



Global Innovation Lab
for Climate Finance

2023 Lab Impact Report

Accelerating private climate
investment in emerging markets

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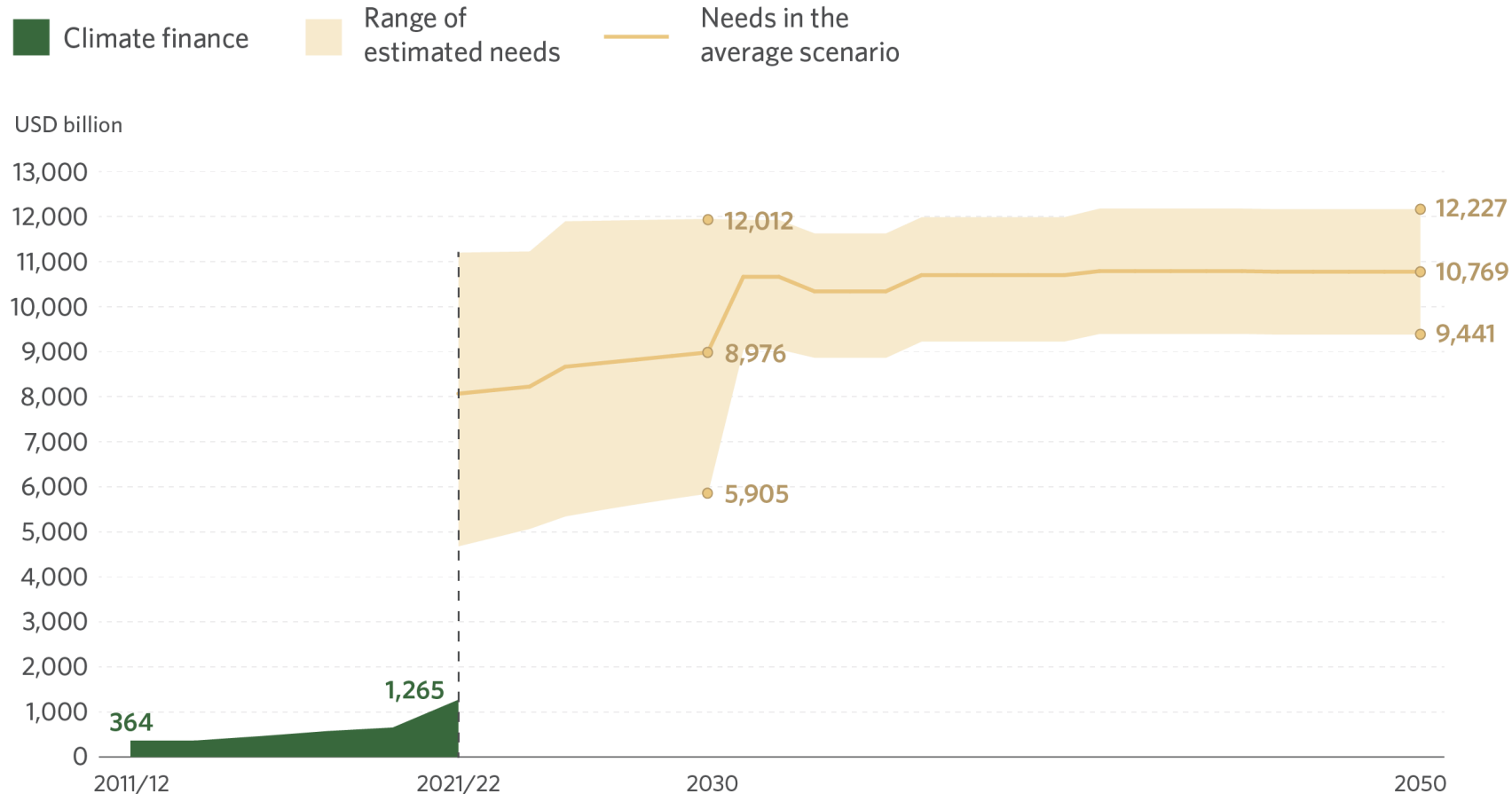
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1. The Lab at a Glance

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](#)

Mobilizing the trillions of dollars needed for a successful low-carbon transition is a daunting challenge,

especially in emerging markets that are the most vulnerable to climate change.

There is an urgent need for private investments to bridge the climate finance gap,

as philanthropic and public capital alone are not enough to meet the needs. In many cases, it is not a question of capital availability but investment direction.

Most investors avoid sectors and geographies perceived as too risky.

Barriers to investment include small project sizes, revenue risks, and limited technical capacity.



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

\$4+ bn mobilized for climate action in emerging markets

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.



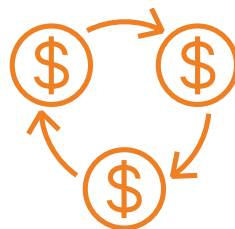
Public-Private Collaboration

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.

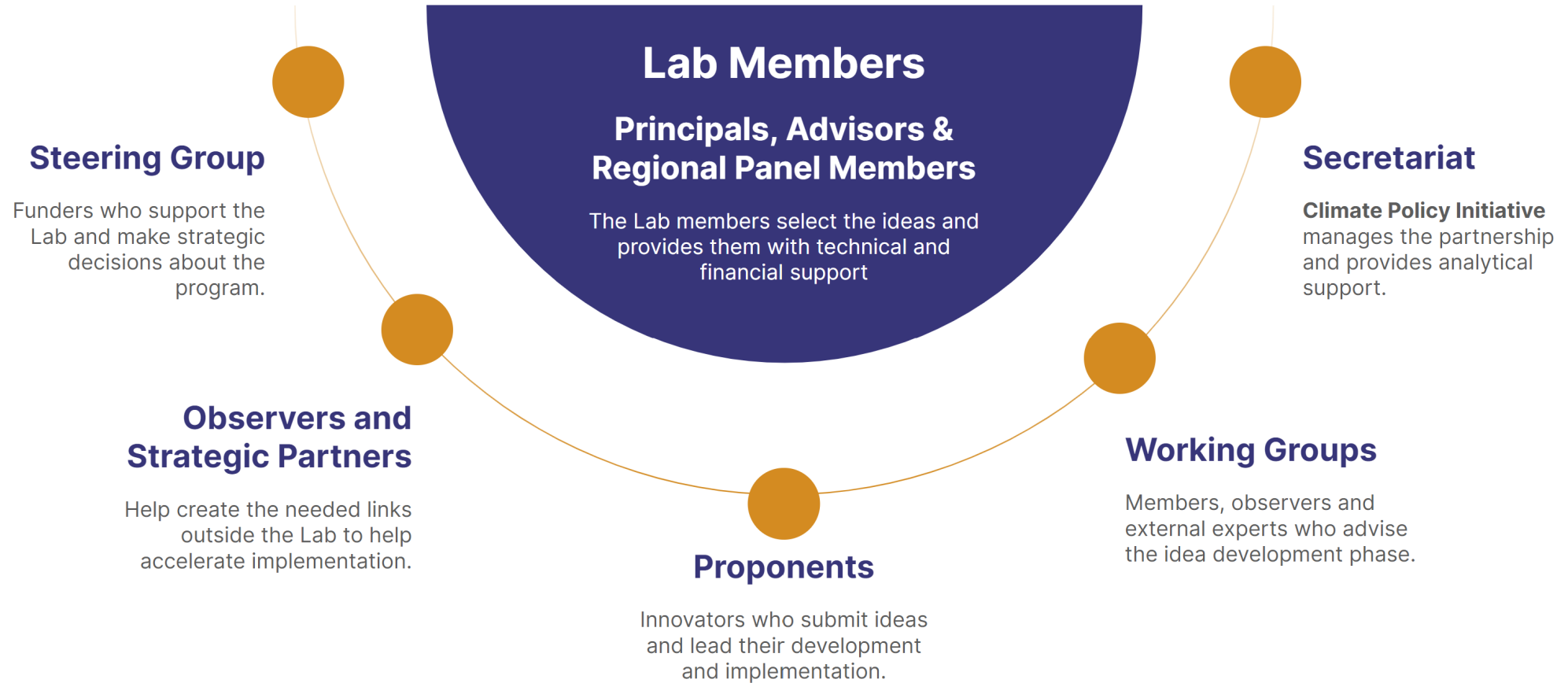


Mobilizing Finance

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

Lab Structure

The Lab's structure fosters cross-sector cooperation and enables solutions to overcome investment barriers.



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

FUNDERS



SECRETARIAT



MEMBERS

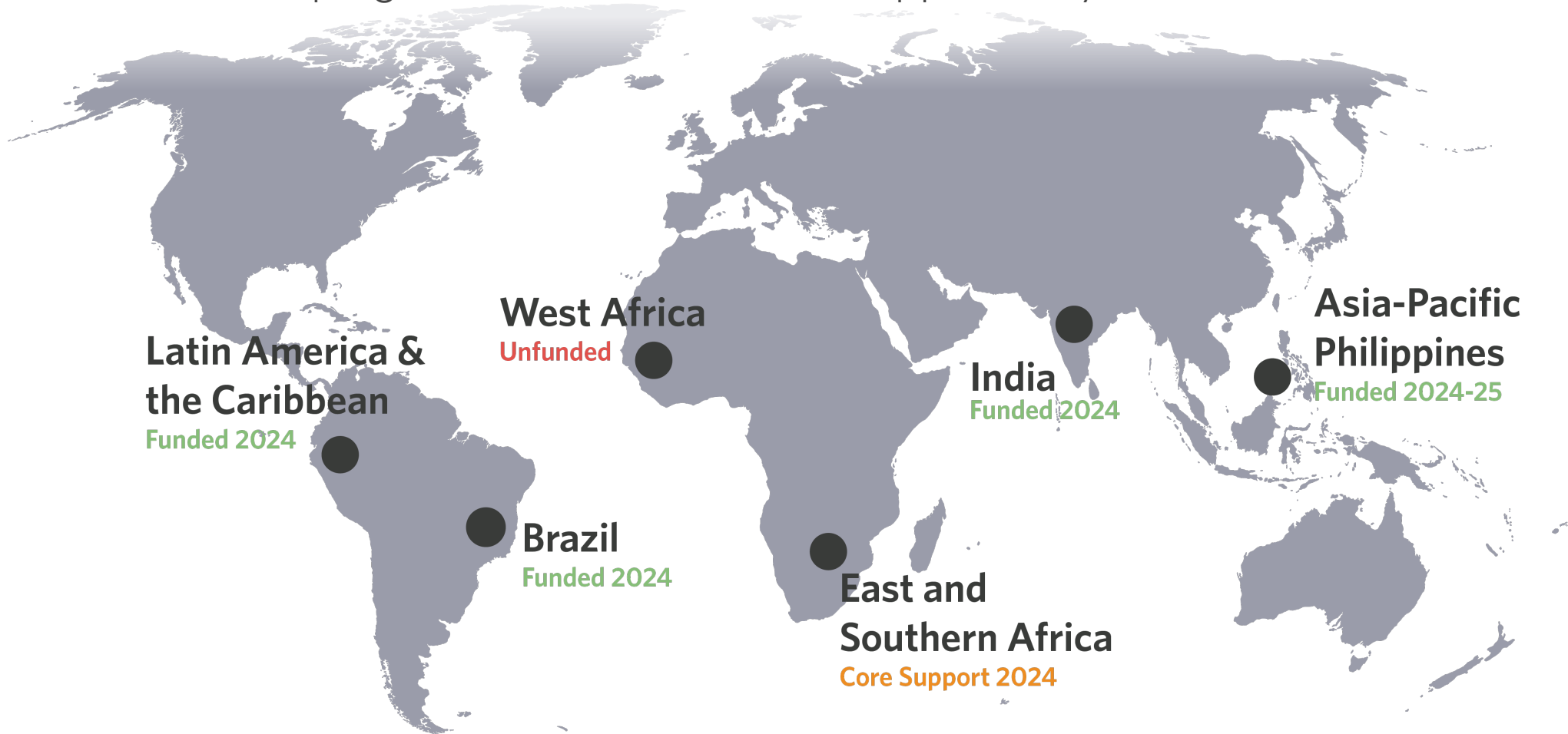


IKEA Foundation



A truly Global Innovation Lab

The Lab's regional programs address country-specific investment barriers, with local investors and stakeholders on regional panels contributing market expertise and networks. These programs are connected and supported by the Global Lab.



2. How the Lab Works

From idea to impact

How ideas are selected

Core criteria inform how ideas are selected.

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



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.

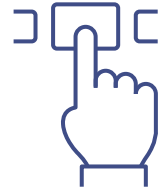
An incubator for sustainable finance ideas



OCT - DEC

Call for Ideas

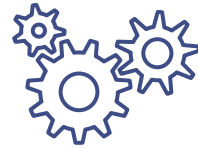
The Lab publicizes an open call for innovative sustainable investment solutions.



JAN - FEB

Selection

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



MAR - AUG

Development

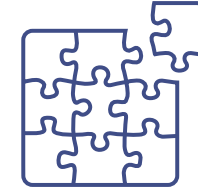
Selected ideas benefit from 7 months of analysis, stress-testing, and guidance from experts and investors.



SEP

Endorsement & Launch

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



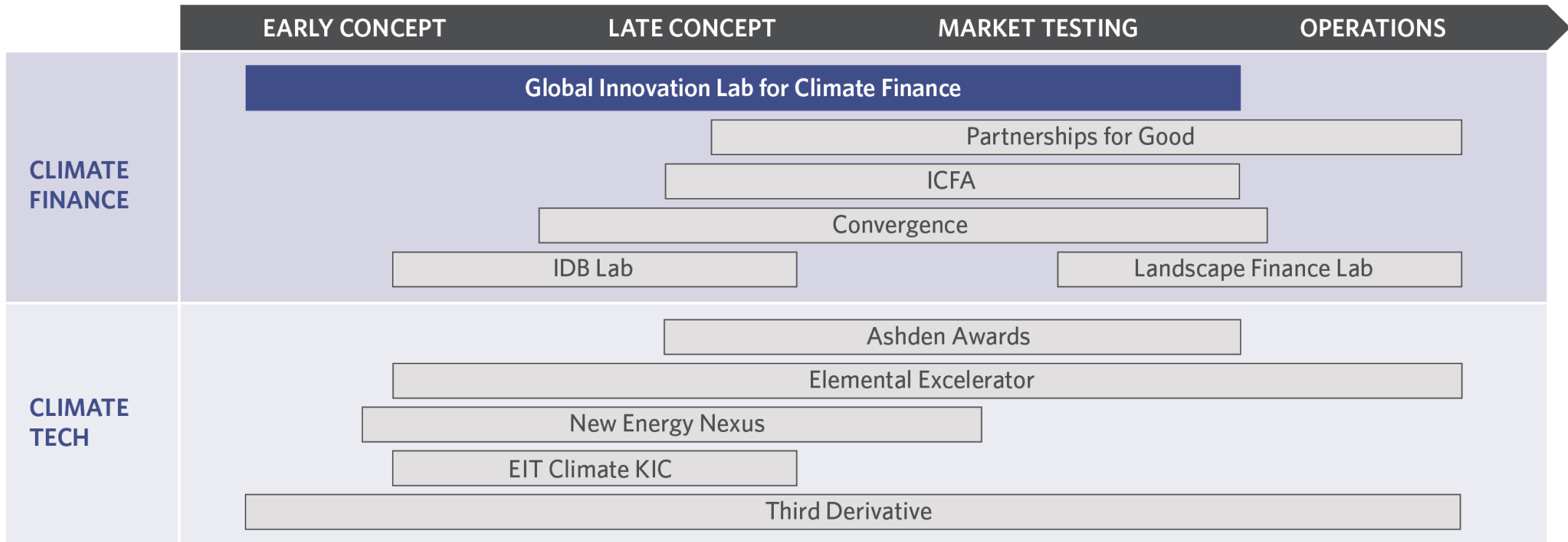
OCT - ONWARD

Implementation

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

The Lab is unique

The Lab is the only climate finance accelerator offering significant technical support at the early concept stage.



Testimonials



Lasitha Perera, Managing Partner and Co-Founder at The Development Guarantee Group, Green Guarantee Company (Lab Alumni 2022)

“The Lab is a streamlined, effective way to bring your innovative climate finance ideas to life. The experts you'll meet will help you develop your idea in the best way possible so that you can maximize its impact.”



Mauricio Moura Costa, Founder, and Director at BV Rio, Responsible Commodities Facility (Lab Alumni 2018)

“The Lab network exposed us to a large number of stakeholders with interest in our sector, helping us foster collaborations and drive transformative and innovative solutions forward.”

3. The Lab's Impact

Unlocking billions for climate investments

Impact by
the numbers



\$1.3 bn

mobilized through the
Lab network catalyzed
2x more investments

\$4+ bn

collectively mobilized
by Lab solutions

\$1.6 bn

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

130+

Public and private investors
funded Lab solutions

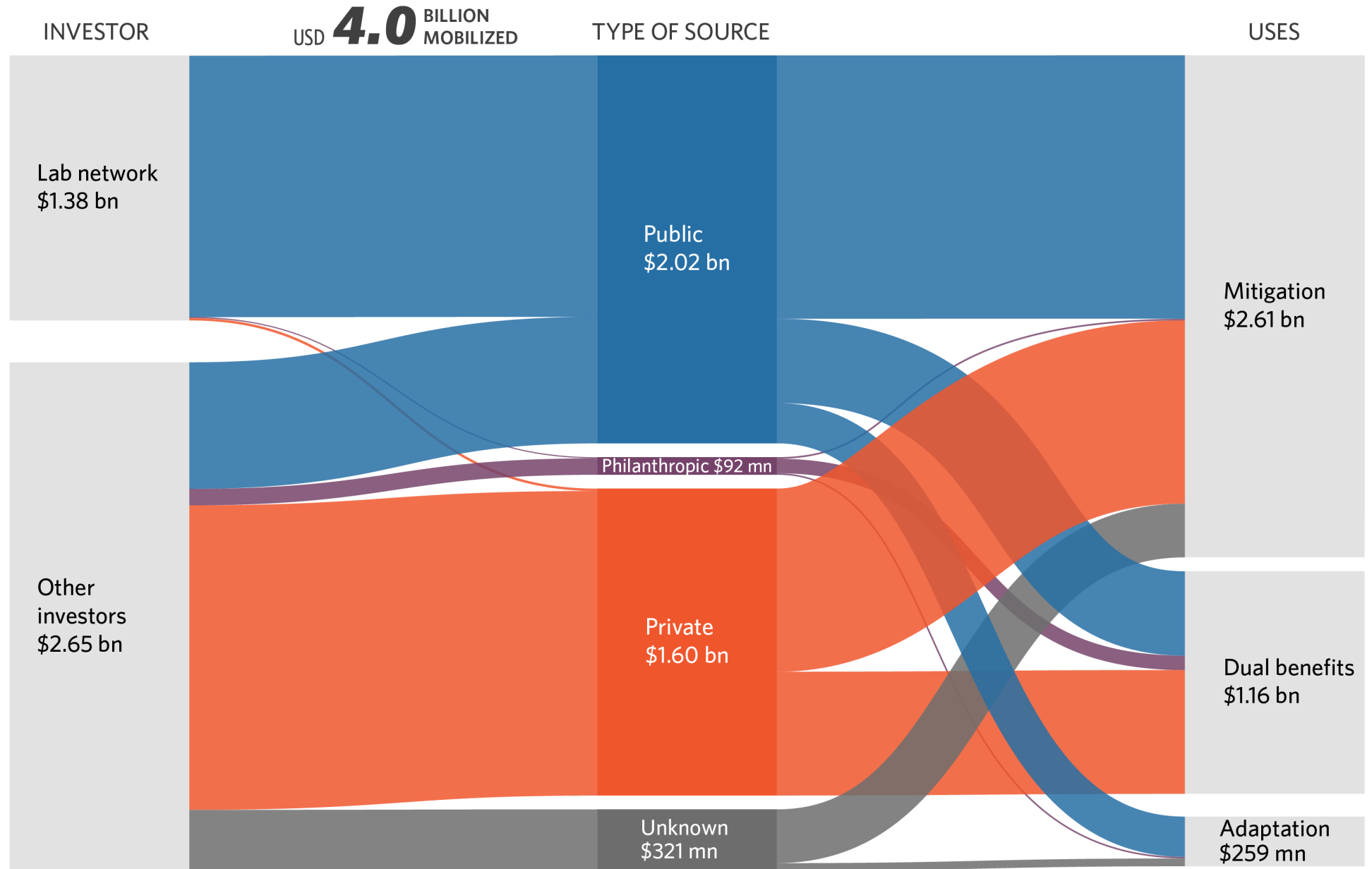
66%

capital mobilization
success rate

45

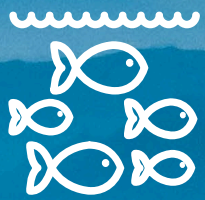
Lab ideas successfully
secured investments

The Lab creates a pipeline of fundable ideas that strategically leverage public finance to mobilize private investments in challenging sectors and regions



Sectors

Lab ideas address the most critical sectors for action on climate change.



Climate Resilience

5



Energy

31



Gender Equality

10



Land Use/AFOLU

27



Nature-based Solutions

13



Sustainable Cities

13

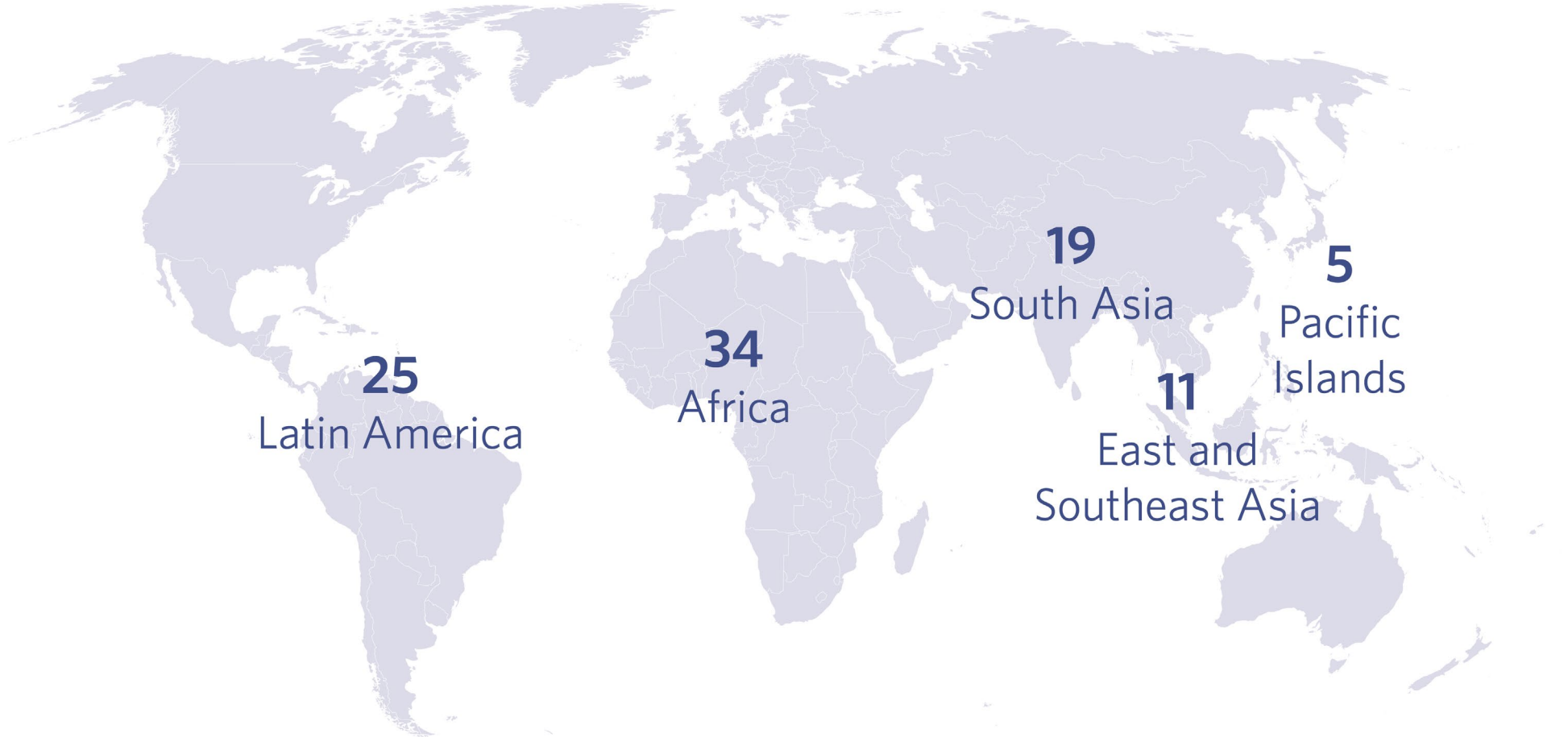


Water/WASH

2

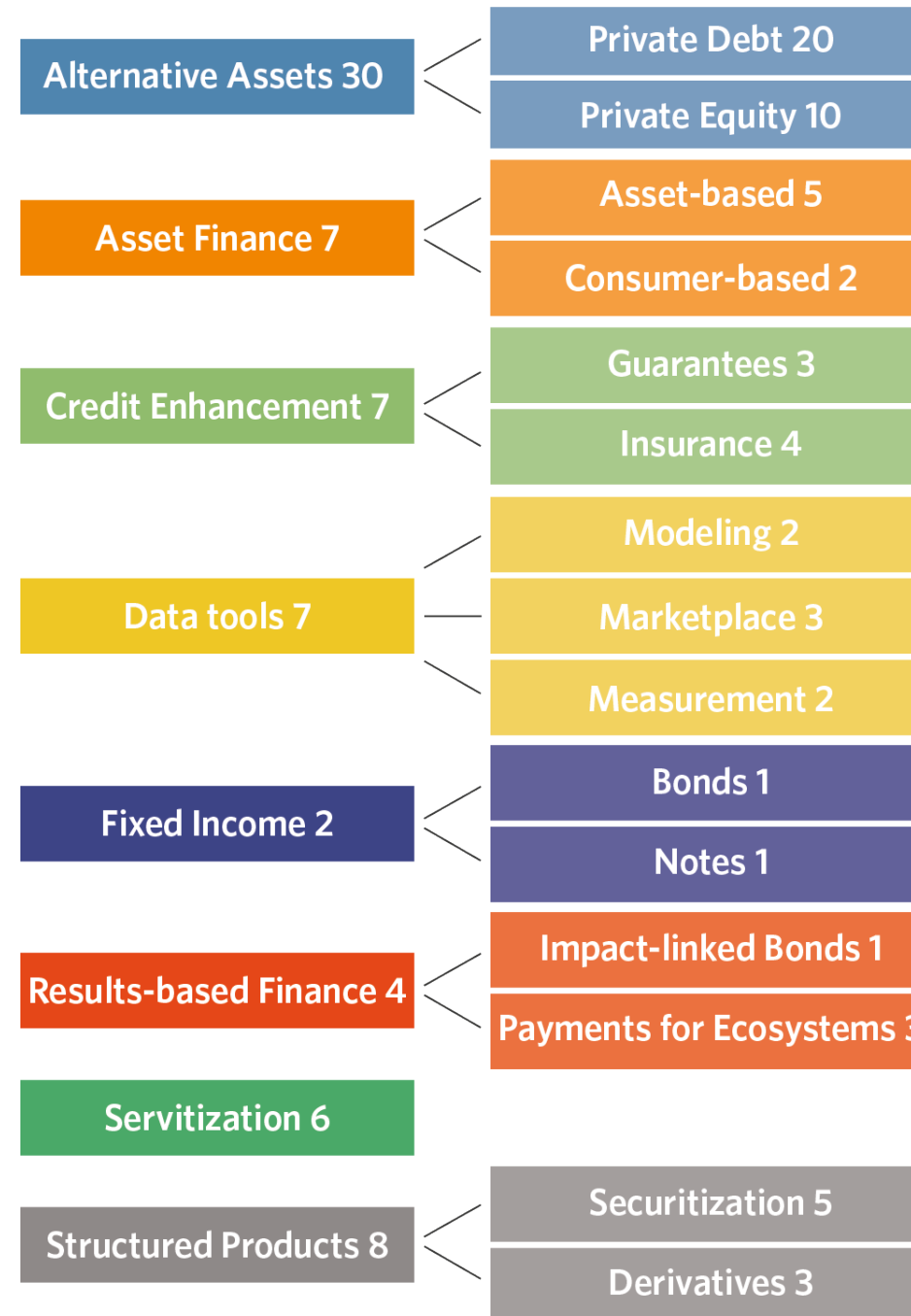
Regions

Lab solutions bring climate finance to the regions that need it the most.



Multiple innovative financial mechanisms

Lab solutions leverage a wide range of financial structures tailored to address specific investment barriers



Lab solutions support the Sustainable Development Goals



18



12



7



3



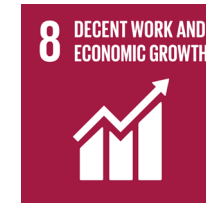
21



10



32



49



27



12



32



37



68



6



20



2



64



United Nations Climate Change
Global Climate Action

2021 UN Global Climate Action Awards

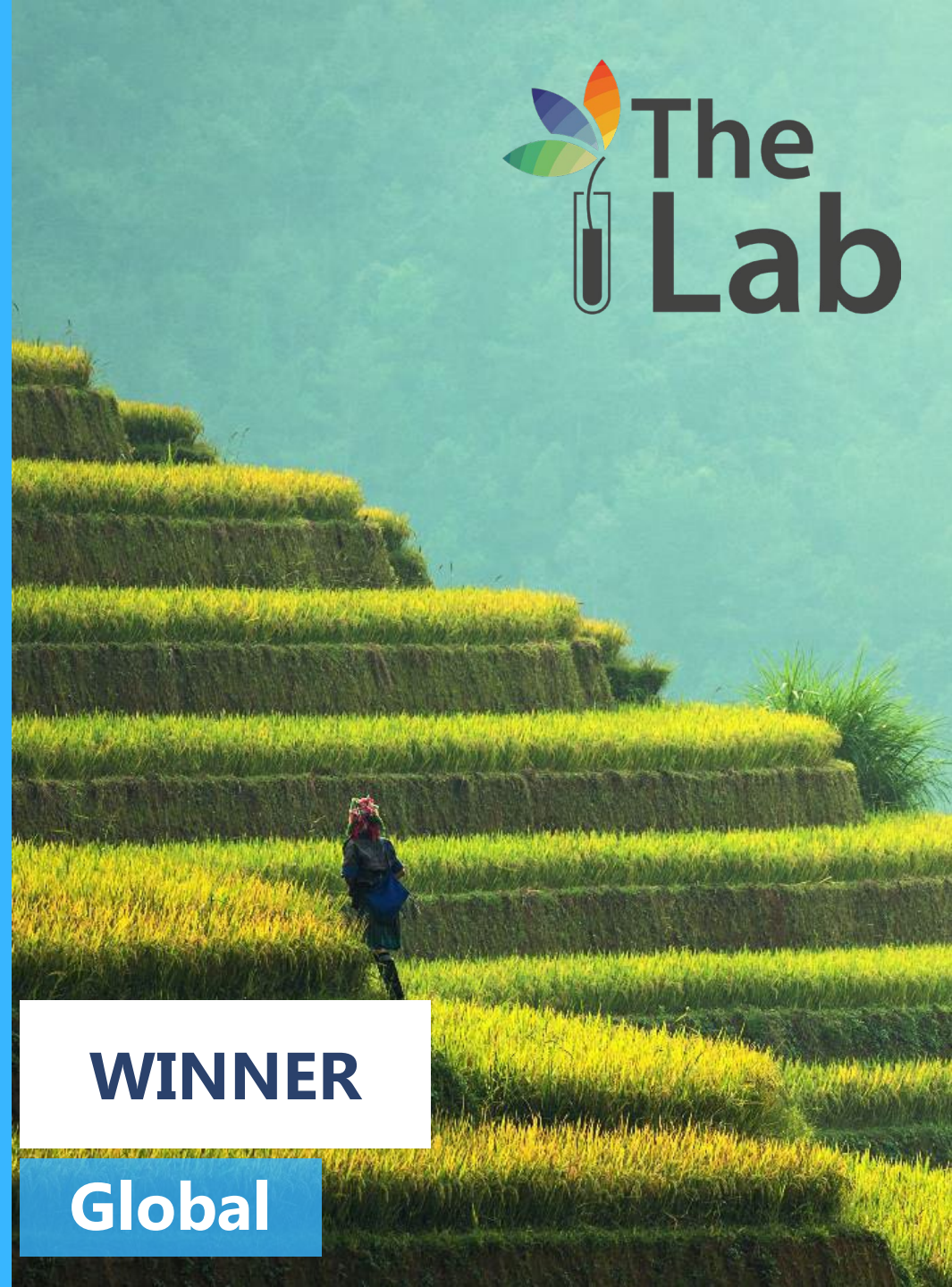
*The Global Innovation Lab
for Climate Finance*

Financing for Climate
Friendly Investment



WINNER

Global



Testimonials



Vera Rodenhoff, Deputy Director General, International Climate Protection and International Energy Transition, Germany Federal Ministry of Economic Affairs and Climate Action

“Germany has been supporting the Lab since its beginning, and we have witnessed an impressive growing complexity of the projects the Lab moves forward. It reinforces the truly innovative nature of the Lab as it embraces the most difficult sectors where barriers for private finance are higher.”



Lori Kerr, Chief Executive Officer, FinDev Canada

“The Lab is unique in joining public and private investors with entrepreneurs advancing innovative projects in climate finance. FinDev Canada is proud to fund the Lab's gender equality stream, as this long-standing initiative aligns with one of our key impact goals of promoting climate action.”

4. Lab Alumni Achievements

Lab ideas represent the latest and greatest in climate finance, offering billions in investment opportunities.

Case Study

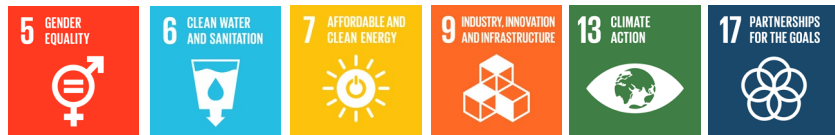
From renewable energy to water and oceans: Climate Investor One and Two replication story

Proponent: Climate Fund Managers

Sectors: Renewable energy (C11), water / WASH (C12)

Regions: Asia-Pacific, Africa, Latin America and the Caribbean

SDGs:



Climate Investor Two (CI2) is Climate Fund Managers' (CFM) second climate-focused, blended finance initiative. CI2 is CFM's second climate-focused, blended finance initiative, modeled after C11, developed under the Lab program in 2015. While C11 focused on renewable energy, CI2 supports the private sector in developing and constructing climate-resilient infrastructure projects in emerging markets in the water, sanitation, and ocean sectors – areas that usually do not attract interest from the private sector.

ACHIEVEMENTS

Climate Investor One

USD 950 million mobilized

Climate Investor Two

USD 855 million mobilized

CLIMATE FUND MANAGERS



"C11 owes much to the Lab's assistance in developing the fund model and initial financial support. The Lab provided a safe testing ground for testing our innovative concept, avoiding early setbacks. The success of C11 led to the launch of CI2 showcasing the Lab's catalyzing effect."

Andrew Johnstone, CEO, Climate Fund Managers

Case Study

Private investors lead the way: Green FIDC's path to raising investments for clean energy in Brazil

Proponent: Albion Capital

Sector: Renewable energy

Region: Latin America

SDGs:



The Green FIDC utilizes the Fundo de Investimento em Direitos Creditórios (FIDC), a Brazil-specific instrument, to raise capital for clean energy and energy efficiency projects. It combines regulatory frameworks, green certification criteria, risk segregation, and a tailored financial model. This allows projects to secure financing based on future cash flows from energy sales through asset-backed securities.

ACHIEVEMENTS

Closed two vehicles at **USD 50 million**,
99.3% from private investors

Brazil's first FIDC as a climate bond

Launched spin-off targeting real state investors



"The Lab was able to provide us with valuable networking and guide us to navigate the complexities of aligning concessional and commercial capital effectively."

Paulo Todaro, Founding Partner and CEO, Albion Capital

Case Study

Sustainable Energy Bonds: Channeling funds to drive India's energy transition

Proponent: cKers Finance

Sector: Energy access

Region: South Asia

SDGs:



Sustainable Energy Bonds serve as a catalyst for impact investment in India's sustainable energy sector. These bonds offer debt exposure, attractive returns, and standardized impact measures, driving funds toward crucial projects.

The targeted initiatives encompass distributed renewable energy solutions, energy efficiency for buildings and industry, expanding energy access, and promoting sustainable urbanization.

ACHIEVEMENTS

Raised **USD 13 million** in three issuances for solar models and infrastructure

Pipeline developed to support electric vehicles and industrial wastewater recycling projects



"Lab support was valuable in helping to formalize impact measures so that we could give needed information to investors. Standardization was crucial. The Lab liaised with investor groups to understand what was needed in this space."

Pawan Mehra, Co-Founder and Managing Director, cKers Finance

Case Study

Blockchain Climate Risk Crop Insurance: Transforming insurance for smallholder farmers through the blockchain

Proponent: Etherisc

Sector: Sustainable agriculture

Region: Africa

SDGs:



An automated local weather-indexed crop insurance platform for smallholder farmers in sub-Saharan Africa. Policies are plugged into smart contracts on a blockchain and automatically triggered during an extreme weather event, facilitating fair, transparent, and timely payouts. The instrument reduces farmers' transaction costs during the processing of claims.

ACHIEVEMENTS

Ongoing pilot launched in 2021 in Kenya has already followed a series of crop cycles

Working on improving technology to reduce farmer premiums

Exploring carbon markets component

Joined the UN World Food Program Innovation Bootcamp



"We needed to prove a concept that was never done before. Automating an insurance product based on blockchain technology. The hard questions that came up in the working groups were really important because they prepared our team for the questions that potential investors and other implementation partners asked us in the later stages."

Michiel Berende, Chief Inclusive Officer, Etherisc

5. What's Next

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





Lab Summit

London, June 2024

Ten years unlocking billions into the global low-carbon, climate-resilient economy.



Global Innovation Lab
for Climate Finance



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**This report was
prepared by
Climate Policy
Initiative, Secretariat
for
the Lab**



**CLIMATE
POLICY
INITIATIVE**

With deep expertise in finance and policy, CPI is an analysis and advisory organization that works to improve the most important energy and land use practices around the world. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. CPI has six offices around the world in Brazil, Europe, India, Indonesia, and the U.S.

Climate Policy Initiative, as Lab Secretariat:

- Manages the Lab
- Leads analytical support
- Supports ideas to succeed and scale
- Communicates findings, impacts, and lessons learned
- Convenes the Lab and gathers public and private investors