

WEBINAR

What is the Lab looking for?

Learn about the application process,
selection criteria, and priority sectors.



14 NOVEMBER
10 AM EST | 4 PM CEST



Agenda

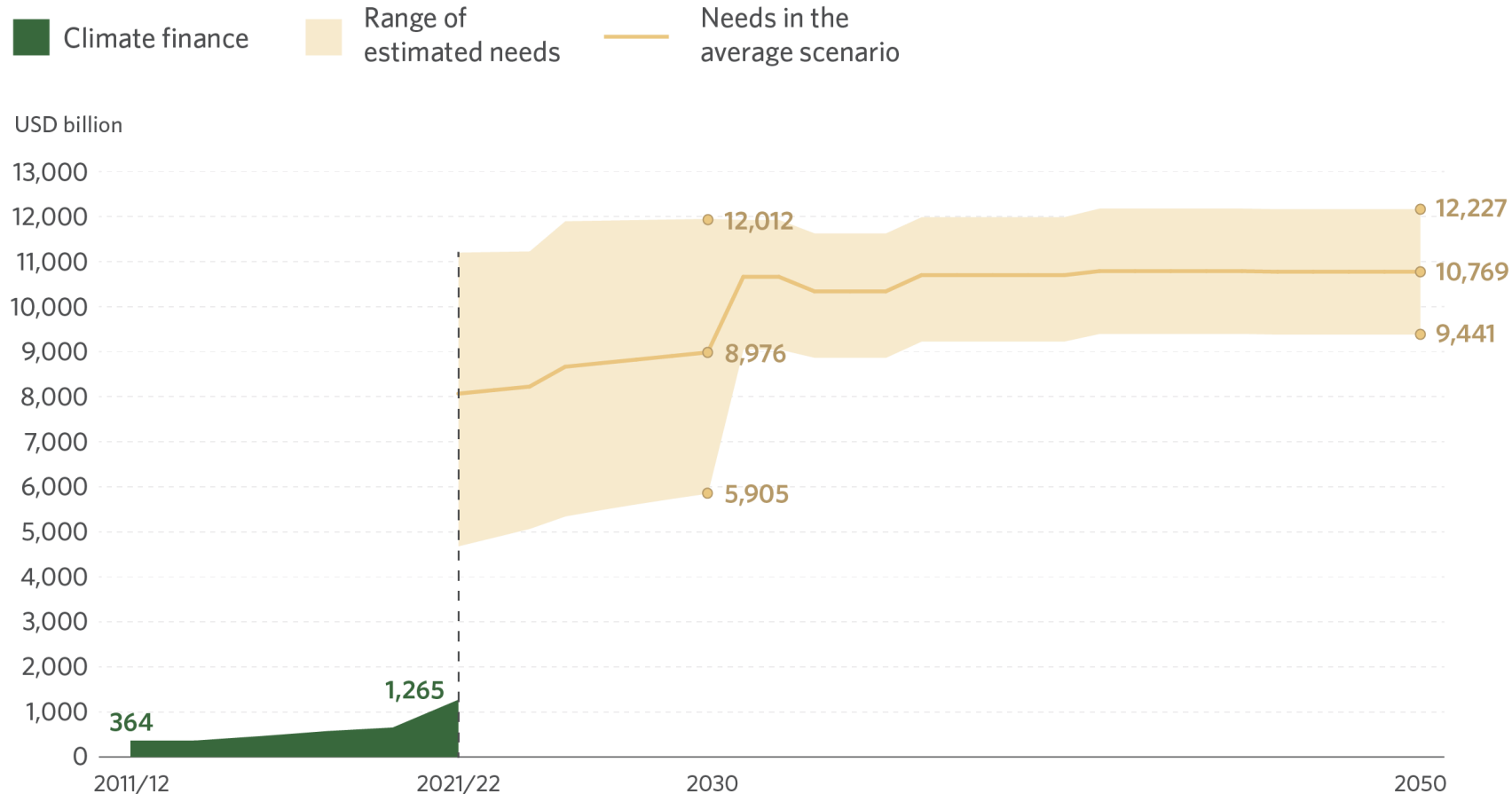
- 1. How the Lab works**
 - Ben Broché, Associate Director
- 2. What is the Lab looking for**
 - Kathleen Maeder, Program Associate
- 3. What a successful application looks like**
 - Morgan Richmond, Senior Analyst
- 4. Q&A**

1. How the Lab works

Addressing the climate finance gap

Limiting warming to 1.5°C requires massive private investment

Climate finance needs to increase by at least five-fold annually by 2030



Source: [Climate Policy Initiative's Global Landscape of Climate Finance 2023](#)



The Global Innovation Lab for Climate Finance is an investor-led, public-private initiative that accelerates innovative, well-designed, early-stage climate finance solutions to drive private investment into climate change action in developing economies.

68 solutions launched

70+ public and private Lab Member institutions

300+ supporting experts, nearly half from developing regions

\$3.5+ bn mobilized for climate action in emerging markets

Impact by the numbers



\$1.2 bn

mobilized through the
Lab network catalyzed
2x more investments

\$3.5+ bn

collectively mobilized
by Lab solutions

\$1.4 bn

in private investments
Nearly half of the total
mobilized by Lab ideas

85+

Public and private investors
funded Lab solutions

57%

capital mobilization
success rate

36

Lab ideas successfully
secured investments

Three ingredients to success

The Lab's theory of change revolves around the collaboration between public and private sectors, openly sourcing concepts from finance innovators, and a powerful network to move the ideas into action.



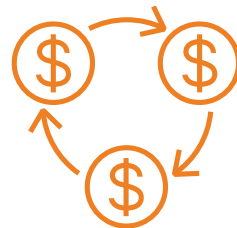
Public-Private Collaboration

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.

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

FUNDERS



SECRETARIAT



MEMBERS



IKEA Foundation



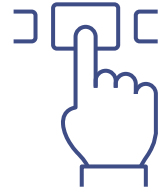
An incubator for sustainable finance ideas



OCT - DEC

Call for Ideas

The Lab publicizes an open call for innovative sustainable investment solutions.



JAN - FEB

Selection

Lab Members select the most promising ideas to take forward in each annual cycle.



MAR - AUG

Development

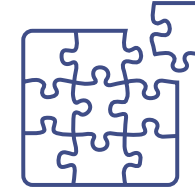
Selected ideas benefit from 7 months of analysis, stress-testing, and guidance from experts and investors.



SEP

Endorsement & Launch

Lab Members vote to endorse and launch the ideas for piloting.



OCT - ONWARD

Implementation

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

2. What is the Lab looking for

Unlocking billions for climate investments

How ideas are selected

Core criteria inform how ideas are selected.



Actionable

Lab ideas are feasible and risk-managed, with a clear pathway to implementation.



Catalytic

Lab ideas have the potential to mobilize private sources of climate finance and scale up investment in target markets.



Innovative

Lab ideas address barriers to climate finance in a unique way.

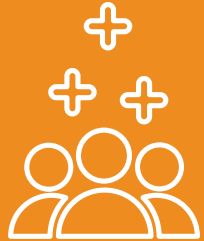


Financially Sustainable

Lab ideas have a clear strategy for achieving commercial viability.

How ideas are selected

Selected ideas are at the right stage for acceleration and will benefit the most from the Lab process.



Value Add

The Lab complements proponent teams' capabilities and needs to ensure their success.

The Lab's core activities and value offerings:





- Design and stress testing
- Target market research and analysis
- Market sounding
- Financial modeling
- Environmental and social impact modelling
- Development of implementation pathway + milestones
- External validation provided by Lab endorsement
- Development of investor pitch materials
- Mapping of potential funders
- Connection with the Lab's network

The Lab will develop 10 ideas in 2024

Regional

-  Brazil
-  India
-  East and Southern Africa
-  Latin America Adaptation
-  Latin America Mitigation
-  Philippines

Global Themes

-  Agriculture and Food Systems
-  Climate Adaptation
-  Climate Mitigation
-  High-Integrity Forests

Funders

Bloomberg Philanthropies

Canada

Federal Ministry for Economic Affairs and Climate Action

Foreign, Commonwealth & Development Office

Department for Energy Security & Net Zero



Regional programs will select six ideas

Regional	
	Brazil
	India
	East and Southern Africa
	Latin America Adaptation
	Latin America Mitigation
	Philippines

- Focus on local contexts and priorities
- Region-specific investment needs and barriers
- Leverage existing regional networks of financiers and implementers
- Any climate sector
- Eligible ideas must target one of the markets in the Lab's regional programs
- Introducing two new regions in 2024: Latin America and the Philippines
- Latin America to select one mitigation idea and one adaptation idea

Global themes to source four ideas

Global Themes



Agriculture and Food Systems



Climate Adaptation



Climate Mitigation



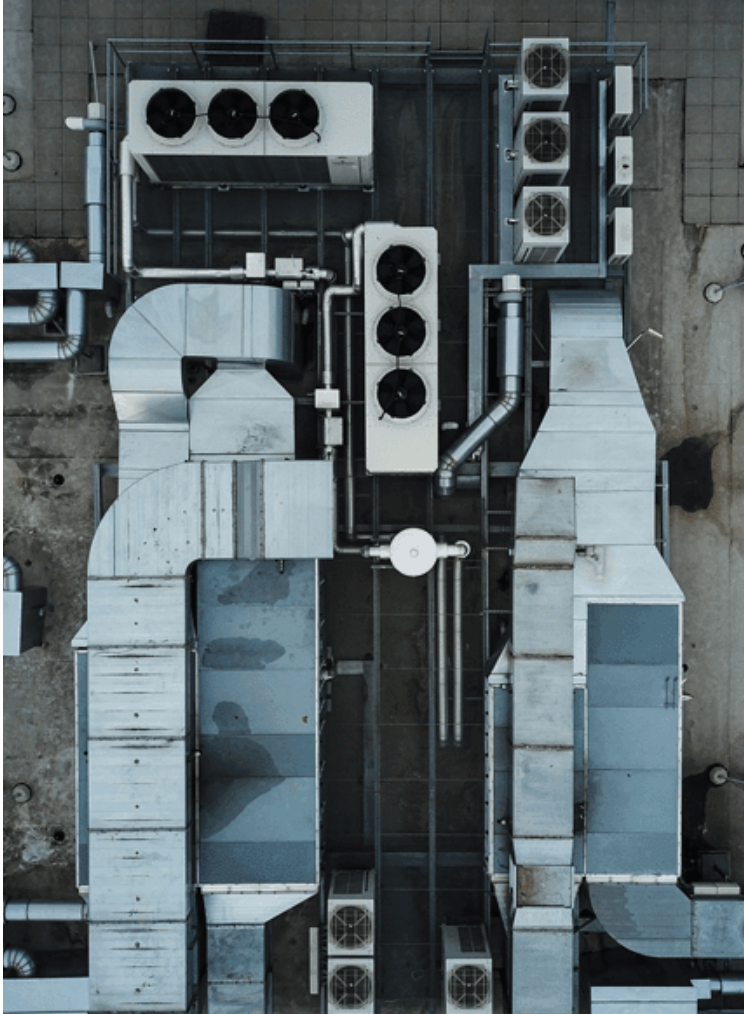
High-Integrity Forests

- Focus on sector-specific climate investment needs and barriers.
- Eligible ideas should target emerging markets
- **Agriculture and food systems:** solutions to accelerate climate finance for businesses.
- **Adaptation:** support private finance for solutions that build climate resilience.
- **Mitigation** focuses on renewables, low-carbon transportation, buildings, and industry.
- **New theme: High-Integrity Forests.**

3. What a successful application looks like

Lab ideas represent the latest and greatest in climate finance

For example: Cooling as a Service



Actionable

- Demonstrated team experience in the relevant sector.
- Executed MoU with a local partner in the proposed pilot country.
- Does not rely on new legislation.

Catalytic

- Global air conditioning market projected to triple by 2050.
- Clear pathway for private investment.

Innovative

- Addresses key barriers to investment related to high up-front investment costs.
- Application of proven pay-for-service model into a new market.

Financial Sustainability

- Fully commercial solution through cost savings from efficient technology.
- Does not rely on grant finance.

For example: RISCO



Actionable

- Proven track record in mangrove conservation and restoration.
- Milestones towards the implementation of the pilot identified.
- Does not rely on new legislation.

Catalytic

- Proposal identifies criteria for potential scaling up of operations.
- Estimates for market size and environmental benefits provided.

Innovative

- Novel risk modelling approach allows investors to price the benefits of mangrove restoration
- Climate impact improves on existing solutions in the market.

Financial Sustainability

- Barriers to commercial viability are identified, and proposed solutions are provided.
- Grant capital limited to idea development and pilot phases.

Guidance on Key Questions

Question: What are your objectives in applying for the Lab, and how can this process help you to achieve your goals?

Guidance:

- Review the Lab's Impact Report [here](#) to see how the Lab has supported other ideas
- Note how the Lab process can help develop your idea
- Reference the Lab's core competencies and value offerings

Example of a strong answer:

"The Lab will be a crucial partner for stress-testing the concept and developing a robust case to scale in the future, specifically:

1. *Can the mechanism be more effective to attain goals in a blended finance format?*
2. *Identify sources of funding (either for a 100% profit format or for blended format, identifying sources of concessional capital)*
3. *Guidance on potential risks that might affect the financial premises of the proposal.*
4. *The Lab's knowledge of KPIs and methodologies to measure impact as well as management of beneficiaries"*

Guidance on Key Questions

Question: What resources does the proposing organization(s) and/or implementing entity plan to commit to the idea (in terms of time and other resources) in the next 12 months?

Guidance:

- Demonstrate institutional support from high-level staff
- Instrument development should be a core priority for the project team
- Indicate long-term commitment to project implementation

Example of strong answer:

“We would anticipate allocating ~>25% of Associate Director, and ~>75% of Associate time, in addition to engagement from our Managing Partners and Corporate Development team at large. For implementation, we would build out a full-time, dedicated team.”

Guidance on Key Questions

Question: What are the risks in implementing the pilot / expansion? How do you plan to address these?

Guidance:

- Be transparent
- Identify specific mitigation strategies
- Indicate differentiation from the market

Example of strong answer:

“Local currency volatility: Our financing platform’s structure helps address this by providing local currency funding through FX hedging solutions in its financing. We are also targeting local financial institutions as priority partners.”

COVID-19 and corresponding economic shocks: Past models/repayment assumptions underpinning the distributed renewable energy sector may no longer be valid. We have access to a wide cross-section of repayment data and machine learning models that can be retrained on more recent data to better predict cash flow shocks.”

4. Questions

Contact

www.climatefinancelab.org

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Thank you