TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Infrastructure Resilient to Disasters
▪ TC Number:	RG-T4437
▪ Team Leader/Members:	ESCOVAR BERNAL, MARIA ALEJANDRA (CSD/RND) Team Leader; DALAISON BOICHUK, WILHELM IVAN (INE/INE) Alternate Team Leader; PORTA GARCIA, RAIMON (VPS/ESG) Alternate Team Leader; LACAMBRA AYUSO, SERGIO (CSD/RND); GRUNWALDT, ALFRED HANS (CSD/CCS); MINOJA, LIVIA (SCL/SCL); ALVEAR CALLE DORIS ALEXANDRA (INE/INE); HORI, TSUNEKI (CSD/RND); SUAREZ VAZQUEZ, GINES (CSD/RND); VALLE PORRUA, YOLANDA (CSD/RND); MORALES FRANCO ERICKA MARLENY (CSD/RND); LEAL ROSILLO, ROBERTO (VPS/ESG); ZAMBRANO BARRETO, ADRIANA (VPS/ESG); DE ANGELIS, GABRIELLA (VPS/ESG); PORTA GARCIA, RAIMON (VPS/ESG)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	23 Feb 2024
▪ Beneficiary:	IDB and member countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US$800,000.00
▪ Local counterpart funding:	US$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/RND - Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CSD/CSD - Climate Change and Sustainable Development Sector
▪ TC included in Country Strategy (y/n): ▪ TC included in CPD (y/n):	No No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation

II. Objective and Justification

2.1 The objectives of the TC are two-fold: (1) to mainstream disaster risk management (DRM) in infrastructure projects financed by the Bank; and (2) to complete the rolling-out of the Disaster and Climate Change Risk Assessment (DCCRA) Methodology for IDB projects.

2.2 Avoiding the construction of new risks and reducing existing risk are imperative for the Latin America and the Caribbean (LAC) region's economic and sustainable growth. Investing in resilience is a cost-effective decision: (i) for every dollar invested in resilience, $4 of disaster response spending is avoided; and (ii) in the long term, countries that invest in resilience increase their GDP growth.

2.3 Mainstream Disaster Risk Management: Despite the empirical evidence supporting that investments in resilience are more efficient than response, the amounts approved by the IDB to reduce the risk of physical assets and population exposed to natural hazards have traditionally been overshadowed by the amount of funding approved to

respond, rehabilitate and recover from disasters. Some challenges that prevent the mainstreaming of Disaster Risk Reduction (DRR) in IDB projects include limited resources, lack of awareness or understanding of the benefits and costs of DRR, lack of coordination and collaboration among sectors, and scarce, outdated, incomplete or inconsistent data.

2.4 The financing of project, sector, and territory-specific disaster risk studies, coupled with the provision of technical guidance in the formulation and implementation of DRR operations, are expected to raise the interest in these much-needed investments in resilience, particularly among the member countries, sectors and divisions that deal with critical infrastructure. Additional resources to fund disaster risk studies can help overcoming the mentioned challenges by demonstrating the added value of risk assessment and mitigation to build infrastructure resilience, calculate costs of investments and benefits of risk reduction, foster collaboration among sectors and the counterparts, and make decisions based on robust and context-specific data.

2.5 The rolling-out of the DCCRA Methodology has been a continuous work since 2020, in which the ESG Team has integrated DRM actions into IBD projects. Some challenges remain that may hinder the completion of the implementation of the Methodology, including the lack of awareness and long-term assessment of disaster and climate change risks in operations, lack of local, high resolution and sector-specific data, lack of coordination at the early stages of project preparation to integrate DRR activities, and limited understanding of DRM of the actors involved in the projects. The implementation of the DCCRA Methodology can also benefit of better systems to monitor and supervise disaster and climate change risks during the execution of the projects. Additional funding to complete de roll-out of the Methodology can help address these challenges by continuing the use of a flexible and adaptive approach to integrate DRR into IDB projects, engaging with more teams and counterparts during all the lifecycle of the project, providing context-specific data and strengthening the capacities and capabilities of project stakeholders with a learning by doing approach.

III. Description of Activities and Outputs

3.1 **Component I: DRM mainstreaming in infrastructure projects.** Finance consulting services to: (1) quantitatively assess disaster risk for projects; (2) provide technical advice on DRM to country and IDB project teams during the formulation, implementation and evaluation of infrastructure projects that are aimed at reducing disaster and climate change risks; and (3) develop guidelines and train project teams on the aforementioned topics.

3.2 **Component II: Complete the rolling-out of the Disaster and Climate Change Risk Assessment (DCCRA) Methodology.** Provide consulting services: (1) to conduct disaster risk assessments to high or moderate risk infrastructure projects, and to projects that are affected by a disaster during implementation; (2) to improve project's designs and DRM plans; (3) to make improvements to the DCCRA Methodology by developing or improving guidelines based on the lessons learned during its rolling-out; and (4) to train member countries and project teams in the DCCRA methodology.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
DRM mainstreaming in infrastructure projects	US$540,000.00	US$0.00	US$540,000.00
Complete the rolling-out of the Disaster and Climate Change Risk Assessment (DCCRA)	US$260,000.00	US$0.00	US$260,000.00

Methodology			
Total	**US$800,000.00**	**US$0.00**	**US$800,000.00**

V. Executing Agency and Execution Structure

5.1 The Bank, through the Division of Environment, Rural Development and Disaster Risk Management (CSD/RND), will administer this TC, according to Annex II Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4). The core group that will lead the implementation of this operation from a technical perspective includes CSD/RND, VPS/INE (through the GIS), VPS/ESG and CSD/CCS, through the Community of Practice in Resilience (CPR). This implementation will also involve other Bank divisions (mostly from INE, SCL, CSD and IFD). Focal points from these divisions will be designated per project on an ad hoc basis, either at HQ or COF. There are no preconditions for the first disbursement.

5.2 CSD/RND has accumulated experience in implementing similar TC projects in the past. Also, the team from the Community of Practice (CPR) successfully implemented the TC RG-T3528 between 2020 and 2023. The CPR is an interdivisional multidisciplinary team of IDB specialists and consultants that aims at building up and mainstreaming resilience in IDB sectors and projects.

VI. Project Risks and Issues

6.1 The main risks of this TC are: (i) a mismatch between the project pipeline and the TC – meaning that the estimation of the number of projects that require disaster risk assessments might not be accurate since this number changes from year to year depending on the pipeline, causing delays or acceleration in the use of funds earlier. To mitigate this risk a plan will be defined for identifying eligible projects early in the process. Also, the timeframe of the TC has been set to 24 months to account for these changes in time; (ii) a mismatch between the actual demand for each component support and the proposed budget allocation per component. To mitigate this risk an ongoing coordination scheme (CPR) is being proposed for this TC, where quick decisions regarding budget reallocation among components will be agreed by stakeholders' consensus, should such situation arise during the implementation; and (iii) relevant interventions proposed in the disaster risk assessments are not undertaken, or, if undertaken, they are not maintained. To mitigate this risk and ensure sustainability of the proposed measures, the TC team (including IDB specialists and consultants) will work closely with relevant project teams to ensure that the measures proposed are implementable, and that project maintenance plans are also implemented. The TC team will also ensure that these issues are evaluated as part of the supervision of the projects being supported through this TC, thereby ensuring sustainability beyond its execution period.

VII. Environmental and Social Aspects

7.1 This Technical Cooperation is intended to finance pre-feasibility or feasibility studies of specific investment projects and the environmental and social studies associated with them; therefore, the terms of reference and products of this TC will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).