

ADMINISTRATION AGREEMENT

between

THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA

and

THE INTER-AMERICAN DEVELOPMENT BANK

regarding

Project Specific Grant to the Inter-American Development Bank for Technical Cooperation Projects No. BR-T1593 titled, “Support for the development of an IDB CLIMA pilot project in Brazil”; CH-T1341 titled, “Support for Sustainable Construction in Chile”; and RG-T4526 titled “Strengthening the Risk Management of Forest Fires in the Andean Amazonia”

THIS ADMINISTRATION AGREEMENT is entered into between the Government of the Republic of Slovenia (the “Donor”) and the Inter-American Development Bank (the “Bank”) (hereinafter together referred to as the “Parties”).

WHEREAS, the Bank has approved three technical cooperation projects No. BR-T1593 titled, “Support for the development of an IDB CLIMA pilot project in Brazil”; CH-T1341 titled, “Support for Sustainable Construction in Chile”; and RG-T4526 titled “Strengthening the Risk Management of Forest Fires in the Andean Amazonia” (individually a “Project” and together the “Projects”), as described in the attached technical cooperation documents and is in the approval process of increases to each Project as described in the preliminary corresponding memoranda of increase to be approved by the Bank pursuant to Section 12 below, (the technical cooperation documents and the corresponding memoranda of increase together, the “Projects Documents”);

WHEREAS, the Donor has agreed to support the execution of the Projects specifically in connection with the increases contemplated in the corresponding memoranda of increase, by providing a project specific grant (“PSG”) to be administered by the Bank; and

WHEREAS, the Bank is prepared to receive and administer the contribution funds to be made available by the Donor for the Projects.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Donor will make available to the Bank a grant contribution in the total amount of €450,000.00 (four hundred fifty thousand Euros) (the “Contribution”) to be administered by the Bank to co-finance the Projects and distributed as specified below:

Project	Total EUR
BR-T1593	210,526
CH-T1341	119,737
RG-T4526	119,737

2. The Contribution will be solely for the purposes indicated in the Projects Documents (subject to the approval mentioned in Section 12 below). Any material deviations from the objectives and activities of the Projects described in the Projects Documents will require the Donor’s written approval.
3. Following the signature of this Administration Agreement by the Parties, the Donor will transfer the Contribution to the Bank in one single installment, upon the Bank’s written request, to an account indicated by the Bank in writing. The Bank will invoice the Donor for the total Contribution amount in three (3) separate bills, one for each Project. Upon receipt of such deposit, the Bank will convert the Euros into United States dollars and will deposit the resulting amount (subject to the exchange rate prevailing at the time of conversion) into an account denominated in U.S. dollars (the “Account”). The Account includes resources provided as grant funds by other donors

for other Bank projects. The Contribution will be administered in the Account without distinction from other donors' contributions.

4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank's applicable policies and procedures, including those applicable for third party resources administered by the Bank. The Bank will exercise the same care in the discharge of its functions, as described in this Administration Agreement, as it exercises with respect to the administration and management of resources from other donors, and will have no further liability to the Donor in respect thereof.
5. The Contribution will be accounted for separately from the Bank's assets and will be administered together with other contributions received by the Bank. The Bank may freely exchange the Contribution funds into other currencies as may facilitate their administration and disbursement. The Bank will not be responsible for foreign exchange risk in the receipt, conversion or administration of Contribution funds. Further, the Bank may at its discretion invest and reinvest the resources of the Contribution pending their disbursement in connection with the Projects.
6. To assist in the defrayment of the administration costs in relation to the Contribution, the Bank will:
 - (a) charge a non-refundable fee equal to five percent (5%) of the total Contribution amount at the time the Contribution is deposited by the Donor into the Account (for the avoidance of doubt, such fee will not be incorporated into the Projects' budget reflected in the Projects Documents); and
 - (b) retain investment income generated (if any) by the Contribution pending its disbursement towards the Projects.
7. The Bank's procurement policies and procedures will be applicable to the contracting of consulting services, as well as the procurement of non-consulting services, if applicable, carried out with the Contribution, as required by the different components of the Projects. Further, the Donor accepts that:
 - (a) the resources of the Contribution will be completely untied; and
 - (b) the consultancy services financed with the Contribution may be provided and executed by consulting firms, specialized institutions or individuals from any Bank member country; and
 - (c) specialized institutions, engaged to support with project preparation and/or implementation, may apply their own financial management and procurement policies and procedures for the provision of goods, works, non-consulting services, or consulting services, as further regulated by any agreement with the Bank.

8. In accordance with the applicable Bank policies, the Contribution resources may also support Project activities executed by Bank staff members, by financing their costs of delivering such activities (e.g., travel). For the avoidance of doubt, the Contribution resources may not supplement the budget of a Bank department or division for routine or customary activities.
9. The Donor will not be responsible for the activities of any person or third-party engaged by the Bank as a result of this Administration Agreement, nor will the Donor be liable for any costs incurred by the Bank in terminating the engagement of any such person.
10. Promptly following the completion of the Projects, the Bank will submit to the Donor a final report. The Donor may also request a non-audited financial expense report of the Contribution, as prepared by the Bank. In addition, the Donor may request an “agreed upon procedures” report issued by an external auditor selected by the Bank on the use of the Contribution resources or of the Projects. The cost of such auditor’s report will be borne by the Donor and will not be deducted from the Contribution. The Donor will reimburse the Bank for the cost of this report promptly after receiving a written request from the Bank. The Bank will not provide audited financial statements for the Account.
11. As soon as possible upon completion of the Projects, the Bank will return to the Donor any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
12. The Donor acknowledges that the Bank’s commitment to use the Contribution as contemplated herein will be subject to the Bank’s formalization of all internal approvals necessary for the corresponding memoranda of increase that are part of the Project Documents. Such internal approvals by the Bank include the approval of the memoranda of increase, substantially in the form attached hereto as Annex A. Once the memoranda of increase have been approved, the Bank will furnish copies to the Donor, which will then be deemed incorporated into this Administration Agreement as Annex A. The Donor accepts that the final, approved version of the memoranda of increase may vary from the ones attached in Annex A, in which case the approved version will prevail, and no amendment to this Administration Agreement will be required.
13. Subject to its respective policies and procedures, the Bank shall carry out the activities under this Agreement, in cooperation with the Donor and endeavor to maximize the visibility of the Donor’s identity in the Projects’ communications (e.g., through related signage, documentation and public information, including the use of the Donor’s logo).
14. The offices responsible for coordination of all matters and receiving any notice or request in writing in connection with this Administration Agreement or the Project are as follows:

(a) For the Donor:

Ministry of Finance

Župančičeva 3
1000 Ljubljana
REPUBLIC OF SLOVENIA
Attention: Financial Systems Directorate
Telephone: +386 1 369 6681
E-mail: gp.mf@gov.si

(b) For the Bank:

- i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Manager, Global Partnerships Office (GPS)
Tel.: +1 (202) 623-3967
E-mail: partnerships@iadb.org

- ii. Day-to-day communications regarding the management of the Contribution and the implementation of this Administration Agreement will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Chief, Grants and Co-financing Management Unit
Global Partnerships Office (GPS/GCM)
Tel.: +1 (202) 623-1192
E-mail: gps-gcm@iadb.org

15. This Administration Agreement will come into force on the date of its last signature by the Parties.
16. The Parties may amend any provision of this Administration Agreement in writing.
17. Subject to their respective policies and procedures with respect to access to information, the Parties may make this Administration Agreement publicly available.
18. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.

19. Nothing in this Administration Agreement may be construed as a waiver, express or implied, of the Bank's privileges and immunities, under international or any applicable law, including any privileges and immunities agreement.
20. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

IN WITNESS WHEREOF, the Inter-American Development Bank and the Government of the Republic of Slovenia, have signed this Administration Agreement in two (2) counterparts in the English language.

**FOR THE GOVERNMENT OF THE
REPUBLIC OF SLOVENIA**

**FOR THE INTER-AMERICAN
DEVELOPMENT BANK**

Klemen Boštjančič
Minister of Finance

Matías Bendersky
Manager, Global Partnerships
Office

Date: _____

Date: _____

Place: _____

Place: _____

Annex A

Projects Documents

Project No. BR-T1593

**“Support for the development of an IDB CLIMA pilot project in
Brazil”**

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	BRAZIL
▪ TC Name:	Support for the development of an IDB CLIMA pilot project in Brazil
▪ TC Number:	BR-T1593
▪ Team Leader/Members:	Queiroz Fenyves, Katia (CSD/CCS) Team Leader; Brusa, Federico (CSD/CCS) Alternate Team Leader; Ricas Da Cruz, Daniel (IFD/CMF) Alternate Team Leader; Luciana Araújo Carrijo (CSD/CCS); Rachter De Sousa Dias, Laisa (SCL/GDI); Celeste Marzo, Cristina (LEG/SGO); Gomez, Juan Carlos (CSD/CCS); De Assis Bueno, Fabia Maria (VPC/FMP)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	BR-L1638.
▪ Date of TC Abstract authorization:	04 Jun 2024.
▪ Beneficiary:	Brazil through the Minas Gerais Development Bank
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$400,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	August 2024
▪ Types of consultants:	Firms and Individual Consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CSC/CBR-Country Office Brazil
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Afro-descendants; Diversity; Environmental sustainability; Gender equality; Institutional capacity and rule of law; LGBTQ+; Persons with Disabilities

II. Description of the Associated Loan

- 2.1 This Technical Cooperation (TC) aims to support Brazil in the design of its first project “Minas for Results Program: Decarbonization and Climate Resilience of the credit portfolio of the Minas Gerais Development Bank (BDMG RBL)” (BR-L1638) under the IDB CLIMA Pilot Program. The IDB CLIMA Pilot Program aims at incentivizing sector-driven investments that will help accelerate the access of sovereign borrowers to thematic green capital markets. To attain this goal, IDB CLIMA offers a grant to borrowers that successfully reach results through sectoral investments, measured through Key Performance Indicators (KPIs), that: (i) reduce development gaps while delivering impact in terms of biodiversity and/or climate; (ii) strengthen the sector's capabilities to develop sectoral project pipelines that include climate and/or biodiversity considerations; and (iii) strengthen sector-driven biodiversity and/or climate monitoring, reporting and verification (MRV) systems to meet international climate, biodiversity and thematic green debt standards.

- 2.2 To define actions associated with investments under the IDB CLIMA Pilot program, borrowers must first assess their existing capabilities by means of the Assessment Questionnaire. This Questionnaire measures a borrowers' level of readiness for the fulfillment of the IDB CLIMA Pilot Program Objectives through questions structured around eight conditions. This Questionnaire will serve to identify borrowers' areas for improvement, which will then lead to the design of the grant-linked KPIs. Therefore, to reach this objective, the TC will (i) assess the capabilities of the “*Banco de Desenvolvimento de Minas Gerais* (BDMG) through the Assessment Questionnaire, (ii) support the strengthening of said capabilities, and (iii) conduct applied research activities to contribute to the strengthening of BDMG's first pilot project and, at the same time, feed the development of the Assessment Questionnaire, so that it can better serve future borrowers of the IDB CLIMA Pilot Program.
- 2.3 This TC is designed to support operation BR-L1638, “Minas for Results Program: Decarbonization and Climate Resilience of the credit portfolio of the Minas Gerais Development Bank (BDMG RBL)”. Thus, the objective of the operation will be aligning efforts to decarbonize Minas Gerais’ economic activity while also promoting climate resilience among its companies and municipalities across different regions of the state through adaptation and prevention of natural disasters. The borrower is BDMG, a state-owned development bank in Brazil, established in 1962 that will conduct the necessary activities to reach the targeted results. The bank operates in the state of Minas Gerais, providing financial support and promoting economic development across various sectors, aiming to support projects that generate employment, increase income, and improve the quality of life for the residents of Minas Gerais. BDMG’s primary mission is to foster sustainable development to companies and municipalities in Minas Gerais by providing financial solutions tailored to the needs of different sectors, including industry, commerce, agriculture, infrastructure, and innovation.
- 2.4 BDMG will operate in three major axes: (i) developing a financing portfolio to promote the transition from high- to low-carbon activities in projects in both the public and private sectors; (ii) enhancing the financing portfolio for sustainable projects by adding competencies focused on carbon emission reduction and climate action; (iii) emphasizing the development of financing portfolios aimed at reducing inequalities, especially for SMEs located in areas of environmental and climate vulnerability or with Human Development Index below the national average, gender policies, and promoting female entrepreneurship.
- 2.5 The program (BR-L1638) will be financed by an investment loan based on results (RBL), an innovative financing instrument that aims at funding the implementation of development programs by enhancing existing systems and processes; disbursements are conditioned on the proven achievement and independent verification of pre-established results. The theory of change behind this loan operation is that the expected changes are achieved with financial and technical support. In this sense, the theory of change contributes to a set of measures and practices aimed at linking financing to productive sectors with climate action and the reduction of inequalities, promoting environmentally sustainable actions adapted to climate change, and promoting social resilience.

III. Objectives and Justification of the TC

- 3.1 In accordance with Paragraph 3.38 of the IDB CLIMA Operational Guidelines, “Technical Cooperation objectives. TC resources tied to an IDB CLIMA pilot project will be used to support the General Objective of the IDB CLIMA Pilot Program”. Thus, the objective of this TC is to support the design of the IDB CLIMA Pilot Project

(BR-L1638), as well as to accelerate Brazil's access to thematic green capital markets through: (i) the integration of climate aspects in public investment; (ii) the development of capacities and systems to scale investments that facilitate the achievement of the climate commitments assumed by the country; and (iii) the development of systems and capacities to monitor, report and verify these investments and their compliance with environmental objectives. TC resources will be used to support the achievement of these three objectives.

- 3.2 This TC will address the barriers to mainstreaming climate and biodiversity considerations into development financing, namely: (i) lack of sectoral expertise and capacities on the development of climate projects and investments that address specific development challenges aligned to national policies that incorporate these dimensions; (ii) lack of sectoral incentives to incorporate climate aspects, which hinders the identification and design of investments at the scale needed to achieve national targets, which in turn hinders the issuance of green and thematic debt; and (iii) lack of capacities to monitor, report and verify the impacts of climate actions in accordance with international requirements and green and thematic debt markets. MRV systems present limitations in the quantity, quality, and frequency of data.
- 3.3 The studies developed under this TC will help generate further evidence to address these knowledge gaps and identify effective strategies to incentivize access to thematic markets and attract concessional financing.
- 3.4 In addition, the IDB has designed an Assessment Questionnaire to assess the capacity gaps of BDMG to integrate climate change and biodiversity into its sector investments, to facilitate the identification and design of investments that incorporate climate and nature-friendly considerations at a larger scale, and to carry out climate and/or biodiversity MRV work. The Assessment Questionnaire will be complemented by a roadmap jointly designed between the IDB team and the BDMG to identify priority areas of intervention to strengthen its capacities to meet both the general and specific objectives of the IDB CLIMA Pilot Program. The roadmap will help to design interventions that adequately fit the country's needs, priorities, and capacities, as well as to define more precisely the necessary studies and activities to strengthen the country's sectoral and/or national capacities.
- 3.5 **Strategic Alignment.** The TC is consistent with the IDB Group's Country Strategy with Brazil 2019-2022 (GN-2973), by promoting tailored credit limits for the private sector development and improving the financial system to foster climate and environmental resilience, which will in turn "improve the business climate and narrow gaps in sustainable infrastructure to enhance competitiveness" to: (i) promote greater economic competitiveness; and (ii) increase the role of the private sector by improving the quality of the business environment. Additionally, the TC is aligned with the Integrated Strategy for Adaptation and Mitigation to Climate Change and Renewable and Sustainable Energy (GN-2609-1), the Climate Change Sector Framework Document (GN-2835-13), and the Ordinary Capital Strategic Development Program (OC SDP) Window 2 Sustainability (W2A) (GN-2819-14), on (i) Climate Change and Environmental Sustainability and (ii) Sustainable and Resilient Infrastructure. This TC also aligns with the IDB's Institutional Strategy "Transformation for Greater Scale and Impact" (CA-631), and is aligned with the objectives of: (i) improving financial instruments and increasing resource mobilization: the TC will strengthen the capabilities of national environmental MRV systems and help countries access green and thematic debt markets and mobilize large-scale capital to address sustainability challenges; and (ii) addressing climate change: the TC will help reinforce sectoral and national capacities to develop and implement the IDB CLIMA pilot project, which rewards countries for achieving nature

and climate-related goals. This is directly aligned with the “Address Climate Change” objective of the Institutional Strategy in terms of mitigating the effects and adapting to climate change, reducing emissions, and preserving biodiversity, while also strengthening the resilience of countries in the region.

- 3.6 The IDB has valuable experience in carrying out this kind of intervention in Brazil. The Bank supported the country through technical assistance in the structuring and issuance of Brazil’s Sovereign Sustainable Bond Framework. This initiative reaffirms Brazil’s commitment to sustainable policies, aligning itself with the growing interest of non-resident investors and the expansion of thematic bond markets worldwide.
- 3.7 **Previous experiences.** This TC builds on valuable lessons from past projects, ensuring alignment with similar initiatives. From the completed ATN/OC-19012-BR, lessons showed the importance of diversifying sustainable financing alternatives through innovative debt capital market instruments such as asset-backed securitizations and bond issuances. This approach significantly enhanced the availability of medium-to-long term financing for sustainable investments, driving both economic growth and environmental sustainability. Additionally, ATN/AC-17318-RG highlighted the necessity of providing tailored technical assistance for issuances in challenging sectors like sustainable agriculture, multi-sector portfolios, and Sustainable Development Goals (SDG) thematic projects. Key lessons from this experience include the importance of early and ongoing stakeholder engagement, understanding sector-specific nuances, and incorporating flexibility into project designs. By integrating these insights, this project will move ahead on tackling challenges in Minas Gerais and capitalize on opportunities in sustainable financing and technical support across diverse sectors.

IV. Description of Activities/Components and Budget

- 4.1 **Component 1. Assessment and enhancement of socio-environmental management systems (ESMS) (US\$100,000).** Activities under this component will gather evidence and access BDMG’s capabilities in terms of the Specific Objectives of the IDB CLIMA Pilot Program. This component will finance consulting services to conduct an analysis of BDMG’s climate risk systems and financial products focused on climate resilience to provide an accurate picture of its climate portfolio and risks. It will then propose ways to strengthen it and have a more robust system. The consultancy services will review information, capture processes (improving data quality) and propose advancements in the climate risk analysis, enabling the measurement of the impacts of extreme weather events on the credit risk applied to sub-borrowers, particularly micro and small enterprises. Furthermore, this component will also finance activities to conduct an analysis of the demand for credits towards investments on climate resilience in the public and private sectors of Minas Gerais. As a result, BDMG will be able to develop its acquired knowledge, capacity and necessary tools to support the allocation of resources for climate resilience activities/programs.
- 4.2 **Component 2. Strengthening of sectoral capabilities and financial products design (US\$200,000).** Activities under this component will help bolster sectoral capabilities to develop and implement the IDB CLIMA pilot project, and in this way contribute to achieving climate and/or biodiversity impact at the necessary scale. It consists of reviewing BDMG’s sustainable product portfolio and developing or adapting financial products aimed at decarbonization investments and updating BDMG’s Sustainable Finance Framework developed in 2020 with IDB support. In addition to designing the products, this component will finance consulting services for market analysis (guarantees, rates, and terms), analysis of financial products offered by other financial institutions, review of internal processes and adjustments in technologies,

and internal governance mechanisms. Furthermore, the TC will support the creation of a robust science-based target management structure (SBTIs), which not only helps mitigate climate change but also enhances BDMG's sustainability credentials and operational efficiency. The activities to be financed under this component include consulting services for validating goals for priority sectors through defining goals, metrics, and indicators, as well as methodologies, technologies, and processes, in pursuit of decarbonization and resilience of financed projects, aligning with international best practices.

- 4.3 **Component 3. Gender and diversity diagnostic and action plan (US\$40,000).** This component will finance consulting services to support BDMG in technical assistance focused on best practices in women MSMEs definitions and financial inclusion of diverse groups as afro descendants, indigenous population, and disability people. Such technical assistance will assess BDMG's current capabilities to disaggregate data according to the owner/leader of the MSME, and it will understand reporting systems and mechanisms. Additionally, it will provide tailor made recommendations for BDMG to align with international best practices in the field of sex disaggregated data and other diverse groups, establishing new strategies and possibilities for financial inclusion.
- 4.4 **Component 4. Stakeholder engagement, training, capacity building and knowledge dissemination (US\$60,000).** This component will finance activities focused on BDMG's training and capacity building on decarbonization, resilience, and inequalities, especially to develop climate-related risk and opportunities management skills. This component will also finance consulting services for the development of studies, cases, and assessment of lessons learned and publications related to decarbonization and RBL mechanisms, considering the innovative nature of the operation. This component will also finance a consultancy for complying with administrative and reporting procedures related to the Program (BR-L1638), and eventual logistical support for events to communicate and disseminate results. This will be crucial to ensure consistency on future experiences of the LBR mechanism and guide other borrowers on improvement needs.
- 4.5 Activities funded under this TC includes consulting services to validate goals for priority sectors, define metrics and indicators, and develop methodologies and processes for decarbonization and resilience. This ensures that the project's benefits and impacts will last beyond the execution period of the operation. Additionally, the IDB CLIMA Pilot requires an outreach and communication strategy to disseminate impacts. This aims to secure institutional support at both the technical and political levels for adopting the IDB CLIMA methodology.
- 4.6 The total estimated cost of this operation is US\$400,000, which will be financed with resources from OC SDP Window 2 - Sustainability (W2A).

Indicative Budget (US\$)

Activity/Component Description	IDB Funding (W2A)	Total
Component 1. Assessment and enhancement of socio-environmental management systems.	100,000	100,000
Component 2. Strengthening of sectoral capabilities and financial products design	200,000	200,000
Component 3. Gender & diversity diagnostic and action plan	40,000	40,000
Component 4. Stakeholder engagement, training, capacity building and knowledge dissemination	60,000	60,000
Total	400,000	400,000

V. Executing Agency and Execution Structure

- 5.1 The IDB has been requested by BDMG (project beneficiary) to act as the executing agency. Given the Bank's proven track-record in developing operational and institutional capacity-building activities, the Bank will execute this TC and carry out all contract-related activities, as stated in the guidelines and requirements established in the Technical Cooperation Policy (GN-2470) and in the TC Operational Guidelines (GN-619-4). The Bank is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the "Operational Guidelines for Technical Cooperation Products" (OP-619-4). Additionally, the Climate Change Division of the IDB (CSD/CCS) will coordinate with other IDB Group departments and liaise with other key initiatives and stakeholders involved in the design, implementation, and financing of IDB-CLIMA pilot projects, especially with CMF. Supervision will be carried out by the CSD/CCS Team Leader.
- 5.2 All activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (i) hiring of individual consultants, as established in the Complementary Workforce Document (AM-650); and (ii) contracting of services in accordance with the Institutional Procurement Policy (GN-2303-33) and its associated guidelines. The Bank will oversee the consulting services. This will ensure the delivery of high standards reports and ensure adherence to project's objectives. Additionally, the Bank will actively coordinate with relevant institutions to facilitate effective stakeholder engagement.
- 5.3 For the execution of Component 2, the project team will request approval to use the single-source selection (SSS) methodology to hire HPL.LLC. This firm will support the IDB Group in preparing the Results Based Loan (RBL) for BDMG. HPL is uniquely qualified for this task, having already collaborated with BDMG in designing the RBL, which aims to enhance the bank's decarbonization and climate resilience strategies. Beyond assisting BDMG teams with the loan proposal, HPL has conducted a comprehensive assessment of the bank's capacity. This assessment highlighted the need to enhance internal capabilities for measuring both direct and indirect greenhouse gas (GHG) emissions and for creating financial products to reduce clients' emissions and boost their climate resilience. Thus, being better qualified than any other company to develop financial products as they have a profound knowledge of BDMG's internal policies and procedures. Additionally, HPL has a proven track-record in developing thematic bond frameworks for both public and private sector issuers in Latin America and the Caribbean. This includes sustainability-linked debt instruments and defining KPIs to measure the impact of green and social credits. HPL has successfully completed 60 sustainable finance projects across 20 countries for 52 clients and beneficiaries in both the public and private sectors. HPL possesses the necessary knowledge, tools, and expertise to deliver the outcomes specified in Component 2. The firm will be hired via SSS because the contract meets two exclusive conditions stipulated in the applicable policy (GN-2303-33): (i) HPL is the only firm with the requisite qualifications and exceptional experience for this assignment, and (ii) it offers a clear advantage over any potential competitors as this consultancy is a natural continuation of a previous task. (BDA team has already been informed about this SSS).
- 5.4 The knowledge products developed within the framework of this technical cooperation will be IDB's property and will be made publicly available under a creative commons

license. However, as per the beneficiary's request, the intellectual property of these products can also be licensed to the beneficiary.

VI. Important Risks

- 6.1 Ensuring high-quality and timely available data: Develop a comprehensive data management plan to guarantee data quality and availability. Engagement with local partners beyond government and clear identification of elements which would require further information for consistent analysis.
- 6.2 Ensuring good engagement level of beneficiaries and other involved stakeholders: A continuous engagement strategy will be developed, contributing to the definition of an active participation mechanism that enhances their willingness to participate, and ensuring that TC closely contributes to long-term governmental programs and priorities.
- 6.3 Need for phasing components/activities: A structured and organized approach is required to the project, where the activities planned are to be completed in a specific order to achieve the TC's main objective. Therefore, close monitoring of the work plan to ensure timely execution of the plan will be guaranteed. The IDB will be the Executing Agency of this TC to ensure overall implementation coordination, establishing an agreed calendar of meetings with consultancy firms and individual consultants as well as with the beneficiary.
- 6.4 Achieving the legacy of sustainability required by IDB CLIMA Pilot: Outreach and communication strategy including stakeholder engagement in place to demonstrate benefits and positive project impacts, aiming at institutional buy-in at both technical and political level for the adoption of the IDB CLIMA methodology

VII. Exceptions to Bank policy

- 7.1 This operation does not include any exceptions to Bank policy.

VIII. Environmental and Social Aspects

- 8.1 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

- [Request from the client](#)
- [Results Matrix](#)
- [Terms of Reference](#)
- [Procurement Plan](#)

MEMORANDUM

To: Juan Pablo Bonilla
Manager, CSD/CSD

From: Tatiana Alves
Division Chief, CSD/CCS

Reference: BRAZIL. Non-Reimbursable Technical Cooperation Operation "Support for the development of an IDB CLIMA pilot project in Brazil" (BR-T1593). Request for increase in resources and Component change to finance ATN/OC-21004-BR

Date: February 26th, 2026

I. Background

- 1.1 The Operational Support TC "Support for the development of an IDB CLIMA pilot project in Brazil" (BR-T1593) was approved on August 6, 2024, for an amount of US\$400,000, financed by the OC SDP Window 2 – Sustainability (W2A). Its objective is to support the design of the IDB CLIMA Pilot Project in Brazil, "Minas for Results Program: Decarbonization and Climate Resilience Increase of the Minas Gerais Development Bank's (BDMG) Credit Portfolio" (BR-L1638), as well as to accelerate Brazil's access to thematic green capital markets. Specifically, the TC: (i) supports the integration of climate aspects in public investment; (ii) ensures the development of capacities and systems to scale investments that facilitate the achievement of the climate commitments assumed by the country; and (iii) strengthens the development of systems and capacities to monitor, report and verify these investments and their compliance with environmental objectives.
- 1.2 This TC focuses on strengthening BDMG's capabilities with respect to environmental objectives, positioning it as one of the key financiers of the Minas Gerais State Climate Action Plan. It will support diagnostics, institutional assessments, and the development of products and climate risk analyses. All pilot activities are coordinated with the CCS Country Specialist.
- 1.3 Its main components are: (i) assessment and enhancement of socio-environmental management systems; (ii) strengthening of sectoral capabilities and financial products design; (iii) gender and diversity diagnostic and action plan; and (iv) stakeholder engagement, training, capacity building and knowledge dissemination.
- 1.4 In light of the updated design of the investment operation BR-L1638, which no longer includes a dedicated gender component, the gender and diversity diagnostic and action plan originally envisaged under this TC is no longer required. As this TC serves as operational support for the IDB CLIMA implementation at BDMG, its scope must mirror the operation's structure and priorities.
- 1.5 Accordingly, Component 3 should be adjusted to replace the gender-focused output with a green transition study conceived as a regional public good. This study will provide actionable guidance for financial institutions in Minas Gerais and the broader region on measures to advance the greening of their financial systems, thereby strengthening the

enabling environment for the IDB CLIMA pilot and aligning the TC’s deliverables with the revised operation.

Table 1- Original Approved Budget (US\$)

Activity/Component	IDB/ W2A	Total Funding
Component 1: Assessment and enhancement of socio-environmental management systems	100,000	100,000
Component 2: Strengthening of sectoral capabilities and financial products design	200,000	200,000
Component 3: Gender and diversity diagnostic and action plan	40,000	40,000
Component 4: Stakeholder engagement, training, capacity building and knowledge dissemination.	60,000	60,000
Total	400,000	400,000

1.6 The disbursement period is 24 months from its date of approval. The operation’s date of last disbursement is August 6, 2026. The amount originally assigned to it is US\$400,000, financed by the Ordinary Capital Strategic Development Program (OC-SDP) Window 2 – Sustainability (W2A). In light of the imminent date for the operation's last disbursement, and the new products and activities to be financed through the increase, this document also considers an expansion in the deadline for execution of the TC of 24 months, to August 6, 2028.

II. Progress

2.1 Until December 2025, and in line with the TC expected results, the following key products have been financed and implemented across the four components:

2.2 **As part of component 1:** In July 2025, PEZCO delivered the final report titled “*Estimate of Climate Credit Demand*” to BDMG. The study highlighted the potential for converting climate market opportunities into an effective portfolio for BDMG, providing a detailed breakdown of the share allocated to mitigation and adaptation measures. In addition, a diagnostic was prepared by an independent consultant that included: (i) an analysis of the current types of environmental and social indicators, with recommendations and criteria for their quantification and qualification; and (ii) a review of the social, environmental, and climate questionnaire, along with its application criteria and corresponding recommendations. To complement this component, a detailed study on the impact of extreme climate events on the credit risk of micro and small enterprises financed by BDMG was also developed by an independent consultant. It explores how occurrences such as floods, droughts, intense rainfall, and other severe weather phenomena influence default rates, renegotiations, and loan survival times.

2.3 **As part of component 2:** the consultancy hired for this purpose, HPL delivered in November 2025 the BDMG Sustainable Financing Framework. It establishes guidelines for issuing and managing green, social, and sustainable bonds and loans, aligning the bank’s operations with international principles (such as International Capital Market Association and Loan Market Association) and Brazil’s Sustainable Taxonomy. It defines eligible categories for financing—such as renewable energy, sustainable agriculture, clean transport, resilient cities, and social inclusion—while integrating climate mitigation and adaptation criteria. The framework details resource allocation, project evaluation, risk management, and reporting processes, ensuring transparency and impact measurement through indicators linked to the United Nations Sustainable Development Goals (SDG). It

also includes exclusion lists, certification requirements, and external verification mechanisms to guarantee compliance and credibility. The Second Party Opinion firm rated the Sustainable Framework as Excellent in their assessment.

- 2.4 **As part of component 3:** As mentioned in the background, this Component has not delivered any products, given that the idea of the gender and diversity action plan was abandoned. Instead, this memo proposes changing Component 3 to “Analyzing Opportunities for a Green Transition” and utilizing its budget to conduct the necessary studies, not only for the benefit of BDMG but also the IDB CLIMA Pilot Program as a whole.
- 2.5 **As part of component 4:** HPL conducted meetings and workshops to complement the efforts related to the Sustainable Bond Issuance Framework development. Knowledge sharing and dissemination sessions were conducted to provide strengthening of BDMG’s internal capacity.
- 2.6 **Physical Progress.** The following table shows the physical progress in the Product Matrix, as of December 2025 (16 months of implementation).

Table 2. Product matrix

Component	Output definition	Original output	Progress up to date
Component 1: Assessment and enhancement of socio-environmental management systems	Institutional capacity analysis conducted	1	1
Component 2: Strengthening of sectoral capabilities and financial products design	Diagnostic and recommendations to sectoral capabilities and financial products design delivered	1	1
	BDMG’s Sustainable Finance Framework	1	1
Component 3: Gender and diversity diagnostic and action plan	Methodology for assessing social, environmental, and climate risks for BDMG	1	-
Component 4: Stakeholder engagement, training, capacity building and knowledge dissemination.	Capacity building on decarbonization, resilience and inequalities delivered	1	1
	Studies, cases and assessments related to decarbonization and PBR mechanisms delivered	2	2

- 2.7 **Financial Progress.** As of January 27th, 2026, for contract ATN/OC-21004-BR, of the original allocation \$333,796.93 (83.45%) have been executed, \$28,684.08 (7.17%) are under commitment, and \$37,518.99 are available.

Table 3. Available Balance (US\$)

Activity/Component	Original amount	Disbursed	Committed	Available balance
Component 1: Assessment and enhancement of socio-environmental management systems	100,000	99,896.00	0.00	104.00
Component 2: Strengthening of sectoral capabilities and financial products design	200,000	192,791.36	5,620.64	1,588.00
Component 3: Gender and diversity diagnostic and action plan	40,000	0.00	0.00	40,000
Component 4: Stakeholder engagement, training, capacity building and knowledge dissemination.	60,000	36,936.56	23,063.44	0.00
Total	400,000	333,796.93	28,684.08	37,518.99

III. Increment of Fund's Objective and Justification

- 3.1 The objective of this request is to obtain additional resources to fund essential activities for Components 1, 2, 3, and 4 amounting to US\$600,000.
- 3.2 Justification. The requested additional resources will finance a new set of analytical, institutional, and operational activities required to consolidate BDMG's transition toward a fully integrated climate finance and sustainability-oriented development bank.¹ The resources from OC SDP Pillar 3 – Biodiversity, Natural Capital, and Climate Action (P3F) and Slovenia's Project Specific Grant (PSG) will strengthen the BDMG's socio-environmental governance systems, enhance climate aligned- portfolio management and financial product design, and significantly expand subnational climate resilience project preparation and stakeholder engagement capacities across the state of Minas Gerais aligned portfolio management and financial product design, contribute to the development of green transition studies, for the benefit of BDMG and the region as a whole, and significantly expand subnational climate resilience project preparation and stakeholder engagement capacities across the state of Minas Gerais, particularly through capacity building initiatives across municipalities. The additional funding will support the transition from institutional framework development to large-scale operational deployment, enabling BDMG to meet increasingly stringent multilateral requirements, structure scalable climate pipelines at the municipal level, and position itself as a national benchmark in climate finance. The additional amount of US\$600,000 will enable this IDB CLIMA technical cooperation to reach the non-reimbursable financing of US\$1 million as indicated in paragraph 3.37 of the IDB CLIMA Pilot Program Guidelines (GN 3168 6).
- 3.3 **Component 1. Assessment and enhancement of socio-environmental management systems (US\$125,000).** The additional resources under this component will consolidate BDMG's institutional ESG governance and international sustainability disclosure frameworks, which are essential for scaling up climate finance operations and accessing multilateral funding. Resources will finance the design and implementation of a standard ESG policy for BDMG financing operations, aligned with the requirements of international funding partners and the strategic rollout of the "BDMG Verde" product. This will include a review of ESG standards applied by multilateral institutions, the definition of internal allocation and governance rules, and support for policy alignment and negotiation with partners. In parallel, the component will support BDMG's preparation for International Financial Reporting Standards (IFRS) S1 and S2 reporting, including a gap analysis, definition of internal governance and data collection processes, structuring of indicators and controls, and targeted capacity building. These activities will strengthen transparency, audit readiness and regulatory compliance, and reinforce BDMG's institutional credibility in sustainable finance markets.
- 3.4 **Component 2. Strengthening of sectoral capabilities and financial products design (US\$155,000).** This component will strengthen BDMG's climate-aligned portfolio management and capital market positioning through two complementary activities. First, resources will support the implementation of a financed emissions methodology for the credit portfolio, in line with internationally recognized standards such as Partnership for Carbon Accounting Financials. This will include the definition of portfolio scope and data sources, sector-based modeling, development of automated calculation tools, and knowledge transfer to enable annual internal execution. Second, the component will

¹ The requested additional resources do not change the project's general and specific objectives, components, or execution mechanism. According to the analysis carried out by the team, this modification does not constitute a substantial or fundamental change as established in document OA 430.

finance the preparation of an IDB CLIMA Roadmap to facilitate BDMG's access to green, sustainable, and thematic debt markets. This roadmap will define strategic steps, institutional requirements, product structuring options, and market positioning to enable BDMG to scale up thematic issuances aligned with IDB CLIMA principles and international investor expectations. Together, these activities will strengthen BDMG's capacity to design innovative climate finance products, guide portfolio decarbonization, and mobilize capital through green and thematic debt instruments.

- 3.5 **Component 3. Analysing opportunities for a green transition (US\$60,000).** The additional resources under this component will serve to conduct tailored research to understand how these types of loans and interventions can support financial intermediaries and other similar borrowers in advancing a national green transition agenda that is built upon targets defined by the country and the borrower. This will include comparative regional approaches as well as analysing different institutional capacities existing within Brazil and the region.
- 3.6 **Component 4. Stakeholder engagement, training, capacity building and knowledge dissemination (US\$260,000).** The additional resources under this component will finance climate resilience and adaptation technical assistance for 15 municipalities across the state of Minas Gerais, as well as cross-cutting capacity building activities. Municipalities will be selected based on climate and social vulnerability, and geographic representativeness. The technical assistance will include climate risk diagnostics, adaptation planning, project structuring, and preparation for access to multilateral financing, delivered through in-person workshops and remote advisory support. In parallel, the component will support cross-cutting capacity building and knowledge dissemination for BDMG, and municipal teams related to ESG policy implementation, IFRS reporting, financed emissions, climate project structuring, and climate finance best practices. These activities will ensure sustainability, institutionalization, and replicability of the results.

Table 4. New Activities and Proposed Budget (US\$)

Component	Summary of activities	Additional amount
Component 1. Assessment and enhancement of socio-environmental management systems	Design and implementation of: (i) BDMG ESG Standards Policy aligned with multilateral requirements; and (ii) IFRS S1 and IFRS S2 climate and sustainability reporting readiness (governance, data systems, indicators, and internal capacity building).	125,000
Component 2. Strengthening of sectoral capabilities and financial products design	<ul style="list-style-type: none"> • Implementation of financed emissions methodology for the credit portfolio (PCAF-based), including automation and internal capacity building. • Preparation of the IDB CLIMA / Green and Thematic Debt Roadmap to guide BDMG's access to green, sustainable and thematic debt markets. 	155,000
Component 3. Gender and diversity diagnostic and action plan	Studies on the challenges, opportunities and reporting aspects of the green transition for financial intermediaries and other relevant actors.	60,000
Component 4. Stakeholder engagement, training, capacity building and knowledge dissemination.	Climate resilience and adaptation TA for 15 municipalities, including diagnostics, project structuring, financing readiness, workshops, remote advisory, and cross-cutting training for BDMG and municipal teams.	260,000
Total Additional Budget		600,000

IV. Budget

- 4.1 With the approval of the additional resources requested through this Memorandum (US\$600,000), the total budget for TC BR-T1593 would amount to US\$1,000,000. The

additional resources will be financed with resources from OC SDP Pillar 3 – Biodiversity, Natural Capital, and Climate Action (P3F) and from PSG. PSG provided EUR\$200,000, with the 5% fee already having been deducted. The exchange rate used to calculate the USD equivalence was 1 USD = 0.86033 EUR dated December 2nd, 2025, thus the total USD amount was calculated at USD\$232,469. Considering the requested increase, the operation’s components allocation will be updated as shown in Table 5.

Table 5. Added Activities and Proposed Budget (US\$)

Components/Activities	Original Budget	Additional amount requested		Total
		PSG (USD)	P3F	
Component 1	100,000	48,431.02	76,568.95	125,000.00
Assessment and enhancement of socio-environmental management systems	100,000	48,431.02	76,568.95	125,000.00
Component 2	200,000	60,054.49	94,945.51	155,000.00
Strengthening of sectoral capabilities and financial products design	200,000	60,054.49	94,945.51	155,000.00
Component 3	40,000	23,246.90	36,753.10	60,000.00
Analyzing opportunities for a green transition	40,000	23,246.90	36,753.10	60,000.00
Component 4	60,000	100,736.57	159,263.43	260,000.00
Stakeholder engagement, training, capacity building and knowledge dissemination.	60,000	100,736.57	159,263.43	260,000.00
TOTAL	400,000	232,469.00	367,531.00	600,000.00

V. Execution

- 5.1 This budget increase will not change TC’s objectives and its execution mechanism, as the Bank, through the Climate Change Solutions Division (CSD/CCS) continues to serve as the executing agency - for the additional activities which will be carried out according to the applicable Bank procurement policies and procedures. The activities programmed under this TC were included in the Procurement Plan and have been executed in accordance with the procurement methods established by the IDB, namely: (i) hiring of individual consultants, as established in the Complementary Workforce Document (AM-650); and (ii) contracting of services in accordance with the Institutional Procurement Policy (GN-2303-33) and its associated guidelines.

VI. Recommendation

- 6.1 As a result of the aforementioned information and in accordance with the Approval of Non-reimbursable Operations (PR-501) and sections III., B., 1 of the Table of Authority for the Administration of Non-Reimbursable Technical Cooperation and Investment Grant Operations and Contingent-Recovery Operations (OA-421), the Project Team Leader recommends the approval by the Sector Manager of the increase of non-reimbursable resources in the amount of US\$600,000 for TC BR-T1593, resulting in a new total of US\$1,000,000.

VII. Annexes

- [BDMG's request for increase](#)
- [Updated Result Matrix](#)
- [Updated Procurement Plan](#)
- [Terms of Reference](#)

Project No. CH-T1341

“Support for Sustainable Construction in Chile”

Documento de Cooperación Técnica

I. Información Básica de la CT

▪ País/Región:	CHILE
▪ Nombre de la CT:	Apoyo a la Construcción Sostenible en Chile
▪ Número de CT:	CH-T1341
▪ Jefe de Equipo/Miembros:	Torrico Duran, Blanca Paola (PTI/CTI) Líder del Equipo; Henriquez Leblanc, Pauline (PTI/CTI) Jefe Alterno del Equipo de Proyecto; Barrios Bastardo Andreina Del Carmen (PTI/CTI); Robles Alzamora, Paola A. (CSC/CCH); Casalino Franciskovic, Juan Manuel (LEG/SGO); Medina Vasquez Exequiel Enrique (PTI/CTI); Crespi, Gustavo Atilio (PTI/CTI); Demichelis, Jose Francisco (IFD/CMF); Toro Cano, Fernando Ignacio (CSD/HUD); La Rosa, Analia (VPC/FMP); Bustamante Rodriguez Maria Sol (PTI/CTI)
▪ Taxonomía:	Apoyo Operativo
▪ Operación a la que la CT apoyará:	CH-L1186
▪ Fecha de Autorización del Abstracto de CT:	14 Feb 2025.
▪ Beneficiario:	República de Chile a través de la Corporación de Fomento de la Producción
▪ Agencia Ejecutora y nombre de contacto:	Inter-American Development Bank
▪ Donantes que proveerán financiamiento:	OC SDP Ventanilla 2 - Instituciones(W2C)
▪ Financiamiento solicitado del BID:	US\$250,000.00
▪ Contrapartida Local, si hay:	US\$0
▪ Periodo de Desembolso (incluye periodo de ejecución):	36 meses
▪ Fecha de inicio requerido:	Mayo 2025
▪ Tipos de consultores:	Firmas consultoras y consultores individuales
▪ Unidad de Preparación:	PTI/CTI-División de Competitividad, Tecnología e Innovación
▪ Unidad Responsable de Desembolso:	CSC/CCH-Representación Chile
▪ CT incluida en la Estrategia de País (s/n):	Sí
▪ CT incluida en CPD (s/n):	Sí
▪ Alineación a la Actualización de la Estrategia Institucional 2024-2030:	Productividad e innovación; Capacidad institucional y estado de derecho; Desarrollo productivo e innovación por medio del sector privado

II. Descripción del Préstamo Asociado

2.1 El Banco se encuentra apoyando al gobierno de Chile en el diseño de un programa de inversión que aborde estos desafíos y logre que una creciente proporción de su Sector de la Construcción trabaje con materiales y tecnologías más sostenibles, principalmente basadas en madera. La operación CH-L1186 "Apoyo a la Construcción Sostenible", actualmente en preparación, tiene como objetivo general impulsar el crecimiento, la productividad y la carbono neutralidad de la cadena de valor del sector de la construcción, mediante la incorporación de métodos modernos de construcción basados en el uso de la madera. Los objetivos específicos son: (i) mejorar la inversión de las MIPYMES de la cadena de valor de la construcción basada en madera mediante un mejor acceso al financiamiento; y (ii) promover la modernización

productiva de MIPYMES de la cadena de valor de la construcción basada en madera mediante la incorporación de tecnologías, mejoras de procesos y estándares de calidad.

- 2.2 Dado que el programa buscará aumentar la inversión de empresas constructoras y aserraderos para mejorar la oferta de sistemas constructivos, será necesario que la demanda envíe una señal fuerte al mercado. Para ello se prevé que el Ministerio de Hacienda emita un bono de deuda soberana sostenible con el compromiso que el MINVU financie viviendas sostenibles con alto contenido de madera.

III. Objetivos y Justificación de la CT

- 3.1 **Objetivo.** El objetivo de la Cooperación Técnica (CT) es el fortalecimiento institucional del sector de la construcción basado en madera, particularmente del Ministerio de Vivienda y Urbanismo (MINVU) y la Corporación de Fomento de la Producción (CORFO), para fomentar la construcción sostenible en Chile. Los objetivos específicos son: (i) fomentar el desarrollo sostenible de la industria de construcción en madera y madera industrializada con perspectiva de género para promover la participación equitativa en el sector; y (ii) apoyar en la formulación de un bono sostenible y otros instrumentos que orienten la demanda de viviendas sociales basadas en madera.
- 3.2 **Justificación.** La descarbonización de la economía global para el 2050 requiere de inversiones significativas para acelerar la transición verde. Chile se ha comprometido a lograr este objetivo a través de su Ley Marco de Cambio Climático N° 21455 de 2022, una meta ambiciosa que requiere una serie de esfuerzos coordinados y acelerados para lograr su cumplimiento. El sector de la construcción en Chile es clave en ese contexto, dado que es responsable del 33% del consumo energético en el país y del 30% de las emisiones de Gases de Efecto Invernadero (GEI). Al desglosar el consumo energético del sector, se observa que el 67% corresponde a la etapa de operación de las edificaciones, 30% a la producción de materiales de construcción y un 3% a la ejecución en obra¹.
- 3.3 Sumado a los retos de sostenibilidad, el sector de la construcción también enfrenta problemas de productividad, reflejado en su estancamiento e inclusive registrando tasas de crecimiento negativas a nivel nacional en los últimos años². Entre 2009 y 2018 la brecha de productividad entre Chile y el promedio de la Organización para la Cooperación y el Desarrollo Económico (OECD) aumentó un 20%, siendo la productividad de los referentes más del doble que la chilena. Así también la productividad de la construcción en Chile es menor que en otros sectores, alcanzando solo el 80% del promedio de la economía. Entre las causas se identifica la falta de coordinación entre los distintos actores, ineficiencias en los procesos de construcción, y la baja inversión en investigación y desarrollo que obstaculiza la adopción de prácticas innovadoras capaces de transformar la industria. Cerrar esta brecha de productividad podría aumentar la producción en USD 4.500 millones, representando más del 20% del PIB del sector³.

¹ [La Construcción de Viviendas en Madera en Chile: Un Pilar para el Desarrollo Sostenible y la Agenda de Reactivación](#) (Banco Mundial, 2020)

² [La Construcción de Viviendas en Madera en Chile: Un Pilar para el Desarrollo Sostenible y la Agenda de Reactivación](#) (Banco Mundial, 2020)

³ [Productividad en el Sector de la Construcción](#) (Comisión Nacional de Productividad, 2020)

- 3.4 El sector además presenta brechas de competencias laborales, con el 65% de las empresas reportando dificultades para llenar vacantes debido a la falta de competencias y certificaciones⁴. También persisten en el sector importantes brechas de género que reducen la cantidad y calidad de talento disponible. Por ejemplo, la participación de la mujer en la industria de la construcción chilena es de solo un 8,39% frente a una participación del 58% en el mercado laboral (Bahamondes et al, 2024).
- 3.5 Al mismo tiempo, el país enfrenta una crisis urbano-habitacional. Con un déficit de más de 650 mil viviendas al 2022, y 2,2 millones de familias que necesitan apoyo estatal, la demanda habitacional ha aumentado desde 2015 debido a la migración y el crecimiento natural de los hogares, especialmente en zonas urbanas⁵. La oferta de viviendas no ha podido seguir el ritmo del crecimiento poblacional, resultando en una disminución de nuevas construcciones desde 2006⁶.
- 3.6 La adopción de métodos constructivos alternativos, como la construcción industrializada en madera, representa una oportunidad ya que podría reducir en hasta un 50% las emisiones de CO2 del sector y el 35% de la energía utilizada en comparación con los métodos tradicionales⁷, además de reducir significativamente los tiempos de ejecución y mejorar la calidad de las obras mediante tecnología avanzada. Contribuyendo así a los objetivos climáticos, a la mejora de productividad del sector y respondiendo a la vez a la demanda habitacional. Chile ya tiene capacidades instaladas en la industria de construcción en madera, incluyendo empresas del sector que ya incorporan a la madera en su oferta y la existencia de varios centros de innovación y testeo. Entre estos centros se destacan el Centro Nacional de Excelencia para la Industria de la Madera (CENAMAD)⁸, financiado por la Agencia Nacional de Investigación y Desarrollo (ANID), que se dedica a la investigación de excelencia, transferencia tecnológica y difusión en el sector maderero, y el Centro UC de Innovación en Madera⁹, que promueve la construcción en madera a través de soluciones constructivas orientadas a la eficiencia energética, a altos estándares y la sustentabilidad. El país también posee experiencia con varios pilotos de construcción sostenible en madera para vivienda social y construcción pública, tales como el prototipo de vivienda social en la Región del Biobío¹⁰, liderado por la Facultad de Arquitectura, Urbanismo y Geografía (FAUG) de la Universidad de Concepción, que busca redefinir las viviendas sociales en la región utilizando madera para mejorar la eficiencia energética y sustentabilidad. Otros proyectos destacados incluyen las viviendas al instante en la comuna de Lo Espejo en la Región Metropolitana¹¹, y los barrios ecosustentables en Chañaral y El Salado¹² en la Región de Atacama, todos ellos liderados y financiados por el MINVU.

⁴ [Productividad en el Sector de la Construcción](#) (Comisión Nacional de Productividad, 2020)

⁵ [Déficit Habitacional: ¿Cuántas familias necesitan una vivienda y en qué territorios?](#) (Centro UC Políticas Públicas, 2022)

⁶ [La Construcción de Viviendas en Madera en Chile: Un Pilar para el Desarrollo Sostenible y la Agenda de Reactivación](#) (Banco Mundial, 2020)

⁷ [La Construcción de Viviendas en Madera en Chile : Un Pilar para el Desarrollo Sostenible y la Agenda de Reactivación](#) (Banco Mundial, 2020)

⁸ [Cenamad - Centro Nacional de Excelencia para la Industria de la Madera](#)

⁹ [Centro UC de Innovación en Madera - Inicio](#)

¹⁰ [Sustentable y eficiente: construyen prototipo de vivienda social – Construye2025](#)

¹¹ [Ministro Montes entrega el primer edificio industrializado de la región Metropolitana en Lo Espejo - Ministerio de Vivienda y Urbanismo](#)

¹² [Barrios Ecosustentables | Construcción Sustentable](#)

- 3.7 Aún existe un conjunto de obstáculos que Chile deberá superar para aprovechar esta oportunidad: (i) bajo desarrollo y difusión de tecnologías e industrialización de la construcción; (ii) bajo acceso a crédito para modernización de pequeñas y medianas empresas del sector de construcción en madera; (iii) falta de competencias laborales para la construcción en madera en toda la cadena de valor; y (iv) bajo desarrollo de estándares y normas asociadas para el sector, incluyendo las normativas faciliten la edificación de viviendas de más de dos pisos¹³.
- 3.8 **Alineación estratégica.** La CT se alinea con los objetivos de la Estrategia Institucional del Grupo BID: Transformación para una Mayor Escala e Impacto (GN-3159-12): (i) abordar el cambio climático, e (ii) impulsar el crecimiento regional sostenible. La CT también se alinea con las siguientes áreas de enfoque operativo; (i) biodiversidad, capital natural y acción por el clima, involucrando al sector privado para lograr la carbono-neutralidad al 2050; (ii) igualdad de género e inclusión de grupos de población diversos, al contribuir al cierre de brechas de género en el acceso a oportunidades económicas, fortaleciendo el liderazgo de las mujeres en el sector, (iii) capacidad institucional, estado de derecho y seguridad ciudadana, al buscar fortalecer la capacidad de diseño de políticas en las instituciones encargadas de apoyar la innovación y desarrollo del sector privado; y (iv) desarrollo productivo e innovación por medio del sector privado, al promover sinergias que aborden las fallas de mercado y el desarrollo de capital humano que aumente la productividad y competitividad de la economía. Asimismo, está alineada con el Marco Sectorial de la División de Competitividad, Tecnología e Innovación del Grupo BID (GN-2791-13), específicamente a las líneas de acción: (i) impulsar la inversión en bienes públicos clave para la innovación, al buscar cerrar brechas regulatorias e institucionales para acelerar la adopción de tecnologías digitales y nuevos materiales en la construcción, generando bienes públicos para la innovación; (ii) fomentar un entorno propicio para la inversión privada en innovación y conectividad, al explorar los beneficios de la adopción de tecnologías y materiales innovadores de construcción; (iii) impulsar acciones para solucionar fallas de mercado que limitan la innovación empresarial, fomentando incentivos efectivos para la difusión y adopción de nuevas tecnologías en el sector de construcción. Además, la CT está alineada con el Marco Sectorial de Cambio Climático (GN-2835-13) a través de las líneas de acción: (i) adaptarse y aumentar la resiliencia climática y (ii) descarbonizar con rapidez, al facilitar un entorno propicio para desarrollo de la industria de construcción en madera sostenible y madera industrializada sostenible, así como el fortalecimiento de sus capacidades. En cuanto a la Estrategia del Grupo BID con el País (2022-2026) (GN-3140-3) el proyecto contribuye a (los) objetivo(s) estratégico(s): (i) aumentar la sostenibilidad ambiental y social de la economía a través de la descarbonización de la matriz productiva y de consumo, el crecimiento de la economía circular, las soluciones basadas en la naturaleza y la puesta en valor del capital natural; (ii) mejorar la productividad mediante el financiamiento empresarial, mediante el apoyo para la generación de bonos sostenibles. Por último, esta CT está alineada al área prioritaria de “Instituciones eficaces, eficientes y transparentes” del Programa Estratégico para el Desarrollo de Instituciones Financiado con Capital Ordinario (W2C) (GN-2819-14), en particular el resultado: reducir las limitaciones para el crecimiento empresarial y la productividad.

¹³ [La Construcción de Viviendas en Madera en Chile: Un Pilar para el Desarrollo Sostenible y la Agenda de Reactivación](#) (Banco Mundial, 2020)

3.9 **Complementariedad con otras operaciones.** La CT es complementaria a previos esfuerzos por mejorar el entorno y fomentar nuevos sectores vinculados a un crecimiento verde, contribuyendo al objetivo de descarbonización al 2050. Esto incluye proyectos de transición energética y fomento de nuevos sectores productivos sostenibles (5278/OC-CH; 5548/OC-CH; 3677/OC-CH, 4863/OC-CH, 5757/OC-CH) que contribuyeron a mejorar la capacidad institucional del país, con énfasis en la formación de personas en áreas clave para la descarbonización y en el desarrollo de políticas y regulaciones que aseguren sostenibilidad y eficiencia, generando habilidades transferibles y modelos para marcos regulatorios en el sector de la construcción en madera. Además, el Banco ha provisto apoyo y conocimiento técnico para el avance en esta temática desde la vivienda en Chile, principalmente en áreas como la prefabricación e industrialización de esta, así como también en la mejora de su eficiencia energética, especialmente en viviendas sociales (5313/OC-CH). En Uruguay también existen acciones orientadas en avanzar específicamente en la construcción en madera (ATN/JF-19279-UR) y aprovechará esta experiencia para el desarrollo de este proyecto. Asimismo, el Banco ha brindado asistencia a soluciones que aborden el déficit habitacional en Chile, como proyectos piloto de viviendas sociales basadas en tecnologías y modelos innovadores (ATN/ME-18930-CH). Por su parte, BID Invest podrá aprovechar el camino que abrirá esta operación para explorar oportunidades de financiamiento privado en el sector.

IV. Descripción de las actividades/componentes y presupuesto

- 4.1 **Componente 1. Fortalecimiento de capacidades de la industria de construcción en madera sostenible (US\$100.000).** Este componente tiene por objetivo fomentar el desarrollo de la industria de construcción en madera y madera industrializada en el país. Se financiarán: (i) estudios para el análisis de la cadena de valor del sector de la construcción en madera y madera industrializada, identificando actores involucrados, oportunidades y barreras asociadas para el desarrollo del sector y estrategias de fomento productivo; (ii) encuestas para el levantamiento de datos sobre la actividad forestal en el país; (iii) estudios para dimensionar y caracterizar las brechas de género en la industria de la madera; (iv) consultorías de apoyo a la gestión del programa y (v) actividades de comunicación para la diseminación del programa y sus resultados.
- 4.2 **Componente 2. Generación de base informativa para la formulación de instrumentos que orienten la demanda de viviendas sostenibles (US\$150.000).** Este componente se centrará en generar datos e insumos esenciales para apoyar al MINVU en la formulación de un bono sostenible. Se financiarán: (i) consultorías para fortalecer los datos de línea base de viviendas en madera con aporte del estado y dimensionar y caracterizar la demanda de viviendas y las que serán financiadas por el bono; (ii) estudios para la identificación de brechas normativas y técnicas, con énfasis en las relacionadas con el cumplimiento de la taxonomía de actividades económicas sostenibles en Chile, y propuestas de cierre de las brechas identificadas; y (iii) apoyos técnicos adicionales para asegurar una formulación sólida del bono y su seguimiento.
- 4.3 El presupuesto total de la CT es de US\$250.000, provenientes del fondo Ventanilla 2, Área prioritaria 3: Instituciones eficaces, eficientes y transparentes (W2C) del Programa Estratégico para el Desarrollo financiado con Capital Ordinario (OC SDP). No se prevé contrapartida local. La siguiente tabla presenta un desglose del costo por componentes y actividades.

Presupuesto Indicativo (en US\$)

Actividad / Componente	Descripción	BID/Financiamiento por Fondo	Financiamiento Total
Componente I	Fortalecimiento de capacidades de la industria	100.000,00	100.000,00
Componente II	Formulación de instrumentos para estimular la demanda	150.000,00	150.000,00
Total		250.000,00 USD	250.000,00 USD

V. Agencia Ejecutora y estructura de ejecución

- 5.1 A petición de la Corporación de Fomento de la Producción – CORFO, y de conformidad con las Directrices Operativas para Productos de Cooperación Técnica (OP-619-4 Anexo II), será ejecutada por el BID a través de la División de Competitividad, Tecnología e Innovación (PTI/CTI), quien será responsable de las contrataciones. Esto debido a que la entidad solicitante no cuenta con los medios necesarios y capacidad operativa para ejecutar debida y oportunamente las actividades previstas en el respectivo proyecto. El beneficiario contribuirá a la discusión de los términos de referencia de los diferentes estudios y apoyará a los consultores durante el cumplimiento de sus contratos.
- 5.2 Para la selección y contratación, el equipo del Banco considerará: (i) contratación de consultores individuales, según lo establecido en la norma sobre Fuerza Laboral Complementaria (AM-650); (ii) contratación de firmas consultoras para servicios de naturaleza intelectual y la contratación de servicios logísticos y otros servicios distintos a consultoría, de conformidad con la Política de Adquisiciones Institucionales (GN-2303-33) y sus Directrices asociadas.

VI. Riesgos importantes

- 6.1 Uno de los riesgos para el componente 2 de esta CT es que se realizarán elecciones presidenciales en 2025 y podrían cambiar las prioridades estratégicas del gobierno. Para mitigar este riesgo, las consultorías y pilotos se trabajarán con una diversidad de actores del ecosistema, de manera a socializar y validar los resultados ante actores clave. Además, se documentarán y sistematizarán las lecciones aprendidas derivadas de las intervenciones de la CT que puedan retroalimentar el proceso de preparación de otras operaciones.

VII. Excepciones a las políticas del Banco

- 7.1 No se prevé ninguna excepción a las políticas del Banco.

VIII. Aspectos Ambientales y Sociales

- 8.1 Esta Cooperación Técnica no está destinada a financiar estudios de prefactibilidad o factibilidad de proyectos de inversión específicos o estudios ambientales y sociales asociados a ellos, por lo tanto, esta CT no tiene requisitos aplicables del Marco de Política Ambiental y Social (MPAS) del Banco.

Anexos Requeridos:

[Solicitud del Cliente - CH-T1341](#)

[Matriz de Resultados - CH-T1341](#)

[Términos de Referencia - CH-T1341](#)

[Plan de Adquisiciones - CH-T1341](#)

MEMORANDUM

To: Gonzalo Rivas
Division Chief, Competitiveness, Technology and Innovation Division (PTI/CTI)

From: Blanca Torrico Durán
Team Leader, Competitiveness, Technology and Innovation Division (PTI/CTI)

Subject: CHILE. Support for Sustainable Construction in Chile (CH-T1341). Request for the increase of resources.

Date: February 6th, 2026

I. Background

- 1.1 Through the technical cooperation “Support for Sustainable Construction in Chile” (CH-T1341; ATN/OC-21568-CH), the Bank aims to strengthen the institutional capacity of the wood-based construction sector, particularly the Ministry of Housing and Urban Development (MINVU) and the Production Development Corporation (CORFO), to promote sustainable construction in Chile. The specific objectives are: (i) to foster the sustainable development of the wood-based and industrialized wood construction industry with a gender perspective to promote equitable participation in the sector; and (ii) to support the formulation of a sustainable bond and other instruments that guide the demand for social housing based on wood.
- 1.2 **Component 1. Capacity Building for the Sustainable wood-based Construction Industry (US\$100,000).** This component aims to promote the development of the wood-based and industrialized wood construction industry in the country. It will finance: (i) studies to analyze the value chain of the wood-based and industrialized wood construction sector, identifying key stakeholders, opportunities, and barriers for sector development, as well as productive promotion strategies; (ii) surveys to collect data on forestry activity in the country; (iii) studies to assess and characterize gender gaps in the wood-based industry; (iv) consultancy services to support program management; and (v) communication activities to disseminate the program and its results.
- 1.3 **Component 2. Development of an Information Base for the Formulation of Instruments to Guide Demand for Sustainable Housing (US\$150,000).** This component focuses on generating essential data and inputs to support MINVU in the formulation of a sustainable bond. It will finance: (i) consultancy services to strengthen baseline data on state-supported wood-based housing and to assess and characterize housing demand, including those to be financed by the bond; (ii) studies to identify regulatory and technical gaps, with emphasis on those related to compliance with Chile’s sustainable economic activity taxonomy, and proposals to close the identified gaps; and (iii) additional technical support to ensure a robust formulation of the bond and its monitoring.

II. Progress

- 2.1 The technical cooperation was approved in April 2025. During these months, support was provided to the Regional Productive Development Committee of Biobío of CORFO in developing digital models of social housing in wood. These models aim to enable the implementation of a pilot for a distributed manufacturing system among SMEs that produce wooden components (parts and pieces). Specifically, efforts focused on preparing and making available a complete technical folder for a housing project in the format of a small condominium of five units, intended for submission to the Housing and Urbanization Service of the Biobío Region.
- 2.2 In addition, support was provided to MINVU in three key areas: (i) delivering technical assistance for data collection and analysis to inform the formulation of the Sustainable Social Housing Bond; (ii) identifying compliance gaps within the Ministry's social housing programs (DS19 and DS49) regarding the conditions required by Chile's Environmental Sustainability Economic Activities Classification System (T-MAS); and (iii) preparing a technical and territorial projection of state-supported timber housing with defined sustainable attributes. This projection, based on historical data, public policies, and enforceable criteria, considers a 10-year horizon and outlines housing units that could be financed or backed under a sustainable sovereign bond framework.

III. Objective of the Increase

- 3.1 Chile has recently committed to developing a national roadmap for timber construction by 2028 as part of the update of its NDC. Advancing toward a national strategy requires a comprehensive approach that brings together multiple and often complex factors. To accelerate progress, Chile can draw on the experience of countries that have moved further ahead. Slovenia stands out as a strategic partner due to the depth of its own national framework for timber construction, which includes a dedicated national strategy and a clear roadmap that aligns research, industry development, and public-sector priorities. This long-term vision is supported by robust research capabilities, strong industry engagement, and advanced standards and certification systems. Slovenia's integrated ecosystem fosters innovation and enables the deployment of timber solutions across a wide range of building typologies, including mid- and high-rise structures. Establishing spaces for knowledge exchange and technical cooperation with a reference partner like Slovenia would not only help Chile accelerate the key components of its emerging agenda but also create opportunities for joint research and innovation, particularly in mass-timber mid- and high-rise construction, which remains a significant challenge in the Chilean context.
- 3.2 Therefore, the main objective of this additional increase is to continue strengthening Chile's capacity for sustainable, industrialized wood-based construction by providing specialized training, updating building codes and financing systems, fostering innovation and technology transfer, and promoting knowledge exchange. The overall and specific objectives of the TC "Support for Sustainable Construction in Chile" (CH-T1341) remain unchanged. However, the additional activities would increase the number of outputs and enhance the TC. The activities to be financed with the proposed additional resources are framed within the context of the general objective and execution mechanism of the original, approved TC. New activities to Component I and Component II will be added. The details of these activities proposed are as follows:
- 3.3 **Component 1. Capacity Building for the Sustainable wood-based Construction Industry (US\$84,617).** The additional resources will finance: (i) the design and implementation of a traceability methodology for wood components used in social housing, aimed at enabling distributed manufacturing among SMEs; and (ii) technical workshops and training sessions

for stakeholders in the wood construction value chain, facilitating knowledge exchange with Slovenia's expertise in industrialized wood construction and its benefits for productivity, competitiveness, and decarbonization.

- 3.4 **Component 2. Development of an Information Base for the Formulation of Instruments to Guide Demand for Sustainable Housing (US\$47,600).** The additional resources will finance a consultancy to review existing building codes and develop standardized regulations for wood construction, integrating principles of sustainability and climate neutrality.

Table 1: Updated Results Matrix

INDICATOR	UNIT OF MEASUREMENT	ORIGINAL TARGET	FINAL TARGET	MEANS OF VERIFICATION
Component 1: Strengthening the capacities of the sustainable wood construction industry				
Analysis of the value chain of the wood and industrialized wood construction sector	Diagnostics (#)	1		Consulting report
Survey to collect data on forestry activities in the country	Surveys (#)	1		Link to questionnaire
Studies to measure and characterize gender gaps	Diagnostics (#)	1		Consulting report
Traceability methodology applied to wood components for social housing, oriented toward distributed manufacturing in SMEs	Diagnostics (#)	0	1	Consulting report
Technical workshops on wood-based construction	Workshops (#)	0	2	Participants List
Component 2: Generation of information for the formulation of instruments that guide the demand for sustainable housing				
Diagnostic to strengthen baseline data for social housing in wood	Diagnostics (#)	1		Consulting report
Studies to identify regulatory and technical gaps	Diagnostics (#)	1		Consulting report
Study for existing building codes and develop standardized regulations for wood construction	Diagnostics (#)	0	1	Consulting report
Technical support consultancy for the formulation of the sustainable bond	Instruments (#)	1		Consulting report
Technical support consulting for sustainable bond monitoring	Evaluation Final Report (#)	1		Consulting report

IV. New Proposed Budget

- 4.1 The total amount of the supplemental resources is US\$132,217 to be financed by the Government of Slovenia. The total cost of the TC after the amendment will be US\$382,217.

4.2 The following table reflects the new proposed budget for the TC:

Table 2. Updated Budget (in USD)

COMPONENT	DESCRIPTION	ORIGINAL BUDGET ATN/OC-21568-CH	PROPOSED INCREASE (PSC)	TOTAL FUNDING
Component 1	Capacity Building for the Sustainable wood-based Construction Industry	100,000	84,617	184,617
Component 2	Development of an Information Base for the Formulation of Instruments to Guide Demand for Sustainable Housing	150,000	47,600	197,600
TOTAL		250,000	132,217	382,217

4.3 The IDB will administer these funds through a Project-Specific Grant (PSG). The Government of Slovenia will contribute EUR 119,737, which is equivalent to US\$139,176 based on the US\$/EUR exchange rate of 0.86033 as of December 2, 2025. Out of this contribution, US\$6,959 will be set aside as a 5% administration fee. The remaining contribution of US\$132,217 corresponds to the increase amount. Final resources in US dollars will be dependent on the exchange rate of the date when the resources are received by the Bank and converted into US Dollars. If a significant adverse fluctuation in the exchange rate reduces the amount of US dollars in this budget and such amount cannot be covered by the contingency line, the project activities will be decreased appropriately, and the budget will be adjusted accordingly by the project team.

4.4 Resources of this project are to be received from the Donor through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment by the Donor will be established through a separate Administration Agreement. Under such agreement, the resources for this project will be administered by the Bank.

4.5 The project team will be responsible for preparing and submitting the project reporting to the donor, as well as for all other actions and deliverables pertaining to project execution and agreed with the donor in the Administration Agreement.

V. Recommendation

5.1 Based on the information presented above, the analysis carried out by the Project Team Leader, and in accordance with the Delegation of Authority for the Approval of Non Reimbursable Operations included in the Operation Processing Regulation (PR-501) and the Section III.B.1 of the Table of Authority for the Administration of Non-Reimbursable Technical Cooperation and Investment Grant Operations and Contingent-Recovery Operations included in the Operations Administration Regulation (OA-421), it is hereby recommended that the Division Chief approves an increase of the financing resources of the Bank for this project come up to a total of US\$382,217.

Project No. RG-T4526

**“Strengthening the Risk Management of Forest Fires in the Andean
Amazonia”**

Documento Cooperación Técnica

I. Información Básica de la CT

▪ País/Región:	REGIONAL
▪ Nombre de la CT:	Fortalecimiento de la Gestión del Riesgo de Incendios Forestales en la Amazonia Andina
▪ Número de CT:	RG-T4526
▪ Jefe de Equipo/Miembros:	Sanahuja, Haris Eduardo (CSD/DRM) Líder del Equipo; Fernandez-Baca, Jaime (CSD/CCS) Jefe Alternativo del Equipo de Proyecto; Bonilla Merino Arturo Francisco (LEG/SGO); Osorio Urzua, Claudio Andres (CSD/RND); Takaes Santos Inaie (CSD/ACU); Mejia Rivas, Isabel (CAN/CAN); Camila Oliva (CAN/CPE); Chavez, Elizabeth (CSD/RND); Gomez, Juan Carlos (CSD/CCS),
▪ Taxonomía:	Apoyo al Cliente
▪ Operación a la que la CT apoyará:	.
▪ Fecha de Autorización del Abstracto de CT:	14 Ene 2025.
▪ Beneficiario:	Bolivia, Colombia, Ecuador y Perú ^(a)
▪ Agencia Ejecutora y nombre de contacto:	Inter-American Development Bank
▪ Donantes que proveerán financiamiento:	Fondo de Gestión de la Bioeconomía y los Bosques de la Amazonía (AMZ)
▪ Financiamiento solicitado del BID:	US\$800,000.00
▪ Contrapartida Local, si hay:	US\$0
▪ Periodo de Desembolso (incluye periodo de ejecución):	36 months.
▪ Fecha de inicio requerido:	July, 2025.
▪ Tipos de consultores:	Firmas y consultores individuales
▪ Unidad de Preparación:	CSD/DRM-Unidad de Gestión del Riesgo de Desastres
▪ Unidad Responsable de Desembolso:	CAN/CPE-Representación Perú
▪ CT incluida en la Estrategia de País:	No
▪ CT incluida en CPD:	No
▪ Alineación a la Actualización de la Estrategia Institucional 2024-2030:	Desarrollo productivo e innovación por medio del sector privado; Se dirige a las poblaciones pobres; Apoya el crecimiento económico sostenible

^(a) Los cuatro países beneficiarios son elegibles bajo el Fondo de Gestión de la Bioeconomía y los Bosques de la Amazonía (AMZ).

II. Objetivos y Justificación de la CT

- 2.1 El objetivo de esta operación de Cooperación Técnica (CT) es impulsar una gestión eficiente y sostenible del riesgo de incendios forestales en la Amazonía Andina, adaptada al contexto del cambio climático. Para ello, se busca fortalecer las capacidades institucionales y locales, promover un enfoque preventivo y anticipatorio, y apoyar la implementación de iniciativas de colaboración regional, especialmente en eventos transfronterizos. Además, se prioriza el cierre de brechas de conocimiento y la identificación de oportunidades para fomentar mecanismos de cooperación como la Red Amazónica de Manejo de Incendios Forestales (RAMIF).

- 2.2 Los incendios forestales en la Amazonía, exacerbados por el cambio climático y las actividades humanas, han alcanzado niveles alarmantes en las últimas décadas. La región enfrenta sequías extremas y cambios en los ciclos hidrológicos, que agravan la vulnerabilidad de las comunidades y ecosistemas. En 2023, una sequía sin precedentes afectó la Amazonía, y en 2024, Brasil registró la mayor superficie quemada en seis años. Aunque el problema es más severo en Brasil, la Amazonía andina también muestra una tendencia in-crescendo de ocurrencia de incendios forestales en años recientes.
- 2.3 La Amazonía andina, que abarca 2,7 millones de km² cubriendo los territorios de la cuenca amazónica de Bolivia, Perú, Ecuador, Colombia y Venezuela, es vital para la biodiversidad mundial, el clima y los medios de vida de más de 24,5 millones de personas. Su topografía y diversidad climática generan ecosistemas únicos, pero también extremadamente sensibles a las actividades humanas, como la minería ilegal, la expansión agrícola y la construcción de carreteras. Entre 2001 y 2020, esta región perdió 98.281 km² de bosques, lo que impacta los ciclos hidrológicos y aumenta la incidencia de incendios.
- 2.4 La deforestación y el cambio de uso de la tierra son impulsores clave de los incendios forestales. La agricultura y la ganadería, que generalmente recurren a la quema de bosques, han transformado grandes extensiones de la Amazonía. En Bolivia, la expansión de la soja representa el 9% de la deforestación, mientras que en Colombia el 5% está asociado a la ganadería. Estos cambios afectan la retención de humedad del suelo y agravan las sequías (Global Forest Review, 2024; BID, 2022).
- 2.5 Los pueblos indígenas, afrodescendientes y comunidades de pequeños y medianos agricultores (IPADTC, por sus siglas en inglés) son particularmente vulnerables, ya que dependen de los bosques para su sustento. Los incendios no solo destruyen biodiversidad, sino que también agravan la inseguridad alimentaria y las emisiones de gases de efecto invernadero (GEI). Además, la gestión del riesgo del incendio en la Amazonía andina se ve obstaculizada por la falta de un enfoque específico para este bioma, la fragmentación institucional y las grandes brechas de capacidades (Comisión Europea, 2023). Aunque se han hecho avances significativos en la implementación de los sistemas de alerta temprana para muchas de las amenazas naturales a las que están expuestos los países andinos, estas acciones siguen siendo desarticuladas y generalmente limitadas en el caso de los incendios forestales.
- 2.6 Existen oportunidades para mejorar la gestión del riesgo de incendios mediante la cooperación regional. La Organización del Tratado de Cooperación Amazónica (OTCA) ha establecido iniciativas como el Memorando de Entendimiento para el Manejo Integrado del Fuego (IFM-MoU, por sus siglas en inglés) y la Red Amazónica para el Manejo Integrado del Fuego (RAMIF), que promueven la colaboración en monitoreo y prevención del riesgo ante incendios. La OTCA creó en 2019 el Observatorio Regional Amazónico (ORA), un centro de referencia que facilita el intercambio de información entre gobiernos, academia y sociedad civil en países amazónicos. Ofrece servicios como un boletín de incendios y un tablero de monitoreo que analizan la distribución y afectación de incendios forestales en general, y en particular en áreas protegidas y territorios indígenas. Desde la Comunidad Andina de Naciones (CAN) y su Comité Andino de Atención y Prevención de Desastres (CAPRADE), también se ha priorizado el tema y se están impulsando acciones en los cuatro países miembros (Bolivia, Colombia, Ecuador y Perú), como parte de la Estrategia Andina de Gestión de Riesgo de Desastres (EAGRD) y su Plan de Implementación al 2030. Además, proyectos de cooperación internacional, como el

Programa Amazonia+ y el trabajo de la Sociedad Alemana para la Cooperación Internacional (GIZ) y la Organización de las Naciones Unidas para la Agricultura y la Alimentación (FAO), fortalecen las capacidades locales en los países amazónicos para enfrentar los nuevos desafíos que generan los incendios forestales.

- 2.7 Los territorios indígenas y las áreas protegidas, que abarcan el 44,4% de la Amazonía andina (Global Forest Watch, 2020), ofrecen oportunidades para generar soluciones sostenibles para prevenir incendios y conservar los bosques. Las tasas de deforestación en estos territorios son significativamente menores, subrayando su importancia como barreras naturales contra la degradación Ambiental (Global Forest Review, 2024).
- 2.8 El enfoque integral propuesto para la gestión del riesgo de incendios forestales busca integrar dimensiones ambientales, sociales e institucionales, y un abordaje que incluya todos los procesos de la gestión de riesgo de desastres: (i) identificación del riesgo; (ii) reducción del riesgo; (iii) preparativos para la respuesta; (iv) planificación de la recuperación post-desastre; y (v) gestión financiera del riesgo. En particular, esta propuesta aboga por la inclusión de conocimientos locales, sistemas de alerta temprana, prevención y recuperación, fortaleciendo la resiliencia de la Amazonía andina frente a los incendios forestales, articulando y capitalizando las iniciativas en marcha en la región.
- 2.9 Esta CT está alineada con la Estrategia Institucional del Grupo BID: Transformación para una Mayor Escala e Impacto (CA-631) y contribuye a los objetivos de: (i) abordar el cambio climático, ya que la prevención y combate de incendios forestales reducen las emisiones de GEI y preservan los servicios ecosistémicos de sumidero de CO₂ en bosques, pastizales y humedales; y (ii) promover un crecimiento regional sostenible, mitigando riesgos de daños en bienes, medios de vida y actividades económicas. Asimismo, la CT se alinea con las áreas de enfoque operativo de: (i) biodiversidad, capital natural y acción climática; (ii) capacidad institucional, estado de derecho y seguridad ciudadana; y (iii) integración regional.
- 2.10 La CT está alineada con los objetivos del *Amazon Bioeconomy and Forests Management Multi-Donor Trust* (AMTDF), contribuyendo al Pilar de Acción "Paisajes Resilientes y Diversos". Su propósito es fortalecer la gestión del riesgo de desastres (GRD) para incendios forestales en la Amazonía andina, promoviendo la integración de mejores prácticas y políticas a nivel nacional y local. Además, busca consolidar un marco de cooperación regional que refuerce la capacidad colectiva para prevenir, gestionar y mitigar los impactos de los incendios forestales.
- 2.11 Esta CT está alineada con las acciones prioritarias del Marco de Sendai para la Reducción del Riesgo de Desastres 2015-2030. Asimismo, es consistente con la Política sobre Gestión del Riesgo de Desastres del Banco (GN-2354-5), al fortalecer las capacidades de los países para prepararse y responder ante incendios forestales. Paralelamente, la operación contribuye a la implementación de las acciones definidas en el Documento de Marco Sectorial de Cambio Climático (GN-2835-13), ya que promueve la reducción de emisiones de CO₂ y el aumento de la captura de GEI mediante la protección de los bosques de la región, fortaleciendo así la resiliencia ambiental y la sostenibilidad.

III. Descripción de las Actividades/Componentes y Presupuesto

- 3.1 **Componente 1. Evaluación regional y diseño de una hoja ruta (US\$300.000).** Este componente financiará: (i) evaluación regional del estado del arte y análisis de

brechas. Se realizará un diagnóstico detallado sobre la gestión del riesgo de incendios forestales en la Amazonía Andina, identificando iniciativas en curso, mejores prácticas y lecciones aprendidas. Además, se analizarán brechas y oportunidades para optimizar la cooperación y el intercambio de recursos. Este estudio establecerá una línea base para orientar estrategias efectivas de prevención y mitigación; y (ii) desarrollo de una hoja de ruta y plan de acción. A partir del diagnóstico, se diseñará un plan de acción para fortalecer la capacidad institucional, definir una cartera de inversiones y apoyar la actualización o adopción de marcos regulatorios. Asimismo, se impulsará el fortalecimiento del componente de incendios forestales del ORA en los países andinos. Las actividades del plan de acción del RAMIF, vinculadas al ORA, serán respaldadas en coordinación con otros donantes para maximizar sinergias y optimizar la colaboración regional.

- 3.2 **Componente 2: Desarrollo de capacidades para una mejora en la gobernanza (US\$500.000).** Este componente busca fortalecer las capacidades técnicas de las instituciones científico-técnicas con responsabilidades en la gestión del riesgo de incendios forestales, y en particular, fortalecer las capacidades de los sistemas nacionales de áreas protegidas y las organizaciones de los IPADTC en su rol distintivo en el territorio para el manejo integral del fuego. Este componente financiará: (i) la formación técnica de instituciones científico-técnicas en monitoreo, detección temprana, predicción meteorológica y coordinación interinstitucional; (ii) capacitación para integrar la gestión del riesgo de incendios en planes de manejo de áreas protegidas, identificando riesgos y diseñando estrategias preventivas; y (iii) formación inclusiva para IPADTC, combinando tecnologías accesibles con conocimientos ancestrales, fomentando una gestión comunitaria efectiva. Estas actividades buscan mejorar la prevención, preparación y resiliencia ante incendios forestales, asegurando la conservación de áreas críticas y la participación activa de comunidades indígenas y locales.
- 3.3 **Otros gastos.** También se contempla el financiamiento de la participación de actores clave en reuniones internacionales y regionales relevantes para la socialización de las actividades y productos de la CT, incluyendo reuniones de planificación de iniciativas regionales como la RAMIF y el Grupo de Expertos en Incendios Forestales de Latinoamérica y el Caribe (GEFF-LAC).
- 3.4 **Resultados esperados.** El primer resultado esperado es contar con una evaluación regional integral y una hoja de ruta para fortalecer los mecanismos de colaboración en la gestión del riesgo de incendios forestales en la Amazonía Andina, a través del mapeo de iniciativas y programas existentes y su inclusión en la planificación de mecanismos intergubernamentales regionales como CAPRADE y RAMIF El segundo resultado esperado es el fortalecimiento de las capacidades institucionales y organizativas de los IPADTC, integrando conocimientos ancestrales y uso ético de tecnologías, para mejorar la prevención, preparación y monitoreo de incendios forestales, asegurando una gobernanza eficaz en las entidades responsables de GRD, áreas protegidas y entidades científico-técnicas. Este resultado se verá plasmado en el fortalecimiento de las brigadas institucionales y comunitarias de manejo integrado del fuego y gestión del riesgo de incendios forestales en la Amazonia Andina.
- 3.5 El costo total estimado de esta operación es de US\$800,000, los cuales serán financiados con recursos del Fondo de Gestión de la Bioeconomía y los Bosques de la Amazonía (AMZ).

Presupuesto Indicativo (US\$)

Descripción de la Actividad/Componente	Financiamiento BID	Total
Componente 1. Evaluación Regional y Diseño de Hoja de Ruta	300,000	300,000
1.1. Evaluación regional	175,000	175,000
1.2. Seguimiento y monitoreo coordinación regional	80,000	80,000
1.2. Hoja de Ruta	45,000	45,000
Componente 2. Desarrollo de capacidades para una mejora en la gobernanza	500,000	500,000
Diseño Programa de Capacitación	40,000	40,000
Implementación de talleres de capacitación	220,000	220,000
Implementación de pilotos transfronterizos	110,000	220,000
Otros gastos (participación en eventos regionales y estratégica de comunicación)	130,000	130,000
Total	800,000	800,000

IV. Agencia Ejecutora y Estructura de Ejecución

4.1 **Organismo ejecutor (OE).** Los cuatro países beneficiarios coincidieron en que la ejecución de esta cooperación técnica por parte del Banco mejoraría la independencia y contribuiría a la sostenibilidad de la implementación del proyecto en ausencia de una entidad regional con responsabilidades específicas en la Amazonia Andina. De la misma manera, la elección del BID como agencia ejecutora se basa en la experiencia y colaboración previa del Banco con las agencias gubernamentales encargadas de la gestión del riesgo de incendios en los cuatro países y con organismos intergubernamentales como OTCA y CAN. Dado el alcance regional de esta cooperación técnica, un especialista en gestión del riesgo de desastres de la oficina de país del BID en Perú será responsable de la ejecución de esta operación, en colaboración con especialistas sectoriales basados en las oficinas de país del BID en los otros países beneficiarios. También se llevará un diálogo continuo con la Unidad de Coordinación Amazónica del BID, que ha participado activamente en la concepción y movilización de fondos para esta CT. La ejecución se basará en una

estrecha coordinación con agencias donantes que ya han manifestado interés en explorar sinergias con este proyecto. El Banco contratará a consultores individuales, empresas y otros servicios de acuerdo con las políticas y procedimientos actuales del Banco.

- 4.2 La Unidad Responsable de las contrataciones de los servicios de consultores individuales y firmas, y desembolsos será la Representación del Banco en Perú (CAN/CPE).
- 4.3 Todas las actividades a ejecutarse bajo esta operación se han incluido en el Plan de Adquisiciones (Anexo IV) y se contratarán de conformidad con las políticas y regulaciones del Banco de la siguiente manera: (i) contratación de consultores individuales según lo establecido en la norma sobre Fuerza Laboral Complementaria (AM-650); y (ii) contratación de servicios de acuerdo a la Política de Adquisiciones Institucionales (GN-2303-33) y sus directrices operativas.
- 4.4 Bajo la ejecución del BID, la gestión financiera de la CT sigue los procedimientos financieros internos y no incluirá la contratación de auditoría externa. No se establecen condiciones previas al primer desembolso.
- 4.5 **Monitoreo y Supervisión.** El seguimiento del progreso y calidad de las actividades financiadas por esta CT será realizado directamente por el BID, a través de la Unidad de Gestión de Riesgos (CSD/DRM). El líder del equipo de la CT será responsable de revisar, monitorear y supervisar la adecuada ejecución del proyecto con el apoyo del equipo de proyecto y del analista de operaciones basado en la oficina de país que llevará la ejecución (CAN/CPE).
- 4.6 La propiedad intelectual de todos los productos de conocimiento pertenecerá al Banco y podrán ponerse a disposición del público bajo una licencia "Creative Commons".
- 4.7 No se llevará a cabo el desarrollo de actividades y/o la intervención en los respectivos países beneficiarios hasta tanto no se cuente con las respectivas cartas de no-objeción emitidas por las entidades oficiales del enlace con el Banco.

V. Riesgos Importantes

- 5.1 El principal riesgo identificado durante la preparación de la CT es la duplicación de esfuerzos con otras agencias de cooperación y otros organismos multilaterales que están apoyando diferentes iniciativas sobre incendios forestales en el bioma amazónico. Durante la fase de formulación y consulta con el donante se puso un énfasis en delimitar y especificar el foco de las actividades de esta CT de manera que tengan un aporte complementario y sinérgico con las iniciativas de otros donantes. No obstante, dado el interés y la atención que ha cobrado el tema de incendios forestales en toda la región durante 2024 existe siempre la posibilidad de una duplicación de esfuerzos con otras iniciativas de reciente implementación. Este riesgo se plantea en particular para lo relacionado con las actividades de capacitación previstas en el Componente 2. Para mitigar este riesgo se ha previsto realizar un taller de arranque con las principales agencias de cooperación activas en el tema, con el objetivo de realizar un mapeo exhaustivo de iniciativas actuales e informar tanto el alcance específico de la evaluación regional como del programa de capacitación. Adicionalmente, las actividades de ambos componentes están alineadas con la planificación que ha realizado la RAMIF, en su Plan de Acción 2024-2026, instrumento alrededor del cual se integran los principales cooperantes, minimizando el riesgo de una duplicación de la cooperación internacional al tema.

- 5.2 El principal riesgo identificado para el Componente 1 está relacionado con una eventual variabilidad en la colaboración entre Bolivia, Perú, Colombia y Ecuador para el desarrollo de la evaluación regional del estado de la gestión de riesgos de incendios forestales en la Amazonia Andina. La compleja gobernanza institucional del tema en los países y los celos interinstitucionales alrededor del tema pueden limitar en cierto grado una colaboración efectiva en el desarrollo de la evaluación, que podría impactar la calidad de los diagnósticos y planes de acción propuestos. Se prevé la elaboración de un memorándum de entendimiento (MOU) entre Bolivia, Perú, Colombia y Ecuador antes del inicio del proyecto, como una medida de control efectiva para los riesgos de falta de colaboración de los países involucrados. Este documento serviría para formalizar el compromiso de todas las partes involucradas y establecería claramente los roles, responsabilidades, expectativas y procedimientos de colaboración. De la misma manera, se ha establecido un diálogo con el CAPRADE, donde los cuatro países están representados, para que apoye al BID abogando y facilitando, a través de sus canales formales con los países, las actividades relacionadas con la evaluación regional.
- 5.3 Uno de los riesgos identificados para el Componente 2 consiste en la alta rotación y falta de continuidad de los funcionarios públicos de las instituciones con responsabilidades en el tema, factor que puede incidir en una pérdida del conocimiento acumulado a través de las capacitaciones, dificultando la implementación uniforme y efectiva de las estrategias de gestión de riesgos. Como medida de mitigación se prevé acordar con las instituciones responsables la designación de participantes que cumplan con las políticas de permanencia laboral, especialmente en el caso de aquellos involucrados directamente en la gestión de riesgos de incendios forestales en los territorios amazónicos. Adicionalmente, se prevé como parte del paquete de capacitación el desarrollo de materiales didácticos o manuales operativos que puedan ser fácilmente transferidos al nuevo personal, así como la promoción de la institucionalización de espacios de formación continua o mecanismos de traspaso de conocimiento al interior de las entidades beneficiarias. Otro de los riesgos identificados en este componente es la dispersión geográfica de los pueblos indígenas y las comunidades campesinas, y los desafíos logísticos que implica para llevar a cabo las capacitaciones. Como medida de mitigación se contempla solicitar en la consultoría relacionada con el diseño del programa de capacitación la identificación de estrategias para focalizar la capacitación a los pueblos indígenas y comunidades campesinas teniendo en cuenta las consideraciones logísticas y acceso a estos territorios. También se ha considerado concentrar el esfuerzo de capacitación de los pueblos indígenas y de funcionarios de los sistemas de áreas protegidas en los dos pilotos transfronterizos que se han previsto para la implementación de este componente, que garantizaran un esfuerzo localizado y diferenciado de capacitación en estos actores clave en el contexto de la Amazonia Andina.

VI. Excepciones a las Políticas del Banco

- 6.1 Esta operación no contempla excepciones a las políticas del Banco.

VII. Aspectos Ambientales y Sociales

- 7.1 Esta Cooperación Técnica no está destinada a financiar estudios de prefactibilidad o factibilidad de proyectos de inversión específicos o estudios ambientales y sociales asociados a ellos, por lo tanto, esta CT no tiene requisitos aplicables del Marco de Política Ambiental y Social (MPAS) del Banco.

Anexos Requeridos

- [Solicitud del cliente](#)
- [Matriz de Resultados](#)
- [Términos de Referencia](#)
- [Plan de Adquisiciones](#)

MEMORANDUM

To: Juan Pablo Bonilla
Gerente de Sector, CSD/CSD

From: Laura Rojas
Unit Chief, CSD/DRM

Subject: **REGIONAL.** Strengthening the Risk Management of Forest Fires in the Andean Amazonia (RG-T4526 - ATN/AZ-21658-RG). Request for increase of resources to finance operation

Date: February 19, 2026

I. Background

- 1.1 During the first half of 2025, the Governments of Bolivia, Colombia, Ecuador, and Peru requested support from the Inter-American Development Bank (IDB) for a Regional Technical Cooperation aimed at strengthening forest fire risk management in the Andean Amazon. The request was formalized through official communications and no-objection letters.
- 1.2 In response to this request, on June 12, 2025, the IDB approved the Regional Technical Cooperation “Strengthening the Risk Management of Forest Fires in the Andean Amazonia” (RG-T4526) for an original amount of US\$800,000.00, financed by the Amazon Bioeconomy and Forest Management Fund (AMZ), with an implementation period of 36 months, under the Bank-executed modality.
- 1.3 This Technical Cooperation aims to enhance forest fire risk management in the Andean Amazon by applying an integrated approach based on the Integrated Forest Management framework and supporting regional coordination efforts like the Amazon Integrated Forest Fire Management Network (RAMIF) led by Amazon Cooperation Treaty Organization (ACTO). The focus areas are: (i) closing knowledge gaps on forest fire risk management in Bolivia, Peru, Colombia, and Ecuador; (ii) identifying steps for a regional collaborative mechanism with emphasis on early warning; and (iii) building institutional and local capacity for improved governance.
- 1.4 The TC has two components: (i) Regional assessment and critical roadmap design, aimed at analyzing gaps and developing a regional action plan; and (ii) Capacity building for an enhanced governance, focused on institutional strengthening, technical training, and regional coordination.

II. Progress

- 2.1 This TC is in an initial stage of implementation, where priority has been given to hiring key experts who are supporting the activities under the two components, supporting participation of the key stakeholders in regional events on Integrated Fire Management (IFM) and coordinating synergistic activities with other partners working on IFM in the Amazon region.

These activities have helped this TC to rapidly position itself as one of the key initiatives contributing to the Biannual Work Plan 2024–2026 for the RAMIF.

- 2.2 Under Component 1, stakeholders from the four beneficiary countries attended an International Workshop in Santiago de Chile to discuss integrating Integrated Fire Management into public policies and strategies. This informed the regional assessment and roadmap. A diagnostic study is underway to supplement a prior FAO-Fire regional assessment. Technical meetings with ACTO are ongoing, and a work plan is being drafted to enhance the Amazon Regional Observatory (ARO) and its forest fire information services.
- 2.3 Under Component 2, a capacity building plan was developed with customized courses and activities for three groups: indigenous peoples, afro-descendants and traditional communities (IPADTC); the scientific and research community; and technical staff from national protected area systems. Three regional workshops were held with indigenous peoples, traditional communities, and government representatives to highlight the fire culture aspect of Integrated Fire Management in Amazonia. These initiatives were also showcased at COP-30 in Belem through a Fire Culture event.

III. Objective of the Increase

- 3.1. The objective of the proposed increase is to incorporate additional resources from the Government of Slovenia, in the amount of EUR113,750, to strengthen training activities, technical capacity-building, and knowledge exchange in forest fire risk management, in line with Component 2 of the Regional Technical Cooperation RG-T4526.

IV. Justification

- 4.1. Within the framework of the initial implementation of the Technical Cooperation, the IDB has engaged in preliminary technical exchanges with institutions of the Government of Slovenia related to forest management and applied research on forest fires, identifying an opportunity for additional financial contributions.
- 4.2. This contribution would allow for the expansion of existing activities related to specialized training, applied research, and institutional strengthening, particularly on forest fire restoration, benefiting from technical expertise of Slovenian institutions such as the Slovenian Forest Service (SFS) and the Slovenian Forestry Institute (SFI). It would contribute through tangible products such as technical manuals, training-of-trainers programs, and pilot restoration projects in transboundary regions, enhancing the impact and replicability of integrated fire management strategies. Activities financed through the proposed increase would be implemented within the existing components of the Technical Cooperation, primarily under Component 2.
- 4.3. The proposed increase does not modify the original objective of the Technical Cooperation, the beneficiary countries, the components, the execution modality (Bank-executed), nor the institutional, fiduciary, environmental, or social risk profile of the operation.
- 4.4. Resources of this project to be received from the Government of Slovenia through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)” (Document SC-114). As contemplated in these procedures, the commitment by the Government of Slovenia will be established through a separate Administration Agreement. Under such agreement, the resources for this project will be administered by the Bank.

V. Budget

- 5.1. The Government of Slovenia will contribute EUR 119,737, which is equivalent to US\$139,176 based on the US\$/EUR exchange rate of 0.86033 as of December 2, 2025. The funds will be administered under the Project-Specific Contribution Account (PSC). After deducting the Bank's 5% Project-Specific Grant (PSG) fee, the net project resources allocated to the project will be EUR 113,750, which is equivalent to US\$132,507, as reflected in the budget table below.
- 5.2. Final resources in US dollars will be dependent on the exchange rate of the date when the resources are received by the Bank and converted into US Dollars. If a significant adverse fluctuation in the exchange rate reduces the amount of US dollars in this budget and such amount cannot be covered by the contingency line, the project activities will be decreased appropriately, and the budget will be adjusted accordingly by the project team.
- 5.3. The additional resources will be allocated to activities within the existing components of the Technical Cooperation, in accordance with the approved Results Matrix.

Budget in US\$				
Components/Activities	Original Budget (AMZ/IDB)	Available Amount	Increase Amount (PSC)	Total
Component 1: Regional Assessment and Critical Roadmap Design	300,000	285,577	0	300,000
Component 2: Capacity building for an enhanced governance	500,000	404,444	133,287	632,507
TOTAL	800,000	690,021	132,507	932,507

- 5.4. Once the modifications have been formalized and validated, the project team will proceed with the update of the Results Matrix of the TC in Convergence.

VI. Execution

- 6.1. The Inter-American Development Bank will continue to act as the executing agency of the Regional Technical Cooperation RG-T4526, in accordance with the Bank's applicable policies and procedures.
- 6.2. The execution of the increase will be carried out under the same institutional, fiduciary, financial, and procurement arrangements approved for the original Technical Cooperation, without introducing any changes to the execution modality.
- 6.3. Procurement. All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan 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 (ii) hiring of consulting firms for services of an intellectual nature and the contracting of logistics services and non-consulting services, according to GN-2303-33 and its associated Guidelines.

VII. Recommendation

- 7.1. In accordance with Section III.B.1 of the Table of Authority for the Administration of Non-Reimbursable Technical Cooperation (OA-421), the increase of the approved amount shall be approved by the corresponding authority for the operation's approval according to the revised operation amount (original and increase amounts).

- 7.2. Additionally, based on the procedures for Approval of Non-Reimbursable Operations (PR-501), the President has delegated the authority for approval of non-reimbursable operations greater than US\$750,000 and up to US\$1,000,000 to the General Managers.
- 7.3. Considering that the original amount of the operation is US\$800,000 and the increase in non-reimbursable financing resources is US\$132,507, making a total of US\$932,507 the team recommends that the additional resources presented in this Memorandum, financed by the Government of Slovenia through a Project Specific Grant (PSG) and administered under the project-Specific Contribution Account, be approved, by the VPS Manager, Climate Change and Sustainable Development Sector (CSD/CSD).