

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Positioning Latin America and the Caribbean as a climate ambitious region at COP28
▪ TC Number:	RG-T4285
▪ Team Leader/Members:	Esmeral Berrio, Roberto Mario (CSD/CCS) Team Leader; Lewis, Amy Marie (CSD/CCS) Alternate Team Leader; Alejandra Paris (CSD/CCS); Andrea Marin (CSD/CCS); Ashton, Cristina (CSD/CCS); Catalina Aguiar Parera (CSD/CCS); Daniela Acevedo (LEG/SGO); Gomez, Juan Carlos (CSD/CCS)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	N/A
▪ Beneficiary:	Countries of the Latin-American and Caribbean Region
▪ 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:	August 2023
▪ Types of consultants:	Individual Consultants and Firms
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CSD/CCS-Climate Change
▪ TC included in Country Strategy:	N/A
▪ TC included in CPD:	N/A
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Productivity and innovation; Environmental sustainability

### II. Objectives and Justification of the TC

- 2.1 The IDB Group will set a roadmap towards the Conference of the Parties of the United Nations Framework Convention on Climate Change (COP 28) to showcase the main initiatives and projects it is currently developing in Latin-America and the Caribbean (LAC) to enhance the ambition of countries, support finance mobilization and promote activities to comply with Nationally Determined Contributions' (NDC) commitments. During the COP 28, many strategic decisions will be made, the establishment of a loss and damage financial vehicle will be part of the discussion, strengthening of private sector finance mobilization, and enhancement of regional, national and local actions to fulfill the 1.5°C goal will guide international flows of resources. It is for these reasons that a strong presence of the countries of the region, and the support of the IDB, as main partner is required to continue planning and working with counterparts to deploy activities to comply with global and regional goals. This operation will allow to: (i) pave our way towards positioning LAC as a climate ambitious region in the road to COP 28; and (ii) build a strategic presence during COP 28.

- 2.2 The overall objective of this TC seeks to prepare the participation of the IDB Group in COP 28, to showcase the main initiatives and projects it is currently developing in Latin-America and the Caribbean (LAC) to enhance the ambition of countries, support finance mobilization and promote activities to comply with Nationally Determined Contributions' (NDC) commitments.
- 2.3 Specific objectives of the operation are: (i) to prepare the positioning strategy of the group in media, events, development of podcasts and workshops with regional journalist to pave our way towards positioning LAC as a climate ambitious region in the road to COP 28; and (ii) to build a strategic presence during COP through events to be realized in the IDB Group Pavilion, showcasing transformative projects and generating space for discussions that allows countries from the region to advance with NDC commitments.
- 2.4 In the IDB Group Corporate Results Framework, 2020-2023 (GN-2727-12), the Board of Executive Directors of the institution set a climate change financing target of 30% of its operations for the IDB, IDB Invest and IDB Lab. This commitment includes three goals: (i) 65% of its annual project approvals should include investments in adaptation and mitigation to climate change; (ii) 100% of projects categorized as high risk should include a risk analysis and resilience measures by 2023; and (iii) 100% of country strategies should take into consideration either NDC, or Long-Term decarbonization Strategies (LTS).
- 2.5 This climate-related financing is crucial as paradigmatic investments in renewable energy, electric mobility, sustainable urban development, climate-smart agriculture, and green buildings, as well as capacity building and preparation of natural disaster risk assessments are a cornerstone to attaining the objectives set by the Paris Agreement.
- 2.6 Accelerating climate action and enhancing climate ambition is crucial for attaining the goals of the Paris Agreement. The IDB, along with other Multilateral Development Banks (MDB), actively supports LAC countries to enhance their climate policies and grow in sustainable ways. The COP is a key annual summit that brings its parties together to accelerate action towards the goals defined in the Paris Agreement, where the Bank actively participates each year.
- 2.7 In this context, the COP 28 to be held in Dubai, United Arab Emirates (UAE), in November – December 2023, is committed to move from negotiations and planning to the implementation phase, seeking to accelerate global climate action through emissions reductions, scaled-up adaptation efforts and enhanced flows of appropriate financing, recognizing that a 'just transition' remains a priority for developing countries worldwide.
- 2.8 The IDB Group presence at COP28 will let us show how the Group is leading the paradigm shift towards low-carbon and climate-resilient development in LAC, the implementation of the NDCs and how through different windows the Group mobilize resources to contribute for a greener economy in a sustainable manner. Top of the art of these actions are shown at COPs and new decisions, initiatives, resources, funds and pledges are launched during these events, letting the IDB Group to build and reinforce alliances to continue working with countries to comply with NDCs and advance to achieve sustainable development for the region, to continue complying with IDB decision of the Board of Executive Directors of the institution to set a climate change financing target of 30% of its operations for the IDB, IDB Invest and IDB Lab.

- 2.9 **Loss and damage.** At COP 27, governments agreed to set up a transitional committee, which is expected to make recommendations on how to operationalize the fund at COP 28. The loss and damage agreement provided hope for many low-income countries that have felt the brunt of climate change, but it also left a lot of questions unanswered. Mainly, who will be paying into the fund and who will be eligible to receive funding, the focus is now on how to populate the fund and how to disburse the money. Due to its transformative role in the region, promoting sustainable development and low carbon development pathways, the IDB can be a key catalyzer of these resources through existing financial vehicles and presence in countries.
- 2.10 **Climate finance.** High-income countries have long been criticized for failure to meet their annual goal set in 2009 at COP 15 to mobilize US\$100 billion for adaptation financing by 2020. Adaptation funding stood at just US\$83.3 billion in 2020. A report by the Organization for Economic Cooperation and Development (OECD) found that 2023 will most likely be the year the US\$100 billion threshold is passed, and annual funding is projected to surpass the billion goal in 2024 and 2025.
- 2.11 High-income economies are also under growing pressure to reform and capitalize international financial institutions, such as the World Bank, so they can invest more money in climate efforts. Last year, a group of independent experts commissioned by the Group of 20 major economies released a report that argued that the multilateral lenders could take on more risk and lend hundreds of billions more without hurting the coveted AAA and AA credit ratings, which is a red line that shareholders want to preserve.
- 2.12 **Just Energy Transition Partnerships (JETP).** These are a Group of Seven-led partnerships that use blended finance to help emerging economies transition away from overreliance on coal to a greener energy mix. The first JETP is an US\$8.5 billion plan for South Africa's transition announced at COP 26. Last year, plans for Indonesia and Vietnam were launched —with the former expected to clock in at nearly US\$20 billion and the latter at US\$15.5 billion, with the terms of public and private financing still in the works. India and Senegal are also expected to be announced as JETP partners.
- 2.13 Fresh resources related to these transition partnerships have a transformative potential to scale up and be an incentive for economies of the region to shift to a more resilient and low carbon energy and development pathways.
- 2.14 **Early Warnings.** At COP 27, the United Nations (UN) launched an ambitious plan to set up a global early warnings system. The plan will require funding of US\$3.1 billion over the next five years. To ensure effective implementation, the (UN) Secretary General, António Guterres, is establishing an advisory board which will be co-chaired by the heads of World Meteorological Organization and the UN Office for Disaster Risk Reduction.
- 2.15 Next step, partners must flesh out specifically how to finance this plan, prioritizing investment in countries with the highest risk, and whose governments has demonstrated capacity and willingness.
- 2.16 **Global Stocktake.** The first global stocktake (which is a process for taking stock of the implementation of the Paris Agreement globally) will also come to an end at COP 28.

- 2.17 COP 28 will mark an important point in the battle against climate change. The technical assessment of the global stocktake will ascertain the global progress on climate mitigation and adaptation efforts. The process, which began at COP 26, is currently in its second phase: a technical assessment period ending in June. This includes in-person dialogues focused on the stocktake's three themes of mitigation, adaptation, and implementation and support. Key findings will be presented and discussed at COP 28 as part of the third and final phase of the process. Each stocktake is a two-year process that happens every five years.
- 2.18 **Global goal on adaptation (GGA).** The Paris Agreement established the GGA which aims at driving collective action on climate adaptation. At COP 26, countries agreed to launch a two-year work program to translate the GGA into concrete actions. At COP 27, parties established a framework to achieve the GGA, which will be discussed during workshops in the lead-up to COP 28, and should be considered and adopted during this conference.
- 2.19 **Water Scarcity and sustainable food systems and health.** The next UN climate summit will be the first to consider health issues in depth, with a meeting of global health ministers to highlight the consequences of the climate crisis for wellbeing. COP 28 will be the first conference to dedicate a day to health and the first to host a health and climate ministerial. According to Sultan Al Jaber, the president of COP 28 “we need to broaden our definition of adaptation to enable global climate resilience, transform food systems and enhance forestry land use and water management.”
- 2.20 Water hazards pose an existential threat to our cities, regions and communities, with floods and droughts becoming more frequent and severe due to the impacts of the climate crisis. Following the key conversations and demands laid out at the UN Water Conference 2023, urgent action is needed to ensure that territories can survive and thrive in the face of these challenges. According to UNICEF, four billion people—almost two thirds of the world's population—experience severe water scarcity for at least one month each year; over two billion people live in countries where water supply is inadequate; half of the world's population could be living in areas facing water scarcity by as early as 2025 and some 700 million people could be displaced by intense water scarcity by 2030 and by 2040, roughly 1 in 4 children worldwide will be living in areas of extremely high water stress.
- 2.21 With food systems generating up to a third of all greenhouse gas emissions, planet needs a shift in the way we produce our food. Food and agriculture's position as both a problem and a solution to the climate change crisis was strongly acknowledged across all corridors at COP 27. In the lead-up to COP28, climate stakeholders are consolidating and expanding gains in agricultural innovation to address climate resilience and mitigation. The COP28 Presidency is engaging Parties throughout the year at ministerial, Head of Delegation and technical levels to lay the groundwork needed to deliver a successful COP 28 that drives global transformation towards a low-emission and climate-resilient world, fosters ambitious climate action and facilitates implementation, including the related support.
- 2.22 The COP28 Presidency has provided the high-level program for 30 November to 12 December, for December 3rd the main topics to covered will be Health/Relief, Recovery and Peace. Climate change is impacting people's health now. Governments needs to invest in adaptation measures, including in preparing health systems, in universal health care, and in integrating health considerations into adaptation across other sectors.

- 2.23 The TC is consistent with the IDB's Update to the Institutional Strategy (AB-3190-2) and is aligned with the development challenge of *productivity and innovation*, since the operation will utilize creative ways (virtual reality, podcasts, events) to promote aspects that are inherently innovative given the topics they cover: alignment of climate actions with the Paris agreement, new financing tools to assist LAC governments to continually increase the ambition of their NDC, biodiversity, nature based solutions, etc. Additionally, the operation is aligned with the cross-cutting theme of *climate change and environmental sustainability*, as it intends to continue to establish the role of the IDB as a key source of resources for climate change and environmental sustainability, as well as hone the alignment with the Paris Agreement of both Bank's operations and Government's agendas in Latin America and the Caribbean, in the context of the COP 28.

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

- 3.1 **Component 1. Paving our way towards Positioning LAC as a climate ambitious region in the road to COP-28 (US\$70,000).** This component will finance the development and implementation of the IDB Group Roadmap towards the COP 28, which will start with the milestone of a workshop for journalists focused on the Andean Countries Department of the IDB (CAN) followed by three workshops in the Caribbean Countries Department (CCB), the Central America Department (CID) and the Southern Cone Department (CSC) later in the year. These workshops will engage early on with journalists to help position the IDB Group strategic topics, particularly climate and biodiversity in the region. This entails: (i) hiring consultants for organizational and communicational purposes for the logistics and implementation; (ii) graphic design (2023 Guide for climate change and biodiversity journalists, brochures, banners, infographics, videos, etc.); (iii) flagship publications; (iv) a series of podcast developments to help position key topics aligned with specific countries' needs. These activities are instrumental in strengthening current relationships with beneficiaries, donors, and media and generating new partnerships and leads that can contribute to a better IDB Group's positioning.
- 3.2 **Outputs:** (i) Roadmap Towards COP28 (Events, Publications, Comms Products); (ii) IDB Mainstreaming (projects from key traditional and non-traditional sectors; (iii) events; (iv) flagship publications; and (v) podcast development.
- 3.3 **Component 2. Building a strategic presence during COP 28 (US\$280,000).** The IDB Group will require to consolidate a virtual and in-person presence during COP 28. To do so, this component will finance: (i) approximately 20 IDB events in an IDB Group pavilion in Dubai, UAE, to support the presentation of the IDB Group's portfolio related to climate finance, Paris Alignment, other key topics, and country-specific events upon request; (ii) the participation of the IDB in events organized with other organizations and/or countries, potential co-organization of events with other organizations —as COP 28 is constantly evolving, the definition of the final list will be defined closer to the COP 28 dates; and (iii) the hiring of consultants and/or firms to support the IDB's virtual and in-situ presence in Dubai, as well as the preparation of communications and outreach material for the event, for example, the hiring of a firm to implement a virtual reality IDB Project. Component 1 will be instrumental in positioning the IDB Group as the region's partner of choice in advancing the climate change and biodiversity agenda and improving lives, building momentum towards COP 28. The events and partnerships in COP 28 are instrumental for strengthening current relationships with beneficiaries,

donors, and other partners such as other MDB, as well as to generate new alliances that can lead to IDB operations aligned with the Paris Agreement.

- 3.4 **Outputs:** (i) IDB Group Pavilion; (ii) events (virtual and on-site); (iii) external consultant; (iv) virtual reality project; and (v) MDB Pavilion.
- 3.5 The total cost of the present operation is US\$350,000, which will be financed with resources from the Ordinary Capital Strategic Development Program (OC SDP), more specifically from its Window 2 – Sustainability (W2A).
- 3.6 The objective of this TC is aligned with the priority area of the OC SDP – W2A that has to do with acting as a main channel of support to the cross-cutting issue of Climate Change and Environmental Sustainability by integrating climate considerations into the IDB's operations to advance low carbon and resilient interventions. The priority area will support countries in delivering on their NDC; build capacity to manage disaster and climate risks; identify and pursue opportunities for climate resilience (including nature-based solutions), adaptation to climate impacts; supporting healthy and functioning ecosystems and promoting the sustainable use and development of land, coastal and ocean areas, whether rural or urban; and development of long-term decarbonization pathways.

**Indicative Budget (US\$)**

Activity/Component Description	IDB Funding	Total
Component 1. Paving our way towards Positioning LAC as a climate ambitious region in the road to COP-28	70,000	70,000
Component 2. Building a strategic presence during COP-28	280,000	280,000
<b>Total</b>	<b>350,000</b>	<b>350,000</b>

#### **IV. Executing Agency and Execution Structure**

- 4.1 The Bank will act as the executing agency due to its ability to leverage its extensive network of internal and external subject-matter experts and well-established relationships with relevant stakeholders. The Climate Change Division of the IDB (CSD/CCS) will be responsible for the supervision and implementation of this operation's resources. The execution of the TC will be coordinated with the relevant divisions of the Bank including IDB Invest and IDB Lab.
- 4.2 The IDB will carry out the execution activities through CSD/CCS, which will be responsible for the operation's supervision, disbursements, and procurement. In addition, CSD/CCS will coordinate with other relevant IDB departments.
- 4.3 The project will leverage synergies and complementarities with IDB operations, research, and in-house expertise in NDC and LTS planning and implementation. Additionally, due to the regional nature of this TC and since it is originated at the initiative of the Bank, in accordance with Annex II of OP-619-4, the Bank will act as the executing agency.
- 4.4 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 will be hired in accordance with the "IDB Corporate Procurement Policy" (GN-2303-28).

- 4.5 Procurement process for Component 2 “In site corporate presence and logistics”, Single Source Selection (SSS) have been selected as the procurement process, this procedure is eligible as included in the “Policy for the selection and contracting of consulting firm form Bank-execute operational work (GN-2765-4)”, for Non-competitive method: Single Source Selection (SSS) subsection (d) “when only one firm is qualified or has experience of exceptional worth for the assignment and it presents a clear advantage over competition” .
- 4.6 In this case, UNFCCC and COP 28 Presidency have designated a single company to manage all official events, and for the COP Blue Zone Pavilions & Offices that we are preparing with this TC must be allocated with the company, for this reason there is no space for a competitive process.
- 4.7 Prior to the start of the execution of activities of the TC in any beneficiary country, a non-objection letter will be obtained from the official liaison entity with the Bank in the respective country.

## **V. Important Risks**

- 5.1 Coordination issues may result from working with too many countries on specific knowledge generation activities which may result in a considerable delay to the TC. and its objectives. To mitigate this risk, country selection will be confirmed with CSD/CCS country specialists, other relevant sector country specialists, as well as with the Chiefs of Operations.

## **VI. Exceptions to Bank policy**

- 6.1 No exceptions to Bank policies have been identified for this operation.

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

- 7.1 This technical cooperation 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 have applicable requirements of the Bank’s Environmental and Social Policy Framework (ESPF).

### **Required Annexes**

[Results Matrix - RG-T4285](#)

[Terms of Reference - RG-T4285](#)

[Procurement Plan - RG-T4285](#)