Global climate finance flows reached $632 billion in 2019/2020, but current investment levels are still far behind what’s needed for a successful low-carbon transition ...
The Lab develops innovative financial instruments that can drive billions in private investments to action on climate change

**3 KEY PILLARS**

**Public-Private Collaboration**
The strengthened partnership between the public and private sectors builds capacity and knowledge to identify and deploy effective climate finance solutions.

**Innovation & Transformative Solutions**
Innovative, actionable, catalytic, and financially sustainable solutions reduce risks and barriers to investment in sustainable development.

**Mobilizing Finance**
Catalytic finance from Lab Members and the broader network enables piloting and implementation of transformative solutions.

~$3.3Bn
CAPITAL MOBILIZED

65
INSTRUMENTS DEVELOPED

70+
MEMBERS

8
CYCLES CONDUCTED
The Lab portfolio is composed of **65 instruments** addressing climate change mitigation and adaptation.
... that have collectively mobilized over $3.3 billion in climate investments

- **Land Use**: 2%
- **Climate Resilience**: 6%
- **Sustainable cities**: 18%
- **Water**: 21%
- **Energy**: 53%

**Private Capital**:
- **Success Rate**: 47%
- **Active Portfolio**: 77%
- **Capital Mobilization**: 54%

**Regional Distribution**:
- **Asia**: 75%
- **Africa**: 25%
- **Latin America**: 8%
2022 Lab instruments span high-impact and challenging sectors

- Climate Insurance-Linked Resilient Infrastructure Financing
- Green Guarantee Company
- Green Affordable Housing Finance
- Climate Smart Shrimp Fund
- Financing Steel Decarbonization
- The Fund for Nature
- Methane Capture Service

The Lab
Today’s impact: **14 Sustainable Development Goals** addressed across multiple regions in 3 continents

- **Africa**: 4 instruments
- **Asia**: 2 instruments
- **Latin America**: 1 instrument
Today’s investment opportunities

**COMMERCIAL CAPITAL**

- $1.3 billion

**CONCESSIONAL CAPITAL**

- $676 million
  - $245.5 million
  - $166.5 million

**GRANTS**

- $153 million
  - $60.5 million

Available for immediate investment

Total Capital mobilization needed
The Green Guarantee Company.
The Development Guarantee Group (DGG) brings together the collective experience of Cardano Development and experts in setting up and running guarantee companies focused on emerging markets.

DGG is the world’s first dedicated guarantee platform focused on designing, developing, and operating guarantee solutions and companies that can effectively mobilize private sector capital towards funding development and sustainability challenges.
The Team

Lasitha Perera, **CEO**
- Over 23 years of debt capital markets and structured finance experience in developed and developing markets
- Former CEO of GuarantCo, a leading local currency guarantor in developing capital markets in Africa and Asia

Dale Petrie, **CFO**
- Over 12 years in financial and operational leadership roles in financial services
- Former CFO / Finance Director of GuarantCo, a leading local currency guarantor in developing capital markets in Africa and Asia

Anne Desdoigts, **Managing Director – Origination and Execution**
- Over 23 years of combined experience as an investment banker and a lawyer in complex cross-border and emerging market transactions, across project finance, corporate finance and other structured financings

Boo Hock Khoo, **Managing Director – Risk**
- Started-up the Credit Guarantee and Investment Facility (CGIF) - the guarantee trust fund of the Asian Development Bank
- Developed new guarantee structures for SE Asian local currency bond markets
The Problem We Want To Solve
Local capital markets in developing countries cannot address the climate finance gap by themselves.

Exponential global green bond market growth but emerging market green bond volumes are static

Global ESG Thematic Bond Issuance (US$ billion)

- Developed Market Green Bonds
- Emerging Market Green Bonds
- Supranational Green Bonds

Source: IFC, Bloomberg, Environmental, Finance, Climate Bonds initiative
# The Credit Rating Barrier For Emerging Markets

## Global Credit and Capital Markets

<table>
<thead>
<tr>
<th>Credit Risk</th>
<th>Moody’s</th>
<th>Standard &amp; Poor’s</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highest quality</strong></td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td><strong>High quality (very strong)</strong></td>
<td>Aa</td>
<td>AA</td>
<td>AA</td>
</tr>
<tr>
<td><strong>Upper medium grade (strong)</strong></td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td><strong>Medium grade</strong></td>
<td>Baa</td>
<td>BBB</td>
<td>BBB</td>
</tr>
<tr>
<td><strong>Lower medium grade</strong></td>
<td>Ba</td>
<td>BB</td>
<td>BB</td>
</tr>
<tr>
<td><strong>Low grade (speculative)</strong></td>
<td>B</td>
<td>B</td>
<td>B</td>
</tr>
</tbody>
</table>

### Investment Grade

Emerging Market Climate Projects

**Green Bond/Loan**
How The Green Guarantee Company Can Help

Credit Risk | Moody’s | Standard & Poor’s | Fitch
--- | --- | --- | ---
Highest quality | Aaa | AAA | AAA
High quality (very strong) | Aa | AA | AA
Upper medium grade (strong) | A | A | A
Medium grade | Baa | BBB | BBB

Lower medium grade (somewhat speculative) | Ba | BB | BB
Low grade (speculative) | B | B | B

Global Credit and Capital Markets

Investment Grade

Improved Credit Rating

Below Investment Grade

Green Bond/Loan

Emerging Market Climate Projects

Guarantee Covering Non-Payment

Reporting

Impact
The Green Guarantee Company (GGC)

**MISSION**

Use guarantees to deliver climate mitigation and adaptation projects to help deliver a net zero carbon economy and environmental and social sustainability

- **Worldwide Recognition**
- **Guarantees to emerging market borrowers**
  - GGC will have an investment grade rating and provide guarantees to emerging market borrowers to improve their own credit rating and increase the pool of capital available to them to finance climate adaptation and mitigation (“green”) projects
- **Reporting services**
  - GGC will provide reporting services to investors in global capital markets to help them monitor the progress and impact of an emerging market investment in a green project
The Green Guarantee Company is a cross-cutting climate finance initiative with the ability to work globally across multiple sectors.

### Investment Attributes

- **16x catalytic potential** over 10 years, and mobilize up to $10 billion in climate finance

- **9% expected return on equity**
  10% expected gross IRR

- Potential to abate 75 million tons of CO2e and help 17 million (direct) and 20 million (indirect) beneficiaries become more climate-resilient

- Track record setting up and scaling 6 guarantee companies in emerging markets
What We Need to Succeed
Go-to-Market Strategy

**2022 - 2023**

- **5 signed MoUs for transaction origination**
  - DBS, Deutsche, MUFG, Shinhan Bank Standard Chartered
- **BBB/ Stable indicative credit rating**
  - Assigned by an international rating agency to GGC
- **$900k grant raised**
  - Grant from GCF to start operations in 6 months
- **$100 million capital raised for first close**
  - $80 million commitments, fundraising for $20 million
- **Pipeline consolidation**
  - Selecting opportunities in target countries

**2023 - 2024**

- Close first transactions
- Second close: $150M paid-in equity
- Technical assistance facility: $10M in grants

**2024 - 2028**

- Expand to LDCs
- Increase capitalization: $350M equity
- Prepare for public listing
$20M

Raise by Q1 2023

Concessional capital to complete $100 million first close

Anchor investors: Green Climate Fund and UK Mobilist

- Investors approved-in-principle to provide USD 80 million allocated to first close of USD 100 million subject to last mile USD 20 million being found
Contact:
Lasitha Perera – lasitha.perera@guarantee.dev

Thank you.
Climate Insurance Linked Resilient Infrastructure Financing (CILRIF)

October 2022
The Challenge

Cities are often at the frontline of extreme weather events. High barriers keep them from adjusting to risks incurred.
The Challenge

Cities are often at the frontline of extreme weather events. High barriers keep them from adjusting to risks incurred

Lack of Liquidity
The Challenge

Cities are often at the frontline of extreme weather events. High barriers keep them from adjusting to risks incurred.

Lack of Liquidity

Budget Reallocation
The Challenge

Cities are often at the frontline of extreme weather events. High barriers keep them from adjusting to risks incurred

- Lack of Liquidity
- Budget Reallocation
- Access to Financing
Cities are often at the frontline of extreme weather events. High barriers keep them from adjusting to risks incurred.

- Lack of Liquidity
- Budget Reallocation
- Access to Financing
- Limited Investment in Resilience Infrastructure
The CILRIF Approach

Long-term insurance that promotes resiliency

- Liquidity access for recovery
- No budget reallocation
- Commitment to investment in resilient infrastructure
- Lower insurance premiums over time upon resiliency investments
- Decreased financing costs
How it works

1. Technical Assistance and Subsidy facility
   - Helps cities adopt the CILRIF approach
   - Helps cities secure funding for the proposed interventions

2. Insurance Facility
   - Provides long-term insurance products to cities
   - At a fixed premium
   - Pending investments in resilience infrastructure

3. Finance Facility
   - Invests and purchases municipal bonds
   - Access to lower cost of capital and expansion of fiscal capacity upon investments
Implementation

Research and Analysis

Pilots and Modeling

Scale-up
Climate Insurance-Linked Resilient Infrastructure Financing

Promotes Climate Adaptation
Climate Insurance-Linked Resilient Infrastructure Financing

Promotes Climate Adaptation

Is Data Driven & Science Based
Climate Insurance-Linked Resilient Infrastructure Financing

- Promotes Climate Adaptation
- Is Data Driven & Science Based
- Mitigates Inequalities
Climate Insurance-Linked Resilient Infrastructure Financing

- Promotes Climate Adaptation
- Is Data Driven & Science Based
- Mitigates Inequalities
- Facilitates Access to Capital
Powerful Partner Coalition

A coalition of voluntary contributors from global organizations

- Insurance & Reinsurance Companies
  - AXA
  - Munich RE

- NGOs
  - ClimateWorks Foundation
  - miyamoto.

- Engineers
  - Columbia University

- Academics

- Experts
  - re:FOCUS
  - C40 Cities
  - Milliman
  - UNCDF
  - giz
  - ICLEI
  - CLIMATE ADVISORY

- Development Agencies
  - Sida

- Investors
  - Ontario Teachers' Pension Plan
  - nuveen
CILRIF Team

UNCDF - Facilitation

Abhisheik Dhawan, *Sustainable Finance and Partnership Specialist*

- Responsible for creating innovative blended finance vehicles, leading partnership efforts for UNCDF at a corporate level and overseeing the creation of CILRIF multi stakeholder working group over the last 18 months.
- Over 20+ years of experience in international markets, financial services, and sustainable development, Abhisheik has worked with banks and technology companies, including startups, in India and the United States, engaging with clients across continents.

Volunteers

- **Karin Andersson**: International Humanitarian Action, PhD candidate in Sport Science
- **Aidan Berkey**: Strategy consultant
- **Nikunj Bhimsaria**: MBA student with a background in strategy consulting and philanthropy
- **Giulia Franzoso**: Corporate and capital markets attorney
- **Sarah Eschner**: Project manager, market research and innovation
- **Aliya Khabdulina**: Risk management consultant
- **Becky Ogbodo**: Data & supply chain analyst, post graduate student
- **Hale Tatar**: Credit risk manager
Fundraising Opportunity

$20 million

Grant seed capital needed for the Technical Assistance and Subsidy Facility
“Through the CILRIF project, we are learning to integrate it, to harmonize it, and now we can see a different aspect of our data, because of the CILRIF project.”

Anthony Xenon DL Walde EnP.

Chief, Planning Section, Department of Environmental Services
Abhisheik Dhawan
Abhisheik.dhawan@uncdf.org
Cilrif.team@uncdf.org

www.uncdf.org/cilrif

@uncdf

Take part in the conversation with UNCDF
FINANCING STEEL DECARBONIZATION

India
Impact does not dilute commercial performance
TEAM

Abhijit Basu  
Keeper of the Purpose (KOP)  
• Business, Technology, and Humanity Catalyst

Mark Ruth  
Energy Decarbonization  
• NREL Hydrogen@Scale  
• Director, Analysis

Sridhar Seetharaman  
Steel Decarbonization  
• US DOE Advisor Low Carbon Materials Technology  
• Former TATA Steel/Royal Academy Chair

Eric Stevenson  
Impact Digitization  
• Former CTO, BAAQMD  
• 30 years as Emissions & Pollution Regulator
CHALLENGES IN THE STEEL INDUSTRY

Emission intensive sector

Steel is a hard to abate

Early-stage technology

New cleaner technologies under development and/or underutilized

To decarbonize the steel sector, we need to overcome technological challenges and the funding gap
THE SOLUTION

Financing Steel Decarbonization (FSD)

Steel Decarbonization Facility (SDF)

- Blended debt fund & Technical assistance facility

Steel Decarbonization Initiative (SDI)

Service company

First climate-impact and return-oriented mechanism that will promote the adoption of a diverse range of low-carbon technologies (LCT) for decarbonizing the steel sector.
INNOVATION: MAIN BARRIERS Addressed

**TRADITIONAL BARRIERS**
- Unsuitable risk-return profile of low carbon technologies
- Blended catalytic finance
- Low investment intensity and adoption levels by steel companies
- Partnerships with leading sustainable companies
- Competitive market prevents large investments in new tech
- Segmentation with price support
- Limited clarity on pathways and pipeline of bankable projects
- Industry associations + Project preparation
- Lack of coordination and enabling ecosystem among de-risking tools
- Ecosystem integration
- Process for demonstration of impact of climate investments
- Transparent impact monitoring & reporting

**CLIMATE INVESTMENT BARRIERS**

**CAPITAL**
- **CARBON**
- **COMMODITY**

**CONSUMER OF TECHNOLOGY**
- **COMPLEXITY**
- **ACCOUNTABILITY**
**Steel Decarbonization Initiative (SDI)**

**Steel Decarbonization Facility (SDF)**

**Steel companies**

**Investment and technical support:**
- Commercially available technologies (50%)
- New and innovative technologies (50%)

**Low-carbon steel production**

**One-stop service provider:**
- End-to-end support for developing decarbonization projects
ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT

25% steel emission intensity reduction

250 MtCO$_2$e reduction over the lifetime

20-30 MTPA capacity to mobilize 7x concessional capital and 3.5x overall capital

Capital, technology and market connectivity ecosystem & partnerships

Cost of abatement 2 USD/tCO$_2$ concessional 4 USD/tCO$_2$ overall

Innovation-led industrial infrastructure development

Work, Income Equality & Health

Sustainable industry and livelihoods 250 MtCO$_2$ reduction
IMPLEMENTATION PATHWAY

**Phase 1**

**Year 1 and 2**
- Legal set-up of the two entities: SDF and SDI
- Fundraising SDF: grants and debt. Execute TA SDI
- Launch Steel Decarbonization Fund

**Phase 2**

**Year 3 to 7**
- Scale further fund capitalization to $1 billion
- Technology ready for commercialization

**Phase 3**

**Beyond year 7**
- Expansion to other sectors and geographies
- Fundraising SDI: private equity

**Year 3**
- Pipeline: invest in pilots/solutions
- Fundraising: SDF debt, SDI private equity
**FUNDRAISING OPPORTUNITIES**

**Concessional Money Lacks Hard to Abate Focus:**

Deploy Money to bridge the Hard to Abate Chasm to Deliver Impact and Commercial Performance

- **Grants**
  - $20M
  - Start-up capital and technical assistance

- **Concessional Equity**
  - $98M
  - First loss for de-risking and reducing financing cost

- **Commercial Debt**
  - $98M
  - Senior debt in SDF fund technology

- **Commercial Equity**
  - $18M
  - Equity stake in SDI company service
De-risking capital, technology and market connectivity for **steel decarbonization** across horizontal production processes and vertical supply chain.

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@jarasochiye
https://www.linkedin.com/in/basuabhijit/
https://thinkofheart.medium.com/
METHANE CAPTURE SERVICE

bluemethane | OPEN HYDRO
for a climate resilient future
GET TO KNOW OUR TEAM

Cristina Díez Santos
CEO, Open Hydro

Louise Parlons Bentata
CEO, Bluemethane

Néstor Rueda-Vallejo
CTO, Bluemethane

María Ubierna
CPO, Open Hydro

Combining Bluemethane’s technology and Open Hydro’s extensive network in the hydroelectric sector

SCALABLE SOLUTIONS FOR METHANE CAPTURE
METHANE

is responsible for half of net global warming to date. A sharp reduction in emissions is essential.

HYDROPOWER

methane emissions are often an overlooked problem.

FINANCE

for methane capture technologies is limited which prevents them from scaling.
BRAZIL

Holds more reservoirs with high methane emissions than anywhere else in the world

TECHNOLOGY COMBINED WITH INNOVATIVE FINANCE CAN TRANSFORM THIS LANDSCAPE
The Solution

The first methane capture-as-a-service

- Unlocks investment in new methane capture tech
- Minimizes technology adoption risk
- Generates carbon credits and energy
- Reduces emissions
**STRUCTURE**

1. Bluemethane will develop the methane capturing plant.
2. Open Hydro will own and manage the methane capture and biogas plant under an SPV structure.
3. Hydropower plant operators will host the project in their sites.

**REVENUE STREAMS**

**ENERGY SALES**
Methane will be removed from the water and fed into the biogas plant.

**CARBON CREDIT**
A third-party verifier will measure methane abatement.
Social & Environmental Impact

6.8 MILLION TONS OF CO2
equivalent abated per year
(~1.5 million cars)

200k+ HOUSEHOLDS
will benefit discounted energy

13k+ GREEN JOBS
created, focused on gender equality
Go-to-market Strategy

**PROOF OF CONCEPT**
- *years 1 & 2*
  - Prove instrument concept & validate local parameters at a single location

**PILOT**
- *years 3 & 4*
  - Set up an initial portfolio to prove business case

250 sets of installations and leverage $3 billion in commercial investments
FUNDING OPPORTUNITY

$ 6.5 million
PROOF-OF-CONCEPT

Grant Capital Needed to Fund One Methane Capture Project
THANK YOU
While laws and regulations have since been established that aim to prohibit mangrove deforestation for new operations, the ecosystem services once provided by mangroves remain lost.
Solution: Climate Smart Shrimp
Co-location of sustainable intensification and restoration
Modernization of Shrimp Aquaculture

Commodity pricing, improved technology, and resource constraints are driving shrimp farmers to transition from extensive to intensive systems.
Climate Smart Shrimp Fund:
A loan fund to support adoption of CSS at scale

Target $100m revolving loan facility focused on Indonesia and Ecuador
Implementation Pathway (Phases)

1. Pilot Loan Deployment
2. Fund Formation & Execution
3. Local Funder Uptake & Replication

Year

With recent support from:
Impacts

Mangrove restoration and improved productivity combats environmental and socioeconomic issues on multiple fronts
## Investment Opportunities

<table>
<thead>
<tr>
<th>Investor type</th>
<th>Amount (USD)</th>
<th>Role of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants/Concessional debt</td>
<td>$5M</td>
<td>Concurrent pilot programs</td>
</tr>
<tr>
<td>Grants</td>
<td>$5M</td>
<td>TA facility</td>
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<tr>
<td>Concessional equity</td>
<td>$25M</td>
<td>Catalytic capital for fully scaled debt fund</td>
</tr>
<tr>
<td>Commercial equity</td>
<td>$70M</td>
<td>Funding for fully scaled fund</td>
</tr>
</tbody>
</table>
The Climate Smart Shrimp Fund incentivizes improved productivity and mangrove restoration on shrimp farms to drive food security, livelihoods, climate, and biodiversity benefits.

CONTACT INFORMATION:
Dane Klinger
dklinger@conservation.org
The Fund for Nature

Investing in carbon sequestration, biodiversity, and livelihoods across Africa

October 2022
Natural climate solutions are 37% of the climate solution…

More than 50% of emissions in Africa are driven by deforestation…

Wildlife populations in Africa declined an average of 66% since 1970…

… but receive only about 2% of global climate finance flows

… with a $100B+ climate finance gap for ag & forestry through 2030

… primarily driven by land use change for agriculture
CrossBoundary

• 10-year track record of unlocking private capital in emerging and frontier markets

• 3 active investment platforms in Africa – 2 climate-focused

• 9 offices across Africa

• 170+ person global team, with 110 (60%+) in Africa

• Advising nature-based carbon projects across Africa

Our team

Kate Wharton, Head of Natural Capital
• Leading nature-based carbon transactions globally, including Africa
• Launched and managed CrossBoundary’s Iraq office for 2 years
• MBA, Stanford

Jake Cusack, Founder & Managing Partner
• Co-founder of CrossBoundary’s climate investment platforms
• 10+ years of pan-Africa investment and advisory leadership
• MBA & MPA, Harvard

Nathan Kelly, Head of Corporate Development
• Leading CrossBoundary’s regenerative ag engagements globally
• Blended finance expertise including advising AfDB
• Investment banking background specializing in cross-border M&A

Oliver Miltenberger, Carbon Markets Advisor
• Experienced in carbon markets regulations in Africa
• UNFCCC consultant; contributor to SBTi, TSVCM, ICVCM
• Masters in Ecology, PhD candidate in Environmental Economics

Valentina Ramirez, Natural Capital Senior Associate
• Advising on nature-based carbon transactions in Africa
• Previous experience in asset management & investment banking
Carbon market opportunity

Carbon markets are creating scalable, commercially attractive investment opportunities for nature.

Voluntary Carbon Market size by value of traded carbon credits ($M)

Source: Ecosystem Marketplace, a Forest Trends Initiative
Barriers addressed

Lack of access to low-cost up-front capital for projects

High transaction costs due to bespoke terms & structures

Information asymmetry between projects & buyers of credits

Investors are often looking for larger, lower-risk deals
The Fund for Nature provides project-level debt and offers investors access to a portfolio of high-integrity nature-based carbon projects in Africa.
Impact

**Employment & income diversification**
500+ beneficiaries per project
Target 50%+ revenue-sharing with local community

**Supply-side integrity**
**Demand-side integrity**
2M+ tCO₂ sequestered or avoided per project

**Biodiversity**
CCB certification or similar
Project-specific biodiversity targets
Africa project pipeline

Our pipeline

- $100M+ total size
- $5-10M avg. size
- 800,000+ hectares
- 10+ countries

Project types

- Afforestation, Reforestation, and Revegetation (ARR)
- Reducing Emissions from Deforestation & Degradation (REDD+)

Impact prioritization criteria

- Demonstrate carbon sequestration integrity
- Protect irrecoverable carbon sinks
- Ensure strong community benefit-sharing and long-standing operator relationships with communities & government
- Address core drivers of biodiversity loss
- Support climate adaptation, with special focus on water
- Supportive regulatory environment and government relations
## Implementation

<table>
<thead>
<tr>
<th>Activity</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pipeline development</strong></td>
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<tr>
<td>Country-level regulatory analysis</td>
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<tr>
<td>Due diligence criteria</td>
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<tr>
<td>Deal origination and screening</td>
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<tr>
<td><strong>Investor &amp; offtaker feedback</strong></td>
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<tr>
<td>Socializing fund structure with investors</td>
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<tr>
<td>Validating SAFO terms with offtakers</td>
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<tr>
<td>Investment memorandum</td>
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<tr>
<td><strong>Financial model &amp; capital structure</strong></td>
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<tr>
<td>Financial model with proposed structure</td>
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<tr>
<td><strong>Simple Agreement for Future Offtake</strong></td>
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<tr>
<td>Template term sheet &amp; contract</td>
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<tr>
<td>Pilot with first deal</td>
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<tr>
<td><strong>Fund deployment for first investment</strong></td>
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<tr>
<td>Pilot deal due diligence</td>
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<tr>
<td>Term sheet for first investment</td>
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<tr>
<td><strong>First close</strong></td>
<td></td>
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<tr>
<td>Fundraising</td>
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<tr>
<td>Term sheet from anchor investor</td>
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<tr>
<td><strong>Legal structure</strong></td>
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<tr>
<td>Proposed legal structure</td>
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<tr>
<td>Incorporation of fund</td>
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</tbody>
</table>
## Investment opportunity

<table>
<thead>
<tr>
<th>Investor type</th>
<th>Amount</th>
<th>Role of capital</th>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor funding</td>
<td>$2M</td>
<td>Fund start-up costs and technical assistance vehicle</td>
<td>n/a</td>
</tr>
<tr>
<td>(Grant Capital)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Equity</td>
<td>$20 – 28M</td>
<td>Patient capital to support the Fund</td>
<td>12-15%</td>
</tr>
<tr>
<td>(40% of Fund)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concessional Debt</td>
<td>$7.5 – 10.5M</td>
<td>Subordinate first-loss tranche to support Pilot Fund</td>
<td>4-6%</td>
</tr>
<tr>
<td>(15% of Fund)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Debt</td>
<td>$22.5 – 31.5M</td>
<td>Senior debt to capitalize the Fund</td>
<td>8-10%</td>
</tr>
<tr>
<td>(45% of Fund)</td>
<td></td>
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</tr>
</tbody>
</table>

We are also exploring opportunities for investor repayment through carbon credits.
Contact

Kate Wharton
kate.wharton@crossboundary.com

Jake Cusack
jake@crossboundary.com

CrossBoundary Natural Capital team
naturalcapital@crossboundary.com
The challenge

300 million new homes are needed by 2030

Sub-standard housing exacerbates risk from climate-linked disasters

Buildings contribute 37% of energy related GHG emissions

USD 1.5 trillion climate smart investment opportunity in homes that addresses finance constraints in supply and demand

Unlocking supply and demand finance for green affordable homes
**Reall’s track record**

- **Over 30 years** experience
- **Over 55K** affordable homes built
- **Over US$100 million** invested
- **Over 107K** people housed
- **Over 83K** jobs created
How it works

Green Affordable Housing Finance

Enabling Environment Facility
- Catalytic Construction Finance
- Technical Assistance for Green Certification
- Technical Assistance for Alternative Credit Assessment Tools

Guarantee Facility
- Construction Guarantees
- Mortgage Guarantees

Green affordable homes accessible for low-income earners
Impact

Mobilises local investment into climate-smart construction and finance

In five years in Kenya, we will demonstrate viability through:

• Creating green homes and assets for 11,000 people
• Avoiding 8,000 tonnes of CO$_2$ in embodied energy emissions
• Enabling USD $48 million in local lending into the green housing value chain

Over 15 years we will mobilise over $400 million loans into the green affordable housing value chain
Implementation and pilot

**Enabling Environment Facility (EEF) and Guarantee Facility** catalyse and de-risk lending for green affordable homes in Kenya.

The instrument expands deeper into housing markets through development and normalisation of alternative credit assessment and green supply chains.

The instrument is rolled out into other markets throughout Africa and Asia with country-specific EEFs and an expanded Guarantee Facility.
Investment opportunities (USD)

**Concessional Debt**
- 8M
  - Construction loans for innovative green home designs

**Refundable Grants**
- 4M
  - Capitalization of guarantee facility

**Non-refundable Grants**
- 3M
  - TA for housing developers and financial institutions
  - Start-up costs, inc. fund formation and legal fees
This is an innovative investor-ready solution to the climate crisis which improves the availability of green finance for people on low incomes.

Now we need investors to embrace this market-ready opportunity.

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Call for Sustainable Investment Ideas

The Lab is looking for innovative finance solutions that can unlock investment for a net zero economy transition.

Selected ideas receive guidance, analysis, stress-testing, and development by expert working groups and access to a network of high-level public and private investors.

SUBMIT climatefinancelab.org  DEADLINE Dec 26
Thank you!