

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	COP-27 Strategic Roadmap Implementation
▪ TC Number:	RG-T4168
▪ Team Leader/Members:	Saavedra Gomez, Valentina (CSD/CCS) Team Leader; Gonzalez Mahecha, Esperanza (CSD/CCS) Alternate Team Leader; Acevedo Calle, Daniela (LEG/SGO); Alejandra Paris (CSD/CCS); Blandin Andino, Lourdes Gabriela (CSD/CCS); Espinosa De Los Monteros Hinojosa, Isaura (CSD/CCS); Francine Vaurof (CSD/CCS); Gomez, Juan Carlos (CSD/CCS); Juan Francisco Martinez Cotrino (CSD/CCS); Lewis, Amy Marie (CSD/CCS); Patricia Gutierrez Mesones (CSD/CCS); Paula Morandi (CSD/CCS); Sara Carias (CSD/CCS); Watson, Gregory (CSD/CCS); Meirovich, Hilan Gabriela
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	15 Jul 2022.
▪ Beneficiary:	All IDB borrowing member countries
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Sustainable energy and Climate Change Multi-donor Trust Fund(MSC)
▪ IDB Funding Requested:	US\$220,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (Execution):	24 months (24 months)
▪ Required start date:	September 2022
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CSD/CCS-Climate Change
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ 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 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 Nationally Determined Contributions (NDC), or Long-Term decarbonization Strategies (LTS).
- 2.2 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.

- 2.3 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 Latin-American and Caribbean (LAC) countries to enhance their climate policies and grow in sustainable ways. The Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC), 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.
- 2.4 In this context, the COP-27 to be held in Egypt on November 6<sup>th</sup> to the 18<sup>th</sup>, 2022, 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. The priorities set by the Egypt presidency for COP 27 are:
  - a. Mitigation: Implementation of the Glasgow pact calls to review NDC's ambition, as well as the creation of a work program to raise the ambition on mitigation actions to limit global warming to well below two degrees Celsius and preferably to 1.5 degrees.
  - b. Adaptation: Progress and urge all parties to demonstrate the necessary political will to achieve the Global Goal on Adaptation. Additionally, COP-27 should witness an enhanced global agenda for action on adaptation.
  - c. Finance: Progress on the crucial issue of climate finance while moving forward on all finance related items on the agenda. There is a need for enhanced transparency of finance flows and facilitated access to meet the needs of developing countries especially Africa, Least Developed Countries (LDCs), and Small Island Development States (SIDS).
  - d. Collaboration: Ensure adequate representation and participation from all relevant stakeholders in COP-27.
- 2.5 As these priorities reflect and are connected to the needs and gaps under the COP-27 negotiations and the Paris Agreement implementation, the IDB Group has also identified six topics in which it will focus its work to pave its way towards COP 27, namely: (i) just transition; (ii) transition to net-zero emissions; (iii) biodiversity and nature-based solutions; (iv) amazon and bioeconomy; (v) resilience and adaptation; and (vi) green and climate finance, innovative solutions and the private sector. The IDB has extensive work in these six topics. Some examples are: the Amazon Initiative, regional programs for decarbonization, such as the Deep Decarbonization Pathways for Latin America and the Caribbean (DDPLAC) program (ATN/FR-18228-RG); diverse work in biodiversity and natural capital, such as the strategic roadmap for blue economy in Barbados (ATN/CO-17589-BA), the promotion of innovative financing mechanisms for biodiversity such as the Jaguar Bond in Costa Rica (ATN/OC-18247-RG), and the valuation, protection and enhancing of costal natural capital in Panama (ATN/BB-18013-PN); continuous work in adaptation and resilience, such as the evaluation of climate risks and adaptation measures in Colombia and Perú (ATN/SX-18687-RG), the evaluation of climate risks in all IDB loans, and the iGOPP index in several countries of the region. Additionally, the IDB is a leader in innovative

financing instruments such as green bonds and sustainability linked bonds, and in just transition programs, such as the promotion of green jobs in Ecuador (ATN/SX-18974-EC; 5520/OC-EC; 5230/OC-EC).

- 2.6 As the climate partner of the LAC region, the IDB Group will continue to provide support to countries in their efforts to achieve low carbon and resilient development, as well as meet the demand from governments to receive assistance in the design, execution, and monitoring of their portfolio of projects and initiatives aligned with the objectives of their NDC and LTS, and showcase key lessons learned.
- 2.7 Most countries in the region have submitted their NDC and increased their mitigation targets in their latest NDC. The IDB has actively provided support to LAC countries on updating and enhancing their NDC: Barbados, Bolivia, Chile, Costa Rica, Guatemala, Honduras, Mexico, Paraguay, and Suriname. Regarding the development of LTS, the IDB has provided support to Costa Rica, Colombia, Peru, Guatemala, and Uruguay on their respective development processes.
- 2.8 **Objective.** The IDB Group will set a roadmap towards COP-27 to showcase the main initiatives and projects it is currently developing in LAC to enhance the ambition of countries, based on their demand. In particular, the operation will allow to: (i) structure a roadmap that will enable a coherent and unique message and showcase activities intended to pave the way towards COP-27; and (ii) support the presence of the IDB Group during COP-27 and our Paris Alignment commitment.
- 2.9 This work will be complemented by other technical cooperation operations led by the IDB, such as: (i) *"Identifying and disseminating best practices and opportunities to support COP-25 outcomes and Paris Agreement implementation throughout LAC"* (ATN/MC-18254-RG); (ii) *"Strengthening resilience in Latin America and the Caribbean"* (ATN/AC-18143-RG), which will develop further analyses and capacities to identify adaptation and resilience options; and (iii) *"Informing the design of long term decarbonization strategies"* (ATN/FR-18228-RG).
- 2.10 The IDB has financed its participation in previous COP meetings with operations such as ATN/MC-18667-RG, ATN/MC-18254-RG, and ATN/OC-17504-CH, obtaining valuable results such as the successful Pavilion of the Americas in COP 25, the IDB announcement of its aspirational target of being fully aligned with the Paris Agreement by 2023 in COP-26, and the launch of the Amazon initiative. Lessons learned from previous experiences include: (i) the need to count on enough resources to fund professional communication and marketing services for a proper showcasing of Bank products; (ii) early engagement with other MDB for a proper organization of activities and pavilion logistics; and (iii) early engagement with LAC countries for offering support during COP. All these lessons learned are included within the scope of this TC. To ensure full disbursement of this TC, should there be remaining funds, they will be used to finance COP-28 activities, during 2023.
- 2.11 The present operation is consistent with the Second Update to the Institutional Strategy (AB-3190-2) and is aligned with the development challenge of *productivity and innovation*, as it intends to foster low carbon and resilient investments. The operation is also aligned with the cross-cutting themes of: (i) *climate change and environmental sustainability*, as it provides support to countries in the LAC region to work on their NDC updates and implementation plans, LTS and other key strategies towards COP-27; and (ii) *institutional capacity and the rule of law*, as it enables national institutions to include vulnerability in their national planning processes. Likewise, the operation is aligned with the IDB's Integrated Strategy for Climate

Change Adaptation and Mitigation and Sustainable and Renewable Energy (GN-2609-1) and its Action Plan (GN-2609-3). Additionally, the operation responds to the objectives of the Sustainable Energy and Climate Change Initiative Fund, as COP-27, the Paris Agreement and the engagement of the Ministries of Finance for a climate agenda are closely related to the results mentioned in ¶1.2 of the document that established the Sustainable energy and Climate Change Multi-donor Trust Fund (MSC) (GN-2435-6). Additionally, the operation will contribute towards the goal of the Ninth General Capital Increase of the IDB (GCI-9), that establishes that 30% of its lending should include climate considerations, under the Bahamas Declaration, as it enables different mechanisms for climate change mainstreaming.

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

- 3.1 **Component 1. Paving our way towards COP-27 and consolidating the IDB Group as the climate partner of the region (US\$35,000).** This component will finance the development and implementation of the IDB Group Roadmap towards the COP-27, which will start with the milestone of a regional virtual summit to showcase the Group's main achievements towards the implementation and attainment of the Paris Agreement objectives (One Region, One Commitment). This entails the hiring of consultants for organizational and communicational purposes for the roadmap, logistics and implementation, graphic design (brochures, banners, infographics etc.), paid advertisement campaign for IDB corporate channels, as well as a communications firm for the organization of the IDB's online pre-COP-27 event. Such events will be key to showcase the IDB Group's climate change actions, as well as position the IDB Group as the partner of the LAC region for advancing the climate change agenda and improve lives. These activities are instrumental for strengthening current relationships with beneficiaries and donors, as well as for generating new partnerships that can lead to new IDB operations aligned with the Paris Agreement.
- 3.2 **Component 2. Building a strategic presence during COP-27 and supporting the Paris Alignment commitment (US\$185,000).** Per previous experience, and while including COVID-19 considerations, the IDB Group will require to consolidate a virtual and in person presence during COP-27. To do so, this component will finance: (i) six IDB events in an MDB's shared pavilion at the Sharm El-Sheik International Convention Center to support the presentation of the IDB event portfolio, climate finance figures, Paris Alignment commitment, and country specific events upon request; the participation of IDB representatives in side-events organized by other organizations and/or countries; and potentially co-organize events with other organizations. As COP-27 is constantly evolving, the definition of the final list will be concluded closer to COP-27 dates; (ii) the hiring of consultants to support the IDB's virtual and in-situ presence in Egypt, as well as the preparation of communications material for the event. Component 1 will be instrumental in positioning the IDB Group as the partner of the region in advancing the climate change agenda and improve lives, building momentum towards COP-27. The events in COP-27 are instrumental for strengthening current relationships with beneficiaries, donors, and other partners such as other MDBs, as well as for generating new partnerships that can lead to IDB operations aligned with the Paris Agreement.
- 3.3 The total estimated cost of this operation is US\$220,000, which will be financed with resources from the Sustainable Energy and Climate Change Multi Donor Trust Fund (MSC).

**Indicative Budget (US\$)**

<b>Component</b>	<b>Description</b>	<b>IDB/Fund</b>	<b>Total</b>
Component 1. Paving our way towards COP-27 and consolidating the IDB Group as the climate partner of the region	Development and implementation of the IDB Group Roadmap towards the COP-27, which will start with the milestone of a regional virtual summit to showcase the Group's main achievements towards the implementation and attainment of the Paris Agreement objectives (One Region, One Commitment).	35,000	35,000
Component 2. Building a strategic presence during COP-27 and supporting the Paris Alignment commitment	Six IDB events in an MDB's shared pavilion at COP27 and the hiring of consultants to support the IDB's virtual and in-situ presence in Egypt, as well as the preparation of communications material for the event.	185,000	185,000
<b>Total</b>		<b>220,000</b>	<b>220,000</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, disbursement, procurement 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. This TC is an IDB initiative.
- 4.2 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.
- 4.3 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).
- 4.4 Prior to starting the execution of the TC's activities in any beneficiary country, a non-objection letter will be obtained from the official liaison entity with the Bank in the respective country.

#### **V. Major Issues**

- 5.1 COP-27 could be impacted by the still-ongoing impacts of the COVID-19 pandemic and other global threats such as the current war on Ukraine, which could undermine the execution of an in-person COP. In case it is determined that the COP-27 will be carried out as a virtual event, CSD/CCS will establish the necessary mechanisms to ensure adequate and timely implementation, as well as coordination with implementors (Knowledge, Innovation and Communications department of the IDB).

**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-T4168](#)

[Terms of Reference - RG-T4168](#)

[Procurement Plan - RG-T4168](#)