**Annex IV.2: Project Typology - Private Sector Evaluation**

Where appropriate, the GPS have been tailored to the characteristics of different types of project supported under the IFI’s private sector mandate. These project types broadly fall into five groups. It is the responsibility and ultimate decision of the CED to assign the relevant project type when applying the framework. For projects exhibiting a mix of project types, it is recommended that CEDs use a range of metrics as appropriate.

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| --- | --- | --- |
| **Project Type:** | **Description:** | **Financing Instrument typically used to support project:** |
| ***Group A: Capital expenditure projects involving direct investments in identifiable assets*** |
| Greenfield or limited recourse | Investment in a new venture or in a stand-alone company created for the purpose of investing in new assets / undertaking a concession etc. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| Expansion of existing operations | Investment made by an existing company to expand capacity / enter a new business or market. Investment is made on balance sheet. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| Rehabilitation or modernization | Investment made by an existing company to upgrade existing assets. No new assets are created by the investment. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| ***Group B: Institutional investments supporting broad corporate investment programs*** |
| General Corporate Investment in aNon-Financial Institution | To support a broad corporate expansion program where individual investments are too numerous or too general to be identifiable. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee |
| Corporate Investment in a Financial Institution | To improve the FI's capital / liquidity / maturity profile. May include corporate governance reforms or other institutional improvements. Corporate FI investments should be treated under Group D1 where their effects are manifested in changes in the FI’s portfolio. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| ***Group C: Projects supporting financial diversification, refinancing or short-term funding requirements*** |
| Corporate Financial Restructuring | Concerned with refinancing (right-side balance sheet) of existing debt / equity structure. No new assets created. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| Working Capital Finance | To support short-term or permanent funding requirements arising out of the normal course of trade. | Loan, Financial Guarantee, Partial Risk Guarantee |
| Securitization / Credit Enhancement | Participation in, or credit enhancement of, new securities backed by a pool of income-generating assets. | Loan, Quasi-Equity, Equity, Financial Guarantee, Partial Risk Guarantee, MIGA PRI |
| ***Group D1: Investments made in multiple sub-projects via intermediation in a bank or other credit institution*** |
| Intermediation via FI with / without attribution to sub-projects | Credit line provided with specific objectives to support the investment programs of sub-borrowers. May or may not have requirements to track and report sub-loans. | Loan, MIGA PRI |
| Trade Finance / Factoring | To support, via intermediation, the short-term funding requirements of multiple sub-borrowers arising out of the normal course of trade. Typically no attribution. | Loan, Financial Guarantee, Partial Risk Guarantee |
| ***Group D2: Investments made in multiple sub-projects via intermediation in a fund*** |
| Investment in Private Equity Fund | Equity (sometimes loan) subscription to fund, where the underlying investments are not listed / traded on any exchange. | Loan, Quasi-Equity, Equity |
| Investment in Listed Equity Fund | Equity subscription to a fund where the underlying investments are listed and traded on local / international exchanges. May feature a debt instrument to provide leverage. | Loan, Quasi-Equity, Equity |