



United Nations Capital Development Fund

Call for Expression of Interest for

International Municipal Investment Fund Technical Assistance Facility

**DEADLINE 15 AUGUST 2023**

## 1 Definition and interpretation

In this call for Expression of Interest, capitalized terms and expressions shall have the below meaning attributed to them or as elsewhere defined in this document, unless the context requires otherwise.

Applicant	Means a registered formal city or local government applying to this call for Expression of Interest.
Deadline	This is an open-ended call for Expression of Interest with re-occurring quarterly deadlines. The first quarterly deadline for this call for Expression of Interest will be 11:59 PM EDT on 15 August 2022 for the first cycle of assessment.
Eligibility criteria	Means the eligibility requirements with which the Applicants must comply with as listed in Section 7.1 of this Document.
Expression of Interest/Eoi	Means an application submitted to the call for Expression of Interest submitted to UNCDF within the Deadline.

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF is inviting expressions of interest from eligible cities and local governments in need of equity funding necessary to finance their projects.

Please note that by submitting information in response to this call for Expression of Interest the UNCDF does not guarantee to offer funding.

Inquiries to this call for Expression of Interest may be submitted by [mif.taf.eoi.2022@uncdf.org](mailto:mif.taf.eoi.2022@uncdf.org). The link to this Expression of Interest on the UNCDF e-investment platform is here: <https://apply.uncdf.org/prog/imif>

## 2 Introduction

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: inclusive digital economies, connecting individuals, households, and small businesses with financial and digital eco- systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; local transformative finance, that capacitates localities through fiscal decentralization, policy and regulatory reforms, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and investment finance, that provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal-SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs.

## 3 Scope of Work

The IMIF Technical Assistance Facility will provide urban investment opportunities with support to assist with project development and late-stage project preparation. Furthermore, IMIF TAF will support policy and regulatory reform. IMIF TAF focuses largely on providing direct support to municipalities in developing countries. The financial support is expected to be between \$25,000 to \$250,000 per project.

After completing the Technical Assistance phase, projects that the IMIF TAF will support may be eligible for acceptance by IMIF for investment.

The International Municipal Investment Fund (IMIF) is a unique, bespoke investment fund, initiated by UNCDF and UCLG, with the collaboration of FMDV, that is designed to focus exclusively on supporting cities and local governments, with a particular focus on developing countries, to accelerate the achievement of the SDGs and the Paris Agreement. IMIF is managed by an independent fund manager Meridiam. Meridiam was selected as Fund Manager for the IMIF in the context of the Malaga Coalition for a global financial ecosystem that works for cities and local governments. UNCDF leads the Malaga Coalition in partnership with United Cities and Local Governments and its technical partner, Fonds Mondial de Villes (FMDV).

Investments will be sought in the transport, utilities, clean energy, waste management, land use, and city planning sectors, amongst others. The IMIF invests in commercially viable projects sponsored by municipalities which expand their fiscal space and accelerate the implementation of SDG11, SDG13, and other related SDGs.

### 3.1 Targeted Segments and Sectors

This call for Expression of Interest invites eligible cities and local governments to submit information for UNCDF to assess the eligibility of potential investment through the IMIF. Targeted sectors include, but are not limited to:

- Solid waste - Water supply; sewerage, waste management, and remediation activities
- Water, sewerage - Water supply; sewerage, waste management, and remediation activities
- Urban development - Construction
- Industry - Construction
- Transport - Transportation and storage

### 3.2 Geographic Scope

Eligible cities and local governments in non-OECD countries are invited to submit their interest in response to this call for Expression of Interest.

## 4 Required Information

UNCDF invites eligible cities and local governments to submit information on their financial needs and to demonstrate the project alignments to the United Nations Sustainable Development Goals. The full list of the required information can be found in the submission form in section 8 below.

### 4.1 Language

The submitted information and any correspondence between the applicant company and UNCDF must be in either English or French.

## 5 How will UNCDF work with applicant's submitted information

UNCDF will assess applicant's potential for investment according to a set of eligible, organizational, financial criteria and the project's alignment to the United Nations Sustainable Development Goals. The summary of these criteria is presented in Section 7.

UNCDF will follow its investment management process while assessing applicants' potential for investment. Following an initial shortlisting according to set evaluation criteria as listed in section 7 based on submitted information in this EoI, shortlisted entities will be contacted to share additional information and be evaluated according to full set of organizational, financial and impact evaluation criteria as listed in section 7.4. The highest scoring cities or local governments

from this evaluation will then be reviewed using UNCDFs City Scoring Process before moving ahead in the investment process. A summary of the process is shown below:

Step	Actions
1. Sourcing / Origination— Call for Expression of Interest	<p>Eligible cities and local governates to submit information via <a href="https://apply.uncdf.org/prog/imif">https://apply.uncdf.org/prog/imif</a> . When completing the application, a minimum of one project, and a maximum of three may be submitted. During this stage, cities will be scored based on the:</p> <ul style="list-style-type: none"> <li>• The country-level context</li> <li>• The municipal/local government level context</li> <li>• Project level context</li> </ul> <p>The scoring for the above is based on the response provided in the Expression of Interest.</p>
2. UNCDF Dual Key Investment Process	<p>UNCDF has an eight-step Dual Key investment process. The qualified cities and local governments from the EoI will be referred to the UNCDFs eight-step Dual Key Investment process for an independent decision.</p>

UNCDF will utilize the submitted information to assess potential investments from its third-party managed fund with Meridiam on an ongoing basis depending on funding availability. UNCDF will keep submitted data confidential and only share with relevant investment or donor partners for the purpose of securing investment.

## 6 Expected Results

investee cities or local governments will be required to agree on a completed list of financial and impact indicators for monitoring the investment. The impact indicators will be finalized based on the nature of the project to be tracked on a continuous basis. The specific impact monitoring framework will be developed together between the qualified city/local government and UNCDF. In addition to these indicators, qualitative monitoring information is expected for learning and insights.

## 7 Eligibility and Evaluation Criteria

Only applications that meet the eligibility requirements for the submission will continue in the process to be assessed.

## 7.1 Eligibility Requirements

The following needs to be met to be eligible for this expression of interest:

1. Applicant must be a city or a local government.
2. Country-level eligibility requirements.
  - Country cannot be at war (or considered to be in a conflict zone or is currently in a civil war).
  - Country has typical access to the international banking system and the currency can be exchanged internationally.
  - A letter showcasing central government awareness and/or approval (if needed by local law) of projects being submitted.
  - A letter showcasing Ministry of Finance (or related ministry) awareness and/or approval (if needed by local law) of the project being submitted.
3. City-level eligibility context.
  - Three years of audited financial statements available from 2016 onwards.
  - Laws and regulations are in place to allow local government Public-Private Partnerships.
  - Law and regulations are in place to define the process for Public-Private Partnerships to acquire investors.
  - Define the regulatory reforms needed to make the project successful (i.e., tariff reforms).
  - A list of city officials, their terms of service including the technical staff which will manage the project with their qualifications.
4. Project-level eligibility requirements.
  - The project is seeking equity financing.
  - Project approved by the city council.
  - Project approved by the mayor.
  - The project must complete feasibility studies.
  - The project should be revenue-generating and conceptually commercially viable.

## 7.2 Exclusionary Criteria

- Entities and any of their staff or member or affiliates shall not have been included in the United Nations financial sanctions lists.
- Entities must not be involved in any of the following activities:
  - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons

- or nuclear weapons.
- Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and equipment.
- Replica weapons marketed to children.
- Manufacture, sale or distribution of tobacco or tobacco products.
- Involvement in the manufacture, sale and distribution of pornography
- Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES.
- Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
- Violation of human rights or complicity in human rights violations
- Use or toleration of forced or compulsory labor.
- Use or toleration of child labor.
- UNCDF will conduct due diligence on selected cities/Local Governments and cities need to be in compliance with all city regulatory expectations in the country.

### 7.3 Shortlisting Criteria

Projects will be screened based on the submitted information against the following criteria:

Criteria	Source of Information
<p>Clear contribution of the project to the United Nations Sustainable Development Goals.</p> <ul style="list-style-type: none"> <li>● Which SDGs does the project target?</li> <li>● To what extent does it target each SDG?</li> <li>● Is the relationship between the project and the targeted SDGs realistic?</li> </ul>	<p>Review of information submitted as part of the Expression of Interest.</p>
<p>The project must be commercially viable and technically feasible.</p> <ul style="list-style-type: none"> <li>● Is this a revenue generating project?</li> <li>● Is the project commercially viable?</li> <li>● Is the project technically feasible?</li> </ul>	<p>Review of information submitted as part of the Expression of Interest.</p>
<p>Public-Private Partnership documentation submitted and the process for developing the project under that modality must be clear of regulatory barriers.</p> <ul style="list-style-type: none"> <li>● Is there a PPP law?</li> <li>● Was the PPP law provided?</li> <li>● Does the PPP law allow for this type of project?</li> <li>● Is the project procurement process defined in the law?</li> <li>● Is there anything is the PPP law</li> </ul>	<p>Review of information submitted as part of the Expression of Interest.</p>

<p>preventing this project from taking place?</p> <ul style="list-style-type: none"> <li>• Does the law allow for parties such as the IMIF to take an equity position?</li> </ul>	
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#### 7.4 Evaluation Criteria

The evaluation criteria include the shortlisting criteria plus additional criteria as follows:

Criteria	Source of verification
<p>Profile of the city or local government including:</p> <ul style="list-style-type: none"> <li>• Ability to implement PPP projects in the past.</li> <li>• Ability to implement this PPP project.</li> <li>• Clarity on how the project will be procured (tender vs direct contracting etc.)</li> <li>• Compliance of this PPP with local laws.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of information submitted as part of the Expression of Interest.</li> <li>• Request for information sent by UNCDF if needed.</li> </ul>
<p>Contribution to SDGs:</p> <ul style="list-style-type: none"> <li>• Is there a clear link between the project and the SDGs.</li> <li>• Number of SDGs the project targets and are they realistic.</li> <li>• The depth it targets each SDG.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of information submitted as part of the Expression of Interest.</li> <li>• Request for information sent by UNCDF if needed.</li> </ul>
<p>Commercially viable</p> <ul style="list-style-type: none"> <li>• Is there a demand for this type of project?</li> <li>• Market fit for this type of project considering its location.</li> <li>• Will the project need access to grant funding in the future for it to remain operational?</li> </ul>	<ul style="list-style-type: none"> <li>• Review of information submitted as part of the Expression of Interest.</li> <li>• Request for information sent by UNCDF if needed.</li> </ul>
<p>Technically Feasibility</p> <ul style="list-style-type: none"> <li>• What are the technical needs of the project? Please list them.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of information submitted as part of the Expression of Interest.</li> <li>• Request for information sent by UNCDF if</li> </ul>

<ul style="list-style-type: none"> <li>• Is there a specific technology need for this project?</li> </ul>	<p>needed.</p>
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## 8 Submission Process

### 8.1 Submission Structure

The applicant must submit a complete application form online through the ‘Apply’ platform (<https://apply.uncdf.org/prog/imif>). All submission must be completed in English or French. Only applications that follow the submission format and include all the necessary documentation will be considered.

### 8.2 Submission deadline and timeline

This is an open-ended call for Expression of Interest with re-occurring quarterly deadlines over 15 months. After each quarterly deadline UNCDF will assess investment applications. Below is the schedule of deadlines which will apply to this call for Expression for Interest:

- First application deadline: All applications must be submitted by 11:59 PM EDT on 15 August 2022.
- Second application deadline: All applications must be submitted by 11:59 PM EDT on 15 November 2022.
- Third application deadline: All applications must be submitted by 11:59 PM EDT on 15 February 2023.
- Fourth application deadline: All applications must be submitted by 11:59 PM EDT on 15 December 2023.
- Final application deadline: All applications must be submitted by 11:59 PM EDT on 15 August 2023.

### 8.3 Assessment and selection process

After the call for Expression of Interest application deadline UNCDF will shortlist applicant’s according to set shortlisting criteria and thereafter request shortlisted organizations to submit additional information to evaluate applicants’ according to the set organizational, financial and impact evaluation criteria. Top candidate cities and project may thereafter be referred to IMIF as potential investments.

UNCDF will utilize the submitted information to assess potential investments from its third-party managed funds on an ongoing basis.

Please note that by submitting an entry in this Expression of Interest, this is not an undertaking on behalf of UNCDF to fund the applying city, local government or project, but rather an indication that it shall be considered and evaluated for funding as they arise in the future.

### 8.4 Real-time assistance from UNCDF

For any questions on the online submission form, queries, or requests for support, send an email to [imif.taf.eoi.2022@uncdf.org](mailto:imif.taf.eoi.2022@uncdf.org).



A document answering frequently asked questions will be available on the application website.