



SEED
promoting entrepreneurship
for sustainable development

Founding Partners



SEED PRACTITIONER LABS CLIMATE FINANCE

Prototyping financial products to drive climate-smart innovation

July – November 2018 | Mumbai, India

SEED Practitioner Labs Climate Finance supported by:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

SEED Practitioner Labs Climate Finance

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SEED Practitioner Labs Climate Finance

Facilitating Climate Finance Product Development

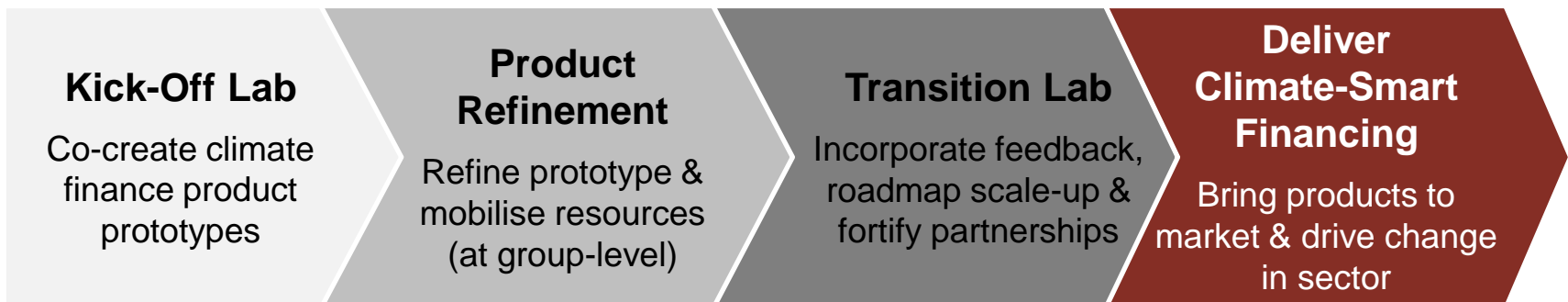


The 2018 SEED Practitioner Labs Climate Finance series in India, Thailand and Uganda brought together around **200 leading investors, banks, development finance institutions, foundations, governments, innovators and intermediaries** to jointly prototype tangible solutions to major climate finance challenges.

Lab practitioners, facilitated by *SEED Prototyping Tools*, turned challenges into solutions as they designed and mobilised support for robust prototypes that innovate the next generation of climate finance products for their target markets.



From Kick-Off to Market:



Practitioner Lab Climate Finance India Impressions



Mumbai, India – Kick-Off Lab 3 July 2018, Transition Lab 20 November 2018



Practitioner Lab Climate Finance India

Bringing together stakeholders from over 30 organisations



Product Development Hosts



Lab Practitioners



Confederation of Indian Industry



Practitioner Lab Climate Finance India

Developing three innovative climate finance products



Turning challenges



... into new climate finance solutions



Mainstreaming green projects in commercial banking



Green MSME Finance Tool,
hosted by TARA with Grameen Capital



Financing decentralised renewable energy



Portfolio Level Debt Facility,
hosted by New Ventures



Unlocking the carbon market for waste SMEs



Gold Standard Programme of Activities for Waste Management Start-Ups with Debt Linkages,
hosted by GIZ with VNV Advisory



Green MSME Finance Tool

Product development hosted by TARA with Grameen Capital



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Product synopsis

Offers a knowledge platform for providing data and frameworks to banks for understanding green-technology-based enterprises and evaluate them for financing. The *Green MSME Finance Tool* addresses the following challenges:

Information gap in banks on green finance

High transaction costs in assessing green enterprises



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Exhibits a comprehensive list of green technologies

- **One-stop source** for banks with information on green technologies and models
- **Demand assessment** of various green technologies



Boosts transparency through a credit rating system

- Risk vs. return assessment of listed green technologies
- **Standardised metrics using SDGs/NDC tools**



Provides a knowledge resource for banks

- **Access to research, experts, and guidelines** for loan restructuring and product development

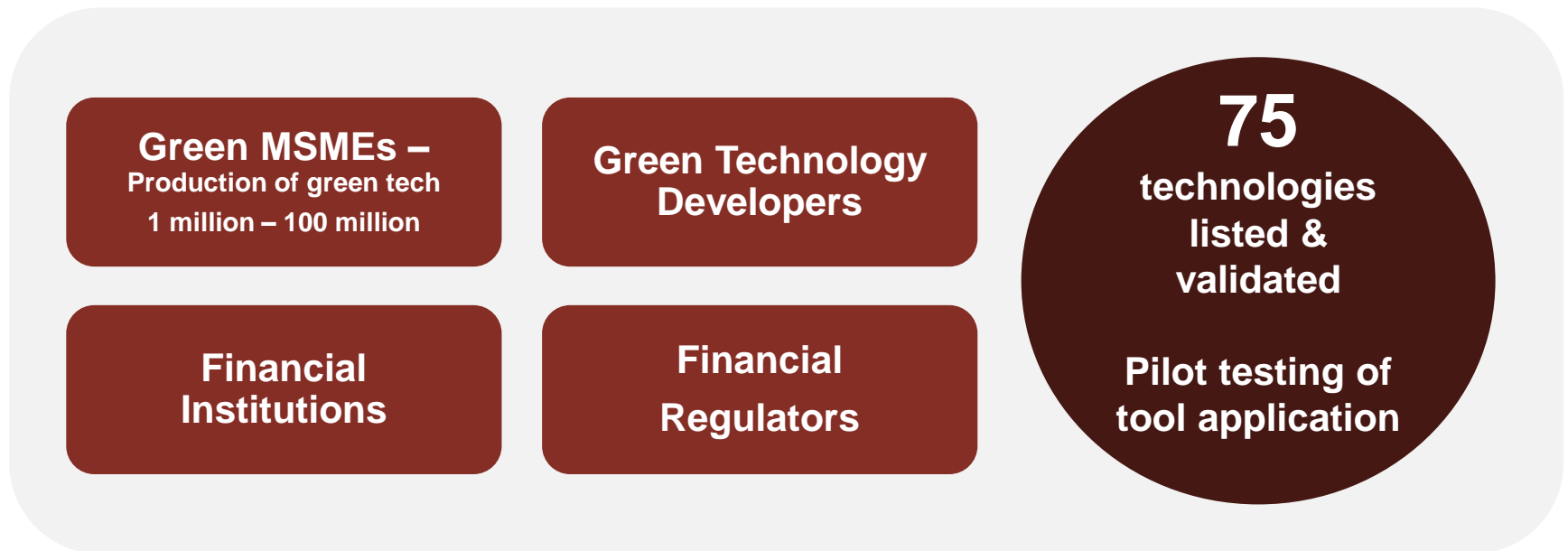
Green MSME Finance Tool

Target Market



3-year pilot phase

The *Green MSME Finance Tool* will list 75 green technologies through a USD 2 million investment. As an innovative one-stop source that connects various stakeholders, the *Green MSME Finance Tool* has four main target groups:

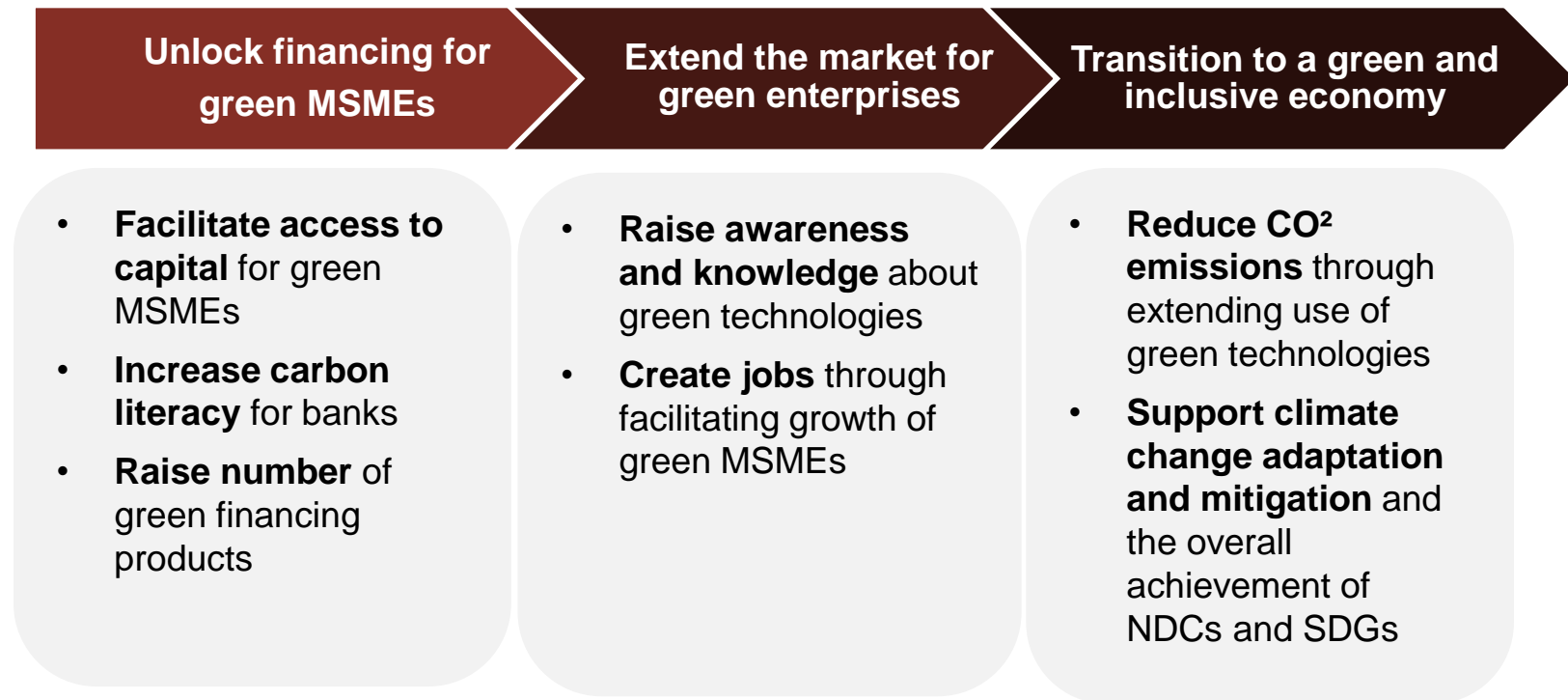


Green MSME Finance Tool

Impact Potential

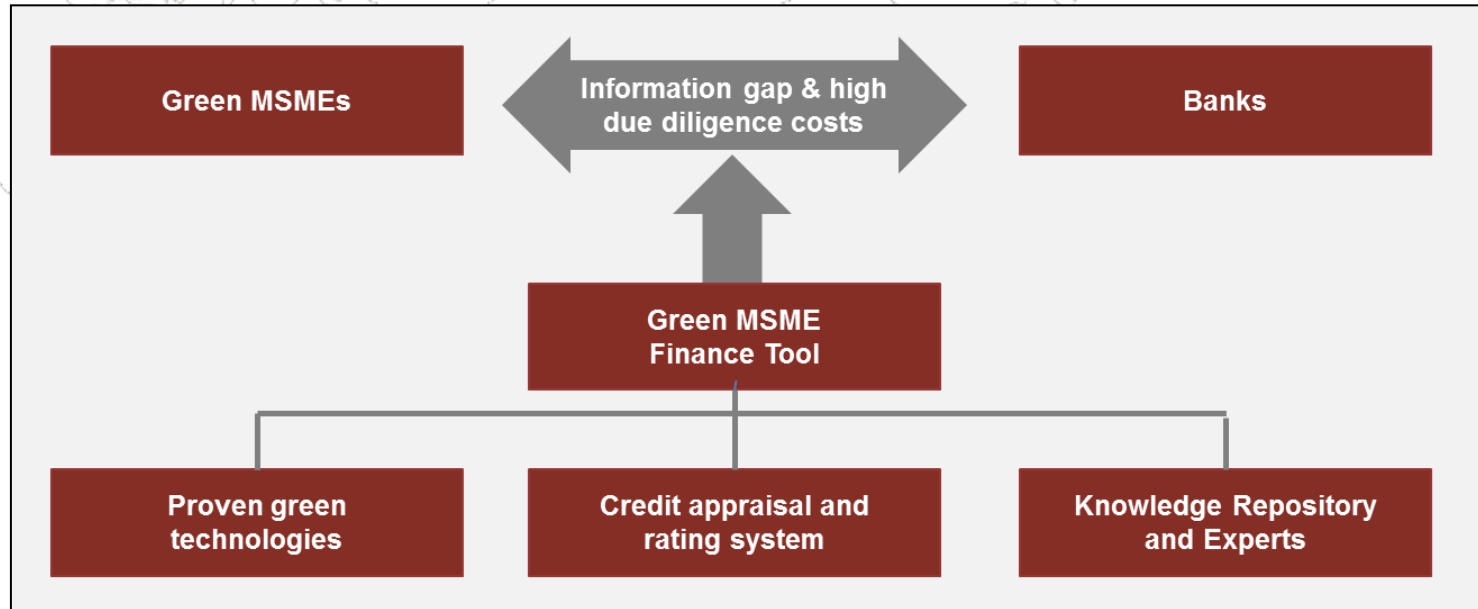


The *Green MSME Finance Tool* addresses the shortcomings of existing green MSME financing products and will:



Green MSME Finance Tool

Mainstreaming green finance in commercial banking



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Portfolio Level Debt Facility for Clean Energy Enterprises

Product development hosted by New Ventures



Product synopsis

Offers improved access to debt capital for **clean energy** enterprises catalysing the uptake of clean energy by leveraging:

Portfolio Level Structure

First Loss Default Guarantee

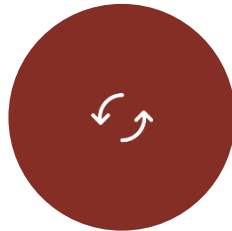
Technical Assistance for Enterprises





Applies a portfolio level structure

- Secures access to capital for enterprises who might struggle to raise debt funding at a reasonable cost on a one-on-one basis
- Speeds up the due diligence process and provides creditibility through third-party involvement



Creates a leverage effect through using FLDG

- Enables larger facilitation of capital in comparison to one-to-one grant as once the portfolio level debt facility expires, the First Loss Default Guarantee (FLDG) amount could be re-used to facilitate further capital

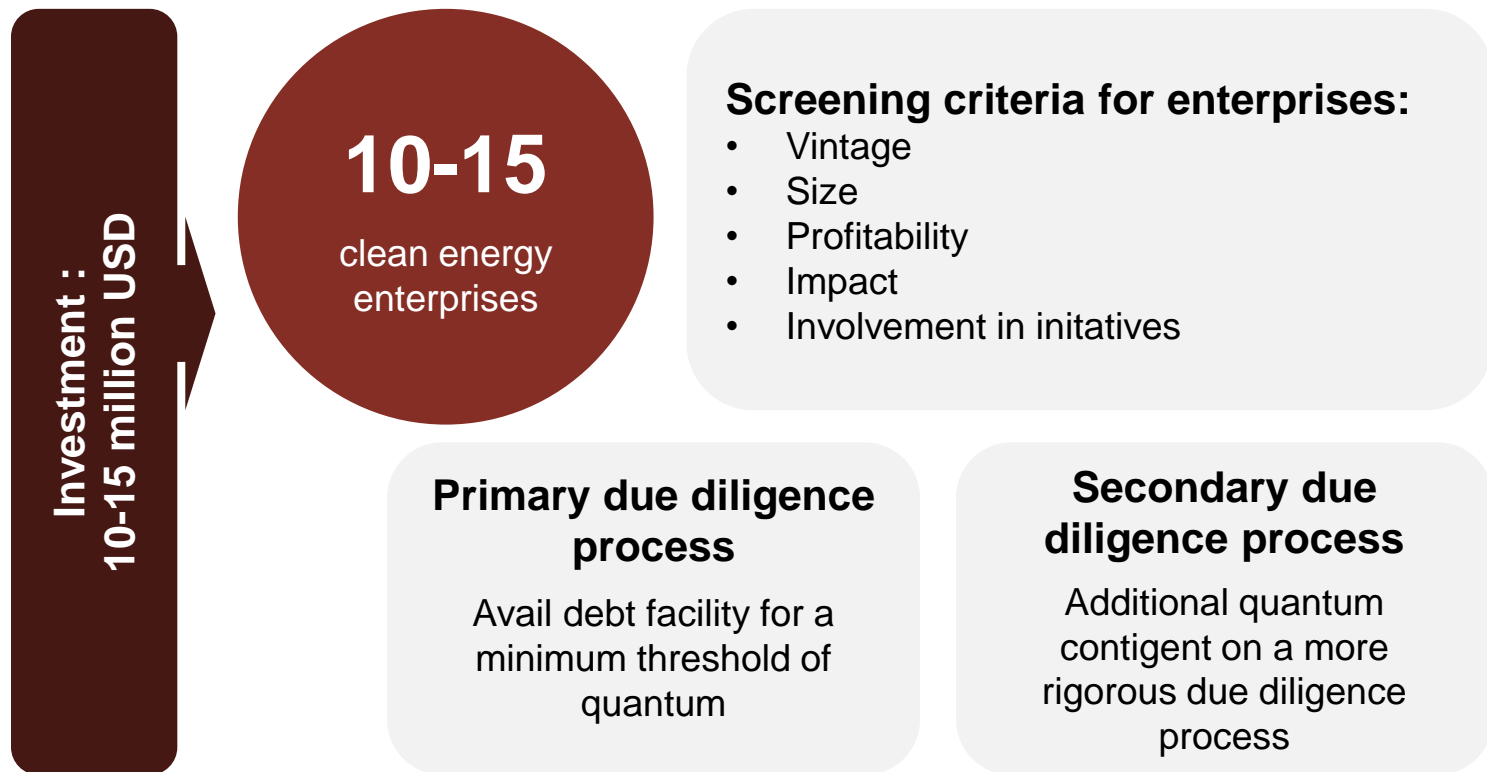


Provides technical assistance to clean energy enterprises

- Boosts sustainable, local impact by building capacities of clean energy enterprises and raising awareness amongst end consumers
- Increases the ability of the clean energy enterprises to repay the loan

Portfolio Level Debt Facility Target Market

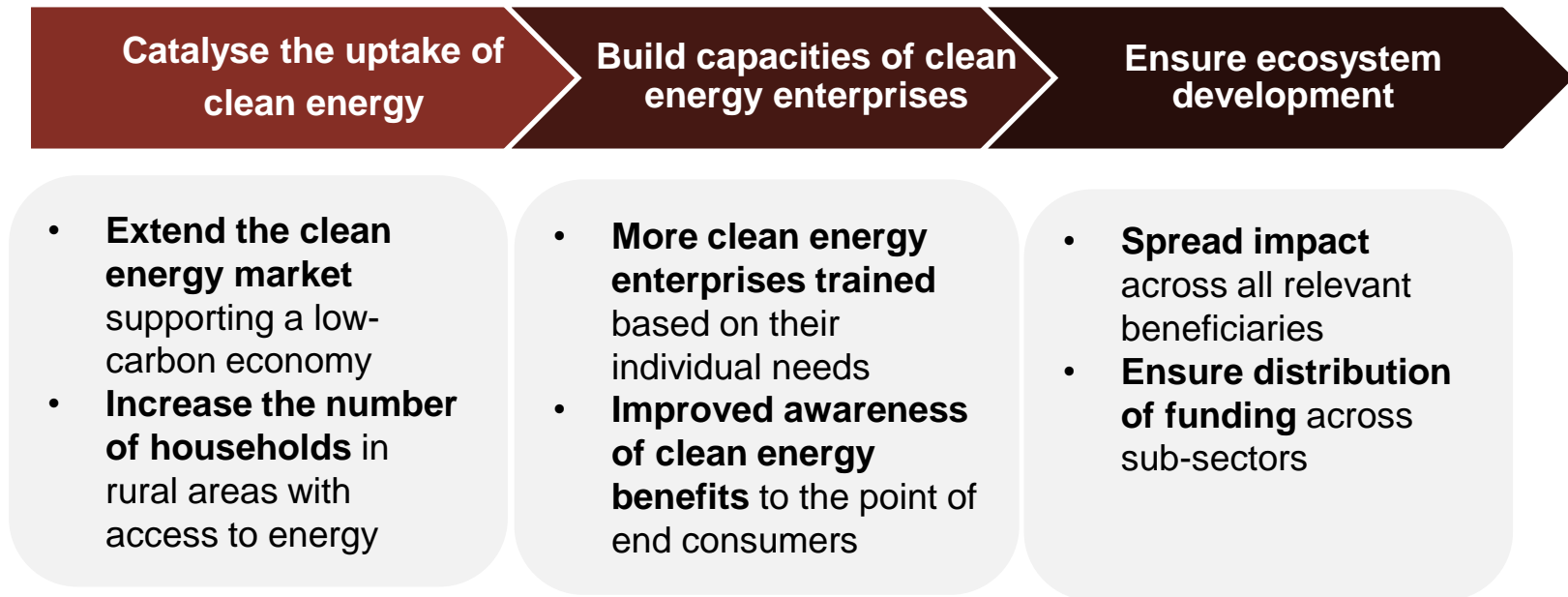
During the 2-year pilot phase, the *Portfolio Level Debt Facility* will provide debt capital to 10-15 clean energy enterprises from a pool of 10-15 million USD. The *Portfolio Level Debt Facility* will include clean energy enterprises across all sub-sectors.



Portfolio Level Debt Facility

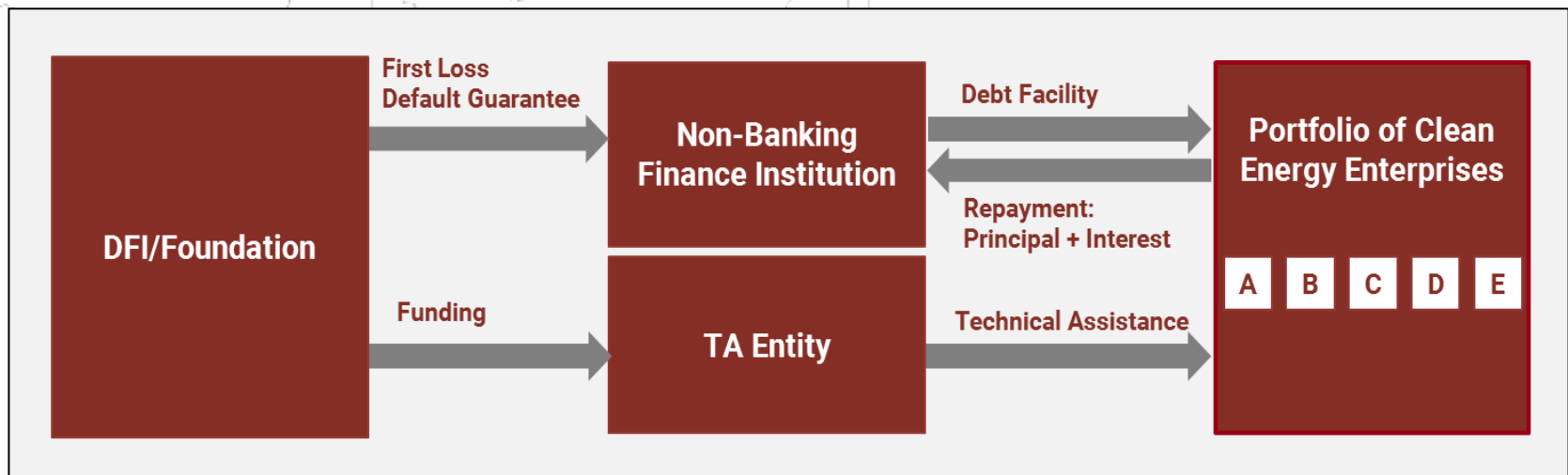
Impact Potential

Portfolio Level Debt Facility addresses the debt funding gap for clean energy enterprises and will:



Portfolio Level Debt Facility

Unlocking debt capital for clean energy enterprises



Gold Standard PoA with Debt Linkages for Waste Management Start-Ups

Product development hosted by GIZ with VNV Advisory

Product synopsis

Brings together like minded-organizations under an umbrella programme known as the Programme of Activities (PoA) to address issues of asymmetries of participation:

for small-scale project activities

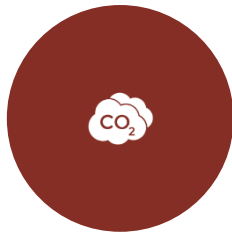
in key community-oriented areas such as waste

to provide debt at a lower cost with less collateral based on VER revenue



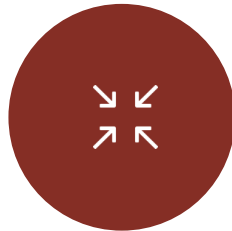
Gold Standard PoA with Debt Linkages for Waste Management Start-Ups

Innovative Characteristics



Facilitates an extensive portfolio of projects with fast growing emission reduction potential

- Enables a maximum number of carbon credits for projects implemented over time
- Early adopters can join immediately, while others can be added as the programme establishes itself



Reduces time, certification effort and regulatory risks

- Programme developers can constantly add new activities to the PoA
- Fast-track validation of CPA inclusion
- No risk of non-sale of carbon credits



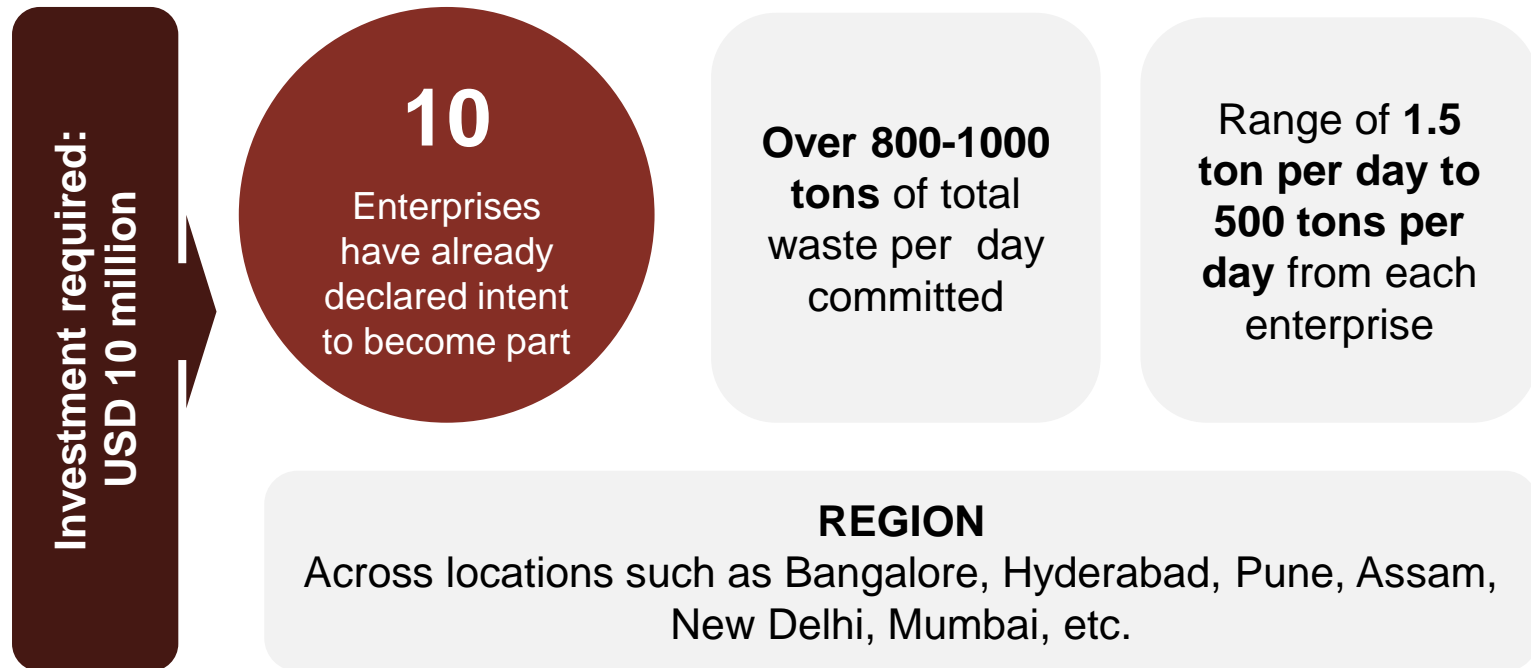
Links PoA directly with financial institutions

- Waste management start-ups involved in the PoA can receive debt at a lower cost or with less collateral based on the VER revenue

Gold Standard PoA with Debt Linkages for Waste Management Start-Ups

Target Market

During the 5-year pilot phase, the *Gold Standard PoA for Waste Management Start-Ups* will comprise 10 enterprises unlocking carbon financing of EUR 3.3 million and can help mobilize debt of around EUR 7 million.



Gold Standard PoA with Debt Linkages for Waste Management Start-Ups

Impact Potential

Unlock carbon revenue

- **Facilitate access to carbon revenue** finance for waste management start-ups which would individually be too small to apply

Raise awareness for investors and civil society

- **Register under the Gold Standard** – the most stringent as well as the most credible voluntary carbon standard as of today globally
- **Monitoring of project & assurance by 3rd parties** supporting the recognition of waste management start-ups

Transition to a green and inclusive economy

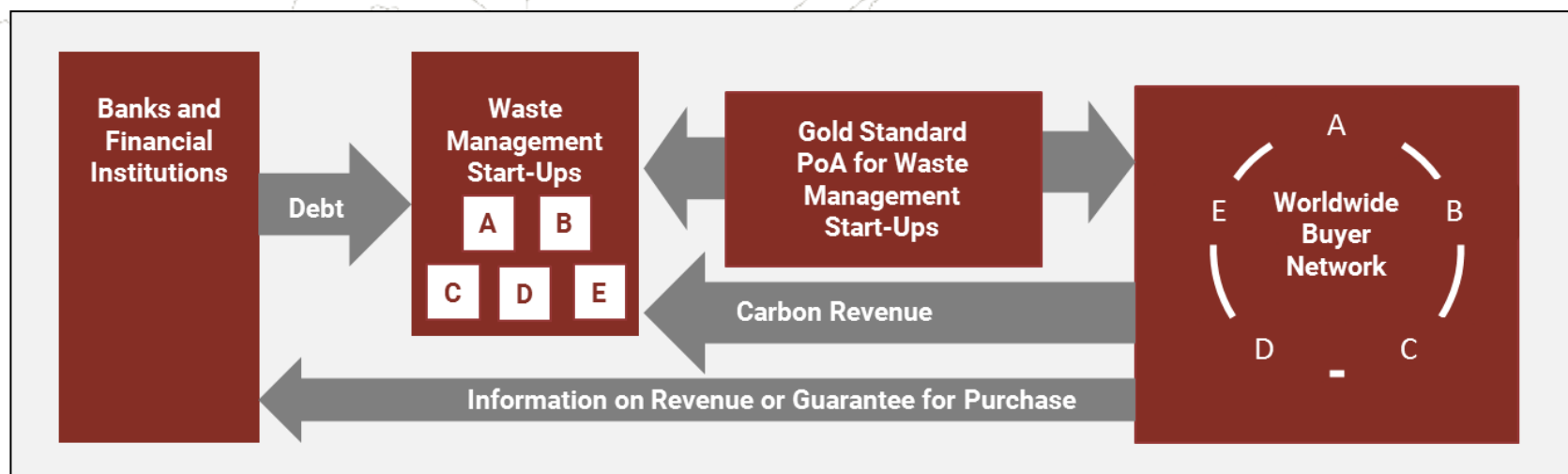
- **Supports climate change mitigation**
- Addressing a range of SDGs
- **Effective waste management** involving the informal sector



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Gold Standard PoA with Debt Linkages for Waste Management Start-Ups

Unlocking the carbon market for waste management enterprises



giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

About SEED



SEED was founded at the 2002 World Summit on Sustainable Development in Johannesburg by UN Environment, UNDP and IUCN as a global partnership for action on sustainable development and the green economy. SEED is based on the understanding that the promotion of social and environmental entrepreneurship is pivotal for environmentally friendly and socially inclusive development and poverty reduction.

We work directly with growing enterprises and aspiring entrepreneurs in our Enterprise Support programmes to strategise, optimise and award achievements in eco-inclusive entrepreneurship. All our participating enterprises receive a comprehensive SEED Support Package of tailored business and capacity-building support, networking, and profiling at the national and international level.

Complimentary to our direct Enterprise Support programmes, we offer programmes to build an ecosystem of supporters and advocates necessary to the success of growing enterprises. Our Ecosystem Building activities fortify a global network of local business development services providers and offer platforms for coordination between key local, national and international stakeholders around eco-inclusive entrepreneurship.

SEED is hosted by adelphi research gGmbH, a non-profit institution committed to sustainable development and entrepreneurship, based in Germany. Partners in SEED, in addition to the Founding Partners, are the governments of Germany and Flanders, the European Union; the governments of South Africa, the Netherlands, India, and the United States of America; Conservation International; UN Women, UNIDO and Hogan Lovells.

SEED Partners



SEED Hosting Partner



SEED Founding Partners



SEED PRACTITIONER LABS CLIMATE FINANCE

Prototyping financial products to drive climate-smart innovation

SEED Practitioner Labs Climate Finance are part of the implementation of “Financing and capacity building for micro and small climate-smart enterprises: Filling the gap of the missing middle”, a project supported by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety.

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