The C40 Cities Finance Facility’s Application Process

How can organisations find good projects?

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THE C40 CITIES FINANCE FACILITY’S APPLICATION PROCESS
How can organisations find good climate projects in cities?

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About the C40 Cities Finance Facility

The C40 Cities Finance Facility (CFF) facilitates access to finance for climate change mitigation and resilience projects in urban areas by providing technical assistance to develop cities’ sustainability priorities into bankable investment proposals. The CFF aims to deliver project preparation and capacity development, and to widely share knowledge and establish partnerships between cities and financiers. Funded by the German Federal Ministry for Economic Cooperation and Development, the Government of the United Kingdom and the United States Agency for International Development, the initiative is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH together with the C40 Cities Climate Leadership Group. Bogotá, Mexico City and Durban are the first cities to receive technical assistance.
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1. Introduction

Climate change is a complex, multi-sectoral issue. Ambitious and effective projects are required to address it, to mitigate and adapt to its effects. These projects ought to be conceived, designed and structured to ensure they can have the desired impact.

Not all projects undergo this preparation process. Ideas are prioritised and selected, and only some reach the stage where they are technically and financially prepared. In some cases, the owner of the project – for example, a city, national government, utility, etc. – receives project preparation support from an external actor, such as a project preparation facility.

A project preparation facility (PPF) can be broadly defined as any initiative which focuses on the process of developing projects (G20, 2014: 1). As supporters of the project preparation process rather than project owners, they do not have the authority to propose projects themselves. They must instead rely on various processes to find, evaluate and select projects to assist. Given the limited resources at their disposal, these facilities have to choose projects that maximise their impact. The validity of these processes will influence the success of any PPF: choosing suboptimal projects will limit a PPF’s effectiveness, regardless of how competently they can prepare a project.

The selection of inferior projects must also be viewed in terms of opportunity cost: given the limited resources at the disposal of most PPFs, they stand to lose valuable time and money if they choose the wrong alternative. This is particularly important given the need to increase ambition across the board and achieve transformation (CFF, 2018).

The C40 Cities Finance Facility (CFF), an initiative aiming to bridge the gap between cities’ climate ambitions and finance, has developed a thorough process for encouraging, assessing and selecting the projects most suitable to receiving technical assistance. After an initial phase in 2016 and 2017 supporting 3 cities, a second application process in 2018 followed a series of rigorous steps, including an application window, an initial review and subsequent in-depth assessment, city missions, and final selection. The application process is both transparent and competitive.

This report explains the process, making the case for every stage of the application process. Although the report focuses on how to choose projects related to climate change in cities, the principles underpinning the CFF application process and the recommendations based on it are applicable to any organisation supporting the project preparation process, regardless of sector, scale, region, and governance structure, or level of project preparation.

The report aims to achieve three objectives: first, to illustrate how the CFF application process works. Second, to outline what worked well and what could be modified, highlighting the process’s strengths and areas for improvement. Third, to support the application process of other PPFs by sharing the principles and different stages of the CFF’s own process. This report was specifically developed to address the demand
from partners and other stakeholders to understand in detail how the CFF encourages, assesses and selects climate projects in cities. It also demonstrates the CFF’s commitment to disseminate knowledge and good practices around how to prepare projects, as per the Joint Declaration of Intent signed at the 9th World Urban Forum in Kuala Lumpur in 2018 (CFF, 2018).

The report covers all five main stages of the 2018 process – application window, initial review, in-depth assessment, city missions, and selection – and concludes with recommendations for organisations working in the field of project preparation.

2. The 2018 Application Process

The CFF was established in December 2015, as a partnership between the C40 Cities Climate Leadership Group (C40) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Its initial phase, funded by the German Federal Ministry for Economic Cooperation and Development and the United States Agency for International Development, lasted from January 2016 to August 2018. In this period, the CFF’s goal was to support at least three cities to develop business models around specific climate projects.

As a new PPF, the application process in 2016 and 2017 served as a testing ground for the CFF to explore different approaches to encourage, assess and select projects. As the CFF accrued experience, the process was revisited to address shortcomings and adapt to new cities and sectors. A dedicated working group within the CFF collated lessons learnt, outlining suggestions for improvement for the next application period.

The primary lesson of the 2016/17 application process is that a realistic timeframe from opening to applications to kick-off is, at minimum, 6-9 months. The process
requires internal city agreement, CFF and city sign-off, and thorough assessment, elements which are not as dependent on capacity as they are on timing and approval constraints. The 2018 application process was developed around this expectation on the timeframe necessary to complete the process.

The CFF also learnt the importance of continuously gathering intelligence about potential CFF cities and their project pipelines. An extensive database was developed to track key information about GDP, aid flows, upcoming elections, and projects in cities by analysing city strategies and public databases managed by organisations including CDP, ICLEI, the NAMA Facility, and 100RC.

However, the CFF had to acknowledge that it will always only possess incomplete knowledge of issues at the city level that could delay or, at worst, derail CFF technical support. To ensure an adequate buffer in case projects encountered unforeseen and unresolvable obstacles, more projects than needed were assessed in the 2018 application process.

The 2018 application process (Figure 1) had to consider four significant changes to the CFF’s operational model and objectives.

1. First, the CFF aimed to select three projects through the 2016/17 application process; the 2018 application process targeted a minimum of 11 projects.
2. Secondly, 34 C40 cities were invited to apply, more than double the amount (15) invited in 2016/17.
3. Thirdly, the CFF widened its focus from two to four sectors: cities were encouraged to submit projects in the energy and transport sectors, with adaptation and waste projects also eligible. Only transport and adaptation projects were eligible in 2016/17.
4. Fourthly, intermediary cities who are not members of C40 were also able to apply: cities in Colombia and Mexico were specifically invited to apply with projects that could be part of thematic clusters around cycling infrastructure in Bogotá or zero-emission buses in Mexico City, two of the CFF’s 2016 projects. Other non-C40 cities could apply for CFF support, if eligible under the clustering approach (see Box 1).

Box 1: The CFF’s clustering approach: With the objective of supporting intermediary cities, the CFF invited cities who were not members of C40 to apply for technical assistance in 2018. Specifically, several cities in Colombia and Mexico were targeted to submit projects around cycling infrastructure and zero-emission buses, building on the CFF’s experience in Bogotá and Mexico City respectively. Cities whose projects were considered successful would be grouped into ‘clusters’, within which similar projects could receive comparable technical support to maximise economies of scale for the CFF. Other intermediary cities in the same country as a C40 city could also apply to receive technical support as part of these ‘clusters’, provided the projects are of a similar type, scope and level of preparation. Support to all cluster cities would start at the same time and follow similar trajectories.
In 2018, 34 C40 cities in countries in Africa, Latin America and Asia eligible for Official Development Assistance (ODA), as defined by the Organisation for Economic Cooperation and Development, were invited to apply. In contrast to the 2016 application process, there was no shortlist. As outlined in Box 1, intermediary cities who were not members of C40 could also submit projects; 12 cities in Colombia and Mexico were directly invited. Projects in the energy, transport, adaptation and waste sectors were eligible. Cities were also advised that potential projects needed to have a clear climate impact and must be focused around the development of infrastructure. The call for application was open to cities from February to April 2018.

To apply to the CFF, cities had to complete a short (Stage 1) questionnaire (see Box 4). This included questions on the project’s context, anticipated capital investment costs, challenges, and the type of technical and financial support the city required to advance the project to implementation. The questionnaire was designed to be brief and simple to avoid burdening city officials. It aimed to provide a starting point for an interaction between the city and the CFF rather than be a final or concluding step. The CFF provided detailed advice to a number of cities on their draft applications, to both clarify what the CFF could offer and to concretise the city’s demand for support.

The questionnaire could be accessed and completed online, and was available in English, Spanish and French – the CFF also received applications in Portuguese and Arabic. The ability to complete the questionnaire in languages other than English was instrumental in ensuring that the forms were filled by city officials in charge of the project rather than the city’s international affairs office, which usually liaises with donors and is more proficient in English: this, in turn, ensured questions were answered in more detail and more accurately. While this approach was effective in securing multiple high quality applications from cities, translation is costly. Skilled translators are needed to understand the meaning of the relevant technical terms.

To help cities understand what the CFF could provide and what kinds of projects could receive support, an information pack (see Appendix 1) outlined the CFF’s objectives, principles, and modes of operation. It also highlighted specific examples of projects in

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1 Adaptation projects could involve the restoration of green spaces or ecosystems and therefore did not have to comply with the criterion around infrastructure development.
the energy and transport sector – which were particularly encouraged – and, critically, laid out the minimum level of project maturity eligible for CFF support: namely, ‘...projects that have reached the project-structuring phase and are seeking support directed at business case development, financial structuring and financing option assessments and, in a limited scope, technical structuring and design support... Support is restricted to projects that already have at least a pre-feasibility study or a pilot project conducted.’

The information pack also clarified cities’ ownership requirements throughout the process, including a commitment that the projects are featured or will feature in the relevant city development plan, evidence of political backing for implementing the project, and an allocation of resources, in cash and/or kind, to assist the project preparation process. Finally, the information pack detailed how the CFF’s technical and capacity development assistance would be provided, a timeline and overview of the application process, and examples of support to Bogotá and Mexico City.

**Box 3: Supporting cities pre-application:** The 2016-17 application process showed that not all cities are able to propose a project that the CFF can support, either because they cannot understand the CFF’s offering or because of insufficient capacity within the city administration. In response, the CFF developed a pre-application assistance package in 2016-17 to accompany interested cities throughout the application process, including one-to-one advice, remote guidance, desk research, and, when possible, on-the-ground support by experts and local partners.

One-to-one engagement was offered in 2018 to help cities understand what the CFF could offer. All eligible cities who were invited to apply were individually contacted to discuss how the CFF worked, the types of projects it could support and the cities’ infrastructure priorities around climate change. Cities received support from the CFF team, and regional and sectoral C40 and GIZ staff. Some cities submitted draft applications before submitting their final application to ensure that they had understood the questions correctly. Ultimately, in line with the CFF’s principle of being demand-driven, cities were able to submit any project for support.

Although in 2016 and 2017 the CFF asked cities to submit any number of projects, only in a few occasions did cities submit more than one. The 2018 application process made it clearer that multiple projects per city were sought: all outreach included explicit reference to this option, and the new online application portal was built with this in mind. Out of 42 cities, 24 submitted more than one project; 16 cities submitted at least 3 projects.
Box 4: Stage 1 Application Form - 2018

1. Project description and context – Please provide a description of the proposed infrastructure project.

2. How would you like the CFF to support you in this project? – Please provide a brief outline of any technical and financial assistance sought.

3. Are there other ongoing or concluded projects that are relevant for this project? – Please note any relevant projects below.

4. Is the project included in the city’s masterplan? – Please choose one option from below.
   a. Yes, the project is included within the city’s masterplan.
   b. The project is anticipated to be within the city’s masterplan soon.
   c. No, the project is not within the city’s masterplan.
   d. The city does not have a masterplan.

5. Is the project included in the city’s climate change action plan or strategy? – Please choose one option from below.
   a. Yes, the project is included within the city’s action plan or strategy.
   b. The project is anticipated to be within the city’s action plan or strategy soon.
   c. No, the project is not within the city’s action plan or strategy.
   d. The city does not have an action plan or strategy.

6. Anticipated capital investment costs – Please provide the project’s estimated cost of the project and the relevant currency.

7. At what stage is the project currently? – Please choose the relevant options from below.
   a. Preliminary consideration
   b. Pilot stage
   c. Technical studies – Not started, In progress, Completed
   d. Financial studies – Not started, In progress, Completed

8. What are the challenges that the project is currently facing or that may arise during the project’s implementation? – Please include details of all the challenges that may arise during the implementation of the project.

9. Please upload any relevant documentation about the project.

10. Please include a link to any relevant documentation about the project.
b. Initial review (April – May 2018)

In 2018, the CFF received a total of 110 applications from 42 cities: of these, 72 projects were from 24 C40 cities and 38 projects were from 18 intermediary cities who are not members of C40. The total capital investment of these projects, if realised, is close to US$6 billion.

**Box 5: The 2016-17 initial review:** The initial review evaluated the applications according to five criteria. Each criterion was marked out of 10:

1) Expected developmental and climate impact
2) Political backing and commitment of cities/decision-makers
3) Ease of transaction
4) Feasibility/chance of success for the CFF
5) Political relevance of the project/city for the CFF’s main stakeholders

In 2018, the initial review included a scan for eligibility and assessment according to three criteria. The eligibility scan excluded applications that did not fit in the energy, transport, adaptation or waste sector and that were from non-C40 cities who did not apply as part of a cluster. 18 projects did not meet these criteria: 5 did not fit within any of the previously mentioned sectors, and 13 were submitted by non-C40 cities outside of ‘clusters’.

This initial review of applications showed that there were issues with some of the questions (see Box 4), specifically on:

- **(i) The scale of capital investment:** Only 45 applications out of 110 included an estimate of capital investment above US$1m, even though only few applications involved the development of strategies or small-scale infrastructure that could be assumed to be worth less than that amount. Cities often misunderstood the question to be about the amount of financial support they needed to complete the necessary studies, rather than the amount of capital expenditure required for the project’s implementation.

- **(ii) The stage of preparation:** Answers often contradicted the project description. The CFF learnt that this is primarily due to lack of standardised terminology for the different phases of project preparation.

Based on its experiences, the CFF allowed room for interpretation of cities’ responses and did not always take the responses at face value. This ensured that good projects did not get rejected because of misunderstandings in the application. Finally, in a few cases applications were submitted by a third-party organisation rather than the city itself. In these instances, the CFF conducted checks on the role of the city in the project and its submission.

The 92 remaining applications were then assessed by the CFF team according to three criteria:
- **Project maturity**: Projects were evaluated according to their level of technical development, including the existence of pre- and full feasibility studies, pilots, and roadmaps. The CFF aims to support projects at the structuring phase, particularly around the development of business models and financing options assessments.

- **Project tangibility**: Projects were evaluated according to their climate relevance and to their infrastructure focus. The CFF does not support projects that involve the development of policies, programmes and strategies. It also cannot provide cities with grants for the purchase of equipment.

- **Completeness of the application**: Applications were evaluated based on the inclusion of concrete details about the project.

This review led to the shortlisting of 42 projects in 26 cities. All 26 cities were asked specific follow-up questions based additional data provided on the initial review, to help the CFF team get a fuller picture of the project submitted. These questions asked for additional details on, for example, specific infrastructure elements, the type of support requested, or the city’s approval process for external technical assistance.

c. **In-depth assessment (May – June 2018)**

The 42 shortlisted projects were assessed according to the CFF’s Project Evaluation Framework, developed in partnership with ARUP. The objective of this framework is to provide a systematic and transparent evaluation of individual projects. A detailed description of the CFF Project Evaluation Framework can be found in Appendix 2.

The framework comprises five criteria, namely:

I. **Scalability**: The ability to apply the learning from a pilot or limited scale project to expand the intervention city-wide; or to apply the learning in one city to a similar project in another city. The key questions are:

- Have there been similar projects within the city or other cities around the globe? How easily can the project be scaled in the region?
- What is the scale of delivery? Is it a small pilot project or a large-scale citywide roll-out? How is the scale related to the socio-economic or environmental impact?
- How clearly has the city defined the deliverables of their plan? Are there wider plans for the project?

II. **Environmental impact**: This criterion is based on a project’s environmental benefits. The key questions are:

- What is the projected volume of GHG emissions reduced (tonnes of CO₂) by implementing the project in the city?
- Does the project have any additional climate change benefits, such as improving the city’s resilience to extreme climate change events?
- Does the project help to reduce environmental degradation, such as improvement to water or air quality or green spaces in the city?
III. **Financing**: This criterion scores the project based on its financial implications. The key questions are:

- How is the project cost related to the socio-economic and environmental impact of the project, i.e. cost-benefit? What is the ratio of the amount of money invested to the amount of carbon saved/resilience increased?
- How is the city aiming to fund the project? Does the city/country have a well-defined financial market, i.e. do the local financial conditions (incl. local debt) allow project financing?
- Are the stated cost estimates realistic?
- How likely is it that the CFF’s technical assistance will be able to find suitable financial models that allow for the sustainable implementation and operation of the project?

IV. **City context**: This criterion scores the project based on the practicalities of its delivery process and potential for innovation. The key questions are:

- How stable is the country’s political climate? Have there been any strategic sovereign defaults in the past? Or, has the rank of the country on Transparency International’s Corruption Perception Index (TICPI) been improving?
- What are the characteristics of the cities that are implementing or have planned to implement projects in the future? For example, what is the growth rate per capita of the GDP of the city/country?
- How ambitious are the city’s climate change targets in relation to other cities with similar characteristics? What actions, if any, has the city taken to address climate change? Does the project provide an opportunity for the city to expedite its transition to a low carbon economy?
- Does the project have innovative features, such as new financing mechanisms, technologies, or contractual structures such as Public Private Partnerships?

V. **Challenges**: This criterion scores the project based on the scale of the challenges that the cities face in the execution of the project and the ability of the CFF to intervene and help solve those challenges in a resource-efficient manner. The key questions are:

- What are the challenges for the city for the execution of the project, such as access to finance, difficulties in building collaborations between the city and the private sector, etc.?
- Have other cities faced similar difficulties in executing the project? Were they resolved?
- What is the scale of the challenge? Can the CFF use its resources efficiently to support the execution of the project?

The framework is accompanied by an Excel based tool (see Appendix 3) that calculates the score of each criterion based on the responses entered into the tool by the evaluator. The questions within each criterion are given equal weighting and each criterion is evaluated out of 10 points.
The in-depth assessment was visualised in a spider diagram for each project to identify a project’s strengths and weaknesses (Figure 2). The criteria of scalability, city context and challenges were evaluated internally, while external experts provided inputs to the tool on environmental impact and financing.

This evaluation led to the shortlisting of 26 projects to present to the CFF Project Advisory Group (PAG), which includes the CFF’s donors and senior representatives of C40 and GIZ. The remaining 16 projects were placed on a separate list and would only be considered in the event that the CFF could not select 11 cities from the shortlisted projects. Each of the shortlisted 26 projects was summarised in an individual Powerpoint slide for the PAG (see Figure 3 for a template). This slide included a short description, the spider diagram resulting from the application of the Project Evaluation Framework, information about the required investment, a breakdown of climate change benefits, and a provisional list of studies required and technical assistance to be delivered.
The CFF Project Advisory Group conducted its own assessment with their respective country offices: 3 projects were excluded at this stage due to risks around land acquisition and potential social unrest. The remaining 23 projects were approved for a city mission.

At this stage, the CFF officially communicated its decision to those cities who were unsuccessful with their application. In line with the CFF’s philosophy of supporting all cities and to help anyhow with the development of the projects, cities received feedback about how to improve the project and were offered to be put in touch with other development agencies or organisations providing project preparation.

**d. City missions (August – November 2018)**

City missions proved crucial for the CFF in its first application process in 2016 and remain a key element of the CFF’s application process. City missions aim to ensure the accuracy of the application and that the project is indeed ‘real’. The main objectives for the city missions are:

- to get to know the city administration and the relevant stakeholders for the project;
- to offer the opportunity for the city administration to get to know the CFF and fully understand its scale and scope of support;
• to conduct a joint analysis of the project’s technical maturity, potential risks and political context;
• to gather all information needed for the PAG to make an informed assessment regarding the viability of a partnership between the CFF and the city.

City missions for all shortlisted projects took place between August and November 2018, jointly coordinated between the CFF and the respective city.

To ensure consistency throughout the process, coordination before, during and after each mission was undertaken by a core group within the CFF. The CFF developed a full suite of template documents in advance of the missions, including:

Pre-mission research: The CFF carried out thorough research on the project and local context before each mission. Information was gathered on (see Appendix 4): the city’s economy and demographics; its vulnerability and response to climate change: the project’s scope, climate benefits and co-benefits; similar projects in the same sector; and alignment of the project to municipal, regional, national or international strategies or sectoral priorities. Where submitted or public, the CFF analysed completed technical or financial studies. Background research was complemented by comments from GIZ and C40 technical and regional experts. If gaps in information were uncovered, specific questions were added to the Stage 2 questionnaire.

Stakeholder mapping: A stakeholder mapping (see Appendix 5) for each project was conducted based on the CFF’s experience and inputs from C40 regional staff, local GIZ offices and CFF partners. The mapping aimed to identify and prioritise stakeholders to contact and meet during the city mission. Stakeholders are categorised on two axes: power and interest. Power defines a stakeholder’s ability to block or advance the project in question, while interest refers to the degree to which the stakeholder is affected by the project and is invested in the outcome. The mapping was also used to identify potential veto players.

![Figure 4: Template stakeholder mapping before city missions.](image-url)
The mapping is intended to be regularly monitored during the technical assistance phase and updated to track how the power and interest of stakeholders involved with the project changes.

**Risk Mitigation Framework:** This Framework (see Appendix 6) helps identify risks and appropriate mitigation measures for potential projects. It builds upon an analysis of safeguards and standards framework from different organisations, including the International Finance Corporation, the Organization for Economic Co-operation and Development, the World Bank and GIZ. All projects face determined risks: the goal of the Framework is to highlight these at an early stage to inform the CFF’s project selection and to formulate ways to reduce the risks identified. Seventeen different risks were categorised as (a) political and regulatory risks, (b) socio-economic and cultural risks, (c) environmental and climate risks, (d) financial risks, (e) technical risks, and (f) project management and cooperation risks. All risks, if applicable, had to be assessed on a scale from 1-Low (i.e. not a concern), 2-Moderate (i.e. not a significant concern with appropriate mitigation measures), 3-High (i.e. significant concern but appropriate mitigation measures are possible), and 4-Major (i.e. no mitigation measures possible). A justification for each assessment, even if the risk was not applicable, had to be provided. For any risk identified as 2-Moderate and 3-High, the CFF outlined appropriate mitigation measures. These were also included in the report to the Project Advisory Group about each mission (see Section 3e).

**On-the-ground mission:** Missions were attended by at least two CFF representatives, a – where possible, local – sectoral expert, and, if required, an interpreter. They were scheduled over a minimum of 4 days, ideally 5. The CFF prepared the agenda jointly with the city, including all meetings and travel between locations. The mission also included a site visit to the project location, to assess the actual stage of development and to speak to relevant stakeholders. The CFF dedicated between half a day and one day to the completion of the Stage 2 questionnaire. The CFF organised a workshop with relevant city officials from a range of departments for this task. A meeting with the relevant Mayor or their representative was also planned to gauge political buy-in. Finally, each mission team kept a lessons learnt log to ensure that the CFF team could improve its planning throughout the process: this included noting down any positive and negative surprises and feedback from the cities about the application process.
**Stage 2 questionnaires:** The city missions allow the CFF to answer all questions that remain unanswered after the Stage 1 application. As part of the mission, cities are asked to complete a detailed Stage 2 questionnaire (see Appendix 7) either during the mission itself or immediately after. The questionnaire is shared with the city in advance of the mission. The questions are based on the CFF’s experiences in 2016 and 2017, the Sustainable Infrastructure Foundation’s SOURCE platform, and recommendations from the CFF’s sectoral experts. Along with the mission itself, the detailed questions help the CFF understand the level and type of support that the CFF will need to provide to the city to advance the project.

The questionnaire is tailored to each city based on the project type and the city’s context. It is divided into three sections:

I. Questions about the overall project, including its objectives, technical components, background, required capital investment, operation and maintenance costs, and information on any completed technical studies.

II. Questions about the project’s impacts, including climate, environmental, socio-economic, and land acquisition impacts.

III. Questions about the city’s financial status, revenue sources, project management structures, stakeholder engagement practices, and about the project’s proposed team structure.

In almost all cases, cities needed additional information, particularly statistics, not readily available when filling the questionnaire. Cities were therefore allowed to submit
the questionnaire within a week after the mission ended. It was clarified that not all questions needed to be answered if responses were unknown.

e. Selection (October – December 2018)

After each mission was concluded, the CFF team drafted a report to the PAG, recommending for or against the cities visited as potential partners for the CFF. Completed Stage 2 questionnaires were also submitted. Approval was then made on a no-objection basis. The report included the following information (see Appendix 8 for the template):

- Background information on the city and its political situation;
- Project costs;
- Project impacts, especially climate-related impacts;
- Estimated technical assistance required for project implementation, including details on specific studies to be conducted;
- Analysis of similar and related projects in the city, financing options, climate benefits and co-benefits, land tenure and land acquisition impact, budget planning and project management considerations, degree of innovation involved, and potential for transformative impact.
- Application of the CFF’s Risk Mitigation Framework (see Appendix 6).

If missions led to the conclusion that the project is unsuitable for CFF, the report covered in detail the issues underpinning the decision, whether related to the project itself or due to changes in circumstances between the time of the application and the time of the mission.

After approval on a no-objection basis by the PAG, the CFF communicated this approval to cities as well as the next steps, which include the signature of a Memorandum of Understanding (MoU), the hiring of a dedicated in-city technical advisor, and the timing of the announcement. The MoU (see Appendix 9 for a template) details the type of technical support provided and the activities planned around capacity development and knowledge dissemination. To maximise the impact of the announcement, cities are asked to publish their own press release, together with a joint announcement by the CFF. The length of the process following this communication is dependent on the ease with which the delivery of technical assistance to each city can be approved. After this step is completed, the CFF organises a kick-off with the relevant city officials to begin its support.

Box 7: Communication during the application process: A further lesson learned from the 2016 application process was to ensure constant communication with cities throughout, from outreach to final selection and announcement. Particularly important was to inform cities of the timelines and procedures involved in the initial review and in-depth assessment. Projects do not exist in a time vacuum, and cities are constantly updating and advancing with their implementation. In 2018, constant communication with the cities allowed the CFF to be flexible in its selection of projects in the advanced stages of the application process, and to keep multiple options open in case of changes at the city level.
3. Learnings from the CFF’s application process

The CFF’s application process is lengthy, complex, and resource-intensive. It is built on the experience of an extensive application process in 2016 and 2017 and assessed 110 projects from 42 cities in 2018. The experiences from this process suggests some general learning points for other organisations:

- **Every stage of the application process should be planned and delivered rigorously**, and potential obstacles should be considered. This includes steps to encourage applications, to review submissions in an objective and comparable manner, and to ensure city missions are worth the expense. A rigorous process helps to build relationships with city officials and collect and ascertain all relevant project information. A rigorous process also helps organisations to be transparent, ensuring continuous communication with applicants and detailed documentation whereby every submission is evaluated in the same way by different people. A core team within the organisation should manage the process.

- **Application processes are time-consuming**: The CFF’s application process from the initial opening of submissions to approval and communication to cities lasts more than 9 months. This time proved necessary for the CFF in its application process, since shortening it would have led to suboptimal processes of evaluation. Nevertheless, organisations should still find ways to reduce this timeframe and limit the gap between the different stages of the application process.

- **Circumstances may change, and flexibility is crucial**: Cities don’t stop developing their projects after submitting them to external organisations for support. Projects may receive other forms of assistance, change in scope during this time, or even reach financial close. This is particularly the case for projects which are cities’ priorities. Organisations need to be flexible to adjust the scope, scale or location of projects from what was initially submitted. This does not reflect poorly on an organisation’s application process: the more committed the city is to the project, the more likely it is that it will have moved forward in the meantime.

The CFF’s experience also suggests specific learnings for different stages of the application process:

- **Engagement and outreach before applications help ensure that applications are complete and relevant**: Applicants may need help to understand the application process, the types of projects that will be supported and the type of support that will be provided. PPFs offer different kinds of assistance and operate in different ways, and applicants need time to understand these nuances. Often those city officials who are responsible for the development of projects are not those who are applying for support, and therefore organisations must try to engage with different city departments to get more detailed information about projects.
• **Applying should be as easy as possible:** Organisations should eliminate all unnecessary barriers to application, such as language requirements, signed authorisations, or letters of support. Irrelevant applications may always be discarded. Related, the application process should encourage the submission of multiple applications.

• **Missions are crucial and should be prepared thoroughly:** Organisations should gather extensive background information, including project documents, past projects in the same sector, and existing climate, sectoral, or investment strategies. This research can be sourced from other organisations already working on the project or on related ones, such as development agencies, banks, or NGOs, as cities may submit the same project to different providers of technical assistance. The mission agenda should be prepared with the city, as they will be best placed to know which stakeholders can provide further insight into the projects, such as local NGOs, academics, and, if relevant, trade unions or workers.

• **Missions are crucial and need to include certain critical elements:** Applications don’t convey the entire story of a project. Therefore, missions can help ascertain the accuracy of the application and gather additional information about the project. City missions are expensive and time-consuming, but they are invaluable. To achieve their objectives, they should include:

  o **A meeting with a high-level city representative, ideally the Mayor,** to understand the political commitment behind the project or, in the case of forthcoming elections, whether the project is at risk if there is a change in administration.

  o **A site visit to the project location:** Only a site visit will give the certainty that the project is ‘real’ and not merely an idea that still needs to be converted into a project. It will also allow organisations to assess what is needed for project implementation, including land acquisition, construction needs and their environmental impact, and potential relocation of residents or businesses on the land for the proposed project.

  o **If the mission is unsuccessful, organisations must still ensure it is helpful for the city:** Not all missions will be successful. In some cases, it may become obvious at the start of the mission that the project is too risky or not the right fit. If so, the organisation must provide honest feedback to the city to ensure the exercise is still valuable for them.
4. References:

Appendix 1 – Information pack for cities

About the C40 Cities Finance Facility

The C40 Cities Finance Facility (CFF) is a joint project of the C40 Cities Climate Leadership Group (C40) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It was launched during COP21 in Paris, to support C40 cities in developing and emerging countries in preparing and delivering sustainable, low carbon and climate action projects.

Our donors

The CFF is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the UK Department for Business, Energy & Industrial Strategy (BEIS), and the United States Agency for International Development (USAID). It also receives in-kind support from the Inter-American Development Bank (IADB).

Implementation

GIZ is the main implementing agency for technical assistance and capacity development, while C40 is responsible for building relationships with supported cities and partners and sharing knowledge gained amongst a wide group of cities.

Our objectives

The ultimate objective of the CFF is to reduce GHG emissions and increase climate resilience in cities by mobilising finance for city-level climate change action. The CFF aims to achieve the following high-level project outcomes:

- **Sustainable financing** of urban climate action projects;
- **Capacity development** of city administrations to mobilise and access a broad range of financing instruments for climate change; and
- **Knowledge dissemination** beyond CFF partner cities via peer-to-peer learning and CFF stakeholders, while also supporting the work of other development agencies and helping to inform global policy-makers.

The CFF advances the implementation of the Paris Agreement, the New Urban Agenda, and the Addis Ababa Action Agenda. It also contributes to the 2030 Agenda for Sustainable Development (Sustainable Development Goals), in particular Goal 11, by promoting sustainable, resilient and inclusive urban development. As well as delivering climate benefits, the CFF also aims to achieve the following socio-economic benefits from supported projects:

- Increased access to employment, especially for lower-income residents
- Poverty reduction and economic growth
- Improved air quality and public health
- Gender equality
Our guiding principles

- **Demand-driven** – Cities apply for CFF support with projects that advance their sustainability priorities. After approval by the CFF funding partners, the CFF provides its support based on needs and demands identified jointly between the city and the CFF.

- **City-focused** – The CFF works in the best interests of supported cities and their projects, rather than a specific capital provider, financing mechanism, or construction company. Cities and their residents are the targeted beneficiaries of the CFF and its interventions.

- **Strategic climate change action** – CFF support is targeted towards strategic and transformational projects featured in city development plans, city budgets, and if available, city climate action and climate resilience plans.

- **Financial and technical sustainability** – Projects supported must be based on a feasible plan for operation and maintenance as well as for cost-recovery, ensuring the long-term sustainability of the project.

- **Ownership and capacity development** – City administrations and their officials are the key actors in the project preparation process. They provide the project management teams and are the recipients of technical assistance and capacity development for project structuring and use of financing mechanisms.

- **Catalytic nature** – The CFF supports cities in sharing their learning and experiences, and catalyzes action.

- **Transparency** – The CFF promotes transparency in all areas of project and city selection and project preparation and carries out regular monitoring and reporting.

- **Outcome-oriented** – A key objective is that projects achieve financial close.

Types of projects that CFF will support

With its current funding arrangements, the CFF will focus on supporting climate change mitigation projects in the areas of energy and transport, such as for example:

**Energy:**
- Energy efficiency in municipal buildings or municipal run buildings
- Energy efficiency in water and waste-water infrastructure
- Low energy / LED street lights
- Renewable energy such as roof top solar PV
- Waste to Energy

**Transport:**
- Bus Rapid Transit (BRT)
- Light rail
- Electric mobility, electric buses in particular

The above list is illustrative and not comprehensive. This list is provided to give only an indication of the types of projects that the CFF could support. Climate change adaptation projects may be considered.
Level of project maturity for CFF support

The CFF aims to support projects that have reached the project-structuring phase (see Figure 1) and are seeking support directed at business case development, financial structuring and financing option assessments and in a limited scope technical structuring and design support. However, support is restricted to projects that already have at least a pre-feasibility study or a pilot project conducted.

**Figure 1:** Typical project development process and areas of support by the CFF (highlighted in red box)

Cities’ ownership requirements

Cities need to provide evidence, that the projects submitted to the CFF for support are featured in the relevant city development plans and that these projects have the necessary political backing for bringing them to financing and realisation. To be eligible for support, city administrations need to have own resources allocated to the project preparation and a project management team assigned. The projects should ideally align with and help deliver the city’s climate change action plans, if these plans exist.

Technical assistance provided by the CFF

Technical assistance provided by the CFF aims at filling the gaps in project development, which the city is not able to fill by itself. This support is provided to cities through a combination of the following:

- A dedicated CFF resource person, based in the relevant municipal department
- Qualified national and external short and long-term experts
- Access to global expertise and best practice through GIZ’s in-house expertise and vast experiences as well as the knowledge from C40’s thematic networks.
• Peer-to-peer connections from other cities in the C40 network and beyond

The national CFF expert, the so-called Senior Project Advisor (SPA), is a central element of the CFF’s support. This locally hired expert works directly for the CFF throughout the duration of the support provided to the city. The expert’s role is to coordinate the provision of technical assistance, help the city build a strong project team across the different city departments and ensure the support provided meets the CFF’s principles of operation and goals.

Some examples of the technical assistance provided by the CFF to its partner cities include amongst others the conduction of studies on technical and financial structuring, organisational setup, financing options, cost-benefit analysis.

![Diagram](image)

**Figure 2:** Structure of CFF support to cities

**Support for capacity development**

As part of the technical assistance delivered to cities, the CFF provides support for capacity development in the city administration. The CFF recognises that the cities it supports need to continuously develop and finance new low-carbon and climate resilient infrastructure and must therefore build their capacity and expertise in structuring similar projects in the future. The capacity development activities combine dedicated training and advise by consultants and advisors with direct learning from the delivery of the projects (see Figure 3).
What support will not be provided?

The CFF does not offer financial assistance and does not provide capital investments in any project.

Will the CFF guarantee that the project will be successfully financed?

As the CFF can only provide technical assistance and not financial capital, it cannot guarantee that a city will successfully finance the proposed project. The CFF is, however, willing to commit to developing a project to a point where it can be readily financed by a development bank or other institutional or private investor.

What happens if a city is unsuccessful with its application?

Cities that are not successful with their applications will remain eligible to apply for future support from the CFF. All cities applying will receive feedback on changes that could be made to their projects to bring them closer to financing.

Can a city apply with more than one project?

Yes, cities are welcome and encouraged to apply with more than one project. The application form is designed for cities to give information about more than one project. The CFF will review all projects submitted and work with the cities to consider supporting one or more of the submitted projects.

---

**Figure 3:** CFF’s general approach towards capacity development

### Human resource development
- Strengthening technical and management skills within the city administrations
- Technical advice, peer-to-peer learning & on-the-job-training for project staff on aspects of project preparation and finance
- Training for city experts on specific subjects such as monitoring & evaluation and greenhouse gas reduction assessments

### Organisational development
- Supporting the city in developing optimal institutional structures
- Technical advice on establishing project implementation units and identifying required human and financial resources at city level
- Supporting inter-agency coordination and cooperation between relevant departments of the city administration

### Cooperation and network development
- Strengthening city-to-city exchange through C40 networks
- Building city-to-finance networks including local finance institutions
- Best practices in stakeholder engagement and participation mechanisms
Appendix 2 – Project Evaluation Framework (CFF & Arup, 2018)

See PDF version below.
Support to the C40 Cities Finance Facility on developing its city support strategy

Deliverable 3: Project Evaluation

2nd February 2018
Introduction

Selected Projects & Approach

The Cities Finance Facility (CFF) appointed Arup to support the development of its city support strategy. This report has been drafted in response to the third deliverable of the project and is to be read in continuation with the Deliverable 1 Project Identification Methodology and Deliverable 2. It aims to evaluate the list of projects that were short listed using the selection criteria developed in Deliverable 2. The list of selected projects and their sub-categories can be seen in Table 1 opposite. In order to create the holistic evaluation criteria that meets the particular requirements and priorities of the CFF, we have adapted elements of the UK HM Treasury’s Green Book. The criteria we have defined are:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scalability</td>
<td>10</td>
</tr>
<tr>
<td>Environmental benefit</td>
<td>10</td>
</tr>
<tr>
<td>Co-benefits potential</td>
<td>10</td>
</tr>
<tr>
<td>Funding potential</td>
<td>10</td>
</tr>
<tr>
<td>Delivery potential</td>
<td>10</td>
</tr>
<tr>
<td>Challenges</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

These criteria and their scoring methodology are described in more detail overleaf. We have developed and issued a companion Excel sheet that calculates the score of each criterion based on the responses entered into the sheet by the evaluator. Each project is scored out of a total of 60 points and the output of the evaluation is in the form of a spider diagram, accompanied by an explanation for the selected scores for each project.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Project category</th>
<th>Project sub-category/description</th>
<th>Cities implementing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Energy efficiency in outdoor lighting</td>
<td>Conversion of street lights to LEDs</td>
<td>Amman</td>
</tr>
<tr>
<td></td>
<td>Community energy generation</td>
<td>Photo-Voltaic distributed energy systems</td>
<td>Porto Alegre</td>
</tr>
<tr>
<td><strong>Low Carbon Energy Generation</strong></td>
<td>Medium-scale energy generation</td>
<td>New energy from waste plants to power the city</td>
<td>Lagos</td>
</tr>
<tr>
<td></td>
<td>Clean vehicle fleet</td>
<td>New hydro power plants to power the city</td>
<td>Quito</td>
</tr>
<tr>
<td></td>
<td>Public transport</td>
<td>Conversion of city vehicle fleet to low emission vehicles</td>
<td>Johannesburg</td>
</tr>
<tr>
<td></td>
<td>Non-motorised transport</td>
<td>New or expansion of Bus Rapid Transit Network (BRT)</td>
<td>Colombo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New or expansion of Mass Rapid Transit Network (MRT)</td>
<td>Ho Chi Minh City</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New or expansion of cycling lanes</td>
<td>Lima</td>
</tr>
</tbody>
</table>

*Table 1: Short list of projects*
Methodology

Evaluation Criteria: Scalability

The scalability criterion scores the project based on its scalability potential. Scalability in this context means the ability to apply the learning from a pilot or limited scale project to expand the intervention city-wide; or, to apply the learning in one city to a similar project in another city.

Key questions asked to select an appropriate score for delivery were:

1. Have there been similar projects within the city or other cities around the globe? How easily can the project be scaled in the region?
2. What is the scale of delivery? Is it a small pilot project or a large-scale citywide roll-out? How is the scale related to the socio-economic or environmental impact? In order to have a larger impact, the CFF should look to help cities that are trying to roll out large-scale transformational programme as opposed to a one-off pilot project.
3. Does the city have wider plans for the project? How clearly has the city defined the deliverables of their plan?

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤1</td>
<td>• There have been a large number of similar projects that have been implemented in the city at considerable scale. • The project is small scale and maintains the status quo. The project does not bring about any transformational or operational change to the sector. • The roll out of the project in the city is poorly defined with uncertain deliverables.</td>
</tr>
<tr>
<td>2-3</td>
<td>• There have been multiple similar projects being implemented in the city at considerable scale. • The project is small scale but may be a pilot project that brings about some transformational or operational changes to the sector. • The roll out of the project in the city may not have defined deliverables.</td>
</tr>
<tr>
<td>4-5</td>
<td>• There have been multiple similar projects being implemented in the city. • The project is a pilot project that brings about transformational or operational changes to the sector. • The roll out of the project in the city may have some defined deliverables although the city may be unsure of its final output.</td>
</tr>
<tr>
<td>6-7</td>
<td>• The project is not unique, but has some potential to be rolled out at scale within the city. • Medium scale project that brings about transformational or operational changes to the sector. • The roll out of the project in the city has clearly defined deliverables.</td>
</tr>
<tr>
<td>8-9</td>
<td>• The project is unique and has some potential to be rolled out at scale within the city and other global south cities. • Large scale project that brings about significant transformational or operational changes to the sector. • The roll out of the project has clearly defined deliverables across the short and medium term.</td>
</tr>
<tr>
<td>10</td>
<td>• The project is unique and has high potential to be rolled out at scale within the city and other global south cities. • Large scale project that brings about significant transformational or operational changes to the sector. • The roll out of the project has clearly defined deliverables across the short, medium and long term.</td>
</tr>
</tbody>
</table>

Table 2: Scalability scoring criteria
Methodology
Evaluation Criteria: Environmental

The environmental criterion scores the project based on its environmental benefit. All projects that have been investigated have some positive environmental benefits. Therefore, it is vital to evaluate the relative environmental benefits, especially as the impact of one project in one city would vary from the impact of a similar project in another city. There are a number of reasons for this to occur, such as difference in grid decarbonisation rates of cities and their current environmental conditions.

Key questions asked to select an appropriate score for environmental were:

4. What is the projected volume of GHG emissions reduced (tonnes of CO₂) by implementing the project in the city?
5. Does the project help to reduce environmental degradation such as improvement to the quality of water in the city or quality of green spaces?
6. Does the project have any additional climate change benefits, such as improving the city’s adaptability to extreme climate change events or making it resilient?

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤1</td>
<td>• GHG emission savings are significantly below average for this project compared with other projects considered</td>
</tr>
<tr>
<td></td>
<td>• Project makes a little or no impact upon emission output for that sector,</td>
</tr>
<tr>
<td></td>
<td>• No other environmental benefits,</td>
</tr>
<tr>
<td></td>
<td>• No contribution to climate change adaptation or resilience.</td>
</tr>
<tr>
<td>2-3</td>
<td>• GHG emission savings are below average for this project compared with other projects considered.</td>
</tr>
<tr>
<td></td>
<td>• Project makes small impact upon emission output for that sector.</td>
</tr>
<tr>
<td></td>
<td>• Environmental improvements minimal</td>
</tr>
<tr>
<td></td>
<td>• Little contribution to climate change adaptation or resilience of the city.</td>
</tr>
<tr>
<td>4-5</td>
<td>• GHG emission savings are average for this project compared with other projects considered.</td>
</tr>
<tr>
<td></td>
<td>• Project has a noticeable impact on emission output for that sector</td>
</tr>
<tr>
<td></td>
<td>• Some environmental improvements</td>
</tr>
<tr>
<td></td>
<td>• Some contribution to climate change adaptation or resilience of the city, not necessarily measureable</td>
</tr>
<tr>
<td>6-7</td>
<td>• GHG emission reductions are above average for this project compared with other projects considered</td>
</tr>
<tr>
<td></td>
<td>• Project had a considerable impact upon the emission output for that sector within the city, and begin to impact upon national targets</td>
</tr>
<tr>
<td></td>
<td>• Measurable impacts across one or more areas of the local environment.</td>
</tr>
<tr>
<td></td>
<td>• Project likely to contribute to the city’s climate change resilience.</td>
</tr>
<tr>
<td>8-9</td>
<td>• GHG emission savings are significantly above average for this project compared with other projects considered</td>
</tr>
<tr>
<td></td>
<td>• Project has a significant impact upon the emission output for that sector within the city</td>
</tr>
<tr>
<td></td>
<td>• Multiple measurable impacts to the local and city-wide environment.</td>
</tr>
<tr>
<td></td>
<td>• Contributes to the climate change resilience of the city/ built in to city-wide climate change programme.</td>
</tr>
<tr>
<td></td>
<td>• Noticeable contribution to climate change adaptation or resilience of the city</td>
</tr>
<tr>
<td>10</td>
<td>• GHG emission savings are pioneering and in the top 10% of considered projects.</td>
</tr>
<tr>
<td></td>
<td>• Project has a significant impact upon the emission output for the city total and the sector nationally.</td>
</tr>
<tr>
<td></td>
<td>• Project has a variety of other environmental benefits</td>
</tr>
<tr>
<td></td>
<td>• Significant contributions to the climate change resilience of the city/ built in to city-wide climate change programme.</td>
</tr>
</tbody>
</table>

Table 2: Environmental scoring criteria


Methodology

Evaluation Criteria: Co-Benefits

The co-benefit criterion scores the project based on its co-benefits. This includes both qualitative and quantitative benefits of the project. Key questions asked to select an appropriate score for co-benefits were:

7. Does the project improve accessibility or inclusivity?
8. Does the project aim to improve gender equality?
9. Does the project promote improved health of citizens, e.g. through improvements to air quality or increased physical activity?
10. What is the total number of long-term jobs that are being created as a result of undertaking the project?
11. How will the project aid in the economic development of the city?

Table 3: Co-benefits scoring criteria

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
</table>
| ≤1          | • No identified social benefits as a result of project implementation, with no attempts to target gender inclusivity and accessibility, (0 for projects that have a negative impact).  
• No measurable improvement to citizen health or any other co-benefits.  
• Economic benefits such as the number of jobs created or economic value added is minimal. |
| 2-3         | • Low potential for social benefits to be realised.  
• Minimal impact or improvement to citizen health or any other co-benefits  
• Low potential for economic benefits. |
| 4-5         | • Few social benefits identified or improvements seen in other similar projects for those that are directly involved in the project.  
• Some improvement to citizen health may be achieved through project implementation.  
• Project translates into some economic benefits that impact the vicinity of the project. |
| 6-7         | • Significant social benefits identified for the surrounding communities in the medium term.  
• Project makes distinct attempts to implement measures to improve gender equality and widen inclusivity through project implementation.  
• Project helps realise above average improvements to citizen health in comparison to other projects that are being considered.  
• Economic benefits such as the economic value added are above average in comparison to the other projects that are being considered. |
| 8-9         | • Significant long term social benefits could result from the implementation of the project at scale.  
• Project has a number of other co-benefits covering multiple priority sectors for the city, such as community engagement, inclusivity, new industries or businesses.  
• Significant air quality improvements within the city.  
• Economic benefits are significantly above average in comparison to the other projects that are being considered. |
| 10          | • The resultant social benefits extend to a regional/national scale, covering multiple areas including health, community engagement and inclusivity.  
• Significant air quality improvements within the city. Project may help define procedures to improve air quality at national level.  
• Project brings about long term economic benefits and contributes to sustained city wide GDP growth over the coming decade. |
Methodology

Evaluation Criteria: Funding

The funding criterion scores the project based on its financial implications. All values would be reported in USD. The scoring of projects is closely related to both the socio-economic and environmental impact of the project. Key questions asked to select an appropriate score for funding were:

12. What is the total amount of funding required to implement the project? How is it related to the socio-economic and environmental impact of the project? (i.e. cost-benefit). For example, for the specific project what is the ratio of the amount of money invested to the amount of carbon saved?

13. How is the city funding the project? Or does the city/country have a well-defined financial market? Cities that are accessing external finance for existing climate change adaptation or mitigation projects display positive signals as are likely to be able to raise construction capital for future projects relatively faster.

We have been able to assess a $/kgCO₂ metric on most projects (as seen in Appendix A) but it is recommended that going forward a $/kgCO₂ metric is requested of all applicants to judge question 13.

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤1</td>
<td>• The project delivers little environmental and socio-economic benefits for the funding required or no measurable socio-economic impact at all.</td>
</tr>
<tr>
<td></td>
<td>• Very low kgCO₂ saved per $ spent when compared with other projects</td>
</tr>
<tr>
<td></td>
<td>• The financial market is already well defined with international recognition, with continuous and significant international and regional investors for city-led and national projects.</td>
</tr>
<tr>
<td>2-3</td>
<td>• The project delivers a low environmental and socio-economic impact for the funding required, compared with projects of similar type and scale.</td>
</tr>
<tr>
<td></td>
<td>• Low kgCO₂ saved per $ spent.</td>
</tr>
<tr>
<td></td>
<td>• The financial market is already well defined, with recent significant investment from a diverse range of international and regional sources nationally.</td>
</tr>
<tr>
<td>4-5</td>
<td>• The project is delivering some environmental and socio-economic impact for the funding required, compared with projects of similar type and scale.</td>
</tr>
<tr>
<td></td>
<td>• Approaching average kgCO₂ saved per $ spent when compared with other projects.</td>
</tr>
<tr>
<td></td>
<td>• The financial market is defined with significant investment from international partners at least at the national level.</td>
</tr>
<tr>
<td>6-7</td>
<td>• The project is delivering some environmental and socio-economic impacts for the funding required, compared with projects of similar type and scale.</td>
</tr>
<tr>
<td></td>
<td>• Average kgCO₂ saved per $ spent when compared with other projects.</td>
</tr>
<tr>
<td></td>
<td>• The financial market is defined with investment at the national level from a few partners.</td>
</tr>
<tr>
<td>8-9</td>
<td>• The project is delivering above average environmental and socio-economic impacts for the funding required compared with all project types.</td>
</tr>
<tr>
<td></td>
<td>• Above average kgCO₂ saved per $ spent when compared with other projects.</td>
</tr>
<tr>
<td></td>
<td>• The country has a developing financial market, with inconsistent investment within projects both at a city-wide and national scale (reliant on internal sources).</td>
</tr>
<tr>
<td>10</td>
<td>• The project is delivering significant and leading environmental and socio-economic impacts for the funding required compared with all project types.</td>
</tr>
<tr>
<td></td>
<td>• The country has a developing financial market, with little investment at the city-scale and poor connections to international and regional investors.</td>
</tr>
</tbody>
</table>

Table 4: Funding scoring criteria
Methodology

Evaluation Criteria: Delivery

The delivery criterion scores the project based on the practicalities of its delivery process and potential for innovation. It is also closely related to both the co-benefit and environmental impact of the project. Key questions asked to select an appropriate score for scalability were:

14. How stable is the country’s political climate? Have there been any strategic sovereign defaults in the past such as nationalisation of assets? Or, has the rank of the country on Transparency International’s Corruption Perception Index (TICPI) improved?

15. What are the characteristics of the cities that are implementing or have planned to implement projects in the future? For example, what is the growth rate per capita of the GDP of the city/country?*

16. How ambitious are its carbon targets in relation to other cities with similar characteristics? Or has the city taken any actions to demonstrate commitment towards tackling climate change? Or does the project provide an opportunity for the city to expedite its transition to a low carbon economy?

17. Is there any innovation in the development process, such as new financing mechanisms, technological innovation, or commercial innovation like Public Private Partnerships?

We have been able to assess a GDP/capita growth rate for the country on all projects (as seen in Appendix A) but it is recommended that going forward GDP/capita growth rate for the country is requested of all applicants to judge question 2.

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
</table>
| ≤1          | • The city/country has shown no improvement to its rank on TICPI over the last 4 years, or significant strategic sovereign defaults have been reported in the recent past.  
• The GDP growth rate of the country is negative and has been declining over the last 5 years.  
• The GHG emission reduction targets of the city have not been sufficiently developed or defined.  
• No innovation identified in the execution of the project. |
| 2-3         | • The country is working to improve its rank on TICPI over the last 4 years, or some strategic sovereign defaults have been reported in the recent past.  
• The GDP growth rate of the country is negative but marginally improving over the last 5 years.  
• The GHG emission reduction targets of the city are currently being defined.  
• No identified innovation in approach however further development of the project may be innovative for the particular city. |
| 4-5         | • The country has shown some improvement in its rank on TICPI over the last 4 years or strategic sovereign defaults are reducing.  
• The GDP growth rate is positive but may have fluctuated over the preceding 5 years  
• Emission reductions have been set, but below average for the region or countries of similar GDP growth rate.  
• The project displays some innovation in approach across at least one area such as commercial, technological or financial. |
| 6-7         | • The country has shown average improvement in its rank on TICPI over the last 4 years. or strategic sovereign defaults are improving.  
• The GDP has seen a positive growth rate over the preceding 5 years.  
• The emissions targets are in line with those in the region or for countries of similar GDP growth rate.  
• There is clear innovation in the approach across one or more areas such as commercial, technological or financial. |
| 8-9         | • The country has above average improvements to its rank on TICPI over the last 4 years or comparably few sovereign defaults when compared to other countries that are being evaluated.  
• The GDP growth rate is positive and on an uptrend over the last 5 years.  
• The emissions reduction targets are above average for the region, and as a result of the project or other policies are on target to achieve them.  
• There is innovation in the approach for this sector across multiple areas such as commercial, technological or financial. |
| 10          | • The country has significant improvements to its rank on the country on TICPI over the last 4 years or negligible sovereign defaults in the recent past.  
• The GDP growth rate is positive and has significantly increased over the last 5 years.  
• The city has clearly developed targets and policies for the development of projects that reduce GHG emissions.  
• There is significant innovation in the approach for this sector across multiple areas such as commercial, technological or financial. |

* The growth rate of the GDP is vital when the project in question is seeking to raise construction capital as long-term investors look to invest in economies that are stable and growing where their project returns can be realised.
Methodology

Evaluation Criteria: Challenges

The challenges criterion scores the project based on the scale of the common challenges that the cities face in the execution of the project and the ability of the CFF to intervene and help solve those challenges in a resource efficient manner.

Key questions asked to select an appropriate score for challenges were:

18. What are the challenges for the city for the execution of the project, such as access to finance, or difficulties in building collaborations between the city and the private sector, etc.?
19. Have other cities faced similar difficulties in executing the project? Were they resolved?
20. What is the scale of the challenge? Can a qualitative decision be made on whether the CFF can use its resources efficiently to aid the execution of the project?

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Scoring Reference</th>
</tr>
</thead>
</table>
| ≤1          | Projects with significant challenges across multiple areas that have not been solved in the past by other international case studies (may have led to the abandoning of projects), without significant financial burdens or time delays.  
             | CFF is very unlikely to have the resources to solve these problems of the resource efficient execution of the project. |
| 2-3         | Projects with challenges across multiple areas that have not been solved in the past by the region, without significant financial burdens or time delays.  
             | CFF is unlikely to have the resources to solve these problems of the resource efficient execution of the project. |
| 4-5         | Projects with a significant challenge to its execution that may have been solved regionally but with a financial burden or time delays to the project.  
             | CFF will have some resources to solve the challenge faced |
| 6-7         | Projects that face large challenges to their execution that have been solved in the past with minor financial burdens or time delays.  
             | CFF has the resources to mitigate the largest impacts or delay to execution  
             | High chance of CFF involvement |
| 8-9         | Projects that face challenges but have been solved in the past with no additional financial burden or time delays.  
             | CFF has the resources necessary to achieve completion of the project |
| 10          | Project types with challenges (can be large) that have been solved in the past in a resource efficient manner  
             | CFF has the capacity to resolve challenges effectively. |

Table 6: Challenges scoring criteria
For further information this submission please contact:

**Thomas Briault**
Project Director

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M: 0 7825 607187  
[Thomas.Briault@arup.com](mailto:Thomas.Briault@arup.com)

Arup  
13 Fitzroy Street  
London,  
W1T 4BQ
Appendix 3 – Project evaluation sheet – Template

Appendix 4 – City and project information analysis – Template

[CITY, COUNTRY]
[PROJECT NAME]

Key words: for example; solar energy; renewable energy; public buildings

Map

1) City profile [City, Country]
Population: (year)
Municipalities:
Population density (inhabitants/km$^2$):
Unemployment rate:
GDP per capita:
GDP growth rate:

2) Project Information

Scope: area or km or technology for transport project, or MW for energy project
Demand:
Other project information:
Estimated GHG emissions reduction:
Estimated resilience impact:
Expected cost:
Funding:

Key studies completed:

- Study #1
- Study #2
- Study #3
3) Sector Information

Governance:
Planning priorities:
Current infrastructure:
Environment, climate change, and disaster risks:
Finance:
Alignment to other municipal strategies: (e.g. master plan, adaptation strategy, resilience strategy etc.)
Relevant national/regional/city level policies/legislations:

4) Similar projects undertaken by the city

5) Information from news items/search

6) References
Appendix 5 – Stakeholder analysis – Template

Stakeholder Mapping (power/interest grip)

<table>
<thead>
<tr>
<th>High Power, Less Interested People</th>
<th>High Power, Interested People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders to engage with during the city mission, if possible. They can help deliver your objectives and activities, if kept satisfied and informed.</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low Power, Less Interested People</th>
<th>Low Power, Interested People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders to be monitored and kept on the radar.</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
<tr>
<td>• ...</td>
<td></td>
</tr>
</tbody>
</table>

Stakeholders that must be engaged before the city mission and met during it. They must be familiar with the CFF’s objectives and activities.
| • ... |
| • ... |
| • ... |

Stakeholders that should be consulted before and possibly during the city mission. They can provide more detail about the project(s).
| • ... |
| • ... |
| • ... |
## Guidance Notes on Using the Framework

1. **Column A**: Statements to be assessed.
2. **Column B**: Indicate the score and risk level of each statement by selecting the level of risk from the dropdown list. Please use the following criteria:
   - **1 – LOW**: Minor or insignificant risk. Not a concern
   - **2 – MODERATE**: Moderate risk. Not a significant concern with the appropriate mitigation measures.
   - **3 – HIGH**: High risk. High concern but appropriate mitigation measures are possible.
   - **4 – MAJOR**: Major risk. No mitigation measures possible.
   - **N/A**: Not Applicable.
3. **Column C**: Write a clear and succinct justification for the assessment of each statement.
4. **Column D**: For statements checked as moderate or high risk, indicate, if applicable, a feasible risk control measure that can mitigate the risk.

### Example

<table>
<thead>
<tr>
<th>A. RISK CRITERIA</th>
<th>B. RISK ASSESSMENT</th>
<th>C. JUSTIFICATION OF ASSESSMENT</th>
<th>D. RISK MITIGATION MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE: Risk of upcoming city elections and/or state elections.</td>
<td>1 - Low</td>
<td>The next city and state elections are scheduled for 2022.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| EXAMPLE: Risk of project being opposed by civil society                         | 3 - High           | In the past, groups of activists have fiercely opposed the planning and implementation of cycling infrastructure in other parts of the city. These groups succeeded in putting a halt to a previous cycling highway project being planned. Many of these groups are powerful and often co-opted by politicians. This is a high risk, however there are potential mitigation measures. | • A careful assessment in order to understand why these particular groups have opposed and put a stop to the previous cycling highway project will be carried out.  
• An effective civic communication strategy will be devised to showcase the overall potential benefits and positive impacts of a cycling highway. |
# A. RISK CRITERIA

<table>
<thead>
<tr>
<th>B. RISK ASSESSMENT</th>
<th>C. JUSTIFICATION OF ASSESSMENT</th>
<th>D. RISK MITIGATION MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please select the score and level from the drop-down list</td>
<td>Please indicate the reason for the assessment and level of risk</td>
<td>Please indicate a mitigation or potential risk control measure if MODERATE or HIGH was selected in column B. Indicate whether YOUR support can mitigate this risk. Please indicate any other comment.</td>
</tr>
</tbody>
</table>

### POLITICAL & REGULATORY RISKS

1. **Risk of upcoming city elections and/or state elections that may have implications for city or local-level political stability, over the next two years.**

   **PLEASE SELECT:**

2. **Risk of local government and/or city authorities lacking a commitment to transparency and integrity (e.g. Corruption events in the recent past in the current city government or amongst city officials involved in the project).**

   **PLEASE SELECT:**

3. **Risk of the occurrence of a political event or events driven by civil society that may have a significant impact on the project.**

   **PLEASE SELECT:**

4. **Risk of withdrawal of political support from the Mayor / city council.**

   **PLEASE SELECT:**

5. **Risk of project being opposed by civil society.**

   **PLEASE SELECT:**
### SOCIOECONOMIC & CULTURAL RISKS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.</strong> Risk of the project contributing to the discrimination of certain groups and/or failing to incorporate concerns for the particular needs of the most vulnerable populations and disadvantaged groups (people with disabilities, indigenous and ethnic groups; women and children) in its design and implementation</td>
<td><strong>PLEASE SELECT:</strong></td>
</tr>
<tr>
<td><strong>7.</strong> Possible impacts of the project deriving from cultural and livelihood disturbances (e.g. implementation on contested or ancestral lands, project resulting in voluntary or involuntary displacement of local residents, or residents around the project implementation area, impact arising from local customs, religious beliefs, ancestral</td>
<td><strong>PLEASE SELECT:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>traditions, either in short or long-term).</td>
<td></td>
</tr>
<tr>
<td>8. <strong>Risk that project will not incorporate and/or take into account processes for rights of consultation and consent, as well as grievance mechanisms for vulnerable populations and disadvantaged groups (people with disabilities, indigenous and ethnic groups; women and children) as well as for civil society organizations, and human rights defenders.</strong></td>
<td><strong>PLEASE SELECT:</strong></td>
</tr>
<tr>
<td>9. <strong>Risk that the project will fail to ensure basic labor rights as well as human rights standards and principles during its planning, implementation &amp; operation.</strong></td>
<td><strong>PLEASE SELECT:</strong></td>
</tr>
</tbody>
</table>

**ENVIRONMENTAL & CLIMATE RISKS**
<table>
<thead>
<tr>
<th>Risk</th>
<th>Financial Risks</th>
<th>Technical Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Risk of possible negative environmental and/or climate change impacts of the project on human health, ecosystems and their services, on soil, water, air and the landscape; and/or biodiversity.</td>
<td>PLEASE SELECT:</td>
<td></td>
</tr>
<tr>
<td>11. Risk that the CFF TA support will not be able to find suitable financial models that meet the CFF principles of operation, provide good value to the city and allow for the sustainable implementation and operation of the project.</td>
<td>PLEASE SELECT:</td>
<td></td>
</tr>
<tr>
<td>12. Risk that climate resilience components of the project will not be affordable for the city under a viable financial model developed through the CFF TA support.</td>
<td>PLEASE SELECT:</td>
<td></td>
</tr>
</tbody>
</table>
13. Risks arising from lack of local skills and know-how, as well as available technology or infrastructure, to plan and implement the specific features of the project.

**PLEASE SELECT:**

14. Risks that a CFF capacity development programme in the city will not have the desired impact on the city's future ability to deliver the project.

**PLEASE SELECT:**

15. Risk that the features and components of the project are not compatible with local conditions such as climate, meteorological, physical conditions etc.

**PLEASE SELECT:**

### PROJECT MANAGEMENT & COOPERATION RISKS

16. Risk arising from the political responsibilities, mandates or agreements with other government entities needed to deliver the project.

**PLEASE SELECT:**
17. Wider risks to the CFF mission, operations, and principles of operation as well as future funding and public perception.

**PLEASE SELECT:**

**OVERALL COMMENTS:**
Appendix 7 – Stage 2 Questionnaire – Template

*Delete everything highlighted in yellow before you share this with the city.*

*The following is a generic format of the Stage 2 Questionnaire. This will need to be adapted for the project you are dealing with by removing or adding questions relevant to the project’s sector. Consider adding project specific questions but do not change the entire questionnaire.*

*The city not be able to answer some questions. Explain to the city that saying NOT APPLICABLE or UNKNOWN is acceptable. These questions are NOT a selection criteria or minimum requirement for support. The idea behind asking these questions is to help you understand the level and type of support that you will need to provide to the city as technical assistance.*

*READ THE QUESTIONNAIRE CAREFULLY TO CUSTOMISE IT. SOME QUESTIONS CONTAIN EXAMPLES AND MAY NOT BE RELEVANT FOR CERTAIN PROJECTS.*

This questionnaire asks for detailed information about your city’s project to allow us to understand the level and type of support we will need to provide for the project. It seeks information on the project’s overall financial, technical, social and environmental impacts (e.g. benefits, costs, risks). We are aware that you may not be able to answer some questions at this stage, and that the answer to some will depend on receiving our support.

Please return the questionnaire completed by *(DATE)* to *(INSERT EMAIL)*.

**Structure of the questionnaire**

The questionnaire is divided into three main sections:

1. Questions about the **overall project**, including its objectives, its technical components, its background, and the required capital investment and operations and maintenance costs.
2. Questions about the **project’s climate, environmental and socio-economic**, and **land acquisition impacts**, including about any existing technical planning,
its environmental outcomes and its effects on economic and social development.

3. Questions about the agency’s financial and project management history, including its revenue sources, recent budget experience, borrowing capacity, and about the project’s proposed team structure.

The completion of the questionnaire is likely to require support from different departments within the city. We highly recommend that these departments be contacted early in the process to ensure sufficient time to complete the questionnaire.

Table of Contents

STAGE 2 QUESTIONNAIRE ........................................ERROR! BOOKMARK NOT DEFINED.
PROJECT OVERVIEW ........................................ERROR! BOOKMARK NOT DEFINED.
1. BASIC INFORMATION ............................................................................................................40
2. PROJECT DESCRIPTION .......................................................................................................41
3. PROJECT FINANCING ..........................................................................................................44
8. BUDGET PLANNING, PROJECT IMPLEMENTATION AND MANAGEMENT...48
FEEDBACK ...................................................................................................................................49

Please list the individuals / departments involved in completing this questionnaire:
1. **BASIC INFORMATION**

1.1. City/Country:

1.2. Project Name:

1.3. Lead department:

1.4. Implementing Institutions/Agencies:

1.5. Sector:

1.6. Sub-sector

1.7. Project Timeline (for the business case development):

1.8. Who is the primary CFF focal point in the city? Please provide his/her email and telephone number:

1.9. Who is the secondary CFF focal point? Please provide his/her email and telephone number:
2. PROJECT DESCRIPTION

2.1. What is the long-term vision of the project?

2.2. What is the main purpose of the project in terms of functionality? (problems to be solved and services to be provided)

2.3. What are the expected short- and medium-term outcomes?

2.4. What are the projects’ expected outputs? (specific actions)

2.5. Please describe the project's geographical location (Add description of location to the extent possible, including maps.)

2.6. Could you describe the geotechnical conditions of the area?

2.7. In which kind of climate is the project situated?

2.8. What is the scope of the project? (Depending on sub-sector, please choose: area, number of buildings, route length, capacity of renewable energy project, no of buildings, etc.)

2.9. What is the necessary area for implementing the first phase of the project, including working areas and associated facilities (hectares)?

2.10. Please explain the specific work (activities) to be undertaken:

2.11. Who are the relevant stakeholders?

2.12. Has an engagement process with stakeholders, particularly residents in the area, taken place?

2.13. Please explain the ‘soft’ measures planned as part of the project? (e.g. educational programmes etc.)

2.14. What will be the governance structure to ensure that all co-operatives will work efficiently and effectively, including their roles and responsibilities?

2.15. Does the city have a [please include the relevant one for subsector ie. Electric mobility plan, climate change action plan, transport plan, energy vision, etc.] plan (or equivalent)? If yes, how does the project align with the plan?

2.16. Does the proposed project feature in the city's resilience strategy?

2.17. Have there been any pilot projects or programmes?

2.18. If applicable, please explain the quantitative and qualitative results of any pilot programmes.

2.19. Has a prefeasibility (or similar) study already been completed? Please check below. If yes, please specify and if possible please attached those studies.
<table>
<thead>
<tr>
<th>Pre-feasibility Studies</th>
<th>Is it ready or being commissioned?</th>
<th>Timeframe and comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary design</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Institutional Assessment</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Market Sounding</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Financial Scheme assessment (e.g. PPP arrangements)</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Add study as per project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>characteristics – e.g. basic Demand Analysis/solar irradiance study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add study as per project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>characteristics – e.g. mobility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>study, solar resource database for city or province or country (incl. traffic surveys/study, macro/micro models)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Assessment</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Cost-Benefit Analysis</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Economic Assessment</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Urban Vulnerability /Risk Assessment (including climate change assessment)</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Environmental Impact Assessment</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Social Impact Assessment (e.g. formal and informal business)</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Land ownership surveys</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Land Acquisition &amp; Resettlement Plan</td>
<td>[ ] Yes [ ] No</td>
<td></td>
</tr>
<tr>
<td>Communication Strategy</td>
<td>[ ] Yes [ ] No</td>
<td>or</td>
</tr>
</tbody>
</table>

**2.20.** Will other infrastructure upon which the project may depend on be ready in time?
2.21. Please reference previous/on-going/planned national and/or international development projects in the city similar to the current proposal in [insert sector]. This will help us establish potential synergies and identify overlaps.

Think of questions to include in this section AND/OR formulate new relevant questions with support from the technical consultant.

SOURCE will be providing us with questionnaires on energy projects. This will be circulated to the team to identify relevant questions in the context of energy projects and include them in this questionnaire.

In the meantime, suggested examples are provided below.

Transport Infrastructure Relevant Questions
- Anticipated user demand:
- Main infrastructure requirements (i.e. number of buses, road redesign):
- Additional infrastructure (i.e. bus stations, depots, charging facilities):
- What type of operators/concessionaires are there today on the existing network?
- Is there an approved E-bus Transport Development Plan for the city?
- How many kilometres of E-bus lines are already deployed in the country?
- Please provide a short description of relevant other bus procurements.

Water & Waste/Water Supply Infrastructure Relevant Questions
- Is there an approved global water management plan for the River Basin Plan, or an Urban supply master Plan?
- How many people will be served by the water supply project?
- How many municipalities (boroughs) will be served by the water supply project?

Energy Efficiency in Buildings
- What types of buildings will be covered under the project?
- Has the city conducted an energy audit of these buildings?

Solar PV rooftop projects
- Is the load profile of the building(s) (on which PV rooftops is planned) known?
- Has the city assessed the roof area (on the building(s)) available for installation of PV systems?
3. PROJECT FINANCING

3.1. What is the most recent evaluation of the total construction cost for the proposed asset/facility (local currency and /or USD million, excluding value added tax (VAT))? 

3.2. What is the estimated operation and maintenance cost for the proposed asset/facility (local currency and /or USD million, without VAT, value date of the opening year)?

3.3. What is the estimated operation and maintenance cost for the proposed asset/facility (local currency and /or USD million, without VAT, value date of the opening year)?

3.4. Please list the anticipated costs of each project component and the identified sources of financing, if any:

3.5. Please provide information on the share of funding to be used for capital investments, wages, management, etc.: 

3.6. What are the funding sources envisaged to cover the operations and maintenance cost of the project over a longer time horizon?

3.7. Based on your current anticipated method of financing the project, which institutions are expected to be involved in the project's approval and implementation?

3.8. Are you planning to rollout the project in different phases? What would this mean from a financial point of view (i.e. phasing of funding)?

3.9. Are there any foreseeable capital investments in relation to the proposed project?

3.10. How can you develop a viable business case, which the CFO will take up?

3.11. How do you plan to engage with the private sector?

3.12. Has the project been presented to investors?

3.13. Have technological options been assessed?

3.14. Have you assessed potential options for user fee/subsidy combinations, which will achieve an acceptable return for operating entity and socially acceptable user fees?

3.15. Is there a formal commitment by the city to participate in the financing of the project with budgetary funds?

3.16. Is there a formal commitment by the city to support the financing of the project through other ways?

3.17. Does the proposed tariff structure for the project reflect the findings of a willingness to pay survey and affordability with regards to the potential clients?

3.18. Has the city considered a pricing strategy?

3.19. Has the project been studied from the whole lifecycle cost point of view?
4. **PROJECT CLIMATE CHANGE, ADAPTATION & CLIMATE ACTION IMPACT**

4.1. In what ways does the programme advance the city’s climate change adaptation work?

4.2. Does the project consider different future climate change scenarios?

4.3. Can the project be jeopardized by climate change?

4.4. What kind of impact will the project have on climate change?

4.5. How resilient can the project be?

4.6. Is the project actively targeting climate change adaptation measures?

4.7. Is the project expected to reduce Green House Gas (GHG) emissions?

4.8. Has a GHG emissions model (baseline calculations) been created to estimate the project's potential emissions?

4.9. Is the project contributing to intended Nationally Determined Contributions (NDCs) under the Paris Agreement on climate change?

4.10. Which United Nations Sustainable Development Goals does project target (please tick number(s))? 

4.11. Could the project be related to a Nationally-Appropriate Mitigation Action (NAMA) in the country?

5. **PROJECT ENVIRONMENTAL IMPACT**

5.1. Please summarise anticipated environmental benefits:

5.2. Has an Environmental Impact Assessment already been completed?

5.3. How will the project ensure that no wrong incentives are set?

5.4. Has an urban vulnerability/risk assessment (UVA) (or equivalent) been conducted?

5.5. Is the project area adjacent to or within any critical natural habitat area?

5.6. Is the project in close vicinity to water resources, e.g. river, lake, stream, reservoir, wetlands, etc.?

5.7. Is the project located in a geographical area exposed to natural hazards?

5.8. Is the project area known as an area with significant biodiversity?

6. **PROJECT CULTURAL AND SOCIO-ECONOMIC IMPACT**

6.1. Please state the expected number of direct project beneficiaries. Are there specific stakeholder groups that benefit from the project in particular?

6.2. Has a Social Impact Assessment with the positive social impact of the project and its benefits to the population already completed?
6.3. Has a Social Impact Assessment with the risk assessment relating to the social and socio economic impact already completed?

6.4. Does the project pose any risks to “vulnerable groups (e.g. minorities, elderly people, women and children, informal sector)” as defined under the law?

6.5. Does the project improve social and gender equity?

6.6. Does the project affect the livelihood of any stakeholders or groups of people? (ie. Informal sector, taxis or transport operators (in the case of transportation projects), local residents, etc.) Please check the following:

<table>
<thead>
<tr>
<th>Does the project affect any of the following stakeholders?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households (in general): □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Tenants/renters: □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Customary land users (without formal title): □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Formal Businesses □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Informal Business (e.g. street vendors) □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Users of public transport □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Transport unions □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Private vehicle users □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Cyclist □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Current service operators (e.g. transport) □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Taxi groups □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Elderly citizens □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Disabled citizens □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Children and young citizens □ Yes □ No □ Undetermined</td>
</tr>
<tr>
<td>Women □ Yes □ No □ Undetermined</td>
</tr>
</tbody>
</table>
6.7. Is the project area known as an area with cultural heritage sites?  
6.8. Over the course of project development, is there a likelihood of events driven by civil society activities that may have a significant impact -positive or negative- on the project preparation?  
6.9. Is there a practical way for affected communities to have access to information and to express their potential disagreements (such as a grievance mechanism)?  
6.10. Does the project pose any risks to indigenous communities, peoples and nations?  
6.11. Have you considered the socio-economic and cultural characteristics of the population to make the project affordable to the end users and well-adjusted to the population in general?  
6.12. Has the socio-economic analysis (cost - benefit analysis) already been completed?  
6.13. Have the economic studies consider the wider economic benefits provided by the project?  
6.14. How many full-time equivalent jobs will the project generate?  

7. **PROJECT LAND TENURE & LAND ACQUISITION IMPACT**  
7.1. Who owns the land on which the project is proposed to takes place/ and who will own the land once the project is completed?  
7.2. What is the actual percentage of the land controlled by the agency responsible for implementing the project (percentage) or by the city?  
7.3. Does the project require the relocation of urban populations? If yes, how does the compensation mechanism work?  
7.4. Are there any issues in respect to land acquisition process in relation to local communities?  
7.5. What legal or regulatory framework governs land acquisition and resettlements and rehabilitation process? What social safeguard standards be applied in the land acquisition and resettlements and rehabilitation process? Do these standards include any International Financial Institutions (or internationally-recognised) social safeguard standards be applied in the land acquisition/resettlement process?
8. BUDGET PLANNING, PROJECT IMPLEMENTATION AND MANAGEMENT

8.1. Does the city have an approved “capital investment plan” or multi-year budget describing major planned investments? If yes, is the proposed project featured? If no, how will the proposed project be added?

8.2. What accounting practice does the city use, e.g. cash, accrual or both?

8.3. What are the city’s main revenue sources in percentage and absolute terms (local currency and/or USD) (e.g. own-source revenues, revenues from intergovernmental transfers and external revenues)?

8.4. Has the city already allocated a yearly budget for the project?

8.5. Has the city borrowed in the last ten years? If yes, from which entities has the city borrowed (e.g. central government, private banks, or national/international development banks)?

8.6. Has the city ever borrowed in foreign currency? If yes, which ones and to what conditions?

8.7. Has the city issued debt through capital markets (e.g. bonds)? If yes, what are the city’s overall outstanding debts, and how are they served?

8.8. Does the existing institutional and legal framework of the city allow it to implement PPP arrangements (e.g. management type, leases, BOT, Availability-based payments, concessions, others)?

8.9. Has a market sounding exercise been conducted? Did the market sounding include a variety of participants (industry players, equity providers, lenders, civil society, etc.) with experience and knowledge of similar projects?

8.10. Has the city been credit-rated by an external credit-rating agency within the last five years? If yes, please state the agency and the current credit rating.

8.11. Has the local debt service capacity/debt limit been assessed? At what percentage is the debt service of the given limit?

8.12. Is the city planning to commission any studies before rolling-out the project? If yes, please indicate which ones.

8.13. What specialist consultants do you think are required to prepare the project?

8.14. In which areas do the lead department and the implementing institutions/agencies for the project require capacity development/training to successfully prepare, implement, and manage the project?
8.15. Please list any other on-going projects by the government, the private sector, NGOs, or international development organizations that are related to the proposed project:

8.16. What policies, regulatory guidelines, framework in which this project operates?

8.17. Does the executing agency have the capacity to implement environmental and social management actions?

8.18. Has a strategic communication plan been defined with clearly defined dates, roles and responsibilities of the city and private contractor/operator?

8.19. Is there a Regulator (such as a national regulatory body) for the specified type of business corresponding to the project?

8.20. Does the city have a preferred mode of implementation for the project? If it is Public Private Partnership, has the city decided the type of contract?

**FEEDBACK**

We are continuously reviewing our processes to identify opportunities for improvement. We would be very grateful for feedback on this application process and any suggestions you have for how it could be improved.
Appendix 8 – Report to the CFF Project Advisory Group – Template

Max 4 pages

**If the relevant CFF mission team considers that the project should not be considered for CFF technical assistance support only sections 1, 4 & 6 need to be completed.**

1. SNAPSHOT
   - A quick overview of the project/highlight main features of the project.
   - Estimation of resources needed (staff, time horizon etc)

2. BACKGROUND
   - City information
   - Project information
   - Sector information
   - Political situation information
   - Estimated project costs
   - Project impact:
     - Climate related impacts

3. DUE DILIGENCE PROCESS
   - Summary of city’s application and mission

4. CFF SUPPORT
   - Summary of CFF support to provide (est. time, support, studies needed)

   If the mission is unsuccessful, explain why the project is not deemed recommendable to CFF support.

5. ANALYSIS
   *Each subsection here is based on Stage 2 questionnaire. Each subsection will include a summary containing qualitative feedback based on the Stage 2 questionnaire.*

6. RISKS
   The Risk Mitigation Framework developed by CFF has been applied. Below are the main findings:

   **TABLE:** Include main risks (3-4 of the main risk criteria) and risk mitigation measures.
### 6. RECOMMENDATION

- First paragraph: Summary of findings in analysis section (above section)
- Second paragraph: Final recommendation in a few sentences

### 7. ANNEX

- Agenda of city mission
Appendix 9 – Memorandum of Understanding – Template

Memorandum of Understanding
between
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Friedrich-Ebert-Allee 40, 53113 Bonn, Germany
and
C40 Cities Climate Leadership Group Inc.
120 Park Avenue, Floor 23, New York, NY 10017
and
INSERT NAME OF CITY OR DEPARTMENT
INSERT ADDRESS
on
INSERT PROJECT TITLE

1. Introduction

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (hereinafter ‘GIZ’) is a globally acting federal enterprise that supports the German Government in achieving its objectives in the field of international cooperation for sustainable development and international education. GIZ is mainly commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

C40 Cities Climate Leadership Group (hereinafter ‘C40’) is a network of the world’s megacities committed to addressing climate change.

The Partner is the NAME OF CITY OR DEPARTMENT, INSERT ONE LINE DESCRIPTION (hereinafter “INSERT SHORTFORM”).

GIZ, C40 and INSERT SHORTFORM hereby express their interest in a closer collaboration that may include joint activities to raise financing for the project “INSERT PROJECT TITLE” (hereinafter “the project”). INSERT A ONE LINE DESCRIPTION which has been suggested to C40 and GIZ as one of INSERT NAME OF CITY OR RELEVANT DEPARTMENT high priority projects.

This Memorandum of Understanding (MoU) is made and entered into by GIZ, C40 and INSERT NAME OF CITY OR RELEVANT DEPARTMENT, who will collaborate to develop and realize the INSERT NAME OF PROJECT, build capacity for financing future projects within INSERT NAME OF CITY OR RELEVANT DEPARTMENT and share lessons learnt and emerging good practice with other cities and interested organizations.
2. Purpose

GIZ, C40 and **INSERT NAME OF CITY OR RELEVANT DEPARTMENT** endeavor to work together to … **ADD DETAILS IN THIS PARAGRAPH ON THE PROJECT AND PURPOSE OF COLLABORATION**.

This potential collaboration may focus on the following areas **TO BE MODIFIED AS PER PROJECT**:  
- Capacity Development.  
- Technical support in the technical development and technology assessment for the project  
- Technical support in developing business models and financing structures for the project  
- Technical support in accessing the most advantageous finance instruments  
- Technical support in stakeholder engagement and public participation  
- Sharing lessons learnt with other cities related to financing sustainable infrastructure projects

The above list is not exhaustive and the details of the collaboration will be determined and agreed jointly by the three parties after the signing of this MoU.

3. Modalities

GIZ, C40 and **INSERT NAME OF CITY OR RELEVANT DEPARTMENT** will each appoint a coordinator who will be responsible for ensuring the smooth implementation of the project and keeping alive the flow of communication between the Partners. **INSERT NAME OF CITY OR RELEVANT DEPARTMENT**, GIZ and C40 agree that the GIZ – coordinator (Senior Project Expert) would preferably take office near to the **INSERT NAME OF CITY OR RELEVANT DEPARTMENT** project team. The coordinator from **INSERT NAME OF CITY OR RELEVANT DEPARTMENT** will ensure that the required office space for the GIZ - Senior Project Expert is provided and that the Senior Project Expert has full access to all relevant data and meetings regarding the project.

4. Term

This MoU will become effective upon signing by all Parties. The Term shall continue until **INSERT DATE**, at which point it shall be reviewed by the Parties to determine its termination, continuation and/or need for modification. The continuation of the MoU will be contingent to the availability of additional funding to the CFF.

This MoU may be terminated at any time by any of the three Parties. The wish to terminate needs to be submitted in written form to the other Parties.
5. **Non-binding nature**

Nothing in this MoU shall be understood or construed as a binding right or obligation of the Partners or as obligating the undersigning Partners hereto to finally conclude any agreement. In particular, this MoU in no way restricts either Partner from pursuing similar activities on its own or from participating in similar activities with other public or private agencies, organizations, and individuals and shall not provide exclusivity between the Partners in the scope of any cooperation, does not endorse a specific entity, does not create any rights in any person, and does not create any obligations for any third party. The undersigning partners hereby agree that none of them shall be held liable for any losses, damages, claims, liabilities, penalties, judgments, settlements, litigation, investigations, costs or expenses suffered by anyone due to its negligence or willful misconduct. Furthermore, and without limiting anything else in this section the Partners covenant that they will not sue, assert any claim or counterclaim against, or otherwise, participate in any action or proceeding against, the other Partners or cause or authorize any person or entity to do any of the foregoing on behalf of a Partner with respect to any matter related to or arising under this Declaration or the provision of any of the services.

6. **Assignment**

This Memorandum of Understanding may not be transferred or assigned to any of the Participants, without the express written permission of the other Participants.

Date:

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**

**C40 Cities Climate Leadership Group Inc.**

**INSERT NAME OF CITY OR RELEVANT DEPARTMENT**