



WFWO Project

Approval Process

Project Facility

WFWO Project Approval Process

**A request for WFWSRMPFD / EBRMTFT
Access for funding will be processed stages as follows:**

WFWO Project Cycle Phase I



1. Concept Clearance
2. Due Diligences
3. Term Sheet
4. Final Review
5. Board consideration
6. Financial Close

1. Concept Clearance

WFW/SRMPFD/EBRMTFT will carry out preliminary fact finding on the project and the applicant or sponsors using the information provided by the WFWO/EBRMTFT/SHH Project Facility. We will also assess the likely development impact of the project and what value WFWO's participation will have on the project, the sector or the country to contribute to UN 2030 Agenda and SDGs 17. If the project meets our criteria, a concept review paper (CRP) is prepared and submitted to the Executive Board Resources Mobilisations Task Force Team (EBEMTFT) for approval. Thereafter, a mandate letter will be signed between WFWO and the project applicant or the sponsors. It is likely that WFWO will charge a processing (or appraisal field visit) fee and the applicant must agree to pay WFWO out-of-pocket expenses for processing the project, this can be negotiate with the applicant and can be funded if the project apprvped.

The concept review takes into consideration if the proposed project:

- Is prima facie technically, economically, socially, and financially viable
- Needs WFWO to play a catalytic role in developing and financing the project; and
- Supports WFWO's strategy in the country, sector or region in which the project will operate.
- If so desired, WFWO will sign a non-disclosure agreement with the applicant or the sponsors before detailed information is shared.

2. Due Diligences

After the CRP is cleared by the WFWO/EBRMTFT/SHH Project Facility, a project team from WFWO will conduct due diligence on the project, including a visit to the project site, offices of the applicant or the sponsors, relevant government agencies and any proposed Co-financiers. During this stage, the project team will review the following:

- Overall economic, financial and commercial viability of the project business plan, costs, financing and implementation plans
- Legal and regulatory framework
- Feasibility and environmental and social assessment studies and environmental and social management plans, including resettlement plans and Indigenous Peoples plans, to address impacts on people and the environment.

For large and complex projects and transactions, the project team will coordinate with the applicant or the sponsors and other senior lenders in appointing an independent legal counsel, as well as independent engineers, and environmental and social experts to collectively represent the lenders. In addition to external environmental and social experts, WFWO's environment expert will conduct its own due diligence, including site visits. For smaller projects and transactions, lower-level external assistance will be required. In all cases, the applicant or the sponsors will be required to cover the cost for these services.

Applicant or the Sponsors are required to bear the costs of third party legal, technical, and other experts required to complete WFWO's due diligence. The project team will confer with sponsors and other senior lenders prior to the appointment of external legal counsel and other advisers.

3. Term Sheet

During due diligence, the WFWO/EBRMTFT project team will discuss and negotiate the terms and conditions of WFWO/EBRMTFT assistance. The project team will finalize and negotiate the term sheet, which should be agreed by the borrower prior to seeking Management's final approval.

4. Final Review

WFWO/SHH project team will prepare the appraisal report (i.e. RRP) and other internal documentation. These will be presented to the EBRMTFT for the Final Review. Draft loan, guarantee or equity documentation usually is prepared concurrently during the final steps of WFWO's process.

5. Board consideration

Once the EBRMTFT has endorsed the project, the proposed WFWO assistance will be presented to the WFWO/EBRMTF Board of Directors. There is a 2 days mandatory circulation period for this review.

6. Financial Close

After EBRMTFT Board approval, the documentation for project can be finalized and signed. Once all conditions precedent has been met (including receiving a no objection letter from the host country), entity institution or private sector, then the WFWO loan, guarantees and/or equity funding can be disbursed per the agreed terms. After that the Loan or Grant Agreement to be signed between parties.

WFWO Project Cycle Phase II

The project cycle illustrates the stages a business investment goes through, as it becomes WFWSRMPFD/EBRMTFT-financed project as per terms and conditions

and guidelines of the Project Facility. The applicant can approach directly the Executive Secretariat of the WFWO.



- 1. Business Development
- 2. Early Review
- 3. Appraisal
- 4. Investment Review
- 5. Negotiations
- 6. Public Notification

- 7. Board Review and Approval
- 8. Commitment
- 9. Disbursement of Funds
- 10. Project Supervision / Development Outcome Tracking
- 11. Evaluation
- 12. Closing

1. Business Development

Guided by WFWO's project facility strategic goals, our investment Directors (IDs) and business development officers identify suitable projects. This initial conversation with the applicant is critical in helping us understand their needs and determine whether there is a role for WFWO/WBRMTFT.

2. Early Review

The Applicant prepares a description of the project as per project facility guidelines, WFWO's role, the anticipated contribution to development and benefits to stakeholders, and any potential deal-breakers. Lessons from previous projects are considered here and, in some cases, WFWO team to identify any issues in advance conducts a pre-appraisal visit. The cost should be covered by the applicant. WFWO senior management then decides whether to authorize project appraisal.

3. Appraisal

The investment and technical teams assesses the full business potential, risks, and opportunities associated with the investment through discussions with the Applicant and visits to the project site. The following questions are asked: Is the investment financially and economically sound? Can it comply with WFWO's social and environmental Performance Standards? Have lessons from prior investments been taken into account? Have the necessary disclosure and consultation requirements been met? How can WFWO help the applicant further improve the sustainability of the project in developing the countries, applicant or institution entity and private sector group interest to contribute to the UN 2030 Agenda SDGs.17.

4. Investment Review

The project team makes its recommendations to WFWO/EBRMTFT departmental management, who will decide whether to approve the project. This is a key stage in the investment cycle. The team and departmental management must be confident that the Applicant is able and willing to meet WFWO standards and work with us to improve the sustainability of the project.

5. Negotiations

The project team starts to negotiate the terms and conditions of WFWO participation in the project. These include conditions of disbursement and covenants, performance and monitoring requirements, agreement of the action plans and resolution of any outstanding issues.

6. Public Notification

A Summary of Proposed Investment (SPI) for the project and the environmental and social review, where applicable, are posted on WFWO's website after the approval of the Executive Board Resource Mobilisations Task Force Team (EBRMTFT). The length of the disclosure period is determined by the category of the project.

7. Board Review and Approval

The project is submitted to WFWO/EBRMTFT for consideration and approval through regular or streamlined procedures. "Streamlined" means that the members of the EBRMTFT Board review the documents, but don't meet to discuss the project. This option is available to low-risk projects of a small enough size. WFWO/EBRMTFT management under delegated authority can approve certain small projects. The due diligence process and public disclosure remain the same in all cases. The EBRMTFT Board demands that each investment have economic, financial, and development value and reflects WFWO's commitment to sustainability to contribute to UN 2030 Agenda focusing on social housing and basic services as per our WFWO/EBRMTFT/SHH/ Project Facility Guidelines.

8. Commitment

WFWO/EBRMTFT and the country, institution entity or private sector group, will sign the legal agreement for the investment. This includes the applicant's agreement to comply with the applicable performance standards, to immediately report any serious accident or fatality, and to provide regular monitoring reports. The legal agreement will also covenant the applicant's action plan.

9. Disbursement of Funds

Funds are often paid out in stages or on condition of certain steps being completed as agreed in the legal agreement.

10. Project Supervision / Development Outcome Tracking

We monitor our investments to ensure compliance with the conditions in the loan agreement or Grant. The company submits regular reports on financial as well as social and environmental performance, and information on factors that might materially affect the applicant's country. Ongoing dialogue during supervision allows WFWO to support applicant and our partner in the country, both in terms of solving issues and identifying new opportunities. We also track the project's contribution to development against key indicators identified at the start of the investment cycle.

11. Evaluation

We evaluate projects on a regular basis. To help improve our operational performance, annual evaluations are conducted based on a stratified random sample of projects that have reached early operating maturity.

12. Closing

We close our books on the project when the investment is repaid in full or when we exit by selling our equity stake. In specific cases we may decide to write off the debt. Our goal is to help the applicant in developing countries reach a high level of sustainability that will continue long after our involvement has ended.

