Call for Proposals
CTI PFAN Programme for
Financing Climate Change Projects

Applications must be received by 24th January 2016
Call for Proposals

Securing Private Sector Financing for projects which build resilience to Climate Change in Africa

Closing date: Sunday 24 January 2016
Minimum Investment: USD 500,000 (or currency equivalent)

Developing countries will experience some of the worst impacts of climate change and given the constraints on the availability of public sector resources, it is generally accepted that significant private sector financing will be required to play a role in addressing many of the challenges of adaptation.

CTI PFAN’s Programme for Financing Climate Change Projects seeks to identify promising projects which have the capability of raising private sector financing while building resilience to climate change. Selected projects will be offered free professional advice on project development and structuring and will be connected with investment through CTI PFAN’s global investment networks. The best projects will also be showcased at an Investor Forum to be held in 2016. The current call for proposals is the second call under this programme, the first round of which was completed in November 2014.

Project Eligibility

CTI PFAN seeks project proposals that are financially and technically viable, environmentally beneficial, socially responsible and which build resilience or reduce vulnerability to climate change. Projects which reduce poverty and/or increase incomes for vulnerable populations are therefore eligible. In this connection for purposes of eligibility projects will need to demonstrate that they

“...help reduce the vulnerability of human and natural systems to the current and future impacts of climate change and climate-related risks, increasing or maintaining adaptive capacity and resilience in the targeted regions and countries through investment for project implementation.”

Eligible projects include proposals by:

- Companies, Individuals or Legal Persons (or consortia thereof)
- Public Private Partnerships
- Entities which are legally structured to redistribute profits
Projects in the following sectors are being targeted for selection:

- Agriculture & Agri-business
- Water and Sanitation
- Forestry, Eco-system Services and Biodiversity
- Energy & Access to Energy (Climate Proofing of Energy Generation & Supply)
- Urban Development
- While we are focusing on these sectors, projects from other sectors will be considered if they demonstrate financing potential

Eligible proposals may include, but are not limited to:

- Greenfield or brownfield and scale-up projects;
- Deployment of an existing climate change technology;
- Commercialization of a new climate change technology;
- Merger, acquisition or joint venture that will add value to an existing business;
- Other innovative proposals and business models focused on climate change that have positive development impacts and result in increasing climate resilience.

Only business opportunities that require total (initial) capital in excess of US$ 500,000 (five hundred thousand US Dollars or currency equivalent) will be considered.

Projects must be able to demonstrate that concerted development activities have already commenced and that an appropriate level of initial development investment (from whatever sources – own funds, outside equity, risk capital investment programmes, early stage grant funding and proof of concept programmes etc) has been mobilised and injected into the project. Projects which have already received support for proof of concept from other early stage development activities and which now need additional finance to implement and scale up will be given preference. Project concepts and ideas and projects which require 100% financing are not eligible. Applications for pure grant financing will not be considered though the investment proposal may include grant and subsidised financing elements, providing there is also a substantial commercial element.

Projects must be located in a Sub-Saharan African country with projects from the following regions and countries being prioritised:

- **East Africa**: Ethiopia, Kenya, Rwanda, Tanzania, Uganda;
- **Southern Africa**: Botswana, Mozambique, Namibia, South Africa, Zambia, Zimbabwe;
- **West Africa**: Ghana, Ivory Coast, Mali, Nigeria, Senegal, Togo;

Any projects that we consider appropriate for support in securing private sector finance may be included in our selection processes.

**Project Selection**
Up to 20 projects will be selected to participate in this 2nd Cycle of the Africa Climate Change Investment Forum. Project selection is expected to occur by end of February 2016. Projects will be evaluated and selected according to the following criteria:

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<th>No.</th>
<th>Assessment Criteria</th>
<th>Weighting</th>
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<td>1.</td>
<td><strong>Investment &amp; Value Propositions</strong>&lt;br&gt;• clear statement of the underlying project / business rationale&lt;br&gt;• clear statement of the investment proposition and investment structure&lt;br&gt;• attractiveness of the proposition to investors / realism of valuation / exit options&lt;br&gt;• clear business / project model / revenue model (supply chain and customers)</td>
<td>15 %</td>
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<td>2.</td>
<td><strong>Climate Change Compliance &amp; Development Impact</strong>&lt;br&gt;• increases climate resilience / decreases climate vulnerability&lt;br&gt;• awareness of climate change issues and risks&lt;br&gt;• project motivated as a response to existing climate change or as a pre-emptive strategy to future probable climate change scenarios&lt;br&gt;• consideration of other development impacts – especially reduction of poverty / alignment with SDGs</td>
<td>15 %</td>
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<td>3.</td>
<td><strong>Management Team</strong>&lt;br&gt;• experience / track record of the project team&lt;br&gt;• capacity of the team to deliver the project according to plan&lt;br&gt;• identification of solutions for potential management / skills gaps</td>
<td>10 %</td>
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<td>4.</td>
<td><strong>Project Maturity &amp; Investment to Date</strong>&lt;br&gt;• clear statement of current development status&lt;br&gt;• clear plan for remaining development steps and implementation&lt;br&gt;• clear quantification of level of investment to date&lt;br&gt;• plausible demonstration of investment of own and / or outside funds</td>
<td>15 %</td>
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<td>5.</td>
<td><strong>Operations &amp; Implementation Plan</strong>&lt;br&gt;• clear operations plan&lt;br&gt;• clear description of the value chain and how revenues are generated&lt;br&gt;• inbound and outbound logistics&lt;br&gt;• analysis of the activities necessary to transform the inputs / activities into the final project / product / service</td>
<td>10 %</td>
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<td>6.</td>
<td><strong>Commercial Viability &amp; Financials:</strong>&lt;br&gt;• overview of capital expenditure, revenue and costs&lt;br&gt;• explanation of assumptions&lt;br&gt;• demonstration of commercial and financial viability&lt;br&gt;• financial projections and scenario analysis</td>
<td>10 %</td>
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<td>7.</td>
<td><strong>Risk Mitigation</strong>&lt;br&gt;• identification of principal risks and appropriate mitigation strategies&lt;br&gt;• specific climate risks</td>
<td>10 %</td>
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<td>8.</td>
<td><strong>Growth / Replication Potential</strong>&lt;br&gt;• business model scalability&lt;br&gt;• demonstration of the potential for organic growth or replication</td>
<td>5 %</td>
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<td>9.</td>
<td><strong>Technological, Product or Service Innovation</strong>&lt;br&gt;• technical &amp; logistic viability&lt;br&gt;• utilization of viable creative and innovative ideas</td>
<td>5 %</td>
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10. **Professionalism and Presentation of the Proposal**
   - level of professionalism
   - structure and presentation of the document
   - ease of comprehension

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<td><strong>Total</strong></td>
<td>100%</td>
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<tr>
<td><strong>Professionalism and Presentation of the Proposal</strong></td>
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About CTI PFAN & the Organisers

The CTI PFAN Programme for Financing Climate Change Projects is sponsored by the International Development Research Centre (IDRC) of Canada and the Climate Technology Initiative (CTI), with support from the International Centre for Environmental Technology Transfer (ICETT).

CTI PFAN has successfully raised over USD 800 million of private sector investment and financing for clean energy projects in developing countries; combined these projects reduce Green House Gas emissions by over 2.5 million tonnes of CO2 e per annum to help mitigate climate change. The Programme for Financing Climate Change to climate change is designed to expand CTI PFAN’s coverage beyond clean energy and mitigation projects to projects in a variety of sectors which contribute to increasing resilience and reducing vulnerability to climate change thereby helping developing countries adapt to existing climate change and pre-empt the worst effects of future climate change.

This is the second call for proposals under this Programme, and projects under the first call have already secured private sector financing. From the first round of projects that we worked with, it is clear that some projects will include both climate change adaptation and elements of climate change mitigation.

CTI PFAN’s objective hereby is to accelerate and mainstream the deployment of private sector financing into climate change adaptation projects in the same way as has already been achieved for mitigation.

International Development Research Centre (IDRC) is a research driven donor organisation forming a central part of Canada’s foreign affairs and development efforts. IDRC invests in knowledge, innovation, and solutions to improve lives and livelihoods in the developing world, bringing together the right partners around opportunities for impact and helping to drive change at scale. IDRC was established by an act of Canada’s parliament in 1970 to help developing countries find solutions to their challenges. IDRC is the principal funder of the CTI PFAN Programme for Financing Climate Change Projects. www.idrc.ca

Climate Technology Initiative (CTI) is a multilateral initiative, currently functioning as an implementing agreement under the International Energy Agency, bringing together Austria, Canada, Germany, Japan, Norway, the Republic of Korea, Sweden and the United States. CTI fosters international cooperation in the accelerated development, financing and diffusion of climate-friendly and environmentally sound technologies and practices. www.climatetech.net

Climate Technology Initiative Private Financing Advisory Network (CTI PFAN) is a multilateral, public private partnership initiated by the CTI in cooperation with the UNFCCC Expert Group on Technology Transfer. CTI PFAN was established to bridge the gap that exists between investors and financiers on the one hand, and entrepreneurs and project developers on the other. CTI PFAN targets clean energy and climate change projects that may be suitable for private sector finance at an early stage.
and then acts as a project financing coaching and consultancy service to guide such projects to bankability and financial closure. [www.cti-pfan.net](http://www.cti-pfan.net)

The International Centre for Environmental Technology Transfer (ICETT), established in 1990 by Mie Prefecture and Yokkaichi City with the active support of the Japanese national government, industries and academic circles, is contributing to international environmental conservation efforts by transferring Japan’s accumulated technological and administrative know-how and experiences to developing countries, with an emphasis on meeting specific needs in each country. ICETT is the CTI secretariat and provides administrative and logistical support to CTI PFAN globally. [www.icett.or.jp/english/index.html](http://www.icett.or.jp/english/index.html)

**PPL International** is an independent financing advisor specializing in structuring projects and raising finance and investment for climate change and clean energy projects in developing countries. PPL works in Africa, Asia and the CIS and Eastern Europe. PPL is Global and African Coordinator of CTI PFAN and manages the Climate Change Financing Programme on behalf of CTI PFAN and IDRC. [www.ppl-int.com](http://www.ppl-int.com)