

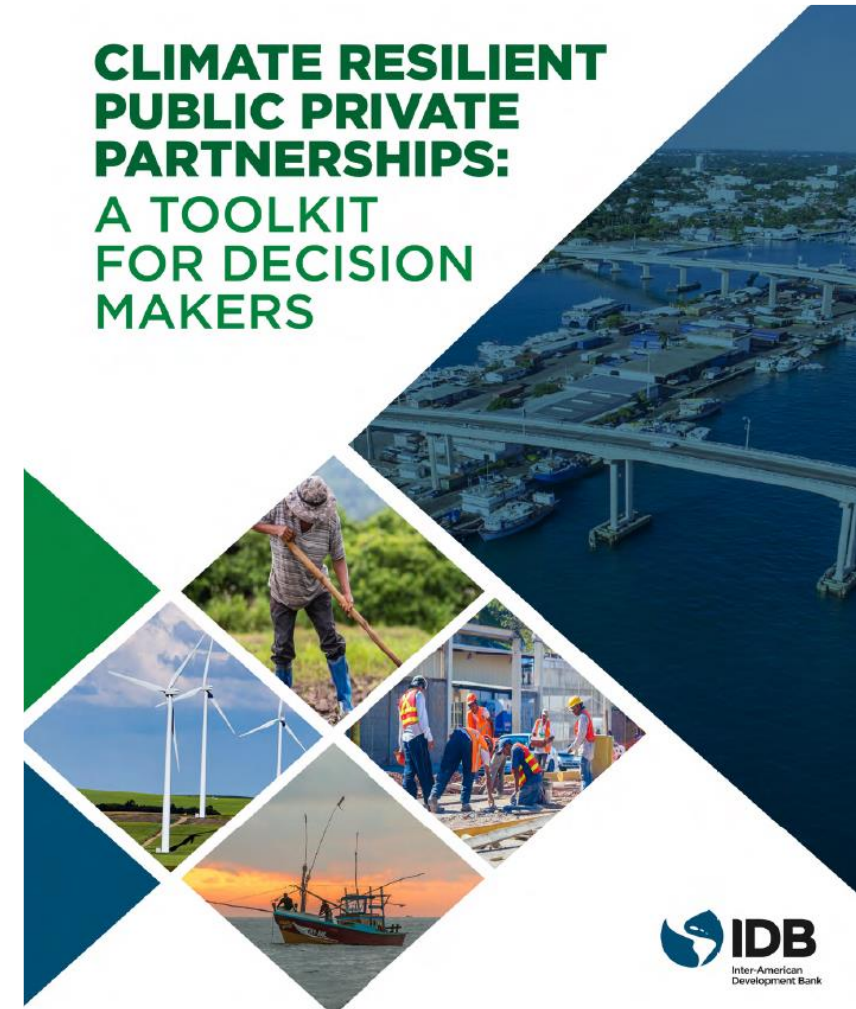
Improving Climate Resilience in Public Private Partnerships Resilient PPP Toolkit



Climate Risk Integration in PPPs: Objectives

1. Impact of **climate risks** on long-term PPP **contracts**
2. Develop **policy recommendations** to improve resiliency in PPP projects
3. Develop a Toolkit to operationalize climate-resilient measures
4. Generate **Project Pipelines** of Resilient Infrastructure

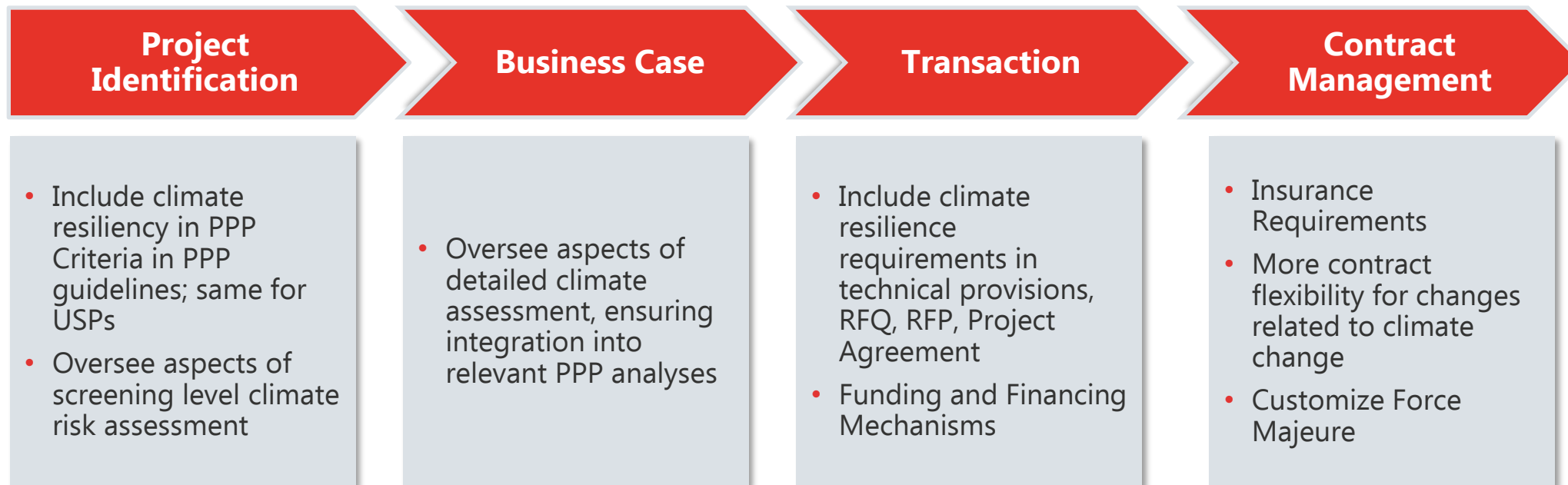
Climate Risk Integration in PPPs: Two Publications





Our diagnosis: well-developed PPP framework, but climate risk considerations not yet integrated

- ❑ Well-structured PPP policy framework
- ❑ Advanced PPP practice
- ❑ Climate risk assessment and resiliency not yet integrated in PPP policy and practice



Jamaica: Main policy recommendations



1. Assess climate risks for every (PPP) project, distinguishing between screening-level analysis and detailed level analysis



2. Include resilience requirements in transaction phase – e.g, through RFP, output specifications – and evaluate and score bidders



3. Reexamine Force Majeure definition to exclude regular climate events, and include an uninsurability clause in PPP agreement

PROJECT PHASE



PROJECT IDENTIFICATION
& BUSINESS CASE

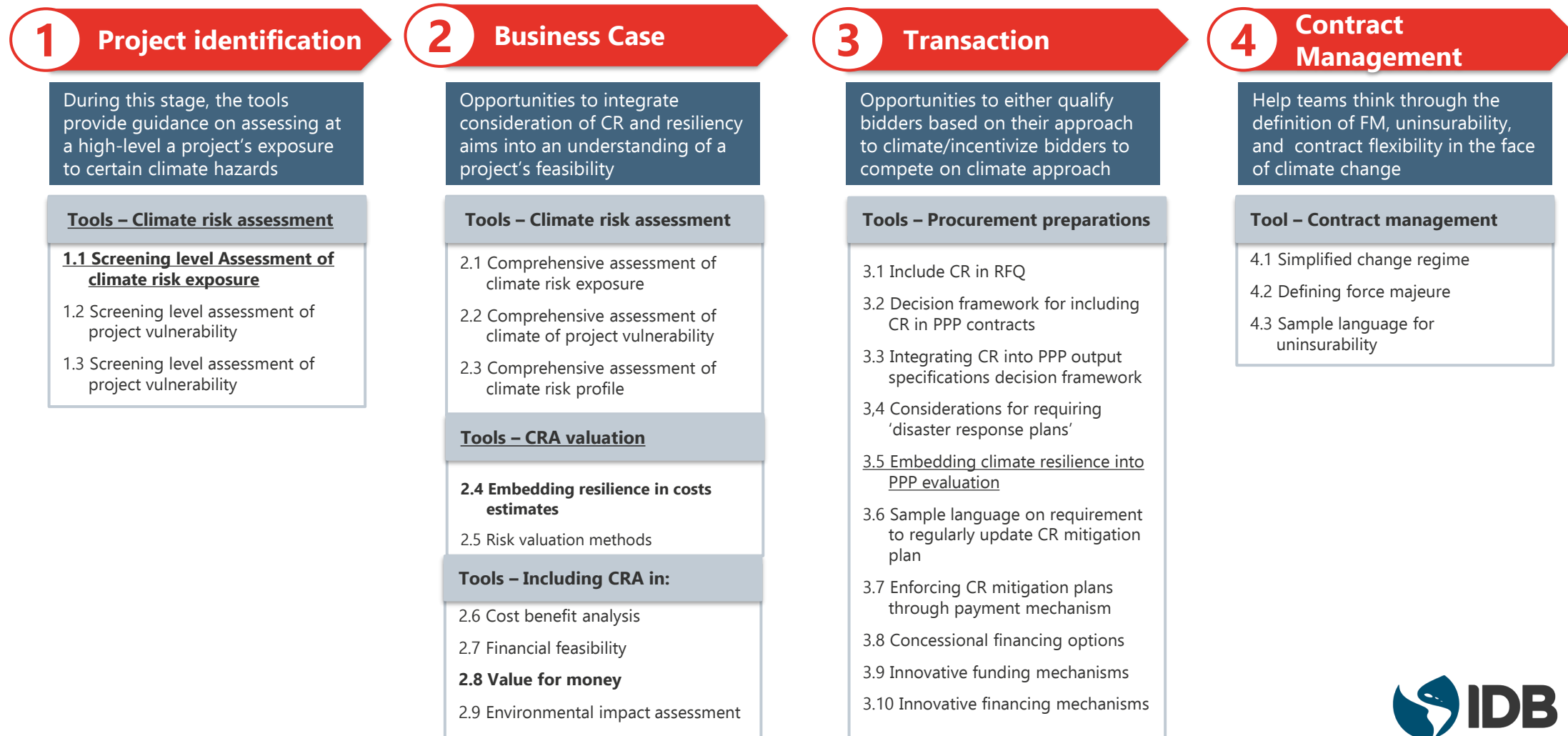


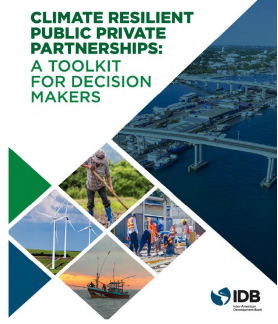
TRANSACTION



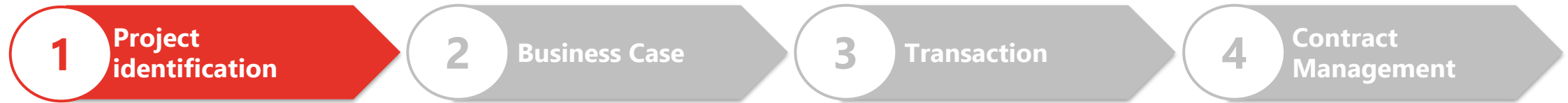
CONTRACT
MANAGEMENT

We developed a comprehensive toolkit that translates the policy recommendations into practice





At this stage, the tools to help teams develop a high-level assessment of climate risk



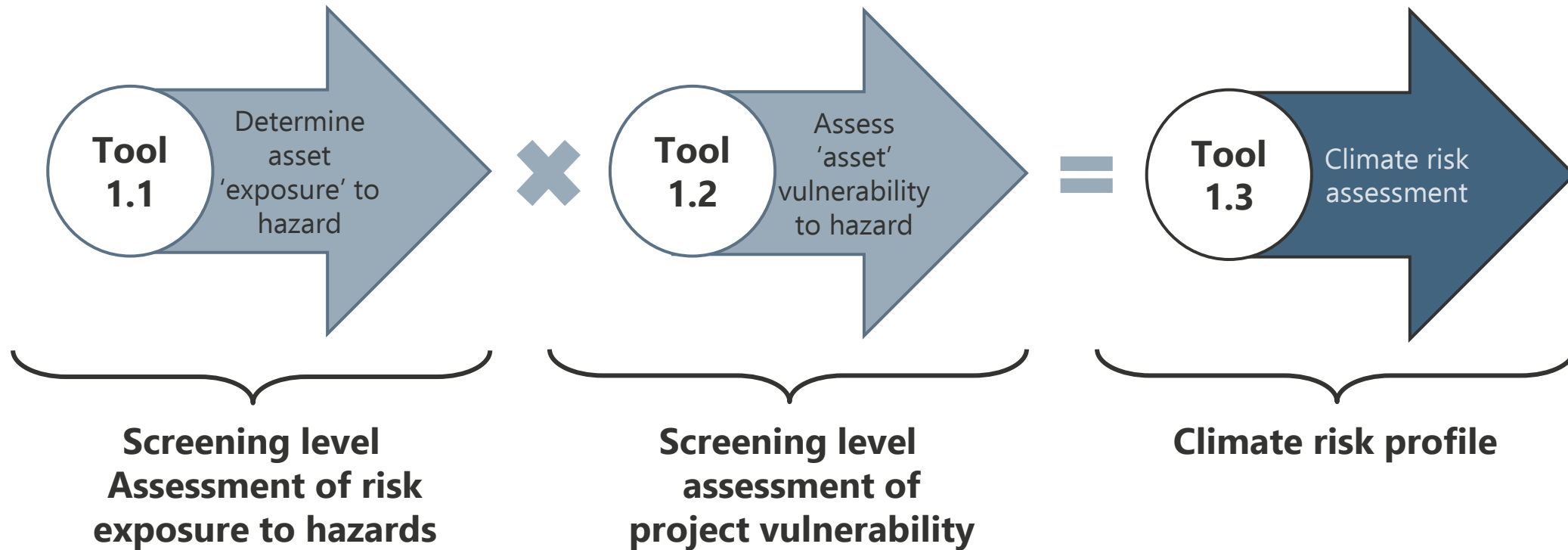
Tools – Climate risk assessment

- 1.1 Screening level Assessment of climate risk exposure
- 1.2 Screening level assessment of project vulnerability
- 1.3 Screening level assessment of the overall climate risk profile

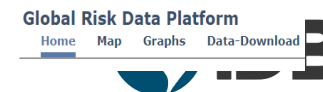
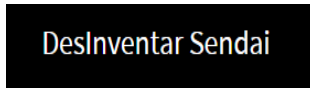


Note: these tools are applicable for both PPPs and traditionally procured projects

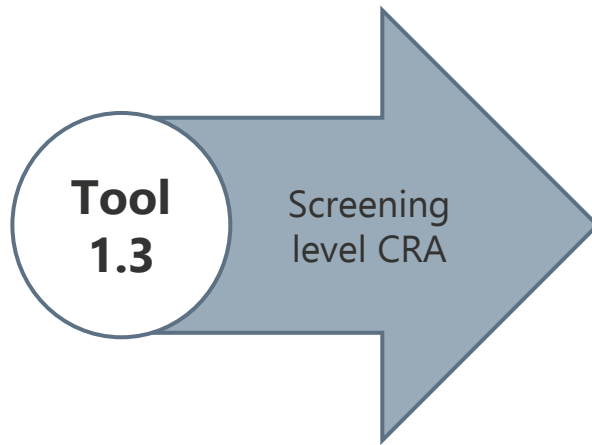
These three tools build on one another and require that teams access climate data



Possible source input data



Tool 1.3 combines tool 1.1 & 1.2 outputs to help construct a high-level climate risk profile for project



Key question it tries to answer:
What is the project's risk profile for each of the hazards? What is the project's overall climate-related risk profile (i.e. a combined assessment)?

Appendix D: Screening-level Climate Risk Matrix Template

*Corresponds with Tool 1.3

Project Name: _____



		EXPOSURE		
		Low	Medium	High
VULNERABILITY	Low	e.g. drought risk (project is not exposed nor is vulnerable to drought risk)		
	Medium			
	High			e.g. flood risk (project is highly exposed and highly vulnerable to flood risk)

...those with medium to high risk will need to be examined further during the business case stage.

Opportunities exist during transaction stage to embed climate resilience



Opportunities to qualify bidders based on their approach to climate or incentivize bidders to compete on climate approach

Tools – Procurement preparations

3.1 Include CR in Request for Qualifications

3.2 Decision framework for including CR in PPP contracts

3.3 Integrating CR into PPP output specifications decision framework

3.4 Considerations for requiring ‘disaster response plans’

3.5 Embedding climate resilience into PPP evaluation

3.6 Sample language on requirement to regularly update CR mitigation plan

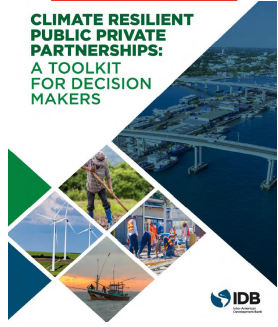
3.7 Enforcing CR mitigation plans through payment mechanism

3.8 Concessional financing options

3.9 Innovative funding mechanisms

3.10 Innovative financing mechanisms





Including Climate Resilience in Request for Qualifications (Tool 3.1)

Minimum Requirement

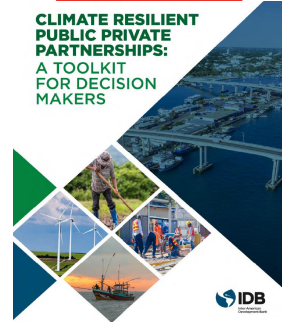
- **REQUIREMENT:** sufficient experience managing projects with similar climate profile
- **EVALUATION:** A Pass/Fail

Evaluation

- **CRITERION:** extent of past experience with similar climate risk profile and effective mitigation thereof
- **EVALUATION:** e.g., according to 100pt scale

Evaluation & Minimum Pass

- **CRITERION/MIN SCORE:** extent of past experience with similar climate risk profile and effective mitigation thereof (100pts); each RFQ submittal must achieve 70%



Opportunities for Climate Resilience in Request for Proposals / PPP Contract (Tool 3.2)

When to Use

MINIMUM REQUIREMENTS

- If Procuring Agency knows what it wants in terms of climate resilience
- Procurement; Contract Management

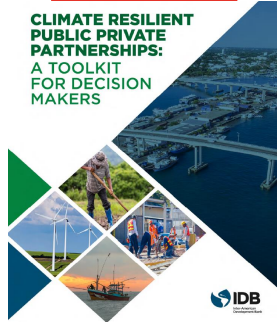
EVALUATION CRITERIA

- If Procuring Agency wants bidders to differentiate themselves on climate resilience

Required for Use

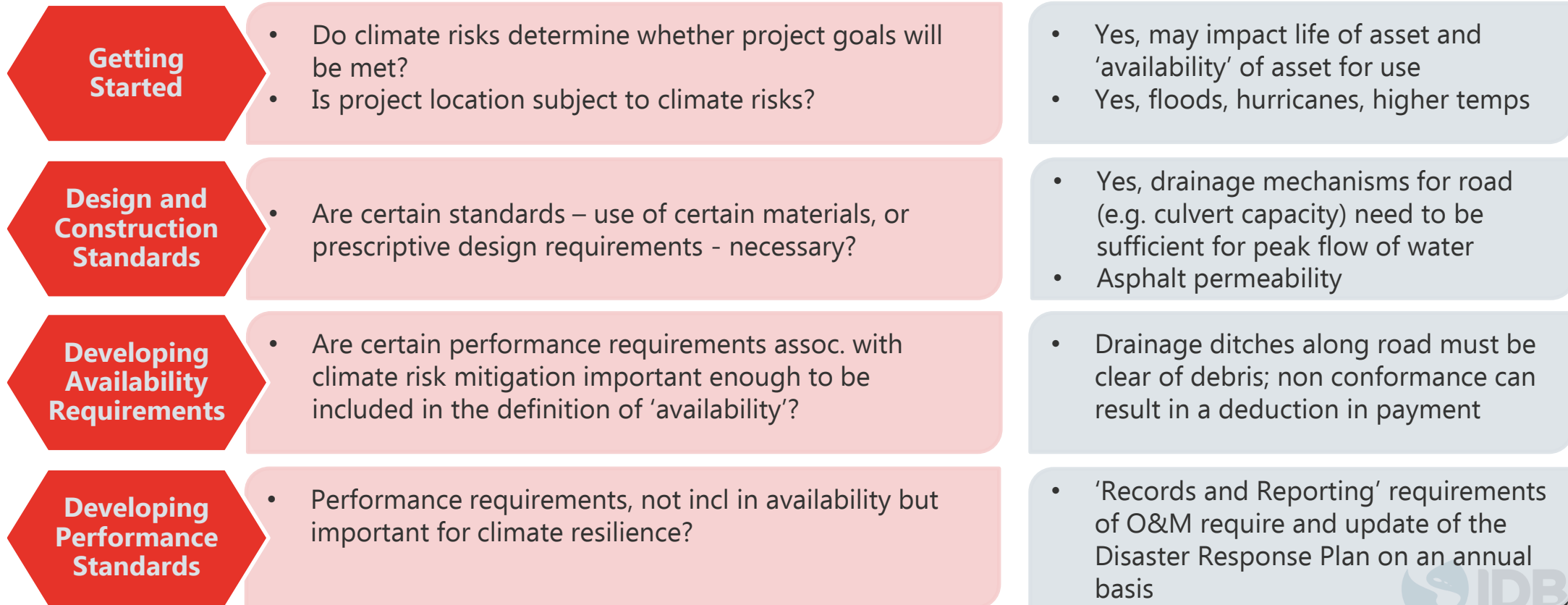
- Expertise on procuring agency side to set requirements

- Expertise on Procuring Agency side to evaluate climate resilience approaches



Integrating Climate Resilience into Output Specifications (Tool 3.3)

FICTIONAL CASE





Thanks!

Gianleo Frisari, IDB

Climate Change Senior Economist

giovannif@iadb.org

