

Sustainable Energy and Climate Change Initiative

CARBON EXPO

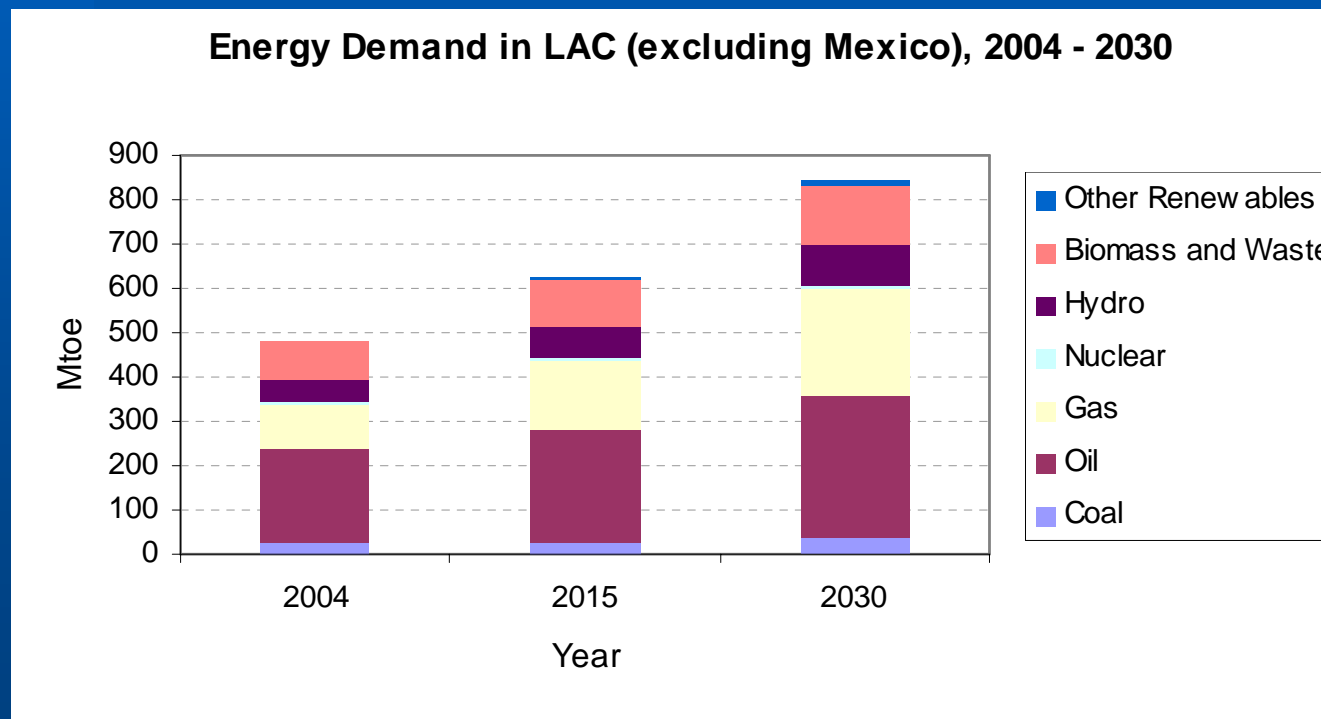
May, 2007



Inter-American Development Bank

Sustainable Energy and Climate Change in LAC

The Challenge:



Sustainable Energy and Climate Change in LAC

Combined contribution of wind, hydro and geothermal to electricity capacity is 23%, but could reach 47% by 2030 in LAC

- Energy diversification:
 - Renewable Energy
 - Energy Efficiency
 - Biofuels
- Carbon finance as incentive for energy planners, regulators and developers

Sustainable Energy and Climate Change in LAC

Barriers and constraints

- Local conditions (solar radiation, wind)
- Weak institutions/regulatory frameworks
- Distorted energy policies/incentives
- Lack of strategic/technical knowledge
- Weak financial instruments:
- **NEED FOR PREINVESTMENT RESOURCES**

The Sustainable Energy and Climate Change Initiative -- SECCI

- A response to LAC's request for an expanded role in sustainable energy and climate change in LAC.
- IDB contribution to the new international clean energy investment framework.
- Bank wide-initiative complementing the Bank's existing efforts in energy.
- Technical Assistance support for IDB project lending and policy lending

SECCI's Four Pillars

1. Renewable Energy and Energy Efficiency
2. Biofuels
3. Carbon Finance
4. Adaptation to Climate Change

IDB: Preinvestment Instruments

- **INFRAFUND**
 - Reimbursable
 - Non-reimbursable
- **SECCI**
- **IDB Program**
- **Multidonor Fund**
- **PRI**
- **IIC: Pilot Project....**