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INTRODUCTION

IDB Invest announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in November 2019, acknowledging the risk that the changing climate poses to investment portfolios and to the global financial system at large. Since then, the recommendations have provided a framework to guide IDB Invest's advancement to future proof the institution. The following page depicts the progress of the institution as a timeline.

2019-2024 **Timeline**

Adoption of new **Sustainability Policy** with commitment to conduct CRAs. Publication of new and enhanced CRA





- Support of TCFD recommendations and creation of TCFD Working Group.
- Development of first physical location-specific CRA (Climate Risk Assessment) screening using a Geographical Information System.

First TCFD Report. methodology.



2021 📆

Pilot of tool assessing project exposure to low carbon transition

Series of knowledge products to socialize concepts and emerging standards within CRA.

The Board of Executive Directors' Audit Commit tee becomes the Audit and Risk Committee (ARC), expanding its oversight of financial and non-financial risks.

- Incorporated additional staff dedicated to climate-related risk management and awareness.
- IDB Invest Management approves Paris Agrement Alignment Implementation Approach.
- Assessment of external tools to incorporate environmental, social and governance (ESG) risks explicitly into internal credit risk models.

2022





with a 60% climate finance target, including mobilization.

- Pilot scorecard for project finance.
- Process begun to update the Risk Appetite Policy (RAP) and evaluate the integration of ESG and climate-related risks.
- Pilot of approach to assess physical and transition risk concentrations at the portfolio level.
- Update of CRA methodology, including new physical climate and disaster risk assessment tools.

2024



- 2023
- Board of Directors and staff trained on Paris alignment.
- Development of a climate risk roadmap, aimed at guiding the enhancement of climate-related financial risk management practices.
- IDB Invest convenes a Blue-Ribbon Panel to help shape its climate change strategy.
- Pilot of credit scorecard for corporate loans that incorporates an assessment of both climate-related physical and transition risks.



GOVERNANCE

Board oversight of climate-related risks and opportunities

IDB Invest is owned by its 48 member countries, 26 of which are in the Latin American and Caribbean region. Each country's voting power is proportional to the number of *IDB Invest* shares it holds. Each member country appoints a Governor and an Alternate Governor. All the powers of *IDB Invest* are vested in its Board of Governors.

The *IDB Invest* Board of Executive Directors (the "Board") is responsible for the conduct of the operations of IDB Invest and for this purpose shall exercise all the powers given it by the Charter or delegated to it by the Board of Governors. It is comprised of 14 chairs representing its 48 member countries. The Board, in coordination with Management, oversees climate-related risks and opportunities.

Policies and strategic documents approved by the Board of Executive Directors include:

- IDB Invest Environmental and Social Sustainability Policy.
- IDB Invest Access to Information Policy
- IDB Invest 2024 Business Plan
- IDB Invest 2025-2027 Business Plan
- IDB Group Impact Framework 2024-2030

Strategic documents adopted by Management and discussed with the Board of Executive directors include:

- IDB Group Natural Capital and Biodiversity Mainstreaming Action Plan 2024-2025.
- IDB Group Action Plan for Disaster Risk Management 2024-2025.
- IDB Group Climate Change Action Plan 2021-2025.

Board responsibilities, activities, and capacity building:

- The Board receives quarterly updates and regular technical briefings on climate-related issues. Those include the Business Quarterly Reports, specific sessions on institutional strategy, risk management and metrics, and the *IDB Group* Climate Change Action Plan Implementation Progress Report, through the Executive Committee of the Board. In addition, the Board may request additional technical briefings when deemed necessary.
- The Board monitors the achievement of institutional targets on both climate risk, climate impact and climate finance through the IDB Group Impact Framework.
- The Board oversees and monitors our financial and non-financial risks exposure through the Audit and Risk Oversight Committee (ARC).
- The Board approves investment proposals for all *IDB Invest* development-related projects (with certain exceptions where this authority has been delegated to Management), which include material information on climate risks and opportunities, as well as Paris Agreement Alignment assessment.
- The capacity building agenda also included non-financial risk, climate and green finance and the Environmental and Social Sustainability Policy.



The Role of Management

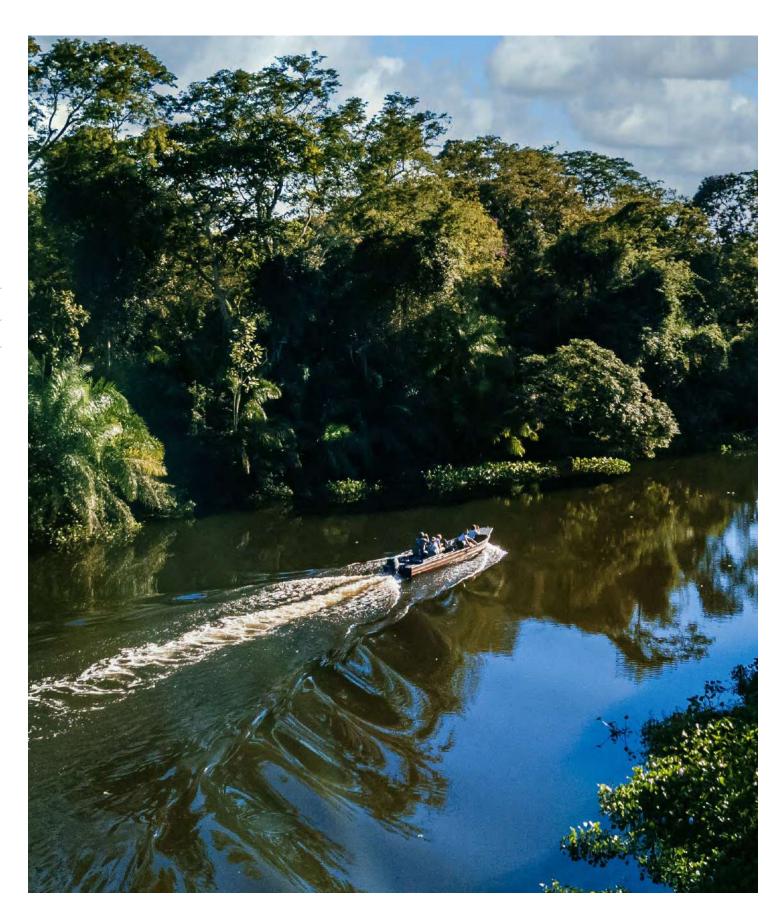
IDB Invest Senior Management is responsible for monitoring both climate-related risk and low carbon and resilience opportunities. Through 2024, the Department of Strategy and Development, headed by the Chief Strategy Officer, acted as a sustainability hub within the organization and includes various climate specialists. The department was responsible for the development of climate-related methodologies, frameworks, and strategic and operational approaches. Within the department, the Advisory Services Division provided operational support as well as all frontline activities which involve our climate strategy, operations and engagement. The Director for Climate Change briefed Senior Management on implementation of climate change strategy and results regularly. Furthermore, the Environmental, Social and Corporate Governance Division assessed climate-related physical and transition risks for IDB Invest financed transactions. Additionally, the Risk Management Department, headed by the Chief Risk Officer, housed an Environmental and Social Risk team. The team managed climate-related financial risks at the portfolio level while also working on quality enhancement and data intelligence. Its mandate and processes are further described in the Risk Management section.

From 2025 onwards, *IDB Invest* approved a new organizational structure to support the implementation of its new business model, *IDBInvest+*.

IDB Invest will enhance its contribution to its cross-cutting priorities and become a climate-smart and GDI-smart institution. For climate change, this will mean shifting from seeing climate finance as a portion of our business to applying a climate mitigation and adaptation lens to everything it does. IDB Invest must reinforce its internal capacity to identify and structure an increased volume of projects that contribute predominantly to climate financing with a strong focus on adaptation and resilience. To strengthen and scale the cross-cutting themes, IDB Invest will increase the organizational relevance of these functions by creating two units, Climate and Environment, and Gender and Social Inclusion, which will facilitate organizational development and growth.

Operationalizing the commitment to align all new operations with the mitigation and adaptation goals of the Paris Agreement remained an institutional priority in 2024. The institutional change management process, which is ongoing, has been overseen by the Chief Strategy Officer. This mandate encompassed the roll-out of the *IDB Group and IDB Invest* Paris Alignment Implementation Approach. It included the development and communication of technical guidance for both climate change mitigation and adaptation assessments, sector-specific tools and guidance, internal knowledge sharing activities, as well as engagement with external stakeholders. This engagement focused on clients, civil society organizations, and other development finance institutions including all fellow MDBs.





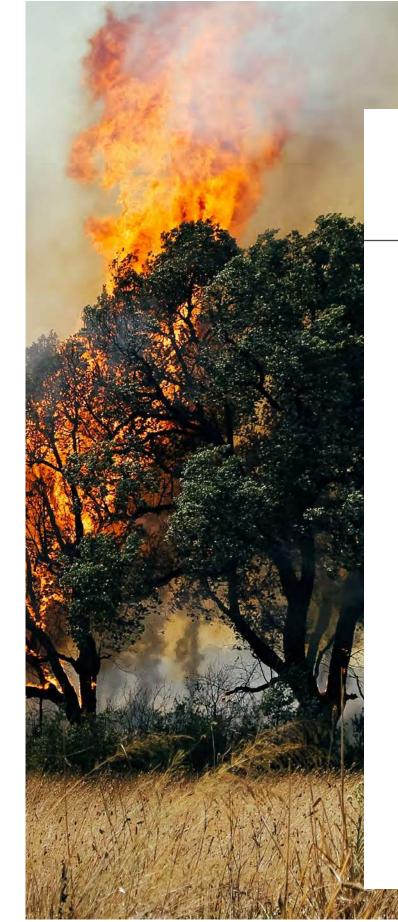
Management Committees

- The Senior Management Committee, chaired by the Chief Executive Officer, is a forum for the senior management team to discuss high-level strategic matters related to our operations, administration and governance. The committee approved the Paris Alignment Implementation Approach and supplementary sectoral guidance.
- The Portfolio Supervision Committee, chaired by the Chief Risk Officer, meets every quarter to evaluate financial and non-financial risks at project and portfolio levels, including portfolio related to climate-related risks.

Climate risk-related working groups

The TCFD working group comprises representatives of all departments, namely members of the office of the Chief Executive Officer, Finance and Administration Department, Risk Management Department, Strategy and Development Department, Legal Department, and Investment Operations Department. The working group meets to direct the mainstreaming of mitigation strategies for climate-related risks and of opportunities to greater climate actions across the organization. The group's mandate consists of overseeing, managing, and coordinating IDB Invest's TCFD alignment process, including the annual disclosure.

The group also provides guidance to the climate risk working group at an operational level. In 2024, discussions were centered on the new methodologies proposed for assessing climate-related financial risks and the transition towards the ISSB standards.



STRATEGY

Vision and New Business Model

During 2024, *IDB Invest* presented a new business model as part of the *IDB Group* Institutional strategy and IDB Invest received a \$3.5 billion capital increase. Employing this additional capital, balance sheet optimization and external resource mobilization, IDB Invest expects to increase its financing capacity to \$62 billion over the next ten years.

The new business model for IDB Invest focuses on the following areas:

- Meet Heterogeneous Needs with Increased Focus on Social Agenda: IDB Invest aims to address the diverse needs of the region with an increased focus on the social agenda. This involves expanding its capacity to originate impactful development assets, meeting clients where they are, and considering client characteristics and local market conditions.
- Climate and GDI-smart organization: The organization seeks to become climate and gender, diversity, and inclusion (GDI)-smart and expand the ambition of its key performance indicators for GDI and climate change.
- Selective and Intentional Approach: IDB Invest plans to adopt a more intentional approach to selectivity, identifying countries' development needs through a revised Country Strategy process and deeper dialogue with governments. The goal is to work upstream to strengthen transactions, clients, and markets that are not yet bankable.





- Expanded Solutions Catalog: The organization will deploy a solutions catalog to meet country needs and respond to client and investor demand. This involves expanding its toolkit of development solutions, introducing more complex financial solutions, increasing the use of advisory services, local currency, and equity investments.
- Bolder Risk Approach: IDB Invest intends to implement a bolder risk approach to drive development impact. This includes leading clients and co-investors to achieve significant development impact while managing the probability and impact of losses through innovative products and services.
- Crowd in private investors at scale: The organization aims to crowd-in private investors at scale, transitioning from a traditional buy-and-hold model to an impact-driven, originate-to-share business model. This involves acting as a bridge between development gaps and investors by originating impactful development assets, structuring them to meet investor needs, and mobilizing resources efficiently.

As part of its proposed New Vision and Business Model, IDB Invest will deepen its mobilization tools and expand the use of approaches to reallocate risk, including financial approaches (e.g., subordinated positions, local currency financing, guarantees, unfunded risk facilities), non-financial approaches (e.g., support for preparation and supervision, building client capacity, managing integrity or environmental, social, and governance risk tools), and approaches involving the use of equity and equity-like instruments. The originate-to-share model will be a key part in scaling up private capital mobilization. The central focus on the originate-to-share mobilization approach allows for increased private capital mobilization, including in climate transactions which will allow for increased climate finance disbursements over the next decade. IDB Invest will design and implement investment products and advisory services solutions that catalyze green and inclusive growth through third-party investment.

This includes financial and non-financial tools that mitigate and/or manage perceived risks. At the project level, IDB Invest's financial participation in climate projects can help adjust risk returns to make projects viable for clients and investors by sharing some of the risk that would otherwise fall to the investor. It can also provide non-financial support for project preparation and supervision, and to build client capacity and manage integrity or environmental, social, and governance risks, thus improving the performance and risk profile of projects while mitigating reputational risk. The combination of our advisory services, blended finance and financial innovation provides an opportunity to unlock private sector decarbonization, innovation and resilient solutions.





Support Countries in their International Commitments

In 2021 the *IDB Group* launched its plan of action to align new operations with the goals each country set internationally by 2023 and make its financial flows consistent with a pathway towards both low greenhouse gas (GHG) emissions and climateresilient development. Starting in 2023, all new projects were assessed with respect to their compatibility with those goals.

The MDBs jointly developed Methodological Principles for Paris Alignment, which acknowledged differences in the institutional and political realities of each organization.

Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New Operations: Direct Investment Lending Operations

Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New Operations: Intermediated Financing

Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New Operations: General Corporate Purpose Financing

Since then, the *IDB Group* has published its approach building on these MDB Principles, as well as <u>sector-specific guides</u> for agri-food systems, water and sanitation, financial intermediaries, transportation and energy. In 2024 the IDB Group added a sector-specific guide for buildings, manufacturing, and the digital economy.

Disaster Risk Management

IDB Invest participated in the creation of the *IDB Group's* Disaster Risk Management Action Plan. The objective of this action plan is to expand and improve the quality of operational and analytical work to promote more proactive disaster risk management by countries and private clients, through a comprehensive approach that pays special attention to actions taken to strengthen resilience before a threat becomes a disaster.

As part of the Group Plan, *IDB Invest* committed to developing financial instruments that allow for private sector resource mobilization in the context of disaster risk management. One such example is the creation of loans with financial protection clauses that allow for delayed repayments in the face of a disaster trigger event, and IDB Invest has added the number of clients benefiting from such resiliency clauses as a metric.



TCFD and ISSB support to clients

In addition to its own TCFD reporting process, IDB Invest also supports its clients, primarily in the financial sector, and markets across Latin America and the Caribbean, to develop TCFD and ISSB alignment and action plans. In this context, IDB Invest has created the following:

- An Excel-based tool for its clients to conduct a gap analysis and develop an action plan toward ISSB.
- An <u>outcome-based product</u> for its clients, which offers concessional financial terms and conditions, along with technical assistance, for achieving certain milestones such as TCFD annual reporting.
- Ongoing climate change advisory solutions to clients include climate risk identification and management laying the foundation for decarbonization pathways and additional climate finance.
- Corporate Governance advisory solutions to clients increasingly include climate change considerations by incorporating climate-related actions into corporate governance actions plans.
- Targeted capacity building sessions on climate risk management and climate governance for clients' Senior Management and Boards of Directors.
- Knowledge products that can serve as a guide for the region in aligning on ISSB and TCFD.



RISK MANAGEMENT

Risk Management Approach

IDB Invest is managing climate risk while considering various perspectives. They relate to the following:

- Impact materiality: this approach assesses the social, environmental and climate-related impacts of investments and applies the mitigation hierarchy to manage impacts including GHG emissions and physical climate impacts, governed by the IDB Invest Sustainability Policy.
- Paris Alignment: closely linked to impact materiality and in accordance with the Joint MDB Principles and the *IDB Group* Paris Alignment Implementation Approach, the objective is to assess investments' consistency with the mitigation and adaptation goals of the Paris Agreement.
- Financial materiality: this approach focuses on the financial impacts of transition and physical climate-related risks at counterparty and portfolio level, considering both impacts on the overall risk profile and the financial performance of investments.

By integrating these three perspectives, IDB Invest is looking to build a comprehensive and robust framework for managing climate-related risks.

Incorporation of climate-related risk management into existing risk management framework

To further strengthen its approach to identify, assess and manage climate risk, *IDB Invest* is actively developing new capabilities, tools, and methodologies through its existing risk management framework, aiming at integrating climate considerations more comprehensively across the entire risk management framework. This proactive approach not only supports the institution's strategic objectives but also enhances its ability to navigate the evolving landscape of both climate-related risks and opportunities.

Risk Taxonomy

IDB Invest's Risk Taxonomy outlines the risk categories and management practices adopted by the organization. It guides discussions on areas of heightened risks, informs how risk governance is established and serves to shape institutional policies and guidelines. Environmental risks, including those related to climate, are part of the risks considered strategic by the *IDB Invest* Risk Taxonomy.

Risk Appetite Policy

The *IDB Invest* Risk Appetite Policy (RAP) sets out the level of risks that the institution is willing to accept and how they should be managed. The implementation of the RAP allows *IDB Invest* to maintain a balanced and diversified exposure across regional developing member countries, sectors, economic groups, and clients. The RAP refers to the Environmental and Social Sustainability Framework, which encompasses the Environmental and Social Sustainability Policy and the Environmental and Social Exclusion List.

Environmental and Social Sustainability Policy

The Environmental and Social Sustainability Policy aims at enhancing the environmental and social sustainability of the investment projects financed by *IDB Invest* while reinforcing the institutional commitment to sustainable development. The Environmental and Social Exclusion List prevents *IDB Invest* from knowingly financing, directly, or indirectly through financial intermediaries, activities that are inconsistent with the our commitments to address the challenges of climate change and promoting environmental and social sustainability, including thermal coal mining, coal-fired power generation and associated facilities as well as upstream oil and gas exploration and development projects.

The Environmental and Social Sustainability Policy establishes that all projects financed by IDB Invest shall include adequate provisions for actions necessary to prevent, control and mitigate negative impacts on the environment and/or on communities, improve environmental quality, and promote compliance by our clients with local labor laws and regulations, as well as our sustainability standards. When necessary, additional mitigation measures are requested as part of an environmental and social action plan, which is part of the financing agreements. Such plans may also include provisions to address climate-related transition and physical risks.

Risk Analysis Integration

In 2024 *IDB Invest* continued to advance its climate-related risk management practices by piloting several methodologies and tools aimed at assessing climate-related risks at project, counterparty, and portfolio levels. These efforts build upon the benchmark analysis conducted in 2023, which identified good practices and methodologies for implementation.

Explicit assessment of climate risk in credit risk scorecards

IDB Invest utilizes credit risk scorecards to determine probabilities of default (PD), and Loss Given Default (LGD) for each debt-related transaction. These risk parameters (PD and LGD) are then updated during the life of the transaction and used in different risk management applications that include economic capital calculation (RAROC) and current expected credit losses (CECL).

Building upon the successful pilot of 2023 for corporate loans, *IDB Invest* extended its approach in 2024 by piloting the scorecard for project finance. This initiative aims to incorporate several non-financial factors into the credit risk analysis for project finance, including the ones arising from climate change. The results will inform the decision on incorporating ESG-enhanced scorecards in 2025.

Climate risk at portfolio level

In 2024 *IDB Invest* piloted a methodology to aggregate physical and transition risk concentrations at the portfolio level. The methodology also included an analysis of the level of financial materiality of climate risks to different clients. As a result, *IDB Invest* identified levels of exposure risks of certain sectors, enhancing its capacity to manage portfolio resilience to climate risks.

The methodology flagged that key areas of physical risk concentration in the portfolio include financial intermediaries, energy, transportation, and agribusiness, whereas transition risks are concentrated in the transportation, industry, and energy sectors. The methodology will be further refined in 2025 as more granular data is collected and deployed.



Economic Capital Consumption by Climate Risk

IDB Invest continued to strengthen its internal economic capital model, with a new and improved computation. Climate-related risks are implicitly considered as part of credit risk to the extent that these risks are captured in individual project ratings. On its path towards integrating and leveling up non-financial risk with financial risks, IDB Invest is examining ways to assign capital to specific risks such as climate-related physical and transition risks. As those risks become more relevant, they could represent risk concentrations or increase correlations among different risks, which are also key drivers of economic capital consumption.

Climate Risk Assessment Methodology at Project Level

IDB Invest follows the Physical Climate and Natural Disaster Risk Assessment methodology to assess such risks at project level. IDB Invest assesses a transaction's physical risk as well as resilience and adaptation measures both as part of the Paris Alignment assessment process and due to commitments in its Sustainability Policy Framework. IDB Invest is using various tools including AGRIADAPT, a physical risk assessment tool leveraging cutting-edge climate and agricultural data, for the agribusiness sector. In 2024 training took place to operationalize AGRIADAPT.

As part of the Paris Alignment assessment process, IDB Invest is considering transition, carbon lock-in and stranded asset risks when analyzing direct investments that are not considered universally aligned according to the Joint MDB Methodological Approach. IDB Invest uses carbon shadow pricing in its economic analysis where applicable, capturing the impact of its investments on projects' sustainability.

Reputational risks may arise associated with any actual or perceived incoherence with the Paris Alignment commitment and methodologies. As the institution gains more experience in assessing these issues, processes will become more streamlined, and conclusions more corroborated. To manage this risk, IDB Invest applies a four-eye-principle during the Paris Alignment assessment process and fosters a culture of continuous learning and improvement.



METRICS AND TARGETS

IDB Invest published a <u>Sustainability Update</u> in 2024 following its inaugural <u>Sustainability Report</u> in 2023. The reports have been developed with reference to the 2016 Global Reporting Initiative (GRI) standards, disclosing impact-related metrics and targets on a variety of sustainability topics including climate change.



Climate Finance

IDB Invest has consistently grown its climate finance portfolio, from \$476 million in 2016 to \$2.15 billion in 2024.

To date, IDB Invest has targeted 30% climate finance, measured as a percentage of total IDB Invest own account long-term and short-term commitments.

However, as part of its new business model, IDB Invest is shifting towards a 60% green finance target for the long-term own account and mobilized resources, which considers:

- Green finance as a whole, including climate finance and other biodiversity and naturepositive investments.
- Third-party resource mobilization, counting all financing from IDB Invest as well as mobilization by IDB Invest.



Table 1: Climate-related financial and non-financial solutions

	2022	2023	2024
Climate finance (\$, millions) ²	1,937	2,178	2,281
Green finance, including mobilization (\$, in millions)	NM*	NM*	2,821
Climate finance in IDB Invest operations (% of committed amount)	29%	32 %	35 %
Projects supporting climate mitigation and/or adaptation (% of new commitments)	60%	65%	78%
Transactions with adaptation measures (% of climate transactions include adaptation measures)	9%	22%	36 %
Clients supported with non-financial climate interventions (#) ³	46	49	47

^{2.} This figure refers to all financing including short-term financing. The reporting according to the joint MDB methodology concerns mediumand long-term climate finance only.

3. Number of new climate advisory services agreements signed with clients.



GHG corporate emissions and emission reductions

Since 2006 the *IDB Group* has been committed to carbon neutrality for its corporate operations. The Group fosters renewable energy and other corporate sustainability measures in its country offices with the objective of reducing corporate GHG emissions further every year.

The *IDB Group* offsets residual emissions through a series of investments in carefully selected Verified Emission Reductions from projects in Latin America and the Caribbean. *IDB Invest* forms part of the annual selection committee responsible for this purchase.

The *IDB Group* monitors and reports key performance indicators including Scope 1, Scope 2 and Scope 3 GHG emissions according to GRI standards, presented as carbon dioxide equivalent (CO2e). IDB Invest discloses metrics pertaining to pro-rated *IDB Group* data based on the proportion of employees working at *IDB Invest in Table 2*.



Table 2: GHG metrics relating to corporate activities4

	2022	2023	2024
Scope 1, direct GHG emissions	118	141	155
Scope 2, energy-related indirect emissions (location-based approach)	1017	866	887
Scope 2, energy-related indirect GHG emissions (market-based approach reflecting renewable energy purchases)	403	239	221
Scope 3, category 1: purchased goods and services	*ND	*ND	3,229
Scope 3, category 2: capital goods	*ND	*ND	45
Scope 3, category 6: business travel	871	897	1,898
Scope 3, category 7: commuting	*ND	*ND	377
Scope 3 total, excluding category 15	871	897	5,549

^{*} No Data Availak

^{4.} These metrics relate to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 14.9% in 2022, 14.8% in 2023, 15.1% in 2024). Further information on the carbon accounting methodology, reduction targets and carbon neutrality is available in the IDB Invest Sustainability Report as well as in its Global Reporting Initiative Annex.



GHG financed emissions and emission reductions

IDB Invest monitors financed emissions, which relates to the GHG Protocol's Scope 3, Category 15 (Investments) and is not part of the corporate emissions reporting.

IDB Invest tracks absolute GHG emissions of those transactions which are expected to produce above 25,000 metric tons CO2e per annum. Transaction-specific GHG information is disclosed as part of the Environmental and Social Review Summary that is published for every project in accordance with its Access to Information Policy. For the aggregated data in *Table 3*, only project finance-related transactions are currently in scope for reporting.

IDB Invest also measures and reports on GHG emission reductions of projects financed. This metric includes climate change mitigation actions under the different Intergovernmental Panel on Climate Change (IPCC) sectors. Estimations are based on a counterfactual, by comparing projects to a 'without project scenario'.⁵

Table 3: GHG metrics relating to financing activities

Active portfolio in reporting year, estimated and reported figures	2022	2023	2024
GHG emissions ⁶	4,023,148	3,117,5047	2,960,485 ⁸
GHG emission reductions ⁹	14,287,299	13,054,01310	13,335,362
New projects closed in reporting year, estimated figures expected in a representative year			
GHG emissions ¹¹	1,564,627	229,47812	451,02113
GHG emission reductions ¹⁴	1,094,402.38	617,232	281,349

5. The estimation of net avoided GHG emissions is performed following the practices of the Clean Development Mechanism (CDM). For instance, avoided emissions are calculated as the product of electricity generation from clean sources, or low carbon, by the relevant emission factor. The emission factor is chosen to better reflect the emissions associated with the counterfactual scenario, and its selection considers the project technology and context. At the structuring stage, the analysis is based on the most recent emission factor from official sources or, in the absence of information, from the Default Grid Emission Factor Dataset, produced by the International Financial Institutions Technical Working Group on GHG Accounting (IFI TWG).

6. This figure refers to estimated gross combined Scope 1 and 2 GHG emissions of project finance transactions emitting over 25,000 tCO2e per year, which were in the active portfolio of IDB Invest in the respective reporting year. This figure excludes biogenic GHG emissions from stationary sources.

were in the active portfolio of IDB Invest in the respective reporting year. This figure excludes biogenic GHG emissions from stationary sources.

7.The data presented in this report may differ from the data presented in previous reports. This is because IDB Invest reports provisional data for the reporting year based on best available data at the time.

8.Provisional data.

9.This figure refers to the estimated GHG emissions reduced per year by projects that were in the active portfolio of IDB Invest in the reporting year. Reductions from investments in Financial Institutions are not included.

10.The difference (decrease) in terms of GHG annual expected reductions is derived from i) the difference between the actual and ex-ante estimation, as some of the financed projects started actual energy generation reporting, and ii) because of the evolution in grid emission factors of the countries.

11.This figure refers to estimated gross emissions from project finance transactions emitting over 25,000 tCO2e per year, which were closed in the reporting year, calculated as the annual emissions expected to be produced during a representative year. This figure excludes biogenic GHG emissions from stationary sources.

12.The data presented in this report may differ from the data presented in previous reports. This is because IDB Invest reports provisional data for the reporting year based on best available data at the time.

13. Provisional data

14. This figure refers to the estimated GHG emissions reduced per year by new projects closed in the reporting year. Reductions from investments in Financial Institutions are not included.











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