



CLIMATE  
POLICY  
INITIATIVE



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# FiCS Financial Innovation Lab

Scoping study

April 2024

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# Scoping study outline

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# 1. The context

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## Setting the stage

- The Finance in Common (FiCS) 2023 communiqué launched a ‘Financial Innovation Lab’ (FiCS Lab)
- The FiCS Lab aims to bring together public development banks (PDBs) around an action-oriented platform to discuss and find common answers to common financial challenges, to meet multiple stakeholders’ needs, and to speed up the implementation of climate finance.

**FiCS, Inter-American Development Bank (IDB), and Climate Policy Initiative (CPI) [have partnered](#)** to operationalize the FiCS Lab, with CPI as the Secretariat.

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## The starting point of the FiCS Lab

The FiCS Summit communiqué and initial FiCS discussions set out the key parameters for the FiCS Lab's first year of operations.

### Three types of activities (pillars):

- **Pillar 1:** Sharing knowledge and best practices
- **Pillar 2:** Facilitating structured dialogues
- **Pillar 3:** Supporting incubation of innovative ideas

### Four themes:

- Climate-resilient debt clauses
- Debt-for-climate/nature swaps
- Domestic carbon markets
- Foreign currency risks

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## Objectives of the scoping study

To launch the work, CPI carried out a scoping study to:

1. Articulate the **mission** and short- and long-term **goals** of the FiCS Lab.
2. Take **stock of innovation** among FiCS members and understand similar initiatives related to the four selected themes.
3. Assess key **operational and governance** considerations to enable the commencement of activities in March/April 2024.

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## Scoping study: Methodology

**In-Depth Interviews:** CPI engaged with around 20 participants from the FiCS membership and partner organizations to gain qualitative insights into the scoping study objectives.

**Collaborative Workshops:** CPI conducted two extensive focus group workshops with around 45 participants.

**Detailed Questionnaire:** All FiCS members were given the opportunity to provide written submissions.

**Global Outreach:** Audiences across multiple continents: Asia, Africa, Europe, North America, and Latin America.

**Diverse Participation:** We have spoken with NDBs, regional and sub-regional banks, MDBs, civil society organizations, and private sector representatives.

\*Note: For a list of consulted of FiCS members and broader stakeholders see Annex A. The full questionnaire is provided as Annex B.



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## Scoping study: Key findings

### 1. Difficulty in tailoring initiatives to smaller PDBs

- Existing initiatives to mobilize climate finance are not sufficiently tailored to the needs of smaller PDBs in EMDEs.

### 2. PDBs face a range of issues and are interested in a variety of themes

- There is high interest in broadening the scope of themes for future working groups to better reflect the evolving interests and needs of members.
- There is a strong preference for member input on future topics.
- There is high interest in integrating the three pillars and in the technical assistance and regranting of funds as part of Pillar 3.

### 3. Constraints on participation

- Recognition of the added value of the FiCS Lab despite challenges of limited time and capacity.



## **2. Mission, goals, and priority issues**

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## The problem statement

Outreach with FiCS members identified three key challenges that underline the value add of the FiCS Lab:

- **Lack of capacity** for mobilizing climate finance at scale and developing innovations, particularly for PDBs in EMDEs.
- **Tendency to work in silos** and varying degrees of awareness of existing practices among different FiCS members, resulting in unrealized potential for dissemination of innovations and collaboration between PDBs in mobilizing climate finance at scale.
- **Lack of standardization** when it comes to popular or common financial instruments, resulting in new and costly work for each instance of implementation.

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## Existing climate finance initiatives: An overview

There are broadly two types of initiatives that aim to address challenges of capacity and coordination to mobilize climate finance:

- 1. Taskforce:** Informal coordination between institutions to advance shared solutions to a specific challenge.
- 2. Incubator:** Accelerator of climate finance instruments/solutions.

This is a heterogeneous field, with numerous donor-led and institution-specific initiatives.

## Existing climate finance initiatives: A selection

Name	Host organization	Type	Support offered	Target institutions
<b>Global Innovation Lab for Climate Finance (Annex C)</b>	CPI	Incubator	TA	Any with the ability to operate a climate finance instrument, mostly private sector
<b>Catalytic Climate Finance Facility</b>	CPI & Convergence	Incubator	Grant-giving, TA, Knowledge Sharing	Any operating a climate finance instrument
<b>MDB Challenge Fund</b>	NVF	Incubator	Grant-giving	MDBs
<b>IDB Lab</b>	IDB	Incubator	Financing	Companies, project developers, technological advancement
<b>World Bank Private Sector Lab</b>	World Bank	Taskforce	Coordination, Knowledge Sharing	Companies, Private financial sector
<b>MDB climate action working groups</b>	Rotating chair	Taskforce	Coordination, Knowledge Sharing	MDBs
<b>The Coalition of Finance Ministers for Climate Action</b>	World Bank & IMF	Taskforce	Coordination, Knowledge Sharing, TA	MDBs, finance ministries
<b>IDFC Facility</b>	AFD	Taskforce	Coordination, Knowledge Sharing, Capacity Development	PDBs that are members of IDFC

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## The FiCS Lab's value add

The FiCS Lab differs from existing initiatives in three key ways in that it is:

1. **Targeted to PDBs**, particularly smaller ones in emerging markets and developing economies.
2. **Both a taskforce and an incubator**, so banks can gather ideas from knowledge-sharing activities, and seek support in incubating those ideas.
3. **Offers multiple types of activities** that feed into each other: Coordination and knowledge-sharing through Pillars 1 and 2, and technical assistance and re-granting through Pillar 3.

The FiCS Lab is envisaged as a dynamic, membership-led initiative, which will evolve over time.



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## FiCS Lab mission and activities

**Mission:** The FiCS Lab is 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 will do so by working on three main pillars as follows:

- **Pillar 1: Sharing and advancing knowledge and best practices** on financial innovation gaps, initiatives, and implementation. This will be achieved by releasing issue briefs and primers, disseminating existing knowledge products, and having regular learning sessions within the working groups.
- **Pillar 2: Facilitating structured dialogues** to standardize or harmonize approaches to climate finance instruments and operations.
- **Pillar 3: Supporting incubation** of specific financial innovations in institutions that are ready to act but need technical and/or financial support.

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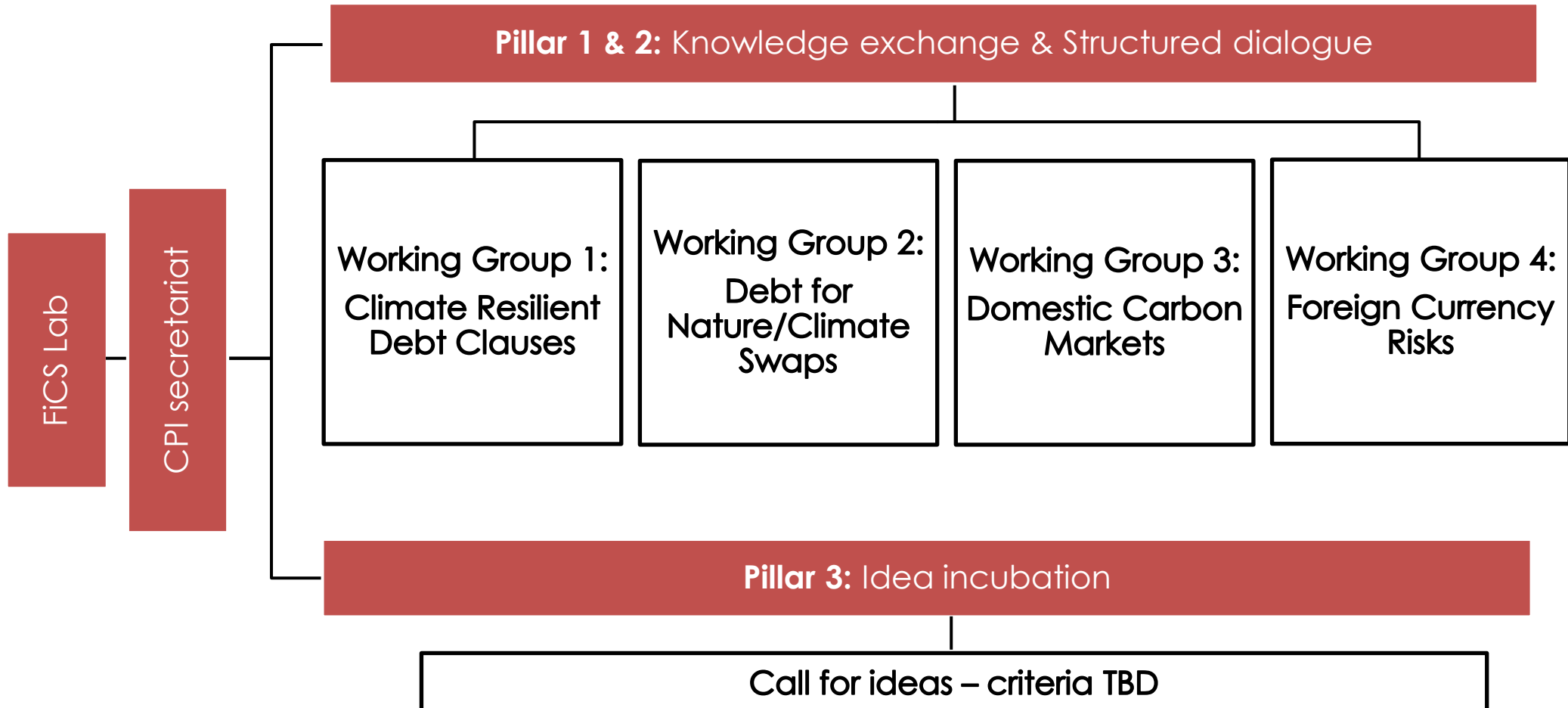
## The scope of the four themes

The FiCS Lab will focus on the following four themes in 2024:

- **Theme 1: Climate-Resilient Debt Clauses** will explore ways that PDBs – from DFIs and regional MDBs to smaller NDBs – can successfully implement debt clauses and explore the role of larger insurance-related instruments, particularly in regard to climate resilient infrastructure.
- **Theme 2: Debt-for-Nature/Climate Swaps** will explore how PDBs, as part of a country platform, and DFIs can implement a debt-for-nature or debt-climate swap in a way that benefits both parties and may be cross cutting with the other themes.
- **Theme 3: Domestic Carbon Markets** will examine how NDBs, with the support of other national institutions, can develop a platform for intra-country carbon trading and play a strong role in ensuring the integrity of the offsets offered on the market.
- **Theme 4: Foreign Currency Risks**, although a broad topic, will focus on one aspect of currency risks in climate finance for 2024, such as options for securitization of local currency loans or opportunities to pool currency risks. A forthcoming paper highlights the role of depreciation in climate lending, as well as several proposed solutions.

## How themes and pillars interact

The four themes will be operationalized as **four working group** across Pillars 1 and 2, each co-chaired by select PDBs. Pillar 3 will operate across all four themes.



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## Pillar 1: Knowledge Sharing

### Objectives

1. Sharing and advancing knowledge/best practices on the four themes.
2. Developing shared understanding of issues and available tools.
3. Promoting connections and exchanges between FiCS members.

### Structure

Work will include: i) knowledge products drafted by the CPI team, informed by working group priorities; ii) dissemination of analysis, resources, and knowledge produced by FiCS members and partners and iii) seminars, roundtables, workshops and other events.

### Possible deliverables

1. Knowledge products such as issue briefs or primers.
2. In-depth analytical notes.
3. Working group learning sessions.

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## Pillar 2: Structured Policy Dialogues

### Objective

Using the working groups to facilitate structured dialogues to produce policy-focused guidance intended to support replicability and/or ease the implementation of instruments related to the working group's theme, such as standardized language, legal frameworks, or implementation principles.

### Structure

Closed-door negotiation sessions, supported by documents drafted by CPI under the guidance of working group co-chairs. Outputs will be attributed to the FiCS Lab.

### Possible deliverables

1. Principles or guidelines on a specific theme.
2. Standardized templates or frameworks for use by the FiCS membership.



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## Pillar 3: Call for Ideas & Incubation

### Objective

Develop and support innovative, practical solutions for climate finance through an incubation process that fosters new ideas across the themes of the FiCS Lab.

### Structure

- Open, competitive process based on a call for ideas (RFP) from PDBs to be launched at the FiCS Summit 2024 (First cycle).
  - 1-3 ideas will be selected via transparent CPI criteria and approved by the FiCS Steering Committee for this cycle. The first cycle will not have a regional component, though this will likely be included in the criteria in the future.
- Selected ideas will receive grant funding of between USD 200k to USD 500k, based on needs, and technical assistance from CPI, and possibly other interested parties.
- The first cycle will focus on the four themes of Pillars 1 and 2, with later cycles potentially expanded to include new climate themes and activities (e.g. matching between PDBs).

### Possible deliverables

1. Development/testing of new financial instruments/initiatives.
2. Scale up/application of existing innovations to new areas and regions.

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## Long-term: An evolving, membership-driven agenda

The four themes will guide the Lab's first year of operations. Specific **workplans and deliverables will be developed collaboratively** by CPI, co-chairs and working group members, drawing on previous input collected through the scoping study.

The workplans and selection of themes will be reviewed on an annual basis:

- Some themes will warrant a multi-year focus, with an updated program of activities.
- Work in other themes may draw to a close at a given point in time, creating space for the introduction of new themes.

CPI will seek input to inform these annual theme reviews from the whole FiCS membership (e.g. through surveys) to ensure future themes are also applicable to smaller PDBs, particularly in EMDEs, and address the pressing needs of the FiCS membership.

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## FiCS Lab linkages and interactions

The FiCS Lab will maintain **ongoing interactions with groups** across the public financial system, such as the following:

- MDB Climate action working group
- FiCS Coalitions & International Development Finance Club (IDFC)
- Global Research Network of FiCS

The level of coordination will vary but may include inviting representatives of these groups to attend working group meetings and/or other meetings and events on an ad-hoc basis.

Additional initiatives may be of relevance for specific themes (e.g. credit enhancements task force, the climate resilient debt clause working group).

## 3. Innovation stocktake

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## Innovation stocktake: An overview

**Goal:** The scoping study aimed to conduct a mapping of current innovations and trends of PDBs across the four themes.

**Methodology:** CPI adopted a comprehensive research approach, leveraging web scraping tools, conducting in-depth interviews, hosting workshops, and circulating questionnaires to gather insights from PDBs and partners across multiple continents.



## Theme 1: Climate-Resilient Debt Clauses (CRDCs)

Clauses in sovereign debt instruments that allow countries to suspend or delay debt repayments following severe climate change-induced events.

### Context

- Several **MDBs** and a coalition of 73 countries have pledged to increase the use of CRDCs. The International Capital Market Association (ICMA) standard-setting body has released guidance to facilitate their use.

### Emerging finding from the scoping study

- **Interest:** Respondents expressed a modest interest in developing financial products that incorporate climate resilience clauses, focused on DFIs.
- **Knowledge and contribution:** There is a desire to learn more and engage in relevant themes, despite a current lack of extensive knowledge in this area by NDBs.
- **Uncertainty with NDBs:** The role and fit of CRDCs within NDBs in EMDEs, as opposed to DFIs, remains less clear to respondents.

### Example of FiCS member engagement

- MDBs (WB, EIB, IDB, EBRD, AfDB, CDB) and DFIs (AFD) committed to CRDCs, targeting select countries initially. EBRD, AFD, AfDB plan rollout throughout 2024.

### FiCS Lab contribution

- **Pillars 1 & 2:** Promote knowledge sharing and the development of effective best practices for the design of CRDCs, particularly for regional development banks and NDBs.

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## Theme 2: Debt for Nature/Climate Swaps (DFN/DFC)

Restructuring of sovereign debt in return for a commitment to finance nature or climate projects in local currency.

### Context

- DFN/DFC have been applied to ≈ 30 countries, often involving **DFIs**, **MDBs** and/or a philanthropic intermediary.

### Emerging finding from the scoping study

- **Interest:** Many respondents showed limited interest in engaging with DFN due to the complexity of the agreement, the limited amount of internal capacity to develop contracts, and the limited involvement of PDBs in EMDEs.
- **Rebranding for broader appeal:** One respondent suggested that the term "nature bonds" should be favored over "debt-for-nature swaps", broadening their appeal and applicability beyond countries in debt distress.

### Example of FiCS member engagement

- IDB is actively engaged in debt for nature swaps in Latin America.

### FiCS Lab contribution

- **Pillars 1 & 2:** Knowledge sharing around the scalability of these swaps in terms of countries targeted, mobilizing private investment to support the swaps rather than philanthropies, and expanding beyond just nature to include climate and managed coal phaseout options.

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## Theme 3: Domestic Carbon Markets

National systems that allow domestic companies to trade emissions reductions through regulated frameworks or voluntary actions.

### Context

- Several countries (i.e. Brazil, Mexico, South Africa) have introduced voluntary carbon trading platforms preparing for the creation of regulated markets, in collaboration with **NDBs**.

### Emerging finding from the scoping study

- **Interest:** Carbon financing identified as a major area of interest, with a focus on country-driven initiatives.

### Example of FiCS member engagement

- The World Bank Partnership for Market Implementation (PMI) is engaged in the research and operationalization of carbon markets across EMDEs and are committed to further knowledge sharing in this area to improve understanding and implementation.
- BNDES operates an innovation lab, funded by IDB and CBM, focusing on carbon markets.

### FiCS Lab contribution

- **Pillar 1/2:** Facilitate the transfer of knowledge and practices from MDBs with advanced expertise in carbon trading and finance to NDBs. Support pre-financing for carbon activities and instruments to stimulate interest in such financing among NDBs. Contribute to enhancing the transparency, quality, and integrity of the existing and created markets, with an eye toward robust market governance and regulation, and ensuring the replicability of standards and methodologies.

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## Theme 4: Foreign Currency Risks

Climate projects are exposed to foreign exchange (FX) risk when they generate revenues in local currency, while the loan and/or investment is denominated in hard currency.

### Context

- There is growing commitment, primarily by MDBs, to increase local currency financing and mitigate FX risks through guarantees, hedging tools, developing local currency bond markets etc.

### Emerging finding from the scoping study

- **Interest:** FX risk identified as a significant area for added value by FiCS Lab
- **Capacity building:** Interviewees expressed a desire for the FiCS lab to reinforce capacity building and best practices on currency risk management, including increasing NDBs' awareness of the use of currency swaps and other local currency lending instruments offered by MDBs.

### Example of FiCS member engagement

- IDB is supporting Brazil's implementation of a currency hedging program under Brazil's National Climate Change Fund with a \$2 billion credit line and technical assistance.
- TCX is involved in sharing knowledge and tools for managing currency risk and implementing innovations such as conversion and indexation clauses in loan agreements, as well as exploring a new green trust facility.

### FiCS Lab contribution:

- **Pillar 1 & 2:** CPI will publish an issue brief in spring 2024 to support knowledge sharing on the current and innovative tools to mitigate FX risk and promote local currency funding. Facilitate best practices from experts to NDBs on key currency risk management issues such as currency swaps, indexed loans, etc.

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## Expanding beyond the current themes

Interviewees expressed keen interest in the FiCS Lab supporting additional themes that are more relevant to small PDBs, particularly NDBs; the following themes brought up in interviews but are not exhaustive. Going forward, the selected themes will be reviewed on an annual basis, determined by FiCS Members' priorities.

- **De-risking tools:** Using guarantees, co-financing strategies, and other credit enhancement tools to mitigate investment risk and leverage a larger pool of private capital.
- **Blended finance:** Best practices for blending concessional capital with private investment.
- **Early project incubation:** preparing projects for successful implementation, funding, and scaling.
- **Originate to distribute:** Best practices for scaling aggregation and securitization and distributing assets to other investors, freeing up capital to fund more projects and spreading the associated risks across a larger group.
- **DFI partnership:** Encourage local banks to finance small renewable energy projects (too small for MDBs) and support DFI lending to lower rated banks.
- **Adaptation finance:** Encouraging banks to boost adaptation & resilience financing, particularly for infrastructure investments



## 4. Governance and operations

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# Overview of proposed FiCS Lab governance

## Overall strategy and direction

### **Responsible:**

- FiCS
- IDB
- CPI (the 'Secretariat')

### **Accountable:**

- FiCS Executive Committee
- FiCS Chairman & Secretary General

### **Consulted:**

- FiCS membership

## Pillars 1&2

### **Responsible:**

- CPI
- Working group co-chairs
- Working group members

### **Consulted:**

- FiCS
- IDB

## Pillar 3

### **Responsible:**

- CPI

### **Consulted:**

- FiCS
- IDB
- Working group co-chairs & members

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## Proposed operational structure

The FiCS Lab will be steered by FiCS, IDB and CPI, under the guidance of the FiCS Executive Committee. CPI, as the FiCS Lab Secretariat, will operate the running of the Lab day to day.

Working groups will be established for each theme, with voluntary participation from FiCS members and co-chairs for each group. These should be broadly representative of the FiCS membership.

**Pillars 1 and 2** will be closely related, with Pillar 2 workplans influencing analytical output.

**Pillar 3** will cut across all four themes, as each idea selected should be related to one of the themes. Final criteria will be determined over the summer and shared ahead of the FiCS Summit.

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## The role of CPI, the FiCS Lab secretariat

CPI will be responsible for moving the initiative forward, managing working groups, and holding the pen on all deliverables. It will coordinate closely with FiCS and IDB, through regular calls.

**Working groups (Pillars 1 & 2):** CPI will schedule calls, provide agendas and meeting facilitation, brief co-chairs, provide background materials. For any working group deliverables, CPI, with the support of interested members, will provide drafts for reactions and take on edits from co-chairs and the working group.

**Idea incubation (Pillar 3):** CPI will develop a competitive call for ideas for PDBs over the summer, to be launched at the 2024 FiCS Summit. The selected ideas will be supported by CPI in their incubation over 2025, with an end goal of being implemented by one or more banks.



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## The role of FiCS

FiCS will be responsible for sharing information with the larger FiCS membership platform, with a goal of transparency and full membership representation in the FiCS Lab.

The FiCS Executive Committee, which meets approximately five times per year, will act as oversight and set the overall strategic direction for the Lab, supported by FiCS Chairman and Secretary General . CPI will provide a short presentation at each Steering Committee meeting, highlighting progress to date and next steps.

The FiCS Summit will act as a major milestone for the FiCS Lab each year. Progress from the year to date will be highlighted, including Pillar 3 partnerships from 2025 onward.



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## The role of IDB

IDB, as a partner in the FiCS Lab operation, will provide technical advice and be closely involved in decision-making through regular interactions with CPI and FiCS. They will also provide outreach to FiCS members within Latin America.

IDB, as a key member of the FiCS Executive Committee will play an active role in the FiCS Lab oversight and accountability mechanism.

For Pillar 3, IDB will support CPI in the scrutiny and selection of Pillar 3 proposals originating from Latin America.

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## Metrics to assess the FiCS Lab's success

**Short term success** will be defined by metrics including:

- PDB participation in the working groups, including the number of active working group members and interest in the structured dialogues and resulting policy products.
- The number and quality of submitted proposals under the October call for ideas.
- Alignment with live policy discussions.

**Long term success** will be measured as:

- Impactful policy outputs that are adopted widely across FiCS membership, with clear use examples.
- An increase in the aggregate volume of climate finance, both from the public and private sector, as tracked in CPI's Global Landscape of Climate Finance.
- Satisfaction of FiCS members with both the working groups and the pillar 3 proposal process, collected via annual survey.

## **5. Working Groups & Role of PDBs**

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## Working group organization

CPI will provide the Secretariat function with a dedicated contact point for each working group.

Working groups will meet on a monthly basis, with at least one in-person meeting per year at the Finance in Common Summit or in the margins of another suitable event. This will consist of a mix of learning sessions (where an issue is presented or discussed) and operative ones (with an active discussion of coordination/harmonization or other issues).

Working groups will be comprised of two co-chairs and a set of PDBs with a strong interest in the theme. Additional PDBs or DFIs, private FIs, and CSOs will be invited to learning sessions & relevant conversations.

In addition, CPI will arrange quarterly meetings with the co-chairs from all groups, FiCS, and IDB to ensure alignment between working groups and that potential synergies are identified and exploited.



## Working group participants and roles

Roles	Who	What
<b>Co-chairs</b>	Ideally 2 PDB senior staff that can be authoritative, taking into account regional diversity and representation of PDB types	<ul style="list-style-type: none"> <li>• Chair meetings</li> <li>• Provide strategic direction on workplans</li> <li>• Promote the activities of the working group both with members and outside</li> </ul>
<b>Secretariat</b>	CPI team	<ul style="list-style-type: none"> <li>• Manage scheduling and meeting logistics</li> <li>• Circulate agendas, papers, and readouts</li> <li>• Support the co-chairs by drafting meeting materials and providing briefings</li> </ul>
<b>Members</b>	10-15 drawn from PDB FiCS members, taking into account regional diversity and representation of PDB types	<ul style="list-style-type: none"> <li>• Attend the meetings regularly</li> <li>• Contribute own material/experience for knowledge products (when relevant)</li> <li>• Provide comments/edits on drafted documents</li> </ul>



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## Key benefits of active participation in the FiCS Lab

- **Innovation and collaboration:** Be part of a pioneering platform that fosters innovation and collaboration among PDBs, with a focus on mobilizing private capital and scaling up climate finance.
- **Knowledge sharing:** Access a rich repository of knowledge, best practices, and insights on financial innovation through issue briefs, blogs, and other knowledge products.
- **Expanded networking opportunities:** Connect with a diverse network of PDBs, donors, and climate finance experts, expanding your professional network and promoting partnerships for future collaboration.
- **Influence global climate finance policy and the SDG agenda:** Help shape global climate finance policies and the broader 2030 SDG agenda by advancing climate finance solutions.
- **Technical and financial support:** Benefit from technical and/or financial support to incubate specific financial innovations, taking ideas from inception to implementation with expert assistance.

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## Pillar 1 operations: Knowledge products & shared learning

Pillar 1 will have three components, with the workplan determined by CPI, based on input from the working group co-chairs, FiCS, and IDB:

1. **Creation of original knowledge products** that will support working group discussions and be woven into the workplans. Over the course of the year, this will likely include:
  - One issue brief or primer per theme
  - Two in-depth analytical notes across the four themes
2. **Dissemination of existing products and knowledge** to the FiCS membership.
3. **Learning sessions for working groups**, organized by CPI, drawing either on original knowledge products or on members. There will be approximately two learning sessions per theme in 2024.

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## Pillar 2 operations: Structured dialogue for standardization & harmonization

Pillar 2 will focus on creating **policy-focused deliverables that ease the implementation of the four themes**. The final workplan & deliverables will be determined by the co-chairs, with support from CPI and working group members.

Each working group will aim to produce, or make significant progress on, at least one main deliverable. Examples can include:

- Model language for implementation
- Standardized legal paperwork and/or contracts
- Common principles/guidelines for determining best use or participation
- Commitments by PDBs to introduce instrument/language

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## Pillar 3 operations: Incubation

**Planned pilot launch:** It will launch in pilot format with a competitive call for ideas at the Finance in Common Summit. CPI will provide FAQs, webinars, and application guidance. In 2024, 1-3 ideas will be selected.

**Eligibility & focus:** The call for ideas will be open to all FiCS members, with a focus on PDBs in EMDEs, and submissions will need to have some relation to one of the four themes of the FiCS Lab. Stakeholders expressed interest in a variety of additional topics and approaches, which will be explored for subsequent iterations, depending on partnerships secured.

**Support provided:** Successful proposals – involving one or more public development banks per proposal – will partner with CPI and any other relevant institutions to incubate the idea for implementation over a 9-month period. The banks will be provided with a dedicated team of CPI analysts and experts, as well as technical assistance funds (approximately \$250-300k per idea).

**In development:** Pillar 3 will require further refinement over the course of Q2-3 of 2024, reflecting further engagement with potential participants and other stakeholders. CPI will refine the logistics & technical work, proposal evaluation and eligibility requirements, and technical assistance. We will be as transparent as possible in this process.

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## Outreach to FiCS membership

CPI, IDB, and FiCS will be as transparent as possible throughout the development and implementation of the FiCS Lab.

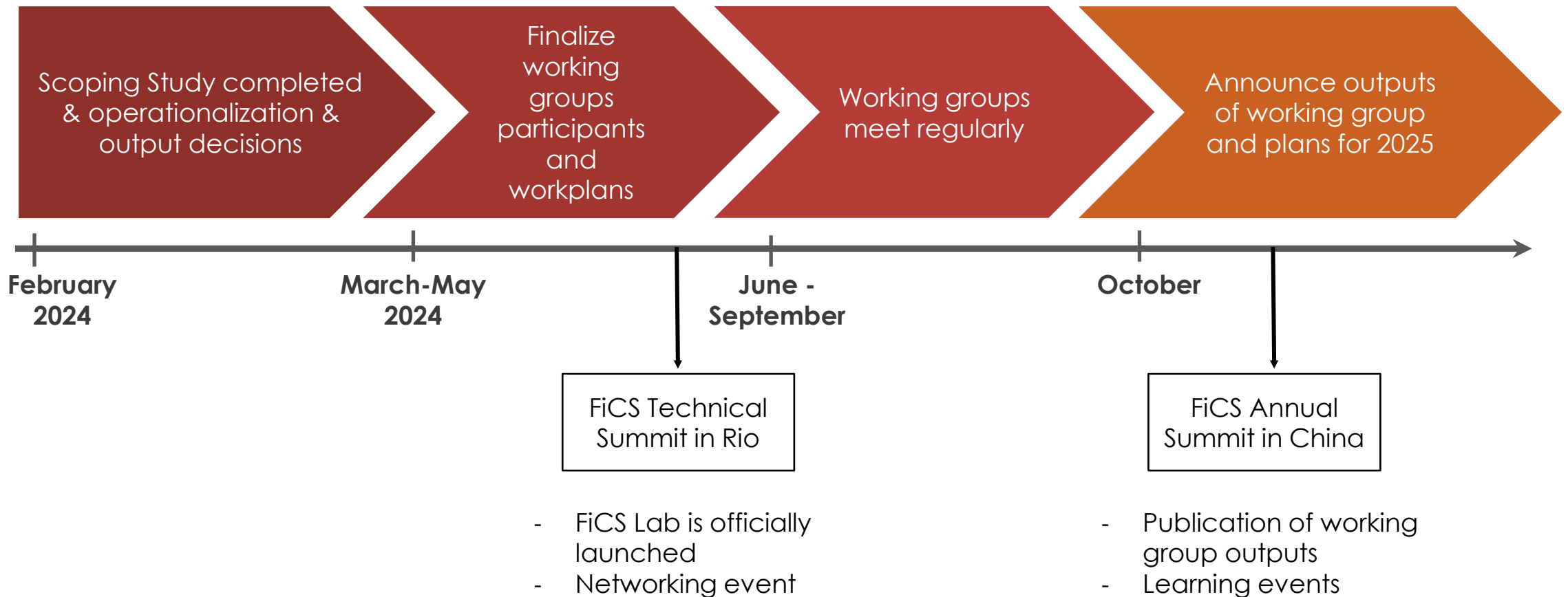
- Materials will be regularly posted and updated on the CPI FiCS Lab website.
- FiCS will send regular emails updating the FiCS membership on any changes or developments.
- FiCS members can join a working group at any time.
- Learning sessions will be open to all FiCS members, while structured dialogues will be limited to the FiCS Lab working group members.



## 5. Next steps

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## Next steps and key events



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## IMF/World Bank Spring Meetings: A staging post for launch

Although the FiCS Lab will not be launched until later in the year, Springs were an opportunity for early engagement with the members:

1. Closed-doors meeting between CPI, FiCS, IDB and prospective working group chairs/other interested FiCS members to shape operational aspects and possible workplans in advance of launch.
2. First public-facing knowledge event: Proposed solutions for currency risk.
3. Disseminated scoping study among FiCS membership to build interest/support for the initiative.

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## FiCS/G20 joint event: FiCS Lab launch

The May FiCS/G20 Technical Event will see the formal launch of the FiCS Lab. This will include:

- FiCS Lab presence in the official program as a cross-cutting event.
- Web presence goes live on FiCS website.
- Publication of a public-facing scoping study, including outline of 2024 workplan for each working group.
- Publication or dissemination of first knowledge products.

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## Finance in Common Summit: Ambition for the Lab's Y1

The Finance in Common Summit will be the key forum for highlighting the work of the Lab. A credible package of deliverables should include:

- One session in the official program focused on experience of the Lab, achievements in Y1 and ambition for the future.
- Publication of additional knowledge products, with the objective that Y1 output is a cohesive body of work to a consistent standard.
- Depending on working group progress and final work programs, 2/3 policy products (guidelines, principles, handbooks, standardized approaches/clauses).
- Learning event/s (depending on space available in the program) highlighting a selection of deliverables.
- Launch of Pillar 3 call for ideas, and new partnerships for 2025.



# ANNEX

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## Annex A: Stakeholder consultation

We would like to thank the following organizations for participating in the stakeholder consultation for this project, either by attending a workshop, participating in an interview, or submitting written comments.

- ADB (Asian Development Bank)
- AIIB (Asian Infrastructure Investment Bank)
- Bahamas Development Bank
- Bank of America
- Banobras (National Bank of Public Works and Services, Mexico)
- Bezos Earth Fund
- BCIE/CABEI (Central American Bank for Economic Integration)
- Banco de Desarrollo Productivo (Bolivia)
- California Infrastructure and Economic Development Bank
- Capital Hubs Canada/Concordia Advisors
- CDP (Cassa Depositi e Prestiti)
- CIFF (Children's Investment Fund Foundation)
- Credit Agricole du Maroc
- EBID (ECOWAS Bank for Investment and Development)
- EBRD (European Bank for Reconstruction and Development)
- FIRA (Trust Funds for Rural Development, Mexico)
- FinDev Canada
- Findeter (Financial Development Institution, Colombia)
- GFANZ (Glasgow Financial Alliance for Net Zero)
- GGGI (Global Green Growth Institute)
- ICO Group (Spain's Official Credit Institute)
- IDB (Inter-American Development Bank)
- iCS (Institute for Climate and Society)
- Montreal Group
- Nature Conservancy
- National Development Bank of Ecuador
- OECD Development Co-operation Directorate
- OPEC Fund for International Development
- TCX (The Currency Exchange Fund)
- UNDP (United Nations Development Programme)
- UNICEF (United Nations International Children's Emergency Fund)
- WINGS Philanthropy

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# Annex B: Scoping Study Questionnaire 1/2

## Section 1: Mission and short and long-term goals of the FICS Lab

1. What specific gaps or unmet needs in leveraging private capital in EMDES can this initiative address?
2. Which of the thematic areas identified by the FiCs communiqué (climate contingent debt clauses, debt swaps, local currency instruments, voluntary carbon markets) are of greatest importance/interest to you?
3. Which activities among those listed in the proposed strategy statement (knowledge sharing & analysis, structured dialogues, and direct incubation support for new ideas) would be most important and impactful? What would be most useful for each thematic area?
4. What are the priority outcomes to achieve in 2024? Beyond the current four focus areas, are there any emerging or underexplored issues that you would highlight for future consideration?

## Section 2: Stocktake of existing activities and innovations

1. What financial innovation initiatives or instruments have you been developing or implementing in the thematic areas identified? How do you see these initiatives synergizing with or being enhanced by the efforts of the FICS Lab? How can the FICS Lab support the uptake and replication of innovations?
2. Where do you feel you have knowledge to share? What are the areas where you would like to learn more about what other people are doing?
3. How can the FiCS Lab effectively engage and integrate partners into its activities? Are there areas where the Lab risks duplicating existing efforts? What are other initiatives that the FiCS Lab should collaborate with and/or learn from? Both other innovation initiatives as well as other TA programs available to PDBs

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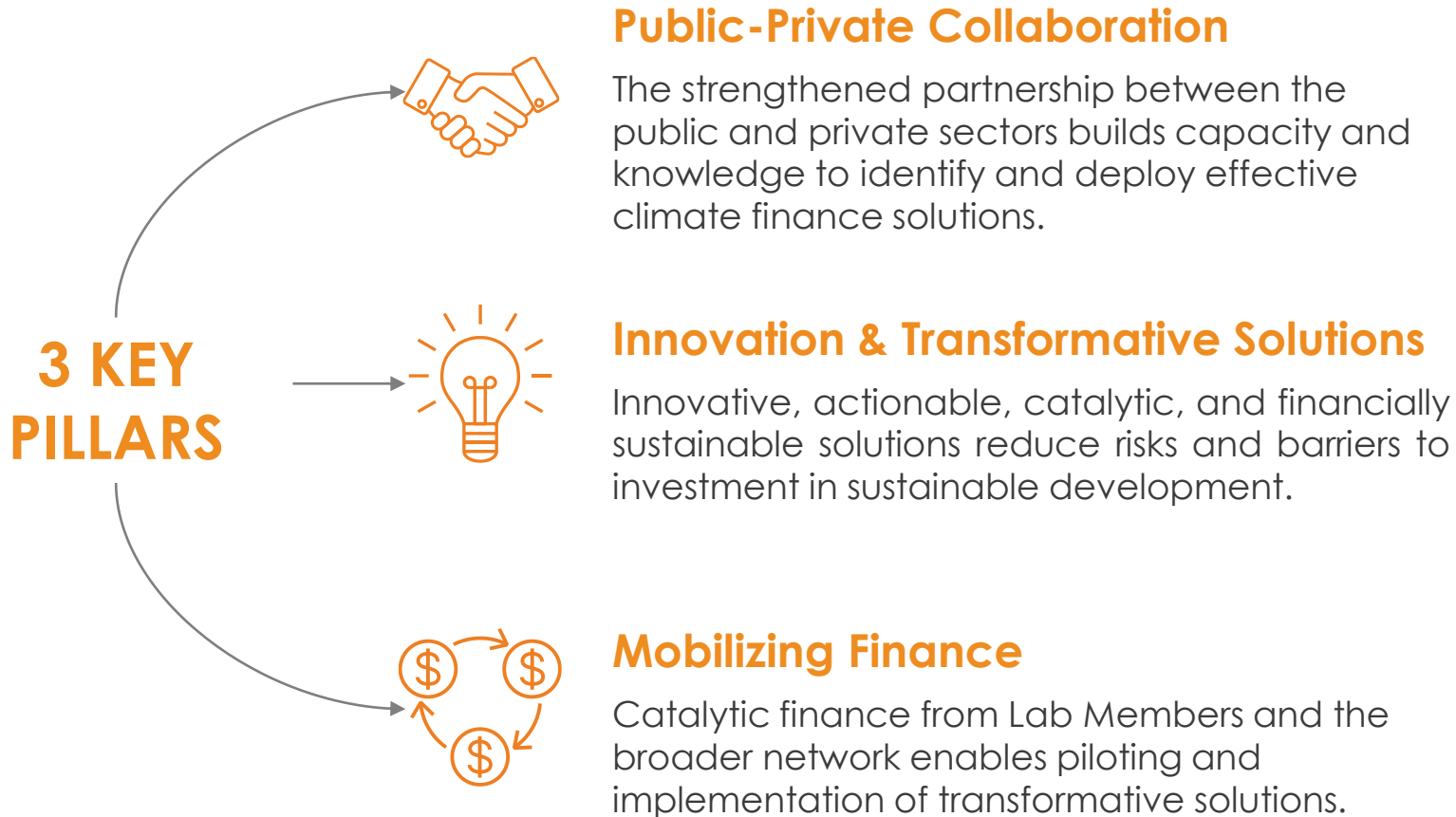
## Annex B: Scoping Study Questionnaire 2/2

### Section 3: Operational considerations

1. Participation: Does your institution have the capacity to be an active participant in the FICS Lab? At what level of effort and frequency? What are the barriers to participation and can this be mitigated? What level of seniority and what department(s) should be participating in the FICS Lab?
2. Information sharing: Do you have any transparency or data concerns or constraints in participating in this kind of effort? How might these be mitigated?
3. Governance: The FICS Lab is proposed to be managed at an operational level by FICS Secretariat, IDB, and CPI, with oversight from the FiCS Executive Committee. What role should other FICS members play in the governance? How often would you like to be informed of progress and decisions? What kinds of feedback mechanisms should be instituted to ensure members' input is taken onboard?
4. Metrics: How should the FICS Lab measure its progress and success? Are there any measurement tools you'd recommend?

## Annex C: The Global Innovation Lab for Climate Finance

is an investor-led public-private initiative that develops innovative climate finance solutions to drive private investments into climate change action



**\$4.1 Bn+**

CAPITAL MOBILIZED

**68** INSTRUMENTS  
LAUNCHED

**3** MECHANISMS  
REPLICATED

**90+** MEMBERS