

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	PROADAPT Evaluation Program Study
▪ TC Number:	RG-T3709
▪ Team Leader/Members:	Doherty Bigara Rodriguez, Jennifer (CSD/CCS) Team Leader; Visconti, Gloria (CSD/CCS) Alternate Team Leader; Alva, Maria Fernanda (CSD/CCS); Miguel Aldaz (ORP/REM); Ceva Alvarez, Mariana Daniela (CSD/CCS); Gomez, Juan Carlos (CSD/CCS); Ninova, Goritza; Isabel, David (ORP/GCM); Vila Saint-Etienne, Sara (LEG/SGO);
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	June 2021 .
▪ Beneficiary:	Latin-American and Caribbean Region
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding: ¹	Nordic Development Fund(NDV)
▪ IDB Funding Requested:	US\$303,988.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (Execution period):	24 months (22 months of execution)
▪ Required start date:	September 2021
▪ 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:	Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability

II. Objectives and Justification of the TC

- 2.1 The Regional Facility on Building Climate Resilience in Micro, Small and Medium Enterprises (MSMEs) in Latin America and the Caribbean (PROADAPT) was launched in 2013 by the Multilateral Investment Fund of the IDB (MIF) in partnership with the Nordic Development Fund (NDF), with the objective of fostering climate resilience in smaller and anchor firms, as well as their supply chains, and to enable business and investment opportunities in private resilience solutions, i.e. products and services that reduce buyers' vulnerability to climate risks. In addition, PROADAPT supports thought leaders and innovative initiatives in the development and dissemination of practical tools that highlight opportunities for business and investments in climate resilience.
- 2.2 Climate change increases the costs of doing business and threatens local communities, livelihoods, and traditional ways of life. Climate related events negatively impact energy and water security, productive structures and business assets, value chains, and employee health, among various factors. MSMEs and local communities

¹ The NDV financing will be done through the PROADAPT Facility.

share economic, social, and natural ecosystems, and communities often serve as markets for products, services, and raw materials, and as a home to employees and their families. The vulnerability of local communities to climate change amplifies the climate threat facing enterprises, and vice versa.

- 2.3 In 2019, at the review of PROADAPT's closing plan, the donor and an IDB team agreed to allocate the remaining resources of the Program to an Evaluation of PROADAPT and its portfolio to be developed within the next two years considering that some projects continue to be implemented or are pending of closing. This program evaluation will be designed as a technical cooperation operation with two components to cover both the IDB's and the donor's expectations and ensure the quality, resources and time required to this type of assignment.
- 2.4 By 2021 PROADAPT has approved, since its inception, 12 technical cooperation operations in 13 countries: Argentina, Belize, Bolivia, Brazil, El Salvador, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, and Saint Lucia. The program also funded two regional publications, Private Markets for Climate Resilience (PMCR) and the Adaptation Solutions Taxonomy (ASAP), which along the other projects, provide key market assessments within sectors such as agriculture, fisheries, housing and the built environment, water and sanitation, financial services, and transportation, promoting knowledge generation and dissemination. To date, PROADAPT has committed all its resources in technical assistance and leveraged a total of US\$23 million for the Latin-America and Caribbean (LAC) region.
- 2.5 The objective of this technical cooperation (TC) is to evaluate the program's results and outcomes in relation to its intended objectives. The consultancy should evaluate the benefit of project interventions and inputs/activities, in terms of achieving the desired outputs and outcomes. After or close to the implementation period of the individual projects, it must be possible to determine through the study, the extent to which the intended results have been achieved. In addition, the study should determine the effectiveness of the program itself, how it was set up and how it was managed.
- 2.6 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 will identify the main variables of success to ensure resiliency in MSMEs. The operation is also aligned with the cross-cutting theme of *climate change and environmental sustainability*, as PROADAPT aims at building climate resilience in, and enabling access to green business opportunities for MSMEs. Likewise, the proposed TC 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).

III. Description of Activities/Components and Budget

- 3.1 **Component 1. Design and implementation of the evaluation of the program and specific projects (US\$200,000).** This component will include activities to evaluate the overall program performance, as well as the projects' impact. The evaluation will be based on a methodology to be designed with the consulting firm hired through a competitive process.
- 3.2 The main objectives of the consultancy will be to conduct a desk review of all PROADAPT-financed projects by analyzing: (i) the financial and implementation figures, including cancellations, increased implementation periods, execution quality and disbursement timing; (ii) annual and all other available results and activity reports for each

TC, including projects, knowledge products and events, and donor reports to NDF; (iii) the alignment of each operation's outcomes and outputs with the program's objectives; and (iv) governance documents.

- 3.3 The analysis will include reviewing all 12 projects (and the deliverables linked to each project), with the objective of exploring and identifying the extent to which the project has achieved the goals defined, and the delivery of products and activities; that is, whether expected results (outputs and outcomes) were achieved from the perspective of the intended end beneficiaries. It also entails an analysis of the factors which could have enhanced or limited the delivery of outputs and achievement of outcomes; as well as exploring lessons learned and recommendations drawn from both the project design and the implementation process. Besides the identification of lessons learned, this task will require the cross-referencing of IDB Group's documents with relevant literature available, as well as interviews with the team, NDF, executing agencies and beneficiaries.
- 3.4 This activity will also include follow up activities for the portfolio of projects aimed at the identification of actions needed for a successful closing, and the delivery of the pending products, which will be shared with donors.
- 3.5 **Component 2. ProAdapt Program Dissemination and communications (US\$103,398).** The IDB will continue to participate in dissemination activities to share the study and the projects' findings with development partners and key stakeholders. This will be achieved by creating blogs, sharing knowledge through publications and the strengthening of the website's content on the ProAdapt Program's results and impact in the LAC Region. This activity will also include follow up activities for the portfolio of projects aimed at the identification of actions needed for a successful closing, and the delivery of the pending products, which will be shared with donors.
- 3.6 The total estimated cost of this operation is US\$303,398, which will be financed with resources from the Nordic Development Fund (NDV), through the PROADAPT Facility.

Indicative Budget (US\$)

Activity/Component Description	NDV	Total
Component 1. Design and implementation of the evaluation of the program and projects	200,000	200,000
Component 2. ProAdapt Program dissemination and communications	103,398	103,398
Total	303,398	303,398

IV. Executing agency and execution structure

- 4.1 This TC will be executed by the Bank, from HQ given its regional and knowledge focus, in coordination with the Climate Change and Sustainability Sector of the IDB (CSD) and the IDB Lab project team. The Climate Change Division (CCS), who is managing the program, will be responsible for the execution of the operation. In addition, CCS will actively collaborate with IDB Lab, local partners, and civil society, for carry out the evaluation of specific projects. IDB Lab Team leaders and colleagues involved in PROADAPTs execution have been included in the TC and will be part of the team involved in the evaluation.
- 4.2 All administrative, technical supervision, internal and external coordination will be the responsibility of CCS. The project team will assist with the quality review of the final

products from the consultancies, which will ultimately be shared with donors, along with other results produced.

- 4.3 The Bank will be the executing agency of the project and will hire individual consultants and/or firms to carry out relevant activities of the project.
- 4.4 The activities to be executed under this operation have been included in the procurement plan (see annexes below) 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](#)). No missions are planned for this technical cooperation.

V. Major issues

- 5.1 The quality and availability of information and to implement the outputs from the operation: a key risk is associated with the availability of information for the sample required to formulate the evaluation methodology. To mitigate this risk, a crucial activity of this operation is to validate baseline and quality data generated to define the best methodology to reflect an accurate overall evaluation of the program and its portfolio.
- 5.2 Multi-stakeholder input required: participation from multiple MSMEs, government agencies, civil society and local stakeholders will be required to define perception results and impacts about the program and its specific projects. To mitigate this risk, the program will actively work with local focal points and climate specialists and maintain open and transparent lines of communication between project participants and program champions.
- 5.3 Availability of subject matter experts: the project has multiple elements that require the input of several specialized subject matter experts, and in the field of evaluation impact methodologies these may be scarce (locally). To mitigate, the terms of reference to hire consultants (firms and individuals) in the context of this operation will be clearly articulated and disseminated. In addition, connections to evaluation experts in the country(ies) and region will be made by the IDB and shared with donors at the call for proposals.
- 5.4 Execution during a pandemic context has been foreseen as potentially complicated, but as of now the evaluation will be done on a virtual basis for the first phases and next steps assessed based on the region's development path amongst COVID19 options.
- 5.5 All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to Bank policy in this operation.

VII. Environmental and Social Strategy

- 7.1 Per the Environment and Safeguards Compliance Policy of the IDB (OP-703), the operation has been classified as “Category C” (see the [Safeguards Screening Form](#) and the [Safeguards Policy Filter](#)).

Required Annexes

[Results Matrix - RG-T3709](#)

[Terms of Reference - RG-T3709](#)

[Procurement Plan - RG-T3709](#)