

WEBINAR

Call for Ideas 2022

Starting soon



Agenda

1. How the Lab works

Ben Broché

Lab Global Program Manager

2. Case studies

Carla Orrego

Manager of Continued Support

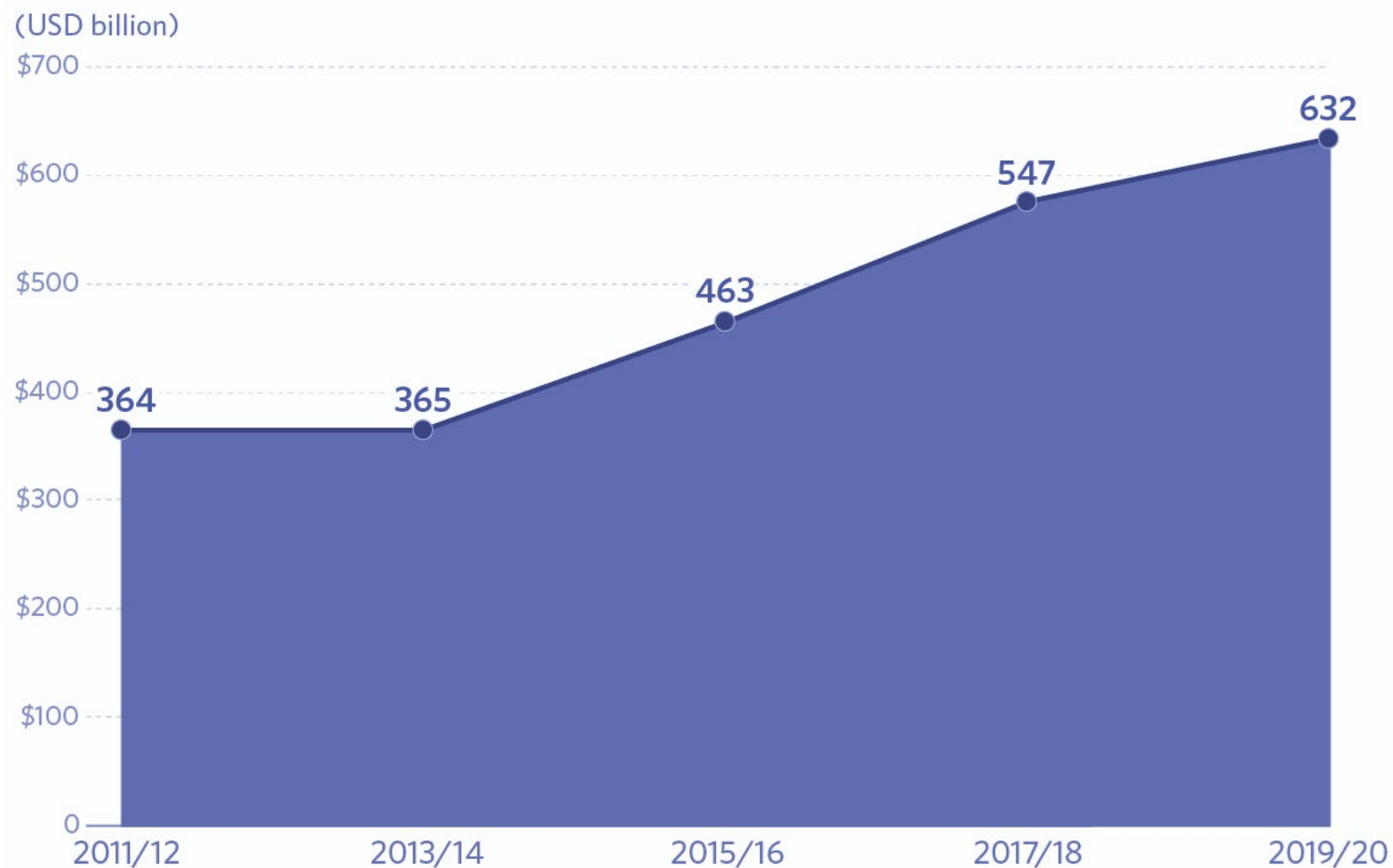
3. What is the Lab looking for

Ben Broché

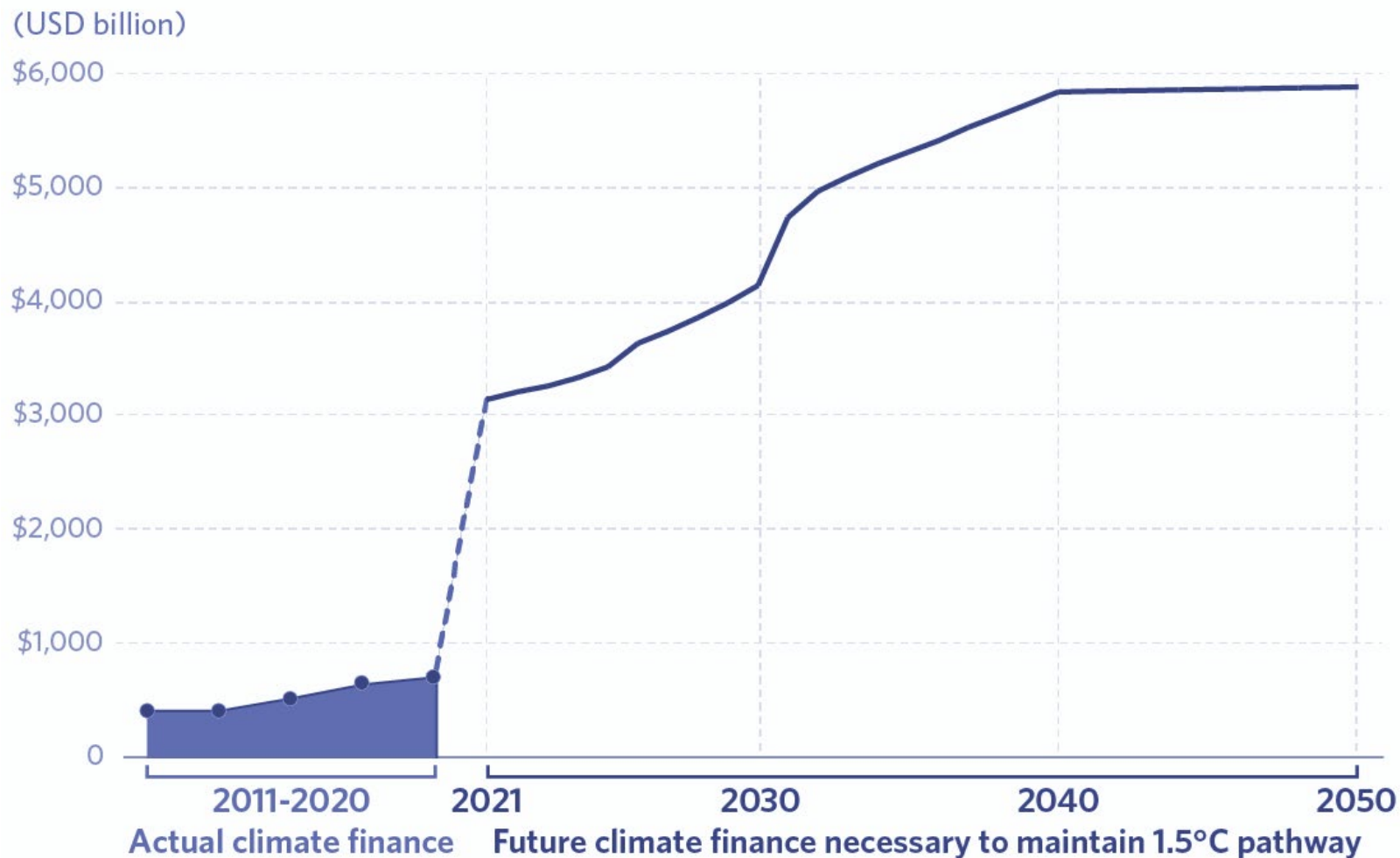
4. Q&A

Introduction to the Lab

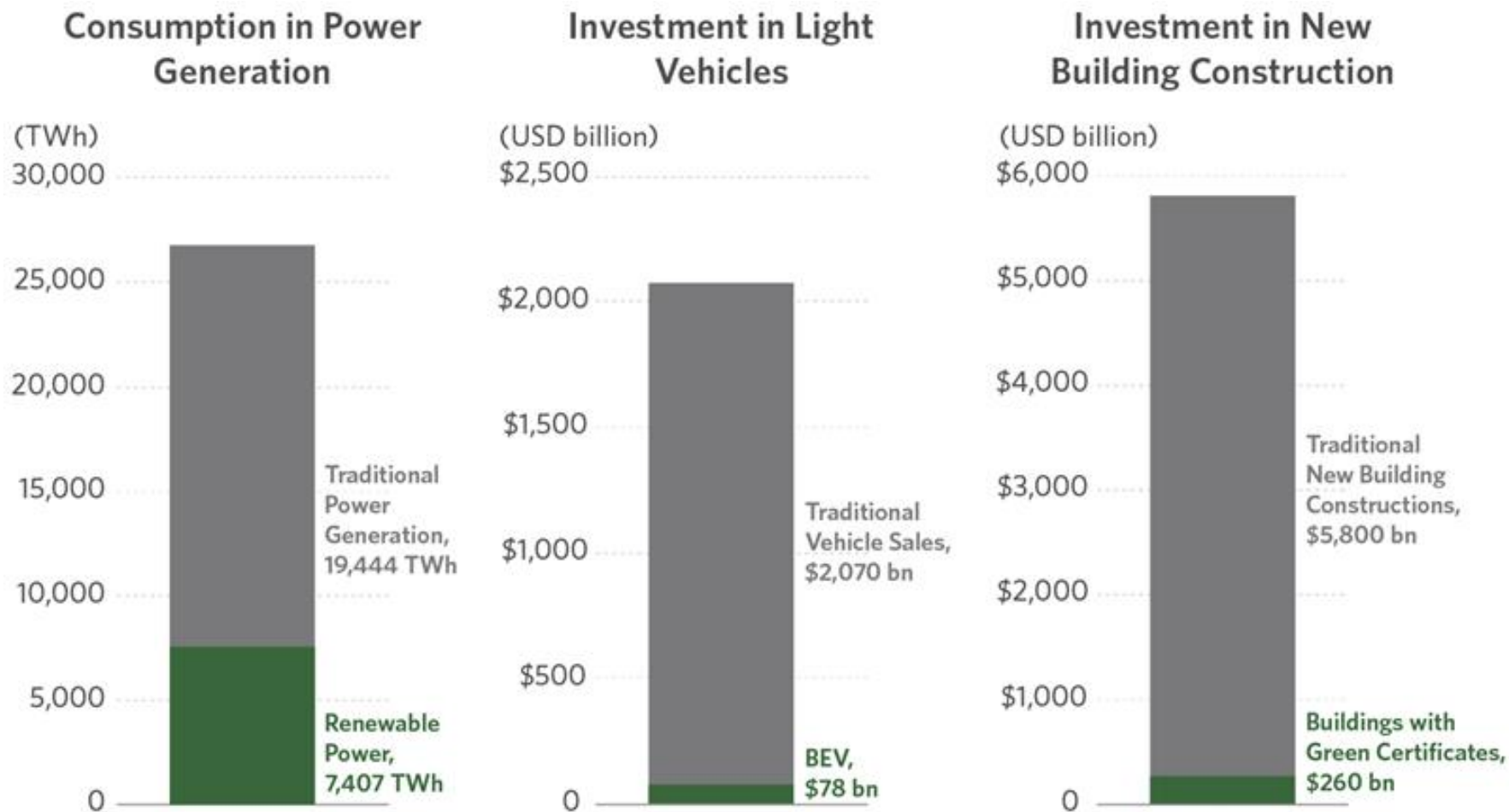
Global climate finance flows reached USD 632 billion in 2019/2020, but with tepid growth rate



Current investment levels are nowhere near enough to limit global warming to 1.5°C



Not a question of capital, but investment direction





The Lab identifies, develops, and launches innovative finance instruments that can drive billions in private investment to action on climate change and sustainable development.

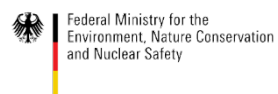
55 instruments launched

70+ public and private Lab
Member institutions

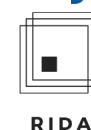
300+ supporting experts, nearly
half from developing regions

The Lab brings together over 70 institutions to address the sustainable investment gap

FUNDERS



MEMBERS



PAST FUNDERS





\$3.2+ bn

**mobilized for climate action
in developing countries**



\$440+ mn

invested by Lab Member institutions

\$2.5+ bn

**catalyzed in
additional investment**



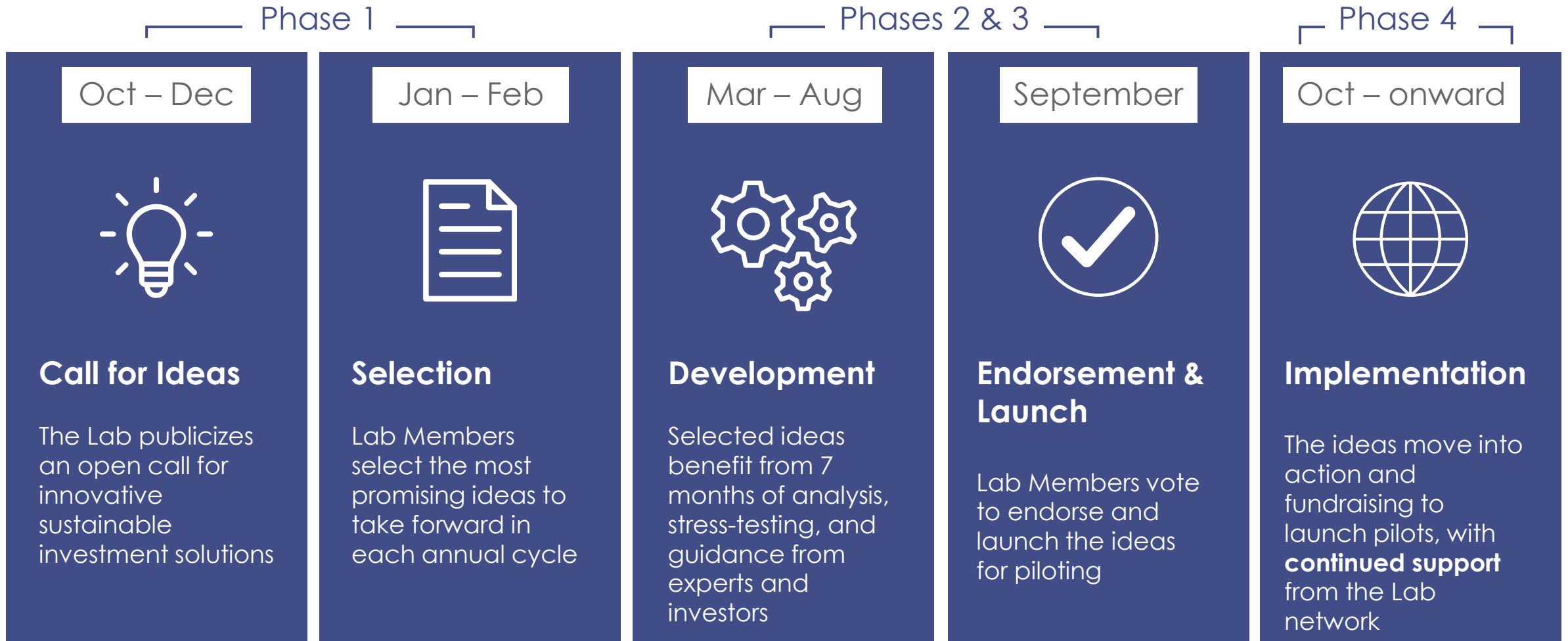
**Lab instruments have
mobilized**

200x

**what funders have invested
in the Lab Secretariat**

Lab Process

How it works: An incubator for sustainable finance ideas



Case Studies

P-REC Aggregation Fund

2021 Lab Instrument

The **Peace Renewable Energy Certificates (P-REC) Aggregation Fund** is a unique financial instrument monetizing unbundled environmental attributes of renewable energy to provide project developers with an additional revenue stream which they can use to unlock further finance. The P-REC fund will tap into the growing voluntary market for energy attribute certificates. P-RECs are a high-quality type of *International Renewable Energy Certificate (I-REC)* given the exceptional economic and social impacts that the RE projects deliver to communities in fragile contexts in addition to their environmental benefits.

HIGHLIGHTS

- **Geographic focus:** Sub-Saharan Africa (DRC, Ethiopia, Uganda, Chad, Somalia)
- **Structure:** \$10.25 million revolving fund
- **Climate Action:** Mitigation



Catalytic potential:

Unlock between 9x and 19x more capital from other sources for SMEs

19x

IMPACT



Climate Adaptation Notes (CAN)

2020 Lab Instrument

Climate Adaptation Notes aims to address water scarcity in Southern Africa by streamlining adaptation project financing into a single instrument, designed to catalyze and increase the flow of institutional capital and lower financing costs. CAN combines the construction financing and refinancing phases of climate adaptation projects in water and wastewater infrastructure into a single bond administered through a debt capital markets (DCM) platform. The platform is managed by an independent financial institution with the capacity to serve as a trustee and manage the performance monitoring of project metrics.

HIGHLIGHTS

- **Geographic focus:** Southern Africa
- **Structure:** \$125 million note in a pilot issuance, backed by a pipeline of water and wastewater projects
- **Climate Action:** Adaptation



Catalytic potential:

~\$500k in grant funding could leverage ~\$175M in private investments 350x

IMPACT



Restoration Insurance Service Company (RISCO)

2019 Lab Instrument

The **Restoration Insurance Service Company** is a first-of-its-kind social enterprise that invests in mangrove conservation and restoration in areas with high-value coastal assets, enabling property damage risk reduction and protecting blue carbon. RISCO overcomes existing barriers to mangrove protection by connecting the adaptation and mitigation values of mangroves to the beneficiaries of these values, most of whom currently do not have the knowledge or resources needed to do so. RISCO aims to conserve and restore mangrove ecosystems in emerging economies with blue carbon potential, high exposure to storms and flooding, and with people and assets located close to the coastline.

HIGHLIGHTS

- **Geographic focus:** Southeast Asia
- **Structure:** pay for performance mechanism that monetizes mangrove benefits
- **Climate Action:** Adaptation & Mitigation



Catalytic potential:

Pilot expected to generate \$10.2M in insurance & blue carbon revenue 219x

IMPACT



Selection Process

Lab ideas are selected based on four key criteria



Actionable

Identifies:

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



Catalytic

Demonstrates potential to:

1. Mobilize private climate capital within a sizeable market.
2. Be scaled up or replicated in other contexts.
3. Achieve socioeconomic, development, and environmental impacts.



Innovative

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.



Financially Sustainable

Identifies:

1. A strategy to phase out public financial support, thereby achieving market viability.
2. Possible challenges to achieving its intended objectives and related management strategies.

Priority Areas for 2022

The Lab will develop 6-7 ideas in 2022

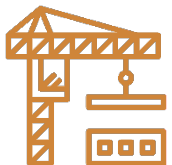
Thematic



Climate
Adaptation



Sustainable
Food Systems



Zero Carbon
Buildings

Regional



Brazil



India



**Southern
Africa**

Wildcard

The best idea (if any) regardless of sector and region.

As a reference, the Lab instruments have addressed several sectors in the past, including:

- Climate Smart **Agriculture**
- Sustainable **Energy Access**
- Sustainable **Cities**
- **Nature**-Based Solutions

Q&A



www.climatefinancelab.org

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