

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Regional
▪ TC Name:	Urban European and Latin America and Caribbean Cities (URBELAC-4)
▪ TC Number:	RG-T3228
▪ Team Leader/Members:	Chevalier, Ophelie (CSD/HUD) Team leader; Avila, Francy Dianela (CSD/HUD); Gonzalez Herrera, Beatriz Maria (CSD/HUD); Peinado-Vara, Estrella (MIF/MSM); Paonessa, Laura (KNL/KNM); Marshall, Michelle Nancy (KNL/KNM); Moreno Mora, Nancy (CSD/HUD); Joubert, Marion (CSD/HUD); Fernandez Garcia, luz (CSD/CCS); Aguilar Blandon, Maria Alejandra (CSD/HUD); Herrera Martinez, Rodolfo Eduardo (CID/CES)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	19 Abr 2018
▪ Beneficiary:	Subnational governments in LAC
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 250,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Housing & Urban Development
▪ Unit of Disbursement Responsibility:	Climate Change & Sustainable Development
▪ 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:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; and Climate change

II. Objective and Justification

- 2.1 The operation will contribute to the improvement of the quality of urban life, facilitating new approaches and methodologies of urban interventions and exchanging information on sustainable and integrated urban development between Europe and the Latin American and Caribbean (LAC) region. The program will assist city policy-makers, practitioners and managers of the participating LAC cities in defining solutions to their proposed challenges. Specific projects will serve as outputs of the program.
- 2.2 The LAC region is one of the most urbanized region in the world, reaching 86% by 2050 and six mega cities will be home of more than 100 million people, which is approximately 15% of LAC's population. As the majority of the population and economic activities concentrate in metropolitan areas, local governments will face greater demands for service delivery financing, in terms of new and better infrastructure, as well as the need of promoting local economic development.
- 2.3 During the past decades, urban development has evolved, from specific sector projects with a clear emphasis on physical investments, to a more integrated approach that allows cities to work across interrelated sectors to exploit synergies of different interventions. Those changes are reflected in the urban agenda of both the European Commission (EU) and the Bank.
- 2.4 In addition to similar takes on the urban agenda, Europe and LAC share a common phenomenon: the rise and institutionalization of metropolitan areas. In LAC's case this

phenomenon is characterized by common characteristics that need to be taken into account when looking into the management of metropolitan areas, such as: (i) LAC have a strong centralist state's history and institutionalization; (ii) the decentralization process has been ongoing in almost all countries; (iii) the civil society is not highly involved; (iv) fraudulent public practices are challenging issue; (v) local governments need to strengthen their administrative and technical capacities; and (vi) a high proportion of the population lives outside of formal sectors and established legality. These characteristics are not only specific to LAC. Some of them can also be found in Europe.

- 2.5 According to the OECD, metropolitan areas are define as urban areas with more than 500,000 inhabitants. In Europe, metropolitan areas encompass 59% of the population, hold 62% of jobs and represent 67% of GDP. Common principles for strategic planning include the need to: (i) foster stronger links between economic growth, employment and social progress; (ii) improve access to services; (iii) limit urban sprawl; and (iv) increase environmental protection.
- 2.6 Within this context, this operation will connect subnational governments in LAC, and Europe to identify innovation when addressing common challenges. Topics have been prioritized based on the common issues and urban agendas, such as: circular economy, climate adaptation, air pollution, and open knowledge. A preference will be given on how those topics are diagnosed and addressed in metropolitan areas, taking into consideration the current phenomenon in each continent.

III. Description of Activities and Outputs

- 3.1 Taking into account lessons learned, the strategy for this operation will be to: (i) identify specific topics or thematic issues around which to center knowledge sharing; (ii) optimize resources bringing to the discussion the analysis of policy and institutional framework and innovative practices; (iii) collaborate with existing platforms and knowledge hubs to bring the knowledge sharing to scale; and (iii) support exchange between local institutions.
- 3.2 The activities proposed will be implemented in coordination with IDB's Cities Network initiative and will use the methodologies successfully tested in the past by both the European Commission and the IDB through the still active Urban European and Latin American and Caribbean cities (URBELAC) network, created in 2010.
- 3.4 **Component I: Component 1. Selection of cities and topics.** The objective of this component is to organize the working groups. The activities include: (i) the selection of cities through a call for proposals led by the IDB for the LAC region; (ii) a review of proposals of each city, compared to the literature and better practices, worldwide; (iii) the selection of mentoring cities among the URBELAC network and the IDB's cites network; (iv) the final selection of participating cities; and (v) the launching of URBELAC 4.
- 3.5 **Component II: Component 2. Project identification and design.** The objective is to identify key actions to implement in each city. This component will be organized through a series of face-to-face meetings between the local politicians and technicians. The activities will serve as inputs for: (i) the identification of topics of interest and creation of thematic groups; (ii) knowledge transfer; (iii) the identification by each participant of specific projects to implement in the short term; and (iv) a closing event with potential donors.
- 3.6 **Component III: Component 3. Diagnostic and inputs for pilots.** The objective of this component is to generate diagnostics on one of the preselected topics (circular economy, open knowledge, and climate adaptation) to prepare the basis for a pilot. The activities include: (i) selection of the topic and methodology for the diagnostics; (ii) field work; (iii) presentation of the preliminary diagnostics to the network; and (iv) discussion with the network on the innovative practice and lessons learned.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Selection of cities and topics	\$ 20,000.00	\$ 0.00	\$ 20,000.00
Component 2. Project identification and design	\$ 210,000.00	\$ 0.00	\$ 210,000.00
Component 3. Diagnostic and inputs for pilots	\$ 20,000.00	\$ 0.00	\$ 20,000.00

V. Executing Agency and Execution Structure

- 5.1 The IDB will execute this operation through the Housing and Urban Development Division (CSD/HUD) and in accordance with IDB's procurement policies and procedures, the resources of this operation will finance the hiring of two consultants: one consultant to support project identification and design (Component 2) and one consultant to support the diagnostics of an innovative approach (Component 3).
- 5.3 Since the operation is a regional project that involves the coordination with several public, international and private sector stakeholders from all over the region, the Bank is an ideal position to execute it given its presence in LAC and its ongoing cooperation with Europe. The IDB will act as a broker of good practices between LAC, and Europe and will be responsible for (i) the organization and participation of LAC cities in meetings and workshops; (ii) the selection and execution of consulting services; (iii) the preparation and negotiation of agreements with the LAC authorities; and (iv) the coordination with the European Commission.

VI. Project Risks and Issues

- 6.1 The main potential risk for this operation is the lack of interest from LAC subnational governments to participate in the production of the deliverables. To mitigate this risk, the operation contemplates a call for proposals to select highly motivated participating entities. To mitigate the risk of coordination between entities across the world the IDB is taking the lead in executing this operation and will act as broker and main coordinator of the activities between LAC and Europe. As happens with the creation of networks continuity is a risk to be considered. However previous experience within URBELAC shows that local governments do maintain links between themselves, especially when they share common topics of interest. In focusing on common issues and in offering technical knowledge and opportunities to identify funding to resolve them, this operation seeks to mitigate the continuity risk.
- 6.2 The long-term sustainability of the network lies on value creation. The creation of value, focused on stakeholders' needs implies a clear understanding of members' requirements, the identification of innovative alternatives for solving problems, the leverage of synergies among stakeholders, and documentation of best practices. This operation includes those principles as part of its implementation. First, the network is created based on a true demand of cities and metropolitan entities who are facing new challenges and seek to find solutions through exchanges. Second, meetings are prepared by each participant who will come with a report on the subject defined as part of the work plan. The network does not include financial aspects as it focuses on an exchange of practices and issues. To summarize the network is conceived as a knowledge sharing instrument, connecting people directly.

VII. Environmental and Social Classification

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