

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Strengthening the institutional network of development finance institutions in Brazil for a digital, inclusive, diverse, and sustainable recovery.
▪ TC Number:	BR-T1486
▪ Team Leader/Members:	Schweizer, Luciano (IFD/CMF) Team Leader; Cavazzoni Lima, Rafael (IFD/CMF) Alternate Team Leader; Bernedo, Cecilia (IFD/CMF); Netto de A. C. Schneider, Maria E. (IFD/CMF); Eschoyez, Guillermo Antonio (LEG/SGO); Pereira Porto, Rodrigo (IFD/CMF); Da Rosa Fernandes, Leonardo (CSC/CBR); Sierra Gonzalez, Eduardo (IFD/CMF)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	30 Jun 2021
▪ Beneficiary:	Brazilian Association of Development (ABDE)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/CMF - Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	IFD/CMF - Connectivity Markets and Finance Division
▪ 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 ; Institutional capacity and rule of law

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to strengthen the ABDE and its network capabilities and methodologies for action to promote in better conditions the financing needs of MSMEs, sustainable regional development, and digital inclusion projects, among other strategic Brazilian policy axes that promote the Country economic, inclusive, and sustainable recovery. This TC should also support monitoring and assessment of impacts of those policies through a knowledge agenda to promote more transparency in relation to the objectives and results of the actions adopted.
- 2.2 Since the onset of the crisis, the National Development System (SNF) has presented itself as a relevant instrument for resource mobilization and countercyclical action. In the first months of the crisis, Development Financial Institutions (DFI) played a key role ensuring that liquidity resources reached out different sectors of society and the economy, either by direct financing or through guaranteed instruments. Notwithstanding, this new panorama also carries out fiscal challenges for the public sector and upsurge of the crisis resulting from COVID-19 over the business and social fabric in Brazil. Such scenario requires design of interventions and programs that go beyond short-term emergency needs, but also encompassing digital, inclusive, diverse, and sustainable recovery. For SNF, the challenge lays on reconciling emergency needs and the implementation of a coordinated agenda for long-term financial resources

mobilization aimed at promoting investment, especially by private capital, with a focus on the common objectives of the IDB strategy and Brazilian public policy. For that reason, ABDE and its network are called to provide a new strategic perspective vis-à-vis the institutions they represent, seeking to support SNF to assess short and long-term needs and stimulate opportunities for repositioning. Technical cooperation from the IDB is required to support ABDE's institutional processes and its associated network to enhance their development agenda and coordinate, more efficiently, ideas, solutions, and knowledge.

III. Description of Activities and Outputs

- 3.1 **Component I: Knowledge support and capacity building program.** Component will support development of a knowledge agenda (KA) and capacity building of ABDE and network for planning and decision-making process. The KA will imply research to guide joint strategic IDB/ABDE actions, supporting SNF members to face future economic recovery challenges, and promotion of sustainable development including monitoring and analysis of impacts. Capacity-building agenda will include training activities in ABDE's institutional network.
- 3.2 **Component II: Operational solutions development program.** . This component will include consultancy to support policies and initiatives design and implementation of ABDE's institutional network through improvement of operational technologies, such as databases structuring, and dissemination of methodologies to support projects, in line with IFD policies and action plans.
- 3.3 **Component III: Institutional dialogue strengthening program.** . Component will support mechanisms to expand dialogue among ABDE, its associates and other interested parties, such as the public sector. The component supports ABDE's engagement in forums and several working groups in Lab initiative, as well as provide support for organization and promotion of events to convene partners and experts that contribute to strengthening of institutional role of SNF in the digital, inclusive, diverse, and sustainable recovery process.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I: Knowledge support and capacity building program.	US\$45,000.00	US\$0.00	US\$45,000.00
Component II: Operational solutions development program.	US\$75,000.00	US\$0.00	US\$75,000.00
Component III: Institutional dialogue strengthening program.	US\$30,000.00	US\$0.00	US\$30,000.00
Total	US\$150,000.00	US\$0.00	US\$150,000.00

V. Executing Agency and Execution Structure

- 5.1 This TC will be carried out by the IDB through the IFD/CMF Division.
- 5.2 ABDE is a traditional partner with which IFD/CMF has maintained a strategic partnership since 2012, from which it was beneficiary in three TCs successfully concluded (ATN/KR-14637-BR, ATN/OC-16244-BR and ATN/CF-15571-RG). Since then, it has been a key ally in facilitating and making the communication and training of the main current and potential IFD/CMF clients more effective, as well as a key partner in successful initiatives such as ABDE-IDB Monographies Award and Lab, among others. Within the scope of

the Global Credit Program to combat COVID-19 pandemic effects, the IDB's partnership with ABDE has facilitated coordination to obtain information and data required for setting up preparatory documents for financial assistance, as well as fostering dialogue with IDB Invest and IDB Lab.

VI. Project Risks and Issues

- 6.1 As a "client support" initiative that aims to reaching out ABDE's network, there is a minor risk that some DFI members may not require specific technical support from the Association, or from particular projects connected to this TC. Such circumstance might undermine some specific goals. Nevertheless, that would be an unlikely situation due to ABDE's ongoing leadership role and the growing need of support given the upsurge of Covid effects over economy. Moreover, the TC's knowledge agenda should emphasize the role and importance of proposed activities as a value-added initiative for DFIs in general.

VII. Environmental and Social Classification

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