond Issuance	<div>MXN</div> <div>\$250,000,000</div>	<div>GUATEMALA</div>	GU-M1044 “Recovery of Natural Capital of the Dry Corridor Region and Climate Adaptation”	<div>USD</div> <div>\$3,610,494.00</div>
Provide a partial credit guarantee for sustainable low - and middle - income housing	Advance sustainability bonds in the Mexican capital market		Training and strengthening local organizations on issues of adaptation to climate change	Supporting climate adaptation activities, in coordination with local forestry initiatives such as PINPEP	Rescuing of native species of flora and fauna to contribute to food security in local areas

IDB Invest co-invested in the first sustainable bond issuance for housing in Latin America by providing a 250M MXN partial credit guarantee. This investment is aligned to **NDC Invest’s Market Booster Outcome** of “developing and scaling up low carbon, resilient climate markets.” The Vinte bond 18X which was issued for 800M MXN, was validated by Sustainalytics, a recognized institution providing second-party opinions for thematic bonds, setting up mechanisms to ensure that proceeds would go to investments aligned with Sustainability Bond Guidelines. Vinte incorporates sustainable development as part of its commercial activities through the development of **housing projects that provide positive social and environmental impacts for communities**, including through energy and water efficient design. The bond issuance and the partial credit guarantee have a tenor of seven years. With IDB Invest’s guarantee, Vinte has achieved an international rating of investment grade by HR Rating.



This project responds to the challenges of poverty and malnutrition in the Dry Corridor of Guatemala. In this regard, the TC focused on the development of a sustainable poultry market by addressing issues such as food security, lack of market and high level of climate vulnerability. The project aims to increase productivity and food security in vulnerable communities. As such, it aligns to the **NDC INVEST- Market Booster Outcome** “Low carbon, resilient climate markets developed and scaled up.” This IDB Lab project helped to improve the resilience of families, especially those most vulnerable to the effects of climate change. The approach was to deliver a poultry package to families who completed a 2-month poultry course at a local farmer’s school and built poultry houses and forage areas around their homes. The poultry package included 10 hens and 2 roosters Criollo Peluca for each family, which are more resilient to local climatic conditions. **The beneficiary families agree to share the benefits of the poultry package to other families in the future, thus generating sustainable practices.**



FINANCE MOBILIZER COMPONENT

NDC FINANCE MOBILIZER	OBJECTIVE	2019 AREAS	CLIMATE FUNDS	OUTCOME	CLIMATE FINANCE 30% TARGET
	Support efforts to mobilize public and private finance for climate action at scale	<div><div> Adaptation: 24%</div><div> Mitigation: 43%</div><div> Dual: 33%</div></div>	External Funds: GCF, CIF, IKI, NAMA, UKSIP, DEFRA Internal Funds: SECCI, ACL, SUS, MSC	 Viability of low carbon, climate-resilient investments is improved through access to climate finance (concessional and non-concessional)	29 INITIATIVES Climate Finance increased from 29%, in 2018 to 31% in 2019

FLAGSHIP PROJECTS

 HONDURAS	HO-L1179, HO-T1288, HO-T1286 HO-T1253: “Sustainable Forest Management”	GCF LOAN: USD \$10,800,000.00 GCF GRANT: USD \$24,200,000.00	 REGIONAL	RG-T3078 “Unlocking Clean Buses in LAC Program”	IDB USD \$1,200,000.00 CTF USD \$34,000,000.00
Restoration activities in areas affected by the bark beetle in both public and private forests		Strengthen the government’s forest health system and create forest management alternatives adapted to the impacts of climate change		Pre-investment support	Project preparation support
In Honduras, the IDB helped to mobilize US\$ 35 million from the Green Climate Fund to promote climate-resilient forest restoration and silviculture for the sustainability of water-related ecosystem services. In addition, the IDB is co-financing the program by approving a grant of US\$ 1.5 million and a loan of US\$ 25 million. The Government of Honduras and the local communities are contributing with US\$ 17.5 million. The total investment for the program is US\$ 79 million . This program is in alignment with the NDC INVEST – Mobilizer Outcome “Viability of low carbon, climate-resilient investments is improved through access to climate finance.”		Since 2017, the IDB Group has been working with public and private actors to identify appropriate business models to mobilize investment in clean public transport in LAC and tap the potential. Through this TC, IDB Group is supporting cities to improve public transport to accelerate the implementation of electric buses with an already successful deployment in Argentina, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Paraguay totaling at least 800 electric buses in the region. This TC is in alignment with the NDC INVEST – Mobilizer Outcome “Viability of low carbon, climate-resilient investments is improved through access to climate finance.”		The IDB Group has developed a common approach to structure sustainable financial schemes to deliver electric buses in LAC and mobilize the private sector and other climate funds. For instance, the program helped to mobilize resources from the Clean Technology Fund in Peru and Ecuador, with an amount of US\$ 10 million and US\$ 24 million , respectively.	

IDB GROUP KEY ACTIONS:



PUBLIC SECTOR
Support **public institutions** to strengthen institutional capacities and to promote effective integration of **NDCs** and other national priorities into investments and **public planning**.



PRIVATE SECTOR
Mobilize **financial resources** from traditional investors by: **(i)** enabling new financial instruments (green lines, B Bonds) and **(ii)** building capacities to improve the development of new markets and investments and aligning them with **NDCs** and other **climate priorities**.

Help clients to transform business models and best practices to transition to **net-zero emission** and **climate resilient businesses** by promoting sustainability tools in the **financial sector**.

NDC INVEST - PORTFOLIO CATEGORIES

The current **NDC INVEST** portfolio reflects various interventions among mitigation, adaptation and dual categories. As illustrated in figure 1 in 2019, **NDC INVEST's** portfolio is **well-balanced** and reflects countries' **NDCs** and other climate priorities.

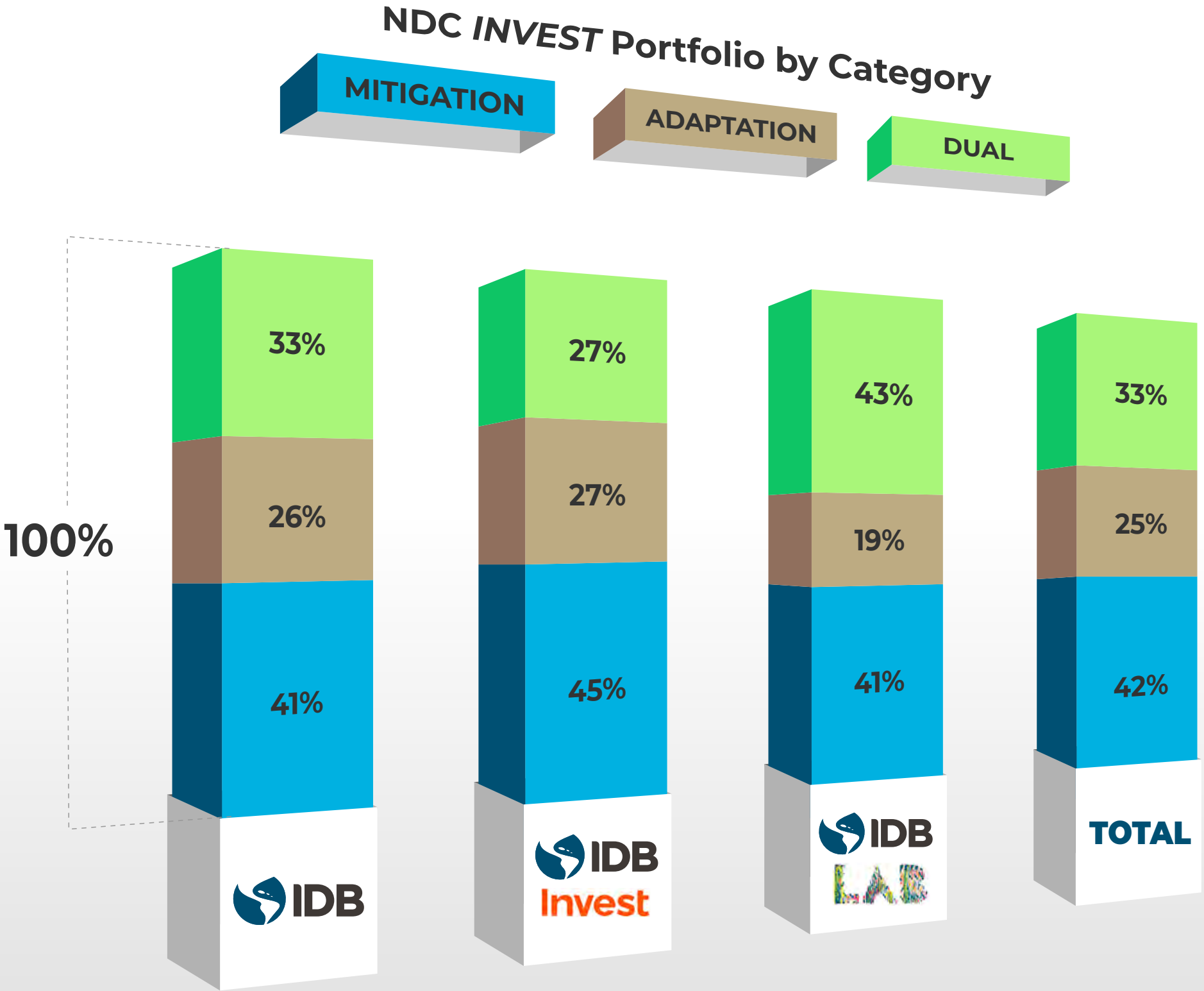


Figure 1 NDC INVEST Portfolio by Category

CATEGORY

NDC INVEST - FINANCIAL INSTRUMENTS AND SERVICES AS OFFERED BY THE IDB, IDB INVEST AND IDB LAB:

Historically, the **IDB Group** has provided support for **climate change-related initiatives** by channeling resources through different types of **financial instruments and services**. In 2019, as it is shown in figure 2, **NDC INVEST** portfolio was comprised of loans, technical assistance, equity, investments grant, reimbursable grants, grants, and climate advisory services.

Overall, the majority of initiatives are channeled through **technical assistance**, and **climate advisory services**, 55.8% and 32.3% respectively. The **NDC INVEST** financial instrument distribution reflects the **IDB Group** operational approach of supporting knowledge generation, dissemination and innovation initiatives by strategically allocating resources to foster **net-zero emission** and **climate-resilient development**, and building **institutional capacity**.

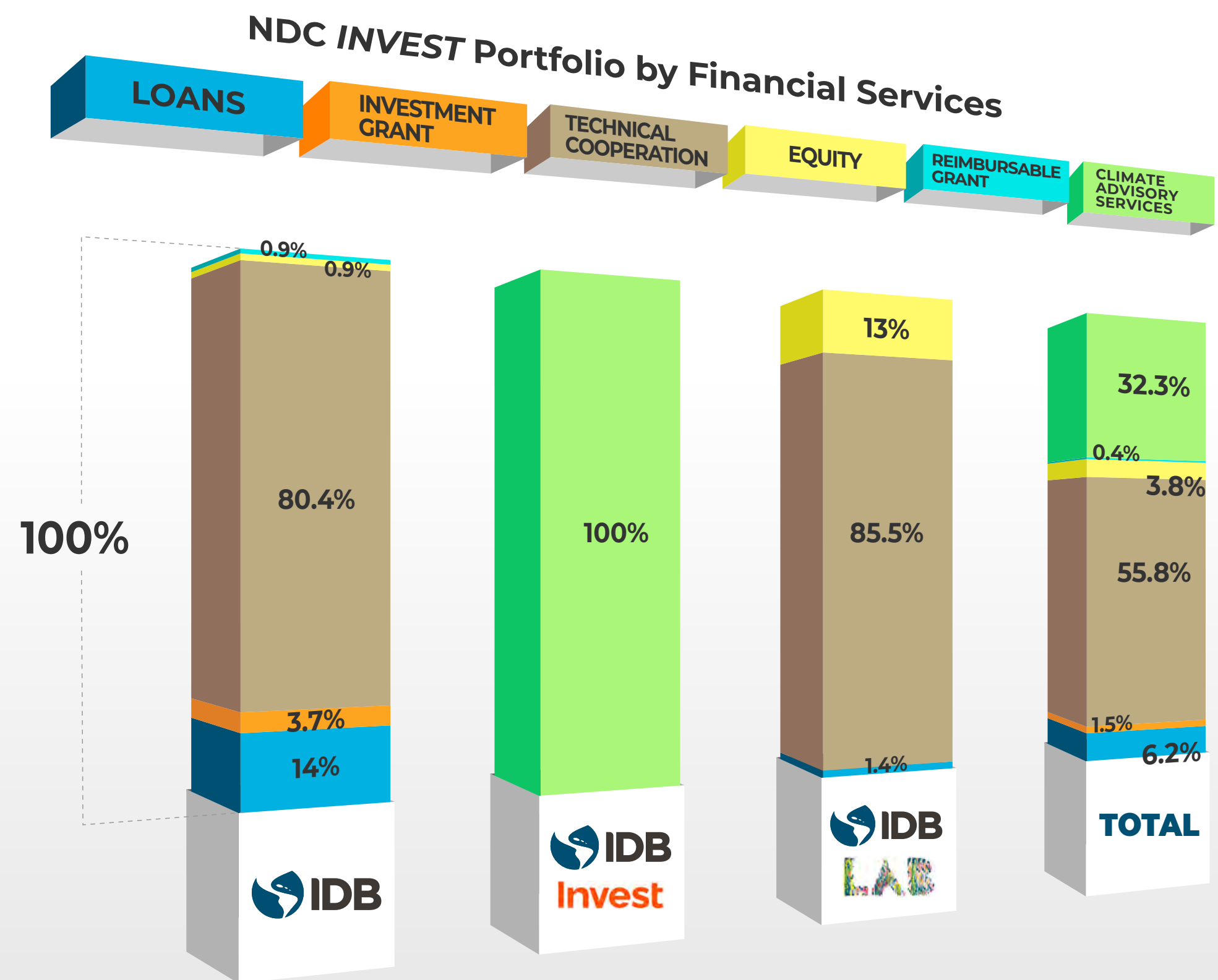


Figure 2 NDC INVEST Portfolio by Financial Instrument

**FINANCIAL
INSTRUMENTS
AND SERVICES**

NDC INVEST PORTFOLIO – RESULTS INDICATORS

In 2019, the **IDB Group** delivered to **LAC** countries a vast range of outcomes and outputs results related with the **NDC INVEST** strategic framework. This briefing shows the top three output indicators that directly contributed to the **NDC INVEST** platform. The figure 3 shows, **IDB** public sector initiatives delivered the following output indicators: **(i)** Capacity building exercise – total: 267; **(ii)** Climate Analyses/studies and tools developed- 167; and, **(iii)** Climate investments plans/strategies elaborated- 130. **IDB INVEST** supported private sector clients by: **(i)** supporting clients to apply business models and best practices with climate considerations – 47; **(ii)** Capacity building exercises for the private sector – 18; and **(iii)** Project support through preparations studies – 11. **IDB LAB** provided the following support: **(i)** clients supported to achieve low carbon-related industry standards- 158; **(ii)** clients applying business models and best practices with climate considerations – 195; and **(iii)** Capacity building exercises – 120.

Overall, all outputs results indicators of the **NDC INVEST** portfolio delivered in 2019 reflect the **IDB Group’s** effort to support **LAC** countries in closing gaps and constraints related to the design and implementation of **NDCs** and to drive climate actions by:

- Strengthen capacities of the public and private sector, academia and other stakeholders.
- Supporting country dialogues.
- Financing pilot interventions and preparations studies.
- Supporting climate considerations into national policies.

NDC INVEST Portfolio by top three outputs indicators

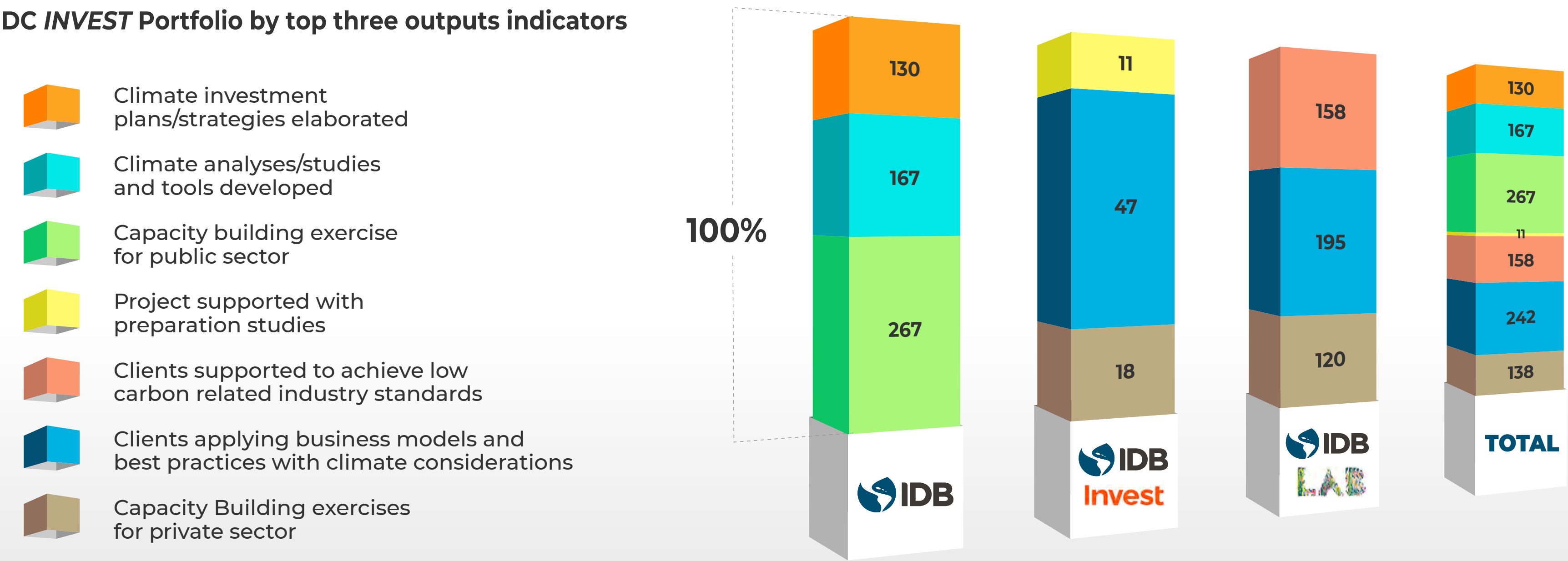


Figure 3 NDC INVEST Portfolio by top three outputs indicators

OUTPUTS INDICATORS

AMBITIOUS FRAMEWORK

NDC INVEST has a **bold framework** to lead the way to **raising ambition** by:

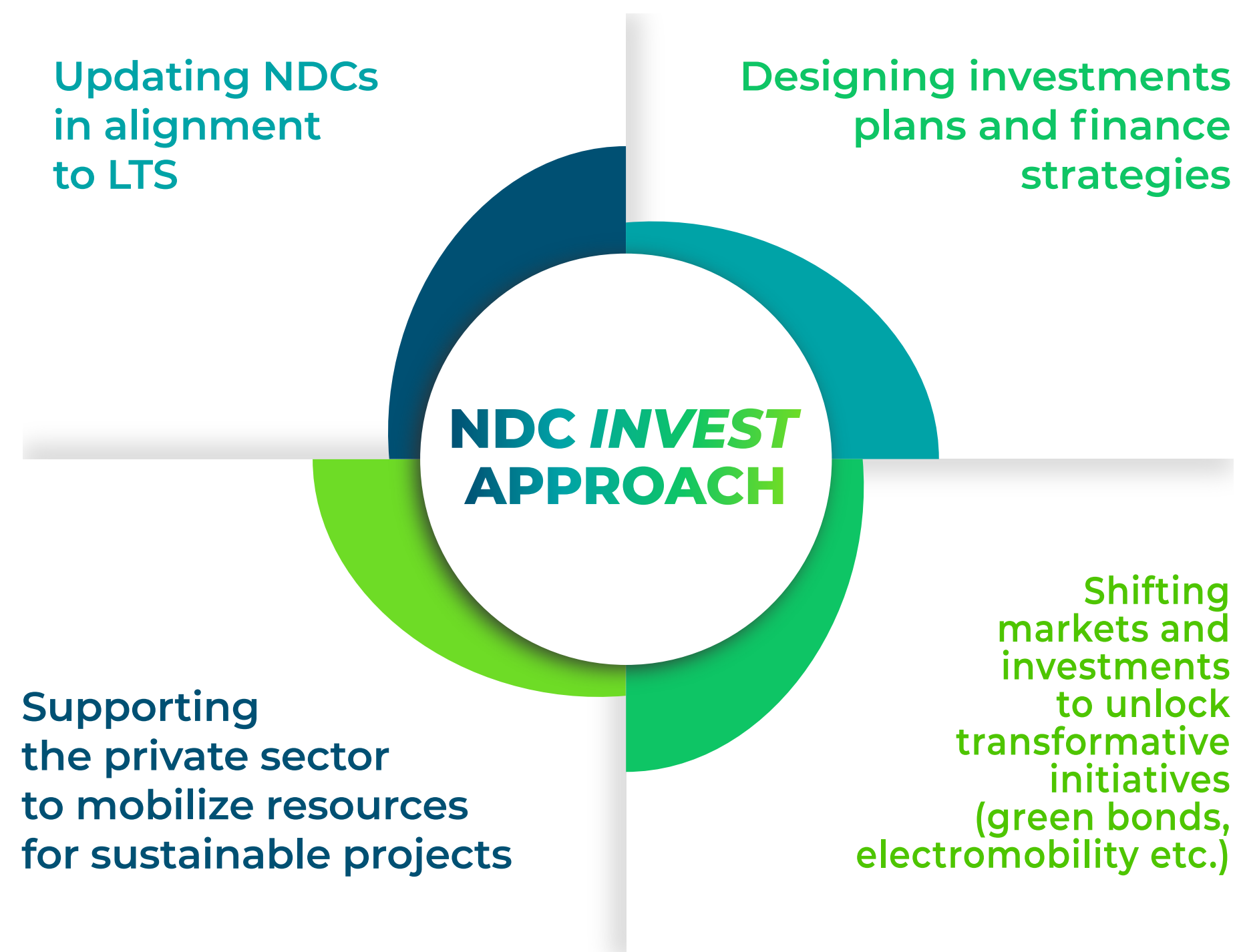


Figure 4 NDC INVEST Approach

In the region, **IDB Group** has positioned itself as a **key LAC ally** to support the **climate change agenda**. Since its inception, **NDC INVEST** has been delivering support related to activities across the **four components**. In this context, the **IDB Group** has built outstanding experience in providing **technical** and **knowledge support** on key initiatives such as the design and implementation of **NDCs** and **LTSs**. Some efforts that helped to shape the work of the platform are:

Financing the Design and Implementation of NDCs and LTS in LAC countries

Efforts to advance the design of new **NDCs** in alignment with **LTS** are a key strategic pillar of **NDC INVEST**. Through this operation, **IDB Group** supported ministries of finance and environment to strengthen institutional capacities, develop knowledge and tools to facilitate implementation of **NDCs** and advance towards **greater ambition**.

Relevant initiatives that have significant results are:

Updating Suriname’s NDC: The main objective was to **raise** the **ambition** of the **NDC** through the alignment to national planning instruments, inclusion of new sectors, concrete measures, inclusion of a list of projects for implementability, and strong engagement and participation from sectoral stakeholders.



Supporting the development of an investment plan and the Decarbonization Plan.



Chile’s Financial Strategy on **Climate Change:** The objective of this work was to support the Ministry of **Hacienda of Chile** to identify the actions that can lead to support the implementation of the country's commitments under the Paris Agreement.



Deep Decarbonization Pathways in LAC (DDP LAC)

In the region, an effective upstream policy environment is necessary to achieve **net-zero emission** and **climate-resilient** development. Through the **DDP LAC project, the IDB Group** has provided **technical expertise** and **knowledge** to strengthen local capacities in national universities and think tanks to inform public policy and national debates on net-zero emission objectives. One of the project objectives is to formalize a **technical-policy platform** by:

Ensuring institutional ownership.



Building capacities at the national level to enable **climate-related** technical skills.



Ensuring robust policy decision making based on **decarbonization** studies and other technical analysis.

Robust cost-benefits analysis of the Costa Rica Decarbonization Plan.



Further information of the DDP LAC initiative can be found in the report “Getting to Net-Zero Emissions: Lessons from Latin America and the Caribbean. Link: <https://publications.iadb.org/en/getting-net-zero-emissions-lessons-latin-america-and-caribbean>

NDC INVEST – ENABLING CLIMATE ACTION IN LAC COUNTRIES

Communication is a key pillar of the **NDC INVEST** Strategy Framework. The **IDB Group** is committed to communicate the platform's strategic areas of work, results and expected impacts to governments, donors, partners, academia and the international community.

In 2019, the **IDB Group** elaborated a communication strategy aiming to revamp **NDC INVEST** image and define products to improve the dissemination of project experience and share knowledge with internal and external audiences. The strategy considers a new **NDC INVEST's** brand positioning and a strategic multi-dimensional approach to communicate effectively to all audiences.

As part of the communication strategy, the IDB Group launched the **NDC INVEST** communication campaign at the UN Climate Change Conference (COP25). The communication campaign consisted of launching of the **NDC INVEST** website www.ndcinvest.org/, and releasing audiovisual materials, project videos, case studies, graphic materials using different platforms such as side events, international conferences, live streaming videos and social media campaigns - <https://twitter.com/BIDCambioClima>.

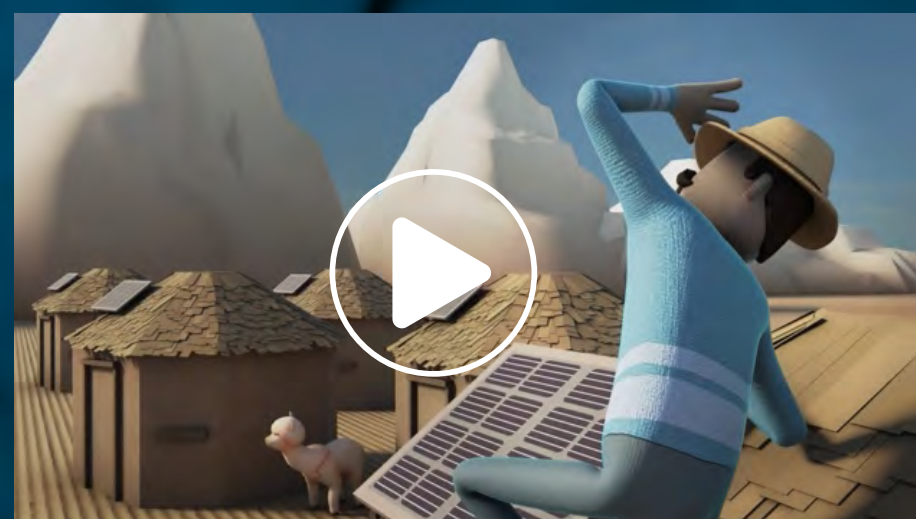
The communication campaign has been effective and successful in terms of providing regional perspectives and **IDB Group** expertise on climate action. For instance, at the COP25, the

IDB Group reached different key audiences such as national and subnational representatives, academia, civil society, partners and other regional organizations.

Some campaign achievements were: (i) a total of 55 events were held at the **IDB Group** Pavilion of the Americas, and 28 were hosted by the **IDB Group**; (ii) **IDB Group** experts participated in 132 events; and (iii) More than one thousand participants attended the **IDB Group's** side events and more than five thousand people attended our events.



Pavillion of the Americas COP25



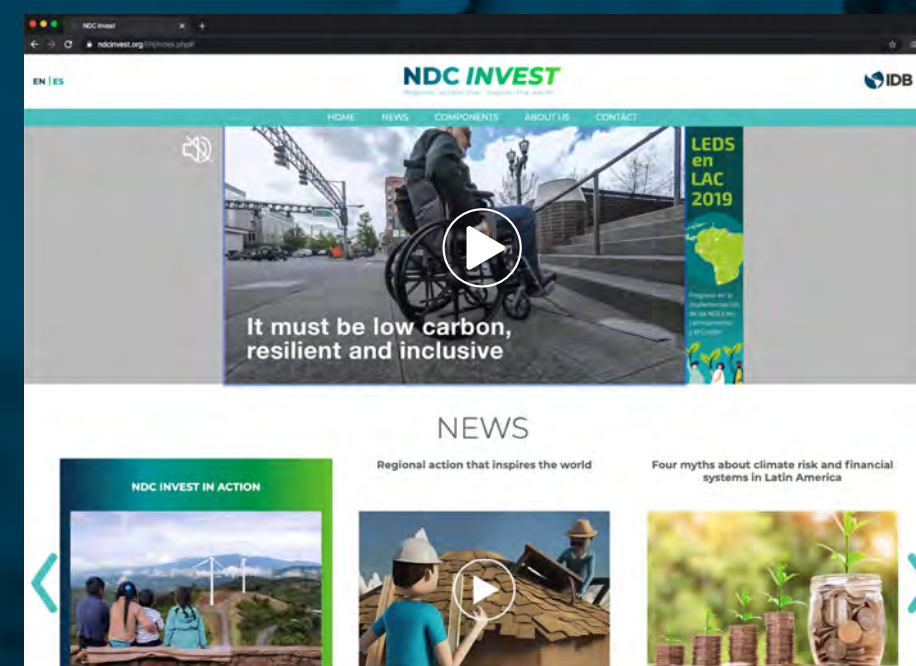
Audiovisual



Twitter



Branding / Slogan



Web: ndcinvest.org



Brochures



Visual concepts



Infographics