GREEN CLIMATE FUND

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Options for further guidance on concessionality

Summary

This document presents the key principles around the concept of concessionality, and provides guidelines aimed at aiding the implementation of concessionality principles in GCF operations. The paper also provides a portfolio analysis with quantitative information on grant equivalency as well as interest rates applied.

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List of abbreviations

AE: Accredited entity

GCF: Green Climate Fund

IMF: International Monetary Fund

CAPEX: capital expenses

OPEX: operating expenses

NDA: national designated authority

GEC: grant equivalent calculator

I. Background

1. The Governing Instrument for the GCF, paragraph 54, states "The Fund will provide financing in the form of grants and concessional lending, and through other modalities, instruments or facilities as may be approved by the Board."

2. At its fifth meeting, the Board, by decision B.05/07, adopted the guiding principles and factors for determining terms and conditions of grants and concessional loans. It also took note of criteria and indicative parameters for the terms and conditions, which include consideration of the contribution to the results areas of GCF, viability of implementation, and efficient and catalytic use of resources.

3. The initial investment framework adopted by the Board at its seventh meeting under decision B.07/06 states:

> "The Fund will provide the minimum concessional funding (i.e. a grant-equivalent subsidy element) necessary to make a project or programme viable. Concessional funding is understood as funding with below-market terms and conditions. Consistent with the Governing Instrument, the minimum amount of concessional funding needed can be up to and including the full cost of the project or programme."

4. At its ninth meeting, the Board, by decision B.09/04, adopted the financial terms and conditions for the financial instruments of GCF, which described the concessional financial instruments available to the public and private sectors.

5. At its seventeenth meeting, the Board, by decision B.17/10, paragraph (c), requested the Secretariat to develop a proposal for its consideration at its nineteenth meeting, taking into account best practices from other multilateral funds and other approaches, to address, among other issues, "options for further guidance on concessionality, building on related work". In decision B.17/06, the Board instructed the Secretariat to ensure that the financial terms and conditions proposed in concept notes and funding proposals for concessional loan products meet the principle of minimum amount of concessionality, among others, and apply the financial terms and conditions set out in decision B.09/04 (annex II to document GCF/B.09/23) in a fit-for-purpose manner, provided that such terms and conditions do not exceed the upper limits set out therein.

6. At its nineteenth meeting, the Board considered document GCF/B.19/12/Rev01, titled "Concessionality: potential approaches for further guidance". In decision B.19/06, paragraph (d), the Board requested the Secretariat to develop an integrated approach to resolve interrelated policy matters for consideration at its twentieth meeting, including "policies on the review of the financial terms and conditions of GCF instruments and concessionality, incremental costs, full costs, and co-financing".

7. The purpose of this paper is to outline guiding principles and propose an approach to developing a policy on concessionality that is consistent with the financial terms and conditions of GCF and with the GCF investment criteria for public and private sector operations.

8. A description of a recommended policy on concessionality is provided in annex II with the understanding that such a policy will be implemented over time to learn from experiences.

II. Definition

9. In decision B.07/06, the Board defined concessional funding as funding with below-market terms and conditions. Similarly, the International Monetary Fund (IMF) defines concessional lending as "loans that are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those

available on the market or by grace periods, or a combination of these. Concessional loans typically have long grace periods."[1]

10. Concessionality can also be defined as a measure of the level of benefit provided to a borrower when compared with financing available at full market rates. Concessionality aims at lowering the cost of borrowing or minimizing the risk in a transaction for the borrower.

11. GCF offers concessionality in order to facilitate a high-impact climate response initiative that would otherwise not take place. In many countries, a paradigm shift towards low-emission and climate-resilient development pathways cannot be achieved through existing market mechanisms. Although reducing greenhouse gas emissions and increasing climate resilience have economic benefits for the public, these benefits are often under-priced in public and private investment decisions, leading to suboptimal outcomes. To circumvent these market failures, GCF provides concessional financing to align the financial incentives with the economic benefits, leading to low-emission and climate-resilient investments.

12. The level of concessionality provided by GCF will be the minimum amount necessary to make a proposal viable, as assessed on a case-by-case basis, and help achieve the climate impact and paradigm shift objectives of GCF, as stated in the investment criteria: "demonstration that the proposed financial structure provides the least concessionality needed to make the proposal viable".

13. Concessionality can be applied to all standards instruments of the GCF, and can be extended to interventions of both the public and the private sector, in several ways:

(a) As a non-reimbursable grant, that is, 100 per cent concessionality, typically in services such in capacity building and technical assistance where there is not direct repayment (or reflow) mechanism; or in as operations where a non-repayable capex or opex grant is necessary and due to IMF restrictions on lending based on sovereign affordability constraints;

(b) As minimum concessionality, typically to reflows-generating private sector clients or established sub-sovereign clients with revenue generating operations (e.g. utilities). Reflows refers to capital and interest that are returned to the GCF Trust Fund. Terms can vary and can include below-market rates, as well as longer tenors and grace periods;

(c) In funding proposals using debt structures, a concessional loan can have different seniorities (senior, pari passu, subordinated) and may have a heavily discounted interest rate with generally longer tenors and grace periods before first repayment, as well as facilitation of more flexible terms; and in equity, concessionality can be extended as first loss shares in junior positions in tiered funds or can be the "anchor" portion of the fund that de-risks the investment and thus catalyses further equity participation, with preferred equity returns for the private sector to move the flow of financing to climate finance sectors.

III. Linkages to other ongoing policy initiatives

14. This paper is part of a series of operational policies presented to the Board at its twentieth meeting. The policy overview and interlinkages between the papers are presented in document GCF/B.21/Inf.01 titled "An integrated approach to addressing policy gaps to ensure climate impact: an overview of policies related to the consideration of funding proposals".

[1] IMF. 2003. *External Debt Statistics: Guide for Compilers and Users*. Appendix III, Glossary. Washington DC.: IMF. Available at <https://www.imf.org/en/Publications/Manuals-Guides/Issues/2016/12/30/External-Debt-Statistics-Guide-for-Compilers-and-Users-15621>.

15. Alignment among the incremental and full cost methodology, the concessionality guidance and the co-financing policy is important to determine the overall financial structure of proposed projects/programmes. The methodology for estimating incremental and full costs helps determine which part of the project is eligible to be funded by GCF and which may be better suited for co-financing. The co-financing policy explains how costs funded by other parties are to be classified and reported. Finally, the concessionality guidance and its associated tools determine the appropriate financial instruments and terms financed by GCF to ensure efficiency and effectiveness.

16. The estimation of agreed full costs and agreed incremental costs due to climate change is relevant for the concessionality policy, consistent with paragraph 54 of the Governing Instrument, which states "Financing will be tailored to cover the identifiable additional costs of the investment necessary to make the project viable."

17. The concessionality policy is linked to the co-financing policy, because GCF concessional financing may be blended or applied in parallel with concessional or market-rate financing from other parties, affecting the overall concessionality and financial viability of the project. Changes to the way co-financing is defined, monitored and reported could have an impact on the need for GCF concessional financing.

18. The principles used to determine levels of concessionality have a direct impact on the financial terms and conditions of the GCF financial instruments, as they are the tools by which these principles will be made operational. The review of terms and conditions of the GCF financial instruments as presented in document GCF/B.21/05 produced several recommendations – please see below a table with an overview as to the extent this paper has address these.

19. Any concessionality policy should be tailored to fit within the programme framework of specific initiatives for direct access entities, such as enhanced direct access and the simplified approval process, so as not to undermine their effectiveness.

IV. Recommendations from review of terms and conditions of the GCF financial instruments

Recommendation (selected)	Action
There needs to be a clear methodology to assess and measure the level of concessionality.	This is provided through this policy, which further defines tools and evidence to derive pricing and conditions for lending, through the primary due diligence of AEs and the secondary due diligence by the GCF Operations committee. For reporting purpose, there is also the grant equivalent calculator which can support calculations of equivalency across instruments.
Provide more guidance to AEs to enhance process predictability for all types of project (e.g. impact indicators).	This is addressed through current work on the design of the investment criteria indicators.
GCF resources would provide more overall leverage to public-sector projects if loan instruments were more frequently used.	Partially addressed through Decision B.17/08 and can also be addressed through more flexibility in conditions and rate setting for public project with cash flow / ability to repay (reflow generation).

Recommendation (selected)	Action
Use of macro-characteristics and vulnerability.	Not considered in the paper. Board recommendation in previous meetings is to appraise project characteristics, rather than basing those on country macroeconomics data or general vulnerability data.
Seek to transfer concessionality equitably and efficiently in country-wide RE/EE programmes that lower the cost of EE or RE investments in a given country and usually come in support of a national programme.	This is provided for in the principles of ensuring the trade-off between minimum concessionality and the right level of incentive to make that project viable.
Differentiation of the level of scrutiny required on concessionality between pilots, scale-up and one-off funding proposals.	This can be explored further. However, justifications need to account for sustainability and viability of a funding proposal first.
The IFC has been at the forefront of setting up an independent "Concessionality Committee" that functions very much like a Credit Committee. The GCF could incentivize adopting such internal concessionality review mechanisms either through the GCF approval process, in the AMA or through its Terms and Conditions.	Each AE working with non-grant instrument has a dedicated committee where terms and conditions of loans and of co-finance operations are determined. This is part of the AE primary due diligence. The Secretariat also has an Operations Committee, which reviews the financial terms and conditions of funding proposals, among other responsibilities.
Definition and communication of a set of criteria to assist AEs in choosing the level of concessionality granted to a project or programme proposal	As above, GCF works alongside the AE to determine concessionality. Each AE working with non-grant instrument has a dedicated committee where terms and conditions of loans and of co-finance operations are determined. This is part of the AE primary due diligence. The Secretariat also has an Operations Committee, which reviews the financial terms and conditions of funding proposals, among other responsibilities.

V. Approach

20. The Secretariat proposes a phased approach in the implementation of the policy on concessionality. The first phase of the approach will focus on learning and capacity-building for GCF stakeholders and the subsequent phases include a review and evaluation.

21. The Secretariat intends to report on its experience with assessing projects following the report on progress of implementation according to concessionality principles as part of the periodic review of financial terms and conditions of GCF. A detailed description of what each of the proposed phase would entail is indicated below.

22. Because of the interlinkages among principles and policies, the Secretariat recommends that the policy on concessionality be adopted as contained in annex II consistent with the related policies in this paper through a phased learning approach.

Table XX: Concessionality – how it is applied

Terms and conditions		How to determine	Policy guide
Choice of financial instrument	- Grant - Non-grant: loan, guarantee, equity	- Financial analysis - Economic analysis - Strategic context	- Initial Investment Framework
Establishment of conditions	- Interest rate - Tenor - Grace period - Local currency - others	- Qualitative and quantitative analysis - Market overview - Technical, risk or financial assessment	- Financial Terms and Conditions of GCF
Reporting	- Intensity/equivalency of concessionality	- Grant equivalent calculator (GEC)	- Initial Investment Framework

5.1 First phase

23. The Secretariat is already implementing many of the principles above in relation to the assessment of funding proposals. It is proposed that as outlined in this paper the first phase will focus on more systematic and measurable implementation of the principles using the tools outlined in the paper. In this phase of the implementation of the policy, there will also be focus on learning and capacity-building that will support the implementation of the policy on concessionality among NDAs and AEs - in particular, DAEs. For background information and a basis to improve the implementation of this policy, the Secretariat will review a sample of projects from the approved portfolio and the information used to assess concessionality in each one, including economic and financial analyses and other materials submitted by AEs.

24. During this phase, the Secretariat will seek to apply the principles more systematically and in a measurable way to funding proposals. The primary focus of this application will not only be to increase clarity in the application of concessionality principles outlined here in funding proposals, but to also be able to learn from any issues or challenges in applying concessionality principles in the GCF context. GCF will also continue to build from the minimum standards of the AEs in assessing concessionality for funding decisions. As part of this learning process, the Secretariat will document any problems that arise from interlinked issues of concessionality, incremental cost, co-financing and financial terms and conditions.

25. The Secretariat will undertake parallel activities to discuss these concessionality principles with AEs, and learn about their challenges in assessing the need for concessionality. The Secretariat will survey the tools and methods used by AEs, including the applicable standards for economic analysis and financial analysis. GCF will review the relevant academic literature. As needed, the Secretariat will engage in activities to build capacity among AEs to conduct these assessments. These activities will be conducted through the Readiness and Preparatory Support Programme, regional structured dialogues and strategic partnerships.

26. Based on this information, the Secretariat will develop and improve the quality of internal tools to help assess the need for concessionality, including technical guidelines for economic analysis and financial analyses.

5.2 Subsequent phases

27. One year after adoption of this policy the Secretariat will report to the Board on its experience of the first phase in assessing concessionality and applying the principles. The report will include lessons learned and recommended policy improvements. It also will examine any gaps in data or capacity to apply the methodology and propose a strategy for closing these gaps. Special attention will be given to the linkages between concessionality and other policy issues, such as incremental cost, full cost and co-financing. The results of this review will be aligned to the next review of the financial terms and conditions of GCF.

28. The assessment and improvement of the concessionality policy could become an iterative process repeated at regular intervals in coordination with reviews of the financial terms and conditions of GCF as directed by the Board. At an agreed interval, an independent evaluation of the policy can be undertaken.

5.3 Next steps necessary for implementation

29. The implementation of this approach would require the Secretariat to adjust the existing concept note and funding proposal templates to signal to AEs which information is needed to undertake the assessments described above. Owing to the multiple integrated and interrelated policies that are currently under consideration, it is proposed that all modifications to the template occur simultaneously. The twenty-second meeting of the Board would be the earliest this could happen, in which case these changes would appear in funding proposals considered by the Board at its twenty-second meeting.

30. In addition to changes in the templates, the Secretariat, as part of its support to NDAs/focal points and dialogue with AEs, would prepare a technical note and carry out a series of training sessions to ensure that proposals are consistent with the new principles discussed above.

Annex I: Draft decision of the Board

The Board, having noted document GCF/B.21/24 titled “Options for further guidance on concessionality”,

(a) *Adopts* the policy on concessionality described in annex II of this document;

(b) *Requests* the Secretariat to update the templates for concept notes and funding proposals to reflect the policy and other matters related to the integrated approach to address policy gaps adopted at the twenty-first meeting of the Board, with a view to making these available by the twenty-second meeting of the Board;

(c) *Also requests* the Secretariat to design and implement a capacity-building programme, as part of the readiness and preparatory support programme, to support accredited entities, particularly direct access accredited entities, to enable them to implement the policy;

(d) *Notes* that the policy shall not apply to funding proposals which are in Stage 4 to Stage 7 of the project/programme activity cycle on the date on which the modified funding proposal template referred to in paragraph (b) above is made available;

(e) *Recommends* that the Secretariat review the policy on concessionality one year after adoption to develop lessons learned and improvements to the policy and report back to the Board; and

(f) *Decides* to conduct an evaluation of the implementation of the policy on concessionality three years after implementation.

Annex II: Policy on concessionality

I. Objectives, scope and definitions

1. The purpose of this paper is to define principles that underpin a policy on concessionality for GCF funding proposals that seeks to achieve the following objectives:

(a) To provide guidance to ensure consistency and systematic approach in the application of principles underpinning concessionality and the selection of the GCF financial instruments. This guidance can facilitate the work of national designated authorities (NDAs) and accredited entities (AEs) in developing funding proposals by having a clearer blue-print on the criteria to be used in linking the GCF financial instruments and their terms and conditions to specific activities in funding proposals;

(b) To facilitate the assessment of funding proposals with respect to principles and performance parameters previously agreed by the Board, such as maximizing leverage of GCF funding and avoiding crowding out private sector investments; and

(c) More generally, to facilitate the work of the Secretariat and the independent Technical Advisory Panel in assessing funding proposals, particularly with respect to the efficiency and effectiveness investment criterion, which underpins the review of the level of concessionality requested in funding proposals.

2. This process will require coordination with related policies on incremental and full cost calculation methodology, co-financing and the financial terms and conditions of the GCF financial instruments, among others. It will also require the Secretariat to elaborate tools for assessing projects according to the principles adopted by the Board and a robust programme of capacity-building among AEs and NDAs where necessary. As such, the policy is to be developed through a phased approach, enabling GCF to implement the changes gradually, learn from experience and improve the policy as necessary.

3. GCF offers concessionality in order to facilitate a high-impact climate action that would otherwise not take place. In many countries, a paradigm shift towards low-emission and climate-resilient development pathways cannot be achieved through existing market mechanisms. Although reducing greenhouse gas emissions and increasing climate resilience have economic benefits for the public, these benefits are often under-priced in public and private investment decisions, leading to suboptimal outcomes. To circumvent these market failures, GCF provides concessional financing to align the financial incentives with the economic benefits, leading to low-emission and climate-resilient investments.

4. The level of concessionality provided by GCF will be the minimum amount necessary to make a proposal viable, as assessed on a case-by-case basis, and help achieve the climate impact and paradigm shift objectives of GCF, as stated in the investment criteria: "demonstration that the proposed financial structure provides the least concessionality needed to make the proposal viable".

5. Concessionality can be extended to interventions of both the public and the private sector, in several ways:

(a) As a non-reimbursable grant, that is, 100 per cent concessionality, typically in services such in capacity building and technical assistance where there is not direct repayment mechanism; or in as operations where a non-repayable capex or opex grant is necessary and due to IMF restrictions on lending based on sovereign affordability constraints;

(b) As minimum concessionality, typically to reflows-generating private sector clients or established sub-sovereign clients with revenue generating operations (e.g. utilities).

Reflows are the resources that are paid back as capital and interest. Terms can vary and can include below-market rates, as well as longer tenors and grace periods;

(i) In funding proposals using debt structures, a concessional loan can have different seniorities (senior, pari passu, subordinated) and may have a heavily discounted interest rate with generally longer tenors and grace periods before first repayment, as well as facilitation of more flexible terms; and

(ii) In equity, concessionality can be extended as first loss shares in junior positions in tiered funds or can be the "anchor" portion of the fund that de-risks the investment and thus catalyses further equity participation, with preferred equity returns for the private sector to move the flow of financing to climate finance sectors.

II. Guiding principles

6. GCF, in cooperation with the AEs, will always seek the right level of concessionality, so as not to displace investments that would otherwise have occurred, including for private sector investment, and will avoid crowding out commercial financing.

7. Adopted by the Board in decision B.05/07, the following principles are restated as best practice in private sector operations and public sector funding proposals with the potential to generate reflows, i.e. the ability to repay the capital and interest received:

(a) Extend the minimum level of concessionality needed for the project or programme to make it viable, thus avoiding any market disruptions by ***crowding out*** private sector investors in the climate space;

(b) Ensure that GCF intervention is mostly a catalyst for further co-financing, ***crowding in*** investors; this is the case of acting as "anchor" capital in equity structures or in risk mitigation;

(c) Ensure the ***sustainability of the intervention beyond first concessionality***, whichever the financing instrument used. This includes dedicated capacity-building and knowledge transfer in full concessionality instruments; or ensure 'graduation' or movement towards partial or full commercial viability, in the case of concessional loans;

(d) Structure the concessional product in such a way that it dedicates GCF resources to mitigation and adaptation measures that ***address the root cause of market failures*** and work towards the removal of barriers to pro-climate investments, thereby bringing market transformation towards low-emission and climate resiliency; and

(e) Ensure that the GCF concessional tranche is central to ***upholding higher standards*** in the development of funding proposals throughout the entire cycle, for example by including key consideration as defined in the investment criteria of GCF.

8. The above principles will be implemented in the assessment of funding proposals in the context of the review of the investment criteria. For example, some of the above can be assessed in the various sub criteria indicators under the effectiveness and efficiency criteria of the investment framework. Others can be assessed under the paradigm shift potential of the investment framework, under the scaling for sub criteria indicators on knowledge learning, and the creation of an enabling environment.

III. Guidelines for implementation

9. When developing funding proposals, AEs and GCF need to elaborate the following to determine its financial structure:

(a) The cost of the project

(b) The cost that should be financed by GCF

(c) The instruments and level of concessionality that the GCF should use to finance its portion of the costs

10. This guidance on concessionality helps in elaborating item (c).

11. As a starting point, the GCF will use the initial investment framework and the existing terms and conditions of the GCF financial instruments to base the degree of concessionality on the nature of each funding proposal.

12. After the project has gone through the incremental and full cost calculation process (as elaborated in document GCF/B.21/03), and the amount that the GCF will finance is known, then an assessment will be undertaken to answer to the following questions:

(a) Which one is the most appropriate product for the proposal that is being presented for approval to the GCF (for example, grant, concessional loan, equity, guarantee). The GCFs initial investment framework states that only revenue-generating activities that are intrinsically sound from a financial point of view will be supported through loans by the Fund (Initial Investment Framework paragraph f). The financial and economic analysis of activities proposed in the project, as well as strategic considerations will help determine the most suitable instrument for GCF funding;

(b) What are the terms and conditions to be applied (e.g. interest rates, tenors, grace periods) that will be governed by the existing financial terms and conditions of the fund which highlight that:

(i) Concessionality for ***private sector projects*** will be determined on a case-by-case basis according to the needs of the project;

(ii) Concessionality for ***public sector projects with reflows*** (i.e. resources that are paid back as capital and interest) will be determined according to the needs of the project and within the boundaries imposed by the financial terms and conditions of GCF. The terms and conditions are to be updated regularly, and future revisions could consider greater flexibility, similar to the private sector approach, in line with the principles outlined in this paper; and

(iii) Concessionality for ***public sector projects with no reflows*** will be determined by the current financial terms and conditions.

(c) Once the project is approved, and only for reporting purposes, the grant equivalent of a given transaction can be provided.

13. In addition to the above, and in support of existing GCF policies and consistent GCF's mandate and recognised principles in blended finance, the following will also be assessed to support the choice of financial instrument to be used and the pricing and conditions applied:

(a) The existence and availability of other climate finance products and the elements or areas they address;

(b) Whether the project would occur without concessional resources, thus ensuring GCF additionality;

(c) Evidence (e.g. market studies; technical, risk or financial assessments) to inform decisions on the size and type of concessionality alongside the objective of that concessionality, that is, to remove barriers related to affordability;

(d) A financial analysis that estimates whether a project generates sufficient reflows to be sustainable;

(e) Assessments of the primary due diligence of the accredited entity;

(f) The capacity of the borrower to repay; and

(g) An economic analysis that estimates both the financial and non-financial benefits of the project (e.g. reduced greenhouse gas emissions), especially for projects without reflows.

14. The table below provides a description of the evidence that is requested by the GCF at the time of appraising projects and programs.

Annex III: Portfolio analysis

Table 1: Portfolio analysis of approved private sector projects

FP#	Proposal Name	Entities	Impact Potenti	Paradigm Shift Potential	Sustaina ble	Needs of the	Country Owners	Efficiency and Effectivenes	GCF 1: Financial Instrument	GCF 2: Financial Instrument	GCF 3: Financial Instrument	GCF 4: Financial Instrument	Interest Rate (p.a.)	Grant Equivalent %	Grant Equivalent $	Grant Financing ($)	Non-grant financing ($)	GCF Financing ($)	Co-financing ($)	Total financing ($)
FP038	Geeref Next	EIB	5	5	3	3	3	5	(vi) grants	(iii) equity				37.4%	99,200,000	15,000,000	250,000,000	265,000,000	500,000,000	765,000,000
FP025	Sustainable Energy Financing Facilities	EBRD	5	3	3	3	3	5	(vi) grants	(i) senior loans				30.8%	116,500,000	34,000,000	344,000,000	378,000,000	1,007,000,000	1,385,000,000
FP078	Acumen Resilient Agriculture Fund (ARAF)	Acumen	-	-	-	-	-	-	(iii) equity	(vi) grants				30.0%	7,800,000	3,000,000	23,000,000	26,000,000	30,000,000	56,000,000
FP039	GCF-EBRD Egypt Renewable Energy	EBRD	5	5	3	3	5	5	(vi) grants	(i) senior loans			Based on EBRD tranche Floor of 1.8% - Wind	27.0%	41,800,000	4,700,000	150,000,000	154,700,000	852,300,000	1,007,000,000
FP006	Energy Efficiency Green Bond	IDB	3	5	3	3	5	5	(vi) grants	(iv) guarantees				25.0%	5,500,000	2,000,000	20,000,000	22,000,000	162,500,000	184,500,000
FP047	GCF-EBRD Kazakhstan	EBRD	3	5	3	3	5	3	(i) senior loans	(vi) grants				23.7%	26,048,000	4,000,000	106,000,000	110,000,000	447,000,000	557,000,000
FP081	Line of Credit for Solar rooftop	NABARD	-	-	-	-	-	-	(i) senior loans					21.7%	21,700,000	-	100,000,000	100,000,000	150,000,000	250,000,000
FP028	Business loan programme for GHG	XacBank	-	-	-	-	-	-	(vi) grants	(i) senior loans			Libor01 + Margin (0.5%)	16.0%	3,200,000	500,000	19,500,000	20,000,000	40,000,000	60,000,000
FP026	Sustainable Landscapes in	EIB	5	5	3	5	5	1	(vi) grants	(iii) equity				15.0%	8,000,000	18,500,000	35,000,000	53,500,000	16,300,000	69,800,000
FP046	Renewable Energy Program #1 - Solar	XacBank	-	-	-	-	-	-	(i) senior loans				Fixed rate: 2.47%	12.7%	1,100,000	-	8,650,050	8,650,050	8,906,870	17,556,920
FP005	KawiSafi Ventures Fund	Acumen	-	-	-	-	-	-	(vi) grants	(iii) equity				12.0%	3,000,000	5,000,000	20,000,000	25,000,000	85,000,000	110,000,000
FP080	Zambia Renewable Energy Financing	AfDB	5	5	3	3	5	3	(i) senior loans	(vi) grants				5.9%	3,100,000	2,500,000	50,000,000	52,500,000	101,500,000	154,000,000
FP017	Climate Action and Solar Energy	CAF	3	3	1	3	5	5	(i) senior loans					0.0%	-	-	49,000,000	49,000,000	216,000,000	265,000,000
FP027	Universal Green Energy Access	DeutscheBank	5	3	5	3	5	3	(iii) equity	(vi) grants				0.0%	-	1,600,000	78,400,000	80,000,000	221,600,000	301,600,000
FP048	Climate-Smart Agriculture (CSA)	IDB	-	-	-	-	-	-	(iii) equity	(i) senior loans	(iv) guarantees	(vi) grants		0.0%	-	2,100,000	17,900,000	20,000,000	138,000,000	158,000,000

15. The table above is a portfolio analysis of approved private sector projects. Secretariat assessment of the projects are indicated in numerical scale, with 1-5 representing low – high respectively, based on the investment criteria. Scores for the three major variables proposed in this paper are also color-coded to better reflect each project's relative performances. Looking at the grant equivalent percentages against each of their scores, it could be found that those that are deemed to have high impact potential, transformational change (corresponds to the "paradigm shift potential" indicator) and high potential for reflows (corresponds to the "efficiency and effectiveness" indicator) generally see greater grant equivalent in their funding package.