



# P4G Call for Applications Submission and Selection Process

Public Webinar: July 25, 2023



# Agenda

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**Welcome**



**P4G Phase 2 overview**



**Call for applications criteria and process**



**Q&A**

# P4G Phase 2 Overview

# About P4G

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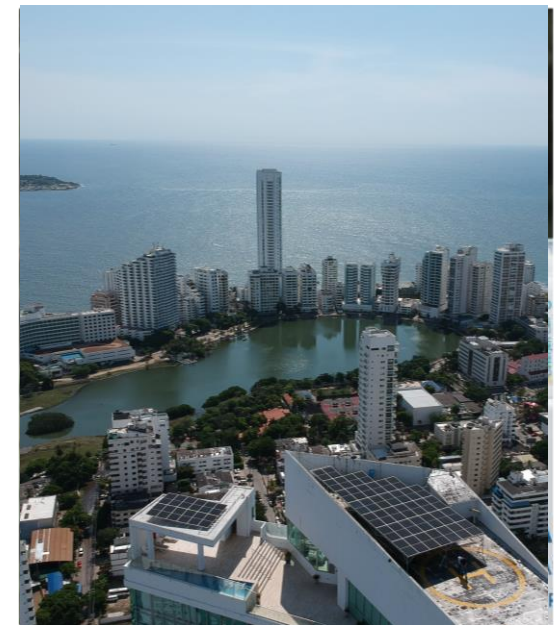
*P4G contributes to green and inclusive growth by helping businesses in low and middle-income countries become investment ready and support climate transitions in food, water and energy systems*

## **Climate mitigation or adaptation solutions with poverty reduction and gender equity goals in:**

- Food loss and waste
- Climate smart agriculture
- Renewable energy
- Zero emissions transportation
- Water resilience



# P4G Phase 1: Results



75 Partnerships

10 million+  
metric tons CO2  
emissions avoided

1.6 million+  
individuals positively  
affected

USD 98+ million  
commercial  
investment obtained

*Based on attributable results to P4G*

# P4G Phase 2 Context and Key Activities

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- The flow of climate finance to early-stage businesses is constrained by low levels of investment-readiness and high-risk perceptions of market enabling systems in low- and middle-income countries
- Bigger financial institutions often either do not invest in these economies, or they only invest in ticket sizes that are higher than what early-stage businesses need
- Recognizing this gap, P4G provides grant funding and technical assistance to early-stage businesses to help them become investment ready and support climate transitions in food, water and energy systems

P4G provides this support through three main areas of work:

1. Enabling climate businesses to become investment ready

2. Improving the enabling systems for in-country climate business investment & growth

3. Mobilizing knowledge related to climate business and enabling system needs

# How We Work

## National Platforms

Donor  
Country NPs

Embassies

Ministries  
of Foreign  
Affairs

Trade  
Agencies

Implementing  
Country NPs

Focal  
Ministries –  
Finance,  
Trade,  
Planning,  
Environment

Business  
Associations

## P4G Hub Secretariat

National  
Platform  
Liaisons

Located in  
each  
implementing  
country

Partnership  
&  
Investment  
Managers

Dedicated to  
each  
Partnership

Knowledge mobilization

Data gathering & validation,  
partnership and platform  
strengthening, knowledge  
products and events

## Partnerships

NGO  
Administrative  
Partner

In target  
communities  
or  
ecosystems

Accelerators  
or others  
that provide  
TA

Other NGO, commercial and  
governmental partners as needed

Early Stage  
Climate  
Business

Pre-seed to  
Series A

MSME

In-country

# Business Partner Requirements

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**Early-stage climate businesses** are the focus of P4G partnerships and must:

- Be in the **seed or post-seed stage** of their commercial growth. They have a **proven technology** and are beyond the concept stage and are well on their journey to raise capital.
- Be registered in a P4G country of implementation or have the intention to register, and working in an eligible sector with related climate and poverty reduction goals.
- Have a pre-existing and clear **business plan** and **financial pro forma**, and an **executive team** with relevant expertise. Partnerships should have been formed for the purpose of launching the climate business, and *should not be created for the sole purpose of securing P4G funding.*
- Be **innovative and additional** with products, services or processes which are new or substantially improved compared to the state of the art in its industry and in the relevant country of operation based primarily on the business, financial and IOT/API innovations.
- As early-stage startups they will be either a **small- or micro- enterprise**, with small enterprises employing fewer than 50 persons, and micro enterprises employing fewer than 10 persons.



# NGO Lead Administrative Partner Requirements

## Requirements:

- Registered in-country<sup>1</sup> and/or partnered with an NGO who is registered in-country.
- Will be the primary recipient of grant funding and administrative partner<sup>2</sup> to all other budgeted partners who will be sub-recipients.

## Roles: *Multiple NGOs can partner together based on needs.*

- **Capacity building** of early-stage businesses such as **Accelerators** and **Incubators** to assist the business partner in becoming investment ready, including business strengthening and training and other related services.
- **Enabling systems support** for the business partner's investment readiness work, particularly as related to needed shifts in the relevant policy/regulatory/permitting schemes.
- **Monitoring, evaluation and learning (MEL)**, including the responsibility to measure impact.
- **In-country relationships** including:
  - **Community** relationships and the associated understanding of the social, economic and environmental conditions of the target beneficiaries;
  - Network relationships in-country with **government** and/or **private sector**<sup>3</sup>
- **Knowledge Product** to capture and share learnings related to the partnership and sector

*1. Including subsidiary offices; 2. The World Resources Institute will be the grantor; 3. P4G National Platforms also provide this through the in-country NPL*

# Additional Partners

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Different early-stage businesses require different partnership skillsets based on their specific needs and must explain this in the full proposal, these can include for example:

**NGO** – i.e., additional specialty needs for communities, policy, academia, accelerators/incubators, etc.

**Commercial** – i.e., sub-consultants for business, financial, legal needs

**Corporate** – i.e., suppliers or off-takers

**Government, Associations** or others – i.e., for market testing phase, for regulatory or permitting requirements/TA, etc.

# The Partnership Journey to Investment Readiness

- Gap analysis
- Business plan, financial & institutional strengthening

## Due diligence



- Regulatory analysis & interpretation
- Tariff & permitting
- Red tape reduction
- Dialogues & Workshops

## Enabling systems



- Market testing
- Secure value chain
- Impact results testing & certifications (i.e. CO2)

## Business case proofs



- Data gathering, hypothesis testing, business model learning
- Knowledge product creation & dissemination

## Learning & knowledge mobilization



- Problem solving and knowledge sharing with NPs and relevant stakeholders
- Business matchmaking

## Acceleration & matchmaking



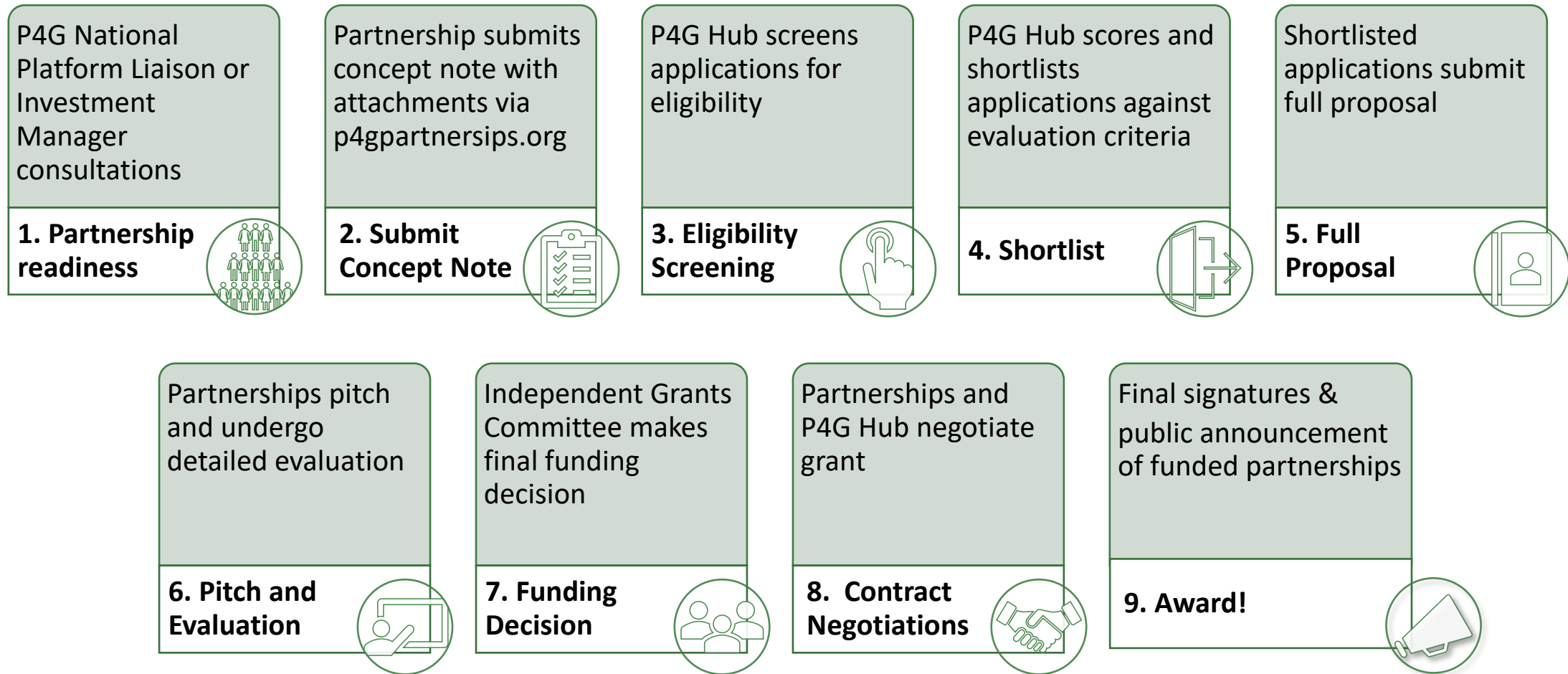
- Early open pitches with investors and other stakeholders
- Closed door investor sessions

## Pitch sessions & Investor Discussions



# Call for Partnerships

# Application and Selection Process



***All applications must be submitted in English.***

***Prior partnerships must reapply.***

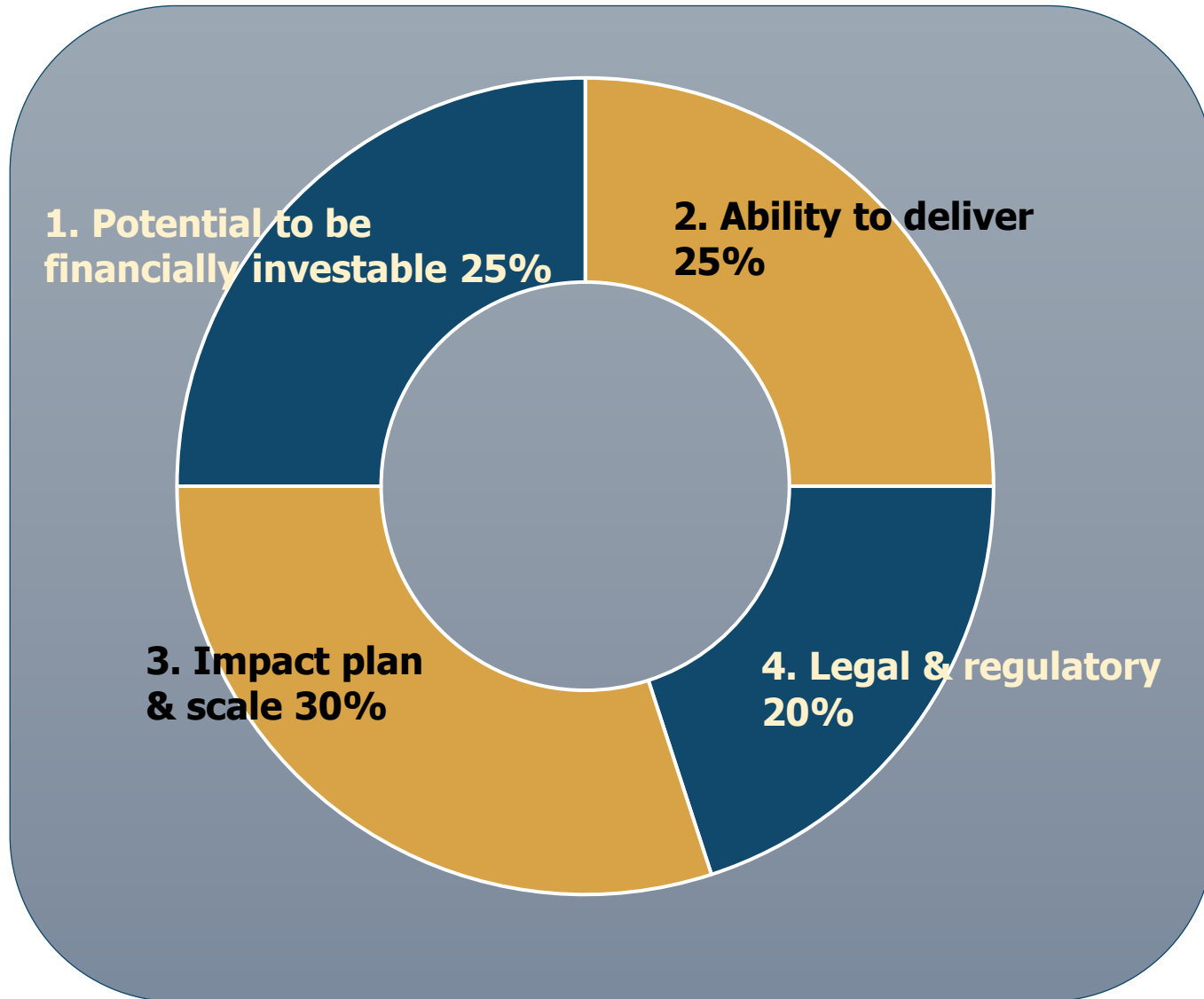
# Eligibility Criteria

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- 1. Partnership composition:** Must have one early-stage climate business and one NGO administrative partner, plus additional partners as needed
- 2. Experience and track record:** Key staff must have appropriate skills and expertise in areas relevant to the partnership, including i.e.: country, sectoral, policy & regulatory, business & financial, social & environmental, and grant management
- 3. Sector and countries:** Activities must be implemented in P4G's ODA-eligible partner countries and focus sub-sectors including climate smart agriculture, food loss and waste, water resilience, zero emissions mobility and renewable energy
- 4. Investability:** Be at the seed or post-seed financing stage with a robust business plan and a defined path to commercialization or capital raise
- 5. Enabling market environment:** Possess a clear understanding of policy, legal/regulatory frameworks in the country of implementation
- 6. Additionality:** Climate business solution is innovative and substantially improved when compared to the state of the art in that industry and in the relevant country of operation
- 7. Impact:** Show climate, economic growth, poverty reduction, gender and development impact
- 8. Activities and budget:** Theory of change overview, aligned and mandatory activities, and budget line items
- 9. Responsible business conduct:** Not have activities that are in P4G's exclusion list and must either demonstrate their ESG plan or include a plan to develop one
- 10. Due diligence:** The two lead institutions demonstrate the ability to meet organizational due diligence requirements

# Evaluation criteria and weightage

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Each criteria will be scored between 0 – 10

Only applications with an overall grade of 7 will move to the full assessment including pitch

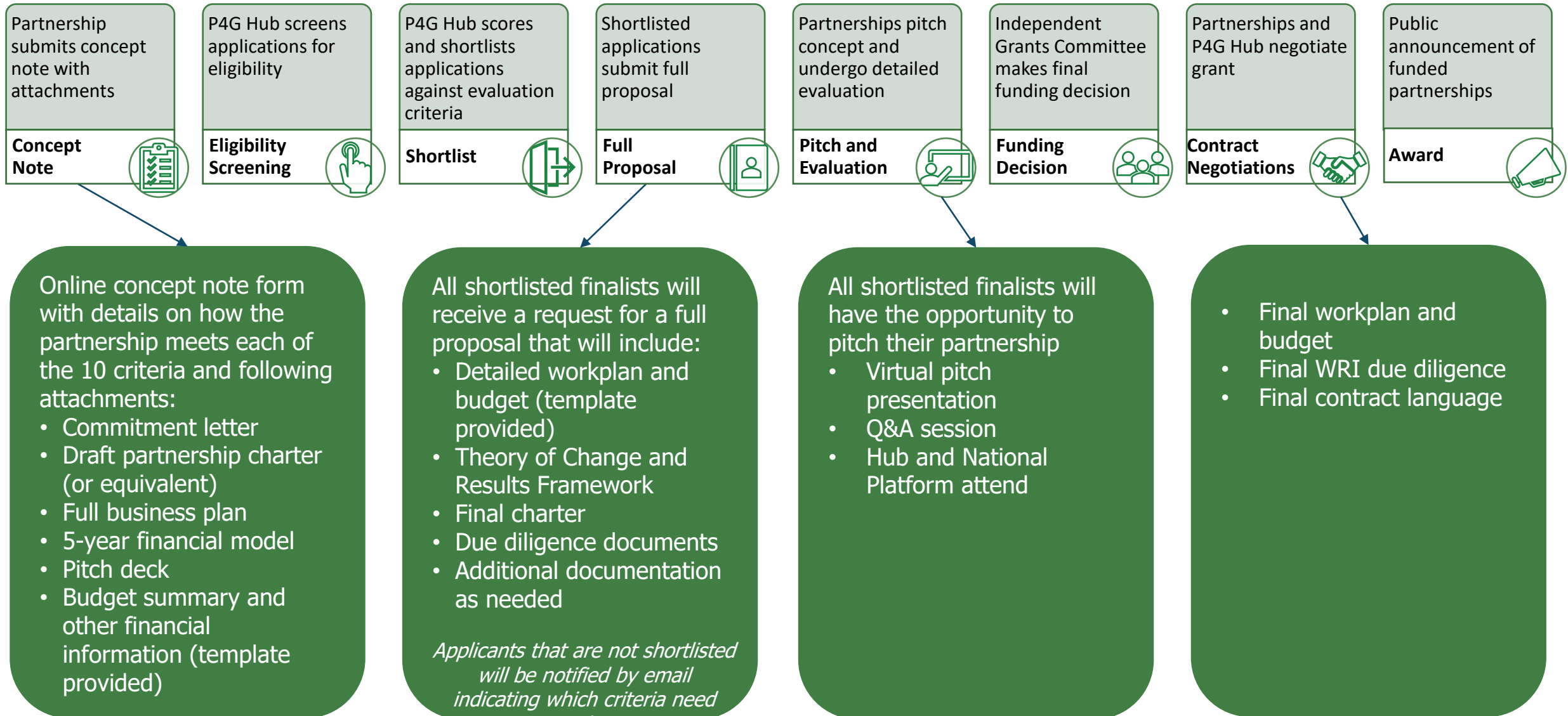
# 2023 Decision Making Process

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- **July 17:** Call for applications opens
- **Sept 8:** Deadline for applications to be considered
- **October 1:** Shortlisted applicants will be invited to submit a full proposal
- **October 30:** Shortlisted applicants submit full proposal
- **November 1-17:** Pitch meetings with shortlisted partnerships
- **November:** P4G Hub submits investment analysis to Independent Grants Committee
- **December:** Independent Grants Committee makes funding decision
- **December:** Selected partnerships notified and grant negotiations begin
- **March – April 2024:** Public announcement



# Required Materials



# Budget and Workplan Requirements

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**30% cost share in the form of either grants, operating capital or another monetary match that is not in-kind**

## **Mandatory activities with tied outputs and budget line items:**

- **Enabling system work:** Policy or regulatory work associated with the businesses model to reduce entry barriers and improve market efficiencies.
- **Knowledge product :** Case study, short paper or similar regarding partnership's lessons learned and success around investability, legal/regulatory environment and impact.
- **ESG :** If required, set amount of budget to develop a partnership ESG strategy or improve one during the implementation of the project.

## **Activities procured and funded by P4G:**

These are mandatory activities for every partnership with services separately procured from a 3<sup>rd</sup> party by P4G. Each partnership **must** also include a line item in the workplan and budget incorporating their time and materials to participate in these activities:

- **Investor due diligence and gap assessment:** This analysis could generate changes in the activities considered in the budget but will not modify the P4G awarded amount.
- **Audit** for the full implementation of the project using a P4G-selected independent auditor.

# P4G Partnership Support

## **Catalytic grant funding:**

- Non-returnable grants of USD 350,000 on average

## **Technical Assistance:**

- Investment due diligence and gap analysis of partnership business models
- Political & regulatory engagements with National Platform networks in-country and WRI's global network
- Business matchmaking sessions
- Acceleration and pitch sessions at national and global events
- Introduction to impact investors such as DFIs and others focused on early-stage entrepreneurs

## **Knowledge Mobilization:**

- Partnerships' lessons learned and successes on regulatory, business and financial models
- International exposure through publications and media outreach on learnings and successes
- National and global events

# Examples of P4G Partnerships

## Africa GreenCo



**About:** Creditworthy renewable energy buyer and seller on the South Africa Power Pool (SAPP).

**Investment:** GreenCo has raised over \$50 million to develop a portfolio of renewables in Zambia and South Africa. It is now expanding into other SAPP countries.

**Impact:** 4.3 million MT CO2 avoided (anticipated). Improved liquidity and supply of renewables on the SAPP.

**Enabling market systems:** Policy change that opened licenses for intermediary off-takers in Zambia.

## Smallholder Solar Pump Alliance



**About:** Improve farmer access to climate-smart irrigation.

**Investment:** Mobilized \$1.5M for a local solar distributor manufacturing site.

**Impact:** 609 solar pumps in Ethiopia and 3.4 MT CO2 emissions avoided (achieved).

**Enabling market systems:** Partnership between the solar distributor, financial partner and the regional government. Advanced overall national government solar pump priorities.

## Transforming Africa's Bamboo



**About:** Large scale production of building materials from sustainably produced bamboo.

**Investment Readiness:** Providing investment guidance address bankability challenges, exploring carbon feasibility and impact measurement tools.

**Impact:** \$12 million in commercial investment leveraged and 125 jobs created (anticipated).

**Enabling market systems:** Adoption of national bamboo policies to facilitate market entry and relationships with off-takers.

# Questions? Contact Us!

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If you have questions, please email our Partnerships Manager Patricia Mijares directly at [patricia.mijares.5@p4gpartnerships.org](mailto:patricia.mijares.5@p4gpartnerships.org) or [info@p4gpartnerships.org](mailto:info@p4gpartnerships.org)

# Questions





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# Evaluation Criteria

Criteria	%	Description
<b>1. Potential to be financially investable</b>	<b>25%</b>	The business model shows a <b>clear and compelling</b> strategy to <b>grow a sustainable and commercially viable business</b> and potential to <b>attract commercial investment</b> , with all required <b>policy or regulatory needs and barriers</b> clearly identified. Business plan considers the <b>amount and sources of finance and related risk mitigation mechanisms</b> required to meet specific business targets.
<b>2. Ability to deliver</b>	<b>25%</b>	Partnership organizations and key staff have a <b>track record of relevant work</b> , are <b>experienced</b> in the <b>target sectors</b> as defined by the partnership and meet P4G specifications outlined in criteria 2 for experience and track record. Partners have a clear commitment to delivering the planned results of the partnership.
<b>3. Legal &amp; Regulatory</b>	<b>20%</b>	<b>Clear understanding</b> of and case for <b>policy or regulatory requirements</b> of the business, as well as the shifts that could further <b>enable the business model</b> or improve the financial case and the <b>ease of doing business</b> . <b>Clear proposed activities</b> to support improvements to enabling environment that specifically benefit the business case.
<b>4. Impact plan &amp; scale</b>	<b>30%</b>	The <b>business plan</b> shows clear rationale between positive quantifiable and significant scalable impact with clear actions to address climate challenges and improve the well-being of people and natural ecosystems. Specific metrics toward <b>carbon reduction, climate adaptation or resilience</b> and <b>job creation</b> as aligned with P4G's theory of change and impact measurement metrics are required. Partnerships will <b>comply with the gender 2x criteria</b> and include a capstone <b>learning or knowledge product</b> .

## P4G Score

Score	Description
<b>10</b>	The response <b>fulfils all</b> requirements of the criteria and there is a <b>high degree of confidence</b> to deliver with a high quality.
<b>7</b>	The response fulfils <b>most of the requirements</b> of the criteria but <b>could be further strengthened</b> . The response is <b>feasible</b> and it demonstrates a <b>good level of confidence</b> to deliver.
<b>5</b>	The response fulfils <b>some components</b> of the criteria, however there are <b>some misunderstandings</b> of the issues related <b>to the key delivery</b> of the proposed idea and its sustainability.
<b>0</b>	Submitted information is insufficient or inconclusive.



# P4G Phase 2 Overview

Impact

P4G contributes to green and inclusive growth in developing countries by **supporting businesses to become investment ready** and supporting country climate transitions in **food/agri, water and energy systems**.

Longer Term Outcomes

1. Reduced carbon emissions through mitigation
2. Increased investment in green growth businesses
3. Increased jobs created (disaggregated by gender)
4. Increased number of individuals positively affected because of more resilience or climate adaptation solutions (disaggregated by gender)
5. Increased percentage of partnerships complying with Gender 2X criteria

Shorter Term Outcomes

1. Businesses supported by P4G become investment-ready
2. Government and private sector leaders contribute to improving the green growth enabling systems based on inputs by P4G partnerships
3. Knowledge mobilization (incorporating MEL) engages stakeholders who can influence enabling systems and country transitions in food, water and energy systems

Problem Analysis

**Meeting the SDGs requires solutions that the private sector can deliver.** Launching new climate smart businesses that provide affordable solutions for the poor is particularly difficult in developing countries, Given the structural barriers for investors, there is a need to support businesses in developing countries that can contribute to climate and development and enable investments to support in-country transitions.

# P4G Phase 2 Activities and Outputs

