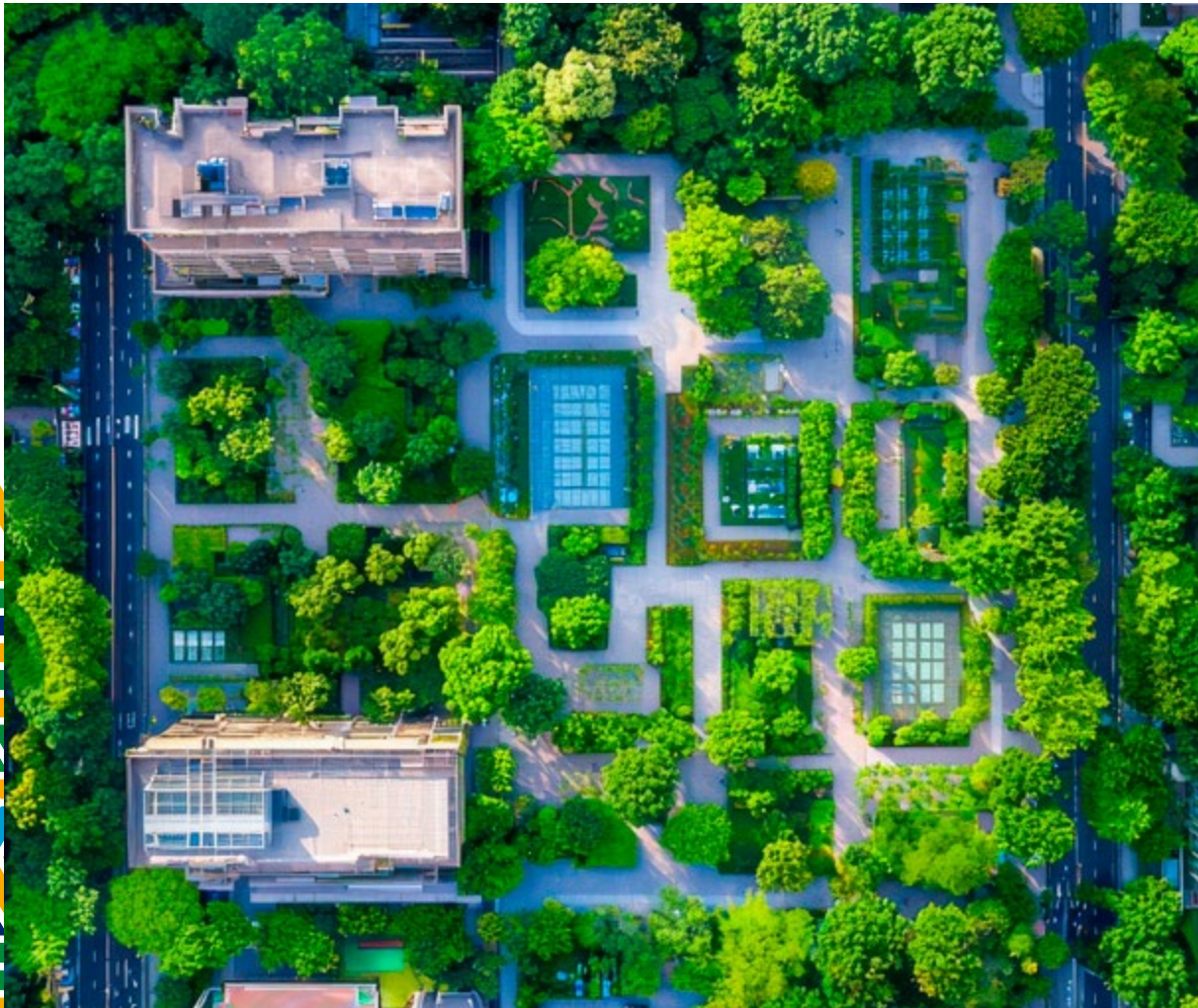




Project Preparation 2.0: From Bottlenecks to Breaking Ground

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Authors and Acknowledgements

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Glossary

Aggregation	The bundling of multiple smaller projects, assets, or investments into a larger program or portfolio to reduce transaction costs, improve scale, and make financing more feasible. Aggregation can be useful but is not a universal solution, especially where projects differ significantly by location, counterparty, data quality, contract structure, or revenue model.
Bankability	The extent to which a project meets the technical, financial, legal, environmental, social, institutional, commercial, and risk requirements of a specific funder, lender, investor, or public decision-maker. In this report, “investment-ready” is generally utilized instead of “bankable” because not all climate-aligned projects are intended to attract commercial finance, and because bankability is investor specific rather than a universal standard. Please see “investment-ready” term definition below.
Blended Finance	The strategic use of public, concessional, or philanthropic finance to mobilize additional private or commercial capital for projects that deliver development or climate outcomes but would not otherwise meet investor risk–return requirements.
Civil Society Organizations (CSOs)	Non-state, nonprofit organizations that represent social, community, environmental, professional, advocacy, or other public interest groups. In project preparation, CSOs may contribute to stakeholder engagement, accountability, local knowledge, safeguards, and community-led project development. In this report, CSO is used as a broader term that can include community-based organizations, advocacy groups, associations, and other civil society actors.
Climate-Aligned	Consistent with the goals of the Paris Agreement and with relevant national climate and development priorities, including Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Strategies (LTs), sector plans, and other country-led frameworks. In this report, climate aligned projects may include mitigation, adaptation, resilience, or crosscutting activities.
Climate Finance Unit (CFU)	A team or unit within a national government that enables countries to mainstream climate action into core national development and financing instruments, identify and prioritize climate investments, develop investment-ready projects, and leverage opportunities.
Climate Rationale	The evidence-based explanation of how a proposed project contributes to mitigation, adaptation, or resilience goals, including the relevant baseline or vulnerability context, the causal logic for intervention, and the expected climate outcomes.

Concessional Finance	Finance provided on more favorable terms than market-rate finance. This can include lower interest rates, longer tenors, grace periods, subordinated or first-loss positions, guarantees, or other features that reduce cost or risk for the recipient or other investors.
Country Platforms	A country-led coordination mechanism used to align public institutions, development partners, and financing actors around nationally defined priorities.
Development Finance Institutions (DFIs)	Publicly owned or publicly backed financial institutions that provide finance, guarantees, technical assistance, or advisory support to promote development outcomes, often in markets or sectors where commercial finance alone is insufficient.
Ecosystem Enabler	An organization, coalition, or tool that helps improve coordination, matchmaking, information flows, standards, or learning across project preparation actors, but does not necessarily function as a project support provider.
Emerging Markets and Developing Economies (EMDEs)	A broad grouping of countries with developing or emerging economic systems, often used by international financial institutions to refer to economies with lower income levels, less mature capital markets, higher perceived investment risks, or greater development financing needs. Although EMDEs can be inclusive of Least Developed Countries (LDCs) and Small Island Developing States (SIDS), in this report, LDCs and SIDS are referenced explicitly where their specific climate finance and project preparation constraints are relevant.
Feasibility	A more detailed project preparation stage that assesses technical design, costs, risks, climate impact, environmental and social issues, implementation arrangements, permits, procurement, and financial structure in sufficient detail to support investment, funding, or procurement decisions.
Grant	Non-repayable finance (unless a repayable grant) provided to support activities such as technical assistance, feasibility studies, capacity building, enabling environment work, public good analytics, or project preparation. Grants are particularly important for early-stage, non-revenue, adaptation, resilience, and public good projects.
Independent High-Level Expert Group on Climate Finance	An expert group convened to provide independent analysis and recommendations on scaling climate finance, including investment needs, international finance architecture, and reforms needed to support climate action and development in emerging and developing economies.
Investment-Ready	A project or program with a sufficiently clear development rationale, climate rationale, implementation pathway, and financing approach to advance into detailed diligence, structuring, or financing discussions. A project can be investment-ready without yet being fully bankable in a commercial project finance sense. Investment readiness is financing-pathway specific: a project may be ready for domestic, public, concessional, or programmatic finance without yet meeting the requirements of international institutional capital.

Least Developed Countries (LDCs)	A category of countries identified by the United Nations as facing severe structural impediments to sustainable development, based on criteria related to income, human assets, and economic and environmental vulnerability.
Loan	Finance provided with an obligation to repay, usually with interest and according to an agreed repayment schedule. Loans may be commercial or concessional, depending on their pricing, tenor, grace period, security, and other terms.
Multilateral Development Bank (MDB)	An international financial institution owned by multiple member countries that provides finance, guarantees, technical assistance, and policy support for development. MDBs often play a major role in infrastructure, climate finance, and project preparation in EMDEs.
Nationally Determined Contribution (NDC)	As articulated by the United Nations Framework Convention on Climate Change (UNFCCC) : “Nationally determined contributions (NDCs) are at the heart of the Paris Agreement and the achievement of these long-term goals. NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. The Paris Agreement (Article 4, paragraph 2) requires each Party to prepare, communicate and maintain successive nationally determined contributions (NDCs) that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions. Together, these climate actions determine whether the world achieves the long-term goals of the Paris Agreement and to reach global peaking of greenhouse gas (GHG) emissions as soon as possible and to undertake rapid reductions thereafter in accordance with best available science... NDCs are submitted every five years to the UNFCCC secretariat.”
NDC Partnership	The NDC Partnership is a global coalition advancing the Paris Agreement by strengthening capacity and collaboration for country-owned climate and development action. Bringing together more than 270 countries and institutions, it aligns support behind country priorities, builds shared knowledge and generates evidence to inform stronger climate action that drives sustainable development.
New Collective Quantified Goal on Climate Finance (NCQG)	The post-2025 global climate finance goal under the United Nations Framework Convention on Climate Change (UNFCCC) process, intended to build on and replace the previous USD 100 billion annual climate finance goal. In this report, the NCQG is relevant because scaling climate finance depends not only on larger finance commitments, but also on stronger systems for turning country priorities into prepared, financeable projects.
Nongovernmental Organizations (NGOs)	Nonprofit organizations independent from government that work on public-interest, development, humanitarian, environmental, research, advocacy, or implementation activities. NGOs can be part of civil society, but in this report the term is used primarily for more formal organizations that may act as technical partners, conveners, implementers, advisers, project proponents, or ecosystem enablers in the project preparation process.

Pre-feasibility	An early project preparation stage that tests whether a project concept appears technically, financially, environmentally, socially, and institutionally viable enough to justify full feasibility work.
Procurement-Ready	The extent to which a project and its sponsor are ready to enter a procurement or transaction process, including having clear procurement documentation, evaluation criteria, implementation arrangements, legal authority, and sufficient sponsor capacity to manage the process. A project may be technically or financially viable but not yet procurement ready.
Project	A defined investment, intervention, program, or set of activities designed to deliver climate and development outcomes. In this report, “project” can refer to a single asset, a program of activities, or a portfolio of similar investments, depending on the context.
Project Preparation Facility (PPF)	An organization, program, funding window, or platform that provides technical, financial, or advisory support to help move climate-aligned projects from early concept through pre-feasibility, feasibility, structuring, and procurement, toward financing or implementation.
Project Preparation Unit (PPU)	A country- or institution-based team or unit that identifies, screens, prioritizes, coordinates, and advances projects through preparation stages, often acting as the bridge between national priorities and external support providers.
Project Proponent	The institution or entity responsible for originating, developing, sponsoring, or advancing a project. Project proponents may include national ministries, subnational governments, utilities, state-owned enterprises, national development banks (NDBs), private developers, small or medium sized enterprises, NGOs, community organizations, or other implementing entities.
Returnable Grant	A specific form of reflow-enabled preparation finance in which grant support is repaid only if pre-agreed conditions are met, such as project success, award, financial close, refinancing, or sale. If those conditions are not met, repayment may be waived or reduced according to the grant agreement. Returnable grants can help recycle preparation funding while preserving concessionality, but they are not appropriate for all project types.
Rocky Mountain Institute (RMI)	An independent nonprofit organization working to transform global energy systems and accelerate market-based solutions that support a clean, prosperous, and secure energy future.
Small Island Developing States (SIDS)	A group of small island and coastal developing countries that face distinct sustainable development challenges, including small market size, geographic isolation, high exposure to climate and disaster risks, limited fiscal space, and high costs of infrastructure and service delivery.
Technical Assistance	Expert support provided to strengthen project design, analysis, capacity, structuring, documentation, or implementation readiness. Technical assistance may be delivered through consultants, embedded advisers, advisory teams, training, studies, or hands-on project development support.

Executive Summary

Emerging markets and developing economies (EMDEs), other than China, face a substantial climate investment challenge to mobilize around USD 2.4 trillion per year by 2030 and USD 3.2 trillion per year by 2035. Nonetheless, the bottleneck is not only the volume of available finance, but also the systems that turn national climate priorities into well-prepared, implementable, and investment-ready projects. Engagement with climate-aligned project preparation facilities (PPFs), financiers, and ecosystem enablers confirms what the literature and the NDC Partnership's direct experience across more than 100 developing countries show: The project preparation gap remains one of the most persistent obstacles between climate ambition and delivery at scale.

This Policy Brief has three core objectives. First, it outlines the current ecosystem of climate-aligned project preparation support operating in EMDEs—the facilities, their host institutions, the stages they cover, and the instruments they deploy. Second, it diagnoses the systemic bottlenecks that explain why climate-aligned project proposals fail to progress from concept to feasibility, structuring, and financing at the pace and scale required. Third, it proposes practical reforms that can improve the PPF and broader project support ecosystem and enable the conversion of climate priorities into impactful investments. The analysis draws on extensive literature review, consultations with experts and senior practitioners, the joint experience of RMI and the NDC Partnership Support Unit, and consultations with developing country governments.

The current ecosystem of climate-aligned project preparation support has expanded significantly over the last decade, with multiple facilities now operating across multilateral development banks (MDBs), development finance institutions (DFIs), climate funds, national institutions, developer-oriented platforms, and ecosystem enablers. While these developments have led to substantial improvements in translating priorities into investments, they have not produced a coherent and coordinated system. Project proponents face a complex and uncoordinated support landscape, including multiple entry points with divergent eligibility criteria, different project-stage definitions, and weak or missing collaboration and handoffs between those providing project-preparation support. This contributes not only to projects failing to attract investment, but also to high and avoidable transaction and sunk costs for both project developers and PPFs.

In parallel, project proponents across public and private institutions often lack the early-stage data, climate evidence, structuring capacity, and institutional continuity needed to move projects from concept to feasibility and onward to financing. The result is a system that is slow, costly to navigate, and biased toward large-scale, revenue-generating projects in more advanced markets, leaving adaptation, locally led, small-ticket, and projects in Least Developed Countries (LDCs), Small Island Developing States (SIDS), and frontier markets systematically underserved.

These weaknesses are compounded by heavy dependence on short-term grant funding. Grants remain essential, especially for public good analytics, non-revenue adaptation, and many projects in LDCs and SIDS. But a grant-only model is too brittle to sustain the scale of preparation now required. This report argues for more coherent entry points, stronger coordination, diversified funding models, clearer stage-to-stage project pathways, targeted support for underserved segments, strengthened national capacities, and better governance and learning across the ecosystem.

The Policy Brief proposes five mutually reinforcing levers to improve the climate-aligned project support ecosystem:

- **Lever 1:** Country-led, embedded preparation capacity builds the foundational in-country capacity, ownership, institutional memory, mechanisms, data, and coordination needed to originate, develop, and manage pipelines that are aligned with NDCs, NAPs, LTS, and national development priorities.
- **Lever 2:** Coherent entry points and shared preparation standards between providers make the system easier to navigate, reduce duplicative documentation, rework and transaction costs, and create a common language for moving projects from country identification and prioritization through PPFs and support providers to financiers.
- **Lever 3:** Diversified and sustainable preparation funding moves the system beyond brittle, grant-only cycles by protecting grants where they are essential, while testing reflow-enabled and revolving preparation finance, embedded technical assistance, and catalytic instruments where projects can reasonably bear them.

Stronger country-led coordination, shared standards, project development paths, and better-matched funding models should together reduce the points where projects fall between institutions.

- **Lever 4:** Support for underserved segments addresses the systematic underservicing of small-scale, adaptation-focused, locally led, and frontier market projects that current preparation models too often exclude or deprioritize.
- **Lever 5:** Governance, accountability, and learning make the system more visible and self-correcting, allowing actors to track where projects stall, what support works, who is being reached, and how reforms should evolve over time.

These levers are not a single blueprint.

Rather, they are practical reform areas that national governments, PPFs, MDBs, bilateral donors, DFIs, climate funds, philanthropies, and ecosystem conveners can adapt collectively and in their own institutional and country contexts.

At its core, the argument is straightforward: scaling climate finance and ultimately implementing climate and development goals requires scaling the quality, continuity, and coordination of project preparation. The challenge is not only to fund more studies and facilities. It is to build a more coherent and coordinated project preparation system that is country-led, financially sustainable, inclusive of smaller and more vulnerable markets, and capable of learning and improving over time.

This report recognizes that project preparation is necessary but alone is not sufficient. Projects need to be anchored in robust investment planning processes and connected to an enabling environment and financing structures that align with capital provider requirements.

[The Climate Investment Planning and Mobilization Framework \(CIPMF\)](#), co-developed by the NDC Partnership and the GCF, provides a clear roadmap on how to transition from climate and development goals towards impactful investments. Project preparation is a key enabler in this process. PPFs and ecosystem conveners can support broader investment planning processes and finance mobilization by using pipeline evidence to identify policy, regulatory, procurement, tariff, permitting, or risk allocation bottlenecks that prevent projects from becoming investment-ready. A future Policy Brief in this series will examine in depth how countries and national institutions are building capacities and deploying coordinated systems to identify, prioritize and scale the preparation and financing of climate-aligned pipelines.



Introduction

Emerging markets and developing economies (EMDEs), other than China, face a substantial climate investment challenge to mobilize around USD 2.4 trillion per year by 2030 and USD 3.2 trillion per year by 2035 to pursue climate-compatible development pathways consistent with countries' Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Strategies (LTSs), and broader development priorities (Independent High-Level Expert Group on Climate Finance, 2025). Yet the constraint is not only the volume of available finance. A persistent bottleneck is the shortage of climate-aligned, investment-ready projects and programs that can move from policy ambition through preparation, structuring, financing, and implementation. Too often, climate priorities are identified, but the project development support needed to turn them into financeable opportunities is under-resourced, fragmented, or delayed.

The challenge is not confined to one project stage. It reflects weak coordination and information flow between project proponents, preparation providers, financiers, and the wider enabling ecosystem that shapes whether projects can move from concept to financing.

Demand for project support is evident to the NDC Partnership which, to date, has received more than 1,300 requests from over 80 developing country members for developing bankable climate projects and pipelines, with just under 30% of these requests having been fully supported.

These requests span sovereign, municipal, state-owned enterprise (SOE), and private project proponents, among others, and cut across mitigation and adaptation sectors, including power systems, resilient water and sanitation, nature-based solutions, and urban services.

Interviews with climate-aligned project preparation support providers and the literature reviewed for this report point to a persistent early-stage execution gap. Project proponents can often articulate priority climate investments, but too few projects progress from concept to feasibility, structuring, and financial close at the pace and scale required. Grant funding remains essential—especially for adaptation, resilience, and many projects in Least Developed Countries (LDCs) and Small Island Developing States (SIDS)—but grants alone have proven insufficient. The climate aligned project support ecosystem also needs better sequencing, more predictable support, and, where appropriate, complementary instruments such as reimbursable or returnable grants, development stage guarantees, concessional working capital support, and other mechanisms that can recycle scarce concessional resources.

Recent international processes have reinforced the importance of this agenda. The [Baku to Belém Roadmap](#) notes that there is significant room to better align and strengthen project preparation facilities (PPFs) with multi-year programmatic approaches grounded in national planning and investment strategies.

Similarly, the Taskforce on Access to Climate Finance, a global coalition of developing countries and finance providers working at the country and system levels to identify systemic barriers to accessing and scaling climate finance, identified country-led programmatic approaches as an emerging priority to shift away from fragmented, project based financing toward more integrated, nationally anchored frameworks that can better align finance with country needs and mobilize resources at scale. Evidence from Taskforce pioneer countries and analytical work of the Center for Access to Climate Finance also highlight the importance of strengthened project preparation mechanisms and pipeline development, recognizing that limited availability of investment-ready projects remains one of the major constraints for unlocking finance and translating national climate plans into funded implementation. A recent independent evaluation of the GCF Project Preparation Facility reinforces this agenda. The evaluation frames project preparation as a strategic investment in project quality, feasibility, and long-term sustainability, and finds that upstream preparation is fundamentally linked to downstream development and climate results (Independent Evaluation Unit, 2026).

This report uses “climate-aligned PPFs” as a broad term for initiatives—typically housed in multilateral development banks (MDBs), development finance institutions (DFIs), climate funds, national development banks (NDBs) and institutions, or specialized platforms—that provide technical, financial, and advisory support to move projects from concept through pre-feasibility and feasibility to structuring, procurement, and financial close. Over the last decade, dozens of climate focused or climate-aligned facilities have emerged, signaling widespread recognition of the preparation gap.

But these often operate with different mandates, templates, funding models, and approval cycles, which creates friction for project proponents and fragmentation across the wider ecosystem.

PPFs have played an important role in expanding access to early-stage technical assistance, improving project concepts, supporting feasibility and structuring work, and helping countries, cities, utilities, and developers engage with potential funders and financiers. In many cases, they provide the first structured support that turns a policy priority, infrastructure need, or climate objective into a credible project concept. The challenge is therefore not that PPFs lack value, but that the wider ecosystem remains too fragmented, unevenly connected, and under-resourced to convert enough prepared concepts into financed projects at the pace required.

This Policy Brief focuses on the project-side challenge: building the demand side of climate finance through well-prepared, country-led, climate-aligned investment pipelines. It recognizes that preparation is necessary but not sufficient. Projects also need an enabling environment—including clear policy and regulatory frameworks, credible procurement and permitting processes, viable tariff or revenue regimes, creditworthy counterparties, domestic financial market capacity, currency risk solutions, and appropriate risk-sharing instruments—many of which sit outside project preparation itself but determine whether prepared projects can become investment ready. This distinction matters because investment readiness should not be treated as a single universal threshold. A project may be well prepared for public, concessional, domestic, or programmatic finance, while still falling short of the requirements of international institutional capital.

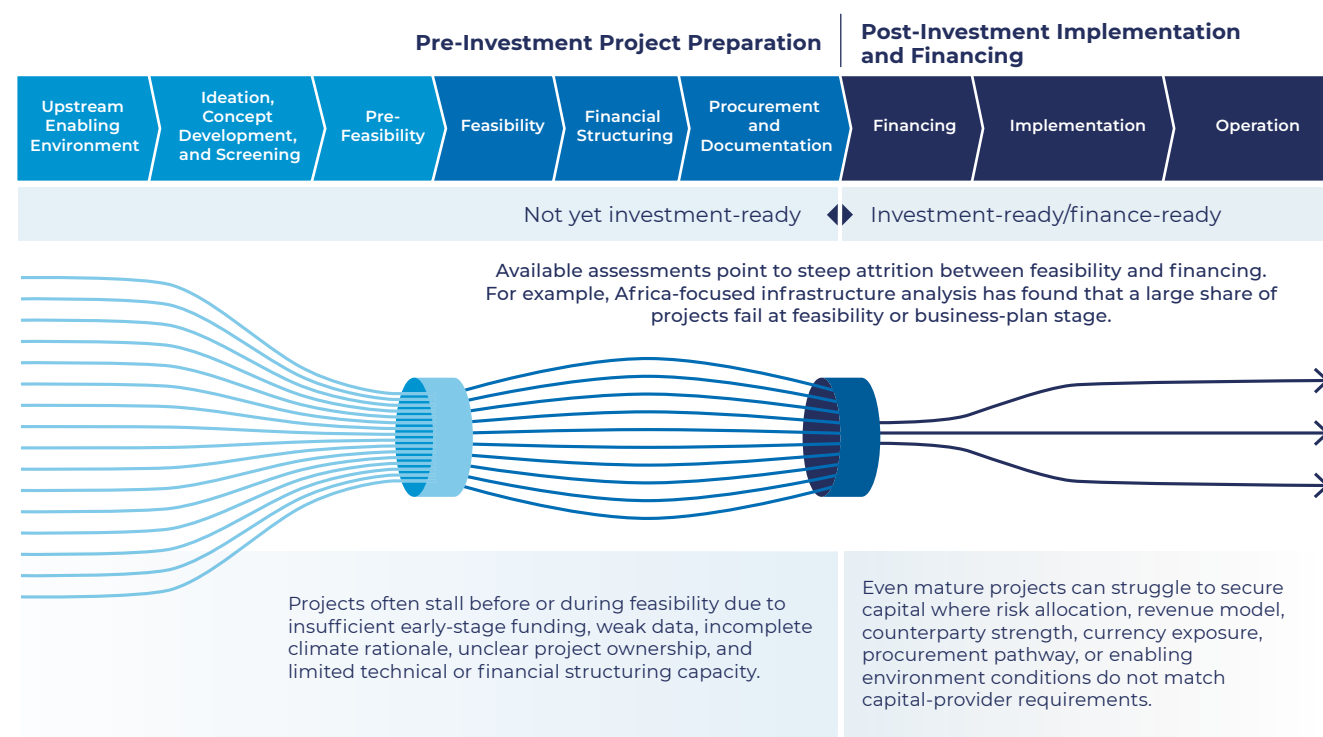
Climate projects typically pass through seven development stages (described in the subsequent section) followed by project implementation and operation (Figure 1). Comparable EMDE-wide data on project attrition are limited, but available assessments point to a steep drop-off between feasibility and financing. In Africa, for example, 80% of infrastructure projects fail at the feasibility and business plan stage and fewer than 10% reach financial close (Hussain et al., 2019). Key reasons include inadequate funding for technical assessments, studies, and data sourcing, unclear or unattractive risk–return profiles, and insufficient local institutional support or capacity during critical early stage development.

This report has three objectives. First, it maps the climate-aligned PPF landscape and clarifies how different facilities support different stages

of project development. Second, it diagnoses the systemic bottlenecks that cause promising projects to stall, duplicate work, or fail to reach financing. Third, it proposes practical, system-level reforms that governments, PPFs, MDBs, DFIs, climate funds, philanthropies, and ecosystem conveners can use to improve conversion from national climate priorities to implementable projects.

The analysis is global in scope but is focused on EMDEs, with dedicated attention to contexts where the project preparation gap is often most acute, including many LDCs and SIDS. It draws on more than 20 semi structured interviews with PPF representatives and adjacent support providers, and on a broader literature review covering operational guidance, evaluations, and prior analyses of project preparation and climate finance access.

Figure 1. Where Climate Projects Stall in the Project Development Cycle



Only a small share of proposed projects ultimately reach construction or implementation.

Interviewees included MDB- or DFI-hosted project preparation units (PPUs), climate fund preparation windows, subnational and city-focused facilities, developer-oriented platforms providing early development capital alongside technical assistance, and regional or national facilities linked to governments or NDBs. The analysis also draws on Rocky Mountain Institute (RMI) program experience and informal consultations with government counterparts, including discussions with governments that informed the report's treatment of country-led project preparation functions. A full list of interviewees is provided in Annex 1.

Taken together, the evidence suggests that improving project preparation is not just a matter of adding more facilities. It requires a more coherent ecosystem: clearer entry points, stronger country-led coordination, better handoffs between preparation stages, funding models that fit different project types, and more systematic support for smaller sponsors and underserved markets. The following sections map the landscape, diagnose the bottlenecks, and set out five levers for strengthening the project preparation system.

About RMI and the NDC Partnership

RMI, founded as Rocky Mountain Institute in 1982, is an independent, nonpartisan nonprofit that transforms global energy systems through market-driven solutions to secure a prosperous, resilient, clean energy future for all. RMI supports governments, utilities, cities, and market actors with early-stage project and program development, standardization toolkits, and blended finance design—often embedded with counterpart teams to accelerate handoffs to financing.

The NDC Partnership is a global coalition advancing the Paris Agreement by strengthening capacity and collaboration for country-owned climate and development action. With over 270 members, including over 140 countries and more than 120 institutions, the NDC Partnership aligns partner support behind country priorities, builds shared knowledge, and generates evidence to inform effective NDC implementation, sustained investment, and higher ambition that drives sustainable development. Working through a country-driven model, countries set the agenda by identifying their NDC priorities, and partners deliver coordinated, high-impact support that increases efficiency and reduces duplication. The NDC Partnership has unmatched insight into on-the-ground climate realities, drawn from diverse expertise and collaborative learning across its membership. Grounded in country action, these insights shape the global climate agenda.

The NDC Partnership Support Unit hosts the Center for Access to Climate Finance (“the Center”), which is an initiative of the Taskforce on Access to Climate Finance (“the Taskforce”). The Taskforce is a collaboration between developing countries and climate finance providers to identify and implement solutions to improve access to climate finance. The Center leverages and amplifies learning from the Taskforce and the NDC Partnership by providing thought leadership, sharing best practices, facilitating global knowledge exchange and South–South learning, and generating evidence to improve the international climate finance system.

This Policy Brief was developed by RMI and the NDC Partnership Support Unit as a contribution to the Taskforce on Access to Climate Finance.

The Landscape of Climate-Aligned Project Preparation Support in EMDEs

Climate-aligned project preparation support is delivered through a diverse and increasingly crowded ecosystem of project support providers operating in EMDEs and providing technical assistance, grants, reimbursable grants, and more rarely, development equity or risk capital to support project development at its various stages. Despite their varied institutional homes and mandates, these facilities share a common objective: accelerate the conversion of credible, climate-benefiting ideas into investment-ready proposals that can attract public and private finance. This section provides a summary of project support typologies and typical support offered by these facilities and explains how project proponents usually apply for and access support.

Climate-Aligned PPF Typology

Climate-aligned PPFs are organizations or dedicated funding windows that provide either technical or financial assistance, or both, to advance climate projects from initial ideas and concepts through pre-feasibility, feasibility, and structuring toward investment-ready or fundable structures. Because bankability depends on the requirements of the specific financier or funder, this report avoids treating “bankable” as a universal end state. A project that is considered investment ready by a climate fund may not meet a DFI’s credit requirements, a commercial lender’s risk return criteria, or an institutional investor’s mandate.

There are several institutions that host, support, and manage global and regional,¹

climate-aligned PPFs, and a small cohort working as enablers and ecosystem connectors within the network of facilities. For the purposes of this report, climate-aligned PPFs are categorized first by their respective host institution type. DFI, bilateral, and multi-donor facilities are one host type that typically offers pre feasibility and later project development support, with some institutions also offering early-stage project development support, and others offering specific, later-stage support, including due diligence and transaction assistance. An example of this type of facility is the Asia Pacific Project Preparation Facility at the Asian Development Bank. A second host type are multilateral climate funds, which often have project preparation support attached to fund investment windows that typically support project conceptualization through the development of technical studies necessary for project application to the fund. An example of this is the PPF of the Green Climate Fund (GCF).

Nongovernmental organizations (NGOs) also often host PPFs. Facilities hosted by NGOs offer a broad range of project support offerings, from those that focus on specific project stages (e.g., early-stage development) to those that cater to a range of technical analysis needs. Some also host instrument-focused facilities that incubate funds, guarantees, blended vehicles, or other financial structures (e.g., the Catalytic Climate Finance Facility, a Climate Policy Initiative–Convergence partnership).

1. Although country-led project preparation initiatives are discussed in the levers section, the climate-aligned PPFs assessed in this report do not include country-specific initiatives.

These do not usually prepare individual infrastructure projects directly, but they shape demand for prepared projects and influence how project preparation support is designed. Lastly, blended finance platforms or other climate investment vehicles are also common hosts. Those that focus on investing in climate aligned projects often include project support mechanisms or companion funds that further develop projects at the

pre- or full feasibility stage to increase their investment readiness for future investment by the platform or vehicle (e.g., the Climate Investor One Development Fund, a Climate Fund Managers vehicle).

Please see Annex 2 for additional information on the host types, project support offerings, a summary of any geographic or thematic focus, and more example institutions.

Ecosystem Enablers

Parallel to the facilities themselves, there are also ecosystem enablers who help coordinate the selection and handoffs of projects between and among climate-aligned PPFs. Within the subnational space, the Cities Climate Finance Leadership Alliance (CCFLA) and partners launched a [Harmonized PPF Application Form](#) and, more recently, the [PPF Connector](#)—a collaboration and matchmaking platform designed to streamline handoffs and reduce duplication. These efforts build on the Leadership for Urban Climate Investment initiative, which aims to translate local climate plans into finance-ready pipelines. Further, the NDC Partnership supports national governments in the matching of NDC priority climate projects with interested project support providers. This includes initiatives like the [Project Checklist pilot program](#), which provided a framework and support mechanism for six countries to organize climate-aligned project pipelines and more effectively engage with potential funders and partners; and the [Project Preparation Support Database](#), which is a searchable database of international, regional, national, and subnational PPFs focused on supporting both the preparation of climate-aligned projects, and incubators and accelerators focused on supporting climate-aligned businesses.

Financial advisory firms, engineering consultancies, legal advisers, risk analytics providers, and specialist transaction advisers also play significant roles in project preparation, often as delivery partners to PPFs, governments, developers, or financiers. They are not treated as PPFs in this report unless they operate a dedicated preparation platform or facility, but they are part of the wider project preparation ecosystem.



PPF Support Stages, Activities, and Support Sizes

Support Stages

Across climate-aligned PPFs, preparation support follows a common progression from upstream enabling environment development to project conceptualization, pre-feasibility and feasibility assessment, financial structuring, procurement, and concluding with project financing (Figure 2).² These stages are further described below.

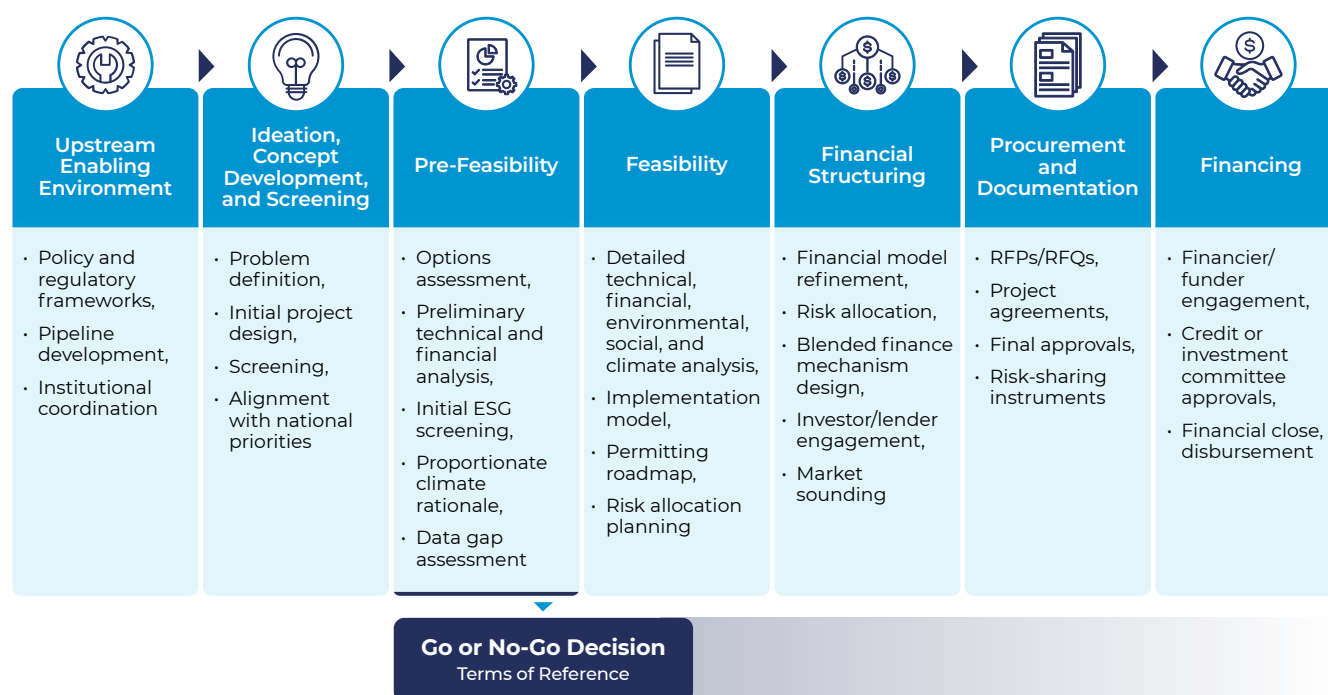
- › **Upstream Enabling Environment:** Prior to developing concrete project proposals, this initial stage of the support process is for institutions that require support to develop enabling environments and to build and enhance institutional and stakeholder capacity related to project development.
- › **Ideation, Concept Development, and Screening:** During project ideation, concept note development, and screening, project proponents define the problem statement, climate rationale, alignment with relevant national policies, plans, and procedures, indicative scope and costs, and basic implementation pathway.³
- › **Pre-Feasibility:** The pre-feasibility assessment stage usually follows the finalization of a project concept note and includes rapid technical, financial, and climate viability checks, such as an initial environmental and social review, a gender analysis, development of a climate rationale utilizing desktop data, and development of a data plan. The pre-feasibility stage concludes with a go or no-go decision and terms of reference for full studies if the project is confirmed for further support.
- › **Feasibility:** Following completion of the pre-feasibility stage, project proponents undertake full feasibility studies to confirm project viability. This includes detailed and bespoke technical, financial, environmental, and social analysis of the proposed project. This stage of the project development process also entails obtaining any necessary permits and developing a land use strategy (where applicable), a procurement approach, and an initial risk allocation.
- › **Financial Structuring:** This stage requires refinement of the project's risk allocation, including offtake, currency, construction, counterparty, revenue, and policy risks, design of blended finance mechanisms (where relevant), refinement of the financial model, preparation of preliminary term sheets, and engagement with potential lenders and investors to test investment readiness and financing fit. For many projects, this structuring work begins before the full feasibility stage is complete, as project design often needs to reflect likely financier requirements, insurability, environmental and social management systems, and procurement pathways.
- › **Procurement and Documentation:** After a project's financial structuring has been completed, project procurement can commence. This includes preparation of any necessary requests for quotation or requests for proposal and project agreements, design of transparent evaluation criteria, and finalization of risk sharing instruments and approvals.

2. The GCF's updated PPF modalities codify many of these stages, and other MDB and DFI programs have adopted similar menus.

3. In practice, many projects originate from development, service delivery, resilience, or commercial objectives and are only later assessed through a climate lens. PPFs can add value by helping proponents identify where climate alignment is credible, where project design can be strengthened to deliver mitigation or adaptation outcomes, and where a development rationale should not be mistaken for a climate rationale.

- › **Financing:** The final stage of the project development process is the identification of project financiers and funders, inclusive of final credit approvals, contract signing, and finally disbursements.

Figure 2. Development Stages for Climate-Aligned Projects



What is the Main Difference Between Pre-Feasibility and Feasibility Project Development Stages?

Across climate-aligned PPFs, there are no universal definitions for the various project development stages, and as noted in interviews with project support providers, there can often be misunderstandings between project proponents and facilities regarding which project stage support is being sought for. As a working convention in DFI-hosted programs, the pre-feasibility stage establishes preliminary technical and economic viability, compares options, and sets a plan for full studies, and the analysis is often completed with publicly available data. Following this initial assessment, the feasibility stage delivers the detailed technical design, robust cost estimates, full environmental and social due diligence, and an investment-ready financial model sufficient for investment committee review and tendering.

Activities

Within each support stage, climate-aligned PPFs provide project proponents with a menu of project support activities that differ from facility to facility. Table 1 outlines the typical support activities offered by PPFs, and their indicative cost and time frame to complete, organized by each support stage.

Table 1. Project Development Activities, Indicative Cost, and Timeframe

Development Stage	Activity Examples	Illustrative Cost and Timeframe
Upstream enabling environment	› Capacity building for staff on pipeline prioritization and development › Developing institutional policies and procedures that facilitate pipeline development	Costs and timeline vary significantly depending on level of upstream support
Ideation, concept development, and screening	› Problem statement › Alignment with Nationally Determined Contribution or National Adaptation Plan › Initial climate rationale › High-level costing › Concept note development	USD 20,000–150,000; weeks to months
Pre-feasibility	› Preliminary technical or financial model › Options analysis › Environmental and social screening › Terms of reference for feasibility study	USD 50,000–200,000; 3–6 months
Feasibility	› Full engineering, technical study, or both › Financial model › Environmental and social impact assessment › Full gender plan › Permits roadmap › Procurement strategy	USD 0.5–2 million; 6–12 months
Financial structuring	› Risk allocation › Blended finance design › Market sounding › Draft contracts	USD 1–3 million; 6–12 months
Procurement and documentation	› Request for quotes or request for proposals and project agreements › Design of transparent evaluation criteria › Finalization of risk-sharing instruments and approvals	Procurement and documentation costs and timeline vary significantly
Financing	› Investor roadshows › Credit committee › Guarantee applications › Finalized financial documents	USD 0.2–1 million; 3–9 months

Note: Cost and timeframe ranges are illustrative order-of-magnitude estimates based on reviewed facility materials, interview insights, and authors' experience in project preparation costs. They should not be read as benchmarks. Actual preparation costs vary significantly by project type, country context, procurement model, safeguards requirements, and financing structure.

Support Types

Climate-aligned PPFs provide funding to project proponents via several different support archetypes. Table 2 provides an overview of these different mechanisms.

Table 2. Funding Model Archetypes for Climate-Aligned Project Preparation Facilities (PPFs)

Archetype	How it Works	Typical Instruments	Example Use Case	Strengths	Limitations and Risks
Pure grants (time-bound windows)	› Donors or development finance institutions, or both, finance technical assistance and project studies with no repayment › Replenishment cycles govern availability	› Technical assistance grants › Small-project preparation grant windows › Readiness support	Adaptation Fund Project Formulation Grants	› Fast to deploy › Simple for recipients › Beneficial for public good analytics (policy, safeguards, inclusive planning)	› Start-stop funding › Limited availability › No capital recycling › Rations complex and non-revenue projects › Short planning horizons
Grant + reimbursable technical assistance or cost recovery	› Technical assistance costs are partly or fully repaid at project award or financial close (often for concession-type public-private partnerships), or via success fees › In some cases, waiver clauses are included for unsolicited bids or failure	› Reimbursable grants › Success fee components › Milestone-based cost recovery	Asian Development Bank Asia Pacific PPF—requires repayment for project support on award	› Stretches scarce funds › Aligns incentives with closing › Creates modest reflows for supporting additional projects	› Additional monitoring, reporting, and verification administrative burden related to tracking performance › Requires enforceable contracts › May deter project proponents with limited ability to absorb repayment risk › Recovery risk if projects stall

Table 2. Funding Model Archetypes for Climate-Aligned Project Preparation Facilities (PPFs) (continued)

Archetype	How it Works	Typical Instruments	Example Use Case	Strengths	Limitations and Risks
Developer-style risk capital (recyclable)	› Facility co-develops projects and invests early development equity or quasi-equity, and exits at financial close or operation, recouping costs and returns to recycle into new project development	› Development equity › Convertible notes › Shareholder loans › Success fees	Private Infrastructure Development Group's InfraCo project development offering—co-develops and invests in projects at risk and subsequently recovers development costs and exit proceeds for reuse	› Recycles capital › Strong incentive to reach financial close › Can crowd-in private capital › Builds repeatable developer capacity	› Requires higher risk tolerance and strong governance › Not suitable for all public good or non-revenue projects › May raise perception issues if public developer has profitable outcome
Embedded technical assistance within investment vehicles	› A debt or equity fund or guarantee facility includes a technical assistance window to prepare and structure a pipeline that it can later finance	› Technical assistance grants alongside fund capital › Viability-gap design › Transaction support	The GAIA Climate Loan Fund—offers embedded technical assistance as part of its blended finance mechanism	› Tight linkage from preparation to financing › Speeds up handoff process › Can standardize documentation across a portfolio	› Risk of pipeline capture (projects optimized for the host fund) › Technical assistance may prioritize investment readiness over public projects that meet less-investable climate needs
Sovereign or national development bank (NDB)-backed project preparation lines (potentially revolving)	› Ministries or NDBs finance project preparation and seek reimbursement at financial close, or capitalize costs into project budgets	› Budget lines › Revolving PPFs at NDBs › Cost pass-through at financial close	The Development Bank of Southern Africa—provides early-stage project preparation support to infrastructure projects	› Country ownership › Repeatable › Easier alignment with public investment plans	› Budget volatility › Reimbursement enforcement varies › May stretch public institutions if they are expected to manage preparation pipelines across multiple sectors without dedicated staff or expertise

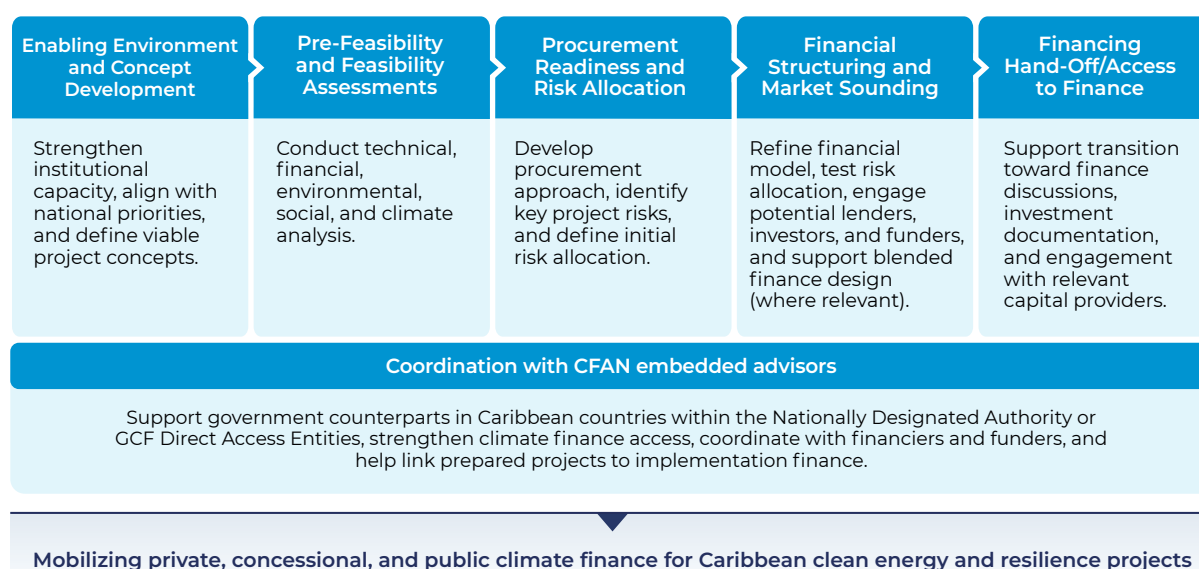
Support Value

The value of financial support offered by PPFs can vary widely across facilities and depend on both project stage and project type. Early concept support sums may be relatively small, while those for feasibility, structuring, and transaction support for complex infrastructure projects can be substantially larger. As an example of the varying values of

support offered, the [Adaptation Fund's Project Formulation Grants](#) commonly range from USD 50,000 up to 250,000 for multi-country projects. In comparison, [CCF PPF support](#) is generally capped at USD 1.5 million, with up to USD 3.0 million available on a case-by case basis for complex regional or technically intensive proposals (this support may be structured as grants or repayable grants).

Mapping PPF Support Stages in Practice: The Caribbean Climate Smart Facility

Figure 3: Mapping PPF Support Stages in Practice: The Caribbean Climate Smart Facility



The [Caribbean Climate Smart Facility \(CCSF\)](#) provides a concrete example of how a PPF delivers support across multiple stages of the project development cycle described above. The facility supports renewable energy projects in Caribbean SIDS by deploying targeted technical assistance that advances projects from early concept development through to bankability and engagement with financiers.

In practice, CCSF activities span several of the core PPF support stages. At the upstream enabling environment and ideation, concept development, and screening stages, the facility works with governments, utilities, and regulators to strengthen institutional capacity, align projects with national policies, and define viable project concepts. This early support helps ensure that projects entering the pipeline are grounded in local priorities and realistic implementation pathways.

Mapping PPF Support Stages in Practice: The Caribbean Climate Smart Facility (continued)

As projects advance, CCSF support concentrates on pre-feasibility and feasibility assessment, including technical, financial, environmental, and social analysis, alongside the development of procurement strategies and initial risk allocation. These interventions directly address the gaps that commonly prevent projects from progressing beyond studies into credible investment opportunities. At later stages, CCSF provides technical assistance with financial structuring, refining risk allocation, supporting blended finance design where relevant, and engaging potential lenders and investors to test project investment readiness. This staged approach reflects a core PPF function: using relatively small amounts of public or grant-based support to reduce risk and mobilize significantly larger volumes of private and concessional capital.

The CCSF operates in close coordination with the [Climate Finance Access Network \(CFAN\)](#), hosted by RMI. While CCSF focuses on project preparation and de-risking across the development cycle, CFAN embeds advisers within governments to help structure, access, and deploy climate finance. Together, the two mechanisms illustrate how complementary PPF models can be linked to address both project-level readiness and the institutional and financial constraints that shape investment outcomes.



Users and Beneficiaries of Climate-Aligned PPFs

Climate-aligned project proponents who utilize PPF support typically fall into one of five categories:

- › national entities including line ministries, SOEs and utilities, public agencies, and NDBs
- › subnational governments and municipal utilities
- › private developers and public-private partnerships (PPP)
- › localized non-governmental and community-level organizations
- › international organizations including DFIs and United Nations agencies

Navigating PPFs: Eligibility and Application

Eligibility Criteria

Although each PPF has its own distinct set of eligibility criteria, many facilities incorporate a subset of similar requirements. These may include requirements for alignment with national plans, NDCs and other major climate policies, plans, and programs, alignment with subnational or city strategies (as applicable), a coherent climate rationale (whether for adaptation and resilience, mitigation, or crosscutting focus areas) and a description of the benefits expected to arise from the requested support, an explanation of the sectoral, project stage and geographic fit with the facility's mandate, and details of the project size. There may also be requirements related to the project proponent, such as creditworthiness and overall alignment with the facility's mandate.

Examples of additional facility-specific criteria are climate funds which add specific policy screens (e.g., GCF's investment criteria and no-objection procedures, or the Adaptation Fund's templates and safeguards guidance).

Application Types and Frequency

Most facilities operate either rolling applications or periodic calls for proposals, while a smaller cohort proactively sources projects through their networks and engagement with national counterparts. For example, developer-oriented platforms like the Private Infrastructure Development Group's (PIDG's) InfraCo originate opportunities directly and bring risk capital and advisory resources into early development to de-risk projects ahead of third-party investment. Alternatively, many subnational-focused facilities use expressions of interest and pipeline curation to manage demand. For example, the City Climate Finance Gap Fund reports hundreds of expressions of interest and provides early scoping to cities, while the C40 Cities Finance Facility and Cities Development Initiative for Asia prepare defined work programs with municipal counterparts (City Climate Finance Gap Fund, 2023).

Finding Information About PPFs

Existing mapping efforts and coordination initiatives—namely, the CCFLA's [Project Preparation Resource Directory](#) and the NDC Partnership's [Project Preparation Support Database](#)—offer an overview of climate-aligned PPFs.

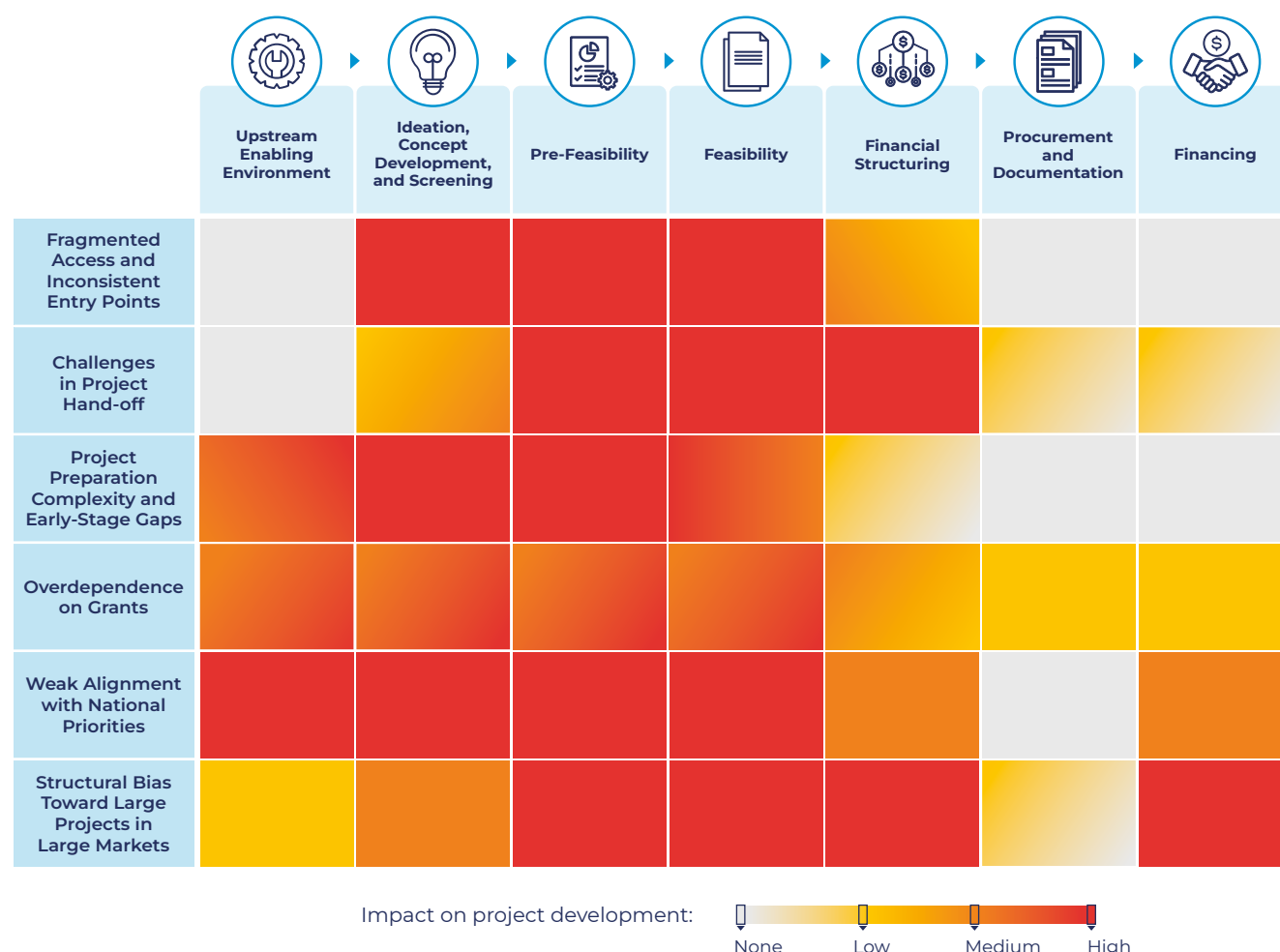
Core Bottlenecks and Challenges in the Climate-Aligned PPF Ecosystem

This section synthesizes findings and insights from interviews with PPFs and project support providers that were conducted by RMI and the NDC Partnership Support Unit between 2024 and 2025 and triangulates these conclusions with recent evaluations and operational guidance from climate funds, DFIs, bilateral and multilateral programs, and other initiatives.

The findings point to a consistent set of bottlenecks and challenges in the support of climate-aligned project development (Figure 4), including fragmented access and

inconsistent entry points across climate-aligned PPFs, challenges in project handoffs, early-stage capacity and information gaps, overdependence on grants and donor funding, misalignment with national priorities and frameworks, and a structural bias toward larger projects in larger markets. These frictions result in project pipelines in which too many viable concepts stall before financial close, despite rising climate ambition in EMDEs and a proliferation of climate-aligned project support facilities.

Figure 4. Bottleneck Heatmap Across the Project Cycle



Fragmented Access and Inconsistent Entry Points Across Climate-Aligned PPFs

What Fragmentation Looks Like Across the PPF Ecosystem

A commonly cited bottleneck for project proponents entering the climate-aligned project preparation ecosystem is the fragmentation of project preparation support across a wide range of mostly uncoordinated facilities. With a project preparation support ecosystem that boasts dozens of facilities that in many cases lack formal coordination mechanisms between one another, project proponents face various application hurdles and uncoordinated entry points throughout the project development cycle. For example, most facilities have their own project portal, eligibility criteria, application requirements, and templates, and unique definitions of project stages and activities.

A typical pathway for a project proponent seeking support can involve early project ideation and scoping support from one facility, applying to a second for pre- and full feasibility study development, which often requires additional project documentation and unique application materials, and subsequently applying to a third for structuring or investor outreach. Throughout the entire process similar information and data must be resubmitted to meet separate documentation standards. Further, PPF providers often do not recognize or accept one another's analytical outputs and require proponents to repeat work. This fragmented and nonharmonized ecosystem results in the duplication of project proponent efforts, higher transaction costs for developers and PPFs, and project delays.

Key Differences Between Facilities

Described below are common differences within the PPF ecosystem that project proponents face when applying to, and seeking support from, multiple facilities during the project development lifecycle.

- › **Application Cycles:** Some facilities run rolling applications while others use time-bound calls. For example, climate funds may align intake with their respective Board cycles, while DFI windows align with country programs or fund replenishments. This asynchronicity can lead to missed application windows and duplication of effort when projects must wait for the next open window or be reformatted.
- › **Eligibility Architecture:** Climate fund project preparation support often hinges on formal accreditation (e.g., GCF Accredited Entities, Adaptation Fund National Implementing Entities), whereas DFI-hosted facilities and blended finance platforms consider project proponent credibility, sector fit of the proposed project, and country readiness differently. A proposal that fits a climate fund's Paris Agreement alignment and safeguards screens may not meet a DFI's investment readiness or ticket size criteria.
- › **Project Stage Definitions and Documentation:** Facilities utilize different definitions of project stages and what constitutes a concept note, or pre-feasibility versus feasibility analysis, for example. They can require different minimum document sets at each project stage, ranging, for example, from light environmental scoping to full environmental and social impact assessments, and from indicative financial models to auditable project finance models.

Even in instances when the underlying project analysis is sound, differences in definitions can require project proponents to repackage and reformat content, which consumes valuable time, budget, and resources.

› **Approval Pathways and Governance:**

DFI internal approvals, climate fund Board approvals, and host government clearances follow different governance routes and templates. Because of this, applying to multiple institutions requires separate approvals to get the same work funded. Interviewees repeatedly cited clear consequences of a fragmented support ecosystem, including protracted

search and resubmission times, timing mismatches between windows, scope drift as definitions change and proponents respond to different provider criteria, and rising preparation budgets devoted to formatting, not analysis. Literature and program guidance echo these frictions, especially the costs of duplicated diligence and inconsistent determination of what defines investment readiness across the project development cycle. Furthermore, inconsistent access routes and intake datasets raise transaction costs, delay handoffs, and depress conversion from project development to financing.

Evidence of Existing PPF Coordination Efforts

Differences in requirements are not trivial, and they reflect different mandates, accreditation models, and risk policies among facilities in the project support ecosystem. For example, funding requests for the GCF Project Preparation Facility must be submitted by GCF Accredited Entities and the support is governed by Board-approved modalities (caps on support amount, eligible activities, and the option of repayable grants), whereas the Adaptation Fund's Project Formulation Grants are accessed by accredited Implementing Entities under a two-step "concept-then-formulation" process.

Additional examples of heterogeneity within the PPF ecosystem are found among DFI-hosted facilities. Within the Global Infrastructure Facility and Public-Private Infrastructure Advisory Facility, both part of the World Bank, guidance emphasizes robust early-stage preparation; however, the two facilities do not utilize a single operational intake between them. This can result in a patchwork of requirements where project proponents are required to navigate different forms and organization-specific definitions for similar steps, which may result in inflated transaction costs and timelines.

Note: GCF and the Adaptation Fund each offer fast-track accreditation to applications already accredited to the other.

Why Fragmentation Persists Across PPFs

This fragmentation stems from differences in mandates and approaches to risk governance among project preparation support institutions. For example, climate funds are designed to advance Paris-aligned impact with concessionality rules and country-driven processes. Alternatively, DFIs must satisfy their credit risk and capital mobilization mandates, and developer platforms and thematic facilities are organized to accelerate investment readiness under targeted sector or regional strategies.

Each of these legitimate rationales produces distinct intake filters and proposal expectations. In some instances, facility guidance documentation recognizes the multi-gate nature of project preparation but stops short of prescribing common applications across institutions. Broader policy signals reinforce the coordination need, which implicitly requires common metrics and shared information flows (COP30 Circle of Finance Ministers, 2025; Ministry of Finance of Brazil, 2025).

Evidence of Existing PPF Coordination Efforts.

Coordination between climate-aligned PPFs is improving but remains nascent. Within subnational and municipal-focused facilities, the CCFLA Project Preparation Action Group developed a harmonized application form for project proponents applying to a subset of subnational PPFs, and the PPF Connector (now concluded) facilitated matchmaking and handoffs between these facilities (CCFLA, 2019; 2023; 2024). Additionally, CCFLA's [Leadership for Urban Climate Investment \(LUCI\)](#) initiative added a pipeline-sharing tool to support collaboration across champions. These efforts lower search and transaction costs for subnational entities, their project proponents, and PPFs, but the scope of the initiative is limited to subnational projects, and there is no universal single entry point for climate-aligned projects that spans DFI, bilateral and multilateral facilities, climate funds, nonprofit and non-governmental organization support, blended finance platforms, and other relevant climate-aligned facilities.



Challenges in Project Handoffs Between PPFs

Climate-aligned projects, including those with relatively robust early-stage development, can stall as they move through the remainder of the project preparation cycle, often needing to secure funding and support from separate facilities for each project stage. Interviews and document reviews identify three broad friction zones: (i) difficulties in handing off preparation support across segmented facilities with differing mandates and documentation standards; (ii) difficulties in the transition from concessional or grant preparation to commercial or semicommercial financing; and (iii) the “valley of death” stage between a completed project package and actual financing for project implementation. These frictions increase project cycle times, increase required reworking of project proposal documents, and contribute to attrition in the pipeline of climate-aligned priority projects.

Fragmented Handoffs Across Climate-Aligned PPFs

Most project preparation ecosystems are functionally segmented and are composed of facilities that fund very early concept and climate rationale development, those that back the development of full feasibility studies, and those that support transaction structuring or investor outreach, among others. The Climate Policy Initiative’s assessment of subnational access to climate finance notes that, because facilities tend to “own” only parts of the project preparation chain, projects must rely on multiple PPFs, and coordination is often slow and resource-intensive, especially for smaller sponsors and cities that lack dedicated deal teams (Climate Policy Initiative, 2023). As mentioned earlier, CCFLA’s efforts to map facilities and pilot connectors demonstrate

both the value and the limits of directory-style tools: they reduce search costs but do not fully solve handoff execution or documentation harmonization (CCFLA, 2022; 2024).

Mandate and Criteria Cliffs

As projects move from grant-funded preparation toward financing, they often encounter “criteria cliffs”—sharp changes in what different institutions require before they will continue their support or commit capital. A project prepared for one source of support, such as a climate fund preparation window, may not meet a development bank’s credit, safeguards, procurement, or ticket-size requirements, or a private lender’s risk–return criteria. This also reflects a deeper distinction between project quality, procurement readiness, and international finance readiness. A project may be technically sound, aligned with national priorities, and appropriate for domestic, public, or concessional finance, yet still fall short of the audited accounts, management track record, governance systems, credit profile, procurement documentation, or transaction history expected by international financiers. In these cases, the issue is not always the quality of the project itself, but the mismatch between the project, the sponsor, and the financing pathway being pursued. This is not simply a documentation problem. It reflects the fact that bankability and procurement readiness are investor-specific: No single preparation process can satisfy every potential funder unless likely financing pathways and investor requirements are considered earlier. The result is repeated redocumentation, expanded safeguards work, rebuilt financial models, and delayed or failed transitions between preparation and financing (Global Infrastructure Hub, 2019; World Bank Group, 2017).

The “Valley of Death” Between Project Preparation and Financing

After a project has made its way through the cumbersome project development cycle to full development, likely receiving support from multiple PPFs or support providers, there is still a chance of it not receiving financing. Interviewees and published analysis indicate that this “valley of death” between project preparation and financing can occur because of four recurring reasons.

- › **Timing Mismatches:** By the time a project is ready to seek financing, windows may have closed or priorities shifted, especially when preparation takes multiple project intake cycles (Global Infrastructure Hub, 2019).
- › **Due Diligence Duplication:** Project financiers frequently redo project assessments to their own standards when conducting due diligence. This duplication of effort is inefficient and can erode local goodwill as stakeholders are surveyed repeatedly (World Bank Group, 2017).
- › **Financing Gaps and Mandate Fit:** Where a project’s risk–return profile does not fit any available financier (e.g., local currency revenue with foreign exchange risk, policy or off-taker risk, unclear guarantees, etc.), project proposals can circulate without closure. Multiple references highlight the “guarantee gap” and the need for risk sharing to make viable projects financeable

(Blended Finance Taskforce, 2023; Swiss Re Institute, 2021). For adaptation and resilience projects, one recurring gap is the difficulty of translating resilience benefits into financial metrics that lenders, insurers, credit committees, and institutional investors can use. Tools such as the [Physical Climate Risk Appraisal Methodology \(PCRAM\)](#) point toward a practical response: integrating physical climate risk and resilience benefits into investment appraisal, including implications for asset valuation, insurability, credit analysis, and avoided losses. PPFs do not need to turn every sponsor into a climate risk modeler, but they can help sponsors understand when such tools are relevant and how to prepare the evidence needed for later investor due diligence.

- › **Non-Revenue Adaptation and Grant Scarcity:** Many adaptation and community-level nature-based solutions projects can be made investment ready for public, grant, or highly concessional finance, but they are often not designed to generate the direct cash flows needed for commercial financing. As a result, even well-prepared proposals may stall after preparation if there is no suitable implementation finance window, especially where grant and concessional resources are limited (Adaptation Fund, n.d.a, n.d.b; UNEP, 2024).



Project Preparation Complexity and Early-Stage Capacity and Information Gaps

Complexity of Early-Stage Climate Project Preparation

Project proponents in EMDEs, LDCs, and SIDS face a host of complexities when advancing climate projects from the initial idea stage to investment readiness. These complexities can be categorized into two layers: complexity intrinsic to the requirements of climate projects, and the complexity of navigating all relevant project decision-makers and stakeholders within the development process.

Regarding the intricacies related to the project itself, most credible climate projects are inherently multifaceted, and can require integrating a host of early-stage data and evidence. This includes, but is not limited to:⁴

- › a defensible climate rationale (e.g., a quantified mitigation baseline and emissions-reduction logic, or an adaptation rationale grounded in hazards, exposure, vulnerability, and resilience outcomes);
- › an options analysis that screens a shortlist of technically viable alternatives;
- › early environmental and social safeguards; an indicative financial structure or model that documents input assumptions (e.g., demand, relevant tariffs and fees, expected capital and operational expenditures, etc.), shows basic sensitivities, and flags where concessional or catalytic capital may be needed (e.g., guarantees, foreign currency solutions, results-based elements, etc.);
- › a mapping of permitting and land status;
- › an implementation plan and procurement approach.

Process complexity refers to the labyrinth of decision-makers central to the project that proponents must navigate, including national and subnational authorities, utilities and SOEs, regulators, communities, and investors. It also refers to the multiple preparation facilities necessary to support project development throughout its lifecycle. As discussed in the fragmented access bottleneck above, the incongruity of requirements and various handoffs between these actors introduces “criteria cliffs” and a debilitating coordination burden on project proponents.

Together, these forms of complexity help explain why even sound concepts stall early as the work is multidisciplinary, the sequence is unforgiving, and the ecosystem is fragmented.

4. Each of these components can require different specialist skills, data sources, and standards, which must be assembled coherently at each stage of preparation.

Project Proponents' Early-Stage Capacity and Data Gaps

Many climate-aligned project ideas in EMDEs originate in institutions whose core strengths lie in policy delivery (e.g., ministries, nationally designated authorities, regulators) or service provision (utilities, municipalities, SOEs), and not in project finance or transaction design. As a result, project proposals are submitted to PPFs with unclear problem statements, incomplete baseline data, weak or generic climate rationales, and insufficient or non-credible financing pathways. This early-stage gap in capacity and necessary data appears across public and private proponents, and across the spectrum of climate-related sectors, from grid-connected power to adaptation and nature-based solutions, to municipal services. Most facilities expect a minimum set of analyses at the concept or pre-feasibility stages to justify proceeding to full feasibility, and as such, early-stage gaps in capacity and key data can result in a pause or stop to the project development process.

For adaptation projects, this may mean a vulnerability narrative that is not yet translated into a defensible intervention logic or prioritized investment pathway, and for mitigation projects, it may mean a sector ambition without a robust baseline, quantified effects, or delivery model.

These deficiencies should not be read simply as failures by project proponents. In many cases, they are precisely the gaps that project preparation support is meant to address. The problem is that many PPFs require a minimum level of data, climate rationale, institutional readiness, or financing logic before they can provide support, while proponents often need support to develop exactly those inputs. This creates a circular barrier: Projects are not prepared enough to access preparation support but cannot become better prepared without it. Across interviews and document reviews, facilities report four recurring deficiencies in early-stage proposals at proposal intake and review, which are outlined in Table 3.



Table 3. Commonly Cited Early-Stage Proposal Deficiencies

Deficiency	What This Looks Like in Practice	Why It Blocks Progress
Insufficient climate rationale	Proposals describe activities (e.g., solar photovoltaics, flood defenses, etc.) but not the specific problem, counterfactual, or quantified climate benefits. Mitigation proposals lack transparent emissions baselines and methodologies, whereas adaptation proposals rely on narrative data from project stakeholders and beneficiaries experiencing vulnerability, with limited hazard or exposure data.	Support providers and funders cannot test eligibility, benefits, or alignment with the Paris Agreement and relevant national plans and policies.
Missing data for preliminary modeling	Proposals include assumptions on project demand, cost, resource needs, and so forth, but they are often not fully evidenced. Additionally, early environmental and social review can often be limited to a screening paragraph rather than a scoped plan, and the project permitting and land status can be unclear or not identified.	Without credible baselines, support providers and funders are less likely to support full feasibility studies, and there is a high risk of reworking and scope drift.
Limited or no articulation of the proposed financing pathway	Proposals do not include a clear articulation of the project's proposed financing pathway, including whether there will be use of public, blended, or private financing, and whether the project's affordability and potential financiers' fiscal space have been taken into consideration.	A project's bankability cannot be fully assessed and tested.
Project proponent's lack of readiness and execution capacity	When preparing projects, issues including staff turnover, limited project finance literacy, and thin internal legal and transaction teams result in difficulties in managing consultants, sequencing terms of reference, and engaging prospective financiers early. Proponents may have technically credible concepts but lack the institutional systems expected by more sophisticated financiers, such as audited financial statements, prior transaction experience, stable management teams, procurement capacity, credit history, or internal legal and financial controls. This can slow intake, trigger repeated revisions, or cause projects to be screened out even when the underlying project need and climate rationale are strong Although some coaching programs exist (e.g., GET.invest Finance Readiness, Private Financing Advisory Network), demand often exceeds supply.	Intake of project proposals is slowed and can result in a frequent cycle of revising and resubmitting projects.

The Challenges in Crafting a Robust Climate Rationale

Beyond generic technical and financial inputs, most support providers and funders now expect a defensible climate rationale at the concept or pre-feasibility stage. This typically requires the following, with differences in data needs depending on the project type: (i) hazard, exposure, and vulnerability evidence (e.g., flood/heat/drought/cyclone) at a locally relevant resolution; (ii) mitigation baselines and methodologies (e.g., sectoral greenhouse gas (GHG) inventories, grid emission factors, demand baselines) to quantify expected abatement; and (iii) forward-looking climate signals (downscaled projections for temperature/precipitation, sea-level rise, extremes) that link proposed activities to measured risk reduction.

Even where global or open sources exist (e.g., World Bank [Climate Change Knowledge Portal](#), Global Facility for Disaster Reduction and Recovery [ThinkHazard!](#), Energy Sector Management Assistance Program [Global Solar Atlas](#) and [Global Wind Atlas](#), United Nations Framework Convention on Climate Change (UNFCCC) [GHG data interface](#), Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report [Working Group I Interactive Atlas](#), and the [Coordinated Regional Climate Downscaling Experiment](#)), teams face licensing limits and interoperability and spatiotemporal resolution mismatches. Examples include climate datasets that are not downscaled or bias-corrected to the project site or catchment, or that lack the sub-daily extremes needed for impact modelling. The average project proponent cannot convert raw climate variables into the design-relevant metrics financiers and engineers require (e.g., intensity-duration-frequency curves, peak flows, heat indices, storm surge levels). Most importantly, the sources of these data, typically the national hydrometeorological services, are often under-resourced, slowing access to authoritative datasets or charging cost-recovery fees.

A recurring challenge, especially for adaptation and resilience projects, is that climate rationale requirements are not always proportionate to project stage. At concept and pre-feasibility stage, a “good enough” climate rationale should usually be light touch, materiality-based, and focused on the most relevant climate risks or resilience benefits. This may include alignment with NAPs, NDC adaptation priorities, national or regional taxonomies where available, publicly available climate risk tools, national meteorological or disaster risk data, and locally collected or community knowledge.

More detailed technical analysis, such as downscaled projections, site-specific hazard modelling, quantified avoided losses, or investor-specific resilience metrics, is usually better developed once the project has a clearer financing pathway and likely funder requirements. This staged approach reduces the burden on early-stage proponents, avoids screening out promising adaptation projects too early, and allows PPFs to help strengthen or even create a credible climate rationale through project design, rather than treating it only as an upfront eligibility hurdle.

Why Capacity and Data Gaps Persist

First, many governments and project sponsors are mandated, and budgeted, for service delivery, not for maintaining investment-grade project data or producing defensible climate analytics. Teams are rewarded for keeping systems running (power, water, transport, land management, etc.), while tasks like building climate impact baselines, and curating “decision-ready” datasets for climate investments (required by funders and at PPF intake) sit outside core job descriptions and budget lines. The result is that project concepts often advance without the underlying evidence package funders increasingly require at intake.

Second, project preparation funding windows rarely provide the time, flexibility, or resources needed to build localized climate evidence and meet pre-feasibility expectations, especially when those expectations vary across facilities. What qualifies as “sufficient” at concept or pre-feasibility stages (hazard and exposure work, mitigation baselines, downscaled projections, climate rationale methodology, early environmental, and social and gender scope) are not standardized, and proponents can face shifting requirements as they move between funders.

This creates reworking and “criteria cliffs,” where projects must repeatedly reformat or redo analysis rather than deepen substance. In practice, proponents often assemble evidence only once a call opens, leading to rushed submissions that later stall in “revise-and-resubmit” loops.

Third, there is limited embedded capacity to translate global datasets into project-scale diagnostics that engineers, financiers, and decision-makers can use. Even when open climate and energy datasets exist, they can be difficult to downscale, validate, and convert into design-relevant metrics (e.g., extremes, site-level risk, investment-ready baselines) without specialized expertise and local data access. Under-resourced national data institutions and fragmented custodianship can further delay access to authoritative datasets or require cost-recovery fees. As a result, pre-feasibility work, including climate rationales and financing pathways, often relies on generic narratives or secondary sources, triggering delays when funders request quantified baselines, explicit methodologies, and forward-looking risk justification.



Consequences and Implications for Project Development

Where early-stage capacity and project information remain weak, climate-aligned project proposals face repeated deferrals, “revise-and-resubmit” loops, and attrition before projects can fully graduate to the feasibility stage. Because of these gaps, project proponents spend scarce bandwidth reformatting submissions for different facilities rather than refining analysis, and by the time a package is truly feasibility-ready, funding and support windows may have closed or priorities shifted, feeding later handoff failures. In the absence of stronger early-stage information and project development capacity, cycle times lengthen, scarce preparation budgets are consumed by rework, and progression depends too much on documentation stamina rather than project merit.

Overdependence on Grants and Donor-Funded Preparation Models

PPF Reliance on Grant and Donor Funding

Across interviews with facility managers and delivery partners, a consistent picture emerged: Most climate-aligned project preparation is financed through time-bound bilateral donor or MDB grants, often constituting one to three years of support. By relying on time-bound grant financing, PPFs and support providers are forced to plan in stop–start cycles, allocate staff time and resources to secure replenishments, and be conservative with their intake of new project proposals to avoid stranded technical assistance when windows close. For small PPF teams, staff time that could be used to support project proponents is instead diverted to fundraising and reporting, and multi-year, programmatic replication is hard to resource.

Relying almost exclusively on non-reimbursable grants to pay for project preparation tasks caps throughput and prevents recycling scarce capital into the next wave of projects, even in cases where projects ultimately become revenue-generating and could feasibly repay some development cost (Global Infrastructure Hub, 2019; World Bank Group, 2017). Further, overreliance on grant and donor funding is becoming riskier amid tightening aid budgets and shifting priorities away from climate (Global Infrastructure Hub, 2019; World Bank Group, 2017).

Overreliance of climate-aligned PPFs on grants and donor funding is also reflected within project support offerings from the larger climate funds. The GCF’s Project Preparation Facility, for example, is a capped grant window (up to USD 1.5 million for typical project proposals), the scope and allocations of which evolve with Board decisions (GCF, 2023). Similarly, the Adaptation Fund’s Project Formulation Grants instrument provides small grants (typically USD 50,000–250,000 for multi-country projects) to move projects from concept to full proposal. Although these resources can be extremely helpful to project proponents, they can be insufficient relative to complex feasibility study and structuring costs (Adaptation Fund, n.d.a, n.d.b). Policy communities are now calling for systematic expansion of preparation support. For example, the COP30 Circle of Finance Ministers report recommends that MDBs “enhance their role in project preparation” (including via partnerships with public development banks) and that systems track speed of project preparation, approval, and disbursement—an implicit recognition that today’s grant-financed preparation is insufficient and too slow (Ministry of Finance of Brazil, 2025).

Structural Drivers for Overdependence

There are several structural drivers for why climate-aligned PPFs commonly have an overdependence on time-bound grants and donor funding.

- › **Mandates and Budgeting:** Many PPF host institutions (climate funds, DFIs, NGOs) are mandated and budgeted to provide non-reimbursable technical assistance as a public good. These host institutions' fiduciary frameworks often prohibit risk-bearing instruments at the project preparation stage, steering facilities toward pure grants rather than returnable technical assistance or development equity (Global Infrastructure Hub, 2019).
- › **Replenishment Mechanics:** PPFs that operate independent of a larger host institution typically depend on time-bound donor pledges, creating funding cliffs for active support pipelines. In some instances, even large climate funds must seek Board approval for additional PPF allocations as cycles evolve (GCF, 2023).
- › **Scale and Risk Profile:** Project preparation work has front-loaded costs with uncertain conversion into fully developed projects, which private or semicommercial providers rarely finance without acquiring a share of the project. Exceptions exist (e.g., developer-oriented models that recycle success fees); however, they are not the dominant model across climate-aligned PPFs (Global Infrastructure Hub, 2019; World Bank Group, 2017).
- › **Fragmented Procurement and Attribution Incentives:** Donor programs and vertical funds that support climate-aligned PPFs often require facility-by-facility procurement and results attribution, disincentivizing pooled or revolving models that would allow for diversified funding streams but blur the lines of contribution (Global Infrastructure Hub, 2019).

What Counts as “Overdependence”?

A climate-aligned PPF can be considered overdependent on time-bound grant and donor funding when more than 80–90% of its operating and project budgets come from non-reimbursable donor grants or MDB grants with time-bound replenishments, or both, and where no return or recycle mechanisms (i.e., reimbursable technical assistance, success fee recoveries, convertible instruments) exist to stretch scarce capital. Evidence from the Global Infrastructure Hub's global reference (2019) and climate fund modalities indicates that this funding pattern is the rule, with a few developer-style exceptions (Global Infrastructure Hub, 2019; GCF, 2023).

Weak Alignment With National Priorities and Frameworks

Climate-aligned PPFs repeatedly flag insufficient alignment between project proposals and country-driven planning, including NDCs, NAPs, national biodiversity strategies and action plans, sectoral strategies, other national climate policies and plans, and national budget cycles. This gap in alignment can result in project proposals that are technically sound and otherwise well developed, but are divorced from national planning processes and priorities, such as alignment with a country's mitigation priorities outlined in its latest NDC.

Without a sound case for a proposed project's alignment with the broader national priorities of the country in which it will be implemented, PPFs can have a difficult time in determining the project's relevance as most climate-aligned PPFs require a robust connection to national priorities as part of their eligibility criteria. Further, independent reviews emphasize that country-led prioritization must anchor preparation if project conversion rates are to improve (GEF Independent Evaluation Office & GCF Independent Evaluation Unit, 2023; Inter-American Development Bank, 2021). Further highlighting this gap, the COP30 Circle of Finance Ministers and related roadmaps call for MDBs to partner with public development banks and in-country teams to align project pipelines with national priorities and track project preparation as a key performance indicator (KPI), implicitly recognizing that the preparation of climate projects outside national planning cycles often ends in failure to convert (COP29 and COP30 Presidencies, 2025; COP30 Circle of Finance Ministers, 2025; Ministry of Finance of Brazil, 2025).

Structural Bias Toward Large Projects in Large Markets

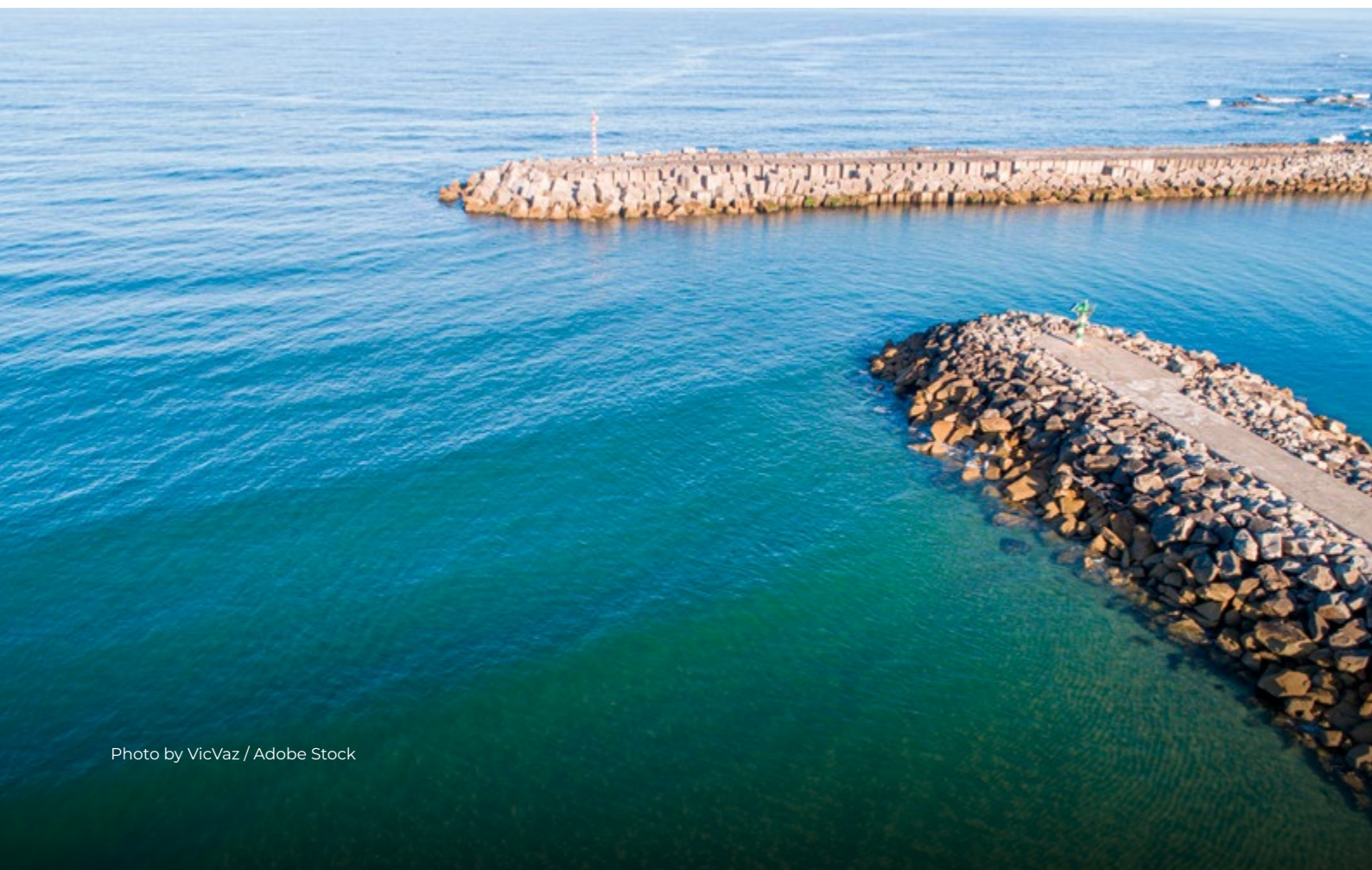
Due to the limited resources available to climate-aligned PPFs, many facilities preferentially support larger, more standardized projects in deeper capital markets where transaction costs per dollar are lower and replicability is higher. Conversely, smaller-ticket projects, including community-focused projects, nature-based solutions, and projects in smaller or less mature markets, especially SIDS and LDCs, can be deprioritized because they are often more expensive to prepare relative to project size and harder to aggregate or finance (Climate Policy Initiative, 2023; UN-OHRLLS, 2022). Earlier regional mapping similarly noted a concentration of project preparation support in a handful of African markets (Nigeria, Kenya, South Africa) and the underserving of smaller economies, a pattern that persists (World Economic Forum, 2015).

The bundling of smaller climate-aligned projects into a larger portfolio, also known as aggregation, is often proposed as a potential fix to increase preparation support for these smaller proposals. However, credible and replicable aggregation models remain scarce outside of a few subsectors due to project data heterogeneity, non-standard contracts or offtakes, and sponsor dispersion (CCFLA, 2022). Insurance market analyses also note that risk transfer and guarantees are underused in many EMDE contexts, compounding the challenge for smaller sponsors to reach investment readiness (Blended Finance Taskforce, 2023; Swiss Re Institute, 2021).

Synthesis: From Bottlenecks to a Shared Reform Agenda

Over the preceding sections, this report has set out a largely convergent diagnosis of why climate-aligned project preparation in EMDEs, including LDCs and SIDS, underperforms relative to the scale of need. Fragmented access to support, fragile handoffs between preparation and financing, uneven early-stage information and capacity, and heavy reliance on short-term grants collectively lengthen development cycles, raise transaction costs, and bias outcomes toward larger, simpler projects in deeper capital markets. Interviews with PPF managers, subnational and national representatives, and ecosystem conveners suggest these are not isolated frictions, but structural features of the current climate-aligned PPF system.

Importantly, this diagnosis is not confined to project support practitioners. Recent international processes, including the COP30 Circle of Finance Ministers, the work of the Independent High-Level Expert Group on Climate Finance, and emerging thinking on country platforms, have placed project preparation at the center of the climate finance agenda. The COP30 Circle of Finance Ministers report explicitly highlights the need to expand MDB and public development bank support for project preparation, to track it as a performance indicator, and to improve coordination with national institutions (Ministry of Finance of Brazil, 2025). Parallel work by the High-Level Expert Group similarly calls for scaled, country-anchored preparation capacity as a prerequisite for meeting the New Collective Quantified Goal on Climate Finance (Independent High-Level Expert Group on Climate Finance, 2025).



The Taskforce on Access to Climate Finance and the Center for Access to Climate Finance operate at both country and system levels to address barriers to accessing climate finance. At the system level, the Taskforce seeks to influence the broader climate finance architecture by translating country-level evidence into policy-relevant insights and actionable recommendations. At the country level, through the Taskforce Pioneer Country trials, the Center collects and generates evidence-based solutions for scale-up and replication. Efforts include strengthening countries' project preparation processes by improving coordination, reducing duplication, and supporting the establishment of integrated systems, such as climate finance units (CFUs) and country-led programmatic approaches, including country platforms. Through these structured frameworks countries can better link project preparation to national strategies, develop and manage project pipelines, and coordinate with multiple financiers.

The launch of the [Country Platforms Hub](#) at COP30 in Belém, bringing together key global coalitions and organizations,⁵ will help countries design and operationalize platforms, advance South–South learning,

and reinforce and systematize solutions to the problems already identified by climate-aligned PPFs and their partners. These initiatives respond directly to the fragmentation, capacity gaps, and misalignment with national priorities documented in this report, and they create an important opportunity to hard-wire solutions into the broader architecture of climate finance. The GCF IEU evaluation further shows that even within a large, established climate fund, project preparation support can remain constrained by unclear sequencing, weak handoffs between upstream instruments, and limited outcome-level tracking. This reinforces the need to treat project preparation as a system-level reform agenda, not only as a facility-level improvement exercise (Independent Evaluation Unit, 2026).

The next section builds on this shared diagnosis and early solutions. It sets out practical levers for system-level change that can be implemented by countries, PPFs, DFIs, philanthropies, and coalition platforms, among others, linking the specific bottlenecks identified above to concrete reforms in how project preparation is funded, organized, and connected to downstream finance.

5. These include the Green Climate Fund, the NDC Partnership, the Climate Vulnerability Forum, the V20 Group of Finance Ministers, Finance in Common, the United Nations Development Programme, and the Global Capacity Building Coalition.

Through these structured frameworks countries can better link project preparation to national strategies, develop and manage project pipelines, and coordinate with multiple financiers.

Five Levers for Strengthening the Project Preparation System

The preceding sections of this report have identified a consistent set of constraints limiting the pace, scale, and inclusiveness of climate-aligned project preparation in EMDEs. These constraints are not the result of isolated institutional failures, but reflect how the project preparation ecosystem has evolved—facility by facility, mandate by mandate—without a shared view of the ecosystem of actors, or of how individual projects that need support from multiple PPFs move from early concept to financing with limited emphasis on building durable country-led capacity and operating systems that reduce dependence on fragmented external support.

At the same time, a growing number of initiatives are attempting to address different parts of this system. The NDC Partnership and the Taskforce on Access to Climate Finance have supported countries and partners in strengthening coordination and institutional capacity to design and finance programmatic packages, the Global Capacity Building Coalition is scaling demand-driven capacity building, COP30 processes have advanced country platforms, and coalitions such as the

NDC Partnership and CCFLA are piloting more coordinated approaches to project preparation access and matchmaking.

The five levers outlined below do not propose new stand-alone initiatives. They offer a system-level reform agenda to better connect, adapt, and strengthen existing efforts across countries, PPFs, MDBs and DFIs, climate funds, public funders, philanthropies, and ecosystem conveners. Levers 1–3 focus on the core operating architecture of a stronger project preparation system: country-led pipeline ownership, clearer navigation and shared preparation standards, and more sustainable preparation funding. Lever 4 then shifts from system architecture to system reach: how to ensure support is designed for small-scale, adaptation-focused, locally led, and frontier market projects that current models too often underserve. Lever 5 focuses on system accountability and learning: the metrics, governance, evidence, and feedback loops needed to understand what is working, where projects stall, and how the ecosystem should improve over time.



Figure 5 introduces the five levers and provides a brief maturity and testing horizon for each one. These tags do not rank the levers by importance, they instead indicate how far each reform direction has matured in practice and where near-term testing may be most feasible.

The discussion of each lever follows the same structure: what constraint it addresses, what would shift if it were pursued, why the direction is credible, what it could look like in practice, and what near-term and pilot opportunities could be tested or expanded upon.

The levers are not a single blueprint or linear sequence. They should be adapted and sequenced based on country context, institutional starting points, and political economy.

The examples are illustrative rather than exhaustive, and are intended to help countries, PPFs, funders, and ecosystem conveners identify where action can begin now, where further testing is needed, and where deeper institutional reform may be required.

Figure 5. Five Levers for Strengthening the Project Preparation System

Lever	Implementation/Testing Horizon
1 Country-Led, Embedded Project Preparation Capacity: Embed ownership, coordination, data and continuity in-country.	 Foundational direction Longer-term reform, with near-term pilots possible through embedded advisors, secondments, and pipeline tracking systems.
2 Coherent Entry Points and Shared Preparation Standards: Make the system easier to navigate and reduce duplication and rework.	 Well-established direction Near-term testing ongoing/possible through minimum viable project cards, shared stage definitions, harmonized templates, and common information standards.
3 Diversified and Sustainable Preparation Funding: Protect grants where they are essential and test reflow-enabled models where appropriate.	 Emerging practice Selective testing through reimbursable TA, embedded TA, revolving preparation windows, and other instruments, with safeguards.
4 Support for Underserved Segments: Reach small-scale, adaptation-focused, locally led, SIDS/LDCs, and frontier-market projects.	 High-urgency, mixed testability Requires tailored delivery models, but targeted pilots can begin immediately.
5 Governance, Accountability, and Learning: Make the ecosystem visible, accountable, and capable of learning over time.	 Well-established direction Near-term testing possible through voluntary KPIs, lightweight dashboards, and learning sprints.

Figure 6 maps the five levers back to the bottlenecks identified earlier in this report. This reinforces a central point that no single lever solves the project preparation challenge on its own. Fragmented access, poor handoffs, weak early-stage capacity, grant dependence,

misalignment with national priorities, and structural bias toward larger projects are mutually reinforcing problems. Addressing them requires a package of reforms that operate across different parts of the system.

Figure 6. How the Five Levers Address Key Bottlenecks in the Project Preparation System

Key Bottlenecks (from diagnosis)	1 Country-Led, Embedded Project Preparation Capacity	2 Coherent Entry Points and Shared Preparation Standards	3 Diversified and Sustainable Preparation Funding	4 Support for Underserved Segments	5 Governance, Accountability, and Learning
 Fragmented Access and Inconsistent Entry Points	✓	✓		✓	✓
 Challenges in Project Handoff	✓	✓	✓	✓	✓
 Preparation Complexity and Early-Stage Gaps	✓	✓	✓	✓	✓
 Overdependence on Grants & Donor Funding	✓		✓		✓
 Weak Alignment with National Priorities	✓	✓	✓		✓
 Structural Bias Toward Large Projects in Large Markets	✓	✓	✓	✓	✓



No single lever solves every bottleneck on its own.

Checks indicate meaningful contribution, not equal strength of impact. A coordinated approach across the five levers is essential for a stronger, more country-led project preparation system.

Lever 1: Country-led, Embedded Project Preparation Capacity

Summary and Implementation Pathway

This lever focuses on building durable, country-led project preparation functions inside national institutions so countries can originate, design, prioritize, develop, and manage projects and pipelines in line with national strategies, rather than relying primarily on fragmented, externally driven support. In practice, this means embedding technical, coordination, and pipeline management capability within ministries, NDBs, CFUs, PPU, or hybrid arrangements that can both develop projects and coordinate external support. There are a number of leading examples, and near-term and pilot opportunities can begin immediately through embedded advisors, secondments, basic pipeline tracking systems, and targeted capacity-building support, while full institutionalization requires medium- to long-term investment, formal mandates, dedicated staffing, sustainable funding, and integration into national planning, budgeting, and investment systems.

What This Lever Addresses

This lever is centered on moving away from the often fragmented, temporary, and externally driven “fly-in, fly-out” models of technical assistance offered by the current ecosystem of international and climate-aligned project support providers, toward an embedded, country-led project preparation capacity that sits inside developing country government and domestic institutions and is plugged into, and works alongside, systems (e.g., PPF and technical assistance facilities and country platforms). Enhancing institutional capacity to originate, design, prioritize, develop, and manage projects and pipelines is immediately critical, even where specialized external support remains necessary for complex technical design and structuring activities in the medium term.

In practical terms, this means strengthening (or, where needed, establishing) PPUs, CFUs, or similar project development hubs that:

- › are anchored in national institutions (e.g., Ministries of Finance, planning agencies, and line ministries) or hybrid arrangements across these institutions and with the mandate and convening authority to coordinate across government;
- › translate national strategies, including NDCs, NAPs, LTSs, sectoral plans, and investment plans, into prioritized and sequenced investment pipelines of projects and programs;
- › act as the “home base” that coordinates external PPFs, MDB or DFI technical assistance, bilateral support, and philanthropy around country-owned priorities;
- › coordinate internally across ministries or agencies that otherwise do not collaborate on climate-relevant investments;
- › provide continuity across electoral cycles and donor windows.

What Shifts if This Direction is Taken

This lever involves shifts on both the country and provider sides. On the country side, it strengthens the institutional capacity to originate, prioritize, and manage project pipelines linked to national strategies. On the provider side, it asks PPFs, MDBs, DFIs, bilateral partners, and philanthropies to align their support to build long-term and country-led project preparation systems and capacities, providing clear entry points and a coordination infrastructure at the national level.

Embedded, country-led preparation capacity directly tackles several of the bottlenecks identified earlier. Notable shifts associated with the implementation of this lever include the following:

- › **Strengthens Early-Stage Capacity:** A dedicated country-level function provides an important focal point for early project diagnostics, pipeline prioritization, climate rationale development, and coordination of external expertise. Early diagnostics led or coordinated by national teams enable countries to assess whether a project concept has a clear problem statement,

climate rationale, institutional owner, basic data foundation, and plausible financing pathway before significant preparation resources are committed toward external funding or engagement.

- › **Increases Alignment With NDCs, NAPs, and National Investment Plans:** A country-anchored unit can curate pipelines that are explicitly linked to NDC or NAP priorities and sector pathways, reducing the “call-driven” bias of ad hoc preparation.
- › **Improves Project Support Handoffs:** A country-level coordination function can reduce parallel workstreams, clarify which actor is supporting which stage of preparation, and improve handoffs between facilities, technical assistance providers, and financiers.
- › **Enhances Continuity:** A standing national function can maintain institutional memory across donor windows, political cycles, and staff turnover. This helps ensure that promising projects are not repeatedly restarted, repackaged, or abandoned when an external consultant contract ends, a funding window closes, or a key official changes roles.



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Why This is Credible

Climate fund evaluations consistently stress the importance of country ownership and institutional capacity for accessing and deploying climate finance. Recent reviews of GCF and Global Environment Facility programming note that countries with strong in-country coordination units or climate finance focal points are more likely to generate coherent, fundable pipelines and to use readiness and project preparation support effectively. This reinforces the core premise of this lever: project preparation works better when countries have durable institutions that can organize demand, coordinate external support, and maintain ownership across the project cycle.

The Center for Access to Climate Finance's Policy Brief [A Practical Guide to Understanding and Establishing Climate Finance Units](#) highlights how dedicated units in ministries can improve climate finance coordination, strengthen ownership, and help develop investment-ready pipelines, while serving as focal points for development partners seeking to support project preparation. A second Policy Brief, [Country-Led Programmatic Approaches for Scaling Adaptation Finance in LDCs and SIDS](#), underscores the need for more aligned, programmatic approaches and calls for project preparation to be embedded within country-led, long-term investment frameworks that improve coordination, reduce transaction burdens, and enable more predictable, sustained support across the project cycle. Further, the COP30 Circle of Finance Ministers and the Independent High-Level Expert Group on Climate Finance both call for MDBs and public development banks to support country-led mechanisms, such as country platforms and national financial intermediaries, for project preparation and pipeline

development as part of scaling external climate finance to at least USD 1.3 trillion per year by 2035 (Independent High-Level Expert Group on Climate Finance, 2025; Ministry of Finance of Brazil, 2025).

What This Could Look Like in Practice

Rather than a single institutional model, practice suggests a set of design choices that can be adapted to the country context and tested. The aim is not necessarily to create a new unit everywhere, but to ensure there is a continuous, country-anchored project development function with clear roles, sufficient authority, and the ability to coordinate external support. Without these key elements, PPUs, CFUs, NDBs, or country platform secretariats can become dependent on temporary donor funding and lose momentum once external support ends.

Locating the Function: As discussed above, the project development function can sit in different institutional homes depending on the country context. The most important design question is not the label of the host institution, but whether the function has enough authority, technical capacity, and political backing to coordinate across government and with external finance providers. In many cases, a hybrid model may be most appropriate, with convening authority, climate expertise, and financial structuring capacity distributed across complementary institutions.

Core Functions: Whatever its institutional home, country-embedded project preparation should focus on a clear, manageable set of core functions. These include, but are not limited to:

- › pipeline curation and prioritization;
- › concept note and pre-feasibility support;
- › climate evidence and data assembly;
- › stakeholder coordination and internal capacity building;
- › coordination with PPFs and technical assistance providers;
- › project development pathway and handoff to financing and investment.

Staffing Model: Effective models can start with a small, dedicated core team and expand as the pipeline matures. Depending on country size and scope, this could begin with a handful of full-time staff, rather than a large, new bureaucracy. The staffing model should be designed around the functions the unit is expected to perform.

A unit responsible only for coordination may require a lower-level team, while a unit expected to provide direct project development support will need deeper technical, financial, legal, and procurement expertise.

Operating Tools and Principles: A project preparation unit will need to utilize key operating tools and principles to ensure effective collaboration within a wider system. A basic project pipeline tracking system is a key operating tool for any project preparation function. Such a system helps maintain continuity across institutions, funding windows, and project handoffs. Other key operating tools and principles that should be considered include: standard templates and checklists for project preparation documents, clear and transparent prioritization rules (such as NDC and NAP alignment), established coordination mechanisms across government, financiers, PPFs and other key stakeholders, and clear decision rights and escalation pathways to ensure projects do not remain stuck between institutions.



Photo by Arlette / Adobe Stock

Financing and Sustainability: Start-up funding may come from governments, MDBs, bilateral partners, climate fund readiness windows, or philanthropy, but it should be structured with a transition plan from the outset. External support can help establish the function, build tools, and train staff, but should not be the only source of long-term operating capacity. Medium-term sustainability should combine a core domestic budget allocation with diversified external support and, where appropriate, selective cost-recovery mechanisms for revenue-generating projects. To avoid units disappearing when donor-funded programs end, countries and partners should define a sustainability pathway early. This may include a phased transition from external funding to domestic budget support, integration into public investment management systems, secondment arrangements with NDBs or sector ministries, and periodic reviews of staffing and mandate. Key Systems Linkages:

- › **Country platforms:** Where country platforms exist or are emerging, a designated coordination mechanism with project preparation can serve as the technical engine that translates platform priorities into project pipelines, tracks status or gaps, and coordinates support across partners.
- › **PPFs and technical assistance providers:** The project preparation function should agree on simple handoff protocols with external support providers, including shared templates, handoff notes, and clarity on what work has already been completed.
- › **Financiers:** Bringing financiers in earlier in the project preparation process helps test whether project structures,

country enabling conditions, and risk allocation match capital provider requirements before significant preparation resources are spent. Investor clinics or structured feedback sessions, such as those provided by the UK's Climate Finance Accelerator and other transaction-oriented programs, help align early preparation work with realistic financing criteria, identify risks earlier, and avoid advancing projects toward structures that are unlikely to secure financing.

Near-Term and Pilot Opportunities

Near-term and pilot opportunities could include:

- › embedding one or two project preparation advisers within a Ministry of Finance, planning agency, NDB, or country platform secretariat to support pipeline prioritization and coordination across government;
- › testing a basic pipeline tracking system that records project owner, stage, support received, outstanding preparation needs, next decision point, and potential financing pathway;
- › creating a secondment model between national institutions, PPFs, MDBs or DFIs, and technical assistance providers to build domestic project preparation capacity while reducing dependence on short-term consultants;
- › using an existing readiness, technical assistance, or philanthropic funding window to pilot a country-led preparation function over 12–18 months, with a transition plan for longer-term institutionalization.

Lever 2: Coherent Entry Points and Shared Preparation Standards

Summary and Implementation Pathway

This lever focuses on making the project preparation ecosystem easier to enter and easier to navigate by combining clearer “front-door” functions for project proponents with shared preparation standards across support providers. In practice, it operates at two levels: at the country or platform level, governments, PPU, CFUs, NDBs, country platforms, or regional facilities can provide clearer entry points that help proponents understand where to go and how to route projects. At the PPF and ecosystem level, providers can align around common templates, stage definitions, and minimum information standards so projects can be compared more consistently and handed off with less duplication.

This is a well-established reform area with immediate potential to test, scale, or adapt ongoing and past pilot initiatives through simplified project intake forms, shared stage thresholds, and small groups of facilities or country platforms willing to trial common intake and handoff processes.

What This Lever Addresses

This lever addresses two related but distinct challenges. First, project proponents need clearer entry points to understand where to go for support and how to route projects to the right facility. Second, PPFs and support providers need more harmonized templates, stage definitions, and minimum information standards so they can compare projects, recognize prior work, reduce duplicative intake requirements, and improve handoff.

This lever operates across two levels of the project preparation ecosystem. At the country level, coherent front door functions can help governments and project proponents organize, prioritize, and route projects toward relevant support providers. At the PPF and ecosystem level, harmonized templates, shared stage definitions, and common minimum information standards can help facilities compare projects, recognize prior work, and reduce duplicative intake requirements.

The objective is not a single universal portal, but a more interoperable system where different entry points use a common minimum information standard.

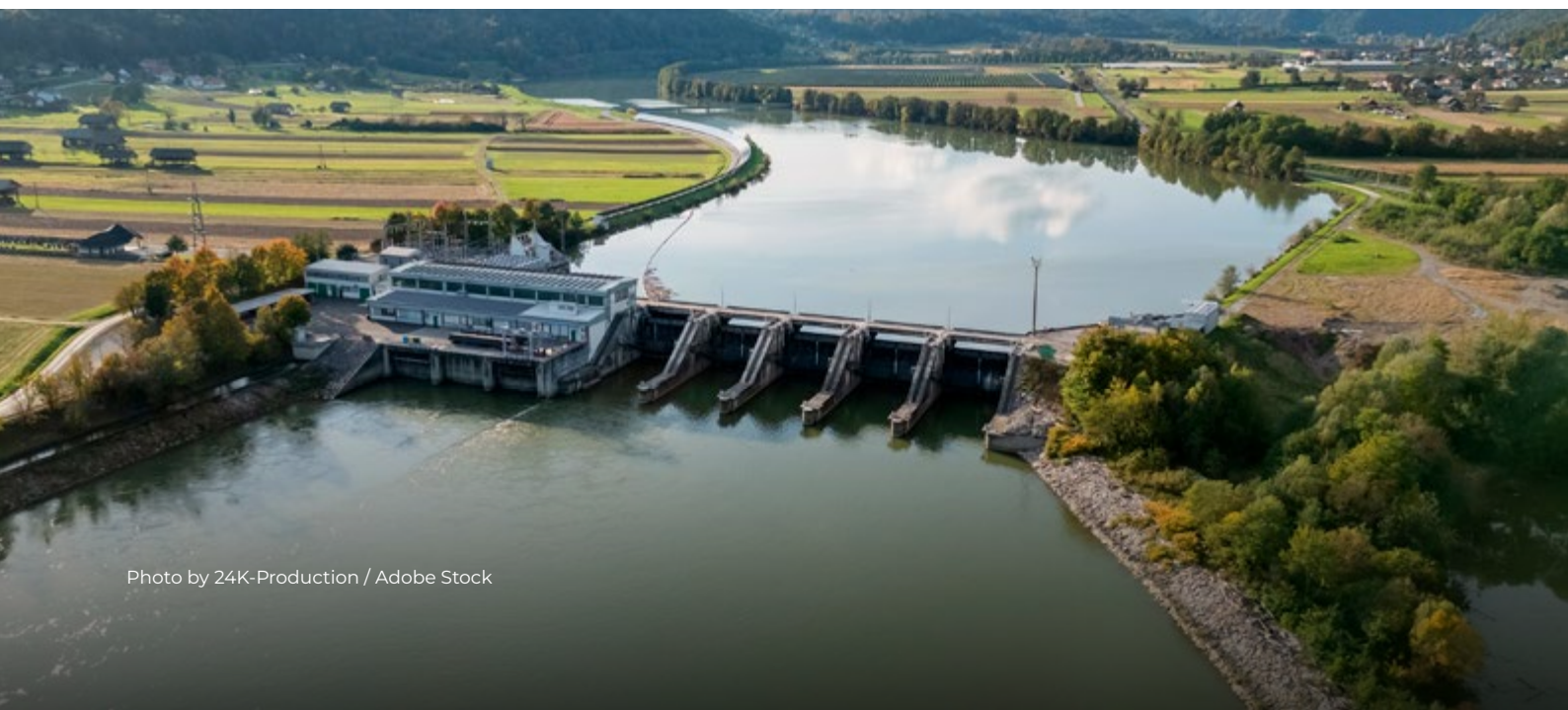
In practice, this means:

- › establishing clearer front door functions—whether national, regional, sectoral, or facility-based—so project proponents can submit core information once and be directed toward relevant PPFs, support providers, or financiers;
- › utilizing harmonized application templates and minimum viable project intake forms that can be used by country units, project proponents, PPFs, and ecosystem conveners as a common first layer of project information;
- › aligning stage definitions and quality thresholds so that PPFs, MDBs or DFIs, climate funds, and other support providers can better understand what work has already been completed and what is still needed.

What Shifts if This Direction is Taken

A coherent front door and shared project development standards directly address several bottlenecks identified earlier. Notable shifts associated with the implementation of this lever include the following:

- › **Reduces Fragmented Access and Inconsistent Intake:** Project proponents stop “guessing the right door” and resubmitting similar information in multiple formats. A clearer front door function makes it easier to identify which facilities are relevant by sector, geography, stage, proponent type, project size, and support need, and which national unit they should be coordinating with.
- › **Reduces Handoffs Friction:** Facilities receiving project support applications can build on prior work instead of restarting packaging or due diligence. This does not eliminate facility-specific due diligence, but it can reduce repeated first-stage screening, reformatting, and requests for the same basic information.
- › **Increases Pipeline Visibility:** Policymakers and financiers gain a clearer, comparable view of what exists, what stage it is at, and what support is needed.
- › **Reduces Duplicated Documentation, Diligence, and Rework:** Shared standards can help PPFs and support providers understand what analysis has already been completed, what standard it was completed to, and what gaps remain. Facilities will still apply their own fiduciary, safeguards, and investment requirements, but common minimum standards can reduce unnecessary repetition of basic screening, reformatting, and early-stage analysis when credible work has already been done.
- › **Routing to the Right Financing Pathway:** Shared standards should also help route projects to the right financing pathway, not simply make all projects conform to the highest international-capital standard. A common minimum evidence base can help identify whether a project is better suited to domestic finance, an NDB, a local commercial bank, a public budget process, a climate fund, a DFI, or private institutional capital.



Why This is Credible

Evidence suggests that this lever is already partially underway in sector- or actor-specific parts of the ecosystem, as detailed below, but that it remains uneven and incomplete.

- › The [CCFLA](#) convened a Project Preparation Action Group in 2019–2020 to develop a harmonized application form and mapped PPFs for subnational and urban climate projects. The mapping helped clarify roles and coverage and created a practical basis for more consistent intake; however, full adoption of the common form was constrained by institutional processes and IT systems, illustrating both the promise and the difficulty of harmonization.
- › In 2023 CCFLA also launched the [Project Preparation Facility Connector \(PPF Connector\)](#), an online platform to match urban climate projects with subnational PPFs. Early experience shows that a structured intake, common data fields, and centralized visibility can improve matchmaking and coordination among PPFs, but that matchmaking requires significant and ongoing capacity and coverage remains partial and focused largely on cities and municipalities.
- › The NDC Partnership has developed several project coordinating mechanisms, including its Project Preparation Support Database and Project Checklist pilot program. The experience of running the Project Checklist pilot in six countries indicates that common and structured templates, anchored on a comprehensive mapping and engagement of project proponents, technical assistance providers, and financiers, and targeted support under government leadership, optimizes the matchmaking process and reduces transaction costs. The pilot showcases how standardized project information can be integrated into existing country initiatives, such as the [Climate Finance Broker Facility in Colombia](#).
- › Global infrastructure project preparation resources, such as the Global Infrastructure Hub’s [project preparation tool](#) and the [World Bank’s PPP Reference Guide](#), emphasize the benefits of clear stage definitions, standard checklists, and minimum diagnostic content for each stage of preparation in improving project quality and investor confidence.
- › Recent country platform literature reinforces the same point. The COP30 Circle of Finance Ministers report highlights the need for stronger coordination around country-led investment priorities. Separately, country platform guidance—including [CCFLA’s policy brief on integrating urban and subnational priorities into country platforms](#)—underscores the importance of practical mechanisms to connect priorities, pipelines, financiers, and implementation actors, particularly where subnational and urban priorities risk being left outside national investment planning processes.

What This Could Look Like in Practice

Front Door Architecture: A robust system does not require every project to go through one global intake or website. It needs a recognizable front door function delivered at the right level—national, regional, sectoral, global—with enough interoperability that project information can move between systems without being repeatedly rebuilt. This could include:

- › a registry layer where project proponents or country units upload structured project summaries;
- › a search or filter functionality for PPFs, support providers, and financiers (sector, geography, project stage, project size, proponent type, support needed);
- › a simple export or application programming interface (API) pathway so countries or MDBs, DFIs, climate funds, or regional platforms can integrate project information into their own systems;
- › a standard handoff note showing the project development stage, what work has been done and what is outstanding, key risks, likely financing pathway and the next decision point, so projects can move between facilities without repackaging.

For adaptation and resilience pipelines, front door functions should also connect to specialist risk analytics and climate intelligence providers where appropriate. These actors can help identify physical climate risk hotspots, screen portfolios for adaptation and resilience opportunities, and translate climate data into project origination intelligence.

This would allow PPFs and country platforms to move beyond reactive applications and identify sectors or geographies where adaptation project pipelines may be proactively developed.

Shared Intake and Minimum Project

Information: Instead of asking proponents to complete full facility-specific applications at the first point of contact, ecosystem actors should standardize a short minimum viable project intake form, such as CCFLA's harmonized application form and the Project Checklist full and simplified forms, which could include at minimum: estimated project cost and finance hypothesis, project description, climate rationale and description of alignment with national climate priorities, project impact, and current project stage and development needs, among other key information. This should not be treated as a full proposal or investment memorandum. Its purpose is to create enough shared information for initial screening, matchmaking, and handoff, and should be designed for reuse across facilities. Individual PPFs may still require additional information later, but proponents should not have to recreate basic project information from scratch at every stage.

Shared Stage Definitions and Quality

Thresholds: A practical next step is for facilities and project support providers to agree to a short common stage ladder with minimum information expectations at each stage. This would not replace each facility's internal due diligence, but it would reduce confusion about how “concept,” “pre-feasibility,” “feasibility,” “structuring,” and “financial close-ready” are defined across the ecosystem. For example:

- › **Concept:** articulated problem or opportunity, basic climate relevance, identified proponent, and initial alignment with national or subnational priorities.
- › **Pre-feasibility:** options screening, early climate rationale, preliminary cost and demand assumptions, draft financing hypothesis, and early environmental, social, gender, permitting, and land screening.
- › **Feasibility:** detailed technical, economic, climate, environmental, social, and financial analysis, with stronger cost estimates, implementation model, and safeguards documentation.
- › **Structuring:** risk allocation, procurement or transaction pathway, term-sheet logic, instrument needs, and active engagement with potential financiers or funders.
- › **Financial close-ready:** approvals, due-diligence pathway, financing commitments or near-final term sheets, and implementation arrangements sufficiently defined for final decision-making.

For priority projects, the stage ladder should also identify the expected “next owner” of the project—for example, the country coordination unit, another PPF, an MDB or DFI team, a transaction adviser, or a potential financier—so that projects do not complete one stage without a clear pathway to the next.

Governance, Incentives, and Adoption:

Shared intake systems and standards should sit with, or be backed by, actors trusted by countries, PPFs, MDBs, DFIs, climate funds, and financiers. Depending on the level of operation, this could be a national coordination unit, country platform, regional facility, or ecosystem coalition.

Adoption will depend more on incentives than mandates. PPFs are more likely to adopt shared templates and stage definitions if doing so reduces their own transaction costs, improves pipeline visibility, helps them find better-fit projects, or simplifies reporting. Proponents are more likely to use common tools if they lead to real opportunities for support, not just another form.

Clear confidentiality and data-sharing rules should be established up front. Countries and proponents should be able to control what information is visible, to whom, and at which stage. Shared standards should improve interoperability without compromising country ownership, commercial sensitivity, or safeguard quality.

Near-Term and Pilot Opportunities

Near-term and pilot opportunities could include:

- › expanding use of minimum project intake forms (such as CCFLA's harmonized application and NDC Partnership's Project Checklist forms) with a wider group of PPFs, MDBs or DFIs;
- › piloting shared stage definitions across a subset of facilities working in one sector or region;
- › using a country platform, CFU or PPU, NDB unit, or regional facility as a front door function for a priority pipeline;
- › testing whether a Project Preparation Support Database-style tool can move from a searchable database toward a more active routing, matchmaking, or handoff function for national level projects.



Lever 3: Diversified and Sustainable Preparation Funding

Summary and Implementation Pathway

This lever focuses on moving beyond brittle, grant-dependent project preparation models toward a more sustainable and better-matched mix of funding instruments. The aim is not to commercialize all preparation support or force cost recovery onto non-revenue public-good projects, but to match the funding model to the project stage, project type, proponent capacity, revenue potential, and likely financing pathway. This is an emerging practice that requires selective, segment-by-segment testing. Near-term pilots can be led by climate funds, MDBs, DFIs, NDBs, PPF hosts, and philanthropies in project segments where revenue streams, cost recovery, or later-stage investment pathways are plausible. Full adoption requires changes to facility mandates, fiduciary rules, legal agreements, and reporting systems so that reflows can be managed transparently without weakening grant support for non-revenue public-good projects.

What This Lever Addresses

This lever addresses the overdependence of many PPFs and support providers on short-term grants and donor-funded preparation models. Grants remain essential where project design and development phase risks remain high, and especially for public-good analytics, non-revenue adaptation, resilience, locally led projects, and very early scoping where there may not yet be a viable project. However, a grant-only model is too brittle to sustain the scale of preparation now required, particularly where projects are revenue generating or have a plausible pathway to later-stage investment.

The objective is therefore not to replace grants, but to build a more segmented preparation funding architecture. This means protecting grants where they are essential, while testing reimbursable, reflow-enabled, revolving, embedded, or catalytic models where projects can reasonably bear some cost recovery or where preparation can be linked more directly to a credible financing pathway.

What Shifts if This Direction is Taken

Most climate-aligned PPFs operate on short donor, MDB, or DFI grant cycles, often with capped envelopes and limited ability to recycle resources. Diversifying funding models would not remove the need for grants, but it would reduce overdependence on them and allow scarce grant funding to be used where it is most essential. Notable shifts associated with the implementation of this lever include the following:

› Improves Funding and Capacity

Consistency: Multi-year, revolving, or reflow-enabled preparation funding can give facilities more stable planning horizons and reduce the need to pause intake whenever donor replenishment is uncertain.

- › **Enables More Efficient Allocation of Preparation Resources:** Pure grants can be protected for public-good and non-revenue projects, while reimbursable technical assistance, success fees, or co-development capital can be tested for projects with revenue streams or clearer commercial pathways.
- › **Enables Partial Recycling Where Appropriate:** Where a project reaches award, financial close, refinancing, or sale, and where the project has sufficient revenue potential, a portion of preparation costs can be repaid or recovered and reused for new projects. This does not mean every project should repay preparation support, but rather that revenue-generating segments should not rely exclusively on non-reimbursable grants if reflows are feasible and fair.
- › **Improves Use of Scarce Grants:** Diversified models do not make grants less scarce, but they can stretch grant resources by reserving them for the segments that need them most and introducing reflow-enabled instruments where projects can reasonably bear them.
- › The [Asia Pacific Project Preparation Facility \(AP3F\)](#) is structured so that support for some concession-type PPPs can be cost recoverable when transactions reach award or financial close, allowing some preparation resources to be reused for future projects.
- › [International Finance Corporation PPP advisory](#) and similar transaction advisory models often include success fee components linked to transaction progress or financial close. These models are not appropriate for every project, but they show how preparation support can be linked to transaction outcomes when there is a clear revenue or concession structure.
- › [PIDG's InfraCo](#) operates as an early-stage developer, co-developing projects, investing risk capital during preparation, and recovering costs or upside when projects reach later investment stages.
- › Embedded technical assistance windows in investment vehicles are becoming increasingly common, and blended finance and guarantees are now recognized as key catalytic project development tools. Global Infrastructure Facility-style platforms, regional funds, and blended vehicles and funds like [Climate Investor One](#) often include grant-funded technical assistance windows alongside debt or equity tranches precisely to develop a pipeline they can later finance.

Why This is Credible

Existing guidance and practice suggest that project preparation remains predominantly grant funded, but reflow-enabled, developer-style, and embedded technical assistance models already exist where conditions are right. These examples are relevant not because they provide a single model for all PPFs, but because they show that preparation finance can be designed to stretch scarce concessional resources and create a clearer link between preparation and investment. Notable examples include the following.

Taken together, these sources suggest a clear direction of travel: utilize grants where they add unique value but grow a complementary tier of reflow-enabled and catalytic instruments for revenue-generating and risk-tolerant segments.

What This Could Look Like in Practice

Protect Grants Where They Are Essential:

Non-reimbursable grants should remain the core instrument for project preparation activities that cannot reasonably support cost recovery. These include:

- › non-revenue adaptation, social resilience, nature-based solutions, and community-led investments;
- › public-good enabling-environment work, including policy, safeguards systems, climate data, and capacity building;
- › very early scoping where the core question is still whether there is a viable project at all.

Performance-based grants could also be tested in some segments, where grant disbursements are linked to agreed preparation milestones, such as completion of a concept note, pre-feasibility package, climate rationale, feasibility study, or financing plan. These models can improve accountability and progression without requiring repayment, making them potentially useful for adaptation, resilience, locally led, and other public-good projects where cost recovery would not be appropriate.

Test Reflow Mechanisms: For

revenue-generating assets—including some renewable energy, grids, transport, water utilities, and industrial decarbonization projects—PPFs can test reimbursable technical assistance, returnable grants, success-fee structures, or revolving preparation windows that recover part of the preparation cost at award, financial close, refinancing, or another agreed milestone. Waivers should remain available where cost recovery would undermine affordability, public value, or sponsor viability.

Use Developer-Style Risk Capital Selectively:

Co-development finance, including equity, quasi-equity, shareholder loans, or convertible instruments, can be used where a facility is taking real development risk and has the mandate to recover costs or upside at financial close, refinancing, sale, or exit. This model should be used selectively and paired with strong governance rules to manage conflicts of interest. It should not be used where projects are primarily public good, non-revenue, or grant dependent.

Embed Technical Assistance Where It Improves the Preparation-to-Finance Link:

A fund, guarantee facility, or investment platform can include a technical assistance window to build a pipeline consistent with its mandate. This can reduce handoffs friction and help ensure projects are prepared with a realistic financing pathway in mind. However, embedded technical assistance should be governed transparently so projects are not unfairly “captured” by one vehicle when better financing options exist elsewhere.

Use Catalytic Instruments Only Where

They Add Additionality: Selected catalytic instruments can help stretch scarce concessional funding and bring additional actors into project development. These may include returnable grants, working capital loans for local developers and SMEs, guarantees or first-loss capital for preparation-stage vehicles, seed or early-stage equity, or convertible instruments that help developers carry projects through feasibility, structuring, and financing. These instruments should be used only where they address a clear market failure, improve project progression, and avoid shifting inappropriate costs onto weaker sponsors.

Segment Funding by Project Type, Stage, and Recovery Potential: A simple segmentation of funding could look like the following:

- › **Public-good enabling environment and very early scoping:**
 - » Likely preparation funding model: grants or readiness support.
 - » Recovery logic: no recovery expected.
- › **Non-revenue adaptation, resilience, and community-led projects:**
 - » Likely preparation funding model: grants, possibly with bundled or programmatic support.
 - » Recovery logic: no or minimal recovery; protection of affordability and equity.
- › **Revenue-generating infrastructure with clear sponsor or offtake structure:**
 - » Likely preparation funding model: reimbursable technical assistance, returnable grants, success fees, or revolving preparation windows.
 - » Recovery logic: partial recovery at award, financial close, refinancing, or sale.
- › **Developer-led or private-sector pipelines:**
 - » Likely preparation funding model: co-development capital, working capital, convertibles, shareholder loans, or developer-style risk capital.
 - » Recovery logic: recovery through close, exit, refinancing, sale, or success fees.
- › **Investment vehicle-linked pipelines:**
 - » Likely preparation funding model: embedded technical assistance alongside debt, equity, or guarantee facilities.
 - » Recovery logic: recovery or repayment depends on vehicle structure; requires safeguards against pipeline capture.

Near-term and Pilot Opportunities

Near-term and pilot opportunities could include:

- › testing reimbursable technical assistance or success fee models for a small number of revenue-generating projects where repayment at award or financial close is plausible;
- › creating a revolving project preparation line within an NDB or other public development bank, with clear rules on which projects are eligible for cost recovery;
- › embedding a technical assistance window in one investment or guarantee vehicle, with transparency rules to avoid unfair pipeline capture;
- › piloting a “grant-plus-reflow” model in which grants cover public good analytics and climate rationale, while later-stage structuring support is partially reimbursable for projects with commercial potential;
- › piloting embedded technical assistance windows or investor clinics that test whether projects emerging from feasibility have a realistic financing pathway, including fit with investor mandates, risk appetite, tenor, currency, counterparty, and revenue requirements.

Lever 4: Support for Underserved Segments: Small-Scale, Adaptation-Focused, and Locally Led Projects

Summary and Implementation Pathway

This lever focuses on making the project preparation system more inclusive by designing support models that work for the projects and proponents that current approaches too often underserve. It responds to the structural bias toward larger, more standardized, revenue-generating projects in deeper markets by calling for tailored support to small-scale, adaptation-focused, locally led, SIDS, LDC, and frontier-market projects. This is a high-urgency reform area with some existing practice to build on, including allocation targets, simplified access modalities, and dedicated support windows for vulnerable countries and underserved project types. However, evidence on what works at scale remains mixed. Pilots can begin immediately through targeted windows, cohort-based support, simplified application processes, local delivery partnerships, and portfolio or programmatic approaches, while longer-term and larger-scale implementation will require more tailored delivery models, dedicated grant or concessional envelopes, and funder willingness to support projects whose value may not be captured through conventional commercial bankability metrics.

What This Lever Addresses

This lever addresses the structural bias of the current project preparation system toward larger, more standardized, revenue-generating projects in deeper markets. Even if Levers 1–3 improve the core operating architecture of the system—country-led pipeline ownership, clearer entry points and standards, and better funding models—they will not automatically make the system more inclusive. This lever focuses on system reach: whether project preparation support is designed to serve the projects and proponents that current models too often underserve.

This lever can be achieved through:

- › identifying underserved segments such as small and intermediary cities, community-led and nature-based solutions, SMEs and local developers, and SIDS, LDCs, and frontier markets;
- › designing dedicated windows, simplified methods, cohort models, and aggregation or programmatic approaches that make it more viable to support these segments at scale;
- › treating capacity building, mentoring and follow-up support as core product components of project preparation support, not optional add-ons.

What Shifts if This Direction is Taken

Notable shifts associated with the implementation of this lever include the following:

- › **Refocuses on Segment Fit:** Many urgent climate projects—especially in adaptation, resilience, nature-based solutions, and local infrastructure—are small scale, geographically dispersed, and led by actors with limited technical, financial, and transaction capacity. This lever would shift project preparation design away from assuming that all projects should fit standard large infrastructure models.
- › **Lowers Unit Cost of Support:** Because preparation costs can be high relative to project size, facilities often prioritize larger or more familiar projects. Cohorts, standardized templates, sector playbooks, and bundled or programmatic approaches can reduce the unit cost of support and make smaller projects more feasible to prepare.
- › **Increases Coverage of Underserved Geographies:** Regional and international facilities often concentrate support in larger or more mature markets. Dedicated windows or allocation criteria can help ensure that SIDS, LDCs, smaller cities, and frontier markets are not crowded out by larger economies and more familiar project types.

› Enables Fit-for-Purpose Preparation and Financing Pathways:

Without targeted approaches, these segments will remain underprepared and underfinanced.

The objective is not to force all small-scale, locally led, or adaptation projects into commercial bankability, but to design preparation and financing pathways that fit their revenue profile, public good value, and institutional context.

Why This is Credible

Practice-oriented guidance for small cities, SME pipelines, and local climate action points toward cohort models, simplified intake, standardized toolkits, and aggregation or programmatic approaches as realistic pathways to reach projects that standard PPF models often miss. For example:

- › [CCFLA's Small Cities Bankability Guide](#) documents the barriers faced by small and intermediary cities in accessing project preparation support and climate finance and proposes design principles for PPFs to better serve these cities.
- › Experience from the United Nations Capital Development Fund's Local Climate Adaptive Living Facility (LoCAL) suggests that [locally led adaptation mechanisms can strengthen local governments' ability to identify, prioritize, finance, and implement context-specific resilience investments](#) when performance-based grants are combined with technical assistance, capacity building, use of existing public financial management systems, and repeated planning and performance cycles.

- › Programs such as the Private Financing Advisory Network and the Energy and Environment Partnership Trust Fund demonstrate that cohort-based support for SMEs and early-stage clean energy developers, combining advisory, business planning support, and connection to financiers, helps project proponents that would otherwise struggle to access standard preparation support.
- › Analyses of [climate finance flows to SIDS](#) and [LDCs](#) consistently show that these countries receive a smaller share of project-based climate finance relative to their vulnerability, and that lack of investment-ready projects is a primary constraint.

What This Could Look Like in Practice

Define Underserved Segments. A first step is to define the underserved segments clearly and design interventions around their

specific constraints rather than treating them as a single category. These segments include (but are not limited to):

- › **Small and intermediary cities and municipalities:** often lack dedicated project preparation teams, comprehensive data, creditworthiness, or experience structuring transactions.
- › **Community-led and nature-based solutions:** may involve many small, distributed investments with complex land and stakeholder issues, limited revenue streams, and high public good value.
- › **SMEs and local developers:** face high due diligence costs, limited access to working capital, and weak links to international financiers.
- › **SIDS, LDCs, and frontier markets:** face small market size, high perceived risk, limited local capital markets, and thin domestic preparation capacity.



Tailor Instruments, Windows, and Delivery

Formats. Tailored instruments, funding windows, and delivery formats can lower the unit cost of project preparation support for underserved segments. These could include the following:

- › **Aggregation and programmatic approaches:** Aggregation remains difficult in many sectors because projects differ by data quality, contract structure, counterparties, and local context. However, PPF windows can still support cohorts or portfolios of similar projects—for example, municipal solar projects, mini-grid clusters, or coastal nature-based solutions—using standardized terms of reference, templates, and data requirements to reduce unit costs. This should be framed as a practical design option, not as a universal fix.
- › **Specialized small-project windows:** Create small-project windows within a PPF, with lighter application procedures, simplified documentation, and more intensive coaching, targeted at small-ticket projects and less-experienced proponents.
- › **Grant-heavy envelopes for non-revenue adaptation:** Accept that some projects, particularly community adaptation and certain nature-based solutions projects, will require predominantly or highly concessional funding for both preparation and implementation. Preparation windows should be designed around this reality rather than forcing commercial bankability logic where it does not apply.

Make Capacity Building a Core Product.

Capacity building should be treated as a core product for small projects and underserved segments.

- › **Use cohort-based technical assistance formats:** such as clinics or structured learning cohorts, where multiple proponents receive tailored support on climate rationale, data, basic financial modeling, safeguards, and financing pathways.
- › **Develop sector playbooks and toolkits:** for example, for small city bus electrification, municipal rooftop solar, mini-grids, watershed restoration, or coastal resilience, that standardize what can be standardized while leaving room for local customization.
- › **Provide ongoing mentoring and follow-up:** not just one-off workshops, so proponents can move from training to actual project development and financing conversations.

Design Financing Pathways That Fit the Segment.

› **Intermediary financial institutions:**

should be treated as core delivery partners for underserved segments. NDBs, local commercial banks, microfinance institutions, SME lenders, cooperative finance institutions, and SME guarantors often have the local relationships, underwriting capacity, and incentives needed to reach smaller sponsors and distributed projects. PPFs can work with these institutions to identify pipeline segments, standardize documentation, design guarantee-backed lending products, and aggregate smaller projects into portfolios that are more practical to finance.

- › **Work with financiers:** collaborate with those willing to support portfolios, cohorts, or aggregated bundles of smaller projects, including blended funds, NDBs, local financial institutions, impact funds, and guarantee-backed local banks. Preparation programs should be designed with these financing pathways in mind from the start.
- › **For non-revenue projects:** link preparation windows to adaptation funds, public budget processes, resilience-focused grants, and concessional public finance rather than pursuing commercial finance where it is not appropriate.

Building the Adaptation Investment Thesis Versus Non-Revenue Benefits

A practical pathway for scaling adaptation finance is to start where the financial case is clearest. Sectors such as resilient water services, cold chains, grid hardening, distributed energy, climate-adapted agriculture, resilient logistics, and urban water efficiency can generate resilience benefits that are closer to cash flows, avoided losses, or improved asset performance. Mapping these sectors against adaptation taxonomies and preparing repeatable project types can help close more straightforward adaptation transactions first, building investor familiarity before moving toward more complex, less revenue-generating adaptation needs such as community resilience, ecosystem restoration, and locally led nature-based solutions.

Near-Term and Pilot Opportunities

Near-term and pilot opportunities could include:

- › creating a small-project window within an existing PPF, with simplified intake, lighter documentation, and coaching for less-experienced proponents;
- › testing a cohort model for one segment, such as small city solar, municipal building efficiency, mini-grids, coastal resilience, or locally led adaptation;
- › piloting a programmatic preparation approach for a portfolio of similar small projects, using standardized templates, terms of reference, and data requirements;
- › pairing grant-based preparation support with local financiers, NDBs, or guarantee-backed financial institutions to test realistic financing pathways for small-ticket projects.



Photo by WADII / Adobe Stock

Lever 5: Governance, Accountability, and Learning

Summary and Implementation Pathway

This lever focuses on making the climate-aligned project preparation ecosystem more visible, accountable, and capable of learning over time. It addresses a core system weakness: many actors can describe bottlenecks anecdotally, but too few can track where projects stall, what support works, who is being served, or how reforms should be adjusted. Monitoring and learning are an established and near-term testable reform area. Early pilots can begin through voluntary KPI sets, lightweight dashboards, structured learning cycles, and small-group experimentation across facilities or country platforms, while fuller implementation requires agreement on common performance indicators, light-touch data-sharing protocols, and clearer roles for who collects, aggregates, and uses learning across the ecosystem.

What This Lever Addresses

This lever aims to make the climate-aligned project preparation ecosystem more visible, accountable, and capable of learning over time. The previous levers focus on improving the operating architecture, funding models, and reach of project preparation. This lever asks whether the system can see what is working, where projects stall, who is being served, and how reforms should be adjusted. It does this by:

- › establishing a small set of common performance metrics for project preparation, focused on throughput, conversion, timing, reach, and outcomes;
- › using evidence from implementation to inform facility design, funding models, country platforms, and future project preparation reforms;
- › supporting learning networks and communities of practice across PPFs, DFIs, NDBs, climate funds, country platforms, national institutions, and local stakeholders; and

- › mobilizing funders, philanthropies, and ecosystem conveners—such as the NDC Partnership, CCFLA, regional platforms, or other trusted coordination bodies—to support experimentation, shared learning, independent evaluation, and light-touch ecosystem-level reporting.

What Shifts if This Direction is Taken

Project preparation performance is still measured inconsistently across the ecosystem. This lever would shift the system toward better visibility, accountability, and learning across the project preparation cycle. Notable shifts associated with the implementation of this lever include the following:

- › **Increases System Visibility:** A small set of common indicators would help countries, PPFs, funders, and ecosystem conveners understand where projects are in the pipeline, what support they have received, what bottlenecks remain, and where they are stalling.

› **Improves Outcome and Throughput**

Tracking: Facilities would track not only activities delivered, but also whether projects progress between stages, how long they spend in each stage, and whether they reach financing or implementation.

› **Strengthens Accountability for Reach and Inclusion:**

Better data would make it easier to assess whether support is reaching underserved segments, including SIDS, LDCs, small-scale projects, adaptation and resilience projects, locally led projects, and frontier markets.

› **Creates Feedback Loops for Reform:**

Evidence from dashboards, evaluations, structured learning cycles, and project pipeline tracking could be used to improve country-led preparation functions, shared standards, funding models, and support for underserved segments over time.

The purpose of these metrics should be learning and accountability, not simplistic ranking of facilities, countries, or project proponents.

Why This is Credible

Climate fund and MDB evaluations, infrastructure preparation guidance, and recent climate finance reform processes all point toward the need to track project preparation more systematically. Practice across project preparation guidance also emphasizes the importance of measuring throughput and outcomes, not only inputs, so the system can self-correct where projects fail to secure finance. For instance:

- › GCF evaluation evidence points to the need for stronger results measurement and better tracking of how upstream support improves project quality and pipeline progress.

The [Independent Evaluation Unit's evaluation of the Readiness Programme](#)

called for mechanisms to close the results-measurement loop. GCF IEU's 2026 evaluation of the GCF Project Preparation Facility reinforces the need for stronger results measurement and outcome tracking. It finds that existing GCF systems reliably capture approvals, disbursements, and portfolio growth, but do not systematically measure conversion rates, preparation quality, review iterations, or preparation timelines. The evaluation also concludes that PPF monitoring remains fragmented and does not yet provide a consolidated framework for assessing preparation outcomes. It also provides evidence that preparation can reduce downstream friction when it works: PPF-supported projects reached funded activity agreement effectiveness in a median of 8.4 months after funding proposal submission, compared with 15.4 months for matched non-PPF projects (Independent Evaluation Unit, 2026).

- › Coalitions such as CCFLA, the NDC Partnership, the Taskforce on Access to Climate Finance, and the Global Capacity Building Coalition have shown that multistakeholder platforms can convene institutions around project preparation capacity building, climate finance access, practical learning, synthesis, and coordination across actors.

- › The [Global Infrastructure Hub's project preparation reference](#) emphasizes the importance of tracking project preparation expenditure and outcomes, building project pipeline databases, and creating mechanisms to monitor priority projects through the preparation process. This supports the broader need for project preparation systems to track not only inputs, but also project progress, bottlenecks, and outcomes.
- › [MDB joint reports on climate finance](#) increasingly emphasize pipeline development, project origination, and enabling environment interventions as prerequisites for scaling climate investment, but do not yet apply consistent, public metrics on preparation performance.
- › Recent policy processes, including the COP30 Circle of Finance Ministers, have started to propose KPIs for project preparation and MDB support, signaling that preparation is no longer a purely technical afterthought, but a strategic constraint on scaling climate finance (Ministry of Finance of Brazil, 2025).

What This Could Look Like in Practice

Minimum KPI Set and Lightweight

Dashboard. A minimum KPI set should be designed as a learning tool, not a ranking exercise. It should be simple enough for facilities and country platforms to use without creating a major reporting burden. Suggested project attributes a dashboard should contain include the following:

- › number of projects supported by stage, sector, geography, and proponent type
- › conversion rates between stages and to financial close or implementation funding
- › time per stage, including median time and major outliers
- › distribution of support to LDCs, SIDS, small projects, adaptation and resilience projects, and locally led proponents
- › reasons why projects stall, exit, or are not advanced
- › approximate investment volume mobilized by projects reaching finance with clear attribution

Clear Roles Across Levels. Leadership should be distributed rather than centralized. Different actors should be responsible for learning at different levels of the system.

- › **Facility level:** PPFs, MDB or DFI teams, climate funds, and NDBs track their own preparation pipelines, stage conversion, time frames, and outcomes.
- › **Country or platform level:** PPU, CFU, country platforms, or national coordination units track priority pipelines, support gaps, and where projects are stalling across institutions.

- › **Ecosystem level:** trusted conveners such as the NDC Partnership, CCFLA, regional platforms, or other coalitions aggregate lessons, convene practitioners, and produce periodic syntheses across facilities and countries.
- › **Funder and philanthropy level:** public funders and philanthropies support independent evaluation, shared dashboards, experimentation, and learning functions that individual facilities may not have the incentives or resources to fund alone.

Communities of Practice and Learning

Sprints. Ecosystem conveners can organize time-bound learning sprints or communities of practice around specific questions, such as small-project windows, city cohorts, reflow-enabled funding models, locally led adaptation, embedded technical assistance, or country-led pipeline functions. These should produce short synthesis notes and practical design lessons that feed back into country platforms, PPF design, and funder strategies.

Translating Learning into Standards and

Guidance. Learning should feed back into the standards and guidance used across the project preparation ecosystem. Evidence from dashboards, evaluations, and learning sprints can help refine minimum project information requirements, stage definitions, climate rationale expectations, handoff protocols, and guardrails for reflow-enabled or cost-recovery models. This should build on existing tools and guidance rather than create parallel frameworks. In this sense, Lever 5 complements Lever 2: Lever 2 establishes shared standards, while Lever 5 tests, updates, and improves them based on evidence from implementation.

Evidence into Reform. The purpose of learning should be to reform and increase efficacy. Evidence from dashboards, evaluations, and learning sprints should be used to adjust facility design, funding models, intake processes, support for underserved segments, and country-led coordination mechanisms. Philanthropies and public funders can underwrite public good functions such as independent evaluations, experimentation, shared dashboards, and learning products. Ecosystem conveners can host data platforms, coordinate working groups, and ensure lessons feed back into planning and project preparation practice.

Near-Term and Pilot Opportunities

Near-term and pilot opportunities could include:

- › testing a voluntary minimum KPI set across a small group of PPFs, MDB or DFI teams, NDBs, or country platforms;
- › piloting a lightweight project preparation dashboard for one country platform, regional facility, or thematic pipeline;
- › running a learning sprint on one practical issue, such as small-project windows, reimbursable technical assistance, project development pathways, or locally led adaptation preparation;
- › funding an independent evaluation of one PPF or country-led preparation function focused on stage conversion, time frames, reach, and lessons for replication.

Summary: From Isolated Fixes to a Project Preparation 2.0 Agenda

The diagnosis is clear: climate-aligned project preparation is not underperforming because of isolated failures by individual facilities, funders, or project proponents. It is underperforming because the system itself remains fragmented, under-resourced, unevenly connected to finance, and biased toward projects and markets that are easier to prepare. The bottlenecks identified earlier in this report—fragmented access, weak handoffs, early-stage capacity and information gaps, overdependence on short-term grants, misalignment with national priorities, and structural bias toward larger projects and deeper markets—reinforce one another.

A Project Preparation 2.0 reform agenda is therefore not about adding another isolated facility or funding window. It is about building a more coherent operating system for project preparation. An operating system that helps countries move from climate priorities to prepared, credible, and financeable investment pipelines. The five levers in this report should therefore be understood as an integrated system reform agenda:

- › **Lever 1:** Country-led, embedded preparation capacity builds the foundational in-country ownership, institutional memory, data, coordination, and project development capability needed to originate, develop, and manage pipelines aligned with NDCs, NAPs, LTSs, and national development priorities.
- › **Lever 2:** Coherent entry points and shared preparation standards make the system easier to navigate, reduce duplicative documentation and rework, and create a common language for moving projects from country identification and prioritization through PPFs and support providers to financiers.
- › **Lever 3:** Diversified and sustainable preparation funding moves the system beyond brittle, grant-only cycles by protecting grants where they are essential, while testing reflow-enabled, revolving, and embedded technical assistance, and catalytic instruments where projects can reasonably bear them.
- › **Lever 4:** Support for underserved segments addresses the systematic under-servicing of small-scale, adaptation-focused, locally led, SIDS, LDC, and frontier-market projects that current preparation models too often exclude or deprioritize.
- › **Lever 5:** Governance, accountability, and learning help make the system more visible and self-correcting, allowing actors to track where projects stall, what support works, who is being reached, and how reforms should evolve over time.

Levers 1–3 strengthen the core operating architecture of the project preparation system and improve its efficiency, ensuring it is country-led, easier to navigate, and more financially sustainable. Lever 4 pushes the system to reach the projects and proponents it currently struggles to serve. Lever 5 creates the feedback loops needed to learn, adapt, and improve over time. A more coherent project preparation system should therefore improve both quality and fit: helping projects become better prepared while also connecting them to the financing channels most appropriate to their scale, sponsor, revenue profile, and country context.

This is the practical shift from bottlenecks to breaking ground: not simply funding more studies, but building the capacity, standards, funding models, delivery approaches, and feedback loops that allow better projects to move from concept to financing and implementation.

This systems view is consistent with the direction of recent international processes, including public sector reforms and the growing emphasis on country platforms, public development banks, pipeline development, and stronger links between climate finance targets and real investment opportunities. If the New Collective Quantified Goal on Climate Finance and the Baku to Belém Roadmap are to be credible, project preparation capacity and quality must scale alongside investment ambition.

The levers outlined here are not auxiliary nice-to-haves. They are core conditions for achieving climate and development goals in emerging and developing markets.

But this report should not be the final word. The next phase of work should use these findings as the basis for ecosystem consultation, targeted working groups, and practical testing with countries, PPFs, funders, MDBs or DFIs, public development banks, philanthropies, and conveners. That process can refine the levers, identify where collaboration is most useful, and develop shared tools or pilots around the areas where the ecosystem is ready to move.

These findings and recommendations should also inform further research focused on the capital-side challenge: the enabling environments, commercial structures, risk-sharing instruments, and investor and buyer constraints that determine whether prepared projects can ultimately be financed, held, and scaled. Project Preparation 2.0 is therefore both a reform agenda and an invitation to build the systems, capabilities, and partnerships needed to move country-led climate priorities more reliably from concept to financing and implementation.



Annex 1: Project Preparation Facilities and Project Support Providers Interviewed

Facility or Program	Host or Anchor	Mandate and Functions
Asia Pacific Project Preparation Facility (AP3F)	Asian Development Bank (ADB)	Supports governments in Asia Pacific to structure public-private partnerships (PPPs) and bankable infrastructure projects; provides transaction advisory and capacity building.
Global Infrastructure Facility (GIF)	World Bank Group	Multi-donor platform to prepare and structure complex infrastructure PPPs; mobilizes private capital by de-risking and standardizing.
GET.invest	European Union program (hosted by Deutsche Gesellschaft für Internationale Zusammenarbeit [GIZ], implemented with partners)	Provides advisory and matchmaking to clean energy companies and projects, particularly distributed renewables in Sub-Saharan Africa, Caribbean, Pacific.
Green Climate Fund (GCF) Project Preparation Facility (PPF)	GCF Secretariat	Provides project preparation grants (up to 10% of project budget, generally capped at USD 1.5 million; up to USD 3 million in some cases) for accredited entities to prepare full proposals.
Adaptation Fund Project Formulation Grants	Adaptation Fund	Provides grants (typically USD 50,000–150,000) to national implementing entities to develop project proposals after concept approval.
Cities Climate Finance Gap Fund	World Bank + European Investment Bank + partners	Provides very-early-stage support to cities for idea shaping, pre-feasibility, and pipeline curation; helps link projects to downstream PPFs and financiers.
C40 Cities Finance Facility (CFF)	C40 + GIZ + Agence Française de Développement (AFD)	Prepares urban climate projects to bankability; builds replication models for peer cities.
Cities Development Initiative for Asia (CDIA)	ADB + European partners	Helps Asian cities bridge planning and finance; focuses on pre-feasibility and feasibility for infrastructure aligned to climate and Sustainable Development Goals.

Facility or Program	Host or Anchor	Mandate and Functions
Sustainable Energy Fund for Africa (SEFA)	African Development Bank (AfDB)	Supports clean energy projects with technical assistance, project preparation, and concessional finance.
Blue Natural Capital Financing Facility (BNCFF)	International Union for Conservation of Nature (IUCN) and partners	Develops investable nature-based solutions and blue economy projects.
RMI Caribbean Climate Smart Facility (CCSF)	RMI (nongovernmental organization, regional program)	Provides early-stage project development services for Caribbean clean energy and resilience projects. Activities include concept scoping, pre-feasibility and feasibility studies, blended finance design, investor outreach, and transaction preparation.
Global Innovation Lab for Climate Finance (“the Lab”)	Climate Policy Initiative (CPI) + partners	Incubates and de-risks new climate finance instruments that mobilize private investment.
Catalytic Climate Finance Facility (CC Facility)	CPI + Convergence	Provides grants and acceleration services to help near-market-ready blended vehicles reach launch and scale.
InfraCo	Private Infrastructure Development Group	Invests early-stage risk capital and technical assistance in frontier projects, carrying them through feasibility and structuring to bankability before handing off to financiers.
India Clean Energy Facility	India-based consortium	Provides preparation support for distributed clean energy projects in India.
Brazil Climate and Ecological Transformation Investment Platform (BIP)	Government of Brazil + partners	Supports climate and ecological projects aligned to national transition plans.
Climate Finance Accelerator	UK government’s Department for Energy Security and Net Zero	A program that helps emerging economies develop and finance investment-ready low-carbon projects by connecting project developers, policy-makers, and financiers.
Climate Investment Platform	International Renewable Energy Agency (IRENA)	Helps accelerate renewable energy investment in developing countries by providing technical assistance and connecting project developers with potential financiers.

Facility or Program	Host or Anchor	Mandate and Functions
Energy Transition Accelerator Financing Platform	IRENA	Climate finance platform that advances the global energy transition by connecting renewable energy projects in developing countries with funding and de-risking support.
Covenant of Mayors in Sub-Saharan Africa	ICLEI – Local Governments for Sustainability	Initiative that helps African cities advance climate and energy action by committing to sustainable energy access, climate mitigation, and adaptation through the development and implementation of sustainable energy access and climate action plans.
FELICITY II	Internationale Klimaschutzinitiative (IKI) and GIZ	Helps cities in Eastern Europe and Central Asia prepare and finance low-carbon urban infrastructure by improving enabling conditions, strengthening financial mechanisms, and supporting the development of bankable projects in sectors such as energy-efficient buildings, water, and wastewater.
Climate Investor One & Two	Climate Fund Managers	Blended finance facilities that use a dedicated development fund to de-risk and prepare early-stage projects, enabling the full lifecycle financing of renewable energy (Climate Investor One) and climate adaptation infrastructure in water, waste, and oceans (Climate Investor Two) across emerging markets.
Urban-Act	IKI	Regional program that strengthens policies, capacities, and planning frameworks to help cities across the Asia-Pacific region prepare and finance low-carbon, climate-resilient urban development, supported by technical assistance and multilevel governance mechanisms.
Cities Climate Finance Leadership Alliance (CCFLA)	CPI	Global multilevel, multistakeholder coalition that convenes and supports partners to close the investment gap for urban, subnational climate projects by accelerating knowledge sharing, coordination, and finance for low-carbon, resilient city infrastructure.

Annex 2: Climate-Aligned Project Preparation Facilities Organized by Host Institution Type

Project Preparation Facility Host Type	Support Offered	Geographic or Thematic Focus	Examples
Development finance institution, bilateral, or multi-donor	Typically offer pre-feasibility and later project development support, with some institutions also offering early-stage project development support, and others offering specific, later-stage support, including due diligence and transaction assistance.	Facilities operate at the global and regional levels; typically target infrastructure and specific sectors (e.g., renewable energy).	› Asia Pacific Project Preparation Facility at the Asian Development Bank, a multi-donor umbrella that helps governments structure public-private partnerships and mobilize private participation. › Development Bank of Southern Africa Project Preparation Services provides clients with expertise and funding for early-stage project preparation, and in the process de-risks projects and bridges the gap between capital and finance in the infrastructure value chain. › Global Infrastructure Facility at the World Bank provides hands-on preparation and public-private partnership structuring support for complex projects. › GET.invest offers advisory and matchmaking services to clean energy developers in partner countries.

Project Preparation Facility Host Type	Support Offered	Geographic or Thematic Focus	Examples
Multilateral climate fund	Project preparation support attached to fund investment windows that typically support project conceptualization through the development of technical studies necessary for project application to the fund.	Most multilateral climate fund support operates at the global level with a focus on emerging markets and developing economies and supports a broad range of sectoral project types. Some of the fund-linked facilities focus on specific climate themes (e.g., adaptation).	› Green Climate Fund operates a facility that offers project development support to accredited entities. › Adaptation Fund provides project formulation grants to accredited entities.
Nongovernmental organization (NGO)	Facilities hosted by international nonprofits and NGOs extend a broad range of project support offerings, from those that focus on specific project stages (e.g., early-stage development) to those that cater to a range of technical analysis needs. Some also host instrument-focused facilities that incubate funds, guarantees, blended vehicles, or other financial structures. These do not usually prepare individual infrastructure projects directly, but they shape demand for prepared projects and influence how project preparation support is designed.	These facilities typically have a sectoral focus, such as concentrating on specific climate themes and priority sectors (e.g., nature-based solutions), or a geographic focus (e.g., a subnational area).	› C40 Cities Finance Facility, hosted by C40 alongside GIZ, targets early-stage urban projects and works to support subnational project development. › Blue Natural Capital Financing Facility, hosted by the International Union for Conservation of Nature, supports development of investable coastal and marine nature-based solutions. › Catalytic Climate Finance Facility, a partnership of the Climate Policy Initiative and Convergence, provides grants and acceleration services to help market-ready vehicles reach launch and scale.

Project Preparation Facility Host Type	Support Offered	Geographic or Thematic Focus	Examples
Blended finance platform or other climate investment vehicle	Blended finance platforms and other investment vehicles that focus on investing in climate-aligned projects often include project support mechanisms or companion funds that further develop projects at the pre- or full feasibility stage to increase their investment readiness for future investment by the platform or vehicle.	These facilities can range from having a distinct sectoral focus to offering support for various sectors within the platform or vehicle investment profile. Geographic focus is often at the regional or global level.	› The Climate Investor One (CIO) Development Fund, a Climate Fund Managers vehicle, funds up to 50% of the planning and development stage of a project in the CIO blended finance facility pipeline. CIO focuses on renewable energy infrastructure projects. › The Subnational Climate Fund (SCF) invests in mid-sized (USD 5–75 million) climate infrastructure projects. The SCF features a dedicated, grant-funded facility for technical assistance that provides technical support and grant funding to stakeholders in identifying and strengthening investment proposals for the SCF.

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