# **TC Document**

#### I. Basic Information for TC

<ul><li>Country/Region:</li><li>TC Name:</li></ul>	Support for the preparation and implementation of the GCF-IDB Program			
• 10 Name.	"Improving Climate Resilience"			
■ TC Number:	RG-T4789			
■ Team Leader/Members:	Barandiaran Salcedo, Doris Melissa (RMG/ESR) Team Leader; Inchauste Daza, Adriana (INE/WSA) Alternate Team Leader; Roberts Paula (INE/WSA) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Oliveira, Flavia Carneiro Da Cunha (INE/WSA); Campos G, Sergio I (INE/WSA); Catacoli Jimenez, Ruth (VPS/ESG); Galmez Marquez, Veronica (CSC/ACU); Oyamada Kroug, Jorge Ruben (INE/WSA); Lee Lee Sergio Kyu Chul (INE/WSA); Rodriguez Ramirez, Fabian Andres (INE/WSA); Mills Godoy, Heidi Anaitee (CSD/CCS); Veprinsky Mehl Adam (CSC/ACU); Berlanda Custodio Da Silva, Cleide (VPC/FMP); Jimenez Arriola, Juan Carlos (INE/WSA)			
■ Taxonomy:	Client Support			
Operation Supported by the TC:				
Date of TC Abstract authorization:	3 April 2025			
Beneficiary:	Brazil (National Water Agency, State of Amazonias),			
	Bolivia (Ministry of Environment and Water),			
	Ecuador (National Development Bank),			
	Suriname (Ministry of Public Works, Suriname Water Company)			
Executing Agency and contact name:	Inter-American Development Bank			
Donors providing funding:	OC SDP Window 2 - Infrastructure(W2B)			
■ IDB Funding Requested:	US\$300,000.00			
■ Local counterpart funding, if any:	US\$0			
<ul> <li>Disbursement period (which includes Execution period):</li> </ul>	36 months			
Required start date:	1 September 2025			
Types of consultants:	Individuals, Firms, Non-Consulting Services			
Prepared by Unit:	INE/WSA-Water & Sanitation			
Unit of Disbursement Responsibility:	INE/WSA-Water & Sanitation			
TC included in Country Strategy (y/n):	YES			
TC included in CPD (y/n):	YES			
Alignment to the Update to the Institutional Strategy 2024-2030:	Sustainable, resilient, and inclusive infrastructure; Gender equality; Diversity; Indigenous People; Afro-descendants			

# I. Objectives and Justification of the TC

I.1. The Amazon basin hosts the world's largest tropical rainforest, making it a global center of biological diversity (<u>ACTO, 2024</u>). As the largest hydrographic basin in the world (6% of the planet's surface), it produces nearly 20% of the planet's freshwater

and contains 25% of the world's terrestrial biodiversity (Gomez, 2019)¹. In South America, it represents 70% of the freshwater discharge (ACTO, 2018 and 2024), playing a vital role in regulating planetary climate patterns, sustaining regional ecosystems, ensuring water, food and energy security, and supporting the livelihoods of local communities. Furthermore, the Amazon rainforest is crucial to mitigate climate change as it naturally sequesters approximately 150-200 billion tons of carbon dioxide in soils, and vegetation.

- Its biocultural diversity is intimately linked to its watersheds, including both freshwater and terrestrial ecosystems. Rivers provide critical services like navigable thoroughfares, nutrients that fuel floodplain agriculture, potable water, and freshwater fisheries. However, despite its vital role in providing essential ecosystems services, its conservation and protection have been increasingly threatened by the negative effects of climate change and other anthropogenic activities causing shifts in rainfall patterns, prolonged droughts, reduced river flows, increased water temperatures, and disruption of seasonal flood regimes. These changes not only affect biodiversity and the integrity of ecosystems, but also threaten food security, limit access to safe water, and compromise the livelihoods of Indigenous Peoples and riverine communities who depend on the Amazon's natural cycles.
- I.3. To tackle climate change impacts in Amazonia and enhance water resilience in Latin America and the Caribbean (LAC), the Bank developed "Water for the Future," a strategy focused on managing the water cycle, integrating environmental and climate considerations, and utilizing Nature-Based Solutions (NBS). This approach includes managing supply and demand across sectors, using NBS alongside traditional infrastructure, and applying advancements in science and technology to improve water security in the region.
- I.4. Within the IDB, Amazonia Forever Regional Initiative acts as a framework to coordinate and foster synergies with key sectors to increase financing and coherent impact interventions in Amazonia. As such, Amazonia Forever works as a mechanism for collaboration and coordination in critical lines of action and sectors in the territories, based on countries' priorities. It is expected for Amazonia Forever to be an important articulator and contributor with the aim to address critical gaps, scale up financing, knowledge intelligence and collectively support the implementation of the different Treaties², Declarations³, and Action plans aimed at closing social, ecological and economic gaps in Amazonia. Thus, Amazonia Forever advocates for strengthening sectorial and economic-financial coordination in the region to scale-up the impact of interventions, including for water security in Amazonia.
- I.5. Description of the Program associated with this TC. The IDB has designed the innovative Program "Improving Climate Resilience by Increasing Water Security" ("the IDB-GCF Program" hereafter), which was approved by the Green Climate Fund (GCF) Board in February 2025 as FP261, to deploy adaptation and resilience measures such as enhanced hydroclimatic information systems, early warning systems, and climate

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<sup>&</sup>lt;sup>1</sup> Gomez, R. (2019). La riqueza natural de la Amazonia como base del desarrollo sostenible regional. *Development Bank of Latin America* (*CAF*): <a href="https://www.caf.com/es/conocimiento/visiones/2019/09/la-riqueza-natural-de-la-amazonia-como-base-del-desarrollo-sostenible-regional/">https://www.caf.com/es/conocimiento/visiones/2019/09/la-riqueza-natural-de-la-amazonia-como-base-del-desarrollo-sostenible-regional/</a>

<sup>&</sup>lt;sup>2</sup> For example, the Amazon Cooperation Treaty Organization (ACTO), an intergovernmental organization formed by the eight Amazonian countries which signed the Amazon Cooperation Treaty (ACT), a broad vision of the South-South cooperation process, which works in different dimensions within the framework of its implementation of ACT.

<sup>&</sup>lt;sup>3</sup> For example, the Belém Declaration, which addresses a wide range of topics such as institutional strengthening of ACTO, including for the enhancement of water security in the region.

resilient water and sanitation infrastructure. Said program is the first multi-country fund exclusively dedicated to water adaptation in the Amazon Basin, covering Bolivia, Brazil, Colombia, Ecuador, Peru and Suriname. This Technical Cooperation will mobilize resources to prepare infrastructure projects that might be funded with resources of the IDB-GCF Program once in implementation.

- 1.6. The general objective of the TC is to structure a pipeline of projects aligned with the eligibility criteria of the IDB-GCF Program for Climate Resilience and Water Security in the Amazon and provide technical support to the beneficiary countries in its preparation and implementation. TC resources will finance pre-investment and investment studies and other technical studies and consultancies necessary to establish viability, and sustainability for the implementation of the Program. The specific objectives of the TC are: 1) Develop pre-investment, including technical, economic, financial and environmental and social studies, of subprojects to be implemented within the IDB-GCF Program; and 2) Support the sectorial dialogue with counterparts for the implementation IDB-GCF Program.
- I.7. The IDB-GCF Program places a special emphasis on gender and diversity issues, recognizing that women, girls, and indigenous peoples are among the most vulnerable to the impacts of climate change—particularly extreme events such as droughts and floods. These groups often face increased risks of abuse, limited access to resources and decision-making and are typically responsible for securing water and sanitation services, which are highly susceptible to disruptions caused by water insecurity. Such disruptions can hinder their ability to study, work, and live with dignity (UN-Water, 2021), and also increase their exposure to health risks, displacement, and gender-violence. As this Technical Cooperation (TC) focuses primarily on pre-investment and investment studies, the gender and diversity approach will be addressed through targeted analyses (as stand-alone, or in alignment with the E&S analysis) and by promoting inclusive and participatory processes.
- 1.8. The objective of the IDB-GCF Program is to enhance the resilience of vulnerable communities and key ecosystems in the Amazon basin to the anticipated impacts of climate change on water security and ecosystem services. The Program is established with contributions of up to US\$162.15 million of non-reimbursable and reimbursable concessional resources from the Green Climate Fund. The Program was approved by IDB's board in June 2025.
- 1.9. Justification of the IDB-GCF Program. Implementing water adaptation measures in Amazonia through this Program can directly benefit approximately 1.5 million people by enhancing water security and strengthening climate resilience. This can be achieved through targeted investments in water, sanitation, and waste (WSW) climate-resilient and low-carbon infrastructure while integrating the maintenance and conservation of key ecosystem goods and services for the provision of fit-for-purpose water, food, and energy. Other essential activities include developing robust early warning systems, upgrading resilient infrastructure, and improving access to safe drinking water and sanitation services to withstand extreme events. Additionally, restoring ecosystem functions in source catchments is crucial for maintaining water quality, ensuring water availability, and enhancing natural water storage, among other services. This Technical Cooperation will support the development of a pipeline of water, sanitation, and waste management resilient projects that would be financed with GCF resources.

- I.10. Strategic alignment of the TC. The TC is aligned with the IDB Group Institutional Strategy "Transforming for Scale and Impact (CA-631)", and its operational focus areas of i) biodiversity, natural capital, and climate action; ii) sustainable, resilient, and inclusive infrastructure; and iii) regional integration. The IDB-GCF Program will execute interventions which advance climate action in alignment with national priorities, specifically within the frameworks of Nationally Determined Contributions, National Adaptation Plans, and Long-Term Strategies, where applicable. In terms of infrastructure, the core advantage of the Program lies in enhancing infrastructure resilience to extreme events such as droughts and floods, either by upgrading existing systems or by developing new resilient water, sanitation, waste, and drainage infrastructure. Moreover, the initiative will support regional integration, fostering transboundary cooperation in six amazon countries. The TC is also aligned with (i) the Water and Sanitation Sector Framework (GN-2781-7), according to the action line to promote universal access to quality water and sanitation services, with quality. equity, inclusion and affordability; (ii) the Environment and Biodiversity Sectoral Framework (GN-2827-8); (iii) the Climate Change Sectoral Framework (GN-2848-13), (iv) the Disaster Risk Action Plan (GN-3225(6/24)) and (v) the IDB Group Natural Capital and Biodiversity Mainstreaming Action Plan 2024 - 2025 (GN-3216-1). Moreover, the Program is under the Amazonia Forever Regional Program, supporting two of its five pillars: People and Sustainable Infrastructure & cities and connectivity.
- I.11. IDB's country strategies alignment. This TC aligns with the IDB Group Country Strategies of the Amazon countries involved. In Bolivia (2022-2025) (GN-3088), this TC contributes to the priority areas: (i) "inclusive and sustainable social development", as an initiative for greater access to better water quality, including climate change considerations to increase adaptation, and (ii) "climate change and environmental sustainability", given that studies and consultancies aimed at enhancing water security conditions in the amazon region will be funded. In Brazil (2024-2027), it supports pillars 1 and 2, and Amazonia is identified as a priority territory. In Ecuador (2022-2025), the TC is aligned with Strategic Objective 7: "Expand access to and improve coverage of basic and social services" and Priority Area 3.35: "Climate change, environmental sustainability, and natural disasters". Moreover, the strategy has a focus on Ecuador's Amazon region sustainable development and effective use of natural capital. In Suriname (2021-2025)4 this TC is aligned with the Strategic Objective 1.2, "Reduce inequalities in access to utilities," and section 3.20, "Crosscutting Themes", particularly in water and sanitation infrastructure and the achievement of NDCs. In addition, in the section "donor coordination" the Amazon is identified as a priority area and donors like the GCF are mentioned to mobilize climate finance. All Amazon countries that participate in the IDB-GCF Program are eligible for this TC. Apart from the demand that has been already identified and the letters that have been already obtained, for future beneficiaries (like Colombia and Peru), letters of requests will be requested from each beneficiary country before beginning any activity of the TC, as non-objection letters will be obtained from the respective liaison entities. This process will be coordinated with the respective Bank Country Office.

<sup>&</sup>lt;sup>4</sup> An updated country strategy for Suriname (2025-2030) is being prepared, given the recent change in the government.

### II. Description of components and budget

- II.1. As mentioned before, the **general objective** of the TC is to structure a pipeline of projects aligned with the eligibility criteria of the IDB-GCF Program for Climate Resilience and Water Security in the Amazon and provide technical support to the beneficiary countries in its preparation and implementation. Expected results of this TC are pre-investment and investment studies for water, sanitation and waste projects.
- II.2. Component I: Pre-investment studies<sup>5</sup>. Under this component, this TC will finance consultancies for the development of technical, engineering, financial, economic. environmental, social, institutional, risk and other studies required for the preparation and execution of the loans, as well as socialization and consultation activities. The TC will assist in identifying and defining, at national level, sectoral projects and programs that advance national priorities regarding climate resilience for the water sector in Amazonia. The expected output is the development of pre-investment and/or implementation support studies. The target is to develop four (4) pre-investment studies that support the design of WSW projects aligned with the IDB-GCF Program. Since GCF concessional resources will be targeted to works that advance resilience in the water, sanitation, drainage, and waste management areas, there is a need to develop a portfolio of projects that can demonstrate the additionality in terms of adaptation and resilience. For this reason, the pre-investment studies that will be funded through this TC are required to align interventions with the eligibility criteria of the Program. It is important to note that, as part of the aforementioned Environmental and Social (E&S) pre-investment studies, a gender and diversity assessment will be financed, if needed, in accordance with the Environmental and Social Performance Standard on Gender Equality (ESPS 9). Moreover, all knowledge products developed under this TC will be gender-sensitive and will use inclusive, non-sexist, and nondiscriminatory language.
- II.3. Component II: Capacity Building. This component will fund online and in-person trainings, technical exchanges, and work sessions, as well as contract individual consultants responsible for supporting the implementation of the IDB-GCF Program at its early stage. This TC will fund capacity building instances with regional, national and sub-national counterparts which will be involved in the implementation of the Program as executing agencies. The anticipated outcome consists of workshops aimed at identifying and defining sectoral projects that align with the priorities set forth under the IDB-GCF Program to promote dialogue, facilitate information disclosure and strengthen cooperation. The target is four (4) capacity building activities. Women and representatives of diverse groups will be actively engaged when applicable as key stakeholders and voices in the water sector, allowing them to participate in the identification of sectoral projects and benefit from them.
- II.4. Budget. The total cost of this TC is US\$300,000 which will be financed with resources from the Ordinary Capital Strategic Development Program (OC-SDP), Window 2–Sustainable Infrastructure (W2B). The unit responsible for disbursements will be INE/WSA.

**Indicative Budget** 

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Component	Description	IDB/Fund	Counterpart	Total	
		Funding	Funding	Funding	

<sup>&</sup>lt;sup>5</sup> The Bank will have the intellectual property of the studies developed under this TC.

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Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I: Pre-investment studies	Technical pre-investment studies that support the design of WSW projects aligned with the IDB-GCF Program.	\$200,000	0	\$200,000
Component II: Capacity Building	Trainings, technical exchanges, and work sessions.	\$100,000	0	\$100,000
TOTAL		\$300,000	0	

II.5. Activities will be supervised by the Water and Sanitation Division of INE (INE/WSA), in close coordination with country offices and the Amazon Coordination Unit (CSC/ACU). INE/WSA will be responsible of the monitoring and evaluation of the TC.

### III. Executing agency and execution structure

- III.1. The Bank's Water and Sanitation Division (INE/WSA) will execute this TC, as per the request of the countries, leveraging its expertise in water and sanitation projects, in coordination with the Amazon Coordination Unit (ACU). INE/WSA provides specialized technical assistance and is known for resilient and inclusive investments. As the executing agency, the Bank will enhance activities, facilitate mediation, and ensure participation of various organizations and actors, working closely with TC beneficiaries. The TC will be coordinated by the Bank with all relevant entities and technical counterparts of beneficiary countries. Investment project designs to be supported will be selected based on demand and prioritized during annual programming with ACU and VPC. The projects will also need to follow the eligibility criteria set by the Water Security GCF program. The execution and disbursement period is 36 months.
- III.2. This TC will primarily fund national activities focused on developing proposals for investment projects at the country level, but some workshops or capacity building activities might take place at regional level to make an efficient use of resources. Country offices and INE/WSA specialists in each beneficiary country will facilitate national dialogues to align with country-level processes and institutions, following standard INE/WSA procedures. Tentative institutional beneficiaries include for Brazil the National Water Agency (or ANA) and the State of Amazonas, for Ecuador the National Development Bank (or BDE), in Suriname the Ministry of Public Works and and the Suriname Water Company (SWM), and in Bolivia the Ministry of Water and Environment (or MMAYA). Since the projects to be designed with this TC are anticipated to receive funding later through GCF resources from the Amazon Regional Program, specialists will verify alignment with IDB-GCF Program eligibility requirements. INE/WSA specialists at headquarters will provide support for these activities and coordinate regionally with the Amazon Coordination Unit.
- III.3. The execution of this TC is justified as a Regional Technical Cooperation executed by the Bank according to OP-619-4, given the multiple activities that would need a regional approach, and the legal capacity to execute the TC in the different beneficiaries countries at the same time, for which it is consider appropriate for the Bank to carry out the contracting of consultants vis a vis the sustainability of the implementation of the project. Additionally, the Bank's Water and Sanitation Division has the necessary technical expertise to manage the selection and hiring of consultants, ensuring quality and consistency in support of the GCF-IDB Program. Moreover, hiring and contracting procedures in the countries could delay execution,

- and Bank-led contracting mitigates these risks. Finally, centralized execution allows for economies of scale, streamlining procurement and coordination efforts while ensuring quality and alignment with the Program's objectives and the Bank's Environmental and Social Policy Framework.
- III.4. The Bank will contract the services of individual consultants, consulting firms and non-consulting services following the policies and procedures in force at the Bank. INE/WSA will be in charge of the preparation and publication of requests for expressions of interest, the preparation of shortlists, the preparation and distribution of requests for proposals, and the evaluation and selection of consultants according to the criteria established in the requests for proposals and the negotiation of the respective contracts.
- III.5. All acquisitions to be executed under this TC have been included in the Procurement Plan and will be contracted in accordance with the Bank's applicable policies and regulations as follows: (i) Hiring of individual consultants, as established in the Complementary Employment Policy (AM-650); and (ii) Hiring of services provided by consulting firms in accordance with the Institutional Procurement Policy (GN-2303-33) and its Guidelines.

## IV. Major issues

IV.1. There are no major issues regarding the execution of this TC. The primary risk concerns coordination among the various parties involved, particularly regarding the generation of portfolio of projects in the Amazon Region that countries aim to develop under the Program. To mitigate this risk, a demand-driven approach will be implemented. Validation workshops with government representatives, capacity building activities and bilateral meetings with technical and political focal points will be promoted to strengthen counterpart engagement, aligned with IDB's annual programming exercise and regional dialogue led by the Amazon Coordination Unit. Sectorial dialogue with counterparts has been promoted since 2021 when the GCF Program's design was started, where technical priorities were mapped and a demand analysis was executed. As outcomes, the following interventions were identified as critical to improving water security and climate resilience conditions; strengthening of Early Warning Systems, inclusion of best practices for solid waste management, resilient WSW infrastructure and services, and restoration with nature-based solutions. In coordination with country offices, a preliminary pipeline was mapped that will be more deeply analyzed with the pre-investment studies of this TC. Engagement with local offices and specialists within the countries will be prioritized, with the INE/WSA taking the lead in coordinating and communicating with the hired consultants.

#### V. Exceptions to Bank policy

V.1. No exceptions to Bank policy have been identified for this operation.

#### VI. Environmental and Social Strategy

VI.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). In the context of ESPF, it is important to highlight that the IDB-GCF Program is limited to Category B investments.

#### Required Annexes:

Results Matrix\_9829.pdf

Terms of Reference\_18157.pdf

Procurement Plan\_42517.pdf