IDB’s response to NDC update and Long-Term Strategies
NDC Invest: focus areas of support

1. Enhancing ambition on new NDC design
   - Emphasis on implementation
   - Tailored to country context
   - Science based
   - Iterative and consultative
   - Responds to a just transition and broader development objectives
   - Considers specific actions for the short, medium and long term

2. Finance strategy for mobilizing & aligning investments
Long-term planning is needed

- The transition implies an economic paradigm change.
- Transformational, not incremental, changes
Response on the Policy side

1. Development of NDC/LTS
   - LTS adaptation
   - LTS mitigation
   - New NDC
   - Policy change/Advise

2. Finance strategy for mobilizing & aligning investments
   - IDBG Portfolio
   - Cost-Benefit analysis
   - Green budgeting
   - NDC Pipeline development
   - Analysis fiscal impacts
   - National Investment System
   - Transparency frameworks

Argentina
Barbados
Bolivia
Chile
Colombia
Costa Rica
Dominican Rep.
Ecuador
Jamaica
Mexico
Paraguay
Peru
Suriname
Uruguay
Some concrete examples of the work in one country

  - Long-term planning.
  - Facing risk and opportunities. There will be winners and losers in the transition.
    - Goals: 30% electric transport by 2030 and 95% by 2050.
    - Opportunities: US$ 20 billion net benefits by 2050 (lower operational costs, less traffic, health improvement, etc.).
    - Risks: fiscal impact of about -10% due to lower income from gas taxes.
  - Sort-term vs long-term planning. Public transport (buses) concessions in the metropolitan area of San José will expire in 2021.
  - National investment system. Prioritization and evaluation of new investment projects.
  - Climate budget tagging. Consistency, evaluation, monitoring and access to new sources of finance.
What is NDC INVEST?

NDC INVEST is the IDBG collective effort to inspire and support the implementation of the Paris Agreement and to assist countries in the design and implementation of their climate change-related policies, goals and commitments as articulated under their NDC’s and other national climate priorities, shifting to a net zero emissions, climate resilient and sustainable development pathways that improves quality of life and prosperity in LAC.

It is a platform that acts as a one-stop shop that offers a comprehensive package of technical and financial assistance that is delivered through its 4 operational components:
**NDC INVEST Components**

**NDC Programmer.** Is the IDB providing support with technical assistance to public entities in the design of policy, plans, and instruments towards decarbonization and adaptation to climate change.

**Examples:**
- Development of Suriname's NDC update and ensure alignment with other national plans and strategies (RG-T2713)
- Development of Costa Rica's 2050 Decarbonization Plan (RG-T2713) and PBL to support its implementation across energy, transport, agriculture, nature-based solutions, governance and institutions. (CR-L1142),

**NDC Pipeline Accelerator.** Is the IDBG supporting public and private entities with technical solutions in pre-investment activities to accelerate the planning and designing of investments aligned with the countries' NDCs and other national climate and sustainable development objectives. The Pipeline Accelerator can cover the additional costs associated with ensuring that projects are planned, designed and executed to be sustainable.

**Examples:**
- Providing an integrating package of risk management measures for strengthening climate resilience in social housing and urban renovation in Asuncion, Paraguay. (PR-T1243)
- Unlocking Clean Buses in LAC: Supporting cities to improve public transport to accelerate the implementation of clean electric buses with an already successful deployment in Argentina, Chile, Colombia, Costa Rica, Guatemala, Paraguay, and at least 800 electric buses in the region (RG-T3078)
NDC INVEST Components

**NDC Market Booster.** Is the IDBG providing financial and non-financial solutions for public entities, corporates, financial intermediaries and projects sponsors to address market barriers, develop new markets and carry-out the related investments aligning them with countries’ NDC and other national climate and sustainable development objectives.

**Examples:**
- Sustainable Organic Quinoa Production in the Bolivian Highlands- The project seeks to ensure and enhance the sustainable production of organic quinoa in the Altiplano of Bolivia by promoting sustainable land management and implement a system of quality control and traceability - IDB LAB- BO-M1060
- Resilient Green Lines: Identifying resilience solutions for sustainable financing in LAC region – Advisory services – IDB INVEST - RG-T3063

**NDC Finance Mobilizer.** Is the IDBG mobilizing funds from internal and external sources to support public and private sector investment that are aligned with countries’ NDC and other national climate and sustainable development objectives. The Finance Mobilizer help member countries to access climate finance and concessional resources to finance innovative and transformational projects.

**Examples:**
- Sustainable Forest Management in Honduras – The total investment is US$ 79 million – US$ 10.8 million Loan and US$ 24.2 million Grant, both from GCF
NDC INVEST – 2019 OVERVIEW

NDC INVEST INITIATIVES

Argentina ........................................... 2 5 3
Barbados ........................................... 2 1 1
Bolívia ............................................. 7 4 3
Brazil ............................................. 7 4 3
Chile ............................................. 2 3 2
Colombia ......................................... 11 3 2
Costa Rica ........................................ 1 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 3
Jamaica .......................................... 2 1 1
Mexico ........................................... 9 13 6
Nicaragua ......................................... 1 3
Panama .......................................... 1 4 1
Paraguay ......................................... 1 2 2
Perú .............................................. 5 3
Suriname ......................................... 2 2
Ecuador .......................................... 5 3
Bahamas ......................................... 2
Trinidad y Tobago ......................... 1 3
Uruguay .......................................... 2 3 1

Regional ................................. 36 14 16

BENEFICIARY COUNTRIES WITH REGIONAL OPERATIONS

Initiatives ........................................... 264
Countries ......................................... 25
Initiatives supporting the public sector 109
Initiatives supporting the private sector 155

INICIATIVAS