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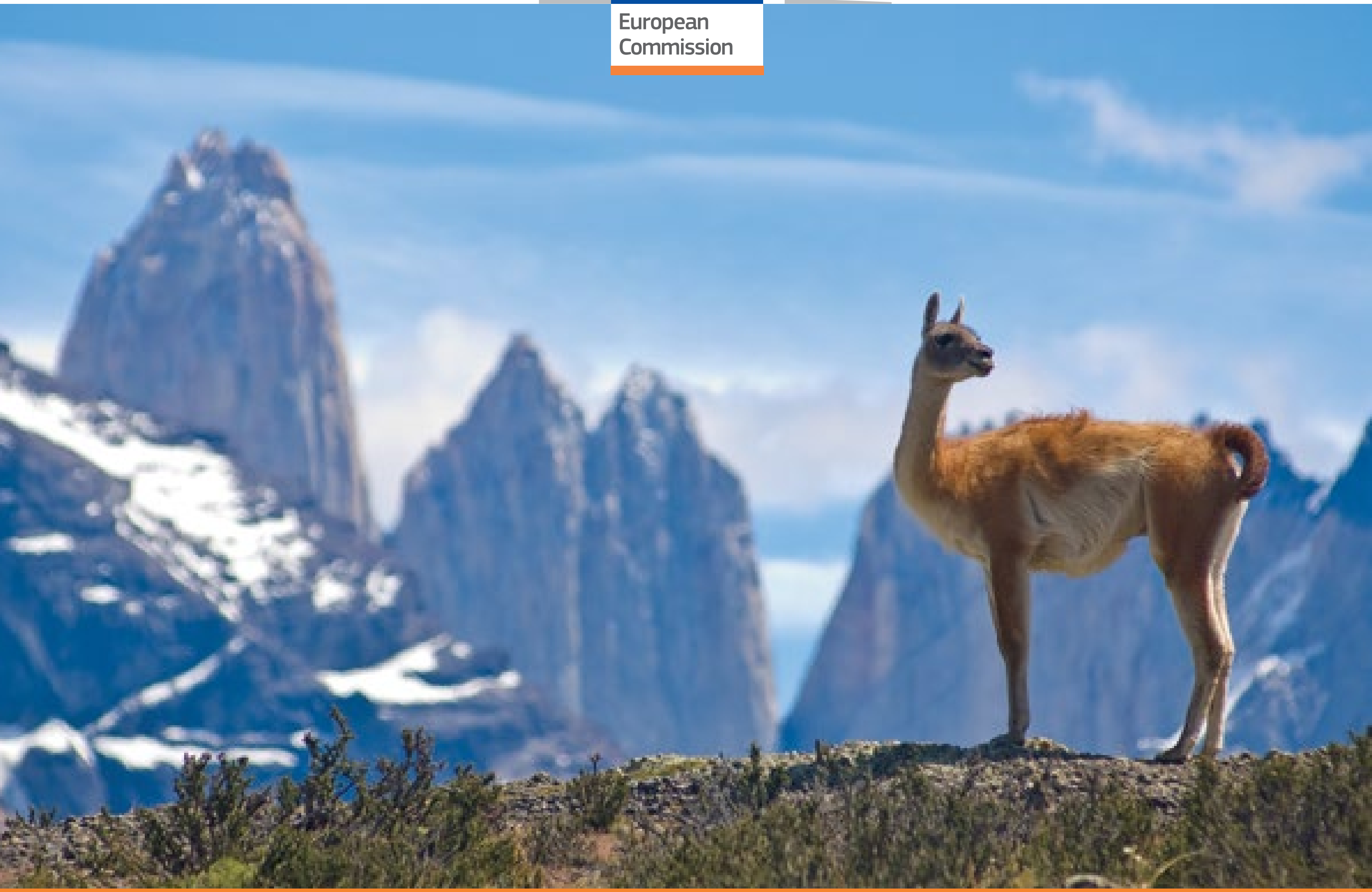

Climate Finance and NDCs in Latin America: Guide to accessing international funding sources

EUROCLIMA
Thematic
Studies Series
10

guide

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Guide

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Content

Acronyms ... iii

Introduction to the Thematic Studies Series ... viii

Prologue ... x

1. Implementation of the Paris Agreement and the cooperation of the European Union with Latin America ... 1

   1.1 Introduction ... 1

   1.2 An overview of EU-Latin American relations ... 3

   1.3 Bi-regional relations on climate change ... 3

   1.4 Accelerating the implementation of the Paris Agreement in Latin America ... 4

   1.5 Further reading ... 6

2. Implementation of NDCs in Latin America ... 9

   2.1 NDCs in Latin America: Targets and priorities ... 9

   2.2 Challenges for the implementation of NDCs ... 12

   2.3 NDCs and Latin American cities: The rocky road to climate finance ... 12

   2.4 Gender considerations in NDCs and climate financing ... 15

3. EUROCLIMA's experience in preparing climate projects in Latin America .. 19

   3.1 Strategies for facilitating access to financing: EUROCLIMA Pilot Cases ... 19

   3.2 This guide: a tool for facilitating access to international financing sources ... 21

4. Methodology for mapping sources of international climate financing ... 23

   4.1 Selection of climate finance sources ... 23

   4.2 Scope and limitations of the guide ... 24

   4.3 Some tips for using the guide ... 24

5. Key information on 25 climate finance sources ... 27

   5.1 Characteristics of the principal international climate finance initiatives active in Latin America ... 27

   5.2 Sectors prioritised by funding initiatives and by Latin American NDCs ... 31

6. The 25 principal international climate finance sources for Latin America 35

6.1 Adaptation for Smallholder Agriculture Programme (ASAP) 36
6.2 Adaptation Fund (AF) 41
6.3 Central American Bank for Economic Integration (CABEI) 47
6.4 Development Bank of Latin America (CAF) 52
6.5 Clean Technology Fund (CTF) 57
6.6 Climate and Development Knowledge Network (CDKN) 62
6.7 Climate Technology Centre and Network (CTCN) 66
6.8 European Investment Bank (EIB) 70
6.9 Water and Sanitation Cooperation Fund (FCAS) 75
6.10 Global Climate Change Alliance+ (GCCA+) 80
6.11 Global Environment Facility (GEF) 85
6.12 Global Facility for Disaster Reduction and Recovery (GFDRR) 90
6.13 Green Climate Fund (GCF) 95
6.14 Inter-American Development Bank (IDB) 100
6.15 IKI International Climate Initiative 105
6.16 International Climate Fund (UK ICF) 110
6.17 International Fund for Agricultural Development (IFAD) 115
6.18 German Development Bank (KfW) 120
6.19 Latin America Investment Facility (LAIF) 125
6.20 NAMA Facility 130
6.21 Norway's International Climate and Forest Initiative (NICFI) 135
6.22 Special Climate Change Fund (SCCF) 139
6.23 Strategic Climate Fund (FEC) 144
6.24 UN-REDD Programme 150
6.25 World Bank (WB) 155

Acronyms

ACP	African, Caribbean and Pacific Group of States
ADB	Asian Development Bank
AECID	Spanish Agency for International Development Cooperation
AF	Adaptation Fund
AFD	Agence Française de Développement (French Development Agency)
AFDB	African Development Bank
ALA	Asia and Latin America
ALC	Latin America and the Caribbean
ASAP	Adaptation for Smallholder Agriculture Programme
BMUB	German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
BMZ	German Federal Ministry for Economic Cooperation and Development
C2F	Canadian Climate Fund for the Private Sector in the Americas
CABEI	Central American Bank for Economic Integration
CAF	Development Bank of Latin America
CBD	Convention on Biological Diversity
CCD	Climate Compatible Development
CCD	Convention to Combat Desertification
CCS	Capacity Building Programme for Carbon Capture and Storage
CDB	Convention on Biological Diversity
CDKN	Climate & Development Knowledge Network
CDM	Clean Development Mechanism
CELAC	Community of Latin American and Caribbean States
CFU	Climate Funds Update
CI	Conservation International
Ci-Dev	Carbon Initiative for Development (World Bank)
CIF	Climate Investment Funds
CMCI	Capital Markets Climate Initiative
COP	Conference of the Parties (to the UNFCCC)
COSOP	Country Strategy and Opportunities Paper
CP3	Climate Public Private Partnership
CPI	Climate Policy Initiative
CREWS	Climate Risk Early Warning Systems
CSAF	Climate Smart Agriculture Fund for the Private Sector in LAC
CTCN	Climate Technology Centre and Network
CTF	Clean Technology Fund
DAC	Development Assistance Committee
DECC	UK Department of Energy and Climate Change

DEFRA	UK Department for Environment, Food and Rural Affairs
DEVCO	European Commission Directorate-General for International Cooperation and Development
DFID	UK Department for International Development
DNA	Designated National Authority
EBRD	European Bank for Reconstruction and Development
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EIB	European Investment Bank
EnDev	Energising Development Programme
ESF	Environmental and social framework
ESI	Energy Savings Insurance
ESIA	Environmental and Social Impact Assessment
EU	European Union
FAO	United Nations Food and Agriculture Organization
FCAS	Water and Sanitation Cooperation Fund
FCPF	Forest Carbon Partnership Facility
FI	Financial institution
FIG	Financial Institutions Group
FIP	Forest Investment Program
FOMIN	Multilateral Investment Fund
FONTAGRO	Regional Fund for Agricultural Technology
FUNBIO	Brazilian Biodiversity Fund
GCCA+	Global Climate Change Alliance +
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environment Facility
GFLAC	Grupo de Financiamiento Climático para América Latina y el Caribe (Climate Finance Group of Latin America and the Caribbean)
GHGs	Greenhouse gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
GRDRR	Global Facility for Disaster Reduction and Recovery
ICAI	Independent Commission for Aid Impact
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IICA	Inter-American Institute for Cooperation on Agriculture
IKI	International Climate Initiative
InfraFund	Infrastructure Fund

IRP	Institutional Responsibility Plan
IUCN	International Union for Conservation of Nature
IWG	Inter-institutional Work Group
IWRM	Integrated water resource management
JICA	Japan International Cooperation Agency
KfW	German Development Bank
LAC	Latin America and the Caribbean
LAIF	Latin America Investment Facility
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund
MDB	Multilateral Development Bank
MDG-F	Millennium Development Goals Achievement Fund
MDTF	Multi-Donor Trust Funds
MIE	Multilateral Implementing Entity
MIGA	Multilateral Investment Guarantee Agency
MRV	Monitoring, Reporting, Verification
NAMA	Nationally Appropriate Mitigation Action
NAP	National Adaptation Plan
NCM	Networked Carbon Markets
NDC	Nationally Determined Contribution
NDE	National Designated Entity
NDF	Nordic Development Fund
NHDP	National Human Development Program
NICADAPTA	Adapting to Markets and Climate Change Project in Nicaragua
NICFI	Norway's International Climate and Forest Initiative
NIE	National Implementing Entity
NIPIF	Nagoya Protocol Implementation Fund
Norad	Norwegian Agency for Development Cooperation
NSO	NAMA support organisation
OAS	Online accreditation system
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
OeEB	Oesterreichische Entwicklungsbank AG (Development Bank of Austria)
PAF	Pilot Auction Facility
PISASH	Comprehensive Potable Water and Human Sanitation Programme
PMR	Partnership for Market Readiness
PPCR	Pilot Program for Climate Resilience
PPEC	Project and Programme Evaluation Committee

PPF	Project Preparation Facility
PROFONANPE	Peruvian Trust Fund for National Parks and Protected Areas
PROPARCO	Société de Promotion et de Participation pour la Coopération Economique (French Promotion and Participation Corporation for Economic Cooperation)
REDD	Reducing Emissions from Deforestation and Forest Degradation
RIE	Regional Implementing Entities
SASC	System for Environmental and Corporate Social Responsibility
SCCF	Special Climate Change Fund
SCF	Strategic Climate Fund
SDG Fund	Sustainable Development Goals Fund
SDTF	Single-Donor Trust Fund
SECCI	Sustainable Energy Climate Change Initiative
SIDS	Small Island Developing States
SIMEST	Società Italiana per le Imprese all'Estero (Italian Financial Development Institution)
SMEs	Small and medium-sized enterprises
SOFID	Sociedade para o Financiamento do Desenvolvimento (Portuguese Development Finance Institution)
SPRED	Secretariat of the Pacific Regional Environment Programme
SREP	Scaling Up Renewable Energy in Low Income Countries
SSO	Sahara and Sahel Observatory
TCAF	Transformative Carbon Asset Facility
TCO	Technical Cooperation Office
TNA	Technology Needs Assessment
UK ICF	United Kingdom International Climate Fund
UN-REDD	United Nations REDD Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WB	World Bank
WFP	World Food Programme
WMO	World Meteorological Organization
WWF	World Wildlife Fund

EUROCLIMA has worked hard to contribute to improving the knowledge of decision-makers and the Latin American scientific community about climate change issues and consequences, in order to integrate this theme in the sustainable development strategies of each country and the region.

Introduction to the Thematic Studies Series

Catherine Ghyoot

Directorate-General for International Cooperation and Development, Unit G2, Regional Operations Continental Latin America and Caribbean-European Commission

Since 2010, on the basis of the agreements made at the Fifth Summit of the European Union and Latin America and the Caribbean (EU-LAC), held in Lima in May 2008, the two regions have worked together to face climate change through the EUROCLIMA programme. Given the programme's many achievements and the great environmental challenges to come, the countries of the LAC region and the European Union have chosen to join forces in a new regional cooperation effort by implementing a broader programme—EUROCLIMA+.

EUROCLIMA has made a solid contribution to increasing the knowledge base available to decision-makers and members of the scientific community in Latin America regarding the challenges and impacts of climate change, in order to integrate this issue into the sustainable development strategies of each country, as well as the region as a whole. To face the many issues involved in the fight against climate change in Latin America, EUROCLIMA works with governments in the region, supported by the European Commission's Joint Research Centre, the Economic Commission for Latin America and the Caribbean, the Inter-American Institute for Cooperation on Agriculture and the United Nations Environment Programme. The Regional Operations Latin America and the Caribbean Unit of the European Commission's Directorate-General for International Cooperation and Development – EuropeAid is responsible for managing the Programme and is supported by EUROCLIMA Technical Assistance.

Between 2014 and June 2017, the aforementioned institutions have managed to train approximately ten thousand people, primarily local and national government officials and scientists working in research centres. To support that training, the programme developed software to simulate the behaviour of crops under different climate scenarios, videos on climate change, and nearly 100 publications written in accessible language for decision makers.

This EUROCLIMA Thematic Studies Series, which it is my pleasure to introduce, is an example of how complex issues can be successfully addressed to create added value for decision making in government policies and strategies. This is further advanced by the fact that the same national Focal Points (EUROCLIMA liaisons in each government) were the ones to identify the issues addressed in these Thematic Studies, and accompanied the preparation of these documents using the needs of their own countries as a starting point.

EUROCLIMA began several years before the signing of the Paris Agreement, which gives a major boost and clear guidance for future actions to limit climate change. With its emphasis on supporting and strengthening national governments and providing them with instruments for decision-making, EUROCLIMA has also supported readiness for implementing that Agreement. The programme has emphasised adaptation and mitigation technologies, capacity building (including fostering triangular and South-South cooperation and regional experience-sharing encounters) and initiatives to facilitate access to climate financing, such as this Thematic Study 10, which maps the 25 climate finance initiatives most relevant to the Latin American region.

Europe is highly committed to the effective management of climate financing, as this study demonstrates: all 25 financing sources include funds from European Union member countries, while 11 of them receive funds from the EU itself. One of these initiatives is the Latin American Investment Facility (LAIF), an EU-Latin American cooperation programme that is intended to promote synergies with EUROCLIMA+. It is an innovative finance mechanism, a "blending" facility that combines EU grants with other public and private resources such as loans and capital to leverage additional financing beyond grants.[1]

We hope that this publication makes a tangible contribution to helping countries in the region find suitable financing for planning and implementing adaptation and mitigation actions in the context of climate change.

Catherine Ghyoot
European Commission

1 See Factsheet 6.19 in this Guide

Prologue

Jolita Butkeviciene

Director Latin America and Caribbean
Directorate-General for International Cooperation and Development - European Commission

We need a major shift of investment flows on a global scale to transition towards a low-carbon, climate-resilient development path. As we know, Latin America is highly vulnerable to climate change and is facing multiple challenges to embrace a sustainable development pathway. The good news is that there are huge opportunities for low-carbon investments that build resilience, reduce emissions in Latin America and foster social coherence and economic growth.

The 2015 Paris Agreement has set the objective to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The Agreement also aims to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing countries. With the entry into force of the Agreement, countries have started to prepare for the implementation of their commitments on climate change (NDCs). We must act now to enhance the level of ambition and to achieve climate-resilient, low-emission development.

The year 2015 was remarkable not only for the Paris Agreement; also the Addis Ababa Action Agenda, the Sendai Framework for Disaster Risk Reduction, and the adoption of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) clearly show the international community's political will to end poverty, strengthen sustainable development and tackle climate change. The interlinkages between these broad initiatives demand coordinated action at all levels, local, national, regional and global. There will be dividends from climate action for other SDGs and vice versa, for example: public health and food security will gain from adaptation in agriculture and reduction of risks of flooding, investments in mitigation and in particular renewable energy will bolster economic growth, empowerment of women will permit their decisive action in energy efficiency, health and education, and innovations in agriculture.

The EU has a firm commitment to support environmental sustainability and climate-resilient development in Latin America. The important relation between development and climate change has been acknowledged by the new European Consensus on Development, which was adopted in June 2017. By integrating environment and climate change throughout its development cooperation strategy, the EU aims to implement the 2030 Agenda for Sustainable Development and the Paris Climate Change Agreement through coordinated and coherent action and multi-stakeholder partnerships.

The successful EUROCLIMA programme and the new regional flagship programme EUROCLIMA+ constitute key European responses to address climate change in Latin America. EUROCLIMA+ comes at a critical juncture as countries prepare for the implementation of their NDCs. By uniting the work of five key EU Member State Agencies (AECID, AFD, Expertise France, FIIAPP and GIZ) the EUROCLIMA+ programme enhances the joint EU profile to support the fight against climate change in Latin America.

Climate change is also at the core of the strategic partnership between the EU and the Community of Latin American and Caribbean States (CELAC). Europe and Latin America must join forces to ratchet up ambition in the run-up to the global stocktake in 2023, when countries will account for what must still be done to achieve the goals of the Paris Agreement, including when it comes to climate finance. Already in 2018 there will be an important opportunity for countries to reflect on collective progress and opportunities to take further action during the so-called facilitative dialogue. A strong and clear message from the upcoming EU-CELAC Summit for ambitious climate commitments and international support will be key to trigger a positive dynamic at the global stage.

International cooperation will be crucial to deliver on the NDCs by providing more effective access to technical knowledge and climate finance from both public and private sources. The mobilization of financing and investment instruments is crucial to implement in a coordinate way both the Climate and the Sustainable Development Agendas. The complexity of climate finance flows presents a huge challenge for countries to effectively access relevant funds for NDC implementation. The present guide is therefore a very timely contribution to help bridge the gap between available financial resources and their actual use by Latin American countries.

Together, we can make a huge difference to re-direct investment flows towards climate-resilient, low-emission development. The time is now to develop and strengthen partnerships that deliver change at the local, regional and global level.

Jolita Butkeviciene
European Commission

The Strategic Partnerships of the European Union with Latin America have great potential for the construction of climate resilient low-emissions economies.

1. Implementation of the Paris Agreement and the cooperation of the European Union with Latin America

1.1 Introduction[2]

Climate change presents a number of risks and opportunities, which offer the potential to redefine and strengthen relations between the European Union and Latin America.

Making a success of the Paris Agreement is of great importance for both regions given they are highly vulnerable to the impacts of climate change. The Agreement offers the EU-Latin American partnership an opportunity to prioritize policies and investment towards building more prosperous, low-emission and resilient economies.

Looking ahead, existing efforts of both regions on climate change will therefore require scaling up to ensure the Agreement can be successfully implemented in Latin America. In the UN climate change negotiations in Marrakesh, Morocco, last November countries agreed to finalize the Agreement's rulebook and to hold a facilitative dialogue in 2018 to review progress toward achieving the Paris Agreement's goal of reaching net zero emissions this century. The bi-regional partnership is an ideal space through which the EU and Latin America can collaborate to review current efforts and unlock greater ambition for their national climate change plans to be resubmitted in 2020. This process can act as a catalyst for building a more inclusive and sustainable development in Latin America, which in turn can strengthen relations between the European Union and Latin America.

2 This chapter was written by Guy Edwards, research fellow at Brown University, with financial support from the European Commission through EUROCLIMA Technical Assistance. The author thanks Jan Karremans, Director of EUROCLIMA Technical Assistance, for his encouragement and ideas during this study. Disclaimer: The opinions, omissions and errors are the sole responsibility of the author. The views and recommendations expressed in this chapter are those of the author and do not necessarily reflect those of the European Commission. Neither the European Commission nor the persons representing it are responsible for the use that may be made of the information provided here.

Summary of key messages and policy recommendations

An overview of EU-Latin American relations

- The EU and Latin America and the Caribbean maintain an intensive political dialogue and their relations account for a considerable amount of investment, trade, and cooperation.
- The EU and Community of Latin American and Caribbean States (CELAC) make up 61 countries which is roughly a third of the 195 Parties to the UNFCCC and nearly half of G20 members.
- The scale of EU-Latin American trade and investment in high-carbon sectors represents both a challenge and an opportunity for their partnership to hardwire the agreement's goals into their activities.
- The EU and Latin America should work proactively to encourage greater efforts by the US and China to attempt to mainstream climate change into their respective partnerships.
- The upcoming 2017 III EU-CELAC Summit should focus its agenda on implementing the Paris Agreement and the Sustainable Development Goals including parallel events for business, academia, mayors, civil society, and the Euro-Latin American parliamentary assembly.

Bi-regional relations on climate change

- Since 2008, climate change and sustainable development have emerged as central pillars of EU-Latin American relations with both issues featuring prominently in declarations and actions plans; and the EU's cooperation and financial support in the region.
- For the 2014-2020 period, climate change and environmental sustainability will receive not only a considerably greater contribution compared to previous periods but also more than other sectors of the EU's cooperation in Latin America.
- The EU is making significant climate-related investments in Latin America and the Caribbean including through the European Investment Bank and the Latin American Investment Facility.
- The EU and Latin American countries have at times worked closely together at the UNFCCC negotiations which proved instrumental in securing the adoption of the Paris Agreement.

Accelerating the implementation of the Paris Agreement in Latin America

- The EU can support Latin America in implementing the Agreement which could bring major benefits including sustainable and clean cities and economies that are more resilient to climate impacts and natural disasters
- Both regions should collaborate to identify trade and investment opportunities related to low-carbon products and green technologies.
- The EU should support Latin American in taking advantage of its potential for renewable energy which can help meet rising energy demand, create jobs, attract investment and reduce emissions.
- Both regions must work to ensure the Paris Agreement's goals are mainstreamed into public policy while building more robust partnerships with the private sector, national and multilateral development banks, civil society and cities
- Both regions should continue to invest resources in the Cartagena Dialogue and High Ambition Coalition to ensure greater ambition and enhanced transparency at the UNFCCC negotiations.

1.2 An overview of EU-Latin American relations

The Strategic Partnership between the EU and Latin America and the Caribbean was created in 1999 to improve political, economic, and cultural links between both regions. The EU and Latin America maintain an intensive political dialogue and their relations account for a considerable amount of investment, trade, and cooperation with important implications for addressing climate change. The EU is Latin America and the Caribbean's second largest trading partner alongside China, the leading foreign investor and donor.

In 2013, total foreign direct investment (FDI) stocks amounted to EUR 505.7bn. In South America, investment flows are heavily channeled into natural resources especially mining and the hydrocarbons sector where as in Mexico and some economies in Central America and the Caribbean, a large part of foreign investment goes to export manufacturing activities. Recently, European FDI has decreased in the region alongside stocks from other countries. Despite the overall drop there have been some important changes in the sectorial distribution of FDI projects in Latin America. While new investments announced in the natural resource extraction and processing sectors have fallen sharply, renewable energy has been the most important target of new investment announcements in 2015.

Corporate relations between the two regions are especially solid in sectors such as automobile manufacturing, energy generation, financial services and telecommunications operations. European investments in these sectors have had a significant impact in the region, leading to an expansion in exports, job creation, and infrastructure development. The positive impacts of these investments such as generating employment need to be balanced against the negative impacts, such as increased emissions and air pollution. A major challenge going forward will be bringing bi-regional trade and investment ties into line with the goals of the Paris Agreement to support Latin American countries' efforts to implement their national climate policies and long-term decarbonisation plans.

Latin America's ability to manage the risks presented by climate change and take advantage of the opportunities presented by a low-emission transition are intricately tied to developments in the EU, the United States and China. As the world's largest three emitters, they will define the international response to climate change given their central position in the global carbon cycle and their willingness and ability to decarbonize the global economy. Given the right circumstances, the EU and Latin American countries should work more closely with the US and China to mainstream the issue of climate change into their respective partnerships with Latin America.

The EU-CELAC Strategic Partnership could benefit from a high-level dialogue that focuses on a more limited agenda. Next year, the III EU-CELAC Summit should focus on the implementation of the Sustainable Development Goals and the Paris Agreement. The nationally determined contributions and the preparation of the 2050 low emission development plans provide essential elements to guide EU-Latin American relations. Deepening the focus on climate change and bringing activities into line with the Paris Agreement could help bolster the impact of the EU-Latin American relationship.

1.3 Bi-regional relations on climate change

The entry into force of Paris Agreement represents an important success story for the bi-regional partnership. Since 2008, climate change and sustainable development have emerged as central pillars of the EU-CELAC relations and the EU's Strategic Partnerships with Brazil and Mexico, respectively.

Together, the EU and Latin America represent approximately 20% of global emissions ensuring both regions can make a significant collective contribution towards securing a safe climate. The majority of the EU's emissions come from the energy sector. In Latin America, the primary source of emissions is the energy sector, which accounts for 41% of total emissions, followed by agriculture (27%) and land-use change and forestry (21%).

The EU's EUROCLIMA program, which has been running since 2010, is the principal bi-regional programme on climate change. In 2017, EUROCLIMA will be replaced by a new programme, which will promote policy dialogue and technical and financial support for the development and implementation of climate change policies with a focus on the implementation of the Nationally Determined Contributions and supporting the design of countries' low-emission development strategies for mid-century.

The EU is making important climate-related investments in Latin America. In 2011 the EU established a EUR 2 billion Climate Change Mandate (2011-2013) for the European Investment Bank to support mitigation and adaptation projects in the region. The Latin America Investment Facility (LAIF), which is funded under the EU's Development Cooperation Instrument, is also making significant climate-related investments. Since its launch, LAIF has contributed EUR €232 million in grants to projects including in the transport, energy and water sectors representing a combined investment of around EUR €6.9 billion. In 2015, climate change was a significant cross-cutting theme with the LAIF contributing to for example the Geothermal Development Facility which aims to overcome barriers to the exploitation of Latin America's geothermal energy potential.

At the UNFCCC negotiations, some Latin American countries participate in informal groups alongside the EU and other developing and developed countries such as the Cartagena Dialogue and the High Ambition Coalition. These diplomatic exchanges proved highly significant for securing the adoption of the Paris Agreement.

1.4 Accelerating the implementation of the Paris Agreement in Latin America

In 2018, the facilitative dialogue under the UNFCCC will review progress toward achieving the Paris Agreement's goals. The bi-regional partnership offers an excellent space for the EU and Latin American countries to review their current efforts and unlock greater ambition for the national climate change plans to be resubmitted in 2020. The EU and Latin American countries participating in the Cartagena Dialogue and High Ambition Coalition should actively contribute to the discussions on the design of the facilitative dialogue scheduled for May 2017 to ensure the process serves to scale up ambition and enhance transparency.

Both regions should stress that the facilitative dialogue can be enriched through the involvement of non-state actors including cities and the private sector which are essential in helping the UNFCCC negotiations better reflect the significant levels of action on climate change in the real economy.

The EU could take the lead to increase the level of ambition of its NDC. In Latin America, the EU can also support the implementation of countries' NDCs which focus on renewable energy and energy efficiency, forest protection, sound agricultural practices, building resilience, clean transport, waste management and the improvement of industrial processes. The EU, alongside other developed countries, must support developing countries with the necessary finance, technology transfer and capacity building. The EU's leadership on this issue is significant yet there remains considerable work to deliver on existing commitments. In the author's opinion this includes scaling up levels of finance especially for adaptation and improving accurate tracking and reporting.

The scale of EU-Latin American trade and investment in polluting and carbon-intensive sectors represent a key challenge for implementing the Paris Agreement in Latin America. As the EU brings online more renewable energy capacity and improves energy efficiency, its demand for fossil fuel imports from Latin America will decrease. Both regions need to work together to mitigate the potential risks of this situation. The EU should work with Latin America to identify trade and investment opportunities related to low-carbon products and green technologies.

The EU and Latin America should explore options to create new market incentives for scaling up low-carbon trade and investment. This would require removing barriers to trade and investment in low-carbon trade in goods and services and enhanced cooperation on defining common and improving performance and technical standards for low-carbon products that could influence trade and investment patterns.

Latin American countries urgently need to increase levels of foreign investment especially for sustainable infrastructure. The priority is to ensure new investment flows are not only consistent with the Paris Agreement's goals but also support the region's sustainable development. The creation of national finance strategies to implement the national contributions from 2020 is a key priority in order to be able to present figures to developed countries and multilateral development banks which will play a major role in supporting their implementation. The EU and Latin America should also collaborate on encouraging Latin American country investment promotion agencies to promote renewable energy investments and development of the electric vehicle market. This expansion would offer various benefits not least reducing emissions from the transport sector which is the fastest growing source of energy-related emissions in the region. Moreover, the potential benefits from reducing air pollution are significant.

Latin America has massive potential to bring online more non-conventional renewable energy sources especially wind, solar, geothermal and tidal, which can help meet rising energy demand, create jobs, attract investment and reduce emissions. The EU can play a leading role in promoting renewable energy cooperation, in part by transferring technology. The EU can also work with it regional partners to support the integration of national power grids, which could provide a significant boost for renewables. Although grid integration in the region is still incipient, progress is being made. The EU through its different financial institutions should work with Latin American countries and with multilateral development banks to speed up the integration of their energy systems through connecting national transmission systems and harmonizing energy policies and markets to leverage finance and technical assistance to boost these integration efforts.

As the Paris Agreement lacks a compliance mechanism with teeth, civil society and the private sector have a key role to play in reminding governments of their commitments. The EU and Latin American countries should generate additional spaces for the engagement of Latin American civil society and private sector in the national, regional and bi-regional discussions on climate change and provide additional resources for these groups to interact and share experiences related to the implementation agenda. These actors can contribute to the design of more ambitious NDCs and also the preparation of countries' mid-century low-emission development strategies. These plans represent essential tools to hold national and bi-regional debates on the choices and pathways that countries must make to build a fairer, more inclusive and resilient society. Given the EU's and Germany's experience on developing low-carbon long-term plans, there is an opportunity to share these experiences with Latin American countries and also civil society groups, businesses and multilateral development banks. Some Latin American countries such as Mexico which launched its mid-century strategy in

November 2016 also have important experiences to share.

1.5 Conclusion

Taking into account the growing evidence that tackling climate change and building prosperity are mutually reinforcing goals, the Paris Agreement should be considered a top priority for the bi-regional partnership. The EU should continue to stress that building prosperity and tackling climate change are complementary goals, since the former will remain a top priority for Latin America. The EU and Latin America should enhance their efforts to bring their extensive ties into line with the agreement. This effort can accelerate the transition to a low-emission and resilient economy. The Paris Agreement's entry into force and existing EU-Latin American ties on climate change can help create the conditions to make that transition a reality.

Further reading

Dagnet, Y., D. Waskow, C. Elliott, E. Northrop, J. Thwaites, K. Mogelgaard, M. Krnjaic, K. Levin, and H. McGray. 2016. "Staying on Track from Paris: Advancing the Key Elements of the Paris Agreement." Working Paper. Washington, DC: World Resources Institute.

Economic Commission for Latin America and the Caribbean (2016), Foreign Direct Investment in Latin America and the Caribbean, 2016.

European Commission 'Facts and figures about the relations between the European Union and the Community of Latin American and Caribbean States' 2015.

European Commission (2016) 'LAIF – Latin American Investment Facility / Caribbean Investment Facility: 2015 Operational Report'.

The European Union and Latin America must work to ensure the Paris Agreement's goals are mainstreamed into public policy while building more robust partnerships with the private sector, national and multilateral development banks, civil society and cities.

Considering the differentiated priorities and needs of men and women, it is extremely important that women have access to economic and financial resources for mitigation and adaptation to climate change.

2. Implementation of NDCs in Latin America

2.1 NDCs in Latin America: Targets and priorities

Well-planned, efficient implementation of Nationally Determined Contributions (NDCs) is currently one of the central concerns in the climate struggle for Latin American governments as well as the donor community. After all, achieving NDC emission reduction targets is imperative for reducing global warming to the least harmful level possible. However, even with the combined NDCs of countries around the world, global warming will still surpass international expectations, leading to extreme scenarios in zones vulnerable to climate change all over the planet.

Conscious of the scale of the task before them and the limitations of their national budgets and available technical and human capacities, the countries of the Latin American region have set "conditional" targets that are far more ambitious than their NDC "unconditional" targets and will require international support to achieve.

There is some variation in the way countries have calculated the targets to be achieved under their NDCs, with different baselines, types of emissions, and timeframes for measuring results, in addition to their conditional targets. However, a comparison of average unconditional targets and conditional targets can serve to illustrate the much more ambitious scale of the latter, provided certain international support materializes. The following table compares the NDCs of 8 countries that have established both unconditional and conditional targets (Argentina, Chile, Colombia, Ecuador, Guatemala, Mexico, Paraguay and Peru):

Average emission reduction target (NDCs in LA)[3]			**International support most frequently mentioned for achieving the conditional target**
Unconditional target	Target with international support	Average increase in target	
21.4 %	32.5 %	67%	» International financing » Technology transfer » Capacity building

It is striking in the above table that countries' intended targets could increase by a considerable 67% if certain favourable conditions are met, namely international financing, technology transfer and capacity building. Those forms of international support referred to in NDCs are generally consistent with the actions prioritized by donors.

This guide, prepared by EUROCLIMA Technical Assistance, should be viewed as an element of support for the single most frequently cited condition—an adequate flow of resources from international financing sources that is consistent with nationally defined priorities. In the following pages, we present a summary of the areas that 16 Latin American countries have prioritised in their NDCs.[4]

3 For the two countries that have stipulated a range for one of the targets, the average has been used for these calculations.

4 Of the 18 countries under consideration, Nicaragua has not presented an NDC, while as of June 2017, Venezuela has yet to identify priority areas.

(i)NDCs in Latin America: Priorities and Targets

LEGEND

GHG: Percentage of global greenhouse gas emissions (WRI, 2012).
INDC: Target of GHG reduction with and without international funding, as indicated in the Intended Nationally Determined Contributions. Example: 25 % (45 %) means: 25 % GHG reduction target without and 45 % target with international funding, also called the conditional target. Countries have used different procedures to calculate targets. To facilitate comparison it is recommended to consult the INDCs.

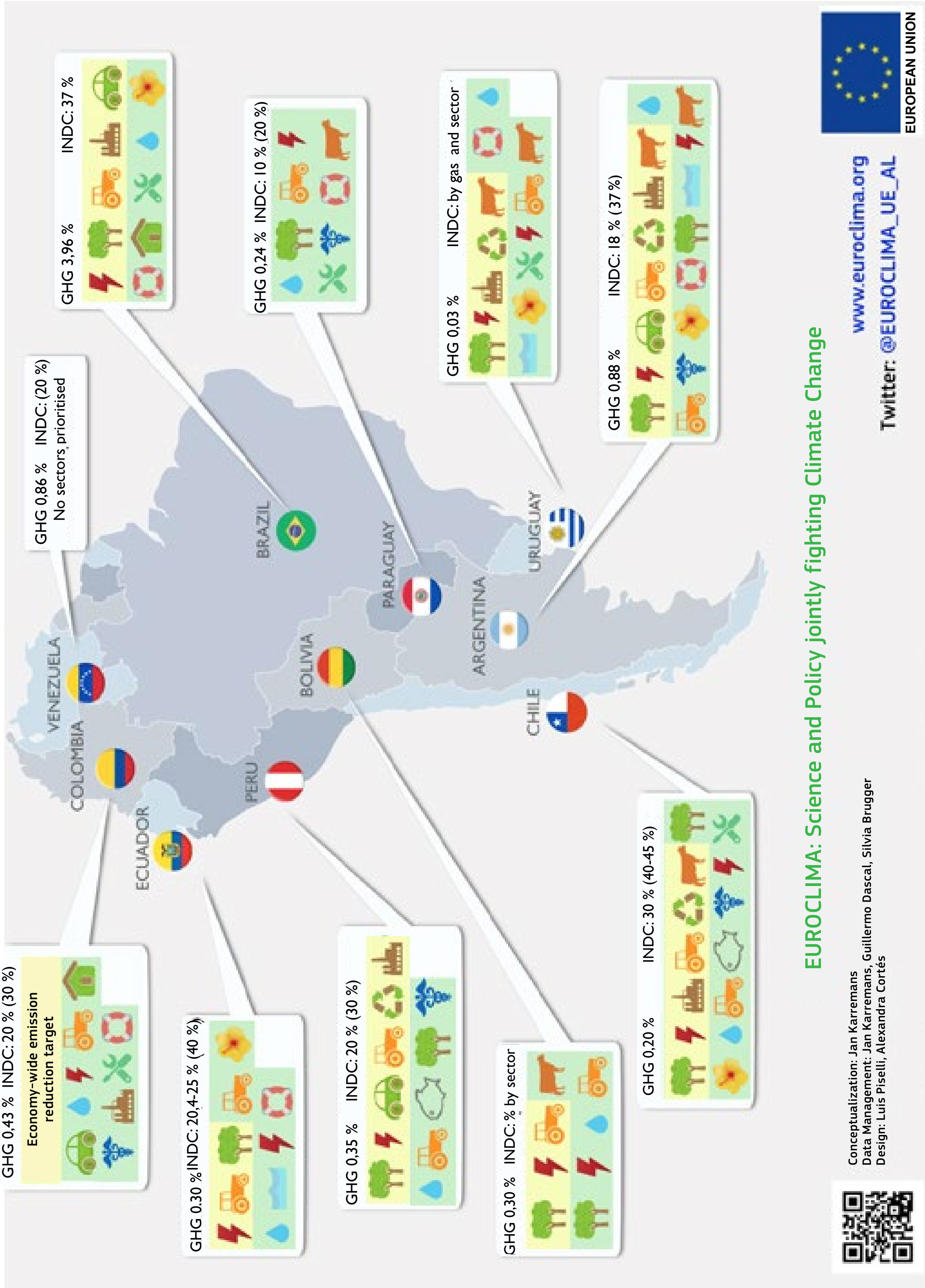
Infographic map not on scale

The information contained in this Infographic is responsibility of Technical Assistance of EUROCLIMA and does not necessarily reflect the official opinion of the European Union.

Sectors prioritised in submitted INDCs:

When a country's INDC prioritises specific **mitigation** sectors, these are represented in a **yellow** box.
When a country's INDC prioritises specific **adaptation** sectors, these are represented in a **green** box.

Agriculture, Fishery, Coast, Energy, Disaster Risk Management, Biodiversity, Health, Housing, Industry, Infrastructure, Livestock, Transport, Water, Waste, Forestry / LULUCF


GHG 0,43 % INDC: 20 % (30 %)
Economy-wide emission reduction target
GHG 0.30 % INDC: 20,4-25 % (40 %)
GHG 0,35 % INDC: 20 % (30 %)
GHG 0,30 % INDC: % by sector
GHG 0,20 % INDC: 30 % (40-45 %)
GHG 0,86 % INDC: (20 %)
No sectors prioritised
GHG 3,96 % INDC: 37 %
GHG 0,24 % INDC: 10 % (20 %)
GHG 0,03 % INDC: by gas and sector
GHG 0,88 % INDC: 18 % (37 %)
VENEZUELA
COLOMBIA
ECUADOR
PERU
BOLIVIA
BRAZIL
PARAGUAY
ARGENTINA
URUGUAY
CHILE
EUROCLIMA: Science and Policy jointly fighting Climate Change
www.euroclima.org
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EUROPEAN UNION
Conceptualization: Jan Karremans
Data Management: Jan Karremans, Guillermo Dascal, Silvia Brugger
Design: Luis Piselli, Alexandra Cortés

2.2 Challenges for the implementation of NDCs

EUROCLIMA Technical Assistance has analysed the core challenges that governments of the region have identified in their efforts to advance NDC implementation. The main challenges—identified through a review of documents and participation in meetings and presentations of Latin American countries, including regional UNDP consultations—are indicated in the table below; the six that appear most important are emphasized in bold in the table below:

Areas of Action	Challenges
Planning	**Integrate CC into national and sectoral plans**
	Establish MRV systems, including data registries
	Prepare climate change plans for NDC implementation
	Develop planning and monitoring tools
Capacities	**Innovate technology: R&D**
	Provide timely and consistent reporting for decision making
	Raise awareness (within and outside of government)
	Transfer adapted technologies
Financial	**Access international financing initiatives**
	Lower the high cost in terms of national GDP
	Define an efficient finance architecture
	Establish mechanisms (legal, fiscal, political) for accessing private financing
Coordination	Coordinate government units effectively (intergovernmental)
	Coordinate different levels (national, regional, local)
	Coordinate and reach consensus with multiple stakeholders (private sector, civil society)
Policy	Establish legal frameworks
	Define national priorities (competition among sectors for limited resources)

From a preliminary analysis of the Latin American region it appears that five countries—Chile, Colombia, Costa Rica, Mexico and Peru—are currently making the most progress in achieving readiness for NDC implementation by addressing several of the challenges mentioned above[5].

As one of the conditions countries identify as essential for achieving the more ambitious NDC targets, international cooperation has an important role to play in developing NDC implementation plans, MRV systems for measuring progress, and strategies for accessing funding, not only from international climate finance initiatives, but also at the national level (public and private sectors).

2.3 NDCs and Latin American cities: The rocky road to climate finance

Cities are crucial for the implementation of NDCs. While covering just 2.6% of the world's surface, cities account for 70% of all CO2 emissions. Their concentrations of people and economic activities make cities particularly vulnerable to impacts of climate change such as floods and water shortages, very often because of their location near coastlines.[6]

More than half of the world's people live in cities, and that figure will reach 70% by 2050. Latin America is the second most urbanized region on the planet, with 80% of its population currently living in urban areas. To encourage resilient, low-carbon development in this increasingly urban context, significant investments in urban infrastructure will have to be made. Global demand for sustainable urban infrastructure for the 2015–2030 period has been estimated at USD 4.5-5.4 billion annually, including an estimated US$ 0.4-1.1 billion to ensure that this infrastructure is low in emissions and resilients.[7]

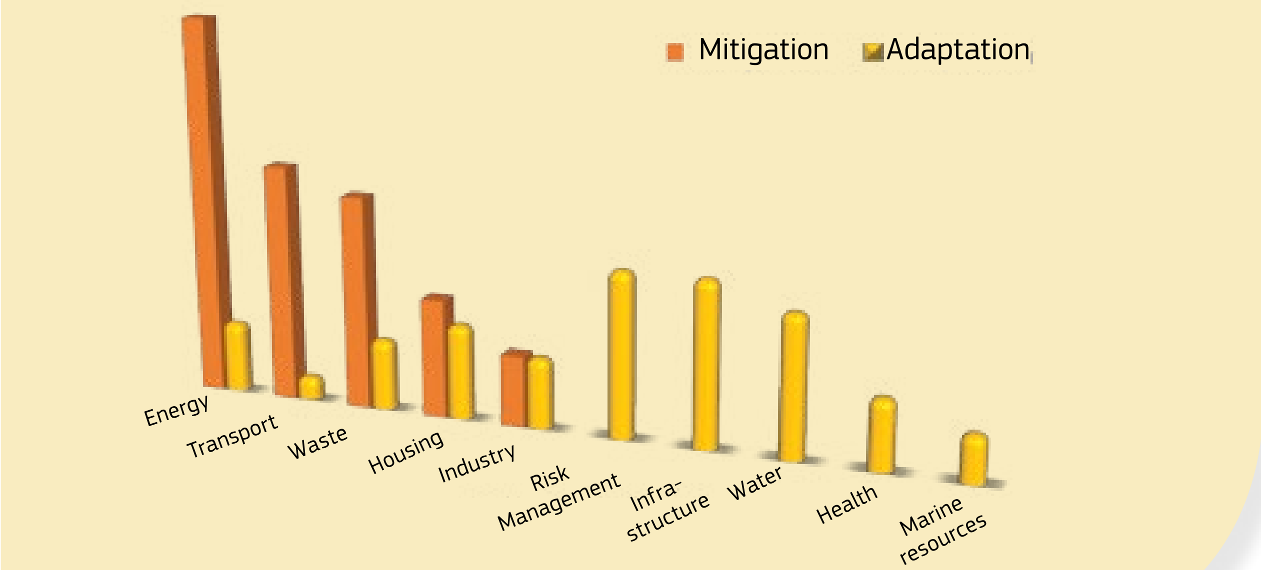
5 Brazil was not included in this analysis, which was based mainly on a review of official websites and documents from governments of the region.

6 ECLAC, Vulnerabilidad y adaptación de las ciudades de América Latina al cambio climático, 2016, http://repositorio.cepal.org/bitstream/handle/11362/41041/1/S1700017_es.pdf

7 Cities Climate Finance Leadership Alliance, The State

Several Latin American countries have included urban-focused actions in their NDCs. In regard to climate change mitigation, these actions target the energy, transport, waste, housing and industrial sectors, while those taking an adaptation approach include urban actions in the areas of risk management, infrastructure and water resources:

Number of Latin American countries reporting NDC-related actions for an urban context



Source: Compiled by the authors based on an analysis of the NDCs from the Latin American countries.

Some countries also mention specific urban development actions in their (I)NDCs. Colombia, for example, intends to draft and implement integrated climate change plans that will promote sustainable, competitive cities, while Costa Rica is working to create a low carbon development strategy for urban areas to reduce emissions in the country.

A wide variety of financing sources exists for funding urban climate actions, including municipal revenues, private-sector investments, bilateral grants and national and international funds. Public-sector climate financing alone is not enough to generate sustainable urban infrastructure, but can be used to catalyse and facilitate investment by leveraging additional financing from other stakeholders, including:

- Risk mitigation instruments such as guarantees and insurance.
- Innovative financial mechanisms such as "blending", which combines grants with public- and private-sector loans.
- Technical assistance and training.

According to information from the ODI, in the 2010–2014 period multilateral climate funds allocated USD 842 million to explicitly urban projects, corresponding to 11% of total climate financing from those sources.

Most of the funds for urban projects have been invested in mitigation actions in middle-income countries, and 60% of them have targeted the

of City Climate Finance 2015, 2015, http://www.citiesclimatefinance.org/wp-content/uploads/2015/12/CCFLA-State-of-City-Climate-Finance-2015.pdf urban transport sector.[8] The main sources of climate financing for Latin American cities are:

- Clean Technology Fund (CTF).
- Global Environment Facility (GEF).
- Green Climate Fund (GCF).
- NAMA Facility.
- International Climate Initiative (IKI).
- Latin American Investment Facility (LAIF).
- Multilateral Development Banks such as the IDB, CABEI, CAF, the European Development Bank and the World Bank.

For practical and political reasons, the existing international climate finance framework requires funds to be channelled through national governments. In other words, cities cannot usually access climate funding directly.[9] To facilitate their access to climate finance, a new cooperation model between cities and national governments is needed to improve coordination among different levels of government and strengthen partnerships among local stakeholders, civil society and the private sector. New ways for cities to directly access climate funds must also be developed.

Climate finance sources with direct access for cities:

Green Climate Fund (GCF). Sub-national entities can be accredited as implementing agencies to the Fund, provided they have the support of the Designated National Authority or Focal Point and meet certain requirements. The Readiness Support Programme can help cities to meet the Fund's requirements during the accreditation process.

Global Environment Facility (GEF). Cities can collaborate with GEF implementing partners to access GEF resources. The Sustainable Cities Integrated Approach Pilot has earmarked USD 150 million to selected cities in developing countries for the 2015-2030 period, while the Facility's Small Grants Programme offers grants of up to USD 50,000 to support local communities and NGOs.

World Bank. The Bank has established a Subnational Finance Programme that provides financing for urban and local government infrastructure projects as well as to private sector stakeholders. The World Bank also supports the Resilient Cities Programme in partnership with the Global Facility for Disaster Reduction and Recovery (GFDRR). The City Creditworthiness Initiative is a joint effort of the World Bank and the C40 Cities Climate Leadership Group that seeks to help municipal authorities become creditworthy.

French Development Agency (AFD). Within the context of bilateral cooperation, the AFD offers training to local governments and opportunities for directly accessing financing for climate projects. It also supports the CAF-led Cities with a Futures programme.

Another challenge that cities face are the requirements set by climate finance sources in regard to social and environmental safeguards, fiduciary standards, and creditworthiness, among others. Only 4% of the 500 largest cities in developing countries are deemed creditworthy in international markets, which also makes it a challenge to access private sector investment.[10] Public financing sources can mitigate risk through guarantees, insurance and other innovative financial instruments, while readiness programmes

8 ODI, Climate finance for cities, 2015, https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9660.pdf

9 For example, proposals submitted to the Adaptation Fund must be endorsed by the national government Designated Authority registered with the Fund and submitted by a national, regional or multilateral implementing agency.

10 World Bank, Next steps for climate action in cities after COP21, 2015, http://www.bancomundial.org/es/news/feature/2015/12/22/next-steps-for-climate-action-in-cities-after-cop21

can help project proponents meet safeguards, fiduciary standards and other requirements.

Transaction costs and the complex task of coordinating climate projects are additional barriers that may prevent cities from accessing climate financing. The cost of preparing climate projects can range from 5% to 10% of the total project amount and requires coordination among different municipal units and government agencies. Integrating climate change mitigation and adaptation actions into urban planning, giving due consideration to co-benefits, and partnering with local financial institutions as intermediaries that channel international funds to support local actions are all important strategies that must be addressed to enable financing of urban projects.

Along that rocky road to climate finance, there is an evident lack of knowledge and institutional and technical capacities at the municipal level. Investments must therefore be made in training municipal officials in the design of bankable projects and the identification of potential climate finance sources.[11] There are several networks and web platforms for sharing best practices and enabling city representatives to interact with climate finance experts. The Cities Climate Finance Leadership Alliance and the Global Covenant of Mayors for Climate & Energy, which includes many cities in Latin America, are just two examples. At the same time, various initiatives are being developed to support climate finance readiness in cities.[12] On that note, it is worth mentioning a new EU project: International Urban Cooperation, which recognizes that the lack of climate funding threatens the implementation of local actions and actively supports cities in identifying funding sources at the local and national levels, as well as internationally (through cooperation with international financial institutions).

These options can facilitate access to financing to encourage resilient, low-carbon cities and enable the implementation of NDCs in the world's most urbanized region.

2.4 Gender considerations in NDCs and climate financing

Women's and men's different vulnerabilities to climate change, and their different abilities and options for dealing with its impacts, mean that they have different needs in regard to climate financing. As a result of existing gender inequalities, women are often more vulnerable to the consequences of climate change. On the other hand, because of the sociocultural role they play in their communities, women have great potential for achieving change in the fight against global warming.

Bearing in mind the distinct priorities and needs of women and men, it is crucial that women have access to economic and financial resources for mitigation and adaptation to climate change. Under the current climate finance scheme, however, women do not have sufficient access to funds, owing to income and education gaps and their unequal participation in decision making, combined with their roles and responsibilities in the home, community and labour market. While many climate funds, and many governments that apply for funding, recognize the importance of applying a gender perspective, in practice that

11 As part of a strategic partnership between EUROCLIMA and Adapt-Chile, three thematic studies were published as technical support for the project "Academies of Climate Change: Climate Change Plans for Local Governments." These Academies provide intensive training for local government officials, offering technical and conceptual tools for the formulation and validation of local climate change adaptation and mitigation plans. See Estudio Temático 8: Academias de Cambio Climático: planificar la adaptación en el ámbito local; Estudio Temático 11: Municipios y cambio climático: la adaptación basada en ecosistemas; and Estudio Temático 12: Transición energética en municipios: estrategia para enfrentar el cambio climático. http://www.euroclima.org/en/services/euroclima-books

12 Initiatives for designing local climate projects include: the Cities Finance Facility of the C40 network with support from GIZ, FELICITY (a GIZ initiative for the European Investment Bank), the ICLEI Transformative Action Program (TAP) and the R20 Project Preparation Platform.

perspective is not implemented coherently or consistently through concrete, robust actions.

Mainstreaming a gender perspective is important for ensuring that climate finance supports gender equality and the empowerment of women. According to an analysis from Climate Funds Update[13], the following principles and measures should be stressed when addressing gender issues in climate financing:

- Establish gender equality and women's empowerment as guiding principles rooted in a human rights perspective.
- Pay particular attention to small-scale and community-based adaptation and mitigation actions in which women play a leading role.
- Incorporate explicit gender criteria into performance targets and results measurement frameworks and in the evaluation of funding options.
- Systematically compile sex-disaggregated data.
- Develop a budget for gender issues and employ indicators to measure the project's/programme's contribution to gender equality goals.
- Enable women's participation in the financing decision-making process, particularly in defining selection criteria.
- Promote a gender balance and gender expertise among institutional staff.
- Establish public participation mechanisms that include women's groups as key stakeholders and beneficiaries.
- Conduct regular audits of the gender impact of funding allocations.
- Apply a robust set of social, gender and environmental safeguards.
- Provide support for capacity building to guarantee gender equality, women's rights and women's full participation.
- Conduct an independent assessment and establish compensation mechanisms that are easily accessible to groups and individuals, including women.

Incorporating a gender perspective offers an excellent opportunity to improve the effectiveness and efficiency of climate financing, and in recent years many climate finance sources have recognized the need to consider gender issues in their operations.

The importance of gender considerations is also reflected in the NDCs, and several Latin American countries have taken gender issues into account in their Paris Agreement targets. Six countries of the region—Brazil, Costa Rica, Guatemala, Honduras, Mexico and Peru - explicitly incorporate a gender perspective in their NDCs. Honduras, for example, seeks to ensure that women enjoy full and effective participation in decision making and that climate policies and actions focus on the "human face" of climate change.

Mexico emphasises the need to incorporate a gender perspective into training activities, while Peru identifies gender as a cross-cutting theme in addressing climate change adaptation and is developing a national gender and climate change action plan.

Several other LAC countries—including Bolivia, Chile, Ecuador, El Salvador, Panama and Uruguay - mention the importance of considering the needs of the most vulnerable groups in their NDCs, while others (Panama, Paraguay, Venezuela) mention gender equality and/or the role of women in their NDCs in reference to existing policies.

13 Climate Funds Update (Liane Schalatek and Smita Nakhooda), Gender and climate finance, https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10065.pdf

The parties to the United Nations Framework Convention on Climate Change have recognized the importance of a gender perspective and agreed that a gender-sensitive climate policy should be established in all relevant activities under the Convention.[14] It is important to further the inclusion of gender issues into the NDC implementation process to advance towards the goal of sustainable development for all.

14 UNFCCC Decision 18/CP.20, http://unfccc.int/resource/docs/2014/cop20/spa/10a03s.pdf

The sharing of experiences between countries of the region is key to learning lessons on the theme of climate finance and strengthening South-South cooperation. Various countries with a development risk management system visited Medellín, Colombia in order to learn from each other and share experiences on this theme.

3. EUROCLIMA's experience in preparing climate projects in Latin America

3.1 Strategies for facilitating access to financing: EUROCLIMA Pilot Cases

In different forums Latin American countries have asserted their need for tools and methodologies that will enable them to efficiently access financing for climate action. That concern has arisen from the relatively limited cumulative experience in preparing climate change projects in the region, coupled with the growing number of options for climate financing from different entities, each with their own procedures, standards, priorities, requirements, templates and deadlines, which can limit access to financing.

This concern was taken up at the UNFCCC Conference of the Parties, more specifically at the COP21 in Paris, where the Parties agreed on the special importance of implementing capacity-building actions to address this concern.

Thus, in the context of national climate policies and strategies, in order to improve the access of countries in the region to financing for concrete climate actions with multiple benefits, EUROCLIMA Technical Assistance has developed a strategy to implement Pilot Cases in the region.

What is a Pilot Case? It is a working group of representatives from several countries that are seeking to implement specific actions to prepare financing proposals for mitigation and/or adaptation measures, with added benefits in related areas. One advantage of working collectively on financing for certain types of climate measures is that it gives countries of the region an opportunity to share experiences and lessons learned, thereby strengthening South-South cooperation.

To facilitate this process, EUROCLIMA Technical Assistance supported a variety of actions such as training, coordination and planning meetings, experience-sharing, targeted studies, and advisory services, among others. It is important to note that this support is not intended to finance climate action measures themselves, but rather to build the capacities of countries in the region to prepare concrete proposals for financing climate actions and to accompany those countries in submitting those proposals to national and international financing sources.

In May 2015, a workshop on Pilot Cases was held in Argentina with representatives from 17 countries, who each prioritised a climate measure that was aligned with their country's climate policy and strategy. Workshop participants then broke into four working groups, one for each type of priority measure:

- Disaster risk management.
- Urban transport.
- Water resources.
- Agriculture and livestock.

The country representatives were EUROCLIMA national Focal Points or their delegates. Since then, each Focal Point has been involved to a greater or lesser degree in developing the financing proposal. While the process differed in each case -according to the specific nature of the measure, the information available, and local capacities, institutional cultures and institutional frameworks- the overall process was the same and can be summarised in the following ten steps:

10 steps to preparing climate financing proposals:

1. Preparation of the project profile for the measure chosen with the support of expert Latin American consultants contracted by EUROCLIMA.
2. Creation of an ad hoc inter-institutional working group of public officials working in pertinent areas in each country, preferably including representatives of finance and planning ministries.
3. Face-to-face and virtual meetings with the inter-institutional working groups (IWG) and local experts appointed by them to discuss details of the measure. The IWGs will have generated interest in the initiative and linked it to similar actions in the country and the respective donors.
4. Creation of roadmaps during the IWG process of formulating and approving the financing proposal.
5. Procurement and implementation of consultancies, brief studies, workshops and South-South exchanges at the request of participating countries, in accordance with the roadmaps. When consultants have been hired to undertake specific studies, the country has been asked to propose candidates in line with the terms of reference (drafted and approved jointly with the country).
6. Drafting of proposals with the support of EUROCLIMA Technical Assistance and experts hired for that purpose.
7. Accompaniment of the IWG by regional climate finance experts to identify, select and process applications to national and international financing sources.
8. Adaptation of the proposals to meet the requirements, key aspects and templates of the funding sources selected.
9. On-going revision of the drafted proposals by the IWG, EUROCLIMA Technical Assistance and contracted experts.
10. Submission of proposals to the chosen financing sources by the pertinent government entity.

Main results achieved:

- **Climate readiness capacities** installed in each country for preparing climate change adaptation and/or mitigation projects.
- **Climate finance proposals** are prepared for submission to national and/or international financing sources, in some cases formally linked to similar actions implemented by other stakeholders and international donors.
- **Experience is gained in creating *ad hoc* inter-institutional working groups** for the preparation, review and management of climate projects.
- Learning is achieved through visits to Latin American experiences in the framework of South-South cooperation.
- Pertinent information required for preparing climate projects has been compiled and analysed.
- **Management skills are strengthened** for inter-institutional negotiations on accessing national and international financing.
- Knowledge is acquired on national and international financing sources that are available to climate projects, with the support of specific Thematic Studies provided by EUROCLIMA Technical Assistance.

Among the many different lessons learned, the following deserve special mention:

- Given the evolving nature of international agreements and the complexity of climate financing itself, preparing financeable climate projects is a **complex process** that requires accompaniment both in technical terms and in installing national climate readiness capacities for a relatively long timeframe.
- That assistance must therefore be **managed flexibly** and adapt itself to the timeframes and pace of the countries involved and different requirements of the measure itself and national capacities.
- It is often the case that, even if they have the installed technical capacity, national climate change units do not have sufficient human resources to dedicate the time required to prepare financing proposals.
- It is therefore crucial to create an ***ad hoc* inter-institutional working group** that includes technical experts specializing in the project's specific themes and representatives of national finance and planning ministries, and has the necessary political support.
- Most international climate funds have their own project **review/approval cycles**, and so do national budgets, therefore the well-planned articulation of these two cycles is essential.
- It is especially important to anchor climate projects with other initiatives being implemented in the country, as well as to develop strong ties with national and local stakeholders linked with the project theme.

3.2 This guide: a tool for facilitating access to international financing sources

As we learned in the Pilot Cases experience, the dispersion of information on financing sources is a challenge that countries must overcome in order to access funding for their climate actions. At the same time, there is increasing pressure to make financing schemes more effective, consistent, and better aligned with donor country contributions (NDCs) in order to secure financing for the investments needed to fulfil national commitments.

To address these concerns, this Guide offers detailed information on the principal sources of international climate financing in the region and the requirements needed to access them, focusing on three central areas: (a) funding available, projects approved, financial instruments and other pertinent aspects for each source; (b) eligible countries, prioritised sectors, access modalities and other eligibility criteria; (c) project/programme selection criteria, application process, safeguards, deadlines, forms, technical assistance and other key elements of preparing financeable proposals.

To this end, we have selected from the global climate finance architecture the 25 international financing sources with the greatest presence in and relevance for Latin America, including both bilateral and multilateral channels. Some of these sources—the Green Climate Fund and the Global Environment Facility, among others—are financial mechanisms under the United Nations Framework Convention on Climate Change (UNFCCC). Others are targeted mechanisms operated by donor countries and multilateral development banks, including the Climate Investment Funds. Both climate-specific funds and international financing sources that address themes relevant for climate change mitigation and adaptation are included in this Guide.

The dispersion of information on climate financing sources and the increasing pressure for financing schemes to be more effective and coherent, call for the mapping of more relevant initiatives for Latin America.

4. Methodology for mapping sources of international climate financing

4.1 Selection of climate finance sources

Given the dispersion of information on climate finance sources, the growing pressure for a more effective and consistent financing scheme, and the need to better align international climate finance investments, structures and arrangements with the institutional policies of developing countries, mapping can be employed as a tool for analysing available international funding initiatives and providing more detailed information on the particular requirements for accessing their resources.

To use mapping as a tool for analysing available international climate finance initiatives and obtaining more detailed information on what is required to access their resources, the 25 principal international funding initiatives with the greatest presence in and relevance for the Latin American region were selected from the climate finance architecture, including both multilateral and bilateral channels. Some of these, like the Green Climate Fund and the Global Environment Facility, are funding mechanisms under the United Nations Framework Convention on Climate Change (UNFCCC). Others analysed in the mapping are targeted mechanisms offered by donor countries and multilateral development banks, including climate investment funds. The guide includes both climate funds and international sources that address issues relevant to climate change mitigation and/or adaptation.

The selection of funding initiatives for the mapping process began with entities that the European Commission's EUROCLIMA Programme had identified in previous studies on climate finance in Latin America.[15] Other sources that had funding available for climate adaptation and/or mitigation actions in Latin America were also examined.

National climate change funds[16], although they may occasionally make financing available to other countries in the framework of South-South cooperation, are not represented in this guide as they are focused primarily at the national level.

Lastly, climate finance from private sources must also be mentioned. Private sector finance is

15 EUROCLIMA Programme, European Commission, Financiamiento climático en América Latina: fuentes internacionales, medidas financiadas y perfiles nacionales – Compendio, 2015, http://www.euroclima.org/images/Publicaciones/LibrosEUROCLIMA/ET7_web.pdf; ECLAC, Financiamiento para el cambio climático en América Latina en 2015, 2017 http://repositorio.cepal.org/bitstream/handle/11362/41010/1/S1700037_es.pdf; Financiamiento para el cambio climático en América Latina y el Caribe en 2014, 2015, http://repositorio.cepal.org/bitstream/handle/11362/39367/1/S1501263_es.pdf

16 For example: COFIDE, BNDES, Caixa Económica Federal de Brasil, Fondo Amazonas, Fondo de Adaptación de Colombia, Fondo de Fideicomiso Yasuni Ishpingo Tambococha Tiputni (Ecuador), Fondo de Regalías de Colombia, FONPLATA, Fondo Nacional de Desarrollo Regional de Chile, Fondo Nacional de Gestión de Riesgos de Colombia, Fondo Nacional del Ambiente (Peru).

usually provided as commercial loans or capital investments and tends to be especially oriented to mitigation, with private sector investments particularly aimed at protecting the value chain from the effects of climate change, providing opportunities to boost revenues through environmental certification, and formulating corporate social responsibility schemes linked to enhancing corporate image. Traditional private sector sources include private banks, transnational enterprises, and foundations such as the Rockefeller Foundation.

4.2 Scope and limitations of the guide

It is hoped that the information contained in this guide will be useful to governments and other stakeholders in their efforts to request funds for climate change mitigation and adaptation actions. The guide seeks to provide key information on available international climate finance sources by organizing that information into factsheets for each source. It is intended not only for government officials in Latin American countries, but will hopefully also be useful to local governments as well as stakeholders in the private sector and civil society, who can use the guide to learn about the criteria and channels for accessing funds. It will also help those stakeholders to link up with pertinent national government entities when they wish to formulate a proposal jointly with different levels of government or sectors of society.

The factsheets on the 25 principal international climate finance initiatives for Latin America bring together important details for accessing those funds, presenting information about eligibility and outlining the application process. The intention herein is to provide not an exhaustive description of each source, but rather basic information to help potential beneficiaries choose the most suitable sources and guide them in accessing funding from them.

The guide was prepared through a detailed bibliographic review of primary and secondary information on each source, obtained mainly from:

- Information available online.
- Information obtained from direct communication with collaborators linked to each source.
- Information from climate finance monitoring institutions.
- Participation in face-to-face and virtual events.

4.3 Some tips for using the guide

Prospective applicants with a fully prepared project proposal, concept note, or an idea for a project that addresses the problem of climate change can read the information contained in the factsheets to identify potential international funding initiatives and ensure that their proposal is aligned with the areas of action prioritized by that source, as well as with the eligibility requirements, mode of access, financial instruments and funding amounts available. When a source publishes annual calls for projects, applicants must be sure to confirm the priorities established therein, as they may vary from the source's previously stated priorities.

Most countries have established protocols and a spokesperson - a focal point, designated authority or official government body - to handle climate projects, and that entity usually accompanies and endorses the search for international public funding, ensuring that the support received is aligned with national policies, strategies, budgetary frameworks and foreign investment criteria.

Once potential sources have been identified, prospective applicants are advised to carefully review the applicable concept note and/or project proposal templates (when available), confirm deadlines and identify potential gaps to determine what is needed to meet the specific eligibility criteria that will be taken into account when the project is assessed by the financing source. Some sources provide support for project preparation.

If the country already has other projects approved by a certain source, potential applicants are advised to contact the current project beneficiary or beneficiaries to take advantage of the lessons learned through the implementation of those other initiatives, to increase the likelihood of obtaining finance and to lend added value to the project proposal. The gender policies and safeguards required by each financing source must also be taken into account when preparing project proposals.

When the potential applicant is interested in obtaining funding via a loan, it is important to confirm the country's interest in initiating a public debt process, with all of its attendant rules, regulations and procedures. It is also important to ensure that the project proposal is aligned with national investment and debt policies. In any case, potential applicants should bear in mind that applications to funding initiatives take up time and resources, and that therefore from the beginning an inter-institutional working group (IWG) should be created (including experts in the relevant area and in financial aspects) whose members can dedicate a portion of their time to the application.

There is a wide gap between available financial resources and those that Latin American countries actually take advantage of.

5. Key information on 25 climate finance sources

5.1 Characteristics of the principal international climate finance initiatives active in Latin America

Climate finance is critical for achieving action on climate change. However, there is a wide gap between the financial resources that are available and those that Latin American countries actually take advantage of. To reduce that gap, at the request of countries in the region EUROCLIMA Technical Assistance has mapped a series of climate finance sources.

This guide summarises the key characteristics of 25 international (multilateral, bilateral and regional) funds available to Latin American governments for climate project financing. The information is organised into concise factsheets for each of the funds analysed (Chapter 6) and is intended to help governments as they seek financing for adaptation and mitigation actions. After an introduction summarising key facts about each source, factsheets outline the following information:

Eligibility

- Accessing the fund
- Eligible countries
- Eligibility criteria
- Additional requirements
- Thematic sectors

Financing

- Available funds
- Minimum and maximum amounts
- Financial instruments

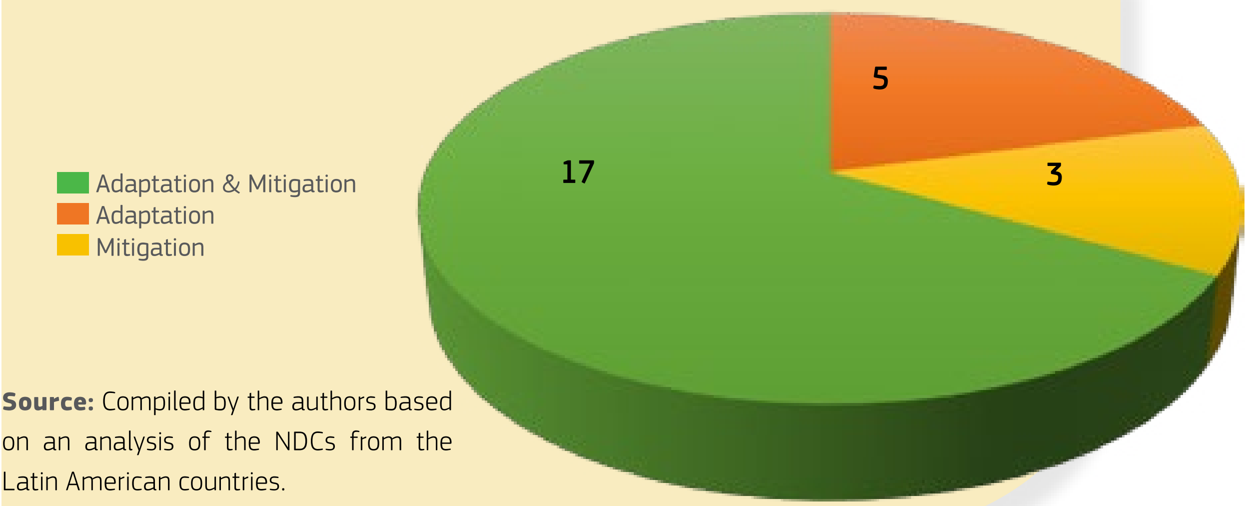
Applying to the fund

- Selection criteria
- Application process
- Support for project preparation
- Safeguards applied
- Gender perspective
- Deadlines
- Forms

After the additional comments found at the end of each factsheet, there is a table with a few climate action projects approved relatively recently by the respective financing source in the Latin American region. The list of projects is in no way exhaustive, but is rather intended to illustrate the areas financed and amounts allocated by the financing source.

Although to date about three-quarters of all financing assigned to Latin America has been invested in mitigation actions (including REDD+), most funding sources finance both mitigation and adaptation actions.

Number of funding initiatives with adaptation and/or mitigation focus

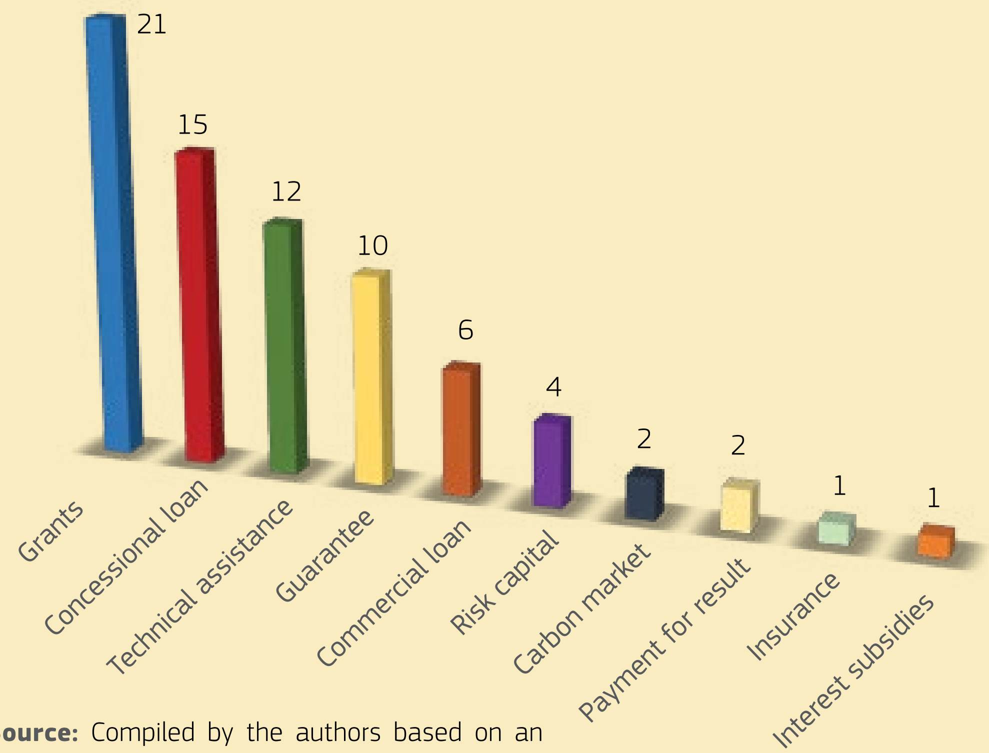


Source: Compiled by the authors based on an analysis of the NDCs from the Latin American countries.

Grants are the most common financial instrument and are used by most funding sources, in many cases in combination with the option of concessional loans. Most climate finance initiatives offer more than a single financing option. LAIF, the Latin American Investment Facility, a European Union initiative, offers multiple financial instruments (grants, guarantees, risk capital, interest subvention, technical assistance).

However, LAIF is unique in its use of the innovative blending approach, in which EU grants are combined with other public and potentially private resources such as loans and investment capital in order to leverage additional financing.

Number of financing sources employing certain financial instruments



Source: Compiled by the authors based on an analysis of the NDCs from the Latin American countries.

Overall, 90% of the climate funds analysed provide beneficiary countries with some type of assistance for preparing their project proposals in order to facilitate access to funding. This can range from advice about requirements, to expert assistance in formulating parts of the proposal, to financial support for conducting specific studies needed.

The European Union is the largest contributor of funds to assist developing countries in facing climate change. All 25 finance initiatives analysed herein currently receive funds from the European Union or from its member states; 11 of them receive funds from the European Union itself. The table on the following page presents the areas prioritised by these initiatives for financing climate actions. The following section presents a brief analysis of how closely aligned these priority areas are with the priorities identified by Latin American countries in their NDCs.

Principal funding initiatives active in Latin America and their prioritised sectors for climate action

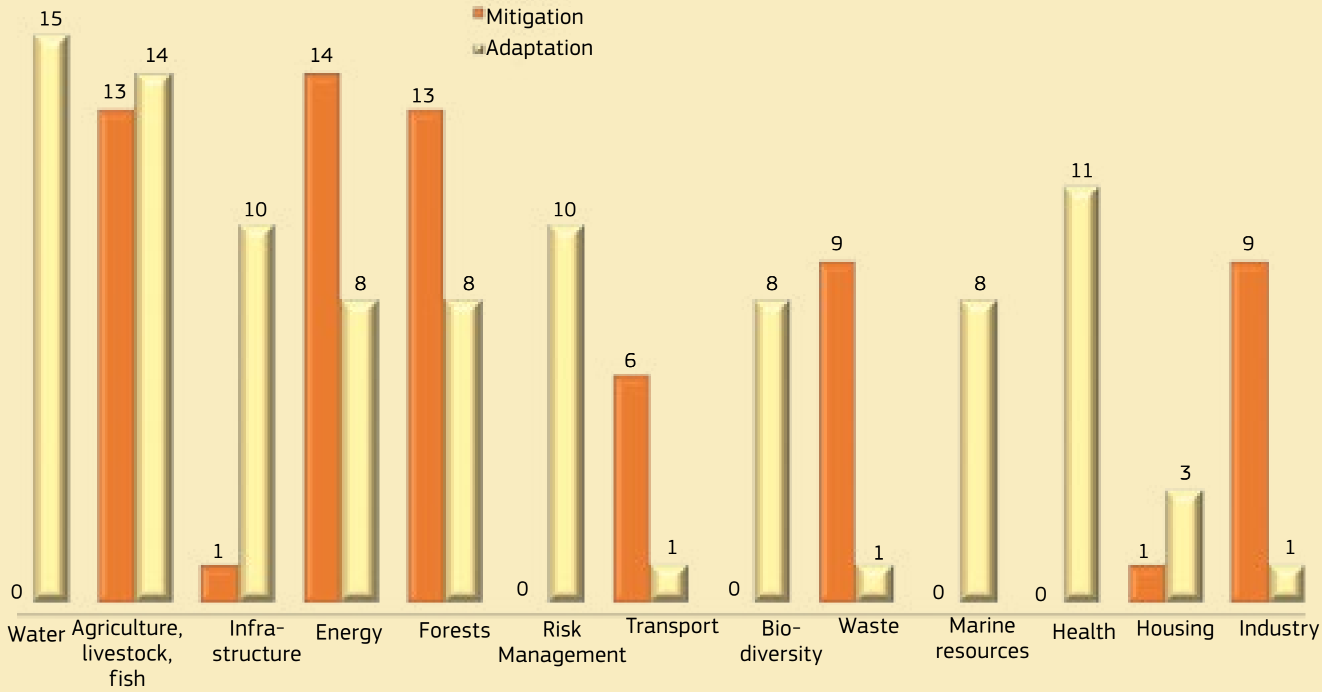
	Water	Agriculture, Livestock, Fishery	Energy	Infra-structure	Forestry	Transport	Risk Managment	Biodiversity	Health	Waste	Marine resources	Housing	Industry
Green Climate Fund	X	X	X	X	X	X	X	X	X	X	X	X	X
Climate Technology Centre & Network *	X	X	X	X	X	X	X	X	X	X	X		X
Inter-American Development Bank *	X	X	X	X	X	X	X	X	X	X	X	X	
World Bank *	X	X	X	X	X	X	X	X	X	X	X		X
Global Climate Change Alliance+ *	X	X	X	X	X		X	X	X	X	X	X	
International Climate Initiative (Germany)	X	X	X		X	X	X	X		X	X	X	X
German Development Bank	X	X	X	X	X	X		X	X	X	X		
International Climate Fund (UK)	X	X	X	X	X		X	X	X		X		
Global Environment Facility *	X	X	X	X	X	X		X	X	X			
Central American Bank for Economic Integration	X	X	X	X	X	X				X		X	
NAMA Facility *		X	X		X	X				X		X	X
Climate & Development Knowledge Network	X	X	X	X		X	X		X				
European Investment Bank *	X	X	X	X		X				X			X
Special Climate Change Fund	X	X		X			X	X	X		X		
Strategic Climate Fund	X	X	X	X	X		X	X			X		
International Fund for Agricultural Development	X	X	X	X	X		X	X			X		
Latin American Investment Facility *	X		X	X		X							X
Development Bank of Latin America *	X		X	X		X						X	
Global Facility for Disaster Reduction & Recovery *	X	X		X			X					X	
Clean Technology Fund			X			X						X	X
Adaptation Fund	X	X					X				X		
UN-REDD Programme *	X	X			X			X					
Norway's International Climate and Forest Initiative	X	X			X			X					
Water and Sanitation Cooperation Fund	X			X					X	X			
Adaptation for Smallholder Agriculture Programme	X	X		X			X						

5.2 Sectors prioritised by funding initiatives and by Latin American NDCs

Given the importance of climate finance for the implementation of NDCs, it is worth examining whether the priorities established by the funding initiatives adequately addresses the needs of Latin American countries.

Countries in the region prioritise a variety of areas in their NDCs for climate change mitigation and adaptation, as follows:

Sectors prioritised by the Latin American countries in their NDCs



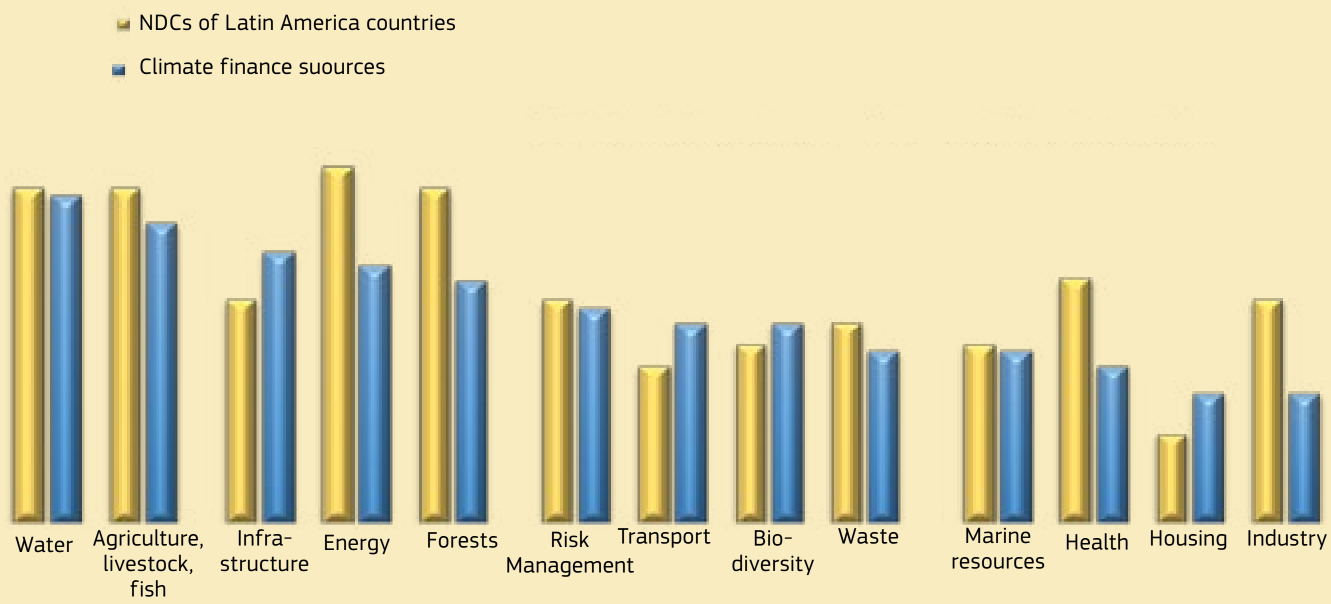
Source: Compiled by the authors based on an analysis of the NDCs of 17 Latin American countries.[17]

A comparison of areas prioritised by climate finance sources and those prioritised by the region's NDCs shows that there is a high degree of correlation between the thematic sectors of the financing sources and those of Latin American NDCs[18].

17 Venezuela has not prioritised any areas in its NDC.

18 There is some uncertainty regarding which specific areas are actually prioritised by the different climate finance initiatives, as some projects financed may be oriented to a climate action without being clearly indicated in the description. Additionally, this analysis does not include information about the amounts available from funding sources for specific areas. An analysis of the correlation between the amounts disbursed by sector and priorities identified in the NDCs confirms that available funding effectively reaches the areas prioritized by countries for the implementation of their NDCs.

Concordance of sectors prioritised in Latin American NDCs with the focus of international climate finance sources (% of sources/NDCs that prioritise an area or sector)



Source: Compiled by the author, based on an analysis of the NDCs of 17 Latin American countries and 25 international climate finance sources.[19]

All countries in the region that prioritise adaptation in their NDCs identify **water resources** as a priority area. The importance of water resources in climate change adaptation in Latin America is also reflected in the priorities of climate finance sources. Similarly, the **agriculture sector** (agriculture, livestock, fishing) is both a mitigation and adaptation priority for virtually all countries in the region, as well as for the majority of financing sources operating in Latin America.

Of the 25 sources analysed, 18 of them finance actions in the energy sector. The only exceptions are targeted funds (ASAP, FCAS, GFDRR, NICFI) and initiatives focused exclusively on adaptation to climate change (AF, SCCF[20]). **Energy** also appears as a priority for all countries that identify mitigation sectors in their NDCs.

Only seven countries prioritise the **transport** sector, while four include **housing** as a priority, while a considerable number of climate funds (14 and 9, respectively) finance projects in these areas. Considering the extent of urbanisation in the region and the already high and still rising emissions from the transport sector, the prioritisation of that sector by funding sources is appropriate. Indeed, climate finance sources should continue focusing on actions in areas relevant for urban contexts.

To summarise, there is a clear correlation between sectors prioritised by Latin American countries in

19 Venezuela's NDC identifies no priority areas, so the percentage calculated is based on the areas prioritized in the NDCs of 16 countries. For funding sources, priority areas were analysed for all 25 of the principal international climate finance sources active in Latin America.

20 In the case of the Special Climate Change Fund (SCCF), to date no windows have been activated that are oriented to climate change mitigation.

their NDCs and the thematic sectors prioritised by climate finance sources operating in the region.

It should be noted, however, that many sources finance actions across a wide range of thematic areas, which leads to these questions:

- Does this dispersion cause difficulty for governments' as they seek financing for their climate actions?
- Does this dispersion make the work of finance sources less efficient and effective, as they are obliged to provide expertise and experts in a large number of areas?

A greater level of consolidation of financing sources with more targeted approaches could be an efficient way to improve access to climate financing for the implementation of the NDCs.

Each one of the 25 fact sheets presented in this guide uses key information to facilitate access to climate financing sources in Latin America.

6. The 25 principal international climate finance sources for Latin America

About the information contained in the 25 factsheets

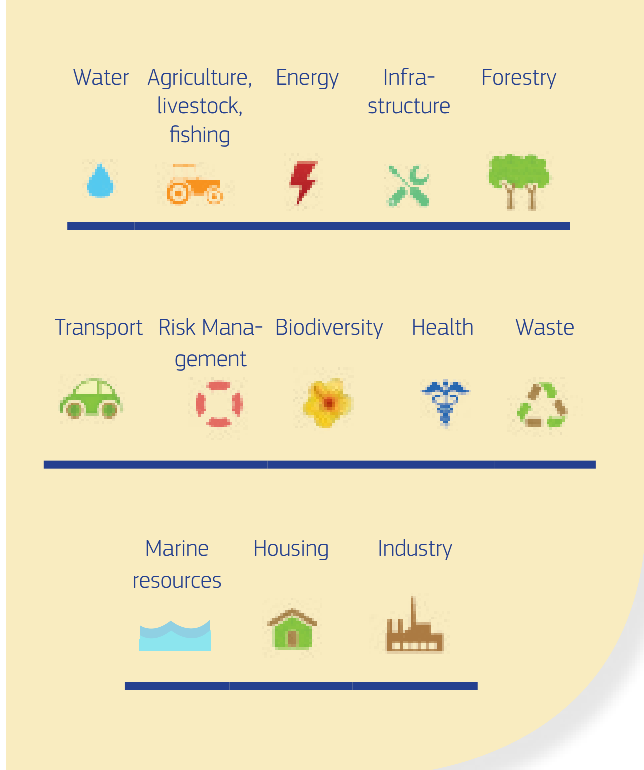
- Factsheets are provided for 25 international sources of climate finance —including both multilateral and bilateral channels—that have a significant presence in and proven relevance for the Latin American region.

- The final section of each factsheet contains a list of climate action projects approved in recent years in the region. Those lists should not be considered exhaustive, but rather indicative of project areas financed and amounts allocated.

- We have prepared a list of sectors based on the priorities identified by Latin American countries in their NDCs, which enabled us to analyse the degree to which the priorities of international funding sources correlate with the main actions that will require financing in the process of NDC implementation (see previous chapter).

- The information on priority work areas should also be considered indicative. The priorities identified by different climate finance initiatives are somewhat uncertain, as the sector is evolving rapidly. On the other hand, some projects financed by those sources may be oriented to climate actions even though that was not clear in the descriptions we have reviewed.

Icons for priority climate action sectors



https://www.ifad.org/topic/asap

6.1 Adaptation for Smallholder Agriculture Programme (ASAP)

Key facts

- In 2012, the International Fund for Agricultural Development (IFAD) launched the Adaptation for Smallholder Agriculture Programme (ASAP) with the objective of financing climate actions among smallholder farmers.
- ASAP is a multi-year and multi-donor financing window that provides a new source of co-financing to scale up and integrate climate change adaptation across IFAD's approximately USD 1 billion per year of new investments. The programme is joined up with IFAD's regular investment processes and benefits from rigorous quality control and supervision systems.
- ASAP is driving a major scaling up of successful 'multiple-benefit' approaches to smallholder agriculture that blends tried-and-tested approaches to rural development with relevant adaptation know-how and technology.
- ASAP investments benefit local farmer-based organizations from more than 40 developing countries, usually with the support of national implementing agencies such as ministries of agriculture.
- The ASAP Programme aims at increasing the climate resilience and food security of eight million poor smallholder household members across the world by 2020, and at reducing at least 80 million tonnes of greenhouse gas emissions.[21]

21 IFAD, Adaptation for Smallholder Agriculture Programme, 2013, https://www.ifad.org/documents/10180/e9dc31b2-df9b-4271-9a75-5d9225e5976a.

Elegibility

a. Accessing the fund

Funding is obtained through the direct access modality.

b. Eligible countries

Developing countries and/or those vulnerable to the adverse impacts of climate change that could benefit from IFAD's support. ASAP has supported projects in the following countries of the region: Bolivia, Ecuador, El Salvador, Nicaragua and Paraguay[22].

c. Eligibility criteria

ASAP eligibility criteria have been established by IFAD's Programme Management Department and include the following:

- The 'additionality' of ASAP funding to the project (for example, whether the grant will provide genuine added value to a project and is not simply displacing other forms of public or private finance/activities).
- Whether the project can reach a critical number of rural smallholders in countries with high climate-related vulnerabilities.
- Whether the beneficiaries have the basic capacities to deliver climate finance.[23]

22 OECD, Climate Fund Inventory Database, http://qdd.oecd.org/subject.aspx?subject=climatefundinventory; Climate Funds Update, Adaptation for Smallholder Agriculture Programme (ASAP), 2016, http://www.climatefundsupdate.org/listing/asap.

23 IFAD, ASAP Programme Description, 2012, https://www.ifad.org/documents/10180/ab3054ad-d9f4-4c64-bd75-2dc7f9d4f97b.

d. Additional requirements

The ASAP-supported project should have strong support from the beneficiary government, the relevant IFAD Regional Division country team and communities of smallholders including women and marginalized groups. The point of departure for ASAP investment are IFAD's Results-based Country Strategic Opportunities Programme (COSOP), highlighting climate change as a strategic decision for IFAD operations in a specific country. A COSOP is a framework for making strategic choices about IFAD operations in a country, identifying opportunities for IFAD financing and for facilitating management for results.[24]

e. Thematic sectors

Targeted areas relevant to climate change. ASAP funding targets the following strategic areas: (i) Improving land management and promoting gender-sensitive climate resilient and agricultural practices and technologies; (ii) Increasing the availability of water and efficiency of water use for smallholder agriculture production and processing; (iii) Increasing human capacity to address short- and long-term climate risks and reduce losses from weather-related disasters; (iv) Making rural infrastructure climate-resilient; and (v) Documenting and disseminating climate-smart smallholder agricultural knowledge.

Areas that have been financed in recent years in Latin America. Agriculture and risk management.[25]

Financing

f. Available funds

Since it was launched, ASAP has committed more than USD 366 million and, as of September 2016, more than 90% of those funds had been provided by its funding partners—Belgium, Canada, Finland, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.[26]

Also, as of September 2016, the projects approved for the five Latin American beneficiary countries (Bolivia, Ecuador, El Salvador, Nicaragua and Paraguay) amounted to a total investment of USD 32 million.[27]

g. Minimum and maximum amounts allocated to projects

ASAP has not established minimum or maximum amounts for funding, but grant size is typically in the range of US$3 to 15 million. Financing requirements and programme size are determined by the availability of funds and IFAD's ability to effectively influence and improve large-scale investment programmes. The amount will depend on the overall size of the co-financed operation and the nature of the project.[28]

h. Financial instruments

Grant	Concessional loan

Applying

i. Selection criteria

The following 10 quantitative criteria have been established for project selection: (i) The number of poor smallholder household members whose climate resilience has been increased because of ASAP, disaggregated by sex. (ii) Size of the overall investment. (iii) The project leverage ratio of ASAP versus non-ASAP financing. (iv) The tonnes of GHG emissions avoided and/or sequestered. (v) The increase in the number of non-invasive on-farm plant species per smallholder

24 IFAD, Results-based country strategic opportunities programme (COSOP), https://www.ifad.org/what/operating_model/tags/cosop/1966010.

25 Climate Funds Update, Adaptation for Smallholder Agriculture Programme (ASAP), 2016, http://www.climatefundsupdate.org/listing/asap; FIDA, What are ASAP Funds being spent on, 2013, https://www.ifad.org/documents/10180/16e08312-c20f-4f55-a562-5d064e56d440.

26 IFAD, ASAP Progress Review, 2015, https://www.ifad.org/documents/10180/a13a8847-b871-4e9e-b18e-aab84de48606; Climate Funds Update, Adaptation for Smallholder Agriculture Programme (ASAP), 2016, http://www.climatefundsupdate.org/listing/asap.

27 Climate Funds Update, Adaptation for Smallholder Agriculture Programme (ASAP), 2016, http://www.climatefundsupdate.org/listing/asap .

28 IFAD, ASAP Programme Description, 2012, https://www.ifad.org/documents/10180/ab3054ad-d9f4-4c64-bd75-2dc7f9d4f97b.

farm supported. (vi) The increase in hectares of land managed under climate-resilient practices. (vii) The percentage change in water use efficiency in tonnes/hectare in the project zone by men and women. (viii) The number of community groups, including women's groups, involved in natural resource management and/or risk management. (ix) The value of new or existing rural infrastructure made climate-resilient. (x) The number of international and country dialogues to which the project would make an active contribution.[29]

j. Application process

ASAP operates slightly differently to some other funds as ASAP grants are joined with IFAD baseline investments, which are implemented by government entities. The programming of ASAP funds follows the IFAD project design cycle and is fully aligned with regular IFAD procedures and safeguards. Therefore ASAP does not employ specific application procedures.

ASAP applies the same procedures as regular IFAD investments, following the typical sequence of activities:

- Preparing the project concept: Project concepts are created on the basis of the country's strategic priorities or through consultation between IFAD, governments and national stakeholders. They are reviewed by an Operational Strategy and Policy Guidance Committee (OSC).
- Detailed project design and quality enhancement: A project design report is created and improved through a quality enhancement process, which involves field missions and interactions with local partners and stakeholders. The quality enhancement process involves a final review by an expert panel.
- Executive Board review: Every ASAP investment design is subject to review and clearance by the IFAD Executive Board, which meets three times per year.
- Negotiation and approval: After the IFAD Executive Board has approved the financing, negotiations are concluded between IFAD and the other parties involved in the project financing and a financing agreement is signed.
- Implementation: Once the specific conditions established by IFAD as detailed above have been met, the grant is declared effective and implementation begins.[30]

k. Support for project preparation

In all of its programmes, including ASAP, IFAD provides support from the preliminary stage through to project implementation, according to the design cycle, ensuring its quality before it is submitted for review to the Executive Board, in close coordination with governments and national stakeholders.

l. Safeguards applied

IFAD is committed to enhancing environmental sustainability and resilience in small-scale agriculture in the full range of its projects and programmes, including ASAP. It therefore adopts guiding values and principles to promote significant social, environmental and climate adaptation benefits, particularly for vulnerable groups, such as women and indigenous peoples, in accordance with the provisions of its Social, Environmental and Climate Assessment Procedures.[31] ASAP is also closely aligned with IFAD's Policy on Engagement with Indigenous Peoples.[32]

m. Gender perspective

ASAP is closely aligned with IFAD's Gender Equality and Women's Empowerment Policy[33], the purpose of which is to increase IFAD's impact on gender equality

29 IFAD, ASAP Programme Description, 2012, https://www.ifad.org/documents/10180/ab3054ad-d9f4-4c64-bd75-2dc7f9d4f97b.

30 IFAD, Operating model, https://www.ifad.org/tr/what/operating_model/tags/project_cycle/1966193.

31 IFAD, Managing Risks to Create Opportunities. IFAD's Social, Environmental and Climate Assessment Procedures, 2014, https://www.ifad.org/documents/10180/a36f992c-5e31-4fac-8771-404bea02796b.

32 IFAD, IFAD Policy of Engagement with Indigenous Peoples, 2009, https://www.ifad.org/documents/10180/14e50d95-2c58-423e-8ac6-3023359173b6.

33 IFAD, IFAD Policy on Gender Equality and Women's Empowerment, 2012, https://www.ifad.org/documents/10180/4ef5fea8-a6a2-479f-8e52-d303e3de3457.

and strengthen women's empowerment in poor rural areas.

IFAD's knowledge of empowering women living in rural areas will serve ASAP investments in national programs.

ASAP's main opportunities to contribute to gender equality include: (i) Drastically reducing gender inequalities and empowering women (the financing model offers a unique opportunity to improve the gender equality outcomes of existing projects); (ii) Building on women's and men's knowledge to support climate-resilient agriculture; and (iii) Increasing institutional capacity to understand, communicate and address the gender dimensions of climate change in specific country contexts, working with national gender institutions, research institutions and relevant ministries.

n. Deadlines

ASAP follows the IFAD project design cycle and is fully aligned with regular IFAD procedures. Every ASAP investment design is subject to review and clearance by the IFAD Executive Board, which meets three times per year.

o. Forms

The detailed project design for ASAP projects is formulated in a Project Design Report that must address the following:

- Strategic context and rationale for IFAD"s involvement, commitment and partnership.
- Poverty, social capital and targeting.
- Project description.
- Implementation and institutional arrangements.
- Project benefits, costs and financing.
- Project risks and sustainability.
- Innovative features, learning and knowledge management.[34]

34 IFAD, IFAD Project Design Cycle, https://www.ifad.org/en/what/operating_model/tags/project_cycle/1966193.

Additional comments

The ASAP model is currently a mechanism supported by bilateral donors. ASAP grants were initially retrofitted, and are now co-designed into IFAD's concessional loan or grant investments. ASAP was developed at an opportune moment where donors were seeking a robust, climate-specific vehicle to fund adaptation efforts that promote food security. The model has attracted consistent interest from bilateral donors, which have increased in recent years. Through adopting the concept of ASAP, IFAD has successfully implemented a number of recommendations on IFAD's response to climate change.

Compared to the pre-ASAP situation, IFAD is now able to implement a financial scaling mechanism for climate-resilient agriculture and address existing demand in partner countries to engage on climate adaptation measures.

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by the programme	Year approved
Bolivia	Economic inclusion programme for families and rural communities in the highlands, lowlands and inter-Andean valleys (ACCESOS)[35]	Risk management	USD 10 million	2014
	The project has two components: Capacity-building for community-based adaptation and climate risk management in 15 municipalities in the Potosí, Chuquisaca and Tarija departments. Expected completion date is 2017.			
Ecuador	Project to strengthen the rural stakeholders of the popular and solidarity economy[36]	Risk management	USD 4 million	2016
	The project seeks to build the capacities of poor and vulnerable beneficiary families, with the cross-cutting approach of encouraging resilience and adaptation to climate change.			
El Salvador	National programme of rural economic transformation for living well – Rural Adelante [37]	Agriculture	USD 5 million	2015
	The programme builds the capacity of smallholder producers to adapt to climate change. It will promote research, extension, education and training services to develop value chains that are climate resilient.			
Nicaragua	Adapting to markets and climate change project (NICADAPTA) [38]	Risk management, agriculture	USD 8 million	2013
	The project has three pillars—productivity, the adaptation of more than 200,000 families to the effects of climate change, and mitigation benefits of more than two million tonnes of Co2.			
Paraguay	Increased income of Rural and Indigenous Family Farming in Departments of the Eastern Region of Paraguay [39]	Agriculture	USD 5.1 million	2015
	The objective of the project is to increase in a sustainable manner the income of poor rural households through (i) Organisational strengthening (ii) improvement in production (iii) rural financial services. 14,000 rural households of four departments of the eastern region of Paraguay will benefit from the Project.			

35 FIDA, The Adaptation Advantage. The economic benefits of preparing small-scale farmers for climate change, 2014, https://www.ifad.org/documents/10180/0a24e248-3f96-49af-b2df-ebbce284335c

36 FIDA, "Proyecto de Fortalecimiento de los Actores Rurales de la Economía Popular y Solidaria" Informe final sobre el diseño del proyecto, 2015, https://webapps.ifad.org/members/lapse-of-time/docs/spanish/6594?attach=1

37 FIDA, Programa Nacional de Transformación Económica Rural para el Buen Vivir - Rural Adelante. Informe de diseño detallado, https://operations.ifad.org/documents/654016/99a9acf3-4189-4e81-811b-c5eeff7b0166

38 FIDA, Proyecto de Adaptación al Mercado y Cambio Climático en Nicaragua (NICADAPTA). Informe de Supervisión, 2015, https://operations.ifad.org/documents/654016/57b47380-5c1d-46e5-b640-44ea4fd68b75

39 https://operations.ifad.org/web/ifad/operations/country/project/tags/paraguay/1750/project_overview

6.2 Adaptation Fund (AF)

www.adaptation-fund.org

Key facts

- Created in 2001 under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC), the Adaptation Fund (AF) finances projects and programmes that help vulnerable communities in developing countries adapt to climate change.
- Financing is enabled through revenues generated by the Clean Development Mechanism and direct contributions from donors (governments, the private sector and private donors).
- The World Bank acts as trustee of the Fund and the Secretariat of the Global Environmental Facility (GEF) operates as the AF Secretariat.
- The AF became operational in 2010 and since then has committed USD 357.5 million to support climate change adaptation initiatives in 63 countries.[40]
- Countries can access the Fund through multilateral and regional entities or directly through national implementing entities.
- The Fund can allocate funds in the form of a grant to provide support for project and programme preparation.

40 Updated figures from April 2017. Adaptation Fund (AF), About the Adaptation Fund, https://www.adaptation-fund.org/about/.

Elegibility

a. Accessing the fund

National Implementing Entities (NIE), Regional Implementing Entities (RIE), and Multilateral Implementing Entities (MIE) can access the Fund's financial resources by submitting a request for accreditation, in which the entity must demonstrate that it follows the fiduciary standards established by the AF Board. Any organisation that wishes to implement Adaptation Fund projects must be designated as an Implementing Entity by the Designated National Authority and submit an application for accreditation through the AF's Accreditation Workflow online system. The AF Secretariat verifies that the submission is complete before forwarding it to the Accreditation Panel for review. The Accreditation Panel assesses the application to ensure it adheres to the fiduciary standards established by the Board and may request additional information and clarifications from the organisation, including requesting that the organisation receive technical assistance for capacity building. The Panel provides a recommendation to the AF Board, which determines final approval of the entity's accreditation application.[41] The Panel and Secretariat have proposed a streamlined accreditation process[42] to assess NIE

41 AF, Accreditation, https://www.adaptation-fund.org/apply-funding/accreditation/.

42 AF, Streamlined Accreditation Process, 2016, https://www.adaptation-fund.org/wp-content/uploads/2015/04/AFB.EFC_.16.7.Rev_.1-Streamlined-accreditation-process.pdf The streamlined accreditation process is based on the following five areas: 1. An assessment of the potential risks that the Adaptation Fund would take by funding a project based on the capacity and nature of an SNIE; 2. A greater emphasis on identifying alternative ways

accreditation applications from smaller entities. This process takes into consideration compensating measures, controls, and practices normally found in smaller entities to determine whether or not an entity meets the fiduciary requirements without exposing the Fund to significant additional risks.

The following agencies operate as multilateral and regional implementing entities:

Multilateral agencies. African Development Bank, Asian Development Bank, International Bank for Reconstruction and Development, Inter-American Development Bank (IDB), European Bank for Reconstruction and Development, UN-Habitat, International Fund for Agricultural Development (IFAD), World Meteorological Organization (WMO), United Nations Educational, Scientific, and Cultural Organization (UNESCO), United Nations World Food Programme (UNEP), United Nations Development Programme (UNDP) and the United Nations Environment Program (UNEP).

Regional agencies. Caribbean Development Bank (CDB), Central American Bank for Economic Integration (CABEI), Development Bank of Latin America (CAF), Sahara and Sahel Observatory (OSS), Secretariat of the Pacific Regional Environment Programme (SPREP) and the West African Development Bank (BOAD).

b. Eligible countries

The Fund finances climate adaptation and resilience activities in countries that are vulnerable to the adverse effects of climate change and are parties to the Kyoto Protocol.

c. Eligibility criteria

Countries must be parties to the Kyoto Protocol and be particularly vulnerable to the effects of climate change. The main requirements for accreditation as an Implementing Entity are:

- It must demonstrate financial and management integrity.
- It must possess the institutional capacity.
- It must demonstrate transparency and have instruments in place to deal with the consequences of mismanagement and malpractice.

Access is governed by the strategic priorities, policies and guidelines of the Adaptation Fund, adopted by the COP serving as the meeting of the Parties to the Kyoto Protocol.

d. Additional requirements

Programmes/projects must be submitted through an accredited National, Regional or Multilateral Implementing Entity. Proposals must be endorsed by the Designated Authority identified by the national government and registered with the Fund. Once the programme/project is approved, the Adaptation Fund Board will establish a monitoring and evaluation process with its own set of rules, and must conduct a final evaluation, also according to criteria established in advance by the Board.[43]

e. Thematic sectors

Targeted areas relevant to climate change. The Fund will prioritise the following thematic areas: agriculture, coastal zone management, disaster risk reduction, food security, forestry, multisectoral projects, rural development, urban development and water resource management.

Areas that have been financed in recent years in Latin America. Most of the projects and programmes financed in the region have focused on agriculture; however the Fund has also financed initiatives in areas such as coastal zone management, rural development, water resource management, disaster risk reduction and food security, as well as multisectoral projects.[44]

to meet the requirements of the fiduciary standards; 3. Added flexibility for an applicant to show how it uses mitigating measures to satisfy the spirit of the fiduciary standards; 4. Reduced time and effort for the applicants to go through the accreditation process; and 5. Alignment where possible with the fit-for-purpose approach of the Green Climate Fund.

43 AF, Results Framework and Baseline Guidance – Project Level, 2011, https://www.sanbi.org/sites/default/files/documents/documents/results-framework-and-baseline-guidance-final-compressed.pdf

44 AF, Projects table view, 2015, https://www.adaptation-

Financing

f. Available funds

Since 2010, the Adaptation Fund has committed USD357.5 million in 63 countries to climate adaptation activities.[45] According to information compiled by Germanwatch,[46] in Latin America and the Caribbean the Fund has approved around USD 90 million in project financing in 12 Latin American countries, approximately USD 84 million among EUROCLIMA member nations.

g. Minimum and maximum amounts allocated to projects

AF projects are grouped into two categories:

- Small-sized projects/programmes that request up to one million USD.
- Regular-sized projects/programmes that request more than one million USD. The Adaptation Fund Board will set a funding cap of up to USD 10 million per country, depending on the availability of financial resources.

h. Financing method

Grant

Applying

i. Selection criteria[47]

Proposals must:

- Respond to the adverse effects of climate change.
- Propose viable and effective measures for adapting in the face of threats.
- Meet cost-effectiveness requirements.
- Specify the social, economic and environmental benefits they offer.

j. Application process[48]

There are two possible processes for selecting projects:

Submission of a fully developed project/ programme document. This process is used for small-sized projects and regular projects/ programmes with proposals that are already fully prepared. The approval process includes the following steps:

» An eligible entity submits a fully-prepared project/programme document to the AF Board through the Secretariat at least nine weeks before the Board's next meeting. The Board meets three times per year, twice in regular session and once for an inter-sessional review.

» The AF Board Secretariat screens all proposals and prepares a technical review for each project/programme. The Secretariat will submit a collection of proposals consisting of technical reviews for all projects/programmes to the Project and Programme Review Committee (PPRC) at least seven days prior to the next meeting of the AF Board.

» The meeting of the PPRC is held at the same time as the AF Board meeting. The PPRC reviews and prepares recommendations for submission to the Board in the following days.

» The AF Board approves, does not approve, or rejects the recommendations at its meeting.

» All approved projects will be posted on the AF website following the conclusion of its meeting.

fund.org/projects-programmes/project-information/projects-table-view/

45 AF, About the Adaptation Fund, https://www.adaptation-fund.org/about/

46 Germanwatch has an Adaptation Fund Project Tracker that offers an overview of project approval status, including a list of all projects reviewed to date by the Adaptation Fund Board (Adaptation Fund NGO Network, The Germanwatch Adaptation Fund Project Tracker, 2016, http://af-network.org/4889). The table is updated regularly before and after each meeting of the Adaptation Fund Board.

47 Adaptation Fund Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, 2016, https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf.

48 Adaptation Fund Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, 2016, https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf.

Submission of a project/programme concept note, followed by a fully-prepared proposal. Preparation of the concept note will take the following criteria into account: country eligibility, project eligibility, availability of financial resources, eligibility of the implementing entity (accredited or not). Project/programme proposals must be clear on the adaptation challenge to be addressed, the objective(s), what the project/programme will deliver when, how and by whom. Clear baselines, milestones, targets and indicators should be included to ensure progress and results can be measured.

Programmes will generally be more complex and will require greater oversight and management, which should be properly explained along with the implementation arrangements. Each of these steps is subject to the same approval process as the fully-prepared proposal, so the project/programme undergoes a two-step approval process. The rationale for choosing such a process is to enable a country to receive feedback and/or guidance from the AF Board upstream before a project has been fully prepared.

k. Support for project preparation:

Both the AF and the World Bank provide advice and guidance for accreditation and project formulation. The Fund provides grants for South-South cooperation to help National Implementing Entities (NIEs) provide peer support to countries seeking accreditation with the AF.

The Fund may also allocate resources in the form of a grant for

- The preparation of programmes and projects up to USD 15,000 (for carrying out specific technical assessments of projects, where necessary, such as environmental impact assessments and vulnerability assessments).
- Project formulation assistance.
- Technical assistance from international experts.[49]

49 AF, Readiness Grants, 2016, https://www.adaptation-fund.org/readiness/.

l. Application of safeguards

Entities receiving Adaptation Fund financing will identify and manage the environmental and social risks of their activities, by assessing potential environmental and social harms and then by identifying and implementing steps to prevent, minimize or mitigate such harms in accordance with the guidelines Social and Environmental Policy of the Adaptation Fund. These include, but are not limited to, considerations regarding access and equity, marginalised and vulnerable groups, human rights, gender equality and women's empowerment, indigenous people, core employment rights, involuntary resettlement, protection of natural habitats, and conservation of biological diversity.[50]

m. Gender perspective

The Adaptation Fund's Gender Policy[51] was approved in March 2016 with the objective of providing men and women with an equal opportunity to build resilience, address their differentiated vulnerability, and increase their capability to adapt to climate change impacts; recognising the need for targeted efforts in order to ensure women's participation. The policy's main principles include:

- A commitment to upholding women's human rights and to contribute to gender equality.
- Comprehensive scope and coverage in all of its adaptation activities.
- Accountability to the Board for its gender mainstreaming efforts and its gender-responsive adaptation results and outcomes.
- Due consideration for gender expertise and gender balance in its governance structures.
- Ensuring resource allocation for adaptation projects and programmes contributes to gender equality.

50 AF, Operational policies and guidelines for parties to access resources from the Adaptation Fund, 2016, https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf.

51 AF, Annex 4 to OPG: Gender Policy and Action Plan of the Adaptation Fund, 2016, https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-ANNEX4_Gender-Policies-and-Action-Plan_approved-in-March-2016.pdf

- Knowledge generation and communication.
- Systematic reviews and revisions for adjusting its policy.

n. Deadlines

Submissions are received three times per year: Twice before the bi-annual meetings of the Board, and once during the Board's intersessional review cycles. According to Decision B.25/2 of the Adaptation Fund Board[52], in its intersessional review cycles the Board will consider submissions in the following categories:

» First submissions of fully-developed project/programme documents for which the concepts had already been considered in regular meetings of the PPRC.

» Resubmissions of project/programme concepts and/or resubmissions of fully developed project/programme documents.

o. Forms

Project/programme submissions must be aligned with the Adaptation Fund's policies and guidelines. All documentation must be submitted in English. Forms are available on the AF website.[53]

Additional comments

The Board is the governing body of the Adaptation Fund and is responsible for supervising and managing the Fund under the authority and guidance of the Conference of the Parties. The Board is composed of 16 members and 16 alternates representing the Parties to the Kyoto Protocol as follows: two representatives from each of the five United Nations regional groups, one representative of the small island developing states, one representative of the least developed countries, two other representatives of the Annex I countries, and two other representatives of non-Annex I countries.

The Board meets three times annually, usually in Bonn, Germany. All representatives and alternates must be recognised by their respective governments and elected by the Conference of the Parties. Board members and alternates shall serve for a two-year term and Board members may serve a maximum of two consecutive terms. The Chairmanship and Deputy Chairmanship of the Board shall alternate positions of Chair and Deputy Chair annually between a member from an Annex I Party and a member from a non-Annex I Party.

52 AF, 2015, https://www.adaptation-fund.org/wp-content/uploads/2015/06/AFB.B.25.7-Decisions.pdf

53 AF, Project Proposal Materials, https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/

Projects approved in recent years in Latin America[54]

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by the programme</th><th>Year approved</th></tr>
<tr><td rowspan="2">Argentina</td><td>Enhancing the adaptive capacity and increasing resilience of small-scale agricultural producers in northeast Argentina[55]</td><td>Agriculture</td><td>USD 5,640,000</td><td>2013</td></tr>
<tr><td colspan="4">The main objective of the project is to increase the adaptive capacity and to build resilience of small-scale family agricultural producers in the face of climate change and climate variability impacts, particularly those deriving from the increase in the intensity of hydrometeorological events, such as floods and droughts.</td></tr>
<tr><td rowspan="2">Chile</td><td>Enhancing the resilience to climate change of small-scale agricultural producers in the Chilean Region of O'Higgins[56]</td><td>Agriculture</td><td>USD 9,960,000</td><td>2015</td></tr>
<tr><td colspan="4">The main objective is to increase the resilience capacity of rural farm communities in the coastal and inner dry lands of the O´Higgins region with respect to current climate variation and future climate changes.</td></tr>
<tr><td rowspan="2">Colombia</td><td>Reducing risk and vulnerability to climate change in the region of La Depresion Momposina in Colombia[57]</td><td>Risk management</td><td>USD 8,518,307</td><td>2013</td></tr>
<tr><td colspan="4">This project has several areas of intervention, including flooding risk reduction, land rehabilitation, risk management of future flooding, among others.</td></tr>
<tr><td rowspan="2">Costa Rica</td><td>Reducing vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors[58]</td><td>Agriculture, water resource management, coastal zones</td><td>USD 9,970,000</td><td>2014</td></tr>
<tr><td colspan="4">The objective of this programme is to reduce climate vulnerability by focusing on critical sectors (agriculture, water resources, and coastal zones) in order to reduce the negative impacts of climate change, and improve the resilience of those populations.</td></tr>
<tr><td rowspan="2">Peru</td><td>Adaptation to the Impacts of Climate Change on the Coastal Marine Ecosystem and Fisheries in Peru[59]</td><td>Marine resources</td><td>USD 6,950,239</td><td>2016</td></tr>
<tr><td colspan="4">The main objective of the project is to increase the resilience of coastal marine ecosystems and coastal communities (particularly artisanal fishing communities) to the impacts of climate change. The main beneficiaries of this project are the artisanal fishing communities, whose livelihoods depend to a large extent on the situation of the coastal marine ecosystems.</td></tr>
</table>

54 AF, Project Information, 2016, https://www.adaptation-fund.org/projects-programmes/project-information/

55 https://www.adaptation-fund.org/project/enhancing-the-adaptive-capacity-and-increasing-resilience-of-small-scale-agriculture-producers-of-the-northeast-of-argentina/

56 https://www.adaptation-fund.org/project/enhancing-resilience-of-climate-change-of-the-small-agriculture-in-chilean-region-of-o-higgins/

57 https://www.adaptation-fund.org/project/reducing-risk-and-vulnerability-to-climate-change-in-the-region-of-la-depresion-momposina-in-colombia/

58 https://www.adaptation-fund.org/project/reducing-the-vulnerability-by-focusing-on-critical-sectors-agriculture-water-resources-and-coastlines-in-order-to-reduce-the-negative-impacts-of-climate-change-and-improve-the-resilience-of-these/

59 https://www.adaptation-fund.org/project/adaptation-to-the-impacts-of-climate-change-on-perus-coastal-marine-ecosystem-and-fisheries-2/

BCIE

www.bcie.org

6.3 Central American Bank for Economic Integration (CABEI)

Key facts

- The Central American Bank for Economic Integration (CABEI) is a multilateral financial institution created in 1960 to promote the economic integration and balanced economic and social development of the Central American region.
- CABEI recognises that climate change represents a clear threat to economic and social development and is committed to helping the Central American region and its member countries to combat its adverse effects.
- The Bank has a 2015-2019 Institutional Strategy[60], which focuses its efforts on promoting sustainable competitiveness and targets its contributions on the strategic areas of social development, competitiveness and integration, with a cross-cutting axis of environmental sustainability.
- In April 2016, the Board of Governors made a Declaration of commitment to promote and support actions to finance climate change adaptation and mitigation. This declaration reiterated CABEI's commitment to providing support to its member countries so they can achieve the goals established at COP 21.
- CABEI's position as an entity that channels resources to the region was strengthened in 2015 when the Bank was accredited as a Regional Implementing Entity by the Adaptation Fund and obtained 6 Pillar Assessment accreditation from the European Union. In July 2016, CABEI was admitted as an intergovernmental observer organization under the United Nations Framework Convention on Climate Change and, in December 2016, it was admitted as an accredited entity to the Green Climate fund (GCF).

Elegibility

a. Accessing the fund

Direct access.

b. Eligible countries

CABEI currently comprises 14 partners: five founding partners (Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica), two non-founding regional partners (Panama and the Dominican Republic, which are part of the Central American Integration System, SICA), six extra-regional partners and one beneficiary partner.[61] Founding countries that signed the Constitutive Agreement that gave rise to the Bank are eligible first and foremost, and hence are the Bank's main beneficiaries. Other beneficiaries include Panama, the Dominican Republic and Belize, as well as CABEI's extra-regional partners, Argentina, Colombia, Mexico, and lastly Cuba, whose request for entry was approved in April 2017.

60 CABEI, 2015-2019 Institutional Strategy, 2015, https://arc-www.bcie.org/uploaded/content/category/560120220.pdf .

61 Extra-regional non-founding members of CABEI include Argentina, Colombia, Cuba, Mexico, the Republic of China (Taiwan) and Spain. Belize is associated with CABEI as a beneficiary, but will not necessarily become a partner or participate in the Institution's share capital.

c. Eligibility criteria

Governments of the Bank's member countries are eligible and CABEI also works with private sector and financial sector institutions in its founding and non-founding partners nations.

d. Thematic sectors

Targeted areas relevant to climate change. Clean energy generation and energy efficiency in the power grid, sustainable transportation, water, sanitation and waste management, urban development and sustainable cities, health, promotion of resilient infrastructure in vulnerable communities, agriculture, fishing and livestock, forestry, food and nutritional security, and sustainable natural resource management, all from a perspective of social inclusion and gender equality.[62]

Areas that have been financed in recent years in Latin America. Infrastructure, clean energy generation and energy efficiency in the power grid, water, sanitation and waste have been the most commonly funded sectors in recent years. Activities have also been financed in other sectors, including cities, tourism, transport, agriculture, forestry, food security, natural resources and environmental services.[63]

Financing

e. Available funds

During the 2010-2014 strategic period, CABEI approved USD 7.62 million in development-related interventions to its member countries, an estimated 67% of which was allocated to projects that foster climate change adaptation and mitigation measures in countries of the region.[64] According to the Bank's 2015 Annual Report, in 2015 CABEI approved new development initiatives valued at USD 1.857 billion, a record amount for the Bank. That same year the Bank disbursed USD 1.5 billion in funds in the region, achieving the largest loan portfolio in its history, valued at more than USD 6 billion. Additionally, in December 2015 the Bank signed a loan agreement with the French Development Agency (FDA) and CABEI to finance CABEI projects and programmes with climate change adaptation and mitigation components and other activities that complement development in the region for the amount of EUR 150 million.[65] According to the financial outlook in CABEI's 2015-2019 Institutional Strategy, a total of USD 8.765 billion in approvals and USD 9.281 billion in disbursements are expected for the 2015-2019 period, with the Bank making a greater effort to provide resources to its member countries, guaranteeing the alignment of interventions with the region's realities and priorities in order to provide positive net flows for each country, while seeking balanced and sustainable distribution of net flows in the long term.[66] CABEI's resources are intended for member countries. Since its creation, CABEI has disbursed more than USD 24.4 billion in the Central American region.[67]

f. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts have been established; each project is assessed individually and the amount allocated is determined by the Bank.

g. Financial instruments

Grant	Guarantee
Concessional loan	Commercial loan

62 CABEI, Focal Areas, https://www.bcie.org/en/institutional-strategy/focus-areas/human-development-and-social-infrastructure/

63 CABEI, Historic Approvals, https://www.bcie.org/en/operations/statistics-approval-history/

64 CABEI, CABEI promotes sustainable development to address the challenge of climate change in the region, 2016, http://dev-www.bcie.org/novedades/noticias/articulo/bcie-promueve-el-desarrollo-sostenible-ante-el-desafio-del-cambio-climatico-en-la-region/

65 CABEI, 2015 Annual Report, 2016, https://www.bcie.org/fileadmin/public/novedades/publicaciones/memorias_anuales/memoria_anual_de_labores_bcie_2015.pdf

66 CABEI, 2015-2019 Institutional Strategy, 2015, https://arc-www.bcie.org/uploaded/content/category/560120220.pdf

67 CABEI, Institutional Presentation, 2015, https://www.bcie.org/fileadmin/bcie/english/files/publications/institutional/institucional_presentation.pdf

The Bank has the ability to contribute to climate change mitigation and adaptation through financing mechanisms such as pre-investment, direct-cofinanced financing, public/private partnerships, trusts and financial intermediation programmes to develop projects that prioritize impacts on development.[68]

Applying

h. Selection criteria

Project proposals must be aligned with the Bank's priority areas. According to the CABEI 2015-2019 Institutional Strategy, the Bank has defined the following focus areas in order to guide and organise its interventions during the five-year period, as well as to characterise the market it serves:

- Human development and social infrastructure.
- Productive infrastructure.
- Energy, including initiatives to promote renewable energy and efficiency in the power grid.
- Rural development and the environment, including climate change adaptation and mitigation initiatives.
- Financial intermediation and development finance.
- Competitiveness services.

Environmental sustainability is envisioned as a cross-cutting axis in Bank operations. The Bank searches selectively for projects with a degree of maturity, to raise resources under favourable conditions for less developed countries, to promote institutional strengthening in the face of the volatile scenarios affecting the region and to improve the targeting of its interventions. In order to achieve more rapid results, generate greater productive capacity and further improve income distribution for the most vulnerable population, CABEI focuses its credit operations on infrastructure that impacts competitiveness and human development, as well as on investments for gross capital formation to increase the productive capacity of its member countries.[69]

i. Application process

CABEI's financial operations are subject to the project cycle which the Bank uses to structure its financial products for the purpose of promoting operations with a significant impact on the integration and balanced economic and social development of beneficiary countries. That process includes all stages, from identification and determining eligibility, through analysis, approval and implementation, to the recovery and closure of an operation.[70]

j. Support for project preparation

CABEI's country managers assist in identifying financing opportunities for projects as part of their marketing cycle for the products and services the Bank offers, in order to expand the Bank's portfolio and impact sustainable development in the region.

k. Application of safeguards

CABEI subjects projects to the institution's social and environmental safeguard systems. In 2009 the Bank implemented its Environmental and Social Policy, and with it the Institutional Responsibility Plan (PRI), which enables CABEI to strengthen the implementation of best practice, with international environmental and social standards incorporated into its management, oriented by principles of social responsibility. CABEI also promotes environmental sustainability as a cross-cutting theme throughout its institutional strategy. In 2016, the CABEI Board approved the Bank's updated Environmental and Social Policy with a focus on incorporating the principles of good practice and standards, sustainable development financing, transparency; consultation and public participation. To support this normative framework, CABEI decided to establish a System for Environmental and Corporate Social Responsibility (SASC) in order to prevent or minimise risks and adverse impacts for humans and the environment.[71]

68 CABEI, 2015-2019 Institutional Strategy, 2015, https://arc-www.bcie.org/uploaded/content/category/560120220.pdf.

69 CABEI, 2015-2019 Institutional Strategy, 2015, https://arc-www.bcie.org/uploaded/content/category/560120220.pdf .

70 CABEI, Environmental and Social Policy of the Central American Bank for Economic Integration– Version 2, 2016, https://www.bcie.org/fileadmin/bcie/english/files/publications/regulations/cabei_environmental_and_social_policy.pdf .

71 CABEI, Environmental and Social Policy of the Central American Bank for Economic Integration– Version 2,

l. Gender perspective

CABEI approved its Gender Equity Policy in 2010 to foster gender equality and women's empowerment through the application of a gender perspective in its operations, as part of its efforts to promote balanced socio-economic development in the Central American region. The policy focuses on

- Promoting the creation of formal-sector jobs, enterprises and other economic opportunities.
- Promoting programmes, products and projects that promote gender equality.
- Carrying out analyses of the economic and social conditions prevailing in its member countries.
- Fostering the introduction of best practice in regard to gender equality; (v) incorporating a gender perspective internally within CABEI.
- Communicating and disseminating the results and impacts of those efforts.[72]

m. Deadlines

CABEI has established no deadlines for the submission of projects and their approval process.

n. Forms

n/a.

Additional comments

The Board of Governors is the highest authority of CABEI. For its part, the Board of Directors is the body responsible for directing the Bank, exercising all the powers granted to it by the Board of Governors, defining operational and administrative policies, approving the budget as well as short-, medium- and long-term plans and active and passive operations.

Country Offices support the identification of investment opportunities that will impact development through active operations in the focal areas established by CABEI. The Country Managers also promote the Bank's products and services and coordinate the execution of marketing activities and events needed to increase the loan portfolio and positively impact sustainable development in the region.

CABEI works closely with the Inter-American Development Bank (IDB), the Société de Promotion et de Participation pour la Coopération Economique of France (PROPARCO), the Danish International Development Agency (DANIDA), the German Development Bank (KfW), the Millennium Challenge Corporation, the Nordic Investment Bank, the European Investment Bank, the International Fund for Agricultural Development (IFAD), the Italian Development Corporation, the Spanish Agency for International Development Cooperation (AECID), the Japan International Cooperation Agency (JICA), the European Union, the United Nations Development Programme (UNDP), the World Bank and other entities.

2016, https://www.bcie.org/fileadmin/bcie/english/files/publications/regulations/cabei_environmental_and_social_policy.pdf.

72 CABEI, Gender Policy, http://www.cepal.org/mujer/noticias/noticias/0/47290/Presentacion_Genero_BCIE_-_VPE.pdf

Projects approved in recent years in Latin America[73]

Country	Project	Thematic sector	Amount contributed by CABEI	Year approved
El Salvador	LaGEO, S.A. Geothermal power generation programme in El Salvador	Renewable energy	USD 132.6 million	2016
	The programme involves the design, construction, supply, installation and commissioning of two modular geothermal plants and a binary cycle plant with a combined installed capacity of 22.0 MW and estimated average annual power generation of 173,820.3 MWh.			
Honduras	Participaciones Choluteca Dos. Photovoltaic solar power plants Pacific I, Choluteca Choluteca I and II	Renewable energy	USD 45 million	2014
	The project aims to contribute to the transformation of the country's energy grid, which would reduce the oil bill and hence the outlay of foreign currency, stabilise the average costs of supply, help to meet domestic electricity demand and reduce ENEE's investment burden; the project will also contribute to reducing greenhouse gas emissions to the atmosphere.			
Nicaragua	Programme for rural water and sanitation sustainability	Water and sanitation	USD 30 million	2014
	The overall goal of the project is to contribute to the social wellbeing of Nicaraguan families in rural areas through extending access to water supply and sanitation in the poorest municipalities in the country, under the National Human Development Plan (NHDP), and the Water Supply and Sanitation Programme (PISASH).			
Nicaragua	Programme for sustainability of the Electricity Sector	Energy	USD 163.5 million	2016
	The program consists of the development of a series of projects which would permit, on the one hand, the reduction in energy losses and, on the other hand, the improvement in the energy distribution network infrastructure which will contribute to improving the sustainability of the electricity sector in the country			

73 CABEI, Approved Operations, https://www.bcie.org/en/operations/approved-operations/ .

www.caf.com

6.4 Development Bank of Latin America (CAF)

Key facts

- CAF is a development bank created in 1970 and owned by 19 countries, of which 17 are in Latin America and the Caribbean (Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Panama, Paraguay, Peru, Dominican Republic, Trinidad and Tobago, Uruguay and Venezuela), including Spain and Portugal, as well as 13 private banks in Latina America
- CAF promotes a sustainable development model through credit operations, non-reimbursable resources, and support with the technical and financial structuring of projects in the public and private sectors of Latin America.
- The Bank seeks to strengthen and support the development of carbon markets as an incentive to help reduce greenhouse gases. In the area of climate change adaptation, the Bank supports comprehensive initiatives that focus on agriculture, livestock, water resources, capacity building, means of substance, and other aspects.
- In addition to its own financing of project development, CAF promotes mechanisms to attract third-party resources and acts as an implementing agency for different funding sources, including the French Development Agency (AFD) and the German Development Bank (KfW).
- CAF is also an implementing entity with the Adaptation Fund (AF), the Global Environment Facility (GEF) and the Green Climate Fund (GCF).

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

The following countries are eligible for CAF financing in Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

c. Eligibility criteria

Governments of countries in the Latin American region that are CAF members are eligible to access the Bank's resources. Private sector entities are also eligible. In response to the demand for support in the region, CAF offers opportunities to non-member countries to access technical cooperation, based on those countries' needs and requirements.

This form of technical cooperation may be financed by CAF's own resources or through other funds with which CAF maintains ties/agreements. For example, as an accredited agency with the Green Climate Fund (GCF), CAF also partners in the implementation of technical assistance activities under the GCF's Readiness Support Programme.

d. Additional requirements

Project proposals within the framework of CAF technical cooperation must respond to the corresponding country strategy document. Only proposals that are clearly framed within CAF's work areas are eligible.

e. Thematic sectors

Targeted areas relevant to climate change. Water, infrastructure (transport, roads, agriculture), energy, urban development/cities.

Areas that have been financed in recent years in Latin America. CAF has worked extensively in energy efficiency, including in the industrial sector, as well as the following additional sectors: energy, urban development, housing, urban transport, water resources and environmental remediation. The Bank has also worked on adaptation measures in hydroelectric plants[74].

Financing

f. Available funds

In 2015, CAF shareholder countries unanimously approved a general capital increase of USD 4.5 billion. This increase will allow CAF to provide up to USD 100 billion in loans to the region over the 2016-2022 period. At year-end 2015, CAF's net worth reached USD 9.524 billion, 8.7% higher than the amount registered in the previous year, strengthened by capital contributions made by shareholder countries and retained earnings. These funds exclude resources accessed by CAF as an accredited implementing agency of several global climate funds (GCF, AF, GEF) and other funding sources (AFD, KfW), as access to these resources varies according to country requests, the size of projects requesting funding, and the approval processes established by each of those funding sources. According to the Bank's 2015 Annual Report, CAF took actions to step up its anti-cyclical role with fast-disbursing and contingent operations for USD 2.4 billion, approving a total of more than USD 12.2 billion over the course of the year. In 2015, country initiatives in the amount of USD 14.2 million were submitted to the Adaptation Fund through CAF.[75]

74 CAF, 2015 Annual Report 2015, http://scioteca.caf.com/handle/123456789/928.

75 CAF, 2015 Annual Report, http://scioteca.caf.com/handle/123456789/928 .

g. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts have been established; each project is assessed by thematic area, scope and source of financing (CAF resources, resources from other funding sources).

h. Financial instruments

Guarantee	Commercial loan
Risk capital	Concessional loan
Technical Assistance	

In addition to investments in the form of public and private loans, syndicated loans from a group of banks and/or other institutions, CAF also has experience in the use of guarantees and equity participation. CAF has also participated in certain investments as co-financer.

Applying

i. Selection criteria

The request submitted must be framed within the priorities and selection criteria for technical assistance or loans, as applicable.

- Technical assistance:
  - Proposals must be compatible with CAF management guidelines.
  - Proposals must demonstrate that they strengthen the technical and/or financial capacity of the shareholder or client.
- Loans:
  - Operations must have the expectation of generating revenues or have the capacity for reimbursement.
  - Proposals must demonstrate their technical and financial feasibility to access CAF loans.
  - Proposals must demonstrate their sustainability and high impact.

j. Application process

The assessment and selection of projects to be financed with CAF's own resources begins with a visit to the CAF office in the relevant country, where an expert advisor will analyse the project proposal. The process includes the following stages:

- Origination: Identification of the potential client or operation. For projects to be submitted to GEF, AF, or GCF, CAF will initiate communication with the Designated National Entity/Authority and obtain the analysis from the national focal point and determine potential CAF co-financing.
- Assessment: Technical structuring of the application. A CAF's specific Committee will conduct the assessment for projects seeking financing from climate funds.
- Approval: Internal CAF approval and, where applicable, submission to the approval process by the respective climate finance fund (concept note or fully developed proposal).
- Formalisation: Issuing of a financing agreement for projects that obtain funding through an agreement between CAF and a climate fund (GEF, AF, GCF).
- Disbursements and administration: Monitoring of the client, activity and its indicators, follow up reports, implementation of hiring contracts and disbursements (with CAF as the party responsible).

k. Support for project preparation

CAF offers expert consultancy services for analysing project proposals linked to requests for financing. The Bank has executive staff who are specialists in different Latin American subregions, such as Central America and Mexico and South America. These members of staff liaise the first contact with CAF in order to determine the feasibility of the official project submissions to the Bank.

l. Safeguards applied

An Environmental and Social Management System has been designed and implemented to ensure responsible environmental and social management for CAF-financed operations. The System consists of a set of environmental and social safeguards, methodological approaches, procedures, instruments, and resources. These coordinate and incorporate environmental and social management at every phase of the CAF credit process.

The safeguards are applicable to all operations financed by the institution (both for projects funded with its own resources and those seeking financing from other international funds).[76]

To obtain accreditation with the GCF, AF and GEF, CAF has demonstrated that its environmental and social management system is aligned with the requirements of those other funding sources. Countries that wish to submit project proposals to multilateral climate funds through CAF must bear in mind that their projects must meet the requirements of the safeguard systems established by those funds.

m. Gender perspective

In order to mainstream a gender perspective in its operations, in 2015 CAF approved its Institutional Guidelines for Gender Equity and created a Gender Equity and Inclusion Unit. In 2016, CAF approved a Strategic Gender Plan that includes actions focused on:

- Mainstreaming gender in CAF operations in sectors such as water, transport and energy to ensure that the projects designed are inclusive and have an equal impact on men and women.
- Creating tools to promote the productive empowerment of women, such as microfinance, financial literacy and entrepreneurial training.[77]

n. Deadlines

No deadlines have been established for the submission of projects to be financed with CAF's own resources.

76 CAF, Environmental Strategy, 2010, http://scioteca.caf.com/handle/123456789/504.

77 CAF, Desarrollo con enfoque de género, http://scioteca.caf.com/bitstream/handle/123456789/1002/CAF_006_diptico_ESP_v8.pdf?sequence=1&isAllowed=y; CAF, 2015 Annual Report, http://scioteca.caf.com/handle/123456789/928

Deadlines for projects submitted to climate funds such as GEF, GCF and AF vary according to funding source.

o. Norms

There is no specific format for CAF project submissions. When resources are provided by other climate funds such as GEF, GCF and AF, the forms used by those entities are used.

Additional comments

In 2013 CAF launched its Cities with Future initiative, which seeks to promote the sustainable development of cities and has invested more than USD 7 billion in 25 cities of the region. In 2015, CAF and the French Development Agency (AFD) signed a credit line totalling EUR 100 million aimed at financing urban projects that target GHG emission mitigation and/or adaptation to climate change impacts on cities. The funds will enable financing for projects spearheaded by national, regional, departmental and municipal governments.

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by CAF	Year approved
Argentina	Integrated Water Management Plan in Argentina[78]	Water and sanitation	USD 219 million	2016
	The project's objective is to help ensure the drinking water supply for citizens and prevent the effects of flooding in the Luján River Basin. The project contributes to government water and sanitation initiatives and to the prevention of and adaptation to extreme climate events.			
Ecuador	Loan - Sector-wide approach for electricity[79]	Energy	USD 300 million	2015
	This loan seeks to support public investment spearheaded by the national government within the framework of its National Strategy of Change in the Energy Matrix, which includes work in the electricity sector and seeks to reduce the imports of petroleum by-products and cut down on subsidies.			
Panama	Loan - Sector-wide approach for transport[80]	Transportation	USD 115 million	2015
	The objective of this programme is to support the government of Panama's public investments on improving transport sector infrastructure and quality. With a sector-wide approach, it contributes freely available resources to support investments made over the October 2014–2016 period.			
Paraguay	Project to improve the Electrical Energy Transmission and Distribution System, Sistema Metropolitano de Paraguay (Phase II)[81]	Energy	USD 150 million	2016
	The objective of this programme is to support the improvement in the electrical energy distribution system in the Metropolitan Area and the strengthening of the electrical energy transmission system in the city of Asunción and the departments of Caaguazú and Alto Paraná.			

78 https://www.caf.com/en/currently/news/2016/07/caf-approves-usd-219-million-to-improve-the-comprehensive-management-of-water-in-argentina/

79 https://www.caf.com/es/proyectos/promadec-ii/

80 https://www.caf.com/es/proyectos/programa-sectorial-de-enfoque-amplio-para-el-transporte/

81 https://www.caf.com/es/proyectos/mejoramiento-del-sistema-de-transmision-y-de-distribucion-de-electricidad-metropolit-de-paraguay-(fase-ii)/

www.
climateinvestmentfunds.org/
fund/clean-technology-fund

6.5 Clean Technology Fund (CTF)

Key facts

- The Clean Technology Fund (CTF) is one of two multi-donor trust funds that make up the Climate Investment Funds (CIFs)[82] established by the governments of Great Britain, the United States and Japan in early 2008, with the aim of helping developing countries transform their economies through low carbon development and resilience to climate change.
- The CTF promotes scaled-up financing in medium-income countries for the demonstration, deployment and transfer of low-carbon technologies with significant potential for long-term greenhouse gas emissions savings. CTF concessional financing focuses on large-scale projects in a small number of countries. The CTF aims to drive down technology costs, stimulate private sector participation, and catalyse transformative change that can be replicated elsewhere.
- The Fund requires co-financing from the beneficiary as part of the total budget of the projects or programmes.
- In 2013, the CTF incorporated new financing channels with an emphasis on reducing barriers to private sector participation, creating the Dedicated Private Sector Programs (DPSP).[83]

Elegibility

a. Accessing the fund

The resources of the CTF are channelled through six multilateral development banks (MDBs), including the Inter-American Development Bank, the International Finance Corporation and the World Bank Group.

b. Eligible countries

The Trust Fund Committee approved 13 investment plans in Phase I (2008-2010) and three plans in Phase II (after 2010), including Colombia, Mexico and Chile in Latin America. Within Latin America to date, only these three countries have been able to access the Fund's resources, although Honduras has also been a beneficiary (through the private sector). In addition, in June 2014, the CTF's Trust Fund Committee indicated that up to ten new countries could be identified and considered for participation in the CTF. It is worth noting that in early 2013, five new countries (Costa Rica, Jordan, Pakistan, Peru and Uruguay) had already indicated their interest in developing national programmes under the CTF. At its meeting in June 2014, the Trust Fund Committee took note of their expressions of interest but did not take a

82 The two CIF trust funds are the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), which are derived from the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP) and the Scaling Up Renewable Energy Program (SREP). Their joint resources total US$8.3 billion. Most of the financial commitments from the CIFs donors are dedicated to the CTF.

83 More than US$465 million have been allocated to the Dedicated Private Sector Programs (DPSP) under the CTF. See: http://www.climateinvestmentfunds.org/dedicated-private-sector-programs.

specific decision and to date there has been no further progress.[84]

c. Eligibility criteria

The eligibility of the project and the level of financing are assessed for potential "transformative" effects as well as project viability in the absence of concessional finance. CTF programmes are intended to "stimulate lasting changes in the structure or function of a sector, sub-sector or market" by improving internal rates of return on investments in low GHG emissions.[85]

The private sector can also access resources from the Fund, either through the private-sector windows of the MDBs or the Private Sector Dedicated Programs (DPSP) under the CTF.

d. Additional requirements

The requirements are different for the public and private sectors, as well as for the different types of projects. Grant applications must be consistent with CTF guidelines and should include:

- A brief explanation of why the grant is to be MDB-implemented.
- A detailed description of the project.
- A budget sufficiently detailed to justify the requested funding and showing co-financing from other sources.

e. Thematic sectors

Targeted areas relevant to climate change. Activities supported by the CTF include programmes within the following sectors: (i) renewable energy, including high-efficiency low-carbon technologies; solar, wind and geothermal energy; (Ii) transport, including efficiency and modal shifts, rapid transit and efficient vehicles; and (iii) energy efficiency, including buildings, industry and agriculture.

Areas that have been financed in recent years in Latin America. Most of the projects have been in the areas of renewable energy/energy efficiency (some with a focus on industry and housing) as well as transport.[86]

Financing

f. Available funds

In November 2016, the CTF had USD 5.8 billion in assets, of which USD 491 million is dedicated to the private sector programme. More than USD 3.8 billion (68% of CTF resources) have been approved and are under implementation.[87] As of 2016, Latin America has been allocated approximately USD 865 million from the CTF with funds for Chile, Colombia, Mexico and Honduras.[88]

g. Minimum and maximum amounts allocated to projects

There is no information on allowable amounts for the public sector. In the case of the private sector, a proposal may be presented in the form of a programme envelope which aggregates several small- and medium-sized projects, each utilising less than USD 50 million of CTF funds and all having a shared focus and objective.

h. Financial instruments

Grant	Concessional loan
Guarantee	

84 Assuming an average indicative allocation of US$300 million in CTF Phase II funding per country, between US$2.4 billion and US$3 billion would be required to support between eight to ten new countries. CIF, Clean Technology Fund, http://www.climateinvestmentfunds.org/fund/clean-technology-fund; CIF, Options for the Use of Potential New Funds Under the CTF, 2014, http://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf_13_8_options_for_the_use_of_potential_new_funds_under_the_ctf_0.pdf.

85 Climate Funds Update, Clean Technology Fund, 2016, http://www.climatefundsupdate.org/listing/clean-technology-fund

86 CIF, Projects, https://www.climateinvestmentfunds.org/projects.

87 CIF, Clean Technology Fund Factsheet, 2016, http://climateinvestmentfunds.org/sites/default/files/knowledge-documents/ctf_fact_sheet_nov_2016.pdf .

88 Climate Funds Update, Clean Technology Fund, 2016, http://www.climatefundsupdate.org/listing/clean-technology-fund.

The CTF may co-finance MDB non-concessional loans or provide additional financing of new components within ongoing investment lending operations, on concessional terms. Resources from the CTF would thereby increase the concessionality of the overall financing for the project. The development of such co-financing arrangements can be done in a relatively low-cost manner when fully embedded in the project preparation and supervision process. In any case, the co-financing of the beneficiary constitutes a fundamental part of the total budget of the project or programme.

Applying

i. Selection criteria

The CTF seeks to:

- Provide positive incentives, through public and private sector investments, for the demonstration of low carbon development and mitigation of greenhouse gas emissions.
- Fund low-carbon emission programs and projects that are embedded into national plans and strategies, scaling up development and accelerating the diffusion and transfer of clean technologies.
- Realize environmental and social co-benefits, illustrating the potential for low-carbon technologies in contributing to sustainable development and the Millennium Development Goals.
- Support international cooperation on climate change.
- Utilise the skills and capabilities of the MDBs to raise and deliver new and additional resources, including official and concessional financing, on a significant scale.
- Share experiences and lessons learned in response to climate change challenges.

The CTF uses the following criteria to assess and prioritise the proposed pipeline of programmes and projects, with a view to maximising the impact of CTF resources:

- Potential for GHG emissions savings.
- Cost-effectiveness.
- Demonstrated potential for scaling.
- Impact on development.
- Potential to be implemented.
- Additional costs and risks.[89]

j. Application process

When an eligible country expresses interest in accessing CTF financing, the following procedures apply to the preparation of the investment plans:

- » The MDBs' country operations teams will jointly assess the potential for investments in the country to meet the CTF criteria.
- » If the MDBs' assessment confirms a potential fit with CTF investment criteria, a mission will be arranged.
- » The host country and the MDBs conduct a "desk" review of GHG emissions and emission reduction potential, which will be used to identify the skills needed from the Government and MDB team.
- » A proposed programme or project will be submitted by the relevant MDB to the Trust Fund Committee for approval of trust fund financing, MDB Board approval, and supervision.

k. Support for project preparation

The MDBs are responsible for providing the support needed to draft the terms of access to CTF resources, whether in the form of grants, concessional loans or guarantees. The maximum total grant for the preparation of CTF investment plans or projects will be USD 1 million, to be used by the MDB.

l. Safeguards applied

Each MDB develops project proposals in accordance with its own environmental and social safeguards, so these will depend on which MDB is managing the access to CTF resources.

89 UN Environment, REGATTA, Financing Opportunities 2016, http://www.cambioclimatico-regatta.org/index.php/en/financing-opportunities/item/fondo-de-tecnologia-limpia-ctf-parte-de-los-fondos-de-inversion-en-el-clima-2.

m. Gender perspective

The CIFs are committed to mainstreaming gender in their programmes, investment plans and projects. Therefore, the CIFs Gender Action Plan[90] seeks to ensure that specific attention is paid to governance and operations in order to:

- Include a gender perspective in a project's Investment Plan and missions.
- Ensure a specific gender analysis is carried out by the sector, linked to strategic national contexts.
- Better identify project beneficiaries and focus.
- Include women and women's organizations in the consultations related to CIF activities in the countries.
- Use gender-sensitive monitoring and evaluation, including the use of gender-disaggregated indicators.

It should be noted that each MDB has formally developed its own gender policies and mandates.

n. Deadlines

There are no specific deadlines. Interested countries may, in conjunction with the relevant MDB, express an interest in developing national programmes to the CTF Trust Fund Committee.

o. Forms

There is no official CTF form. However, available guidelines indicate that an investment plan must contain the following information:

- Annotated outline for CTF investment plans (10 to 15 pages).
- Section 1: Description of the country and sector context (2 pages).
- Section 2: Identification of priority sectors for GHG abatement measures (2 pages).
- Section 3: Rationale for selected sector or sub-sector for CTF co-financing (4 pages).
- Section 4: Enabling Policy and Regulatory Environment (1-2 pages).
- Section 5: Implementation Potential, including risk assessment (1-2 pages).
- Section 6: Financing Plan and Instruments (1/2 page).
- Annex.

A summary of proposed project pipeline in the investment plan and notional CTF resources allocation (max 2 pages each) should be included. For each project concept, the following should be outlined:

- Problem Statement (one or two paragraphs).
- Proposed Transformation (one or two paragraphs).
- Implementation Readiness (one or two paragraphs).
- Rationale for CTF Financing (one or two paragraphs).
- Financing Plan.
- Project Preparation Timetable.

Additional comments

The CTF is developing strategies to raise funds in capital markets to help finance its next generation of investments. These strategies could open the door to new investments in cutting-edge sectors such as energy storage and distributed generation, among others.

90 The Gender Action Plan is divided into two stages: Phase 1 (2015-2016), which aimed to mainstream gender into CIF policies and programming. In Phase 2 of the Action Plan (2017-2020), this objective continues, and the CIFs are committed to maintaining a focus on gender through to 2020, officially recognizing a gender policy and providing technical support on gender for individual preparation of investment plans and projects and new tools in the form of sector-specific guidance sheets and a programme to support teams. See: CIF, Gender Action Plan – Phase 2 (revised), 2016, https://climateinvestmentfunds.org/sites/default/files/ctf_scf_decision_by_mail_cif_gender_action_plan_phase_2_final_revised.pdf .

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by CTF	Year approved
Bolivia	Financial Management of Climate Change Risk through Agriculture insurance[91]	Agriculture	USD 10 million	2016
	The programme objective is to reduce the vulnerability to natural disasters and climate change, through an improvement in the disaster risk management skills			
Colombia	Energy efficiency financing programme for the service sector[92]	Energy efficiency	USD 10.75 million	2013
	Includes country co-financing (private sector + MDB) of USD 20 million. The project seeks to improve the capabilities of the Colombian development bank (Bancóldex), local financial institutions, and other market players so that they can evaluate and identify energy efficiency projects. Investment projects will finance energy efficiency measures for hotels, clinics and hospitals.			
Honduras	Utility-scale solar photovoltaic sub-programme[93]	Renewable energy	USD 20 million	2014
	Twenty-year project to support private sector investments in financing photovoltaic parks. Includes country co-financing (private sector + MDB) of USD 180 million.			
Mexico	Energy Efficiency Programme, Part 1[94]	Energy efficiency	USD 22.4 million	2011
	Finances energy efficiency projects through support for local financial intermediaries and includes country co-financing of USD 88 million.			
Mexico	Urban transport transformation project[95]	Transport	USD 200 million	2009
	Seeks to reduce carbon emission levels through the renewal of the urban transport system, a project that calls for an investment of USD 2.7 billion.			

91 https://www.climateinvestmentfunds.org/projects/financial-management-climate-change-risk-through-agriculture-insurance

92 https://www.climateinvestmentfunds.org/projects/energy-efficiency-financing-program-services-sector

93 http://www.climateinvestmentfunds.org/projects/dpsp-i-utility-scale-renewable-energy-solar-photovoltaic-financing-honduras-utility-scale

94 https://www.climateinvestmentfunds.org/projects/energy-efficiency-program-part-i

95 http://www.climateinvestmentfunds.org/projects/urban-transport-transformation-project

Climate & Development Knowledge Network

www.cdkn.org

6.6 Climate and Development Knowledge Network (CDKN)

Key facts

- The Climate and Development Knowledge Network (CDKN) supports decision makers in designing and delivering climate compatible development through research, advisory services and knowledge management in support of locally owned and managed policy processes.
- CDKN works to change the quality of life of the people most affected by the impacts of climate change, to bridge the gap between climate change and development policies and enable developing countries to achieve a climate-resilient future with low carbon emissions while reducing poverty and promoting human development.
- The Network is a North-South alliance of organisations with a broad range of knowledge and experience, led by PricewaterhouseCoopers LLP (PwC) and including Fundación Futuro Latinoamericano, LEAD International, LEAD Pakistan, the Overseas Development Institute and South South North.
- It was funded over a seven-year period from March 2010 to April 2017 by the UK Department for International Development (DfID) and the Netherlands Ministry of Foreign Affairs (DGIS).
- The Network is now in the process of transforming itself from a dual Anglo-Dutch programme to a multidonor funded entity to ensure its long-term sustainability beyond 2017. Toward that end, CDKN is seeking new funding partners and collaborators, and as of September 2016 had received funding from 12 donors.[96]

96 CDKN, Information for prospective funding partners, https://cdkn.org/how-to-work-with-us/information-prospective-funding-partners/?loclang=en_gb.

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

Priority countries in Latin America are Colombia, Peru and El Salvador.[97]

Other low- and low-middle-income countries in the region may be eligible for support when their request is innovative, highly replicable and/or promotes South-South learning.

c. Eligibility criteria

Priority is given to governments of developing countries. Regional and sub-national governments are also eligible.

Certain services are also available to other entities such as UN agencies and entities in developing countries (multilateral institutions, NGOs, climate change organisations/initiatives, etc.).[98]

d. Additional requirements

Proposals must clearly state how the change theory is applied and describe the social changes that will result from the intervention.

Proposals must also clearly present mechanisms for linkages, communication and decision making among multiple stakeholders.

97 CDKN, Regions: Latin America and the Caribbean, https://cdkn.org/regions/lac/?loclang=en_gb.

98 CDKN, Our work in developing countries, http://cdkn.org/como-trabajar-con-nosotros/nuestro-trabajo-con-los-paises-en-desarrollo/?loclang=es_es#.

e. Thematic sectors

Targeted areas relevant to climate change:

- Climate compatible strategies
- improved access to climate financing for developing countries.
- Strengthening resilience through risk management of climate related disasters.
- Support for climate negotiators from the least developed and most vulnerable countries.[99]

Areas that have been financed in recent years in Latin America. The areas receiving the most financing are risk management, agriculture, forestry and food security. Resilience and transport (adaptation approach), water and rural development, policy and strategic planning, renewable energy, resilient cities, health and infrastructure have also received support.[100]

Financing

f. Available funds

According to CDKN's 2015 Annual Report[101], from 2010 to 2015 the Network invested GBP 74.6 million (around EUR 84 million) globally on knowledge, research, technical assistance, associations, impact funds and monitoring and evaluation. Of the total amount invested between 2010 and 2015, GBP 11.8 million (more than EUR 13 million) was allocated to Latin America.

In 2015 alone, CDKN invested GBP 3 million in the region (EUR 3.3 million).

g. Minimum and maximum amounts assigned to a project

Due to the type of technical assistance support CDKN provides, there are no minimum or maximum amounts per project. Each intervention is duly evaluated in terms of the support that will be provided, depending on available CDKN funding.

h. Financial instrument

Asistencia Técnica

The types of technical assistance offered by CDKN include knowledge management, research and advisory services.

Applying

i. Selection criteria

CDKN receives more applications for assistance than it is able to fund and needs to demonstrate good value for money and impact. Decisions regarding funding for technical assistance projects are made jointly by the Technical Assistance Division and the respective Regional Division.

CDKN does not use a formal scoring mechanism, but the following criteria are the basis for prioritising and decision making, subject to available funds:

- Level 1 - Basic alignment with CDKN approach: Proposals must be submitted by an eligible or priority country and from eligible entities, operate in the interface between technical knowledge and development of public policy and address climate change and development issues, and be of reasonable size and scope in relation to the CDKN budget.
- Level 2 - Compatibility with CDKN outcomes and change theory: Proposals must address one of the four strategic areas in which CDKN works[102], as well as the guidelines of the change theory[103].

99 CDKN, About CDKN, http://cdkn.org/introduccion-2/?loclang=es_es.

100 CDKN, Projects, http://cdkn.org/projects.

101 CDKN, Annual Report, 2015, http://cdkn.org/wp-content/uploads/2012/01/CDKN-REPORTE-ANUAL-2015-Espa%C3%B1ol.pdf.

102 (i) Develop and implement climate compatible development strategies and plans; (ii) Improve developing countries' access to climate financing; (iii) Boost resilience through risk management of climate related disasters; and (iv) Support climate negotiators from less developed and more vulnerable countries.

103 The change theory is focused on outcomes rather than products and in achieving changes in the quality of life of the people most affected by climate change impacts. This implies changes: (i) In the quality, pertinence and usability of climate compatible development (CCD); (ii) in the understanding and commitment of decision makers in regard to CCD issues; (iii) in institutions and institutional capacity to adequately respond to the needs and demands of CCD; (iv) in coordination, collaboration and mobilisation among key stakeholders; and (v) in the

- Level 3 - Alignment with CDKN's "advanced" Technical Assistance criteria: The Climate and Development Knowledge Network will give priority to project proposals that (i) are based on the needs of the government or another organisation and which cannot be implemented without CDKN's support; (ii) are opportunities that strategically integrate climate change into development processes and expand the local knowledge base to inform decision makers, generating a legacy of greater institutional capacity that can influence broader debates about public policy within countries; (iii) are initiatives that strengthen the capacity of stakeholders to influence decision-makers; (iv) and are committed to the exchange of knowledge and best practices. (v) CDKN prefers innovative products, (vi) that have the potential to encourage investment from other public sources or from the private sector.[104]

j. Application process

Applications may be submitted in several ways: directly, through a letter requesting assistance from CDKN or through interaction with CDKN staff. Indirectly, through coordination with other organisations, programmes or initiatives. Once an application is received, CDKN looks for evidence of commitment from the highest political levels or decision makers. Subsequently, CDKN works with the applicant to prepare the request for assistance and the terms and conditions that meet the goals of the entity receiving assistance.

k. Support for project preparation

Support is provided by CDKN offices located in Europe, Asia or Latin America, which provide advice on the network's opportunities for assistance.

CDKN's regional office is located in Quito, Ecuador and is administered by Fundación Futuro Latinoamericano. Specifically, CDKN can provide support for project preparation and detailed terms and conditions.

l. Safeguards applied

CDKN seeks projects with clearly defined benefits for different social groups, taking into consideration that social inequality represents an obstacle for the strategic management of climate change and constrains appropriate decision-making.[105]

m. Gender perspective

CDKN is committed to supporting social inclusion and gender equity in its programmes, recognising that the causes, effects and solutions of climate change require the inclusion of women and that social inequality can hinder effective and climate compatible development.

CDKN believes that it is important for men and women to have equal access to opportunities in the area of climate resilience and a gender perspective should be at the centre of climate change policies and programmes in developing countries.[106]

n. Deadlines

CDKN technical support is provided as requested; there are no specific deadlines for submitting proposals.

o. Forms

n/a

Additional comments

Progress against CDKN's logframe outputs, outcomes and progress towards impacts has been assessed through an independent review for the period from 2010 to 2015.[107] CDKN was also independently evaluated by the Independent Commission for Aid Impact as part of their review of DfID's use of contractors for implementing programmes.

capacity of decision makers to take advantage of and allocate resources in a strategic manner.

104 For more information, see CDKN, CDKN Technical Assistance selection criteria – overview, 2013, http://cdkn.org/wp-content/uploads/2010/10/CDKN-Technical-Assistance-Selection-Criteria-11-12.pdf; see also: CDKN, Technical Assistance, http://cdkn.org/how-to-work-with-us/our-work-with-developing-countries/?loclang=en_gb.

105 CDKN, End of Year 5 Independent Evaluation of CDKN, 2016, http://cdkn.org/wp-content/uploads/2016/02/EYE5-CDKN-Management-Response.pdf.

106 CDKN, Women and Climate Change, 2012, http://cdkn.org/wp-content/uploads/2012/11/CDKN-gender-and-cc-final.pdf.

107 The final report of the evaluators is available here: Itad, Report CDKN EYE Evaluation 2014 Final Report, 2015, https://cdkn.org/wp-content/uploads/2016/02/EYE5-Main-body-final-report-June.pdf.

Projects approved in recent years in Latin America

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by CDKN</th><th>Year approved</th></tr>
<tr><td rowspan="2">Brazil, Bolivia, Ecuador</td><td>Carbon footprint and water footprint in three new cities: Guayaquil, Fortaleza and Santa Cruz de la Sierra[108]</td><td>Urban development, transport, housing, water resources</td><td>€ 80,000</td><td>2015</td></tr>
<tr><td colspan="4">The first stage of the project involved participatory measurement of the carbon footprint and water footprint in three Andean cities (Quito, Lima and La Paz), while the latest phase is implemented in the cities of Guayaquil (Ecuador), Fortaleza (Brazil) and Santa Cruz de la Sierra (Bolivia). In general, the transport and residential sectors are the greatest contributors to the carbon and water footprint in the three cities. Action Plans are being developed for each municipality with specific medium- and long-term goals to reduce these footprints.</td></tr>
<tr><td rowspan="2">Colombia</td><td>Integrating climate change into the Colombian transport sector [109]</td><td>Transport</td><td>€ 500,000</td><td>2013</td></tr>
<tr><td colspan="4">The project is centred around the preparation of an Adaptation Plan for the primary road sector of Colombia in response to problems caused by extreme climate events, intensification of rainfall, floods, runoff and heat waves, as more of these types of impacts are predicted to occur in the future. The intervention seeks to create a unique opportunity to plan for the roads of the future, making them more resilient now and reducing future costs for maintenance and rehabilitation.</td></tr>
<tr><td rowspan="2">Colombia</td><td>Options for adaptation in managing water resources for climate-compatible rural development in a peace-building scenario in Colombia. [110]</td><td>Water resources</td><td>€ 170,000</td><td>2015</td></tr>
<tr><td colspan="4">The project aims to develop a portfolio of practical measures and effective methodologies for understanding water vulnerability at municipal level and respond to that vulnerability as an adaptation measure in rural areas of Colombia, in order to promote climate compatible rural development in post-conflict scenarios. The goal is to contribute to identifying rural areas that will be more exposed to water scarcity and understand how rural municipalities and communities can address water vulnerability and identify measures that can be scaled to other regions experiencing similar conditions.</td></tr>
<tr><td rowspan="2">El Salvador</td><td>Planning for temperature increases in the San Salvador Metropolitan Area[111]</td><td>Urban development</td><td>€ 190,000</td><td>2016</td></tr>
<tr><td colspan="4">The purpose of the project is to support decision makers in San Salvador to prioritise actions that enable them to address the economic and social impacts of temperature increases among the most affected sectors, using a climate-compatible and gender-development perspective, in order to contribute to more sustainable, equitable and resilient urban development.</td></tr>
<tr><td rowspan="2">Peru</td><td>Interrupting urban risks: Building bridges between sources of funding and knowledge generation for climate resilient urban planning. [112]</td><td>Risk management, urban development</td><td>€ 385,000</td><td>2015</td></tr>
<tr><td colspan="4">The project is focused on identifying and tracking where "urban risks" are created and how they affect residents in informal and marginal settlements. The project also involves exploring how local communities and government institutions can interrupt these cycles through concrete actions, with clear approaches and investment.</td></tr>
</table>

108 CDKN, Carbon footprint and water footprint in the cities of Guayaquil, Fortaleza and Santa Cruz de la Sierra, http://cdkn.org/project/huella-de-carbono-y-huella-de-agua-en-las-ciudades-de-guayaquil-fortaleza-y-santa-cruz-de-la-sierra/?loclang=es_es

109 CDKN, transport sector: Adaptation Plan for Colombia's transportation sector, http://cdkn.org/project/adaptacion-sector-transporte-colombia/?loclang=es_es

110 CDKN, Project: Water, post-conflict adaptation, http://cdkn.org/project/agua-adaptacion-y-post-conflicto/?loclang=es_es.

111 CDKN, Planning for temperature increases in the San Salvador Metropolitan Area, http://cdkn.org/project/planificacion-en-torno-incrementos-de-temperatura-provocados-por-el-clima-en-el-area-metropolitana-de-san-salvador/?loclang=es_es.

112 DKN, Interrupting urban risks: Building bridges between sources of funding and knowledge generation for climate resilient urban planning, http://cdkn.org/project/interrumpiendo-riesgos-urbanos-puentes-entre-financiamiento-y-conocimientos-para-la-planificacion-urbana-resiliente/?loclang=es_es

www.ctc-n.org

6.7 Climate Technology Centre and Network (CTCN)

Key facts

- Founded in 2014, CTCN is the operational arm of the United Nations Framework Convention on Climate Change (UNFCCC) Technology Mechanism. It is administered by the United Nations Environmental Programme in collaboration with the United Nations Industrial Development Organisation (UNIDO) and is supported by 11 centres of excellence in developed and developing countries.
- The organisation facilitates the transfer of environmental technologies to reduce carbon emissions and promote climate-resilient development as requested by developing countries. Its purpose is to provide technological solutions, build capacities and provide advisory services on policies and legal and regulatory frameworks adapted to the needs of each country.
- The Centre facilitates technology transfer through three services: technical assistance, knowledge exchange and collaboration through networks.
- The CTCN's Climate Technology Network offers access to a broad global community of climate technology users, suppliers and financiers and includes stakeholders from academia, civil society, the private and public sectors as well as more than 140 national representatives serving as National Designated Entities (NDE).
- Network members share and promote technologies, policies and relevant practices to facilitate their implementation in developing countries through prequalified access for technical assistance provision by CTCN and/or capacity building services in response to requests from developing countries.
- CTCN offers countries in Latin America and the Caribbean access to high level, specialist expertise on climate technology from around the world at no cost and also facilitates the inclusion of technology companies and institutions from the region in new international markets.

Eligibility

a. Accessing the fund

Each country Party to the UNFCCC may designate a National Designated Entity (NDE) and name a focal point for the CTCN. The NDEs coordinate and present technical assistance requests to CTCN.

b. Eligible countries

Developing countries who are parties to the United Nations Framework Convention on Climate Change are eligible.

c. Eligibility criteria

National Designated Entities (NDEs) play a key role in ensuring that requests submitted to the CTCN reflect their national priorities. In addition, they must ensure that the support provided by the Centre is coordinated at national level with other processes related to climate change, guaranteeing the commitment from relevant ministries, focal points for other UNFCCC mechanisms, the private sector, local governments, civil society and academia, as applicable. The academic sector may work closely with the National Designated Entity to identify the kind of technical assistance needed.

To be eligible, requests submitted to the CTCN must:

- Contribute to increasing resiliency and/or mitigating emissions.
- Be aligned with national plans.
- Strengthen national capacities.
- Install processes at the national level that allow for tracking and evaluating any support provided.

d. Additional requirements

Technical assistance is provided at no cost with a value up to USD 250,000 and at all stages of the technology cycle: from the identification of climate technology needs to policy assessment, selection and piloting of technological solutions and assistance that contributes to widespread deployment of the technology.

e. Thematic sectors

Targeted areas relevant to climate change. In the area of Greenhouse Gas Reduction: energy, transport, industry, agriculture, forestry, waste management; and in the area of Strengthening climate resilience: water, agriculture and forestry, health, fisheries, early warning/risk management and environmental evaluation, infrastructure, transportation and urban development, biodiversity and marine-coastal resources and coastal zones.

Areas that have been financed in recent years in Latin America. The most frequently funded areas are risk management, ecosystems and biodiversity, energy and water. Other areas financed by the CTCN include: waste management, industry, transportation, coastal zones and land use/agriculture/forestry.[113]

113 CTCN, Active Technical Assistance, 2016, https://www.ctc-n.org/technical-assistance/data?f[0]=search_api_combined_1%3AUruguay&f[1]=search_api_combined_1%3AChile&f[2]=search_api_combined_1%3AColombia&f[3]=search_api_combined_1%3ACosta%20Rica&f[4]=search_api_combined_1%3AEcuador&f[5]=search_api_combined_1%3AGuatemala&f[6]=search_api_combined_1%3APeru&f[7]=search_api_combined_1%3AHonduras

Financing

f. Available funds

According to the CTCN's Progress Report 2014-2015, from 2013 to 2015 the organisation planned to provide support valued at USD 18.9 million.[114] In Latin American countries, 17 technical assistance projects were approved through February 2017.

g. Minimum and maximum amounts assigned to a project

The CTCN accepts technical assistance funding proposals up to USD 250000.[115] There is no limit to the number of requests that each country may submit. As the CTCN reaches its capacity for responding to technical assistance requests, the number of requests per country/year may be limited.

h. Financial instruments

Asistencia Técnica

CTCN provides support through technical assistance, knowledge exchange and networks. In some cases, CTCN may play an intermediary role in regard to financing sources. It provides five types of climate technology assistance:

- Technical assessments (including technical expertise and recommendations related to specific technology needs, identification of technologies, technological barriers, technology efficiency and piloting and deployment of technologies).
- Technical support for policy documents and planning (including strategies and policies, roadmaps and action plans, regulations and legal measures).
- Training courses.
- Tools and methodologies.
- Implementation plans.

114 CTCN, Progress Report January 2014-August 2015, 2014, https://www.ctc-n.org/sites/www.ctc-n.org/files/ctnc_progressreport_01dec_complete_screen_final_a4.pdf.

115 For more information on CTCN Technical Assistance, 2016, see https://www.ctc-n.org/technical-assistance.

Applying

i. Selection criteria

CTCN prioritises projects that:

- Promote the most appropriate technologies.
- Demonstrate project preparation and potential for replication or expansion at the national, regional and international level.
- Encourage collaboration among strategic stakeholders, including among countries, and that have elements of South-South, bilateral or multilateral cooperation.
- Promote multi-country approaches and regional groupings of requests.
- Provide evidence of leveraging public and/or private financing.
- Encourage and demonstrate multiple benefits, as well as social, economic and environmental sustainability.
- Promote and demonstrate a perspective of gender equality and empowerment of vulnerable groups including women and youth.[116]

j. Application process

All requests must be submitted through the National Designated Entity (NDE). National entities interested in applying must coordinate with the NDE, which will help identify the appropriate type of technical assistance to be requested from CTCN. Subsequently, the NDE submits the technical assistance request to the CTCN, which mobilises its global network of climate technology experts to design and offer a solution adapted to local needs. The CTCN selection process consists of the following steps: (i) Receipt of the request, (ii) evaluation of the request, (iii) development of the response plan, (iv) implementation of the response, (v) closure of the response and information exchange, and (vi) tracking of short- and medium-term impacts.

k. Support for project preparation

Members of the CTCN consortium provide technical assistance and may also support preparation of requests and response plans. There is a "fast track" process that can be used to support the preparation of climate financing proposals, if the assistance requested qualifies as technology transfer aimed at increasing capacity in the country.

l. Safeguards applied

Technical assistance requests must promote and demonstrate multiple benefits, as well as social, economic and environmental sustainability, and promote a perspective of gender equality and empowerment of vulnerable groups including women and young people.

m. Gender perspective

CTCN makes an effort to incorporate the gender perspective to ensure that the process and results of its work reflect an inclusive and equitable approach to technology transfer. As part of this effort, CTCN named a focal point for the gender perspective in 2015. Projects must clearly incorporate the gender perspective and empowerment of vulnerable groups, including women and young people, to be eligible.[117]

n. Deadlines

Proposals may be submitted at any time. There are no deadlines.

o. Forms

The CTCN requires a request submission form with all technical assistance requests.[118]

Additional comments

National Designated Entities (NDEs) perform the following functions:[119]

- Catalyst of services that may be received through CTCN. This includes:

116 CTCN, Technical Assistance, https://www.ctc-n.org/technical-assistance.

117 CTCN 7th meeting, Note on CTCN Technology and Gender Mainstreaming, 2016, https://www.ctc-n.org/sites/www.ctc-n.org/files/ab20167_6.7_ctcn_technology_gender_mainstreaming.pdf.

118 Document available online: CTCN, Submit a request, https://www.ctc-n.org/technical-assistance/submit-request.

119 CTCN, Report on the CTCN Regional Forum for National Designated Entities in Latin America and the Caribbean, 2015, https://www.ctc-n.org/sites/www.ctc-n.org/files/informe_foro_regional_ctcn.pdf.

- Service 1: Technical assistance. Catalyse, prioritise and approve requests submitted to CTCN and ensure the quality of the design and implementation of technical assistance.
- Service 2: Knowledge exchange. Identify innovative national technologies to be shared in regional forums, training courses, webinars, etc.
- Service 3: Dialogue and networks. Catalyse national membership in the global network, propose dialogues and specific themes, participate in forums.

- National leader in climate technologies. This includes:
  - Ensuring that climate technology priorities (development, distribution, use) are included in local, sector and national plans.
  - Ensuring the relevance and use of Technology Needs Assessments (TNA), e.g. linkages with NDCs.
  - Aligning technology priorities with national and international financing priorities.
  - Convening national climate technology forums (e.g. with the private sector).
  - Forging links with National Clean Production Centres.
  - Convening cooperation round tables to invest in national climate technology priorities.

Projects approved in recent years in Latin America[120]

Country	Project	Thematic sectors	Amount contributed by CTCN	Year approved
Chile	Design of a biodiversity monitoring network in the context of climate change.	Biodiversity and ecosystems	Not available	2014
	The goal of the project is to design a terrestrial and marine biodiversity monitoring network in the context of climate change.			
Chile	Support for the replacement of F-refrigerants used in refrigeration systems in food processing, production and exporting (fruit and vegetables)	Energy efficiency	Not available	2015
	The expected project results are aimed at the conversion of cold storage facilities, use of natural refrigerants, reduction of GHG emissions and building local capacities in order to promote best practice in low-emission refrigerant technologies.			
Colombia	Tracking and evaluation of national energy efficiency and renewable energy policies within industry sectors and the transport sector.	Energy, transport and industry	Not available	2014
	The anticipated results are oriented toward creating a tool for monitoring and evaluating the outcomes of incentives and evaluating the possibility of extending those incentives. Improve local capacity for designing new energy efficiency incentive mechanisms and results monitoring.			
Costa Rica	Development of a planning, management and implementation protocol for adaptation measures in land use planning among local governments.	Land use	Not available	2015
	This project seeks to generate the tools needed to evaluate climate change impacts in land use planning processes as a way to improve adaptation measures.			

120 CTCN, Active Technical Assistance, https://www.ctc-n.org/technical-assistance/data?f[0]=search_api_combined_1%3AUruguay&f[1]=search_api_combined_1%3AChile&f[2]=search_api_combined_1%3AColombia&f[3]=search_api_combined_1%3ACosta%20Rica&f[4]=search_api_combined_1%3AEcuador&f[5]=search_api_combined_1%3AGuatemala&f[6]=search_api_combined_1%3APeru&f[7]=search_api_combined_1%3AHonduras&f[8]=field_publication_status%3A11

European Investment Bank

www.eib.org

6.8 European Investment Bank (EIB)

Key facts

- The European Investment Bank (EIB) is a bank jointly owned by the European Union member countries.
- It provides financing to investment projects that contribute to growth and employment in the European Union and promote EU policies in other countries. About 10% of the Bank's activities are based in countries outside of the EU.
- EIB lending in Asia and Latin America began in 1993 and is governed by mandates from the EU, particularly the current financial programme for the Asian and Latin American regions, which covers the 2014-2020 period.[121]
- The Bank supports the transition to a low-carbon, climate-resilient economy and commits at least 25% of its lending portfolio to climate actions. To help achieve the goals of the Paris Agreement, the EU Bank also committed to increase its lending for climate action in developing countries to 35% of total lending by 2020.[122]
- The Bank has financed projects in over 160 countries and acts as a catalyst for mobilising private finance for climate action. Climate financing for 2016 amounted to EUR 19 billion, or about 26% of total IEB lending.[123]
- The EIB provides three main forms of support. In addition to lending, which is a major focus, representing 90% of our financial commitments. Combined financing (blending) and advice are also provided.

Elegibility

a. Accessing the fund

Direct access.

b. Eligible countries

For the 2014-2020 period, the following countries in the Latin American region are eligible for EIB financing: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

c. Eligibility criteria

Access to financing is determined by the EU mandate for the Bank's activities in different regions of the world. That mandate establishes a financing cap for each region. Bank funds can be accessed through the governments of eligible countries, regional entities or the private sector. Small- and medium-sized enterprises (SMEs) and local authorities may receive loans of up to EUR 25 million through financial intermediaries that have partnered with EIB, including Banco Santander in Brazil, Chile and Mexico and the Central American Bank for Economic Integration.[124]

121 European Investment Bank (EIB), Asia and Latina America, http://www.eib.org/projects/regions/ala/index.htm.

122 EIB, Climate and Environment, http://www.eib.org/projects/priorities/climate-and-environment/index.htm?f=search&media=search.

123 EIB, Climate and Environment, http://www.eib.org/projects/priorities/climate-and-environment/index.htm?f=search&media=search.

124 EIB, How to receive EIB support, http://www.eib.org/products/clients.htm; to view a list of financial intermediaries in the region, see: EIB, Financial Intermediaries of the European Investment Bank in

d. Additional requirements

To be considered eligible for financing, proposals must be very robust, with an attractive business plan in line with EU requirements. Proposals must also have a high potential to contribute to the economic development of beneficiary countries. Proposals must clearly reflect the environmental and social safeguard systems applicable for the EIB.

e. Thematic sectors

Targeted areas relevant to climate change. Under the framework of its financing mandate for the Asian and Latin American regions for 2014-2020, the Bank prioritizes projects in the areas of climate change adaptation and mitigation with a focus on renewable energy and urban transport and the development of social and economic infrastructure, especially related to water and sanitation.[125]

Areas that have been financed in recent years in Latin America. The area most financed has been renewable energy, but the Bank has also provided financing in the areas of transport, water and sanitation, forestry, industry, education and solid waste.[126]

Financing

f. Available funds

In 2016, the Bank provided nearly EUR 75 billion in financing, EUR 65 billion of which went to finance projects of EU member countries.[127] The Paris Agreement has driven EIB to be a global provider of climate finance, playing a key role in mobilising resources, much of them from the private sector. In 2016, EIB allocated more than EUR 19 billion to support climate change adaptation and mitigation efforts within the EU and beyond it. This represents 26% of total loans in 2016.[128] Under the current EU mandate for Asia and Latin America (ALA), which covers the 2014-2020 period, EIB is authorized to lend up to EUR 3.4 billion for operations supporting EU cooperation strategies that complement other EU development and cooperation programmes and instruments in these regions. The regional cap of EUR 3.4 billion is divided into indicative sub-caps of EUR 2.3 billion for Latin America and EUR 1.1 billion for Asia. There are no country-specific budgetary allocations. In some cases, the EIB can provide loans from its own resources under the Climate Action and Environment Facility or the Strategic Projects Facility, amounting to a combined total of EUR 2 billion.[129]

g. Minimum and maximum amounts allocated to projects

The Bank has not established minimum or maximum amounts for project financing, but instead uses parameters related to project size to determine the most suitable form of financing:

- Projects with a total investment greater than EUR 25 million can be financed directly through a project promoter or indirectly through a government or financial intermediary. Project promoters must provide the Bank's Operations Directorate with a detailed description of the project's capital investment along with the prospective financing arrangements. The total investment of a typical project under the ALA 2014-2020 mandate is valued at more than EUR 40 million.
- For projects valued at less than EUR 25 million, EIB can provide credit lines to selected financial institutions[130], which then lend the funds mainly to small- and medium-sized enterprises (SMEs). The financial institutions assess each project, assume the credit risk and set the loan conditions for the

Asia and Latin America, 2016, http://www.eib.org/attachments/lending/inter_ala.pdf .

125 EIB, Asia and Latin America, http://www.eib.org/projects/regions/ala/index.htm.

126 EIB, Projects financed, http://www.eib.org/projects/loan/list/index.htm?from=&region=8&sector=&to=&country=

127 EIB, EIB Group: key statutory figures, http://www.eib.org/about/key_figures/data.htm

128 EIB, Climate and Environment, http://www.eib.org/projects/priorities/climate-and-environment/index.htm?f=search&media=search .

129 EIB, EIB Financing in Latin America, 2014, http://www.eib.org/attachments/country/factsheet_latin_america_2014_en.pdf

130 View the list of financial intermediaries in the region at: IEB, Financial Intermediaries of the European Investment Bank in Asia and Latin America, 2016, http://www.eib.org/attachments/lending/inter_ala.pdf

final beneficiary according to criteria agreed to with the EIB.[131]

h. Financial instruments

Risk capital	Concessional loan
Guarantee	Commercial loan
Technical assistance	Carbon market

Applying

i. Selection criteria

- Projects must be framed within the policy objectives of the European Union and be aligned with the European Union's Global Strategy on Foreign and Security Policy and with its 2030 Agenda for Sustainable Development.[132]
- Projects must have good potential to contribute to the economic development of the beneficiary country.
- Initiatives must fall within the Bank's priority areas.
- Initiatives must strictly adhere to the Bank's economic, technical, environmental and social standards.
- Initiatives must comply with all procurement and acquisition procedures.

j. Application process

The project cycle for EIB-financed initiatives includes:

- » Identification of a project opportunity.
- » Project appraisal in environmental, social, technical, financial, and economic terms.
- » Review/Approval by the Management Committee.
- » Approval (of the loan) by the Board of Directors.
- » Negotiation.
- » Signing of the contract by the parties.
- » Disbursement.
- » Physical and financial monitoring of the financed project.
- » Repayment.[133]

k. Support for project preparation

Not applicable.

l. Safeguards applied

All projects eligible for financing must comply with the Bank's strict technical, social, economic, and environmental standards.[134] The main social and environmental standards are divided into ten thematic areas:

- Assessment and management of environmental and social impacts and risks.
- Pollution prevention and abatement.
- Biodiversity and ecosystems.
- Climate-related standards.
- Cultural heritage.
- Involuntary resettlement.
- Rights and interests of vulnerable groups.
- Labour standards.
- Occupational and public health, safety and security.
- Stakeholder engagement.

EIB highlights the importance of ensuring protection of the environment and human wellbeing and these aspects should be clearly reflected in project proposals submitted to the Bank. The Bank further emphasizes that interventions must pay special attention to the protection of vulnerable individuals and groups. It particularly underlines the importance of respecting the dignity, human rights, aspirations, cultures and

131 EIB, Asia and Latin America, http://www.eib.org/projects/regions/ala/index.htm

132 EIB, Factsheet EIB financing in Latin America, 2017, http://www.eib.org/attachments/press/fp-latin-america-2017-en.pdf.

133 EIB, Project Cycle, 2016, http://www.eib.org/projects/cycle/index.htm.

134 EIB, EIB at a glance, http://www.eib.org/about/index.htm.

customary livelihoods of vulnerable groups, including indigenous peoples.[135]

The Bank also values and prioritises a gender perspective, which is a cross-cutting theme in all the activities it finances.

m. Gender perspective

EIB has been strongly committed to mainstreaming a gender perspective in all its operations and thus recognises the added value of operations that take into account, and in some cases prioritise, the issue of gender.

To continue its efforts to recognise and strengthen gender equality in strategic Bank activities, EIB has developed a Strategy on Gender Equality and Women's Economic Empowerment, which came into force in January 2017.[136]

The strategy guides the Bank's activities both within and outside the European Union. A plan of action for implementing the strategy is currently being prepared. The Bank believes that a gender strategy linked to loans will help provide a strategic focus that will maximise the impact of its operations across the globe.

n. Deadlines

Acceptance and assessment of projects is variable.

o. Forms

EIB has specific forms for submitting project proposals.[137]

Additional comments

In March 2016, the Green Climate Fund approved EIB as an accredited entity. This accreditation will give the Bank an important tool in mobilising resources to achieve its goal of increasing its climate financing in developing countries to 35% by 2020.[138]

135 EIB, Environmental and Social Standards Overview, 2014, http://www.eib.org/attachments/strategies/environmental_and_social_overview_en.pdf .

136 EIB, Protect, Impact, Invest. The EIB Group Strategy on Gender Equality and Women's Economic Empowerment, 2016, http://www.eib.org/attachments/strategies/eib_group_strategy_on_gender_equality_en.pdf.

137 See: EIB, Applying for an EIB loan - Application Documents, http://www.eib.org/attachments/application_documents_en.pdf.

138 EIB, Helping developing countries tackle climate change: EIB to partner Green Climate Fund, 2016, http://www.eib.org/infocentre/press/releases/all/2016/2016-069-helping-developing-countries-tackle-climate-change-eib-to-partner-green-climate-fund.htm.

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by EIB	Year approved
Brazil	Brazil climate change mitigation framework loan[139]	Energy	€ 500 million	2011
	Borrower: Brazilian Development Bank (BNDES). The purpose is to finance medium-sized projects in the private sector focused on renewable energy and energy efficiency.			
Chile	Chile CCFL[140]	Energy	€ 150 million	2014
	Project intermediary: Banco Santander Chile. The project objective is to mitigate climate change by supporting renewable energy and energy efficiency projects in Chile.			
Ecuador	Metro de Quito[141]	Transport	€ 200 million	2012
	Project intermediary: Quito Metropolitan District. The project involves the construction of Quito's first metro line, which will be 23 km long with 15 stations, as well as the acquisition of 18 new 6-coach trains that will circulate on the line. The project will help to promote a sustainable public transport system in Quito and with it a reduction in emissions related to transport and fuel consumption.			
Nicaragua	Bus rapid transit corridor[142]	Transport	€ 124 million	2017
	The loan will finance the construction of a new rapid transit corridor for buses in Managua that will run alongside one of the capital's main traffic arteries. The set of projects financed by the loan seeks to improve the safety and sustainability of Managua's transport system while helping to combat climate change.			
Panama	Waste water treatment project of the bay and City of Panama[143]	Water, waste	€ 46 million	2016
	Expansion of the Juan Díaz water treatment plant included in the 2015-2019 Five-Year Strategic Plan, which identifies the water as a priority sector and is aimed at improving the coverage, quality and management of water services.			

139 http://www.eib.org/projects/loan/loan/20070360

140 http://www.eib.org/projects/loan/loan/20130413

141 http://www.eib.org/projects/loan/loan/20110297

142 http://www.eib.org/projects/loan/loan/20160806

143 http://www.eib.org/projects/loan/loan/20150056

www.fondodelagua.aecid.es

6.9 Water and Sanitation Cooperation Fund (FCAS)

Key facts

- The Water and Sanitation Cooperation Fund (FCAS) was created by Spanish Cooperation to ensure access to drinking water and sanitation for the neediest populations in Latin America and the Caribbean.
- It was created in late 2007 by the government of Spain to implement water and sanitation programmes and projects in partner countries of the region, prioritising the poorest countries and the most vulnerable populations.
- Its contributions focus on providing infrastructure, assisting in the establishment of public management systems for these services and strengthening public institutions and agencies in recipient countries to promote the design and implementation of comprehensive policies that ensure the sustainability of water resources.
- It has two modes of action: one is bilateral, channelled directly through the relationship between the Spanish Agency for International Development Cooperation (AECID) and partner countries; the other is multilateral and follows the internal processes of the Inter-American Development Bank (IDB), with which FCAS maintains a strategic alliance.

Elegibility

a. Accessing the fund

When accessed bilaterally, FCAS contributions are disbursed directly to the countries receiving aid by means of a government grant, the method by which the Spanish Government transfers funds to developing countries. The partner countries implement the projects directly and hold tender processes according to national procedures, safeguarding the principles of transparency, quality and competition. FCAS resources may also be accessed multilaterally through the Inter-American Development Bank.

b. Eligible countries

FCAS funds are earmarked for Latin America and the Caribbean. There are three categories of partnership with recipient countries based on per capita gross domestic product (GDP), development indicators and the shortfall in drinking water and sanitation coverage.

Financing aid for each country is based on these indicators.

The Fund's contributions are targeted geographically by combining the rate of water and sanitation shortfalls with the debt level in each country. At least 85% of the Fund goes to countries with which Spanish Cooperation has established a broad partnership (i.e. the least-developed countries in the region; those with low or lower-middle income) and countries with which it has a partnership (these focus countries have higher incomes, but they are still considered vulnerable due to natural disasters or situations of conflict or post-conflict).

Approximately 15% of the Fund goes to middle-income countries that are in the process of consolidating development and still have sectors of the population living in poverty and social exclusion.[144]

144 AECID (FCAS), Criterios geográficos del Fondo, http://www.fondodelagua.aecid.es/es/fcas/donde-trabaja/criterios-geograficos/.

c. Eligibility criteria

Public agencies and civil society organisations in partner countries may request the support of FCAS, as long as they fulfil several conditions:

- Public agencies at national, regional or local level in the recipient countries must have sufficient institutional capacity. In the case of regional or local public agencies, they should ideally have the approval of national government authorities and a board or association should exist at national level for reference purposes.
- (Civil society organisations, cooperatives or other non-profit associations engaged in the provision of water and sanitation services or efforts related to the provision of these services in the region. Eligibility criteria include: the project must be in line with the priority areas of action; the proponent must be an entity from a partner country and meet the eligibility requirements established by the Fund; the finance sought should fall within one of the Fund's lines of action; the socio-economic, environmental, financial, technical, institutional and legal aspects of the project must be feasible; the project must comply with IDB policies (in the case of multilateral access).[145]

d. Additional requirements

Multilateral projects must have a letter of no objection from the government of the beneficiary country. It must be signed by the ministry or institution in charge of the relationship with the IDB.[146]

e. Thematic sectors

Targeted areas relevant to climate change. Infrastructure for access to drinking water and basic sanitation services, improvements to the institutional system for managing water and its sustainability and integrated management of water resources.[147]

Areas that have been financed in recent years in Latin America. Water resources, infrastructure, waste, health.

Financing

f. Available funds

Since the creation of the Fund in 2007, the Government of Spain has disbursed more than EUR 790 million in aid, managing to leverage EUR 543 million more through local counterparts. This amounts to a total portfolio of EUR 1.333 billion.[148] All FCAS funds go to Latin America and the Caribbean.

g. Minimum and maximum amounts allocated to projects

There are no minimum or maximum amounts defined per project. The Fund can contribute up to 50% of the total cost of the project in the countries with the highest relative development (medium to high income),[149] up to 80% in Spanish Cooperation focus countries[150] and up to 100%, in highly indebted countries with higher poverty rates.[151] The percentage of funding will depend on the group into which the country has been classified by the Fund.

h. Financial instruments

Grant	Technical assistance

145 AECID (FCAS), Cómo acceder al Fondo, http://www.fondodelagua.aecid.es/es/fcas/como-funciona/como-acceder/

146 The letter should be sent via email to agua@iadb.org or ofcas@aecid.es along with the application form, see: http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=1801334.

147 AECID (FCAS), Líneas de actuación del Fondo, http://www.fondodelagua.aecid.es/es/fcas/como-funciona/lineas-actuacion/.

148 AECID, Informe Anual 2015: Fondo de cooperación para Agua y Saneamiento, 2016, http://www.fondodelagua.aecid.es/galerias/fcas/descargas/documentos/Informe_Anual_FCAS_2015_completo.pdf.

149 Argentina, Brazil, Costa Rica, Chile, Cuba, Mexico, Panama, Uruguay and Venezuela.

150 Ecuador, El Salvador, Guatemala, Peru, Dominican Republic, Paraguay and Colombia.

151 Bolivia, Honduras, Nicaragua and Haiti.

Applying

i. Selection criteria

The Fund looks for the following project characteristics:

- That priority is given to the water sector in the National Development Plans or in the Poverty Reduction Strategy Papers.
- The establishment or strengthening of a national, regional or local association linked to water resources.
- That the project is part of a sound and sustainable water policy.
- The use of objective criteria to measure the project's impact on poverty, development, social and territorial equity, innovation and sustainability.
- The existence of an instance of coordination and complementarity with donors.
- The existence of a national board or association of the stakeholders involved in water and sanitation.
- In the case of regional or local public agencies, the approval of national government authorities.[152]

j. Application process

Agencies or organisations interested in obtaining more information should approach the AECID's Technical Cooperation Office (OTC) for their country. The OTC will have more specific information on available financing, the procedures to be followed and the applications most likely be chosen, according to the cooperation strategy in each country. The projects to be financed must be studied by the AECID's Technical Cooperation Office in the country concerned and by the Fund's Department for Cooperation in Water and Sanitation in Madrid (all in collaboration with other AECID departments).

The Fund's Advisory Council issues a ruling on each proposal, and the Executive Board decides whether to bring it to the Council of Ministers, which makes the final decision about each grant application. The procedure stipulates that each application will receive a decision during the same year in which it was filed.

152 AECID (FCAS), Cómo acceder al Fondo, http://www.fondodelagua.aecid.es/es/fcas/como-funciona/como-acceder/.

After the Spanish Government's selection/approval of the project through the multilateral route, all projects follow IDB policies and procedures. Within this framework, the IDB oversees the various stages of the project cycle (preparation, implementation — including disbursement — monitoring and evaluation).[153]

k. Support for project preparation

The Fund provides the necessary technical support to ensure the sustainability and efficiency of projects from the moment of their inception. Support is channelled through AECID's offices. The IDB provides technical support to the Fund and the partner country at all stages of the project cycle. When the project needs to be written up, financial support can be sought from AquaFund, an IDB fast-disbursing fund designed, inter alia, to support project preparation.[154]

l. Safeguards applied

Spain addresses access to water and sanitation from a human rights perspective. This implies that the projects must show a positive impact on the living conditions of indigenous peoples and incorporate a gender equality and equity approach.[155] According to Spanish Cooperation's Strategy for the Environment and Sustainable Development, development plans must incorporate an environmental component, support for environmental governance and promotion of participatory approaches that systematically involve a wide range of civil society stakeholders in development.[156]

153 AECID (FCAS) Preguntas más frecuentes, http://www.fondodelagua.aecid.es/es/fcas/preguntas-mas-frecuentes/respuestas-FAQ/#7.

154 IDB, The AquaFund, http://www.iadb.org/en/sector/water-and-sanitation/initiative-aquafund/home,20614.html

155 AECID,Guía para la Transversalización del Enfoque de Género, 2015, http://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/GU%C3%8DA%20DE%20G%C3%89NERO.pdf; Ministerio de Asuntos Exteriores y de Cooperación, Estrategia de Cooperación Española con los Pueblos Indígenas, 2007, http://intercoonecta.aecid.es/Documentos%20de%20la%20comunidad/Estrategia_Pueblos%20Ind%C3%ADgenas.pdf.

156 Ministerio de Asuntos Exteriores y de Cooperación, Estrategia de Medio Ambiente y Desarrollo Sostenible, http://www.aecid.es/Centro-Documentacion/Documentos/Planificaci%C3%B3n%20

m. Gender perspective

Spanish Cooperation's Fourth Master Plan calls for a gender perspective, and this approach is also one of the priority areas of action for AECID's Sectoral Gender and Development Action Plan. The 2015 Guide to Gender Mainstreaming[157] is applied, which identifies the key issues to be considered in the Agency's priorities and in the analysis of the extent to which its work contributes to draw attention to and empower women as protagonists of development and to the achievement of gender equality.

n. Deadlines

There is no deadline for applications; they may be submitted throughout the year. However, in view of the annual Executive Board meetings, the best windows for submitting an application are usually in the first and third quarters of the year.

o. Forms

There are no specific forms required by the Fund.

Additional comments

The Fund and the IDB collaborate on multilateral programmes through a strategic alliance, with coordinated approaches guided by shared criteria to ensure the technical quality of programmes and the effectiveness of aid. In all cases, actions are guided by the strategy of Spanish Cooperation's Master Plan.

The operational and strategic direction of the programme is the responsibility of AECID through its Technical Cooperation Offices (OTC) in the partner countries. Support from the Fund never implies the obligation of a debt, nor does it mean that countries are responsible for more than what they have already agreed to with the IDB in a previous and independent process in which AECID does not participate.

Channelling budgets through a multilateral development bank, such as the IDB, allows not only the mobilisation of resources from the Bank itself, but also fosters conditions for other bilateral (mainly European) donors to include the sector among their priorities. In addition, FCAS programmes have been used to leverage new resources from EU-delegated cooperation through the Latin American Investment Facility (LAIF), which prioritises investments in key infrastructure by mobilising resources from various sources (donations, grants, loans).[158]

estrat%C3%A9gica%20por%20sectores/Estrategia_Medio_Ambiente.pdf.

157 http://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/GU%C3%8DA%20DE%20G%C3%89NERO.pdf.

158 AECID, Informe Anual 2015: Fondo de cooperación para Agua y Saneamiento, 2016, http://www.fondodelagua.aecid.es/galerias/fcas/descargas/documentos/Informe_Anual_FCAS_2015_completo.pdf.

Projects approved in recent years in Latin America[159]

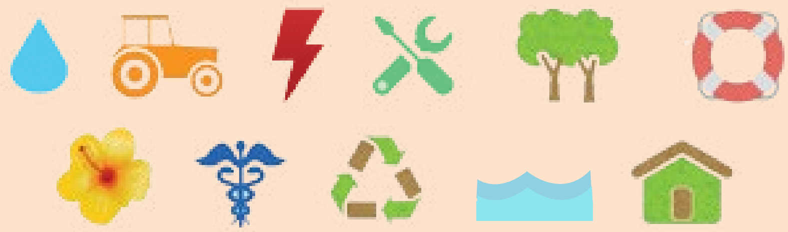
Country	Project	Thematic sectors	Amount contributed by FCAS	Year approved
Cuba	Improvement and expansion of drinking water and sanitation services in small Cuban cities (second stage)	Water and sanitation	€ 4,535,772.36	2010
	Project implemented by the Instituto Nacional de Recursos Hídricos (National Institute of Water Resources). The specific objective is to efficiently improve and expand drinking water and sanitation services in small Cuban cities.			
Colombia	Extension of the El Bosque water treatment plant and supply to the neighbourhoods in the south-western area of Cartagena de Indias	Water and sanitation	€ 7,387,656.90	2014
	Project implemented by the Mayor's Office of Cartagena de Indias with the objective of reducing diseases resulting from the inadequate management and provision of drinking water and wastewater in the southwestern area of Cartagena de Indias.			
El Salvador	Improvement of the aqueduct and sewer network in the metropolitan area of San Salvador	Water and sanitation	€ 3,328,894.81	2014
	Implemented by El Salvador's Administración Nacional de Acueductos y Alcantarillados (National Administration of Aqueducts and Sewers). The overall objective of the project is to contribute to increasing the sustainable coverage of drinking water and sanitation services, making strategic investments, strengthening and developing the institutional capacities of the drinking water and sanitation sector.			
Honduras	Increased coverage of water and sanitation services and integrated management of the lower and middle Goascorán river basin.	Water and sanitation	€ 4,503,468.31	2010
	The project's strategic objective is to build the capacities of public and private institutions in the community to promote the effective, efficient and sustainable planning, implementation and management of drinking water and sanitation services, with a focus on the integrated management of the water resources in 11 municipalities of the lower and middle Goascorán river basin.			

159 AECID (FCAS), Buscador Programas del Fondo por país, http://www.fondodelagua.aecid.es/es/fcas/programas/programas-del-fondo/#aut1-8.

GCCA+ THE GLOBAL CLIMATE CHANGE ALLIANCE PLUS INITIATIVE | Funded by the European Union

www.gcca.eu

6.10 Global Climate Change Alliance+ (GCCA+)



Key facts[160]

- The GCCA programme was established by the European Union in 2007 to strengthen dialogue and provide technical and financial assistance for climate actions in developing countries, particularly in the least developed countries and small island developing states.
- GCCA+ was implemented to build on lessons learned and recommendations from the GCCA evaluation in 2014, in line with the European Commission's new Multiannual Financial Framework 2014-2020.
- GCCA+ is financed under the EU's Global Public Goods and Challenges thematic programme for the 2014-2020 period with an initial funding amount of more than EUR 330 million. Its mission is to address the climate change landscape after 2015, while offering appropriate support through a flexible approach, implementation and financing programmes as well as operational capacity thanks to the broad presence of EU delegations.
- Its work is based on two mutually reinforcing pillars: (i) serving as a platform for dialogue and expertise exchange between the European Union and developing countries, focusing on climate policy and bringing renewed attention to the issue of international climate finance; and (ii) acting as a source of technical and financial support for the most vulnerable countries in three priority areas: climate change mainstreaming and poverty reduction, increased resilience to climate related stresses and shocks, and sector-based climate change adaptation and mitigation strategies.

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

GCCA+ provides support to ODA-receiving countries that are most vulnerable to climate change, but with a focus on the least developed countries and small island developing states, based on an index developed by the European Commission's Joint Research Centre (JRC).

According to this index, as of the publication of this book, the most climate change vulnerable countries in Latin America are Bolivia, Cuba, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay.[161] GCCA+ currently supports programmes in 38 countries, none of which are in Latin America.[162]

160 GCCA+, The plus of GCCA+, 2015, http://www.gcca.eu/sites/default/files/gcca_concept_note.pdf; GCCA+, From Local Action to Climate Budget Support. Experiences from the Global Climate Change Alliance+, 2014, http://www.gcca.eu/sites/default/files/GCCA/gcca_publication_oct2015_en_lowres_0.pdf.

161 European Commission, GCCA+ Index, http://knowsdgs.jrc.ec.europa.eu/gcca/gcca-index; GCCA+, JRC - (GCCA+) Index, http://www.gcca.eu/about-the-gcca/jrc-gcca-index.

162 GCCA+, National Programmes, http://www.gcca.eu/technical-and-financial-support/national-

c. Eligibility criteria

Eligibility is determined on the basis of a needs assessment, taking into account the following factors:

- The country's climate change vulnerability, particularly in relation to natural disasters, the importance of the agricultural sector to the national economy and the proportion of the population at risk.
- The country's adaptation capacity.
- The country's political context in regard to integrating climate change into public policies and development plans and participation in United Nations Framework Convention on Climate Change negotiations.[163]

GCCA+ involves diverse stakeholders in its actions, including: government organisms of member countries, international and regional organisations, EU member states and their cooperation agencies, civil society organisations and local authorities.

The government of a member country may contribute to a GCCA+ financed programme by taking an active role in preparing and implementing the programme and/or providing co-financing. Government organisms may formally express their interest in participating in a GCCA+ programme through the European Union Delegation to their country. Several GCCA+ programmes include financing for civil society organisations such as NGOs, community organisations or private sector organisations. In these cases, the organisations are invited to submit project proposals. They can also contact organisations implementing GCCA+ programmes in their country. [164]

d. Additional requirements

Another consideration is whether the country has already received budget support through the European Commission or from other donors. Likewise, the European Union Delegation must have sufficient capacity to prepare and track implementation of the GCCA+ programme in the country in question.[165]

e. Thematic sectors

Targeted areas relevant to climate change. Agriculture, food security, fisheries, forests and natural resources, REDD, water and sanitation, waste management, infrastructure, tourism and health, disaster risk management, energy, coastal zone management, education, technology research and development, biodiversity and housing.[166]

Areas that have been financed in recent years in Latin America. Water, coastal zone management, forests, natural resource management, agriculture, education, energy, fisheries, health, tourism, land use, soil management, REDD and disaster risk management.[167]

Financing

f. Available funds

Financing comes from the budget of the European Commission and five EU member states. Between 2008 and 2014, GCCA allocated a total of EUR 316.5 million to more than 51 programmes in 38 countries and 8 regions and subregions around the world. Most of these funds were allocated to programmes in Africa.[168]

programmes

163 Climate Funds Update, Global Climate Change Alliance, 2015, http://www.climatefundsupdate.org/listing/global-climate-change-allianc.

164 GCCA+, How to participate?, http://www.gcca.eu/about-the-gcca/how-to-participate

165 UNEP Regatta, Global Climate Change Alliance, http://www.cambioclimatico-regatta.org/index.php/en/financing-opportunities/item/alianza-mundial-contra-el-cambio-climatico-gcca-2.

166 GCCA+, From Local Action to Climate Budget Support. Experiences from the Global Climate Change Alliance+, 2014, http://www.gcca.eu/sites/default/files/GCCA/gcca_publication_oct2015_en_lowres_0.pdf.

167 GCCA+, Technical and Financial Support, http://www.gcca.eu/technical-and-financial-support.

168 GCCA+, Financial Resources, http://www.gcca.eu/about-the-gcca/financial-resources; GCCA+, National Programmes, http://www.gcca.eu/technical-and-financial-support/national-programmes.

g. Minimum and maximum amounts assigned to a project

The average value of grants GCCA provides to government departments is EUR 4 million. Another GCCA+ goal is to reduce transaction costs through supporting a small number of projects with higher amounts that benefit more people and the expansion of initiatives that have demonstrated success in the pilot stage.[169]

h. Financial instruments

Grant	Technical assistance

Unlike the GCCA, the new GCCA+ programme seeks to move away from an exclusive focus on grants and open up to new mechanisms, such as trust funds and small grants.

Applying

i. Selection criteria

Programmes must fit within one of the priority areas, which are:

- Integration of climate change into poverty reduction strategies.
- Adoption of adaptation measures as a strategy to cope with the adverse effects of climate change.
- Reducing Emissions from Deforestation and Forest Degradation (REDD+) Activities.
- Greater participation in activities related to CDM.
- Promotion of risk reduction practices.

GCCA+ places particular emphasis on supporting strategies for resilient, low-emission development and generating co-benefits as a basis for identifying and taking advantage of opportunities to integrate mitigation, adaptation and development agendas. In addition, GCCA+ supports initiatives that contribute to implementation of National Adaptation Plans and NDCs.[170]

169 GCCA+, The plus of GCCA+, 2015, http://www.gcca.eu/sites/default/files/gcca_concept_note.pdf.

170 GCCA+, The plus of GCCA+, 2015, http://www.gcca.eu/sites/default/files/gcca_concept_note.pdf.

j. Application process

GCCA+ does not accept unsolicited or ad hoc financing requests. Programmes must be aligned with the needs assessment of the countries most vulnerable to climate change. Government organisms that do not benefit from GCCA+ technical and financial assistance but are willing to participate in a programme must formally express their interest through the European Union Delegation to their country. The EU Delegation, in collaboration with the European Commission, will verify whether the country meets the selection criteria for receiving GCCA+ financing and if there are funds available. In parallel, a dialogue can begin regarding possible intervention areas and priorities. If there is no funding, countries are placed on a waiting list until new funding is available.[171]

The GCCA+ Intra-ACP Programme, through its Climate Support Mechanism, offers direct technical assistance to entities located in any ACP Member State, with particular emphasis on least developed countries and small island developing states. The technical assistance includes short-term assignments, in response to requests, which enable beneficiaries to close a specific capacity gap that prevents them from reaching goals related to climate change adaptation and mitigation.

The assistance is flexible and varied, with support adapted to the needs of beneficiaries. The programme provides technical support to different initiatives related to climate change adaptation and mitigation. There are two types of support: (i) training workshops; y (ii) short-term technical assistance. The programme provides support by contracting one or more experts to complete a proposed task. The programme does not provide direct financial support.[172]

171 GCCA+, How to participate, http://www.gcca.eu/about-the-gcca/how-to-participate/#gvtparticipate; Climate Funds Update, Global Climate Change Alliance, 2015, http://www.climatefundsupdate.org/listing/global-climate-change-allianc.

172 GCCA+, Intra ACP Technical Assistance, http://www.gcca.eu/technical-and-financial-support/intra-acp-technical-assistance.

k. Support for project preparation

GCCA+ technical experts can provide support for the design and preparation of GCCA+ programmes, whether in-country or remotely. As part of Annual Programming, GCCA+ Support Facility experts assist selected countries in the process of identifying and/or preparing new projects and may provide revision and quality control before the European Commission Directorate-General for International Cooperation and Development's selection process.[173]

l. Safeguards applied

GCCA+ takes a broad perspective on integrating climate change mitigation and adaptation to development and poverty reduction strategies. It does not have a specific policy regarding the application of safeguards.

m. Gender perspective

GCCA+ seeks to integrate a gender perspective into project design by generating data disaggregated by gender and specific indicators to include gender considerations in programme logic frameworks. According to the GCCA evaluation report, 70% of the programmes fulfilled this requirement.[174] GCCA+ seeks to strengthen gender equality as a strategic theme by:

- Ensuring that GCCA+ activities contribute to reducing gender inequality, empowering women and promoting women's participation in decision-making.
- Including gender considerations in GCCA+ programmes with a focus on community resilience and a central role for women and children.[175]

n. Deadlines

Available funds are allocated based on annual programming. Under the financial framework for the period 2014-2020, new interventions are approved according to established priorities and available funds.[176]

o. Forms

The Action Documents (AD) form is used for preparing new projects.

Additional comments

As GCCA transitions to GCCA+, the programme aims to implement several changes, including:

- Increasing the participation of member states and establishing closer ties with the EU climate diplomacy network.
- Expanding participation of civil society organisations, local government and non-state stakeholders and involving the private sector.
- Whenever possible, it seeks to move away from an exclusive focus on grants and open up to new mechanisms, such as blending, trust funds and small grants.
- Establishing a framework for effective monitoring and evaluation of the overall programme as well as project quality and system levels.[177]

173 GCCA+, Support Services, http://www.gcca.eu/technical-and-financial-support/support-services.

174 EURONET, Evaluation of the Global Climate Change Alliance (GCCA) - Final Report, 2015.

175 GCCA+, From Local Action to Climate Budget Support. Experiences from the Global Climate Change Alliance+, 2014, http://www.gcca.eu/sites/default/files/GCCA/gcca_publication_oct2015_en_lowres_0.pdf.

176 GCCA+, Frequently Asked Questions, http://www.gcca.eu/about-the-gcca/frequently-asked-questions.

177 GCCA+, The plus of GCCA+, 2015, http://www.gcca.eu/sites/default/files/gcca_concept_note.pdf.

Projects approved in recent years in Latin America and the Caribbean

Country	Project	Thematic sectors	Amount contributed by GCCA+	Year approved
Regional (Eastern Caribbean)	Climate change adaptation and sustainable land management in the Eastern Caribbean[178]	Land use	€ 10.6 million	2013
	The intervention is a subregional project that is a partnership with the Organisation of Eastern Caribbean States. The project goal is to protect the productivity of natural resources and ecosystem services in the region.			
Belize	Increasing Belize's resilience to adapt to the effects of climate change[179]	Water	€ 2.9 million	2012
	The project goal is to improve the capacity for adaptation and resilience to climate change in national policies, with a focus on water resource management.			
Haiti	Integrating climate change into national development[180]	Risk management, coastal zones, agriculture	€ 6 million	2014
	The project seeks to strengthen the government's capacity to integrate climate change into development strategies in order to reduce the country's vulnerability to climate change.			
Jamaica	Adaptation to climate change and disaster risk reduction[181]	Risk management, coastal zones, REDD	€ 4.13 million	2010
	The goal of the project is to increase resilience and reduce the risks associated with natural hazards in vulnerable zones through implementing climate change adaptation measures, in order to contribute to Jamaica's sustainable development.			

178 http://www.gcca.eu/regional-programmes/gcca-eastern-caribbean

179 http://www.gcca.eu/national-programmes/caribbean/gcca-belize

180 http://www.gcca.eu/national-programmes/caribbean/gcca-haiti

181 http://www.gcca.eu/national-programmes/caribbean/gcca-jamaica

www.thegef.org

6.11 Global Environment Facility (GEF)

Key facts

- The Global Environment Facility (GEF) was established on the eve of the 1992 Rio Earth Summit and has grown into an international partnership of 183 countries, international institutions, civil society organisations, and private sector businesses to address global environmental issues.
- GEF serves as a financial mechanism for the following conventions:
  - Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC),
  - Stockholm Convention on Persistent Organic Pollutants (POPs),
  - UN Convention to Combat Desertification (UNCCD),
  - Minimata Convention on Mercury.
- GEF administers the Least Developed Countries Fund and Special Climate Change Fund, which were established by the Conference of the Parties to the UNFCCC. It also administers the Nagoya Protocol Implementation Fund established by the Convention on Biological Diversity (CBD).
- The GEF Secretariat hosts the Adaptation Fund Board Secretariat.
- GEF places special emphasis on projects that bring together national and local stakeholders, in particular ministries of finance, agriculture, industry, energy, planning, budget, as appropriate, so that any issues relating to the global commons are understood to be an essential part of the national interest and are incorporated into the regular process of decision making.

Elegibility

a. Accessing the fund

GEF has 18 partner agencies that channel GEF funds to individual countries. Those agencies include, inter alia, the following: World Bank (WB), Inter-American Development Bank (IDB), Development Bank of Latin America (CAF), Brazilian Biodiversity Fund (FUNBIO), International Fund for Agricultural Development (IFAD), Food and Agriculture Organization of the United Nations (FAO), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), International Union for Conservation of Nature (IUCN), Conservation International (CI), World Wildlife Fund (WWF).

b. Eligible countries

GEF finances projects in developing countries and countries with economies in transition around the world. Countries may be eligible for funding in one of two ways: (i) if the country has ratified the conventions for which GEF serves as a financing mechanism and meets the eligibility criteria set out by the COP of each convention; or (ii) if the country is eligible to receive World Bank loans or is an eligible recipient of UNDP technical assistance. All the countries in Latin America and the Caribbean meet the above criteria and are thus eligible for GEF financing, provided they have a national entity accredited as a GEF Operational Focal Point.[182]

c. Eligibility criteria

In general, GEF focuses its support on national government projects and programmes. With governmental approval, activities can be implemented by a wide range of stakeholders, including civil society organizations, academic institutions and private sector companies. Proposals must satisfy the following criteria:

- Be implemented in an eligible country.
- Be driven by the country and be consistent with national priorities.
- Address one or more of GEF's focal area strategies.
- Seek GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits.
- Be approved by the Operational Focal Point of the country in which the project or programme will be implemented.
- Involve the public in the project design and implementation.[183]

d. Additional requirements

GEF has 18 partner agencies. The Operational Focal Point in each country decides which agency would be best suited to develop and implement the project concept. This is an important decision since the agency will be the partner at all stages of the project or program. Where a country has undertaken a National Portfolio Formulation Exercise, the proposal must reflect the instructions and priorities indicated in that exercise. Otherwise, the proposal must reflect the priorities established in an equivalent national process (for example, national dialogues or other planning processes).[184]

e. Thematic sectors

Targeted areas relevant to climate change: In the area of mitigation, GEF finances projects related to energy efficiency, renewable energy, transport and sustainable cities, waste, forests, agriculture and land use.[185] Through the Least Developed Countries Fund and the Special Climate Change Fund[186], GEF addresses the theme of adaptation in the areas of agriculture, water resource management, coasts, infrastructure, cities, disaster risk management and health.[187]

Areas that have been financed in recent years in Latin America: The areas most financed in recent years in the region include renewable energy/energy efficiency, biodiversity/ecosystems, land degradation, and forests/REDD. Projects in areas such as water resources, transport, waste and agriculture have also been financed.[188]

Financing

f. Available funds

From its creation up to 2015, GEF has financed mitigation projects to the amount of USD 4.2 billion, programmed jointly with USD 38.3 billion in co-financing. Between 2001 and 2015, GEF—through the Least Developed Countries Fund, the Special Climate Change Fund and the Strategic Priority on Adaptation Fund—provided USD 1.3 billion in grant financing for adaptation projects and mobilised USD 7 billion from other sources.[189] The newly completed sixth replenishment of the GEF Trust Fund (GEF-6) will enable GEF to make about USD 3 billion available for climate finance in the 2014–2018 period (a total of USD 4.43 billion), with an expected USD 30 billion

182 Global Environment Facility (GEF), Funding, https://www.thegef.org/about/funding.

183 GEF, Funding, https://www.thegef.org/about/funding.

184 For more information, see: GEF, National Portfolio Formulation Exercise, https://www.thegef.org/documents/npfd.

185 GEF, Climate change mitigation, https://www.thegef.org/topics/climate-change-mitigation.

186 For more information, see the Special Climate Change Fund (SCCF) factsheet contained in this guide.

187 GEF, Climate change adaptation, https://www.thegef.org/topics/climate-change-adaptation.

188 GEF, Projects, https://www.thegef.org/projects.

189 GEF, The GEF and Climate Change. Catalyzing Transformation, 2015, https://www.thegef.org/sites/default/files/publications/The_GEF_and_Climate_Change_-_Catalyzing_Transformation_0_0_2.pdf.

being leveraged from other sources.[190] Under the fourth (GEF-4) and fifth (GEF-5) replenishments of the GEF Trust Fund, USD 165 million and USD 105 million were approved, respectively, for the Latin American region.[191] Under the current replenishment (GEF-6), up to October 2016, USD 70 million has been approved for climate projects in Latin America.[192]

g. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts are applied. Medium-sized projects are those with a budget of up to USD 2 million, while full-sized projects are those with budgets greater than USD 2 million. GEF also has a Small Grants Programme that is implemented by the United Nations Development Programme and grants small donations of up to USD 50000 to local organizations and NGOs to support community-based initiatives and actions aligned with GEF's strategic focal areas.[193]

h. Financial instruments

Grant

Applying

i. Selection criteria

The project review criteria include a series of key questions related to how the design of the project addresses country eligibility and ownership, global environment benefits, GEF focal area strategies, resource availability, project consistency, project design, project financing and co-financing and monitoring and evaluation. Resources are allocated to projects with strategic activities that fall within GEF priority areas and contribute to the Facility's work. Any eligible group or individual can submit a project proposal, provided it meets the following criteria:

- It should be consistent with national priorities and programmes in the eligible country and have the government's endorsement.
- It should address one or more GEF focal areas, improve the global environment and/or increase the probability of reducing risks to the environment.
- It should be consistent with GEF's operational strategy.
- It should seek financing from GEF only for agreed costs on measures to achieve global environmental benefits.
- It should engage the public in the design and implementation of the project.[194]

j. Application process

The selection process for eligible projects proceeds through the following stages:

- Contact the Operational Focal Point in the respective country.
- Meet the eligibility criteria.
- Chose a GEF implementing agency.
- Select the project modality (full-sized, medium-sized, programme, enabling activity).
- Submit the proposal to the GEF Secretariat with the specific form applicable to the project modality, along with supporting documents and an endorsement letter from the GEF Focal Point.
- Obtain GEF project approval:

For full-sized projects. A project proponent develops a Project Identification Form (PIF) and submits it to the Secretariat through a GEF implementing agency. The Secretariat submits a work programme consisting of all approved PIFs to the GEF Council. After the PIF is approved by the Council, the project proponent and agency have a maximum of 18 months to prepare the project document for CEO endorsement/approval. The Secretariat reviews the project and then submits it for ratification by the CEO.

190 GEF, Climate Finance for Global Impact, 2014, https://www.thegef.org/sites/default/files/publications/gef-Climate-Finance-EDITED_0.pdf.

191 Climate Funds Update, Climate Finance Regional Briefing: Latin America, 2016, https://us.boell.org/sites/default/files/uploads/2016/11/cff6_2016_latin_america_english.pdf.

192 Climate Funds Update, GEF Trust Fund - Climate Change focal area, http://www.climatefundsupdate.org/listing/gef-trust-fund.

193 https://sgp.undp.org/

194 GEF, The A to Z of the GEF, 2015, https://www.thegef.org/sites/default/files/publications/GEF-A_to_Z_2015_CRA_bl2_0.pdf.

For medium-sized projects. The approval process consists of a single step. The project proponent prepares the project document with the applicable GEF form and submits it to the Secretariat through a GEF agency. Medium-sized project documents are reviewed and approved by the CEO after a review period of 10 working days.[195]

k. Support for project preparation

Through its Country Support Programme, GEF provides flexible support for building capacity to work with the GEF in order to set priorities and to programme GEF resources, improve coordination between ministries and stakeholders at national level, and facilitate input from key non-governmental stakeholders. The programme consists of seven components:

- » Voluntary activities under the National Portfolio Formulation Exercise.
- » Multi-stakeholder dialogues.
- » Expanded constituency workshops.
- » Constituency meetings/Council Member support.
- » Direct support to operational focal points.
- » Knowledge management.
- » Familiarisation seminars.

The main objective of the GEF National Portfolio Formulation Exercise (NPFE) is to help recipient countries to build or strengthen national processes and mechanisms to facilitate GEF programming in a manner that reflects country priorities. At the same time it offers an opportunity to align the programming of GEF resources with other relevant strategies and national planning processes. All recipient countries can access up to USD 30000 of GEF resources to organize these exercises.[196]

l. Safeguards applied

GEF has established a series of minimum standards (safeguards) that all project proposals must reflect. These are:

- » Environmental and social impact assessment.
- » Natural habitat protection.
- » Involuntary resettlement.
- » Indigenous peoples.
- » Integrated pest management.
- » Physical cultural resources.
- » Safety of dams.
- » Accountability and grievance system.[197]

m. Gender perspective

GEF has a Gender Mainstreaming Policy[198] that reaffirms GEF's commitment to enhancing the degree to which it and its partner (implementing) agencies promote the goal of gender equality through GEF operations. The policy calls on GEF and its partner agencies to mainstream gender into GEF operations, including efforts to analyse and address in GEF projects the specific needs and role of both women and men, as appropriate to each intervention. The policy includes several requirements, including: the need for GEF partner agencies to have established either policies, strategies or plans of action that promote gender equality, the requirement that the systems or policies of each agency meet some minimum criteria on gender mainstreaming, and the need for GEF agencies to incorporate corporate-wide guidelines on mainstreaming gender in project and programme proposals involving those agencies.

n. Deadlines

There is no deadline for project submissions; proposals are received on a rolling basis. For full-sized projects (> USD 2 million) a period of 18 months is provided to prepare the complete project document once the project identification form (PIF) has been approved.

195 GEF, The A to Z of the GEF, 2015, https://www.thegef.org/sites/default/files/publications/GEF-A_to_Z_2015_CRA_bl2_0.pdf.

196 GEF, Toolkit to Access Resources under the Country Support Programme, https://www.thegef.org/sites/default/files/documents/CSP_Toolkit_0.pdf.

197 GEF, Agency Minimum Standards on Environmental and Social Safeguards, 2015, https://www.thegef.org/sites/default/files/documents/Policy_Environmental_and_Social_Safeguards_2015.pdf.

198 GEF, Policy on Gender Mainstreaming, 2012, https://www.thegef.org/sites/default/files/documents/Gender_Mainstreaming_Policy-2012_0.pdf .

o. Forms

GEF has specific templates for project submissions.[199]

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by the GEF	Year approved
Argentina	Energy efficiency and renewable energy in social housing[200]	Energy, housing	USD 14.6 million	2012
	GEF agency: IDB. This project seeks to incorporate energy efficiency and renewable energy measures in social housing to help improve the quality of life of families and reduce greenhouse gas emissions. Non-reimbursable financing has local co-financing of USD 70.7 million.			
Cuba	Clean energy technologies for rural areas in Cuba[201]	Energy	USD 2.7 million	2013
	GEF agency: UNDP. The project aims to increase access to bioenergy technology in Cuba by promoting the use of biodiesel and biogas by rural farmers.			
Honduras	Competitiveness and sustainable rural development project in the southwestern border corridor (PROLENCA)[202]	Agriculture	UDD 3 million	2012
	GEF agency: IFAD. The objective of this intervention is to increase the climate resilience of agricultural productive chains in three departments of Northern Honduras, protecting smallholder farmers and their produce from the impacts of climate variability.			
Nicaragua	Adaptation of Nicaragua's water supplies to climate change[203]	Water	USD 6 million	2011
	GEF agency: World Bank. This project's development objective is to enhance the climate resilience of investments in Nicaragua's rural water supply to cope with both increasing climate variability and the adverse impacts of climate change in selected areas.			
Uruguay	Towards a green economy in Uruguay: stimulating sustainable production practices and low-emission technologies in prioritized sectors[204]	Waste, agriculture, energy	USD 3.4 million	2012
	GEF agency: UNIDO. This project involves transforming the different kinds of waste generated in the agriculture and agro-industry productive chains in Uruguay into various types of energy and/or other by-products with the aim of reducing GHG emissions while contributing to the development of a low carbon sustainable production model supported by an adequate technology development and transfer.			

199 GEF, Templates, https://www.thegef.org/documents/templates.

200 https://www.thegef.org/project/energy-efficiency-and-renewable-energy-social-housing

201 For more information, see: https://www.thegef.org/project/clean-energy-technologies-rural-areas-cuba-cleanenerg-cuba-0

202 For more information, see: https://www.thegef.org/project/competitiveness-and-sustainable-rural-development-project-south-western-border-corridor

203 For more information, see: https://www.thegef.org/project/adaptation-nicaraguas-water-supplies-climate-change

204 https://www.thegef.org/project/towards-green-economy-uruguay-stimulating-sustainable-production-practices-and-low-emission

www.gfdrr.org

6.12 Global Facility for Disaster Reduction and Recovery (GFDRR)

Key facts

- The Global Facility for Disaster Reduction and Recovery (GFDRR) was created in 2006 to support the 2005-2015 Hyogo Framework for Action. Today, the Facility supports the implementation of the 2015-2030 Sendai Framework for Disaster Risk Reduction, adopted at the third United Nations World Conference on Disaster Risk Reduction.
- GFDRR is an assistance mechanism that helps developing countries better understand and reduce their vulnerability to natural hazards and build their resilience to climate change. The Facility works with more than 400 local, national, regional and international partners to offer technical assistance, capacity building and knowledge sharing to mainstream disaster management and climate risk management into their policies and strategies.
- GFDRR offers both ex ante and ex post disaster assistance. It is supported by 34 countries and 9 international organisations and is managed by the World Bank as a representative of its donors and other members.
- The GFDRR Work Plan for 2016-2018 is based upon five areas of action: (i) risk identification; (ii) risk reduction; (iii) preparedness; (iv) financial protection and (v) resilient recovery.[205]

Elegibility

a. Accessing the fund

Direct access.

b. Eligible countries

GFDRR targets low- and middle-income countries that need to mainstream disaster risk reduction into their national development strategies and plans to achieve the Millennium Development Goals.[206] GFDRR's work is divided into three tracks: (i) Track I, focused on international and regional partnerships; (ii) Track II, directed to mainstreaming disaster risk reduction, and (iii) Track III, focused on sustainable recovery, which is usually implemented at national level. In allocating Track II assistance, the Facility uses a set of criteria to select priority low- and middle-income nations that are prone to high disaster risks and/or require special attention due to adverse geo-economical settings, such as small-island and fragile states.[207]

c. Eligibility criteria

Resources may be managed by national governments, UN agencies, international financial institutions, regional intergovernmental entities and research entities. GFDRR uses the following criteria in allocating resources: established vulnerability indicators, past

205 For more details on the Work Plan's different thematic areas, see: GDFRR, Managing Disaster Risks for a Resilient Future. A Work Plan for the Global Facility for Disaster Reduction and Recovery 2016-2018, 2015, https://www.gfdrr.org/sites/default/files/GFDRR_Work_Plan_2016-18.pdf.

206 GFDRR, Partnership Charter, 2010, https://www.gfdrr.org/sites/default/files/publication/partnership-charter-2010.pdf.

207 GFDRR, Selection of GFDRR priority countries. For the 14th GFDRR Consultative Group Meeting, 2013, http://www.gfdrr.org/sites/gfdrr/files/14_CG_Selection_of_GFDRR_Priority_Countries.pdf.

evaluation of impact, the political context (including existing relations with governments) and donor priorities. Financial resources are administered as grants to World Bank task teams that work directly with beneficiaries.[208]

d. Additional requirements

Proposals are assessed by the GFDRR Secretariat in relation to the following requirements:

- Consistency with GFDRR's mission: All activities must be consistent with the GFDRR's overarching objective of mainstreaming disaster risk reduction and assisting sustainable recovery to help eliminate poverty and achieve sustainable development.
- Government commitment: there must be clear evidence of country ownership of country-specific activities.
- Donor coordination: GFDRR activities must be undertaken in a way that promotes effective coordination with the activities of GFDRR partners and must not be in conflict with programmes or activities being undertaken by the World Bank Group and other DFGRR donors.
- Co-financing: All proposals should include co-financing with a target of at least 10% from the proponent or the relevant low- or middle-income country government, as well as from other sources.[209]

e. Thematic sectors

Targeted areas relevant to climate change. Disaster risk and recovery; inclusive community resilience; disaster risk financing and insurance, meteorological, climate and hydrological services, early warning/safer schools systems, resilient cities and urban infrastructure.

Areas that have been financed in recent years in Latin America. Disaster risk management, agriculture and rural development, housing, urban development, water and sanitation, education, infrastructure, social protection and public sector governance.[210]

Financing

f. Available resources

GFDRR maintains a collaborative dialogue with donors on how best to prioritise resources geographically and thematically. According to the financial reviews in the Facility's 2015 and 2016 annual reports, between 2013 and 2016 the Facility disbursed close to USD 196 million around the globe.[211] In the 2017 fiscal year (FY17), the Facility plans to allocate an estimated USD 78 million in grants to support projects in more than 60 countries.[212] The 2016-2018 Work Plan sets out two scenarios for the resources required, prioritisation, and the results expected—a base case and an investment case:

Base case. Proposes steady allocations to GFDRR's Country Operations for the 2016-2018 period using available resources. Thematic programmes would continue with allocations in 2016, but would foresee minimal resources in 2017-2018. Proposed total allocations for 2016-2018 amount to USD 161 million.

Investment case. Reflects the increasing demand for disaster risk management activities in both country and thematic operations. Proposed total allocations for 2016-2018 amount to USD 286 million.[213]

208 GFDRR, Our Portfolio, 2016, https://www.gfdrr.org/our-portfolio.

209 GFDRR, Partnership Charter, 2010, https://www.gfdrr.org/sites/default/files/publication/partnership-charter-2010.pdf.

210 GFDRR, LCR Projects, https://www.gfdrr.org/sites/gfdrr/files/publication/LCR%20projects.pdf .

211 GFDRR, Annual Report '15, 2016, https://www.gfdrr.org/sites/default/files/publication/GFDRR_2015_AR_web%20%281%29.pdf; GFDRR, Annual Report '16, 2017, https://www.gfdrr.org/sites/default/files/publication/annual-report-2016.pdf.

212 GFDRR, Bringing Resilience to Scale. A Work Plan for the Global Facility for Disaster Reduction and Recovery 2017, 2016, https://www.gfdrr.org/sites/default/files/gfdrr-work-plan-fy17.pdf.

213 GDFRR, Managing Disaster Risks for a Resilient Future. A Work Plan for the Global Facility for Disaster Reduction and Recovery 2016-2018, 2015, https://www.gfdrr.org/sites/default/files/GFDRR_Work_Plan_2016-18.pdf.

According to the financial reviews in GFDRR's 2015 and 2016 Annual Reports, between 2013 and 2016 the Facility disbursed close to USD 18 million for the Latin American and Caribbean region. The 2017 Work Plan indicates that GFDRR foresees an investment of USD 12 million in the region for the 2017 fiscal year (FY17), representing a significant increase for Latin American countries.[214]

g. Minimum and maximum amounts allocated to projects

Every three years, GFDRR defines a Work Plan that presents the following aspects of the Facility's proposed activities over the three-year planning period: the resources required, geographic prioritisation, and the results expected. Resource requirements are based on indicative annual allocations to implementing partners and are dependent on the activities planned, geographic prioritisation and the level of results expected.[215] Although no minimum or maximum amounts have been defined for GFDRR projects, a review of the Facility's project portfolio for Latin America and the Caribbean shows that project financing ranges from USD 100,000 to USD 1.5 million.

h. Financial instruments

Grant	Insurance
Technical Assistance	

Applying

i. Selection criteria

GFDRR assesses grant proposals on the basis of their potential to leverage investment and/or institutional reform and stimulate a change in behaviour to improve disaster risk management. The 2016-2018 Work Plan sets out some selection criteria that are used to prioritise grants:

- Underlying risk to natural hazards.
- Potential to enable large-scale investment programmes for resilience.
- Opportunities to coordinate activities that enable investments and programmes supported by other development partners on the ground.

Projects must also be linked to the strategic areas set out in GFDRR's 2016-2018 Work Plan and to the geographic prioritisation.

j. Application process

GFDRR develops its Work Plan with its implementing partners and in consultation with national officials to determine country demand. This process consists of two main phases that are organised through the calendar year, as follows:

Strategic planning: GFDRR confirms the strategic priorities and develops a range of financing scenarios (December); GFDRR shares a guidance note with regional and thematic partners (January); regional and thematic partners propose activities and results (February).

Allocation of resources: GFDRR establishes an overall budget envelope and shares the first draft with the Consultative Group or CG (March); GFDRR finalizes the Work Plan (April); GFDRR formally submits the Work Plan to the CG (May); upon CG endorsement, partner allocations are established (May-June).

Between June and December there is ongoing portfolio management and monitoring and evaluation.[216]

k. Support for project preparation

There are no preparatory or support programmes for accessing the Facility's resources.

214 GFDRR, Bringing Resilience to Scale. A Work Plan for the Global Facility for Disaster Reduction and Recovery 2017, 2016, https://www.gfdrr.org/sites/default/files/gfdrr-work-plan-fy17.pdf

215 GFDRR, Prioritization of GFDRR Resources and Country Graduation, https://www.gfdrr.org/sites/gfdrr/files/6.%20Prioritization%20of%20GFDRR%20Resources.pdf

216 GFDRR, Managing Disaster Risks for a Resilient Future. A Work Plan for the Global Facility for Disaster Reduction and Recovery 2015 – 2017, 2014, https://www.gfdrr.org/sites/gfdrr/files/Updated%20GFDRR%20Work%20Plan%202015-17%2010.24.14_0_0.pdf

l. Safeguards applied

GFDRR projects must demonstrate during assessment that the intervention poses no risk to vulnerable populations, including the elderly, children, and people with disabilities.

m. Gender perspective

GFDRR is committed to ensuring that projects financed with the Facility's resources include a gender perspective. This includes addressing the vulnerability of women to the risk of hazards and identifying and making use of opportunities to promote gender equality and women's autonomy as key agents of resilience.[217] The Facility's 2016-2021 Plan of Action addresses the differentiated needs of men and women and promotes women's empowerment in managing disaster risk.[218]

n. Deadlines

New project proposals are accepted throughout the year. Projects are typically one to three years in duration and are incorporated into the respective work plans approved by the Consultative Group (CG).

o. Forms

Templates for project proposals vary, depending on the partner organisations involved and financing arrangements.

Additional comments

Donor contributions to GFDRR are currently received into World Bank administered trust funds.[219] Donors agree to a broad programme of activities covering multiple years. Since its creation in 2006, GFDRR has established ten separate trust funds. These include two types:

- Core or pooled contributions to various multi-donor trust funds (MDTF).
- Non-core individual contributions to single-donor trust funds (SDTF).

In line with the GFDRR Partnership Charter, these trust funds are managed under either Track II or Track III programmes. Of the ten trust funds, three MDTF and five SDTF remain active.[220] Furthermore, GFDRR administers three special programmes financed by various members of the Secretariat to provide large-scale financial support:

- The Japan-World Bank programme for mainstreaming disaster risk management in developing countries.
- The Africa Caribbean Pacific European Union Programme (ACP-UE)
- The Climate Risk Early Warning System (CREWS) initiative.

217 GFDRR, Gender, 2016, https://www.gfdrr.org/gender

218 GFDRR, Gender Action Plan, 2016, https://www.gfdrr.org/sites/default/files/publication/gender-action-plan-2016-2021.pdf

219 GFDRR's donors are: Australia, Austria, Brazil, Canada, Denmark, the European Union, France, Germany, India, Ireland, Italy, Japan, the Republic of Korea, Luxemburg, Mexico, the Netherlands, Norway, Saudi Arabia, Spain, Sweden, Switzerland, the United Kingdom, the United States and the World Bank.

220 GFDRR, Our Portfolio, 2016, https://www.gfdrr.org/our-portfolio

Projects approved in recent years in Latin America[221]

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by GFDRR</th><th>Year approved</th></tr>
<tr><td rowspan="2">Bolivia, Colombia, Ecuador, Peru</td><td>Programming for Andean region countries</td><td>Risk management</td><td>USD 225,000</td><td>2012</td></tr>
<tr><td colspan="4">Strengthening institutional capacity and building consensus for disaster risk reduction (includes defence and capacity building).</td></tr>
<tr><td rowspan="2">Bolivia</td><td>Bolivia: Qualitative Study on Floods, droughts and pathways out of poverty[122]</td><td>Risk management</td><td>USD 118,000</td><td>2016</td></tr>
<tr><td colspan="4">The objective of this study is to understand the manner in which floods and droughts affect the wellbeing of poor Bolivian households, as well as to obtain information on those disasters and other vulnerabilities related to climate change whose nature cannot be captured by a quantitative analysis.</td></tr>
<tr><td rowspan="2">Brazil</td><td>Capacity building and disaster assessment for Río de Janeiro 2011 (Damage and loss assessment – DaLA)[123]</td><td>Risk management, housing, public sector governance, transport, urban development, water and sanitation</td><td>USD 100,000</td><td>2011</td></tr>
<tr><td colspan="4">Knowledge sharing and capacity building for disaster risk reduction.</td></tr>
<tr><td rowspan="2">Chile</td><td>Technical assistance for mainstreaming disaster risk management in territorial planning</td><td>Risk management, public sector governance, urban development</td><td>USD 100,000</td><td>2011</td></tr>
<tr><td colspan="4">Institutional capacity building activities and building consensus on disaster risk reduction (including defence and capacity building).</td></tr>
<tr><td rowspan="2">Costa Rica</td><td>Pilot project on early warning systems for hydrometeorological hazards[124]</td><td>Risk management</td><td>USD 264,000</td><td>2010</td></tr>
<tr><td colspan="4">This project sought to strengthen institutional capacity and build consensus for disaster risk reduction (including promotion and education).</td></tr>
</table>

221 GFDRR, Search Projects, https://www.gfdrr.org/projects-and-results-pages

222 https://www.gfdrr.org/bolivia-qualitative-study-of-floods-droughts-and-pathways-out-of-poverty

223 World Bank, Insights in DRM, 2014, http://documents.worldbank.org/curated/pt/869031468012645063/pdf/865190BRI0Insi0ue040FINAL00PUBLIC0.pdf

224 World Bank, Projects and Operations, 2016, http://projects.worldbank.org/P122206/costa-rica-pilot-early-warning-systems-hydrometeorological-hazards?lang=en

GREEN CLIMATE FUND

www.greenclimate.fund

6.13

Green Climate Fund (GCF)

Key facts

- Adopted in late 2011 as the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and fully operational in 2015.
- Considered the cornerstone of the operationalization of the USD 100 billion per year of climate finance which Annex I countries have committed to contribute as of 2020.
- Its objective is to contribute in an ambitious manner to the achievement of the international community's climate change mitigation and adaptation objectives.
- It is expected to become the main multilateral financing mechanism to support climate actions in developing countries.
- The Fund finances projects and programmes to reduce greenhouse gas emissions (mitigation) or to adapt to climate change developed by the public and private sectors
- The Fund is committed to balancing its allocations between adaptation and mitigation over time and to allocating resources to both the public and private sectors.

Elegibility

a. Accessing the fund

Accreditation process: The Green Climate Fund applies an accreditation process. An entity applying for accreditation must submit an application through the Online Accreditation System (OAS), along with a letter from the Designated National Authority (DNA) or Focal Point. The application will be reviewed by the Fund's Accreditation Panel and, if it meets the accreditation requirements of the Fund, will be recommended to the GCF Board for the final decision. Once approved by the Board, the Fund will establish the necessary legal arrangements with the new accredited entity. An entity may also choose to be accredited under the GCF Fast-Track Accreditation Process, if it meets certain requirements.[225] Accreditation requests are received by the GCF throughout the year. There is no deadline for the submission of applications. Entities not accredited by the Fund may submit funding proposals through an Accredited Entity to obtain resources for climate

225 The requirements are as follows: (i) The entity was accredited by one or more of the following funds by 09 July 2015: Global Environment Facility (GEF), Adaptation Fund (AF) or the Directorate-General Development and Cooperation – EuropeAid of the European Commission (EU DEVCO). (ii) The entity is in full compliance with the relevant accreditation requirements of the fund(s) they are accredited to. For more details, see Green Climate Fund (GCF), Fast-track Accreditation to the Green Climate Fund, 2016, http://www.greenclimate.fund/documents/20182/46513/1.9_-_Fast-track_Accreditation_Guidance.pdf/daa75a16-e657-4409-9453-215dc9de209c.

change projects and programmes.[226] Another method of access is through multilateral implementation entities already accredited, such as the Multilateral Development Bank and UN Agencies.[227]

b. Eligible countries

All developing countries that are Parties to the Framework Convention on Climate Change (UNFCCC) are eligible to receive GCF resources.

c. Eligibility criteria

GCF resources may be accessed by accredited public or private sector sub-national, national or regional entities, as long as they have written support from the DNA and comply with the Fund's guidelines.

d. Additional requirements

The proposal must comply with the Fund's requirements by being in the format of a concept note and including the results of all the corresponding risk assessments, environmental, social and gender studies, pre-feasibility and feasibility studies and financing information, etc. The GCF can support the country in this process, if formally requested through an accredited entity with the backing of the Designated National Authority.

e. Thematic sectors

Targeted areas relevant to climate change. Mitigation: energy generation and access; transport; buildings, cities and industries; land use and forest management. Adaptation: livelihoods of people and communities; health, food and water security; infrastructure and the built environment; ecosystems and ecosystem services.

Areas that have been financed in recent years in Latin America. Land use and forest management, ecosystems and ecosystem services, renewable energy, energy efficiency and industry.[228]

Financing

f. Available funds

As of March 2017, the GCF has raised USD 10.3 billion in financing commitments, of which USD 10.1 billion correspond to signed contributions.[229] As of March 2017, the region has received an approximate amount of USD 273 million, including USD 22.0 million allocated to a regional project called "Green energy efficiency bonds in Latin America and the Caribbean."[230]

g. Minimum and maximum amounts allocated to projects

The GCF has established four categories of projects according to the size of the amount requested: XS - Micro: USD 0-10 million; S - Small: USD 10-50 million; M - Medium: USD 50-250 million; L - Large: more than USD 250 million.

h. Funding modalities

Donation	Guarantee
Payment for result	Concessional loan
Risk capital	

Applying

i. Selection criteria

The Fund has established six investment criteria to be taken into account when selecting project or programme proposals:

226 GCF, Get Accredited, 2016, http://www.greenclimate.fund/partners/accredited-entities/get-accredited.

227 These are some of the Accredited Mulitlateral and International Entities which have the capacity to act in the Latin American region: German Development Bank (KfW), European Investment Bank (EIB), InterAmerican Development Bank (IDB), World Bank (WB), Latina American Development Bank (CAF), International Conservation (IC), World Food Program (WFP), UN Environment, United Nations Development Program (UNDP), Fundación Avina, Central American Economic Integration Fund , French Development Bank (AFD).

228 GCF, Projects, http://www.greenclimate.fund/projects/browse-projects.

229 Information updated as of March 2017. GCF, Resources Mobilized, 2017, http://www.greenclimate.fund/partners/contributors/resources-mobilized.

230 Climate Funds Update, Green Climate Fund, GFC Projects, 2016, http://www.climatefundsupdate.org/listing/green-climate-fund.

- Potential climate impact related to the GCF's objectives and results.
- Paradigm shift potential where the project seeks to achieve an impact that goes beyond the investment in the project or programme.
- Potential for sustainable development to provide co-benefits of development.
- Recipients' needs are related to their degree of vulnerability to climate change and their financing needs.
- Beneficiary country has ownership of the project or programme and the capacity to implement the proposed activities.
- Economic and financial efficiency and effectiveness of the proposed activities.[231]

j. Application process

To access GCF resources, accredited entities can submit financing proposals to the Fund at any time. The application process works as follows:

» Drawing up of the concept note.

» Formulation of the proposal.

» Submission of the proposal to the Fund.

» Analysis and revision by the Fund.

» Feedback recommendation and decision from the Fund's Board.

» Legal arrangements to carry out the approved proposal.[232]

An accredited entity or implementing entity, in consultation with the Designated National Authority or Focal Point (which must indicate its "No Objection" to the proposal following the format established by the Fund), may submit a concept note on the project to be financed with GCF resources. The Fund will review and make a recommendation on the content of the proposal. This feedback will indicate the Fund's decision: whether the proposal is endorsed, not endorsed with the possibility of re-submitting the proposal, or rejected.

k. Assistance for proposal preparation

The Fund has a readiness support programme specifically dedicated to facilitating countries' access to GCF resources by strengthening countries' capacities. This support can be requested using the format established by the GCF. Assistance is delivered in five areas: (1) establishment and strengthening of Designated National Authorities or Focal Points; (2) providing a strategic framework for engaging with the Fund, including the preparation of country programmes; (3) selection of implementing entities or intermediaries, and support for their accreditation; (4) initial pipelines for programme and project proposals; (5) exchange of information, experiences and learning. The programme has USD 16 million for these purposes. At least 50% of these funds are allocated to African states, small island developing states and least developed countries. The Fund allocates a maximum amount of USD 1 million per calendar year per country and its access must be requested either through the Designated National Authorities (DNA) or delivery partners.[233]

The readiness support programme complements the efforts of the Fund's project preparation facility (PPF). Created by the GCF Board in 2015, the PPF supports the preparation of projects and programmes by accredited entities, especially for projects in the micro and small categories. Its support covers the different stages of their preparation through pre-feasibility and feasibility studies, environmental, social and gender studies, risk assessments, identification of indicators, revision of tender documents, advisory services, financial structure services, and other duly justified activities. This programme has USD 40 million for the implementation of its initial phase and a maximum of USD 1.5 million per request. PPF support is channelled through donations and reimbursable grants, as well as capital donations to support the development of private-sector project proposals. Accredited entities

231 GCF, Engaging with the Green Climate Fund: "A resource guide for national designated authorities and focal points of recipient countries", 2015, https://www.greenclimate.fund/documents/20182/194568/GCF_ELEMENTS_01.pdf/542c1610-81b4-40df-be62-025cef3d26d8; GCF, Project Preparation Facility Guidelines, https://www.greenclimate.fund/documents/20182/104167/Project_Preparation_Facility_Guidelines.pdf/f8b62701-a9ca-4b1e-9e23-e67f1b88abd4.

232 GCF, Proposal Approval Process, 2016, http://www.greenclimate.fund/funding/proposal-approval.

233 GCF, Readiness Support, http://www.greenclimate.fund/funding/readiness-support.

can request the support of the PPF with the backing of their DNA and must have a concept note or information about the project that follows the required format.[234]

l. Safeguards applied

The GCF has eight interim environmental and social safeguards called "performance standards",[235] which include: assessing and managing environmental and social risks and their impact, employment and working conditions, resource efficiency and pollution prevention, community health, safety and security, land acquisition and involuntary resettlement, biodiversity conservation and sustainable management of living natural resources, indigenous peoples and cultural heritage.

m. Gender perspective

The GCF[236]'s gender policy gives the Fund a clear mandate to integrate a gender-sensitive approach in its processes and operations. The Fund recognizes the importance of gender considerations in view of the different impacts of climate change on women and men and their access to climate finance, with the understanding that women as well as men contribute to combating climate change and that existing inequalities are likely to be exacerbated by climate change. The GCF Gender Policy seeks to ensure that by adopting a gender approach, the Fund will achieve greater, more effective, sustainable and equitable outcomes and impacts. It also seeks to build equally women and men's resilience to and ability to address climate change and to ensure that they will equally contribute to and benefit from GCF activities, while mitigating against assessed potential programme/ project risks. In this effort, the GCF has established a gender action plan 2015-2017 to provide a time-bound framework within which to operationalize the gender policy, providing both the Fund and its public and private sector implementation partners with the tools and processes required to achieve gender sensitivity in all areas within the Fund's mandate, while providing the Board with the necessary information to monitor compliance.

n. Deadlines

The Fund receives proposals for review throughout the year. Once a proposal has been endorsed, it will be scheduled for review at the next GCF Board meeting; those meetings are held three times a year.

o. Forms

The GCF has designed a concept note format for the project proposal or programme idea, which is available on the Fund's website.[237]

Additional comments

The GCF aims to have a 50% equitable financial allocation for mitigation and 50% for adaptation and allocates at least half of its adaptation resources to countries that are particularly vulnerable to the impacts of climate change. These countries include least developed countries (LDCs), small island states (SIDS) and developing African states.

234 GCF, Project Preparation, http://www.greenclimate.fund/gcf101/funding-projects/project-preparation; GCF, Project Preparation Facility Guidelines, https://www.greenclimate.fund/documents/20182/104167/Project_Preparation_Facility_Guidelines.pdf/f8b62701-a9ca-4b1e-9e23-e67f1b88abd4; GCF, Operational guidelines for the Project Preparation Facility, 2016, https://www.greenclimate.fund/documents/20182/226888/GCF_B.13_14_-_Operational_guidelines_for_the_Project_Preparation_Facility.pdf/5d6bfb4f-a688-45bc-89f5-655519bec625.

235 GCF, Annex III: Interim environmental and social safeguards of the Fund, https://www.greenclimate.fund/documents/20182/319135/1.7_-_Environmental_and_Social_Safeguards.pdf/e4419923-4c2d-450c-a714-0d4ad3cc77e6

236 GCF, Annex XIII: Gender policy for the Green Climate Fund, https://www.greenclimate.fund/documents/20182/319135/1.8__Gender_Policy_and_Action_Plan.pdf/f47842bd-b044-4500-b7ef-099bcf9a6bbe

237 GCF, Proposal Approval Process, 2016, http://www.greenclimate.fund/funding/proposal-approval

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by the Fund	Year approved
Regional	Energy efficiency green bonds in Latin America and the Caribbean[238]	Energy efficiency, energy generation and access	USD 22 million	2015
	Addresses demand-side energy efficiency in Latin America and the Caribbean through green bonds, using the concept of aggregation to mobilise institutional funds at a scale geared towards small- and medium-sized energy service companies.			
Argentina	Catalysing private investment in sustainable energy in Argentina - Part 1[239]	Energy generation and access	USD 133 million	2016
	The objective of this programme is to help catalyse long-term private investment in sustainable energy in Argentina. This will be done by preparing financing packages for a set of first-moving renewable energy projects. This will then demonstrate the technical and financial viability of business models to conform with laws recently adopted by the government that support renewable energy development. Under this programme, GCF's investment is directed towards at least five renewable energy projects.			
Chile	Climate action and solar energy development programme in the Tarapacá Region in Chile[240]	Energy generation and access	USD 49 million	2016
	This is a photovoltaic power project led by the private sector that entails large-scale investment in the Atacama Solar Project, which will deliver quick CO2 displacement and drive the transition towards renewable power in Chile. The investment from GCF, together with CAF, will complete the long-term project financing required for this project and facilitate further investment from other financial institutions.			
Ecuador	Priming financial and land use planning instruments to reduce emissions from deforestation[241]	Land use and forest management	USD 41.2 million	2016
	The objective of the project is to reduce deforestation in Ecuador through investments to support sustainable agricultural production and forest conservation. The GCF investment will co-finance Ecuador's REDD + Action Plan.			
El Salvador	Energy savings insurance (ESI) for private energy efficiency investments by small- and medium-sized enterprises [242]	Energy efficiency, energy generation and access	USD 21.7 million	2016
	The project is managed by the Inter-American Development Bank (IDB). It seeks to establish a favourable line of financing for private sector investment projects in energy efficiency. The GCF provided non-reimbursable resources that will be combined with resources from the Danish government to support the development of: i) a model contract for energy efficiency projects; ii) the forms, methodologies and protocols required for structuring projects, as well as their control, reporting and verification; iii) insurance; and iv) the active promotion of the programme among relevant stakeholders.			
Peru	Building the resilience of wetlands in the province of Datem del Marañon, Peru[243]	Land use and forest management, ecosystems and ecosystem services	USD 6.2 million	2015
	The project is being implemented by PROFONANPE, the national accredited entity for receiving and executing project funds. It seeks to improve the resilience of indigenous communities living in the wetland ecosystem in the province of Datem del Marañón in the Loreto Region, with the aim of improving their livelihoods and reducing greenhouse gas emissions from deforestation.			

238 http://www.greenclimate.fund/-/energy-efficiency-green-bonds-in-latin-america-and-the-caribbean

239 http://www.greenclimate.fund/-/catalyzing-private-investment-in-sustainable-energy-in-argentina-part-1

240 http://www.greenclimate.fund/-/climate-action-and-solar-energy-development-programme-in-the-tarapaca-region-in-chile?inheritRedirect=true&redirect=%2Fprojects%2Fbrowse-projects

241 http://www.greenclimate.fund/-/priming-financial-and-land-use-planning-instruments-to-reduce-emissions-from-deforestation?inheritRedirect=true&redirect=%2Fprojects%2Fbrowse-projects

242 http://www.greenclimate.fund/-/energy-savings-insurance-for-private-energy-efficiency-investments-by-small-and-medium-sized-enterprises

243 http://www.greenclimate.fund/-/building-the-resilience-of-wetlands-in-the-province-of-datem-del-maranon-peru

www.iadb.org

6.14 Inter-American Development Bank (IDB)

Key facts

- Established in 1959, the IDB is a leading source of long-term financing for economic, social and institutional development in Latin America and the Caribbean.
- The IDB assists its borrowing member countries to adapt to the impacts of climate change and reduce greenhouse gas emissions through loan operations, technical cooperation and knowledge generation.
- In 2010 the IDB established a lending target of 25% for climate-related initiatives, sustainable (including renewable) energy and environmental sustainability and is working to achieve this goal through its Climate Change and Sustainability Division, which channels financing and technical assistance to the private and public sectors.
- In 2011, the IDB approved its Integrated Strategy for Climate Change Mitigation and Adaptation[244] which sets out five lines of action: (i) develop instruments to mainstream climate change in Bank-funded operations; (ii) strengthen the knowledge base priorities for clients and staff; (iii) expand lending and technical assistance in key sectors; (iv) strengthen institutional capacity; and (v) scale-up investments, address financial gaps and leverage private sector investments to address climate change in the region.
- Funds that support climate change projects within IDB include the Sustainable Energy and Climate Change Initiative (SECCI), the Infrastructure Fund (InfraFund) and the Regional Fund for Agricultural technology (FONTAGRO).
- IDB also works with partner funds, which provide additional tools for leveraging resources from other sources, including the Climate Investment Funds (CIF), the Global Environment Facility (GEF), the Forest Carbon Partnership Facility (FCPF), the Adaptation Fund (AF) and the Green Climate Fund (GCF).

Elegibility

a. Accessing the fund

Direct access.

b. Eligible countries

The IDB has 26 borrowing member countries that are eligible for IDB financing, all of them in the Latin American and Caribbean region. In 1999 the Bank began using a country grouping that divides countries into Groups I and II, based on their 1997 per capita GDP. The Bank channels 35% of its lending volume to Group II countries (those with lower per capita income)— Belize, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic and Surinam. The remaining 65% is channelled to Group I countries—

244 Inter-American Development Bank (IDB), IDB Integrated Strategy for Climate Change Adaptation and Mitigation, 2010, http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35802849 .

Argentina, Bahamas, Barbados, Brazil, Chile, Mexico, Trinidad and Tobago, Uruguay and Venezuela.[245]

c. Eligibility criteria

Under the provisions of the Agreement Establishing the Inter-American Development Bank[246], the Bank may make loans or provide loan guarantees to any member country, any political subdivision or government organisation unit of a member country, any independent agency, semi-public enterprise, or private enterprise in the territory of a member country, regional organisations composed of member countries, and to the Caribbean Development Bank. The political subdivisions of a country include states, provinces, and municipalities, and decentralised government organisations. The Bank may make loans to private enterprises provided they have the legal capacity to enter into loan contracts with the Bank.[247] In addition, the Bank administers more than 40 trust funds that provide technical cooperation grants. Each fund has its own eligibility criteria.

d. Additional requirements

The IDB has established a set of minimum general criteria related to legal, institutional and financial requirements for deciding whether an entity is eligible to borrow directly from the Bank or whether it may only act as an executing agency, with the principal and general liability to be assumed by the respective member country. The Bank requires joint and several guarantees from third parties to guarantee each of its loans. The capacity of the borrower and the guarantor (as applicable) to comply with the loan obligations should be considered when making or guaranteeing loans.[248]

e. Thematic sectors

Targeted areas relevant to climate change. In its strategic interventions the IDB targets key climate action sectors, which include: (i) the infrastructure sector, including transport, water and sanitation, and basic services in urban areas; (ii) the agriculture, forestry, and biodiversity sector; and (iii) the energy sector, encompassing generation, conversion, and use. The Bank also targets areas related to social (livelihood, poverty, inequality, gender, and diversity) and intersectorial considerations, with emphasis on the need for a comprehensive approach.[249]

Areas that have been financed in recent years in Latin America. The areas that have received most climate financing include energy, transport, agriculture, natural resources, water resources, disaster risk management (focusing on cities). Areas such as REDD, ecosystems/biodiversity, coastal zone management and housing have also been financed by the IDB.[250]

Financing

f. Available resources

According to the 2015 Joint Report on Multilateral Development Banks' Climate Finance, in 2015 IDB committed USD 1.744 billion to the climate change area: USD 270 million for adaptation and USD 1.474 million for mitigation. All IDB funds are channelled to member countries in Latin America and the Caribbean.[251]

245 IDB, Eligible borrowers, 2016, http://www.iadb.org/en/about-us/eligible-borrowers-,6709.html .

246 IDB, Convenio Constitutivo del Banco Interamericano de Desarrollo, 1996, http://www20.iadb.org/intal/catalogo/PE/2008/01958.pdf.

247 IDB, Technical Cooperation Financing, http://www.iadb.org/en/about-us/idb-financing/technical-cooperation-financing,6437.html.

248 IDB, Eligible Borrowers, http://www.iadb.org/en/about-us/eligible-borrowers-,6709.html; IDB, Guarantees required from the borrower, http://www.iadb.org/en/about-us/guarantees-required-from-the-borrower,6708.html .

249 IDB, Climate Change Sector Framework Document, 2015, http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40013909 .

250 IDB, Office of Evaluation and Oversight, Climate Change at the IDB: Building resilience and Reducing Emissions, 2014, https://publications.iadb.org/bitstream/handle/11319/6692/CC_EnglishBRIK.pdf?sequence=1&isAllowed=y.

251 2015-Joint-Report-On-Multilateral-Development-Banks-Climate-Finance, 2016, https://publications.iadb.org/bitstream/handle/11319/7807/2015-Joint-Report-On-Multilateral-Development-Banks-Climate-Finance.pdf?sequence=1&isAllowed=y.

g. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts have been established for the direct financing of projects, but the IDB groups countries into four different categories according to their relative development level and assigns maximum financing percentages for each group.

h. Financial instruments[252]

Grant	Guarantee
Comercial loan	Concessional loan
Technical assistance	

Applying

i. Selection criteria

Project selection criteria are based on the long-term sustainability of projects, as well as their multiplier effects on development. The goals of a project must be clearly established, realistic, and consistent with country strategies and the development strategies defined in the operation's programming process. Projects financed by IDB must also:

- Contribute effectively to the economic and social development of the regional member countries.
- Be consistent with the principles set forth in the Agreement Establishing the Bank with regard to the use of Bank resources.
- Be technically, economically, and environmentally sound, financially secure, and take place in an adequate legal and institutional framework.
- Help to uphold the Bank's reputation as a financial agency in the international markets.[253]

j. Application process

Based on the country strategy defined by the Bank, the first Project Profile is prepared. If the Project Profile is approved, an Operations Development Proposal is prepared that includes, among other things, an analysis of the project's financial feasibility, where applicable, or otherwise a cost-effectiveness analysis. A Draft Loan (or financing) Proposal is then prepared for approval by the Operations Policy Committee and subsequent submission to the Executive Board. Proposals are submitted in accordance with the project cycle defined by IDB's Central Office in Washington and are assessed first by national offices against the sectorial priorities defined jointly between the Bank, the external financing entity and the public investment entity in each country. The proposal is then assessed by the Bank's Central Office. The Bank examines the need for the project and its feasibility though ex ante technical, socioeconomic, financial, legal, and environmental analyses and evaluations; it examines the institutional capacity of the borrower and/or executing agency to attain the desired goals; it establishes the necessary actions and defines the policy measures required to process the operation; it arranges for a final agreement on the project with the country and submits it to the Bank's authorities for approval; and it oversees the project's implementation and administers the operation. IDB sectorial experts are commonly sent on assessment missions to countries to conduct an in situ assessment of the sustainability of proposed projects and their institutional and financial arrangements. These missions may interact with stakeholders and institutions that will implement the projects in the country.[254]

k. Support for project preparation

National IDB offices can finance certain aspects of developing financing proposals.

l. Safeguards applied

IDB has specific policies in place for social and environmental safeguards. In 2006, the IDB approved its Environment and Safeguards Compliance Policy[255],

252 IDB, Financing and mobilisation of resources, http://www.iadb.org/en/about-us/financing-and-mobilization-of-resources,6243.html .

253 IDB, Project preparation, evaluation and approval, http://www.iadb.org/en/about-us/project-preparation-evaluation-and-approval-,6240.html.

254 IDB, Project cycle, http://www.iadb.org/en/projects/project-cycle,1243.html?open_tab=tab-18503; IDB, Project preparation, evaluation and approval, http://www.iadb.org/en/about-us/project-preparation-evaluation-and-approval-,6240.html.

255 IDB, Environment and Safeguards Compliance Policy, 2006, http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=665902.

which establishes that environmental issues must be identified and addressed in the design of the project itself. In 2007, the Bank created the Environmental Safeguards Unit and approved an operational policy for Indigenous Peoples. The IDB has also designed sustainability assessment mechanisms for biofuel and tourism projects.[256]

m. Gender perspective

The IDB has formulated an Operational Policy on Gender Equality in Development[257] to promote gender equality and women's empowerment by mainstreaming a gender perspective in its operations. This policy demonstrates the Bank's commitment to both proactive actions (mainstreaming a gender perspective and direct investment) and preventive actions (safeguards for preventing gender-based adverse impacts). In 2009, the IDB launched the Gender and Diversity Fund to support gender issues and diversity in Latin America.[258]

n. Deadlines

Project proposals are submitted according to the project cycle defined by the IDB's Central Office in Washington.

o. Forms

The IDB usually requires that project documents are prepared using a standard template. The Project Profile provides basic information on the project, including its justification and objectives, the technical aspects and its relevant sector background, the proposed environmental and social safeguards, a fiduciary evaluation, the projected funding amounts, and a preliminary agenda for the project's implementation.

256 IDB, Better Environmental and Social Safeguards, http://www.iadb.org/en/insitutional-reforms/better-environmental-and-social-safeguards,1830.html .

257 IDB, Operational Policy on Gender Equality in Development, 2010, http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35428399.

258 IDB, Gender Equality and Women's Empowerment, http://www.iadb.org/en/topics/gender-indigenous-peoples-and-african-descendants/gender-equality-and-womens-empowerment,2604.html .

Additional comments

Several IDB funds finance the Bank's climate action, some of them focused specifically on mobilising resources and private sector involvement:

- Sustainable Energy and Climate Change Initiative (SECCI): SECCI funds were created from funds put forward by IDB (SECCI-IDB Fund) and by international donors (SECCI Multi-Donor Fund, which includes Spain, Germany, Italy, Finland, the United Kingdom, Switzerland and Japan). The purpose of the fund is to expand investment in biofuel development, renewable energy, and energy efficiency and improve access to carbon finance and a wide range of sustainable energy options. The fund also finances multisectorial initiatives that address mitigation and adaptation priorities at the public policy level. The SECCI fund has USD 40 million in assets and requires co-financing of 20% from the beneficiary country.
- Infrastructure Fund (InfraFund): The InfraFund is a fast-disbursing fund for the preparation of climate resilient and sustainable infrastructure projects. The fund helps public, private and mixed-capital entities in Latin America and the Caribbean to identify, develop and prepare bankable and sustainable infrastructure projects that are financially sustainable.
- Regional Fund for Agricultural Technology (FONTAGRO): With USD 100 million in assets, the Fund supports projects in adaptation, capacity building, mitigation, agriculture, sustainable land management and water. The fund is jointly sponsored by IDB and the Inter-American Institute for Cooperation on Agriculture (IICA).
- Multilateral Investment Fund (MIF): A member of the IDB Group, MIF is the leading provider of technical assistance for the private sector in Latin America and the Caribbean. MIF designs and finances pilot projects to test pioneering approaches, track the results and impacts, and identify solutions that can be scaled and replicated by others. MIF seeks to assist SMEs and low-income populations to build resilience and capacities for managing and adapting to the risks and impacts of climate change and climate

variability, as well as developing and demonstrating viable market-oriented business models and approaches to expand access to cleaner and more efficient energy.

- Canadian Climate Fund for the Private Sector in the Americas (C2F): IDB and the Canadian Government partnered to launch this fund, which aims to catalyse private-sector investment in climate change mitigation and adaptation. By offering loans with favourable conditions, C2F is able to encourage investments related to climate change.
- Climate-Smart Agriculture Fund for LAC (CSAF): The IDB and the Global Environment Facility established this fund to catalyse private-sector investment in viable agricultural, forestry and grazing systems in the face of climate change. The fund can provide loans directly to small projects or request co-financing loans from the IDB at favourable rates, with longer timeframes and different payment profiles.

Projects approved in recent years in Latin America

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by IDB</th><th>Year approved</th></tr>
<tr><td rowspan="2">Argentina</td><td>Energy efficiency and renewable energy in low-income housing - Argentina</td><td>Energy, housing</td><td>USD 14.63 million</td><td>2015</td></tr>
<tr><td colspan="4">The project seeks to establish regulatory and technical guidelines for the design, construction and operation of low-carbon low-income housing throughout Argentina.</td></tr>
<tr><td rowspan="2">Bolivia</td><td>Rural Electrification Program II[259]</td><td>Energy</td><td>USD 100 million</td><td>2016</td></tr>
<tr><td colspan="4">The objectives of the project are to increase: (i) electricity supply in the rural area; (ii) electrical energy consumption in productive uses in the rural area, with a gender focus; and (iii) the electrical energy transmission capacity in order to meet with the demand in the area of increased coverage under the program, and to reduce CO_2 emissions associated with the use of fossil fuels in isolated systems.</td></tr>
<tr><td rowspan="2">Costa Rica</td><td>First program in renewable energy transmission and distribution</td><td>Energy</td><td>USD 200 million</td><td>2015</td></tr>
<tr><td colspan="4">The objective of this project is to increase the electricity supply based on renewable energies in order to respond to the impacts of climate change through the construction of geothermal energy plants in the Province of Guanacaste, thereby contributing to sustainable economic development in Costa Rica and fostering regional integration through the Regional Electricity Market (MER).</td></tr>
<tr><td rowspan="2">Ecuador</td><td>Support for the transition of the energy matrix in Ecuador</td><td>Energy</td><td>USD 500 million</td><td>2015</td></tr>
<tr><td colspan="4">The programme will contribute to the: (i) sustainability of the energy sector; (ii) strengthening of the electricity subsector; and (iii) regional integration of the electricity grid.</td></tr>
<tr><td rowspan="2">Honduras</td><td>Honduras renewable energy finance facility</td><td>Energy</td><td>USD 20 million</td><td>2015</td></tr>
<tr><td colspan="4">The intended impact of the project is to reduce greenhouse gas emissions, catalyse and promote investment and entrepreneurship in rural energy and expand economic opportunities in rural areas.</td></tr>
</table>

259 http://www.iadb.org/es/proyectos/project-information-page,1303.html?id=BO-L1117

INTERNATIONAL CLIMATE INITIATIVE (IKI)

www.international-climate-initiative.com

6.15 IKI International Climate Initiative

Key facts

- The International Climate Initiative (IKI) was created in 2008 by the German Federal Ministry of the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).
- IKI is a key element of Germany's climate financing and promotes the application of the resolutions of the UNFCCC Conference of the Parties. The Initiative is also committed to helping partner countries to achieve the objectives and financing commitments under the Convention on Biological Diversity.
- IKI finances and supports projects in the areas of climate change mitigation and adaptation, REDD+ and biodiversity that are innovative and/or promote transformative change, with special emphasis on catalysing large-scale private investment while helping to strengthen German Federal Government cooperation in these areas.
- IKI supports measures in the areas of policy advice, capacity building and technology cooperation and investment, as well as the concrete implementation of policies, strategies and approaches.
- IKI works in collaboration with the German Government's two development cooperation implementing agencies—the German Development Cooperation Agency (GIZ) and the German Development Bank (KfW). IKI's programme office is located at GIZ and supported by additional personnel capacity from KfW.[260]

260 The International Climate Initiative (IKI), https://www.international-climate-initiative.com/en/about-the-iki/iki-funding-instrument/

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

All countries in the Latin American region are eligible.[261]

c. Eligibility criteria

IKI is open to a wide range of stakeholders in Germany and other countries. Eligible entities include German cooperation and development organisations, non-governmental organisations, private-sector companies, universities, research institutes, and international and multilateral organisations and institutions (such as multilateral development banks, United Nations programmes and agencies). Project eligibility criteria take the following into account:

- Financing support may be granted on the basis of the project's relevance and insofar as it is not possible to achieve the goal without IKI support.
- Expenditure and cost efficiency and the economical use of the funds must be demonstrated.
- The support granted must promote sustainable development in the partner countries. It is not intended to give the grant recipient an economic advantage.
- Projects must be based on the strategies and policies of the respective partner countries and

261 UNEP, REGATTA, Financing Opportunities, 2017, http://www.cambioclimatico-regatta.org/index.php/en/financing-opportunities/item/iniciativa-internacional-para-la-proteccion-del-clima-ici-2

take into account existing programmes and structures.

- Project proposals should be oriented to the needs of target countries,
- Project proposals should be meet the country's needs, based on a gap analysis, in order to advance the countries' specific climate protection efforts in the best possible way.
- The funded projects must meet the criteria for recognition as Official Development Assistance (ODA).

The primary level of intervention is the national level. Subnational schemes will also be funded if they are embedded consistently in national strategies and policies and serve to implement them.[262]

d. Additional requirements

- The governments of the partner countries must express an explicit interest in the project. This is a prerequisite to project implementation.
- Projects must be implemented in cooperation with national, local or regional partners in order that the project is anchored in the target region. Projects that involve a wide range of implementation partners from the beginning will be prioritised.
- Projects must include clearly defined goals that can be achieved and verified.
- Projects must not have already started and their duration must not exceed six years.
- It is generally a condition for the approval of a grant that the applicant makes an appropriate contribution and that additional funding is mobilised to meet the eligible expenditure or costs. IKI financing seeks to ensure that its investments catalyse other financing sources on a larger scale, especially from the private sector.
- IKI support is provided only if implementation of the proposed project is impossible without public funding.[263]

e. Thematic sectors

Targeted areas relevant to climate change: Eco-system based adaptation, water and land management (including coastal and marine zones), renewable energies/energy efficiency, mobility/transport, resource efficiency, housing, sustainable production and consumption, agriculture, disaster risk reduction, forestry, populations and human settlements/cities.[264]

Areas that have been financed in recent years in Latin America: Areas recently financed include biodiversity, forestry/REDD+, land use, agriculture, energy (energy efficiency, renewable energies) and water. Activities in the waste, industry, transport, risk management, coastal zones, housing and cities sectors have also been financed.[265]

Financing

f. Available funds

Since its establishment, IKI has launched more than 500 climate and biodiversity projects. The total project volume since 2008 amounts to EUR 2.3 billion. The resources for international climate and biodiversity activities have grown steadily since the programme was launched. Whereas some EUR 170 million was available for on-going projects in 2008, by 2014 the figure had risen to EUR 318 million. Between 2008 and 2016, IKI approved EUR 373 million for the South American, Central American and Caribbean region.[266]

262 IKI, Selection Procedure, https://www.international-climate-initiative.com/en/project-promotion/selection-procedure/; Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), Information on support for projects under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, 2016, https://www.international-climate-initiative.com/fileadmin/Dokumente/2016/Funding_Information_IKI_selection_procedure_2017.pdf

263 BMUB, Information on support for projects under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, 2016, https://www.international-climate-initiative.com/fileadmin/Dokumente/2016/Funding_Information_IKI_selection_procedure_2017.pdf

264 IKI, The International Climate Initiative Areas of Support, https://www.international-climate-initiative.com/en/issues/

265 IKI, Projects, https://www.international-climate-initiative.com/en/projects/projects/

266 IKI, Project Portfolio, https://www.international-climate-initiative.com/en/about-the-iki/project-portfolio/

g. Minimum and maximum amounts allocated to projects

No minimum or maximum permissible amounts for funding have been established. As a rule, the level of the planned, average annual BMUB funding volume should, however, not exceed the average annual turnover of the grant recipient's last three financial years.[267]

h. Financial instruments

Grant	Concessional loan

Applying

j. Selection criteria

The criteria used to evaluate and select projects include:

- General alignment with one or more of IKI's thematic priorities.
- Transformative impact, level of ambition, innovation potential (technological, economic, methodological, institutional).
- Contribution to international climate cooperation through support for implementation of the resolutions of the Conferences of the Parties to the UNFCCC.
- Replicability of results and a multiplier effect.
- Transferability of projects at the level of international cooperation.
- Importance of the partner country within Germany's cooperation development scheme.
- Solidity of the concept, quality of presentation, and quality of anticipated project management and monitoring.
- Availability of self-financing and third-party financing and financial leveraging effect.
- Relevance of the proposal to the implementation of the Sustainable Development Goals.
- Contribution to bilateral cooperation on climate and environment.
- Coherence with and integration into national and/or regional/transnational strategies and international cooperation, and synergies with other projects and sectors.
- Leadership of the partner government.
- Contribution to economic and social development in the partner country.[268]

Project proposals will also be evaluated according to IKI criteria for its standard indicators, namely[269]:

- Reduction indicator: Reduction in greenhouse gas emissions and increase in carbon storage (as tonnes of carbon dioxide equivalent) in the project/programme area.
- Adaptation indicator: Number of people the project directly assists with adaptation to climate change impacts or ecosystem conservation.
- Ecosystem indicator: Ecosystem area (in hectares) that is improved or protected by the project's activities.
- Policy indicator: Number of new or improved policy frameworks for managing climate change and/or conserving biodiversity.
- Institution indicator: Number of new or improved institutionalised structures or processes for managing climate change and/or conserving biodiversity.
- Methods indicator: Number of new or improved methodological tools for managing climate change and conserving biodiversity.

267 BMUB, Frequently Asked Questions (FAQ) about the 1st stage of the IKI selection procedure, 2016, https://www.international-climate-initiative.com/fileadmin/Dokumente/2016/Frequently_Asked_Questions_about_project_outlines.pdf

268 BMUB, Information on support for projects under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, 2016, https://www.international-climate-initiative.com/fileadmin/Dokumente/2016/Funding_Information_IKI_selection_procedure_2017.pdf

269 IKI, Guidelines and Standard Indicators, https://www.international-climate-initiative.com/en/project-promotion/guidelines-and-standard-indicators/

k. Application process

BMUB primarily selects projects for financing through an IKI call for proposals. The selection process comprises two stages:

STAGE 1. BMUB organises an ideas competition that is generally announced once a year, along with the corresponding supporting information. Interested parties can submit project outlines in English before the submission deadline. These must be prepared using the project templates available on the IKI website. BMUB will evaluate all complete project outlines received in this format through the IKI Programme Office by the submission deadline. The Ministry makes its selection on the basis of available funds and seeks the approval of other pertinent ministries. Applicants are informed in writing of the results of the evaluation.

STAGE 2. In the second stage, applicants whose projects have been selected will receive a written invitation to present a formal request for financing, along with the necessary requirements and templates.BMUB evaluates the project requests received and then makes a decision on funding.

If a project requires a letter of political support from the partner country or guarantees under international law, this will affect the project's start date.[270]

l. Support for project preparation

The IKI Programme Office provides training on the legal, administrative and financial requirements to beneficiaries of the Initiative during Stage II of the application process.

m. Safeguards applied

All project proposals must show their expected contribution to sustainable economic and social development (co-benefits) as well as environmental improvement and protection (safeguards), highlighting how critical habitats and ecosystems and their associated ecosystemic services will be safeguarded; how the rights of indigenous peoples and/or local communities will be respected; and how a participatory approach will be achieved. IKI projects must follow the human rights approach of the German development cooperation sector.

If necessary, risk mitigation and management measures should be defined. Projects that successfully pass Stage II of the selection process must adhere to the IKI Safeguards Policy.

n. Gender perspective

While IKI does not have gender framework, it is incorporating this theme increasingly in its climate strategies and is implementing a pilot project to mainstream gender equality into urban climate plans.[271]

o. Deadlines

IKI issues an annual call for project proposals. The deadline for submitting proposals due to start up in 2017 was 6 June of the preceding year (6.6.2016).

p. Forms

The Project template can be found on the IKI website.[272]

Additional comments

The international advisory panel offers strategic support for IKI's practical work. The Panel is made up of experts from governments, academia, non-governmental organisations, companies, financial markets and international financial institutions.

270 IKI, Selection Procedure, https://www.international-climate-initiative.com/en/project-promotion/selection-procedure/

271 IKI, Gender in the Climate Debate, 2016, https://www.international-climate-initiative.com/en/news/article/gender_in_the_climate_debate/

272 IKI, Selection Procedure, https://www.international-climate-initiative.com/en/project-promotion/selection-procedure/

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by IKI	Year approved
Belice, Guatemala, Mexico	Support for the monitoring of biodiversity and climate change in the Maya Forest[273]	Biodiversity	€ 5 million	2016
	The main objective of the project is to increase the coordinated regional monitoring of biodiversity and climate change, and to integrate the monitoring results in policy and decision-making in order to improve conservation and the sustainable use of biodiversity in the Maya Forest.			
Brazil	Integrated modelling of the relationships between land use, water and energy in Brazilian biofuel programmes[274]	Renewable energy, agriculture, water	€ 1.05 million	2013
	The purpose of the project was to inform decision-makers and stakeholder groups about possible scenarios for the expansion of agrofuels in Brazil, considering potential negative impacts on water resources, land use and food security			
Brazil, Colombia, Ecuador, Peru	Protected areas and other conservation measures on local government level[275]	Biodiversity	€ 4,7 million	2016
	The project will contribute to a more effective conservation of biodiversity, and to a better understanding of the economic values of biological diversity and ecosystem services.			
Colombia	Strengthening of Colombia's national parks system to promote climate change mitigation and biodiversity conservation[276]	Biodiversity, forests	Up to € 3 million	2013
	The project supports the National Parks Authority of Colombia to effectively protect Chiribiquete National Park, developing alternatives to deforestation and contributing to the implementation of the national biodiversity strategy.			
Peru	Supporting the establishment of a National REDD+ system in Peru[277]	REDD+	€ 6.3 million	2011
	This project supports the Peruvian Government in implementing the instruments needed to carry out REDD+ monitoring through measurement, reporting and verification (MRV) and establishing a national reference scenario for emissions. The project was implemented by KfW.			

273 https://www.international-climate-initiative.com/en/projects/projects/details/support-for-the-monitoring-of-biodiversity-and-climate-change-in-the-selva-maya-region-496/?no_cache=1?b=3,4,0,0,0,0&kw=

274 http://clima.org.br/

275 https://www.international-climate-initiative.com/en/projects/projects/details/protected-areas-and-other-areabased-conservation-measures-at-the-level-of-local-governments-510/?no_cache=1&kw=

276 https://www.giz.de/en/worldwide/34705.html

277 https://www.international-climate-initiative.com/en/projects/projects/details/supporting-the-establishment-of-a-national-redd-system-64/?no_cache=1?b=4,4,175,3,1,0&kw=

GOV.UK

www.gov.uk/government/publications/international-climate-fund/international-climate-fund

6.16 International Climate Fund (UK ICF)

Key facts

- The United Kingdom's International Climate Fund (UK ICF) was established by the British Government to contribute to international poverty reduction by helping developing countries adapt to the impacts of climate change, take up low-carbon growth and tackle deforestation.
- The Fund is managed jointly by the Department for International Development (DfID), the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (DEFRA), with the support of Her Majesty's Treasury and the Foreign and Commonwealth Office.
- The ICF is a central part of the UK's climate response, which has assumed a major political commitment to supporting international action on climate change.
- The Fund seeks to demonstrate that low-carbon, climate resilient growth is not only feasible but desirable, and to recognise that climate change offers new opportunities for private sector partnerships, innovation and sustainable development.
- Engaging with the private sector is a key part of the UK ICF's strategy to help increase private finance to tackle climate change and, as such, a range of programmes financed through the Fund are involved in working with the private sector.[278]
- The UK ICF works to strengthen the international climate finance framework, helps to promote knowledge exchange and seeks to ensure that the UK's own international cooperation efforts are "climate smart".
- 75% of the UK ICF's financing is channelled through multilateral entities, especially the climate investment funds managed by the World Bank[279], and through multilateral development banks, multilateral and bilateral agencies, civil society organisations and research institutes.[280]

Eligibility

a. Accessing the fund

There is no direct access to project funding. Project proposals are submitted to the respective DfID country

278 Climate Public-Private Partnership (CP3), World Bank's Carbon Initiative for Development (Ci-Dev), Capital Markets Climate Initiative (CMCI) and the Results-Based Financing Facility (for Access to energy), through the Energising Development Programme (EnDev).

279 The Climate Investment Funds (CIF) were established with United Kingdom's support and include four different programmes: the Clean Technology Fund (CTF), the Scaling Up Renewable Energies in Low-Income Countries Program (SREP), the Pilot Program for Climate Resilience (PPCR), and the Forest Investment Program (FIP). For more information, see the CIF webpage: Climate Investment Funds, https://www-cif.climateinvestmentfunds.org/

280 The ICF contributes financially to Climate and Development Knowledge Network (CDKN), the Adaptation for Smallholder Agriculture Programme (ASAP), the Global Environment Facility (GEF), the NAMA Facility and the Adaptation Fund (AF).

office or to the headquarters of DfID, DECC or DEFRA. All proposals must be sponsored and directed by one of these three UK Government departments.

b. Eligible countries

The UK ICF initially established a list of 32 priority countries as a focus for its bilateral programming. This list is broader than the DfID's 28 priority countries, as it includes middle-income countries with high or quickly growing GHG emissions. The list is not exhaustive and UK ICF's support has not been limited to those countries. Latin American countries that are considered priorities for UK ICF include Brazil, Chile, Colombia, Mexico, Peru and Uruguay.[281]

c. Eligibility criteria

The UK ICF must comply with the eligibility criteria established by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). UK ICF's eligibility criteria include:

- Consistency with the DAC definition of ODA.
- Consistency with UK agreements on aid effectiveness (under the Paris Declaration).
- Open and transparent project performance.
- Choice of financial instrument.
- Appropriate enabling environment for the initiative. Project implementing agencies may include private sector entities, civil society organisations and academic institutions. For multilateral funds, eligibility will depend upon the criteria set out by the fund to which the UK ICF contributes.[282]

d. Additional requirements

n/a

e. Thematic sectors

Targeted areas relevant to climate change. The Fund's thematic priorities mirror internationally agreed priorities for climate finance, namely: (i) to help the poorest people adapt to the effects of climate change (adaptation), focusing on agriculture, disaster management, water resource management, urban development and infrastructure, marine-coastal resources, ecosystems, social protection and health; (ii) to promote low-carbon development and clean energies (mitigation) with the private sector and through investments by multilateral development banks; and (iii) to reduce deforestation and protect biodiversity.[283]

Areas that have been financed in recent years in Latin America. REDD+, agriculture, biodiversity.

Financing

f. Available funds

From 2011 to 2016, the British government pledged GBP 3.87 billion (around EUR 4.4 billion). Investments between 2011 and 2014 made the following allocations to priority areas: 28% to adaptation, 56% to mitigation and 16% to forests. Nevertheless, the UK ICF affirms its target of allocating 50% to adaptation, 30% to mitigation and 20% to forests. Additionally, to ensure the continuity of the Fund, in September 2015 the British Prime Minister announced that the Government would make GBP 5.8 billion available for the April 2016–March 2021 period.[284] The UK ICF contributes financially to the following multilateral funds and programmes linked to climate change, among others: Clean Technology Fund (CTF), Climate and Development Knowledge Network (CDKN), Adaptation for Smallholder Agriculture Programme (ASAP), Pilot Programme for Climate Resilience (PPCR), Global Environment Facility (GEF), Least Developed Countries Fund (LDCF), The BioCarbon Fund Initiative

281 Independent Commission for Aid Impact, The UK's International Climate Fund, 2014, http://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-International-Climate-Fund.pdf

282 Climate Funds Update, UK's International Climate Fund (formerly ETF-IW), 2013, http://www.climatefundsupdate.org/listing/international-climate-fund

283 Independent Commission for Aid Impact, The UK's International Climate Fund, 2014, http://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-International-Climate-Fund.pdf

284 DEFRA, DfID, DECC, Policy paper - International Climate Fund, 2015, https://www.gov.uk/government/publications/international-climate-fund/international-climate-fund; Independent Commission for Aid Impact, The UK's International Climate Fund, 2014, http://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-International-Climate-Fund.pdf

for Sustainable Forest Landscapes (ISFL), Carbon Capture and Storage (CCS) Capacity Building Programme, NAMA Facility, Scaling Up Renewable Energy Program in Low Income Countries (SREP), Climate Public-Private Partnership Programme (CP3), Forest Investment Programme (FIP), Adaptation Fund (AF), and the Partnership for Market Readiness (PMR). To date, the UK ICF has contributed USD 80.1 million to projects in Brazil and Colombia.

UK ICF funds are also channelled through multilateral funds and programmes that also benefit Latin America.

g. Minimum and maximum amounts allocated to projects

There are no set minimum or maximum amounts. The amounts approved for projects depend on the financial allocation criteria of each multilateral fund that the ICF contributes to, as well as on the project proponent's access to funding and the viability of the proposal presented.

h. Financial instruments

Grant	Concessional loan

It should be noted that most funds provided through multilateral agencies are concessional loans, while bilateral funds are primarily in the form of grants. Allocation of funds is based on impact criteria and value of the investment.

Applying

i. Selection criteria

In the case of multilateral funds and programmes, projects are selected on the basis of the respective multilateral entity. However, the UK ICF generally takes into account the following criteria in regards to generating transformative change:

- Scale: National, sectoral or economy-wide programmes, including institutional and policy reform, for example energy sector reform; large-scale deployment of a technology so that it reaches critical deployment mass or provision of technical assistance to support a country to reduce national fossil fuel subsidies.
- Replicability: Programmes which others can copy, leading to larger scale or faster roll out, for example key policy change or helping to drive technology down the learning curve;
- Innovation: Piloting new ways of achieving objectives that could lead to wider and sustained change. These programmes are often high risk but with high potential returns.
- Leveraging: Programmes that leverage others to increase the impact also increase the likelihood of their being transformational, by unlocking scale and replication potential.[285]

j. Application process

There is currently no mechanism by which an organization outside of the British Government can independently develop a project for consideration by the UK ICF Board, as all projects must be sponsored by a British Government department. Countries may present their proposals through the respective DfID country office or the headquarters of the DfID, DECC or DEFRA to obtain sponsorship and leadership by one of these three UK Government departments. British Government entities are invited to develop project ideas in line with the UK ICF implementation plan. This includes officials based in developing countries (generally in the Foreign & Commonwealth Office and DfID) and in the UK (DECC, DfID and DEFRA). In the following stage, the UK ICF Secretariat provides feedback. Project ideas that are deemed to fit the implementation plan and the UK ICF strategy are then developed by the relevant officials into concept notes that include the implementation strategy, impact, expected results, and viable options. The decision is then made as to whether the concept note will be developed into a full project proposal. If this is approved, the project is sent to the UK ICF Board and approval committees. Members of the Board include senior officials of the DECC, DfID, DEFRA, Her Majesty's Treasury and the Cabinet Office. All final funding decisions are made by the corresponding ministers. Multilateral funds and programmes financed by the

285 Independent Commission for Aid Impact, The UK's International Climate Fund, 2014, http://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-International-Climate-Fund.pdf

UK ICF each have their own procedures, which must be reviewed and followed in each case.

k. Support for project preparation

In the case of bilateral applications, support is provided by the respective DfID country office or from DfID, DECC or DEFRA central offices, which will subsequently sponsor the proposal for approval. For developing project concept notes, British officials will work in close collaboration with the beneficiary government and may receive assistance from consultants to develop projects that require specific knowledge. Depending on the specific project, officials may work in close collaboration with other donor countries or multilateral institutions (such as the World Bank), or development banks (such as KfW) that could co-finance and/or implement the project. Multilateral funds and programmes that receive UK ICF financing will provide support in accordance with their own internal policies and the availability of their technical and financial resources.

l. Safeguards applied

The DfID has environmental, social and climate-oriented safeguards in place to guarantee the technical quality of the projects it finances and thus ensure that they are sustainable, incorporate a gender perspective and resilience-building capacity, and give due consideration to resource scarcity, climate change and potential environmental damage.[286] Multi-donor funds and programmes will also have established their own safeguards.

m. Gender perspective

The UK ICF incorporates a gender perspective in both its bilateral actions and through the multilateral funds, programmes and banks that implement its funds, in accordance with the British Government's gender policy and specifically with the provisions of the International Development (Gender Equality) Act of 2014 on gender mainstreaming in international cooperation[287], which seeks to promote greater equality between women and men, empower women and strengthen women's role in development.

n. Deadlines

No calls for proposals are issued. A submission may be made at any time to the DfID, DECC or DEFRA. Multilateral funds and programmes financed by UK ICF have their own terms of access, which should be reviewed in detail by any prospective applicants.

o. Forms

UK ICF has no project-specific template. Multilateral entities may have their own templates, depending on the fund programme applied to.

Additional comments

An independent mid-term assessment of ICF UK was carried out in 2014.[288]

286 DfID, Environmental and social safeguards, 2014, https://www.gov.uk/dfid-research-outputs/environmental-and-social-safeguards

287 The National Archives, International Development (Gender Equality) Act, 2014, http://www.legislation.gov.uk/ukpga/2014/9/contents. See also: The Great Initiative/Plan UK: One Year Down the Road: The Impact of the International Development (Gender Equality) Act 2014, 2015, http://www.thegreatinitiative.org.uk/wp/wp-content/uploads/2015/07/One-Year-Down-The-Road.pdf

288 Independent Commission for Aid Impact (ICAI), The UK's International Climate Fund, 2014, http://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-International-Climate-Fund.pdf

Project approved in recent years in Latin America

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by UK ICF</th><th>Year approved</th></tr>
<tr><td rowspan="2">Brasil</td><td>Low carbon agriculture and avoided deforestation for reducing poverty in Brazil[289]</td><td>REDD+, agriculture</td><td>USD 30.2 million</td><td>2013</td></tr>
<tr><td colspan="4">The Inter-American Development Bank (IDB) administrates this project, the objectives of which are to promote sustainable rural development, reverse the process of deforestation, restore degraded lands and reduce pressure on forests by addressing unsustainable agricultural practices. It seeks to restore 41,560 hectares of degraded forests and pastures, reduce CO2e by up to 10.71 million tonnes over 20 years, avoid 6.97 million tonnes of emissions over 20 years and benefit 3,700 farmers.</td></tr>
<tr><td rowspan="2">Brazil</td><td>Reducing deforestation in the Brazilian “Cerrado”[290]</td><td>REDD+</td><td>USD 12 million</td><td>2011</td></tr>
<tr><td colspan="4">This project is being implemented by the World Bank. Its objective is to help mitigate the effects of climate change and improve natural resource management in the “Cerrado” [Brazilian Savannah] by improving public policies and rural farming practices.</td></tr>
<tr><td rowspan="2">Colombia</td><td>Silvopastoral systems for climate change mitigation and poverty alleviation in Colombia’s livestock sector[291]</td><td>REDD+, agriculture, biodiversity</td><td>USD 18.2 million</td><td>2011</td></tr>
<tr><td colspan="4">This project seeks to support the growth of low-carbon agriculture in Colombia to reduce emissions, improve the lives of farmers, protect local forests and increase biodiversity.</td></tr>
</table>

289 http://www.iadb.org/es/proyectos/project-information-page,1303.html?id=BR-X1028

290 http://www.iadb.org/es/proyectos/project-information-page,1303.html?id=BR-X1028

291 https://aidstream.org/files/documents/SPS-Business-Case.pdf

www.ifad.org

6.17 International Fund for Agricultural Development (IFAD)

Key facts

- Created in 1977, IFAD is an international financial institution and specialised agency of the United Nations dedicated to reducing poverty and hunger in rural areas in developing countries by providing low-interest loans and grants to fund innovative programmes and projects in agricultural and rural development.
- IFAD has a total of 176 member states and works closely with ministries of agriculture and finance and other global, regional, national and local stakeholders to ensure its support reaches smallholder farmers and that public spending on agriculture benefits the poorest people.
- IFAD's objective is to give the poor in rural areas the opportunity to improve their food and nutritional security, increase their income and strengthen their resilience.
- IFAD's 2016-2025 Strategic Framework[292] sets out social, environmental and climate assessment procedures for mainstreaming environmental, climatic and social variables into its projects.
- IFAD also has a Climate Change Strategy, the goal of which is to maximise the impact of FIDA activities focused on rural poverty in the context of an evolving climate in order to:
  - » Support innovative approaches to help smallholder producers build their resilience to climate change.
  - » Help smallholder farmers to take advantage of available mitigation incentives and funding.
  - » Inform a more coherent dialogue on climate change, rural development, agriculture and food security.

292 IFAD, Strategic Framework 2016-2025, 2016, https://www.ifad.org/documents/10180/edb9b9d4-664e-42dc-a31e-db096e6a71b5

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

Developing countries that are IFAD member states are eligible for funding. Support varies according to the country's level of development.[293]

c. Eligibility criteria

Governments of developing countries that are IFAD member states and intergovernmental organisations in which those countries participate are eligible. Civil society organisations are also eligible, especially those focused on smallholder farmers and other rural population segments, as well as academic institutions and private sector actors. Other eligibility criteria for accessing IFAD funding include:

- Demonstrating technical ability and financial management capacity to achieve the project objectives.

293 IFAD, Policies and Criteria for IFAD Financing, 2013, https://www.ifad.org/documents/10180/f1a1c976-ceec-4672-b1b0-c19c4237e5b1

- Meeting IFAD's legal and fiduciary requirements.
- Meeting ethical and integrity standards in line with IFAD's policy on corruption and fraud prevention in its activities and operations.[294]

d. Additional requirements

Projects must be framed within IFAD's Country Strategic Opportunities Programme (COSOP). A COSOP is a framework for making strategic decisions about IFAD operations in a given country, identifying opportunities for IFAD and associated financing and facilitating results-based management.[295] The theme of climate change must also be included among the instruments during the initial stage of project or programme design in order to obtain project approval. IFAD considers it a priority to ensure that projects are identified, designed and implemented on the basis of understanding climate change in a local context, including how it affects different segments of the rural population, such as women.

e. Thematic sectors

Targeted areas relevant to climate change. Agriculture, disaster preparation (climate risk), desertification, bioenergy, food and nutritional security, gender, indigenous peoples, rural management, coastal management and fisheries, water, reforestation and improving land use, rural infrastructure, and others.[296]

Areas that have been financed in the last five years in Latin America. Agriculture and forestry are the areas most financed by IFAD; however themes such as water resource management, biodiversity/ecosystems and land management have also been funded.[297]

Financing

f. Available funds

Since 1978, IFAD has mobilised more than USD 26.1 billion in co-financing and has contributed more than USD 18.5 billion as grants and low-interest loans.[298] Between 1978 and 2015, IFAD financed 169 programmes and projects in the Latin American and Caribbean region, for a total amount of USD 2,169.9 million. In 2015, IFAD invested a total of USD 535.8 million in the region's ongoing portfolio.[299]

g. Minimum and maximum amounts allocated to projects

IFAD has no predefined minimum or maximum amounts allocated to projects. The amounts are determined by the availability of funds and IFAD's ability to effectively influence and improve large-scale investment programs, whether through grants or repayable funds.[300]

h. Financial instruments

Grant	Concessional loan
Technical assistance	

IFAD mobilises resources from the Global Environment Facility (GEF), the Adaptation Fund (AF), bilateral and multilateral donors, the private sector, foundations, and

294 IFAD, Policies and Criteria for IFAD Financing, 2013, https://www.ifad.org/documents/10180/f1a1c976-ceec-4672-b1b0-c19c4237e5b1; IFAD, Agreement Establishing the International Fund for Agricultural Development, 1976, https://www.ifad.org/documents/10180/3162024b-49d9-4961-a5de-8e2bbfabef9d ; FIDA, Policy for Grant Financing, 2015. https://webapps.ifad.org/members/eb/114/docs/EB-2015-114-R-2-Rev-1.pdf

295 https://www.ifad.org/what/operating_model/tags/cosop/1966010

296 IFAD Climate Change Strategy, 2010, https://www.ifad.org/documents/10180/4f102df6-2751-4a16-9443-bd132e1c519f

297 FIDA, Climate and environment: Projects and programmes, https://www.ifad.org/topic/operations/overview/tags/climate_change; IFAD, A New Generation of Rural Transformation. IFAD in Latin America and the Caribbean, 2015, https://www.ifad.org/documents/10180/646d4458-7133-4594-b2d5-99d7782b0b29

298 IFAD, IFAD at a Glance, 2017, https://www.ifad.org/documents/10180/9734aaa7-5e01-4c4c-8ce0-a4952061dd6a

299 IFAD, Annual Report 2015, 2016, https://www.ifad.org/documents/10180/a1b08710-57c8-40fe-878d-c598a96f0d95

300 IFAD, Frequently asked questions about IFAD, https://www.ifad.org/es/who

others. The Fund also provides technical assistance as part of the project design cycle.

Applying

i. Selection criteria

According to the Agreement for Establishing IFAD, in allocating its resources the Fund is guided by the following priorities:

- The need to increase food production and to improve the nutritional level of the poorest populations in the poorest food-deficit countries;
- The potential for increasing food production in other developing countries.

Within the context of these priorities, assistance is granted on the basis of the target social and economic objectives, placing special emphasis on the needs of low-income countries and their potential for increasing food production, with due regard given to equitable geographical distribution in the use of those resources.[301]

In general, projects to be presented should be framed within the IFAD's work areas and guided by the criteria established in the Fund's current policies and strategies. Specifically, for the theme of climate change, the following issues should be addressed:

- The impact of climate change on poor rural people.
- IFAD's past experience, comparative advantage and value added on climate change work.
- What climate-related activities could be incorporated into IFAD-supported projects and policy advice.[302]

j. Application process

IFAD's project design cycle typically involves the following sequence of activities:

- » Project development, including the project concept note, detailed project design and design completion.
- » Project implementation, including supervision, mid-term review and project completion. The project concept will be elaborated as part of the COSOP's formulation, establishing the framework for project processing. For countries without a COSOP, the project concept will be derived in consultation with the government and relevant stakeholders and this will be followed by the project design.[303]

k. Support for project preparation

IFAD provides support from the initial stage of project implementation, according to the design cycle, to ensure the quality of the project before it is submitted for review to the Executive Board and in close coordination with the pertinent governments and other partners.

l. Safeguards applied

IFAD has adopted guiding values and principles to promote high social, environmental and climate adaptation benefits as set out in its social, environmental and climate assessment procedures.[304] IFAD pays special attention to the most vulnerable groups in rural communities—young people, women and the indigenous population, through IFAD's Policy on engagement with indigenous peoples[305], owing to their high vulnerability and exposure to the results of climate change.

m. Gender perspective

Issues related to gender equality and women's empowerment must be mainstreamed into programmes and projects in countries receiving IFAD support. IFAD's

301 IFAD, Agreement Establishing the International Fund for Agricultural Development, 1976, https://www.ifad.org/documents/10180/3162024b-49d9-4961-a5de-8e2bbfabef9d

302 IFAD Climate Change Strategy, 2010, https://www.ifad.org/documents/10180/4f102df6-2751-4a16-9443-bd132e1c519f

303 IFAD, Project Cycle, https://www.ifad.org/es/what/operating_model/tags/project_cycle/1966193

304 IFAD, Managing risks to create opportunities. IFAD's Social, Environmental and Climate Assessment Procedures, 2014, https://www.ifad.org/documents/10180/a36f992c-5e31-4fac-8771-404bea02796b

305 IFAD Policy on Engagement with Indigenous Peoples, 2009, https://www.ifad.org/documents/10180/acf878e2-9bc6-4fc7-b1ad-a23aaabf62e4

Policy on Gender Equality and Women's Empowerment seeks to increase IFAD's impact on gender equality and strengthen women's empowerment in poor rural zones.[306]

n. Deadlines

Projects are considered within the context of IFAD's project design cycle and regular procedures. All project designs are subject to review by the IFAD Executive Board, which meets three times each year.

o. Forms

The detailed project design must be presented in a Project Design Report that must include the following:

- Strategic context and rationale for IFAD's involvement, commitment and partnership.
- Poverty, social capital and targeting.
- Project description.
- Implementation and institutional arrangements.
- Project benefits, costs and financing.
- Project risks and sustainability.
- Innovative features, learning and knowledge management.[307]

Additional comments

In 2012, IFAD launched the adaptation for smallholder agriculture programme (ASAP) in order to ensure that financing related to climate change and the environment would benefit smallholder farmers.

ASAP provides a new source of co-financing to scale up and integrate climate change adaptation across IFAD's new investments.

The programme is integrated with IFAD's regular investment processes and benefits from rigorous quality control and supervision systems.

306 IFAD Policy on Gender Equality and Women's Empowerment, 2012, https://www.ifad.org/documents/10180/4ef5fea8-a6a2-479f-8e52-d303e3de3457

307 IFAD, Project design cycle, https://www.ifad.org/en/what/operating_model/tags/project_cycle/1966193

Projects approved in recent years in Latin America[308]

Country	Project	Thematic sectors	Amount contributed by IFAD	Year approved
Argentina	Development of Sheep and Goat Network Development Programme[309]	Livestock	USD 13.3 million	2016
	The objective of this project is to assist small goat and sheep producers to increase, improve and market their meat production, milk and wool products, especially the mohair and cashmere varieties. The project will benefit 8000 families in the provinces of Chaco, Formosa, Neuquén, Mendoza and Santiago del Estero.			
Brazil	Project to reduce Rural Poverty in Maranhão[310]	Agriculture	USD 19.7 million	2016
	The objective of the project is to reduce rural poverty and gender and ethnicity inequalities, promoting sustainable and inclusive development. The project is also aimed at diversifying agricultural production of the beneficiaries, so that they may have better access to the goods and produce in a sustainable and safe manner.			
Cuba	Livestock Cooperative Development Project in the Eastern Central Region[311]	Livestock	USD 11.9 million	2016
	The objective of this project is to promote sustainable growth in the livestock sector through the increase in production and sale of milk and meat. It is hoped that the said growth will produce greater net average income for members of the 105 cooperatives which are participating in the project.			
Ecuador	'Buen Vivir' in rural territories programme[312]	Agriculture, food security	USD 17.3 million	2011
	The project will benefit 25,000 food-insecure, poor rural households in eight different territories that are largely dependent on small-scale agriculture and related activities for their livelihood and consequently are vulnerable to the effects of climate change.			
Nicaragua	Adaptation to Changes in the Markets and Effects of Climate Change[313]	Agriculture	USD 24.1 million	2013
	The objective of this project is to improve the income and quality of life of rural families and to reduce their vulnerability to the impact of climate change – facilitating access to coffee and cocoa markets with added value.			
Peru	Public services improvement for sustainable territorial development in the Apurímac, Ene and Mantaro river basins project[314]	Agriculture, water resources	USD 28.5 million	2016
	The project benefits 23,000 poor rural families by helping them to adapt to and mitigate the effects of climate change and building their capacity to manage natural resources sustainably. It also supports the creation, development and consolidation of smallholder farmer organisations that seek to improve farmers' livelihood strategies and help them participate more fully in goods and services markets. The new economic opportunities generated by the project include improved access to rural financial services.			

308 IFAD, IFAD operations in Latin America and the Caribbean, 2016, https://www.ifad.org/tr/where/region/operations/list/tags/pl

309 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/argentina/2000001527/project_overview

310 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/brazil/2000001264/project_overview

311 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/cuba/2000001199/project_overview

312 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/ecuador/1588/project_overview

313 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/nicaragua/1683/project_overview

314 https://operations.ifad.org/es/web/ifad/operations/country/project/tags/peru/2000000897/project_overview

www.kfw-entwicklungsbank.de

6.18 German Development Bank (KfW)

Key facts[315]

- Created in 1948, the German Development Bank (KfW) finances specific investments and supports macroeconomic and sectoral reform programmes to achieve ecologically compatible social and economic growth.
- KfW has been helping the German Federal Government achieve its goals with respect to development policy and implements international cooperation behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) and other German federal ministries where applicable.
- KfW is not only a financial organisation, but also an advisor that accompanies and collaborates with the implementing agency, usually a public institution, throughout every stage of its projects.
- KfW prioritises climate financing. More than half of KfW allocations in recent years have been for climate and environmental protection actions. KfW was also one of the first implementing agencies to be accredited by the Green Climate Fund (GCF).
- KfW cooperates with developing and emerging countries in Africa, Asia, Latin America and south-eastern Europe, and has a greater presence in crisis-torn regions. The Bank also works to support the private sector and civil society organisations.

Eligibility

a. Accessing the fund

Direct access.

b. Eligible countries

Developing and emerging countries that are eligible for Official Development Assistance (ODA, according to OECD/DAC guidelines). Least developed countries are the principal beneficiaries of KfW grants. Low- and middle-income countries and middle-high income countries are eligible for projects that contribute to reducing poverty or to protecting global public goods.

c. Eligibility criteria

Agreements between partner governments and the German Federal Government form the basis of the funding provided by KfW. Those agreements set out the programmes to be supported and which stakeholders will participate (private sector, NGOs, etc.), always under the leadership of the national government.

d. Additional requirements

Most projects require a feasibility study that includes an analysis of all the key aspects of the project. KfW can provide support for carrying out this study.[316]

315 KfW, KfW Development Bank. Facts and figures 2016, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2016-Selbstdarstellung-ES.pdf

316 KfW, From the idea through to utilisation. The project cycle in Financial Cooperation, 2014, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Flyer/Verfahrensflyer_EN.pdf

e. Thematic sectors

Targeted areas relevant to climate change. Water resource management, water and sanitation, agriculture, food security, urban development, infrastructure, coastal zone protection, waste management, forest management, REDD, biodiversity, renewable energy, energy efficiency and transport.[317]

Areas that have been financed in recent years in Latin America. The main areas financed in the region include water and sanitation and renewable energies/energy efficiency. Other areas such as agriculture, forest management, biodiversity, transport, health, industry, education, infrastructure and natural resource management have also been financed.[318]

Financing

f. Available resources

Financial cooperation funds come from the German federal budget and from KfW's own funds, and are extended to partner countries as non-repayable grants or as low-interest concessional loans.

In the last three years, KfW has committed over EUR 19.0 billion, more than EUR 11.0 billion of which has been for sectors linked to climate change and the environment, representing 59% of the total invested amount.

Over the last three years, more than EUR 2.7 billion has been allocated to the Latin American region, equal to 14% of the Bank's portfolio. Details of those commitments are found below:

Year	Annual amount pledged (€)	Funds allocated for climate and environmental protection (€)	Funds directed to Latin America (€)
2013	5.268 billion	2.8 billion (53%)	663 billion (13% of the total)
2014	7.356 billion	4.7 billion (64%)	1.201 billion (16% of the total)
2015	6.662 billion	3.9 billion (60%)	925 billion (14% of the total)
Total	**19.286 billion**	**11.4 billion (59%)**	**2.789 billion (14% of the total)**

Source: KfW Development Bank, Facts and Figures, 2014-2016[319]

g. Minimum and maximum amounts allocated to projects

There are no predefined minimum or maximum amounts allocated to projects, as during bilateral negotiations the German Federal Government decides on the maximum amount of funding that can be committed to finance specific programmes and projects.

h. Financial instruments

Donación	Crédito concesional

Standard loans are used to finance development projects in low-middle income countries and upper-middle income countries. These are granted by KfW Development Bank at special, internationally agreed, low interest terms and conditions specified by the

317 KfW, Our Topics, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Entwicklungsbank/Topics/; KfW, Climate, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Topics/Climate/

318 KfW, KfW Development Finance, https://www.kfw.de/microsites/Microsite/transparenz.kfw.de/en/region/index.html?y=2007&r=LAT

319 KfW, KfW Development Bank Facts and Figures, 2014, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2014_Selbstdarstellung.EN.pdf ; 2015, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2015-Selbstdarstellung-EN.pdf; 2016. https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2016-Selbstdarstellung-EN.pdf

International Development Association (IDA). Unlike the grants, these concessional loans must be repaid by the respective partner country. Promotional loans can be financed or refinanced by official or officially-guaranteed financial institutions of the formal banking sector; credit and equity investment operations in the micro finance sector; or private and public investments in infrastructure.[320] Where there is a concrete option to access a concessional loan, a LAIF grant could be leveraged, as the KfW is eligible to submit proposals to the European Union. Leveraging could also be obtained through funding from the German International Climate Initiative (IKI), which would increase the concessionality level of a potential loan.

Applying

i. Selection criteria

KfW analyses projects on the basis of five criteria agreed to by the international community of donors, as represented by the OECD's Development Assistance Committee (DAC):

- Relevance: projects should fulfil an important function from a development perspective ("priority"). This means that an assessment is made of whether the project appropriately addresses an important development goal, takes into account the strategic requirements of the partner country and the German Federal Government, and is coordinated with other donors.
- Effectiveness: assesses whether a project achieves its goals (targeted-actual outcomes). The project's goals should be expressed in the form of quantifiable levels. Any unintended positive or negative effects that can be observed are also included in the evaluation.
- Efficiency: the cost-effectiveness of projects and effective use of resources. This is measured on two levels (efficiency of production and allocation efficiency).
- Overarching developmental impact: the major objectives behind the decision to promote the project in the first place. The project should have a substantial, clearly evident impact.
- Sustainability: The project should reflect a capacity to promote sustainable results. The criterion of sustainability is deemed to have been met if the project-executing agency or target group is in a position to successfully continue the promoted project once the external financial or technical support has been withdrawn.[321]

To ensure the conditions of the project are in place, the employees of KfW Development Bank check the conditions on-site, taking into account the following criteria:

- » Legal, institutional and macroeconomic conditions.
- » Development goals and indicators.
- » Impact on the fight against poverty, the social and cultural environment, conflicts, environmental protection and gender equality.
- » The economic performance capacity and management capacities of the project-implementing agency.
- » The economic and technical appropriateness of the programme or project.
- » Any risks with regard to the sustainability of the programme or project.[322]

j. Application process

Projects and programmes are proposed during bilateral intergovernmental negotiations between the German government and the partner government, in which the parties agree on the maximum funding the German government will provide and an intergovernmental agreement is adopted to this effect. KfW first performs a brief assessment to check whether the proposed project is feasible, and conducts an on-site

320 KfW, Financial products of FC, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Finanzprodukte/Zuschuss-und-Standardkredit_EN.pdf; KfW, Our financial products, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Tasks-and-goals/Unsere-Finanzprodukte/

321 KfW, Evaluation Criteria, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Evaluations/Evaluation-criteria/

322 KfW, From the idea through to utilisation. The project cycle in Financial Cooperation, 2014, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Flyer/Verfahrensflyer_EN.pdf

assessment. KfW works with the partner country, and even with expert consulting firms specialising in feasibility studies, to determine key aspects of the projects, such as economic efficiency, impacts and potential risks. Social, cultural and ecological factors are also taken into account. After these preparatory measures have been taken, KfW concludes by signing a financing agreement with the project implementing agencies.[323]

k. Support for project preparation

KfW and BMZ provide the necessary support during the project design stage through international experts who analyse the proposal in terms of its feasibility and appropriateness in regard to the development policy. The Bank also conducts an on-site assessment to examine key aspects of the project, from institutional capacities to its development impacts, potential implementation risks and sustainability.[324]

l. Safeguards applied

Environmental and social impacts and sustainability are central to the KfW's promotion and development activities. The sustainability guidelines are mandatory and are embedded throughout the negotiation process. These guidelines are the foundation for the Environmental and Social Impact Assessment (ESIA) to which each project is subject, according to its risk category. In general, KfW only promotes projects that have no negative impacts whatsoever on the environment, the climate and social matters, or only to a justifiable extent. As such, projects and programmes that may have unacceptable effects are eliminated during the initial planning stage. In a context of increasing climate risks and the growth of many ways to reduce Greenhouse Gas Emissions, KfW includes a systematic climate change assessment in its ESIA guidelines. This examines whether flooding, prolonged drought, or other impacts of climate change could put a project at risk. The positive impacts of a project in reducing CO2 emissions may also be optimised in the planning stage.[325]

m. Gender perspective

KfW takes care to incorporate a gender perspective in its interventions, recognising that gender equality is an important precondition for sustaining positive outcomes in development. Women and men have particular needs that should be taken into account in designing a development project. The Bank has a gender strategy, the overall goal of which is to broaden even more KfW's efforts to promote gender equality by mainstreaming a gender perspective in KfW's work. A key aspect of KfW's work in the gender domain focuses on adaptation to climate change (especially in the agriculture, natural resource management and water resource sectors). KfW promotes a gender perspective not only in its development projects, but also internally, and was one of the first development cooperation institutions to address gender equality on its own.[326]

n. Deadlines

There are no set deadlines for project submissions. Applicants can express interest to the Bank and the Bank will determine whether it is willing to initiate the process. Applicants should take into account that loan negotiations may take up to two years to finalise.

o. Forms

There are no specific templates for preparing a project proposal. However, KfW does have templates (e.g. the results matrix) for internal use.

323 KfW, From the idea through to utilisation. The project cycle in Financial Cooperation, 2014, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Flyer/Verfahrensflyer_EN.pdf

324 KfW, Our Way of Working, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Tasks-and-goals/Unsere-Arbeitsweise/

325 KfW, Sustainability Guide, 2016, https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie_EN.pdf; KfW, Environment and sustainability, https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Topics/Environment-and-sustainability/

326 KfW, The Gender Strategy of KfW, 2011, https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Selbstdarstellung/2011_Genderstrategie_E.pdf

Additional comments

KfW has an independent assessment department to assess the long-term success rate of projects and programmes. Around five years after a project is completed, this department takes random samples of completed projects and programmes, analyses the impacts achieved during the final assessment, assesses the costs and compares the two results. KfW projects and programmes have had a long-term success rate of around 80%.

Projects approved in recent years in Latin America

<table>
<tr><th>Country</th><th>Project</th><th>Thematic sectors</th><th>Amount contributed by KfW</th><th>Year approved</th></tr>
<tr><td rowspan="2">Colombia</td><td>Biodiversity and protected areas of Colombia[327]</td><td>Biodiversity</td><td>EUR 15 million</td><td>2010</td></tr>
<tr><td colspan="4">The project aims to consolidate and expand the national parks system of Colombia based on the criteria of integrity, representativeness and effectiveness.</td></tr>
<tr><td rowspan="2">El Salvador</td><td>Credit programme for environment and renewable energy sources[328]</td><td>Energy</td><td>EUR 23.7 million</td><td>2014</td></tr>
<tr><td colspan="4">This project was implemented by BANDESAL as repayable financial cooperation with KfW's own financing. The programme seeks to foster the financing of small- and medium-sized renewable energy enterprises.</td></tr>
<tr><td rowspan="2">Guatemala</td><td>Climate change adaptation programme in the 'Corredor Seco' of Guatemala</td><td>Water</td><td>EUR 9 million</td><td>2015</td></tr>
<tr><td colspan="4">Non-repayable cooperation. The project's goal is to help reduce the vulnerability of the population and ecosystems to climate change by managing environmental goods and services.</td></tr>
<tr><td rowspan="2">México</td><td>Solar and photovoltaic energy project[329]</td><td>Renewable energy</td><td>EUR 180 million</td><td>2016</td></tr>
<tr><td colspan="4">Mexico's National Bank of Foreign Commerce (Bancomext) signed two lines of credit with KfW to support renewable energy projects in Mexico. According to Bancomext, one line of concessional credit of up to EUR 80 million is intended to finance solar and photovoltaic energy projects, under the programme to promote technology transfer and innovation for low-carbon energy. Additionally, KfW will extend a second promotional loan to the Mexican development bank for USD 100 million to support renewable energies and energy efficiency.</td></tr>
<tr><td rowspan="2">Perú</td><td>Waste water treatment in Lima (SEDAPAL) [330]</td><td>Water and energy</td><td>EUR 68,3 million</td><td>2016</td></tr>
<tr><td colspan="4">The first loan of USD 24 million will provide the partial financing of a Sedapal project (public water services company) to improve the potable water and sewage systems, distribution, networks and land registry in northern Lima. The second loan to a value of USD 44.3 million will partially finance renewable energy project and energy efficiency.</td></tr>
</table>

327 https://ur-forets-societes.cirad.fr/en/main-projects/biodiversity-and-protected-areas-in-colombia

328 http://www.san-salvador.diplo.de/contentblob/4379916255801/Proyectosy_ProgramasdelaCooperacin.pdf 0/Daten/

329 http://obrasweb.mx/construccion/2016/04/12/banco-aleman-apoyara-proyectos-de-energias-limpias-en-mexico

330 http://www.andina.com.pe/Ingles/noticia-peru-govt-german-kfw-inked-two-loan-contracts-597550.aspx

European Commission

ec.europa.eu/europeaid/regions/latin-america/laif-latin-america-investment-facility

6.19 Latin America Investment Facility (LAIF)

Key facts

- The Latin American Investment Facility (LAIF) is a key mechanism of the European Union Regional Policy for Latin America that encourages essential investment in infrastructure projects.
- It is an innovative financial mechanism that combines EU grants with other public and private sector resources, to leverage additional non-grant financing beyond the grants themselves (called blending).
- It is expected that the leverage effect would multiply LAIF's contribution 4 to 5 times, although in the past period the multiplier effect has been much higher (up to 20 times).
- The LAIF's central objective is to finance key infrastructure projects in priority areas for socio-economic development such as transport, energy, water and the environment, and to support social programmes and private sector development, with a focus on small- and medium-sized enterprises (SMEs).
- LAIF aims to reduce social and economic inequalities, as part of the greatest threats on the continent, through actions that promote economic development in different sectors.
- LAIF was launched at the 6th EU-Latin American and Caribbean (EU-LAC) Summit, held in Madrid in May 2010.
- LAIF is financed with funds from the EU's Development Cooperation Instrument 2014-2020, which includes the Multiannual Indicative Regional Programme for Latin America that is explicitly focused on the environmental sustainability and climate change sector, and has been allocated an indicative amount of €300 million.
- LAIF acts as a catalyst for aggregating resources from various sources and improving the coordination and coherence of donor actions, thereby conforming to the principles of ownership, partnership and shared responsibilities set out in the Paris Declaration on Aid Effectiveness and the subsequent Accra Agenda for Action.
- Mitigation and adaptation to climate change are major or important cross-cutting components in most projects. Each project submitted for LAIF funding must specify, through the Rio markers, whether it contributes to mitigation or adaptation to climate change and whether this is a primary or significant objective of the project. In this way, resources for climate change can be monitored and calculated[331].

331 European Commission, Factsheet – Latin American Investment Facility (LAIF), 2015, https://ec.europa.eu/europeaid/sites/devco/files/factsheet-laif_en.pdf; European Commission, LAIF/CIF 2015 Operational Report, 2016, https://ec.europa.eu/europeaid/sites/devco/files/operational-report-2015-laif-cif_en.pdf; Comisión Europea, Facilidades de inversión de la UE. Combinación de préstamos y subvenciones. Blending, Presentación "Acciones frente al CC – retos y perspectivas de Cooperación", 2015, https://eeas.europa.eu/delegations/ecuador/documents/cambio_climatico/20151105_ue_laif_inversiones_de_ue_es.pdf

Elegibility

a. Accessing the fund

Funding must be accessed through a development finance institution or other institution in a European Union member country. Eligible European multinational finance institutions and development finance institutions include: European Investment Bank (EIB), Nordic Investment Bank (NIB), Entwicklungsbank (KfW), Agence Française de Développement (AFD), Agencia Española de Cooperación Internacional para el Desarrollo (AECID), Oesterreichische Entwicklungsbank AG (OeEB), Società Italiana per le Imprese all'Estero (SIMEST) and Sociedade para o Financiamento do Desenvolvimento (SOFID) as well as three Latin American financial institutions—the Central American Bank for Economic Integration (CABEI), Development Bank of Latin America (CAF) and the Inter-American Development Bank (IDB).[332]

b. Eligible countries

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

c. Eligibility criteria

National entities and private sector actors are eligible when they negotiate a loan through an authorised financial entity or development institution (see the list above).

d. Additional requirements

Each project proposal shall be subject to a joint review by the financial institutions and an assessment process led by the European Commission. Decisions are made on a case-by-case basis, and projects approved must meet the following conditions, among other requirements:

- They are fully aligned with the EU's development policy objectives.
- All social and environmental regulations have been assessed.
- The need for the donation has been justified.
- They are aligned with LAIF's strategic orientations.
- They are coherent with EU principles, particularly those concerning the environment, public tenders and public assistance.
- They leverage loans.
- They do not duplicate other operations financed by the EU.
- They are technically and financially solid.
- They provide a clear rationale for the size and use of the contribution requested from LAIF.
- A suitable analysis has been conducted to avoid distortions in the market.[333]

e. Thematic sectors

Themes focalised by LAIF that are pertinent to climate change. Infrastructure and environment (climate change adaptation and mitigation), basic social services, transport, energy, water and sanitation, and the private sector (centred on supporting SMEs and job creation).

Themes that have been financed in recent years in Latin America. Over the 2010-2015 period, the water and sanitation and energy sectors have received the bulk of LAIF support, followed by the transport, environmental (including REDD and agriculture), social, multisectorial and urban development sectors.[334]

332 European Commission, LAIF/CIF 2015 Operational Report, 2016, https://ec.europa.eu/europeaid/sites/devco/files/operational-report-2015-laif-cif_en.pdf

333 Comisión Europea, Facilidades de inversión de la UE. Combinación de préstamos y subvenciones. Blending, Presentación "Acciones frente al CC – retos y perspectivas de Cooperación", 2015, https://eeas.europa.eu/delegations/ecuador/documents/cambio_climatico/20151105_ue_laif_inversiones_de_ue_es.pdf

334 European Commission, LAIF/CIF 2015 Operational Report, 2016, https://ec.europa.eu/europeaid/sites/devco/files/operational-report-2015-laif-cif_en.pdf

Finance

f. Available funds

The European Commission allocated a total amount of €270 million to LAIF for the 2010-2015 period.[335] In the 2010-2015 period, 28 projects were approved for donations amounting to €232 million, representing an aggregate investment of €6.9 billion, including funds mobilised by financial institutions and financing provided by the Facility. According to the 2015 LAIF Operational Report, 12 of the 28 contributions—for a donation totalling €85 million (36.7%)—have supported regional projects, 10 involving the entire region and two focussed on Central America. The other 16 projects were in 10 individual countries. Nicaragua received the largest allocation of €57 million (24.6%) for two projects, followed by Mexico with four projects representing €23 million (10%). Other countries that have benefited from major contributions include Chile (6.5%), El Salvador (4.3%), Honduras (4.3%), Paraguay (4.3%) and Colombia (4%)[336].

g. Minimum and maximum amounts allocated to projects

LAIF finances a percentage of the total loan, in the form of a donation.

h. Financial instruments

Grant	Venture capital
Guarantee	Technical assistance
Interest subsidy	

- Co-financing of public infrastructure projects.
- Loan guarantee cost financing (with the Bank).
- Interest subsidy.
- Technical assistance financed as part of a specific investment operation or as a global envelope made available to eligible financial institutions.
- Venture capital operations financed as part of a specific investment operation or as a global envelope made available to eligible financial institutions.

Applying

i. Selection criteria

In choosing an operation, the following criteria will be taken into account:

- Investments that have cross-border and integrating effects.
- Investments that contribute to social unity and poverty reduction.
- Investments that address environmental threats or climate change mitigation and adaptation and have cross-border effects (on land, river and sea).
- Investments focussed on renewable energy sources, energy efficiency and promoting the use of clean energy technologies.
- Investments in social infrastructure that have a special focus on social inclusion and least developed zones, helping to reduce disparities in accessing social infrastructure within and between countries.
- Operations that support access to finance, particularly high-risk activities, and especially for micro, small, and medium-sized enterprises.
- Operations involving cooperation between two or more countries in the region.
- Investments identified in priority national, regional and sub regional plans.
- Investments in sectors with little borrowing capacity.

Special attention will be paid to balancing distribution among different subregions and countries, while at the same time ensuring support for proposals for high quality operations and taking into account the absorption capacity of different countries and regions.

335 https://ec.europa.eu/europeaid/sites/devco/files/operational-report-2015-laif-cif_en.pdf

336 European Commission, LAIF/CIF 2015 Operational Report, 2016, https://ec.europa.eu/europeaid/sites/devco/files/operational-report-2015-laif-cif_en.pdf

j. Application process

LAIF works under the governance of the framework for blending of the DCI. The EC is in charge of managing the secretariat of this framework. Its operational decision-making process is structured on two levels:

- Opinions on projects are formulated by the Board, which meets as soon as possible just before or after the meetings of the committees of the financing instruments.
- In specific technical meetings (co-directed by the EC and the EEAS) funding proposals are discussed and opinions are prepared for the Board.

A leading financial institution (IFL) delivers and promotes the financing proposal. Proposals may be shared with other financial institutions to obtain their opinions and possible written comments. In particular, it is expected that the proposals are aligned with EU policies.

k. Support for project preparation

European Union delegations can provide advice on accessing LAIF funding.

l. Safeguards applied

Apply the safeguards of the eligible European financial institutions that provide the loan component of the project. The social and development elements should be present and set out in detail in all projects, and reference made to the Sustainable Development Objectives. The added-value at regional level should also be assessed. The operations supported shall be eligible as ODA, shall stimulate investment in line with the strategic objectives of the Facility and further strengthen the EU's policy guidelines for the Latin American region. Member countries and eligible financial institutions must ensure that all projects funded with EU resources respect the community's principles in regard to environmental and social assessment, public tenders, public assistance, and equal opportunities (with regard to gender, indigenous peoples etc.), as well as respecting the principles of solid financial management with effective anti-corruption measures.

m. Gender perspective

Gender policies established by the authorised funding entity or development entity shall be taken into account.

n. Deadlines

In the beginning, the Board will meet two to four times per year, as required and in accordance with the Boards of the respective funding instruments.

o. Forms

Project funding proposals submitted under the framework of the European Union blending (grant-loan) facilities, including LAIF, must contain the information required on the guidance-template found in Annex 6 of the document, *EU Blending Facilities: Implications for Future Governance Options* (2011)[337].

Additional comments

LAIF establishes partnerships, brings together EU grant resources and uses them to leverage loans from multilateral and bilateral European financial institutions (such as AECID, AFD, BEI, KfW), as well as regional and multilateral development banks (like CABEI, CAF, IDB). These resources are often grouped together with contributions from partner countries and beneficiary institutions in Latin America.

Around 60% of EU grants allocated to blending[338] at global level have supported transport and energy infrastructure initiatives; 27% have been invested in social infrastructure related to access to drinking water, waste treatment, housing, health, urban development

337 European Think-Tanks Group, EU Blending Facilities: Implications for Future Governance Options, 2011, http://ecdpm.org/wp-content/uploads/2013/11/EU-Blending-Facilities-Implications-Future-Governance-Options.pdf

338 European Commission, International Cooperation and Development - Building partnerships for change in developing countries, Blending Operations, http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending/blending-operations_en

and the environment; and 13% of them have supported the local private sector, especially MSMEs, strengthening local production capacity and encouraging job creation.

p. Proyectos aprobados en los últimos años en América Latina[339]

Country	Project	Thematic sectors	Source contribution	Year approved
Regional	Sustainable cities and climate change	Urban development	€4.2 million	2015
	This project falls within the framework of CAF's 'Cities with a future´ programme and seeks to help different Latin American cities define and implement low-carbon and climate-resilient urban development strategies and to finance urban investment that is respectful of the climate. The LAIF grant will contribute to CAF's technical assistance programme, which seeks to strengthen CAF's capacities on climate change and urban development issues.			
Regional	Energy efficiency and renewable energy for small- and medium-sized enterprises in Central America	Energy efficiency	€3 million	2010
	The project seeks to facilitate access to financing for MSMEs by supporting investments in energy efficiency and renewable energy.			
Bolivia	Renewable Energy Plant Project connected to Bolivia-Oruro photovoltaic network[340]	Energy	€11.5 million	2016
	Oruro's project consists of the construction of a 50MW photovoltaic power plant in the Altiplano region, in the highlands of western Bolivia, and its connection to the Bolivian national grid. Electricity will be sold in the Bolivian electricity market.			
Chile	Chilean solar energy programme	Renewable energy	€15 million	2012
	The project seeks to support investment in renewable energy sources through the development of concentrated solar power (CSP).			
Colombia	Integrated water resource management	Water resources	€4.5 million	2012
	The project seeks to support the implementation of the Colombian government's national policy for integrated water resource management (IWRM) and accompany the implementation of its national water plan for 2014. LAIF will support water resource management, helping to optimise the flow of watercourses, and thus help to reduce disparities in water resource distribution in Colombia.			
Ecuador	Financing of the National Program of Investments in Water, Sanitation and Solid Waste[341]	Water, waste	€10 million	2016
	This project aims to expand and improve access to basic water, sanitation and waste treatment services in Ecuador, while strengthening the capacity of water and waste service providers. In total, 12 municipalities in 8 regions of Ecuador will benefit.			

339 This table includes some projects to illustrate the type of topics financed and amounts approved but should not be considered exhaustive. To view the list of LAIF projects, see: http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending/blending-operations_en

340 http://ec.europa.eu/europeaid/blending/bolivia-oruro-50-mw-photovoltaic-grid-connected-power-plant-project_en

341 http://ec.europa.eu/europeaid/blending/financing-national-investment-programme-water-sanitation-and-solid-waste_en

6.20 NAMA Facility

www.nama-facility.org

Country	Project	Thematic sectors	Source contribution	Year approved
México	Combating climate change in agriculture programme (Mex-3CAP)	REDD+	€5 million	2013
	The project supports the strategy of Fideicomisos Instituidos en Relación con la Agricultura (FIRA)—the Government's Trust Fund for Rural Development—to fund climate change mitigation and adaptation actions in Mexico's farming, forestry, fishing and rural sectors.			

Key facts

- The NAMA (Nationally Appropriate Mitigation Action) concept was developed in the context of the negotiations of the United Nations Framework Convention on Climate Change (UNFCCC).
- NAMAs are considered to be voluntary climate protection measures taken by developing countries and emerging economies that are embedded within their national development plans.
- NAMAs are seen as an important means to implement the NDCs (Nationally Determined Contributions) adopted under the Paris Agreement. 43 NDCs specifically mention NAMAs as an implementation concept for the NDCs.
- The NAMA Facility is a multi-donor fund established by Germany and the United Kingdom in 2012. In 2015, Denmark and the European Union joined as donors.
- Its goal is to support developing countries and emerging economies to implement actions to mitigate greenhouse gas emissions.
- Since its inception, total financing of EUR 262 million has been disbursed through the NAMA Facility.
- So far, the NAMA Facility has made three calls for projects and 14 NAMA projects are now receiving support. A total of 75 project proposals have been submitted to the NAMA Facility in its fourth call for projects.[342]

Eligibility

a. Accessing the Facility

Proposals must be submitted by a Designated Support Organisation (NAMA Support Organisation, NSOs) that meets the eligibility criteria. No process of accreditation is required.[343]

b. Eligible countries

All countries included on the list established by the OECD's Development Assistance Committee[344] are eligible.

c. Eligibility criteria

NAMA Designated Support Organisations (NSOs) include international entities (regional and international development banks, United Nations agencies, bilateral and multilateral development organisations,

342 NAMA Facility, Supporting the implementation of Nationally Appropriate Mitigation Actions (NAMAs), 2016, http://preview.nama-facility.org/fileadmin/user_upload/pdf/presentation/en_NAMA_Facility_-_short_presentation_4th_Call_2016-09-05.pdf; NAMA Facility, General Information Document 4th Call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/pdf/4th_Call/160704_4th_Call_General_Information_Document.pdf

343 NAMA Facility, General Information Document 4th Call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/publications/documents/2016-07_doc_nama-facility_4th-call_general-information.pdf

344 http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf

international non-governmental organisations, international foundations, etc.) as well as national entities (development banks, development funds, public services and public agencies, foundations, national NGOs, etc.). In general, international and national organisations may qualify to be become NSOs, provided that they are not private for-profit entities, have been endorsed by the national government in that role and meet the following criteria:

- Have experience in the country of implementation (at least 3 years) and respective sector (> 5 years).
- Have experience with project development and/or project management (at least 5 projects of similar size), experience in investment/climate finance (at least 5 projects), and experience in implementing official development assistance projects (> €5 million).
- Have experience working with the public sector (at least 3 years)
- Have an average annual turnover over the last 3 years > requested funding.
- Demonstrate an appropriate organisational structure and procedures.
- Have an appropriate accounting system with qualified personnel in place.
- Have appropriate contract award procedures, which meet national legislation and international standards.
- Have appropriate internal and external controls.
- Demonstrate an appropriate track record in the handling of (ODA) financing, including from (other) donors.[345]

d. Additional requirements

To be considered, projects must meet a series of formal requirements, which are:

- Timely submission.
- Completeness of documents (including endorsement letters).
- Documents must be provided in English.
- Envisaged implementation duration of 3-5 years.
- Envisaged Detailed Preparation Phase (DPP) duration of 18 months maximum.
- ODA-eligibility of the country throughout the entire NSP implementation period.
- Qualification of the NAMA Facility funding as ODA finance.
- Funding volume requested from the NAMA Facility for implementation of EUR 5-20 million.
- NAMA Facility funding not used for the generation of GHG emission allowances or, if generated, verifiable cancellation.
- Eligibility of the applicant (verified in the on-site assessment).[346]

e. Thematic sectors

Targeted areas relevant to climate change. Agriculture, construction, energy, forestry, industry, transport, waste, housing.

Areas that have been financed in recent years in Latin America. The areas most financed have been energy, transport and waste. Areas such as industry, agriculture, housing and forestry have also been financed.[347]

Financing

f. Available funds

From its inception, the Facility has disbursed a total of EUR 262 million. For the 4th call for projects, the NAMA Facility has pledged up to EUR 60 million in additional financing.[348] According to the portfolio of projects supported by the NAMA Facility over the last

345 NAMA Facility, General Information Document 4th Call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/publications/documents/2016-07_doc_nama-facility_4th-call_general-information.pdf

346 NAMA Facility, General Information Document 4th call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/pdf/4th_Call/160704_4th_Call_General_Information_Document.pdf

347 NAMA Facility, NAMA database, http://www.nama-database.org/index.php/Special:RunQuery/QueryData

348 NAMA Facility, Supporting the Implementation of Nationally Appropriate Mitigation Actions (NAMAs), 2016, http://preview.nama-facility.org/fileadmin/user_upload/pdf/presentation/en_NAMA_Facility_-_short_presentation_4th_Call_2016-09-05.pdf;

three calls, EUR 80 million has been allocated to the Latin American region.[349]

g. Minimum and maximum amounts allocated to projects

The NAMA Facility finances projects or programmes with a funding volume of between EUR 5 million and EUR 20 million, over an implementation period of 3 to 5 years.[350]

h. Financial instruments[351]

Grant	Risk capital
Guarantee	Technical assistance
Interest subsidy	

Applying

i. Selection criteria

Projects are evaluated for their potential to achieve transformation and mitigation, their potential for leveraging additional public and private funding, and for their feasibility. The selection criteria seek to ensure that the NAMA Facility supports the most ambitious projects, and so projects are assessed on the basis of a point-grade system, with a total of up to 25 points potentially assigned for ambition, according to the following criteria:

» Potential for transformational change (11 points), including project replicability and sustainability.

» Financial ambition (6 points), including the mobilisation of additional public and private funding.

» Mitigation potential (8 points).

The NAMA Facility seeks to ensure that the NSPs are not only highly ambitious but also likely to be implemented successfully. In total, up to 25 points can be assigned in the feasibility assessment, focusing on:

» Project rationale (8 points) including indicator, risk and barrier analyses.

» Project design (12 points).

» Detailed Preparation Phase (DPP) concept (5 points).[352]

j. Application process

In order to identify the most ambitious and feasible projects, a two-phase selection process applies:

» Outline Phase. A selection is made based on the submitted project outlines, which are subject to assessment by an independent external evaluator. Their assessment will be cross-checked by the NAMA Facility's Technical Support Unit (TSU). Projects that successfully pass the assessment are recommended to the Board for funding of the Detailed Preparation Phase (DPP).

» Detailed Preparation Phase. More detailed project proposals are prepared during this phase. The full-fledged proposal will be subject to an in-depth assessment; proposals that successfully pass the assessment are recommended to the Board. Depending on the assessment result and on available funding, the Board will make the final decision on providing funding for the implementation of the project.[353]

k. Support for project preparation

As a NAMA Facility Grant Agency, the GIZ procures the expert organisations and channels the funds needed to ensure the design quality of projects selected for the detailed preparation phase.

349 NAMA Facility, NAMA Supported Projects, http://www.nama-facility.org/projects/portfolio.html

350 NAMA Facility, General Information Document 4th Call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/pdf/4th_Call/160704_4th_Call_General_Information_Document.pdf

351 NAMA Facility, Financial Mechanisms in the NAMA Facility, 2016, http://www.nama-facility.org/uploads/media/Factsheet_Financial_Mechanisms_NAMA_Facility_2016.pdf

352 NAMA Facility, General Information Document 4th Call for NAMA Support Projects, 2016, http://www.nama-facility.org/fileadmin/user_upload/pdf/4th_Call/160704_4th_Call_General_Information_Document.pdf

353 NAMA Facility, The Selection Process in the 4th Call, http://www.nama-facility.org/call-for-projects/4th-call/the-selection-process/

l. Safeguards applied

The NAMA Facility places special importance on the incorporation of sustainable development co-benefits. Thus, the analysis of project proposals takes into account impacts in the following areas:

- Economic: job creation, cost savings, energy security, market-trade development, etc.
- Social: better health conditions, welfare improvement, food security, improved safety conditions, social inclusion, access to water/ energy, etc.
- Environmental: forest conservation, preservation of biodiversity, less air pollution, less waste, reduced soil/water contamination, less land degradation etc.[354]

m. Gender perspective

While the NAMA Facility does not have a policy on gender equality and/or women's empowerment in place, project proposals must provide gender-disaggregated quantitative information for the population that will directly benefit from the project in relation to sustainable development co-benefit indicators.[355]

n. Deadlines

The NAMA Facility issues calls for projects, usually with a four-month timeframe. The 4th call opened on 4 July 2016 and received submissions up to 31 October 2016. The Detailed Preparation Phase of the 4th call began in Spring 2017 and will last for up to 18 months.

o. Forms

Documents are updated with each Call for Projects.[356]

Additional comments

The NAMA concept is still evolving and will be shaped through learning-by-doing efforts now underway in developing countries. The EUROCLIMA programme has published a NAMA methodological guide for the urban sector entitled, Nationally appropriate mitigation actions in urban areas: successful tools and experiences - methodological guide (in Spanish).[357]

354 NAMA Facility, Sustainable development co-benefits in the NAMA Facility, 2015, http://www.nama-facility.org/fileadmin/user_upload/publications/factsheets/2015-12_factsheet_nama-facility_sustainable-development-co-benefits.pdf

355 NAMA Facility, Sustainable development co-benefits in the NAMA Facility, 2015,http://www.nama-facility.org/uploads/media/160112_giz_nama_ff_co-benefits_en_rz_02_web.pdf

356 To access the documents for the 4th call, see: NAMA Facility, 4th call application documents, 2016, http://www.nama-facility.org/call-for-projects/4th-call/application-documents/

357 Thematic research into urban NAMAs in Latin America, http://www.euroclima.org/en/services/euroclima-books/item/1183-thematic-study-book-5-methodological-guide-nama

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by IFAD	Year approved
Colombia	NAMA for the domestic refrigeration sector[358]	Energy efficiency	€ 9 million	2015
	The project will be implemented from 2017 to 2021 and seeks to introduce efficient, HFC-free refrigerators into the market and establish a national domestic refrigerator replacement programme as well as the environmentally-safe management of old refrigerators at the end of their useful life.			
Colombia	Colombia transit-oriented development (TOD) NAMA[359]	Transport, infrastructure, urban development	€ 14.9 million	2014
	This NAMA aims to unleash transformative change in the urban fabric of Colombian cities and provide long-term, low-carbon results by building long-lasting infrastructure and locking in efficient land use and travel patterns.			
Costa Rica	Low-carbon coffee NAMA in Costa Rica[360]	Agriculture	€ 7 million	2015
	This NAMA-supported project offers scaling-up potential for roll-out to other sectors of agricultural production in Costa Rica.			
Guatemala	Efficient use of fuel and alternative fuels in indigenous and rural communities[361]	Energy efficiency	€ 10.9 million	2016
	The plan of action aims to: (i) enhance access to efficient technologies, (ii) increase demand, and (iii) promote an enabling environment for sustainable and efficient firewood use.			
Mexico	Implementation of new housing-NAMA in Mexico[362]	Housing	€ 14 million	2013
	This NAMA promotes cost effective energy-efficient building concepts across the housing sector with a particular focus on low-income housing.			

358 http://www.nama-facility.org/projects/colombia-nama-for-the-domestic-refrigeration-sector/

359 http://www.nama-facility.org/projects/colombia-transit-oriented-development-tod-nama/

360 http://www.namacafe.org/en

361 http://www.nama-database.org/index.php/Efficient_Use_of_Fuel_and_Alternative_Fuels_in_Indigenous_and_Rural_Communities

362 http://www.nama-facility.org/projects/implementation-of-the-new-housing-nama-mexico/

NORWEGIAN MINISTRY OF CLIMATE AND ENVIRONMENT

www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/id2000712/

6.21 Norway's International Climate and Forest Initiative (NICFI)

Key facts

- The Norway International Climate and Forest Initiative (NICFI) was launched in 2007 with the aim of supporting developing countries to reduce greenhouse gas emissions caused by deforestation and forest degradation and promote conservation and C_2 capture, collectively known as REDD+[363].
- NICFI's objectives are:
  - To work towards to the inclusion of emissions from deforestation and forest degradation in a new international climate regime.
  - To take early actions to achieve cost-effective and verifiable reductions in greenhouse gas emissions.
  - To promote the conservation of natural forests to maintain their capacity to store carbon.
- The NICFI contributes to several multilateral and bilateral initiatives, including the Brazilian Amazon Fund, Congo Basin Forest Fund (CBFF), the Forest Carbon Partnership Facility (FCPF) and Forest Investment Program (FIP).
- Since its inception, NICFI has committed more than USD 500 million per year, primarily through multilateral channels.
- NICFI is implemented by three key Norwegian Government institutions:
  - The Ministry of the Environment and International Development, which has overall responsibility and houses the NICFI Secretariat.
  - The Ministry of Foreign Affairs, which is responsible for foreign policy and for managing and disbursing funds.
  - The Norwegian Agency for Development Cooperation (NORAD), which provides technical expertise and manages funds for civil society and scientific institutions.

Eligibility

a. Accessing the Initiative

NICFI funds are channelled primarily through multilateral entities. Direct access is also possible.

b. Eligible countries

In principle, all Latin American countries are eligible, provided they are also eligible with the multilateral agency used to access funding. Some of those multilateral funds and programmes (such as FIP) periodically choose pilot countries.

c. Eligibility criteria

The majority of NICFI activities are conducted through multilateral channels, such as the Brazilian Amazon Fund, UN-REDD and World Bank-managed initiatives like the FCPF and FIP.

363 REDD+ is a climate change mitigation mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) that seeks to recognize and provide incentives to developing countries to protect their forest resources, improve their management, and use them sustainably in order to contribute to the global fight against climate change and its impacts.

This multilateral approach seeks to ensure that the beneficiary country has the capacity necessary for the uptake of projects. There are some exceptions for bilateral funding channels: countries that have already made such extensive progress at the national level that support for the implementation of an established strategy can be immediately provided; and countries with which Norway has long, broad-based experience of cooperation on natural resource management, and which have already started internationally supported REDD programmes.

Participation by civil society is considered robust and effective, and for that reason NICFI launched a call for projects among CSOs and will support projects in 39 CSOs over the 2016-2020 period.[364] NICFI is also fostering debate on the importance of private sector participation in REDD+ initiatives.

d. Additional requirements

n/a

e. Thematic sectors

Targeted areas relevant to climate change. REDD+, forest conservation, sustainable forest management, agriculture, enhancing forest carbon stocks, indigenous peoples, forest policy.[365]

Areas that have been financed in recent years in Latin America. REDD+, indigenous peoples, forest policy, agriculture, biodiversity, water.[366]

364 Norad, New agreements with climate and forest organizations from 2016, 2015, https://www.norad.no/en/front/about-norad/news/2015/final-selection-of-nicfi-2016-2020/

365 Norad, Real-time Evaluation of Norway's International Climate and Forest Initiative. Literature review and programme theory, 2016, https://www.norad.no/contentassets/a9fc17536e8a4fc6947f0e7a04eb8a6b/real-time-evaluation-of-nicfi-literature-review-and-programme-theory.pdf

366 Norad, Norwegian climate and forest funding to civil society, https://www.norad.no/en/front/funding/climate-and-forest-initiative-support-scheme/grants-2013-2015/projects/#&sort=date

Financing

f. Available funds

Since its creation in 2008, NICFI has pledged around USD 350 million each year and will continue to do so up to 2020, for initiatives that support REDD+. To date, up to USD 1.6 billion has been invested in programmes in Latin America, Asia and Africa, as well as in multilateral initiatives and in civil society organisations.[367] Brazil has been the main beneficiary of NICFI funding, especially through the Brazilian Amazon Fund. Peru, Colombia and Mexico have also benefited from NICFI-funded projects. Countries also benefit from NICFI support through multilateral programmes and funds and civil society initiatives.[368]

g. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts have been established. Allocations depend on the project proposal.

h. Financial instruments

Grant	Concessional loan

Grants are NICFI's main financial instrument. In some cases, NICFI funds are transferred as concessional loans, depending on the multilateral entity that channels the funds (e.g. FIP).

Applying

i. Selection criteria

NICFI funds are channelled primarily through multilateral entities. The selection criteria for proposals depend on the multilateral initiative in question. The following themes were evaluated during the civil society call for proposals for 2016-2020:

367 Norad, Norway's International Climate and Forest Initiative Factsheet, 2015, https://www.oecd.org/dac/evaluation/Norad-Factsheet-interactive-final.pdf

368 Norad, Norway's REDD+ disbursement, 2017, https://www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/kos-innsikt/how-are-the-funds-being-spent/id734170/

- Reinforcing the private sector's role in reducing deforestation.
- Promoting an international agreement on REDD+.
- Safeguarding the rights and interests of indigenous groups and other forest-reliant communities.
- Combating illegal activities and corruption in the forestry sector.[369]

j. Application process

For multilateral channels, the application process will depend on the procedures established for each programme or fund that receives NICFI funds. For bilateral cases, the process will depend on the circumstances and relations that the country has with other REDD+ initiatives. For projects led by civil society organisations, the process will depend on NORAD's calls for proposals. To date, two calls have been issued—for 2013-2015 and 2016-2020. In 2015, 53 civil society projects were prioritised and passed to the project preparation stage, and 39 were selected to be implemented over the 2016-2020 period.

k. Support for project preparation

NICFI does not offer support for project preparation, but such support may be accessed directly through the programmes and funds financed by NICFI, where available.

l. Safeguards applied

The Government of Norway seeks to uphold the REDD+ environmental and social safeguards, particularly those applicable to indigenous rights.

m. Gender perspective

Despite the Norwegian Government's interest in applying a gender perspective, advances have not been significant and incorporating them as a fundamental part of NICFI's management is still a challenge.[370]

n. Deadlines

Apart from calls for proposals from civil society organisations, deadlines are established by the programme or fund receiving NICFI funds.

o. Forms

The programmes and funds that receive NICFI funding use their own project templates.

Additional comments

n/a

369 Norad, climate and forest funding for civil society 2016-2020, 2016, https://www.norad.no/en/front/funding/climate-and-forest-initiative-support-scheme/grants-2016-2020/

370 Norad, Real-time Evaluation of Norway's International Climate and Forest Initiative, 2014, https://www.norad.no/globalassets/import-2162015-80434-am/www.norad.no-ny/filarkiv/vedlegg-til-publikasjoner/3.14-real-time-evaluation-of-norways-international-climate-and-forest-initiative.-synthesising-report-2007-2013.pdf

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by NICFI	Year approved
Brazil	Reduction of deforestation in Amazonas, Brazil[371]	REDD+	USD 1.0 billion	2008
	NICFI has supported 80 projects through the Brazilian Amazon Fund. The Government of Norway has reiterated its commitment to continue its financial support.			
Colombia	Amazon Vision tropical Amazonian forest project[372]	REDD+	USD 218 million	2016
	The project will be jointly supported by the governments of Norway, Germany and Great Britain.			
Colombia	Capacity Building of Indigenous people in the Colombian Amazon in order to become involved in policies on forest and territorial management policies[373]	Forestry, REDD+	€ 8.4 million	2016
	Given the importance of the Indigenous People's paper in the protection of forests and management of the Amazon, the project will identify the knowledge systems of the Indigenous People on ecosystem management .			
Mexico	Environment, forests and climate change[374]	REDD+	USD 15 million	2010
	Norway's support of the Mexican Government in reducing deforestation and supporting monitoring systems is based on the close political dialogue on climate and forests that the two countries have sustained in recent years.			
Perú	Tropical Amazon forest[375]	REDD+, agriculture, land use	USD 300 million	2014
	This initiative is supported by the governments of Norway and Germany and seeks to support the Peruvian Government's efforts to reduce GHG emissions from deforestation and forest degradation in the Peruvian Amazon.			

371 https://www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/kos-innsikt/brazil-and-the-amazon-fund/id734166/

372 https://www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/kos-innsikt/colombia/id2459245/

373 https://www.norad.no/en/front/funding/climate-and-forest-initiative-support-scheme/grants-2013-2015/projects/educating-amazon-peoples-to-defend-own-territories/

374 https://www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/kos-innsikt/mexico1/id734162/

375 https://www.regjeringen.no/en/topics/climate-and-environment/climate/climate-and-forest-initiative/kos-innsikt/peru/id2345605/

www.thegef.org/topics/special-climate-change-fund-sccf

6.22 Special Climate Change Fund (SCCF)

Key facts[376]

- The Special Climate Change Fund (SCCF) is one of three trust funds managed by the Global Environment Facility (GEF).
- The Fund was established under the United Nations Framework Convention on Climate Change (UNFCCC), was approved in 2001 and entered into operation in November 2004. The Fund has two active windows: adaptation to climate change and technology transfer.[377]
- Programmes financed by the SCCF must be complementary to those funded by the resources allocated to GEF's climate change focal area and/or bilateral and multilateral funding.
- The SCCF does not finance entire projects, but should serve as a catalyst to leverage additional resources from other funding sources.
- The activities financed should be country-driven, and countries must prove they are cost-effective and integrated into national sustainable development and poverty-reduction strategies.
- As a Fund managed by GEF, the SCCF follows the GEF operating policies and procedures and, in order ensure sound financial management, the SCCF follows the GEF's fiduciary standards, result-based frameworks, and monitoring and evaluation practices.

Eligibility

a. Accessing the fund

GEF prepares and implements its projects through ten Implementing agencies: (i) the Asian Development Bank (ADB); (ii) the African Development Bank (AfDB); (iii) the European Bank for Reconstruction and Development (EBRD); (iv) the United Nations Food and Agricultural Organization (FAO); (v) the Inter-American Development Bank (IDB); (vi) the International Fund for Agricultural Development (IFAD); (vii) the United Nations Development Programme (UNDP); (viii) the United Nations Environment Programme (UNEP); (ix) the United Nations Industrial Development Organization (UNIDO); and (x) the World Bank.

b. Eligible countries

Any Non-Annex I country that is a party to the UNFCCC is eligible for project funding under the SCCF.[378]

376 GEF, Accessing resources under the Special Climate Change Fund, 2015, https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf; GEF, UNFCCC Conference of the Parties guidance and GEF responses 1995-2011, 2010, https://www.thegef.org/sites/default/files/publications/GEF_UNFCCC_COP_Guidance_Oct_19_0.pdf

377 The SCCF has four windows: 1. Adaptation, 2. Transfer of technologies, 3. Energy, transport, industry, agriculture, forestry and waste management, and 4. Economic diversification for fossil fuel dependent countries (this refers to non-Annex I countries highly dependent on the production and exportation of fossil fuels). However, to date, only services for adaptation to climate change and transfer of technologies are operating.

378 Decision of the COP7: Conference of the Parties (COP), Seventh Session, October 29–November 10, 2001, Marrakech, Morocco.

c. Eligibility criteria

Open to governments, non-governmental organisations (NGOs), and community organisations in all non-Annex I countries. The SCCF is mandated to give priority to the most vulnerable countries of Asia, Africa and Small Island Developing States. Project submissions can be developed by governments, NGOs, the private sector, community organisations and other civil society organisations. The SCCF adopts the following GEF criteria for financing programmes and projects:

- Is coherent with national priorities and programmes of an eligible country and endorsed by the Government.
- Addresses one or more GEF focal area, improving the global environment or advancing the prospect of reducing risks to it.
- Is consistent with GEF's operational strategy.
- Seeks GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits.
- Involves beneficiaries in project design and implementation.

d. Additional requirements

Projects must respond to national priorities and to GEF's strategic programme objectives, which are approved in each GEF project cycle and then by the corresponding implementing agency. Projects may be small or large, but must focus on "incremental costs" related to climate change. Financing is provided only to address the effects of climate change, in addition to basic development needs in vulnerable socioeconomic sectors.[379]

e. Thematic sectors

Targeted areas relevant to climate change. Adaptation to climate change, with a focus on water resource management, land management, agriculture, health, infrastructure development, fragile ecosystems (including mountainous ecosystems), integrated coastal zone management, and climate disaster risk management. The Fund also focuses on technology transfer, including implementation of the results of technology needs assessments, technology information, capacity building for technology transfer, and enabling environments.[380]

Areas that have been financed in recent years in Latin America. The area most financed has been water resource management, while areas such as renewable energies, biodiversity/ecosystems, coastal zones, agriculture, marine/fishing resources and rural development have also been funded.[381]

Financing

f. Available funds

As of October 2016, the SCCF's funding amounted to USD 367 million. For beneficiary countries in Latin America, approved funding amounts to approximately USD 40 million (October 2016).)[382].

g. Minimum and maximum amounts allocated to projects

No minimum or maximum amounts have been defined. However the SCCF distinguishes between medium- and large-sized projects.[383] The size definition is designed to provide a larger proportion of funding to smaller

379 GEF, Accessing Resources Under the Special Climate Change Fund, 2015, https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf

380 UNEP-ROLAC, Financing climate change adaptation in Latin America and the Caribbean, 2012, http://cambioclimatico-regatta.org/index.php/es/documentos-herramientas?task=callelement&format=raw&item_id=909&element=88344ff4-9867-4fcb-908a-daaf18db35d9&method=download&args%5B0%5D=0

381 GEF, Projects, https://www.thegef.org/projects?f[]=field_p_trustfundname:166&f[]=field_p_focalareas:2207&f%5b%5d=field_p_trustfundname:166&page=7&views%5bview_dom_id%5d=d0addd4a5b29d4deac919bd79165ccbf&views%5bview_name%5d=projects_listing_search&views%5bview_display_id%5d=page&views%5bview_path%5d=projects&index_id=main&facet_field=field_p_implagencies

382 Climate Funds Update, Special Climate Change Fund, 2016, http://www.climatefundsupdate.org/listing/special-climate-change-fund

383 GEF, Accessing Resources Under the Special Climate Change Fund, 2015, https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf

projects and less to larger ones: (i) projects valued at less than USD 1 million may receive financing of up to 50%; (ii) those requiring between USD 1 million and USD 5 million may receive up to one-third of their project costs, and (iii) projects requesting more than USD 5 million, may receive up to one-quarter of the project cost.

h. Financial instruments

Grant

Projects must have additional sources of co-financing, as SCCF grants do not finance the entire project but serve as a catalyst for obtaining other funding sources.[384]

The rationale behind this concept of co-financing is to use the SCCF funds to catalyse adaptation to climate change in the context of a larger development intervention. In this case, co-financing can include development assistance (bilateral or multilateral), government budget lines, and NGO and community group contributions, in the form of cash/grant, or loan, whether concessional or in-kind.

Using SCCF financing to mainstream adaptation into large investment projects has the potential of having a greater impact, taking advantage of synergies and achieving the benefits of economies of scale.

Applying

i. Selection criteria

The Fund has agreed upon the following preselection criteria:

- Project or programme quality.
- Balanced distribution of funds in the eligible countries, with an emphasis on vulnerable non-Annex I countries that have not previously had access.
- Equitable regional distribution.
- Balanced support for all priority sectors.
- Balanced distribution among GEF agencies based on comparative advantage.
- Funds available for project preparation.[385]

The approval process for SCCF projects and programmes analyses the relevance and urgency of the adaptation actions by comparing the likely business-as-usual (BAU) development conditions in the absence of climate change with the additional conditions imposed by climate change that require adaptation.

j. Application process

The application process depends on the size of the project.[386] For projects valued at more than US$ 1 million, there are two steps: (i) Preparation of the project concept (PIF) by the proponent in collaboration with one of the ten GEF implementing agencies, and review of the project concept by the GEF Secretariat. If the GEF Secretariat recommends the PIF, it is web-posted for the LDCF/SCCF Council (Least Developed Countries Fund), which has 4 weeks to review the PIF prior to the Council meeting on the work programme. Approval is granted on a no-objection basis.

If a project preparation grant request has been approved, the funding for that is released. (ii)Project preparation (up to a maximum of 18 months after the approval date) and ratification/approval of the project document (processed by the GEF in 10 business days, distribution to the Council where applicable, and approval of the project by the GEF CEO). Disbursement and implementation follow.

For projects up to USD 1 million, there are two options:

Option 1. Preparation of the project concept by the proponent in partnership with one of the ten GEF Agencies and ratification/approval of the project

384 UNEP-REGATTA, Financing opportunities - Special Climate Change Fund (SCCF), 2016, http://www.cambioclimatico-regatta.org/index.php/en/financing-opportunities/item/fondo-especial-para-el-cambio-climatico-fecc-2

385 Climate funds update, Special Climate Change Fund, 2016, http://www.climatefundsupdate.org/listing/special-climate-change-fund

386 More details are available on page 11 of the GEF document, GEF, Accessing Resources Under the Special Climate Change Fund, 2015, https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf

document (submission of the complete project document, approval of the project by the CEO, disbursement and implementation).

Option 2. (i) Preparation of a project concept by the proponent in collaboration with one of the ten GEF Agencies, and review of the project concept by the GEF Secretariat (the project concept and request for project preparation support is either approved, or the project is returned for revisions, or it is rejected, where inadmissible). Once approved, the grant for project preparation is released. (ii) Project preparation (up to a maximum of 12 months after the approval date) and ratification/approval of the project document (processed by the GEF in 10 business days, and project approval by the CEO). Disbursement and implementation follow.

k. Support for project preparation

GEF may authorise a grant for the project preparation stage, consisting of a small amount of funds that can be put towards the project preparation costs incurred by the project proponent. The GEF implementing agency selected also provides support and accompaniment through all stages of the process as part of GEF's regular project preparation support.[387]

l. Safeguards applied

The safeguards policy[388] includes minimum criteria regarding the following: 1) environmental and social impact assessment; 2) natural habitats; 3) involuntary resettlement; 4) indigenous peoples; 5) pest management; 6) physical cultural resources; and 7) safety of dams. GEF's policy on gender mainstreaming includes provisions that are applicable to both the Secretariat and to GEF Agencies.

m. Gender perspective

The GEF recognizes that gender equality and gender equity are important social goals in themselves while also having consequences for the projects that it finances. GEF seeks to attain global environmental benefits and sustainable development while promoting gender equality and women's empowerment. With the Gender Equality Action Plan[389], GEF has put into practice its gender mainstreaming policy,[390] approved in 2011, under which both the GEF Secretariat and its partner agencies must strive to achieve the goal of gender equality, the equal treatment of women and men, including equal access to resources and services through its operations.

n. Deadlines

No deadlines have been established. Project proposals may be submitted to the SCCF throughout the year and their assessment will depend on the relevance and urgency of the adaptation actions and on available funds. In relation to timeframes for project preparation, as of the date they are approved, projects greater than USD1 million will have a maximum of 18 months, while those less than USD 1 million have up to 12 months.

o. Forms

The SCCF has specific templates for projects that can be downloaded from the GEF website.

Additional comments

The LDCF/SCCF Council is the main governing body of the SCCF, and as such it is responsible for developing, adopting, and evaluating SCCF policies and programmes. It is comprised of 32 members who represent GEF member countries, 14 from donor constituencies and 18 from recipient constituencies, and makes decisions by consensus.

387 GEF, Accessing Resources Under the Special Climate Change Fund, 2015, https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf

388 GEF, Application of the Policy on Agency Minimum Standards on Environmental and Social Safeguards, 2015, https://www.thegef.org/sites/default/files/documents/Guidelines_Application_of_Environmental_and_Social_Safeguard_Policy_2015.pdf

389 GEF, GEF Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming, 2011, https://www.thegef.org/sites/default/files/council-meeting-documents/C.40.10.Rev_1.GEF_Policies_on_Safeguards_and_Gender.May_25_2011_1.pdf

390 GEF, Policy on Gender Mainstreaming, 2012, https://www.thegef.org/sites/default/files/documents/Gender_Mainstreaming_Policy-2012_0.pdf

p. Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by SCCF	Year approved
Chile	Strengthening the adaptive capacity to climate change in the fisheries and aquaculture sector[391]	Fisheries, marine resources	USD 1,000 millones	2008
	The project seeks to reduce vulnerability and increase the adaptive capacity to climate change of Chile's fisheries and aquaculture sector.			
Colombia	Adaptation to climate impacts in water regulation and supply for the area of Chingaza - Sumapaz - Guerrero[392]	Water resources	USD 4.22 million	2013
	The project seeks to strengthen the hydrological buffering and regulation capacity of the upper watershed of Chingaza-Sumapaz-Guerrero that supplies drinking water to the Bogotá metropolitan area and the adjoining rural municipalities.			
Costa Rica	Strengthening capacities of rural aqueduct associations (ASADAS) to address climate change risks in water stressed communities of northern Costa Rica[393]	Water resources	USD 5.15 million	2016
	The project seeks to improve water supply and promote sustainable water practices of end users and productive sectors by advancing community- and ecosystem-based measures in rural aqueduct associations (ASADAS).			
Mexico	Adaptation to climate change impacts on the coastal wetlands[394]	Coastal zones, marine resources	USD 7.2 million	2016
	The objective of the project is to promote adaptation to the consequences of climate impacts in the coastal wetlands of the Gulf of Mexico, by assessing climate effects in the sector and implementing pilot measures to reduce vulnerability.			
Nicaragua	Adaptation of Nicaragua's water supplies to climate change[395]	Water resources	USD 6.0 million	2012
	The project's development objective is to enhance climate resilience through investments in Nicaragua's rural water supply sector to cope with both increasing climate variability and expected adverse impacts of climate change in selected areas.			

391 https://www.thegef.org/project/strengthening-adaptive-capacity-climate-change-fisheries-and-aquaculture-sector

392 https://www.thegef.org/project/adaptation-climate-impacts-water-regulation-and-supply-area-chingaza-sumapaz-guerrero

393 https://www.thegef.org/project/strengthening-capacities-rural-aqueduct-associations-asadas-address-climate-change-risks

394 https://www.thegef.org/project/adaptation-climate-change-impacts-coastal-wetlands

395 https://www.thegef.org/project/adaptation-nicaraguas-water-supplies-climate-change

WORLD BANK GROUP

www.climateinvestmentfunds.org/fund/strategic-climate-fund

6.23 Strategic Climate Fund (FEC)

Key facts

- The Strategic Climate Fund (SCF) is one of two multi-donor trust funds of the Climate Investment Funds (CIF)[396], initiated by the governments of the United Kingdom, the USA and Japan in early 2008.
- The SCF seeks to help developing countries transform their economies through low-carbon development and capacity building for adaptation to climate change.
- The Fund's resources are channelled through multilateral development banks.
- SCF supports three targeted programs with dedicated funding to explore new approaches with potential for scaled-up, transformational action aimed at a specific climate change challenge or sectoral response, namely: (i) the Forest Investment Program (FIP)[397]; (ii) the Pilot Program for Climate Resilience (PPCR)[398]; and (iii) the Program for Scaling-up Renewable Energy in Low-income Countries (SREP)[399].
- The SCF is designed to: (i) provide experience and lessons through learning-by-doing; (ii) channel new and additional financing for climate change mitigation and adaptation; (iii) provide incentives for scaled-up and transformational action in the context of poverty reduction; and (iv) provide incentives to maintain, restore and enhance carbon-rich natural ecosystems and maximize the co-benefits of sustainable development.

Eligibility

a. Accessing the fund

SCF funds are channelled through the following multilateral development banks (MDBs): African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and the World Bank Group (International Finance Corporation and the World Bank).

396 The CIFs are designed to contribute to a global solution to climate change by sharing lessons and experiences in an inclusive, transparent and strategic manner. Together they have resources amounting to USD 8.3 billion. For more information, see: CIF, The Climate Investment Funds, https://www.climateinvestmentfunds.org/ .

397 The FIP's aim is to support the efforts of developing countries to reduce emissions from deforestation and forest degradation through scaled-up financing for readiness reforms and public and private investment.

398 The PPCR's aim is to support countries in integrating climate change adaptation measures into their national development plans. The PPCR assists national governments in integrating climate resilience into development planning across sectors and stakeholder groups and provides additional funding to put the plan into action and to pilot innovative public and private sector solutions to minimise pressing climate-related risks.

399 The SREP's aim is to demonstrate the social, economic, and environmental viability of low carbon development pathways in the energy sector. It seeks to create new economic opportunities and increase energy access through the production and use of renewable energy.

b. Eligible countries

The countries in the Latin American region that have been selected for pilots in the three SCF programmes to date are: Brazil, Ecuador, Guatemala, Honduras, Mexico and Peru (FIP), Bolivia and Honduras (PPCR), and Honduras and Nicaragua (SREP).

c. Eligibility criteria

Taking into account particular funding and technology transfer needs, as set out in articles 4.8 and 4.9[400] of the UNFCCC, in choosing a pilot country, the SCF considers:

- Eligibility criteria for official development assistance (ODA), as established in the OECD's DAC guidelines.
- Whether there is an active multilateral development bank (MDB) programme in the country[401].

Priority will be given to highly vulnerable Least Developed Countries eligible for MDB concessional funds, including the Small Island Developing States among them. The final selection of pilot countries will be the decision of each SCF programme, based on advice from an expert group.[402]

d. Additional requirements

In the case of the Program for scaling-up renewable energies in low-income countries (SREP), pilot countries must not be already receiving support from the Clean Technology Fund (CTF).

400 Article 4.8 of the UNFCCC calls upon the Parties to consider measures to meet the needs and specific concerns of developing countries in regard to the impacts of climate change, and lists categories of countries (such as Small Island States and countries whose economies depend heavily on fossil fuels). Article 4.9 refers specifically to the needs and special situation of the least developed countries (LDCs) in regard to financing and the transfer of technology.

401 A country is deemed to have an "active" programme when a multilateral development bank has a lending program and/or ongoing policy dialogue with that country.

402 World Bank Group, Strategic Climate Fund, 2008, https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/strategic_climate_fund_final.pdf

e. Thematic sectors

Targeted areas relevant to climate change. Each SCF program has its own areas of intervention, as follows:

- FIP: capacity building, sustainable forest management, landscape approaches, smart agriculture, forest monitoring, indigenous peoples, forestation and reforestation and agroforestry.[403]
- PPCR: agriculture and landscape management, climate information systems and disaster risk management, coastal zone management, enabling environment, infrastructure, urban development and water resource management.[404]
- SREP: scaling-up renewable energy projects to increase access to energy and improve economic opportunities.[405]

Areas that have been financed in recent years in Latin America. Agriculture, food security, water resources, forests/REDD+, institutional strengthening, indigenous peoples (FIP); and water resources (PPCR); energy efficiency, renewable energy, geothermal energy and rural development (SREP).[406]

Financing

f. Available funds

According to the CIF 2016 Annual Report[407], at year-end 2016, the funds supported by the SCF were as follows:

403 Climate Investment Funds (CIF), Forest Investment Program, https://www.climateinvestmentfunds.org/fund/forest-investment-program

404 CIF, Pilot Program for Climate Resilience, https://www.climateinvestmentfunds.org/fund/pilot-program-climate-resilience

405 CIF, Scaling Up Renewable Energy Program, https://www.climateinvestmentfunds.org/fund/scaling-renewable-energy-program

406 CIF, Projects, https://www.climateinvestmentfunds.org/projects

407 CIF, Annual Report, 2015, http://www.climateinvestmentfunds.org/sites/default/files/

FIP. USD 723 million pledged, including USD 364 million approved for implementation, and 40% allocated to the Latin American and Caribbean region.

PPCR. USD 1.2 billion pledged, including USD 949 million approved for implementation, with 25% allocated to the Latin American and Caribbean region.

SREP. USD 720 million pledged, including USD 264 million approved for implementation, and 13% allocated to the Latin American and Caribbean region.

It should be noted that 28% of CIF funds have been allocated to the private sector.

g. Minimum and maximum amounts allocated to projects

There are no predetermined amounts; the allocation will depend on the project proposal.

h. Financial instruments

Grant	Concessional loan
Guarantee	

The sub-committees of each programme decide which type of financial instrument will be extended to a given project or programme, whether grant, guarantee or low-interest concessional loan.

Applying

i. Selection criteria

All project proposals must demonstrate the potential for scaling-up lessons learned in the pilot and demonstration projects and programmes. A key criterion will be the demonstration and/or replication potential, specifically the potential for removing barriers in the enabling environment beyond the immediate project boundary in order to facilitate scaling up through private sector investment. The criteria employed by each specific programme are as follows:

annual-report-2016/CIF_Report_Web.pdf

- FIP projects and programmes will be evaluated on the basis of (i) Climate change mitigation potential; (ii) Demonstration of potential at scale; (iii) Cost-effectiveness; (iv) Implementation potential; (v) Integrating sustainable development (co-benefits); and (vi) protection of natural forests and prevention of support for industrial logging, the conversion of natural forests to tree plantations or other large-scale agricultural conversion.[408]
- According to PPCR criteria, interested countries must demonstrate that: (i) the funds allocated will help to build capacities for climate resilience into development strategies; (ii) development strategies and plans take an inclusive approach to climate resilience; and (iii) there is increasing attention given to the potential impacts of climate change.[409]
- Under the SREP, minimum selection criteria include: (i) consistency with SREP goals, principles and investment criteria; and (ii) alignment with the objective of the investment plan in the pilot country. Additional selection criteria include: (i) transparent assessment of need, determined by high dependence on conventional fuels for electricity generation; low electricity access and/or high dependence on the traditional use of biomass for thermal applications; (ii) the country's stated interest in taking a programmatic approach to large scale renewable energy development that could lead towards a low carbon development pathway in the energy sector; (iii) institutional capacity to undertake a large scale SREP-funded program; (iv) project distribution across countries and regions (with a special focus on Sub-Saharan Africa); and (v) in-country renewable energy potential and scope including availability or abundance of renewable resources.[410]

408 Climate Funds Update, Forest Investment Program, 2016, http://www.climatefundsupdate.org/listing/forest-investment-program

409 CIF, Report of the Expert Group for the Selection of New Pilot Countries under the Pilot Program for Climate Resilience, 2015, https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ppcr_16_4_report_of_the_eg_to_the_ppcr_sub_committee_on_selection_of_new_pilot_countries_0.pdf

410 CIF, Criteria for Selecting Country and Regional

j. Application process

The application process is different for each programme, according to the following cycles:

- FIP: (i) The programme sub-committee decides on the selection criteria and number of country or regional pilots. (ii) The Climate Investment Fund's administrative unit, along with multilateral development banks, invites the countries selected to present expressions of interest. (iii) The sub-committee approves the selected countries or regions on the basis of an expert group report. (iv) The countries selected are invited to confirm their interest by appointing a government focal point. (v) An investment strategy is formulated, led by the government, with the participation of an MDB mission. (vi)Tthe programme sub-committee endorses the Investment strategy, then projects and programmes are developed. (vii) The sub-committee approves financing for the projects and programmes. (viii) Projects are processed through an MDB.[411]
- PPCR: (i) The CIF Administrative Unit, through MDBs, informs prospective countries and invites them to submit proposals. (ii) The sub-committee, informed by expert review, identifies country or regional pilots. (iii) Country-led, joint MDB missions are organised to engage with the government, appropriate UN offices in the country, private sector organisations, national civil society and other stakeholders on how the pilot programme may enhance the climate resilience of national development plans, strategies and financing. (iv) Recipient countries and relevant MDBs jointly prepare proposals to submit to the PPCR. (v) The PPCR sub-committee approves allocation of resources for programmes and other activities and costs based on the proposals submitted.[412]
- SREP: (i) The SREP sub-committee agrees upon the number of pilots and the selection criteria. (ii) The CIF administrative unit, through the MDBs, informs countries and invites expressions of interest. (iii) The expert group reports on pilot country selection; (iv) an MDB scoping mission is organised at the invitation of the government to assess readiness and capacity for investment plans; (v) Where requested, MDBs may advance grants to assist in the development of investment plans; (vi) the SREP sub-committee endorses the investment plan; (vii) Investment and financing proposals are developed; (viii) The SREP sub-committee approves financing for investments and other proposals.[413]

k. Support for project preparation

The MDBs are responsible for providing the support needed to enable access to SCF program resources.

l. Safeguards applied

Each MDB has its own environmental and social safeguards applied to project proposals submitted to it, and therefore the safeguards applied will depend on the MDB through which SCF funding is channelled.

m. Gender perspective

The Climate Investment Funds (CIF) are committed to incorporating gender issues into their programmes, investment plans and projects. To this end, the CIF Gender Action Plan[414] includes particular attention to CIF governance and operations, to ensure there is:

Pilots under the Program for Scaling up Renewable Energy in Low Income Countries, 2010, https://www.climateinvestmentfunds.org/sites/default/files/SREP%20Criteria%20country%20and%20region%20program%20selection_final_022410.pdf

411 Climate funds update, Forest Investment Program, 2016, http://www.climatefundsupdate.org/listing/forest-investment-program

412 Climate Funds Update, Pilot Program for Climate Resilience, http://www.climatefundsupdate.org/listing/pilot-program-for-climate-resilience

413 Climate Funds Update, Scaling-Up Renewable Energy Program for Low Income Countries, http://www.climatefundsupdate.org/listing/scaling-up-renewable-energy-program

414 The Gender Action Plan is divided into two stages: Stage 1 (2015-2016), which aimed to mainstream gender in CIF policies and programming, and Stage 2 (2017-2020), which continues the mainstreaming objective and the CIFs pledge to maintain focus on gender issues up to the 2020 fiscal year. Phase two also foresees the formalisation of a CIF gender

- Gender expertise in the investment plan and on project missions.
- Gender analysis tied to the sector and providing national strategy context.
- Improved beneficiary identification and targeting.
- Inclusion of women and women's organisations in CIF-related consultations in-country.
- Gender-responsive monitoring and evaluation, including sex-disaggregated reporting of data.

It should also be noted that each MDB has developed its own official gender policies and mandates.

n. Deadlines

The SCF's Trust Fund Committee is the body that oversees, makes operational decisions, and approves programmes and the eligibility criteria of the SCF, ensuring that the strategic orientation of the SCF is guided by the principles of the United Nations Framework Convention on Climate Change by establishing a sub-committee for each SCF program.

The sub-committees determine how often they will meet, but this will not be less than once a year concurrently with the Trust Fund Committee. The sub-committee may review and approve trust fund financing for programmes and projects without meeting, but through such other means and procedures appropriate for project or programme review.[415]

o. Forms

Guidelines are available that outline the information that must be included in any request for funding from SCF programmes, which includes the following: description of the project/programme; consistency with investment criteria; stakeholder engagement; gender considerations; indicators and targets; co-financing.[416]

Additional comments

A key feature of CIF programming is the role of the MDBs. The largest development organisations in the world, the MDBs, offer grants and financing under favourable conditions, as well as extensive technical knowledge and experience in project design and implementation.

MDB involvement also helps to mitigate risk and encourages other stakeholders to participate, thereby facilitating the mobilisation of co-financing and harmonisation of policy support.

The CIF leverages financing not only from the MDBs themselves, but also from other development entities (including UN agencies and bilateral development agencies) and the private sector, thereby demonstrating the potential of scaled-up, blended development financing.

policy; scaling-up of gender technical support to individual Investment plan and project preparation, and new tools in the form of sector- and program-specific guidance sheets to support teams. See: CIF, Gender Action Plan – Phase 2 (revised), 2016, https://climateinvestmentfunds.org/sites/default/files/ctf_scf_decision_by_mail_cif_gender_action_plan_phase_2_final_revised.pdf

415 World Bank Group, Strategic Climate Fund, 2008, https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/strategic_climate_fund_final.pdf

416 See, for example: http://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/cover_page_bo-l1181.pdf

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by the SCF	Year approved
Bolivia	Climate resilience – integrated basin management project[417]	Water resources	USD 46 million	2014
	PPCR-supported project. A programme to strengthen institutional capacity through defining a new integrated river basin management approach to climate change adaptation.			
Brazil	Environmental regularization of rural land in the Cerrado of Brazil[418]	Forests	USD 32 million	2014
	FIP-supported project. A capacity-building project aimed at providing assistance through capacity building to the governments of several states to enable coordination and updating of a nationwide land use registry.			
Colombia	Renewable energy financing programme for interconnected areas[419]	Energy	USD 10.5 million	2016
	The objective is to promote and scale up private renewable energy generation investments in non-interconnected areas in Colombia, at the same time as reducing greenhouse gas emissions and demonstrating the viability of a model to finance and structure renewable energy projects in Latin America and the Caribbean.			
Honduras	Honduras –PSSA: Self-Supply Renewable Energy Guarantee Program[420]	Renewable energy	USD 5.5 million	2014
	SREP-supported project. A project to support the installation of at least 20MW of self-supply renewable energy facilities.			
Mexico	Forests and climate change project[421]	Forests	USD 42 million	2012
	FIP-supported project that helps to ensure the sustainable management, restoration and expansion of Mexico's forest resources.			
Peru	Dedicated grant mechanism for indigenous peoples and local communities (IBRD)[422]	Forests, agriculture	USD 5.5 million	2015
	FIP-supported project that seeks to strengthen the role of indigenous populations and local communities in the area of forests and REDD+.			

417 CIF, Climate Resilience - Integrated Basin Management Project, https://www.climateinvestmentfunds.org/projects/climate-resilience-integrated-basin-management-project

418 CIF, Environmental Regularization of Rural Lands in the Cerrado of Brazil, https://www.climateinvestmentfunds.org/projects/environmental-regularization-rural-lands-cerrado-brazil

419 https://www.climateinvestmentfunds.org/projects/dpsp-ii-colombia-renewable-energy-financing-program-non-integrated-zones-idb-ctf

420 CIF, Honduras - PSSA: Self-Supply Renewable Energy Guarantee Program, https://www.climateinvestmentfunds.org/projects/honduras-pssa-self-supply-renewable-energy-guarantee-program

421 CIF, Forests and Climate Change Project, https://www.climateinvestmentfunds.org/projects/forests-and-climate-change-project

422 CIF, Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (IBRD), https://www.climateinvestmentfunds.org/projects/dedicated-grant-mechanism-indigenous-peoples-and-local-communities-ibrd

UN-REDD PROGRAMME

www.un-redd.org

6.24 UN-REDD Programme

Key facts

- The UN-REDD programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).
- REDD+[423] supports nationally led REDD+ processes and promotes the involvement of all stakeholders, including indigenous peoples and other forest-dependent communities.
- The Programme's general objective is to reduce forest emissions and enhance forest carbon stocks while contributing to national sustainable development.
- The programme now has over 60 partner countries spanning Africa, Asia-Pacific and Latin America that have gradually joined in the work of REDD+ while pursuing their own national strategic process for forest-centred work.
- The programme directly supports partner countries in the design and implementation of national REDD+[424] programmes, complementary tailored support (in response to official country requests) and capacity building by facilitating knowledge sharing and South-South cooperation.
- The governance arrangements of the 2016-2020 UN-REDD Programme are focused on the participation of a variety of stakeholders including partner countries, donors, indigenous peoples, civil society organisations and participating United Nations agencies.[425]

Eligibility

a. Accessing the Programme

National governments, development banks and civil society organisations can access funding from the UN-REDD programme through FAO, UNDP and/or UNEP as implementing agencies.[426]

b. Eligible countries

Eligible countries in Latin America are Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru.

c. Eligibility criteria

Countries must be REDD programme partners to be eligible for support. To become a partner, countries must complete a request indicating clearly the type of support sought and the focal areas they wish to

423 REDD+ is an approach to climate change mitigation designed to provide incentives to developing countries for reducing carbon emissions through actions on deforestation and forest degradation, conservation, sustainable forest management and enhancing carbon capture. REDD+ processes, therefore, involve the development of national activities oriented to achieving climate change mitigation targets by efforts in the abovementioned areas.

424 National REDD+ programmes consist of strategic actions coordinated and integrated at the national level and oriented to mitigation from a REDD+ perspective. The UN-REDD programme has provided direct support to countries during the design and implementation stages of national programmes, particularly for preparing national REDD+ strategies, for building monitoring systems and for engagement with relevant stakeholders, as well as for the evaluation of shared benefits.

425 UN-REDD Programme, How we work, 2016, http://www.un-redd.org/how-we-work

426 Climate Funds Update, UN-REDD Programme, 2016, http://www.climatefundsupdate.org/listing/un-redd-programme

participate in. Applications must include a Focal Point for communications with the programme and must be sent to the programme secretariat. The process is undertaken once prior interest has been defined at the national level for implementing REDD+- actions.

d. Additional requirements

- Projects must be framed within the areas and mechanisms of the UN-REDD programme.
- Projects must clearly present the level of participation and involvement of strategic stakeholders, including indigenous peoples and local communities.
- Consideration for safeguards is indicated as an essential requirement.
- Particular value will be placed on the incorporation of a gender perspective in projects.

e. Thematic sectors

Targeted areas relevant to climate change. Conservation of forest biodiversity (with a mitigation perspective), water regulation, soil conservation, wood, forest food and other non-wood forest products, reducing carbon emissions from deforestation, reducing carbon emissions from forest degradation, conservation of forest carbon stocks, sustainable forest management, enhancing forest carbon stocks.[427]

Areas that have been financed in recent years in Latin America. Sustainable management of forests and forest resources, reduction of carbon emissions from deforestation, reduction of carbon emissions from forest degradation, enhancement of forest carbon stocks, biodiversity.

427 UN-REDD Programme, UN-REDD Programme Strategic Framework 2016-20, 2015, http://www.redd-monitor.org/wp-content/uploads/2016/11/UNREDD_PB14_2015_Strategic-Framework-2016-20-7May2015-130662-1.pdf

Financing

f. Available funds

Thanks to the support of the European Union, Denmark, Japan, Luxemburg, Norway, Spain and Switzerland[428], total financing amounted to USD 283.1 million as of January 2017, with a net amount of USD 272.1 million in transfers to implementing agencies (FAO, UNDP and UNEP), and USD 203.6 million in disbursements. In 2016, transfers to agencies amounted to USD 32.9 million and expenses amounted to USD 35.2 million.[429] To date, as of September 2016, the UN-REDD Programme has allocated more than USD 26.7 million to countries in the Latin American region.[430]

g. Minimum and maximum amounts allocated to projects

Information not available.

h. Financial instruments

Grant	Technical assistance

Support for capacity building has been focused on certain strategic areas, including national forest monitoring systems and forest reference emission levels; REDD+ safeguards; multiple benefits; national REDD+ governance; green economies; participation of strategic stakeholders; knowledge management and experience sharing.

428 Contributions deposited by donors as of December 2016 (in millions of USD) Norway USD 243.4; European Union USD 15.5; Denmark USD 9.898; Spain USD 4.5; Japan USD 3.046; Luxemburg USD 2.674; Switzerland USD 0.2. http://mptf.undp.org/factsheet/fund/CCF00?fund_status_month_to=&fund_status_year_to=2017

429 UN-REDD Programme, Annual Report 2015 – The Seventh Consolidated Annual Progress Report of the UN-REDD Programme Fund, 2015, http://www.unredd.net/documents/programme-progress-reports-785/2015-programme-progress-reports/2015-annual-report/15468-2015-annual-report-the-seventh-consolidated-annual-progress-report-of-the-un-redd-programme-fund.html

430 Climate Funds Update, UN-REDD Programme, 2016, http://www.climatefundsupdate.org/listing/un-redd-programme

Applying

i. Selection criteria

Funding allocations to national programmes are prioritised on the basis of the following criteria:

- Ability of the proposal to enhance coordination with other initiatives.
- Ability of United Nations agencies to assist the country applying.
- Ability to demonstrate progress/results in the short term based on REDD+ early action;
- REDD+ potential as measured by the Theory of Change formulated by the programme.
- Actions proposed respond to national REDD+ policies and strategies.
- Demonstrated participation and involvement of strategic national partners, particularly indigenous peoples and local communities, in the design and implementation of national REDD+ strategies and plans.[431]

j. Application process

Several sources of information indicate that project selection and preparation is subject to the timeframes and working guidelines of FAO, UNDP or UNEP, as applicable.

k. Support for project preparation:

Along with other multilateral and bilateral initiatives, the UN-REDD programme offers support to countries to build the necessary capacities to enable them to meet the requirements of REDD+ (REDD+ readiness support). This includes both financial and technical support in REDD+-related work areas, including governance, engagement with strategic stakeholders, development of a national REDD+ strategy/plan, designing a safeguards information system, and developing forest reference emission levels and national forest monitoring systems.[432]

l. Safeguards applied

REDD+ has the potential to provide social and environmental benefits that go beyond the reduction of greenhouse gas emissions. However, there is also the possibility of risks occurring during REDD+ implementation.

In that regard, UN-REDD is working to develop tools and guides to enhance the multiple benefits and reduce the risks of REDD+. As part of that effort, the UN-REDD programme has developed a series of social and environmental principles and criteria (SEPC) as a guiding framework.

The SEPCs reflect the UN-REDD programme's responsibility to apply a human-rights based perspective in its programming, to uphold United Nations conventions, agreements and declarations, and to apply the policies and procedures of the United Nations agencies.[433] Additionally, the UNFCCC COP 16 has adopted the Cancun Safeguards, which reflect human rights, environmental protection and governance obligations and must be respected throughout REDD+ implementation. Through the Community-Based REDD+ Initiative (CBR+)[434], the

431 UN-REDD Programme, UN-REDD Programme Strategic Framework 2016-20, 2016, http://www.redd-monitor.org/wp-content/uploads/2016/11/UNREDD_PB14_2015_Strategic-Framework-2016-20-7May2015-130662-1.pdf; Climate Funds Update, UN-REDD Programme, 2016, http://www.climatefundsupdate.org/listing/un-redd-programme

432 UN-REDD Programme, Fact sheet: About REDD+, 2016, http://www.unredd.net/index.php?option=com_docman&view=document&alias=15279-fact-sheet-about-redd&category_slug=fact-sheets&Itemid=134

433 For more information, see the document: UN-REDD Programme, UN-REDD Programme social and environmental principles and criteria, 2012, http://www.unredd.net/documents/global-programme-191/safeguards-multiple-benefits-297/workshops-and-events-1316/redd-beyond-carbon-workshop-2649/presentations-day-1-2652/8745-un-redd-sepc-and-bert-8745.html

434 CBR+ is a partnership between the UN-REDD Programme and the GEF Small Grants Programme (SGP) implemented by the UNDP to provide grants directly to indigenous peoples and local communities to enhance appropriation and participation in the design, implementation and monitoring of REDD+ readiness activities, as well as to develop local experiences, lessons and recommendations at the local level to provide feedback to national REDD+ processes (See: UN-REDD Programme, UN-REDD Programme: Community-Based REDD+ (CBR+) Fact Sheet, 2015, http://www.unredd.net/~unredd/index.php?view=document&alias=14844-community-based-redd-cbr-fact-sheet&category_

programme provides small grants to indigenous peoples for REDD+ readiness activities in the field.

m. Gender perspective

The UN-REDD programme seeks to contribute to gender equality and the full participation and empowerment of women. To this end, the programme takes a gender mainstreaming approach in which gender equality and women's empowerment are addressed both in their own right and as cross-cutting themes in the programme's work and thematic areas.

A gender perspective in interventions can contribute both to improving sustainable forest management in the long term, as well as offering greater benefits to the indigenous peoples and communities affected. With the programme's support, 29 countries have been able to integrate activities designed to strengthen the participation of women and gender equality in national UN-REDD programmes.[435]

n. Deadlines

Deadlines for the submission of applications are determined by the timeframes and procedures established by each implementing agency, fund or programme (UNDP, UNEP and FAO). Where UN-REDD programme support is for national programmes, countries define a work programme during a three-year period.

o. Form

Although it has not been possible to identify an official project template, projects implemented to date have used a project template very similar to the one used by UNDP, so it is possible that an agreement exists between the UN-REDD programme and the three implementing agencies in this regard.

Additional comments

Governance arrangements for the UN-REDD Programme from 2016 to 2020 are as follows:

The Executive Board. The Board is responsible for general oversight of the programme and decision-making on allocating the programme's resources. It meets twice a year and more frequently, as necessary to efficiently perform its duties and responsibilities.

The UN Programme Assembly. This programme operates as a broad-based multilateral forum whose role is to promote consultation, dialogue and the sharing of knowledge among the programme's partners.

National Steering Committees. The National Steering Committees are responsible for facilitating country appropriation and shared decision making for the national REDD+ programmes. They include representatives of civil society and indigenous peoples. Each National Steering Committee supervises national programmes and handles any delays, changes or reorientations of in programmes to ensure their appropriate alignment and delivery of outcomes.

The Office of the Multi-Partner Trust Fund. This office administrates the UN-REDD programme funds.

slug=session-7-social-inclusion-and-redd-1&layout=default&option=com_docman&Itemid=134

435 UN-REDD Programme, Key Achievements of the UN-REDD Programme 2008 – 2016, 2017, http://www.unredd.net/documents/redd-papers-and-publications-90/un-redd-publications-1191/15996-key-achievements-of-the-un-redd-programme-2008-2016.html ; UN-REDD Programme, Annual Report 2015 - The Seventh Consolidated Annual Progress Report of the UN-REDD Programme Fund, 2015, http://www.unredd.net/documents/programme-progress-reports-785/2015-programme-progress-reports/2015-annual-report/15468-2015-annual-report-the-seventh-consolidated-annual-progress-report-of-the-un-redd-programme-fund.html

Projects approved in recent years in Latin America, according to the 2015 Annual Report[436]

Country	Project	Thematic sectors	Amount contributed by UN-REDD+	Year approved
Bolivia	National forest monitoring system (NFMS)[437]	Sustainable forest management	USD 1,187,591	2015
	In 2015, Bolivia developed a joint climate change mitigation and adaptation mechanism for Bolivian forests, targeting integrated forest management. The initiative includes the design and development of a tool, in the form of a web dissemination platform and updating of the official change in land use map, deforestation rates, historic deforestation, and national forest inventory. The project includes prototype forest monitoring systems that integrate information from various forest information systems at the state level and from civil society and identify the technical stakeholders in charge of forest monitoring.			
Chile	» National REDD+ Strategy/Plan of Action » Forest reference emission levels/ Forest reference levels (FREL / FRL)	Sustainable forest management	USD 560,000	2015
	This targeted support is being provided to the National Forest Corporation (CONAF) for the design and pilot implementation of an Environmental Forest Fund replicable at national level, which will enable actual payment for environmental services and a scheme for smallholder farmers. CONAF was also supported in the preparation of the country's submission of its FREL/FRL to the UNFCCC.			
Costa Rica	» National REDD+ Strategy / Plan of Action » National forest monitoring system (NFMS) » Forest reference emission levels / Forest reference level (FREL / FRL) » Safeguards and safeguards information system (SIS)	Sustainable forest management	USD 1,002,383	2015
	The project included targeted support for the development and implementation of a safeguards information system for the integration of social and environmental principles and criteria in the REDD+ strategy. It provides ongoing support for the NFMS, private sector involvement, institutional arrangements for the REDD+ strategy, and systematisation of consultation with indigenous and rural campesino groups.			
Ecuador	» National REDD+ Strategy / Plan of Action » Forest reference emission levels / Forest reference levels (FREL / FRL) » National forest monitoring system (NFMS) » Safeguards and safeguards information system (SIS)	Sustainable forest management	USD 5,499,100	2015
	Based on the outcomes of Ecuador's national programme (completed in 2014), this project provides support in specific areas to help the country enter the implementation stage of its REDD+ activities. Coordination with other sources of financing and national and global initiatives is a high priority.			

436 UN-REDD Programme, Annual Report 2015 - The Seventh Consolidated Annual Progress Report of the UN-REDD Programme Fund, 2015, http://www.unredd.net/documents/programme-progress-reports-785/2015-programme-progress-reports/2015-annual-report/15468-2015-annual-report-the-seventh-consolidated-annual-progress-report-of-the-un-redd-programme-fund.html

437 Programa ONU-REDD, Informe anual 2015 Bolivia, http://www.unredd.net/regions-and-countries/latin-america-and-the-caribbean/bolivia-plurinational-state-of.html

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6.25 World Bank (WB)

Key facts

- The World Bank Group was created in 1944 and comprises five institutions: (i) the International Financial Corporation, (ii) the Multilateral Investment Guarantee Agency; (iii) the International Centre for Settlement of Investment Disputes; (iv) the International Bank for Reconstruction and Development (IBRD); and (v) the International Development Association (IDA). IBRD and IDA are together the World Bank (WB).
- The Bank provides low-interest loans, zero interest loans and grants to developing countries to support investments in different sectors. Some projects are co-financed with governments, other multilateral institutions, commercial banks and private sector investors.
- The World Bank is trustee of 15 climate finance initiatives, including the Biocarbon Fund, the Forest Carbon Partnership Facility (FCPF), the Partnership for Market Readiness (PMR), and the Climate Investment Funds (CIF), which itself includes the Clean Technology Fund and the Strategic Climate Fund.
- The World Bank is also the trustee of the Global Fund for Disaster Reduction and Recovery (GFDRR) and supports other funds and initiatives such as the Global Environment Facility (GEF), the NDC Partnership, the Pilot Auction Facility (PAF), the Transformative Carbon Asset Facility (TCAF) the Networked Carbon Markets (NCM), the Multilateral Investment Guarantee Agency (MIGA), and the IFC Catalyst Fund, among others.
- Between 2011 and 2016, the World Bank Group pledged USD 63 billion—an average of USD 10 million annually—to support 1000 climate projects. In 2016 alone, the Bank provided USD 10.4 billion to finance 177 climate projects.[438]

Elegibility

a. Accessing the WB

Direct access.

b. Eligibility criteria

The Bank has different eligibility criteria for its different windows. This also applies to the funds of which the Bank is a trustee. Special World Bank Programmes such as the BioCarbon Fund and the Community Development Carbon Fund require beneficiary countries to participate on the corresponding committees that define the pertinent intervention strategy and chronological framework.

c. Eligible countries

All countries in Latin America except for Cuba are eligible for direct World Bank financing.

d. Additional requirements

The World Bank support is oriented to the Country Partnership Framework, which is based on a systematic country diagnostic of challenges and opportunities.[439]

438 WB, Climate Finance – Overview, http://www.worldbank.org/en/topic/climatefinance/overview

439 WB, Country Strategies, http://www.worldbank.org/en/

e. Thematic sectors

Targeted areas relevant to climate change. According to the Climate Change Action Plan[440], priority areas include urban infrastructure, energy, water and sanitation, telecommunications and social infrastructure, agroindustry, transport, agriculture and sustainable land use in urban and natural resources, disaster risk management. For the Latin American and Caribbean region, the Climate Change Action Plan gives special priority in the area of mitigation to clean energy actions, waste, transport, agriculture and sustainable land use; and in adaptation, disaster risk management, agriculture and climate resilience.

Areas that have been financed in recent years in Latin America. In recent years, the most frequently financed areas have been the agriculture/forestry/fisheries sectors, as well as water, transport and energy. Projects in other sectors—industry, risk management, biodiversity/ecosystems, infrastructure, natural resources, waste, education, urban development and coastal zones—have also been financed.[441]

Financing

f. Available funds

According to the climate finance report issued by the multilateral development banks (MDBs), in 2015 the World Bank Group committed USD10.722 billion for the area of climate change (USD 3.393 billion for adaptation and USD 7.329 billion for mitigation).[442]

The World Bank Group has also pledged to increase climate financing to 28% of its portfolio by 2020, in response to client demand. At current co-financing levels, this means potentially USD 29 billion annually for climate projects by 2020.

For the 2011-2015 period, climate financing for Latin America and the Caribbean reached an average of USD 1.5 billion annually. In 2016, the Bank plans to finance low-carbon development in the energy, environment, and transport sectors, as well as boosting economic and social resilience.[443]

g. Minimum and maximum amounts allocated to projects

There are no minimum or maximum amounts for financing with the Bank's own funds, but project financing usually starts at USD 1 million. The funds for which the Bank serves as trustee may establish their own minimum and/or maximum amounts.

h. Financial instruments

Grant	Concessional loan
Guarantee	Commercial loan
Pay for performance	Carbon market
Technical assistance	

Applying

i. Selection criteria

The Bank's Climate Change Action Plan[444] provides information on the Bank's climate finance framework, identifying four priorities:

- Support transformational policies and institutions.
- Leverage resources, including private sector investment.

projects-operations/country-strategies

440 WB, World Bank Group Climate Change Action Plan 2016-2020, 2016, https://openknowledge.worldbank.org/bitstream/handle/10986/24451/K8860.pdf?sequence=2&isAllowed=y

441 WB, All Projects, http://www.worldbank.org/en/topic/climatechange/projects/all?qterm=&lang_exact=English&regionname_exact=Latin+America+and+Caribbean&strdate=01-01-2011&enddate=11-23-2016&os=20

442 2015-Joint-Report-On-Multilateral-Development-Banks-Climate-Finance, 2016, https://publications.iadb.org/bitstream/handle/11319/7807/2015-Joint-Report-On-Multilateral-Development-Banks-Climate-Finance.pdf?sequence=1&isAllowed=y

443 WB, World Bank Group Climate Change Action Plan, 2016-2020, 2016, https://openknowledge.worldbank.org/bitstream/handle/10986/24451/K8860.pdf?sequence=2&isAllowed=y

444 WB, World Bank Group Climate Change Action Plan, 2016-2020, 2016, https://openknowledge.worldbank.org/bitstream/handle/10986/24451/K8860.pdf?sequence=2&isAllowed=y

- Scale up climate actions, with a focus on activities with climate co-benefits in multiple sectors and increased impact in countries through direct investments, advisory services, and the shaping of new and innovative solutions. Six areas will be targeted: renewable energy and energy efficiency; sustainable mobility; sustainable and resilient cities; climate-smart land use, water and food security; Green competitiveness and other actions under the 'Leaving no one behind' framework.
- Align internal processes and work with other partners to implement new and innovative portfolios of solutions that meet clients' demands, especially those linked to NDCs.

j. Application process

For projects financed by the World Bank, the steps are usually as follows:

- » Identification: Based on the Country strategy, the World Bank and governments agree upon an initial project concept, define beneficiaries and draft a project concept note that includes the basic elements (proposed objectives, imminent risks, different hypothetical scenarios and a preliminary schedule for the approval process). The main problems that could arise in relation to the Bank's social and environmental safeguards policy must also be identified.
- » Preparation: If any of the social or environmental impacts identified in the Bank's safeguards policy are identified, the borrowing country must prepare reports describing those problems and their principal causes, and include policy proposals, timeframes for implementing them, and concrete measures to manage those issues.
- » Initial evaluation: in this stage the parties have the opportunity to examine the project design in-depth and resolve relevant issues.
- » Approval.
- » Implementation, including follow-up and on-site monitoring of the financed project.[445]

k. Support for project preparation

In some cases, the Bank provides technical and financial support to facilitate access to its financing and programmes.

l. Safeguards applied

The World Bank has created a series of safeguard policies aimed at driving environmentally and socially sustainable development approaches while at the same time guaranteeing that those activities do not harm people or the environment. Notable among these policies is the environmental assessment and policies corresponding to the following areas—cultural heritage, disputed areas, forests and forestry, indigenous peoples, international waters, involuntary resettlement, natural habitats, pest management and dam safety. In 2018, these safeguard policies will be gradually replaced by the new World Bank Environmental and Social Framework (ESF).[446] The ESF includes the Bank's vision for sustainable development, a series of policies and ten environmental and social standards.[447]

m. Gender perspective

The World Bank Group has developed a Gender Strategy for 2016-2023. This strategy outlines three areas for improving gender equality and women's empowerment: i) improving human endowments, such as health, education and social protection; ii) enhancing economic opportunities, focusing on the elimination of barriers to more and better jobs and ownership and control of assets; and 3) enhancing the voice and agency of women and girls, inviting the participation of men and boys. To assess the incorporation of gender in each operation, the Bank uses a checklist that assesses the project in three dimensions: gender analysis, gender actions and gender monitoring and evaluation. With respect to each of these dimensions, projects are rated according to a binary scale that

445 WB, Project Cycle, 2015, http://documents.worldbank.org/curated/en/696601478501928227/pdf/109412-BRI-WBG-PUBLIC-date-04-01-1993-The-World-Bank-Project-Cycle.pdf

446 WB Environmental and Social Policies for Projects, http://www.worldbank.org/en/programs/environmental-and-social-policies-for-projects

447 WB, The World Bank Environmental and Social Framework, 2017, http://documents.worldbank.org/curated/en/383011492423734099/pdf/114278-REVISED-Environmental-and-Social-Framework-Web.pdf

gives a value of 1 if the assessment is positive and 0 if it is not. Overall, projects are considered to be gender informed if they score 1 in at least one of the three dimensions.[448]

n. Deadlines

Project proposals may be submitted throughout the year.

o. Forms

It is recommended that prospective applicants consult the document database of approved projects.[449] For the Bank's special programmes (e.g. BioCarbon Fund and the Community Development Carbon Fund), project information templates and project templates are similar to the Bank's conventional ones, but also require the submission of a PIN (Project Idea Note) or PDD (Project Design Document). This is also applicable to funds for which the Bank serves as trustee.

Additional comments

The World Bank's interest in climate change has translated into a major funding volume committed to support low-carbon development with the capacity for adaptation and the mobilisation of considerable private sector financing. The Bank currently serves as trustee of 15 climate funds, including the following:

BioCarbon Fund. Active since 2004, the Fund has USD 360 million in capital. It promotes the reduction of greenhouse gases in the forestry sector through approaches that integrate reduction of deforestation, land degradation and sustainable forest management using climate-smart agricultural practices for supply chains.[450]

Climate Investment Funds (CIF). The CIF consists of two large funds active since 2008—the Clean Technology Fund and the Strategic Climate Fund. Together they have USD 8.3 billion in fund capital, provided by 14 countries, with which it expects to leverage USD 58 billion in co-financing. The Strategic Climate Fund consists of three programmes—the Forest Investment Programme (FIP), the Pilot Programme for Climate Resilience (PPCR) and the Scaling-up Renewable Energy in Low-Income Countries Programme (SREP).[451]

Forest Carbon Partnership Fund (PCPF). Active since 2008, has a fund capital of USD 1.1 billion and finances REDD+ readiness activities in 47 developing countries, along with performance-based payment pilots for emissions reductions in scaled-up REDD+ programmes.[452]

Partnership for Market Readiness (PMR). Active since 2011, currently has 13 donor countries that have pledged USD 127 million. The initiative supports capacity building for carbon pricing policies in 18 countries, as well as producing a series of knowledge products and technical notes.[453]

448 BM, World Bank Group Gender Strategy (FY16-23): gender equality, poverty reduction and inclusive growth, 2015, http://documents.worldbank.org/curated/pt/820851467992505410/pdf/102114-REVISED-PUBLIC-WBG-Gender-Strategy.pdf

449 http://documents.worldbank.org/curated/en/home

450 https://wbcarbonfinance.org/Router.cfm?Page=BioCF&ItemID=9708&FID=9708

451 http://www.climateinvestmentfunds.org/

452 https://www.forestcarbonpartnership.org/

453 https://www.thepmr.org/

Projects approved in recent years in Latin America

Country	Project	Thematic sectors	Amount contributed by the WB	Year approved
Brazil	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado[454]	REDD+	USD 9.25 million	2016
	The project seeks to enhance the country's institutional capacity in monitoring deforestation, in providing information on fire risks, and in estimating related GHG emissions in the Cerrado.			
México	Municipal Energy Efficiency Project[455]	Energy	USD 100 million	2016
	The project seeks to promote the efficient use of energy in Mexican municipalities by (a) carrying out energy efficiency investments in selected municipal sectors, and (b) carrying out activities to enable new investments.			
Peru	Saweto Dedicated Grant Mechanism for Indigenous Peoples and Local Communities for Peru[456]	REDD+	USD 5.5 million	2015
	The project seeks to support indigenous communities in the Peruvian Amazon region in their efforts to develop sustainable forest management. Expected outcomes include the recognition of 310 indigenous communities, demarcation and titling of land, and the implementation of food security, income-generation and sustainable wood production projects.			

454 http://www.bancomundial.org/projects/P143185/development-systems-prevent-forest-fires-monitor-vegetation-cover-brazilian-cerrado?lang=es

455 http://www.bancomundial.org/projects/P149872?lang=es

456 http://www.bancomundial.org/projects/P148499?lang=es

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