

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Deep decarbonization pathways in Latin America and the Caribbean
▪ TC Number:	RG-T3028
▪ Team Leader/Members:	VOGT-SCHILB, ADRIEN (CSD/CCS) Team Leader; GOMEZ, JUAN CARLOS (CSD/CCS); DOHERTY BIGARA RODRIGUEZ, JENNIFER (CSD/CCS); PAREDES, JUAN ROBERTO (INE/ENE); HOFFMANN, BRIDGET LYNN (RES/RES); JAIME RAMIREZ, MARGIE-LYS (LEG/SGO); GUIZA CERON, CARLOS ANDRES (CSD/CCS); TANKERSLEY, MARY (BDA/ACP); JARAMILLO GIL, MARCELA CRISTINA (CSD/CCS); LEFEVRE, BENOIT JEAN MARIE (CSD/CCS); ESMERAL BERRIO, ROBERTO MARIO (CSD/CCS); RAMIREZ RAMIREZ, GMELINA JULIANA (CSD/CCS); BONIFAZ URQUIZU, JEANETTE (INE/ENE); VANEGAS RICO, WILKFERG (INE/ENE); LOPEZ PENA, JULIO ALBERTO (INE/ENE); ALVA, MARIA FERNANDA (CSD/CCS); RESTREPO DUARTE, DANIELLA (CSD/CCS); AGUIAR PARERA, CATALINA (CSD/CCS); CLUVERIUS, LETIZIA (CSD/CCS); ANGEL GOMEZ, ANGELO EDUARDO (CSD/CCS)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	05 Jun 2017
▪ Beneficiary:	Latin-American and Caribbean Countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 980,000.00
▪ Local counterpart funding:	\$ 245,000.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Climate Change
▪ Unit of Disbursement Responsibility:	Climate Chng & Sustainable Dev
▪ 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 ; Climate change

II. Objective and Justification

- 2.1 The goal of the project is to foster the creation of an ecosystem of modelers in LAC with the following objectives: (i) it will train academic teams and/or think tanks in the use of models they cannot currently use, relying on best practices by more advanced teams in IDB member countries; (ii) to showcase these models to local policymakers, prove their value to inform policy decisions, and start a dialogue, the teams will use their new modeling capacity to answer a research question of relevance to the national context, and will disseminate the results domestically; (iii) to support a public debate on NDC planning, they will generate emission reduction pathways for their respective countries; (iv) to develop a regional community of practice that is capable of discussing modeling approaches and assessments of climate policies, share experiences and continue to develop expertise, the teams will meet during regional workshops and compare their approaches and lessons learned; and (v) to improve the transparency of

international stocktaking on NDCs and general awareness of the value of using prospective models to produce decarbonization pathways and inform the policy debate around NDCs, the results of all the activities will be communicated and disseminated broadly.

- 2.2 Among policymakers, think tanks and academics, prospective modelling is one of the tools used to improve consistency between short-term targets and the long-term decarbonization goal. To assess and design decarbonization pathways, countries can use models that explicitly track technologies (e.g., coal power plants, gas power plants) and physical quantities (e.g., MWh produced, hectares of deforestation), and resulting GHG emissions. To design holistic plans and improve intersectoral dialogue, they can use models with the capacity to depict interlinkages between sectors of the economy, for instance, between power generation, fossil fuel extraction and distribution, and transportation. Additionally, to plan development pathways consistent with domestic policy priorities (e.g., GDP growth, employment, fiscal consolidation) countries can use models that provide insights on how decarbonization interacts with macroeconomic variables. A wide range of tools for this kind of modelling is now available, and is being utilized by developed countries. LAC countries have expressed their interest in developing their own capacities to benefit from these technologies.

III. Description of Activities and Outputs

- 3.1 (i) improving the policy relevance of climate change modeling for policymakers; (ii) technical training workshops, data gathering, development of model and policy simulations; (iii) production, analysis and inter-comparison of decarbonization pathways; and (iv) regional stocktaking and dissemination.
- 3.2 **Component I: Improving the policy relevance of climate change modeling for policymakers.** The objective of this component is to enhance the local capacity to run models to answer questions that matter for local policymaking, and in turn, start a conversation with local policymakers on the use of such models to inform them about NDCs and climate policy
- 3.3 **Component II: Technical training, data gathering, and development of models.** Couples of teams will work on the transfer of a specific model aimed at solving local policy driven questions identified under Component 1. Then models will be calibrated with local data and run policy simulations based on the planes developed in Component 1, and disseminate the results
- 3.4 **Component III: Production and analysis and inter-comparison of decarbonization pathways.** Assist teams with the production and comparisons (inter-sector and inter-country) of decarbonization scenarios, replicating the successful approach of the Deep Decarbonization Pathway Project. The objective is to make sure the modeling improves our understanding of how much NDCs contribute to climate stabilization, by assessing the consistency of short-term targets established by NDCs to the long-term decarbonization objective
- 3.5 **Component IV: Model inter-comparison and regional networking.** 4 workshops to gather trainers and trainees teams and government staff to exchange lessons learned, compare approaches and results, present lessons learned to policymakers, and build a network of practitioners in the region.
- 3.6 **Component V: Communication and dissemination .** Communicate lessons learned to regional and global audiences of policymakers, analysts, and the academia.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
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Improving the policy relevance of climate change modeling for policymakers	\$ 240,000.00	\$ 80,000.00	\$ 320,000.00
Technical training, data gathering, and development of models	\$ 260,000.00	\$ 85,000.00	\$ 345,000.00
Production and analysis and inter-comparison of decarbonization pathways	\$ 230,000.00	\$ 30,000.00	\$ 260,000.00
Model inter-comparison and regional networking	\$ 210,000.00	\$ 40,000.00	\$ 250,000.00
Communication and dissemination	\$ 40,000.00	\$ 10,000.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 This operation will be executed by the IDB given the regional coverage of the activities to be performed, possible synergies and complementarities with Bank operations and research. The Climate Change Division will coordinate with other departments and divisions and establish partnerships with academia and governments. Regarding the procurement arrangements, the IDB will contract individual consultants, consulting firms and non-consulting services in accordance with current IDB procurement policies and procedures.
- 5.2 LAC countries do not possess the knowledge and the capacities needed to run the new available models that developed countries are using to design and optimize their decarbonization pathways. The IDB has valuable knowledge that could help countries in the LAC region by paring up teams from countries that use these models with teams from countries interested in applying the technologies to improve their NDCs --as well as get insights about their economic performance. This positions the IDB as the most suitable agency to act as the executor of the operation.

VI. Project Risks and Issues

- 6.1 One risk is on the identification local teams that have both the capacity to engage with policymakers and undertake technical work. To mitigate this risk, CCS staff has been researching suitable teams for more than a month, has identified experienced candidates including in Argentina, Colombia, Costa Rica, Chile, Ecuador, and Mexico.

VII. Environmental and Social Classification

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