

WEBINAR

# What is the Lab looking for?

Learn about the Africa, India, and The Philippines regional programs, selection criteria, and application process.



16 NOVEMBER

11 AM RSA | 2:30 PM IND | 5 PM PHI



CLIMATE  
POLICY  
INITIATIVE

# Agenda

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## **1. How the Lab works**

- Arun Krishnan, India Lead

## **2. What is the Lab looking for**

- Megan Sager, Senior Consultant, Africa

## **3. What a successful application looks like**

- Haysam Azhar, Analyst

## **4. Q&A**

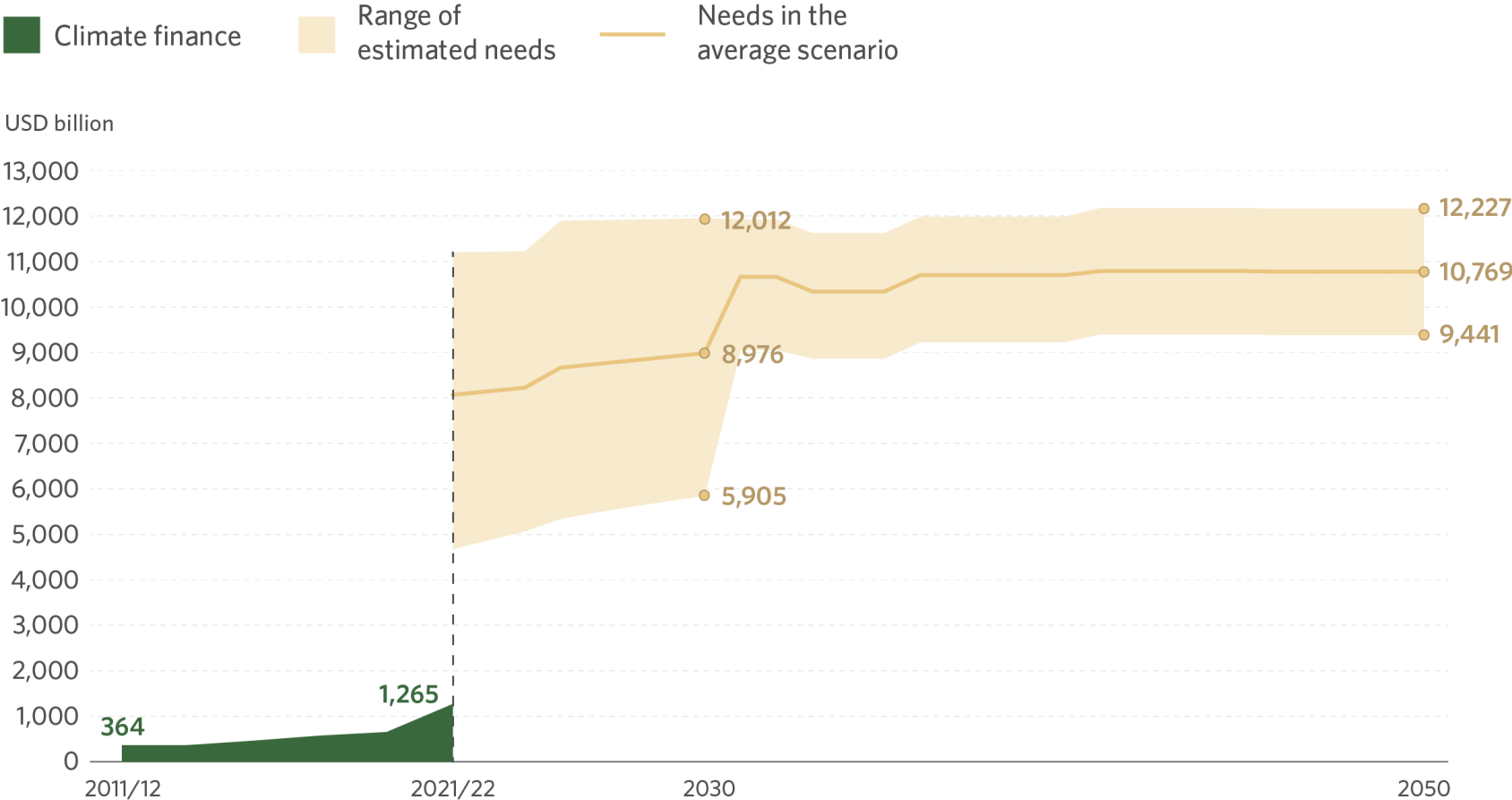
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# 1. How the Lab works

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

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## 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.



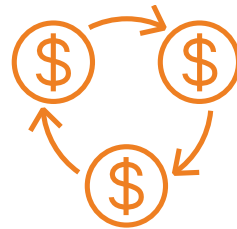
## Public-Private Collaboration

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



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# An incubator for sustainable finance ideas

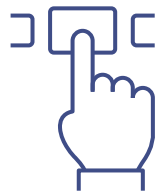


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OCT - DEC

## Call for Ideas

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

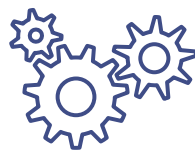


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JAN - FEB

## Selection

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



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MAR - AUG

## Development

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

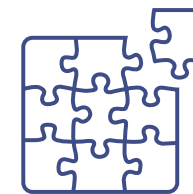


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SEP

## Endorsement & Launch

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



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OCT - ONWARD

## Implementation

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

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## **2. What is the Lab looking for**

Unlocking billions for climate investments

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## 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.







### Value Add

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

# 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.**

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### **3. What a successful application looks like**

Lab ideas represent the latest and greatest in climate finance

For example

## Cooling as a Service

**Proponent:** Basel Agency for Sustainable Energy

**Sector:** Energy Efficiency

**Regions:** Africa, East/Southeast Asia, Latin America, Pacific Islands, South Asia

**SDGs:**



**Summary:** A pay-per-service model to decrease energy consumption and greenhouse gas emissions from cooling systems in cities around the world, by making more efficient cooling technologies more accessible to customers.

### Actionable

- Demonstrated team experience in the relevant sector.
- Executed MoU with a local partner in the 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 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

## Restoration Insurance Service Company (RISCO)

**Proponent:** Conservation International

**Sectors:** Forestry, Land Use / AFOLU

**Regions:** East/Southeast Asia

**SDGs:**



**Summary:** A social enterprise that invests in mangrove conservation and restoration in areas with high-value coastal assets, protecting blue carbon and reducing flooding and property damage risk.

### 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.

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## 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"*

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## 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.”*

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## 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.”*

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## 4. Questions

## Contact

[www.climatefinancelab.org](http://www.climatefinancelab.org)

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# Thank you