



## FiCS Lab Incubation Pillar

Cycle 1 Application

October 2024

**This document is for application information only. All applications must be completed through the platform [Submittable](#) to be considered for the FiCS Lab.**

### Section 1: CONTACT INFO

Point of Contact 1\* (\*indicates a required question)

Institution\*

Title\*

Email\*

Point of Contact 2

Institution

Title

Email

### Section 2: ELIGIBILITY SCREEN

Please refer to the FiCS Lab Guidelines for definitions of financial instruments and eligible applicants

1. Does your proposal include a financial instrument?

*Examples of relevant financial instruments include (but are not limited to) bonds and other debt instruments, structured funds, equity vehicles, insurance, results-based and conditional payment structures, hedges/swaps, guarantees and other relevant financial tools. Please see the FiCS Lab Guidelines for more information.*

- Yes
- No

[If No: The FiCS Lab is designed to support public development banks in the creation, development, and pilot of climate finance instruments. If you are not sure if your proposal includes a financial instrument, or require further guidance, please book an appointment for the CPI "office hours" to discuss with our team.]



2. Is this proposal coming from a consortium that includes 1) one or more public development banks (PDBs), or similar public entities, and 2) one or more civil society organizations, consultants or advisors that will implement the development of the idea (the development partner)?

**Please note that the application must be completed by a PDB partner of the consortium.**

*Please see the FiCS Lab Guidelines for more information on eligible entities and consortia requirements.*

- Yes
- No

[If No: For Cycle 1, the FiCS Lab requires the involvement of both an independent development partner and a public financial institution. If you have questions on this requirement, or need a connection to a potential development partner, please book an appointment for the CPI "office hours" to discuss with our team.]

3. Is the applicant PDB located in an emerging market or developing economy (EMDE), or does the proposed instrument primarily target EMDEs? \*

*The FiCS Lab supports financial instruments that either include a PDB and/or implementing partner that is located in an EMDE, or that have clear impacts on EMDE climate finance. Please see the FiCS Lab Guidelines for more information.*

- Yes
- No

[If No: The FiCS Lab is designed to support instruments that have a clear and direct impact on climate finance in EMDEs. If you have questions about this impact, EMDE eligibility, or are interested in partnering with EMDE banks, please book an appointment for the CPI "office hours" to discuss with our team.]



### Section 3: OVERVIEW

Please refer to the FiCS Lab Guidelines for definitions for financial instruments, eligibility requirement for geographic focus, and funding and technical assistance parameters.

1. Financial Instrument Title (Word Limit: 20)
2. Proposing Organization(s). Please list the participating PDB(s), including the lead department(s) or unit(s), and the development partner(s). (Word Limit 50)
3. Please provide a brief overview of the proposal, covering the questions below. (Word Limit: 450)
  - a. What problem is the instrument attempting to solve?
  - b. Proposed instrument type, size, investment theme (mitigation and/or adaptation), sector, and geography (If applicable).
  - c. Grant amount requested
4. Please provide an overview of the structure of your instrument. Optional: Upload a graphic or image that illustrates the mechanics or financial flows behind the idea and/or a Gantt chart or equivalent that serves as a workplan to show expected outputs. (Word Limit: 450)
5. What is the idea's current stage of development? Please select from the menu below.
  - 1) **Idea basics:** Idea is in early concept stage. Preliminary research has been done, but the target market, and/or instrument structure have not been identified or defined. There is a commitment to piloting within the short-term (2 years).
  - 2) **Initial development:** Target market identified, but many details on the concept and financial product are still missing. Internal capacity is in place to support development.
  - 3) **Proof of Concept:** Target audience has demonstrated interest and initial assessments demonstrate feasibility, yet details on instrument structure and pathway to market are still unclear. Modeling has not been completed.
  - 4) **Pre-pilot:** Instrument has developed a viable product, initial financial modelling is complete, with some details to still be developed.



## Section 4. KEY EVALUATION CRITERIA

### Innovation

Innovation, as used here, can be a new instrument or an existing instrument that you think would add value to the PDB's existing offerings, but is not currently in production or is outside of the normal, business-as-usual approach.

1. Describe the existing barriers to climate finance flowing into the target sector and/or geography, and how your proposal overcomes these barriers and how it can add new value in your unique context. Where possible, use evidence and data. (Word limit: 450)
2. Describe similar approaches or comparable instruments that either: (A) intend to achieve the same goals as your instrument; OR (B) rely on similar mechanisms and approaches as your instrument. Please explain the ways in which your instrument is both similar to and distinct from these existing comparable instruments and approaches, bringing in your own unique context. (Word limit: 450)

### FiCS Lab Fit

Lab Fit assesses the proposed financial instrument's alignment with the objectives of the FiCS Lab. To enhance the success of the selected proposals, the FiCS Lab aims to ensure that the value add of our funding and technical assistance complement the unique needs of each proposed idea to deliver an instrument that is ready to pilot at the end of the incubation phase, or shortly thereafter.

3. How does your proposal align with the **objectives of the FiCS Lab**? Please see the FiCS Lab Guidelines for more information. (Word Limit: 250)
4. [Optional] Does your proposal fit into any of the **topic areas** of the FiCS Lab? Please note, while relating to one of the topics is advantageous, ideas that do not fall within one of these topics will also be considered if they address specific unmet climate finance needs in EMDEs. (Word Limit: 250)
  - Climate-related Debt Clauses
  - Debt for Nature/Climate Swaps
  - Foreign Currency Risk
  - Domestic Carbon Markets



5. How does the proposed financial instrument fit into the **operations and objectives of your PDB**? Is there a specific reason the PDB is not able to develop the instrument unilaterally? (Word limit: 250)
  
6. CPI can provide a variety of **technical assistance (TA)** to support instrument development. Please select TA activities that you think will be most beneficial from the list below. (check box)
  - Design and stress testing of financial instrument mechanics
  - Target market research and analysis
  - Sounding with expert working group members
  - Financial modelling
  - Environmental and social impact modelling
  - Development of an implementation pathway and milestones
  - Development of investor pitch materials
  - Mapping of potential capital mobilization

### Internal Capacity

Internal capacity refers to whether the PDB team and development partners are able to successfully develop and pilot the financial instrument, with support provided by the FICS Lab. As the PDB is expected to provide value-in-kind (ViK) through staff time and knowledge, this includes a preliminary understanding of the proposed teams involved and the planned division of labor between the PDB and development partner.

7. Please describe the proposed division of labor between the PDB and the implementing partner, including how the division is supported by the teams' qualifications and experience. (Word Limit: 450)
  
8. Please use the two tables below to list the key team members from both the PDB (Table 1) and the implementing partner (Table 2) who will contribute to the development and piloting of the financial instrument. This should include both staff who will carry out the work and those who will provide oversight/strategic guidance.

Table 1: Public Development Bank

Name	Role	Team Lead (Y/N)	Time Commitment (%)	Location	Gender




Table 2: Implementing Partner

Name	Role	Team Lead (Y/N)	Time Commitment (%)	Location	Gender

9. Is there an existing relationship between the PDB and the development partner(s) of the consortium? What is the status of the partnership (e.g. in principle agreement, signed MoU)? Please provide details of the state of advancement of discussions between partners and any previous joint work. (Word Limit: 250)

**Actionability**

Actionability refers to the ability of financial instruments to be deployed or piloted by the applicant PDB within 6-12 months after the incubation period. This includes having a pilot pathway that addresses potential risks to piloting and a regulatory environment that does not prohibit the use of the instrument.

10. What are the **risks** in implementing the financial instrument? How do you plan to address these? (Word Limit: 250)

11. Are there **regulatory conditions** that need to be met to achieve commercial or long-term viability, or are there regulatory barriers to its implementation? (Word Limit: 250)

12. Describe the timeframe for implementing a **pilot of the financial instrument** in the target region, ideally within 6-12 months the end of the incubation period. (Word Limit: 250)



## Catalytic Potential

Catalytic potential refers to the proposed idea's ability to be replicated elsewhere or scaled to meet climate finance needs. As the FICS Lab aims to support increased use of climate finance instruments across EMDEs, we're interested in how you could measure the impact of the instrument, whether it can scale or be replicated easily once launched, and what external support is necessary in the short- and long-term.

13. What are your climate finance **goals of the instrument's implementation, how did you identify them, and how do you plan to measure them?** What is the intended impact of the financial instrument? (Word Limit: 250)
14. Describe how the instrument **can be scaled and/or replicated** in the target region. Can it be replicated in other EMDE regions facing similar challenges? (Word Limit: 250)
15. If necessary to scale, how will the instrument be able to **attract further public or private funding** (or policy changes/innovative financial practices) beyond the immediate scope of the funded idea, multiplying the impact of the original investment? (Word Limit: 250)

## Section 5: BUDGET (With Development Partner)

1. Please provide a **budget narrative** on how the development partner plans to use the funds, and how this will help achieve the proposal's goals and objectives. Please be sure to include any financial or Value-in-Kind (ViK) contributions (e.g. staff time or proprietary data) from the applicant or participating PDB(s). (Word Limit: 250)



2. Please fill out the Budget Template for development partners and upload it below. Please refer to the FiCS Lab Guidelines for details on permitted use of funds and parameters for overhead costs.

<b>Development Partners</b>	
<b>Expense Category</b>	<b>USD Value</b>
Personnel – direct total	
<i>(list direct personnel &amp; % of annual salary covered by the requested financial assistance)</i>	
Personnel - indirect total	
<i>(list indirect personnel &amp; % of annual salary covered by the requested financial assistance)</i>	
Sub-contractor	
Events & Workshops	
Travel	
Overhead	
<b>Total</b>	

3. Please fill out the Budget Template for PDB partners to assess VIK contributions and upload it below. Please refer to the FiCS Lab Guidelines for details on permitted use of funds and parameters for overhead costs

<b>PDB Partners</b>	
<b>Expense Category</b>	<b>USD Value</b>
Personnel – direct total	
<i>(list direct personnel &amp; % of annual salary covered by the requested financial assistance)</i>	
Events & Workshops	
Travel	
<b>Total</b>	