



CIF/DM.1/Inf.2
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**PROPOSED CONSIDERATIONS IN SELECTING POTENTIAL
COUNTRIES FOR CLEAN TECHNOLOGY FUND FINANCING**

Introduction

1. Clean Technology Fund (the Fund) will support the rapid deployment of low-carbon technologies on a significant scale, with the objective of cost-effective reductions in the growth of greenhouse gas emissions. The Fund will do so by supporting policies, measures and programs that reduce the costs and risks imposed on developing countries by the adoption of low GHG-emitting technologies.
2. The goal of the Fund is to have transformational impacts. This will require a country focus and programmatic approach. The Fund's resources must be used where it will have the greatest impact on the challenges of reducing growth in GHG emissions. A transparent, two-stage process would be established to first identify priority countries and then select funding proposals.
3. One possible approach to identifying priority countries would be to use objective indices based on the potential for significant reduction in GHG emissions growth from a transition to a low-carbon economy. To facilitate discussion on considerations in selecting potential countries for financing, the World Bank has developed a list by country of current GHG emissions and trends.

Current emissions and trends

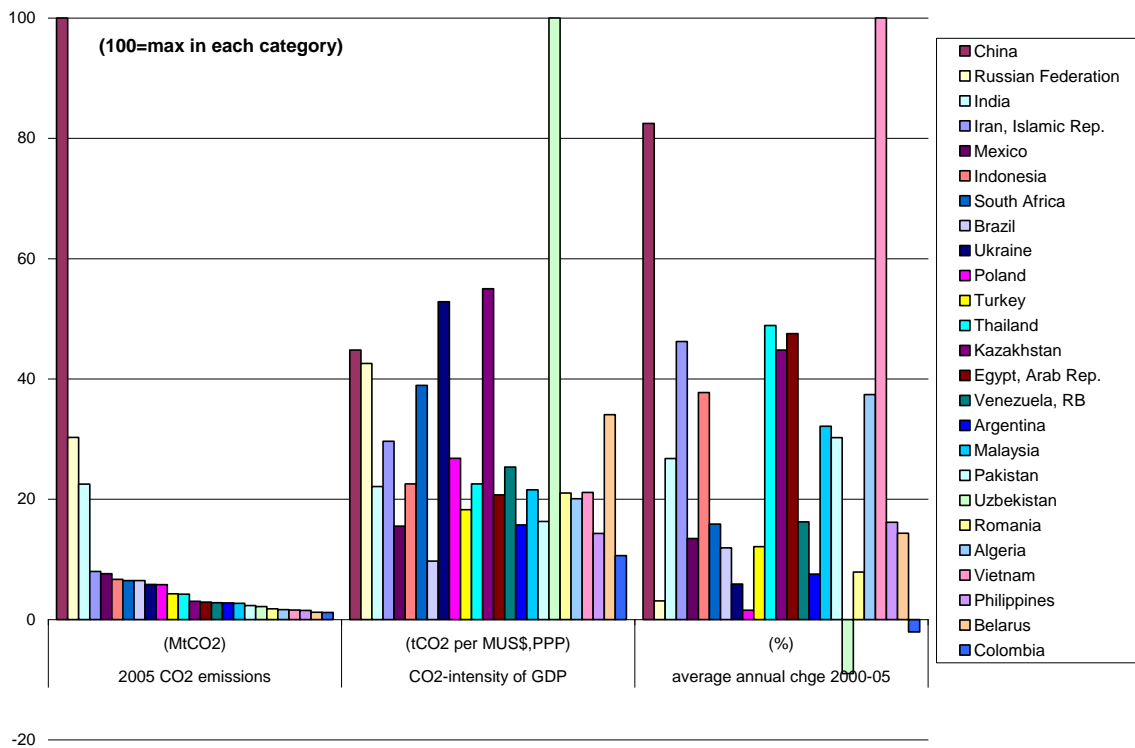
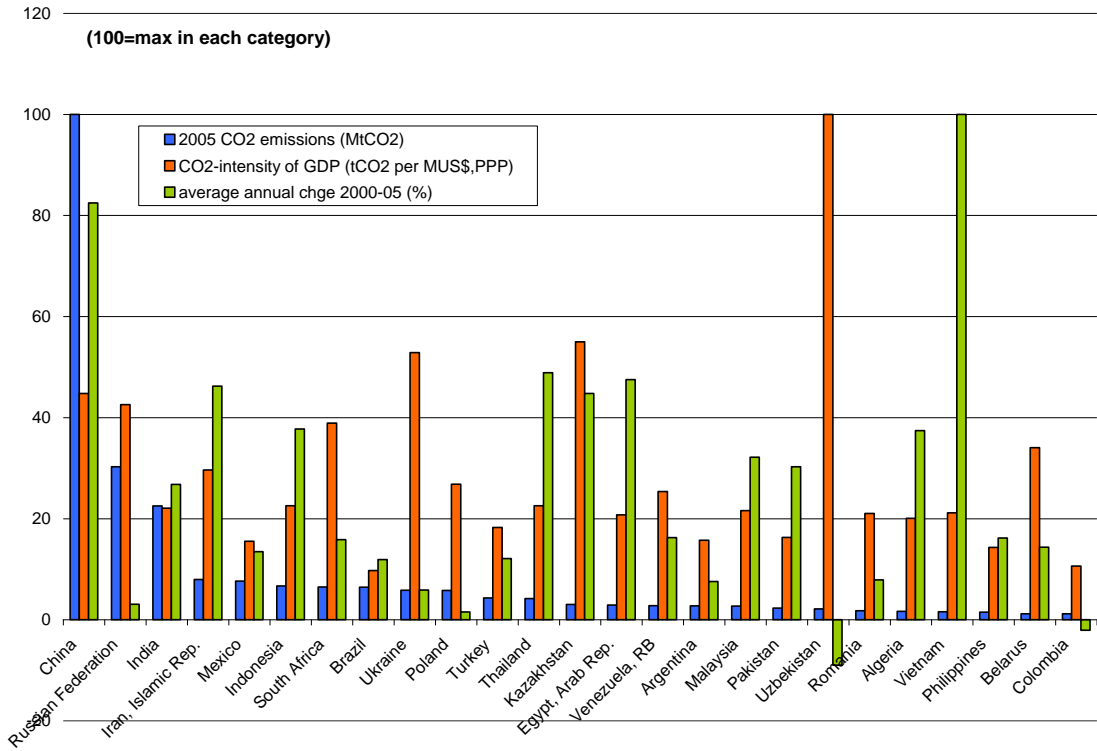
5. Table 1 lists the top 25 developing countries by CO₂ emissions (from energy use; data for year 2005 from IEA, 2007), with their CO₂ intensity of GDP (2005, constant 2005 international \$ - PPP; WDI, 2008) and average annual increase between 2000 and 2005.

Table 1: Largest CO₂ emissions, intensity and growth of IBRD/IDA-eligible countries

Rank	Country name	2005 CO ₂ emissions	CO ₂ -intensity of GDP	average annual chge 2000-05
	(IBRD/IDA Members)	(MtCO ₂)	(tCO ₂ per MUS\$,PPP)	(%)
1	China	5,101	956	11
2	Russian Federation	1,544	909	0
3	India	1,147	472	3
4	Iran, Islamic Rep.	407	633	6
5	Mexico	389	332	2
6	Indonesia	341	482	5
7	South Africa	330	831	2
8	Brazil	329	208	2
9	Ukraine	297	1,129	1
10	Poland	296	573	0
11	Turkey	219	390	2
12	Thailand	214	482	6
13	Kazakhstan	155	1,174	6
14	Egypt, Arab Rep.	148	443	6
15	Venezuela, RB	142	541	2
16	Argentina	141	336	1
17	Malaysia	138	461	4
18	Pakistan	118	348	4
19	Uzbekistan	110	2,136	(1)
20	Romania	91	449	1
21	Algeria	84	429	5
22	Vietnam	80	451	13
23	Philippines	76	306	2
24	Belarus	61	727	2
25	Colombia	60	227	(0)

Note: Iraq ranks 21st with 85 MtCO₂ from energy use emitted in 2005. However no GDP information was available at the time of compiling data.

6. In order to compare countries, the data are presented in the following graphs.



Review of Country Strategic Frameworks

7. For each country prioritized by the Trust Fund Committee on the basis of these indices, the Multilateral Development Banks could then conduct a joint review of the country strategic framework, which could cover the following elements:
 - (i) Potential for low carbon investments, including projected GDP growth rates and significant planned expansion plans in the relevant sectors or sub-sectors.
 - (ii) Minimum level of macro-economic stability and stable budget management.
 - (iii) Commitment to an enabling policy and regulatory environment, including incentives for private sector financing.
 - (iv) Institutional arrangements for implementation of policies.
 - (v) Country-led donor coordination.

8. Programming of Fund resources will be undertaken on the basis of the Trust Fund Committee's approval of the MDBs' joint review.