

## TC Document

### I. Basic Information

▪ Country/Region:	REGIONAL
▪ TC Name:	Implementation of a Sustainable Cattle Platform in the Americas
▪ TC Number:	RG-T4266
▪ Team Leader/Members:	Munoz, Gonzalo P. (CSD/RND) Team Leader; Blackman, Allen (CSD/CSD) Alternate Team Leader; Damiani Marti, Octavio Jorge (CSD/RND); Daniela Acevedo (LEG/SGO); De Salvo, Carmine Paolo (CSD/RND); Ericka Morales (CSD/RND); Lema Velez, Luisa Fernanda (CSD/RND); Ordonez, Romina Valeria (CSD/RND); Valle Porrua, Yolanda (CSD/RND)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	February 2023.
▪ Beneficiary:	Argentina, Brazil, Chile, Paraguay and Uruguay
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$350,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	April 2023
▪ Types of consultants:	Firms and individuals
▪ Prepared by Unit:	CSD/RND-Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CSD/CSD-Climate Change and Sustainable Development Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Environmental sustainabilitySocial inclusion and equality; Productivity and innovation; Climate change and environmental sustainability; Institutional capacity and rule of law.

### II. Objectives and Justification

- 2.1 In Latin America and the Caribbean (LAC), the livestock sector plays a critical role in supporting rural livelihoods, generating export earnings, and ensuring food security. It contributes 46 percent of agricultural GDP, 30 percent of export earnings, and helps to support 60 percent of rural households, mostly family farms. However, LAC's livestock sector also has adverse environmental impacts. Estimates of the percentage of global greenhouse gas emissions it generates range from 15 to 30 percent. In addition, it is a leading proximate cause of deforestation, ecosystem degradation and biodiversity loss.
- 2.2 To maintain the vital economic benefits of LAC's livestock sector while minimizing its environmental footprint, the sector needs to adopt clean- and climate-friendly technologies such as silvopastoral systems that maintain tree cover; feed additives that reduce emissions of methane, a potent greenhouse gas; and improved grazing systems that stem ecosystem degradation. Also, the sector must improve productivity (improving nutrition, reducing slaughter age, increase in offtake rate, and genetics amongst others) to reduce emissions per unit of product. To achieve

these goals, it will be important to convene key stakeholders, to take stock of opportunities for and barriers to progress, and to compile, generate, and disseminate cutting-edge research.

- 2.3 The broad objectives of this TC are to create an institutional mechanism hereafter referred to as a Sustainable Cattle Platform to promote faster and wider diffusion of clean- and climate-friendly technologies and to speed the transition to systems with higher levels of economic, social, and environmental sustainability. The specific objectives are to:
- (i) Create and convene a network of key stakeholders in the region, including government agencies, multilateral organizations, trade associations, and research institutions.
  - (ii) Compile and disseminate information on sustainable livestock management, measure and monitor regional progress, promote sharing and scaling of innovative experiences, and strategically position LAC countries in international forms, summits, and meetings.
  - (iii) Commission studies of the opportunities for and barriers to the adoption of clean- and climate-friendly livestock management technologies in the region; and
  - (iv) Disseminate the results to the network of key stakeholders.
- 2.4 The Sustainable Cattle Platform that will give greater visibility to livestock farming systems in the Americas; provide information, based on regional scientific evidence, on the social, economic, and environmental dimensions of regional livestock farming; share and scale up innovative sustainable livestock farming experiences in the Americas; measure and monitor regional progress towards greater levels of sustainability; and, lastly, improve the strategic positioning of countries of the Americas in international forums, summits and meetings.
- 2.5 The platform will be structured around three main areas.
- (i) **Value chain approach:** Technical and political discussions on the future of livestock farming tend to focus on cattle ranches, which are the first link in the value chain, even though slaughterhouses, retailers, and other links also play a key role in building a vision for sustainable livestock farming.
  - (ii) **Comprehensive vision for sustainability:** Sustainability must be seen as a transversal concept that includes social and economic aspects of livestock farming as well as environmental aspects.
  - (iii) **Metric-based:** The use of metrics allows for identifying possible trade-offs in the social, economic, and environmental dimensions in pursuit of a vision for sustainable livestock farming. Metrics also facilitate measuring the evolution as time goes by.
- 2.6 The TC is aligned with the Bank's strategic priorities of the Second Update of the Institutional Strategy (AB-3190-2), in the following strategic priorities: (a) **Social inclusion and equality:** this TC will help to enhance social inclusion and equality by disproportionately benefiting family farms. Such farms comprise 80 percent of all farms in the region and the large majority have some type of livestock production. Most family farms are subsistence-oriented with limited human, financial and technical resources partly due to lack of technical assistance. The TC will systematize and generate knowledge for family farming. (b) **Productivity and**

**innovation:** this TC seek to boost productivity and innovation by systematizing livestock best practices and generating new scientific knowledge.

- 2.7 It is also aligned with the following cross-cutting themes: (a) **Climate change and environmental sustainability:** IDB has set a goal of aligning all its operations with the Paris Agreement as of 2023. This TC seeks to build capacity, develop inputs and tools at the livestock production level that allow this commitment to be met, in addition to monitoring the environmental footprint; and (b) **Institutional capacity and rule of law:** this TC will strengthen the dialogue between different national and regional institutions, which will generate greater technical capacity and knowledge on sustainable livestock issues.
- 2.8 The TC aligns with the Climate Change Sector Framework by promoting three of the four recommended lines of action—adapting and building climate resilience; decarbonizing rapidly; and building effective governance—and by generating knowledge and innovation for climate action by strengthening countries' capacities to generate high-quality data and analysis to guide public and private decisions. Also, the TC aligns with the Agriculture Sector Framework, in particular with the second challenge of reducing the impact of agriculture on the environment via the widespread adoption of state-of-the-art technologies and changes in agricultural practices; and with the Environment and Biodiversity Sector Framework by focusing on the challenge of environmental governance gaps, as there is a lack of institutional capacity, insufficient environmental information and limited use of economic instruments to control pollution and manage natural capital.
- 2.9 The TC also aligns with the GN-2819-14 OC-SDP Window 2-Sustainability (W2A) specifically with priority area No.1: climate change and environmental sustainability in goal (iii) promote opportunities for the productive sectors of LAC that directly depend on healthy and functional ecosystems (especially agriculture, nature tourism, and associated segments) to improve the transition towards sustainable production and development techniques.

### III. Description of activities/components and budget

- 3.1 **Component I. Information, interaction, and metrics in LAC (\$150,000).** The first component of the TC will finance actions—specifically, meetings, consultancies, interactions with public policy makers, dissemination through training and workshops—aimed at accomplishing the following goals:
- (i) Compile and disseminate existing scientific knowledge about the characteristics of livestock production systems in LAC and how they vary across space and over time.
  - (ii) Define and measure homogeneous indicators for the different regions for the following aspects: biodiversity, air and soil and water, for example: percentage of natural habitats; provision of ecosystem services; total GHG emissions; GHG emissions intensity/kg meat or milk; water consumption; and soil erosion.
  - (iii) Share lessons learned from successes and/or failures of sustainable livestock initiatives in the LAC.
  - (iv) Generate a space for exchange between representatives of the different links in the regional livestock value chain; and
  - (v) Create policy dialogues with research institutes, trade organizations, and Ministries of Livestock, Agriculture and Environment to promote policies and

lines of action that accompany the transition from current livestock production systems to systems with higher levels of economic, social and environmental sustainability.

- 3.2 This component will have the collaboration of the Interamerican Institute for Cooperation on Agriculture (IICA), the specialized agency for agriculture of the Inter-American System that supports the efforts of the 34 Member States of the Americas to achieve agricultural development and rural welfare. One of its most valuable assets is the close relationship it maintains with the beneficiaries in the region and its vast experience in topics such as agricultural technology and innovation, plant and animal health, family farming, rural development, among others. The shared vision of sustainable livestock farming in LAC and the proposed actions will begin with the countries of the Southern Cone (Argentina, Brazil, Uruguay, Paraguay, and Chile), given that the region accounts for 38.5% of global beef exports, 27.5% of the world's cattle population and 25.2% of world's beef production. This region has a ministerial forum for consultation and coordination of actions called the Southern Agricultural Council (CAS) and in which IICA acts as the technical secretary (meeting organization, minutes, coordination, etc.). The CAS will serve as a starting point for the actions to be developed in the Americas and as a way of measuring the interest of the regional Ministries of Agriculture and Livestock in sustainable livestock practices.
- 3.3 **Component II. Studies through a competitive call for proposals (\$200,000).** The second component of the TC will fund a set of four to six research projects carried out by leading LAC research and policy institutions. The research projects will focus on policies and programs to leverage opportunities for and overcome barriers to the adoption of sustainable livestock production technologies in LAC. In a September 27, 2022, virtual scoping workshop organized by IDB/CSD, this topic was identified by a group of six international experts as one on which additional scientific evidence is urgently needed and one that would be of high value in promoting environmental sustainability. (The experts were Jacobo Arango, Senior Scientist, CIAT, Muhammad Ibrahim, Director General, CATIE, Frank Merry, Senior Scientist, Conservation Strategy Fund, Pablo Montoya, Director of Sustainability, Grupo Éxito, and Walter Baethgen, Sr. Research Scientist, Columbia University).
- 3.4 The process for selecting and funding the four to six research projects, and disseminating the results will be modeled after the 'red-de-centros' initiatives managed by RES. The process entails:
  - (i) forming a scientific committee of leading academics experts; writing and widely disseminating a public call for proposals.
  - (ii) selecting the strongest proposals based on objective criteria discussed below.
  - (iii) holding a preliminary workshop to promote networking and information sharing and to evaluate and strengthen proposals.
  - (iv) holding a final workshop roughly 12 months later to present results; packaging the results in both technical and non-technical policy-oriented formats; and finally.
  - (v) disseminating the results to key stakeholders.
- 3.5 Proposals will be evaluated using the following criteria (not in order of importance):
  - (i) Policy relevance

- (ii) Potential for short- and medium-term policy impacts by leveraging or networking with key stakeholders.
  - (iii) Contribution to the knowledge base
  - (iv) Innovation
  - (v) Rigorous and feasible research design
  - (vi) Sound dissemination plan
  - (vii) Affiliation with a leading research center. Proposals will be invited from all LAC countries and efforts will be undertaken to ensure all subregions in LAC are represented.
- 3.6 Research teams will produce seven sets of deliverables: a revised proposal, an oral presentation of this proposal in a first workshop, a detailed research plan, a first implementation status report, a second implementation status report, a draft paper reporting results, and an oral presentation of the paper in a second workshop, and a final paper. The managers of the initiative will compile findings from the research projects and help to manage dissemination. OC resources should not be used to cover the Banks administrative or capital budgets. No staff travels will be financed with this TC funds.
- 3.7 The timing for completion of Component I will be 20 months and in Component II around 18 months to allow the teams to develop the proposed analysis and submit a finalized paper to the IDB project team.
- 3.8 The TC will have the following expected results: (i) strengthen capacities and develop knowledge to increase beef production with a smaller environmental footprint; (ii) facilitate the alignment of livestock development operations with the Paris Agreement and each country's climate commitments (NDCs, among others); and (iii) Generate inputs and tools to promote policy measures at the regional level that promote a more sustainable livestock with the environment.
- 3.9 The total amount of funding needed to achieve the expected outputs is US\$350,000, financed with resources from the OC SDP Window 2 - Sustainability (W2A).

#### Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Total Funding
<b>Component I:</b> Information, interaction, and metrics in LAC	150,000	150,000
<b>Component II:</b> Studies through a competitive call for proposals	200,000	200,000
<b>Total</b>	<b>350,000</b>	<b>350,000</b>

#### IV. Executing agency and execution structure

- 4.1 This operation will be executed by the IDB given the regional coverage of the activities to be performed and possible synergies and complementarities with Bank operations and research. RND together with CSD Front Office will be responsible for the preparation, execution, and supervision of Components I and II following the policies established by the Bank. The team leader Gonzalo Munoz (RND/CSD) and alternate team leader Allen Blackman (CSD/CSD) will be responsible for the

execution and monitoring of the operation. They will directly supervise the submission of deliverables and track that these products are delivered according to the project's planned timeline. Gonzalo Munoz will supervise Component I and Allen Blackman Component II.

- 4.2 Though there will be no responsibility of the IDB's Country Offices (COF) for the execution of the TC, RND specialists based in the COFs will be consulted during the execution process. RND specialists will advise in (i) relevant cattle information from the involved countries; (ii) stakeholders that should be part of the process; (iii) advise on project selection criteria such as policy relevance and dissemination plans and facilitate networking among key stakeholders; and (iv) help to disseminate the lessons learned by acting as the bridge between academia and policymakers. COF will be informed and consulted about government contacts and missions related to the implementation of the TC.
- 4.3 The principal reason for this execution is that the Bank has expertise, capacity and experience commissioning research projects granted via a call for proposals. A second reason is that the Bank has the capacity to identify and fill knowledge gaps at the regional scale. A final reason has to do with dissemination. The policy implications from the proposed studies will be informative for other countries. Execution of the project by the IDB will facilitate the communication and dissemination of the results of the proposed studies across countries.
- 4.4 IICA will help in technical assistance aspects and in communication and dissemination of results.
- 4.5 The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the IDB's established procurement methods. Specifically, the Bank will follow its procurement policies and guidelines related to contracting processes: (i) individual consultants will be hired according to the guidelines established in policy AM-650; (ii) consulting firms of an intellectual nature will be hired according to the "Policy for the selection and contracting of consulting firms for operational work carried out by the Bank" (GN-2765-4) and its Operational Guidelines (OP-1155-4); and (iii) other non-consulting services in accordance with the "IDB Institutional Procurement Policy" (GN-2303-28).
- 4.6 Most of the workshops will be conducted remotely in order to spend less time and resources. A declaration of interest from CAS will be obtained during the first months to show the countries interest in promoting sustainable cattle production.

## **V. Major issues**

- 5.1 A main risk is that the knowledge developed does not impact the decision-making process. To minimize that risk, policy relevance and potential for policy impacts will be included as part of the execution. As mentioned, working with IICA and CAS will minimize this type of risk. Also, points of contact in COF will be involved to connect outputs and outcomes with policymakers.
- 5.2 The second risk to the successful and timely execution of the project is that research teams may not have the capacity or data needed to complete their individual projects. To minimize that risk, we will carefully select research projects through a competitive process: we will engage with consultants with track record of successful execution and select only projects with well-designed research plans. In addition,

contracts will be structured, and projects will be monitored in such a way that continued incentives for timely performance are ensured.

**VI. Exception to Bank policy**

6.1 This TC does not involve any exceptions to Bank policy.

**VII. Environmental and Social Strategy**

7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (MPAS).

**Required Annexes:**

[Results Matrix - RG-T4266](#)

[Terms of Reference - RG-T4266](#)

[Procurement Plan - RG-T4266](#)