Guiding Principles and Eligibility Requirements for the SECCI Funds ("SECCI IDB FUND" and the "SECCI MULTI-DONOR FUND")

I. Consistency with SECCI Mission

All activities must be consistent with the IDB SECCI’s fundamental objectives: to facilitate an expanded application of renewable energy and energy efficiency technologies in Latin America and the Caribbean, to finance and support greenhouse gas emission reduction projects and biofuel development, and to promote and finance adaptation strategies and actions to reduce vulnerability risks presented by climate change in the countries of LAC. The 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.

Eligibility criteria for accessing the SECCI Funds include: (i) consistency with SECCI principles and with countries’ medium-long term energy strategies; (ii) evidence of financially viable market opportunities; (iii) country/client ownership; (iv) degree of innovation and value added; (v) institutional and environmental sustainability; (vi) degree of coordination and synergies with other funds; (vii) public-sector partnerships; and (vii) donor coordination.

II. Eligible Activities (Examples of eligible activities can be found in ANNEX I)

The resources of the “SECCI IDB FUND” and the “SECCI MULTI-DONOR FUND” can be used to hire specialized consulting services, purchase goods necessary to carry out studies, and conduct other activities specifically directed to preparing projects related to the four SECCI strategic pillars. Proposals from the private sector will reviewed on a case by case basis, so the impact of the SECCI can be visualized on the proposed project, as related to the SECCI objective in Latin America.

III. Eligible Beneficiaries

The eligible institutions include government ministries, climate change designated national authorities, planning agencies, public and private corporations, sub-national governments (regional, provincial, state and municipal), private project developers, academic and research institutions. Proposals must be related to potential projects by the private and public sector.

In the case of private sector projects, special emphasis would be given to proposals which:

a. Support activities with a high probability of reaching financial closing of a project;
b. Have a catalytic effect by mobilizing private financing for sustainable energy projects;
c. Support the development and structuring of sustainable public-private partnerships;
d. 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;

IV. Counterpart Financing

The beneficiary entities will share the financial costs of each operation by an amount to be decided on a case-by-case basis, and which shall not be lower than twenty percent (20%) of the total cost. The total in kind contributions can be no more than 20% of the total cost of the project.
V. Operations Size

The maximum amount per project to be financed by SECCI funds (including any support activities for such projects) shall not exceed a total of US$1.0 million. No country can be responsible for more than thirty percent (30%) of the accumulated allocation of resources allocated to the SECCI Fund.

VI. Financing Modalities

Public Sector Proposals:
Non-contingent (non-reimbursable). Priority will be given to activities linked to potential IDB’ operations.

Private Sector Proposals:
May NOT be contingent (non reimbursable) if:
1) The project/or part of the project is financed by the IDB group.
2) If the private company decides not to invest given the results of the feasibility study financed by SECCI; the fund are not contingent.

In all other cases the SECCI Fund will finance the activities in private sector on a contingency recovery basis:

VII. Non Objection

Non-objection of the competent sector government agency will be required for final approval of the proposal submitted for the SECCI Funds.

VIII. Coordination with other IDB Group programs

The activities supported by SECCI must not conflict with IDB country-specific or sector strategies, or other programs or activities being undertaken by the IDB Group.

IX. Execution

As a general rule, the execution of the TC operations financed with resources of the SECCI Fund will be the responsibility of the requesting entities/organizations. In some cases, including private sector projects, upon the express written request and justification of the beneficiary, the Bank may select and hire the consulting services necessary to implement a specific technical cooperation operation financed with resources of the SECCI Fund. Disbursement procedures will be the same as those applicable to regular Bank technical cooperation.

X. Evaluation of Results

Every operation financed by SECCI is subject to a final evaluation to assess the effectiveness of SECCI support. In order prepare the and collect information and data for the final evaluation, the application for SECCI financing should contain indicators against which the effectiveness of the proposed activity can be assessed.
Annex I

Sample of eligible activities financed under the SECCI IDB Funds. (these samples are not limiting)

RENEWABLE ENERGY AND ENERGY EFFICIENCY

- Studies to develop renewable energy projects and energy efficiency activities.
- Energy audits for priority sectors sub-national governments and public and private entities.
- Regulatory and institutional analysis aimed at improving national/local regulatory and institutional frameworks.
- Technology development and adaptation, pilot projects and technology cooperation.
- Support of loan/guarantee operations for non-sovereign operations in renewable energy and energy efficiency.
- Training and dissemination activities.

BIOFUELS DEVELOPMENT

- Country level policy assistance to support biofuel development, including removal of barriers, policies and financial instruments to facilitate development of domestic and international markets.
- Economic, social and environmental assessments of biofuels
- Studies to support financing of biofuels feedstock development and biofuel production facilities and related infrastructure in production and distribution.
- Development and adaptation of biofuel technologies, and dissemination of good practices and assistance.
- Preparatory studies in support of loan/guarantee operations for non-sovereign operations in biofuels.

CARBON MARKET ACCESS

- Assist Ministries, designated national authorities, and public/private project developers in the identification of potential projects for carbon finance in priority sectors.
- Support carbon finance project cycle activities and conduct the project development (pre-feasibility, feasibility and final designs).
- Baseline studies and new methodologies in priority areas that can provide replication throughout the LAC region.
- Capacity building programs in carbon finance, and dissemination activities.
- Regulatory and institutional analysis as an input for technical assistance loans, policy and investment lending.

ADAPTATION TO CLIMATE CHANGE

- Country-level assessments of climate change vulnerability, risk assessments, and strategic identification of adaptation measures.
- Identification of investments to reduce vulnerability to climate risk of urban and regional infrastructure.
- Guidelines and sector specific tools to evaluate impacts and adaptation options in sectors.