

ADMINISTRATION AGREEMENT

between

THE NORDIC DEVELOPMENT FUND

and

THE INTER-AMERICAN DEVELOPMENT BANK

regarding the project

**“PROADAPT: Regional Facility on Building Climate Resilience in MSMEs
in Latin America and the Caribbean”**

THIS ADMINISTRATION AGREEMENT is entered into between the Nordic Development Fund (“NDF”), and the Inter-American Development Bank (the “Bank”) (together referred to as the “Parties”, and individually either of them, a “Party”).

WHEREAS, the Bank has designed and approved a regional project (numbers RG-M1223 and RG-X1167) titled “PROADAPT: Regional Facility on Building Climate Resilience in MSMEs in Latin America and the Caribbean” (the “Project”), as described in the attached Project Document (the “Project Document”);

WHEREAS, NDF has agreed to support the execution of the Project by providing a project specific grant contribution to be administered by the Bank; and

WHEREAS, the Bank is prepared to receive and administer the contribution funds to be made available by NDF.

NOW, THEREFORE, the Parties hereby agree as follows:

TRANSFER AND MANAGEMENT OF FUNDS

1. NDF will make available to the Bank a contribution of EUR3,500,000 (three million five hundred thousand Euros) (the “Contribution”) to be administered by the Bank to finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document. Any material deviations from the objectives and activities of the Project described in the Project Document will require NDF’s written approval.
3. Following the signature of this Administration Agreement by the Parties, NDF shall, subject to Article 12 below, transfer the Contribution to the Bank in one single installment, upon the Bank’s written request. The Contribution will be deposited in an account indicated by the Bank in writing. Upon receipt of such deposit, the Bank will convert the amount of the Contribution into United States dollars and will deposit them into an account held by the Bank in said currency for the administration of the Contribution (the “Account”).
4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank’s applicable policies and procedures, including those applicable for third party resources administered by the Bank. The Bank will exercise the same care in the discharge of its functions, as described in this Administration Agreement, as it exercises with respect to the administration and management of its own affairs and will have no further liability to NDF in respect thereof.

5. a) The Contribution will be accounted for separately from the Bank's assets, and will be administered separately from other contributions received by the Bank, but may be commingled with other contributions from NDF.

b) The Bank may freely exchange the Contribution funds into other currencies as may facilitate their administration and disbursement. The Bank will not be responsible for foreign exchange risk in the receipt, conversion or administration of Contribution funds. Any adverse impacts of potential foreign currency fluctuations during the implementation period shall be discussed by the Parties and appropriate remedial measures and amendments shall be negotiated if necessary. Notwithstanding the foregoing, neither NDF nor the Bank shall be obliged to contribute any additional funds as a result of any foreign currency fluctuations.

c) Pending disbursement in connection with the Project, the Bank may at its discretion invest and reinvest the resources of the Contribution, following the Bank's investment policies, procedures and practices. Income earned from such investment and reinvestment shall be credited to the Account and returned to NDF, upon request from NDF or when the Account is closed, whichever occurs later.
6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain a fee equal to five percent (5%) of the total amount of the Contribution, which may be withdrawn by the Bank from the Contribution, once the Contribution is converted into United States dollars. In addition, the Bank may also use the resources of the Contribution to cover the costs charged to the Bank related to the maintenance and transactions of the Account.

IMPLEMENTATION

7. The Bank's policies and procedures will be applicable to any relevant operational, financial and fiduciary aspects of the Project, including the procurement of goods, works, and consulting and other services, carried out with the Contribution, as required by the different components of the Project. Further, NDF accepts that:
 - a) the resources of the Contribution will be completely untied; and
 - b) the consultancy services financed with the Contribution may be provided and executed by companies, specialized institutions or individuals from any Bank member country.
8. The Bank shall inform NDF of any review missions undertaken by it related to the Contribution and provide to NDF a report setting out the main findings or results of such mission. The Bank shall invite NDF to join any Project review missions, including supervision missions and the mid-term review during the implementation of the Project and upon its completion. NDF shall be responsible for its own costs and obtaining any official approvals that may be required with respect to participation in any Project review missions.

9. NDF will not be responsible for the activities of any person or third-party engaged by the Bank as a result of this Administration Agreement, nor will NDF be liable for any costs incurred by the Bank in terminating the engagement of any such person.

REPORTING AND AUDIT

10. The Bank shall provide NDF with:

- a) reports on implementation of the activities funded under the Contribution and other reports and information as NDF may reasonably request concerning the progress of the Project that the Bank can provide in its normal course of business, and ii) promptly, no later than six months following the completion of the Project, a final Project report;

- b) at least semi-annually non-audited activity or financial reports of the Project, as such reports are provided by the Project's executing agency to the Bank, pursuant to the technical assistance or financing agreement entered between the executing agency and the Bank and, ii) promptly, and no later than six months from financial closure of the Project, a terminal financial report showing the receipts, income and expenditures under the Account and the remaining balance, if any. The Bank may provide a copy of any audited reports of the Project available to the Bank; and

- c) should NDF require an external audit of the Account, NDF shall request the Bank for such an external audit in writing upon completion of the Project. The cost of this audit shall be charged against the Account, provided funds are available after settlement of all expenditures related to the Project. Alternately, upon agreement by NDF and the Bank the cost of such external audit shall be paid separately by NDF.

CONSULTATIONS, AMENDMENTS, TERMINATION AND DISPUTE SETTLEMENT

11. As soon as possible upon completion of the Project, the Bank shall return to NDF any remaining uncommitted Contribution funds, including, if applicable, any income from investment or reinvestment in accordance with Article 5(c) above, unless otherwise agreed to in writing by the Parties.
12. NDF acknowledges that the Bank's commitment to use the Contribution as contemplated herein shall be subject to the Bank's formalization of all internal approvals necessary for the Project and/or the Project Document, and the Bank acknowledges that NDF's disbursement in accordance with Article 3 above is subject to such internal approvals.
13. The Bank shall endeavor to maximize opportunities to highlight the identity of NDF's contribution to the Project (e.g., through related signage, documentation and public information about the activities, including the use of NDF's logo), and invite NDF representatives to participate in key events related to the Project. NDF shall be

responsible for its own costs with respect to any participation in such events, unless the NDF and the Bank agree otherwise in a case-by-case basis.

14. a) The Bank shall inform NDF promptly of any condition which significantly interferes, or threatens to interfere, with the performance by the Bank of its commitments under this Administration Agreement.

b) The Bank shall notify and consult with NDF whenever the Bank identifies a major change of scope in relation to any activities financed under the Contribution. If any such changes occur, which in the opinion of the Bank or NDF impairs significantly the developmental value of the Project, NDF and the Bank shall consult on measures to resolve the problem and possible courses of action. In the event of such changes, NDF, however, may decide to terminate this Administration Agreement or agree with the Bank on an amendment thereof.

15. The offices responsible for coordination of all matters and receiving any notice or request in writing in connection with this Administration Agreement or the Project will be the following:

a) For the Bank:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Chief, Grants and Co-financing Management Unit
Office of Outreach and Partnerships (ORP/GCM)
Tel.: ++ 202-623-1774
Fax: ++ 202-623-3171
E-mail: orp-gcm@iadb.org

b) For NDF:

Nordic Development Fund
P.O Box 185, Fabianinkatu 34FIN - 00171 Helsinki
FINLAND
Attention: Managing Director
Tel.: ++358 618 002
Fax: ++ 358 9 622 1491
E-mail: info.ndf@ndf.fi

16. This Administration Agreement will come into force on the date of its signature by each of the Parties and shall remain in full force and effect until the date on which the Contribution has been fully disbursed by the Bank and all activities financed under the Contribution shall have been completed as set out in the Project Document. An estimated execution timetable is stated in the Project Document.

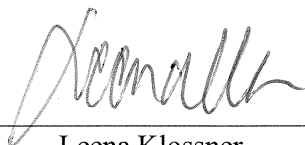
17. If at any time either Party determines that the purposes of this Administration Agreement can no longer be effectively or appropriately carried out either Party may give notice of termination of this Administration Agreement. Such termination shall enter into effect three (3) months after notice has been received, subject to the settlement of any outstanding obligations made prior to the notice being received. In the event of termination by either Party, both Parties shall cooperate to ensure that all arrangements made hereunder are settled in a fair and orderly manner. Upon termination the Bank shall return the Contribution funds to NDF in accordance with Article 11 above.
18. The Parties may amend any provision of this Administration Agreement in writing.
19. Subject to consultation with the other Party and their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available.
20. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
21. The Parties acknowledge and agree that the Contribution constitutes the sole financing for the Project provided by NDF. The Administration Agreement will be considered joint financing for purposes of the provisions of the "Cooperation Agreement between the Nordic Development Fund and the Inter-American Development Bank for the Cofinancing of Programs and Projects", amended and restated as of January 26, 2010 (the "NDF-IDB Cofinancing Agreement"). For the avoidance of doubt, the provisions of NDF-IDB Cofinancing Agreement will apply to this Administration Agreement, except that in the event of conflict, the provisions of this Administration Agreement will prevail.

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22. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

IN WITNESS WHEREOF, the Nordic Development Fund and the Inter-American Development Bank, each acting through its duly authorized representative, have signed this Administration Agreement in two (2) original counterparts in the English language, in Panama City, Panama on this 15 day of March, 2013.

**NORDIC DEVELOPMENT
FUND**



Leena Klossner
Deputy Director

**NORDIC DEVELOPMENT
FUND**



Pasi Hellman
Managing Director

**INTER-AMERICAN
DEVELOPMENT BANK**



Luis Alberto Moreno
President



Donors Committee
For consideration
 On or after 30 January 2013

MIF/AT-1228
 26 December 2012
 Original: English
Public Document

To: The MIF Representatives
From: The Secretary
Subject: Regional. Nonreimbursable technical-cooperation funding for the project
 "PROADAPT: Regional Facility on Building Climate Resilience in MSMEs in Latin America and the Caribbean"

Basic Information: Executing agency Inter-American Development Bank
 Amount up to US\$5,000,000
 or its equivalent in other convertible currencies
 Source Multilateral Investment Fund
 Amount up to EUR\$3,500,000
 or its equivalent in other convertible currencies
 Source Nordic Development Fund

Inquiries to: Steven R. Wilson (extension 8114) or Zachary Levey (extension 2971)

SUMMARY

“PROADAPT: Regional Facility on Building Climate Resilience in MSMEs in Latin America and the Caribbean” (RG-M1223 AND RG-X1167)

Climate change presents both threats and opportunities for micro, small and medium enterprises (MSMEs) in Latin America and the Caribbean. Climate change increases the costs of doing business in the region by threatening energy and water security, productive structures and systems, business assets, supply chains, distribution networks, employee health, and business planning strategies. As a result, MSMEs confront a “threat-multiplier” that drives costs and generates increasing challenges to enterprises and their economic and social ecosystems. All sectors, including agriculture, food, tourism, manufacturing, construction, real estate, and other services face varying degrees of climate-related threats to their operations.

Climate risks also create business opportunities that support green growth. New services and products will be demanded to help households, enterprises and public entities to become more climate resilient and to protect their assets. Enterprises that have the right business models, know-how and strategies will tap a growing number of market opportunities as climate threats evolve. Heat waves, flooding, shifting precipitation patterns and sea level rise will stimulate the demand for new construction and building repair services, climate risk management, agricultural services and products, flood control and site drainage, and back-up power generation systems among many other products and services. Many advanced companies will also have to improve their own climate resilience to protect their supply and value chains.

In partnership with the Nordic Development Fund (NDF), the MIF seeks to develop a regional Facility, PROADAPT, to develop and pilot new methodologies, tools, business models and knowledge to help MSMEs to increase their own climate resilience and to seize related business opportunities. This Facility will promote green growth through innovative business models, tools and methods that will compliment and inform other activities and projects under the MIF Agenda on Climate Change Adaptation.

The proposed Facility represents an evolution in the relationship between MIF and NDF – moving from individual projects to a programmatic approach. The MIF expects that the Facility will be an important source of knowledge and learning that will facilitate the replication and scaling of successful pilot projects in the region as well as in Africa and Asia, thereby offering opportunities for practical South-South collaboration and knowledge sharing on climate resilience.

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL

PROADAPT: Regional Facility on Building Climate Resilience in MSMEs in Latin America and the Caribbean

(RG-M1223 AND RG-X1167)

Donors Memorandum

This document was prepared by the Project Team consisting of: Steven R. Wilson (MIF/ABS) and Zachary Levey (MIF/ABS), Co-Team Leaders; and Ruben Doboin (MIF/DEU), Alejandro Escobar (MIF/AMC), Miguel Aldaz, (ORP), Yves Lesenfants (MIF/KSC), Rogério Ramos (MIF/ATF), Luciano Schweizer (MIF/CBR), Fausto Castillo (MIF/CHO), Ana Cecilia Sanchez (MIF/CNI), Fernando Catalano (COF/CBO), Sonia Puente (MIF/KSC), Georg Neumann (MIF/KSC), Gerard Alleng (INE/CCS), Alfred Grunwalt (INE/CCS), and Anne Marie Lauschus (LEG/NSG), team members.

Under the Access to Information Policy, this document is subject to public disclosure.

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ABBREVIATIONS

Whenever reference is made in the document to any of the terms mentioned below, the same will be understood to mean the following:

Term	Meaning
ABS	Access to Basic Services Unit
CAAP	Climate Adaptation Action Plan
COF	IDB Country Office
CIF	Climate Investment Funds
CCRIF	Caribbean Catastrophe Risk Insurance Facility
GHGs	Greenhouse Gases
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
IPCC	Inter-Governmental Panel on Climate Change
LAC	Latin America and the Caribbean
MIF	Multilateral Investment Fund
MSMEs	Micro, Small and Medium-Sized Enterprises
NAPAs	National Adaptation Programs of Action
NDF	Nordic Development Fund
OECD	Organization for Economic Cooperation and Development
POP	Persistent Organic Pollutants
PPCR	Pilot Program for Climate Resilience
PSR	Project Status Report
WBCSD	World Business Council on Sustainable Development
WRI	World Resources Institute

PROADAPT: REGIONAL FACILITY ON BUILDING CLIMATE RESILIENCE IN MSMES IN LATIN AMERICA AND THE CARIBBEAN

(RG-M1223 AND RG-X1167)

I. EXECUTIVE SUMMARY

Beneficiary Countries: Regional

Executing Agency: The Bank as administrator of the Multilateral Investment Fund (MIF) will be the Executing Agency for this Facility. Resources allocated for the overall administration of the Facility will be executed by MIF headquarters. Individual sub projects under Component 3 will be executed by executing agencies and will be submitted for approval by the Donors Committee.

Target Beneficiaries: The primary beneficiaries of this Facility are

- (i) MSMEs and local communities that require services and know-how to build climate resilience and to preserve assets,
- (ii) MSMEs that seek to capitalize on emerging business opportunities related to climate resilience and adaptation.

This is a regional Facility consisting of multiple sub-projects. The number of the beneficiaries in this Facility will be determined on a project-by-project basis.

Financing:

MIF:	US\$ 5,000,000
Nordic Development Fund	US\$ 4,585,000¹
Local Counterpart	<u>US\$ 2,100,000²</u>
TOTAL	US\$ 11,685,000

¹ The Nordic Development Fund (NDF) expects to commit up to EUR 3,500,000 to this operation. The NDF resources listed in USD is only an estimated amount based on USD-Euro exchange rate of October 18, 2012 of 1.31. The final USD amount of NDF resources will be dependent on the exchange rate of the date when the resources are received by the Bank from NDF in Euros and converted into Dollars, pursuant to the terms of the agreement entered into NDF and the Bank. If a significant adverse movement in exchange rates reduce the amount of dollars contemplated in this budget from NDF's contribution, the activities contemplated in the project will be decreased appropriately.

² The counterpart contribution reflects counterpart resources required for the individual sub projects under component three. The amount represents 35% of NDF and MIF resources allocated for sub projects. The exact amount of local counterpart resources will vary depending upon the countries in which sub projects occur.

Objectives	The general objective of this Facility is to increase the climate resilience of MSMEs and the local communities in which they operate, while also increasing business opportunities for MSMEs in the region. The specific objective is to create new capacities, tools, business models and knowledge that enable MSMEs and their supporting ecosystems to reduce vulnerabilities to climate change and to seize related business opportunities.
Execution Timetable	60 months for Facility execution ³ from the date of first disbursement of funds under the Facility.
Special Contractual Conditions	Nordic Development Fund (NDF) funding will be subject to the separate approval by NDF's Board of Directors.
Exceptions to Bank Policies:	None.
Environmental and Social Review	The Committee on Environment and Social Impact reviewed the Project abstract on June 26, 2012. In accordance with the Bank's toolkit, this project has been classified as a category "C" operation.

³ Disbursements for individual sub projects under component three will continue beyond the execution period of the Facility, depending on the execution and disbursement periods of each project and their approval dates.

II. BACKGROUND AND JUSTIFICATION

A. CLIMATE CHANGE AND MSMEs IN LATIN AMERICA AND THE CARIBBEAN

- 2.1 **Climate change is a “threat-multiplier” that challenges the viability of micro, small and medium enterprises (MSMEs) and their economic and social ecosystems.** The rate of growth of greenhouse gases (GHGs) in the Earth’s atmosphere foreshadows a climate-constrained world, in which enterprises and local communities face higher average temperatures, more extreme weather events, greater variability in weather patterns and continued sea level rise. For the region overall, it is estimated that a 2 °C rise in average temperature will cause an estimated \$100 billion in annual damages, or about 2% of the region’s current GDP.⁴ Projected climate impacts in Latin America and the Caribbean include forest dieback and desertification, drought and declining water supplies, damage to coastal communities from extreme weather events and sea level rise, and falling agricultural production. The costs of climate adaptation are a small fraction of the total projected negative impacts of climate change in the region: one dollar invested in climate adaptation can offset several dollars of the potential economic costs associated with climate-related damages.⁵
- 2.2 **Climate change increases the costs of doing business and threatens local communities, livelihoods and traditional ways of life.** Climate-related events negatively impact energy and water security, productive structures and business assets, value chains, employee health, planning and location strategies, among a host of other factors affecting businesses. MSMEs are embedded in local communities and share with them economic, social and natural ecosystems. Communities often serve as markets for products, services and raw materials, sources of productive materials, services and infrastructure, and as a home to employees and their families. The vulnerability of local communities to climate change amplifies the climate threat facing enterprises, and vice versa.
- 2.3 **Women, the poor, the indigenous, and youth are among the most vulnerable groups to climate change.** For example, women comprise the majority of the world’s poor, have fewer economic resources, social benefits, and less political power than men, and are thereby constrained in their capacity to respond to environmental risks. Gender inequality has placed them on an uneven playing field in all sectors, and a lack of access to relevant information and resources highlight women’s vulnerability in the face of a crop failure or the loss of power for their small businesses or microenterprises. Moreover, women in rural

⁴ The Climate and Development Challenge for Latin America and the Caribbean: Options for Climate Resilient Low Carbon Development." Executive Summary. 2012 <http://events.iadb.org/calendar/eventDetail.aspx?lang=en&id=3557>.

⁵ The term climate adaptation refers to actions taken to reduce the vulnerability of human and natural systems to changing climates. Climate resilience, involves the capacity to adapt and organize in the face of climate change. Climate mitigation, on the other hand, involves actions taken to reduce greenhouse gas emissions through cleaner energy sources, greater energy efficiency or more sustainable use of forestry and land. Where these climate risks are successfully managed, climate vulnerability - or the degree to which a system or group is susceptible to or able to cope with the adverse effects of climate change – decreases. See Jean-Christophe Amad, P. Adams, H. Coleman, and R. Schuchard, 2011. *PREP: Value Chain Climate Resilience*, Acclimatize, Oxfam America, and BSR. Also see Downing, T.E. and A. Patwardhan, 2005: *Assessing vulnerability for climate adaptation*, in *Adaptation Policy Frameworks for Climate Change: Developing Strategies, Policies and Measures*, B. Lim, E. Spanger-Siegfried, I. Burton, E. Malone and S. Huq, Eds., Cambridge University Press, Cambridge and New York, 67-90.

areas often produce food for their families' consumption and for their livelihoods. A lack of critical climate-related information can greatly complicate any attempt to diversify their sources of income or of food for their families.⁶

- 2.4 In addition, climate change alters the natural ecosystems upon which enterprises and communities depend. Natural capital provides a range of vital ecosystem services for MSMEs and communities, such as clean water and air, raw materials and food from land, forests and oceans and rivers, protection from coastal erosion in the form of mangroves and wetlands, and the aesthetic assets upon which much tourism depends. Extreme weather events and incremental climate change alter the quality and availability of natural capital – including the land, water, forests, coastal zones, wetlands and biodiversity.
- 2.5 **Whether through systemic, incremental changes or abrupt extreme weather events, climate change challenges the viability of businesses of all sizes and in all sectors.** Agro-industry is confronted with changing weather patterns that affect crop choice, market prices, planting and harvesting decisions, irrigation and cultivation methods, and other production choices. Anchor firms and their supply chains, particularly in the food and agricultural sectors, are exposed to climate risks. All sectors, including tourism, manufacturing, construction, real estate, services and other sectors face varying degrees of climate-related threats to their assets and business continuity. This challenge increases the costs of doing business and going forward will frame decisions concerning the location of production and business assets.
- 2.6 **Climate risks now generate a growing demand for a wide range of goods and services and can contribute to green growth in LAC.** The drive for greater climate resilience is reflected in part by the local demand for goods and services related to the rise in extreme weather events.⁷ In LAC and other regions, heat waves, flooding, drought, wind damage, shifting precipitation and sea level rise generate the demand for construction and building repair services and supplies, new building codes and techniques, tailored weather services, new agricultural services and products (including new climate resistant seeds and crops, methods and products for tillage, irrigation, crop rotation, etc.), coastal zone management schemes, flood control and site drainage, air conditioning services, back-up power

⁶ At the same time, women possess deep local knowledge and expertise that can be leveraged in adaptation strategies. Empowering women is an important part of building climate resilience in many areas, ranging from disaster preparedness, to forest governance, to coping with drought among other challenges. However, climate change adaptation programs have often overlooked the roles and specific needs of women. In one documented case, an adaptation program led to increased workloads for poor women farmers, underscoring the need for vulnerable women to take the lead in formulating adaptation practices (N. Tandon. 2011. *Climate Change, Beyond Coping: Women Smallholder Farmers in Tajikistan*. http://www.oxfam.org.uk/resources/policy/climate_change/downloads/rr-climate-change-beyond-coping-women-smallholder-farmers-tajikistan-020611-en.pdf. A major lesson learned is that building climate resilience requires gender-attentive strategies for responding to human security needs in crises caused by climate change. See the United Nations WomenWatch. *Fact Sheet: Women, Gender Equality and Climate Change*. 2009, www.un.org; Food and Agricultural Organization of the United Nations. *Food Security and the Environment*. 2012, www.fao.org; Vandana Shiva. *Staying Alive: Women, Ecology, and Development*. New York: South End Press. 2010; Biodiversity, Gender, and Climate Change." *Convention on Biological Diversity*, 2010. www.cbd.int/climate/doc/biodiversity-gender-climate-change-en.pdf; IPCC. 2007. "Impacts, Adaptation and Vulnerability" <http://www.ipcc.ch>.

⁷ On the empirical rise in extreme weather in recent decades, particularly abnormally hot summers, see James Hansen, M. Sato and R. Ruedy, 2012. *Perception of Climate Change*. Proceedings of the National Academy of Science. <http://www.pnas.org/content/early/2012/07/30/1205276109.full.pdf>

generation systems, to name just a few services and products.⁸ This business is not typically accounted for under the labels “climate adaptation” or “climate resilience.” In practice, however, enterprises are the first line in the response to the climate threat for most people.

2.7 Business opportunities in climate adaptation and resilience will increase with the rise in extreme weather events and heightened climate variability. Some of the world’s most advanced companies are implementing measures to improve climate resilience and protect assets. Yet much of today’s climate-related business remains a reactive response to climate variability. Even insurance, a major risk management tool, pays for damages *after* they occur.⁹ With the anticipated increase in impacts from climate change, successful businesses and other stakeholders will shift from an “insure and rebuild” stance to a more proactive “preserve assets and increase resiliency” orientation in response to climate change. Further, some types of risks are likely to become economically unattractive to many insurers. As this occurs, demand will increase for a wide range of products and services needed by businesses, households and the public sector to build climate resilience.¹⁰ For MSMEs with the right business models, know-how and strategies, climate adaptation and resilience becomes a growing market with many new opportunities as climate threats evolve.

2.8 Climate mitigation and climate adaptation can sometimes be addressed together as part of the green economy. For example, mitigation efforts that sequester or reduce GHG emissions through the implementation of new agricultural and land practices (such as no-till agriculture), the protection of wetlands and mangroves, or the sustainable management of forests and watersheds, also promote climate adaptation. Controlled environments, such as greenhouse agriculture, are another adaptation response that can serve to reduce GHG emissions. Extreme weather threatens the supply and reliability of energy sources, driving energy efficiency measures and alternatives such as bioenergy that can lead to reduction in GHG emissions. PROADAPT and its partners will pursue these types of mitigation-adaptation “win-wins” wherever possible.

B. PROBLEM STATEMENT AND CAUSES

2.9 MSME assets and their local economic and social ecosystems face imminent threats from global climate change, and are ill-equipped to improve their resilience. The response of the great majority of MSMEs to climate change is largely reactive, focused on ex-post damages and overlooking new business opportunities. This reactive orientation raises the vulnerability of enterprises and increases business costs from damages to

⁸ Oliver Balch and Stephen Kenzie. 2012. *The Business of Adapting to Global Climate Change: A Call to Action*. <http://www.acclimatise.uk.com/login/uploaded/resources/Climate-Change-Adaptation-May2012.pdf>.

⁹ While some insurance policies incentivize practices that improve climate resilience, most insurance contracts are primarily focused on payments for losses *after* damages occur. In new parametric or index-based insurance products, payouts are not a function of actual losses but of indices that are highly correlated with losses. These types of insurance products have been piloted in small numbers in developing countries, and have shown promise in some cases, e.g. the Caribbean Catastrophe Risk Insurance Facility (CCRIF). For various reasons, successful pilots have yet to go to scale in developing countries. The Bank has a long track record of providing support to countries around natural disaster risk management, such as the Contingent Credit Lines for Natural Disasters

¹⁰ For an overview of the implications of the climate change for the private sector, see the National Roundtable on the Environment and the Economy. 2012. *Climate Prosperity; Advisory Report*. <http://nrtee-trnee.ca/wp-content/uploads/2012/04/cp5-advisory-report.pdf>; Nick Brooks, S. Anderson, 2011. “Tracking Adaptation and Measuring Development” <http://pubs.iied.org/pdfs/10031IIED.pdf>.

productive structures, business assets, supply chains, and distribution networks. Local communities, as part of MSME ecosystems, serve as a market for MSME products and services, a source of productive materials, and home to most employees and their families. The vulnerability of these local communities amplifies the climate threat facing enterprises, their employees, supply chains and other areas that affect their businesses.

- 2.10 There are several causes of this problem. First, there remain **significant uncertainties in the specific timing and magnitude of climate impacts**. These uncertainties complicate business decisions and perpetuate inaction. Second, most global efforts to address climate change have focused on climate change *mitigation*, or actions aimed at stabilizing global concentrations of greenhouse gases (GHG). But as an international agreement on reducing GHG emissions remains elusive, the negative impacts of climate change are increasing in Latin America and the Caribbean. Third, **most enterprises lack the information to identify climate threats or to understand their costs**, thereby hampering informed decisions.
- 2.11 Fourth, most research activities and technical support for climate adaptation in developing countries are directed by the public sector. From this perspective, private enterprise is often framed as a conduit for private finance, rather than as a source of new ideas or business models to help economies adapt. Fifth, another reason for the lack of a proactive adaptation response is a **widespread focus on risk transfer mechanisms (e.g. insurance) versus climate resilience**. Many businesses and other entities insure against extreme weather events, but exclusive reliance on this instrument can overlook cost effective risk management measures and opportunities for building resilience and preserving assets before damages occur. Finally, there is a **widespread lack of the knowledge and skills** needed in MSME framework institutions (e.g., private sector associations, local technical and training institutes, local consultancies, NGOs etc.) to help enterprises become more climate-resilient or to identify new opportunities related to adaptation.

C. THE PROPOSED FACILITY

- 2.12 This Facility aims to fill the knowledge and information gap on adaptation at the MSME level by increasing the climate resilience of MSMEs in selected sectors and the local communities in which they operate. Furthermore, it will enable MSMEs to capitalize upon business opportunities related to climate resilience in the green economy. The Facility will work with the framework institutions of MSMEs, such as chambers of commerce, producers' associations, training institutes and local public authorities. Priority beneficiaries of this Facility include women-owned and operated MSMEs and enterprises run by other traditionally excluded groups.
- 2.13 This Facility will expand awareness of the specific threats posed by climate change in selected sectors, and help to develop new tools, models, and the technical and market knowledge needed to help MSMEs, including women-owned and operated enterprises, become more climate-resilient and capitalize on new business opportunities.

- 2.14 The PROADAPT Facility will finance technical assistance sub-projects, collect knowledge and lessons learned from these projects, and support the development of new models, tools, and methodologies to assist MSMEs in becoming more climate resilient. In addition, this Facility will create a climate adaptation knowledge platform and network, AdaptAmericas, to share knowledge, models, methodologies and lessons learned and generate online content from PROADAPT. AdaptAmericas emphasize South-South collaboration and will be linked to the climate adaptation knowledge platform that INE/CCS and KNL are currently operating in the IDB, as well as to other climate portals, and will expand through partnerships with regional and non-regional MSMEs, technical and development institutions and other stakeholders in Africa and Asia.
- 2.15 **Complementary initiatives.** This Facility is globally unique in that it will focus on MSMEs' resilience and related business opportunities, leveraging lessons learned from recent MIF initiatives related to climate adaptation. These include the "Caribsave" project, a regional Caribbean initiative that assists MSMEs and communities in implementing climate adaptation plans, and work with the Entrepreneurship Center in Tabasco, where MIF helped 500 SMEs in the tourist, retail and food processing sector to improve their climate resilience. The MIF will also collaborate with other Departments of the Bank, such as CCS, RND, IFD, and country departments, and will share knowledge with other multilateral and bilateral organizations. The Bank has also financed a number complementary initiatives in the areas of climate adaptation and disaster risk management with which the Facility will seek to coordinate, leverage synergies and extract lessons learned whenever possible. Examples of complementary IDB operations include "Pilot adaptation measures to climate change in the water sector (BO-G1001)," and "Climate Change Modeling for Latin America and the Caribbean (RG-T1574)". In addition, the IDB has a long track record of providing support to countries around natural disaster risk management, such as the Contingent Credit Lines for Natural Disasters. The Facility will also collaborate and coordinate activities with the Adaptation Fund¹¹ as well as with National Adaptation Programs of Action (NAPAs) in countries where the Facility is operative.
- 2.16 **Demand for the Facility.** An empirical rise in extreme weather events, such as abnormally hot summers, droughts, floods, and shifting weather patterns threatens business assets and value chains, local communities, water, energy and food supplies and public health. These threats will drive increasing regional demand construction, building repair services and supplies, tailored weather forecasting and analytical services, new agricultural services and products, coastal zone management schemes, flood control and site drainage, air conditioning services, back-up power generation systems, among other services. Initial discussions with the private sector and their framework institutions reveal a high level of support for PROADAPT and its constituent components. Discussions with stakeholders have also helped to identify the high potential of quality project in several countries in Latin America and the Caribbean. In addition, the Facility will place an important emphasis on demand creation and raising awareness throughout its implementation.

¹¹ The Adaptation Fund was established to finance concrete adaptation projects and programs in developing countries that are parties to the Kyoto Protocol and are particularly vulnerable to the adverse effects of climate change. Over the past two years, the fund has dedicated more than US\$165 million to increase climate resilience in 25 countries around the world (see <http://www.adaptation-fund.org/about>).

- 2.17 **Gender.** Climate change exacerbates the costs of inequality confronting poor women and directly threatens their livelihoods and families. Gender inequality has placed women on an uneven playing field in all sectors, lacking equal access to credit, and to technical and business education. Extreme weather events underscore women's critical lack of access to the information and resources that they need when crops fail or when flooding knocks out the power to their small businesses or microenterprises. Moreover, many women in rural areas produce food for their families and for sale in informal markets, and often lack the means to diversify their sources of income or of food for their families.
- 2.18 **South-South Collaboration.** The Facility will seek to maximize opportunities to facilitate South-South collaboration and exchange and seize opportunities to transfer learning and replicate successful models under the Facility in Africa and Asia. The Facility contemplates organizing a series of roundtables and workshops with African and Asian partners in collaboration with the Nordic Development Fund.
- 2.19 **Contribution to the MIF Agenda.** This Facility will be important contribution to the MIF agenda on Climate Change Adaptation, approved in 2011 and the MIF's work to support green growth in LAC. It does so by seeking to produce and share knowledge, learning products, new business models, and to execute pilot projects for MSMEs and local communities in the area of climate change adaptation. The Facility establishes a rigorous approach to knowledge generation and sharing in Latin America and the Caribbean, and also with Asia and Africa.

III. BACKGROUND AND JUSTIFICATION

A. PROGRAM GOAL AND PURPOSE

- 3.1 The general objective of this Facility is to increase the climate resilience of MSMEs and the local communities in which they operate, while also increasing business opportunities for MSMEs in the region. The specific objective of this Facility is to create new capacities, tools, business models and knowledge that enable MSMEs and their supporting ecosystems to reduce vulnerabilities to climate change and to seize related business opportunities.
- 3.2 To achieve these objectives, the Facility will support the following components: (i) Development of a Climate Adaptation Action Plan, Promotion and Stakeholder Outreach; (ii) Development of business models and tools to help enterprises develop new business opportunities; (iii) Individual sub projects for building MSME climate resilience and related business opportunities; and (iv) Knowledge management and dissemination.

B. COMPONENTS AND ACTIVITIES

Component 1: Climate Adaptation Action Plan, Promotion and Stakeholder Outreach (MIF US\$ 216,000; NDF: US\$ 205,250).

- 3.3 The objective of this component is to establish the conceptual and operational framework for PROADAPT, to raise regional awareness of the Facility and to convene relevant regional and global stakeholders. This component expects to support the following

activities: (i) development of a Climate Adaptation Action Plan (CAAP) for MSMEs and their framework institutions (industry associations, technical and educational organizations etc., and local municipalities) that will serve as the conceptual blueprint for the roll out of the Facility; (ii) selection and hiring of a Facility coordinator, (iii) establishment of a baseline, M&E system, and impact metrics for beneficiaries, adjusted by enterprise size, sector and gender, (iv) the launching of awareness-raising, outreach and consultative activities, and (v) the development of promotional and outreach materials for the Facility.

- 3.4 The Climate Adaptation Action Plan (CAAP) that will be financed under this component will provide an overview of the region's likely target sectors for building climate resilience. The CAAP will be informed by the IDB Climate Change Action Plan, 2012-2015.¹² The potential priority sectors may include agriculture, especially small-scale commercial operations, small tourism enterprises and hotels, small-scale manufacturing, construction and real estate, information technology and forecasting services (such as climate data and early warning systems enterprises), water, waste and energy, and ecosystems-based and community-based adaptation, among others. The CAAP will also help to identify the major knowledge gaps related to climate adaptation and resilience in MSMEs, map out and analyse the role of MSME framework institutions in the Facility's target countries, including private sector associations, civil society and public authorities, and large corporations and their value chains.
- 3.5 Expected results. The expected results of this component are (i) a Climate Adaptation Action Plan, including the identification of targets sectors and value chains in the region, (ii) a Facility Coordinator hired and in place, (iii) identification of major knowledge gaps related to MSMEs and climate adaptation and resilience in the region, (iv) maps of MSME framework institutions and their roles in climate adaptation and resilience, (v) three regional consultative workshops, (vi) baseline and impact and results indicators developed for the Facility, and (vii) promotional and marketing materials.

Component 2: Development of business models and tools to help enterprises develop new business opportunities (MIF: US\$ 950,000; NDF: US\$ 500,000).

- 3.6 The objective of this component is to develop practical business models and tools to help MSMEs and their framework institutions anticipate and prepare for climate-related threats to their assets, value chains and local communities, to become more climate-resilient, and to exploit business opportunities in specific sectors, value chains and geographies. The expected activities under this component may include, among other activities, (i) specific market assessments to identify business opportunities related to climate adaptation in specific sectors; (ii) targeted sector and value chain SWOT (Strength, Weakness, Opportunity, Threat) analyses related to climate resilience and MSMEs; (iii) development of specific tools and business models needed to build climate resilience across enterprises, including tailored climate screening, climate proofing, and climate risk management tools, and IT solutions, among other instruments; (iv) value chain analyses on adaptation, (v) and the development of taxonomies for climate adaptation business models that enable women's

¹² See <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=36938123>.

MSMEs in selected sectors to assess, manage and prioritize financial, operational and strategic climate risks and business opportunities.

- 3.7 Expected results: (i) at least 5 models, tools and taxonomies developed to help MSMEs in developing countries to assess, manage and prioritize financial, operational and strategic climate risks and related business opportunities, and (ii) at least 8 targeted market assessments to identify business opportunities related to climate adaptation in specific sectors, value chains and geographies, (iii) at least two gender sensitive climate adaptation models developed for women-owned MSMEs.

Component 3: Individual sub projects for building MSME climate resilience and related business opportunities (MIF: US\$ 3,000,000; NDF: US\$ 3,000,000; Counterpart: US\$ 2,100,000).

- 3.8 The objective of this component is to finance individual projects to be implemented under the Facility. Of these projects, a minimum of two projects are expected to have a strong focus on women-owned or managed MSMEs. Projects will provide MSMEs with practical interventions (using grants and non-grant instruments) to help enterprises to improve resilience and reduce their vulnerability to climate threats. The expected number of individual sub projects will be 7 to 12 projects, though the exact number of projects will depend on the size of each individual project.
- 3.9 Projects and activities eligible for financing. The Facility will finance projects that implement and test new business models, tools and methodologies to help MSMEs and their framework institutions assess, manage and prioritize climate-related threats and opportunities and improve their resilience to climate change. The Facility will support the development of targeted climate vulnerability assessment methods, sector-specific climate proofing methods, decision frameworks for private sector adaptation planning, indicators for monitoring progress on resilience, and related activities. The tools will be implemented and tested through sub projects under the Facility to help MSMEs: (i) anticipate damage and build resilience to extreme weather events (including severe wind, flooding, and drought), (ii) assess and modify production practices in response to changing climates (e.g. shifting crops, irrigation methods, or planting schedules in the case of agro-industry), (iii) build climate-resilience in value chains, (iv) manage basic services interruptions (such as electricity and water), and (v) manage water at production sites, among a host of other interventions. In addition, the Facility will fund the implementation of business models and tools needed to develop opportunities resulting from the projected growth in demand for goods and services related climate resilience and adaptation.
- 3.10 Project selection and eligibility. Projects may be selected and identified through specific calls for proposals, the MIF online application, through MIF country offices, and through stakeholder networks. Project proposals will be selected and presented for eligibility to the MIF Management by the MIF's Access to Basic Services unit and taking into account inputs from the Facility's Advisory Committee whenever possible (see paragraph 5.3). Projects will be selected based on their contribution to the Facility's objectives, including the following criteria: (i) the potential impact on climate adaptation and climate resilience, (ii)

scalability, (iii) demonstration effect, (iv) the potential for replication in Africa or Asia, and (v) impact on the specific needs of poor and low income populations, and on traditionally excluded groups such as indigenous populations and women. For reimbursable financing operations under Component 3, the MIF will also apply additional eligibility criteria to include financial and technical considerations in project selection and eligibility.

- 3.11 Project Approval. Individual projects approved under Component 3 will require a non-objection from the corresponding beneficiary country or countries. Projects will follow standard distribution and approval procedures by the MIF Donors Committee.
- 3.12 Executing Agencies. Projects will be implemented by executing agencies. Types of executing agencies may include industry associations, technical organizations, NGOs, universities, private companies and local municipalities and public sector agencies in special cases.
- 3.13 Financing instruments. For MIF resources under Component 3, the Facility will be permitted to utilize all financing instruments and modalities permitted under Bank policies and the MIF II agreement, including technical cooperation, contingency recovery grants, investment grants and reimbursable financing, as appropriate on a project by project basis. NDF resources will always be non-reimbursable grants provided through a Project Specific Grant (PSG) mechanism.

Component 4: Knowledge Sharing and Dissemination (MIF: US\$ 348,500; NDF: US\$ 310,500).

- 3.14 This component will support a climate adaptation knowledge platform, AdaptAmericas, to share knowledge, models, methodologies and lessons learned from PROADAPT, as well as knowledge shared by stakeholders from other programs and businesses. AdaptAmericas will be linked to the INE/CCS climate adaptation platform, and will expand through key partnerships with regional and non-regional technical and development institutions, companies and other stakeholders, including in Africa and Asia. In addition, AdaptAmericas will organize regional workshops and an international knowledge roundtable in a donor country of the Nordic Development Fund. The Platform will support the creation of at least one knowledge product focused exclusively on woman-owned businesses and climate adaptation. This Facility will also incorporate other relevant sources of market data, such as Climatescope, GAIN, and the Climate Vulnerability Monitor, among other sources.¹³ Individual projects under component 3 will generate important learning and knowledge that will be important inputs for the AdaptAmericas platform. By the end of the execution period of the Facility, the MIF will seek opportunities to transfer the knowledge platform to local institutions in the region as a means of building local capacity and ensuring sustainability and regional ownership. In coordination with the Nordic Development Fund, the Facility will place particular emphasis in sharing knowledge and learning with key actors in Asia and Africa, as means to increase impact and facilitate South-South collaboration and exchange in this important area.

¹³ See Global Adaptation Institute Index of Climate Vulnerability <http://index.gain.org/>; and the Dara Climate Vulnerability Monitor <http://daraint.org/climate-vulnerability-monitor/climate-vulnerability-initiative/>.

- 3.15 Expected results. The expected results of this component are (i) the creation of AdaptAmericas as a platform for the dissemination and sharing of lessons learned, new data, online content, tools, business models and market information generated by PROADAPT related to the private sector, (ii) a climate adaptation blog for MIF staff and other global stakeholders to share information on climate resilience in the private sector, (iv) at least one knowledge product focused exclusively on woman-owned businesses and climate adaptation, (v) at least three case studies of MSMEs business models and new business opportunities in climate resilience; and (vi) two knowledge sharing roundtables and workshops for sharing results with Asia and Africa, and (iv) one international knowledge roundtable in a donor country of the Nordic Development Fund.

C. EXPECTED RESULTS

- 3.16 This Facility expects to achieve verified improvements (i) in the climate resilience of MSMEs and the local communities in which they operate, (ii) in the number of new climate-related business opportunities for MSMEs, and (iii) in the generation and dissemination of new knowledge, business models, and methods for assessing, managing and prioritizing climate-related threats and opportunities. Within the first component of the Facility, the Facility will develop detailed results metrics aimed at measuring improve climate resilience for MSMEs and improved business opportunities for MSMEs related to resilience solutions. For MSMEs participating in projects focused on improving climate resilience, metrics could include: reduced enterprise costs, increased enterprise profitability, improved resilience to climate variability and damages from extreme weather, reductions in work stoppages and interruptions, and declines in climate-related damages, interruptions, and costs associated with supply chains and distribution networks, among other metrics. For MSMEs in projects aimed at improving business opportunities related to climate resilience solutions, metrics could include: the number of new business models, tools and methodologies adopted, increased productivity, sales, and profitability, and the number of new clients, partnerships, alliances, among other metrics.

IV. COST, FINANCING AND SUSTAINABILITY

4.1 The Facility's estimated total cost is US\$ 11,685,000. The MIF will contribute US\$ 5,000,000 and will leverage the MIF's contribution with another US\$ 4,585,000¹⁴ from the Nordic Development Fund (NDF) and an estimated US\$ 2,100,000¹⁵ in local counterpart resources.¹⁶

¹⁴ The Nordic Development Fund (NDF) expects to commit up to EUR 3,500,000 to this Project. The NDF resources listed in USD is only estimated amount based on USD-EURO exchange rate of October 18, 2012 of 1.31. The final USD amount of NDF resources will be dependent on the exchange rate of the date when the resources are received by the Bank from NDF in Euros and converted into Dollars, pursuant to the terms of the agreement entered into NDF and the Bank. If a significant adverse movement in exchange rates reduce the amount of dollars contemplated in this budget from NDF's contribution, the activities contemplated in the project will be decreased appropriately

¹⁵ The counterpart amount only reflects the resources that will be mobilized under the individual projects under Component 3 of the Facility.

¹⁶ The Bank will create separate facilities for the MIF contribution and NDF PSG contribution with the Bank's systems. Both MIF and NDF resources will be used for the overall administration and for the financing of individual sub projects under Component 3. The Bank will ring fence resources within the separate MIF and NDF facilities for "individual projects" which will be submitted separately for approval by the Donors Committee.

- 4.2 **Nordic Development Fund (NDF).** NDF is an international development agency created by five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) that provides grant financing for climate change interventions in low-income countries. NDF's operations are financed from the development cooperation budgets of its member Nordic countries. Since 2010, NDF has greatly increased engagement with IDB as its primary channel of delivering development assistance to Latin America and the Caribbean.
- 4.3 NDF resources will be provided to the Bank through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGS)" (Document SC-114). As contemplated in these procedures, and in the "Cooperation Agreement between Nordic Development Fund and Inter-American Development Bank for the Cofinancing of Programs and Projects, dated as of October 2, 1994, amended and restated as of January 26, 2010" (Article IV, Section 6), the commitment from NDF will be established through a separate administrative arrangement. Under such arrangements, the resources for this project will be administered by the Bank and the Bank will charge an administrative fee of five percent (5%) of the contribution, which is duly identified in the budget of this Facility. The 5% administration fee will be set aside upon receipt and conversion of the NDF contribution from Euros to U.S. dollars.

FACILITY BUDGET IN US\$

Component	MIF	NDF	Counterpart	Total
COMPONENTE 1 Climate Adaptation Action Plan, Promotion and Stakeholder Outreach	\$216,000	\$205,250	\$0	\$421,250
Component 2 Development of business models and tools to help enterprises develop new business opportunities	\$950,000	\$500,000	\$0	\$1,450,000
Component 3 Individual sub projects for building MSME climate resilience and related business opportunities	\$3,000,000	\$3,000,000	\$2,100,000	\$8,100,000
Component 4 Knowledge Sharing and Dissemination	\$348,500	\$310,500	\$0	\$659,000
Facility Administration	\$60,000	\$340,000	\$0	\$400,000
Final Evaluation	\$50,000	\$0	\$0	\$50,000
Contingencies	\$118,245	\$0	\$0	\$118,245
SUB TOTAL	\$4,742,745	\$4,355,750	\$2,100,000	\$11,198,495
% of financing	42.35%	38.90%	18.75%	100.00%
IDB Administration Fee of NDF Resources (5%)	-	\$229,250	\$0	\$229,250
Impact evaluation account	\$237,255	\$0	\$0	\$237,255

Agenda account	\$20,000	\$0	\$0	\$20,000
GRAND TOTAL	\$5,000,000	\$4,585,000	\$2,100,000	\$11,685,000

- 4.4 With the Donors Committee approval of this operation, only the funds required for the “overall administration” of the Facility will be considered accessible at the time of approval, as reflected in the budget lines for Component 1, Component 2, Component 4, Facility Administration, Monitoring and Evaluation, Contingencies, Impact Evaluation Account, IDB Administration Fee of NDF Resources and Agenda Account. The MIF and NDF funds allocated for individual sub projects, as reflected in the budget line for Component 3, will only become accessible upon the approval of each individual sub project, which will be submitted separately for MIF Donors Committee approval within the execution period of the Facility.
- 4.5 **Sustainability.** This Facility will help MSMEs to assess, manage and prioritize climate - related threats and opportunities, and to support the development of new business models, tools, and market-related information related to climate resilience. The Facility will further support initiatives with anchor firms to raise the resilience of MSMEs in value chains. These activities will contribute to the widening and deepening of the market for goods and services related to climate resilience in the region, thereby spurring demand and fostering the sustainability of capacities and activities to be funded by this Program.

V. EXECUTING AGENCY AND MECHANISM

A. EXECUTING AGENCY

- 5.1 The Bank as the administrator of the Multilateral Investment Fund will be the executing agency of the Facility. A Facility coordinator will be hired and will be responsible for coordinating the overall administration of the Facility. Components 1, 2 and 4 of the Facility will be executed from MIF headquarters. Individual projects, to be funded through Component 3, will be designed by MIF staff with support from the Facility Coordinator and will be implemented by executing agencies. The Multilateral Investment Fund will be responsible for the supervision and implementation of NDF resources as a Project Specific Grant (PSG) contribution.

B. FACILITY EXECUTION AND ADMINISTRATION

- 5.2 The execution mechanism of future sub project approvals under the broader framework of a Facility will enable the MIF to leverage external funding from partners such as NDF. Further, it will more effectively generate and share knowledge and learning during execution, and systematically raise awareness and form strategic partnerships with stakeholders in the public sector, private sector and civil society.
- 5.3 **Facility Advisory Committee.** The Facility will establish an Advisory Committee to provide strategic direction, guidance, and support to overcome challenges and to ensure its success. Members of the Committee may include the Facility Coordinator, designated MIF

specialists from the Access to Basic Services Unit and country offices, Bank specialists from CCS, RND, and IFD, representatives from NDF and other external technical partners outside the Bank. The specific structure, composition and function of the Committee will be determined within the first year of implementation of the Facility.

- 5.4 **Procurement and contracting:** For the procurement of goods and the contracting of consulting services, the Facility will apply GN-2350-9 and any other relevant Bank policies and MIF guidelines in effect. For the contracting of individual consultants, the Facility will apply the human resources policies of the Bank. For the contracting of baseline assessments and impact evaluations, the Facility will apply the Bank's policies on Corporate Procurement. The initial procurement plan will apply to the execution period of the Facility for resources allocated for its overall administration, which may be updated annually or as needed by the Facility. At the individual project level, the MIF will apply the Diagnostic of Executing Agency's Needs (DNA) to the executing agencies of the individual sub projects to determine the appropriate procurement policies to apply in conformity with OP 639.

Facility Coordinator. A Facility Coordinator will be responsible for the timely and effective implementation of Facility activities. The Coordinator will be contracted to carry out activities related to the Facility that are considered additional to the responsibilities and/or expertise of MIF staff required for the successful implementation of the Facility. The Facility Coordinator will also be responsible for reporting activities to co-financing partners and other external and internal audiences.

VI. MONITORING, EVALUATION, AND KNOWLEDGE RETURN

A. MONITORING AND EVALUATION

- 6.1 **Monitoring and Evaluation.** The Facility Coordinator will be in charge of monitoring the overall administration and implementation of the Facility. The MIF supervision team leaders will be responsible for monitoring the progress and performance of individual sub projects under Component 3.
- 6.2 At the level of the Facility, at the end of the execution period, the MIF will hire an individual consultant to conduct a final evaluation of the Facility. This evaluation will measure: (i) the progress made in achieving the Facility's objectives and (ii) the overall performance of the Facility. The Facility final evaluation will summarize the findings of all individual project evaluations and will answer questions relevant to: (i) the effectiveness of climate resilience tools and methodologies in improving MSME climate resilience, (ii) effectiveness of new business models for capitalizing on MSME business opportunities, (iii) degree of effectiveness of new tools and models, (iv) degree of effectiveness of knowledge platform.
- 6.3 At level of individual sub projects, each project will develop an individual logical framework and will select specific impact and results indicators, in addition to the Facility impact and results indicators. Each Executing Agency will be responsible for presenting PSRs to the MIF within thirty (30) days after the end of each semester, and a final PSR within ninety (90) days after the end of the execution term. Each project to be financed through this Facility will establish a baseline to enable comparisons with data at project end

and beyond. The COFs responsible for the supervision of the individual projects will hire independent consultants to perform a final evaluation prior to the last disbursement for each project. The evaluation will review the performance and results of the projects based on indicators established in the logical framework and baseline. The executing agency will perform, with its own resources, an ex-post evaluation two years after project completion. In special cases, projects may be supervised from MIF Headquarters, which will be determined on a case by case basis.

- 6.4 **Results-based disbursement.** At the level of individual sub projects, project disbursements will be contingent upon the achievement of milestones, which will be agreed upon between the Executing Agencies of individual projects and the MIF along with their means of verification. Achievement of milestones does not exempt the Executing Agency from the commitment to reach the project's objectives. Under the modality of Performance and Risk-based Project Management, disbursements will be made through an advance of funds required for executing a project up to the first milestone. Subsequent disbursements will be made upon verification that milestones have been reached, as agreed to in the annual operational plan (POA). Also, project disbursements will comply with the requirements of the Financial Management Policy for IDB-financed projects-OP-273-2.
- 6.5 **Impact Evaluations of Sub Projects.** The MIF expects that at least one or more impact evaluations will be conducted for the sub projects under component 3 of this Facility. These will be determined and selected on a project by project basis. The evaluations will rely on: (i) a data collection instruments specifically designed for the projects to gather baseline and other socio-economic data and (ii) the monitoring and evaluation systems to be developed to measure progress among the beneficiary MSMEs. An experimental methodology may be applied in some cases.
- 6.6 **Financial Supervision of Individual Sub Projects.** The Executing Agency for each sub-project under Component 3 will establish and will be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of the IDB/MIF. Reviews of supporting documentation for disbursements will be conducted ex-post and on an annual basis. The IDB/MIF will contract independent auditors to carry out the ex-post reviews of procurement processes and of supporting documentation for disbursements. Ex post reviews will include an analysis of the Financial Statements that the executing agency should prepare as part of its financial management. The costs associated with this contract will be financed with the MIF contribution resources according to the IDB procedures. During project execution, the frequency of ex post reviews for procurement processes and supporting documentation for disbursements as well as the need for additional financial reports can be modified by the MIF based on the results of the ex post review reports conducted by external auditors during the project execution.
- 6.7 **Closing Workshop.** At least four (4) months before the end of the execution period, a Closing Workshop will be organized with the participation of the Nordic Development Fund, the beneficiaries, IDB/MIF personnel, sector representatives, and any other staff to be agreed upon by the IDB/MIF, to jointly evaluate Facility outcomes, identify additional tasks to ensure the sustainability of actions initiated under the Project, and identify lessons learned.

VII. FACILITY BENEFITS AND RISKS

A. Facility Benefits

- 7.1 This Facility provides benefits in the form of greater climate resilience for MSMEs and the local communities in which they operate, and enhanced capacities for obtaining new business opportunities related to climate resilience. Enterprises owned or operated by women and other traditionally excluded groups are priority beneficiaries in this Program. MSME framework institutions, including selected local public authorities, will also receive greater awareness and knowledge on climate resilience in MSMEs.

B. Risks

- 7.2 The following risks have been identified: (i) **Risk 1: Demand-Side Risk** - Uncertainties in projecting the exact *timing* and *magnitude* of climate carry the risk that some MSMEs might remain inactive, preferring instead a “wait-and-see” approach in the face of climate change. **Mitigating Action 1:** A rise in extreme weather events across the globe, along with many incremental changes in climate, confirm what many MSMEs and local communities have informally observed: the weather is not what it used to be.¹⁷ Targeted awareness-raising, using timely information presented in the language of business, with an introduction to practical business tools for assessing, managing and prioritizing climate risks and business opportunities will help to mitigate this risk; (ii) **Risk 2: Perceptions of Costs and Payoffs** - There is a perception among some enterprises that reducing the risks of climate change will entail high up-front costs with uncertain, longer-term benefits. **Mitigating Action 2:** This risk can be mitigated through the use of practical business tools and methods that demonstrate the economic case for increasing the resilience of assets and incorporating climate considerations in business strategies; (iii) **Risk 3: Maladaptation Risks** – Maladaptation risks occur when actions to promote adaptation lead to an unintended increase in climate vulnerability over the longer run, such as drainage systems that worsen flood exposure elsewhere, or beach erosion schemes that serve to exacerbate shoreline loss. **Mitigating Action 3:** This Facility will support targeted site analysis and other measures to ensure that projected interventions do not worsen climate risks; **Risk 4: Financial Risk:** For operations under component 3 that use reimbursable financing instruments, there will be inherent risks related to financial performance and repayment of the loan or investment. **Mitigating Action 4:** As in all MIF reimbursable operations, the MIF will apply proper due diligence and financial and technical analysis of these operations.

VIII. Environmental and Social Aspects

- 8.1 This Facility will support sub-projects that provide training and technical assistance to promote climate adaptation and resilience in MSMEs and the communities in which they operate. The Facility will also support the development of new business models and tools to facilitate new climate-related business opportunities for MSMEs. In accordance with the Bank’s toolkit, this project has been classified as a category “C” operation.

¹⁷ Hansen, Sato and Ruedy, 2012. *op.cit.*

PROADAPT

RG-M1019

Logical Framework

Objectives			
Outcomes	Indicators	Means of Verification	Risks
<p>Goal</p> <p>Improve the resilience of MSMEs and communities in LAC to the impacts of global climate change</p>	<p><u>For improved climate resilience</u></p> <ul style="list-style-type: none"> - Number of MSMEs demonstrating improved climate resilience against initial baseline (methodology and target to be determined in year 1 of project implementation) <p><u>For new business opportunities</u></p> <ul style="list-style-type: none"> - Total sales (US\$) of climate-related products and services from MSMEs in LAC 	<p>Final Evaluation</p> <p>PSRs and final evaluations of projects</p>	<ul style="list-style-type: none"> - MSMEs are interested in incorporating adaptation into business plans - It is possible to develop a methodology to measure reductions in climate vulnerability
<p>Purpose</p> <p>Create new capacities, tools, business models and knowledge that enable MSMEs and their supporting ecosystems to reduce vulnerabilities to climate change and to seize related business opportunities</p>	<ul style="list-style-type: none"> - Approximately 10 sub projects on adaptation for MSMEs (number depending on size of sub projects) - At 50 MSMEs offering climate related products and services - An estimated 2,000 MSMEs demonstrating improved climate resilience against initial baseline (methodology and target to be 	<p>Final evaluation of the Facility</p> <p>PSRs and final evaluations of projects</p>	<p>MSMEs are interested in incorporating adaptation into business plans</p> <p>It is possible to develop a methodology to measure reductions in climate vulnerability</p>

	<p>defined in year 1 of project implementation)¹</p> <ul style="list-style-type: none"> - At least 10,000 MSMEs in LAC incorporating climate impacts into business decision-making (methodology and target to be defined and adjusted in year 1 of project implementation) 		
Components			
Outputs	Indicators	Means of Verification	Assumptions
Component 1			
Program Preparation and Awareness Raising	<p><u>At month 12</u></p> <ul style="list-style-type: none"> - Climate Change Adaptation Plan Complete - Launch workshop completed - Promotional and marketing materials completed - Development of program impact indicators and M&E system completed - At least 1 awareness and consultative workshops held <p><u>At month 30</u></p> <ul style="list-style-type: none"> - At least 3 awareness and consultative workshops held 	<ul style="list-style-type: none"> - Baseline report - ToRs of Program Coordinator - Participant lists of workshops - Program indicators - Mid-term and final evaluation 	<ul style="list-style-type: none"> - The action plan accurately identifies key areas of intervention - It is possible to establish a baseline
Component 2			
Practical Tools and Business Models	<p><u>At the end of the project:</u></p> <ul style="list-style-type: none"> - At least 5 models, tools and taxonomies developed to help MSMEs in developing countries to assess, manage and prioritize financial, operational and strategic climate risks and related business opportunities, 	<p>Final report and evaluation of the round table</p> <p>Final report containing systematize knowledge and</p>	<ul style="list-style-type: none"> - New tools and business models are relevant to MSMEs and can be adopted and scaled

¹ Component 1 of the Facility will support the development of methodological tools and impact indicators for measuring reduction in climate vulnerability. The specific indicator and means of measuring reduced vulnerability may vary according to each sub project and even each beneficiary.

	<ul style="list-style-type: none"> - At least 8 targeted market assessments to identify business opportunities related to climate adaptation in specific sectors, value chains and geographies, - At least two gender sensitive climate adaptation models developed for women-owned MSMEs. 	<p>learning from the project</p> <p>Train the trainers curriculum</p> <p>Report and evaluation of the dissemination activities from Train the trainers</p> <p>Reports on beneficiaries from M&E system</p>	
<p>Component 3</p> <p>Pilot Projects on Climate Adaptation</p>	<p><u>At month 12</u></p> <ul style="list-style-type: none"> - At least 1 pilot project approved <p><u>At month 24</u></p> <ul style="list-style-type: none"> - At least 4 pilot project approved - At least one pilot project focused on women and adaptation <p><u>At month 36</u></p> <ul style="list-style-type: none"> - At least 5 pilot projects approved - At least one pilot project focused on women and adaptation <p><u>At month 48</u></p> <ul style="list-style-type: none"> - At least 10 pilot projects approved or USD 6 million in MIF and NDF resources approved for sub projects 	<ul style="list-style-type: none"> - PSRs - Project mid-term and final evaluations - Donors Memoranda 	<ul style="list-style-type: none"> - MIF can approve 10 project on adaptation - Projects will reach the objectives and results
<p>Component 4</p> <p>Knowledge Sharing</p>	<p><u>At the end of the project</u></p> <ul style="list-style-type: none"> - At least 5 partner organizations are members in the platform - At least 3 knowledge transfer and sharing activities with actors in Africa or Asia - - Knowledge and learning systematized and converted into off-the-shelf develop solutions, 	<p>AdaptAmericas Website</p> <p>Final Evaluation</p>	<ul style="list-style-type: none"> - Partner organizations are interested in joining the platform - Models developed under the Facility will be relevant for actors in Asia and Africa

	including manuals, training methodologies, project design, market studies, etc		
Activities			
Activities	Indicators	Means of Verification	Assumptions
Component 1 – Facility Set up and promotion <ol style="list-style-type: none"> 1) Hire Facility Coordinator 2) Climate Adaptation Action Plan 3) Baseline and Metrics 4) Program Launch and Consultative workshops 5) Promotion and marketing 	<ul style="list-style-type: none"> - Coordinator hired (month 6) - CAAP completed (month 12) - Baseline and indicators established (month 6) - Launch event and 3 consultative workshops completed (month 18) - Promotional and marketing materials developed (month 6) 	<ul style="list-style-type: none"> - ToRs - Final CAAP report - Report on Baseline and Indicators - Participant lists from Launch event - Promotional and marketing materials 	<ul style="list-style-type: none"> - The action plan accurately identifies key areas of intervention - It is possible to establish a baseline
Component 2 – Development of new tools and business models <ol style="list-style-type: none"> 1) Sector and geographic SWOTs 2) Adaptation and value chain assessments 3) Business opportunity identification 4) Risk management and climate proofing tool development 	<ul style="list-style-type: none"> - At least 4 Sector and geographic SWOTs completed - 2 value chain assessments carried out - At least 2 studies on climate adaptation business opportunities completed - At least 1 climate proofing tool developed 	<ul style="list-style-type: none"> - Final reports - Final program evaluation 	<ul style="list-style-type: none"> - That new tools and models developed by the facility will be adopted by MSMEs
Component 3 – Pilot Projects <ol style="list-style-type: none"> 1) Design and implementation of pilot project 	<ul style="list-style-type: none"> - At least 10 project approved or USD 6 million in MIF and NDF resources approved for sub projects 	<ul style="list-style-type: none"> - Donors memoranda 	<ul style="list-style-type: none"> - MIF is able to originate and approve 10 projects

<p>2) Project design and preparation</p>			
<p>Component 4 Knowledge Sharing</p> <ol style="list-style-type: none"> 1) Creation of AdaptAmericas 2) Knowledge-sharing workshops and events 3) Systematization of knowledge and learning 4) Closing workshop 	<ul style="list-style-type: none"> - AdaptAmericas platform is operational - At least 4 knowledge sharing events and workshops attended or organized - Knowledge and learning from program systematized and uploaded into AdaptAmericas - Closing workshop completed 	<ul style="list-style-type: none"> - The website - Participant lists - Systematized learning material - Final evaluation 	<p>AdaptAmericas will generate relevant content</p> <p>People will attend knowledge sharing events</p>

PROADAPT

October, 2012

Componentes	Unit	Unit Cost	Quantity	Project Total	MIF	NDF	Counterpart		
							Cash	In-kind	Total Counterpart
COMPONENTE 1 Climate Adaptation Action Plan, Promotion and Stakeholder Outreach				421,250	216,000	205,250			
1.1 Selection and Hiring of Program Coordinator						\$ -			
1.2 Climate Change Adaptation Plan						\$ -			
1.2.1 International consulting firm	lump sum	205250	1	\$ 205,250		\$ 205,250			
1.3 Baseline and Impact Metrics						\$ -			
1.3.1 Baseline and M&E consultancy or firm	lump sum	60000	1	\$ 60,000	\$ 60,000	\$ -			
1.4 Program launch and consultative workshops						\$ -			
1.4.1 Launch workshop		30000	1	\$ 30,000	\$ 30,000	\$ -			
1.4.2 Consultative workshops		12000	3	\$ 36,000	\$ 36,000	\$ -			
1.5 Promotional and marketing materials						\$ -			
1.5.1 Promotional events		40000	1	\$ 40,000	\$ 40,000	\$ -			
1.5.2 Participation in external events		30000	1	\$ 30,000	\$ 30,000	\$ -			
1.5.3 Promotional materials		20000	1	\$ 20,000	\$ 20,000	\$ -			
Component 2 Development of business models and tools for building climate resilience and new businesses opportunities				1,450,000	950,000	500,000			
2.1 Sector and Geographic SWOTS		100000	5	\$ 500,000	\$ 500,000	\$ -			
2.2 Adaptation and Value chain assessment (3 value chains)		100000	2	\$ 200,000		\$ 200,000			
2.3 Business opportunity identification for MSMEs and invention model		150000	4	\$ 600,000	450,000	\$ 150,000			
2.4 Risk management and climate proofing tool development		150000	1	\$ 150,000		\$ 150,000			
Component 3 Individual projects for building MSME climate resilience and related business opportunities				\$ 8,100,000	\$ 3,000,000	\$ 3,000,000	\$ 1,050,000	\$ 1,050,000	\$ 2,100,000
2.2 Pilot projects						\$ -			
2.2.1 Implimentation of pilot projects (avg. 10 projects at \$600 k each)		600000	10	\$ 8,100,000	\$ 3,000,000	\$ 3,000,000	1,050,000	1,050,000	2,100,000
Component 4 Knowledge Sharing and Dissemination				659,000	348,500	310,500	325,500		
4.1 Creation of AdaptAmericas									
4.1.1 Platform design and set up	lump sum	100000	1	\$ 100,000	\$ 100,000	\$ -			
4.1.2 Admin Support and Content maintenance (local intern/junior consultant)	month	4000	36	\$ 144,000	\$ 144,000	\$ -			
4.2 Knowledge sharing Workshops and Events									
4.2.1 Regional Knowledge Sharing Workshops	lump sum	15000	3	\$ 45,000	\$ 45,000	\$ -			
4.2.2 Knowledge exchange roundtables in Africa and/or Asia (3 total, beginning at year 2)	lump sum	65000	3	\$ 195,000		\$ 195,000	325,500		
4.2.3 Local consultant to support logistics and organization	lump sum	18500	3	\$ 55,500		\$ 55,500			
4.3 Systematization of Knowledge and Learning									
4.3.1 Consultant to systematize knowledge and case studies	months	5500	5	\$ 27,500	\$ 27,500	\$ -			
4.3.2 Publication, formatting, printing	lump sum	15000	1	\$ 15,000	\$ 15,000	\$ -			
4.3.3 Translation (english, french and spanish)		15000	1	\$ 15,000	\$ 15,000	\$ -			
4.3.4 Systematization of Knowledge and Learning	lump sum	2000	1	\$ 2,000	\$ 2,000	\$ -			
4.4 Closing workshop in Helsinki									
4.4.1 Event Organization		30000	1	\$ 30,000		\$ 30,000			
4.4.2 Travel (LAC, Asia, Africa)		30000	1	\$ 30,000		\$ 30,000			
Project Administration				400,000	60,000	340,000			
Project Coordinator		85000	4	\$ 340,000		\$ 340,000			
Travel		15000	4	\$ 60,000	\$ 60,000	\$ -			
Evaluations, Audits and Contingencies				168,245	168,245				
Final Program Evaluation		50000	1	\$ 50,000		\$ 50,000			
Contingencies		118,245	1	\$ 118,245	\$ 118,245				
SUB TOTAL				11,198,495	4,742,745	4,355,750	1,375,500	1,050,000	2,100,000
IDB Administration Fee of NDF Resources (5%)		5%	1	229,250		-	229,250		
Impact evaluation account		5%	1	\$ 237,255	\$ 237,255				
Agenda account		20,000	1	\$ 20,000	\$ 20,000				
GRAN TOTAL				11,685,000	5,000,000	4,585,000	1,375,500	1,050,000	2,100,000

MIF	42.8%
NDF	39.2%
Counterpart	18.0%

Project Title: PROADAPT
 Operation Number: RG-M1223

QUALITY FOR EFFECTIVENESS IN DEVELOPMENT (QED)

Instructions:

Fill the orange cells of the "Project Score column" with a score from 0 to 2 where:

- 0 = No aligned/ No compliant/ False
- 1 = Partially aligned/ Partially compliant/ Ambiguous
- 2 = Aligned /Compliant/ True

DIMENSIONS	Project Score from 0-2	COMMENTS
Dimension 1. MIF Strategic Development Objectives – Area Rating	7.40	
Access Framework		
<i>Access Area (Only one option can be selected)</i>		
Access to Finance	0	
Access to Markets and Capabilities	0	
Access to Basic Services	2	
Special Topic: Haiti	0	
<i>Relation to the Agenda's Objectives</i>		
There is a causal relation between project objective and the agenda's objective.	2	
The project has potential for scalability after execution	2	
<i>Specific benefits for women</i>		
The project has specific benefits for women	1	
<i>Specific benefits for the environment</i>		
The project has specific benefits for the environment (GHG reduction, water savings, conservation, biodiversity)	2	
Relation to the MIF Objectives		
Target 1: Private Sector Development		
Innovation	2	
Creating Markets and Adding Market Players	2	
Entrepreneurship	2	
Building Private Institutional Capacity	2	
Technology & Human Capital	2	
Higher Standards of Corporate Governance	1	
Strengthening Legal and Regulatory Framework	1	
Development of financial institutions and financial markets	1	
Improved access to basic services	1	
Target 2: Targeting the poor		
The project will be implemented in a region with a high incidence of poverty (<i>poverty map resources</i> http://mif.iadb.org/poverty/home) or target beneficiaries from the poor strata	1	
Dimension 2. Additionality- Area Rating	9.00	
MIF non-financial contribution is critical for developing the project.	2	
MIF financial contribution is critical for developing the project (there is little or no alternative funding)	2	
MIF participation will mobilize counterpart funding that otherwise won't be available	2	
MIF participation will likely improve project structure by providing technical advice, institutional credibility and/or lessons learned/best practices from other MIF projects	2	
MIF participation will likely strengthen the institution(s) directly involved with the project	1	
Dimension 3. Project Diagnosis – Area Rating	9.00	
Diagnostic of the problem		
The problem or need that the project attempts to address has been clearly identified in consultation with stakeholders (borrowers, executing agencies, male and female beneficiaries, other interested parties)	2	
The causes of the problem, their interrelationships and magnitudes are clearly identified	2	
Proposed Solution		
The proposed solution is logically connected and related to the magnitude of the problem	2	

Relevant lessons learned from previous similar interventions in this country or other country (PSRs, ASRs, mid-term evaluations, final evaluations or other evaluation document) are taken into consideration	1	
Evidence is provided as to the effectiveness of the intervention proposed based on experience in other settings, or previous experience in the same setting	1	
Dimension 4. Logical Framework Quality - Area Rating	7.00	
The desired impact of the project is clearly stated in the logic framework	2	
The result of the project contributes to the achievement of the impact and is clearly stated in the logic framework	2	
The components contribute to the achievement of the results and include the necessary outputs to attain the purpose	2	
The activities contribute to the achievement of the outputs	2	
A baseline value or a predetermined starting point has been identified for each relevant indicator, as well as intermediate values, target values and sources of data or a plan for collecting them	0	
Indicators are SMART (Specific, Measurable, Achievable, Realistic and Time-Bound)	1	
The source, or means for collecting data (for outcomes, outputs and activities) actually exist, either with the executing agency or in any other external or internal source	1	
The assumptions needed for the execution of the project and the achievement of the objectives have been identified	2	
Dimension 5. Risks – Area Rating	10.00	
The experience and the skills of the executing agency have been evaluated	2	
The risks for the execution of the project and the achievement of the objectives have been identified	2	
All risks have identified proper mitigation measures which can be tracked during project implementation	2	
Compliance with IDB environmental/social policies	2	
Dimension 6. Monitoring & Evaluation, and Strategic Communication	7.50	
Monitoring & Evaluation		
Monitoring mechanisms have been planned and budgeted	1	
The project has an evaluation plan	1	
The evaluation questions are defined	1	
The evaluation type/ methodology is defined	0	
Results potential	2	
Impact Potential	2	
Knowledge Sharing & Communication		
The audiences and the desired action of the audiences as a result of the communication strategy have been identified	2	
The message and the communication channels that the communication strategy will convey are clearly defined and appropriated according to the different audiences identified	2	
The knowledge sharing products are defined and appropriate to the different audiences	2	

PROJECT TOTAL SCORE

8.32

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-___/12

Regional. Nonreimbursable Technical Cooperation ATN/ME-____-RG and ATN/NV-____-RG
PROADAPT: Regional Facility for Building Climate Resilience
in MSMEs in Latin America and the Caribbean

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-___ with respect to technical cooperation for PROADAPT: regional facility for building climate resilience in MSMEs in Latin America and the Caribbean.

2. That up to the amount of US\$5,000,000 or its equivalent in other convertible currencies, chargeable to the resources of the Multilateral Investment Fund and that up to the amount of EUR\$3,500,000 or its equivalent in other convertible currencies, chargeable to the resources of the Nordic Development Fund, shall be authorized for the purpose of this resolution.

3. That the above-mentioned sums are to be provided on a nonreimbursable basis.

(Adopted on _____ 2012)