

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	ARGENTINA/CSC - Southern Cone
▪ TC Name:	Support to the Decarbonization and Resilience Program of Argentina
▪ TC Number:	AR-T1292
▪ Team Leader/Members:	ALMEIDA, JULIANA SALLES (CSD/CCS) Team Leader; DE SALVO, CARMINE PAOLO (CSD/RND) Alternate Team Leader; FERNANDINI PUGA, MANUEL PABLO (IFD/CMF) Alternate Team Leader; VERA BENITEZ, LUIS FELIPE (CSD/HUD); MALAGON ORJUELA, EDWIN ANTONIO (INE/ENE); CELESTE MARZO, CRISTINA (LEG/SGO); VOGT-SCHILB, ADRIEN (CSD/CCS); GOMEZ, JUAN CARLOS (CSD/CCS); JUAN FRANCISCO MARTINEZ COTRINO (CSD/CCS); BLANDIN ANDINO, LOURDES GABRIELA (CSD/CCS); HECTOR CORDERO (CSD/CCS)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	PROGRAM TO SUPPORT PUBLIC POLICIES FOR SUSTAINABLE DEVELOPMENT - AR-L1351
▪ Date of TC Abstract:	26 Jan 2022
▪ Beneficiary:	Argentina
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK (AR-MECON-MINISTERIO DE ECONOMIA  AR-MDTYH-MINISTERIO DE DESARROLLO TERRITORIAL Y HABITAT  AR-SE-SUBSECRETARIA DE ENERGIA; AR-SAYDS-MINISTERIO DE AMBIENTE Y DESARROLLO SOSTENIBLE; AR-SAE-SECRETARIA DE ASUNTOS ESTRATEGICOS
▪ IDB funding requested:	US\$450,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/CCS - Climate Change
▪ Unit of Disbursement Responsibility:	CSC/CAR - Country Office Argentina
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Environmental sustainability

### II. Objective and Justification

- 2.1 This TC objective is to support Argentina in the in the implementation of its National Determined Contribution (NDC) and design of its long term decarbonization strategy by 2050 (LTS) with the following specific objectives: (i) facilitate engagement with national stakeholders to understand how resilient and low carbon actions can help advance sectoral and macroeconomic development goals to improve the buy-in from national stakeholders; (ii) assess options that allow improving resilience and reaching net-zero

emissions inform the design of sectoral pathways to net-zero emission and prepare analytical inputs and indicators, particularly in key sectors such as agriculture/forestry, financial market, transport and energy, urban development ; (iii) map existing relevant policies and create a policy roadmap to inform relevant decisionmakers to implement the NDC and LTS and feed the policy based loan (AR-L1351) and (iv) enhance the domestic analytical capacity to deliver the NDC and LTS objectives and share lessons learnt.

- 2.2 The aspiration of this TC is to replicate in Argentina some of the success stories the IDB shared with Costa Rica in the decarbonization agenda as well as the success that can be already seen from cooperative work in progress between the IDB and Chile, Colombia, and Peru to promote more ambitious NDC as well as the design of long term decarbonization strategies (LTS) in the region. It is key to help countries deliver their NDCs goals but mainly support them improve their adaptation and decarbonization commitments given that the economic and environmental costs of lock-in effects pose a threat to realizing an ambitious and necessary climate action agenda under the premise of already constraint fiscal funding.

### III. Description of Activities and Outputs

- 3.1 **Component 1. Technical support to create enabling environment for a robust legal framework in key sectors (\$300,000).** Map the existent most relevant policies. Development of analytical inputs needed create or update existent regulation, policies and actions to enable a resilient and emission-reduction pathways in the main emissive sectors (energy, transport, land-use and forestry, agriculture, urban development). Support the Government to enhance its capacity to deliver the key NDC commitments in those sectors. Experts will be hired to support the sectorial ministries capacity to design the policy framework.
- 3.2 **Component 2. Roadmap and technical support for the promotion of sustainable finance (\$100,000).** The inputs build in the component 1 will be translated into detailed and executable policy roadmap. It will also finance the development of public policies for the promotion of sustainable finance and related capacity building. These will feed the policy-based loan (AR-L1351).
- 3.3 **Component 3. Capacity building, communication and dissemination (\$50,000).** The Bank will train the sectorial ministries, communicate lessons learned to policymakers, policy analysts, academia, donor countries, and the public. It will disseminate the findings about the feasibility, relevance, benefits and potential costs of long-term decarbonization and resilient options. When conditions allow it, this component may be used to fund travel and operations support of IDB employees to workshops. This component will fund edition and translation of the publications.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Technical support to create enabling environment for a robust legal framework in key sectors (\$300,000)	US\$300,000.00	US\$0.00	US\$300,000.00
Component 2. Roadmap and technical support for the promotion of sustainable finance (\$100,000).	US\$100,000.00	US\$0.00	US\$100,000.00
Component 3. Capacity building, communication and dissemination (\$50,000).	US\$50,000.00	US\$0.00	US\$50,000.00
<b>Total</b>	<b>US\$450,000.00</b>	<b>US\$0.00</b>	<b>US\$450,000.00</b>

## **V. Executing Agency and Execution Structure**

- 5.1 The execution will be carried out by the Climate Change Division of the IDB (CSD/CCS).
- 5.2 The experience of the IDB in similar exercises executed or currently in execution in Chile, Colombia, Costa Rica, and Peru as well as the specific knowledge on sectorial actions for decarbonization position the IDB as the ideal executing agency for the operation. The execution will be carried out by the Climate Change Division of the IDB (CSD/CCS). The CSD/CCS team in CAR will lead the operation and be responsible for overall quality control, alignment of the products with CCS strategy, and the leveraging of state-of-the art knowledge and all disbursements. The CSD/CCS team will manage: (i) the organization of workshops; (ii) the review of the products from local technical teams; (iii) the coordination with relevant IDBG specialists from INE, CSD, IFD, SCL, BID Invest and BID lab as relevant; and (iv) the quality of the products, as well as their relevance for the governments.

## **VI. Project Risks and Issues**

- 6.1 The ongoing pandemic and subsequent economic crisis may cause countries to reduce the ambition of their LTS and cause delays in the design and communication of the LTS to the UNFCCC. To reduce this risk, discussions will be oriented towards long-term horizons and evidence-based narratives will be constructed on the socioeconomic benefits of decarbonization.
- 6.2 Some risks pertain to the necessity of securing strong multi-year commitments from partners in the region and to the availability of dedicated staff and time to model development and application within these partners' organizations. We mitigate this risk by identifying potential partners before starting the execution of the TC. Another minor risk is that of changes of authorities and staff in the ministries and subsequent delays in necessary coordination activities and approvals.

## **VII. Environmental and Social Classification**

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