2020 Demo Day
(starting soon!)
The Lab
Driving Sustainable Investment

2020 Demo Day
The Sustainable Investment Gap

- $4 Trillion
- $3 Trillion
- $2 Trillion
- $1 Trillion
- $1.6 to $3.8 Trillion
- Range of supply-side energy system investment needed each year in a 1.5°C scenario (IPCC)
- $500 Billion
- $0
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
Since 2014, the Lab has launched 41 solutions that tackle investment barriers in the **most critical sectors and regions for action on climate change**

### Number of Lab instruments:

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$2.2 bn mobilized for climate action in emerging markets

$370+ mn invested by Lab Member institutions

$1.8+ bn catalyzed in additional investment
The Lab brings together 80+ institutions to address the sustainable investment gap
The Lab’s three ingredients to success

**Public-Private Collaboration**
Builds capacity and knowledge to deploy effective climate finance solutions.

**Innovation & Transformative Solutions**
Financially sustainable solutions that reduce barriers to investment in sustainable development.

**Mobilizing Finance**
Enables piloting and implementation of transformative solutions.
2020 Lab Instruments

Regional Focus

Brazil
- Conexus Impact Fund
- Sustainable Agriculture Finance Facility

India
- GROVE: Forestry Smart Ledger

Southern Africa
- Climate Adaptation Notes

Thematic Focus

- Sustainable Energy Access
  - GreenStreet Africa

- Sustainable Cities
  - Sub-National Climate Finance Initiative

- Nature-based Solutions
  - Monetizing Water Savings

- Sustainable Agriculture for Smallholders in Sub-Saharan Africa
  - Rural Prosperity Bond
Today’s Impact

Investment Opportunity

$1.1 bn

Grants

$43 mn
Congratulations Class of 2020!

The Lab
Driving Sustainable Investment
Mangrove deforestation remains rampant.

4.2B tons of CO2 stored
24m ton CO2 lost each year

Blue Carbon market failures
- Intermediary fees (⅔)
- Costly impact tracking
- Opaque brokerage
Ultra-scalable verification and financing.

Verification

Registry

Transparency

GRO coin
Impact

Y1 - 2,500 ha pilots
Y3 - $38M, 8.2m tCO2e
Team

DR. RYAN MERRILL
CO-FOUNDER & MANAGING DIRECTOR
PhD in Environmental Policy and 12 years experience in management and finance.

ELSA LILLFORD
CHIEF REPRESENTATIVE OFFICER
Mangrove Coordinator for International Coastal Cleanup and Conservation Officer at Mastemark.

DR. SIMON SC HILLEBEECK
CO-FOUNDER & EXECUTIVE DIRECTOR
PhD in Strategic Management and 10 years experience in ESG consulting and innovation.

DANIEL SWID
CHIEF TECHNOLOGY OFFICER
Co-Founder of GenBlue and Regen Network. 15 years working with Silicon Valley startups.
Go-to-Market

Prototype
- Q2 20’
  - Funding UX
  - Smart contracts
  - Mobile app
  - Biometric KYC

Handprint
- e-commerce integration

GROVE
Forest Smart Ledger

Direct Donations
Mangrove Pilots
- Q4 20’

Partnering for Blue Carbon Registry
- Q1 21’

Blue-Metals Carbon Bond
- Institutional mangrove conservation
Opportunities & Partnerships

Grant Funding

Research & Development
- $1m for FSL stack
- Result: Open source biomass estimation via AI-backed digital contracts

Impact Investing

Handprint / Blue Bond
- Equity: $1m seed funding: Handprint
- GROVE microfinance for mangrove pilots
- Underwriting: Blue carbon bonds

Partnership

Domicile the FSL Ledger
- Blockchain blue carbon registry
- Universal benefit sharing contract
- AI/ML, space-based carbon tracking
GROVE
Forest Smart Ledger

THANK YOU

Managing Director
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Executive Director
Simon JD Schillebeeckx, PhD.
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Climate Adaptation Notes
A new approach is needed to crowd-in institutional capital to invest in infrastructure for climate adaptation.

The Challenge

Of the Southern Africa population:

- Lack access to safe drinking water: 39%
- Lack adequate sanitation: 61%
Climate Adaptation Notes

- Improves project pricing and returns
- Bridges bank, institutional & DFI funding
- Accesses local debt capital markets
- Unlocks asset-backed infrastructure investment

USD 550 billion in assets

Project Developers → Climate Adaptation Notes → Commercial Banks → Water and Wastewater Adaptation Projects → Institutional Investors
Projected Impact

The USD 125 million pilot would:

- Increase treatment capacity by at least ~90 megaliters/day
- Reach 90,000 or more community residents
- Supports development towards 7 Sustainable Development Goals

Strengthens water and wastewater infrastructure to expand sustainable water supply and sanitation access
Pilot Implementation: USD 125 million Issuance

7.8 bn Identified pipeline (USD)

70x Pipeline to size of pilot

Country Breakdown

Developer Breakdown

Phase 1: Pilot countries
Phase 2: Secondary countries
Phase 3: Tertiary countries
Go-to-Market Strategy for Pilot Implementation

**COMPLETED**
- Identified and consulted with strategic partners
- Licensed independent fund manager in place
- Favorable legal opinion obtained
- Lab endorsement

**NEXT STEPS**
- Sale and Implementation
- Finalize Structuring and Marketing
- Establish DCM Platform
- Capital Raising: Grants
- Engage with Strategic Partners
CAN has carried out comprehensive consultations

**DFIs:**
- AFD
- DBSA
- IDC
- IFC
- KfW
- USAID

**Commercial Banks:**
- FIRSTRAND
- NEDBANK
- Standard Bank

**Asset Managers, Pension Funds, Life Companies:**
- CADIANT partners
- CREDE
- FUTUREGROWTH
- MERGENCE
- RiscURA
- STANLIB
- sukha & associates

**Associations, Academic Institutions, Consultants, and Other:**
- ASISA
- Batseta
- CLIMATE FUND MANAGERS
- CRIDF
- Department of Environmental Affairs
- BUSINESS LEADERSHIP
- GIBB
- UNIVERSITY OF CAPE TOWN
- National Treasury
- Webber Wentzel
The Team

Jonathan First
Managing Director
GFA Climate & Infrastructure

Heather Jackson
CEO designate
Renewable by Nature
Funding Opportunity

SEEKING GRANT FUNDING:

USD 300K - 500K

To:
✓ Establish DCM platform
✓ Complete legal work
✓ Implement financial & impact management process

TO ACHIEVE INVESTMENTS OF:
USD 175 million

From:
✓ Project developer equity
✓ DFI first loss capital
✓ Institutional capital
✓ Commercial banks

$1 in grant funding leverages ~$350 in investment
Thank you!

Jonathan First
Managing Director, GFA Climate & Infrastructure,
Jonathan.First@gfa-ci.co.za

Heather Jackson
CEO designate, Renewable by Nature Fund Managers,
Heather@rbn.co.za

Climate Adaptation Notes
Rural Prosperity Bond

Sofia Faruqi
Sean DeWitt

Photo Credit: Peter Irungu / WRI
THE NEW RESTORATION ECONOMY

Norah the Entrepreneur

Kimathi the Farmer
CAPITAL IS SCARCE FOR RESTORATION ENTERPRISES

Rural SMEs working on sustainable agriculture and forestry

Venture Funding in Africa ($m)

Source: Crunchbase

Source: UN World Food Programme

↑ 104% Food insecurity Due to COVID
FINANCE IS MISSING PART OF THE EQUATION

Rural Prosperity Bond

Provides loans to restoration enterprises with incentives for smallholders.

- The Bond sources pipeline from the Land Accelerator (LA)
- LA program includes mentoring and training and acts as a de-risking mechanism

Financing + Capacity Building = ↓ Risk + ↑ Impact
EXPERIENCE + PASSION + GRIT

Sofia Faruqi
Senior Manager
New Restoration Economy

Sean DeWitt
Director
Global Restoration Initiative
Over 6 years, the instrument will mobilize ~400 loans

- Serve **840,000 farmers**, mostly women
- Support over **18,000** rural jobs
- Restore **100,000** hectares of land
- Sequester **850,000 tCO2eq**
PILOT WILL LAUNCH SOON ONCE FUNDED

Pre-Pilot
- Design pilot
- Test with entrepreneurs
- Research ecosystem

2020

Pilot
- Disburse loans
- Decide domicile & legal structure, select SPV manager

2021

Iteration & Scale-up
- Monitor loan performance
- Expand to 3 regions
- Issue debt & first-lost tranche

2022-23

Commercial
- Transition Management
- Phase out grants
- Beyond Land Accelerator

2024-26

$2m GRANTS

$1.5m Loans

$500k Due diligence, structuring

Due diligence, structuring

WORLD RESOURCES INSTITUTE
The Problem

Across Sub Saharan Africa

Money is not the Problem!

Almost **60% of health facilities** have no power for life-saving equipment.

Over **90 million children** attend schools without electricity.

World Bank: only $1 Billion/year needed to 2030 to solarize Africa’s health clinics

Grant Funding has not worked

Installations poorly designed, not maintained and abandoned

No private engagement

We Need a New Business Model!
GreenStreet’s Solution: Adapting ‘Energy as a Service’ for Africa

The solution takes the following approach:

1. PPP formed to de-risk public projects for private sector implementation

2. Distributed Public Facility Solar Projects

3. Bundled into portfolios

4. Long term supply of energy services

Together these steps adapt the “tried + true” EaaS model to the African context.
Impact

Expanding reliable, affordable clean energy supply to:

- Game changing, sustainable model to scale up delivery of solar energy services to public facilities
- Targeting solar systems for more than 100,000 health clinics and schools
- Enormous impacts for SDGs

Public Health Facilities

Public Education Facilities

3. Good health and well-being
4. Quality education
5. Gender equality
7. Affordable and clean energy
13. Climate action
Meet the Team

Manager of GreenStreet Africa

- 26 years of experience in 80 countries
- Developed & launched EaaS models for public sector in West Balkans and Ukraine
- GreenStreet Africa will be managed by a Nigerian team

Clifford J. Aron
Principal
40+ years global energy finance experience

Ifechukwude Uwajeh
Deputy Director
10+ years energy projects experience in Nigeria

Adanma Anizoba, Analyst
3 years in Nigerian energy sector

Pictures from projects in Croatia
Go-to-Market Strategy

Nigeria Pilot
Federal Hospitals

Expansion to
Smaller Health Clinics and Schools at State and Local Government Levels

Regional expansion
Ghana  Kenya  Uganda
Funding/Investment Opportunities

**2020-2021**

**Grant Funding**
- US$ 2M
- Pilot Launch in Nigeria

**2021-2022**

**Impact Investors**
- US$ 20M (next 10 portfolios)
- Equity Stake in GreenStreet Africa

**Institutional Investors**
- Portfolio development

**Payment Guarantors**
- De-risk investment

**Local bond issues to finance projects**

**Backstop government offtake payments**
THANK YOU

Contacts

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Research Analyst, GreenMax Capital Advisors  
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SUSTAINABLE AGRICULTURE FINANCE FACILITY

SAFF

redeILPF

IABS
The Problem

$42 billion/year
Brazil’s total rural credit subsidies

$280 million/year
Low carbon financing
0.66% of total
The Solution
The SAFF is a scalable, regenerative, distributive and inclusive rural credit ecosystem for low-carbon agriculture in Brazil.

TrustScore
Interest rate varies according to the environmental performance measured by the TrustScore.
Impact

Pilot 2020/2021
900 farmers

Scalability 2021/2022
3,000 farmers

Replicability 2026
Over 10,000 farmers

Impacts 2030

• 5x increase in productivity
• 9 million hectares of "spared-land effect"
• 50 million tons of CO₂e mitigated
The Team

Proponents and technical expertise providers

JGP
Fund Manager

bradesco
Trustee
Go-to-Market Strategy

Now
Fund registration and fundraising

1st Quarter 2021
First credit operations

2030
End of fund cycle
Funding/Investment Opportunities

Philanthropic Investor: US$ 6.2 million
Concessional Investor (7.2% to 12.2% pa): US$ 18.3 million
Commercial Investor (from 4.5% pa): US$ 43.5 million

Investors will also be compensated with a 50% share of the carbon credits generated by the instrument in 10 years.
Thank you!

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www.climatefinancelab.org
Sub-National Climate Finance Initiative

SnCF

The Lab
Delivering Sustainable Investment
Mid-sized infrastructure (USD 5M – 75M) is underserved by equity financial mechanisms in developing countries

- The sustainable infrastructure investment gap in emerging economies exceeds USD 500 billion dollars per year.

- Local investment choices will determine up to 80% of GHG emissions and at least 60% of Sustainable Development Goals targets.
An integrated blended ecosystem

Grant funding
Concessional Equity
Commercial Equity

Technical Assistance
Delivers shovel-ready pipeline of projects

Investment Fund
Equity investment
Certified Climate and SDG impacts

Investing in subnational sustainable infrastructure projects
Portfolio and Impact

**Sustainable Energy**

**Waste and Resources Solutions**

**Nature-based Solutions**

**Direct Certified Impacts:**

- **77 million** tonnes of CO₂ equivalent emissions
- **1.8 GWh** renewable energy per year
- **20,000** permanent jobs
- **17 million** residents with improved living conditions

**Indirect Impacts:**
The Consortium

Fund manager
PEGASUS

TA manager
IUCN

Subnational Infrastructure
R20

Impact Certification
Gold Standard

Custodian, Administrator and Distribution
BNP PARIBAS
1) Investment proposal approved by IC and submitted to Board, expected in November
Thank you!

Contact info

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Sub-National Climate Finance Initiative

SnCF
A blended finance platform to unlock USD 200 million in subsidized credit to climate-smart community enterprises in Brazil
The Opportunity

NATIONAL PUBLIC RURAL CREDIT POLICY PER YEAR (PRONAF*)

USD 7 billion
Dedicated public credit lines for small producers’

Sustainable production systems take only USD 175 million

*Pronaf is the National Rural Credit Policy for Family Agriculture in Brazil.
Only 10% of 1,000 community enterprises mapped can access subsidized rural credit policy.
USD 12 million in private capital to unlock USD 200 million in rural credit in ten years

**Conexus Finance Platform**

- **Investors**
  - Mix of capital
  - Origination fee + payment for result
  - Direct loans and guarantees

- **Conexus Fund**
  - Business assistance
  - Network of local credit enablers

- **Banks operating Pronaf**

- **Community LED Enterprises**
  - Small social enterprises

**Public Rural Credit**
A **USD 2 MILLION** emergency credit line was raised to help community enterprises affected by COVID-19.

So far we have already disbursed 50% of the capital raised to:

- + **50** COMMUNITY BUSINESSES
- + **8,000** SMALL PRODUCERS
- + **24,000** HECTARES
The additional funding will enable Conexsus to expand financing on cocoa, Brazil nut, acai and agro-extractivism value chains to:

- 700 community businesses
- +30,000 small producers
- +2,5 million hectares
Investment Opportunities

USD 2 MILLION
IN GRANTS
25% ALREADY RAISED

USD 3 MILLION
IN CONCESIONAL CAPITAL
60% ALREADY RAISED TWO ANCHOR INVESTORS

USD 7 MILLION
IN COMMERCIAL CAPITAL
We have a future of opportunities in rural areas and inside the forests...

Opportunities to build a truly climate resilient economy.
Join Conexsus Platform
Thank You

www.conexus.org
MONETIZING WATER SAVINGS (MWS)
THE PROBLEM:

Overall Water Risk

Lack of Water + Non-Sustainable Practices
THE SOLUTION:

Pay for Performance

Integrated Value Chain

Access to Finance

Technical Assistance
REVENUE STREAMS:

1. Loan Repayment
2. Conservation Fee

Farmers

MWS

Utilities
THE IMPACT:

28,000 Olympic-sized swimming pools of water saved per yr

4,000+ small farmers reached
THE TEAM:

- Cities4Forests (GLOBAL INITIATIVE)
- WRI (THINK-DO TANK)
- MWS
- Nuup (SMALL FARMERS SPECIALIST)
- Grupo Paisano (FINANCE GROUP)
- Fundación Femsa (FOOD AND BEVERAGE COMPANIES)
- Cauce Bajo (STATE WATERFUND)
- RRG (INVESTORS)
- Rieggo (AGRIWATER SOLUTIONS)
GO TO MARKET + SCALABILITY

Proof-of-concept
City Of Irapuato
2021

Stage 1: State Pilot
Guanajuato
2021-2022

Stage 2: Regional expansion
Latinamerica
2023+
PARTNERSHIPS AND INVESTMENT OPPORTUNITIES

PROOF OF CONCEPT
ASK: Grants + Partnerships

2021
$800K
Feasibility Studies
Hedge mechanisms design
PoC Rollout

STAGE 1
ASK: Concessional and Commercial Investments

2022
$10M
Guanajuato State Pilot Rollout
20,000 ha | 4,000 Farmers
Thank you!

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Congratulations Class of 2020!

Driving Sustainable Investment