



**Climate Finance for Development Accelerator (CFDA)
Adaptation Finance Window – Addendum 002
Frequently Asked Questions**

This Frequently Asked Questions (FAQ) document is provided to assist interested applicants in better understanding the scope, evaluation considerations, and requirements of the Adaptation Finance Window – Addendum 002 solicitation. This is not an official procurement document, however, and applicants must review and respond to the exact instructions and requirements set forth in the official solicitation documents when developing their applications.

1. What is the USAID Climate Finance for Development Accelerator (CFDA)?

The Climate Finance for Development Accelerator (referred to as CFDA or “the Accelerator”) is a global USAID-funded climate finance activity that aims to mobilize private finance and private sector actions that support the transition to an equitable and resilient net-zero economy. CFDA aims to mobilize \$2.5 billion of additional private and public finance for climate adaptation and mitigation by 2030 by creating incentives and reducing risks for large-scale investments that address the climate finance gap. CFDA is implemented by Chemonics International, an international development consulting firm and manager of large, complex, projects globally. As the implementer of CFDA, Chemonics is managing the Adaptation Finance Window.

2. What is the Climate Finance Investment Network (CFIN)?

Managed by CFDA, the Climate Finance Investment Network (CFIN) brings together a diverse set of finance seekers, finance providers, research institutions, government agencies, non-governmental organizations, and other stakeholders from a variety of sectors and emerging/frontier markets to crowd in private sector climate finance through strategic partnerships, advocacy, learning, and catalytic capital. Completing the [intake form](#) to join the CFIN takes about five minutes. CFIN members will receive information about funding, partnership, and learning opportunities and are not required to make any commitments. Parties interested in the Adaptation Finance Window – Addendum 002 solicitation are encouraged to join the CFIN to ensure timely receipt of any updates regarding this opportunity.

3. Can you elaborate on the relationship between Investment Mobilization Collaboration Arrangement (IMCA), USAID, and CFDA on this activity?

CFDA, implemented by Chemonics International, is managing the activity’s competitive solicitation process and anticipates issuing up to \$5M USD total in one to three grant awards, in collaboration with USAID. The final number and amount of each award will be dependent upon grant activities and negotiations and may be lower or higher than that range. CFDA is concurrently engaging IMCA members, composed of a coalition of Nordic donors, to streamline their potential credit guarantee contributions towards the grantees’ proposed funds selected through the process. IMCA members may provide up to \$100M in credit risk guarantees to mobilize additional private financing into the adaptation funds selected through this competitive solicitation.

Please note that any additional funding agreements with IMCA will be managed separately from CFDA's grant agreement, including any associated due diligence. To the extent possible, efforts will be aligned to avoid duplication and reduce management burden on the applicant.

4. What is the timeline of the Addendum's solicitation process?

CFDA will hold a Bidder's Conference on December 15, 2023 ([Registration Link](#)) and will accept written questions through December 18, 2023 via the [Solicitation Question Submission Portal](#). Concept notes are due on January 15, 2024 via the [Submission Portal](#). Upon review and evaluation of the concepts, top applicants will be invited to oral presentations tentatively between January 29, 2024 and February 9, 2024. Finalists will be notified around February 23, 2024. A more extensive co-creation and due diligence phase is envisioned to ensue around March 8, 2024, prior to issuing award. Co-creation and due diligence will involve CFDA, USAID, IMCA members, and other potential donors participating in this activity.

5. Can you elaborate on the Addendum's fund size requirement?

\$50M is the target minimum size of the fund. While it is not an eligibility criterion, applicants will be evaluated on their proposed fund size and their approach to achieving this size throughout the life of the activity.

6. Can you elaborate on the Addendum's multi-country fund requirement?

The activity's objective is to launch new multi-country funds from their outset. Existing single-country funds with the plan to expand to other countries will be considered on a case-by-case basis but are generally out of scope. Follow-on funds to single-country funds that have clear plans of expanding to multiple countries are in scope.

7. Can you elaborate on the Addendum's 75% climate adaptation proportion preference to the total size of the fund?

The proportion of the proposed fund's target portfolio towards climate adaptation serves as an evaluation criterion. The target portfolio proportion relates to the proposed fund/finance vehicle, which must be \$50M or larger, and not to a broader parent fund that the vehicle may be part of.

8. Are equity funds eligible under this opportunity?

Yes, equity funds are eligible. However, note that IMCA's credit guarantees cover only credit risk. If the proposed fund/vehicle has a portfolio consisting of other types of investments (i.e. equity) a structure will be considered where the guarantee coverage is only applied to the debt portion of the overall portfolio.

9. Can an applicant submit more than one application? Can applicants submit as a consortium with other partners?

Applicants may only submit one concept at a time per organization under this Addendum. Further, consortia are allowed, but Chemonics has a strong preference for applications from single organizations. For those who decide to apply as consortia, there should be no more than two organizations involved in the implementation of a single grant activity and there must be a clear lead organization serving as the prime implementer of the grant.

10. Can you elaborate on the leverage requirement as defined by the Climate Finance Annual Program Statement (APS)? Is there additional guidance for applying this requirement to investment fund concepts?

Leverage consists of matching funding or in-kind contributions or services provided by the recipient or third parties that directly contributes to the objectives of the grant activity. To meet the minimum 1:1 requirement of the APS, financial leverage must be secured and deployed while the grant agreement is ongoing and before CFDA's grant funding has been fully disbursed. For investment fund concepts, third-party, non-U.S. government capital mobilized as part of first close may count towards the leverage requirement.

11. Can you elaborate on whether Addendum funding can cover investment in construction of facilities?

Recipients cannot use grant money received from CFDA to finance direct purchase of construction materials or services. In other words, the applicant cannot use CFDA grant funding to directly manage construction activities. Indirect support for construction activities (e.g., providing investment support, conducting feasibility studies) is allowed.

12. We are concerned about sharing sensitive proprietary and financial information in our application. Can you describe Chemonics' privacy and confidentiality policies?

We take confidentiality very seriously for all CFDA proposals and have policies/systems in place to ensure sensitive information is treated appropriately. As a Chemonics-implemented project, CFDA staff abide by Chemonics' policies and standards of business conduct; we are bound by high standards of professionalism and integrity. We are committed to being a good business partner by upholding confidentiality standards including aspects related to non-disclosure of information, upholding the integrity of the procurement process, protecting client and partner assets, and promoting fair and healthy competition.