The Climate Aggregation Platform (CAP) Financial Innovation Challenge

Information Session

Tuesday, 9th August 2022, 15:00-16:00 EAT
Agenda

About the Climate Aggregation Platform

The CAP Financial Innovation Challenge

Application Process

Q&A
About the Climate Aggregation Platform (CAP)

- Global Environment Facility (GEF)-funded project implemented by UNDP in partnership with the Climate Bonds Initiative (CBI).

- Flagship initiative of UNDP’s Sustainable Energy Hub to support the structuring and deployment of innovative business models and financial mechanisms to accelerate energy access and the clean energy transition.

Promote financial aggregation for small-scale, low-carbon energy assets in developing countries

Advance, and raise awareness for, innovative solutions to market barriers for financial aggregation.

Increase access to low-cost financing for low-carbon energy

Contribute to improving the lives of people in developing countries, bringing about affordable, reliable and clean energy.

For more information on the CAP visit our website: www.undp.org/climate-aggregation-platform
What is Financial Aggregation?

To create scale, small-sized projects or aspects of projects can be combined into a portfolio in a process known as bundling. Larger-scale financing can then be provided across these bundled assets based on their future cash flows.

To learn more about financial aggregation please see UNDP's and the Climate Bonds Initiative report on “Linking Global Finance to Small-Scale Clean Energy”
About the Climate Aggregation Platform (CAP)

Global Offer
- Awareness Raising
- Knowledge Management
- Global Network

In-country Offer
- Market Development
- Innovative Financial Structures & Models
- National Working Groups
- Market Assessments
- Action Plans & Pilot Market Development Activities
- Showcase Transactions

For more information on the CAP visit our website: www.undp.org/climate-aggregation-platform
• To crowdsource Innovative Financial Aggregation Structures and Models for small-scale, low-carbon energy assets in developing countries.
  ➢ help increase the availability and reduce the cost of financing
  ➢ help close the investment gap to achieve universal energy access.

• Facilitate the transfer of know-how and innovative solutions that can help overcome development challenges in developing countries

• Contribute to the achievement of the Sustainable Development Goals
What do the winners get?

1. Receive an award of up to US$40,000 to develop a **Feasibility Study (over a period of 4 months)** for an Innovative Financial Aggregation Structure or Model.

2. UNDP will promote the selected Innovative Financial Aggregation Structures or Models within UNDP and to a broader audience across its network.

3. Possibility to access the UNDP global presence (+170 countries) and networks to help support the selected solutions to scale-up and replicate to new countries.

4. Promising solutions could later be considered for further engagement as part of UNDP’s Sustainable Energy Hub or other UNDP initiatives.
What kind of innovations?

Innovative Financial Aggregation Structures and Models (mechanisms, instruments, processes, tools, business, and financing models) for small-scale, low-carbon energy assets in developing countries.

First-of-a-kind solutions that have not yet been attempted anywhere before; Or existing and proven approaches adapted to a new market/sector, geography, or context.

The CAP FIC is open to solutions involving financial aggregation at different levels (i.e., bundling individual assets, projects, or companies) and to other innovative aggregative models (e.g., innovative carbon credit solutions, renewable energy certificates, innovative models for receivables financing, digital aggregation platforms, etc.).

The CAP FIC’s focus is on debt aggregation transactions. This excludes equity aggregation transactions (e.g., yieldcos).
Who can participate?

A wide range of entities can apply as long as they can demonstrate their capacity to develop novel aggregative approaches to financing low-carbon energy and meet the eligibility criteria.

“Buy-side” Actors

Commercial banks (international or domestic); impact and mission-driven investors; financial intermediaries; development banks; digital platforms; crowdfunding platforms; FinTech’s; etc.

“Sell-side” Actors

Project originators or developers and energy companies (e.g., distributed energy service companies (DESCOs), PAYGO solar companies, etc.)

Other relevant entities

Government agencies; digital solutions providers; specialised consulting firms; research institutions; industry associations; credit rating agencies; etc.
What is the technology focus?

The CAP FIC will focus on innovations that support the deployment of distributed, **small-scale low carbon energy assets** in developing countries.

- On-grid solar PV (residential, C&I)
- Off-grid solar PV including PAYGO solar
- Mini-grids
- Energy efficient solutions for buildings, lighting, industrial, agricultural, and transport (e.g., e-mobility) applications
- Productive use appliances
- Clean cooking solutions
The proposed Innovative Financial Aggregation Structures or Models must be developed in view of being deployed in one or multiple developing countries in East Africa but may be submitted by applicants from any country.

<table>
<thead>
<tr>
<th>Country</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>Mozambique</td>
</tr>
<tr>
<td>Comoros</td>
<td>Rwanda</td>
</tr>
<tr>
<td>Djibouti</td>
<td>Seychelles</td>
</tr>
<tr>
<td>Eritrea</td>
<td>Somalia</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>South Sudan</td>
</tr>
<tr>
<td>Kenya</td>
<td>Tanzania, United Republic of</td>
</tr>
<tr>
<td>Madagascar</td>
<td>Uganda</td>
</tr>
<tr>
<td>Malawi</td>
<td>Zambia</td>
</tr>
<tr>
<td>Mauritius</td>
<td>Zimbabwe</td>
</tr>
</tbody>
</table>

The CAP FIC will support up to 5 projects including at least one project in Uganda and one project in Rwanda.
Eligibility

The Eligibility Criteria will be assessed as Meet / Fail.

Only Applications that meet all the Eligibility Criteria will be considered.

1. **Eligible Entity**: Governmental agencies, development banks, private sector entities, CSOs/NGOs and academia are eligible to apply. Individuals are not eligible. Associations, consortia, or joint venture applications are eligible.

2. **Expertise and Capacity to Implement the Project**: All Applicants must demonstrate their expertise and capacity to implement their proposed Project, and will need to demonstrate adequate financial, material, human and other non-financial resources to implement the proposed project within the set timeframe. At a minimum, Applicants will need to have at least 2 years of experience in the relevant sector.

3. **Geographic Focus**: The Project must be implemented in one or many developing countries in East Africa – The CAP Financial Aggregation Challenge aims to support at least one project in Uganda and one project in Rwanda. The proposed Project must demonstrate the potential to lead to future financial aggregation transactions, climate and energy access related outcomes and impact in developing countries in East Africa and/or specifically in Uganda/Rwanda.

4. **Proposed Innovation**: The proposed Project must involve an Innovative Financial Aggregation Structure or Model (mechanisms, instruments, processes, tools, business, and financing models) that can help increase access to and lower the cost of financing for small-scale, low-carbon energy assets in developing countries.

5. **Focus on Impact**: All innovations must be inclusive in nature, benefit the target beneficiaries, and contribute to the achievement of the SDGs, in particular SDG 7 on clean and affordable energy and SDG 13 on climate action, rather than solely benefitting the participating Entity.

6. **Gender**: Innovations should also include a special focus on ensuring gender equity. Applicants must ensure that gender perspectives and attention to the goal of gender equality are central to all facets of the proposed innovation.

7. **Award Amount & Budget**: The Applicant must apply for an Award of up to $40,000 and submit a duly completed budget with the provided template.

8. Applicants cannot be on the UNDP Vendor Sanctions List.
The Process


Evaluation of Applications Oct 2022 → NCE Management Approval [Approx. 1 week] → Clarification of questions, if applicable → Submission of Additional Documentation, if applicable

Signing of Award Agreement → Announcement of the Awards Nov 2022 → Start of Project Implementation Nov 2022 → Implementation Period (Max. 4 months | Nov 2022 - Mar 2023)
Evaluation

- Degree of Innovation 15%
- Development Impact 15%
- Technical Merit & Feasibility 15%
- Experience of the Team 15%
- Potential for Scale Up & Replication 10%
- Long-term Sustainability 15%
- Additionality 5%
- Budget & Value for Money 5%
- Co-funding 5%
How to Apply?

1 - Register on our website
2 – Download the Application Package
3 – Submit via email

www.undp.org/climate-aggregation-platform/cap-financial-innovation-challenge
How to Apply?

www.undp.org/climate-aggregation-platform/cap-financial-innovation-challenge

1. Register on our website

Register online here.

Register here, and follow steps 2 and 3 below to submit an application.

Register

Email Address *

Full Name *

Job Title and Organisation *

Location: Where are you based? *

SUBSCRIBE
How to Apply?

2 – Download the Application Package

01 – Call for Proposals
02 – Guidelines for Applicants
03 – Application Form + ANNEX 1
04 – ANNEX 2 Budget Template
05 – ANNEX 3 Standard Innovation Challenge Agreement (Provided as a reference only)
Before completing the Application Form, please read the Call for Proposals & Guidelines attentively and make sure to register

Application Form
The required outputs/deliverables under the Innovation Challenge Agreement will be (i) the submission and approval of a mid-term progress report (50%) and (ii) the final Feasibility Study (50%).

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description of Activities &amp; Outputs</th>
<th>Sept 2022</th>
<th>Oct 2022</th>
<th>Nov 2022</th>
<th>Dec 2022</th>
<th>Jan 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
<td>Type here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 2</td>
<td>Type here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 3</td>
<td>Type here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliverable: Mid-term progress report</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 4</td>
<td>Type here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 5</td>
<td>Type here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliverable: Feasibility study</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RISK ASSESSMENT

[GUIDELINES: Identify high-level external risks and strategies to mitigate them.]

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
</tbody>
</table>

ACCEPTANCE OF TERMS AND CONDITIONS

By signing this form, the Applicant accepts the following terms and conditions:

The Applicant declares that he/she is bound by the process and rules of the competition that were specified in the Guidelines of the Climate Aggregation Platform – Financial Innovation Challenge (CAP FIC) and shall accept the outcome of the process without any deviation or reservation.

The Applicant shall bear all costs related to the preparation and submission of the proposal regardless of whether his/her proposal is selected or not. He/she accepts that the UNDP will in no case be held responsible or liable for those costs regardless of the outcome of the process.

The Applicant accepts that information relating to the examination and evaluation of the Applications, and selection of Awardsees and signature of Award Agreement shall not be disclosed to any person not officially concerned with such processes.

Signature: ........................................................................
Name: ........................................................................
Date: ........................................................................
Annex 1 - Declaration

Sign it!
# Annex 2

## Budget

### Climate Aggregation Platform

**Financial Innovation Challenge**

**Proposed Budget Breakdown**

<table>
<thead>
<tr>
<th>Least Applicant (The Legal Entity)</th>
<th>Name of Project</th>
<th>Country of Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Award from CAP F/C (Up to USS 40,000) (USD)</th>
<th>Amount (USD)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,000.00</td>
<td>68%</td>
</tr>
<tr>
<td>Co-financing from the Applicant (USD)</td>
<td>5,000.00</td>
<td>44%</td>
</tr>
<tr>
<td>Final Budget (USD)</td>
<td>12,000.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Unit Price (USD)</th>
<th>Number of Days</th>
<th>Award from the CAP F/C (USD)</th>
<th>Co-financing (USD)</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: J. Smith / Role: Project Manager</td>
<td>$500.00</td>
<td>$</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: J. Smith / Role: Project Manager</td>
<td>$500.00</td>
<td>$</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Name: Role</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Instructions:
- Enter the name of the least applicant.
- Enter the name of the Project.
- Enter the country of implementation.
- For each activity (A), add the amount and rate of the team members involved, their daily rates and number of days of work.
- Add other costs related to the implementation of the activity, just price and number of units.
- For final budget, add the amount that will come from the CAP F/C Award (up to USS 40,000). The co-financing and the total budget will be calculated automatically for each budget line.
- Also add administrative and other costs in the same manner.
- Summary of the total amount, co-financing and total budget are provided at the top.*
ATTACHMENTS TO INCLUDE WITH THE APPLICATION

• Application Form with signed “ACCEPTANCE OF TERMS AND CONDITIONS”

• Extract from Public Registry or relevant Registration documents for your organisation issued by the appropriate authority (e.g., Incorporation Certificate) – This may differ depending on the type of entity applying. UNDP may request additional documentation.

• ANNEX 1 – Signed Declaration to confirm the Applicant is not included in the UNDP Vendor Sanctions List. This will be required for all members of a consortium or joint venture, if applicable.

• ANNEX 2 - Budget Template (Excel Sheet)

• CVs of team members (PDF or Word)

• UNDP may request Applicants to submit additional documents
Submit before the deadline - **August 31st, 2022, at 12:00 PM EAT**

- Once completed, submit your signed Application Form via email to **cap.fic@undp.org**, together with all the Annexes (1&2) and supporting documents.
- Please include “CAP FIC” and the name of the Applicant in the Subject line.
- Attachments are to be submitted in an electronic format (PDF, Word, Excel). Hard copies may be requested at a later stage.
- Please ensure that the total size of the email and attachments does not exceed **10 MB**. UNDP will not be responsible for any application emails that fail to be sent/received.
Q&A

Please type your questions in the chat

We will do our best to answer your questions. We will also put all answers on the FAQ section of the website and on the procurement notice.
Thank You!

If you have any further questions please email us here: cap.fic@undp.org

Please include “CAP FIC” and the name of the Applicant in the Subject line.

UNDP will consider incoming questions until Aug 18th, 2022, at 12:00 PM EAT.