

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Support to the Implementation of Long Term Strategies in Latin America and the Caribbean
▪ TC Number:	RG-T3658
▪ Team Leader/Members:	DELGADO, C. RAUL (CSD/CCS) Team Leader; VOGT-SCHILB, ADRIEN (CSD/CCS) Alternate Team Leader; LOPES PEREIRA DE MELO, ALOISIO (CSD/CCS); JARAMILLO GIL, MARCELA CRISTINA (CSD/CCS); CEVA ALVAREZ, MARIANA DANIELA (CSD/CCS); GOMEZ, JUAN CARLOS (CSD/CCS); SAAVEDRA GOMEZ, VALENTINA (CSD/CCS); NUNEZ CASTILLO, SCARLETH JAMILETH (CSD/CCS); SILVA ZUNIGA, MARIANA CAROLINA (CSD/CCS); FERNANDEZ-BACA, JAIME (CSD/CCS); SAMAYOA, JORGE OMAR (CSD/CCS); FERRO CORNEJO, PAMELA (CSD/CCS)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	12 Mar 2020
▪ Beneficiary:	Inter-American Development Bank borrowing member countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$500,000.00
▪ Local counterpart funding:	US\$0.00
▪ 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 (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 NDC Invest is the IDB Group platform that aims at providing support to client countries in the region to implement the objectives they defined under the Paris Agreement on Climate Change. Previous Bank work (technical cooperation operations) has: (i) supported national authorities in the design of Long-term Decarbonization Strategies and approaches to align their finances with NDC design and implementation; and (ii) has demonstrated the value of putting in place Long-Term Strategies (LTS) to inform the implementation of climate goals.
- 2.2 According to findings of the IDB flagship report “Getting to net-zero emissions”, LTS can guide the design of NDCs aligned to the objectives of the PA, help key ministries such as finance, planning, and environment anticipate costs, risks, manage trade-off, and ensure a just transition to net zero emissions, while identifying immediate policy reforms and investment priorities necessary to unlock the needed transformation. These elements are also reflected in the Santiago Action Plan of The Coalition of Finance Ministers for Climate Action, which also recognize an important role of

Ministries on Finance in delivering climate objectives. Argentina, Chile (co-chair), Colombia, Costa Rica, Dominica Republic, Ecuador, Guatemala, Jamaica, Mexico, Panamá, Paraguay and Uruguay are members of this Coalition. While the Santiago Action Plan considers relevant areas of work for climate action by Ministries of Finance such as: i) Transition strategies towards low carbon emission and climate resilient economies, ii) Roles and capacities in policy, macroeconomic management and public finance, and ii) financial sector development that underpins mitigation and adaptation, there is still ample need for tools, methodologies and capacity building to translate these areas of work into concrete action. Building on IDB's experience and informed by the priorities set by governments under the Coalition of Finance Ministries, this TC will support efforts to move from LTS design to policy and institutional reforms, investment planning and strengthening institutional and planning capacities of governments across the region, particularly ministries of environment, finance and planning. This TC will focus support on: i) development analysis and evidence to inform sectoral interventions to deliver LTS objectives, enhanced NDCs aligned to long-term vision, including analysis to identify costs and benefits of implementing LTS/NDCs; ii) translate LTS's/NDCs objectives into specific policies, investment plans and financial strategies to enable implementation; iii) share at the national and regional level lessons learned, best practices, challenges and opportunities for the design and implementation of these types of policy instruments.

### III. Description of Activities and Outputs

- 3.1 **Component I: Climate action enhancement in the context of LTS and cost-benefit analysis of implementation** . (i) the enhancement of climate action, including modelling and numerical analysis; (ii) Stakeholder engagement processes to facilitate co-design of climate goals to enhance integration in national development planning, build wider ownership and feasibility of implementation; (iii) cost-benefit analysis to identify options to maximize benefits and manageable costs for citizens, business, and the government.
- 3.2 **Component II: Policy and investment under long-term planning** . (i) Studies and analysis to inform public policy and institutional reforms required to implement the objectives under the LTS, (ii) Design of investment plans and strategies to inform financing approaches to deliver climate objectives; (iii) Stakeholder engagement processes to facilitate co-design of policies and plans to enhance integration in national development planning
- 3.3 **Component III: Knowledge dissemination** . This component will support: (i) Development events to disseminate experiences lessons learnt and opportunities that resulted from activities in component I and II to governments in LAC. (ii) Publications capturing lessons learned and best practices that resulted from activities in component I and II.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Climate action enhancement in the context of LTS and cost-benefit analysis of implementation	US\$130,000.00	US\$0.00	US\$130,000.00
Policy and investment under long-term planning	US\$250,000.00	US\$0.00	US\$250,000.00
Knowledge dissemination	US\$120,000.00	US\$0.00	US\$120,000.00

<b>Total</b>	<b>US\$500,000.00</b>	<b>US\$0.00</b>	<b>US\$500,000.00</b>
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## **V. Executing Agency and Execution Structure**

- 5.1 The IDB will be the executing agency for the operation through its Climate Change Division (CSD / CCS), which will be responsible for its supervision, disbursements and acquisitions. In addition, CCS will coordinate with other IDB departments and link with other key initiatives such as RG-T3657, RG-T3575, UKSIP and ACL funds, to guarantee synergies and avoid overlap.
- 5.2 The regional coverage of the activities to be performed and the extensive experience of the IDB on use of LTSs to inform NDC design and public policy and institutional capacity position the IDB as the ideal implementing agency for this operation. The project will leverage synergies and complementary with IDB operations, research, and in-house expertise in using prospective models and decarbonization pathways to inform Nationally Determined Contributions (NDC) and Long-Term Strategies (LTS) planning and implementation

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

- 6.1 Few countries in the region are advancing the design of LTs in response to the invitation under the PA to present them in 2020. Some countries include Costa Rica, Chile, Peru and Colombia. Given the state of this new instrument there is a risk of slow progress in early 2020 to develop some of the activities under Components 1 and 2. To mitigate this risk, work will be kickstarted with countries where LTS design is advanced, furthermore dissemination activities will be prioritized early 2020 to share knowledge and tools available to government to advance public policy and institutional planning.

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

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