FINANCING OPTIONS FOR BIOENERGY PROJECTS AND PROGRAMMES

23 April 2010

Financing Options

Scope: Global

Multilateral funds / Partnerships

National initiatives

Foundations

Scope: Regional

Africa

Introduction

Modern bioenergy has been developing rapidly in the last several years and presents great opportunities for sustainable development and climate change mitigation. However, developing countries encounter difficulties in financing their bioenergy projects and programmes.

This report "Financing options for bioenergy projects and programmes" was developed by the Secretariat of the Global Bioenergy Partnership (GBEP) and is the result of an extensive information-gathering process. Key information included in this document was kindly provided by GBEP Partners and Observers.

The main objective of this report is to facilitate access to financing for bioenergy for sustainable development at the project, programme and sectoral level in developing countries. The report intends to provide a comprehensive tool for use by national governments and project developers when assessing different financing opportunities for bioenergy projects and programmes, giving a clear picture of selection criteria and bioenergy project characteristics that should be fulfilled to receive these financing.

Overview and User Guide

The purpose of this report is threefold:

- to provide governments and project developers in developing countries with a useful list of available financing options and opportunities worldwide for bioenergy projects and programmes;
- to provide users with clear information regarding funds and financing opportunities divided by target regions and country selection criteria;
- to offer policy-makers and project developers in developing countries guidance for accessing and requesting international financing for bioenergy projects and programmes.

The document is divided into two main sections. The first section outlines funds that are global in scope. Developing countries worldwide can access and apply for these financial resources after fulfilling detailed project criteria. This section is sub-divided according to donor category: multilateral funds and partnerships, national initiatives, and foundations. In the second section types of financing are described according to their regional scope and organized into three sub-sections: Africa, the Americas and Asia.

Policy-makers and project developers will find potential sources of financing by checking their country and project characteristics against the country and project criteria detailed in the template presented for each financing option. The *How and when to apply* part of each template will guide users in submitting application forms and/or contacting fund administrators for further information.

Since financing opportunities are dynamic and are revised and modified continuously, the GBEP Secretariat will keep this report updated in its online version available on the GBEP website, www.globalbioenergy.org, where Partners and Observers will have access to future revisions and renewed information.

GBEP believes that this report could be helpful for those seeking financing for bioenergy activities as well as for facilitating financial and technology cooperation in the current international bioenergy scenario.

EUEI -Intelligent Energy COOPENER

COOPENER is the external component of the European Union "Intelligent Energy - Europe II 2007 - 2013". COOPENER addresses the role of sustainable energy for poverty alleviation in developing countries in the context of the EU Energy Initiative (EUEI).

Date created

It was launched in 2003 in the framework of the EU Energy Initiative. COOPENER supported activities have been operating since early 2005 with three rounds of calls

Administrating organization

EUEI

Objectives

The initiative aims to:

- use sustainable energy for poverty alleviation (helping to achieve the Millennium Development Goals) in developing countries,
- strengthen the existing capabilities in developing countries

Nature of donor contributions

The project is financed by COOPENER (EUEI) and tenders.
COOPENER only funds 50% of project costs, thus the overall impact will reflect double that of the COOPENER budget.

Financial instrument/delivery mechanism used

Facilities and loans

Bioenergy activities supported

- Biomass energy
- Biofuel production and use

Geographical range

Developing countries, in particular in sub-Saharan Africa, Latin America and Asia.

Eligibility and selection criteria

Activity eligibility and selection criteria:
COOPENER resources address:

- Sustainable energy services as a cross-cutting issue, providing power to supply the most urgent development needs such as access to food, clean water, health services, and education through new and more appropriate approaches.
- Priority will be given to projects which are associated with the Partnerships that are being formed between the EU and developing countries through the "EU Energy Initiative for Poverty Reduction and Sustainable Development" and through the JREC.
- Energy policies, legislation and market conditions for enabling poverty alleviation in developing countries

Activities should:

- be complementary and upstream to the support which may later be provided in the frame of other community development co-operation programmes,
- be in line with the EU's global strategy for sustainable development, in particular the EU contribution to sustainable development in the developing world
- give priority to the role of energy in enabling poverty eradication and sustainable development,
- increase the share of renewable energies in global energy supplies (Johannesburg Renewable Energy Declaration – JREC-)
- ensure close co-ordination and linkage with any relevant initiatives implemented through other European Community policies and instruments

Country eligibility and selection criteria:
Each Call for Proposals will be focused on a limited geographical area within the geographical scope of the COOPENER programme (Africa, Asia, Latin America and the Pacific.

How and when to apply

Candidate projects may apply when call for proposal is open (once a year).
Call documents, *Model Grant Agreement*, *Guide for proposers*, and *EPSS user guide* can be downloaded from http://ec.europa.eu/energy/intelligent/call_for_proposals/call_library_en.htm

Funds available / Funds disbursed to date / Number of funded projects

COOPENER's initial budget was EUR 17 million.
In practice, projects with a total budget below EUR 500,000 or above EUR 2.5 million are the exception, whilst most are around EUR 1 million.

Uptake and projects supported

In 2005-2012, COOPENER has been co-financing the following projects:

- Seven Sub-Saharan Africa: one biomass energy platform implementation; one mitigating risk and strengthening capacity for rural electricity; four Poverty Alleviation through renewable energy use and energy efficiency; one sustainable urban renewal
- Latin-America: one biomass energy platform implementation;
- Asia: one Renewable Energy Sustainable Programs for Intelligent Rural Electrification and Poverty Alleviation

Project database is available at: http://ieea.erba.hu/ieea/page/Page.jsp

Further information and lesson learned

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Sources

http://ec.europa.eu/energy/intelligent *http://www.euei.net/activities#euei-coopener*

EUEI - Partnership Dialogue Facility (PDF)

The Partnership Dialogue Facility (PDF) is an instrument developed by a number of EU member states and the European Commission in the context of the EU Energy Initiative (EUEI).

Date created

The EUEI was launched in 2002. PDF became operational in 2005.

Administrating organization

The Project Management Unit of EUEI PDF has been established at German Technical Cooperation / Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH.

Objectives

The overall objective of the EUEI PDF is:

- To support partner countries in improving access to energy services and energy security.
- To facilitate the development and formulation of energy policies for development through dialogue between all relevant stakeholders.

The Partnership Dialogue Facility (PDF) of the EU Energy Initiative (EUEI) has a two-fold mission:

- To improve energy access based on dialogue activities at all levels, supplemented by thematic studies on critical energy access topics
- To cooperate with the partners of the EUEI, especially the European Commission and the African partners, in the implementation of the Africa-EU Energy Partnership and other EUEI initiatives through dialogue, thematic studies and information dissemination activities.

Nature of donor contributions

The project is financed by several EU Member States and the European Commission.

Financial instrument/delivery mechanism used

The EUEI provides with facilities in the range of EUR 50,000 – EUR 200,000 for each single activity

Bioenergy activities supported

- Biomass energy
- Liquid biofuels

Geographical range

Global. Projects are financed in developing countries, with special focus on Africa (sub-Saharan African countries preferable)

Eligibility and selection criteria

Activity eligibility and selection criteria:

- EUEI PDF supports upstream activities such as the development of policies and strategies as well as institutional capacity building.

Proposals will be evaluated according to the following criteria:

- Coherence with national or regional energy sector priorities,
- Expected impact on improved energy access for poverty reduction and the achievement of the Millennium Development Goals (MDGs),
- Potential to leverage private sector investment in the energy sector.

Candidate projects should aim to:

- Integrate access to sustainable energy services into national and regional policy and development strategies
- Support the development of appropriate policy instruments and legal, fiscal and regulatory structures to achieve national objectives for energy services,
- Integrate energy considerations into national policies, for instance for water, agriculture, industry, transport, rural development, environment, and climate
- Support the development of appropriate institutional and service delivery models that make the most cost effective use of financial resources,
- Improve the enabling environment for private investments in the energy sector, Institutional capacity building for national executing agencies, regulators and public-private partnerships,
- Facilitate dialogue between public and private stakeholders with the objective of building partnerships for access to energy.

Country eligibility and selection criteria:

Developing countries, with special focus on Africa (sub-Saharan Africa countries preferable)

How and when to apply

The EUEI Partnership Dialogue Facility responds to requests from governments and regional organizations.

- Initial ideas can be described in a short concept note before the development of a full proposal (for which PDF may be able to provide support). Proposals for support should be accompanied by a letter of request from national governments or regional organisations.
- After exchange of first descriptive information, proposals should include the objectives of the activity, planned measures to achieve the objectives, relevance to EUEI and PDF objectives, complementarity with other projects and with national/ regional sector priorities, indication of potential to leverage investment in the energy sector, time schedule for implementation and tentative budget for the activity.
- EUEI PDF recognises the regional and national development policy and strategy frameworks of beneficiary countries. In cases where energy is not yet part of poverty reduction and other major policy papers, the EUEI PDF will assist those developing countries that request support in integrating access to energy into national policies and development strategies. Please note that EUEI PDF is not able to finance the investments for the implementation of those policies and plans.

Funds available / Funds disbursed to date / Number of funded projects

The EUEI Partnership Dialogue Facility cooperates closely with the European Commission, EU Member States and African partners in the implementation of the Africa-EU Energy Partnership and other EUEI initiatives.

Support from the EUEI PDF will be in the range of EUR 50 000 - 200 000 for a single activity. This is just an indicative value. In practice, activities might require more or less financial assistance, but larger projects would require open competitive tendering (see procurement).

Between 2005 and 2009, the EUEI PDF funded more than 30 projects. With national projects in 15 different countries and seven regional projects it has contributed to improving the enabling environment resulting in energy access investments. It has also conducted thematic studies on key energy issues such as biomass cooking energy and rural electrification agencies that have lead to innovative approaches.

Uptake and projects supported

Completed Projects: Biomass Energy Strategy (BEST) implemented in Malawi and Rwanda; Development of a Strategy for the Energy Use of Plant Oil in Rural Areas in the Dominican Republic and Haiti; Regional Workshop on the Use of Plant Oil / Biodiesel as a Source of Energy in Latin America and the Caribbean (Dominican Republic).

Ongoing projects: Biomass Energy Strategy (BEST) initiative in Lesotho Botswana, Malawi and Rwanda, support for the Africa-EU Energy Partnership (preparation and follow-up of the proposed Renewable Energy Cooperation programme).

Further information about the list of past and current PDF project at: http://www.euei.net/list-pdf-projects

Further information and lesson learned

The PDF is managed by GTZ in Germany, and became operational in 2005. The PDF contact point is:

Ray Holland, EUEI PDF Manager
c/o Gesellschaft für Technische Zusammenarbeit (GTZ)
Eschborn, Germany
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email: Ray.Holland@gtz.de

Sources

The Partnership Dialogue Facility (PDF): http://www.euei-pdf.org

European Investment Bank (EIB)

The EIB is the long-term lending bank of the European Union**.**

Date created

The European Investment Bank was created by the Treaty of Rome in 1958

Administrating organization

EIB Board of Governors, which is composed of the Finance Ministers of EU Member States.

Objectives

The task of the Bank is:

- to contribute towards the integration, balanced development and economic and social cohesion of the EU Member States, and
- to further EU policy objectives.

Nature of donor contributions

The EIB shareholders are the EU Member States. The EIB raises substantial volumes of funds on the capital markets.

Financial instrument/delivery mechanism used

The EIB operates on a non-profit maximising basis and lends at close to the cost of borrowing. The EIB raises substantial volumes of funds on the capital markets which it lends on favourable terms to projects furthering EU policy objectives**.**

Bioenergy activities supported

- switching fossil fuels
- waste management
- renewable energy (i.e. biomass)
- biogas

Geographical range

Global

Eligibility and selection criteria

Activity eligibility and selection criteria:

The EIB finances large and small-scale investment projects contributing to EU policy objectives. Environmental Sustainability activities such as:

- improving the quality of life in the urban environment, particularly through urban renewal and sustainable urban transport projects
- addressing environmental and health issues (e.g. reduction of industrial pollution, provision of water and wastewater treatment)
- tackling climate change, including energy efficiency and renewable energy
- protecting nature and wildlife
- preserving natural resources and managing waste (including minimisation, recycling, re-use and disposal of domestic, commercial and industrial waste)

To be eligible all EIB projects must:

- should ensure that project adheres to Environmental Sustainability and Procurement conditions,
- be a capital investment project,
- contribute to EU economic policy objectives:
  - Improvement of EU transport and telecommunications infrastructure (rail, air, road connections and bridges)
  - Secure energy supplies - production, transfer and distribution, more efficient energy use, alternative energy supplies
  - Development of a competitive, innovative and knowledge-based European economy
  - Investment in human capital (schools, universities, laboratories, research centres, hospitals etc.)
  - Natural and urban environment schemes (water, waste, cleaner air, urban transport etc.)
  - Development of small and medium sized enterprises
  - Industrial projects improving EU competitiveness
  - Projects that support EU's external co-operation and development policies

Specific requirements by region:

Asia and Latin American countries (ALA):

- The EIB can support viable public and private sector projects in infrastructure, industry, agro-industry, mining and services.
- Special emphasis is given to projects that contribute to environmental sustainability (including climate change mitigation) and to the security of the EU energy supply.
- The other core sector of activity will be to support the EU presence in those regions through Foreign Direct Investment, transfer of technology and know-how.
- EIB loans are project-oriented and linked to the financing of the fixed-asset components of an investment.
- Projects with a total investment above EUR25 million can be financed either directly to a project promoter or indirectly through a government or financial intermediary. Project promoters are required simply to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financing arrangements.
- For smaller projects the EIB can lend through credit lines to selected financial institutions, which then on-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 final beneficiary according to criteria agreed with the EIB. Interested promoters of such projects should contact the banks and intermediaries directly.
- Please note the EIB does not provide grants or subsidies for projects in Asia and Latin America.

Country eligibility and selection criteria:

Projects may be carried out both inside and outside the EU. Projects should follow the EU economic policy objectives.

Asia and Latin American countries (ALA):

- The EIB finances operations supporting the EU cooperation strategies in these regions and complementing other EU development and cooperation programmes and instruments in these regions.
- The countries currently eligible for EIB financing under the ALA IV mandate are:
  - Asia: Brunei, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam - ASEAN Group Bangladesh, China, India, Mongolia, Nepal, Pakistan, South Korea, Sri Lanka, Yemen
  - Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela.

Mediterranean countries:

Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia

How and when to apply

No special formalities are involved for the submission of applications to the EIB for individual loans. Project promoters are required simply to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financing arrangements. For further details of required documentation: Application Documents (pdf)

Initial contacts to discuss a proposed project can be in any form, by telephone, fax, e-mail or letter. The project promoter should provide sufficient information to allow the EIB to assess whether the project adheres to EIB lending objectives and has a well-developed business plan.

Special Case: Projects under EUR 25 million:

For projects where the total cost is under EUR 25 million, the EIB provides intermediated loans (credit lines) to local, regional and national banks.

The lending decision for EIB loans via credit lines remains with the financial intermediary. Promoters interested in EIB financing for projects under EUR 25 million should contact the banks and other intermediaries involved directly with a detailed description of their capital investment together with the prospective financing arrangements.

Approval by the Board of Directors ("Approved" status) translates into a loan only with the signature of a finance contract, which includes the technical description of the investment financed. Disbursements follow contract signature, according to the needs of project implementation and subject to fulfilment of all relevant pre-disbursement conditions. After signature ("Signed" status), the project remains on the list of projects under consideration for a further six months. It is also placed on the list of projects financed.

Enquiries regarding the financing facilities, activity, organisation and objectives of the EIB:

Information Desk, Communication Division

info@eib.org

(+352) 43 79 22000

(+352) 43 79 62000

Funds available / Funds disbursed to date / Number of funded projects

In 2009, the EIB raised nearly EUR79.4 billion.
Classification by region:
Asia and Latin America (ALA): The total investment of a typical project under the third mandate for ALA countries is above EUR 40 million. Under the current mandate ALA IV, covering the period the 2007-2013, the EIB is authorised to lend these countries up to EUR 3.8 billion
African, Caribbean and Pacific countries (ACP): The 2008-2013 financial protocol comprises EUR 22 billion contributed by the EU Member States from the tenth European Development Fund (EDF). EUR 20.5 billion of this is grant aid channelled through the European Commission. The remaining EUR 1.5 billion comprises an additional EUR 1.1 billion capital contribution to the Investment Facility and a EUR 400 million appropriation for interest rate subsidies and technical assistance. In addition, up to EUR 2 billion is available under the protocol in the form of loans from the EIB's own resources. And EUR 30 million dedicated to the OCT Investment Facility is to be added to the EUR 30 million available from the Bank's own resources.
Russia, Eastern Neighbourhood and Central Asia (2007-2013): The five Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) fall - subject to future Council Agreement which was given in November 2008 - under a separate ceiling of EUR 1.0 billion for Asia. Under the mandate for Central Asia, "the EIB should focus on major energy supply and energy transport projects with cross-border implications".
Mediterranean countries: The EIB has provided financing for small-scale projects (up to EUR 20-25 million) and risk capital financing (for investments higher than EUR 25 million)

Uptake and projects supported

Projects supported by the EIB (under appraisal and approved) by the end of 2009, by region:
European Union: 165 under appraisal, 228 approved
EFTA countries: two approved
South-East Europe: 11 under appraisal, 14 approved
Commonwealth of Independent States: four under appraisal, five approved
Mediterranean countries: nine under appraisal, nine approved
Africa, Caribbean, Pacific countries and OCT: 15 under appraisal, nine approved
South Africa: two under appraisal, one approved
Asia and Latin & Central America: 11 under appraisal, 10 approved
Example of bioenergy projects supported:

- In February 2010 the Brazil Climate Change Mitigation Framework Loan was approved finance small to medium size projects implemented by the private sector in Brazil focusing in the renewable energy and energy efficiency sectors. The EIB will finance up to EUR 500,000 of EUR 1 million total operation.
- The National Fund for Environmental Protection and Water Management (NFEPWM) Green Scheme in Poland is under appraisal. It aims to selected projects such as biomass fired power plants, biogas plants producing heat and electricity and energy efficient refurbishment of public buildings. EIB proposed finance is EUR50 million.

Further information and lesson learned

For further information about EIB projects in the pipeline, please see
http://www.eib.org/projects/pipeline/sectors/index.htm

Sources

The European Investment Bank: http://www.eib.org/index.htm

European Programme: Thematic programme for Environment and Sustainable Management of Natural Resources Including Energy – ENRTP

ENRTP is a thematic programme for external cooperation to promote environmental and sustainable management in the world and especially in developing countries.

Date created

2007

Administrating organization

EU (DG Environment/DG Development /DG Transport and Energy are responsible for planning and DG of External Cooperation is in charge of the implementation)

Objectives

- Working upstream in assisting developing countries to achieve MDG7 on environmental sustainability
- Promoting implementation of EU initiatives and helping developing countries to meet internationally agreed environmental commitments
- Promoting coherence between environmental and other policies and enhancing environmental expertise
- Strengthening international environmental governance and policy development
- Supporting sustainable energy options in partner countries

Nature of donor contributions

Multilateral (EU funds)

Financial instrument/delivery mechanism used

Grants

Bioenergy activities supported

- Sustainable production and consumption
- Developing institutional support and technical assistance

Geographical range

Developing countries that are Parties to the Kyoto Protocol.

Eligibility and selection criteria

Activity eligibility and selection criteria:

- capacity building for environmental integration in developing countries
- supporting civil society actors and consultative platforms
- environmental monitoring and assessment with data gathering
- EU initiatives for sustainable development as: EU water initiative, climate change, biodiversity, desertification, forests, illegal logging and forest governance, fisheries and marine resources, compliance with environmental standards (for products and production processes), sound chemicals and waste management
- sustainable production and consumption
- poverty and the environment under new forms of aid delivery
- strengthening expertise for the EU and promoting coherence
- developing institutional support and technical assistance
- creating a favourable legislative and policy framework to attract new business and investors in renewable energy and in efficient energy production and use

Country eligibility *includes:* European Union – Africa – Caribbean – Pacific – Latin America – Candidate countries – New Independent States – Mediterranean countries – Developing countries – Asia

How and when to apply

Submission of proposals in two stages. Priority actions, financing rates and publications of call of proposals are to be defined in annual work-programme every year in March and are published, together with the application guidelines, on the programme website.

Funds available / Funds disbursed to date / Number of funded projects

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Uptake and projects supported

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Further information and lesson learned

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Sources

http://www.welcomeurope.com/funding-scheme-enrtp-thematic-programme-for-environment-and-sustainable-management-of-natural-resources-including-energy-11820.html

GEF Trust Fund - Climate Change focal area

The GEF Trust Fund is the common funding resource of the Global Environment Facility (GEF). Climate Change is one of the six focal areas supported by the GEF Trust Fund. The objective of this part of the fund is to help developing countries and economies in transition to contribute to the overall objective of the United Nations Framework Convention on Climate Change (UNFCCC). The projects support measures that minimize climate change damage by reducing the risk, or the adverse effects, of climate change.

Date created

The Global Environment Facility was established in October 1991 as a pilot program in the World Bank to assist in the protection of the global environment and to promote environmental sustainable development.
In 1994, at the Rio Earth Summit, the GEF was restructured and moved out of the World Bank system to become a permanent, separate institution.

The GEF Trust Fund, originally proposed in 1991, was made operational in 1994 and succeeded the Global Environment Trust Fund (GET) of the pilot phase (1991-1994).

Administrating organization

Global Environment Facility (GEF)

Objectives

GEF projects in climate change help developing countries and economies in transition to contribute to the overall objective of the United Nations Framework Convention on Climate Change (UNFCCC). The projects support measures that minimize climate change damage by reducing the risk, or the adverse effects, of climate change.
The GEF supports projects in:

- Climate Change Mitigation: Reducing or avoiding greenhouse gas emissions in the areas of renewable energy, energy efficiency, and sustainable transport
- Climate Change Adaptation: Aiming at increasing resilience to the adverse impacts of climate change of vulnerable countries, sectors, and communities. However, at present GEF adaptation funds do not finance bioenergy projects, since they are not considered as "urgent and immediate" needs for vulnerable countries. Bioenergy projects can candidate for GEF mitigation funds.

Nature of donor contributions

Donor nations commit money every four years through a process called GEF replenishment.

Financial instrument/delivery mechanism used

The GEF is the financial mechanism for both UN Convention on Biological Diversity and the UNFCCC. The GEF operates as a mechanism for international cooperation to provide new and additional grant and concessional funding to meet the agreed incremental costs of projects to achieve agreed global environmental benefits in climate change (among other focal areas)
Other forms of financing may be trusts and revolving funds, loan guarantees against specified mitigation-related risks, and temporary equity participation.
The Trustee makes commitments of funding to GEF Agencies for projects and fees upon CEO endorsements. The commitments are made based on the amounts endorsed by the CEO, as indicated in each endorsement letter from the CEO to GEF Agencies
In all cases, transfer of funds from the Trustee to Agencies will be made after commitment by the Trustee and subsequent Agency approvals of the projects/activities, where relevant, following the procedures agreed between the GEF Agencies and the Trustee.

Bioenergy activities supported

The GEF trust fund's Climate Change focal area supports the following activities of relevance to bioenergy projects:

- *Renewable Energies*
  The GEF helps countries remove barriers to developing markets for renewable energies wherever cost-effective. Such opportunities can be found in on-grid and off-grid situations, as well as in the area of renewably generated heat for industrial and other applications. In these cases, GEF support helps create enabling policy frameworks, build the capacity for

understanding and using the technologies, and establish financial mechanisms to make renewables more affordable.

- *Energy Efficiency*
  GEF promotes energy efficiency by removing barriers to the large-scale application, implementation, and dissemination of cost-effective, energy-efficient technologies and practices. Such barriers lie in the lack of conducive policies, inadequate information and awareness, and insufficient access to financing. GEF supports market transformation of energy-efficiency appliances and widespread adoption of energy-efficient technologies in industry.
- *Sustainable Transportation*
  GEF supports projects that promote a long-term shift towards low emission and sustainable forms of transportation. Eligible activities include the following: public rapid transit, which encompasses bus rapid transit, light rail transit, and trolley electric buses; transport- and traffic-demand management; non-motorized transport, and land-use planning.
- *New Low-GHG Energy Technologies*
  GEF provides support for such new technologies that are not yet cost effective. The current portfolio ranges from large-scale solar power plants, to distributed power generation in fuel cells, to building-integrated solar photo voltaic cells. Future interventions should focus on global and regional market integration and aggregation efforts, and foster national innovation.
- *Enabling Activities, National Communications and other obligations under the UNFCCC*
  The GEF helps developing countries to submit national communications to the UNFCCC, including a report on national inventories of greenhouse gases. The largest part of GEF support for the national communications is delivered through an umbrella and support program administered by the United Nations Development Programme and United Nations Environment Programme. Through this umbrella program, countries can also receive support for vulnerability and adaptation assessments, capacity building, and technology needs assessments.

Geographical range

Any member State of the United Nations and/or one of its specialized agencies may become a participant in the GEF.

Eligibility and selection criteria

Activity eligibility and selection criteria:

- National programs related to agreed UNFCCC climate change mitigation activities
- Long-term measures and long-term mitigation projects such as:
  - Removing implementation barriers for climate-friendly technologies (GEF activities will therefore mainly involve building endogenous capacity, improving public awareness, and demonstrating and disseminating technologies and measures)
  - Reducing the long-term costs of low greenhouse gas-emitting energy technologies (the GEF will finance part of the investment, associated pre-investment work, and technical assistance)
  - Promoting the adoption of renewable energy by removing barriers and reducing implementation costs (such as: combustion of agricultural residues to generate heat and power, including steam boilers using biomass residues; other technologies for using biofuels; methane-control technologies for waste disposal)
  - Supporting Sustainable Transportation
- Short-term mitigation projects that reduce GHG emissions (such as transport and agricultural waste)
- Activities that prevent or restore land degradation such as:
  - Rural renewable energy projects (biomass energy for lighting, water heating, cooking, and water pumping) and energy efficiency projects (such as those for increasing the efficiency of wood or charcoal burning stoves) that would help reduce unsustainable use of firewood
  - GEF biofuel activities that restore degraded land and biomass cover in order to produce, harvest, and utilize biomass in sustainable ways

All GEF-funded activities in climate change should:

- be in full conformity with the guidance provided by the Conference of the Parties (COP) of the UNFCCC
- meet one of the long-term GEF programme priorities or one of the short-term GEF programme priorities
- Short-term mitigation projects should:

    - be country-driven and approved individually on the basis of GEF operational criteria
    - be country priorities, cost-effective in the short term and likely to succeed
- Long-term measures and long-term mitigation projects should be country driven and prepared in the context of GEF operational programs
- Full-Sized (FSPs)over USD 1 million
    - may be developed by governments, non-governmental organizations, communities, the private sector, or other civil society entities, and must respond to both national priorities and GEF focal area strategies and operational programs, and must satisfy eligibility requirements under the Conventions
    - FSPs are subject to project review criteria and are approved by the GEF Council.
- Medium-Sized Projects (MSPs) - Up to USD 1 million
    - Their approval is delegated by the Council to the CEO, and it is subject to project review criteria, similar to FSPs. Prior to the CEO approval, MSPs are circulated to Council for their information.

Any eligible individual or group may propose a project. However, in order to be taken into consideration a project proposal has to fulfil the following criteria:

- It is consistent with national priorities and programs;
- It addresses one or more of the GEF focal areas, improving the global environment or advance the prospect of reducing risks to it;
- It is consistent with the GEF operational strategy;
- It seeks GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits;
- Involving the public in project design and implementation.

Country eligibility and selection criteria:

- Only developing-country Parties are eligible to receive funding through the financial mechanism of the UNFCCC.

How and when to apply

Projects should follow the project cycle procedure. Full-Sized projects have to be endorsed by the CEO within 22 months from the date of Council approval of the work program; Medium-Sized projects have to receive the approval of the CEO of the final project document within 12 months from the PIF approval.

- Before drafting the project proposal the applicant should contact the Country Operational Focal Point and verify that his/her proposal complies with the criteria mentioned above. If there are doubts about the eligibility of the project it is advisable to have an informal consultation with the GEF Secretariat (Country Relation Officers in the External Affairs team).
- GEF Agencies assist eligible applicants in the development, implementation, and management of GEF projects. They are the channel between countries and the GEF for the project approval process and participate in the GEF governance as well as in the development of GEF policies and programs. The choice on the Agency should be based on its respective comparative advantages as stated in the document Comparative Advantages of the GEF Agencies (GEF/C.31/5 rev.1, 2007).
- Once these preparatory steps are taken the proponent should develop the Project Identification Form (PIF), in close coordination with the GEF Agency and following their internal project cycle procedures. Once the PIF is ready the Agency will submit it to the GEF Secretariat for approval.

Projects types, templates and guidelines are downloadable from GEF website: www.gefweb.org.

Funds available / Funds disbursed to date / Number of funded projects

The GEF has allocated USD 8.8 billion, supplemented by more than USD 38.7 billion in co-financing, for more than 2,400 projects in more than 165 developing countries and countries with economies in transition. Through its Small Grants Programme (SGP), the GEF has also made more than 10,000 small grants directly to nongovernmental and community organizations

GEF funds are contributed by donor countries. In 2002, 32 donor countries pledged USD 3 billion to fund operations through 2006. At the Fourth GEF Assembly in 2006, an additional USD 3.13 billion was committed.

Uptake and projects supported

The GEF Trust fund has approved 593 projects under the Climate Change focal area since 1994. These include the projects:

- Obtaining Biofuels and Non-wood Cellulose Fibre from Agricultural Residues/Waste in Peru (under implementation),

- Establishing Sustainable Liquid Biofuels Production Worldwide (A Targeted Research Project) (global scope, CEO approved),
- Bioenergy for Sustainable Rural Development in Egypt (pending).

GEF support to mitigation activities: support to Renewable Energy Technologies (OP6)

- Biomass co-generation technology: Hungary, Malaysia and Thailand
- Biomass boilers (heat production): Belarus, China, Egypt, India, Kenya, Latvia, Poland, Slovak Republic, Slovenia, Sri Lanka
- Biomass gasification for electricity: Chile, India and Uruguay

In addition, from 2002 to 2009 they have been approved and finance through GEF grants:

- 45 renewable energy projects (USD 198 million in GEF grants)
- Two biofuels projects (USD 1.9 million in GEF grants)
- Seven biomass energy projects (USD 23 million in GEF grants)
- Two bioenergy projects (USD 4 million in GEF grants)

Further information regarding specific financed projects may be found at GEF website/projects database: www.gefweb.org

Further information and lesson learned

It is important not to stop after the development of technologies, or their adaptation to the local conditions. Once suitable technologies have been identified and tested, it is very important to move on to the dissemination stage, and to a systematic integration into national technology policy and the build-up of a national industry to provide the equipment and services needed for a lasting dissemination of the demonstrated successes. Replication is now facilitated through the CDM.

Sources

Climate Funds Update: *http://www.climatefundsupdate.org*
http://www.gefweb.org
UNFCCC*, Report on the Global Environment Facility on a strategic programme to scale up the level of investment for technology transfer, Note by the secretariat.* 29 May 2008

GEF Least Developed Countries Fund

The Least Developed Countries Fund finances the additional costs imposed on the Least Developed Countries to address their special needs under the Climate Convention. The Fund gives priority to adaptation to climate change.

Date created

The Global Environment Facility was established in October 1991 as a pilot program in the World Bank to assist in the protection of the global environment and to promote environmental sustainable development.
In 1994, at the Rio Earth Summit, the GEF was restructured and moved out of the World Bank system to become a permanent, separate institution.
The Least Development Fund was proposed at the 7th session of the Conference of the Parties to the UN Framework Convention on Climate Change held in Marrakech in 2001 (COP7), as a financial mechanism of the Convention, was requested to operate two new funds related to the UNFCCC (the Special Climate Change Fund and the Least Developed Countries Fund).
At the 8th session of the COP in October 2002, the GEF reported on the arrangements that had been made for the establishment of the funds.

Administrating organization

Global Environment Facility (GEF)

Objectives

The objective of the Least Developed Countries Fund (LDCF) is to address the special needs of the forty-eight Least Developed Countries (LDCs), which are especially vulnerable to the adverse impacts of climate change.

Nature of donor contributions

As of 2 October 2008, nineteen contributing participants have pledged contributions to the LDCF.

Financial instrument/delivery mechanism used

Grants

Bioenergy activities supported

LDCF supports “urgent and immediate needs” and mainly NAPAs (National Adaptation Programmes of Action) in LDCs. Bioenergy projects and programmes are not currently financed by LDCF resources.

Geographical range

Least Developed Countries.

Eligibility and selection criteria

Activity eligibility and selection criteria:

The preparation phase provides a process for Least Developed Countries (LDCs) to identify priority activities that respond to their urgent and immediate needs to adapt to climate change. The steps for the preparation of the NAPAs include synthesis of available information; participatory assessment of vulnerability to current climate variability and extreme events and of areas where risks would increase due to climate change; identification of key adaptation measures as well as criteria for prioritizing activities; and selection of a prioritized short list of activities.
In the second phase, after the NAPA official report is finalized and made public, the LDCF will support the implementation of activities identified, and of other elements of the LDCs work programme, in order to promote the integration of adaptation measures in national development and poverty reduction strategies, plans or policies, with a view to increasing resilience to the adverse effects of climate change. The NAPA implementation phase includes the design, development, and implementation of projects on the ground. Throughout the implementation phase, projects are monitored to measure progress, and at project completion, a terminal evaluation is required to assess the effectiveness of the adaptation measures implemented. The implementation phase should include provision for involving a comprehensive and open group of stakeholders. The implementation phase requires not only the mobilization of significant additional resources but also the identification and involvement of key agencies, individuals, communities and entities with relevant expertise to address the problems given priority in the NAPA report.

As adaptation measures are often integrated into larger development programs (e.g., in agriculture or heath), existing development financing provides de facto co-financing on the ground.

Country eligibility and selection criteria:

All Least Developed Countries are eligible. However, proposals submitted for funding under the LDCF are reviewed in light of agreed project criteria, drawn from COP guidance. These criteria include country ownership; program and policy conformity; financing; institutional coordination and support; and monitoring and evaluation. For purposes of the LDCF, these criteria will be understood as follows:

(a) Country ownership includes two considerations: country eligibility and country driven-ness. For a country to be eligible to receive funding for NAPA implementation under the LDCF, it should be an LDC Party to the UNFCCC that has completed its NAPA. In terms of country driven-ness, the project proposal should be identified as a priority activity in the country's NAPA; it should show evidence of stakeholder consultation and support; and it should take into account other relevant local, national or regional studies and projects.

(b) Program and policy conformity includes four aspects: program conformity; project design; sustainability and stakeholder involvement. In terms of program conformity, the project document should demonstrate that the proposal has been developed in compliance with the NAPA rules and procedures and represents a response to an urgent and immediate adaptation need. With respect to project design, the proposal should include a list and description of project components as well as an additional cost calculation that demonstrates what would be done in a development baseline in the absence of climate change and the alternative scenario including measures that meet urgent and immediate needs that justifies the request for LDCF resources. In terms of sustainability, the benefits of the project, in this case increased capacity to cope with adverse impacts of climate change, should continue after project completion. Finally, with respect to stakeholder involvement, the project should provide for multi-stakeholder consultations and participation—which have proven pivotal to the NAPA preparation process—to continue during project implementation.

(c) Financing refers both to the development and inclusion of a financing plan and an assessment of cost-effectiveness. A financing plan should provide a summary of financing contributions to the project, including an assessment of the baseline financing being included in the project. Co-financing may include utilization of existing resources, in the form of bilateral grants, IDA loans, or other in-cash and in-kind contributions. The total project cost will be the sum of the LDCF contribution and all co-financing. With respect to cost-effectiveness, the project proposal should include a discussion of the various options considered to achieve the project's goal in a way that demonstrates that the adaptation measures and activities selected represent the most cost-effective approaches.

(d) Institutional coordination and support is required of all projects to ensure that any potential duplication of activities is minimized and that coordination, collaboration, and consistency of approaches to other activities in the country is maximized. It is important that NAPA implementation builds upon the ongoing and upcoming activities in the same.

(e) Monitoring and evaluation requirements for the project are identical for all GEF projects. By the time of project approval, all projects should have developed a detailed monitoring and evaluation plan that includes provision and arrangements for annual monitoring reports and independent mid-term and final evaluations.

How and when to apply

The first step to access these funds is to contact an Implementing or Executing Agency of the GEF. They will facilitate the process of submitting the project and accessing the funds.

GEF's Executing Agencies are the U.N. Food and Agriculture Organization (FAO), the U.N. Industrial Development Organization (UNIDO), the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), and the International Fund for Agricultural Development (IFAD); while the GEF's Implementing Agencies are the U.N. Development Programme (UNDP), the U.N. Environment Programme (UNEP), and the World Bank.

Funds available / Funds disbursed to date / Number of funded projects

By January 2010, LDCF received USD 169 million and approved projects for USD 131 million. It financed 48 NAPAs (44 completed), 36 concrete adaptation project approved (17 under implementation that will be finished by the end of 2010).

Uptake and projects supported

As of January 2009, 62 projects are approved and eight are under preparation. Of the 62 projects approved, only 12 are in the implementation phase (Bangladesh, Bhutan, Burkina Faso, Cape Verde, Congo DR, Djibouti, Eritrea, Malawi, Sierra Leone, Sudan, Tuvalu and Zambia).
In addition, eight implementation projects are under preparation (Benin, Gambia, Guinea, Haiti, Mauritania, Niger, Samoa and Vanuatu).

Further information and lesson learned

For Least Developed Countries in particular, the project cycle has been significantly streamlined, making it easier to access the resources of the Least Developed Countries Fund. The publication, Linking Adaptation to Development, explains in plain language the goals and the scope of GEF's support to adaptation.
Additional steps to improve communication and access are under development.
In particular, with relation to projects for technology transfer in the waste-to-energy sector, the lesson learned included that, while the capacity building activities were very successful and sustainable and the demonstration units clearly indicated which industries could reach the highest levels of GHG abatement, projects also demonstrated very clearly that it is important not to stop after the development of technologies, or their adaptation to the local conditions. Therefore, once suitable technologies have been identified and tested, it is very important to move on to the dissemination stage, and to a systematic integration into national technology policy and the build-up of a national industry to provide the equipment and services needed for a lasting dissemination of the demonstrated successes.

Sources

Status report on the climate change funds as of March 4, 2008:
http://www.gefweb.org/uploadedFiles/Documents/LDCFSCCF_Council_Documents/LDCFSCCF4_April_2008/LDCF.SCCF.4.Inf.2%20Trustee%20Status%20Report%2003.21.08.pdf
Programming paper for funding the implementation of NAPAS under the LDC trust fund:
http://www.ifad.org/operations/gef/climate/12.pdf
Climate Funds Update: http://www.climatefundsupdate.org
Report of the Global Environment Facility on a strategic programme to scale up the level of investment for technology transfer, UNFCCC, 29 May 2008: http://unfccc.int/resource/docs/2008/sbi/eng/05.pdf

GEF Special Climate Change Fund

The Special Climate Change Fund (SCCF) under the United Nations Framework Convention on Climate Change was established in 2001 to finance projects relating to adaptation; technology transfer and capacity building; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention.

Date created

The Global Environment Facility was established in October 1991 as a pilot program in the World Bank to assist in the protection of the global environment and to promote environmental sustainable development.
In 1994, at the Rio Earth Summit, the GEF was restructured and moved out of the World Bank system to become a permanent, separate institution.
The Climate Change Fund was proposed at the 7th session of the Conference of the Parties to the UN Framework Convention on Climate Change held in Marrakech in 2001 (COP7), as a financial mechanism of the Convention, was requested to operate two new funds related to the UN Framework Convention on Climate Change (the Special Climate Change Fund and the Least Developed Countries Fund).
At the 8th session of the COP in October 2002, the GEF reported on the arrangements that had been made for the establishment of the funds.

Administrating organization

The Global Environment Facility (GEF), as the entity that operates the financial mechanism of the UNFCCC, has been entrusted to operate this fund.

Objectives

The overall objective of the fund is to implement long-term adaptation measures that increase the resilience of national development sectors to the impacts of climate change.
Projects must focus on long-term planned response strategies, policies, and measures, rather than short-term (reactive) activities. The SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilateral sources.

Nature of donor contributions

Donor contributions are considered part of official development assistance.
To date, 13 donors (Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom) have made pledges to the SCCF.

Financial instrument/delivery mechanism used

The GEF is the financial mechanism for both UN Convention on Biological Diversity and the UNFCCC.
The GEF operates as a mechanism for international cooperation to provide new and additional grant and concessional funding to meet the agreed incremental costs of projects to achieve agreed global environmental benefits in climate change (among other focal areas).
Other forms of financing may be trusts and revolving funds, loan guarantees against specified mitigation-related risks, and temporary equity participation.
The Trustee makes commitments of funding to GEF Agencies for projects and fees upon CEO endorsements. The commitments are made based on the amounts endorsed by the CEO, as indicated in each endorsement letter from the CEO to GEF Agencies
In all cases, transfer of funds from the Trustee to Agencies will be made after commitment by the Trustee and subsequent Agency approvals of the projects/activities, where relevant, following the procedures agreed between the GEF Agencies and the Trustee.

Bioenergy activities supported

SCCF supports projects in four areas, though money has been delivered only for a) and b):
a) Adaptation (water, land, agriculture, health, infrastructure development, fragile ecosystems, integrated coastal zone management)
b) Adaptation technology transfer (in accordance with the definition of the Convention)
c) Energy, transport, industry, agriculture
d) Economic diversification (e.g. OPEC countries that are affected by climate change policies)
Since bioenergy projects and programmes are not considered as “urgent and immediate” needs for vulnerable countries, they are not currently financed by SCCF resources.

Geographical range

Developing country parties to the UNFCCC (all Non-Annex I Parties).

Eligibility and selection criteria

Activity eligibility and selection criteria:

- National programs related to agreed UNFCCC climate change mitigation activities
- Long-term measures and long-term mitigation projects such as:
    - Removing implementation barriers for climate-friendly technologies (GEF activities will therefore mainly involve building endogenous capacity, improving public awareness, and demonstrating and disseminating technologies and measures)
    - Reducing the long-term costs of low greenhouse gas-emitting energy technologies (the GEF will finance part of the investment, associated pre-investment work, and technical assistance)
    - Promoting the adoption of renewable energy by removing barriers and reducing implementation costs (such as: combustion of agricultural residues to generate heat and power, including steam boilers using biomass residues; other technologies for using biofuels; methane-control technologies for waste disposal)
    - Supporting Sustainable Transportation
- Short-term mitigation projects that reduce GHG emissions (such as transport and agricultural waste)
- Activities that prevent or restore land degradation such as:
    - Rural renewable energy projects (biomass energy for lighting, water heating, cooking, and water pumping) and energy efficiency projects (such as those for increasing the efficiency of wood or charcoal burning stoves) that would help reduce unsustainable use of firewood
    - GEF biofuel activities that restore degraded land and biomass cover in order to produce, harvest, and utilize biomass in sustainable ways

All GEF-funded activities in climate change should:

- be in full conformity with the guidance provided by the Conference of the Parties (COP) of the UNFCCC
- meet one of the long-term GEF programme priorities or one of the short-term GEF programme priorities
- Short-term mitigation projects should:
    - be country-driven and approved individually on the basis of GEF operational criteria
    - be country priorities, cost-effective in the short term and likely to succeed
- Long-term measures and long-term mitigation projects should be country driven and prepared in the context of GEF operational programs
- Full-Sized (FSPs)over USD 1 million
    - may be developed by governments, non-governmental organizations, communities, the private sector, or other civil society entities, and must respond to both national priorities and GEF focal area strategies and operational programs, and must satisfy eligibility requirements under the Conventions
    - FSPs are subject to project review criteria and are approved by the GEF Council.
- Medium-Sized Projects (MSPs) - Up to USD 1 million
    - Their approval is delegated by the Council to the CEO, and it is subject to project review criteria, similar to FSPs. Prior to the CEO approval, MSPs are circulated to Council for their information.

Any eligible individual or group may propose a project. However, in order to be taken into consideration a project proposal has to fulfil the following criteria:

- It is consistent with national priorities and programs;
- It addresses one or more of the GEF focal areas, improving the global environment or advance the prospect of reducing risks to it;
- It is consistent with the GEF operational strategy;
- It seeks GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits;
- Involving the public in project design and implementation.

Country eligibility and selection criteria:

- Only developing-country Parties are eligible to receive funding through the financial mechanism of the UNFCCC.
- When the GEF provides assistance outside the Convention's financial mechanism, it will ensure that such assistance is fully consistent with the guidance provided by the COP to the UNFCCC

- project is endorsed by the government(s) of the country(ies) in which it will be implemented

How and when to apply

Projects should follow the project cycle procedure. Full-Sized projects have to be endorsed by the CEO within 22 months from the date of Council approval of the work program; Medium-Sized projects have to receive the approval of the CEO of the final project document within 12 months from the PIF approval.

- Before drafting the project proposal the applicant should contact the Country Operational Focal Point and verify that his/her proposal complies with the criteria mentioned above. If there are doubts about the eligibility of the project it is advisable to have an informal consultation with the GEF Secretariat (Country Relation Officers in the External Affairs team).
- GEF Agencies assist eligible applicants in the development, implementation, and management of GEF projects. They are the channel between countries and the GEF for the project approval process and participate in the GEF governance as well as in the development of GEF policies and programs. The choice on the Agency should be based on its respective comparative advantages as stated in the document Comparative Advantages of the GEF Agencies (GEF/C.31/5 rev.1, 2007).
- Once these preparatory steps are taken the proponent should develop the Project Identification Form (PIF), in close coordination with the GEF Agency and following their internal project cycle procedures. Once the PIF is ready the Agency will submit it to the GEF Secretariat for approval.

Projects types, templates and guidelines are downloadable from GEF website: www.gefweb.org
SCCF (and LDCF) preparation guidelines are available at:
http://www.gefweb.org/uploadedFiles/Projects/Templates_and_Guidelines/LDCF-SCCF%20PIF%20Preparation%20Guidelines-8-30-07.doc

Funds available / Funds disbursed to date / Number of funded projects

The total amount pledged is USD 90 million. Donor countries continue to contribute to the SCCF on a voluntary basis.

Uptake and projects supported

The SCCF adaptation program already includes projects that finance adaptation measures in the following sectors:

- Agriculture and food security - helping the food production sector to maintain output under climate stress (e.g. Mozambique, China and Mongolia);
- Water resources - securing a sustainable supply of fresh water resources for agriculture and domestic purposes (e.g. Ecuador, Andes Region, and Mexico).

From 2002 to 2009 bioenergy projects have been approved and financed through GEF grants:

- 45 renewable energy projects (USD 198 million in GEF grants)
- 2 biofuels projects (USD 1.9 million in GEF grants)
- 7 biomass energy projects (USD 23 million in GEF grants)
- 2 bioenergy projects (USD 4 million in GEF grants

Further information regarding specific financed projects may be found at GEF website/projects database: www.gefweb.org.

Further information and lesson learned

It is important not to stop after the development of technologies, or their adaptation to the local conditions. Once suitable technologies have been identified and tested, it is very important to move on to the dissemination stage, and to a systematic integration into national technology policy and the build-up of a national industry to provide the equipment and services needed for a lasting dissemination of the demonstrated successes. Replication is now facilitated through the CDM.

Sources

Climate Funds Update: http://www.climatefundsupdate.org
GEF webpage for the Special Climate Change Fund:
http://www.gefweb.org/interior.aspx?id=192&ekmensel=c57dfa7b_48_60_btnlink
UNFCCC webpage for the Special Climate Change Fund:
http://unfccc.int/cooperation_and_support/financial_mechanism/special_climate_change_fund/items/3657.php
Report of the Global Environment Facility on a strategic programme to scale up the level of investment for technology transfer, UNFCCC, 29 May 2008: http://unfccc.int/resource/docs/2008/sbi/eng/05.pdf

Global Village Energy Partnership (GVEP)

The Global Village Energy Partnership (GVEP) is a 10-years initiative launched in the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002, fostered by USAID, Dutch Cooperation, the World Bank, UNDP, bilateral donors, NREL and Winrock. At present, GVEP partners includes developing countries and industrialized governments, multilateral organizations, private firms, NGOs and other interested stakeholders. GVEP International was created in 2005.

Date created

2002

Administrating organization

Management Team of GVEP International - London

Objectives

GVEP aims to:

- increase access to modern energy services to those in developing countries
- enhance economic and social development and reduces poverty
- combine, as appropriate, increased use of renewable energy resources, more efficient production and use of energy, greater reliance on advanced energy technologies (including cleaner fossil fuel technologies), with the sustainable use of traditional energy resources

Nature of donor contributions

GVEP funds are composed as follows: 43% from the private sector, 34% from NGOs, 13% from bilateral and developing country governments, 7% consultants and 3% multilateral organizations

Financial instrument/delivery mechanism used

Multilateral, bilateral and host country sources that are delivered as funding projects.

Bioenergy activities supported

- increase use of renewable energy resources
- energy-poverty programs
- guarantee access to modern energy services

Geographical range

Asia, Africa and Latin America

Eligibility and selection criteria

Activity eligibility and selection criteria:

In order to be considered for GVEP partners' funds, projects shall include some of the following activities:

- energy-poverty programs,
- increased use of renewable energy resources,
- guarantee of modern energy access,
- increase services of electricity,
- training for entrepreneurs in the delivery of energy services, and/or
- facilitate measurable improvements in quality of life of those served

Projects should fulfil the following requirements:

- increase and facilitate access to modern energy service,
- improve economic and social development, the quality of life and services, and reducing poverty,
- promote the use of environmentally sound technology options in a range of rural, peri-urban and urban areas where energy access is lacking and/or in sectors where the provision of energy services is not presently sustainable (e.g., agriculture, infrastructure, rural development, and small business),
- facilitate policy and market regulatory frameworks that create the economic, social and institutional conditions to improve access to reliable, affordable, economically viable, and socially acceptable and environmentally sound energy services,
- enhance human and institutional capacity in the delivery of energy services,

- ensure that GVEP activities are effectively integrated and coordinated with related activities at the local, national, regional or global levels, including programs implemented by partner organizations, host country governments and other partnerships, and
- establish and support implementation of work-plans for activities assisted by GVEP

Country eligibility and selection criteria:

Project support is given to developing countries in Latin-America, Asia and Africa.

How and when to apply

In order to access to GVEP funds, candidates should become GVEP partners by registering on the GVEP webpage. Projects can be submitted directly in the webpage and seek for potential funding that are already registered in the Partnership and have published their funding opportunities in the website.

Funds available / Funds disbursed to date / Number of funded projects

In 2003-2004 GVEP delivered funds that were composed as follows: USD 40 million (USAID), USD 12 million (multilateral fund). In particular, the GVEP Secretariat worked along with the World Bank project "Energy Sector Management Assistance Program"(ESMAP) that jointly supported 43 projects for USD 1.02 billion, 9 WSSD projects for USD 1.6 million. Projects were developed in: Bolivia, Bolivia, Brazil, Dominican Republic, Guatemala, Honduras, Mexico, Burkina Faso, Cameroon, Ghana, Kenya, Mali, Senegal, South Africa, Tanzania, Uganda, Zambia, India and Sri Lanka.

In 2005-2006, they supported 34 energy projects valued in USD 770 million.

Uptake and projects supported

GVEP International Projects:

1. IDEAS Energy Innovation Contest (2009)
   - Aim: to support the promotion of renewable energy, energy efficiency and energy access in Latin America and contribute to a sustainable economy in the region.
   - Nature of Funds: GVEP International, the Inter-American Development Bank (IDB), the Korean Trust Fund (KPKF) and the German Development Cooperation (GTZ).
   - Funds: two year grant funding of up to USD 200,000 for each project
   - 25 Winning projects in Argentina, Brazil, Colombia (ethanol from coffee and banana waste, and biodiesel from vegetal oil), Chile (ethanol from milk waste), El Salvador, Honduras, Mexico, Panama, Peru, St Lucia (ethanol from banana waste), and St. Vincent and the Grenadines.
2. Peru Platform (2007)
   - Aim: To set up a platform in Peru to coordinate its renewables and biofuels energy strategy.
   - Nature of Funds: GVEP International and Inter-American Development Bank (IDB)

Further information and lesson learned

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Sources

US Agency for International Development: http://www.sdp.gov/sdp/initiative/cei/28305.htm
Global Village Energy Partnership (GVEP) International: http://www.gvepinternational.org/project/67/

IFAD - ICRISAT Biopower strategy

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), with the financial assistance from IFAD, is carrying out its Biopower Strategy to research-for-development energy crop projects.

Date created

May 2008

Administrating organization

International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)

Objectives

The ICRISAT's Biopower strategy aims to:

- promote the cultivation of sweet sorghum, cassava and Jatropha;
- facilitate small-scale farmers and landless poor to take advantage from biofuels market demand and improve their livelihood;
- utilize biofuels for local use and rehabilitate degraded lands;
- enable cost-effective and sustainable biofuels production

Nature of donor contributions

IFAD funds

Financial instrument/delivery mechanism used

Fund grants

Bioenergy activities supported

The ICRISAT's Biopower strategy can support the following bioenergy activities:

- cultivation of sweet sorghum stalks and cassava roots to produce ethanol
- cultivation of seeds of jatropha in producing biodiesel

Sweet sorghum cultivation is promoted in India, Mali and the Philippines.
Cassava cultivation is supported in China, Colombia and Viet Nam.
Jatropha cultivation is supported in India and Mali.

Geographical range

Asia, Africa and South America

Eligibility and selection criteria

Activity eligibility and selection criteria:

The ICRISAT's Biopower strategy is focused on 4 main activities:

- developing improved high-biomass, juice-yielding sweet-stalk and brown mid-rib sorghum cultivars
- developing high-biomass and/or sugary cassava varieties
- standardizing propagation techniques for true-breeding jatropha collections and evaluating seed yield and oil content
- building the knowledge base of farmers, NGOs and line department staff on the importance of biofuel and various technical aspects of the energy crop cycle

How and when to apply

-

Funds available / Funds disbursed to date / Number of funded projects

USD 1.5 million IFAD-grant project

Uptake and projects supported

ICRISAT-NOVOD-DWMA project: Rehabilitating degraded lands through biodiesel trees in Andhra Pradesh, India

Further information and lesson learned

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Sources

http://www.ifad.org/newsletter/pi/sp_1008.htm

Kyoto Protocol Adaptation Fund

The Fund is financed with a share of proceeds from clean development mechanism (CDM) project activities and its aim is to finance concrete adaptation projects in developing countries that are Parties to the Kyoto Protocol.

Date created

The fund was proposed at the 7th session of the Conference of the Parties to the UNFCCC and the Parties agreed to the establishment of the Adaptation Fund.
The fund was made operational in 2009. The inaugural sales of CERs was completed during the third week of May 2009, which was the first set of transactions carried out as part of the Adaptation Fund's program to monetize CERs.

Administrating organization

The Fund is administrated by the Adaptation Fund Board. The AFB is composed of 16 members and 16 alternates and meets at least twice a year (Membership as of May 2009).

Objectives

The Adaptation Fund was established to finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change.

Nature of donor contributions

The Fund is to be financed with a share of proceeds from clean development mechanism (CDM) project activities and receive funds from other sources. The share of proceeds amounts to 2 percent of certified emission reductions (CERs) issued for a CDM project activity.
The donor funding is not considered part of official development assistance.

Financial instrument/delivery mechanism used

Grants

Bioenergy activities supported

Potential bioenergy projects that could be supported by the adaptation fund would have to fall under the following categories:

- Adaptation activities, where sufficient information is available to warrant such activities, in the areas of water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems, including mountainous ecosystems, and integrated coastal zone management.
- Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change, including contingency planning, in particular, for droughts and floods in areas prone to extreme weather events.

Geographical range

Developing countries that are Parties to the Kyoto Protocol.

Eligibility and selection criteria

Activity eligibility and selection criteria:
The Fund shall finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change.
Parties may undertake adaptation activities under the following categories:
(i) Small-size projects and programmes (proposals requesting up to USD 1 million); and
(ii) Projects and programmes (proposals requesting over USD 1 million).
Country eligibility and selection criteria:
Paragraph 10 of the "Strategic Priorities and Guidelines of the Adaptation Fund" (http://adaptation-fund.org/images/AFB.B.3.9_Strategic_Priorities,_Policies.pdf) provides the country eligibility criteria:
"The overall guidance will be based on:
(i) Decision 10/CP.7, which states that an adaptation fund shall be established to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol

(ii) Decision 5/CMP.2, which states that [AF resources] will be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation;
(iii) Decision 1/CMP.3 which states that developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change are eligible for AF assistance; and on
(iv) Decision 28/CMP.1 which in its chapeau, provides an initial definition of countries that are particularly vulnerable to the adverse effects of climate change as: low lying and other small island countries; countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought or desertification; and developing countries with fragile mountain ecosystems."
A report on the work for the fiduciary standards and the Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, as requested by the Board at its fifth meeting, is contained in document AFB/B.6/4 and AFB.B.6.5.
http://www.adaptation-fund.org/images/AFB.B.6.4_Fiduciary_Standards.pdf
http://www.adaptation-fund.org/images/AFB.B.6.5_Draft_Provisional_Policies_and_Guidelines.pdf

How and when to apply

All requests shall be sent to:
The Adaptation Fund Board Secretariat c/o Global Environment Facility Secretariat, Washington DC, USA
Tel: +1 202 473 0508
Email: secretariat@adaptation-fund.org.
Acknowledgment of the receipt shall be sent to the proposing IEs with copies of the acknowledgement letter to all Members and Alternates of the Board within a week of the receipt of the request for support. All project proposals submitted will be posted on the website of the Adaptation Fund Board.
Parties can submit proposals for concrete adaptation projects and programmes directly to the Board for funding.
Eligible Parties who seek financial resources from the Adaptation Fund may submit proposals either directly through their nominated National Implementing Entity (NIE) (may include Ministries), or using the services of Multilateral Implementing Entities (MIE).
This template should be used to submit a request for funds: http://www.adaptation-fund.org/images/AFB.B.6.5.Add.1_Template.pdf

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

-

Sources

Adaptation Fund official website: http://adaptation-fund.org/
Adaptation site on the UNFCCC domain, containing all key decisions: http://unfccc.int/cooperation_and_support/financial_mechanism/adaptation_fund/items/3659.php
Climate Funds Update: http://www.climatefundsupdate.org
Draft Role and Responsibilities of the Adaptation Fund Board: http://www.adaptation-fund.org/images/AFB.B.2.3_Role_and_Responsibilities_of_the_AF_Board.pdf
Press release on Kyoto Protocol's Adaptation Fund Board Inaugural Meeting: http://unfccc.int/files/press/releases/application/pdf/af_board_press_release.pdf

REEEP Programme Call

The Renewable Energy and Energy Efficiency Partnership (REEEP) is a global partnership that works to reduce the barriers within policy, regulatory and financial structures that bar and limit the uptake of renewable energy projects. Each year a number of regulatory and practical projects on renewable energy are funded by REEEP's donors.

Date created

REEEP is an Austrian legal entity with the status of an International NGO.
On 6 May 2009, REEEP announced the forty-nine new clean energy projects in 25 countries which will be funded in the seventh REEEP programme call.

Administrating organization

Renewable Energy and Energy Efficiency Partnership (REEEP)

Objectives

The partnership's overarching goals are to:

- Reduce greenhouse gas emissions;
- Deliver social improvements to developing countries and countries in transition, by improving the access to reliable clean energy services, and by making REES more affordable;
- Bring economic benefits to nations that use energy in a more efficient way and increase the share of indigenous renewable resources within their energy mix.

Nature of donor contributions

The partnership is funded by a number of governments including Australia, Austria, Canada, Germany, Ireland, Italy, Spain, The Netherlands, New Zealand, Norway, The United Kingdom, The United States and the European Commission.

Financial instrument/delivery mechanism used

Grants or co-funding

Bioenergy activities supported

REEEP projects concentrate on the two areas where small-scale interventions can have a huge knock-on effect: in helping establish clear regulatory and policy frameworks for renewables and energy efficiency, and in creating finance and business models to attract private players to these sectors.

Geographical range

Global, with a preference in African countries and the Pacific region.

Eligibility and selection criteria

Activity eligibility and selection criteria:
In the 7th programme call, initiatives were introduced aimed at the replication or scale-up of previous REEEP projects and projects working directly with key government partners and development finance institutions.
Country eligibility and selection criteria:
In the 7th programme call, priority countries were identified as Brazil, China, India and South Africa and the developing world.

How and when to apply

Yearly the programme call is posted on the REEEP website.

Funds available / Funds disbursed to date / Number of funded projects

EUR 4.7 million available for the 7th disbursement in 2009.
This year saw Australia join the governments of the UK, Norway, Ireland, Italy and New Zealand as REEEP programme donors. REEEP previously disbursed EUR 3.2 million in 2007, EUR 2.2 million in 2006 and EUR 1.1 million in 2005.

Uptake and projects supported

Nine new projects will be situated in China, including support for the CRED (Centre for Renewable Energy Development) in creating a roadmap to show how 30 percent of China's 2030 energy demands could be met with renewables. Another will assist the National Lighting Test Centre in formulating testing methods for LED lighting. Projects in India will include the implementation of a national framework for Tradable Renewable Energy Certificates (TRECs) with the Indian government agency IREDA and federal and state energy regulators. A microfinance project with the Foundation for Development Cooperation will support renewable energy systems in Fiji, Samoa and Vanuatu.

Further information and lesson learned

For Least Developed Countries in particular, the project cycle has been significantly streamlined, making it easier to access the resources of the Least Developed Countries Fund. The publication, Linking Adaptation to Development, explains in plain language the goals and the scope of GEF's support to adaptation.
Additional steps to improve communication and access are under development.

Sources

Reeep website: www.reeep.org
REEEP's Annual Report 2008/09: http://www.reeep.org/file_upload/5272_tmpphpw6VleB.pdf

UNDP MDG Achievement Fund - Environment and Climate Change thematic window

The MDG Achievement Fund (MDG-F) was established by the Government of Spain and UNDP to accelerate efforts to reach the Millennium Development Goals. Environment and Climate Change is one of eight thematic areas supported by the MDG-F. The objective of this part of the fund is to help reduce poverty and vulnerability in eligible countries by supporting interventions that improve environmental management and service delivery at the national and local level, increase access to new financing mechanisms and enhance capacity to adapt to climate change.

Date created

Date fund was proposed in December 2006 and was made operational in the first quarter of 2007.

Administrating organization

The United Nations Development Programme is the Administrative Agent for the Fund.
Overall leadership of the MDG-F is provided by the MDG-F Steering Committee. The Steering Committee sets the strategic direction of the Fund, decides on individual financial allocations, monitors strategic allocations and delivery amongst priorities and countries, and tracks Fund-wide progress. The Steering Committee is made up of a representative of UNDP and the Government of Spain. Additional members may be invited at the discretion of the Steering Committee.

Objectives

The MDG-Fund is an inter-agency UN resource that finances and supports national efforts to achieve key Millennium Development Goals and related development goals, while abiding by the Paris Declaration on Aid Effectiveness and advancing UN coherence and collaboration.
The MDG Achievement Fund aims to accelerate progress towards attainment of the MDGs in select countries by:

- Supporting policies and programmes that promise significant and measurable impact on select MDGs;
- Financing the testing and/or scaling-up of successful models;
- Catalysing innovations in development practice; and
- Adopting mechanisms that improve the quality of aid as foreseen in the Paris Declaration on Aid Effectiveness.

The MDG-F supports almost 130 joint programmes in the areas of gender equality, youth employment, economic governance, culture and development, environment, child nutrition, private sector, etc.

Nature of donor contributions

The MDG Fund was created in December 2006 with an initial commitment by the Spanish Government to the United Nations. Additional funds were committed in September 2008.

Financial instrument/delivery mechanism used

-

Bioenergy activities supported

A Request for Proposals (RfP) by the MDG-F thematic window for Environment and Climate Change was launched on April 26, 2007. The RfP closed on 8 June.
The key outcomes sought by the Fund in four priority areas, and interventions or activities to consider in preparing bioenergy-related applications are illustrated below.
I. Mainstreaming environmental issues in national and sub-national policy, planning and investment frameworks
The MDG-F will welcome funding applications that aim to:

- Raise the profile of environment in the national policy agenda and mobilize political commitment to mainstreaming environment in national development processes;
- Integrate the environment into national and sub-national development strategies and plans, and key sectoral plans and their implementation;
- Create fiscal and other policy incentives, and increase public budgetary allocations, for sound and equitable environmental management;
- Improve institutional capacities to mainstream environment in development planning and implementation, using participatory approaches where appropriate;

- Develop and strengthen capacities for the formulation and implementation of laws and regulations that curb activities that could lead to environmental degradation and/or deforestation;
- Remove barriers that limit the poor's access to economic benefits from ecosystem services and equitable access to water and land resources, particularly among the rural poor and women.

II. Improving local management of environmental resources and service delivery

The MDG F will welcome funding applications that aim to:

- Assess local demands, capacities, and delivery mechanisms for environmental resources and services for the decentralized achievement of the MDGs;
- Integrate environmental management into participatory rural development processes to help generate resources for poverty reduction and for the valuation of environmental services;
- Improve access to water and sanitation for the poor, promote the sustainable use of biodiversity and ecosystem services and increase clean energy service delivery through energy efficient and renewable energy options;
- Improve environmental service delivery mechanisms to support the achievement of the MDGs at the local level;
- Unleash the power of Small and Medium Sized Enterprises (SMEs) for environmental sustainability and the provision of water and sanitation services.

III. Expanding access to environmental finance

The MDG-F will welcome funding applications that aim to:

- Integrate the value of ecosystem services into economic decision-making frameworks;
- Evaluate the business case for participation in carbon finance markets and other payment for ecosystem services (PES) models;
- Improve capacities to engage with and benefit from, the Clean Development Mechanism (CDM);
- Test new approaches for payments for ecosystem services; and
- Enhance public/private partnerships for sustainable development, including tax incentives, market development, and incentives for enterprise development benefiting the poor, particularly women.

Geographical range

Africa: Angola, Cape Verde, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Guinea Bissau, Mali, Mauritania, Mozambique, Namibia, Niger, Sao Tomé y Príncipe, Senegal, South Africa.
Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela
Arab States: Algeria, Egypt, Iraq, Jordan, Lebanon, Moroco, Palestinian Territories, Sudan, Syria, Tunisia.
Europe and CIS: Albania, Bosnia-Herzegovina, Croatia, Kosovo (UN administered province of), Macedonia (FYROM), Montenegro, Serbia, Turkey.
Asia: Afghanistan, Bangladesh, Cambodia, China, Timor Leste, Philippines, Vietnam.
This list of eligible countries may be revised at the discretion of the Steering Committee.

Eligibility and selection criteria

Activity eligibility and selection criteria:

Programmes must be conceived by a minimum of two UN Agencies in collaboration with national Government and non-Governmental counterparts and submitted through the Resident Coordinator system of the United Nations. All proposals must be endorsed by a National Steering Committee consisting of, at a minimum, a representative of Spanish Cooperation, the National Government and the Resident Coordinator as the leading authority of the UN at the national level.

Country eligibility and selection criteria:

59 countries are eligible to apply for assistance from the Fund.
Applications to the Fund should be on behalf of a single, eligible country; multi-country, regional or global projects are not eligible for funding.
Current list of MDG-F eligible Participating Organizations (as of 4 January, 2008) are:
UNDP, UNICEF, UNFPA, WFP, UNHCR, UNOHCHR, UNIFEM, UNOPS, UN-Habitat, UNODC, WHO, UN-DESA, IFAD, UNCTAD, UNESCO, UNIDO, UNAIDS, ILO.
Regional Commissions:
Economic Commission for Africa (ECA)
Economic Commission for Europe (ECE)
Economic Commission for Latin America and the Caribbean (ECLAC)
Economic and Social Commission for Asia and the Pacific (ESCAP)

Economic and Social Commission for Western Asia (ESCWA)
United Nations Environment Programme – UNEP
United Nations World Tourism Organization – UNWTO
World Meteorological Organization – WMO
World Bank
International Telecommunications Union – ITU
International Organization for Migration – IOM
United Nations Capital Development Fund – UNCDF
United Nations Volunteers - UNV
United Nations Relief and Works Agency for Palestine Refugees in the Near East - UNRWA
Food and Agricultural Organization - FAO
International Trade Center – ITC

How and when to apply

Applications to Thematic Windows of the MDG-F should be in Concept Note format. Applicants should read the MDG-F 'Framework Document' as well as the 'Terms of Reference' of the relevant Thematic Window before submitting applications.
Applications should be submitted to the Online Programme Application System which can be accessed at sdnhq.undp.org/opas/ before the closing date of the Request for Proposals round.

Funds available / Funds disbursed to date / Number of funded projects

In December 2006, an initial commitment of EUR 528 million was made by the Spanish Government to the United Nations. An additional EUR 90 million were committed in September 2008.
Disbursements are made on a yearly basis.

Uptake and projects supported

The Environment window was one of the first areas to be opened for grants. All the Joint Programmes for Environment have been reviewed and most are now in the early stages of implementation of their projects. As of January 2009, 16 Joint Programmes have been approved within this thematic window –Afghanistan, Bosnia & Herzegovina, China, Colombia, Ecuador, Egypt, Guatemala, Jordan, Mauritania, Mozambique, Nicaragua, Panama, Peru, Philippines, Senegal and Turkey- with a total budget of USD 85.5 million approximately out of a USD 90 million envelope.
Other funded projects include:
Vietnam - MDGF-2065: Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor (UNCTAD, FAO, UNIDO, ILO, ITC)
Panama - MDGF-2097: Entrepreneurial Opportunities Network for Poor Families (UNDP, UNCTAD, FAO, UNIDO, UNWTO)
Costa Rica - MDGF-2086: Developing Competitiveness For The Brunca Region In The Tourism And Agro-Industry Sectors, With Emphasis On Creation Of Green, Decent Employment For Reducing Poverty (UNDP, UN-Habitat, FAO, ILO, IOM)
Egypt - MDGF-2047: Pro-poor Horticulture Value Chains in Upper Egypt (UNDP, UNIFEM, UNIDO, ILO)

Further information and lesson learned

For Least Developed Countries in particular, the project cycle has been significantly streamlined, making it easier to access the resources of the Least Developed Countries Fund. The publication, Linking Adaptation to Development, explains in plain language the goals and the scope of GEF's support to adaptation.
Additional steps to improve communication and access are under development.

Sources

Climate Funds Update: http://www.climatefundsupdate.org
UNDP-Spain MDG Achievement Fund: http://www.undp.org/mdgf/environment.shtml and
http://www.undp.org/mdgf/environment.shtml
http://www.undp.org/mdgf/docs/MDGF-TOR-Environment.pdf

UNFCCC - Programmatic Clean Development Mechanism (CDM)

Within the Framework of the Kyoto Protocol, a programme of activities (or Programmatic CDM "PoA") is a voluntary coordinated action by a private or public entity coordinates and implements any policy/measure or stated goal, which leads to anthropogenic GHG emission reductions or net anthropogenic greenhouse gas removals by sinks that are additional to any that would occur in the absence of the PoA, via an unlimited number of CDM Programme activities (CPAs).

Date created

1997

Administrating organization

Executive Board (EB) – United Nations Framework Convention on Climate Change (UNFCCC)

Objectives

The objectives of CDM programme of activities are:

- to produce an anthropogenic GHG emission reductions or
- to produce net anthropogenic greenhouse gas removals by sinks
- to carry out projects that produce additional GHG emission reductions that would not have occurred in the absence of the PoA

Nature of donor contributions

Private and public parties can participate in PoA, sharing CERs issued.

Financial instrument/delivery mechanism used

CDM projects are funded through public and/or private investments. Certified emission reductions (CERs) are sold and shared by project donors.

Bioenergy activities supported

- Biomass cogeneration projects and programmes
- Biomass power generation projects and programmes
- Switching fossil fuels for biomass fuels projects and programmes
- Biomass thermal/heat generation projects and programmes
- Biomass used as bioenergy for production process

Geographical range

Countries non-included in the Annex 1 of the Kyoto Protocol are able to host PoAs.

Eligibility and selection criteria

Activity eligibility and selection criteria:

CDM Programme of Activities (PoAs):

Local/regional/national policy or standard cannot be considered as a clean development mechanism project activity, except when a mandatory policy or regulation is not being enforces or when the PoA increases enforcement beyond the mandatory level required.

A PoA should fulfil the following requirements in order to be considered:

- is a voluntary action taken by the coordinating / managing entity,
- applies approved EB approved baseline and monitoring methodologies,
- defines the appropriate boundary,
- avoids double-counting and account for leakage,
- ensures that the emission reductions are real, measurable and verifiable, and
- proves additional emission reduction that would not have occurred in the absence of the project
- assists the non-annex 1 host country/ies in achieving sustainable development

CDM Programme Activities (CPAs):

A CPA is a single programme activity that can be included under a programme of activities (PoA) without undertaking process afresh when has fulfilled the following requirements:

- be uniquely identified, defined and localized in an unambiguous manner including the exact start and end date of the crediting period

- having ensured all the requirements determined in the PoA and its specific CDM-CPA-DD (design document) are met
- having completed CDM-CPA-DD form to the same DOE that requested registration of the PoA for consistency checking

Country eligibility and selection criteria:

A PoA can involve CPAs being run in multiple Non-Annex I Parties, in which case a separate letter of approval would be required from each Party involved.
The physical boundary of a PoA may extend to more than one country provided that each participating non-annex I host Party provides confirmation of voluntary participation in the PoA, and thereby all CPAs.
To be eligible to participate in a PoA, an entity must have obtained a letter of approval from a Party to the Kyoto Protocol. In the case of the non-Annex I Party seller/project owner, this letter of approval will be from the host Party; in the case of the Annex I buyer, it will be from the Annex I Party authorising the buyer's participation in the project

How and when to apply

In order to be included into a previous PoA, a CDM programme activity (CPA) shall:
- fulfil all the requirements determined in the related PoA and met its specific CDM-CPA-DD (design document for CDM programme activities)
- Complete the CDM-CPA-DD form to the same DOE (designated operation authority, i.e. independent auditors) that requested registration of the PoA

If CPA consistency with PoA is confirmed, the DOE shall:
- include the proposed CPA(s) in the registered PoA by uploading the CDM-CPA-DD to the CDM Executive Board via a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and not occur more than once per month.

Funds available / Funds disbursed to date / Number of funded projects

Funds are pledged on a case-by-case basis

Uptake and projects supported

Biomass CDM CPAs registered by the UNFCCC Executive are considered as follows:
- 31 biomass co-generation projects: 2 Chile, 3 China, 14 India, 1 Honduras, 4 Indonesia, 1 Israel, 4 Malaysia and 2 Thailand
- 88 biomass power generation projects: 1 Argentina, 1 Uruguay, 7 Brazil, 3 Chile, 59 India, 2 Indonesia, 4 Malaysia, 1 Sri Lanka, 1 Thailand
- 16 switching fossil fuels for biomass fuels projects: 1 Argentina, 1 Brazil, 1 Costa Rica, 1 Colombia, 7 India, 2 Malaysia, 1 Uruguay, 1 South Africa.
- 11 biomass thermal/heat generation projects: 1 Brazil, 1 Chile, 3 India, 2 Malaysia, 2 Moldova and 1 Philippines
- 4 projects in which biomass is used as energy source for production process: 2 Brazil and 2 Malaysia.

Further information and lesson learned

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Sources

UNFCCC Clean Development Mechanism webpage: http://cdm.unfccc.int/index.html
UNFCCC Clean Development Mechanism Projects registered: http://cdm.unfccc.int/Projects/registered.html

UNFCCC - Clean Development Mechanism (CDM) Project Activities

The clean development mechanism (CDM) is a project-based mechanism under the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) that enables the generation and issuance of certified emission reductions (CERs) from eligible CDM project activities. CDM projects are hosted by non-Annex I Parties, which allows these countries (which do not have Kyoto targets) to participate in international emissions trading.

Date created

1997

Administrating organization

Executive Board (EB) – United Nations Framework Convention on Climate Change (UNFCCC)

Objectives

The CDM has two objectives to assist non-Annex I Parties to:

- meet their sustainable development goals and priorities, by hosting projects that contribute to these goals, and contribute to the UNFCCC's overall objective of stabilising global concentrations of greenhouse gas emissions at a level that would prevent dangerous anthropogenic interference with the climate system; and
- to assist Annex I Parties to meet their Kyoto targets at a lower cost, by allowing the use of CERs generated by emission reducing CDM projects in non-Annex I countries to be used to meet in part these obligations.

The objectives of CDM projects are:

- to produce an anthropogenic GHG emission reductions or
- to produce net anthropogenic greenhouse gas removals by sinks
- to carry out projects that produce additional GHG emission reductions that would not have occurred in the absence of project
- enhance transfer of environmentally safe and sound technology and know-how

Nature of donor contributions

Private and public parties can participate in project activities, sharing CERs issued.

Financial instrument/delivery mechanism used

CDM projects activities are funded through public and/or private investments. Certified emission reductions (CERs) are sold and shared by project donors.

Bioenergy activities supported

- Biomass cogeneration projects
- Biomass power generation projects
- Switching fossil fuels for biomass fuels projects
- Biomass thermal/heat generation projects
- Biomass used as bioenergy for production process
- Biodiesel used as fuel (from waste and feedstock cultivated in degraded or degrading lands)
- Biogas projects

Geographical range

Countries non-included in the Annex 1 of the Kyoto Protocol are able to host CDM projects.

Eligibility and selection criteria

Activity eligibility and selection criteria:

It is a requirement for validation of a project activity that:

- the project contributes to sustainable development in the host Party,
- stakeholders have been consulted with,
- the environmental impacts of the project have been considered,
- emission reductions are additional (i.e. additionality is the requirement that the greenhouse gas emissions after implementation of a CDM project activity are lower than those that would have occurred in the most plausible alternative scenario to the implementation of the CDM project activity),

- the baseline, monitoring, verification and reporting proposals (and all other aspects of the project) comply with the CDM requirements.
- if the project activity does not fit in any EB existing methodology, project developers can propose a new methodology the UNFCCC Executive Board
- CERs can only be obtained under the CDM for:
  - projects for which baseline emissions are included in Annex A of the Kyoto Protocol (Energy, Waste, Industrial Processes, and Agriculture) and
  - projects that constitute afforestation or reforestation activities

Project developers should consider that biomass energy projects are only eligible for crediting in the CDM if the project baseline includes "Annex A" emissions that are in most cases, emissions from the use of fossil fuels, or non-CO2 greenhouse gases. Therefore eligible activities can be:

- Bioenergy projects that reduce or eliminate emissions from combustion of coal, oil, or natural gas.
- CH4 recovery through enhanced animal waste management, and use for bioenergy, would be eligible (CH4 emissions from animal waste management are included in the project baseline, and are also under the Agriculture sector in Annex A)
- Use of agricultural residues that would otherwise be burnt in the field (the latter constituting the baseline in this case)

Traditional bioenergy is not included in the "Annex A" baseline emissions. Therefore, proposals of switching from traditional bioenergy to modern bioenergy would not get approval as CDM project activity.
Project activities based on the *biodiesel production and use* can be approved by the UNFCCC Executive Board only if they fulfil the following selection criteria:

- project activities that reduce emissions through the production, sale and consumption of blended biodiesel used as fuel,
- where biodiesel is produced from: (a) Waste oil/fat; and/or (b) Vegetable oil that is produced with oil seeds from plants that are cultivated on dedicated plantations established on lands that are degraded or degrading at the start of the project activity.
- Alcohol used for biofuel esterification should be methanol from fossil fuel origin (i.e: ethanol should not be used for this process)
- Degraded or degrading lands should continue to provide at least the same amount of good and services as in the absence of the CDM project activity.
- In case of vehicles, only blended biodiesel can be used and the blending proportion must be up to 20% by volume (B20). Thus, it will be ensured that the technical performance characteristics of the blended biodiesel will not differ significantly from those of petrodiesel.
- In order to fulfil additionality requirements, only biodiesel consumed in excess of mandatory regulations is eligible for the purpose of the project activity.

Country eligibility and selection criteria:

- It is the prerogative of the host Party to determine whether or not a project does contribute to sustainable development.
- project participants are voluntarily participating in the project activity,
- the host Party of the project has designated a national authority for the CDM, and
- the non-Annex I Party authorising participation in the project by the proponents is a Party to the Kyoto Protocol.

How and when to apply

The designated operational entity (DOE) must receive from the project participants a host Party letter of approval confirming that the project contributes to sustainable development, and submit this letter of approval to the Executive Board together with the request for registration.
In order to present a CDM project activity, project developers should present:

- project design document (PDD)

  Specific PDDs exist for different project types:
  - Large-scale project activities (CDM-PDD)
  - Small-scale project activities (CDM-SSC-PDD)
  - Afforestation and reforestation project activities (CDM-AR-PDD)
  - Small-scale afforestation and reforestation project activities (CDM-SSC-AR-PDD)
- the validation report form from the designated operational entity (DOE), and
- the letter of approval from the designated national authority (DNA).

The PDD is reviewed by the DOE during the validation process to ensure that a project meets the requirements for validation. The PDD is also used as the basis of consultation with stakeholders, which is conducted by making the PDD and related documentation publicly available on the UNFCCC website.
The project design document is then included in the request for registration which is submitted by the DOE to the Executive Board.

Funds available / Funds disbursed to date / Number of funded projects

Funds are pledged on a case-by-case basis. Financing will be provided by public and/or private project developers willing to buy CERs.

Uptake and projects supported

CDM project activities approved and registered by the UNFCCC Executive Board in the period 2008-2010:

- 34 Biomass power projects: 20 in India, one in Sri Lanka, five in China, one in Chile, one in Honduras, one in Malaysia, two in Indonesia, one in Brazil, one in Thailand, and one in Uruguay
- 10 Biomass co-generation projects: two in China, one in Chile and seven in India
- 7 Biomass thermal generation projects: one in Honduras, four in India, one in Philippines and one in Chile
- 3 Switching from fossil fuels to biomass-based fuels: one in Malaysia, one in Costa Rica and one in India
- 42 Biogas projects: four in India, six in Indonesia, one in Ecuador, five in Vietnam, ten in Thailand, two in Guatemala, five in Malaysia, one in China, one in Israel, two in Honduras, one in Philippines, one in Peru, one in South Africa, one in Mexico and two in Nepal.

Further information and lesson learned

A brief description and graphical representation of the CDM project activity project cycle can be found at:
http://cdm.unfccc.int/Projects/pac/index.html
The Guidelines for completing CDM-PDD can be found at:
http://cdm.unfccc.int/Reference/Guidclarif/index.html

Sources

UNFCCC Clean Development Mechanism webpage: *http://cdm.unfccc.int/index.html*
UNFCCC Clean Development Mechanism Projects registered: *http://cdm.unfccc.int/Projects/registered.html*
CDM Rulebook: *http://cdmrulebook.org/*
B. Schlamadinger[a], I. Jürgens[b], *FAO, Bioenergy and the Clean Development Mechanism,* 2004:
http://www.fao.org/sd/dim_en2/bioenergy/docs/policy2_en.pdf

USAID-CTI Private Financing Advisory Network (PFAN)

The Private Financing Advisory Network (PFAN) is a public private partnership initiated by the USAID and the Climate Technology Initiative (CTI) in cooperation with the UNFCCC Expert Group on Technology Transfer (EGTT), the Asia Pacific Partnership (APP) and the Renewable Energy & Energy Efficiency Partnership (REEEP) and supported by a number of private sector companies in the financing sectors of the clean / renewable energy and energy efficiency industries (CE / RE / EE).

Date created

2006

Administrating organization

Climate Technology Initiative (CTI)

Objectives

PFAN provide technical assistance and guidance to project developers. Its main objectives are:

- to broaden the access to financing for climate friendly and technology transfer projects in the RE / CE sectors in developing countries / economies in transition;
- to get more renewable energy and climate friendly projects financed and thereby to accelerate technology transfer under the UNFCCC.

Nature of donor contributions

Private-public coming from CTI countries, USAID, APP, REEEP and private sector members

Financial instrument/delivery mechanism used

Financing funds

Bioenergy activities supported

Clean energy, biomass, biofuels, waste to energy, biogas

Geographical range

Developing countries and economies in transition

Eligibility and selection criteria

Activity eligibility and selection criteria:

- Clean energy (CE) and renewable energy (RE) projects for generation of power, production of biofuels and/or biomass.
- Energy efficiency (EE) and adaptation projects. Manufacture and development of CE/ RE/ EE technologies
- Projects that go beyond CE / RE and combine other aspects (agriculture, water)

The PFAN funds currently:

- preferably clean and renewable energy projects (mitigation and adaptation) in the range of 1-30 million USD, that otherwise would not be in a position to pay for financing advise and support
- bigger and smaller projects
- SME & micro-projects

Project developer should commit himself to implement PFAN advice. The project should lead to GHG potential reduction.

Country eligibility and selection criteria:

Projects should be carry out in developing countries and/or economy in transition

How and when to apply

1. Complete free-form application and present initial project description. Send them to PFAN coordinator and / or CTI Secretariat. This application should include the fullest possible description of the project based on information available (project rationale, location, involved parties, technology, development status, risk analysis etc).
   Check list to prepare initial proposal is available in CTI website. Also UNFCCC guidebook could be consulted.
2. Demonstrate *Back of Matchbox Technical & Commercial Feasibility*

Funds available / Funds disbursed to date / Number of funded projects

36 million USD have been disbursed in projects supported in 2008.
500-700 million USD for 2008-2011

Uptake and projects supported

2 projects supported: 1 bio-diesel refinery for USD 17 million (Brazil) and 1 biomass pelletisation for USD 1 million (South Africa).
11 projects in the pipeline: 3 biogas (Thailand, Philippines, Chile), 1 clean diesel (Singapore), 2 waste to energy (Sri Lanka, Indonesia, Cambodia and Vietnam), 4 Biomass (Chile, Indonesia, Philippines, Thailand), 1 Biofuels (Zambia).

Further information and lesson learned

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Sources

Introduction to CTI's Private Financing Advisory Network (PFAN) at:
http://www.climatetech.net/template.cfm?FrontID=5142#check_list
Frequently Asked Questions on CTI's Private Financing Advisory Network (PFAN) at:
http://www.resourcesaver.org/file/toolmanager/CustomO105C399F99696.pdf

World Bank - CFU - The Carbon Partnership Facility (CPF)

The Carbon Partnership Facility is a partnership between governments as well as public and private sector entities from developed, developing countries and countries with economies in transition alike, which is designed to develop emission reductions and support their purchase over long periods after 2012.

Date created

The CPF was approved by the World Bank's Board of Directors in September 2007

Administrating organization

The CPF is administrated by the Carbon Finance Unit (CFU) of the World Bank. Its governance structure also includes an annual participants meeting and a partnership committee consisting of buyer and seller representatives, as well as partners as non-voting members.

Objectives

The CPF aims to develop and implement mitigation programs in developing countries and countries with economies in transition and with the related creation of emission reductions in exchange for purchase commitments from private and public buyers in developed countries.
The CPF aims to promote long-term investments in low-carbon growth by purchasing emission reductions primarily in the post-2012 period. It is designed to scale up carbon finance through programmatic and sector-based approaches to greenhouse gas mitigation that will catalyze a downward shift in emission trends in certain sectors at the country level.

Nature of donor contributions

Donor contributors include governments and other public and private entities.
Contributions to the Carbon Asset Development Fund (CADF) are made by buyers and sellers through a fee on carbon transactions. The Carbon Asset Development Fund (CADF) fund may include donor contributions to support low-carbon development.

Financial instrument/delivery mechanism used

The Carbon Partnership Facility is set up as a partnership between buyers and sellers to facilitate the development of low-carbon investments with a long-term impact on mitigating GHG emissions. The partnership comprises two trust funds:

1. *The Carbon Asset Development Fund (CADF)* to prepare emission-reduction programs, and
2. *The Carbon Fund (CF)* to purchase carbon credits from the pool of emission reduction programs.

According to the financial model adopted, the cash flow is assessed against the returns (in terms of emission reductions). The payment (for buyer participants) is likely to consist of an upfront and annual fee (for program development, etc.) and periodic payments when emission reductions are delivered.
The World Bank Carbon Finance Unit (CFU) do not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources.
CFU pays on delivery of Emission Reductions. Therefore, the CFU through CPF invests contributions made by companies and governments ("Participants") in the CPF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects.

Bioenergy activities supported

The CPF will support large-scale or programmatic CDM/JI projects that develop a broad range of technologies linked to bioenergy such as:

- renewable energy and/or
- energy efficiency programs
- waste management
- clean power generation technologies, and
- programs in the transport sector

Geographical range

Global

Eligibility and selection criteria

Activity eligibility and selection criteria:

The CFU finances activities linked to bioenergy such as:

- renewable energy programs
- energy efficiency programs
- programs in the transport sector
- waste management
- clean power generation technologies

The *Carbon Asset Development Fund* provides funding for (i) development of carbon assets (e.g., methodologies and their application, documentation, independent audits, etc.), (ii) creation of an enabling environment where needed (e.g., amendments to the regulatory framework in the host country), and (iii) administration of the facility and its activities. If donor funds are made available for this purpose, it may also provide financial support for high-cost activities, such as the preparation of carbon capture-and-storage projects.

The *Carbon Fund* entails the trusteeship functions of (i) administering promissory notes and making draw-downs, (ii) making payments for carbon assets as per the carbon purchase contracts, and (iii) administering and registering carbon assets.

The CFU finances large-scale or programmatic CDM/JI projects that:

- reduce greenhouse gases
- generate emission reductions for at least 10 years beyond 2012
- have a significant potential to mitigate emissions in the future
- will generate large amounts of emission reductions and thus, will require significant resources
- may represent potentially risky investments with long lead times, which require durable partnerships between buyers and sellers
- target long-term investments in an uncertain market environment, possibly spanning several market cycles
- may need further methodology development for such approaches (beyond CDM/JI methodologies)
- World Bank involvement would enable or add value to the proposed programs
- are suitable for scaling up (i.e., can be replicated as part of a program)

General Criteria applicable to all projects administrated by the World Bank Carbon Finance Unit:

- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- CDM projects should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)
- The Kyoto Protocol should have been ratified by the Host Country

How and when to apply

I. Donors and buyers that would like to become Facility Partners should fulfil the following documents:
   - Expression of interest from buyers
   - Confidentiality letter from sellers, host countries and donors
   - Information memorandum, which includes:

    - Instrument
    - Participation agreement: 1)seller participation agreement and, 2) buyer participation agreement
    - Partnership Memorandum of Understanding (MoU): host countries where programs will take place
  - Administration agreements: compiled only by donors

II. Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):

1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out, send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at:
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The CPF will be developed in several tranches over time and its overall capitalization could in the longer term reach EUR 5 billion.

Uptake and projects supported

CFU projects in the pipeline:

- Indonesia (1): geothermal power (the CFU will contribute to 10.000 Mw program);
- Morocco (1): solid waste management program in the major cities (2011-2035 planned ERs: 26 million tCO_2e);
- Vietnam (1): Renewable Energy Action Plan (hydro, biomass and wind power). 20 small-installations have been planned by after 2012 averaging 10-11 Mw each. The total capacity of this initial phase is expected to reach 210 MW producing about 880 GWh of electricity every year. With a Program of Activities (PoA) and the institutional arrangement put in place, it is possible to scale up to reach the total renewable energy potential of 2,900 MW with the benefits of carbon finance. The entire program is expected to run for 28 years and to cut greenhouse gas emissions by a total of more than 9 million tons of CO2 equivalent per annum.

Further information and lesson learned

For further information, please contact:
Carbon Partnership Facility (CPF)
Mr. Jari Vayrynen: jvayrynen@worldbank.org
Ms. Lara Gabriele: lgabriele@worldbank.org

Sources

The Carbon Finance Unit: http://wbcarbonfinance.org
The World Bank Carbon Finance website: www.carbonfinance.org

World Bank - CFU - The Umbrella Carbon Facility (UCF)

The UCF is an aggregating facility to pool funds from existing World Bank-managed carbon funds and other participants for the purchase of emission reductions from large projects. The Facility would have multiple tranches, with the First Tranche dedicated to purchasing Certified Emission Reductions (CERs) from the China HFC-23 projects.

Date created

The UCF was created in 2006

Administrating organization

The UCF is administrated by the Carbon Finance Unit of the World Bank

Objectives

The UCF aims to flow multi-funds from World Bank carbon funds to purchase greenhouse gas emission from CDM and JI large-scale projects.

Nature of donor contributions

Public and private entities including contributions from other Bank's carbon funds. 75% of funds come from private sector. The participants in the first tranche of the UCF include public and private entities in a number of World Bank managed carbon funds— Danish Carbon Fund, Italian Carbon Fund, Netherlands CDM Facility, Prototype Carbon Fund, Spanish Carbon Fund—as well as additional private sector companies: Canadenis Acquisition Limited (Natsource); Climate Change Capital; Deutsche Bank; Energi E2; Endesa; Mitsui & Co., Ltd.; Public Power Corp. S.A.; RWE Power AG; Statkraft Carbon Invest AS; Tamarisk Acquisition Corporation (Natsource); TEPCO; Trading Emissions PLC.

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) do not provide debt and/or equity financing for the baseline component of the project. The baseline component of the project should be financed by other sources.

CFU pays on delivery of Emission Reductions. Therefore, the CFU through UCF invests contributions made by companies and governments ("Participants") in the UCF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects

The purchases would be made on behalf of interested public and private entities that will have contributed to the Facility as they strive to meet their commitments under the Kyoto Protocol or other international regulatory system (such as the European Emission Trading System), including contributions from the Bank's other carbon funds. The proposed Facility would have multiple tranches, each tranche buying emission reductions from one or more individual projects or a program.

Bioenergy activities supported

The UCF funds will prioritize sectors as follows:

- energy efficiency
- renewable energy

Geographical range

Developing countries and economies in transition (in particular, China and India)

Eligibility and selection criteria

Activity eligibility and selection criteria:

The UCF finances CDM or JI large projects that produce large amounts of GHG emission reductions that otherwise would not be financed by smaller funds.

Projects supported may be:

- Individual projects (such as one HFC23 destruction facility)
- Individual programs (such as program for coal thermal power sector re-powering by a public sector financial institution in India).
- The Facility will pre-identify projects that can deliver large volumes of greenhouse gas emission reductions and thus, can access to UCF resources

Selection criteria are defined as follows:

- Project should be able both to be registered as CDM or JI and produce large amounts of GHG emission reductions.
- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- Countries that carry out large-scale CDM or JI projects by generating large amounts of greenhouse gasses emission reductions.
- CDM projects should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)
- The CFU can support afforestation and reforestation projects in non-Annex I countries, and a whole range of land use, land-use change and forestry projects in Annex I countries
- The Kyoto Protocol should have been ratified by the Host Country

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):
1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out , send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening tool and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at:
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The UCF allows that a part of the capital accumulating in OECD countries meeting emission reductions be channelled to developing countries.
The UCF allows funding from the individual World Bank carbon funds to be aggregated and for emission reduction purchase arrangements to be simplified. A single emission reduction purchase agreement with the Facility would be required rather than individual emission reduction purchase agreement with the project for each carbon fund.
The fund capital is USD 1.02 billion. Two large-scale projects in China have been supported by USD 930 million emission reductions purchase.

Uptake and projects supported

The UCF has financed two large-scale HFC-23 destruction projects in China. The two companies—the Jiangsu Meilan Chemical Co. Ltd., and Changshu 3FZhonghao New Chemicals Material Co. Ltd.— are located in Jiangsu Province in the People's Republic of China are well established chemical manufacturers in China and sold their HFC-23 emission reductions to various buyers through the World Bank Umbrella Facility.
In addition, both projects have already signed emission reductions purchase agreements (ERPAs) and have been approved by the UNFCCC Executive Board as CDM projects.

Further information and lesson learned

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Sources

The Umbrella Carbon Facility: http://wbcarbonfinance.org
HFC-23 China Project Questions and Answers: http://wbcarbonfinance.org
http://web.worldbank.org/

World Bank - Clean Technology Fund (CTF)

The Clean Technology Fund (CTF) is one of the multi-donor Trust Fund within the World Bank's Climate Investment Funds (CIF).

Date created

CTF was approved by the World Bank Board of Directors on 1 July 2008.

Administrating organization

World Bank (Trustee of the CTF Trust Fund and implementing agency).
Implementing agencies:

- African Development Bank
- Asian Development Bank
- European Bank for Reconstruction and Development
- Inter-American Development Bank

Objectives

CTF aims to promote scaled-up financing for demonstration, deployment and transfer of low carbon programs and projects with a significant potential for long-term Green House Gas (GHG) emissions.[1]

Nature of donor contributions

Public: WB is considered by DAC (Development Assistance Committee –OCDE) as an international development institution. Thus, the WB Clean Investment Funds (CIFs) (where included SREP) are deemed as multilateral ODA (official development assistance).
However, the multilateral development banks (MDBs) that deliver the fund should demonstrate the following requirements to consider the fund's use as ODA:

a) it respects the criteria of promoting economic development and welfare
b) it has a minimum 25 percent grant element
c) the fund will be used in country/s included in DAC-ODA list of eligible ones.

Financial instrument/delivery mechanism used

The Funds may be delivered by each multilateral development bank (MDB) looking for the needs of developing countries, as:
- concessional loans
- grants
- guarantees
- investment plan (prepared by the World Bank and the MDB under the coordination of the country government)

For more information about how WB financial instruments work see pages 48-49 of
http://siteresources.worldbank.org/INTCC/Resources/Clean_Technology_Fund_paper_June_9_final.pdf

Bioenergy activities supported

The CTF supports programs on:

- Power Sector: Renewable energy and efficient technologies to reduce carbon emissions.
- Transport Sector: modal shifts to efficient public transportation and fuel switching
- Energy Efficiency: to be adopted in industrial, commercial and residential buildings and agriculture.

The projects that will be financed might be:

- large-scale national/level
- sectoral and sub-sectoral level
- sub-nationally level (province/state/municipality)
- regionally, when regional cooperation is needed
- private sector or public-private partnerships

For more information about activities supported by this Fund see pages 7 and 9 at http://siteresources.worldbank.org/INTCC/Resources/GuidelinesInvestmentPlansDec1_08.pdf
and
http://siteresources.worldbank.org/INTCC/Resources/CTF_Investment_Criteria_Public_sECTOR_revisedFeb9.pdf

Geographical range

Countries included in the ODA-eligibility criteria.

Eligibility and selection criteria

Activity eligibility and selection criteria:
The activities supported should be included in the following categories:

- Renewable energy (efficiency in generation, transmission and distribution)
- Transportation (shift to public transportation, fuels switching, improved fuel economy)
- "Large scale adoption of energy efficient technologies and other demand management techniques in the industrial and commercial and residential building sectors".

The CTF will finance projects and programs that contribute to demonstration, deployment and transfer of low carbon technologies with a significant potential for long term greenhouse gas emissions savings.[2]

Country eligibility and selection criteria:
Candidate country should:

a) be included in the ODA-eligibility list (according to OECD/DAC guidelines), and
b) have an active MDB country program

Multi-country projects could be also presented.

How and when to apply

1. The interested ODA-eligible country (with an active MDB program) asks for a joint mission of WB Group and regional development bank to prepare an investment plan which could be included into the CTF.
2. The investment plan will be built into the national development plans or programs that include low-carbon objectives at domestic level.
3. The investment plan should show that it:
    a. will serve to GHG emission saving
    b. will develop demonstration potential
    c. will address a development impact
    d. will have an implementation potential

For more information see:
http://siteresources.worldbank.org/INTCC/Resources/GuidelinesInvestmentPlansDec1_08.pdf (Pages 7-9);
http://siteresources.worldbank.org/INTCC/Resources/CTF_Investment_Criteria_Public_sECTOR_revisedFeb9.pdf.
For CTF public sector procedures please see pages 36-38 at
http://siteresources.worldbank.org/INTCC/Resources/Clean_Technology_Fund_paper_June_9_final.pdf.
For a CTF private sector proposal template and cycle of activities please see pages 50-52 at
http://siteresources.worldbank.org/INTCC/Resources/Clean_Technology_Fund_paper_June_9_final.pdf

Funds available / Funds disbursed to date / Number of funded projects

The Inter-American Development Bank (IDB) is not currently providing CIF resources for bioenergy projects in Latin America and the Caribbean.

Uptake and projects supported

- Investment Plan for Egypt
- Investment Plan for Mexico
- Turkey: Private Sector Renewable Energy and Energy Efficiency Project (USD 106.5 million investment)

Further information and lesson learned

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Sources

[1.] The World Bank, "Clean Technology Fund": http://go.worldbank.org/SG8NYY3DK0
[2] The World Bank, "The Clean Technology Fund", 9 June 2008 (pages 7-9):
http://siteresources.worldbank.org/INTCC/Resources/Clean_Technology_Fund_paper_June_9_final.pdf
http://www.climatefundsupdate.org/listing/clean-technology-fund

http://siteresources.worldbank.org/INTCC/Resources/CTF_Investment_Criteria_Public_sECTOR_revisedFeb9.pdf

World Bank – Community Development Carbon Fund (CDCF)

The World Bank Community Development Carbon Fund (CDCF) is a public-private partnership which purchases Emission Reductions (ERs) with a preference for small-scale projects in least-developed countries (LDCs) and in other poor countries with a population of less than 75 million.
The Fund works in cooperation with the International Emissions Trading Association and the United Nations Framework Convention on Climate Change (UNFCCC).

Date created

The CDCF was created and became operational in 2003

Administrating organization

The CDCF is a fund administrated by the Carbon Finance Unit (CFU) of the World Bank.

Objectives

The CDCF aims to contribute to a more equitable distribution of carbon finance resources and to achieve social, environmental and economic benefits.
The CDCF follows these primary strategic objectives:

- Achieve carbon emission reductions while simultaneously generating social, environmental and economic benefits
- Expand the reach of the carbon market by developing small-scale projects in the poorest countries
- Provide "learning by doing' by seeking to develop small-scale methodologies for CDM projects

Nature of donor contributions

The CDCF is a public- private multi-donor Trust Fund composed by 25 participants:

- 9 governments: Government of Austria, Regional Government of Brussels (Belgium), Government of Canada, Government of Italy, Government of Luxembourg, Government of the Netherlands, Government of Spain, Regional Government of Wallonia (Belgium);
- 16 companies and organizations: BASF, Daiwa Securities SMBC Principal Investments, EdP, Endesa, Fuji Photo Film Co. Ltd., Göteborg Energi AB, Hidroeléctrica del Cantábrico, IBRD as Trustee of the Danish Carbon Fund, Idemitsu Kosan, KfW, Nippon Oil Corporation, Okinawa Electric Power Co., Rautaruukki, Gas Natural, Statkraft Carbon Invest AS, Statoil ASA, Swiss Re.

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) do not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources.
CFU pays on delivery of Emission Reductions. Therefore, CDCF participants acquire a pro rata share of emissions reductions from purchase agreements signed with host country governments or project sponsors.

Bioenergy activities supported

Bioenergy activities that can be able to apply for CDM-EB approval

Geographical range

Developing countries, with preference in least-developed countries (i.e. designated "LDCs" by the United Nations)

Eligibility and selection criteria

Activity eligibility and selection criteria:
CDCF resources will be delivered to the following type of projects:

- projects that generate both CDM compliant emission reductions through clean technologies and measurable benefits for local communities
- small-scale projects in the poorest countries that seek to develop the carbon market
- projects that help to develop small-scale methodologies for CDM projects to expand the geographic reach and extend the benefits of CDM activity, particularly to poor countries that may otherwise be excluded from carbon finance

- small-scale projects that seek poverty reduction and increased poor livelihood.

In order to be eligible:

- Projects should contribute to local community welfare through direct or indirect co-benefits
- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6)
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- The Kyoto Protocol should have been ratified by the Host Country
- Projects should be hosted by Non-Annex I Parties (Kyoto Protocol). 25% of the CDCF should be destined to Least Developed Countries (LDCs) (United Nations) with a population of less than 75 million.
- Local communities in LDCs or developing areas

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):

1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out, send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU reviews and comments the project in due time.

For further information about application, see "project cycle" section at
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The Fund has a total capital of USD 128.6 million.

54% of active projects are located in the poorest countries, including 11 projects in LDCs.

As of October 1st 2007, the CDCF has signed 20 Emissions Reduction Purchase Agreements (ERPA) for the purchase of a total of 7.10 million tons of carbon dioxide equivalent for a value of USD 60.1 million. Bioenergy projects with ERPAs already signed: 1 China (Biogas), 1 Guyana (Bagasse con-generation), 1 Moldova (biomass heating and energy conservation), 1 Nepal (biogas), and 1 Philippines (ethanol plant wastewater biogas project).

Uptake and projects supported

The current CDCF pipeline comprises over 44 projects representing a potential ERPA value of over USD 159 million. Over 75% of the ERs from projects in the present portfolio are envisaged to be generated by 2012

Further information and lesson learned

The CDCF successfully promotes a co-benefits approach to climate change by linking carbon finance to tangible poverty reduction and sustainable development outcomes. But the CDCF experience also highlights that more effort and innovation is required to fully harness the benefits of carbon finance for the poorest communities. New CDM methodologies are needed for LDCs that can take into account their need for growth in energy services, given the current state of significant suppressed energy demand. And it is critical to further simplify procedures to reduce carbon transaction costs for countries which struggle to attract investment.

Sources

The World Bank, *The World Bank Community Development Carbon Fund, Making carbon finance work for the poor.*
http://wbcarbonfinance.org

World Bank – Community Development Carbon Fund *plus* (CDCF*plus*)

The CDCF*plus* is the technical assistance and project support arm of the World Bank Community Development Carbon Fund. CDCF*plus* is the primary vehicle for creating a deal flow in CDCF priority countries—least developed countries (LDCs) and other poor developing countries with a population of less than 75 million.

Date created

The CDCF*plus* was launched in September 2002.

Administrating organization

The World Bank

Objectives

The CDCF*plus* aims to:

- build capacities of CDM project developers and other intermediaries in LDCs and
- support first-in-kind CDM project preparation
- give technical assistance and identify community development benefits

Nature of donor contributions

The CDCF*plus* is a multi-donor technical assistant fund. Financial resources will accrue not only from entities that have entered into a participation agreement with CDCF*plus*, but also from investment income from upfront payments made in full by CDCF participants.

Financial instrument/delivery mechanism used

Transfer of funds from donors to the technical assistance trust fund, and technical assistance rather than financial contributions.

Bioenergy activities supported

The CDCF*plus* gives supports to CDM project and programme preparation linked to bioenergy activities such as promotion of cleaner, less greenhouse gas-emitting technologies, clean transport and small-scale agricultural waste.

Geographical range

Developing countries, with preference in least-developed countries (i.e. designated "LDCs" by the United Nations)

Eligibility and selection criteria

Activity eligibility and selection criteria:

The CDCF*plus* provides support to CDM project and programme preparation process as follows:

- Identify local intermediaries-commercial banks, savings and loan associations, cooperatives, development NGOs, utilities-and train them to prepare and implement small-scale carbon projects (both individual and bundled). These intermediaries can operate at local cost structures and have local business knowledge;
- Technical assistance in the project/programme to validation stage: partial funding for social and environmental due diligence; for feasibility study and or a business plan for underlying project; Project Idea Note (PIN) completion costs; carbon asset creation/Project Design Document (PDD) preparation; and community benefits identification and selection.

In order to be eligible:

- Projects and programmes of activities should contribute to local community welfare through direct or indirect co-benefits
- CDCFplus financing can be designed around existing or planned capacity-building programs an projects

Country eligibility and selection criteria:

- The Kyoto Protocol should have been ratified by the Host Country
- Projects should be hosted by Non-Annex I Parties (Kyoto Protocol).
- Project should be hosted by a developing country with a population of less than 75 million, with priority to Least Developed Countries (LDCs) (United Nations).

How and when to apply

CDCF*plus* is tailor-made to suit the needs of individual participants: the activities to be undertaken; the countries where these activities are to be undertaken; the technologies the participant wishes to support; the duration of the participation and other modalities. Individual work programs will be discussed and agreed.

Funds available / Funds disbursed to date / Number of funded projects

The CDCF*plus* is the technical assistance and project support arm of CDCF that has a total capital of USD 128.6 million.

Uptake and projects supported

The CDCF has in the pipeline comprises over 44 projects representing a potential ERPA value of over USD 159 million. Over 75% of the ERs from projects in the present portfolio are envisaged to be generated by 2012

Further information and lesson learned

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Sources

CDCFplus, Helping to make the CDM a reality for more developing countries
http://wbcarbonfinance.org

World Bank - Forest Investment Program (FIP)

The Forest Investment Program (FIP) is a program within the World Bank Strategic Climate Fund (SCF) that looks for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD).
The SCF is a multi-donor trust fund within the World Bank's Climate Investment Funds (CIF).
Under the SCF's umbrella donor funds and disbursements to specific funds are received.

Date created

The FIP was approved by the Executive Directors of the World Bank on July 1, 2008, with a donors pledge meeting on September 26, 2008.

Administrating organization

The World Bank

Objectives

- To reduce deforestation and forest degradation
- To promote sustainable forest management, leading to emission reductions and the protection of carbon reservoirs.

Nature of donor contributions

Public: WB is considered by DAC (Development Assistance Committee –OCDE) as an international development institution. Thus, the WB CIFs (where included SREP) are deemed as multilateral ODA (official development assistance).
However, the multilateral development banks (MDB) that deliver the fund should demonstrate the following requirements to consider the fund's use as ODA:

a) follows the criteria of promoting economic development and welfare
b) will be used in country/s included in DAC-ODA eligible country list

Financial instrument/delivery mechanism used

The Funds may be delivered by each multilateral development bank (MDB), looking for the needs of developing countries, in the way of:
- concessional loans
- grants
- guarantees

The minimum grant component (specifically for SCFs) should not be higher than 10 percent of total resources.

Bioenergy activities supported

Bioenergy activities that will be supported by FIP are still under design. In May 2009 has been presented the Third Design Document, which includes bioenergy activities both within and outside the forest sector potentially eligible under the following headings:

1. Transfer of environmentally sound technology (included within the category "Institutional capacity, forest governance and information")
2. Alternative energy programs (if considered to fall within the category "Investments outside the forest sector necessary to reduce the pressure on forests")

Geographical range

Countries included in the ODA-eligibility criteria

Eligibility and selection criteria

Activity eligibility and selection criteria:
The FIP will consider consistency with FIP objectives and principles (National ownership and national strategies, contribution to sustainable development, promotion of measurable outcomes and results-based support, coordination with other REDD efforts, cooperation with other actors and processes) when assessing projects.
The FIP will support activities outside the forest sector only when "clear causal chains to effects on the forest sector can be established – be engaged in:

a. Investments to support a shift by agribusiness companies and landowners away from clearing of rain forests towards planting on non-forest lands including improvement of agricultural productivity and fertility of soils (e.g. BioChar investments).

b. Investments in rural development, social services, as well as administration and management skills of forest communities

c. Complementary investments in non-forest sector programs (agriculture, infrastructure, mining, energy, etc.) to ensure inclusion of specific provisions for forest protection”.[1]

Country eligibility and selection criteria:

1. “Country eligibility of the FIP will be based on:
   a) Official Development Assistance (ODA)-eligibility (according to the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) guidelines);
   b) An active MDB country program. For this purpose, an “active” program means where an MDB has a lending program and/or on-going policy dialogue with the country”.
2. “The selection of country or regional pilots should be based on the following criteria:
   a. Potential to lead to significantly reduced greenhouse gas emissions from deforestation and forest degradation or lead to further efforts to conserve”
   b. Country should also have institutional ability to undertake REDD initiatives. [2]

How and when to apply

Fund not yet open for applications.

Funds available / Funds disbursed to date / Number of funded projects

Pledged: Total equivalent of USD 204 million
By April 2009, United Kingdom deposited USD 17.9 million out of their pledged USD 149 million.

Uptake and projects supported

None as of yet

Further information and lesson learned

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Sources

[1.] *The World Bank, “Development of new Targeted Programs under the SCF”, 16 January, 2009 (page 22): http://siteresources.worldbank.org/INTCC/Resources/Developmentofnewtargetedprograms-Jan16.pdf*
[2] *The World Bank, “FIP Design Document”: http://siteresources.worldbank.org/INTCC/Resources/FIP_Design_Document.pdf)*
http://www.climatefundsupdate.org/listing/forest-investment-program
http://siteresources.worldbank.org/INTCC/Resources/FIP_Design_Document.pdf
World Bank FIP: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTCC/0,,contentMDK:22106056~menuPK:5924904~pagePK:210058~piPK:210062~theSitePK:407864,00.html

World Bank - Prototype Carbon Fund (PCF)

The Prototype Carbon Fund (PCF) is a partnership between seventeen companies and six governments, and managed by the World Bank. As the first carbon fund, its mission is to pioneer the market for project-based greenhouse gas emission reductions while promoting sustainable development and offering a learning-by-doing opportunity to its stakeholders.
PCF is part of the World Bank Carbon Finance Unit (WB CFU) and was created as a response to the need to understand and test the procedures for creating a market in project-based emission reductions under the Kyoto Protocol's flexible mechanisms.

Date created

PCF was established by the Executive Directors of the World Bank in 1999 and became operational in April 2000.

Administrating organization

The PCF is administrated by the Carbon Finance Unit of the World Bank

Objectives

The PCF follows three primary strategic objectives:

- High-Quality Emission Reductions: to show how project-based greenhouse gas Emission Reduction transactions can promote and contribute to sustainable development and lower the cost of compliance with Kyoto Protocol;
- Knowledge Dissemination: to provide the Parties to the UNFCCC, the private sector, and other interested parties with an opportunity to "learn-by-doing" in the development of policies, rules, and business processes for the achievement of Emission Reductions under CDM and JI;
- Public-Private Partnerships: to demonstrate how the World Bank can work in partnership with the public and private sectors to mobilize new resources for its borrowing member countries while addressing global environmental problems through market-based mechanisms.

Nature of donor contributions

PCF participants are public and private stakeholders such as:
- Governments of Canada, Finland, Norway, Sweden, and Netherlands and governmental agencies as the Japan International Cooperation Agency.
- Companies from UK (British Petroleum-Amocco), Japan (Chubu Electric Power o., Chugoku Electri Power Co., Kyushu Electri Power Co., MIT Carbon, Mitsubishi Corp., Tohoku Electri Power Co., Tokyo Electric Power Co.), Germany (Deutsche Bank), Belgium (Electrabel), Finland (Fortum), Norway (Statoil ASA and Norsk Hydro), France (Gaz de France) and Netherlands (RaboBank).

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) does not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources.
CFU pays on delivery of Emission Reductions. Therefore, the CFU through PCF invests contributions made by companies and governments ("Participants") in the PCF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects.

Bioenergy activities supported

The PCF supports:
- pilot production of Emission Reductions within the framework of Joint Implementation (JI) and the Clean Development Mechanism (CDM)

Geographical range

Global

Eligibility and selection criteria

Activity eligibility and selection criteria:

- Projects and programmes applying for PCF resources should generate emissions reductions that are expected to be registered for the purposes of the Kyoto Protocol's Article 12 (Clean Development Mechanism) or Article 6 (Joint Implementation).
- Afforestation and reforestation projects

In order to be considered projects ad programmes should have:

- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects and programmes should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)
- The CFU can support afforestation and reforestation projects in non-Annex I countries, and a whole range of land use, land-use change and forestry projects in Annex I countries
- The Kyoto Protocol should have been ratified by the Host Country

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):
1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out , send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at: http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The Fund has a total capital of USD 180 million.
PCF projects presented and approved under UNFCCC methodologies as CDM or JI projects:
Two in Brazil: one Wood Waste Cogeneration Facility and one Bagasse Cogeneration; two in China: one HFC-23 destruction (co-purchase) and one hydropower; one in Colombia in wind energy; one Costa Rica of small hydropower; one Guatemala of small hydropower; one in Indonesia for sustainable cement production; one in Philippines for wind energy; one in South Africa based on solid waste; one in Uganda (1) for electrification

Uptake and projects supported

PCF projects and programmes that have not been present at the UNFCCC Executive Board for their approval, though they have already signed Emission Reductions Purchase Agreements (ERPAs):

one in Brazil for plant sequestration and biomass use; two in Bulgaria: one district heating and one biomass; one in Chile for small hydropower; two in China: one for Coal Mine Methane and one for wind energy; one Czech Republic for Energy Efficiency; one Hungary for Fuel Conversion; one in Latvia based on Solid Waste Management; one in Moldova for Soil Conservation; one in Poland based on Geothermal; and one in Romania for Afforestation.

Further information and lesson learned

Lessons learnt:

- Early emphasis on learning was important
- Market uptake selective is important, though there was limited development in some markets
- Public – private partnerships are important
- Working with buyers in carbon funds was initially necessary to create demand.
- Offer to buy verified emission essential to create supply
- Payment on delivery quickly became market standard.
- Flexibility critical in rapidly developing markets.
- Capacity building: learning-by-doing is the most effective
- Portfolio issues: Mainstreaming carbon finance was difficult because:
    - contrary to initial expectations, there were mostly small, third party projects, few underlying Bank loans
    - project-by-project buying intended to be prevalent, even if projects were not integrated in World Bank and country development strategies
    - carbon finance is not supported by most countries' policies and regulatory systems
    - carbon finance contributes little to commercial attractiveness of certain project types
- Projects development was slow. Closing window in 2010 generates uncertainty on buyers and projects

Sources

The Prototype Carbon Fund (PCF) : http://wbcarbonfinance.org
The World Bank Carbon Finance Unit, Carbon Finance: Ten years and beyond. Drawing lessons from Fund Operations: http://wbcarbonfinance.org

World Bank - Scaling Up Renewable Energy in Low Income Countries Program (SREP)

The Scaling-up Renewable Energy in Low Income Countries Program (SREP) is included within the World Bank Strategic Climate Fund (SCF). The SCF is a multi-donor Trust Fund within the World Bank's Climate Investment Funds (CIF). Under the SCF's umbrella donor funds and disbursements to specific funds are received.

Date created

Designed document was approved by the SCF Trust Fund Committee on 13 May 2009.

Administrating organization

- African Development Bank
- Asian Development Bank
- European Bank for Reconstruction and Development
- Inter-American Development Bank
- World Bank

Objectives

SCF:
- To face climate change challenges.

SREP:
- To increase renewable energy use
- To help low income countries to achieve a transformational change to low carbon energy and counterbalance fossil fuel supply.

Nature of donor contributions

Public: WB is considered by DAC (Development Assistance Committee –OCDE) as an international development institution. Thus, the WB Clean Investment Funds (CIFs) (where included SREP) are deemed as multilateral ODA (official development assistance).
However, the multilateral development banks (MDBs) that deliver the fund should demonstrate the following requirements to consider the fund's use as ODA:
  a) it respects the criteria of promoting economic development and welfare
  b) the fund will be used in country/s included in DAC-ODA list of eligible ones

Financial instrument/delivery mechanism used

The Funds may be delivered by each multilateral development bank (MDB), looking for the needs of developing countries as:
- concessional loans
- grants
- guarantees

The minimum grant component (specifically for SCFs) should not be higher than 10 per cent of total resources.

Bioenergy activities supported

Renewable energy access for rural populations.
Applications should be used for:
- Grid and off-grid electricity biomass-based and renewable electricity generation and use
- Cooking and heating applications including sustainable community forests and biogas or other renewable-based fuels

Geographical range

Low income countries engaged in an active MDB country program (i.e.: having a lending program or on-going policy dialogue).

Eligibility and selection criteria

Activity eligibility and selection criteria:
Preferences will be given to projects which reinforce:
- Economic growth
- Services to poorer communities that have limited or no access to modern energy

- Social-economic development and environmental benefits
- Country-led, national approach

Project criteria:
- To take experiences done in pilot and demonstration projects and programs (i.e. GEF).
- To be able for demonstration and replication.
- SREP will provide financing for renewable energy generation and new bioenergy technologies with capacity not to exceed 10 MW per facility.
- SREP should support complementary technical assistance as this is essential for transformative and enduring change and country engagement and ownership. This could include support for planning and pre-investment studies, policy development, legal and regulatory reform, business development and capacity building (including for knowledge management and monitoring and evaluation) as an integral and complementary part of renewable energy investment operations.

Country eligibility and selection criteria:

It is expected that a country receiving financing from SREP will not receive financing from the Clean Technology Fund (CTF).

Only low-income countries may have access to these programme resources. In addition, a country eligible for participating in SREP programs should:

- be a low income country eligible for MDB concessional financing (i.e., IDA or a regional development banks equivalent); and,
- be engaged in an active MDB country program. For this purpose, an "active" program means where an multilateral development bank (MDB) has a lending program and/or on-going policy dialogue with the country.
- have high dependence on fossil fuels for power generation, low electricity access, and/or high dependence on use of biomass for heat applications.
- have willingness to meet the criteria and to achieve the objectives of the SREP,
- have potential and capacity to implement a SREP program.
- SREP can finance programmes for renewable energy development that could eventually move the country towards a low carbon development path in the energy sector. Conditions needed for such transformation should include:
    - the existence of, or a willingness to, adopt, within an appropriate time frame, supportive regulatory structures and institutions (i.e. policies and regulations promoting renewable energy, such as feed-in tariffs, tax incentives, subsidies, concessional financing or renewable portfolio standards)
    - an enabling regulatory environment that promotes business, such as that contained in the Doing Business Report (e.g. policies that support private sector participation, public-private partnerships, and availability of financing for renewable energy technologies, availability, or willingness to develop, local capacity along the renewable energy supply chain, including manufacturing, training, and operations and maintenance)
    - sector-wide energy development strategies that are open to integrating renewable energy into energy access and supply enhancement programs or targets for large-scale renewable energy deployment.
    - good governance within the sector (i.e. commercial performance of relevant institutions, pricing and tariff practices, and competitive procurement of goods and services, the transparency and accountability of these practices and the degree to which they are subject to
public oversight)
- potential capacity for implementation, including a business friendly environment and sufficient institutional capacity (i.e. track record of renewable energy projects completed or initiated with participation of private sector, previous experience implementing and using renewable energy technologies, capacity for operating and maintaining renewable energy systems).
- The government's ability to effectively absorb additional funds should also be considered.
- regional balance as well as balance among diverse contexts for scaling up renewable energy, such as urbanization, industrialization, dispersed rural populations and stage of renewable energy development,
- natural conditions for developing renewable energy

Priority consideration should be given to countries that have submitted an expression of interest to be considered as a pilot.

How and when to apply

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Funds available / Funds disbursed to date / Number of funded projects

Existing pledges: total of USD 292 million.

Uptake and projects supported

SREP Sub-committee agreed in March 2010 that six pilot programmes will be initially supported by SREP resources

Further information and lesson learned

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Sources

The World Bank, "Program for Scaling-Up Renewable Energy (SREP) in Low Income Countries": http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTCC/0,,contentMDK:22106259~menuPK:5924881~pagePK:210058~piPK:210062~theSitePK:407864,00.html
Climate Funds Update: http://www.climatefundsupdate.org

World Bank - The Danish Carbon Fund (DCF)

The Danish Carbon Fund is a climate fund created in cooperation between Danish companies and the Government of Denmark. The fund invests in CO2 projects in countries with transitional economies and larger developing countries.

Date created

The DCF was created in January 2005.

Administrating organization

The DCF is administrated by the Carbon Finance Unit of the World Bank

Objectives

The DCF aims to mobilize new and additional resources to address climate change and promote sustainable development as a facility to purchase greenhouse gas (GHG) emission reductions (ERs).

Nature of donor contributions

The DCF is a private-public partnership composed by the Danish Ministry of Climate and Energy and 4 private sector entities: DONG Energy A/S, Aalborg Portland A.S., Maersk Olie og Gas A.S., and Nordjysk Elhandel A/S

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) does not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources.

CFU pays on delivery of Emission Reductions. Therefore, the CFU, through DCF, invests contributions made by companies and governments ("Participants") in the DCF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects.

Bioenergy activities supported

The DCF supports projects and programmes on:

- energy efficiency
- renewable energy
- waste management

Geographical range

Developing countries and economies in transition

Eligibility and selection criteria

Activity eligibility and selection criteria:

The DCF has adopted a flexible approach with respect to technologies that it considers for its portfolio. However, preference should be given to projects and programmes as follows:

- biomass
- energy efficiency
- co-generation
- renewable energy
- waste management

In order to be considered

- projects should satisfy the target for cost-effective C02 credits
- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO2, CH4, N2O, HFCs, PFCs, and SF6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)

- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects and programmes should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)
- The Kyoto Protocol should have been ratified by the Host Country

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):

1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out , send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at:
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

DCF participants are interested in ensuring that smaller communities that are particularly vulnerable to climate change benefit from the CDM and associated sustainable development benefits. A portion of the DCF capital (USD 5.1 million) has thus been committed to the World Bank's Community Development Carbon Fund (CDCF).
The DCF has a total capital of EUR90 million.

Uptake and projects supported

DCF projects presented and approved under UNFCCC methodologies as CDM or JI projects and programmes:
2 in China : one HFC-23 destruction (co-purchase) and one waste heat utilization for electricity generation
DCF projects that have already signed emission reductions purchase agreements (ERPAs) but have not still been approved by the Executive Board of the UNFCCC as CDM or JI projects and programmes:
One in Mexico named II LFG to Energy; one in Nigeria for SF6 reduction in high voltage transmission systems; one in Pakistan named Lahore composting; one in Russian Federation for gas recovery; one in Thailand based on wastewater management

Sources

The Danish Carbon Fund: http://wbcarbonfinance.org

World Bank – The Italian Carbon Fund (ICF)

The Italian Carbon Fund is a public/private partnership for the purchase of emission reductions (ERs) from renewable energy, energy efficiency and other projects undertaken in developing countries and countries with economies in transition.

Date created

In fall 2003, the World Bank entered into an agreement with the Ministry for the Environment and Territory of Italy to create the ICF. The ICF became operational in March 2004.

Administrating organization

The World Bank Carbon Finance Unit (WB CFU)

Objectives

The Fund was created to purchase greenhouse gas emission reductions from projects and programmes in developing countries and countries with economies in transition that may be recognized under such mechanisms as the Kyoto Protocol's Clean Development Mechanism (CDM) and Joint Implementation (JI).
The ICF has 3 main objectives:

- Purchasing ERs at a competitive price to reach the reduction targets of the Italian domestic program for the allocation of quotas of permissible emissions;
- Promoting international projects in renewable energy and energy efficiency; and
- Acquiring knowledge and experience on carbon finance and the carbon market.
- Contribute to sustainable development in host developing countries, by optimizing economic, environmental and social development at local level

Nature of donor contributions

Funds come from the participation of Italian private and public sector entities, which can participate in the ICF by contributing at minimum USD1 million. It is a multi-donor trust fund.

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) do not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources.
CFU pays on delivery of Emission Reductions. Therefore, the CFU through PCF invests contributions made by companies and governments ("Participants") in the PCF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects.

Bioenergy activities supported

Agricultural waste used as fuel

Geographical range

Developing countries and economies in transition. Specifically, the People's Republic of China, the Mediterranean Region, as well as the Balkans and the Middle Eastern countries.

Eligibility and selection criteria

Activity eligibility and selection criteria:
- Renewable energy projects that produce ERs
- Modern energy services and technologies
- Electricity from agricultural waste (i.e. power plant uses crop wastes such as empty palm oil fruit bunches sugar cane bagasse and rice husks as fuel)

In order to be supported by the ICF resources, candidate projects should:
- generate emission reductions (ERs) eligible under the Kyoto Protocol’s CDM or JI
- generate emission reductions (ERs) eligible under the Emissions Trading scheme of the European Union
- be proposed by sponsors financially credible, economically sustainable that be capable to produce ERs by 2-3 years after beginning the project.

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)

- Joint Implementation (JI) projects and programmes should be carried out in economies in transition
- The Kyoto Protocol should have been ratified by the Host Country

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):
1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out, send it along with any other additional document to projects@carbonfinance.org.
Note: the PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.
Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at:
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The ICF has a capital of USD 155.6 million.
ICF projects that already signed Emission Reductions Purchase Agreements (ERPAs): Three in China (one HFC-23 destruction, one in gas recovery, one for hydropower); one in India for hydroelectric; one in the Russian Federation for gas recovery; two in Tunisia for gas recovery.
Further projects supported: one in Tunisia for co-generation

Uptake and projects supported

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Further information and lesson learned

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Sources

The World Bank, The Italian carbon fund document: www.italiancarbonfund.org

World Bank - The Netherlands CDM Facility (NCDMF)

The establishment of the NCDMF was agreed upon between the Government of Netherlands and the World Bank in May 2002. The Facility supports projects and programmes in developing countries in exchange for greenhouse gas emission reductions credits under the Clean Development Mechanism (CDM) established by the Kyoto Protocol to the UN Framework Convention on Climate Change.

Date created

May 2002

Administrating organization

The NCDMF is administrated by the Carbon Finance Unit of the World Bank.

Objectives

The NCDMF aims to support CDM projects that:
- produce GHG emission reductions credits that will be purchase by the Netherlands Ministry of Housing, Spatial Planning and the Environment (VROM)
- contribute to sustainable development in the host countries

Nature of donor contributions

Public funding. VROM planned to purchase approximately 67 million tons of carbon dioxide equivalent through the CDM. 38 million tons of this target are being arranged by the IRBD-World Bank.

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) do not provide debt and/or equity finance for the baseline component of the project. The baseline component of the project should be financed by other sources. CFU pays on delivery of Emission Reductions. Therefore, NCDMF participants acquire a pro rata share of emissions reductions from purchase agreements signed with host country governments or project sponsors.

Bioenergy activities supported

The fund purchases Emission Reductions from projects and programmes in the following categories:

- renewable energy technology
- clean, sustainable grown biomass (no waste)
- energy efficiency improvement
- fossil fuel switch and methane recovery

Geographical range

Developing countries (Non-Annex I Parties of the Kyoto Protocol)

Eligibility and selection criteria

Activity eligibility and selection criteria:

Projects and programmes eligible for the NCDMF funds:

- Renewable energy (biomass clean energy)
- Energy improvement
- Transportation improvement
- Fossil fuels-switching to less carbon-intensive sources

Projects NON eligible for the NCDMF funds:

- Afforestation and reforestation projects
- Nuclear energy projects
- Projects that are not cost-effective for the Netherlands
- Projects that may result in severe damage on biodiversity or social livelihood

Eligibility criteria include the following:

- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be big enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)

- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangement (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation model that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- The Kyoto Protocol should have been ratified by the Host Country
- for the transfer of Certificate Emission Reductions (CERs) approval of the host country is needed (in general, through the Designated National Authority - DOE-)

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):

1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.

2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.

3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)

4. Once the PIN template has been filled out , send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683

For further information regarding NCDMF contact:
helpdesk@carbonfinance.org (with reference to NCDMF projects in all regions)

Funds available / Funds disbursed to date / Number of funded projects

The Facility has a total capital of USD 264.7 million.

Projects and programmes have been mainly developed in the East Asia and Pacific region (76%), in particular in China (HFC-23 destruction project). Separating this project, the rest of Asia concentrated 40% of projects, followed by South America (13%), Africa (7%) and Europe and Central Asia (4%).

Uptake and projects supported

Technological distribution of projects: industrial gases (38%), coal mine methane capture (32%), land-fill gas capture (10%), waste management (10%), hydro (8%), energy efficiency (7%0, geothermal (4%), wind (1%).

Further information and lesson learned

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Sources

The Netherlands CDM Facility: http://wbcarbonfinance.org
The Netherlands Ministry of Housing, Spatial Planning and the Environment (VROM): www.vrom.nl

World Bank - The Spanish Carbon Fund (SCF)

The Spanish Carbon Fund is a public-private partnership created through an agreement between the Ministries of Environment and Economy of Spain and the World Bank. It was established to purchase greenhouse gas emission reductions from projects and programmes developed under the Kyoto Protocol to mitigate climate change while promoting the use of cleaner technologies and sustainable development in developing countries and countries with economies in transition.

Date created

The SCF was created in 2004.

Administrating organization

The SCF is managed by the Carbon Finance Unit of the World Bank.

Objectives

The main objectives of the Spanish Carbon Fund are:

- To purchase greenhouse gas emission reductions to contribute to Spain's emission reduction target at a competitive cost.
- To promote renewable energy and energy efficiency projects in developing countries and countries with economies in transition.
- To acquire knowledge and experience on carbon finance and to share that experience with the Fund's participants and stakeholders.

Nature of donor contributions

The SCF is a private-public partnership. The minimum contribution for private sector participants was set at USD 2.5 million payable under annual instalments.
The SCF's first tranche (1T) received contributions from two public institutions (the Spanish Ministry of Environment and Rural and Marine Affairs and the Ministry of Economy and Finance) and 12 private entities (Abengoa, S.A.; Azuliber 1, S.L.; Cementos Portland Valderrivas, S.A.; Compañía Española de Petróleos, S.A.; Endesa Generación; Enel Viesgo Generación, S.L.; Gas Natural SDG, S.A.; Hidroeléctrica del Cantábrico, S.A.; Iberdrola Generación, S.A.U.; Oficemen; Repsol YPF, S.A.; and Unión Fenosa Generación, S.A.)

Financial instrument/delivery mechanism used

The World Bank Carbon Finance Unit (CFU) does not provide debt and/or equity financing for the baseline component of the project. The baseline component of the project should be financed by other sources.
CFU pays on delivery of Emission Reductions. Therefore, the CFU through SCF invests contributions made by companies and governments ("Participants") in the SCF, which receive a pro rata share of the Emission Reductions, verified and certified in accordance with agreements reached with the respective countries "hosting" the projects.

Bioenergy activities supported

The SCF supports activities as follows:

- renewable energy
- biomass and agricultural waste products
- urban waste management
- industrial process

Geographical range

Latin America, North Africa, East Asia, South Asia, Eastern Europe and the Russian Federation

Eligibility and selection criteria

Activity eligibility and selection criteria:

Projects and programmes of activities (PoAs) that may be eligible under the Spanish Carbon Fund include an array of technologies:
<u>Renewable energy:</u> Projects and PoAs aimed at maximizing the share of renewables in the energy generation profile, including small or medium hydro projects and wind projects.

- <u>Biomass and agricultural waste products</u>: Generation of heat and electricity using crop waste such as rice husks, sugar cane bagasse, paper plant residues, among others.

- Urban waste management: Improving liquid and solid waste treatment systems, creating an opportunity to generate heat and/or power from the gases captured in the process while contributing to the welfare of local communities.
- Industrial processes: Reducing greenhouse gas emissions through improving industrial processes or by reducing end-of-pipe gases, concurrently improving environmental and social conditions in the project host country through "green" energy projects developed through carbon revenue.

Criteria for selection:

- Greenhouse gases targeted should be those covered under the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6); and
- Adequate Emission Reductions (ERs) Volume (The ER volume must be large enough to make a project viable under the CDM. Small-scale projects should generate a minimum threshold of 50,000 tCO_2e/year)
- Demonstration of additionality and determination of baseline scenario and emission reductions
- Competent project participants and clear institutional arrangements (i.e. technically experienced developers, demonstration of sound legal arrangement)
- Viable business and operation models that helps reduce transaction costs (i.e. potential for scale-up, intermediaries to invest, bundle, and implement project-related CDM services locally)
- Sound financing structure (i.e. the sooner the project can achieve financial closure, the better the chances of selection are)
- Technical summary of project (i.e. it should be replicable and/or facilitate technology transfer for the country; technology to be applied must be an established and commercially feasible one in somewhere other than the country in consideration; and proposal should contain sample cases of the technology applied in the past in order to show its commercial feasibility)
- Expected environmental benefits (additionality should be proved)
- Safeguard policies of the World Bank Group
- Contribution to sustainable development as defined by the host country

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects and programmes should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)

How and when to apply

Requirements to submit project ideas to any fund in the Carbon Finance Unit (CFU):

1. Put the project idea in the form of a Project Idea Note (PIN). The first contact between the CFU and project proponents is through a PIN. This is a short form (about 6 pages) that provides the basic information about the project.
2. Provide a financial analysis model (is mandatory when submitting PIN). If you do not yet have a full financial analysis, analysis template should be used. This allows the CFU to determine the financial viability of the project.
3. If PIN is for the Community Development Carbon Fund (CDCF), the Community Benefits Questionnaire should be completed to help CFU access the community benefits arising from your project)
4. Once the PIN template has been filled out , send it along with any other additional document to projects@carbonfinance.org. The PIN is used as a first screening and to provide feedback from CFU to the proponents. At this stage there are no legal obligations on either party to proceed further. CFU review and comment the project in due time.

Required and additional documents as well as further project documentation may be download from: http://wbcarbonfinance.org/Router.cfm?Page=SubmitProj&ItemID=24683
For further information about application, see the "project cycle" section at:
http://wbcarbonfinance.org/Router.cfm?Page=ProjCycle&ItemID=24688

Funds available / Funds disbursed to date / Number of funded projects

The Fund has a total capital of USD 278.6 million.

Uptake and projects supported

- Projects and programmes developed during the SCF's first tranche that have already signed Emission Reductions Purchase Agreements (ERPAs), though they have not yet been approved by the Executive Board of the UNFCCC as CDM/JI projects:

  - One in Brazil based on solid waste management; two in China: one waste heat utilization for electricity generation and one iron-making gasses used for co-generation; one in Mali for hydropower; one in Mexico for transport corridor; one in the Russian Federation for gas recovery; one in Thailand based on bioenergy wastewater management for electricity project; one in Ukraine for modernization of steel mill
- Projects and programmes developed during the SCF's first tranche that have already signed Emission Reductions Purchase Agreements (ERPAs) and have already been approved by the Executive Board of the UNFCCC as CDM/JI projects and programmes:
  - Two in China: one HFC-23 destruction and one landfill gas recovery and utilization; one in Egypt for landfill gas capture and flaring; one in Mexico for wind power; one in Uruguay for landfill gas capture and flaring

Further information and lesson learned

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Sources

The Spanish Carbon Fund: http://wbcarbonfinance.org

AEF: Access to Energy Fund – Energy for growth

The AEF is a vehicle initiated by the Dutch government and the Development Finance Facility (FMO) to make it possible to fund private sector projects that create sustainable access to energy services in developing countries.

Date created

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Administrating organization

The Dutch government and the Development Finance Facility (FMO)

Objectives

The Fund hopes to ultimately connect 2.1 million people in developing countries by 2015 by providing financing for projects involved in the generation, transmission or distribution of energy. The FMO will try to help in establishing the necessary conditions required to boost economic development and ultimately alleviate poverty.

Nature of donor contributions

Public contributions

Financial instrument/delivery mechanism used

Financing projects

Bioenergy activities supported

Generation, transmission or distribution of energy

Geographical range

1. Sub-Saharan Africa and/or Least Developed Countries
2. Emerging markets

Eligibility and selection criteria

Activity eligibility and selection criteria:

Project diversity can fall under a wide range of possibilities from new initiatives to established facilities requiring rehabilitation; from renewable energy to traditional sources; through direct project investments or even by catalyzing a broader project group through targeted energy investment funds.

Major eligibility criteria are as follows:

- The AEF financing is not conditional upon the procurement of capital goods, works or services in the Netherlands.
- Crucial pre-conditions to financing are the investment's technical, financial and institutional sustainability. Projects that are financed by the AEF should comply with FMO's environmental, social and corporate governance guidelines (see FMO investment procedures, policies & criteria website: http://www.fmo.nl/smartsite.dws?id=451)
- FMO looks at the investment plan, market analysis, due diligence study and expected return as well as the commitment of the owner manager and co-financiers.
- Although AEF finances generation, transmission and distribution, the AEF prefers distribution projects.
- Transmission projects will only be considered if either new connections are made, if a clear and direct link exists with distribution projects, or if the project has a quantifiable impact on an increase in sustainable access.
- Projects should have a measurable and obvious connection to improved or new access.

Country eligibility and selection criteria:

Priority will be given to Sub-Saharan Africa and/or Least Developed Countries. Emerging markets will receive up to 25 per cent of funds.

How and when to apply

Enterprises with investment plans in eligible countries are encouraged to contact FMO's Africa department or the Access to Energy Fund Manager directly. Upon request, FMO provides individual advice on eligibility for AEF funding as well as other FMO financial products that may be appropriate.

For further information, contact by email to info@fmo.nl (telephone: 070 314 9696)

Funds available / Funds disbursed to date / Number of funded projects

FMO is targeting at least 75% of the total AEF capital for Sub-Saharan Africa and/or Least Developed Countries and a maximum of 25% in other emerging markets.

Uptake and projects supported

Further information and lesson learned

Sources

AEF website: http://www.fmo.nl/smartsite.dws?id=339

Carboncredits.nl

Carboncredits.nl helps companies investing in renewable energy and energy efficiency in Central and Eastern Europe improve the return on their investments.

Date created

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Administrating organization

The Dutch Ministry of the Environment (VROM) is the administrative organization for projects in Africa, while the *Corporación Andina de Fomento* (CAF) deal with projects in Latin America and the Caribbean. In addition, the International Finance Corporation (IFC) and the IBRD also administrate projects and programmes in Latin America, the Caribbean and Asia.

Objectives

Carboncredits.nl aims to help companies investing in renewable energy and energy efficiency in Central and Eastern Europe improve the return on their investments.

Nature of donor contributions

Public contributions

Financial instrument/delivery mechanism used

Through Carboncredits.nl the Dutch government bought the reduction in greenhouse gas emissions (carbon credits) that these projects generated, thus creating an additional source of income to boost the economic feasibility of projects and accelerate their implementation.

Bioenergy activities supported

Bioenergy activities that can generate measurable GHG reductions and can be presented as CDM/JI projects or programmes.

Geographical range

Central and Eastern Europe

Eligibility and selection criteria

Activity eligibility and selection criteria:

- The Carbon Credits is aimed to international operating companies that invest in sustainable energy projects and would like to purchase programmes for CDM (CERUPT) and JI (ERUPT).
- Activities should generate measurable reduction in greenhouse gases. If a project achieves a measurable reduction in greenhouse gases the Netherlands can purchase the emissions reduction (i.e. 'carbon credits')

Country eligibility and selection criteria:

Central and Eastern Europe countries and other emerging markets can apply for funds

How and when to apply

At this moment the purchase programmes for CDM (CERUPT) and JI (ERUPT) projects are closed.
NL Agency advices to contact one of these organisations:

- CDM projects in Africa can be sent directly to the Ministry of the Environment (VROM). Please contact Mr. Ferry van Hagen at ferry.vanhagen@minvrom.nl
- CDM projects in Latin America and the Caribbean can be sent to the Corporación Andina de Fomento (CAF). Please contact Ms. Mary Torres at mtorres@caf.com
- CDM projects in Latin America, the Caribbean and Asia can be sent to the:
  - International Finance Corporation. Please contact carbonfinance@ifc.org with reference to the IFC- Netherlands Carbon Facility (INCaF)
  - International Bank for Reconstruction and Development (IBRD). Please contact helpdesk@carbonfinance.org with reference to the Netherlands Clean Development Mechanism Facility (NCDMF)
  - Small scale CDM projects in the least developed regions can be sent to the International Bank for Reconstruction and Development (IBRD). Please contact helpdesk@carbonfinance.org with reference to the Community Development Carbon Fund (CDCF)

For further information access to the *carboncredits.nl* website: www.carboncredits.nl or contact NL Agency via email carboncredits@senternovem.nl (phone: +31 70 373 5156)

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

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Sources

Carboncredits.nl: www.carboncredits.nl

Development Finance Facility (FMO)

The DGIS is a Directorate of the Dutch Ministry of Foreign Affairs and is responsible for development cooperation policy, its coordination, implementation, and funding. The FMO is the entrepreneurial development bank of the Netherlands, which is aimed to thriving private sector to help long-term and sustainable development impact. The FMO provides capital, shares knowledge and creates partnerships.

Date created

The FMO was created in 1970 by the Government of the Netherlands.

Administrating organization

The FMO

Objectives

The FMO aims to:

- stimulate sustainable private sector development and optimise economic growth through its investment activities in emerging markets,
- empower entrepreneurship in emerging economies in order to further development,
- foster sustainable economic development (i.e. good economic, environmental and social (E&S) management),
- promote sustainable development additionality by enabling better E&S outcomes than private investment alone will achieve,
- and protect the environment

Nature of donor contributions

The FMO manages a number of specific funds and facilities for the Dutch government. Initiated by the needs of FMO clients, the Dutch government provided the finance with which FMO offered solutions to those clients. Now, many of the same funds and facilities still exist, meaning that other clients can benefit from them. This money covers financial risks that FMO cannot take – it therefore allows taking on higher risk projects with greater development impact.
FMO also receives external private funding to finance its risk portfolio.

Financial instrument/delivery mechanism used

The FMO delivers funds as:

- direct investments (DI): financing private enterprises (including both corporate and project finance as well as equity/shareholding in companies, financial institutions or other entities);
- indirect investments in financial institutions (FI): providing corporate finance to financial institutions (i.e. lending to large, medium and small businesses, microfinance, trade finance, housing finance, and private equity
- co-financing

Bioenergy activities supported

- Agri-to biofuel projects
- Biomass co-generation
- Biomass biofuels
- Waste-to-energy projects

Geographical range

Emerging economies in Africa, Asia, Eastern Europe and Latin America

Eligibility and selection criteria

Activity eligibility and selection criteria:

The FMO's Sustainable Energy Strategy supports those projects that generate energy based on a renewable energy source ('Renewable Energy') and can therefore be divided into the following two subcategories:

- Agri-to-Biofuel projects (FMO only finances projects which have a local energy generation component);
- Biomass-to-energy projects; Biomass (including biofuel) based co-generation;
- Waste-to-energy projects (incl. waste based landfill and sewage gas);

In order to be evaluated, projects should fulfil aspects as follows:

- provide long-term and sustainable renewable energy solutions
- commercial viability
- a sound investment plan
- a thorough feasibility study and complete analysis of the market
- transparency according to the principles of corporate governance
- a respectable environmental policy
- preventing, or at least reducing, mitigating or compensating for, negative impacts where possible, and engaging with local communities about matters that directly and materially affect them, and
- execution by internationally acceptable social standards

Candidate projects should respect the following standards before being approved:

- FMO's assessment of E&S risks and impacts,
- IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines),
- local environmental and social laws where these are more stringent,
- GMO investment criteria (for investments in the agriculture sector)

Sustainability criteria applicable to Agri-to Biofuel projects:

- To adhere to round table sustainability initiatives, such as the Better Sugar Initiative (BSI), Round Table for Sustainable Palm Oil (RSPO), Round Table of Responsible Soy (RTRS), Round table on Sustainable Bio fuels, Cramer criteria and others;
- To reduce GHG emissions as compared to fossil fuels
- LCA if methodology is available (with system boundaries from "root to tank"). It shall include direct and indirect GHG emissions and land use changes
- Preferably be sited on degraded/ and or used land or rehabilitated agricultural sites
- Feasible traceability and labelling & certification
- Fit a national strategy on agricultural planning.
- Clearly benefit the local welfare (Tax payments and the use of local labour are not sufficient. Ownership through out grower's schemes, setting up of co-operations, supplying electricity and/or fuel to local market)
- Have a clear and proven choice for the crop. Water, fertilizer, pesticide use as well as oil/ethanol yield per hectare should all favour the chosen crop;
- Preferably grow non-edible crops or the use of waste products of food crops;
- If biotechnologies are used in bio fuels production always be consistent with national or international bio safety and transparency protocols

Projects should not:

- Locally compete with food agricultural produce; and Bio fuel production shall not impair food security;
- Replace subsistence agri-systems, without enhancing such systems;
- Use water resources where the water balance proofs that irrigation water availability is lacking and biofuel production shall not directly or indirectly contaminate or deplete water resources;
- Biofuel production shall not directly or indirectly degrade or damage soils;
- Only have an export component. There should be a balance between local versus export mainstreaming.

Country eligibility and selection criteria:

1. In all Low Income Countries (per World Bank categorization) where FMO invests in new projects, plus all Sub-Saharan countries (with the exception of South-Africa), sustainable energy projects are preferred. However, in Low Income Countries providing access to energy under certain conditions is considered to prevail over providing access to *sustainable* energy. This implies that both sustainable and non-sustainable energy projects can be financed in these countries, under the condition that (i) no viable and bankable sustainable energy alternatives are available in the foreseeable future and (ii) the project falls into the country's sector approach, which is to be verified in Poverty Reduction Strategy Papers, World Bank sector reports etcetera.
2. In all other countries where FMO makes new investments, sustainable energy prevails over Access-to-Energy. This implies that in these countries only new FMO investments can be made if it concerns sustainable energy projects.

How and when to apply

Projects that intend to receive FMO funding will follow the same basic process:

1. Identifying clients with sound investment plans, often with or through a global or local partner.
2. Appraising the plan for financial soundness and multiple bottom line impact. All appraisals include the client's potential positive or negative effect on social, environmental and

governance conditions. These are recorded on the so-called FMO scorecard. Appraisal further includes an evaluation of the client's perception of these components and their willingness and ability to address them. We will only proceed with a transaction if the client is committed to ultimate compliance with international standards;
3. Preparing the financing proposal for approval by relevant FMO Committees and Management Board. As far as possible, financing structures are tailored specifically to the client's needs and will usually include more than one financial product or service, also based on the multiple bottom line preconditions. By the time a proposal has reached the approval stage, it has already been reviewed and scored against these preconditions;
4. Once approved, the contract is prepared and must incorporate social, environmental and governance requirements. In those cases where the client is unequipped to meet these requirements on signing, an action plan is developed. Contracts include clear terms and conditions;
5. Monitoring – based on the scorecard, progress is monitored throughout the lifetime of the investment. We will step in if action plans are not pursued according to contract;
6. Evaluating impact – impact does not occur overnight. It takes time. Evaluations are carried out after five years, or on exit from a transaction.

Funds available / Funds disbursed to date / Number of funded projects

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Uptake and projects supported

- First African biogas national program (Rwanda): EUR 4 million
- The Access to Energy Fund (AEF): 2007-2015 Program that has a EUR 70 million capital.
- LDC-fund (partnership with Uganda's dfcu Bank): facility in local currency provided to dfcu Bank to be on-lend to SMEs active in (social) infrastructure such as renewable energy, transport, and agriculture. EUR7 million loan.

Further information and lesson learned

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Sources

FMO, Finance for Development: http://www.fmo.nl
FMO, FMO environmental and social sustainability policy
FMO, FMO Sustainability Procedures, 1 October 2007
FMO, FMO's sustainability criteria financing Agri-to Biofuel projects
FMO, Sustainable Energy Policy

develoPPP.de

DeveloPPP.de is a project for public-private partnerships supported by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Date created

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Administrating organization

The PPP project is financed by the BMZ and executed by GTZ and DEG (KfW Bankengruppe) and sequa (Partner of German Business).

Objectives

The PPP project aims to:

- attain the millennium development goals set forth by the United Nations to battle poverty, promote peace, security and protection of the environment, and
- ensure that globalisation is fair to all concerned
- promote sustainable policies aimed at the common good
- foster understanding among companies that consider social and ecological aspects

The BMZ supports its partners on their path to achieving these objectives

Nature of donor contributions

The PPP project is financed by the BMZ

Financial instrument/delivery mechanism used

The PPP provides targeted support in involving private enterprises in those sectors where there is a particular need for action as well as special opportunities. It also provides:

- financing and human resources
- coach and support for companies that are planning and implementing projects
- contacts with governments, industry association and companies
- expertise

Bioenergy activities supported

- Waste, waste water, emissions
- Biomass, biogas, sewage gas

Geographical range

Developing countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

- cooperation activities between business and development agencies (i.e. between state and civil society)
- partnerships which are jointly planned, financed and realised by companies and development aid organizations
- highly innovative project approaches by enterprises
- small-scale measures carried out by individual companies
- “strategic alliances” activities that affect a whole industry sector, several countries and several million Euros in investments

PPP services are provided through the following four modules:

Module 1: PPP idea competitions: PPP idea competitions are announced several times a year and the German and European business sectors are informed. In response, interested companies can submit project outlines which GTZ assesses for PPP eligibility. The projects are then implemented together with the private-sector partner.

Module 2: Strategic alliances: Strategic alliances are formed with German and European companies and business associations. These alliances are usually of a supra-regional nature, often cover entire sectors and bring together different actors from industry and trade, non-governmental organisations and other national and international organisations. Their impact therefore transcends individual measures.

Module 3: PPP with bilateral development programmes: These PPP combine private sector services with bilateral development cooperation programmes and projects. They are planned and implemented by the private partner (inter-national/national/regional companies) and a technical cooperation (TC) project or programme in the partner country. They contribute directly to achieving the TC project or programme objectives.

Module 4: PPP Africa Facility: The PPP Africa Facility is a cooperation instrument for the promotion of development partnerships with companies based in Africa. Thematically, PPP are very closely related to existing TC projects/programmes in the field

These four modules are complemented by *Capacity Development for Partnerships (CDP) with the private sector*. CDP trains partner organisations to independently carry out the public role in cooperation with the private sector

There are three competition categories:

- *develoPPP.topic*: This category covers selected topics for which the BMZ provides targeted funding. With DEG: 1) renewable energies, 2) industrial environmental potential. With GTZ: energy efficiency
- *develoPPP.innovation*: The second category is open to proposals from all other topical areas. Special attention is given to the proposals' innovative character. Approaches that show extraordinary commitment or great entrepreneurial creativity have the best chances of gaining support.
- *develoPPP.alliance*: It involves highly significant strategic alliances with several partners or in several countries that lead to structure-forming development effects. It generates supports from public funds of more than 200.000 euros

Eligible activities should meet the following five prerequisites before a PPP project can get started:

- All PPP measures must be compatible with the defined development goals and objectives of the German government.
- Public and private contributions must complement each other so that both partners can attain their objectives more cost-effectively, efficiently and faster (complementarity).
- A public PPP contribution will only be provided if the private partner cannot carry out the PPP without the public partner and if the measure is not legally prescribed (subsidiarity).
- Competitive neutrality must be ensured. The cooperation with DEG, GTZ and sequa is open to all companies and communicated transparently.
- Companies are obliged to make a considerable financial contribution and/or provide staff in carrying out PPP projects (private sector contribution: at least 50 percent of overall costs).

develoPPP.topic and *develoPPP.innovation*:

- The overall constitution of the company must be able to finance the project and ensure its sustainability (at least ten employees, three years on the market, minimum one million Euros in turnover, long-term entrepreneurial commitment in the target country).
- The company assumes responsibility for realising the project as regards financing, staff and content.
- PPP must be concluded within three years and is then continued by the company alone.

develoPPP strategic alliance criteria:

In addition to the general PPP criteria of complementarity, subsidiarity, competitive neutrality, financial contribution from the company and compatibility with the development policies of the Federal Government, strategic alliances must meet further criteria. If at least six of the criteria listed below are met, including at least two quantitative criteria, a project may become a strategic alliance.

Quantitative criteria:

- The project is transnational in character and conducted in at least two countries (Brazil, China and India: more than two regions per country).
- At least two private partners play a major role in the project's implementation.
- The project's total volume amounts to at least EUR750 000 (aggregate public and private contribution).

Qualitative criteria

- The project is of above-average significance for development policy, serving as a lighthouse for other projects.
- The project involves important institutions in the partner countries and has a prominent impact in changing structures, for example in terms of economic framework conditions.
- The project involves various target and interest groups (multi-stakeholder approach).
- The project has a broad and positive impact on large sections of the poor or disadvantaged population.
- The project stands out through a high level of innovation.
- The project serves as an example of best practice (replicability).
- The project is linked to a defined focus on bilateral development cooperation.

Country eligibility and selection criteria:
The project is transnational in character and conducted in at least two countries (Brazil, China and India: more than two regions per country).

How and when to apply

develoPPP.topic and develoPPP.innovation are ideas competition. Current competition topics are to be found on www.develoPPP.de and the implementing organizations' websites (GTZ, DEG and sequa) or on the information sheet inserted in the back cover of this brochure.
Documents for participation in the PPP ideas competition can be downloaded from:
http://www.deginvest.de/EN_Home/Range_of_Services/Special_Programmes/PPP_Programme/PPP ideas_competitions/index.jsp
For further information contact:
Helma Zeh-Gasser
Email: ppp-buero@gtz.de
Phone +49 6196 79-2378

Funds available / Funds disbursed to date / Number of funded projects

Under the PPP Programme, up to EUR 200,000 can be provided per project. The company has to bear at least 50% of the project cost and is responsible for the realisation of the project in terms of finance, content and manpower. DEG assists the company in all phases of the PPP project by competent and country-specific advice.
develoPPP.alliance generates supports from public funds of more than EUR 200,000

Uptake and projects supported

Biogas plant in India

Further information and lesson learned

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Sources

BMU, *develoPPP brochure:* *http://www2.gtz.de/dokumente/bib/gtz2009-0149en-developpp.de.pdf*
GTZ, *Methods and Instruments Public Private Partnerships (PPP):* *http://www.gtz.de/de/dokumente/gtz2009-en-ppp-advisoryservice.pdf*

DOF: Daey Ouwens Fund

DOF is a subsidy provided by the Government of the Netherlands to Least Developed Countries (LDC). It fits into the Netherlands' wider purpose of contributing towards the achievement of the United Nations Millennium Development Goals (MDG).

Date created

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Administrating organization

NL Agency (ex SenterNovem)

Objectives

The fund focuses particularly on MDG Goal 1 (eradicating extreme poverty and hunger) and Goal 7 (creating a sustainable environment)
The Daey Ouwens Fund aims to provide more people in Least Developed Countries (LDCs) with access to energy, by promoting small-scale projects in the area of renewable and job-creating forms of energy supply.

Nature of donor contributions

Public contributions

Financial instrument/delivery mechanism used

Subsidies

Bioenergy activities supported

Access to energy, energy supply and small-scale bioenergy projects

Geographical range

Least Developed Countries (LDCs), in particular in Sub-Saharan Africa.

Eligibility and selection criteria

Activity eligibility and selection criteria:

Applicants may come from all countries and may be enterprises, non-governmental organizations (NGOs), knowledge institutions or local authorities.
Major selection criteria are as follows:

- Renewable energy: funding will be delivered for small-scale projects in developing countries. Projects must result in access to energy for households, small-scale businesses, schools, medical centres or telecommunication and IT installations.
- Investment in equipment must be part of a greater entity, in which aspects such as maintenance and management also receive attention
- Sustainability: An important part of each project is financial, technical and organizational sustainability. It must also be likely that the projects, even after completion, will be able to continue on a sustainable basis for many years.

Country eligibility and selection criteria:

- Projects should be developed in Least Developed Countries (LDCs): http://www.un.org/special-rep/ohrlls/ldc/list.htm
- The most important target group are the LDCs in Sub-Saharan Africa. Projects that are directed towards these countries therefore take precedence over projects in other LDCs
- At least one relevant partner from the country where the project is to be carried out (an LDC) must be actively involved in each proposal.

How and when to apply

Send and email to: daeyouwensfonds@agentschapnl.nl (Telephone: 030 239 3533)

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

More information in the website DOF:
http://www.senternovem.nl/daeyouwensfund/financial_support/procedure.asp

Sources

DOF: http://www.senternovem.nl/daeyouwensfund/financial_support/procedure.asp

Environmental Transformation Fund – International Window (ETF-IW)

The ETF-IW is an initiative of the government of the UK. Its major part has been allocated to the World Bank-administered Climate Investment Funds (CIFs), since they were officially launched at the G8 Summit in Hokkaido with a commitment currently standing at over USD 6 billion from G8 donors.

Date created

The ETF-IW was included in the UK 2007 Budget and was made operational in July 2008.

Administrating organization

UK Department for Environment, Food and Rural Affairs (DEFRA)
UK Department for International Development (DFID)

Objectives

The ETF-IW main objectives are to tackle poverty through environmental protection and help developing countries respond to climate change.[1]

Nature of donor contributions

Public. ETF-IW disbursed through CIF is considered ODA because funds contributed to CIF was agreed to be considered as complementary of existing ODA funds.

Financial instrument/delivery mechanism used

ETF-IW disbursed through CIF will be delivered as:

- Concessional loans (probably as zero o low-interest loan)
- Grants

Although CIF is administrated by the World Bank Group, how financing will be delivered is not decided by the Bank. Decisions are taken jointly by donors and developing countries on an equal basis.[2]

Bioenergy activities supported

WB CIF, Congo Forest Fund, Forest Carbon Partnership Facility.
In general, the ETF-IW supports projects that look for poverty reduction, tackle climate change effects and address renewable energies.

Geographical range

Countries according to ODA-eligibility.

Eligibility and selection criteria

Activity eligibility and selection criteria:
Funds should finance country investment plans and ensure a link with poverty reduction initiatives.
Country eligibility and selection criteria:
Country eligibility of the FIP will be based on:
a) Official Development Assistance (ODA)-eligibility (according to the Organization for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) guidelines);
b) An active MDB country programme. For this purpose, an "active" program refers to an MDB has a lending programme and/or on-going policy dialogue with the country".[3]

How and when to apply

For information about how to apply see:
http://www.defra.gov.uk/environment/climatechange/uk/energy/fund/

Funds available / Funds disbursed to date / Number of funded projects

UK will finance ETF-IW with GBP 800 million during the period 2008/09 to 2010/11

Uptake and projects supported

1. Climate Investment Fund (CIF) administrated by the WB, in which are included:

- Scaling-up Renewable Energy Programme (SREP): it supports clean energy access projects in low income countries. It has two sub-programmes: a) the Pilot Programme on Climate Resilience (PPCR) that will helps vulnerable countries deal with climate impacts and b) the Forest Investment Programme that will aim to reduce and avoid deforestation
- Clean Technology Fund (CTF): investment in clean, efficient technology to help developing countries achieve a low carbon growth

2. Congo Basin Forest Fund
3. Forest Carbon Partnership Facility (FCPF).

Further information and lesson learned

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Sources

[1] UK Department of Energy and Climate Change, "International Environmental Transformation Fund and Climate Investment Funds":
http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/intl_strat/ietf/ietf.aspx
[2.] UK Department.of Environment, Food and Rural Affairs, "Funding: international Environmental Transformation Fund and Climate Investment Funds" at
http://www.defra.gov.uk/environment/climatechange/internat/devcountry/funding.htm
[3].The World Bank, "Climate Investment Funds", 22 June 2009:
http://siteresources.worldbank.org/INTCC/Resources/FIP_Design_Document.pdf
Climate Funds Update: http://www.climatefundsupdate.org
http://www.climatefundsupdate.org/listing/environmental-transformation-fund
http://www.defra.gov.uk/environment/climatechange/internat/devcountry/funding.htm
http://www.defra.gov.uk/environment/climatechange/internat/devcountry/funding.htm
UK Department of Energy & Climate Change:
http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/intl_strat/ietf/ietf.aspx
UK Department of Environmental, Food & Rural Affairs:
http://www.defra.gov.uk/environment/climatechange/internat/devcountry/funding.htm

Global Sustainable Biomass Fund

The Global Sustainable Biomass Fund is a subsidy for sustainable biomass projects in developing countries. It is complementary to the domestic Sustainable Biomass Import Subsidy established by the Government of the Netherlands. Both initiatives are part of the Dutch Green Raw Materials programme from the Energy Innovation Agenda.

Date created

2009

Administrating organization

Dutch Ministry of Foreign Affairs and NL Agency (ex SenterNovem), which is a department of the Dutch Ministry of Economic Affairs that implements government policy for sustainability, innovation, and international business and cooperation.

Objectives

The Fund aims to implement sustainable biomass chains in selected developing countries with the objective of gaining access to the local and international market. In addition, the Global Sustainable Fund fits within a larger goal of the Netherlands, to contribute to goal 1 and 7 of the Millennium Goal of the UN.

Nature of donor contributions

Contributions are made by the Government of the Netherlands

Financial instrument/delivery mechanism used

The Fund delivers its resources as subsidies.

Bioenergy activities supported

Sustainable biomass projects with energy purposes (made from vegetable residues)

Geographical range

ODA Developing countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

Applicants may be enterprises, non-governmental organisations (NGOs), knowledge institutions or local authorities. Treaty organizations are still not eligible.
Candidate projects should follow major selection criteria are as follows:

- projects must result in a more sustainable biomass production for energy uses,
- certificated sustainable biomass for energy uses in the developing countries themselves, thereby enabling them to access the local or international market of sustainable biomass for energy uses,
- Indirect effects of biomass production, such as shifts in land use or effects on food prices are also important sustainability criteria,
- allow developing country access to local or international market of sustainable biomass for energy uses,
- although a project may only involve one part of the chain, the feasibility of the entire chain must be demonstrated,
- emphasise the importance of knowledge and/or capacity furthering and knowledge transfer,
- contribute to the Millennium Development Goals for fighting poverty,
- submit a well-organized and qualified project proposal,
- in the event of necessary investments outside the scope of the project, a business plan draft must be provided in the project plan, including an investment picture, the debt/equity ratio and an operating balance,

The proposal must comply with the requirements of:

- the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grants Regulations 2006,
- the applicant's organization must achieve a satisfactory score on the organisation test based on the Checklist for Organisational Capacity Assessment (COCA),

- the project contains an assessment based on the Testing framework for sustainable biomass of the Cramer Commission,
- the project satisfies the requirements set forth in chapters 3, 4 and 5 of the Policy Rules (publication Government Gazette),
- the project should be completed and financially concluded before 1 July 2013.

Applications that comply with the aforementioned threshold criteria and other conditions under the Policy Rules will be scored on the basis of ranking criteria.

An application must score sufficiently at these ranking criteria in order to be eligible for subsidy. The ranking criteria to be applied in the assessment are:

- The extent to which the project contributes to the goal of the Global Sustainable Biomass Fund as described in chapter 2 of the Policy Rules, in relation to the total costs eligible for subsidies of the project (subsidy effectiveness);
- the extent to which the project contributes to the themes of the Testing framework for sustainable biomass:
  - greenhouse gas balance
  - competition with food, local energy supply, medicines and building materials
  - biodiversity
  - environment
  - economic prosperity
  - social well-being
- the extent to which the project contributes to the goals listed in paragraph 3.1 of the Policy Rules:
  - The promotion of sustainability of the biomass chain
  - Certification of the sustainable biomass chain
  - Counteract undesired indirect effects of biomass production and monitoring of macro effects of biomass production
- the extent to which the project connects, or aims to connect with local initiatives or ambitions to support and promote sustainability of the chain of biomass production for energy purposes;
- the extent to which the project can be followed-up and can scale up;
- the extent to which the outcomes initiated and eventually to be expected benefit the local or national economy of the developing country concerned.

Country eligibility and selection criteria:

- At least one relevant partner from the country where the project is to be carried out (an ODA country) must be actively involved in each proposal,
- The Fund will provide with financing to projects that will be carried out in ODA Developing countries that are large biomass producers,
- Each proposal should include at least one relevant partner from the project host country (ODA country),
- An estimate must be given in the project plan of the amount of people in the developing country who are affected by the project, and in which way,
- Priority will be given to projects carried out in the following ODA countries: Indonesia, Vietnam, Colombia, Nicaragua, Mali, Ethiopia, Tanzania, Mozambique, South Africa.

How and when to apply

Proposal applications will be accepted only after tenders are open. If the tender period is active, application procedure works as follows:

1. Complete a "Quick Scan" format
2. Submit the application form with all appendices (with two additional copies of the application form, project plan and budget)

Document forms may be downloaded from
http://www.senternovem.nl/globalsustainablebiomass/subsidy/implementation.asp and
http://www.senternovem.nl/globalsustainablebiomass/applications/index.asp
Period of tenders are announced at the NL Agency website: http://www.senternovem.nl/english/
For more information about the application period see
http://www.senternovem.nl/globalsustainablebiomass/subsidy/application_period.asp

Funds available / Funds disbursed to date / Number of funded projects

The total available budget of the Global Sustainable Biomass Fund is EUR 12.5 million. This amount has been made available in two tenders. By September 2009, the first tender of the Global Sustainable Biomass Fund has yielded 10 approved projects, for a total amount of EUR 4.7 million. The second tender, started in October 2009, had a budget of EUR 7.7 million.

The minimum subsidy for each project is EUR 100 000 and the maximum is EUR 1 million. In addition to this, the maximum subsidy for enterprises is 50% of the incurred costs and 75% for all other parties. This also applies to members of a consortium.

Uptake and projects supported

By November 2009, ten Projects that had been awarded under the first tender of the Fund: two bio-ethanol (Brazil and Indonesia), two biogas (Colombia and South Africa), two jatropha certification (Tanzania and Mozambique), two jatropha (Zambia and Mali), one biofuel sector (Mali), one capturing methane emissions from palm oil (Indonesia).

Further information and lesson learned

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Sources

SenterNovem, leaflet *Subsidy for the promotion of the production of sustainable biomass in developing countries*: http://www.senternovem.nl/globalsustainablebiomass/general/index.asp

International Climate Initiative (ICI)

The International Climate Initiative (ICI) is a fund of the German Government.

Date created

The ILI was created in December 2007. The Government of Germany made it operational the fourth quarter 2008.

Administrating organization

The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) of the German Government.

Objectives

1. Promoting a climate-friendly economy

Key elements include:

- Increasing energy efficiency
- Expanding the use of renewable energies
- Reducing climate-damaging fluorocarbons
- Both investment measures and support for capacity building are planned for newly industrialising, development and transition countries.

2. Promoting measures for adaptation to the impacts of climate change and conserving biodiversity with climate relevance

Projects cover the following categories:

- Measures for adaptation to the impacts of climate change and
- Measures for the conservation of biodiversity with climate relevance.[1]

Its medium-term goal is to create a momentum for the discussions regarding the post-2012 period.

Nature of donor contributions

Public. It is an environmental cooperation that complements the Government's existing development cooperation and is considered official development assistance (ODA), except in the case of Russia (which is a non-ODA eligible country).

Financial instrument/delivery mechanism used

ICI Funds come from:

- Resources from private companies under the EU ETS.
- Revenues of the sale of emission allowance done by the BMU.

Initially the ICI resources go to <u>bilateral projects</u>. (Then, they will be added to UNFCCC Funds and Kyoto Protocol funds).

ICI Funds will be delivered as:

- grants
- support via (interest-subsidised) loans, or
- project-based contributions to international funds.

Bioenergy activities supported

- Sustainable energy systems.
- Energy supply structure that tackles climate-damaging GHG emissions.
- Energy efficiency, expanding renewable energies, reducing environmentally harmful hydrofluorocarbons.

Geographical range

Developing, newly industrialising as well as transition countries in Central and Eastern Europe.
G5 countries are one of the major focal point: Brazil, India, South Africa, China and Russia.

Eligibility and selection criteria

Activity eligibility and selection criteria:

ICI funds regarding <u>energy</u> will finance the following activities:

- Increasing energy efficiency
- Expanding renewable energies
- Reducing environmentally harmful GHG and investment-related measures,
- Know-how transfer and policy advice in the partner country.

ICI funds regarding <u>adaptation</u> will flow into the following activities:

- Optimal land use
- Sustainable biomass production (resource management, restoration of damaged areas)

For more specific criteria see
http://www.bmu.de/files/pdfs/allgemein/application/pdf/foerderinformationen_iki_en.pdf (pages 4-5).

Candidate projects should:

- guarantee the "development of innovative and multipliable approaches that impact beyond the individual project itself and are transferable"
- demonstrate a mitigation effect
- be part of national strategies
- build on the strengths of German climate policy
- conserve other global environmental goods.[2]

Country eligibility and selection criteria:

Candidate countries should:

- be interested in using the Fund to develop a climate-friendly economic structure that prevents GHG emission where possible
- have a high potential for emissions reduction looking at their significant and sharply rising greenhouse gas emissions

How and when to apply

Project proposals can be submitted by:

- Implementing organizations of German development cooperation
- NGOs and governmental organizations
- Universities and research institutes
- Private-sector companies
- Multilateral development banks (MDBs)
- UN Organizations and programmes

Information for applicants can be found at:
http://www.bmu.bund.de/files/pdfs/allgemein/application/pdf/foerderinformationen_iki_en.pdf
Applicant's template can be downloaded from:
http://www.bmu.de/english/climate_initiative/international_climate_initiative/information_for_applicants/doc/43337.php

Funds available / Funds disbursed to date / Number of funded projects

Disbursed by the German Federal Ministry for the Environment (BMU) since 2008:

- For general ICI: 120 millions euro.
- For specific sustainable energy supply projects: EUR 60 million.

Uptake and projects supported

- Water Authority of Jordan: EUR 1.25 million to make its pumping stations more energy-efficient
- Climate Protection Programme in Turkey: EUR 4.5 million (plus EUR 4.9 million in Tranche II) to be used as subsidy to provide private investors with long-term loans for energy efficiency measures and for the use of renewable energies

For information about current projects see
http://www.bmu.de/english/climate_initiative/general_information/doc/42000.php

Further information and lesson learned

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Sources

[1] Federal Ministry for the Environment, Nature Conservation and Nuclear Security, "Key elements of the International Climate Initiative":
http://www.bmu.de/english/climate_initiative/international_climate_initiative/key_elements/doc/44593.php
[2] Federal Ministry for the Environment, Nature Conservation and Nuclear Security, "International Climate Initiative":
http://www.bmu.de/english/climate_initiative/international_climate_initiative/doc/43517.php
http://www.climatefundsupdate.org/listing/international-climate-initiative
http://www.bmu.de/english/climate_initiative/international_climate_initiative/doc/43517.php
http://www.bmu.de/english/climate/downloads/doc/41704.php
ICI's Brochure: http://www.bmu.de/files/english/pdf/application/pdf/broschuere_iki_en_bf.pdf

KfW Bankengruppe - Carbon Fund

The KfW Carbon Fund is the KfW's procurement platform for project-based carbon credits under the Kyoto Protocol Mechanisms. It was launched by the KfW Bankengruppe and the European Investment Bank (EIB) to help enterprises develop beyond the limits of climate protection – in a manner both efficient and ecologically sound.

Date created

In 2009, the KfW Bankengruppe and the European Investment Bank (EIB) launched the second procurement programme for emission certificates.

Administrating organization

KfW Bankengruppe and the European Investment Bank (EIB)

Objectives

KfW Carbon fund aims to:

- Promote climate protection projects worldwide
- Facilitate access of European enterprises to the use of carbon credits
- Contribute with innovative approaches to the development of carbon markets
- Purchase of Emission Certificates according to the project based flexible mechanisms of the Kyoto Protocol. Under these programmes KfW acquires Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) in its own name on the basis of long-term purchase agreements in line with international standards.
- Provide financial support for measures such as the preparation of project related documents and other costs related to CDM and JI projects.

Nature of donor contributions

The Fund is financed by the KfW Bankengruppe, a promotional bank under the ownership of the German Federal Republic and its federal states. In addition, the sale of emission certificates generates additional cash flow for these projects

Financial instrument/delivery mechanism used

The KfW Carbon Fund provides financing by:

- purchase contracts for carbon credits with sellers in its own name;
- support for CDM/JI project and programme development (i.e. development, validation and verification reports and registration) through a project preparation facility, and/or
- support other costs related to CDM and JI projects and programmes
- cover costs related to contracts concluded with third parties such as
- qualified consulting companies ("Contractor") for the preparation of documents as mentioned above and other related costs as well as works on own account such as the in-house preparation of documents by the Beneficiary (host country)
- advance payment on the contract value that can be offered to the Carbon Seller

The terms and conditions for the financial support will be agreed upon on a case-by-case basis.
The financial support will be made available for payment to the Contractor or the Beneficiary after submission of the respective documents and invoices and - in case of documents prepared by a Contractor - their acceptance by the Beneficiary. Payments will be effected by KfW upon request of the Beneficiary.

Bioenergy activities supported

Bioenergy and biomass activities that fulfil requirements set by those CDM and JI methodologies approved by the UNFCCC CDM/JI Executive Board.

Geographical range

Global

Eligibility and selection criteria

Activity eligibility and selection criteria:

- CDM projects and programmes in developing and industrialising countries that produce CERs and JI projects and programmes that generate ERUs
- CDM and JI projects and programmes that individually guarantee a minimum total transaction volume of 150.000 tn CO_2e up to 2012

- Projects and programmes that do not fall under the exclusion criteria defined by the Kyoto Protocol and the EU Emissions Trading Directive.
- Industrial gas projects are excluded

Eligibility criteria are defined as follows:

- Potential sellers of CERs or ERUs ("Beneficiary") who are preparing CDM and JI projects and programmes and wish to enter into an emission reduction purchase agreement ("ERPA") with KfW can apply for financial support
- The "Contracts" conditions of the works on own account must be in line with market conditions and especially the payment conditions must be in line with the usual business standards.
- Contractors and Beneficiaries should submit their respective documents and invoices and - in case of documents prepared by a Contractor - their acceptance by the Beneficiary before receiving KfW financial support
- KfW will evaluate the applications for financial support that it receives on the merits of the individual case. Decisions are made in the sole discretion of KfW. In the event of a positive decision by KfW the Beneficiary and KfW will conclude a financing agreement stipulating the details of the financial support.
- Participation in the financing of the preparation of documents or other related costs does not constitute any commitment by KfW to enter into a purchase contract for CERs or ERUs.
- Projects and programmes must fulfil internationally accepted environmental standards

Country eligibility and selection criteria:

- CDM projects and programmes should be hosted by developing countries (Non-Annex 1, Kyoto Protocol)
- Joint Implementation (JI) projects and programmes should be carried out in economies in transition (included in Annex 1, Kyoto Protocol)
- The selection of projects and programmes also depends on the approval of the host country as well as of the German Federal Government.

How and when to apply

Application forms should be sent by mail to the following address:
KfW Bankengruppe -KfW Carbon Fund
Palmengartenstr. 5-9
D-60325 Frankfurt, Germany
For participation in the CDM Procurement Programme, CDM application documents can be downloaded from: http://www.kfw-foerderbank.de/EN_Home/KfW_Carbon_Fund/Procurement_Programmes/CDMApplica.jsp
For participation in the JI Procurement Programme, CDM application documents can be downloaded from
http://www.kfw-foerderbank.de/EN_Home/KfW_Carbon_Fund/Procurement_Programmes/JIApplicat.jsp
For Word and Excel Files of these documents please contact us at: carbonfund@kfw.de

Funds available / Funds disbursed to date / Number of funded projects

The KfW Carbon Program particularly accommodates small and medium enterprises (SMEs) that contribute to the Fund with a minimum contribution level of only EUR 500 000.

Uptake and projects supported

Projects and programmes supported until 2009:

- 22 million tonnes of CO2 equivalent contracted from more than 50 projects.
- Two procurement programmes for European compliance buyers with a volume of EUR 184 million successfully closed.
- EIB-KfW Carbon Programme rated first-choice compliance fund by Point Carbon in 2007.
- Post 2012 Carbon Credit Fund CV successfully closed with the EIB and other major European promotional banks.

Further information and lesson learned

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Sources

The KfW Carbon Fund, A great choice for CDM and JI projects, May 2009
The KfW Bankengruppe and the European Investment Bank (EIB), The EIB-KfW Carbon Programme (Flyer), 2006

KfW Carbon Fund: http://www.kfw-foerderbank.de/EN_Home/KfW_Carbon_Fund/index.jsp

KfW Bankengruppe - DEG Invest

DEG Invest is a member of KfW Bankengruppe (German banking group) that finances investments of private companies in developing and transition countries. As one of Europe's largest development finance institutions, it promotes private business structures to contribute to sustainable economic growth and improved living conditions. DEG works in cooperation with KfW Entwicklungsbank and its Initiative for Climate and Environmental Protection (IKLU).

Date created

DEG was founded in 1962, based on an idea of the first German Minister for Development Aid.

Administrating organization

KfW Bankengruppe

Objectives

DEG's intention is to promote economic development and raise people's living standards in Germany's partner countries.

Nature of donor contributions

KfW Bankengruppe and German Federal budget

Financial instrument/delivery mechanism used

DEF provides support to promising entrepreneurial initiatives. DEG provides development financing for the private sector as reliable finance partner for enterprises that undertake investments.
DEG offers:

- long-term finance in the form of loans, mezzanine finance, equity capital and guarantees,
- individual consultancy in all phases of the projects,
- loan programmes on behalf of the German federal government which support, for instance, pre-investment or investment-tied measures if they are for the benefit of the developing country,
- project-specific package solutions

Bioenergy activities supported

- Agribusiness
- Renewable energy infrastructure

Geographical range

Developing countries and emerging markets

Eligibility and selection criteria

Activity eligibility and selection criteria:
DEG supports activities as follows:

- private investments in developing countries that search to fulfil the Millennium Development Goals (MDG),
- pre-investment or investment-tied measures that are for the benefit of the developing country

Examples of activities supported:

- Agribusiness
- Financial Sector
- Infrastructure
- Manufacturing Industries and Services
- Public-Private Partnerships (PPP)

DEG provides financing to activities that:

- undertake investments,
- produce positive effects in the developing countries,
- contribute to the Millennium Development Goals, to tackle poverty in a sustainable manner
- follow the Guideline for environmental and social compatibility

Country eligibility and selection criteria:
Developing countries and emerging markets

How and when to apply

Contact DEG Deutsche Investitions- und Entwicklungsgesellschaft mbH
Kämmergasse 22 - 50676 Köln, Germany
Phone: +49 221 4986-0
Fax: +49 221 4986-1290
e-mail: info@deginvest.de

Funds available / Funds disbursed to date / Number of funded projects

Project portfolio by the end of 2009: EUR 4.7 million
New business in 2009, by region:
- Asia: EUR 463 million
- Africa: EUR 266 million
- Latin America / Caribbean: EUR 198 million
- Europe: EUR80 million
- Supra-regional: EUR 7 million

New business in 2009, by financing delivery:
- Risk capital (equity, mezzanine): EUR 379 million
- Finance for German enterprises: EUR 137 million
- Climate protection finance: EUR 161 million

Uptake and projects supported

Examples of activities supported:
Agribusiness
- Long-term loans for Uruguayan rice producers
- DEG finances Indian coffee market leader

Financial Sector
- Loans for medium-sized agricultural businesses in Latin America
- Guarantees for bond issued by a Mexican mortgage bank
- Equity in an East African investment company

Infrastructure
- Long-term loan for a mobile telephony company in Algeria
- DEG finances private hydropower plant in Peru
- Long-term finance for the first private wind park in Brazil

Manufacturing Industries and Services
- DEG as a long-term partner of the Indonesian Indorama Group
- Loan for a German construction material producer in Russia
- DEG finances Chinese subsidiary of Ludwig Krohne GmbH & Co. KG

Public-Private Partnerships (PPP)
- Alliance for cotton from Africa
- IT training for Armenian students
- Plant extraction in Egypt

Further information and lesson learned

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Sources

DEG: http://www.deginvest.de/EN_Home/

KfW Bankengruppe - Initiative for Climate and Environmental Protection (IKLU)

KfW Entwicklungsbank is Germany's leading development bank and an integral part of KfW Bankengruppe. KfW Entwicklungsbank, together with the Federal Ministry for Economic Cooperation and Development (BMZ), set up the IKLU, which is the major bank's instrument.

Date created

2008

Administrating organization

KfW Entwicklungsbank and the BMZ (German Federal Ministry for Economic Cooperation and Development)

Objectives

The stated goal of the German Federal Government is to make a visible contribution to climate protection through development cooperation as well.
The IKLu aims to encourage developing and emerging countries to invest in environmental and climate protection.

Nature of donor contributions

The KfW Entwicklungsbank's resources come from the German Federal Government budget. The Bank increases these resources by raising additional funds in the capital market.
The loans are treated as Official Development Assistance (ODA).

Financial instrument/delivery mechanism used

The "special facility for renewable energies and energy efficiency (4-E)" is part of the Initiative.
IKLU funds are delivered in the form of low-interest loans and subsidies for climate and environment-related investments in developing countries, including the pro-rata 4-E funds. The low rate of interest is applied to specific projects, which are first assessed for their economic viability and the partner country's risk. In addition, KfW must be able to sustain the risk associated with the financing.
In addition, many IKLU projects receive finance cooperation (FC) funds that even when they do not come from KfW, are provided by the BMU and other German public entities. KfW works in cooperation with DEG (member of KfW Bankengruppe)

Bioenergy activities supported

- Renewable energies: investment in the expansion of renewable energies, e.g. biomass
- Energy efficiency: investment to increase energy efficiency, e.g. in energy generation, the transport and distribution of energy or the efficient use of energy in industry, trade and in private households.
- Energy-saving transport: investment in energy-efficient transport systems, e.g. rail and bus travel.
- Adjusting to climate change: investment in urban drainage, integrated water resource management and flood protection, climate-proof infrastructure and changes to agriculture and forestry.
- Ecological development of densely populated areas: investment in environmentally-friendly sewage systems and waste disposal as well as environmentally-friendly urban planning and industrial zoning.

Geographical range

Developing and emerging countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

The Bank supports activities as follows:

- Renewable energies
- Energy efficiency
- Industrial environmental protection
- Energy saving mobility

- Adaptation to climate change
- Ecological development of urban agglomerations

Candidate projects should fulfil the following requirements:

- Follow the German development cooperation guidelines
- Priority is given to applications from government or quasi-government institutions

Country eligibility and selection criteria:

- In individual cases consideration is also given to banks, private enterprises and project developers – to the extent allowed by the specific country context
- Commitments are made in addition to the bilateral commitment rate under German development cooperation and may be used for projects outside the priority areas agreed between the BMZ and the partner governments concerned.

How and when to apply

The partner government in question submits its application for project support via the external representative offices of the German federal government or via the BMZ and KfW. In consultation with KfW Entwicklungsbank, which reviews all projects, the BMZ decides which projects are to be supported.

For further information and enquiries, please contact the IKLU Coordination Office:
KfW Entwicklungsbank Energy Division
IKLU-Koordination@kfw.de
Fax: +49 69 7431-3609
www.kfw-entwicklungsbank.de
To contact KfW and DEG country offices, please search your country by clicking at http://www.kfw-entwicklungsbank.de/EN_Home/LocalPresence/index.jsp

Funds available / Funds disbursed to date / Number of funded projects

The Facility's target of EUR 500 million, originally planned for five years (2005-2010), had already been reached after three years. Between 2008 and 2011 at least EUR 2.4 billion are to be made available under IKLU. KfW pledged EUR 1.4 billion to be used to finance investment in renewable energy sources.

As a rule, funds can be provided to cover up to 75% of the project costs. The minimum loan is normally EUR 10 million.

In 2008, German KfW committed EUR 340 million (USD 440 million) in public budgetary funds and private market funds (excluding large hydropower). KfW also committed EUR 405 million (USD 530 million) as part of its "Special Facility for Renewable Energies and Energy Efficiency (4E)" The 4E has been available since 2005 and is now provided as part of the "Initiative for Climate and Environmental Protection" (Initiative für Klima und Umweltschutz - IKLU),

Uptake and projects supported

Projects supported or under-development:
China: energy efficiency project (EUR 24 million); waste disposal project (EUR 5.6 million)
India: renewable energies (BMZ provides with sub-loans through the Indian Renewable Energy Development Agency –IREDA-)
Indonesia: Programme "Forest and Climate Protection"
Pakistan: hydropower project
Vietnam: Treating sewage & managing solid waste project; Reforestation and Nature Conservation Programme (EUR 50 million of financial cooperation-FC-)
Brazil: Tropical Forest Protection Project (EUR 27.7 million (BMZ) and 3.7 million (BMU) of financial cooperation)
Chile: renewables energies and energy efficiency programme (EUR 88 million of FC funds and EUR 75 million of KfW funds)
Jordan: Sewage Disposal and Recycling Programme (EUR 62.96 million in FC loan and financial contribution)
Ghana: Agricultural development (EUR 6 million of FC funds)

Further information and lesson learned

Further information regarding KfW and DEG can be found at
KfW Entwicklungsbank: http://www.kfw-entwicklungsbank.de/EN_Home/index.jsp
DEG Invest: http://www.deginvest.de/EN_Home/index.jsp

Sources

KfW Entwicklungsbank, Facility for developing and emerging countries *KfW Entwicklungsbank: http://www.kfw-entwicklungsbank.de/EN_Home* *REN 21, Renewables Status Report, 2009 Update*

Subsidy Regulation for Sustainable Biomass Import

The Subsidy Regulation for Sustainable Biomass Import is a subsidy for sustainable biomass projects in selected developing countries supported by the Government of the Netherlands. It is complementary to the Global Sustainable Biomass Fund managed by the Dutch Ministry of Foreign Affairs. Both initiatives are part of the Dutch Green Raw Materials programme from the Energy Innovation Agenda.

Date created

The Sustainable Biomass Import programme is the implementation of the Innovation agenda and the Action Plan for Global Biomass, which were presented to the Dutch House of Representatives in September 2008.

Administrating organization

The Dutch Ministry of Foreign Affairs and NL Agency (ex SenterNovem), which is a department of the Dutch Ministry of Economic Affairs that implements government policy for sustainability, innovation, and international business and cooperation.

Objectives

In order to achieve the Dutch governmental goals for sustainable energy, importing biomass is therefore necessary. It is important that the biomass originate from sustainable chains. Therefore, the Subsidy aims to:

- improve the sustainability of the biomass import chains,
- contribute to make demonstrably sustainable biomass available on the Dutch market – on a large scale – for energy and chemical purposes, and
- to support the supplying producers in realising this,
- set up certification systems of sustainable biomass

Nature of donor contributions

The Government of the Netherlands provides with funds for implementing the Subsidy

Financial instrument/delivery mechanism used

Subsidy

Bioenergy activities supported

Sustainable biomass projects for energy, transport and chemical purposes

Geographical range

Developing countries that are large biomass producers and destine their biomass chain production to the Netherlands

Eligibility and selection criteria

Activity eligibility and selection criteria:

activities of sustainable production, processing and import of biomass produced in developing countries, that lead to the application of biomass for energy, transport or chemical purposes in the Netherlands

In order to be eligible for subsidy, projects must

- contribute in an innovative way to the improvement of the sustainability of biomass chains,
- improve the sustainability of the biomass production based on the Testing Framework for Sustainable Biomass,
- foster the development and application of certification systems for imported biomass and,
- counteract undesired indirect effects of biomass production (i.e. indirect effects are e.g. effects on food prices or shifts in land usage from using new farmland elsewhere)

Both entrepreneurs and non-entrepreneurs, such as non-governmental organizations or knowledge institutions, may submit application. An organization may submit an application alone or as part of a consortium.

In order to be eligible for subsidy from the Sustainable Biomass Import subsidy scheme, a project must at least fulfil the objectives of the scheme as well as a few threshold criteria.

- quality of the project and consortium (i.e.: economic and technical feasibility, capacity and financial possibilities of the consortium),

- contribute to the objectives of the Subsidy scheme,
- go beyond European standards (i.e.: merely fulfilling the sustainability criteria of the European Union is not sufficient to be eligible for subsidy)

Please also refer to the Manual for Sustainable Biomass Import regarding the threshold criteria.
Applications that fulfil the above mentioned threshold criteria as well as the other scheme conditions are ranked according to ranking criteria. The ranking criteria used for the assessment are:

1. *Cost effectiveness:* the extent to which the project contributes to the objectives, in relation to the total eligible costs of the project;
2. *Promotion of sustainability of biomass import chains:* the extent to which the project contributes to the promotion of sustainability of biomass chains as compared to the results of the assessment of the biomass chain in question, based on the Testing framework for sustainable biomass;
3. *Reproduction and scaling up:* the extent to which the project can be reproduced and scaled up in practice, also including reproduction and scaling up that leads to application of sustainable biomass in the Netherlands.

Country eligibility and selection criteria:
Projects should be carried out in countries that:

- produce biomass that may be used for energy or chemical purposes,
- are large biomass producers, such as:
    - Canada and the Baltic States for wood pellets,
    - Brazil for bio-ethanol and
    - Ukraine for rapeseed oil.
- The lead applicant of the application must be established in the Netherlands. Other applicants in a consortium agreement may be established abroad.
- Companies from developing countries can also access to the Subsidy if their bioenergy production is destined to the Netherlands

How and when to apply

a. Complete a "Quick Scan" format
b. Submit the application form with all appendices (application in loose-leaf form, with two extra copies of the application form, the project plan and the budget)

Key documents and forms can be downloaded from:
http://www.senternovem.nl/sustainablebiomass-import/Financial_aid/forms.asp
Applications may be submitted by post or personally before 5pm of closing date of the relevant period at:
SenterNovem
Sustainable Biomass Import subsidy scheme - Dept. of Global Cooperation on Energy and Climate
PO Box 8242
3503 RE Utrecht, The Netherlands

Funds available / Funds disbursed to date / Number of funded projects

A total of EUR 7.5 million are available for the subsidy regulation for Sustainable Biomass import. This amount is split over two tenders. For the first tender, EUR 4 million are available. The terms for the first and second period will be announced on www.senternovem.nl/sustainablebiomass-import.
The subsidy amounts to a maximum of EUR500,000 per organisation and EUR1 million per application. For agricultural producers in the EU, a maximum of EUR7,500 per enterprise applies. The maximum amount of subsidy that enterprises can receive amounts to 50% of the subsidisable costs; all other parties can receive a maximum of 75% subsidy.

Uptake and projects supported

First tend projects are currently under assessment. 14 applications were submitted that almost all aim at the certification of biomass flows: timber, residual flows, babassu, acai, jatropa, soy and combinations of the above. The locations are widely spread: Brazil, Ukraine, Vietnam, Malaysia, Tanzania, Argentina, Turkey and the United States.

Further information and lesson learned

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Sources

http://www.senternovem.nl/ *SenterNovem, Fact sheet Sustainable Biomass Import, 2009*

FACT Foundation – Program for Innovations in Biofuels for local development

FACT is a non-profit organisation based in the Netherlands. Its Program for Innovation in Biofuels, promotes sustainable biofuels for local communities in developing countries, by providing knowledge and expertise on biofuel implementation, by field testing innovative biofuels and by giving specialist advice on demand.

Date created

2009

Administrating organization

FACT Foundation

Objectives

FACT Program for Innovation in Biofuels aims to:

- promote the production and use of biofuels for local development in developing countries;
- demonstrate sustainable projects providing energy to a substantial number of beneficiaries, with high replication potential;
- develop models of best practice for technology and social implementation;
- accelerate innovation in the development of biofuels for local development;
- support local organizations in large scale dissemination, using knowledge and expertise derived from the projects

Nature of donor contributions

Non-governmental (FACT Foundation)

Financial instrument/delivery mechanism used

Grants

Bioenergy activities supported

- sustainable production and use of biomass for energy purposes, with a focus on biofuels
- sustainable biofuels, in particular based on jatropha production
- bioenergy systems

Geographical range

Developing countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

The Program is supporting projects that address the following activities:

- investigation into the agronomy and biology of jatropha;
- innovation of biofuels for local development providing energy to a substantial number of beneficiaries, with high replication potential;
- develop models of best practice for technology and social implementation

In order to be considered for accessing FACT funds, candidate projects should fulfil the following criteria:

- Socio-organizational criteria, e.g. the level of participation of the community and the strength of the implementing organization
- Technological criteria, e.g. the appropriateness of the proposed technology and its replication potential
- Financial economic criteria, e.g. the long-run commercial prospects and the risks for the actors involved
- Environmental criteria, e.g. the environmental impacts and the carbon payback of land conversion
- Innovativeness, i.e. the extent to which the project includes distinctive new in the field of biofuels for local development
- facilitate local energy supply, income generation and market development
- support local organizations in large scale dissemination using knowledge and expertise derived from the projects

Country eligibility and selection criteria:
Project support is given to developing countries in Latin-America, Asia and Africa.

How and when to apply

In order to access to FACT funds, candidates should become FACT partners by registering on the FACT webpage and contact:
FACT Foundation
Eindhoven, The Netherlands
Phone: +31(0)40 236 4315
Fax: +31(0)84 836 2006
E-mail: info@fact-fuels.org
Once registered, candidate bioenergy projects that fulfil mentioned requirements can apply to be included as part of the FACT Program for Innovations in Biofuels.

Funds available / Funds disbursed to date / Number of funded projects

7 projects funded in 2009

Uptake and projects supported

The FACT Program for Innovations in Biofuels for local development has supported 7 projects that are carrying out by FACT and its partners along with local participants (i.e. villages, communities, cooperatives or associations):

1. Jatropha biofuel development in Guinea Bissau: Supported along with ADPP Guinea Bissau and GAIA Movement (Switzerland)
2. Developing and promoting renewable energy solutions in Lao: Supported along with LAO Institute for Renewable Energy (LIRE)
3. Jatropha curcas for local energy production in Kenya: Supported along with Stichting Het Groen Woudt (NL), Osienala friends of the lake (KE)
4. Promoting local agriculture and production of biofuels (mainly bioethanol) in Panama: Supported along with Agro 2 (Panama)
5. Rural Electrification produce from jatropha in Mali: Supported along with Mali Folkecenter (Mali) and RR Energy (The Netherlands)
6. Gota Verde - Promoting local consumption and small-scale production of biofuels (biodiesel and ethanol) in Honduras. Supported along with Honduran Foundation for Agricultural Investigation (FHIA) and STRO Social Trade Organisation (The Netherlands)
7. Jatropha Oil for Local Development in Mozambique: Supported along with ADPP (Mozambique) and Arrakis (the Netherlands)

Further information and lesson learned

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Sources

http://www.fact-foundation.com/en/FACT

Bill and Melinda Gates Foundation

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty.

Date created

1999

Administrating organization

Bill and Melinda Gates Foundation

Objectives

The overall objective of the Global Development Program is to increase opportunities for people in developing countries to overcome hunger and poverty. This includes research projects in the bioenergy sector.

Nature of donor contributions

Private funds

Financial instrument/delivery mechanism used

Debt, equity and guarantee investments (including grants, low-interest loans, guarantees, and investments in equity funds).

Bioenergy activities supported

In 2009 the Foundation has awarded USD 120 million in nine new grants to organizations and research partners (including USD 15 million for the Alliance for a Green Revolution in Africa), to work on the effort, focusing primarily on small-scale farming in sub-Saharan Africa. Farming techniques that are both environmentally responsible and highly productive and technology that will help bridge the gap are the main goals.

Today's grants are being awarded for projects including training for African governments to "draw on as they regulate biotechnologies", help for women farmers in India to manage land and water resources sustainably. The awards come as part of the USD 1.4 billion that the Gates Foundation has committed so far for agricultural development efforts — promoting techniques such as no-till farming, rainwater harvesting and drip irrigation.

Geographical range

Global with a focus on developing countries

Eligibility and selection criteria

The foundation awards the majority of its grants to U.S. 501(c)(3) organizations and other tax-exempt organizations identified by our staff. Grantees and partners then work with beneficiaries in the field (mainly smallholder African farmers in the case of bioenergy).

Foundation staff will identify the right partners and organizations to receive program-related investments. All investments will be closely aligned with program strategies and will be managed by a team with specialized expertise in investment structuring in coordination with the program teams.

The foundation also apply some of its resources to support enterprises and non-governmental organizations (NGOs) that are developing market-based solutions, seeding new innovations and helping ensure that critical solutions become sustainable and scalable in a manner that directly furthers the foundation's charitable purposes.

How and when to apply

Current opportunities and information for grant seekers are available on the Foundation's website at: http://www.gatesfoundation.org/grantseeker/Pages/overview.aspx

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

The Foundation is financing a number of research projects on bioenergy including "Biofuels and the Poor", a collaborative effort between the Food Security and the Environment (FSE) program of the Freeman-Spogli Institute for International Studies (FSI) at Stanford University, International Food Policy Research Institute (IFPRI), & Center for Chinese Agricultural Policy, Chinese Academy of Sciences.

Further information and lesson learned

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Sources

http://earth2tech.com/2009/10/16/bill-gates-wants-a-green-agriculture-revolution-heres-tech-that-can-drive-it/#more-43216 http://www.gatesfoundation.org/

The David and Lucile Packard Foundation

The Packard Foundation is a family foundation that invests in innovative people and organizations to improve the lives of children, enable the creative pursuit of science, advance reproductive health, and conserve and restore earth's natural systems.

Date created

1964

Administrating organization

The David and Lucile Packard Foundation through its Board of Trustees is responsible for setting the mission and strategic direction and for overseeing finances, operations, and policies. The Board regularly reviews the operations and policies of the Foundation to ensure that they comply with all legal requirements and reflect the best practices in the field.

Objectives

A big part of the grant-making is focused on the *Conservation and Science Program* that seeks to protect and restore oceans, coasts, and atmosphere and to enable the creative pursuit of scientific research toward this goal. Within this program, a thriving agriculture and food system that meets needs for nutrition, employment, and economic development are the goals of the Foundation together with their agriculture strategy to achieve a 20 percent reduction by 2020 in projected net greenhouse gas emissions and nitrogen pollution caused by agriculture in the United States and biofuel production globally.

Nature of donor contributions

Private funds (Non-governmental)

Financial instrument/delivery mechanism used

Grants. In addition to making grants, the Foundation makes a variety of program-related investments (PRIs) to support the overall goals and objectives. These investment strategies are typically employed when a traditional grant is not the most appropriate use of funds. They may take on a variety of forms including loans, guaranties, social deposits, lines of credit, and equity investments.

Bioenergy activities supported

The Agriculture subprogram supports three interrelated grant portfolios:
The Food and Farm Policy and Practice portfolio supports initiatives designed to:

- Achieve full funding of agricultural conservation programs and better target existing ones
- Ensure that farm subsidies and crop insurance are tied to environmental performance
- Promote farmer and industry adoption of improved environmental practices

The Climate Policy and Practice portfolio supports initiatives designed to:

- Promote the inclusion of high quality agricultural GHG reductions in climate policy
- Encourage farmer and industry adoption of practices that reduce GHG emissions

The Biofuels Policy and Markets portfolio supports initiatives designed to:

- Promote globally harmonized sustainability standards
- Strengthen the inclusion of sustainability criteria in government policies
- Promote Corporate adoption of sustainability criteria

Further to Crosscutting areas such as

- Strengthen nitrogen and agricultural GHG science and communications
- Increase research and demonstration of policies, management practices & technologies

Geographical range

Global (for biofuel production)

Eligibility and selection criteria

The Foundation does not fund resource management projects or place-based work. Potential exceptions include projects (particularly in California) that are replicable, scalable, and can leverage policy changes as well as research that would be eligible for support through NSF, USDA or agriculture research universities. Further they do not fund research or farm-level work designed to promote specific biofuel feedstocks (for example - corn or algae).

How and when to apply

The Foundation will consider letters of inquiry (LOIs) throughout 2010. LOIs can be submitted anytime of the year except for the months of September and October. Within 90 days of the date of submission applicants can be notified if there is an interest by the Foundation to discuss the project further and/or receive a proposal.
Grant proposals are accepted only for charitable, educational, or scientific purposes, primarily from tax-exempt, charitable organizations.
Information about how to apply for the agriculture sub-programme can be found at :
http://www.packard.org/categoryDetails.aspx?RootCatID=4&CategoryID=252

Funds available / Funds disbursed to date / Number of funded projects

As of 31 December 2008, non-audit investment portfolio totalled approximately USD 4.5 billion. General program grant awards for 2008 totalled approximately USD 342 million.

Uptake and projects supported

Past project support in the bioenergy (biofuels) field include the following beneficiary organizations:

- Friends of the Earth, to promote sustainable biofuels and limit unsustainable biofuel production
- Addis Ababa University, for a scoping study on the state of the field of biofuel research in Ethiopia
- Belden Russonello & Stewart, for public opinion research to obtain a baseline of understanding of Americans' awareness and opinions on issues related to farm policies, agriculture, biofuels, and the environment
- Board of Trustees of the Leland Stanford, Jr. University, to develop and test a framework for land use decision-making based on an analysis of ecosystem services and other social-environmental interactions, with a special look at biofuels systems
- Cornell University, for an on-line publication of the background papers and executive summary of the Scientific Committee on the Problems of the Environment (SCOPE) biofuels rapid assessment project
- Ecole Polytechnique Federale de Lausanne (EPFL), to continue the development and implementation of global sustainability standards for biofuels
- Forum of Democracy and Trade Inc., for research and education to change American farmland, conservation, and biofuel development policies so as to reduce nitrogen pollution from arable land and combat greenhouse gas emissions
- Institute for Agriculture and Trade Policy, to ensure that sustainability is considered in all biofuels policies and standards, and that biofuels standards are based on sound criteria
- International Union for Conservation of Nature and Natural Resources – US, for a project focused on managing biodiversity risks in biofuels
- Marine Biological Laboratory, for an in-depth and comprehensive review of the impact of biofuels on global climate change

Further information and lesson learned

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Sources

http://www.packard.org/

Shell Foundation – Climate change programme

As part of the Shell Foundation's focus on tackling both the lack of access to electricity experienced by almost two billion people and climate change it is supporting the growth of start-up businesses that provide electricity using Bioenergy technologies such as biomass gasification and biogas.

Date created

2000

Administrating organization

Shell Foundation

Objectives

The Shell Foundation is a new global, social investment effort of Shell that concentrates on working with external partners to advance sustainable development worldwide, adopting an "enterprise-based approach" to fulfilling its mission.
Shell Foundation aims to invest in activities that advance its charitable objectives. Since its launch in 2000, they invested in many sustainable solutions to poverty and environment-related challenges.

Nature of donor contributions

They are not an 'Operating' Foundation – i.e. one that only supports projects which it operates directly, instead, they prefer to work through external strategic partners who deliver and manage initiatives, and who, wherever possible and appropriate, are able to make financial and in-kind investments themselves. In many cases, particularly in larger programmes, they take an active part in their overall governance.

Financial instrument/delivery mechanism used

Grants, loans, guarantees and other vehicles. Support is tailored to achieve the greatest and most cost effective contribution to achieving the objectives.

Bioenergy activities supported

Not specified.

Geographical range

India and Tanzania being the initial target geography

Eligibility and selection criteria

They moved away from being a traditional "reactive" or passive grant maker towards taking a proactive approach in identifying strategic partners and in the development and design of the initiatives to support.

How and when to apply

They don't encourage the submission of unsolicited project and funding proposals. However, it is important to inform them of activities and other groups (non-profit as well as commercial) that relate to the same areas of interest as well as around new ideas, challenges and concepts.

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

The first organisation to receive support is Husk Power Systems (HPS), an Indian bioenergy company. It has secured seed capital from the Foundation to scale up operations of their unique and cost-effective biomass gasification technology, which converts rice husks into electricity.
Access to reliable and affordable electricity in India has reached an acute crisis and is significantly impeding community development opportunities. Rice husk, the outside of rice kernels, have traditionally been removed and discarded before rice is transported. However, when rice husk is heated it releases energy and HPS has developed technology that filters the released gas and runs this through a diesel-like engine to generate electricity. The silica, which is a waste product when rice husk is burned, is also sold to concrete manufacturers.

HPS owns and operates 35-100 kW "mini power-plants" that deliver electricity as a pay-for-use service to villages of 2,000 to 4,000 inhabitants in the Indian Rice Belt. HPS' five pilot projects - which electrify five villages using three power plants - have become operationally profitable within six months. The community-based systems are a relatively small, off-grid system.
Husk Power Systems is working with the Indian government on getting a Clean Development Mechanism certification to sell carbon credits associated with the plants.
The Foundation has joined the DOEN Foundation in backing a Dutch company exploring sustainable biofuel production from the tropical plant "Jatropha Curcas" in Tanzania. Diligent Energy Systems, based in Eindhoven, is pioneering a business model in which small Tanzanian farmers grow the Jatropha plant in hedges around their field, or in rows between food crops. The farmers sell their seeds to Diligent in exchange for farming support and a guaranteed minimum price for at least ten years. Diligent processes these seeds into biofuel, which is used by up-market safari companies, airplane manufacturers (for testing purposes), as well as other "environmentally-aware" large-scale fuel consumers. The Jatropha plant requires little inputs and attention, while its seeds provide farmers with a welcome extra income. In the Diligent model, there is no competition with food production, and no forests need to be cleared, while the biofuel helps to avoid the use of fossil diesel and associated greenhouse gas emissions.

Further information and lesson learned

Delivering sustainable, environmentally friendly, affordable energy is particularly important, as existing options in rural communities, such as diesel generator sets and kerosene lanterns are prohibitively expensive and logistically difficult to disseminate widely into the affected population. Such options also negatively affect the outdoor air quality and also contribute to indoor air pollution.

Sources

http://www.shellfoundation.org/

AfDB Agency Lines of Credit (I-ALC)

I-ALC is a financing instrument included in the Clean Energy Development Framework of the African Development Bank. I-ALC is similar to I-LOC. The main difference between the two is that the Agency Line of Credit (I-ALC) brings a higher risk to the Bank because it shares risks with qualified local project sponsors.

Date created

2008

Administrating organization

African Development Bank (AfDB)

Objectives

I-ALC was established to support finance smaller-scale infrastructure operations that are not cost-effective.

Nature of donor contributions

Multi-lateral (public).

Financial instrument/delivery mechanism used

It will be delivered as a typical Line of Credit that is an arrangement between a financial institution (in this case, the AfDB) and client (project sponsor, national or regional government). The Line of Credit sets a maximum loan balance that the AfDB will allow the borrower to keep without charging any type of interest in the unused part of the credit.
There is also a private-sector window within I-ALC.
The Bank is committed to:

- match dollar-for-dollar the financing provided by the qualified private or autonomous sponsor to private small-scale energy operations
- reimburse the sponsor on agreed basis for the portfolio management expenses
- share with the sponsor all attendant credit risks of the portfolio.[1]

Bioenergy activities supported

I-ALC will support small-scale energy-sector operations such as:

- renewable energy installations
- energy efficiency improvements

Geographical range

African Development Bank regional member countries

Eligibility and selection criteria

Activity eligibility and selection criteria:
Lines of credit could be requested by the following local counter-parts:

- qualified energy development institutions
- private sector financial institutions with a track record of financing bundles of small-scale energy-sector operations
- domestic financial institutions

Beneficiary entities should fulfil the following criteria:

- show creditworthiness
- have competent programme management attributes

Country eligibility and selection criteria:
In order to be considered for I-ALC resources projects should be located in AfDB regional country members.

How and when to apply

-

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

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Sources

[1] *African Development Bank, African Development Fund. "Proposals for a Clean Energy Investment Framework for Africa: Role of the African Development Bank Group. Final Version", 2008 (Annex 5, page 42): http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000025-EN-PROPOSALS-FOR-A-CLEAN-ENERGY-INVESTMENT-FRAMEWORK-FOR-AFRICA.PDF*

AfDB Clean Energy Access and Climate Adaptation Facility for Africa (CECAFA)

AfDB CECAFA is an African Development Bank fund supported by multi-donors and by resources coming from the World Bank Climate Investment Funds (CIF). It was created as an instrument within wider AfDB Clean Energy Investment Framework (CEIF).
CECAFA was established to complement and strengthen the African Development Bank support to its regional country members on clean energy and climate adaptation, including provision of pre-investment and investment support at the national and sub-regional level.[1]

Date created

April 2008

Administrating organization

African Development Bank (AfDB)

Objectives

CECAFA was established to "complement rather than duplicate" other international and regional funds such as WB Climate Investment Funds (CIF) and to adapt them to specific African needs.[2]

Nature of donor contributions

CECAFA resources come from multilateral contributions and WB CIF funds.
The Bank will invite major private-sector corporations and non-governmental entities to contribute to CECAFA.

Financial instrument/delivery mechanism used

CECAFA will be an intermediary for channelling financing and technical resources from World Bank Clean technology Fund (WB CTF) and World Bank Strategic Climate Fund (WB SCF) destined to African countries.

Bioenergy activities supported

Activities supported by Clean Energy window of CECAFA will be renewable energy and energy efficiency, as well as Clean Development Mechanism (CDM) projects.

Geographical range

African Development Bank regional member countries.

Eligibility and selection criteria

Activity eligibility and selection criteria:
CECAFA operates through two distinct entities: Clean Energy window; and the Climate Adaptation window.[3]

1. Renewable energy (RE) and energy efficiency (EE) activities
   - Capacity-building, policy-making, energy market regulation, strategic planning, project development and implementation
   - Technical Assistance to governments and sub-national bodies in the preparation of RE & EE strategies and master plans for the development of landfill biogas including innovative financing strategies
   - Capacity-building for EE audits and appliance regulatory standards
   - Preparation of EE initiatives
2. Clean Development Mechanism (CDM) activities
   - Technical assistance to project sponsors during the identification and design of CDM-eligible projects
   - Preparation of project documentation
   - Development of new methodologies for programmatic or bundled small-scale opportunities eligible for the CDM and carbon trade markets, including micro-credit facilitation
   - Technical studies to assess countries' range of projects and programs eligible for CDM carbon trade finance
   - Strengthening designated national authorities (DNA) providing guidance on the preparation of CDM eligible projects

- Financing on soft terms, accompanied by matching funds from project sponsors, of pilot clean energy access projects.[4]

Operations should follow several guiding principles to access these funds:

- comparative advantage and selectivity
- environmental sustainability and social equity
- value for money
- respectfulness of the UNFCCC fundamental principle of 'common but differentiated responsibilities'
- encouraging effective partnerships
- mainstreaming gender issues[5]

Country eligibility and selection criteria:

Countries should:

- be an AfDB regional country member
- show themselves firmly in the 'driver's seat' in setting priorities

How and when to apply

-

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

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Sources

[1] *African Development Bank, "Africa Economic Conference: Globalization, institutions and economic development in Africa" (page 11):* *http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/1.2.1_VEIT_CC%20IMPACTS%20IN%20AFRICA_0%5B1%5D.pdf*

[2] *Ibídem*

[3] *African Development Bank, African Development Fund. "Proposals for a Clean Energy Investment Framework for Africa: Role of the African Development Bank Group. Final Version", 2008 (page 15):* *http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000025-EN-PROPOSALS-FOR-A-CLEAN-ENERGY-INVESTMENT-FRAMEWORK-FOR-AFRICA.PDF*

[4] *Ibídem,Annex 6, page 43*

[5] *Ibídem, page 15*

African Development Bank, African Development Fund. "Proposals for a Clean Energy Investment Framework for Africa: Role of the African Development Bank Group. Final Version", 2008 (Pages 15-18 and Annex 6): *http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000025-EN-PROPOSALS-FOR-A-CLEAN-ENERGY-INVESTMENT-FRAMEWORK-FOR-AFRICA.PDF*

AfDB Clean Energy Investment Framework (CEIF)

CEIF is a framework approved by the African Development Bank Board of Directors to address clean energy development in African countries.
CEIF has created an instrument named Clean Energy Access and Climate Adaptation Facility for Africa (CECAFA) that aims at harnessing additional resources.

Date created

March 2008

Administrating organization

African Development Bank (AfDB)

Objectives

CEIF's main objectives include:

- To address energy poverty reduction, by fostering access to certain and affordable energy supplies
- To encourage clean development and promote global emissions reduction.
- To increase energy efficiency and energy saving
- To promote renewable energy sources

Nature of donor contributions

Multi-lateral resources

Financial instrument/delivery mechanism used

Activities will be supported by the AfDB Bank Group:

- For 15 middle-income country members, resources will be delivered as AfDB non-concessional window.
- For private projects in 53 regional member countries, funds will be delivered as non-guarantee financing.

CEIF is expected to cooperate and get resources from the World Bank and Clean Development Mechanism (CDM)
Further resources are available through the African Development Fund ADF which was replenished in December 2008 for the three years cycle till 2012.[1]

Bioenergy activities supported

- Access-to-all energy activities
- Climate adaptation projects
- Clean energy development activities
- Use of biofuels (ethanol o biodiesel) in urban transport sector

Geographical range

AfDB Middle-income and "blend" Regional Member Countries (for public-financed projects)
All AfDB Regional Member Countries (RMCs)(for well private-sponsored projects).

Eligibility and selection criteria

Activity eligibility and selection criteria:

Through CEIF, the Bank will help RMCs countries in 3 priority areas:

1. Mainstreaming of Clean Energy Options. This objective will be carry out by focusing on the following activities:
    a. improving strategic energy planning, sector policies, environment and social impact management and regulatory and legal frameworks and institutions
    b. developing and implementing rational urban planning within and between large cities to save energy and minimize emission
    c. developing sustainable production and use of biofuels (ethanol and biodiesel) as substitutes for petrol fuels in automotive vehicles
2. Promoting Investments in Energy Access and Cleaner Energies. In order to achieve this goal, CEIF will support:
    d. public sector, private sector, and community-led solutions for rural areas such as biogas to increase access to reliable electric power supplies
3. Catalytic Role and Resource Mobilization.

e. The Bank will help countries and private equity sponsors in the formulation of the proposal for CDM projects.

When presenting biofuels projects, private producers should strictly respect "best-practice safeguards to ensure that biofuel production in RMCs is environmentally, economically and socially sustainable, in addition to financial viability".[2]

Possible counterparts that could receive CEIF funds would be:

- national governments
- regional organizations
- sub-national entities
- energy and power utilities,
- independent power producers and distributors
- sector regulators
- civil society organizations

Operations should follow several guiding principles to access these funds:

- comparative advantage and selectivity
- environmental sustainability and social equity
- value for money
- respectfulness of the UNFCCC fundamental principle of 'common but differentiated responsibilities'
- encouraging effective partnerships
- mainstreaming gender issues.[3]

Country eligibility and selection criteria:

- Middle income or "blend" AfDB Regional Member Countries will be supported when presenting a finance public-sponsored project.
- All 53 AfDB Regional Member Countries (RMCs) could be financed if present attractive private-sponsored operations

Countries should show themselves firmly in the 'driver's seat' in setting priorities.

Clean energy projects should be included into national development project and poverty reduction objectives.[4]

How and when to apply

-

Funds available / Funds disbursed to date / Number of funded projects

-

Uptake and projects supported

-

Further information and lesson learned

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Sources

[1] *African Development Bank, "Africa Economic Conference: Globalization, institutions and economic development in Africa", November 2008 (page 10): http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/1.2.1_VEIT_CC%20IMPACTS%20IN%20AFRICA_0%5B1%5D.pdf*

[2] *African Development Bank, African Development Fund. "Proposals for a Clean Energy Investment Framework for Africa: Role of the African Development Bank Group. Final Version" 2008 (Annex 9): http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000025-EN-PROPOSALS-FOR-A-CLEAN-ENERGY-INVESTMENT-FRAMEWORK-FOR-AFRICA.PDF*

[3] *Ibídem, page 16.*

[4] *http://www.afdb.org/en/topics-sectors/sectors/climate-change-mitigation/*

AfDB Infrastructure Lines of Credit (I-LOC)

I-LOC is a financing instrument included within the Clean Energy Development Framework of the African Development Bank.

Date created

2008

Administrating organization

African Development Bank (AfDB)

Objectives

I-LOC was established to support finance smaller-scale infrastructure operations that are not cost-effective.

Nature of donor contributions

Multi-lateral (public).

Financial instrument/delivery mechanism used

I-LOC will be delivered as a typical Line of Credit that is an arrangement between a financial institution (in this case, the AfDB) and client (project sponsor, national or regional government). The Line of Credit sets a maximum loan balance that the AfDB will allow the borrower to keep without charging any type of interest in the unused part of the credit.

Bioenergy activities supported

Funds will be used to finance:

- Small-scale energy operations, in particular decentralized rural and energy programs located in big city peripheries.
- Small-scale renewable energy development[1]

Geographical range

African Development Bank regional member countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

AfDB has established two financing windows for this Line, one for the public sector; and another one for the private sector.

The project could be developed by the following local partners:

Non-governmental (with or without sovereign guarantee):

- competent and accountable energy-sector intermediary
- apex institution (organizations that channel funding to multiple microfinance institutions (MFIs)
- well-organized local communities

Governmental:

- municipalities
- local administrations

Country eligibility and selection criteria:

This Line of Credit assists AfDB poorest clients at a local level.

How and when to apply

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Funds available / Funds disbursed to date / Number of funded projects

-

Sources

[1] African Development Bank, African Development Fund. "Proposals for a Clean Energy Investment Framework for Africa: Role of the African Development Bank Group. Final Version" 2008 (Annex 5, page 42): http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000025-EN-PROPOSALS-FOR-A-CLEAN-ENERGY-INVESTMENT-FRAMEWORK-FOR-AFRICA.PDF

ECOWAS - EBID (Ecowas Bank for Investment and Development)

The EBID is a regional development bank created to promote investment and sustainable development in West Africa. Its last re-organization took place in 2006 and put together into a single structure the whole Bank.

Date created

In 1999, the ECOWAS countries decided to transform the ECOWAS Fund into a regional holding company named EBID. The EBID became operational in 2003.

Administrating organization

EBID Board of Governors and the President

Objectives

Its main objective is to contribute towards the economic development of West Africa through financing of ECOWAS and NEPAD projects and programs.

It also aims to foster private sector promotion, transport, energy, industry, poverty alleviation, environment and natural resources development.

Nature of donor contributions

67% of EBID capital is controlled by ECOWAS regional member countries. 33% is subscribed by non-regional members (States and legal entities).

Financial instrument/delivery mechanism used

EBID provides funds through as follows:
- grant loans
- guarantees for financing investment projects and programs
- technical assistance

For the Poverty Reduction Strategy (rural development and environmental protection in accordance with the regional Poverty Reduction Strategy Papers) funds were given as subventions, grants, lines of credit and special funds.

Bioenergy activities supported

EBID finances activities that linked to bioenergy activities such as:
- basic transport, energy and equipment
- rural development and the environment (agriculture, ecosystem protection, capacity building)
- industry (agro business, technology transfer, technological innovation)

Geographical range

West African countries (ECOWAS members)

Eligibility and selection criteria

Activity eligibility and selection criteria:

Transport, rural development and agro-business
EBID financial and technical assistance is open to the following:
- ECOWAS member states and their agencies
- Public companies, private companies and mixed enterprise corporations of ECOWAS member States. For public sector, priority was given to basic economic infrastructure projects (to support production)
- Local financial institutions
- Corporate bodies from ECOWAS Member States or from foreign countries that want to invest in the ECOWAS, within EBID focus areas.

Country eligibility and selection criteria:

- ECOWAS country members
- NEPAD members (i.e. The New Partnership for Africa's Development is composed by Algeria, Egypt, Nigeria, Senegal and South Africa along with African-oriented organizations)

How and when to apply

Request for funding should be addressed to the President of EBID.
For further information, contact EBID at
Website : www.bidc-ebid.org
E-mail: bidc@bidc-ebid.org

Funds available / Funds disbursed to date / Number of funded projects

In 2009, direct commitments were made for UA 135.57 million (one UA is equivalent to one IMF SDR), and commitments by signature were UA 21.60 million.
In 2010, these figures are expected to rise up to UA 160.32 million and UA 21.60 million respectively.

Uptake and projects supported

In December 2009, the EBID Board of Governors approved the following projects:
One agro-industrial project in Benin
Four infrastructural projects in Côte d'Ivoire, Burkina-Faso, Ghana, and Togo.

Further information and lesson learned

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Sources

ECOWAS EBID, EBID in brief. EBID, at the heart of development in West Africa: http://www.bidc-ebid.org/en/

ECOWAS Bank for Investment and Development (EBID): African Bio-Fuels and Renewable Energy Fund

The ABREF is an initiative of the ECOWAS Bank of Investment and Development (EBID) for West African countries. The ABREF was set up to help overcome barriers and facilitate greater flows of investment into African biofuel and renewable energy projects in such manner that promote sustainable development while at the same time contribute towards the reduction of greenhouse gas emissions in the atmosphere.

Date created

In November 2006, the ECOWAS Bank for Investment and Development (EBID) and the United Nations Conference on Trade and Development (UNCTAD) organized a regional conference in Accra, Ghana, on the financing of bio-fuels and Jatropha cultivation in Africa, and on the development of the carbon market. During the conference the initiative was launched to establish an African Fund for the development of bio fuels and other renewable energy. The ABREF was established in 2008

Administrating organization

ECOWAS Bank for Investment and Development (EBID)

Objectives

The fund will aim to provide investors with superior returns through investments in biofuels and renewable energy projects which will generate Certified Emission Reductions (CERs). Investors in the fund will receive CERs as part of their investment in the fund.
In particular, ABREF specific objectives are:

- to contribute to the biofuel industry development and renewable energy in the African region;
- to help African countries to benefit from the market of clean energy;
- to help to address the challenges posed by global warming;
- to provide investors with higher income from investment projects in biofuels and renewable energies that generate Certified Emission Reduction (CERs);

Nature of donor contributions

Contributions from governments and voluntary contributions from private sector. The Company capital has been subscribed and paid by ECOWAS member states, EBID, the Ecobank Group and the International Energy Insurance (IEI) of Nigeria.

Financial instrument/delivery mechanism used

ABREF will finance projects through the following financial instruments:

- Equity
- Debt medium and long term
- Mezzanine Finance
- Leasing

Fund investors will receive CERs as part of their investment in the fund

Bioenergy activities supported

Liquid biofuels and biomass energy. The fund will consider any projects which have an ability to generate Certified Emission Reductions (CERs) through the Clean Development Mechanism of the Kyoto Protocol.

Geographical range

All African countries. Though, in the first phase (2008) the emphasis has been placed on the ECOWAS countries: Benin, Burkina Faso, Capo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

Eligibility and selection criteria

Activity eligibility and selection criteria:
The fund will focus on investing in and procuring CERs from the following project types:

- Biofuels
- Fuel-Switching to Biomass Energy
- Methane leakage

- Methane capture from landfills

Country eligibility and selection criteria:
- Funds are destined primarily to West African countries
- Further African countries may be then considered

How and when to apply

For information on the application process contact:
Mr Thierno Bocar
Lomé, TOGO
Tel: +228 221 68 64
Email: infos@faber-abref.org
or visit http://www.faber-abref.org

Funds available / Funds disbursed to date / Number of funded projects

- ABREF Equity investments: EUR 200 million
- EUR 150 million (75%) of the Fund’s capital for equity investments in specific projects
- EUR 50 million (25%) to purchase CERs
- Debt facility : USD 1 billion
- ACE TAF : EUR 10 million

Uptake and projects supported

Projects in the pipeline (up to December 2009): 97 total projects
- 25 liquid biofuels projects: 18 in West Africa, one in North Africa, two in East Africa, three in Central Africa and one in South Africa
- Seven biomass projects: five in West Africa and two in Central Africa.
- Six wood energy and reforestation projects in West Africa
- Eight energy efficiency projects in West Africa
- 22 waste management projects: 21 in West Africa and one in East Africa

Further information and lesson learned

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Sources

African Biofuels & Renewable Energy Fund: http://www.faber-abref.org/index_anglais.php

West African Development Bank

The West African Development Bank (WADB) (fr. Banque Ouest Africaine de Développement - BOAD) is an international Multilateral Development Bank established in 1973 to serve the nations of Francophone and Lusophone West Africa.

Date created

The WADB was established in 1973 following an agreement signed by the member countries of the West African Monetary Union (WAMU).

Administrating organization

West African Development Bank

Objectives

The aim of the WADB is to promote balanced development of its member countries and to achieve West African economic integration.
In 2001, WADB established priority working areas with particular emphasis on poverty reduction, economic integration and promotion of private sector activity.

Nature of donor contributions

The BOAD is organised by the Central Bank of West African States and its eight member governments: Benin, Burkina-Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. It is funded by member states, foreign governments and international agencies.

Financial instrument/delivery mechanism used

Long and medium-term loans for financing investment projects and recapitalization funding.
Financing to national financing institutions

- lines of credit to assist in financing of micro-projects and the development of small and medium businesses
- financing of feasibility studies

Bioenergy activities supported

- Poverty reduction. WADB aims to decrease poverty in the region by improving living conditions for the rural poor. These include improvement of production systems as well as mechanisms to fight desertification and soil erosion.
- Economic integration. One of WADB's central goals is to improve regional economic integration. Projects included energy initiatives.
- Support to the private sector. WADB supports member government policy on liberalization of economies and promotion of private sector investment. Projects focused on food production and the promotion of small- and medium-sized businesses among others.
- Technical assistance. WADB gives technical assistance to member countries in several areas but with a particular emphasis on organizing meetings with a regional scope and supporting the New Partnership for Africa's Development (NEPAD).

Geographical range

West African Countries

Eligibility and selection criteria

Activity eligibility and selection criteria:

The Bank will take into consideration request from the public and private sector for support in the areas of rural development, industry and agro-industry and energy among others.
The project must achieve a satisfactory financial return and be compatible with the objectives of development. It should demonstrate:

- the existence of a buoyant market: demand, supply, trade policy;
- the comparative advantages of the project relative to competition;
- prospects for global sector growth;
- costs and source of labour and raw materials;
- reliability of technology and project management;
- financing plan and financial resources of the company.

Detailed information is available at: http://www.boad.org/content/intervention/criteres.htm

Country eligibility and selection criteria:

WAMU member countries, public institutions in member countries, organizations and businesses involved in the development of regional economic initiatives and privates are all eligible project promoter.

How and when to apply

A formal request to the bank should be issued following the guidelines available at http://www.boad.org/content/intervention/financement.htm.
There isn't a specific window for applications to be received.

Funds available / Funds disbursed to date / Number of funded projects

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Uptake and projects supported

-

Further information and lesson learned

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Sources

http://www.upu.int/reform_postal_development/en/financing_bodies/bank_boad_en.pdf
http://www.fao.org/forestry/17250@30928/en/
http://en.wikipedia.org/wiki/West_African_Development_Bank

IDB Infrastructure Fund (InfraFund)

The Infrastructure Fund, know as "InfraFund" is an Inter-American Development Bank (IADB) initiative.

Date created

March 2006

Administrating organization

Inter-American Development Bank (IADB)

Objectives

The InfraFund was created to:

- foster infrastructure investment in LAC
- finance preparation of profitable and sustainable infrastructure projects by public, private and mixed-capital entities in LAC
- promote the mobilization of private and governmental resources to infrastructure projects in Latin American Countries and the Caribbean (LAC)[1]

Nature of donor contributions

InfraFund is a multi-lateral fund that is open to further donors such as international agencies, governments and state agencies.
IADB's main goal for InfraFund is to foster financing and mobilizing further resources to LAC infrastructure projects.

Financial instrument/delivery mechanism used

There are two financial modalities:

1) Non-reimbursable funds (grants and technical cooperation) that will be used for:
    - preparation of projects financed by IADB
    - preparation of activities not related to a project, but that foster investment in infrastructure
2) Contingent recovery (funds that should be repaid if and when the project formalizes its financing) that will be used for:
    - preparation of projects that do not visualize IADB financing
    - financial structuring and ranking the project proposals

Bioenergy activities supported

Clean energy projects that refer to infrastructure, and are not eligible for IADB Sustainable Energy and Climate Change Initiative (SECCI) Funds.

Geographical range

Latin America and the Caribbean (LAC)

Eligibility and selection criteria

Activity eligibility and selection criteria:

Project that could be financed by InfraFund should:

- show a high probability of reaching financial closing
- mobilize private financing for sustainable infrastructure
- foster sustainable public-private partnerships
- promote transport and clean energy projects
- include sub-national and local levels

Country eligibility and selection criteria:

Country eligibility:

- countries with higher risks or showing more difficult preparing projects have priority consideration
- smaller economies, where transaction costs are high, are especially targeted.

Selection criteria:

- Beneficiary projects can be regional, national, sub-national/local
- Beneficiary entities could be public, private and mixed-capital entities
- Beneficiary entities must show that are capable to develop the works
- There will be non-objection from national government to the project[2]

How and when to apply

Download and fulfil the "Expression of Interest Form" from http://www.iadb.org/infrafund/about.cfm?language=EN and send it to infrafund@iadb.org.
For more information about the application process see: http://www.iadb.org/infrafund/requesting.cfm
For requesting support: http://www.iadb.org/infrafund/requesting.cfm?language=EN

Funds available / Funds disbursed to date / Number of funded projects

The whole InfraFund has USD 20 million given by the IADB.

- Maximum quantity per project: USD 1.5 million
  - Expedited approval mechanism for projects should be less than USD 500,000
- Counterpart funds: Beneficiary entities must share financial costs of each operation
  - Amount will be decided on a case-by-case basis
  - It should not be lower than 20 percent of the total cost (but a portion may be "in kind" donation)
- Funds from other sources not suitable/available[3]

Uptake and projects supported

Guatemala "Support for Environmental and Social Work to Develop Renewable Sources Energy": http://www.iadb.org/projects/Project.cfm?project=GU-T1111&Language=English.
A list of specific activities already supported can be seen at slides 8 and 9 of Key Documents / "IDB Infrastructure Fund" at http://www.iadb.org/infrafund/about.cfm?language=EN.
For project information see: http://www.iadb.org/infrafund/projects.cfm?language=EN

Further information and lesson learned

Project results and effectiveness are evaluated by IADB on completion of the project. For information about the implementation process see the «Document InfraFund» at : http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=830103

Sources

[1] Interamerican Development Bank, Key Documents / "IDB Infrastructure Fund" at http://www.iadb.org/infrafund/about.cfm?language=EN
[2] Interamerican Development Bank, Key Documents / "IDB Infrastructure Fund", slide 11, at http://www.iadb.org/infrafund/about.cfm?language=EN
[3] Ibídem
InfraFund webpage: http://www.iadb.org/infrafund/about.cfm?language=EN

IDB Sustainable Energy and Climate Change Initiative (SECCI) Funds

The SECCI is an Inter-American Development Bank (IDB) initiative. Its funds come from IADB resources (IDB SECCI Funds) and from international donors (SECCI Multi-Donor Fund: Spain, Germany, Italy, Finland, United Kingdom and Japan).

Date created

November 2006

Administrating organization

IADB and the host country government and/or non-governmental sector stakeholder/s.

Objectives

Priority lines of action of the SECCI are defined around four strategic pillars:

- Renewable Energy and Energy Efficiency;
- Biofuel development;
- Increasing Access to Carbon Finance and
- Adaptation to Climate Change".[1]

Nature of donor contributions

The SECCI resources are public and multi-donor funds.

Financial instrument/delivery mechanism used

1) SECCI Funds could be provided by two financial modalities:

a) Non-reimbursable Technical Cooperation or Investment Grant operations

b) Contingent recovery technical cooperation or investment grant operations (that will take place when SECCI funds are used for a non-sovereign guaranteed investment project and thus the IADB is not financing the project)

2) Host country or beneficiary company should cost the operation at 20 percent minimum and 30 percent maximum.

3) In-kind contributions should not exceed 20 percent of the total cost of the project.[2]

For more information see subtitle "Eligibility Requirements" at http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en

Bioenergy activities supported

SECCI Funds are focused on financing activities such as:

- Renewable energy and energy efficiency technologies
- Greenhouse gas emission reduction projects
- Biofuel development
- Adaptation strategies
- Actions to reduce vulnerability dealing with climate change effects. [3]

Geographical range

Latin America and the Caribbean (LAC)

Eligibility and selection criteria

Activity eligibility and selection criteria:

1. Technical Cooperation delivery mechanism could be used to::
   - obtain specialized consulting services
   - buy necessary goods
   - develop studies (up to 30 percent of total budget)
   - deal with other activities specifically such as preparing projects regarding SECCI
2. Investment Grant delivery mechanism could be used to:
   - obtain works, goods, equipment and related facilities (transportation, insurance, etc),
   - carry out pilot projects in technology development and adaptation,
   - hire consulting services

Following the activities supported, SECCI Funds could be used for :

- technical assistance
- project preparation

- possibility studies
- demonstration projects
- pilot projects or programs
- investment programs, partnerships
- training and knowledge diffusion

Eligibility criteria set that projects should:

- show financially viable market opportunities
- have a degree of innovation and value added
- have degree of coordination and synergies with other funds
- be consistent with the National and IADB Policies
- meet the International Best Practices Standards

For sample of eligible activities, see Annex I of the subtitle "Eligibility Requirements" at http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en

Country eligibility and selection criteria:

1) Domestic levels that could be selected to carry out projects:

Public Sector

- government ministries
- climate change appointed national authorities
- planning agencies
- public corporations
- sub-national governments (regional, provincial, state and municipal)
- academic and research institutions

Non-governmental sector

- private companies
- private project developers
- NGOs
- academic and research institutions

2) Eligibility criteria set that projects should:

- be consistent with SECCI principles
- be included within countries' medium-long term energy strategies
- be owned by the country or the non-governmental counterpart
- ensure institutional and environmental sustainability
- ensure public-sector partnerships
- guarantee donor coordination

2.1) Private sector projects should in addition fulfil the following criteria:

- Support activities with a high probability of reaching financial closing of a project
- Have a catalytic effect by mobilizing private financing for sustainable energy projects
- Support the development and structuring of sustainable public-private partnerships
- Support projects at the sub-national and local level, where traditionally there has been a lower degree of private sector participation and where sector peculiarities present special challenges[4]

How and when to apply

To apply, download and complete the "Expression of Interest Form" from http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en and send it to secci@iadb.org.

For more information about the application process see subtitle "Who reviews the applications?" at http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en

Funds available / Funds disbursed to date / Number of funded projects

Although each project has its own budget, Funds disbursed meet the following pattern:

1. Technical Cooperation finances up to USD 1 million. If it is private sector request, the private counter-part should contribute with a 20 percent of total project.
2. Investment Grants costs up to USD 1.5 million. Local counterpart contribution will be assessed in each case.

Uptake and projects supported

Mexico "Sustainable Energy National Program":
http://www.iadb.org/projects/Project.cfm?project=ME-T1069&Language=English

Further information and lesson learned

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Sources

[1] Interamerican Development Bank, "Sustainable Energy and Climate Change Initiative, SECCI Operational Process" Subtitle "Eligibility Requirements" at *http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en*
[2] Interamerican Development Bank, "Sustainable Energy and Climate Change Initiative SECCI Funds" at *http://www.iadb.org/topics/climateChange/secci/secciFunds.cfm?lang=en*
[3] Interamerican Development Bank, "Sustainable Energy and Climate Change Initiative, SECCI Operational Process" Subtitle "Eligibility Requirements" at *http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en*
[4]"Guiding Principles and Eligibility Requirements for the SECCI Funds ("SECCI IDB FUND" and the "SECCI MULTI-DONOR FUND"): http://www.iadb.org/topics/climateChange/secci/secciFunds.cfm?lang=en *http://www.iadb.org/topics/climateChange/secci/operationalProcess.cfm?lang=en*

ADB Asian Development Fund

The ADB Asian Development Fund is the instrument of concessional financing in support of equitable and sustainable development for the Asian region.

Date created

1973

Administrating organization

Asian Development Bank (ADB)

Objectives

ADF-financed infrastructure investments contribute to poverty reduction by helping remove major infrastructure bottlenecks that constrain growth and delivery of social services as well as increasing aggregate demand and employment. ADF helps governments to improve economic management, governance, and public finance and expenditure management through reforms, as well as financial and other sector programs.
ADF also plays a special role in promoting regional cooperation, especially in the Greater Mekong Subregion and Central Asian Regional Economic Cooperation programs, primarily through cross-border infrastructure projects. These regional projects have helped reduce poverty through more trade and investment, greater employment, and higher incomes in participating countries.

Nature of donor contributions

The fund is financed by ADB's donor member countries.

Financial instrument/delivery mechanism used

- Equity investments
- Loans
- Guarantees
- B loan (complementary financing scheme)

Bioenergy activities supported

-

Geographical range

Asia

Eligibility and selection criteria

Activity eligibility and selection criteria:

- Infrastructure: power (e.g. generation, transmission and distribution, including a particular focus on renewable power), transportation (e.g. roads, ports, railways, airports), water supply and waste treatment, oil & gas infrastructure, and telecommunications
- Capital Markets and Financial Sectors: financial institutions and investment funds

Country eligibility and selection criteria:

Developing member countries

How and when to apply

-

Funds available / Funds disbursed to date / Number of funded projects

USD 11.3 billion

Uptake and projects supported

For further information about projects see:
http://www.adb.org/Projects/summaries.asp?query=&browse=1&ctry=ALL&sctr=3200&type=1

Further information and lesson learned

Asian Development Fund X Donors' Report: Towards an Asia and Pacific Region Free of Poverty:
http://www.adb.org/Documents/Reports/ADF/X/default.asp?p=adfreprt

Sources

http://www.adb.org/ *http://www.adb.org/Climate-Change/default.asp*

ADB Carbon Market Initiative (CMI)

The Carbon Market Initiative is included within the Clean Energy and Environmental Program of the Asian Development Bank (ADB). It is a financing scheme that supports the development of clean energy, energy efficiency, and greenhouse gas (GHG) reduction projects.
It has four components:

1. Asia Pacific Carbon Fund (APCF) provides upfront co-finance to Clean Development Mechanism (CDM) projects for future delivery of certified emissions reductions (CERs). [1]

For more information about APCF see page 5 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf

2. Technical Support Facility (TSF) provides comprehensive technical support to project sponsors to develop CDM-eligible projects and contribute to a continuous pipeline of clean energy projects that may be considered for ADB financing and upfront funds from the APCF.

For more information about TSF see page 6 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf

3. Credit Marketing Facility (CMF) provides marketing support services to project sponsors that seek to obtain optimal prices and sale terms for CERs in the open market.[2]

For more information about CMF see 8 and 9 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf and http://www.adb.org/Climate-Change/credit-marketing-facility.asp

4. Future Carbon Fund is a public-private partnership between ADB, government and companies that supports projects that seek to reduce GHG emission after 2012.

Date created

CMI was created in November 2006.
APCF, TFS and CMF were operating in May 2007.
Future Carbon Fund was approved in December 2008.

Administrating organization

The Asian Development Bank (ADB)

Objectives

The CMI aims to create benefits from market-based instruments under the Kyoto Protocol to promote sustainable development[3]. It supports GHG emission reductions projects that face difficulty in finding in-anticipate financing.
The ACPF aims to increase the number of clean energy and energy efficiency projects, assist APCF participants in satisfying their legally binding emission reduction commitments under the Kyoto Protocol, and capitalize increased investments from developed countries to improve energy access.[4]
TSF's main objectives are to raise the capacities of project developers in developing countries and help build a continuous stream of viable clean energy projects that can benefit from the carbon market.[5]
The Future Carbon Fund will help to provide finance to projects that save GHG emissions and will produce CERs after 2012.

Nature of donor contributions

Multilateral

Financial instrument/delivery mechanism used

The CMI delivers its resources as co-financing that should be used to finance projects and technical assistance.
The ACPF is a trust fund that provides co-financing by securing a portion of the expected future certified emission reductions (CERs) from CDM-eligible projects in exchange for upfront finance.[6]
For more information about percentiles given by the Facility, see page 5 at :
http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf
The TSF is a financial assistance program that is used to provide technical CDM support.
The CMF is a marketing support that offers projects developers to sell their credits of emissions in the global carbon market.

Bioenergy activities supported

CMI supports the development of energy efficiency, renewable energy and other GHG mitigation projects.

Geographical range

Developing country members in the Asian and the Pacific Region.

Eligibility and selection criteria

Activity eligibility and selection criteria:

CMI will finance renewable energy and energy efficiency projects.
ACPF in particular will provide support to biomass projects.
CMI will support CDM projects that satisfy Kyoto Protocol additionality criteria.

1. In order to access the ACPF resources, a country project should fulfil the following requirements:
   - Has access to ADB support in the form of debt, equity or guarantee, or technical support from Technical Support Facility (TSF)
   - Complies with ADB operational policies and procedures
   - Located in a developing member country that is a CDM-eligible country according to the Kyoto Protocol
   - Validated as a CDM project by a designated operational entity
   - Generates permanent and not temporary GHG reductions.[7]
2. TSF resources will be provided only for the following activities: project identification and screening, project development, validation and registration, capacity development for project developers and sponsors, and project implementation.
3. CMF will be a support extended exclusively to ADB-assisted projects.
4. The Future Carbon Fund will support countries or private sector stakeholders that have GHG emission reduction goals. The main focus will be put in companies with large emission footprints, manufacturers and airlines.[8]

Country eligibility and selection criteria:

The CMI will lend support to projects in developing countries ADB members where the Bank provides other investment finance such as loans and guarantees. In order to submit for any of the CMI resources a country project should:

- be included within eligible countries under the Clean Development Mechanism (CDM) of the Kyoto Protocol
- be in the Asia or Pacific Region
- be a developing country member of the Asian Development Bank

How and when to apply

Project sponsors who would like to submit a project to CMI, should contact ADB staff from the relevant region office or private sector operations department. These officers will help project developers to complete the application form that may be requested from:
adbcdm@adb.org
www.adb.org/clean-energy
More documentation should be asked, such us: feasibility studies, detailed design and other project reports previously submitted to the ADB operations department.

Funds available / Funds disbursed to date / Number of funded projects

The APCF has currently USD 151.8 million in commitments from participants. For each project, it provides in anticipate 25-50% of CERs expected purchase. The remaining 50-75% may be sold by projects sponsors only after the CERs sold to the APCF have been fully delivered.
The Future Carbon Fund has received commitments in December 2008 of USD 100 million.

Uptake and projects supported

There is a high quantity of projects that have been supported by the CMI since 2006, for specific information see http://www.adb.org/Projects/

Further information and lesson learned

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Sources

[1] *Asian Development Bank, Maximizing the Use of Market-based Mechanisms: ADB's Carbon Market Initiative at http://www.adb.org/Climate-Change/cc-mitigation-carbon-market.asp*
[2] *Asian Development Bank, "CMI, Carbon Market Initiative", 2009, page 3 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*
[3] *Asian Development Bank, "CMI, Carbon Market Initiative", 2009, page 3 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*
[4] *Asian Development Bank, "CMI, Carbon Market Initiative", 2009, page 4 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*
[5] *Asian Development Bank, "CMI, Carbon Market Initiative", 2009, page 6 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*
[6] *Asian Development Bank, "CMI, Carbon Market Initiative", 2009, page 4 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*
[7] *Ibídem*
[8] *Asian Development Bank, "ADB Commences Future Carbon Fund", 10 December 2008 at http://www.adb.org/Documents/Climate-Change/CMI-Brochure.pdf*

ADB Energy Efficiency Initiative (EEI) - Clean Energy Financing Partnership Facility (CEFPF)

The EEI is an initiative that is included within the Clean Energy and Environmental Program of the Asian Development Bank (ADB). To help finance EEI, the ADB has established the Clean Energy Financing Partnership Facility (CEFPF).

Date created

The EEI was created in July 2005. Its Clean Energy Financing Partnership Facility (CEFPF) was launched in April 2007.

Administrating organization

The Asian Development Bank (ADB)

Objectives

EEI's main objectives are to invest in clean energy, to catalyze capital flow to energy efficiency and renewable energy projects.
Taking EEI's objectives, CEFPF has as purpose to improve energy security in developing member countries and improve climate change efforts. CEFPF also finances policy, regulatory, and institutional reforms that encourage clean energy development.[1]
CEFPF was created to give quick financial solutions to small energy efficiency investments, some of the technology transfer cost of clean technologies and activities that develop the knowledge base on clean energy technologies.[2]

Nature of donor contributions

CEFPF has two sub-funds: 1) Clean Energy Fund (CEF) is a multi-donor fund composed by contributions made by Australia, Norway, Spain and Sweden. 2) Asian Clean Energy Fund (ACEF) is a single donor fund supported by the Government of Japan.
For more information about contributions made by each country, see the subtitle "Fund Status" at http://www.adb.org/Clean-Energy/CEFPF.asp

Financial instrument/delivery mechanism used

CEFPF resources might be delivered as different financial instruments.
Clean Energy Fund (CEF) is the multi-donor clean energy trust fund and can be used to support a)technical assistance; b)grant components of investments; c) direct charges. More information about the aim of this fund can be see at pages 6-7 at: http://www.adb.org/Clean-Energy/documents/CEFPF-Implementation-Guidelines.pdf

- Clean Energy Trust Fund (CETF) is the single donor clean energy trust funds financed by Japan.
- There are also some framework agreements between ADB and partners to: a) co-financing, b) risk sharing, i.e. credit enhancement and performance guarantees.
- Other forms of assistance.[3]

Bioenergy activities supported

CEFPF resources are used to support some of the following potential investments:

- Biomass, biofuel or biogas projects
- Deployment of new clean energy technology
- Projects that lower the barriers to adopting clean energy technologies
- Projects that increase access to modern forms of clean and energy efficient energy for the poor
- Technical capacity programs for clean energy[4]

Geographical range

The EEI supports energy efficiency and renewable energy projects in ADB developing country members, with particular focus on China, India, Indonesia, Pakistan, Philippines and Vietnam.
Since November 2008 Afghanistan, Bangladesh, Cambodia, Lao People's Democratic Republic, Mongolia, and Uzbekistan were included in the priorities for receiving funds.

Eligibility and selection criteria

Activity eligibility and selection criteria:
The CEFPF gives its support to the following bioenergy activities:

- waste-to-energy projects

- new power plant projects that considering the use of renewable energy technologies such as biomass and biofuels
- existing power plants that are switching from solid and liquid to gaseous clean fuels
- clean fuel and biofuel production, store and transportation
- retrofitting/upgrading of production, storage and conveyance facilities for clean fuel and biofuels that will result in at least 30 percent reduction in energy and/or fuel losses
- new facilities using energy derived from renewable sources and or clean fuel
- existing facilities switching from solid or liquid fuel to renewable and /or cleaner fuels
- Agriculture projects that result in increased energy efficiency and use of renewable energy, i.e. electricity generation from biomass such as rice husks or bio gas such as animal waste[5]

The CEFPF finances projects proposals that should:

- be consistent with the country partnership strategy and results framework
- be consistent with the objectives of ADB's Energy Efficiency Initiative (EEI)
- introduce innovative solutions
- adopt a participatory approach
- be catalytic
- have high demonstration value in the sector
- have good potential for replication and scalability in the country and/or region[6]

If a project intends to use CEFPF resources to buy down the cost of alternative low carbon technologies must quantify the incremental cost of deploying the clean energy technologies.[7]

Country eligibility and selection criteria:

In order to access CEFPF a country should be an ADB developing country member. However, country priorities specified in the subtitle "geographical range" will be highly considered.

How and when to apply

Projects can submit for CEFPF resources six times throughout the year: 31 January, 31 March, 31 May, 31 July, 30 September and 30 November.

If a country applies for a Grant Component of Investment (GCI) or Technical Assistance (TA) it should fulfil the CEFPF Application Form. CEFPF's Design and Monitoring Framework could be useful to complete the form in a proper way.

Projects that plan to use CEFPF resources to compensate incremental costs of clean technologies use should describe their incremental costs as the final paragraph to section A on the application form.

Further information about the application procedure can be found at http://www.adb.org/Clean-Energy/cefpf-resources.asp

If a country submits for Direct Charges, it should fulfil the application form. Design and Monitoring Framework could be useful when completing the form.

Further information the application procedure can be found at:
http://www.adb.org/Clean-Energy/cefpf-ccf-application.asp

Funds available / Funds disbursed to date / Number of funded projects

The whole EEI has given USD 1 billion per year to clean energy development programs since 2005. In 2008 it has destined USD 1.3 billion to this aim. An additional USD 3 million grant to expand the initiative to include Afghanistan, Bangladesh, Cambodia, Lao People's Democratic Republic, Mongolia, and Uzbekistan was approved in November 2008.

In 2008, CEFPF has provided USD 18 million to 19 projects.

The Asian Development Bank (ADB) approved in August 2009 a USD 3 million grant for the development of small pilot projects in Papua New Guinea, Solomon Islands, and Vanuatu. This technical assistance grant was sourced from the Multi-Donor Clean Energy Fund under the Clean Energy Financing Partnership Facility. The Midterm Review of the Pacific Strategy (2005-2009) includes goals relating to improving rural and energy infrastructure; increased private sector participation in development; and improved natural resource management. These goals will be furthered by this proposed RETA. The impact is to improve use of sustainable, safe, reliable, affordable and versatile renewable energy products.

Uptake and projects supported

EEI supported projects can be seen at http://www.adb.org/Documents/Clean-Energy/2008-CE-1B.pdf

Further information and lesson learned

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Sources

[1] *Asian Development Bank, "Clean Energy Financing Partnership Facility Partnership for Better Results": http://www.adb.org/Clean-Energy/CEFPF.asp*
[2] *Asian Development Bank, Energy Efficiency Initiative (EEI): http://www.adb.org/Clean-Energy/eei.asp*
[3] *Asian Development Bank, "Clean Energy Financing Partnership Facility: Implementation Guidelines for Multi-donor Clean Energy Trust Fund", 10-11 March 2009, page 3: http://www.adb.org/Clean-Energy/documents/CEFPF-Implementation-Guidelines.pdf*
[4] *Asian Development Bank, "Clean Energy Financing Partnership Facility Partnership for Better Results": http://www.adb.org/Clean-Energy/CEFPF.asp*
[5] *Asian Development Bank, "Clean Energy Financing Partnership Facility: Implementation Guidelines for Multi-donor Clean Energy Trust Fund", 10-11 March 2009, pages 5-6: http://www.adb.org/Clean-Energy/documents/CEFPF-Implementation-Guidelines.pdf*
[6] *Asian Development Bank, "Clean Energy Financing Partnership Facility: Implementation Guidelines for Multi-donor Clean Energy Trust Fund", 10-11 March 2009, page 4: http://www.adb.org/Clean-Energy/documents/CEFPF-Implementation-Guidelines.pdf*
7 Asian Development Bank, "CEFPF/CCF Application Instructions for GCIs or TAs": http://www.adb.org/Clean-Energy/cefpf-resources.asp

ADB Renewable Energy, Energy Efficiency, and Climate Change (REACH)

REACH is a Technical Assistance program that was included in 2006 within the Asian Development Bank Clean Energy and Environmental Program. It is focused on climate change and capacity-building activities on climate change and Clean Development Mechanism (CDM).[1]

REACH has four components:

1. The Canadian Cooperation Fund on Climate Change was designed to assist countries at the programming and policy level in management and diminution of climate change in order to reduce the growth of greenhouse gas emissions (GHG).[2]
2. The Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas supports promotion of renewable energy in rural areas and small towns.[3]
3. The Dutch Cooperation Fund for Promotion of Renewable Energy and Energy Efficiency co-finances a regional technical assistance on Promotion of Renewable Energy, Energy Efficiency and Greenhouse Gas Abatement (PREGA).
4. The Finnish Technical Assistance Grant Fund has the support of Finland's Department of International Cooperation.

Date created

REACH was launched in 2002 and put together several trust funds that had been established previously, such as: 1)Canadian Fund, created in 2001; 2)Danish Fund; 3) PREGA, launched in early 2002; and 4) Finnish Technical Assistance Grant Fund, created in 1999 and replenished in 2004.

Administrating organization

Asian Development Bank

Objectives

REACH program has the following key objectives:

- to support activities that widespread commercial application of renewable and energy efficiency technologies
- to promote services that will lead to a decrease in GHG emissions[4]

1. The Canadian Fund is focused on the promotion of renewable energy and energy efficiency, in particular.
2. The Danish Fund aims to support promotion of renewable energy in rural areas and small towns. It is also focused on increased energy efficiency and cleaner fuels.[5]
3. PREGA's main objectives are to foster investments in renewable energy, energy efficiency and GHG emission reduction technologies.
4. Finnish Technical Assistance Grant Fund seeks to assist countries on environmental protection and development of renewable energy forms.

Nature of donor contributions

REACH is supported with public contributions made by the Governments of Canada, Denmark, Finland and the Netherlands.

Financial instrument/delivery mechanism used

REACH resources and sub-funds are delivered by the ADB through trust funds and technical assistance operation.

Bioenergy activities supported

REACH finance projects that develop the following key activities:

- Clean energy
- Energy efficiency
- Adaptation to climate change

Geographical range

ADB developing country members.

Eligibility and selection criteria

Activity eligibility and selection criteria:

Each of REACH sub-funds is focused on a different priority:

1. Projects applying for Canadian Fund resources should:
   - include preparation and capacity building for renewable energy and energy efficiency activities
   - promote renewable energy and energy efficiency
   - have a potential access to climate change convention mechanisms, such as Global Environmental Facility (GEF) and Clean Development Mechanism (CDM)
   - be consistent with the international rules concerning the use of official development assistance (ODA) in the CDM

For more information about requirements see http://www.adb.org/reach/canada.asp

2. Projects applying for Danish Fund resources should:
   - foster institutional development/capacity building on Renewable Energy and Energy Efficiency and GHG reduction technologies in rural areas
   - develop norms and standards, certified skills, information,
   - disseminate renewable energy awareness, capacity development,
   - stimulate "best practices" for GHG reduction
3. Projects applying for Dutch Fund resources should:
   - develop capacities of national policymakers, technical experts, and staff of financing institutions for promoting renewable energy, energy efficiency and GHG reduction
   - support policy, regulatory, and institutional reforms, including removal of energy pricing distortions
   - facilitate access to private sector financing[6]
4. Finnish Technical Assistance Grant Fund provides financing to projects that:
   - include preparation, advisory services, implementation
   - are agreed by the ADB and the Government of Finland

Country eligibility and selection criteria:

All countries applying for REACH resources should be ADB developing country members.

1. The Canadian Fund gives the priority to the following countries:
   - People's Republic of China and India with activities relating to the prime objectives of GHG emission reductions
   - Pacific Countries with activities relating to adaptation to climate change
2. The Danish Fund provides resources to ADB developing country members with annual per capita GNP of less than USD 2,500
3. PREGA asks country candidates to fulfil the following criteria for accessing its financing:
   - to improve access to energy services for poor population
   - to carry on other strategic development goals
   - to help reduce GHG emissions
   - to be part of the following group of countries: Bangladesh, People's Republic of China, Indonesia, Kazakhstan, Kyrgyz Republic, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Philippines, Samoa, Sri Lanka, Tajikistan and Viet Nam.

How and when to apply

See information about how to apply to Canadian Fund financing at
http://www.adb.org/reach/canrep.asp
See information about how to apply to Danish Fund financing at
http://www.adb.org/reach/danact.asp
See information about how to apply to Dutch Fund financing at
http://www.adb.org/reach/netrep.asp and
http://www.adb.org/reach/nettrust.asp

Funds available / Funds disbursed to date / Number of funded projects

For funds delivered by REACH sub-founds see:
http://www.adb.org/reach/canrep.asp
http://www.adb.org/reach/netact.asp
http://www.adb.org/reach/danact_proj.asp
http://www.adb.org/REACH/finact.asp#list

Uptake and projects supported

See Canadian Fund approved projects at http://www.adb.org/reach/canact_proj.asp
See Danish Fund approved projects at http://www.adb.org/reach/danact_proj.asp
See Dutch Fund approved projects by clicking in the country name searched at http://www.adb.org/reach/netrep.asp
See Finnish Fund approved projects at http://www.adb.org/REACH/finact.asp#list

Further information and lesson learned

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Sources

[1] *Asian Development Bank, "Renewable Energy, Energy Efficiency, and Climate Change (REACH)" at http://www.adb.org/Clean-Energy/reach.asp*
[2] *Asian Development Bank, "Renewable Energy, Energy Efficiency, and Climate Change – REACH" at http://www.adb.org/Clean-Energy/reach.asp*
[3] *Asian Development Bank, "Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas" at http://www.adb.org/reach/danish.asp*
[4] *Asian Development Bank, "ADB's Clean Energy and Environment Program 2007 Update, page 3 at http://unfccc.int/files/adaptation/sbsta_agenda_item_adaptation/application/pdf/adb_ccadaptation.pdf*
[5] *Asian Development Bank, "Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas" at http://www.adb.org/reach/danish.asp*
[6] *Asian Development Bank, "The Dutch Cooperation Fund for Promotion of Renewable Energy and Energy Efficiency Overview" at http://www.adb.org/reach/netherlands.asp*

ADB Sustainable Transport Initiative (STI)

The STI is included within the Asian Development Bank (ADB) Clean Energy and Environment Program. It is an initiative that undertakes regional technical assistance to evaluate efficient mobility options for cities.

Date created

January 2008

Administrating organization

Asian Development Bank (ADB)

Objectives

STI is a technical assistance program that aims to help Asian developing countries to improve energy efficiency and sustainable transport.

Nature of donor contributions

Multi-lateral

Financial instrument/delivery mechanism used

STI resources are delivered as investments or technical assistance.

Bioenergy activities supported

STI address energy-efficiency and sustainable transport system.

Geographical range

ADB developing country members.

Eligibility and selection criteria

Activity eligibility and selection criteria:

STI supports energy-efficiency activities in the following key areas:

- Public transport
- Land use
- Transport planning for effective travel demand management
- Freight Transport

Country eligibility and selection criteria:

In order to access STI resources, a country should be an ADB developing country member.
As this initiative is focused on the cities, several populated Asian cities have been prioritized to receive funds: Ho Chi Minh (Vietnam), Hanoi (Vietnam), Karachi (Pakistan) and Lahore (Pakistan)

How and when to apply

For information about how to apply see the webpage http://www.adb.org/Clean-Energy/programs.asp

Funds available / Funds disbursed to date / Number of funded projects

Since its creation, USD 3 million has been pledged for this ADB initiative.

Uptake and projects supported

Studies to promote energy efficiency transport systems in Ho Chi Minh City, Hanoi, Karachi, and Lahore.
For more information seek STI projects supported at http://www.adb.org/Documents/Clean-Energy/Summary-Table-2003-Q1-2008.pdf#page=20

Further information and lesson learned

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Sources

Asian Development Bank, "ADB Clean Energy Investments in 2008" at http://www.adb.org/Documents/Clean-Energy/Summary-Table-2003-Q1-2008.pdf#page=20
Asian Development Bank, "Business Opportunities" at http://www.adb.org/Documents/ADBBO/RETA/41269012.ASP

Asian Development Bank, "ADB's Clean Energy and Environment Program 2007 Update" at http://unfccc.int/files/adaptation/sbsta_agenda_item_adaptation/application/pdf/adb_ccadaptation.pdf

The Netherlands G2G programme

The G2G programme is a funding option supported by the Government of the Netherlands essentially aimed at government-to-government cooperation.

Date created

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Administrating organization

The Dutch Ministry of Economic Affairs and the Dutch Ministry of Housing, Spatial Planning and the Environment

Objectives

The G2G programme aims to:
- establish sustainable (working) relationships between governmental institutions in The Netherlands and in the recipient countries;
- support the functioning of the market economy and the strengthening of an enabling environment for entrepreneurship in all recipient countries (for the G2G funded by the Ministry of Economic Affairs); and
- to contribute to solving environmental problems in the target countries (for the G2G Environmental Facility).

Nature of donor contributions

Public contributions

Financial instrument/delivery mechanism used

Funds will be delivered as facilities and/or by financing programmes

Bioenergy activities supported

Bioenergy activities related to transport, energy, agriculture, infrastructure, and environment

Geographical range

Target countries are new EU and candidate EU countries.
For G2G-short candidate countries also are: Algeria, Bulgaria, Croatia, Kazakhstan, Macedonia, Romania, Russian Federation, Serbia, Ukraine, and Turkey
For piloting projects: India, China, Gulf Region and Brazil

Eligibility and selection criteria

Activity eligibility and selection criteria:

- Central government organizations from the eligible countries and Dutch governmental organisations are the only groups that can apply
- The G2G-short funded by the Ministry of Economic Affairs focuses on the economic domain (Energy, Innovation, Agriculture, Infrastructure, Water Management, Transport, Finance and Customs).
- The G2G-short funded by the Ministry of Housing, Spatial Planning and the Environment focuses on the environmental domain.
- The project should be aimed at institution and capacity building.
- The average project budget is 300,000 euro and the average project duration is 2 years.

Country eligibility and selection criteria:

Target countries are new EU and candidate EU countries, as well as some neighbouring countries of the EU. The countries that can apply for facilities and financed programmes are divided as follows:

- G2G Environmental Facility: Croatia, Macedonia, Georgia
- G2G: Ukraine, Russia, Vietnam
- (Specific information regarding candidates G2G projects in Vietnam can be found at: http://www.evd.nl/business/zoeken/showbouwsteen.asp?bstnum=251495&location)
- Both G2G programmes: Turkey, Serbia
- G2G-short projects and programmes: Algeria, Bulgaria, Croatia, Kazakhstan, Macedonia, Romania, Russian Federation, Serbia, Ukraine, Turkey
- Piloting projects: India, China, Gulf Region and Brazil can apply

How and when to apply

Proposals should be submitted through the National Aid Co-ordinator (NAC) in the eligible country. For more information regarding procedures and deadlines, please contact your NAC or one of the project officers:
http://www.evd.nl/cooperation/zoeken/showbouwsteen.asp?bstnum=254040
E-mail: IPSonline@info.agentschapnl.nl Telephone: 088 602 8531
For more information concerning the G2G application procedures and criteria, please refer to the countries page: http://www.evd.nl/cooperation/zoeken/showbouwsteen.asp?bstnum=238070

Funds available / Funds disbursed to date / Number of funded projects

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Uptake and projects supported

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Further information and lesson learned

Further information can be found at:
G2G website: http://www.evd.nl/cooperation/zoeken/showbouwsteen.asp?bstnum=110091

Sources

NL EVD International: www.evd.nl