

# TC Document

## I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Knowledge Generation and IDB Group Synergies for Bioeconomy in the Amazon region
▪ TC Number:	RG-T4624
▪ Team Leader/Members:	Hincapie Salazar, Daniel (CSD/ACU) Team Leader; Lesenfants, Yves (CSD/ACU) Alternate Team Leader; Hansmann Johanna Paola (CSD/ACU); Mendoza Benavente, Horacio (LEG/SGO); Oviedo Ailen Andrea (CSD/ACU); Adam Mehl (CSD/ACU); Persson, Svante P. (LAB/DIS); Giles Alvarez, Laura (CAN/CCO); Licht Tellez Vanessa (CSD/ACU); Juarez Olvera, Mariel (CSD/CCS); Santa Pena, Camilo Andres (CSD/CCS); Fenoglio Cornet, Macarena Del Carmen (CSD/ACU); Conde Nina Amancaya Briseida (CSD/ACU); Castilla, Melanie (CSD/CSD); Bosch Mossi, Mariano (VPS/VPS); Caicedo Sierra, Miguel Felipe (ORP/GCM); De Carvalho Pacheco E Silva, Thomaz; Garcia Alba, Jaime De Carvalho Pacheco E Silva, Thomaz; Garcia Alba, Jaime De Carvalho Pacheco E Silva, Thomaz; Garcia Alba, Jaime De Carvalho Pacheco E Silva, Thomaz; Garcia Alba, Jaime Garcia Alba, Jaime (DSP/SPK); De Carvalho Pacheco E Silva, Thomaz (DSP/CAT)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	16 Sep 2024.
▪ Beneficiary:	Brazil, Colombia, Ecuador, Guyana, Peru, Suriname
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Green Climate Fund(GRN)
▪ IDB Funding Requested:	US\$1,450,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	11/08/2024
▪ Types of consultants:	Individual consultants and firms
▪ Prepared by Unit:	CSD/ACU-Amazon Unit
▪ Unit of Disbursement Responsibility:	CSD/ACU-Amazon Unit
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	N/A
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Environmental sustainability

## II. Objectives and Justification of the TC

**2.1 Objectives.** Based on the activities financed with the GCF Amazon Bioeconomy Fund<sup>1</sup>, the objective of this TC is to generate and disseminate knowledge from bioeconomy operations and evaluations in Amazonia, to facilitate synergies within the IDB Group and other relevant stakeholders. The specific objectives are: (i) develop

<sup>1</sup> For contextual information, including additional details about the GCF Amazon Bioeconomy Fund, bioeconomy, and territorial scope, types of operations and evaluations, see <https://www.greenclimate.fund/project/fp173>.

periodic reports that allow evaluating the progress and achievements of interventions in Amazonia in the context of Fund operations; (ii) systematically collect information to support the execution of activities that value bioeconomy value chains and services in a local and at the regional level; and (iii) generate knowledge products that allow identifying the challenges, needs, and lessons learned from those interventions, to empower stakeholders, decision-makers and local communities.

- 2.2 **Justification.** The Amazon region is highly vulnerable to climate change because of its direct exposure to climate risks, its high sensitivity to such risks, and its low adaptive capacity. Global warming may induce a higher frequency of extreme climate events and fires, directly impacting forests and agricultural productivity. In parallel, changes in land-use linked to unsustainable practices in agriculture and other land-use are a primary cause of forest loss, exacerbating the degradation of Amazon ecosystems and global climate.
- 2.3 Because of the Amazon's diverse biological, land, and water resources, the bioeconomy provides a robust framework for promoting sustainability and transforming the Agriculture, Forestry, and Other Land Uses (AFOLU) sector. Shifting to business models and technologies that sustainably use natural capital and forest assets can contribute to lowering the impacts of climate change, reducing greenhouse gas (GHG) emissions, and increasing the region's resilience. In this context, the Amazon Bioeconomy Fund: Unlocking private capital by valuing bioeconomy products and services with climate mitigation and adaptation results in the Amazon (hereinafter: "the Fund"), a program financed by the Green Climate Fund (GCF), was approved in September 2022, whose accredited entity is the Inter-American Development Bank (IDB). It has an implementation period of 7 years.
- 2.4 With a regional, multi-stakeholder approach, including investors, banks, project developers, producers, and specialized advisory institutions, the Fund focuses on enabling the conditions to increase the flow of private funds to bio-businesses that can reduce the impact of climate change, safeguard local livelihoods and promote more inclusive development. It addresses some of the most critical barriers specifically faced by bio-businesses to encourage private investment, namely risks of lending to bio-businesses, immature capital, and financial markets, weak institutional environment for bio-business development, lack of standardized frameworks to monitor biodiversity impacts, and knowledge and capacity gaps. The beneficiary countries of the Fund (and consequentially, of this TC) are Brazil, Colombia, Ecuador, Guyana, Peru, and Suriname.
- 2.5 The Fund is in its second year of implementation, with several projects already under execution and preparation. At the end of the first full calendar year of 2023, there were 37 operations in its portfolio, among them 27 in the execution stage and 10 in the preparation stage. The number of operations in the portfolio is expected to almost double by the end of 2024. Evidence-based measurement and evaluation activities are crucial to allow for early identification of any issues, challenges, or gaps in program implementation. This enables timely adjustments and course corrections to ensure that the Fund stays on track to achieve its intended objectives over the remaining years of implementation. It is also an opportunity to demonstrate the Fund's progress and achievements. This evidence is valuable for building confidence among IDB operational teams and stakeholders, including donors, partners, and beneficiaries, that

bioeconomy interventions are making meaningful contributions and are worth continuing investment and support. It demonstrates a commitment to accountability and transparency, enabling robust long-term impact assessment.

- 2.6 Indeed, numerous bioeconomy projects in Amazonia face critical knowledge gaps that hinder their effectiveness and sustainability. These gaps include uncertainties about ecosystem resilience to economic activities, socio-economic impacts on indigenous communities, bioeconomy [definition](#) and [conceptualization](#), and the integration of traditional knowledge with modern bioeconomic practices. To address these challenges and optimize the impact of bioeconomy investments, there is a compelling need to generate comprehensive knowledge products that integrate lessons learned from ongoing and past projects. By socializing this knowledge among the IDB Group, stakeholders, from local communities and policymakers to investors and development agencies, it can foster informed decision-making and mitigate risks associated with new initiatives. This documentation is crucial for scaling successful practices, avoiding pitfalls, and ensuring that bioeconomy investments align with environmental sustainability and socio-economic inclusivity goals. Also, successful case studies and evidence-based insights can attract financial support by demonstrating viable business models and creating an enabling environment for bioeconomic innovation.
- 2.7 With the launch of the IDB Group's new Institutional Strategy in May 2024, [IDBImpact+](#), the IDB Group aims to unify the work of IDB, IDB Invest, and IDB Lab to increase the impact, value, and scale of results. To this end, several ambitious and innovative programs are being implemented. The Amazonia Forever program is one of them, aiming to leverage the synergies of the IDB Group to accelerate sustainable, inclusive, and resilient development in the Amazon region. For example, IDB Lab is already supporting the innovative ecosystem in Amazonia, while IDB Invest is building its strategy towards private sector projects aligned with the objectives of Amazonia Forever. Therefore, this TC will generate knowledge that can support the IDB Group through knowledge transfer for bioeconomy action in the Amazon region. The GCF Fund has IDB Lab as one of its Executing Entities, and IDB Invest can build on specifically the interventions on PPP and financial intermediation towards biobusinesses. Therefore, IDB, IDB Lab, and IDB Invest can all gain from this TC in different ways. It will not only support synergy strategies between IDB, IDB Lab, and IDB Invest but also facilitate and socialize knowledge among country offices and representatives.
- 2.8 **Beneficiaries.** The main direct beneficiaries of this TC are public sector officials from governmental entities, local development institutions, and other relevant actors responsible for the promotion of bioeconomy in the Amazonian territories. The direct beneficiaries of this TC are biobusinesses and members of their value chains, including clients, that will benefit from identification, dissemination and implementation of best practices in the relevant sectors in Amazonia.
- 2.9 **Strategic Alignment.** This TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objectives of: (i) reducing poverty and inequality; (ii) addressing climate change; and (iii) bolstering sustainable regional growth, since it contributes to improving the protection of Amazonian forests and ecosystems, and the development of the bioeconomy. This TC is also aligned with the operational focus areas of: (i) biodiversity, natural capital, and climate action; (ii) productive development and innovation through the private sector;

and (iii) regional integration. It aligns with IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy (GN-2609-1), by targeting activities that reduce GHG emissions, enhance carbon stocks, and/or increase resilience, and relates to at least two Sector Framework Documents (SFD): (i) Environment and Biodiversity SFD (GN-2827-8); and (ii) Climate Change SFD (GN-2848-13). It is part of the Amazonia Forever Program through the pillars of People, Sustainable low-carbon agriculture and forestry, and Bioeconomy, as well as the transversal areas of Women, youth, Indigenous peoples, afro-descendants and local communities' inclusion, and Climate, biodiversity, and forest conservation. The TC is also aligned with the IDB Group Climate Change Action Plan 2021-2025 (GN-2848-9) in the areas of adaptation and mitigation and is consistent with the Amazon Bioeconomy Fund–Program with the Green Climate Fund (GRN) (GN-3081-1). Finally, this TC is consistent with the Country Strategies of TC beneficiary countries that prioritize sustainable and inclusive development of Amazonia - Brazil 2019-2022 (GN-2973<sup>2</sup>), Colombia 2024-2027 (GN-3238), Ecuador 2022-2025 (GN-3103), Guyana 2023-2026 (GN-3187), Peru 2022-2026 (GN-3110), and Suriname 2021-2025 (GN-3065). Finally, the TC is aligned with the objectives and scope of the Amazonia Forever Regional Coordination Program, particularly with its bioeconomy Pillar.

- 2.10 **Complementarity with other initiatives.** This TC will use information collected in all initiatives financed with resources from the Amazon Bioeconomy Fund for the development of interim and mid-term reports, while also providing information and lessons learned from the assessment to improve the implementation of the program. Also, it complements the TC “Amazongrid – Tokenized Mapping and Geospatial Intelligence to Optimize and Monitor Conservation” (RG-T4174), which produces a tokenized map of the entire Amazon basin to provide public and private stakeholders, who participate in regional development, a common tool for planning, monitoring and reporting on investments and projects. This TC will potentially produce relevant data to be incorporated into AmazonGRID and use information previously generated to contextualize the recommendations from the assessments on bioeconomy. It complements also the TC “Support the participation, inclusion, and engagement of Indigenous Peoples, Afro-descendants, and Traditional Communities in the Amazonian Initiative” (RG-T4176), by focusing on the relationship of bioeconomy with those populations. This TC will also provide relevant information and valuable lessons learned about bioeconomy operations in Amazonia for the several networks supported by the IDB, among them: (i) the Amazon Finance Network, an alliance led by IDB Invest that brings together private financial institutions with the aim of increasing investment flows, mobilizing capital, promote financial inclusion, sharing knowledge on innovative financial solutions, and generating synergies with the public sector; and (ii) the Green Coalition of Development Banks (TC RG-T4413), an alliance of public development banks in Amazonia to foster the sustainable, resilient and inclusive development in the region, and other networks supported by the TC “Support for the establishment of a regional cooperation program for the Amazon” (RG-T4327), such as of the network of Ministries of Finance and Planning, and Amazon Cooperation Treaty Organization (ACTO).

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<sup>2</sup> The IDB Group Strategy with Brazil (GN-2973) is still in force. An extension to this document was approved until November 15, 2024 (GN-2973-3). The new Country Strategy is in preparation.

### III. Description of activities/components and budget

- 3.1 **Component 1. Monitoring and Evaluation of the Amazon Bioeconomy Fund (US\$400,000).** The objective of this component is the monitoring of activities, performance of analysis, and preparation of evaluations to be submitted to the GCF by the IDB. These include data collection, verification, and assessment of fund-level impact and outcome indicators, as well as Program performance indicators. It also includes one self-assessment evaluation that is foreseen by the Fund, which consists of a mid-term outcome evaluation. For this goal, it is foreseen the hiring of consulting firms to support the elaboration of the reports.
- 3.2 The activities related to the elaboration of the reports include, among others: review of Fund and projects documentation, meetings and interviews with project teams, compilation and integration of project-level information, elaboration of reports based on GCF standards, and socialization of results. These activities are expected to support synergy strategies of IDB Group. Annual reports covers the implementation progress and performance of the Fund, financial information, and environmental and social safeguards and gender aspects, whether the mid-term evaluation is expected to assess the implementation of the project and its alignment with Funding Proposal, project progress towards the achievement of the project objectives and outcomes as specified in the Fund documents, and early signs of project success or failure with the goal of identifying, if deemed necessary, changes to be made in order to set the Fund on-track to achieve its intended results. It would also review the Fund's strategy and its risks to sustainability.
- 3.3 The expected outputs of this Component are 3 Annual Performance Reports for the Amazon Bioeconomy Fund and 1 mid-term evaluation.
- 3.4 **Component 2. Data collection systems (US\$400,000).** This component is designed to systematically map existing gaps and efficiently gather essential information across specific sectors and territories within Amazonia. It will facilitate operational support and advance targeted initiatives by generating and disseminating comprehensive local, national, and regional databases. This base will serve as a foundation for evidence-based decision-making and strategic planning within the bioeconomy framework. By identifying and filling information voids, these systems enable stakeholders to understand the dynamics of bioresource utilization, biodiversity conservation, socio-economic impacts, and sustainable development opportunities in the territory.
- 3.5 Key features of the data collection systems will include robust methodologies for data acquisition, processing, and analysis. It will leverage advanced technologies such as remote sensing, geographic information systems (GIS), and on-the-ground surveys to gather relevant data points effectively. Furthermore, the systems will be designed to ensure data accuracy, reliability, and accessibility, catering to the diverse needs of policymakers, researchers, businesses, and local communities, often missing in the Amazonian context. By integrating those at the operational level, this component will enable focusing on the seamless integration of data collection efforts with ongoing bioeconomy initiatives, as well as facilitating collaboration among IDB, IDB Lab, and IDB Invest. The activities required to achieve this task include needs assessment, development of data collection methodology, system and technology implementation, data processing and analysis, database development, dissemination strategies.

- 3.6 The expected outputs of this Component are the development of a report on information gaps and the establishment of systems for data collection and databases that will generate relevant data for bioeconomy development in Amazonia.
- 3.7 **Component 3. Knowledge generation on bioeconomy operations in Amazonia and IDB group Synergies platform (US\$650,000).** The primary objective of this component is to generate comprehensive knowledge regarding bioeconomy operations specifically tailored to the Amazon region, intending to encourage private investment in bio-businesses. This involves conducting research, gathering specific data for operations, and synthesizing information to enhance understanding of the potential, challenges, and best practices related to bioeconomic activities in the Amazonian context.
- 3.8 To ensure total alignment with the Fund's activities and its Accredited Entity (IDB), it is foreseen the hiring of consultants that will contribute to the day-to-day execution and analysis of related activities of the Fund. The expected outputs of this Component are detailed studies and assessments on various aspects of bioeconomy relevant to the Amazon, such as sustainable resource utilization, biodiversity conservation, economic viability, and socio-environmental impacts.
- 3.9 These outputs would provide a comprehensive analysis of the current state, trends, and potential future scenarios of bioeconomic activities in the Amazon region, based on the experience from the Amazon Bioeconomy Program. It will also generate and socialize knowledge at a country level within IDB Group and stakeholders. Recommendations based on research findings will be disseminated and are aimed at informing policymakers, stakeholders, and local communities about sustainable bioeconomy practices, designed to promote policies that support the development of bioeconomy while ensuring environmental and social safeguards in the region.
- 3.10 All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property. The knowledge products generated within this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, at the request of a beneficiary, in accordance with the provisions of AM-331, the intellectual property of said products may also be licensed to one or more beneficiaries through specific contractual commitments that shall be prepared with the advice of the Legal Department.
- 3.11 **Indicative Budget.** The total cost of this operation is US\$1,450,000, which will be financed with resources from the Green Climate Fund (GRN). The unit responsible for disbursements will be CSD/ACU.

#### Indicative Budget (US\$)

Component	Description	IDB/GRN	Total Funding
<b>Component 1</b>	Monitoring and Evaluation of the Amazon Bioeconomy Fund	400,000	400,000
<b>Component 2</b>	Data collection systems	400,000	400,000
<b>Component 3</b>	Knowledge generation on bioeconomy operations in Amazonia and IDB group Synergies platform	650,000	650,000

Total	1,450,000	1,450,000
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#### **IV. Executing agency and execution structure**

- 4.1 This TC consists of a Bank's own initiative, resulting from its experience and expertise, and is classified as Research and Dissemination. The Bank will be the executing entity of this TC through the Amazon Coordination Unit of the IDB (CSD/ACU). Considering its regional nature, CSD/ACU will be executing this operation in coordination with the Bank country offices of the Amazon Region, including sector specialists in the corresponding country offices and Headquarters. The project will have an execution period of 36 months.
- 4.2 The Team Leader, a CSD/ACU specialist, will be responsible for the supervision of the TC and will act as a focal point, with the support of the project team members. The TC monitoring and supervision will be in accordance with the IDB policies and procedures and through the Technical Cooperation Monitoring and Reporting System (TCM). If activities are to be conducted in any of the beneficiary countries of the TC, it would be Team Leader's responsibility for obtaining the necessary no-objection letter prior to the execution of activities.
- 4.3 The Bank will follow its procurement policies and guidelines related to contracting processes: (a) Hiring of individual consultants, as established in the Regulation on Complementary Workforce (AM-650); and (b) Contracting of consulting firms for services of an intellectual nature and the contracting of logistics services and non-consulting services in accordance with the Corporate Procurement Policy (GN-2303-33) and its Guidelines.

#### **V. Major issues**

- 5.1 No major risks are expected for the execution of this technical cooperation, but certain risks were identified. First, there is a coordination risk, considering the diversity of actors, activities, and the number of participating countries and their small teams. This may lead to miscommunication, delays, and challenges in aligning objectives and efforts. The risk will be mitigated through close coordination between ACU, and the different teams involved (VPS, VPC, KIC, IDB Lab, IDB Invest and ORP) and by working closely with strategic regional partners. Starting the process in advance each year and being in constant contact with project teams will be key. .
- 5.2 A second risk is related to the lack of originality of products. The project contemplates the development of knowledge products for the bioeconomy in Amazonia. There is a risk of duplication of efforts with other publications of the Bank and other institutions. The team will ensure close coordination and complementarities with other IDB projects and researchers, including a literature review to mitigate this risk. The participation of KIC representatives in the project team is part of that strategy. By documenting lessons learned by the set of projects financed by the Amazon Bioeconomy Fund, the TC guarantees the development of a unique approach and qualitative database.
- 5.3 A third risk is the relevance of knowledge materials, meaning a potential that products may not meet the needs or expectations of the target audience, resulting in decreased utility and impact of the project outcomes. The risk will be mitigated by dedicated efforts in dissemination and engagement of relevant stakeholders during preparation as well as after completion of activities, both at local and regional levels systematizing and documenting the learning derived from all interventions.

#### **VI. Exceptions to Bank policy**

- 6.1 No exceptions to Bank policy have been identified for this operation.

**VII. Environmental and Social Aspects**

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

**Required Annexes:**

[Results Matrix\\_4731.pdf](#)

[Terms of Reference\\_95167.pdf](#)

[Procurement Plan\\_75468.pdf](#)