ARO
AMAZON REGIONAL OBSERVATORY

ACTO
Amazon Cooperation Treaty Organization

CAF
DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

Sector Guide and Pipeline

Energy

Energy
Module

Sector Guide and Pipeline

Strengthening and expansion of the Amazon Regional Observatory (ORA) in the areas of climate change, forests and biodiversity and climate change

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Content

Glossary

GEI	Greenhouse Gases
COP	Conference of the Parties
COP21	Twenty-first conference of the parties
CAF	Andean Development Corporation
ODS	Sustainable Development Goals
CND	Nationally Determined Contributions
AP	Paris Agreement
PNA	National Adaptation Plan
UN	United Nations

Introduction

The Amazon is one of the richest regions in terms of biodiversity on the planet, but it also faces significant challenges in terms of sustainable development and access to basic services, such as energy.

The energy sector requires urgent attention considering that the third largest source of GHG emissions in the Amazon region is the burning of fossil fuels for its different uses, the main energy challenges we face are::

- **Dependence on non-renewable sources:**
  Many Amazonian communities depend on fossil fuels such as oil and diesel to meet their energy needs.
- **Environmental impact:**
  The extraction and burning of fossil fuels can cause irreparable damage to Amazonian ecosystems, including deforestation and air and water pollution.
- **Limited access to electricity:**
  A large percentage of the population in the Amazon does not have access to the conventional electricity grid, which limits their opportunities for economic and social development.

The main expected benefits of fossil fuel substitution and access to renewable energy are:

- **Environmental sustainability:**
  Non-conventional renewable energy sources are less intensive in greenhouse gas emissions and have lower (non-significant) environmental impacts during the construction, operation and decommissioning phases.
- **Energy autonomy:**
  Distributed generation through renewable energy allows Amazonian communities to produce their own electricity, reducing their dependence on imported and costly fuels, as well as reducing the clearing of forests for energy uses.
- **Community development:**
  Access to renewable energy can improve the quality of life of people in the Amazon by providing a renewable source of electricity for lighting, cooking, communication and access to basic services such as health and education.
- **Economic Stimulus:**
  The implementation of non-conventional renewable energy projects in the Amazon can create local jobs and business opportunities in sectors such as the installation, maintenance and management of solar photovoltaic, wind and hydroelectric (micro-hydroelectric) energy systems..

Access to renewable energy sources has a transformative impact on the quality of life of its inhabitants, as well as on environmental preservation and climate action.

Objective of the guide

The purpose of this guide is to evaluate the linkage and impact and degree of alignment of project ideas or projects with respect to the evaluation criteria used by entities or agencies seeking to finance projects with environmental and climate benefits.

Given the importance and relevance of the Amazon for climate change mitigation and adaptation, this guide aims to guide the development of energy sector proposals such as generation using renewable sources to replace or avoid the consumption of fossil fuels, transmission, sub-transmission and distribution networks that allow access to electricity, as well as the supply of electricity in isolated systems, such as micro-grids and green mini-grids and solar home systems for access in remote areas.

Introduction to climate finance

The term climate finance refers to financial support for the fight against climate change.

The United Nations Framework Convention on Climate Change (UNFCCC) defines climate finance as financial support for measures to avoid or reduce greenhouse gas emissions ("mitigation") and for measures to adapt to global warming ("adaptation"). It refers mainly to funds that industrialized countries make available to developing countries.

In a broader sense, the term also includes all financial flows earmarked for climate action, whether private investments or public funds, regardless of the origin and place of use of the funds. Recently, the term has also been broadened to include financial means to address or compensate for unavoidable damages and losses as a result of climate change. Climate finance in this sense encompasses all three pillars of action of the Paris Agreement: mitigation, adaptation and loss and damage.

Climate finance is intended to help achieve the goals of the Paris Agreement, including the goal of limiting global warming to less than 2°C, or preferably no more than 1.5°C above pre-industrial levels. It also seeks to reallocate funds towards low-carbon and climate-resilient development.

In general, this type of financing is channeled through existing channels of bilateral development cooperation. In addition, there are several multilateral climate funds, such as the Green Climate Fund and the Global Environment Facility, which are mainly financed by contributions from industrialized countries.

Multilateral development banks also finance climate programs in developing countries. There are also a number of initiatives, institutions and funds aimed at attracting private investment in resource-constrained countries.

Conceptualization of Climate Change

By answering the questions: What is climate change; what are mitigation and adaptation; what is climate finance; what is the Paris Agreement; what is climate action; and who are the climate financiers, we will understand the importance and relevance of the issue for the vulnerable population that inhabits the Amazon and the planet we all inhabit.

- **Climate change:**
  According to the United Nations Framework Convention on Climate Change (UNFCCC), climate change refers to a change in climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability observed over comparable time periods (UNFCCC, 1992). The IPCC (Intergovernmental Panel on Climate Change) defines climate change as any change in climate over time, whether due to natural variability or as a result of human activity (IPCC, 2021).

- **Mitigation:**
  The UNFCCC defines mitigation as the implementation of policies and actions aimed at reducing emissions from sources or enhancing sinks of greenhouse gases and greenhouse compounds. This process includes both reducing emissions and enhancing removals of these gases (UNFCCC, 1992). According to the IPCC, climate change mitigation refers to human interventions to reduce sources or enhance sinks of greenhouse gases (IPCC, 2021).ases de efecto invernadero (IPCC, 2021).

- **Adaptation:**
  Adaptation, according to the UNFCCC, involves adjustments in human or natural systems in response to projected or actual climatic stimuli or their effects. These measures can moderate the damage or harness the benefits of climate change (UNFCCC, 1992). The IPCC defines adaptation as the process of adjustment to current or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In natural systems, human intervention can facilitate adjustment to the expected climate and its effects (IPCC, 2021).

- **Degradation and desertification:**
  Under the United Nations Convention to Combat Desertification (UNCCD), desertification is defined as land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities. Degradation includes loss of soil productivity due to erosion, salinization and loss of vegetation cover (UNCCD, 1994).

- **Climate finance:**
  According to the UNFCCC, climate finance refers to financial resources that seek to support actions to reduce greenhouse gas emissions, enhance carbon sinks, reduce vulnerability and increase the resilience of human and ecological systems to the impacts of climate change (UNFCCC, 2011). The IPCC describes climate finance as funds that aim to support climate change mitigation and adaptation actions (IPCC, 2021).

- **Paris Agreement:**
  The Paris Agreement is a legally binding international treaty on climate change. Adopted by 196 Parties at COP21 in Paris on December 12, 2015 and in force since November 4, 2016, it aims to limit global warming to less than 2 degrees Celsius above pre-industrial levels, preferably 1.5 degrees. To achieve this goal, countries must peak greenhouse gas emissions as soon as possible to achieve a climate-neutral planet by mid-century (UNFCCC, 2015).

- **Climate action:**
  any policy, measure or program aimed at reducing greenhouse gas emissions, increasing resilience to climate change, or supporting and financing actions related to the Sustainable Development Goals (SDGs), the Paris Agreement, the Nationally Determined Contributions (NDCs), and other related initiatives (UNFCCC, 2015).

- **Climate Financiers:**
  Financial entities or institutions that channel economic resources to support actions related to climate change. This includes both private investments and public funds aimed at mitigating greenhouse gas emissions, adapting to the impacts of climate change, and compensating for loss and damage associated with these phenomena. Climate finance encompasses the three pillars of action set out in the Paris Agreement: mitigation, adaptation, and loss and damage (UNFCCC, 2015).

- **Eco-efficiency:**
  Strategic approach that seeks to optimize the use of energy resources to achieve a sustainable balance between electricity generation and environmental preservation.

Investment Criteria and Types of Energy Sector Projects

The main investment criteria used by climate financiers seek to promote investments that have a positive impact on climate change mitigation and adaptation. These criteria focus on considering environmental, social and corporate governance factors.

The main investment criteria used are shown in Table 01.

Table 01. Main Investment Criteria for the Energy Sector

Investment Criteria	Objectives sought by the criterion
Power Impact	Actions, activities and projects that emit (reduce emissions) and facilitate adaptation to climate change
Paradigm Shift Potential	Low-emission and climate-resilient development actions, activities and projects. Innovative and using new practices. That have an impact on public policies.
Sustainable Development Potential	Actions, activities and projects that generate environmental, economic and social benefits and seek gender equality. In addition to being sustainable in the long term.
Beneficiary's Needs	Actions, activities and projects that generate opportunities for vulnerable communities and groups, are aligned with national CRC policies, Country Programs, National Adaptation Plans, etc.

Source: Prepared by the authors with information from the Green Climate Fund, Agence Nationale de la Recherche (ANR). (2024), Associação Brasileira das Instituições de Pagamento e Crédito Digital (ABIP), Loan Syndications and Trading Association (LSTA) and International Organization for Standardization (ISO).

Table 01. Main Investment Criteria for the Energy Sector

Investment Criteria	Objectives sought by the criterion
National Involvement	The participation of all relevant stakeholders in the action, activity or project is sought.
Effectiveness	To be effective and efficient in the use of resources.
Compliance with ISO guidelines	Meet ISO guidelines for green debt instruments
Transparency and follow-up	Have clear mechanisms for transparency and monitoring of the use of funds and results.
Innovation and Technology	Incorporate advanced technologies and innovative solutions to improve efficiency and sustainability.

Source: Prepared by the authors with information from the Green Climate Fund, Agence Nationale de la Recherche (ANR). (2024), Associação Brasileira das Instituições de Pagamento e Crédito Digital (ABIP), Loan Syndications and Trading Association (LSTA) and International Organization for Standardization (ISO).

The energy sector is the third largest generator of GHG emissions in the Amazon, which is a result of dependence on fossil fuels, lack of investment and access to renewable energy, transmission, sub-transmission and distribution networks. To limit global temperature increase to 1.5°C and meet sustainable development goals, the energy sector must undergo a paradigm shift from unsustainable wood, coal, oil and gas to modern renewable energy (IRENA, 2021).

- The generation of low GHG emission electricity from non-conventional renewable energy sources such as geothermal, solar photovoltaic, wind, hydroelectric, bioenergy and ocean energy.
- Efficient and reliable transmission, distribution and storage of electricity seeks to invest in flexibility, digitalization and storage so that electricity grids are able to operate efficiently and reliably with higher proportions of renewable energies, reflected in a lower emission factor (kCO2 e/kWh).
- Promoting access to renewable and modern energy focuses on grid connections and off-grid electricity, such as green mini-grids and solar home systems, for access in a way that promotes sustainable development, societies' climate resilience and climate action (reduction of GHG emissions).

The types of projects expected from the energy sector (energy efficiency and energy access) are listed in Table 02.

Table 02. Types of projects and interventions for the Energy Sector

Types of projects	Type of intervention
Renewable energy generation with low GHG emissions	Electricity from non-conventional renewable energy sources such as geothermal, solar photovoltaic, wind, run-of-the-river hydroelectric, bioenergy and ocean (tidal, wave and saline gradient).
Efficient and reliable electric power transmission, distribution and storage infrastructure.	It focuses on investing in new and upgrading existing infrastructure to provide electric systems with flexibility, digitization and the opportunity for energy storage to make electric grids more capable of operating efficiently and reliably with higher proportions of renewable energy.
Promotion and access to clean energy	Access to modern renewable energy for cooking, grid connections and electricity in off-grid systems, such as green mini-grids and solar photovoltaic home systems, to access them in a way that promotes sustainable development and climate resilience of vulnerable societies and groups with GHG emission reductions.

Source: Own elaboration with information from the Green Climate Fund

The investment criteria applicable to the Energy sector are shown in Table 03:

Table 03. Criteria applicable to the Energy sector

Investment criteria	Impacts
Impact to what extent does the project or program contribute to the achievement of the project's objectives and climate mitigation?	**Mitigation:** Tons of CO2 equivalent reduced **Adaptation:** Support for adaptation to climate change in the population, particularly vulnerable groups.
Paradigm shift To what degree can the proposed activity catalyze impact beyond a single project or investment program and foster deep and rapid change at scale?	**Transformative plans:** Accelerated and deep scale shift from fossil fuels to renewable energy options for power generation and energy access to meet energy service needs. Develop a strong project pipeline and strengthen public sector capacity while increasing private sector inclusion. **Catalyzing climate innovation:** Projects or programs that can be scaled, innovative business models or employ high-impact innovative technologies. **Mobilizing finance at scale:** Using public and private financing, countries can reduce investment risk, unlock local capital, provide liquidity, and deepen access to commercial markets or commercial financing for energy investments. **Knowledge expansion and replication:** Sharing lessons learned, methodologies and standards of existing investments, future projects and programs can reinforce good practices and improve the quality of the investment local capacity.
Sustainable development How do actions align with national SDG priorities and broader benefits and priorities? What are the expected environmental, social, gender and economic co-benefits?	**Environmental benefits: R**eduction of emissions and energy security. **Social benefits:** Support for universal access to electricity. **Economic benefits:** Affordable rates and continuity of supply. **Development impact on the gender perspective:** Possibility of reducing gender inequalities in project activities.

Source: Own elaboration with information from the Green Climate Fund

Table 03. Criteria applicable to the Energy sector

Criterio de Inversión	Impactos
Beneficiaries' needs How do we reduce vulnerability, the country's financing needs and the beneficiary population?	Generate opportunities for access to education, health, employment and economic resources for a better quality of life for vulnerable groups or communities. That the project is capable of attracting other investors, generating interest in the financial market (banks).
National involvement Is there beneficiary country ownership and capacity to implement a funded project or program, policies, climate strategies and committed institutions?	Relevant stakeholders, in particular sector authorities, have approved and supported the project. That it is considered and is a priority in the NDCs, Country Programs, National Adaptation Plans. Free, prior and informed consent of the indigenous peoples and communities likely to be affected by the project, including mechanisms for ongoing stakeholder participation interested.
Efficiency and effectiveness Is the program/project economically and, if so, financially sound?	That the project has the capacity for financial leverage. There is interest from other entities in financing or co-financing the project. That the execution of the project supports other sectors and generates economic growth in the area of intervention.

Source: Own elaboration with information from the Green Climate Fund

Use of the Pipeline

The pipeline is a tool that links and estimates the impact of project ideas, projects or activities with the evaluation criteria used by entities or agencies seeking to finance climate projects.

Before starting its use, check if the proposed project has the following characteristics:

- Meets investment criteria
- Complies with the types of projects in the agricultural sector

Consolidated results

The pipeline will identify the criteria and their importance according to each of the sectors, this includes alignment with investment criteria, alignment with financial policy, connection to the UN Sustainable Development Goals (SDGs) and level of risk to the GCF. This score will be determined on a scale of **zero (0) to five (5) points.**

Zero (0) means that the proposed project or activity:

- NO relevance to climate change mitigation and adaptation.
- It is NOT linked to the SDGs.
- Does NOT comply with the financial policy
- Is a project considered risky to funders

Five (5) means that the proposed project or activity:

- Relevance for climate change mitigation and adaptation
- It is linked to the SDGs.
- Complies with financial policy
- No risk for funders

Values in between **one (1) and two (2)** show a low probability of obtaining financing.

Values between **four (4) and five (5) show** that the proposal has a high probability of obtaining climate funding.

Zero	Little or no likelihood of obtaining climate finance
One	
Two	Low probability of obtaining climate finance
Three	
Four	Climate action project
Five	

Steps to be followed for Pipeline application

Step 1:

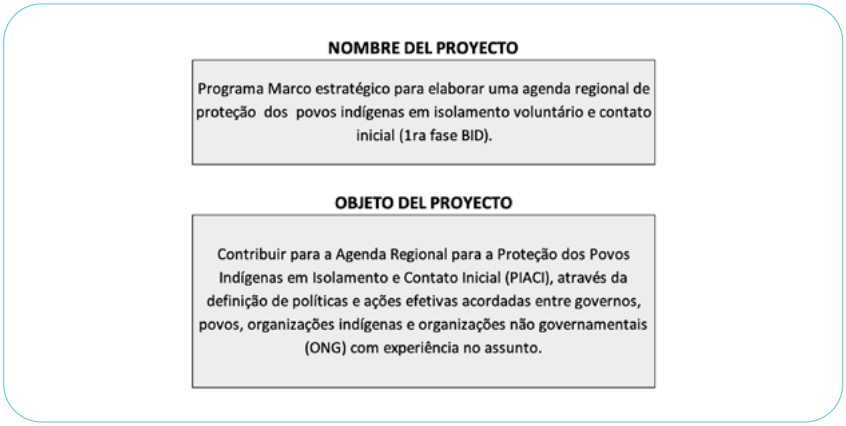
Select the sector

You must select the sector in which the PIPELINE will be used: Energy Access, Agriculture or Forestry and Land Use.

Step 2:

Name and purpose of the project

Indicate the name of the project and the object or problem that the project seeks to solve or mitigate.



Step 3:

Project Characteristics

Indicate an estimate of direct and indirect beneficiaries, estimated investments and greenhouse gas emission reductions, if any, as well as the implementation period and useful life of the asset.

The mitigation scales are established in accordance with the methodologies of the United Nations Framework Convention on Climate Change (UNFCCC).

The following are the Clean Development Mechanism (CDM) guidelines[1]:

- **Microscale:**
  Less than 20,000 tCO2eq/yr.
- **Small scale**
  Between 20,001 and 60,000 tCO2/year
- **Large scale:**
  Greater than 60,000 tCO2eq/yr

BENEFICIARIOS DEL PROYECTO

Localización del Proyecto	Municipio San Matias/Bolivia
Beneficiarios Directos	0 a 100 familias
Beneficiarios Indirectos	> al 50.1% de la población del Municipio

INVERSION ESTIMADA Y MITIGACION

Inversión estimada	Euros	1	1,500,000
Emisiones GEI evitadas	tCO_2/año		5,000
Costo por tCO2 reducida	Euros/tCO2		30

IMPLEMENTACION Y VIDA UTIL

Implementación	años	1
Vida útil	años	10

Step 4:

Investment Criteria

Click on the "Match with investment criteria" autoform to display the following screen:

We have six (6) values to assign in each of the investment criteria, each of which has sub-criteria. These criteria should be scored on a scale of 0 to 5, where 0 has no impact, either positive or negative, and 5 has a very high impact.

0	No impact, does NOT affect positively or negatively
1	Very low or minimal impact
2	Low or minimal impact
3	Medium or partial impact
4	High or relevant impact
5	Vert high impact

For each sub-criterion in the designated area, fill in the appropriate value (an integer from the series 0, 1, 2, 3, 4 or 5), otherwise the PIPELINE will reject the value with an error message. The space provided for this is highlighted in yellow and outlined in red, as shown in the example image.

1. See: https://cdm.unfccc.int/

Evaluación	Numero Criterio	Criterios de Inversión	Sub-Criterio (para la evaluación consulte la explicación de los criterios y de los indicadores en esta guía)	Evaluación Sub criterio: 0=Sin impacto, 1=Muy bajo, 2=Bajo, 3=Medio, 4=Alto, 5=Muy alto	Valor entre 0 y 5	0	1	2	3	4	5
					0	Sin Impacto, NO afecta positiva ni negativamente	Impacto muy bajo o mínimo	Impacto bajo o mínimo	Impacto medio o parcial	Impacto alto o relevante	Impacto muy alto,
	1	Potencial Impacto	Impacto en Mitigación	50%							
			Criterios de adaptación	50%	0	Se busca que la Mitigación o reducción de emisiones sea máxima					
						Se busca que apoye la adaptación al Cambio Climático en la Población, en particular grupos vulnerables					
	2	Potencial de cambio de paradigma	Incidencia en instrumentos de política publica/Planificación/Educación	20%	3	Se busca que el proyecto tenga la capacidad de generar los cambios en Políticas Publicas, normativa o planificación del país para maximizar la mitigación y la adaptación					
			Atracción de inversión privada/Nuevos Mercados/Nuevos Productos Financieros	40%	5	Se busca que el proyecto sea capaz de atraer otros inversionistas, que genere interés en el mercado financiero (bancos)					
			Innovación/Nuevas Practicas	40%		Se busca que el proyecto apoye la utilización de nuevas tecnologías, formas modernas de realizar sus actividades, información y conocimiento que apoye al país					
					0						
	3	Potencial de desarrollo sostenible	Beneficios Económico	15%	0						
			Beneficios Ambientales	25%	5	Se busca que apoye los ODS 1, 2, 7, 8 y 9					
			Beneficios Sociales	10%	5	Se busca que apoye los ODS 11, 12, 13, 14, y 15					
			Beneficios de Genero	30%	4	Se busca que apoye los ODS 3, 4, 6, 7, 10, 12, 16 y 17					
		Estrategia de salida	Actividades en curso, impacto y resultados del proyecto se mantienen en el Largo Plazo	20%		Se busca que apoye el ODS 5					
						Se busca que una vez ejecutado el proyecto, este sea sostenible en le largo plazo, sea replicable y preserve el conocimiento en los participantes					
	4	Necesidades del beneficiario	Generación de oportunidades para comunidades y grupos vulnerables	50%	5	Se busca que genere oportunidades de educacion, salud, empleo y recursos economicos para una mejor calidad de vida de los grupos o comunidades vulnerables					
			Disposición a financiar de fuentes alternativas (Bancos/Sector Privado)	50%	3	Se busca que el proyecto sea capaz de atraer otros inversionistas, que genere interes en el mercado financiero (bancos)					
	5	Implicacion Nacional	Participación de actores relevantes (capacidad de implementación)	10%	5	Se busca que los actores relevantes en particular autoridades del sector hubieran aprobado y apoyen el proyecto.					
			Alineación con las NDC	30%	3	Se busca que este considerado y sea una prioridad en los NDC, Programa País, Planes Nacionales de Adaptacion					
			Acuerdo/Compromiso del gobierno, sociedad civil, stackeholders y grupos vulnerables	60%	4	Se busca obtener el consentimiento libre, previo e informado de los pueblos indígenas y las comunidades que posiblemente se vean afectadas por el proyecto y se incluyen mecanismos para la participación constante de las partes interesadas.					
	6	Eficiencia y Efectividad Financiera	Potencial de apalancamiento financiero	15%	0	Se busca que el proyecto tenga capacidad de apalancamiento financiero					
			Estrategia financiera del proyecto (Capacidad de Cofinanciamiento)	35%	3	Se busca que exista interes de otras entidas en financiar o cofinanciar el proyecto					
			Medidas transversales que favorezcan sinergias entre sectores	15%	0	Que la ejecucion del proyecto apoye a otros sectores y genere el crecimiento economico en el area de intervencion					
			Costo por tonelada de CO2 reducida	35%	2	Se busca el menor costo por tCO2 reducida					

Once this is completed, click on the button in the upper left corner, labeled **"back"**, to return to the **README** and continue entering data.

Step 5:

Linking to Sustainable Development Goals

It is decisive for climate funders that the project or activity is linked to the SDGs, so we will score zero (0) if it is not linked and one (1) if there is a link for each of the 17 goals. For the project under study to be linked to a specific SDG, it must comply with the explanation that appears next to each goal.

0	NOT linked
1	Linked

In case of inserting a different value, the PIPELINE will give an error message.

				Proyecto 1	0	1	Económicos	Ambientales	Sociales	Genero
	Prioridades de Desarrollo sostenible	Adaptación	Mitigación	Programa Marco estratégico para elaborar uma agenda regional de proteção dos povos indígenas em isolamento voluntário e contato inicial (1ra fase BID).	No vinculado	Vinculado	1,2, 7, 8 y 9	11, 12, 13, 14, 15,	3, 4, 6, 10, 16 y 17	5
1	Lucha contra la pobreza	X		1	Busca erradicar la pobreza en todas sus formas sigue siendo uno de los principales desafíos que enfrenta la humanidad. Esto requiere enfocarse en los más vulnerables, aumentar el acceso a los recursos y servicios básicos y apoyar a las comunidades afectadas por conflictos y desastres relacionados con el clima.						
2	Lucha contra el hambre	X		1	Busca terminar con todas las formas de hambre y desnutrición, velar por el acceso de todas las personas en especial los niños a una alimentación suficiente y nutritiva durante todo el año. Implica promover prácticas agrícolas sostenibles con los pequeños agricultores y el acceso igualitario a la tierra, la tecnología y los mercados. Requiere asegurar la inversión en la infraestructura y la tecnología necesaria para mejorar la productividad agrícola.						
3	Bienestar para todos	X		1	Busca una cobertura universal de salud. Toma en cuenta la ampliación de las desigualdades económicas y sociales, la rápida urbanización, las amenazas para el clima y el medio ambiente, la lucha continua contra el VIH y otras enfermedades infecciosas, y los nuevos problemas de salud, como las enfermedades no transmisibles.						
4	Educación de Calidad	X		1	Busca asegurar que todas las niñas y niños completen su educación primaria y secundaria gratuita para 2030. También aspira a proporcionar acceso igualitario a formación técnica asequible y eliminar las disparidades de género e ingresos, además de lograr el acceso universal a educación superior de calidad.						
5	Igualdad de genero y oportunidades	X		1	Busca garantizar el acceso universal a salud reproductiva y sexual y otorgar a la mujer derechos igualitarios en el acceso a recursos económicos, fuentes de trabajo, derecho a la propiedad de la tierras y otras propiedades. Empoderar a las mujeres y niñas tiene un efecto multiplicador y ayuda a promover el crecimiento económico y el desarrollo a nivel mundial						
6	Acceso al agua limpia y saneamiento	X		0	Busca asegurar el agua potable segura y asequible. Por lo que es necesario realizar inversiones adecuadas en infraestructura, proporcionar instalaciones sanitarias y fomentar prácticas de higiene, servicios de saneamiento administrados de manera segura (con excrementos adecuadamente dispuestos o tratados).						
7	Energía asequible y no contaminante	X	X	0	Busca invertir para expandir la infraestructura y mejorar la tecnología para contar con energía limpia en todos los países en desarrollo, es un objetivo crucial que puede estimular el crecimiento y a la vez ayudar al medio ambiente, de esta manera reducir la dependencia de los combustibles fósiles						

Once this is completed, click on the button in the upper left corner, labeled **"back"**, to return to the **README** and continue entering data.

Step 6:

Linkage to financial policy

The financial policy of climate financiers seeks that projects or activities are profitable, have concessional financing or minimal subsidies, that other financiers show interest or are part of the project, and that they are eco-efficient.

If possible, a combination of financiers, new and creative financial schemes, multiple partnerships and eco-efficient systems should be sought, minimizing investment costs.

Climate projects may not comply with financial policies, may not be profitable and require significant subsidies, but being eco-efficient and being financed, what is sought is credit risk diversification.

The values to be entered are whole numbers from zero (0) to five (5), otherwise the PIPELINE will give an error message.

Ratings Compliance	
Does not comply	0
Very low compliance	1
Minimal compliance	2
Medium compliance	3
High compliance	4
Total compliance	5

CUMPLIMIENTO CON POLÍTICA FINANCIERA	Peso Criterio	Proyecto 1
Cambio de paradigma	25%	4.00
Contabilidad de subvenciones (grant)		
Financiación concesional mínima	20%	0.00
Combinar instrumentos de financiación	25%	0.00
No desplazamiento de otras financiaciones	15%	0.00
Rentabilidad	15%	0.00
Evaluación subcriterio Cambio Paradigma y Contabilidad de Subvenciones	**50%**	**0.50**
Ecoeficiencia Reducción/optimización del Uso de Recursos (Consumo) (*)		
Optimiza consumo de materia prima/materiales	0%	
Optimiza el consumo de agua	0%	
Optimiza consumo de energía	0%	
Optimiza del espacio utilizado por el proyecto (Suelo)	50%	4
Posibilidades de reciclaje y gestión de residuos.	40%	4
Maximiza el uso de recursos renovables contra no renovables	10%	1
Evaluación subcriterio Ecoeficiencia	**50%**	**1.85**
EVALUACIÓN FINAL CRITERIO POLÍTICA FINANCIERA		**2.35**

(*) Peso del criterio = 0%, significa que no aplica

Once all the criteria have been scored, click on the **"back"** button in the upper left corner and move on to the risks to the funder.

Step 7:

Operational risks for the funder

Climate funders seek to grant funds in a transparent and effective manner, so it is in their interest that the project does not involve the following for them:

- **Reputational risk:** Adverse perception of the project that jeopardizes its reputation.
- **Risk of sanctions:** For illegal actions linked to the project such as embargoes, money laundering, terrorist financing, etc.
- **Technical and operational risks:** Failure and lack of measurement and monitoring of reduced emissions (RE) and/or lack of capacity to implement and operate the project.

The assignment or rating of risks is shown in the following table:

Probabilidad de ocurrencia	Alta	Media = 3	Media alta = 2	Alta = 1
	Media	Media baja = 4	Media 3	Media alta = 2
	Baja	Baja/Ninguno = 5	Media baja = 4	Media = 3
		Baja	Media	Alta
		Impacto en el proyecto		

We proceed to the rating or scoring of the risks for the financier with values between zero (0) and five (5).

Factores de riesgo y medidas de mitigación		
	Peso Criterio	Proyecto 1
Reputacional	30%	5
Sanciones	30%	5
Técnicos y operativos		
Fallas y faltas de monitoreo de ER	20%	5
Falta de capacidad de ejecución	20%	5
EVALUACION FINAL CRITERIO DE RIESGO		**5.0**

Once all the criteria have been scored, click on the “back” button in the upper left corner to verify the final evaluation.

Step 8:

Preliminary Evaluation

For a better analysis of the project idea, the preliminary assessment should be reviewed in order to verify in detail the fulfillment of the investment criteria, as well as its linkage and support to the achievement of the sustainable development objectives.

General characteristics of the project idea: This information will allow us to establish:

- Project Mitigation, adaptation or both
- Number of beneficiaries or population benefited
- Investments, implementation period and useful life

EVALUACION PRELIMINAR

¿La idea del proyecto cumple con los criterios de Inversión y los ODS?

Criterios		Respuesta
Área de resultados del proyecto		
Áreas de resultados para el proyecto/programa.	Mitigación	Acceso a la energía y generación de energía.
Impacto en adaptación		
Beneficiarios Directos		0 a 100 familias
Beneficiarios Indirectos		> al 50.1% de la población del Municipio
Aspectos Financieros		
Inversión requerida	Euros	1,500,000
Costo por tCO2 reducida	Euros/tCO2	30
Tiempos estimados para el proyecto		
Implementación	años	1
Vida útil	años	10
Coincidencia con Criterios y Subcriterios de Inversión Climática		

Linkage to Sustainable Development Goals (SDGs)

This evaluation seeks to establish the linkage or relationship of the project idea with the greatest number of SDGs, which would facilitate the preparation of the concept note or initial document required by climate funders.

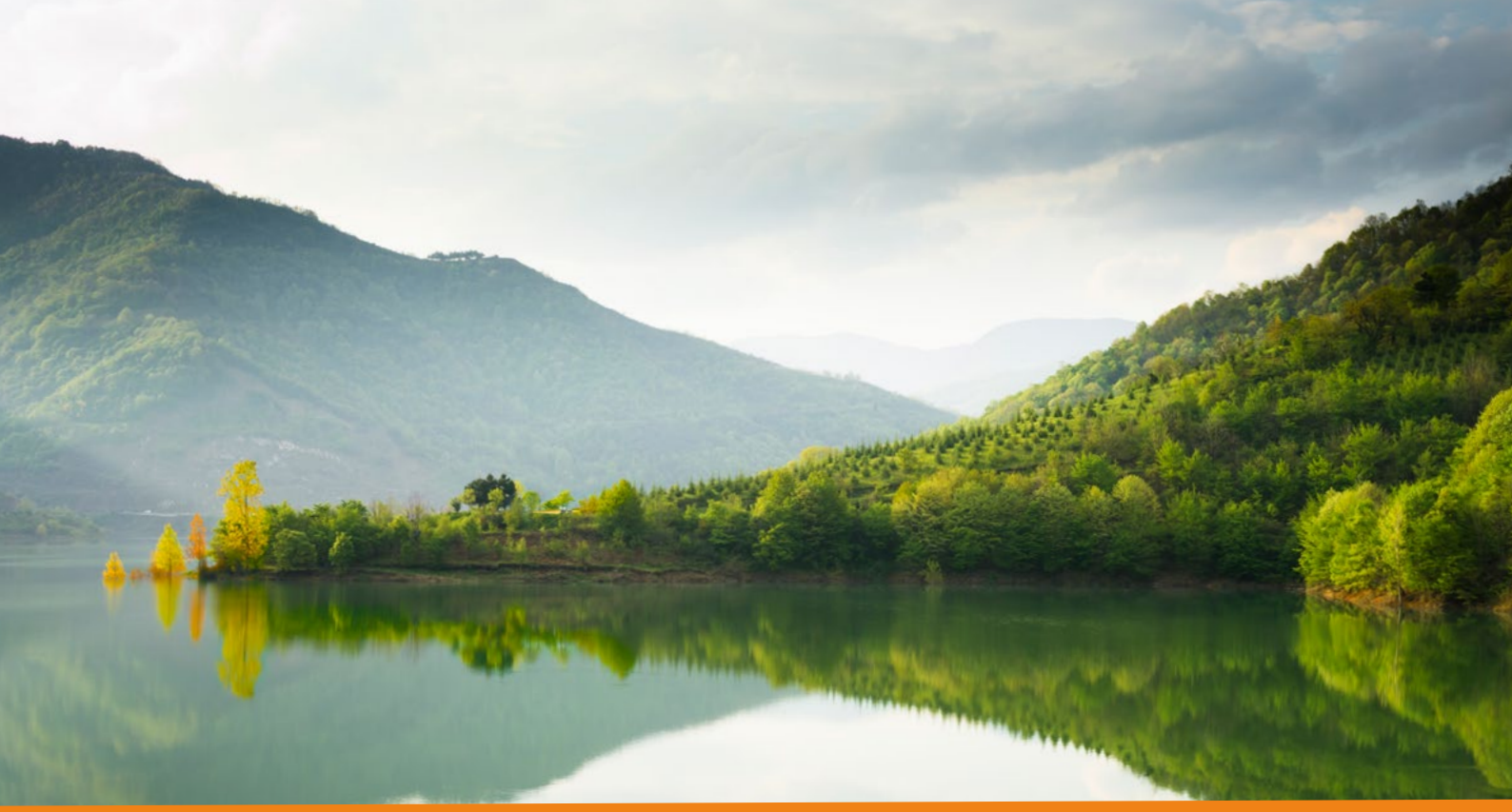
Criterios		Respuesta
Coincidencia con Objetivos de Desarrollo Sostenible (ODS)		
El proyecto esta vinculado o apoya la consecución de los Objetivos de Desarrollo Sostenible establecidos por Naciones Unidas	Lucha contra la pobreza	Vinculado
	Lucha contra el hambre	Vinculado
	Bienestar para todos	Vinculado
	Educación de Calidad	Vinculado
	Igualdad de genero y oportunidades	Vinculado
	Acceso al agua limpia y saneamiento	NO vinculado
	Energía asequible y no contaminante	NO vinculado
	Trabajo decente y crecimiento económico	NO vinculado
	Industria, Innovación e Infraestructura	NO vinculado
	Reducir la desigualdad en y entre los países.	Vinculado
	Ciudades y comunidades sostenibles	NO vinculado
	Producción y consumo responsables	NO vinculado

Step 9:

Final Evaluation

In the “Project Evaluation” section, we will have a score between 1 and 5. A high score (greater than three) indicates that the project is very likely to be viable and obtain resources quickly, while a low score (less than three) indicates the opposite.

EVALUACION DEL PROYECTO	% Importancia	
Coincidencia con criterios de inversión	30%	2.7
Coincidencia con política financiera	25%	2.4
Vinculación con los ODS	30%	4.0
Nivel de riesgo para el GCF	15%	5.0
Evaluación sobre cinco (5) puntos		**3.4**



Conclusions

The ambitious goals of the CRCs and the necessary progress on the SDGs, aligned with the Paris Agreement, require stakeholders or countries along energy value chains to implement renewable energy supply options, given the countless examples showing that they work in specific contexts similar to the Amazon region.

In regions where technology is more incipient, markets are immature, beneficiaries are more vulnerable, there are likely to be more public sources and climate finance is likely to be more concessional and, for this to become a reality, mitigation, adaptation, socioeconomic, gender and other benefits resulting from project activities must be demonstrated. This guide will enable its users to take those first steps by identifying social and environmental benefits, changing paradigms and involving key stakeholders in the energy sector.

Energy eco-efficiency optimizes the use of resources, promotes cleaner sources of electricity supply, reduces greenhouse gas emissions and mitigates the impact of climate change.

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Annex 1:

Multilateral Climate Finance Institutions

Organization	Program/Hyperlink
Green Climate Fund (GCF)	Adaptation/Mitigation/
Andean Development Corporation (CAF)	Green funds, adaptation fund, action
European Investment Bank (EIB)	Climate Action
Inter-American Development Bank (IADB)	Multiple programs
International Bank for Reconstruction and Development (The World Bank)	• Climate Change • Climate Investment Funds • Partnerships • Projects and Operations • Carbon Funds and Facilities
International Finance Corporation (IFC)	• Clean Technologies • Sustainable Energy • Carbon Finance

Source Green Climate Fund

Bilateral Climate Finance Agencies

Country	Program/Hyperlink
Australia	• Australian Aid • Overview of Australia's assistance for climate change • Climate change and environment initiatives
Austria	Austrian Development Cooperation (ADC)
Belgium	Belgian Development Cooperation (Foreign Affairs, Foreign Trade and Development Cooperation)
Brazil	Banco Nacional de Desenvolvimento Econômico e Social (BNDES, the Brazilian Development Bank)
Canada	Canadian International Development Agency (CIDA)
Denmark	• Danish Development Agency (DANIDA) • Industrialization Fund for Developing Countries (IFU)
European Commission	• Climate Action • Global Climate Change Alliance
Finland	Ministry for Foreign Affairs (climate change - global policy and cooperation)
France	• Agence francaise de developpement (AfD) • Department for International Cooperation • Fond Francaise pour l'Environnement Mondial (FFEM)
Germany	• Federal Ministry for Economic Cooperation and Development (BMZ) • Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH • Kreditanstalt fuer Wiederaufbau (KFW) • Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) • International Climate Initiative
Greece	Ministry of Foreign Affairs
Ireland	Department of Foreign Affairs and Trade (Irish Aid)
Italy	Ministry of Foreign Affairs

Country	Program/Hyperlink
Japan	• Ministry of Foreign Affairs (MOFA) • Japan Bank for International Cooperation (JBIC) • Japan International Cooperation Agency (JICA)
Luxembourg	Lux-Development
Netherlands	Netherlands Development Cooperation
New Zealand	New Zealand Aid Programme (NZAID)
Norway	• Ministry of Foreign Affairs (ODIN) • Norwegian Agency for Development Cooperation (NORAD)
Portugal	• Ministry of Foreign Affairs • Portuguese Cooperation Institute
Spain	Ministerio de asuntos exteriores y de cooperación
Sweden	Swedish International Development Cooperation Agency (SIDA)
Switzerland	• Swiss Agency for Development and Cooperation (SDC) • State Secretariat for Economic Affairs (SECO)
United Kingdom	Department for International Development (DFID)
United States	United States Agency for International Development (USAID)

Source: Green Climate Fund


Energy
Module

Sector Guide and Pipeline
“Energy”

ARO
AMAZON REGIONAL OBSERVATORY

ACTO
Amazon Cooperation Treaty Organization

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