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Climate Change Funds and Implications for LAC Countries and the IDB

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Abstract*

This paper surveys climate change funds related to LAC countries and attempts to derive some implications through performance analyses of these funds. The performance analyses show that the following matters should be addressed: increases in participation of the IDB as an agent in the projects for the LAC region, enlargement of the scale of co-financing in the IDB-brokered cases as well as in the LAC region, and reinforcement of the linkage between the SECCI Funds and international climate change funds. Further research as to why the level of co-financing in LAC countries is lower than in other regions would also be of interest.

JEL classifications: F30, G20, Q50
Keywords: Climate Change Fund, GEF, LDCF, SCCF, Adaptation Fund, Earth Fund, CIF, SECCI Fund, LAC, Inter-American Development Bank

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Abbreviations

ADB	Asian Development Bank
AFB	Adaptation Fund Board
AfDB	African Development Bank
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CIF	Climate Investment Fund
CTF	Clean Technology Fund
EBRD	European Bank for Reconstruction and Development
ERU	Emission Reduction Unit
ET	Emission Trading
FAO	Food and Agricultural Organization
FIP	Forest Investment Program
GBI	GEF Benefits Index
GCI	General Capital Increase
GDPI	Gross Domestic Product Index
GEF	Global Environment Facility
GHG	Green House Gas
GNI	Gross National Income
GPI	GEF Performance Index
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
JI	Joint Implementation
LAC	Latin America and the Caribbean
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
LULUCF	Land Use, Land Use-Change and Forestry
MDB	Multilateral Development Bank
MIE	Multilateral Implementing Entity
NIE	National Implementing Entity
NGO	Non-Governmental Organization
ODA	Official Development Assistance
ODS	Ozone Depleting Substance
PIF	Project Identification Form
POP	Persistent Organic Pollutant
PPCR	Pilot Program for Climate Resilience
RAF	Resource Allocation Framework

RDB	Regional Development Bank
RE/EE	Renewable Energy and Energy Efficiency
REDD	Reducing Emissions and Deforestation and Forest Degradation
RMU	Removal Unit
SCCF	Special Climate Change Fund
SCF	Strategic Climate Fund
SECCI	Sustainable Energy and Climate Change Initiative
SREP	Scaling Up Renewable Energy Program in Low Income Countries
STAP	Scientific and Technical Advisory Panel
STAR	System for Transparent Allocation of Resources
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNWFP	United Nations World Food Programme
WB	World Bank
WBG	World Bank Group

1. Introduction

There are several climate change funds for Latin America and the Caribbean (LAC) countries. Some of them, such as the Global Environment Facility (GEF) and the Climate Investment Fund (CIF), were established worldwide, while others such as the Sustainable Energy and Climate Change Initiative (SECCI) Funds and other technical cooperation funds are directly provided by the Inter-American Development Bank (IDB). The IDB, the Multilateral Development Bank (MDB) in this region, has played a role both as an agency (a broker) and as a direct provider of these climate change funds.

The internationally-operated climate change funds in which the IDB acts as an agent are largely divided into two categories: the GEF and the CIF. The GEF was established in 1991 within the World Bank (WB) to improve the global environment and to elevate environmentally sustainable development. In 1994, the GEF was restructured and became an independent financial organization in the WB system.[1] As the biggest funder in the world to address these environmental issues, the GEF has been providing grants to transition economies as well as developing countries for projects related to these issues.[2] Furthermore, the GEF also serves as the financial mechanism for international conventions.[3] The GEF currently administers the GEF Trust Fund and provides secretariat services or acts as the operating entity for the SCCF/LDCF, Adaptation Fund and Earth Fund.

Meanwhile, the CIF, established in July 2008, supports developing countries' shift to climate-resilient developments that minimize greenhouse gas (GHG) emissions under the United Nations Framework Convention on Climate Change (UNFCCC) deliberations.[4] However, the CIF was born as an interim measure designed for the MDBs to cover an immediate financing gap. Therefore, the CIF has sunset clauses aligned to the future agreement of the climate change regime. The MDBs are actively involved in the CIF projects that enhance developing countries'

[1] However, the WB has played a key role in the GEF by providing administrative services as well as serving as the Trustee of the GEF Trust Fund and an implementing agency.

[2] As of December 31, 2010, the GEF has provided $9.2 billon of grants, triggering $40 billion in co-financing for more than 2,700 projects in more than 165 countries. In addition, the GEF has allocated $495 million to more than 12,000 small-sized projects directly to nongovernmental and community organizations (www.thegef.org).

[3] These conventions include the UN Convention on Biological Diversity, the UN Framework Convention on Climate Change, the Vienna Convention on Ozone Layer Depleting Substances, Stockholm Convention on Persistent Organic Pollutants and the UN Convention to Combat Desertification.

[4] The Bali Action Plan (2007) states "the Conference of the Parties decides to launch a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012."

access to innovative financing through each MDB's comparative advantages and its strong development policy connections with these countries.[5] The CIF is comprised of two trust funds, the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF).

In contrast, the SECCI Funds directly administered by the IDB were established in 2007 within the IDB. The main purpose of the funds is to promote i) investment in renewable energy and energy efficiency (RE/EE) and bio-fuels in the LAC countries, ii) access to international carbon markets, and iii) climate change adaptation in the region. Specific projects include investment grant projects as well as technical cooperation projects.

In order to improve the activities of the IDB as well as the LAC countries in responding to climate change it is necessary to understand the background, characteristics and performances of the aforementioned funds.[6] It is also desirable to review the IDB's climate change fund activities to make these activities more effective and integrated in the future. Moreover, the IDB recently formulated its integrated strategy for climate change adaptation and mitigation, and for sustainable and renewable energy, to serve as a guide for strengthening the IDB's activities in climate change mitigation and adaptation.

The main objective of this paper is twofold. The first objective is to present an overview of the different funds and their procedures. The second objective is to analyze the performance of these funds, comparing LAC with other regions and comparing the IDB's involvement with that of other agencies. This should shed light on potential further questions as well as areas for improving the bank's presence and activities.

The rest of this paper is organized as follows. Section 2 investigates the basic characteristics, project cycles and procedures of the currently existing climate change funds brokered or directly provided by the IDB. Section 3 undertakes a performance analysis of those funds in relation to the IDB and LAC countries. Finally, Section 4 derives several policy implications and concludes.

[5] The five MDBs including AfDB, ADB, EBRD, IDB, WB and IFC act as agencies for implementing the CIF projects.
[6] Chisari and Galiani (2010) raised the needs to identify the available climate change funds and the IDB's coordinated efforts for easier and more effective access to the funds.

2. Survey of Climate Change Funds Related to the LAC Countries and the IDB

2.1 GEF Trust Fund

The GEF Trust Fund started in 1991 as a US$1 billion pilot program. Since it was restructured in 1994, the fund has been replenished every four years on the basis of donors' commitments.[7] Table 1 shows the amount of replenishment for each period. The current replenishment is expected to increase more than 100 percent from GEF-1 ($2 billion) to GEF-5 ($4.25 billion).

Table 1. Replenished Amount by GEF Replenishment Period

Unit: US$ million

Stage	Period	Replenished amount	Change
GEF-1	July 1, 1994 ~ June 30, 1998	2,000	-
GEF-2	July 1, 1998 ~ June 30, 2002	2,750	750
GEF-3	July 1, 2002 ~ February 6, 2007	3,000	250
GEF-4	February 7, 2007 ~ June 30, 2010	3,135	135
GEF-5	July 1, 2010 ~ June 30, 2015	4,250[1]	1,015

Note: 1) Target replenishment.
Source: GEF/R.5/31/CRP.1, page 1, GEF (2010).

GEF funding has been allocated mainly under its focal area strategies. During the GEF-4 period, there were six focal area strategies: biodiversity, climate change, international waters, land degradation, Ozone Depleting Substances (ODS) and Persistent Organic Pollutants, (POP); and two cross-cutting areas: sound chemicals management and sustainable forest management. Similarly, focal area strategies for the GEF-5 period include biodiversity, climate change, international waters, land degradation, chemicals, sustainable forest management/REDD-Plus, and cross-cutting capacity development. Table 2 summarizes the strategic programs in six focal areas for GEF-4, which is the relevant period of analysis in Section 3 of this paper.

[7] For the GEF-5 replenishment, the following 39 countries have pledged donations: Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Canada, China, Cote d'Ivoire, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, India, Indonesia, Ireland, Italy, Japan, Republic of Korea, Luxembourg, Mexico, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Portugal, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States (www.thegef.org).

Table 2. Strategic Programs in Six Focal Areas for the GEF-4

Focal area	Strategic programs
Biodiversity	• Sustainable financing of protected area (PA) systems at the national level and strengthening terrestrial PA networks • Strengthening the policy and regulatory framework for biodiversity and fostering related markets • Building capacity for bio-safety implementation • Prevention, control and management of invasive alien species
Climate change	• Promoting energy efficiency in residential, commercial and industrial sector • Promoting market approaches for renewable energy • Promoting sustainable energy production from biomass • Promoting sustainable innovative systems for urban transport • Management of land use, land-use change and forestry (LULUCF)
Land degradation	• Supporting sustainable agriculture, and rangeland and forest management • Investing in innovative approaches in sustainable land management (SLM)
International waters	• Restoring and sustaining coastal and marine fish stocks and associated biological diversity • Reducing nutrient over-enrichment and oxygen depletion from land-based pollution of coastal waters • Balancing overuse and conflicting uses of water resources in surface and groundwater basins • Reducing persistent toxic substances and testing adaptive management of waters with melting ice
ODS	• Gradual stopping of HCFC and strengthening of capacities and institutions
POPs	• Strengthening capacity for national implementation plans (NIP) development and implementation • Partnering in investments for NIP implementation • Partnering in the demonstration of feasible, innovative technologies and best practices for POPs reduction

Note: The table was directly extracted and edited from Table 1 on pages 4-5 of the source.
Source: "Focal Area Strategies and Strategic Programming for GEF-4," GEF (2007).

GEF funds were initially allocated on a "first-come, first-served" basis, that is, if a project was proposed and met the proper criteria, then the project was approved for implementation. However, a new way of allocating the funds, the Resource Allocation Framework (RAF), was introduced in 2006. This new allocation strategy was based on both on a country's potential to generate global environmental benefits and its performance.[8] For the GEF-4 period, the RAF covered two of the six focal areas: biodiversity and climate change. It was assessed that this framework strengthened country-driven approach and partnerships with agents, predictability of a recipient country, and transparency in the fund allocations. Thus, for the GEF-5, the resource allocation system—now called the STAR or System for Transparent Allocation of

[8] These two pillars are mirrored in two relevant indexes: the GEF Benefits Index (GBI) and the GEF Performance Index (GPI). The GBI measures a country's potential to generate global environmental benefits in the focal areas, while the GPI measures a country's capacity, policies, and practices related to a successful implementation of the GEF projects (GEF Annual Report 2006-07).

Resources, was upgraded to cover three focal areas: biodiversity, climate change and land degradation. As shown in Table 3, the STAR expanded both its focal areas[9] and allocation indexes.[10] Furthermore, it enhanced a country's ownership and flexibility in the GEF projects by abolishing group allocation[11] and introducing more flexibility[12] for countries with smaller allocations.

Table 3. Comparison between the STAR and the RAF

	RAF (GEF-4)	STAR (GEF-5)
Focal areas covered	BD, CC	BD, CC, LD
Allocation indexes	GBI, GPI	GBI, GPI, GDPI
Flexibility for countries with small allocations	No	Yes
Caps	15% in CC	11% in CC
Floors	None	\$2 million in CC \$1.5 million in BD \$0.5 million in LD
GDP per capita index to favor low income countries	No	Yes
Accounting for countries forested areas in CC allocations	No	Yes
Weights of marine scores in BD	20%	25%
Eligibility to Eastern European countries	Yes	No

Note: The table was directly excerpted and edited from the source.
Source: "System for Transparent Allocation of Resources (STAR)," GEF (2010).

Generally, the GEF agencies have played a key role in approval, execution and supervision of a GEF project. Initially, three institutions were designated as the Implementing Agencies of the GEF funds (UNDP, UNEP, WB). In order to make intensive use of the comparative advantages of each agency, since 1999, the GEF council expanded these opportunities to seven other institutions as Executing Agencies (FAO, IFAD, UNIDO, ADB, AfDB, EBRD, IDB[13]). In 2006, a reform was carried out to provide a level playing field among

[9] The other focal areas such as international waters and POPs were not included because of the limited availability of suitable indicators of global environmental benefits and inadequate data.
[10] In addition to the GBI and GPI, the STAR introduced a new index, the GDPI (Gross Domestic Product Index) in order to increase allocation to countries with low GDP per capita while decreasing allocation to countries with higher GDP per capita.
[11] Every recipient country will have at least U$ 4 million across all three focal areas, which will make it possible for the countries categorized in "groups" under the RAF to individually receive minimum allocation.
[12] Countries below the threshold will be admitted to use their allocations across all and any focal areas. However, at least 90 percent of total funds in biodiversity and climate change are set to be used in these areas.
[13] The IDB became an Executing Agency in 2004.

the GEF agencies.[14] Since then all 10 GEF agencies currently operate based on their comparative advantages under equalized status.

Table 4 shows the GEF assessment of comparative advantages by focal area and type of intervention for each institution. By and large, the GEF considers the World Bank and Regional Development Banks to have comparative advantages in investment activities, whereas the FAO, IFAD, UNDP, UNEP and UNIDO have comparative advantages in capacity-building and technical assistance, and the other types of interventions. Specifically, the IDB has comparative advantages in all focal areas of investment activity, with the exception of ODS.

Table 4. Comparative Advantages of Agencies by Focal Area and Type of Intervention

Focal area	**Intervention Type**		
	Investment	**Capacity building and technical assistance**	**Scientific and technical analysis, assessment, monitoring/tools, standards, and norms**
Biodiversity	ADB, AfDB, EBRD, IDB, WB	FAO, IFAD, UNDP, UNEP, UNIDO	FAO, UNEP, UNIDO
Climate change	ADB, AfDB, EBRD, IDB, IFAD, WB	FAO, IFAD, UNDP, UNEP, UNIDO	FAO, UNEP, UNIDO
Land Degradation	ADB, AfDB, IDB, IFAD, WB	FAO, IFAD, UNDP	FAO, UNEP
International waters	ADB, EBRD, IDB, WB	FAO, UNDP, UNEP, UNIDO	FAO, UNEP
ODS	WB	UNDP, UNEP, UNIDO	UNEP
POPs	WB, ADB, IDB	FAO, UNDP, UNEP, UNIDO	FAO, UNEP

Note: The table was adapted from Annex L on page 48 of the source.
Source: GEF/C.31/5 (2007)

In June 2007, the GEF Council set up fiduciary standards. Table 5 illustrates the status of each agency in meeting those standards by core area as of June 2010. Four agencies (AfDB, EBRD, IDB, WB) have met the new set of standards, while the other six agencies (ADB, IFAD, FAO, UNDP, UNEP, UNIDO) still need further improvements to meet the standards.

[14] The important changes are as follows: i) the seven Executing Agencies can have direct access to GEF funding; ii) the corporate budget of the Implementing Agencies will be abolished, and all GEF Agencies contribute to the corporate activities of the GEF; and iii) all GEF Agencies should focus activities under the GEF within their comparative advantages (GEF/ME/C.30/5, 2006).

Table 5. Status of Each Agency in Meeting Standards by Core Area (as of June 2010)

	ADB	AfDB	EBRD	FAO	IDB	IFAD	UNDP	UNEP	UNIDO	WB
External audit	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes
Control framework	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Financial disclosure	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Code of ethics	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Internal audit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Project appraisal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Procurement	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Monitoring	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Evaluation function	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Investigation function	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Whistleblower hotline	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

Notes: 1) The table was adapted from the "Fiduciary Standards" section of the GEF website.
2) The sign of "Yes" means standards are met, while the sign of "No" means standards are not met.
Source: www.thegef.org

Co-financing includes project resources committed by the GEF agency, governments, other multilateral and bilateral sources, private sectors, civil society organizations and the beneficiary itself, except for any direct GEF funding. Grants, loans, guarantees, cash and in-kind support can be sources of co-financing. The levels of co-financing can impact the selection, design, scale and scope of projects. Therefore, it is important for the agency as well as for the recipient country of a project to maximize the scale of co-financing for a given project (GEF/C.39/Inf.3, 2010).

The GEF project cycle[15] and procedures revised in July, 2007 are summarized as follows. First, a GEF agency and a recipient country[16] work together to set up basic concepts and to prepare a Project Identification Form (PIF),[17] which the GEF agency then submits to the GEF Secretariat. Once the GEF Council approves the project, the GEF agency sends the project

[15] All GEF projects should not exceed 22 months from a PIF approval by the Council to endorsement of the project by the CEO, unless the project requires parliamentary approval in the recipient country.

[16]According to the GEF's "Instrument for the Establishment of the Restructured Global Environment Facility (2008), "a country shall be an eligible recipient of GEF grants if it is eligible to borrow from the World Bank (IBRD and/or IDA) or if it is an eligible recipient of the UNDP technical assistance."

[17] This form comprises focal area strategy and project framework, indicative co-financing, resources requested by agency, focal area and country, project justification including the GEF agency's comparative advantage, and approval/endorsement by the GEF operational and focal point and the GEF agency.

documents to the GEF Secretariat for the CEO's endorsement. The same documents will also be transmitted to the relevant authorities of the GEF agency for internal approval. After endorsement from the GEF CEO and the GEF agency itself, the latter receives the grant from the GEF Trustee (WB) and transfers it to the project, which is executed in the recipient country with the GEF grant and related co-financing. Lastly, the GEF agency completes implementation of the project followed by terminal evaluation and financial closure. The GEF agency must then submit a monitoring report and a final evaluation report to the GEF Secretariat and the GEF Evaluation Office, respectively.

2.2. LDCF/SCCF

The LDCF and the SCCF were both established in 2001 directly under the UNFCCC, whose priority is to assist adaptation to climate change activities in LDCs and developing countries. These funds exactly follow the GEF Trust Fund's policies, procedures and rules in their operations, although the funds have been managed and administered independently from the GEF Trust Fund since 2006. There are, however, several differences between these two funds regarding the main purposes, mandates and areas, and the eligibility of recipient countries and donor countries. For example, the main purpose of the LDCF is to identify and support urgent and immediate concerns and activities of adaptation to climate change, especially in LDCs.[18] The SCCF, on the other hand, was established to finance climate change activities complementary to the focal areas of the GEF trust fund, and to the activities conducted by bilateral and multilateral funding in developing countries. Accordingly, only 48 LDCs can be eligible for the LDCF, while all developing countries that are parties of the UNFCCC can be eligible for the SCCF.

LDCF/SCCF funding had largely been conducted on a project-by-project basis in individual sectors and across regions. However, the LDCF/SCCF were restructured on result-based management framework basis in the use of their resources, focusing on the core sectors closely related to adaptation activities[19] instead of global environmental benefits and focal areas.

[18] According to the UN, a country is classified as an LDC if it meets the following three criteria: low income (three-year average GNI per capita of less than $905), human resource weakness in nutrition, health, education and adult literacy, and economic vulnerability. Currently, most of the 48 LDCs are in Africa (33 countries) and in Asia (9 countries). Haiti is the only LDC in the LAC countries.

[19] The activities in the 2010-2014 fiscal years include agriculture/food security, water resources management, disaster preparedness and risk management, community level adaptation, natural resources management, health and infrastructure for the LDCF, and water resources management, agriculture/land management, infrastructure

2.3. Adaptation Fund

The Adaptation Fund was established in 2007 to finance concrete adaptation projects and programs for developing country parties of the Kyoto Protocol,[20] as those countries are particularly vulnerable to the adverse effects of climate change. The fund can be differentiated from the other climate change funds in several ways, mainly due to direct access for eligible countries and innovative sources of funding. In practice, eligible developing countries have two options in applying for funding: directly through an accredited NIE or by an accredited MIE.[21] The former option is particularly expected to increase opportunities for procuring funds and to strengthen the country ownership of disbursements. Also notable is that the Adaptation Fund is the first fund whose financing consists primarily of international revenue from CDM project activities. Specifically, two percent of the CERs registered under the CDM are taken into the Adaptation Fund, and these certificates are subsequently monetized in the carbon market. The WB, as the trustee for the fund, is responsible for monetization. The AFB, the operating and supervising entity of the fund, consists of 16 members representing Parties of the Kyoto Protocol, reflecting fair and balanced representation among these groups: two from each of the five UN regional groups, one from the small island developing countries, one from the LDC parties, two from the Annex I Parties and two from the non-Annex I Parties. As of January 2011, cumulative receipts have come to $225 million ($138 million from CER sales and $87 million from donors and other sources), and $12.63 million have been disbursed to adaptation projects. It is expected

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development, fragile ecosystems, integrated coastal zone management, health, disaster risk management and cross-cutting issues for the SCCF (GEF, 2011).

[20] The Kyoto Protocol, adopted in 1997 and took effect in 2005, is an international agreement linked to the UNFCCC in order for industrialized countries to reduce their GHG emissions. The Treaty requires for countries to meet their emission targets through market-based mechanisms as well as national measures. These mechanisms are Emissions Trading (ET), Clean Development Mechanism (CDM) and Joint Implementation (JI); i) The ET in Article 17 allows countries that have spared units of emission and the other units such as removal units (RMU) from LULUCF, emission reduction units (ERU) from a JI project and certified emission reduction (CER) from a CDM project to sell these excessive units to countries that are over their targets. ii) The CDM in Article 12 allows a country with an emission reduction or emission limitation commitment under the Kyoto Protocol to count the CER credits from emission reduction projects in developing countries as a part of Kyoto targets. iii) The JI in Article 6 allows a country with an emission reduction or emission limitation commitment (Annex I Party) under the Kyoto Protocol to count the ERUs from emission reduction projects in another Annex I Party as a part of Kyoto targets (Kyoto Protocol to the UNFCCC, 1998; http://unfccc.int/kyoto_protocol) .

[21] The NIE is a national legal entity satisfying the fiduciary standards by the AFB and nominated by each eligible country. This entity will be in charge of overall management, financing, monitoring and reporting of projects and programs of the Adaptation Fund. Meanwhile, the MIE is a multilateral institution or regional development bank satisfying the fiduciary standards by the AFB, and the responsibilities are the same as the NIE (*The Handbook of Adaptation Fund*, 2011).

that the total amount of available resources will be between $250~350 million by 2012, which will partly depend on the carbon prices in the market.

The processing of projects is summarized as follows: proposal submission to the Secretariat, screening by the Secretariat, review by the project and program review committee, decision-making by the AFB, contracting by the AFB and disbursement of funds by the trustee and project implementation and monitoring by the implementing entity.

2.4. Earth Fund

The Earth Fund was approved by the GEF's CEO in 2008 as a pilot project in order to catalyze private sector engagement in the activities of the GEF.[22] The primary mandate of the fund is to mobilize capital for innovative projects, technologies and business models to foster environmentally sound and sustainable economic development. The fund has a form of umbrella framework, whose program is comprised of a platform and individual projects[23] within the platform. GEF agencies, NGOs and foundations meeting the GEF fiduciary standards are eligible to be platform-managing agencies, which propose platforms as well as implement, monitor and evaluate activities for platforms and related individual projects. The Earth Fund's governing body is the GEF Council, while the GEF Earth Fund Board provides strategic guidance and support, and the GEF Secretariat acts as Secretariat of the Fund. On the other hand, the IFC is the trustee of the fund and allocates resources to endorsed platforms according to instructions from the Council and the GEF's CEO. The Earth Fund's financing is derived from a variety of sources including GEF allocations and GEF Earth Fund sponsors' contributions at the GEF Earth Fund level, as well as contributions from platform-managing agencies and others within the platform. In all cases, each platform should have the minimum required co-financing ratio of 1:3 between GEF funding and other funding. The Earth Fund additionally employs non-grant instruments such as loans, guarantees, equity and other types of investments as well as grant funding for technical assistance, capacity building, implementation costs and knowledge management.

Under the GEF-4 framework, $50 million from the GEF Trust Fund were capitalized to the Earth Fund and approved for five Earth Fund platforms. Under the GEF-5 framework, $80

[22] The Earth Fund was renamed from the "GEF Public-Private Partnership Initiative (PPP)" approved by the GEF Council in May 2007.
[23] These projects are approved through endorsed operational procedures submitted to the Council with each platform proposal by a relevant platform managing agency.

million from the GEF Trust Fund were allocated to the Earth Fund for its recapitalization, which will assist eight platforms at an average of $10 million each.[24]

2.5. CTF

The CTF was approved in July 2008 to provide developing countries with scaled-up financing to promote demonstration, deployment and transfer of low-carbon technologies. Investment areas include the power sector, transportation, and energy efficiency in buildings, industry and agriculture. The recipient countries must be eligible for ODA, and an MDB should have a lending program and/or an on-going policy dialogue with the country. The governance structure of the CTF consists of a CTF Trust Fund Committee, an MDB Committee, an Administrative Unit and a Trustee (WB). The instruments of financing can be grants, concessional loans, guarantees and equity with significant co-financing from the private sector, MDBs and other sources. By September 30, 2010, the contributions pledged from eight countries come to $4.4 billion, and 13 Investment Plans were approved. In general, the MDBs play key roles in preparing, implementing and monitoring Investment Plans and individual projects of the CTF.

2.6. SCF

The SCF, also approved in July 2008, was designed to finance new pilot development approaches and scaled-up activities in addressing specific climate change issues or sector responses. The SCF operates through three targeted programs: i) FIP, ii) PPCR and iii) SREP. The FIP supports developing countries' activities on reducing emissions from deforestation and forest degradation, and promoting sustainable forest management. The PPCR for its part provides an opportunity for developing countries to incorporate climate risk and resilience into their core development planning strategy. In addition, the SREP finances renewable energy sectors such as solar, wind, bio-energy, geothermal and small hydro technologies. The country eligibility and instruments of financing of these programs are exactly same as those of the CTF, and the governance structure is also similar to that of the CTF except for the existence of an additional Sub-Committee for each program. By September 30, 2010, the total contributions pledged to these three programs under the SCF reached $1.8 billion, and 24 projects were approved. The project cycle of these three programs mostly follows the procedures of the CTF,

[24] Funding for individual platforms ranges from $5 million to $15 million.

except that the SCF Sub-Committee conducts the roles such as approval, financing and monitoring in place of the SCF Trust Fund Committee.

2.7. SECCI Funds

The SECCI Funds were established by the IDB in March 2007[25] in an initiative made up of four strategic pillars: renewable energy and energy efficiency, sustainable bio-fuel development, access to carbon markets and adaptation to climate change.[26] Eligible projects include investment grant projects as well as technical cooperation projects, and recipient entities may include national and sub-national government organizations, public and private corporations, private project developers, NGOs, and academic and research institutions in the region.

Funding resources consist of both the IDB (SECCI IDB Fund) and international donor countries such as Finland, Germany, Italy, Japan, Spain and United Kingdom (SECCI Multi-Donor Fund). In specific, the IDB contributed the amount of $20 million from its Ordinary Capital for three fiscal years (2007-2009), and the additional replenishment of $40 million was proposed for a period of three years until the beginning of 2012. The pledged amount of SECCI Multi-Donor Fund as of December 15, 2010 was a total of $27 million, and at least $30 million was proposed for the three years (SECCI Annual Report, 2009). The governance structure of SECCI Funds is basically similar to that of other IDB-managed facilities. The SECCI Eligibility Committee was established at the end of 2008 to review and approve proposals for the SECCI Funds, consisting of the particular Country Representative and the corresponding Department staff at the IDB. By the end of 2010, December 31, 110 projects were approved with grants of $58.7 million from both the SECCI IDB Fund and the SECCI Multi-Donor Fund.

The SECCI unit also plays a role as focal point and liaison to the Climate Investment Funds (CIF). That is, the CIF projects for the LAC countries leverage IDB resources through the SECCI Funds. This aims at maximizing uses of the IDB's skills and instruments for low-carbon economies and integrating climate resilience into development plans and sector policies in the LAC region. The project cycle and procedure of the funds follow the IDB's policies and procedures applied to regular technical cooperation operations.

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[25] The SECCI is an IDB wide initiative, which complements the IDB's existing efforts in energy (GN-2435-1, 2007).
[26] According to an IDB source, the SECCI Unit at the IDB uses the 10 strategic area classifications instead of phasing out the use of the four pillar classifications.

3. Performance Analysis

For the performance analysis of climate change funds, we used the analysis periods and data sources shown in Table 6. We did not conduct a performance analysis for the SCF, however, because the three related programs (FIP, PPCR, SREP) are in a pilot stage.[27] LAC countries were classified into two and four-country groups according to geographical location and size of economy, respectively, in order to identify whether each country group displays particular characteristics. Table 7 shows the classification of the country groups in LAC.

Table 6. Analysis Period and Data Source of Climate Change Funds

Fund name	Analysis Period	Data source
GEF Trust Fund	February 2007 – June 2010 (GEF-4 period)	GEF database
LDCF/SCCF	April 2003 – March 2010	GEF database
Adaptation Fund	September 2010 – December 2010	GEF database
Earth Fund	February 2007 – June 2010 (GEF-4 period)	GEF database
CTF	July 2008 – September 2010	2010 Annual Report (CIF, 2011)
SECCI Funds	December 2007 – December 2010	IDB database

Table 7. Classification of the Country Groups in LAC

Criterion	Group	Country
Geographical location[1]	Andean Group	Bolivia, Colombia, Ecuador, Peru, Venezuela (5)
	Caribbean	Bahamas, Barbados, Guyana, Haiti, Jamaica, Suriname, Trinidad and Tobago (7)
	Central America	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Mexico, Panama, Dominican Republic (9)
	Southern Cone	Argentina, Brazil, Chile, Paraguay, Uruguay (5)
Size of economy[2]	Large Economy	Brazil, Mexico, Argentina, Venezuela, Colombia, Chile, Peru (7)
	Small Economy	Ecuador, Dominican Republic, Guatemala, Uruguay, Costa Rica, Trinidad and Tobago, Panama, El Salvador, Bolivia, Paraguay, Jamaica, Honduras, Bahamas, Haiti, Nicaragua, Barbados, Suriname, Belize, Guyana (19)

Notes: 1) This criterion is based on classification of the Country Departments at the IDB.
2) The size of economy is derived from the IDB's borrowing member groupings (Large Economy: Groups A and B, Small Economy: Groups C and D)

Sources: "Report on the Ninth General Increase in the Resources of the Inter-American Development Bank (AB-2764)," IDB (2010); IDB Website (http://www.iadb.org)

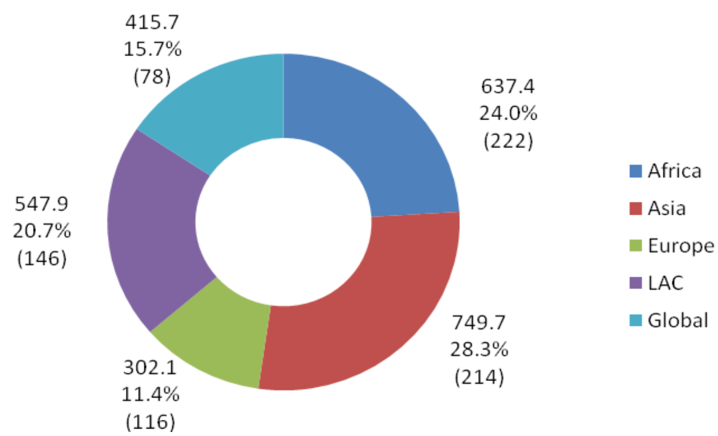
[27] According to the March 2011 IDB document "Implementation of the SECCI Funds at the IDB," as of December 2010 $320 million had been disbursed from the SCF. The recipients consisted of three countries (Peru, $50 million; Mexico, $60 million; Brazil, $70 million) for the FIP; three countries and one region (Bolivia, $50 million; Jamaica, $15 million; Haiti, $20 million; Caribbean region, $75 million) for PPCR, and one country (Honduras, $30 million) for SREP.

3.1 GEF Trust Fund

During the GEF-4 period (February 7, 2007–June 30, 2010), the GEF Trust Fund approved grants totaling $2.7 billion for 776 projects. As shown in Figure 1, LAC accounted for 20.7 percent, after Asia (28.3 percent) and Africa (24.0 percent). Global projects across several regions accounted for 15.7 percent.

Figure 1. Allocations of GEF Trust Funds (Grant) by Region

Unit: $ million



Notes: 1) Each region was broken down by the WB's "classification of economies by region," in which "Europe" stands for "Europe and Central Asia".
2) Regional projects were reclassified to each region and "Global" according to the range of recipient countries.
3) In parentheses number of projects

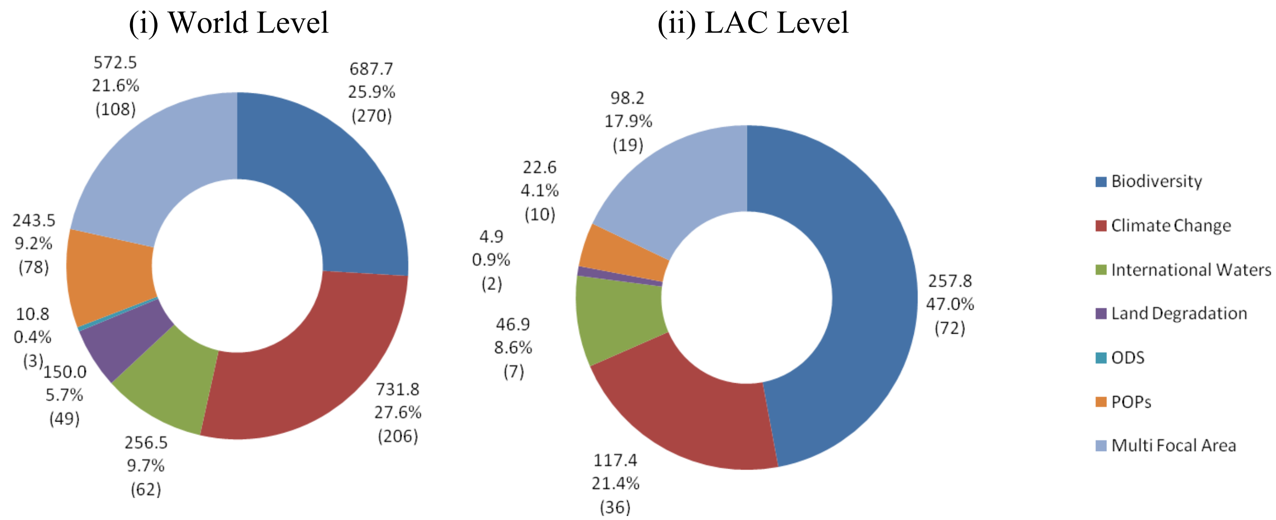
Source: GEF database

According to Figure 2, the "Climate Change" focal area showed the highest weight (27.6 percent) at the world level, while "Biodiversity" had the highest weight (47.0 percent) in LAC, reflecting its regional characteristics. It is noticeable that the weight in LAC (0.9 percent) is much smaller than the global scales (5.7 percent) in the "Land Degradation" focal area, considering the importance[28] of land and forest management in the LAC region. As shown in Figure 3, the relative shares of each focal area by region may vary according to regions' geographical characteristics. For example, "Climate Change" accounted for the highest portion in Asia and Europe, while "Biodiversity" did in Africa and LAC.

[28] It was estimated that the LULUCF sector generates 47 percent of the total GHG emissions in LAC (World Resources Institute, 2009).

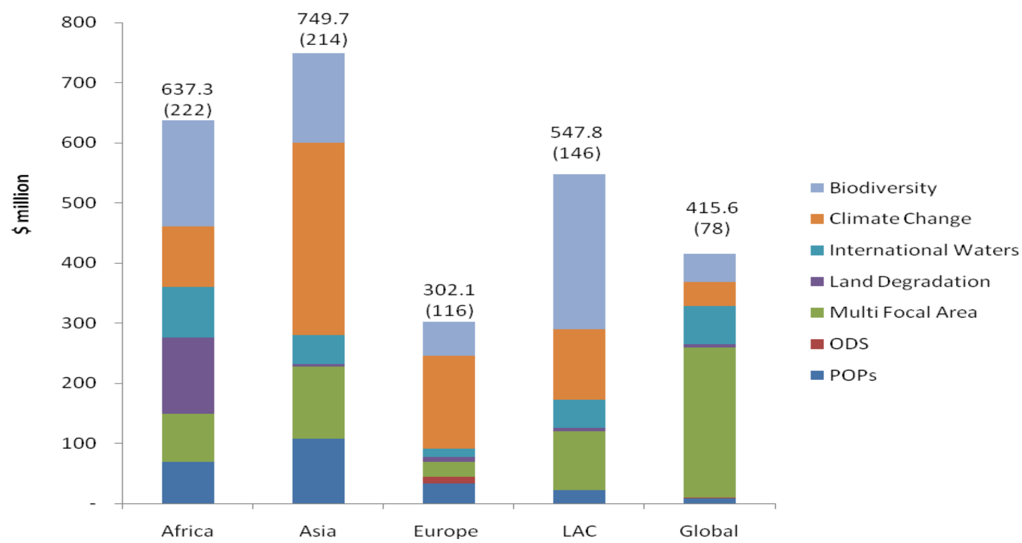
Figure 2. Allocations of the GEF Trust Funds (Grant) by Focal Area

Unit: $ million



Notes: 1) The focal areas are based on those for GEF-4.
2) In parentheses number of projects.
Source: GEF database.

Figure 3. Allocations of the GEF Trust Funds (Grant) by Region and Focal Area

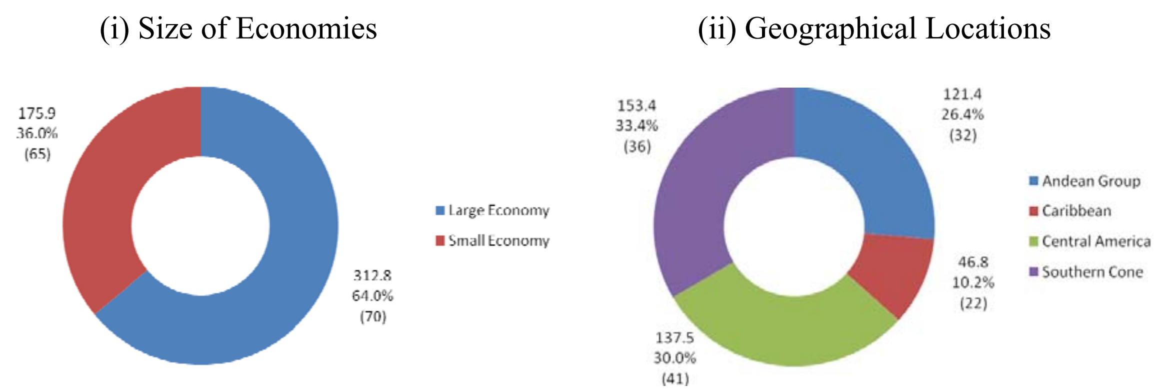


Notes: 1) The focal areas are based on those for GEF-4.
2) In parentheses number of projects
Source: GEF database

Within the LAC region, the large economies (Brazil, Mexico, Argentina, Venezuela, Colombia, Chile and Peru) received 64 percent of the GEF grants. In geographical terms, the "Southern Cone" region, including three large-sized countries (Brazil, Argentina and Chile) accounted for the highest composition (33.4 percent), while "Caribbean" accounted for the lowest composition (10.2 percent). Figure 5 shows allocations of the GEF grants by country in LAC. Three countries (Brazil, Mexico and Colombia) have received over 50 percent of the total grants for the LAC countries.

Figure 4. Allocations of the GEF Trust Funds (Grant) by Country Group in LAC

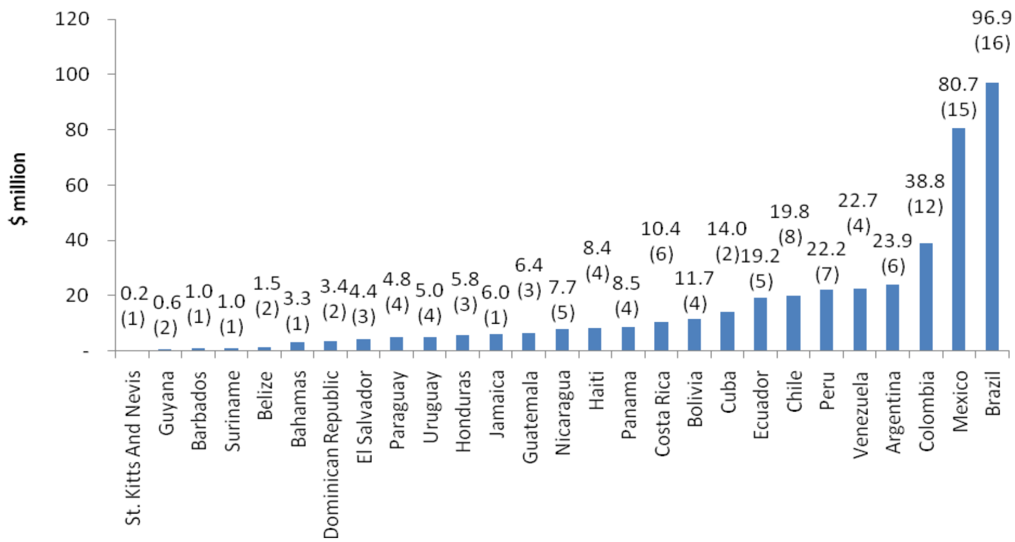
Unit: $ million



Notes: 1) The large economy classification consists of countries belonging to Groups A and B of the IDB's borrowing members, which have a GDP higher than $127 billion, and the small economy classification consists of countries belonging to Groups C and D, which have a GDP lower than $55 billion.
2) The geographical locations follow the IDB's categories.
3) Some regional projects which cannot be classified to one economy were excluded in calculating the size of economies, and some regional projects which cannot be sorted into one geographical location were also excluded in calculating geographical locations.
4) In parentheses number of projects

Source: GEF database.

Figure 5. Allocations of the GEF Trust Funds (Grant) by Country in LAC



Notes: 1) All regional projects in LAC which cannot be assigned to one country were excluded.
2) Parentheses represent the number of projects

Source: GEF database.

Table 8 shows the ratio of grants to co-financing related to GEF-funded projects by region. On the whole, $1 million of the GEF grants generated an additional $5.6 million of co-financing by a variety of sources including the private sector. However, the LAC region was ranked the second lowest, with a ratio of 4.5, behind Asia (8.2) and Africa (6.4), but similar to Europe (4.3).

Table 8. Ratio of the GEF Trust Funds (Grant) to Co-Financing by Region

Region	Grant (A, $ million)	Co-financing (B, $ million)	B/A
Africa	637.4	4,087.4	6.4
Asia	749.7	6,163.8	8.2
Europe	302.1	1,292.5	4.3
LAC	547.9	2,474.0	4.5
Global	415.7	880.3	2.1
Total	2,652.8	14,898.1	5.6

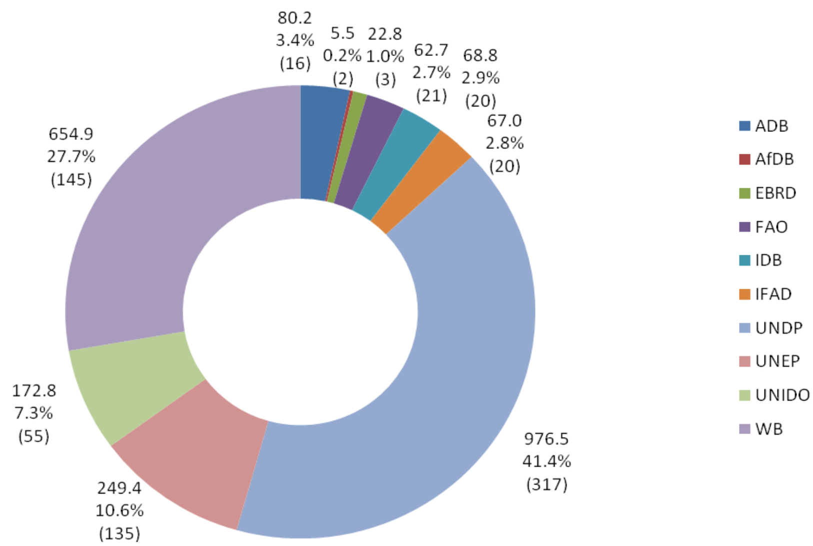
Notes: 1) The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."
2) Regional projects were reclassified to each region and "Global" according to the range of recipient countries.

Source: GEF database.

The following figures and table show each agency's performance in relation to GEF projects. As shown in Figure 6, three agencies—the UNDP (41.4 percent), WB (27.7 percent) and UNEP (10.6 percent)—accounted for approximately 80 percent of the total allocations by agency. RDBs, on the other hand, accounted for only 6.5 percent of the total. Among these agencies, the ADB (3.4 percent) and IDB (2.9 percent) have larger shares than the AfDB (0.2 percent) and EBRD (1.0 percent).

Figure 6. Allocations of GEF Trust Funds (Grant) by Agency

Unit: $ million

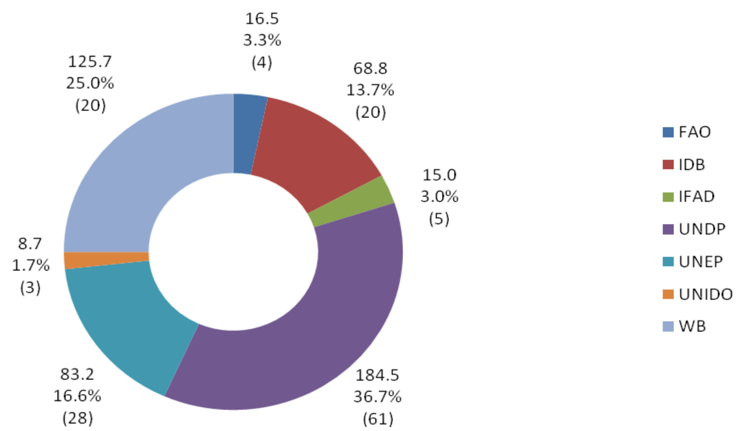


Notes: 1) Joint projects ($289.3 million, 22 projects) involving more than two agencies were excluded.
2) Number of projects in parentheses.
Source: GEF database.

Figure 7 illustrates the approved allocations of GEF grants by agency in the LAC region. As in the worldwide case, the three global agencies mentioned above accounted for a high proportion of the total 78.3 percent (UNDP, 36.7 percent; WB, 25.0 percent; UNEP, 16.6 percent). The IDB's share of 13.7 percent is much higher than its 2.9 percent at the world level. This difference notwithstanding, the IDB's share seems low in light of its position as the LAC region's only RDB and its status and activities in this area. In addition, the IDB implemented only three joint projects with the UNDP, UNEP and WB, respectively, and the approved amount of grants was $14.8 million in the LAC region.

Figure 7. Allocations of GEF Trust Funds (Grant) by Agency in LAC

Unit: $ million



Notes: 1) Joint projects ($45.5 million, 5 projects) involving more than two agencies were excluded.
2) Number of projects in parentheses.
Source: GEF database.

Table 9 presents the ratio of grants to co-financing related to GEF-funded projects by agency. On average, $1 million in GEF grant funding generated an additional $5.7 million of co-financing by a variety of sources including the private sector. Among projects by agency, ADB-implemented projects generated the highest additional co-financing, 19.1 times the original GEF grants. Among RDBs, IDB-related projects displayed the lowest ratio of grants to co-financing (6.1), trailing the EBRD (9.9) and AfDB (8.3).

Table 9. Ratio of GEF Trust Funds (Grant) to Co-financing by Agency

Agency	Grant (A, $ million)	Co-financing (B, $ million)	B/A
ADB	80.2	1,530.0	19.1
AfDB	5.5	45.8	8.3
EBRD	22.8	226.2	9.9
FAO	62.7	152.1	2.4
IDB	68.8	422.4	6.1
IFAD	67.0	269.5	4.0
UNDP	976.5	3,266.7	3.3
UNEP	249.4	508.7	2.0
UNIDO	172.8	535.8	3.1
WB	654.9	6,562.1	10.0
Total	2,360.5	13,519.3	5.7

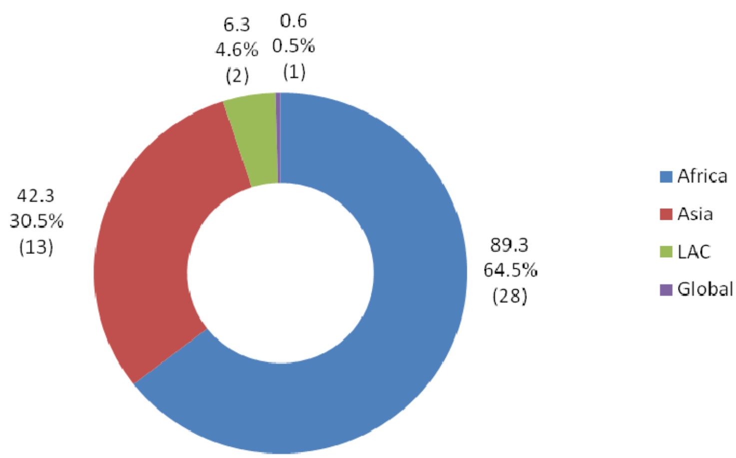
Note: Joint projects ($289.3 million, 22 projects) that more than two agencies involved were excluded.
Source: GEF database.

3.2. LDCF/SCCF

As of March 2011 the LDCF had allocated a total of $138.6 million (44 projects), generating additional co-financing of $278.7 million. By region, Africa and Asia accounted for more than 90 percent of total grants, mainly because most of LDCs are located in those areas, as shown in Figure 8. Haiti, the only LDC in the LAC region, received $6.3 million in grants for two projects. Figure 9 shows allocations of LDCF grants by agency, of which WB-implemented projects accounted for more than 60 percent.

Figure 8. Allocations of the LDCF (Grant) by Region

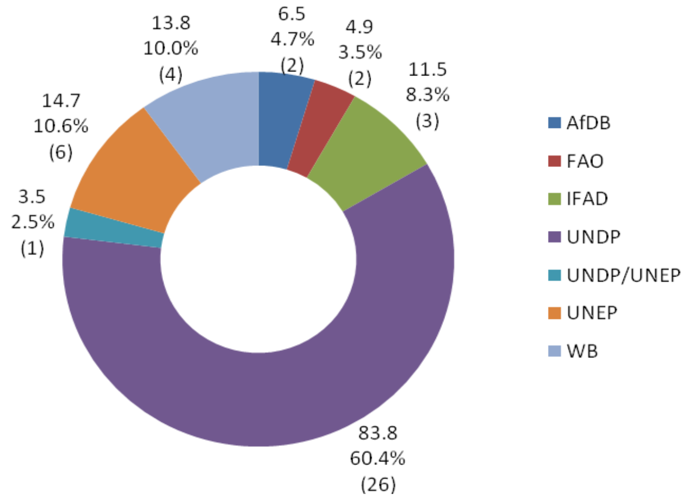
Unit: $ million



Notes: 1) The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."
2) Number of projects in parentheses.
Source: GEF database.

Figure 9. Allocations of the LDCF (Grant) by Agency

Unit: $ million

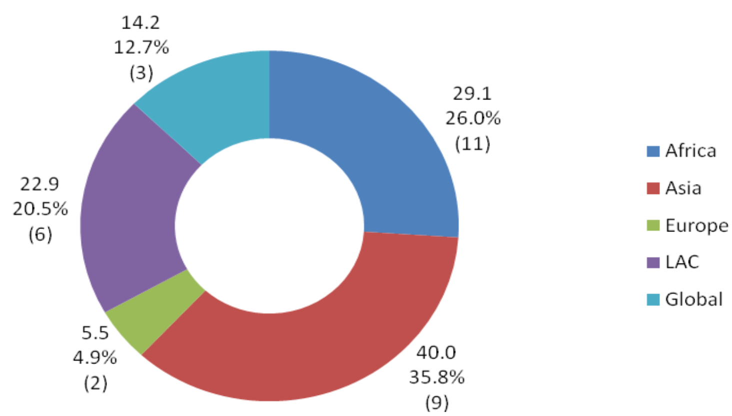


Note: Number of projects in parentheses.
Source: GEF database.

As of March 2011, 31 projects were approved under the SCCF, with grants of $111.7 million. By region, Asia, Africa and LAC accounted for 35.8 percent, 26.0 percent and 20.5 percent, respectively, as shown in Figure 10.

Figure 10. Allocations of the SCCF (Grant) by Region

Unit: $ million



Notes: 1) The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."
2) Number of projects in parentheses.
Source: GEF database.

Table 10 shows the ratio of grants to co-financing under the SCCF projects by region. In total, $1 million of the SCCF grant generated additional $6.4 million of co-financing by other sources including private sectors. However, LAC was ranked lowest with a ratio of 3.2, compared to Asia (9.3), Africa (7.3) and Europe (5.5).

Table 10. Ratio of the SCCF (Grant) to Co-Financing by Region

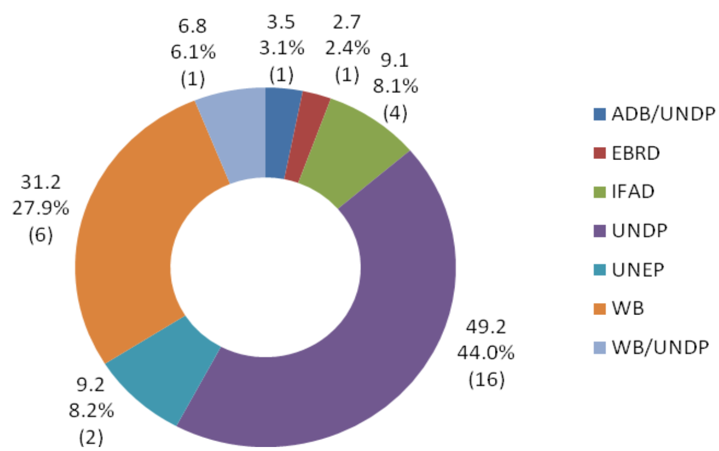
Region	Grant (A, $ million)	Co-financing (B, $ million)	B/A
Africa	29.1	213.0	7.3
Asia	40.0	371.0	9.3
Europe	5.5	30.3	5.5
LAC	22.9	74.1	3.2
Global	14.2	22.7	1.6
Total	111.7	711.1	6.4

Note: The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."
Source: GEF database.

The UNDP and WB jointly accounted for more than 70 percent of total allocations by agency, as shown in Figure 11. Even though there 11 SCCF projects in Africa and six in LAC, the AfDB and IDB implemented no project as an agency either in their regions or at the world level.

Figure 11. Allocations of the SCCF (Grant) by Agency

Unit: $ million



Note: Number of projects in parentheses.
Source: GEF database.

3.3. Adaptation Fund

As shown in Table 11, as of December 31, 2010 the Adaptation Fund approved 13 projects ($76.8 million) in 13 developing countries. Funding for LAC countries (Honduras, Nicaragua, Ecuador, El Salvador, Guatemala) was $29.4 million, accounting for 38.3 percent of the total funding.

Table 11. Projects Approved by the Adaptation Fund as of December 31, 2010

Country	Project title	Implementing Entity	Amount approved ($ millions)
Senegal	Adaptation to coastal erosion in vulnerable areas	Centre de Suivi Ecologique	8.6
Honduras	Addressing climate change risks to water resources in Honduras: Increased systemic resilience and reduced vulnerability of the urban poor	UNDP	5.6
Nicaragua	Reduction of risks and vulnerability based on flooding and droughts in the Estero Real Watershed	UNDP	5.5
Pakistan	Reducing risks and vulnerabilities from glacier lake outburst floods in Northern Pakistan	UNDP	3.9
Cook Islands	Enhancing resilience of communities of Cook Islands through integrated climate change adaptation and disaster risk management measures	UNDP	5.0
Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	UNWFP	7.4
El Salvador	Promoting climate change resilient infrastructure development in the San Salvador Metropolitan Area	UNDP	5.4
Georgia	Developing climate resilient flood and flash flood management practices to protect vulnerable communities in Georgia	UNDP	5.3
Guatemala	Climate change-resilient productive landscapes and socio-economic networks advanced in Guatemala	UNDP	5.5
Madagascar	Promoting climate resilience in the rice sector	UNDP	4.5
Maldives	Increasing climate resilience through an integrated water resource management program in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	9.0
Mongolia	Ecosystem-based adaptation approach to maintaining water security in critical water catchments in Mongolia	UNDP	5.5
Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	5.5
Total	-	-	76.8

Source: GEF database.

By Implementing Entity, 11 of 13 projects were implemented by the UNDP; the exceptions were two projects in Senegal and Ecuador. This implies that the IDB, as an MIE of the fund, may need to become involved in the projects independently through close cooperation with the eligible countries or jointly with the UNDP so as to utilize its experiences.

3.4. Earth Fund

During the GEF-4 period, five Earth Fund platforms were approved with financing of $50 million from the GEF Trust Fund, as shown in Table 12. As the private sector arm of the WBG, the IFC accounted for 60 percent ($30 million) of the total funding, showing its leading role in the fund. Working jointly with the Nature Conservancy,[29] is the only institution implementing a platform. The platform was designed to replicate and improve the model for public-private watershed conservation across the LAC region in countries including, among others, Colombia, Ecuador, and Peru. The actual financing of the platform comes to $6 million, $5 million from the Earth Fund and $1 million from the Nature Conservancy.[30]

Table 12. Approved Platforms of the Adaptation Fund during GEF-4

Platform title	Agency	Amount approved ($ millions)	Year approved
IFC Earth Fund platform	IFC	30	2008
Global market transformation for efficient lighting	UNEP	5	2009
Conservation agreement private partnership platform	WB/Conservation International	5	2009
Greening the cocoa industry	UNEP/Rainforest Alliance	5	2010
Regional platform for water resource management	IDB/Nature Conservancy	5	2010
Total	-	50	-

Source: GEF/R.5/31/CRP.1 (2010).

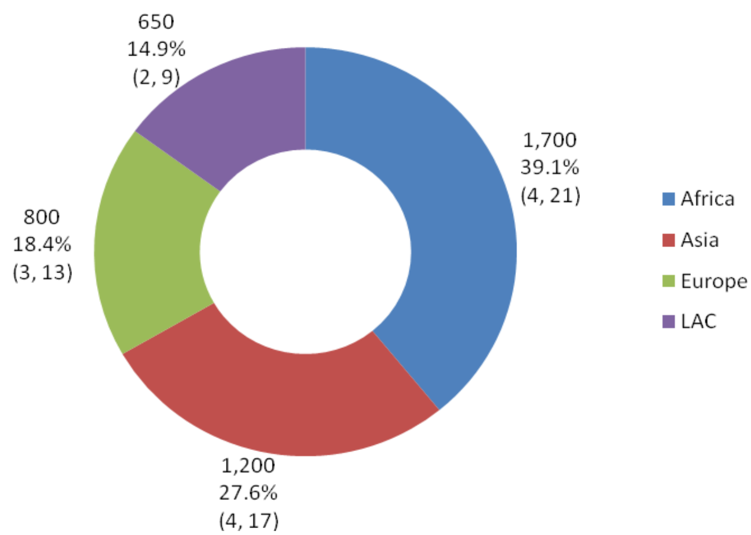
[29] The Nature Conservancy, founded in 1951, is a worldwide nonprofit organization to address threats to conservation related to climate change, fresh water, oceans and lands for nature and people. Currently, the organization works in more than 30 countries as well as all 50 states in the US (www.nature.org).
[30] See the IDB's document titled in "Regional Platform for Water Resource Management (RG-G1001): Non-Reimbursable Financing Proposal," approved by the Board of Executive Directors as January 19, 2011.

3.5. CTF

As of September 30, 2010, $4.35 billion of the CTF amount for 13 Investment Plans and the corresponding projects were approved in 12 countries and in the Middle East and North Africa region, as shown in Figure 12. By region, LAC accounted for the smallest distribution of 14.9 percent of the total endorsement following Africa (39.1 percent), Asia (27.6 percent) and Europe (18.4 percent).

Figure 12. Endorsed Investment Plans and Projects under the CTF by Region

Unit: $ million



Notes: 1) The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."
2) Each parenthesis represents the number of Investment Plans and corresponding projects, respectively.
Source: 2010 Annual Report, CIF (2011).

Table 13 shows endorsed Investment Plans and related projects, including the scale of expected co-financing by region as well as country. In total, $1 million of the CTF amount is expected to create additional $8.0 million of co-financing by other sources. In contrast to LAC's experience with other funds such as the GEF and SCCF, the region had the highest co-financing ratio (12.7), followed by Asia (10.3), Europe (6.1) and Africa (5.4).

Table 13. Endorsed Investment Plans and Projects under the CTF

Region	Country endorsed Investment Plan	Involved MDBs	Number of projects	CTF amount (A, $ million)	Expected co-financing (B, $ million)	B/A
Africa	Egypt	AfDB, IBRD	3	300	1,551	5.2
	Middle East and North Africa Region	AfDB, IBRD, IFC	10	750	3,989	5.3
	Morocco	AfDB, IBRD, IFC	3	150	2,100	14.0
	South Africa	AfDB, IBRD, IFC	5	500	1,465	2.9
Subtotal			21	1,700	9,105	5.4
Asia	Indonesia	ADB, IBRD, IFC	2	400	2,711	6.8
	Philippines	ADB, IBRD, IFC	5	250	2,310	9.2
	Thailand	IBRD, IFC	5	300	4,016	13.4
	Vietnam	ADB, IBRD, IFC	5	250	3,380	13.5
Subtotal			17	1,200	12,417	10.3
Europe	Kazakhstan	EBRD, IFC	3	200	810	4.1
	Turkey	EBRD, IBRD, IFC	5	250	2,020	8.1
	Ukraine	EBRD, IBRD, IFC	5	350	2,040	5.8
Subtotal			13	800	4,870	6.1
LAC	Colombia	IBRD, IDB, IFC	2	150	2,865	19.1
	Mexico	IBRD, IDB, IFC	7	500	5,361	10.7
Subtotal			9	650	8,226	12.7
Total			111	4,350	34,618	8.0

Note: The WB's "classification of economies by region" was used, in which "Europe" stands for "Europe and Central Asia."

Source: 2010 Annual Report, CIF (2011).

3.6. SECCI Funds

The SECCI Funds from the two different sources, the SECCI IDB Fund and the SECCI Multi-Donor Fund, approved $58.7 million (110 projects) as of December 31, 2010. Figure 13 represents allocations of the SECCI Funds by year and by strategic area.[31] Although only $1.2

[31] The strategic areas in this paper were reclassified by authors for convenience of analyses and comparison with other funds from 10 to 7 areas; climate change mitigation finance (1 area) → access to carbon market, climate change vulnerability and adaptation, climate change policy and institutions (2 areas) → adaptation to climate change, bio-energy(1 area) → bio-fuel, energy efficiency, rural electrification with renewable energy, renewable energy, sustainable energy policy and institutions (4 areas) → RE/EE, reduced emissions from deforestation and forest degradation (1 area) → REDD, sustainable transport (1 area) → sustainable transport, and TFA (1 area) → TFA.

million (two projects) was approved in 2007, the dollar amount and number of projects have steadily increased, reaching $22.6 million for 41 projects in 2010. Classified by strategic areas, funding for activities of adaptation to climate change, sustainable transport and access to carbon market greatly increased from 2009 to 2010. Meanwhile, the scale of grants to biofuel and REDD sectors decreased in 2010.

Figure 13. Allocations of the SECCI Funds by Year and Strategic Area

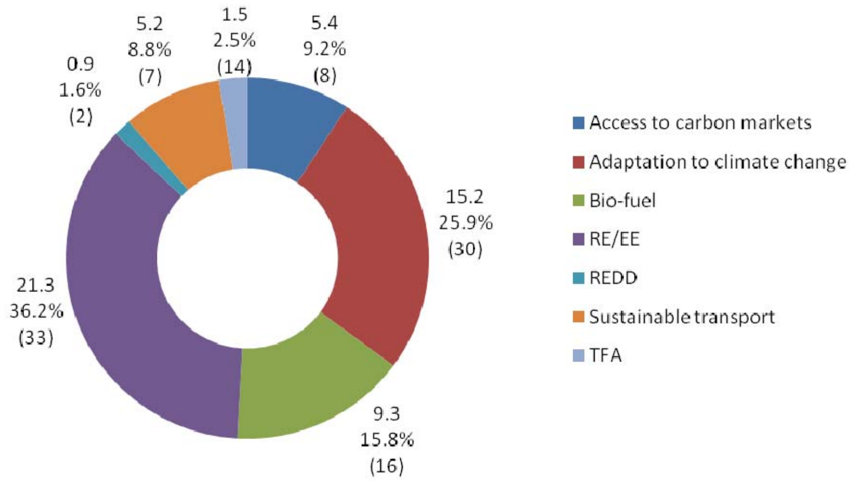
Notes: 1) The area of bio-fuel categorizes projects with solid bio-energy including bagasse as well as liquid bio-fuels.
2) TFA stands for "Trust Fund Appointees," which includes payment to consultants from the SECCI Funds both at headquarters and at country offices within the IDB.
3) Number of projects in parentheses.

Source: IDB database.

Figure 14 shows allocations of the SECCI Funds by strategic area for four years, from 2007 to 2010. The area of RE/EE accounted for the highest proportion (36.2 percent), with $21.3 million. The areas of adaptation to climate change and biofuel also showed large composition with 25.9 percent and 15.8 percent of the total amount. The area of access to carbon markets comprised less than 10 percent of the total amount, with 9.2 percent.

Figure 14. Allocations of SECCI Funds by Strategic Area

Unit: $ million



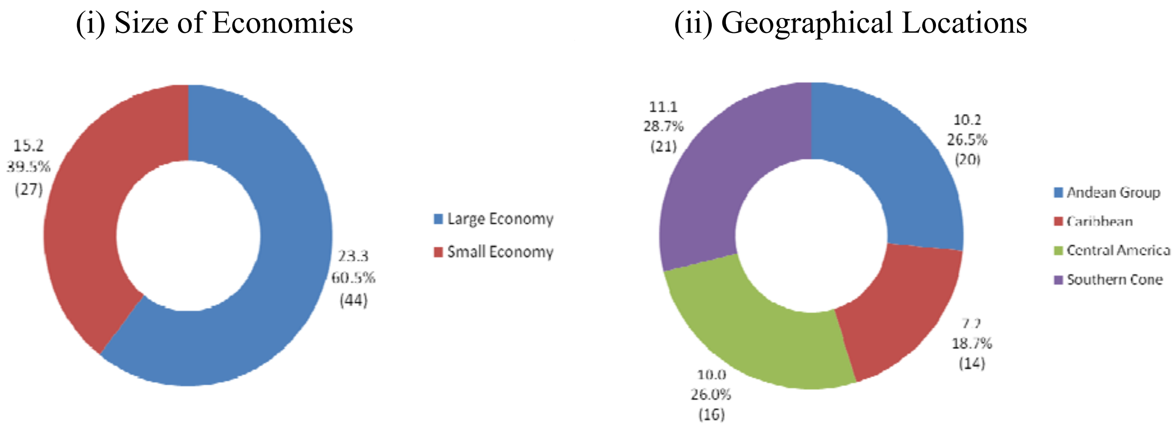
Notes: 1) The area of bio-fuel categorizes projects with solid bio-energy including bagasse as well as liquid bio-fuels.
2) TFA stands "Trust Fund Appointees," which includes payment to consultants from the SECCI Funds both at headquarters and country offices at the IDB.
3) Number of projects in parentheses.

Source: IDB database.

As shown in Figure 15, the large economies (Brazil, Mexico, Argentina, Venezuela, Colombia, Chile and Peru) accounted for 60.5 percent, slightly less than their share of GEF grants (64.0 percent). By geographical location, the "Southern Cone," "Andean Group," "Central America," and "Caribbean" accounted for 28.7 percent, 26.5 percent, 26.0 percent and 18.7 percent, respectively. Particularly notable is the large share of "Caribbean" in the SECCI Funds (18.7 percent) compared to the GEF Trust Fund (10.2 percent). Figure 16 illustrates allocations of SECCI Funds by country in LAC. The three largest countries' share of SECCI Funds came to about 43.7 percent of total grants for region, notably less than their 50.5 percent share of the GEF Trust Fund.

Figure 15. Allocations of SECCI Funds by Country Group in LAC

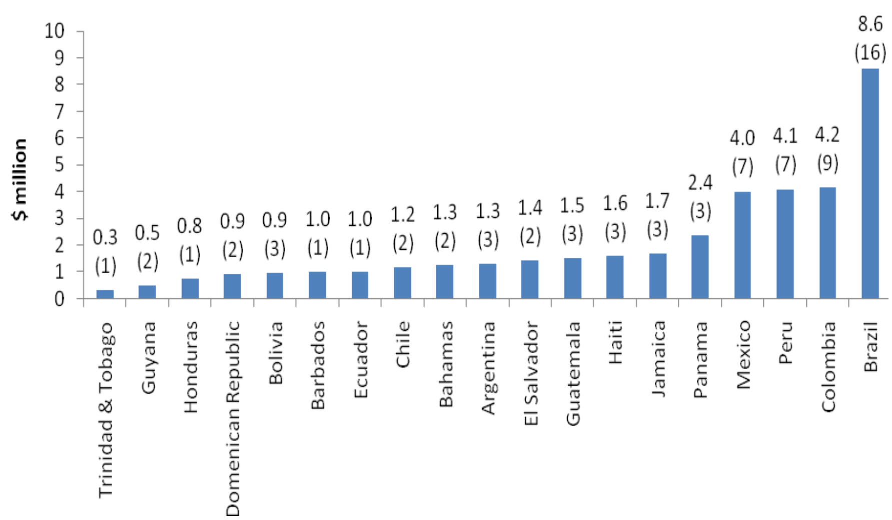
Unit: $ million



Notes: 1) The large economy group consists of Groups A and B of the IDB's borrowing countries, which have a GDP higher than $127 billion, while the small economy group consists of Groups C and D, which have a GDP lower than $55 billion.
2) The geographical locations match the IDB's classification.
3) Regional projects which cannot be assigned to one economy and one geographical location were excluded from the calculations.
4) Number of projects in parentheses.

Source: GEF database

Figure 16. Allocations of the SECCI Trust Funds by Country in LAC



Notes: 1) Regional projects in LAC which cannot be assigned to one country were excluded.
2) In parentheses number of projects

Source: IDB database

4. Conclusion: Implications for LAC Countries and the IDB

This paper has surveyed the climate change funds related to the LAC countries and the IDB and presented some preliminary implications through performance analyses of these funds. Through the survey on these climate change funds, we found that agencies including MDBs have played key roles in project approval, execution and supervision. In this context the IDB has been generally successful in retaining its comparative advantages in nearly all focal areas and in overall satisfaction of the funds' fiduciary standards. In spite of their limited sources, the SECCI IDB Funds have also effectively supported the strategic areas insufficiently covered by the international funds such as the GEF Trust Funds and SCCF, both at the country group level within the LAC region and in the total LAC region level.

Further research in regard to LAC countries and the IDB is nonetheless needed for the following issues. First, regarding the GEF Trust Fund, RDBs such as the ADB, IDB, AfDB and EBRD accounted for a much smaller share of funds than the UNDP, WB and UNEP. Moreover, the IDB's share in the LAC region was 13.7 percent, much lower than that of the three global agencies (UNDP, WB, and UNEP). This figure low seems in light of the IDB's position as the LAC region's only RDB and its status and activities in this area.

Second, since the scale of co-financing of each project represents one of the key criteria for assistance from funds such as the GEF Trust Fund and the SCCF, it is highly important for a country or agency to maximize any given project's level of co-financing. However, for the GEF Trust Fund the LAC region achieved the second lowest ratio of co-financing, trailing Asia and Africa and roughly similar to Europe; LAC additionally registered the lowest regional co-financing ratio for the SCCF. When co-financing is measured by agency for GEF Trust Fund projects, the IDB's ratio of grants to co-financing (6.1) was the lowest among RDBs, trailing the ADB (19.1), EBRD (9.9) and AfDB (8.3).

Third, considering the importance of climate change adaptation for the LAC region, the IDB may need to proactively involve itself in SCCF and the Adaptation Fund projects. As shown in the performance analysis, even though several of those funds' projects have been implemented in LAC countries, the IDB served as an agency for none of them.

Lastly, the SECCI Funds have financed several GEF projects through co-financing. The funds are additionally supposed to serve as a focal point and liaison to the CIF. In this regard, strengthening the linkage between the SECCI Funds and other related funds will be needed in order to maximize the use of the IDB's skills and instruments for low-carbon economies and to integrate climate resilience into development plans and sector policies in the LAC region.

Two proposals for further research arise from our analysis. First, it would be interesting to understand why the level of co-financing in LAC is lower than other regions in particular Asia, and what could the IDB do in order to increase co-financing and therefore increase funding. A second area for further research is the impact of an increase in the share of climate change-related activities in the IDB's lending portfolio, as the GCI-9 calls for an increase from the present level of about 5 percent to 25 percent by 2015. Since GEF, CTF and SECCI funds have been used to support lending activities, the question is whether the IDB has the resources to increase its portfolio by this amount, considering that GEF, CIF and SECCI funds are not expected to increase to the same extent.

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Appendix I. Summary of Characteristics of Climate Change Funds

1. GEF Trust Fund

	Characteristics
Establishment	Established in 1991 (Restructured in 1994)
Main purpose	To improve global environment and to elevate environmental sustainable development
Eligible countries	Countries eligible to borrow from the WB (IBRD and/or IDA) or eligible for the UNDP technical assistance
Focal areas	6 focal areas for GEF-4: biodiversity, climate change, international waters, land degradation, ODS and POPs
Agencies	10 Agencies • Implementing Agencies (3): UNDP, UNEP, WB • Executing agencies (7): FAO, IFAD, UNIDO, ADB, AfDB, EBRD, IDB
Access to funding	Eligible countries can access the fund through an Agency.
Forms of funding	Grants
Trustee	WB
Governance and management structure	• The Assembly consisted of representatives of all member countries is in charge of reviewing and evaluating the GEF's general policies, the operation of the GEF and its membership as well as considering and approving proposed amendments, documents and rules. • The GEF Council, as the main governance body, has responsibility for developing, adopting and evaluating GEF programs. The Council members comprise 32 constituencies (16 from developing countries, 14 from developed countries and 2 from countries with transitional economies). • The GEF Secretariat reports directly to the GEF Council and Assembly, coordinates the formulation of projects, and oversees its implementation.
Sources of funding	Replenishment from donor countries' commitments every four years • Replenishment for GEF-4: $3.135 billion • Replenishment for GEF-5: $4.25 billion
Disbursements	$ 9.2 billion (as of December 31 2010)

Sources: Instrument for the Establishment of the Restructured Global Environment Facility, GEF (2008); www.thegef.org .

2. LDCF/SCCF

	Characteristics	
Establishment	Established in 2001 under the UNFCCC	
Governance and management structure	• The COP is the highest decision-making authority which provides guidance on policies, program priorities and eligibility criteria. • Contributions from countries are made on a voluntary basis. • The GEF serves as the operating entity of the LDCF/SCCF requiring the GEF council to report annually to the COP on all GEF-financed activities in conducting the Convention, although the LDCF/SCCF are separate from the GEF Trust Fund and have their own Council. • The LDCF/SCCF follow the GEF's policies, procedures and rules in their operations such as fiduciary standards, project cycle, allocation (result-based frameworks) and monitoring and evaluation. • The LDCF/SCCF Councils meet biannually in separate back-to-back sessions within the overall GEF Council.	
Forms of funding	Grants	
Trustee	WB	
Agencies	10 agencies (same as the GEF trust fund)	
	LDCF	**SCCF**
Main purpose	To identify and support the urgent and immediate concerns and activities of adaptation to climate change, especially in LDCs	To finance climate change activities complementary to the focal areas of the GEF trust fund and to the activities conducted by bilateral and multilateral funding in developing countries
Mandates and areas	• Preparation and implementation of the national adaptation programs of actions (NAPAs) • Supports work programs in order to address the special needs of the LDCs	• Adaptation to climate change (top priority) • Technology transfer • Selected sectors including energy, transport, industry, agriculture, forestry and waste management • Economic diversification
Eligible countries	48 LDCs (33 countries in Africa, 9 countries in Asia, 1 country in LAC, and 5 countries in Oceania)	All developing countries that are parties to the UNFCCC
Contributions	$210 million (as of December 31, 2010)	$136 million (as of December 31, 2010)
Donor countries	19 countries (Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom)	13 countries (Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom)

Sources: GEF/C.24/12 (2004); GEF/C.28/18 (2006); GEF/LDCF.SCCF.9/INF.7 (2010); "Strategy on Adaptation to Climate Change for the LDCF and the SCCF," GEF (2011).

3. Adaptation Fund

	Characteristics
Establishment	Established in December 2007
Mandate	To finance concrete adaptation projects and programs based on the needs, views and priorities of eligible countries
Eligible countries	Developing country parties to the Kyoto Protocol particularly vulnerable to the adverse effects of climate change
Sources of revenues	• 2 % of CERs under the CDM (main source) • Donations from voluntary countries (Finland, France, Germany, Japan, Monaco, Norway, Spain, Sweden, Switzerland and others)
Criteria for resource allocation	• Level of vulnerability • Level of urgency and risks arising from delay • Ensuring access to the fund in a balanced and equitable manner • Lessons learned in project and program design and implementation • Securing regional co-benefits to the extent possible • Maximizing multi-sector or cross-sector benefits • Adaptation capacity to the adverse effects of climate change
Access to funding	Eligible developing countries have two different options: i) direct access through a National Implementing Entity (NIE), or ii) access through a Multilateral Implementing Entity (MIE).
Forms of funding	Grants
Governance and management structure	• The Adaptation Fund Board is the operating entity under the authority and guidance of the COPs serving as the meeting of the Parties of the Parties to the Kyoto Protocol. • The AFB consists of 16 members representing Parties to the Kyoto Protocol, reflecting fair and balanced representation among these groups: two from each of the five UN regional groups, one from the small island developing countries, one from the LDC parties, two from the Annex I Parties, and two from the non-Annex I Parties. • The GEF provides secretariat services to the AFB, and the WB serves as the trustee of the Adaptation Fund, on an interim basis, respectively.
Cumulative Receipts	$225 million (as of 31 January 2011) • cash receipts from CER sales: $138 million • cash receipts from donors and other sources: $87 million
Disbursements	$12.63 million (as of 31 January 2011)

Sources: AFB/EFC.4/10/Rev.2 (2011); The Handbook: Accessing Resources from the Adaptation Fund, Adaptation Fund (2011).

4. Earth Fund

	Characteristics
Establishment	Endorsed by the GEF CEO as a pilot project in May 2008
Mandate	To mobilize capital for innovative projects, technologies and business models in order to promote private sector engagement in the activities of the GEF
Basic Structure	• The fund is an umbrella program consisting of platforms which have a portfolio of projects. • The projects within each platform have to be consistent with the GEF focal areas.
Access to funding	GEF agencies, NGOs and foundations meeting the GEF fiduciary standards can propose platforms, and are qualified as platform Managing Agencies.
Governance structure	• The GEF Council is the governing body of the fund, approving the establishment, financial allocations, governance structure and operating procedures. • The GEF Earth Fund Board provides strategic guidance and support to the GEF Earth Fund. • The GEF Secretariat acts as Secretariat of the GEF Earth Fund.
Trustee	IFC
Sources of funding	• Funding at the GEF Earth Fund level: GEF allocation and GEF Earth Fund sponsors' contributions • Funding at the platform level: contributions from platform managing agencies, others within the platform and co-financing
Forms of funding	Non-grant instruments such as loans, guarantees, equity and other types of investments as well as grant funding for technical assistance, capacity building, implementation costs and knowledge management
GEF allocations to the Fund	• \$50 million for GEF-4 (excluding agency fees) • \$80 million for GEF-5 (excluding agency fees)

Sources: The GEF Earth Fund Board Procedures (Pilot Project), GEF (2009); IFC Earth Fund: A Platform of the GEF Earth Fund, GEF (2008); GEF/R.5/31/CRP.1 (2010)

5. CTF

	Characteristics
Establishment	Approved by the Executive Directors of the World Bank in July 2008
Main Purpose	To provide developing countries with scaled-up financing to promote demonstration, deployment and transfer of low-carbon technologies for long-term GHG emissions savings
Areas of Investment	• Power sector (renewable energy, as well as increased efficiency in generation, transmission and distribution) • Transportation (modal shifts to public transportation, improved fuel economy and fuel switching) • Energy Efficiency in buildings, industry and agriculture
Country eligibility	Countries eligible for ODA and where a MDB has a lending program and/or an ongoing policy dialogue with the country
Agency	AfDB, ADB, EBRD, IDB, WB and IFC
Governance structure	• The CTF Trust Fund Committee oversees the operations and activities of the CTF, and consists of 8 representatives from contributor countries and 8 representatives from eligible recipient countries • The MDB Committee comprises representatives of the MDBs so as to facilitate collaboration and information exchange among the MDBs. • The Administrative Unit is housed in the WB, whose staff members are employed by the WB.
Trustee	WB
Contributions (Pledges)	$4.4 billion (as of September 30, 2010) from 8 countries: Australia, France, Germany, Japan, Spain, Sweden, United Kingdom and United States
Forms of financing	Grants, concessional loans, guarantees and equity
Approval of Investment Plans	Thirteen Investment Plans were approved for Colombia, Egypt, Indonesia, Kazakhstan, Mexico, Morocco, Philippines, South Africa, Thailand, Turkey, Ukraine, Vietnam, and the Middle East and North Africa Region (as of September 30, 2010). • CTF funding: $4.4 billion • Expected co-financing: $34.6 billion

Sources: 2010 Annual Report, CIF (2011); Governance Framework for the Clean Technology Fund," CIF (2008).

6. SCF

	Characteristics
Establishment	Approved by the Executive Directors of the World Bank in July 2008
Main Purpose	To pilot new development approaches and scaled-up activities aimed at specific climate change challenges or sectoral response
Targeted programs	The SCF operates through three targeted programs: i) FIP (forest investment program, approved in May 2009); ii) PPCR (pilot program for climate resilience, approved in November 2008); and iii) SREP (program for scaling-up renewable energy in low income countries, approved in May 2009) .
Aims of specific programs	(i) FIP: to support developing countries' efforts to reduce emissions from deforestation and forest degradation, and promote sustainable forest management by providing scaled-up bridge financing (ii) PPCR: to demonstrate ways that developing countries can make climate risk and resilience part of their core development planning through providing incentives for scaled-up action and initiating transformational change (iii) SREP: to demonstrate the economic, social and environmental viability of low carbon development pathways through financing renewable energy sectors such as solar, wind, bio-energy, geothermal and small hydro technologies
Country eligibility	Countries eligible for ODA and where a MDB has a lending program and/or an on-going policy dialogue with the country
Agency	AfDB, ADB, EBRD, IDB, WB and IFC
Governance structure	• The SCF Trust Fund Committee oversees the operations and activities of the SCF, and consists of 8 representatives from contributor countries and 8 representatives from eligible recipient countries. • A SCF Sub-Committee for each program includes approval of programming priorities, operational criteria and financing modalities, financing for programs and projects, and periodic reports to the SCF Trust Fund Committee on the operations of the program. • The MDB Committee comprises representatives of the MDBs so as to facilitate collaboration and information exchange among the MDBs. • The Administrative Unit is housed in the WB, whose staff members are employed by the WB.
Trustee	WB
Contributions (Pledges)	$ 1.8 billion (as of September 30, 2010) (i) FIP: $558 million from 6 countries: Australia, Denmark, Japan, Norway, United Kingdom and United States (ii) PPCR: $972 million from 8 countries: Australia, Canada, Denmark, Germany, Japan, Norway, United Kingdom and United States (iii) SREP: $307 million from 7 countries: Denmark, Japan, Netherlands, Norway, Switzerland, United Kingdom and United States
Forms of financing	Grants, concessional loans, guarantees and equity
Approval of pilot projects	24 projects (as of September 30, 2010) (i) FIP: 8 projects in Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao People's Democratic Republic (PDR), Mexico and Peru (ii) PPCR: 10 projects in Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia, and the Caribbean and Pacific Regions (iii) SREP: 6 projects in Ethiopia, Honduras, Kenya, Maldives, Mali and Nepal

Sources: 2010 Annual Report, CIF (2011); "Governance Framework for the Strategic Climate Fund," CIF (2008).

7. SECCI Funds

	Characteristics
Establishment	Approved by the IDB Board of Directors in March 2007
Main Purpose	To promote investments in RE/EE and biofuels in LACs, LACs' access to international carbon markets and climate change adaptation strategies in the region
Strategic pillars and priority lines of action	There are 4 strategic pillars and the corresponding priority lines of action. (i) Renewable energy and energy efficiency: assessment of the potential for RE/EE, minimization of regulatory, institutional and financial barriers, and development of new RE/EE projects and technologies (ii) Sustainable bio-fuel development: assessment of the economic viability and the potentials of biofuels, country-level policy assistance for biofuel development, funding for new biofuel programs and technologies (iii) Access to carbon markets: technical assistance for climate change mitigation projects under the CDM, capacity building for effective engagement in carbon markets, and development of innovative financial schemes and instruments (iv) Adaptation to climate change: incorporation of adaptation strategies to national and regional planning, establishment and reinforcement of local institutional capacity, financial and technical assistance for strategic and replicable pilot projects of adaptation, and development and assessment of key policies and regulatory instruments
Eligible projects	Technical cooperation projects and investment grant projects: consulting services and goods necessary for studies, complementary training activities such as workshops, technical sessions and seminars, and any other activity compatible with the goals of SECCI
Eligible entities	National and sub-national government organizations, public and private corporations, private project developers, NGOs, and academic and research institutions in the region
Funding resources	Two different resources from (i) the IDB (SECCI IDB Fund) and (ii) international donor countries such as Finland, Germany, Italy, Japan, Spain and United Kingdom (SECCI Multi-Donor Fund)
Contributions	$87 million (as of December 31, 2010) (i) $60 million from the IDB Ordinary Capital (ii) $27 million from international donors
Forms of financing	Grants
Governance structure	• The governance structure of SECCI Funds is basically similar to that of other IDB-managed facilities • The SECCI Eligibility Committee was created at the end of 2008 to review and approve proposals for the SECCI Funds, consisting of the particular Country Representative and Country Coordinator at headquarters, the Chief of INE/ECC, a delegate from the Grants and Co-Financing Management Department (VPC/GCM) and the Unit or Division Chiefs who will involve the projects.
Approval of projects	110 projects and $58.7 million (as of December 31, 2010) (i) SECCI IDB Fund: 62 projects ($34.1 million) (ii) SECCI Multi-Donor Fund: 48 projects ($24.6 million)

Sources: "Sustainable Energy and Climate Change Initiative (GN-2435-1),", IDB (2007); "Sustainable Energy and Climate Change IDB Special Program (GN-2435-6)," "SECCI Annual Report (2007-2008)", IDB (2009); IDB (2007); IDB database.

Appendix II. Project Cycle and Procedure of Climate Change Funds

1. GEF Trust Fund

	Procedure
Step 1: CEO reviews of the PIF	• A GEF agency submits a PIF to the GEF Secretariat, and then the PIF is circulated among all GEF agencies, STAP, and relevant Convention Secretariats for review. • These reviews will focus on the following criteria: country eligibility, consistency with the GEF strategies and focal areas, comparative advantages of the GEF agency and scale of expected co-financing. • Once the Secretariat has finished its review, the CEO will consider the PIF for inclusion in a work program.
Step 2: Council approval of the work program	• The CEO will constitute the work program from the PIF. • The PIF, including estimated GEF grant amounts, will be posted on the GEF Website with the work program document. • This work program document will focus on collective contribution to the GEF strategies, focal areas and geographic balance, innovative elements, key assumptions and possible risks and resource programming implications.
Step 3: CEO endorsement	• The GEF agency sends the project documents to the GEF Secretariat for the CEO's endorsement. The same documents will be also transmitted to its relevant authorities of the GEF agency for internal approval. • The GEF Secretariat will review these documents, the CEO will decide whether the project meets the conditions for endorsement, and then the documents will be circulated to Council Members. • After addressing concerns from any Council Member with related parties the CEO endorses the project, and the project documents will be posted on the GEF website. • The amount of GEF grant of the project is finalized in the stage, and the GEF agency fee is also approved at the moment of the CEO's endorsement of the project. (Allocation of Funds) • The Trustee (WB) sets aside funds including related agency fees to the project, and only commits these funds to the concerned GEF agency after the CEO's endorsement. • Actual transfer to the agency is made after the Trustee's commitment and the agency's approval.
Step 4: Implementation Supervision, Monitoring and Final Evaluation	• The Secretariat carries on an Annual Monitoring Review based on the Project Implementation Reports submitted by the Agency. • The GEF agency should submit the final evaluation reports to the GEF Evaluation Office. • The GEF Evaluation Office assesses the adequacy of the project.

Source: "Policies and Procedures for the GEF Project Cycle," GEF (2007).

2. Adaptation Fund

	Procedure
Step 1: Proposal submission to the Secretariat	• An eligible country can submit a proposal either directly through its accredited National Implementing Entity (NIE) or through an accredited Multilateral Implementing Entity (MIE). • The proposal is encouraged to be submitted in a fully-developed project document for a one-step approval.
Step 2: Screening by the Secretariat	• The Secretariat will screen the proposal for consistency and provide a technical review based on the criteria approved by the Board within fifteen working days.
Step 3: Review by the Project and Program Review Committee	• The Secretariat will send the project proposal with its technical reviews to the Project and Program Review Committee four weeks before the AFB meeting. • The Committee will review the proposal and give its recommendation to the Board for a decision at the Meeting.
Step 4: Decision-making by the AFB	• The Board can approve or reject a proposal with a clear explanation to the Implementing Entities, and the rejected proposal can be resubmitted after consideration of the reasons for rejection. • The proposal approved by the Board will be posted on the Adaptation Fund website.
Step 5: Contracting by the AFB and disbursement of funds by the Trustee	• The Secretariat will draft contracts and other necessary agreements with Implementing Entities, and provide these documents for designated by the Chair or any other Board Member. • The Trustee will disburse funds the project on the written instruction of the Board, signed by the Chair or any other Board Member.
Step 6: Project implementation and monitoring by the Implementing Entity	• The Implementing Entity will measure and monitor results of the Executing Entities at the country-level. • All projects and programs under implementation should be required to submit annual status reports to the Ethics and Finance Committee. • The terminal evaluation reports will be submitted to the Board within a reasonable time after project termination.

Note: The project in this table is a case of regular adaptation projects whose request funding exceeds U$ 1 million.
Source: “The Handbook: Accessing Resources from the Adaptation Fund,” Adaptation Fund (2011).

3. Earth Fund

	Procedure
Step 1: Proposal submission to the Secretariat	• A platform managing agency submits an Earth Fund Platform Identification Form (EF PIF) including the following important information: rationale and objectives of the platform, expected activities and results, amount of funding from the Earth Fund and co-financing, indicative eligibility criteria for projects, and operational procedures and implementation plan.
Step 2: Review from the Secretariat and Board	• The Secretariat will initially screen the proposal based on completeness of the application, consistency with GEF strategic objectives and programs, comparative advantage of the agency, estimated costs of projects, and milestones and objectives of the platform. • The Board will review after being screened by the Secretariat and prior to submission to the Council.
Step 3: Approval from the Council and CEO	• The Council will approve the platform by electronic posting on a no-objection basis, and then the GEF CEO endorses the platform.
Step 4: Disbursement of funds by the Trustee	• The IFC as the trustee of the Earth Fund will allocate the resources from the account to the endorsed platform, according to instructions from the Council and GEF CEO.
Step 5: Implementation of individual projects within the platform	• The platform managing agency uses the resources for implementing individual projects aligned with the platform's thematic or operational focus and requirements. • Individual projects within the platform should have at least three times of co-financing as much as the original amount of GEF funding.
Step 6: Monitoring and Evaluation	• The platform managing agency monitors and evaluates activities for its platform and the related individual projects within the platform, and also the results will be reported to the Earth Fund. • The GEF Evaluation Office with the GEF Secretariat may establish evaluation requirements for platforms.

Source: "The GEF Earth Fund Board Procedures (Pilot Project)." GEF (2009)

4. CTF

	Procedure
Step 1: Preparation of an Investment Plan	• The WB and relevant MDB conduct joint programming mission to prepare an Investment Plan upon the request from an eligible developing country. • The recipient country's government approves the Investment Plan.
Step 2: Review and approval of the Investment Plan from the CTF Trust Fund Committee	• The CTF Trust Fund Committee reviews the Investment Plan, and approves MDB designation for operations, eligibility criteria and priorities for individual projects. • There will be an agreement between the WB as the Trustee and the designated MDB to cover all projects financed by the fund.
Step 3: Submission and approval of individual projects	• The designated MDB assists preparation of individual projects based on its own operational policies and procedures, consistent with endorsed country program. • Upon the CTF Trust Fund Committee's endorsement, the Trustee commits funding to the MDB.
Step 4: Disbursement of funds by the Trustee	• The MDB signs legal agreements with borrowers after approval by its Board. • The WB as the Trustee transfers cash to the MDB upon request.
Step 5: Implementation of individual projects within the Investment Plan	• The borrower or executing agency implements individual projects under the Investment Plans upon the legal agreement and project operational manual. • The MDB disburses the funds to individual projects according to its operational policies and procedures.
Step 6: Monitoring and Evaluation	• The MDB conducts supervision and amendments of project activities including reallocation of loan proceeds, and reports annually to the CTF Trust Fund Committee. • The CTF Trust Fund Committee reviews and adopts an annual report on the fund operations.

Note: The table was adapted from Annex A in pages 36-38 of the source.
Source: "The Clean Technology Fund,", CIF (2008).

5. SECCI Funds

	Procedure
Step 1: Preparation and submission of proposals	• The SECCI proposals can be generated by the IDB's staff (internal channel) or by external applications submitted from public or private entities. • Application forms are submitted through the SECCI website.
Step 2: Review and approval of the proposal	• Once submitted, a relevant Unit expert reviews the proposal on the basis of specific technical requirements. • The corresponding Country Office(s) is notified of interest in undertaking the project. • The SECCI Eligibility Committee approves the proposal to be financed by the SECCI Funds.
Step 3: Implementation	• The project leader at the IDB prepares the Letter of Agreement with the client (executing agency). • The executing agency prepares the disbursement requests and submits the documents to the IDB through the corresponding Department. • Disbursement procedures will be the same as those of other technical cooperations at the IDB.
Step 4: Monitoring and Reporting	• The client and/or the project leader will be in charge of monitoring projects and reporting the results to the Committee.

Source: "SECCI Annual Report (2007-2008)," IDB (2009).