

CFA South Africa

The Climate Finance Accelerator (CFA) is a global technical assistance programme funded by the UK government to directly support climate projects to access finance. The CFA operates in eight countries (Nigeria, Colombia, South Africa, Türkiye, Mexico, Peru, Pakistan & Egypt) with the aim of encouraging the flows of finance required to deliver on countries' ambition to limit global warming to 1.5°C.

Delivery of the CFA in South Africa is led by NBI & GreenCape. The CFA programme provides project developers with support and training from technical, financial and gender equality and social inclusion experts. It also facilitates knowledge sharing and learning with financial institutions and public bodies, both nationally and internationally. Following the training, CFA South Africa will bring project developers and financiers together for workshops planned in South Africa and London. This will enable projects to meet potential investors and present their projects.

In the first phase of the programme (2021), 13 projects were selected and over a period of four months received training in technical, financial, carbon mitigation potential, and gender and social inclusion aspects. The object was to help them to obtain financing with different national and international investors.

For the second phase of the CFA in South Africa, up to 12 low-carbon projects will be selected from sectors such as climate tech, energy, transport, manufacturing, industry, land use, forestry, waste management and housing, to build capacity and connect them with potential investors.

The CFA Programme is also holding a series of workshops in London during February 2023 with City of London financiers. Projects of appropriate size and readiness from the CFA South Africa programme will be invited to attend.

How the CFA South Africa can support your project.

The Climate Finance Accelerator (CFA) is a practical and deal-oriented programme that supports climate projects to improve their bankability and appeal to financiers.

Preparing projects that are attractive to investors is challenging. Low carbon projects are often perceived as higher risk as new technologies and business models are not widely understood. Regulatory and policy barriers can also create blockages in accessing capital at scale.

The Climate Finance Accelerator offers a range of support to assist climate mitigation projects in accessing finance.

By engaging with the CFA programme, project developers can benefit from:

- **Access to investors.** The CFA provides project developers greater opportunities to access finance by working directly with potential investors to understand their needs and develop their projects accordingly. Through the CFA's reach, project proponents have the opportunity to reach commercial and concessional investors, operating both nationally and internationally. The CFA Programme is also holding a series of workshops in London in February 2023 with City of London financiers. Projects of appropriate size and readiness from the CFA South Africa programme will be invited to attend.
- **Coaching and best practice insights.** The CFA provides access to expert insight and coaching. Through knowledge sharing sessions on what matters to financiers when taking the decision to invest, project developers will gain valuable insights and develop capabilities in making projects attractive and investment ready. For example, the CFA will advise on the development of key materials such as term sheets for investors and marketing presentations. Exchanges of best practices with other CFA countries (Türkiye, Colombia, Peru, Mexico, Nigeria, Egypt, Pakistan) will also be enabled.
- **Networking opportunities.** Project developers will have the opportunity to expand their network with investors and other key stakeholders in the climate finance landscape. These include government representatives at national and local level, national and international development banks & agencies, and a cohort of projects facing similar challenges. The network will provide project developers with long-lasting benefits to current and future low carbon opportunities.
- **Increased visibility.** Participation in the CFA and CFA events can raise the profile of a project amongst a range of stakeholders from regional and national policy makers, through to a range of stakeholders from local and international finance providers.
- **Achieving low carbon project objectives.** The CFA supports projects to realise and communicate their positive impacts. The CFA has access to climate, sectoral and social impact specialists and can assist projects to support local and national climate ambitions, as well as helping to unlock co-benefits such as poverty reduction, improved gender equality and social inclusion, and tackling biodiversity loss.

The type of projects the CFA can support

The CFA supports low carbon projects that are seeking finance.

Candidate projects should:

- Be designed to achieve measurable climate outcomes in terms of direct or facilitated greenhouse gas emission reductions.
- Have a total financing need between USD \$5m-\$150m. Smaller projects may be considered in special circumstances. Funds or similar structures consisting of multiple smaller projects are also welcomed.
- Be (at least) at the pre-feasibility stage of development.
- Have a business model that will generate commercially viable returns in the long-term (although some element of concessional financing may be required initially).
- We strongly encourage projects that can demonstrate positive social impacts and how they contribute to furthering gender equality and social inclusion

For further information on whether your project is suitable, please get in touch southafrica@climatefinanceaccelerator.co.uk.

Frequently asked questions:

Q1. Does the CFA provide funding for projects? No. The CFA does not provide or guarantee funding for projects. The CFA facilitates access to suitable investors, and provides capacity building, networking opportunities, and visibility for projects to achieve their low carbon project objectives.

Q2. Can the same project developer submit the application for several projects? Of course! There is no limit to the number of projects that apply to the call for proposals as long they meet the requirements described above.

Q3. Will projects developed outside of participant countries be considered? No, projects are only considered in participant countries. It is possible for projects with different branches or partner projects in different countries to take part in the CFA, as long as the main project is in South Africa.

Q4. Can projects related to specific cogeneration issues be considered? Yes, cogeneration-related projects are most welcome. Please specify the expected GHG emission reductions associated with the project.

Q5. Once a proposal has been submitted, can changes be made? Once the online application has been submitted to the Accelerator, no changes can be made. A new application must be filled out if changes are required and you should notify us by email to consider only one proposal.

Q6. Should the project finance demand amount to at least USD 5m in the first year? The minimum amount of USD 5 M applies to the entire project, not only to the first year.

Q4. What are the conditions of the call for proposals? You can access the terms and conditions and the call for applications [here](#).

Q5. How can I access the video recording of the CFA South Africa Call for Proposals kick-off webinar launched on July 14? You can access the recording of the webinar via [YouTube](#).

Q6. What financial instruments will be used for each of the projects? Financing will depend on the project and its characteristics, and different instruments may be used, such as green bonds, loans, public-private partnerships, among others.

Q7. Are all projects selected for the Climate Finance Accelerator program funded in the same way? No, each of the projects will be financed differently according to the characteristics and needs of each of them.