



PFAN

Accelerating Investment
for Climate and Clean Energy

Project Development and Financing Initiative

Sub-Saharan Africa and Asia

Open Request for Proposals



FUNDING PARTNERS



Australian Government

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HOSTING ARRANGEMENT

PFAN is hosted by the United Nations Industrial Development Organization (UNIDO) in collaboration with the Renewable Energy and Energy Efficiency Partnership (REEEP).



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1 Introduction

The PFAN Project Development and Financing Initiative (PDFI) is implemented by the Private Financing Advisory Network (PFAN), which is hosted by the United Nations Industrial Development Organization (UNIDO) and the Renewable Energy and Energy Efficiency Partnership (REEEP). PFAN seeks to nurture entrepreneurs, start-ups and existing companies, project teams and consortia with promising proposals for climate change adaptation and clean energy projects, with the aim of linking them with investment and seeing through the implementation of these projects.

All proposals received are evaluated by experts. The projects chosen for induction into the PFAN Project Development Pipeline receive no-cost coaching by professional consultants to create a financially viable and socially and environmentally sustainable business plan. This business plan becomes a key tool for unlocking investment. After the initial coaching process, selected high performing projects will receive further mentoring and financing facilitation assistance. Developers of particularly promising projects are invited to present their business plans directly to selected investors at an Investment Forum. Less mature projects will be inducted into the long-term development stream of the PFAN Pipeline and receive long-term coaching to prepare them for future Investment Forums and other financing facilitation opportunities. One of these opportunities is inclusion in a bundle of projects to be offered to wholesale capital market investors, as part of PFAN's new portfolio approach.

At PFAN Investment Forums, project developers get the opportunity to present their business plans directly to invited investors to source the financing that they seek. In addition, a panel of judges, made up of investors, industry specialists and



business executives with a keen interest in helping clean energy and adaptation projects to succeed, select the best business plan for the PFAN Award. Through this process, PFAN connects promising entrepreneurs with exciting ideas to investors.

2 Background

The primary obstacles to large-scale deployment of low carbon, climate resilient technologies are access to finance and a limited pipeline of bankable projects.

The Private Financing Advisory Network (PFAN) aims to bridge the gap between investors and entrepreneurs. PFAN is one of few actors in the climate finance space addressing the barriers for Small and Medium Enterprises (SME) in developing countries and emerging economies – shortage of bankable projects on the demand side and ability to assess risk and conservative lending culture on the supply side.

PFAN originates projects and funding from the private sector; screens business plans for investment readiness and financeability; selects projects that are economically viable, as well as environmentally and socially beneficial; provides technical assistance to support project development and facilitate finance; builds the capacity of project developers and financiers; and provides access to clean energy businesses and financial institutions through the PFAN network. PFAN also provides feedback to policy makers on constraints encountered and opportunities with respect to the enabling environment.

3 Application Guidelines

Eligibility

This call for proposals is open to projects to be implemented in low- and middle-income countries in Sub-Saharan Africa and Asia. The list of eligible countries is provided in Annex 1.

Focus of the Request for Proposal

The project / business must promote or use clean energy and / or climate technologies, products or services, including, but not limited to the following technology areas:

- | Biomass
- | Biogas
- | Bio-fuels
- | Solar
- | Wind
- | Hydropower
- | Tidal / Ocean
- | Energy Products from Forestry
- | Rural Electrification & Energy Access
- | Ecosystem Services
- | Urban & Peri-Urban Development
- | Distributed & Off-grid Generation
- | Energy Storage & Conservation
- | Energy Efficiency and Demand Reduction
- | Waste to Energy
- | Emissions Reduction
- | Clean Transport
- | Climate Change Adaptation
- | Agriculture and agribusinesses
- | Productive use of Clean Energy
- | Tourism
- | Water & Sanitation

Investment Amount

In principle, applicants should be seeking total investment in excess of US\$1 million, and up to US\$50 million.

However, in case of energy access / rural electrification (e.g. clean cook stoves, solar home systems, mini-grids) and climate change adaptation projects, the investment sought can be less, starting at US\$500,000.



While the investment may be requested or offered in tranches of less than \$1 million (\$500,000 for adaptation projects), the total amount should be in excess of \$1 million (\$500,000 for adaptation projects and energy access projects).

The investment amount is not an absolute selection criterion, but will be taken into consideration in the context of the perceived investment attractiveness as well as the development aspects of the project.

Acceptable Proposals

Proposals eligible for the initiative may include, but are not limited to:

- Projects and businesses which deploy clean and renewable energy and / or climate change technologies for productive uses;
- Greenfield & brownfield utility projects, independent power producer and distributed generation projects (for both thermal and electrical energy);
- Existing projects which are operating at low or pilot scale and which are ready for scale-up;
- Projects which increase access to energy for remote communities including rural electrification, off-grid and mini-grid projects, thermal energy and clean cooking solutions;
- New or expanding business ventures in clean energy and related technologies, including downstream projects (focused on deployment of existing technologies) and upstream projects (focused on development and commercialization of a new clean technology);
- Merger, acquisition or joint venture, which will add value to an existing / current clean energy / technology business.



Proposals must demonstrate that the project is commercially and technically viable with zero or only minimal grant funding required.

We advise applicants to structure their proposals taking into consideration the selection and scoring criteria as provided in Section 3, and to follow the Project Proposal Guidelines for the Project Development and Financing Initiative.

Proprietary Information and Confidentiality

The organizers respect the confidentiality of all participants' business concepts and plans. Business concepts, overviews and plans will not be copied for any purposes other than use in the Initiative. The evaluators and judges also recognize the sensitivity of the materials being presented and undertake that they are bound by the same considerations of confidentiality.

Companies may choose to include the following optional disclaimer on the cover sheet of their submissions, recognizing that it is not a legally binding agreement:

“This business plan is confidential and is presented solely for the purpose of evaluation in the PFAN Project Development and Financing Initiative on Climate and Clean Energy Financing. This plan may not be reproduced or redistributed in whole or in part. By accepting a copy of this plan, the recipient agrees not to reproduce or disclose the contents of this plan to third parties without the prior written consent of its authors. “

While the organizers appreciate concerns around confidentiality, as a matter of convention and practicality, confidentiality agreements cannot be signed as part of the Initiative / in the



name of PFAN. Once accepted into the programme, project developers may request confidentiality agreements to be signed with their assigned PFAN Coach to facilitate communication and the development work.

Submission of Applications and Supporting Material

All submissions are to be made online through PFAN's Climate-Invest Management System. Applications sent via e-mail will not be considered.

In order to be considered, please complete the following 3 steps:

1. Registration through the online PFAN Climate-Invest Management System
2. Completion of the online Application Form in the PFAN Climate-Invest Management System
3. Submission of a Project Proposal and supporting documents through the online PFAN Climate-Invest Management System.

These 3 steps are described in more detail in the following sections.

Online Registration

To initiate the submission process, you are required to access the Climate-Invest registration page linked to below, fill out the necessary information and activate your user account. User accounts must be authorized by PFAN before applications can be submitted. This can take up to 2 working days (but is usually quicker). Once your registration is confirmed, you can submit an application. The user account remains active and can be used for future calls also.

Registration: https://climate-invest.fluxx.io/apply/pfan_registration



Online Application

The online application form requests important summary details about your project, and is used to confirm eligibility, for an initial evaluation of the project as well as for collecting useful indicator data on the project's impact. **Please note that the data on impact are not assessment criteria and do not affect your project's chance of selection.** The data are however important for PFAN's own reporting and monitoring. Accordingly, the form should be filled in as carefully and accurately as possible; please do not inflate figures as lack of internal consistency may only serve to undermine your project's credibility.

Many of the fields are compulsory and blank returns are not accepted by the system. Please provide estimates where hard data is not available. You will be able to update and corroborate these data during the programme.

The application form can be saved and updated / modified until it is ready for submission. You can continue to create applications in the system and submit at any time up to the deadline. However, an application can only be submitted once your registration has been accepted by PFAN – this can take up to two working days (see above).

Project Proposal

The Project Proposal is a free form text introduction and description of the project and the financing request, which is uploaded to the Climate-Invest Management System. The Proposal should provide enough detail to form a clear idea of the project rationale, project structure and management, investment ask and returns, risks as well as the climate benefits and any developmental, social and gender impacts. This is the most



important document of the application and will be the basis of the evaluation, assuming the project is eligible.

PFAN Project Proposal Guidelines for preparation of the initial project proposal can be downloaded from the following:

http://pfan.net/resource_document/checklist-for-preparation-of-project-proposals-business-plans/

[Applicants are advised to pay careful attention to the evaluation criteria outlined in Section 3 below.](#)

Please note the Project Proposal document to be uploaded should be in **MS Word format**, and should not exceed 20 pages including the cover page, contents, charts, and tables. **Shorter documents are preferable to longer ones.** Page setup, spacing, font size and typeface are at your discretion but the document should be reader friendly.

A **maximum of 3 annexes** may be used to provide additional information, provided that these do not exceed a further 10 pages of information or the combined data volume limit. One of these annexes should be a cash flow model to be provided in MS Excel Format.

The total data volume of all files submitted to PFAN should not exceed 20 MB. PFAN reserves the right to not evaluate any proposals which exceed the data limit or the page limit.

The submission of applications can be made at any time via <https://climate-invest.fluxx.io/>

Information from the proposal document must be in line with the application form.



Participants selected to advance into the next round will be notified in due course depending on the evaluation cycle, ranging from 3 to 6 months. Immediately following this notification, organizers will work with the selected participants to arrange the agreed coaching support for the next stage of the Initiative.

PFAN will maintain this request for proposals open for submission of projects throughout the year but we encourage applicants to submit their proposals at the earliest time possible to increase the chance to be showcased in the next Financing Forum.

For additional questions regarding registration and applications, please approach application@pfan.net.

Disclaimer: PFAN is using Climate-Invest, a grant management portal to manage the PFAN project pipeline. However, PFAN does not provide any form of grant and offers technical assistance only.

4 Evaluation Criteria

Evaluation of Project Proposals

All project applications will be screened against a set of criteria that are designed to estimate the quality and commercial / economic maturity of the business proposal, as well as its environmental and social impact. The strongest contenders will be inducted to PFAN's development pipeline for receiving PFAN support and advice to further refine, structure, and design their business plans and investment proposals and facilitate investment (see sections 5 & 6 below). The initial assessment evaluates proposals based on their overall potential and likelihood of successfully raising finance, while factors related to

readiness play a lesser role at this stage. Particular attention will be paid to identifying proposals that exhibit strong management teams, technical feasibility, and a robust, proven business model.

Project Proposal evaluators adhere to the following evaluation criteria and weighting while reviewing each proposal submitted.

Table 1: Evaluation Criteria for Project Submission (full details in Annex 2)

N	Assessment Criteria	Weighting
1	Value Proposition & Business Model	15%
2	Market Understanding and Analysis	15%
3	Management Team	20%
4	Operations & Implementation Plan	10%
5	Financials	10%
6	Risk Mitigation	10%
7	Gender Benefits, Environmental & Social Benefits	10%
8	Professionalism and Presentation of the	5%
9	Maturity	5%
	Total	100%

The evaluation's primary focus is the business model and team's ability to deliver. It is important to note that indicators / baseline data for impact gathered in the application form are used as a reference throughout the coaching cycle to track over time; it is strongly discouraged to inflate numbers as evaluators do not weigh evaluation outcomes based on these numbers alone and lack of internal consistency may only serve to undermine your project's credibility. The detailed evaluation criteria under each section above are highlighted in more detail in Annex 2 below.

5 Project Selection & Streaming – Coaching & Investment Facilitation

Upon evaluation, each qualified project is placed into one of four different streams, according to its perceived maturity and the extent of support and development it requires:

Stream	Characteristics	Indicative Evaluation Range
Investment Facilitation Stream	Projects with a clear and viable investment structure, which are well developed and documented and mature enough to be introduced to investors almost immediately with only minimal further development and refinement required.	> 75-80
Investment Forum Stream	Projects which are well prepared and structured, but which require further refinement of the investment structure, business model and project documentation, and which have the potential to mature within a 9 – 15 month time frame for showcasing at an upcoming Investment Forum.	55 – 80
Long Term Development Project Stream	Projects at an early stage of development, which have strong project rationales and promising business models, but which require longer term development over more than a year.	40 – 55
Not Qualified	Generally, projects which score below 40 on the PFAN evaluation scale will not be qualified for receiving PFAN support.	< 40

All qualified projects are inducted into the PFAN Development Pipeline and are assigned a coach to provide mentorship on project development and preparation and investment facilitation,



based on each project's specific needs and requirements. The projects receive the following PFAN services:

- One-on-one coaching up to an agreed time / monetary value as negotiated between the PFAN Management Unit and the nominated coaches.
- In all cases and all PFAN project streams the overriding objective of the Coaching is to develop and refine an investment-ready business plan and related supporting documentation.
- Coaching is provided by industry experts, consultants, advisors, as well as other members of the PFAN Network. The nominated coaches have extensive experience in providing advisory services to clean energy businesses across the globe.
- Coaching input will be provided by e-mail, telephone exchange between the parties and also in some instances through face to face meetings and at project development and financing workshops.
- This support is provided at no cost to the project developers.

Coaching Process for Long-Term Development Projects

Projects inducted to PFAN Long Term Development Projects Coaching streams will receive one-on-one coaching support from the assigned PFAN Coaches to prepare an investment-ready business plan. The Scope of Work for the PFAN support will be discussed and agreed among the project developer, the assigned coach, and PFAN Management Unit to meet each project's unique requirements. The length of the Pipeline Coaching process will vary depending on the type and maturity of the project, but typically it takes between twelve (12) and twenty four (24) months before a project becomes ready for introduction to



potential investors. Some projects may require more time, which PFAN can accommodate for.

The PFAN coaching process is dynamic, and Coaches may propose for projects to graduate to the Investment Facilitation Stream or the Investment Forum Stream as and when they mature.

Regardless of which stream a project is initially assigned to, the coaching service is structured to meet project development requirements and all projects will get a chance for investment facilitation once they have reached an appropriate level of maturity.

Coaching Process for Investment Forum Projects

Projects selected for the Investment Forum Stream will undergo an intensive programme of coaching and preparation for showcasing to investors at one of PFAN's regular regional Investment Forums (see section 6 for locations and timings). The coaching programme is time constrained and competitive, usually concentrated into a 9 – 12 month period, and only the best investor ready projects from each Financing Forum Stream are chosen for showcasing. Projects which are not yet ready for showcasing are cycled back into the PFAN Development Pipeline for ongoing development work and will be considered for showcasing at future Investment Forums or for Investment Facilitation as they mature. The process culminates in a Business Plan Competition at the Investment Forum.

Projects selected for the Investment Forum Stream are assigned a dedicated personal PFAN Coach and receive similar support to the pipeline projects as well as the following additional services and support:

- 
- Participation in a dedicated Project Development & Financing Workshop to kick off the coaching work and provide important project development and investment guidance in a peer-group environment
 - Participation in a dedicated Preparatory Workshop to prepare the final Investment Pitch
 - Showcasing to investors at the Investment Forum through presentation of the Investment Pitch and through poster sessions
 - Participation in a business plan competition for the PFAN Climate & Clean Energy Financing Awards, judged by an independent panel of investors and experts.
 - High performing projects with potential for investment will be proposed for graduation to the Investment Facilitation Stream and / or participation in other investment facilitation events organised by PFAN and its partners.

Investment Facilitation

Projects evaluated as “investment-ready”, either at the initial evaluation or after coaching in the Long-Term Development Pipeline, may be included in the Investment Facilitation Stream. These projects are assigned to a member of PFAN’s Investment Facilitation Team, which consists of specialised investment experts who guide and support the investment facilitation process. Projects graduating from the Pipeline or from the Investment Forum Streams will continue to enjoy the support of their coaches. The Investment Facilitation Team is available to:

- Provide expert investment facilitation and transaction structuring support to the Coach and / or the project;

- 
- Identify additional potential investors in the PFAN global network and from the investment Facilitation Team's contact database and make targeted investor introductions;
 - Work with the project and the Coach to increase the project's appeal to investors;
 - Support investment negotiations between the project developer, coach and introduced investors;
 - Provide support and input for meeting due diligence and conditions precedent.
 - Identify and prepare projects for inclusion in project portfolios for capital market investment.

6 Investment Forums

Investment Forums are PFAN's flagship events for showcasing mature investment-ready projects to investors and financiers. Investment Forums are organised on a regional basis; within the framework of this Project Development and Financing Initiative. Annual Forums will be held in the following locations:

- in Nairobi for East Africa;
- in Johannesburg for Southern Africa;
- in Abidjan for West Africa;
- in Singapore for Asia;
- in Vienna for Global Forum and thematic initiatives.

Each Investment Forum includes a business plan competition. The project developers each make an investment pitch presentation to a carefully selected audience of investors (usually 70 – 100 people) and are judged by an independent panel of



expert judges (including investors). The best business plan and pitch receives the PFAN Climate and Clean Energy Financing Award. All participating projects have the opportunity to progress to Investment Facilitation. Participation in a Financing Forum has been proven to improve the chances of reaching financial closure.

In addition to the regional Investment Forums, PFAN organises a global Investment Forum, which is used to showcase the very best PFAN projects from the PFAN pipeline to European and international investors, donors, DFIs, PFAN Partners and other stakeholders. The global Investment Forum is held in Vienna on an annual basis. Projects are selected from the PFAN Pipeline and PFAN's dedicated activity streams.

ANNEX 1 – LIST OF ELIGIBLE PROJECT LOCATIONS

SUB-SAHARAN AFRICA

- | Angola
- | Benin
- | Botswana
- | Burkina Faso
- | Burundi
- | Cabo Verde
- | Cameroon
- | Côte D'Ivoire
- | Democratic Republic of the Congo
- | Equatorial Guinea
- | Eritrea
- | Ethiopia
- | The Gambia
- | Ghana
- | Guinea
- | Guinea Bissau
- | Kenya
- | Lesotho
- | Liberia
- | Malawi
- | Mali
- | Mozambique
- | Namibia
- | Niger
- | Nigeria
- | Rwanda
- | Senegal
- | Sierra Leone
- | Somalia
- | South Africa
- | South Sudan
- | Sudan
- | Swaziland
- | Tanzania
- | Togo
- | Uganda
- | Zambia
- | Zimbabwe

ASIA

- | Bangladesh
- | Bhutan
- | Cambodia
- | India
- | Indonesia
- | Laos
- | Malaysia
- | Maldives
- | Mongolia
- | Myanmar
- | Nepal
- | Pakistan
- | Philippines
- | Sri Lanka
- | Thailand
- | Timor Leste
- | Vietnam



CENTRAL ASIA AND EASTERN EUROPE

- Armenia
- Azerbaijan
- Georgia

- Kazakhstan
- Uzbekistan
- Ukraine

Please note that applicant companies may be registered in other countries, but the location of the project must be in one of the countries listed above.

ANNEX 2 – EVALUATION CRITERIA

Evaluation Criteria for Project Submission

No.	Assessment Criteria	Weighting
1	<p>Value Proposition & Business Model:</p> <ul style="list-style-type: none"> ● Is the underlying project / business rationale clearly stated? ● Is the investment proposition clearly stated? ● Is the project / business commercially feasible & profitable? ● Is the business / project / business model clearly described? ● Is the proposition attractive to investors? ● Is the business model scalable? To what extent? ● Is the competitive advantage clear? ● Is this a new or expanding business venture in clean energy and related technologies, including downstream projects (focused on deployment of existing technologies) and upstream projects (focused on development and commercialization of new clean technology); ● Is this a merger, acquisition or joint venture, which will add value to an existing / current clean energy / technology business? ● Does the value proposition benefit or consider the needs of women and girls? 	15%
2	<p>Market Understanding and Analysis:</p> <ul style="list-style-type: none"> ● Identification of core customers; consideration of consumer needs ● Identification of competitors and potential substitutes; ● Analysis and knowledge of the market size, trends, barriers and prospects; ● Description of the project's competitive strategy, strengths and weaknesses. 	15%
3	<p>Management Team:</p> <ul style="list-style-type: none"> ● Experience and track record of the team with other operations or track record of other projects longevity and maturity (financing base, procurement policy or other substantive aspects); ● Delivery capability of management team relevant to the 	20%

	<p>project: experience and track record for this type of project; management structure; skills balance and quality;</p> <ul style="list-style-type: none"> ● Partnerships quality (incl. quality, relevance, sustainability, local context) ● Awareness of skills gaps and plans to fill them; training and personnel development. 	
4	<p>Operations & Implementation Plan:</p> <ul style="list-style-type: none"> ● Compelling and credible plan for implementation; ● Level to which operating procedures are standardized and formalized (Standard Operating Procedures (SOPs)); ● Analysis of key implementation milestones and approach; ● Analysis of the activities necessary to transform the inputs / activities into the final project / product / service; ● Credibility of monitoring and reporting systems, methodologies and indicators. 	10%
5	<p>Financials:</p> <ul style="list-style-type: none"> ● Overview of capital expenditures, revenues and cost structure; ● Explanation of assumptions; ● Proposed financing structure clear; ● Financing structure: does the proposal demonstrate project is commercially and technically viable with zero or minimal grant funding required? ● Does the company have appropriate amount of own equity contribution as well as over and above the amount of funding requested from the PFAN process? ● Financial projections and sensitivity analysis; ● Defined exit opportunities for investors; ● Do the financials mirror the verbal projections of the plan? ● Funding requirements, potential sources of funds and attractiveness of such an investment to those funds; ● Appropriateness of funding request and planned use of funds (is it enough to achieve roll out plan as outlined, does the investment ask meet or exceed 1 million USD / 500K for adaptation projects?); ● The evaluator does not see any red flags concerning fraud or corruption in the business plan, financial structure or cash flow information submitted in the proposal. 	10%

6	<p>Risk Mitigation:</p> <ul style="list-style-type: none"> ● Are the principal risks and appropriate mitigation strategies identified? ● Environmental and social risks identified and mitigation plans in place to monitor to ensure proposed solution does not have any irreversible negative environmental or social risks. 	10%
7	<p>Environmental & Social Benefits:</p> <ul style="list-style-type: none"> ● Potential for reduction in Greenhouse Gas (GHG) emissions and for other accruing environmental, health, education and job creation benefits; ● The proposed solution is likely to have minimal or no adverse social and/or environmental impacts; or sufficient environmental and social review has already been conducted and environmental and social management recommendations have been incorporated into the project (for example, in cases where national systems for environmental and social safeguards have been applied); ● Project potential to increase access to energy via new modern clean energy for remote communities including rural electrification, off-grid and mini-grid projects, thermal energy and clean cooking solutions; ● Potential of proposed solution to reduce individuals vulnerability to climate change; ● Beneficiaries: Does the project / business proposal provide solutions to increase women's empowerment and to ensure gender equality? ● Significant benefits to women in economic, social and climate terms outlined in the proposal; ● Energy Access: Does the project / business contribute to providing women and girls with increased access to sustainable modern energy services and opportunities for improved livelihoods? ● Other environmental & social benefits (job creation, health etc.). ● Quality of Gender Impact Assessment (GIA) <ul style="list-style-type: none"> - Appropriateness of remedial measures ● Quality of Environmental Impact Assessment (EIA) ● Appropriateness of remedial measures 	10%

8	<p>Professionalism and Presentation of the Proposal:</p> <ul style="list-style-type: none"> ● Compelling logic backed by hard (referenced and reliable) data; ● Internal data consistency; ● Consistent and high quality organisation of data, concise text, and ease of comprehension. 	5%
9	<p>Maturity</p> <ul style="list-style-type: none"> ● How mature is the project/business? ● How soon can it be implemented? ● How close is it to investor ready? 	5%
	Total	100%