

ADDRESSING CLIMATE CHANGE



Over the last decade, the MIF approved a total of 103 grant and loan projects (\$205.8M) related to climate change mitigation, adaptation, and resilience. MIF climate change operations also leveraged some three times as much in counterpart contributions and co-financing, including from the Climate Investment Funds: the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), the Scaling Up Renewable Energy Program (SREP), and the Clean Technology Fund.

While creating opportunities for the poor and vulnerable through private sector innovation, the MIF addresses climate change throughout its three new areas of focus:

Inclusive cities: MIF projects promote the efficient use of energy, water, and transport; increase the resilience of urban infrastructure and housing to climate risks; and foster planning that minimizes waste of resources.

Climate-smart agriculture: The MIF works with small producers to increase climate resilience through effective planning, crop diversification, efficient use of water, and new techniques and technologies.

Knowledge economy: The MIF seeds, accelerates, and scales innovative and tech-driven business models that address pressing societal problems, including those related to climate change.

Examples of MIF projects focusing on climate change include:

■ PIONEERING USE OF INTERNATIONAL CLIMATE INVESTMENT FUNDS FOR FORESTRY

A MIF project to support indigenous forest producers in Mexico is the world's first use of Forest Investment Program (FIP) private sector funds. The project helps community forest enterprises access government loans, with support from the IDB's Institutional Capacity and

Finance Sector. Other project components include technical assistance for building enterprise skills, improvements in environmental forest management, and access to microcredit.

■ BUILDING CLIMATE RESILIENCE IN CITIES

The MIF is testing an innovative way to increase São Paulo's climate resilience by recycling cooking oil that usually goes into the city's sewerage network, thereby improving the availability of potable water and reducing pressure on the city's sanitation system. Cooking oil clogs pipes and reduces the system's capacity to handle surface runoff from rain. The project will lower risks of flooding and expects to save more than 40 billion liters of clean water over the course of the project.

■ NEW MODELS FOR ENVIRONMENTAL COMPENSATION

A project under development in Colombia will offer an alternative compensation model that will direct resources from businesses to private landowners to pay for environmental damage caused by the businesses' operations. This new private mechanism for environmental compensation will recover degraded areas, promote climate-smart agriculture, and reduce greenhouse gas emissions by contributing to carbon sequestration.

• INNOVATION LAB FOR THE IDB GROUP •

