**TC ABSTRACT**

**I. Basic Project Data**

|  |  |
| --- | --- |
| ▪ Country/Region: | REGIONAL/CSC - Southern Cone |
| ▪ TC Name: | Addressing the Socioeconomic Consequences of CoViD-19 Through Resilient and Sustainable Green Growth Investments |
| ▪ TC Number: | RG-T3701 |
| ▪ Team Leader/Members: | BRUSA, FEDERICO (CSD/CCS) Team Leader; AIELLO, ROBERTO GABRIEL (INE/ENE) Alternate Team Leader; CEVA ALVAREZ, MARIANA DANIELA (CSD/CCS); GOMEZ, JUAN CARLOS (CSD/CCS); CORREA POSEIRO, CECILIA (INE/ENE); SAAVEDRA GOMEZ, VALENTINA (CSD/CCS); ESQUIVEL GALLEGOS, MARICARMEN (CSD/CCS); GRUNWALDT, ALFRED HANS (CSD/CCS); RAMIREZ BELLO, MARIA CECILIA (INE/INE); DORR, JULIAN ALEXANDER (INE/INE); SALAS PARRA, CRISTIAN (CSD/CCS); CELESTE MARZO, CRISTINA (LEG/SGO) |
| ▪ Taxonomy: | Research and Dissemination |
| ▪ Number and name of operation supported by the TC: | N/A |
| ▪ Date of TC Abstract: | 07 May 2020 |
| ▪ Beneficiary: | Argentina, Uruguay, Paraguay, Chile |
| ▪ Executing Agency: | INTER-AMERICAN DEVELOPMENT BANK |
| ▪ IDB funding requested: | US$350,000.00 |
| ▪ Local counterpart funding: | US$0.00 |
| ▪ Disbursement period: | 24 months |
| ▪ Types of consultants: | Individuals; Firms; Not applicable |
| ▪ Prepared by Unit: | CSD/CCS - Climate Change |
| ▪ Unit of Disbursement Responsibility: | CSD - Climate Change and Sustainable Development Sector |
| ▪ TC included in Country Strategy: ▪ TC included in CPD: | No No |
| ▪ Alignment to the Update to the Institutional Strategy 2010-2020: | Social inclusion and equality ; Productivity and innovation ; Environmental sustainability |
|  |  |

**II. Objective and Justification**

2.1 The objective of this operation is to identify resilient, green growth opportunities in the infrastructure sector, with the highest possible multiplier effects for job creation, while helping contribute to the transition towards resilient, net zero emission growth models.

2.2 While the entire socio-economic consequences of the grave CoViD-19 pandemic are yet to be fully understood, both ECLAC and the IMF in its Spring World Economic Outlook seem to identify an economic cost which ranges between five and nine percent of regional GDP. IMF has also signaled that the economic recovery must be conducted in alignment with the sustainable development objectives, to help developing nations build resilience toward future similar crises. As such, this Technical Cooperation will help identify the best cost-effective interventions that help address both the social and economic consequences of CoViD with a focus on building resilience toward any such future disasters.

**III. Description of Activities and Outputs**

3.1 **Component I: Stronger National Political Economy.** The purpose of the activities carried under this component is to strengthen national capacity to respond to crisis. These activities include a stronger national political economy.

3.2 **Component II: Research into relevant crisis recovery policies for social and economic sustainable growth.** This component includes activities aimed at identifying the productive and social sectors that are hit with higher magnitude because of the ensuing socio-economic crisis. Research will be conducted to help identify the productive economic sectors which may lead to a faster recovery with a focus on sustainability.

3.3 **Component III: Research into sectors with competitiveness gain potential.** This component includes activities aimed at identifying the sectors where the largest competitiveness gains may be achieved with cost efficient public and private interventions.

3.4 **Component IV: Stronger more resilient investments.** This component will help advance research into best practices and implementing strategies to ensure the resilience of much-needed infrastructure investments that help maintain the continuity of government and operations, to reduce the economic impact of catastrophic events.

**IV. Budget**

**Indicative Budget (US$)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity/Component** | **IDB/Fund Funding** | **Counterpart Funding** | **Total Funding** |
| Stronger National Political Economy. | 50,000 |  | 50,000 |
| Research into relevant crisis recovery policies for social and economic sustainable growth. | 50,000 | 0 | 50,000 |
| Research into sectors with competitiveness gain potential. | 50,000 | 0 | 50,000 |
| Stronger more resilient investments. | 200,000 | 0 | 200,000 |
| **Total** | **350,000** | **0** | **350,000** |

**V. Executing Agency and Execution Structure**

5.1 Given the Research and Dissemination nature of this T.C., as well as the scope of the operations’ activities, the Climate Change (CSD/CCS) division of the IDB will act as the unit of basic responsibility for the execution of this T.C. Activities will be carried out in coordination with CSD/CSD.  
All hired consultancies and other procurement activities relevant for the execution of the operation will be in accordance with the Bank’s procedures and policies.

5.2 CSD/CCS (HQ) has ample experience in the development of said R&D operations.

**VI. Project Risks and Issues**

6.1 The identification of ongoing efforts must account for existing national specificities for replication throughout LAC. Specific political economy considerations arising from factors such as local regulation, budget, and balance of payment priorities may hinder replicability. CSD/CCS experience in different national contexts, as well as IDB Group experience will prove instrumental in mitigating this risk.

6.2 The final outlook of the region's economic cost related to CoViD-19 is yet unknown. However, ECLAC and IMF predictions set the most optimist scenario at an approximate value of 5%. Activities considered under these T.C.s are no-regret activities which will help strengthen regional growth models and so, will not be conditioned by potentially faster/stronger economic recovery. In fact, they could help catalyze such a recovery.

**VII. Environmental and Social Classification**

7.1 The ESG classification for this operation is "C".