

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	VENEZUELA/CAN - Andean Group
▪ TC Name:	Strengthening the Blue Economy and Climate Change Resilience in Venezuela
▪ TC Number:	VE-T1097
▪ Team Leader/Members:	ALLENG, GERARD P. (CSD/CCS) Team Leader; JUAN MEJIA (CAN/CAN); EL FAKIH, NIZAR (CAN/CAN); ABUELAFIA, EMMANUEL (CAN/CAN); WATKINS, GRAHAM GEORGE (CSD/CCS); ADRIAN FLORES AGUILAR (CSD/CCS); GOMEZ, JUAN CARLOS (CSD/CCS); JIMENEZ MOSQUERA, JAVIER I. (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	08 Jul 2022
▪ Beneficiary:	Venezuela
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	CSD/CCS - Climate Change
▪ Unit of Disbursement Responsibility:	CSD/CCS - Climate Change
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Environmental sustainability

### II. Objective and Justification

- 2.1 The objective of this Technical Cooperation is to define a roadmap for the incorporation of the blue economy as an economic approach for productive diversification, employment generation and the conservation and sustainable use of natural resources. Two case studies will be undertaken to show the benefits of the blue economy in its intersection with the circular economy and the strengthening of resilience to climate change.
- 2.2 The blue economy presents a series of opportunities to boost a country's economy based on its ocean/coastal resources. This concept refers to sustainably using these resources. The blue economy is a source of employment globally, and its contribution is conservatively estimated at US\$1.5 trillion annually, approximately 3% of global value added. For countries like Venezuela, whose economies have suffered major contractions that the COVID-19 crisis has exacerbated, the blue economy and its associated technologies are expected to be a new source of employment generation and economic diversification. Similarly, this economic approach is expected to advance the Sustainable Development and Climate Change Goals.
- 2.3 The blue economy is a broad concept that encompasses others, such as the circular economy and resilience to climate change. The first is a non-linear economic concept that is interrelated with sustainability and whose objective is to prolong the value of products, materials, and natural resources for as long as possible, reducing the

generation of waste. The second concept has been defined as the capacity of a system and its components to anticipate and absorb the effects of a hazardous event, adapt to them, and recover quickly and efficiently.

- 2.4 Venezuela has vast oceanic and coastal resources in its territory, which are highly biodiverse and have high commercial potential. The country has a continental and insular surface area of 916,445 km<sup>2</sup>, 1,276 km<sup>2</sup> correspond to the island territories. The country also has 98,500 km<sup>2</sup> of the continental shelf. Given its biogeographic position, Venezuela's marine flora and fauna are composed of species from very different bioregions, such as the Caribbean and the Orinoco delta. Of Venezuela's bioregions, three are marine: (1) coastal continental, (2) marine, and (3) insular. Within these bioregions are diverse ecosystems ranging from mangroves, coral reefs, (coastal) lagoons, seagrasses, and rocky coasts.
- 2.5 Like other countries in the region, ocean resources are primary economic drivers for sectors such as fisheries (artisanal and industrial) and tourism (national and international). However, many underlying causes have affected their performance and limited their potential. Among these causes is the lack of governance frameworks for the sustainable use of ocean and coastal resources that stimulate the involvement of the private sector in the conservation and sustainable use of these resources; and the lack of financial resources for research and development (R&D) to promote productive diversification; the generation of more innovative services; and the lack of understanding of the benefits of healthy ocean resources.

### III. Description of Activities and Outputs

- 3.1 **Component I: Blue Economy Roadmap.** This component aims to identify opportunities to promote the blue economy in Venezuela. To this end, sectors and stakeholders that could play a catalytic role in this economic approach will be mapped. This implies measuring their impact on contribution to GDP and generation of new jobs. It also involves assessing the governance arrangements to define the necessary adjustments in institutional, regulatory, and public policy frameworks.
- 3.2 **Component II: Blue Economy Case Studies.** The objective of this component is to show, the potential of the blue economy to promote the local economy and sustainability in the use of natural resources. This studies will focus on highlighting the opportunities of the blue economy to promote resilience to climate change and the promotion of emerging industries, together with the opportunities within the circular economy.
- 3.3 **Component III: Knowledge Management and Dissemination.** The objective of this component is to disseminate and communicate the findings of this project. To this end, a series of knowledge products (e.g., technical notes, and peer review papers) will be developed.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Blue Economy Roadmap	US\$85,000.00	US\$0.00	US\$85,000.00
Blue Economy Case Studies	US\$100,000.00	US\$0.00	US\$100,000.00
Knowledge Management and Dissemination	US\$15,000.00	US\$0.00	US\$15,000.00
<b>Total</b>	<b>US\$200,000.00</b>	<b>US\$0.00</b>	<b>US\$200,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The TC will be executed by the IDB through the Climate Change and Sustainability Division. All activities to be executed have been included in the Procurement Plan (see Annex IV). The Bank will follow its procurement policies and guidelines related to contracting processes: (i) individual consultants will be contracted in accordance with the guidelines set forth in policy AM-650; (ii) intellectual consulting firms will be contracted in accordance with the "Policy for the Selection and Contracting of Consulting Firms for Operational Work Executed 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).
- 5.2 Given the strategic nature of the operation, and the work that IDB is doing on the Blue Economy throughout the region, in addition to the need to centralize execution, it has been decided that the execution of this TC will be carried out by the Bank. In addition, taking into consideration that the execution of the project will provide an opportunity for learning, knowledge transfer and data collection for Bank staff involved in issues related to the Blue Economy, together with that of a better understanding of its strong connection with addressing the impacts of climate change, and the use of nature-based solutions in the marine environment, which are areas of increasing work for the IDB and in particular for the CCS/CSD division.

## **VI. Project Risks and Issues**

- 6.1 There is a risk associated with the availability of data/information related to the blue economy in Venezuela. Such information is essential for a critical analysis of the thematic area. A preliminary mapping of digital media sources shows little availability of updated data. To overcome this challenge, academic and scientific data will be obtained from various sources, together with close collaboration with key actors in the thematic area to guarantee the availability of all the information necessary for the progress of the activities. Similarly, regional information will be used and extrapolated to the Venezuelan case wherever possible.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".