UK Government Centres of Expertise
Green Cities, Infrastructure and Energy

LEARNING NOTE

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GREEN CITIES, INFRASTRUCTURE AND ENERGY PROGRAMME (GCIEP)

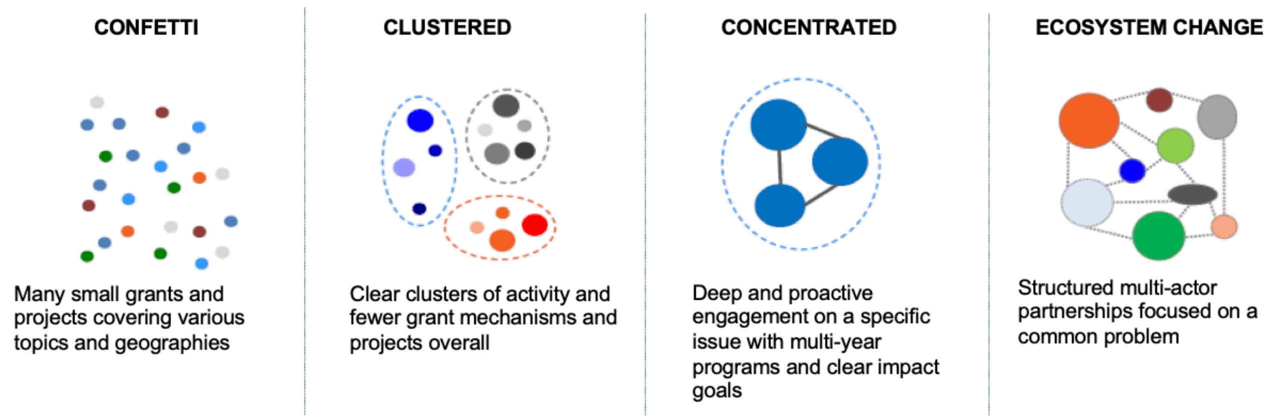
Catalysing partnerships to mobilise infrastructure financing and investment in low- and middle-income countries

The paradigm shift: from siloed programme delivery to ecosystem approaches

GCIEP's engagement across the investment community spanning multiple low- and middle-income countries (LMICs) shows that intentional ecosystem positioning, including with other UK government partners, can unlock greater capital flows. An ecosystem perspective recognises a continuum running from early-stage project conception and government capacity building, through feasibility and design, to investor matching and transaction close, with each stage requiring distinct support mechanisms and financial structures.

Too often, infrastructure financing technical assistance programmes have operated within narrow remits, addressing specific project phases or sectors without deliberate connection to finance sources or wider policy frameworks. This fragmented model has frequently created a disconnect; well-prepared projects encounter difficulty accessing appropriate financing mechanisms, whilst investors holding available capital struggle to identify bankable opportunities that are aligned with their mandates.

Moving towards an ecosystem approach to mobilising finance



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Capability building and policy programming			Funding and finance focused programming		
1. Enhance ambition	**2.** Implementation plan	**3.** Enabling environment	**4.** Project support	**5.** Funding support	**6.** Private sector mobilisation
Gov2Gov action. *Example output:* increased NDC. Low cost per year (e.g., £10k)	Government-led action *Example output:* NDC implementation plan (£10k–£100k)	Policy support to governments. *Example output:* new climate legislation, new regulatory standards to ease investment (Cost e.g., £0.5m–£1.5m)	Support to private sector. *Example output:* pipeline of bankable projects, capability of financial institutions improved (£15k–£300k per project)	Private sector and typically CDEL spend. Scaling up proven technologies in new context, crowding in private sector money (£10m–£100m invested)	Fully private sector led activity. with government involvement as a BAU stakeholder (Cost e.g., time and exercising convening power)

GCIEP programming supports all stages of the project cycle

Project ideation › Feasibility studies › Project design and planning › Financial structuring › Procurement and contracting › Implementation

UK Government programming plays a role across the whole project cycle, from inception to financial close

GCIEP's value lies in its ability to operate and convene partners across several points on this continuum. The programme acts not only as a project preparation facility, but also as a convener and connector; it identifies where other programmes can fill gaps, shapes project development towards commercial viability, and aligns pipeline opportunities with capital providers' investment criteria. GCIEP's targeted project assistance can also support capital mobilisation through transaction and funding support from UK government capital grants (CDEL), up to full private sector participation.

Key partnerships within the UK development finance landscape

The UK government operates a portfolio of programmes and instruments, some of which are shown in the figure below, designed to tackle specific barriers to infrastructure investment. Understanding how each programme's mandate, geography, and financial tools intersect with GCIEP is critical for effective collaboration.

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GCIEP: Provides support across the entire chain of activities, with the potential to work synergistically with all other UK Government green programmes.

NDC Partnership: Quick to mobilise. Embeds experts to govt institutions. Matches govt demand with donor funding and programming

UK PACT: UK Bilateral programme – provides legislative, regulatory, technical solutions in response to govt demand

Climate Finance Accelerator: CFA Project preparation facility linking policymakers, projects and investors to build investment pipelines

2050 Calculator: Modelling tool for policymakers and civil society to understand journey to net-zero

Global Innovation Lab: Long-running multilateral programme, developing scalable investment instruments

BII: Downstream investment client, role in scoping CFA, Lab, etc.

Commercial Banks: Downstream investment client, role in scoping CFA

GCIEP has many links with other UK government funded programmes across the spectrum of mobilising finance for infrastructure in LMICs.

Upstream policy and enabling environment support

Alongside GCIEP, other upstream donor-funded programmes work with government partners to strengthen the policy and regulatory foundations upon which viable project financing rests. Two examples are:

- **UK PACT** operates in many of the African and Asian countries where GCIEP is active, providing technical assistance on policy frameworks and regulatory harmonisation. Both programmes have a footprint in Southeast Asia, including Indonesia, where GCIEP's Future Cities Infrastructure Programme supports secondary cities to prepare bankable low-carbon transport and urban projects. In this context, UK PACT could help national and sub-national governments strengthen the enabling environment for such investments – for example, through regulatory reforms or green finance policies – whilst GCIEP focuses on project preparation, together creating a clearer pathway from policy to investable pipelines.
- **The Coalition for Coastal and Marine Conservation (COAST)** facilitates a similar upstream role in coastal communities by providing grants and technical support to strengthen climate resilience and sustainable marine management. Where COAST has already built environmental baselines and community engagement pathways, GCIEP can move more quickly from concept development to structuring bankable coastal resilience investments.

Complementary project preparation and investment capacity

Programmes working at similar stages to GCIEP – such as **InfraCo** and the **Global Clean Power Alliance (GCPA)** – bring additional project preparation and investment capacity. InfraCo combines technical capability with a balance sheet able to co-invest in priority projects, creating opportunities for joint development or co-investment in renewable energy and other sustainable infrastructure. GCIEP can channel its most advanced projects into InfraCo's pipeline, knowing that InfraCo brings both rigorous scrutiny and capital that can catalyse further financing rounds.

The **GCPA**, launched by the UK and Brazil at the 2024 G20 Summit, focuses specifically on accelerating the global clean energy transition by supporting resilient clean power supply chains. It typically engages at earlier preparation stages in the project cycle, but creates a pipeline of near-investible projects that GCIEP can help to move towards financial close through technical support and investor matchmaking.

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Direct capital providers

Downstream within the infrastructure investment ecosystem sit institutions with direct capital available for deployment. **British International Investment (BII)** provides both equity and debt financing to private sector infrastructure initiatives. Whilst BII's mandate targets private sector participation, many infrastructure opportunities in GCIEP's focus countries lend themselves naturally to public–private partnership structures. The bridge between public sector projects and BII's private sector investment mandate lies in project structuring and procurement design. When GCIEP works with government partners to structure projects such that private sector operators see clear commercial opportunity – through transparent procurement, visible revenue streams, and manageable risk allocation – projects become investable for BII.

The **Emerging Africa & Asia Infrastructure Fund (EAAIF)**, another private infrastructure development group (PIDG) entity, deploys billions of pounds in long-term commercial debt financing across sub-Saharan Africa and South Asia. By understanding EAAIF's investment criteria and risk appetite, GCIEP can shape project structuring so that government-backed infrastructure with robust revenue prospects can access commercial debt that might otherwise remain out of reach.

De-risking mechanisms

De-risking mechanisms prove essential for translating technically sound projects into investable opportunities for commercial lenders and institutional investors. **UK Export Finance** and **Graco** (Guarantee Company) offers credit insurance and guarantees where there is demonstrable UK content, whether through equipment, services or implementation. Credit cover of up to 95 percent, effectively equivalent to British sovereign credit, improves commercial lender comfort with projects and enables financial close at materially more attractive terms.

Graco similarly employs guarantees to de-risk projects, but with particular focus on currency and political risks that might otherwise deter private sector participation in emerging markets. By structuring projects such that credit enhancements and concessionary elements work in concert with commercial financing, these mechanisms unlock private capital that might otherwise remain uncommitted.

Translating recognition of the ecosystem into operational collaboration

Recognising the value of an ecosystem approach is only a first step. Turning this into sustained collaboration requires deliberate engagement and early involvement of finance expertise in project development.

GCIEP's delivery experience highlights the importance of the timing of investment appraisal. Feasibility studies and technical preparation that proceeds without meaningful financial input from the outset, frequently leads to projects that are technically sophisticated yet financially unviable, necessitating extensive renegotiation of fundamental parameters or abandonment. When investment expertise engages from project identification stages, realistic financing pathways emerge early, allowing technical design to evolve in concert with financial requirements rather than in opposition to them.

The same logic applies to engagement with partner programmes and financiers. Rather than waiting until projects are "nearly bankable", GCIEP increasingly convenes finance and investment specialists at identification and early screening stages. Preliminary discussions with institutions such as BII and EAAIF, and with guarantee providers such as PIDGs, allow both government partners and finance providers to clarify their expectations and constraints. Jointly considering government aims, technical requirements and investor appetites at this point improves the chances that projects can move smoothly from concept to implementation.

In Ghana, for example, GCIEP's in-country presence, FCDO representation, and established project pipeline have enabled structured three-way engagement between GCIEP, British Embassy teams and capital providers, creating partnership models that can be replicated. In Zambia, GCIEP's whole-system approach to energy has shown how early engagement with guarantee providers and commercial financiers across generation, distribution, and transmission can structure opportunities that match private sector risk appetite. Delivering even a single project through such an integrated pathway can set a precedent for further scaling.

GCIEP's lessons from ecosystem engagement

Drawing from recent delivery experience, several key learning points have emerged:

- **Ecosystem positioning attracts capital providers:** GCIEP's contribution lies in combining policy support, technical assistance and links to finance so that projects benefit from multiple, sequenced forms of support. By deliberately positioning its pipeline in front of complementary programmes and capital providers, GCIEP increases the chances that investible projects are recognised and supported.
- **Early finance engagement shapes technical feasibility:** Reversing the traditional sequence – by involving investment expertise from project identification – reduces the risk that technically strong projects prove commercially unworkable.
- **Country-level momentum creates replicable models:** Integrated partnerships proven in one country often travel better than abstract global strategies. Where GCIEP, governments, FCDO posts and financiers successfully deliver projects together, they create practical models that can be adapted elsewhere.
- **Pipeline visibility drives investor participation:** Capital providers back projects they understand and trust. Consistently presenting a clear, well-prepared pipeline aligned with investor mandates and risk appetite helps GCIEP secure commitments that might otherwise flow to other geographies or sectors.
- **De-risking mechanisms unlock otherwise inaccessible capital:** The targeted use of guarantees and credit enhancements can turn technically sound but risk-perceived projects into investible opportunities, especially in sectors such as energy and water.

GCIEP is a demand-driven initiative focused on sustainable green cities and climate-resilient infrastructure in lower-income countries. As the flagship programme of the UK's Centre of Expertise for Green Cities, Infrastructure and Energy, GCIEP supports the UK Government's mission to accelerate investment in, and delivery of, infrastructure and urban development that is responsible, reliable, inclusive, low-carbon and climate-resilient.

A significant proportion of GCIEP's work is carried out in seven priority countries: Ethiopia, Ghana, Indonesia, Philippines, Mozambique, Vietnam and Zambia, where a Deep Offer programme provides long-term, systemic interventions focused on transformative change and infrastructure financing.

To keep up to date with GCIEP's work:

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