



Webinar

2 November 2017

Presented by Climate Policy Initiative:

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Agenda

- Introduction to the Lab
- Successes & impact to date
- 2017 Endorsed instruments
- 2017 / 2018 cycle Call for Ideas
- Q&A

Introduction to the Lab

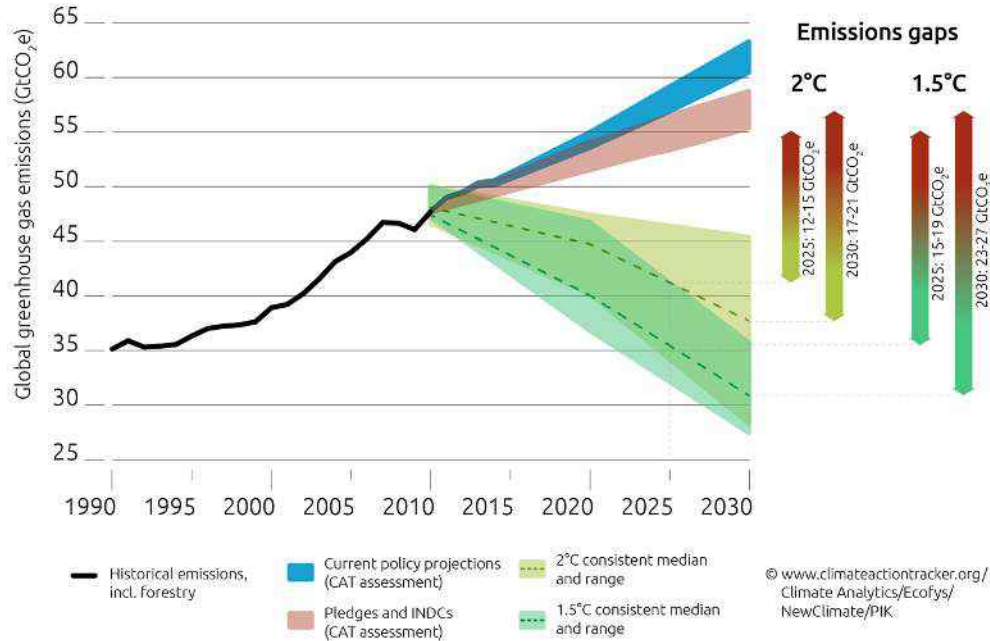
Key challenges of the 21st century

Climate Change

→ Meeting the Paris Agreement goals for mitigation & adaptation

Sustainable Development

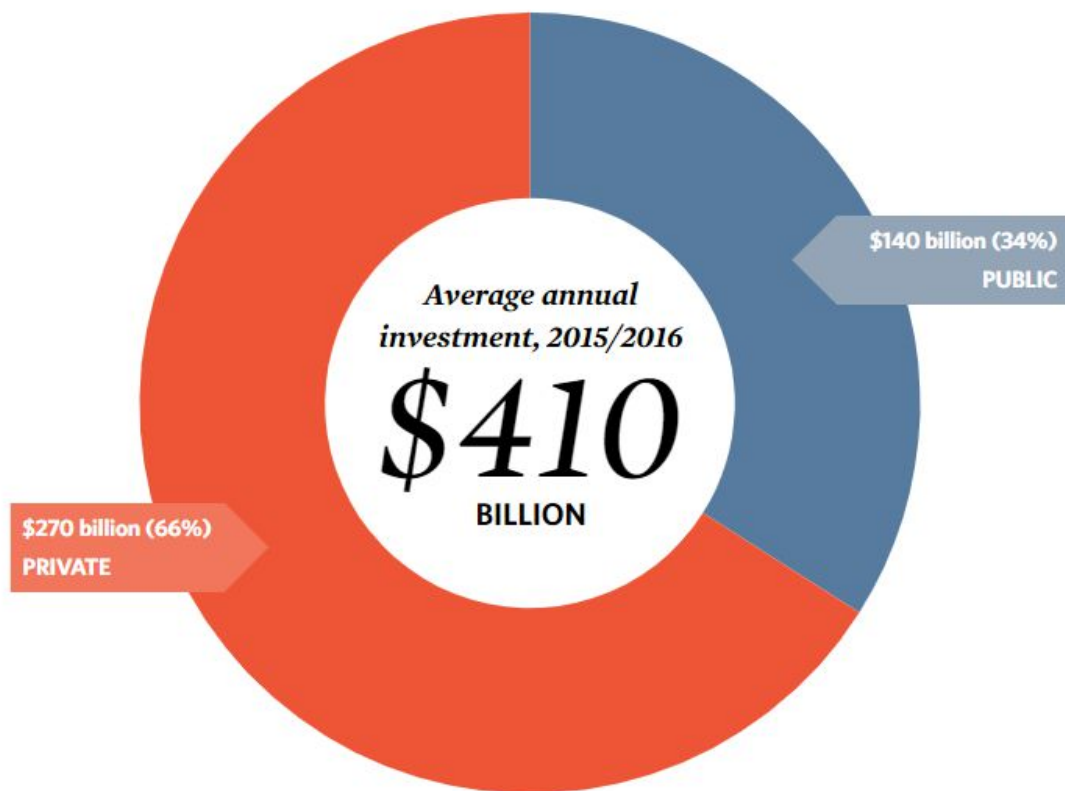
→ Meeting Sustainable Development Goals



SUSTAINABLE DEVELOPMENT GOALS



Investment crucial in meeting goals

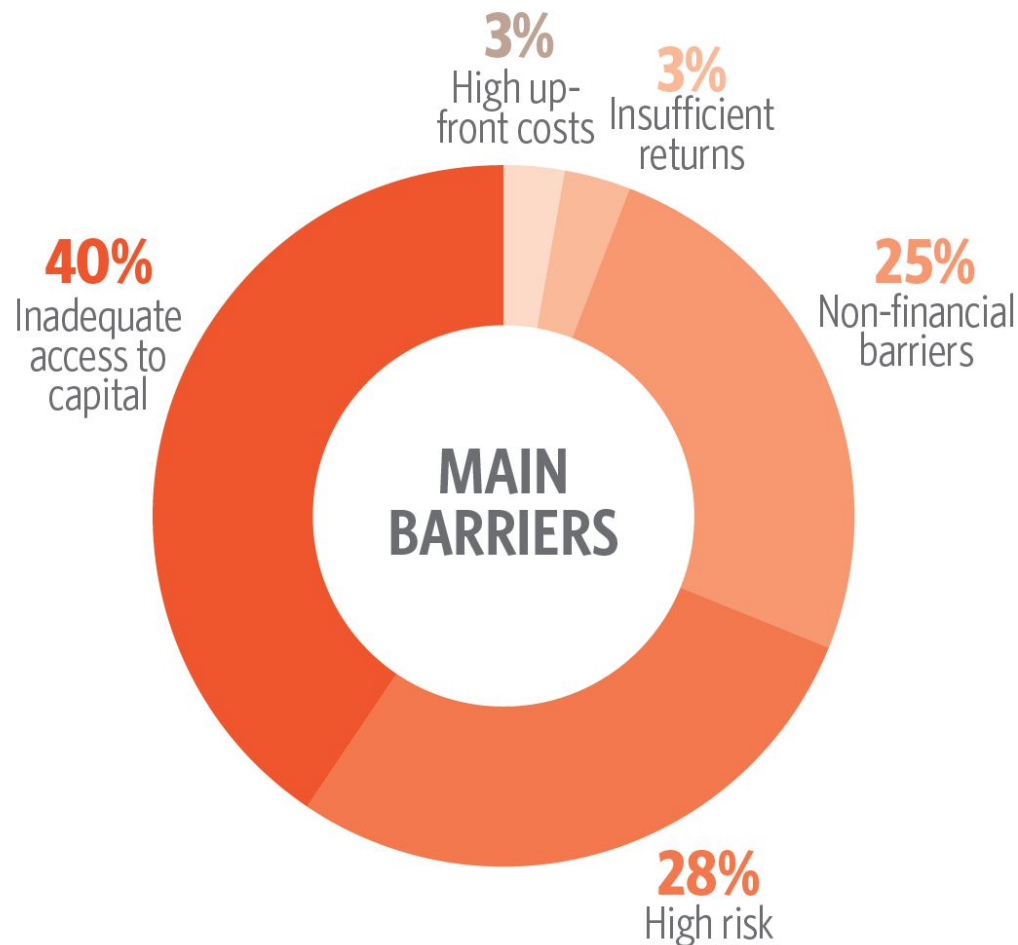


Finance is flowing, but much more is needed to achieve global goals

There is a need for solutions that tackle the finance gap by activating public and private actors and by bringing **innovative, fast moving solutions** to the market.

Sustainable investment, particularly in developing countries, faces many barriers

Barriers to investment as identified by submissions to the first three cycles of the Lab:



The aim: Unlock finance for low-carbon climate-resilient development

By identifying, developing, and supporting transformative sustainable finance ideas, **the Lab** aims to drive billions of dollars of private investment to the low-carbon, climate resilient economy.



India Innovation Lab
for Green Finance

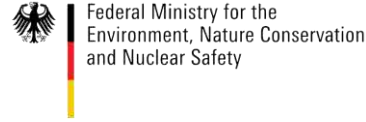
Brasil Innovation Lab
for Climate Finance

Global Innovation Lab
for Climate Finance

Fire Awards for
Sustainable Investment

The approach: A public-private partnership

Funders



Members



Secretariat



CLIMATE POLICY INITIATIVE

How it works: An incubator for sustainable finance ideas



1. Call for Ideas

Open call for innovative investment solutions grouped by

- **Global Lab**
- **India Lab**
- **Brasil Lab**
- **Fire Awards**

2. Selection

Lab Members from public and private sector select the most promising ideas

Based on 4 principles:

- **Actionability**
- **Innovation**
- **Catalytic potential**
- **Financial Sustainability**

3. Development

Selected **Lab ideas** benefit from **analysis, stress-testing, and guidance** from experts and investors.

Fire Awards finalists prepare **business pitches.**

4. Endorsement & Launch

Lab Members vote to launch the **Lab ideas** for **piloting.**

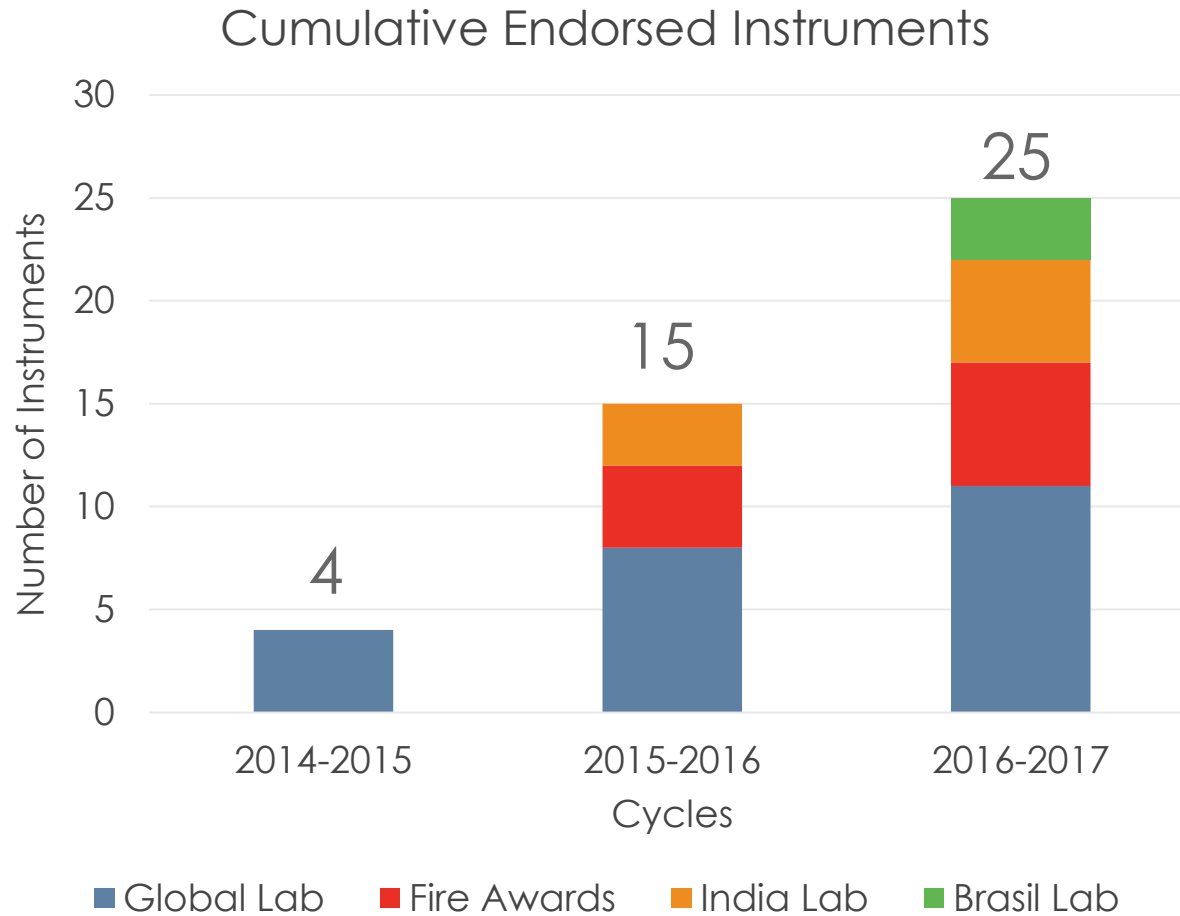
Fire Awards winners are announced.

5. Implementation

The ideas move into action, **fundraising to launch pilots, with continued support from the Lab network**

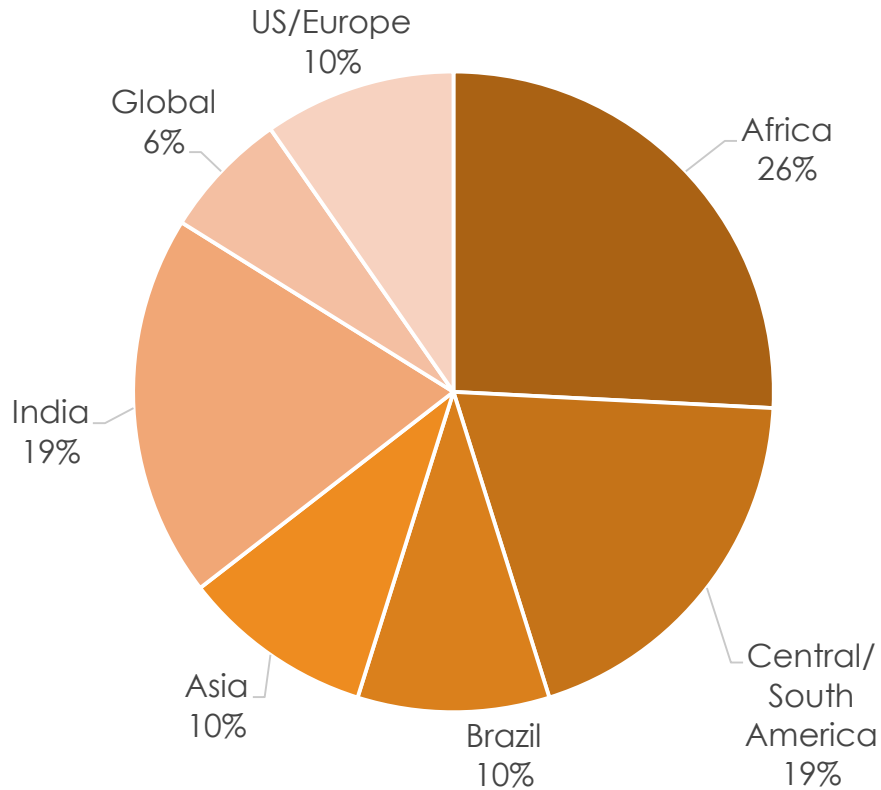
Successes & impact to date

In 3 years, the Lab's 4 programs have endorsed 25 climate finance instruments

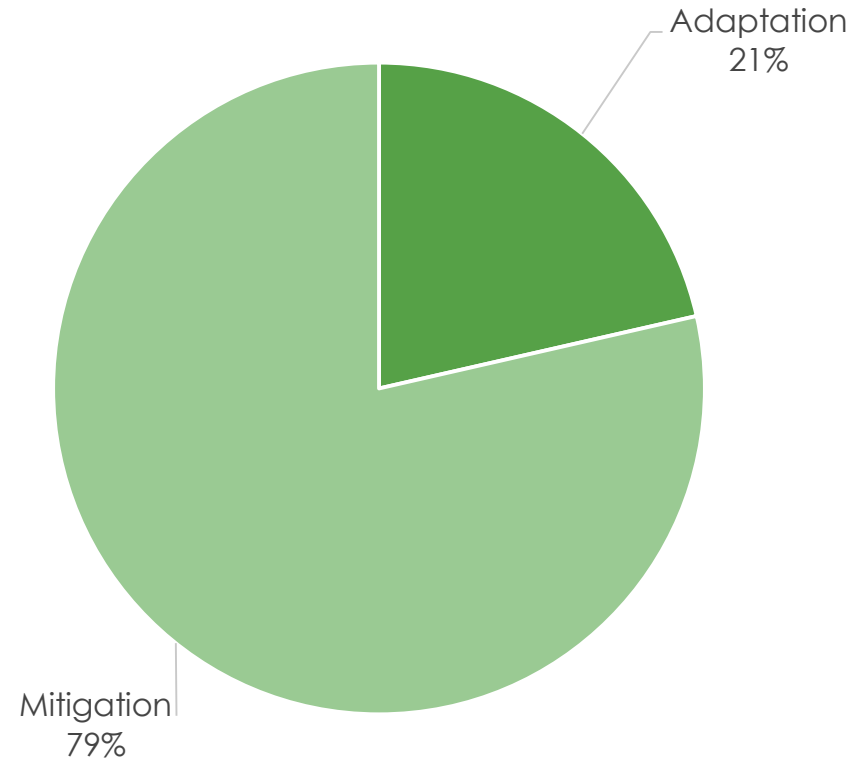


Instruments to date have targeted multiple regions, with the majority in climate mitigation

Number of Instruments by Region



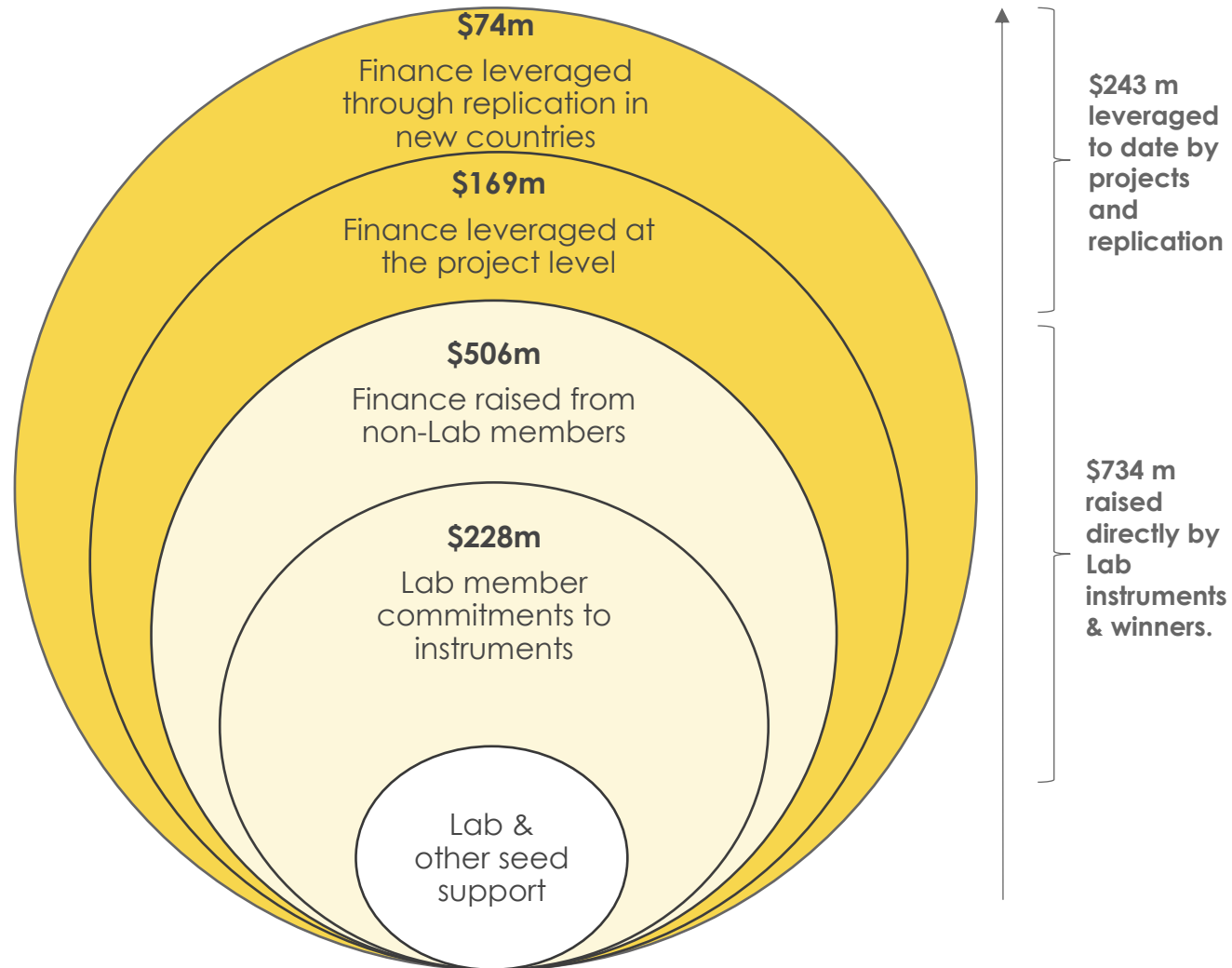
Climate Strategy



Lab instruments and winners have mobilized nearly \$1 billion in sustainable investment

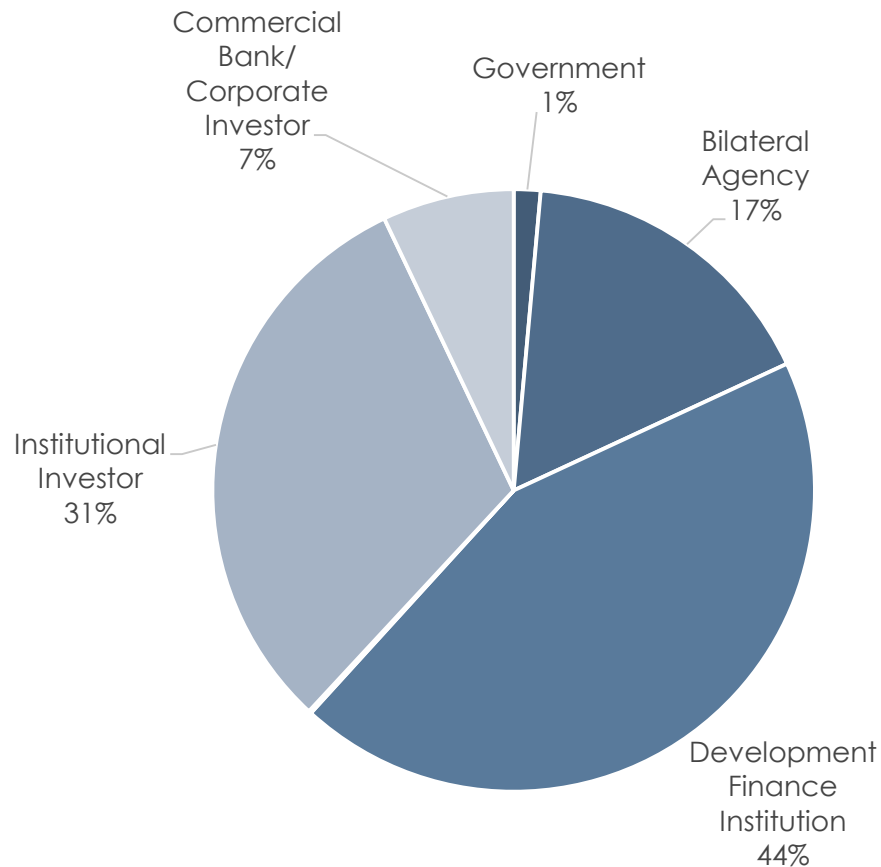
The Lab has built a high-impact initiative that has supported instruments to **mobilize more than \$977 million** for climate change adaptation and mitigation.

2017 Lab instruments target another \$885 million of direct finance.

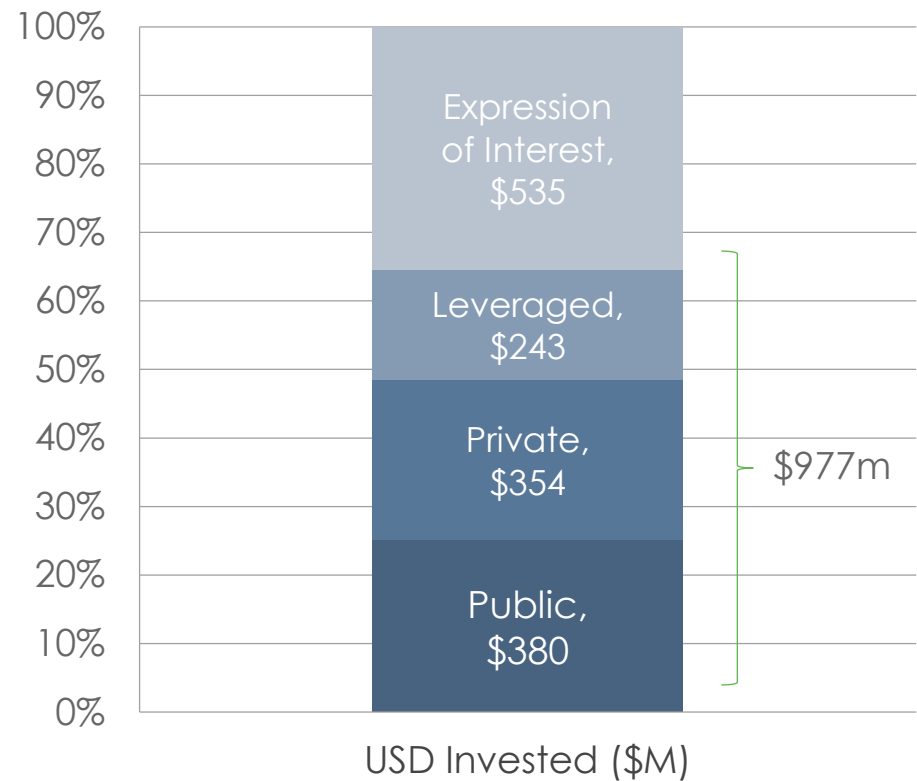


Effective use of public finance is driving private investment

Investors in Lab instruments - including expressions of interest



Investment in Lab instruments \$1.5 bn



2017 Instrument Endorsements

Large-scale renewables

Renewable Energy Scale-up Facility



Type

Equity fund

Geography

Latin America, SE Asia, MENA

Target pilot impact

Finance 370 MW of solar & wind

Lab Program

Global

An options-based equity fund solution to drive private institutional equity into earlier stages of renewable energy projects in emerging markets

Green Receivables Fund



Type

Asset-backed Security (FIDC)

Geography

Brazil

Target pilot impact

Drive finance to deploy 1 GW of RE

Lab Program

Brazil

Securitization of renewable and energy efficient project receivables using Brazilian FIDC instrument to sell shares in local markets

Adaptation, resilience & land use

Climate-smart Cattle Ranching



Type

Platform

Geography

Brasil

Target pilot impact

Reach ranchers covering 300k Ha

Lab Program

Brasil

A company offering credit and technical assistance to ranchers that adopt climate-smart agricultural practices and comply w/ forest codes

Cloud Forest Blue Energy Mechanism



Type

Pay-for-Success

Geography

Latin America

Target pilot impact

Restore 60mm Ha of cloud forest

Lab Program

Global

A pay-for-success model, engaging hydropower operators to pay for upstream forest conservation and restoration

CRAFT



Type

Equity Fund

Geography

Global

Target pilot impact

Mobilize \$550mm to catalyze market

Lab Program

Global

A dedicated commercial investment vehicle to focus on expanding the availability of technologies and solutions for adaptation and resilience

Distributed clean energy

Distributed Generation for Coops



Type

Platform

Geography

Brasil

Target pilot impact

Finance 23 MW of wind for 9 coops

Lab Program

Brasil

A fund to scale-up distributed RE by partnering with coops and linking generation performance to payments

SunSHIFT Solar Financing Facility



Type

Facility

Geography

Argentina

Target pilot impact

Finance and deploy 100 MW of RE

Lab Program

Fire Awards

A facility to finance a global fleet of modular, moveable MW-scale solar assets, as either stand alone systems or hybrid off-grid power plants

Distributed clean energy, cont'd

Sustainable Energy Invest. Trust



Type

Listed Fund

Geography

India

Target pilot impact

Mobilize \$1bn for rooftop solar

Lab Program

India

An investment trust to increase the supply and lower the cost of capital for small-scale-solar developers in India

Sustainable Energy Bonds



Type

Green Bonds

Geography

India

Target pilot impact

Catalyze a market to mobilize \$4bn

Lab Program

India

Bonds to drive foreign and domestic finance for sustainable energy projects with standard impact measurement & reporting

Sustainable transit

Proterra Electric Bus BSAs



Type

Facility

Geography

USA

Target pilot impact

BSAs for 50 buses ~ 180M lbs red. CO₂

Lab Program

Fire Awards

12- year Battery Services Agreements (BSAs) to lower the up-front cost & technology risk of zero-emission, electric buses

Call for Ideas

Programs & key dates

- All four programs are accepting applications at: [**www.climatefinancelab.org**](http://www.climatefinancelab.org)

Global Innovation Lab
for Climate Finance

India Innovation Lab
for Green Finance

Brasil Innovation Lab
for Climate Finance

Fire Awards for
Sustainable Investment

- Deadline to apply: **28 November 2017**
- Notification of selection: Early February

Why submit?

Selected instruments receive guidance and support from high-level leaders from both the public and private sectors, who contribute expertise, political capital, and financial capital to the development and launch of endorsed instruments.

Why submit?

Guidance and support from high-level leaders

G-B-I Labs

\$150k

Provided in
analytical &
comms support

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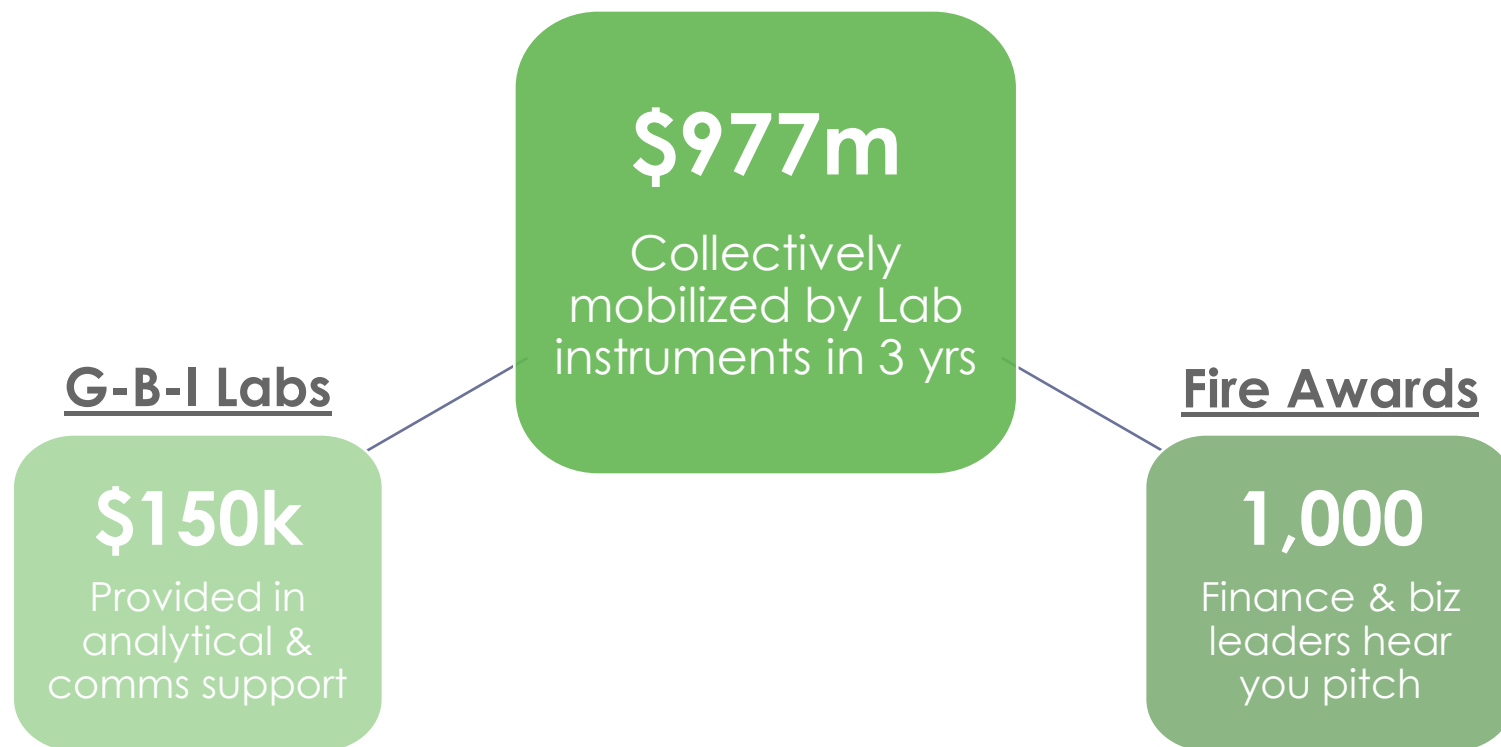
Fire Awards

1,000

Finance & biz
leaders hear
you pitch

Why submit?

Guidance and support from high-level leaders



What we're looking for

Actionability

Identifies (1) the type of entity(ies) that could implement it, (2) the pathway towards implementation, including the timeframe, activities, and key milestones, and (3) possible challenges to implementation and related management strategies.

Innovation

Demonstrates the ability to address, directly or indirectly, barriers to private climate finance that (1) have not yet been addressed or (2) that will be addressed more effectively compared to other instruments in the market.

Catalytic potential

Demonstrates potential to (1) mobilize private climate capital within a sizeable market, (2) be scaled up or replicated in other contexts and, (3) achieve socioeconomic, development, and environmental impacts.

Financial Sustainability

Identifies (1) a strategy to phase out public financial support, thereby achieving market viability and (2) possible challenges to achieving its intended objectives and related management strategies.

What happens if your idea is selected

Global, Brasil, & India Lab

1) Idea Development*

(Feb – Jul 2018)

- Validate innovation
- Refine idea mechanics
- Analyze financial, social & environmental benefits
- Map risks & mitigation strategies
- Develop detailed implementation plan

2) Endorsement & Launch

(Sep 2018)

- Produce promotional content
- The Lab endorses ideas that meet its criteria
- Present your idea to donors and investors

3) Implementation

(Oct – Mar 2019)

- Implement work plan to reach near-term milestones for growth
- Receive light-touch support from CPI analysts on 1-2 deliverables

Fire Awards

1) Pitch Development*

(Feb – Jul 2018)

- Develop a 3-min pitch for the BNEF Summit

2) BNEF Summit in New York

(Apr 2018)

- Deliver your pitch to 1,000 investors and leaders at the Summit

3) Implementation

(May – Aug 2018)

- Receive support from a working group of experts on 1-2 deliverables

Questions?