Pioneering Green Partnerships,
Investing in Impact

P4G Partnership Fund

Guidelines for Applicants, 2022

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P4G Partnership Fund - Guidelines for Applicants

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Abbreviations

P4G   Partnering for Green Growth and the Global Goals 2030
SDGs   Sustainable Development Goals
ODA   Official Development Assistance

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1 Introduction

P4G – Partnering for Green Growth and the Global Goals 2030 – applies a strategic and outcome-focused "Investing in Impact" approach to identify and accelerate multi-stakeholder partnerships advancing market-based solutions to drive inclusive economic growth, achieve the Paris Agreement climate change goals and the following five UN Sustainable Development Goals (SDGs):

- SDG 2 Zero Hunger
- SDG 6 Clean Water and Sanitation
- SDG 7 Affordable and Clean Energy
- SDG 11 Sustainable Cities and Communities
- SDG 12 Responsible Consumption and Production (circular economy)

P4G is a global platform accelerating pioneering green partnerships to build sustainable and resilient economies. These innovative partnerships have the potential to grow and be replicated on a global scale. P4G mobilizes a global ecosystem of 12 country partners[1] and five organizational partners[2] to generate interest and engagement in these partnerships and matches high potential partnerships with investors to unlock opportunities for advancement.

P4G partnerships consist of both commercial and non-commercial partners (see Eligibility Criteria in Section 3 below) that develop and implement a concept together that is only possible through cross-sector collaboration. P4G accelerates the development of partnerships that will scale their model of change rapidly through P4G support, network engagement, and funding.

The ambition and outcome of each partnership is a commercially viable business model that is implemented in one or more P4G partner countries that are eligible to receive Official Development Assistance (ODA) according to the Organisation for Economic Co-operation and Development's Development Assistance Committee. For the 2021-22 funding cycle, ODA-eligible P4G partner countries are **Bangladesh, Colombia, Ethiopia, Indonesia, Kenya, Mexico, South Africa, and Vietnam**.

For examples of successful P4G Partnerships, please see "The P4G Approach: Pioneering Green Partnerships, Investing in Impact." For further reading on characteristics of successful SDG-related Public-Private Partnerships, see the report "A Time for Transformative Partnerships," Li, Gray, and Dennis, 2020.

2 Description of P4G Partnership Support

P4G provides funding only to partnerships in the start-up and scale-up phases of development and growth.

- **Start-up:** Promising, early-stage partnerships that need support to test the feasibility of innovative approaches. Start-up partnerships should be on a clear path towards developing a scalable solution.

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[1] Bangladesh, Chile, Colombia, Denmark, Ethiopia, Indonesia, Kenya, the Republic of Korea, Mexico, the Netherlands, South Africa, and Vietnam
[2] C40 Cities Climate Leadership Group, Global Green Growth Institute, International Finance Corporation, World Economic Forum, World Resources Institute

- **Scale-up:** Partnerships that are already engaged in promising, business-driven green growth innovations and need support to scale up and accelerate their impact, typically in more than one P4G partner country.

P4G will work with each successful applicant to determine whether it is a start-up or a scale-up, and to determine the level of funding and timing of the grant based on the needs of the partnership. Partnership awards may be **up to USD 1 million**, typically in the USD 100,000 range for start-ups and more for scale-ups. **Cost share** is required as follows:
- For partnerships receiving USD 100,000 or less, cost share must be at least 25 percent of the partnership's total budget.
- For partnerships receiving more than USD 100,000, cost share must be at least 50 percent of the partnership's total budget.

The P4G funding period ranges from **one to two years**, usually one year for start-ups and two years for scale-ups, though this may vary depending on the needs of the partnership.

Tables 2 and 3 in Appendix 1 outline eligible uses for P4G funds and guidelines for the **cost share requirement**. As cost share is an indicator of the partnership's financial viability, P4G prefers to see monetary commercial cost-share over in-kind contributions.

Each partnership must designate an **administrative partner** to be contractually responsible for P4G funding. The administrative partner will be the sole contractual recipient of P4G funds and must be a **legally registered non-commercial entity**. Table 1 in Appendix 1 provides information on what types of organizations can serve as administrative partners for P4G awards.

All awarded P4G Partnerships will receive **guidance and support** from P4G. Each partnership benefits from some combination of these services, tailored to the partnership's specific needs and path toward commercialization:
- **Catalytic Funding**: up to USD 1 million, with cost share required, as described above
- **Co-Creation and Co-Investment**: improving the business plan and its implementation and raising the ambition of the partnership, beginning with the selection process and continuing throughout the funding period and possibly beyond.
- **Advice**: strategic leadership, commercial and financial advice to accelerate the progress of the partnership on its pathway to commercialization
- **Network**: matchmaking with relevant investors, policymakers and/or non-government organizations who accelerate progress toward the partnership's goals
- **Governance**: P4G may have a defined role in the partnership's governance structure
- **Global Recognition**: high-level recognition at the global level, elevating the profile of the partnership, including at high-level biennial P4G Summits
- **Learning**: sharing knowledge and integrating approaches for enhanced impact and replication of successful business models as part of a community of related partnerships

P4G works closely with relevant P4G National Platforms in partner countries to advance the partnership through the P4G network. Each P4G country partner establishes a National Platform comprised of senior level representatives from government, business, and civil society to coordinate national engagement and accelerate partnerships. Since the country network can have a significant role in partnership success, P4G has a strong preference for partnerships that demonstrate alignment with the national priorities of at least one P4G partner country. Relevant priorities may include Nationally Determined Contributions under the Paris Agreement as well as economic and social development goals and priorities.

P4G has identified clusters of P4G Partnerships working in the same thematic areas within the five target SDGs. These themes do not replace P4G's five SDGs, but rather serve as areas around which P4G and partnerships can collaboratively learn and advance toward their goals.

Working within themes offers several key benefits:
- Allows focused impact and alignment with global initiatives and targets related to these themes.
- Unlocks the synergies between P4G's partnerships and network that are catalytic and deliver on specific market transformations, engaging specific stakeholders to deliver greater impact faster than they could individually.
- Enables greater sharing of knowledge across related partnerships and the P4G network, and collaboration towards common goals in Communities of Learning.

Note that solutions within SDG 11, Sustainable Cities and Communities, may fit within or across any of the themes.

P4G Themes	Areas of Focus Within Themes
Energy Transition (SDG 7 & 11): de-carbonizing and increasing access to clean energy	• Renewable energy generation and services • Fuel shift towards zero emissions mobility • Energy efficiency • Energy access • Net zero communities and cities
Food and Agricultural Value Chain (SDG 2): driving efficiency, value and resilience while leveraging investment	• Farm to market value chain for improving smallholder livelihoods • Food loss and waste reduction • Sustainably produced high-value or high-nutrition crops • High-value processing upstream in the supply chain • Reforestation and nature-based solutions
Zero Waste Green Industry (SDG 12): driving efficiency, creating value and leveraging investment	• Sustainable industrial zones and green industrial production • Industrial and commercial food loss and waste • Plastics & textiles recovery and recycling • Recycle, reuse and re-purpose, waste reduction
Digital Solutions for Water (SDG 6): a digital approach to water and sanitation solutions	• FinTech for water and sanitation • PAYGO and smart meters for water and sanitation • Smart technology for non-revenue water reductions • Financial inclusion solutions

3 Eligibility Criteria

Applicants must meet <u>all six</u> of these eligibility screening criteria to submit a concept note and be considered for evaluation. If a partnership does not meet all six of these eligibility criteria, the application will be considered ineligible. See "The P4G Approach: Pioneering Green Partnerships, Investing in Impact" for examples of successful partnerships.

1. **SDG Impact:** Partnership must target significant impact on one or more of P4G's five SDGs: Zero Hunger (2); Clean Water and Sanitation (6); Affordable and Clean Energy (7); Sustainable Cities and Communities (11); Responsible Consumption and Production (12).

For more information about these SDGs, or to see the complete list of SDGs, go to https://www.un.org/sustainabledevelopment/sustainable-development-goals/.

2. **Start-up or Scale-up:** Partnerships must be in either the start-up or the scale-up phase of development. P4G does not support partnerships in the idea generation phase (including concept, research and development, or pilot phase), or in the implementation phase between start-up and scaling.

3. **Country Focus:** Partnership activities must be implemented in and benefit one or more of the P4G partner countries that are eligible for P4G funding: Bangladesh, Colombia, Ethiopia, Indonesia, Kenya, Mexico, South Africa, and Vietnam. Note that P4G funding can be used for activities in other ODA-eligible countries (link to list), as long as one (or more) P4G partner country is included.

4. **Partners:** The partnership must include at least one commercial partner (a business or group of businesses) and at least one non-commercial partner (non-governmental organizations, civil society, business member organizations, associations, trade unions, or others that operate on a non-profit basis). See Appendix 1 for additional information on the types of organizations that are eligible. The administrative partner (the contractual recipient of P4G funds) must be a legally registered non-commercial entity. The commercial partners must be committed to responsible business conduct by integrating human rights, labor rights, environmental concerns, and anti-corruption concerns into their operations and core strategies. The partnership must be able to secure acknowledgement of support from a relevant government entity in an ODA-eligible P4G partner country, though the government entity does not necessarily need to be a formal partner in the partnership.

5. **Innovative:** The partnership's emerging business model must deviate significantly from what has been done before in the country of implementation, with the ability to be a "game changer" in the sector, disruptive to current unsustainable models. The partnership's work must be "additional" to what is already happening or what would naturally happen in the marketplace. To be eligible for P4G funding, partnerships must not be primarily focused on traditional commercial business development (i.e. expansion of a core business offering), or traditional international development (i.e. programming that bilateral and multilateral funders have traditionally covered).

6. **Path to Commercial Viability:** The business plan for the product or service at the core of the partnership must show potential for future returns on investment. Partnerships focused on technical assistance or intending to remain dependent on grants should not apply.

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4   Evaluation Criteria

Partnerships that meet the eligibility criteria above will be evaluated and scored based on the following evaluation criteria. Concept notes will be scored on criteria 1 through 5. Applicants must ensure that all five criteria are addressed in the concept note. At the full proposal stage, evaluators will score partnerships on criteria 1 through 7. Applicants selected to advance to the proposal stage will receive additional instructions at that time (see Section 7 of this document).

1. **Business Plan**: A credible plan addressing an actual or potential market need, with significant potential to attract investment to replicate or scale and achieve financial sustainability

2. **Market Understanding**: Clearly demonstrated understanding of the enabling environment and market/system fundamentals underpinning the business model and develops a clear plan to overcome current market barriers by supporting policy or regulatory reform.

3. **Magnitude of Potential Transformative Impact** on SDGs and climate goals: short term (within the P4G funding period), medium term (within the scope of the initial targeted business model), and long term (assuming scaling or replication catalyzed by the partnership)

4. **P4G Alignment**: Partnership aligns with relevant national priorities, and demonstrates a clear ability to leverage P4G's network and non-financial support to significantly amplify or accelerate impact

5. **Leadership Team and Experience**: Ability to deliver results, including having the right leadership team, having the right partners engaged, strength of working relationships among partners, experience of partners, depth of connections in target countries, sufficient resources, support of relevant P4G National Platform.

6. **Workplan and Goals**: Proposal components including the workplan, goals and indicators, budget, timeline, and governance arrangements are strong and likely to deliver the impact (not scored until proposal stage)

7. **Risk Assessment and Mitigation**: A robust risk assessment and risk mitigation plan provides assurance that risks are manageable (not scored until proposal stage)

5   Previously Funded Partnerships

Partnerships that have previously been awarded P4G funds will be evaluated against the same criteria listed above, plus additional criteria including demonstrated progress toward existing goals and strong justification that additional P4G funding is needed.

6   Partnership Application Process

1. Carefully read these guidelines, including Eligibility Criteria and Evaluation Criteria above.
2. Read about P4G Partnerships on P4G's website for a deeper understanding of existing models. Examples of successful P4G partnerships are also included in "The P4G Approach: Pioneering Green Partnerships, Investing in Impact."

3. Review instructions for submitting the concept note at www.p4gpartnerships.org. Download and complete the template provided, prepare the business plan summary and business model diagram, then copy the requested information into the online form and upload the business plan summary and diagram. The online form is always open to receive concept notes (see Evaluation Process and Timeline below).
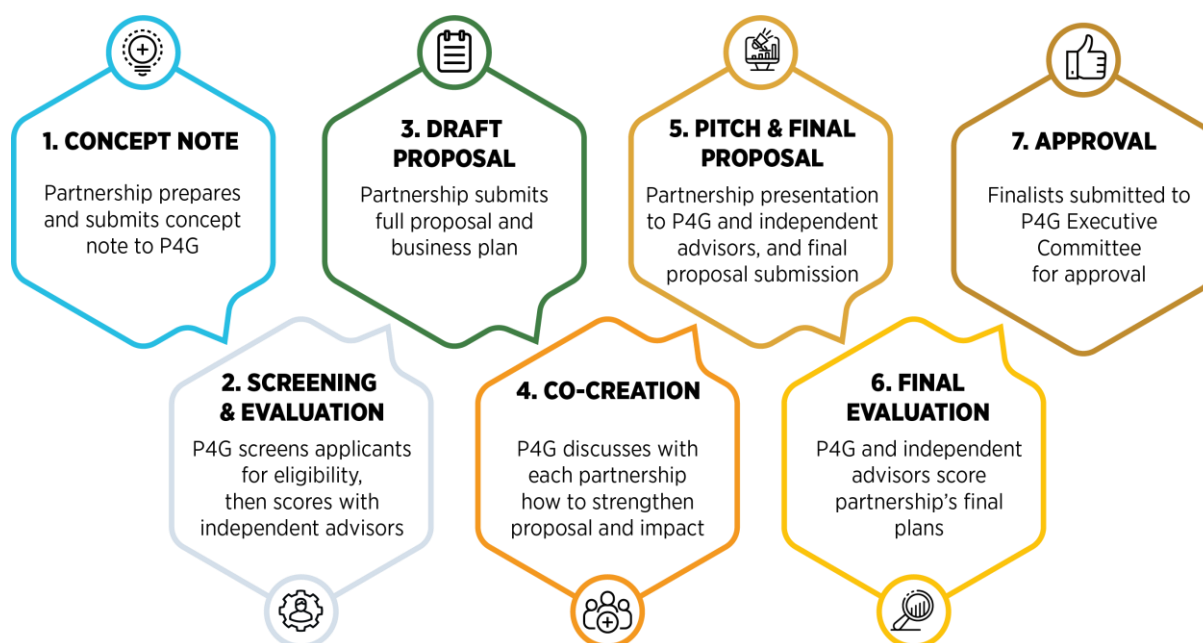
All applications must be submitted in English. All word and page limits must be strictly followed. Any applications submitted in another language or exceeding any of the word or page limits will not be considered.

P4G may contact applicants to further assess their alignment with the evaluation criteria. Successful applicants will then be notified that they have passed to the next stage and will be invited to submit a full draft proposal, including business plan, workplan and budget (see Appendix 2 for details).

7   Evaluation Process and Timeline

Partnerships may submit concept notes at any time. P4G will begin evaluations in March 2022 and will continue evaluation of applicants on a rolling basis. Partnerships should expect to work with P4G over 2-5 months to strengthen their proposals as described in this document. This call for partnerships will remain open and will not have a specific closing date. Applications should be submitted no later than March 11, 2022 to be considered for final decision by July 2022. Concepts received later may be considered for decision later in 2022.

Partnerships will go through a multi-round co-creation and evaluation process and will be assessed by a team of P4G staff, independent advisors, and P4G network members including P4G partner country and Board representatives. Based on these assessments, the P4G Hub will determine at each stage if a partnership progresses to the next. (Start-up partnerships will have reduced requirements, which will be communicated at the draft proposal stage.) P4G's Executive Committee will approve the final partnerships for funding.

1. CONCEPT NOTE
Partnership prepares and submits concept note to P4G

2. SCREENING & EVALUATION
P4G screens applicants for eligibility, then scores with independent advisors

3. DRAFT PROPOSAL
Partnership submits full proposal and business plan

4. CO-CREATION
P4G discusses with each partnership how to strengthen proposal and impact

5. PITCH & FINAL PROPOSAL
Partnership presentation to P4G and independent advisors, and final proposal submission

6. FINAL EVALUATION
P4G and independent advisors score partnership's final plans

7. APPROVAL
Finalists submitted to P4G Executive Committee for approval

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1. **Concept Note:** Partnerships will complete the concept note form including a summary of the business plan or pathway to commercialization (instructions will be provided in the concept note form; see business plan guidance here, for example, as a resource) and submit the form via P4G's website.

2. **Screening & Evaluation:** P4G will review each complete concept note according to the eligibility criteria above. Applications that meet all six of the eligibility criteria will then be scored against the evaluation criteria above. P4G will reach out to partnership applicants that score well to invite them to a screening call to discuss the concept in more detail. An independent consultant will also evaluate and score the application.

3. **Draft Proposal:** P4G will send a request for a draft full proposal and business plan as supplemental materials to the concept note to partnerships who are advancing past the Screening & Evaluation stage (additional instructions will be provided at that time, a summary of which is previewed in Appendix 2). A P4G team will review and conduct interviews and due diligence with partners in the partnership and external organizations to learn more about the submission and its potential to scale and replicate.

4. **Co-Creation:** Partnerships that continue to score high on the evaluation criteria following the Draft Proposal round will be invited to participate in co-creation calls. These calls provide an opportunity for the partnership to refine its business plan, and will include subject matter experts from P4G, country partners from the relevant National Platform(s), and partners in the partnership.

5. **Pitch & Final Proposal:** Advancing partnerships will then be invited to pitch to a panel of P4G staff and independent advisors. Successful partnerships will then submit final updated documents including the full and final proposal, business plan, workplan, budget, and monitoring and evaluation plan.

6. **Final Evaluation:** P4G and independent advisors will score the partnership on its pitch and final business plan and proposal. For highest scoring partnerships, P4G will conduct final due diligence including speaking with relevant members of its network such as National Platforms, Board members and investors to validate the potential transformative impact of the partnership. P4G will shortlist the finalists and confirm the final scope and budget.

7. **Approval:** P4G will present final partnerships to the Executive Committee of the P4G Board[3] for approval.

Questions

Any questions not answered by these Guidelines may be emailed to info@p4gpartnerships.org.

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[3] P4G's Executive Committee consists of representatives from P4G's donor countries including Denmark and the Netherlands; the Republic of Korea, which will host the 2021 P4G Seoul Summit; and the World Resources Institute, which hosts P4G.

8   Definitions

- **Additional**: The partnership must propose work that is "additional" to what is already happening or what would naturally happen in the marketplace. For example, P4G funding should be "additional" to commercial business development (i.e. expansion of a core business offering), as well as being "additional" to international development (i.e. programming that bilateral and multilateral funders typically cover). See also the Donor Committee for Enterprise Development's conceptualisation of additionality.
- **Commercially viable**: The business plan for the product or service shows potential for future returns on investment.
- **Innovation**: P4G defines innovative partnerships as those that deviate significantly from what has been done before, with the ability to be a "game changer" in the sector, disruptive to current unsustainable models.
- **Communities of Learning**: Groups of P4G partnerships that address similar or related problems. P4G convenes each group to share experiences, learn from one another, and maximize their impacts towards common goals. Communities of Learning have been formed around P4G's five SDG focus areas which will support alignment with the themes described above.

Appendix 1 – Guidelines for Use of P4G Funds

Table 1. Organizations Allowed to Act as Administrative Partner and to Receive P4G Funds from Administrative Partner

Type of Organization	Allowed to manage P4G funds as administrative partner?	Allowed to receive P4G funds from administrative partner?*
Non-profit Organization, Including Business Associations	Yes	Yes
Non-profit Organization Located in Non-ODA-eligible Country	Yes	Yes
P4G Board Members: Country and Corporate Partners	No	No
P4G Managing Partner: WRI	No	No
P4G Board Members: Organizational Partner (Excludes WRI)	No	Yes, by exception on a case-by-case basis
P4G National Platform	No	Yes, by exception on a case-by-case basis
For-profit Organization (Including B-corporations), Not on P4G Board	No	Yes, by exception on a case-by-case basis
Multilateral Government Organization	No	No
Non-legally Registered Partner	No	No
Academic Institution	No	Yes
Public Institution, Including Municipally-owned Entity, Publicly-owned Utilities	No	Yes

Table 2. Eligible and Non-eligible Expenses
For reference only and subject to change. Final details will be provided to partnerships invited to submit a full proposal.

Eligible Expenses	Non-eligible Expenses
Expenses that will directly benefit the partnership • Activities of the non-commercial partners (staff, travel, other) • External consultants and service providers • Communication costs • General and administrative (G&A) expenses. As a guide, 7% maximum of the total funding (to be defined by partnerships) • Audits, as required in the funding agreement for scale-up partnerships (audits for start-up partnerships will not be required)	• Expenses associated with purchasing land, buildings, or infrastructure • Commercial partner equipment or infrastructure expenses • Non-commercial partner equipment or infrastructure expenses • Product development in the private domain • Salary expenses for commercial partners (but they can be presented as in-kind contribution) • Direct subsidy of a financial mechanism (i.e. de-risking) or fund, unless given a waiver due to overwhelming public good • Consulting fees above the at-cost rate • Travel expenses of commercial partners

Table 3. Eligible and Non-eligible Cost Share

For reference only and subject to change. Final details will be provided to partnerships invited to submit a full proposal.

Eligible as Cost Share	Non-eligible as Cost Share
Contributed in support of the partnership's activities described in the application • Salary expenses of commercial and non-commercial partners (not already funded by P4G) • Travel and other non-salary expenses of commercial partners • Other donor funds • Contribution by commercial partner for equipment and products	• Land, buildings, and infrastructure that are passive assets

Appendix 2 – Requirements for Applicants Invited to Submit a Full Proposal and Final Selected Partnerships

The information in this section serves as reference only and is subject to change. Final details will be provided to partnerships invited to submit a full proposal.

Additional Information to be Required from Applicants and Finalists

P4G will request additional information from partnerships that advance to the draft proposal stage and later stages in the selection process. This is likely to include:

- More detailed partnership proposal, using the form to be provided, including:
  - Detailed business plan
  - Partnership workplan, budget, and impact metrics to be tracked for Monitoring and Evaluation
  - Risk analysis
  - Key partnership staff
- Partnership governance charter to be agreed to by all partners including P4G, and the relevant National Platform(s), should they choose to join (P4G will provide a template)
- Documentation of the partnership (partnership agreement or letter of commitment signed by partners, memorandum of understanding, or similar) that, at minimum:
  - Outlines the goal/purpose of the partnership
  - Outlines the responsibilities of each partner organization, including the financial and/or time commitment
  - Is formally agreed to by a representative of each partnering organization
  - Remains in effect for the duration of the P4G funding period
- Evidence of relevant government acknowledgement and endorsement of the partnership's activities, if government is not a member of the partnership. May be documented via email, letter, or other form of legal or non-binding agreement (such as the Governance Charter above), from the focal ministry (national level) of the relevant P4G National Platform or any level of government (national to local) that is pertinent to the operating parameters of the partnership.
- Administrative partner's financial statements and information about the organization's governance policies and financial controls
- Pre-approval of legal language in the funding agreement template

Requirements for Partnerships Selected for Funding

Funding Agreement: To receive funding, the administrative partner will sign the funding agreement on behalf of the partnership. The funding agreement language will be provided to finalists in advance for review.

Financial Reporting: Funded P4G Partnerships will be required to report on partnership expenses against the approved budget (typically on a quarterly basis, though this may vary depending on the complexity of the partnership and the financial risk profile of its administrative partner). Applicants will need to include cost share in their budget submittal and will be required to report cost share contribution with their regular financial reporting. Partnerships that do not demonstrate cost share

for each reporting period will not receive additional funding. An audit of partnership funding may also be required for scale-up partnerships (details will be included in the funding agreement).

Activity and Progress Reporting: Funded P4G Partnerships will be required to report at least twice a year on their activities and progress in line with the stated workplan and milestones. Progress reporting aligns with the financial reporting described above. Start-up partnerships may have different or reduced reporting requirements.

Impact Reporting: Funded P4G Partnerships will be required to report regularly (typically twice a year, as noted above) on the monitoring and evaluation metrics they develop as part of the co-creation process, documenting progress towards the partnership's stated goals, P4G's collective impact, and relevant SDG targets.

P4G Acceleration Meetings: P4G will have regular check-in calls with awarded partnerships on a frequency between fortnightly and quarterly, depending on the partnership's size (scale-up more frequently than start-up) and the opportunity for acceleration.

P4G Events: Partnerships should plan on and budget for attending and presenting at P4G's biennial summit during the term of the funding agreement. The next P4G Summit will be hosted by Colombia in 2023. Partnerships should plan to attend and be prepared to present their value proposition, methodology, key outcomes to date, and future plans.

Promotion: P4G Partnerships agree to participate in P4G promotional activities, which may include featuring the partnership in news releases and webinar presentations, and on the P4G website and social media. P4G will also request the partnership to provide images that represent the work of the partnership that can be used in promotional activities about the work of P4G. Funded partnerships agree to acknowledge P4G's support and include P4G co-branding in their promotional materials and on their website(s) about the partnership and to invite P4G to events when possible.

P4G Impact Network: Following the funding period, P4G expects partnerships to continue providing impact updates on an annual basis. These updates may be in the form of an email to P4G highlighting the partnership's progress or response to a survey. "Graduated" partnerships will also remain part of the "P4G Family" and will be invited to relevant events.

Disbursement of P4G Funding: For a typical partnership, the initial installment of funding will be paid to the administrative partner after the administrative partner returns the countersigned funding agreement and other required documentation. The amount of the initial installment will be confirmed in the funding agreement. Subsequent disbursement amounts will be informed by the workplan and budget submitted. Disbursement is typically in quarterly installments (following each financial report), depending on the assessment of the administrative partner's capacity and financial controls. Ten percent of the funding amount will be held until final reports and the promotional plan to share the results of the partnership project have been submitted and accepted by the P4G Global Hub.