

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Cultural and creative industries in sustainable urban revitalization projects
▪ TC Number:	RG-T2981
▪ Team Leader/Members:	Navarrete, Jesus (CSD/HUD) Team Leader; Flores Trejo, Helga C. (EXR/CSO) Alternate Team Leader; Iglesias Mendizabal, Fadrique Ignacio (EXR/EXR); Argimon Pistre, Melanie (CSD/RND); Larrain De Andraca, Isidora Silvia (EXR/CSO); Miguez Morais, Julia (VPS/ESG); Aguilar Blandon, Maria Alejandra (CSD/HUD); Jaime Ramirez, Margie-Lys (LEG/SGO); Santamaria Hernandez, Esteban (EXR/CSO); Arroio Junior, Raimundo (IFD/ICS)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Integrated Urban Development Program of Tegucigalpa HO-L1091 - Preparation Revitalization of Neighborhoods and Heritage Infrastructure CH-L1084 - Preparation Support for Paramaribo Urban Rehabilitation Program SU-T1080 - Preparation Support for the Rehabilitation of Panama's Cultural and Natural Heritage PN-L1146 - Preparation
▪ Date of TC Abstract:	06 May 2017
▪ Beneficiary:	Panama, Honduras, Suriname, Peru and Chile
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$450,000.00
▪ Local counterpart funding:	SU\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Housing and Urban Development Division
▪ Unit of Disbursement Responsibility:	External Relations Department
▪ 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:	Productivity and innovation

II. Objective and Justification

- 2.1 This TC seeks to establish the effective articulation of the economic potential of the Cultural and Creative Industries in sustainable urban revitalization projects. This will be achieved through the development of practical guidelines for local authorities, and stakeholders as well as providing innovative instruments for IDB operations. Additionally, it seeks to promote regional dialogue and exchange and prepare knowledge products for governments across the region. This TC will analyze and incorporate the South Korean experience and its specific lessons.
- 2.2 The successful and sustainable local economic development of cities is increasingly being determined not only by their degree of productivity, but also their capacity to foster creativity and innovation. In this context, the Cultural and Creative Industries (CCI) are often at the forefront of place-based revitalization, through the creation of cultural quarters, business clusters, and leading city rebranding campaigns, among others. The

IDB has been a reference for governments across the region in urban revitalization projects, especially of historic centers, for more than 40 years. Furthermore, since the publication of the book *The Orange Economy: An Infinite Opportunity* (2013), the IDB has been leading the regional discussion of the economic potential of the CCI and its role in fostering local economic development. Governments are increasingly recognizing the CCI as important drivers of economic development, and are aiming to leverage the creativity and innovation generated from CCI to promote competitiveness, and overall sustainable development. In turn, this has resulted in growing demand for know-how exchange on best practices. This demand is manifested in five countries across the region that have ongoing operations with the IDB: Panama, Honduras, Suriname, Peru and Chile. However, further analysis on the synergy between the CCI and urban development is essential to revitalize the cities in a sustainable and innovative way (green, inclusive and dynamic).

- 2.3 The Housing and Urban Development Division (HUD) and the Culture, Solidarity and Creativity Affairs Division (CSOs) have partnered to analyze the potential of creative and cultural industries as catalysts for sustainable urban revitalization. The goal is to identify successful interventions and their specific operational and financial instruments to build practical guides that can best leverage the positive economic effects of the CCI to cities across Latin America and the Caribbean (LAC). The development of IDB operational and financial instruments will help, complement and support five ongoing IDB operations, but it will benefit many others.
- 2.4 Given its successful track record in consolidating its CCI (focusing on green innovation) and in developing successful urban revitalization projects, South Korea is a key reference for the IDB's work in this field. In this TC, the IDB would benefit from working with Korean organizations or projects that can share useful know-how to achieve these urban and economic transformations.
- 2.5 By leveraging CCI and urban revitalization, this TC will support the IDB's commitment to advance a multi-sectoral approach and help local authorities translate the Sustainable Development Goals (and Habitat III Agenda) into meaningful country/district level targets and support their implementation. The TC aims at improving people's lives through the promotion of sustainable creative economic opportunities and by enhancing local identity and community engagement through cultural heritage.

III. Description of Activities and Outputs

- 3.1 This TC aims at developing operational instruments, knowledge products and policy dialogue through three components.
- 3.2 **Component I: Context analysis.** Analyze successful cases and design guidelines involving CCI initiatives with revitalization impact. Research, analyze and prepare an inventory of successful cases involving CCI initiatives with urban revitalization impact. This research will look into diverse international experiences, especially those that allow for south-south exchange. Based on this analysis, this component will provide practical guidelines for local authorities, executing agencies and business communities as well as, instruments and integrated solutions for IDB operations.
- 3.3 **Component II: Practical applicability.** Design and execution of strategies and pilot interventions in IDB's operations in Panama City, Tegucigalpa-Honduras Paramaribo-Suriname, Lima-Peru and Santiago-Chile. This component will develop specific strategies to incorporate lessons learned and instruments into IDB's CII operations in Panama City, Tegucigalpa-Honduras Paramaribo-Suriname, Lima-Peru and Santiago-Chile. This includes formulating recommendations for each of these operations, as well as designing and implementing pilot interventions in the cities where the IDB is engaged on urban revitalization processes.

- 3.4 **Component III: Dissemination.** Host regional policy dialogues and prepare knowledge products. Organize regional policy dialogues between Latin American cities that have been promoting creative industries in urban contexts and representatives from Panama, Honduras, Suriname, Peru and Chile to promote collaboration and knowledge exchange. As a result from these dialogues, this component will produce knowledge and learning tools such as a SPOC (Specific Audience Online Course) and a MOOC (Massive Audience Online Course) that will guide governments on how to integrate cultural and creative industries into urban revitalization projects.

IV. Budget

Indicative Budget			
Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Context analysis	\$ 70,000.00	\$ 0.00	\$ 70,000.00
Practical applicability	\$ 185,000.00	\$ 0.00	\$ 185,000.00
Dissemination	\$ 195,000.00	\$ 0.00	\$ 195,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank through the multi-sectorial work of EXR/CSO and CSD/HUD will be responsible for the execution of this TC. The procurement of firm consulting services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN 2350-9).
- 5.2 The Bank is the proposed executed agency. This TC aligns to the Update to the IDB Institutional Strategy 2010-2020 (GN-2788-5), by focusing on boosting the countries' internal capabilities for innovation, through fostering talent and skills in urban areas with higher impact and scale (36.d); addressing the region's relatively low productivity and innovation (2B.2.4); and in leveraging South-South and Triangular cooperation (3.7.d). It is also in alignment with the HUD Sector-Framework 2016, which highlight that the access to culture is directly linked with increases in the quality of life. Moreover, this document emphasizes that social interaction in urban clusters promote innovation and creativity producing for technological and cultural vanguard. Finally, the sector-framework note positive security and participatory effects from cultural activities when going with infrastructure investment.

VI. Project Risks and Issues

- 6.1 A potential risk is the possibility that national governments do not prioritize the cultural and creative industries. To mitigate this risk, countries which currently have ongoing operations with the bank were chosen. All these countries show a strong political will and interest in the innovative local economic development and sustainable urban revitalization of these areas as evidenced by ongoing dialogues with the IDB team. Another risk is the application of the theory to the practice. Therefore, the knowledge gained from the activities in Component 1 will be converted into practical guidelines geared towards ongoing IDB's urban interventions and public policies exchange in Components 2 and 3.

VII. Environmental and Social Classification

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