



CLIMATE  
POLICY  
INITIATIVE

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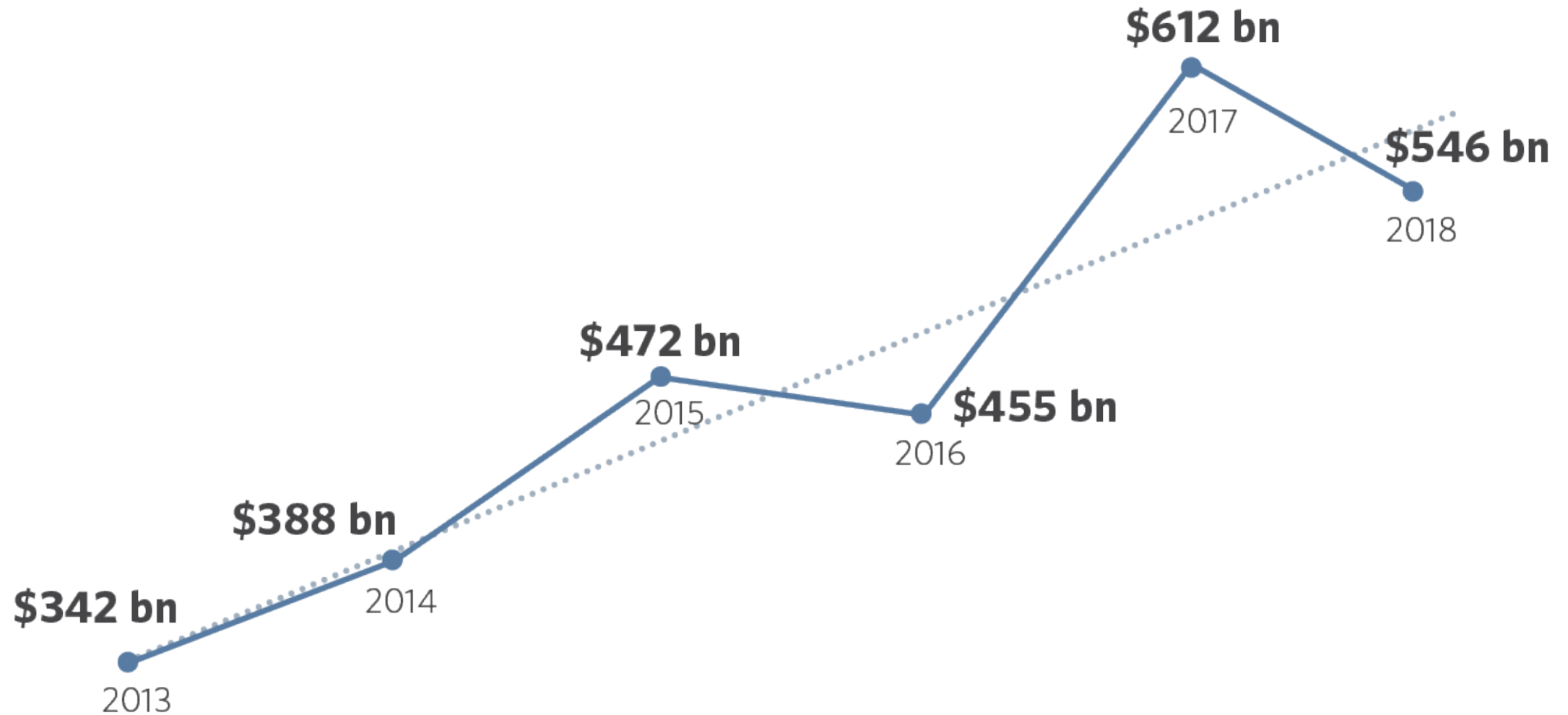
# Sharing Solutions for Energy Transitions: A Finance and Economics Perspective

Dr. Barbara Buchner

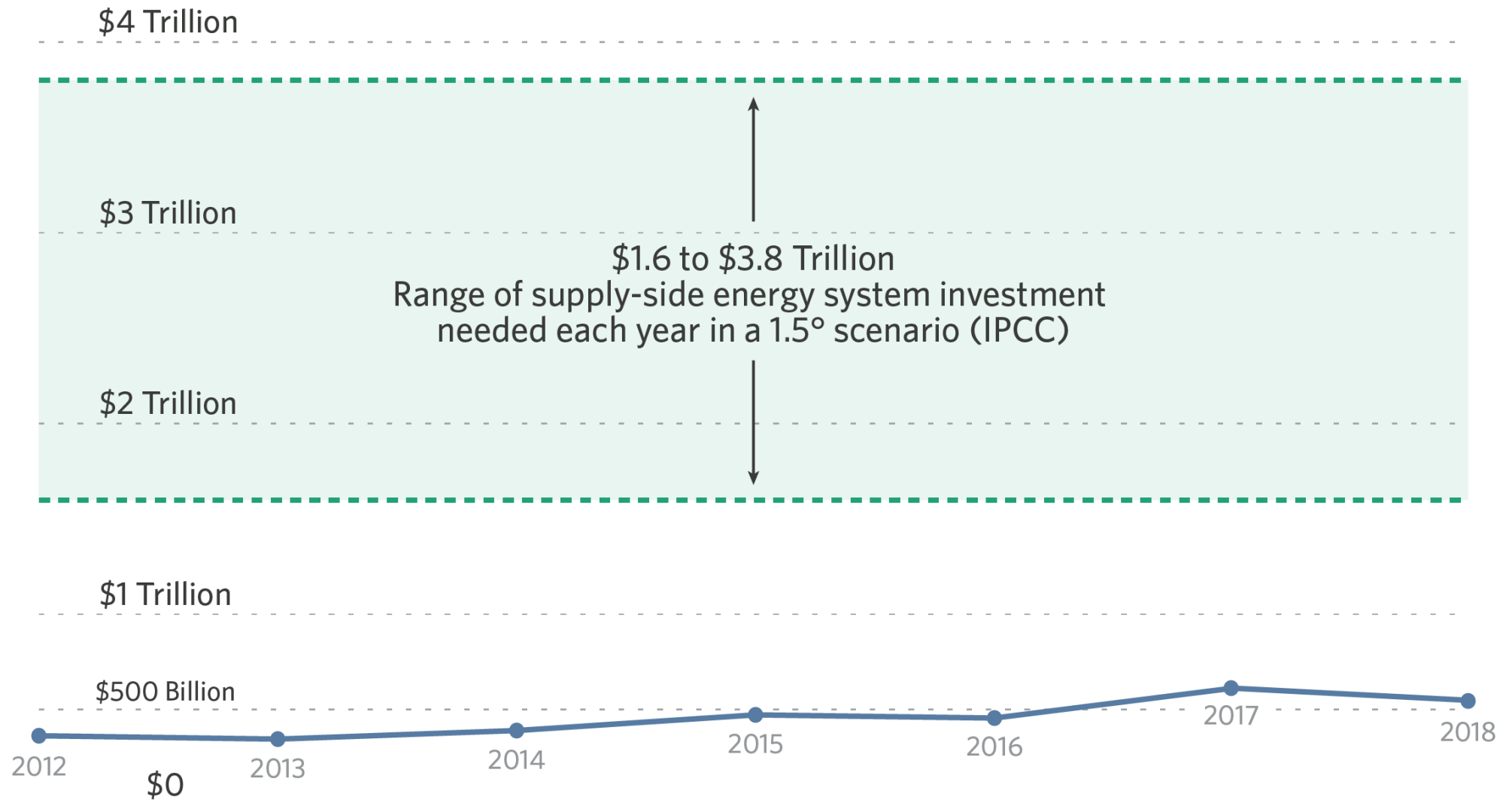
 @bbuchner13



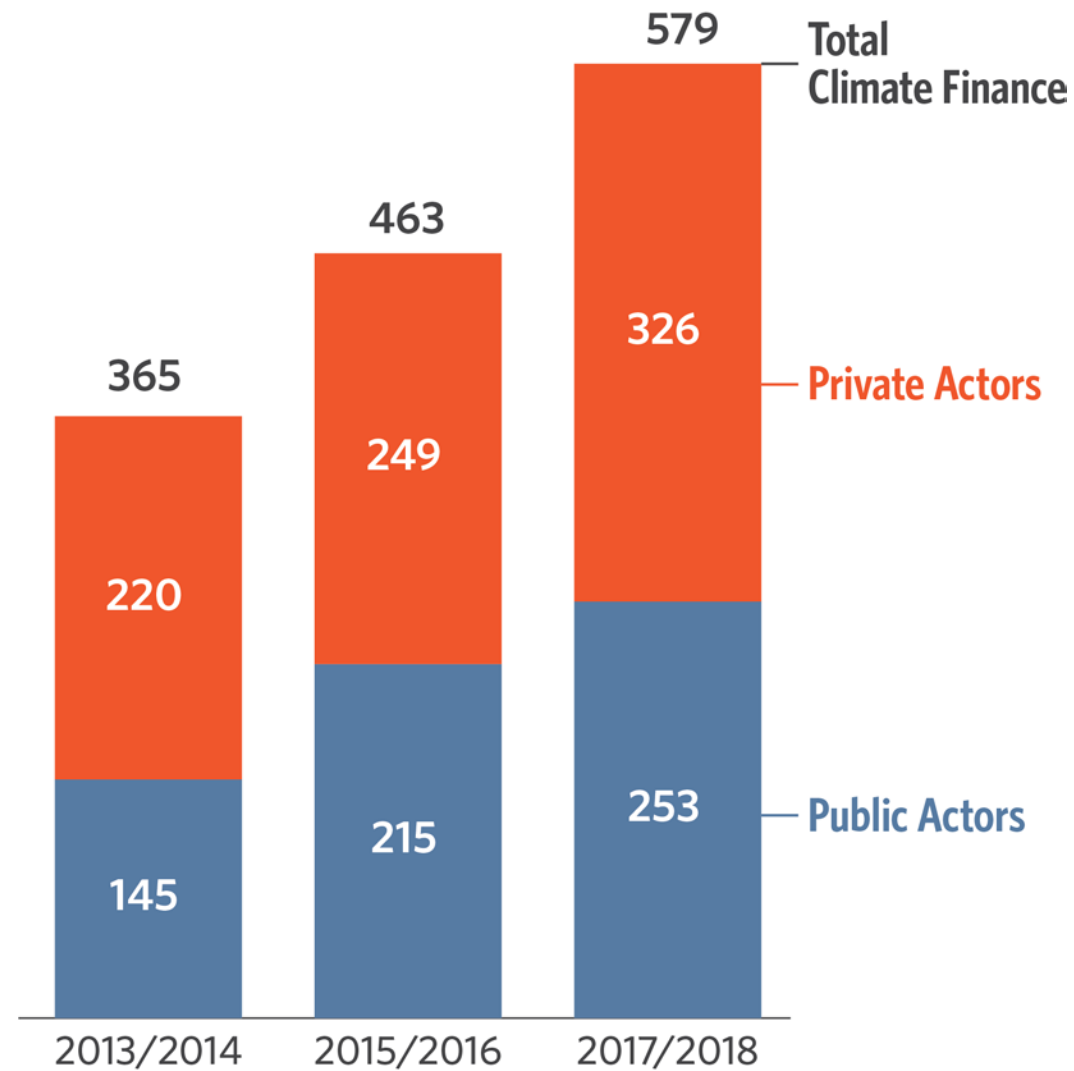
Annual tracked climate finance in 2017 and 2018 crossed the USD half-trillion mark for the first time ...



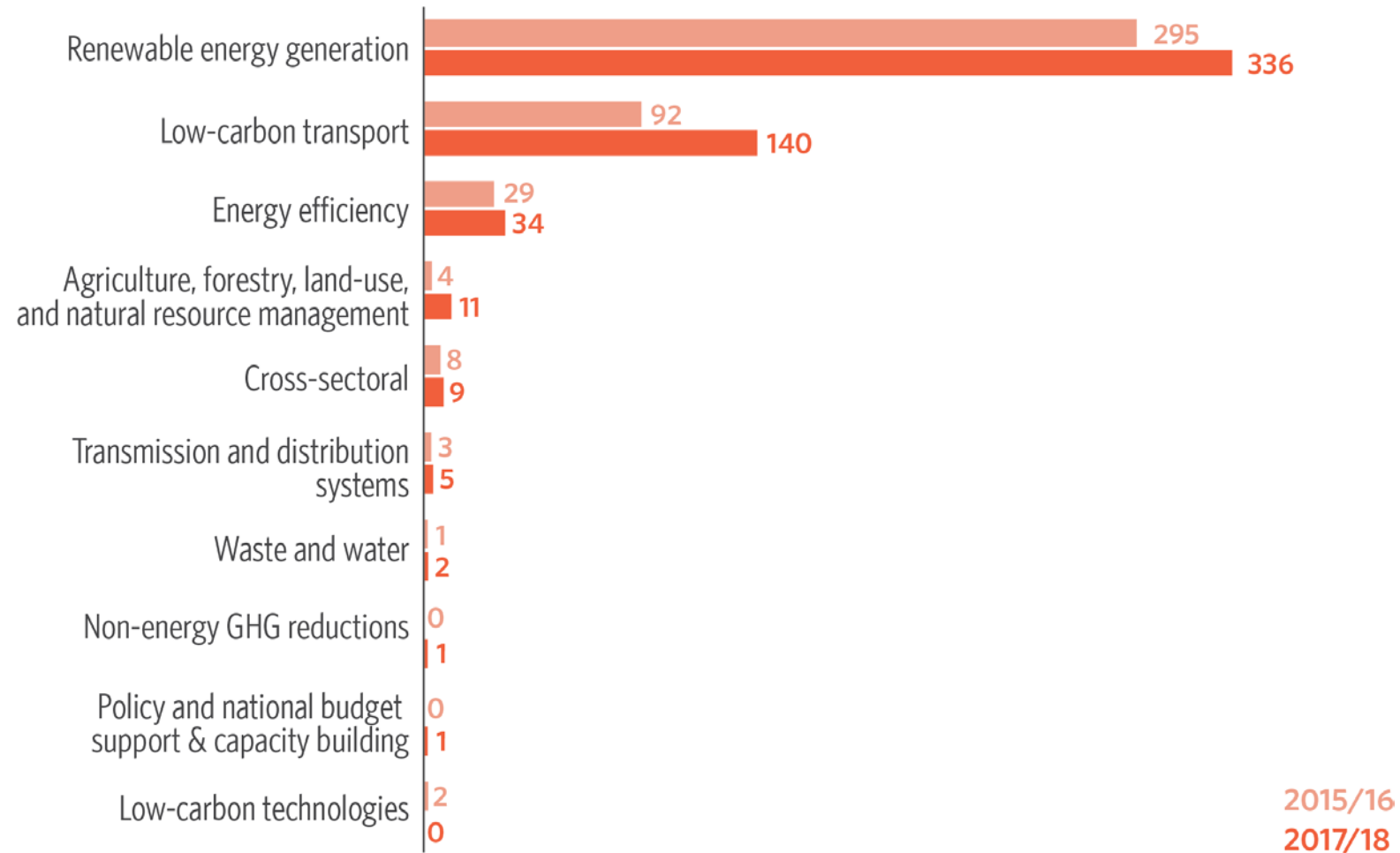
... but is nowhere near enough: action still falls far short of what is needed under a 1.5 °C scenario.



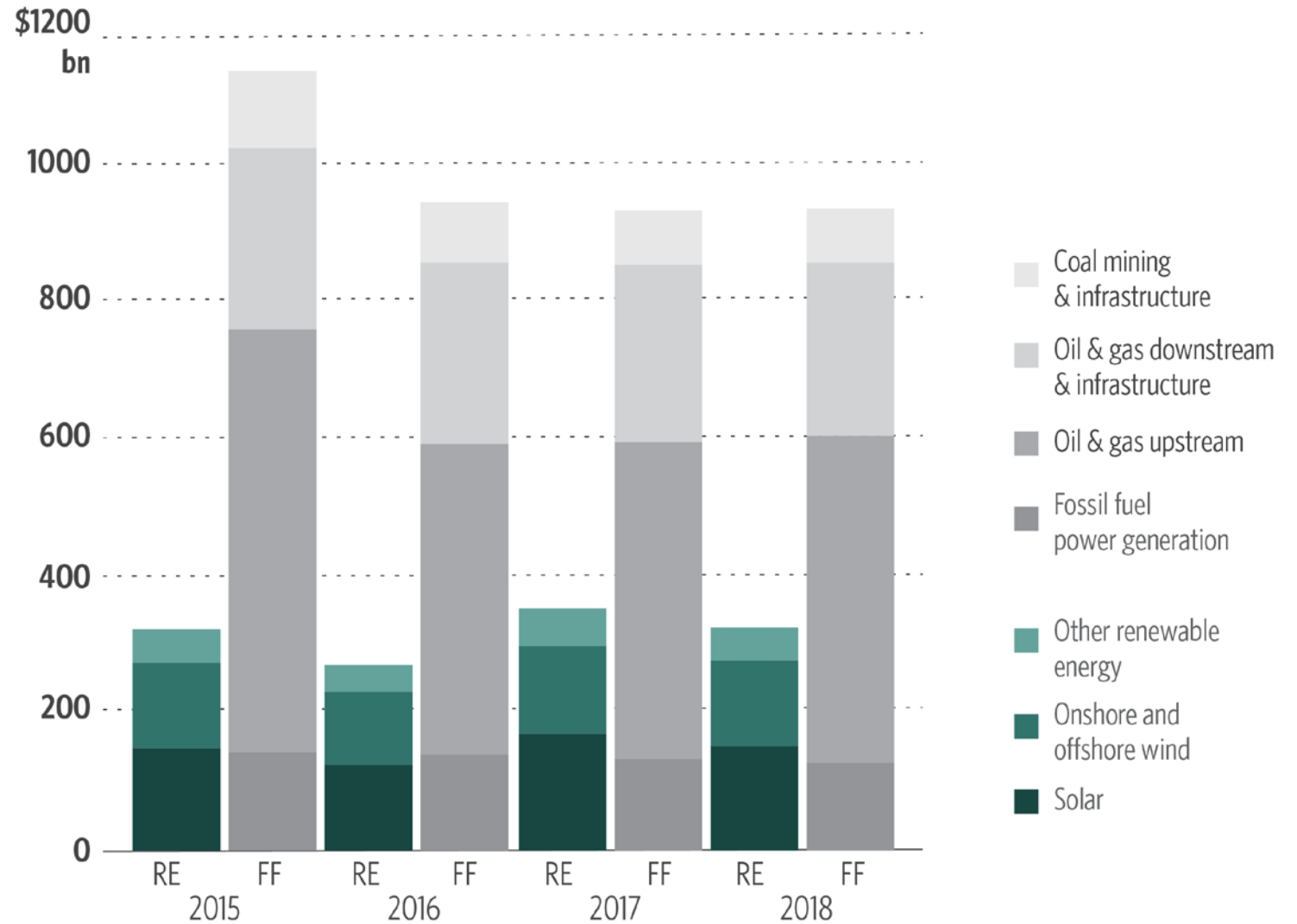
Public and private commitments continue to rise, with the private sector still providing the majority of climate finance.



# Renewable energy remains the primary destination sector, but financing for low-carbon transport is increasing rapidly.



While finance for renewable energy exceeds that for generation from fossil fuels, including investment in fossil fuel supply infrastructure paints a different picture.



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## Opportunities exist to scale up and speed up the growth of global climate finance.

1. Governments should continue to raise the level of ambition in national climate plans and allocate resources to enable their implementation
2. Public and private actors must coordinate to rapidly scale up finance in sectors beyond renewable energy generation
3. All financial actors should seek full alignment with the Paris Agreement across all of their operations

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## Opportunities exist to scale up and speed up the growth of global climate finance.

4. Capital markets and banking must shift toward green finance
5. Public institutions in particular must make every dollar count and ensure quality as well as quantity of flows
6. The climate finance tracking community must anticipate, adapt to, and promote these changes to facilitate a rapid transition
7. Innovation is crucial





# The Global Innovation Lab for Climate Finance

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**41** instruments launched

**60+** public and private Lab Member  
institutions

**\$2.1bn** mobilized by Lab  
instruments

Regional focus in Brazil, India, Southern Africa

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

## FUNDERS



## MEMBERS



## PAST FUNDERS



## SECRETARIAT



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## Climate Investor One

2015 Lab Instrument

A financing facility for early-stage development, construction financing, and refinancing to fast-track renewable energy projects in developing countries



## PROGRESS TO DATE

- **Announced final close at \$850 mn**, having scaled beyond its original target of \$530 mn
- **Invested in several projects**, two of which have received construction financing
  - **Cleantech Solar**, a 116MW pan-Asia Corporate and Industrial (C&I) rooftop solar platform
  - **Africa Hydro Holdings (AHH)**, a 42MW run-of-river hydro platform in Uganda.
- **Climate Investor Two is planned** to be constituted with funding from the government of the Netherlands



## Energy Savings Insurance

2015 Lab Instrument

Energy Savings Insurance overcomes investment barriers to energy efficiency in the SME sector by providing an insurance product covering projected energy savings for efficiency projects and a suite of technical assistance tools

## PROGRESS TO DATE

- The program reached the **proof of concept in November 2018**. Since then, the demand for the instrument has been increasing
- **Expanded from four to eight countries in Latin America:** Brazil, Colombia, El Salvador, Mexico, Peru, Chile, Paraguay, Argentina, and Nicaragua
  - **In Colombia** alone, 12 projects using ESI model are underway
- **Mobilized \$114.7 million** in investments



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## Green Receivables Fund (Green FIDC)

2017 Lab Instrument

The Green FIDC is a project finance instrument that allows green projects to secure financing based on future cash flows from energy sales.

## PROGRESS TO DATE

- **Pilot** is underway with private developer Órigo Energia to finance the sales of rooftop solar systems to Brazilian residential consumers
- **Raised \$10+ mn towards \$25+ mn** close for pilot
- **Secured grants** to structure 1-2 new FIDCs. Potential transactions are energy efficiency for a public water utility and distributed solar projects
- **6 letters of intent signed with indicative pipeline of \$1 bn** of renewable energy and energy efficiency projects



# 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.

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SUBMIT:

 @climatefinlab

**[WWW.CLIMATEFINANCELAB.ORG](http://WWW.CLIMATEFINANCELAB.ORG)**

DEADLINE:

**DEC 20TH, 2019**

## Contact –

CPI: [climatepolicyinitiative.org](http://climatepolicyinitiative.org)

The Lab: [climatefinancelab.org](http://climatefinancelab.org)

USICEF: [usicef.org](http://usicef.org)

**Global Landscape of Climate Finance:**  
[climatefinancelandscape.org](http://climatefinancelandscape.org)

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# Thank You