Scaling ambition

Unveiling the FiCS Lab Incubator Cycle 2

On the sidelines of the FiCS and G7 Special Event on April 29, Climate Policy Initiative, Finance in Common (FiCS), and the Inter-American Development Bank (IDB), are excited to announce the innovative instruments and partnerships driving the second cycle of the FiCS Innovation Lab (FiCS Lab).

In line with the FiCS Lab's core mission, this suite of instruments will be designed to promote innovation in public finance systems to address critical gaps in sustainable infrastructure and green energy investment—focusing on climate smart agriculture, carbon-linked bonds, and parametric climate risk insurance.

WHAT'S NEXT IN 2026?

Beyond the Incubator, the FiCS Lab also runs a series of regional and topical PDB-led working groups, which will resume in mid-2026, and supports the sharing of new ideas and best practices through dedicated research to support PDB innovation and ambition in climate finance.

In addition, Cycle 3 of the Incubator will open for new submissions in September 2026. Please reach out to FiCSLab@cpiglobal.org with any questions!

INNOVATIVE INSTRUMENTS AND FINANCIAL INSTITUTIONS

DFC Belize will be developing a Livelihood Protection Policy (LPP) for MSMEs. The LPP would be the first parametric climate risk insurance instrument in Belize, bundling parametric insurance with DFC's loans to MSMEs to protect against physical climate shocks along with TA and financial literacy for DFC staff, aggregators and borrowers.

The Nigerian National Agricultural Development Fund (NADF) will develop a blended finance facility designed to catalyze agricultural lending in Nigeria. The facility will deploy concessional capital alongside risk-sharing instruments, performance-based incentives, and a technical assistance platform to de-risk lending, strengthen value chains, and unlock private sector investment at scale.

The Bank of Bhutan and the **Bhutan Climate Fund** will design a performance-based carbon-linked bond which will be issued by the Bhutan Climate Fund and managed by the Bank of Bhutan. Proceeds will be deployed to eligible projects using pre-agreed financing modalities such as concessional loans, results-based financing, guarantees, or blended structures to support a pipeline of climate projects.