

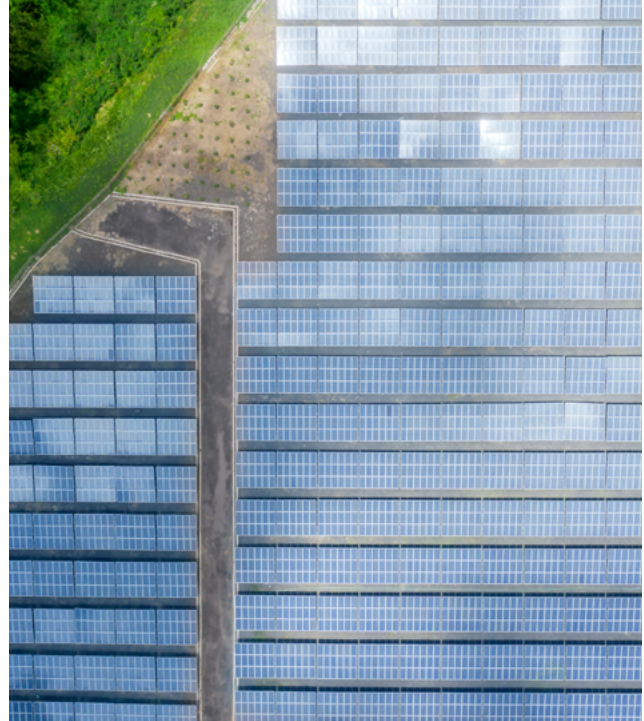


# The Finance in Common Financial Innovation Lab

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

Finance in Common (FiCS), the Inter-American Development Bank (IDB), and 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 assists public development banks (PDBs) in overcoming barriers to mobilizing climate finance by sharing best practices, developing standardized approaches to climate instruments, and offering technical support to transform ideas from inception to implementation.



The three pillars of the Lab are operationalized through working groups and the Incubator.

## FICS LAB WORKING GROUPS

Each year, working groups tackle four key topics relevant to public financial institutions. Meeting virtually on a monthly basis, PDB-led working groups hear insights from external experts, share experiences and lessons learned, and develop guiding materials for the FiCS Lab membership.

In 2025, working groups will continue their work on currency risk, and expand to cover:

- Blended finance, focusing on guarantees ;
- Risk mitigation, focusing on insurance;
- and the role of NDBs in achieving national climate ambitions.

To join a working group, please sign-up through [this form](#).

### FiCS Lab Working Groups



#### Pillar 1: Knowledge Sharing

Discuss and disseminate best practices and innovations in climate finance among PDBs and external experts.



#### Pillar 2: Policy Dialogue

Standardize approaches to facilitate implementation of climate finance instruments and approaches.



#### Pillar 3: Incubation Support

Develop innovative financial mechanisms through financial and technical support.

### FiCS Lab Incubator

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## FICS LAB INCUBATOR

The FiCS Lab Incubator offers financial and technical support to PDBs and external development partners to advance innovative financial instruments from the idea stage to pilot. It focuses on addressing key regional barriers to climate finance while developing scalable solutions for FiCS Lab members.

In 2025, PDBs will be invited to apply through a competitive call for proposals open from September through November.

For the inaugural incubator cycle, the FiCS Lab received over a dozen outstanding proposals from diverse geographic regions. The proposed instruments covered topics such as currency risk, biodiversity funds, private sector mobilization for adaptation, and water access for SMEs.

The FiCS Lab has selected three innovative proposals to receive support in Cycle 1.



The [Uganda Development Bank](#) is tackling currency risk challenges by developing a novel risk distribution instrument involving a development-oriented hedge provider and an innovative tail-end guarantee.



The [Development Bank of Southern Africa \(DBSA\)](#) is conducting critical assessments to establish a voluntary carbon market platform, addressing existing barriers to effective market development.



The [Development Bank of Minas Gerais \(BDMG\), Brazil](#) is creating a Credit and Production Guarantee Fund to assist local farmers in transitioning to regenerative agriculture practices.

