



The Finance in Common Financial Innovation Lab

The Finance in Common Financial Innovation Lab aims to foster innovation and collaboration on climate finance among public development banks.

CONTEXT

Finance in Common (FiCS), the Inter-American Development Bank (IDB), and the Climate Policy Initiative (CPI) have [partnered](#) to operationalize the **FiCS Financial Innovation Lab**, with CPI as its secretariat.

With financial support from the Children's Investment Fund Foundation, the FiCS Lab aims to help public development banks (PDBs) address barriers to climate finance by sharing best practices, developing standardized approaches to climate instruments, and providing technical support to move ideas from inception to implementation.

Based on the FiCS [final communiqué](#) of September 2023, the vision of the FiCS lab is to bring together PDBs around an action-oriented platform to accelerate the implementation of climate finance and the broader agenda of the 2030 Sustainable Development Goals.



MISSION AND PRIORITIES

The mission of the FiCS Lab is to be a platform that fosters innovation and collaboration among PDBs in mobilizing private capital and expanding climate finance, particularly in emerging markets and developing economies.

The FiCS Lab works across three main pillars:

- **Pillar 1: Sharing and advancing knowledge and best practices** on financial innovation gaps, initiatives, and implementation. This will be achieved by releasing issues briefs, blogs, and disseminating existing knowledge products.
- **Pillar 2: Facilitating structured policy dialogues** to standardize or harmonize approaches and ease instrument implementation. This will be achieved by producing policy documents such as principals, templates, or frameworks with the endorsement of working group members.
- **Pillar 3: Supporting incubation of specific financial innovations** in institutions that are ready to act but need technical and/or financial support. Proposals selected through a competitive call for ideas, to be opened at the FiCS Annual Summit in October, will be paired with a CPI team and grant funding to support idea incubation and implementation.

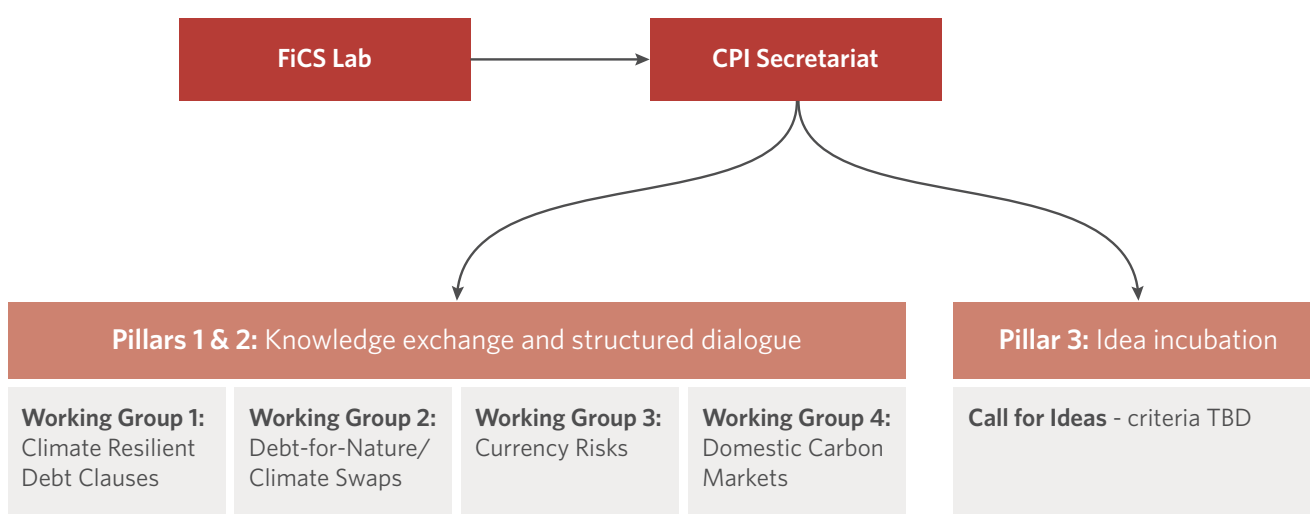
Based on the 2023 FiCS communiqué and driven by the needs and priorities of the FiCS network, in 2024 the FiCS Lab will cover four thematic areas, each with its own working group:

- **Workstream 1: Climate Resilient Debt Clauses**
- **Workstream 2: Debt for Nature Swaps**
- **Workstream 3: Domestic Carbon Markets**
- **Workstream 4: Currency Risks**

OPERATIONAL STRUCTURE

Pillars 1 and 2 are closely related, leveraging the four working groups of the thematic areas. Comprising around 15 members, with membership focused on PDBs, these working groups will facilitate knowledge sharing and structured dialogues between PDBs.

Pillar 3, which cuts across all thematic areas, will issue a competitive call for ideas from PDBs, and will focus on idea incubation and implementation.



Key benefits of working group participation include being a key part of conversations on innovation and potential collaboration, access to a rich repository of knowledge, best practice, and insights, expanded networking opportunities, and the opportunity to shape the global climate finance discussion.

NEXT STEPS

To complement its launch on 20 May 2024, the FiCS Lab is set to conduct a promotional roadshow to bring the FiCS Lab to PDB audiences at regional fora for development banks in Spring 2024.

Following the roadshow, the FiCS Lab will be operationalized, with working group meetings kicking off in early June 2024 and meeting monthly throughout the summer. The FiCS 2024 Summit in October 2024 will serve as a key milestone to showcase the progress and achievements of the FiCS Lab.

CONTACT

We ask banks interested in being members of any working group to please complete this [registration form](#). We welcome all banks, regardless of FiCS Membership status, but ask that each bank limit participation to two working groups to ensure appropriate geographic distribution across the groups.

To provide other input on the FiCS Lab, please reach out to FiCSLab@cpiglobal.org.



CLIMATE
POLICY
INITIATIVE

ABOUT CLIMATE POLICY INITIATIVE

CPI is an analysis and advisory organization with deep expertise in finance and policy. 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, India, Indonesia, the United Kingdom, and the United States.

CPI is known as a leader in tracking sustainable investment trends, identifying innovative business models, and supporting the solutions that can drive a transition to a low-carbon, climate-resilient economy. We are unique in our focus on finance, our ability to get the right people to the table, and our analytical rigor.



ABOUT THE IDB

The Inter-American Development Bank is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance, and training to public- and private-sector clients throughout the region.



ABOUT FICS

Finance in Common is the global network of all PDBs, which aims to align financial flows on the 2030 Agenda and Paris Agreement for Climate Change. Its objective is to strengthen partnerships among PDBs to accelerate the convergence towards shared standards and best practices, to support banks' commitments to shift their strategies towards sustainability, and to give PDBs more visibility in the global fora discussing international policy issues.