

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Strengthening Resilience in Latin America and the Caribbean
▪ TC Number:	RG-T3657
▪ Team Leader/Members:	DELGADO, C. RAUL (CSD/CCS) Team Leader; GRUNWALDT, ALFRED HANS (CSD/CCS) Alternate Team Leader; SAAVEDRA GOMEZ, VALENTINA (CSD/CCS); ALMEIDA, JULIANA SALLES (CSD/CCS); ESQUIVEL GALLEGOS, MARICARMEN (CSD/CCS); NUNEZ CASTILLO, SCARLETH JAMILETH (CSD/CCS); CEVA ALVAREZ, MARIANA DANIELA (CSD/CCS); JARAMILLO GIL, MARCELA CRISTINA (CSD/CCS); GOMEZ, JUAN CARLOS (CSD/CCS); GLASS, MARIE-LENA (CSD/CCS)
▪ Taxonomy:	Research and Dissemination
▪ Date of TC Abstract:	13 Mar 2020
▪ Beneficiary:	Inter-American Development Bank borrowing member countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$1,000,000
▪ Local counterpart funding:	US\$0
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/CCS - Climate Change
▪ Unit of Disbursement Responsibility:	CSD - Climate Change and Sustainable Development Sector
▪ TC included in Country Strategy:	No
▪ TC included in CPD:	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 proposed TC's general objective is to contribute to strengthening current efforts of Latin American and the Caribbean (LAC) member countries to effectively implement climate resilience actions to achieve long-term adaptation to climate change. TC specific objectives are: i) support countries on developing long-term plans for adaptation, in line with their National Determined Contributions (NDCs); ii) foster the generation and practical use of knowledge on disaster and climate change risk as a way to enhance existing disaster and climate change mainstreaming processes (both within IDB and at country level); and iii) support member countries in the development of pre- investment studies to identify adaptation measures that could be further financed through loans and/or international climate funds.
- 2.2 Adaptation and climate resilience enhancements are strongly emphasized in the Paris Agreement (Article 7) and includes a call for all countries to engage in national adaptation planning processes. Additionally, governments are expected to submit a new iteration of NDCs by 2020. The early design of Long-Term Strategies for adaptation and resilience, and the design of aligned NDCs represents an opportunity for raising ambition and anticipating costs, managing trade-offs, and ensuring a just transition, while identifying immediate policy reforms and investment priorities necessary to accelerate adaptation.

Long-Term Strategies for adaptation are especially relevant in LAC as it is one of the most vulnerable regions to the impacts of a changing climate, and governments are starting to incorporate climate resilience and adaptation into their planning processes and projects. However, the region is still facing difficult constraints, including limited institutional capacity, financial resources and the need to strengthen coordination among relevant stakeholders. Efforts and results continue to vary largely across different countries.

- 2.3 Governments of the region have been increasingly requesting support to the Bank on different strategies to include climate resiliency on their development planning processes, institutional systems and in infrastructure projects. The Bank has responded through different initiatives. For example, on issues related to long-term planning for climate resilience, the Bank currently provides support to the Government of Colombia on the identification of climate risks to prioritize robust long-term investment resilient strategies, which will inform the development of the 2050 Climate Strategy of the Government of Colombia, to be presented in COP26 in Glasgow UK.
- 2.4 At the institutional level, the Bank has also supported governments of the region with exercises for institutional capacity strengthening. For instance, the Bank supported the Government of Jamaica on the elaboration of an Action Plan to include climate resiliency in infrastructure Public Private Partnerships, which includes practical guidelines and solutions in a form of a tool-kit to identify, assess and mitigate climate-related risks in infrastructure delivered under a PPP scheme.
- 2.5 At the project level, the Bank has helped increase the climate resilience of its projects by financing key studies to support projects' pre-investment phase, which have been instrumental to ensure project viability with respect to climate resilience. In addition, there is an increased demand to support IDB's VPS decisions to increase the inclusion of adaptation measures into their projects.

### **III. Description of Activities and Outputs**

- 3.1 **Component 1. Development of studies to inform Long Term Strategies for adaptation and resilience (co-financed by the Accelerator Fund).** This component will finance the elaboration of studies looking to inform the development of long-term strategies for adaptation and resilience of countries of the region. These studies will employ methods such as Decision Making Under Deep Uncertainty (DMDU), in specific the Robust Decision Making (RDM) approach, and probabilistic risk assessment methods to analyze climate change risks and vulnerabilities in different sectors.
- 3.2 **Component 2. Improve the application of specific knowledge around disaster and climate change risks in countries (co-financed by the Accelerator Fund).** Activities to strengthen institutional capacity for Bank sector specialists in the countries and Government officials of the region. The goal is to provide support at the institutional level on the application of specific knowledge around disaster and climate change risks. These exercises will aim at helping countries incorporate and adapt the Disaster and Climate Change Risk Assessment Methodology (designed by the IDB) and other tools into their own systems.
- 3.3 **Component 3. Development of studies to facilitate the analysis of climate related risks and implications to project viability.** This component will finance the elaboration of key sectorial studies (including economic studies) to streamline climate resilience into the pre-investment phase of projects (IDBG loans and international climate funds).

#### IV. Budget

Indicative Budget (US\$)

Component	IDB/Fund	Counterpart	Total
Component 1. Studies to inform Long Term Strategies for adaptation and resilience	360,000	0	360,000
Component 2. Improve application knowledge around disaster and climate change risks in countries	140,000	0	140,000
Component 3. Studies to facilitate the analysis of climate risks and implications to project viability	500,000	0	500,000
<b>Total</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>

#### V. Executing Agency and Execution Structure

- 5.1 The IDB, through its Climate Change Division (CSD/CCS) will execute the TC and take responsibility for its supervision, disbursements and procurement.
- 5.2 Based on the fact that the TC requires central coordination CSD/CCS will coordinate with other participating IDBG departments and liaise with other key initiatives and stakeholders involved in adaptation and climate resilience activities (particularly HUD, INE, RND).

#### VI. Project Risks and Issues

- 6.1 There are no major foreseeable risks in the operation. However, one risk relates to the lack of publicly available environmental-social and climate data that has the desired level of quality for the studies to be carried out. As a consequence, the studies could take longer to complete than originally expected and be costlier. This risk will be mitigated through: (i) the use of the latest methodologies and statistical tools to manage and effectively use limited amounts of data under high uncertainty; and (ii) the involvement of national hydro-meteorological institutes through sectorial ministries participating in the proposed studies, so that they can also collaborate with their specific national expertise, and provide quality-reviewed hydro-climatological information/data.

#### VII. Environmental and Social Classification

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