



## FiCS Lab Incubator Guidelines

### Cycle 2 | September 2025

#### Overview and Purpose of the Guidelines

The Finance in Common Innovation Lab (FiCS Lab) is launching the second cycle of the FiCS Lab Incubator. The Incubator supports public development banks (PDBs) or equivalent public financial institutions (PFIs) to develop and pilot innovative financial instruments aimed at increasing their ability to catalyze climate finance by providing direct technical assistance (TA) and procuring external development partners on behalf of the PDBs.

The FiCS Lab invites interested PDBs and their chosen development partners—civil society organizations, think tanks, universities, legal firms, consultants, and/or other entities with an understanding of the local context—to submit proposals for instruments that target climate finance in emerging markets and developing economies (EMDEs) and that demonstrate innovation, actionability, and catalytic potential.

Applying consortia must include both a PDB from an EMDE and up to two external development partners to work with Climate Policy Initiative (CPI) in developing the instrument. MDBs, bilateral DFIs, and other public entities not based in EMDEs (international or based in developed economies) may apply if they partner with a national or subnational PDB or PFI based in an EMDE, along with a development partner.<sup>1</sup>

Selected proposals will receive between USD 200,000 and USD 500,000 in grant funding, disbursed to the development partner(s), to support the instrument's development. While the funds will be provided to the development partner to support instrument incubation, the ultimate beneficiary of the activity should be a PDB, and the PDB must be deeply engaged in the effort. Successful proposals will also receive TA from a dedicated team of CPI analysts (approximately 60 hours per week) for a period of 7 months to help incubate the proposal, and an additional year of light-touch support to

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<sup>1</sup> As the FiCS Lab's primary goal is to support EMDE financial institutions, such as regional, national, and subnational development banks, PFIs outside of EMDEs must have an agreed upon EMDE PFI partner. Regional MDBs or development banks, i.e. those serving an EMDE geographic region and smaller than the joint-reporting MDBs, are welcome to apply as a singular entity. Please direct any questions about your eligibility to the FiCS Lab team at [FiCSLab@cpiglobal.org](mailto:FiCSLab@cpiglobal.org).



facilitate implementation. The PDB is expected to provide a value-in-kind contribution through staff time and expertise.

The process (which is detailed further below) starts with a competitive call for proposals, with the following subsequent phases:

- **Call for proposals:** September 8 – December 5, 2025
- **Selection:** December 2025 -early February 2026
- **Awardees announced:** February 2026
- **Contracting:** February – March 2026
- **Instrument Development:** April 2026 – November 2026
- **Follow-up support:** December 2026 – December 2027

**Applications will be accepted in English, French, or Spanish, although CPI communications and support will be conducted in English.** Successful applicants will be expected to be able to engage with the development partners and the CPI team in English, including on technical subjects, and to be able to present their project to international audiences.

**This Guidelines document provides details on eligibility and criteria for selection, the financial and technical support offered to selected proposals, and components of the incubation phase for selected proposals. Applicants can view a PDF version of the application form on the [FiCS Lab website](#), as well as the [link to the application submission platform, called Submittable](#), opening September 8, 2025.**

**For questions and/or clarifications, please reach out to the FiCS Lab Secretariat at [ficslab@cpiglobal.org](mailto:ficslab@cpiglobal.org)**



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## 1. About the FiCS Lab

[Finance in Common \(FiCS\)](#), the [Inter-American Development Bank](#), and [Climate Policy Initiative \(CPI\)](#) have partnered to operationalize the FiCS Financial Innovation Lab (FiCS Lab), with CPI as the Secretariat and financial support from the Children's Investment Fund Foundation.

The objective of the FiCS Lab is to help public development banks (PDBs) and other FiCS members address barriers to climate finance by sharing best practices, developing standardized approaches to climate instruments, and providing technical support to move ideas through development to implementation. Based on the [FiCS Cartagena Final Communiqué](#) of September 2023, the vision of the FiCS Lab is to bring together PDBs around an action-oriented platform to accelerate the implementation of climate finance by fostering innovation and collaboration among PDBs in mobilizing private capital and expanding climate finance, particularly in emerging markets and developing economies. The FiCS Lab works across three main pillars.

### Pillars of operation:

- **Pillar 1 Knowledge Sharing:** Disseminating and discussing best practices and innovations in climate finance.
- **Pillar 2 Policy Dialogue:** Standardizing approaches to facilitate the implementation of potential climate finance instruments and strategies.
- **Pillar 3 Incubation Support:** Providing financial and technical support for the incubation of innovative financial instruments through competitive calls for proposals.

Pillars 1 and 2 are operationalized through the FiCS Lab Working Groups, which are focused on four key topics for 2025:

- Blended Finance – Guarantees
- Risk Mitigation – Insurance
- Currency Risk
- National Climate Goals



## 2. Pillar Three: The FiCS Lab Incubator

The [FiCS Lab Incubator](#) supports PDBs and other similar public entities in EMDEs, with a particular focus on small and medium-sized entities (with AUM of below USD 100 billion), in developing and implementing innovative financial instruments that will allow them to expand their efforts to drive climate finance and achieve climate mitigation and adaptation goals in their regions. It aims to build capacity and accelerate new initiatives by providing direct technical assistance (TA) and allowing PDBs to procure external services or advice.

There are two elements of support:

1. **Grant funding to procure external services from development partners.** These services could include consulting or advisory services, legal advice, or targeted research. The services can be delivered by a think tank, consultancy or financial advisors, legal advisors, researchers/academics, or local organizations.<sup>2</sup> The grant funding will be disbursed directly from CPI to these providers. Please note that, due to regranting restrictions, the FiCS Lab Incubator cannot provide financial support directly to PDBs. The development partner model of the FiCS Lab allows CPI to procure the services of a development partner on behalf of the PDB.
2. **TA from the CPI team.** CPI will leverage its over 10 years of experience and expertise in running the [Global Innovation Lab for Climate Finance](#) (the Lab) to serve PFIs in developing financial instruments suited to their unique contexts. The Lab has supported the launch of 78 such instruments to tackle barriers in critical sectors and regions, with a 54% mobilization rate, totaling a little over USD 4 billion for climate action in EMDEs.

Proposals are sought from consortia consisting of at least one PDB (or other similar public entity) and at least one development partner. The PDB will be considered as lead applicant, and proposals will be evaluated on the instrument's potential impact and benefit for the PDB partner, the expertise and applicability of the PDB(s) and development partner(s), and the instrument's technical strength.

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<sup>2</sup> Development partners must bring necessary expertise and capacity to the project. A wide variety of institution or consultant types can be accepted, so long as they are applicable to the project. If sub-contracting is necessary by the development partner, we will request detailed information on the type of contractor.



## 3. Incubator Proposal Eligibility and Evaluation Criteria

### 3.1 Eligibility

Proposals must feature an innovative financial instrument that aims to increase climate finance flows or impacts in the target region, accompanied by an opportunity for the PDB to pilot the instrument in the near term. For the purposes of the FiCS Lab, climate finance encompasses investment, financial tools, vehicles, and models needed to support mitigation and adaptation activities for a low-carbon and climate-resilient economy.

Innovative financial instruments could be new instruments or existing instruments that address market challenges more effectively but are not currently in use or are outside the PDB's normal, business-as-usual approaches. Examples of relevant financial instruments include, but are not limited to:

- Bonds and other debt instruments
- Structured funds, equity vehicles
- Insurance products
- Investment data tools and platforms
- Pay-per-service models
- Securitization structures
- Results-based and conditional payment structures
- Investment taxonomies
- Hedges/swaps, and guarantees

The FiCS Lab does not support the development of individual, real-sector projects.

#### **Types of entities:**

Consortia must include the following:

1. One PDB or similar public entity (see below), based in an EMDE. MDBs, bilateral DFIs, and other public entities from developed economies are invited to partner with a PDB based in an EMDE.
2. At least one but no more than two development partners, such as civil society organizations, consultants, or advisors that will lead or support in developing the instrument.

The lead applicant should be the EMDE-based PDB partner.



**The PDB partner(s) or similar entity** should be a public financial institution, such as a subnational, national, or smaller regional development bank based in an EMDE.<sup>3</sup>

MDBs, bilateral DFIs, and other public entities that are not based in EMDEs, instead headquartered in international or developed economies, are eligible to apply if they partner with a national or subnational public entity located in an EMDE.<sup>4</sup> At least one of the public finance entities must be based and headquartered in an EMDE. Any partnerships must be agreed upon by all banks ahead of the application.<sup>5</sup>

PDBs that are current or potential members of the FiCS coalition, which includes a diverse range of institutions committed to supporting the alignment of finance with sustainable development goals and the Paris Agreement on climate change, are particularly encouraged to apply. Please direct any questions on this requirement to the FiCS Lab Secretariat at [FiCSlab@cpiglobal.org](mailto:FiCSlab@cpiglobal.org)

For successful proposals, the PDB partner(s) will be required to sign an MOU with CPI that includes a non-disclosure agreement (NDA) and supports data sharing to facilitate instrument development.

**The development partner(s)** can be a variety of stakeholders, including civil society organizations, private sector companies, legal advisors, consultancy firms, academic institutions, and technology providers that can enhance the design, implementation, and scalability of the proposed innovative financial instrument. Applicants are encouraged to explore partnerships that promote capacity development in the target geographies (see below) and support the development of PDB expertise.

Grants are intended to fund the procurement of additional, specialized capacity to support the PDB applicants and will be disbursed directly to development partners. CPI will hold a sub-grant contract directly with the development partner detailing disbursement schedules and deliverables. As the funding will come directly from CPI, no official procurement procedure should be necessary from the PDB. Please see the budget section for more details on the permitted use of grant funds.

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<sup>3</sup> Regional development banks, in this context, refer to public financial institutions that work across multiple countries within a specific region, such as in the Caribbean or in West Africa, but are smaller than the main MDBs.

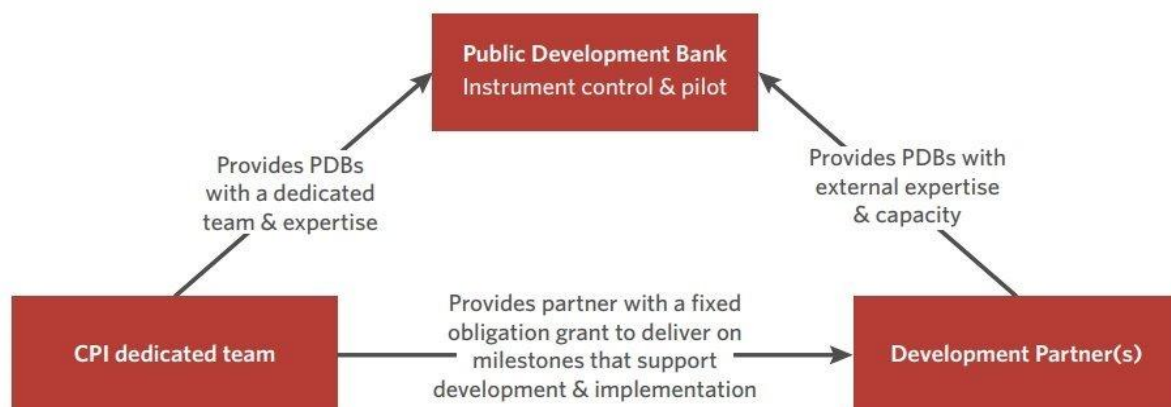
<sup>4</sup> Development banks headquartered in developed economies must have a partner PDB that is a smaller national or sub-national entity headquartered in an EMDE, even if most of the development bank's work takes place in EMDEs, as the aim of the FiCS Lab is to strengthen domestic financial institutions.

<sup>5</sup> Applications that include this kind of MDB/DfI to NDB/sub-NDB partnership will be evaluated with a stronger weight on scale and replicability than on Lab Fit, given the size of MDBs/DFIs.



The partnership between the PDB and development partner(s) does not need to be fully formalized (i.e., signed MoU or partnership agreement) at the time of application, but discussions should be sufficiently advanced that all partners agree to be identified in the application. Under exceptional circumstances, it may be possible to modify a partnership between the time of submission and the grant awards, subject to the judgment of the FiCS Lab Selection Committee. If requested, applicants will need to provide a letter of intent from leadership to ensure that all parties are fully supportive of the FiCS Lab Incubator activities and requirements. Please note that all arrangements between proposal partners will need to be finalized when the contract is signed.

The figure below shows how the PDB(s), development partner(s), and CPI will collaborate on the development of the instrument. Please note that the division of labor will look slightly different if there are multiple PDBs or development partners as part of the consortium.



**Geographic focus:** The proposed instrument should target EMDEs, aiming to address specific challenges to the deployment of climate finance and support domestic financial institutions in the target region(s).

**Stage of instrument development:** The FiCS Lab is open to proposals for innovative climate finance instruments that have passed initial feasibility or scoping exercises and have internal support. The proposed instrument and supporting institution(s) should be ready to enter a pilot phase within twelve months after the incubation period ends, to leverage CPI's ongoing light-touch support. The list below outlines the various stages that are appropriate for proposals to fall under for the FiCS Lab Incubator.

**1) Initial development:** Target market may have been identified, but many details on the concept and financial product remain missing. Internal capacity is in place to support development.





**2) 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.

**3) Pre-pilot:** Instrument has developed a viable product; initial financial modeling is complete, with few details to still be developed.

**Topic Focus:** The FiCS Lab Incubator is open to financial instruments that address a range of climate topics, and proposals with a focus on adaptation are especially encouraged to apply. Examples of topics include currency risk, regenerative agriculture, energy transition, renewable energy uptake, water and resource management, and urban adaptation and resilience.

## 3.2 Evaluation Criteria

Submitted proposals will be evaluated against five criteria: innovation, lab fit, internal capacity, actionability, and catalytic potential. These criteria are described below. Geographic diversification will be sought to the extent that the criteria are met.

### Innovation

Innovation, in this context, refers either to i) a completely novel instrument, ii) an existing market instrument that addresses market concerns in a more effective manner or iii) intended for use in a new target context or region.

Additionally, an innovative instrument should directly or indirectly tackle barriers to the PDB's ability to attract or provide climate finance. The instrument may address such barriers in one of two ways: by targeting barriers to climate finance that are currently unaddressed by the market or by providing solutions that are more effective than existing methods.

### FiCS Lab Fit

FiCS Lab Fit refers to how well aligned the proposal is with the FiCS Lab's objectives, and to the potential value added by the FiCS Lab's support—specifically, benefits that would not be realized by supported PDBs without it, or would be achieved significantly sooner with the FiCS Lab's involvement.

**The objective of the FiCS Lab** is to build a platform that fosters innovation and collaboration among PDBs in mobilizing private capital, increasing access to climate funds, and expanding climate finance, particularly in emerging markets and developing economies. The objective of the Incubator is to develop and support innovative, practical solutions for climate finance through an incubation process that



fosters new ideas across the themes of the FiCS Lab and provides a pathway for replication among PDBs. The four FiCS Lab topics for Cycle 2 are:

- Currency risk
- Guarantee instruments
- Insurance instruments
- National climate goals: Instruments or approaches that contribute to national climate goals, such as nationally determined contributions (NDCs) or national adaptation plans, and require collaboration with other national entities.

Through this criterion, the FiCS Lab aims to provide support that effectively complements the unique strengths and needs of selected applicants to incubate an instrument that is ready to pilot at the end of the incubation phase. The FiCS Lab's additionality can apply to different aspects of the proposed instrument, including:

- **Financial:** The grant would allow for external capacity or expertise that is critical to developing the instrument and maximizing its impact.
- **Technical assistance (TA):** Improving the scope, scale, or impact of the instrument through specialized FiCS Lab support that PDBs cannot generate internally.

The proposed financial instrument should align with their sponsoring PDB's strategic priorities but should not be part of its planned activities that would take place even in the absence of FiCS Lab support, or would otherwise be funded through the PDB's own resources. The FiCS Lab aims to select proposals that will benefit from expertise and/or networks that may not exist within the PDB.

**CPI will provide TA to the PDB and/or development partner, with an indicative 225 days available to support each successful applicant over the course of 7 months, provided by two dedicated CPI analysts. A full description of CPI's role is presented in Section 4: Funding and Technical Assistance.**

### **Project Capacity**

Project capacity refers to whether the PDB team and development partners have the potential to successfully develop and pilot the financial instrument, and where CPI's TA will be most beneficial. The FiCS Lab seeks proposals that demonstrate:

- Sufficient internal commitment within the PDB, including the time of appropriately qualified staff, to participate in the development, piloting, and long-term operation of the instrument;



- A well-planned division of labor between the PDB, the development partner, and CPI; and
- Strong support and buy-in from the PDB's leadership, ensuring alignment with the PDB's strategic vision on climate finance.

In conjunction with the development partner, CPI will help refine the financial instrument and support the PDB to begin the pilot phase. We expect that selected consortia may benefit from multiple types of TA during the incubation period. Proposals should identify potential kinds of TA required to support the development and piloting of the financial instrument (see section 4.1 Technical Assistance). Shortlisted applicants may be asked to provide a letter of intent from leadership, for both the PDB and development partners, to demonstrate that all parties are fully supportive of the proposal and FiCS Lab requirements.

### **Actionability**

Actionability refers to the feasibility of implementing the proposed financial instrument in the target market(s) without depending on long-term reforms to the PDB or to the target market's financial system. For a proposal to be considered actionable, it must be feasible for piloting by the PDB within a year after the incubation support ends. This requires a pathway to piloting, including an understanding of the instrument's risks, and a regulatory environment that permits (and does not hinder) the use of the instrument.

### **Catalytic Potential**

The FiCS Lab focuses on scaling and replicating climate finance instruments across EMDEs. Accordingly, we will evaluate whether proposed instruments can address widespread barriers, adapt to various contexts, and scale effectively once launched. We also assess the external financial and regulatory/policy support needed to sustainably operate the instrument. A key goal of the FiCS Lab is to support instruments that can be successfully replicated by other PDBs within their specific contexts and on a self-sustaining basis.

As part of the FiCS Lab support, CPI will work with selected consortia to develop a public “lessons learned” issue brief (respecting proprietary data and information), as well as a potential presentation by the consortia following after the incubation period.



## 4. Funding and Technical Assistance

The FiCS Lab will support the selected innovative financial instruments with both grant funding and TA.

### 4.1 Grant Funding

For the 2025-2026 cycle, the FiCS Lab will allocate up to three grants to selected proposals. Submitted budgets should range from USD 200,000 to USD 500,000. Final allocation will be determined by CPI based on the number of proposals selected and following consultation with successful applicants. Individual grants will not fall below USD 200,000 or exceed USD 500,000.

#### Permitted Use of Funds

Grant funds are intended to support eligible entities in developing and piloting financial instruments that are additional to existing activity and require specialized resources not available within the PDB's usual operations or capacity. This funding is not meant to provide general budget support or finance business-as-usual operations of the PDB or the development partner.

Funds will be disbursed directly to the development partner(s) and cannot cover direct or indirect expenses incurred by the PDB. The PDB is expected to provide value-in-kind contributions, e.g., through staff support. The FiCS Lab can separately fund PDB travel expenses for attending relevant international meetings (e.g., the FiCS Summit), if necessary. If the development partner(s) also plan to attend international events, they are expected to include travel in their budget proposals.

Eligible activities for grant funds could include, for example, the procurement of specialized advisory, consultancy, or legal services necessary for creating a new financial product. This is not an exhaustive list, and any activities that are not explicitly excluded below may be proposed. Selected proposals may receive partial awards, and the FiCS Lab team may remove or modify specific activities in consultation with successful applicants.

#### Excluded Activities

Selected consortia will be required to confirm that funding will not be used for any political or lobbying activities in the final contract.

- Political and lobbying activities include but are not limited to direct or indirect participation or intervention in any political campaign on behalf of (or in opposition to) any candidate for national, state, or local public office.



- Political activity includes, among others, the publication or distribution of oral or written statements supporting or opposing a candidate, as well as contributions to political parties.
- Lobbying can be either:
  - Direct lobbying through communications with legislators. Any communication with a member or a staff person of a legislative body or any other government official or employee who may participate in the formulation of legislation that both a) refers to legislation, and b) reflects a view on the legislation.
  - Indirect (grassroots) lobbying through communications with the public. Any communication that is addressed to the general public or any part of the public that both a) refers to legislation, b) reflects a view on the legislation, and c) directly or indirectly encourages recipients of the communication to take action regarding the legislation (a “call to action”).

### **Disbursement**

Funds will be disbursed directly from CPI to the development partner(s) in tranches following a predetermined schedule of deliverables specified in a Fixed Obligation Grant.

Development partners of shortlisted applications will be asked to provide a preferred disbursement format and clear rationale for any deviation from the standard process.

A Memorandum of Understanding (MoU) will be signed between each PDB partner and CPI. A sub-grant contract will be signed between each development partner and CPI, with all MoU and contract documents directing the funding to the identified services and solidifying expectations and value-in-kind contributions from the PDB. A non-disclosure agreement (NDA) is included in both the MOUs and sub-grants.

## **4.2 Technical Assistance**

In addition to grant funding, selected consortia will receive TA from the CPI team to help incubate and develop their proposed financial instruments. TA teams will include two CPI analysts, each dedicating 60% of their time (equivalent to three days per work week per analyst) for seven months. After this intensive incubation phase, the financial instruments will receive lighter support for an additional 12 months, with two CPI analysts committing 15% of their time to support during the pilot stage.



The CPI analysts can provide a range of support activities, to be agreed with the applying PDB. This includes the preparation of detailed work plans and schedules, data analysis, and research that leverages specialized knowledge in relevant areas of policy and climate finance. In addition, TA activities may focus on capacity building, stakeholder engagement, and reporting and documentation. When necessary, external experts will be brought in to provide additional knowledge or perspective. Please refer to the list below for examples of potential TA activities:

- Design and testing of financial instrument mechanics
- Target market research and analysis
- Market sounding with expert working group members
- Financial modeling
- Environmental and social impact modeling
- Development of implementation pathways and milestones
- Support the development of investor pitch materials
- Mapping of potential capital mobilization

The TA provided by CPI and the services provided by the development partner are intended to work collaboratively, with both integral to instrument development. This collaboration can take various forms based on the needs of the project. In different instances:

- CPI and the development partner may distribute the tasks, with one taking the lead on instrument design while the other leads on market research.
- CPI and the development partner may work closely on a single task, such as stress testing a financial instrument or conducting stakeholder outreach.

Selected incubator efforts to date have included a combination of these approaches. In all instances, the PDB is expected to take a leadership role in the instrument development and manage the relationship with the development partner.

Applicants are asked to include information about the kinds of TA they will request from the CPI team. This is indicative and will form the basis for discussion with the FiCS Lab team. The final TA package will be agreed upon in consultation between successful applicants and the FiCS Lab team and will not be limited to the pre-selected TA options.

TA will not be able to support activities related to addressing regulatory barriers to implementing proposed financial instruments. The application will request a clear outline of any regulatory barriers that may impact the feasibility of the financial instrument.



## 4.3 Budget Proposals

Budget proposals are required for all development partners, and value-in-kind proposals are required for all PDBs. Development partners are instructed to provide budget details for the requested financial assistance by personnel, subcontractors (if applicable), events & workshops, and travel. PDBs are instructed to provide details on the value-in-kind (ViK) offered by the PDB through staff time and expertise.

### Development Partners

Budget instructions:

- **Percent of Annual Salary:** This is calculated as (salary allocated to this project ÷ total annual salary) x 100.
- **Personnel – Direct:** Costs for individuals directly working on the project.
- **Personnel – Indirect:** Costs that refer to project support staff not directly involved in delivery, but necessary to the implementation, such as finance and HR staff.
- **Subcontractor:** Payments to external individuals or organizations providing specific project services.
- **Events & Workshops:** Costs related to organizing or participating in events/workshops, such as venue, catering, and materials.
- **Travel:** Relevant for necessary in-person coordination between development partner(s) and PDB(s), workshops, and international meetings. Includes airfare, ground transportation, lodging, and per diem related to project activities.
- **Overhead:** General administrative costs necessary for project implementation but not directly tied to a specific activity (e.g., office rent, utilities, internet, supplies). This cannot exceed 10% of the total project cost.

Each development partner will be required to produce a budget according to the parameters above using the [Development Partner Budget linked here](#). The table below is a representation of the budget template found at the link above. The budget template includes three sheets:

- **Instructions:** Covering the parameters listed above. Please review these in detail before completing the budget template.
- **Sample Budget:** Providing a model for the information and formatting we are requesting.
- **Budget Template:** The blank template we request each partner to download, complete, and then provide to the PDB submitting the application for upload to the Submittable portal along with the full application.



Table 1. Development Partner Budget Template

Expense Category	Title and Department	USD Value	% of annual salary (personnel only)	Notes
Personnel – direct total				
<i>(please add rows as needed to list personnel on this project)</i>				
Personnel - indirect total				
<i>(please add rows as needed to list indirect personnel on this project)</i>				
Sub-contractor(s)				
Events & Workshops				
Travel				
<b>Subtotal</b>				
Overhead (10% limit)				
<b>Total</b>				

### Public Development Bank(s)

The value-in-kind proposal from the PDB is designed to communicate the commitments that the PDB is making in terms of resources to ensure the success of the instrument development and pilot. The [Value-in-Kind Contribution Proposal template is linked here](#). The table below is a representation of the value-in-kind proposal template found at the link above. The budget template includes three sheets:

- **Instructions:** Covering the parameters and guidelines for completing the proposal. Please review these in detail before completing the budget template.
- **Sample proposal:** Providing a model for the information and formatting we are requesting.
- **Value-in-kind Proposal template:** The blank template we request each PDB to download, complete, and then upload to the Submittable portal along with the full application.





Table 2. PDB Value-in-kind Proposal Template

Expense Category	Title and Department	USD Value	% of annual salary (personnel only)	Notes
Personnel – direct total				
<i>(Add rows as needed to list personnel on this project)</i>				
Personnel - indirect total				
<i>(add rows as needed to list indirect personnel on this project)</i>				
Events & Workshops				
Travel				
<b>Subtotal</b>				
Overhead (10% limit)				
<b>Total</b>				

Both the Value in Kind PDB and the Development partner template include an exchange rate table as well, to be filled out as part of the proposal.

Original Currency	Exchange Rate	Source for Exchange Rate



## 5. Selection Process

### 5.1 Call for Proposals

The call for proposals for the 2025-2026 cycle will launch on September 8, 2025, supported by an informational webinar. The webinar will take place on Wednesday, September 17, and interested applicants are encouraged to attend to learn more about the eligibility requirements, selection criteria, and selection process (please register [through the link](#)). PDFs of the application questions, FAQs, and guidelines will be available on the FiCS Lab website. Interested applicants may contact the CPI Secretariat team at [FiCSLab@cpiglobal.org](mailto:FiCSLab@cpiglobal.org) with questions and requests for clarification throughout the application period.

In addition, during the application period, the FiCS Lab Secretariat team at CPI will be available for 30-minute meetings to provide clarification on the guidelines and application. Interested applicants are encouraged to reach out via the same address to schedule a call.

Applications should be submitted via the [Submittable](#) platform through a single application process (no expression of interest necessary). Applicants can find a PDF of the application questions on the [FiCS Lab website](#) for reference and will be asked to complete these questions as well as upload the budget and value-in-kind proposals on Submittable. Please note that while the CPI team will be able to provide clarifications and feedback on questions about applications over email, the applications must be submitted through Submittable and not via email.

**The application window will close at midnight US Pacific Daylight Time on December 5, 2025. Applications received after this deadline will not be accepted.**

### 5.2 Review Process

Proposals submitted in response to the call will be assessed against the FiCS Lab criteria described above.

- The FiCS Lab Secretariat will screen all submissions using the FiCS Lab selection criteria (outlined in these guidelines) to produce a shortlist of eligible, high-quality ideas.
- Shortlisted applicants may be contacted to arrange an interview as part of the screening process. Unsuccessful applicants will be informed of the status of their proposal.
- Shortlisted applications will then be reviewed by the FiCS Lab Selection Committee, consisting of representatives from the FiCS Lab governing committee



of Finance in Common, Inter-American Development Bank, and independent, third-party experts. The Selection Committee will identify a small cohort of finalists.

- Contingent upon successful completion of the due diligence checks and contract finalization, the selected proposals will be announced in February 2026.

Throughout the process, applicants may be contacted by the FiCS Lab Secretariat to request additional information or provide clarification. We ask that applicants refrain from initiating contact with members of the FiCS Lab Selection Committee regarding their proposals while the assessment is ongoing.

All application materials will be shared within the FiCS Lab Secretariat and with the FiCS Lab Selection Committee. Any Selection Committee members who have a conflict of interest with regard to an applicant will be asked to withdraw themselves from the review of that proposal before application materials are shared. Details of applicants and proposals will only be shared with the selection committee at the finalist stage. Proposals that are rejected before the finalist stage will not be disclosed.

### 5.3 Due Diligence and Contracting

The FiCS Lab will conduct a due diligence and contracting process to verify the financial integrity, legal compliance, and potential risks associated with each finalist development partner—the grant funding recipient—prior to formalizing an agreement. This will be carried out by CPI on behalf of the FiCS Lab. Any sensitive documents submitted as part of the due diligence process (e.g., financial reports) will not be shared beyond the due diligence team.

During the contracting process, CPI, the PDB, and the development partner will also determine the appropriate timelines, types of deliverables, and monitoring for each selected proposal. These agreed deliverables will be specified in the contract.

Once the due diligence and contracting process is complete, selected proposals will be publicly announced by Finance in Common.

Please see below for a list of documents and policies that will be requested as part of the due diligence process. In cases where a PDB or development partner does not have one or more of the listed documents, the FiCS Lab team will work with the entity to fulfill due diligence requirements with alternative approaches. Current public liability and professional indemnity insurance will be required for all development partners and PDBs.



- Prior 2 years audited financial statements;
- Current annual budget (the contract includes a confidentiality clause, but an interim NDA can be arranged if necessary);
- Legal registration in the countries where the organizations are present and/or acting (if possible) (not required for Public Development Bank);
- Current public liability and professional indemnity insurance (required);
- Security standards certificates (for example, HMG Cyber Essentials or Cyber Essentials Plus);
- Certification for recognized management system standards (for example, ISO 9000, ISO 14000, ISO 27000);
- Policies, codes, or guidelines on the bank's human resources (HR) policies;
- Policies, codes, or guidelines on fraud, anti-corruption and bribery;
- Policies, codes, or guidelines on modern slavery and human trafficking;
- Policies, codes, or guidelines for child protection;
- Policies, codes, or guidelines for zero tolerance on sexual abuse, exploitation or harassment;
- Policies on privacy and data protection;
- Policies and procedures for risk management;
- Policies on Conflict of Interest;
- Policies on Procurement (not required for PDBs).

## 6. Incubation and Development

During the incubation phase, selected consortia will develop, test, and finalize the design of their proposed financial instrument, with support from the CPI TA team. The goals of activities under this phase are to bolster the innovative character of the proposed instrument within its context of operation and clearly identify requirements for its financial sustainability. The incubation phase will span seven months following contracting and initiation of the work. During this time, CPI will provide technical and operational support to the PDB to complement and facilitate the work being carried out by the development partner. This support will entail 60% of two CPI analysts' time over the course of seven months.

Areas of work during this phase can include:

- **Instrument mechanics:** An in-depth analysis of how the instrument would operate, including the types of organizations and skill sets required to implement the instrument and achieve impact.
- **Assessment of the innovative aspects of the instrument:** Analysis of the risks and barriers faced by investors in the instrument's target markets, highlighting those which are addressed by the instrument, those which may remain unaddressed,



and how the instrument would perform compared to existing instruments in target markets.

- **Assessment of financial sustainability and identification of a strategy/approach to achieve it:** An in-depth investigation into how the instrument could be financially sustainable in the long term, mobilize private finance, and address potential challenges to achieving its intended long-term objectives.
- **Identification of the context where the instrument would operate:** Identifying the sectoral and geographical scope of the instrument within PDBs in EMDEs. This assessment is essential for defining the instrument's market test and evaluating its potential to address barriers and mobilize climate finance.

## 7. Piloting

The FiCS Lab will select proposals that have the potential to be piloted within 12 months after the incubation period. Following the seven-month development phase, CPI will provide “light touch” support for a subsequent 12 months after incubation to support the public development bank in piloting the financial instrument.

## 8. Deliverables and Monitoring

Deliverables and monitoring activities are intended to support the selected consortia in meeting milestones and effectively contributing to the broader impact of catalyzing innovative climate finance instruments in EMDEs. During the contracting process, CPI, the PDB, and the development partner(s) will determine the appropriate timelines and types of deliverables and monitoring for each proposal, which will inform the disbursement of funds under the Fixed Obligation Grant. The agreed deliverables will be included within the signed contract.

The PDB, development partner(s), and CPI will connect on a weekly basis to discuss instrument development, including progress and challenges. Additional *ad-hoc* meetings can be expected as work progresses. Halfway through the incubation phase, development partners will be required to provide a short document outlining work to date and budget spent.

At the end of the seven-month incubation period, CPI will draft a “lessons learned” issue brief with the development partner and the PDB. The goal of this report is to provide a high-level overview of the successes and setbacks faced in developing the instrument, including design feedback and expected market and climate impacts when piloted. This will be shared widely with FiCS members as a tool for knowledge dissemination and potential replication. No proprietary data will be included in this report. Proponents may also be asked to present at events organized by the FiCS Lab, such as the FiCS Summit, on the impact of the instrument and lessons learned.