

## TC Document

### I. Basic Information for TC

Country/Region:	REGIONAL
TC Name:	Strategic knowledge building for effective climate-resilient and sustainable blue economy public policy implementation
TC Number:	RG-T4170
Team Leader/Members:	Naito, Keiichiro (CSD/CSD) Team Leader; Hori, Tsuneki (CSD/RND) Alternate Team Leader; Watson, Gregory (CSD/CCS) Alternate Team Leader; Acevedo Calle, Daniela (LEG/SGO); Alleng, Gerard P. (CSD/CCS); Blanco Iturbe, Maria Alejandra (DSP/ADV); Bucaram Villacis, Santiago Junior (CSD/RND); Chakalall, Yuri (CSD/RND); Doherty Bigara Rodriguez, Jennifer (CSD/CCS); Dohnert De Lascrain, Sylvia Eva (IFD/CTI); Ericka Morales (CSD/RND); Pelaez Zambrano, Paula (DSP/ADV); Samayoa Juarez, Jorge Omar (CSD/RND); Samtani, Malini (DSP/ADV); Stevenson, Claudia (IFD/CTI); Suarez Vazquez, Gines (CSD/RND); Dookiesingh, Vashtie K.; Houliston, Ruth Simone; Kambiri Cox Iturbe, Maria Alejandra (DSP/ADV); Bucaram Villacis, Santiago Junior (CSD/RND); Chakalall, Yuri (CSD/RND); Doherty Bigara Rodriguez, Jennifer (CSD/CCS); Dohnert De Lascrain, Sylvia Eva (IFD/CTI); Ericka Morales (CSD/RND); Pelaez Zambrano, Paula (DSP/ADV); Samayoa Juarez, Jorge Omar (CSD/RND); Samtani, Malini (DSP/ADV); Stevenson, Claudia (IFD/CTI); Suarez Vazquez, Gines (CSD/RND); Dookiesingh, Vashtie K.; Houliston, Ruth Simone; Kambiri Cox.
Taxonomy:	Research and Dissemination
Operation Supported by the TC:	.
Date of TC Abstract authorization:	19 Aug 2022.
Beneficiary:	IDB and member countries (In particular, countries located in the Caribbean region)
Executing Agency and contact name:	Inter-American Development Bank
Donors providing funding:	Japan Special Fund(JSF)
IDB Funding Requested:	US\$1,500,000.00
Local counterpart funding, if any:	US\$0
Disbursement period (which includes Execution period):	36 months
Required start date:	April 14, 2023
Types of consultants:	Firms and individuals
Prepared by Unit:	CSD-Climate Change and Sustainable Development Sector
Unit of Disbursement Responsibility:	CSD/CSD-Climate Change and Sustainable Development Sector
TC included in Country Strategy (y/n):	N/A
TC included in CPD (y/n):	N/A
Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability; Institutional capacity and rule of law; Productivity and innovation

## II. Objectives and Justification of the TC

- 2.1 The objective of this TC is to develop a series of technical studies necessary for supporting and facilitating central government in the Latin America and Caribbean (LAC) countries (especially the Caribbean Island countries) to build effective governance and to implement public policy of a climate-resilient and sustainable Blue Economy development. The definition of "Blue Economy" used in this project refers to a multi-sectoral concept that promotes resilient economic growth, social inclusion, and the maintenance and improvement of livelihoods while at the same time ensuring the environmental sustainability of marine and coastal areas.<sup>1</sup> Blue Economy as a public policy is relatively new and was first discussed at the United Nations Conference on Sustainable Development "Rio+20" in 2012.<sup>2</sup>
- 2.2 Blue Economy as a public policy encompasses a wide variety of industrial activities in general, ranging from traditional industries, such as fisheries and aquaculture, tourism, and marine transportation, to new industrial domains, such as offshore renewable energy, carbon sequestration and marine biotechnology. The development of the Blue Economy is expected not only to promote individual industries that are expected to grow in the future (e.g., offshore wind power generation), but also to strategically combine multiple industries to achieve synergistic effects (e.g., promoting offshore wind power generation, in parallel using its marine infrastructure as fish attracting devices). The goods and services that the Blue Economy supplies are valued at over US\$2.5 trillion annually, even conservatively at the global level.<sup>3</sup>
- 2.3 The LAC region, especially the Small Island Developing States (SIDS) in the Caribbean region have a large Exclusive Economic Zones (EEZs) compared to their land areas, thus the Blue Economy has potential in scaling up their economies. Total annual revenues from the exploitation of marine resources in the Caribbean through shipping, mineral resources, tourism, and fisheries are estimated to be at least US\$407 billion.<sup>4</sup> Additionally, pursuing a Blue Economy development pathway is a means of fostering entrepreneurship in coastal areas and economic growth of rural communities, i.e., when combined with digital transformation, the Blue Economy can contribute to the development of the rural communities in addition to growth in urban areas.<sup>5</sup> Given this potential, some countries have already established institutions to promote the Blue Economy public policy, e.g., the Ministry of Blue Economy and Civil Aviation (MBECA) in Belize, and the Ministry of Maritime Affairs and the Blue Economy (MMABE) in Barbados.
- 2.4 In light of these opportunities, the IDB is supporting the borrowing member countries in their efforts to promote the Blue Economy. Specifically, as of the end of end-2022,

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<sup>1</sup> World Bank (The). 2017. THE POTENTIAL OF THE BLUE ECONOMY. Available at: <https://openknowledge.worldbank.org/handle/10986/26843>.

<sup>2</sup> Stuart Laing. 2020. Blue Economy and Blue Bonds: An overview of the concepts and the pioneering case of Seychelles. Seychelles Research Journal, Vol2, #1.

<sup>3</sup> Hoegh-Guldberg et al. 2013. Indispensable Ocean: Aligning Ocean Health and Human Wellbeing. Retrieved from <http://documents.worldbank.org/curated/en/111381468155703584/pdf/826510WP0Indis00Box379862B00PUBLIC0.pdf>.

<sup>4</sup> Patil, P.G., Virdin, J., Diez, S.M., Roberts, J., Singh, A. 2016. Toward A Blue Economy: A Promise for Sustainable Growth in the Caribbean; An Overview. The World Bank, Washington D.C.

<sup>5</sup> Sharma V, Seth P., Niyazi S. 2012. Blue Ocean Strategy: A Vehicle for Entrepreneurship Development and Economic Growth in Rural Areas. DOI: 10.4018/978-1-4666-0276-2.ch015

the IDB has supported the borrower member countries through more than 15 Blue Economy related projects since the mid-2010s.<sup>6</sup> The projects have utilized a variety of the financial instruments of the Bank, including technical cooperation, policy-based loan, equity lending and guarantees. Through these projects, the IDB has supported the strengthening of governance, regulatory framework, the conservation of coastal and marine ecosystems, institutional capacity development, the involvement of the private sector, and the empowerment of coastal communities.

## 2.5 Challenges:

- (i) As mentioned in a previous paragraph, the Blue Economy as the public policy framework was first discussed at the UN Conference on Sustainable Development "Rio+20" in 2012. However, this starting point also means that the Blue Economy general global framework has been uniformly influential in shaping regional, sub-regional, and national policy frameworks, i.e., the characteristics and challenges of LAC countries are not always taken into account. For example, the Caribbean is highly vulnerable to climate events, such as hurricanes, which often cause extensive damage.<sup>7</sup> For example, the Bank's islands member countries (e.g., The Bahamas, Barbados, Jamaica, Trinidad and Tobago, Haiti, and the Dominican Republic) have experienced a total of 168 major hurricanes and other climate disasters in the past 20 years, affecting 12 million people and costing US\$12 billion in direct losses.<sup>8</sup> The region has also experienced several intensive torrential rainfall events in recent years that are not directly related to hurricanes. These climate risk factors should address to the Blue Economy public policy in each country. However, feasible and effective procedures and methodologies are not in practice in LAC countries for mainstreaming climate risk into development.
- (ii) The region is also at high risk of slow onset events such as sea level rise and coastal erosion. Specifically, coastal erosion has been reported in various locations, including the east coast of Andros in the Bahamas,<sup>9</sup> Pigeon Point in

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<sup>6</sup> These include, for example: HO-T1257/ HO-Q0003, BH-T1069/ BH-L1047, RG-T3342, BA-T1063, RG-T3815, BH-T1090, BH-U0001, RG-T4008, TT-T1103, BL-T1145, RG-T3850, RG-T4003, and BL-L1042.

<sup>7</sup> This view can be confirmed by several previous references, including the following: IPCC. 2019. Special Report on the Oceans and Cryosphere in a Changing Climate, 2018 Living Planet Report. Available at <https://www.ipcc.ch/srocc/>; IPBES. 2019.; Global Assessment Report on Biodiversity and Ecosystem Services. Available at: <https://www.ipbes.net/global-assessment>; WWF. 2021. Value at Risk in the Blue Economy. Available at: [https://www.fint.awsassets.panda.org/downloads/metabolic\\_wwf\\_value\\_at\\_risk\\_in\\_the\\_blue\\_economy\\_29112019\\_lr.pdf](https://www.fint.awsassets.panda.org/downloads/metabolic_wwf_value_at_risk_in_the_blue_economy_29112019_lr.pdf); Hindlian, A. Lawson, S., Banerjee, S., Duggan, D., Hinds, M. Sept.; 2019. Taking the Heat: Making cities resilient to climate change. Goldman Sachs, Global Markets Institute; Partington R. 2018. Mark Carney warns of climate change threat to the financial system. The Guardian; Bank of England. 2018. Transition in thinking: the impact of climate change on the UK banking sector; Gaines, S., R. Cabral, C. Free, Y. Golbuu. 2019. 2019. The Expected Impacts of Climate Change on the Ocean Economy. Washington, DC: World Resources Institute. Available online at [www.oceanpanel.org/expected-impacts-climate-change-ocean-economy](http://www.oceanpanel.org/expected-impacts-climate-change-ocean-economy); The World Bank. 2021. PROBLUE. Integrated Seaspaces Management. Available at: <https://www.worldbank.org/en/programs/problue>; Roxana Maria Badiŕcea; Manta, A.G.; Florea, N.M.; Puiu, S.; Manta, L.F.; Doran, M.D. 2021. Connecting Blue Economy and Economic Growth to Climate Change: Evidence from European Union Countries. *Energies* 2021, 14, 4600. <https://www.mdpi.com/1996-1073/14/15/4600>.

<sup>8</sup> EM-DAT (The international disasters database). 2022. Available at: <https://www.emdat.be/>

<sup>9</sup> IH Cantabria, 2018. Sedimentation in Staniard Creek, Andros Island, The Bahamas. IDB internal report.

Tobago Island,<sup>10</sup> the west south coast of Barbados,<sup>11</sup> Bavao beach in Dominican Republic,<sup>12</sup> among others. Some of these countries have areas where erosion is occurring rapidly at the rate of several meters per year. The causes of coastal erosion are varied and complex, ranging from ocean dynamics (such as changes in ocean currents), intensive climate events (such as hurricanes), and problems of inappropriate wastewater treatment from households, among others.<sup>13</sup> Another particular cause is the change in the equilibrium of the seabed slope due to coral mortality in nearshore areas. And coral mortality may also be caused by inappropriately treated household wastewater pollution. The relationship between coral, water quality, and coastal erosion is complex. In any case, coastal erosion significantly impacts local socioeconomic activities such as beach tourism in many areas. In sum, in the LAC countries (especially the Caribbean Island countries), land/coastal-based socioeconomic activities are directly linked to impacts on the quality of nearshore/marine natural resources.

**2.6 Opportunities.** Integrated Coastal Zone Management (ICZM)<sup>14</sup> public policies have been implemented in some Caribbean countries since the 1990s, prior to the Blue Economy public policies. In light of this framework, ICZM public policy can be considered to provide a substantial basis for Blue Economy public policy implementation framework. For example, some of the specific development cases of ICZM (e.g., the projects in Barbados<sup>15</sup> and the Bahamas<sup>16</sup>) have performed climate risk analysis and its mainstreaming into project designs. Also, projects aimed at preventing coastal erosion and promoting tourism development have been formed, as in the case of the Dominican Republic.<sup>17</sup> Therefore, the know-how of the climate-resilient ICZM public policies, which has already been experienced in several countries, can be effectively applied as an approach for achieving the so-called- the climate-resilient and sustainable Blue Economy public policies based on challenges mentioned above.

**2.7 Approaches.** This TC project will apply the following approach, based on the characteristics, challenges and opportunities specific to the LAC region as outlined above:

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<sup>10</sup> Smith Warner, 2013. Pigeon Point Tobago: Updated Final Engineering Report. IDB Internal report.

<sup>11</sup> IDB, 2022. Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation Model for Barbados. <https://publications.iadb.org/en/public-investment-profile-disaster-risk-reduction-beach-erosion-and-risk-mitigation-model-barbados>

<sup>12</sup> IH Cantabria, 2021. Propuesta para elaboración del diagnóstico integral y priorización de medidas de protección para la costa de la República Dominicana. IDB Internal report.

<sup>13</sup> Chambers, Gillian. 2009. Caribbean beach changes and climate change adaptation. *Aquatic Ecosystem Health & Management*, 12(2):168–176, 2009.

<sup>14</sup> ICZM here is defined as "a continuous and dynamic decision-making process for the sustainable use, development, and protection of coastal zones and oceans" based on Burke, Lauretta; Larsen, Gaia; Lau, Winnie; Kushner, Ben; Hori, Tsuneki. 2020. Climate-Resilient Integrated Coastal Zone Management Performance Indicators. available at: <https://publications.iadb.org/en/climate-resilient-integrated-coastal-zone-management-performance-indicators>.

<sup>15</sup> Barbados Coastal Risk Assessment and Management Program (BA-L1014). See: <https://www.iadb.org/en/project/BA-L1014>

<sup>16</sup> The Bahamas' Climate Resilient Coastal Management and Infrastructure Program (BH-L1043). See: <https://www.iadb.org/en/project/BH-L1043>

<sup>17</sup> Sustainable Coastal Management Project (DR-L1154).

- (i) First, the TC will conduct a quantitative analysis of the climate risks to which the Blue Economy is exposed. Specifically, this TC will quantitatively estimate the expected economic loss/damage in the event of future hurricanes and other climate-events.<sup>18</sup> Using the risk analysis as a reference, the TC will then estimate and recommend (a) which policy options (including hard infrastructure and nature-based solutions through public investment, as well as soft infrastructure development through regulation, etc.) should be prioritized to reduce these risks in specific areas, (b) which target countries need to be analyzed, (c) which areas and sectors need to be prioritized to reduce potential damages due to the future climate events, (d) what level of cost is required to implement the policy options, and (e) to what extent (by %) risk can be reduced by doing so. In addition, this TC will simulate the difference in the future GDP growth between long-term public investment in a climate-resilient and sustainable Blue Economy and without it.<sup>19</sup>
- (ii) Based on the experience gained through the implementation of the various studies described above, and with reference to the existing literature (note: this includes the outputs from the related project undertaken by the IDB described in section 2.4), this TC will engage national stakeholders in a discussion on a conceptual framework of public policy for a climate resilient and sustainable blue economy. The TC then systematizes a conceptual public policy framework of the climate-resilient and sustainable Blue Economy. Furthermore, by contrasting this conceptual framework with the Blue Economy public policies already adopted and being implemented by each country, the TC will also identify country-specific good practices and challenges related to climate-resilient and sustainable Blue Economy, and will make short-, medium-, and long-term recommendations for building a better governance.
- (iii) Based on the aforementioned activities (e.g., quantification of climate risks; identification of policy options -including upfront public investment options for climate risk reduction and their effectiveness, and governance diagnosis, the TC will provide IDB borrowing member countries with a policy brief on priority actions needed to effectively and sustainably implement the climate-resilient and sustainable Blue Economy public policies. The policy brief will be shared, validated, and discussed with countries and used in sector dialogues to encourage its implementation in each country.

**2.8 Strategic Alignment.** The TC is consistent with the “Update to the Institutional Strategy 2020-2023 (AB-3190-2) and is aligned with the development challenge of *Productivity and Innovation* since the series of studies based on objective scientific data and findings to be developed through this TC will complement and support the current blue economy policies from an innovation perspective. The TC is also aligned with the cross-cutting theme of *Institutional Capacity and Rule of Law* and

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<sup>18</sup> This study is referred to as the current baseline risk scenario. As a model for this study, this TC will utilize the "Disaster Risk Profile" developed by the IDB. See, for example: <https://publications.iadb.org/en/disaster-risk-profile-bahamas> and <https://publications.iadb.org/en/disaster-risk-profile-jamaica-update-2020>

<sup>19</sup> The "Public Investment Profile for Disaster Risk Reduction" developed by the IDB will be effectively used as a model for these studies. See <https://publications.iadb.org/en/public-investment-profile-climate-risk-reduction-barbados-macroeconomic-cost-benefit-analysis> and <https://publications.iadb.org/en/public-investment-profile-disaster-risk-reduction-beach-erosion-and-risk-mitigation-model-barbados>.

*Environmental Sustainability* since the TC will support the LAC countries' (especially Caribbean Island countries') governance and institutional strengthening in achieving climate resilient coastal and marine economies. The analysis of changes in the marine environment due to climate change and its impact on marine resources and coastal infrastructure, as well as the realization of sustainable development plans based on the analysis, is one of the key approaches of this TC project. Therefore, the TC project is in line with "Climate Change Sector Framework Document" (GN-2835-8) and "Environment and Biodiversity Sector Framework Document" (GN-2827-8). Lastly, this TC is aligned with the Japan Special Fund (JSF)<sup>20,21</sup> considering that this project aims to achieve climate resilient and sustainable development through climate resilient and sustainable Blue Economy public policy implementation mainly in IDB Caribbean member countries.

### III. Description of Activities/Components and Budget

- 3.1 The TC will implement the following three components based on all the challenges, opportunities and approaches described in the previous chapter. Its direct beneficiaries are expected to be central governments of target countries, though it will be useful for all stakeholders.
- 3.2 **Component I: Development of quantitative economic models for effective climate-resilience and sustainable Blue Economy policy promotion (US\$950,000).** This component will develop a series of quantitative technical study models so that the IDB borrowing member countries can reference objective scientific data to develop planning instruments for the climate-resilient and sustainable Blue Economy public policy implementation. The studies will primarily include models to:
  - (i) Estimate the potential losses and damage due to climate events in coastal/marine areas in the future. The study will apply the IDB's existing study instrument, Disaster Risk Profile,<sup>22</sup> to estimate potential economic losses and infrastructure damages from future climate events for Blue Economy-related activities in coastal and marine areas.
  - (ii) Assess quantitatively the costs and benefits of public policy options needed to achieve a climate-resilient and sustainable Blue Economy socioeconomic activities in entire/target coastal and marine areas of target countries (e.g., nature-based solutions for flood risk mitigation, upgrade to a climate-resilient port, or development of relevant regulations).<sup>23</sup> In addition, this study identifies public policy options' priorities needed in specific areas of target countries.

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<sup>20</sup> The JSF is providing resources to this TC (see paragraph 3.8).

<sup>21</sup> See Chapter 3 "Eligible TC types", item (a) of the JSF's Operating Guidance.

<sup>22</sup> Some study reports are available as references. See for example <https://publications.iadb.org/en/disaster-risk-profile-bahamas>.

<sup>23</sup> The framework for this study will use the already developed "Public Investment Profile for Disaster Risk Reduction". Several of these study reports have already been published. See for example: <https://publications.iadb.org/en/public-investment-profile-disaster-risk-reduction-beach-erosion-and-risk-mitigation-model-Barbados>; and Public Investment Profile for Disaster Risk Reduction: A Macro-Economic, Study (iadb.org)



- (iii) Simulate evaluating the difference in future GDP growth between policy options that incorporate the climate-resilient and sustainable options in the Blue Economy and those that do not.<sup>24</sup>
- 3.3 These models will be piloted in one selected IDB borrower member country and then applied to two others, mainly in the Caribbean region (see paragraph 3.6 for the selection criteria). The data needed to develop these models will be obtained from each country whenever possible. In some cases (or where possible) primary data will also be collected (e.g., natural resource profiles of key coastal areas). The results of the studies will be shared with the target countries (see Component III). The development of these models will effectively use the experience gained from similar studies conducted by the IDB in the past (see footnote 20-22). Firm consultants will be responsible for conducting the studies. Other individual consultants will also be contracted for the purpose of controlling technical quality (as peer reviewers).
- 3.4 **Component II: Development of a climate-resilient and sustainable Blue Economy public policy framework and diagnosis of governance gaps (US\$450,000).** Based on the practical experience gained in Component I, this component will first discuss with national stakeholders framing a pragmatic public policy/governance on climate-resilient and sustainable Blue Economy suitable for the characteristics and realistic of the LAC countries.<sup>25</sup> Then it will systematize a conceptual public policy framework of the climate-resilient and sustainable Blue Economy. Based on this framework, the component will also conduct an objective gap analysis to identify good practices and lessons of relevant public policies and governance in the IDB borrowing member countries. This public policy framework should comprehensively include a variety of perspectives necessary for the subject, including legal and regulatory mandate, organizational structures, use of scientific data and engineering technologies, industrial promotions and development, environmental sustainability, rural and community empowerment, urban and rural territorial development planning, public-private partnerships, gender consideration, finance mobilization, among others. The case studies are expected to be conducted in about five countries, mainly in IDB Caribbean member countries (see paragraph 3.6 for the selection criteria). The case study development will require input from a variety of institutions and stakeholders. Good practices identified through the diagnosis using this public policy framework will be shared within the region (see Component III). In addition, the case study (or diagnostic) will include recommendations for short-, medium-, and long-term public policy reforms and priorities actions aimed at enhancing the effectiveness of future climate-resilient and sustainable Blue Economy in the member countries. A consulting firm will perform these series of tasks.
- 3.5 **Component III: Dissemination of project outputs (US\$100,000).** This component will build on the study outputs from the Component I and II (e.g., climate risk

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<sup>24</sup> The study framework will also use the already developed "Public Investment Profile for Disaster Risk Reduction: GDP Contribution Simulation Model". See for example <https://publications.iadb.org/en/disaster-risk-reduction-investment-profile-cost-benefit-analysis-public-investment-vulnerability>

<sup>25</sup> This framework uses indicators (or checkpoints) to enable easy and objective diagnosis for each country. See existing studies in the field of Disaster Risk Management for an idea of this indicator implementation model: <https://publications.iadb.org/en/publication/16887/igopp-index-governance-and-public-policy-disaster-risk-management>

quantification, and identification of upfront investment options for risk reduction and their effectiveness and impact assessment; and governance diagnostics) and summarize as a policy brief toward climate-resilient and sustainable Blue Economy policy implementation. This policy brief will be shared with the target countries and used in sector dialogues to facilitate implementation in each country. In addition, this component will make all project outputs (e.g., study reports) publicly available through the IDB portal.

- 3.6 **Selection criteria.** The results of this TC (studies) should provide useful technical reference for case study countries' climate risk reduction planning, as well as for climate resilient and sustainable blue economy planning. Therefore, it is desirable that the results of the studies be as acceptable to the target country government as possible. In other words, it is important how to arouse ownership of the case study countries in the early stages. In this sense, it is desirable to have a formal expression of interest from the study target countries at the earliest possible stage. In this sense, at the stage of selecting the countries to be studied for this TC, a request letter (includes counterpart agency to facilitate and coordinate the study) should be submitted by the target country before the studies start. Target country's government is required to collaborate fully with this TC. Specifically, requirements for Component I include specifying priority area to be analyzed, providing reliable data, and discussing public policy options needed. Requirements for Component II include discussing public policy and governance needed for climate-resilient and sustainable Blue Economy, providing information about relevant public policies and governance, and arranging involvement of related institutions and stakeholders. Target countries for Component I must get to be also target countries for component II, but not vice versa. The number of target countries is expected to be three for component I and five for Component II. The majority of target countries are expected to be IDB borrowing member countries in the Caribbean region.
- 3.7 **Expected results.** The expected results of this TC are the following:
- (i) **Component I:** (i) three country case studies by using study models.
  - (ii) **Component II:** (i) the climate-resilient and sustainable Blue Economy public policy framework (an indicator model); (ii) results of five country case studies (one pilot and additional four case studies); and (iii) relevant draft legislation (as needed).
  - (iii) **Component III:** (i) five country level policy briefs; and (ii) nine technical notes available to the public, based on the result of the Component I and II (i.e., country reports: three reports, the governance framework model: one report, case studies on it: five reports)
- 3.8 **Budget.** The total amount of financing required is one million and five hundred thousand US dollars (US\$1,500,000), all of which to be drawn from the Bank contribution (Japan Special Fund: JSF). There will be no contribution from local counterparts.

**Indicative Budget (US\$)**

Component	IDB (JSF)	Total Funding
<b>Component I:</b> Development of quantitative economic models for effective climate-resilience and sustainable Blue Economy policy promotion.	950,000.00	950,000.00



Component	IDB (JSF)	Total Funding
<b>Component II:</b> Development of a climate-resilient and sustainable Blue Economy public policy framework and diagnosis of governance gaps	450,000.00	450,000.00
<b>Component III:</b> Dissemination of project outputs.	100,000.00	100,000.00
<b>Total</b>	<b>US\$1,500,000.00</b>	<b>US\$1,500,000.00</b>

#### IV. Executing Agency and Execution Structure

- 4.1 Although the products of this TC project will eventually be made available as public goods, the IDB should lead the development process in a precise manner to ensure that the studies are of a certain level of quality based on the IDB's past experience. Accordingly, the IDB should assume ultimate responsibility for the execution of this project and is the Executing Agency for this TC project. This rationale for Bank execution is consistent with the document "Processing of Technical Cooperation Operations and Related Matters" (OP-619-4). The Climate Change and Sustainable Development Sector (CSD/CSD) will perform the overall coordination of this TC. The Environment, Rural Development and Disaster Risk Management Division (CSD/RND) will mainly support implementation practice, particularly in the aspect of climate risks, along with the Climate Change Division (CSD/CCS), who will provide support particularly in the aspect of climate change. Other entities, such as the CMF, CTI, BID Invest, and BID Lab will also actively participate in implementing this TC project. The project team will also work closely with the Country Offices (COFs) to strengthen trust and partnership among country officials, COFs, and the team.
- 4.2 All activities to be executed under this TC have been included in the Procurement Plan (see Annex III) and will be contracted in accordance with Bank policies as follows: (a) "Administrative Regulation on Complementary Workforce" (AM-650) for contracting individual consultants, (b) "Policy for the Selection and Contracting of Consulting Firms for Bank executed Operational Work" (GN-2765-4) and its Operational Guidelines (OP-1155-4) for contracting consulting firms for services of an intellectual nature, and (c) "IDB Corporate Procurement Policy" (GN-2303-28) for procurement of logistics and other related services. There are no preconditions for the first disbursement. The execution period is expected to be 36 months and the disbursement responsible unit is CSD/CSD.
- 4.3 Prior to the commencement of any activities financed by this TC in a borrowing member country, the Bank, in close coordination with the country office, will obtain the corresponding request letter from the official liaison entity of the Bank in the respective country.

#### V. Major Issues

- 5.1 The main risk is the extent to which the target country government can achieve a proactive ownership of this IDB-led study. No matter how high the quality of the study, if it is not used in the development plan/process of the target country government, the significance of the initiative will be diminished. To mitigate this risk, the project team will work very closely with COFs, and the IDB as executing agency will ask the target countries to submit a request letter in advance to officially express their interest in the study. In addition, dialogues with government agencies in the

target countries will take place during the study (through Component I and II). Sector dialogues will also be held after the study (through Component III).

## **VI. Exceptions to Bank Policies**

6.1 Exceptions to Bank policy are not foreseen.

## **VII. Environmental and Social Strategy**

7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them. Therefore, this TC does not meet the applicability requirements of the Bank Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

[Results Matrix - RG-T4170](#)

[Terms of Reference - RG-T4170](#)

[Procurement Plan - RG-T4170](#)