Donors Committee
Short Procedure
Expires on 18 December 2014

MIF/AT-1336
4 December 2014
Original: Spanish
Public Document

To: The MIF Representatives

From: The Secretary

Subject: Regional. Nonreimbursable technical-cooperation funding for the project "PROADAPT: Building Resilience in the *Gran Chaco Americano*"

Basic Information:
Executing agency ..... *Fundación AVINA*
Amount ..... up to US$934,533 or its equivalent in other convertible currencies
Source ..... Multilateral Investment Fund

Inquiries to: Zachary Levey (extension 2971) or Steven Wilson (extension 8114)

Remarks: The Representatives are requested to inform the Secretary, in writing, no later than **18 December 2014** if they wish to interrupt this procedure. If no such communication is received by that date, the attached resolution will be considered adopted by the Donors Committee, and a record to that effect will be made in the minutes of a forthcoming meeting.

Reference: MIF/AT-1228(12/12), MIF/DE-3/13, MIF/AT-1293(3/14), MIF/DE-14/14

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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL

PROADAPT: BUILDING RESILIENCE IN THE GRAN CHACO AMERICANO

(RG-M1264)

DONORS MEMORANDUM

This document was prepared by the project team consisting of Zachary Levey (MIF/ABG) and Carlos Sanchez (MIF/ABG), Project Team Co-leaders; Mariel Sabra (MIF/CAR), Supervision Team Leader; Steven Wilson (MIF/ABG); Fernando Catalano (MIF/CBO); Fernando Balsevich (MIF/CPY); Alejandro Escobar (MIF/AMC); Georg Neumann (MIF/KSC); and Anne Marie Lauschus (LEG/NSG).

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PROJECT SUMMARY

PROADAPT: BUILDING RESILIENCE IN THE GRAN CHACO AMERICANO (RG-M1264)

The Gran Chaco Americano is the second-largest wooded region in Latin America, after the Amazon rainforest. It is shared by Argentina, Paraguay, and Bolivia, and a small portion in Brazil. Studies on the **climate vulnerability** of the Gran Chaco predict significant impacts over the next three decades, especially due to a higher risk of drought and flooding, depending on the area, and an increase in extreme weather phenomena. This climate variability is already compromising production systems, with a loss of agricultural productivity and reduced water quality and availability. There is an urgent need, therefore, to accelerate the creation of new production and marketing models, capacities, instruments, and knowledge to help the communities of the Gran Chaco and their ecosystems reduce their vulnerability.

Within the framework of South-South cooperation for the sharing of knowledge and experiences in resilience to climate change, and with the participation of organizations in Paraguay, Bolivia, and Argentina, this project aims to contribute information and knowledge to increase the resilience of small-scale producers and poor communities in the Gran Chaco Americano; strengthen the communication of knowledge and experiences (technological and social) to accelerate the generation of adaptive innovation; increase the local capacity of decision-makers, technicians, and small-scale producers to identify and implement adaptation measures; implement adaptation strategies for honey- and livestock-producing activities; and multiply links, partnerships, and networks, thereby reinforcing the institutional framework in the region and mobilizing public- and private-sector efforts to scale adaptive innovations.

The project's impacts are greater adaptive capacity and greater resilience among small-scale producers in the Gran Chaco and its communities with respect to the impacts of climate change and climate variability, as well as an increase in the income of small-scale producers through the implementation of resilient practices. The outcomes are the creation of instruments, new capacities, and business models and their adoption by small-scale producers in poor areas to enable the Gran Chaco's main productive sectors and their ecosystems to reduce their vulnerability to climate change

This is the second project in the MIF's PROADAPT facility, created in partnership with the Nordic Development Fund (RG-M1223/RG-X1167).

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ABBREVIATIONS

MSME	Micro, small, and medium-sized enterprise
NDF	Nordic Development Fund
NGO	Nongovernmental organization
PCU	Project coordination unit
RA3Ch	Mesa Redonda para la Adaptación al Cambio Climático del Chaco [Round-table on Climate Change Adaptation in the Chaco

REGIONAL
PROADAPT: BUILDING RESILIENCE IN THE GRAN CHACO AMERICANO
(RG-M1264)

EXECUTIVE SUMMARY

Country and geographic location:	Regional Bolivia, Paraguay, and Argentina		
Executing agency:	Fundación Avina		
Access area:	Access to Basic Services and Green Growth		
Agenda:	Basic Services for the Poor and Adaptation to Climate Change		
Coordination with other donors/Bank operations:	Efforts will be coordinated with the Nordic Development Fund (NDF), the Bank's Rural Development and Natural Disasters Division and Sustainable Energy and Climate Change Unit, and the Regional Fund for Agricultural Technology (FONTAGRO).		
Direct beneficiaries:	Small-scale producers located in poor areas of the Gran Chaco Americano region		
Indirect beneficiaries:	Poor communities, municipalities, producers' organizations, and technicians related to the Gran Chaco Americano region		
Financing:	Technical cooperation:	US$ 934,533	34%
	Investment:	US$ 0	
	Loan:	US$ 0	
	Total MIF contribution:	US$ 934,533	34%
	Counterpart:	US$1,137,560	42%
	Cofinancing from the NDF:	US$ 662,667	24%
	Total project budget:[1]	**US$2,734,760**	100%
Execution and disbursement periods:	30 months for execution and 36 for disbursement.		

[1] This project is part of the MIF's PROADAPT facility, created in partnership with the NDF (RG-M1223 / RG-X1167).

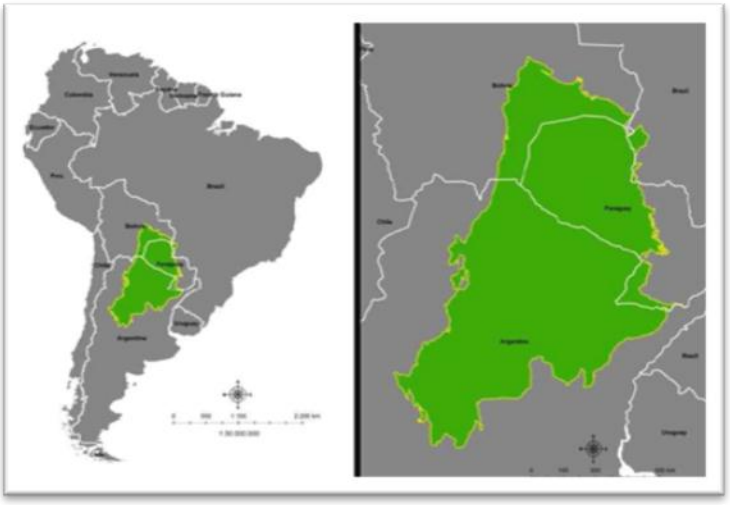
Special contractual conditions:	The following will be conditions precedent to the first disbursement: (i) selection of the program coordinator; (ii) selection of the program accountant; (iii) entry into force of the project's Operating Regulations; (iv) administration manual and agreements signed between Fundación Avina and local offices; and (v) finalization and approval of the initial procurement plan.
Environmental and social impact review:	This operation has been reviewed and classified according to the Bank's Environment and Safeguards Compliance Policy (OP-703). Given that the associated impacts and risks are limited, the proposed category is "C."
Unit responsible for disbursements:	MIF/CAR

I. BACKGROUND AND RATIONALE

A. Diagnostic assessment of the problem to be addressed by the project

1.1 At approximately 1,014,000 square kilometers, the Gran Chaco Americano is the second-largest wooded region in Latin America, after the Amazon rainforest, and it is the largest contiguous dry forest in the world. The region is shared by Argentina, Paraguay, Bolivia, and a small portion in Brazil.[2] This great biome of global importance is home to more than 7 million people who live in the Gran Chaco Americano and directly depend on it. Thirty percent of these people reside in rural areas, in a vast mosaic of diverse peoples and native cultures. More than 30 indigenous peoples—with a wide variety of languages and a richness of cultural and spiritual forms of expression—maintain strong ties to the environment, which serves as their primary source of livelihood.

1.2 The region's environments and habitats are highly heterogeneous: from wetlands, lakes, and subhumid forests in the east, in the area known as the "Wet Chaco," to grasslands and dry forests in the west, in the "Semiarid Chaco." Its great diversity of ecosystems and species makes the Gran Chaco a key area for biodiversity conservation. According to a study titled "Gran Chaco Americano Ecoregional Assessment," the region has more than 3,400 plant species, as well as some 500 bird species, 150 mammal species, 120 reptile species, and 100 amphibian species.



1.3 Studies on **climate vulnerability** in the Gran Chaco[3] predict significant impacts over the next three decades, especially due to a higher risk of drought and flooding in certain areas and an increase in extreme weather phenomena. This climate variability is already compromising production systems, with a loss of agricultural productivity and reduced water quality and availability. There is an urgent need, therefore, to accelerate the creation of new production and marketing

[2] About 62% of the ecoregion lies in Argentina, 25% in Paraguay, 11% in Bolivia, and 0.77% in Brazil.

[3] "*Estudio de Vulnerabilidad e Impacto al Cambio Climático para el Gran Chaco Americano*." Universidad Nacional de Formosa (Argentina), Fundación la Cordillera (Bolivia), and Instituto Desarrollo (Paraguay), December 2012.

models, capacities, instruments, and knowledge, to help the communities of the Gran Chaco and their ecosystems reduce their vulnerability.[4]

1.4 The economy of the Gran Chaco region is highly dependent on climate-sensitive activities such as agriculture. **Livestock-raising** is essential to the development of the Gran Chaco region and its food security. The nature of the livestock sector varies by country. Small-scale livestock ranchers in Bolivia hold 43% of that country's cattle. Some 123,822 producers in Paraguay raise livestock, and the country has some 12,305,822 heads of livestock. In Argentina, 21% of the country's livestock is in the Gran Chaco region. A major problem for livestock-raising in the Gran Chaco is water access. Expanding the coverage of irrigation systems and researching possible alternative water sources are essential to development in the region, and not only for livestock-raising. Investment and technology are also needed due to the importance of forage resources in the region, which are critical to its sustainable agricultural development.

1.5 **Beekeeping** has historically played a significant role in food production. More broadly, the importance of beekeeping goes beyond mere honey production. It is crucial to the ongoing pollination of fruits and plants that, in turn, help to feed communities and cities. The vulnerability of honey production stems from various climatic factors, such as changing seasonal patterns and increased rainfall that hinder the gathering of pollen, as well as factors unrelated to climate, such as nearby pesticide use, and others related to ineffective management such as failures in disease control.

1.6 The Gran Chaco region is going through a historically significant period. On the one hand, each country in the region is pursuing a domestic economic development process that is radically transforming the region's landscape, raising the pace of deforestation and ecosystem conversion to unprecedented levels. Meanwhile, a local economic development process based on age-old knowledge and practices is also under way, with the aim of ordering and improving production and marketing practices.

1.7 Although challenges in the Gran Chaco vary by country and ecological region, some critical issues and factors are experienced in common. **Poverty**, a limited range of economic activities, and limited access to technology and knowledge hinder the capacity of vulnerable populations to adapt to climate change. In terms of poverty in Argentina, it is estimated that more than 20% of the population in the provinces located in the Gran Chaco (Chaco, Santiago del Estero, and Formosa) is vulnerable and lives on less than US$4 per day.[5] In these provinces, 31% to 36% of the rural population (i.e., the project's beneficiary population) has

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[4] Zermoglio, María Fernanda. "*Estudio de Factibilidad sobre Adaptación en la región del Gran Chaco Americano para el sector privado y sociedad civil*," June 2014.

[5] World Bank; Center for Distributive, Labor and Social Studies.

unmet basic needs.[6] Of the approximately 294,380 people living in Bolivia's portion of the Gran Chaco region, only 16.6% have their basic needs met, 24.8% are at the poverty line, 34.2% are living in moderate poverty, 21.7% are indigent, and 2.7% are in a state of marginalization.[7] Paraguay has 138,760 people living in the departments located in the Gran Chaco ecoregion, and 64% of the population in the Paraguayan Gran Chaco have unmet basic needs.[8]

1.8 The region has one of the highest deforestation rates in the world (according to data from the organization Guyra Paraguay, 539,233 hectares in the Gran Chaco were deforested in 2012, and 502,308 in 2013,), particularly as a result of the conversion of forests to livestock-raising and farming systems. This is causing significant changes in the natural landscape and reducing the capacity of the region's ecosystems to cushion the impacts of climate variability. Factors such as the overstocking of animals, the overexploitation of forests, and a lack of irrigation systems and sustainable farming methods have led to further degradation of soil and forests. Irregularities in land tenure in all the countries involved are another problem: the land ownership rights of local producers and communities have been violated in numerous cases in each country. Amid these circumstances, and with the possible intensification of climate variability and change, the degradation of soil and water could jeopardize the sustainability of currently productive areas.

1.9 The historically limited access to water, especially in the semiarid region, is compounded by changing patterns of rainfall intensity and periods of drought, which have a negative impact on water availability. The region's natural water sources are rivers, lakes, groundwater, streams, gullies, and precipitation. The effective use of water resources is crucial to climate change adaptation.

1.10 Meanwhile, there are a number of significant processes and initiatives that can serve as starting points for pursuing the common objective of making productive activity more resilient to climate variability and climate change.

1.11 One current approach is ecosystem-oriented: the Gran Chaco forest and ecosystem is a major natural and economic resource, where livestock-raising and farming are pillars of the local economy. One strategy used by producers in Argentina is reforestation of degraded fields with native varieties such as algarrobo. This has helped strengthen practices that expand the region's food supply while aiding in soil recovery. In addition to expanding the food supply for livestock, these activities also diversify the region's economic base by providing an opportunity to produce and sell other products of the forest.

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[6] Source: National Statistics and Census Institute (INDEC). National Census of Population, Households, and Housing 2011.

[7] National Statistics Institute (INE).

[8] Bureau of Statistics, Surveys, and Censuses (DGEEC).

1.12 Another approach entails strong interagency ties and an important and growing agenda of coordination through Redes Chaco.[9] This approach calls for institutions, producers' associations, and politicians to meet regularly to discuss issues critical to the region and consider possible solutions, as well as to share experiences and learn from one another.

1.13 Another activity involves participatory early-warning management and monitoring of the Pilcomayo River through a network of actors in the region, related to the emergence and warning of water risks (flooding, drought), as well as matters related to production and interventions in the forest.

1.14 There has been a wide range of experiences in designing land-use plans and adaptation strategies at the local policy level. The Nativa Foundation in Bolivia has developed important tools and methods for assessing climate risks and for preparing adaptation plans, which have proved to have significant policy advocacy benefits for determining measures and setting priorities in the region.

1.15 Experience in the region so far suggests that, if momentum in these and other significant areas of progress in this area is to be maintained, the following challenges should be addressed jointly:

- The need to build an analytical base and tools to systematize and share important information, practices, and methods for adapting productive activity in the Gran Chaco Americano.
- The importance of generating capacities, promoting the sharing of knowledge and experiences, and expanding partnerships to accelerate adaptation processes and promote adaptive innovation.
- The urgent need to implement adaptation plans for the most vulnerable productive activities and stimulate investment to enable small-scale producers and their ecosystems to reduce their vulnerability to climate change and capitalize on related business opportunities.

1.16 The Second Meeting on the Gran Chaco, organized by Redes Chaco and held in September 2013, marked the beginning of a process of communication, participation, experience gathering, and identification of actors with the capacity to implement a climate change adaptation project targeting small-scale producers in the Gran Chaco Americano. To support this process, the Bank hired a consultant with expertize on the topic to support Redes Chaco's member organizations—in collaboration with Fundación Avina, the executing agency for

[9] Redes Chaco, a leading actor in cross-border collaboration in the Gran Chaco Americano, brings together nongovernmental organizations (NGOs), grassroots organizations, business associations, academic institutions, and government agencies. Working through its partners and members, Redes Chaco organizes and executes direct actions related to the environment, productive systems, climate change, etc. It also promotes the institutional framework and the visibility of the Gran Chaco to mobilize national and international financing for the region, especially for the action areas that the Network has identified as priorities. See http://www.redeschaco.org.

this project—in identifying their main vulnerability factors, which will determine the basis for a cross-border project with the MIF. The **main causes** of this climate vulnerability, on which the project will focus, have been identified as (i) limited availability of climate data; (ii) limited generation of information on risk analyses; (iii) unprocessed knowledge on resilient practices; (iv) a failure to transfer knowledge on adaptation between the Chaco's three countries; (v) a lack of exchange venues for generating collective knowledge; (vi) a lack of effective networks for adaptive innovation; (vii) inadequate planning of adaptation actions; (viii) a lack of demonstration pilots on resilient practices and technologies in the Chaco; and (ix) low levels of adaptive investment by the public sector and the financial system.

B. Project beneficiaries

1.17 During its execution period, the project will benefit small-scale producers in poor communities in the Gran Chaco Americano in Bolivia, Paraguay, and Argentina who are primarily engaged in livestock-raising and/or beekeeping.

1.18 The project will also directly benefit key actors operating in the Gran Chaco by improving on existing knowledge, climate information, and capacities to ultimately facilitate support for the region's small-scale producers and poor communities in adapting their economic activity to the increasing impacts of climate change. These actors will include municipal governments, research institutions, local productive organizations, NGOs, and technicians.

C. Contribution to the MIF Mandate, the Access Framework, and the Bank's strategy

1.19 This intervention contributes to the MIF mandate by supporting the economic growth of a historically disadvantaged region with high poverty rates. The project will provide a variety of solutions for confronting one of the greatest challenges in terms of economic growth. Successful execution of this project will mean promoting investment flows to the region as a result of the demonstration of a resilient business model capable of maintaining high levels of production that are protected from extreme climate events.

1.20 **Link to the Agenda.** This project contributes to the climate change adaptation agenda by developing and testing innovative business models around the phenomenon of climate change. It contributes to the agenda of basic services for the poor through new models and information technologies related to water usage, early warning systems, etc. The project also contributes to the basic services agenda by promoting technologies for efficient water usage, such as rainwater collection, water recycling, and others. All of this will contribute primarily to the productive sector on the basis of which the intervention will be designed, but it will also have a positive impact on access to potable water for families in the region. Moreover, the project hopes to develop and test impact indicators that will be useful for other climate change adaptation and basic services projects.

1.21 **Collaboration with the IDB Group.** The project will contribute to the Bank's country strategies with Bolivia, Argentina, and Paraguay, in terms of supporting efforts to improve preparation and capacity for action to combat the consequences of climate change, and supporting small-scale producers to facilitate the adoption of productive, income-generating, environmentally sustainable technologies and innovations. The project will be closely coordinated with the Bank's country offices and relevant sector specialists in order to maximize synergies with the Bank and the initiatives of donors, thereby avoiding thematic or geographic duplication between interventions and the multiple actors participating in financing related to climate change.

1.22 **Collaboration with the Pilot Program for Climate Resilience (PPCR).** This project will be a starting point for collaboration with the activities of the PPCR in Bolivia. The PPCR is a funding window of the Climate Investment Funds, for which the Bank is executing agency. Bolivia was selected to implement a pilot program. The PPCR provides incentives for scaled-up action and initiates a transformational change by catalyzing a shift from "business as usual" to broad-based strategies for achieving climate resilience at the country level.

PROADAPT. This is the second **project** of the MIF's PROADAPT facility, created in partnership with the Nordic Development Fund (NDF) (RG-M1223/ RG-X1167). The facility focuses on knowledge products and projects related to MSMEs' resilience to climate change. The project will provide valuable knowledge on technologies, practices, and financial methodologies to help achieve the objectives of PROADAPT.

II. PROJECT OBJECTIVES AND COMPONENTS

A. Objectives

2.1 The project's impacts are greater adaptive capacity and greater resilience among small-scale producers in the Gran Chaco Americano and among poor communities with respect to the impacts of climate change and climate variability, as well as an increase in the income of small-scale producers through the implementation of resilient practices. The outcomes are the creation of instruments, new capacities, and business models and their adoption by small-scale producers in poor areas, that enable the Gran Chaco's main productive sectors and their ecosystems to reduce their vulnerability to climate change.

2.2 The project aims to build this resilience to climate change by (i) implementing a knowledge platform that contains climate information and successful experiences from other areas in the Gran Chaco Americano; (ii) training stakeholders in the various responses that existing productive activities in the region can provide to the problem of climate variability; and (iii) developing sector-specific adaptation plans and testing a pilot experience on investment in resilience.

B. Description of model/solution/intervention

2.3 Within the framework of South-South cooperation for the sharing of knowledge and experiences in resilience to climate change, and with the participation of organizations in Paraguay, Bolivia, and Argentina, this project aims to:

- Contribute information and knowledge to increase the resilience of small-scale producers and indigenous communities in the Gran Chaco Americano.
- Strengthen the communication of knowledge and experiences (technological and social) to accelerate the generation of adaptive innovation.
- Increase the local capacity of decision-makers, technicians, and small-scale producers to identify and implement adaptation measures that benefit the poor communities of the Gran Chaco.
- Generate adaptation plans for priority productive activities.
- Implement demonstration projects on adaptation to climate variability and climate change in honey- and livestock-producing activities.
- Multiply links, partnerships, and networks, thereby reinforcing the institutional framework in the region and mobilizing public- and private-sector efforts to scale adaptive innovations.

2.4 This intervention will use the following implementation sequence to pursue its objectives:

a. Efforts will initially focus on developing the content and format of a climate knowledge platform. Climate information will be a basic element in the production-related decision-making of small-scale producers. This climate information and successful experiences throughout the region will both be included. An important consideration is that the format of this platform be designed so as to ensure that it is accessible, useful, and easy to understand.

b. Once small-scale producers have access to well-processed climate information, the next step is to train them in practical responses to rising climate vulnerability, and to disseminate technologies and/or investments with the potential to help them maintain their economic activity in adverse climate periods.

c. Lastly, a pilot experience will be implemented to demonstrate the beneficial effects of investment in climate resilience. Once all phases of this model have been completed, the current negative pattern should be reversed, thereby facilitating an influx of investment and technology to help build resilience on a continuous basis beyond the end of the project.

C. Components

Component I: Promotion of information and knowledge management (MIF: US$316,200; NDF: US$12,000; counterpart: US$75,000)

2.5 The objective of this component is to generate a platform to help centralize data and have it available, systematize and disseminate information, and generate and distribute knowledge for smart climate management. The following activities are proposed: (i) expansion of access to climate data, climate scenarios, and risk analyses; (ii) generation and systematization of knowledge on resilient practices in the Chaco; and (iii) creation of a platform for sharing and learning.

2.6 By the end of the project, an institutional network based on shared principles of collaboration will have been formally established to enable the continuous generation of knowledge, supported by a platform as a tool for centralizing and disseminating data, information, and knowledge. The platform will be designed to improve the capacity of decision-makers at all levels (national, district, community), creating opportunities and methods for processing, updating, and sharing the knowledge (scientific, technological, traditional) that exists in the region. Its goal will be to generate knowledge for smart management of climate variability by small-scale producers and to identify emerging opportunities related to climate change. The platform is expected to be operated by a local organization capable of providing the technical and financial support needed to make it sustainable.

2.7 The expected outputs are: (i) 10 institutions that make up the platform to provide useful services for climate change adaptation and variability management; (ii) 20 integrated weather stations with data for decision-making by technicians and small-scale producers in the project's area of influence; (iii) 10 production experiences/resilient business models systematized; (iv) five institutions generating content on the platform; and (v) 585 users using the platform's content. The preconceived support for this platform is in the form of mobile-phone applications that small-scale producers can use to help plan their production, as well as a website to consult and share experiences and information in greater depth.

Component II: Strengthening of capacities and collaborative networks (MIF: US$110,333; NDF: US$140,667; counterpart: US$191,000)

2.8 The objective of this component is to increase the capacities of associations of small-scale producers and of organizations and institutions in the region to carry out coordinated actions for adaptation.

2.9 By the end of the project, the productive and institutional actors will recognize that climate change can affect the region's long-term development objectives, and local capacities will be in place to develop mechanisms for planning and carrying out coordinated adaptive efforts. Preparation and response are two functions of an

effective risk management system, which requires technically prepared and linked institutions and individuals.

2.10 To this end, the following activities are planned: (i) communication campaign; (ii) training workshops on climate change preparedness and response; (iii) knowledge-sharing workshops; and (iv) strengthening of strategic partnerships and networks.

2.11 The expected outputs are: (i) awareness raised among 3,300 key actors in the region as to climate change effects and opportunities in the Chaco region; (ii) 370 actors attending training events on smart management of climate variability and adaptation to climate change; (iii) 45 small-scale producers' organizations incorporating new organizational methodologies conducive to adaptive innovation; and (iv) 10 research and development institutions or technology providers linked to small-scale producers in adaptation-related research, development, and innovation processes.

Component III: Demonstration pilot on investment in climate resilience (MIF: US$197,000; NDF: US$494,000; counterpart: US$288,000)

2.12 The objective of this component is to generate adaptation plans at the municipal level and in the productive sectors, generate demonstration pilots on ecosystem-based adaptation, and advocate in the public and private sectors to accelerate adaptive investment in the region. Planning of adaptation actions is still at an early stage in the region. Adaptation mechanisms have not yet been incorporated into productive activities—except for isolated experiences that need to be systematized to make them scalable—and adaptive investment in both the public and private sectors remains weak.

2.13 This component will include the following activities: (i) development of sector adaptation plans; (ii) implementation of demonstration pilots; and (iii) advocacy workshops to mobilize public- and private-sector adaptive investments.

2.14 The expected outputs are (i) eight business models with adaptation plans designed; (ii) 12 municipios with adaptation plans designed; (iii) 12 demonstration pilots for smart climate management; (iv) 20 public or private agencies incorporating adaptation measures into development and measures that promote adaptive investment; and (v) awareness raised among 30 financial institutions on the importance of conducting climate risk analyses as part of their lending policies.

Component IV: Knowledge dissemination strategy and strategic communication (MIF: US$38,000; NDF: US$0; counterpart: US$0)

2.15 The objective of this component is to document and communicate the outcomes and knowledge developed as part of the project. The knowledge products will contribute to the knowledge strategy of the PROADAPT facility. This component will include the following activities: (i) development of case studies to document examples of resilience and adaptation for small-scale producers; (ii) a final

dissemination workshop; (iii) a sustainability workshop; and (iv) presentation of project outcomes at international forums.

2.16 The following target audiences have been identified for dissemination and communication of the knowledge and experiences generated by the project: (i) civil society organizations, private-sector entities, and municipal and national governments, as key actors in private-sector production in the Gran Chaco; and (ii) NGOs and networks of experts with experience or interest in pursuing similar projects in other parts of the world.

2.17 The expected outcomes are: (i) case studies; and (ii) 800 attendees at events held to present the project and its lessons.

D. Project governance and execution mechanism

2.18 For the purposes of program governance, a Round-table on Climate Change Adaptation in the Chaco (RA3Ch) will be formed. The round-table will initially consist of six members: one representative each from Fundación Avina, the project's executing agency; Asociación Cultural para el Desarrollo Integral [Cultural Association for Comprehensive Development] (Argentina); the Nativa Foundation (Bolivia); Sombra de Árbol (Paraguay); and the IDB/MIF; as well as the coordinator of Redes Chaco.

2.19 RA3Ch will meet every six months, or when a special meeting is called by any of its members, to: (i) formulate program strategies and monitor operational progress; (ii) resolve institutional conflicts; (iii) make recommendations to the executing agency to ensure that objectives are fulfilled; and (iv) decide on the participation of new strategic actors in RA3Ch. The Advisory Council's decisions will be considered recommendations, and will not be binding.

2.20 The project may form an advisory committee of experts to support the project in evaluating and selecting pilot experiences for Component III, with the committee to consist of sector and regional experts.

E. Sustainability

2.21 The sustainability of this project is institutional rather than economic. Because public-private partnerships are an essential part of this initiative, there is a risk that members' interest and participation will decrease over time. To mitigate this risk, Redes Chaco will stipulate members' responsibilities in the "governance agreement" instrument that it will design, thereby ensuring their participation in RA3Ch. The initiative also calls for strengthening the institutional platform through specialized workshops on partnerships, conflict resolution, and standardization of processes to mitigate the risks of disaffiliation. Efforts to strengthen networks at the subnational level (network of municipios, network of technicians, network of innovative small-scale producers) will help maintain the institutional platform. The growing involvement of large private investments will be key to continuing to increase the share of private investment in development, through the design of inclusive, sustainable businesses.

2.22 Public advocacy work will be key to achieving ownership of project-generated outputs on the part of governments (local, regional, and national, as well as some international coordinating entities) to promote the mobilization of resources and the generation of legislation, not only for generated outputs to be sustainable but also for the initiative to be scalable.

2.23 By strengthening local organizations, and by establishing links and partnerships with a variety of both regional and international actors, capacities will be in place to continue working together in an organized way. This will make it possible to tackle new opportunities without the need for institutional or financial support from the MIF in the future.

F. Lessons learned from the MIF or other institutions in the design of the project

2.24 This project has been designed in such a way that it takes into account significant lessons learned in the context of climate change adaptation projects and other projects on different topics but in similar action areas. In terms of adaptation, this intervention draws on lessons learned by other projects under the PROADAPT facility. One project that stands out as similar—in terms of subject matter, poverty levels, and ecosystem—is the project in Brazil's semiarid Sertão region. This project has demonstrated the importance of building a strategic partnership among all relevant actors for the intervention, since climate resilience requires working together toward a new approach to production, in which the public, private, and financial sectors play equally important roles. Another lesson learned in Brazil's Sertão region relates to financial institutions—i.e., that these institutions should also receive support to help them understand the impact of climate change on their portfolios. Only after such support is provided should efforts focus on improving access to credit for investment in resilient technologies.

2.25 Another source of lessons learned for this project has been the MIF's extensive work with small-scale producers on agricultural projects. These projects have underscored the importance of working with local organizations, the need to ensure that producers are connected to markets, the importance of focusing on client needs and demand, the establishment of mechanisms and strategies to ensure the new demand, and the need to demonstrate the commercial viability of the new technologies. It is also crucial to gather benchmark data on the leading economic indicators of project beneficiaries from the outset, for the purpose of rigorously proving the benefits engendered by the project.

G. MIF additionality

2.26 **Nonfinancial additionality.** The MIF is providing its specific knowledge on climate resilience in the private sector. The project is based on a study conducted by the PROADAPT facility to map existing experiences in the region and identify initial actions in the region's main productive sectors.

2.27 **Financial additionality.** The MIF's support will enable Fundación Avina to expand the activities it has been carrying out in the region, and to pilot the resilience-as-business approach in rural areas by adapting it to this context, using the lessons learned from its experience on other projects. The MIF's support will help deploy innovative mechanisms to ensure the sustainability and dissemination of outcomes, so as to promote the replication of the experience.

H. Project outcomes

2.28 As for project outcomes, the small-scale producers are expected to actively use the information, resilient practices, and adaptation plans to inform their productive decisions. To measure these outcomes, the following indicators have been established: (i) 100 institutions newly becoming active participants in the Gran Chaco Climate Change Adaptation Network; (ii) 4,910 small-scale producers accessing and using data and information for decision-making through the institutional and technological platform created; (iii) 3,000 small-scale producers and technicians participating in planning and smart climate management; (iv) 2,500 small-scale producers using resilient business models designed by the project; and (v) financial resources from the public and private sectors mobilized for adaptation in the Gran Chaco (in millions of U.S. dollars).

I. Project impact

2.29 The project will equip the region's economy with greater adaptive capacity, which will have a positive social and economic impact on the small-scale producers and, as a result, on the livelihoods of those involved in this project. This impact will be measured using social, productive, and institutional indicators to be developed in the first two months after the project is approved. The impact indicators for climate change adaptation projects are being developed by a consulting firm that specializes in this field. Preliminary indicators would measure the amount of time (in months) small-scale producers in the Gran Chaco are able to maintain acceptable levels of production during periods of extreme drought.

J. Systemic impact

2.30 This project will provide for the testing of business models and investment plans that ultimately have the potential to influence public and financial policies. The potential for replication and expansion at the regional and international levels is high.

III. MONITORING AND EVALUATION STRATEGY

3.1 **Baseline**. The project will conduct a study and analysis of qualitative and quantitative indicators at the start and completion of the project, through a specific consulting contract as part of the PROADAPT facility, to establish indicators for monitoring, evaluation, and learning related to climate adaptation projects. This platform will be developed in the first three months of the project. The baseline data will be obtained from an adequate sample of households and

key informants. The data will be disaggregated by gender, age, education, etc. Moreover, the project will gather detailed benchmark data for each participant in the demonstration pilots.

3.2 **Monitoring.** The project will develop a robust performance management and supervision system that will enable it to monitor the indicators in the logical framework, as well as the key performance indicators for climate adaptation, which will be developed as part of the support from PROADAPT in the first three months of the project.

3.3 **Evaluation.** Due to the project's potential to provide significant lessons for activating a market, this project will be rigorously monitored and evaluated. Three types of evaluations will be conducted:

(i) A **midterm evaluation** will be conducted to monitor progress from the start of the project. This evaluation will also be used to identify lessons learned in conjunction with project stakeholders and beneficiaries. It will be conducted by an external, independent consultant halfway through the execution period, and it will determine progress toward the attainment of outcomes and, if necessary, identify corrective actions. The outside evaluation will focus on progress toward the proposed outcomes, the status of institutional arrangements for implementation, and the review of action plans. The questions to be addressed in this evaluation will probably include the following: Are the project's activities and deliverables being completed on time, on budget, and with acceptable quality? Did any of the project's previously identified risks materialize, and/or have any new factors that could affect project implementation been identified? Can we glean any lessons on implementation thus far? Does the project's design need to be adjusted?

(ii) A **final evaluation** will be conducted to evaluate project implementation, although it will focus primarily on whether the project has attained the expected results (outcomes and impacts). The project will be evaluated on the basis of the capacity to generate changes in the behavior of the main institutions working in the Gran Chaco, and qualitative evaluations of vulnerable beneficiaries will be carried out. Potential questions for this evaluation would include the following: Did the model for strengthening key networks and social capital result in an actual, measurable, sustainable change on the part of project beneficiaries with respect to climate change? What was the value of the work, and how much resilience was created through a cross-border approach? Were the platforms sufficient and the mechanisms sustainable? Is this model replicable in other contexts? What was the direct impact on small-scale producers, and have these producers changed their practices as a result of the project?

(iii) **Evaluation of individual pilots.** The project will also carry out a number of demonstration pilots on climate-resilient technologies and practices. Each of these pilot experiences will include a rigorous evaluation and impact analysis.

3.4 **Closing workshop.** In due course, the executing agency will hold a closing workshop to jointly evaluate the outcomes with other entities involved, identify additional tasks to ensure the sustainability of actions initiated by the project, and identify and disseminate lessons learned.

IV. COST AND FINANCING

The total cost of the project is US$2,734,760, of which US$934,533 (34%) will be provided by the MIF, US$662,667 (24%) by the Nordic Development Fund, and US$1,137,560 (42%) by the counterpart. The execution period will be 30 months, and the disbursement period will be 36 months.

	MIF	NDF	Counterpart	Total
COMPONENT I. Promotion of information and knowledge management	$316,200	$12,000	$75,000	$403,200
COMPONENT II: Strengthening of capacities and collaborative networks	$110,333	$140,667	$191,000	$442,000
COMPONENT III: Demonstration pilot on investment in climate resilience	$197,000	$494,000	$288,000	$979,000
Component IV: Knowledge dissemination strategy and strategic communication	$38,000	$0	$0	$38,000
Executing agency/Administration	$173,000	$16,000	$583,560	$772,560
Monitoring and evaluation system	$10,000	$0	$0	$10,000
Midterm evaluation	$20,000	$0	$0	$20,000
Final evaluation	$20,000	$0	$0	$20,000
Ex post reviews	$20,000	$0	$0	$20,000
Contingencies	$30,000	$0	$0	$30,000
Subtotal	**$934,533**	**$662,667**	**$1,137,560**	**$2,734,760**
% of financing	34%	24%	42%	100%
Total	**$934,533**	**$662,667**	**$1,137,560**	**$2,734,760**

V. EXECUTING AGENCY

A. Executing agency

5.1 Fundación Avina will be the project's executing agency and will sign the agreement with the Bank. Fundación Avina will sign agreements with its local offices to monitor the project and make payments at the local level, transferring the funds needed to meet the payment obligations approved by the Bank.

5.2 Technical and fiduciary supervision will be performed by the Bank's Country Office in Argentina. Fundación Avina is headquartered in Panama. However, since the Bank will supervise the project from Argentina, all documentation supporting disbursements and procurement processes will be submitted to Fundación Avina's office in Argentina so as to facilitate supervision and review by the Bank, in accordance with an administration manual approved by the Bank for this purpose.

5.3 Fundación Avina will form a regional executing unit, which will oversee program execution at the regional level. This unit will consist of a regional executive manager, an administrative/financial officer, and a technical manager for each country. Fundación Avina will be responsible for ensuring that local offices follow applicable Bank policies. Some activities are expected to be implemented as subprojects through local organizations, in which case Fundación Avina will be responsible for ensuring compliance with Bank policies.

5.4 Fundación Avina has prior experience in executing MIF projects and has demonstrated technical capacity, a capacity to advocate with key decision-makers, and regional coordination capacity, e.g. with the Regional Initiative for the Economic and Social Inclusion of Recyclers (RG-M1179). Its positioning in the local environment—which has unique socioeconomic characteristics, with a population living in conditions ranging from vulnerable to extreme poverty—and its capacity to build social capital and coordinate institutions at the regional level give it the capacities it needs to lead this project.

VI. PROJECT RISKS

6.1 Project execution could be affected by a number of factors of particular importance, as follows: *Risk 1:* Demand: Uncertainty in predicting the exact timing and magnitude of climate change entails the risk that some micro, small, and medium-sized enterprises (MSMEs) may remain inactive or opt for a wait-and-see approach to climate change. *Mitigation action 1:* The communication and awareness-raising instruments will be strengthened; *Risk 2:* Perceptions of costs and benefits: There is a perception among some enterprises that reducing climate-change risks entails high up-front costs and uncertain benefits over the longer term. *Mitigation action 2:* The demonstration effects of the pilot experiences (climate-smart business models) will be amplified to convey win-win productive options and business opportunities; *Risk 3:* Misadaptation: This type of risk occurs when actions to promote adaptation cause an unintended increase in long-term vulnerability to climate change. *Mitigation action 3:* Environmental impact analyses and economic sensitivity studies will be conducted to reduce this risk in the design of plans and demonstration pilots; *Risk 4:* Institutional: The institutional platforms will require the competent local authorities' political will to participate in the network. *Mitigation action 4:* Partnerships with MSMEs will be expanded at the grassroots level to have a stronger impact on the policies and strategies of local governments and institutions. *Risk 5:* Sustainability of the

platform established in Component I – The first component will generate a platform to centralize data and have it available, systematize and disseminate information, and generate and distribute knowledge for smart climate management. There are risks related to sustainability of the platform. *Mitigation action 5:* The project will locate the platform in a local institution with the technical and financial capacity to manage it and make it sustainable. In addition, during implementation, the project will attempt to come up with a business model for the platform.

VII. ENVIRONMENTAL AND SOCIAL IMPACTS

7.1 The project is expected to have positive social and environmental impacts through the introduction of more resilient practices, technologies, organizational capacities, and networks for small-scale producers and MSMEs in the Gran Chaco.

7.2 This operation has been reviewed and classified in accordance with the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703). Given that the associated impacts and risks are limited, the category proposed for the operation is "C."

VIII. ATTAINMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

8.1 Results-based disbursements and fiduciary arrangements. The executing agency will agree to the MIF's standard arrangements for results-based disbursements, procurement processes, and financial management as specified in Annex 7. The fees to compensate key personnel and/or organizations in Redes Chaco that are participating in the project, and that may be involved in other governance bodies for the operation (specifically, the Advisory Council)—in view of their technical experience in the field and the importance of generating local capacity through learning in action—will be eligible for financing with resources from the MIF contribution, provided that the selection and contracting process is in compliance with the Bank's procurement principles and policies, to ensure a transparent, competitive, efficient process, and provided that their work is directly related to this project.

Multilateral Investment Fund
Member of the IDB Group

LOGICAL FRAMEWORK
BUILDING RESILIENCE IN THE GRAN CHACO AMERICANO
(RG-M1264)

SYSTEMIC IMPACT							ASSUMPTIONS
Increase the adaptive capacity and develop the resilience of small-scale producers in the Gran Chaco Americano and its communities with respect to the impacts of climate change and climate variability.	***Indicator 1***	***Year 0 Baseline***	***Year 3***	***Year 5 (Cumulative)***			
	New public policies, programs, or initiatives aimed at promoting adaptive investment and incorporating adaptation measures into their actions, implemented and financed.	*0*	*3*	*9*			
	Formula/Definition						
	A new public policy, program, or initiative measure is one that is related to adaptation in the Gran Chaco and has a budget and staff assigned. Public is defined as any organization of the public sector.	***Source:*** *Monitoring and evaluation system. Baseline.*					
	Indicator 2	***Year 0 Baseline***	***Year 3***	***Year 5 (Cumulative)***			
	Percentage of key public-sector actors, networked with the private sector, that change or implement resilient public policies based on the project's knowledge output.	*0*	*40%*	*50%*			
	Formula/Definition						
	Key actor: has decision-making capacity or the capacity to influence decision-making related to adaptation to climate change. Only includes key actors not connected to the project at its beginning.	***Source:*** *Monitoring and evaluation system. Baseline. Adaptation plans.*					
	Indicator 3	***Year 0 Baseline***	***Year 3***	***Year 5 (Cumulative)***			
	Percentage of key private-sector actors, networked with the public sector, that change or implement resilient practices based on the project's knowledge output.			*30%*			
	Formula/Definition						
	Key actor: has decision-making capacity or the capacity to influence decision-making related to adaptation to climate change. Only includes key actors not connected to the project at its beginning.	***Source:*** *Monitoring and evaluation system. Baseline. Adaptation plans.*					

IMPACT							ASSUMPTIONS
Small-scale producers in poor communities in the Gran Chaco are more resilient to climate change.	***Indicator 1***	***Year 0 Baseline***	***Year 3***	***Year 5 (Cumulative)***			Public policies are implemented that promote adaptive investment and that legislate and incorporate adaptation measures into their actions. The institutional platform continues to operate and grow in terms of the number of partnerships and services. Networks continue to operate and grow at the subnational level (network of municipios, network of technicians, network of innovative producers).
	Number of producers in poor communities with demonstrated increased resilient capacity.[1]	*0*	*TBD*	*TBD*			
	Formula/Definition						
	Measured using a combination of indicators for capacity to adapt to climate-change events based on monitoring and participatory evaluation designed by this project. These indicators will be used in combination with the official socioeconomic indicators currently used in the participating countries for the household well-being surveys, and will be disaggregated by gender.	***Source:*** The baseline data to be included by the monitoring and evaluation system, developed with a focus on the climate vulnerability assessments of the population.					
	Indicator 2	***Year 0 Baseline***	***Year 3***	***Year 5 (Cumulative)***			
	Number of small-scale producers in poor areas who implement resilient practices and increase their annual sales by 10%.	*0%*	*2,000*	*4,000*			
	Formula/Definition						
	Number of producers who have averaged at least 10% growth during their participation in the project.	***Source:*** *Case studies of representative sample.*					

OUTCOMES							ASSUMPTIONS
Create instruments, new capacities, and business models to help small-scale producers and poor communities in the Gran Chaco and their ecosystems reduce their vulnerabilities to climate change.	***Indicator 1***	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	Political and social stability is maintained in the region. Macroeconomic growth variables and public availability of investments for development are maintained. Members and partners maintain their affiliation based on shared principles of collaboration.
	Number of producers, microentrepreneurs, technicians, and public-sector decision-makers who access and use data and information for decision-making generated and disseminated by the institutional and technological platform.	*0*	*0*	*1,500*	*2,500*	*4,370*	
	Formula/Definition						
	Measured through the instruments designed by the monitoring and evaluation system to measure the access of actors to data and information.	***Source:*** *Monitoring and evaluation system. Records, accreditations, database. Outcomes of dissemination instruments. Survey.*					

[1] PROADAPT RG-M1223 will hire an expert consultant to support the review and determination of impact indicators.

Indicator 2	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
Number of producers, technicians, and government employees who participate in events related to planning and smart climate management.	*200*	*500*	*1,000*	*2,000*	*3,000*
Formula/Definition					
Measured through the instruments designed by the monitoring and evaluation system to measure the participation of actors in adaptation processes. Disaggregated by gender. Smart climate management: includes factors related to climate variability and climate change in decision-making.	***Baseline:*** *Fundación Nativa.* ***Source:*** *Monitoring and evaluation system. Workshop accreditations.*				

Indicator 3	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
Number of producers using resilient business models designed.	*0*	*0*	*500*	*1,200*	*2,000*
Formula/Definition					
Measured through evaluations based on the case study methodology used by the monitoring and evaluation system. Business model: organizational, productive, commercial, and financial design of the business unit being worked on.	***Source:*** *Monitoring and evaluation system. Case studies.*				

Indicator 4	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
Number of organizations, institutions, and governments in the Gran Chaco actively participating in the Gran Chaco Climate Change Adaptation Network.	*10*	*12*	*20*	*40*	*100*
Formula/Definition					
Measured through the instruments formalizing the affiliation that are used by the monitoring and evaluation system, and meeting minutes. Actively participating: not only receives the benefits of the network, but also provides services to it.	***Baseline:*** *Redes Chaco Climate Change Roundtable.* ***Source:*** *Monitoring and evaluation system. Agreements and memberships.*				

	Indicator 5	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	
	Public- and private-sector financial resources for adaptation in the Gran Chaco mobilized (in US$ million).	*0*	*0*	*2*	*4*	*8*	
	Formula/Definition						
	Public and private resources aimed at financing adaptation practices. Includes loans from financial institutions, government programs, and donor programs mobilized for adaptation as a result of the project's influence.	***Source:*** *Evaluation system.*					
COMPONENT 1							**ASSUMPTIONS**
Promotion of information and knowledge management Generate an institutional and technological platform to help centralize data and have it available, systematize and disseminate information, and generate and distribute knowledge for smart climate management.	***Indicator 1***	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	Academic and research and development institutions maintain their lines of research related to the generation of data, information, and knowledge useful for climate management.
	Number of institutions participating in the institutional platform, in operation, to provide useful services for climate change adaptation and variability management.	*0*	*2*	*4*	*8*	*10*	
	Formula/Definition						
	Measured through the instruments formalizing participation in the institutional platform, providing information.	***Source:*** *Institutional agreements. Accreditation of operational data and information services.*					
	Indicator 2	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	
	Number of integrated weather stations with data for decision-making by technicians and producers in the project's area of influence.	*0*	*0*	*12*	*15*	*20*	
	Formula/Definition						
	Measured through the system supported by the weather network.	***Source:*** *Institutional agreements. Availability of data.*					
	Indicator 3	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	
	Number of production experiences / resilient business models systematized.	*0*	*4*	*8*	*10*	*10*	
	Formula/Definition						
	Measured through the publications that are generated and that contain the outcomes of systematization processes.	***Source:*** *Publications.*					

	Indicator 4	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
	Number of institutions generating content on the technological platform created.	*0*	*0*	*2*	*3*	*5*
	Formula/Definition					
	Measured through the instruments formalizing participation in the technological platform.	***Source:*** *Online platform.*				
	Indicator 5	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
	Number of users using the content of the technological platform.	*0*	*0*	*75*	*300*	*585*
	Formula/Definition					
	Measured through the systems recording access to and usage of the technological platform.	***Source:*** *Records, accreditations, database.*				
COMPONENT 2						**ASSUMPTIONS**
Strengthening of capacities and collaborative networks Increase the capacities of producers' associations and of organizations and institutions in the region to carry out coordinated actions for adaptation.	***Indicator 1***	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
	Number of actors in the region whose awareness is raised on climate change effects and opportunities.	*0*	*500*	*1,000*	*2,000*	*3,300*
	Formula/Definition					
	Measured through the training event registration systems and through measurements of the reach of communication instruments.	***Source:*** *Evaluation of communication strategy.*				
	Indicator 2	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
	Number of actors attending training events on smart management of climate variability and climate change adaptation.	**0**	**0**	**100**	**200**	**370**
	Formula/Definition					
	Measured through the training event registration system	***Source:*** *Accreditations.*				
	Indicator 3	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***
	Number of producers' organizations incorporating new organizational methodologies conducive to adaptive innovation.	*0*	*0*	*10*	*20*	*45*
	Formula/Definition					
	Measured through the operational instruments agreed upon by producers.	***Source:*** *Agreements. Methodology.*				

A business environment is maintained that allows economic actors to pay attention to medium- and long-term considerations and to participate in training events.

Indicator 4	*Month 0 Baseline*	*Month 6*	*Month 12 (Cumulative)*	*Month 24 (Cumulative)*	*Month 36 (Cumulative)*
Number of research and development institutions or technology providers linked to producers in adaptation-related research, development, and innovation processes.	*0*	*0*	*3*	*5*	*10*
Formula/Definition					
Measured through tools linking producers and research and development institutions or technology providers.	***Source:*** *Institutional agreements.*				

COMPONENT 3	**ASSUMPTIONS**
Investing in the adaptability of value chains Generate adaptation plans at the municipal level and in the priority value chains, generate demonstration pilots on ecosystem-based adaptation, and advocate in the public and private sectors to accelerate adaptive investment in the region.	Active development policies are maintained that allow for the active participation of local, regional, and national governments.

Indicator 1	*Month 0 Baseline*	*Month 6*	*Month 12 (Cumulative)*	*Month 24 (Cumulative)*	*Month 36 (Cumulative)*
Number of business models with adaptation plans designed.	*0*	*2*	*4*	*8*	*8*
Formula/Definition					
Measured through the publications that are generated and that contain adaptation plans.	***Source:*** *Publications.*				

Indicator 2	*Month 0 Baseline*	*Month 6*	*Month 12 (Cumulative)*	*Month 24 (Cumulative)*	*Month 36 (Cumulative)*
Number of municipios with adaptation plans designed.	*2*	*2*	*6*	*8*	*12*
Formula/Definition					
Measured through the public instruments that communicate and approve the district plans.	***Baseline:*** *Fundación Nativa.* ***Source:*** *Publications. Public statements.*				

Indicator 3	*Month 0 Baseline*	*Month 6*	*Month 12 (Cumulative)*	*Month 24 (Cumulative)*	*Month 36 (Cumulative)*
Number of demonstration pilots for smart climate management.	*0*	*0*	*2*	*6*	*12*
Formula/Definition					
Measured through case studies.	***Source:*** *Publications.*				

Indicator 4	*Month 0 Baseline*	*Month 6*	*Month 12 (Cumulative)*	*Month 24 (Cumulative)*	*Month 36 (Cumulative)*
Number of public or private entities incorporating adaptation measures in the development of public policy and promoting adaptive investment.	*0*	*0*	*2*	*10*	*20*
Formula/Definition					
Measured through the instruments governing the entities' operations.	***Source:*** *Programs, policies, legislation.*				

	Indicator 5	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	
	Number of financial institutions whose awareness is raised with regard to the importance of conducting climate risk analyses as part of their lending policies.	0	0	10	20	30	
	Formula/Definition						
	Cooperatives, banks, and microfinance institutions provided with basic information on climate risk.	***Source:*** *Records of executing unit.*					
COMPONENT 4							**ASSUMPTIONS**
Knowledge dissemination strategy and strategic communication	***Indicator 1***	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	.
	Documents with lessons learned systematized and documented.	*0*	*0*	*0*	*0*	*3*	
	Formula/Definition						
	Case studies, manuals (how-to guides), subject-specific studies.	***Source:*** *Documents*.					
	Indicator 2	***Month 0 Baseline***	***Month 6***	***Month 12 (Cumulative)***	***Month 24 (Cumulative)***	***Month 36 (Cumulative)***	
	Number of attendees at events held to present the project and its lessons learned.	*0*	*0*	*0*	*300*	*800*	
	Formula/Definition						
	Events: International forum, final dissemination event.	***Source:*** *List of participants.*					

RG-M1264

PROADAPT GRAN CHACO PROJECT	Unit cost	Quantity	MIF Regional	MIF Argentina	MIF Bolivia	MIF Paraguay	Total MIF	Total NDF	Total Counterpart	Total TOTAL
COMPONENT I. Promotion of information and knowledge management										
Expansion of access to climate data, climate scenarios, and risk analyses										
Consulting contracts	1,250	60	75,000				75,000		0	75,000
Subtotal			**75,000**	**0**	**0**	**0**	**75,000**	**0**	**0**	**75,000**
Generation and systematization of knowledge							0		0	0
Consulting contracts	1,250	120	150,000				150,000		0	150,000
Subtotal			**150,000**	**0**	**0**	**0**	**150,000**	**0**	**0**	**150,000**
Creation of a technological platform for sharing and learning										
Technological platform for exchange and learning			35,200				35,200		0	35,200
Consulting contracts	1,250	60							75,000	75,000
Equipment						50,000	50,000		0	50,000
Technical Office Paraguay	1,000	6				6,000	6,000		0	6,000
Technical Office Argentina	1,000	6						6,000	0	6,000
Technical Office Bolivia	1,000	6						6,000	0	6,000
Subtotal			**35,200**	**0**	**0**	**56,000**	**91,200**	**12,000**	75,000	178,200
Total Component I			**260,200**	**0**	**0**	**56,000**	**316,200**	**12,000**	**75,000**	**403,200**
COMPONENT II: Strengthening of capacities and collaborative networks										
Communication campaign										
Campaign coordination						8,333	8,333	16,667	0	25,000
Communication campaign									65,000	65,000
Subtotal			**0**	**0**	**0**	**8,333**	**8,333**	**16,667**	**65,000**	**90,000**
Inclusion of gender awareness										
Initial analysis	2,500	1						2,500		2,500
Support for workshops	15	500						7,500		7,500
Training workshops on climate change preparedness and response										0
Workshops at cattle-raising and agroforestry organizations	5,000	18				15,000	15,000	30,000	45,000	90,000
Workshops for municipios	5,000	12				10,000	10,000	20,000	30,000	60,000
Workshops at beekeeping organizations	5,000	6				5,000	5,000	10,000	15,000	30,000
Technical Office Paraguay	1,000	12				12,000	12,000		0	12,000
Technical Office Argentina	1,000	12					0	12000	0	12,000
Technical Office Bolivia	1,000	12					0	12,000	0	12,000
Subtotal			**0**	**0**	**0**	**42,000**	**42,000**	**94,000**	**90,000**	**226,000**
Regional exchange workshops									0	0
Regional exchange workshops	10,500	6	45,000				45,000		18,000	63,000
Subtotal			**45,000**	**0**	**0**	**0**	**45,000**	**0**	**18,000**	**63,000**
Promotion of networks, links, and partnerships									0	0
Technical visits	4,200	15				15,000	15,000	30,000	18,000	63,000
Subtotal			**0**	**0**	**0**	**15,000**	**15,000**	**30,000**	**18,000**	**63,000**
Total Component II			**45,000**	**0**	**0**	**65,333**	**110,333**	**140,667**	**191,000**	**442,000**
COMPONENTE III: Investing in the adaptability of value chains										
Development of sector adaptation plans										
Consulting contract: Livestock-raising adaptation plan								20,000	0	20,000
Consulting contract: Beekeeping adaptation plan								20,000	0	20,000
Subtotal			**0**	**0**	**0**	**0**	**0**	**40,000**	**0**	**40,000**
Implementation of demonstration pilots										
Livestock-raising pilot experiences Paraguay						70,000	70,000		0	70,000
Livestock-raising pilot experiences Bolivia								140,000	0	140,000
Livestock-raising pilot experiences Argentina									200,000	200,000
Beekeeping pilot experiences Bolivia								60,000	0	60,000
Beekeeping pilot experiences Paraguay						30,000	30,000		0	30,000
Beekeeping pilot experiences Argentina									70,000	70,000
Technical Office Paraguay	1,000	18				18,000	18,000		0	18,000
Technical Office Argentina	1,000	18						18,000	0	18,000
Technical Office Bolivia	1,000	18						18,000	0	18,000
Field operations - Paraguay (fuel, insurance, etc. + per diem)	2,000	30				60,000	60,000		0	60,000
Field operations - Bolivia (fuel, insurance, etc. + per diem)	2,000	30						60,000	0	60,000
Field operations - Argentina (fuel, insurance, etc. + per diem)	4,000	30						120,000	0	120,000
Subtotal			**0**	**0**	**0**	**178,000**	**178,000**	**416,000**	**270,000**	**864,000**
Advocacy workshops to mobilzie public- and private-sector adaptive investments										
Regional workshops	10,500	6				15,000	15,000	30,000	18,000	63,000
Linkage to financial institutions	2,000	6				4,000	4,000	8,000		12,000
Subtotal			**0**	**0**	**0**	**19,000**	**19,000**	**38,000**	**18,000**	**75,000**
Total Component III			**0**	**0**	**0**	**197,000**	**197,000**	**494,000**	**288,000**	**979,000**
Component IV: Communication strategy and knowledge management										
Processing of lessons learned and documentation of success stories			20,000				20,000			20,000
Final dissemination event			10,000				10,000			10,000
Presentation of project at an international forum			5,000				5,000			5,000
Sustainability workshop			3,000				3,000			3,000
Total Component IV			**38,000**	**0**	**0**	**0**	**38,000**	**0**	**0**	**38,000**
PROJECT MANAGEMENT										
Fundación Avina technical coordinator							0		142,560	142,560
Supervision trips							0		33,000	33,000
Project coordinator (50%)	2,000	36	72,000				72,000		0	72,000
Administrative-financial management	2,000	36	72,000				72,000		0	72,000
Regional flights / land transportation	500	48				8,000	8,000	16,000	0	24,000
Vehicles (counterpart)	40,000	3					0		120,000	120,000
Coordination meetings	3,500	6	21,000				21,000		0	21,000
Fundación Avina administrative expenses							0		168,000	168,000
Facility (communications, office rental, electricity, etc.) ACDI	1,000	30					0		30,000	30,000
Facility (communications, office rental, electricity, etc.) FGCH	1,000	30					0		30,000	30,000
Facility (communications, office rental, electricity, etc.) Nativa	1,000	30					0		30,000	30,000
Facility (communications, office rental, electricity, etc.) Sombra de Árbol	1,000	30					0		30,000	30,000
Total project management			**165,000**	**0**	**0**	**8,000**	**173,000**	**16,000**	**583,560**	**772,560**
MONITORING and EVALUATION										
Monitoring and evaluation system	10000	1	10,000				10,000		0	10,000
Midterm evaluation	20,000	1	20,000				20,000		0	20,000
Final evaluation	20,000	1	20,000				20,000		0	20,000
Ex post reviews	20,000	1	20,000				20,000		0	20,000
Contingencies	30,000	1	30,000				30,000		0	30,000
Total evaluation and monitoring			**50,000**	**0**	**0**	**0**	**100,000**	**0**	**0**	**100,000**
Total			**558,200**	**0**	**0**	**326,333**	**934,533**	**662,667**	**1,137,560**	**2,734,760**
			60%	0%	0%	35%	34%	24%	42%	100.0%

Multilateral Investment Fund
Member of the IDB Group

QED - (Quality for Effectiveness in Development)

Donors Memorandum
November 03, 2014

SECTION 1: PROJECT SUMMARY

PROJECT NAME: PROADAPT Gran Chaco	Project Number: RG-M1264
DESIGN TEAM LEADER: N/A	**DEU OFFICER:** Ruben Doboin

SECTION 2: QED DETAILS

1. MIF Strategic Development Objectives Dimension		**5.6**
Relation to the Agenda's Objectives		
1.1. There is a causal relation between project objective and the agenda's objective.	2	
1.2. The project has potential for scalability after execution.	1	
Specific benefits for women		
1.3. The project has specific benefits for women.	0	
Specific benefits for the environment		
1.4. The project has specific benefits for the environment (GHG reduction, water savings, conservation, biodiversity).	1	
Relation to the MIF's Objectives		
Target 1: Private Sector Development		
1.5. Innovation	2	
1.6. Creating Markets and Adding Market Players	2	
1.7. Entrepreneurship	0	
1.8. Building Private Institutional Capacity	2	
1.9. Technology & Human Capital	2	
1.10. Higher Standards of Corporate Governance	0	
1.11. Strengthening Legal and Regulatory Framework	0	
1.12. Development of financial institutions and financial markets	1	
1.13. Improved access to basic services	1	
Target 2: Targeting the poor		
1.14. The project will be implemented in a region with a high incidence of poverty (poverty map resources http://mif.iadb.org/poverty/home) or target beneficiaries from the poor strata	1	
2. Additionality Dimension		**6.0**
2.1. MIF non-financial contribution is critical for developing the project.	2	
2.2. MIF financial contribution is critical for developing the project (there is little or no alternative funding)	2	
2.3. MIF participation will mobilize counterpart funding that otherwise won't be available.	0	
2.4. MIF participation will likely improve project structure by providing technical advice, institutional credibility and/or lessons learned/best practices from other MIF projects	2	
2.5. MIF participation will likely strengthen the institution(s) directly involved with the project	0	
3. Project Diagnosis Dimension		**10.0**

Diagnostic of the problem		
3.1. The problem or need that the project attempts to address has been clearly identified in consultation with stakeholders (borrowers, executing agencies, male and female beneficiaries, other interested parties)	2	
3.2. The causes of the problem, their interrelationships and magnitudes are clearly identified	2	
Proposed Solution		
3.3. The proposed solution is logically connected and related to the magnitude of the problem	2	
3.4. Relevant lessons learned from previous similar interventions in this country or other country (PSRs, ASRs, mid-term evaluations, final evaluations or other evaluation document) are taken into consideration	2	
3.5. Evidence is provided as to the effectiveness of the intervention proposed based on experience in other settings, or previous experience in the same setting	2	
4. Logical Framework Quality Dimension		**7.8**
4.1. The desired impact of the project is clearly stated in the logic framework	2	
4.2. The result of the project contributes to the achievement of the impact and is clearly stated in the logic framework	2	
4.3. The components contribute to the achievement of the results and include the necessary outputs to attain the purpose	2	
4.4. A baseline value or a predetermined starting point has been identified for each relevant indicator, as well as intermediate values, target values and sources of data or a plan for collecting them	1	
4.5. Indicators are SMART (Specific, Measurable, Achievable, Realistic and Time-Bound)	1	
4.6. The source, or means for collecting data (for outcomes, outputs and activities) actually exist, either with the executing agency or in any other external or internal source	1	
4.7. The risks for the execution of the project and the achievement of the objectives have been identified	2	
5. Risks Dimension		**10.0**
5.1. The experience and the skills of the executing agency have been evaluated	2	
5.2. The risks for the execution of the project and the achievement of the objectives have been identified	2	
5.3. All risks have identified proper mitigation measures which can be tracked during project implementation	2	
5.4. Compliance with IDB environmental/social policies	2	
6. Monitoring & Evaluation, and Strategic Communication Dimension		**8.8**
Monitoring & Evaluation		
6.1. Monitoring mechanisms have been planned and budgeted	2	
6.2. The project has an evaluation plan	2	
6.3. The evaluation questions are defined	2	
6.4. The evaluation type/ methodology is defined	2	
6.5. Results potential	2	
6.6. Impact Potential	2	
Knowledge Sharing & Communication		
6.7. The audiences and the desired action of the audiences as a result of the communication strategy have been identified	1	
6.8. The message and the communication channels that the communication strategy will convey are clearly defined and appropriated according to the different audiences identified	1	
6.9. The knowledge sharing products are defined and appropriate to the different audiences	2	

TOTAL	**8.0**

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-__/14

Regional. Nonreimbursable Technical Cooperation ATN/ME-____-RG
Proadapt: Building Resilience in the Gran Chaco Americano

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with Fundación AVINA , and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-___ with respect to technical cooperation to build resilience in the Gran Chaco Americano.

2. That up to the amount of US$934,533 or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on __ _____ 2014)

LEG/NSG/IDBDOCS:39207863
RG-M1264