

Approach Paper

Evaluation of the IDB Group's Work on Climate Change Adaptation

Copyright © 2023 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution - NonCommercial - NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) license

(<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed.

Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



Inter-American Development Bank, 2023

Office of Evaluation and Oversight
1350 New York Avenue, N.W.
Washington, D.C. 20577
www.iadb.org/evaluation

RE-592
November 2023

CONTENTS

[ABBREVIATIONS](#)

I.	INTRODUCTION.....	1
II.	GENERAL CONTEXT	1
	A. The IDB Group and climate change adaptation.....	3
III.	PORTFOLIO OF CLIMATE CHANGE ADAPTATION OPERATIONS	5
IV.	EVALUATION FRAMEWORK	11
V.	EVALUATION OBJECTIVE, SCOPE, AND QUESTIONS	14
	A. Objectives and scope of the evaluation	14
	B. Evaluation questions	14
VI.	EVALUATION METHODOLOGY	15
	A. Methods	15
	B. Data collection	16
VII.	EVALUATION TEAM AND WORK TIMETABLE	17

[BIBLIOGRAPHY](#)

Annex I	Evaluation Matrix
Annex II	Description of Sample
Annex III	Notre Dame Global Adaptation Initiative countries and regions

This document was prepared by María Fernanda Rodrigo, Team Leader; Julián Loayza, Anaís Anderson, Rasec Niembro, Federico Fraga, Andreia Barcellos, Marina Pupo Lafer, and Julie King, under the supervision of César Bouillon, Cluster Leader, and Ivory Yöng-Protzel, OVE Director.

ABBREVIATIONS

CCF	Contingent Credit Facility
ECLAC	Economic Commission for Latin America and the Caribbean
IPCC	Intergovernmental Panel on Climate Change
IRF	Immediate Response Facility
ND-GAIN	Notre Dame Global Adaptation Initiative
OVE	Office of Evaluation and Oversight
SME	Small- and medium-sized enterprise
UNEP	United Nations Environment Programme
UNFCC	United Nations Framework Convention on Climate Change

I. INTRODUCTION

- 1.1 **This document defines the approach the Office of Evaluation and Oversight (OVE) will adopt in its evaluation of work by the Inter-American Development Bank (IDB) on climate change adaptation.** This includes the objectives, scope, and methodology of the evaluation. At the request of the IDB and IDB Invest Boards of Executive Directors, this evaluation was included in OVE's 2021-2022 and 2022-2023 work programs (documents [RE-551-1](#) and [RE-563-3](#), respectively). The evaluation will seek to provide independent information to the IDB and IDB Invest Boards concerning the role of the IDB Group in supporting the Latin American and Caribbean region in achieving sustainable and inclusive growth in the face of climate shocks.
- 1.2 **Support for climate change adaptation is of growing importance for the IDB Group.** One of the priorities of the IDB's Ninth General Increase in Resources in 2010 was to "protect the environment, respond to climate change, promote renewable energy, and ensure food security." In addition, a target of 25% of total IDB financing was established for support to climate change-related initiatives by 2015 (document [AB-2764](#)). In 2016, the Annual Meetings of the Boards of Governors of the IDB and IDB Invest set a target of 30% of IDB Group financing for climate change-related projects by 2020. In addition, it supported the objective of improving the evaluation of climate risks and identifying opportunities to include resilience and adaptation measures at the project concept stage (document [AB-3067](#)).
- 1.3 **OVE findings from 2014 represent the starting point for this evaluation, as set out in "Climate Change at the IDB: Building Resilience and Reducing Emissions" (document [RE-459-1](#)).** In 2014, OVE identified the progress that the IDB had made toward integrating climate change into its operations, as well as creating technical skills and generating knowledge. It also found that the Bank's activities had focused on mitigation, especially in the power sector, and that climate change adaptation activities were still in the early stages. OVE found that there was room to improve the integration of instruments and the preparation of climate risk evaluations.

II. GENERAL CONTEXT

- 2.1 **The Latin American and Caribbean region is highly vulnerable to climate change.** The annual cost of climate change in the region is expected to reach US\$100 billion in 2050 (IDB, 2022b).¹ The region's vulnerability is due to its great geographical diversity, the importance of climate-sensitive economic activities (i.e., agriculture, livestock, fishing, and tourism), changes in land use (deforestation and unplanned urbanization), population density in coastal areas, and poverty and inequality (document [GN-2848-4](#); Economic Commission for Latin America and the Caribbean (ECLAC), 2017; Intergovernmental Panel on Climate Change (IPCC), 2022). In recent decades, the frequency and intensity of extreme climate events in

¹ IDB, 2022b. This figure is equivalent to 2.2% of regional GDP. See: [Inter-American Development Bank Sustainability Report 2021: Global Reporting Initiative Annex](#).

the region has accelerated (ECLAC, 2015; Cárdenas et al., 2021).² In addition, the impact of climate change in Latin America and the Caribbean is expected to be more intense (IPCC, 2022), affecting the subregions of Latin America in different ways. According to the IPCC, Central America and the Caribbean will face more frequent droughts and rising damage from hurricanes. Other systems in the region that will be affected will be the Andean glaciers and the Amazon rain forest (IPCC, 2022; World Meteorological Organization, 2022). At the same time, the region is likely to be affected by slow-onset climate events such as rising temperatures and sea levels, desertification, and ocean acidification (IPCC, 2022).

- 2.2 The presence of poor and vulnerable populations also contributes to the region's fragility in the face of climate change.** The majority of the population live in risk zones and lack the means to sufficiently protect themselves from extreme events (document [RE-459](#); ECLAC, 2016). The negative consequences of climate change for these communities include forced displacement and food insecurity. Climate change can also have a negative impact on health. The quantity and quality of water resources, thermal stress due to heat, and changes in exposure to diseases are all phenomena that can affect community well-being. Rising temperatures, for instance, can contribute to the spread of mosquito-borne diseases such as dengue and Zika virus (World Bank, 2022; IPCC, 2022).
- 2.3 Adaptation measures are essential for combating the effects of climate change in the region.** Climate change adaptation measures (see Annex IV for a definition) have benefits that are local and specific in nature (IPCC, 2014). They also avert economic losses, generate positive returns, and provide additional social and environmental benefits (Bapna et al., 2019). According to the Global Commission on Adaptation, the overall rate of return on resilience investments is very high, with a cost-benefit ratio ranging from 2:1 to 10:1. Adaptation actions can therefore become one of the most profitable investments for a country, city, or company (Bapna et al., 2019).
- 2.4 The region requires greater investment in climate change adaptation, but there are systematic barriers to adaptation that hinder both the flow of resources and the implementation of these measures.** Significant gaps exist between current levels of adaptation and those needed to address climate impacts and reduce risks (IPCC, 2022). The volume of investment in adaptation is insufficient to mitigate the economic and human impact of climate change, particularly in developing countries (World Bank, 2019). In particular, the adaptation financing gap in the region is estimated at between US\$14.7 billion and US\$18.1 billion annually (United Nations Framework Convention on Climate Change (UNFCCC, 2021)). Key barriers to adaptation include scarce local resources and a lack of incentives for governments to mobilize resources through both international funds and adaptation loans (i.e., climate finance). This is because adaptation financing can require larger investments (e.g., incurring higher costs to ensure that infrastructure works are

² The frequency of extreme climate events accelerated from an annual average of 0.2 in the 1980-2000 period to 0.3 between 2001 and 2019 (Alejos, 2018, in Cárdenas et al., 2021). Between 1950 and 2016, the Caribbean experienced more than 300 natural disasters, resulting in the death of more than 250,000 people and causing economic losses of US\$22 billion (IMF, 2018, in Cárdenas et al., 2021). Since 1960, moreover, tropical cyclones have accounted for more than 70% of meteorological disasters in the Caribbean and almost 95% of damage suffered (World Meteorological Organization, 2021). Global warming has caused the Andean glaciers to shrink by between 30% and 50% since 1980, with these data ranking among the worst in the world (IPCC, 2022).

resilient to new climate contexts), while the benefits are only felt in the long term (Bapna et al., 2019). The barriers include weaknesses in institutional capacity; minimal research and/or slow and scant assimilation of adaptation science; a limited sense of urgency; an absence of commitment on the part of the body politic, civil society, and the private sector; and weak stakeholder coordination (IPCC 2022, United Nations Environment Programme (UNEP) 2022, document [GN-2848-9](#)). The most frequently observed adaptation initiatives are fragmented, small-scale, specific to a particular sector, and designed to respond to current impacts (emergencies) or short-term risks (IPCC, 2022). Inequality and poverty also limit adaptation actions. In fact, the greatest adaptation gaps are present among the low-income population. This leads to soft limits and leaves the most vulnerable groups exposed to disproportionate impacts (IPCC, 2022; UNEP, 2022).

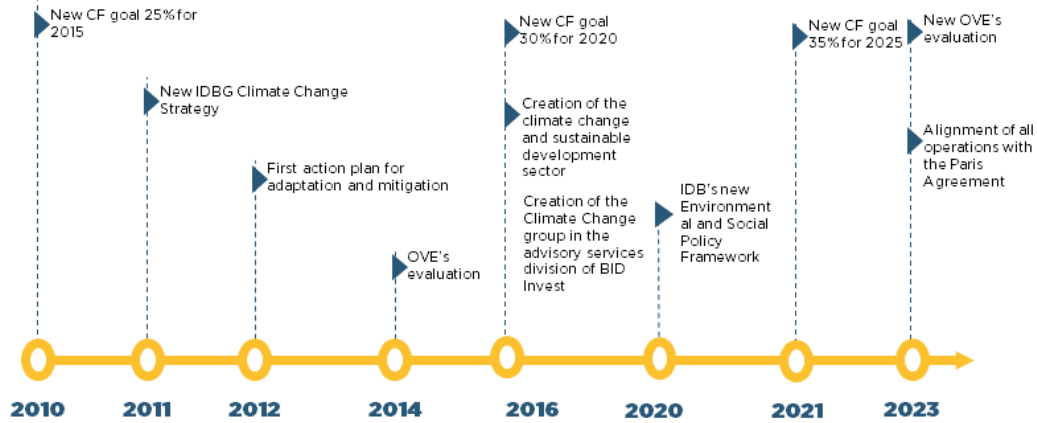
- 2.5 **Although the short-term costs of climate adaptation may be high, the cost of inaction may be higher still.** The UNEP (2022) estimates that climate change adaptation costs for the region are around 0.41% of annual GDP, while losses resulting from climate shocks may range from 0.7% to 2.4% of annual GDP in the absence of adaptation (World Bank, 2010). Adaptation not only reduces damage-related losses, but also allows operations and service delivery to continue, while protecting jobs and infrastructure (IDB, 2022c). In contrast, the failure to adopt adaptation measures can lead to significant losses, both in terms of the destruction of infrastructure and fewer opportunities for future growth in the affected areas.

A. The IDB Group and climate change adaptation

- 2.6 **The IDB Group plays an important role in the region in terms of both financing and knowledge generation and dissemination.** Starting more than 10 years ago, the IDB Group began to strengthen its support for activities relating to climate change adaptation (Figure 2.1). With the Ninth General Capital Increase in 2010, the Bank became the first multilateral development bank to set a target for climate finance (for 2015) (document [RE-459](#)). It also undertook to prepare a strategy and action plan for climate change activities. In 2011, the IDB's integrated strategy was presented for climate change mitigation and adaptation and sustainable and renewable energy (document [GN-2609-1](#)), followed by the first climate change adaptation and mitigation action plan in 2012 (document [GN-2609-3](#)). Subsequently, consistent with the Resolution of the 2016 Annual Meeting of the Boards of Governors in The Bahamas (document [AB-3067](#)), the Update to the Institutional Strategy (document [AB-3190-2](#)) and the action plans in the area of climate change (documents [GN-2848-4](#) and [GN-2848-9](#)), the IDB Group undertook to support its borrowing member countries in their transition to climate-resilient economies. In 2016, the Climate Change and Sustainable Development Sector was created in the Vice Presidency for Sectors and Knowledge, assuming strategic responsibility for the crosscutting inclusion of climate change-related issues in the design and execution of the Bank's projects and strategies. The same year saw the creation of the climate change group in IDB Invest's Advisory Services Division (ADV). In 2020, the Bank's new Environmental and Social Policy Framework was approved (document [GN-2965-23](#)). Lastly, in 2021 IDB Group Management proposed to align all of its operations with the Paris Agreement, starting in 2023, and

to channel 35% of its total lending into the area of climate by 2025 (IDB, 2022a; document [GN-2848-11](#)).³

Figure 2.1. Timeline of IDB Group climate change actions



Source: OVE.

Note: Climate finance.

2.7 The 2014 OVE evaluation found that the Bank's work in the area of adaptation remained at an early stage. The OVE evaluation (document [RE-459-1](#)) indicated that although the climate finance portfolio had expanded, the inclusion of climate change adaptation had not yet been fully reflected in the IDB's sector and country strategies or loan programs. In addition, the evaluation found that the Bank was at an early stage in terms of addressing climate change adaptation issues: in other words, it had adopted a reactive approach to climate risks, with greater emphasis on the response to natural disasters. Its assessment of climate risks was also limited. OVE recommended that the Bank continue to develop knowledge and accumulate experience regarding how to tackle climate change and respond to climate adaptation needs (Recommendation 2). Box 2.2 lists the recommendations of the 2014 evaluation.

³ These targets are awaiting formalization and approval by the Boards of Executive Directors of the IDB and IDB Invest. The official target in the Corporate Results Framework 2020-2023 is 30% (document GN-2727-12).

Box 2.1. OVE recommendations to IDB Management

1. Strengthen the mainstreaming of climate change concerns in the IDB by maintaining a highly qualified climate change group whose mandate and incentives are to provide cutting-edge technical knowledge and support to divisions in all three operational Vice Presidencies—VPS, VPC, and VPP.
2. Deepen the IDB's engagement in policy dialogue and operational support to address climate adaptation challenges in relevant sectors. Strong measures are needed to anticipate and reduce the negative impacts of current and projected future climate change and thereby increase climate resilience in Latin America and the Caribbean. This requires that climate risks be considered in relevant projects from the design stage onwards, taking into consideration the needs of vulnerable people.
3. Markedly strengthen coordination between the Bank's public and private sector windows and scale up efforts to mobilize external resources to leverage the Bank's work.
4. Deepen the Bank's ability and incentive to track its activities and results related to climate change adaptation and mitigation.

Source: OVE, document [RE-459-1](#).

III. PORTFOLIO OF CLIMATE CHANGE ADAPTATION OPERATIONS

- 3.1 **The volume of IDB Group climate financing has grown.** Between 2016 and 2022, the Group channeled more than US\$29 billion into climate finance in the region,⁴ representing an annual average of US\$4.183 billion, 60% higher than estimated annual average climate finance between 2013 and 2015 (US\$2.603 billion). (The methodology for estimating the volume of climate finance is described in Box 3.1). IDB approvals involving climate finance totaled US\$20.923 billion between 2016 and 2022, or 23.67% of Bank total financing in this period (41.4% in 2022). IDB Invest, meanwhile, recorded US\$8,231,600,000 in climate finance during this period, or 25.6% of total IDB Invest financing (29% in 2022).⁵ Lastly, IDB Lab climate finance approvals totaled US\$123.7 million, or 17.9% of its total financing in this period (26% in 2022) (Figure 3.1). Over the last decade, the IDB Group has built strategic partnerships with external finance sources and has increased the mobilization of resources for climate finance. Between 2016 and 2019, the IDB Group mobilized approximately US\$838 million in climate finance, corresponding to 8% of total climate finance in the same period (IDB, 2022b). According to Viguri (2021), each US\$1 of IDB financing mobilizes US\$2.6. The Bank channels these funds through loans (83%), grants (9%), equity investments (6%), and guarantees (2%).⁶

⁴ This figure is equivalent to roughly 60% of all climate finance provided by multilateral development banks to the region. Information available at: [IDB and IDB Invest Provided US\\$26 billion in Climate Financing over Five Years](#).

⁵ Unlike the public sector window, IDB Invest measures climate finance in terms of financial closings rather than approvals.

⁶ These funds include: the Adaptation Fund, Canadian Climate Fund (C2F), China Co-financing Fund for Latin America and the Caribbean, Climate Investment Funds (CIF), World Environment Fund (GEF), Green Climate Fund (GCF), Forest Carbon Partnership Facility (FCPF), German International Climate Initiative (IKI), Korea Infrastructure Development Cofinancing Facility for Latin America and the Caribbean (KIF), Nationally Appropriate Mitigation Action (NAMA) Facility, Nordic Development Fund (NDF), and Norway's International Climate and Forest Initiative (NICFI).

Box 3.1 Climate finance calculation methodology

Estimating the amount of climate finance involves tracking financing for activities that include adaptation and/or mitigation actions. These may be projects or project components. The portfolio of operations with climate finance components was prepared and validated by the Climate Change and Sustainable Development Sector (for the IDB and IDB Lab) and DSP/ADV (for IDB Invest) using the methodology for tracking mitigation and adaptation finance set out in the Joint Methodology for Tracking Adaptation Finance (2022). The IDB Group has been using this methodology to report its climate finance since 2016.

Climate finance for adaptation: Adaptation finance tracking is incremental (based on components); it only takes into account those activities that specifically address vulnerability to climate change. Eligible components are usually parts of a larger project, for example, water-saving equipment that is part of a larger capital expenditure investment in an area vulnerable to increased risk of drought.

Climate finance for mitigation: Mitigation finance tracking may be based on either projects or components that avoid, reduce, or capture greenhouse gas emissions:

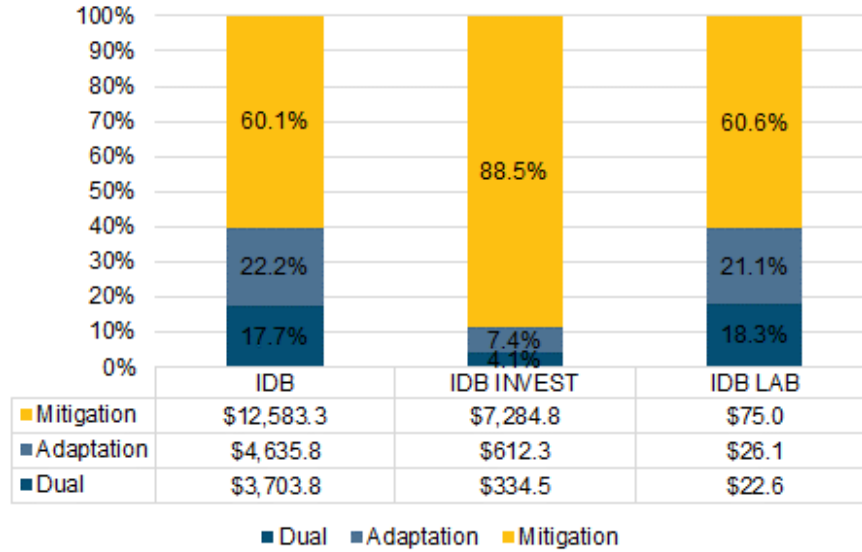
- Project-based: If the whole project is considered to be a mitigation activity, for example, a typical renewable energy project or a project dedicated to improving the energy efficiency of an existing facility, then 100% of the project investment is considered to be mitigation finance; or
- Component-based: Within a project, if only a component of that project is a mitigation activity, such as installation of energy-efficient equipment that is part of a larger capital expenditure investment, then the respective portion of the project is considered to be mitigation finance.

Figures prior to 2016 are not fully comparable, as they were not calculated using the method for tracking mitigation and adaptation financing set out in the Joint Report on MDB Climate Finance 2013. Before 2016, there was no robust tracking or classification methodology for climate finance activities. Projects in the climate change category were sometimes classified based on a modified version of the climate markers established by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), while in other cases a methodology developed by the IDB was used.

Source: "MDB Joint Report on Climate Finance," 2021; document [RE-459](#).

- 3.2 **The IDB Group has provided less financing for adaptation than mitigation.** IDB Group financing for adaptation stood at US\$5,274,200,000 in the 2016-2022 period (around 20% of total climate finance). This represents an annual average of US\$753.4 million (Figure 3.1). The IDB Group's portfolio of adaptation activities during this period comprised 424 IDB operations (166 loan operations and 258 technical cooperation projects) and 42 IDB Invest loans. IDB Invest operations also included advisory services for adaptation activities. According to the findings of the 2023 OVE evaluation of IDB Invest (Annex 5), the great majority of technical support (63% of advisory services) was provided during the design stage of operations. In this case, these services totaled US\$2.1 million across 27 operations with adaptation activities between 2019 and 2021. Lastly, IDB Lab approved 44 operations.

Figure 3.1. Proportion of climate finance by category and window, 2016-2020 period (US\$ million)



Source: OVE, based on data reported by the IDB, IDB Invest, and IDB Lab.
 Note: IDB Invest includes short- and long-term closing operations.

3.3 In terms of IDB Group support for climate change adaptation in the region, operations in the areas of water and sanitation and transportation have been at the forefront, followed by those for the environment and natural disasters. IDB actions consist primarily of investment projects in the areas of water and sanitation and the environment and natural disasters (Figure 3.2). Investment loans accounted for 73% of approvals between 2016 and 2022 and policy-based loans for a further 14% (Figure 3.2). This financing supported processes and actions for reducing the risks and vulnerabilities (both current and anticipated) caused by climate shocks. In particular, in 2021, support for adaptation focused on disaster response (e.g., through contingent credit lines for natural disasters), resilient infrastructure, coastal zone management, and water provision (IDB, 2022a). The private sector window, meanwhile, concentrated on long-term senior loans in agriculture, financial markets, and transportation (Figure 3.3). IDB Lab has favored operations in the areas of agriculture and ecological resources.

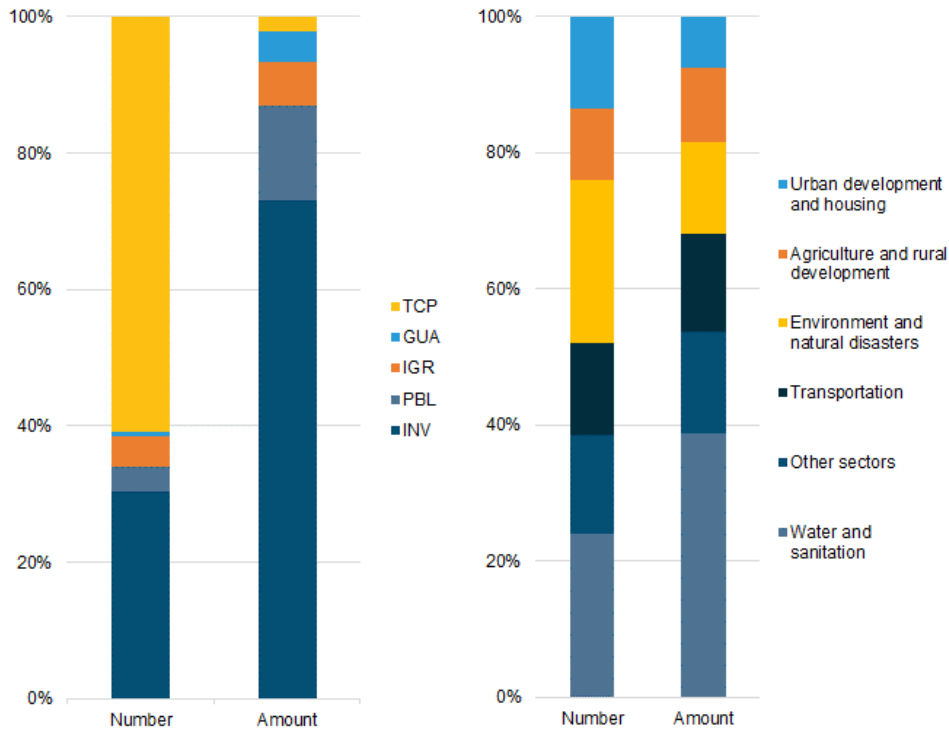
3.4 The Bank has supported the emergency response to natural disasters through the Contingent Credit Facility (CCF) and the Immediate Response Facility (IRF).⁷ The CCF supports countries’ efforts to increase their financial resilience and response capacity to natural disaster emergencies. Out of 16 active CCF lines, five were used in the 2016-2022 period.⁸ In total, US\$348 million were disbursed out of

⁷ The CCF offers contingent loans that are prepared through the Bank’s regular project cycle but only disbursed to borrowing member countries after the IDB has verified the occurrence of a listed event (document [GN-2999-4](#)). The IRF, meanwhile, provides financial resources to affected borrowing member countries to cover the costs of repairing material damages in order to restore basic services to the population immediately after a disaster event (document [GN-2038-16](#)). IRF resources may not be used to finance humanitarian assistance.

⁸ The countries with active CCF lines in 2022 were: Argentina, Bahamas, Barbados, Belize, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Suriname, and Uruguay.

the US\$3.941 billion approved under the facility.⁹ The IRF allows the Bank to respond faster to natural disaster emergencies, providing financial resources so that affected countries can repair material damages as needed to restore basic service delivery. Between 2016 and 2022, four IRFs were approved in response to climate disaster emergencies, totaling US\$75 million, under which US\$59 million were disbursed.¹⁰

Figure 3.2. Distribution of IDB operations for adaptation by financial instrument^a and sector,^b 2016-2022^{c,d}



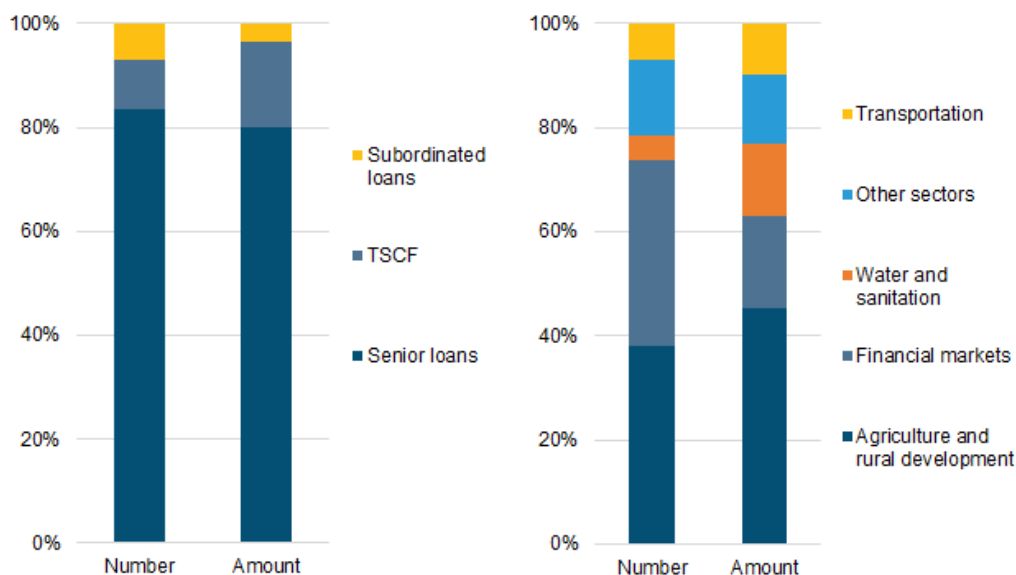
Source: OVE, based on IDB data.

Note: ^a INV = investment loan; PBL = policy-based loan; IGR = investment grant; GUA = guarantee; and TCP = technical cooperation project. ^b Other sectors include: education, energy, financial markets, health, others, private enterprise and small- and medium-sized enterprise (SME) development, State reform and modernization, regional integration, science and technology, social investment, and sustainable tourism. ^c The number of operations and amounts for each instrument are as follows: INV: N=129, US\$3.451 billion; PBL: N=15, US\$653 million; TCP: N=258, US\$106 million; IGR: N=19, US\$259 million; GUA: N=3, US\$210 million. ^d The number of operations and amounts for each sector are as follows: water and sanitation, N=102, \$1.807 billion; environment and natural disasters, N=101, US\$630 million; urban development and housing, N=57, US\$352 million; transportation, N=57, US\$662 million; agriculture and rural development, N=45, US\$501 million; and other sectors, N=62, US\$764 million.

⁹ The amount approved under these operations is not included in IDB Group adaptation financing (paragraph 3.2). The countries that made use of the CCF were: Bahamas, Dominican Republic, Ecuador, El Salvador, and Nicaragua (which agreed two loans).

¹⁰ Four IRF operations were approved for Argentina, Costa Rica, Haiti, and Honduras to address climate disasters associated with storms, hurricanes, and flooding (operations AR-L1245/16, CR-L1135/17, HA-1130/16, and HO-L1222/21). Of the four IRF operations, three were fully disbursed, while 98% of the amount approved for Honduras in 2021 was canceled due to complications regarding the use of this instrument to finance expenses retroactively. Lastly, OVE found that only 10% of the amount approved under operation HA-L1130 is included in the IDB Group climate change operations dashboard.

Figure 3.3. Distribution of IDB Invest operations for adaptation by financial instrument^a and sector,^b 2016-2022^{c,d}



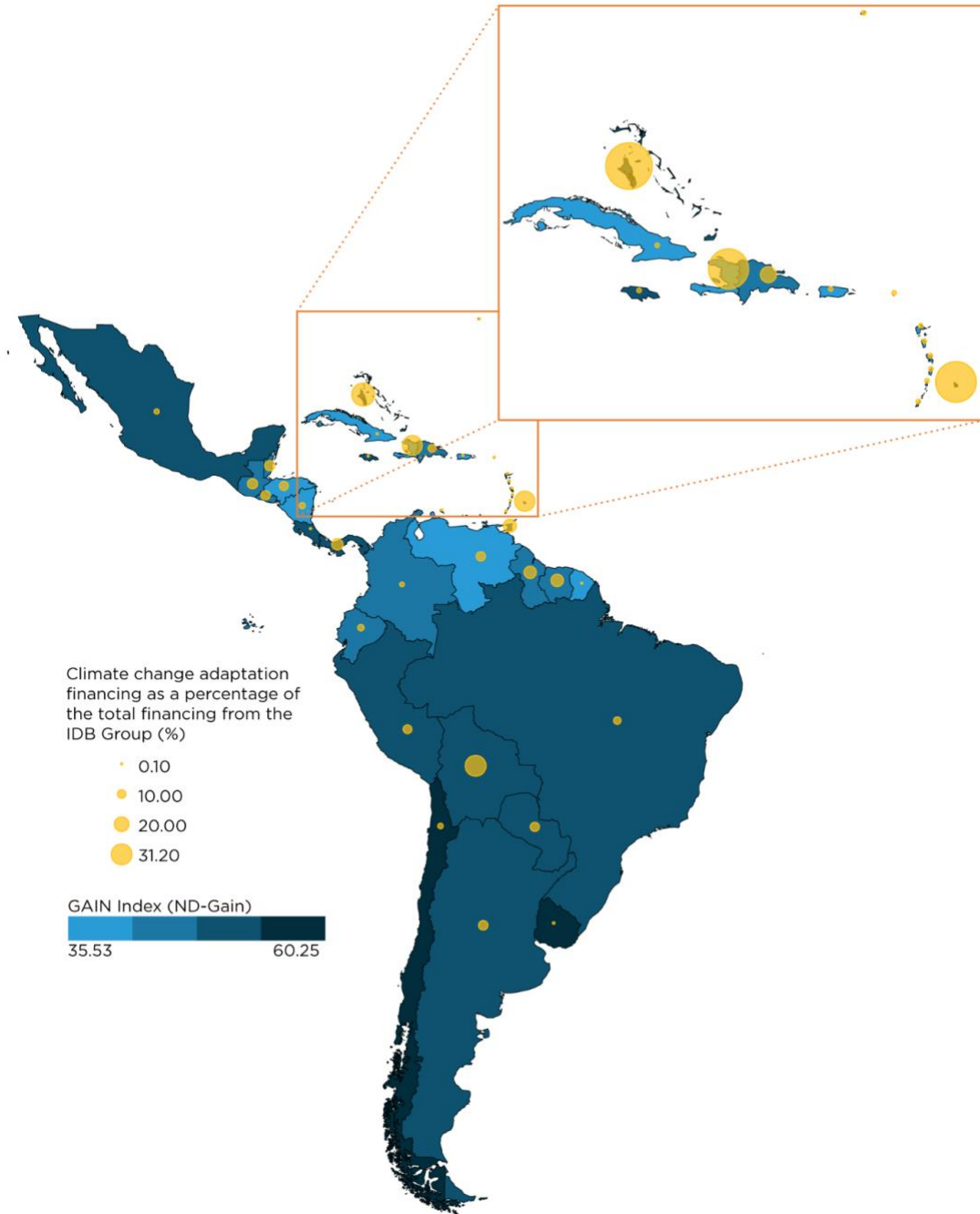
Source: OVE, based on data reported by IDB Invest data.

Note: ^a TSCF = Trade and Supply Chain Finance. This category includes a senior loan and a guarantee and facilities. ^b Other sectors include: sustainable tourism, private enterprise and SME development, energy, industry, and health. ^c TSCF, N=4, US\$101 million; senior loans, N=35, US\$489 million; subordinated loan, N=3, US\$22 million; ^d agriculture and rural development, N=16, US\$277 million; financial markets, N=15, US\$108 million; transportation, N=3, US\$60 million; water and sanitation, N=2, US\$85 million; and other sectors.

3.5 Adaptation financing is lower as a percentage of total country financing in countries that are less prepared to address climate change risks. According to the Notre Dame Global Adaptation Initiative (ND-GAIN),¹¹ the readiness of countries in Central America and the Caribbean to improve resilience is outstripped by their vulnerability to climate change (Figure 3.4). In spite of their greater vulnerability, Central American countries such as Belize, El Salvador Guatemala, Honduras, and Nicaragua have received a lower share of IDB resources for climate change adaptation (between 2% and 6%) (Figure 3.4). In contrast, the countries with the highest levels of approvals for adaptation as a proportion of total financing were The Bahamas, Barbados, and Bolivia, ranging from 24% to 31%. This suggests that countries with greater climate change adaptation needs do not necessarily receive more support for adaptation than other countries.

¹¹ The ND-GAIN Country Index is composed of two key dimensions: vulnerability and readiness. Vulnerability measures a country's exposure, sensitivity, and capacity to adapt to the negative effects of climate change. It is measured based on six components: food, water, health, ecosystem services, human habitat, and infrastructure. Readiness, meanwhile, measures a country's ability to leverage investments and convert them to adaptation actions. It is based on three components: economic readiness, governance readiness, and social readiness. Scores range from 0 to 100.

Figure 3.4. ND-GAIN Index and financing for adaptation as a percentage of total IDB Group financing for each country, 2016-2022



Source: OVE, based on ND-GAIN and Enterprise Data Warehouse data.

Note: The 2021 ND-GAIN Index is used. Lower scores indicate less preparation relative to the country's climate vulnerability. Adaptation financing includes the adaptation amount for IDB and IDB Invest operations. It excludes short-term IDB Invest approvals for that financial year.

IV. EVALUATION FRAMEWORK

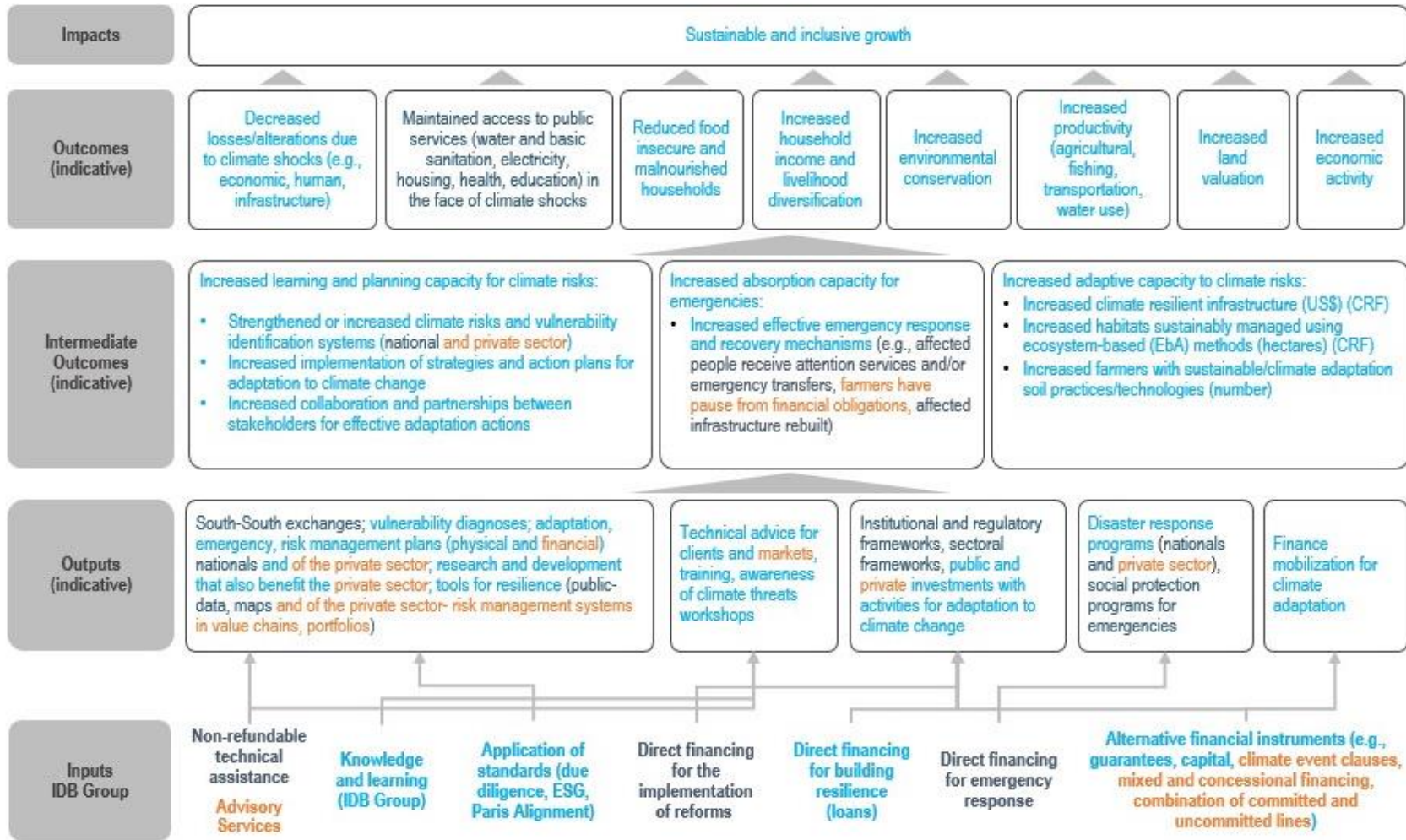
- 4.1 **In its 2016 and 2021 Climate Change Action Plans (documents [GN-2848-4](#) and [GN-2848-9](#)), the IDB Group confirmed its commitment to supporting its borrowing member countries in their transition to climate-resilient economies.** This commitment is linked to the objective of achieving sustainable and inclusive growth, included in the IDB Group's Ninth General Capital Increase and its Institutional Strategy. The objective of this evaluation is to measure the IDB Group's contribution to climate change adaptation (i.e., planning, response, recovery, and transformation) in Latin America and the Caribbean with the aim of achieving sustainable and inclusive growth.
- 4.2 **The evaluation will be guided by an OVE-developed theory of change.** The IDB Group does not have any explicit theory of change for integrating climate change adaptation actions. However, the action plans in this area (documents [GN-2848-4](#) and [GN-2848-9](#)) identify a series of actions, outputs, and outcomes that are linked to the objective of promoting climate-resilient growth. This approach paper presents a theory of change (Figure 4.1) based on the targets, principles, dimensions of success, and lines of action contained in the IDB Group's Climate Change Action Plans.¹² This theory was validated by reviewing the vertical logic in an intentional sample of the IDB Group's adaptation portfolio.¹³ This confirmed that the theory of change successfully reflected the indicative set of activities, outputs, outcomes, and impacts in the sample projects. Lastly, a literature review was undertaken to ensure that the theory of change was aligned with recent theory in climate change adaptation.
- 4.3 **The theory of change posits a set of activities that are expected to generate a series of outputs, outcomes (intermediate and final), and impacts (Figure 4.1).** (i) The activities reflected in the theory of change stem from a preliminary review of IDB Group adaptation activities, including both loan and technical cooperation operations; (ii) the list of outputs aligned with the activities is indicative rather than exhaustive; (iii) intermediate outcomes comprise adaptive and planning capacity for adaptation (diagnostic assessments, strategies, policies, and resilient infrastructure and services) and absorptive/response capacity to natural disaster emergencies; and (iv) outcomes occur at the systems level and involve a change in the behavior of beneficiaries (government entities, communities, households, and individuals). Beneficiaries must be able to identify (anticipate) risks, weather (adapt to) them, recover, and, subsequently, transform themselves.
- 4.4 **The anticipated impacts relate to the transition of borrowing member countries to climate-resilient economies (at the level of both the public and private sectors), with the aim of achieving sustainable and inclusive growth.** According to the Triple Dividend of Resilience (World Bank, 2015), prior planning and investments in resilient infrastructure and services reduce the human and economic losses resulting from climate shocks. Affected areas recover more swiftly

¹² To ensure that the theory of change reflects the private sector, the aforementioned review was supplemented by other supporting documentation and a meeting with IDB Invest (Inter-American Investment Corporation, 2022a and 2022b).

¹³ The theory of change was reviewed in relation to 10% of the IDB Group's climate change adaptation portfolio. The intention was to include operations in all IDB Group regions, sovereign-guaranteed operations (policy-based and investment loans and technical cooperation projects), and non-sovereign guaranteed operations.

and effectively. At the same time, resilient investments facilitate sustainable and inclusive growth (e.g., a reduction in climate risks increases productivity through higher savings and investment rates; reduces the vulnerability of small rural producers to poverty; and improves continuity of access to basic services, thus reducing the time women spend on domestic tasks).

Figure 4.1. Theory of change for climate change adaptation



Assumptions and risks: Continued commitment to and prioritization of climate change adaptation within IDB Group strategies and policies; resources and financing mechanisms are available to support adaptation efforts; dialogue with governments and interested counterparts is encouraged and maintained; adaptation interventions respond to local needs and context, taking into account the climate shocks and vulnerability they face.

Source: OVE. CRF: corresponds to indicators included in the Corporate Results Framework.

V. EVALUATION OBJECTIVE, SCOPE, AND QUESTIONS

A. Objectives and scope of the evaluation

- 5.1 **The evaluation will provide the IDB and IDB Invest Boards with objective and independent information concerning the IDB Group's contribution to climate change adaptation in Latin America and the Caribbean.** The evaluation will analyze whether the activities of climate change planning, response, recovery, and transformation were relevant; whether their implementation was adequate to achieve the outputs; whether the expected outcomes were achieved; and whether it is feasible for these outcomes to continue in the future.
- 5.2 **The evaluation covers the period January 2016-December 2022. It will cover the IDB Group's portfolio of adaptation activities approved during this period.** To analyze issues of operational relevance and design in the IDB and IDB Invest portfolios, a stratified random sample will be selected by lending window and financial instrument (i.e., loans and technical cooperation projects). The sample will consist of 92 sovereign-guaranteed loans, 35 non-sovereign guaranteed operations, and 115 technical cooperation projects. (See Annex II for further details on the sample). In addition, a sample of IDB Lab operations that have been replicated will be selected. To analyze issues of implementation, effectiveness, sustainability, and transformation in the loan portfolio as a whole (paragraph 3.2), loan operations that have disbursed more than 70% of approved funding will be examined. Sovereign-guaranteed operations comprise 34 investment loans (5 of which correspond to the CCF and 3 to the IRF), 14 policy-based loans, and 4 investment grants. In the case of non-sovereign guaranteed operations, these consist of 24 senior loans and 2 subordinated loans.
- 5.3 **The evaluation will leverage synergies with other OVE evaluations and/or reviews that are under way.** Extended Country Program Evaluations (XCPEs) and Independent Country Program Reviews (ICPRs) include document reviews for active operations over the course of one or two country strategy periods. Document reviews as part of the evaluations under way will include, for example, issues relating to the identification and analysis of climate risks and opportunities for including climate change adaptation components.

B. Evaluation questions

- 5.4 **Both the general and specific evaluation questions take into consideration the theory of change developed by OVE for the purposes of this evaluation (Figure 4.1).** The **overarching question** that the evaluation will seek to answer is: What has been the nature of IDB Group climate change adaptation support to the countries (i.e., planning, response, recovery, and transformation) in terms of its relevance, effectiveness, and sustainability? The overarching question is supported by two main evaluation questions:
- (i) How have IDB Group operations contributed to the development of resilience capacities that allow countries to anticipate, address, adapt, and transform themselves in the face of climate change impacts and shocks?

Relevance

- a. What mechanisms are used in IDB Group operations to identify climate risks?

- b. Are IDB Group climate change adaptation operations relevant?
- c. How has the IDB Group integrated climate change adaptation into the country dialogue and the technical assistance provided?

Effectiveness and sustainability

- a. What factors have affected the execution of IDB Group operations during their implementation?
 - b. Have IDB Group operations helped the countries' public and private sectors to establish systems for adapting to climate risks?
 - c. Have IDB Group operations contributed to the transformation of country systems, institutions, planning (including land use), and services, consistent with future climate shocks?
 - d. Are IDB Group operations focused on the immediate response to natural disasters or on transformative adaptation to climate change?
 - e. Are the results of IDB Group operations sustainable in institutional, technical, financial, and/or social terms? What have been the main obstacles to sustainable results?
 - f. What good practices can be drawn from IDB Group support for climate change adaptation?
- (ii) How does the IDB Group leverage its knowledge, human capital, and seal of quality to assist countries (including their public and private sectors) to achieve climate adaptation?

Relevance

- a. Has the IDB Group made use of partnerships at the corporate and country levels to assist clients in strengthening climate adaptation?
- b. Has the IDB Group been successful in attracting and mobilizing private capital to develop bankable projects for climate change adaptation?
- c. Does the IDB Group coordinate its work (i) internally and (ii) externally with country-level partners to foster climate adaptation?

VI. EVALUATION METHODOLOGY

A. Methods

- 6.1 **Due to the multidimensional nature of climate risks and the mixed adaptation response, the evaluation will carry out separate analyses for each region. (See Annex IV for a definition of risks.)** Regions with similar geographical characteristics are exposed to analogous geophysical hazards (e.g., small Caribbean islands face hazards such as hurricanes, tropical storms, or rising sea levels, while Central American countries face hazards such as extreme heat, drought, and floods). Similar types of climate adaptation support would thus be expected in regions with common geographical characteristics. To ensure a more inclusive approach to adaptation, the evaluation will also take into account the

non-climate risks to which the subregions are exposed.¹⁴ Accordingly, an in-depth analysis will be performed of the IDB Group's adaptation activities by geographical region. This will reflect the regional analysis approach of the IPCC: small Caribbean islands, Central America, and South America, with the latter further divided into the Northern South America and Southern South America subregions. This approach is expected to facilitate the identification of different mechanisms for adapting to climate change, their relevance and effectiveness, and paths toward transformative adaptation.

- 6.2 **OVE will seek to answer the evaluation questions using a combination of complementary methods.** For example, both qualitative comparative analyses and content analyses will be undertaken. The proposed methods will be used to understand how the programs worked and whether or not they yielded the expected results. See Annex I, Evaluation Matrix, for further details regarding methods and sources of information.

B. Data collection

- 6.3 Data collection will involve reviewing strategic and corporate documents, analyzing loan and technical cooperation documents (e.g., approval, supervision, and closing documents), and conducting interviews, surveys, and field visits.
- 6.4 **Analysis of IDB Group documents.** OVE will gather and analyze corporate documents that relate to the strategic framework for climate adaptation and identify the institution's primary long-term objectives and priorities. It will also examine business plans and action plans that have guided the IDB Group's actions in support of the objective of achieving resilient and inclusive growth in the region. As stated above, the starting point for the evaluation will be OVE's findings from its 2014 evaluation in this area (document [RE-459-1](#)).
- 6.5 **Analysis of the operations portfolio.** In order to analyze general trends in the portfolio (e.g., approvals, disbursements, and resource mobilization) and the general characteristics of the operations financed (e.g., sectors, countries, and financing instruments) and clients supported, OVE will gather and consolidate general information on the IDB Group's portfolio of operations containing financing for climate adaptation.
- 6.6 **Document analysis for approved operations.** OVE will perform a document analysis of a random sample of IDB Group operations that have climate adaptation activities and were approved between January 2016 and December 2022. (See Annex II for further details regarding the sample). Aspects relating to the design and implementation of the operations will be analyzed, including analysis of climate risks, alignment with climate and social vulnerabilities in the targeted locations, and the results of the operations. To analyze issues of implementation, effectiveness, sustainability, and transformation, the document analysis will encompass all operations for which more than 70% of approved funding has been disbursed.
- 6.7 **Field visits, interviews, and surveys.** Analyses of documents, data, and operations will be supplemented by field visits and surveys, as well as structured and semi-structured interviews with IDB Group officials and clients. Other relevant stakeholders in the field of climate change adaptation will also be interviewed with

¹⁴ This approach considers vulnerability to be a combination of biophysical exposure, socioeconomic sensitivity, and adaptive capacity, which can alleviate general vulnerability (Tu Dam Ngoc Le, 2023).

the objective of understanding their perspective regarding the design and management of operations and the role and contribution of the IDB Group to climate change adaptation issues. Countries were selected for field visits based on the following criteria: one country from each of the geographic regions addressed in the evaluation (i.e., small Caribbean islands, Central America, Northern South America, and Southern South America), the value of approvals for climate change adaptation activities between 2016 and 2022, and climate vulnerability according to the ND-GAIN Index discussed above (paragraph 3.4). Based on these criteria, the countries selected are as follows: Bahamas, Honduras, Bolivia, and Brazil. (See Annex III for details of the ND-GAIN Index by country). Synergies can also be leveraged with regard to field visits during other OVE evaluations under way, such as the Extended Country Program Evaluations for Barbados and Paraguay and the evaluation of policy-based lending.

VII. EVALUATION TEAM AND WORK TIMETABLE

- 7.1 **Evaluation team.** The evaluation team consists of María Fernanda Rodrigo, Anaís Anderson, Andreia Barcellos, Mario Julián Loayza, Marina Pupo Lafer, and Julie King. The team will also be supported by external consultants and the OVE Sector Cluster coordinator, César Bouillon. The work will be carried out under the supervision of Ivory Yöng-Protzel, OVE Director.
- 7.2 **Timeline.** The draft report is expected to be ready for Management review and subsequent distribution to the Board of Executive Directors in the second quarter of 2024. The indicative timeline is described in Table 7.1 below.

Table 7.1. Indicative timeline

Activity	Date
Approach paper	November 2023
Draft for review by Management	May 2024
Submission to SEC for delivery to the Board of Executive Directors	June 2024

BIBLIOGRAPHY

- Bapna, Manish, et al. 2019. [ADAPT NOW: A Global Call for Leadership on Climate Resilience](#). Washington, DC: World Resources Institute. Global Commission on Adaptation.
- Bárcena, Alicia, et al. 2020. [The Climate Emergency in Latin America and the Caribbean. The Path Ahead – resignation or action?](#) ECLAC Books, No. 160 (LC/PUB.2019/23-P), Santiago, Economic Commission for Latin America and the Caribbean.
- Cárdenas, Mauricio, Juan Pablo Bonilla, and Federico Brusa, 2021. [Climate Policies in Latin America and the Caribbean: Success Stories and Challenges in the Fight against Climate Change](#). Washington, D.C.: IDB.
- Economic Commission for Latin America and the Caribbean. 2015. Magrin, G. (2015). *Adaptación al cambio climático en América Latina y el Caribe*.
- . 2016. [Vulnerabilidad y adaptación de las ciudades de América Latina al cambio climático](#). Santiago: United Nations.
- . 2017. [Procesos de adaptación al cambio climático: análisis de América Latina](#). Santiago: United Nations.
- Global Environment Facility. 2022. [Achieving Transformation through GEF Investments. Scientific and Technical Advisory Panel to the Global Environment Facility](#). Washington, D.C.
- Inter-American Development Bank. 2008. *Disaster Risk Management Policy Guidelines*. Washington, D.C.: IDB.
- . 2010. Report on the Ninth General Increase in the Resources of the Inter-American Development Bank, document [AB-2764](#). Washington, D.C.: IDB.
- . 2011. IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy. Revised version, document [GN-2609-1](#). Washington, D.C.: IDB.
- . 2012. *Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy – Action Plan (2012-2015)*, document [GN-2609-3](#). Washington, D.C.: IDB.
- . 2013. Approach paper. Climate Change at the IDB: Building Resilience and Reducing Emissions, document [RE-459](#). Washington, D.C.: IDB.
- . 2014. Climate Change at the IDB: Building Resilience and Reducing Emissions, document [RE-459-1](#). Washington, D.C.: IDB.
- . 2016a. Evaluation of IDB Group’s Work through Financial Intermediaries, document [RE-486-2](#). Washington, D.C.: IDB.
- . 2016b. Climate Change Goal of the IDB and the Inter-American Investment Corporation, document [AB-3067](#). Washington, D.C.: IDB.
- . 2017a. Review of the Implementation to Date of the Private Sector Merge-out, document [RE-513-3](#). Washington, D.C.: IDB.
- . 2017b. *IDB Group Climate Change Action Plan 2016-2020. Final version*, document [GN-2848-4](#). Washington, D.C.: IDB.
- . 2019a. Institutional Strategy Update. Development Solutions that Accelerate Growth and Improve Lives, document [AB-3190-2](#). Washington, D.C.: IDB.

- . 2019b. Disaster and Climate Change Risk Assessment Methodology for IDB Projects. Washington, D.C.: IDB.
 - . 2020a. OVE's Proposed 2021-2022 Work Program and Budget. Revised version, document [RE-551-1](#). Washington, D.C.: IDB.
 - . 2020b. IDB Group Climate Change Action Plan 2021-2025. Final version, document [GN-2848-9](#). Washington, D.C.: IDB.
 - . 2021. Proposed Work Program and Budget for the Office of Evaluation And Oversight, 2022-2023. Approved version, document [RE-563-3](#). Washington, D.C.: IDB.
 - . 2022a. [Inter-American Development Bank Sustainability Report 2021](#). Washington, D.C.: IDB.
 - . 2022b. IDB Group Climate Change Action Plan 2021-2025. Implementation Progress Report for 2021, document [GN-2848-11](#). Washington, D.C.: IDB.
 - . 2022c. *Climate Change Sector Framework Document*, document [GN-2835-8](#). Washington, D.C.: IDB.
- Inter-American Development Bank; African Development Bank; Asian Development Bank; European Bank for Reconstruction and Development; European Investment Bank; International Finance Corporation; World Bank. [2014 Joint Report on Multilateral Development Banks' Climate Finance](#).
- . 2019. [Joint Report on Multilateral Development Banks' Climate Finance](#).
 - . 2021. [Joint Report on Multilateral Development Banks' Climate Finance](#).
- Inter-American Investment Corporation. 2022a. Scaling Adaptation Finance in the Private Sector. Washington, D.C.: IIC.
- . 2022b. Translating Trends Into Product Offerings and Institutional Commitments. Washington, D.C.: IIC.
- Intergovernmental Panel on Climate Change. 2022. [Climate Change 2022: Impacts, Adaptation, and Vulnerability](#). Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. [Pörtner, H.-O., D. Roberts, M. Tignor, E. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, and B. Rama (eds.)]. Cambridge University Press. Cambridge University Press, Cambridge, UK and New York, NY, USA.
- National Research Council. 2010. [America's Climate Choices: Panel on Adapting to the Impacts of Climate Change](#). Washington, D.C.: National Academy of Sciences.
- Tu Dam Ngoc Le. January 2023. "[Theoretical frameworks in climate change adaptation planning: a comparative study in coastal cities of developing countries](#)," [Journal of Environmental Planning and Management](#), Taylor & Francis Journals, Vol. 66(2), pages 424-444.
- United Nations Environment Programme. 2022. Adaptation Gap Report 2022: Too Little, Too Slow—Climate adaptation failure puts world at risk. Nairobi: United Nations Environment Programme.
- United Nations Framework Convention on Climate Change. 2021. [COP26 Outcomes: Finance for Climate Adaptation](#).

- University of Notre Dame. 2023. [Global Adaptation Index](#).
- Viguri, Sofía, Sandra López Tovar, Mariel Juárez Olvera, and Gloria Visconti. 2021. Analysis of External Climate Finance Access and Implementation: CIF, FCPF, GCF and GEF Projects and Programs by the Inter-American Development Bank. IDB.
- World Bank Group. 2010. [Economics of Adaptation to Climate Change: Synthesis Report](#). License: CC BY 3.0 IGO.
- . 2018. Tanner, Thomas, Robert Curle Jesse Reid, Emily Wilkinson, Swenja Surminski, Rentschler Maruyama, Erik Jun, and Sumati Rajput. [The Triple Dividend of Resilience: Realizing Development Goals through the Multiple Benefits of Disaster Risk Management](#).
- . 2019. [Enabling Private Investment in Climate Adaptation & Resilience. Current Status, Barriers to Investment and Blueprint for Action](#). Washington, D.C.: World Bank.
- . 2022. [A Roadmap for Climate Action in Latin America and the Caribbean 2021-2025](#). Washington, D.C.: World Bank.

ANNEX I . EVALUATION MATRIX

- 1.1 **Overarching evaluation question:** What has been the nature of IDB Group climate change adaptation support to the countries (i.e., planning, response, recovery, and transformation) in terms of its relevance, effectiveness, and sustainability?

Table I.1.1. Evaluation Matrix

Evaluation questions	How will answers to the evaluation questions be decided?	Sources	Methodology	Potential limitations
i. How have IDB Group operations contributed to the development of resilience capacities that will allow countries to anticipate, address, adapt, and transform themselves in the face of climate change impacts and shocks?				
Relevance				
a. What mechanisms are used in IDB Group operations to identify climate risks?	<p>Desk review for each project to determine which instruments are used to analyze climate risks and their depth (i.e., risks, impacts, risk classification and justification, and recommendations for mitigating risks).</p> <p>Data triangulation to validate the aforementioned analysis and identify possible gaps through interviews</p>	<p>Operational documents: loan proposals, environmental safeguard documents, and project closing documents</p> <p>Interviews with IDB Group employees, executing agencies</p>	Content analysis (desk review and interviews)	Gaps in information in the event that the risk analysis reports for each operation are not included
b. Are IDB Group climate change adaptation operations relevant?	<p>Desk review to determine the operations' degree of alignment (i.e., high, medium, low) with their context (i.e., climate and social vulnerability, government policies/priorities, and IDB Group institutional priorities)</p> <p>Desk review to determine the degree to which adaptation activities have been included in the project's vertical logic (high, medium, low)</p> <p>Desk review of operations to analyze the degree to which climate change adaptation has been integrated (% of operations that include a climate change adaptation diagnostic, objective, activity, and results indicator in their design)</p> <p>Comparative analysis of regional notes in order to understand similarities and/or differences in the approach to climate</p>	<p>Operational documents: Loan proposals, environmental safeguard documents, project closing documents</p> <p>Country strategy and development challenges documents, sector frameworks, and action plans in the area of climate change</p> <p>Country reports and documents regarding climate change adaptation priorities (e.g., national adaptation plans)</p> <p>National statistics and administrative data</p>	<p>Content analysis (desk review and interviews)</p> <p>Comparative analysis of regional notes</p>	<p>Insufficient information in operational documents on climate change adaptation actions</p> <p>Alignment of the operational program with the IDB Group's strategy with the country can lose relevance with respect to the country's development needs and government priorities if there is a change in conditions in the country during the country strategy period.</p>

Evaluation questions	How will answers to the evaluation questions be decided?	Sources	Methodology	Potential limitations
	<p>vulnerability according to geographical criteria</p> <p>Data triangulation to validate the aforementioned analysis and identify possible gaps through interviews</p>	<p>Interviews with IDB Group employees, executing agencies</p>		
<p>c. How has the IDB Group integrated climate change adaptation into the country dialogue and the technical assistance provided?</p>	<p>Desk review of country strategy and development challenges documents to determine how these have incorporated climate change adaptation (% of documents that include adaptation as a strategic objective and/or at least one result indicator in this area)</p> <p>Data analysis to categorize the instruments used for training and technical assistance to the countries in the area of adaptation</p> <p>Determination of the outputs, outcomes, and objectives of the training and technical assistance instruments for building climate adaptation</p> <p>Data triangulation to validate the aforementioned analysis and identify possible gaps through interviews</p>	<p>Operational documents: loan proposals, environmental safeguard documents</p> <p>Country strategy and development challenges documents</p> <p>Documentation of government plans</p> <p>Interviews with IDB Group employees, executing agencies</p>	<p>Content analysis (desk review and interviews)</p> <p>Descriptive analysis</p>	<p>Insufficient information in operational documents with respect to the IDB Group's dialogue with the countries</p> <p>Turnover among the staff of executing agencies</p>
Effectiveness and sustainability				
<p>d. What factors have affected the execution of IDB Group operations during their implementation?</p>	<p>Qualitative comparative analysis of the factors that have affected project implementation</p> <p>Quantitative data analysis (information on operations, national statistics, administrative data, georeferenced data, and data from field visits) aimed at gauging the IDB Group's contribution to climate adaptation (planning, response, recovery, and transformation)</p>	<p>Information on operations: Semiannual operational reports, project closing documents</p> <p>National statistics and administrative data, georeferenced data</p> <p>Interviews with IDB Group employees, government</p>	<p>Descriptive analysis</p> <p>Comparative analysis (regional notes)</p> <p>Content analysis (interviews)</p>	<p>Results in terms of climate change adaptation are observed in the long term.</p> <p>Limited information on the implementation and results of operations.</p> <p>Weaknesses in the design of projects' results matrices.</p>
<p>e. Have IDB Group operations helped the countries to establish systems for adapting to climate risks?</p>				

Evaluation questions	How will answers to the evaluation questions be decided?	Sources	Methodology	Potential limitations
<p>f. Have IDB Group operations contributed to the transformation of country systems, institutions, planning (including land use), and services, consistent with future climate shocks?</p> <p>g. Are IDB Group operations focused on the immediate response to natural disasters or on transformative adaptation to climate change?</p>	<p>Qualitative comparative analysis of regional notes aimed at understanding the contribution of adaptation interventions</p> <p>Data triangulation to validate the aforementioned analysis and identify possible gaps through interviews</p>	<p>officials, and executing agencies</p> <p>Information provided during field visits</p>		<p>Implementation reports can demonstrate a positive bias.</p>
<p>h. Are the results of IDB Group operations sustainable in institutional, technical, financial, and/or social terms? What have been the main obstacles to sustainable results?</p>	<p>Qualitative comparative analysis of case studies in order to understand the sustainability of the outcomes of adaptation interventions</p> <p>Data triangulation to validate the aforementioned analysis and identify possible gaps through interviews</p>	<p>Semiannual reports, project closing documents</p> <p>Interviews with executing agencies</p> <p>Information provided during field visits, analysis and document review of operations</p> <p>Qualitative analysis of interviews</p>		<p>Sustainability will depend in part on factors that are outside the IDB Group's control, and OVE may not have full access to information on these factors.</p> <p>The sustainability analysis requires informed assumptions regarding the future, which is impossible to predict exactly.</p>
<p>i. What good practices can be drawn from IDB Group support for climate change adaptation?</p>	<p>Case studies by region (based on operational information, interviews, and field visits) aimed at identifying the factors that have supported (or detracted from) the contribution to outcomes</p>	<p>Information on operations: semiannual operational reports, project closing documents</p> <p>National statistics and administrative data, georeferenced data</p> <p>Interviews with IDB Group employees, government officials, and executing agencies</p> <p>Information provided during field visits</p>	<p>Content analysis (desk review and interviews)</p> <p>Comparative analysis (regional notes)</p>	<p>Several operations are unlikely to have progressed to the degree required to demonstrate results and draw lessons learned (e.g., few or no disbursements and little physical progress).</p>

Evaluation questions	How will answers to the evaluation questions be decided?	Sources	Methodology	Potential limitations
ii. How does the IDB Group leverage its knowledge, human capital, and seal of quality to assist countries to achieve climate adaptation?				
Relevance				
a. Has the IDB Group made use of partnerships at the corporate and country levels to assist clients in strengthening climate adaptation?	Text analysis and qualitative analysis of interviews aimed at identifying the formation and development of partnerships to promote adaptation	Operational documents: Loan proposals and project closing documents Country strategy and development challenges documents, sector frameworks, and action plans in the area of climate change. Interviews with IDB Group employees, governments and executing agencies, relevant stakeholders and agencies.	Content analysis (desk review and interviews)	Limited information on IDB Group partnerships and relevant agencies
b. Has the IDB Group being successful in attracting and mobilizing private capital to develop bankable projects for climate change adaptation?	Analysis of data and trends from databases and operational documents, as well as qualitative analyses of the interviews, aimed at understanding progress in mobilizing other sources of financing for climate change adaptation activities	Databases and operational documents (loan proposals) Interviews with IDB Group employees, governments and executing agencies, external agencies	Descriptive analysis Content analysis (desk review and interviews)	Limited information on channels for mobilization
c. Does the IDB Group coordinate its work (i) internally and (ii) externally with country-level partners to foster climate adaptation?	Desk review of operational documents and interview notes, aimed at building a picture of the mechanisms for collaboration/coordination between the different IDB Group windows and between the IDB Group and external partners, including their scope	Operational documents: loan proposals Interviews with IDB Group employees, governments and executing agencies, external agencies	Content analysis (desk review and interviews)	Coordination channels are not always documented.

ANNEX II. DESCRIPTION OF SAMPLE

- 1.1 **The sample was selected randomly from the Bank’s overall portfolio of loans and technical cooperation projects and IDB Invest’s portfolio of loan operations.** The resulting sample consists of 92 sovereign-guaranteed loans, 35 non-sovereign guaranteed operations, and 115 technical cooperation projects. Tables All.1 and All.2 show the proportions of operations by country and instrument, for both the overall portfolio and the sample. A column is also included with the mean difference. There are no statistically significant differences. The standard deviations for the overall portfolio and the sample are included at the end of the table.

Table II.1.1. Distribution of averages by country, portfolio and sample

Country	Proportion of portfolio	Proportion of sample	Mean difference
Argentina	5.42%	5.31%	0.11%
Bahamas	2.83%	2.90%	-0.07%
Barbados	1.42%	1.45%	-0.03%
Belize	2.83%	2.90%	-0.07%
Bolivia	7.31%	5.80%	1.51%
Brazil	6.37%	7.73%	-1.36%
Chile	1.18%	1.45%	-0.27%
Colombia	4.01%	2.42%	1.59%
Costa Rica	0.71%	0.48%	0.22%
Ecuador	2.83%	4.35%	-1.52%
El Salvador	2.83%	3.86%	-1.03%
Guatemala	1.65%	1.93%	-0.28%
Guyana	2.59%	3.38%	-0.79%
Haiti	4.01%	2.90%	1.11%
Honduras	4.01%	4.83%	-0.82%
Jamaica	0.71%	0.97%	-0.26%
Mexico	1.89%	2.42%	-0.53%
Nicaragua	1.89%	2.42%	-0.53%
Panama	4.72%	3.38%	1.34%
Paraguay	3.30%	2.42%	0.89%
Peru	3.54%	2.90%	0.64%
Regional	20.52%	17.39%	3.13%
Dominican Republic	4.72%	6.28%	-1.56%
Suriname	3.30%	3.38%	-0.08%
Trinidad and Tobago	1.65%	0.97%	0.68%
Uruguay	3.07%	4.83%	-1.76%
Venezuela	0.71%	0.97%	-0.26%
Standard deviation	3.69%	3.26%	

Source: OVE

Table II.1.2. Distribution of averages by instrument, sovereign-guaranteed portfolio and sample

Instrument	Proportion of portfolio	Proportion of sample	Mean difference
Investment grants	1.89%	2.42%	-0.53%
Investment loan grants	2.59%	1.93%	0.66%
Guarantee, policy-based loans	0.71%	0.97%	-0.26%
Policy-based loans	3.54%	3.86%	-0.33%
Investment loans	30.42%	35.27%	-4.84%
Standard deviation	22.30%	23.19%	

Source: OVE

Table II.1.3. Distribution of averages by sector, non-sovereign guaranteed portfolio and sample

Sector	Proportion of portfolio	Proportion of sample	Difference
Agriculture and rural development	10.63%	10.60%	0.03%
Water and sanitation	22.71%	25.35%	-2.64%
Science and technology	1.45%	0.46%	0.99%
Urban development and housing	15.94%	11.06%	4.88%
Education	0.97%	0%	0.97%
Private enterprise and SME development	1.93%	0.92%	1.01%
Energy	1.45%	1.84%	-0.39%
Regional integration	0.48%	0%	0.48%
Social investment	3.38%	2.30%	1.08%
Environment and natural disasters	20.77%	26.73%	-5.96%
Financial markets	1.93%	1.84%	0.09%
Other	0.48%	0.46%	0.02%
State reform and modernization	1.93%	0.92%	1.01%
Health	1.93%	0.92%	1.01%
Transportation	13.04%	13.82%	-0.78%
Sustainable tourism	0.97%	2.76%	-1.80%
Standard deviation	7.47%	8.87%	

Source: OVE

ANNEX III – CRITERIA FOR FIELD VISITS

Table III.1.1. Climate financing, ND-GAIN Index, Projects at an advanced stage of implementation.				
Department	Country	Climate adaptation financing (US\$ millions)	ND-GAIN Index	Projects more than 70% disbursed
Central America	Panama	385.9	48.7	3
	Mexico	200.0	48.8	1
	El Salvador	129.4	45.9	
	Guatemala	107.8	43.9	
	Honduras	100.6	40.3	5
	Nicaragua	19.5	41.5	4
	Belize	14.7	43.9	2
	Costa Rica	3.0	54.0	
Small Caribbean islands	Bahamas	313.4	48.8	2
	Haiti	275.1	35.5	2
	Barbados	211.9	57.5	2
	Dominican Republic	141.5	47.2	2
	Trinidad and Tobago	68.3	48.6	
	Jamaica	0.7	48.9	
Southern South America	Argentina	702.9	49.6	4
	Brazil	486.0	48.9	2
	Paraguay	236.0	48.4	1
	Chile	85.1	60.2	
	Uruguay	13.8	56.8	1
Northern South America	Bolivia	909.3	48.4	10
	Peru	248.0	48.6	2
	Ecuador	179.2	44.7	2
	Colombia	136.0	47.8	2
	Suriname	60.4	47.0	1
	Guyana	55.7	45.0	1
	Venezuela	0.5	41.4	

Source: OVE, based on ND-GAIN and Enterprise Data Warehouse data.

Note: ND-Gain Index for 2021. Lower scores indicate less preparation relative to the country's climate vulnerability. Adaptation financing includes the adaptation amount for IDB and IDB Invest operations. Excludes short-term IDB Invest approvals.

ANNEX IV. DEFINITIONS

- 1.1 **Adaptation:** The process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects. (IPCC, 2014). This concept acknowledges that climate change adaptation involves developing the capacity to increase climate resilience and manage disaster risk.
- 1.2 **Resilience:** A capability to anticipate, prepare for, respond to, and recover from significant multi-hazard threats with minimum damage to social well-being, the economy, and the environment (National Research Council, 2010).
- 1.3 **Disaster:** The occurrence of an extreme hazard event that impacts vulnerable communities, causing substantial damage, disruption, and possible casualties, and leaving the affected communities unable to function normally without outside assistance (IDB, 2019b).
- 1.4 **Disaster risk management:** Systematic process that integrates risk identification, prevention, mitigation and transfer, as well as disaster preparedness, emergency response, and rehabilitation/reconstruction to lessen the impacts of hazards (IDB, 2008).
- 1.5 **Hazard:** The potential occurrence of a natural or human-induced physical event or trend that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems, and environmental resources (IPCC, 2014). This definition acknowledges that hazards exist under current conditions and may be exacerbated by future climate conditions (IDB, 2019b).
- 1.6 **Risk:** A combination of the magnitude of the potential consequences of a hazard and the likelihood that the consequences will occur (National Research Council, 2010).
- 1.7 **Adaptation planning:** According to the United Nations Framework Convention on Climate Change (UNFCCC), this is the second of four stages in the process of adaptation. Planning adaptation involves identifying possible adaptation measures and evaluating them by means of (for example) a cost-effectiveness analysis, with the aim of prioritizing and choosing from among the available options. Adaptation planning should seek to avoid duplication and maladaptation, while contributing to sustainable development outcomes (UNFCCC, 2019).
- 1.8 **Implementation of adaptation measures:** According to the UNFCCC, this is the third of four stages in the process of adaptation. Once an adaptation plan is under way, the next step is to implement adaptation initiatives at different levels (including local, national, and regional) using a variety of means (including projects, programs, policies, and strategies). Adaptation is increasingly being addressed through the integration of initiatives in budgets, sector policies, and sustainable development plans (UNFCCC, 2019).
- 1.9 **Recovery:** For the purposes of this evaluation, recovery from climate shocks is defined as the recovery and rehabilitation of affected systems.
- 1.10 **Rehabilitation:** Provisional repairs of damaged infrastructure, social services, or productive capacity, to facilitate the normalization of economic activities (IDB, 2008).

- 1.11 **Reconstruction:** Construction of new facilities to replace those that were destroyed or damaged beyond repair by a disaster, to standards that avoid the rebuilding or increasing of vulnerability (IDB, 2019b).
- 1.12 **Transformation:** The Global Environment Facility defines transformation as deep, systemic, and sustainable change with large-scale impact in an area of global environmental concern (GEF, 2022).

Office of Evaluation and Oversight - OVE

Established in 1999 as an independent evaluation office, OVE evaluates the performance and development effectiveness of the activities of the Inter-American Development Bank Group (IDB Group). These evaluations seek to strengthen the IDB Group through learning, accountability and transparency.

OVE evaluations are disclosed to the public in accordance with IDB Group policies to share lessons learned with the region and the development community at large.



iadb.org/evaluation



linkedin.com/showcase/idb-ove



[@BID_evaluacion](https://twitter.com/BID_evaluacion)