

# INVESTMENT CRITERIA

## 8 Results Areas



Energy



Transport



Buildings, Cities,  
Industries



Ecosystems



Livelihoods of  
people & comm.



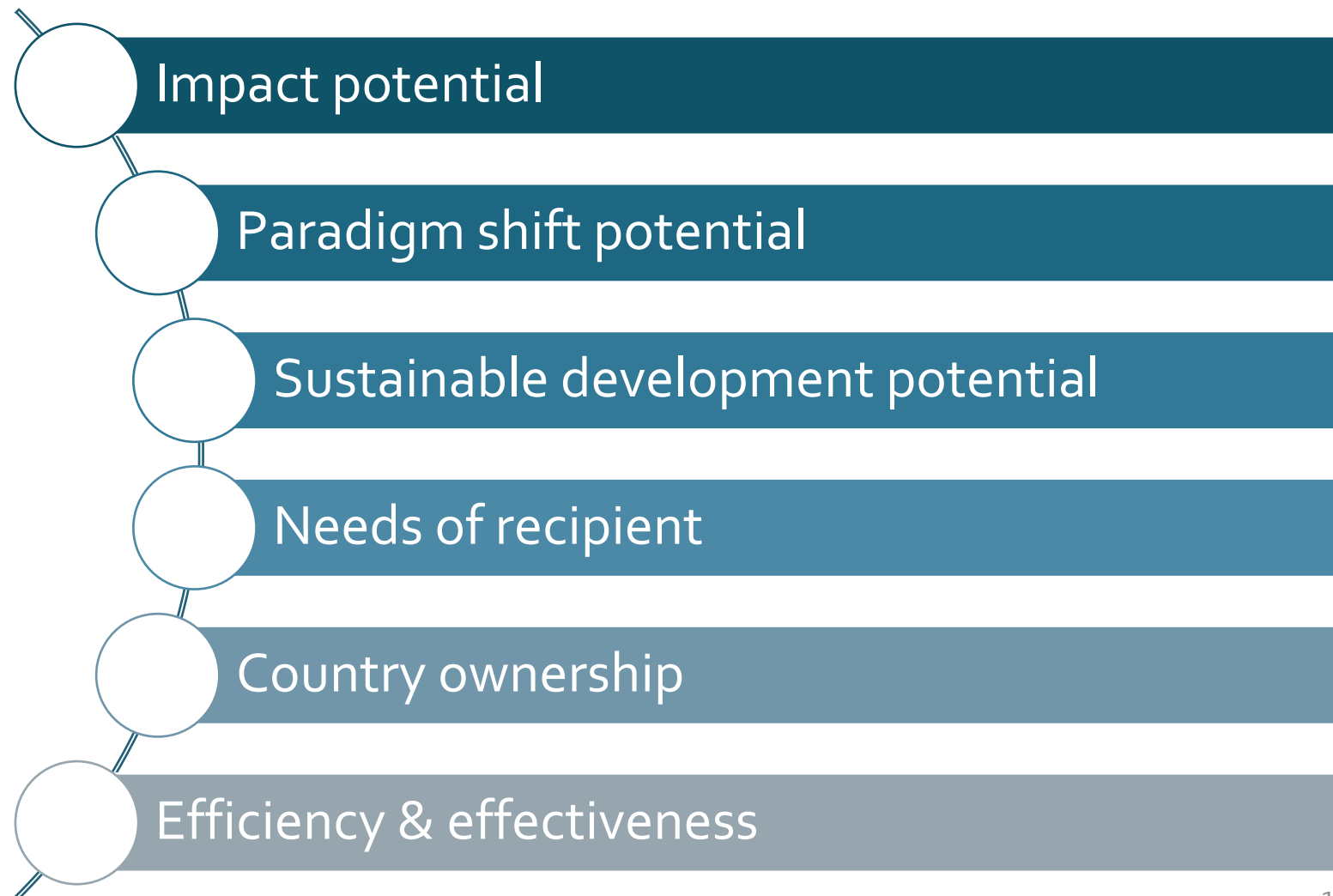
Health, food  
and water  
security



Forests and  
land use



Infrastructure



# FINANCIAL INSTRUMENTS



Instrument	Public	Private
<b>Grants</b>	Without repayment contingency	<ul style="list-style-type: none"> <li>• With repayment contingency</li> <li>• Terms determined on case-by-case basis</li> </ul>
<b>Concessional Loans (Senior &amp; Subordinate)</b>	<ul style="list-style-type: none"> <li>• High concessionality and</li> <li>• low concessionality</li> </ul>	Terms determined on case-by-case basis
<b>Equity</b>	Terms determined on case-by-case basis	
<b>Guarantee</b>	Terms determined on case-by-case basis	

# COST-EFFECTIVE WITH RIGHT LEVEL OF CONCESSIONALITY



- › Flexible pricing and tenor
- › High-risk tolerance



- › Projects and Funds
- › Risk appetite



- › Tailored guarantee instruments



- › Technical assistance
- › Project level and market support

- 1** De-risking climate smart **investments**
- 2** **Mobilize** private sector including institutional capital
- 3** Focus on **Country Ownership**
- 4** Support the development of **climate compatible financial systems**

# EFFICIENCY & EFFECTIVENESS ASSESSMENT



Financial adequacy & appropriateness of concessionality

Cost-effectiveness (EIRR)

Long-term financial viability (FIRR)

Co-investment, rather than sole investment

+ Incrementality reasoning (incremental and full costs)



# ASSESSING CONCESSIONALITY & FINANCIAL INSTRUMENTS



FIGURE 14. INDICATIVE EXAMPLE OF FINANCIAL ANALYSIS RESULTS INTERPRETATION<sup>83</sup>

## ANNEX VI

ECONOMIC AND FINANCIAL ANALYSIS (EFA) GUIDANCE

