The Policy and Evaluation Committee met on Thursday, 8 April 2010, to consider the “Profile. Strategic Framework for Supporting Climate Change Action in Latin America and the Caribbean (Climate Change Strategy Profile). Revised version” (document GN-2561-1).

Management's team gave a brief presentation on the profile, set forth in document PP-60, spelling out its objectives, which aim to strengthen and consolidate the Bank's capacity and its comparative advantages in climate change adaptation and mitigation actions in the region. The Bank's response in recent years was reviewed, together with the lessons learned in terms of the need to articulate better the Sustainable Energy and Climate Change Initiative (SECCI) support to the Bank's country programming and investment instruments, and improve cross-sectoral coordination. The team also highlighted the need to demonstrate that the Bank has the capacity to provide targeted and effective assistance, articulated to national priorities and to the evolving international financial framework.

In view of the foregoing, the profile proposed that the Bank pursue five strategic lines of activity: (i) strengthening the knowledge base, to address mitigation and adaptation priorities; (ii) strengthening institutions and private and public capacities in the region to adopt climate change measures; (iii) developing guidelines to mitigate climate impacts of Bank operations; (iv) identifying and developing lending and technical assistance potential in key sectors; and (v) scaling up investments, addressing financial gaps, and leveraging private sector investments.

The Executive Directors, in general, expressed their support for the general elements of the profile and noted their satisfaction with the work done by SECCI since its creation. Nevertheless, they were concerned about the level of financial and nonfinancial resources allocated to SECCI, in order for it to be in a position to meet the expectations that have been created and face the challenge posed by the substantial increase in Bank interventions in this area, in accordance with the provisions of the proposal for the Bank's ninth capital increase. Along those lines, it was suggested that this was an ideal case for instituting preparation of a results-based budget.

The Executive Directors also noted that mitigation problems in sectors such as forestry and agriculture needed to be addressed in greater depth, and that the guidelines needed to take into account the diversity of the countries and of the nature of interventions, so as not to hinder the diversity of alternatives in the countries' different energy matrices, and so due attention continues to be paid to operations such as large hydroelectric projects and those involving other sources, such as natural gas.

Other Executive Directors called attention to issues such as the specific situation of the Caribbean island nations, where the tourism and water sectors were essential; and to the need to
consider the impact and involvement of indigenous and rural populations and of gender. They also emphasized the importance of the strategy being duly connected with corporate strategies and priorities, and noted that the strategy for the private sector windows needed to remain consistent with the rest of the Bank. There were also comments on the value of producing our own indicators and figures that enable us to assess the impact of our interventions.

In view of the foregoing, in my capacity as Chairperson of the Policy and Evaluation Committee, I recommend that the Board take note of the “Profile. Strategic Framework for Supporting Climate Change Action in Latin America and the Caribbean (Climate Change Strategy Profile). Revised version,” as set forth in document GN-2561-1, and approve sending it for public consultation. Once that process is complete, the draft Climate Change Strategy will be prepared according to the timeline proposed in document PP-60, for final consideration and subsequent approval by the Board.