

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Green Coalition of Public Development Banks
▪ TC Number:	RG-T4606
▪ Team Leader/Members:	Alves, Tatiana Cneio (IFD/CMF) Team Leader; Villacorta Alvarez, Omar (IFD/CMF) Alternate Team Leader; Garcia Nores, Luciana Victoria (INT/RIU); Hincapie Salazar, Daniel (CSD/ACU); Alves Dos Reis Natasha (IFD/CMF); Martinez Lopez, Cynthia (IFD/CMF); Vasa, Alexander (IFD/CMF); Bonilla Merino Arturo Francisco (LEG/SGO); Nogueira Felipe Honorio (INT/RIU); Angela Pinzon (IFD/CMF); Demichelis, Jose Francisco (IFD/CMF); Da Silva Rocha, Monica (IFD/CMF); Marquez Cardenas Valentina (IFD/CMF); Leon Cueva Andrea Lucia (IFD/CMF)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	.
▪ Beneficiary:	Bolivia, Brasil, Colombia, Ecuador, Peru, Suriname
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 1 - Regional Public Goods(W1A)
▪ IDB Funding Requested:	US\$500,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	15 Dec 2024
▪ Types of consultants:	Firms and/or individual consultants
▪ Prepared by Unit:	IFD/CMF-Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	IFD/CMF-Connectivity Markets and Finance Division
▪ TC included in Country Strategy (y/n):	n
▪ TC included in CPD (y/n):	n
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Diversity; Economic integration; Environmental sustainability; Gender equality; Indigenous People; Social inclusion and equality

II. Objectives and Justification of the TC

2.1 **Background.** The Amazon region is a critical and vulnerable ecosystem that faces many challenges which directly obstruct the region's progress towards the Sustainable Development Goals (SDGs), such as low-income levels, environmental degradation from high deforestation rates, and the prevalence of illegal activities, that ultimately put pressure on the Amazon biome. Moreover, and in the context of climate change, these factors hinder socioeconomic development and increase the vulnerability of local communities and the environment in which they also depend on, exacerbating existing inequalities. Moreover, it disproportionately impacts women and other marginalized population groups who face specific challenges and gaps to access financial resources. Addressing these challenges requires a strategic approach, which involves mobilization of different stakeholders ranging from the Amazon region's respective countries' governments, state governments within the Amazonian

countries, multilateral organizations, public development banks, to civil society and the private sector.

- 2.2 In this context, the Green Coalition of Public Development Banks (the Coalition or Green Coalition) was formed during the 2023 Amazon Summit. This initiative was proposed by the Inter-American Development Bank (IDB) and *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES) of Brazil. The founding members of the Green Coalition (the Members), including 17 public development banks (PDBs) from Brazil, Bolivia, Colombia, Ecuador, Peru, and Suriname,¹ as well as three international partners², signed a Joint Declaration on August 7, 2023, in Belem do Pará, Brazil, which formally established the Green Coalition and held its first work meeting. According to the declaration made by the PDBs, the Green Coalition aims to create innovative financial solutions that strategically blend public and private catalytic funding. This approach would reduce financial risk and attract international capital to invest in the Green Coalition PDBs, which have strong local reach and network coverage in the Amazon region. By leveraging this capillarity, the mobilized resources stand a far greater chance of reaching end customers and effectively financing sustainable activities to accelerate the region's sustainable development.
- 2.3 Therefore, the Green Coalition is in a unique position to: (i) lead strategies and deploy resources to expand sustainable economic activities in the region, which has substantial potential to increase local incomes, enhance fiscal revenue in the Amazon states and countries, and improve general well-being of that region; and (ii) support and promote sustainable practices through access to technical assistance and financing by the PDBs, which has the potential to boost the region's economies while playing a critical role in preserving its rich biodiversity by supporting forest-compatible activities and economic activities that have a positive environmental footprint in the region.
- 2.4 After discussions from August to November 2023,³ the Members agreed upon a governance structure that includes the "Agreement for the Establishment of Governance of the Green Coalition of Public Development Banks" and its "Operational Guidelines." The governance structure includes a Steering Committee, a Technical Committee, four Working Groups, an International Partners Committee⁴, and a Technical Secretariat. Each of these bodies has a specific function:

The PDB founders are: **from Bolivia**, (i) Banco de Desarrollo Productivo SAM; **from Brazil**, (ii) Banco Da Amazônia S.A., (iii) Banco Do Nordeste Do Brasil S.A., (iv) Banco Do Brasil S.A., (v) Banco Do Estado Do Pará S.A., (vi) Caixa Econômica Federal, (vii) Financiadora de Estudos e Projetos - FINEP), (viii) Banco Nacional de Desenvolvimento Econômico e Social (BNDES); **from Colombia**, (ix) Banco de Comercio Exterior de Colombia S.A., (x) Banco Agrario de Colombia S.A., (xi) Banca de Desarrollo Territorial, (xii) Financiera de Desarrollo Nacional S.A.,(xiii) Fondo para el Financiamiento del Sector Agropecuario - FINAGRO; **from Ecuador**, (xiv) Corporación Nacional de Finanzas Populares y Solidarias, (xv) Corporación Financiera Nacional B.P., **from Peru**, (xvi) Corporación Financiera de Desarrollo S.A.; **from Suriname**, (xvii) Nationale Ontwikkelingsbank Van Suriname N.V.

² The international partner founders, in addition to the IDB, are the Development Bank for Latin American and the Caribbean – CAF and the World Bank.

³ Following the meeting in Belém, the Coalition Members held in-person meetings on September 6, 2023, during the Finance in Common Summit 2023 in Cartagena, and on October 25, 2023, in Rio de Janeiro, at an event sponsored by BNDES. Additionally, periodic virtual communications have been ongoing to date.

⁴ Conformed by CAF, the IDB, and the World Bank.

- i) **Steering Committee:** Composed of one representative from each of the 17 PDBs, it sets strategic directions and oversees key decisions to ensure alignment with overall goals.
 - ii) **Technical Committee:** Composed by one representative from each of the 17 PDBs, it is responsible for technical oversight and quality assurance of projects, offering specialized guidance and support.
 - iii) **Working Groups (Workstreams):** Focus on specific areas or themes, developing detailed plans and executing tasks.
 - iv) **International Partners Committee:** Composed by the 3 international partners, serves as a financial and international support body for the Green Coalition.
 - v) **Technical Secretariat (managed by the IDB):** Provides essential technical and logistical support for the management, implementation, and operation of the Green Coalition, supporting the functions of all its governing bodies.
- 2.5 This multi-tiered governance structure ensures that this Technical Cooperation (TC) is managed efficiently and effectively, with clearly defined roles and responsibilities across the different bodies to handle the complexities of the initiatives outlined within its Biannual Action Plan (BAP) and other agreements endorsed by the Green Coalition.
- 2.6 The four Workstreams of the BAP are:
- i) Regional Amazon Collaboration, Integration, and Sustainable Finance (Workstream 1)
 - ii) Common Frameworks / Guidelines for Sustainable Investments in the Amazon Region (Workstream 2)
 - iii) Innovative Financial Products and Technical Support for PDBs in the Amazon Region (Workstream 3)
 - iv) Resource Mobilization for the PDBs towards the Amazon Region (Workstream 4)
- 2.7 The Workstreams will provide participants the opportunity to (i) share and exchange knowledge, enhance capacities, and refine their strategies and financial goals toward supporting sustainable activities in the region; (ii) create/enhance capacities to establish Amazon-focused investment guidelines and frameworks that will be tailored to the Amazon region and the specificities of each Amazon country for effective and transparent resource allocation towards activities that support social, environmental and climate goals; (iii) design and implement financial products (project-level financial solutions) through the creation and execution of a Financial Innovation Lab that will develop those products and provide technical support to members and their end-borrowers according to the needs of the region; and (iv) mobilize the needed resources to attend to members' portfolio needs using innovative solutions including grants, loans, capital markets, and blended finance schemes to channel resources to the region through Green Coalition members. Moreover, by design these four Workstreams are logically connected – the work done by each one of them is required by the others so that they effectively tackle the challenges to achieve the goals of the Green Coalition.
- 2.8 **Objective.** The objective of this TC is to strengthen the Coalition PDBs' institutional capacities to promote sustainable development in the Amazon region. That would be achieved by supporting the Coalition's PDBs to scale investments to sustainable

activities in the Amazon region through financial solutions offered by the Coalition's PDBs, focusing on priority sectors, aligned with Amazon Forever Initiative. The specific objectives of the TC are:

- i) to support the generation of knowledge products defined within the working groups and the BAP, as it is updated (Workstream 1);
- ii) to assist in creating common frameworks and investment guidelines for the Green Coalition's PDBs given that they serve a clientele that shares similarities across countries, including mapping the specific needs of the countries in the Amazon region for effective adoption and implementation (Workstream 2);
- iii) to design, implement, and pilot financial products through the creation and implementation of a Financial Innovation Laboratory (the Green Coalition Lab), considering points (i) and (ii) above (Workstream 3).

2.9 The outcomes of the specific objectives described above would provide the required knowledge, on the ground capacities and transparency needed regarding capital deployment in the Amazon region that is required for effective capital mobilization at scale for sustainable development foreseen in Workstream 4.

2.10 **Beneficiaries.** The TC will benefit all PDBs in the Amazon region that are part of the Green Coalition. Initially, the beneficiary PDBs will be those that are Members, but the TC will remain open to other PDBs that may join the Green Coalition in the future⁵. Indirect beneficiaries include a wide range of stakeholders in the Amazon region, such as companies, private banks, cooperatives, small and medium enterprises, families, indigenous and local communities among others, in line with the Amazonia Forever Program priority sectors. In the long term, thanks to the knowledge generated by the Green Coalition, these stakeholders will benefit from increased financial flows through better products and services to the Amazonian financial system, which will drive sustainable economic development in the region and in line with social and environmentally respectful practices.⁶

2.11 **Strategic Alignment.** The TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objective(s) of: (i) reducing poverty and inequality; (ii) addressing climate change; and (iii) bolstering sustainable regional growth by: generating knowledge and developing investment guidelines and financial products to (i) increase access to resources for beneficiaries in the Amazon region, promoting the financial inclusion of vulnerable populations such as women and indigenous people, (ii) catalyze investment in sustainable activities to revitalize and protect the critical global carbon sink that is the Amazon rainforest and the region it encompasses, simultaneously enhancing the climate resiliency of local communities, and (iii) crowd in and effectively channel diverse financial resources into activities aligned with identified priority sectors to promote sustainable growth across the Amazon region. The Program is also aligned with the operational focus area(s) of: (i) biodiversity, natural capital and climate action; (ii) gender equality and inclusion of diverse population groups; (iii) institutional capacity, rule of law, and citizen security; (iv) social protection and human capital development; (v) productive development and

⁵ Provided they formally express their commitment and the corresponding non-objection letter from the official IDB liaison is obtained

⁶ In countries like Guyana, where there are no operating public development banks, the information generated by the Coalition is expected to be shared with governments and other local entities so that they can promote relevant financial initiatives.

innovation through the private sector; (vi) sustainable, resilient, and inclusive infrastructure; and (vii) regional integration.

2.12 This TC aligns with respective IDB Group Strategies for the beneficiary countries by addressing key priorities in each context. In Bolivia (GN-3088), the TC supports priority area (iii): inclusive and sustainable social development. In Brazil (GN-3243-3) it aligns with the Pillar 1: Enabling the Green Transition and Strengthening Climate Resilience. For Colombia (GN-3238-3), the TC addresses the strategic area (i): boost social and territorial inclusion. In Ecuador (GN-3103-1), the TC focuses on two critical areas: the development of the productive sector as a driver of sustainable growth, and the strengthening of social progress, with emphasis on gender. For Peru (GN-2468-9) it is aligned with the priority area: environmental sustainability and climate change. Finally, for Suriname (GN-3065), it aligns with the strategic area of promoting private sector competitiveness, by improving financial inclusion.

2.13 **Value Added.** This TC will have complementarities with IDB initiatives funded under the [Amazonia Forever Program](#), particularly those executed by PDBs where greater knowledge about investment financing in the Amazon is required. Examples include the Program to Boost Private Investment Financing in the Peruvian Amazon – Opportunity to Leverage the Bioeconomy ([5356/OC-PE](#)), the BASE Program – Financing Bio-Businesses for a Sustainable Amazon in Ecuador ([5857/OC-EC](#), [5858/GN-EC](#)), the Financing Program for Sustainable Productive Development in Suriname ([5860/OC-SU](#), [5861/GN-SU](#)), Technical Cooperation “Consolidación de la Coalición Verde de los Bancos Públicos de Desarrollo de la Región Amazónica” ([ATN/GN-20771-RG](#), [ATN/OC-20772-RG](#), [ATN/OC-20773-RG](#)), and Technical Cooperation “Amazonia Bond Initiative” ([ATN/PS-21136-RG](#)). Additionally, the TC will seek synergies with other IDB Group initiatives within the Amazonian financial systems, such as the [Amazon Financial Network](#), led by IDB Invest, which includes 23 other private financial institutions interested in generating sustainable impact throughout the Amazon region via joint knowledge generation and dissemination activities. Finally, the TC will coordinate with other research activities conducted within the IDB Group⁷ or at the country level in the Amazon region by sharing data, discussing results, and building a consolidated and accessible knowledge repository.

III. Description of activities/components and budget

3.1 The goal of this TC is to support the Green Coalition in developing regional public goods derived from Components 1, 2 and 3, to strengthen the Green Coalition’s PDBs and consequently increase financing to priority sectors and projects that promote sustainable development in the Amazon region. To achieve this, the TC proposes three key components:

3.2 **Component 1. Support the Generation and Dissemination of Knowledge on Priority Sectors and Activities for the Green Coalition’s PDBs, with a focus on the Amazon Region (US\$85,000).** This component aims to generate knowledge to enhance institutional capacity in the priority sectors defined by the Green Coalition in line with the Amazonia Forever Program, identifying opportunities and supporting the increase of sustainable financing flows to the region.

⁷ For example, the Andean Countries Management and the [development gap analyses](#) it has been carrying out.

- 3.3 **Activity 1.1: Conduct studies and promote knowledge-sharing activities in the priority sectors for the Green Coalition PDBs in the region:** Deepening knowledge in the priority sectors for the Green Coalition, including demand analysis and potential pipeline assessments, is essential to unlocking investment opportunities. Gaining clearer insights into what sustainability entails across sectors and activities in the Amazon region enables a targeted approach to designing frameworks, financial products, and regional strategies through the initiative. When possible, these studies should also integrate the degree to which women and other diverse groups can also benefit from the investment opportunities. Disseminating this knowledge benefits not only the PDBs but also financial actors operating in the region, fostering synergies.
- 3.4 Additionally, focusing on the unique needs and characteristics of each sector enables a more targeted approach, allowing investment frameworks and methodologies to be specifically tailored to them, as will be explored in Component 2.
- 3.5 **Component 2. Develop Common Guidelines and/or Frameworks for the Green Coalition’s PDBs and alignment with existing Amazon focused investment guidelines (US\$200,000).** This component seeks to create common guidelines and/or frameworks for the Green Coalition PDBs addressing priority sectors in line with the Amazonia Forever Program, including green and social eligibility criteria, exclusion lists and safeguards, target audiences, impact indicators, as well as measurement, reporting, and evaluation processes, based on the knowledge generated in Component 1 and in line with the Amazonia Bonds Initiative.⁸
- 3.6 **Activity 2.1: Develop Amazon focused standardized analytical frameworks, methodologies, and reporting processes for sustainable projects, activities, and beneficiaries in the Amazon region:** Although the PDBs have specific investment needs, existing guidelines are often broad, aiming to encompass sovereign entities and the private sector as well. Customized guidelines and a common framework for PDBs would better serve their unique characteristics and clients by aligning financial products with their specific needs. A more personalized approach could lead to solutions that effectively address the different requirements of PDBs while enhancing investor understanding.
- 3.7 The existence of well-defined guidelines/frameworks and clear parameters aligned with the region's needs provides confidence to investors regarding how resources are being allocated in the Amazon region. It also enables PDBs to design financial products tailored to their clients with greater assurance that they will secure the necessary funding to support the activities contemplated in these frameworks (as it will be explored in Component 3).
- 3.8 **Component 3. Development of Financial Products and Technical Support for Implementation (US\$200,000).** This component focuses on establishing an Amazon Financial Innovation Laboratory (the Lab) to develop financial products and provide technical support to PDBs for their implementation.
- 3.9 **Activity 3.1: Develop customized financial products to address the unique challenges faced by PDBs operating in the Amazon through the Lab:** The Lab aims to address the needs of the Green Coalition PDBs by developing and implementing financial products that better serve their Amazon-based clients and

⁸ [ATN/PS-21136-RG](#).

catalyze investments to help mitigate deforestation, incorporate sustainable practices, and improve climate resilience.

- 3.10 The Lab will (i) identify and select financial products for development; (ii) create or enhance financial solutions for Green Coalition members focusing on Amazonian clients; and (iii) provide technical support for the implementation of these financial solutions within the Lab’s scope. The Lab aims to assist the Green Coalition’s PDBs in scaling and monitoring sustainable financing activities, incorporating impact objectives and reports, and aligning with the common frameworks, aligned with the guidelines developed under Component 2.
- 3.11 Local communities and businesses, as the end clients of financial products, benefit directly as their financial needs are met through tailored products that account for local specificities. This approach ensures that solutions are both relevant and effective, fostering inclusive development and sustainable growth in the region.
- 3.12 **Component 4. Project evaluation to measure the achievement of objectives and indicators (US\$15,000).** Final evaluation conducted to systematize lessons learned.
- 3.13 **Activity 4.1: Final project evaluation:** As part of the requirements established by the Regional Public Goods Initiative (RPG), resources will be allocated for the project evaluation and audit to measure the achievement of objectives and indicators and to systematize the lessons learned from such components under this technical cooperation. The final evaluation should be conducted based on the terms of reference previously agreed by the Bank and submitted no later than 90 days after the last disbursement of funds from the Bank's financing.
- 3.14 **Budget.** The project is estimated to require a total of US\$500,000 which will be financed through the OC SDP Window 1 - Regional Public Goods (W1A). The Bank's contribution will finance the hiring of consulting services (individual and firms) for the development of the activities. Table 1 details this budget:

Table 1. Indicative Budget in USD

Component	Description	IDB/W1A	Total Funding
Component 1	Support the Generation and Dissemination of Knowledge on Priority Sectors and Activities for the Green Coalition’s PDBs, with a Focus on the Amazon Region: 1.1 Conduct studies and promote knowledge-sharing activities in the priority sectors for Green Coalition PDBs in the region.	\$85,000	\$85,000
Component 2	Develop Common Investment Guidelines and Framework for the Green Coalition’s PDBs: 2.1 Develop standardized analytical frameworks, methodologies, and reporting processes for sustainable projects, activities, and beneficiaries in the Amazon region.	\$200,000	\$200,000
Component 3	Development of Financial Products and Technical Support for Implementation	\$200,000	\$200,000

	3.1 Develop customized financial products to address the unique challenges faced by PDBs operating in the Amazon through the Lab.		
Component 4	Project external final evaluation in order to measure the achievement of objectives and indicators 4.1 Final project external evaluation	\$15,000	\$15,000
Total		\$500,000	\$500,000

IV. Executing agency and execution structure

- 4.1 As requested by the Beneficiaries countries in their commitment letters (attached in Annex 1) this TC will be executed by the IDB through the Connectivity, Markets, and Finance Division (IFD/CMF).⁹ This aligns with the provisions of Annex II of the document *Procedures for Processing Technical Cooperation Operations* (OP-619-4), given the regional nature of this technical cooperation, which requires coordinated efforts to ensure the successful implementation of the project (Item iv, Section II.C.2.2). Additionally, the IDB (through IFD/CMF), in its role as appointed the Technical Secretariat and key partner for the technical follow-up of the Green Coalition, assumes all operational and technical management responsibilities. This includes interaction with the Coalition’s governance bodies, coordination with the Green Coalition’s Members, hiring and supervision of consultancies, and organization of meetings, among others. Prior to the start of TC activities in a beneficiary country, the corresponding non-objection letters will be obtained.¹⁰
- 4.2 The main decisions regarding the activities will be made by the Green Coalition’s Technical Committee and Steering Committee. All actions required to carry out such activities will be performed by the IDB (through IFD/CMF and the focal points in the IDB Country Offices), in its role as Secretariat of the Green Coalition, as requested by the Beneficiaries (PDBs from the Green Coalition) as described in section 4.1 above.
- 4.3 **Project Steering Committee.** Given the organizational structure of the Green Coalition, the three International Partners are the strategic partners of the project, and the “Project Steering Committee” will be the Technical Committee of the Green Coalition, which is comprised of representatives from the 17 PDBs of the beneficiary participating countries. Their main functions include: (i) to analyze the development of the project’s work program, procurement plan, and budget, as well as its financial and progress reports; (ii) review the terms of reference for the hiring processes to be carried out under the project; and (iii) facilitate the development of activities in order to achieve the objectives of the project, including contact and cooperation with relevant institutions in each country, the provision of the necessary information to project consultants to carry out their work, the participation in meetings and workshops organized, and the review of technical inputs and products generated within the framework of the project.

⁹ The Team Leader, a financial market lead specialist (IFD/CMF) is responsible for TC execution and supervision.

¹⁰ Attached are the non-objection letters of Peru, Ecuador and Colombia.

- 4.4 **Procurement.** The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be carried out in accordance with the Bank Financial Management Policy for IDB-financed Projects (OP-273-2) and Bank's established procurement policies, namely: (a) Hiring of individual consultants, as established in the regulation AM-650; (b) Hiring of consulting firms for services of an intellectual nature and the contracting of logistics services and non-consulting services (logistics and other expenses), according to GN-2303-33 and its associated Guidelines.
- 4.5 **Intellectual Property.** All products from this TC will be the intellectual property of the Bank. The Bank can transfer the intellectual property rights of specific products derived from this TC to third parties.

V. Major issues

- 5.1 The identified risks include a limited number of experts specializing in Amazonian finance, as well as operational challenges and costs associated with conducting field research in the Amazon. These could impose significant limitations on the studies committed to in the BAP. To mitigate these risks, the TC will engage in collaborations and partnerships with local organizations (e.g., universities, NGOs) and with local communities that can support necessary research efforts. Additionally, the use of digital technologies and remote data collection and analysis tools will be encouraged to streamline and enhance data capture and analysis processes.

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to the Bank policies.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client 27453.pdf](#)

[Results Matrix 34040.pdf](#)

[Terms of Reference 32131.pdf](#)

[Procurement Plan 84083.pdf](#)