Financing strategy: Identification of Financing Facilities for Water-Energy-Food and Ecosystems projects for the Nexus Dialogues Programme

Final Report
Programme

The Nexus Regional Dialogue Programme (NRD) is a programme funded by the European Union and the German Federal Ministry for Economic Cooperation and Development.

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Introduction and shaping the NRD matchmaking role

• Introduction
• Part II of the Nexus Regional Dialogue
• Shaping the Matchmaking Role
• Approach
Introduction

The value-added of Nexus projects

Nexus specifically focuses on projects that leverage the water-energy-food interaction. From an economic perspective, nexus-projects can have added value compared to non-nexus-projects. This means projects with impacts simultaneously in and between these sectors, and that thereby create additional value beyond a project framed exclusively in one sector. Where 1 + 1 = 3! Even as infrastructure financing and funding enters via a sectoral perspective, it should be encouraged that it supports projects that have optimal leveraging impacts across multiple sectors. An example is an integrated water resources project that reduces downstream flood risk while at the same time providing water for irrigation. The nexus-approach considers interests of other stakeholders and aims to eradicate negative long-term impact of projects. Instead the Nexus-approach is associated with long term benefits (e.g. higher agricultural productivity). A powerful tool to quantify the value add of nexus-projects is adapting the Cost Benefit Analysis (CBA) to quantify the benefits for the wider society of adding nexus-elements to projects. The tool can play a role in convincing stakeholders about the added value of the nexus-approach and has been applied within the context of the Nexus Regional Dialogues Programme (NRD).

From a financing perspective, a well-structured nexus project can improve the risk-return characteristics of a project. Risks can be reduced by diversifying the sources of project returns, and by building a wider base of stakeholders interested in achieving a successful project, inter alia reducing possible opposition to a project. Returns can be improved by establishing both clear off-takers, as well as widening the range of revenue streams that could accrue to the project.

The Songwe River Basin Development Program (SRBDP) is a Transboundary Water Management and Development (TWM&D) project in the SADC-region. The project is led by the governments of Malawi and Tanzania. The project started as a hydropower project but has evolved. The NRD has been advocating a multi-sectoral solution. In addition to energy (hydropower), agricultural development and irrigation, fisheries, water supply and sanitation and recreation are important components in the project. The project provides an example of how the NRD can enhance the impact of a project.
Introduction

Role of the Nexus Regional Dialogues Programme

Financing of nexus projects will ultimately be arranged at the level of the project sponsor/s and ‘owners/s’, be they public or private, single country or cross-border. The Nexus Regional Dialogues Programme (NRD) has identified early-stage nexus-projects and nexus-elements to projects that should be integrated in project pipelines of the nexus-region. In general, the NRD promotes the nexus concept in project identification and facilitates the integration of nexus elements in projects. This study has led to the conclusion that there are currently few facilities that can directly provide technical assistance to enhance the nexus-approach, e.g. by providing a flexible grant for a CBA of nexus-elements introduced into a project. Similarly, the regional efforts to promote the nexus-approach and to further develop and share nexus-methodologies in project structuring can be further strengthened, and the NRD is well-positioned to play this role.

The role of the NRD is to stimulate and support, inter alia:

- Identification of nexus-projects with multi-sectoral leverage and impacts, especially those of a cross-border nature and interactions which cannot easily be identified in a single country alone
- Communicating, marketing and promoting of identified nexus-projects and programs within the region concerned, and with regard to the (financing) market – ideally based on nexus success stories
- Matchmaking - in coordination with project owners, establishing relationships with and ‘lining up’ financiers for nexus projects by introducing them to the nexus concept and program, and making them familiar with the upcoming and emerging project financing opportunities
- Where relevant, support the identification, alignment and arrangement of sponsor/s / owner/s of nexus projects as a necessary prerequisite for approaching financiers
- Facilitate the use of tools like CBAs to promote the nexus-approach
- Identification of possible initiatives and/or instruments to support a wider range of nexus-processes and projects within a region, such as possible dedicated project preparation funds or nexus TA-facilities
- Research, monitoring and tracking of the nexus-concept applied via infrastructure projects, including developing methodologies for measuring the added impact achieved with nexus-projects and the nexus-approach

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Phase II of the Nexus Regional Dialogue

Institutionalising the WEF NEXUS approach

Experience from Phase I of the Nexus Regional Dialogue Programme demonstrated that the concept has been well received and that ownership for the approach has been developed by the involved regional partners and other stakeholders. However, there are lessons learned which are the following:

- The implementation of concrete projects is key to demonstrate the WEF NEXUS value-added and ensure increased political buy in;
- Nexus mainstreaming can only be achieved through participatory approaches. Continued stakeholder dialogues and validation of data and information fosters cross-sectoral exchange, mutual understanding, generally accepted conclusions and ownership of the results;
- The coordination and exchange between the regions is a substantial added-value for the work of the partners and the NRD as a whole, as lessons learned can be exchanged, best practice approaches are shared and each region can learn form the others;

The communication of results is an essential tool for mainstreaming and promoting the WEF NEXUS approach in the regions and beyond: enhanced communication mechanisms to show-case successes and results are thus needed to inform the WEF NEXUS community and the general public.

The overall objective of the next phase of the NRD is to institutionalise the WEF NEXUS approach in national and regional governance structures and investment decisions for water, energy and food security.

- Within this context the GNS will further develop and facilitate relevant capacity building activities, as well as provide advice for approaching investment opportunities and raise awareness among public and private investors at the global level.
- This means the NRDP works on both the demand side (the projects) and the supply side (the financiers/funders) to improve alignment between these.

Source: Nexus Regional Dialogue Phase II
Shaping the matchmaking role (1)
Role of the Nexus Regional Dialogues Programme

Role in the project cycle

• The Regional Nexus Teams can take advantage of early stage involvement in projects. Most of the projects are in the idea stage. They still need to go through pre-feasibility, feasibility and transaction (this is the phase when financial structuring will be done).
• The pre-feasibility stage is the stage in which the scope of the project is defined (by assessing different project alternatives). This makes it the ideal stage to add the Nexus-approach. In this stage a first investigation technical, economic, social and environmental constraints for a particular project takes place.
• In the ToR for the feasibility study the Nexus-teams can add Cost-Benefit Analysis (CBA) to compare the impact of the project with and without Nexus-elements.
• The Nexus-teams can play a role in explaining the consequences of adding Nexus-elements for the eligibility for funding/financing instruments.
• Once the project is ready for financial structuring (transaction phase), the Nexus-team can offer the network and tool for finding the suitable facilities.

Inspiration – the example of GET.invest. GET.invest is a European programme that aims at mobilising investments in decentralised renewable energy projects. It supports private sector business and project developers, financiers and regulators in building sustainable energy markets. In doing so, it contributes directly to the interlinked development (SDG) as well as climate change objectives (Paris Agenda).
Many project and business developers struggle to access funding. There is a variety of dedicated funds and other instruments offering different financial products. Most project developers have only limited knowledge of their modalities and scope. In turn, financiers often face proposals that do not meet their expectations or requirements. GET.invest’s Finance Catalyst team addresses this challenge through a networking activities, providing a funding database and by offering market insights studies.
Shaping the matchmaking role (2)
Promoting regional nexus projects as well as regional pipelines

Engaging funders/financiers
The aim of the Nexus-team should be to help promote individual nexus projects as well as regional pipelines. To give them a ‘nexus approved’ stamp which improves their visibility to financiers. Ways of realizing this are:

• In close coordination with the project owners, the Nexus-teams can engage funders/financiers early-stage, upon completion of the pre-feasibility study. A pre-feasibility study assesses different project alternatives and investigates technical, economic, social and environmental constraints for a particular project. The result is an overview of the technical solutions (although no detailed design), capital requirements and main challenges. By engaging the facilities early-stage, the Nexus-team can make sure the project is designed in a way that it meets the eligibility criteria for the facilities that cover the implementation phase. Facilities that cover the development phase might be used during the feasibility stage (or pre-feasibility).

• Upon completion of the feasibility stage, the Nexus-team can re-align with the funders/financiers. This may concern facilities that focus exclusively on the Nexus-element in the project or facilities that have a broader scope.

Use of a tool to select suitable facilities
• A tool is one way to support project owners and facilities (see example of GET.invest).
• The tool is a good instrument for a first selection of instrument (quick-scan).

For the purpose of feeding the discussion a draft tool has been developed in the context of this project. The tool provides options to select facilities:

• Per region;
• Working on the public or private side or both;
• Focusing on project development, implementation or both.

Limitations of a tool are:

• It needs periodic updates as this is a very dynamic area;
• Eligibility criteria are not always clear, nor are ticket sizes, which requires additional research;
• Facilities sometimes only operate in part of the region.
Approach

Aim of the document and reader’s guide

• The aim of this document is to create a Nexus implementation strategy for each region that provides the regions with an overview of available financing/funding instruments

• The building blocks for this document are
  
  • The Nexus project database that comprises 102 Nexus projects in 5 regions, Latin America and The Caribbean (LA), Niger Basin Region (NBA), Southern Africa (SA), Middle East and North Africa (MENA) and Central Asia
  
  • The facilities tool that comprises over 120 facilities that support projects and initiatives on the regions
  
  • The facilities have been selected based on the region’s specific needs. The criteria facility size, eligible ticket sizes, whether grants are available and whether public sector projects are supported, have been used but often information is not available

• This document comprises the recommended facilities and next steps (implementation) for the five regions. The next section starts with an overview of the regions and a summary of the project portfolios. Per region the projects, potential facilities and next steps will be presented

• Section three provides more information about how a selection of facilities works (facility stories) and section four provides details on the 24 selected facilities
Financing and Funding Facilities per Region

- Regional Overview
- Middle East Northern Africa (MENA)
- Niger Basin
- Latin America
- Southern Africa
Regional Overview

**Niger Basin**
There are 16 projects in the region, identified by NBA (Niger Basin Authority)
- There is a broad focus on climate facilities and nexus financing facilities (public and private) - and on investable projects
- There are 7 priority projects. They range from hydro to fish farming to forestry

**SADC**
There are 13 projects in the region. For most of these projects a national government is the owner/sponsor of the project
- 8 of the 13 projects are investment projects with a relatively high CAPEX
- Development Banks, in particular WB/ AIDB are already engaged for most of the projects
- The aim of the regional Nexus-team is to add the nexus approach to the investment projects

**MENA**
In MENA 35 projects have been identified
- There is no prioritization of projects and the portfolio is very heterogenous
- Most are relatively small-scale projects with livelihoods, energy and agriculture elements
- A broad focus on climate facilities and nexus financing facilities (public and private) is needed

**Central Asia**
Out of 18 nexus-projects, four have been prioritized:
1. Tuyamuyun hydro project.
2. Forestation of the dried bottom of Aral Sea: piloting the closed root system
3. Technical and financial assessment of national pumping stations in Tajikistan
4. Modernization and introduction of SCADA and sustainable exploitation of hydrotechnical facilities in the Syr Darya River Basin

**Latin America**
There are 21 projects in the region.
- These are predominantly hydropower projects (especially public but also private)
- There are 8 investment projects – in addition to multipurpose dams there are also solar/bio energy/integrated water management / water transfer projects
MENA projects and facilities

**Investment projects:**
- 27 MW solar plant for water purification and production, Ghadir Al-Qalah
- Rainwater Harvesting (RWH) and Solar Powered Irrigation System (SPIS) project in South Sinai
- Blue Nile State Water Harvesting Project
- White Nile State Water Harvesting Project
- Roseires Reservoir fisheries project
- Solar home and irrigation in remote states
- Climate change adaptation in remote rural areas
- Replicate WasteWater Treatment Plant (WWTP) good practice As Samra to SONEDE/ONAS
- Program on improvement of livelihood of rural people in Darfur region (5 states)

**Technical assistance projects, e.g.:**
- Regional events for Exchanging experiences on ongoing Nexus activities
- Capacity Development on NEXUS for AOAD focal points
- Capacity development on Nexus for AWC focal points
- Nexus trainings for parliament members

**Facilities:**
- The Adaptation for Smallholder Agriculture Programme (ASAP) – Facility 1
- Sustainable Energy Fund for Africa – Facility 2
- The Pilot Programme for Climate Resilience (CIF/PPCR) – Facility 3
- The Nordic Development Fund – Facility 4
- The Adaptation Fund – Facility 5
- Technical Assistance Facility for Clean Energy Investment (CIF-TAF) – Facility 6
- UNDF/GEF Small Grant Facility – Facility 7
MENA Next Steps

1. Liaise with project owners / sponsors
   • The Nexus-team can play a role in matchmaking between facilities and project owners. It is important to confirm the status of the projects with the project sponsors, before actively playing this matchmaking role. It is possible that in certain cases, sponsors already have had conversations with facilities.
   • We recommend to prioritise the list of (at least investment-) projects based on the information. Prioritisation should depend on 1) potential added value of a Nexus-approach in the project, 2) extent to which the project is progressing and 3) potential added value of the Nexus-team.

2. Update preliminary matching of facilities - projects
   We have identified potential matches, based on provided information:
   • Water harvesting projects (3) - The Adaptation for Smallholder Agriculture Programme (ASAP) – **Facility 1.** The programme is incorporated into IFAD’s regular investment processes. This probably means that to be able to be eligible for the facility, FAO/IFAD need to be involved in the projects, which is the case in 2 of the 3 projects.
   • Investment projects with an energy-component that need TA can apply for support with the AfDB’s sustainable Energy Fund for Africa – **Facility 2.** This is a fairly flexible grant facility.
   • The other investment projects are climate change relevant and they could apply for support with Facility 4 or 5. **Facility 3** can be of interest in case a country wants to go through the application phase of CIF for climate funding support.

3. Explore possibility to set up nexus facility
   SDG-Climate Nexus Facility is under establishment by UNDP in partnership with United Nations Environment Programme Finance Initiative (UNEP-FI), World Food Programme (WFP), World Meteorological Organization (WMO), UNISDR and regional partners LAS and the Arab Water Council (AWC).* The GIZ Nexus-team can liaise with the team working on this. The facility can provide a platform for the projects and interventions in the Arab region that are focused on policy dialogue, institutional strengthening and other interventions that require TA.

*Climate Change Adaptation in the Arab States (UNDP/GEF, 2018)
Niger Basin projects and facilities

**Investment projects:**
- Climate resilient fish farming and transformation for increased food security
- Increasing food security and water efficiency through improved livestock management
- Small scale irrigation for increasing WEF securities in agriculture
- Forestry management for securing WEF securities
- Water, Energy and Food protection through the anaerobic digestion of fecal sludge
- Construction of the Fomi Dam and ancillary structures
- Ensuring Nexus focus in the implementation of the Fomi Dam Scheme

**Technical assistance projects, e.g.:**
- Decrease erosion and sedimentation in the Niger basin for greater water and land security through soil and water conservation
- Implementation of Fomi Dam Scheme- Ensuring a Nexus Focus and environment protection goals
- Humid Zones: protection of ecosystem services to increase WEF securities

**Facilities**
- Africa50 – Facility 8
- PIDA-PAP 2 – Facility 9
- Climate Investor One – Facility 20
- The Pilot Programme for Climate Resilience (CIF/PPCR) – Facility 3
- The Nordic Development Fund – Facility 4
- The Adaptation Fund – Facility 5
- The Pilot Programme for Climate Resilience (CIF/PPCR) – Facility 3
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- The Adaptation Fund – Facility 5
## Niger Basin next steps

### 1. Confirm project buy-in and prioritise
- The Nexus-team has identified a variety of projects because the focus of the EU Nexus facility was still being determined. Before the Nexus-team starts playing a matchmaking role between projects and facilities – which is a time-consuming task – projects should be prioritized.
- For some projects, funding/financing partners have already been engaged. E.g. for the small-scale irrigation for increasing WEF securities in agriculture, GIZ’s Promotion of Productive Agriculture (PromAP) programme might fund part of the project. Matchmaking efforts should concentrate on the elements in the projects that do not have funding/financing yet.

### 2. Involve project developer that can act as lead developer for the development of infrastructural projects
The project pipeline in the Niger River Basin region has been coordinated by the Niger Basin Authority (NBA). NBA itself is not a project developer, so project development support will be required. In cases where NBA is not the owner, national governments are mostly the owners. NBA should try to set up a partnership with a project developer, e.g. Africa50, AfDB or the EIB (EU-AITF), to develop the large investment projects that have private sector potential (e.g. Fomi dam).

### 3. Apply for grant support for smaller investment projects
Facilities that could provide support for the projects between EUR 200-600k are:
- The Pilot Programme for Climate Resilience (CIF/PPCR) – Facility 3
- The Nordic Development Fund – Facility 4
- The Adaptation Fund – Facility 5

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The EU-Africa Infrastructure Trust Fund (EU-AITF) combines long-term investments from development finance institutions (loans, risk capital, etc) with grant monies to gain financial and qualitative leverage as well as project sustainability.
Central Asia – projects and facilities

Projects
- Tuyamuyun hydro project
- Forestation of the dried bottom of Aral Sea: piloting the closed root system
- Technical and financial assessment of national pumping stations in Tajikistan
- Modernization and introduction of SCADA and sustainable exploitation of hydrotechnical facilities in the Syr Darya River Basin

Facilities
- Asia Pacific Project Preparation Facility (facility 10)
- UNDP/GEF Small Grant Facility (facility 7)
- ADB’s Water Pilot and Demonstration Activities (PDAs) program (facility 11)
- EIB Climate Action & Environment Facility (CAEF) (facility 12)
## Central Asia – next steps

<table>
<thead>
<tr>
<th>Tuyamuyun hydro project</th>
<th>Forestation of the dried bottom of Aral Sea: piloting the closed root system</th>
<th>Technical and financial assessment of national pumping stations in Tajikistan</th>
<th>Modernization and introduction of SCADA (Supervisory Control and Data Acquisition) and sustainable exploitation of hydrotechnical facilities in the Syr Darya River Basin</th>
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<td>Tuyamuyun hydroelectric complex has high investment needs for infrastructural upgrades. In addition, it experiences intense sedimentation of its key run-of-the-river Ruslovoe water reservoir located in Amy Darya River. Tuyamuyun hydroelectric complex was selected as a transboundary pilot site to determine current sedimentation volume and sedimentation forecast for the next decade and conduct CBAs for interventions. Given the high investment needs of the complex and the lack of public funding sources, it can be explored to expand the project to a PPP project that includes both upgrades of the complex and sedimentation measures. The Asia Pacific Project Preparation Facility (facility 10) can support this project.</td>
<td>Current budget needed for the project is relatively small, approximately USD 30k. Most of the facilities require larger ticket sizes. UNDP, together with GEF, runs the GEF Small Grants Programme (facility 7) with up to USD 50k. The focus is on providing financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihoods. The focus of the program means a livelihood component can be added, to improve the impact of the pilot program.</td>
<td>The objective of the pilot is to identify the technical and institutional challenges and promote the energy efficient technology for the pumping stations. The budget needed for the pilot is USD 10,000. ADB provides up to USD 50,000 grants for trying out innovative local solutions to Asia’s water challenges, with the intention of replicating and scaling up such successful practices across the region called Pilot and Demonstration Activities (facility 11). One of the criteria of the ADB facility is that the pilot is directly linked to an ADB project. This means the Government of the Republic of Tajikistan should engage with ADB to verify whether it is possible to make this an ADB project.</td>
<td>The project comprises installation or modernization of existing Supervisory Control and Data Acquisition (SCADA) systems in transboundary hydrotechnical facilities of interstate importance in Syr Darya River Basin to ensure transparency and accuracy of water withdrawal by the riparian states. CAREC anticipates a loan of approximately USD 9 m is needed. The EIB is active in the region and under the external lending program or the Climate Action &amp; Environment Facility (CAEF)* and the EU Investment Facility for Central Asia (IFCA) (facility 12).</td>
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* Central Asian countries are eligible under the Bank’s Climate Action and Environment Facility (CAEF) for investment grade projects in renewable energy, energy efficiency, carbon capture, transportation or storage projects aiming specifically to reduce greenhouse gas emissions and projects contributing substantially to security of EU energy supply.
Latin America – projects and facilities

Investment projects (priorities)
- Water management
  - Argentina Water transfer canal
  - Peru focusing on construction of lagoons
- Energy
  - Guatemala - solar powered irrigation system
  - Costa Rica Multipurpose dam (USD 47 m)

Other investment projects:
- Nexus Pilot project to demonstrate the use of solar and biomass applications for water, energy and food security in rural areas (Guatemala)
- Development of sustainable bioenergy projects (Cuba)

Technical assistance projects, e.g.:
- Integration of the Nexus perspective in the New National Water Authority
- Development and implementation of a new policy for energy subsidies in irrigation agriculture
- Development of a methodology to assess Cuba’s bioenergy potential
- Establishment of a Nexus-smart basin committee for the Rio Tempisque

Projects

Facilities

- NDC Pipeline Accelerator – Facility 13
- Latin America Investment Facility (LAIF) – Facility 14
- Market-driven inclusive, resilient and innovative value chains Programme (WB/IFAD/Guatemala)*
- EUROCLIMA+ Facility 15
- IADB Policy Based Lending Facility 16
- IADB Reimbursable Technical Cooperation – Facility 17
- FAO Bio Energy and Food Security Approach – Facility 18

*https://www.ifad.org/en/web/operations/project/id/2000002250 – this program has been announced but it is to be launched
Latin America – next steps

Link projects that improve enabling environment and strengthen policies with facilities

- In some of the projects there are already TA-facilities engaged – e.g. the FAO/Global Bioenergy Partnership (GBEP). However, these do not seem to offer funds for project preparation.
- On the policy / institutional environment side IADB Reimbursable technical cooperation can support the development of policies and government agencies (see examples of TA-projects on previous page). The applicant has to be the national government.
- Some of the TA facilities could also invest in some downstream investments – e.g. LAIF – which combines TA, investment grants and financial instruments such as debt, equity and guarantees.
- FAO Bio Energy and Food Security Approach (BEFSA) – which is basically TA from FAO – has been used in Latin America. In Peru for instance FAO played a key role in strengthening the institutional and cross-sectoral dialogue in the country and facilitated the creation of a multi-sectoral commission to support an effective communication across the agricultural, energy and other key sectors, to ensure a more coordinated approach towards bioenergy development in the country.

Support bringing projects from development to implementation by playing a matchmaking role

- Investment projects - sponsored by governments – that are more in the exploratory phase can apply for EUROCLIMA+. Its objective is to reduce the impact of climate change and its effects in Latin America by fostering climate mitigation, adaptation, resilience and investment.
- For other smaller projects in the region the NDC Pipeline Accelerator can be approached. This is an IADB led climate finance facility aimed at fast tracking bankable and sustainable projects that move Latin America and the Caribbean closer to realizing the targets of the 2015 Paris climate conference.

Identify relevant facilities for the implementation of projects

- Some of the investment projects seem to already have funding/ financing partners on board (e.g. IADB, WB, FAO) – for these it might be worthwhile to explore to which extent other partners are needed.*
- For the other investment projects it is interesting to explore blended finance solutions with LAIF (EU). LAIF sets up partnerships putting together grants and other resources from the EU and using them to leverage loans from multilateral and bilateral European finance institutions (AECID, AFD, EIB, KfW) as well as from regional and multilateral development banks (CABEI, CAF, IADB). These resources are often pooled together with contributions from partner countries and beneficiary institutions in Latin America.
- An announced facility which could be useful for projects with an agricultural component (e.g. two projects in Guatemala) is the Market-driven inclusive, resilient and innovative value chains Programme (WB/ IFAD/ National government). The Nexus-team, in coordination with the project owners, can contact the WB and/or IFAD to request for more information. By liaising early-stage, the Nexus-team and project owners can position themselves for the program.

*An important partner in the region is the IADB – which the Nexus-team is familiar with. The IADB is also the implementing agency for the Word Bank’s Climate Investment Funds (CIF) and for the Global Environment Facility (GEF) in the region.
Southern Africa – projects and facilities

**Projects**

- **(Multipurpose) dams, water supply**
  - The Songwe River Basin Development program (SRBDP)
  - Batoka Gorge Hydro Electric Scheme
  - The Kikonge Multipurpose Dam
  - Mupamatenga Hydropower Project
  - Lower Mazowe Dam
  - Kobong Pumped Storage Dam and Hydropower Plant
  - Polihali Hydropower Dam and Transfer Tunnel
  - Nondvo multipurpose dam
  - Lomahasha Namaacha water supply

- **Other investment projects**
  - Water supply and sanitation Kinshasa

- **Technical assistance projects/ basin wide studies**
  - Portfolio of livelihood projects in Zambezi river basin
  - Water supply and sanitation Kinshasa (investment project but TA might be needed in first phase)

**Facilities**

- Guarantco – Facility 19
- PIDA-PAP 2 – Facility 9
- Africa50 – Facility 8
- Climate Investor One – Facility 20
- The Public-Private Infrastructure Advisory Facility (PPIAF) – Facility 21
- World Bank – CIWA - Facility 22
- Global Water Security & Sanitation Partnership (GWSP) – Facility 23

- Other investment projects
  - Water supply and sanitation Kinshasa
Southern Africa – next steps

1 Identify and liaise with facilities that can support implementation of projects
   • Most of the investment projects are hydropower, dam and/or water supply projects. In some of these, WB, AFDB, GEF and/or NEPAD are already involved
   • **PPIAF** provides technical assistance and knowledge grants to governments to support the creation of an enabling environment for the provision of infrastructure services by the private sector. The use of this instrument can be explored for the projects in the portfolio
   • In addition to financing providers, there are guarantee providers like **Guarantco** that can de-risk the projects. Eligibility depends for hydropower on the extent to which alternatives are available and the level of electrification
   • Working together with project developers could further accelerate the investment projects (e.g. **Africa50, Climate Investor One**)
   • The Kinshasa water supply and sanitation project is the only sanitation project in the portfolio. It may benefit from working with the **Global Water and Sanitation Programme**. The GWSP primarily focuses on advancing knowledge and building capacity. It supports client governments to achieve the water-related SDGs through the generation of innovative global knowledge and the provision of country-level support. The project can learn from the lessons from Dakar, Senegal, where the government has privatized large parts of the sanitation sector which has attracted private financing

2 Engage facilities that can support masterplan development
   • Three of the TA projects in the region concern basin studies and master plan development. These are the Okavango basin-wide study, the Lesotho Highlands / Botswana water transfer study and the Orange Senqu Basin investment planning study
   • There are facilities focusing on supporting interventions in this area:
     • **CRIDF’s Rapid Advisory Service (RAS)** provides fast-tracked advice to CRIDF stakeholders in the fields of water, climate and water-related infrastructure
     • **World Bank CIWA** funds a variety of organizations – governments, river basin organizations, regional economic communities, civil society organizations, and African regional or national organizations – to address the constraints of cooperative transboundary water management.
   • The Nexus-team together with the project owners can explore working with these facilities to conduct the studies
3

Facility Stories

• Small Grant Program (GEF/ SGP)
• Africa 50
• Sustainable Energy Fund for Africa (SEFA)
• Climate Investor One
Introduction
The Global Environment Facility/Small Grant Program (GEF/SGP) awards small grants—up to a maximum of USD 50,000—to needy communities to support the use of practices and technologies that benefit the global environment. SGP contributes to the following GEF focal areas: biodiversity, climate change, land degradation, international waters, chemicals, and cross-cutting capacity development. Since start-up, the SGP has provided over 18,000 such grants to communities in more than 125 countries. The average grant has been approximately USD 25,000.

Uniqueness of the facility in the market
The application process of the SGP program looks extensive for a relatively small grant, but the assistance during the process and the fact that there is no prescribed format is widely appreciated. The National Coordinator provides support with writing a brief project concept paper. If the project is judged eligible, there is also a planning grant available for the project proposal. Other feedback varies per country and is often related to country priorities and strategies.
GEF/SGP Program (continued)

- Accessibility

UN SGP is a modality under the Global Environment Fund (GEF). As a global program that acts nationally and locally and is grassroots driven, the SGP must align to GEF, UNDP, national, and local priorities. At the moment, approximately 125 countries are part of the SGP. During the interview, the SGP-team confirmed that most of the countries in which the NRD operates are eligible.

Applicants should be national Community Based Organizations (CBOs) or Non-Governmental Organizations (NGOs). In their respective countries they have to contact the SGP National Coordinator to receive project application guidelines and forms. Their contact details can be found on the individual country pages. They are also the focal point for inquiries regarding local grant applications and seeking technical guidance or details of GEF SGP projects. Pipeline development within specific countries is usually done by two calls for proposals per year. Grant making at the national level is guided by a country program strategy – this provides guidance on both types and kinds of initiatives. The duration of the application process is around three months. This takes into account approximately one month for submitting, one month for reviewing by the country committee and one month for signing off by UNOPS.

The SGP is currently seeking to expand. New countries can become eligible. They have to commit to the way the grant program works, they need to have ratified the UN Biodiversity Conventions and have a conducive CBO environment.

<table>
<thead>
<tr>
<th><strong>GEF Small Grants Programmed</strong></th>
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<tr>
<td><strong>Scope</strong></td>
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<td><strong>Eligible projects</strong></td>
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<td><strong>Eligible activities</strong></td>
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<td><strong>Financing Instrument</strong></td>
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<td><strong>Management</strong></td>
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<td><strong>Regions of operation</strong></td>
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</table>
Africa Development Bank (AfDB) established Africa 50 that is designed as an independent infrastructure fund that focuses on high-impact national and regional projects, mostly in the energy and transport sectors, with a particular emphasis on increasing the pipeline of investment-ready projects.

Africa50 focuses on medium- to largescale projects that have a significant development impact and that provide an appropriate risk-adjusted return to investors. Bringing project development and financing together in one institution, Africa50 seeks to provide support at every stage of the project cycle.

Africa 50 is currently composed of 5 investments and a supporting pipeline of projects. Committed capital is USD 871m. Africa 50 works with several partners including: national governments, project developers and Development Finance Institutions to mobilise private sector investments for bankable infrastructure projects.
Africa 50 is involved in both project development and project financing aspects of infrastructure projects in Africa. On the project development front, the facility identifies core infrastructure projects in shareholder countries, ensuring alignment between the selected project and the respective country’s development priorities.

In addition the fund leverages on government support to limit implementation risks and delays. The model structure applied within project development is venture capital whereby funding is deployed at early stage risk with expectation of a return and the right to invest equity at financial close. Current committed capital is USD 90 million. The average investment size per project is estimated at 10% of the committed capital for early stage equity translating to approximately USD 9 million.

On the project financing front, the fund invests in equity and quasi-equity in private and PPP infrastructure transactions. The model approach for this form of investments is similar to a private equity form of investment. The total committed capital for project financing is estimated at USD 782 million. The investment size per project is estimated at USD 20-80 million.
The decision-making criteria for Africa 50, while it may appear lengthy, follows the guidelines of most investment infrastructure funds.

Once a prospective deal is seen as viable by the investment teams, either under the Director of Project Development or the Head of Infrastructure Investments, the transaction is presented to Africa50’s Investment Committee for approval.

Prior to presenting such a transaction to the Investment Committee for final approval, the teams carry out research analysis, consultations, due diligence missions and deal structuring, to examine how the deal meets Africa50’s investment criteria.

The Investment Committee is made up of Africa50’s CEO and external independent experts with extensive investment expertise in the various key sectors covered by Africa50.
Introduction

The Sustainable Energy Fund for Africa (SEFA) seeks to promote energy access and local economic development by unlocking investments in small and medium-scale renewable energy and energy efficiency (RE/EE) projects. SEFA currently delivers support through three windows – project preparation, equity investment and enabling environment.

SEFA was established in June 2011 with initial funding from the Government of Denmark. Thereafter, USAID’s Power Africa, the United Kingdom’s Department for International Development (DFID), the Government of Italy and the Norwegian Agency for Development Cooperation joined. Cumulative donor contributions amount to USD 105 million as of 31st December 2018. SEFA complements existing climate finance initiatives and has supported innovative, transformational opportunities led by the private sector. SEFA is intended to leverage and engage the AfDB and other financiers in small and medium scale renewable energy projects. Through its intervention, SEFA plays a key role in demonstrating the viability of such business models in the African context.

SEFA currently has an active portfolio spread in thirty (30) Sub-Sahara African countries, including seven (7) multinational projects, totaling USD 74.8 million in commitments across its three components. The project preparation and equity components currently represent a total of USD 1.50 billion in investments and over 500 MW of installed capacity.

Uniqueness of the facility

SEFA prioritizes first-of-the-kind projects in African markets by taking on early stage risks, thereby enabling investment by more risk-averse investors. Compared to other climate finance initiatives, SEFA is unique insofar as it is focused on:

a) a hands-on early stage approach;

b) there is a lot of flexibility in selection criteria;

c) in addition to investing in projects, it can support governments with grants to improve the institutional environment; and

d) SEFA leverages AfDB financing (as it is housed by AfDB).

Accessibility

SEFA is fairly accessible across three components as detailed in the table below, without any stipulated pipeline criteria documented but with some subtle complexities. The application process involves one-page proposal document that is available on the website.

Notably, despite SEFA being autonomous and independent, some approval processes have to be obtained through the bank’s systems and on average the application and approval processes may take 8-9 months. That notwithstanding, the approval process for TA related grants can be expedited to last 3-4 months.
SEFA (continued)

Component 1: Project Preparation Grants: The project preparation grant request component provides financial and technical assistance to facilitate pre-investment activities of commercially viable private sector medium-scale projects. Grants are awarded on a cost-sharing basis to fund specific development activities, from feasibility to financial close.

Component 2: Equity Investments: SEFA’s equity investment component seeks to address the lack of access to early stage capital for small and medium-sized projects, as well as the limited managerial and technical capability of small-scale entrepreneurs and developers. SEFA equity capital combined with dedicated technical assistance funds are deployed by the SEFA co-sponsored Africa Renewable Energy Fund (AREF), a Sub-Saharan Africa (excl. South Africa) private equity fund solely focused on small and medium-sized (10-80 MW) independent power projects utilizing solar, wind, biomass, hydro, as well as geothermal. The fund reached its final closing in September 2015 with a total commitment of USD 200 million. AREF capitalization stands around USD 200 million with significant commercial capital. SEFA’s current shareholding in AREF stands at 12%.

Component 3: Enabling Environment Grants: SEFA’s enabling environment component supports activities that work toward the creation of an enabling environment for private investment in sustainable energy in Africa. This includes advisory services which support implementation of regulatory and policy regimes that provide clear and predictable rules for RE project development, in addition to operation and capacity building activities which allow the public sector to act as a reliable and creditworthy counterpart to such projects. Component 3 also allows SEFA to better align with the SEforAll initiative by supporting preparatory, sector planning and capacity-building activities arising from the AfDB-hosted SEforAll Africa Hub.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Project Preparation</th>
<th>Equity Investment</th>
<th>Enabling environment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Activities from pre-feasibility to financial close</td>
<td>Seed and growth capital for Renewable Energy projects</td>
<td>Technical assistance and capacity building</td>
</tr>
<tr>
<td>Eligible projects</td>
<td>Private and PPP projects in Africa with expected project cost between USD 30-200 million which employ clean technologies</td>
<td>Private projects in Sub-Saharan Africa with expected project cost between USD 10-80 million</td>
<td>Public sector enabling environment projects in the on-grid and mini-grid spaces</td>
</tr>
<tr>
<td>Eligible activities</td>
<td>Including, but not limited to: feasibility studies, environment and social assessments, engineering studies, transaction advisory and due diligence for lenders</td>
<td></td>
<td>Strategy, legal, policy and regulatory activities; advisory and training; market development; and knowledge generation</td>
</tr>
<tr>
<td>Financing Instrument</td>
<td>Grants to cover consultancy fees on behalf of developers</td>
<td>Equity capital tickets of USD 10-30 million in project companies</td>
<td>Grants to institutions or sponsors of public-sector-type interventions</td>
</tr>
<tr>
<td>Management</td>
<td>SEFA Secretariat</td>
<td>Berkeley Energy LLC (AREF)</td>
<td>SEFA Secretariat</td>
</tr>
<tr>
<td>Regions of operation</td>
<td>Africa</td>
<td>Africa</td>
<td>Africa</td>
</tr>
</tbody>
</table>
Climate Investor One

Introduction

Climate Investor One (CIO) is a blended finance facility. The GCF investment of USD 100 million in the Climate Investor One programme is channeled via FMO, while the programme itself is executed by Climate Fund Managers (CFM), a leading blended finance fund manager and a joint venture between FMO and Sanlam InfraWorks.

The first component of this programme is a development fund, which provides loans in the early stage of a project life cycle. The second component, a construction equity fund, will meet up to 75% of total construction costs in tandem with the project sponsor. Compared with conventional project financing, CIO removes the need for complex multi-party financing structures, with the potential to thereby reduce the time and cost associated with delivering renewable energy projects.

The blended finance facility is aimed at supporting the development of renewable energy projects in 11 countries across Africa, Asia and Latin America. The programme targets the 11 low and lower-middle income countries with sizable energy deficits, which are also heavily reliant on fossil fuels in their energy mix.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Development Fund (USD 30 million)</th>
<th>Construction Equity Fund (USD 500 million)</th>
<th>Refinancing Fund (USD 500 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Provides all equity financing for the construction phase.</td>
<td>The Refinancing Fund (USD 500 million), when established, will provide long-term senior debt instruments to reduce an operational projects cost of capital and optimize its funding structure.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible projects</th>
<th>Renewable energy infrastructure projects in emerging markets</th>
<th>Renewable energy infrastructure projects in emerging markets</th>
<th>Renewable energy infrastructure projects in emerging markets</th>
</tr>
</thead>
</table>

| Eligible activities | Technical Assistance | Equity financing for the construction phase | Operational projects cost of capital. The Fund will source capital from institutional investor, seeking to invest without exposure to development and construction risk, as well as benefit from CIO’s proprietary deal flow. This fund is low risk and secured by the project companies assets. |

<table>
<thead>
<tr>
<th>Management</th>
<th>Climate Fund Managers</th>
<th>Climate Fund Managers</th>
<th>Climate Fund Managers</th>
</tr>
</thead>
</table>

| Regions of operation | Africa, Asia and Latin America | Africa, Asia and Latin America | Africa, Asia and Latin America |
Climate Investor One (continued)

- **Uniqueness of the Facility**

  The Climate Investor One programme provides an integrated, full project life cycle financing solution to support the successful development, construction, and commissioning of renewable energy projects. As mentioned, compared with conventional project financing, CIO removes the need for complex multi-party financing structures, with the potential to thereby reduce the time and cost associated with delivering renewable energy projects. It enables project sponsors to focus less on capital raising and more on project development, while also reducing construction timelines. The preference is to undertake projects whose feasibility study has been undertaken. In addition, the facility is open for collaboration with credible partners to co-finance a project with. The facility will typically deploy capital at early stage with grant finance and convert to equity at later stage. In instances where the project delivery fails, a write-off is undertaken. The fund also deploys equity finance which is largely appreciated in small scale projects. Equity investments stake are capped at 75% of the total construction costs. However, the facility prefers projects whereby there is equal joint stakes ownership (50:50) with other project partners. The facility can deal with public entities in the sense that sometimes off-take agreements with state owned enterprises are needed for projects. However, the facility invests exclusively in privately owned companies.

- **Accessibility:**

  The facility’s approach is to initiate interest through request for proposals. The facility combines grant finance and investment finance hence the blended finance unique aspect of the facility. It is important for the fund manager that 1) a feasibility study has been undertaken and 2) the project sponsor/owner is a credible partner with a solid track record.

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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Development Fund (USD 30 million)</th>
<th>Construction Equity Fund (USD 500 million)</th>
<th>Refinancing Fund (USD 500 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Fund, populated with donor capital, provides development loans to remove market barriers, raised by developmental risk.</td>
<td>It is comprised of three tiers of capital. The first is a junior equity tranche of USD 100 million, with funds sourced from donors. The second is an ordinary equity tranche of USD 200 million, sourced from DFIs and commercial investors. The third tier is a senior equity tranche of USD 200 million, sourced from commercial and institutional investors, covered by a full Export Credit Agency Guarantee.</td>
<td>long-term senior debt instruments</td>
</tr>
</tbody>
</table>

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Facility Tool and Details per Facility
## Example of a Nexus Facilities Tool

Draft tool developed to select facilities per region

### Draft Tool for Selecting Facilities Per Region

#### Selection

- **Number of selected facilities**: 8 out of 96
- **Select region**
  - Latin America
  - Central Asia
  - SADC
  - MENA
  - Niger Region
- **Select project Phase**
  - Project Development
  - Implementation
  - Both
  - To be determined
- **Select sector**
  - Public Sector
  - Private Sector
  - Public and private sector
  - To be determined
- **Select Hosting Institution**
  - World Bank
  - IFC
  - Other

#### Selected Facilities

- **ACF Investment Facility**
- **AgDevCo**
- **African Agriculture and Trade Development Fund (AATDF)**
- **Emerging Africa Infrastructure Fund**
- **GuarantCo**
- **ResponsAbility Agriculture Financing Instruments**
- **The African Local Currency Bond Fund**

#### Detailed Information

- **Name of facility**
  - African Agriculture and Trade Investment Fund (AATIF)
- **Hosting institution**
  - ACP

- **Brief**
  Aims to improve food security and provide additional employment and income to farmers, entrepreneurs, and labourers alike by investing patiently and responsibly in efficient local value chains.

- **Sector focus**
  - Agriculture
- **Instruments**
  - Fund that invests across the entire agricultural value chain in Africa through direct investments (e.g., in companies, cooperatives) and indirect investments in financial institutions and other intermediaries that extend to smallholder farmers. Instruments include senior debt, mezzanine, equity; guarantees and risk sharing arrangements; grant funding available through parallel Technical Assistance (TA) Facility.

- **Public/private**
  - Private sector
- **Hosting Institution**
Overview of facilities

1. Adaptation for Smallholder Agriculture Programme (ASAP) - IFAD
2. Sustainable Energy Fund for Africa (SEFA) - AfDB
3. The Pilot Programme for Climate Resilience (PPCR) - CIF
4. Nordic Development Fund - NDF
5. The Adaptation Fund - UNDP
6. Technical Assistance Facility for Clean Energy Investment (TAF) - CIF
7. Small Grant Programme - UNDP/GEF
8. Africa 50 - AU
9. PIDA-PAP 2 - AU
10. Asia Pacific Project Preparation Facility - ADB
11. Water Pilot and Demonstration Activities (PDAs) program - ADB
12. Investment Facility for Central Asia (IFCA) - EU
13. NDC Pipeline Accelerator - NDF
14. Latin America Investment Facility (LAIF) - EU
15. EUROCLIMA+ - EU
16. IADB Policy Based Lending - IADB
17. IADB Reimbursable Technical Cooperation - IADB
18. FAO Bio-Energy and Food Security Approach - FAO
19. Guarantco - PIDG
20. Climate Investor One (CI1)
21. Public Private Infrastructure Advisory Facility (PPIAF) - WB
22. Cooperation in International Waters in Africa (CIWA) - WB
24. Climate Investor Two (CI2)
Facility 1 – Adaptation for Smallholder Agriculture Programme

• **Brief**: The Adaptation for Smallholder Agriculture Programme (ASAP) is IFAD’s flagship programme for channeling climate and environmental finance to smallholder farmers. The programme is incorporated into IFAD’s regular investment processes and benefits from rigorous quality control and supervision systems.

• **How it works**: The ASAP fund allows IFAD country programmes to design projects from a climate-informed perspective and leverage resources for technical assistance.

• **Eligibility criteria**:
  - ASAP funds activities that focus on:
    - policy engagement – supporting agricultural institutions in IFAD Member States seeking to achieve international climate change commitments and national adaptation priorities;
    - climate risk assessment – facilitating the systematic use of climate risk information when planning investments to increase resilience;
    - women’s empowerment – increasing the participation of women in, and their benefits from, climate-change adaptation activities;
    - private-sector engagement – strengthening the participation of the private sector and farmer groups in climate change adaptation and mitigation activities;
    - climate services – enhancing the use of climate information for when planning investments to increase resilience;
    - natural resource management and governance – strengthening the participation and ownership of smallholder farmers in decision-making processes; and improving technologies for the governance and management of climate-sensitive natural resources;
    - knowledge management – enhancing the documentation and dissemination of knowledge on approaches to climate-resilient agriculture.

• **For what kind of project**: ASAP will ensure that approaches for addressing climate-related risks are integrated into all of IFAD’s portfolio of loans and grants.

• **Focus sectors**: Climate change related projects

• **Geographical focus**: Asia, Pacific, Latin America and Carribean, Africa

• **Project example**:
  - **Ghana Agricultural Sector Investment Programme (GASIP)**
  - Agriculture has driven Ghana’s economic growth in recent years and remains the main livelihood of the majority of its population, especially for the rural poor. With approximately 90 per cent of farm holdings of less than 2 hectares, agriculture is still dominated by traditional smallholder farms. These smallholders are being affected by climate-related challenges
  - ASAP funding will support GASIP to mainstream climate change adaptation and resilience of smallholder farms into the business models and value chain interventions of the wider programme.

More information: [link](https://www.ifad.org/en/asap)

• **Contact details**: [https://www.ifad.org/en/asap](https://www.ifad.org/en/asap)
Facility 1 – Adaptation for Smallholder Agriculture Programme

Continued

- **Fund/ facility size**: USD 300 m,

- **Range of eligible ticket sizes**: Undisclosed

- **Public / private sector focus**: Both

- **Instruments**: Technical Assistance, Grants,

- **Next steps**
  - The ASAP fund allows IFAD country programmes to design projects from a climate-informed perspective and leverage resources for technical assistance.
Facility 2 – Sustainable Energy Fund for Africa (SEFA)

• Brief: The Sustainable Energy Fund for Africa (SEFA) is a multi-donor trust fund administered by the African Development Bank - anchored in a commitment of USD 95 million by the Governments of Denmark, the United States and the Norway - to support small- and medium-scale Renewable Energy (RE) and Energy Efficiency (EE) projects in Africa.

• How it works: The development objective of SEFA is to support sustainable private-sector led economic growth in African countries through the efficient utilization of presently untapped clean energy resources. SEFA has been designed to operate under three financing windows: project preparation, equity investments and enabling environment support.

Eligibility criteria:

• Projects with a total investment commitment in the range of USD 30 - 200 million.
• The underlying project must be implemented in an AfDB Regional Member Country, and the project sponsor must be registered as a legal entity in a Regional Member Country by the time of grant approval.
• Project preparation activities from pre-feasibility up to financial closure. Some pre-feasibility work will already have been carried out and preliminary viability established.
• Beneficiaries will be expected to provide at least 30% of the total pre-investment costs.
• Projects should be sponsored by private sector or public sector agencies where the final project is to be an Independent Power Producer (IPP) or Public –Private Partnership (PPP). State owned utilities are not eligible for direct support.
• Some evidence of Government endorsement (e.g. permits, concessions, Memorandums of Understanding, Power Purchase Agreement, etc.).

• For what kind of project: Project Preparation: This window provides cost-sharing grants and technical assistance to private project developers/promoters to facilitate pre-investment activities for renewable energy and energy efficiency projects. Grant funding will target development activities from feasibility up to financial closure for projects with total capital investments in the range of USD 30 million – 200 million.

• Equity Investments: This financing window seeks to address the lack of access to early stage capital for small-and medium-sized projects, as well as the low managerial and technical capability of smaller entrepreneurs and developers.

• Enabling Environment: This window provides grants to support mainly public sector activities that create and improve the enabling environment for private sector investments in the sustainable energy space in Africa. This includes advisory and implementation of legal, regulatory and policy regimes that provide clear and predictable rules for project development, implementation and operation, capacity-building activities to allow the public sector to act as a reliable and creditworthy counterparty in energy projects and programs. This component is not bound by project size limits, and includes interventions spanning the off-grid, mini-grid, and grid-connected segments.

• Focus sectors: small- and medium-scale Renewable Energy (RE) and Energy Efficiency (EE) projects.

• Geographical focus: AfDB Regional Member Countries

More information: [link](#)

• Contact details: SEFA@afdb.org
Facility 2 – Sustainable Energy Fund for Africa (SEFA)

Continued

• Example of a relevant project financed by the facility
  • In 2014, SEFA approved a preparation grant of USD 777,000 to JCM Greenquest Solar Corporation in Cameroon, to support the development of a 72 MW Solar Photovoltaic independent power plant – the first renewable PPP in Cameroon. The grant will finance environmental and social impact assessments for the Mbalmayo plant and the cost related to the lender’s technical, legal and financial advisory services

• Fund/ facility size: USD 95 m
• Range of eligible ticket sizes: USD 30m- USD 200m
• Public / private sector focus: Both
• Instruments: Technical Assistance, Grants
• Next steps
  • SEFA is structured to respond to requests originated or championed by AfDB staff. All proposals received will be screened and pre-assessed against the basic eligibility criteria by the SEFA Secretariat, currently hosted in the Energy, Environment and Climate Change Department (ONEC) of AfDB. In the case of external requests meeting the basic eligibility criteria and presenting a good pipeline opportunity, SEFA Secretariat will work with other departments with the view of identifying a champion to lead the internal review and approval of a proposal. Fill in funding questionnaire request.
Facility 3 – The Pilot Programme for Climate Resilience (CIF/PPCR)

• **Brief:** The USD 1.2 billion Pilot Program for Climate Resilience (PPCR) supports developing countries and regions in building their adaptation and resilience to the impacts of climate change.

• **How it works:** The PPCR assists governments in integrating climate resilience into strategic development planning across sectors and stakeholder groups. Second, it provides concessional and grant funding to put the plans into action and pilot innovative public and private sector solutions.

• **Eligibility criteria:** Applicant countries have to go through a nine-step CIF-programming process, including implementation and monitoring.

• **For what kind of project:** It is designed to demonstrate ways that developing countries can make climate risk and resilience part of their core development planning. It helps countries build on their National Adaptation Programs of Action and helps fund public and private sector investments identified in climate resilient development plans.

• **Focus sectors:** Climate change resilience and adaptation

• **Geographical focus:** Asia, Pacific, Latin America and Caribbean, Africa

• **Example of a relevant project financed by the facility**

• Niger is one of the first three developing countries worldwide chosen to operationalize PPCR. In addition to channeling USD 35 million of the total USD 110 million in PPCR funding allocated to Niger, the AfDB is also mobilizing an additional USD 90 million in co-financing from its own resources to help Niger intensify its battle against desert encroachment and drought. Niger’s PPCR investment strategy involves mainstreaming climate resilience into development strategies; expanding sustainable land management initiatives and integrating them into planning and budgeting processes; updating the quality of weather and climate information and making it publicly available; and improving monitoring and evaluation methodologies.

• **More information:** [link](https://www.climateinvestmentfunds.org/)

• **Contact details:** [https://www.climateinvestmentfunds.org/](https://www.climateinvestmentfunds.org/)

• **Fund/facility size:** USD 1.2 bn

• **Range of eligible ticket sizes:** undisclosed

• **Public/private sector focus:** Both

• **Instruments:** Concessional and grant funding
Facility 4 – Nordic Development Fund

• **Brief:** NDF finances projects usually in cooperation with bilateral, multilateral and other development institutions. The operations mirror the Nordic countries’ priorities in the areas of climate change and development. NDF flexibly uses grants, loans, equity and any combination of these as financing instruments. The original subscribed and paid-in capital by the Nordic countries is equivalent to approximately EUR 1 billion.

• **How it works:** NDF’s capital is provided from the development cooperation budgets of the five Nordic countries.

**Eligibility criteria:**

• In 2009 NDF shifted focus from soft loans for social and economic development to grants for climate change efforts. New financing is granted according to this new mandate. However, NDF has a considerable credit portfolio with loans outstanding under the old mandate. The grant operations under the new mandate are mainly funded from repayments of existing credits. NDF provides grants by co-financing projects with its partners in countries which are eligible for support from IDA and which have previously received NDF support.

• **NDF supports projects**
  - addressing the mitigation of climate change
  - supporting the adaptation to climate change
  - related to infrastructure, natural resources and capacity building
  - through grant financing
  - in low-income countries in Africa, Asia and Latin America
  - in cooperation with multilateral and bilateral development institutions

• NDF has a two-stage approval process. Projects are first approved for the pipeline and then they receive final approval from the NDF Board of Directors. Projects in the pipeline are subject to change and may not necessarily be presented for final approval.

• **For what kind of project:** NDF provides grant financing for interventions targeting adaptation to and mitigation of climate change in low-income countries.

• **Focus sectors:** climate change, infrastructure, natural resources and capacity building

• **Geographical focus:** Africa, Asia and Latin America

• **Example of a relevant project financed by the facility**

*Water resources management in Pyanj River Basin Project*

The Asian Development Bank is working with Tajikistan to boost agriculture production and food security by improving water resource management of the Pyanj River Basin. The project aims to strengthen water resource management, modernize and climate-proof irrigation and drainage infrastructure, and boost farmers’ water use skills and farm management capacity.
Facility 4 – Nordic Development Fund

Continued

- More information: [link](#)
- Contact details: info.ndf@ndf.fi
- Fund/facility size: EUR 1 bn
- Range of eligible ticket sizes: undisclosed
- Public/private sector focus: Both
- Instruments: Grants

Next steps
- [Link](#) to the guidelines for project identification and screening criteria
Facility 5 – The Adaptation Fund

- **Brief:** The Adaptation Fund was established under the Kyoto Protocol of the UN Framework Convention on Climate Change, and since 2010 has committed USD 720 million to climate adaptation and resilience activities, including supporting 100 concrete adaptation projects.

- **How it works:** Under the Clean Development Mechanism (CDM), emission-reduction projects in developing countries can earn certified emission reduction (CER) credits. These credits can be traded and sold by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. Financing for the Adaptation Fund comes mainly from sales of certified emission reductions. The share of proceeds amounts to 2 percent of the value of CERs issued each year for CDM projects. The fund also receives contributions from governments, the private sector, and individuals.

**Eligibility criteria:**

- Identify an adaptation or resilience challenge that could be addressed with support by the Adaptation Fund through a project or programme. The project or programme would need to be in accordance with priorities laid out in national strategies and plans or in Nationally Determined Contributions. Develop the proposal using the template “Request for Project/Programme Funding from Adaptation Fund” (see Project Proposal Materials). The Adaptation Fund Board requests that all proposals be written in English.

- While developing the proposal, please pay attention to the criteria included in the Operational Policies and Guidelines and its annexes, including the need to consult with stakeholders of the planned project or programme and to take into account environmental and social risks and gender considerations. Proposals can be submitted either using a 1-step process, directly as fully developed project/programme documents, or a 2-step process, when first a concept is submitted and following it, a fully developed proposal. Specific requirements apply to regional projects and programmes within the pilot programme for such activities.

- **Proposals require endorsement by the Designated Authorities of the country in which the project or programme would take place**

- **Focus sectors:** agriculture, coastal zone management, disaster risk management, food security, forests, multisector projects, rural development, urban development and water management

- **Geographical focus:** Africa, Asia/ Pacific

- **Example of a relevant project financed by the facility**

*An integrated landscape approach to enhancing the climate resilience of small-scale farmers and pastoralists in Tajikistan*

- The project aims to introduce an integrated approach to landscape management to develop the climate resilience of rural communities in Tajikistan. The project’s activities will focus in particular within one of the most climate-vulnerable river basins, namely the Kofirnighan River Basin (KRB). The project has three components:

  - Integrated catchment management to build climate resilience
  - Ecosystem-based Adaptation, including Climate smart Agriculture and Sustainable Land Management, in agroecological landscapes
  - Knowledge management on building climate resilience through integrated catchment management and Ecosystem-based Adaptation (EbA) in the KRB

**More information:** [link](https://www.adaptation-fund.org/about)

- **Contact details:** [https://www.adaptation-fund.org/about](https://www.adaptation-fund.org/about)
Facility 5 – The Adaptation Fund

Continued

- **Fund/ facility size**: USD 982 m
- **Range of eligible ticket sizes**: USD 1m and above
- **Public / private sector focus**: Both
- **Instruments**: Grants
- **Next steps**
  - [Link](#) to the guidelines for project identification and screening criteria
Facility 6 – Technical Assistance Facility for Clean Energy Investment (CIF-TAF)

• **Brief:** CIF’s Technical Assistance Facility for Clean Energy Investment (CIF-TAF) is a pioneering facility to tackle such barriers and facilitate energy transition. It works with developing countries to accelerate investments in clean energy technologies.

• **How it works:** The facility will focus on renewable energy, including power generation, and systems integration, and energy efficiency in buildings and industry. CIF-TAF will leverage the CIF’s 10-year-plus track record and unique MDB-driven business model. It will support client countries to strengthen policy and regulatory frameworks, build stakeholder capacity, and design innovative tools for new business models and instruments, among others.

**Eligibility criteria:**

• CIF partners with multilateral development banks, governments, businesses, civil society, and local communities to scale up finance for climate action in 72 low and middle-income countries.

• Applicant countries have to go through a nine-step CIF-programming process, including implementation and monitoring.

• Technical Assistance Facility for Clean Energy Investment (CIF-TAF) aims to support countries in pursuit of their energy transition goals by: i) strengthening policy & regulatory framework; ii) building capacity of key stakeholders; and, iii) enabling transactions through design of tools like new business models, instruments, among others.

• **For what kind of project:** CIF partners with multilateral development banks, governments, businesses, civil society, and local communities to scale up finance for climate action in 72 low and middle-income countries.

• **Focus sectors:** Renewable Energy and Energy Focus

• **Geographical focus:** low and middle-income countries

• **Example of a relevant project financed by the facility**

**More information:** [link](https://www.climateinvestmentfunds.org/topics/technical-assistance-facility)

• **Contact details:** [https://www.climateinvestmentfunds.org/topics/technical-assistance-facility](https://www.climateinvestmentfunds.org/topics/technical-assistance-facility)

• **Fund/ facility size:**

• **Range of eligible ticket sizes:** undisclosed

• **Public / private sector focus:** Both

• **Instruments:** Technical Assistance and Grants
Facility 7 – UNDP/GEF Small Grant Programme

• **Brief:** The programme provides grants of up to USD 50,000 directly to local communities including indigenous people, community-based organizations and other non-governmental groups for projects in Biodiversity, Climate Change Mitigation and Adaptation, Land Degradation and Sustainable Forest Management, International Waters and Chemicals.

• **How it works:** Established in 1992, the year of the Rio Earth Summit, the GEF Small Grants Programme embodies the very essence of sustainable development by “thinking globally acting locally”. By providing financial and technical support to projects that conserve and restore the environment while enhancing people’s well-being and livelihoods, SGP demonstrates that community action can maintain the fine balance between human needs and environmental imperatives.

• **Eligibility criteria:**
  - In addition to the usual capacity development activities included in regular SGP projects, during OP5 SGP will start grant-making in Capacity Development as a multifocal area. These grants consist of standalone projects that are strategic and support the work of the other areas of work at the portfolio level. These grants should contribute to meet the objectives of the Country Programme Strategy, contribute to the GEF Capacity Development Framework and shall not exceed 10% of total country program grant allocation.
  - The National Steering Committee in each country will decide whether to use these allocation for Capacity Development grants and will also decide and prioritize what should be the focus of these grants.
  - To enhance the capacities of stakeholders to engage throughout the consultative process
  - To generate, access and use information and knowledge
  - To strengthen capacities to develop policy and legislative frameworks
  - To strengthen capacities to implement and manage global convention guidelines
  - To enhance capacities to monitor and evaluate environmental impacts and trends

These grants will have a specific call for proposals and criteria for the selection process to ensure transparency. The identification and selection process remains in line with established SGP standards and should be open to all local and national NGOs and CBOs. The selected entity should provide a detail project report on the utilization of the funds with a focus on results and indicators.

• **Focus sectors:** Biodiversity, Climate Change, Land Degradation, Sustainable Forest Management, International Waters, Chemicals

• **Geographical focus:** Africa, Asia and Pacific, Europe and CIS, Latin America and the Carribean and the Arab States

• **Example of a relevant project financed by the facility**
  In Bhutan, the SGP supported a youth-led cooperative called Khengrig Namsum Cooperative (KNC) in Zhemgang District, on the southern border of the country. KNC is comprised of 15 youth leaders (53% female) and 26 collaborative farmers. KNC rehabilitated total of 93 ha hectares of leased land that was left fallow for a few decades through sustainable agroforestry, producing fruits and vegetables by fencing off the areas with solar electric fencing spanning 12 kilometres. In 2018, KNC generated a total income of USD 17,276 by producing 28.1 tonnes of watermelons and 52.8 tonnes of bananas.
Facility 7 – UNDP/GEF Small Grant Programme

Continued

More information: [link](https://sgp.undp.org/about-us-157.html)

- **Contact details:** [https://sgp.undp.org/about-us-157.html](https://sgp.undp.org/about-us-157.html)
- **Fund/ facility size:** USD 108 m in project financing and USD 100m in project co-financing
- **Range of eligible ticket sizes:** Up to USD 50,000
- **Public / private sector focus:** Both
- **Instruments:** Technical Assistance, Grants,
- **Applicable for projects:**
  Forestation of the dried bottom of Aral Sea: piloting the closed root system
  - Entails piloting the growing of saxaul seedlings with a closed root system, which is more suitable for climate condition of Aral Sea and has more survival rate. The closed system is recommended by the scientists, but it was never piloted and lacks the evidence base across Central Asia.
Facility 8 – Africa 50

- **Brief:** The latest AfDB estimates on infrastructure funding needs in Africa are USD 130-170 billion a year, with a gap of USD 68-108 billion. Government and public funding, while critically important, will not be enough to bridge this gap. Similarly, project development spending needs are not being met. Africa50 is designed to narrow these gaps and could unlock up to USD 50 billion in project value through its equity investments and value-added capabilities.

- **How it works:** Africa50 focuses on medium to large scale infrastructure projects that have a significant development impact while offering an appropriate return to investors. It not only invests in fully developed projects, but also accelerates the provision of infrastructure by supporting project development in its early stages. By bringing project development and financing together in one institution, Africa50 can provide support at every stage of the project cycle.

**Eligibility criteria:**
- Be predominantly private sector or undertaken under a public private partnership framework (PPP).
- Be mid-to-large scale, generally with a project value over $100 million. Smaller projects may be considered exceptionally on a case-by-case basis.
- Relate to Africa50’s focus sectors:
  1) Power (generation, transmission and distribution)
  2) Transport (roads, airports and ports)
  3) Water (production, distribution and waste management)
  4) Gas (midstream, downstream)
  5) ICT
- Other infrastructure sectors may be considered on a case by case basis.

- Be technically and financially sound.
- Be supported by reputable partners with the relevant track record.
- Benefit the local economy.
- Meet world class environmental, social, and governance standards.
- A project may be of interest even if it does not comply with all of the above criteria, as long as it is a good early or later stage investment opportunity.

- **For what kind of project:** A preliminary development or investment proposal should, among other things, include a brief description of the project, the project’s development status, and the amount of financing already available, as well as information on the track-record of the developer and other partners and financiers. Be advised that Africa50 only takes strategic minority stakes in projects, principally equity or quasi-equity. Potential developers need to demonstrate that they also have other sources of funding.

- **Focus sectors:** Energy, Water, Transport, Gas, ICT

- **Geographical focus:** African member states

- **Example of a relevant project financed by the facility**
  **Benban Solar Plant Egypt**
  Development and construction of six solar power plants totalling 400 MW under Egypt’s Feed-in-Tariff program. Total project costs are expected to be about $450 million. Financial close was reached in October 2017 and the first two plants became operational in April and May 2019. All the plants are expected to achieve commercial operation by October 2019.

**More information:** [link](#)

**Contact details:** communications@africa50.com
Facility 8– Africa 50

Continued

- **Fund/ facility size:** USD 700 m,
- **Range of eligible ticket sizes:** up to USD 100 million
- **Public / private sector focus:** Public Private Partnerships
- **Instruments:** Equity, Quasi-equity
- **Next steps**
  - Contact Investor relations office with portfolio of potential investable projects for their screening and recommendation
Facility 9 – PIDA-PAP 2

• **Brief:** PIDA-PAP 2 is the second PIDA priority action plan for the period 2021-2030 serving AU vision. This portfolio is based on an inventory of projects proposed by Regional Economic Communities (RECs) and Member States (MS).

• **How it works:** PIDA is a framework for coordination of member states to plan and undertake regional projects – the selected projects will be delivered by member states. The framework will provide a range of support to the MS/RECs to ensure for identification and prioritization of projects. The framework will also concentrate efforts at the continental level to aid with project preparation (with a focus on projects financial attractiveness) and project resource mobilization. And hence support in moving the project forward.

• **Eligibility criteria:**
  - The tool gives 10 priority projects per region and among the 10 projects per region, at least one project by sector (Transport, Energy, ICT, TWRM).
  - The 10 projects are to be selected per region (North, South, Central, East, and West) that makes 50 for the entire continent. And additional, 1 project by Small Islands Developing States (SIDS).
  - The PIDA-PAP 2 will include 10 projects per Region (North, South, East, West, and Central). The 10 best projects per region as per the selection criteria will be selected. Countries should try to send more than 10 projects per region to have a backup in the long list.
  - National projects with regional impact should either be included in REC master plan or agreed upon for submission by the REC upon consultation with member states.

• **For what kind of project:** A preliminary development or investment proposal should, among other things, include a brief description of the project, the project’s development status, and the amount of financing already available, as well as information on the track-record of the developer and other partners and financiers. Be advised that Africa50 only takes strategic minority stakes in projects, principally equity or quasi-equity. Potential developers need to demonstrate that they also have other sources of funding.

• **Focus sectors:** Transport, Energy, ICT, Trans-boundary water

• **Geographical focus:** African member states

• **Example of a relevant project financed by the facility**

More information: [link](https://pp2.au-pida.org/)

Contact details: [https://pp2.au-pida.org/](https://pp2.au-pida.org/)
Facility 9 – PIDA-PAP 2

Continued

- **Fund/ facility size:** Undisclosed
- **Range of eligible ticket sizes:** Undisclosed
- **Public / private sector focus:** Private
- **Instruments:** TBD
- **Next steps**
  - The online project submission form is accessible to registered users who are focal points nominated by Regional Economic Communities (RECs) and Member States (MS).
  - The submission process is a 2-stage process that constitutes the following:
  - Submission of projects by RECs focal point upon consultation with member states,
  - In the case of REC not having capacity, submission can be done by group of member states or individual country.
  - Online submission is the only formal submission. There is no other way to submit project to the PIDA-PAP 2 selection process.
Facility 10 – Asia Pacific Project Preparation Facility

• **Brief:** The USD 73 million Asia Pacific Project Preparation Facility is a multi-donor trust fund aiming to increase the level of infrastructure development and enhance the quality of infrastructure in Asia and the Pacific.

• **How it works:** The Asia Pacific Project Preparation Facility’s primary objective is to assist developing member country (DMC) governments and their public sector agencies prepare and structure infrastructure projects with private sector participation, including privatization through to public-private partnership (PPP) modalities, and bring them to the global market.

• **Eligibility criteria:**
  • Applications for the fund support for the preparation of infrastructure projects will be prioritized based on the following priorities:
    • climate resilience, sustainability and impact on poverty reduction;
    • enhancement of regional connectivity and regional economic integration;
    • new investments;
    • projects identified as priorities by DMC;
    • international practices in governance, procurement and contracting;
    • first in kind projects; and
    • viability
  • All ADB DMC central and local governments, government agencies (including sub-sovereign and government-owned entities), are eligible to receive the fund support.

• **For what kind of project:** The fund will provide financial assistance to developing member country governments and their public sector agencies to support the financial, legal, and technical advisory services required to prepare and structure PPP transactions as well as enabling reforms and capacity building that can be linked to potential or current transactions.

• **Focus sectors:** Infrastructure

• **Geographical focus:** All ADB DMC central and local governments, government agencies (including sub-sovereign and government owned entities)

• **Example of a relevant project financed by the facility**
  **Water resources management in Pyanj River Basin Project**
  The Asian Development Bank is working with Tajikistan to boost agriculture production and food security by improving water resource management of the Pyanj River Basin. The project aims to strengthen water resource management, modernize and climate-proof irrigation and drainage infrastructure, and boost farmers’ water use skills and farm management capacity.

More information: [link](https://www.adb.org/)

• **Contact details:** [https://www.adb.org/](https://www.adb.org/)
Facility 10 – Asia Pacific Project Preparation Facility

Continued

- **Fund/ facility size:** USD 73 m,
- **Range of eligible ticket sizes:** Undisclosed
- **Public / private sector focus:** Both
- **Instruments:** Technical Assistance, Grants, Loans
- **Applicable for projects:** Tuyamuyun hydroelectric complex
  With increasing sedimentation rate at the key water reservoir, the water allocation is getting difficult and not enough to support 2 riparian country under growing demands and scarce resources. The last sedimentation assessment was done during the ex. Soviet Union time and does not reflect the current realities or challenges.

- **Next steps**
  The fund is managed by the Office of Public-Private Partnership and further information is to OPPP is submitted through link.
Facility 11 – ADB’s Water Pilot and Demonstration Activities (PDAs) program

• **Brief:** ADB provides USD 50,000 grant for trying out innovative local solutions to Asia’s water challenges, with the intention of replicating and scaling up such successful practices across the region called Pilot and Demonstration Activities, these small water projects test and validate approaches, technologies, and business models to improve water resources management and water services delivery.

• **How it works:** PDAs are: Innovative, Small-scale: locally based, Low-cost: USD 50,000, Short-term: up to 12 months implementation, Replicable and/or Scalable. PDAs were introduced as a program under the Cooperation Fund for the Water Sector (CFWS), a multi-donor facility that promotes effective water management policies and practices in Asia and the Pacific. Today, the Water Financing Partnership Facility (WFPF) provides continued support for the PDA program.

• **Eligibility criteria:**

  Institutions and organizations eligible to apply for a PDA are:
  - Government agencies (national and sub-regional) or local governments in ADB’s developing member countries;
  - International and national non-government organizations;
  - Academic and research institutions

  PDA proposal should be of an innovative water project that:
  - Can be implemented within 12 months or less
  - Requires no more than USD 50,000 financial assistance
  - Does not duplicate ongoing or pipelined activity in the developing member country
  - Is directly relevant to the sector outcomes cited in the Country Partnership Strategy for the country concerned
  - Is directly linked to an ADB project

• **For what kind of project:** PDAs test new ideas and validate their applicability covering five specific but overlapping themes: policy, legislation, and regulatory reforms, institutional arrangements, public awareness and water education, appropriate technology, participation, inclusive approaches, and multi-stakeholder representation.

• **Focus sectors:** Water, Sanitation, Waste Management

• **Geographical focus:** ADB Developing Member countries

• **Example of a relevant project financed by the facility**

More information: [link](https://www.adb.org/sectors/water/pda/about)

• **Contact details:** [https://www.adb.org/sectors/water/pda/about](https://www.adb.org/sectors/water/pda/about)
Facility 11 – ADB’s Water Pilot and Demonstration Activities (PDAs) program

Continued

- Fund/ facility size:
- Range of eligible ticket sizes: up to USD 50,000
- Public / private sector focus: Both
- Instruments: Grants, Loans
- Applicable for projects:

Next steps

PDAs generally undergo the three steps of the PDA Approval Process. These are:

1. PDA manager reviews applications. ADB’s PDA Manager will review your proposal according to its technical merits, extent and nature of proposed innovation, and potential for scaling up and replication.

2. An ADB staff is designated as PDA Officer. An ADB Staff will be designated as PDA Officer tasked to oversee the PDA’s implementation.

3. In-house advisory panel decides. An in-house Advisory Panel will make the final decision on the approval of your proposal.
Facility 12 – EU Investment Facility for Central Asia (IFCA)

- **Brief**: With funds from the IFCA, the EIB has established a technical assistance unit in Kazakhstan in cooperation with the EU delegation in Astana. IFCA operates by providing financial non-refundable contributions to support loans to Central Asian countries from the EIB, the EBRD and other European multilateral and national development finance institutions.

- **How it works**: The Investment Facility for Central Asia (IFCA) was launched in 2010. Essentially it is a facility that is modelled on the NIF which aims to blend EU budget grant funding with loans by the financial institutions for 5 countries in Central Asia (Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan).

  - To ensure overall coherence of the IFCA’s operations, the Commission is assisted by a board (‘IFCA board’). The Commission presides over the IFCA board, which is composed of representatives of the Commission, Member States and other donors. The board assists the Commission with setting the overall strategy and taking operational decisions. The board is served by a Secretariat managed by the Commission.

- **For what kind of project**: In Kyrgyzstan, the Oshelectro Rehabilitation Project will result in upgraded facilities at this important utility in the republic’s second largest city. The Osh and Jalalabad Solid Waste Projects will finance critical solid waste investments in the Kyrgyz cities of Osh, Jalalabad and their neighbouring municipalities.

- **Focus sectors**: Renewable Energy and Energy Focus

- **Geographical focus**: Central Asia

- **Example of a relevant project financed by the facility**

  More information: [link]

- **Contact details**:

- **Fund/ facility size**: The contribution of the Commission to the IFCA is decided annually. The initial financial allocation made to the facility in 2010 was for EUR 20 million. A further EUR 45 million was provided for the period 2011-2013 and a further EUR 140 million is provided for the period 2014-2020.

- **Range of eligible ticket sizes**: undisclosed

- **Public / private sector focus**: Both

- **Instruments**:
  - investment co-financing in public infrastructure projects
  - loan guarantee cost financing
  - interest rate subsidy
  - technical assistance
  - risk capital operation
Facility 13 – NDC Pipeline Accelerator

- **Brief:** The NDC Pipeline Accelerator assists LAC’s national and sub-national entities, both public and private, to plan and design investments in infrastructure, agriculture, and land-use management that are aligned with their NDCs and other national climate and sustainable development objectives.

- **How it works:** The fund specifically focuses on: (i) supporting member countries to prepare the necessary investments to meet their climate and sustainable development objectives; (ii) mobilizing and providing resources to cover additional costs associated with planning, identifying, preparing, and managing sustainable projects; and (iii) accelerating these sustainable projects through their project cycle.

- **Eligibility criteria:**
  - IADB country member
  - Alignment with the country’s NDC or other national climate change plan/priorities
  - Climate change-related intervention (mitigation, adaptation, or both)
  - Potential for scale-up
  - Potential to mobilize capital
  - Innovative components and transformational impact

**Eligible activities may include:**
- Strengthening institutional capacity of relevant authorities;
- Piloting approaches, tools, and standards for project assessment and upstream planning;
- Facilitating safeguards, due diligence procedures and legal review of tender documents;
- Supporting identification and feasibility design for climate resilient upgrades and retrofits;
- Upgrading PPP frameworks, tendering and concession documents;
- Supporting detailed engineering designs and sustainability integration plans;
- Dissemination of lessons learned and development of standardized approaches.

- **For what kind of projects:** This fund is part of IADB’s NDC Invest Platform, a one-stop shop of the IADB Group to help countries access resources needed to translate national climate commitments into investment plans and bankable projects. NDC Invest is a platform that includes the entire universe of financial and non-financial instruments of the IADB Group, and it is comprised of four elements: NDC Programmer, NDC Pipeline Accelerator, NDC Market Booster and NDC Finance Mobilizer. Together, the components aim to enable progress toward both the NDC and IADB lending objectives, as well as toward achievement of the UN Sustainable Development Goals.

- **Focus sectors:** Agriculture, Forestry and Land-Use, Industry and Infrastructure

- **Geographical focus:** Developing countries
Facility 13 – NDC Pipeline Accelerator

Continued

- **Example of a relevant project financed by the facility**
  - The NDC Pipeline Accelerator has:
    - Mainstreamed adoption of climate smart agriculture practices to enable more rapid and scalable deployment of climate smart solutions, while facilitating the adoption by coffee producers in Mexico
    - Helped Chile in developing a climate change finance strategy and Peru and Costa Rica in building robust investment plans to support their climate and sustainable development objectives
    - Supported the Government of Colombia in the conceptualization of long-term strategies and the Government of Costa Rica in the design, implementation and cost-benefit analysis of long-term strategies to achieve not-zero emissions

More information: [link](https://www.ndf.fi/project/ndc-pipeline-accelerator-ndf-c98)

- **Fund/ facility size:** EUR 15 m
- **Range of eligible ticket sizes:** USD 14.5m
- **Public / private sector focus:** Public entity at the national level, Public entity at the sub-national level, Private sector
- **Instruments:** Grants, Contingent grants, Guarantees, Insurance
- **Next steps**
  Access projects funding by meeting NDC Invest eligibility criteria. Once criteria is met, projects need to fill out a template to evaluate viability and eligibility based on the Fund requirements. After confirmation from the evaluation team (CCS Division), the project can be sent to the IADB Single Window to request funds and request eligibility by the ESC Sustainability Committee.

Contact details: [https://www.ndf.fi/project/ndc-pipeline-accelerator-ndf-c98](https://www.ndf.fi/project/ndc-pipeline-accelerator-ndf-c98)
Facility 14 - Latin America Investment Facility (LAIF)

**Brief:** The Latin America Investment Facility (LAIF) is one of the European Union’s regional blending facilities, aiming to mobilize funding for development projects by combining EU grants with financial resources from European and regional financial institutions, governments and the private sector.

**How it works:** LAIF sets up partnerships putting together grants and other resources from the EU and using them to leverage loans from multilateral and bilateral European finance institutions (AECID, AFD, EIB, KfW) as well as from regional and multilateral development banks (CABEI, CAF, IADB). These resources are often pooled together with contributions from partner countries and beneficiary institutions in Latin America. The Commission and the Member States decide whether to approve funding, following the criteria based on development impact (SDGs), additionality (added value and leverage) and innovation. Implementation of both the LAIF grant component and the credit component is managed by the corresponding European development bank. Project follow up is assured by the European Delegation in each country, and supported by LAIF at the headquarters.

**Eligibility criteria:**
Projects are assessed according to the following criteria:

- alignment with EU policy objectives and current EU priorities for the Latin American country/region;
- consistency with Latin American countries’ national, regional and continental development strategies;
- contribution to social, environmental and climate change (mitigation/adaptation) aspects as well as specific cross-cutting issues such as gender equality and women’s empowerment aspects, youth inclusion, decent work and human rights;
- clarity of the organizational set-up, implementing scheme and financial structure;
- appropriateness of the project’s financial structure and other issues, for example debt sustainability;
- the EU value added and the justification of the EU contribution, notably amount and financing modality;
- complementarity with other actions (planned or under implementation) and coordination mechanisms with similar initiatives;
- long term sustainability when grant support expires;
- quality of the communication and visibility plan and expected impact.

**For what kind of projects:** LAIF has three main interconnected and mutually reinforcing strategic objectives:

- Improving the quality of infrastructure in Latin American countries, including energy efficiency, renewable energy systems, sustainable transport and communication networks.
- Increasing environmental protection and supporting climate change adaptation and mitigation.
- Promoting equitable and sustainable socio-economic development through the improvement of social service infrastructure and support to SMEs.

**Focus sectors:** water supply and sanitation, transport, sustainable energy, urban development, rural development, waste management, reconstruction relief and rehabilitation, education, sustainable agriculture, support to SMEs and general environmental protection.

**Geographical focus:** Latin America

**More Information:** [link](#)
Facility 14 – Latin America Investment Facility (LAIF)

Continued

- **Contact details:** [https://www.eulaif.eu/en/about-laif](https://www.eulaif.eu/en/about-laif)
- **Fund/facility size:** Not disclosed
- **Range of eligible ticket sizes:** Not disclosed
- **Public/private sector focus:** Both
- **Instruments:** Technical assistance, investment grants, debt, equity and guarantees
- **Applicable for projects:**
- **Next steps**
  - Financial institutions applying for LAIF financing must complete an Application Form, following the Guidance notes: [How to fill in the Application Form for Blending Facilities](https://www.eulaif.eu/en/about-laif).
Facility 15 – EUROCLIMA+

• Brief: EUROCLIMA+ is the EU flagship cooperation programme on environmental sustainability and climate change with the Latin American region. Its objective is to reduce the impact of climate change and its effects in Latin America by fostering climate mitigation, adaptation, resilience and investment.

• How it works: EUROCLIMA+ carries out its actions in close coordination with National Focal Points in each partner nation of the Programme. National Focal Points are representatives that the governments of the 18 Latin American countries have designated to facilitate and guide the implementation of the Programme. The actions are defined in a participatory manner based on the needs of the region identified through the National Focal Points and it is through these people representing each country that synergies and complementarities with other initiatives are ensured, since they represent the position of their governments in the scope of the Programme and promote the appropriation of the results that are being achieved.

• Eligibility criteria:

• For what kind of projects: EUROCLIMA+, a programme financed by the European Union, offers a range of services aimed at supporting the implementation of the commitments of the Paris Agreement in the field of climate governance and in financing and technical assistance for the execution of projects throughout the Latin American region.

• Focus sectors: Forests, biodiversity and ecosystems, energy efficiency, water management, urban mobility, resilience food, climate governance.

• Geographical focus: Latin America

• Example of a relevant project financed by the facility

More information: link

• Contact details: http://www.euroclimaplus.org/en/home-en/organization

• Fund/ facility size: EUR 16.5 m
Facility 16 – IADB Policy Based Lending

• Brief: This facility aims to strengthen the preparation phase of a project, finance activities to help start projects before the first funds are disbursed from the larger loan and lay the groundwork to make institutions more sustainable. The funds may also cover financing gaps for initial activities to execute the projects while necessary conditions (conditions precedent) are being met.

• How it works: The IADB offers different types of loans or instruments within different lending categories and may be made for short-term, medium-term, or long-term needs. The size of the loan is based on the estimated cost of the project. Disbursements are made when the borrower submits proof of eligible expenditures.

• Eligibility criteria:
  o The Bank periodically defines and revises its country strategies through a structured and continuous dialogue with the borrowing member country. The country and the Bank jointly identify initiatives to be incorporated to the Bank's active pipeline. These initiatives are identified through several important tasks: diagnostic studies, objective formulation, analysis of alternatives, and selection of the financial instrument. The results of these tasks are developed into a Project Profile (PP). The PP provides basic information on the project, including its justification and objectives, the technical aspects and its relevant sector background, the proposed environmental and social safeguards, a fiduciary evaluation, the projected funding amounts, and a preliminary agenda for the project's execution. The PP is first evaluated at the Eligibility Review Meeting (ERM), which determines the eligibility of the operation, its strategy for development, and validates its timeline and resource requirements. Following approval of the PP by the ERM, the Proposal for Operations Development (POD) is drafted.

• The POD specifies the activities, resources and a timetable that are necessary to prepare and supervise the project. The POD also includes the Development Effectiveness Matrix (DEM), Monitoring and Evaluation Plan (M&E), and the Economic Rate of Return (ERR). The POD is evaluated to determine if the institutions resources will be properly used. The POD undergoes further examination in the Quality and Risk Review (QRR). Further adjustments are made if needed, and then a Draft Loan Proposal (DLP) is prepared for the Operations Policy Committee (OPC) for approval. Once the OPC approves the DLP, the project team may proceed to distribute the document for Board consideration and approval.

• Focus sectors: Water, Sanitation, transport, energy, Sustainable Tourism

• Geographical focus: Latin America and Carribean

• Example of a relevant project financed by the facility

More information: link

• Contact details: https://www.iadb.org/en/access-information/home
Facility 16 – IADB Policy Based Lending

Continued

• Fund/ facility size:
• Range of eligible ticket sizes:
• Public / private sector focus: Public Sector
• Instruments: Loans
• Applicable for projects:

• Next steps
  Projects undergo the IADB Project Cycle Approval Process [link]
Facility 17 – IADB Reimbursable Technical Cooperation

- **Brief:** Technical cooperation contributes significant added value to the Bank's competitiveness and ability to respond effectively to client demand and to fulfill its mission to reduce poverty and inequality, support modernization of the state, institutional strengthening, capacity building, transfer of knowledge and research, including diagnostic, pre-investment and sector studies that support project design and preparation. The programs can be aimed at projects specific to a single country or for trade, integration or regional initiatives.

- **How it works:** The fund specifically focuses on: (i) supporting member countries to prepare the necessary investments to meet their climate and sustainable development objectives; (ii) mobilizing and providing resources to cover additional costs associated with planning, identifying, preparing, and managing sustainable projects; and (iii) accelerating these sustainable projects through their project cycle.

- **Eligibility criteria:**
  - Countries with relatively low per capita incomes are eligible to receive financing from the Fund for Special Operations (FSO), the Bank's soft-lending window. The FSO was established in 1960 to provide loans on concessional terms for special circumstances in certain countries and for specific projects. The Bank also administers about 40 trust funds that finance technical cooperation grants. Each fund has its own eligibility criteria.

- **For what kind of projects:** Technical cooperation with Non-Reimbursable Funding is a subsidy granted by the Bank to all borrowing member countries to finance technical cooperation activities. This cooperation is particularly targeted to the least-developed countries of the region and to those that have insufficient financial markets.

- Technical cooperation with Contingent-Recovery Resources, finances technical cooperation activities where there exists a reasonable possibility of a loan either from the Bank or another lending institution. If the beneficiary should obtain a loan from any source for the project for which the technical cooperation was provided, the borrower is obligated to reimburse the funding received from the Bank.

- Technical cooperation with Reimbursable Resources consists of an IADB-financed non-sovereign guaranteed loans to carry out technical cooperation activities.

- **Focus sectors:** projects specific to a single country or for trade, integration or regional initiatives.

- **Geographical focus:** Latin America and Caribbean

- **Example of a relevant project financed by the facility**

**More information:** link

- **Contact details:** https://www.iadb.org/en/about-us/technical-cooperation
Facility 17 – IADB Reimbursable Technical Cooperation

Continued

• **Fund/ facility size:** Not disclosed
• **Range of eligible ticket sizes:** Not disclosed
• **Public / private sector focus:** Both
• **Instruments:** Non-Reimbursable Funding, Contingent-Recovery Resources, Reimbursable Resources
• **Applicable for projects:**
• **Next steps**
Facility 18 – FAO Bio-Energy and Food Security Approach

• **Brief:** The Bioenergy and Food Security (BEFS) Approach has been developed by FAO to support countries in designing and implementing sustainable bioenergy policies and strategies. The approach promotes food and energy security and contributes to agricultural and rural development.

• **How it works:** It consists of tools and guidance to support countries through the main stages of the bioenergy policy development and implementation process. Countries may decide to use specific components of the BEFS Approach depending on the level of bioenergy development, and the status of bioenergy policy formulation and implementation. This approach can be implemented directly by governments, experts in the field and other stakeholders at national, regional and project level. FAO supports countries and experts who are interested in implementing the BEFS Approach.

**Eligibility criteria:**

• Depending on the areas of interest, the level of bioenergy development, and the status of bioenergy policy formulation and implementation, countries may decide to use specific components of the BEFS Approach. The BEFS Approach components and the related tools and guidance can be applied at national and sub-national levels (e.g. regional, district, community, etc.) and at project level as well.

• **For what kind of projects:** The BEFS Approach of FAO helps countries design and implement sustainable bioenergy policies and strategies, by ensuring that bioenergy development fosters both food and energy security, and that it contributes to agricultural and rural development in a climate-smart way.

• **Focus sectors:** Sustainable Food and Agriculture, Sustainable Intensification of Crop Production

• **Geographical focus:** Developing countries

• **Example of a relevant project financed by the facility**

FAO, through its BEFS approach in countries in South America to develop policies that enable a sustainable uptake of bioenergy as well as supports them in building required capacity to achieve bioenergy targets. In Peru, for instance the BEFS approach was used to analyze opportunities and challenges in bioenergy development. FAO played a key role in strengthening the institutional and cross-sectorial dialogue in the country and facilitated the creation of a multi-sectorial commission to support an effective communication across the agricultural, energy and other key sectors, to ensure a more coordinated approach towards bioenergy development in the country.

**More information:** [link](http://www.fao.org/policy-support/tools-and-publications/resources-details/en/c/456308/)

Facility 18 – FAO Bio-Energy and Food Security
Approach
Continued

• **Fund/facility size**: Not disclosed
• **Range of eligible ticket sizes**: Not disclosed
• **Public/private sector focus**: 
  • **Instruments**: Loans
• **Applicable for projects**: 
• **Next steps**
Facility 19 – Guarantco

• Brief: GuarantCo provides local currency contingent credit solutions, primarily guarantees, to support projects and companies in order to raise debt financing for the development of infrastructure in lower income countries in Africa and Asia thereby assisting with the alleviation of poverty.

• How it works: GuarantCo seeks to bridge the gap between the financial requirements of a project or corporate and the financial terms available from the market. Often projects may find it challenging to obtain debt finance in sufficient quantum or of a sufficient tenor, whether due to certain specific risks or market constraints. This can often be overcome through the use of an appropriately structured guarantee, particularly one that transfers risk rather than just acts as a mitigant. Such guarantees can be used to enable direct lending from banks/financial institutions or capital market issuances.

• Eligibility criteria:

• Investments must comply with:
  • Environmental and social policies and procedures (IFC performance standards)
  • PIDG code of conduct
  • Anticorruption and integrity policies and procedures

• For what kind of projects: To become a centre of excellence for local currency credit solutions for infrastructure finance in lower income countries thereby assisting with the alleviation of poverty.

• Focus sectors: Multisector

• Geographical focus: Africa and Asia - GuarantCo is able to support projects in lower income countries as listed in the DAC List of ODA recipients

• Example of a relevant project financed by the facility

• GuarantCo has provided a XOF 14.2 billion (USD 23.8 million) Liquidity Extension Guarantee (LEG) to enable local commercial banks in Togo, including Orabank, to provide a 14 year tenor loan to KEP, a special purpose vehicle set up by Eranove to finance the construction of a 65MW natural gas-fired thermal plant and related infrastructure in the port area of Lomé, the capital of Togo.

• This transaction is GuarantCo’s first guarantee in Togo and the first LEG to extend the maturity of a transaction with a 7-year tenor for local commercial banks to 14 years. It is also the first infrastructure transaction to be financed mainly in local currency which, in combination with the extended tenor enabled by the LEG, helps to provide a competitive electricity tariff for the local population.

More information: link

• Contact details https://guarantco.com/
Facility 19 – Guarantco

Continued

- **Fund/ facility size:** Not disclosed
- **Range of eligible ticket sizes:** The guarantee cover available from GuarantCo for a single transaction is between USD 5 million to USD 50 million or the equivalent amount in local currency.
- **Public / private sector focus:** Private
- **Instruments:** partial credit and partial risk guarantees, first loss guarantees, tenor extension or liquidity guarantees, joint guarantees or counter guarantees.
Facility 20 – Climate Investor One (CI1)

• Brief: Climate Investor One facilitates early-stage development, construction financing, and refinancing to fast-track renewable energy projects in developing countries –

• How it works: CI1 offers financing for the entire lifecycle of a project to developers, from design to construction and into operations through a post-construction refinancing. CI1 employs a mix of public and private-sector funding as well as commitments from development finance institutions (DFIs) whilst making use of an export credit agency (ECA) guarantee, all in mutually beneficial and complementary ways.

• Eligibility criteria: minimum ticket size USD 25 m, The project sponsor or developer also has access to a minimum of 25% of its own equity contribution towards construction costs, alignment with technical focus of CI1, project in in a low, lower-middle or upper-middle income country in Africa, Latin America or Asia

• For what kind of project: energy projects, hydro and solar

• Focus sectors: energy

• Geographical focus: low, lower-middle or upper-middle income country in Africa, Latin America or Asia

• Example of a relevant project financed by the facility

AHH Uganda | Run-of-River Hydro
Uganda has substantial natural resources and in the last decade, the country recorded one of the fastest rates of extreme poverty reduction in sub-Saharan Africa. Growth in recent years – though impressive – has been constrained by the inadequacies of the country’s infrastructure.

CI1 has invested in the construction of a 42 MW run-of-river hydropower project in Uganda (Achwa 1). CI1 invests USD 0.65 m, Expected Construction Equity Fund Investment is USD 75 m. The hydro solution provides base load characteristics which fit well in Uganda’s generation strategy.

More information
• Contact details

Link
Facility 20 – Climate Investor One (CIO)

Continued

• **Fund/ facility size:** USD 1,650 m, USD 50 m development fund, USD 800 m construction equity fund and USD 800 m refinancing fund

• **Range of eligible ticket sizes:** minimum ticket size USD 25 m

• **Public / private sector focus:** private

• **Instruments:** Development TA, equity, debt
Facility 21 – Public Private Infrastructure Advisory Facility (PPIAF)

• **Brief:** Multi-donor TA facility offering Grants for Blended Finance Transactions

• **How it works:** Provides technical assistance and knowledge grants to governments to support the creation of an enabling environment for the provision of infrastructure services by the private sector. Clients include national governments, PPP units, regulators, and sub-national entities, including municipalities and utilities.

• **Eligibility criteria:**
  - Special-purpose government entities delivering infrastructure services (such as utilities, authorities, and state-owned enterprises);
  - General-purpose sub-national government entities (such as municipalities, provinces and states); and
  - Financial intermediaries and entities (e.g., banks; funds and facilities; country development banks; and municipal funds), with a primary focus on sub-national infrastructure lending.

• **For what kind of project:** dedicated to strengthening the policy, regulatory and institutional underpinnings of private sector investment in infrastructure in emerging markets and developing countries.

• **Focus sectors:** Infrastructure

• **Geographical focus:** developing countries

• **Example of a relevant project financed by the facility**

  PPIAF Support for Odisha’s Enabling Environment to Tackle Climate Change through 1,000 MW Solar Park

  PPIAF support was instrumental in transforming the enabling environment in the State of Odisha to scale-up renewable energy and catalyze the development of a 1,000 megawatt (MW) solar park through a public-private partnership. The technical assistance support was critical in removing key barriers for private-sector participation while helping build the local institutional capacity. As a result, the State of Odisha was recently included in the National Solar Park Development initiative’s Shared Infrastructure for Solar Parks Project. This has enabled the state to qualify for concessional financing through bilateral/multilateral development banks as well as for additional funding through the Government of India.

• **More information:** link

• **Contact details:** ppiaf@ppiaf.org
Facility 22 – Cooperation in International Waters in Africa (CIWA)

• **Brief:** The Cooperation in International Waters in Africa (CIWA) World Bank program assists riparian governments in Sub-Saharan Africa in unlocking the potential for sustainable, climate-resilient growth by addressing constraints to cooperative water resources management and development.

• **How it works:** CIWA funds a variety of organizations – governments, river basin organizations, regional economic communities, civil society organizations, and African regional or national organizations – to address the constraints of cooperative transboundary water management. Managed by the World Bank, CIWA is uniquely poised to provide neutral third-party facilitation, technical support, and critical analysis to better understand transboundary water issues and inform decisions.

• **Eligibility criteria:**

• **For what kind of projects:** By supporting countries to work together to share information, strengthen institutions, and advance sustainable investments, CIWA enables countries to use their transboundary water resources productively and equitably, protect people and property from water-related shocks, and ensure sustainability of the resource base. A cooperative approach to managing shared risks and equitably sharing socio-economic benefits presents countries with opportunities to reduce resource-related conflict and strengthen regional integration, all of which contribute to sustainable economic growth, poverty reduction, and resilience to climate change.

• **Focus sectors:** Energy, Agriculture, Transportation, Social Issues, and the Environment

• **Geographical focus:** Sub-Saharan Africa

• **Example of a relevant project financed by the facility**

• In the Zambezi Basin, CIWA support assists the Zambezi Watercourse Commission (ZAMCOM) and the Zambezi River Authority (ZRA) to develop robust water information systems, advance prioritized joint infrastructure, and create a Master Plan which prioritizes regionally-relevant investments that build climate resilience and reduce poverty.


• **Contact details:**

Facility 22 – Cooperation in International Waters in Africa (CIWA)

Continued

• Fund/facility size: USD 72 m

• Range of eligible ticket sizes:

• Public/private sector focus: governments, river basin organizations, regional economic communities, civil society organizations, and African regional or national organizations

• Instruments: 1) sustained engagement, 2) short-term opportunistic engagement, and 3) knowledge generation and management.

• Applicable for projects:

• Next steps
Facility 23 – Global Water Security & Sanitation Partnership (GWSP)

- **Brief:** The GWSP primarily focuses on advancing knowledge and building capacity. It supports client governments to achieve the water-related SDGs through the generation of innovative global knowledge and the provision of country-level support. It leverages World Bank Group financial instruments and promotes global dialogue and advocacy with key partners and clients to increase reach and impact. This Partnership provides new opportunities to test and expand innovations, builds country capacity and informs client country demand and World Bank operations.

- **How it works:** The GWSP primarily focuses on advancing knowledge and building capacity. It supports client governments to achieve the water-related SDGs through the generation of innovative global knowledge and the provision of country-level support, while leveraging World Bank Group financial instruments and promoting global dialogue and advocacy with key partners and clients to increase reach and impact. This Partnership will provide new opportunities to test and scale-up innovations, build country capacity where needed and influence client demand and World Bank operations.

**Eligibility criteria:**
Yet GWSP is a think tank that goes beyond knowledge and directly supports implementation at scale. Once challenges are identified and analyzed, and the findings are shared with clients and the broader development community, GWSP provides the necessary resources through just-in-time technical assistance and long-term country engagements. Working with partners in some of the most challenging environments in the world, GWSP uses existing lending engagements as a channel for sharing this knowledge and advocating for policy change. GWSP is moving the knowledge generated on critical water-related issues directly into concrete, well-financed programs addressing these issues.

- **For what kind of projects:** GWSP works to advance five priority themes where action is critically needed to achieve the SDGs for water – inclusion, sustainability, financing, institutions and resilience.

- **Focus sectors:** Water

- **Geographical focus:** Developing countries

- **Example of a relevant project financed by the facility**

Helping Improve Water Services in Luanda through Commercial Finance. The Partnership supported the use of GWSP commercial finance principles, public-private partnership (PPP) analytics, utility turnaround, and support for policies, institutions, and regulations to explore how best to address the challenges facing Angola’s largest urban center.

In Bangladesh, the Global Water Security and Sanitation Partnership (GWSP) supported the Government in demonstrating the use of microfinance to encourage sanitation investments by rural households and entrepreneurs. The project also helped microfinance institutions develop loans for households and small construction companies to buy and install sanitation facilities, as well as mitigate lending risks. The technical assistance included training for these companies to build good-quality, affordable models of hygienic latrines that low-income households were most likely to purchase.

**More information:** link

Facility 24 – Climate Investor Two (CI2)

- **Brief:** In May 2019 a consortium formed of Dutch development bank FMO, SNV Netherlands Development Organisation (SNV), Worldwide Fund for Nature (WWF-NL) and Climate Fund Managers (CFM) won the tender to manage the EUR 160 million Dutch Fund for Climate and Development (DFCD), awarded by the Dutch Government. This pioneering partnership of financial institutions and NGOs aims to help developing countries build climate-resilient economies.

- **How it works:** CI2 will replicate the proven fund structure of CI1 by providing financing for every stage of a project.

- **Eligibility criteria:** minimum ticket size USD

- **For what kind of project:**

- **Focus sectors:**
  - CI2 will focus on water, oceans and sanitation sub-sectors, including:
    - Municipal and industrial water and wastewater supply
    - Desalination
    - Bulk water supply
    - Waste and wastewater to energy
    - Riverine and coastal ecosystem management and protection

- **Example of a relevant project financed by the facility:** N/A

- **Contact details**
  - Link

- **Fund/ facility size:** Climate Investor Two will manage EUR 75 million of the total DFCD for cornerstone investment.

- **Range of eligible ticket sizes:** TBD

- **Public / private sector focus:** private sector
5

Glossary and Abbreviations
<table>
<thead>
<tr>
<th>Glossary</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Adaptation</td>
<td>The process of adjustment to actual or expected climate and its effects</td>
</tr>
<tr>
<td>Bankable</td>
<td>Has a positive environmental impact and generates a positive return for financial stakeholders</td>
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<tr>
<td>CAPEX</td>
<td>Funds used to acquire, upgrade, and maintain physical assets</td>
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<tr>
<td>Cost Benefit Analysis</td>
<td>Process by which organizations can analyze decisions, systems or projects, or determine a value for intangibles. The model is built by identifying the benefits of an action as well as the associated costs and subtracting the costs from benefits</td>
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<tr>
<td>Enabling Environment</td>
<td>Establishes the rights and assets of all stakeholders (individuals as well as public and private sector organizations)</td>
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<tr>
<td>Equity</td>
<td>Ownership of assets that may have debts or other liabilities attached to them</td>
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<tr>
<td>Feasibility</td>
<td>Assessment of the practicality of a proposed project</td>
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<tr>
<td>Financial Assessment</td>
<td>Process of evaluating projects and other finance-related transactions to determine their performance and suitability</td>
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<tr>
<td>Financier</td>
<td>An entity that provides financing – usually a loan</td>
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<tr>
<td>Funder</td>
<td>Entity that offers financial support through a grant or other instrument that is not repayable</td>
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<tr>
<td>Paris Agenda</td>
<td>A practical, action-oriented roadmap to improve the quality of aid and its impact on development. It gives a series of specific implementation measures and establishes a monitoring system to assess progress and ensure that donors and recipients hold each other accountable for their commitments</td>
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<tr>
<td>Policy Engagement</td>
<td>Collaborating, directly and indirectly, with partner governments and other country level stakeholders, to influence policy priorities or the design, implementation and assessment of formal policies that shape the opportunities for inclusive and sustainable transformation</td>
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<tr>
<td>Project Implementation</td>
<td>Project delivery or execution</td>
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<tr>
<td>Knowledge management</td>
<td>The systematic management of knowledge assets for the purpose of creating value and meeting tactical &amp; strategic requirements; it consists of the initiatives, processes, strategies, and systems that sustain and enhance the storage, assessment, sharing, refinement, and creation of knowledge</td>
</tr>
<tr>
<td>Mitigation</td>
<td>Efforts to reduce or prevent emission of greenhouse gases</td>
</tr>
<tr>
<td>Pre-feasibility</td>
<td>Stage in which the scope of the project is defined (by assessing different project alternatives)</td>
</tr>
<tr>
<td>Resilience</td>
<td>The capacity for a socio ecological system to: (1) absorb stresses and maintain function in the face of external stresses imposed upon it by climate change and (2) adapt, reorganize, and evolve into more desirable configurations that improve the sustainability of the system, leaving it better prepared for future climate change impacts</td>
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# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AECID</td>
<td>Spanish Agency for International Development Cooperation</td>
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<td>AFD</td>
<td>French Development Agency</td>
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<tr>
<td>AFDB</td>
<td>African Development Bank</td>
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<tr>
<td>AOAD</td>
<td>Arab Organization for Agricultural Development</td>
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<tr>
<td>ASAP</td>
<td>The Adaptation for Smallholder Agriculture Programme</td>
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<tr>
<td>AU</td>
<td>African Union</td>
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<tr>
<td>AWC</td>
<td>Arab Water Council</td>
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<tr>
<td>CABEI</td>
<td>Central American Bank for Economic Integration</td>
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<tr>
<td>CAPEX</td>
<td>Capital Expenditure</td>
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<tr>
<td>CBA</td>
<td>Cost-Benefit Analysis</td>
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<tr>
<td>CIF/PPCR</td>
<td>The Pilot Programme for Climate Resilience</td>
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<tr>
<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>EU-AITF</td>
<td>EU Africa Infrastructure Trust Fund</td>
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<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
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<tr>
<td>IFAD</td>
<td>International Fund For Agricultural Development</td>
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<tr>
<td>KRW</td>
<td>German Development Bank</td>
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<tr>
<td>LAIF</td>
<td>Latin America Investment Faciliity</td>
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<tr>
<td>NRD</td>
<td>Nexus Regional Dialogue Programme</td>
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<td>ONAS</td>
<td>Office National de l’Assainissement</td>
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<tr>
<td>PDAs</td>
<td>Pilot and Demonstration Activities</td>
</tr>
<tr>
<td>PIDA-PAP 2</td>
<td>Programme for Infrastructure Development in Africa- Priority Action Plan 2</td>
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<tr>
<td>PIDG</td>
<td>Private Infrastructure Development Group</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>SADC</td>
<td>Southern Africa Development Corporation</td>
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<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition</td>
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<tr>
<td>SEFA</td>
<td>Sustainable Energy Fund for Africa</td>
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<tr>
<td>SONDEE</td>
<td>Société Nationale d’Exploitation et de Distribution des Eaux</td>
</tr>
<tr>
<td>SRBDP</td>
<td>Songwe River Basin Development Program</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
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<tr>
<td>TWM&amp;D</td>
<td>Transboundary Water Management and Development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNEP-FI</td>
<td>United Nations Environment Programme Finance Initiative</td>
</tr>
<tr>
<td>WEF</td>
<td>Water, Energy, Food</td>
</tr>
<tr>
<td>WMO</td>
<td>World Meteorological Organization</td>
</tr>
<tr>
<td>WWTP</td>
<td>WasteWater Treatment Plant</td>
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