



FOUNDATION R20

Annual Report 2022



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Executive Summary

This year has been an exciting year for R20. The work held in 2021 to refine and narrow the vision and mission is starting to get implemented and seems to have gained interest from Donors (notably Bloomberg Philanthropies) and Governments. The team is growing steadily, allowing to deliver the new programs.

The execution of the **Subnational Climate Fund (SCF)** Technical Assistance is also delivering its fair share of results and our activities in this regard in 2023 have been better streamlined and more efficient. In 2022, R20 supported the completion of 11 studies.

The foundation has also been at the forefront of new innovative initiatives. Most notably, R20 has been contracted by MUFG to support the development phase of **Gaia, a blended finance climate loan fund initiative, initiated by CDPQ** (Caisse de dépôt et placement du Québec) inspired by the SCF model.

R20 also led the development of the **PAMex Local Invest Finance Facility (PLIFF)**, in order to coordinate and promote sustainable solutions to limit the impacts of climate change in Mediterranean hotspots through a unique and comprehensive platform combining financing, data analysis and technical assistance.

Another significant undertaking is the role R20 plays in an initiative on the safeguarding of **Lake Bardawil and the North Sinai Peninsula** (Egypt). The foundation has been contracted by the Belgian Industrial Group DEME as part of a consortium of stakeholders whereby R20 acts as a “funding strategist” to propose innovative ways to fund part of the project.

I. Team Update

The team is following a steady growth. In 2022, two new members joined:

- **Cecilia Serin** joined in May 2022 as Communication and Marketing Manager.
 - 10+ years experience as a relationship and communication manager with relevant experiences in partnership-building and events management
 - International Sector experience with a strong focus on sustainable finance
 - Msc in Development Studies, London School of Economics
- **Ole Ohlhoff** joined in June 2022 as a Grant Manager.
 - 10 years of experience working on climate change mitigation for UNDP (Central African Forest Initiative), the German Development Agency GIZ (Secretariat of the International Climate Initiative IKI, GIZ Tunisia) and for the Hanns Seidel Foundation in Benin
 - Msc in Environmental Policy, International Affairs, Sciences Po



Organigram

Board members

- **Mr. Melchior DE MURALT**, Chairman of the R20 Foundation. Managing Partner at de Pury Pictet Turrettini & Co (Switzerland)
- **Mr. Terry TAMMINEN**, President of 7th Generation Advisors (USA)
- **Dr. Barbara BUCHNER**, Global Managing Director of Climate Policy Initiative (USA)
- **Dr. Frannie LEAUTIER**, Senior Partner and CEO of SouthBridge Investments (Africa)

R20 – Headquarters, Geneva, Switzerland



II. Projects

i. Ongoing



Subnational Climate Fund

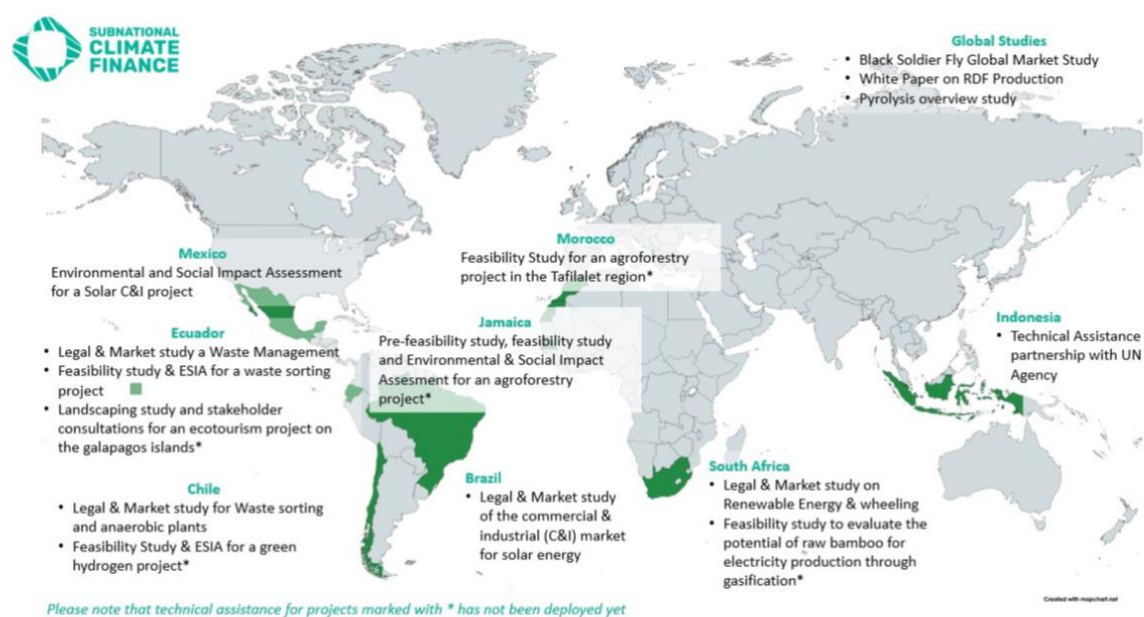
Established at the end of 2020, the Subnational Climate Fund (SCF) entered its 2nd year in 2022. As a reminder, **R20 is an executive entity for the SCF, leading the “project preparation” component** which includes project sourcing, selection, pre-feasibility and feasibility assessment, and Environment Social Impact Assessment. In 2022, SCF received the first project submissions through the online portal and other sourcing strategy and R20 delivered the first technical assistance studies.

Activities for the Subnational Climate Fund have been conducted mostly according to the action plan set up with the Green Climate Fund. To date more than 70% of the budget has been allocated and the results are on track.

1) Technical Assistance

In 2022, R20 supported the completion of 11 studies:

Pre-feasibility studies:
<ul style="list-style-type: none"> ○ Legal and Market Study for Waste Management Plants in Chile ○ Assessment of a waste management project in Chile ○ Legal and Market Study of Solar Energy Commercial & Industrial Market in Brazil ○ Global Study on Pyrolysis of Mixed Waste ○ Legal and Market Study for Waste Management plants in Ecuador ○ Market Study on Decentralised Generation of Electricity & Wheeling in South Africa ○ Global Market study on black soldier flies assessment of a waste management project in Kenya
ESIA:
<ul style="list-style-type: none"> ○ Galapagos Stakeholder consultations ○ Portoviejo (Ecuador) waste management project ○ Luxun and Suneco solar project Mexico





5 work in progress:

- Pre-feasibility study: White Paper on Refuse-Derived Fuel
- Feasibility study: Portoviejo Waste Management Plant
- Pre-feasibility assessment of a Wind Energy Project in Brazil
- Pre-feasibility study: Golden Grove Agriculture Project in Jamaica
- Feasibility study: Golden Grove Agriculture Project in Jamaica

5 projects approved by the Technical Assistance Project Selection Committee (TAPS) that were still in the procurement process at the end of 2022:

- ESIA: Golden Grove, Jamaica, EIA & Rural Farming Community Engagement and Assessment
- Feasibility study: Bamboo Gasification study, South Africa
- Feasibility Study: Sustainable Date Farm in Morocco
- Feasibility Study: Galapagos Landscaping Study, Ecuador
- Pre-feasibility study: Zvilo Banking Green Products Market Study, Balkans

2) Fundraising for the technical assistance facility

R20, oversees the fundraising for the technical assistance facility. Numerous outreaches have been done with partial success so far.

3) Capacity- Building

From September 6 to 8, 2022, the first in-person workshop of the SCF for Latin America and the Caribbean was held, under the title "Investing in sustainable subnational solutions for climate, nature, and people", in Quito, Ecuador. It was co-hosted by the Ministry of Environment, Water, and Ecological Transition of Ecuador. For further info, see the "[Events](#)" section.

PAMEx Local Investment Finance Facility (PLIFF)

During a meeting organised by the French Ministry for Europe and Foreign Affairs and the R20, at COP 26 in Glasgow in November 2021, it was decided, within the framework of the exemplary Mediterranean Action Plan 2030 (PAMEx), to create the PAMEx Local Invest Finance Facility (PLIFF), in order to coordinate and promote sustainable solutions to limit the impacts of climate change in Mediterranean hotspots through a unique and comprehensive platform combining financing, data analysis and technical assistance.



The objective for 2022 was to establish the basis for the operational implementation in accordance with the Barcelona Convention, the Paris Agreement and the Convention on Biodiversity, within the framework of the PAMEx, around three major axes, within the mandate of local and regional authorities:

- i.) Zero waste
- ii.) zero emissions for maritime transport
- iii.) protection and restoration of coastal biodiversity on land and sea.

To this end, it was agreed to develop an ambitious consortium bringing together, around a charter of principles and guidelines, all the necessary skills to avoid working in silos and to allow synergies between scientists, entrepreneurs, decision-makers and financiers.

At the same time, an innovative platform of different financial instruments complementing each other, in the framework of catalytic funding, was conceptualized along the value chain of a project carried by a local authority:

- Grants for capacity building and technical assistance to local public and private actors around the Mediterranean.
- Equity for initial investment in projects through Special Purpose Vehicles (SPVs).
- Green and/or blue bonds and/or project financing to complement the financing of SPVs and to ensure a minimum economic return on projects.
- Longer-term debt to supplement and/or complement bond financing.
- Venture capital to support the deployment of start-ups.
- The public guarantee necessary for private investors ('blended finance').

Milestones:

Signature of an agreement between R20 and the French Government

- R20 President, Melchior de Muralt met with His Excellency Mr Frédéric Journès, Ambassador of France in Switzerland to sign an agreement for the payment of the French contribution.



COP27- November 2022

- Launch of the PLIFF in the Mediterranean Pavilion hosted by Union for Mediterranean
- 1st signature of the charter



Mediterranean Future Forum- December 2022

- Launch of the PLIFF
- 2nd signature of the charter
- Presentation to SAS Albert II of Monaco





b. Awarded:

GAIA

Gaia is a blended finance climate loan fund initiative that has been initiated by CDPQ (Caisse de dépôt et placement du Québec) inspired by the SCF model. The fund is now being led by MUFG Mitsubishi UFJ Financial Group, the Green Climate Fund and the Government of Canada (Global Affairs Canada and the Canadian development bank FinDev Canada).

In this context R20 has been contracted by MUFG to support the development phase of this fund.

The purpose of this fund is to act as a blended finance blueprint aimed at mobilizing private sector capital into emerging markets for climate finance. The target \$1.475bn loan fund will support climate risk mitigation and adaptation investments in approximately 20 emerging markets in Asia, Africa and Central America/Caribbean.

GAIA platform may be able to impact some 6 million people in Emerging Markets (EMs) directly as a result of adaptation investments and have estimated over 12 million indirect beneficiaries as a result of a simulated portfolio impact estimation, as well as reducing some 30 million tCO₂eq per the calculations in mitigation investments. The EM's are global and broadly distributed to represent a diversified portfolio across Asia/Africa/LAC regions, and a very thorough investment process has been developed as a bespoke climate finance vehicle with strict adherence to the GCF's criteria.

Gaia should be presented to the GCF board in 2023.

PICCS (renamed Catalytic- Cities)

R20 was awarded a 3 years grant by the Bloomberg Philanthropy Foundation to develop the Public-Private Investment for City Climate Solutions.

R20 has been working intensively this year to design this program tailor-made for Bloomberg Philanthropies and aligned with our new vision and mission. The purpose of this grant is to fund R20 to execute our mission of developing new blended finance investment vehicle and this grant would cover it for cities.

Through the collaboration of a coalition of partners (networks of cities, the private sector actors, fund managers, public and private investors), PICCS aims at delivering blended-finance investment vehicles to bridge the gap between existing commitments and need of cities. The vehicles will invest in urban climate solutions in various sectors and geography that will yield the most significant climate impact towards achieving the 1.5C goal, turning city climate action plans into reality.

The budget secured from Bloomberg Philanthropies should cover the following deliverables:

Primary:

Propose multiple rounds of geography and sector-specific Finance Vehicles including Technical Assistance Facility

- 2-3 Finance vehicle memo per year
- 1-2 Investment Pitchbooks per year
- 1-2 Finance vehicle set up per year, depending on the success of the fundraising.

Secondary:

Knowledge generation from successful finance vehicles to enable future scaling and replication.

III. Events

Climate Week

David Albertani attended the New York Climate Week. He was a panellist for the Cities Climate Finance Leadership Alliance event, “Banking on Cities: How to boost private investment in green urban infrastructure?”. He spoke about the Subnational Climate Finance (SCF) initiative and the experience of partnering with multiple institutions and mobilising private sector investment.

International Solid Waste Association (ISWA) Congress

Jiao Tang attended the ISWA Congress and spoke on two panels. On the first, she was invited to talk about financing options such the SCF for sustainable waste management systems to replace open burning and dumping of waste, at the session organised by the Climate & Clean Air Coalition.

The second panel was co-hosted by R20 and Norfund to address the topic of climate finance for waste management. Jiao shared the SCF's investment criteria, strategy and experience in the waste sector and calls for the necessity of waste producers paying for waste management cost to enable sustainable waste management projects. On the panel, joining her were Samir Dendoune of SUEZ representing the views of project developers, Carl Johan Wahlund of Norfund representing the views of DFIs, and Jasper Wong of UOB representing the views of commercial banks.

Capacity-Building workshop in Quito and site visit

From September 6 to 8, 2022, the first in-person workshop of the SCF for Latin America and the Caribbean was held, under the title “Investing in sustainable subnational solutions for climate, nature, and people”, in Quito, Ecuador. It was co-hosted by the Ministry of Environment, Water, and Ecological Transition of Ecuador.

Jiao Tang attended the meeting to present R20 and our role in the SCF. Other colleagues supported in the preparation of the meeting (mostly with program setting and promotion).

The objectives of the event were: to strengthen capacities; improve the enabling conditions for sustainable financing of climate-resilient infrastructure and nature-based solutions; and offer the opportunity to exchange information and create networks of contacts between the actors of the region.

The event was developed in a hybrid format: during the different sessions of the event, up to 85 people participated concurrently in person and another 50 were present virtually from 11 countries in Latin America and the Caribbean.

After the workshops, Jiao visited two projects and their developers in Ecuador. In Portoviejo, she met the municipality and the mayor for the waste management project under assessment by the SCF, followed by site visits of the land for the envisioned waste sorting plant, the existing landfill and transfer stations. In the Los Rios Province which largely depends its economy on agricultural outputs such as coffee, cacao, bananas, Jiao visited a cacao plantation which was presented to the SCF as an



investment opportunity. She investigated the agricultural practices and the processing plant to assess the quality of the project.

Building Bridges

The entire R20 team attended Building Bridges, the sustainable finance week of Switzerland from the 3rd to the 6th of October. We co-hosted a session with Pegasus Capital Advisor to discuss how blended finance can drive more capital towards climate action.

We also took the opportunity to organize a session on invitation only to present the new mission of the foundation.

COP 27

UNFCC Conference of the Parties, aka COPs, are to the climate community what Davos is to the business community. In the span of a few days, we can rekindle with many partners and save lots of time and travel for the rest of year. David Albertani and Jiao Tang attended the COP27 in Sharm El Sheikh. They met with a number of partners and participated in numerous events.

On Monday the 7th of November, R20 organized a session to announce the launch of the PAMEX Local Invest Finance Facility at the Mediterranean Pavilion.

On Tuesday the 8th of November, R20 co-organized a session at the French Pavilion to talk about cooperation to support climate action in North Africa. The session was opened by Rania, Al-Mashat, Egyptian Minister of International Cooperation, Remy Rioux, CEO of the French Development Agency and Renaud Muselier, President of the Region Provence Alpes Côte d'Azur.



On the Monday the 14th of November, R20 co-organized an official side-event with WinRock International to address how to engage the private sector in climate action. This was the opportunity to hear from SCF consortium members, Pegasus Capital Advisors and Gold Standard.



IV. Perspective for 2023

Expanding the team

To support the growth of R20, we will recruit 4 new colleagues in Q1 and Q2:

- An ESG Manager for SCF (and upcoming need)
- A Programme Coordinator for PICCS
- A project pipeline manager
- A fundraising Manager

Rebranding

After years of success with “R20” as a reputable name in sustainable infrastructure, we feel that the foundation needs to go through a rebranding exercise. The goal of the rebranding is to better achieve our mission (As a finance initiatives incubator and technical assistance provider, R20’s mission is to accelerate the design and deployment of finance vehicles for sustainable infrastructure at subnational level) and vision (By 2050, subnational governments are able to reach their climate ambitions to meet the net zero global goal).

In December 2022, we selected the marketing agency “Charlescannon”, based in Geneva, for their excellent knowledge of the sustainability sector. They will guide the team through the rebranding process in the first quarter of 2023.