Department for Energy Security & Net Zero

Climate Finance Accelerator Evaluation

Mid-term report

October 2023

Contents

Executive summary

The purpose of this study is to evaluate the performance of the Climate Finance Accelerator (CFA) programme, and to encapsulate the key learning distilled by the evaluation analysis, for the Department for Energy Security and Net Zero (DESNZ, formerly the Department for Business, Energy and Industrial Strategy). The CFA is a £12 million technical assistance programme funded by International Climate Finance (ICF), through the UK government's Department for Energy Security and Net Zero (DESNZ). The CFA is part of the UK's efforts to support climate action at scale by providing practical ways to help governments in middle income countries finance and deliver their climate commitments under the Paris Agreement. The CFA operates in nine middle-income countries to promote national climate plans and Nationally Determined Contributions (NDCs) including, Colombia, Nigeria, South Africa, Türkiye, Mexico, Peru, Egypt, Pakistan, and Viet Nam. The key challenges addressed by the CFA include a limited pipeline of 'investment ready' low-carbon projects, low visibility of the investment opportunities amongst investors, and often a poor policy and regulatory environment to enable and deliver financing at scale of low-carbon projects.

This report presents the findings of the mid-term evaluation. The evaluation reviews programme performance against the OECD DAC Evaluation criteria of relevance, coherence, effectiveness, efficiency, and emerging impacts. The data gathering for the evaluation was conducted from October 2022 to June 2023 and applied a mixed method approach with primary qualitative and quantitative data collection, as well as a review of secondary data.

Key findings related to the Programme Relevance

The findings of the evaluation indicate the CFA is perceived to be a relevant intervention within the target countries. The high number of applications received by the CFA reflects a high level of interest for CFA services amongst the low-carbon project proponents. The level of country participation is found to be influenced by factors relating to the country context, the strength of Delivery Partners and their networks, and the engagement of relevant national stakeholders. Overall, the CFA project portfolio is found to be aligned to the priorities of the respective countries' Nationally Determined Contributions (NDCs) with the project portfolio appropriately including sectors which have a corresponding NDC strategy. Stakeholders consulted highlighted the potential to further align the respective projects to the national contexts via promoting the sector objectives, available finance, size, and readiness of projects. The stakeholder feedback also illustrates a need for different CFA approaches which is outlined in the recommendations in the Table below.

Key findings related to the Programme Coherence

Overall, the findings show that the CFA presents a unique offer in the countries in which it operates and is aligned to country development agendas, thus avoiding duplication of intervention efforts. Feedback from the participants highlights the CFA fills a gap in the country market and development sectors. Risk of duplication is mitigated by the CFA assessments at the country selection stage, the identification of other interventions in partner countries, and by assessing the potential for collaboration and harmonisation.

Key findings related to the Programme Effectiveness

Overall, the project proponents positively perceived the capacity building support to be valuable. The CFA convening function and facilitated events help to improve peer- to- peer learning and provide valuable investor feedback and enhance the understanding of country dynamics. The events also build stakeholder networks and helped establish the formation of a community of practice for the project proponents. Workshops in-country were also found to be well organised, valuable, and useful for exposing financiers and government representatives to a range of low-carbon investment opportunities. Whilst the breadth of the investors involved was improved, engagement of financiers and policymakers was an ongoing challenge in many partner countries. Involvement of financial institutions was often based on existing networks of in-country Delivery Partners as opposed to a strategic engagement approach. Whilst project proponents connected with a wide range of finance providers, views were mixed on whether the CFA helped them connect with the right investors.

Key findings related to the Programme Impact

The quality of projects' business models and value propositions following the CFA capacity building activities was improved. The evaluation found that project proponents are making progress towards investment, by starting to secure funding, and/or by entering into negotiations with financiers. Further, the convening function played a role in involving key national investors, and getting to know projects, allowing networks to materialise. Nevertheless, there was uncertainty on the additionality of the CFA at this stage. Despite the various examples of CFA's additionality on the progress towards investment (especially in South Africa and Colombia) the overall feedback varied amongst respondents who reported receiving funding since participating in the CFA. All stakeholders emphasised the value of the networking generated through the CFA in the climate finance supply chain, as participation in the CFA led to connections and relationships between project proponents and financiers.

Lessons learned and recommendations

Area	Lessons learned	Recommendations
Gender, Equality, & Social Inclusion (GESI)	There is a trade-off between the size of projects and the focus on GESI objectives. A size threshold might exclude projects from marginalised communities. (Page 36)	A pre-project preparation facility, with a focus on the early stages of project preparation (e.g., receiving support before participating in the CFA cycle). (Page 75)
Synergies with other programmes	There is a need for a more systematic approach to identifying other donor programmes and outlining roles and responsibilities for maximising synergies in CFA countries more generally. (Page 52)	The Global Innovation Lab for Climate Finance and the UK PACT could offer opportunities for synergies. (Page 75)
Networking	Networking is a main benefit attracting projects to CFA, and stakeholders see the bottom-up approach to mobilising capital for low-carbon projects as useful. (Page 43)	Enhance networking opportunities by including more projects in the London event to maximise learning and connections. Pilot virtual networking events for more projects to interact/connect with international investors. (Page 75)
Convening function in-country	The CFA would benefit from further diversifying the type of stakeholders it approaches for in-country events. (Page 58)	Targeting financiers involved in the country events based on participating projects' profiles (e.g., size). Sharing CFA information with financiers prior to the in-country event to maximise involvement. (Page 76)
Involvement of policymakers	The CFA functions enabled some projects to connect with policymakers. Those who reported connecting with policymakers indicated benefits resulting from the CFA. (Page 60)	Considering further engagement of national, local, or sectoral policymakers during CFA activities, and in-country events. (Page 76)

Engagement of Development Finance Institutions	The CFA, by contributing to the development of project pipelines, is highly complementary to the activities of DFIs that provide blended finance. (Page 46, 76)	The CFA would benefit from establishing close links with DFIs, including those with a strong GESI focus, by increasing their representation at events and potentially involving them in the project selection stage. (Page 76)
Project pitches	Feedback indicated areas for improvement e.g., supporting projects' pitch presentations. (Page 77)	The CFA providing more resources and expertise during capacity building to help projects with clarity and presentation content. (Page 77)
Use of local trainers and GESI terminology	The GESI training was one of the most useful aspects of capacity building. However, terminology on GESI is not always aligned between investors and project proponents. Language skills of trainers (especially Spanish) have also been important to fully leverage their expertise. (Page 68 and 77)	Examining the GESI webinars key terms used by investors, based on each country's financial sector to promote clarity and alignment with the investors. Ideally, in Spanish-speaking countries, more local or Latin American trainers would further maximise the benefits of capacity building. (Page 68 and 77)
London event	More strategic engagement with appropriate financiers can ensure they are present for participating projects and that both them and project proponents have participant information. (Page 64 and 78)	To circulate materials to investors in advance, for a more effective engagement with financiers. To run information sessions for project proponents on the participating financial institutions' investment. (Page 64 and 78)
	Project cohorts in CFA countries, beyond participants to the London event, could use the knowledge/learning from the event. (Page 46 and 78)	The CFA could expand the participation for the London event to more projects or ensure that the learning from the event is shared with the country's project cohort. (Page 46 and 78)

	The event should allow sufficient preparation time to develop an effective event format - the quality of facilitation contributes to the event's effectiveness. (Page 64 and 78)	The event could benefit from adopting different formats, based on needs and expectations of the investors and projects. In deep dive sessions, facilitators could prompt the investors to be more proactive by asking questions/advising project proponents. (Page 78)

List of abbreviations

AFD – Agence Française de Développement

AFOLU – Agriculture, Forestry and Other Land Use

BEIS – Department for Business, Energy & Industrial Strategy

CBE – Central Bank of Egypt

CFA – Climate Finance Accelerator

CFLI – Climate Finance Leadership Initiative

CMO – Context - Mechanism - Outcome

CO – Colombia

DESNZ – Department for Energy Security and Net Zero

DFIs – Development Finance Institutions

DNP – National Planning Department of Colombia

EBRD – European Bank for Reconstruction and Development

EG – Egypt

EIC – European Innovation Council

ESG – Environmental, Social, and Governance

FCDO – Foreign, Commonwealth and Development Office

GEFF – Green Economy Financing Facility

GESI – Gender Equality and Social Inclusion

GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit

ICF – International Climate Finance

IEP – Integrated Energy Plan

IFC – International Finance Corporation

IFIs – International Finance Institutions

IKI – International Climate Initiative

IMF – International Monetary Fund

IRP – Integrated Resource Plan

JETP – Just Energy Transition Partnership

KfW – Kreditanstalt für Wiederaufbau

LEDS LAC – Low Emission Development Strategies in Latin America and the Caribbean

MAPBIO – Mechanism for Accelerating Bioeconomy Projects

MEL – Monitoring, Evaluation and Learning

MICs – Middle-Income Countries

MX – Mexico

NDC – National Determined Contributions

NI – Nigeria

PE – Peru

PK – Pakistan

SA – South Africa

TK – Türkiye

ToC – Theory of Change

UK PACT – Partnering for Accelerated Climate Transitions

UNEP – United Nations Environment Programme

USAID – United States Agency for International Development

VfM – Value for Money

WEF – World Economic Forum

Introduction

Ipsos UK, in a consortium with SQ Consult and independent experts Charu Wilkinson and Javier Blanco, have been commissioned by the Department for Energy Security and Net Zero (DESNZ, formerly the Department for Business, Energy and Industrial Strategy) to be the evaluation and learning partner for the Climate Finance Accelerator (CFA).

The evaluation objectives are to identify and assess the overall benefits of the programme, including its effectiveness, efficiency, cost-effectiveness, and impact. Overall, the findings will help to inform the **delivery and strategy of the CFA programme**, while also **building the evidence base in conducting capacity building programmes** in different countries and contexts and on shaping wider learning, **inform strategic decisions about the future makeup of the international climate finance (ICF) portfolio**, as well as to **generate learning on best practice** in monitoring, evaluation, and learning (MEL) for capacity building and climate finance programmes.

Evaluation approach

The evaluation follows a theory-based approach grounded in the CFA theory of change. It endeavours to explore 10 evaluation questions (presented in full in Annex 1), covering the following criteria:

- **Relevance**: Whether the programme provides the most appropriate type of support for the needs of target beneficiaries and the outcomes and impact it seeks to achieve, and whether it is sufficiently adaptive to different contexts and learning.
- **Effectiveness**: Whether the CFA brings together the appropriate mix of stakeholders for the achievement of its objectives (effectiveness of its convening function), and whether the capacity-building provided to participants is appropriate (effectiveness of the technical assistance provided).
- **Coherence**: How well the CFA complements other donor programmes and initiatives.
- **Sustainability**: Whether there is continuity of the CFA process following HMG support.
- **Impact**: Whether project proponents develop more bankable projects; whether the CFA identifies changes needed in the enabling environment to enhance climate finance flows; and whether it breaks silos between different actors in the climate finance supply chain.
- **Efficiency**: Whether CFA activities represent good value for money.

The evaluation has been split into four main reporting stages. The first two stages are complete, and this report presents the results of the third stage. The stages are summarised below:

Table 1: Overview of the evaluation stages

Key Stage/ Milestone	Purpose	CFA delivery period covered
Early Impact and Learning report	Presents the results achieved by the CFA pilot in Colombia and initial implementation in South Africa. The Report's identifies learning to be applied in other countries.[1]	September 2021 – June 2022
Inception case studies	Country case study reports focus on how the CFA is being implemented in Colombia, Türkiye, and Egypt. These countries were selected as case studies as part of the three 'waves' of the CFA.[2]	September 2021 – June 2022 (Colombia and Türkiye). May – September 2023 (Egypt)
Mid-term report	See below.	September 2021 – June 2023
Final impact evaluation report	See below.	September 2021 – December 2024

Purpose and scope of the mid-term report

This report presents the findings from the mid-term evaluation. The mid-term evaluation focuses on a process evaluation approach – to assess the relevance, coherence and effectiveness of the CFA programme and its delivery processes, while continuing the longitudinal case study research started during the inception phase. Initial findings related to the impact of the CFA programme are included and these will be explored further in the final impact evaluation. Research and data gathering for the mid-term evaluation took place between October 2022 and June 2023. The Mid-term Review Report also draws on evidence from the Early Impact and Learning report and the inception case studies. The inception case study for Egypt is also included as an annex to this report. Egypt joined the CFA after

[1] CFA Early Impact and Learning Report, available at: https://devtracker.fcdo.gov.uk/projects/GB-GOV-13-ICF-0036-CFA/documents

[2] The country case studies are feeding into programme strategy and understanding the CFA impact in difference country contexts.

Colombia and Türkiye, and therefore this longitudinal case study follows a different timeline, with its inception in 2023 (more details on case study selection can be found in section 2.2).

Next steps for the evaluation

The final impact evaluation will focus on analysis of outcomes, impacts (including transformational change), sustainability and value for money (VfM). Using the theory-based framework, we will evaluate the contribution of CFA to the outcomes and impacts observed. As part of the mid-term evaluation, we have developed the Context – Mechanism – Outcomes (CMO) statements to be tested as part of the final evaluation (see chapter 4). In the final evaluation, the evaluation team will test the CMO statements for all countries to assess the progress made along the causal pathways identified.

The final impact evaluation will take place between July 2024 and March 2025.

The Structure of this report

This report is structured as follows:

- Chapter 1 presents an overview of the CFA programme, a mapping of CFA processes and an overview of delivery to date.
- Chapter 2 outlines the key evaluation questions for the mid-term review, the evaluation methodology, data collection methods used, and the limitations.
- Chapter 3 provides a summary of the problem tree analysis underpinning the CFA intervention.
- Chapter 4 presents the Context – Mechanism – Outcomes statements developed from the problem tree analysis and which will be tested in the final evaluation.
- Chapter 5 presents the evaluation findings organised according to the CFA's relevance, coherence, effectiveness and impact.
- Chapter 6 provides the key lessons learned and recommendations.

1 Overview of the CFA programme

The Climate Finance Accelerator (CFA) is a capacity building programme that supports Middle-Income Countries (MICs) to unlock the flow of climate finance in partner countries by:

- **Improving the bankability** of specific low-carbon project proposals so that they are more likely to attract investment.
- **Improving the enabling environment for investment** in low-carbon activity by identifying policy/regulatory interventions that enable greater flows of finance and enhancing cooperation between project developers, finance providers and policymakers.
- **Embedding a permanent process** which can support an ongoing pipeline development of low-carbon projects.

To meet these objectives, the CFA works with a wide range of stakeholders, including:

- **Parties seeking finance**: project developers, business promoters, fund managers. Typically, include private sector initiatives and some government sponsored projects involving a private-sector element.
- **Relevant government representatives**: sector-relevant departments and central ministries who guide policy and regulatory frameworks in partner countries and who identify feasible changes to the enabling environment to assist all parties.
- **Finance practitioners**: finance experts in both partner countries and London, from commercial banking, private equity/venture capital, development finance, grant making, and who provide pro bono finance and transaction expertise, especially on project structuring.

The ultimate impact that the CFA aims to generate is an **increased flow of climate finance from private and blended sources to support low-carbon projects with sustainable development benefits**, thus supporting target countries in their climate mitigation efforts.

The CFA theory of change (ToC) envisages a two-stage approach to achieve this overarching impact. The first stage focuses on **piloting the CFA approach in-country** by providing capacity building to two cohorts of projects and by initiating conversations with policymakers, financiers, and other in-country stakeholders in the climate finance landscape. The second stage focuses on **embedding the CFA process in the country**.

Throughout the life cycle of the programme, the CFA has taken a deliberate approach to embed in its activities **Gender Equality and Social Inclusion (GESI) considerations**, including assessing key risks and identifying key opportunities.

CFA activities in the first stage comprise: **capacity building** for project proponents on how to develop bankable proposals and incorporate environmental and social aspects of their project in proposals; **events and workshops** with policy makers, financiers and project proponents;

and the creation of **knowledge products** on a wide range of topics, including the enabling environment. These activities are expected to **strengthen the capacity** of project proponents to design low-carbon projects that are more investable, establish **new networks** between climate finance participants and **improve their understanding** of climate finance, including GESI principles, awareness of funding opportunities and the main barriers to climate finance.

In the second stage, the successful CFA process in-country is expected to lead, through the engagement of stakeholders and mobilisation of in-country human and financial resources, to the establishment of a structured CFA approach within country institutions and delivered on an ongoing basis. The programme's ToC can be found in Annex 1.

1.1 Overview of CFA delivery to date

The CFA is currently being implemented in nine countries, selected in three different waves:[3]

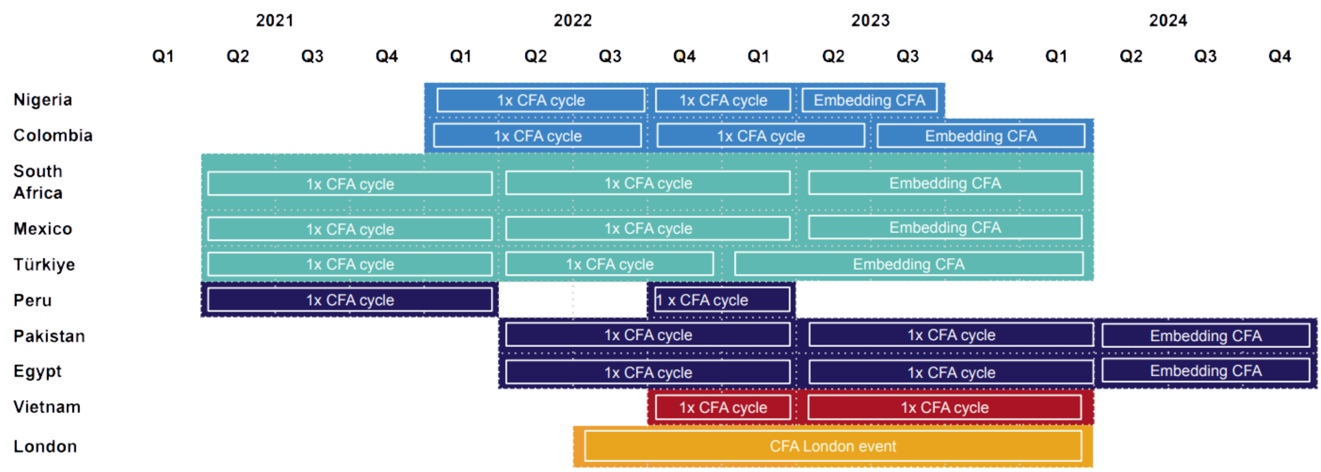
- Wave 1: Colombia and Nigeria.
- Wave 2: South Africa, Türkiye, Mexico[4] and Peru.
- Wave 3: Egypt, Pakistan and Viet Nam.[5]

The CFA was first piloted in Colombia, Nigeria and Mexico between 2017 and 2020. The lessons learned from the pilot activities were used to refine the intervention logic of the CFA in Wave 2 and Wave 3 and to embed the CFA in Colombia and Nigeria. Following the success of the pilot, the CFA was expanded to three additional countries in 2021 (South Africa, Türkiye, and Peru) and subsequently to Egypt, Pakistan and Viet Nam in 2022.

[3] Climate Finance Accelerator – Gov.uk dedicated website. Available here: https://www.gov.uk/government/publications/climate-finance-accelerator/climate-finance-accelerator
[4] While Mexico was also involved in the CFA Pilot, a cohort of projects was not selected until the full implementation of the CFA and thus it is classified as a Wave 2 country.
[5] Viet Nam entered the CFA programme after the commencement of the mid-term evaluation and is thus not included in the evaluation.

Figure 1.1 below shows the CFA activities across the countries from Q1 2021 to Q4 2024.

Figure 1.1: CFA stages across partner countries between 2021 and 2024



Source: Graphic produced by the programme Delivery Partner

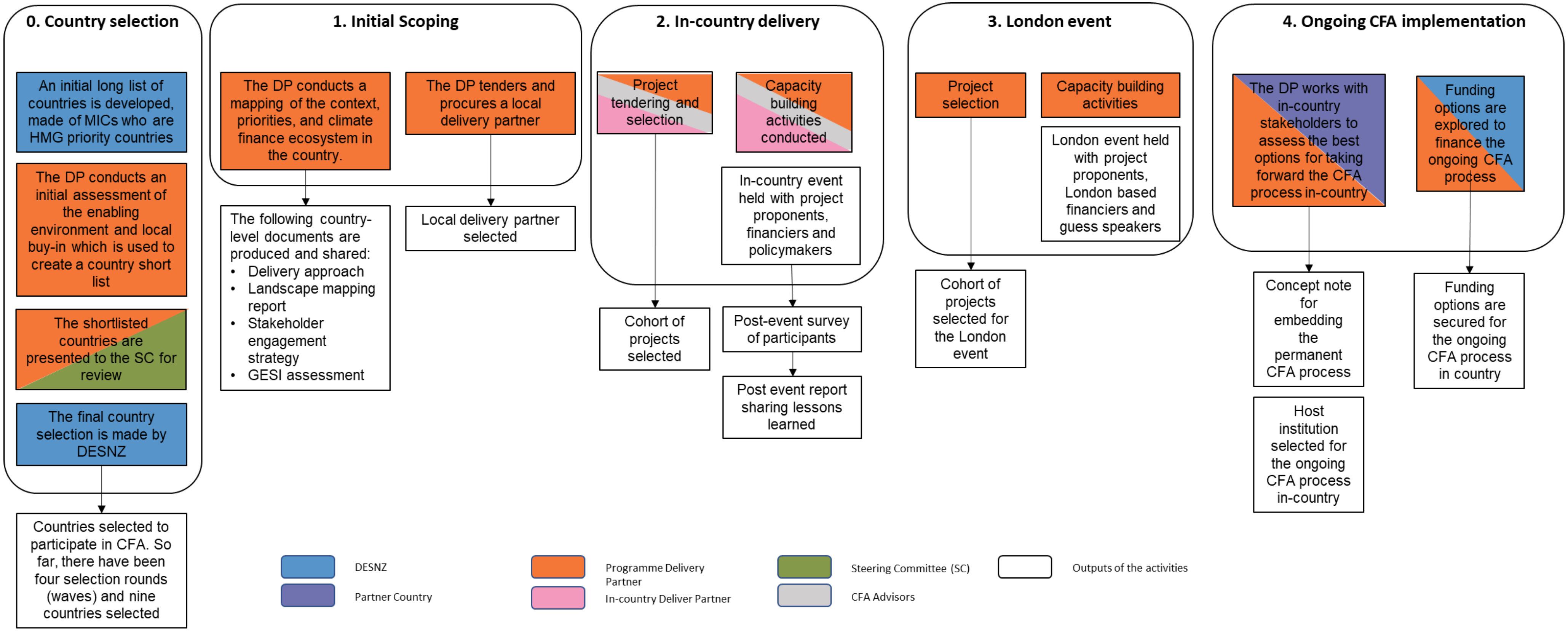
In addition to the in-country activities, the CFA organised its flagship event in London in March 2023. This was a four day event to convene fifteen project proponents, investors, policymakers, and wider stakeholders. The event consisted of keynote presentations and panel discussions with networking breaks, and project deep dives sessions in smaller groups of project proponents and financiers.

Projects participated from South Africa, Türkiye, and Mexico, Pakistan and Colombia. Projects represented a mix of sectors including, Energy, Transport, Waste, Agriculture, Forestry and Other Land Use (AFOLU) and Housing sectors and varied ticket sizes (ranging from 5 to 200million USD). Participating investors included both debt and equity investors, private and public entities, and impact investors. UK government and Embassy representatives (British High Commission in South Africa and UK Embassy Egypt) attended, as the wider climate finance community (consultancy companies, impact advisory firms).

1.2 CFA processes

The diagram below illustrates the mapping of key CFA stages and processes from country selection to ongoing CFA implementation.

Figure 1.2: CFA process mapping



Source: Ipsos elaboration based on CFA programme documentation and consultations with Governance and Delivery stakeholders

1. Country selection

Three parties are involved in the country selection process including, DESNZ, the Programme Delivery Partner[6] and the Steering Committee.[7] DESNZ is responsible for developing a list of Middle-Income countries (MICs), in coordination with staff at relevant Embassies and High Commissions. Countries are short-listed on the basis of an assessment conducted by the Programme Delivery Partner assessing the enabling environment and the local buy-in. The assessment and findings are submitted to the Steering Committee for review. To date, there have been four selection rounds (waves), resulting to a total of nine countries being selected to participate in the CFA.

2. Initial Scoping

The Initial Scoping stage is delivered by the Programme Delivery Partner. Two activities are conducted simultaneously at this stage; a mapping of the context, priorities and climate finance ecosystem in the country, and a release of tenders to procure the local Delivery Partner. The two subsequent deliverables are four country-level documents (to be produced and shared), on the delivery approach, landscape mapping report, stakeholder engagement strategy and GESI assessment, and the selection of the local Delivery Partner, respectively.

3. In-country delivery

The in-country delivery is led by the Programme Delivery Partner, CFA Advisors and the in-country Delivery Partner. These three parties are responsible for initiating a project tendering and selection process resulting in a cohort of selected projects. They then deliver capacity building activities that culminates in in-country events held with proponents, financiers and policymakers. After the event the Delivery Partner administers a post-event survey of participants, which will in turn yield a post event report encapsulating the lessons learned.

4. London event

The London event is the CFA flagship event, bringing together project proponents, London-based financiers and guest speakers, and is being led by the Programme Delivery Partner. The Programme Delivery Partner develops a cohort of projects for the London event, through a dedicated project selection process, and further engages in capacity building activities. One London event took place in March 2023 and another one is planned for September 2024.

5. Ongoing CFA Implementation

A host institution is selected for the ongoing CFA process in-country, during which the Programme Delivery Partner and the Partner Country collectively work with in-country stakeholders to assess and determine the best option for taking forward to CFA process in-country. This is anticipated to result in a concept note for embedding the permanent CFA

[6] Global Delivery Partner PwC responsible for the overall delivery of the programme, and local Delivery Partners responsible for in-country delivery

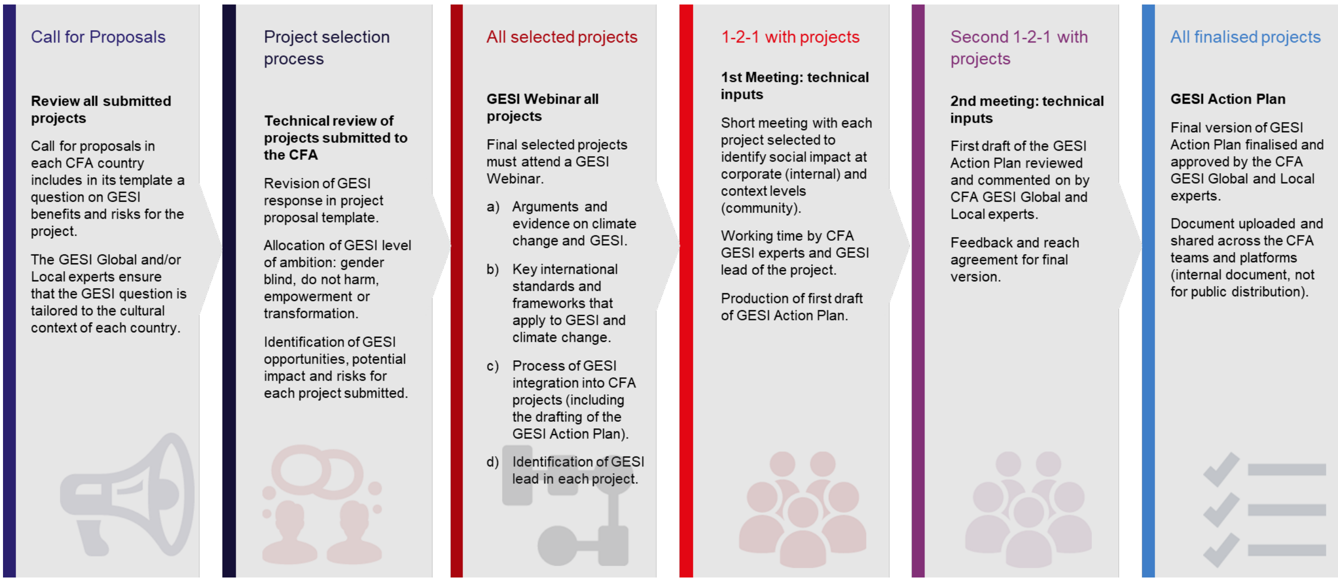
[7] The Steering Committee includes DESNZ, the Delivery Partner, and CFA Advisors (experts appointed to support CFA setup and helping to shape the strategic direction of the programme), meeting on a quarterly basis

process. The Programme Delivery Partner also liaises with DESNZ to explore options for financing the ongoing implementation, the outcome of which will be to secure options for the ongoing CFA processes. The Delivery Partner and DESNZ also work together on a strategy for funding the host institution.

1.3 Integration of GESI into CFA processes

Gender Equality and Social Inclusion (GESI) is embedded in national and international policy frameworks that guide the CFA Programme. Climate change is suspected of disproportionally impacting certain groups including, women, the elderly, vulnerable and disabled people[8], and as such GESI plays an important role in climate finance. Such affected groups are more likely to experience exclusion and vulnerability, often due to their reliance on natural resources for livelihoods, a lack of capacity to respond to climate change impacts, and their poverty levels. The CFA has taken a deliberate approach to assess potential risks and likely opportunities related to gender equality, vulnerable groups and overall social inclusion. The CFA identified five key ways for driving GESI throughout the lifecycle of the programme, which include: ensuring access and affordability to infrastructure, services and products for all, focusing on employment and leadership with the scope of creating career opportunities for marginalised groups, expanding market activity in order to support businesses owned by minority groups, engaging marginalised groups across supply chains, and exploring potential project benefits through risk management. CFA projects used these key points for exploring ways in which their impact and social inclusivity could be improved.

Figure 1.3: GESI integration across CFA processes



Call for proposals: A call for proposals in each CFA country includes a question on anticipated GESI benefits for the project and any GESI risks for the projects. GESI global and/or local experts, based in the Delivery Partner global and local teams, ensure that the GESI questions are tailored to the cultural context of each CFA country where the application

[8] See IPCC (2014) AR5 Climate Change 2014: Impacts, Adaptation, and Vulnerability

documents are deployed to. Upon completion of the application submission rounds, all projects are reviewed, and scored based on a GESI scale.

Project selection process: The CFA global Delivery Partners review the projects proposals submitted, and the GESI global and local advisors assign a GESI level of ambition to the project. Four options of ambition exist: gender blind (no considerations of gender included), do not harm (GESI risks have been identified, assessed and managed), empowerment (supporting increased employment, skills development and access to assets) and transformation (promoting systemic change by challenging stereotypes and tackling discrimination at the organisational or institutional level with a view to achieving longer-term sustainable impact on GESI). Finally, the GESI advisors identify GESI opportunities, potential impacts and risks for each project.

GESI webinar: Project representatives attend a GESI webinar delivered by local Delivery Partners. The webinar presents an overview of climate and GESI, key international standards and frameworks, plus the process of GESI integration into CFA projects (this includes the drafting of an Action Plan), and the identification of GESI leads in each project. The GESI webinar is tailored to each country.

1-2-1 with projects: The local Delivery Partner schedules meetings with GESI experts to provide technical assistance to the projects on the social impacts at corporate i.e., internal, and context i.e., community, levels. Project deliver a first draft of the GESI Action Plan and CFA GESI.

Finalise the GESI Action Plan: The GESI Action Plan is finalised and approved by the CFA GESI global and local experts, and the documents are uploaded and shared across the CFA teams and platforms.

2 Evaluation scope and methodology

2.1 Evaluation questions addressed by the mid-term evaluation

This section presents the evaluation questions addressed by the mid-term evaluation. The evaluation follows a theory-based approach grounded in the CFA theory of change and employs a realist evaluation approach to assess impact within the three case study countries. This involves analysis of how, for whom, and under what conditions an intervention works by empirically examining the inner mechanisms by which an intervention generates outcomes within a particular context, explicating the underlying context–mechanism–outcome configurations.[9]

The mid-term evaluation focused on the evaluation questions related to the relevance and effectiveness of the CFA, as well as its coherence with other similar programmes and early indication of impact. This included:

- A review of the CFA Programme strategy
- An analysis of country level processes and outcomes
- Analysis of the survey results for the CFA cohort in each country
- Findings from the case study reports, continuing the longitudinal research in case study countries that began with the inception case studies.

Table 2.1: Evaluation questions

DAC criteria[10]	Evaluation Questions
Relevance	Are the programme activities (country research, engagement activities, project support activities including events/workshops) the most effective activities to develop a sustainable and visible pipeline of bankable, low-carbon projects or are there other more effective activities? (inception / mid-term)

[9] Nielsen SB, Lemire S, Tangsig S. Unpacking context in realist evaluations: Findings from a comprehensive review. Evaluation. October 2021. doi:10.1177/13563890211053032

[10] The OECD DAC Network on Development Evaluation (EvalNet) has defined six evaluation criteria – relevance, coherence, effectiveness, economy, impact and sustainability. This phase of the evaluation addresses relevance, coherence, effectiveness and impact (early indications of impact).
https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

	Is the programme model sufficiently adaptive, e.g., to different country contexts, shifting in-country priorities or to learning on whether activities are effective?
Effectiveness	To what extent are CFA activities bringing together the appropriate mix of stakeholders (i.e., stakeholders that are most plausibly contribute to the outcomes listed in the ToC) from across the climate finance supply chain?
	Does the programme provide appropriate capacity building support to participants, to ensure they are sufficiently prepared for, and able to benefit from, CFA workshops?
Coherence	Does the CFA complement other donor programmes and initiatives in the countries it works in (including other HMG programmes)? (Case Study countries only)
Impact (early indications of impact)	Does CFA support enable project proponents to develop more bankable projects, which are capable of securing financing?
	Does the CFA help to identify changes to the enabling environment (the set of policies, regulations, practices and attitudes) which could enhance the flow of climate finance in the countries it works in?
	Does the CFA break down siloes between different actors in the climate finance supply chain and improve understanding and relationships between them? Is there any evidence that this leads to material improvements in the ability of projects to secure financing?

2.2 Overview of evaluation activities

Evidence to inform the mid-term report was gathered between November 2022 and June 2023. Evidence was collected in the following CFA countries:

- **Case study countries**: Colombia, Türkiye (mid-term case studies), Egypt (inception case study)
- **Non-case study countries**: Mexico, South Africa, Peru, Nigeria, Pakistan

Case study selection: The evaluation team initially proposed conducting case studies in two Wave 2 countries and one Wave 1 country. Wave 2 countries would be used to analyse, longitudinally, how projects progress through the CFA process and how the enabling environment improves, whereas the Wave 1 country would be used to assess the sustainability of the CFA. The selection of countries was initially proposed to be: Colombia, South Africa, and Türkiye. The selection was revised during the scoping stage, following the changes to the early impact country selection. As South Africa replaced Nigeria in early impact reporting, this led to the decision to also replace South Africa as a case country in order to ensure a greater coverage of countries across early impact reporting and case studies. In addition, in discussions on case study selection, DESNZ expressed a preference for a Wave 3 country to be included. Therefore, the case studies selected are: Colombia, Türkiye, and Egypt. The case study country selection criteria thus reflect the following factors:

Representation of each wave in the CFA process: Coverage of case study countries across each of the three Waves of the CFA programme.

Geographic coverage: Case study selection aims to ensure a representation of the different areas of the world in which the CFA operates.

Evaluation capabilities: Case study selection took into account the capabilities of the evaluation team in each of the prospective countries.

Data collection activities comprised:

Qualitative data collection

- 7 semi-structured interviews with stakeholders involved in the governance and strategy of the CFA programme. This included the DESNZ team, members of the Core Steering Group, the CFA Delivery Partner, and the CFA GESI lead. This is the main group of stakeholders that the report is informing the work of directly.
- 10 semi-structured interviews with in-country delivery team. This included the in-country lead, the in-country Delivery Partner and the local Embassy representative.
- 17 semi-structured interviews with CFA participants. CFA participants comprised project proponents (5 interviews in case study countries), in-country financiers (10 interviews across CFA countries) and policymakers (2 interviews across CFA countries).
- Observation at CFA events. The evaluation team attended the in-county events in two case study countries, Colombia and Türkiye, held in November and December 2022 respectively and the London event held in March 2023. Observations from the events were captured on an Event Observation Sheet. The events were also used as networking opportunity to identify potential stakeholders to engage in semi-structured interviews.
- 3 semi-structured interviews with financiers who participated in the London event (including investors of the following type: multinational bank, private equity investors, impact investors).

Participant sampling: Purposive sampling[11] has been used to select participants that are most suitable for in-depth interviews, to ensure a good spread of demographics (gender and role) and type of stakeholders across countries.[12] DESNZ and the Delivery Partner have provided the contact details for the interview participants. Recruitment was undertaken by the country lead conducting the interview using the contact details provided to us by DESNZ and/or the Delivery Partner. In the case of Colombia, the country lead was supported by Ipsos Colombia staff. For the mid-term phase all interviews have been conducted virtually.

[11] Purposive sampling, also known as judgmental, selective, or subjective sampling, is **a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys**.
[12] The Mid-Term Evaluation Plan contains more detailed information on sampling per country and stakeholder type

Quantitative data collection

- Baseline survey of project proponents.

The table below provides an overview of the survey timings.

Table 2.2: Overview of the survey timings

Country	Baseline (cohort 1) survey launch	Baseline (cohort 2) survey launch	Mid-term (cohort 1) survey launch
Colombia (Wave 1)	January 2023	N/A	N/A
Mexico (Wave 2)	November 2021	December 2022	November 2022
South Africa (Wave 2)	N/A	December 2022	November 2022
Türkiye (Wave 2)	November 2021	December 2022	November 2022
Peru (Wave 2)	June 2022	N/A	November 2022
Egypt (Wave 3)	March 2023	N/A	N/A
Pakistan (Wave 3)	January 2023	N/A	N/A

Primary and secondary data analysis

Once interviews and observations have been conducted, the analytical process started with an internal analytical meeting between all interviewers and evaluators who were present at the events to discuss overall findings, salient points, identify trends or commonalities, and structure the analysis. Ahead of the analysis session, topline survey findings were also analysed to feed into the discussion on qualitative findings. The qualitative data from interviews was analysed using thematic analysis, to identify patterns across the interviews with different stakeholder types and against the evaluation questions. Interview notes were written up or transcribed and then inputted into an analysis grid, which was used to code interview responses by each evaluation question, sub-question and other relevant criteria, and identify key themes from the interviews. The grid allowed us to both analyse the qualitative findings as well as extracting illustrative quotes from the transcripts/immediate interviewer notes.

The survey data was analysed using descriptive analysis. The steps taken for the quantitative data analysis were first a quality analysis (number of complete responses and cross check against portfolio analysis), analysis of survey results by country and sector, and report of results in summary tables at an aggregate level. For both case studies and main report findings, survey results were triangulated with qualitative findings and portfolio analysis data.

Secondary data

- Review of programme documentation, including all available documents of the following types:
    - Country-level documents: end-of-pilot reporting in Colombia, landscape mapping reports (all countries), delivery approach and stakeholder engagement strategies (all countries), post-event Delivery Partner survey analysis documents (Colombia, South Africa, Mexico, Peru, Pakistan, Türkiye).
    - Programme level documents: Logframe, programme level delivery weekly updates, GESI Strategy, GESI Assessment and Action Plan, Knowledge products.
- Portfolio analysis of CFA projects in all countries, primarily relying on information obtained from project applications, to examine project details, such as project objectives, sector, size, and expected impacts.

2.3 Limitations

The methodology of the mid-term review faced some limitations as outlined below:

- **Survey sample size limitations**: The small base of project proponents surveyed (which is inherently linked to the size of the project cohorts and assessed during the evaluation design) necessitated an aggregated analysis rather than allowing for country-specific breakdowns, to maintain respondents' anonymity. Similarly, the small number of respondents who completed both the baseline and mid-term surveys prevented us from drawing comparisons with baseline survey at this stage. This was mitigated through the use of qualitative data from project proponents' interviews for case study countries and from other stakeholders interviewed for the non-case study countries. Data from the Delivery Partner survey post-events was also integrated into the findings of the evaluation report where relevant.
- **Potential self-reporting bias**: A limitation of the survey of project proponents concerns the potential bias related to self-reporting methods to collect data. For project proponents who did not participate in a case study interview, it was challenging to validate self-reported responses with qualitative evidence. This was mitigated by using the findings from the survey of project proponents to complement the qualitative evidence from interviews and observations.
- **Absence of a counterfactual**: The evaluation did not engage with applicants who were not selected to participate in the programme. While this approach was not originally planned at the evaluation design stage, we addressed this limitation through sampling the participants in the evaluation activities to include a wide spread of stakeholders. In

future evaluation activities, it might be beneficial to also gather feedback through primary research with unsuccessful applicants during the evaluation process.

- **Reaching in-country stakeholders for qualitative fieldwork**: Engaging in-country stakeholders to participate in interviews for the mid-term stage posed a challenge, particularly within Nigeria (considering the delivery challenges in the country), Pakistan, and some stakeholders in Türkiye. The challenge of a lower number of stakeholders consulted for some countries has been mitigated through a focus on more in-depth analysis through case studies and using observations at events (London and in-country events) to get further insights. Across other countries, engagement of financiers was particularly successful, and the qualitative interviews programme included three interviews with investors present at the London event.

These limitations should be considered when interpreting the findings of this evaluation. Future efforts should focus on incorporating additional mitigation strategies on stakeholder engagement and on the limitations of small sample sizes for the longitudinal survey (for example, foreseeing proponent interviews for non-case study countries).

3 Rationale for the CFA

3.1 Problem tree analysis

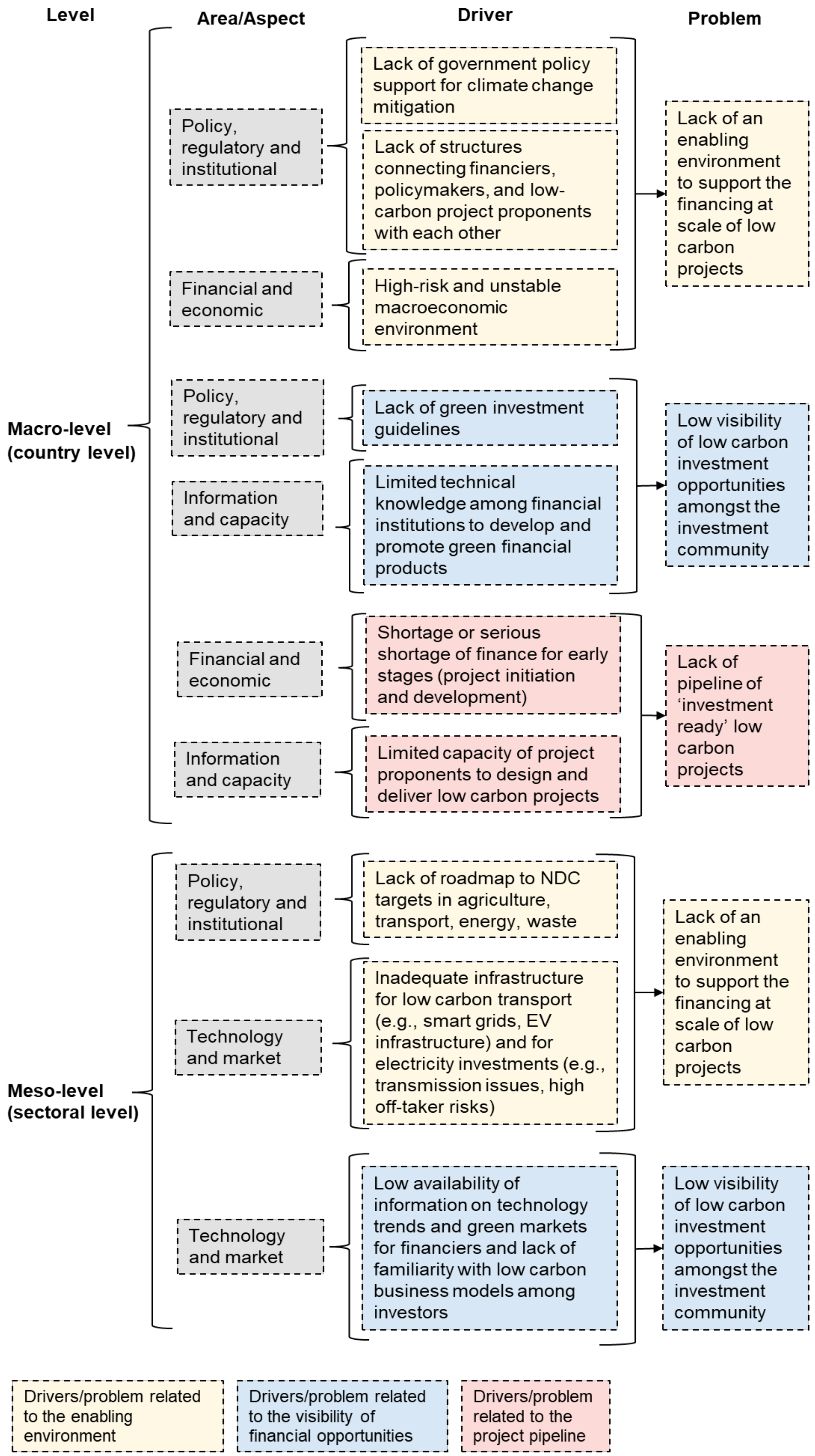
Based on initial research conducted for the evaluation, including the document review and scoping consultations with different stakeholders, the information on the perceived or observable challenges in-country was organised into a ‘problem tree’. The problem tree is an analytical and investigative framework for assessing the extent to which each of the problems identified is present (or not) in each of the CFA countries. Evidence for the problem tree was mainly gathered from the landscape mapping reports produced by the Delivery Partner, as well as from additional desk research of publicly available documents. Where landscape mappings had not been finalised for Wave 3 countries, draft versions as well as country scoping documents were reviewed. For the three countries that were involved in earlier phases of the evaluation (Colombia, South Africa and Turkey) the inception case study and early impact and learning reports also informed the problem tree.

According to the CFA business case, the CFA would help to address the following main problems:

- Lack of pipeline of ‘investment ready’ low-carbon projects.
- Low visibility of low-carbon investment opportunities amongst the investment community.
- Lack of an enabling environment to support the financing at scale of low-carbon projects (policy and regulatory barriers).

For each of these problems, we identified drivers that could cause them at the **macro-level** (drivers present at country-level) and at the **meso-level** (drivers present at sectoral level). The problem tree was developed using evidence gathered from the landscape mapping reports produced by the Delivery Partner. For Colombia, South Africa, and Türkiye, the inception case study and early impact and learning reports have also informed the problem tree. Figure 3.1 illustrates the problem tree. Below the Figure, we provide more information on the evidence of the problem in CFA countries.

Figure 3.1: Problem tree that illustrates the rationale for the CFA



3.2 Lack of an enabling environment to support the financing at scale of low-carbon projects

At the country-level, a **lack of government policy support for climate change mitigation** might hinder the financing of low-carbon projects. A lack of support could be characterised, for instance, by insufficient targets for the low-carbon transition or lack of long-term climate mitigation policies and strategies. A CFA country where this driver appears to be present is Mexico. Reforms to the General Climate Change Law in 2020 eliminated the Climate Change Fund and, in 2021, the government confirmed the dissolution of the National Institute for Climate Change, a decentralised research institution established in 2012 with the purpose of creating and integrating climate change scientific and technical knowledge to aid decision making and policy development.[13] Some CFA countries have seen recent improvements in their climate strategies and government support for low-carbon policies (for example, in Türkiye, Peru and Nigeria). Finally, in other countries such as South Africa, Egypt and Colombia, there is strong political support for low-carbon projects, national climate strategies are more established and legal and institutional frameworks to support climate change mitigation are stronger.[14]

The lack of an enabling environment for low-carbon investment in countries is often linked to **unstable and high-risk macroeconomic environments**. A high-risk investment environment is characterised as having high inflation, high real interest rates, trade barriers, unpredictable fiscal policies, excessive banking regulation and inadequate banking supervision. In Nigeria, the IMF notes that macroeconomic outlook remains subject to significant risks, including from the pandemic trajectory, oil price uncertainty, and security challenges.[15] In Türkiye, according to WEF's Global Competitiveness Index, the country has a low performance (45.2 and 10th percentile) on economic transformation readiness.[16] In Pakistan, the IMF notes that in 2022/2023, the country's economy was affected by significant shocks (severe impact of the floods, commodity shock, tightening of external and domestic financing conditions), stalled growth and surge in inflation that halted the post-pandemic recovery.[17]

Another obstacle at country-level is linked to the **lack of structures connecting financiers and low-carbon project proponents with each other**. This is the case where there is an absence of initiatives in the country to facilitate connections among different climate finance actors (such as accelerators). While some CFA countries have specific accelerators (for example, Colombia), in other countries there is a gap of skilled transaction intermediation (i.e. firms which can assist project and business promoters to bring together the different forms of

[13] https://climateactiontracker.org/countries/mexico/policies-action/
[14] Climate Action Tracker and CFA Climate Finance Landscape reports
[15] https://www.imf.org/en/Publications/CR/Issues/2022/02/09/Nigeria-2021-Article-IV-Consultation-Press-Release-Staff-Report-Staff-Statement-and-512944
[16] https://www.weforum.org/reports/the-global-competitiveness-report-2020/
[17] https://www.imf.org/en/Publications/CR/Issues/2023/07/17/Pakistan-Request-for-a-Stand-by-Arrangement-Press-Release-Staff-Report-Staff-Statement-and-536494#:~:text=Pakistan's%20economy%20was%20buffeted%20by,halted%20the%20post%2Dpandemic%20recovery.

financial and non-financial support that are often required to be combined to bring schemes to market).[18]

At the meso- (sectoral) level, two key drivers were identified in relation to the enabling environment. One is the potential **lack of roadmaps and strategies to meet NDC targets** in the sectors of focus of the CFA (agriculture, transport, energy, waste). In some CFA countries, roadmaps to meet NDC targets are clearly defined, such as in the case of Colombia, where an integral sectoral climate change plan has been formulated and adopted, covering its priorities in terms of adaptation and mitigation.[19] In South Africa, strategies in the transport and energy sectors serve as roadmaps for implementation of NDC targets and are mentioned in the country's updated NDC (Green Transport Strategy, Integrated Energy Plan (IEP), the Integrated Resource Plan (IRP).[20] In other countries there are no specific roadmaps to meet NDC targets found in the public domain. Nigeria is receiving support from the NDC Partnership for the development of the NDC Implementation plan.[21]

Another sector-specific barrier that is linked to the enabling environment for low-carbon projects is **inadequate infrastructure and technology**. This might refer to an outdated state of infrastructure especially in the electricity and transport sectors (for instance, EV infrastructure, unreliable electricity grids), a lack of readiness to integrate innovative technologies (such as smart grids), low market penetration of low-carbon technologies and high off-taker risks. In the transport sector, inadequate infrastructure and technology was identified as a challenge for the development of EV in most CFA countries reviewed. In Colombia, Türkiye, Nigeria and South Africa there is generally not enough supporting infrastructure for electric vehicles in cities (such as charging stations, connectors).[22] In the electricity sector, insufficient infrastructure has been identified as a challenge to low-carbon projects especially in Nigeria, South Africa and Mexico (grid connection, transmission capacity).[23]

3.3 Low visibility of low-carbon investment opportunities amongst the investment community

At the macro (country) level, one of the key potential drivers of low investment opportunity visibility was a **lack of guidelines to identify green investments** (for example, through a taxonomy) or to report in a standard or regulated way. In Nigeria, however, the Central Bank has issued Sustainable Banking Principles, which require financial institutions to progress and report against a set of criteria covering strategic alignment with global environment, social and governance (ESG) standards, developments in climate and green finance, and ESG integration.[24] The principles are widely recognised and understood by financial institutions

[18] CFA Climate Finance Landscape Mapping
[19] Colombia NDC
[20] South Africa NDC
[21] https://ndcpartnership.org/countries-map/country?iso=NGA
[22] CFA Landscape Mappings, WEF and EBRD (Türkiye)
[23] CFA Landscape Mappings, WEF and EBRD (Türkiye)
[24] CFA Nigeria Finance Mapping 2021

even if the pace of internal reforms within financial institutions is more limited. Colombia and South Africa have established green taxonomies and guidelines for green financial instruments such as green bonds (and Colombia was one of the first countries to issue sovereign green bonds in 2021), while other countries have recently issued (Egypt)[25] or are said to be close to publishing (Türkiye) green financing frameworks defining eligible green project categories.

Another factor identified at the country-level concerned a limited **technical knowledge to develop and promote green financial products**. This refers to a lack of information related to green financing products from the national financial institutions and limited understanding of the financial needs in new environmental sectors and low-carbon business models. Based on CFA countries' landscape mappings, this barrier remains high principally among financial institutions in Colombia, Mexico, South Africa, and Peru.

At the sectoral level, within the agriculture, transport, energy, and waste sectors the **low availability of information on technology trends and green markets for financiers** drives low visibility of investment opportunities. Based on information available in the landscape mapping, within the transport sector in Colombia and Nigeria, there is a limited awareness and understanding of, and limited data available on low-carbon technologies and markets, trends and risks within local financial institutions and investors of business models operating in this sector. In Colombia, there is still a scarcity of knowledge about new alternatives for mobility that can reduce emissions, and no specific sources of information on transportation sector technologies or markets accessible to financiers were identified.

3.4 Lack of pipeline of 'investment ready' low-carbon projects

Two drivers appear likely to be driving a paucity of low-carbon project pipeline in CFA countries. The first is the **limited availability of finance for project initiation and development stages**. The lack of funding for project preparation and development has been identified as a major constraint for scaling climate finance investments in EMDCs, according to the High-level Expert Group on Climate Finance.[26] The climate finance supply chain analysis conducted by the Delivery Partner identifies a significant gap in funding sources at the stage of project initiation in several CFA countries. For example, in Colombia, sources of financing for project initiation include development banks, governmental sources and international financing institutions, but no private sources, such as commercial banks, private equity, venture capital, or financial investors. The only instrument identified for project initiation was grants. Instruments that are not available in the country for this stage are loans, venture capital, equity, structured finance, or risk mitigation instruments. Exceptions existed in Nigeria and Egypt, where there appears to be early-stage finance for project initiation. In Nigeria, sources of finance for project development and capacity building include DFIs (the African Development

[25] https://mof.gov.eg/en/posts/publicDept/601ace3810ca760007b20d2c/Green%20Financing
[26] Songwe V, Stern N, Bhattacharya A (2022) *Finance for climate action: Scaling up investment for climate and development*. London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science. The work of the Independent High-Level Expert Group on Climate Finance is supported by the UN Economic Commission for Africa, the Brookings Institution, and the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science

Bank and IFC) and development partners such as UK FCDO, UK DESNZ, GIZ, Agency Française de Development, UNEP and UN Development Programme, bespoke entities such as the Climate Innovation Centre and FC4S Lagos and, in some cases, commercial banks and private equity firms, who all provide capacity building and technical assistance on climate finance. In most cases, however, projects at early stages fail to progress through the supply chain to the primary finance stage due to capacity constraints and enabling environment barriers. In Egypt, the largest four banks offer green finance to build a pipeline of investable, green projects that will show where commercial banks can provide financial intermediation. Climate project identification has also been improving owing to a good start-up ecosystem as well as the active involvement of multilateral institutions such as the EBRD and bilateral development partners (GIZ, AFD, USAID, DFIs, and development banks).

The other key driver of a lack of pipeline concerns **capacity constraints of project proponents to design and deliver low-carbon projects**. This refers to the capacity needed to design and deliver 'investment-ready' projects. Often capacity constraints do not relate to technology and innovation, but to project proponents' ability to draft investment proposals and meet corporate governance and accounting standards. For example, in Egypt, start-ups in the technology space have a high focus on technology and minimal focus on their business model, which results in proposals that oversee this aspect, and in Peru the landscape mapping identified a lack of technical capacity to develop successful investment proposals as a key barrier on the demand side.

4 Mid-term findings

4.1 Relevance of the CFA activities

Key evaluation questions

Are the programme activities (country research, engagement activities, project support activities including events/workshops) the most effective activities to develop a sustainable and visible pipeline of bankable, low-carbon projects or are there other more effective activities?

Is the programme model sufficiently adaptive, e.g., to different country contexts, shifting in-country priorities or to learning on whether activities are effective?

Key findings:

- The high number of applications to the CFA suggest that there is interest among low-carbon project proponents for a CFA-like instrument, indicating that the programme is relevant.
- The different levels of participation to the proposals among countries were influenced by multiple factors, particularly related to the country context and to the strength and networks of the in-country Delivery Partner and the level of engagement of in-country stakeholders.
- Overall, the CFA portfolio of projects across countries is aligned to priorities in countries' NDCs, with sectors that are most represented in the country's project portfolio having a correspondent strategy or roadmap in the NDC.
- Stakeholders interviewed highlighted the potential to further align the projects selected to the country context, especially in terms of further sectoral focus, types of available finance in the country, size and readiness of projects.
- Evidence from case studies suggests that where there were more substantial differences in terms of size and readiness of the project, this created inefficiencies and difficulties for the CFA to meet projects' needs.
- Where projects looking for funding were smaller, this was highlighted by financiers among the barriers to investment (among others such as early stage of project). However, focusing on bigger projects might have trade-off implications in terms of GESI objectives (excluding smaller projects from marginalised communities).

- To demonstrate the social benefits of the projects, the GESI capacity building activities were consistently highlighted by projects as being a particular strength of the programme.

4.1.1 Relevance of the support provided by the CFA

4.1.1.1 Relevance of the project portfolio

This section presents analysis of:

- The effectiveness of the CFA project selection process in selecting projects that most align with the programme objectives;
- Alignment of the project portfolio with the country's NDCs, climate mitigation priorities and finance available in-country; and
- The extent to which GESI has been systematically considered and taken into account in project selection (including GESI review).

Project selection

Rates of participation in calls for proposals can indicate the level of interest in the CFA among project proponents, which may be indicative of the CFA being considered relevant to the needs of applicants.[27] Across CFA countries the number of project applications varied significantly with 122 applications being received in South Africa for the first cohort as compared to seven in Nigeria). The approach to the call for proposals taken by the local Delivery Partner seemed to contribute to the number of applications received (for example, maintaining an open approach to the call for proposals worked well to attract higher number of applications). Across all countries, the CFA attracted a **higher level of interest from project proponents** in the second call for proposals than the first. An increase was seen particularly in Türkiye (96 applications in the second cohort compared to 30 in the first), Peru (79 applications compared to 40) and South Africa (166 applications in the second cohort compared to 122 in the first). While the evaluation did not engage with applicants who were not selected to participate in the programme, feedback from the Steering Committee highlighted the inefficiency created by high numbers of applications from projects that would not be appropriate for the programme. Evidence from the case studies conducted for this evaluation suggests that the outreach performed by the Delivery Partner prior to the second call for proposals (with a more targeted approach to adapt the most suitable type of communication style to the country, e.g., combining social media, articles in newspapers and press releases by High commissioners and embassies) resulted in more effective communication and a higher number of relevant project proposals, across a wider range of sectors. In Peru, the CFA built strategic alliances with business and industry associations to reach a wider audience in the call for proposals (for example, partnering with the Chamber of Commerce). In Colombia, there was an improvement, compared to the pilot wave, in the quality of project proposals, in terms of

[27] Other factors may alternatively explain or jointly explain high response rates, such as low availability of other streams of finance, a misunderstanding of the eligibility requirements or offering of the CFA, effective advertising of the fund, an easy application process.

suitability for the CFA programme (type of funding sought and ticket size), resulting in fewer unsuitable applications.

The country context was highlighted by the Delivery Partners as the main factor impacting rates of participation, with countries with familiarity and experience of similar donor programmes, especially UK Government programmes, and where language constituted less of a barrier, enabling greater participation of projects in the call for proposals (see Table 4.1 below). In addition, governance and delivery stakeholders interviewed for this evaluation noted the strength and networks of the in-country Delivery Partner and the level of engagement from the high commissions and embassies in-country as other key enabling factors in attracting projects.

Table 4.1: Responses to the CFA call for proposal by country

	First cohort[28]		Second cohort	
Partner Country	**Applications received**	**Applications selected**	**Applications received**	**Applications selected**
Nigeria	7	4	(no second cohort)	N/A
Colombia	87	7	(no second cohort)	N/A
South Africa	122	13	166	15
Türkiye	30	6	96	8
Mexico	32	10	43	10
Peru	40	6	79	8
Pakistan	53	7	(no second cohort yet)	N/A
Egypt	46	9	(no second cohort yet)	N/A

[28] In Colombia and Nigeria, the first cohort was preceded by a CFA pilot between 2017 and 2020

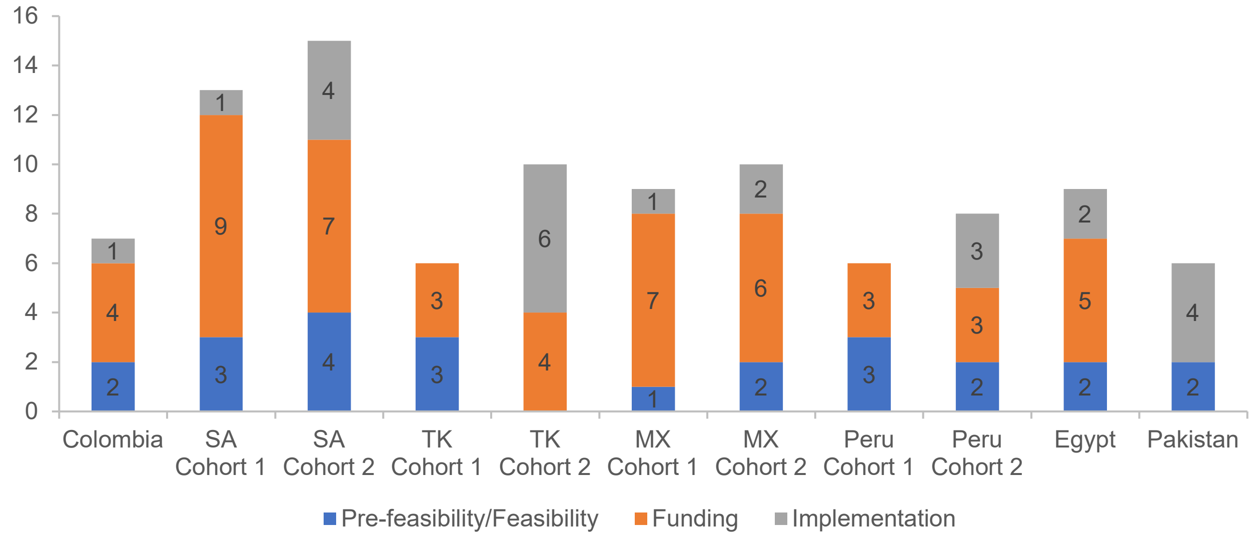
Projects selected

The size and stage of projects selected was considered by interviewed financiers and project proponents a key aspect to consider for the alignment of project needs with CFA objectives. The figures below provide an analysis of the project stages and size in the CFA portfolio. Overall, countries had projects at different stages within each cohort, and wide ranges of project sizes. Some countries, such as Türkiye and Peru in their first cohort, had a higher proportion of earlier stage projects (pre-feasibility/feasibility) within their cohort. The average size of projects also varied substantially between countries, with particularly large projects in the first cohorts in Türkiye and South Africa, and in the second cohort in Mexico.

Evidence from case studies suggests that where there were more substantial differences in terms of size and readiness of the projects, this created inefficiencies and difficulties for the CFA to meet projects' needs. Where projects had generally a smaller size, this was highlighted among the barriers to investment mentioned by financiers. However, focusing on bigger projects might have implications in terms of GESI objectives. Findings from the mid-term interviews highlighted a trade-off between the size of project and GESI objectives. The Colombia case study in particular showed that with a minimum project size of 1million USD, there might be a risk of exclusion of projects from marginalised communities who are project proponents of smaller projects. It should be also noted that project size and financial resources are not the only barrier to participation by marginalised groups to develop projects suitable for the CFA selection process, which also experience wider systemic and structural barriers to access financial opportunities.

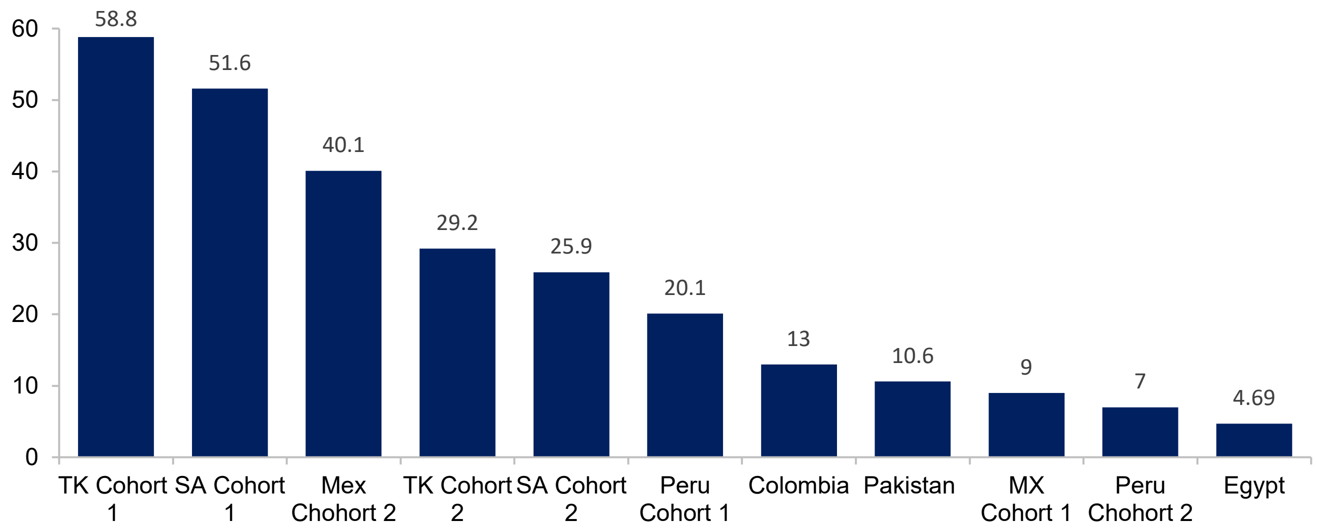
In addition to GESI considerations, a more diverse portfolio of projects also contributes to increasing the visibility of a wide range of low-carbon projects among the investment community (which is one of the key objectives of the programme). Overall, while it might to be more efficient to have more homogeneous project cohorts, the CFA could consider maintaining a broad range of projects, especially in terms of size and readiness, to ensure that the benefits in terms of inclusion and visibility are not overlooked.

Figure 4.1: Project stages



Source: Portfolio analysis

Figure 4.2: Average size of projects (USD Million)



Source: Portfolio analysis

Table 4.2: Project size ranges per country/cohort

Country/Cohort	Size range (USD Million)	Number of projects
Colombia	0.7 – 36	7
SA Cohort 1	3.6 – 300	13
SA Cohort 2	4 – 16.2	15
TK Cohort 1	2.2 – 225	6
TK Cohort 2	12 – 65.9	10*
ME Cohort 1	0.03 – 26	10
ME Cohort 2	4 – 159	10
Peru Cohort 1	10 – 37	6
Peru Cohort 2	3 – 15	8
Pakistan	1.4 – 25	7**

*Funding information for 9 out of 10 projects
**Funding information for 6 out of 7 projects

Alignment to countries' NDCs and priority sectors

An analysis of the portfolio provides some insights on the extent to which the projects selected in the portfolio align with countries' NDCs. Alignment with NDCs is important to ensure local buy-in and that the CFA is a suitable approach to help countries meet their climate mitigation targets. Table 4.3 overleaf summarises the share of projects in each country in the main sectors in the CFA portfolio (energy, transport, waste and AFOLU), and an overview of the presence of a strategy or roadmap for these sectors in the country NDCs.

Overall, the CFA portfolio of projects across countries is aligned to priorities in countries' NDCs, with sectors that are most represented in the country's project portfolio having a correspondent strategy or roadmap in the NDCs. In the case of South Africa, despite the waste and AFOLU sectors do not have specific strategies referenced in the NDCs, they are mentioned as sectors of focus. Stakeholders interviewed also agreed on the alignment of the project cohorts with climate mitigation sectors in NDCs. Qualitative findings from the case studies suggest that projects in Colombia and Türkiye reflect well the sectoral focus of the countries' NDCs. Policymakers interviewed for this evaluation also highlighted the importance of the inclusion in the CFA portfolio of subnational projects aligned with local issues. For example, the inclusion of a water-focused project in the north of Mexico was considered by the financiers and policymaker interviewed very relevant to the issues experienced in the local area.

Interviewees from different stakeholder groups also suggested that a greater focus on specific sectors would improve the effectiveness of the project selection process in securing a cohort of projects best able to benefit from the programme by creating further opportunities for synergies to be developed between project proponents operating at different stages of the supply chain in the same sector.

"The in-country partners, rather than just having a blanket call (for proposals), (the CFA) should say, 'We are prioritising these 4 areas'. This could also facilitate investors' interest in a group of projects in the same sector, rather than seeing varied projects that fall broadly under a climate umbrella." Governance and strategy stakeholder

Table 4.3: Alignment of CFA portfolio of projects with sectors in country NDCs

Sector		CO	TK	EG	NI	ME	SA	PE [29]	PK
Energy	N. of projects	4/7	8/14	1/9	1/4	12/20	10/28	4/14	2/7
	Strategy in NDCs	✓	✓	✓	✓	✓	✓	✓	✓
Transport	N. of projects	1/7	6/14	0/9	0/4	1/20	5/28	1/14	2/7
	Strategy in NDCs	✓	✓	✓	×	✓	✓	✓	✓
Waste	N. of projects	0/7	1/14	2/9	1/4	3/20	3/28	6/14	1/7
	Strategy in NDCs	✓	✓	✓	✓	✓	×	✓	✓
AFOLU	N. of projects	1/7	2/14	4/9	0/4	5/20	7/28	6/14	1/7
	Strategy in NDCs	✓	✓	✓	✓	✓	×	✓	✓

Source: CFA portfolio analysis and countries' NDC submissions.

[29] All four sectors are mentioned in the NDC as priorities but there are no specific targets referenced in the document.

Alignment between project portfolio and finance available in-country

Several stakeholders highlighted the potential to further align the project selection process to the country context, for instance, ensuring alignment with sectoral priorities in-country and that the financial needs of projects can be covered by the financial sector in country.

> *"In terms of gaps and changes/adapting the CFA, going forward we want full alignment with what is number one priority for us in climate change space - which is JETP.[30] So we want to ensure that projects selected reflect this priority." (Governance and strategy stakeholder, South Africa)*

> *"It is important to select projects where we know there is the ability of the financial sector to invest, and the enabling environment is conducive for investment." (Financier, Mexico)*

In relation to alignment with sectoral priorities, it should be noted that aligning the portfolio with sectoral priorities (while it has worked well in some countries, such as alignment to JETP in South Africa, or AFOLU sector priorities in Peru) would not always correspond with investors priorities in-country. One suggestion, advanced by stakeholders involved in the governance of the programme, to ensure that alignment of the project needs with the financial sector in country, is the introduction of a 2-stage process to project selection, with the first stage involving country-based financiers who could provide information on where their priorities lie and what financial instruments they are able to offer. However, this suggestion would only address the 'demand' side, making projects match better types of finance already available, with no growth in the 'supply' side. It should be also noted that the CFA does not only focus on the financial sector in-country, but also provides exposure to international DFIs and international investors, with a role to fill private sector gaps in the country. Based on the climate finance landscape mapping and knowledge of in-country and international key stakeholders derived from the first cycles of delivery, the CFA could consider involving financiers in the project selection process to better understand where priorities lie in-country.

Role of GESI in the project selection process

Of the project leads that provided their gender as part of the project proponent survey, 14% were female, while 35% considered themselves as part of a disadvantaged group in their country due to either their ethnic background or sexual orientation.[31] However, none of these respondents felt that this affected their ability to apply to the CFA.

> *"In terms of diversity of projects, I think we can probably do more in terms of diversity for some countries. Sometimes this reflects diversity in entrepreneurship in the country. In terms of adaptiveness, there has been a good constructive*

[30] Just Energy Transition Partnership – an initiative launched by the governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, to support South Africa's decarbonisation efforts.

[31] 57% did not consider themselves as part of a disadvantaged group, 4% preferred not to say and 4% responded "don't know".

> *discussion on this, and CFA is re-thinking how to reach out to projects." (Governance and Strategy stakeholder)*

The announcement of the call for proposals includes a section stating the importance of issues related to environmental and gender equality in prospective proposals. In addition, the application form now asks for the sex of the project representative and includes a question on the project's plan to contribute to GESI objectives in the institutional or corporate business set-up of the company, and the projects' impact on the community.

Over time, the CFA programme has taken more efforts to publicise the call for proposals through more diverse communication routes, recognising that more traditional routes (such as business newspapers) may unintentionally exclude groups that might not access their media through these sources. For example, in Colombia and Peru the programme has reached out to specific NGOs with GESI expertise to share the call for proposals within their network. In South Africa the programme plans to take a more geographic approach for the next call for proposals by specifically targeting areas facing key socio-economic challenges and broadening their outreach to maximise diversity in the applications. The CFA is also looking to introduce a weighting system for GESI during the project selection stage. However, the efforts to tailor communications to enhance applications with GESI objectives require considerable resources, and this is an ongoing challenge for in-country Delivery Partners and for international experts guiding the Delivery Partners.

A key line of enquiry for the final impact evaluation will be to investigate how effective these efforts have been in attracting a more diverse background of project proponents.

4.1.1.2 Extent to which the CFA support addresses identified barriers in the countries where it operates

This section addresses the relevance of the CFA support in addressing barriers and challenges for low-carbon projects, identified in partner countries through in-country scoping.

The CFA identifies barriers for low-carbon projects through the landscape mapping reports. These are reports produced by the in-country Delivery Partner, and include information on the following:

- The country profile and political and legal framework.
- An analysis of enablers and barriers to climate finance on the demand side.
- Analysis of the climate finance landscape in country and of the supply side (including gaps in climate finance).

The evaluation has made use of these reports to further explore and analyse the barriers that project proponents in CFA countries face when it comes to raising finance, as well as the barriers for financiers to invest in these projects, and barriers in the enabling environment. This analysis has been integrated into the problem tree (see section: Rationale for the CFA). The CMO statements to be tested in the final evaluation also reflect the hypotheses, based on the analysis of the programme conducted so far, on which activities are more relevant for the identified types of barriers.

The **capacity building support** specifically targets the barrier of a lack of pipeline of 'investment-ready' low-carbon projects, and particularly the capacity constraints of project proponents to design and deliver low-carbon projects. The **events** and workshops in-country and in London mainly sought to address barriers related to the low visibility of low-carbon investment opportunities, but also barriers related to the enabling environment, particularly the lack of structures connecting financiers and low-carbon project proponents with each other. The creation and dissemination of **knowledge products** seems to target primarily the barriers to the enabling environment, by raising awareness of the country climate finance landscape and its needs among key policymakers and stakeholders.

The baseline survey also explored the **barriers faced by project proponents in raising finance**. The main barriers identified consistently across countries relate to the enabling environment (negative macroeconomic conditions) and the lack of knowledge from financiers to assess their proposal. These are the main barriers addressed by the CFA (together with the lack of knowledge among project proponents to develop bankable proposals), suggesting the programme is highly relevant in CFA countries.

Table 4.3: Barriers faced by project proponents in raising finance

D2. What barriers have you experienced to raise funding for your project? Please, select all that apply	Number of respondents	% of respondents
Negative macroeconomic conditions to raise funding (e.g., currency risk, political risk)	32	58%
Lack of knowledge from financiers to assess your proposal	26	47%
Insufficient political support to develop your project	21	38%
My organisation's lack of financial track record	20	36%
Lack of collateral	18	33%
Sector is too risky	12	22%
Lack of interest from financiers in your project	10	18%
My organisation's lack of experience in developing this type of project	8	15%

Total	55	100%

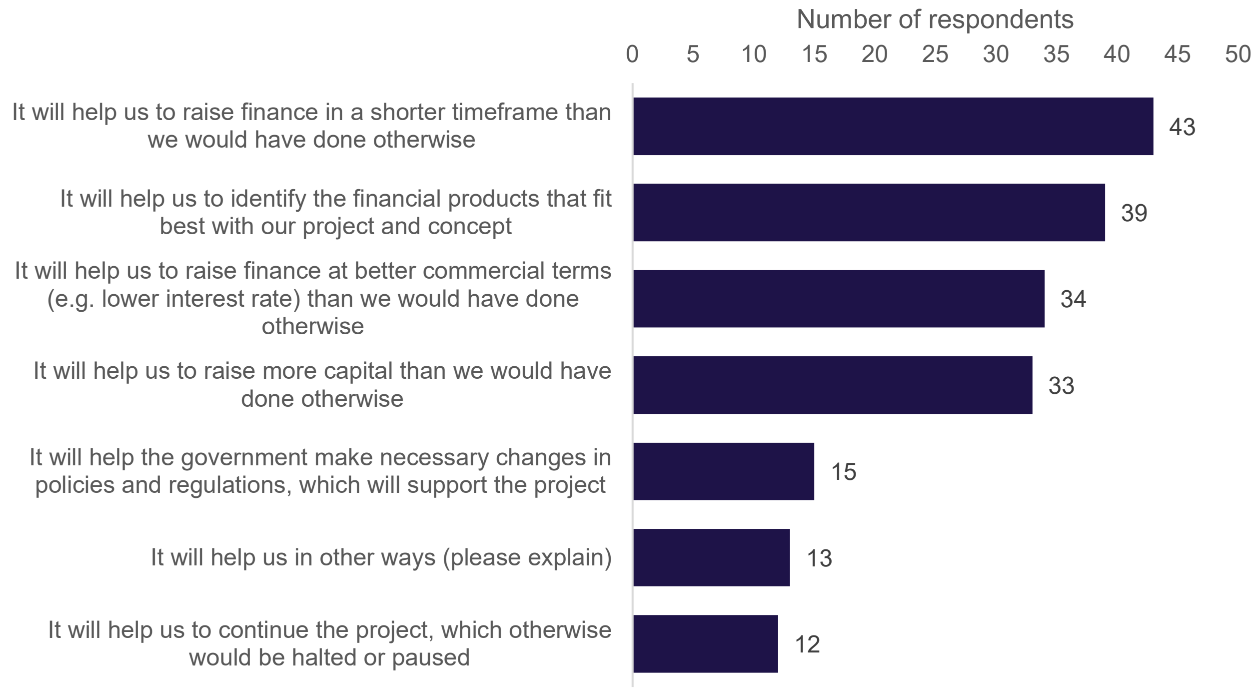
The evaluation has also identified that some financiers participating in CFA lacked knowledge or understanding of how to assess low-carbon projects; this suggests that such activities (as delivered under the CFA) were relevant. This financier needs differed, however, by country and type of financier. For example, the evaluation found that in Türkiye, financiers participating in the CFA showed a lack of understanding particularly on how to assess the environmental and carbon impact of projects. In South Africa and Mexico, investors participating in the CFA had different levels of experience in terms of low-carbon projects, with some already very focused on climate mitigation projects and familiar with the assessment.

4.1.1.3 Relevance of the support provided to project proponents

This section addresses the relevance of the CFA support to project proponents, covering the relevance of in-country activities to the needs of project proponents, the aspects of the support provided by the CFA most important to them and any gaps in support.

The baseline survey of project proponents explored **participants' expectations** at the start of the programme. Overall, project proponents expected that the CFA would help them to raise finance in a shorter timeframe (43 out of 55 respondents), at better commercial terms (34), and more capital (33) than they would have done otherwise. They also expected it would help them to identify the financial products that fit best with their project (39). Feedback received through qualitative engagements with project proponents indicated that in some instances, they expected to achieve investment directly through their participation in the CFA.

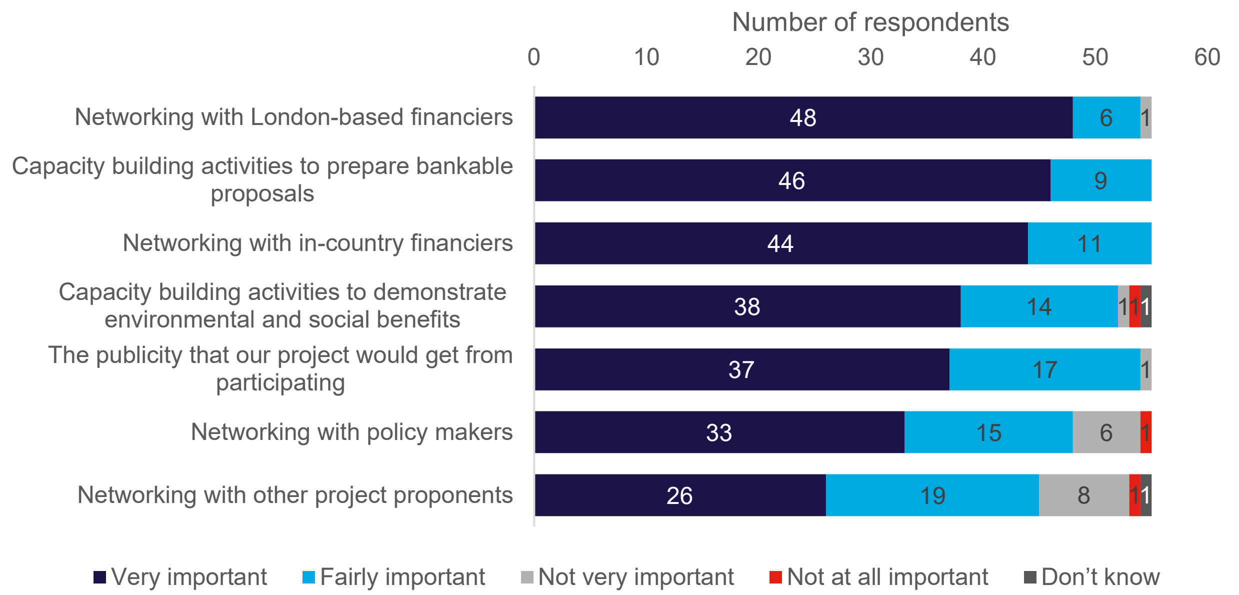
Figure 4.3: What difference will participating in the CFA make to your project?



Source: Baseline survey of project proponents (question B2). Base: 55 respondents

Survey respondents also commented on the activities that were most attractive to them when they applied to participate in the CFA to help them meet these objectives. Overall, networking with financiers and the financial capacity building that CFA provides were considered the most relevant activities (see Figure 4.4 below).

Figure 4.4. Please indicate the extent to which the activities or benefits of the CFA were attractive to your organisation when you submitted your application



Source: Baseline survey of project proponents (question B2). Base: 55 respondents.

In-country capacity building

Most in-country stakeholders consulted felt that the capacity building activities were relevant for the needs of project proponents in their country and that they addressed the barrier of a lack of pipeline of bankable low-carbon projects in their country. In particular, stakeholders highlighted that the capacity building activities addressed the gap in understanding amongst project proponents of what was needed to develop a bankable or investment-ready low-carbon project and the lack of opportunities to obtain this knowledge and expertise through other sources in their country.

> *"Yes (the CFA activities are relevant to the needs of projects), in particular capacity building and training. Most project ideas in Peru still have basic needs and require coaching and longer times to bring them to a bankable situation." (Governance and* delivery *stakeholder, Peru)*

The **contents of the capacity building sessions** were particularly relevant for project proponents to identify key aspects to focus on when preparing a proposal, including on financial aspects and demonstrating the environmental and social aspects of the project. Learning to prepare more bankable proposals was seen as one of the most relevant aspects of CFA support when project proponents prepared their application. Participants found particularly relevant learning about the key aspects to consider when describing the projects to investors and considering risks and efforts to mitigate them. To demonstrate the social benefits of the projects, the GESI capacity building activities were consistently highlighted by projects as being a particular strength of the programme. Building a strong GESI case for their projects was seen as particularly important by project proponents when engaging with international investors or publicly funded schemes such as the European Innovation Council (EIC) Accelerator. Learning how to demonstrate the environmental impact of their project was also a key relevant aspect for project proponents found as part capacity building activities, especially on indicators of carbon emissions and showing the emissions reduction impact of their project. While project proponents did not indicate specific gaps in the capacity building activities, observations at the London event suggest that projects might benefit from further sessions on wider aspects of sustainability (for example, on end-of-life implications of renewable energy solutions).

Events and networking activities

The **networking and reputational effects** of the CFA were highlighted as key benefits of the programme by project proponents. By being able to participate in events in-country and in London, project proponents expected to raise the profile of their project, connect with a wide range of investors, learn and practice developing and pitching their low-carbon projects, obtain feedback and make connections with investors that would enable them to raise finance for their project. Financiers and policymakers' expectations from the events and workshops mainly concerned getting exposure to low-carbon projects (especially for those not involved yet with impact and environmental investments), giving information and guidance to projects on how to structure their proposals for funding, and looking for new projects for funding. Overall, investors interviewed as part of the evaluation reported that the CFA events were useful to get an understanding of investment opportunities and challenges in emerging markets. Especially for investors that are new to deploying capital to ESG, the CFA offers a platform to gain more knowledge on how to appraise and select projects and how to go about investing in this new way. According to data collected from the Delivery Partner in the Logframe for 2023, 73% of participants (in countries including South Africa, Mexico, Türkiye and Pakistan) reported that the CFA has been useful in helping them build new relationships and/or strengthen existing ones.

London event

The opportunity to connect with London-based financiers was considered one of the most attractive features of the CFA for project proponents at the start of the programme. According to the baseline survey, 48 out of 55 respondents considered it very important to network with London-based financiers as part of CFA activities. Based on findings from interviews with project proponents, they considered this element of the CFA particularly useful for the opportunity to give their project an international exposure, meeting international public and private funds.

The objectives of the London event were the following:

- To showcase the CFA and its achievements and the growing opportunities, maturity, and scale in investing in sustainable projects in the CFA countries.
- To facilitate networking and knowledge sharing among project proponents.
- To connect project proponents with global investors, allowing them to grasp investor expectations and refine their pitches based on the feedback received.
- To expose London based investors and financiers to investment opportunities in emerging markets and improve their knowledge of these projects and markets.

The objectives and structure of the London event offered participating project proponents the opportunity to address their needs in terms of **project visibility** to international investors, **receiving valuable feedback** on their pitches, and to **network and connect** with potential interested financiers. The evaluation therefore identified three key elements related to the relevance of the London event:

Learning element: the project deep dives, where projects received feedback from financiers, were considered relevant to address the barriers of gaps in capacity of projects to successfully pitch their projects. Participants noted that putting investors and projects together was important to reveal whether there is investor interest in a particular sector or country (for example, mobility in emerging markets), investor expectations with regards to both impact[32] and financial performance, and what the blocking points for investors are. For example, discussions around foreign exchange risk challenges for investors was particularly relevant during panel sessions and deep dives. Projects at a more advanced stage were selected for

[32] ESG or impact focussed investors are looking at the entire value chain in determining the net climate and environmental impacts of investment opportunities (e.g., is the electricity needed to charge EVs coming from clean sources or ‘dirty’ grid, end of life treatment of EV batteries, etc. Some of the investors expect transparency and measurement of scope 1 and 2 emissions).

the London event. With the objective of learning, other project proponents in the cohort (even at an earlier stage) would have benefitted from participating in the London event, particularly with regards to investors' expectations, although this would not have been feasible within the programme budget. Introducing further sessions where financiers present to project proponents on the key aspects that they are looking for could further enhance learning.

Networking element: the London event allowed projects to broaden their networks, going beyond local investors, and connecting with a pool of global investors. The expectation of project proponents on the nature of the event was largely intended as "matchmaking" to find investment opportunities. For example, project proponents mentioned the CFA would allow *"Participating in events outside Egypt to meet investors, branding and matchmaking between us and investors from all over the world interested in our field" (PP, Egypt).* The composition of participants to the London event was a key factor influencing the relevance of the event for both project proponents and financiers from the point of view of networking. There was a variety of investors across the event, but the attendance was not consistent (for example, the final day had a lower investor attendance). Some investor types, such as multilateral banks, were only present in a low number at the event and could have been relevant for project proponents. The discussions at the London event highlighted the importance of Development Finance Institutions (DFIs)/ multilateral banks/ International Finance Institutions (IFIs) in supporting the transition to net-zero by providing de-risking instruments and blended finance, particularly to early-stage investments. As such, a key learning point from the London event is to engage more proactively with these institutions. Apart from the World Bank Group, the programme could engage with a wider range of DFIs/ IFIs such as the European Investment Bank, German KfW who are also investing in emerging markets and are interested in project pipelines in these countries.

Visibility element: investors considered the London event to have a good thematic coverage of projects across the countries selected and noted that many investors consider specific themes or countries when looking for potential projects. A benefit of the CFA London event, highlighted by financiers, is that it gives investors exposure and access to a pool of quality projects, with the selection process undertaken by CFA in shortlisting projects for London providing some comfort to investors. Overall, the key focus of the event seemed to be increasing the visibility of low-carbon projects with UK-based financiers and stakeholders, rather than specifically expose the participating investors to concrete investment opportunities. Some of the interviewed investors (who were present at the event) were not directly looking for investment opportunities but were rather participating out of interest in low carbon sectors and/ or emerging countries. As further discussed in sections 5.3 and 6.4, a strategic approach to investor engagement (based on investor profiling and segmentation, targeted outreach to investors of interest and developing a clear value proposition for investors) would be helpful going forward.

4.1.2 Adaptiveness of the CFA programme

4.1.2.1 How the CFA has adapted its approach to each country

This section focuses on the adaptiveness of the CFA programme model in each country, and how contextual factors are integrated into the design of the programme for different countries.

The CFA approach aims to be adapted to each country in the following ways:

- The project selection, capacity building and training activities offered are adapted to the needs of in-country stakeholders.
- The second stage of the CFA, where the approach is embedded in the country, is fully driven by in-country stakeholders' needs and preferences.

Adaptation of activities during the first stage of the CFA (implementing the CFA approach)

The CFA programme structure is consistent across the partner countries where the same model of activities is applied in cycles of similar length.[33] There have been, however, some adaptations made at the country-level. Stakeholders interviewed highlighted the importance of the project selection process in gaining an in-depth understanding of the project needs and the initial scoping work conducted to understand the country context, which enables greater tailoring of the capacity building activities to the country context and maximises its effectiveness.

> *"The capacity building is best when it's specific to the needs of projects and when it's tailored to the demands and I think the more we're active in a country's eco-system, the more we understand what is needed and we're able to tailor to that."* (*Governance and delivery stakeholder*)

Some adaptations are made to the programme delivery based on the country context; for example, the content of the webinars is adapted according to the structure of financial markets in each country. An example of this can be found in Türkiye, where there was a shift from more general sessions on climate finance to a more specific focus on carbon accounting based on the needs of the project proponents.

Another example can be found on how GESI was covered in Colombia. In general, across CFA countries, projects attend a GESI webinar to introduce them to the GESI aspects of the programme and highlight the importance of GESI for their project's business case before their 1-2-1 session with the GESI advisor. In Colombia, instead of a webinar, this was done as a series of three pre-recorded videos of presentations from the GESI advisor as well as representatives from external institutions including a commercial bank, the Ministry of Environment, and an GESI-focused NGO. The presence of external institutions was seen as an effective way to further emphasise to project proponents the importance of GESI in developing bankable low-carbon projects.

On the other hand, the Delivery Partners have identified some barriers to adaptation of the CFA activities to the country context, including budget constraints and efficiency trade-offs. In one case, an in-country Delivery Partner mentioned that adaptations of CFA activities in-country took a lot more capacity and time than anticipated in the budget. This refers to

[33] The exception to this is Viet Nam which is the latest country to join the CFA programme. Due to the timings of the mid-term evaluation no evaluation activities took place in Viet Nam but it will be included in the final impact evaluation.

adaptation of capacity building and training activities to the specific needs of project cohorts, and in some instances, getting support from technical and financial experts based on individual needs.

Adaptation of activities during the second stage of the CFA (embedding the CFA approach)

The second stage of the CFA consists in establishing a permanent CFA approach in-country, led by local stakeholders.

The Colombia case study constitutes an example of this embedding process. In Colombia, the national Delivery Partner developed a business plan which establishes a roadmap for the process and is currently presenting proposals for the CFA programme to be taken over by a technical secretariat formed by the programme's partner organisations and a governance structure of technical and steering committees.

Findings from the case study suggest there is willingness from government and financial institutions to create a long-term and sustainable CFA programme in the country. The local Delivery Partner is currently scoping the source of financial resources for the CFA process, among financial institutions and Ministries responsible for NDC targets. Although there is willingness to contribute, the lack of information on the impacts of the programme is a barrier to its long-term implementation, as financial institutions would need this information to justify their contributions to the programme. The case study identified the CFA timeframe as an aspect that might lead to necessary adaptations to the CFA approach and activities in Colombia when establishing the permanent process. The short timeframes of the CFA operating cycles constitute a challenge to establishing a long-term model, and adaptation might be needed to ensure there is enough time to test the scheme and engage all relevant stakeholders. The CFA could consider having longer cycles to allow more time to build relationships with stakeholders that could engage in the permanent CFA process in-country.

4.1.2.2 Adaptation of the programme to learning

This section will focus on adaptiveness at the programme level, and specifically on how learning is integrated into the design of the programme, whether programme adaptations took place and their appropriateness.

Adaptations can be split into those made in the delivery of the CFA in a specific country, most prominently the adaptations made between cycles of activity, and those made based on taking and applying lessons across CFA partner countries.

Overall, stakeholders involved in the governance, strategy and delivery of the CFA considered the programme to be very flexible and adaptive. In particular, as the CFA cycle in-country refreshes every 9-12 months, the design of the programmes facilitates opportunities to stocktake and evaluate the success of the delivery of the programme and rapidly incorporate lessons learned in future delivery, in-country and at programme level.

In general, the CFA governance structure supports the adaptiveness of the programme. At each delivery milestone, lessons learned are collected from teams involved in the delivery and collated by the programme Delivery Partner, who assesses how the lessons learned can be actioned and incorporated into the future delivery of the programme. The programme Delivery Partner conducts weekly meetings with the in-country Delivery Partner and monthly meetings with the local Embassy representative and DESNZ to monitor progress and identify areas for improvement in the programme delivery. This process provides an opportunity to make adaptations mid-delivery when relevant, as opposed to waiting until the programme cycle has concluded in the country. However, programme stakeholders have also highlighted that the rapid delivery of the CFA programme in-country has in some cases restricted the ability to make live adaptation to the in-country delivery, as there is limited time to make any significant changes during the delivery cycle. At the end of each country cycle, in-country activities are also assessed by the delivery team to generate further lessons learned.

Lessons learned are also captured in quarterly reports produced by the global Delivery Partner and annual reports produced by DESNZ and the global Delivery Partner. A tracker is kept of recommendations included in the DESNZ annual review alongside the relevant actions, the owner, and progress made so far.

The variation in the capabilities of the respective in-country Delivery Partners means that lessons learned from one country may not be easy to implement in a uniform way across CFA partner countries.

In addition, stakeholders involved in the governance and delivery team highlighted that the increasing number of CFA partner countries might create potential barriers to mid-cycle adaptations, as implementing changes in a higher number of countries requires more coordination efforts. While the governance structures continued to be effective with the increase in countries, this may represent an ongoing risk if the CFA continues to expand, and coordination resource get spread more thinly.

Applying learning at the country-level

There have been some adaptations made to individual CFA activities based on learning from ongoing implementation. Stakeholders involved in the governance and delivery of the programme feedback that the project selection process had improved across cohorts in-country as the programme delivery staff utilised knowledge of the country context gained from the first round of delivery. A notable example of this was the targeting of the AFOLU sector in Peru which was based on feedback received from the Embassy in the country. Similarly, in South Africa, the project selection took into account alignment with the JETP and sectors were also adjusted to ensure they aligned with the needs related to JETP.

The Delivery Partner has also progressively developed project templates and programme level documentation (which can be adapted according to the country context) to ensure the quality of delivery is of a consistent standard across CFA partner countries (in response to feedback). This includes the core proposal documents, the project selection criteria and assessment spreadsheets, capacity building curriculum and checklists and agendas for the in-country events. These documents and templates were developed using lessons learned from the first round of delivery and were also related to changes made in the global Delivery Partner team, with a new role created to assist in the development of these materials.

Adaptations to the GESI approach

The templates that were was initially used for the development of the GESI Action Plan during the capacity building process was seen to be too complex for the level of understanding of project proponents and more suitable for development projects as opposed to private companies looking for investment. As such these tools were simplified to focus on two specific areas: the governance aspect of the project´s company or organisation and the project´s community benefits. Specifically, references to the International Finance Corporation (IFC) performance standards were added to the GESI webinar and Action Plan template which are more understood in both the investor community and the private sector. These changes were seen to be effective by Governance and Delivery stakeholders interviewed in supporting tailoring the development of the Project Proponents' GESI action plans to a language that is more commonly understood in the financial sector.

The allocation of GESI resources was also altered after the first cohort of projects. Inputs from the GESI advisor were shifted to come in later during the project selection process when a long-list of applications had already been developed. This allowed more time to be dedicated to both the in-depth review of projects and the capacity building role of the GESI advisor. An additional effect of this was that all projects that reached the GESI assessment stage of the selection process had strong financial fundamentals and reduced the risk that projects that were not bankable would be selected based on a strong GESI component.

GESI at the in-country events

During the virtual delivery of the in-country events, the events featured a dedicated GESI session on the first day of the event. However, once the events became face-to-face, not all events featured a dedicated GESI session.

Efforts have been made to instead integrate GESI into the wider panel discussions. This was the approach taken in Colombia (the first event held in-person), while subsequent events have included a blended approach with a short, dedicated session as well as included a GESI expert in panel discussions.

"It's much better to mainstream GESI (in the in-country events), it's much more impactful, for example, for an investor from the World Bank to stand up and talk about what gender and social inclusion means for them, and how they apply it, rather than having a separate panel, which can often feel a bit of an add-on. So that's something that we've taken onboard at the events. We don't have a separate GESI conversation anymore. We try to build that into what we're doing, and I think that's a pretty conscious decision." (Governance and delivery stakeholder)

4.2 Coherence of the CFA with other donor programmes

Key evaluation question

Does the CFA complement other donor programmes and initiatives in the countries it works in (including other HMG programmes)? (Case Study countries only)

Key findings

- Overall, the CFA presents a distinctive and unique offer in the countries it works in, with participants feeding back a lack of similar support available from other programmes.
- The risk of duplication of existing efforts is low at programme level. At country-level, there are potential risks of duplication with similar programmes operating in the country, which are mitigated by the assessment done by the CFA at the country selection stage and the identification of other HMG programmes operational in partner countries to assess potential for collaboration.
- The key opportunities identified in the mid-term evaluation for greater collaboration with other programmes concern the project pipeline (signposting unsuccessful projects to/from other programmes that might be more suitable), future project funding through other initiatives (e.g., NDC partnership), and sharing of networks built during project implementation.
- In particular, the Global Innovation Lab for Climate Finance and the UK PACT have been identified as complementary to the CFA that could offer opportunities for synergies, mostly in terms of knowledge exchange, sharing of project pipeline, and investor engagement.

4.2.1 Links with other similar programmes and risks of duplication

Overall, stakeholders across the CFA partner countries fed back that the CFA presented a clear and unique offer in-country and was not duplicating existing efforts. Project proponents viewed the CFA offer as distinctive in their country, with a lack of similar support available from other sources.

At programme level, stakeholder interviews indicated that the scope of CFA support is clear and there is a **low risk of duplication** of existing efforts with similar international programmes. At country-level, duplication risks are assessed during the country selection process, looking at the programmes present in the country and potential overlap. For example, the presence in Indonesia of the Mentari programme (a UK-Indonesia Low Carbon Energy Partnership) with similar objectives to the CFA led to the decision to focus on other countries for the CFA selection.

"I've not seen anything from the UK government that is doing the same thing, however I think there is more risk of duplication with what other countries could be doing." (Governance and strategy stakeholder)

Evidence from interviews with in-country stakeholders have highlighted some examples of programmes in CFA countries that have potential areas of overlap. For example, the LEDS LAC programme in Peru focuses on creating awareness of low-emission development strategies within the financial sector, and the International Climate Initiative (IKI) in Peru supported by GIZ aims at improving the enabling environment for projects contributing to NDC goals, for example by promoting matchmaking with financiers. Beyond the country selection process, a regular review of accelerators and programme present in-country could be beneficial for the CFA to assess risks of duplication.

Efforts to **generate and maximise links** with other programmes are made at both the programme and country-level. For example, through the NDC Partnership,[34] countries submit requests to help them achieve their NDC targets, and DESNZ identifies which HMG programmes are currently operational in meeting these requests and assess the potential for collaboration. Another programme that has been explored for links and collaboration with the CFA is the Climate Finance Leadership Initiative (CFLI), a private sector driven programme led by Bloomberg to mobilise finance for climate solutions. A notable example of the process of links generation is Colombia, where the CFA is in contact with the CFLI initiative to ensure the two offers are complementary (e.g., looking at how the CFLI could provide relevant climate finance products for projects) and is collaborating with the NDC Partnership on the embedding of a permanent CFA process in-country (i.e. by connecting with the relevant HMG people responsible for the NDC Partnership). In Egypt, the CFA works closely with UK Export Finance and in Mexico with the FCDO programme Mobilist.

The approach to developing synergies between similar programmes is dependent on the country and institutional context with the relationships developed either through the central DESNZ team, the Delivery Partner or the team at the local Embassy.

Overall, stakeholders identified some opportunities for greater collaboration with other programmes:

- **Project pipeline**. The CFA has received hundreds of unsuccessful project applications across the nine partner countries it operates. While these projects may not be suitable for the CFA, or there is not sufficient budget to support them, they may be relevant for other similar programmes where these exist (for example, the CFLI in Colombia and the IKI). Conversely, the same may be true for the project pipelines developed through other initiatives. As such, greater synergies could be put in place to share information about each programme's project pipeline and sign-post other relevant initiatives for

[34] The NDC partnership is an initiative that brings together more than 200 members, including more than 115 countries, developed and developing, and more than 80 institutions to create and deliver on climate action goals. Governments identify their NDC implementation priorities and the type of support that is needed to translate them into actionable policies. Based on these requests, the membership offers a tailored package of expertise, technical assistance, and funding. https://ndcpartnership.org/

unsuccessful programmes that may be better suited to their needs (as already done in Türkiye, Mexico and South Africa).

- **Future project funding**. Opportunities could be assessed to fund future CFA operations through other initiatives such as the NDC partnership.
- **Sharing networks of financiers**. The CFA as well as other similar programmes will develop a network of financiers through the programme implementation which could be shared between programmes to help participating project widen their relevant network. This could also help establishing stronger links with DFIs present in the country (IFC, EIB, Regional development banks) that engage or collaborate with other programmes.

In particular, the following UK Government programmes offer potential opportunities for collaboration and synergies with the CFA.

Table 4.4: Key programmes offering opportunities for collaboration with the CFA

	Global Innovation Lab for Climate Finance	UK PACT (Partnering for Accelerated Climate Transitions)
Programme overview	The Lab is a global platform that identifies, develops, and accelerates innovative financial instruments and solutions to address climate change challenges. The Lab brings together public and private sector stakeholders, including investors, policymakers, entrepreneurs, and experts, to collaborate on developing transformative financial models and tools.	UK PACT is a climate partnership programme led by the UK government. It aims to accelerate the global transition to a low-carbon, resilient economy by forging partnerships, sharing knowledge, and providing technical assistance across sectors and countries. UK PACT supports a wide range of initiatives, including capacity building, policy support, technical assistance, and knowledge exchange, to address climate-related challenges in collaboration with governments, businesses, and civil society organisations.
Similarities with the CFA	Both programmes emphasise innovation and collaboration as key drivers of change. They bring together diverse stakeholders, including public and private sector representatives, investors, entrepreneurs, and experts, to foster collaboration, share knowledge.	Both programmes provide technical assistance to enhance the understanding of climate finance mechanisms, strengthen project development skills, and navigate the complexities of the finance landscape.

	Global Innovation Lab for Climate Finance	UK PACT (Partnering for Accelerated Climate Transitions)
	Both programmes support project development and scaling. They provide technical assistance, mentorship, and capacity building to help project developers and entrepreneurs refine their ideas, build robust business models, and attract investments for scaling up their climate solutions. Both programs actively engage with investors and financial institutions to increase their understanding of climate-related risks and opportunities. They work towards creating an enabling environment for sustainable investments and encourage investors to allocate capital to climate-friendly projects.	Both programmes emphasise collaboration and partnerships. They bring together diverse stakeholders, including governments, financiers, and project developers to build networks to facilitate the financing of low-carbon projects.
Differences with the CFA	The Lab is more focused regionally, it is based around regional hubs or thematic areas for each intake, rather than the more country specific approach of the CFA. Relative to the CFA, the Lab is only focused on the development of innovative financial solutions and system level change. It is a multi-donor Facility where the private and public Lab members work together to select projects.	In comparison to the CFA, UK PACT has a broader scope and a greater focus on the enabling environment within the countries it operates in. The programme also is not only focused on providing technical assistance, but it directly finances projects.
Potential opportunities for synergies	Knowledge exchange: Insights from the CFA programme on the financing needs of project proponents could support the work of the Lab. Similarly, lessons learned, and expertise of innovative financial instruments could help the CFA in its engagement with financiers and	Knowledge exchange: The CFA programme currently provides UK PACT with information of the gaps in climate finance in partner countries.

	Global Innovation Lab for Climate Finance	UK PACT (Partnering for Accelerated Climate Transitions)
	developing solutions for financing low-carbon projects. Sharing project pipeline: The Lab's network of investors, financial institutions, and other stakeholders can help connect the CFA-supported projects with potential funders and provide access to a broader range of financial resources, or sharing projects rejected by the Lab but suitable for the CFA. Investor Engagement: Both programs could collaborate on engaging with investors and financial institutions to raise awareness about climate finance opportunities and build capacity for sustainable investment.	

The evaluation incorporated a deeper dive into coherence of the CFA with other donor activities for the two case study countries (see Annex 2). The findings are here summarised.

Colombia

In Colombia, there are some programmes that stakeholders interviewed as part of the case study identified as potentially overlapping with the CFA, particularly the Climate Finance Development Accelerator (CFDA) and other accelerators in the Climate Financing Corridor.

The **CFDA** aims to mobilise financial flows and private sector actions to address climate change and support the transition to an equitable and resilient net-zero economy. Among the CFDA objectives there is the steer of a **learning and capacity building** agenda to scale up successful approaches, **identify and help to address barriers to public financing**, and **disseminate and communicate success stories**. The **Climate Financing Corridor** was initiated by the Colombia National Planning Department (DNP) in 2020 to connect climate action opportunities with sources of financing. Project submissions can be channelled through accelerators who partnered with the Corridor, according to their specific conditions and calls for proposals, and the CFA is one of the accelerators integrated into the financing corridor.

There are also programmes that have the potential to complement the support provided by the CFA, or that offer synergies that could be exploited:

- The UK PACT might benefit from the CFA's pipeline or project portfolio.
- MAPBIO and the Non-Conventional Energy and Efficient Energy Management Fund offer a different type of technical assistance which might complement well the CFA (for instance, the market studies or feasibility studies financed by these programmes would also help project proponents to improve their proposals).
- CFLI may complement the support provided by CFA by further helping financial institutions to design products to finance climate mitigation projects.

Türkiye

In Türkiye, the **EBRD financing facility GEFF** provides loans or capital market instruments to financial institutions in Türkiye for green economy investments. A representative from GEFF was present at the in-country event. However, none of the interviewees identified any potential overlap with support provided under this financing facility. Their involvement in the event should help ensure coherence. There was no mention of the UK-Türkiye Green Finance event held earlier in 2022.

4.3 Effectiveness of the CFA activities

Key evaluation questions

To what extent are CFA activities bringing together the appropriate mix of stakeholders (i.e. stakeholders that are most plausibly contribute to the outcomes listed in the ToC) from across the climate finance supply chain?

Does the programme provide appropriate capacity building support to participants to ensure they are sufficiently prepared for, and able to benefit from, CFA workshops?

Key findings

CFA convening function (bringing together the right mix of stakeholders)

• Workshops in-country have been found well organised, valuable, and useful to allow financiers and government representatives to get exposure to a range of low-carbon investment opportunities.

• In the second iteration of the CFA cohorts of projects, there has been an improvement in terms of the breadth of the investors involved.

• However, engagement of financiers and policymakers at in-country events seems an ongoing challenge in many partner countries. Involvement of financial institutions was often based on existing networks of in-country Delivery Partners as opposed to a strategic approach to engagement.

• Project proponents reported having the opportunity to connect with a wide range of finance providers. Views were mixed on whether the CFA helped to connect with the right types of investors.

• One of the unexpected successes of the CFA convening function was the creation of a community of project proponents.

CFA capacity building support

• Overall, the CFA provides appropriate capacity building support to participants. Project proponents were generally positive on capacity building received, and the key elements found particularly valuable concerned GESI capacity building, feedback on value proposition and pitches, and preparing financial proposals.

• Gaps identified in the capacity building support mainly concerned specific aspects of how to present projects to financiers and further support to alumni at the end of the CFA process.

4.3.1 Effectiveness in bringing together an appropriate mix of stakeholders

This section addresses the effectiveness of the CFA convening function, the appropriateness of the stakeholders that it brings together and the effectiveness of events and networking activities.

The CFA theory of change foresees the following outcomes from bringing together stakeholder groups in the programme activities:

- **Project proponents**: By participating in CFA events, project proponents are exposed to national and international investors and are able to establish new or improved networks with climate finance actors, and to increase their knowledge and capacity on how to prepare proposals for funding.
- **Finance practitioners**: Finance expert facilitators in both partner countries and London, from commercial banking, private equity/venture capital, development finance, grant making, provide expertise especially on project structuring. By attending CFA events, financiers have an increased awareness of low-carbon funding opportunities.
- **Policymakers**: Sector-relevant departments and central ministries provide guidance on the policy and regulatory frameworks in partner countries and identify feasible changes to the enabling environment that could be made to assist all parties.

4.3.1.1 Involvement of financiers

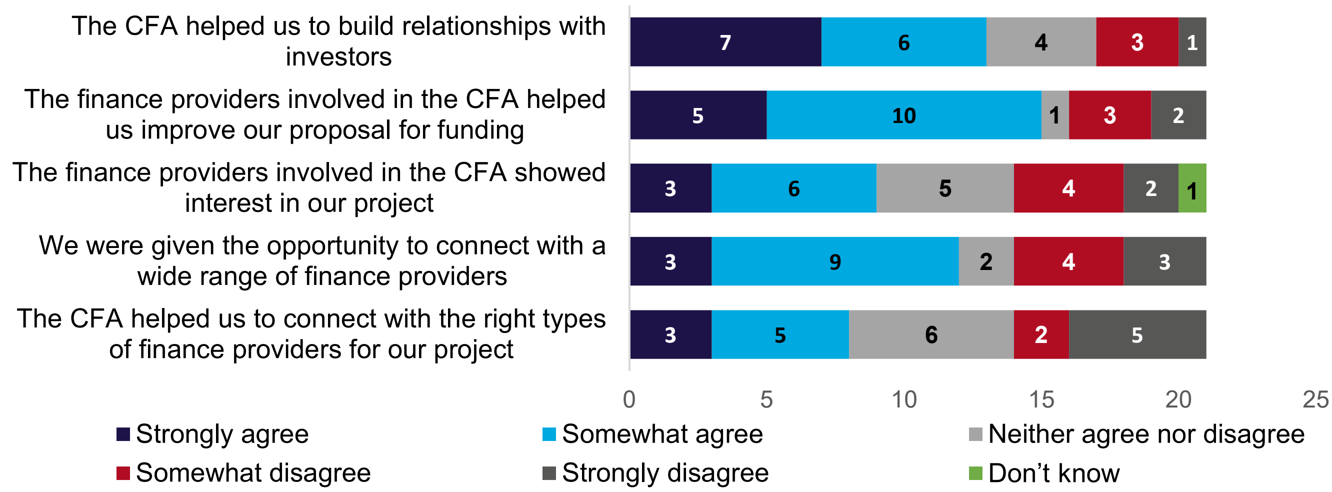
In terms of involvement of **financiers**, the type of financial institutions involved in the CFA generally reflected the landscape in the country (e.g., prevalence of national banks or international institutions), and some countries have reported a strong group of financial institutions engaged. For example, in Mexico the Delivery Partner worked with the association of banks and association of funds (for venture capital) to identify financiers.

Among project proponents who responded in the survey that they had connected with financiers, there was a general agreement that they had had the opportunity to connect with a wide range of finance providers through the CFA. Most agreed that the financiers involved in the CFA helped them improve their proposal for funding (15 out of 21) and build relationships with investors (13 out of 21), and they had contributed to project proponents improving their knowledge of the climate finance landscape.

Views were mixed on whether the CFA helped to connect with the appropriate types of finance providers for their project (while eight respondents to the evaluation survey agreed they were connected with the right types of investors, seven disagreed and six neither agreed nor disagreed). Likewise, the Delivery Partner post-event surveys indicated that whilst the majority of projects (more than 50%) felt that financers were relevant to the needs of their business, there were a number of suggestions for improvements. For example, project proponents in Nigeria commented that there should be greater focus on supporting the engagement with financiers' providers of start-up grants.

Views in the evaluation survey were also mixed on whether finance providers were showing interest in the project. This suggests that the type of financiers involved could be further tailored to the needs of project proponents, and an area of further support for project proponents would be to help them identify the appropriate type of investor to focus on. Specifically, project proponents felt that they would have benefitted more from engagement with financiers with experience in financing early-stage projects (though it is important to note that in many partner countries early-stage project financing options are limited).

Figure 4.5: Question D2: To what extent do you agree or disagree with the following statements about your networking opportunities with finance providers?



Base: 21 (question was asked to respondents who selected any option apart from ‘we have not connected with any financiers’ or ‘don’t know’ in question D1 ‘Which of the following types of finance providers has the CFA helped you to connect with? Please, think of all the finance providers you have spoken to through the CFA, independently of whether they made you an offer for funding or not. Please, select all that apply.’

Stakeholders participating in qualitative in-depth interviews suggested that in the second iteration of the CFA cohorts of projects, there has been an **improvement in terms of the breadth of the investors involved**. For example, in Peru, the first CFA iteration mainly included financiers from the Peruvian banking sector, while for the second cohort a wider group of financiers was engaged, including impact investors working at the regional and international level.

In the mid-term survey, 17 out of 27 project proponents indicated specific types of finance providers that they were hoping the CFA would help them to connect with (and found that it did not connect them with such providers). Project proponents mostly mentioned they hoped to connect with investors who support **smaller size projects** (below 3million USD), investors with particular interest in **women-owned businesses**, more **impact capital investors**, **international DFIs**, and **climate tech** ventures. From the financiers’ perspective, the CFA would have also benefitted from the involvement of other active networks in project financing (for example, venture capital associations).

> *“The products of those networks (e.g., venture capital associations) are usually comprehensive and would help the CFA to grow exponentially. Also, it is easier to*

organise face-to-face meetings with them, and that usually increase the possibilities of projects for a good matchmaking to obtain financing." (Financier)

Furthermore, qualitative findings with financiers that attended the in-country event as well as the London event found a relative lack of knowledge of the CFA programme among attending financiers. In addition to this, there was a lack of information provided to project proponents ahead of the event on the profile (names and investment focus)[35] and expectations (investment strategies and approaches) of attending financiers which limited their ability to tailor their pitches and questions to the specific audience.

"It would be great if prior to the London Bootcamp there was a more specific talk to facilitate the contact between the project and the investors." (Project Proponent, Colombia)

The **format** of the in-country events was mentioned as one of the potential barriers to financiers' participation, as a full day event with limited opportunities for virtual participation. However, virtual-only events (as experienced by the Delivery Partner in previous rounds due to COVID-19) have a lower engagement than only in-person events, while hybrid events have significant resource implications. Having a sectoral focus at the events was also advanced as a suggestion to make financiers' participation more targeted.

"The event is a full day, which is not very attractive to financiers. It would be better to cluster proposals by sectors, and perhaps also allow more virtual participation." (Delivery Partner)

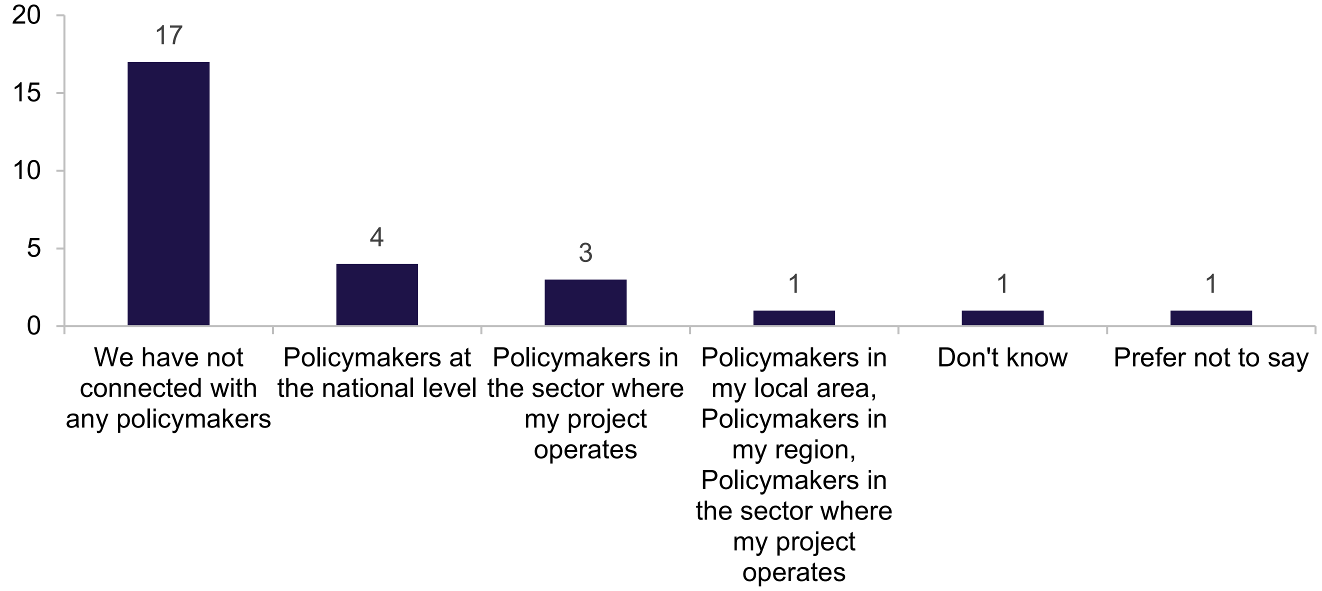
4.3.1.2 Involvement of policymakers

There were different levels of involvement of **policymakers,** dependent on the CFA country concerned. For example, Colombia and Mexico had a high level of engagement of national and sectoral policymakers at their in-country events while in other countries, such as Türkiye, the engagement was very limited.

Less than a third (8 out of 27) of project proponents who responded to the survey indicated having connected with policymakers as part of the CFA (national, local, or sector-specific policymakers). Those who reported connecting with policymakers indicated benefits resulting from the CFA. In particular, project proponents reported that they increased their knowledge of which authority or department they need to engage with to obtain political support for their project, and that they have made some changes in their project to better align it with the policy priorities in their country or local area. This suggests that more involvement of policymakers at CFA events would be beneficial for participating projects.

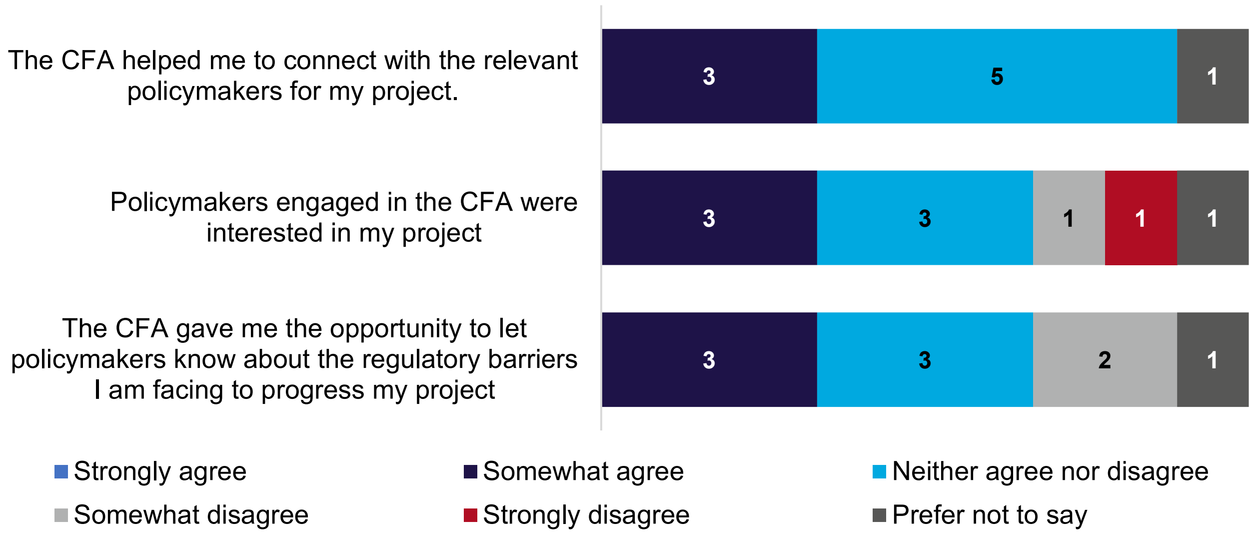
[35] Whether they were ESG focused or generalists, debt/equity investors, the target stage for investments, sector or geographic focus.

Figure 4.6: Question D5: Which of the following types of policymakers has the CFA helped you to connect with?



Base: 27

Figure 4.7: Question D6: To what extent do you agree or disagree with the following statements about your networking opportunities with policymakers?



Base: 9 (question was asked to respondents who selected any option apart from ‘We have not connected with any policymakers’ or ‘don’t know’ in question D5 ‘Which of the following types of policymakers has the CFA helped you to connect with? Please, select all that apply.’

Feedback from project proponents highlighted some types of policymakers that were absent from CFA activities and events, and they would have liked to connect with. Given the wide range of sectors among selected CFA projects, policymakers involved were not always relevant to the project’s sector (for example, a project focused on construction in Colombia would have benefitted from the presence of the Ministry of Housing).

4.3.1.3 Effectiveness of the in-country activities in convening stakeholders

Overall, in-country events were considered the most effective activities to connect stakeholders with each other. Participation in the CFA events was an opportunity for financiers and project proponents to connect and share knowledge with each other, in particular through sessions with formal presentations of projects to investors.

From the perspective of project proponents, benefits in terms of interactions with other stakeholders within CFA activities mainly concerned **expanding their knowledge of climate finance**. 16 out of 21 of project proponents who responded to the survey agreed that participating in the CFA improved their knowledge of the climate finance landscape in their sector and country.

Figure 4.8: Question D2.6: To what extent do you agree or disagree with the following statement about your networking opportunities with finance providers – Participating in the CFA helped us improve our knowledge of the climate finance landscape in our sector and country

Base: 21 (question was asked to respondents who selected any option apart from ‘we have not connected with any financiers’ or ‘don’t know’ in question D1 ‘Which of the following types of finance providers has the CFA helped you to connect with? Please, think of all the finance providers you have spoken to through the CFA, independently of whether they made you an offer for funding or not. Please, select all that apply.’

From the perspective of financiers, the CFA was an **opportunity to interact with other organisations in the same investment ecosystem**, to **give their guidance on deals** of interest, and **get a better understanding of climate projects in the country**.

> *“The CFA was the window for us to know other type of projects and other market niches that we were not so aware.” (Financier)*

> *“We took some elements of what we heard from projects in the pitches for our analysis.” (Financer)*

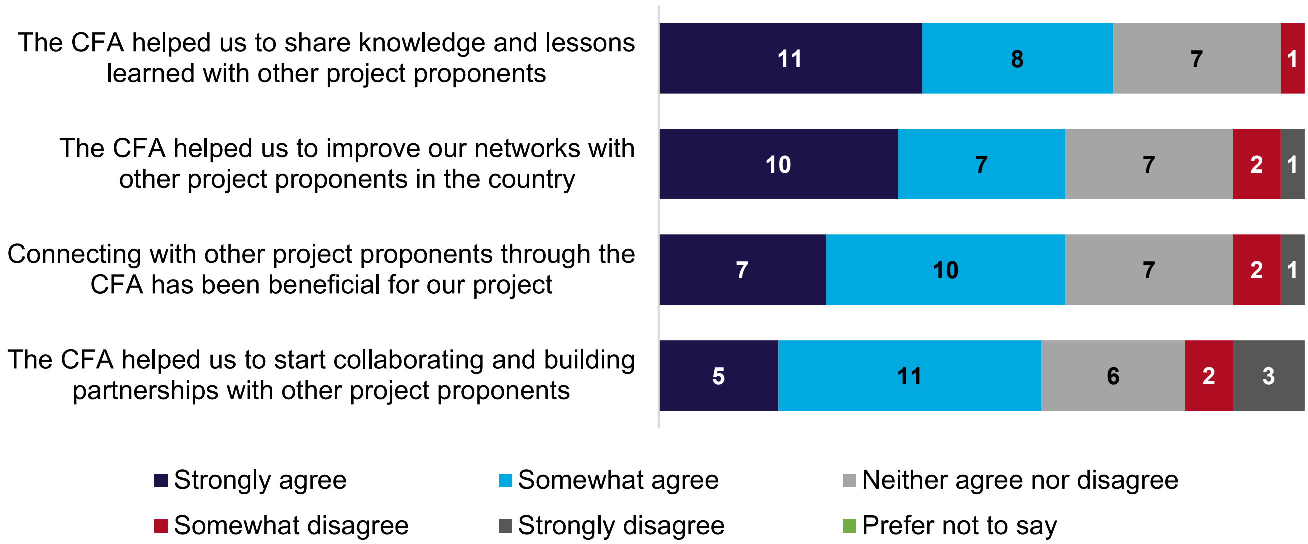
In terms of further interaction opportunities, financiers would have liked more opportunity to share knowledge with other investors.

> *“In the future it would be interesting to organise more finance roundtables – more of learning from each other.” (Financier)*

Financiers involved in the CFA would have found useful to get information on the list of projects and project information in advance to be better prepared for pitches. Participating financiers also suggested that organising in-country events in locations that are closer to projects would further enable the participation of local stakeholders, enable project proponents to feel more empowered and to sensitise potential investors coming to the events. However, there could be potential negative consequences in the engagement of financiers, for which key cities are the local financial hubs.

The CFA also allowed participants to interact with other **project proponents**. One of the unexpected successes of the CFA convening function was the creation of a network of project proponents. Projects were able to learn from one another's experiences in developing and pitching low-carbon projects, and in some cases were able to take advantage of the peer-to-peer knowledge sharing and networking opportunities within the CFA project cohort to form links with other projects at different points in the supply chain. For example, project proponents in Colombia highlighted cross-learning at the in-country event, reporting that feedback received by other project proponents at the event was useful for their own project. The connections between projects facilitated by the CFA also allowed two project proponents in Türkiye to discuss working on a joint project.

Figure 4.9: Question D10: By participating in CFA, you may have been in contact with other project proponents. To what extent do you agree with the following statements?



Base: 27

4.3.1.4 Effectiveness of the London event in convening stakeholders

The London event brought together project proponents, investors, and wider stakeholders for four days of panels, deep dive sessions and networking.

Overall, feedback from participants suggests that **the event helped build connections among stakeholders, understand dynamics in the various countries**, and project proponents valued **peer learning and investor feedback** received during the event.

Three key factors were identified to influence the effectiveness of convening stakeholders through the London event: the types of investors present, their level of engagement, and quality of facilitation.

The type and number of investors varied across the different days. Across the event, there was a balance of investor types (debt/equity investors, private and public, and generalists or with an impact focus), but the balance was not always achieved during individual deep dives and specific sessions. Some international investors, such as FMOs and multilateral banks, were only marginally represented at the London event.

Partly this was due to reasons out of control. For example, London underground rail strike affected investor participation on day 3. However, more importantly, lessons learned can be drawn with respect to format and structure of the event to encourage investor participation. One concerns the duration of the event and individual sessions, as four days is a considerable time commitment from investors, especially on a pro bono basis. One of the investors interviewed (who was also present at the event) recommended a ‘speed dating’ format or an open and flexible format wherein investors have the possibility to decide whether they want to see projects one-to-one or one-to-few.

Overall, the investors present at the event were engaged and participated in the sessions and deep dives. According to participating investors, the event would have benefitted from a more targeted and focused investor engagement approach. For example, beyond a list of projects, project pitch decks- could be shared with investors in advance, which would even provide the opportunity for investors to provide early feedback to projects. In terms of facilitations, some sessions were very well facilitated with a lot of encouragement for follow-up questions to and from investors and projects, while some others would have benefitted from more prompting of investors to share feedback and advice, and project proponents to share their experiences.

From the perspective of project proponents, the deep dive sessions were considered particularly valuable to learn what investors focus on when assessing proposals. Feedback from investors suggested that the quality of pitches was variable, with some projects being very well prepared (in particular, investors were surprised by early-stage projects), while others would have benefitted from more preparation in terms of quality of the pitch and time keeping. For participating project proponents, an advanced communication of the profile of participating investors would have benefitted the projects’ preparation of pitches. It was also noted that investors and programme stakeholders use different terminologies (GESI, ESG, JUST transition). It would have been helpful to make projects aware of the ESG/ impact frameworks and criteria used by the investors present.

During the final day, investors’ perspectives were summarised very well and translated in useful advice to projects, principally on:

- Being clear on how they will use investment proceeds.
- ESG impact should be well structured, detailed and well communicated, and the importance of social impact alongside environmental impact.

- The need to address emerging market risks such as foreign exchange risk. The event also showed that investors have different perceptions of country risks.

4.3.1.5 Benefits of a network of CFAs

Overall, Delivery Partners have a good level of awareness of the CFA activities in other countries. Qualitative interviews with stakeholders involved in the governance and delivery of the programme highlighted that there have been occasions for transferrable knowledge among CFA partner countries, but that there are several learning opportunities among CFA networks that could be further exploited in the future.

Transferrable knowledge among CFA countries has been mostly channelled through the central Delivery Partner and offered some opportunities for lessons learned from in-country events (such as lessons learned from the first pilot in Colombia) and ideas that could be repeated in other countries (for example, Türkiye adopted the mock pitch at their in-country events based on examples from Mexico and Peru). In some countries, such as Peru, there has been more limited contact with the network of CFAs. Especially for CFA countries in Latin America, a regional approach and activities to bring together countries' participants could benefit the attractiveness of projects for financiers looking at a regional pipeline of projects. This could also benefit countries (such as Peru) with a smaller climate finance market.

Interaction and partnering between project proponents are among the key opportunities for linking synergies across CFA partner countries. The London event has been one of the key spaces to bring together CFA project proponents from different countries, although only a selection of projects and countries participated.

> *"A company in SA could benefit from partnering with Company B in say Nigeria and set up an organisation to try and deliver a product. For me that's probably where the majority of the value sits between the links." (Delivery Partner stakeholder)*

The creation of a network of alumni was also identified as an area to build on. According to global and in-country Delivery Partners, working on more alumni engagement would provide an opportunity to create connections among project cohorts and further build projects' profile for investment opportunities.

4.3.2 Effectiveness of the capacity building support provided

4.3.2.1 Perspectives of participants on the utility and application of the support

Overall, evidence from the mid-term evaluation suggests that the CFA capacity building activities provided projects with the appropriate support, that they could use to improve their project proposals. Project proponents were largely positive on capacity building received, especially on demonstrating the social benefits of their projects and learning to refine their pitches and proposals taking into consideration investors' priorities. Findings from the Delivery Partner post-event surveys were in line with this analysis, with all countries providing an average rating greater than 4 out of 5 for the overall support received by the CFA, (excluding Nigeria who rated it with 3 out of 5). According to the post-event surveys, the most useful type of support received from the CFA programme for Pakistan, Peru, Nigeria and Türkiye was the 1-2-1 session with the gender and social inclusion expert, and for South Africa and Mexico it was the session with the financial expert.

"The programme was very well structured, the Team was genuine and responsive and [Name removed] went out of his way to connect and introduce our project." (Project proponent)

Projects generally felt they have improved their proposals and learned about key criteria for investment decisions (21 out of 27 of respondents to the evaluation survey agree). **Preparing financial proposals**, including how to report indicators of environmental and social benefits of the projects in the term sheet, was one of the key learnings reported by projects. Two thirds of respondents reported using the knowledge acquired through the CFA to prepare other project proposals (18 out of 27). Qualitative feedback from project proponents highlighted the benefits of learning how to present their proposal to financial institutions and understanding the vision of the funders and what they are interested in.

> *"What they teach us is the vision of the funder, what do they need to see? What do you have to show them? Then that for us was very good, to be able to present now, construction credit, to be able to present investments, we can present to foreign investors, that is, to have that vision of the other party, which is what they want to know about you" (Project proponent)*

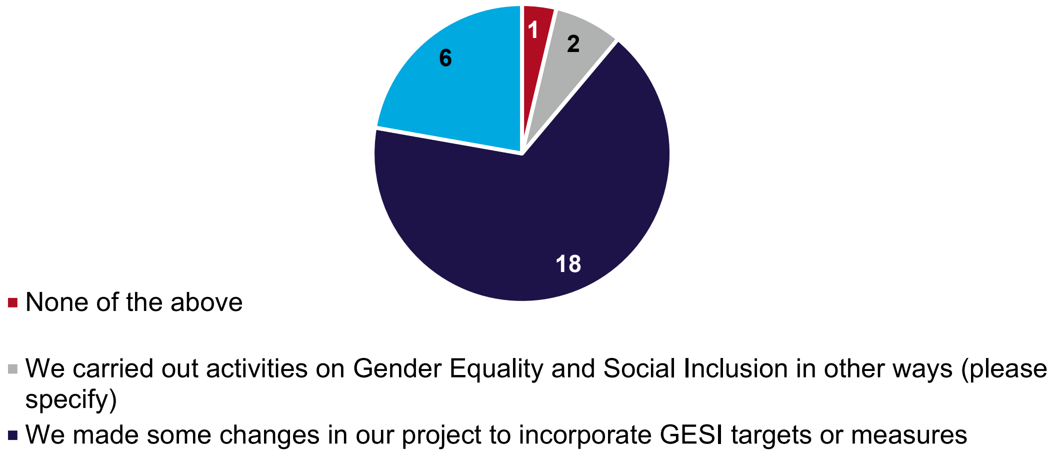
Feedback received by projects at in-country events complemented this learning and further contributed to the improvement of their proposal. Interviewees highlighted how in some instances, projects changed their financing structure based on the feedback received and learned to understand financing risk and how to finance their project more efficiently.

The GESI element of capacity building support was particularly valuable, novel, and effective. A high percentage of projects agreed on the benefits of demonstrating GESI within their project (24 project proponents out of 27 agreed). The GESI elements of capacity building have also been used directly in projects. As shown in Figure 4.10, more than two thirds (18 out of 27) of project proponents who responded to the survey have made some changes in their project to incorporate Gender Equality and Social Inclusion targets or measures, and 6 project proponents prepared a GESI plan for their business. Project proponents that carried out GESI activities in other ways mentioned they drafted an improved version of their GESI policy based on CFA's guidance, or re-affirmed their existing commitments, targets, and ambitions. Likewise, and according to the Delivery Partner post-event survey, countries such as South Africa, Pakistan, Türkiye and Nigeria also felt more able to incorporate GESI in their projects. Qualitative feedback indicated that one of the key aspects was learning the importance of showing the application of GESI measures in financing applications, as some companies, despite having already some measures in place related to equality and inclusion, were not highlighting them enough in proposals.

Figure 4.10: Question B1.5: To what extent do you agree / disagree with the following statement – The CFA helped us to demonstrate the Gender Equality and Social Inclusion benefits of our project.

Base: 27

Figure 4.11: Question C1: Since you started participating in CFA, have you, or other people at your organisation, done any of the following activities?



Base: 27

Presenting projects' value proposition and pitches was among the key learning needs of project proponents. While the support to prepare presentations was deemed relevant and appropriate, evidence on its effectiveness is mixed. Support to refine the presentation of the companies to investors was consistently highlighted by project proponents as a key benefit of the in-country capacity building. Projects reported learned how to concentrate in a very short pitch the key relevant information about their company. However, they also identified some gaps on specific aspects of how to present projects to financiers. For example, projects were not always able to address questions from impact investors on whole-life impact of projects and overall emissions.

In-country Delivery Partners indicated that in some cases, language barriers and the need for more local experts have prevented taking full advantage of the skills and expertise of stakeholders participating in the CFA. For example, Delivery Partners have highlighted the importance of Spanish language skills of international trainers to fully leverage their expertise (as many proponents in some CFA Spanish-speaking countries do not speak English, or not sufficiently well), and ideally, to have more local or Latin American trainers.

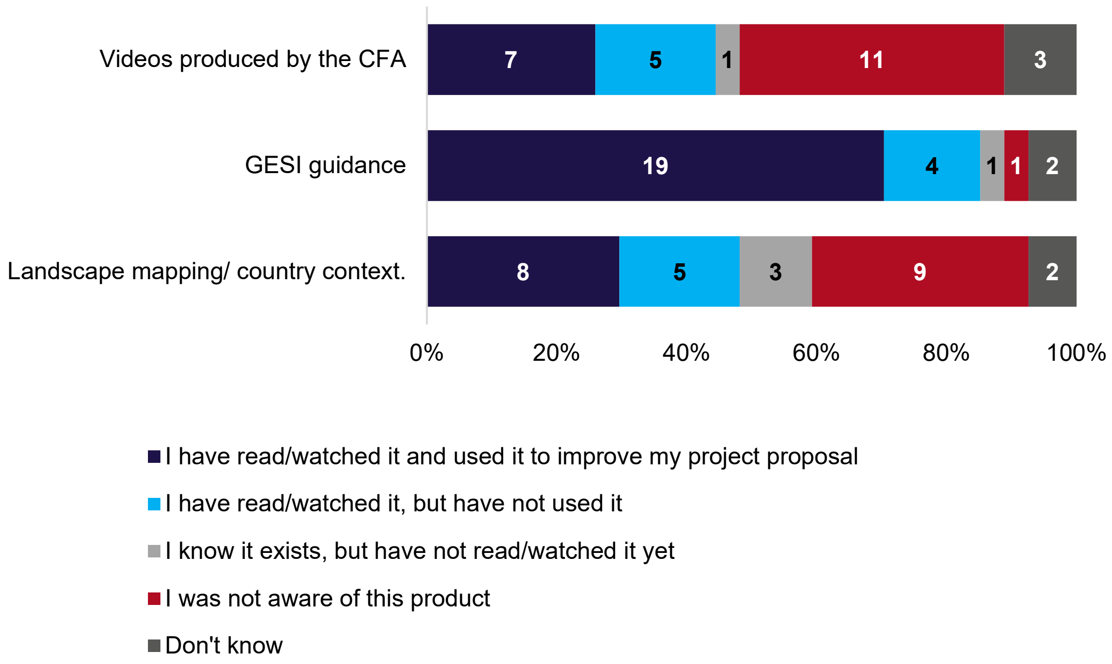
From the perspective of financiers, the CFA is contributing to improving the overall capacity of project proponents to design investable projects. However, stakeholders interviewed suggested that more practical training on selling the project idea to investors would have been beneficial. For example, feedback from financiers in Peru highlighted the need to focus on creating a good sales pitch as much as on the preparation of other critical aspects (such as financial statements and cash balance).

Knowledge products

In terms of **knowledge sharing**, the CFA knowledge products provided an opportunity for stakeholders to further use and disseminate the knowledge acquired through CFA activities.

Reported awareness and use of knowledge products by project proponents varied depending on the product, with GESI products being largely used while CFA videos and landscape mapping receiving lower levels of attention. A large majority of survey respondents (24 out of 27) were aware of GESI guidance and 19 out of 27 reported using it to improve their project proposal. More than half (16 out of 27) were aware of country landscape mapping, but just under a third (8) reported using them. Just under half of respondents (13 out of 27) reported being aware of CFA videos, while seven used them to prepare project proposals. Qualitative findings from interviews indicated generally a low awareness of CFA knowledge products among financiers and policymakers. Some financiers reported accessing knowledge products about the CFA through LinkedIn.

Figure 4.12: Question B2: Have you consulted or used at all the knowledge products created by the CFA in your country?



Base: 27

Nearly half (13 out of 27) of survey respondents reported having disseminated the knowledge acquired through the CFA within their organisation. This refers to the knowledge acquired through the overall participation in CFA activities and use of knowledge products. One of the key barriers to knowledge sharing and dissemination so far has been the lack of a central website, platform, or virtual community to have all knowledge in one place and share it more effectively and efficiently with stakeholders.

4.4 Impact of the CFA

Key evaluation questions

Does the CFA help to identify changes to the enabling environment (the set of policies, regulations, practices and attitudes) which could enhance the flow of climate finance in the countries it works in?

Does the CFA break down siloes between different actors in the climate finance supply chain and improve understanding and relationships between them? Is there any evidence that this leads to material improvements in the ability of projects to secure financing?

Key findings

- Stakeholders recognised the improvement in the quality of projects' business models and value propositions following the CFA capacity building activities
- There is evidence that project proponents are making progress towards investment, starting to secure funding, or entering into negotiations with financiers
- The CFA convening function through events played a role in getting key national investors involved and getting to know projects, allowing networks and contacts to materialise.
- Feedback from investors at the mid-term evaluation stage suggest some improvements in the attractiveness of projects
- Qualitative feedback from Delivery Partners and participants provided examples of the additionality of the CFA in facilitating progress towards investment (especially in South Africa and Colombia)
- Among the survey respondents who reported receiving funding since their participation in the CFA, views on additionality of the programme were more mixed. Survey respondents generally agreed that the CFA helped them build relationships with investors. While four out of 13 project proponents agreed that the CFA had enabled them to raise more funding or in a shorter timeframe than they would have done otherwise, five disagreed with this statement.
- The CFA seems to have identified the relevant barriers to climate finance in partner countries and conducted an analysis of barriers in the financial ecosystem. Delivery Partners' work on landscape mapping and climate finance barriers was well structured and allowed to map relevant stakeholders to include in the CFA activities
- Throughout the CFA, there have been changes to the level and timing of engagement of policymakers. A clearer and more targeted involvement of policymakers is one of

the key areas of improvement emerging from the qualitative interviews in relation to the enabling environment

- There is evidence that participation in CFA led to connections and relationships between project proponents and financiers. Across all stakeholder types consulted, there was a constant emphasis on the networking effect of the CFA in climate finance supply chain.

4.4.1 Enabling project proponents to develop more bankable projects

Overall, evidence from the mid-term evaluation interviews with project proponents and financiers suggests that the **quality of projects' business models and value proposition** has improved as a result of capacity building activities. For example, project proponents in Türkiye commented that their ability to present the projects to investors had improved through the capacity building. Even where the projects had not received financing, the capacity building provided helped them to improve their ability to present the project, which interviewees mentioned would be useful in future. Financiers in Mexico, Türkiye and South Africa recognised that the tools that the CFA provided enabled project proponents to build stronger pitches and business cases.

> *"For the companies I have seen [..], the support is practical in a sense of developing a business case and pitch to financiers. CFA pretty well placed to deliver this. Materials that I have seen coming out of the programme, they seem professional. Companies are getting a lot of help there which is great." (Financier, South Africa)*

In terms of status of funding and implementation of participating projects, there is evidence that project proponents are **making progress towards investment**, **starting to secure funding,** or **entering into negotiations with financiers** to secure funding. Among project proponents who responded to the survey (27 representing 21 projects), four projects have reported obtaining funding from one or more finance providers to finance the next stage of their project, and six projects have started negotiations or signed an NDA with one or more finance providers to finance the next stage. Most project proponents sought funding from private investors and local/national support, and mainly through loans and venture capital/private equity.

Qualitative feedback from Delivery Partners and participants provided examples of the additionality of the CFA in facilitating progress towards investment. Stakeholders across countries highlighted the role of the CFA in facilitating introductions among project proponents and investors to secure funding. In South Africa, the Delivery Partner reported how these introductions had resulted in deals with development banks and commercial banks for the participating projects. The Colombia case study also offers some examples of impact of the CFA in helping projects securing funding. Examples include projects being incorporated into governmental or financial entities' portfolios, aiding in financing opportunities, such as Procolombia's Investing Colombia, and sustainable project portfolios for investor search. Furthermore, one interviewed project joined a high-impact environmental entrepreneurs' programme through a CFA-associated financial institution. In March 2023, the owner of a CFA supported project, signed a memorandum of understanding with Ecopetrol and Baker Hughes for structuring feasibility studies for a CFA-supported geothermal project in Caldas.[36] The memorandum helped to achieve the project's financial objective of securing approximately 28million USD for feasibility studies, as proposed to the CFA programme.

The CFA convening function through events played a role in getting key national investors involved and getting to know projects, allowing networks and contacts to materialise. For a project in Colombia, reaching CFA London helped them from a **branding perspective** and for **giving confidence to European investors**. All of the company's current investors are from Europe (Netherlands, Switzerland, Sweden), and the association of the project with the CFA programme further benefitted engagement with other European investors. They presented the project at the event, and despite within the London event the time was not enough to close a deal or materialise an action plan, after the CFA London event, they received interest from different investors.

Evidence from the survey of project proponents was more mixed in terms of additionality. Survey respondents recognised the role of the CFA in facilitating connections with investors, with 13 out of 21 project proponents who reported connecting with investors agreeing that the CFA helped them build relationships with investors. Among those who reported making progress to secure funding (13), four agreed or strongly agreed that the CFA helped them to raise finance in a shorter timeframe than we would have done otherwise, while five disagreed with this statement. Within the same group of respondents, nine considered it likely to have attracted equivalent funding without CFA participation. Most projects expressing these views were at funding stage and had previously received funding or technical assistance support. Four of the project proponents expressing these views had reported receiving capacity building support from other programmes within the previous year. It should be noted that for proponents who did not participate in a case study interview, it was challenging to validate self-reported responses with qualitative evidence and further investigate these responses. This is a limitation of this phase of the evaluation, which does not allow to draw conclusions at this stage on the additionality of the CFA. The next phase of the evaluation (impact evaluation) should further investigate these findings both in the final survey and interviews with project proponents. This will help better understand the need to further consider in the project selection stage the other types of support received by projects, to focus on where the CFA support can be most additional.

Stakeholders interviewed also noted that the results of participation in the CFA for securing finance might take longer to materialise. Qualitative feedback from investors at the mid-term evaluation stage suggest some improvements in the attractiveness of projects.

> *"They are more attractive 100%, one could see the evolution of how they presented their projects at the beginning of the programme and the way they*

[36] https://www.thinkgeoenergy.com/ecopetrol-baker-hughes-chec-partner-up-for-nereidas-valley-geothermal-project-colombia/

exposed making the pitch to an investor, the improvement was seen enough." (Financier)

From the perspective of investors interviewed, the size of projects was one of the challenges for development finance institutions, who would have required projects to be bigger to be more attractive.

4.4.2 Identifying changes to the enabling environment

In line with the intermediate outcome of increasing awareness of barriers and enables for climate finance among stakeholders, the CFA seems to have **identified the relevant barriers to climate finance in partner countries** and conducted an analysis of barriers in the financial ecosystem. Delivery Partners' work on landscape mapping and climate finance barriers was well structured and allowed to map relevant stakeholders to include in the CFA activities. For example, in Peru, regional impact investors were more involved in the second iteration of the CFA, compared to the first cohort that mainly involved the national private sector (mainly the banking sector). Evidence from stakeholder interviews suggests landscape mapping were a valuable tool to understand the country context and adapt the CFA approach in terms of stakeholder engagement.

The **focus on the enabling environment changed throughout the CFA's life**. The role of the CFA on improving the enabling environment concerns **supporting change** that other actors are leading (advocates for policy change) by bringing key issues to the attention of policymakers. Throughout the CFA, there have been changes to the level and timing of engagement of policymakers, who are the key actors in the theory of change to make steps towards improvements in the enabling environment. A clearer and more targeted involvement of policymakers (e.g., national officials that are responsible for developing the next round of climate pledges) is one of the key areas of improvement emerging from the qualitative interviews in relation to the enabling environment.

"We only succeed in this if we are achieving demonstrable progress in mobilising private finance that gives governments confidence that they can set more ambitious targets, but also it allows them to identify where the blocks are on financing and to take action to remove those." (Governance and delivery stakeholder)

Where policymakers are involved, this has been beneficial call attention on ways to improve the climate finance landscape. For example, in Colombia **there have been first steps to build a better understanding of blended finance** (as one of the key instruments for climate finance) within the Government, but it is a process that takes a long time. The involvement of policymakers in CFA Colombia has contributed to strengthening networks among different sectors and political actors.

"Building those political bridges from the CFA is very valuable and very symbolic of what the CFA can achieve to mobilise an agenda that should not have political biases but that anyway it goes through politics, and is a meeting point between different economic and political visions of the future of Colombia in general terms,

but above all of how to unite and align efforts to comply with the climate change agenda." (CFA country embassy)

4.4.3 Breaking down siloes between different actors in the climate finance supply chain

There is evidence that participation in CFA led to **connections and relationships between project proponents and financiers.** Across all stakeholder types consulted, there was a constant emphasis on the networking effect of the CFA in climate finance supply chain.

Qualitative feedback indicated that the in-country events allowed **project proponents to network and connect with several financiers to continue the conversation with them on financing outside of the event**. For example, in Colombia, project proponents were able to build connections with a national bank and get into a programme of high impact entrepreneurs. In Mexico, the connection between a DFI and project proponents thanks to the CFA led to the inclusion of two projects in their digital hub. The convening function of the London event was also useful to generate connections between project proponents and investors. A financier participating in the London event indicated that they are aware of conversations taking place between projects and investors following the London event, and that they could use the project one pagers and refined pitches, which reflected the feedback received during the event. In some instances, the connections between projects and financiers would benefit from a wider range of types of investors, especially where projects are too small for certain types of investors. Having a larger variety of investors would help projects to circumvent these difficulties and restrictions.

Financiers have reported **a better understanding of climate related projects** in CFA countries. For example, in Peru, international impact investors reported that learning about concrete projects in the country has helped them to prepare their strategy to operate in the country and widen their interest in low-carbon projects.

5 Lessons learned and recommendations

5.1 Lessons relevant to the CFA project selection process and approach

- **GESI objectives:** Feedback received in the mid-term evaluation has emphasised a trade-off between the size of projects and the focus on GESI objectives. While the small size of projects has been identified as a barrier to finance for low-carbon projects, a size threshold might exclude projects from marginalised communities.

Recommendation 1: A pre-project preparation facility, with a focus earlier in the process, could be valuable for these types of projects. For example, some projects could receive support on preparation for project submission before participating in the CFA cycle.
Relevant for: CFA Governance, Delivery Partner
Timeline: long-term, future programme cycles

- **Synergies with other programmes**: While the assessment of coherence of the CFA with other programmes focused specifically on country case studies at the mid-term stage, qualitative feedback suggested the need for a more systematic approach to identifying other donor programmes and outlining roles and responsibilities for maximising synergies in CFA countries more generally.

Recommendation 2: In particular, the Global Innovation Lab for Climate Finance and the UK PACT have been identified as complementary to the CFA that could offer opportunities for synergies, mostly in terms of knowledge exchange, including on GESI issues, sharing of project pipeline, and investor engagement. At country-level, a continuous assessment of synergies with other programmes active in-country, after the initial assessment at country selection stage, would be beneficial to avoid risks of duplication of efforts.
Relevant for: CFA Governance, Delivery Partner
Timeline: medium-term/long-term, current and future programme cycles

5.2 Lessons relevant to the CFA convening function

- **Networking** is one of the main benefits / activities that attracts projects to the CFA programme, and stakeholders consider the bottom-up approach of the programme to mobilising capital for low-carbon projects very useful (i.e. the bringing together of stakeholders in events to discuss barriers to climate finance).

Recommendation 3: Widening the networking opportunities for more project proponents by including more projects in the London event could maximise learning and connections. However, considering budget constraints of bringing more projects to the London event,

and the varying suitability of projects for the event, it could be valuable to pilot some virtual networking events or platforms where a greater number of projects can interact and connect with international investors.
Relevant for: Delivery Partner
Timeline: medium-term/long-term, current and/or future programme cycles

- **Convening function in-country**: The CFA would benefit from further diversifying the type of stakeholders it approaches for in-country events. In some countries, the mix of financiers was not always appropriate to the project cohorts.

Recommendation 4: The CFA could further target financiers involved in the country events based on the profile of participating projects (size, readiness, GESI focus). Sharing more information with financiers ahead of the in-country event on the CFA programme could also help maximising the effectiveness of their involvement.
Relevant for: Delivery Partner
Timeline: medium-term/long-term, current and future programme cycles

- **Involvement of policymakers**: A small proportion of project proponents reported having connected with policymakers as part of the CFA (national, local, or sector-specific policymakers). Those who reported connecting with policymakers indicated benefits resulting from the CFA, in particular around increasing their knowledge of authorities to engage with to obtain political support for their project, and that they have made some changes in their project to better align it with the policy priorities in their country or local area.

Recommendation 5: The CFA could consider further engagement of national, local, or sector-specific policymakers during CFA activities and the in-country event.
Relevant for: CFA Governance, Delivery Partner
Timeline: medium-term/long-term, current and future programme cycles

- **Engagement of DFIs**: De-risking instruments and blended finance have an important role to play in supporting low-carbon investment. The CFA, by contributing to the development of project pipelines, is highly complementary to the activities of DFIs that provide blended finance or finance on market terms as appropriate.

Recommendation 6: The CFA would benefit from establishing close links with DFIs, including those with a strong GESI focus, by increasing their representation at in-country and London events and possibly also involving them in the project selection stage.
Relevant for: CFA Governance, Delivery Partner
Timeline: medium-term (in-country events)/long-term (involvement in project selection), current and future programme cycles

- **CFA alumni engagement**: The creation of a network of alumni was also suggested by Delivery Partners as a future area of focus for the CFA. According to global and in-country Delivery Partners, working on more alumni engagement (and specifically on keeping track of their progress and get them engaged in following cohorts' activities) would provide an opportunity to enhance or create connections among project cohorts and further build projects' profile for investment opportunities. Beyond this feedback, the evaluation did not include specific lines of enquiry on alumni engagement and therefore could not assess the success of current efforts of alumni engagement carried out by the Delivery Partner.

5.3 Lessons relevant to the CFA capacity building

- **Improvement of project pitches going forward**: Project proponents consistently highlighted the CFA support to refine how the companies presented themselves to investors as a key benefit of the in-country capacity building. However, feedback collected from both financiers and project proponents also indicated some areas for improvement in the support provided. These included support to improve:
    - **Clarity** in the presentation regarding the business opportunity, target market, what the projects are asking for, and how they will use the investment proceeds.
    - Clearer presentation of the project **purpose and commercial imperative**. Both environmental and social impact should be well structured and highlighted and – to the extent possible -measurable. For example, projects could more clearly present the relative impact of low-carbon technologies on GHG emissions compared to more carbon intensive technologies.
    - Effective communication and the importance of **brevity and engagement**, i.e. being able to capture the essence of a business proposition in 2 minutes.
    - Giving **reassurance to investors** by highlighting how the project is approaching risks and challenges such as foreign exchange risk, technological risks, electricity grid stability, and wider contextual risks in the country.

Recommendation 7: While it should be recognised that changes to the project pitches are out of the delivery partner control, the CFA could provide further resources and expertise during capacity building to help projects with clarity and content of presentations, by potentially introducing in the mock-pitch event a stronger focus on the elements identified above by stakeholders as weaker in the pitches.
Relevant for: Global and local Delivery Partner
Timeline: medium-term, current CFA cycles

- **Aligning language on GESI**: The GESI training has been considered by project proponents one of the most relevant and useful aspects of capacity building. However, observation at events have highlighted how in some instances, language on GESI is not aligned between investors and project proponents.

Recommendation 8: To ensure the learning is applied and that the language used in the CFA is consistent with the understanding of key terms and priorities on GESI among investors, project developers, and other stakeholders, the CFA might benefit from further

examine within GESI webinars the key terms used by investors (ESG, Just Transition), based on each country financial sector, promoting clarity and alignment with the investor community.
Relevant for: Global and local Delivery Partner
Timeline: short-term, current programme cycles

5.4 Key lessons learned from the London event

Engagement of financiers: The London event would benefit from a more strategic engagement of financiers, to ensure that the appropriate financiers are present for participating projects. Early and meaningful engagement with DFIs/IFIs would be helpful particularly given their experience and expertise in investing in emerging markets as well as the need for de-risking tools and blended finance.
Recommendation: Starting preparations early and sharing materials, such as project pitch-decks and key information about specific country and market contexts and challenges, with investors well in advance would contribute to a more effective engagement of financiers in the event.

Pre-event engagement with project proponents selected for participation at the London event. Project proponents would also benefit from more information about attending financiers, to tailor their presentations and approaches, and to have clarity about the expectations from the event (whether it is to inform financiers about their projects, test their proposition, or matchmaking between projects and investors).
Recommendation: It might be useful for project proponents to introduce specific sessions about participating financial institutions' investment focus, approaches, and strategies prior to the event, or sharing information on their profile in advance. Projects should be made aware of the ESG/ impact frameworks and criteria used by the investors present (e.g., the JUST transition lens). It could be also helpful to have a pre-event session with selected projects on how to present their pitches (e.g., how to tell a story, clarity of messaging, importance of time keeping).

Knowledge dissemination to wider project cohort: Project cohorts in CFA countries, beyond participants to the London event, could make use of the knowledge and learning from the event.
Recommendation: To ensure that as many projects as possible benefit from the event, the CFA could consider expanding the participation to the London event to more projects, or ensure that the learning from the London event is shared with the country's project cohort, via formal sessions or informal peer learning, or short and concise knowledge products sharing bite-sized insights and key takeaways from the event.

Enhance project proponents' learning: The quality of facilitation was one of the factors that was considered to contribute to the effectiveness of event sessions.
Recommendation: During the deep dive sessions of the London event, facilitators could

prompt the investors to be more proactive in asking questions or giving advice to project proponents, and projects to share their experiences where similar or relevant.

Format improvements for future events: The event should allow sufficient preparation time to develop an effective event format, considering investors' time constraints. *Recommendation*: It might be beneficial to adopt a different format, such as shorter pitch sessions, a "speed dating" type format, or one where investors could choose between one-to-one or one-to-few project interactions. The exact format should be based on an understanding of the needs and expectations of the investors and projects. Another suggestion to maximise effectiveness of the event is to limit plenary sessions and use them to provide strong country background information, including local speakers discussing country risks and mitigation strategies.

5.5 Lessons for the final impact evaluation

The C-M-O configurations set out in section 6 below outline the key hypotheses to be tested during the final stage of the evaluation. Key aspects to be considered when assessing the statements include:

- In relation to the **enabling environment**, the development of the economic and political situation in CFA countries and impact on the appetite for low-carbon investments, as well as climate policy signals.
- In relation to **coherence** with other programmes, the coordination or overlaps of different accelerators and programs in promoting climate project portfolios.
- On the **stakeholders engaged**, investigate whether the level of engagement from government in the CFA programme increases and whether this brings results in terms of embedding the programme for sustainability.
- In relation to **GESI**, investigate how effective the efforts to publicise the call for proposals to reach more marginalised groups have been in attracting a more diverse background of project proponents, and whether project proposals are considering an appropriate range of GESI activities. A key point to consider will also be the role of GESI in the project selection process, including the weighting criteria for GESI in the scoring of applications that is planned to be introduced as part of this process.
- In relation to the **CFA impact**, evaluate the extent of demonstration effect pathways to transformational change (and projects obtaining finance as a measure of impact). Alongside the stakeholder interview programme, the longitudinal survey of project proponents and project proponents' interviews will be key to measure this aspect in the final evaluation. As mentioned in the limitations, the mid-term phase included project proponent interviews only for case study countries, and the limited sample size of the project proponents limited the strength of evidence on impact. For the next evaluation phase, it might be valuable to consider extending the project proponents' interviews to non-case study countries, to be able to validate the responses to the survey.

- On **sustainability**, examine the implementation and outcomes of the plans for the long-term financial and operational sustainability of the CFA programme, including discussions with stakeholders.

6 Setting out the C-M-O configurations

This section presents the Context – Mechanism – Outcome (C-M-O) configurations that will be tested during the final stage of the evaluation. A fundamental concept in realist evaluation is that it is not the intervention itself that causes the outcome, but instead an individual's response to the resources and opportunities provided by the intervention. The combination of a programme's resources and an individual's response to them is termed in realist evaluation 'the mechanism'. It is this mechanism that determines the outcome, but it is also the context (i.e., resources, opportunities and constraints) that influence it.[37] The C-M-O statements have been developed by integrating the problem tree analysis, which provided the key *context* aspects of the challenges that the CFA aims to address (see section 3), with the CFA ToC, which provides the key *mechanisms* of the CFA and the *outcomes* that the programme aims to achieve (see appendix 1). The C-M-O statements have been divided into three key pathways aligned to the problem tree key challenges, and a pathway focused on the second stage of the CFA (embedding of the CFA approach).

Table 6.1: CMO statements

Context	Mechanism	Outcome
Pipeline of low-carbon projects pathway		
Project proponents have limited capacity in designing and delivering low-carbon projects that can receive funding.	Project proponents participate in CFA capacity building activities and learn how to design and develop more bankable proposals.	Project proponents demonstrate improvements in the bankability of low-carbon projects.
Project proponents have limited experience of demonstrating GESI aspects of their low-carbon project.	Project proponents make use of GESI capacity building support and GESI knowledge products to improve their understanding of incorporating GESI principles into projects.	Low-carbon projects developed by project proponents integrate GESI principles and have a GESI action plan in place. Projects are more capable of making a stronger GESI case for their projects when engaging with international financial institutions or publicly funded schemes.

[37] Magenta Book (2020) Supplementary Guidance on Realist Evaluation: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879435/Magenta_Book_supplementary_guid e._Realist_Evaluation.pdf

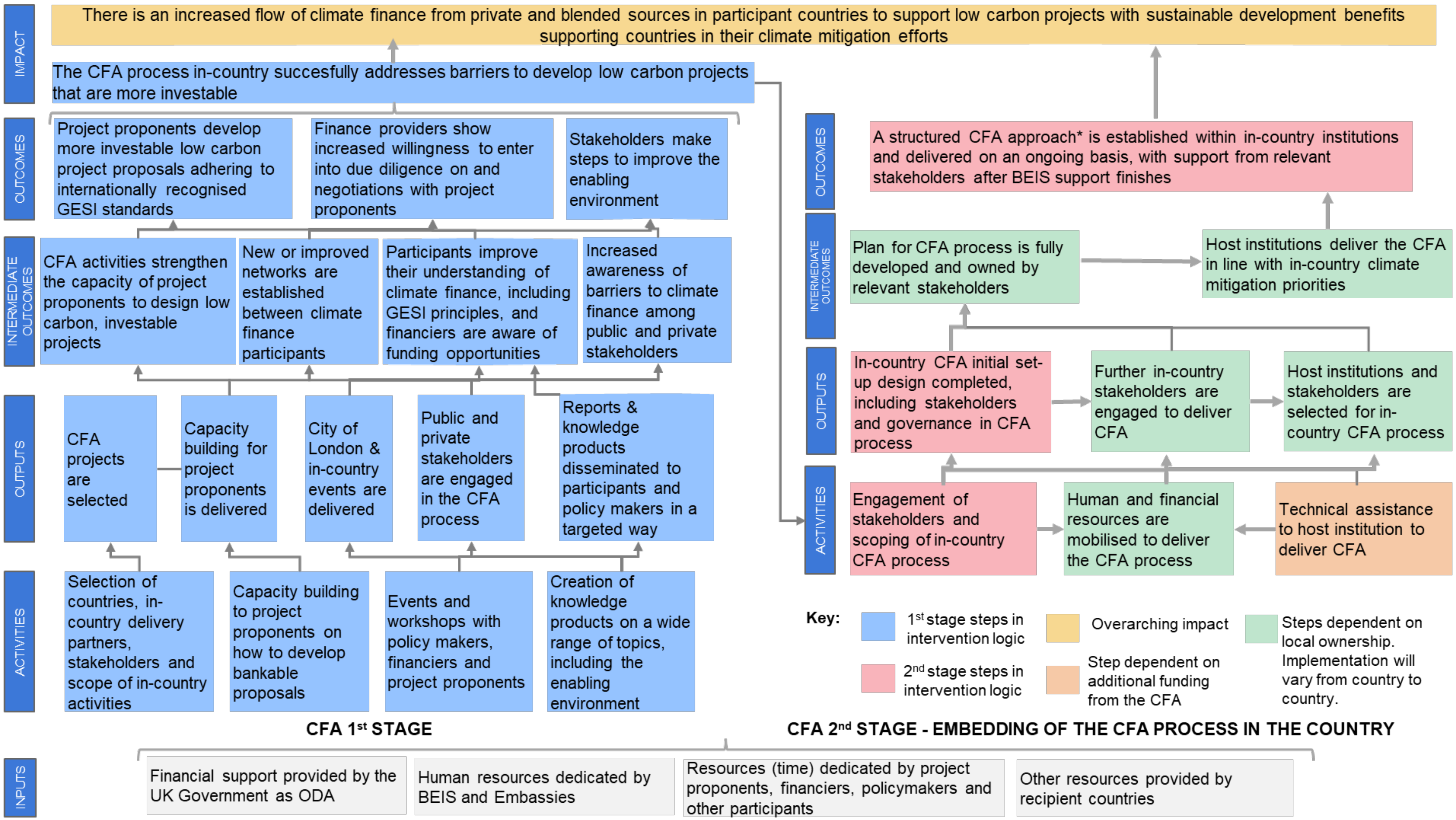
Project proponents lack understanding of which financial products are best suited for their low-carbon project.	Project proponents actively engage with CFA activities (through capacity building, knowledge products, and events) and seek to improve their knowledge and understanding of climate finance instruments available.	Project proponents identify the financial products that fit best with their project and concept and are able to use this knowledge in their fundraising efforts.
In countries where projects' financial readiness is low, project proponents struggle to prepare investment-ready proposals.	Project proponents participate in the capacity building sessions and learn the foundations of creating an investment proposal for their project.	Project proponents at early stage are able to better showcase the projects' key features and its bankability.
In emerging economies with projects that have already passed the feasibility stage, projects need support to improve their proposals for funding to implement their project.	Project proponents attend and make use of the capacity building support through the CFA to address specific gaps in their proposal development skills.	Project proponents at a more advanced stage are better able to develop proposals aligned with investors' expectations.
There is limited financial support available to projects in their early stages of development.	The CFA engages and gathers financiers in-country and internationally who support the early-stage development of projects. Financiers actively engage with CFA activities.	There are increased opportunities available to project proponents from financial providers of early-stage climate finance.
Visibility of low-carbon investments pathway		
Local and international investors have limited awareness of existing low-carbon opportunities in CFA countries.	Financiers participate in CFA events and other dissemination activities (e.g., project showcase on social media), where they learn about financing	Financiers show increased understanding of low-carbon project financing opportunities in CFA countries.

	opportunities of low-carbon projects in CFA countries.	
Project proponents have a limited insight of financiers' priorities and considerations when assessing proposals.	Through CFA in-country and London events, project proponents pitch their proposals to financiers and gather their feedback.	Projects proponents have a better understanding of financial, environmental, and social aspects that financiers consider when assessing proposals for funding and are able to use this knowledge to improve their proposals for funding.
Among the national financial sector in CFA countries, there is low availability of clear information on technology trends and green markets for financiers (e.g., information on low-carbon technologies and markets evolution, trends, risks).	Financiers access and use knowledge products created and shared by CFA on the country's low-carbon landscape and climate finance trends.	Finance providers demonstrate an increased knowledge of risks, opportunities, and constraints in the climate finance supply chain.
There are few opportunities for low-carbon project proponents to establish or improve networks with financiers and this is an obstacle to starting negotiations and raising funding.	Participants in the CFA events actively engage in networking opportunities and new or improved networks are established between financiers and project proponents.	Project proponents maintain the connections with financiers and are more familiar with opportunities to present their proposals. Financiers show increased willingness to enter due diligence and negotiations with project proponents.
Enabling environment pathway		
In CFA countries, there is a lack of structures connecting policymakers with financiers and low-carbon project proponents to share knowledge about the climate finance supply chain.	Policymakers, financiers, and project proponents interact with each other through CFA activities and events and learn about challenges in the climate finance supply chain.	Policymakers are more aware of challenges in the climate finance supply chain and take action to address barriers identified through the CFA activities and events. Financiers and project proponents find new approaches of communicating their barriers

		to access funding/finance projects to policymakers.
When the CFA starts activities in a country, there is limited awareness among policymakers of the CFA activities and what it can achieve.	Policymakers are invited to and participate in the in-country event, where the profile of the CFA is raised.	CFA gains more local support and buy-in from policymakers in CFA countries.
There is limited technical knowledge from financial institutions to develop and promote green financial products and on the financial needs for new low-carbon business models.	Stakeholders become better aware of the financial needs for low-carbon projects through knowledge products that the CFA disseminates and through engagement with project proponents.	Stakeholders take action to address barriers identified in the knowledge products.
CFA countries have set ambitious NDC targets for mitigating greenhouse gas emissions; however, they do not have a clear pipeline of projects that would help them meet those targets.	Through the competitive calls, the CFA provides knowledge on the potential types of projects that can help CFA countries to meet their NDC targets. The pipelines of projects are aligned with NDC ambitions.	Policymakers are better aware of the potential projects which may help them meet their targets in the sectors in their NDC (or lack thereof). This knowledge is used in policymaking (e.g., to design sectoral roadmaps, adapt strategies, provide further support to certain sectors, review mitigation ambitions, etc.).
Embedding of the CFA process in the country		
There is appetite among in-country stakeholders to embed the CFA approach.	The CFA selects local institutions for hosting the in-country process and further stakeholders for the delivery of CFA activities. Local institutions and stakeholders are actively engaged in the scoping and	A host Institution pilots and delivers the CFA approach.

	set-up of the in-country process.	
In-country stakeholders are involved to embed the CFA approach.	Host institutions deliver CFA activities in-country on a regular basis, in line with countries' climate mitigation priorities.	The CFA in-country process successfully engages project proponents and finance providers.

Appendix 1: CFA theory of change



Annex 1 – Evaluation questions

The table below sets out the evaluation questions and sub-questions, the analytical methods and data sources used to assess them and the judgement criteria.

Table A1.1: Evaluation matrix

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
Relevance	1. Are the programme activities (country research, engagement activities, project support activities including events/ workshops) the most effective activities to develop a sustainable and visible pipeline of bankable, low carbon projects or are there other more	(a) To what extent does the portfolio of projects in country align with the country's NDC and climate mitigation priorities? (throughout) (b) To what extent do CFA programme activities address identified barriers (in country scoping and landscape mapping reports) for low carbon projects in the countries it operates in? (mid-term) (c) Are the CFA in-country activities relevant to the	Longitudinal country-level problem tree analysis to answer b by identifying barriers and the extent to which the programme is answering these questions / review of landscape mapping documents Learnings from inception case studies and EILR Triangulation of consultations with stakeholder groups	Secondary documents (in particular landscape mapping documents) Interviews and surveys with project proponents Interviews with in-country Delivery Partners Interviews with Steering Committee members Interviews with financiers	The stated barriers that the programme aims to address match those identified by key stakeholders as preventing project pipeline creation. There is a clear, logical, and plausible link between the barriers and the activities implemented that try to address them. The design of the programme / activity is evidence-based. There is alignment with the CFA project portfolio in-country and the country's NDC.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
	effective activities? (inception / mid-term)	needs of project proponents? (inception / mid-term) (d) Is the project selection process (call for proposals) effective at selecting projects that can most benefit from the programme? (mid-term) (e) Which aspects of the support provided by the CFA are most important and are there any gaps in support? (throughout)	(including surveys) to answer c Process evaluation (including process mapping) to answer d and e. (This has been partly covered by case studies and EILR)	Interviews with policymakers Survey of project proponents	The context analysis at the country selection stage is comprehensive and high quality[38] and is fully used in the country programme design. The in-country scoping stage includes consultation with relevant stakeholder and is fully used in country programme design. The project selection process is effective in selecting a cohort of projects that can most benefit from participation in the CFA.

[38] This judgment will be made by our expert country leads, based upon their understanding of country contexts and knowledge of data sources, as well as their judgement of the robustness of the context analysis method. We will provide an explanation for all judgments made – i.e. the criteria on which it is based. Whilst this will be a qualitative judgement, it will be well-reasoned and transparent.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
	2. Is the programme model sufficiently adaptive, e.g., to different country contexts, shifting in-country priorities or to learning on whether activities are effective?	(a) To what extent is the CFA programme model different in each of the CFA countries? (mid-term) (b) Did programme adaptations take place and were these appropriate? (mid-term/final) (c) How are contextual factors and learning integrated into the design of the programme in different countries (including learnings from the evaluation)? (throughout)	Longitudinal case studies to illustrate the different CFA model types to answer a Longitudinal country-level problem tree analysis to answer a by identifying the different CFA models / review of landscape mapping documents Process evaluation (including process mapping) to answer b and c. (This has been partly covered by case studies and EILR) Evidence synthesis and analytical	CFA programme documents including the landscape mapping and Steering Group update documents Interviews with BEIS and the Delivery Partner Interviews with project proponents	There is evidence of programme adaptation in delivery. Mechanisms exist for learning and adaptation that benefitting stakeholders consider effective and/or which can be traced as contributing to outcomes or improved delivery. The learnings generated in the programme are visibly applied in programme design as new countries enter the CFA programme.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
			workshops to answer b		
Effectiveness	3. To what extent are CFA activities bringing together the appropriate mix of stakeholders (i.e. stakeholder that are most plausibly contribute to the outcomes listed in the ToC) from across the climate finance supply chain?	(a) What mix of stakeholders is most appropriate for each CFA country? (mid-term) (b) To what extent have the most appropriate group of in-country and UK based financiers been engaged in the CFA? And how are these financiers identified / selected / engaged? (mid-term) (c) Are there any gaps in the stakeholders engaged in the CFA across the climate finance supply chain? (mid-term) (d) To what extent do stakeholders identified and initially engaged ultimately	Longitudinal country-level problem tree analysis to answer a by identifying the different CFA models / review of landscape mapping documents to answer a and b Longitudinal case studies including longitudinal stakeholder analysis and stakeholder analysis Programme process mapping Triangulation of evidence from consultations with	Observation at CFA events Interviews with programme participants, including project Delivery Partners in-country and financiers Interviews with BEIS and the Delivery Partner Interviews with Steering Committee members Programme documentation including landscape mapping, stakeholder mapping and country-scoping reports	Stakeholder mapping is effective in identifying the most relevant stakeholders in-country. Stakeholder mapping is effective at identifying a relevant group of policymakers to address stated barriers for low carbon projects accessing finance. The programme design stages identified the most relevant groups of London based financiers. In-country Delivery Partners have extensive networks of in-country financiers and are able to leverage these networks. The in-country workshops make effective use of the

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
		participate in CFA activities? (throughout) (e) To what extent has the CFA effectively leveraged the skills of stakeholders engaged in the CFA programme? (throughout) (f) Do individual country CFAs benefit from being part of a network of CFAs (e.g., do they learn from each other and share best practice, is there a commonality and evidence of, or opportunities for projects, policymakers and financiers to also share knowledge) (mid-term)	stakeholder groups to answer b, c and f Process evaluation question to answer d Observation at events and evaluation team expert judgement to answer e	Monitoring data on invite lists and event attendance	skills of participating financiers. The London based workshop makes effective use of the skills of London based financiers. Stakeholders participate in the CFA.
	4. Does the programme provide appropriate capacity building support to	(a) How do capacity building activities vary by country? (mid-term) (b) What are the perspectives of	Process evaluation including process mapping Longitudinal case studies to answer	Survey with project proponents Interviews with project proponents	The capacity building activities address the stated needs of project proponents in accessing finance.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
	participants, to ensure they are sufficiently prepared for, and able to benefit from, CFA workshops?	participants on the utility and application of the support? (throughout)		CFA monitoring information Interviews with central and country-level Delivery Partners around the design process Programme documentation	The resources provided to project proponents address the stated needs of project proponents in accessing finance. The capacity building activities prepare project proponents for the in-country workshop and London workshop.
Coherence	5. Does the CFA complement other donor programmes and initiatives in the countries it works in (including other HMG programmes)? (Case Study countries only)	(a) Are links between these programmes being formed to maximise their impact? (inception / mid-term) (b) To what extent have risks of duplication been assessed and mitigated? (inception / mid-term)	Longitudinal case studies to answer a Process evaluation to answer question b	External programme documents Interviews with BEIS, embassies & Delivery Partner offices in CFA countries Interviews with policymakers	There is effective communication and knowledge sharing between the CFA and other different HMG programmes. Where possible, actions have been taken to avoid duplication of effort between the CFA and other (HMG) programmes. Actions have been taken to maximise synergies between

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
					the CFA and other (HMG) programmes. There is no obvious overlap between programmes.
Sustainability	6. Is there the continued presence of, and engagement in, a CFA process following HMG support?	(a) To what extent has the in-country host selection process been efficient and effective and the selection criteria fit for purpose? (inception / mid-term) (b) What post-programme actions have been undertaken by relevant stakeholders? (final) (c) What are the key enabling factors and barriers in establishing the CFA process in-country? (throughout) (d) Is the in-country CFA process owned by key stakeholders (i.e., the stakeholders involved in	Longitudinal portfolio analysis Longitudinal case studies	Programme documents Secondary documents and data sources on NDC and climate mitigation plans and priorities Interviews with programme participants, including project proponents, Delivery Partners in-country, embassy staff and policymakers	The host selection process effectively draws on available evidence and learnings from the earlier stages of the CFA process. Key barriers for establishing the in-country host are identified and appropriate mitigation actions are implemented. An appropriate group of institutions is selected for the country steering committee (where ‘appropriate’ means having relevant knowledge and networks to be able to effectively support the process) and their expertise is leveraged effectively. The

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
		the set-up and running of the in-country process) (mid-term / final) (e) Is the in-country CFA process set up in line with the country's climate mitigation policies? (mid-term / final)			selection criteria for the in-country host are relevant and comprehensive. The selected in-country host is given sufficient support by the CFA Team during the initial implementation of the ongoing CFA process.
Impact	7. Does CFA support enable project proponents to develop more bankable projects, which are capable of securing financing?	(a) To what extent has CFA support been successful in strengthening the capacity of project proponents to design low carbon investable projects? (throughout) (b) How many projects go on to secure financing? (mid-term / final) (c) What other (non-CFA) factors contribute to project success? Are these more influential (or less) than the CFA? (mid-term / final)	Mini project case studies / project deep-dives to answer a and c Interviews with programme participants to answer a and c Survey of participants to answer a and b	Survey with project proponents Interviews with project proponents Interviews with financiers in-country Interviews with London based financiers CFA monitoring data	The CFA programme activities contribute to an increase in the bankability of selected projects and increased project bankability is not the sole result of drivers external to the programme. Other drivers do not appear to have been the only contributor to project success. Project proponents report increased capacity in

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
					designing low carbon investible projects.
	8. Does the CFA help to identify changes to the enabling environment (the set of policies, regulations, practices and attitudes) which could enhance the flow of climate finance in the countries it works in?	(a) Has the CFA been effective in identifying financial and non-financial barriers to creating an enabling environment for flows of climate finance? (mid-term / final) (b) To what extent has policymaker awareness of barriers and enabler in the environment for climate finance been increased? (mid-term / final). (c) To what extent has the enabling environment in countries the CFA works in been improved as a result of participation in the programme? (final) (d) To what extent have barriers to women /	Interviews with embassies & Delivery Partner offices in CFA countries to answer a, c and d Longitudinal context analysis to answer a Consultation with programme participants (interviews, focus groups, survey) to answer b and c Learnings from inception case studies and EILR Expert judgement to answer c and d	Interviews with in-country policymakers Interviews with embassy staff Interviews with in-country Delivery Partner Country-level reports CFA monitoring data	Financial and non-financial barriers to creating an enabling environment for flows of climate finance are identified and comprehensive. Barriers to the enabling environment for flows of climate finance to women / specific social groups are identified and mitigated through the programme. Policymakers are more aware of these barriers and enablers. Actionable and proportionate recommendations for improving the enabling environment for flows of climate finance are developed.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
		specific social groups been addressed as a result of countries involvement in the programme? (mid-term / final)			Actionable and proportionate recommendations for addressing barriers for women / specific social groups are developed.
	9. Does the CFA break down siloes between different actors in the climate finance supply chain and improve understanding and relationships between them? Is there any evidence that this leads to material improvements in the ability of projects to	(a) To what extent has the CFA led to the development of partnerships between project proponents and investors / other relevant stakeholders and additional project funding? (mid-term / final) (b) To what extent has the CFA led to increased skills and networks of project participants? (mid-term / final) (c) To what extent has the CFA led to increased GESI capabilities of project	Longitudinal context analysis to answer to a Consultation with programme participants to answer b, d, e Survey of participants to answer a and c Mini project case studies to answer b, c, and g Portfolio analysis to answer f	Interviews with financiers Interviews with programme participants, including embassies, in-country Delivery Partner and project proponents. Survey with project proponents Project application forms CFA programme documents	The CFA has contributed to the development of productive and sustained partnerships between different actors in the climate finance supply chain. The CFA has contributed to increased skills and networks of project participants The CFA has contributed to the cohort of projects receiving project funding. Financiers show increased knowledge and awareness of low carbon projects as a result of their involvement in the CFA.

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
	secure financing?	proponents? (mid-term / final) (d) To what extent do financiers show increased knowledge and awareness of low carbon projects? (mid-term / final) (e) To what extent do financiers show increased willingness to engage with low carbon projects? (mid-term / final) (f) To what extent are women-led businesses included in the CFA portfolio? (mid-term / final) (g) What are most important factors of CFA support that have led to finance being secured? (mid-term / final)			Financiers have an increased willingness to engage with low carbon projects. Women-led businesses make up a significant part of the CFA portfolio.
Efficiency	10. To what extent do CFA				

DAC criteria	EQ	Sub-EQs	Analytical methods	Data sources	Judgement Criteria
	activities represent value for money?	See VfM framework			

Annex 2 – Mid-term case Study Reports (Colombia & Türkiye)

Colombia

Introduction

This case study presents the CFA progress in Colombia since the inception case study was developed in March 2022. This mid-term research outlines how the country context has changed, the CFA activities delivered in the last year, and presents the key findings from qualitative interviews with various CFA stakeholders in Colombia and a survey of project proponents.[39]

To inform this case study, eight interviews were conducted with the following stakeholders:

- Policymakers: 1
- CFA governance and delivery partner: 3
- Project proponents: 2
- Financiers: 2

The survey of project proponents was also used to inform the case study. A baseline survey was sent to the project proponents in the cohort selected in May 2022. This survey achieved six responses, representing five projects (out of a total cohort of seven projects).

Update on country context

This section provides an overview of the country context, focusing on how the country has changed since the inception case study developed in March 2022.

Macroeconomic context

Colombia's macroeconomic context has remained relatively stable since the inception case study was developed. As of December 2021, there were 5.2 million Internally Displaced Persons (IDP) from conflict and violence, and 32,000 from natural disasters.[40] In total, 39.3% of Colombians lived below the poverty line[41] at the end of 2021, with the COVID-19 pandemic causing the largest economic recession in a generation.[42] Despite this, Colombia's economy has recovered from the COVID-19 crisis supported by a boost in consumption: GDP grew

[39] Note that only six projects completed the online survey. Due to the small sample, survey results should be treated as indicative.
[40] *Colombia Country Information*, Internal Displacement Monitoring Centre, 2022, Available at: https://www.internal-displacement.org/countries/colombia
[41] This represents the monthly minimum level of income that determines if someone is poor or not based on that person's ability to purchase a basic food basket and other goods and services
[42] *Guest view: Colombia's struggle against poverty*, Reuters, 2021, Available at: https://www.reuters.com/breakingviews/guest-view-colombias-struggle-against-poverty-2021-05-11/

10.7% in 2021 and 7.5% in 2022. However, inflation and the current account deficit have grown, and GDP is projected to grow by only 1.1% in 2023 and to stabilize at 2.8 percent in 2024, as external demand resumes, and inflation and interest rates come down.[43] Colombia has one of the highest levels of income inequality (with a Gini index of 54.2 in 2020)[44] and labour market informality in Latin America.[45]

During 2022 the country experienced a devaluation of 20.9%, making the Colombian peso one of the most devalued currencies worldwide. Although the devaluation was mainly caused by global conditions, such as monetary policy adjustments by central banks, internal changes in government policies also partly drove this change. As a result of inflation, which in 2022 reached 13.1%,[46] the country has faced an increase in the cost of capital and external debt. However, annual inflation has decreased in Colombia in 2023, reaching 10.48% in October 2023.[47]

Political context

The country's political context has evolved substantially since the inception case study. Colombia's presidential elections in June 2022 resulted in the victory of Gustavo Petro, the leader of the leftist coalition Pacto Histórico. The new government's main priorities are consolidating peace, social justice, environmental justice and change for women. It is also committed to moving towards a low-carbon economy and to a low-carbon transition conditional on international cooperation. Petro's government pledges to protect forests, reduce emissions from deforestation, make a just energy transition away from oil investment and stop fracking.

In May 2023 and after a broad process of discussion and citizen participation, Congress approved the National Development Plan for the period 2022-2026 "Colombia, World Power of Life" of President Petro's government. The plan proposes five major transformations including a productive transformation, internationalisation and climate action. The main goals related with climate change are:

- Expansion of areas in the process of restoration, recovery and rehabilitation of degraded ecosystems to 1.7 million hectares. That is, 750,000 more than in 2022.
- Utilise financial surpluses from coal and oil for the energy transition towards a green economy. The country will add 2,000 MW of capacity in commercial operation of electricity generation from non-conventional renewable energy sources.
- Reduce national deforestation by 20%, equivalent to about 35,000 hectares by 2026.
- Reach 2.14 million tons of CO2 mitigated by the transportation sector, two million additional tons compared to 2021.

---

[43] *The World Bank in Colombia*, 2022, Available at: https://www.worldbank.org/en/country/colombia/overview#1
[44] *Colombia Gini Index*, World Bank, 2021, Available at: https://data.worldbank.org/indicator/SI.POV.GINI?locations=CO
[45] *Colombia Overview*, World Bank, 2021, Available at: https://www.worldbank.org/en/country/colombia/overview#1
[46] BBVA Research, 2022. Available here: https://www.bbvaresearch.com/en/publicaciones/inflation-closed-2022-at-its-highest-level-in-23-years-131/#:~:text=In%20December%2C%20monthly%20inflation%20rose,survey%20of%20analysts'%20expectations).
[47] BBVA Research, 2023. Available here: https://www.bbvaresearch.com/en/publicaciones/colombia-annual-inflation-in-october-falls-more-than-expected-1048 /

The country has committed to decreasing its Greenhouse Gas (GHG) emissions by 51% by 2030 and to become carbon neutral by 2050, a target that was already set before the change in the country's presidency. The Climate Action Tracker (CAT) rates Colombia's climate targets and policies as "insufficient".[48] While this is an improvement since March 2022, when CAT's rating was "highly insufficient", substantial policy improvements are needed to be consistent with the Paris Agreement's 1.5°C temperature limit.[49]

Financial context

The landscape mapping conducted by the Delivery Partner found that Colombia can be considered an attractive country for international investment in renewable energies such as wind and solar. Colombia has a high ranking in access to credit in the World Bank's Doing Business Index 2020 (ranked 11 out of 190 assessed economies).[50]

In response to the elevated levels of demand and inflation witnessed in recent years, the Banco de la República, Colombia's Central Bank, has adjusted its monetary policy interest rate. From September 2021 to April 2023, the Board of Directors increased the monetary policy interest rate from 1.75% to 13.25%. This rate hike has had a significant impact on the cost of capital for businesses.[51]

According to the latest report on the credit situation in Colombia,[52] which presents the findings of the quarterly survey conducted among credit establishments such as banks, financing companies, and financial cooperatives, the first quarter of 2023 saw a decreased perception of demand across all credit modalities. On the supply side, there was a reduction observed for all modalities, except for microcredit portfolios in banks and housing loans in financial cooperatives. Similarly, credit institutions anticipate restrictive conditions for all credit modalities in the upcoming quarter. Therefore, considering these dynamics persist, a deceleration in all credit portfolios can be expected, aligned with the anticipated economic slowdown. Lastly, during the analysis period, the financial burden increased across all three analysed entities. According to the survey, the primary factor impeding the granting of larger credit volumes is the lack of repayment capacity, followed by the cost of acquired resources and the clients' economic activity. Finally, the primary complaint from customers during the process of applying for new credit is high interest rates, followed by insufficient credit amounts and lengthy processing times.

A key barrier to finance identified through stakeholder interviews is that most projects are not advanced enough to be attractive and commercially viable. Therefore, projects that are in early stages of implementation are unable to demonstrate their positive impact and find it

[48] Source: https://climateactiontracker.org/countries/colombia/ (accessed on 7 March 2023)
[49] The CAT rating improved because Colombia provided further information in its latest biennial report on the policies and measures it will implement to achieve its target. While the overall NDC target remains the same, Colombia will focus more on reducing emissions outside of the land sector (LULUCF) than the Climate Action Tracker had previously assumed, therefore leading to a more stringent target.
[50] World Bank's Doing Business Index 2020. Available at: https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf
[51] Source: https://www.banrep.gov.co/es (accessed on 26 May 2023)
[52] Source: https://www.banrep.gov.co/es/reporte-de-la-situacion-del-credito-en-colombia (accessed 26 May 2023)

challenging to attract finance. A project proponent also raised that climate projects tend to be financially unviable due to high interest rates in the country and costly finance instruments such as commercial loans.

Stakeholder overview

In 2020, the National Planning Department (DNP) initiated the design of the Climate Financing Corridor, an intermediary system that aims to connect climate action opportunities with sources of financing. The Climate Financing Corridor facilitates the intermediation processes between project proponents, businesses, and sectors engaged in GHG mitigation or climate change adaptation, connecting them with financing sources.

The Corridor will have two routes for project submission: the first is for proponents to directly submit their projects by completing a standardised form. These projects will undergo a verification stage to ensure their significant contribution to GHG mitigation or climate change adaptation and their maturity in terms of project structure. The second route involves project submission to the accelerators who partnered with the Corridor, according to their specific conditions and calls for proposals. The CFA programme has been included as one of the accelerators integrated into the Financing Corridor since its design phase. Projects from the accelerators and projects that pass the verification stage will be channelled to various financing sources such as commercial banks, investment funds, multilateral banks, climate funds, among others, based on their characteristics and profiles.

The Climate Financing Corridor was formally included in the updated National Climate Financing Strategy, published in December 2022, and its implementation began in 2023. The office of the DNP involved in the design and implementation of the Financing Corridor is the same that participated in the activities of the CFA programme. According to stakeholder interviews, the CFA programme played a fundamental role in creating awareness within the DNP of the need for a pipeline of bankable climate projects to comply with the NDCs.

The Climate Financing Corridor aims to create market conditions to attract resources by aligning and coordinating sectoral and territorial efforts, thereby building a project portfolio that increases investment interest. It places special emphasis on the following sectoral clusters: (i) energy, (ii) transport, (iii) conservation and agriculture, forestry, and other land uses, (iv) trade, industry, and tourism, and (v) housing, water, and sanitation.

Outcomes from COP27 that are relevant for project financing

As explained above, Colombia has not updated its 2020 NDC, that aims to reduce GHG emissions by 51% by 2030, compared to a 2021 baseline. However, in COP27, the Minister of Energy announced that the Government has plans to switch the business model of state-owned Ecopetrol (the main oil company in Colombia) from oil to clean energy resources, and is working on a roadmap aimed at delivering a just energy transition. In line with this, both the newly appointed president of Ecopetrol[53] and the Minister of Mines and Energy[54] have announced that no new contracts for oil and gas exploration will be awarded in the country.

Colombia also participated in the creation of a Loss and Damage Fund[55] that will support funding for vulnerable countries hit hard by climate disasters.

Overview of DESNZ/other donor programmes in country

In 2019, UK and Colombia signed the Colombia-UK Partnership for Sustainable Growth,[56] committing the UK and Colombia to work together towards greater climate ambition and action, and to strengthen their efforts to deliver on the Paris Agreement. Actions undertaken within this partnership include:[57]

- The initiative Territorios Forestales Sostenibles (TEFOS), a 5-year investment of GBP 64m aimed at halting deforestation and protecting tropical forests.
- The Newton–Caldas Fund, which supports research on plants, fungi and sustainable agriculture to support bioeconomy, sustainable development and food security.
- The Bioeconomy Mission, launched in 2020 to promote bio-products and generate jobs.
- The UK Partnering for Accelerated Climate Transitions (UK PACT), which funds projects that support countries to implement and increase their ambitions for carbon emissions reductions in line with their NDCs and accelerate the transition to low carbon development.
- The support to develop a Green Finance Taxonomy.
- The support to sustainable mobility provided through the Climate Leadership in Cities (CLIC) programme.
- Support to energy efficiency measures and energy auctions to increase solar and wind generation in Colombia.

Since its launch in 2018, UK PACT has funded approximately 34 projects in Colombia, focused on supporting nature (including sustainable livelihoods and nature-based solutions), low-carbon policy, mobility, energy and finance, as means to supporting climate action.[58] As UK

[53] Source: https://www.semana.com/economia/empresas/articulo/no-habra-nuevos-contratos-de-exploracion-advierte-presidente-de-ecopetrol-ricardo-roa/202309/
[54] Source: https://www.larepublica.co/especiales/davos-2023/sin-confirmacion-de-hacienda-minminas-dijo-que-no-habra-contratos-de-exploracion-3525970
[55] Colombia Government Website. Available at: https://www.minambiente.gov.co/cop27/colombia-protagonista-del-historico-acuerdo-de-la-cop-27-para-crear-fondo-que-mitigara-los-efectos-de-cambio-climatico-en-los-paises-mas-vulnerables/
[56] Source: https://www.gov.uk/government/publications/colombia-uk-partnership-for-sustainable-growth
[57] Source: BEIS (2021) Joint statement on the 2nd anniversary of the UK-Colombia Partnership for Sustainable Growth, available at: https://www.gov.uk/government/publications/colombia-uk-partnership-for-sustainable-growth/joint-statement-on-the-2nd-anniversary-of-the-uk-colombia-partnership-for-sustainable-growth
[58] Source: UK PACT website (https://www.ukpact.co.uk/country-programme/colombia and https://www.ukpact.co.uk/news/new-transformational-projects-to-support-colombias-climate-ambition?hsCtaTracking=6db2768f-146e-4fb1-845f-d1d7484e4894%7C6ac5fa62-b96b-4380-8fff-6ff875e5fe2e)

PACT provides technical assistance for projects at an early stage of development, the CFA could provide a potential source of projects for the PACT pipeline.

The DNP identifies at least four programmes similar to the CFA, which are included in the Financing Corridor. These programmes are:

- MAPBIO, a UK PACT-funded programme with the participation of The Global Green Growth Institute, the Ministry of Science and INNpulsa (the Government's entrepreneurship and innovation agency). It offers technical assistance to bioeconomy projects so that they can improve their commercial viability and scale up. In April 2023, the programme opened its third open call which will result in the selection of three projects in the Pacific and Amazon regions within the chemical, agricultural, processed food or health sectors. Each project will receive technical assistance worth 35,000 USD through the programme to finance items such as laboratory analysis and market studies.
- The Non-Conventional Energy and Efficient Energy Management Fund also organises calls for proposals to support projects to undertake pre- and feasibility studies.
- The UN Global Compact's Climate Ambition Accelerator Programme for Latin America for organisations adhering to the Compact. This is a 6-month learning programme to help organisations set science-based targets, and drive credible corporate climate action.
- INNpulsa. INNpulsa is the entrepreneurship and innovation agency of the National Government, operating under the Ministry of Commerce, Industry, and Tourism. Its purpose is to support the acceleration of high-potential startups and innovative processes, as well as financing initiatives that enable the scaling of businesses in the country. INNpulsa Colombia designs programmes and tools aimed at addressing specific segments of the entrepreneurship and innovation ecosystem, specifically targeting early-stage startups and companies with growth potential. These initiatives are tailored to support and nurture businesses at various stages of development, providing them with the necessary resources, guidance, and opportunities to thrive and expand their impact.

Other programmes related to the CFA that are currently or will be soon implemented in Colombia are: the Climate Finance Leadership Initiative (CFLI), the Climate Finance Development Accelerator (CFDA), P4G and Catal1.5t:

- The Climate Finance Leadership Initiative (CFLI) is promoted by Michael Bloomberg and supported by the United Kingdom. This programme is aimed at designing climate finance products with the banking sector in Colombia, and that the DNP identifies it as complementary to the efforts of the accelerators, as the accelerators could signpost projects to the CFLI to apply for climate finance products. The same financial partners that support the CFA programme in Colombia are also participating in the CFLI initiative.
- Climate Finance Development Accelerator (CFDA). At COP26, USAID set a target of mobilising 150 billion USD in climate finance by 2030 from public and private sources as

part of a global effort to substantially increase global climate finance flows to match projected needs. To address this target, USAID has launched The Climate Finance for Development Accelerator (CFDA),[59] which aims to mobilise financial flows and private sector actions to address climate change and support the transition to an equitable and resilient net-zero economy. CFDA will deliver catalytic facilitation and incentives for private sector actions, steer a learning and capacity building agenda to scale up successful approaches, identify and help to address barriers to public financing (e.g., the Green Climate Fund), and disseminate and communicate success stories.

- Partnering for Green Growth and the Global Goals 2030 (P4G). The P4G initiative accelerates market-based partnerships to build sustainable and resilient economies. The P4G process involves several stages. Together with government partners, it defines how each partnership can deliver transformative system and market change, strengthening the partnership's vision and aligning it with global priorities. It then invests with catalytic funding at start-up (up to 100,000 USD) and scale-up (up to 1,000,000 USD) stages, to actively build growth, establish a structure for commercialisation and replication and make it a financially viable proposition. Partnerships must comprise at least one early-stage business and one non-governmental organisation. Selected partnerships have a strong business model and potential to scale and replicate. Through network gatherings and global summits, they bring together government, business, and investor leaders to accelerate partnerships and drive change and impact. P4G's themes focus on energy transition, zero-waste green industry, food and agricultural value chains, and digital solutions for water. Colombia became a partner country of P4G in 2018 and inaugurated its National Platform in 2019. Currently, Colombia has 12 Partnerships supported by P4G, spanning various sectors: Transport (including clean freight, zero-emissions buses, sustainable cargo mobility, and carbon-neutral bicycles), Waste (encompassing plastic recovery, hazardous waste management, and food loss reduction), Agriculture (involving agribusiness crowdfunding), and Energy (encompassing building efficiency acceleration and rooftop solar adoption).
- The CATALI.5°T (pronounced "catalyst") initiative aims to provide financial support to climate start-ups and other micro and small enterprises in Latin America (including Colombia, Mexico and Peru) and West Africa. The primary goal of each regional CATALI.5°T is to stimulate investments in start-ups and young businesses with significant potential for both climate mitigation impact and business growth. This programme will address the nascent sector's limited technical capabilities and support networks, the lack of 'industry standard' tools and frameworks, and the mismatch between the current capacities of climate ventures and what's needed for them to successfully access venture capitalist (VC) finance. EIT Climate-KIC and its partners GIZ and Technologic of Monterrey officially launch the CATAL1.5°T project in Latin America at the Sustainable Finance Festival 2023 in Mexico City.

[59] For more information see https://www.climatelinks.org/projects/cfda.

At the international level, there are other initiatives similar to the CFA. These have been promoted by the governments of the United States, Denmark and the European Union and focus on accelerating climate projects.

Sign-posting areas to watch in the enabling environment in the final case study report.

GHG emissions quota programme: In 2017, Colombia enacted a law for climate change management that integrates previous strategies into a comprehensive vision. The law includes provisions for the establishment of an Emissions Trading System (ETS), known as the National Greenhouse Gas Emissions Quota Program (Programa Nacional de Cupos Transables de Emisión de Gases de Efecto Invernadero - PNCTE). The design of the ETS system is currently under development, and it is anticipated that the initial provisions will be issued in the second half of 2023. The programme will create incentives for regulated sectors to implement emissions reduction measures. Furthermore, it is expected that the programme will be coordinated with the existing carbon project market.

The Climate Financing Corridor: As explained above, the Corridor aims to connect the supply of financing resources with the demands of sectors and territories. Its purpose is to expedite the establishment of a more appealing climate financing market model that efficiently channels resources from the private sector, public sector, and international cooperation, in line with the provisions outlined in the National Climate Financing Strategy and the Nationally Determined Contribution. It is expected that the operation of the Corridor will commence in 2023 under the management of the National Planning Department (DNP).

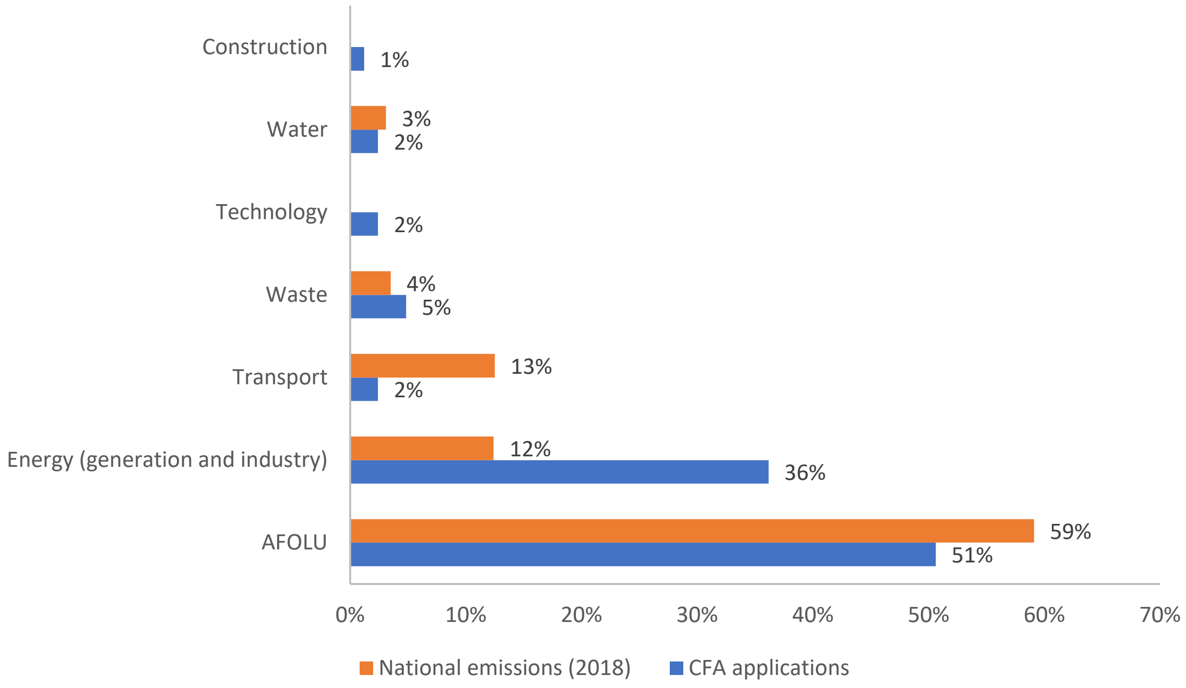
The regional elections in Colombia, scheduled for October 29, 2023, will aim to elect governors for the 32 departments, deputies for the Departmental Assemblies, mayors for 1,101 municipalities, municipal councillors, and local administrative board members throughout the country. The election results will demonstrate the level of support for the government, as well as its ability to govern and secure approval for pending reforms in Congress.

Progress of the CFA in Colombia

When the inception case study was developed in March 2022, the establishment of a CFA process in Colombia was at a very early stage. In the past year, the CFA in Colombia has progressed, and the country is in the process of supporting a new cohort of projects that have been successful in the CFA application process. The overarching objective of embedding a CFA process in-country is to be able to advance and finance low carbon projects, with the support from relevant stakeholders, once BEIS' (now DESNZ) support finishes. In this cycle, CFA Colombia is still receiving UK funding, while it works to establish a structured CFA approach within in-country institutions.

In May 2022, CFA Colombia launched its first call for proposals after the pilot. It received 87 submissions (more than in the pilot phase, during which it received 60 submissions). When comparing the percentage distribution of applications to the CFA programme by sector with the respective sectors' contribution to national emissions, it is evident that the applications covered the main emitting sectors. However, there was a higher number of projects in the energy sector compared to its emissions, while the transport sector had a lower number of applications relative to its emissions. The AFOLU (Agriculture, Forestry, and Other Land Use), waste, and water sectors had applications proportionate to their share of national emissions. For the AFOLU sector, it should be noted that selecting projects with the characteristics suitable for CFA support has been a challenge in Colombia.

Figure A2.1: Share of national emissions and CFA applications by sector



Source: Colombia BUR3 and Project Assessment Report CFA Colombia – Scope 2 (2022).

Following the selection criteria,[60] a total of seven projects across different sectors were selected: energy (3), transport (1), construction (1), AFOLU (1), and waste (1). A summary of the seven selected projects that form the CFA portfolio in Colombia is included in the table below.

[60] The selection criteria is based on 7 factors: sector, type of project and features, financing, project stage, project budget, climate impact, and co-benefits. Further details can be accessed here.

Table A2.2: Project portfolio in Colombia (May 2022 cohort)

Project name	Proponent	Description	Sector	Project cost (USD)	Estimated emissions reduction
CooperAction: The correct direction to a regenerative cattle raising	Colanta	Improvement of livestock activity to include regenerative livestock (farm planning, systems, biological corridors, among others)	AFOLU	5 M	33,2 MtCO2e (total)
Design, development and scaling of a battery electric urban bus	Autobuses AGA	Manufacturing of 250 electric buses	Transport	10 M	12.200 tCO2/year
Solar Electrification of the Orinoquía	Soluna Energy S.A.S	Provision of solar electric energy service to 850 households in the department of Vichada (non-interconnected areas) under prepayment schemes	Energy	2.9 M	477 tCO2/year
Physicochemical formulation,	Geofuturo S.A.S	Production of coal	Waste	715k	500 tCO2/year

Project name	Proponent	Description	Sector	Project cost (USD)	Estimated emissions reduction
manufacture and proof of concept of non-usable Alternative Fuels Derived from Residues		substitute fuel from unused solid wastes			
1,000 housing solutions (integral and sustainable habitats) Southwest Antioquia - Colombia	SYMA	Building 1,000 homes, including 750 social housing units that are Casa-Colombia (sustainable construction) certified	Construction	21.81 M	665 tCO2/year
Geothermal project of the Nereidas Valley	CHEC – Grupo EPM	Construction of a 65 MW geothermal power generation plant	Energy	36 M	300.000 tCO2/year
Mini solar farms for distributed generation in Colombia	UNERGY	Construction of 16 solar mini-grids of 1 MW each for connection to the distribution network in non-interconnected areas	Energy	18 M	22.000 tCO2/year

According to stakeholders involved in the project selection process, successful projects looked for innovative and blended finance instruments to advance their activities, and although they were relatively new projects, they were already being implemented, which demonstrated their feasibility and readiness to receive investments. Unsuccessful projects were more likely to look for concessional finance, rather than innovative financial instruments. The project proponents who participated in the survey thought the selection process was transparent and conducted in a timely manner. They also indicated that the feedback provided by the CFA was helpful, and that the next steps of the process were clear.

CFA stakeholders agreed that supported projects are aligned with Colombia's NDC goals, as they focus on key areas such as energy efficiency and transport. Although the CFA programme focuses on supporting climate mitigation projects, some government stakeholders also saw value in supporting adaptation projects in the future to achieve NDC goals (either in new CFA rounds or through other programmes).

Capacity building provided

Selected project proponents attended a mentoring process based on capacity building sessions (including webinars and one-to-one mentoring sessions with project proponents and financiers) to prepare for the in-country Bootcamp. These sessions sought to help project proponents understand how to attract investment and what financiers look for in projects before investing (e.g., what information and indicators they are interested in). For this, the process involved developing effective and practical term sheets to allow project proponents to convey their project proposals to financial stakeholders, and introduce participants to project financing structures and typical requirements for securing private investment. Project proponents then attended a 3-day Bootcamp in Colombia, and one project proponent also attended the London event in March 2023.

The 3-day Bootcamp event took place in Bogota between the 8th and 10th of November 2022. Participants included financial institutions - such as Bancoldex, ColCapital and the Interamerican Development Bank -, project proponents, government partners such as members of the National Planning Department (DNP), representatives of the UK Embassy and the CFA Colombia team.

The table below outlines the key activities delivered in the Bootcamp:

Table A2.3: Key activities delivered in the Bootcamp

Date	Key activities of the Colombia Bootcamp
8th November 2022	Lunch session held between funders and project proponents to get to know each other and present the objectives of the Bootcamp. Deep dive sessions where project proponents were matched with financial experts. In these sessions, project proponents presented their

Date	Key activities of the Colombia Bootcamp
	project in a 7-minute pitch, aided by a presentation. Financiers had a chance to ask questions. Embassy cocktail, which provided opportunities for networking between project proponents, representatives of the financial institutions and the CFA Colombia team.
9th November 2022	Presentation by ProColombia about the financing possibilities that exist at international level for climate projects and key information on how to attract foreign investment to projects in Colombia. Second round of deep dive sessions. Preparation session where project proponents prepared a set of ideas to present at the closing event, and roundtable discussion of insights from deep dive sessions and insights from financial experts.
10th November 2022	Closing event that presented the projects supported by the CFA and hosted a panel discussion with the banks and experts on the lessons learned during the Bootcamp.

The London event was held between the 13th and 16th of March 2023. This event invited a total of 15 projects across the different CFA countries, including one project from Colombia. Key attendees included senior sustainability professionals and investors, business group representatives, and high-level government officials.

The key activities delivered in this event include:

- Launch event, with panel discussions around different topics such as investor perspectives on challenges and opportunities in investing in low carbon projects, and practical ways on how they can work together to mobilise finance. This event sought to showcase the CFA achievements and introduce the 15 projects.
- Project deep dives, where proponents presented their projects to investment teams and other project proponents and collected feedback to improve their pitch on the last day of the event. The deep dives also allowed proponents to discuss with investors how to improve the projects' finance flows.
- Reflections and project presentations, where proponents presented to the audience, reflected on lessons learned, and discussed how the enabling environment can facilitate the low carbon transition. In this session, project proponents pitched their projects to

financiers who were interested in investing, and to policymakers who were looking to understand the barriers and opportunities of the CFA in the wider landscape.

CFA Colombia opened another call for proposals which closed in April 2023 (and delivered a second cycle), and are launching a third cycle. At the time of analysis for this report, projects were still being selected, therefore no information on these new call for proposals has been included in this report.

Mid-term findings

This section presents the key findings from qualitative interviews and mid-term survey to assess the progress that CFA Colombia has made since the inception case study.

Relevance of the CFA activities

According to government stakeholders, the CFA programme is relevant to support low-carbon projects that can contribute to the achievement of the country's NDC goals and enables the engagement of multiple stakeholders including government officials and financial institutions experts in this process.

Project proponents and CFA stakeholders flagged that low-carbon projects face several barriers to delivery in Colombia, such as the country's high interest rates, the devaluation of the currency, and increased costs of resources and materials. Similarly, survey results indicate that macroeconomic conditions such as currency and political risk, as well as the risks of the sectors in which projects operate have a negative impact on projects' efforts to raise funding.

Other challenges raised by interview participants include the lack of concrete work on blended finance instruments to cover project risk. Some survey participants also thought that organisations' lack of financial track record, and the lack of knowledge from financiers to assess low carbon project proposals were strong barriers. To address this, the CFA has made progress in explaining and disseminating the concept of blended finance through its capacity building sessions, and financial entities and project stakeholders have started conversations about the creation of blended finance structures for the programme.

Interviewed project proponents also acknowledged that they have challenges identifying what issues are considered most relevant by financial institutions when seeking funding, and therefore are sometimes unable to design business cases that are attractive to these institutions.

> *"Well, the programme was very good with respect to what they taught us, they trained us how to present the documents of your company before a financial institution, that is, what financial institutions are wanting to see in what you present." (Project proponent)*

Bootcamp sessions focused on raising awareness among project proponents about what figures (e.g., economic and environmental impact figures) should be presented to investors when looking for finance. According to CFA participants, the activities were very valuable for projects as they received feedback on their business cases directly from financial institutions.

> *"Feedback that I received at the time of the projects with which I could work in the technical assistance, they were absolutely happy and grateful and I think it gave them an important advantage." (Financier, Colombia)*

The knowledge acquired in the programme has subsequently been used by project proponents to apply for other calls for proposals. More broadly, participants reported that CFA activities promoted the collaboration between projects and financial institutions experts to help projects refine their project presentations and financial structures.

According to participating project proponents, financiers and policymakers, the networking opportunities that the CFA provides were also relevant to raise participants' understanding of national and international financing institutions and allowed participants to present their projects to potential investors. According to survey participants, the networking activities with in-country and London-based financiers, other project proponents and policymakers were very attractive when they submitted their proposals.

The programme has also managed to build a space that enabled high-level profiles from the financial sector, such as the president of Bancoldex, to discuss about climate finance and how to overcome financial barriers that Colombian projects face. This participation reflects CFA's interest and relevance to the sector. The acceleration of climate projects and the involvement of financial actors was incorporated in the recent update of the National Climate Finance Strategy.

Coherence of the CFA with other donor programmes

The context section in this case study provided an overview of programmes that are similar to the CFA and that operate in Colombia. Based on existing programmes' objectives and interviews with delivery partners and policymakers, the programmes that have most elements overlapping with the CFA are other accelerators in the Financing Corridor, and the CFDA. In the follow-up committees of the CFA programme, the risks of duplication have been identified and strategies to avoid them have been discussed. It will be important during the final evaluation to investigate how effective these strategies are, and how well different programmes coordinate.

There are also programmes that have the potential to complement the support provided by the CFA, or that offer synergies that could be exploited:

- The UK PACT might benefit from the CFA's pipeline or project portfolio.
- MAPBIO and the Non-Conventional Energy and Efficient Energy Management Fund offer a different type of technical assistance which might complement well the CFA (for instance, the market studies or feasibility studies financed by these programmes would also help project proponents to improve their proposals).

- CFLI may complement the support provided by CFA by further helping financial institutions to design products to finance climate mitigation projects.

It will be important to investigate whether these synergies and complementarities are exploited during the final evaluation.

Effectiveness of the CFA activities

Evidence from the mid-term case study interviews suggests that participants are making improvements to their climate projects thanks to the programme activities. According to financial institutions and project proponents, the programme has been effective in improving the presentation of projects to make them more attractive to investors. Participants learned how to structure project proposals, how to design projects' financial structures when seeking investment, and they better understand investors' needs and requirements. Some mentioned they continue to use the tools provided by the programme, such as the "term sheet", to seek financing. A project proponent also flagged that CFA activities were effective in learning how to create financial structures for projects and better understand project finance, including understanding financing risks and how to finance projects efficiently.

Findings from interviews also suggest that CFA activities have allowed projects build relationships with investors and other project proponents, yet a project proponent flagged it would have been helpful to allow more time for project proponents to discuss their projects with potential investors after in-country and London workshops. The London event was particularly helpful to raise awareness of international public and private financial institutions. According to one of the projects, reaching the CFA London helped them from a branding perspective and on giving further confidence to European investors. The company's current investors are from Europe (Netherlands, Switzerland, Sweden), and the association of the project with the CFA programme further benefitted the engagement with other European investors.

Although one of the objectives of the programme is to improve the knowledge and understanding around blended finance, some stakeholders – including a project proponent – mentioned more work should be done in this space, as there seems to be a lack of understanding around blended finance in Colombia.

Impact of the CFA

The impact of the CFA in the number and value of deals secured for projects is not immediate and requires time to mature.

One of the concrete impacts that the CFA has had is the incorporation of the supported projects in the portfolios of governmental or financial entities that also help with financing. For example, CFA projects were included in programmes such as Procolombia's Investing Colombia and in its portfolio of sustainable projects for investor search. Additionally, one of the project proponents interviewed was contacted by a financial institution that was part of the CFA to be included in a programme for high-impact environmental entrepreneurs.

According to press reports, on March 8, 2023, the EPM group (owner of CHEC – CFA project proponent) signed a memorandum of understanding with Ecopetrol and Baker Hughes to structure feasibility studies for the geothermal project in the department of Caldas that was supported by the CFA programme. It is important to clarify that the project was presented to the programme in search of resources (approx. 28million USD) to advance in the feasibility studies. Therefore, with the memorandum of understanding, the project achieved the financial objective proposed to the programme.

Sustainability of the CFA

This section provides an updated assessment of the causal pathways identified in the Inception case study. The causal pathways are built using the outputs and outcomes included in the CFA's Theory of Change.

Causal pathway 1: *Output 7 (In-country CFA initial set-up design completed, including stakeholders and governance in CFA process), Intermediate Outcome 5 (Plan for CFA process is fully developed and owned by relevant stakeholders) and Outcome 3 (A structured CFA approach is established within in-country institutions and delivered on an ongoing basis).*

This causal pathway consists of the main processes that will lead to the establishment of a CFA approach in Colombia. To this end, the Delivery Partner developed a business plan which establishes a roadmap for the process. The main assumption underpinning this pathway is that there is interest in the beneficiary country to establish the CFA.

Outcome 3 requires that the CFA process is not only established, but also delivered on an ongoing basis. This requires, among other things: (a) finding a suitable host, (b) finding resources for the host to function, (c) buy-in from financiers and project proponents to work with the new host, and (d) finding resources for the process to be sustainable.

According to interviewees, the CFA Colombia Delivery Team is currently presenting proposals for the CFA programme to be taken over by a technical secretariat formed by the programme's partner organisations and a governance structure of technical and steering committees. Although there is willingness from the government and financial institutions to create a sustainable and long-term programme, CFA stakeholders have identified three key challenges that are slowing down the process:

- Finding financial resources - The Delivery Team is currently evaluating whether financial contributions could be made from the budgets of the Ministries responsible for NDC goals and/or financial entities. Discussions on the contribution of resources from financial entities are at an early stage and, although there is willingness to contribute, the lack of information on the impacts of the programme is a barrier to its long-term implementation, as financial institutions would need this information to justify their contributions to the programme.
- CFA timeframes - Interviewees also acknowledged that another key challenge to implement a long-term and sustainable CFA programme is the short timeframes of the programme's operating cycle, since for a country to adopt a long-term model, it is

necessary to allow enough time to test the scheme, engage all relevant stakeholders, elaborate and discuss the proposals, and take them to implementation.

- Availability of suitable projects to support - Another challenge for the operation of the CFA programme in the long term is the possible exhaustion of projects with the characteristics and sizes that the programme targets, considering that for the last cycle, out of a total of 87 projects presented, only seven could be selected.

Causal pathway 2: *Output 6 (Enabling environment constrains identified and options to address them proposed) and Intermediate Outcome 4 (Policymakers have an increased awareness of barriers and enablers in the enabling environment for climate finance).*

The National Government has designed and is currently implementing a "climate finance corridor" as a strategy to address the barriers to the creation of climate project portfolios aligned with NDCs and match the demand and supply of financing. The corridor proposal incorporates within its operation the figure of climate accelerators (such as the CFA programme) to help projects improve their structures and present them to potential investors and financial entities. The corridor would rely on several accelerators to be able to cover projects of different sizes and in specific niches.

GESI

The CFA Business Case for embedding a permanent CFA process in Colombia[61] identifies a number of aspects of the programme where GESI will be an important consideration:

- In the identification of CFA stakeholders: amongst the characteristics expected of CFA stakeholders is experience in GESI within the prioritised sectors of the CFA. The Stakeholder Engagement Strategy states an aim to conduct focus group discussions with GESI stakeholders in Colombia to understand how to embed the GESI approach throughout the permanent CFA programme.
- Project selection: GESI stakeholders on the programme will be expected to provide feedback to include GESI aspects in the project selection criteria.
- Mentoring Phase: The activities in this phase are expected help participants to effectively incorporate GESI into their projects.

Engagement of GESI stakeholders

Project selection

The project selection process includes reviewing and assessing projects' efficiency, effectiveness and sustainability, as well as the extent to which projects are aligned with the needs of women and other marginalised groups, and GESI considerations. Although some of the selected projects have a social inclusion component that targets or benefits isolated and remote communities, projects are not necessarily addressing gender imbalances or prioritising GESI considerations. Some CFA stakeholders argue that projects with high social benefits

[61] BEIS, CFA Business Plan for the CFA permanent process in Colombia, November 2021

might not be in a business implementation stage required to be successful in the CFA application process, or they might not meet the financial profitability criteria, and therefore they have not been selected in the 2022 round. The CFA, on the other hand, does not provide additional support (i.e. capacity building for applying) or a differentiated window for women or for marginalised groups to apply.

Incorporation of GESI aspects in the projects

Among selected projects, there are a few that do have a strong social component. For instance, SYMA's project involves the construction of social housing, and Colombian communities have been involved in the design of these houses and buildings. At the same time, Colanta's project involves working with small and medium rural farmers, and SOLUNA Energy's project seeks to support isolated communities by increasing their access to energy. Therefore, CFA's portfolio does include projects delivered by private organisations that could achieve high social impacts. However, there is a lack of projects directly designed and implemented by communities or marginalised groups. In order to support community-based projects, a CFA stakeholder flagged the need to direct the call for projects and its communication activities to specific regions with a higher number of marginalised communities, such as Chocó or the Amazon, where deforestation is a major problem for communities. It should be however noted that the inclusion of projects by marginalised groups among project proponents is not the only GESI objective of the CFA, and that project proponents from these groups face a wide range of barriers that are beyond the scope of the current CFA programme.

Conclusions

The mid-term research outlined how the country context has changed, the CFA activities delivered in the last year, and presented the key findings from qualitative interviews with various CFA stakeholders in Colombia and a survey of project proponents.

While the macroeconomic context in Colombia has remained stable since the inception case study, the country's political context has evolved substantially as the leftist coalition Pacto Histórico, assumed the presidency in August 2022. The new government has made steps towards more ambitious climate commitments, but barriers to financing climate mitigation projects remain. Project participants highlighting the financial challenges of climate projects in Colombia, citing high interest rates and costly finance instruments such as commercial loans as obstacles to their viability.

Over the past year, the CFA in Colombia has made progress by successfully supporting a new cohort of projects through the CFA process. The new cohort of projects was found to align with Colombia's NDC goals, focusing on areas such as energy efficiency and transport. Evidence from the mid-term case study suggests that CFA activities have been valuable in helping projects overcome barriers by promoting collaboration between projects and financial institutions to refine project presentations and financial structures. Financial institutions and project proponents attest to the programme's effectiveness in improving project presentations to make them more appealing to investors. CFA activities have also facilitated the development of relationships between projects and investors as well as other project proponents.

In terms of gender and social inclusion considerations, although some selected projects have components targeting or benefitting isolated and remote communities, they may not necessarily address gender imbalances or prioritise GESI considerations. To support community-based projects, it might be beneficial to direct the call for projects and communication activities to specific regions with a higher number of marginalised communities.

It should be noted that the impact of the CFA in mobilising resources for projects is not immediate and requires time to mature. However, there is initial evidence of project achievements towards mobilising resources. Supported projects in Colombia have been incorporated into the portfolios of government and financial entities that assist with financing, such as Procolombia's Investing Colombia and its portfolio of sustainable projects for investor search. Press reports indicate that a CFA project proponent achieved their financial objective and signed a memorandum of understanding with new partners to advance project implementation.

In terms of the enabling environment, Colombia has fully embraced the CFA approach in its climate change finance strategy. The national government has designed and is currently implementing a "climate financing corridor" as a strategy to overcome barriers in creating climate project portfolios that align with NDCs and match financing demand and supply. According to stakeholder interviews, the CFA programme played a fundamental role in creating awareness within the DNP of the need for a pipeline of bankable climate projects to comply with the NDCs. The Corridor proposal incorporates climate accelerators, such as the CFA programme, to help projects improve their structures and present them to potential investors and financial entities.

Regarding the long-term sustainability of the CFA programme in Colombia, a roadmap for the process has been established and there is willingness from the government and financial institutions to create a sustainable and long-term programme. The key challenges identified so far concern timeframes, financial resources, and project pipeline that might slow down the process.

Lessons learned from the case study

Lessons learned from the implementation of the CFA programme in Colombia include the following:

1. The continued participation of key institutional actors (such as the DNP and financial entities) as stakeholders in the programme has ensured ongoing support, despite changes in the government. This highlights the importance of maintaining stakeholder engagement for programme continuity. The involvement of these key actors has also facilitated the incorporation of the CFA approach into the national climate finance strategy through the concept of the financing corridor.

2. Stakeholders involved perceived that they had little time and opportunities for the discussion, elaboration and testing long-term CFA scheme proposals. This suggests that CFA programme cycles could be longer and include explicit activities for reflecting on lessons learned with stakeholders.

3. There is a trade-off between selecting and supporting projects proposed by marginalised communities and considering the maturity and size of the projects. If CFA programmes aim to include projects from these communities, they should focus on targeted calls and modify criteria regarding project size and implementation progress. However, this would be beyond the scope and resources of the current CFA programme.

4. Although the primary objective of the CFA programme is not to secure financing for supported projects, it is important to have monitoring mechanisms in place to evaluate project progress after programme support. The alumni process recently established within the CFA could serve as the basis for tracking the financing progress of the projects. This monitoring is crucial for assessing effectiveness, demonstrating programme benefits, and securing long-term funding.

Key lines of enquiry for the final case study report:

1. Evaluate the implementation and outcomes of the Financing Corridor, including the coordination or overlaps of different accelerators and programmes in promoting climate project portfolios.

2. Assess the final call for proposals to determine if there is a project exhaustion (not being able to find the minimum number of projects in the calls that meet the program's size and maturity requirements), analyse the distribution of selected projects across sectors, and evaluate the improvements of inclusion of GESI considerations in the calls as well as how GESI activities are improved and adopted by project proponents.

3. Investigate the progress made by the programme in incorporating blended finance with the supported projects.

4. Examine the implementation and outcomes of the roadmap developed for the long-term financial and operational sustainability of the CFA program, including discussions with stakeholders.

These key lines of enquiry will provide valuable insights into the context, mechanism, and outcomes of the CFA programme in Colombia, enabling a comprehensive evaluation of its effectiveness and impact.

Mini-project case study

Project title: 1,000 housing solutions (integral and sustainable habitats) - Southwest Antioquia – Colombia

Project proponent: SYMA - Consultorio y Constructores SAC, sociedad BIC.

Overview of the project

The project submitted to the CFA involves the construction of 1,000 sustainable habitats in the southwestern region of Antioquia, Colombia. These habitats will comprise affordable housing units intended for low-income families, aiming to address the housing deficit in the region.

The project is divided into 14 construction stages spanning from 2023 to 2025. For each construction stage, funding ranging from 1.2 to 1.7million USD is required.

Sustainability criteria, including energy efficiency, water consumption, and waste management, are incorporated into the construction of these housing units. The project adheres to the sustainable construction standard known as "Casa Colombia." Additionally, SYMA is a BIC (Benefit-Incorporated Company) with environmental and social commitments.

At the time of submission to the programme, the project had reached approximately 30% completion, with 250 housing units already constructed.

Participation in the CFA

SYMA's main objective in applying to the CFA programme was to secure financing for the construction of these housing units using blended funding. The high interest rates on construction loans and commercial credits they had previously sought made the project financially unviable. By participating in the CFA programme, they aimed to access resources at lower interest rates to make the projects economically viable. They were particularly interested in blended financing, combining traditional investor financing with subsidy-like funding based on the social and environmental benefits of the project. They also wanted to explore options for securing foreign financing with lower rates.

SYMA actively participated in all CFA programme activities in Colombia. Notably, they highlighted the training sessions on presenting project documents to financial institutions, emphasising the aspects most relevant to investors or foreign financiers. Tools such as the Term Sheet, which outlines project terms, and the "pitch," a verbal presentation of the company and the project to a financier, were particularly valuable. According to the project interviewee, they continue to use these two tools in their ongoing search for financing.

While the company had already implemented various environmental sustainability and equality and inclusion measures, they had not previously highlighted these aspects to financiers. The programme prompted them to reflect on how project design features could inadvertently perpetuate gender discrimination (e.g., urban spaces with poor visibility or lighting, which may create environments conducive to violence) and how to improve projects in these areas.

Thanks to the programme, they realised the importance of Gender Equality and Social Inclusion (GESI) issues for financiers willing to provide green or softer financing.

According to the interview, as a result of the training, they have placed more emphasis on internal measurements to showcase indicators such as carbon emissions in their operations.

On the final day of the Bootcamp, the project was presented to financiers and policymakers. While the event provided networking opportunities, according to the interviewee, more time was needed for direct presentations to financiers or more personalised business meetings.

Outcomes of participation in the CFA programme

According to the interview, the programme allowed SYMA to establish relationships with several banking institutions and gain access to key contacts. As a result, outside of the programme activities, SYMA continued discussions about financing with two banking entities. One of them is considering including SYMA's project in a high-impact environmental entrepreneurship programme with access to lower interest rates.

As of the date of this report, SYMA is progressing with 20% of the development of the YERBABUENA III social housing project in the Municipality of Támesis, Southwest Antioquia, which comprises 240 comprehensive and sustainable habitat units for low-income families. The project has secured initial blended financing for its buyers through the contribution of the Municipal Government of Támesis, which provided the land for the project's development as a subsidy for the families. Similarly, the housing company of the Antioquia Governorship, 'VIVA,' will provide subsidies to the families. Both instruments represent approximately 8% of the housing's value for each family.

SYMA, in turn, has submitted a request for blended financing for the project to participating entities of the CFA programme in 2022, such as Bancoldex, Bancolombia, BBVA, Banco de Bogotá, Davivienda, and the National Savings Fund (Fondo Nacional del Ahorro or FNA). SYMA is confident in the commitment of these entities to the project, which will also apply to be one of the first in the country to obtain the CASA COLOMBIA version 3 certification from the Colombian Council for Sustainable Construction (Consejo Colombiano de Construcción Sostenible or CCCS). This certification is part of the Green Taxonomy and is currently applicable to the country's sustainable financing.

Lessons learned

From this mini-case study, the following lessons can be learned:

1. Training in specific tools for fundraising (term sheet and pitch) is highly valuable for project proponents, particularly when provided with direct feedback from financial institutions. Typically, projects do not have access to such feedback spaces, making these training sessions even more beneficial.

2. Structuring blended financing for sector-specific projects requires specially designed activities for this purpose. If the programme aims to make progress in this area, it is necessary to adjust or expand its range of activities.

3. After the final event of the programme, it could include more personalised interactions between potential funders and project proponents to improve the effectiveness of fundraising efforts.

Türkiye

Introduction

This case study for Türkiye is one of three in the evaluation which will provide an in-depth analysis of how the CFA is being implemented in the selected partner countries. The longitudinal approach will facilitate an analysis of the CFA’s progression in-country (and its progress towards target outcomes) over time; whilst the country-specific approach will enable us to assess the connection between context, mechanisms, and outcomes – and the extent to which the CFA’s success depends on context-specific factors – in depth.

This mid-term case study for Türkiye is timed after the second cohort of projects have received CFA support and before selection of the third cohort. This timing means that through the inception, mid-term and final case studies, progress on projects will be tracked as they move through in-country delivery stage to completion of the CFA support. This will allow a more detailed assessment of CFA impacts on project proponents and the enabling environment.

The analysis draws on the findings of primary and secondary data collection activities that took place between December 2022 and April 2023 which are summarised in the table below.

Table A2.4: Data collection activities

Research Method	Stakeholder (where relevant)	Data Source
Interviews	Delivery partner (PwC UK and Türkiye	1 group interview
	Project proponents	3 interviews
	British embassy	1 interview
	Financier	1 interview*
Portfolio review of projects		
Observation of in-country and London event		Preparatory materials for events and observation notes

*Repeated attempts were made to interview other financiers but there was no engagement from them

Update on country context

In the inception case study, both political and financial barriers were identified to investments in low carbon projects in Türkiye. The consensus from the evidence is that barriers in these areas still need to be overcome.

Political context

At the time the case study was prepared, project proponents and other interviewees identified the election in May 2023 as an important factor limiting project financing. It brought uncertainty about who would be governing after the election and therefore what policies will be followed. This uncertainty was highlighted by one project proponent as a key reason why they had been unable to obtain finance, as it potentially affected a revenue stream for solar power.

In the inception case study, the ratification of the Paris Agreement and the realisation of potential political disadvantages for international trade of measures such as a cross-border adjustment mechanism (CBAM) were expected to lead to policy developments that could improve conditions for finance for low-carbon projects. There have been some developments for green finance (set out below) but limited practical improvements in projects' ability to secure finance more generally. Türkiye submitted an updated NDC in April 2023. This is stronger than the previous NDC but will still lead to an initial increase in emissions and is rated as critically insufficient by the Climate Action Tracker (CAT).[62]

On green finance, guidelines on green bonds were published in 2022 by the Capital Markets Board. According to presentation at a CFA workshop in December 2022, a taxonomy for green finance was close to finalisation for publication by the government. According to interviewees, the importance of climate change and ESG more generally to most Turkish investors still needs to increase and be monitored more rigorously, and the potential boost to investments in low carbon projects of an active green finance sector are still to be realised.

Financial context

The gaps in finance identified in the landscape mapping and in the inception report in early-stage project finance, including venture capital and angel investors were reinforced in the interviews for the mid-term evaluation. Additionally, the preference of banks for larger investments, and the mismatch with the CFA project size, was highlighted by some project proponents.

Project developer context

There was a much larger number of project applications in the second year than in the first year. This was attributed to more concerted outreach by the delivery partner.

[62] https://climateactiontracker.org/countries/turkey/

As identified in the inception case study, a lack of political drivers for low carbon investments and a relative lack of international funding means that project proponents have limited experience of preparing bankable proposals.

Signposting to areas to watch in the enabling environment

The May 2023 election resulted in another 5-year terms for President Erdogan, which determines both the political and economic context. Pressures on international trade from measures such as the CBAM will continue and may cause a shift.

The publication of the Green Finance Taxonomy, which appears to have been delayed from the indicated timing, would be an important step in the enabling environment.

Outcomes from COP26 and 27 that are relevant at the project finance level

There were no specific outcomes from COP27 relevant to project finance in Türkiye identified by the interviewees. Following the adoption by Türkiye at COP26 of a declaration on transitioning to 100% zero emissions cars, domestic electric vehicles production started in 2022. Türkiye also signed the forestry pledge at COP26 and the NDC includes plans to halt and reverse forest loss and land degradation by 2030.

Overview of other DESNZ/other donor programmes in country

No new programmes have been identified since the inception case study. Since the inception report, the World Bank has signed a memorandum of understanding with Türkiye and other signatories which provides a framework to provide technical assistance and additional development finance to mobilise private finance for low carbon projects. There is no indication that it is operating yet, and no interviewees identified it as an alternative source of finance.

Progress of CFA delivery in Türkiye

Selection of the delivery partner

Ekodenge, a consultancy and engineering company, were selected as delivery partners in Türkiye in April 2021. However, after the first year it was decided that PwC Türkiye would replace Ekodenge as delivery partner. This was done prior to the second call for proposals.

Call for proposals

The call for proposals was launched in June 2022 and closed on 7th August 2022.[63] The call received 96 applications of which eight projects were selected.

The eight projects selected covered a wide range of sectors: food; waste management; biogas; e-mobility; marine pollution and renewable energy. All are relevant to a low carbon economy in Türkiye. One interviewee mentioned that this was a more diverse portfolio than in the first year. This can also be seen through the portfolio analysis, as the first cohort of projects in Türkiye covered exclusively the energy and transport sector.

[63] CFA dashboard 06/09/2022.

Table A2.5: Project portfolio in Türkiye (second cohort)

Project name	Proponent	Description	Sector	Project cost (USD)	Estimated emissions reduction
GIOev Charging Stations	DB Energy	Establishment of 52 electric vehicle charging stations that can provide fast charging services and solar power plants integrated into the structure, to feed the charging stations with electricity produced through renewable energy.	Transport	114-120 M	149,896 metric tons of CO2
Garbiyogaz	Pales	A biogas-to-biomethane project with an annual biomethane production capacity of 15 million m3. Sugar beet leaves and cattle manure will be used as the feedstocks of the project.	Energy	20 M	150,000 tons CO2e
Biomass Power Plant and Integrated Solid Waste Management Facility investments	Biotrend Enerji	A portfolio of projects, consisting of a Biomass Power Plant investment with an installed capacity of 30 MWe, an Integrated Solid Waste Management Facility investment with an installed capacity of around 10 MWe and ongoing investments in waste	Energy/ Waste	60 M (biomass) 68 M (waste)	155.000 tons CO2 e (biomass) 110.000-ton CO2e (waste)

Project name	Proponent	Description	Sector	Project cost (USD)	Estimated emissions reduction
		management companies.			
Doris	IWRobotx	Autonomous sea cleaning vessel powered by artificial intelligence. It uses cameras and autonomous vision sensors to identify solid and liquid waste on the sea surface before collecting the waste.	Waste	39.5M	360 Tons of CO2 e
Evreka	Evreka	Digitised and end-to-end waste and material management solutions in waste management and other sectors that need to adapt to circular business models.	Waste	Not available	Not available
TEMSA	Temsa Skoda	Temsa consists of low-carbon projects such as electrification of maritime transport, electrification of refrigerated superstructures, battery packs for the agricultural sector, environmentally friendly buses and trucks with electric and fuel cells	Transport, AFOLU, Energy	63 M	60 tons of CO2 e/year (per transport project) 50 tons of CO2e/year (maritime) 27 tons of CO2e (logistics projects)

Project name	Proponent	Description	Sector	Project cost (USD)	Estimated emissions reduction
		(hydrogen), new generation pouch cells with reduced costs and optimised energy density, and package production.			
Werover	Searover	Predictive maintenance solutions by integrating the renewable energy sector with artificial intelligence, Internet of Things and robotic technologies.	Energy	7.4 M	Not available
Sustainable feed and food solutions	Algdeha	Replace fish meal and fish oil in fish feed formula with higher protein and fatty acid containing dried algae obtained from a unique method that combines heterotrophic and our patented photosynthetic floating system.	AFOLU	11 M	1.8 tonnes of CO2 per ton of algae

The potential for a low response to the call for proposals was identified at the design stage in the Türkiye delivery approach, with the proposed mitigation plan based around effective communication. PwC performed outreach prior to the call for proposals which resulted in more eligible submissions (96 submissions in the second cohort, compared to 30 in the first cohort). There is evidence that an increased focus on communication and more targeted outreach has led to more effective communication and a higher number of project proposals, across a wider range of sectors, applying to the programme. A structural issue identified is that activities such as the outreach are classed as marketing and therefore not funded by the programme, which limits the amount done. One interviewee suggested that the outreach was not sufficiently broad to reach all eligible projects.

Capacity building provided

Capacity building for project proponents took place between October and December 2022. There was a largely positive view on the capacity building from the project proponents interviewed. The extent that it was viewed positively related also to their level of experience prior to joining the programme. All agreed that the capacity building on presenting their project to financiers was very worthwhile. Some found capacity building on other elements, such as GESI, useful, but others felt it was something they already knew. One interviewee commented that the presentations on the projects were more to the point than those prepared last year.

A two-day in-person event was held in December 2022 and representatives of four projects also attended the London event in 2023. The event in Türkiye comprised a workshop attended mainly by financiers and project proponents to discuss the projects in detail and a Green Finance event at the British Consulate Istanbul. At the Green Finance event, there were panel discussions with representatives from government and industry as well as financiers. For the London event, project proponents indicated that they had an expectation that the financiers attending would be interested in investing in Türkiye, which was not the case.

Mid-term findings

Relevance

The rationale for the programme in Türkiye is similar to that in other CFA countries in that there is a need for an increased flow of private and blended finance at scale into low-carbon projects. Specifically for Türkiye, evidence from the inception case study and reinforced in this mid-term case study suggests the need for increased financial flows result from:

- Project proponents generally having an incomplete understanding of the structure of investable projects and limited systematic support from project inception to completion.
- A limited ability of finance providers to properly assess the risks of low-carbon opportunities.
- Need for faster steps in the enabling environment[64] and framework for low-carbon investments, particularly those at an early stage.

The capacity building activities provided to project proponents are relevant to address the first barrier. In relation to the third barrier, there is evidence of limited dissemination of knowledge products in the programme to date beyond the directory of climate finance support, which questions the relevance of the CFA to address the third barrier.

[64] This refers to government policies, support and incentives.

Coherence of the CFA with other donor programmes

As mentioned in the inception case study, the EBRD financing facility GEFF provides loans or capital market instruments to financial institutions in Türkiye for green economy investments. A representative from GEFF was present at the in-country event. However, none of the interviewees identified any potential overlap with support provided under this financing facility. Their involvement in the event should help ensure coherence. There was no mention from any of the stakeholder interviews of the UK-Türkiye Green Finance event held earlier in 2022.

Effectiveness

For Türkiye, the inception case study identified three causal pathways related to the three expected outcomes. These outcomes are:

- Project proponents develop more investable low carbon project proposals.
- Finance providers show increased willingness to enter into due diligence on and negotiations with project proponents.
- A structured CFA approach is established within in-country institutions and delivered on an ongoing basis.

The key outputs expected to lead to **outcome 1** are project selection, capacity building and the events. Underpinning this causal pathway are the assumptions that there will be sufficient projects submitted, that the capacity building is well-designed and that projects improve investment propositions following CFA support and that workshops during events build relationships between project financiers and project proponents, which also improve project proposals.

Findings on causal pathway 1:

- Project proponents commented that their ability to present the projects to investors had improved through the capacity building. Even where the projects had not received financing, the capacity building provided helped them to improve their ability to present the project, which interviewees mentioned would be useful in future. Some other elements of the capacity building were also mentioned positively, including GESI. Several also mentioned that there is a benefit from being part of the CFA programme in terms of establishing the credibility of the project with investors. One interviewee suggested that there was a need for more capacity building on climate awareness and ESG and how to communicate these to investors. Evidence supporting this comment can be found in the project presentations. The one-page summaries for the in-country event all present the climate and social benefits differently.
- The delivery partner developed a climate finance support directory for Türkiye, which has been shared beyond the project applicant base. This has the potential to provide a wider range of projects with information needed to progress with investments.
- Some interviewees (delivery partner and embassy staff) mentioned the benefits of being part of the network of CFA, in terms of sharing best practice on events and capacity building between different delivery partners and Embassy staff.
- The Türkiye in-country event was well attended by the project proponents and financiers. There was general agreement from interviewees that the workshop organised during the event was useful and there were open discussions on the projects. Attendees at the Consulate event mentioned networking as one reason they attended.
- In addition to connections between projects and financiers, connections between projects are also being made and facilitated by the workshop. One of the project proponent interviewees indicated that they were talking to another proponent about collaborating to develop a project in the future. At the event, one project proponent mentioned that they might be interested in investing in one of the other projects.
- One interviewee during the inception case study raised a concern that the limited resources and time available for working with the project proponents was a risk to raising their capacity in line with the outcomes expected given the country context. This concern has not been raised in the mid-term case study.

Outputs expected to lead to **outcome 2** (increased finance providers’ willingness to engage with project proponents) are the events, dissemination of reports and knowledge products and identification of financial environment constraints and options to address them identified. Assumptions in this causal pathway are that a sufficient number of interested financiers are identified and willing to engage in the CFA programme, there is interest in financing CFA projects from these financiers and that financial institutions are willing to engage with other stakeholders, including government, to address constraints.

Findings on causal pathway 2:

- The project sizes range from around 1million to 230million USD, most starting with seeking relatively small initial investments. Many of the projects are also at the start-up phase. Interviewees suggested that the small size of many of the projects and the early stage is not a good match to available financing in Türkiye, which is mainly from banks who are looking for larger, more advanced investments. One interviewee reported there was potentially more interest from projects in participating in the programme, due to what they assessed as a lack of a Turkish finance ecosystem, and therefore fewer alternatives to the programme for financing.
- As mentioned previously, engagement with financiers has increased compared to the first year. There have been pro-bono talks for project proponents facilitated by CFA from around 10 financial partners, 20-30 financiers attended the in-country workshop, and banks shared the CFA LinkedIn pages. Some interviewees suggested that the financial representatives attending did not necessarily have the right profile and should have been more closely mapped to the project needs (size and stage of finance and with a sustainability focus). Given the gaps in the finance landscape discussed above, engaging more relevant financiers in Türkiye has been identified as a need by the delivery partner. The comment on profile suitability was also made about the financiers at the London event and several interviewees questioned whether there is interest from investors in London specifically in investing in Türkiye.
- There is no evidence of dissemination of knowledge products to financiers.
- Engagement of, and therefore evidence from, financiers in this evaluation was limited. It was not possible to test whether the CFA programme has enabled engagement of financiers with other stakeholders with regards to the enabling environment.

Outcome 3 (structured CFA approach) also builds on the outputs related to events, dissemination of reports and knowledge products and enabling environment constraints being identified, with options to address them. Assumptions underlying this causal pathway include engagement and interest of policymakers to address enabling constraints and to engage with other stakeholders, particularly engagement of sufficiently influential policy makers to champion CFA process.

Evidence on causal pathway 3:

This is still the weakest causal pathway in Türkiye, although with some progress from the inception case study. The delivery partner has been in contact with the Ministry of Environment, Urbanisation and Climate Change on green finance and had preliminary contact about embedding the CFA programme long term.

There is no evidence of dissemination of knowledge products to government officials.

Impact of the CFA

In terms of impact that the CFA contributed to, evidence is currently limited. Two of the three projects interviewed have indicated that they will seek to operate outside Türkiye to be able to attract financing. The third has managed to secure limited finance from outside Türkiye and the CFA programme. From the workshop, it appeared that one project had secured funding outside the CFA programme and were advanced in the process of doing so before applying. Others mentioned they were in ongoing discussions not facilitated directly by the CFA.

GESI

GESI context

The key marginalised groups in Türkiye identified in the inception report and confirmed during interviews are:

- Women[65]
- Ethnic and religious minorities[66]
- Refugees[67],[68]

Evidence suggests that there is a large gender gap in access to finance and that entrepreneurship rates for women is low.[69] This was confirmed in interviews during the mid-term review, which attributed this in part to the low level of participation of women in the workplace.

GESI analysis

The interviews during this mid-term case study confirmed gender inequality is an issue in Türkiye and that in general ESG considerations in projects are of limited interest to finance institutions.

In terms of applicants to the CFA, there were more male than female led projects, but the number of female applicants was higher than in the previous round.

All the project proponents interviewed mentioned specifically that the GESI component of the capacity building was very useful.

---

[65] *Turkey Country Gender Assessment 2017*, the World Bank, 2018, Available at: https://openknowledge.worldbank.org/bitstream/handle/10986/35974/Turkey-Country-Gender-Assessment-2017.pdf?sequence=1&isAllowed=y

[66] Turkey, World Directory of Minorities and Indigenous Peoples, 2021, Available at: https://minorityrights.org/country/turkey/

[67] Refugees and Asylum Seekers in Turkey, UNHCR, 2021, Available at: https://www.unhcr.org/tr/en/refugees-and-asylum-seekers-in-turkey

[68] Turkey, World Directory of Minorities and Indigenous Peoples, 2021, Available at: https://minorityrights.org/country/turkey/

[69] Turkey Country Gender Assessment 2017, the World Bank, 2018, Available at: https://openknowledge.worldbank.org/bitstream/handle/10986/35974/Turkey-Country-Gender-Assessment-2017.pdf?sequence=1&isAllowed=y

Observations of the project pitches at the in-country event though suggested that for many of the projects, GESI considerations did not go much beyond number of women employees or female representation on the board. The depth of GESI thinking in the projects and reflected in the GESI Action Plans and project pitches would be a useful element to consider in more detail in the final case study.

Conclusions

It is difficult to see how the CFA programme could address the major barriers related to the enabling environment directly in Türkiye. The change most likely to be achieved would be capacity building in project proponents to prepare bankable proposals and for connections to be made with financiers.

The programme appears to have increased effectiveness in terms of number of applications, wider variety of projects and a greater engagement of financiers.

There is evidence that the capacity building activities and workshop has improved the ability of project proponents to present their projects more effectively to financiers. However, it is recognised by the implementing partner that the profile of the financiers could be better matched to the project size and stage of development, and there is limited evidence to date that this has resulted in increased funding for the projects.

There is evidence that at least one project was in advanced talks with financiers before applying to the programme. This would call into question additionality of the CFA programme for this project proponent, but it would be difficult to screen out such projects due to the confidential nature of such discussions. In addition, there could still be benefits from the CFA programme in terms of applying lessons from the capacity building to ongoing discussions and for discussions in future for project expansion/re-financing.

An increased understanding in Turkish investors of the risks of climate projects has not been able to be tested in this mid-term evaluation.

Lessons learned for the final case study

- *Accessing financiers for interviews is difficult so it may be better to interview them in conjunction with the in-person event*

Key lines of enquiry for the final case study report:

- The development of the economic situation and impact on the enabling environment for financing low-carbon projects and appetite for low-carbon investments. (Context)
- The development of the political situation and impact on climate change policy signals. (Context)
- Improvements in the match between profile of the financiers involved and the project needs. (Mechanism)
- Whether the level of engagement from government in the CFA programme increases and whether this brings results in terms of embedding the programme for sustainability. (Mechanism and Outcome)
- Evidence that the project proposals have become more bankable following CFA activities. (Outcome)
- Evidence that the project proposals are considering an appropriate range of GESI activities at both the institutional and community level and that these activities are reflected in the GESI Action Plan and project pitches. (Outcomes)
- Evidence that Turkish financiers are/would be more willing to invest in climate projects. (Outcome)

Mini case study – Project 1

Overview of the project

The objective of the project is to facilitate the shift to electric vehicles by expanding the charging network on inter-urban roads and to zero carbon energy by providing electricity to the charging points from solar power plants. The provision of electric vehicles and solar power brings a high-value income stream to the project.

The project is planned in three phases: Phase 1 comprises 52 charging stations and 3.2MW of solar power; Phase 2 is for 104 charging stations and 20MW solar power and Phase 3 is 354 charging stations and 177MW solar power. The total finance requirement is 246million USD, split Phase 1 – 10.7million USD all equity, Phase 2 – 30.3million USD split between equity (as a majority) and debt and Phase 3 – 205million USD mostly debt.

The project would reduce emissions by 1,151 ktCO2 (0.219% of Turkish emissions).[70]

Participation in the CFA

The project was at a very early stage when they applied to the programme for the 2nd cohort. The first station was not operational, but they had secured a procurement agreement through a

[70] Note the one page summary reports the total as tCO2 but this appears to be inconsistent with the basis for the calculation and the percentage of emissions quoted and is assumed to be a typographical error.

major shareholder, secured licenses and leased or purchased land. According to the interviewee, funding for this stage was from “friends and family”.

The project proponent participated in the capacity building, the in-country and London events.

Outcomes of participation in the CFA programme

In line with the general conclusions of the case study, the project proponent reported that the training on how to develop a GESI report brought added value as did how to present their project to international investors. Other elements were less relevant to this particular proponent who has a financial background and is therefore knowledgeable about how to financially structure a project. The impact from the capacity building on how they present the project to investors was further reinforced by comments from private investors at the event. This allowed them to refine the answers and talking points regarding the project and they feel that the connections with investors made in the programme could be useful in future. Participation in the CFA programme also brings benefits in terms of the perception of the credibility of the project and of its low carbon credentials by international investors.

They found that at the in-country event, outside the banks, investors focused on relatively small ticket sizes and were not keen on investing in a bigger project where their investment would be diluted. This was not the perception of some other project proponents, who reported that the projects were too small for the investors.

This project was already connected to banks in Türkiye. They had been unable to find the required financing because of the domestic uncertainty on revenue streams, particularly for solar electricity. They have managed to find some finance from investors outside Türkiye (not connected to the CFA activities) to install a first tranche of charging stations, which is a condition of maintaining the licenses. However, they are still seeking the majority of funding for their project.

Lessons learned

- Capacity building activities could be further refined by understanding each project proponent’s needs and tailoring the activities accordingly.
- The activities to refine presentations of the projects for investors are valuable, as are the specific discussions with investors.
- As discussed in the main findings, matching financiers’ profile to the project needs more closely would be beneficial both in-country and at the London event.

Mini case study – Project 2

Overview of the project

The project develops advance hardware and software to clean marine environments. The vessel will collect waste and make measurements of marine pollution more efficiently than alternative methods.

A prototype remote controlled autonomous boat has been developed and is operational in Yalova in Türkiye. The project proponent is seeking total funding of 39.46million USD in two phases. The first phase is to develop a small factory, capable of producing seven autonomous boats. Funding sought for this phase is 8.2million USD. In a second phase, production would be expanded to 15-20 boats.

Participation in the CFA

The project proponent participated in the capacity building and the in-country event in Cohort 2.

Outcomes of participation in the CFA programme

In line with the general conclusions, the project proponent reported that the capacity building had been useful. The GESI training and development of the vision for the project was mentioned specifically as bringing added value, which is expected to help them access accelerator funding outside Türkiye. The proponent mentioned that the project size was too large for the investors invited to the in-country event. There was also some feedback from investors at the event that the project should outsource the production of the vessels. Other investors were reported to need proof of manufacture before investment. The project proponent reported a reluctance of investors in Türkiye to invest in hardware development.

The impact of the project in terms of climate and marine and environment is potentially high, but the business case is harder to establish because it would rely on income from municipalities or environmental foundations. According to the contextual analysis and the project proponent, the framework for impact investments in Türkiye is weak. They are therefore seeking to develop outside Türkiye, even though the lower production costs would make it attractive to manufacture in the country.

An unexpected outcome of participation in the CFA programme is the connection made between this project and another project proponent. They are discussing working on a joint project.

Lessons learned

Investors for projects involving early-stage hardware development may be hard to identify and would therefore need additional effort by the delivery partner to recruit to the programme.

Annex 3 – Inception case study (Egypt)

Introduction

This case study for Egypt is one of three in the evaluation which will provide an in-depth analysis of how the Climate Finance Accelerator (CFA) is being implemented in the selected partner countries. The CFA case studies involve longitudinal research in selected CFA countries, at two points in time, beginning with inception case studies and followed up with final case studies. The longitudinal approach will facilitate an analysis of the CFA's progression in-country (and its progress towards target outcomes) over time; whilst the country-specific approach will enable us to assess the connection between context, mechanisms and outcomes – and the extent to which the CFA's success depends on context-specific factors – in depth.

This inception case study for Egypt is timed after the in-country event. This timing means that through the inception and final case studies, progress on projects will be tracked as they move through in-country delivery stage to completion of the CFA support. This will allow a more detailed assessment of CFA impacts on project proponents[71] and the enabling environment.

The inception case study focuses on the country context for the CFA programme, the presentation of the CFA Theory of Change at country-level and the causal pathways (mechanisms that lead to the expected outcomes).

The analysis draws on the findings from primary and secondary data collection activities that took place between February and July 2023 which are summarised in Table A3.1.

Table A3.1: Data sources

Research Method	Details
In-depth interviews	Five (out of six) structured interviews based on interview guidelines in Annex 1 conducted with different stakeholders involved in the in-country delivery process in Egypt. Interviewees included members of the core delivery partner organisation, staff at the British Embassy Cairo, the Egyptian Ministry of International Cooperation and two financiers engaged by the CFA. A third financier did not respond to the request for interview despite repeated follow ups.
Portfolio review of projects	Delivery Partner review of submissions

[71] The representatives of projects supported by the CFA

Baseline survey	Baseline survey completed by six respondents (out of eight project proponents)[72]
Review of country documents	Documents produced by the Delivery Partner such as CFA Egypt Climate Finance Landscape Mapping (referred to as country landscape mapping in this report), CFA Egypt Gender Equality and Social Inclusion (GESI) Action Plan CFA Stakeholder engagement & communication plan - Egypt, CFA Delivery approach and work plan – Egypt, CFA Egypt: Final Event Proposition Note, Egypt Post-event Report, and Lessons Learnt and Recommendations. Desk research to inform the context analysis.
Participation in events	Participation in in-country event held in May 2023 and discussions with participants at the event.

Context analysis

The context analysis presented in this section is informed by the desk review, supplemented by primary data from interviews to provide details not available from the literature.

Country context

With Egypt holding the COP27 Presidency and announcing new climate commitments at COP27, an investment environment conducive to attracting climate finance has been created in Egypt. The country landscape mapping developed by the Delivery Partner (DP) identified that the main enabling factors include a favourable climate change policy framework that has evolved from adhering to specific international commitments to defining a long-term strategy. The mapping specifically notes the existence of National Climate Change Strategy (NCCS) 2050 and a green financing framework that determines that 50% of public investment projects should be green by 2024/25 and Egypt's positioning as a regional hub for renewable energy.

At the same time, there are barriers for investments in low carbon projects. The main barriers identified from the country landscape mapping and desktop review are:

- the slow implementation of climate policies,[73]
- limited access to green technology coupled with the high cost of technology imports,

[72] Of the other two project proponents, one declined to take part and one did not respond to invitations to the survey.
[73] Climate Action Tracker, 2022. Climate governance in Egypt. Available at https://climateactiontracker.org/publications/climate-governance-in-egypt/

- limited access to concessional loans and inadequate market-based incentives,
- limited number of bankable projects,
- perceived risk of renewable energy technology amongst local financial institutions,
- structural barriers in the agriculture sector arising from the small size of landholding,
- and subsidised gas prices for power generation that could act as a disincentive for the integration of RE[74]

Another key challenge, which emerged through desk research[75], interviews and the baseline survey (see Table 3), is the macroeconomic conditions. Egypt is experiencing a slowdown in economic activity amidst repercussions from the Russia-Ukraine conflict, lingering supply chain disruptions, and precarious global economic conditions. Currency devaluation, shortage of foreign currency, restrictions on bank withdrawals, and extensive delays by banks in processing payments was a significant barrier to all types of investment. The Russia-Ukraine conflict also triggered abrupt and large-scale portfolio investment outflows and businesses in Egypt for starved of new investments.

Macroeconomic context

Egypt is a lower-middle income economy. Although the economy continues to show resilience following the COVID-19 pandemic shock,[76] challenges of rising poverty, persisting unemployment, and limited productivity growth persist.[77] According to the Central Agency for Public Mobilisation and Statistics (CAPMAS), 30% of Egyptians were living under the national poverty line under the fiscal period 2020/21. In 2017, Egypt had a GINI index of 31.5.[78] Challenges remain both in the level and structure of growth, and growth has been based on employment opportunities created either in low value-added sectors or in sectors that have

[74] The World Bank Group, 2022. Egypt. Country Climate and Development Report. Washington, DC

[75] Alnashar,Sara Bahaa Hamed; Elashmawy,Fatma Ibrahim Mohamed; Erian,Jala Emad Youssef; Metwally,Yosra Ahmed Samy Bedair; Youssef,Hoda; Audah,Mohammed Thabet M; Kazem,Amira Mohamed Ibrahim; Caillaud,Fadila; Kaddah,Farah Mostafa Abdelhalim. Egypt Economic Monitor, December 2022 : Strengthening Resilience through Fiscal and Education Sector Reforms (English). Egypt Economic Monitor Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/099621012192231309/IDU0c5d5a70a0938f043180b4d900cb9cfae8278

[76] IMF, 2023. IMF Country Report No. 23/2 ARAB REPUBLIC OF EGYPT REQUEST FOR EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY—PRESS RELEASE; AND STAFF REPORT. Available at https://www.imf.org/en/Publications/CR/Issues/2023/01/06/Arab-Republic-of-Egypt-Request-for-Extended-Arrangement-Under-the-Extended-Fund-Facility-527849

[77] Egypt - Systematic Country Diagnostic Update : Unlocking Egypt's Potential for Poverty Reduction and Inclusive Growth (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/407981634140851775/Egypt-Systematic-Country-Diagnostic-Update-Unlocking-Egypt-s-Potential-for-Poverty-Reduction-and-Inclusive-Growth

[78] The World Bank, 2023. Gini Index. https://data.worldbank.org/indicator/SI.POV.GINI?most_recent_value_desc=false

experienced a productivity decline.[79] The overall macroeconomic environment is being undermined by adverse global economic developments that have crystallized pre-existing pressures in the economy, giving way to capital outflows and large reserves losses with high commodity prices leading to rising inflation.[80] Nevertheless, the International Monetary fund (IMF) foresees a stable macro-economic environment. The IMF notes that Egypt is committed to pursue the structural reform programme that aims at more inclusive and sustainable private sector-led growth, durable jobs creation and improved external resilience.[81]

Political context

Egypt hosted COP7 in November 2022 and continues to hold the Presidency of COP27 until November 2023. Egypt issued its first updated Nationally Determined Contribution (NDC) in 2021 and in less than a year, issued another update to its NDC with the main headline of achieving 42% of renewable energy in its energy mix by 2030. The updated NDC did not include an economy-wide emissions target82 but included commitments to reduce emissions by 33% in the electricity sector, 65% in the oil and gas sector, and 7% in the transportation sector by 2030 compared to business-as-usual, conditional on external support.

To tackle the compounded risks from climate change on energy, water and food as well as to accelerate the climate agenda by providing opportunities to mobilise climate finance and private investments, the Government of Egypt (GOE) has launched the Country Platform for the Nexus of Water, Food, and Energy (NWFE) Program. The Program integrates nine high-priority projects for adaptation and mitigation including the replacement of existing thermal power plants with renewable energy, enhance small farmers' adaptation to climate risks, increase crop yields and irrigation efficiency, developing water desalination capacity, and modernising on-farm practices.

Financial context

While noting the barriers for financing mentioned in the country context section, the country landscape mapping also found that there are improvements in the financial context for

[79] Egypt - Systematic Country Diagnostic Update : Unlocking Egypt's Potential for Poverty Reduction and Inclusive Growth (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/407981634140851775/Egypt-Systematic-Country-Diagnostic-Update-Unlocking-Egypt-s-Potential-for-Poverty-Reduction-and-Inclusive-Growth

[80] IMF, 2023. IMF Country Report No. 23/2 ARAB REPUBLIC OF EGYPT REQUEST FOR EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY—PRESS RELEASE; AND STAFF REPORT. Available at https://www.imf.org/en/Publications/CR/Issues/2023/01/06/Arab-Republic-of-Egypt-Request-for-Extended-Arrangement-Under-the-Extended-Fund-Facility-527849

[81] IMF, 2023. IMF Country Report No. 23/2 ARAB REPUBLIC OF EGYPT REQUEST FOR EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY—PRESS RELEASE; AND STAFF REPORT. Available at https://www.imf.org/en/Publications/CR/Issues/2023/01/06/Arab-Republic-of-Egypt-Request-for-Extended-Arrangement-Under-the-Extended-Fund-Facility-527849

[82] Egypt's First Updated Nationally Determined Contributions. 8th June 2022. Available at https://unfccc.int/sites/default/files/NDC/2022-07/Egypt%20Updated%20NDC.pdf.pdf

investments in low carbon projects. Examples of this favourable context include the Sovereign Green Financing Framework that aims for 50% of public investment projects to be green by 2024/25, the Central Bank of Egypt's (CBE) guiding principles on sustainable finance which was followed by binding regulations with specific requirements for banks and timelines, and the use of an environmental protection classification in the State Functional Budget for allocations to waste management, fighting pollution, and activities related to climate, soil, and groundwater.

The discourse on Environmental, Social, and Governance (ESG) issues is also gaining momentum with the Egyptian Financial Regulatory Authority (FRA) issuing two decisions in 2021 in connection with integration and disclosure related to ESG. These rules require companies listed on the Egyptian Stock Exchange and companies operating in non-bank financial activities to submit annual reports on ESG related key performance indicators and to fulfil Task Force on Climate-Related Financial (TFCR) disclosures requirements annually.

The CBE and Financial Regulatory Authority (FRA) partnered with the IFC and World Bank in 2021 on the 30 by 30 Zero program with the aim to increase financial institutions climate related lending to 30% of their portfolio (on average) by 2030. CBE has joined the Central Bank and Supervisors' Network for Greening the Financial System (NGFS). The FRA is developing micro and macro digital finance products and sustainable green microfinance products to motivate the adoption of environmentally friendly and sustainable practices.

In 2021, Egypt launched a 2 billion USD syndicated ESG Term Loan and Islamic Term Financing Facility. The ESG tranche is to be directed to green projects as per the Green Financing Framework. Egypt has also issued the region's first sovereign green bonds worth 750 million USD to finance projects in clean transportation and sustainable water management.

The green finance ecosystem in Egypt is nascent. Although a number of commercial banks offer green financing services, these services typically involve administering green finance provided by international[83] development finance institutions (DFIs) such as the European Bank for Reconstruction and Development (EBRD). The country landscape mapping notes that the main focus on green finance is to build a pipeline of investable, green projects that will map out where commercial banks can provide financial intermediation. With this pipeline, banks also use the project pipeline to determine which financial instruments are needed. This includes looking beyond green bonds (capital markets) and sustainability-linked loans (credit markets). However, and as noted in most interviews and through discussions at the in-country event, domestic banks and investors still have limited awareness and understanding of green finance. Their appetite to invest in green projects is also low.

Given the start-up and innovation ecosystem in Egypt, venture capital (VC) funds are present and active in Egypt. However, VC funds flow into the sectors that VC firms traditionally invest

[83] Both bilateral and multilateral

in. For instance, the country landscape mapping noted that approximately 42% of the VC funding was channelled to transport, logistics and e-commerce industries. Low carbon development, adaptation and climate resilience are new areas for VC funds. One interviewee noted that VCs are still familiarising themselves with the climate change mitigation and adaptation projects.

Egypt has a thriving and dynamic start-up ecosystem and is a regional leader for promoting start-ups and innovation. As a result, the ecosystem to support start-ups is growing and the number of venture capital firms, accelerators, and incubators keeps increasing.[84] An estimated 39% of Egyptian start-ups have taken part in some kind of acceleration or incubation programme.[85] One interviewee commented that the entrepreneurship ecosystem has resulted in the landscape being saturated with accelerators.

Project developer context

Egypt has an established and dynamic start-up ecosystem. While start-ups are working across sectors to create innovative digital solutions, the space is dominated by fintech start-ups. However, as the country landscape mapping notes, start-ups tend to have a high focus on technology and minimal focus on their business model. The view from one interviewee was that this focus on technology means that start-ups tend to have limited time/knowledge on the green or sustainability part of the project. Other interviewees did not express a view on this.

One interviewee pointed out that projects that benefit from green finance tend to be large projects rather than start-ups. These large projects are often managed by overseas groups that are working with local companies. As a result, the knowledge and expertise within domestic businesses on low carbon projects per se and how to develop bankable low carbon projects is limited. Other interviewees did not express a view on this.

One interviewee noted that project developers both in the public and private sector are not well-versed with preparation of climate change mitigation and adaptation related projects or preparation of documentation that improve their bankability and appeal to financiers. This capability is delivered by international consultants rather than the domestic ecosystem and therefore prevents the scaling up of climate change mitigation and adaptation projects.

Despite these challenges, as the country landscape mapping notes, there are indications that project developers in the renewable energy sector have the broader ability to develop and deliver low carbon projects. The country landscape mapping found that private small and medium renewable energy developers have played a significant role in promoting renewable energy through their business development work.

[84] Financial System Development MENA. 2021. Implemented by GIZ. Available at https://fsd-mena.org/news/mapping-the-top-mena-startup-accelerators-in-2021/

[85] Disrupt Africa and IT Industry Development Agency (ITIDA). 2021. The Egyptian Startup Ecosystem Report 2021. Available at https://mcit.gov.eg/upcont/Documents/Reports%20and%20Documents_26102021000_Egyptian-Startup-Ecosystem-Report-2021.pdf

Stakeholders in the CFA programme in Egypt

The stakeholder engagement and communication plan identified key stakeholders in Egypt's climate finance ecosystem and enabling environment. The list of stakeholders was subsequently filtered, and 16 stakeholders were prioritised for initial engagement based on their activities in the climate finance ecosystem and their relevance to the CFA's objectives.

Table A3.2: List of stakeholders prioritised for CFA engagement

Type of stakeholder	Stakeholders
Project developers	Enterprises/prospective program beneficiaries The state owned Micro Small and Medium Enterprises Development Agency (MSMEDA) that has the mandate to act as the main developer of medium, small, and micro enterprises and entrepreneurship in Egypt
Financing community	Financiers who could potentially support the CFA through 1) personnel acting financial sector experts (FSEs), 2) hosting events, and 3) advocating for the CFA: Commercial International Bank, National Bank of Egypt, and providers of early-stage capital providers such as Sawari Ventures and Shorooq Partners Financiers who could support the delivery of the CFA in Egypt through relatively smaller contributions: EBRD's Green Value Chain and Green Economy Financing Facility, and the Sovereign Fund of Egypt Organisations that are providers of financial market infrastructure and supporting services rather than finance and are important to the creation of a conducive enabling environment for the CFA: United Nations Environment Program Finance Initiative (UNEP FI) that has been signed by six private Egyptian banks: the NBE, Banque du Caire, Banque Misr, AlexBank, Arab African International Bank, and Commercial International Bank
Policymakers	Ministry of Finance Ministry of International Cooperation Ministry of Environment

	Central Bank of Egypt
Others	British Egyptian Business Association that is a non-governmental entity with over 700 members, consisting of leading British and Egyptian corporations and individuals United Nations Industrial Development Organisation (UNIDO) that is providing support for the development of eco-industrial parks in Egypt and runs the Inclusive Green Growth in Egypt project focusing on enhancing green growth and circular economy

Signposting to areas to watch in the enabling environment

Interviewees agreed that the CFA fits within the growing enabling environment for green and sustainable transition in Egypt that has received a boost with Egypt's COP27 Presidency. One Interviewee noted that the launch of the CFA and initial activities such as the selection of the first cohort of projects was opportune and timely in the context of the COP27 Presidency and therefore benefitted from government attention and engagement. Another interviewee also noted that there is a slow but gradual shift in the Government's priorities since the hosting of the COP27 summit. Nevertheless, no interviewees were concerned about the wider enabling environment for climate change mitigation and adaption, or that this environment would deteriorate. One interviewee stressed that the banks have to follow CBE regulations and will be monitored against these regulations. Therefore, they will bolster their green portfolios and introduce green finance products. However, discussions with stakeholders at the in-country event and the majority of interviewees highlighted concerns that the wider economic difficulties mentioned previously may influence the enabling environment.

Outcomes from COP27 that are relevant at the project finance level

As noted earlier, Egypt's NDC now includes emissions reductions to be achieved in the electricity, oil and gas, and transport sectors. Interviewees agreed that this target provides an impetus for both low carbon projects and for the regulatory environment for green and sustainable finance. The Presidency of COP27 has meant that Egypt is benefitting from funding from donors and international DFIs in support of the country's green and sustainable transition while building resilience to climate change. One interviewee reported that GOE is keen to deliver the emissions target and the green transition more broadly through 'home grown' projects that are commercially viable and that also demonstrate the superior start-up and innovation ecosystem of Egypt.

However, another interviewee suggested that GOE wants to promote big projects given that the emissions targets need to be achieved in a short space of time. The interviewee noted that they have observed that financial institutions are therefore keener to support projects with a large ticket size and are less interested in the smaller ticket values of projects support by the CFA. According to the interviewee, this applies even though the CFA supports the development of projects that match the risk and return profile sought by both local and international investors.

Overview of UK/other donor programmes in country

The UK-Egypt Green Partnership encompasses of climate finance to support Egypt in its green transition as well as UK businesses' contributions to boost trade and FDI linkages in the context of this transition. CFA is often included within the broad scope of this Green Partnership. It emerged during interviews that the CFA did not establish links with other UK funded initiatives and institutions such as FSD Africa and British International Investment as part of the scoping phase.

The most relevant programmes outside UK activities identified by interviewees are the accelerators run and/or managed through funding from donors such as Germany, the United States, the World Bank and the EBRD. These accelerators provide technical assistance to companies that are at the early stages of their lifecycles when business know-how and mentorship are greatly needed. These accelerators are non-selective in terms of sectors or types of projects, but are increasingly shifting focus towards supporting entrepreneurs that want to develop projects that address issues of climate change and build resilience to climate change.

One interviewee observed that there is a proliferation of accelerators in Egypt. The interviewee noted that even though these accelerators are not focused exclusively on climate mitigation and adaptation projects, they provide the same services as the CFA and in some case more detailed support to projects than the CFA. A number of accelerators also provide grants to project developers. The interviewee questioned the due diligence done for the additionality of the CFA activities in this context of the Egyptian landscape. Another interviewee however, noted, that the CFA's work in Egypt stands out in the busy landscape of accelerators as well as donor programmes that share similar objectives because of CFA's focus on low carbon projects.

GESI context

Background

The country landscape mapping notes that GESI is mandated by the Egyptian Constitution which guarantees the same rights to all citizens, both men and women. GOE is a signatory and member of key international agreements that are committed to gender mainstreaming. A report on Women's Empowerment (2014 to 2020) by the National Council for Women found that there was increased momentum and political will to fulfil women's constitutional rights.[86] According to the WEF Global Gender Gap Report of 2021, Egypt has closed 63.9% of its overall gender gap and 19.6% of its Political Empowerment gap (a subindex looking at political participation of women).[87]

The landscape mapping also found that Egypt has made great strides in increasing women's participation in policy making but inequalities persist.[88] Women still face numerous hindering factors in terms of labour market participation, gaps in wages and income and the attainment of leadership and management-level positions. These barriers include for example workplace policies that are preferential to males.[89] Certain jobs are culturally perceived as inappropriate for women, including jobs that require interacting with male employees from outside of the company and working late hours.[90] These social norms have a significant influence on gender discrimination in the workplace.[91] Women also faced discrimination in being rewarded with promotion since employers believe that the career trajectory of women can be interrupted as a result of marriage, maternity leave, and childcare responsibilities.[92] When discussing context on GESI, one interviewee as part of this case study noted that despite the attitude towards women is changing with more young people in the workforce with a progressive mindset, several barriers to gender equality remain in Egypt and participation of women in the labour market remains low.

According to data available from the International Labour Organization, female labour force participation rate in Egypt was a mere 15% in 2021.[93] Only 20% of senior and middle

[86] Britt et al, 2020. GENDER ANALYSIS AND ASSESSMENT USAID/EGYPT FINAL REPORT. Available at https://pdf.usaid.gov/pdf_docs/PA00X46M.pdf

[87] World Economic Forum, 2021. Global Gender Gap Report 2021. Available at https://www3.weforum.org/docs/WEF_GGGR_2021.pdf

[88] USAID 2022. Factsheet: EMPOWERING WOMEN AND GIRLS. Available at https://www.usaid.gov/sites/default/files/2023-03/2022%20Gender%20Fact%20Sheet%20EN_0.pdf

[89] The World Bank, 2021. Gender Equity Seal: A Key to Strengthening Egypt's Private Sector. Feature Story March 30. Available at https://www.worldbank.org/en/news/feature/2021/03/30/gender-equity-seal-a-key-to-strengthening-egypt-s-private-sector

[90] Zeitoun,Nahla Ahmed Mohamed Salaheldin. Women Economic Empowerment Study (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/861491551113547855/Women-Economic-Empowerment-Study

[91] Zeitoun,Nahla Ahmed Mohamed Salaheldin. Women Economic Empowerment Study (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/861491551113547855/Women-Economic-Empowerment-Study

[92] Zeitoun,Nahla Ahmed Mohamed Salaheldin. Women Economic Empowerment Study (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/861491551113547855/Women-Economic-Empowerment-Study

[93] See data for Egypt at https://ilostat.ilo.org/data/country-profiles/?

management positions in 2021 were held by women. On average women employees are also paid 34% less per hour than their male counterparts.[94]

Number of female-led businesses

In 2017, the new Investment Law No. 79 passed with the aim of promoting investment opportunities, with a business facilitation office for women established at the Investment Business Center (IBC). However, there is a gender gap in entrepreneurship in Egypt.[95] The majority of women entrepreneurs (78%) are clustered in the micro and informal sectors[96] owing to the perception that it's more costly and more complex to operate a business in the formal market. Moreover, businesses owned by women in Egypt are concentrated in rural areas and represent 82% of women business owners.[97] Most women-owned businesses are microenterprises depending on microfinance institutions as the source of external finance.[98]

Findings from several reports show that women's options for establishing or expanding enterprises remain constricted by risk aversion of banks, lack of financial services and products targeting women-owned small and medium enterprises, lack of collateral, and low levels of financial awareness and financial literacy within women.[99] Some banks consider loaning women-owned ventures riskier than loaning male-owned ventures.[100] Statistics show that 57.5% have to utilise their own savings, 37.5% depend on financial support from family and friends while 18.5% resort to liquidating an asset to start up their businesses.[101]

Besides the difficulties with financing, female entrepreneurs also face greater difficulties when compared with male entrepreneurs with business registration and licensing processes,

---

[94] El Saadany N. 2021. Egyptian Women & Labor Force: Challenges and Opportunities. Available at https://www.wilsoncenter.org/blog-post/egyptian-women-labor-force-challenges-and-opportunities

[95] Reham Rizk and Ali Rashed. 2019. Trends and patterns of women's entrepreneurship in Egypt. Working Paper No. 1369. The Economic Research Forum, Egypt.

[96] World Bank (2018). Women Economic Empowerment Study May, 2018, available at http://documents1.worldbank.org/curated/en/861491551113547855/pdf/134846-WP-PUBLICmarch-2-WB-Women-Study-EN.pdf

[97] Khairy, N. (2019).Women-owned MSMEs and Financial Inclusion in Egypt [Master's Thesis, the American University in Cairo]. AUC Knowledge Fountain. https://fount.aucegypt.edu/etds/744

[98] Khairy, N. (2019).Women-owned MSMEs and Financial Inclusion in Egypt [Master's Thesis, the American University in Cairo]. AUC Knowledge Fountain. https://fount.aucegypt.edu/etds/744

[99] See for example Khairy, N. (2019).Women-owned MSMEs and Financial Inclusion in Egypt [Master's Thesis, the American University in Cairo]. AUC Knowledge Fountain. https://fount.aucegypt.edu/etds/744 and Mahrous, A. A. (2019). Female Entrepreneurship in Egypt: New Theoretical and Public Policy Implications. Marketing and Management of Innovations, 1, 151-160. http://doi.org/10.21272/mmi.2019.1-12

[100] Mahrous, A. A. (2019). Female Entrepreneurship in Egypt: New Theoretical and Public Policy Implications. Marketing and Management of Innovations, 1, 151-160. http://doi.org/10.21272/mmi.2019.1-12

[101] Women Entrepreneurship in Egypt: Is It Just as Challenging for All Women? 2021. Hend Hassan and Rodica Milena Zaharia. European Journal of Interdisciplinary Studies. Vol. 13, Issue 1.

customs procedures, building permits, and finding specialised information and expertise related to their businesses.[102]

Legal framework

The 2014 Egyptian Constitution that enshrines values of justice and equality includes more than 20 provisions guaranteeing the rights of women in all spheres of life.[103] In 2017, Egypt launched its National Strategy of Egyptian Women Empowerment 2030 making the country a leader in developing a national women strategy aligned with the global Sustainable Development Goals (SDGs). This was followed by the establishment of the Egypt National Observatory for Women, the Women on Boards Observatory, and the Closing the Gender Gap Accelerator. [104]

Access to finance

Financial inclusion is integral to Egypt's 2030 Vision and the GOE is making efforts to expand access to loans and increase bank account holders through dedicated programmes for financial inclusion for women.[105] CBE has made efforts to expand women's access to loans more quickly and with fewer conditionalities.[106] The share of women with bank accounts has exceeded the original Vision 2030 target of 18% but was still low at 24% in 2021.[107] Information on access to finance by ethnic and religious minorities is not available.

Country-level Theory of Change

This section explains how the programme-level Theory of Change (ToC) and overall strategy have been adapted to the context of Egypt. It also integrates findings from interviews where relevant to illustrate how the country-level ToC works in Egypt. While the rationale and

---

[102] Mahrous, A. A. (2019). Female Entrepreneurship in Egypt: New Theoretical and Public Policy Implications. Marketing and Management of Innovations, 1, 151-160. http://doi.org/10.21272/mmi.2019.1-12

[103] Britt et al, 2020. GENDER ANALYSIS AND ASSESSMENT USAID/EGYPT FINAL REPORT. Available at https://pdf.usaid.gov/pdf_docs/PA00X46M.pdf

[104] Britt et al, 2020. GENDER ANALYSIS AND ASSESSMENT USAID/EGYPT FINAL REPORT. Available at https://pdf.usaid.gov/pdf_docs/PA00X46M.pdf

[105] National Council for Women, Egypt. Empowering women in Egypt. 2014-2021 Available at http://ncw.gov.eg/Page/967/%D8%AA%D9%85%D9%83%D9%8A%D9%86-%D8%A7%D9%84%D9%85%D8%B1%D8%A3%D8%A9-%D9%81%D9%89-%D9%85%D8%B5%D8%B1/ and http://ncw.gov.eg/Images/PdfRelease/Egyptian%20Women%20in%208%20years-72022513851233.pdf

[106] Britt et al, 2020. GENDER ANALYSIS AND ASSESSMENT USAID/EGYPT FINAL REPORT. Available at https://pdf.usaid.gov/pdf_docs/PA00X46M.pdf

[107] Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, and Saniya Ansar. 2022. Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington, DC: World Bank. doi:10.1596/978-1-4648-1897-4.

objectives of the programme are applicable to other CFA countries as well, this section highlights those that are most applicable to Egypt.

Rationale and objectives

The aim of the CFA operating in Egypt is to contribute to embedding a permanent CFA process in the country to support Egypt's efforts in implementing its NDC.[108]

To achieve this aim, there are overarching objectives of the CFA specific to Egypt:

- to strengthen the capacity of project developers to design low carbon, investable projects,
- establish networks between climate finance participants,
- improve participants' understanding of climate finance,
- and increase policymakers' awareness of barriers and enablers in the enabling environment for climate finance.[109]

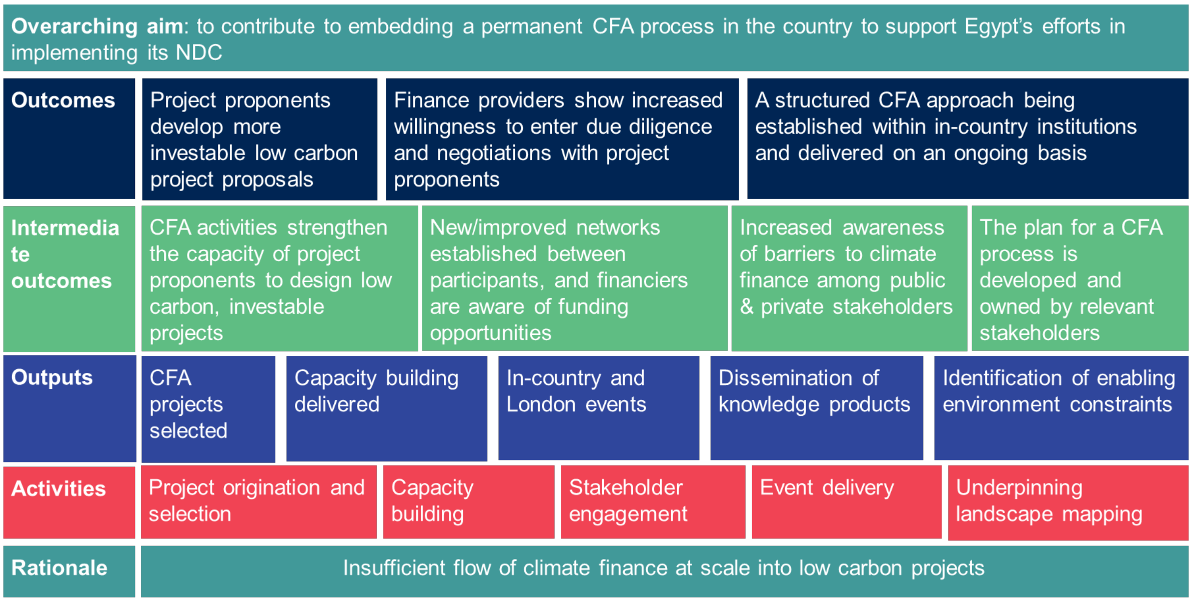
This rationale for the programme is similar to that in other CFA countries in that there is an insufficient flow of private and blended finance at scale into low carbon projects, and project proponents have a limited understanding of how to structure bankable projects. Evidence from the interviews and from the country landscape review suggests that this results from:

- Project developers tending to focus more on technology and less on business model. This might result in projects having limited ability to attract finance for some types of green technologies (such as renewable energy) – even where there is investor appetite;
- Domestic commercial banks needing a pipeline of potential climate projects that are investable to offer innovative climate financing, including blended finance and leasing;
- Growing need for capacity building of actors in the green finance ecosystem; and
- Limited incentives to develop climate finance ecosystems including green venture capital, impact funds, microfinance as well as reaching more angel investors to accelerate climate projects.

[108] Climate Finance Accelerator (CFA) Egypt. Available at https://www.genesis-analytics.com/cfa-egypt
[109] Climate Finance Accelerator (CFA) Egypt. Available at https://www.genesis-analytics.com/cfa-egypt

Country-level Theory of Change

Figure A3.1: CFA Egypt Theory of Change



The country-level ToC in Egypt closely follows the overall programme ToC. **Activities** can be grouped around stakeholder engagements, project origination and selection, capacity building, event delivery and underpinning research including landscape mapping.

These activities lead to **outputs** including selected CFA projects, capacity building for project proponents, City of London and in-country events,[110] identification of enabling environment constraints and of options to address them, and dissemination of reports and knowledge products.

The relevant expected **intermediate outcomes** resulting from these outputs are 1: *CFA activities strengthen the capacity of project proponents to design low carbon, investable projects*, 2: *new or improved networks are established between participants and financiers are aware of funding opportunities,* and 3: *increased awareness of barriers to climate finance among public and private stakeholders and the plan for a CFA process is developed and owned by relevant stakeholders.*

The expected outcomes are 1: *project proponents develop more investable low carbon project proposals*, 2: *finance providers showing increased willingness to enter into due diligence on and negotiations with project proponents*, and 3: *a structured CFA approach being established within in-country institutions and delivered on an ongoing basis*.

[110] The City of London events have not yet taken place for Egyptian stakeholders.

Causal pathways

For Egypt, it is useful to consider three causal pathways (the mechanisms between the elements of the Theory of Change that lead to the outcomes) related to the three expected outcomes.

Causal Pathway 1: For outcome 1, the key outputs are project selection, capacity building and the events. These outputs are expected to lead to outcome 1. Underpinning the causal pathways are the assumptions that there will be sufficient projects submitted, that the capacity building is well-designed and that projects improve investment propositions following CFA support and that workshops during events build relationships between project financiers and project proponents, which also improve project proposals.

The call for proposals in Egypt generated applications from projects that were at an earlier stage than the CFA would typically support. The early nature of projects within the cohort meant that it was difficult to deliver investable projects. Interviewees observed that given the nascent, start-up and less mature nature of projects, it was ambitious to expect that the capacity building provided by the CFA would lead to project proposals that were investable. One interviewee observed that although the CFA provides tailored capacity building to projects, the capacity building is nevertheless generic as the CFA does not handhold project developers to develop financial models that are often key to taking projects to a level where they are investable. However, another interviewee noted that the nascent ecosystem on climate change mitigation and adaptation as well as climate finance in Egypt means that all types of capacity building are valuable for project developers in Egypt. The interviewee also stressed that within this nascent ecosystem, access to climate finance in Egypt goes beyond financial flows and increasing entrepreneurial capability to set up projects to developing capabilities on what a bankable project looks like, gaining confidence in speaking to financiers, and learning how to structure project financing. To that extent, the CFA would support project proponents develop more investable low carbon project proposals over time.

This inception-level CFA case study report for Egypt has not drawn upon any primary data from project proponents, as we did not interview them for this stage of the case study. This means that we have not evaluated the quality of the capacity building delivery and content at this stage. From the interviews conducted with other stakeholders at this inception stage of the case study, one interviewee reported that from observation of the presentations at the in-country event, capacity building did not appear sufficient to prepare projects to present to investors, and the presentations lacked some details that investors look for (for example, assessment of risks related to the project). The interviewee added that except for one project, none explained their green dimensions or demonstrated the environmental benefits/impacts. However, the evaluation team's observations at the in-country event don't support this view.

Causal Pathway 2: Outputs leading to outcome 2 are the in-country events, dissemination of reports and knowledge products and identification of financial environment constraints and options to address them. Assumptions in this causal pathway are that a sufficient number of interested and relevant financiers are identified and willing to engage in the CFA programme, there is interest in financing CFA projects from these financiers and that financial institutions are willing to engage with other stakeholders, including government, to address constraints.

The in-country event saw participation from eight financiers. The relatively low capacity of domestic financiers on green finance and green projects posed barriers to engagement of financiers in the early stages of the CFA. One interviewee observed that the interest of financiers who were engaged waned as the event progressed because of the mismatch between the expectations of financiers and projects being supported by the CFA. The interviewee observed that financiers expected investment ready projects that have undergone thorough due diligence. This indicated a mismatch in expectations as CFA activities do not involve due diligence of projects. Additionally, the projects need seed capital or in some cases pre-seed capital. One interviewee suggested that CFA would benefit from expanding engagement with financial institutions beyond one in-country event and engaging financial institutions on CFA projects through more dialogues and workshops.

Interviewees observed that the possibility of cohort projects securing interest from providers of commercial capital was low to being with, with one interviewee noting that these projects were more likely to attract grant funding. Nevertheless, one financier has offered to provide guidance to two project proponents to help them enhance project bankability and provided the projects take the feedback on board, also introduce them to investors who may be receptive to these projects.

Causal Pathway 3: Outcome 3 also builds on the outputs related to events, dissemination of reports and knowledge products and enabling environment constraints being identified, with options to address them. Assumptions underlying this causal pathway include engagement and interest of policymakers to address enabling constraints and to engage with other stakeholders, particularly engagement of sufficiently influential policymakers to champion CFA process.

As noted earlier, the enabling environment to attract climate finance has been steadily improving in Egypt. GOE has been actively engaged with and supportive of the CFA at the strategic level. The Ministry for International Cooperation is engaged on the CFA and acts as a patron of the CFA. Both the launch and the in-country event saw ministerial engagements, although the message at the latter was pre-recorded. Therefore, the CFA has been able to engage influential policymakers in Egypt.

One interviewee observed that there has been little engagement beyond Multiple on Invested Capital (MOIC) with other policymakers in government and the financial sector. Although there was a pre-recorded message by the Minister for International Cooperation at the in-country event, the evaluation team noted the absence of in-person participation from government representatives at the in-country event.

The final case study will test whether there is continuing interest of policymakers in the CFA and whether there has been active policymaker engagement in and beyond MOIC since this inception case study.

Enablers, challenges, and barriers

The timing of the launch of the CFA in Egypt was a crucial enabler to attract interest of the GOE. Coupled with the improving enabling environment, this gave the CFA a platform to engage policymakers.

Forty-six applications were received following a wide-reaching call for proposals.[111] Interviewees explained that in line with the domestic focus on food and water resilience, the applications had a higher number of adaptation projects. However, availability of the type of projects that the CFA supports remains a challenge. In keeping with Egypt's current 'start-up culture', most projects were at an earlier stage than the CFA would typically support.

The limited awareness, understanding and appetite for green finance amongst domestic banks and investors was a barrier to their engagement with the CFA. One interviewee noted that there needs to be an equivalent capacity building of financiers to attract their interest and participation in the CFA. Unless banks and investors are capacitated, the CFA is unlikely to build sustained engagement from them.

Resources available to the CFA are not proportionate to the outcomes that the CFA is expected to deliver in Egypt, specifically on influencing the enabling environment holistically given the context. Two examples emerged during interviews towards this challenge.

- First, and as noted from interviews, the CFA is expected to engage a wide range of stakeholders identified through the stakeholder mapping process. This engagement however requires capacity and time beyond what is available to the CFA. Interviews also highlighted that the pressure and time involved in selecting an appropriate cohort of projects and delivering capacity building activities and the in-country event meant that the CFA couldn't prioritise stakeholder engagements beyond those immediately needed for delivery of these activities.
- Second, and as noted from interviews, the lack of capacity within project developers and local financiers mentioned earlier in this case study, as well as the early-stage nature of projects, placed extensive demands on the CFA to deliver capacity building beyond what it is designed for. Interviews also highlighted that limitations on budget and capacity meant that the CFA could not be as flexible as needed and provide the type of technical assistance necessary to develop investable projects. One interviewee noted that a few projects in the cohort couldn't relate to the templates and structures being used for capacity building. Interviews also highlighted that using the country landscape mapping report to inform project selection could have mitigated this challenge and helped the CFA be better prepared for these projects. However, and as interviews highlighted, this was not possible given the timelines under which CFA operates.

---

[111] It must be noted here that we have not – as part of this case study – been able to assess the effective promotion and dissemination of the CFA by the delivery partner.

Structured and consistent engagement of stakeholders remains a challenge.

- As noted earlier, engagement with policymakers beyond MOIC has proven difficult. While the ministries of finance and environment were engaged, it has been difficult to sustain the engagements and engage other ministries. This is relevant in the context of the assumptions for causal pathway 3. The CFA also needs to engage with policymakers through the British Embassy in Cairo.
- Similarly, the CFA has found it difficult to attract the interest of actors such as CBE, MSMEDA, and local commercial banks. Where this interest was forthcoming, it dissipated because of the nascent level of projects in the cohort. Engagement of DFIs that are well established with the Egyptian market and that could support stakeholder access or share expertise has also been lacking. Case study interviews also suggest that the process of identification and engagement of financiers was driven largely by personal networks of the CFA experts, the local delivery partner, and individuals at British Embassy Cairo.

Progress of the CFA in Egypt

The programme in Egypt is being delivered with Genesis Analytics and Acumen Consulting Egypt as local delivery partners. The call for proposals was launched in September 2022 and the launch event was held in October 2022. As against the typical threshold project value of 10million USD, projects in Egypt were required to have a minimum financing need of 1million USD.[112] Project selection was completed in January 2023 and nine projects were selected to take forward (see portfolio analysis for more details). The landscape mapping report was completed in November 2022. Capacity building activities took place between January and May 2023.[113]

Interviewees reported that capacity building activities, while well designed, did not always meet the expectations of projects. Experts delivering capacity building activities operated remotely with engagement being virtual and restricted. While experts were knowledgeable and brought in the much-needed international expertise, the lack of in-person engagement with projects in the cohort as well as absence of experts specific to the Egyptian context who could also act as go to experts on as more frequent basis led to dissatisfaction amongst project developers. One interviewee noted that international experts need to be attuned to local and cultural contexts and expectations to avoid potential friction with project developers. Another interviewee observed that there was a mismatch between what CFA does and what was communicated to projects by the local delivery partner. Projects believed that the CFA would work with them to build their financial models.

[112] See https://www.genesis-analytics.com/cfa-egypt

[113] CFA Dashboard. Progress updates to DESNZ

A gap identified in the working of the CFA in Egypt is the absence of opportunities for projects in the cohort to network and engage with each other during the capacity building stage. Evidence from other CFA countries suggests that such networking can bring added value in the form of peer-to-peer learning and potential partnerships amongst project proponents.

The in-country event was held on May 30, 2023. The objectives of the event were threefold:[114]

- Connect project proponents with capital market players, allowing them to present their project and to explore financing possibilities,
- Mobilise the skills of current financial market practitioners, who have the best understanding of the 'real-life' issues and constraints that affect financing opportunities, and
- Enable policymakers to understand better the enabling environment constraints affecting the flow of climate finance and reflect on ways to address them.

Six projects participated in the in-country event. Two projects, Creative Power Solutions AG and Green Fashion did not participate in the in-country event or the capacity building programme. Creative Power Solutions AG withdrew from the programme as they were able to access financing independently, and Green Fashion's schedule was not suitable to fully participate in the programme. The event was attended by financiers, project proponents, the CFA team including the local delivery partner, British Embassy Staff, and the evaluation team.

Interviews indicate a difference of opinion on the quality of project presentations at the event. Interviews suggest that some investors who attended the event were pleased with the level of information and preparation that the project sponsors demonstrated during the event, while others opined that project presentations lacked information typically sought by investors.[115] There were suggestions that projects were not always well-versed with the language and requirement of investors. The evaluation team also noted that the presentations had limited focus on the aspects of impact and that there was no discussion on GESI.

Discussions at the event with project proponents brought forward the need of projects for more one-to-one discussions with financiers and for engagement of financiers who are receptive to or focused on early-stage businesses.

Overall, interviewees commended and appreciated the CFA noting that the CFA is not only making efforts to demonstrate that small and medium enterprises and Egypt's start-up ecosystem can be used to deliver on the NDC, but also raising awareness of the need for capacity building of these business and the need for mechanisms, in particular finance, to deliver low carbon solutions.

[114] CFA Egypt Post-Event Report. 28 July 2023

[115] The interviewee noted that presentations lacked information such as financials, if available, shareholder structure, details n business plan with clear milestones and projections of intended revenue and profitability growth.

CFA project portfolio in Egypt

A summary of the nine selected projects that form the CFA portfolio in Egypt is included in the table below. Given the start-up characteristics of projects, the CFA also took a dual-track approach to supporting projects: a traditional CFA Cohort and a CFA 'Venture' Cohort. The 'Venture' Cohort was for projects seeking under 1million USD. These projects are in high growth industries and were assessed as having the potential to create significant positive climate impacts. The inclusion of a project significantly below the 10million USD value included in the selection criteria again indicates that this value is a desirable but not necessary component of the selection criteria.

Projects in the portfolio come from waste management, industry and manufacturing, AFOLU and Blue economy sectors with overlaps in sectors between some projects. There are no projects from energy and transport sectors. For one project, which was a fund that would invest at pre-seed stage in sustainable agriculture and nature-based solutions to climate crisis, the CFA decided to engage on a one-off basis to advise on fund structure.

Six projects had received funding from other sources. Of these six, two projects had previously received funding from incubation funds and accelerators. One project had also taken debt from National Bank of Egypt under the SME program facilitated by the bank. Funding for the other three came from angel investors and grants or against equity.

In line with the information sought in applications, the projects described planned actions and resulting contributions of projects to GESI. Information available to the evaluation team indicates that projects were not asked to provide any policies or procedures relating to GESI. Further, a review of the themes and criteria for project selection indicates that GESI was not an explicit theme for the evaluation of projects. However, references to GESI reviews were found in the evaluation process.

Table A3.3: Summary of CFA project portfolio, Egypt

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
TileGreen	Waste / Industry & Manufacturing	Construction of high performing and eco-friendly building materials from plastic waste. Using state-of-the-art manufacturing processes, we were able to produce paving tiles that are 20X better water resistant and 2X stronger than cement alternatives and utilising plastic waste.	$1,300,000	Project execution	CFA Cohort	The hiring process and procedures promotes gender equality. Currently, 50% of office employees are women. TileGreen plans to keep and improve the current procedures to guarantee equal opportunities and contribute towards reduction of the gender gap. Through using low value and unrecyclable plastic waste, the company creates job opportunities in the plastic waste collection and sorting industry, which is conducted by marginalised groups. The company aims to create at least 20 full time indirect jobs in the plastic waste industry in 2024. In addition, the standardised process offers the chance for workers from

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
						marginalised groups to join the manufacturing facility.
Creative Power Solutions AG	Industry & Manufacturing	A facility that will manufacture thermal solar panels to be sold to electric utility and industrial clients in the region.	$5,410,734	Finance raising	CFA Cohort	A significant number of jobs in the production facility will be filled by women. The new facility will be designed and made accessible people with disabilities
IRSC for Renewable Energy Solutions	AFOLU	A sustainable agriculture community designed to empower smallholder farmers, and provide them with financial and agricultural support, through special low-interest loans and agricultural expertise.	$7,047,566	Pre-feasibility study	CFA Cohort	The project must include women that directly participate in operations, technical, technological and administrative assistance in addition to agricultural activities while ensuring they are appointed as decision makers where relevant.
Green Fashion	Waste / Industry & Manufacturing	We are a lifestyle brand and social enterprise that promotes a sustainable and Eco-conscious lifestyle by designing and producing	$450,000	Finance raising	CFA Venture Cohort	Green Fashion's local production involves garbage collectors, artisans, designers, and tailors are part of.

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
		environmentally and socially responsible clothes and products that support local communities in Egypt.				Bags and clothes are sustainably produced in the in-house workshop by local sewers. Most tailors in the manufacturing process are women (single mother and breadwinner women) in rural areas, with the result that they are empowered and supported with decent, sustainable work to insure good income and better lifestyle Enabling 35 women to achieve Permanent income, and enabling also 15 other women to achieve daily income during high production capacity times over a limited period of time, proportional with the needs of this category Five children were helped to return back to education after dropping out due to the inability of their mothers to pay due to financial obligations.

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
						Literacy classes were conducted for women who could not read and write.
Zr3i	AFOLU	A digital agriculture platform offering precision farming solutions for crop monitoring, management and crop insurance services.	$500,000	Finance raising	CFA Venture Cohort	ZR3i collaborates with government agencies and non-profit organisations to enable digital literacy among women as a means to bridge the gender gap, particularly in rural areas. ZR3i's digital interventions have helped significantly boost women's participation in agriculture and empower them with economic and decision-making capabilities for a rounded development.
ReNile	Technology / AFOLU	Through sensor-to-cloud connections, ReNile provides advanced monitoring systems and effective solutions for monitoring water, air and soil quality to help farmers follow better	$600,000	Project execution	CFA Venture Cohort	In Egypt, farming is considered to be a tiresome process. Thus, most people involved in this process are men. However, IoT systems allow farm managers not only to monitor but also control their farms from

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
		management practices and reduce their carbon footprint.				anywhere. Therefore, the project is expected to increase the incorporation of women in this field. Moreover, women will get the chance to own their farms, manage their own teams and get their own profit allowing them to be financially independent.
Farmtopia	AFOLU	A digital agriculture platform utilising satellite and crop monitoring technology to provide an overview of farm status, ensure food security, and promote the sustainable development of the agricultural industry.	$1,000,000	Project execution	CFA Venture Cohort	The project holds potential for social inclusion of women and different age groups in farming as role-based farming helps in scheduling tasks according to workloads and worker capabilities. These tools for provisioning work will make a place for women in agriculture either in farming or in-after harvest operations (food industries). The project also holds the most potentials for rural farmers as it can help them farm novel crops for the first time without having

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
						the needed agricultural knowledge. By automating irrigation/fertigation and advising them through the season about crop operations, rural farmers in Africa will be able to ensure their own food security.
Al Dawara	Blue Economy	Production of compostable plastic made of seaweed, grown in seaweed farms. Composition of this plastic would be intellectual property and the process would avoid using petroleum for production of plastic. The material is compostable.	$1,000,000	Pre-feasibility study	CFA Venture Cohort	As evident in the current equity structure, the company values equity and equality. The team will be comprised of qualified individuals best suited for the job, with a dedicated focus on sourcing candidates of all genders and backgrounds in order to maintain a balanced mix. Salaries will be entirely dependent on job requirements and qualification, with zero tolerance to any bias.

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
						The company aims to create opportunities for underrepresented minorities, by increasing the visibility of women in STEM/technology related fields, as well as creating jobs for individuals from local marginalised coastal communities to work on the seaweed farms and green manufacturing facilities.
Climate Resilience Fund	AFOLU	This is a 25million USD fund that will invest at pre-seed stage in Egyptian sustainable agriculture and nature-based solutions to the climate crisis	$25,000,000	Finance raising	One-off engagement on fund structure to build a long-term strategic partnership	Given past experience as venture capital and angel investors, the Fund prioritises female led ventures. The Fund targets for at least a third of its portfolio to substantial female participation at founder level. The agri- and agroforestry projects supported by the Fund are suited socially and economically to female

Project name	Sector	Project Summary	Project cost (USD)	Stage	Cohort type	GESI summary as per project applications)
						employment. Moreover, since these are not existing industries there will be no perception of taking jobs away from men. Therefore, the Fund aims to achieve female employment targets (>50%).

Summary of findings from the baseline survey

The baseline survey in Egypt has been completed by six respondents (out of eight project proponents). Findings from the completed surveys are summarised below. The survey data was collected via close-ended questions (single-code and multi-code, matrix tables), and open-ended questions.

Awareness and initial perceptions of the CFA

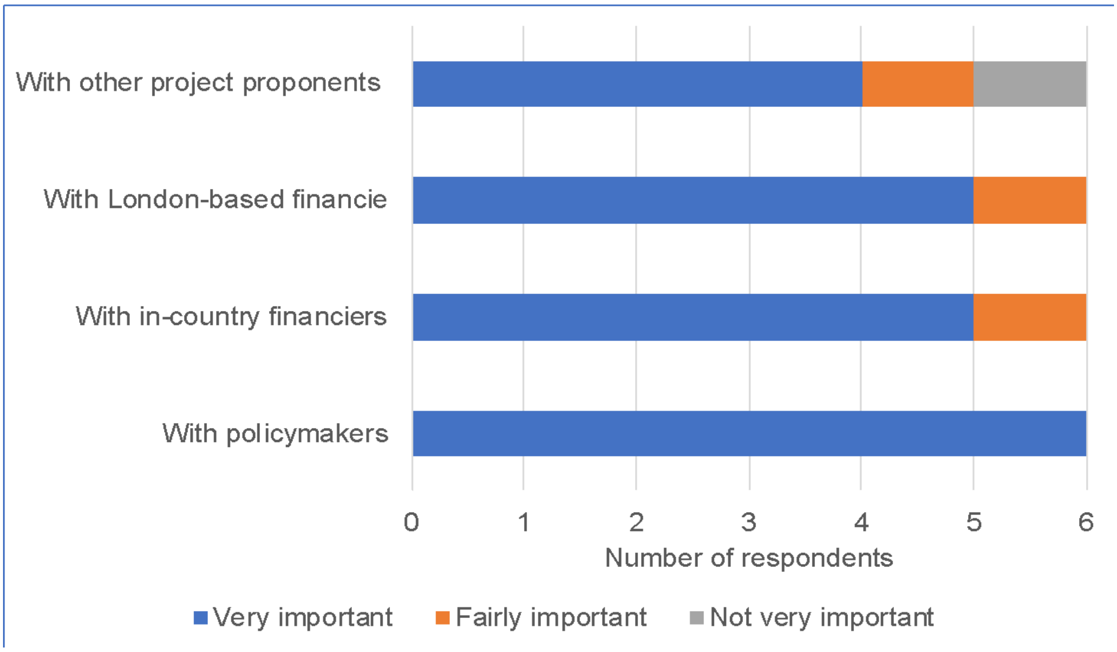
The sources through which participants first heard about the CFA are social media (2/6), climate finance industry event or other outreach event (2/6), the UK government website (1/6), via email from the CFA (1/6), through another form of communication from the CFA (1/6), and through own research of organisations working in the space (1/6).[116]

For applicants, capacity building activities to prepare a bankable proposal were important when submitting the application (4/6 very important and 2/6 fairly important), as well as to demonstrate environmental and social benefits (3/6 very important, 2/6 fairly important, 1/6 not very important).

Survey participants also valued the publicity that their project would get from participating in the CFA (4/6 very important, 2/6 fairly important).

All survey participants indicated that networking with policymakers was very important. (See Figure A3.2)

Figure A3.2: Responses from baseline survey on importance of networking activities

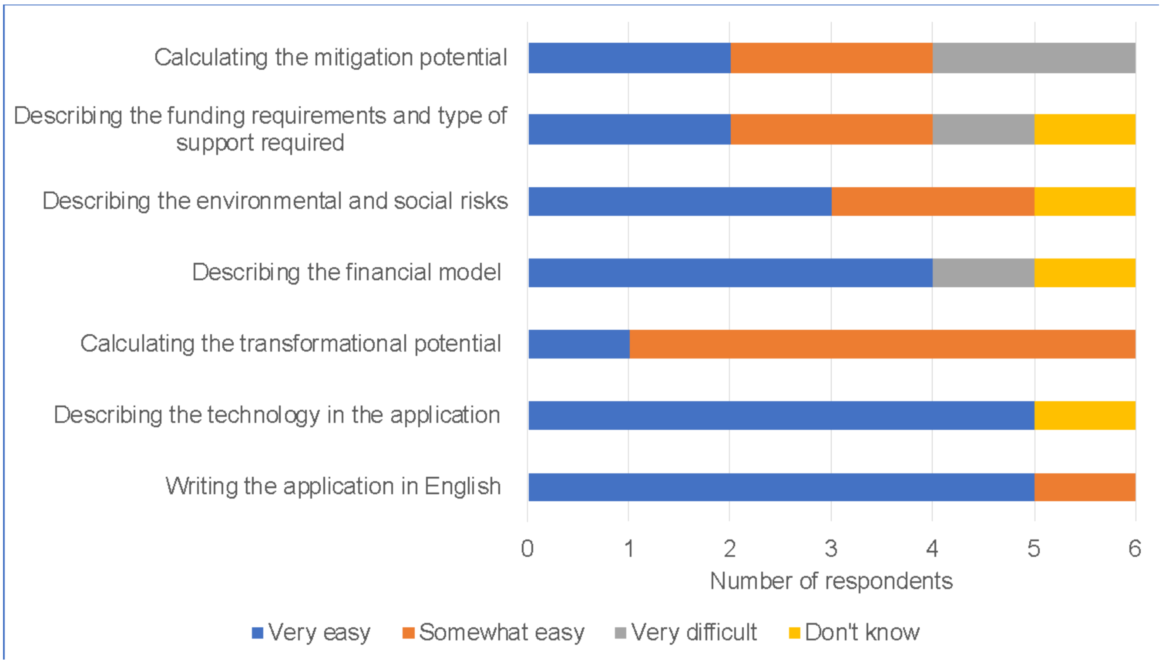


[116] Note that this question allowed multiple item selection

Application process

All survey participants found the overall application process easy (3/6 very easy, 3/6 somewhat easy). Figure A3.3 presents the responses of the survey participants to the different elements of the application process along a scale to “very difficult” to “very easy.

Figure A3.3: Responses from baseline survey on the ease of the application process



Survey participants received various types of support to prepare for the application[117] – 2/6 received direct feedback from the CFA on their project before the call was launched, 2/6 read online guidelines (FAQ, factsheets), 1/6 participated in one or more webinars or events presenting the CFA, 1/6 submitted clarification questions via email or during a webinar, 1/6 did not receive any support from the CFA.

Most survey participants agreed the project selection process was a transparent one (4/6 strongly agree, 1/6 somewhat agree and 1/6 somewhat disagree) and the CFA was clear on the next steps to develop the proposal (2/6 strongly agree, 2/6 somewhat agree, 1/6 somewhat disagree, 1/6 strongly disagree).

Three out of six survey participants strongly agreed that the application process was conducted in a timely manner (2/6 somewhat agree, 1/6 somewhat disagree) and 3/6 strongly agreed that it provided useful feedback (1/6 somewhat agree and 2/6 disagree).

[117] Note that this question allowed multiple item selection

Barriers to raise funds for projects

The baselines survey sought to understand the barriers faced by project proponents when raising funds. Table 3 presents the findings in this regard.

Table A3.4: Barriers faced by project proponents in raising funding for projects

Type of barrier	Number of respondents out of 6 who faced this barrier
Lack of knowledge from financiers to assess proposals	5
Negative macroeconomic conditions	4
Proponents' organisation lack of experience in developing this type of project	3
Project sector being too risky	2
Lack of financial track record	2
Lack of interest from financiers	0
Insufficient political support to develop the project	0

Note: This question allowed multiple item selection

Three out of six survey participants thought they would be able to raise the funding requirement for the next stage of the project in less than 6 months without the CFA support, while the other 3/6 indicated more than 6 months but still less than a year. When asked about the total funding required for the project, 2/6 considered they would be able to raise it in less than 6 months, 3/6 in more than one year but less than 2 years, 1/6 in more than 2 years but less than 5 years.

Sources and type of funding

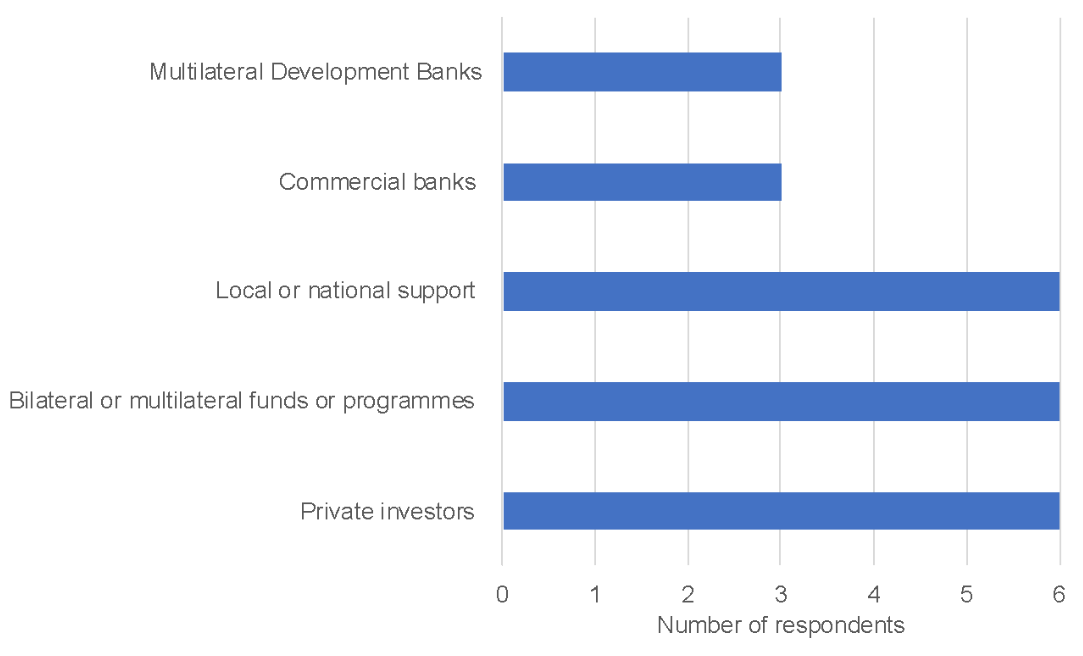
The survey also sought to understand the sources of funding being considered by project proponents. Figure A3.4 presents the findings in this context. The responses indicate that all survey respondents are seeking private investors as well as bilateral[118] or multilateral[119] funds or programmes.

[118] e.g., the UK Climate Investments Pilot, the Climate Public Private Partnership programme

[119] e.g., the Green Climate Fund, the Global Environment Facility, the Clean Technology Fund, the NAMA Facility

In terms of type of funding, the most common ones were venture capital/private equity (5/6), 1/6 seeking loans and 1/6 seeking guarantees.

Figure A3.4: Responses from baseline survey on sources of finance being considered by project proponents



Note: This question allowed multiple item selection

GESI considerations

The survey participants were 3/6 female and 3/6 male; one of them considered belonging to a disadvantaged group but did not think it affected their ability to apply or to participate in CFA activities.

One out of six survey participants agree with the fact that the CFA was promoted among networks of disadvantaged groups and that the CFA identified barriers to submission of applications for project proponents from disadvantaged groups (3/6 neither agree nor disagree, 1/6 strongly disagree and 1/6 don’t know).

Two out of six survey participants agree that the CFA provided additional support to applicants from disadvantaged groups and that ‘encouraged the participation of project proponents from disadvantaged groups’ (2/6 neither agree nor disagree, 1/6 strongly disagree and 1/6 don’t know).

Impact of CFA on project

The key impacts the CFA is expected to have on projects, as reported by respondents, are to help raise finance at better commercial terms (4/6), in a shorter timeframe (3/6) and more capital (3/6) than they would have done otherwise. Three out of six survey participants mentioned it will help them to identify the financial products that fit best with the project and concept, 1/6 that it will help them to continue the project, and 1/6 that it will help the government make necessary changes in policies and regulations, which will support the project. Four out of six survey participants also reported it will help them in other ways, including bigger exposure and networking opportunities, opening to new markets outside of Egypt, branding and matchmaking with investors, exposure to more experts to challenge their model and help further develop it, help with financial projections and plans. 120

Plans for knowledge acquired

The knowledge acquired through the CFA is expected to be disseminated to other people within the project organisations through formal (5/6) and informal means (4/6), used to prepare other project proposals (5/6), and used to help other organisations to prepare project proposals (4/6). 121

GESI analysis

We were able to analyse GESI issues at two levels: first, addressing barriers to climate finance for women and marginalised groups and second, GESI aspects of and within projects themselves.

As previously noted, women face challenges in accessing finance and in setting up and running businesses. However, as noted during interviews, this was not identified as a major barrier during CFA activities and engagements. Coupled with limited resources, this meant that there was limited focus on the gender dimension of access to finance.

In terms of the GESI aspects of the projects, as noted earlier, the projects have a narrative on contributions to GESI. One interviewee observed that projects and technologies that address the climate crises tend to improve gender equality because women are more affected by the climate crises, lack of energy, and water and food insecurity. In relation to GESI aspects within projects, the background of projects was not explicitly taken into consideration during the project selection phase. At the in-country event, only one project was represented by a woman. It must however be noted that with most projects in early stages, GESI considerations have not yet been incorporated within the projects. One project has developed a GESI Action Plan following CFA support.

Conclusions

Despite the delivery and ecosystem challenges faced, the CFA has been commended and appreciated both for the intention and activities to support project developers in Egypt develop

[120] Note that this question allowed multiple item selection

[121] Note that this question allowed multiple item selection

capabilities to make projects attractive and ready for investors. The CFA is showcasing the potential of SME and start-ups in Egypt to contribute to NDCs, and also raising awareness on their financing needs.

The nascent ecosystem on climate finance in Egypt means capacity building from the CFA is very valuable to project proponents, in terms of understanding financing structures and characteristics of bankable projects.

The characteristics of the Egyptian economy and domestic landscape for climate action led to a cohort that was dominated by early stage and less mature projects. This risk had not been identified prior to the call by the CFA, during the scoping exercise taken for the selection of Egypt or through the landscape mapping. Together with the low capacity and understanding of green finance within banks and investors, this has meant that the programme has not yet been able to deliver on its outcomes. The experience in Egypt has highlighted the importance of understanding the domestic landscape, enabling environment, and barriers faced by projects in accessing climate finance, as well as the implications of the landscape on the design, scope and resourcing of activities.

Experts delivering capacity building activities were considered knowledgeable and with the right expertise, but projects would have expected more in-person engagement and more experts specific to the Egyptian context.

Areas of improvement for the next CFA round as identified in this case study include 1) resource availability, that despite being aligned with other countries, do not seem sufficient particularly for local delivery partners to deliver technical assistance and policy influencing as well as to promote understanding of gender inequality within the climate finance ecosystem, 2) delivery set-up, for example how capacity building is delivered, and 3) programme design, particularly how the CFA can meet the needs of early stage projects and address the challenge of low capacity of the domestic financial sector to enable greater engagement with the programme. Addressing these issues and re-examining the approach towards outreach to gather a suitable pipeline, for example through DFIs and international investors active in Egypt, and the criteria used for project selection might help target more mature projects. If this is not possible, which seems a possibility given the context, CFA support would need to be further tailored to meet the needs of early-stage projects. The CFA could also expand investor network especially to early-stage finance providers and consider capacity building for the domestic financial sector. The latter could however necessitate greater resources. This would not only enable the CFA to overcome the challenges that have been identified in this case study and mitigate risks to delivering on its ambition, but also help the CFA deliver better value in a crowded landscape of accelerators.

A finding that emerged from the case study is that the CFA could devise approaches for continued engagement with the alumni cohort to facilitate learning and networking between projects and bring in future cohorts into this engagement. This would also allow the CFA to monitor the progress being made by alumni projects and track its impact. This is a recommendation that the CFA is already putting in place, and in other CFA countries, this has taken the form of LinkedIn groups and invitations to CFA workshops and events. The experience of other CFA countries in supporting projects that are not selected for the cohorts to attend webinars on topics of blended finance, how to determine the climate mitigation potential of the project, and GESI, could also been applied to the Egyptian context. This would contribute towards the wider climate finance ecosystem that the CFA seeks to build. The CFA has devised a plan of activities to engage CFA Alumni in Egypt including through the creation of one stop shop platform for Alumni to connect, encouraging Peer to Peer partnerships and collaborations (locally within the country and internationally across countries where the CFA program is conducted), celebration of Alumni achievements such as securing funds, developing collaboration between the Alumni network, and organisation of annually in-person networking events.

Lessons learned for the final case study

The final case study will focus on testing progress against the ToC for each country, and in particular looking at the context, mechanisms, and outcomes. In addition, the case studies will include mini project level case studies that will take an in-depth look at a selection of projects in each country to assess how CFA support has helped the project to develop more bankable projects, and the access that projects have to financiers as well as providing key lessons from these projects' experiences.

Lessons learned at this stage to consider in the final case study include:

- Accessing financiers for interviews is difficult. Where financier interviews are conducted, financiers are unable to recall their engagements with the CFA or the in-country event in detail. Therefore, it may be better if practical for evaluators to interview in conjunction with the in-person event.
- Accessing policymakers for the purpose of evaluation is easier if done through the British Embassy in Cairo. However, securing interviews remains dependent on the schedules policymakers and often takes a long time to schedule. As with financiers, it may be more effective to arrange policymakers' interviews in conjunction with the in-person event.

Key lines of enquiry for the final case study report:

- The development of the economic situation and impact on the enabling environment for financing low-carbon projects and appetite for low-carbon investments. (Context)
- The appropriateness and effectiveness of the capacity building to the project proponents. (Mechanism)
- The level and continuity of engagement from government and financiers in the CFA. (Mechanism and Outcome)
- Evidence that the projects in the first cohort have become more bankable following CFA activities; defining how this can be measured given that projects were in early stages. (Outcome)

- Evidence that Egyptian financiers are/would be more willing to invest in climate projects. (Outcome)
- Progress towards embedding a permanent CFA process in Egypt. (Outcome)

Annex 4 – Survey Analysis Results

The mid-term survey of CFA project proponents was conducted between November 2022 and January 2023 in Wave 2 countries: Mexico, Türkiye, South Africa, Peru.

The objective of the mid-term survey was to follow up, a year since CFA participation, on whether the CFA helped projects to meet their objectives. The survey includes questions related to: (a) views on the capacity building support received by the CFA, (b) views on the CFA activities on Gender Equality and Social Inclusion, (c) benefits of networking opportunities as part of the CFA, and (d) securing funding to develop the project.

The table below illustrates the response rate for the mid-term survey. Given the small base sizes for each country, results have been reported in an aggregate form to ensure respondent anonymity.

Figure A4.1: Response rate for the mid-term survey

Country	Number of projects	Projects with at least one response	Project response rate	Individual responses
Mexico	5	5	100%	5
South Africa	13	11	85%	16
Türkiye	6	1	17%	1
Peru	6	4	67%	5
Total	**30**	**21**	**70%**	**27**

CAPACITY BUILDING

Question B1: To what extent do you agree / disagree with the following statements?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Prefer not to say
We have improved our proposals for investment thanks to the support received through the CFA.	11	10	1	3	1	1
The CFA helped us to identify the financial products that fit best with our project and concept.	6	9	4	5	3	0
The CFA helped us to learn about the key aspects and criteria investors use to make investment decisions.	13	8	1	4	1	0
The CFA helped us to demonstrate the environmental benefits of our project.	11	9	2	3	2	0
The CFA helped us to demonstrate the Gender Equality and Social	16	8	2	0	1	0

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Prefer not to say
Inclusion benefits of our project.						
Overall, the CFA provided the right package of support for our project.	4	11	4	6	2	0
The support provided by the CFA was tailored to our needs.	8	9	3	4	3	0

Base: 27

Question B2: Have you consulted or used at all the knowledge products created by the CFA in your country? Please, select the option that best applies to how you have used or consulted each product, if at all.

	Landscape mapping/ country context	GESI guidance	Videos produced by the CFA
I was not aware of this product	9	1	11
I know it exists, but have not read/watched it yet	3	1	1
I have read/watched it, but have not used it	5	4	5
I have read/watched it and used it to improve my project proposal	8	19	7
Don't know	2	2	3

Base: 27

Question B3: Have you experienced any other benefits from participating in the CFA?

Have you experienced any other benefits from participating in the CFA?	All Countries
Yes (please, explain)	17
No	8
Don't know	2

Base: 27

Question B3.1: Have you experienced any other benefits from participating in the CFA?

Please, explain
Credibility
Networking
Contribution to the preparation of a better proposal
The event was a good way to benchmark our presentation and project, also meeting old friends and picking up on where they are at with their projects. Also learning from past beneficiaries working on topics related to ours
Connections with possible investors and fellow entrepreneurs
We understand how the dynamics are in project financing and how to prepare a proposal for smaller financing needs
Identified an opportunity to use the CFA platform to build investable project pipeline for the Fund as most of the projects meet the investment criteria and other safeguards
Exposure in publications, attention in domestic market and international based on press releases, Connections to funders, 1 funding contract has been signed
Good opportunity for networking

The CFA platform was a great platform to meet other fellow project developers/entrepreneurs, as well as meeting potential investors who continue to be in touch regarding the project progress.
The networking potential created
Introduction to potential investors
Networking with peers; Better financial Modelling for Scaling
Networking with local financial institutions as well as other project owners
We have matched to Standard Bank for debt
To have a team look at the overall project and provide guidance especially on the environmental and social aspects
Made me aware of the requirements investors are looking for but also how underdeveloped the industry is in assistance in supporting start-ups where capital is the main issue

Base: 17 (Responded "Yes" to B3)

Question B4: During the past year, have you received any other capacity building support or training on access to finance outside of CFA?

During the past year, have you received any other capacity building support or training on access to finance outside of CFA?	All Countries
Yes (please, specify)	10
No	17

Base: 27

Question B4.1: During the past year, have you received any other capacity building support or training on access to finance outside of CFA?

Please, specify
NAFIN - Mexico
Different accelerator programmes (INC MTY, Shell Live Wire, etc)
USAid, Conservation International,
We joined the programme by WBCSD for the new scope 3 carbon accounting guidelines.
We have participated in a programme in New York focusing on financing sustainable building retrofits
Not specific to the Fund, World Bank
PFAN
Through the PFAN programme
Multichoice Innovation Fund's enterprise development, networking, funding as well as coaching
Multichoice Accelerator

Base: 27

Question B5: Compared to the CFA, how much did the other support you received help you to progress your project?

Compared to the CFA, how much did the other support you received help you to progress your project?	All Countries
The non-CFA support received has helped us significantly more than the CFA	1
The non-CFA support received has helped us slightly more than the CFA	4

The non-CFA support received has helped us the same as the CFA	5

Base: 10 (question was asked to respondents who selected any option apart from ‘yes’ to question B4 ‘During the past year, have you received any other capacity building support or training on access to finance outside of CFA?’

Question B6. Since you started participating in CFA, have you done any of the following activities? Please, select all that apply.

Activities since participating in the CFA	All Countries
I disseminated knowledge acquired through the CFA to other people at my organisation through formal knowledge sharing activities (e.g., trainings or events)	5
I disseminated knowledge acquired through the CFA to other people at my organisation through informal means (e.g., on the job training, emails, etc.)	12
I used knowledge acquired through the CFA to prepare other project proposals	17
I used knowledge acquired through the CFA to help other organisations to prepare project proposals	4
I used knowledge acquired through the CFA in other ways (please specify)	1
I have not used knowledge acquired through the CFA for any dissemination or other activity	5
Don't know	1
Prefer not to say	0

Base: 27

GENDER EQUALITY AND SOCIAL INCLUSION

Question C1. Since you started participating in CFA, have you, or other people at your organisation, done any of the following activities? Please, select all that apply.

Activities since participating in the CFA	All Countries
We made some changes in our project to incorporate GESI targets or measures	18
We prepared a Gender Equality and Social Inclusion plan for our business	6
We carried out activities on Gender Equality and Social Inclusion in other ways (please specify)	2
None of the above	1

Base: 27

Question C2: To what extent do you agree or disagree with the following statements?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Prefer not to say
The CFA helped us improve our knowledge of Gender Equality and Social Inclusion principles.	16	6	1	1	2	1
The CFA helped us understand the role and necessity of a Gender	15	6	2	1	2	1

Equality and Social Inclusion plan.						

Base: 27

Question C3: To what extent do you agree or disagree with the following statements?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
The CFA provided additional support to participants from disadvantaged groups	3	4	8	0	0	12
The CFA activities were tailored to make them accessible to participants from disadvantaged groups	3	6	8	0	0	10
The CFA support was tailored to address the needs of participants from disadvantaged groups	3	7	6	0	1	10

Base: 27

Question C6. Please, tell us why you did not experience any issues to participate in CFA activities despite belonging to a disadvantaged group. Please, select all that apply.

Reasons for not experiencing issues	All Countries
I found other resources (not provided by CFA) to allow me to fully participate in CFA activities	1
My disadvantage was not significant or not relevant to prevent my full participation in the CFA	7

Base: 27

NETWORKING OPPORTUNITIES

Question D1: Which of the following types of finance providers has the CFA helped you to connect with?

D1.	All Countries
Local commercial banks	11
International commercial banks	2
Private investors	9
Multilateral development banks (e.g., the World Bank, the African Development Bank, the Inter-American Development Bank)	5
Multilateral Funds or Programmes (e.g., the Green Climate Fund, the Global Environment Facility, the Clean Technology Fund, the NAMA Facility ...)	9
Bilateral funds or programmes (e.g., the UK Climate Investments Pilot, the Climate Public Private Partnership programme)	3
Other (please specify)	5

D1.	All Countries
We have not connected with any financiers	5
Don't know	1
Prefer not to say	0

Base: 27

Question D2: To what extent do you agree or disagree with the following statement about your networking opportunities with finance providers?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
The CFA helped us to connect with the right types of finance providers for our project	3	5	6	2	5	0
We were given the opportunity to connect with a wide range of finance providers	3	9	2	4	3	0
The finance providers involved in the CFA showed interest in our project	3	6	5	4	2	1
The finance providers involved in the CFA helped us improve our	5	10	1	3	2	0

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
proposal for funding						
The CFA helped us to build relationships with investors	7	6	4	3	1	0
Participating in the CFA helped us improve our knowledge of the climate finance landscape in our sector and country	4	12	0	3	2	0

Base: 21 (question was asked to respondents who selected any option apart from 'we have not connected with any financiers' or 'don't know' in question D1 'Which of the following types of finance providers has the CFA helped you to connect with? Please, think of all the finance providers you have spoken to through the CFA, independently of whether they made you an offer for funding or not. Please, select all that apply.'

Question D3. How likely it is you would have connected with these finance providers anyway, without the networking opportunities provided by the CFA?

Likelihood	Local commercial banks	International commercial banks	Private investors	Multilateral development banks	Multilateral Funds or Programmes	Bilateral Funds or programmes	Other
Very likely	4	0	2	0	0	0	1
Fairly likely	5	0	3	3	4	1	2

Fairly unlikely	2	2	4	2	3	2	1
Very unlikely	0	0	0	0	2	0	1

Base: 11 (question was asked to respondents who selected any option apart from ‘we have not connected with any financiers’ or ‘don’t know’ in question D1 ‘Which of the following types of finance providers has the CFA helped you to connect with? Please, think of all the finance providers you have spoken to through the CFA, independently of whether they made you an offer for funding or not. Please, select all that apply.’

Question D4.1: Is there any specific finance provider you were hoping the CFA would help you to connect with, but it didn’t?

Connected with finance providers	All Countries
Yes (please specify)	17
No, we connected with all or most of the finance providers we were hoping to connect with	4
Don't know	5
Prefer not to say	1

Base: 27

Question D4.2: Is there any specific finance provider you were hoping the CFA would help you to connect with, but it didn’t? – breakdown of option ‘Yes (please specify).

Finance providers countries were not connected with	All Countries
Finance providers that are willing to support smaller size projects (below $3M)	1
Financiers that provide Technical Assistance funding that would assist to develop a project to investment-ready business case	1
Financing with investors in USA, Canada and UK for projects in Mexico	1

Finance providers countries were not connected with	All Countries
Gender-lens investors with a particular interest in investing in / funding women-owned and -operated businesses	1
Grant funders and VC focused funders	1
Impact Capital Investors	1
Impact investment family office funds	1
Impact investment funds, International commercial banks with sustainability focus	1
International development finance institutions	1
international DFIs and institutional investors	1
international private climate tech VCs, as well as local and international private companies looking to partner with climate tech ventures	1
More private equity and climatetech or fintech funders	1
Multilateral banks, impact funds, green finance	1
Other Development Finance institutions and Green funds	1
Private investors and venture capitalists	1
The follow ups were limited to non-existent from the companies	1
There were 3 others but don't recall	1

Base: 17 (question was asked to respondents who selected ‘yes (please specify) in question D4.

Question D5. Which of the following types of policymakers has the CFA helped you to connect with? Please, select all that apply.

Connecting with Policymakers	All Countries
Policymakers at the national level	4
Policymakers in my local area, Policymakers in my region, Policymakers in the sector where my project operates	1
Policymakers in the sector where my project operates	3
We have not connected with any policymakers	17
Don't know	1
Prefer not to say	1

Base: 27

Question D6: To what extent do you agree or disagree with the following statements about your networking opportunities with policymakers?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Prefer not to say
The CFA gave me the opportunity to let policymakers know about the regulatory barriers I am facing to progress my project	0	3	3	2	0	1
Policymakers engaged in the CFA were	0	3	3	1	1	1

interested in my project						
The CFA helped me to connect with the relevant policymakers for my project.	0	3	5	0	0	1

Base: 9 (question was asked to respondents who selected any option apart from 'We have not connected with any policymakers' or 'don't know' in question D5 'Which of the following types of policymakers has the CFA helped you to connect with? Please, select all that apply.'

Question D7: How likely it is you would have connected with these policymakers anyway, without the networking opportunities provided by the CFA?

Likelihood	Policymakers -local area	Policymakers -region	Policymakers -national	Policymakers -project area	Other
Very likely	0	0	1	0	0
Fairly likely	1	0	2	3	0
Fairly unlikely	0	1	1	1	0
Very unlikely	0	0	0	0	0

Base: 10 (question was asked to respondents who selected any option apart from 'We have not connected with any policymakers' or 'don't know' or 'prefer not to say' in question D5 'Which of the following types of policymakers has the CFA helped you to connect with? Please, select all that apply.'

Question D8: Has your connection with policymakers through CFA impacted your project in any way? Please, select all that apply.

Impact of the connections with policymakers on the project	All countries
We are now better aware of how our project links to climate mitigation strategies in my country	1
There have been new or improved regulations in my country, region, or local area that benefit our project, and this is partly due to the CFA	0

We know better which authority or department we need to engage with to obtain political support for our project	2
We have made some changes in our project to better align it with the policy priorities in my country or local area	3
We have made some changes in our project to better align it with existing regulations in my country or local area	0
None of the above	3
Don't know	1
Prefer not to say	0

Base: 9 (question was asked to respondents who selected any option apart from 'We have not connected with any policymakers' or 'don't know' in question D5 'Which of the following types of policymakers has the CFA helped you to connect with? Please, select all that apply.'

Question D9.1: Is there any specific policymaker you were hoping the CFA would help you to connect with, but it didn't?

Connecting with specific policymakers	All Countries
Yes (please specify)	5
No, we connected with all or most of the policymakers we were hoping to connect with	9
Prefer not to say	1
Don't know	12

Base: 27

Question D9.2: Is there any specific policymaker you were hoping the CFA would help you to connect with, but it didn't – breakdown of 'yes (please specify)' answers.

Connecting with specific policymakers	All Countries
We are able to connect with policy makers, and as such did not require that connection	1
Policymakers in government i.e. the Department of Trade and Industry	1
Government and business support platforms and others. I have little knowledge of who the right policy makers I should connect with	1
Financial institutions	1
Agriculture sector policymakers	1

Base: 5 (breakdown of the response 'yes (please specify)' in question D9 'Is there any specific policymaker you were hoping the CFA would help you to connect with, but it didn't.'

Question D10: By participating in CFA, you may have been in contact with other project proponents. To what extent do you agree with the following statements?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Prefer not to say
The CFA helped us to improve our networks with other project proponents in the country	10	7	7	2	1	0
The CFA helped us to share knowledge and lessons learned	11	8	7	1	0	0

with other project proponents						
The CFA helped us to start collaborating and building partnerships with other project proponents	5	11	6	2	3	0
Connecting with other project proponents through the CFA has been beneficial for our project	7	10	7	2	1	0

Base: 27

PROGRESS ON SECURING FUNDING

Question E1: Which of the following situations describes your project best?

Project description	All Countries
We have started negotiations with one or more finance providers to finance the next stage of our project	7
We have signed Non-Disclosure Agreements (NDA) with one or more finance providers to finance the next stage of our project	4
We have obtained funding from one or more finance providers to finance the next stage of our project	5
None of the above	11

Base: 27

Question E2. Since you started receiving support from CFA, did you seek and/or obtain funding from any of the following sources to develop your project?

Funding	Sought and obtained	Sought but not obtained	Did not seek funding from this source	Don't know	Prefer not to say
Commercial banks	2	9	16	0	0
Int commercial banks	0	6	20	1	0
Private investors	3	18	5	0	1
Multilat. Develop. Banks	0	9	17	1	0
Multilateral funds/programmes	2	9	15	1	0
Bilateral funds/programmes	0	9	17	1	0
Local/national support	0	13	13	1	0
Other	3	7	10	6	1

Base: 27

Question E3. Which type of funding did you seek and/or obtain to develop your project? Please, select all that apply.

Funding	Loans	Venture capital/ private equity	Mezzanine	Guarantees	Results-based finance	Other
Sought and obtained	5	3	0	1	1	2
Sought but not obtained	10	16	9	5	7	3

Did not seek this type of funding	7	5	13	16	16	13
Don't know	2	0	2	2	0	7
Prefer not to say	3	3	3	3	3	2

Base: 27

Question E4. Since you started receiving support from CFA, how much funding have you secured to develop your project? If you secured funding in local currency, please convert it to US dollars (USD).

Funding received from the CFA	All Countries
0 (We did not obtain any funding since we started receiving support from the CFA)	14
USD 1 - 50,000	1
USD 51,000 - 100,000	3
USD 100,001 - 500,000	3
USD 500,001 - 1 million	2
USD 1 million - 5 million	2
Prefer not to say	2

Base: 27

Question E5: To what extent do you agree or disagree with the following statements?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
The CFA helped us to raise finance in a shorter timeframe than we would have done otherwise	2	2	4	2	3	0
The CFA helped us to raise finance at better commercial terms (e.g., lower interest rate) than we would have done otherwise	0	1	6	2	3	1
The CFA helped us to raise more capital than we would have done otherwise	2	0	3	5	3	0

Base: 13 (question was asked to respondents who selected any option apart from 'we did not obtain funding' in question E4 'Since you started receiving support from CFA, how much funding have you secured to develop your project? If you secured funding in local currency, please convert it to US dollars (USD).'

Question E6. Imagine that the CFA did not exist, and that you had not accessed CFA support. How likely or not do you think it is that you would have been able to attract equivalent funding to develop your project?

Attracting equivalent funding in the absence of the CFA	All Countries
Very likely to have attracted equivalent funding	3
Fairly likely to have attracted equivalent funding	6

Fairly unlikely to have attracted equivalent funding	2
Don't know	1
Prefer not to say	1

Base: 13 (question was asked to respondents who selected any option apart from 'loans' in question E3 'Which type of funding did you seek and/or obtain to develop your project? Please, select all that apply.'

Question E7. Which of these types of support provided by the CFA do you think has been the most helpful for you to obtain funding?

Support by the CFA to obtain funding	All Countries
Capacity building activities to demonstrate environmental and social benefits of our project	4
Capacity building activities to prepare bankable proposals	3
Networking with in-country financiers	3
Networking with other project proponents	2
Other (please specify)	1

Base: 13 (question was asked to respondents who selected any option apart from 'loans' in question E3 'Which type of funding did you seek and/or obtain to develop your project? Please, select all that apply.'

Question E8. Which of the following barriers, if any, are you still experiencing in raising funding for your project?

Barriers	All countries
Sector is too risky[122]	11
Lack of knowledge from financiers to assess our proposal	10

[122] Referring to risks for financiers in investing in that sector in the country (e.g., higher probability of losses due to market volatility, uncertainty)

Lack of collateral	9
Lack of interest from financiers in our project	8
My organisation's lack of financial track record	8
Negative macroeconomic conditions to raise funding (e.g., currency risk, political risk)	7
Insufficient political support to develop our project	6
Other	5
My organisation's lack of experience in developing this type of project	3
Don't know	1
I am not facing any barriers	0
Prefer not to say	0

Base: 27

This publication is available from: www.gov.uk/government/publications/climate-finance-accelerator-cfa-evaluation