Mobilizing Resources for Supporting Environmental Activities in Developing Countries:

The Case of the GEF Trust Fund

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Abstract[*]

Mobilizing sufficient resources is essential for supporting environmental activities in developing countries, and cofinancing is generally considered an important tool to help developing countries increase the resources they need. Moreover, cofinancing should increase ownership of projects by local authorities while improving accountability. The literature, however, has not explored why certain projects receive higher levels of cofinancing than others. This paper attempts to fill this gap by examining the cofinancing ratio and its determinants using projects financed by the GEF Trust Fund. The empirical results confirm that the rules of the fund, requiring different minimum cofinancing ratios by size and focal area of the GEF projects, do matter. Other important factors include funds' origins (foreign vs. domestic), types of cofinancing sources (reimbursable vs. non-reimbursable) and the particular GEF agencies involved.

Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
CEO	Chief Executive Officer
COP	Cofinancing Opportunities Publication
DMC	Developing Member Country
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agricultural Organization
FDI	Foreign Direct Investment
FSP	Full-Sized Project
GCM	Grants and Cofinancing Management Unit
GEF	Global Environment Facility
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
LAC	Latin America and the Caribbean
MDB	Multilateral Development Bank
MOS	Monthly Operational Summary
MSP	Medium-Sized Project
ODA	Official Development Assistance
ODS	Ozone Depleting Substances
ORP	Office of Outreach and Partnerships
PID	Project Information Document
PIF	Project Identification Form
PPG	Project Preparation Grant
POPs	Persistent Organic Pollutants
RDB	Regional Development Bank
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
WB	World Bank

1. Introduction

One of the key problems of undertaking environmental activities in developing countries is the lack of resources. This is most notable given the many different challenges these countries face, ranging from poverty alleviation to building infrastructure that permits higher levels of development. Moreover, many environmental concerns, such as climate change, suffer from the public goods problem, where the benefits of local investments are not entirely captured by the local population and underinvestment occurs. Thus there is the need to mobilize additional resources for developing countries to undertake environmental activities.

Multilateral Development Banks (MDBs) play a major role in mobilizing resources for developing countries in order to assist in the development process. MDBs provide funds both directly through lending facilities and indirectly using the same facilities or other sources to leverage additional resources from both the private and public sectors. This latter form of mobilizing funds is known as cofinancing. As such, cofinancing at MDBs is referred to as any resource from third parties for a project associated with those banks.

In the case of the GEF Trust Fund, which is the focus of this paper, cofinancing is defined specifically as project resources from a GEF agency itself or other non-GEF sources except for any direct GEF funding. In general, cofinancing is recognized for two benefits. The first, and most noticeable, is that it increases leverage and thereby mobilizes more resources than would otherwise be the case. The second benefit is that cofinancing can enhance project accountability. As it were, a greater number of actors involved in a given project tend to increase ownership of the project, perhaps heightening the project's likelihood of success.

Many development agencies have emphasized the role of cofinancing over the years. According to the World Bank (1997), cofinanciers can learn from the bank's know-how in designing, evaluating and monitoring projects and programs, while the borrower can mobilize further resources with better financing conditions. The Asian Development Bank's relevant document (ADB, 2005) illustrates the importance of cofinancing with the bank. Both the cofinancier and the borrower can maximize the effectiveness of projects, avoid overlapping efforts, and share the ADB's experiences and project information. In addition, the cofinancier can reduce the sovereign/political risks of projects, and the borrower can receive a greater amount of total funding with larger-scale projects as well as improve its access to international financial markets. In its 2004 annual report, the Inter-American Development Bank (2005)

underscored how cofinancing can deliver advantages to borrowers through a larger net inflow of external resources; to donors through more effective contributions to borrowers at lower transaction cost and closer donor coordination; and to the IDB through a larger and more diversified capital inflow into the Latin American and Caribbean (LAC) region. At the same time, cofinancing can alleviate country risks and local counterpart restrictions and encourage more inclusive policy dialogue among stakeholders. The United States Agency for International Development (USAID), the first and principal U.S. foreign assistance agency, stated that cofinancing has the potential to promote participation of foreign private agents in development projects, thus easing technology transfers to developing countries (USAID, 1983). The Global Environment Facility (GEF, 2003 and 2011) also affirmed the importance of cofinancing for the GEF's successful activities in order to improve the global environment, in that cofinancing can increase the available resources, play a role as an important indicator of the capacity of the counterparts, beneficiaries and GEF agencies, and help guarantee the success of projects and coordination among stakeholders.

So far there are very few papers analyzing the effect of cofinancing, whether using theoretical models or via empirical research. Using a general equilibrium model, Chatterjee, Sakoulis and Turnovsky (2003) studied the impact on economic growth of tied aid [1] to developing countries. They found that the effect of a permanent tied transfer on the economy depends on the recipient country's initial level of public capital. That is, in countries with smaller public capital, tied aid generated higher long-run economic growth than pure aid. Even in the case of temporary aid, the tied transfer has greater short-run economic growth effects than the pure case. Wezel (2004) showed cofinancing by MDBs such as the IFC and/or EBRD in FDI projects in emerging markets helped to reduce German banks' risk exposure. Nonetheless, the author was concerned that risk mitigation could trigger moral hazard on the part of investors as well as misallocation of capital. Kalaitzidakis and Kalysitis (2008) analyze the relationship between economic growth and cofinancing in public investment in a recipient country using an endogenous growth model. They showed that an increase in the share of foreign aid in gross public investment raises economic growth. They also posit that the optimal domestic cofinancing ratio should be smaller in poorer countries. These findings underscore the fact that poorer

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[1] The authors define "tied aid" as capital transfers related to the accumulation of public capital in a recipient country, which may stimulate the country's economic growth.

countries are in greater need of aid and that this aid should imply a lower share of domestic cofinancing in total public investment.

Meanwhile, in a recent study Yu and Miller (2011) find that in the case of projects supported by the GEF Trust Fund the LAC region exhibits the second lowest ratio of grants to cofinancing, below Asia and Africa, while similar to Europe, during the GEF-4 period (February 2007 to June 2010). When disaggregated by agency, the ratio of the IDB-provided projects was the lowest among RDBs.

Given that cofinancing has the potential to increase the amount of funds allocated towards developing countries as well as enhance the accountability of project goals, it is important to understand what drives cofinancing. Therefore, this paper attempts to understand the main determinants of cofinancing. In doing so, it addresses issues such as the importance of the rules in determining cofinancing and the significance of the agency (or type of agency) that provides cofinancing. At the same time, it also tries to identify which of the other related variables is relatively more important in determining cofinancing ratios. This paper consequently attempts to discern what determines cofinancing ratios, and what different countries/regions and diverse institutions in particular can do in order to increase the amount of available cofinancing. To answer these questions we use data from the GEF Trust Fund[2] for the longest period available.

The rest of this paper is organized as follows. Section 2 investigates the main features of cofinancing in MDBs and the GEF. Section 3 looks at the determinants of cofinancing ratios in GEF projects based on stylized facts and regression analysis. Finally, Section 4 derives policy implications and concludes.

2. Main Features of Cofinancing in MDBs and the GEF

There are nearly no difference among MDBs[3] in their basic concept of cofinancing and their procurement modalities. The World Bank[4] defines cofinancing as "any arrangement under which WB funds or guarantees are associated with funds provided by third parties for a particular project or program." There are two forms of cofinancing, parallel cofinancing and joint cofinancing, classified according to their modalities of procuring cofinanced goods and services.

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[2] Established in 1991, the GEF is today the largest funder of projects to improve the global environment. The GEF has allocated $9.5 billion, supplemented by more than $42 billion in co-financing, for more than 2,700 projects in more than 165 developing countries and countries with economies in transition (www.thegef.org).
[3] MDBs include WB (IBRD), ADB, AfDB, EBRD and IDB.
[4] World Bank (1980) and pages 153-160 of World Bank (1997).

In the former type, the WB and cofinanciers separately finance their parts of a project, while in the latter they jointly finance the procurement of necessary goods and services. Additionally, cofinancing can be also classified into two different categories according to source: official sources such as governments, government agencies and multilateral financial institutions, and commercial sources such as commercial banks, insurance companies, pension funds and other parties in the private sector. Furthermore, cofinancing opportunities can be identified as taking a bottom-up or top-down approach.[5]

The ADB has been actively mobilizing financial resources through cofinancing from official and commercial sources. In particular, responding to the declining trends of official development assistance (ODA)[6] for its developing member countries (DMCs) in recent years, the ADB has strengthened coordination with other official funding agencies, and sought additional cofinancing opportunities from commercial sources to increase the flow of private capital to its DMCs.[7] The IDB is also making an effort to identify a variety of cofinancing opportunities. For instance, the IDB delivers information on its internal organization[8] for cofinancing, cofinancing modalities and cofinancing processing procedures through the cofinancing management toolkit on its website. In addition, on a quarterly basis the IDB publishes a document with information on IDB-financed projects and programs including cofinancing opportunities for potential cofinanciers. The AfDB and the EBRD are similarly trying to strengthen cofinancing opportunities in their development projects.

Meanwhile, the GEF (2003, 2011) specifically defines cofinancing as "project resources committed by the GEF agency itself or by other non-GEF sources and which are essential for meeting the GEF project objectives." The GEF Council first requested a note on cofinancing of GEF projects in May 2001, and in May 2003 the Council approved policies and related

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[5] In the bottom-up approach cofinanciers identify cofinancing needs through discussions with recipient governments and WB task managers. In the top-down approach they identify cofinancing opportunities mainly through key documents or publications on the WB website such as the COP, PID and MOS.

[6] The Organization for Economic Co-operation and Development (OECD) defines ODA as flows of official financing to developing countries with the purpose of improving their economic development and welfare. Those flows, which are concessional in nature, include a grant element of at least 25 percent.

[7] The ADB's cofinancing strategy includes the following key elements: i) arrangement of non-concessional official loans for growth-oriented projects in DMCs and concessional official loans and grants for low-income DMCs, ii) cofinancing from market sources for commercially viable public sector projects, iii) provision of political risk guarantees for private sector cofinanciers, iv) provision of partial credit guarantees to extend the maturity of commercial debt and lower spreads, and v) obtaining of cofinancing from export credit agencies (ADB, 2005).

[8] The Office of Outreach and Partnerships (ORP) and the Grants and Cofinancing Management Unit (GCM) deal with cofinancing matters within the IDB.

procedures on cofinancing (GEF/C.20/6/Rev.1). Accordingly, the importance and scale of cofinancing in GEF projects have increased substantially since 2003. The GEF's CEO has been reinforcing cofinancing policies and related operational guidelines by developing and revising the 2003 document on cofinancing.

Cofinancing has been recognized as a key element in the GEF's successful activities in the procurement of additional resources, as well as an important indicator of judging the commitment of counterparts, beneficiaries and the GEF agencies. Therefore, proposed cofinancing is reviewed by source as well as by type, and those classifications are confirmed during the project identification form (PIF) review and the CEO endorsement/approval process. Approved cofinancing is also reviewed through the annual project implementation review, project mid-term review and final evaluation review.

Potential sources of cofinancing in GEF projects include GEF agencies, governments, other multilateral agencies, bilateral development cooperation agencies, the private sector, private foundations, civil society organizations and beneficiaries. In addition, cofinancing can take any or all of the following forms: grants, credits, loans at concessional or market rates, equity investments and others (GEF, 2011). The GEF has tracked the cofinancing ratio (which is equal to the amount of cofinancing resources divided by GEF grants) by phase of the GEF project cycle as a key ratio for monitoring the level of cofinancing.[9]

3. Determinants of Cofinancing Ratios in the GEF Projects

3.1 Data Description

The primary data source on GEF Trust Fund Projects is the GEF's website,[10] which provides direct accesses to the GEF project database. Secondary sources of information include other GEF web pages that provide additional details. These pages list projects according to size, classifying them as full[11] or medium-sized.[12] In general, projects where the GEF allocation exceeds U$1 million are classified as full-sized projects (FSPs), whereas projects whose GEF allocation is up to U$1 million are classified as medium-sized projects (MSPs). Unless otherwise specified, the

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[9] According to its cofinancing policies and operational guidelines (GEF, 2008a), reference levels for the minimum cofinancing ratio of the GEF are 1:1 in the biodiversity area and 1:3 in other focal areas and multifocal areas of the project where the GEF allocation exceeds $5 million, and 1:6 in all focal areas and multifocal areas of the project where the allocation exceeds $10 million.

[10] http://www.gefonline.org

[11] http://www.thegef.org/gef/geffsp

[12] http://www.thegef.org/gef/geffsp/gefmsp

period of analysis is 1999-2010. Each region—Africa, Asia, Europe and LAC—was broken down following the GEF classification, which is nearly identical to the World Bank's "classification of economies by region."[13] In addition, the projects categorized as "Regional" in the database were also reclassified to each region (Africa, Asia, Europe, LAC) and "Global" according to the range of recipient countries for regional analyses.

In total 1,539 projects from 1999 to 2010 were found to have enough information for an analysis on cofinancing ratios. For these we coded cofinancing sources by class, where by class we mean the source of the funds (government, MDB, NGO, etc.) and by type, where by type we mean the type of funding (cash, grants, loans, etc.) for the projects for which complete cofinancing information is available.[14] The number of projects for cofinancing sources by class and by type during the sample period was 1,130 and 925, respectively.[15]

3.2 Analysis of Stylized Facts

3.2.1 Cofinancing Ratios

Figure 1 illustrates cofinancing ratios by region and replenishment phase[16] from the GEF Trust Fund from its inception to the latest period (May 1991 to July 2011). The average cofinancing ratio in the period has been 4.6,[17] implying that U$1 million of the GEF grants generated an additional U$4.6 million of cofinancing from a variety of sources. Asia exhibited the highest ratio, followed by Europe, Africa, LAC and Global.[18] By GEF replenishment phase, the cofinancing ratio in all regions had steadily increased between GEF-1 and GEF-4.[19]

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[13] "Asia" and "Europe" stand for East Asia and the Pacific, and Europe and Central Asia, respectively.

[14] We use indicative or proposed figures at the recently updated approval stages instead of using actual figures because of limited availability of detailed information on cofinancing.

[15] These cover 73 percent and 60 percent of all projects by GEF grant during the sample period, respectively. By cofinancing, these account for 80 percent and 64 percent of all projects, respectively.

[16] The GEF replenishment periods are as follows: pilot phase (July 1, 1990 – June 30, 1994); GEF-1 (July 1, 1994 – June 30, 1998); GEF-2 (July 1, 1998 – June 30, 2002); GEF-3 (July 1, 2002 – February 6, 2007); GEF-4 (February 7, 2007 – June 30, 2010) and GEF-5 (July 1, 2010 – June 30, 2015).

[17] The analysis was undertaken for all 1,842 projects.

[18] The specific numbers of projects, cofinancing ratios and relative shares by a variety of criteria including regions, agencies, phases, years and focal areas were directly quoted from the tables in the paper's appendix.

[19] We excluded the pilot phase and GEF-5 in explanation due to the former's characteristics and the small number of observations available for the latter.

Figure 1. Cofinancing Ratio by Region and Replenishment Phase (May 1991 to July 2011)
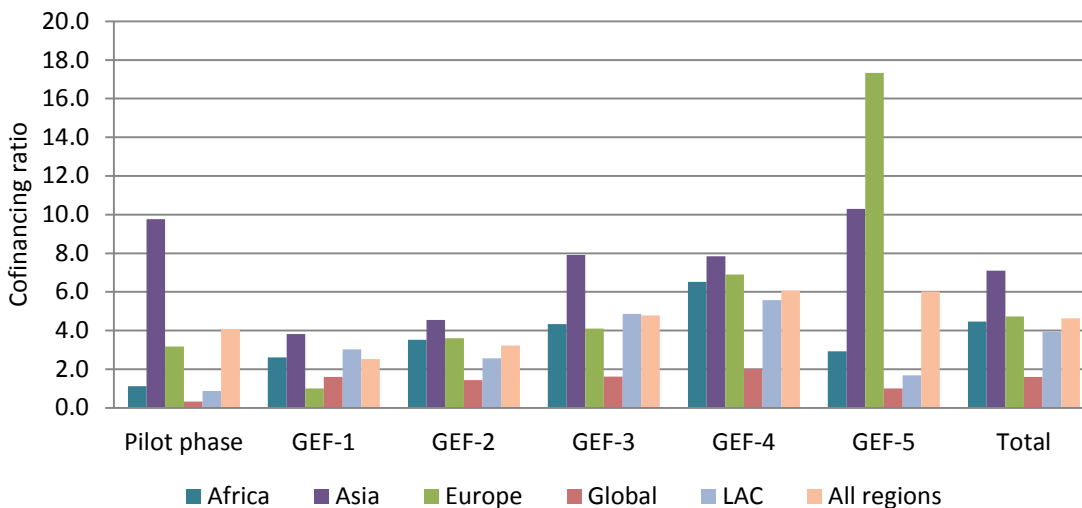
Figure 2 presents cofinancing ratios by region and project size from 1999 to 2010. The average cofinancing ratio of full-sized projects was 5.1, almost twice the average cofinancing ratio of 2.9 for medium-sized projects. Given that medium-sized projects represent only a small share[20] out of all projects in view of total project costs (GEF grant plus cofinancing), they had little significance in determining the overall cofinancing ratio. As a result, the average cofinancing ratio of all projects was 4.9, much closer to the average cofinancing ratio of full-sized projects. Once again, Asia exhibits the highest ratio (more than 7), while the "Global" region projects displays the lowest ratio (less than 2).

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[20] Medium-sized projects accounted for only 4.7 percent.

Figure 2. Cofinancing Ratio by Region and Project Size
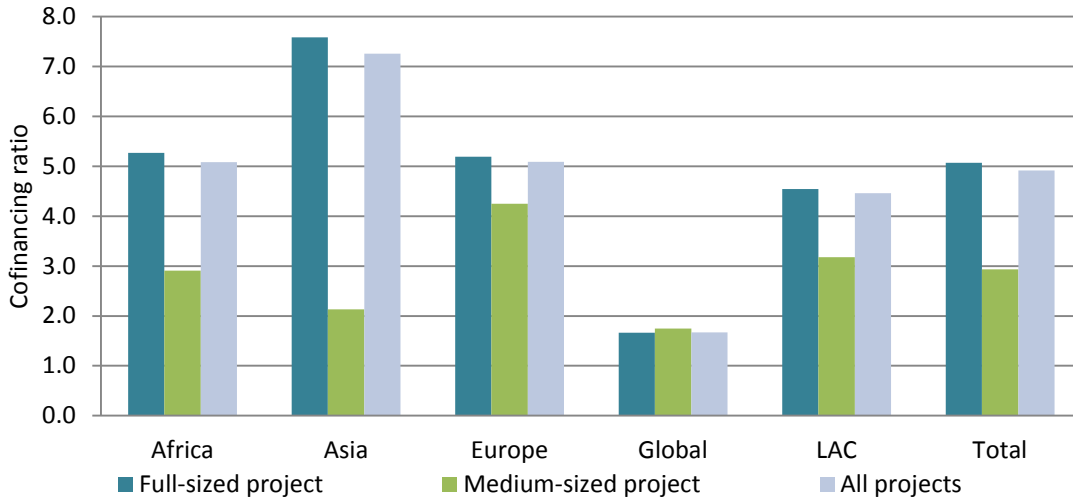
Source: Authors' calculations based on GEF database.

Regarding focal areas, Figure 3 shows that "climate change" had the highest cofinancing ratio, followed by the areas of "international waters" and "land degradation." Nevertheless, the relative share by focal area in terms of the total project costs has a slightly different order, starting with "climate change," followed by "biodiversity" and "international waters," a pattern followed in most regions.

Figure 3. Cofinancing Ratio by Region and Focal Area
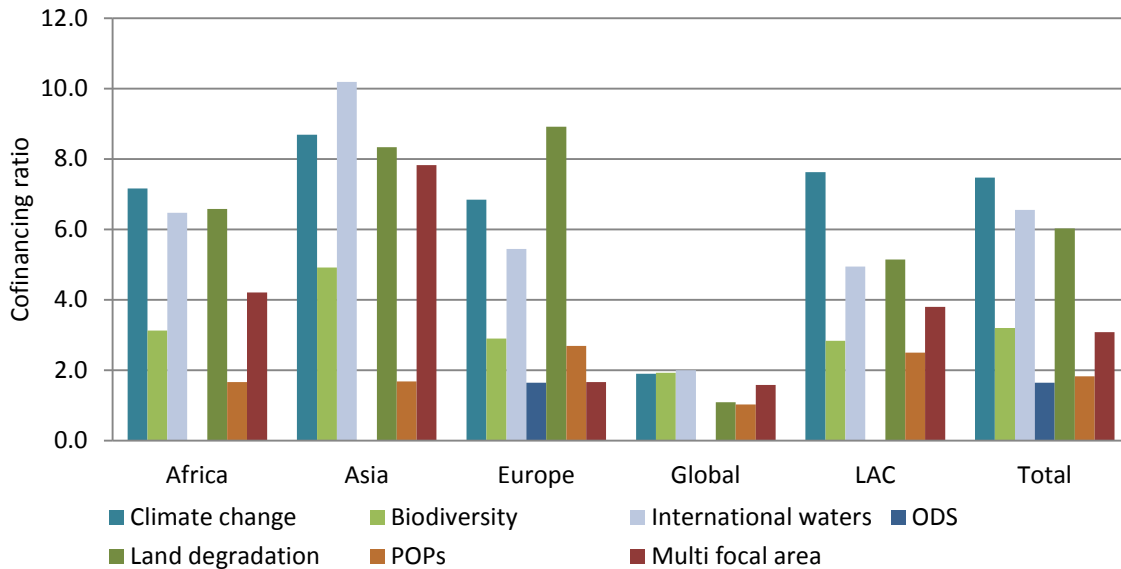
Source: Authors' calculations based on GEF database.

Cofinancing ratios by GEF agency for all projects in Figure 4 show that MDBs had higher cofinancing ratios than the other UN agencies. Among RDBs, the ADB had the highest ratio, followed by the EBRD, IDB and AfDB. Despite the high cofinancing ratios of RDBs, the relative shares of these agencies by total project cost were still very small compared with the IBRD and the UNDP. For example, the combined shares of the IBRD and the UNDP accounted for more than 80 percent (55.8 percent and 25.0 percent, respectively), whereas the sum of the ADB, EBRD, IDB and AfDB accounted for less than 10 percent. Moreover, even in their regions, the RDBs' shares were much lower than the IBRD and the UNDP. For instance, the share of ADB projects was 13.1 percent in Asia, almost four times smaller than the IBRD's 64.1 percent share in the same region. In case of the IDB, the share was 9.3 percent in LAC, close to one sixth of the IBRD's 52.7 percent share and a third of the UNDP's 27.5 percent share.[21] It is also worth noting that the cofinancing ratio of IBRD-provided projects accounting for the biggest composition in view of total project costs among agencies showed important differences by region. Asia has the highest cofinancing ratio of 9.9, followed by Africa (6.6), Europe (5.1) and LAC (4.9).

Figure 4. Cofinancing Ratio by Agency
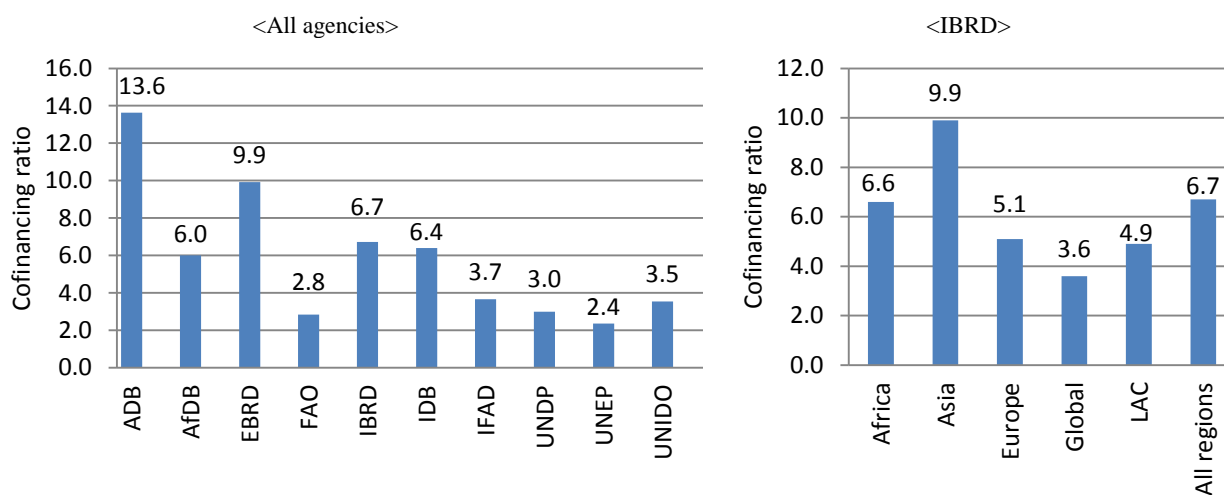
Source: Authors' calculations based on GEF database.

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[21] Table A2 in the Appendix.

As shown in Figure 5, each GEF agency had a different level and distribution of cofinancing ratios by focal area. For example, the ADB had very high cofinancing ratios in most focal areas, the sole exception being "international waters." In contrast, cofinancing ratios of the other RDBs were no higher than 10.

Figure 5. Cofinancing Ratio by Agency and Focal Area
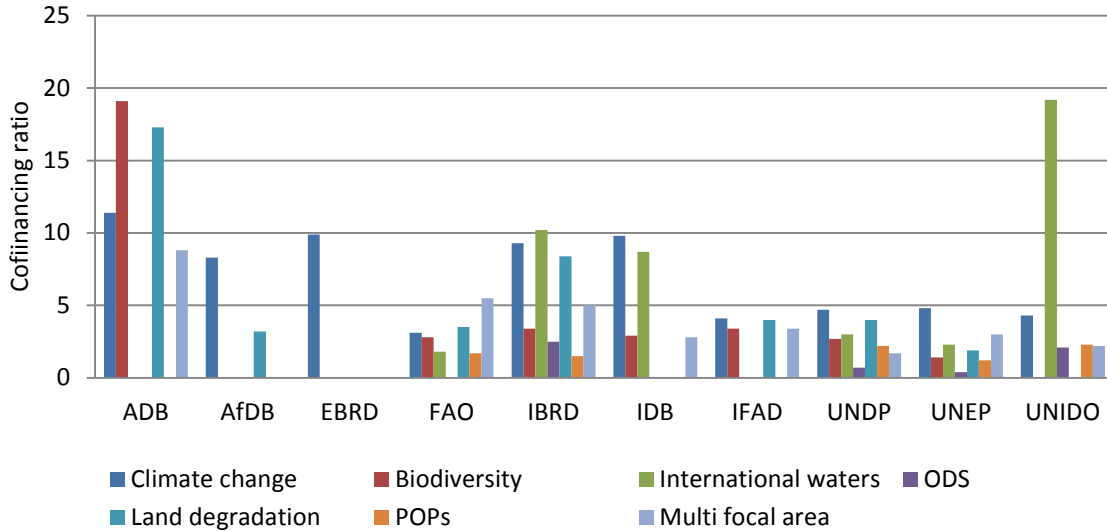
Source: Authors' calculations based on GEF database.

3.2.2 Cofinancing Sources

Cofinancing sources by class. In order to understand differences in cofinancing, we re-classified cofinancing sources in two different steps. In the first step, we classified cofinancing according to main source of funds, yielding six categories: government, other domestic source, GEF agency, bilateral source, other multilateral source and other foreign source. In the second step, we integrated the former categories into two broader categories: domestic sources and foreign sources.

Domestic sources were in total greater than foreign sources for the whole sample period.[22] Specifically, the relative share of governments of a beneficiary country from GEF-2 to GEF-4 showed a gradual increase in relation to private domestic sources, while little change was observed in the shares of foreign sources. Among regions, LAC shows the highest share of domestic sources (mostly explained by the high proportion of government funding), followed by

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[22] Table A3 and Table A4 in the Appendix.

Asia, Africa and Europe. On the other hand, GEF agencies account for the highest share among foreign sources in all regions, with Europe showing the largest proportion of GEF sources and LAC the smallest portion.

Figure 6 shows the composition of cofinancing sources by class, region and focal area. In total, the relative share of domestic sources compared to foreign sources was higher in five of the six focal areas, the only exception being "land degradation." Among domestic sources, government had the largest proportion of sources except in the "ODS" focal area. Regarding GEF agency sources in specific categories, the "land degradation" focal area showed the highest proportion. LAC, having the smallest composition of GEF agencies among all regions, showed the smallest proportion in "land degradation."

Figure 6. Composition of Financing Sources by Class, Region and Focal Area
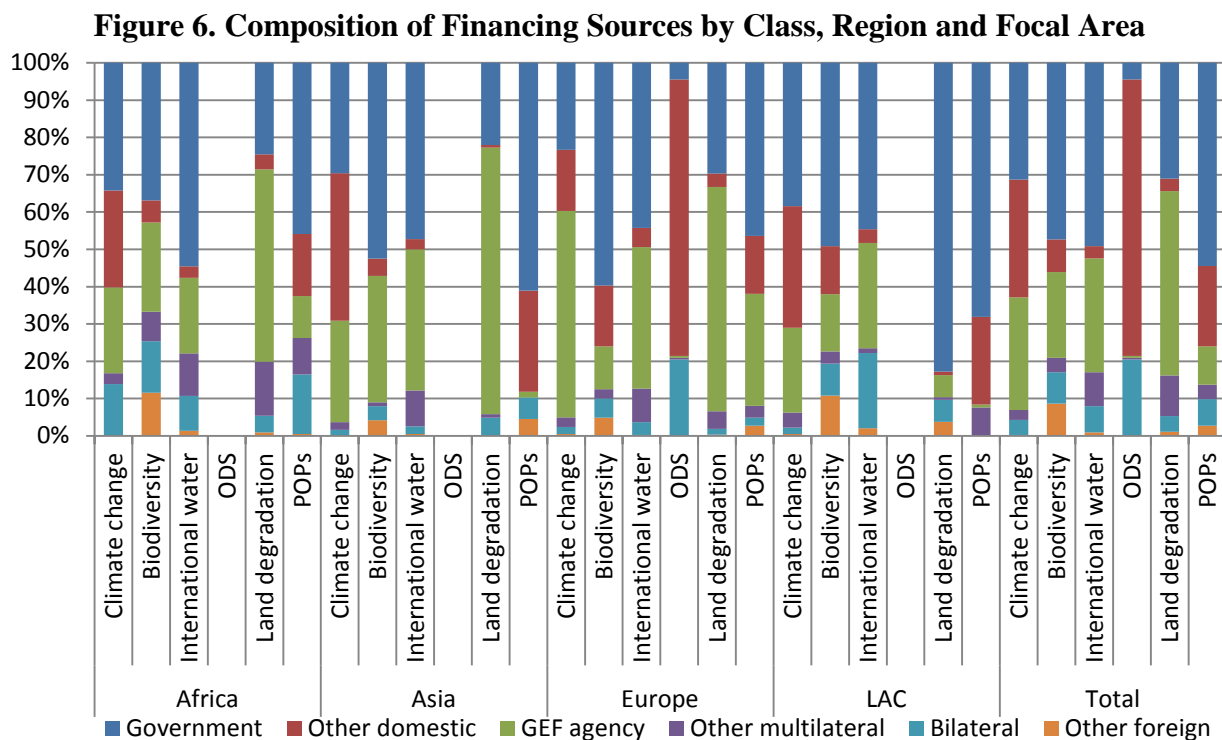
Source: Authors' calculations based on GEF database.

According to the composition of cofinancing sources by class for the projects provided by each agency, as shown in Figure 7, we observe that the relative share of foreign sources compared to domestic sources was higher in MDBs' projects than in UN agencies other than the

IFAD.[23] Among RDBs, the EBRD displayed the highest share of cofinancing by GEF agencies, which may imply a degree of direct funding capacity as the broker of GEF projects. Among IBRD-provided cases, LAC shows the lowest share of both GEF agencies (25.4 percent) and foreign sources (36.0 percent) among regions.

Figure 8 shows the composition of cofinancing sources by class, agency and focal area, indicating the priorities of the agencies to each focal area and its relative effort. In comparison to MDBs, UN agencies display a lower proportion of funds from their own sources and a higher proportion of government sources. On the other hand, UN agencies by and large have broader focal areas than MDBs; the exception is the IBRD, the only MDB with projects in all areas.

Figure 7. Composition of Cofinancing Sources by Class and Agency

<All agencies>   <IBRD>
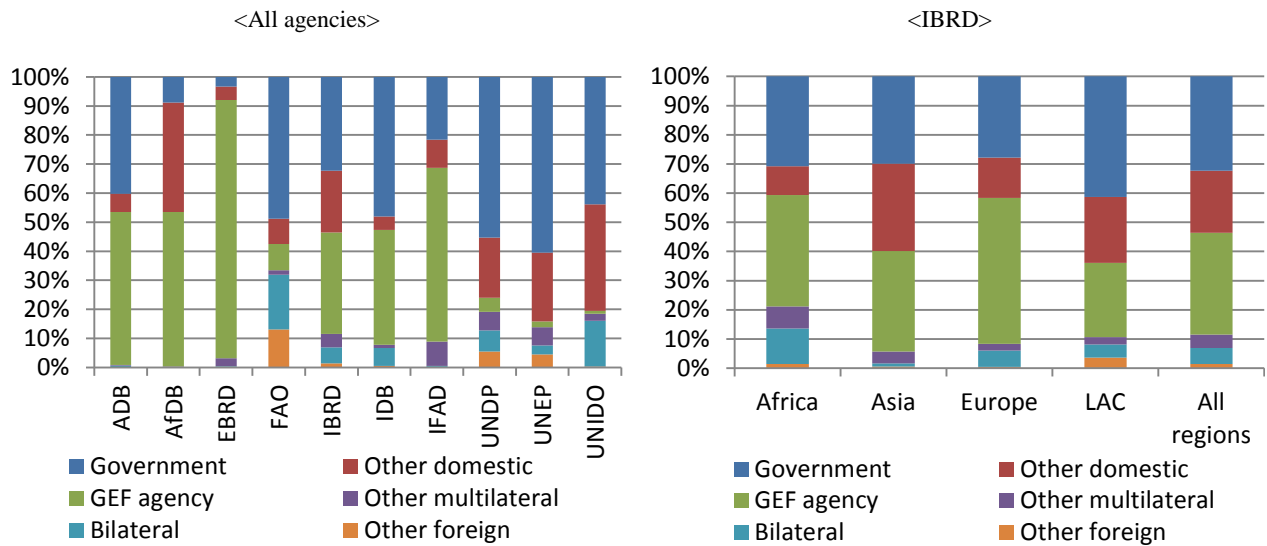
Source: Authors' calculations based on GEF database.

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[23] Table A5 in the Appendix.

Figure 8. Composition of Cofinancing Sources by Class, Agency and Focal Area
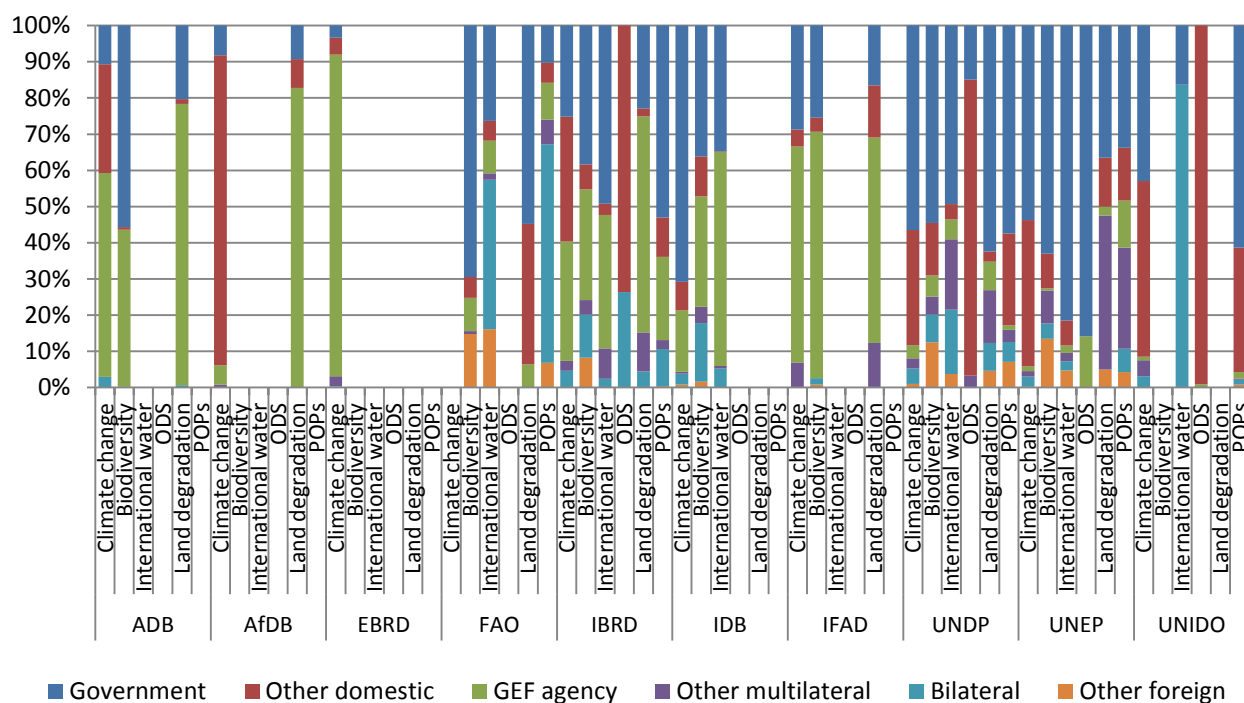
Source: Authors' calculations based on GEF database.

Cofinancing sources by type. Using the PIF we also classified the sources of cofinancing, which could include grants, loans, credits, guarantees, equity investments, cash and in-kind assistance, among other possibilities. We thus tried to create two new categories: reimbursable sources and non-reimbursable sources. The former can generate a financial return for co-financiers, while the latter do not.[24] In total, the share of non-reimbursable sources was greater than reimbursable ones except for Europe. The European region showed the highest share of reimbursable sources (54.8 percent) followed by Asia (42.1 percent).[25] The share of reimbursable sources by project size shows that full-sized projects had higher proportions of reimbursable sources than medium-sized projects. By region, except for LAC, the other regions show higher shares of reimbursables in full-sized projects than in medium-sized projects. LAC also has the lowest relative share of reimbursable sources in full-sized projects.[26]

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[24] It must be noted that reimbursable sources may have a significant portion of subsidy such as concessional loans with longer grace periods.

[25] Table A6 in the Appendix.

[26] Table A7 in the Appendix.

Figure 9 shows the composition of cofinancing sources by type, region and focal area. For all regions, the relative share of reimbursable sources was highest for the areas of "climate change," "land degradation" and "international water." However, it is noteworthy that LAC had the smallest reimbursable percentage in the "land degradation" focal area.

Figure 9. Composition of Cofinancing Sources by Type, Region and Focal Area
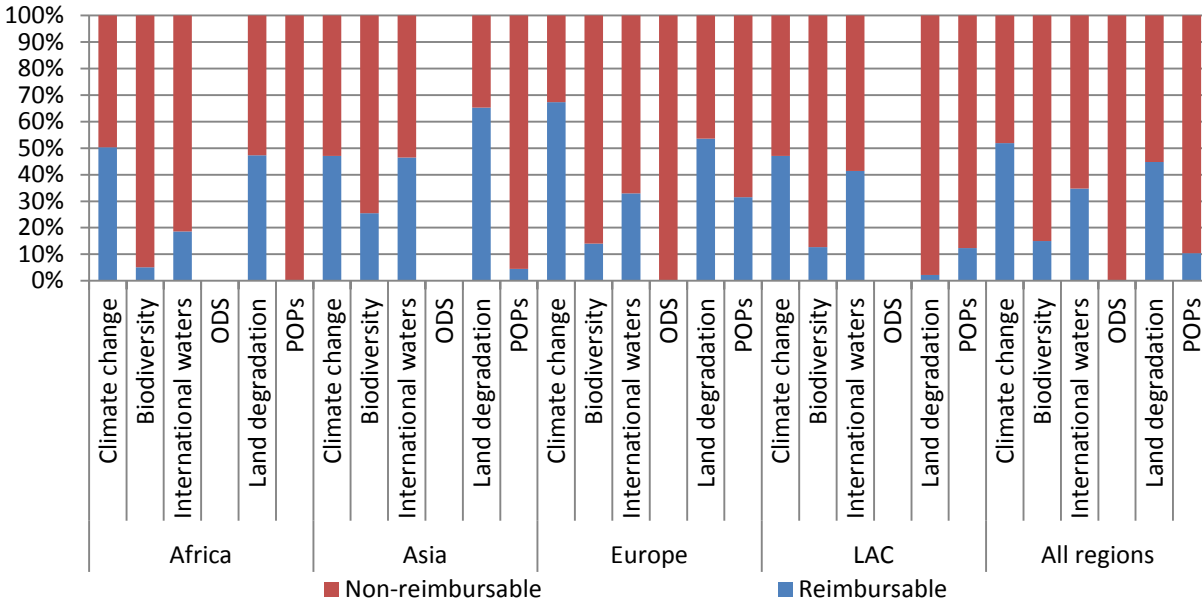
Source: Authors' calculations based on GEF database.

As shown in Figures 10 and 11, the EBRD and the AfDB account for high portions of reimbursable sources among agencies. The ADB shows the lowest share among RDBs. For the IBRD-provided cases, LAC (38.7 percent) shows the lowest share of reimbursable sources, trailing Europe (63.3 percent), Asia (54.2 percent) and Africa (49.9 percent). The ADB shows the lowest share among RDBs[27] in the "climate change" focal area, accounting for the highest share among focal areas in these banks.

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[27] RDBs include ADB, AfDB, EBRD and IADB.

Figure 10. Composition of Cofinancing Sources by Type and Agency
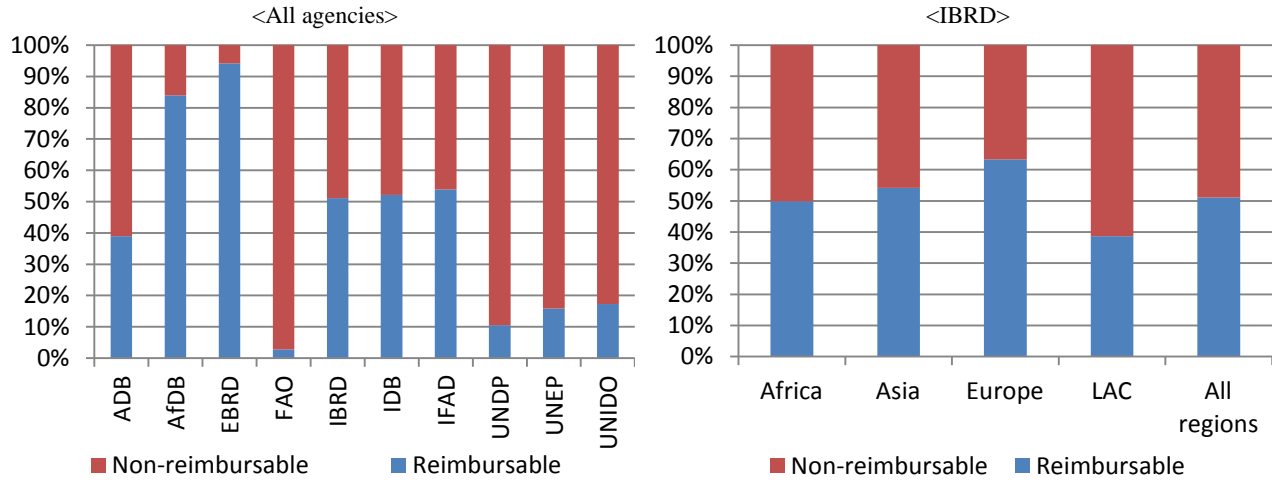
Source: Authors' calculations based on GEF database.

Figure 11. Composition of Cofinancing Sources by Type, Agency and Focal Area
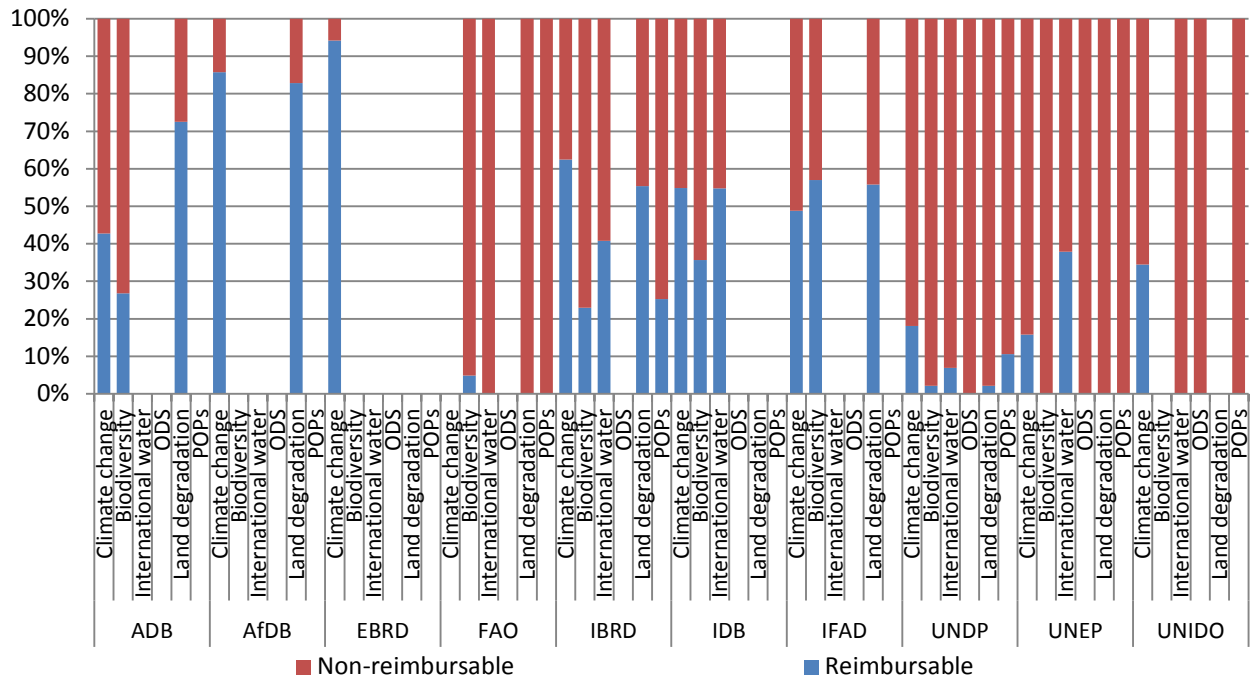
Source: Authors' calculations based on GEF database.

3.2.3 Comparison of GEF Agencies' Performance

In this section we try to compare the performances of different groups of agencies. In particular we are interested in comparing the performance of UN agencies with that of MDBs, and also the performance of the World Bank (IBRD) with that of RDBs. These comparisons were conducted by the Wald t-test in the first moment, although further specific differences could be also seen from the regression analyses in the next section. The large sample size allowed us to have greater power and reject the null hypothesis for several variables analyzed with broader significance. As a result, several findings in the stylized facts could be tested.

First, we tested if projects conducted by UN agencies are different from those of MDBs. Table 1 shows the Wald t-test comparison between the MDBs and the UN agencies. First, the cofinancing ratio is higher for MDBs than for UN agencies. Furthermore, the percentage of domestic sources and government sources is smaller for MDBs than for UN agencies. We also confirmed that the percentage of reimbursable sources in cofinancing is higher for MDBs than for UN agencies. In addition, we could confirm that the MDBs have larger-sized projects but smaller numbers of cofinanciers per project.

Table 1. Wald t-test Comparison between MDBs and UN Agencies

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	1,352	0.000	MDBs>UN agencies
Log (Cofinancing ratio)	1,336	0.000	MDBs>UN agencies
Log (Total project cost)	1,343	0.000	MDBs>UN agencies
Log (Grant total)	1,341	0.000	MDBs>UN agencies
% of domestic source	1,115	0.000	MDBs<UN agencies
% of foreign source	1,115	0.000	MDBs>UN agencies
% of government source	1,115	0.000	MDBs<UN agencies
% of reimbursable source	1,115	0.000	MDBs>UN agencies
No. of cofinanciers	1,115	0.000	MDBs<UN agencies
Project size (≥$5 million)	1,352	0.000	MDBs>UN agencies

We next tested whether projects implemented by RDBs are different from those implemented by the IBRD. As shown in Table 2, RDBs on average have a higher cofinancing ratio than the IBRD among MDBs. The percentage of foreign sources is larger for RDBs than the IBRD, but the percentage of domestic sources is smaller. In addition, RDBs have a higher percentage of reimbursable sources than the IBRD. Finally, we found that RDBs have a greater

number of cofinanciers per project than the IBRD while having a smaller numbers of projects over $5 million. We could also confirm that the Wald t-test comparison between each RDB (ADB, AfDB, EBRD and IDB) and the IBRD shows results similar to those of RDBs on average in comparison to the IBRD, in most cases in spite of lowered significance levels.[28]

Table 2. Wald t-test Comparison between RDBs and IBRD

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	498	0.000	RDBs>IBRD
Log (Cofinancing ratio)	496	0.000	RDBs>IBRD
Log (Total project cost)	503	0.000	RDBs>IBRD
Log (Grant total)	501	0.305	RDBs>IBRD
% of domestic source	406	0.007	RDBs<IBRD
% of foreign source	406	0.007	RDBs>IBRD
% of government source	406	0.488	RDBs<IBRD
% of reimbursable source	406	0.000	RDBs>IBRD
No. of cofinanciers	406	0.003	RDBs>IBRD
Project size (≥$5 million)	508	0.000	RDBs<IBRD

Note: Global projects having very low cofinancing ratios were excluded.

3.3 Regression Analysis

Although it seems that GEF (2008a) cofinancing policies and operational guidelines determine the cofinancing ratio by project size and focal area, other variables could influence that ratio as well. In the previous section, for example, we observed that cofinancing ratios seem to be driven by other factors such as regions, GEF agencies providing the project, the amount of domestic or foreign cofinancing and the reimbursability of funds as well as the size and focal areas of the project.

In order to obtain a deeper understanding of these cofinancing determinants, we constructed an OLS regression with the form

$$y = \alpha + \beta X + \gamma Z + \varepsilon \qquad (1)$$

where *y* is the natural log of the cofinancing ratio for a given project, *X* is the matrix of project characteristics and *Z* is a matrix of controls at the country level. More specifically, characteristics variables are broken down by region, focal area, GEF agency, focal area, share of reimbursable cofinancing, share of domestic cofinancing and project size, among other considerations. The

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[28] Table A8, Table A9, Table A10 and Table A11 in the Appendix.

control variables at the country level include current account balance as a percentage of GDP, log of GDP per capita, total reserves as a percentage of total external debt, log of population density, control of corruption[29] and government effectiveness[30] in each country. The data sources are the World Development Indicators and the World Governance Indicators, both compiled by the World Bank. The sample used to make the regressions consists of projects from 1999 to 2010 for which complete cofinancing information is available.[31]

As shown for different specifications in Tables 3 and 4, the main findings can be summarized as follows. The first finding is that larger projects, by size of the GEF grant as well as by size of total project cost, tend to increase the cofinancing ratio. Moreover, projects with a larger share of reimbursable funds also tend to have higher cofinancing ratios. Meanwhile, projects with a large domestic fraction of cofinancing tend to decrease the cofinancing ratio. This is especially interesting for the LAC region, which has the highest share of domestic sources among regions.

Another important result is that projects in the "biodiversity" focal area[32] exhibit lower cofinancing ratios than in the "climate change" focal area. This is also noticeable for the LAC region, considering its highest relative share among regions in the "biodiversity" focal area.[33] We also find that post-2004[34] projects have a higher cofinancing ratio, while regional projects[35] have a smaller cofinancing ratio than country-specific ones.

In addition to these results, we also find that MDBs have higher cofinancing ratios than UN agencies in all the models except the last, where this difference is not significant. Among RDBs, the ADB displays higher cofinancing ratios than the IBRD, while the AfDB displays lower ratios.[36] Finally, we should mention that, while no region seems to exhibit significantly

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[29] This expresses the degree of public power used for private gain including corruption as well as "capture" of the nation by elites and private interests, ranging from -2.5 (weak) to 2.5 (strong).

[30] This represents the quality of public services, policy formulation and implementation, the degree of independence from political pressures, and the credibility of the government's commitment, ranging from -2.5 (weak) to 2.5 (strong).

[31] For the governance indicators for 1999 and 2001 we use the arithmetic average of the previous and subsequent years for each country.

[32] The "ODS" and "POPs" focal area also has lower cofinancing ratios than the "climate change" focal area.

[33] According to the dataset used in our paper, the LAC region has the highest relative share in the "biodiversity" focal area during the period of 1999-2010 by number of projects (53.7 percent), GEF grant (49.9 percent), cofinancing (31.7 percent) and total project cost (35.1 percent).

[34] RDBs have been involved in the GEF projects as the GEF agency in earnest since 2004.

[35] These projects, classified as "Regional" in the GEF database, refer the projects which were implemented over more than two countries.

[36] Table A14 in the Appendix.

higher cofinancing ratios than the LAC region, these differences appear to be driven by other project characteristics.

Table 3. Regression Results without Country Control

		LOG (Cofinancing ratio)						
Panel A	Regional project=1	-0.410***	-0.432***	-0.428***	-0.508***	-0.517***	-0.472***	-0.520***
		(0.073)	(0.069)	(0.069)	(0.078)	(0.074)	(0.073)	(0.073)
	Post 2004=1		0.631***	0.631***	0.618***	0.600***	0.630***	0.603***
			(0.066)	(0.067)	(0.065)	(0.061)	(0.061)	(0.058)
Panel B	region (Asia)=1			0.049	-0.022	-0.028	-0.014	-0.003
				(0.084)	(0.082)	(0.076)	(0.076)	(0.074)
	region (Europe)=1			-0.020	-0.050	-0.130	-0.089	-0.013
				(0.091)	(0.085)	(0.079)	(0.080)	(0.078)
	region (Africa)=1			-0.007	-0.062	-0.125*	-0.103	-0.059
				(0.073)	(0.070)	(0.067)	(0.068)	(0.066)
Panel C	Focal area (Biodiversity)=1				-0.601***	-0.466***	-0.467***	-0.392***
					(0.067)	(0.064)	(0.063)	(0.060)
	Focal area (International waters)=1				0.090	0.096	0.064	0.004
					(0.120)	(0.113)	(0.112)	(0.110)
	Focal area (ODS)=1				-1.895***	-1.681***	-1.669***	-1.690***
					(0.390)	(0.397)	(0.382)	(0.338)
	Focal area (Land degradation)=1				-0.0536	-0.126	-0.115	-0.088
					(0.125)	(0.114)	(0.113)	(0.113)
	Focal area (POPs)=1				-0.871***	-0.713***	-0.706***	-0.714***
					(0.082)	(0.083)	(0.083)	(0.082)
Panel D	% of domestic funds over cofinancing					-0.473***	-0.393***	-0.405***
						(0.078)	(0.079)	(0.076)
	% of reimbursable funds over cofinancing					0.712***	0.656***	0.633***
						(0.087)	(0.077)	(0.067)
Panel E	MDBs=1						0.214***	0.073
							(0.060)	(0.061)
Panel F	Log (GEF grant)							0.233***
								(0.027)
Panel G	Constant	0.993***	0.548***	0.542***	0.936***	1.153***	0.983***	-2.437***
		(0.034)	(0.060)	(0.075)	(0.089)	(0.103)	(0.109)	(0.414)
	Number of observations	1,130	1,130	1,130	1,130	1,130	1,130	1,130
	R-squared	0.023	0.100	0.101	0.223	0.322	0.330	0.373

Notes: 1) Robust standard errors in parentheses.

2) *** p<0.01, ** p<0.05, * p<0.1.

Table 4. Regression Results with Country Controls

		LOG (Cofinancing ratio)					
	Post 2004=1	0.588***	0.587***	0.553***	0.543***	0.591***	0.537***
		(0.085)	(0.086)	(0.085)	(0.080)	(0.080)	(0.078)
Panel B	region (Asia)=1		0.077	0.050	0.134	0.159	0.180*
			(0.125)	(0.119)	(0.113)	(0.114)	(0.108)
	region (Europe)=1		0.063	-0.060	-0.121	-0.087	-0.019
			(0.118)	(0.114)	(0.108)	(0.110)	(0.107)
	region (Africa)=1		0.075	0.055	0.089	0.108	0.127
			(0.121)	(0.112)	(0.111)	(0.112)	(0.108)
Panel C	Focal area (Biodiversity)=1			-0.633***	-0.534***	-0.538***	-0.433***
				(0.085)	(0.082)	(0.082)	(0.079)
	Focal area (International waters)=1			0.270	0.109	0.0512	0.126
				(0.216)	(0.211)	(0.205)	(0.205)
	Focal area (ODS)=1			-1.509	-1.212	-1.235	-1.588**
				(1.024)	(0.930)	(0.861)	(0.784)
	Focal area (Land degradation)=1			-0.0993	-0.198	-0.192	-0.149
				(0.161)	(0.147)	(0.144)	(0.140)
	Focal area (POPs)=1			-0.976***	-0.785***	-0.781***	-0.776***
				(0.115)	(0.120)	(0.122)	(0.122)
Panel D	% of domestic funds over cofinancing				-0.824***	-0.757***	-0.682***
					(0.111)	(0.110)	(0.108)
	% of reimbursable funds over cofinancing				0.573***	0.489***	0.444***
					(0.113)	(0.117)	(0.119)
Panel E	MDBs=1					0.224***	0.084
						(0.076)	(0.077)
Panel F	Log (GEF grant)						0.268***
							(0.036)
Panel G	Constant	0.914*	0.703	0.673	0.0195	-0.221	-3.824***
		(0.488)	(0.654)	(0.609)	(0.606)	(0.611)	(0.787)
	Number of observations	694	694	694	694	694	694
	R-squared	0.092	0.093	0.209	0.314	0.323	0.367

Notes: 1) Robust standard errors in parentheses.
2) *** p<0.01, ** p<0.05, * p<0.1.
3) The control variables include the current account balance (% of GDP), log of GDP per capita (PPP constant 2005 international $), total reserves (% of total external debt) , log of population density, control of corruption and government effectiveness.

4. Conclusion

Stylized facts show that cofinancing in GEF projects has increased over time and replenishment phases. Nevertheless, cofinancing remains unevenly distributed among focal areas and regions. The cofinancing ratio, considered a key element of project success, was found to be lowest in the LAC region, trailing Asia, Europe and Africa. By agency, the IDB showed a much lower cofinancing ratio than the ADB and the EBRD, and one closer to the AfDB among RDBs. The cofinancing ratio of the IBRD, accounting for the greatest share among agencies in each region, was lowest in LAC. Moreover, cofinancing ratios are higher for MDBs than for UN agencies, and the percentage of reimbursable sources is also higher for MDBs, although MDBs have bigger projects.

In view of the composition of cofinancing sources, LAC had the highest share of domestic sources, mainly due to governments' funding, while recording the lowest composition of foreign sources among regions during the period from 1999 to 2010. LAC was the smallest in relative share of GEF agencies' funding, which may function as an important indicator representing the degree of funding capacity of the providers in an individual GEF project.

LAC also accounted for the lowest composition of GEF agencies as well as foreign sources among four regions for the IBRD-provided projects. On the other hand, when compared to Europe and Asia, LAC displayed a very low share of reimbursable sources with a financial return for cofinanciers in relation to non-reimbursable sources with no return for cofinanciers. LAC's share by project size and GEF focal area was low in the full-sized projects and the "land degradation" focal area. In addition, among the four regions considered LAC had the lowest share of reimbursable sources in IBRD-provided projects.

From a regression analysis point of view, however, we conclude the following. First, we confirm that GEF rules are important in determining cofinancing ratios of the GEF projects. Thus larger projects tend to exhibit higher cofinancing, as expected, and cofinancing ratios differ according to the focal area of each project. Second, the classes (domestic vs. foreign) and types (reimbursable vs. non-reimbursable) of cofinancing sources are important as well. For example, projects with a greater share of domestic sources tend to decrease the cofinancing ratio, while projects with higher relative share of reimbursable sources tend to increase the ratio. Third, the GEF agencies also matter. As confirmed through several exercises, post-2004 (the time at which

RDBs could take the lead as GEF agencies), MDB-provided and ADB-provided projects show higher cofinancing ratios.

We also find that regional projects mobilize few resources. This is perhaps due to the fact that regional projects tend to have multiple owners, and therefore none of them can take credit for its success. Moreover, the externality here is even worse since the benefits of regional projects are by definition divided among different countries.

The policy implications of our findings seem to be the following. In order to mobilize more resources, agencies or recipient countries should focus on larger projects and on certain focal areas such as "climate change" and "international waters." However, this may be problematic for very small countries, which may need to mobilize more resources through MDBs rather than UN agencies. Our paper also showed that LAC needs to increase the share of foreign cofinancing sources in relation to that of domestic sources as well as increase the respective weights of "climate change" and "international water." In this regard, the IDB could play a vital role in increasing private sector financing and targeting larger projects.

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Appendix

Table A1. GEF Grant, Cofinancing, Total Project Cost and Cofinancing Ratio
by Region and Year

Unit: US$ million

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Africa	No. of project	20	24	28	17	29	35	30	41	56	71	79	38	468
	GEF grant	81	114	99	75	144	199	185	188	215	211	199	89	1,799
	Cofinancing	126	543	398	212	528	812	779	1,112	2,186	1,050	917	479	9,142
	Total project cost	207	657	497	287	672	1,011	964	1,300	2,401	1,261	1,116	568	10,941
	Cofinancing ratio	1.6	4.8	4.0	2.8	3.7	4.1	4.2	5.9	10.2	5.0	4.6	5.4	5.1
Asia	No. of project	20	18	19	19	22	23	23	19	39	55	45	34	336
	GEF grant	102	65	134	79	95	146	160	146	215	258	163	89	1,651
	Cofinancing	633	94	651	338	452	1,083	1,678	1,370	2,502	1,664	1,105	409	11,979
	Total project cost	735	159	784	417	547	1,229	1,838	1,516	2,717	1,922	1,269	498	13,631
	Cofinancing ratio	6.2	1.4	4.9	4.3	4.8	7.4	10.5	9.4	11.6	6.5	6.8	4.6	7.3
Europe	No. of project	8	14	24	20	20	15	32	16	18	49	22	23	261
	GEF grant	43	53	82	85	100	67	83	42	36	192	48	75	908
	Cofinancing	103	174	284	390	432	148	306	387	215	1,366	290	527	4,619
	Total project cost	145	227	365	475	532	216	389	429	251	1,558	338	602	5,527
	Cofinancing ratio	2.4	3.3	3.5	4.6	4.3	2.2	3.7	9.1	6.0	7.1	6.0	7.0	5.1
Global	No. of project	6	7	12	11	14	11	20	15	16	15	24	10	161
	GEF grant	14	75	50	49	68	137	68	116	174	66	140	160	1,117
	Cofinancing	18	128	61	55	124	112	134	287	291	184	243	226	1,863
	Total project cost	32	204	112	104	192	249	202	404	465	249	383	386	2,980
	Cofinancing ratio	1.3	1.7	1.2	1.1	1.8	0.8	2.0	2.5	1.7	2.8	1.7	1.4	1.7
LAC	No. of project	24	27	23	21	16	14	29	20	23	53	36	27	313
	GEF grant	155	185	67	72	80	74	188	127	122	197	116	103	1,487
	Cofinancing	508	404	175	172	576	384	844	580	575	961	346	1,103	6,627
	Total project cost	663	590	241	244	656	457	1,032	707	698	1,158	461	1,207	8,114
	Cofinancing ratio	3.3	2.2	2.6	2.4	7.2	5.2	4.5	4.6	4.7	4.9	3.0	10.7	4.5
Total	No. of project	78	90	106	88	101	98	134	111	152	243	206	132	1,539
	GEF grant	395	493	431	361	487	624	684	620	762	924	665	517	6,963
	Cofinancing	1,388	1,343	1,568	1,166	2,112	2,538	3,740	3,736	5,770	5,225	2,901	2,744	34,230
	Total project cost	1,783	1,836	1,999	1,527	2,599	3,162	4,425	4,355	6,532	6,149	3,566	3,260	41,193
	Cofinancing ratio	3.5	2.7	3.6	3.2	4.3	4.1	5.5	6.0	7.6	5.7	4.4	5.3	4.9

Table A2. GEF Grant, Cofinancing, Total Project Cost and Cofinancing Ratio by Region and Agency

Unit: US$ million

		ADB		AfDB		EBRD		FAO		IBRD	
Africa	No. of project	0	(0.0)	2	(0.4)	0	(0.0)	11	(2.4)	166	(35.5)
	GEF grant	0	(0.0)	7	(0.4)	0	(0.0)	34	(1.9)	912	(50.7)
	Cofinancing	0	(0.0)	23	(0.3)	0	(0.0)	76	(0.8)	6,038	(66.1)
	Total project cost	0	(0.0)	31	(0.3)	0	(0.0)	109	(1.0)	6,951	(63.5)
	Cofinancing ratio	0.0		3.2		0.0		2.3		6.6	
Asia	No. of project	24	(7.1)	0	(0.0)	0	(0.0)	4	(1.2)	107	(31.8)
	GEF grant	121	(7.3)	0	(0.0)	0	(0.0)	26	(1.6)	804	(48.7)
	Cofinancing	1,660	(13.9)	0	(0.0)	0	(0.0)	51	(0.4)	7,932	(66.2)
	Total project cost	1,781	(13.1)	0	(0.0)	0	(0.0)	77	(0.6)	8,735	(64.1)
	Cofinancing ratio	13.7		0.0		0.0		1.9		9.9	
Europe	No. of project	3	(1.1)	0	(0.0)	7	(2.7)	1	(0.4)	67	(25.7)
	GEF grant	9	(1.0)	0	(0.0)	111	(12.3)	1	(0.1)	361	(39.8)
	Cofinancing	127	(2.7)	0	(0.0)	1,105	(23.9)	1	(0.0)	1,847	(40.0)
	Total project cost	136	(2.5)	0	(0.0)	1,216	(22.0)	2	(0.0)	2,208	(40.0)
	Cofinancing ratio	14.1		0.0		9.9		1.4		5.1	
Global	No. of project	1	(0.6)	1	(0.6)	0	(0.0)	3	(1.9)	26	(16.3)
	GEF grant	1	(0.1)	3	(0.2)	0	(0.0)	7	(0.6)	178	(16.0)
	Cofinancing	1	(0.1)	37	(2.0)	0	(0.0)	20	(1.1)	644	(34.6)
	Total project cost	2	(0.1)	40	(1.3)	0	(0.0)	27	(0.9)	822	(27.6)
	Cofinancing ratio	1.0		13.5		0.0		2.9		3.6	
LAC	No. of project	0	(0.0)	0	(0.0)	0	(0.0)	4	(1.3)	107	(34.2)
	GEF grant	0	(0.0)	0	(0.0)	0	(0.0)	17	(1.1)	718	(48.3)
	Cofinancing	0	(0.0)	0	(0.0)	0	(0.0)	91	(1.4)	3,555	(53.6)
	Total project cost	0	(0.0)	0	(0.0)	0	(0.0)	107	(1.3)	4,273	(52.7)
	Cofinancing ratio	0.0		0.0		0.0		5.5		4.9	
Total	No. of project	28	(1.8)	3	(0.2)	7	(0.5)	23	(1.5)	473	(30.8)
	GEF grant	131	(1.9)	10	(0.1)	111	(1.6)	84	(1.2)	2,974	(42.7)
	Cofinancing	1,788	(5.2)	60	(0.2)	1,105	(3.2)	239	(0.7)	20,016	(58.5)
	Total project cost	1,919	(4.7)	70	(0.2)	1,216	(3.0)	324	(0.8)	22,990	(55.8)
	Cofinancing ratio	13.6		6.0		9.9		2.8		6.7	

Note: GEFSEC (one project) was excluded.

Table A2. GEF Grant, Cofinancing, Total Project Cost and Cofinancing Ratio by Region and Agency (continued)

Unit: US$ million

		IDB		IFAD		UNDP		UNEP		UNIDO		Total
Africa	No. of project	0	(0.0)	16	(3.4)	173	(37.0)	83	(17.7)	17	(3.6)	468
	GEF grant	0	(0.0)	61	(3.4)	556	(30.9)	195	(10.9)	34	(1.9)	1,799
	Cofinancing	0	(0.0)	229	(2.5)	2,183	(23.9)	499	(5.5)	92	(1.0)	9,142
	Total project cost	0	(0.0)	290	(2.7)	2,739	(25.0)	694	(6.3)	126	(1.2)	10,941
	Cofinancing ratio	0.0		3.7		3.9		2.6		2.7		5.1
Asia	No. of project	0	(0.0)	4	(1.2)	139	(41.4)	33	(9.8)	25	(7.4)	336
	GEF grant	0	(0.0)	18	(1.1)	497	(30.1)	80	(4.8)	106	(6.4)	1,651
	Cofinancing	0	(0.0)	48	(0.4)	1,658	(13.8)	324	(2.7)	306	(2.6)	11,979
	Total project cost	0	(0.0)	66	(0.5)	2,155	(15.8)	404	(3.0)	412	(3.0)	13,631
	Cofinancing ratio	0.0		2.8		3.3		4.1		2.9		7.3
Europe	No. of project	0	(0.0)	0	(0.0)	149	(57.1)	27	(10.3)	7	(2.7)	261
	GEF grant	0	(0.0)	0	(0.0)	370	(40.8)	41	(4.5)	14	(1.5)	908
	Cofinancing	0	(0.0)	0	(0.0)	1,379	(29.8)	60	(1.3)	101	(2.2)	4,619
	Total project cost	0	(0.0)	0	(0.0)	1,749	(31.6)	101	(1.8)	114	(2.1)	5,527
	Cofinancing ratio	0.0		0.0		3.7		1.5		7.2		5.1
Global	No. of project	1	(0.6)	1	(0.6)	50	(31.3)	74	(46.3)	3	(1.9)	160
	GEF grant	5	(0.4)	1	(0.1)	686	(61.6)	212	(19.0)	22	(2.0)	1,114
	Cofinancing	19	(1.0)	1	(0.0)	755	(40.5)	340	(18.2)	48	(2.6)	1,863
	Total project cost	24	(0.8)	1	(0.0)	1,441	(48.4)	551	(18.5)	70	(2.3)	2,977
	Cofinancing ratio	3.7		0.8		1.1		1.6		2.2		1.7
LAC	No. of project	25	(8.0)	6	(1.9)	126	(40.3)	42	(13.4)	3	(1.0)	313
	GEF grant	101	(6.8)	21	(1.4)	472	(31.8)	149	(10.0)	9	(0.6)	1,487
	Cofinancing	657	(9.9)	90	(1.4)	1,756	(26.5)	372	(5.6)	105	(1.6)	6,627
	Total project cost	758	(9.3)	112	(1.4)	2,228	(27.5)	521	(6.4)	114	(1.4)	8,114
	Cofinancing ratio	6.5		4.3		3.7		2.5		12.1		4.5
Total	No. of project	26	(1.7)	27	(1.8)	637	(41.4)	259	(16.8)	55	(3.6)	1,538
	GEF grant	106	(1.5)	101	(1.4)	2,582	(37.1)	677	(9.7)	184	(2.6)	6,960
	Cofinancing	676	(2.0)	368	(1.1)	7,731	(22.6)	1,595	(4.7)	652	(1.9)	34,230
	Total project cost	781	(1.9)	469	(1.1)	10,313	(25.0)	2,272	(5.5)	836	(2.0)	41,190
	Cofinancing ratio	6.4		3.7		3.0		2.4		3.5		4.9

Note: GEFSEC (one project) was excluded.

Table A3. Cofinancing Amount and Composition by Source Class, Region and Replenishment Phase

Unit: US$ million

		GEF-2		GEF-3		GEF-4		Total	
Africa	No. of project	57		128		194		379	
	Domestic source	293	(39.3)	1,332	(48.0)	2,175	(53.2)	3,800	(49.9)
	[Government]	147	(19.7)	777	(28.0)	1,943	(47.5)	2,866	(37.7)
	[Other domestic]	147	(19.6)	555	(20.0)	232	(5.7)	934	(12.3)
	Foreign source	454	(60.7)	1,441	(52.0)	1,916	(46.8)	3,810	(50.1)
	[GEF agency]	301	(40.3)	701	(25.3)	1,102	(26.9)	2,104	(27.6)
	[Other multilateral]	96	(12.8)	216	(7.8)	312	(7.6)	623	(8.2)
	[Bilateral]	50	(6.7)	428	(15.4)	368	(9.0)	845	(11.1)
	[Other foreign]	8	(1.0)	95	(3.4)	135	(3.3)	238	(3.1)
	Total cofinancing	747		2,772		4,091		7,610	
Asia	No. of project	56		91		132		279	
	Domestic source	782	(61.2)	2,354	(54.2)	3,264	(72.6)	6,400	(63.2)
	[Government]	213	(16.7)	1,676	(38.6)	1,911	(42.5)	3,800	(37.6)
	[Other domestic]	569	(44.5)	678	(15.6)	1,353	(30.1)	2,600	(25.7)
	Foreign source	495	(38.8)	1,991	(45.8)	1,233	(27.4)	3,719	(36.8)
	[GEF agency]	428	(33.5)	1,675	(38.6)	966	(21.5)	3,069	(30.3)
	[Other multilateral]	8	(0.6)	195	(4.5)	124	(2.8)	326	(3.2)
	[Bilateral]	28	(2.2)	100	(2.3)	95	(2.1)	222	(2.2)
	[Other foreign]	32	(2.5)	21	(0.5)	48	(1.1)	101	(1.0)
	Total cofinancing	1,278		4,344		4,497		10,119	
Europe	No. of project	47		78		92		217	
	Domestic source	257	(49.9)	537	(55.3)	991	(43.0)	1,786	(46.7)
	[Government]	136	(26.4)	409	(42.1)	658	(28.5)	1,203	(31.4)
	[Other domestic]	121	(23.5)	129	(13.2)	333	(14.5)	583	(15.3)
	Foreign source	258	(50.1)	434	(44.7)	1,315	(57.0)	2,007	(53.3)
	[GEF agency]	174	(33.8)	335	(34.5)	1,207	(52.3)	1,716	(45.7)
	[Other multilateral]	33	(6.4)	42	(4.3)	63	(2.7)	138	(3.6)
	[Bilateral]	49	(9.5)	40	(4.2)	23	(1.0)	113	(2.9)
	[Other foreign]	2	(0.3)	17	(1.7)	22	(0.9)	40	(1.0)
	Total cofinancing	515		971		2,306		3,793	
LAC	No. of project	58		78		115		251	
	Domestic source	679	(73.1)	1,546	(68.2)	1,580	(62.1)	3,804	(66.3)
	[Government]	611	(65.8)	898	(39.6)	1,048	(41.2)	2,557	(44.6)
	[Other domestic]	68	(7.3)	648	(28.6)	531	(20.9)	1,248	(21.7)
	Foreign source	249	(26.9)	721	(31.8)	963	(37.9)	1,933	(33.7)
	[GEF agency]	92	(9.9)	416	(18.3)	635	(25.0)	1,143	(19.9)
	[Other multilateral]	31	(3.3)	126	(5.5)	39	(1.6)	196	(3.4)
	[Bilateral]	70	(7.5)	85	(3.8)	194	(7.6)	350	(6.1)
	[Other foreign]	57	(6.2)	94	(4.2)	94	(3.7)	245	(4.3)
	Total cofinancing	928		2,267		2,543		5,738	
Total	No. of project	218		375		533		1,126	
	Domestic source	2,012	(58.0)	5,769	(55.7)	8,010	(59.6)	15,790	(57.9)
	[Government]	1,107	(31.9)	3,759	(36.3)	5,560	(41.4)	10,426	(38.2)
	[Other domestic]	905	(26.1)	2,010	(19.4)	2,450	(18.2)	5,364	(19.7)
	Foreign source	1,456	(42.0)	4,586	(44.3)	5,427	(40.4)	11,470	(42.1)
	[GEF agency]	995	(28.7)	3,128	(30.2)	3,910	(29.1)	8,033	(29.5)
	[Other multilateral]	167	(4.8)	578	(5.6)	539	(4.0)	1,283	(4.7)
	[Bilateral]	196	(5.7)	654	(6.3)	680	(5.1)	1,530	(5.6)
	[Other foreign]	98	(2.8)	227	(2.2)	299	(2.2)	624	(2.3)
	Total cofinancing	3,468		10,355		13,437		27,260	

Table A4. Cofinancing Amount and Composition by Source Class, Region and Year

Unit: US$ million

		1999		2000		2001		2002		2003		2004		2005	
Africa	No. of project	16		19		20		10		26		30		25	
	Domestic source	82	(79.6)	110	(39.8)	65	(19.6)	61	(45.9)	261	(54.5)	231	(33.1)	232	(42.8)
	[Government]	10	(10.2)	63	(22.8)	43	(13.0)	45	(34.0)	156	(32.6)	221	(31.6)	194	(35.9)
	[Other domestic]	71	(69.5)	47	(17.0)	22	(6.6)	16	(11.9)	105	(21.9)	10	(1.4)	37	(6.9)
	Foreign source	21	(20.4)	167	(60.2)	266	(80.4)	72	(54.1)	218	(45.5)	468	(66.9)	310	(57.2)
	[GEF agency]	15	(14.6)	136	(49.1)	149	(45.3)	46	(34.9)	123	(25.7)	181	(25.9)	153	(28.2)
	[Other multilateral]	1	(0.5)	6	(2.1)	89	(27.0)	3	(2.6)	6	(1.3)	31	(4.4)	71	(13.1)
	[Bilateral]	0	(0.0)	24	(8.6)	26	(7.8)	21	(15.7)	73	(15.3)	228	(32.6)	65	(12.1)
	[Other foreign]	5	(5.3)	1	(0.4)	1	(0.3)	1	(1.0)	15	(3.2)	28	(4.0)	21	(3.8)
	Total cofinancing	103		277		330		133		479		699		542	
Asia	No. of project	16		16		17		16		20		23		23	
	Domestic source	320	(62.9)	52	(61.2)	348	(68.5)	156	(49.0)	147	(53.7)	609	(56.8)	820	(51.0)
	[Government]	92	(18.1)	44	(51.9)	68	(13.4)	66	(20.7)	66	(24.2)	444	(41.4)	626	(38.9)
	[Other domestic]	228	(44.8)	8	(9.4)	280	(55.1)	90	(28.3)	81	(29.5)	165	(15.4)	194	(12.1)
	Foreign source	189	(37.1)	33	(38.8)	160	(31.5)	163	(51.0)	127	(46.3)	464	(43.2)	787	(49.0)
	[GEF agency]	173	(34.0)	26	(30.2)	134	(26.4)	110	(34.5)	52	(18.8)	456	(42.5)	612	(38.1)
	[Other multilateral]	1	(0.3)	1	(1.4)	5	(1.0)	5	(1.7)	44	(16.0)	0	(0.0)	145	(9.0)
	[Bilateral]	12	(2.3)	5	(5.6)	11	(2.1)	28	(8.7)	27	(9.8)	2	(0.2)	28	(1.8)
	[Other foreign]	3	(0.6)	1	(1.5)	10	(2.0)	19	(6.1)	5	(1.7)	6	(0.5)	2	(0.1)
	Total cofinancing	509		85		508		319		274		1,074		1,607	
Europe	No. of project	6		13		20		14		18		9		30	
	Domestic source	61	(68.4)	119	(80.2)	29	(24.8)	72	(36.6)	116	(68.6)	64	(59.7)	179	(64.6)
	[Government]	3	(3.5)	91	(61.3)	24	(21.2)	30	(15.5)	94	(55.7)	24	(22.4)	132	(47.9)
	[Other domestic]	58	(64.9)	28	(18.9)	4	(3.6)	41	(21.0)	22	(13.0)	40	(37.3)	46	(16.7)
	Foreign source	28	(31.6)	29	(19.8)	87	(75.2)	124	(63.4)	53	(31.4)	43	(40.3)	98	(35.4)
	[GEF agency]	8	(8.5)	27	(18.2)	32	(27.6)	108	(55.3)	28	(16.4)	22	(20.9)	59	(21.4)
	[Other multilateral]	0	(0.0)	0	(0.3)	28	(24.2)	5	(2.4)	12	(7.1)	6	(5.4)	21	(7.7)
	[Bilateral]	20	(22.9)	2	(1.2)	27	(23.0)	7	(3.7)	13	(7.6)	6	(5.2)	14	(5.1)
	[Other foreign]	0	(0.1)	0	(0.0)	1	(0.4)	4	(2.0)	1	(0.3)	9	(8.8)	3	(1.2)
	Total cofinancing	89		149		116		196		169		106		277	
LAC	No. of project	15		20		18		15		11		12		28	
	Domestic source	362	(82.8)	224	(76.4)	51	(35.5)	55	(54.7)	354	(69.4)	208	(55.5)	604	(72.1)
	[Government]	350	(80.0)	177	(60.5)	46	(32.0)	45	(44.8)	72	(14.2)	104	(27.9)	439	(52.4)
	[Other domestic]	12	(2.8)	47	(15.9)	5	(3.5)	10	(9.9)	281	(55.2)	104	(27.7)	165	(19.7)
	Foreign source	75	(17.2)	69	(23.6)	92	(64.5)	46	(45.3)	156	(30.6)	166	(44.5)	234	(27.9)
	[GEF agency]	23	(5.1)	11	(3.8)	48	(33.5)	25	(25.2)	122	(23.9)	83	(22.2)	93	(11.1)
	[Other multilateral]	19	(4.4)	8	(2.7)	3	(1.8)	1	(1.0)	0	(0.0)	50	(13.4)	68	(8.1)
	[Bilateral]	17	(4.0)	24	(8.1)	27	(19.2)	16	(16.2)	27	(5.3)	11	(2.9)	26	(3.0)
	[Other foreign]	16	(3.7)	26	(8.9)	14	(10.0)	3	(2.9)	7	(1.4)	22	(5.9)	48	(5.7)
	Total cofinancing	438		293		143		101		510		374		838	
Total	No. of project	53		68		75		55		75		74		106	
	Domestic source	825	(72.5)	506	(62.9)	492	(44.9)	344	(46.0)	878	(61.3)	1,112	(49.3)	1,834	(56.2)
	[Government]	456	(40.0)	376	(46.8)	181	(16.5)	187	(25.0)	389	(27.2)	793	(35.2)	1,391	(42.6)
	[Other domestic]	369	(32.4)	130	(16.1)	311	(28.3)	157	(21.0)	489	(34.2)	318	(14.1)	443	(13.6)
	Foreign source	313	(27.5)	298	(37.1)	605	(55.1)	405	(54.0)	554	(38.7)	1,141	(50.7)	1,429	(43.8)
	[GEF agency]	218	(19.2)	200	(24.9)	363	(33.1)	290	(38.7)	324	(22.6)	742	(32.9)	917	(28.1)
	[Other multilateral]	21	(1.8)	15	(1.9)	125	(11.4)	15	(1.9)	62	(4.3)	87	(3.9)	304	(9.3)
	[Bilateral]	50	(4.4)	54	(6.7)	91	(8.3)	72	(9.7)	140	(9.8)	247	(10.9)	133	(4.1)
	[Other foreign]	25	(2.2)	29	(3.6)	26	(2.3)	28	(3.7)	28	(1.9)	65	(2.9)	74	(2.3)
	Total cofinancing	1,138		804		1,096		749		1,432		2,253		3,263	

Table A4. Cofinancing Amount and Composition by Source Class, Region and Year (continued)

<div align="right">Unit: US$ million</div>

		2006		2007		2008		2009		2010		Total	
Africa	No. of project	39		51		51		62		31		380	
	Domestic source	583	(61.0)	1,370	(63.5)	259	(40.3)	292	(34.4)	256	(57.8)	3,802	(49.9)
	[Government]	190	(19.8)	1,291	(59.8)	231	(35.9)	241	(28.3)	181	(40.9)	2,867	(37.7)
	[Other domestic]	394	(41.2)	79	(3.7)	28	(4.4)	51	(6.1)	75	(16.9)	935	(12.3)
	Foreign source	373	(39.0)	789	(36.5)	384	(59.7)	557	(65.6)	187	(42.2)	3,811	(50.1)
	[GEF agency]	198	(20.7)	467	(21.7)	192	(29.8)	315	(37.1)	128	(28.9)	2,104	(27.6)
	[Other multilateral]	104	(10.9)	250	(11.6)	25	(3.8)	34	(4.0)	4	(0.9)	623	(8.2)
	[Bilateral]	41	(4.3)	47	(2.2)	118	(18.4)	150	(17.6)	52	(11.8)	846	(11.1)
	[Other foreign]	30	(3.1)	24	(1.1)	49	(7.7)	59	(6.9)	2	(0.6)	238	(3.1)
	Total cofinancing	956		2,158		643		850		442		7,613	
Asia	No. of project	16		30		36		38		28		279	
	Domestic source	684	(54.8)	1,757	(78.4)	829	(83.7)	444	(48.6)	234	(66.7)	6,400	(63.2)
	[Government]	483	(38.7)	1,069	(47.7)	351	(35.4)	305	(33.4)	186	(53.0)	3,800	(37.6)
	[Other domestic]	201	(16.1)	688	(30.7)	479	(48.3)	139	(15.2)	48	(13.7)	2,600	(25.7)
	Foreign source	563	(45.2)	484	(21.6)	161	(16.3)	470	(51.4)	117	(33.3)	3,719	(36.8)
	[GEF agency]	541	(43.4)	360	(16.1)	104	(10.4)	422	(46.2)	80	(22.9)	3,069	(30.3)
	[Other multilateral]	0	(0.0)	95	(4.2)	16	(1.6)	4	(0.4)	10	(2.7)	326	(3.2)
	[Bilateral]	15	(1.2)	17	(0.8)	19	(1.9)	33	(3.6)	25	(7.2)	222	(2.2)
	[Other foreign]	7	(0.5)	13	(0.6)	23	(2.3)	11	(1.2)	2	(0.6)	101	(1.0)
	Total cofinancing	1,247		2,241		991		914		351		10,119	
Europe	No. of project	14		16		41		20		18		219	
	Domestic source	156	(40.5)	46	(21.9)	405	(30.0)	255	(92.4)	292	(56.4)	1,792	(46.7)
	[Government]	145	(37.7)	31	(14.7)	287	(21.3)	130	(47.3)	210	(40.7)	1,203	(31.4)
	[Other domestic]	11	(2.8)	15	(7.1)	118	(8.8)	124	(45.1)	81	(15.7)	589	(15.3)
	Foreign source	229	(59.5)	164	(78.1)	943	(70.0)	21	(7.6)	225	(43.6)	2,045	(53.3)
	[GEF agency]	225	(58.5)	147	(69.9)	876	(65.0)	8	(2.9)	214	(41.5)	1,754	(45.7)
	[Other multilateral]	3	(0.7)	0	(0.0)	49	(3.6)	4	(1.6)	10	(1.9)	138	(3.6)
	[Bilateral]	1	(0.2)	12	(5.9)	9	(0.7)	1	(0.5)	0	(0.0)	113	(2.9)
	[Other foreign]	0	(0.1)	5	(2.3)	9	(0.7)	7	(2.6)	1	(0.2)	40	(1.0)
	Total cofinancing	385		210		1,348		276		517		3,837	
LAC	No. of project	17		19		41		33		23		252	
	Domestic source	367	(73.6)	266	(57.1)	500	(64.5)	227	(73.8)	592	(59.1)	3,810	(66.3)
	[Government]	275	(55.1)	149	(32.1)	315	(40.6)	205	(66.6)	384	(38.4)	2,562	(44.6)
	[Other domestic]	92	(18.4)	116	(25.0)	185	(23.9)	22	(7.2)	208	(20.8)	1,248	(21.7)
	Foreign source	132	(26.4)	200	(42.9)	275	(35.5)	81	(26.2)	409	(40.9)	1,935	(33.7)
	[GEF agency]	103	(20.6)	42	(9.1)	225	(29.0)	20	(6.6)	348	(34.8)	1,143	(19.9)
	[Other multilateral]	8	(1.5)	19	(4.1)	4	(0.5)	10	(3.3)	6	(0.6)	196	(3.4)
	[Bilateral]	7	(1.4)	124	(26.7)	21	(2.8)	15	(4.9)	34	(3.4)	350	(6.1)
	[Other foreign]	15	(2.9)	14	(3.0)	25	(3.2)	35	(11.4)	21	(2.1)	246	(4.3)
	Total cofinancing	499		465		775		308		1,001		5,745	
Total	No. of project	86		116		169		153		100		1,130	
	Domestic source	1,790	(58.0)	3,438	(67.7)	1,994	(53.1)	1,218	(51.9)	1,374	(59.4)	15,804	(57.9)
	[Government]	1,093	(35.4)	2,540	(50.0)	1,183	(31.5)	882	(37.6)	961	(41.6)	10,432	(38.2)
	[Other domestic]	697	(22.6)	899	(17.7)	810	(21.6)	337	(14.3)	412	(17.8)	5,372	(19.7)
	Foreign source	1,297	(42.0)	1,637	(32.3)	1,764	(46.9)	1,129	(48.1)	938	(40.6)	11,510	(42.1)
	[GEF agency]	1,067	(34.6)	1,017	(20.0)	1,396	(37.2)	765	(32.6)	771	(33.3)	8,071	(29.6)
	[Other multilateral]	115	(3.7)	363	(7.2)	93	(2.5)	52	(2.2)	30	(1.3)	1,283	(4.7)
	[Bilateral]	63	(2.1)	201	(4.0)	169	(4.5)	199	(8.5)	111	(4.8)	1,530	(5.6)
	[Other foreign]	51	(1.7)	56	(1.1)	106	(2.8)	112	(4.8)	26	(1.1)	625	(2.3)
	Total cofinancing	3,087		5,075		3,758		2,347		2,312		27,314	

Table A5. Cofinancing Amount and Composition by Source Class, Region and Agency

<div align="right">Unit: US$ million</div>

		ADB		AfDB		EBRD		FAO		IBRD		IDB	
Africa	No. of project	0		2		0		8		133		0	
	Domestic source	0	(0.0)	11	(46.4)	0	(0.0)	23	(44.7)	1,991	(40.6)	0	(0.0)
	[Government]	0	(0.0)	2	(8.9)	0	(0.0)	15	(29.2)	1,509	(30.8)	0	(0.0)
	[Other domestic]	0	(0.0)	9	(37.6)	0	(0.0)	8	(15.4)	482	(9.8)	0	(0.0)
	Foreign source	0	(0.0)	13	(53.6)	0	(0.0)	29	(55.3)	2,911	(59.4)	0	(0.0)
	[GEF agency]	0	(0.0)	12	(53.3)	0	(0.0)	7	(13.0)	1,873	(38.2)	0	(0.0)
	[Other multilateral]	0	(0.0)	0	(0.3)	0	(0.0)	1	(1.7)	372	(7.6)	0	(0.0)
	[Bilateral]	0	(0.0)	0	(0.0)	0	(0.0)	11	(21.3)	598	(12.2)	0	(0.0)
	[Other foreign]	0	(0.0)	0	(0.0)	0	(0.0)	10	(19.4)	68	(1.4)	0	(0.0)
	Total cofinancing	0		23		0		52		4,901		0	
Asia	No. of project	14		0		0		4		89		0	
	Domestic source	585	(49.1)	0	(0.0)	0	(0.0)	25	(50.1)	4,178	(59.8)	0	(0.0)
	[Government]	506	(42.4)	0	(0.0)	0	(0.0)	22	(42.7)	2,092	(30.0)	0	(0.0)
	[Other domestic]	79	(6.7)	0	(0.0)	0	(0.0)	4	(7.4)	2,086	(29.9)	0	(0.0)
	Foreign source	607	(50.9)	0	(0.0)	0	(0.0)	25	(49.9)	2,806	(40.2)	0	(0.0)
	[GEF agency]	596	(50.0)	0	(0.0)	0	(0.0)	2	(4.5)	2,408	(34.5)	0	(0.0)
	[Other multilateral]	2	(0.2)	0	(0.0)	0	(0.0)	1	(2.6)	281	(4.0)	0	(0.0)
	[Bilateral]	9	(0.7)	0	(0.0)	0	(0.0)	15	(29.1)	83	(1.2)	0	(0.0)
	[Other foreign]	0	(0.0)	0	(0.0)	0	(0.0)	7	(13.7)	34	(0.5)	0	(0.0)
	Total cofinancing	1,192		0		0		51		6,985		0	
Europe	No. of project	3		0		7		1		53		0	
	Domestic source	28	(21.8)	0	(0.0)	88	(8.0)	0	(20.0)	503	(41.7)	0	(0.0)
	[Government]	24	(19.2)	0	(0.0)	37	(3.4)	0	(20.0)	336	(27.8)	0	(0.0)
	[Other domestic]	3	(2.7)	0	(0.0)	51	(4.6)	0	(0.0)	167	(13.8)	0	(0.0)
	Foreign source	99	(78.2)	0	(0.0)	1,012	(92.0)	1	(80.0)	705	(58.3)	0	(0.0)
	[GEF agency]	99	(78.2)	0	(0.0)	978	(88.9)	0	(4.9)	604	(50.0)	0	(0.0)
	[Other multilateral]	0	(0.0)	0	(0.0)	30	(2.7)	0	(0.0)	28	(2.3)	0	(0.0)
	[Bilateral]	0	(0.0)	0	(0.0)	2	(0.2)	0	(14.3)	67	(5.6)	0	(0.0)
	[Other foreign]	0	(0.0)	0	(0.0)	2	(0.2)	1	(60.8)	5	(0.5)	0	(0.0)
	Total cofinancing	127		0		1,100		1		1,208		0	
LAC	No. of project	0		0		0		3		84		21	
	Domestic source	0	(0.0)	0	(0.0)	0	(0.0)	31	(89.7)	2,087	(64.0)	297	(52.7)
	[Government]	0	(0.0)	0	(0.0)	0	(0.0)	30	(88.8)	1,348	(41.3)	271	(48.1)
	[Other domestic]	0	(0.0)	0	(0.0)	0	(0.0)	0	(0.9)	739	(22.6)	26	(4.6)
	Foreign source	0	(0.0)	0	(0.0)	0	(0.0)	4	(10.3)	1,176	(36.0)	267	(47.3)
	[GEF agency]	0	(0.0)	0	(0.0)	0	(0.0)	3	(9.6)	827	(25.4)	223	(39.5)
	[Other multilateral]	0	(0.0)	0	(0.0)	0	(0.0)	0	(0.0)	82	(2.5)	7	(1.2)
	[Bilateral]	0	(0.0)	0	(0.0)	0	(0.0)	0	(0.0)	148	(4.5)	34	(6.1)
	[Other foreign]	0	(0.0)	0	(0.0)	0	(0.0)	0	(0.7)	118	(3.6)	3	(0.5)
	Total cofinancing	0		0		0		34		3,262		565	
Total	No. of project	17		2		7		16		359		21	
	Domestic source	613	(46.5)	11	(46.4)	88	(8.0)	80	(57.6)	8,759	(53.5)	297	(52.7)
	[Government]	530	(40.2)	2	(8.9)	37	(3.4)	68	(48.8)	5,285	(32.3)	271	(48.1)
	[Other domestic]	83	(6.3)	9	(37.6)	51	(4.6)	12	(8.8)	3,474	(21.2)	26	(4.6)
	Foreign source	706	(53.5)	13	(53.6)	1,012	(92.0)	59	(42.4)	7,598	(46.5)	267	(47.3)
	[GEF agency]	695	(52.7)	12	(53.3)	978	(88.9)	12	(9.0)	5,713	(34.9)	223	(39.5)
	[Other multilateral]	2	(0.1)	0	(0.3)	30	(2.7)	2	(1.6)	763	(4.7)	7	(1.2)
	[Bilateral]	9	(0.7)	0	(0.0)	2	(0.2)	26	(18.8)	896	(5.5)	34	(6.1)
	[Other foreign]	0	(0.0)	0	(0.0)	2	(0.2)	18	(13.1)	226	(1.4)	3	(0.5)
	Total cofinancing	1,319		23		1,100		139		16,357		565	

Table A5. Cofinancing Amount and Composition by Source Class, Region and Agency (continued)

Unit: US$ million

		IFAD		UNDP		UNEP		UNIDO		Total	
Africa	No. of project	10		150		64		13		380	
	Domestic source	38	(28.7)	1,324	(66.8)	349	(79.9)	67	(76.6)	3,802	(49.9)
	[Government]	21	(15.7)	1,097	(55.4)	183	(41.9)	40	(46.0)	2,867	(37.7)
	[Other domestic]	17	(13.0)	227	(11.5)	166	(37.9)	27	(30.6)	935	(12.3)
	Foreign source	93	(71.3)	657	(33.2)	88	(20.1)	20	(23.4)	3,811	(50.1)
	[GEF agency]	79	(60.3)	118	(6.0)	13	(3.0)	1	(1.5)	2,104	(27.6)
	[Other multilateral]	13	(10.2)	181	(9.1)	45	(10.3)	11	(13.1)	623	(8.2)
	[Bilateral]	1	(0.5)	214	(10.8)	15	(3.3)	7	(8.4)	846	(11.1)
	[Other foreign]	0	(0.2)	144	(7.3)	15	(3.5)	0	(0.3)	238	(3.1)
	Total cofinancing	131		1,982		436		87		7,613	
Asia	No. of project	0		121		28		23		279	
	Domestic source	0	(0.0)	1,062	(81.1)	267	(92.5)	282	(96.4)	6,400	(63.2)
	[Government]	0	(0.0)	765	(58.4)	246	(85.2)	169	(58.0)	3,800	(37.6)
	[Other domestic]	0	(0.0)	297	(22.7)	21	(7.3)	112	(38.4)	2,600	(25.7)
	Foreign source	0	(0.0)	248	(18.9)	22	(7.5)	11	(3.6)	3,719	(36.8)
	[GEF agency]	0	(0.0)	55	(4.2)	3	(0.9)	4	(1.4)	3,069	(30.3)
	[Other multilateral]	0	(0.0)	35	(2.7)	6	(2.1)	2	(0.6)	326	(3.2)
	[Bilateral]	0	(0.0)	106	(8.1)	6	(2.1)	4	(1.2)	222	(2.2)
	[Other foreign]	0	(0.0)	52	(4.0)	7	(2.4)	1	(0.3)	101	(1.0)
	Total cofinancing	0		1,310		289		292		10,119	
Europe	No. of project	0		127		22		6		219	
	Domestic source	0	(0.0)	1,054	(83.5)	24	(57.4)	95	(97.6)	1,792	(46.7)
	[Government]	0	(0.0)	764	(60.5)	14	(34.6)	27	(28.0)	1,203	(31.4)
	[Other domestic]	0	(0.0)	290	(23.0)	9	(22.9)	68	(69.6)	589	(15.3)
	Foreign source	0	(0.0)	209	(16.5)	17	(42.6)	2	(2.4)	2,045	(53.3)
	[GEF agency]	0	(0.0)	73	(5.8)	1	(1.9)	0	(0.5)	1,754	(45.7)
	[Other multilateral]	0	(0.0)	72	(5.7)	7	(16.6)	1	(0.7)	138	(3.6)
	[Bilateral]	0	(0.0)	37	(3.0)	5	(13.0)	0	(0.4)	113	(2.9)
	[Other foreign]	0	(0.0)	26	(2.1)	5	(11.0)	1	(0.7)	40	(1.0)
	Total cofinancing	0		1,263		41		97		3,837	
LAC	No. of project	5		102		34		3		252	
	Domestic source	27	(36.0)	1,125	(77.5)	219	(86.6)	25	(23.8)	3,810	(66.3)
	[Government]	24	(32.1)	697	(48.0)	173	(68.5)	19	(17.7)	2,562	(44.6)
	[Other domestic]	3	(3.9)	428	(29.5)	46	(18.1)	6	(6.1)	1,248	(21.7)
	Foreign source	48	(64.0)	326	(22.5)	34	(13.4)	80	(76.2)	1,935	(33.7)
	[GEF agency]	44	(58.6)	43	(2.9)	3	(1.3)	0	(0.1)	1,143	(19.9)
	[Other multilateral]	4	(5.4)	96	(6.6)	7	(2.7)	0	(0.0)	196	(3.4)
	[Bilateral]	0	(0.0)	82	(5.6)	5	(2.1)	80	(76.0)	350	(6.1)
	[Other foreign]	0	(0.0)	106	(7.3)	19	(7.3)	0	(0.0)	246	(4.3)
	Total cofinancing	74		1,451		252		105		5,745	
Total	No. of project	15		500		148		45		1,130	
	Domestic source	64	(31.3)	4,566	(76.0)	858	(84.2)	468	(80.5)	15,804	(57.9)
	[Government]	44	(21.7)	3,322	(55.3)	617	(60.5)	255	(43.9)	10,432	(38.2)
	[Other domestic]	20	(9.7)	1,243	(20.7)	242	(23.7)	213	(36.6)	5,372	(19.7)
	Foreign source	141	(68.7)	1,440	(24.0)	161	(15.8)	113	(19.5)	11,510	(42.1)
	[GEF agency]	123	(59.7)	289	(4.8)	20	(2.0)	6	(1.1)	8,071	(29.6)
	[Other multilateral]	17	(8.5)	384	(6.4)	64	(6.3)	14	(2.4)	1,283	(4.7)
	[Bilateral]	1	(0.3)	439	(7.3)	31	(3.1)	91	(15.7)	1,530	(5.6)
	[Other foreign]	0	(0.1)	329	(5.5)	45	(4.4)	2	(0.3)	625	(2.3)
	Total cofinancing	205		6,006		1,019		582		27,314	

Table A6. Cofinancing Amount and Composition by Source Type, Region and Year

Unit: US$ million

		1999		2000		2001		2002		2003		2004		2005	
Africa	No. of project	8		12		12		6		16		25		22	
	Reimbursable	0	(0.0)	80	(64.7)	0	(0.0)	0	(0.0)	0	(0.1)	306	(57.7)	183	(35.9)
	Non-reimbursable	8	(100.0)	43	(35.3)	30	(100.0)	12	(100.0)	197	(99.9)	224	(42.3)	327	(64.1)
	Total cofinancing	8		123		30		12		197		530		510	
Asia	No. of project	6		7		7		7		7		20		18	
	Reimbursable	0	(0.0)	0	(0.0)	0	(0.0)	51	(53.5)	49	(64.0)	497	(47.2)	639	(50.0)
	Non-reimbursable	11	(100.0)	23	(100.0)	47	(100.0)	45	(46.5)	27	(36.0)	556	(52.8)	639	(50.0)
	Total cofinancing	11		23		47		96		76		1,054		1,279	
Europe	No. of project	2		6		10		11		14		7		24	
	Reimbursable	2	(89.1)	8	(66.2)	138	(81.6)	20	(14.8)	37	(42.6)	20	(31.2)	74	(31.4)
	Non-reimbursable	0	(10.9)	4	(33.8)	31	(18.4)	113	(85.2)	50	(57.4)	44	(68.8)	161	(68.6)
	Total cofinancing	3		12		169		132		87		64		235	
LAC	No. of project	6		8		11		9		3		6		23	
	Reimbursable	2	(6.3)	10	(21.8)	0	(0.0)	1	(2.4)	32	(83.2)	169	(81.6)	106	(16.7)
	Non-reimbursable	23	(93.7)	36	(78.2)	30	(100.0)	30	(97.6)	6	(16.8)	38	(18.4)	528	(83.3)
	Total cofinancing	25		46		30		31		38		208		634	
Total	No. of project	22		33		40		33		40		58		87	
	Reimbursable	4	(8.6)	97	(47.7)	138	(50.0)	71	(26.4)	118	(29.5)	993	(53.5)	1,001	(37.7)
	Non-reimbursable	42	(91.4)	107	(52.3)	138	(50.0)	199	(73.6)	281	(70.5)	863	(46.5)	1,656	(62.3)
	Total cofinancing	46		204		276		271		398		1,856		2,657	

		2006		2007		2008		2009		2010		Total	
Africa	No. of project	37		49		51		61		31		330	
	Reimbursable	527	(52.9)	431	(20.3)	64	(10.6)	398	(47.3)	131	(32.0)	2,120	(33.2)
	Non-reimbursable	469	(47.1)	1,689	(79.7)	535	(89.4)	444	(52.7)	279	(68.0)	4,260	(66.8)
	Total cofinancing	996		2,120		599		842		411		6,380	
Asia	No. of project	15		29		34		38		27		215	
	Reimbursable	279	(29.1)	991	(44.8)	281	(31.1)	441	(48.4)	103	(29.5)	3,331	(42.1)
	Non-reimbursable	680	(70.9)	1,219	(55.2)	622	(68.9)	470	(51.6)	248	(70.5)	4,587	(57.9)
	Total cofinancing	958		2,210		903		910		351		7,918	
Europe	No. of project	14		16		41		18		18		181	
	Reimbursable	217	(56.3)	147	(70.0)	881	(68.0)	65	(23.8)	245	(47.2)	1,854	(54.8)
	Non-reimbursable	168	(43.7)	63	(30.0)	414	(32.0)	209	(76.2)	275	(52.8)	1,531	(45.2)
	Total cofinancing	385		210		1,295		274		520		3,385	
LAC	No. of project	17		19		41		33		23		199	
	Reimbursable	211	(39.1)	26	(5.5)	302	(39.0)	35	(11.3)	475	(48.6)	1,368	(33.5)
	Non-reimbursable	328	(60.9)	440	(94.5)	473	(61.0)	275	(88.7)	503	(51.4)	2,711	(66.5)
	Total cofinancing	539		465		775		311		979		4,079	
Total	No. of project	83		113		167		150		99		925	
	Reimbursable	1,233	(42.8)	1,595	(31.9)	1,528	(42.8)	939	(40.2)	955	(42.3)	8,672	(39.9)
	Non-reimbursable	1,645	(57.2)	3,411	(68.1)	2,045	(57.2)	1,398	(59.8)	1,305	(57.7)	13,090	(60.1)
	Total cofinancing	2,878		5,006		3,572		2,337		2,260		21,762	

Table A7. Cofinancing Amount and Composition by Source Type, Region and Project Size

<div align="right">Unit: US$ million</div>

		Full-sized project		Medium-sized project		Total	
Africa	No. of project	223		107		330	
	Reimbursable	2,103	(34.3)	17	(6.8)	2,120	(33.2)
	Non-reimbursable	4,028	(65.7)	231	(93.2)	4,260	(66.8)
	Total cofinancing	6,131		248		6,380	
Asia	No. of project	163		52		215	
	Reimbursable	3,321	(42.4)	10	(12.3)	3,331	(42.1)
	Non-reimbursable	4,514	(57.6)	73	(87.7)	4,587	(57.9)
	Total cofinancing	7,835		83		7,918	
Europe	No. of project	99		82		181	
	Reimbursable	1,721	(56.5)	133	(39.2)	1,854	(54.8)
	Non-reimbursable	1,325	(43.5)	206	(60.8)	1,531	(45.2)
	Total cofinancing	3,047		339		3,385	
LAC	No. of project	140		59		199	
	Reimbursable	1,291	(33.3)	76	(39.0)	1,368	(33.5)
	Non-reimbursable	2,592	(66.7)	119	(61.0)	2,711	(66.5)
	Total cofinancing	3,884		195		4,079	
Total	No. of project	625		300		925	
	Reimbursable	8,436	(40.4)	236	(27.3)	8,672	(39.9)
	Non-reimbursable	12,460	(59.6)	629	(72.7)	13,090	(60.1)
	Total cofinancing	20,897		865		21,762	

Table A8. Wald t-test Comparison between ADB and IBRD

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	129	0.094	ADB>IBRD
Log (Cofinancing ratio)	128	0.024	ADB>IBRD
Log (Total project cost)	131	0.089	ADB>IBRD
Log (Grant total)	130	0.342	ADB<IBRD
% of domestic source	103	0.014	ADB<IBRD
% of foreign source	103	0.014	ADB>IBRD
% of government source	103	0.233	ADB>IBRD
% of reimbursable source	103	0.185	ADB>IBRD
No. of cofinanciers	103	0.255	ADB>IBRD
Project size (≥$5 million)	134	0.110	ADB<IBRD

Note: Global projects with very low cofinancing ratios were excluded.

Table A9. Wald t-test Comparison between AfDB and IBRD

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	165	0.444	RDBs<IBRD
Log (Cofinancing ratio)	165	0.256	RDBs<IBRD
Log (Total project cost)	166	0.332	RDBs<IBRD
Log (Grant total)	166	0.470	RDBs>IBRD
% of domestic source	135	0.409	RDBs>IBRD
% of foreign source	135	0.409	RDBs<IBRD
% of government source	135	0.000	RDBs<IBRD
% of reimbursable source	135	0.000	RDBs>IBRD
No. of cofinanciers	135	0.000	RDBs>IBRD
Project size (≥$5 million)	168	0.075	RDBs<IBRD

Note: Global projects with very low cofinancing ratios were excluded.

Table A10. Wald t-test Comparison between EBRD and IBRD

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	73	0.000	EBRD>IBRD
Log (Cofinancing ratio)	72	0.000	EBRD>IBRD
Log (Total project cost)	74	0.000	EBRD>IBRD
Log (Grant total)	73	0.004	EBRD>IBRD
% of domestic source	60	0.000	EBRD<IBRD
% of foreign source	60	0.000	EBRD>IBRD
% of government source	60	0.000	EBRD<IBRD
% of reimbursable source	60	0.001	EBRD>IBRD
No. of cofinanciers	60	0.155	EBRD>IBRD
Project size (≥$5 million)	74	0.068	EBRD>IBRD

Note: Global projects with very low cofinancing ratios were excluded.

Table A11. Wald t-test Comparison between IDB and IBRD

Variable	No. of observations	P-value	Sign
Log (Cofinancing total)	128	0.016	IDB>IBRD
Log (Cofinancing ratio)	128	0.001	IDB>IBRD
Log (Total project cost)	129	0.058	IDB>IBRD
Log (Grant total)	129	0.207	IDB<IBRD
% of domestic source	105	0.073	IDB<IBRD
% of foreign source	105	0.073	IDB>IBRD
% of government source	105	0.333	IDB>IBRD
% of reimbursable source	105	0.017	IDB>IBRD
No. of cofinanciers	105	0.004	IDB>IBRD
Project size (≥$5 million)	129	0.000	IDB<IBRD

Note: Global projects with very low cofinancing ratios were excluded.

Table A12. Regression Results without Country Control

		LOG (Cofinancing ratio)						
Panel A	Regional project=1	-0.410***	-0.432***	-0.428***	-0.508***	-0.517***	-0.472***	-0.413***
		(0.073)	(0.069)	(0.069)	(0.078)	(0.074)	(0.073)	(0.056)
	Post 2004=1		0.631***	0.631***	0.618***	0.600***	0.630***	0.383***
			(0.066)	(0.067)	(0.065)	(0.061)	(0.061)	(0.045)
Panel B	region (Asia)=1			0.049	-0.022	-0.028	-0.014	-0.003
				(0.084)	(0.082)	(0.076)	(0.076)	(0.055)
	region (Europe)=1			-0.020	-0.050	-0.130	-0.089	0.087
				(0.091)	(0.085)	(0.079)	(0.080)	(0.059)
	region (Africa)=1			-0.007	-0.062	-0.125*	-0.103	0.013
				(0.073)	(0.070)	(0.067)	(0.068)	(0.050)
Panel C	Focal area (Biodiversity)=1				-0.601***	-0.466***	-0.467***	-0.150***
					(0.067)	(0.064)	(0.063)	(0.047)
	Focal area (International waters)=1				0.090	0.096	0.064	-0.083
					(0.120)	(0.113)	(0.112)	(0.079)
	Focal area (ODS)=1				-1.895***	-1.681***	-1.669***	-1.375***
					(0.390)	(0.397)	(0.382)	(0.276)
	Focal area (Land degradation)=1				-0.0536	-0.126	-0.115	-0.0307
					(0.125)	(0.114)	(0.113)	(0.0824)
	Focal area (POPs)=1				-0.871***	-0.713***	-0.706***	-0.469***
					(0.082)	(0.083)	(0.083)	(0.072)
Panel D	% of domestic funds over cofinancing					-0.473***	-0.393***	-0.308***
						(0.078)	(0.079)	(0.058)
	% of reimbursable funds over cofinancing					0.712***	0.656***	0.349***
						(0.087)	(0.077)	(0.056)
Panel E	MDBs=1						0.214***	-0.169***
							(0.060)	(0.044)
Panel F	Log (Total project cost)							0.479***
								(0.015)
Panel G	Constant	0.993***	0.548***	0.542***	0.936***	1.153***	0.983***	-6.711***
		(0.034)	(0.060)	(0.075)	(0.089)	(0.103)	(0.109)	(0.264)
	Number of observations	1,130	1,130	1,130	1,130	1,130	1,130	1,130
	R-squared	0.023	0.100	0.101	0.223	0.322	0.330	0.642

Notes: 1) Robust standard errors in parentheses.
2) *** p<0.01, ** p<0.05, * p<0.1.

Table A13. Regression Results with Country Controls (I)

		LOG (Cofinancing ratio)					
	Post 2004=1	0.588***	0.587***	0.553***	0.543***	0.591***	0.287***
		(0.085)	(0.086)	(0.085)	(0.080)	(0.080)	(0.061)
Panel B	region (Asia)=1		0.0773	0.0509	0.134	0.159	0.140*
			(0.125)	(0.119)	(0.113)	(0.114)	(0.081)
	region (Europe)=1		0.063	-0.060	-0.121	-0.087	0.068
			(0.118)	(0.114)	(0.108)	(0.110)	(0.080)
	region (Africa)=1		0.075	0.055	0.089	0.108	0.108
			(0.121)	(0.112)	(0.111)	(0.112)	(0.081)
Panel C	Focal area (Biodiversity)=1			-0.633***	-0.534***	-0.538***	-0.128**
				(0.085)	(0.082)	(0.082)	(0.063)
	Focal area (International waters)=1			0.270	0.109	0.051	0.164
				(0.216)	(0.211)	(0.205)	(0.137)
	Focal area (ODS)=1			-1.509	-1.212	-1.235	-1.688***
				(1.024)	(0.930)	(0.861)	(0.570)
	Focal area (Land degradation)=1			-0.099	-0.198	-0.192	-0.036
				(0.161)	(0.147)	(0.144)	(0.095)
	Focal area (POPs)=1			-0.976***	-0.785***	-0.781***	-0.469***
				(0.115)	(0.120)	(0.122)	(0.103)
Panel D	% of domestic funds over cofinancing				-0.824***	-0.757***	-0.372***
					(0.111)	(0.110)	(0.0826)
	% of reimbursable funds over cofinancing				0.573***	0.489***	0.203**
					(0.113)	(0.117)	(0.0871)
Panel E	MDBs=1					0.224***	-0.171***
						(0.076)	(0.056)
Panel F	Log (Total project cost)						0.501***
							(0.020)
Panel G	Constant	0.914*	0.703	0.673	0.0195	-0.221	-7.949***
		(0.488)	(0.654)	(0.609)	(0.606)	(0.611)	(0.552)
	Number of observations	694	694	694	694	694	694
	R-squared	0.092	0.093	0.209	0.314	0.323	0.646

Notes: 1) Robust standard errors in parentheses.
2) *** p<0.01, ** p<0.05, * p<0.1.
3) The control variables include the current account balance (% of GDP), log of GDP per capita (PPP constant 2005 international $), total reserves (% of total external debt) , log of population density, control of corruption and government effectiveness.

Table A14. Regression Results with Country Controls (II)

		LOG (Cofinancing ratio)				
Panel A	post2004	0.526***	0.573***	0.597***	0.545***	0.583***
		(0.079)	(0.079)	(0.080)	(0.080)	(0.079)
Panel B	region (Asia)=1	0.164	0.167	0.160	0.166	0.100
		(0.110)	(0.113)	(0.114)	(0.108)	(0.115)
	region (Europe)=1	-0.032	-0.067	-0.063	0.042	-0.148
		(0.109)	(0.110)	(0.110)	(0.109)	(0.110)
	region (Africa)=1	0.120	0.113	0.117	0.125	0.141
		(0.109)	(0.112)	(0.112)	(0.108)	(0.113)
Panel C	Focal area (Biodiversity)=1	-0.459***	-0.496***	-0.509***	-0.368***	-0.518***
		(0.079)	(0.080)	(0.081)	(0.082)	(0.083)
	Focal area (International waters)=1	0.0691	0.0291	0.111	0.270	0.226
		(0.202)	(0.203)	(0.205)	(0.209)	(0.209)
	Focal area (ODS)=1	-1.385	-1.428	-1.358*	-1.894**	-1.220
		(0.893)	(0.907)	(0.762)	(0.831)	(0.920)
	Focal area (Land degradation)=1	-0.170	-0.156	-0.167	-0.0127	-0.250
		(0.141)	(0.143)	(0.145)	(0.139)	(0.154)
	Focal area (POPs)=1	-0.762***	-0.779***	-0.786***	-0.800***	-0.806***
		(0.117)	(0.122)	(0.124)	(0.122)	(0.131)
Panel D	GEF agency (ADB)=1					0.922***
						(0.325)
	GEF agency (AfDB)					-0.736***
						(0.154)
	GEF agency (EBRD)=1					-0.008
						(0.226)
	GEF agency (FAO)=1					-0.080
						(0.332)
	GEF agency (IDB)=1					0.045
						(0.250)
	GEF agency (IFAD)=1					-0.128
						(0.228)
	GEF agency (UNDP)=1					-0.121
						(0.080)
	GEF agency (UNEP)=1					-0.764***
						(0.141)
	GEF agency (UNIDO)=1					-0.109
						(0.149)
Panel E	% of domestic funds over cofinancing	-0.698***	-0.737***	-0.746***		-0.658***
		(0.109)	(0.110)	(0.110)		(0.114)
	% of reimbursable funds over cofinancing	0.433***	0.460***	0.482***	0.490***	0.486***
		(0.118)	(0.119)	(0.118)	(0.113)	(0.121)
	% of government over cofinancing				-0.004***	
					(0.001)	
Panel F	MDBs=1	0.183**	0.120	0.161**	0.111	
		(0.075)	(0.082)	(0.081)	(0.079)	
Panel G	Log(GEF grant)				0.268***	
					(0.036)	
	Projects over 10 million of GEF grant (dummy)			0.353***		
				(0.116)		
	Projects over 5 million of GEF grant (dummy)		0.311***			
			(0.078)			
	Project size (Full size) = 1	0.449***				
		(0.071)				
Panel H	Constant	-0.657	-0.326	-0.178	-4.238***	-0.133
		(0.586)	(0.599)	(0.611)	(0.795)	(0.602)
	Observations	694	694	694	694	694
	R-squared	0.359	0.339	0.332	0.346	0.355

Notes: 1) Robust standard errors in parentheses.
2) *** p<0.01, ** p<0.05, * p<0.1.
3) The control variables include the current account balance (% of GDP), log of GDP per capita (PPP constant 2005 international $), total reserves (% of total external debt) , log of population density, control of corruption and government effectiveness.