Catalyst Climate Resilience Fund (CCRF)

**SECTOR:** CLIMATE RESILIENCE  
**REGION:** AFRICA  
**INVESTMENT TYPE:** COMMERCIAL CAPITAL, CONCESSIONAL CAPITAL, GRANTS  
**SDGs:**

- No Poverty  
- Zero Hunger  
- Good Health and Well-being  
- Gender Equality  
- Clean Water and Sanitation  
- Affordable and Clean Energy  
- Decent Work and Economic Growth  
- Reduced Inequalities  
- Sustainable Cities and Communities  
- Responsible Consumption and Production  
- Climate Action  
- Life Below Water  
- Life on Land

**PROPOONENT:** CATALYST FUND AND BFA GLOBAL

Although Africa has contributed the least to global emissions, climate change impacts will hit the continent the hardest, jeopardizing nearly half its GDP. Vulnerable communities on the continent have a serious and urgent need for adaptation and resilience solutions to prepare, manage, and recover from climate change impacts. Yet, funding going to climate adaptation solutions in Africa is dramatically insufficient, with an estimated gap of USD 453 billion accumulating over this decade.

Fortunately, rapid digital inclusion, a dynamic startup ecosystem, and abundant natural resources are creating the opportunity for game-changing innovation, positioning Africa to be a leader in climate action.

Catalyst Fund capitalizes on this opportunity to accelerate and invest in early-stage, tech-enabled resilience solutions on the continent.

**INNOVATION**

Although investments flows are growing, African startups captured only USD 6.5 billion of the USD 445 billion invested globally. Early-stage startups face critical gaps in funding, talent, and access to knowledge.

Catalyst Fund provides pre-seed capital and bespoke venture building support to bridge gaps, foster innovation, and promote game-changing adaptation solutions. The fund leverages a team of technical experts who provide startups with hands-on venture building support, so they can achieve product market fit faster and build climate resilience among their users.

The fund helps build a robust pipeline of scalable adaptation solutions that are accessible, appropriate, and affordable for vulnerable populations.

**IMPACT**

Catalyst Fund supports founders building climate resilience solutions across three verticals: fintech for climate resilience, sustainable livelihoods, and climate-smart essential services. The fund’s portfolio of startups helps vulnerable communities manage climate risks, adapt livelihoods, and build long-term resilience through agtech, climate fintech, insurtech, agro-forestry, cold chain, and waste and water solutions. The fund plans to invest in 40 ventures across Africa in essential sectors to enable adaptation, resilience, and green growth.

Catalyst Fund is the leading impact fund and accelerator supporting pre-seed tech startups that are building a climate resilient future in Africa.
**DESIGN**

Catalyst Fund is an early-stage fund and accelerator that blends capital from concessional and commercial equity investors to invest USD 200,000 in selected pre-seed portfolio companies. The fund combines capital and venture building support and will have significant reserves to make follow-on investments at Seed and Series A in selected portfolio companies.

Fund capital addresses a critical gap for innovators in Africa, where the climate tech sector has historically received less funding than other sectors.

**TEAM**

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The initial pre-seed investment includes approximately six months of dedicated venture building; product, data, technological, operational, growth marketing and fundraising support that is crafted based on the startups’ unique needs. Venture building is critical for early-stage companies that need much more support, especially in weaker markets where infrastructure, governance and logistics challenges inhibit innovation.

The fund is accompanied by a grant-funded facility, the Catalyst Ecosystem Hub, which promotes shared learnings, builds community, and engages ecosystem actors to create a more vibrant, informed, and effective climate resilience ecosystem in Africa.

**INVESTMENT OPPORTUNITIES**

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<thead>
<tr>
<th>TYPE</th>
<th>ROLE OF CAPITAL</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>FIRST-LOSS CAPITAL</td>
<td>Capital to mitigate commercial risk in fund structure</td>
<td>USD 3-5 M</td>
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<tr>
<td>JUNIOR EQUITY</td>
<td>Concessional investment tranche of the fund</td>
<td>USD 15-20 M</td>
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<tr>
<td>SENIOR EQUITY</td>
<td>Commercial investment tranche of the fund</td>
<td>USD 15-20 M</td>
</tr>
<tr>
<td>OPERATIONAL GRANTS</td>
<td>Fund certain operational costs and ecosystem building facility</td>
<td>USD 2-5 M</td>
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The Global Innovation Lab for Climate Finance identifies, develops, and launches innovative finance instruments that can drive billions in private investment to action on climate change and sustainable development. Bloomberg Philanthropies and the governments of Canada, Germany, the United Kingdom, and the United States have funded the Lab’s 2023 programs. Climate Policy Initiative serves as the Secretariat and analytical provider.