

# Application Guide

## for the ICFA 2025 Cohort

The International Climate Finance Accelerator (the “**ICFA**” or the “**Programme**”) supports emerging investment managers focused on climate action to develop the climate finance leaders of tomorrow.

As part of our multi-year programme, we offer technical and financial support to the impact investment managers in their start-up phase who have strong, innovative climate investment strategies and are in process of fundraising. These investment managers are selected using a highly competitive process and, once selected, they receive access to expert trainings, coaching, access to working capital, and much more.

The ICFA Programme is powered by Accelerating Impact (“**Accelerating Impact**” or the “**Initiative**”), an independent non-profit initiative in the form of a public-private partnership between the Luxembourg State and private entities of the Luxembourg financial sector.

Please note that all materials submitted as part of the selection process will be treated confidentially according to our General Terms of Business and General Code of Conduct. You can find these policies here:

<https://www.acceleratingimpact.org/our-policies>.

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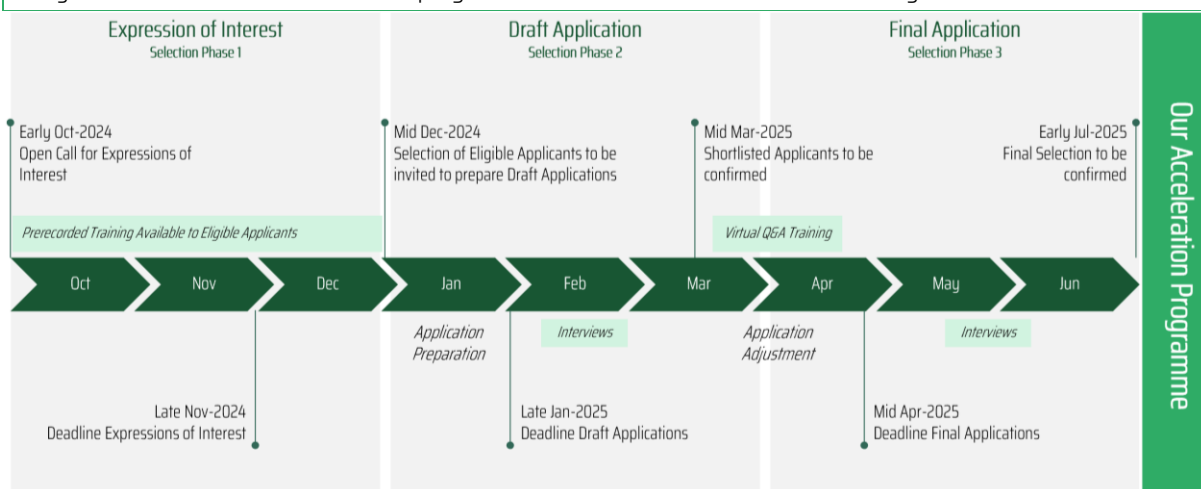
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# 1 PROGRAMME SELECTION SCHEDULE

01-Oct-2024 to 01-Dec-2024	Aspiring climate fund managers express their interest to participate in the ICFA Programme.
<b>01-Dec-2024</b>	<b>Deadline to submit the Expression of Interest</b>
08-Dec-2024	The Programme Team performs a preliminary eligibility assessment and provides feedback on any required adjustments for the Draft Application.
13-Dec-2024	Eligible Applicants will be invited to access the Programme’s online academy, which allows for self-paced training on a wide variety of fund topics to assist with the preparation of the Draft Application. Training completion is <b>mandatory</b> for the selection process.
14-Dec-2024	The Programme Team performs a final eligibility assessment and invite Eligible Applicants to prepare and submit their Draft Application.
<b>26-Jan-2025</b>	<b>Deadline to submit the Draft Application</b>
27-Jan-2025 to 11-Mar-2025	The Programme Team, supported by Independent Reviewers, will assess the Draft Applications and all Eligible Applicants will be invited to clarify questions on their project.
11-Mar-2025	The Programme shortlists the best Draft Applications and provides feedback to all Eligible Applicants. The Shortlisted Applicants are then invited to update their Applications, based on the feedback provided and virtual Q&A training workshops with our Partners.
<b>20-Apr-2025</b>	<b>Deadline to submit the Final Application</b>
End Apr-2025 to early May-2025	The Programme Selection Committee will assess the Final Applications and some Shortlisted Applicants will be invited to clarify questions on their fund project.
<b>27-Jun-2025</b>	<b>Confirmation of Selected Fund Managers</b>
Early Jul-2025	The acceleration programme starts with the Selected Fund Managers.



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## 2 PROGRAMME CRITERIA

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### 2.1 ELIGIBILITY CRITERIA

Based on their Expression of Interest documents (phase 1), Applicants will be assessed on and need to comply with the following Eligibility Criteria:

#### 2.1.1 Are you an Emerging Investment Manager?

- The applicant is a first- or second-time investment management or investment advisory company (the “Applicant”) and intends to set up an impact investment vehicle (the “Project”).<sup>1</sup>
- The Applicant will demonstrate best market practices.<sup>2</sup>
- The Applicant will demonstrate a commitment to develop and implement best practices in the management of responsible investments by being signatory to recognized responsible investment frameworks.<sup>3</sup>
- The Applicant will or intends to be duly authorized by a competent supervisory authority of an EU Member State; or subject to a regulatory and/or supervisory regime that is equivalent to that of EU Member States.<sup>4</sup>

#### 2.1.2 Planning to set up an Impact Investment Vehicle

- The Project will have a strategy enabling the generation of measurable social impact alongside financial return on investments, in line with its sustainable investment objective(s).<sup>5</sup>

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<sup>1</sup> Eligible Applicants are unlisted entities, typically young companies with limited resources, that are initiating their first or second institutional vehicle, with the objective to advise and/or manage this vehicle. Managed accounts, SPVs, and pilot vehicles with limited AUM are not considered institutional vehicles. If the Applicant is part of a group of companies, i.e., multiple companies which are directly or indirectly controlled by a controlling entity, eligibility will consider on a group basis.

<sup>2</sup> Applicants undertake to prepare, at least, an impact or environmental and social (E&S) report, and, in addition but not limited to, CSR/sustainability guidelines/policy, annual CSR/sustainability report, engagement policy, active ownership policy, etc. published at the level of the Applicant or part of the group. Applicants will be subject to the Initiative’s General Terms of Business and General Code of Conduct.

<sup>3</sup> Recognized responsible investment frameworks such as, but not limited to, the United Nations Principles for Responsible Investment (UN PRI) and the Operating Principles for Impact Management (OPIM).

<sup>4</sup> The equivalence of regulatory and/or supervisory frameworks of non-EU countries with the EU framework will be assessed premised on the equivalence decisions of the European Commission and the Luxembourg national supervisory authority.

<sup>5</sup> For a Project that is not subject to the SFDR, this requirement will be assessed on the basis of the Project’s legal and reporting documentation, and its non-financial objective described therein. As minimum requirements, (a) the Project has indicators to monitor and report on its impact objectives and demonstrate commitment to recognized impact reporting standards relevant to the impact strategy of the Project; and (b) the Project maintains on its website information on the methodologies used to assess, measure and monitor the impact characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product.

- The Project will target to finance activities made with the intention to generate positive, measurable, and substantial impact. The Project will highlight if/how it is addressing unmet needs for specific target populations.
- The Project will have an integrated process in place to identify, manage, monitor, and measure the environmental and social impacts on 100% of its investments.
- The Project will apply exclusion criteria in line with the Initiative's Exclusion Policy and ensure the compliance of its investments with the defined exclusion criteria.

### **2.1.3 With Climate Finance as its Primary Focus**

- The Project's impact strategy must focus on relevant impact themes, with an intention to contribute to climate change mitigation and/or climate change adaptation.<sup>6</sup>
- The Project will have at least 75% of its total assets allocated to investments that contribute to one or more of these impact themes.

### **2.1.4 Aiming to Invest in Challenging Geographies**

- The Project will have a target portfolio consisting of investments in target countries above the programme minimum. Assets under management for every ICFA Cohort need to reach a minimum of 70% to be invested in countries eligible to receive international climate finance.<sup>7</sup>

### **2.1.5 Ready to be Accelerated?**

- The investment strategy is built from insights gained through the feasibility studies and the expertise of its team members, utilizing local networks and knowledge, but still to be refined.
- The team has a solid grasp of the potential impact of their investment vehicle and has begun formulating their theory of change. However, the concepts of impact still require refinement and integration into a comprehensive impact measurement system.
- The investment manager team boasts a sufficient array of expertise necessary for the successful launch of the fund. This expertise includes fund / vehicle management, investment management, investment acumen, technical proficiency, structuring, legal competencies, pipeline development, and fundraising capabilities.
- The investment manager team possesses ample expertise and local networks, enabling them to effectively delineate a pipeline aligned with the investment strategy and impact aspirations to convince institutional investors to commit to their investment vehicle.
- The investment vehicle and the investment manager team's collective knowledge, time commitment and experience provide a robust foundation for taking advantage of the programme support and reinforcing

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<sup>6</sup> Climate impact themes are defined according to internationally and/or regionally agreed classification systems and taxonomies around climate change mitigation and/or climate change adaptation, including without limitation the MDBs' Common Principles for Climate Mitigation and Adaptation Finance Tracking. Please see <https://www.icfa.lu/our-eligible-areas>.

<sup>7</sup> Please see <https://www.greenclimate.fund/countries>.

their ability in navigating the complexities of fund establishment and operation, ensuring a well-rounded and effective approach to achieving the investment vehicle's objectives.

**Only Applicants deemed Eligible will be invited to participate to the next phase of the selection process.**

**Accelerating Impact reserves the right to update the eligibility criteria, the selection criteria, and the exclusion policy at any time. Accelerating Impact has final authority in case any conflicts arise between the eligibility criteria, the selection criteria, the exclusion policy, and any other classification systems, taxonomies, or policies.**

## 2.2 SELECTION CRITERIA

Based on their Draft / Final Application documents (phase 2 and 3), Applicants will be assessed on the following Selection Criteria:

### 2.2.1 Investment Strategy

- The investment strategy is innovative in terms of types of projects that are financed.
- The investment strategy relies on thorough feasibility studies, grounded in technical expertise, local presence, and reliable information sources.
- The investment strategy includes clear investment criteria specifying geographies, sectors, company types, instrument types, etc.
- The investment strategy demonstrates viability and the potential to be replicated.
- The investment manager has identified deal flow channels and already secured a strong pipeline of investment opportunities.

### 2.2.2 Impact Strategy

- The Project's investments are intended to have substantial impact addressing unmet needs that can be measured and monitored through best practice KPIs.
- The impact strategy translates into clear ESG criteria, which are balanced and sufficiently taken into account, including relevant cross cutting topics (such as diversity, gender).
- The Project demonstrates through its impact methodology how the impact is to be assessed, measured and reported on a regular basis throughout the whole lifetime of the investments.
- The Project is structurally appropriate to its impact and investment strategy (such as blending public and private sources of capital).
- The Project is focused on challenging geographies.
- The Project envisages to provide non-financial support to its investees across their lifecycle.

### 2.2.3 Team

- The Applicant's team is sufficiently staffed and has duly considered key person risk.
- The team has, collectively and individually, the necessary skills and experience to manage an investment vehicle and the necessary expertise in the targeted geographies and sectors.
- The team has experience in developing, structuring and managing impact finance deals related to the Project's investment strategy.
- The team has experience and capacity to perform ESG due diligence on investees and properly address ESG issues.
- The team is aligned in the development of the Project and has a credible plan to commit sufficient time to the Project over the long term.

- The team demonstrates adequate personal and financial commitment (i.e. min 1% of capital plus sweat equity by each key person) to strive for the success of the fund and have adequate financial means to endure delays in the Project's set-up process.
- The Applicant has, or intends to have, a local presence, partnership or other means of support in the Project's investment regions.

#### **2.2.4 Fund Raising**

- The financial returns (as projected in the financial model) are capable of supporting the Project's expected capital structure, taking into account the longer-term impact objectives, and the financial returns are attractive for private and institutional investors taking into account the non-financial return.
- The Applicant demonstrates fundraising ability (able to present the Project in a convincing manner and access to excellent networking channels).
- The Applicant has crafted an exhaustive list of different investors and devised a phased strategy to engage critical investors (whether anchor investors or derisking capital providers).
- The Applicant has initiated fundraising and demonstrates a high level of detail regarding the current phase of investor talks (e.g., "first contact", "interest received", "due diligence started").
- The Applicant has entered advanced fundraising discussions with credible investors and is able to demonstrate this with documentation (e.g., a support letter).

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## 2.3 EXCLUSION POLICY

All applicants will adopt exclusion criteria in line with the Initiative's Exclusion Policy and ensure compliance:

- Activities prohibited by national legislation or international legal instruments:
  - Investments that result in limiting people's individual rights and freedom or that violate human rights.<sup>1</sup>
  - Investments issued by sovereigns and/or corporates, or mainly listed in countries, or related to individuals and/or other entities in a particular country identified and as specified in the United Nations Security Council Sanctions List, the list of high-risk jurisdictions subject to a "Call for Action" identified by the Financial Action Task Force and/or the European Sanctions List.
  - Investments issued by companies involved in the manufacturing of controversial weapons and/or essential components or services or through owned entities. These include anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons.<sup>2</sup>
  - Activities prohibited by national legislation or international conventions relating to the protection of biodiversity resources, or cultural heritage<sup>3</sup>.

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<sup>1</sup> Internationally recognised standards include without limitation the following:

- [Universal Declaration of Human Rights](#).
- [International Bill of Human Rights](#).
- [International Labour Organization's Fundamental Labour Conventions](#).
- [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#).
- [United Nations' Guiding Principles on Business and Human Rights](#).
- [United Nations Global Compact](#).
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).
- For sovereign issuers, human rights due diligence may rely without limitation on the [Freedom House Index](#) and the [Transparency International's Corruption Perceptions Index](#).

<sup>2</sup> Relevant international conventions include, without limitation, the Geneva Protocol (1925) (on chemical and biological weapons); the Treaty on the Non-Proliferation of Nuclear Weapons (1968); the Convention on the prohibition of biological weapons (1972); the Convention on Cluster Munitions (2008); Protocol III to the Convention on Certain Conventional Weapons (1980) (on incendiary weapons); the Convention on the Prohibition of Chemical Weapons (1993); the Convention on the Prohibition of Anti-Personnel Mines (Ottawa Treaty) (1997); the Treaty on the Prohibition of Nuclear Weapons (2017).

<sup>3</sup> The underlying risks and impacts must be identified, assessed and systematically monitored throughout the investment cycle. Relevant international conventions include, without limitation, the Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); the Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); the Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); the World Heritage Convention; Convention on Biological Diversity and Protocols.

- Investments that could have significant adverse risks and/or impacts related to involuntary resettlement or indigenous peoples without prior consent of such peoples.
  - Activities subject to international phase out or bans, including production of or trade in products containing Polychlorinated Biphenyls (PCBs); production, placing on the market and use of asbestos fibres<sup>4</sup>; production, use of or trade in ozone depleting substances<sup>5</sup> and other substances which are subject to international phase-outs or bans, including pharmaceuticals, pesticides/herbicides, chemicals<sup>6</sup>, and other hazardous substances; trade in mercury, mercury compounds, and a large range of mercury-added products<sup>7</sup>; production or use of or trade in persistent organic pollutants<sup>8</sup>; production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
  - Activities relating to the deliberate release of genetically modified organisms (GMO).<sup>9</sup>
  - Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations<sup>10</sup>.
  - Collection, treatment and disposal of hazardous waste, and waste incineration.
- Alcohol: Production of or trade in alcoholic beverages, excluding beer and wine.
  - Tobacco: Investments issued by companies deriving revenue from the production, sales and/or distribution of any traditional tobacco products, as well as tobacco-related products (including without limitation e-cigarettes and next-generation tobacco/nicotine products) and/or tobacco-supporting services (including without limitation filters and smoking halls).

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<sup>4</sup> Commission Regulation (EU) 2016/1005 of 22 June 2016 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards asbestos fibres (chrysotile).

<sup>5</sup> Ozone depleting substances (ODS) are chemical compounds that react with and remove stratospheric ozone, resulting in holes in the ozone layer. The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODSs and their target reduction and phase-out date.

<sup>6</sup> Based on Regulation (EU) No. 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals as amended; the United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; the Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); the World Health Organization Recommended Classification of Pesticides by Hazard.

<sup>7</sup> Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury.

<sup>8</sup> Based on Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.

<sup>9</sup> Unless in compliance with EU Directive 2001/18/EC and EU Directive 2009/41/EC, and related country legislation, as further amended.

<sup>10</sup> Based on Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; and Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

- Energy sector: Investments related to the following activities:
  - Coal (thermal and metallurgical), Oil and Gas: prospection, exploration, production, mining, processing (refining, liquefaction, regasification), transport, distribution and storage, provision of supporting products or services for thermal coal extraction, oil and gas; and
  - Energy production from fuels: power generation technologies resulting in GHG emissions above 100 gCO<sub>2</sub> per kWh of electricity generated, averaged over the lifetime for gas-fired power plants seeking to integrate low carbon fuels and large-scale heat production infrastructure based on unabated oil, natural gas, coal or peat.
  - Nuclear energy: production, sales and distribution of uranium extraction, uranium concentration, refining, conversion and enrichment, the production of nuclear fuel structures, the construction and use of nuclear reactors, the treatment of spent nuclear fuel, nuclear decommissioning and radioactive waste management;
  - Hydropower: Hydropower plants with a dam height of greater than 15 meters (from the fundament) or 5-15 meters dam height and a water reservoir of more than 3 million m<sup>3</sup>.
- Biomass:
  - Business activities involving the production of bio-liquids or bio-fuels from non-waste sources (for the avoidance of doubt, the PI may invest in biogas or biomass projects).
  - Co-firing of biomass with fossil fuels, peat or hazardous waste (including waste wood that has been treated with wood preservation chemicals).
  - Sourcing of biomass from primary moist tropical forests or from natural forests.
- Minerals: Extraction of mineral deposits from the deep sea<sup>11</sup>, as well as extraction or mining of conflict minerals and metals<sup>12</sup>.
- Radioactive materials: Production of or trade in radioactive materials<sup>13</sup>, including nuclear reactors and components.

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<sup>11</sup> Deep sea is defined as the areas of the ocean below 200 m — The International Seabed Authority and Deep Seabed Mining. United Nations.

<sup>12</sup> Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

<sup>13</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is trivial and/or adequately shielded.

- Conventional weapons and munitions: Investment issued by companies derive any revenue from firearms. It includes manufacturers of firearm weapons such as guns, rifles, and pistols, manufacturers of components and munitions of these weapons and retailers.
- Adult entertainment: Investments issued by companies deriving any revenue from adult entertainment. This includes without limitation producers of adult movies, cinemas that show adult movies, adult entertainment magazines, and the broadcasting of adult entertainment.
- Gambling: Investments issued by companies deriving any revenue from gambling services (such as operation of casinos, lotteries, bookmaking, online gambling, etc.), gambling products (such as slot machines and other gambling devices) or supporting products/services to gambling operations.
- Palm oil: Investments issued by companies deriving more than 5% revenue from extracting, producing or distributing palm oil and that are not members of the Roundtable on Sustainable Palm Oil (RSPO) are excluded. These include companies involved in the upstream (plantations, mills) or downstream (refining/trading) palm oil value chain.
- Forests: Investments issued by companies involved in the conversion of natural forests into plantation. This includes without limitation irrigated forests<sup>14</sup>, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests in all regions, as well as the purchase of logging equipment for this purpose.
- Fishing: Unsustainable fishing methods (such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing).
- Animals: Animal and human reproductive cloning, as well as activities involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals.<sup>15</sup>

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<sup>14</sup> Except for temporary watering in the first three years after planting, which is allowed for the seedlings to develop deep rooting systems to ensure high survival rates.

<sup>15</sup> Unless in compliance with (EU) Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council on the protection of animals used for scientific purposes.

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## 3 DOCUMENTS REQUESTED

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### 3.1 SELECTION PHASE 1 – EXPRESSION OF INTEREST

As part of the Expression of Interest, Applicants are required to submit the following documents, by 01 December 2024 23:59 CET:

- 1) Fund Presentation (required, structure and topics provided)
- 2) Fund Fact Sheet (required, template provided)
- 3) Group Structure (required)
- 4) Company Register Extract (required)
- 5) Company Articles and Bylaws (required)
- 6) Organizational Chart (required, template provided)
- 7) CVs of the Key Persons (required)
- 8) Market Feasibility Study (required, structure provided)
- 9) Corporate Policies (CSR and IMM) (required)
- 10) Conflict of Interest Declarations for Key Persons (required, template provided)
- 11) Pipeline of Projects (required, template provided)
- 12) Theory of Change (required, template provided)
- 13) Any other relevant document (optional)

Please note that the Programme has provided Structure, Key Topics, and/or Templates in the application platform.

#### 3.1.1 General Guidelines for All Documents

- Please limit each document to maximum 20 MB.
- All documents must be properly named as per the following structure:
  - *Name of the fund manager - Number (from 1 to 13) - Name of the document*
  - *For example: "Aspiring Climate Managers - 1 - Fund Presentation.pdf"*
- Please upload a single file for each requested document.

#### 3.1.2 Specific Guidelines for the Fund Presentation

- Please submit this as a presentation (landscape), as a PDF.
- Please strictly follow the sequence and numbering of the sections and sub-sections in accordance with the "*ICFA - Application Presentation - Structure and Key Topics*", as provided by the ICFA.
- The fund presentation must be maximum sixty (60) pages.

#### 3.1.3 Specific Guidelines for the Fund Fact Sheet

- Please submit this as a document, as a PDF.

- Please strictly following the template “*ICFA - Fund Fact Sheet*” as provided by the ICFA.
- The fund fact sheet must be maximum three (3) pages.
- This is an executive summary of all the pertinent details of your fund (e.g., fund structure, first close size, final size, investment strategy, impact strategy, target returns, fees, hurdle rate, GP commitment, equalisation, exclusivity, change of GP, default of LP, reporting, etc.)

#### **3.1.4 Specific Guidelines for Group Structure**

- Please submit this as a presentation (landscape), as a PDF.
- The group structure should include the current structure and envisioned structure.

#### **3.1.5 Specific Guidelines for Company Registration Extract**

- Please submit this as a document, as a PDF.
- Please submit an official Company Registration Extract, no older than six (6) months.

#### **3.1.6 Specific Guidelines for Company Articles and Bylaws**

- Please submit this as a document, as a PDF.
- Ensure that the document contains the company's official name, purpose, registered office, initial directors, and share information.

#### **3.1.7 Specific Guidelines for the CVs of the Key Persons**

- Please submit this as a single document that includes all CVs, as a PDF.
- CVs must be maximum 3 pages.
- Please focus only on the key persons; please feel free to include the entire team in the presentation.

#### **3.1.8 Specific Guidelines for the Market Feasibility Study**

- Please submit this as a document, as a PDF.
- The market feasibility study must be maximum thirty (30) pages.
- This would be a geographic / sectoral assessment of your target markets but also an assessment of the feasibility of your strategy considering the investment readiness of your targets, the capacity of your targets to absorb the tickets you are looking to deploy, and the depth of the market to identify sufficient targets to build a diversified portfolio.
- Please feel free to use the “*ICFA - Market Feasibility Study - Structure*” as provided by the ICFA.

#### **3.1.9 Specific Guidelines for the Conflict-of-Interest declarations for Key Person**

- Please submit this as a document, as a PDF.
- Please strictly following the template “*ICFA - Conflict of Interest Declaration Form*” as provided by the ICFA.

#### **3.1.10 Specific Guidelines for Pipeline of Projects**

- Please submit this as a document, as a XLSX or a PDF.

- Please strictly following the template “*ICFA – Pipeline of Projects*” as provided by the ICFA.

### **3.1.11 Specific Guidelines for Theory of Change**

- Please submit this as a document, as a PDF.
- Please feel free to use the “*ICFA – Theory of Change*” as provided by the ICFA.

## 3.2 SELECTION PHASE 2 – DRAFT APPLICATION

As part of the Draft Application, Invited Eligible Applicants are required to submit the following documents, by 26 January 2025 23:59 CET:

- 1) Fund Presentation (required, structure and topics provided)
- 2) CVs of the Key Persons (required)
- 3) Fund Fact Sheet (required, template provided)
- 4) Market Feasibility Study (required, structure provided)
- 5) Financial Model (required)
- 6) Impact Questionnaire (required, template provided)
- 7) Support Letters from Credible Investors (optional, template provided)

Please note that the Programme has provided Structure, Key Topics, and/or Templates in the application platform.

### 3.2.1 General Guidelines for All Documents

- Please limit each document to maximum 20 MB.
- All documents must be properly named as per the following structure:
  - *Name of the fund manager - Number (from 1 to 7) - Name of the document*
  - *For example: “Aspiring Climate Managers - 1 – Fund Presentation.pdf”*
- Please upload a single file for each requested document.

### 3.2.2 Specific Guidelines for the Fund Presentation (as above)

- Please submit this as a presentation (landscape), as a PDF.
- Please strictly follow the sequence and numbering of the sections and sub-sections in accordance with the “*ICFA - Application Presentation - Structure and Key Topics*”, as provided by the ICFA.
- The fund presentation must be maximum sixty (60) pages.

### 3.2.3 Specific Guidelines for the Fund Fact Sheet (as above)

- Please submit this as a document, as a PDF.
- Please strictly following the template “*ICFA - Fund Fact Sheet*” as provided by the ICFA.
- The fund fact sheet must be maximum three (3) pages.
- This is an executive summary of all the pertinent details of your fund (e.g., fund structure, first close size, final size, investment strategy, impact strategy, target returns, fees, hurdle rate, GP commitment, equalisation, exclusivity, change of GP, default of LP, reporting, etc.)

### 3.2.4 Specific Guidelines for the CVs of the Key Persons (as above)

- Please submit this as a single document that includes all CVs, as a PDF.
- CVs must be maximum 3 pages.



- Please focus only on the key persons; please feel free to include the entire team in the presentation.

### **3.2.5 Specific Guidelines for the Market Feasibility Study (as above)**

- Please submit this as a document, as a PDF.
- The market feasibility study must be maximum thirty (30) pages.
- This would be a geographic / sectoral assessment of your target markets but also an assessment of the feasibility of your strategy considering the investment readiness of your targets, the capacity of your targets to absorb the tickets you are looking to deploy, and the depth of the market to identify sufficient targets to build a diversified portfolio.
- Please feel free to use the *“ICFA – Market Feasibility Study – Structure”* as provided by the ICFA.

### **3.2.6 Specific Guidelines for the Financial Model**

- Please submit a fully functional spreadsheet of an integrated GP/fund model, as a XLSX.
- The financial model must include a comprehensive set of assumptions to simulate and analyse (1) the Fund Project’s cash flows from LP commitments, drawdowns, investment entries and exits, and a waterfall of distributions, modelled over the Fund Project’s life; interlinked with (2) the Applicant’s revenues, costs, and profitability, derived from the management of the Fund Project, over the Fund Project’s life. The model should include key ratios, such as Gross / Net IRR, Gross / Net MOIC, TVPI, DPI, RVI, etc.
- Our reviewers want to understand the causal links between the Fund Project and the Applicant. Please do not submit a values-only spreadsheet or a PDF.

### **3.2.7 Specific Guidelines for Impact Questionnaire**

- Please submit this as a document, as a XLSX.
- The impact questionnaire is tailored to streamline the reporting of impact strategy, even for projects still in development or funds yet to be launched. It adopts a descriptive methodology approach and allows for reporting on projected climate mitigation/adaptation impacts.

### **3.2.8 Specific Guidelines for Support Letter(s) from Credible Investor(s)**

- Please submit this as a document, as a PDF.
- Please note that this is merely a support letter (not a letter of intent).
- Please feel free to use the *“ICFA – Letter of Support”* as provided by the ICFA, as a PDF.

### 3.3 SELECTION PHASE 3 – FINAL APPLICATION

As part of the Final Application, Shortlisted Applicants are required to submit the following documents, updated with the feedback given from the previous phase as well as the advanced training, by 20 April 2025 23:59 CET:

- 1) Fund Presentation (required, structure and topics provided)
- 2) CVs of the Key Persons (required)
- 3) Fund Fact Sheet (required, template provided)
- 4) Market Feasibility Study (required, structure provided)
- 5) Financial Model (required)
- 6) Impact Questionnaire (required, template provided)
- 7) Support Letters from Credible Investors (**optional**, template provided)

Please note that the Programme has provided Structure, Key Topics, and/or Templates in the application platform.

#### 3.3.1 General Guidelines for All Documents

- Please limit each document to maximum 20 MB.
- All documents must be properly named as per the following structure:
  - *Name of the fund manager - Number (from 1 to 7) - Name of the document*
  - *For example: “Aspiring Climate Managers - 1 – Fund Presentation.pdf”*
- Please upload a single file for each requested document.

#### 3.3.2 Specific Guidelines for the Fund Presentation

- Please submit this as a presentation (landscape), as a PDF.
- Please strictly follow the sequence and numbering of the sections and sub-sections in accordance with the “*ICFA - Application Presentation - Structure and Key Topics*”, as provided by the ICFA.
- The fund presentation must be maximum 60 pages.

#### 3.3.3 Specific Guidelines for the Fund Fact Sheet

- Please submit this as a document, as a PDF.
- Please strictly following the template “*ICFA - Fund Fact Sheet*” as provided by the ICFA.
- The fund fact sheet must be maximum 3 pages. This is an executive summary of all the pertinent details of your fund (e.g., fund structure, first close size, final size, investment strategy, impact strategy, target returns, fees, hurdle rate, GP commitment, equalisation, exclusivity, change of GP, default of LP, reporting, etc.)

#### 3.3.4 Specific Guidelines for the CVs of the Key Persons

- Please submit this as a single document that includes all CVs, as a PDF.
- CVs must be maximum 3 pages.
- Please focus only on the key persons; please feel free to include the entire team in the presentation.

### 3.3.5 Specific Guidelines for the Market Feasibility Study

- Please submit this as a document, as a PDF.
- The market feasibility study must be maximum 30 pages. This would be a geographic / sectoral assessment of your target markets but also an assessment of the feasibility of your strategy considering the investment readiness of your targets, the capacity of your targets to absorb the tickets you are looking to deploy, and the depth of the market to identify sufficient targets to build a diversified portfolio.
- Please feel free to use the *"ICFA - Market Feasibility Study - Structure"* as provided by the ICFA.

### 3.3.6 Specific Guidelines for the Financial Model

- Please submit a fully functional spreadsheet of an integrated GP/fund model, as a XLSX.
- The financial model must include a comprehensive set of assumptions to simulate and analyse (1) the Fund Project's cash flows from LP commitments, drawdowns, investment entries and exits, and a waterfall of distributions, modelled over the Fund Project's life; interlinked with (2) the Applicant's revenues, costs, and profitability, derived from the management of the Fund Project, over the Fund Project's life. The model should include key ratios, such as Gross / Net IRR, Gross / Net MOIC, TVPI, DPI, RVI, etc.
- Our reviewers want to understand the causal links between the Fund Project and the Applicant. Please do not submit a values-only spreadsheet or a PDF.

### 3.3.7 Specific Guidelines for Impact Questionnaire

- Please submit this as a document, as a XLSX.
- The impact questionnaire is tailored to streamline the reporting of impact strategy, even for projects still in development or funds yet to be launched. It adopts a descriptive methodology approach and allows for reporting on projected climate mitigation/adaptation impacts.

### 3.3.8 Specific Guidelines for Support Letter(s) from Credible Investor(s)

- Please submit this as a document, as a PDF.
- Please note that this is merely a support letter (not a letter of intent).
- Please feel free to use the *"ICFA - Letter of Support"* as provided by the ICFA, as a PDF.

## 4 FREQUENTLY ASKED QUESTIONS

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### 4.1 ABOUT THE ICFA PROGRAMME

#### **Who is Accelerating Impact?**

Accelerating Impact supports emerging investment managers focused on the Sustainable Development Goals to develop the impact finance leaders of tomorrow.

We were founded in 2018 as an independent non-profit initiative in the form of a public-private partnership between the Luxembourg State and private entities of the Luxembourg financial sector (Arendt & Medernach, Deloitte, Elvinger Hoss, EY, Innpact, Investing for Development, KPMG, LuxFLAG, Opportunity Financial Services, PwC, TIIME and 4Climate). Our initiative collaborates with the European Investment Bank and Spuerkeess.

Our support programmes include the International Climate Finance Accelerator ([www.icfa.lu](http://www.icfa.lu)) and the International Social Finance Accelerator ([www.isfa.lu](http://www.isfa.lu)), which seek to develop the impact finance leaders of tomorrow. Through these programmes, we offer technical and financial support to impact investment managers in their start-up phase.

#### **What is an accelerator programme for climate / social finance?**

Our programmes are intended to accelerate (not incubate) emerging fund managers who specialise in climate or social finance and have a strong focus on innovative impact finance investments strategies.

#### **What are the benefits of joining this acceleration programme?**

The selected fund managers who will be joining our programmes will receive access to technical and financial support. The technical support is provided for free to fund managers, while the financial support is reimbursable upon fund launch (for the support services envelope) and after four years (for the working capital loan). You can find more details about the programme support on our website.

#### **What is the timeline for application review and selection?**

For the ICFA, the call to submit an expression of interest (EOI) typically is open from 1 October 2024 until 30 November 2024. The Programme Team will perform the eligibility assessment, based on the EOI, and provide feedback on any required adjustment.

Please note that only a subset of the eligible applicants will be invited to submit their Draft Applications by 31 December 2024.

Deadline to submit Draft Applications will be on 26 January 2025. The Programme Team will perform a final eligibility assessment and review all Draft Applications, supported by independent Reviewers. Eligible Applicants will be invited to an interview to clarify questions on their fund projects.

Based on the Draft Applications and the interviews, the Programme Team will shortlist the top applicants and confirm this to all applicants by 18 March 2025. Shortlisted Applicants will be invited to update their applications, based on the feedback and the training workshops provided by the ICFA partners.

Final Applications will need to be submitted by 20 April 2025. The Programme Selection Committee will review all Final Applications and invite some Shortlisted Applicants to an interview to clarify questions on their fund projects.

Final confirmation of the Selected Fund Managers will be by 27 June 2024. A public announcement will follow in the weeks after.

You can find more details on the timeline on the website.

### **What is the duration of the Programme?**

Our Programme will provide support for the Selected Fund Managers for a period of up to four (4) years. This excludes the selection period, which precedes the contractual support period.

### **How often will the Programme accept applications?**

For the ICFA, the interested fund managers will get the chance to send their Expression of Interest during October and November 2024. This is the only time when the ICFA admits interested fund managers into the programme, as the programme is not set up for admission on a rolling basis.

If a fund manager was not selected during a previous selection process or the fund manager is unclear whether they would still be eligible at the next Call for Expression of Interest, we encourage you to (re)submit your application.

The only exception would be for Shortlisted Applicants that were not selected during a previous selection process (as in, Applicants that submitted a Final Application that was reviewed by the Selection Committee but not selected for Programme support). Unless they meaningfully change their fund project, they will be deemed ineligible in the future.

### **What type of climate finance areas does the ICFA programme target?**

The ICFA programme targets and supports fund managers investing in one of these areas:

- Climate Change Mitigation: efforts to reduce or limit GHG emission or enhance GHG sequestration.
- Climate Change Adaptation: activities that address current and expected effects of Climate Change.

### **Does it impact the application if the fund is already launched?**

The ICFA programme is geared towards supporting fund managers to launch their impact fund (i.e., achieve first close). The value of our programme is therefore highest for fund managers who are in process of structuring and fundraising for their first or second fund. Nevertheless, this does not disqualify a fund project as being ineligible.

### **Does it impact the application if the fund is (intended to be) domiciled outside of Luxembourg?**

It is not a requirement for the GP to be based in Luxembourg nor for the vehicle to be domiciled in Luxembourg.

Having said that, Luxembourg is a highly respected fund centre and we leverage the deep expertise of our partners, which are mostly based in Luxembourg. Furthermore, our partners extend preferential rates to our selected fund managers.

**Is there any financial commitment or cost associated with participating?**

No, there is no financial commitment or cost associated with participating. However, once the fund managers are selected, it is expected from the fund manager team to commit full-time to complete the fundraising process.

**Do you have a preferred fund size range?**

No, we have supported fund managers launching funds ranging from EUR/USD 10 to 500 million.

**What happens if one of the selected fund managers fails to reach the first close during the programme?**

If the selected fund manager fails to reach the first close during the Programme, the Programme Team and the Selected Fund Manager will agree on the terms and conditions of the termination of the Co-Operation Agreement and the Financial Support Agreement, as well as the liquidation of the Selected Fund Manager.

**What length do you expect for the fund presentation? One page per point in the structure guide?**

The purpose of this fund presentation is for us to validate your eligibility for the programme and to understand your proposed concept in sufficient detail to select you for support. We recommend the fund presentation to be maximum as indicated earlier in this application guide.

Please respect the main sections in your presentation and strictly follow the sequence of topics, organized by sections and sub-sections. Clearly number your page titles by indicating the sections and sub-sections in accordance with this document.

Multiple pages can deal with the same sub-section. A single page can also deal with multiple sub-sections.

We recommend you apply your house style for these presentations, so you can re-use these pages in the future.

**If I am a doctoral researcher in sustainable finance and willing to create a climate fund, am I qualified under this programme?**

Yes, if you are creating a fund, you are eligible as long as you have set up / are settling up a legal entity. Please note that we are an accelerator, not an incubator. We expect to see a detailed fund proposal underpinned by a market feasibility study for your fund and a detailed pipeline of potential investments. Further on in your application you will also be expected to provide signed letters of support/interest from investors.

**What is the ideal size of pipeline? In terms of deals and investment amount?**

The pipeline size is dependent on your fund strategy. A VC fund, which targets to do 5-10 deal every year, would need a high volume of deals. An infrastructure fund, which targets to have 2-3 deals every year, has a much lower volume. Similarly, deal amounts can range from EUR 150,000 to EUR 30 million.

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**What is the typical profile for the expert coach? Former cohort? Reputable investment manager? Climate finance fund manager, Lux-based only?**

We have a pool of around 60 expert coaches, which we refresh annually. Expert coaches are senior individual in impact finance, having run their own funds or having allocated capital to funds in previous roles at development financial institutions (NDBs and MDBs), and/or having been board advisors for many years.

**To what extent is this programme run remotely vs on site in Luxembourg?**

The programme is run remotely, but we recommend to cohort members to keep travel budget available to participate in in-person events. More specific:

- Training Workshop 1 is organized as a digital academy.
- Training Workshop 2 will be held as virtual live meetings.
- Training Workshop 3, held in Q3/Q4, is organized as an in-person, multi-day training. We align the training dates with the European impact finance conferencing season to optimize travel arrangements.
- Interviews are held as virtual meetings.
- Feedback is given via email and/or via calls.
- In the past, we have financed conference tickets for selected fund managers to attend with prominent events such as GIIN, GSG, and COP in person.
- We also host the Impact Finance Forum, our own event, in Luxembourg, to which Selected Fund Managers will also receive an invitation to and possibly a chance to present there.

**How strict is the GP contribution requirement? Especially in case of not-for-profit structure where this is not market practice?**

Most LPs expect to see GP contributions to ensure there is GP/LP alignment (“skin in the game”). We encourage you to explain why you think a financial contribution is not necessary and how you are looking to address the alignment as part of your fund proposal.

**Clarification question: After expressing an intention to participate, is it a must to submit the fund fact sheet and the teaser before you know whether you are eligible or not?**

We will check preliminary eligibility at the beginning of January for all applicants. We require sufficient information to do so. The Expression of Interest phase is a fairly light submission for a fund manager that is ready to be accelerated. For the next phases (“Draft Application” and “Final Application”), we will require considerably more in-depth documentation to assess whether the fund proposal complied with the selection criteria. We perform the eligibility check so you can make an informed decision whether to invest the time and effort after submitting the Expression of Interest.

**If my fund initiative is planning on, or is already part of another acceleration programme or fund support programme, does that impact my eligibility for the ICFA programme?**

No, it typically does not impact your eligibility for the ICFA programme as long as you cohere with the ICFA eligibility and selection criteria, as well as our confidentiality policy. Please do explain in detail your involvement in other programmes in your application.

**As per the eligibility criteria, is an applicant disqualified if they have just set up or registered a fund?**

No, this does not disqualify your application. If you launch your fund and/or complete a first close before you are selected, the added value of this programme will be significantly reduced. As an indirect consequence, the programme is more likely to select another emerging manager, as they would benefit from our programme more.

**Does a Fund that invests in green home loans qualify?**

Yes, as long as more than 75% of AuM is invested in adaptation / mitigation and respects exclusion policy.

**Is there a preference for funds established in Luxembourg?**

All funds are considered. There is no requirement to be based in Luxembourg. Being established in Luxembourg will allow you take advantage of the discounts that our partners offer as part of the programme.

**What should be covered in the fund fact sheet? Is there a sample available?**

Please read the application guide and keep it to the maximum stated. The factsheet may be updated at each application phase as you improve your proposal.

**How many projects are you targeting to have in the portfolio in this phase?**

Each year, we plan on selecting up to four (4) fund managers, depending on the quality of the proposals. Should we have additional budget available, we can increase the cohort size beyond the typical number.

**If my organisation is not a fund manager itself but rather would set up a fund for accelerating climate solutions that would require a fund manager, would it be considered eligible as "sponsor" of the fund manager?**

To provide a complete and detailed answer, we need more information on your structure in your application. Our programme aims to empower companies that wish to sponsor and advise/manage a vehicle.

**Could you please clarify your nuclear exclusion criteria - does it include new tech nuclear fission / fusion projects?**

We do not allow nuclear projects to be part of our programme. Please refer to our exclusion policy.

**We are setting up a new fund management Company, but we rely on a partner company for their brand and operational resources.**

You need to elaborate on the exact legal and governance relationship between your new firm and the established fund manager. Will they have equity in the fund management company, or any other related entities? What type of



agreements will exist between the two entities (services agreement, etc.)? Will they be involved in the governance of the fund? Please make these points clear when you submit your Expression of Interest.

## 4.2 SELECTION PROCESS AND PROGRAMME CRITERIA

### **Who is eligible to apply for this accelerator programme?**

To be eligible to the ICFA programme, the applicants must meet certain criteria, which you can find in this document. You can also review the eligibility and selection criteria [here](#).

### **Which fund managers qualify as “emerging fund manager”?**

The ICFA requires a fund advisory company or fund management company to be created. The team should consist of multiple team members with relevant experience. This company should be targeting to launch their first or second fund.

### **Who can submit a proposal? Can I submit a proposal as an individual?**

Proposals are only accepted from legal entities (to be formed), or consortiums of legal entities. Individuals are not eligible to apply.

### **Can fund managers from international locations apply?**

Yes, our programme is international. The GP can be based anywhere while the fund vehicle can also be domiciled anywhere.

### **Which sectors and/or themes will be prioritized?**

The ICFA focuses on supporting the emergence of innovative and high-impact climate solutions. Fund managers pursuing standardized, commercially viable solutions in the developed markets will struggle to articulate and evidence their impact strategy.

### **Does fund manager’s team need to have a track record in climate finance to apply?**

A shared track record in climate finance is not prerequisite, but relevant personal track records are recommended. The ICFA welcomes applications from fund managers that are moving towards investing in climate.

### **What is the geographic scope of the programme?**

The ICFA programme is international and intended to support fund managers and funds based anywhere.

Preference will be given to fund managers looking to deploy capital toward innovative climate solutions in developing markets, i.e., Official Development Assistance eligible countries ([list of ODA countries here](#)).

**Is the local stakeholder engagement a prerequisite to apply to the ICFA programme?**

No, having a local stakeholder engagement is not a prerequisite to apply. However, it will give the fund manager an advantage and significantly boost chances of selection.

**Do I need to adopt a gender-lens and gender equality policy to apply? Do I need to adopt a diversity, equity, and inclusion policy to apply?**

No, this is not a requirement for applying. However, it will give the fund manager an advantage and significantly boost chances selection.

The ICFA encourages fund managers to adopt an inclusive understanding of diversity, equity and inclusion (DEI), and acknowledges that the intersection of gender, race, class, and other factors create overlapping biases and systems that disadvantage and discriminate. DEI means having equal status, rights, and opportunities.

**Is there a minimum amount anchor investor should commit to?**

We accept all kind of structure, with no minimum size and all investors type, so we do not have any requirement on minimum amount for anchor investor.

**Have you ever supported (and would you consider) single country funds?**

Yes, the ICFA has. It should be noted that institutional investors will not be keen to invest into single country funds due to concentration risk. It is advisable to consider a regional approach to spread geographic risk in your investment strategy.

## 4.3 PROGRAMME SUPPORT

**How does the ICFA provide technical support to fund managers?**

The ICFA organizes training workshops with our private sector partners (see the list [here](#)), matches selected fund managers with expert coaches, provides guidance on the fund launch journey, and creates opportunities to fund raise with LPs.

**What can the Support Service Envelope (EUR 80k) and the Working Capital Facility (EUR 200k) be used for?**

The Service Support Envelope (EUR 80k) aims to finance the fees and expenses for the support services to the Selected Fund Manager to set up and further develop their fund project in terms of legal structuring, risk management, impact strategy, etc. The envelope will be expected to be repaid to the ICFA once your fund is launched (i.e. first close).

The Working Capital Facility (EUR 200k) is a loan from a Luxembourg bank, guaranteed by the Luxembourg State, to be used as working capital for fundraising, marketing, team development, pipeline building, etc. The facility will be available for drawdowns for four (4) years after which it converts into a loan. The loan will then be reimbursed over a period of five (5) years.

**How does the fundraising support look like?**

We make warm introductions between the Selected Fund Manager and our network. We attend impact finance events, such as the GIIN, and sponsor the purchase of tickets for recent cohorts. We facilitate sharing of fundraising knowledge among ICFA fund managers.