

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Enhancing Brazil's capacity to access Green Climate Fund (GCF) finance for NDC implementation
▪ TC Number:	BR-T1361
▪ Team Leader/Members:	BRAKARZ, BARBARA (CCS/CBR) Team Leader; VISCONTI, GLORIA (CSD/CCS) Alternate Team Leader; CELESTE MARZO, CRISTINA (LEG/SGO); TACHLIAN-DEGRAS, EDWIN JULIEN EDOUARD (VPC/FMP); GOMEZ, JUAN CARLOS (CSD/CCS); DE SOUSA, FERNANDA OLIVEIRA (CSC/CBR); GANDER, ANNE (CSD/CCS); ANGEL GOMEZ, ANGELO EDUARDO (CSD/CCS)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	16 Feb 2018
▪ Beneficiary:	Government of Brazil - Ministry of Finance
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 250,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	28 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Climate Change
▪ Unit of Disbursement Responsibility:	Country Office Brazil
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Climate change

II. Objective and Justification

- 2.1 The operation aims at providing support to the Government of Brazil, through the Ministry of Finance, to structure the Green Climate Fund Country Program. The operation will deliver the appropriate governance and instruments, taking into account the national circumstances and institutional requirements, to access finance from the Green Climate Fund (GCF) and other sources of funding and assist the ministry in taking on its role as the National Designated Authority (NDA) for the GCF. Support will also be provided to engage other ministries part of the national GCF institutional and financial arrangements in the activities related to the NDA. The TC will evaluate financial instruments to support the implementation of its Nationally Determined Contribution (NDC) strategy (under development), including the review of sources of funds (national and international) to assess the potential role of the GCF in this context.
- 2.2 This TC contributes to the national priorities of the Government of Brazil. In the Conference of the Parties of the UNFCCC (COP 21) in Paris, Brazil communicated its Intended Nationally Determined Contribution (INDC), where the country established a commitment to reduce greenhouse gas (GHG) emissions by 37% below 2005 levels in 2025. As a subsequent indicative contribution, Brazil set the goal to reduce GHG emissions by 43% below 2005 levels in 2030. Following the ratification of the Paris Agreement in 2016, Brazil's INDC was confirmed as the Nationally Determined

Contribution (NDC). Additionally, this operation is aligned with the IDB Country Strategy for Brazil 2016 – 2018.

III. Description of Activities and Outputs

- 3.1 Activities: (i) strengthen the capacity of the Brazilian Ministry of Finance to act as the National Designated Authority for the Green Climate Fund; (ii) develop a project/program pipeline; and (iii) develop concept notes and funding proposals.
- 3.2 **Component I: Strengthen Ministry of Finance capacity in its role as National Designated Authority (NDA) for the Green Climate Fund** . Provide technical support to the Ministry of Finance, the National Designated Authority (NDA) of the GCF in Brazil, to strengthen its knowledge, capacities, processes, systems and procedures to comply with its responsibilities as NDA.
- 3.3 **Component II: Development of a pipeline of projects to the GCF and other funds.** Support the identification of investment opportunities for the private and public sectors in Brazil that will help implement specific actions under its Country Strategy for the GCF. Also, focus on the capacity of the NDA to engage the private sector to identify appropriate areas for GCF financing, considering the potential for scale up and transformational effect.
- 3.4 **Component III: Development of concept note or full funding proposal.** Design high-quality proposals of scale with the potential to generate transformational impact, providing the opportunity to highlight the contribution of GCF financing to the implementation of the NDC, as well as showcasing innovative approaches that could be replicated in both the Brazilian and the international contexts

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Strengthen Ministry of Finance capacity in its role as National Designated Authority (NDA) for the Green Climate Fund	\$ 90,000.00	\$ 0.00	\$ 90,000.00
Development of a pipeline of projects to the GCF and other funds	\$ 90,000.00	\$ 0.00	\$ 90,000.00
Development of concept note or full funding proposal	\$ 70,000.00	\$ 0.00	\$ 70,000.00

V. Executing Agency and Execution Structure

- 5.1 The TC will be executed by the Inter-American Development Bank. Bank procurement policies will be followed in the tender process of these activities. For contracts with consulting firms; the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9) will apply, for contracts with individual consultants, human resource standards (AM-650) will apply; and for the dissemination expenses and other services (workshops, catering, printing and publishing, etc.), policies of corporate procurement will apply until the new Bank's policies in this area become effective. The monitoring of each specific task will be done through a direct and regular supervision by the team leader.
- 5.2 The IDB is the institution that has the experience to provide national governments in the region with the knowledge to create suitable institutional configurations and

arrangements to prepare proposals, execute projects and, in general, communicate with multilateral sources of international climate finance resources. In this particular case, the IDB will bring its expertise to build capacity within the Ministry of Finance and set up a team to help them interact with the Green Climate Fund (GCF), a fund within UNFCCC that assists developing countries in climate change adaptation and mitigation practices.

VI. Project Risks and Issues

- 6.1 The main risk of this TC is that those programs and projects prioritized and submitted to the GCF and other multilateral and bilateral funds are not approved. The activities of the TC seek to mitigate that risk by ensuring that the submitted proposals follow a rigorous selective process managed by the NDA in Brazil, comply with the funds criteria and are properly designed taking advantage of the existent expertise of IDB operational units. An additional risk is the increased competition and multiple channels to access the GCF in particular. The TC will promote the capacity and added value of the IDB and support the positioning of the Bank as a relevant partner for the GCF and Brazil.

VII. Environmental and Social Classification

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