



Global Innovation Lab  
for Climate Finance

## 2023 Lab Impact Report

Accelerating private climate  
investment in emerging markets

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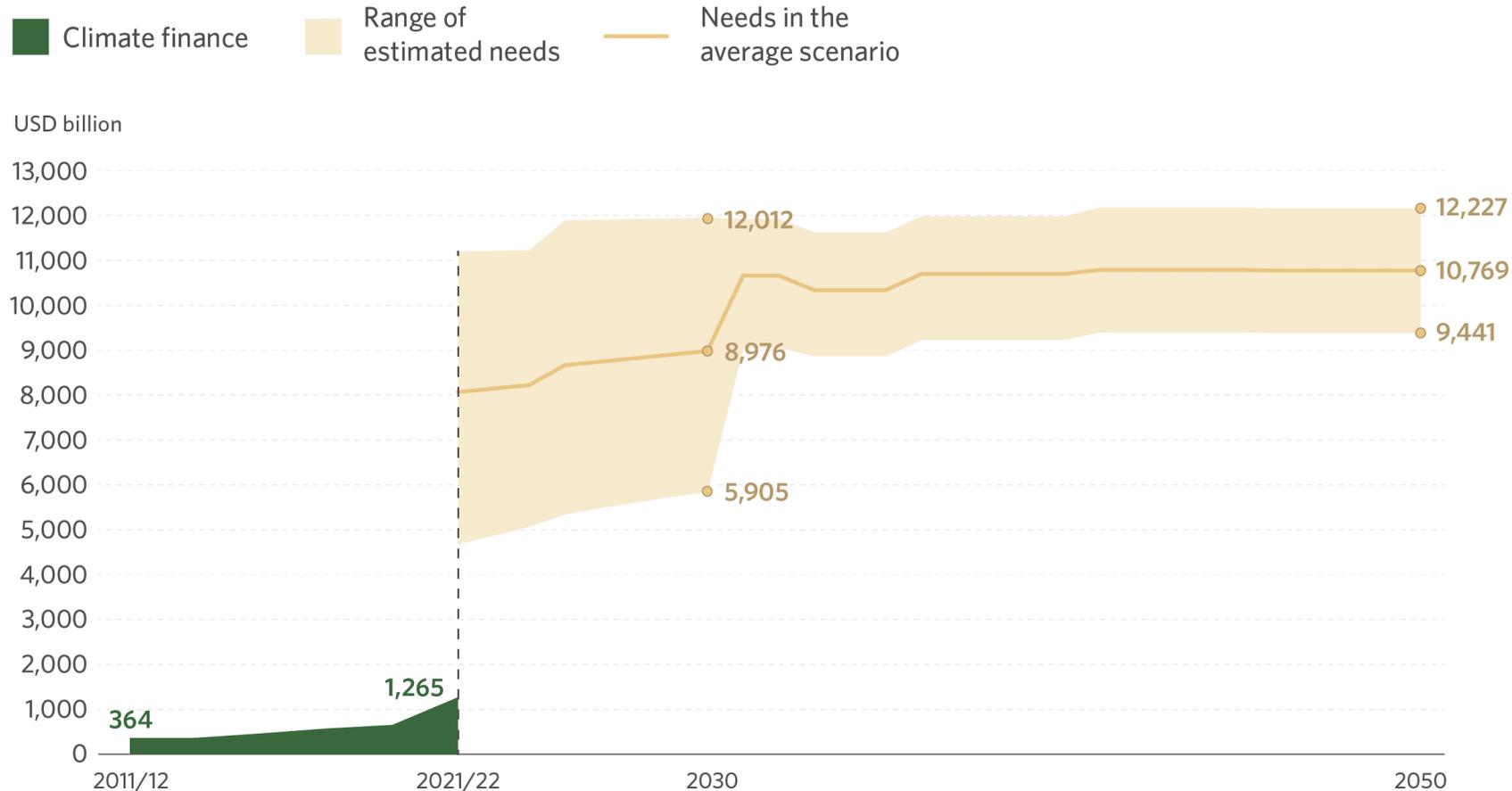
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# 1. The Lab at a Glance

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.



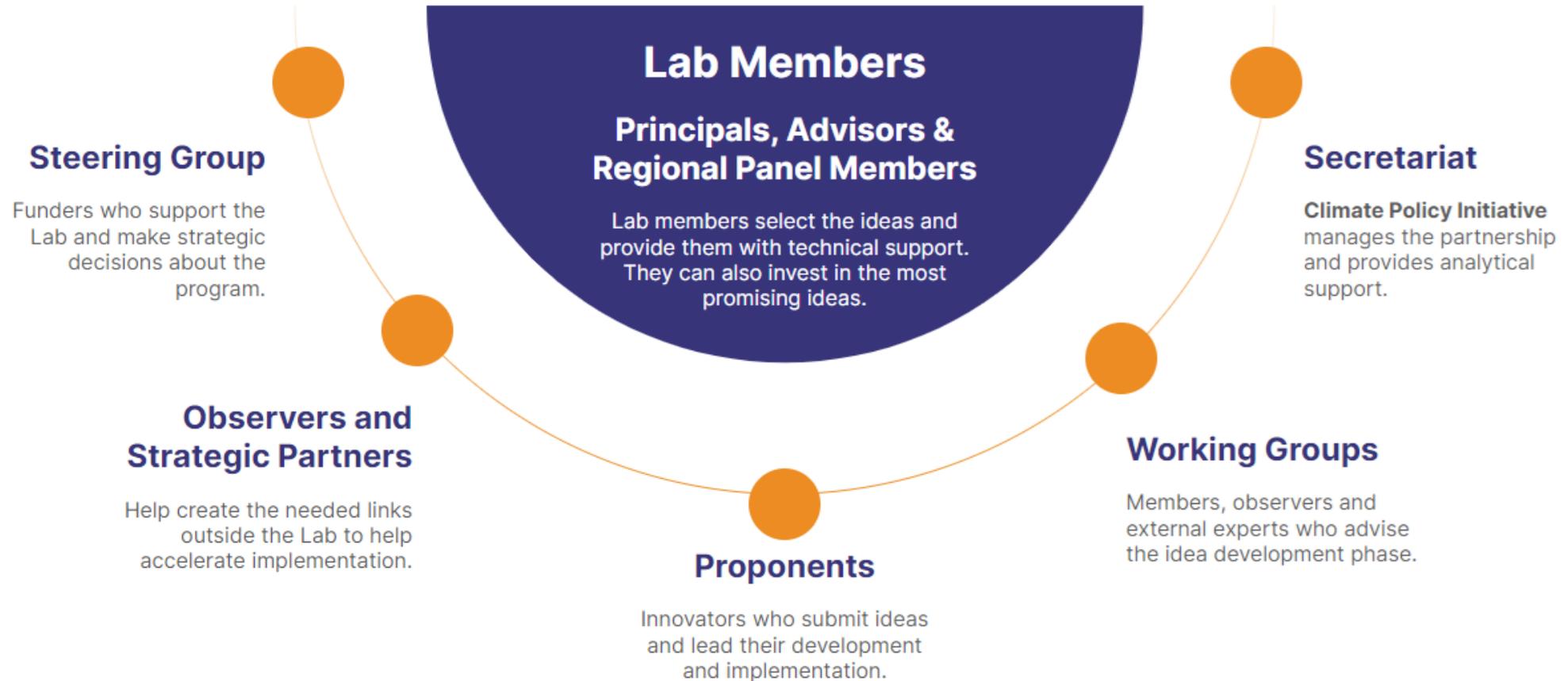
## Mobilizing Finance

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

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# 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



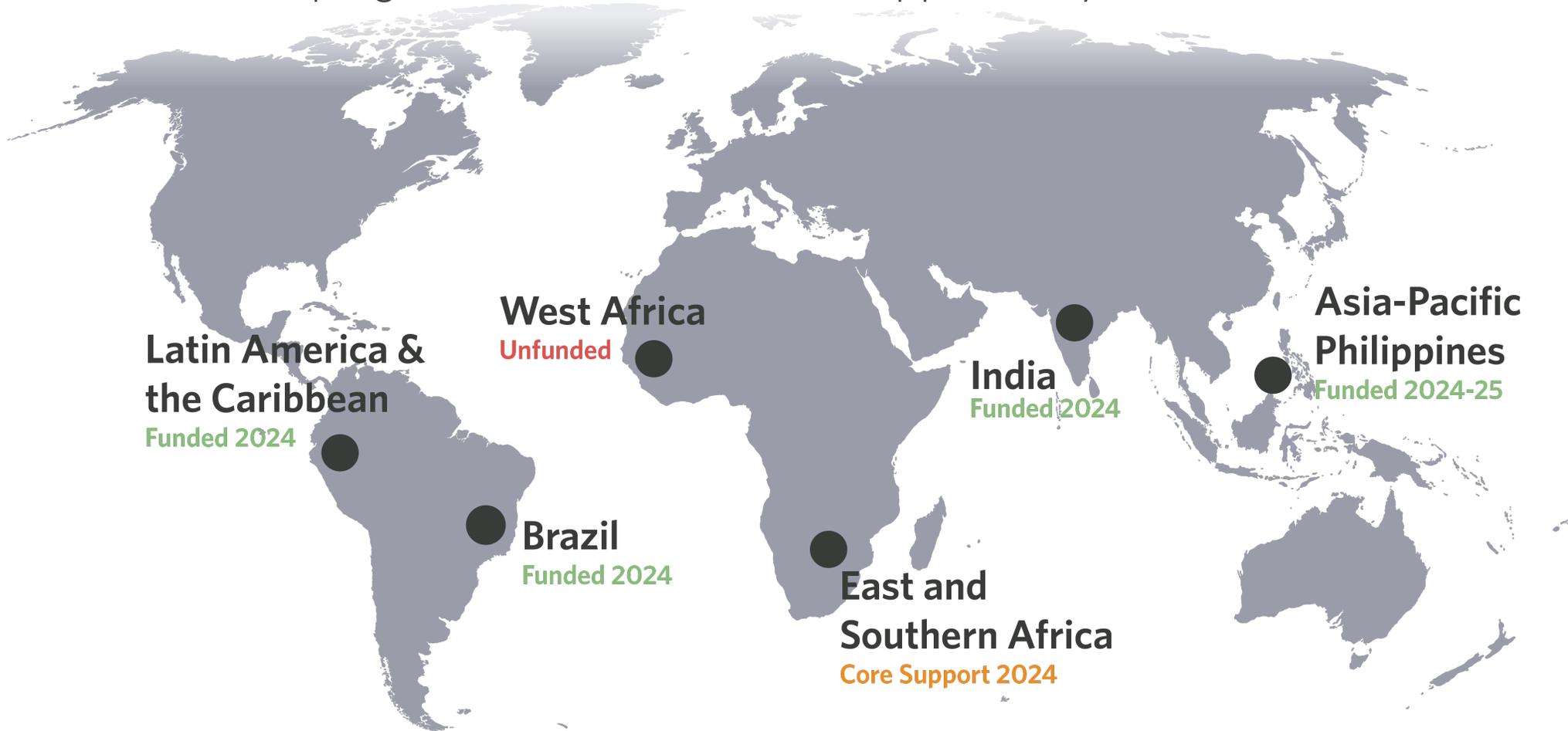
IKEA Foundation



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## 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.



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## **2. How the Lab Works**

From idea to impact

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## 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.

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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.

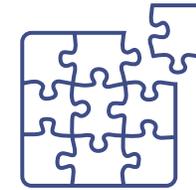


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SEP

## Endorsement & Launch

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



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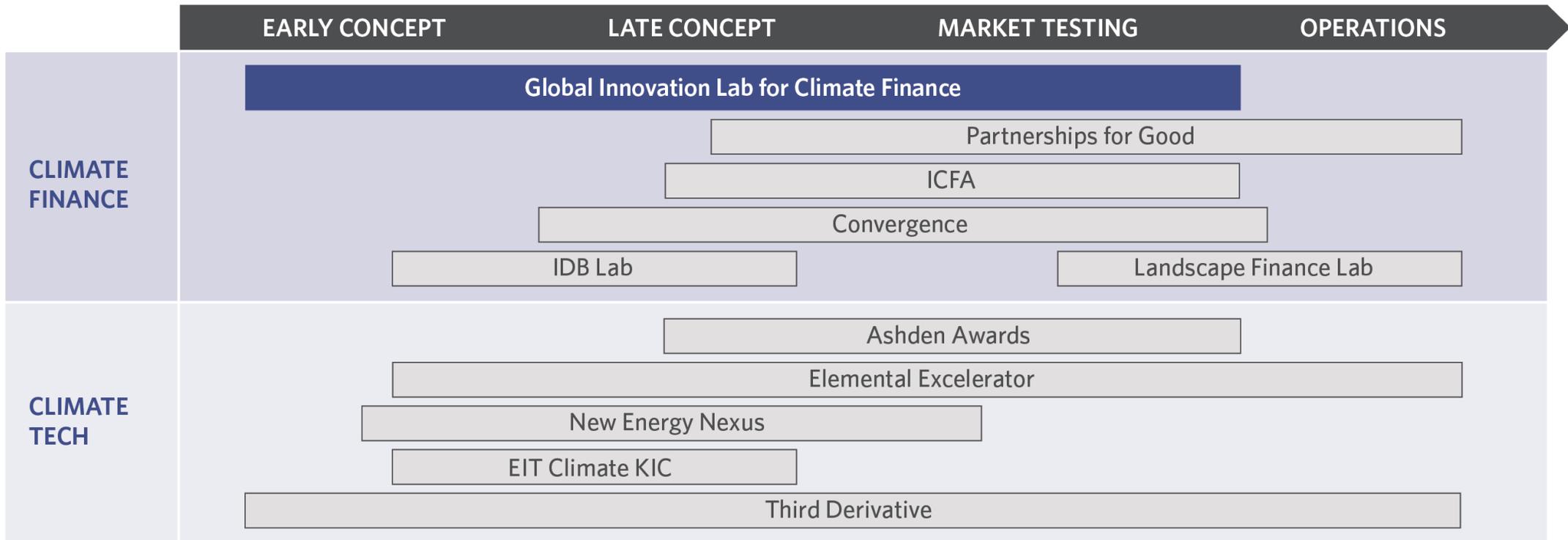
OCT - ONWARD

## Implementation

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

# The Lab is unique

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



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## 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.”

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# 3. The Lab's Impact

Unlocking billions for climate investments

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## 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

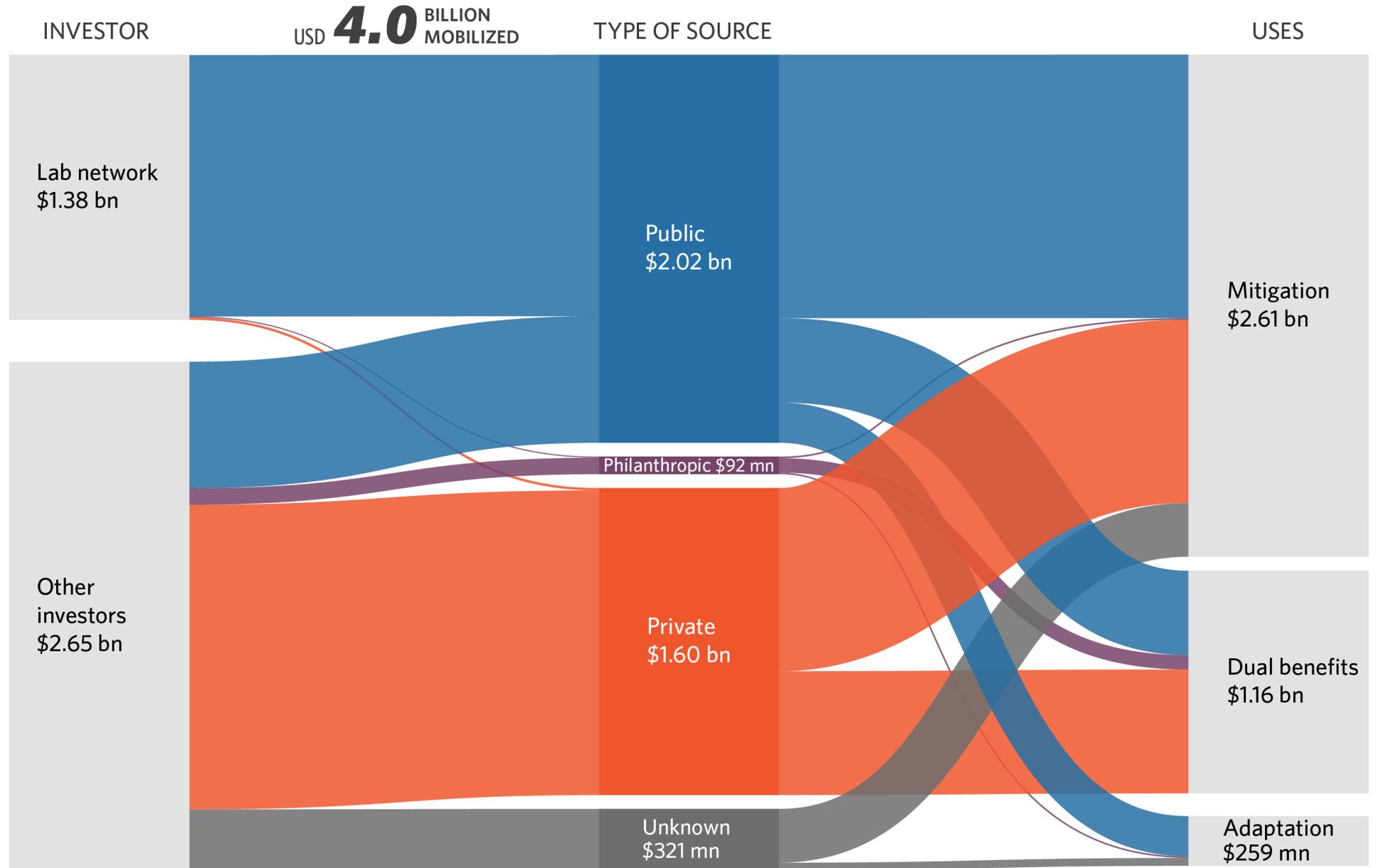
# 54%

capital mobilization  
success rate

# 37

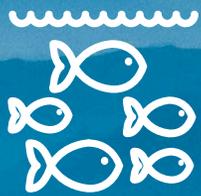
Lab ideas successfully  
secured investments

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



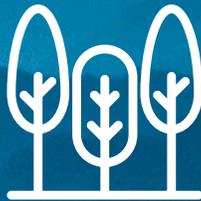
Energy  
31



Gender Equality  
10



Land Use/AFOLU  
27



Nature-based Solutions  
13



Sustainable Cities  
13

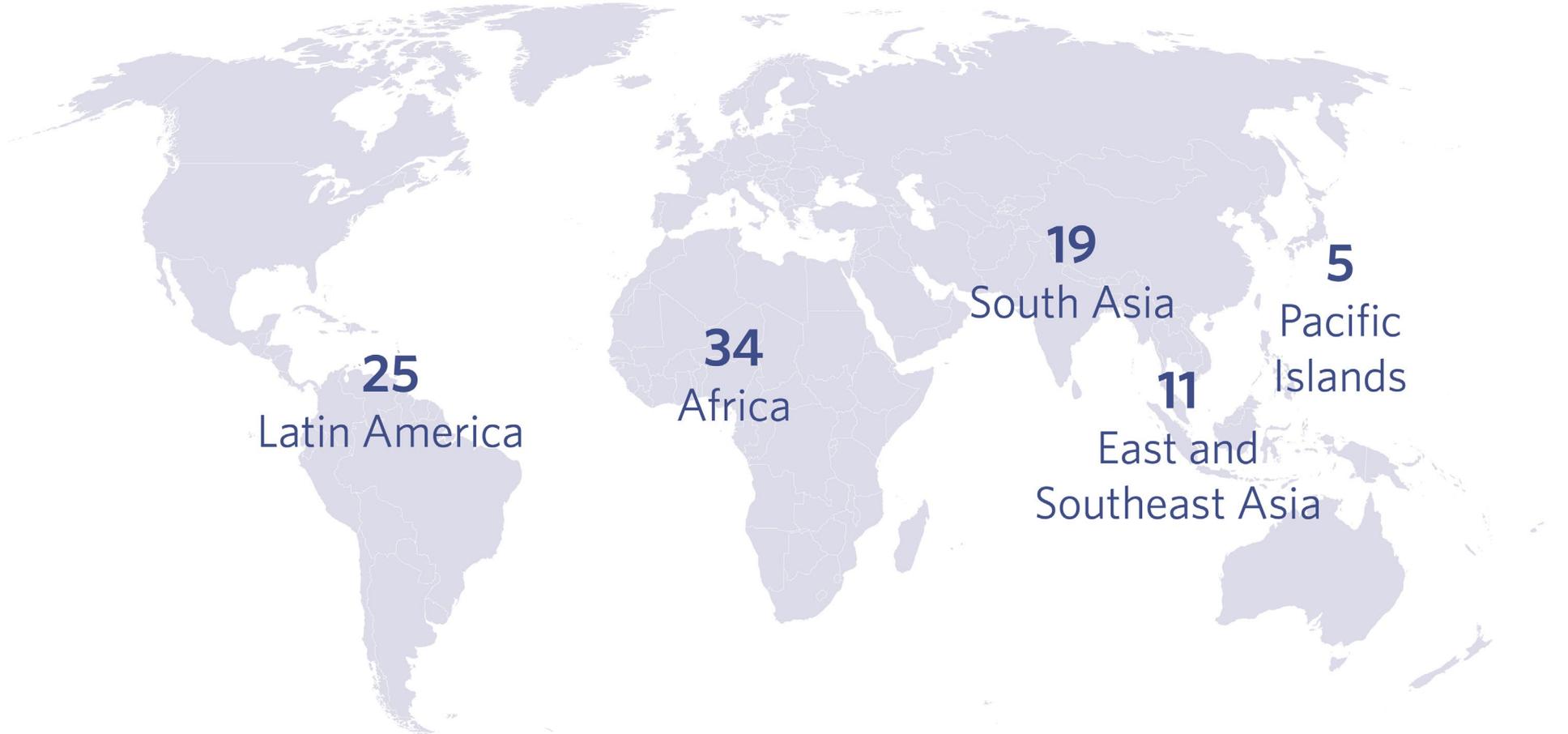


Water/WASH  
2

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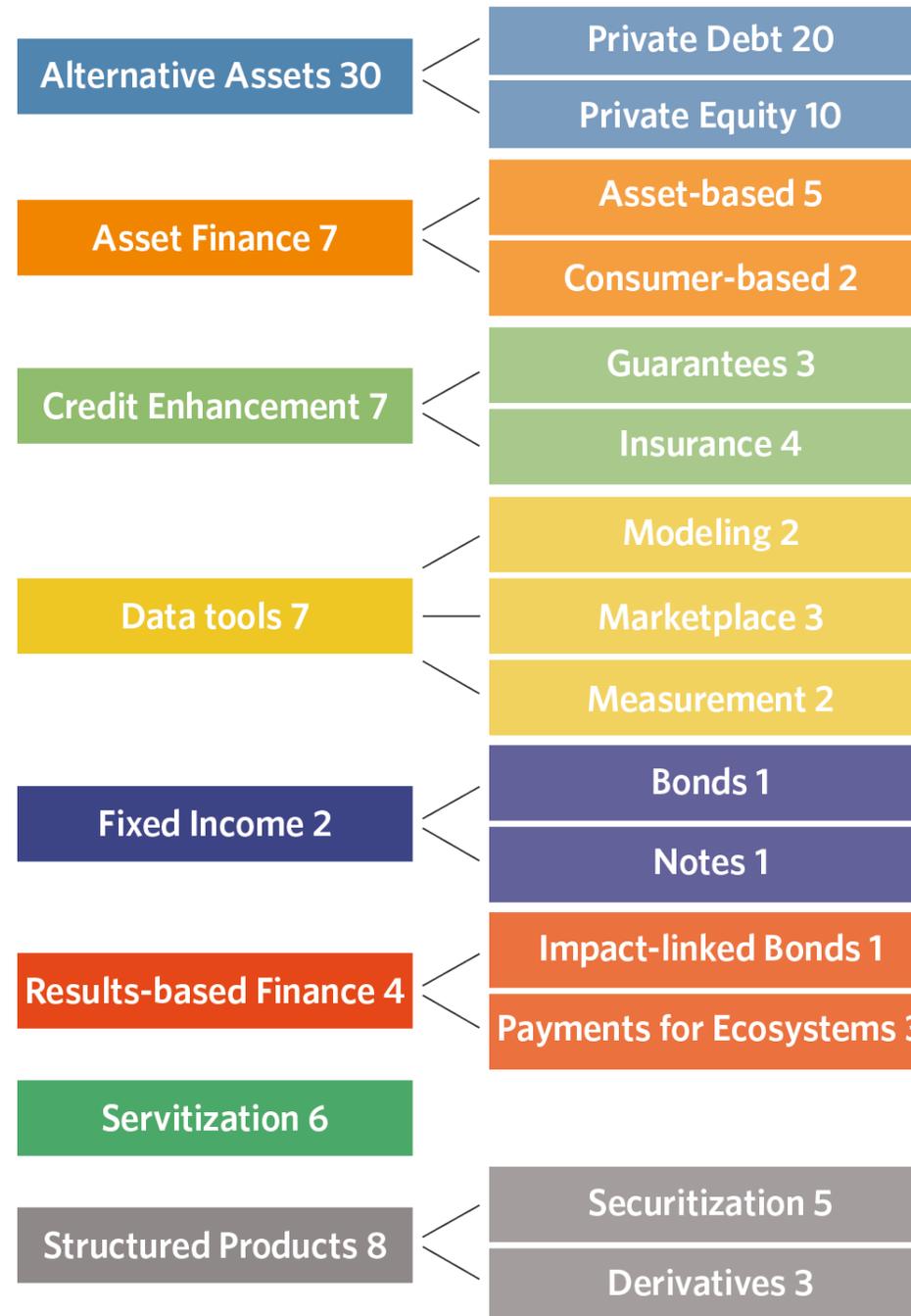
# Regions

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



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# Lab solutions support the Sustainable Development Goals





United Nations Climate Change  
Global Climate Action

# 2021 UN Global Climate Action Awards

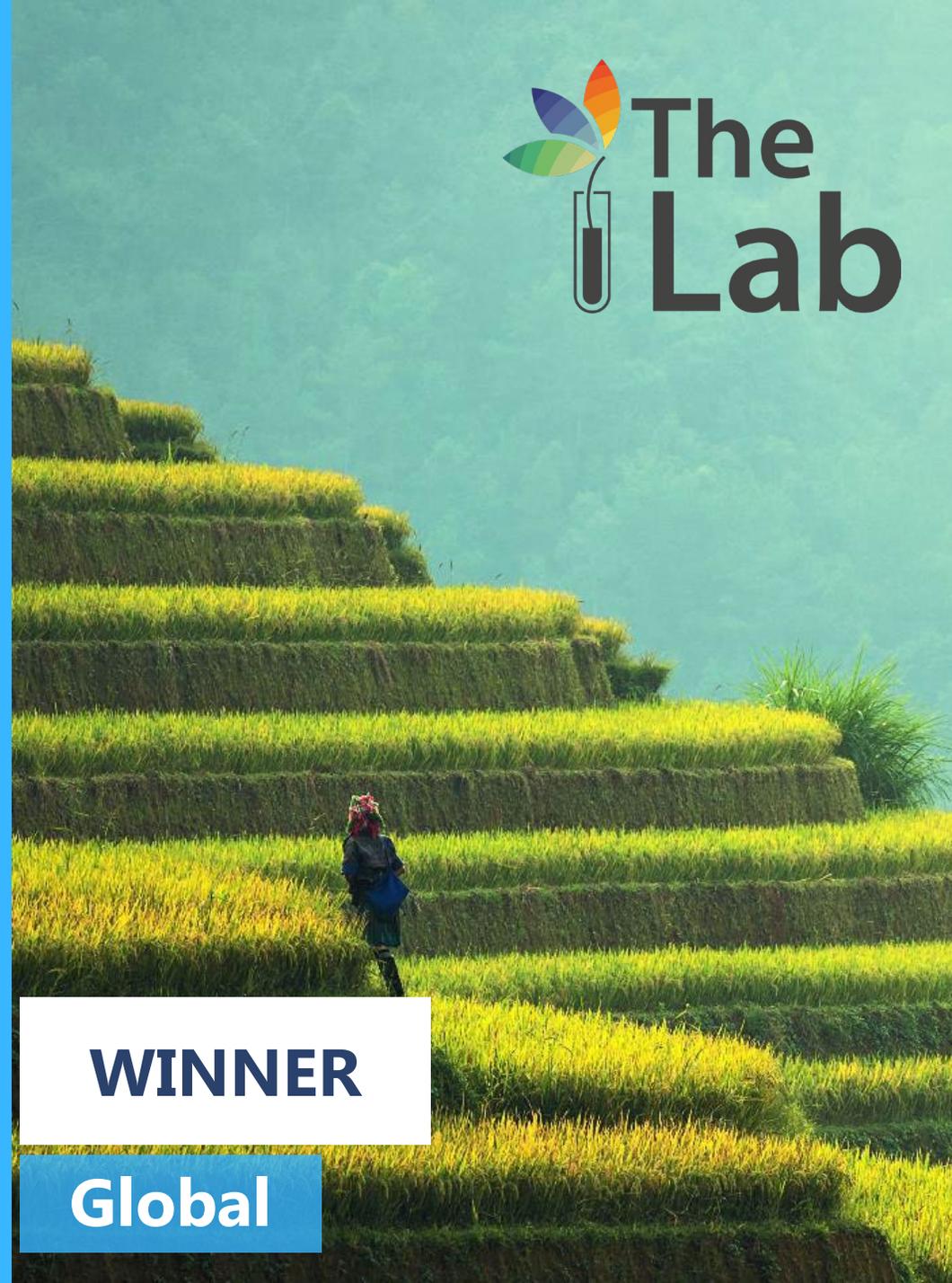
*The Global Innovation Lab  
for Climate Finance*

Financing for Climate  
Friendly Investment



**WINNER**

**Global**



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# 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.”

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## **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

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# 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



An aerial photograph of the London skyline, featuring prominent skyscrapers like the Gherkin and the Shard, with the River Thames and the City of London buildings in the background. The text 'Lab Summit' is overlaid in large white font.

# Lab Summit

London, June 2024

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



Global Innovation Lab  
for Climate Finance



Global Innovation Lab  
for Climate Finance

THE 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