

INTER-AMERICAN DEVELOPMENT BANK

Highlights of the Sustainability Report 2012



Sustainability at the IDB

At the IDB, we take our commitment to responsible, meaningful development for prosperity and the future of the Latin American and Caribbean region seriously. Our approach to sustainability is twofold. Through our lending program and special initiatives, we maximize the positive environmental and social impacts of our work. We also minimize risks through safeguard policies that identify and address environmental issues and climate change impacts during project design, monitor and report on greenhouse gas emissions, and address key social impacts on indigenous people as well as issues of gender equality and empowerment of women.

What is Sustainability at the IDB? Maximizing positive environmental and social impacts while minimizing risks related to our work.

What can I find in the Sustainability Report?

The report engages stakeholders in—and advances knowledge of—critical emerging sustainability issues in the region, outlines our ongoing environmental and social sustainability commitments, and shares progress we have made against our performance goals. This year, the report includes a focus on the imminent challenge of addressing integrated water resources management in the face of climate change. We also set out the inextricably linked demands for conserving biodiversity and precious ecosystems services.

How are we doing?

We are well on our way to meeting—and in some instances exceeding—sustainability commitments we set for ourselves, in particular the 2015 goals established as part of our most recent General Capital Increase. We are proud of our achievements to date, but we recognize that we still have hard work to do. The report outlines challenges ahead and our areas of focus for the coming year.

Emerging Issues

Follow the Water

The 2012 Sustainability Report includes a special focus on water and the need for climate adaptation.

The Challenge

The need for integrated water resources management is becoming progressively acute with urbanization, growing resource use, and climate change. If you follow the water trail, you will find that it leads into every aspect of development—from water supply and sanitation to biodiversity, agriculture and food security, energy, and ecosystems. As a result, projects can place a complementary and sometimes competing demand on scarce resources.

To better explain the relationship between water and well-being, the 2012 Sustainability Report includes technical papers from recognized specialists and commentaries from experts with real-world experience at the forefront of sustainability. The papers also provide context for the Bank's day-to-day work. Case studies in the report illustrate the importance of water—from planning for climate change adaptation in Uruguay to a micro-dams project in Haiti that protects the watershed and helps provide food security.

Our Approach

In 2012, the IDB launched strategic guidelines and an action plan for water resources management and climate adaptation. We are raising awareness at all levels, through research and development, creation of data, new planning tools, and pilot studies that demonstrate the value to our clients of implementing innovations in water resources management. For example, we have helped Peru prepare and present a project to reduce the vulnerability of coastal communities to the impacts of climate change on fragile coastal marine ecosystems.

Understanding these issues is the first step. The next stage is to identify and commit to projects that address the interplay of water resources and climate adaptation.

Sustainability in Our Operations

Maximizing Opportunities



Through our institutional strategy and mandates, the IDB has expanded our focus on environmental and social sustainability directed at maintaining the underpinnings of development, through the institutional priority “protection of the environment, response to climate change, promotion of sustainable energy, and ensuring food security.” We have set ourselves clear goals and targets to measure how well we are meeting this challenge and maximizing the opportunities in our region.

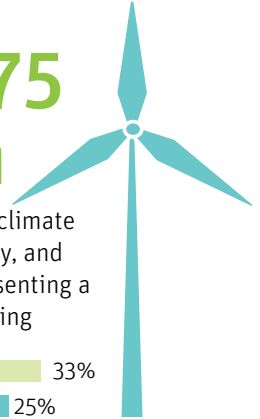
Biodiversity is a signature success from the past year. We invested in 10 Global Environmental Facility and Multilateral Investment Fund projects that contribute to biodiversity and ecosystem services. We invested a further \$15.5 million in five infrastructure loans that contributed to improved management of terrestrial and marine protected areas. And the Bank began working on a Biodiversity and Ecosystem Services program in 2012, work which will continue into 2013 and beyond.

IDB’s successful partnership with a power company, the government in Costa Rica, and an international conservation organization on the Reventazón Hydroelectric Project will provide 10 percent of the nation’s electricity needs. Additionally, the project will safeguard a critical jaguar habitat and lead to protection in perpetuity of a free-flowing river system with largely intact ecosystems.

US\$3.75 billion


lending focused on climate change, clean energy, and environment, representing a third of annual lending

as of 2012  33%
goal for 2015  25%



\$45.5 million

grant investment to address issues related to **indigenous people and Afro-descendants**.

\$23.5 million 

grant investment in **women’s empowerment and gender equality**.

In 2012, the IDB's sustainability efforts produced measurable results for the region and its people.

five

number of **climate change pilot projects** IDB supported.



1.6 million

additional people gained access to **improved public low-carbon transportation systems** this past year, up from 830,000 people in 2011.

two

national frameworks for **climate change mitigation** created.



73%

of IDB-supported power generation capacity is from **low-carbon sources**. This number puts us on track to meet the IDB's 2015 goal of 93%.

2.4 million

farmers gained access to **agricultural services** and investments, almost halfway to the 2015 target of 5 million.

five



number of projects with components that contribute to **improved management of terrestrial and marine protected areas**. Our goal is 30 projects by 2015.

Sustainability in Our Operations

Minimizing Risk

The Sustainability Report provides an overview of how the Bank implements its suite of safeguards policies during preparation and supervision of all projects, with a particular focus on the highest-risk projects in our portfolio. IDB safeguards cover, among other concerns, natural habitats, pollution prevention, resettlement, indigenous peoples, disaster risk management, information disclosure, and gender equality. Through the application of these safeguards, the IDB enhances the project value. For example, in Paraguay we worked closely with our client to reroute a transmission line away from a protected area, which would have required significant resettlements, reducing the project risks and impacts and enhancing the project's long-term sustainability.

The IDB was the first multilateral development institution to adopt gender safeguards as part of a Gender Policy. Throughout 2012, the Bank integrated gender safeguards into its project screening system, enabling a streamlined approach to the identification of potential gender-related risks and impacts in projects proposed for IDB financing.

In 2012, the IDB became a signatory of the International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas (GHG) Accounting. The IDB is a leader in reporting and monitoring GHG emissions, and we are actively working to further reduce emissions from projects in our portfolio and at home.

six

number of **safeguard policies** to address sustainability, including environment and social impacts.

81%

of projects with high environmental and social risks **rated satisfactory**, putting us on target to meet our goal of 85% by 2015.

Global Citizenship

The Bank produces an annual Corporate Responsibility Report detailing how we embrace sustainability at home. Additionally, the Sustainability Report is accompanied by a GRI Index. In 2012 we were rated in the highest category by two sustainability rating agencies.

The full Sustainability Report is available online in English and Spanish. We also host a series of seminars and workshops on sustainability topics throughout the year. For more information or to join the conversation, visit our website:

www.iadb.org/sustainability
Contact us: sustain@iadb.org

