

Overview



Private investors are already channeling significant amounts of money into the low-carbon economy in countries around the world, but much more investment is needed in order to tackle the climate challenge. Well-designed financial instruments improve the effectiveness of public support, while reducing private investors' risks and improving their financial returns. They can play a central role in scaling low-carbon investment and addressing the climate goals of developing countries.

Since launching in 2014, The Lab and its initiatives have been endorsed by the G7 and collectively attracted over USD 600 million in funding commitments for projects around the world.

The Global Innovation Lab for Climate Finance (the Lab) is a public-private initiative that catalyzes low-carbon investment by identifying, developing, and

supporting delivery of transformative climate finance instruments. Its aim is to drive billions of dollars of private investment into climate change mitigation and adaptation in developing countries. Lab members include high-level representatives from governments, insurance companies, pension funds, investment banks, project developers, and development finance institutions from across the world.

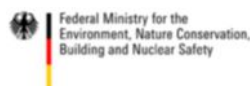
By developing project-ready solutions that can be implemented in the short term, the Lab develops and launches solutions that move quickly from talk to action.

INSTRUMENT CRITERIA

The Lab criteria for idea selection and development are:

- Actionable
- Innovative
- Catalytic
- Financially Sustainable

Global Lab Members & Funders



2016-2017 INSTRUMENTS UNDER DEVELOPMENT

Climate Resilience & Adaptation Finance/ Transfer Facility (CRAFT)

A commercial investment vehicle that blends private and public finance to provide growth capital and technical assistance for companies managing climate risk, proposed by the Global Adaptation & Resilience Investment Working Group.

Cloud Forest Blue Energy Mechanism

A fund for restoration and conservation of cloud forests in Latin America, which can improve the productivity of hydroelectric plants, proposed by Conservation International and The Nature Conservancy.

Renewable Energy Scale-up Facility

A platform to drive private institutional equity into the riskier, earlier stages of renewable energy projects in emerging markets, to expand project pipelines, proposed by Baker McKenzie and Get2C.

PILOTED INSTRUMENTS FROM 2014-2016

Agricultural Supply Chain Adaptation Facility

A value chain finance platform where multilateral development banks partner with agribusiness companies to provide technical assistance and finance for climate-resilient investments to the farmers in their supply chains. *Ongoing pilot: the ECOM Coffee Renovation Facility in Nicaragua.*

Climate Investor One

Combines three innovative investment facilities into one to finance early-stage development, construction, and refinancing in order to fast-track renewable energy projects in developing countries. *Received USD \$400M in funding commitments for large-scale renewable projects in Africa & the Philippines.*

Energy Savings Insurance

An insurance product that covers the expected value of savings generated by energy efficiency investments for energy service providers and equipment providers. *Scaling in seven countries, including with Green Climate Fund funding for a launch in El Salvador.*

Long-Term Foreign Exchange Risk Management

Provides tools to address currency and interest rate risk for climate relevant projects in developing countries, by locking in long-term finance in local currencies. *Supported a number of large-scale hedging transactions in Africa, and is helping to connect 500 homes to solar each day.*

Climate-Smart Lending Platform

Brings together the tools, actors, and finance necessary to help lenders incorporate climate risk in their loan portfolios while incentivizing the adoption of climate-smart farming methods by smallholders. *Currently building a pipeline of projects with scoping support from the Netherlands MOFA.*

Energy Efficiency Enabling Initiative

A private equity fund that relies on donor-backed equity capital and risk mitigation instruments to crowd in private investment in energy efficiency. *Raising a first fund for energy efficiency investments in Latin America and developing a strong pipeline for a second fund.*

Oasis Platform

Provides open access to data and open source modeling tools that enable risk assessments as well as the transparent evaluation of economic and financial losses associated with extreme climate-related events. *Endorsed by key insurance industry partners, pilot moving forward in Asia.*

Water Financing Facility

A national level pooled bond facility providing long-term, local currency loans to public or private water utilities for projects to enhance climate resilience. *Pilot moving forward in Kenya, initial bond issuance expected in late 2017.*

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