The Commonwealth Guide to Public and Private Sector Financing for Clean Energy

The Commonwealth

The Commonwealth Guide to Public and Private Sector Financing for Clean Energy

The Commonwealth

Published by the Commonwealth Secretariat.

Acknowledgments

Author: Anthony Polack

The completion of this document benefited from the resources of the Climate Finance Action Network, prepared by E Co., and those of the Climate and Renewable Energy Finance course by the Frankfurt School of Management, as well as the author's participation in courses delivered by these organisations.

Contents

Glossary of terms

Blended finance – financing that combines concessional development and/or philanthropic finance with private finance, to mitigate risk sufficiently to attract private finance to a project that would otherwise be unlikely to proceed based on commercial terms.

Bond – money loaned to a government or multilateral development bank, for example, for a fixed period (maturity) and agreed interest (coupon) rate to be used to finance projects.

Business/investment case – a statement that sets out the reasoning and justification for proceeding with a project, based on an analysis of the costs and benefits compared to undertaking alternative projects.

Capital structure – the mix of debt and equity financing used in a project.

Carbon credit – a tradeable certificate or permit representing a reduction or avoidance of emissions of carbon dioxide (or other greenhouse gases with equivalent global warming potential).

Climate finance – while no agreed definition exists, the local, national or transnational financing, drawn from public, private and alternative sources of financing, for mitigation and adaptation actions that will address climate change.[1]

Climate/nature debt swap – a financial transaction where a development partner provides a guarantee and assists the debtor nation to refinance debt at a lower interest rate and with a longer tenor (the time agreed to repay the loan) to allow for more fiscal space or secure debt relief. In the case of refinancing of debt, the development partner then uses the difference between the new and old debt repayments in local currency to fund climate action (e.g., marine conservation) through a dedicated trust fund (for example, Gabon, Belize, Barbados, Seychelles).

Concessional loans – loans that are provided on softer terms than market loans, either through interest rates below those available on the market, tenors, grace periods or a combination of these.

Commercial loans – loans that are provided at competitive or market interest rates, tenors and grace periods.

Credit insurance – an insurance premium paid to an insurer to reimburse or partially reimburse a lender of a loan in case of specific risks eventuating that prevent repayment by the borrower.

Debt/loan – money lent by a lender to a borrower that is required to be paid back on agreed terms, including interest rate, tenor and grace period.

Development finance – finance made available to governments and organisations to improve the well-being of economies and communities, especially in developing countries and emerging economies.

Equity – represents the part ownership of a project by an investor who expects a return on their investment equal or greater to the underlying risk in investing in the project.

1 UNFCCC (no date), Introduction to Climate Finance, https://unfccc.int/topics/introduction-to-climate-finance

Financial analysis – the process of evaluating businesses, projects, budgets and other finance-related transactions to determine their performance and suitability.[2]

Financial instruments – assets or packages of capital that confer a financial obligation or right to the holder and come in many forms and types such as grants, equity, loans, guarantees and insurance, for example.

Grant – money (and/or goods and services in-kind) given by a government, development financial institution or philanthropic institution to a government or organisation for the purposes of carrying out a project that is not usually required to be paid back.

Guarantees/credit guarantees – contractual agreements by a third party to repay a loan if the recipient of the loan defaults on its repayments. These can also be partial credit guarantees for part of a loan. These guarantees serve to de-risk projects and attract market-based private finance.

Institutional capital –funds pooled together by an organisation on behalf of others and invested in a variety of different financial instruments and asset classes. This includes investment funds like mutual funds and exchange-traded funds, insurance funds and pension plans, as well as investment banks and hedge funds.

Leverage – the use of debt or other instruments to attract other forms of finance.

Nationally Appropriate Mitigation Actions (NAMAs) – any action that reduces emissions in developing countries and is prepared under the umbrella of a national governmental initiative. They can be policies directed at transformational change within an economic sector, or actions across sectors for a broader national focus. NAMAs are supported and enabled by technology, financing and capacity building and are aimed at achieving a reduction in emissions relative to 'business as usual' emissions in 2020.[3]

Nationally Determined Contributions (NDCs) – efforts by each country to reduce national emissions and adapt to the impacts of climate change. The Paris Agreement (Article 4, paragraph 2) requires each party to prepare, communicate and maintain successive NDCs that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.[4]

Performance risk guarantee – similar to a guarantee, but pays compensation related to a situation where a project under performs.

Private funds – investment funds held by companies that do not solicit capital from retail investors or the general public. There is an advantage to maintaining private investment fund status, as the regulatory and legal requirements are much lower than what is required for funds that are traded publicly.[5]

Public funds – any money received by a public entity from appropriations, taxes, fees, interest or other returns on investment, including investment funds managed by government organisations on behalf of the general public – for example, sovereign wealth funds, pensions funds etc.

2 Investopedia (no date), Financial Analysis: Definition, Importance, Types, and Examples, https://www.investopedia.com/terms/f/financial-analysis.asp

3 UNFCCC (no date), Nationally Appropriate Mitigation Actions (NAMAs), https://unfccc.int/topics/mitigation/workstreams/nationally-appropriate-mitigation-actions.

4 UNFCCC, Nationally Determined Contributions (NDCs).

5 Investopedia (no date), What is a Private Investment Fund?, https://www.investopedia.com/terms/p/privateinvestmentfund.asp

Results-based finance – an umbrella term referring to any programme or intervention that provides rewards to individuals or institutions after agreed-upon results are achieved and verified,[6] e.g., impact bonds.

Senior debt – loans that have higher security and lower risk and therefore a lower interest rate, and have priority claims on a company's assets or earnings in case of liquidation.

Special purpose vehicle – a project that is not on a parent company's balance sheet, so ring-fencing the assets and liabilities, and isolating the financial risk to ensure that the financial viability of the project is not impacted by the financial viability of the parent company or vice versa.

Structured financing/debt financing – where the capital structure of a project includes junior or subordinated debt exposed at higher risk, so that more senior debt can be attracted at a lower risk. The senior debt is ranked higher and is paid out before the more junior debt in case of a default in repayments by the project. An investor can earn a return on their equity, so long as sufficient net cash flows are being generated or dividends are being distributed.

6 World Bank (no date), Results-Based Financing (RBF) and Results in Education for All Children (REACH), https://www.worldbank.org/en/programs/reach

Acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
BESS	battery energy storage system
CFAN	Climate Finance Access Network
CIFs	Climate Investment Funds
DFI	development financial institution
EAIF	Emerging Africa Infrastructure Fund
EIB	European Investment Bank
GCF	Global Climate Fund
GCPF	Global Climate Partnership Fund
GEF	Global Environment Facility
GHG	greenhouse gas
IDA	International Development Association
IFC	International Finance Corporation
IKI	Internationale Klimaschutzinitiative
IRENA	International Renewable Energy Agency
LDC	least developed country
MDB	multilateral development bank
MIGA	Multilateral Investment Guarantee Agency
NAMAs	nationally appropriate mitigation actions
NDA	nationally designated authority
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PFAN	Private Finance Advisory Network
PV	photovoltaic
NDC	Nationally Determined Contributions
SAP	simplified approval process
SDGs	Sustainable Development Goals
SMEs	small to medium-sized enterprises
SOE	state-owned entity
SPV	special purpose vehicle
UNCDF	UN Capital Development Fund
UNDP	UN Development Programme
UNFCCC	UN Framework Convention on Climate Change

1. Background and context

In a world where the energy sector is responsible for two-thirds of global greenhouse gas (GHG) emissions (IEA 2022), there are still 733 million people who do not have access to electricity and 2.4 billion people who do not have access to clean cooking (IEA 2021).

To meet the Sustainable Development Goal 7 (SDG7) of universal access to affordable, reliable and modern energy services and be on track to achieving the climate goals of the Paris Agreement, greater investment in clean energy is needed.

These goals require a tripling of clean energy and infrastructure investment in advanced economies and quadrupling in emerging and developing economies, to US$4.2 trillion per year by 2030 (IEA 2022). To achieve net zero by 2050, 80,000 terawatt hours (TWh) of power generation at a cost of US$194 trillion is required (BNEF 2022).

With such a significant investment financing requirement, mobilising finance for greater investment in renewable energy and its distribution and transmission, clean off-grid energy, energy efficiency, and clean energy storage is vitally important. This investment is critical to rapidly reducing emissions, improving access to clean energy, and accelerating the energy transition to achieve SDG7 and limit the global temperature increase to 1.5°C.

The inability to access clean energy finance directly and indirectly is a fundamental issue of climate justice and a just energy transition. To address the financing gap and boost clean energy investment, both public and private sector financing will be required.

Clean energy investments in some developing countries, and especially in least developed countries (LDCs), face significant risks related to lack of economies of scale, geographical remoteness, low credit ratings, lack of a strong financial sector and capital markets, and political, currency and counterparty[1] risks.

Public finance and the use of blended finance can assist in de-risking clean energy investments, making them more attractive to funding from commercial sources, including private financing sources.

To support Commonwealth member countries in accessing this finance, there follows a compendium of regional and international sources of finance from private and public sector financial institutions for clean energy programmes and projects.

The compendium will be made available by the Commonwealth Secretariat as a live electronic resource that is updated regularly to facilitate greater access to clean energy finance and support the development of proposals by Commonwealth member countries targeted at relevant sources of finance.

1 The risk that a party to a contract will not meets its obligations under the contract.

2. Financial sources, instruments and structures

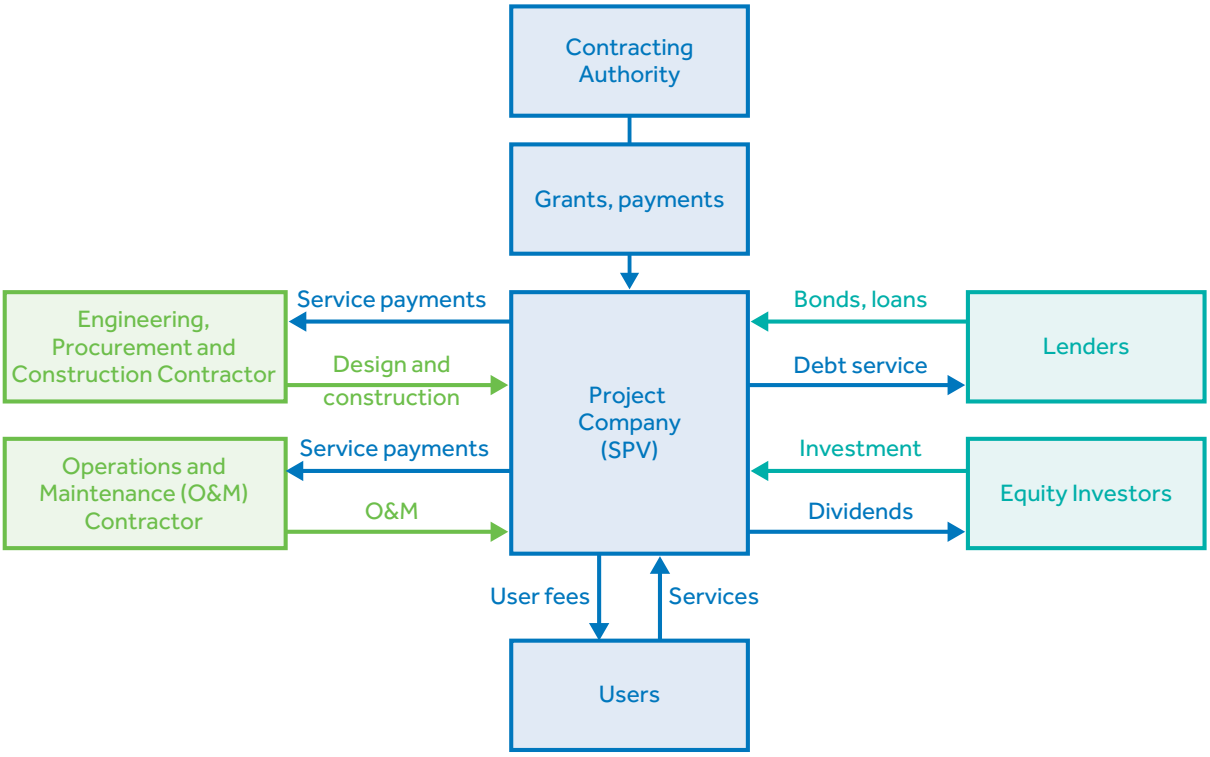
Before proceeding with a clean energy project, it is important to determine if there will be sufficient funding to pay for the total project costs; how the project will be financed; and how to ensure the sustainability of project benefits after the project is complete.

The money needed to pay the costs of a clean energy project over its lifetime is called 'funding' (Figure 2.1). Funding can come, for example, from sales of energy or energy savings from a clean energy project, government revenue (e.g., taxes), and in the form of non-reimbursable grants, fees and carbon revenue.

As a clean energy project incurs upfront costs before revenue from the project is received, financing is required to pay these upfront costs at the time they occur. Financing can come from loans, equity and the internal resources of a company, for example, and generally needs to be repaid.

Project finance is the funding (financing) of a clean energy project based on the expected cash flows of the project (rather than the balance sheets of its sponsors) and the underlying risks associated with the project.[2] This funding is usually done through a special purpose vehicle (SPV) that ensures the project's assets and liabilities are ring-fenced from the resources of the entities involved in sponsoring the project (Figure 2.1).

Figure 2.1. Example of a special project vehicle



Source: World Bank[3]

2 That is, the political risk, liquidity risk, credit or default risk, foreign exchange risk, market risk and technical risk (Cooke 2021).

3 World Bank (no date), 'Finance Structures for PPP', available at: https://ppp.worldbank.org/public-private-partnership/finance-structures-ppp

The costs of financing a project include, for example, the costs of capital, interest payments, fees and charges, negotiations, legal documents, and other related transaction costs. The costs of capital for a project will depend on the inherent risks of the project and how they are allocated; how accessible the finance is and where the finance comes from (source); what type of finance is used (instrument); and how the finance is used (financial structure). It is critical to structure the finance of a project carefully because the higher the costs of financing the project, the more funding will be required over the lifetime of the project (Table 2.1).

Table 2.1 Project funding and financing

project lifetime costs (not including financing costs) + financing costs	= total project costs
sales of energy (or energy savings) + government revenue + non-reimbursable grants + fees + other	= total project funding
total project funding	= total project costs

Source: Author

Projects that can cover their costs through project cash flows are likely to be financially viable, that is, generating sufficient revenue to ensure full cost recovery over the project lifetime, and will proceed. Those that cannot generate sufficient revenue are unlikely to proceed, or be financially sustainable, without ongoing government or grant funding. This is especially in the case of impact projects, where the focus is on social or environmental benefits over financial returns.

Whether a project is considered bankable or financeable depends on the organisation providing the source of finance. The original understanding of 'bankability' derived from the financial sector for those projects that generally provided a return on investment or positive net present value (NPV) (Ellis and Pillay 2017). A simpler definition might be those projects that are 'commercially viable and sustainable investments' (Cooke 2021).

To successfully receive finance for a project from a climate fund, a development financial institution (DFI) or philanthropic organisation, other criteria may need to be met. To be considered a bankable project, the risk allocation needs to be firmly understood and be satisfactory to the lenders, while the contract terms and conditions also need to be bankable.

Projects that do not normally provide a return on investment may still be considered eligible for finance, based on the environmental and social impacts and the emission reductions the project may provide.

What determines a bankable project?

The essential elements that determine a bankable project are:

- financial metrics
- contractual terms and conditions
- technical engineering
- risks and risk allocation
- borrower's management team (supervision of contractor, owner's engineer for design reviews, etc.)
- operations and maintenance team
- environmental and social compliance, e.g., International Finance Corporation (IFC) Performance Standards compliance.

Source: https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

2.1 Sources of finance

Finance for clean energy projects can come from public and private money, directly or via public and/or private financial intermediaries[4] as lenders or equity investors. Public money is the revenue raised by governments, allocated through government budgets on behalf of the general public, from

4 Adapted from Buchner et al (2021) and Carter (2020).

national savings from sovereign wealth funds, and capital from multilateral development bank (MDB), bilateral financing. Private finance is generally the savings of corporations and the savings of households and individuals.

Public sources of finance

Public financial intermediaries that use public finance include government agencies, development financial institutions, multilateral funds, state-owned entities (SOEs) and stated-owned financial institutions.

DFIs are generally state-owned organisations or non-profit organisations established to finance projects that would otherwise not be able to get financing from commercial lenders. They usually provide finance to developing countries and emerging economies. These organisations include national and bilateral development banks, and regional and international MDBs, for example, members of the Association of European Development Financial Institutions (EDFI),[5] the Asian Development Bank and the World Bank Group.

Multilateral funds are funds established by member governments to generally support sustainable development or more specifically, for climate and the environment. These include the Green Climate Fund (GCF) and the Global Environment Facility (GEF).

Other public sources of finance include SOEs that use their own resources to invest in energy projects, state-owned financial institutions such as banks, insurance companies and export credit agencies, and public funds such as state pension funds and sovereign wealth funds owned by governments.

Private sources of finance

Private finance originates from corporations, households and individuals, various funds, and private financial intermediaries such as commercial financial institutions.

Corporations are large companies, but also include small to medium-sized enterprises (SMEs) and developers. Private finance from households and individuals is used for spending on solar photovoltaic (PV) and electric vehicles, for example. Funds such as pension and hedge funds, and private equity, also invest in clean energy projects. Other forms of private finance can come from insurance, seed, angel and venture capital, crowdfunding, and microfinance. Commercial financial institutions such as commercial banks are the largest private financial intermediaries making finance available for clean energy investments.

Concessional public finance and other financial instruments can be used to assist the energy transition by mitigating risk and attracting, crowding-in, leveraging and blending with additional private finance at commercial rates to make projects bankable. This is especially important in those projects where there are significant social and environmental benefits beyond the financial returns.

2.2 Financial instruments

The finance for a project can comprise several financial instruments that make up its capital structure (Table 2.2). A project can be structured in such a way so as to de-risk the project, attract investors according to their risk/return profile, ensure public and private interests are aligned, and increase the flow of finance.

The seniority ranking of the instruments varies from debt that is the first to be paid out in case of default and thus has lower risk and lower return; mezzanine (debt and equity) capital, which is in between with moderate risk; and ordinary shareholders, who are last to be paid out but expect a higher return for the higher risk. DFIs and governments are likely to take on greater risk in a project so as to mitigate risks for other investors and attract private finance.

5 EDFI (no date), 'Meet our members', available at: www.edfi.eu/members/meet-our-members/

Table 2.2 Capital structure

Risk	Instrument	Example	Participants
DEGREE OF RISK	Equity	Junior/first loss Ordinary shares	DFIs, multilateral funds, private companies, individuals, venture and hybrid funds, pension funds
	Mezzanine equity	Preference shares	Shareholders, institutional investors
	Mezzanine debt	Sub-ordinated loans Concessional/soft loans	Bilateral and MDBs, DFIs, commercial lenders, venture funds
	Debt	Senior/ last loss	Commercial lenders, institutional investors – venture funds, pension funds, export credit agencies, DFIs, bondholders, government

Source: Adapted from Frankfurt School of Finance & Management; World Bank[6]

Standard financial instruments

Equity and debt are standard financial instruments used in clean energy projects, and are usually provided on commercial terms.

Equity represents the part ownership of a project by an investor, who expects a return on their investment equal to or greater than the underlying risk in investing in the project. Equity can include private equity, where private investors buy part ownership in a project or business; listed equity, where shares of a business are listed on public exchanges where investors can buy and sell them; and mezzanine finance, which can be preferred equity with seniority over ordinary shares.

Debt is generally money lent by a lender as loans to borrowers, which are required to be paid back on agreed terms – including interest rate, tenor and grace period.

Debt includes mezzanine finance (excluding equity), which can be subordinated loans that are junior to normal debt, and bonds such as government bonds, project bonds (which are fixed-rate instruments used for infrastructure projects, for example) and impact bonds, which offer returns when specific project outcomes are achieved. Off-balance sheet loans for specific projects at commercial rates are also utilised, as are direct investments of private debt by institutional investors.

De-risking and catalytic instruments

De-risking and catalytic instruments are used to make the risks and returns of additional private finance in clean energy investments closer to those offered by the market. These instruments include those described in Table 2.3.

6 Frankfurt School Of Finance & Management (2014), Certified Expert in Climate & Renewable Energy Finance Module 5, Part 2: Financing Instruments; and World Bank (no date), 'Finance Structures for PPP', available at: https://ppp.worldbank.org/public-private-partnership/financing/sources

Table 2.3 Blended finance instruments

Instrument	Description
Contractual mechanisms (e.g., feed-in tariffs or off-take agreements)	There are various contractual and project finance arrangements to support the development of bankable infrastructure projects, including public and private off-taker agreements, subsidies such as feed-in tariffs, and tax credits. These mechanisms involve an agreement between producers and buyers of a resource to purchase or sell portions of future production. These agreements are to secure financing for a production facility or buy the equipment needed to extract a resource (e.g., power purchase agreements [PPAs] in the energy sector).
Grants (e.g., technical assistance grants, non-reimbursable grants, investment grants, convertible grants, contingent recovery grants)	A grant is capital that is paid in without any expected repayment or compensation over a fixed period of time. It could include money for technical assistance or project preparation to bring a project to bankability. Grants can be critically important for pipeline development, especially in less mature sectors and riskier geographies, creating significant (if often hard-to-measure) crowding-in of private capital.
Credit guarantees (e.g., performance risk guarantees, first loss, partial risk or credit guarantees, and trade finance guarantees)	These provide protection to one party if the other party fails to perform. Guarantees are provided by a third party who 'steps into the shoes' of the defaulting party, so that the innocent party does not suffer loss. Guarantees are a form of credit enhancement, strengthening the creditworthiness of the investment because of the promise from the guarantor to complete performance in the event of default. As such, guarantees are one of the most catalytic forms of blending.
Hedging instruments (e.g., using derivatives like cross currency swaps to mitigate risk)	These reduce the risk of adverse currency price movements in an asset and its associated earning stream. Currency hedging reduces or eliminates exposure to the movement of foreign currencies – addressing one of the key risks for investing in emerging markets.
Insurance (reduces the financial exposure of an investment and improves its risk profile)	Insurance provides protection by promising to compensate for a specified loss or damage in return for payment of a specified premium. There are many types of insurance. One of the most common is political risk insurance to protect against adverse government actions or war, civil strife and terrorism. Insurance provides a more stable environment for investments into developing countries. Along with guarantees, it is one of the most catalytic forms of blending.
Results-based incentives (e.g., pay-for-performance schemes, performance-based grants, performance contracting)	These are instruments that provide incentives and disincentives to achieve desired outcomes or results (they tie at least a portion of payments to achievement), including social impact bonds and performance-based contracts. This type of financing is aimed at rewarding innovation and the successful implementation of a project with clear climate benefits.
Securitisation	This refers to the process of transforming a pool of illiquid assets into tradable financial instruments (securities), such as bonds.
First loss/junior equity (e.g., capital invested in a company's ordinary shares)	This protects senior investors by taking the first losses on the value of the security, i.e., if something goes wrong, the most junior/subordinated tranche will be paid out last. First-loss capital takes a position that will suffer the first economic loss if the assets below it lose value or are foreclosed on (this can also be provided through a grant or guarantee).

Source: Carter 2020

Carbon credits

Where a financing structure and financial analysis of a project does not exceed its hurdle rate,[7] it may be that other forms of funding like carbon revenue streams for the emission reductions a project provides make that unviable project now viable. This additional source of revenue can make investment in a project more attractive for private finance.

Debt relief, debt swaps and green bonds

Beyond the project level, at the national level, a country may seek debt relief or climate debt swaps as an innovative way of freeing up fiscal space to implement clean energy projects or development projects while still achieving climate and development goals. It is important that this relief or swaps are negotiated carefully so that the developing country is not left worse off than prior to the swap, and still has fiscal space for other priorities like health and education. Green as well as blue bonds are bonds that raise debt, including for governments, MDBs and private corporations, for investment in environmental and climate-related projects like clean energy and infrastructure.

Other innovate financing may include: microfinance, which is small loans to individuals or businesses that are usually unable to access credit, so improving financial inclusivity; revolving funds, where repayments are recycled through the fund for further loans; seed financing, which is the initial capital raising through family, friends and 'angel' investors to fund early operations for a project; and crowdfunding, which is provided by individuals and households to support projects, for example.

The flow of finance could be increased additionally through a redirection of fossil fuel subsidies, and programmes like the Just Energy Trust Partnership (JETP), which assists developing countries with finance to transition from coal to renewable energy.

2.3 Financing structures

Different types of clean energy projects require different capital structures to raise the finance needed to proceed with the project by using different financial instruments and sources due to the scale, risks, cost structure, developers, users, and barriers of the project (Table 2.4).

Table 2.4 Financial instruments used in clean energy projects

On-grid renewable energy	Equity and loan finance, directly or via lending facilities through national, regional or international financial institutions.
Off-grid renewable energy	Equity and loans (especially where markets are more developed), with higher concessional levels, made available to market actors. Instruments may include performance-based recoverable grants or grants for sub-borrowers/customers.
Clean cooking and small-scale renewable energy technologies	Equity and loans to market actors (manufacturers, suppliers) and via micro-credit facilities to end users, but may include grants and recoverable grants (that can be repaid from project revenue if a project achieves its objectives).
Energy transmission, distribution and storage	Sovereign loans, equity and loans, guarantees.

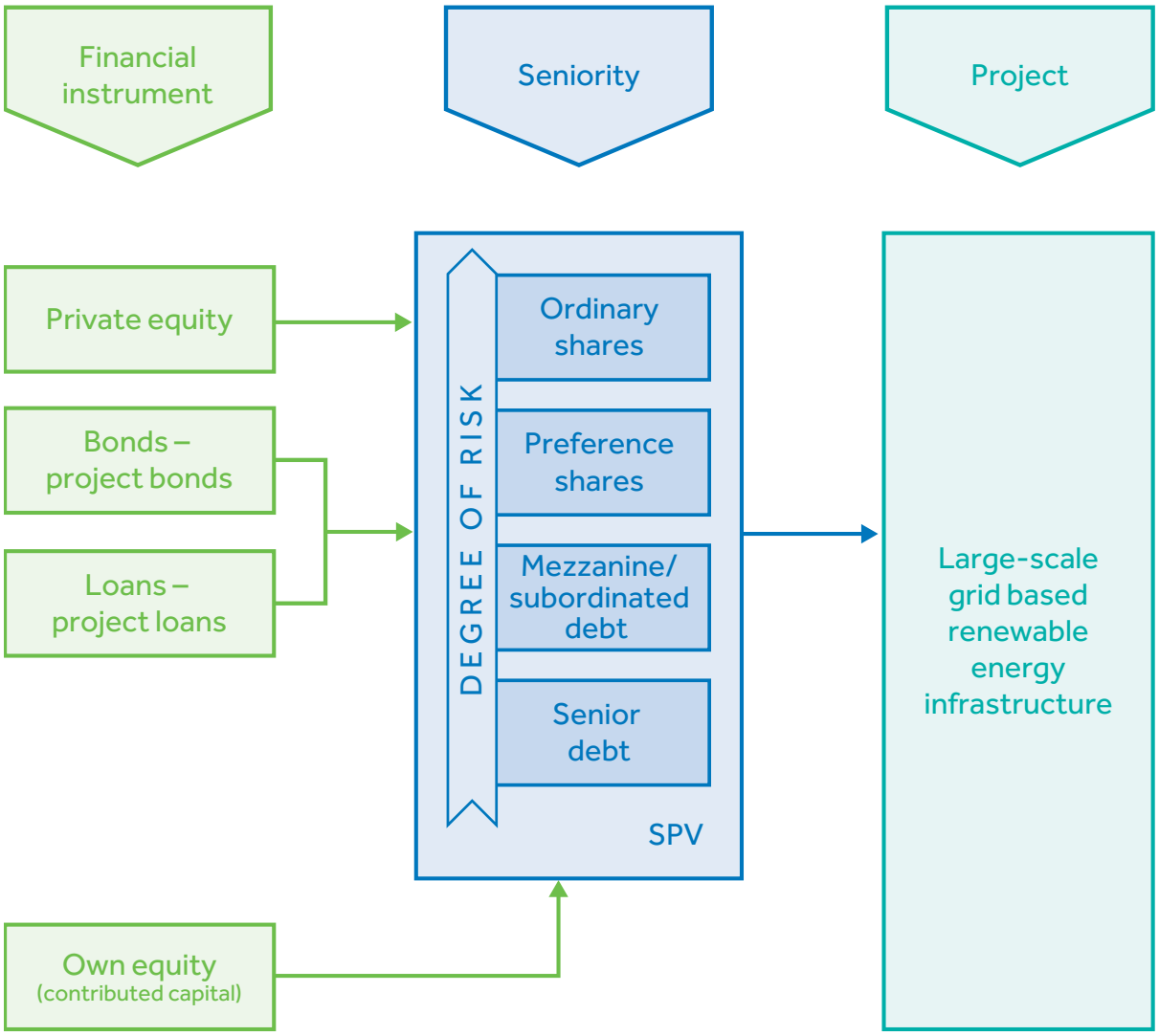
Source: E Co (2022a)

The type of the project, the operating model it will use, the risk profile, scale of investment capital and the revenue stream it will provide, will determine the capital structure selected for the project, the cost of capital and the ability to repay/service the finance.

Shown below are some typical financial structures for: a large-scale renewable energy project (Figure 2.4); an industrial energy efficiency project (Figure 2.5); and for a climate-proofing of clean energy infrastructure project (Figure 2.6).

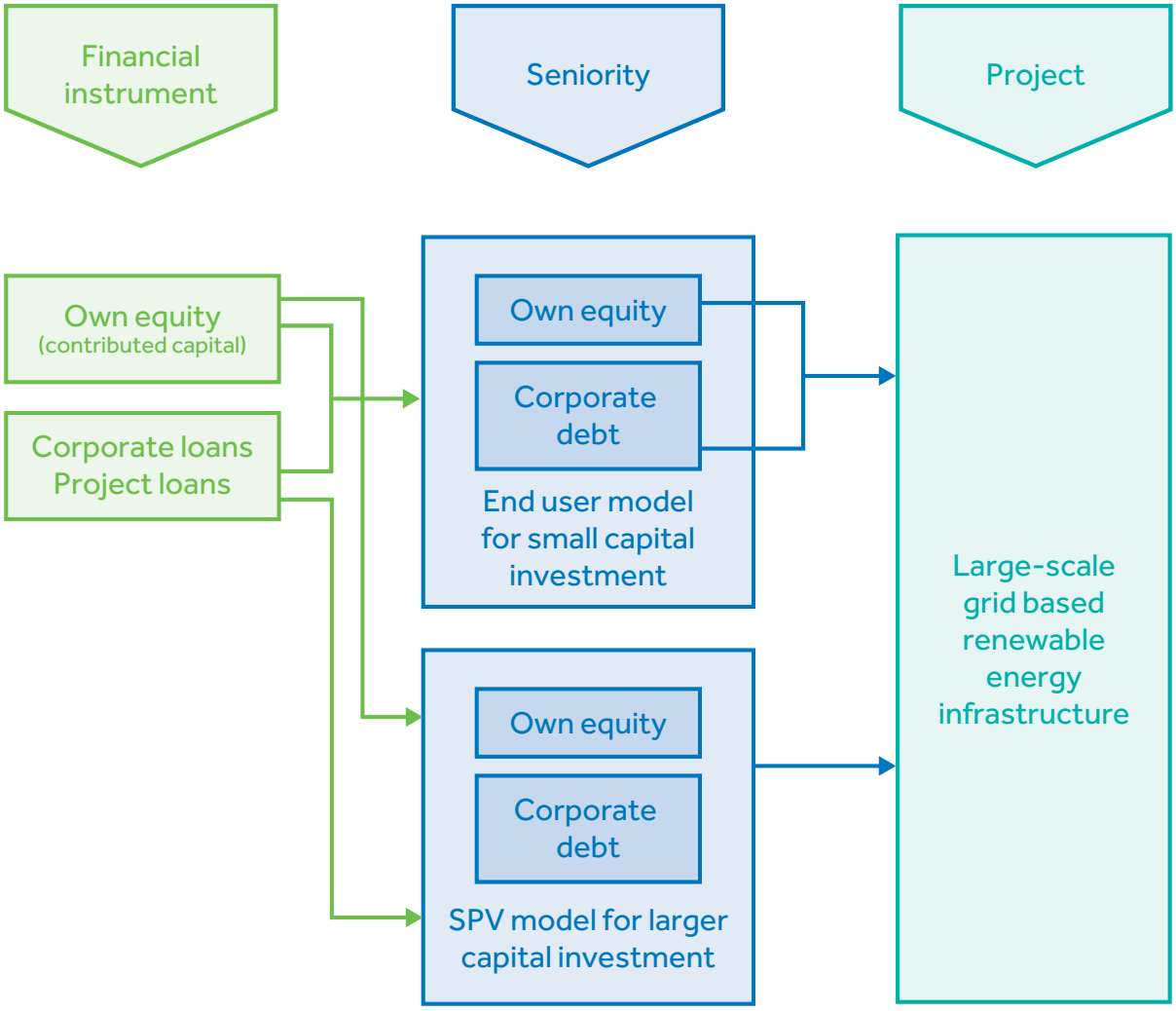
7 The minimum rate of return required on an investment for it to proceed.

Figure 2.4 Typical financial structure of a large-scale renewable energy project



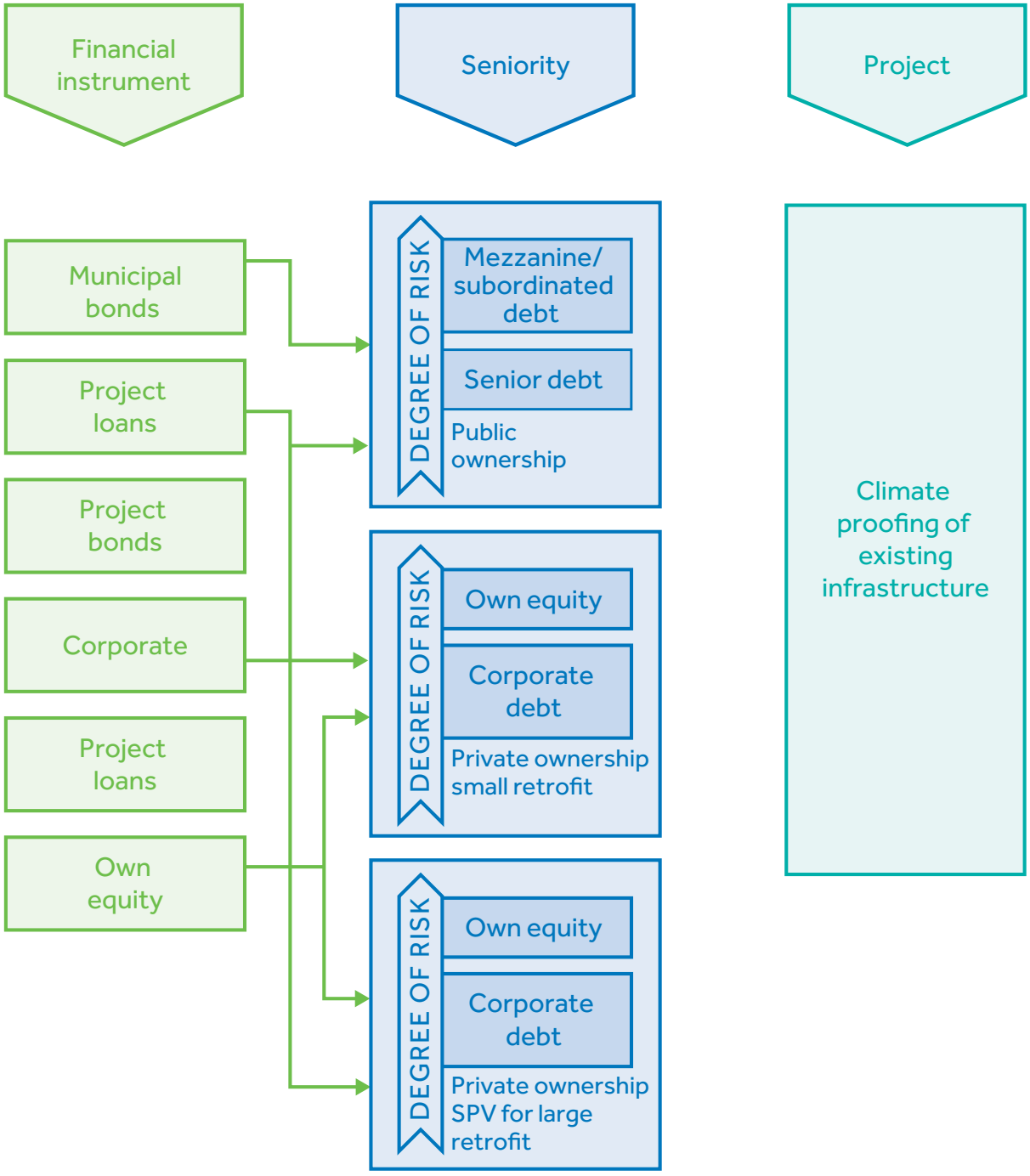
Source: Adapted by the author from UNEP (2014)

Figure 2.5 Typical financial structure of an industrial energy efficiency project



Source: Adapted by the author from UNEP (2014)

Figure 2.6 Typical financial structure for a climate-proofing project



Source: Adapted by the author from UNEP (2014)

Although traditionally, private sector-led investment opportunities in developed countries are ultimately financially viable, there may be additional risks that exist in a developing country context. Depending on the investment opportunities in question and the availability and bankability of the projects' available funding, guarantees and other forms of de-risking instruments may be required to catalyse a particular type of investment. This is particularly relevant to the renewable energy projects and related programmes.

A renewable energy project undertaken by the private sector might use private equity and commercial debt, but may need some de-risking through project preparation funding, guarantees and insurance. Meanwhile, a large-scale

infrastructure project like an energy transmission project that may not be financially viable but offers significant net economic public benefits may use guarantees and concessional debt and/or equity to attract private finance in a public-private partnership (Cooke 2021).

Blended finance is becoming an increasing popular way of mixing public and private investment to mitigate risk, attract greater private investment in clean energy projects, and to make viable projects from those that would otherwise be commercially unviable. Two-thirds of blended finance in last three years and one-third of official development assistance (ODA) have been for climate change-related investments (Convergence 2022).

Development capital from donors and development financial institutions is generally public finance provided on concessional interest rates and terms (e.g., tenor, grace periods) compared to commercial capital, which is generally provided at market rates and terms.

This development capital can then be used to mobilise institutional capital provided by the private sector at market rates to form blended finance transactions, usually by reducing the risks perceived by institutional capital, to provide lower-cost, less risky finance to borrowers (Table 2.5) (Convergence 2018).

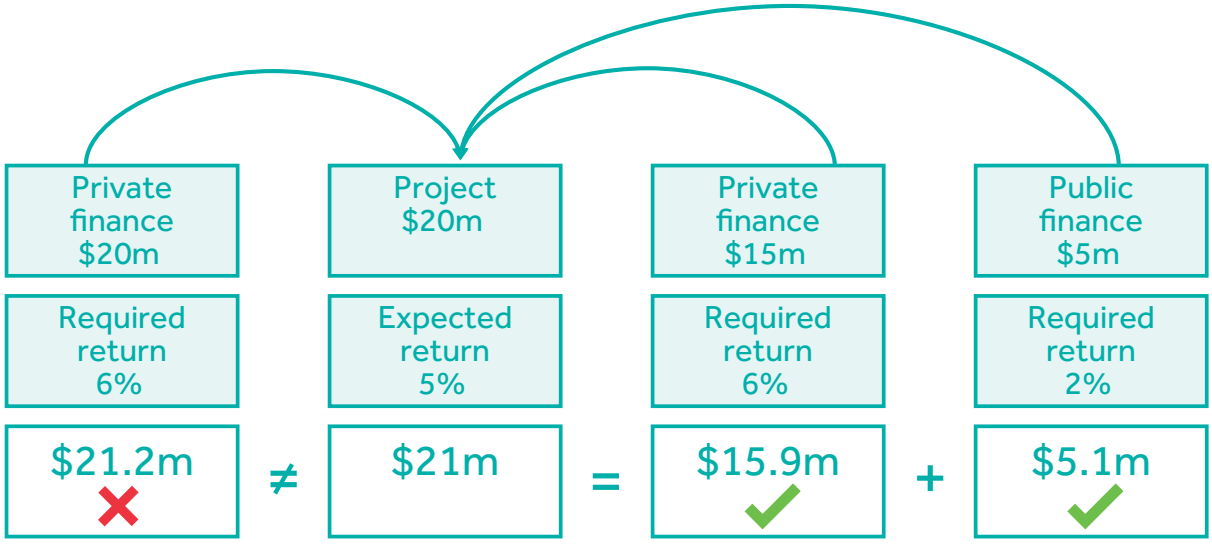
Table 2.5 Examples of blended financing structures

Development capital (public and philanthropic) at concessional rates mobilising Institutional capital at market rates into Blended finance transactions	Catalytic fund	Private equity or debt funds with concessional public/philanthropic funding attracting institutional investment	Structure Senior debt or equity First-loss guarantee
	Preferred returns	Equity or debt structures with public/philanthropic funders providing a preferred return to institutional investors	Structure Preferred returns / Capped return
	Guarantees or Insurance	Bond or note issuances, often for infrastructure projects, with guarantees or insurance from public/philanthropic funders	Structure Guarantee / Debt Equity
	Grants	Grant funding for capacity building from public/philanthropic funders for projects to attract institutional investment	Structure Grant / Debt Equity
	Technical assistance (TA)	Grant funding from public or philanthropic funders to build capacity of investments to achieve expected financial and social return	Structure Debt Equity / TA facility

Source: Convergence (2018; 2021)

A project that initially could not provide the investment return required by the private sector lending at commercial rates may be able to provide the required return when leveraged by public concessional debt at lower concessional interest rates. In the very simplified project example in Figure 2.7 a private finance investment requiring a 6 per cent return over one year would not be able to achieve that from a project with an expected return of 5 per cent. However, blending the private finance with a 6 per cent required return and public finance that requires only a 2 per cent return, this project would be able to proceed (Figure 2.7).

Figure 2.7 Simplified blended finance project example



Source: Adapted by author from Global Environment Facility (2017)

3. Funds, financial institutions and other actors

Clean energy financing can come from a diverse range of sources. There are numerous funds, financial institutions and other actors in clean energy finance that can be sought out to source grants, concessional debt, commercial debt, export credits, equity, balance sheet financing etc. These are available regionally and internationally, with an appetite for investing in clean energy projects or programmes in developing countries and small states.

3.1 Multilateral funds

Funds are organisations that manage money for a broad purpose (e.g., a general climate fund) or for more targeted purposes (e.g., off-grid energy access, solar/renewable energy, and those groups that are impacted disproportionately by lack of access to clean energy, such as youth, women and people with a disability). They may have money from several countries or sources (multilateral funds) and operate globally (for example, the GCF), in a specific region (such as sub-Saharan Africa) or within an individual country. On the following pages are some of the larger and more widely known funds.

Climate Investment Funds (CIFs)

Intended for	Upstream advisory and downstream investment activities to support climate action.
Background	Jointly established by the World Bank and regional MDBs, the CIFs, based in Washington, DC, do not develop projects but supply concessional finance provided by donor countries. They comprise two funds: the Clean Technology Fund (CTF)[8] and the Strategic Climate Fund (SCF).
Eligibility	Projects in low- and middle-income countries originated by the CIFs' MDB implementing partners.
Focus areas	To address the energy sector, the CIFs include the Accelerating Coal Transition,[9] the Global Energy Storage[10] programme, the Renewable Energy Integration (REI)[11] programme, and the Scaling Up Renewable Energy Program in Low Income Countries (SREP).[12]
Financing	A combination of technical advisory and financial resources (including equity, grants, concessional and subordinated loans, guarantees, and local currency hedging) to help reduce investment barriers, test new business models and de-risk new low-carbon, climate-smart markets, to enable the private sector to participate in clean-energy economies at a faster rate and on a greater scale.
Applying	Requests for proposals for CIFs-SCF funding is only accessible through the MDBs (the World Bank Group, the Inter-American Development Bank, the African Development Bank, the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank), which serve as implementing partners.
Key dates	Not specified.
Contact	As the CIFs do not develop projects, funding requests for proposals are only accepted through partners, the MDBs, the World Bank Group, including the International Finance Corporation, the African Development Bank (AfDB), the Asian Development Bank, the European Development Bank, and the Inter-American Development Bank. For general inquiries, contact: CIFCommunications@worldbank.org
Additional	The CIFs were designed by a range of stakeholders, including developed and developing countries, United Nations agencies, the Global Environment Facility, non-governmental organisations, indigenous peoples and the private sector.[13]

8 https://climatefundsupdate.org/the-funds/clean-technology-fund/
9 www.cif.org/topics/accelerating-coal-transition
10 www.cif.org/building-low-carbon-economies
11 www.cif.org/topics/renewable-energy-integration
12 www.cif.org/topics/energy-access
13 Global Gender and Climate Alliance and UNDP (no date), Climate Investment Funds exploring the gender dimensions of climate finance mechanisms, available at: https://seors.unfccc.int/applications/seors/attachments/get_attachment?code=5QBTWUQESHXKR3LXZM3QLCHR5H9ZS4CK

The Green Climate Fund (GCF)

Intended for	Developing countries.
Background	The Green Climate Fund,[14] based in Seoul, South Korea, is one of the largest of the global climate funds.
Eligibility	All developing country parties to the UN Framework Convention on Climate Change (UNFCCC) are eligible to receive resources from the GCF via direct access or international access through accredited entities.
Focus areas	A 50:50 balance between mitigation and adaptation investments over time in grant equivalent terms. Additionally, it intends to reserve 50 per cent of the adaptation allocation to particularly vulnerable countries, including LDCs, small island developing states (SIDS) and African states. The GCF's main impact areas are: low-emission energy access and power generation; low-emission transport; energy efficient buildings, cities and industries; sustainable land use and forest management; enhanced livelihoods of the most vulnerable people, communities, and regions; increased health and well-being, and food and water security; resilient infrastructure; and resilient ecosystems.
Financing	Grants, concessional loans, guarantees, equity and results-based finance.
Applying	Recipient countries can submit funding proposals through their national designated authorities (NDAs). Some recipient countries can receive GCF funding via direct access through accredited subnational, national and regional implementing entities. GCF funds can also be accessed through multilateral implementing entities, such as accredited multilateral development banks and UN agencies. In addition, a private sector facility also allows direct and indirect financing by the GCF for private sector activities. Details regarding the GCF project cycle, application procedures and forms can be found at www.greenclimate.fund/project-cycle. The GCF provides application forms,[15] an e-learning course,[16] and technical guidelines for renewable energy[17] and energy efficiency[18] projects, for example. It also has a simplified approval process (SAP)[19] for projects seeking up to US$25 million with minimal social risks and environmental impacts.
Key dates	Concept notes can be submitted by NDAs/focal points at any time. However, the formal assessment process for a funding proposal involves an initial review of the project's concept, continues with the technical review, and an independent appraisal conducted by the Office of Risk Management and Compliance (ORMC). It is then submitted to the independent technical advisory panel (TAP) and the Board for approval. The GCF advises that this process can take approximately 190 days.
Contact	GCF Headquarters G-Tower, Songdo Business District 175 Art center-daero Yeonsu-gu, Incheon 22004 Republic of Korea info@gcfund.org www.greenclimate.fund/about/contact
Additional	GCF has a dedicated Private Sector Facility[20] to mobilise increased amounts of private sector finance.

14 www.greenclimate.fund/
15 www.greenclimate.fund/projects/sap/resources
16 https://ilearn.greenclimate.fund/
17 www.greenclimate.fund/document/sap-technical-guidelines-renewable-energy
18 www.greenclimate.fund/document/sap-technical-guidelines-energy-efficiency-industry-and-appliances
19 www.greenclimate.fund/projects/sap
20 www.greenclimate.fund/sectors/private

Global Environment Facility (GEF)

Intended for	The GEF partnership connects 184 member governments with civil society, indigenous peoples and the private sector, and works closely with other environmental financiers for efficiency and impact.
Background	The Global Environment Facility is the world's largest funder of biodiversity protection, nature restoration, pollution reduction and climate change response in developing countries. It finances international environmental conventions and country-driven initiatives that generate global benefits. Over the past three decades, the GEF has provided to applicants more than US$22 billion and mobilised another US$120 billion in co-financing for more than 5,000 national and regional projects, plus 27,000 community-led initiatives through its Small Grants Programme.[21] It has a dedicated Least Developed Countries Fund (LDCF) and a Special Climate Change Fund (SCCF).
Eligibility	Countries are eligible for GEF funding in climate change if: the country has ratified the UNFCCC and conforms with the eligibility criteria decided by the Conference of the Parties of the UNFCCC; or if the country is already eligible to receive World Bank funds or is a recipient of technical assistance from the UN Development Programme (UNDP). Access to the GEF is not stated as being restricted to ODA-eligible countries.[22]
Focus areas	One of the five focal areas of the GEF is climate change, which includes climate change mitigation. Past projects include energy efficiency, renewable energy and clean energy policy.
Financing	Grants, concessional loans, equity and guarantees. The GEF provides funding through four modalities: full-sized projects, medium-sized projects, enabling activities and programmatic approaches.
Applying	The GEF works with partners agencies (GEF Implementing Agencies), e.g., UNDP. These agencies are the only institutions that can access[23] GEF funding directly. However, countries can access funding directly for some enabling activities, such as completing Biennial Update Reports and National Communications.
Key dates	Not specified.
Contact	Through national focal points.
Additional	Projects must seek GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits.

21 www.thegef.org/who-we-are
22 https://climatefundsupdate.org/the-funds/global-environment-facility-gef/
23 www.thegef.org/projects-operations/templates

Internationale Klimaschutzinitiative (IKI)

Intended for	Regional, national and local organisations based in developing and emerging (ODA) countries to implement and develop the Nationally Determined Contributions (NDCs) of the Paris Agreement.
Background	The International Climate Initiative[24] is part of the German government's international climate finance commitment. Since 2022, the IKI has been implemented by three ministries. The activities from IKI projects range from advising policy-makers on capacity building and technology partnerships to risk hedging through innovative financial instruments, e.g., grants. It also includes studies, project preparation advice for infrastructure development, and investment instruments for climate change mitigation or biodiversity conservation.
Eligibility	Non-governmental organisations, universities and research institutions, international intergovernmental organisations, larger national and regional institutions with their own funding programmes, and institutions such as development banks, organisations and programmes of the United Nations, and commercial enterprises. The governments of partner countries or individuals cannot apply for IKI financing. Funding is made available for subnational, national and regional non-profit organisations in ODA-eligible countries. For-profit non-governmental organisations are also eligible as long as their proposal has not-for-profit objectives. Organisations that apply must have at least three years of relevant experience and an average annual revenue of between 60,000 and 500,000 euros.
Focus Areas	Its funding areas include mitigating greenhouse gas emissions, e.g. stopping the use of fossil fuels, expanding renewable energy sources and increasing energy efficiency.
Financing	Large, medium and small-sized grants.
Applying	The IKI uses thematic calls as well as two small-scale project programmes: IKI Small Grants and IKI Medium Grants. All three utilise a 'call for proposals' model for funding priorities that are set each year with no focus on individual countries. The IKI also works bilaterally in key areas with 14 priority countries. Part of this co-operation involves country-specific, large-volume selection procedures (country calls). A shortlist of projects is compiled from all the project outlines submitted. The shortlisted applicants are requested to prepare a detailed project proposal. This proposal is then used as the basis for the final funding decision. (The IKI Small Grants are organised differently). See: www.international-climate-initiative.com/en/find-funding
Key dates	Annually for small, medium and thematic grant calls. Irregularly for country calls.
Contact	IKI Office Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH Stresemannstraße 69-71 10963 Berlin liki-office@z-u-g.org www.international-climate-initiative.com/en/contact
Additional	IKI has approved more than 800 climate and biodiversity projects in over 150 countries worldwide, with a total funding volume of 5 billion euros (€; 2008–2021).[25]

24 www.international-climate-initiative.com/en/
25 www.international-climate-initiative.com/en/about-iki/

The Nationally Appropriate Mitigation Actions (NAMA) Facility[26]

Intended for	Donors, partner countries and institutions receiving NAMA Facility funding all benefit from a portfolio mechanism to deliver grant-based climate finance.
Background	The NAMA Facility[27] is a grant-based multi-donor fund that distributes and mobilises finance for carbon-neutral development. The NAMA Facility offers structure processes, as well as financial mechanisms and technical support, to partner countries to meet their climate goals. This support catalyses investment, strengthens capacities and triggers behaviour change, resulting in transformational sector-wide shifts to improve livelihoods, create co-benefits and establish carbon-neutral development pathways.
Eligibility	Mandatory characteristics: timely submission, documents are complete and in English, correct duration planned for different project phases, country to maintain ODA status, funding qualifies as ODA finance, and funding volume within correct range. Additionally, funding must not be used for the generation of tradeable GHG emission allowances.
Focus areas	The NAMA Facility provides finance for climate change mitigation projects in all sectors, notably energy efficiency, renewable energy, transportation, waste, and agriculture, forestry and other land uses (AFOLU).
Financing	Grants, concessional loans and guarantees.
Applying	Partner countries, or implementing organisations on their behalf, can apply for funding through open competitive calls. The most ambitious and feasible mitigation projects, which are called NAMA Support Projects (NSPs), are selected for support.
Key dates	Regular calls for projects.
Contact	NAMA Facility Technical Support Unit Köthener Straße 2-3 D-10963 Berlin Germany contact@nama-facility.org
Additional	Since 2012, the NAMA Facility has committed more than €668 million to 43 projects across 31 countries (as of February 2022).[28]

26 The NAMA Facility is a joint initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the UK's Department for Business, Energy and Industrial Strategy (BEIS), the Danish Ministry of Climate, Energy and Utilities (KEFM), the Danish Ministry of Foreign Affairs (MFA), and the European Commission.

27 https://nama-facility.org/

28 https://nama-facility.org/about/

United Nations Capital Development Fund (UNCDF)

Intended for	UNCDF uses public and private finance to offer 'last mile' finance models, especially at the domestic level, in support of households, localities and small enterprises to reduce poverty and support local economic development.
Background	UNCDF was established by the UN General Assembly on 13 December 1966, with the mandate to 'assist developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans'. The mandate was modified in 1973 to serve first and foremost, but not exclusively, the LDCs.
Eligibility	Eligibility criteria vary and are unspecified.
Focus areas	UNCDF's priority areas include climate and energy finance.
Financing	Grants, loans and guarantees. UNCDF's financing models work through three channels: (1) inclusive digital economies; (2) local transformative finance; and (3) investment finance, which provides catalytic financial structuring, de-risking and capital deployment to drive SDG impact and domestic resource mobilisation.[29] UNCDF has two funding instruments. First, concessional loan and guarantees (BRIDGE Facility), on UNCDF's own balance sheet – that is, loan and guarantee investments in the range between US$100,000 and US$1,000,000, available in hard and local currency. The loan is offered on concessional terms including interest rate, tenor and collateral requirements. And second, commercial loans (BUILD Fund), on a third-party investor's balance sheet – which are loans between US$250,000 and US$2,500,000, available in hard and local currency.
Applying	All UNCDF funding takes place within the context of its established development programmes.
Key dates	Not specified.
Contact	United Nations Capital Development Fund (UNCDF) Two UN Plaza – 26th Floor New York, NY 10017, USA Email: info@uncdf.org Tel. +1 212 906 6565 Fax +1 212 906 6479
Additional	UNCDF also works worldwide out of three regional offices, in Dakar, Addis Ababa and Bangkok, and is present in 39 countries through its programmes and offices, most of which are co-located with UNDP.

29 www.uncdf.org/

The India–UN Development Partnership Fund

Intended for	Priority is accorded to partnering with small island developing states, least developed countries, landlocked developing countries and countries affected by disaster. The Fund offers a Commonwealth Window for Commonwealth member countries.
Background	Established in 2017, the US$150 million India–UN Development Partnership Fund is supported and led by the Government of India and implemented in collaboration with the United Nations system.
Eligibility	Southern-owned and -led, demand-driven and transformational sustainable development projects across the developing world, with a focus on least developed countries and small island developing states.
Focus areas	The Fund supports projects that advance all SDGs, including SDG7 Affordable and clean energy: renewable energy, energy access and energy efficiency.
Financing	US$200,000 to US$1 million per project. May also provide small grants.
Applying	The India–UN Fund responds to requests by national governments. The Fund also supports multi-country projects to address transboundary challenges. United Nations agencies implement projects in close collaboration with partnering governments.[30]
Key dates	Proposals are reviewed for approval by the Board of Directors of the Fund on a regular basis.
Contact	Mr Mayank Singh Counsellor, Permanent Mission of India to the United Nations Email: mayank81.un@gmail.com Ms Ines Tofalo Chief, Programme Support Unit, UN Office for South-South Cooperation (UNOSSC) Email: ines.tofalo@unossc.org
Additional	indiaunfund.unsouthsouth.org

30 https://indiaunfund.unsouthsouth.org/

Global Climate Partnership Fund (GCPF)

Intended for	The GCPF targets non-Organisation for Economic Co-operation and Development (OECD) countries (non high-income countries, as defined by the World Bank), which are expected to account for the vast majority of growth in global energy demand over the coming decades, the most emissions and the most potential to improve efficiency.
Background	The GCPF is an investment company under Luxembourg law. It was established by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and KfW Entwicklungsbank in 2009 as a public–private partnership. It uses public funding to leverage private capital investments to team up with local partner institutions to drive energy investments on the ground, mitigate climate change, and foster sustainable development in developing and emerging economies.
Eligibility	Renewable energy and energy efficiency projects across a range of loan sizes and sectors are eligible for GCPF funding. Projects that generate significant energy savings and reduce greenhouse gas emissions by 20 per cent, and are beyond the reach of the traditional renewable energy financing providers due to their small size and perceived lower bankability, are eligible for funding. Partner institutions are eligible for know-how and project support to develop their green lending portfolio and bring projects to fruition through the GCPF's Technical Assistance Facility. All projects financed by the Fund should comply with the requirements of GCPF's Environmental and Social Management System.
Focus areas	The GCPF targets energy efficiency (20 per cent reduction), renewable energy generation (hydro <15 megawatt (MW), solar <25MW, wind <50MW and biomass <15MW), and energy access through distributed generation projects.
Financing	Dedicated funding in the form of senior or subordinated debt for financial institutions and direct funding in the form of senior debt (project finance as well as corporate loans), typically between US$8 and 15 million, maturities up to 10 years; exceptions up to 15 years available for non-recourse project finance with a long-term power purchase agreement.
Applying	See: www.gcpf.lu/apply-for-financing.html
Key dates	Not specified.
Contact	Investor Relations & Donors Email: info@gcpf.lu Phone: +33 60 772 79 37 Technical Assistance Email: technical_assistance@gcpf.lu Phone: +41 44 403 06 53
Additional	See: www.gcpf.lu/investing-in-renewable-energy-and-energy-efficiency.html

Emerging Africa Infrastructure Fund (EAIF)

Intended for	The EAIF provides long-term debt on commercial terms to private sector companies building or expanding infrastructure in Africa.
Background	The EAIF is a company established by the Private Infrastructure Development Group (PIDG), a multi-donor organisation with members from seven countries, and the World Bank Group and managed by Ninety One. Its main shareholders are the UK, Dutch, Swedish and Swiss governments, with debt capital raised from private investors such as Allianz, Standard Chartered Bank and DFIs including the AfDB, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO) and Kreditanstalt für Wiederaufbau (KfW) Entwicklungsbank.
Eligibility	Infrastructure projects and businesses operating in eligible sectors (e.g., the power sector) and countries in Africa.
Focus areas	One of its focus sectors is the power sector and low-carbon energy access projects, including solar and hydro power.
Financing	The EAIF can provide project finance and corporate finance from US$10 million to US$65 million, structured in a range of ways. First, diverse debt instruments: senior debt, subordinated and/or mezzanine debt; loans in US$ or €; loan periods of up to 20 years; local currency loans, which are possible in certain circumstances; and anchor or cornerstone investor in bond issuances, bridging finance, and underwriting capacity. Second, structuring and arranging: sole lender or within a syndicate, and lead or joint arranger with other financial institutions. Third, value addition: viability, technical and environmental grant support to qualifying projects, and introducing clients to other PIDG businesses where appropriate.
Applying	See: www.eaif.com/working-with-us/applying-for-funding
Key dates	Not specified.
Contact	For general enquiries or if you have a project appropriate to EAIF, contact eaif@ninetyone.com
Additional	See: www.eaif.com

International Finance Corporation (IFC) International Development Association (IDA) Private Sector Window (PSW)

Intended for	IDA countries and especially fragile and conflict-affected states (FCS).
Background	IFC IDA Private Sector Window was created by the World Bank Group with $US2.5 billion to catalyse private sector investment in IDA countries and especially fragile and conflict-affected states (FCS).
Eligibility	Private sector clients, e.g., for large infrastructure projects and small and medium-sized enterprises (SMEs).
Focus areas	The window has supported solar, wind and hydro power projects.
Financing	The IDA PSW facilitates investments but does not fund private investment on its own. Through different facilities, it backstops or blends with IFC investments or MIGA (Multilateral Investment Guarantee Agency) guarantees to support private sector investments. The window includes a local currency facility, blended finance facility, risk mitigation facility and a MIGA guarantee facility.
Applying	Investors with potential investment proposals should engage with relevant IFC and/or MIGA country or investment officers and follow IFC and MIGA's engagement process.
Key dates	Not specified.
Contact	Questions about the PSW and its facilities can be addressed to: Overall PSW: Federica Dal Bono, Lead Strategy Officer, World Bank: fdalbono@worldbank.org Risk Mitigation Facility (RMF): Juan Carlos Pereira, Principal Investment Officer, IFC: jpereira@ifc.org Local Currency Facility (LCF): Kevin Kime, Principal Financial Officer, IFC: kkime@ifc.org Blended Finance Facility (BFF): Kruskaia Sierra-Escalante, Manager of Blended Finance Unit, IFC: ksierraescalante@ifc.org MIGA Guarantee Facility (MGF): Nabil Fawaz, Operations Manager, MIGA: nfawaz@worldbank.org
Additional	See: ida.worldbank.org/en/financing/ida-private-sector-window/what-is-ida-private-sector-window

3.2 Development finance institutions

Development finance institutions (DFIs) are organisations owned or underwritten by one or a number of countries that make development finance available to both the public and private sectors in developing countries for their sustainable development when commercial finance is difficult to obtain.

Multilateral development banks

Multilateral development banks (MDBs) are international financial institutions set up by multiple countries to support economic and social development in countries in need of technical assistance, loans and grants. They act internationally and include the International Fund for Agricultural Development (IFAD), International Investment Bank (IIB), New Development Bank (NDB), OPEC Fund for International Development (OFID), and the World Bank Group: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), the International Finance Corporation (IFC), and the Asian Infrastructure Investment Bank (AIIB).

Asian Infrastructure Investment Bank (AIIB)

Intended for	Countries and regions dedicated to promoting economic and social development in Asia. Membership in AIIB is open to members of the International Bank for Reconstruction and Development and the Asian Development Bank.
Background	AIIB is an MDB that unlocks finance to enable clients to build Infrastructure for Tomorrow (i4t): green infrastructure with sustainability, innovation and connectivity at its core. It began operations in Beijing, China, in January 2016 and has 106 approved members worldwide. It is capitalised at US$100 billion and is Triple-A-rated by the major international credit rating agencies. Its headquarters are in Beijing.
Eligibility	Any AIIB member can submit a proposal for funding, including members beyond Asia if the project delivers a clear benefit to the region.
Focus areas	AIIB has four thematic priorities: green infrastructure, connectivity and regional co-operation, technology-enabled infrastructure, and private capital mobilisation.
Financing	Sovereign and non-sovereign loans, guarantees and equity investments.
Applying	Applications for funding may be submitted through AIIB's Project Financing Application Portal, available at: www.aiib.org/en/projects/apply/index.html
Key dates	Any time. Applications for financing are acknowledged within 5 working days and responded to formally within 30 working days.
Contact	Asian Infrastructure Investment Bank (AIIB) Tower A, Asia Financial Center No.1 Tianchen East Road Chaoyang District Beijing 100101 +86-10-8358-0000 Email: information@aiib.org
Additional	See: www.aiib.org/en

Regional development banks

Regional development banks are similar to MDBs but operate regionally. They include the African Development Bank (AfDB), Asian Development Bank (ADB) (grants, loans, technical assistance), Caribbean Development Bank, Development Bank of Southern Africa, European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), and the European Investment Bank (EIB).[31]

European Investment Bank (EIB)

Intended for	Public and private sector clients of all sizes.
Background	The European Investment Bank is the lending arm of the European Union. It is the biggest multilateral financial institution in the world and one of the largest providers of climate finance.
Eligibility	All projects must be bankable and comply with high technical, environmental and social standards.
Focus areas	it supports projects that make a significant contribution to growth, employment, regional cohesion and environmental sustainability, in Europe and beyond, and promote the priorities and objectives of the European Union. It includes a focus on climate and environmental sustainability, development, infrastructure and SMEs.
Financing	Loans (from 4 to 20 years), equity, guarantees and advisory services.
Applying	See: www.eib.org/en/publications/application-document-for-an-eib-loan.htm
Key dates	Not specified.
Contact	Enquiries regarding the financing facilities, activity, organisation and objectives of the EIB: Information Desk Contact form: www.eib.org/en/contact-form/index.htm +352 4379-22000
Additional	The EIB does not provide grants or venture capital.

Bilateral DFIs

Bilateral DFIs operate between donor and recipient countries. They include British International Investment (BII), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO), and FMO Massif, German Investment and Development Company/Deutsche Investitions- und Entwicklungsgesellschaft (DEG), Proparco, the US International Development Finance Corporation (DFC), and the Multilateral Investment Guarantee Agency (MIGA).

Green banks

Green Banks facilitate private investment into domestic low-carbon, climate-resilient infrastructure. The Green Bank Network connects leaders in clean energy finance, shares best practices and supports investment in clean energy solutions. For example, members include the Australia Clean Energy Finance Corporation and the Malaysian Green Technology and Climate Change Centre, etc.

31 The EIB also invests outside Europe.

3.3 Commercial financial institutions

Commercial financial institutions include asset owners, institutional and commercial investors, and commercial and investment banks. For example:

- pension funds invest pension payments from policy holders to pay future retirement benefits;
- insurance companies invest premium payments from policy holders to provide funding for future claims;
- sovereign wealth funds (SWFs) invest a country's wealth derived primarily from trade surpluses and commodity revenue (note that a SWF may have some non-commercial objectives);
- commercial banks lend to small and large businesses; and
- investment banks invest in and/or arranges large transactions for institutional clients, for example, BNP Paribas, Citigroup, Deutsche Bank Group, HSBC, J P Morgan, Mitsubishi UFJ Financial Group, Rabobank, Société Générale, Standard Chartered Bank and Sumitomo Mitsui Banking Cooperation.

Investment/asset managers, private equity and venture capital

These are asset and wealth managers that invest institutional and retail capital in a range of investments, and private equity firms that invest institutional and their own capital into private companies. These include companies like Accel Partners, Actis, Astarte, BlackRock, Climate Fund Managers, the Global Private Capital Association, the Lightsmith Group and Meridiam.

3.4 Other actors

Development agencies

Development agencies generally have their own allocated government funding, but also play a key role in facilitating project development and implementation. They include, for example, the Agence Française de Développement (AFD), the German Federal Ministry for Economic Cooperation and Development (BMZ), and the UK's Foreign, Commonwealth and Development Office (FCDO).

Philanthropic foundations and non-government organisations

There are also philanthropic foundations and other non-governmental organisations that provide grants for clean energy and infrastructure, for example, Bloomberg Philanthropies and Conservation International.

Impact investors/funds

Impact investors and funds make investments that provide environmental and social benefits in addition to a financial return, such as Acumen and responsAbility Investments AG.

Export credit agencies

Export credit agencies from one country, support the export of goods and services from that country to importing countries through loans, credit insurance and guarantees.[32] Export credit agencies can lower financing costs and reduce the perceived risk of a project, increasing the likelihood of involvement from importing country lenders and capital exports to the project/host country.

Project support/facilitators

Project support can be sought from funds directly like the GCF and its GCF Project Preparation Facility[33] and Readiness Programme, the GEF through its Country Support Program,[34] ADB's Asia Pacific Project Preparation Facility[35] and general project preparatory technical assistance,[36] and

32 As concessional financing may affect competition and international trade, OECD member countries signed the 'Arrangement on Guidelines for Officially Supported Credit', the so-called OECD Consensus. It governs restrictions for lending, that is, the limit for export credits to no more than 85 per cent of the contract value. Also, interest rates must not fall below the OECD interest rate schedules.

33 www.greenclimate.fund/projects/ppf

34 www.thegef.org/what-we-do/topics/country-support-program

35 https://ap3f.adb.org

36 www.adb.org/what-we-do/public-sector-financing/project-cycle

general project preparation support from the African Development Bank[37] and the Development Bank of South Africa.[38] Project support can also come directly from governments like the Icelandic government, for example.

Project facilitators include the Commonwealth's Climate Finance Access Hub (CFAH), the Rocky Mountain Institute and the Global Green Growth Institute's Climate Finance Access Network. Further options include the Private Finance Advisory Network (PFAN),[39] International Renewable Energy Agency (IRENA)'s project facilitation through the Energy Transition Accelerator Financing (ETAF) Platform, the Climate Investment Platform (CIP), the Renewable Potential Assessment,[40] GET.invest and the Global Innovation Lab for Climate Finance.[41]

37 www.afdb.org/en/projects-and-operations/projectcycle/project-preparation

38 www.dbsa.org/solutions/project-preparation

39 PFAN accepts applications for projects and scale-up businesses in low- and middle-income countries in sub-Saharan Africa, South Asia, Southeast Asia, Pacific Islands, Eastern Europe and Central Asia, Central America and Caribbean Islands that provide climate change adaptation benefits, or offer or use clean energy technologies, products or services. See: https://pfan.net/news/call-for-climate-and-clean-energy-projects-next-deadline-26-february-2023/

40 www.irena.org/Energy-Transition/Project-Facilitation

41 The Global Innovation Lab for Climate Finance brings public and private sector representatives together in a dialogue to enable a shared understanding of goals and perspectives and to work together to identify barriers and solutions to mobilising investment. It moves quickly from talking to action, by accelerating promising climate finance proposals so that they are ready to implement. By developing these project-ready solutions, it complements and feeds-in to existing processes such as the UNFCCC, NDC commitments, the Green Climate Fund, climate disclosure and impact investment efforts. See: www.climatefinancelab.org

4. Key requirements, success factors and common pitfalls

There follows some of the key requirements and success factors, and common pitfalls for applicants to avoid, when developing a compliant clean energy finance application. Two case studies of project applications are then provided in Chapter 5.

4.1 Key requirements

For a clean energy project to obtain finance, there are some general key requirements for applicants to follow to ensure that the application has the best chance of being successful.

A country will generally have some sort of overriding national development plan, a Nationally Determined Contribution addressing the Paris Agreement, and key energy and climate policies, along with investment road maps that outline the priorities of the country with respect to clean energy. It may also have project pipelines that have already been developed, for example, as part of a GCF country programme.

In identifying a suitable project idea, the project should meet a genuine need of the country, based on stakeholder consultation, and must align with these national priorities and the focus areas and objectives of the financing/funding organisation, rather than simply being a speculative proposal to meet the finance mobilisation targets of a development partner organisation.

Once a suitable fundable/financeable project idea has been determined, the applicant should develop a business plan that sets out the investment case to demonstrate financial viability and attract partners and investors, if and where required. They should seek and leverage financing from the public or private sector, or both – for example, commercial and development banks. Partners and investors will have different risk reward profiles, so technical and commercial parameters, assignment of risks, and an appropriate financial structure will need to be negotiated and agreed, as well as a financial model developed to obtain additional finance and support.

Applicants should identify clean energy financing/funding opportunities, and seek published guides and other resources, if available, on how to apply for these funds, using applications from previous successful projects as a guide.

Funds and development financial institutions usually have predefined application processes, so applicants should determine the eligibility requirements, guidelines, instructions and deadlines for submitting a proposal and ensure that the funding organisation's rules are followed exactly. They may also have project preparatory support programmes to assist in developing a project through technical assistance grants.

Generally, funds require some sort of project identification note or concept note that provides the key information, project description and rationale, project activities, key personnel and organisational capability, stakeholder consultation, beneficiaries, timeline, costs and budget, risk assessment, approach, methodology, monitoring and evaluation, environmental and social safeguards, gender and social inclusion analysis, and an overview and theory of change for the project.

For the GCF, for example, a concept note is only optional, but it is a good idea for applicants to provide one in practice, to outline the project details, as a way of receiving feedback on the project idea and to attract partners/investors to the project if they are not already involved, before completing the full funding proposal.

Funds like the GCF require an accredited entity to be part of the project to ensure that the financing will be well managed, and an authorisation by the host country to ensure the project aligns with the country's national priorities.

A full funding proposal will require a feasibility study and financial analysis to be completed. An exit strategy should also be developed to ensure the sustainability of the project's benefits after the project is complete.

4.2 Success factors

To maximise the possibility of a successful application for finance for a clean energy project, the following success factors should be considered.

A country should have in place, a strong enabling environment that sets out clear energy and development policies to demonstrate its needs and priorities. This should include a clear pipeline of bankable projects that is made widely available for easy access by project developers and investors. Projects can be scaled or bundled to sufficient size where possible to keep transaction costs low. Beyond a project-by-project approach, if a country takes an investment planning approach at a system level that includes its NDCs and long-term low emission development strategies (LT-LEDS) it may be that financing can be obtained for a suite of energy sector investments.

If governments ensure there is a strong regulatory, tax and general business environment, this will give confidence to investors, lower perceived and actual risks, and lower the cost of capital. This should be supported by the country ensuring there is sufficient technical and institutional capacity to support this investment environment and design, and to seek financing for and implement clean energy projects.

Where there is insufficient technical capacity, support should be sought from project facilitators like CFAH, the Climate Finance Access Network (CFAN), PFAN, GET.invest etc., who can assist with project formulation, submitting applications and obtaining finance. Assistance and support should also be sought directly from the fund or focal point for the fund, e.g., the NDA and the GCF, that the finance is being sought from.

Ensuring good local stakeholder engagement and relationships between the public and private sectors is critical to collaborating to develop successful projects, ensuring a complete sense of ownership of the project by the country and strong alignment with national goals, the SDGs and the Paris Agreement.

4.3 Common pitfalls

Accessing finance for clean energy projects is very challenging. Developing bankable projects is about minimising and mitigating the risks sufficiently to attract finance and/or investors.[42] The higher the risks, the higher the cost of capital. Some common pitfalls for applicants include the ones summarised below.

Capacity

- Not having sufficient technical expertise and institutional capacity.
- Not having sufficient experience or understanding of the complex process for accessing finance.

Data/information

- Not having sufficient data or affordable and accessible data to demonstrate the reasoning behind the rationale for the project – for example, the GCF climate rationale.
- Not undertaking a good feasibility study.

Financial

- Not clearly defining the financial structure of the project. For example, does it meet the co-financing threshold for the fund? Or how will the project be sustainable if it relies on grant funding (E Co. 2021)?
- Not undertaking a good financial analysis.
- The country's financial sector does not having sufficient knowledge of clean energy opportunities.
- Not providing a traditional business case/ financial return on investment.

Consultation/engagement

- Not ensuring sufficient involvement with the private sector or partnerships between the public and private sectors.

42 That is, political, policy and social risks, technical and physical risks, market and commercial risks, and outcome risks, country, business/project, foreign exchange, etc.

Project design

- Designing projects using unproven technologies or technologies that are perceived as being unproven and high risk.
- Designing projects in new or non-traditional markets.
- Designing projects that are too small, lacking scale and perceived as offering insufficient return on investments.
- Failing to ensure the project does not duplicate or overlap with other projects.
- Not understanding that seeking funding from a large multilateral fund is likely to be a lengthy process, requiring comprehensive and frequent reporting.
- Not clearly defining the project components and activities.

5. Case studies

5.1 Agrophotovoltaic Project in Ovalau, Fiji

Project description

A small project was designed using innovative agrophotovoltaic technology and battery storage under the GCF's simplified approval process (SAP). The project also included technical assistance and a project financing facility. These aspects combined with the co-benefits of agricultural production demonstrated the broad benefits of the project and justified the need for external financing support. The project was strongly supported by the Government of Fiji. It also received technical assistance from an international organisation to undertake feasibility studies, and environmental and gender assessments, as well support from the country's only direct access financial institution.

Financing structure

The project's finance was structured as a senior loan from the GCF of US$3.9 million and a GCF grant of US$1.1 million, with a 1.0 co-financing ratio from the Fiji Development Bank for a senior loan of US$1 million. There was also an in-kind contribution of US$4 million from the Korea International Cooperation Agency. Of this, $US8.9 million was allocated for component 1. Strengthening national and community capacity on low-carbon generation and microgrid stabilisation; while US$1.05 million was for component 2. Technical assistance – strengthened adaptive capacity and reduced exposure to climate risks of women, men and at-risk communities. A further US$50,000 was allocated for project management costs.

Application process

The project was kept at US$10 million to be eligible for the GCF's SAP, making the application process less burdensome with respect to paperwork and amount of information needed to be provided to the GCF.

Outcome

The project concept note was accepted and approved by the GCF, as was the subsequent full funding proposal. Four more similar projects in Fiji are planned by the project developer, Ovalau APV (Tabureguci 2022).

Lessons learned

Aspects critical to ensuring a successful project included seeking support from an international organisation, using a local accredited entity and a suitable technology, and emphasising the co-benefits of the project.

5.2 Solar Photovoltaic Plant and Battery Energy Storage System

Project description

The project is a public–private partnership. It comprises solar photovoltaic plants (5MWp) with a battery energy storage system (BESS) (11.5MW/6.75 MWh), owned by the Government, and operated and maintained by a private sector utility under its concession agreement. The BESS will stabilise the grid integration of the PV plants and enhance the climate resilience of the power system. The project will double the renewable energy supplied to the grid, decrease diesel fuel consumption, improve the reliability of electricity supply, and lower the price of electricity for customers.

Financing structure

Own resources/in-kind support (15 per cent co-financing ratio) for land, transmission and distribution line infrastructure, along with a SCADA (supervisory control and data acquisition) system to establish the project and an 85 per cent grant for BESS and solar PV.

Application process

The host country had GCF support, including in the development of a concept note.

Outcome

At the time of writing, at concept note stage, seeking accredited entity support to develop the full proposal.

Lessons learned

It was hoped that a grant would be given for the entire project. However, as the solar PV project would produce energy and therefore revenue, the funding organisation considered that a loan or at least a partial loan should be sought. This could be serviced by the revenue resulting from the energy sold. Otherwise, the resulting savings in avoided use of diesel fuel should be directed towards energy access in off-grid areas.

Due to this situation, there were difficulties in demonstrating that the project would be sustainable without additional grants, and disagreements regarding where the revenue should be redirected. It is important to ensure these things are given sufficient consideration during project design and that no assumptions are made regarding the awarding of grants in these types of projects. Early enquiries to the funding organisation may have ensured that some of these issues were resolved prior to completing the project concept note and its official submission.

References

BloombergNEF (BNEF), (2022), *New Energy Outlook 2022*, available at: https://about.bnef.com/new-energy-outlook/

Buchner, B, B Naran, P Fernandes, R Padmanabhi, P Rosane, P Solomon, S Stout, C Strinati, R Tolentino, G Wakaba, Y Zhu, C Meattle and S Guzmán (2021), *Global Landscape of Climate Finance 2021*, Climate Policy Initiative, available at: https://www.climatepolicyinitiative.org/wp-content/uploads/2021/10/Full-report-Global-Landscape-of-Climate-Finance-2021.pdf

Carter, L (2020), *The Ecosystem of Private Investment in Climate Action*, Invest4Climate Knowledge Series, United Nations Development Programme (UNDP), New York, NY, available at: https://www.undp.org/publications/ecosystem-private-investment-climate-action

Chen, J, and C Huber (2017), *Directory of Climate Finance Sources in the Republic of Vanuatu*, 3rd Edition, Secretariat of the National Advisory Board on Climate Change and Disaster Risk Reduction, November, available at: https://www.nab.vu/sites/default/files/documents/Directory of Climate Finance Sources v.3.pdf

Cooke, I (2021), *Nationally Determined Implementation Plan: Financing Strategy Report*, Government of Ghana, Ministry of Environment, Science, Technology and Innovation, November, available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/gh/UNDP_Gh-Ghana_NDC_Financing_Strategy.pdf

Convergence (2018), *'Who is the Private Sector? Key Considerations for Mobilizing Institutional Capital Through Blended Finance'*, Blended Finance Taskforce, Business & Sustainable Development Commission, available at: https://www.convergence.finance/resource/who-is-the-private-sector-key-considerations-for-mobilizing-institutional-capital-through-blended-finance/view

Convergence (2021), *State of Blended Finance 2021*, available at: https://www.convergence.finance/resource/the-state-of-blended-finance-2021/view

Convergence (2022), *State of Blended Finance 2022: Climate Edition*, available at: https://www.convergence.finance/resource/state-of-blended-finance-2022/view

E Co. (2021), 'Navigating Green Climate Fund proposal feedback: Insights from project developers & other stakeholders', an independent E Co. study, GCF Insight #18, available at: https://www.ecoltdgroup.com/gcf-insight-18-navigating-green-climate-fund-proposal-feedback/

E Co. (2022a), Climate Finance Access Network (CFAN) Training Materials.

E Co. (2022b), 'Enhancing private sector investment in tackling climate change through the Green Climate Fund', GCF Insight #21, available at: https://www.ecoltdgroup.com/gcf-insight-report-21/

Ellis, C and K Pillay (2017), 'Understanding "bankability" and unlocking climate finance for climate compatible development', Working Paper, Climate and Development Knowledge Network (CDKN), available at: https://cdkn.org/sites/default/files/files/CDKN_unlocking-climate-finance.pdf

Global Environment Facility (2017), *Introduction to Green Finance presentation*, available at: https://www.thegef.org/sites/default/files/events/Introduction%20to%20Green%20Finance.pdf

International Energy Agency (IEA) (2021), *Financing Clean Energy Transitions in Emerging and Developing Economies*, available at: https://iea.blob.core.windows.net/assets/6756ccd2-0772-4ffd-85e4-b73428ff9c72/FinancingCleanEnergyTransitionsinEMDEs_WorldEnergyInvestment2021SpecialReport.pdf

International Energy Agency (IEA) (2022), *World Energy Outlook 2022*, available at: https://www.iea.org/reports/world-energy-outlook-2022

Tabureguci, D (2022), Ovalau Agro PV Project A Model For Fiji: Developer Eyes SIDS, Islands Business, December, available at: https://islandsbusiness.com/2022/islands-business-december-2022/

UN Environment Programme (UNEP) (2014), *Demystifying Private Climate Finance*, available at: https://www.unepfi.org/fileadmin/documents/DemystifyingPrivateClimateFinance.pdf

UN Framework Convention on Climate Change (UNFCCC) (2016), *Bilateral and Multilateral Funding*, available at: https://unfccc.int/topics/climate-finance/resources/multilateral-and-bilateral-funding-sources

Annex: List of relevant funds, financial institutions, facilitators

There follows a comprehensive list of relevant financial institutions with embedded links to the relevant webpages and other relevant information including templates, forms etc to support the development of a funding proposal.

Multilateral funds
Beyond the Grid Fund for Africa (BGFA)
Caribbean Climate Smart Fund (CCSF)
Climate Investment Funds
• Clean Technology Fund
o Accelerating Coal Transition (ACT) investment program
• Global Energy Storage Program
• Industry Decarbonization Program
• Strategic Climate Fund
o Forest Investment Program
o Nature, People and Climate Program
o Pilot Program for Climate Resilience
o Renewable Energy Integration Program
o Scaling Up Renewable Energy Program in Low Income Countries
o Smart Cities Program
• Technical Assistance Facility
ECOWAS Renewable Energy Facility 2030 (EREF)
Emerging Africa Infrastructure Fund (EAIF)
Environmental Investment Fund of Namibia
Green Climate Fund
• Private Sector Facility
• Simplified Approval Process
o Global Climate Change Plus Initiative
Global Climate Partnership Fund
Global Environment Facility
• Least Developed Countries Fund (LDCF)
• Small Grants Programme
• Special Climate Change Fund
Global Energy Efficiency and Renewable Energy Fund[43]

43 https://climatefundsupdate.org/the-funds/global-energy-efficiency-and-renewable-energy-fund/

- Guarantco
- India-UN Fund
- **Internationale Klimaschutzinitiative (IKI)**
  - IKI Small Grants Programme
  - Southern African Renewable Energy Investment & Growth Programme (SOARING)
- NAMA Facility
- Renewable Energy Performance Platform
- Scaling Climate Action by Lowering Emissions (SCALE)
- Seed Capital Assistance Facility
- Silk Road Fund
- **Nordic Development Fund**
  - Nordic Climate Facility
- IRENA & the ADFD Energy Transition Accelerator Financing (ETAF) Platform
- Sustainable Energy for All
  - Universal Energy Facility
    - Mini-grids
    - Standalone Solar for Productive Use
- US-India Clean Energy Finance

Multilateral development banks

- Asian Infrastructure Investment Bank (AIIB)
- International Fund for Agricultural Development (IFAD)
- International Investment Bank (IIB)
- Islamic Development Bank (IsDB)
- New Development Bank (NDB)
- OPEC Fund for International Development (OFID)

World Bank Group

- Energy Sector Management Assistance Program
- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)
- International Finance Corporation (IFC)
- Carbon Initiative for Development
- IFC IDA Private Sector Windo
- Multilateral Investment Guarantee Agency (MIGA)

Regional development banks

- African Development Bank (AfDB)
  - Africa Climate Change Fund
  - Green Bond Program
  - Sustainable Energy Fund for Africa
- Asian Development Bank (ADB)
  - ADB Clean Energy Fund
  - Asian Clean Energy Fund
  - Asia-Pacific Climate Finance Fund

- Asia Pacific Project Preparation Facility
- Canadian Climate Fund for the Private Sector in Asia II
- Clean Energy Financing Partnership Facility
- Climate Change Fund
- Global Climate Partnership Fund (GCPF)
- Japan Fund for the Joint Crediting Mechanism

Caribbean Development Bank

European Bank for Reconstruction and Development (EBRD)

European Investment Bank (EIB)

Inter-American Development Bank (IDB)

- Canadian Climate Fund for the Private Sector in the Americas Phase I & II (C2F)
- IDB Invest
- Multilateral Investment Fund (MIF)

Bilateral DFIs

AECID (Spanish Agency for International Development Cooperation) (Spain)

Agence Française de Développement (AFD) (France)

Australian Infrastructure Financing Facility for the Pacific (Australia)

Belgian Investment Company for Developing countries (BIO) (Belgium)

British International Investment (BII) (United Kingdom)

Cassa Depositi e Prestiti (CDP) and SIMEST (Italy)

Cofides (Spain)

Development and Investment Bank of Turkey (TKYB) (Turkey)

Development Bank of Southern Africa (DBSA)

European Development Finance Institutions (EDFI)

- EDFI Electrification Financing Initiative

finnfund (Finland)

Foreign, Commonwealth & Development Office (UK)

Japan International Cooperation Agency (JICA) (Japan)

Korean Development Bank (KDB) (Republic of Korea)

Industrial Development Bank of Turkey (TSKB) (Turkey)

Industrial Development Corporation (IDC) of South Africa

Investment Fund for Developing Countries (IFU) (Denmark)

KfW Development Bank (Germany)

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)

- Access to Energy Fund
- Dutch Fund for Climate and Development

Norwegian Investment Fund for developing countries (Norfund) (Norway)

- Energy and Environment Partnership Trust Fund (EEP Africa)

OeEB Development Bank of Austria (Austria)

Private Infrastructure Development Group (PIDG)

- InfraCo Africa

Saudi Fund for Development

Saudi Industrial Development Fund
SOFID
Swedfund (Sweden)
Swiss Investment Fund for Emerging Markets (SIFEM) (Switzerland)
US International Development Finance Corporation (DFC) (United States)
Project facilitators
Climate Finance Access Network (CFAN)
Commonwealth Climate Finance Access Hub (CCFAH)
Energy4Impact
GET.invest
Renewable Energy and Energy Efficiency Partnership
• Private Finance Advisory Network (PFAN)
Green banks
Green Bank Network
• Australia Clean Energy Finance Corporation (CEFC)
• India Tata Cleantech Capital Limited (TCCL)
• Malaysian Green Technology & Climate Change Centre
• New Zealand Green Investment Finance (NZGIF)
Nordic Environment Finance Corporation (Nefco)
Rwanda Green Fund
• Rwanda Green Investment Facility
Export credit agencies
Bancomext (Banco Nacional de Comercio Exterior)
Banco de Inversión y Comercio Exterior (BICE)
Caribbean Export Development Agency
China Export & Credit Insurance Corporation (SINOSURE)
Export Credit and Investment Insurance Agency of Russia (EXIAR)
Export Credit Insurance Corporation (ECIC) of South Africa
Export Development Canada (EDC)
Export Finance Australia (EFA)
Export-Import Bank of China
Export-Import Bank of India (India Exim Bank)
Export-Import Bank of Korea (Korea Eximbank)
Export-Import Bank of Malaysia Berhad (EXIM Bank)
Export-Import Bank of the United States (EXIM)
Indonesia Exim Bank
Japan Bank for International Cooperation (JBIC)
Korea Trade Insurance Corporation (K-Sure)
Nippon Export and Investment Insurance (NEXI)
Servizi Assicurativi del Commercio Estero (SACE)
UK Export Finance
Sovereign wealth funds
Public Investment Fund (PIF) of Saudi Arabia

Commercial investors / international banks / financial institutions
BNP Paribas
Citigroup
Deutsche Bank Group
HSBC
J P Morgan
Mitsubishi UFJ Financial Group
Rabobank
Société Générale
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Investment/asset managers/private equity/venture capital
Accel
Actis
Astarte Capital Partners
BlackRock
Climate Fund Managers
Global Private Capital Association
Lightsmith Group, The
Meridiam
Impact funds
Absa Bank Limited
Acumen
Builders Vision
Calvert Impact Capital
Ceniarth LLC
Oikocredit
responsAbility Investments AG
Sunfunder Inc.
Philanthropic funds and non-governmental organisations
Bloomberg Philanthropies
Conservation International
Engineers Without Borders Canada
Global Partnerships
Good Energies Foundation
Grantham Foundation
Hewlett Foundation, The William and Flora
Kresge Foundation, The
MacArthur Foundation, The John D. and Catherine T.
McKnight Foundation
Moore Foundation, Gordon and Betty
Omidyar Network
Packard Foundation, The David and Lucile

Rockefeller Foundation, The
Sea Change Foundation[44]
Shell Foundation

44 The Sea Change Foundation is currently focused exclusively on climate mitigation and clean energy initiatives

Commonwealth Secretariat
Marlborough House, Pall Mall
London SW1Y 5HX
United Kingdom

thecommonwealth.org

The Commonwealth

D19238