

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	2024 Development in the Americas on Climate and Disasters
▪ TC Number:	RG-T4211
▪ Team Leader/Members:	Blackman, Allen (CSD/CSD) Team Leader; Vogt-Schilb, Adrien (CSD/CCS) Alternate Team Leader; Cavallo, Eduardo (RES/RES); Gomez, Juan Carlos (CSD/CCS); Hoffmann, Bridget Lynn (RES/RES); Juan Francisco Martinez (CSD/CCS); Mendoza Benavente, Horacio (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	13 Oct 2022.
▪ Beneficiary:	Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, Venezuela
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months (24 months)
▪ Required start date:	December 2022
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD-Climate Change and Sustainable Development Sector
▪ Unit of Disbursement Responsibility:	CSD/CSD-Climate Change and Sustainable Development Sector
▪ 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; Social inclusion and equality

### II. Objectives and Justification of the TC

- 2.1 The general objective of this technical cooperation is to improve the region's understanding of climate change impacts and climate change policy at the sector level. The specific objective is to produce three to six studies that will help write the 2024 edition of the Bank's flagship publication, the Development in the Americas (DIA), which will be on the topic of "Climate Change and Disasters." The studies funded by this TC will also inform Bank operations, programming and strategy documents, and its policy dialogue with line ministries. In addition to funding three to studies, this TC will also fund workshops used to coordinate writing of the DIA, translation of the DIA, and seminars used to disseminate it.

- 2.2 Climate change is having extensive geophysical effects in Latin America and the Caribbean (LAC). It is shifting patterns of precipitation and causing more frequent and intense heatwaves, droughts, floods, landslides, and tropical storms. Ecosystems and biodiversity, along with the critical services they provide are being impacted as glaciers retreat, sea level rises, and species move poleward or to higher altitude (IPCC 2022).
- 2.3 The geophysical and ecological changes caused by climate change are having serious adverse socioeconomic effects. Mounting evidence shows that they significantly increase human morbidity and mortality, damage critical infrastructure, sap fiscal reserves, reduce economic productivity, and spur mass migration. Moreover, these impacts have been greatest for poorer households, and therefore contribute to exacerbating already high levels of inequality in LAC. By the end of the present decade, the effects of climate change on GDP and poverty are projected to be commensurate to that of the COVID-19 pandemic (Jafino et al. 2020).
- 2.4 Although climate change creates serious risks for LAC, climate action offers substantial opportunities. For example, the transition to net-zero emissions has the potential to create fifteen (15) million net new jobs in the region and boost economic growth by at least one percent (Saget et al. 2020; Vogt-Schilb 2021). In addition, virtually all policies and programs aimed at enhancing resilience will create necessary conditions for LAC countries to meet non climate Sustainable Development Goals.
- 2.5 To address these challenges and take advantage of these opportunities, LAC countries must use long-term climate strategies to achieve two goals. First, they must rapidly decarbonize, embracing renewable energy, electrifying transportation, conserving, and restoring forests, and adopting climate friendly agricultural practices (Fazekas et al. 2022). And they must find ways of decarbonizing without further widening gaps between rich and poor and aggravating political volatility (Fay et al. 2015). Second, LAC countries must adapt to climate change by for example, building and retrofitting infrastructure to make it more resilient to extreme weather events, adjusting spatial patterns of agricultural production, and strengthening social protection programs (Hallegatte et al. 2015).
- 2.6 The country experience shows that to be effective, efficient, and politically and socially feasible, mitigation (i.e., decarbonization) and adaptation (i.e., resilience) policies must be constructed in consultation with actors from line ministries and the private sector, based on cutting edge science, and formulated in a manner that makes sense to the actors of each sector of the economy (Calcufoy et al. 2022).
- 2.7 While the evidence base needed to design and implement effective and efficient climate change policies in LAC is growing, critically important gaps remain. Much of the existing evidence on how to design and implement climate mitigation and adaptation policies focuses on regions other than LAC. Moreover, even when evidence that can help inform LAC climate policy is available, it does not always reach important policymakers in the region. Studies are often well-known among climate analysts but not among decision makers in charge of coordinating, budgeting for, or implementing climate action.
- 2.8 This TC is consistent with the Second Update to the Institutional Strategy (AB 3190-2) and is aligned with the *development challenge of social inclusion and equality*, as the operation will generate research on the social impacts of climate change and policies to manage them. The operation is also aligned with the *cross-cutting themes* of: (i) *climate change and environmental sustainability* since it will generate research on climate policy

in Latin America and the Caribbean; and (ii) *institutional capacity and the rule of law*, since it will develop the knowledge that the IADB and its clients need to formulate efficient and effective policies and programs to mitigate and adapt to climate change

- 2.9 This TC will contribute to the Corporate Results Framework 2020-2023 (GN-2727-12), Level 3 indicator “Average downloads of IDB Group publications (#),” by contributing to publishing and promoting IDBG’s flagship research report. In the long-term, it will contribute to the Level 2 indicator “Emissions avoided (annual tons CO2 equivalent)” by providing knowledge to decisionmakers on how to implement climate policy. Additionally, the project is aligned with the Climate Change Sector Framework Document (GN-2835-8) as it aims to “*Develop studies, dissemination activities, and training—including policy dialogue—to improve current knowledge about climate risk, challenges and effectiveness of mitigation and adaptation options, climate resilience and adaptive capacity, co-benefits of development associated with climate actions, and the promotion of a just transition toward a climate-resilient and low-carbon economy.*” It is also aligned with the Environment and Biodiversity Sector Framework Document (GN-2827-8), in particular with the development challenges of: (i) habitat destruction; (ii) water soil and air pollution; and (iii) gaps in environmental governance since climate change contributes to the first two challenges and addressing it successfully depends on addressing the third one. Finally, the operation is directly aligned with the first objective of the Strategic Program for Development Financed with Ordinary Capital in its Window 2 (W2A) (GN-2819-14): “*expand the knowledge base on climate change mitigation, adaptation, and sustainable energy.*”

### III. Description of Components and Budget

- 3.1 **Component 1. Studies on climate and disasters (US\$235,000).** This component will fund three to six research projects on climate and disasters that will be used to write the 2024 DIA. The chapters of the 2024 DIA will focus on the following 12 topics: (i) key concepts related to climate change and the need for urgent action; (ii) macroeconomic impacts; (iii) impacts on infrastructure and policies to adapt; (iv) impacts on agriculture and food security and policies to adapt; (v) impacts on cities and policies to adapt; (vi) social impacts and strategies to adapt; (vii) financial impacts and strategies to adapt; (viii) how to decarbonize and why it pays; (ix) barriers to decarbonization and how to overcome them; (x) financing; (xi) fiscal impacts; and (xii) the politics of climate change. Each chapter will be written by a team of authors drawn from administrative units from across IDBG. Per the usual process of writing a DIA, a small group of editors (Allen Blackman from CSD/CSD, Adrien Vogt-Schilb from CCS/CCS, Bridget Hoffman from RES, and Eduardo Cavallo from RES) will coordinate the work of the chapter authors. The process of writing the DIA, including developing an outline and identifying chapter authors began in the summer of 2022. Chapter authors in need of funding will write proposals that will be submitted to the editors of the 2024 DIA. The editors will select which proposals to fund and at what amount. The criteria used to make these decisions will include: the contribution of the study to filling a critical knowledge gap for the 2024 DIA; the feasibility of the proposal; the expertise of the research team; and the need for funding given availability of support from alternative sources or lack thereof. Where appropriate, studies funded by this operation will be published as ‘background papers’ in the form IDB policy briefs, technical notes and working papers.
- 3.2 The timing for completion of Component 1 will be 18 months after the start of the operation to allow the teams to complete the proposed analysis and to write, revise and finalize their DIA chapters.

- 3.3 **Component 2. Networking, translation, and dissemination (US\$15,000).** This component will finance: (i) networking among the research teams, policy makers, external advisors, and IDB staff; (ii) translation of the DIA; and (iii) dissemination of research results to target audiences. Networking among the research teams, policy makers, and IDB staff will be facilitated at workshops where authors will present their preliminary and final results. These workshops are planned for March 2023 and October 2023. At these workshops, advice on the overall structure and individual chapters that comprise the DIA will be provided by the editors of the DIA, a range of IDBG specialists, and four experts on climate and natural disasters who already have been recruited using other funds (from New York University, Pennsylvania State University, the University of Sao Paulo, and the Victoria University of Wellington). Translation of the DIA will be completed in the second quarter of 2024. DIA findings will be disseminated as written products and via seminars both at headquarters and in LAC planned for the summer of 2024. One goal of dissemination is to ensure that the results are appropriated by LAC stakeholders and ultimately improve climate policies in the region. A second goal is to inform the design and implementation of IDBG operations. Dissemination of research results within IDBG will help to achieve this second goal. In LAC, dissemination will target key national and regional stakeholders, including representatives of national finance, environmental, agricultural and health ministries, regional environmental non-governmental and multilateral organizations such as the Green Climate Fund and the Global Environment Facility, the United Nations Climate Change Conference, academic and research institutions in the region.
- 3.4 The timing for completion of Component 2 will be 24 months after the start of the operation.
- 3.5 The main outcome of this TC will be that the DIA will be published and found an audience. The main outputs will be: (i) the writing of the individual 2024 DIA chapters; (ii) the workshops used to coordinate the writing of these chapters; (iii) the translation these chapters and; (iv) the seminars used to disseminate the DIA to target audiences.
- 3.6 The total cost of this operation is \$250,000, which will be financed with resources from OC SDP Window 2 - Sustainability (W2A).

Indicative Budget			
Component	Description	IDB Funding	Total
Component 1. Studies on climate and disasters	3-6 studies on climate change and disasters	235,000	235,000
	<b>Component total</b>	<b>235,000</b>	<b>235,000</b>
Component 2. Networking, translation, and dissemination	Coordination workshops and dissemination seminars	15,000	15,000
	<b>Component total</b>	<b>15,000</b>	<b>15,000</b>
<b>Total</b>		<b>250,000</b>	<b>250,000</b>

#### IV. Executing agency and execution structure

- 4.1 This operation will be executed by the IDB. The Climate Change and Sustainable Development Department's (CSD) Front Office will be responsible for the preparation, execution, and supervision of Components 1 and 2 following the policies established by the Bank. The team leader (Allen Blackman, Economics Principal Advisor for CSD) will be responsible for the execution and monitoring of the operation. He will supervise the submission of deliverables and track that these products are delivered according to the project's planned timeline with the support of the Alternate Team Leader and the team members of the project.

- 4.2 The principal reason for this execution structure is that DIAs are designed, coordinated, written, and disseminated by the IDB, specifically by a team of editors drawn from RES and a VPS sector. Additional reasons are that the scope of the DIA is regional; the execution of the project by the IDB will facilitate the communication and dissemination of study results across countries; and the activities supported by the TC will generate synergies and complementarities with Bank operations and research.
- 4.3 Prior to the start of any of the activities financed by this operation in a member country of the Bank, a non-objection letter will be obtained from the corresponding official liaison entity in the respective country.
- 4.4 The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the IDB's established procurement methods. Specifically, 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 in accordance with the "IDB Institutional Procurement Policy" ([GN-2303-28](#)).

## **V. Major issues**

- 5.1 The main risk to successful and timely execution of the project is that research teams may not have the capacity, or data needed to complete their individual projects. To minimize that risk, we will carefully select both consultants and research projects: we will engage with consultants with track record of successful execution; and we will select only projects with well-designed research plans. In addition, we will structure contracts and monitor those projects in a way to ensure continued incentives for timely performance.

## **VI. Exceptions to Bank Policy**

- 6.1 There are no exceptions to the Bank's policies in this operation

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

- 7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes**

[Results Matrix - RG-T4211](#)

[Terms of Reference - RG-T4211](#)

[Procurement Plan - RG-T4211](#)

## **REFERENCES**

- Calcufoy, P., Torres, M., Fazekas, A., Vogt-Schilb, A., 2022. Long-Term Strategies for Decarbonization in Latin America: Learnings from Actor-Based Insights into the Drafting Process. Banco Interamericano de Desarrollo.
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- Dumas, P., Wirsenius, S., Searchinger, T., Andrieu, N., Vogt-Schilb, A., 2022. Options to achieve net-zero emissions from agriculture and land use changes in Latin America and the Caribbean. Inter-American Development Bank.
- Fay, M., Hallegatte, S., Vogt-Schilb, A., Rozenberg, J., Narloch, U., Kerr, T., 2015. Smoothing the Transition to Make It Happen, in: Decarbonizing Development: Three Steps to a Zero-Carbon Future, Climate Change and Development. The World Bank
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