DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

LATIN AMERICA AND CARIBBEAN RESILIENCE, READINESS, AND RISK-PROTECTION REVIEW (LAC-4R)

(RG-T4959)

PROJECT DOCUMENT

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LATIN AMERICA AND CARIBBEAN RESILIENCE, READINESS, AND RISK-PROTECTION REVIEW (LAC-4R)
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PROJECT SUMMARY	
Operation Type:	Technical Cooperation
Sector:	ENVIRONMENT AND NATURAL DISASTERS
Subsector:	INTEGRATED DISASTER RISK MANAGEMENT
TC Taxonomy:	Research and Dissemination
Project Number under the Operational Support Taxonomy:	N/A
Technical Responsible Unit:	CSD/DRM-Disaster Risk Management Unit
Unit with Disbursement Responsibility (UDR):	CSD/DRM-Disaster Risk Management Unit
Executing Agency:	Inter-American Development Bank

PROJECT OBJECTIVE

The general objective is to generate the region's most comprehensive body of evidence on the drivers, impacts, and governance of disaster risk, strengthening institutional capacity and informing the IDB Group's strategic and operational decision-making, while contributing to the evolution of regional and global disaster risk governance debates toward 2030. Specific objectives are to: (i) produce a coordinated set of 15 to 20 research papers on disaster risk and resilience, organized around the three goals of the disaster risk management agenda; (ii) build and consolidate a regional research network of universities, research centers, and think tanks; (iii) translate research into policy-relevant products, including synthesis reports, policy briefs, and country notes, to inform operations, country strategies, and regional policy dialogue; and (iv) strengthen the Bank's internal capacity and global positioning as a knowledge leader on resilience and disaster risk governance and economics.

FINANCIAL INFORMATION

Financing Type	**Fund**	**Amount in US$**
TCN - Nonreimbursable	P3F - OC SDP Pillar 3 - Biodiversity, Natural Capital, and Climate Action	275,000
	Total IDB Financing	**275,000**
	Counterpart Financing	**0**
	Total Project Budget	**275,000**

Donors:	N/A
Disbursement Period:	24 months
Execution Period:	24 months

ADDITIONAL FINANCIAL INFORMATION

N/A

I. JUSTIFICATION AND OBJECTIVE

1.1. **Diagnostic.** Latin America and the Caribbean are one of the most disaster-prone regions in the world, and the human and economic toll has been both severe and sustained. Between 2000 and 2025 the region recorded 1,695 disasters that caused more than 270,000 deaths, affected over 200 million people, and produced economic losses exceeding US$365 billion (EM-DAT, 2025). Droughts, floods, and storms together accounted for roughly 85% of the affected population, while storms alone drove about 55% of recorded economic losses. These impacts are neither evenly distributed nor episodic: they fall hardest on the poorest and most vulnerable households, damage productive and social assets, and erode hard-won development gains in infrastructure, health, education, and human capital.

1.2. The pressure is intensifying rather than easing. In the 2024 to 2025 period alone (through May 2025), the region was struck by 90 disasters that affected some 11 million people and caused close to US$20.6 billion in economic damages. Two structural forces are converging behind these numbers. On the hazard side, climate change is raising the frequency, intensity, and compounding nature of extreme events, from prolonged droughts and wildfires to more destructive storms and floods. On the exposure side, demographic growth, rapid and often unplanned urbanization, and the concentration of people and assets in hazard-prone areas are steadily widening both the population and the capital at risk. As these dynamics interact, disaster risk in the region is becoming systemic rather than incidental.

1.3. The macroeconomic and fiscal consequences are large and, in poorer economies, persistent. Evidence for low- and middle-income countries indicates that disasters can generate permanent output losses of between 2.1% and 3.7% of GDP (Cavallo, Becerra, and Acevedo, 2021). The fiscal channel is equally damaging: in emerging markets and developing economies, a single severe drought can reduce output growth by about 1.4 percentage points and cut government revenue by roughly 0.7% of GDP, while limited fiscal space constrains the capacity to respond (Fuje et al., 2023). For the region's public infrastructure, expected average annual disaster losses are equivalent to about one-third of average annual infrastructure investment, which means that disasters are quietly eroding the development returns of the very investments meant to drive growth.

1.4. Those losses translate directly into poverty and forgone human capital. Globally, climate change could push between 32 million and 132 million additional people into extreme poverty by 2030 (Jafino et al., 2020), and in Latin America and the Caribbean disasters and climate shocks could drive up to 5.8 million more people into poverty, with the heaviest burden falling on the households least able to absorb it (Bagolle, Costella, and Goyeneche, 2023). The damage to basic services is well documented: disasters left some 24 million people without medical services between 2007 and 2017 and disrupted the education of close to 30 million students in 2024 alone (ECLAC, 2021; UNICEF, 2025), deepening pre-existing inequalities and widening territorial gaps.

1.5. Despite this evidence, the region continues to spend far more on responding to disasters than on preventing them. Prevention is consistently more cost-effective than response, yet political and budgetary incentives reward visible post-disaster action over less visible risk reduction, and tight fiscal space pushes prevention down the list of priorities. The result is a self-reinforcing cycle in which infrastructure built without resilience criteria is prone to becoming stranded, recovery is slower and more costly, and scarce public resources are repeatedly diverted from development to relief. Closing the gap between what is known about risk and what is actually invested in reducing it is the central policy problem the region confronts.

1.6. The region has not stood still. Since the Hyogo and, more recently, the Sendai frameworks, many countries have strengthened legal mandates, coordination mechanisms, early warning systems, and risk information platforms. Governance reforms can be measured, and they matter: using the Index of Governance and Public Policy in Disaster Risk Management (iGOPP) across the 26 borrowing member countries, each additional point of governance improvement is associated with roughly a 3% reduction in disaster-related fatalities (Guerrero Compeán and Lacambra Ayuso, 2020). Yet stronger institutional design, while necessary, has not been sufficient to offset accelerating hazards and expanding exposure, and the uneven consolidation of governance still limits the reach of early warning, land-use regulation, and risk-informed investment.

1.7. Financial protection remains thin. Insurance and other risk-transfer instruments, though important, cover only a small fraction of disaster losses: in emerging economies an estimated 80% to 90% of catastrophe losses go uninsured, and only a small minority of the region's economies have regulatory frameworks that promote the insuring of homes or critical infrastructure against disasters (Swiss Re, 2025). This protection gap leaves governments to absorb contingent liabilities through budget reallocations and emergency borrowing, with direct consequences for fiscal stability and for the speed and quality of recovery. Effective financial protection depends on coordinating risk-transfer instruments with sound risk identification, risk reduction, governance, and preparedness, rather than treating any one of them in isolation.

1.8. Underlying all of these challenges is a knowledge problem. The evidence base on disaster risk in the region is fragmented across institutions, hazards, and sectors, and it is rarely synthesized into the coherent, policy-relevant body of analysis that finance ministries, sector authorities, and development partners need in order to act. This Technical Cooperation responds to that gap. By commissioning, peer-reviewing, and disseminating a structured program of research organized around the three goals of the disaster risk management agenda (more resilient countries, better prepared societies, and financially protected economies), it aims to consolidate the regional evidence base, strengthen the network of institutions that produce it, and translate it into products that can inform the IDB Group DRM Action Plan 2026-2030, the Ready and Resilient Americas initiative, country strategies, and the Bank's operations.

1.9. **Request.** This is a Research and Dissemination Technical Cooperation promoted by the Bank. As the region’s principal development partner on disaster risk management, the IDB has a direct interest in consolidating a coherent, policy-relevant evidence base that can sharpen its country strategies, strengthen its operations, and inform the regional and global policy debate as it heads toward 2030. The LAC-4R responds to that interest and to the analytical priorities set out in the IDB Group’s Disaster Risk Management Action Plan (DRM AP) 2026–2030

(GN-3225-5). It is conceived as a two-phase initiative. This operation constitutes Phase 1 (24 months), which establishes the institutional architecture, namely a Latin American university acting as secretariat and a regional research network and delivers a first set of research products. A second operation (Phase 2) will be requested at the end of the second year to complete the research program, convene the high-level regional policy dialogue, and consolidate dissemination. Phase 1 is designed to deliver a credible, self-contained contribution on its own, independent of the approval of Phase 2.

1.10. **Objective.** The general objective of the LAC-4R initiative is to generate the region's most comprehensive body of evidence on the drivers, impacts, and governance of disaster risk, strengthening institutional capacity and informing the IDB Group's strategic and operational decision-making, while contributing to the evolution of regional and global disaster risk governance debates toward 2030. Over the full two-phase initiative, the specific objectives are to: (i) produce a coordinated set of 15 to 20 research papers on disaster risk and resilience, organized around the three goals of the disaster risk management agenda; (ii) build and consolidate a regional research network of universities, research centers, and think tanks; (iii) translate research into policy-relevant products, including synthesis reports, policy briefs, and country notes, to inform operations, country strategies, and regional policy dialogue; and (iv) strengthen the Bank's internal capacity and global positioning as a knowledge leader on resilience and disaster risk governance and economics. The specific objective of this operation (Phase 1) is to establish the secretariat and the regional research network and to deliver a first set of 6 to 8 peer-reviewed research papers with a synthesis, made available through a digital knowledge platform, providing the evidentiary foundation and the justification for the Phase 2 request.

1.11. **Complementarity.** The LAC-4R is designed to reinforce, not duplicate, the Bank's existing work. It provides the analytical backbone for the DRM AP 2026–2030 and feeds directly into the Ready and Resilient Americas initiative, which promotes better risk data, stronger institutional collaboration, and innovative financial solutions for resilience. It also complements the IDB Regional Policy Dialogue on disaster risk management, convened regularly since 2007, by supplying sustained, multi-year analysis that can inform successive dialogue rounds and support evidence-based follow-through between annual meetings. Modeled on the Latin America and Caribbean Inequality Review (LACIR), the initiative adapts a proven architecture (a high-level expert panel, commissioned research, a flagship synthesis, and ongoing dissemination) to the disaster risk agenda. Where regional and global platforms such as the UNDRR Regional Assessment Report and the Sendai Framework processes work mainly as dialogue and reporting spaces, the LAC-4R offers the continuity and knowledge infrastructure that can strengthen and complement them, along with a channel to project regional evidence onto global platforms, including the UN Global Platform for Disaster Risk Reduction.

1.12. **Strategic Alignment.** The TC aligns with the IDB Group Institutional Strategy: Transforming for Scale and Impact (GN-3159-12) across three Core Objectives, namely Addressing Climate Change, Reducing Poverty and Inequality, and Bolstering Sustainable Growth, and contributes to four Operational Focus Areas. It supports Biodiversity, Natural Capital, and Climate Action by generating evidence on climate risk, adaptation, disaster risk governance, and resilience investment, operationalizing climate action as both mitigation-adjacent and adaptation-centered reform and contributing to SDG 13. It supports Social Protection and Human Capital Development through the "better prepared societies" agenda, examining adaptive and shock-responsive social protection, inclusive early warning systems, and the long-term human capital effects of disasters. It supports Sustainable, Resilient, and Inclusive Infrastructure through the "more resilient countries" agenda, with empirical work on the costs and benefits of resilient infrastructure, nature-based solutions, and fiscal incentives for preventive investment. And it supports Institutional Capacity, Rule of Law, and Citizen Security through a dedicated body of work on disaster risk governance, mandates, coordination, and the political economy incentives that bias systems toward ex post response. In addition, this TC aligns with the Climate Change Sector Framework Document (GN-2835-13) as well as the objectives of the Ordinary Capital Strategic Development Program (OC-SDC) (GN2819-25), as Pillar 3.The initiative is consistent with the DRM AP 2026–2030 (GN-3225-5) and with the disaster risk, climate resilience, and environmental sustainability priorities recognized across the Bank's country strategies for 24 borrowing member countries, including Argentina (GN-3288), The Bahamas (GN-3198-1), Barbados (GN-3280-1), Belize (GN-3320), Bolivia (GN-3088-2), Brazil (GN-3243-3), Chile (GN-3140-3), Colombia (GN-3238-3), Costa Rica (GN-3250), the Dominican Republic (GN-3294), Ecuador (GN-3103-2), El Salvador (GN-3299-3), Guatemala (GN-3260-1), Guyana (GN-3187), Haiti (GN-2904), Honduras (GN-2944), Jamaica (GN-3138), Mexico (GN-2982), Panama (GN-3289), Paraguay (GN-3261-3), Peru (GN-3110-1), Suriname (GN-3065), Trinidad and Tobago (GN-3071), and Uruguay (GN-3056). Across these strategies, disaster risk management, climate resilience, environmental sustainability, climate adaptation, and resilient infrastructure are identified either as strategic pillars, priority areas, cross-cutting themes, or key development risks, underscoring the Bank's commitment to strengthening resilience and disaster risk governance throughout Latin America and the Caribbean.

II. COMPONENTS

2.1 The LAC-4R is structured as the first phase of a two-phase initiative. This Technical Cooperation funds the institutional architecture and a first, self-contained body of evidence; a second operation will be requested at the end of the second year to scale up the research program, convene the high-level regional policy dialogue, and consolidate dissemination. The operation comprises two components.

2.2 **Component 1: Research Program and Regional Research Network (US$255,000).** This component funds the analytical core of the LAC-4R. A Latin American university, selected competitively and acting as secretariat, will commission research, coordinate peer review, and establish and operate a regional research network of universities, research centers, and think tanks. The component will commission a first set of 6 to 8 research papers, out of a target of 15 to 20 across the full two-phase initiative, on disaster risk and resilience, organized around the three goals of the disaster risk management agenda (more resilient countries, better prepared societies, and financially protected economies) and their analytical clusters, ranging from risk information and disaster risk governance to resilient infrastructure, social vulnerability, adaptive social protection, fiscal risk, financial protection instruments, and the macroeconomics of resilience. A High-Level Panel of experts and a Steering Committee made up of the Bank and the secretariat will define the thematic agenda and validate the clusters under each goal. One technical workshop will be held for research development and peer review, bringing together the authors, the High-Level Panel, and the network; a second workshop is planned for Phase 2. Procurement under this component covers the competitive selection of the university partner as a consulting firm and the contracting of individual research authors. Expected outputs: 6 to 8 research papers (Output 1.1, US$96,000); one technical workshop for research development and peer review (Output 1.2, US$19,000); and one regional research network established and operational, coordinated by the university partner acting as secretariat (Output 1.3, US$140,000).

2.3 **Component 2: Digital Knowledge Platform (US$20,000).** This component funds the design and launch of a digital knowledge platform for the LAC-4R, built as a module linked to RiskMONITOR so that institutional ownership rests with CSD/DRM beyond the life of the Technical Cooperation. The platform will host the research papers and the synthesis, organized for use by finance ministries, sector authorities, partner institutions, and the wider public, and integrated with the Bank's existing disaster risk information architecture. Expected output: one digital knowledge platform designed and operational (Output 2.1, US$20,000).

2.4 **Expected Results.** By the end of Phase 1, the Bank and the partner institutions will have established a Latin American university as secretariat, a regional research network, and a first body of 6 to 8 peer-reviewed papers with a synthesis, all accessible through a digital platform linked to RiskMONITOR. This delivers a self-contained contribution to the regional evidence base and provides the foundation, and the justification, for a second-phase request to complete the 15-to-20 paper program, convene the high-level regional policy dialogue, and hold additional technical workshops.

2.5 **Beneficiaries.** The direct beneficiaries of this Technical Cooperation are the regional network of universities, research centers, think tanks, policymakers, and public institutions that participate in or make use of the research, knowledge products, and dissemination activities supported under the operation. The final beneficiaries are the populations exposed to disaster risk in the 26 IDB borrowing member countries, who stand to gain from better-informed policies and investments that strengthen resilience, preparedness, and financial protection.

III. BUDGET

3.1 **Budget.** The total cost of this Technical Cooperation is US$275,000, financed in full through a non-reimbursable resource (TCN) from the Ordinary Capital Strategic Development Program, P3F – OC SPD Pilar 3 - Biodiversity, Natural Capital, and Climate Action fund. There is no local counterpart. As the first phase of a two-phase initiative, this operation funds the institutional architecture and a first set of research products; additional resources for Phase 2 will be requested at the end of the second year. The indicative allocation by component is shown in the table below.

Components	P3F – OC SPD Pilar 3	Total
Component 1: Research Program and Regional Research Network	255,000	**255,000**
Component 2: Digital Knowledge Platform	20,000	**20,000**
Total	**275,000**	**275,000**
Components		**Total**

IV. EXECUTION STRUCTURE

4.1 **The IDB as Executing Agency for RD TC**. Given that this is a Research and Dissemination Technical Cooperation, the LAC-4R is an initiative promoted by the Bank and will therefore be executed by the Inter-American Development Bank (IDB), in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Climate Change and Sustainable Development Sector, Disaster Risk Management Unit (CSD/DRM).

4.2 **Institutional Capacity.** As both Executing Agency and a long-standing institution with a dedicated Disaster Risk Management Unit, the IDB has the technical, operational, and fiduciary capacity to carry out this TC. CSD/DRM has extensive experience managing research and dissemination operations of comparable scope, including the regional platform RiskMONITOR that will host the LAC-4R's outputs. The fiduciary risk associated with implementation is low, and procurement will be supervised on an ex-post basis.

4.3 **Eligibility Criteria to Select Beneficiaries**. The TC benefits all 26 IDB borrowing member countries. Research topics, country cases, and network participants will be selected by the Steering Committee and the High-Level Panel against criteria that include analytical gaps relative to the DRM AP, policy and operational relevance for the Bank, data availability, and balanced coverage across the Bank's member countries.

4.4 **Conditions Prior to First Disbursement.** There are no special conditions prior to the first disbursement beyond those established in the Bank's standard procedures for Bank-executed operations.

4.5 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex III) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines. The university partner that will act as secretariat of the LAC-4R will be selected competitively as a consulting firm.

4.6 **Execution and Disbursement Period.** The execution period is 24 months, and the disbursement period is 24 months, both counted from the date the agreement enters into force. These periods are consistent with the implementation sequence reflected in the Results Matrix (Annex I) and the Procurement Plan (Annex III).

4.7 **Financial Management.** The Bank's Financial Management Policy will apply. Expenses incurred in currencies other than the US dollar will be converted at the Bank's applicable exchange rate. As a Bank-executed operation financed with Ordinary Capital resources, the TC is subject to the Bank's internal control and reporting arrangements, and no external finanrequiecial audit is required.

4.8 **Monitoring, Reporting, and Supervision.** The Team Leader (CSD/DRM) is responsible for monitoring and supervision throughout execution, with support from the Alternate Team Leader and the project team. Progress will be tracked through the Bank's Technical Cooperation Monitoring and Reporting System (TCM), with monitoring carried out over the execution period and financed from the TC's own resources. The research papers, flagship Review, and synthesis products serve as the principal means of verification, published on the LAC-4R platform hosted by RiskMONITOR.

4.9 **Evaluation.** Given the research and dissemination nature of the operation and its size, no separate independent evaluation or external audit is foreseen. The quality of outputs will be assured through peer review by the High-Level Panel and the Steering Committee and through the technical workshops held during execution.

V. POTENTIAL RISKS

5.1 The main risks to the operation are moderate and manageable. First, coordinating the commissioning, drafting, and peer review of the first set of 6 to 8 papers across a regional network and a High-Level Panel carries a risk of delays; this is mitigated by the secretariat role assigned to the university partner, a clear staged timeline, and active oversight by the Steering Committee and the Team Leader. Second, uneven data availability across countries could constrain some analyses; the Steering Committee and the Panel will factor data availability into the selection of topics and country cases, and authors will draw on consolidated sources such as RiskMONITOR, RiskHUB, EM-DAT, and national databases. Third, the cancellation or disruption of the in-person technical workshop is possible; should it occur, the workshop will be shifted to a virtual or hybrid format. Fourth, as this operation is the first phase of a two-phase initiative, there is a risk that financing for Phase 2 is not approved or is delayed, which would leave the broader 15 to 20 paper agenda and the high-level regional policy dialogue unfinished; this risk is mitigated by design, as Phase 1 is structured to deliver a self-contained and credible contribution on its own, with the secretariat, the regional research network, the first set of peer-reviewed papers and their synthesis, and the digital knowledge platform all constituting complete, usable products at the close of this operation, which in turn provide the justification for the Phase 2 request. None of these risks require special execution arrangements.

5.2 **Intellectual Property.** Intellectual property rights over academic papers, research outputs, and other knowledge products resulting from the research and dissemination activities financed under this TC shall remain with their respective authors, subject to the Bank's non-exclusive, perpetual, worldwide, royalty-free right to use, reproduce, publish, translate, adapt, distribute, and disseminate such products for institutional purposes. Integrity and intellectual property clauses consistent with these principles will be incorporated into the corresponding consulting contracts.

VI. EXCEPTIONS TO BANK POLICIES

6.1 None.

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:

- Annex I: Results Matrix
- Annex II: Terms of Reference
- Annex III: Procurement Plan
