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Washington, D.C.

Agenda Item 06

GEF-6 NON-GRANT INSTRUMENT PILOT AND UPDATED POLICY FOR NON-GRANT INSTRUMENTS

Recommended Council Decision

The Council, having reviewed document GEF/C.47/06, *GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments*, approves the implementation modalities for the Non-Grant Instrument Pilot. The Council also approves the updated Policy on Non-Grant instruments presented in Annex 1 to this document with an effectiveness date of November 1, 2014. This new policy replaces and supersedes the policy of March 2008 set out in Council Document GEF/C.33/12 with the title "Operational Policies and guidance for the Use of Non-Grant Instruments".

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INTRODUCTION

1. During the GEF-6 replenishment negotiations, and as reflected in the GEF-6 Policy Recommendations and subsequent Council decisions, it was agreed to expand the use of non-grant instruments,[1] in view of the contributions these can make to leverage capital from private sector, to long-term financial sustainability through their potential for generating reflows, as well as the usefulness of assessing the demand for non-grant instruments for the public sector in GEF recipient countries. Consequently, a special set-aside was established for a Non-Grant Instrument Pilot Program ("Pilot").

2. The purpose of this document is to describe the implementation modalities for the Pilot. In addition, recognizing the need to clarify and strengthen certain elements of the existing GEF policy on non-grant instruments—in particular related to the management of reflows—an updated Policy for Non-grant Instruments is proposed. Finally, the paper includes an updated status report of the GEF's past use of non-grant instruments.

3. The GEF's past experience suggests that non-grant instruments can make an important contribution to the achievement of the GEF's objectives. The GEF has deployed a flexible range of non-grant instruments that have helped deliver innovative projects and catalytic partnerships. Some of the models developed by the GEF and its Agencies have subsequently been used in other, non-GEF projects that promote market transformation and scaling, thus increasing the impact of the GEF's initial programming through broader adoption.

4. It should be noted that, until now, non-grant instruments have been used exclusively in connection with the GEF's engagement with the private sector, while non-grant instruments have *not* been used in the GEF's engagement with public sector entities. It should also be noted that depending on the specific project objectives and design, the use of a non-grant instrument may result in the reflow of funds to the GEF Trust Fund, but this is not so in all cases as it depends on the design and objective of the specific project. GEF seed funding for a revolving fund, for example, may not result in reflows to the GEF Trust Fund as the seed funds are perpetually re-invested. On the other hand, GEF funding for an equity fund may result in reflows to the GEF Trust Fund depending on the fund's underlying financial returns.

5. In view of the GEF's role in innovating and demonstrating potentially high-impact approaches, the GEF will continue to encourage a flexible use of a broad range of non-grant

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[1] The matter of non-grant instruments in the GEF context has been discussed frequently over the last twenty years. The Secretariat presented document GEF/C.33/12, *Operational Policies and Guidance for the Use of Non-Grant Instruments*, at the 33rd Council meeting, May 2008, as a means to seek ways to further increase the GEF's catalytic role and better leverage its resources. Consistent with these policies, the GEF Council approved the use of set-aside funding for non-grant instruments in GEF-4 and GEF-5. During GEF-4, the GEF Council approved $56 million for the GEF's Earth Fund administered by the IFC. During GEF-5, the GEF Council approved a private sector set-aside with an allocation of $80 million. At the 39th Council meeting, in November 2010, the GEF Evaluation Office (GEFEO) presented an evaluation of the Earth Fund. Subsequent to the presentation, the Council requested the GEF to prepare a new private sector strategy, which it approved at its 41st Council meeting, November 2011. The strategy emphasized partnerships with the multilateral regional development banks (MDBs) for the use of non-grant instruments.

instruments, with or without reflows. However, in line with the experiences from the GEF-5 private sector set-aside, the use of non-grant instruments under the GEF-6 Pilot will be focused on instruments that have the potential to generate reflows.

6. The following section of the paper describes the implementation modalities of the GEF-6 non-grant instrument pilot, while the updated Policy on Non-Grant Instruments is included as Annex 1. Annex 2 contains a status report on the use of non-grant instruments to date.

IMPLEMENTATION MODALITIES FOR THE GEF-6 NON-GRANT INSTRUMENT PILOT

Rationale

7. Consistent with the proposed GEF Policy on Non-Grant Instruments, the overall objective of the Pilot is to support the achievement of the GEF's objectives through the use of non-grant instruments for targeted investments that promote global environmental benefits.

8. Specifically, building on the GEF's past experience, including from the implementation of the GEF-5 private sector set-aside, the GEF-6 Pilot will play a key role in supporting the GEF's efforts to leverage significant capital from the private sector through the use of innovative and flexible financial instruments, thereby helping stretch the GEF's limited resources and guiding the private sector towards more environmentally sustainable activities. By demonstrating and validating successful models for the use of non-grant instruments, the GEF can help catalyze large-scale changes through broader adoption and generate experiences which may also be useful for other international environmental funding mechanisms such as the Green Climate Fund. Moreover, by enabling the GEF to provide financing using non-grant instruments to the public sector, the Pilot will expand the range of tools available to the GEF and allow the GEF to assess the demand and applicability of GEF non-grant instruments for public sector recipients. Finally, by focusing the Pilot on non-grant instruments that have the potential to generate reflows, the Pilot can make a contribution to the GEF Trust Fund's financial sustainability.

Implementation Modalities

Resource Allocation for the Pilot

9. The GEF-6 Replenishment established a set-aside of \$115 million for a Non-Grant Pilot Program of which \$110 million will be programmed according to the provisions outlined in this document and \$5 million will be reserved for the Sustainable Cities Integrated Approach Pilot, as endorsed at the 46th GEF Council meeting.

Criteria for Project/Program Proposals under the Pilot

10. All recipient countries eligible for the use of non-grant instruments according to the proposed Policy on Non-Grant Instruments may make proposals for the use of funds from the Pilot in any of the GEF's Focal Areas, as long as the proposal contributes global environmental benefits as per GEF-6's Focal Area Programming Directions. The Pilot will seek to fund a diversity of recipient countries, regions, and Focal Areas. Proposals for both full-sized projects and medium-sized projects will be considered.

11. Only proposals using non-grant instruments with a potential for reflows to the GEF Trust Fund will be funded under the Pilot. The Pilot can support capacity building, technical assistance, and advisory services only if they are included as part of the overall investment using the non-grant instrument and if the overall investment has potential for reflow to the GEF Trust Fund.[2] It is recognized that some proposals may be highly innovative and potentially risky.

12. Proposals with the following elements are especially encouraged:

(a) Demonstrate innovative application of financial mechanisms and partnerships that may be broadly adopted and can be scaled up;
(b) Demonstrate use of non-grant instruments in areas other than climate change (which has been the dominating focal area for the use of non-grant instruments to date);
(c) Support innovative engagement of the private sector and public sector through innovative business models; and
(d) Deliver high levels of co-financing.

13. The funding size for each project/program proposal is expected to range up to approximately $15 million.

14. Consistent with the Policy on Non-Grant Instruments, a broad and flexible range of debt, equity and guarantee instruments will be supported under the Pilot. For projects/programs with public sector recipients, instruments include concessional loans and guarantee instruments; an emphasis on concessional loans is expected.

Financial Terms

15. For projects/programs with private sector recipients, the GEF Partner Agency will negotiate an appropriate concessional rate or return on investment, which, consistent with the Agency's regular practices, ensures a minimum level of concessionality; avoids displacing other finance; and catalyzes other investments. GEF resources can take a junior or first-loss position if justified. The maximum maturity for private sector loans is twenty years; the exit date for equity investments will be negotiated case-by-case between the beneficiary and the GEF Partner Agency.

16. For projects/programs with loans to public sector recipients, the Pilot will use differentiated terms: softer concessional terms will be offered to LDCs and SIDS, while harder concessional terms will be offered to other countries as follows:

[2] For example, a GEF Partner Agency may request $10 million for equity investments with an overall return of 10%. The agency may use a portion of the $10 million for advisory services or capacity building to help facilitate stronger investments, as long as the overall return target of 10% is not put at risk. This is consistent with approach used in GEF-5. See GEF-5 Revised Strategy for Enhancing Engagement with the Private Sector, GEF/C.41/09/Rev.01, page 11.

GEF concessional loans under the Pilot	Maturity (Years)	Grace Period (Years)	Annual Principal Repayment Years 11-20 (% of initial principal)	Annual Principal Repayment Years 21-40 (% of initial principal)	Interest
To LDC and SIDS	40	10	2%	4%	0.25%
To Other Recipient Countries	20	10	10%	NA	0.75%

Note: The grant element for concessional loans to LDCs/SIDS is approximately 75%, while it is approximately 45% for other recipient countries. Grant element is calculated using the IDA methodology assuming semi-annual repayments, and 8-year disbursement period, and 6.43% and 6.33% discount rate for softer and harder concessional loans, respectively.

17. Consistent with MDB standard lending practice, the GEF Agencies will not seek any guarantee or security for lending to sovereign governments under the Pilot. If a GEF loan under the Pilot is made to a sub-national entity, the beneficiary country will be required to guarantee the loan if the GEF Partner Agency requires such guarantees for sub-sovereign lending.

18. In case of the use of guarantee instruments for public sector entities, the reflow schedule and fees will be negotiated on a case-by-case basis by the GEF Partner Agency. There will be no requirement for sovereign government indemnity for any guarantee product.

Schedule of Implementation

19. It is anticipated that funds under the Pilot could be allocated rapidly—the Pilot aspires to be fully programed by the end of the calendar year 2015. This will facilitate early compilation of lessons learned that might be useful for GEF-7 and for other interested parties. The Pilot will be implemented in two phases to allow time to raise the necessary awareness among recipient countries and agencies:

(a) The first phase will open in November 2014. GEF Agencies will be encouraged to submit projects/programs in time for consideration by Council in the June 2015 Work Program.

(b) The second phase will open in July 2015. GEF Agencies will be encouraged to submit projects/programs in time for consideration by Council in the November 2015 Work Program.

20. Medium-sized projects can be submitted for CEO consideration under the Pilot on a rolling basis, consistent with regular processing of medium-sized projects.

Promotion and Dissemination

21. The Secretariat will make a dedicated effort to enhance awareness about the Pilot, including through outreach activities in connection with Extended Constituency Workshops, National Dialogues, GEF Introduction Seminars and other activities.

Application Modality

22. Applications from GEF Agencies for the Pilot will follow similar procedures as in GEF-5, as described in GEF/C.42/Inf.08, *Operational Modalities for Public Private Partnership Programs*.

Reflows, Monitoring and Reporting

23. GEF Partner Agencies will monitor and report on financial returns and reflows consistent with the policy on non-grant instruments[3].

24. After 24 months of the date of effectiveness of the new policy, the Secretariat, in consultation with Agencies, will report on the Pilot's implementation status.

[3] See Annex 1, paragraphs 19-21.

REFERENCES

- GEF/C.6/Inf.4, *Engaging the Private Sector (1996)*
- GEF/C.7/12, *GEF strategy for engaging the Private Sector (1996)*
- GEF/C.13/Inf.5, *Engaging the Private Sector in GEF Activities (1999)*
- GEF/C.22/Inf.10, *Enhancing GEF's Engagement with the Private Sector (2003)*
- GEF/C.23/11, *Principles for Engaging the Private Sector (2004)*
- GEF/C.28/Inf. 4, *Additional Information to Support the GEF Strategy to Enhance Engagement with the Private Sector (2006)*
- GEF/C.28/14, *GEF Strategy to Enhance Engagement with the Private Sector (2006)*
- GEF/C.32/7, *The Use of Non-grant Instruments in GEF Projects: Progress Report (2007)*
- GEF/C.33/12, *Operational Policies and Guidance for the use of Non-grant Instruments (2008)*
- GEF/ME/C.39/2, *Review of the Global Environment Facility Earth Fund (2010)*
- GEF/ME/C.39/3, *Management Response to GEF Earth Fund Review (2010)*
- GEF/C.40/13, *Strategy to Engage with the Private Sector (2011)*
- GEFEO, *Review of GEF Engagement with the Private Sector (2011)*
- GEF/C.41/09/Rev.01, *Revised Strategy for Enhancing Engagement with the Private Sector (2011)*
- GEF/C.42/Inf.08, *Operational Modalities for Public Private Partnership Programs (2012)*
- *CIF Clean Technology Fund, Financing Products, Terms and Review Procedures for Private Sector Operations (2012)*
- *CIF Clean Technology Fund, Private Sector Operations Guidelines (2012)*
- *GEF Evaluation Office OPS 5, Technical Document 13, Review of GEF Engagement with the Private Sector (2013)*
- *CIF Clean Technology Fund, Financing Products, Terms, and Review Procedures for Public Sector Operations (2013)*
- GCF/B.04/07, *Business Model Framework: Private Sector Facility*
- GEF/R.6/20/Rev.01, *GEF-6 Programming Directions (2014)*
- GEF/R.6/21, *GEF-6 Policy Recommendations (2014)*
- GEF/C.46/09, *Co-financing Policy (2014)*
- GEF/C.46/07/Rev.01, *Summary of the Negotiations of the Sixth Replenishment of the GEF Trust Fund (2014)*
- GEF/C.46/10, *GEF 2020 – Strategy for the GEF (2014)*

GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

POLICY: FI/PL/02
October 10, 2014

ANNEX 1: UPDATED POLICY - NON-GRANT INSTRUMENTS

Summary: This Policy (i) establishes the objectives for the use of non-grant instruments, (ii) defines non-grant instruments for the GEF, and (iii) sets forth the general principles and approaches for the use of non-grant instruments in GEF-financed projects.

Background: This Policy was approved by the GEF Council at its 47th Meeting on [insert date]. It replaces and supersedes the policy statements contained in Council Document GEF/C.33/12, *Operational Policies and Guidance for the Use of Non-Grant Instruments,* approved by the Council at its 33rd meeting in May 2008.

Applicability: This Policy applies to all non-grant instruments financed by projects or programs submitted and approved by the Council or the GEF CEO on or after the date of effectiveness of this Policy.

Date of Effectiveness: November 01, 2014

Sponsor: GEF Secretariat, Director for Policy and Operations

I. INTRODUCTION

1. This Policy establishes the framework for the use and management of non-grant instruments in GEF-financed projects and programs.

II. OBJECTIVES

2. The purpose of this Policy is to set out the principles for the GEF, working with its partners, to facilitate appropriate use of non-grant instruments as a means to inter alia: (a) enhance the effectiveness by leveraging substantial capital for targeted investments that support GEF's objectives; (b) strengthen partnerships with the private and public sectors in recipient country governments; (c) enable the GEF to demonstrate and validate the application of innovative and flexible financial instruments in projects for broader adoption; and (d) enhance the financial sustainability of the GEF through the generation of reflows.

III. INDICATIVE TYPES OF NON-GRANT INSTRUMENTS

3. A non-grant instrument in the context of the GEF is a mechanism to provide financing in a form that has the potential to generate financial returns, irrespective of whether such financial returns flow back to the GEF Trust Fund or not (see section V). Financial returns comprise funds or proceeds that are collected from the beneficiaries of projects/programs using non-grant instruments, including the original investment amount, principal, (excluding Agency fees), earnings or interest from the investment, dividends, proceeds from the sale of equity stakes, and repayment of original reserves and guarantee fees.

4. GEF projects/programs are designed with the appropriate type of non-grant instrument that best supports the goals of the project/program. The GEF Partner Agency submits projects/programs that include, but are not limited to, the following types of non-grant instruments, which are described in further detail in Annex 1-A. The instrument names below are illustrative; the Partner Agency uses instruments and terms available under its policies and procedures:

(a) Credit guarantee (partial/full);

(b) Performance risk guarantee;

(c) Structured financing;

(d) Equity/investment fund;

(e) Revolving equity fund;

(f) Contingent loan;

(g) Concessional loan; and

(h) Revolving loan fund.

IV. FOCAL AREA ELIGIBILITY FOR NON-GRANT INSTRUMENTS

5. All GEF focal areas set out in paragraph 2 of the Instrument are eligible to use non-grant instruments.

V. Reflows

6. Reflows are the financial returns transferred to the GEF Trust Fund. For the purposes of the GEF Instrument (i) GEF financing is considered *GEF concessional finance*, if it is provided to a project/program that is expected to generate reflows to the GEF Trust Fund; and (ii) GEF financing is considered a *GEF grant* if it is provided to a project/program that is *not* expected to generate reflows to the GEF Trust Fund.

7. GEF grant finance (i) may be made available to any GEF recipient country provided that the recipient country meets the criteria under paragraph 9(a) or 9 (b) of the instrument; and (ii) may be provided by all GEF Partner Agencies in projects/programs using non-grant instruments.

8. GEF concessional finance for private sector beneficiaries may be made available to any GEF recipient country that meets the criteria under paragraph 9 (c) of the Instrument.

9. GEF concessional finance for public sector beneficiaries may be made available to any GEF recipient country that meets the criteria under paragraph 9 (c) of the Instrument, except that it may not be provided to an IDA country if that country is determined to be at a high risk of debt distress in accordance with the World Bank Debt Sustainability Framework (i.e., eligible to receive only IDA grants).

VI. GEF Partner Agency Eligibility to Administer Concessional Finance

10. A GEF Partner Agency is eligible to provide GEF concessional finance, if it can demonstrate the following:

- (a) Ability to accept financial returns and transfer from the GEF Partner Agency to the GEF Trust Fund;
- (b) Ability to monitor compliance with non-grant instrument repayment terms;
- (c) Capacity to track financial returns (semester billing and receiving) not only within its normal lending operations but also for transactions across trust funds;
- (d) Commitment to transfer reflows twice a year to the GEF Trust Fund;

And, in case of concessional finance for private sector beneficiaries:

- (e) Track-record of repaid principal and financial returns from private sector beneficiaries to the GEF Partner Agency.

And, in case of concessional finance for public sector recipients:

- (f) Track-record of lending or financing arrangements with public sector recipients; and
- (g) Established relationship with the beneficiary countries' Ministry of Finance or equivalent.

VII. Financial Terms for Concessional Finance

11. For non-grant instruments with private sector entities, the GEF Partner Agency designs and negotiates non-grant instruments to ensure minimum concessionality in order to avoid crowding-out of other sources of financing while achieving the project/program objectives.

12. For non-grant instruments with public sector beneficiaries, the GEF Partner Agency utilizes terms comparable to IDA.

VIII. Monitoring, Reporting and Management of Reflows

13. At the time of project proposal submission, the GEF Partner Agency indicates a timeline when all investments are to be completed and an indicative schedule of reflows. At the CEO Endorsement Request stage, the GEF Partner Agency specifies the non-grant instrument term and an updated schedule of reflows. The schedule and amount of reflows is consistent with the applicable terms of financing under the relevant project/program proposals approved by the Council and/or the CEO.

14. Each GEF Partner Agency is responsible for receiving and monitoring financial returns in accordance with its own financial management policies and procedures applicable to such financing activities.

15. Each GEF Partner Agency, in accordance with its own policies and procedures, seeks to recover outstanding balances, recognizing that the risk of non-payment by a beneficiary can reduce reflows. The GEF Partner Agency maintains documentary evidence of its efforts to recover outstanding balances and provides a sound audit trail for the purpose of reporting to the Council, as appropriate.

16. Pursuant to the provisions of the Financial Procedures Agreement entered into between the GEF Partner Agency and the Trustee, the following procedures apply to the management of reflows by the GEF Partner Agency to the GEF Trust Fund:

(a) The GEF Partner Agency receives and holds the financial returns arising out of non-grant instruments, including investment income accruing thereon, in a designated account until such financial returns are transferred to the Trustee as reflows;

(b) All actual reflows, including investment income as noted above, are transferred to the Trustee at least twice a year, or at a frequency agreed between the Trustee and the GEF Partner Agency;

(c) The GEF Partner Agency informs the Trustee about reflows, on a quarterly basis, or at another frequency as agreed between the Trustee and the GEF Partner Agency, of (i) the financial returns received during the reporting period; (ii) the date of such receipts; (iii) the project to which the returns are associated; and (iv) the total investment income earned on the balance of the account during this same reporting period;

(d) All reporting from the GEF Partner Agency to the Trustee is in writing; and

(e) The GEF Partner Agency maintains supporting documentation which may be requested by the Trustee as needed.

17. The Trustee assigns all reflows received to the GEF trust fund.

IX. DEFINITIONS

18. The terms used in this directive have the meanings set forth below:

19. **Executing Agency:** A GEF Executing Agency is an entity or agency that receives GEF funding from a GEF Partner Agency in order to execute a GEF project, or parts of a GEF project, under the supervision of a GEF Partner Agency. It may also be referred to as a “project executing agency”.

20. **GEF Agency:** Any of the 10 institutions that were entitled to request and receive GEF resources directly from the GEF Trustee for the design and implementation of GEF-financed projects and programs as of November 2010. They include the following organizations: the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank (IADB), the International Bank for Reconstruction and Development (World Bank), the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), and the United Nations Industrial Development Organization (UNIDO).

21. **GEF Partner Agency:** Any of the entities eligible to request and receive GEF resources directly from the GEF Trustee for the design and implementation of GEF-financed projects and programs. This category includes both the ten *GEF Agencies* and *GEF Project Agencies*.

22. **GEF Project Agency:** Any of the institutions that the GEF has accredited to receive GEF resources from the GEF Trustee for the design and implementation to implement GEF-financed projects and programs apart from the ten GEF Agencies.

ANNEX 1-A: DESCRIPTIONS FOR COMMON GEF NON-GRANT INSTRUMENTS

1. This Annex updates and clarifies the GEF descriptions for non-grant instruments, which were first established in GEF Council Document GEF/C.13/Inf.05, *Engaging the Private Sector in GEF Activities*, April 22, 1999, and further explicated in Council Document GEF/C.32/07, *Use of Non-Grant Instruments in GEF Projects: Progress Report*, October 25, 2007.

2. There exists a vast variety of non-grant instruments encompassing a range of sophisticated, innovative financial instruments. For convenience, these instruments are often grouped into three main categories: (i) risk mitigation products; (ii) equity; and (iii) debt instruments. The following descriptions provide a helpful guide for the types of non-grant instruments that are likely to be used in GEF projects. Other types of non-grant instruments which may be developed through innovative approaches can also be considered for GEF projects.

Risk mitigation products

Credit Guarantee/Partial Credit Guarantee

3. Credit guarantees are a commitment to reimburse a lender if the borrower fails to repay a loan. The credit guarantee balance is not invested, but held in reserve and only paid out if a borrower fails to repay.

4. In partial credit guarantees, the GEF provides a guarantee for a pre-defined portion of a commercial loan, sharing the rest of the risk of potential losses with the lender and other investors. This facilitates the availability of commercial loans and increases the attractiveness of the respective loan terms. By extending the maturity of commercial loans for projects, partial credit guarantees can provide improved cash flow during project life. However, they do not address risks that jeopardize cash flow, but rather provide an overall enhancement to the project's economics by covering general credit risk during a particular phase of the project.

Performance Risk Guarantee

5. A performance risk guarantee is like a credit guarantee, only in this case the guarantee fund is used to help compensate project partners if the project fails to deliver expected cost-savings (i.e., through energy efficiency improvements). This performance guarantee provides lowers the risk of default, encouraging local lenders to provide debt funding at attractive rates for the project.

Structured Financing

6. This is a mechanism that layers GEF funding, usually at concessional terms or in a junior position, as part of an overall investment package. The ability of the GEF funding to be junior, and therefore more risky, allows other investors to be senior, providing them with more predictable returns. In the event of a partial default, senior investors would be repaid first, with the GEF and other junior partners potentially receiving no repayments.

7. This mechanism is very close in end goal to a partial risk-sharing facility, however, in this model the GEF funds are invested, rather than held in reserve.

Equity

Equity/Investment Fund

8. Investment funds are for-profit, private sector, environmental funds that receive grant and/or non-grant funding from GEF. The objective is to provide commercial or quasi-commercial financing to subprojects through a fund manager, with a possible financial return on capital. Investment funds leverage GEF financing to mobilize a larger pool of commercial capital to invest in eligible projects, utilizing debt or equity instruments as appropriate.

Revolving Equity Fund

9. A revolving fund establishes a mechanism that offers equity investments that are repaid to the fund as the project matures and generates income. If the project is not successful, the investment is fully or partially forgiven and not repaid. The revolving funds are designed to invest in a portfolio of projects anticipating that successful projects will enable reflow to the fund, therefore allowing the fund to sustain operations well after the original GEF project may be completed.

Debt instruments

Contingent Loan

10. A contingent loan differs from a contingent grant in that a loan is treated as debt and therefore has a higher repayment priority than the converted grant. A grant is treated as project equity or an asset unless another arrangement is negotiated. A contingent loan is repaid on a similar schedule and with similar interest to other loans. Similar to the contingent grant, it could be forgiven if the project fails.

Concessional Loan

11. A concessional loan refers to loans provided at below-market rates. These are also called "soft loans." The availability of the concessional loan could be contingent upon participation of other commercial lenders to achieve co-financing and leveraging of non-GEF funds. Contingent or concessional loans would likely supplement (and probably be subordinate to) other project debt.

Revolving Loan Fund

12. A revolving fund establishes a mechanism that offers contingent loans that are repaid to the fund as the project matures and generates income. If the project is not successful, the loan is fully or partially forgiven and not repaid. The revolving funds are designed to invest in a portfolio of projects anticipating that successful projects will enable reflow to the fund, therefore allowing the fund to sustain operations well after the original GEF project may be completed.

ANNEX 2: GEF EXPERIENCE WITH NON-GRANT INSTRUMENTS

1. Ever since the GEF's early years, there has been continuing interest in exploring options for non-grant financing. Consequently throughout the years, the GEF has deployed a range of non-grant financial instruments that help deliver innovative projects and catalytic partnerships[4]. Some of the models developed by the GEF and its Agencies have subsequently been used in other, non-GEF projects that promote market transformation and scaling, thus increasing the impact of the GEF's initial programming through broader adoption.

2. The GEF has significant experience with the use of non-grant instruments–in the form of risk mitigation, equity and debt instruments–in a diverse set of project types and in a variety of focal areas. The analysis presented in this section provides further detail on the experience of the GEF in financing projects and programs with non-grant instruments.

3. It is worth noting that the GEF, through GEF-5, has used non-grant instruments exclusively in connection with its engagement with the private sector. The analysis below, therefore, relates to private sector programming. There exists a vast variety of non-grant instruments encompassing a range of sophisticated, innovative instruments. For convenience, these instruments are often grouped into three main categories: (i) risk mitigation products; (ii) equity; and (iii) debt instruments:

(a) <u>Risk mitigation products</u>**:** Concessional financing for these products can help catalyze commercial providers of funding to support activities that may be perceived as too risky by commercial investors or lenders, and risk cover provided by commercial insurers may not be available or affordable. Risk mitigation instruments may also include partial credit guarantees, risk-sharing facilities (*pari-passu* or first-loss covers), structured debt funds, and securitizations;

(b) <u>Equity</u>: Equity can be concessional if the investor requires a lower risk-adjusted rate of return, thus facilitating the sponsor to invest in projects that are riskier than commercial investors would normally consider for such an expected return. Equity – because of its lower rank of security for the investor – can leverage additional debt finance, by improving the equity-to-debt ratio for the project.; and

(c) <u>Debt instruments:</u> Concessional debt finance may be based on price (including interest rates and/or fees), tenor, subordination, repayment profile, and/or security. For example, concessional debt may involve interest rates that are below commercially available market rates for the given risk profile, and/or below-market interest rates combined with longer grace periods or tenors than available on the market.

[4] GEF's use of non-grant instruments in the past was based on Council decisions documented in GEF/C.32/07, The Use of Non-Grant Instruments in GEF Projects: Progress Report, November 2007, and GEF/C.33/12, Operational Policies and Guidance for the Use of Non-Grant Instruments, March 2008.

4. Since the GEF's inception, a total of 86 projects have been recorded as having utilized a "non-grant" instrument, totaling $715 million of GEF financing. This is equivalent to about 6 per cent of the GEF's total programmed amount. As set out in Table 5 below, the use of non-grant instruments expanded through GEF-3, and then decreased sharply in GEF-4 (largely attributable to the introduction of the Resource Allocation Framework), before recovering in GEF-5. While the use of non-grant instruments has varied, the co-financing ratio of such projects has trended upward over time, and is well above co-financing levels of GEF grant programming. A key reason for the higher co-financing ratios is that projects using non-grant instruments are often designed to leverage substantial capital, usually from the private sector, whether it is through providing funding for first losses in partial guarantee schemes, or providing equity to leverage other kinds of finance.

Table 1: Use of Non-grant Instruments across GEF Phases

Group	GEF Phase	Number of Projects	GEF Contr. (M$)	Co- financing (M$)	Co-financing Ratio
Pilot to GEF - 3	Pilot Phase	3	16	7	0.5
	GEF - 1	8	104	391	3.8
	GEF - 2	23	150	848	5.6
	GEF - 3	26	185	1,015	5.5
Pilot to GEF - 3 Total		**60**	**455**	**2,260**	**5**
GEF - 4 and GEF - 5	GEF - 4	8	95	706	7.5
	GEF - 5	18	166	3,425	20.7
GEF - 4 and GEF - 5 Total		**26**	**260**	**4,131**	**15.9**
Grand Total		**86**	**715**	**6,391**	**8.9**

Source: Secretariat calculations based on PMIS

5. The largest share of projects involving the use of non-grant instruments has been in the climate change mitigation focal area. In total, 71 of the 86 projects that have used non-grant instruments since the GEFs inception were climate change projects, accounting for 80 percent of GEF funding allocated for non-grant financing. Seven projects have been in the biodiversity focal areas. In GEF-5, all 18 projects approved included climate change mitigation focal area objectives; one project also includes biodiversity objectives.[5]

[5] Project #4959 with the IADB includes a $5 million GEF contribution to an equity fund investing in small businesses promoting biodiversity through sustainable forestry, fishery, and eco-tourism.

Table 2: Non-grant Instruments by Focal Area

Focal Area	Number of Projects	GEF Contr. (M$)	Co-financing (M$)	Co-financing Ratio
Biodiversity	7	28	90	3.2
Climate Change	71	566	5,465	9.7
International Waters	2	30	298	9.9
Multi Focal Area	6	91	538	6
Grand Total	**86**	**715**	**6,391**	**8.9**

Source: Secretariat calculations based on PMIS.

6. Debt instruments and risk mitigation products have been the most frequently used non-grant instruments. Together these two types of instruments comprise a total of 71 per cent of all usages (by investment amount) since inception. Of the 86 projects utilizing non-grant instruments to date, 33 were based on debt instruments, another 33 on risk mitigation products, while seven were equity investments. Examples of the various instruments are provided in Box 1 below. Finally there have been 13 instances of projects using more than one type of non-grant instrument. There is no *a priori* advantage of using one form of non-grant instrument compared to another. Rather, each instrument aims to address a different underlying obstacle. For example, if the main barrier is high up-front costs of finance, then some sort of structured concessional debt instrument may be most appropriate. If, on the other hand, high perceived risk is the main barrier, a risk mitigation product may be more effective.

Table 3: Use of Non-grant Instrument Types

Non-grant Instrument Type	Number of Projects	GEF Contr. ($ million)	Co-financing ($ million)	Co-financing Ratio
Debt Instruments	33	221	2,685	12.2
Equity	7	61	698	11.4
Risk Mitigation	33	291	2,329	8.9
Mixed	13	142	679	4.8
Total	**86**	**715**	**6,391**	**8.9**

Source: Secretariat calculations based on PMIS

Box 1: Examples of GEF Use of Non-Grant Instruments

(i) Risk Mitigation Products

The GEF has a long history of working with the IFC to establish risk-sharing facilities. Starting from a GEF project with the IFC in Hungary, the GEF and the IFC eventually went on to launch 12 sustainable energy finance programs supported with concessional funding. An additional three were subsequently established without GEF funding, based on the GEF model. The total efforts include engagements with 30 financial intermediaries resulting in over 20 risk sharing facilities, six credit lines, and one funded mezzanine facility. These facilities are expected to eventually support $1.4 billion of lending, of which $680 million has been achieved to date, on the basis of a total GEF investment of $70 million accompanied by IFC exposure of $302 million. One of the most successful examples of these risk-sharing facilities is the CHUEE project, initiated by GEF and IFC in 2006 in which GEF funding is used to partly fund a risk-sharing facility for Chinese local banks. Phase 1 and 2 of CHUEE used $16 million from the GEF and $40 million from IFC to take the first loss of lending from local banks to utility companies installing energy efficient equipment, triggering $800 million (as of 2012) of investments. Phase 3 of CHUEE has just started, using $10 million of GEF funding, and could add another $100 million or more of leveraged financing.

(ii) Debt

Revolving funds are the most common type of debt instrument used in GEF projects—UNDP alone has implemented 14 non-grant projects with revolving loan funds; other agencies using revolving funds include the IADB, World Bank, UNEP, and UNIDO. The second most common debt instrument is a loan or credit-line, which can be used to provide loans to local financial institutions for on-lending, or direct loans to private sector partners.

(iii) Equity

A recent example is the *Africa Renewable Equity Fund*, in which the GEF has provided $4.5 million that is placed in the Fund as Class A shares (with the return capped at 4 per cent) and; $25 million has been provided by other donors. By accepting a capped return, this tranche is expected to increase net returns to other investors by 2-3%, which will (1) increase the range of potentially investable projects by boosting the returns of the fund in circumstances where project returns might be lower than generally acceptable, and (2) mitigate the need in certain projects to seek more complex forms of donor or tariff support to make projects bankable, which often results in delays or project suspension. A potential investment of $4.5 million of GEF resources and $25 million of AfDB resources has been used as seed funding to attract $150 million of funding from partners. The fund managers will actively pursue renewable energy projects across Africa with a focus on meeting the goals of *Sustainable Energy for All (SE4ALL)*. These equity investments are expected to attract significant additional private sector investment, primarily as debt, for the actual projects, with a pipeline already worth half a billion ($470 million). Another example is IADB's *MIF Public-Private Partnership Program*, which is funded by a US$15 million GEF equity investment and expects to raise more than $260 million in targeted equity investments in funds to promote energy efficiency, renewable energy, and biodiversity in Latin America. The investments will contribute to energy savings, new renewable energy supply, reduction of greenhouse gas (GHG) emissions, preservation of natural resources, protection of biodiversity, and development of sustainable business models.. The IADB has identified three leading funds for negotiation. Each fund has identified a pipeline of investments in Latin America that will address selected program goals and has already attracted significant private sector investment interest. The GEF funding will be used along with IADB funding and other investor funding to help projects "get to close" and begin implementation.

ANNEX 2-A: GEF PROJECTS USING A NON-GRANT INSTRUMENT

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
13	UNDP	Thailand	Completion	Removal of Barriers to Biomass Power Generation and Co-generation	GEF - 2	22-Jan-01	6.8	101.6	108.5	14.9	Risk Mitigation	N
91	IFC	Global	Closure	Small and Medium Scale Enterprise Program (IFC)	GEF - 1	1-Jul-94	4.3	15.2	19.5	3.5	Mixed	Y
111	IFC	Hungary	Completion	Energy Efficiency Co-Financing Program	GEF - 1	11-May-97	5.0	20.0	25.0	4.0	Risk Mitigation	Y
112	IFC	Global (Kenya, India, Morocco)	Completion	Photovoltaic Market Transformation Initiative (IFC)	GEF - 1	17-Jun-98	30.4	90.0	120.4	3.0	Mixed	Y
135	IFC	Global	Approved by Implementing Agency	Small and Medium Scale Enterprise Program (IFC, first replenishment)	GEF - 1	10-Feb-97	16.5	36.0	52.5	2.2	Mixed	N
267	UNDP	Regional (Egypt, Palestinian Authority)	Closure	Energy Efficiency Improvements and Greenhouse Gas Reductions	GEF - 1	16-Jun-98	6.4	1.8	8.1	0.3	Risk Mitigation	N
314	UNDP	Bolivia	Completion	A Program for Rural Electrification with Renewable Energy Using the Popular Participation Law	GEF - 1	28-May-99	4.2	4.1	8.3	1.0	Debt	N
377	UNDP	Sudan	Closure	Community Based Rangeland Rehabilitation for Carbon Sequestration	Pilot Phase	1-Dec-92	1.5	0.1	1.6	0.1	Debt	N
386	UNDP	India	Completion	Optimizing Development of Small Hydel Resources in Hilly Areas	Pilot Phase	1-Dec-91	7.5	7.1	14.6	1.0	Debt	N
391	UNDP	Pakistan	Closure	Fuel Efficiency in the Road Transport Sector	Pilot Phase	1-May-92	7.0	0.0	7.0	0.0	Debt	N
448	UNDP	Malaysia	Completion	Industrial Energy Efficiency Improvement Project	GEF - 1	8-Jun-99	7.3	13.5	20.8	1.8	Debt	N
540	World Bank	Thailand	Closure	Building Chiller Replacement Program	GEF - 2	23-Apr-01	2.5	2.7	5.2	1.1	Debt	Y

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
595	IFC	Global	Cancelled	Solar Development Group (SDG)	GEF - 2	20-Sep-00	10.0	40.0	50.0	4.0	Equity	N
622	UNDP	China	Completion	Energy Conservation and GHG Emission Reduction in Chinese Township and Village Enterprises (TVE), Phase II	GEF - 2	11-Oct-00	8.0	10.6	18.5	1.3	Debt	N
641	UNDP	Malawi	Completion	Barrier Removal to Renewable Energy Programme	GEF - 2	15-Oct-00	3.4	7.3	10.7	2.1	Risk Mitigation	N
646	UNDP	Morocco	Completion	Market Development for Solar Water Heaters	GEF - 2	24-Apr-00	3.0	1.7	4.7	0.6	Risk Mitigation	N
658	UNDP	Slovenia	Completion	Removing Barriers to the Increased Use of Biomass as an Energy Source	GEF - 2	5-Feb-01	4.4	7.9	12.3	1.8	Debt	N
660	UNDP	Sudan	Under Implementation	Barrier Removal to Secure PV Market Penetration in Semi-Urban Sudan	GEF - 2	5-Mar-99	0.8	1.0	1.7	1.3	Risk Mitigation	N
667	IFC	Global	Cancelled	Renewable Energy and Energy Efficiency Fund (IFC)	GEF - 1	15-Oct-97	30.0	210.0	240.0	7.0	Risk Mitigation	N
782	UNDP	Cuba	Cancelled	Co-generation of Electricity and Steam Using Sugarcane Bagasse and Trash	GEF - 2	1-May-00	12.5	73.2	85.7	5.9	Risk Mitigation	N
786	World Bank	Poland	Completion	Krakow Energy Efficiency Project	GEF - 2	21-Sep-04	11.2	88.0	99.2	7.9	Risk Mitigation	N
843	UNDP	Chile	Completion	Removal of Barriers to Rural Electrification with Renewable Energy	GEF - 2	28-Jun-01	6.1	26.3	32.4	4.3	Risk Mitigation	N
882	UNDP	Croatia	Completion	Removing Barriers to Improving Energy Efficiency of the Residential and Service Sectors	GEF - 2	9-Aug-04	4.6	8.7	13.3	1.9	Risk Mitigation	N
883	World Bank	Romania	Closure	Energy Efficiency Project	GEF - 2	20-Aug-02	10.4	24.0	34.4	2.3	Debt	N
935	IFC	Peru	Under Implementation	Poison Dart Frog Ranching to Protect Rainforest and Alleviate Poverty	GEF - 2	13-Jan-03	2.7	3.1	5.8	1.2	Risk Mitigation	N
944	IFC	Regional (Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania)	Completion	Energy Efficiency Project	GEF - 2	6-Oct-02	7.1	32.8	39.9	4.6	Risk Mitigation	N

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
1061	IFC	Peru	Completion	Inka Terra: An Innovative Partnership for Self-Financing Biodiversity Conservation & Community Development	GEF - 3	19-Dec-03	0.8	11.4	12.1	15.2	Debt	Y
1137	UNDP	Georgia	Completion	Promoting the Use of Renewable Energy Resources for Local Energy Supply	GEF - 3	11-Feb-04	4.7	9.3	14.0	2.0	Debt	N
1198	UNDP	Belarus	Completion	Biomass Energy for Heating and Hot Water Supply	GEF - 3	26-Jun-03	3.4	5.6	8.9	1.6	Debt	N
1199	UNDP	India	Completion	Removal of Barriers to Biomass Power Generation, Part I	GEF - 3	13-Jan-05	5.7	33.5	39.2	5.9	Risk Mitigation	N
1237	World Bank	China	Completion	Energy Conservation Project, Phase II	GEF - 2	30-Sep-02	26.0	255.2	281.2	9.8	Risk Mitigation	N
1245	UNDP	Lesotho	Completion	Renewable Energy-based Rural Electrification	GEF - 3	22-Sep-06	2.8	4.3	7.1	1.5	Risk Mitigation	N
1264	UNDP	Philippines	Completion	Capacity Building to Remove Barriers to Renewable Energy Development	GEF - 2	24-Sep-02	5.4	18.3	23.8	3.4	Risk Mitigation	N
1265	UNDP	Poland	Completion	Polish Energy Efficiency Motors Programme	GEF - 2	5-Nov-03	4.5	17.7	22.2	3.9	Debt	N
1291	World Bank	Croatia	Completion	Renewable Energy Resources Project	GEF - 2	17-May-02	6.4	3.0	9.4	0.5	Mixed	N
1316	IFC	Hungary	Approved by Implementing Agency	Energy Efficiency Co-Financing Program 2 (HEECP2)	GEF - 2	3-Oct-01	0.7	93.2	93.9	133.1	Risk Mitigation	Y
1335	UNDP	Egypt	Under Implementation	Bioenergy for Sustainable Rural Development	GEF - 3	28-Aug-06	3.3	12.4	15.7	3.7	Debt	N
1358	UNEP	Zambia	Completion	Renewable Energy-based Electricity Generation for Isolated Mini-grids	GEF - 3	16-Nov-05	3.3	4.6	7.8	1.4	Debt	N
1361	UNEP	Cuba	Completion	Generation and Delivery of Renewable Energy Based Modern Energy Services in Cuba; the case of Isla de la Juventud	GEF - 3	21-Mar-05	5.7	10.7	16.4	1.9	Debt	N

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
1413	UNDP	Honduras	Completion	Energy Efficiency Measures in the Honduran Commercial and Industry Sectors	GEF - 3	16-Jan-04	1.0	1.6	2.6	1.6	Risk Mitigation	N
1485	IFC	Peru	Cancelled	Poison Dart Frog Ranching to Protect Rainforest and Alleviate Poverty	GEF - 3	11-Apr-03	0.8	1.0	1.8	1.3	Equity	N
1532	World Bank	Philippines	Completion	Electric Cooperative System Loss Reduction Project	GEF - 3	12-Apr-04	12.4	50.3	62.7	4.1	Risk Mitigation	N
1541	IFC	Regional (Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania)	Completion	Commercializing Energy Efficiency Finance (CEEF) - Tranche I	GEF - 2	11-May-01	11.3	20.9	32.1	1.9	Risk Mitigation	N
1571	IFC	Regional (Bolivia, Costa Rica, Mexico, Peru, Belize, Ecuador, El Salvador, Panama, Paraguay)	Completion	EcoEnterprises Fund	GEF - 2	19-Apr-02	1.0	9.0	10.0	9.0	Debt	N
1609	UNEP	Regional (Africa and Asia)	Under Implementation	Renewable Energy Enterprise Development - Seed Capital Assistance Facility	GEF - 3	1-Jun-06	8.7	54.6	63.3	6.3	Equity	N
1615	World Bank	Regional (Armenia, Bulgaria, Hungary, Poland, Romania, Russian Federation, Tajikistan, Turkey, Ukraine)	Cancelled	Geothermal Energy Development Program , GeoFund	GEF - 3	16-May-03	10.1	175.0	185.1	17.4	Risk Mitigation	N
1646	UNDP	Russian Federation	Closure	Cost Effective Energy Efficiency Measures in the Russian Educational Sector	GEF - 2	10-Jun-02	1.0	1.7	2.7	1.7	Debt	N

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
2000	IFC	Global	Under Implementation	Environmental Business Finance Program (EBFP)	GEF - 3	21-Nov-03	20.0	80.0	100.0	4.0	Risk Mitigation	Y
2105	UNDP	Croatia	Under Implementation	Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development	GEF - 3	28-Sep-06	7.3	24.3	31.6	3.3	Risk Mitigation	N
2111	IFC	Russian Federation	Completion	Russian Sustainable Energy Finance Program	GEF - 3	17-Mar-05	7.0	23.3	30.3	3.3	Risk Mitigation	N
2117	World Bank	Bulgaria	Completion	Energy Efficiency Project	GEF - 3	21-May-04	10.3	39.5	49.8	3.8	Risk Mitigation	N
2119	UNEP	Regional (Djibouti, Eritrea, Ethiopia, Kenya, Tanzania, Uganda)	Under Implementation	African Rift Geothermal Development Facility (ARGeo)	GEF - 3	25-Jul-12	19.1	74.3	93.3	3.9	Debt	N
2256	UNDP	Namibia	Completion	Barrier Removal to Namibian Renewable Energy Programme (NAMREP), Phase II	GEF - 3	1-Aug-06	2.6	7.6	10.2	2.9	Risk Mitigation	N
2531	World Bank	Macedonia	Completion	Sustainable Energy Program	GEF - 3	27-Nov-06	5.9	26.7	32.6	4.6	Debt	N
2619	UNEP	Eastern Europe	Suspended	Financing EE & RE In Eastern Europe	GEF - 4	25-Oct-06	3.0	9.1	12.1	3.0	Mixed	N
2624	IFC	China	Completion	China Utility-Based Energy Efficiency Finance Program (CHUEE)	GEF - 3	10-Mar-06	16.5	199.0	215.5	12.1	Risk Mitigation	N
2670	UNDP	Regional (Costa Rica, Guatemala, Honduras, Nicaragua, El Salvador)	Under Implementation	Central American Markets for Biodiversity (CAMBio): Mainstreaming Biodiversity Conservation and Sustainable use within Micro, Small and Medium-sized Enterprise Development and Financing	GEF - 3	20-Mar-06	10.2	27.3	37.5	2.7	Risk Mitigation	N
2681	UNDP	Tajikistan	Dropped	Promotion of Renewable Energy Use for Development of Rural Communities	GEF - 3	NA	1.0	4.0	5.0	4.1	Debt	N

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
2939	UNDP	Global	Under Implementation	Solar Water Heating Market Transformation and Strengthening Initiative, Phase 1	GEF - 3	29-Jul-08	12.3	24.2	36.5	2.0	Risk Mitigation	N
2941	IADB	Brazil	Under Implementation	Market Transformation for Energy Efficiency in Buildings	GEF - 4	29-Jul-09	13.8	122.8	136.5	8.9	Mixed	N
2944	IFC	Regional (Fiji, Marshall Islands, Papua New Guinea, Solomon Islands, Vanuatu)	Under Implementation	Sustainable Energy Financing	GEF - 3	18-May-07	9.5	49.0	58.5	5.2	Risk Mitigation	N
3005	IADB	Regional (Brazil, Nicaragua, Panama, Mexico)	Under Implementation	CleanTech Fund	GEF - 3	7-Feb-06	1.0	61.2	62.2	61.5	Equity	N
3558	World Bank	Regional (Cape Verde, Liberia, Sierra Leone, Senegal)	Under Implementation	West Africa Regional Fisheries Program (WARFP)	GEF - 4	1-Sep-09	10.0	46.0	56.0	4.6	Debt	N
3597	EBRD	Russian Federation	Under Implementation	RUS Improving Urban Housing Efficiency in the Russian Federation	GEF - 4	19-Nov-10	9.8	140.0	149.8	14.2	Debt	N
3626	UNEP	Regional (Micronesia, Marshall Islands, Palau)	Under Implementation	PAS The Micronesia Challenge : Sustainable Finance Systems for Island Protected Area Management - under the GEF Pacific Alliance for Sustainability	GEF - 4	28-May-10	5.5	13.9	19.4	2.6	Debt	N
3766	IADB	Regional (Antigua And Barbuda, Barbados, Costa Rica, Guatemala, Guyana, Honduras, St. Lucia, Panama, Suriname)	Under Implementation	Testing a Prototype Caribbean Regional Fund for Wastewater Management (CReW)	GEF - 4	2-Dec-10	20.4	251.7	272.1	12.4	Debt	N
4176	IADB	Chile	Under Implementation	Encouraging the Establishment and Consolidation of an Energy Service Market in Chile	GEF - 4	8-Dec-10	2.4	32.8	35.2	13.9	Risk Mitigation	N

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
4257	IFC	Global	CEO Endorsed	IFC Earth Fund	GEF - 4	30-Apr-08	30.0	90.0	120.0	3.0	Mixed	Y
4427	World Bank	Russian Federation	Council Approved	Russia Energy Efficiency Financing (REEF) Project	GEF - 5	29-Mar-11	22.7	1,249.0	1,271.7	55.0	Debt	N
4512	ADB	Regional	Under Implementation	Pilot Asia-Pacific Climate Technology Network and Finance Center	GEF - 5	31-May-12	10.9	74.4	85.3	6.8	Equity	N
4626	World Bank	Djibouti	CEO Endorsed	Geothermal Power Generation Progarm	GEF - 5	12-Mar-13	6.0	25.2	31.2	4.2	Debt	N
4683	EBRD	Russian Federation	Council Approved	ARCTIC Targeted Support for Energy Efficiency and Renewable Energy in the Russian Arctic	GEF - 5	NA	6.3	84.1	90.4	13.3	Debt	N
4753	UNIDO	Pakistan	CEO Endorsed	Sustainable Energy Initiative for Industries	GEF - 5	2-Apr-14	3.6	31.2	34.8	8.6	Mixed	N
4784	UNIDO	Ukraine	CEO Endorsed	Introduction of Energy Management System Standard in Ukrainian Industry	GEF - 5	21-Oct-13	5.6	34.0	39.6	6.0	Mixed	N
4788	UNIDO	India	CEO Endorsed	Promoting Business Models for Increasing Penetration and Scaling up of Solar Energy	GEF - 5	23-Dec-13	4.4	21.8	26.3	4.9	Mixed	N
4801	UNDP	Vietnam	CEO Endorsed	Promotion of Non-fired Brick (NFB) Production and Utilization	GEF - 5	11-Mar-14	2.9	36.1	39.0	12.5	Debt	N
4890	UNIDO	Uruguay	CEO Endorsed	Towards a Green Economy in Uruguay: Stimulating Sustainable Production Practices and Low-emission Technologies in Prioritized Sectors	GEF - 5	19-Nov-13	3.4	32.4	35.9	9.4	Debt	N
4918	World Bank	India	Council Approved	Partial Risk Sharing Facility for Energy Efficiency	GEF - 5	7-Jun-12	18.0	594.3	612.3	33.0	Risk Mitigation	N
4929	AfDB	Regional	CEO Endorsed	AfDB PPP Program	GEF - 5 (PS)	21-Feb-13	20.0	240.0	260.0	12.0	Debt	Y
4957	World Bank	Turkey	CEO Endorsed	Small and Medium Enterprise Energy Efficiency Project	GEF - 5	22-Feb-13	3.6	302.3	305.9	83.0	Debt	N
4959	IADB	Regional	Under Implementation	IDB PPP Program	GEF - 5 (PS)	27-Mar-13	15.0	266.3	281.3	17.8	Equity	Y
5143	EBRD	Regional	CEO Endorsed	Structured Financing for Energy Efficiency in Southern Mediterranean	GEF - 5 (PS)	4-Sep-14	15.0	150.0	165.0	10.0	Mixed	Y

GEF PMIS ID	Agency	Country	Stage	Name	GEF Phase	CEO Approval/ Endorsement	GEF Amount ($ million)	Total Co-financing ($ million)	Total Project Cost ($ million)	Co-financing Ratio	Type of Non-Grant Instrument (Summarized)	Reflows to the GEF
5388	IADB	Regional	Council Approved	Sustainable Caribbean Basin Private Equity Fund	GEF - 5 (PS)	17-Jun-13	15.0	200.0	215.0	13.3	Equity	Y
5563	World Bank	Algeria	Council Approved	Algeria Energy Efficiency Project	GEF - 5	1-May-14	3.6	7.3	10.9	2.0	Debt	N
5704	UNIDO	South Africa	Council Approved	Promoting Organic Waste-to-Energy and other Low-carbon Technologies in Small and Medium-scale Enterprises in South Africa.	GEF - 5 (PS)	1-Apr-14	4.2	25.5	29.7	6.0	Mixed	Y
5754	IADB	Regional (Latin America and Caribbean)	Council Approved	IDB-GEF Climate-Smart Agriculture Fund for the Americas	GEF - 5 (PS)	3-Apr-14	5.0	50.9	55.9	10.2	Mixed	Y
Total							**715.0**	**6,391.0**	**7,106.1**	**8.9**		

Source: GEF PMIS. In GEF-5, projects using the Private Sector Set-aside are noted as (PS)