

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Innovation and Knowledge Platform for LAC Cities
▪ TC Number:	RG-T3869
▪ Team Leader/Members:	Piedrafita, Carolina Marcela (CSD/HUD) Team Leader; Uribe, Maria Camila (CSD/HUD) Alternate Team Leader; Guzman Osorio, Jessica (CSD/HUD); Avila, Francy Dianela (CSD/HUD); Villota Coral, Maria Alejandra (CSD/HUD); Chamas Piedrabuena, Paula (CSD/HUD); Almeida Oleas, Natalia (LEG/SGO); Patelli Juliani Boscariol, Ivan (KIC/ICD); Ruy Sanchez De Orellana, Andrea (KIC/ICD)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	30 Mar 2021
▪ Beneficiary:	Latin American and The Caribbean Countries
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$700,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/HUD - Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CSD/HUD - Housing & Urban Development
▪ 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:	Social inclusion and equality; Productivity and innovation

### II. Objective and Justification

- 2.1 The main objective of this TC is to enhance the synergies and the strategic approach of the IDB Cities Network and the Cities Lab to support our local and national urban counterparts by building capacities around innovation and by promoting innovative approaches that can address common urban challenges. The specific objectives of this TC are to: (i) provide capacity building opportunities and cutting-edge knowledge around urban innovations to our urban counterparts; (ii) identify common urban challenges and connect practitioners with existing solutions and best practices; and (iii) support cities in developing pilots to experiment, test and try innovative solutions that, if successful, can be scaled or replicated.
- 2.2 The rapid urbanization process taking place in Latin America and the Caribbean (LAC) over recent decades is characterized by rapid and unplanned growth that has resulted in daunting challenges. By 2050, more than 86% of the region's population will be living in cities. This growth resulted in uncontrolled expansion of the urban footprint and a myriad of challenges for the region's development, such as: (i) excessive growth and inadequate patterns of land use; (ii) housing and infrastructure deficits; (iii) a high proportion of the population living in poverty; and (iv) the acceleration of environmental and social problems adding to the population's vulnerability.
- 2.3 Throughout history, cities have evolved and adapted to disruptive revolutions and innovations. Some inventions have allowed them to grow and function better, while others have turned their current locations and systems obsolete. Cities are

permanently adapting and innovating, but some do it more efficiently than others. Most cities in the LAC region still have weak institutional environments for building strong, innovative ecosystems. Specifically, public administrations in the LAC region tend to lack: (i) time and resources to access technological tools or solutions, (ii) a culture of innovation or “tolerance for failure” that is needed to be innovative, and (iii) formal training services or city exchange networks around urban innovation.

- 2.4 To focus on these challenges, the IDB established in 2017 the Cities LAB as part of the Housing and Urban Development Division (CSD/HUD), a laboratory for urban innovation created to generate and influence decision making and the implementation of best practices to improve economic, social, and environmental sustainability in cities in the LAC region. To best meet the needs and demands of clients with targeted and feasible solutions, the Cities LAB uses an iterative work process which consists of a cycle of exploration, experimentation, evaluation, scaling-up, and dissemination.
- 2.5 The Cities Network was also created in 2017 by CSD/HUD as a platform for cities in LAC to facilitate the exchange of knowledge and solutions aimed at addressing common urbanization challenges. Given the multisector nature of urban development, the Cities Network generates opportunities for dialogue between different divisions of the IDB and cities among public, private, and academic sectors along three lines of work: (i) knowledge transfer and dissemination; (ii) live exchanges to identify common problems and its solutions for capacity building; and (iii) connections with partner institutions to promote sustainable urban development.
- 2.6 For the duration of this TC, the Cities Lab will continue to promote innovation in urban experiments to accelerate permanent solutions to urban challenges. The Cities Network will continue to support knowledge generation, exchanges, and to build capacity among urban practitioners in LAC. The platforms will develop a combined work program, share support staff and work in partnership with BID Lab, KIC and the informal network of innovators across divisions with interests in cities. They will also focus on a set of shared thematic priorities, such as –though not exclusively– access to housing, a climate-friendly and resilient urban recovery, and cities’ economic reactivation with a core focus on the socio-spatial integration of informal neighborhoods.

### III. Description of Activities and Outputs

- 3.1 **Component I: Knowledge Exchange and Capacity Building.** This component will finance knowledge generation activities and best practice exchanges among city practitioners, through webinars, thematic forums, workshops and/or exchange and mentoring programs. It will also finance innovation challenges, calls for open innovation or any other activity whose result is conducive to finding and sharing solutions to common urban problems.
- 3.2 **Component II: Experiments in Urban Innovation.** This component will support cities in the LAC region to face selected challenges by: (i) financing pilots and experiments to test possible solutions through an iterative design process (exploration, design, test/implementation), (ii) developing evaluation methodologies and strategies to assess the sustainability, replicability, and potential for scaling up those pilots; and (iii) systematizing those results and lessons learned.
- 3.3 **Component III: Communication and Dissemination.** This component will support the implementation of the Cities Lab and the Cities Network joint communication strategy by: (i) engaging stakeholders with the projects and activities of the joint platform; (ii) adapting the lessons learned from each workshop, webinar, or pilot project to different media outlets and audiences; (iii) support the creation and dissemination of publications and knowledge products, and (iv) socialization of each pilot project with clients, counterpart, and communities.

#### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Knowledge Exchange and Capacity Building	US\$250,000.00	US\$0.00	US\$250,000.00
Experiments in Urban Innovation	US\$350,000.00	US\$0.00	US\$350,000.00
Communication and Dissemination	US\$100,000.00	US\$0.00	US\$100,000.00
<b>Total</b>	<b>US\$700,000.00</b>	<b>US\$0.00</b>	<b>US\$700,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 The Bank (IDB) will be the executing agency. The Housing and Urban Development Division (CSD/HUD) will be responsible for the technical supervision and administration of this TC given its experience with the Cities Lab and its partnership and access to the Cities Network across Latin American and the Caribbean. Disbursements will be done from IDB Headquarters with the support of IDB's Administrative Services and Corporate Procurement Division.
- 5.2 The Bank will contract individual consultants in accordance with the guidelines set out in the AM-650. The procurement process for consulting firms of intellectual nature follows the Bank's new Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1) and related Operational Guidelines (OP- 1155-4) which went into effect on January 1, 2017. Non-consulting services will be in accordance with Bank's current procurement policies and procedures. Contracting of logistic services and procurement of goods will be done in accordance with policy GN- 2303-20.
- 5.3 The execution by the Bank is justified by its taxonomy as a regional research and dissemination TC. The TC will finance activities in and across multiple countries and institutions in LAC and thus needs a centralized and internalized execution from Bank headquarters. Also, the HUD Division of the Bank and its Cities Lab have substantial experience in providing technical assistance, particularly in the areas of housing, urban planning, sustainability, and areas related to the activities financed under this TC.

#### VI. Project Risks and Issues

- 6.1 Two potential risks have been identified regarding the execution of this TC and the achievement of expected results: (i) complexity in the coordination with internal and external stakeholders that might affect the development of the Cities LAB's and Cities Network's processes and outputs; (ii) institutional weakness and changes in subnational administrations, which could affect the continuity of long-term initiatives or require repeated cycles of capacity building; and (iii) cities' lack of interest in participating in events or pilots prepared or co-financed by the joint service platform.

#### VII. Environmental and Social Classification

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