P4G Call for Applications Submission and Selection Process

Public Webinar: July 25, 2023
Agenda

Welcome

P4G Phase 2 overview

Call for applications criteria and process

Q&A
P4G Phase 2 Overview
About P4G

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

• 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
- Early Stage Climate Business
  - Pre-seed to Series A
  - MSME
  - In-country
- Other NGO, commercial and governmental partners as needed
Business Partner Requirements

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\(^1\) and/or partnered with an NGO who is registered in-country.
• Will be the primary recipient of grant funding and administrative partner\(^2\) 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**\(^3\)

• **Knowledge Product** to capture and share learnings related to the partnership and sector

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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

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:

<table>
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<tr>
<th><strong>NGO</strong> – i.e., additional specialty needs for communities, policy, academia, accelerators/incubators, etc.</th>
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<td><strong>Commercial</strong> – i.e., sub-consultants for business, financial, legal needs</td>
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<td><strong>Corporate</strong> – i.e., suppliers or off-takers</td>
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<td><strong>Government, Associations</strong> or others – i.e., for market testing phase, for regulatory or permitting requirements/TA, etc.</td>
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The Partnership Journey to Investment Readiness

**Due diligence**
- Gap analysis
- Business plan, financial & institutional strengthening

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

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

**Learning & knowledge mobilization**
- Data gathering, hypothesis testing, business model learning
- Knowledge product creation & dissemination

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

**Pitch sessions & Investor Discussions**
- Early open pitches with investors and other stakeholders
- Closed door investor sessions
Call for Partnerships
Application and Selection Process

1. Partnership readiness
   - P4G National Platform Liaison or Investment Manager consultations

2. Submit Concept Note
   - Partnership submits concept note with attachments via p4gpartnerships.org

3. Eligibility Screening
   - P4G Hub screens applications for eligibility

4. Shortlist
   - P4G Hub scores and shortlists applications against evaluation criteria

5. Full Proposal
   - Shortlisted applications submit full proposal

6. Pitch and Evaluation
   - Partnerships pitch and undergo detailed evaluation

7. Funding Decision
   - Independent Grants Committee makes final funding decision

8. Contract Negotiations
   - Partnerships and P4G Hub negotiate grant

9. Award!
   - Final signatures & public announcement of funded partnerships

All applications must be submitted in English.

Prior partnerships must reapply.
Eligibility Criteria

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

1. Potential to be financially investable 25%
2. Ability to deliver 25%
3. Impact plan & scale 30%
4. Legal & regulatory 20%

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

- **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
Online concept note form with details on how the partnership meets each of the 10 criteria and following attachments:
- Commitment letter
- Draft partnership charter (or equivalent)
- Full business plan
- 5-year financial model
- Pitch deck
- Budget summary and other financial information (template provided)

All shortlisted finalists will receive a request for a full proposal that will include:
- Detailed workplan and budget (template provided)
- Theory of Change and Results Framework
- Final charter
- Due diligence documents
- Additional documentation as needed

All shortlisted finalists will have the opportunity to pitch their partnership
- Virtual pitch presentation
- Q&A session
- Hub and National Platform attend

Applicants that are not shortlisted will be notified by email indicating which criteria need strengthening

• Final workplan and budget
• Final WRI due diligence
• Final contract language

Public announcement of funded partnerships
Budget and Workplan Requirements

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 3rd 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 offtakers.
Questions? Contact Us!

If you have questions, please email our Partnerships Manager Patricia Mijares directly at patricia.mijares.5@p4gpartnerships.org or info@p4gpartnerships.org
Questions
## Evaluation Criteria

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

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<tr>
<td>10</td>
<td>The response fulfils all requirements of the criteria and there is a high degree of confidence to deliver with a high quality.</td>
</tr>
<tr>
<td>7</td>
<td>The response fulfils most of the requirements of the criteria but could be further strengthened. The response is feasible and it demonstrates a good level of confidence to deliver.</td>
</tr>
<tr>
<td>5</td>
<td>The response fulfils some components of the criteria, however there are some misunderstandings of the issues related to the key delivery of the proposed idea and its sustainability.</td>
</tr>
<tr>
<td>0</td>
<td>Submitted information is insufficient or inconclusive.</td>
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P4G Phase 2 Overview

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

**Partnerships**
- Pipeline of green businesses developed
- Funding and technical assistance (TA) to partnerships delivered

**National Platforms**
- Increased capacity of NPs to contribute to improving the green growth enabling systems
- Partnerships supported by NPs’ government and private sector leaders

**Knowledge Mobilization**
- Knowledge products developed and disseminated
- Sector-specific and global events organised to facilitate knowledge mobilization

**Activities**
- **Originates** partnerships that include businesses and NGOs
- **Conduct** selection process and support the Independent Grants Committee
- **Award** and administer grants to partnerships
- **Provide** TA to partnerships
- **Implement** MEL system

**Outputs**
- Provide tailored support for ODA-eligible NPs according to their maturity based on NP lifecycle management framework, including resource support to NPs
- **Strengthen** ODA-NP engagement, and coordination with donor NPs to support partnerships
- **Establish** and implement annual plan for NPs

- Publish and disseminate country-focused knowledge products on priority sectors
- **Coordinate** Hub inputs and partnership learnings in biennial P4G Summits and global events
- **Elevate** partnerships’ visibility through digital and traditional media