

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	Suriname
▪ TC Name:	Urban Adaptation to Climate Change in Paramaribo
▪ TC Number:	SU-T1098
▪ Team Leader/Members:	Navarrete, Jesus (CSD/HUD) Team Leader; Grunwaldt, Alfred Hans (CSD/CCS) Alternate Team Leader; Schloeter Garcia, Luis Guillermo (CSD/HUD); Van Doorn, Stephanie (CSD/HUD); Hori, Tsuneki (CSD/RND); Chakalall, Yuri (CSD/RND); Avila, Francy Dianela (CSD/HUD); Aguilar Blandon, Maria Alejandra (CSD/HUD); Esquivel Gallegos, Maricarmen (CSD/CCS)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Paramaribo Urban Rehabilitation Program - SU-L1046
▪ Date of TC Abstract:	September 08, 2017
▪ Beneficiary:	Suriname
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$220,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Consulting firms and Individual consultants
▪ Prepared by Unit:	Housing and Urban Development Division (CSD/HUD)
▪ Unit of Disbursement Responsibility:	Climate Change and Sustainable Development Sector (CSD/CSD)
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Climate change

### II. Objective and Justification

- 2.1 The main objective of this Technical Cooperation (TC) is to secure international climate funds to help mainstream climate change adaptation into urban infrastructure planning and development in Paramaribo's Historic Center. This TC will support the preparation of technical studies to develop sound financing proposals. More specifically, it will contribute with the following activities: (i) co-finance feasibility studies for critical adaptation projects; and (ii) prepare full project and program funding proposals to mobilize international assistance funds to finance or co-finance climate resilience activities aligned with SU-L1046.
- 2.2 Latin American and Caribbean countries are among the most vulnerable to the effects of climate change, due to the region's geography, climate, socioeconomic conditions and demographic factors. Although LAC contributes only a small proportion of total anthropogenic greenhouse gas emissions (between 4 and 5 percent), the ECLAC estimates that total economic costs of climate change for the region could be between 1.5% and 5% of the region's 2015 GDP. On the other hand, IDB finds that damages in the region caused by the impacts associated with a rise of 2 degrees over pre-industrial temperatures will likely approach US\$100 billion a year by 2050. In sum, the costs of climate change could significantly undermine the region's capacity to meet the Sustainable Development Goals, and could potentially reverse progress made over the last decades on human development and economic growth.

- 2.3 In this context, it is critical to recognize that cities in LAC –where 80 percent of the population is concentrated– are hotspots of vulnerability to floods, heat waves, and other hazards that climate change is expected to exacerbate. The frequency of weather-related disasters in the region’s cities has increased more than twofold between 1970 and 2005. These include increasingly destructive hurricanes such as Mitch (1998) and Wilma (2005), and two intense episodes of El Niño, which, together with land use changes, resulted in floods, droughts, landslides, mudslides and other disasters impacting the livelihood of urban dwellers, and disrupting urban infrastructure services and local economic activities.
- 2.4 Of concern are Paramaribo, the capital of Suriname, which is in a low coastal zone. This city, which is home to 70% of the country’s population, is vulnerable to extreme weather conditions, sea-level rise, stronger storms and other seaward hazards induced by climate change. Floods are expected to increase in both frequency and intensity in coastal areas, which could lead to the destruction of properties and urban infrastructure, contamination of water sources, water logging, loss of business and livelihood options, and increase in water-borne and water-related diseases.
- 2.5 The Ministry of Public Works estimates that 13% of the total urban area of Paramaribo was affected by flooding in 2002, causing economic damage and health conditions associated with stagnant water. Thus, it is paramount to identify, prioritize and deliver adaptation projects to help build climate resilience in Paramaribo’s Historic Center. To this end, the Government of Suriname has requested assistance from the Bank to identify and assess flood mitigation actions for Paramaribo to serve as technical and operational inputs for the operation SU-L1046.

### **III. Description of Activities and Outputs**

- 3.1 **Component 1. Development of feasibility studies and pre-engineering designs for Paramaribo’s downtown adaptation projects.** This component will co-finance feasibility studies for a set of prioritized climate change adaptation projects in Paramaribo’s Historic Center. Includes: (i) site development works design and an infrastructure sustainability plan; (ii) detailed analysis of expected benefits to the users and beneficiaries within the projects’ lifetime and the contribution of adaptation actions to the economic and social development of cities through economic studies (cost-benefit analysis); (iii) project-specific environmental and social impact assessments and social and environmental management plans; (iv) legal analysis to confirm that engineering designs meet relevant local and national regulations; (v) cost estimates and implementation schedules for infrastructure works; and (vi) tender and contract documents for final designs and construction activities.
- 3.2 **Component 2. Development of full project and program funding applications for international climate change adaptation funds.** This component seeks to help Paramaribo mobilize international funding to finance or co-finance critical adaptation solutions for urban development projects. Includes preparing full proposals that can be readily submitted by the IDB as an implementing agency.
- 3.3 **Component 3. TC Administrative Support.** The objective of this component is to provide technical and administrative support for the execution of this TC. It will finance activities related to the preparation of terms of reference and quality control of the products generated as part the TC’s components.
- 3.4 Notes:
  - (i) Pre-feasibility studies for climate change adaptation projects are underway with funding from SU-T1081 and RG-T2896. This TC would co-finance the subsequent detailed technical and engineering studies for such projects;
  - (ii) The IDB, on behalf of the GoS, submitted a Concept Note proposal for a US\$9.8 million grant to the Adaptation Fund for climate change adaptation actions for Paramaribo’s Historic

Center. The Concept Note was endorsed by the Adaptation Fund's Board on March 27, 2017. A full proposal must be submitted to the Adaptation Fund for final review and approval.

#### IV. Budget

##### Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Development of feasibility studies and pre- engineering designs for Paramaribo's downtown adaptation projects	\$210,000.00	\$0.00	\$210,000.00
Component 2. Development of full project and program funding applications for international climate change adaptation funds.	\$10,000.00	\$0.00	\$10,000.00
<b>TOTAL</b>	<b>\$220,000.00</b>	<b>\$0.00</b>	<b>\$220,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 The Inter-American Development Bank will be the executing agency of this TC. The Bank's Housing and Urban Development Division (CSD/HUD) will be responsible for the technical supervision of this operation. This will be closely coordinated with the Climate Change and Sustainability Division and Environment, Rural Development Disaster Risk Management Division and other relevant Bank divisions as required. Disbursements will be done from IDB Headquarters with the support of IDB's Administrative Services and Corporate Procurement Division.
- 5.2 The Bank received a request by the Government of Suriname to prepare and execute this TC, given then IBD's knowledge and expertise in climate change adaptation in urban areas.

#### VI. Project Risks and Issues

- 6.1 Potential risks include: (i) approval times for external financing, which in some cases can take up to 24 months; (ii) low availability of additional capital flows to finance adaptation measures. To minimize risks, the project team will explore alternative financing solutions, including IDB financing options and guarantees.

#### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".