



MLGP4
CLIMATE

From Project Concept to Funding Opportunity

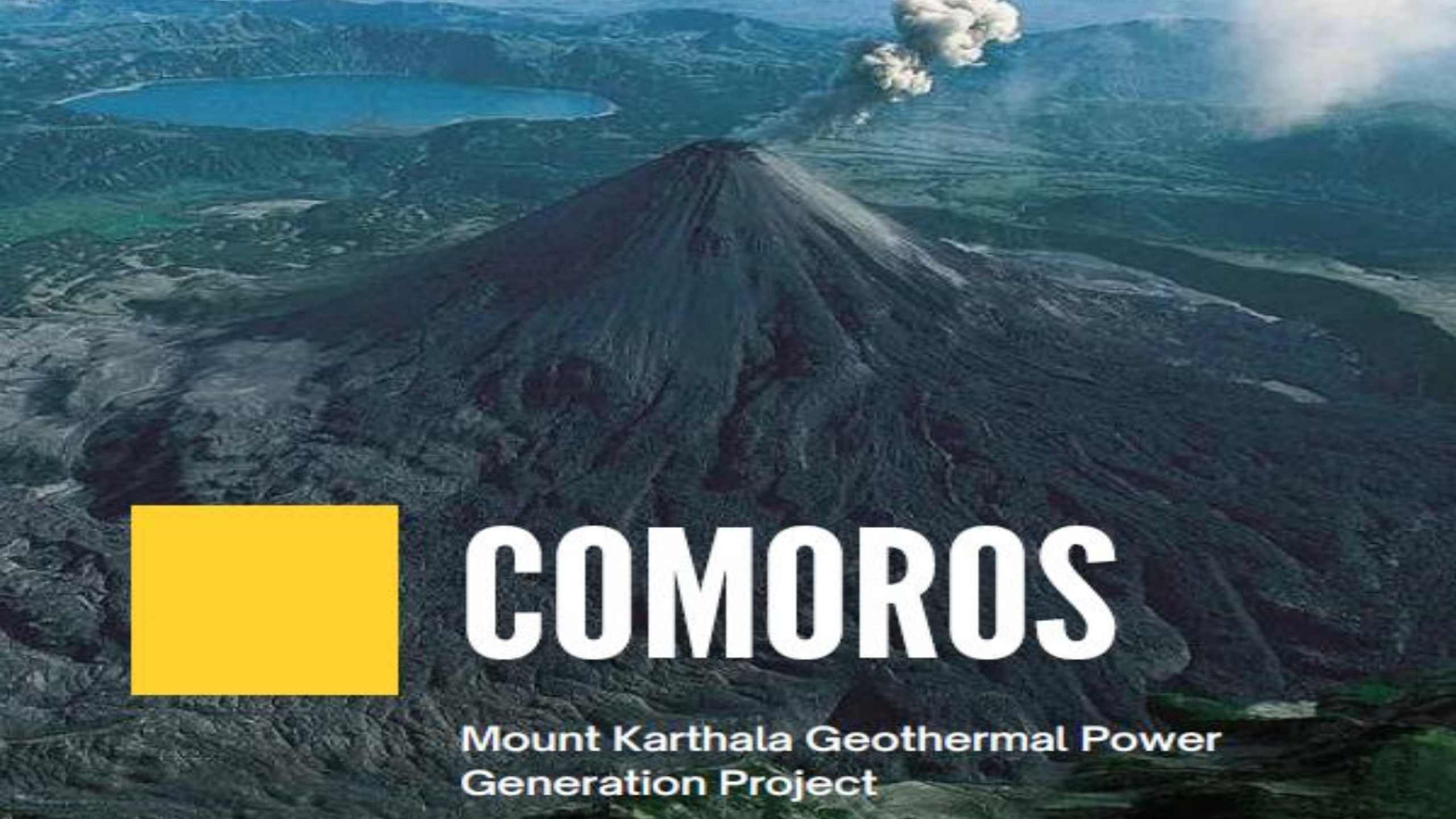
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MLGP4Climate Lead

2026-09-30



Inspiration climate projects Implementation from Africa 2026





COMOROS

Mount Karthala Geothermal Power
Generation Project

An aerial photograph of an industrial facility, likely a refinery or chemical plant. In the background, four large, cylindrical, silver-colored storage tanks are visible, connected by a network of pipes and walkways. Below the tanks, there are several large, rectangular buildings with blue and white roofs. The foreground shows more industrial structures, including a large building with a blue corrugated metal roof. The overall scene is set in a dry, hilly landscape.

ESWATINI

23 MW Lower Maguga
Hydro Project



KENYA

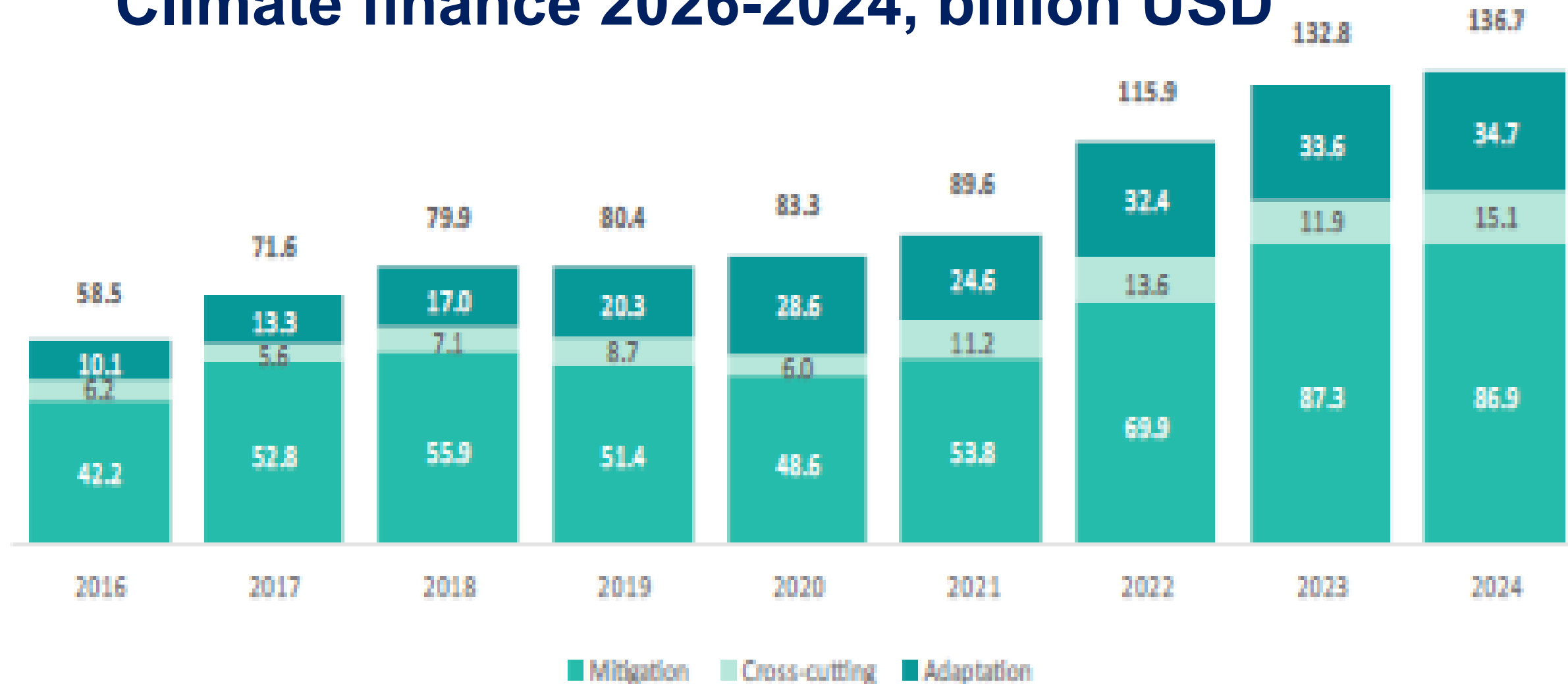
Sustainable Biofuel Pilot
Demonstration Facility

The background image shows a desert scene with several tall palm trees in the foreground and middle ground. In the background, there is a traditional building with a flat roof and a crenelated parapet, typical of North African architecture. The sky is clear and blue. A yellow square is positioned to the left of the word 'LIBYA'.

LIBYA

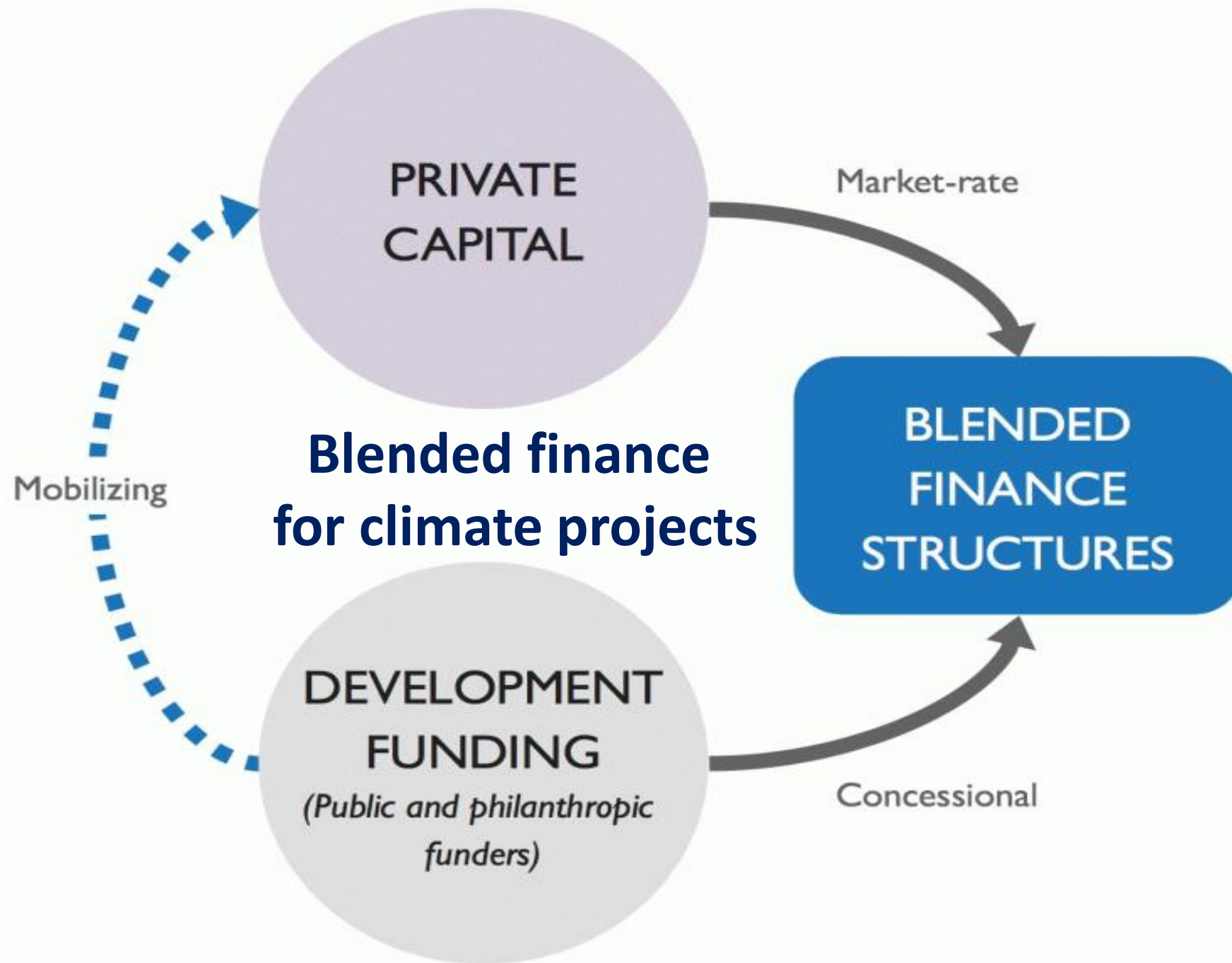
50 MW Solar Power Plant

Climate finance 2026-2024, billion USD



Note: The sum of individual theme components may not add up to totals due to rounding.

Source: Based on Biennial Reports to the UNFCCC, OECD DAC and Export Credit Group statistics, complementary reporting to the OECD.



Who delivers the adaptation?

Public delivery

Private delivery

Public

Public funded project delivered by public agency, e.g. flood defence funded through public budget, local charges or taxes, or public financial institution (e.g. EIB or structural funds)

Procurement of private company to deliver public adaptation, e.g. coastal defence project funded from public budget uses private contractor.

Blended

Co-financing between public (or public financial institution) and private investors or financial markets, e.g. Joint Venture, PFI, PPP potentially co-financed with private investors.

Public finance used to de-risk private adaptation, e.g. EIB / Capital Hub technical assistance, innovation grants, concessional loans, equities, guarantees. Public private partnership (PPP) arrangements.

Private

Private finance to provide funding, e.g. commercial loan from private financial institution, green bond, or crowdfunding (including public crowdfunding).

Private company delivering and funding own adaptation e.g. flood protection of assets.

Private company develops new adaptation goods and services, e.g. new insurance products

Private company raises finance from financial institution or investor, e.g. debt, shares, equity

Blended finance

Blended finance funds combine asset pooling, risk tranching, and concessional capital to incentivise commercial capital participation in vehicles that deliver both financial and development outcomes. Using tools from structured finance, risks and returns are synthetically reallocated across the capital stack to align investors with different mandates.



Sectors where blended finance is most effective

- **Industrial decarbonization:** Türkiye became the first country to be included in the Climate Investment Funds (CIF) Industrial Decarbonization Program, designed to reduce emissions from heavy industry using concessional capital.





Sectors where blended finance is most effective

Renewable energy and grid modernization: Initial concessional funds successfully catalyzed the wind and solar power plant market, which is now frequently financed on commercial terms in Türkiye.

Sectors where blended finance is most effective

Urban resilience and infrastructure: Funding is integrated with post-earthquake reconstruction efforts to ensure the construction of exclusively energy-efficient and climate-resilient buildings



Practical example: Blended financing in Ljubljana, Slovenia

Covenant of Mayors signatory since 2009

€14.9 million for 48 public buildings

The city completed the retrofits in 2018, including schools, kindergartens, health and sports facilities.

Investment financing	Share
Private ESCOs: Petrol and Resalta	51%
City budget + EU Cohesion grants	49%

15-year energy performance contract

The city uses energy cost savings to repay the ESCOs, which maintain the upgrades.

8.25 GWh/year

Guaranteed energy savings

>€1 million/year

Guaranteed cost savings



Jože Moškrič Primary School
One of the upgraded buildings. © Petrol

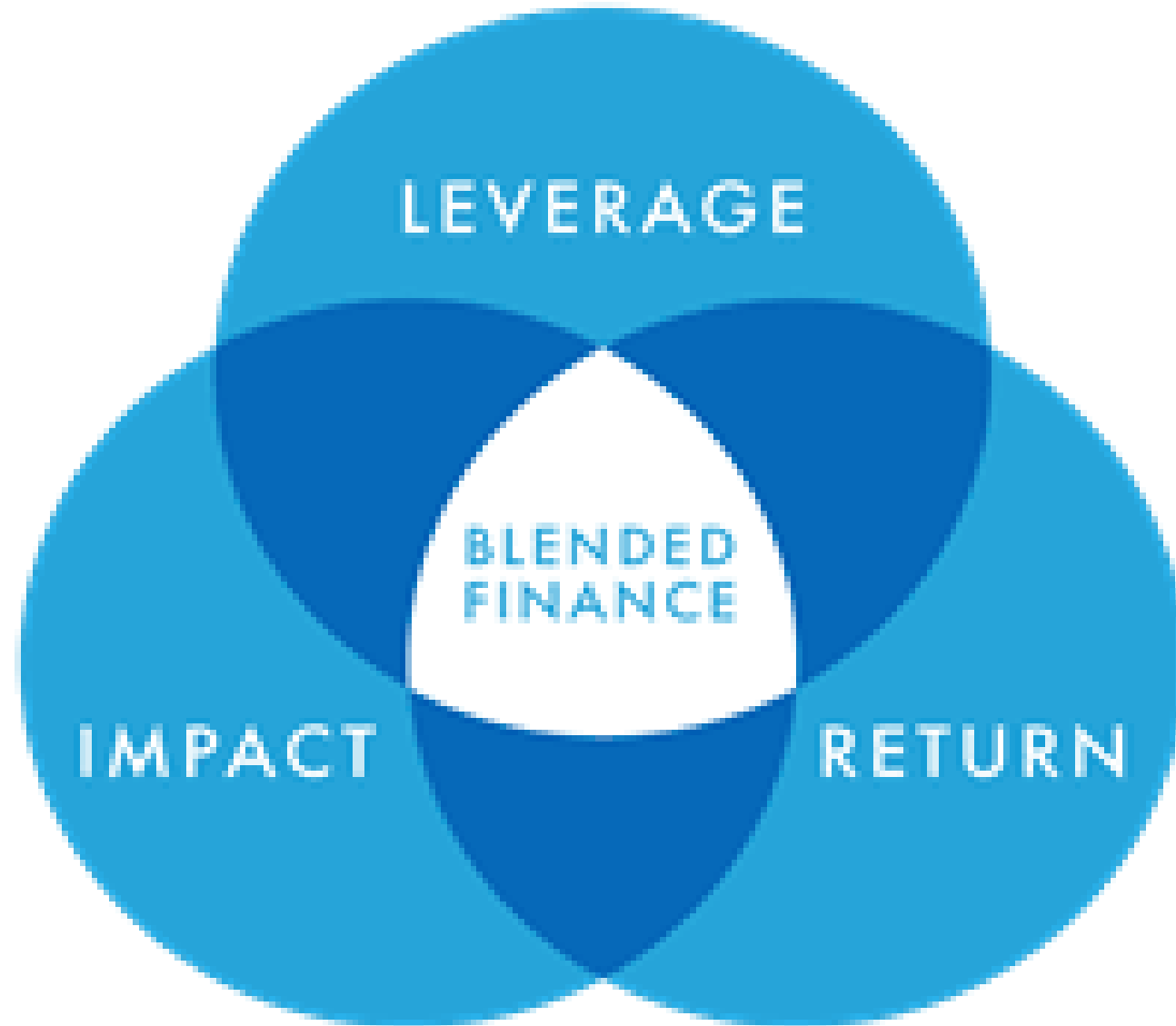
**Insulation, LED lighting and
modern heating and cooling**

2,956 tCO₂/year

Expected emissions reduction

Benefit of blended finance for GCoM municipalities

Since GCoM municipalities already have an established commitment to achieving climate neutrality, World Bank and KfW programs grant them priority access to grants. This enables municipalities to reduce their debt burden: a portion of the infrastructure project's cost is covered by non-repayable funds (grants), while the remaining share is funded through highly affordable international loans backed by a sovereign guarantee.





MLGP4
CLIMATE

From concept to proposition

A practical sequence for translating project evidence into a credible funding request





GCoM-MLGP4Climate CITY-ACCEL Investment Project Fiche

SECAP to Investment Pipeline Factory

Template for municipal investment project screening, structuring and financier matchmaking



One project concept, several funding propositions

The same project can answer different questions for a program manager or financial donor

EU RESEARCH CALL

What is new?

Lead with a tested method, partners, replicability and measurable learning.

INVESTMENT GRANT

What will be delivered?

Lead with an eligible asset, implementation plan, cofinancing and programme indicators.

MUNICIPAL LENDER

How is it repaid?

Lead with cash flow, creditworthiness, risk allocation and procurement readiness



Core facts stay consistent: site, owner, technical scope, cost basis, impact method and timetable



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CLIMATE

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Türkiye Multi-Level Governance Platform for

MLGP4Climate

Collaborate for Sustainable Future

How to secure funding for a climate project

Practical tips and mistakes that weaken an otherwise strong proposal

WHAT STRENGTHENS THE CASE

01 Match the exact call

Check applicant, location, activity and cost eligibility.

02 Quantify the benefit

Use a baseline and verifiable annual result.

03 Price the full project

Include design, works, operation and cofinancing.

04 Prove readiness

Confirm site rights, approvals and partners.

05 Choose the right instrument

For debt, show a lawful and credible repayment source.

WHAT OFTEN GOES WRONG

01 Generic proposal

Send the same narrative to every programme or bank.

02 Unverified impact

Claim CO₂ savings without a traceable assumption.

03 Incomplete budget

Omit maintenance, contingency or cost eligibility.

04 Missing authority

Promise a site or municipal match without approval.

05 Premature funding claim

Assume support exists before checking the call or terms.

Good project concept

PROJECT modalities

Problem, location and target group

Asset, capacity and technical alternatives

Owner, partners, approvals and procurement

Capital cost, operating cost and benefits

Baseline, results and measurement method

Key questions

Why this funder or call?

Which result will it pay for?

Who is an eligible applicant?

Which costs and dates are eligible?

Project concept checks for improvment

Reject a weak match early; improve the project before investing in a full application.

1 Applicant

Can this municipality apply or borrow?

2 Place

Is the project geography eligible?

3 Activity

Does the call fund this asset or approach?

4 Timing

Can the project start within the allowed window?

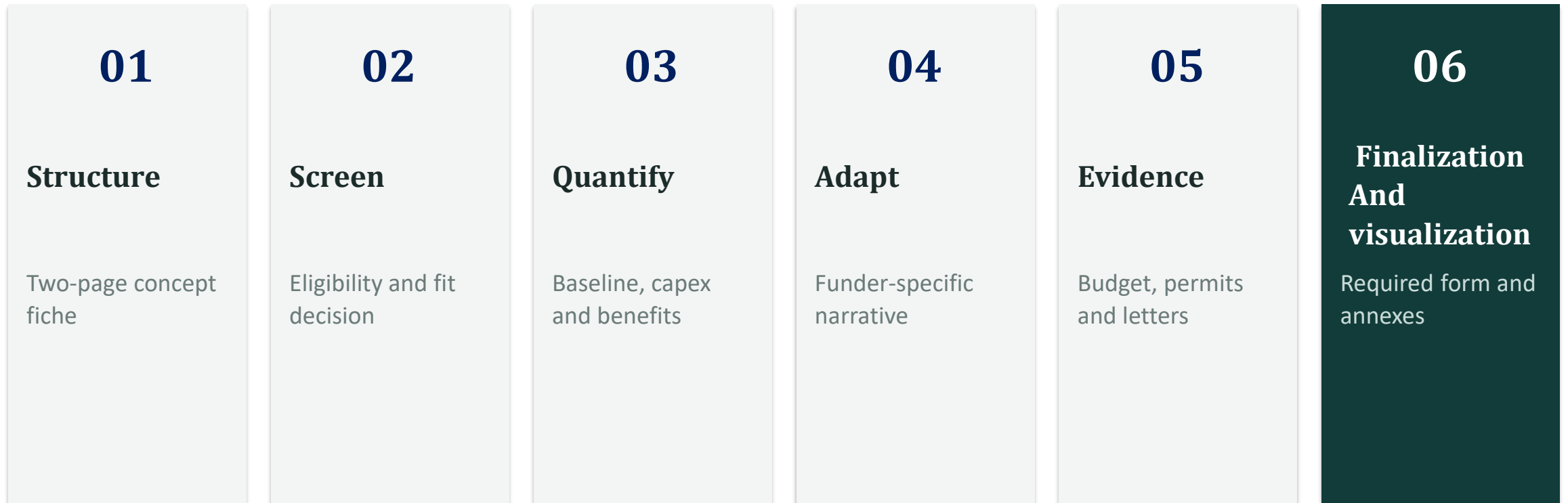
5 Finance

Can the city provide match funding or repay debt?

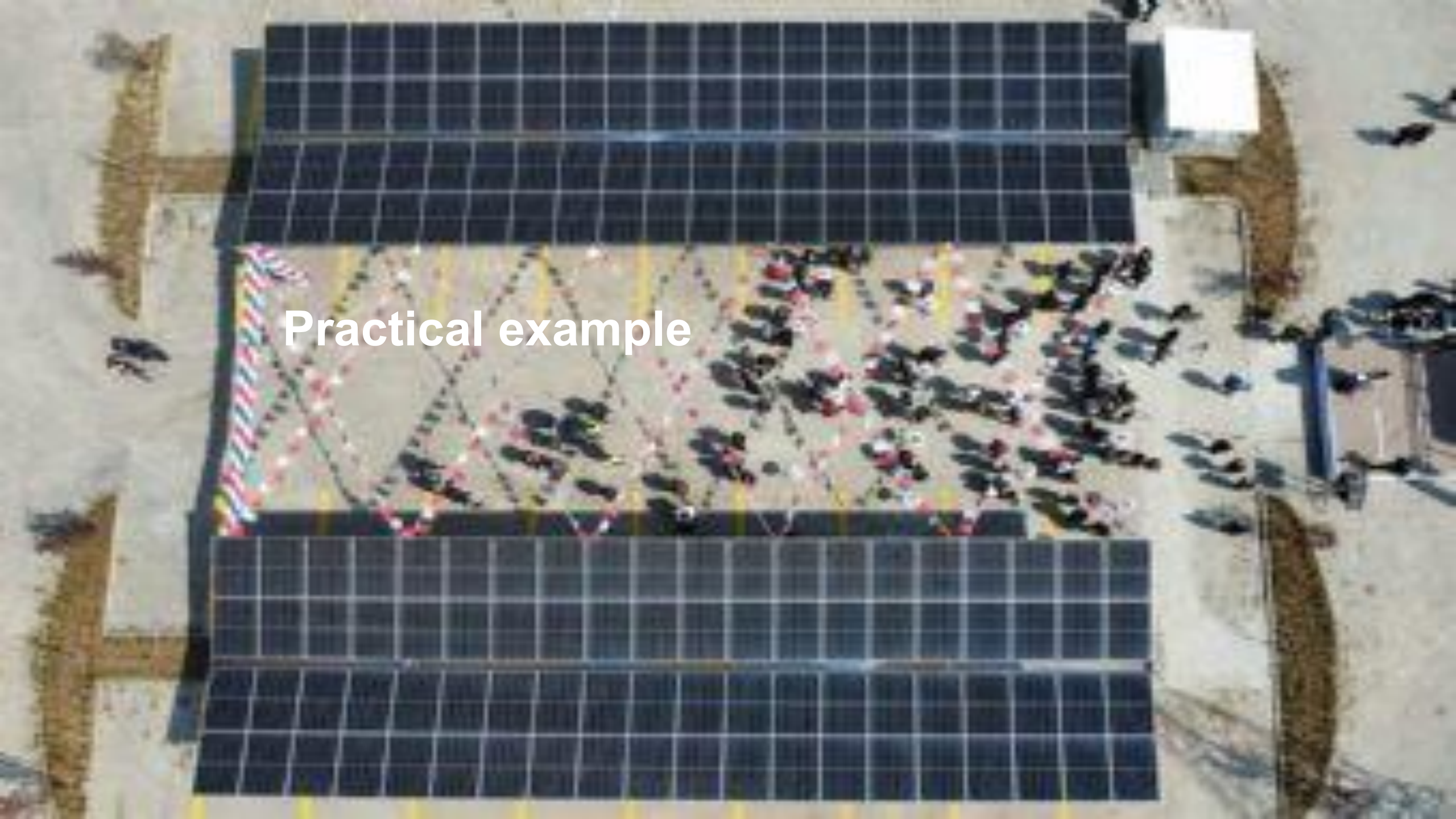
6 Evidence

Are baseline, approvals and costs credible?

Steps from project concept to funding



Decision rule: pause when a critical fact is missing; assign an owner and a date to close the gap.

An aerial photograph of a large-scale solar panel installation. The solar panels are arranged in two main rectangular blocks, one at the top and one at the bottom of the frame. Between these two blocks, a large group of people is standing in a grid-like formation on a light-colored, possibly sandy or paved, surface. The people are wearing various colored clothing, and their shadows are cast onto the ground. The entire installation is surrounded by a concrete or paved area, with some sparse vegetation and a small white rectangular object visible in the upper right corner.

Practical example

Worked case: Çorlu roof solar PV

2,088 kWp

Installed DC capacity

2.57 GWh

Estimated annual generation

US\$835k

Reported capital investment

5.6 years

Reported simple payback

THE UNCHANGED PROJECT

Install rooftop PV at the municipal market to generate electricity for a defined municipal use.

VALIDATE NEXT

Metered load, tariff, grid connection, roof rights, final quotations and carbon factor.

The same roof PV concept, three distinct asks

The physical project stays recognisable while purpose, budget and evidence change.

FUNDING	PRIMARY REQUEST	ADDITIONAL PROOF
Horizon Europe	Join a multi-city pilot testing procurement or demand flexibility with PV as a demonstrator.	Innovation, consortium roles, replication plan and call outcomes.
International donors, funds	Finance an eligible local renewable-energy investment under a national or regional programme.	Programme priority, cofinancing, procurement and output indicators.
Blended finance	Finance PV capex against municipal savings or another permitted repayment source.	Credit profile, cash flows, ownership, permissions and risk allocation.

Version A. Research or innovation call

The roof is the demonstration site; the proposal must answer the topic's research question.

PROPOSITION

Multi-city learning

Test a repeatable method for bundling municipal roofs, procurement and electricity-use data.

RESULT

Evidence to replicate

Compare performance, procurement time and uptake across partner cities.

PARTNERS

Roles that matter

Municipality provides a site and data; technical partners design and assess the method.

Proposal test: if the call seeks research and innovation, ordinary PV construction alone is insufficient.

Version B: international funds

Use the same municipal PV concept in an eligible Member State and match a specific programme.

Programme objective Show how the PV investment contributes to the selected priority.

Investment output Specify eligible capacity, location, ownership and delivery date.

Public benefit Quantify annual renewable energy and the relevant programme indicator.

Delivery capacity Document procurement, permits, financing share and maintenance.



Version C. Blended finance

An investment pitch must link the physical asset to a lawful and credible repayment source.

TWO-MINUTE INVESTMENT CASE

Çorlu market-roof PV

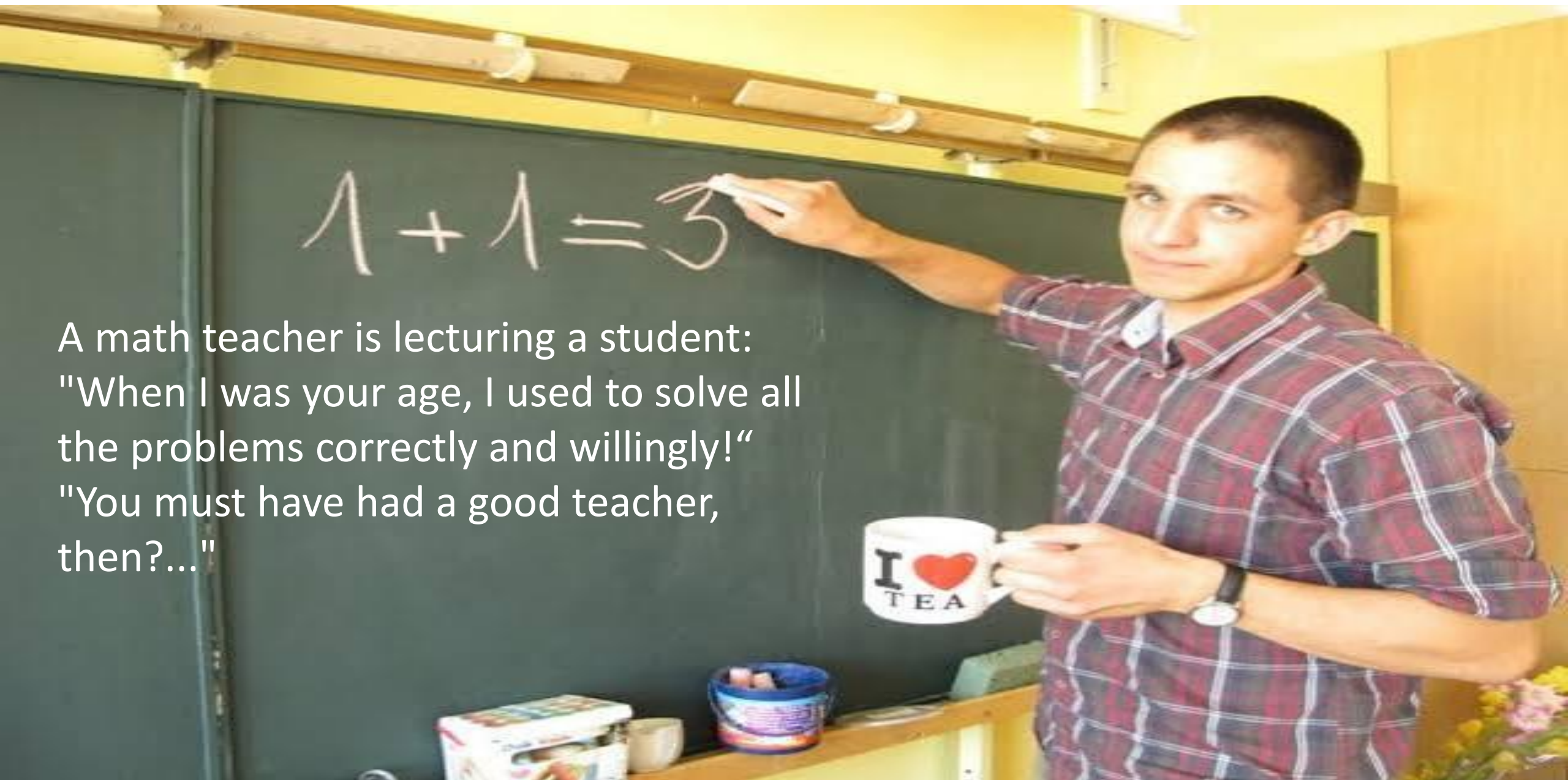
US\$835k reported capex. Confirm annual energy benefit against metered demand and actual tariff. Seek terms that the municipality can service under its legal borrowing limits.

LENDER DILIGENCE

Cash	Forecast savings, operating cost and debt service
Authority	Borrowing approvals, asset and roof ownership
Risk	Grid, construction, performance and currency exposure
Execution	Tender status, contractor and O&M responsibility

Financing proposition needs transparent arithmetic

A math teacher is lecturing a student:
"When I was your age, I used to solve all
the problems correctly and willingly!"
"You must have had a good teacher,
then?..."



Financing proposition needs transparent arithmetic

The reported case is a starting point for a cash-flow model, not a completed model.

REPORTED INPUTS

US\$835k ÷ 5.6 years

≈ US\$149k per year implied by the reported simple payback. Confirm the savings basis and operating costs before using this figure.

MODEL FOR A FINANCING DECISION

Hourly load and self-consumption
Tariff and escalation assumptions
Capex quotes, O&M and replacement costs
Borrowing currency, tenor and interest
Downside cases and debt-service coverage

Simple payback omits financing costs, timing and risk. Validate the underlying figures with the municipality.

The evidence pack should be proportionate to the ask

Keep one shared evidence folder and mark each item as available, draft or missing.

COMMON CORE

Site rights and asset owner

Technical concept and generation estimate

Baseline, impact method and cost basis

Municipal decision and implementation team

GRANT ADDITIONS

Call-aligned outcomes and indicators

Eligible budget and cofinancing proof

Partnership roles and letters

Procurement, environmental and visibility rules

LENDER ADDITIONS

Audited finances and budget forecast

Detailed cash flow and sensitivities

Borrowing authority and repayment source

Construction, grid and performance risks

A financial call text can be converted into a response matrix

Copy the call’s exact requirement into the left column before drafting project proposal.

CALL REQUIREMENT	PROJECT RESPONSE	EVIDENCE / OWNER
Expected outcome	Roof PV contributes to renewable generation and a specified local objective.	Impact calculation / energy unit
Eligible applicant	Confirm legal status, partnership and geography.	Registration and partner mandate / legal
Eligible costs	Separate equipment, works, design and indirect costs.	Costed budget / finance
Selection criteria	Give a distinct answer for relevance, impact and delivery.	Mapped evidence / proposal lead
Time and compliance	Fit start date, procurement and environmental requirements.	Work plan and approvals / project manager

Cite the exact call section, page or article in an internal version of this matrix.

WEAK PROPOSITION



STRONGER VERSION

“We have a SECAP”

Name the exact measure, decision and target the project implements.

“The project saves energy.”

Show baseline, calculation method and annual result with units.

“The investment costs US\$835k.”

Show quote date, currency, contingencies and eligible-cost split

“The city will maintain it.”

Name the budget owner, maintenance plan and performance monitor.

“This EU programme is relevant.”

Name the topic or action and map each selection criterion

Practical tips and mistakes that weaken an otherwise strong project proposal

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Key indicators for financing a climate project

Checklist for a bank or private investor

KEY INDICATOR	WHAT A BANK OR INVESTOR NEEDS TO SEE
Total investment and funding plan	CAPEX, contingency, grant/equity/debt mix and the remaining financing gap.
Annual net cash flow	Verified annual revenue or savings after operating and maintenance costs.
Debt service coverage (DSCR)	Cash available for debt service ÷ principal and interest; show the weakest year.
Financial return	Project NPV and IRR; equity IRR for private capital. Payback is supplementary.
Borrower creditworthiness	Financial statements, operating surplus, existing debt and legal borrowing capacity.
Climate impact	Baseline and method; MWh and tCO ₂ e per year, or quantified adaptation benefits.
Sensitivity to risk	Effect of higher CAPEX or interest and lower output or tariffs on returns and DSCR.
Implementation readiness	Site rights, permits, grid access, procurement, timetable and O&M responsibility.

What language you need use for financial attraction?

NPV, IRR, CAPEX



CAPEX, NPV and IRR

Illustrative municipal rooftop solar project

€1,000,000 upfront · €200,000 net savings each year for 8 years · 8% discount rate

CAPEX

Capital cost needed to build the project

Equipment + installation + design

$$€800k + €150k + €50k = €1m$$

NPV

Value today after recovering the investment

$$NPV = -CAPEX + \sum CF_t / (1 + r)^t$$

$$-€1,000,000 + \sum (€200,000 / 1.08^t)$$

$$= +€149,328$$

IRR

Discount rate that makes NPV equal zero

$$0 = -CAPEX + \sum CF_t / (1 + IRR)^t$$

$$IRR = 11.81\%$$

For each sum, $t = 1$ to 8. Net savings occur at each year-end and already account for operating costs.

NPV (Net Present Value) in Climate Projects

NPV determines whether a climate project creates financial value by discounting future cash flows to their present value.

- **Longer Time Horizons:** Climate projects (e.g., wind farms, reforestation) require **high initial CapEx**, while financial returns are generated over decades.
- **Discount Rate (WACC) Sensitivity:** Because returns occur far into the future, NPV is highly sensitive to the chosen discount rate. High commercial rates (8–10%) can make long-term environmental benefits look worthless today. Therefore, investors often use **lower or "social" discount rates** (2–4%) to properly value future sustainability.
- **Avoided Costs as Inflows:** When calculating NPV, positive cash flows include not only direct revenue but also **avoided costs** (e.g., carbon tax savings, avoided regulatory fines, or reduced energy bills).

IRR (Internal Rate of Return) in Climate Projects

IRR shows the annualized profitability of the project. Investors compare the project's IRR against their cost of capital or alternative investments.

- **Lower Financial Benchmarks:** Traditional climate projects often yield a lower purely financial IRR (e.g., 5–8%) compared to high-risk tech ventures.
- **Impact of Subsidies and Incentives:** To make the IRR attractive to private capital, projects heavily rely on government subsidies, green bonds, concessionary loans, or feed-in tariffs (FiT) that boost the final IRR.
- **Carbon Credit Monetization:** If a project generates certified carbon offsets that can be sold on the voluntary or compliance markets, these additional cash inflows significantly improve the IRR.

Key Challenges and modifications in NPV, IRR calculations

Challenges	Solution in finance modeling
Ignoring Externalities	Investors use Social NPV (S-NPV), which monetizes environmental damage (e.g., applying a Social Cost of Carbon) and factors it into the model.
Long-Term Uncertainty	Teams perform Scenario Analysis to test how NPV holds up against fluctuating carbon taxes, power purchase agreements (PPAs), or energy price volatility.
Lower Financial Returns	Impact investors look beyond financial IRR, assessing the Environmental Rate of Return (ERR) alongside strict ESG metrics to justify lower monetary yields.

After workshop give Ten-minute practice: rewrite your own concept

Choose one project and one possible funding route.

2 min

Write the unchanged project in one sentence.

3 min

Write the funder's priority and exact eligibility question

3 min

Draft a 50-word proposition with one quantified result.

2 min

List the two missing documents and their owners.

Take-away: one project record, one tailored proposition and a dated list of evidence gaps.

From concept to a credible funding conversation

Action the week

1

**Confirm, improve
the facts**

Validate site, load, budget, impacts and ownership with the municipality.

2

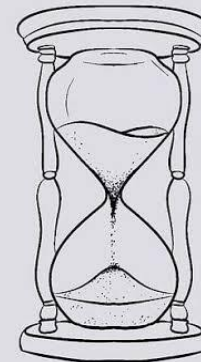
Close the gaps

Assign named owners and deadlines for missing evidence.



**“You may
delay,
but time
will not.”**

—BENJAMIN FRANKLIN



A black and white portrait of Winston Churchill, looking slightly to the left with a serious expression. He is wearing a dark suit jacket over a light-colored shirt and a dark tie. The background is dark and out of focus.

“

Success is not final,
failure is not fatal: it is
the courage to continue
that counts.

Winston Churchill