



The Global Innovation Lab for Climate Finance

Call for Ideas 2020 Webinar

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Agenda

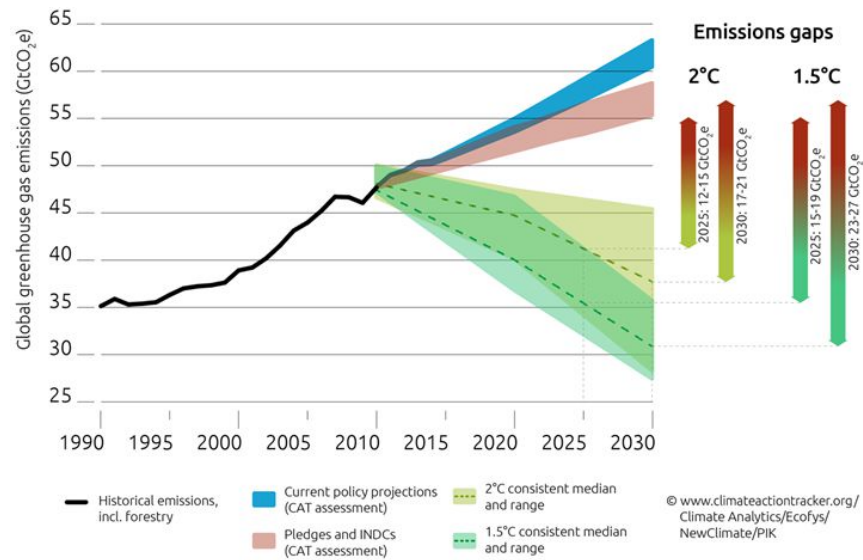
1. Introduction to the Lab
2. Case studies
3. Successes and impact to date
4. Call for Ideas 2020
5. Q&A

Introduction to the Lab

Sustainable investment is critical to tackle the key global challenges of the 21st century

Climate Change

Meeting the Paris Agreement goals and ramping up ambition in emissions reductions

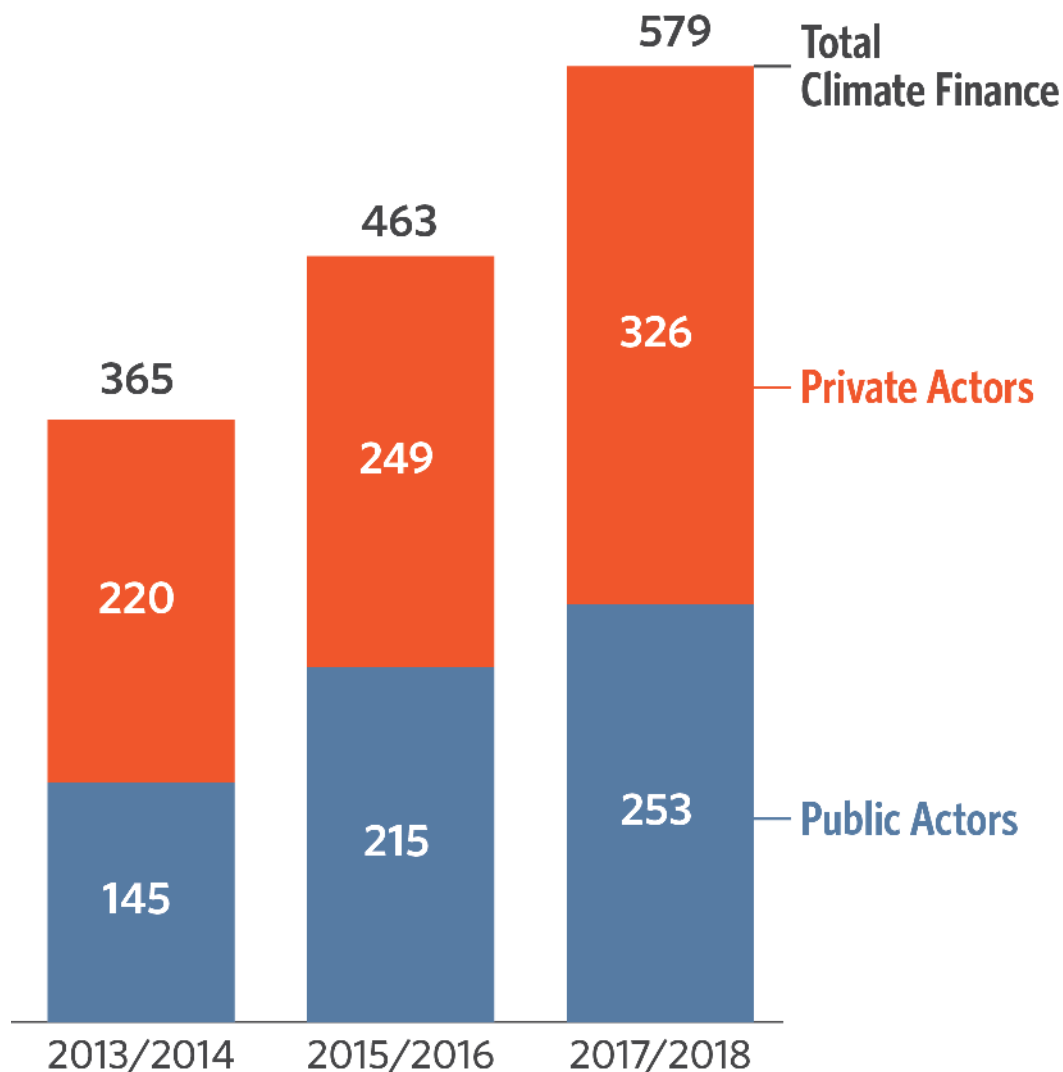


Sustainable Development

Meeting the Sustainable Development Goals



Investment is flowing, but not nearly enough



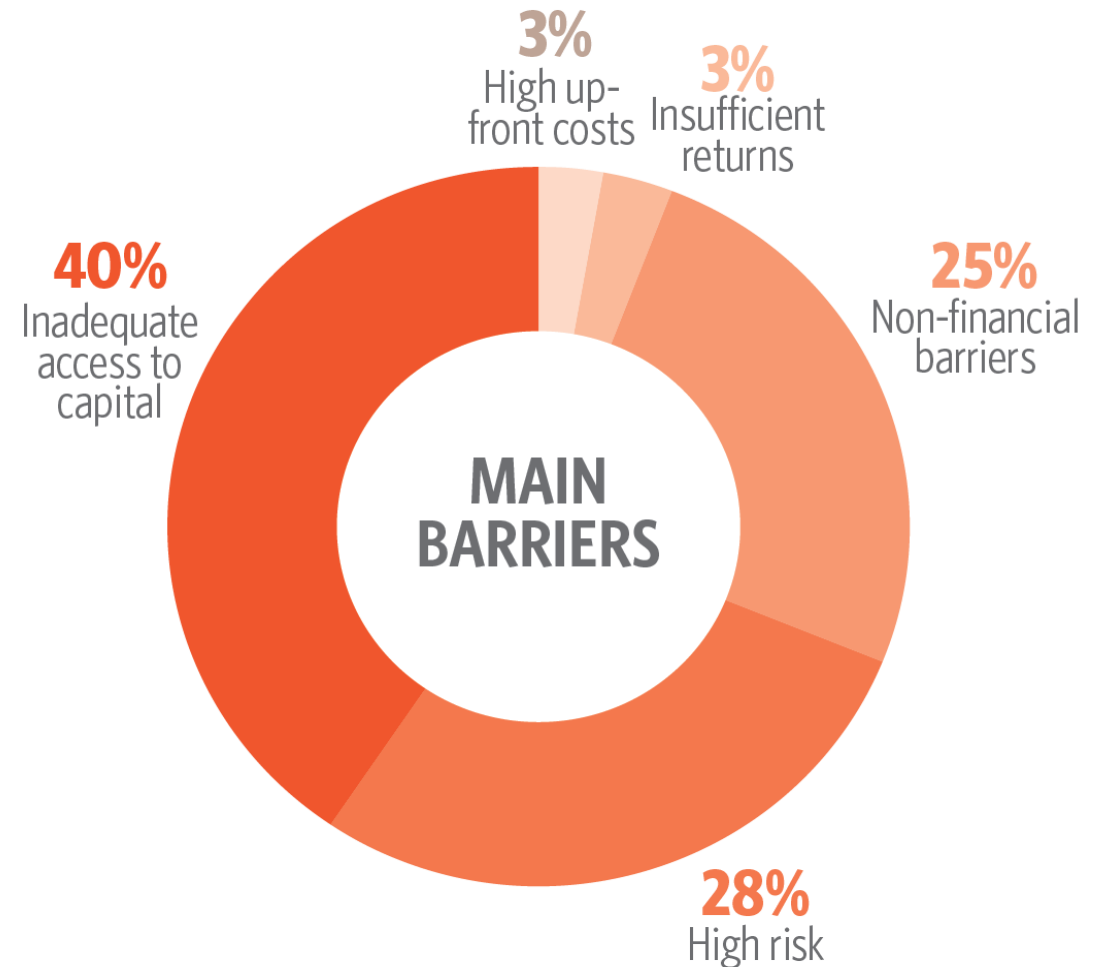
\$579 billion annually flowed towards climate change mitigation and adaptation in 2017 and 2018.

No single cohesive estimate of investment required for mitigation and adaptation in a 1.5° C scenario - it is in the trillions of dollars.

The IPCC estimates that a \$1.6-3.8 trillion annual investment in energy systems alone is required to keep warming within a 1.5° C scenario.

Sustainable investment, particularly in developing countries, faces many barriers

Barriers to investment as identified by submissions to the Lab:





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

41 instruments launched

60+ public and private Lab Member institutions

300+ supporting experts, nearly half from developing regions

The Lab brings together over 60 institutions to address the sustainable investment gap

FUNDERS



MEMBERS



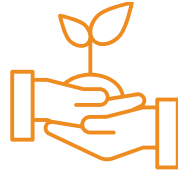
PAST FUNDERS



SECRETARIAT



The Lab's three ingredients to success



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 process has five steps

1.



Call for Ideas

The Lab publicizes an open call for innovative sustainable investment solutions

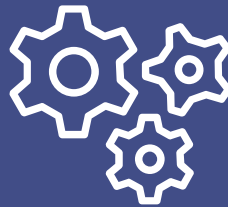
2.



Selection

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

3.



Development

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

4.



Endorsement & Launch

Lab Members vote to endorse and launch the ideas for piloting

5.



Implementation

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

Case Studies



Financing for Low-Carbon Auto Rickshaws

Case Study

Divjot Singh, Senior Analyst

2018 Lab Instrument



Financing for Low-Carbon Auto Rickshaws

2018 Lab Instrument

Idea

A facility to deploy more electric auto-rickshaws in Indian cities and provide better livelihoods for auto-rickshaw drivers, through a model that provides **up to 100% debt financing** at competitive rates, and opportunities for driver ownership.

Proponent



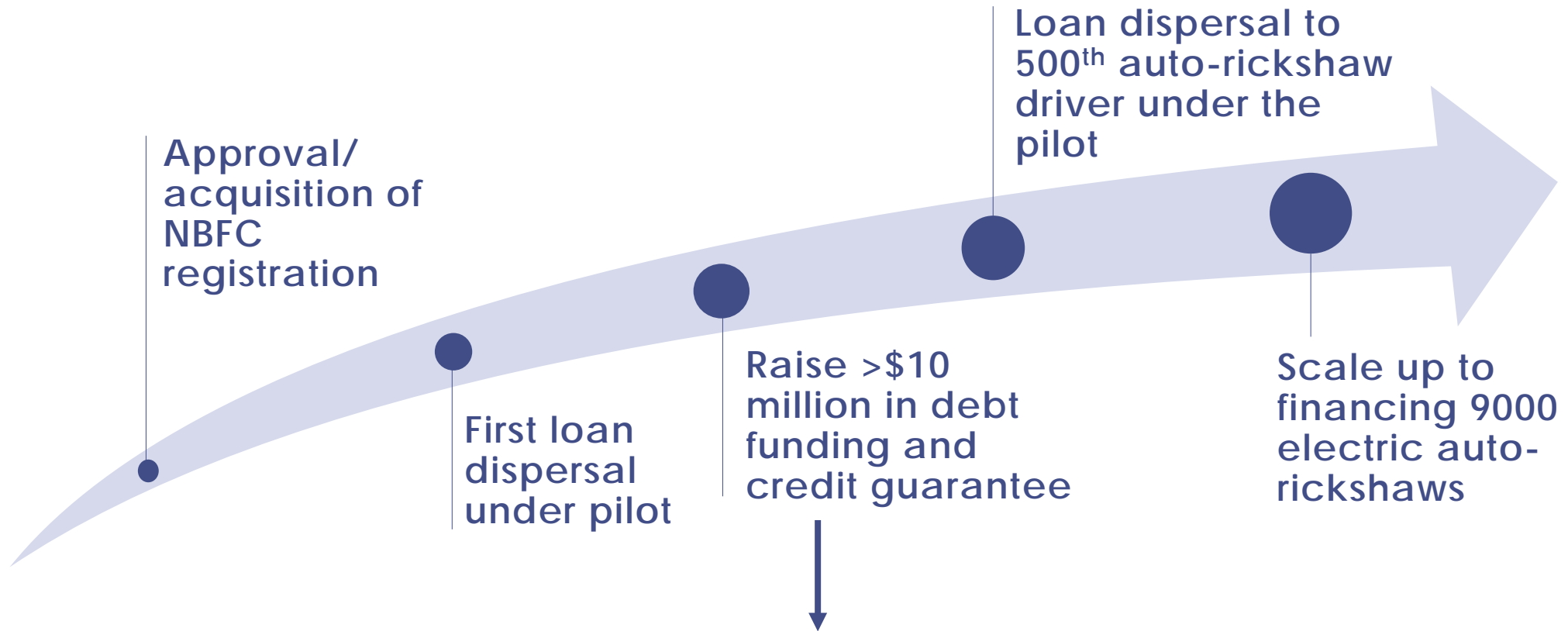
Impact

- Opportunity to decrease carbon emissions by over 22 million tonnes annually.
- The instrument allows drivers to more than double their daily income when compared to renting.

Lab Activities

- Assisting in the development of credit policy.
- Connecting with app-based mobility companies and building investment memorandum.
- Post-endorsement - assisting in acquiring grant funding from UK Impact Programme and Convergence.

Implementation Pathway - FLCAR



CAPITAL MOBILIZED Close to raising >\$10 million in debt funding and credit guarantee.

INVESTMENT TYPE Debt; Equity; Guarantee

INVESTMENT DETAILS Access to capital to match growing order book remains a challenge.



Distributed Energy for Social Housing

Case Study

Felipe Borschiver, Analyst

2018 Lab Instrument





Distributed Energy for Social Housing

2018 Lab Instrument

Distributed solar energy is not accessible to low income communities

Challenges

- Large investments
- No credit
- Difficult procurement
- Lack of physical space

Opportunity

- 70 million clients paying over US\$ 0,15 / kWh

Solution - Distributed Energy for Social Housing

A model for distributed solar energy systems with no upfront costs for low income tenants



Progress & Impact - Distributed Energy for Social Housing



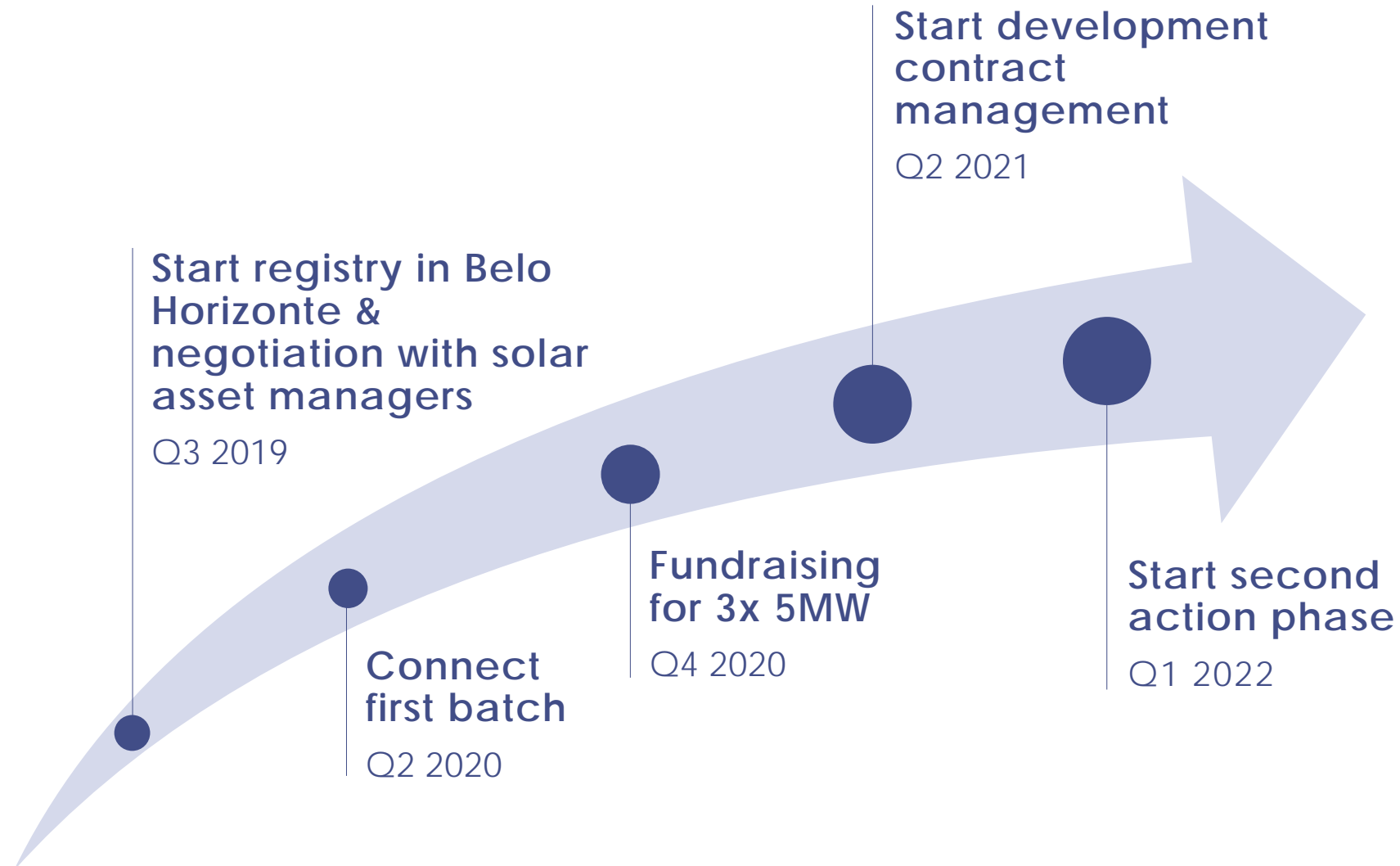
Preparation Phase Jan 2019 – July 2019

- Legal Assessment
- Financial Modelling
- Business Strategy
- Market Mapping

Action Phase Jul 2019 – Feb 2020

- MoU with Belo Horizonte municipality
- Branding, and web tool
- Start of the registry
- Building relationships with local leaderships (ambassadors)

Achievable Scale - Distributed Energy for Social Housing



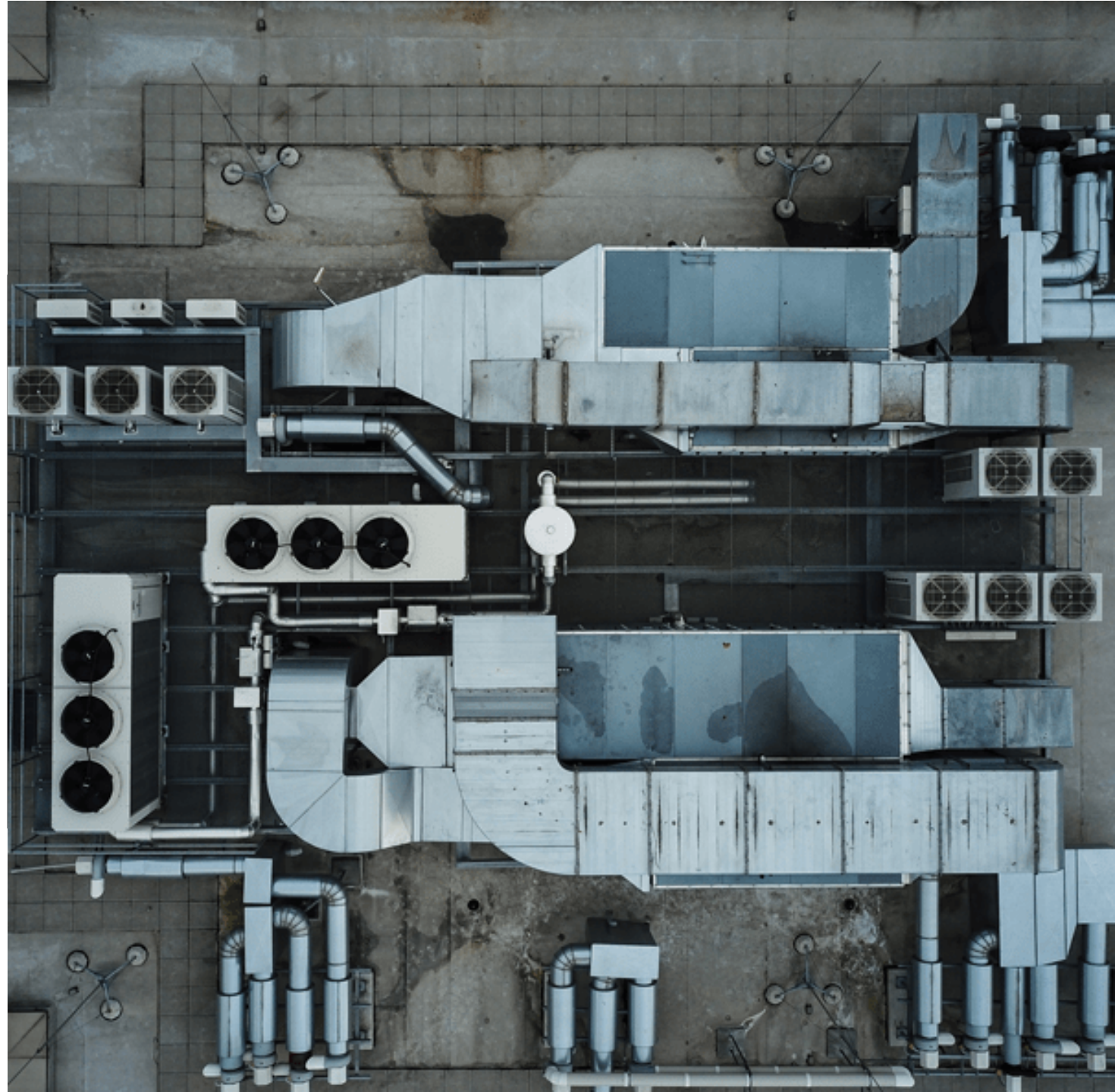


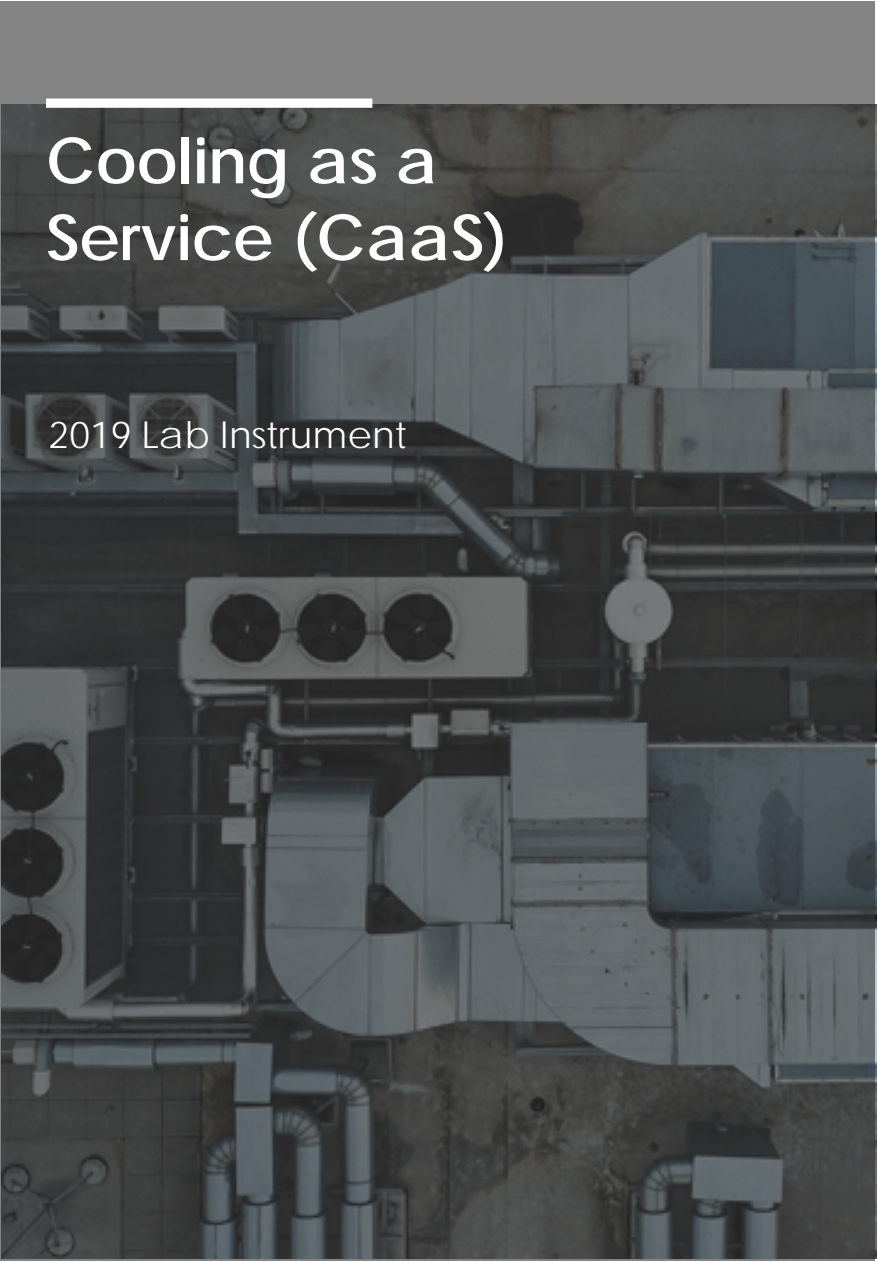
Cooling as a Service

Case Study

Morgan Richmond, Analyst

2019 Lab Instrument





Cooling as a Service (CaaS)

2019 Lab Instrument

Idea

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.

Impact

- Eliminates upfront investment in clean cooling technology
- Strengthens incentives for efficient consumption
- Increase opportunities for climate adaptation and food waste prevention

Lab Activities

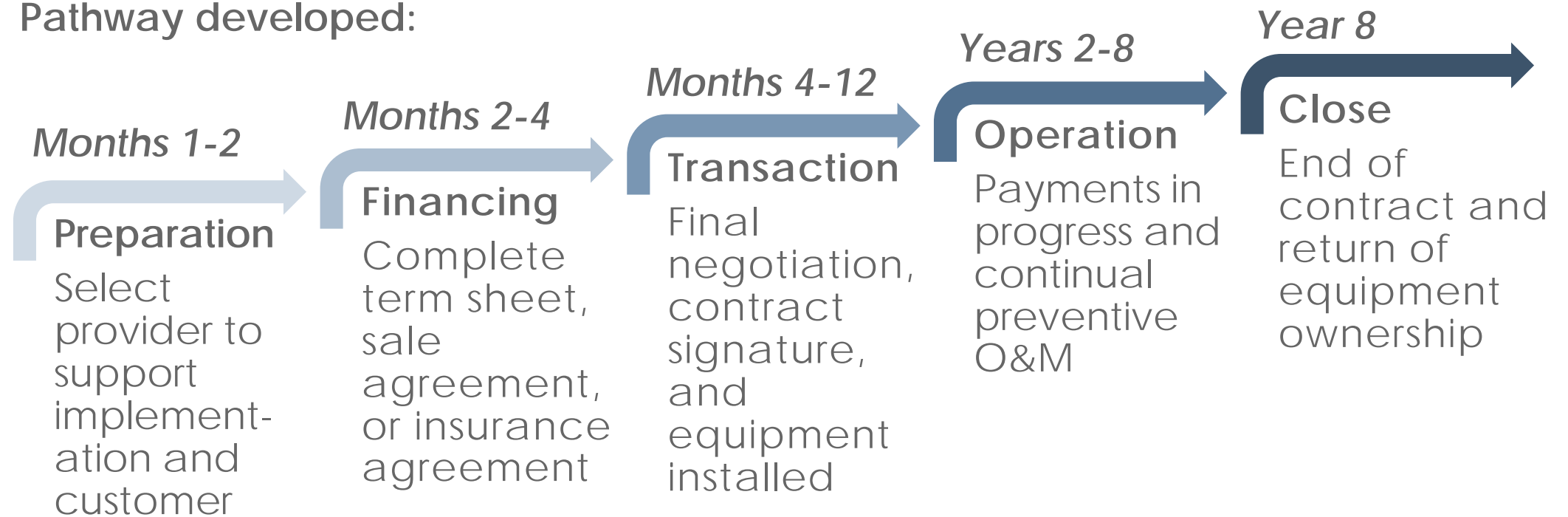
- Financial model development and scenario analysis
- Interviews with experts from public and private sector
- Target market analysis and mapping
- Working Group meetings to provide feedback on analysis

Implementation Pathway - CaaS

Completed steps:

1. Lab team support for financial modelling, instrument analysis and stakeholder outreach in key countries.
2. CaaS Alliance launched to spread the word about the model, build capacity, & implement the model.

Pathway developed:



Successes & Impact to Date

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:



Renewable
Energy
19



Cities &
Transport
18



Water, Land use
& Agriculture
13



Climate
Risk
12



Energy
Efficiency
8



Energy
Access
7



Asia
20



Africa
16



Latin America
15



Global
6



\$1.9+ bn

mobilized by
41 instruments for climate
action in developing countries



\$320+ mn

invested by Lab Member institutions

\$1.57 bn

catalyzed in
additional investment



Lab instruments have
mobilized

200x

what funders have invested
in the Lab Secretariat

Lab instruments
have successfully
mobilized over
\$800 million
in investment from
the private sector

More than 90% of measured private finance has come from institutional investors and commercial banks. A small amount has also come from private equity investors.

Private investors also co-invest in projects on the ground, which is more difficult to measure.

Lab Member
investments have
catalyzed an additional
\$1.57 billion,
more than five times
their original
investments

Invested by
Lab Member
institutions

\$320mn

Invested in
instruments by
other investors

\$1.26bn

Project co-investment
and/or replication of
instruments

\$310mn

Call for Ideas

CALL FOR SUSTAINABLE INVESTMENT IDEAS

The Lab is seeking proposals for innovative ideas that can unlock investment for climate action and sustainable development. Selected proposals will receive guidance, robust analysis, and development by expert working groups, and access to a network of high-level public and private investors.

SUBMIT:

 @climatefinlab

WWW.CLIMATEFINANCELAB.ORG

DEADLINE:

DEC 20TH, 2019

Targets for the 2020 Lab Cycle



Nature-based Solutions

Supporting ideas to protect, sustainably manage, and restore natural or modified ecosystems



Sustainable Cities

Supporting sustainable urbanization ideas in partnership with cities networks



Sustainable Agriculture

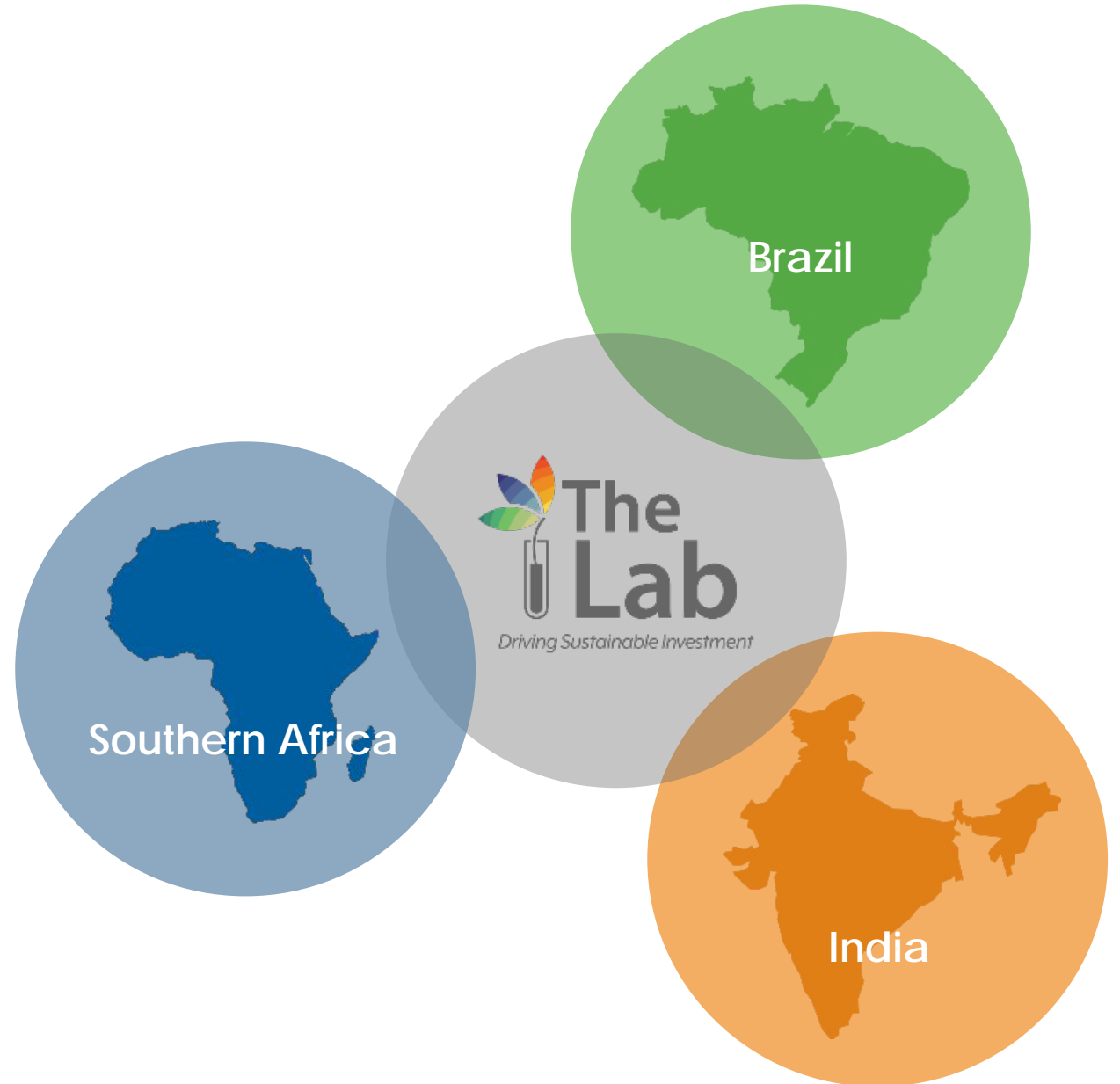
Supporting ideas to mobilize investment to overcome existing barriers to climate resilient, low emission agriculture



Sustainable Energy Access

Supporting ideas targeting deployment of renewable energy for productive use

There is a special
call for ideas
targeting Brazil,
India and Southern
African countries



Lab ideas meet four key selection 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.

Why submit?

Selected instruments also receive **analytical and communications support** from the Lab team.

\$200k

Provided in
analytical,
convening &
comms support

Selected instruments receive expert **guidance and support from high-level leaders** in public and private sectors.

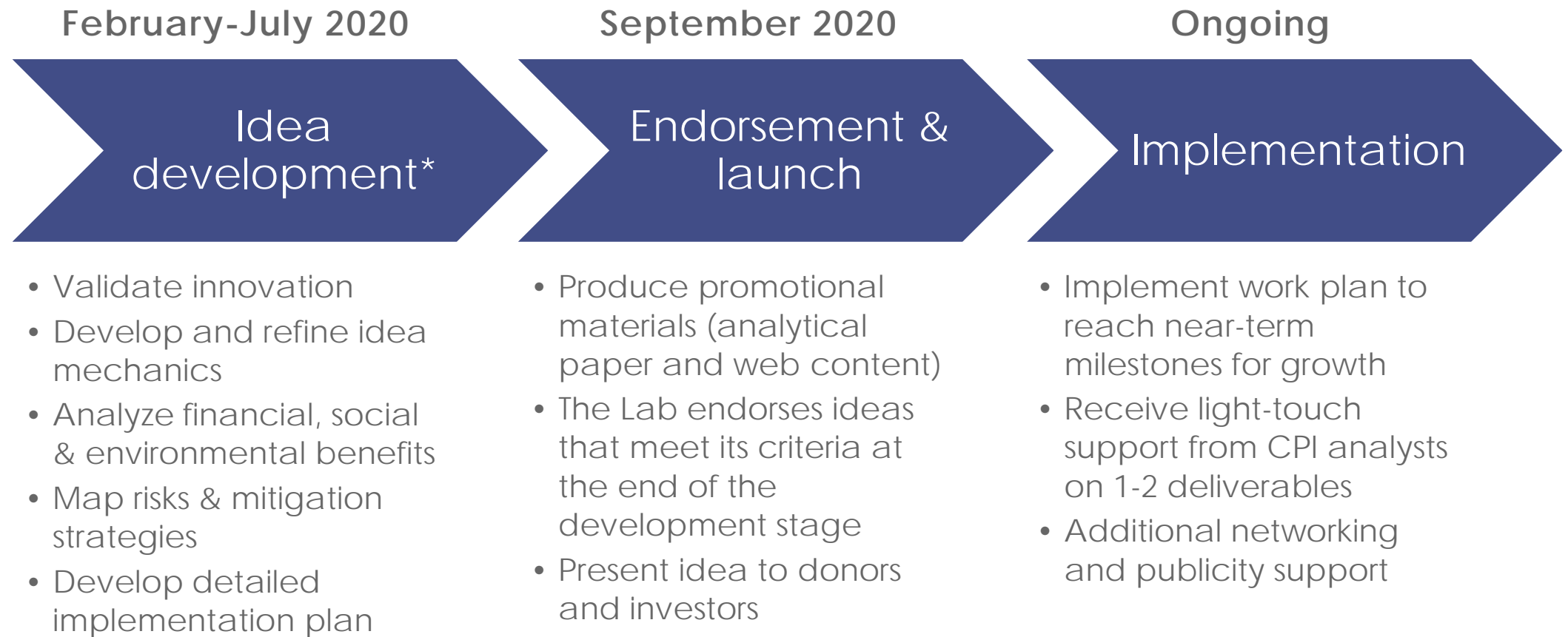
\$320m

Invested by Lab
members

\$1.57bn

Total investment in
Lab instruments in
5 yrs

What happens if your idea is selected?



* Includes stress-testing, financial and economic modelling (where applicable) and guidance from topic experts.

Type your
question in the
chat window

We are
reviewing them
now and will
respond
momentarily.

Submit your idea at:

climatefinancelab.org

Deadline:

20 Dec, at 17:00 PST



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