

TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Building Capacity in the Economics of Biodiversity and Ecosystem Services in Agriculture and Energy
▪ TC Number:	RG-T2451
▪ Team Leader/Members:	Team leader: Maria Claudia Perazza (INE/RND); Team members: Ashley Camhi (INE/RND); Cesar Falconi (INE/RND); Arnaldo Vieira (INE/ENE); Catalina Crespo (INE/RND); Silvia Vera (INE/RND); and Lisa Restrepo (INE/RND).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research & Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request: (IDB docs #)	N/A
▪ Date of TC Abstract:	January 27, 2014
▪ Beneficiary:	REGIONAL
▪ Executing Agency and contact name	IDB
▪ IDB Funding Requested:	US\$300,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes execution period):	12 months
▪ Required start date:	March, 2014
▪ Types of consultants (firm or individual consultants):	N/A
▪ Prepared by Unit:	INE/RND
▪ Unit of Disbursement Responsibility:	INE/RND
▪ Included in Country Strategy (y/n); ▪ TC included in CPD (y/n):	N/A
▪ GCI-9 Sector Priority:	Poverty reduction and equity enhancement; climate change, sustainable (including renewable) energy, and environmental sustainability

II. Objective and Justification

The Latin America and Caribbean (LAC) Region is the Region with the most natural capital in the world. This natural capital supports ecosystem services that serve as the base for livelihoods, economies, and civilizations. These services directly support sectors such as agriculture, fisheries, forestry and tourism which together account for 15% of GDP for the Region on average, reaching beyond the 35% mark in the poorest countries, while employing 17% of its labor force and contributing an average of 50% of total exports.

The IDB has a history of investments in biodiversity and ecosystem services. Nevertheless, a 2011 review conducted by an Independent Advisory Group on Sustainability (IAG) found that,

while the Bank has performed adequately with respect to the implementation of its environmental and social safeguard provisions, it needs to further mainstream sustainability considerations into its work and place equal weight on biodiversity and ecosystem services as on climate change. Awareness of biodiversity and ecosystem services and their contribution to sustainable productive sectors and infrastructure are limited both externally and within the Bank, resulting in missed investment opportunities. With a few exceptions the Bank's stakeholders including policy makers, the private sector, and civil society as well as the Bank's own staff, have an incipient understanding of the value of the Region's natural capital as a competitive advantage for sustainable and climate-resilient development. There is a need to generate knowledge and build capacity on biodiversity and ecosystem services in LAC, their economic value, and challenges and opportunities for sustainable development.

To address these challenges, this TC proposes to build capacity within the IDB and its member countries on the economics of biodiversity and ecosystem services through a series of trainings targeting specialists in agriculture and energy sectors within the public and private departments of the Bank and representatives of the IDB's executing agencies in the agriculture and energy sectors. In 2013, the Biodiversity and Ecosystem Services Program targeted water and transportation specialists in its capacity building trainings. In 2014, agriculture and energy specialists will be targeted because of the high dependence and impact of the sectors on biodiversity and ecosystem services. In energy, hydropower, mining, and biofuels are supported by critical ecosystem services, such as water security and erosion control. Agriculture is highly dependent on soil fertility, pollination, and pest control, as primary inputs for the agriculture sectors key to LAC economies. This targeted capacity building is expected to generate demand for new investment products from the Bank, including in areas such as food security and biodiversity-inclusive hydropower planning. In addition, the agriculture training will be carefully tailored to the RND division's agricultural sector framework.

The proposed TC will contribute to the following GCI-9 lending program priority targets: (i) poverty reduction and equity enhancement, as the TC will create new opportunities for sector specialists and their counterparts to integrate biodiversity and ecosystem services into their work in critical economic sectors that support sustainable development and (ii) climate change, sustainable (including renewable) energy, and environmental sustainability, as the TC will focus on illuminating areas of how existing work in agriculture and energy can further integrate the economic value of biodiversity and ecosystem services into those sectors within the LAC Region. In addition, the proposed TC will contribute to the sector priority, "Protect the environment, respond to climate change, promote renewable energy, and ensure food security." Lastly, the proposed TC is aligned with the Biodiversity and Ecosystem Services Program, as the TC will contribute to one of the main goals of the Program, to increase capacity within the IDB and its member countries on the economics of biodiversity and ecosystem services.

III. Description of activities

The proposed activities are described in the following table. Expected outputs and results are fully consistent with the IDB's Biodiversity and Ecosystem Services Program¹.

ACTIVITY	DESCRIPTION	EXPECTED OUTPUTS	EXPECTED RESULTS
1. Economics of Biodiversity and Ecosystem Services in the Agriculture Sector	Design and execution of a 2-day training for IDB agriculture specialists in the DC office and country offices and executing agency counterparts, conducted in the DC office focusing on the role of the economics of biodiversity and ecosystem services in the agriculture sector.	<ol style="list-style-type: none"> 1. Two (2) day training 2. Ten (10) IDB agriculture specialists (HQ and COF) trained 3. Five (5) executing agency representatives (from CAN, CCB, and CID countries) trained 4. One (1) replicable curriculum in the economics of biodiversity and ecosystem services in the agriculture sector 	Strengthening of knowledge and skills related to biodiversity and ecosystem services and agriculture and energy.
2. Economics of Biodiversity and Ecosystem Services in the Energy Sector	Design and execution of a 3-day training for IDB energy specialists (public and private) in the DC office and country offices and executing agency counterparts, conducted in the DC office focusing on the role of the economics of biodiversity and ecosystem services in the energy sector.	<ol style="list-style-type: none"> 1. Three (3) day training 2. Ten (10) IDB energy specialists from the public and private sectors (HQ and COF) trained 3. Five (5) executing agency representatives (from CAN, CCB, and CID countries) trained 4. One (1) replicable curriculum in the economics of biodiversity and ecosystem services in the energy sector 	

¹ <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=37444118>

IV. Budget

The total budget for this technical cooperation has been estimated in US\$300,000 as shown in the following table.

Indicative Budget				
Activity	Description	IDB/Fund Funding US\$	Counterpart Funding	Total Funding US\$
1. Economics of Biodiversity and Ecosystem Services in the Agriculture Sector	Design and execution of a 2-day training for IDB agriculture specialists in the DC office and country offices and executing agency counterparts, conducted in the DC office focusing on the role of the economics of biodiversity and ecosystem services in the agriculture sector.	48,000	0	48,000
2. Economics of Biodiversity and Ecosystem Services in the Energy Sector	Design and execution of a 3-day training for IDB energy specialists (public and private) in the DC office and country offices and executing agency counterparts, conducted in the DC office focusing on the role of the economics of biodiversity and ecosystem services in the energy sector.	52,000	0	52,000
Support to IDB country staff and representatives of executing agencies	Transportation, per-diem, and hotel expenses for IDB staff from country offices and representatives from executing agencies.	100,000	0	100,000
BES training and communications coordinator	Support for the coordination and execution of the trainings.	100,000	0	100,000
TOTAL		US\$300,000		US\$300,000

V. Executing agency and execution structure

Given the strategic objectives of the TC and its regional nature, the TC will be executed by the Bank. Additionally, the Bank is able to create capacity, serve as a funder of knowledge and innovation, and impact policy on multiple scales within the Region, thus making the regional coordination of the IDB a necessary aspect of this TC.

VI. Project Risks and issues

The only risk is a low level of attendance of the trainings. In order to mitigate this risk, the trainings will be well advertised and funding will be provided for specialists in country offices and specialists from executing agencies to attend the agriculture and energy trainings.

VII. Environmental and Social Classification

It is not anticipated that the activities to be financed in this TC will have negative direct or indirect social or environmental effects. Therefore the team considers that, according to the Bank's Safeguards Screening Toolkit, this operation should be given a classification of "C": (i) no environmental or social risks; (ii) direct contribution to solve an environmental issue.