

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	Brazil
▪ TC Name:	Instituto INHOTIM: Strengthening Regional Development, Climate Change and Biodiversity Adaptation Strategies
▪ TC Number:	BR-T1313
▪ Team Leader/Members:	Thiago de Araújo Mendes (CCS/CBR) team leader; César Leyva Muñoz (CSC/CBR) Alternate Team Leader; David Wilk (INE/CCS); Vicente J. Moles (CSC/CBR); Anne Gander (CCS/CBR); Karisa Ribeiro (TPS/CBR); Gloria Visconti (INE/CCS); Vanderleia Radaelli (CTI/CBR); Mauricio Bouskela (IFD/CTI); Elena Suarez (EXR/CSO); Daniel Salazar (ORP/PTR); Edwin Tachlian (FMP/CBR); German Zappani (FMP/CBR); Cristina Celeste Marzo (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Reference to Request: (IDB docs #)	39468966
▪ Date of TC Abstract:	February 2015
▪ Beneficiary:	Instituto Inhotim
▪ Executing Agency and contact name :	IDB
▪ IDB Funding Requested:	US\$700,000.00
▪ Local counterpart funding, if any:	US\$175,000.00 (in kind)
▪ Disbursement (execution) period:	30 months (24 months)
▪ Required start date:	June 2015
▪ Types of consultants:	Individuals and Firms
▪ Prepared by Unit:	CCS
▪ Unit of Disbursement Responsibility:	CBR
▪ Included in Country Strategy (y/n);	Yes (GN-2662-1)
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Protect the environment, respond to climate change, promote renewable energy and ensure food security

### II. Objective and Justification

- 2.1 Inhotim is the only Brazilian Institute with a world-class collection of contemporary art continuously on display<sup>1</sup>. The institute is a private sector entity, established as a Public Interest Civil Society Organization that receives around four hundred thousand visitors annually. The Inhotim visiting experience mainly involves a spatial relationship between art and nature that allows the artists to create and show their work in unique conditions. The spectator is invited to stroll through gardens, forest landscapes and rural settings, roaming among lakes, trails, mountains and valleys, actively experiencing the space in an integral way. Due to its size, outreach potential and singularities, this innovative site can be considered an important ally in the promotion of sustainable development strategies, cultural and creative industries and climate change awareness<sup>2</sup>.
- 2.1 Open to the public since 2006, Inhotim's botanical and art collections have been used as spaces to carry out dozens of social, educational and research projects. Annually, more than 120 thousand children visit the collections, which are presented through innovative tutoring methodologies that encourage them to deepen their knowledge and complement their formal education. Integrated with its surrounding community, Inhotim engages with the local community to support the enhancement of the tourism sector in the region, as well as the recovery of traditional cultural heritage of local communities. Because of its unique mix of botanical and art collections<sup>3</sup>, Inhotim has the potential to leverage and attract private sector investments in the creative and cultural sectors, and innovative low carbon economy.

<sup>1</sup> <https://www.inhotim.org.br>.

<sup>2</sup> The nature of the climate change issue is different from any other political issue given its future-oriented dimension and its global scale. To deal with such complex problem, innovative approaches are needed to create momentum to get the support of the public and guide decision makers to find effective solutions to this global challenge.

<sup>3</sup> <https://www.google.com/culturalinstitute>.

- 2.2 The creative economy is a major source of dynamism in the Americas, where rapid growth in technology access is enabling the creation of a wide range of skilled jobs in vibrant cultural and creative industries including visual and performing arts, museum development and management, design, digital animation, software, video games, interactive multimedia and e-learning and scientific visualization. Such industries represent an important contribution to economic growth, employment and income generation and export earnings, while also promoting more sustainable, inclusive and climate resilient development. In the two largest economies of the Western Hemisphere, Brazil and the U.S., creative industries are estimated to account for over 10% of GDP<sup>4</sup>.
- 2.3 Inhotim is also the second largest employer in Brumadinho, the city where it's based. In addition to providing access to the labor market to hundreds of people<sup>5</sup>, the institution has an incentive policy that facilitates the access of its employees to continued education courses (training and capacity building).
- 2.4 Inhotim is also part of a project financed by Fundo Clima, a national fund that supports greenhouse gas (GHG) mitigation actions in Brazil. The project aims at the creation of an innovative CO<sub>2</sub> removal prototype in an area heavily impacted by mining activity through the recovery of vegetation and community-based development. It started in 2011 and goes until 2015, offering technological, economic and social through a pilot project that combines GHG emission reductions and local community strengthening through mobilization, capacity building and income generation.
- 2.5 Given the magnitude and urgency of climate change challenges, in the last few years the Institute had increased its efforts to address climate change with local mitigation actions. In 2013, during its annual event for the environment, Inhotim developed, in partnership with private sector partners, an interactive GHG emission calculator that could be used by visitors to assess their daily GHG emissions. From the calculation, issues such as global warming, consumption patterns, sustainable lifestyle and compensation of GHG emissions were discussed. Insofar as emissions compensation is concerned, visitors could financially contribute to the support of Clean Development Mechanism forestry projects in Minas Gerais<sup>6</sup>.
- 2.6 Therefore, Inhotim is not only a world reference of unique contemporary art and botanical collections, but a key vector of social, economic, cultural and environmental development with positive impact that reaches beyond Minas Gerais and Brazil's national borders. Although the Institute has continuously carried out activities to improve local development, some management issues have been identified in areas such as financial sustainability of the Institute and the accurate measurement of its development activities' impacts. The improvement of these matters would provide a boost in the self-sustainability of the institution, as well as an increment in terms of its visibility in the international arena and its outreach capacity to communicate sustainable development and climate change good practices.
- 2.7 Hence, the objective of this TC is to strengthen the innovative concept of Inhotim as a model that combines the protection of an area with strong bioclimatic value, with sustainable development involving the public and private sector. The TC will support Instituto Inhotim, to develop strategies to: (i) establish a global outreach climate change strategy with robust connections with private sector partners, that strengthens Inhotim's brand and further enhance its work on climate change awareness; (ii) ensure its sustainability; (iii) support the region's local economic development through exchanges and discussions on pilot initiatives and best practices in sustainable tourism, transport-related climate change mitigation and a creative economy knowledge platform.

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

- 3.1 The activities are aimed at: (i) promote and support partnerships with the public and private sector, international outreach for fundraising and climate change awareness and biodiversity adaptation to the adverse effects of global warming; (ii) develop Inhotim's sustainability strategy exploring alternative income sources and products, management efficiency measures and monitoring tools; (iii) support

---

<sup>4</sup> [http://futureoftheamericas.org/sessions/foundation\\_of\\_prosperity.php](http://futureoftheamericas.org/sessions/foundation_of_prosperity.php).

<sup>5</sup> Human resources *Instituto Inhotim*.

<sup>6</sup> The United Nations Framework Convention on Climate Change (UNFCCC) had provided the voluntary cancellation Attestation of the Certified Emissions Reductions used in the program (for more details see: <https://cdm.unfccc.int/Registry/>).

opportunities for local economic development through cultural tourism and creative industries, promote climate change mitigation related to transport, and connect pilot initiatives and best practices through a creative economy knowledge platform. Activities of this TC consist on assessments, development of indicators, methodologies, tools, strategies, exchange workshops and knowledge platforms that will be carried out by consultants and through non-consulting services, with a direct involvement of Inhotim staff, public sector neighboring community and other key actors concerned.

- 3.2 **Component 1. Establishment of a Inhotim global outreach strategy and climate change awareness (US\$345,000):** This component will promote the establishment of partnerships with stakeholders from private and public sectors, as well as the increase of Inhotim's network and visibility worldwide by supporting cultural and creative industries and climate change awareness. The component will finance consultancies and other services (seminars, workshops and trainings) to: (i) design a virtual exhibition based on Inhotim's experience addressing the effects of climate change and set up a network to rotate the exhibition through other IDB member countries' cultural centers/botanical gardens; (ii) carry out a market analysis on the potential use of Inhotim's brand for climate change awareness, its value added for different stakeholders and potential partners, and its possibilities as income source<sup>7</sup>; and (iii) promote, through workshops, exchange activities on biodiversity adaptation to the adverse effects of global warming and creative industries between Inhotim and similar institutions in Latin America and the Caribbean.
- 3.3 **Component 2. Improvement of management tools for the development of Inhotim's sustainability strategy (US\$110,000):** In order to catalyze Inhotim's positive impact, this component will focus on the development of a strategy to enhance Inhotim's self-sustainability and guarantee its monitoring and evaluation capacity. The component will finance consultancies to create a sustainability tool box that involves: (i) an assessment, tools and an action plan to improve the self-sustainability of Inhotim's operations, assessing present and potential activities, performance efficiency and identifying additional sources of income; (ii) an assessment, the design of a strategy and the development of tools to monitor Inhotim's impact on visitors and regional economic and social development of local communities; and (iii) the development of a performance monitoring and fundraising platform to attract and manage external resources from private sector partners.
- 3.4 **Component 3. Transport related climate change mitigation, regional development through tourism and creative economy activities and knowledge platform (US\$225,000):** This component aims at providing continuity, and deepening and strengthening Inhotim's capability. It will support: (i) the development of a mobile web-based tool to offer visitors with climate change basic information and the opportunity to offset their transport related GHG emissions by financing Inhotim's climate change mitigation projects and partnerships; (ii) an analysis of Inhotim as a driving force to develop: (a) cultural industries and sustainable tourism in the region; and (b) a strategy/action plan to enhance its role in collaboration with key local and global stakeholders<sup>8</sup>; and (iii) the development of a creative economy knowledge platform to exchange best practices identified in Inhotim and other institutions, and to engage local communities, private sector partners and universities in the use of innovative technologies to support local economic development.<sup>9</sup>
- 3.5 **Component 4.** This component will finance the project's results evaluation. (US\$20,000)

---

<sup>7</sup> This analysis would be important because due to the size of the proposed awareness approach this TC's resources would be used to leverage private sector partners to finance the virtual touring exhibitions in other cultural centers/botanical garden in IDB's member countries.

<sup>8</sup> IDB has a strategy and an action plan on climate change that puts a lot of emphasis on the protection of forests and biodiversity. In this context, the Bank promotes sustainable tourism as part of practices of global ecosystems and biodiversity conservation, being, at the same time, these natural heritage key resources for tourism development.

<sup>9</sup> It is expected that TC resources are used to leverage private sector and other sources of financial support to fully implement the knowledge platform.

**Indicative Budget (US\$)**

<b>Component/Description</b>	<b>IDB</b>	<b>Counterpart</b>	<b>Total</b>
1. Establishment of a Inhotim global outreach strategy	345,000	0	345,000
2. Management tools to develop Inhotim’s sustainability strategy	110,000	0	110,000
3. Transport related climate change mitigation, regional development through tourism and creative economy activities and knowledge platform	225,000	175,000	400,000
4. Project evaluation	20,000	0	20,000
<b>Total</b>	<b>700,000</b>	<b>175,000</b>	<b>875,000</b>

**IV. Executing agency and execution structure**

- 4.1 IDB, through the Climate Change and Sustainability Division in CBR will execute this TC.<sup>10</sup> The project team, including Specialists in CBR from different divisions involved will support and provide overall assistance in monitoring and coordination of activities. Members of the Climate Change and Sustainability Division at the Brazil’s Country Office will be responsible for the technical and fiduciary aspects of the operation.

**V. Project Risks and issues**

- 5.1 The risks associated to this TC are low. The main risks related to the execution could be the quality of deliverables to be developed. This will be mitigated by identifying quality consultants and firms to develop the deliverables, given their highly technical nature. There will be also a close supervision of the activities by CCS/CBR and CSC/CBR, and the support of other partner divisions involved in this TC.

**VI. Environmental and Social Classification**

- 6.1 Given the nature of the operation, it is expected that it will receive a “Category C” rating from the Environmental and Social Safeguards Toolkit of the Bank.

---

<sup>10</sup> IDB’s execution was a request from Instituto Inhotim. The request is an annex in the TC Document.