



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	5388		
Country/Region:	Regional		
Project Title:	PPP-IDB Sustainable Caribbean Basin Private Equity Fund (PROGRAM)		
GEF Agency:	IADB	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-2; CCM-3;		
Anticipated Financing PPG:	\$0	Project Grant:	\$15,000,000
Co-financing:	\$200,000,000	Total Project Cost:	\$215,000,000
PIF Approval:		Council Approval/Expected:	June 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	David Elrie Rodgers	Agency Contact Person:	Rog�rio Ramos

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	DER, April 10, 2013. NA. This is a regional PPP that will be implemented by IDB in the Caribbean Basin countries that are GEF eligible.	
	2. Has the operational focal point endorsed the project?	DER, April 10, 2013. NA. This is a regional PPP and no letters of endorsement are required pursuant to GEF C.41.09.Rev.01	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DER, April 10, 2013. Yes. The IDB has demonstrated innovative use of financial instruments for public private partnerships and investments with private sector partners.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DER, April 10, 2013. Yes. This proposed project includes a private equity funding. The GEF will be in effect a limited partner with other equity partners. The IDB is capable of managing the equity fund.	

	5. Does the project fit into the Agency's program and staff capacity in the country?	DER, April 10, 2013. Yes. The IDB has staff and capacity to handle this effort across the Caribbean Basin.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DER, April 10, 2013. NA. The funding is not from STAR	
	• the focal area allocation?	DER, April 10, 2013. NA. The funding is not from STAR	
	• the LDCF under the principle of equitable access	DER, April 10, 2013. NA.	
	• the SCCF (Adaptation or Technology Transfer)?	DER, April 10, 2013. NA.	
	• Nagoya Protocol Investment Fund		
	• focal area set-aside?	DER, April 10, 2013. Yes. The funding will come from the GEF-5 private sector set-aside and other set-aside funding. Because funding for other focal areas is uncertain, please show the funding as zero, instead of TBD in the Tables, and please add something like the following as a footnote on Tabs A, B, and D. "The availability of additional focal area funding CCM, BD, SFM, IW, and SCCF, are uncertain at the time of work program inclusion. Additional funding from these sources may be pursued prior to CEO endorsement. If significant additional funding from these sources is added then the CEO endorsement package may be circulated for Council approval again following GEF project cycle requirements."	
		DER, April 12, 2013. The IDB has	

		explanatory information. Comment cleared.	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>DER, April 10, 2013. Yes. Table A is correctly filled out. The IDB project identifies multiple focal areas, all related to sustainability. As the private sector set-aside funds can be used for any focal area, the investment team will be able to make investments in any of the focal areas. Specifically, however, the emphasis will be on CCM and Chemicals as the investment team has prioritized these activities. If additional set-aside funding from other focal areas is available, then the investment team will expand and prioritize those types of focal area investments.</p> <p>DER, April 12, 2013. The revised PFD reflects this understanding. Comment cleared</p>	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	DER, April 10, 2013. Yes.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DER, April 10, 2013. Yes. The IDB will work closely with private sector investment partners to ensure that specific project investments are coordinated with national strategies and plans.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DER, April 10, 2013. Yes. This innovative use of private equity financing will create numerous project investments that will attract additional financing and deliver a positive return to project partners. This will catalyze greater interest in sustainable investments in the region.	
	11. Is (are) the baseline project(s), including problem (s) that the	DER, April 10, 2013. Yes. In the baseline scenario, project development	

Project Design	sufficiently described and based on sound data and assumptions?	is lagging behind the need. Investors often perceive elevated risk and do not make sufficient financing available.	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	DER, April 10, 2013. Yes. The private equity fund will identify project developers for sustainability investments that might otherwise not find access to commercial financing.	
	14. Is the project framework sound and sufficiently clear?	DER, April 10, 2013. Yes. IDB will establish the GEF funding as a limited partner in a new Caribbean Basin Private Equity Fund which will then pursue financially viable investments in projects that deliver sustainable environmental benefits.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?		
	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?	DER, April 10, 2013. Yes. Projects will be designed to deliver socioeconomic benefits as well as environmental benefits. Several types of projects, such as sustainable forestry, eco-tourism, and e-waste management may have specific health and socioeconomic benefits	

	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	DER, April 10, 2013. Yes. The IDB project team has extensive experience promoting CSO and stakeholder involvement.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	DER, April 10, 2013. Yes. Specifically the project scope will include climate adaptation and resiliency as one of the key investment criteria and benefits.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>DER, April 10, 2013.</p> <p>a) Please clarify that the project will coordinate with SIDS-DOCK; the proposed IDB project for Sustainable energy for the #astern Caribbean (SEEC) Program (GEF # 5312). Please clarify that the private equity financing focus of this proposed project will be complementary with the proposed capacity building, technical assistance, and regulatory emphasis in SIDS-DOCK and SEEC.</p> <p>b) Please clarify coordination with the proposed Strategic Action Programme addressing fisheries issues in the Caribbean basin that was agreed to in Colombia earlier in March 2013.</p> <p>DER, April 18, 2013.</p> <p>a) Coordination indicated. Comment cleared.</p> <p>b) Coordination will be commenced when funding becomes available. Comment cleared.</p>	
	20. Is the project implementation/ execution arrangement adequate?	DER, April 10, 2013. The PFD proposes to use Option 1 - concurrence in advance for the investment projects. This is logical as the the proposed project will have one investment partner where all the GEF funding will be allocated as a limited partner and the	

		<p>committee and seek board approval for the investment as a whole. However, the unique nature of the investment strategy that will focus on multi-focal area investments may require additional examination to ensure that GEF focal area requirements are being met. Please clarify if IDB would be willing to create a flexible collaborative approach to involve the GEF in providing guidance as innovative multi-focal area investments are designed.</p> <p>DER, April 12, 2013. Response indicates GEF input will be sought. Comment cleared.</p>	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	DER, April 10, 2013. Yes. The PMC is zero, which is appropriate for this PPP.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>DER, April 10, 2013. Some of the focal area funding limits, including CCM, SFM, SCCF, are uncertain at the time of work program inclusion. At this time, we can confirm the following GEF funding:</p> <p>Private sector set-aside: \$23 million CCM set-aside: \$1 million Chemicals set-aside: \$5 million Please adjust the PFD Tables A, B, and</p>	

		<p>Please clarify if co-financing levels may need to change due to this limitation.</p> <p>Additional funding from these sources may be pursued prior to CEO endorsement. If significant additional funding from these sources is added then the CEO endorsement package may be circulated for Council approval again as needed.</p> <p>DER, April 12, 2013. Adjustments made. The response indicates the MIF/IDB is aware of possible future constraints with respect to GEF funding for multi-focal areas. The MIF further understands that should such funding levels change, projected co-financing may also change. Comment cleared.</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>DER, April 10, 2013. The amount available from co-financing is sufficient to support strong clean energy and chemicals investments. However, co-financing support for multi-focal areas may not be sufficient at this time, due to the uncertainty regarding GEF funding. Please clarify if the IDB understands that if additional funding from GEF becomes available, the expectation is the co-financing levels will be adjusted accordingly.</p> <p>DER, April 12, 2013. See box 21. Comment cleared.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>DER, April 10, 2013. Yes. At the time of CEO endorsement, we hope IDB can identify additional co-financing that may become available.</p> <p>DER, April 12, 2013. Comment cleared.</p>	

Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		DER, April 10, 2013. This will be addressed at the time of investment close, consistent with the PPP guidelines.
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		DER, April 10, 2013. This should be documented in the CEO endorsement package.
Agency Responses	29. Has the Agency responded adequately to comments from:		
	<ul style="list-style-type: none"> • STAP? 	DER, April 10, 2013. This should be documented in the CEO endorsement package.	
	<ul style="list-style-type: none"> • Convention Secretariat? 	DER, April 10, 2013. This should be documented in the CEO endorsement package.	
	<ul style="list-style-type: none"> • Council comments? 		DER, April 10, 2013. This should be documented in the CEO endorsement package.
	<ul style="list-style-type: none"> • Other GEF Agencies? 	DER, April 10, 2013. This should be documented in the CEO endorsement package.	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>DER, April 10, 2013. Not at this time. Please address the comments in boxes 6, 12,18,19,21,22,23.</p> <p>DER, April 12, 2013. Yes. All comments cleared. The PFD is technically cleared and can be considered for a future work program.</p> <p>DER, April 29, 2013. In response to a request from the GEFSEC, the PFD was revised for a lower GEF funding amount. The PFD is technically cleared and can be considered for a future work program.</p>	
	31 Items to consider at CEO	DER April 10 2013 This PPP will be	

		when it is ready for CEO endorsement.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	April 10, 2013	
	Additional review (as necessary)	April 12, 2013	
	Additional review (as necessary)	April 29, 2013	
	Additional review (as necessary)		
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	DER, April 10, 2013. No PPG requested.
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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