



FACT SHEET

ADAPTATION TO CLIMATE CHANGE AT THE INTER-AMERICAN DEVELOPMENT BANK (IDB)

Climate Impacts on Natural Resources of Latin America and the Caribbean

Climate Hotspot	Physical Impacts	Economic Consequences
Corals in the Caribbean	Bleaching and mass mortality of corals. Total collapse of ecosystem and wide-ranging extinction of associated species.	Impacts on fisheries, tourism, increased vulnerability of coastal areas.
Mountain ecosystems in the Andes	Disappearance of glaciers, drying-up of mountain wetlands, extinction of cold-climate endemic species, loss of utility in terrestrial protected areas with climate change shifts.	Impacts on water and power supply, displacement of current agriculture and changes in planting patterns.
Amazon Basin	Forest dieback. Drastic change to the ecosystem, leading to potential savannah, direct loss of restricted range species that may be affected by extreme events, increased risks of forest fires.	Impacts on global water circulation patterns, agriculture, water and power supply on a continental scale.
Coastal wetlands	Disappearance of coastal wetlands, displacement and extinction of local and migratory species.	Impacts on coastal infrastructure, fisheries and agriculture.

Key Challenges and Priorities of the IDB's Work in Adaptation to Climate Change

- **Targeting key economic sectors in the region**, including agriculture, water resource management, urban development and coastal zone management
- **Preparing countries for future disasters** with integrated disaster risk management
- Providing farmers and local populations with **means to cope with financial risks** attached to climate change
- Using technology to **make crops more resistant** to rising temperatures and changes in water availability
- **Securing water availability** in areas under climate stress by improving water governance frameworks
- **Increasing climate resilience of cities** through engineering and policy efforts
- **Protecting major infrastructure investments** in the energy, transportation, tourism and health sectors

Adaptation Approach under the IDB's Sustainable Energy and Climate Change Initiative

- Assist countries in the region in their efforts towards a **climate resilient and carbon neutral economy** through the incorporation of adaptation strategies.
- Support **knowledge development** and strengthen **institutional capacities to identify and assess vulnerability to climate change** by providing tools for climate monitoring as well as through the use of information from regional climate models.
- Provide finance and technical assistance in the identification, design and implementation of **pilot projects for adaptation measures that address the impacts of climate change** while actively demonstrating the costs and benefits of adaptation in prioritized sectors.
- Promote preventive risk management and risk reduction strategies. This includes risk sharing and innovative transfer mechanisms such as insurance schemes or other means to **address loss and damage associated to climate change**.
- Assist countries in the **development and assessment of key policy and regulatory instruments**, including price signals, environmental markets, construction standards and public private partnerships. The IDB also helps countries integrate these instruments into their climate resilience plans and strategies.

Proposed Actions under the IDB Climate Change Strategy Action Plan

- **Strengthening the Knowledge Base.** The IDB will enable conditions for the generation, application and dissemination of knowledge to strengthen the capacity of its clients.
- **Strengthening Institutional Capacity of Public, Private and Civil Society Sectors.** The Bank will seek to increase institutional capacity (public/private) for the implementation of climate change initiatives, projects and programs.
- **Developing Instruments to Mainstream Climate Change in Bank-funded Operations.** The IDB will enhance the integration of climate change considerations in its lending.
- **Expanding Lending and Technical Assistance in Key Sectors.** The Bank will increase its lending and technical cooperation for climate change through its “traditional” financial instruments. These efforts will be complemented by new innovative IDB instruments for climate change.
- **Scaling up Investments and Leveraging Private Sector Investments.** The Bank will tap into new funds for low carbon and/or climate resilient programs, harnessing the potential of the private sector.