

## SUMMARY OF THE PROJECT IN DESIGN \* (\*)

### LAC Green Innovation Hub (GreenHub) 1.0

<b>PITCH ELIGIBILITY DATE</b>		<b>COUNTRY(IES)</b>
04/18/2022		Bolivia; Brazil; Chile; Colombia; Ecuador; Guatemala; Guyana; Haiti; Honduras; Jamaica; México; Peru
<b>ALIGNED WITH COUNTRY STRATEGY?</b>		
Yes		
<b>PARTNER(S)</b>		
IDB Lab		
<b>PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT</b>		
C (**)		
<b>TOTAL BUDGET</b>	<b>IDB Lab</b>	<b>LOCAL COUNTERPART AND COFINANCING</b>
US 14,600,000	US 14,600,000	US 0
<b>DESCRIPTION</b>		

**The problem** The LAC region is highly vulnerable to the impact of climate change – with increasing exposure to extreme temperatures, changing precipitation patterns, increasing frequency and intensity of extreme events, sea level rise and acidification, reduced glacier coverage, and coral bleaching. Addressing these challenges while contending with the socio-economic impact of COVID-19 requires *unprecedented action*. However, the world has *less than 10 years* to halve global greenhouse gas (GHG) emissions by 2030 to avoid catastrophic impact of global warming of above 1.5 degrees Celsius - and *every sector of the global economy* must aggressively decarbonize to achieve net-zero GHG emissions before 2050. Some of the technologies and solutions critical to achieve these targets have not yet been engineered - such that **accelerating climate solutions is arguably, the greatest innovation challenge faced by humankind to date. However, the LAC region continues to lag behind other emerging markets in the innovation space and entrepreneurial innovation related to climate action is still incipient.**

**The solution** To leverage this opportunity IDB Lab proposes to establish **LAC's first Green Innovation Hub (GreenHub)** a platform that crowds-in private, public, philanthropic and climate finance to accelerate the deployment of catalytic Green Tech solutions, new business models and green finance innovation (in both the green and blue economy), to drive the transition to resilient, circular, low carbon societies. Specifically GreenHub 1.0 will (i) deploy early-stage financing (Contingent Recovery Grants) to 20 clean technology startups seeking to commercialize innovative technologies that advance renewable energy, alternative energy and circular economy solutions, and support decarbonization/GHG emission across relevant LAC industries; (ii) build the LAC clean technology innovation ecosystem, connecting LAC Accelerators with Climate KIC (Europe's leading climate knowledge and innovation community) - who will deploy their ClimAccelerator and open access to their global networks; and (iii) foster a climate technology innovation community connecting LAC with global climate networks. Once established, GreenHub will actively mobilize resources to augment both its reach and scope - so that all 26 member countries will benefit, and entrepreneurs developing climate adaptation solutions can also benefit.

**The beneficiaries** include startups that will benefit from early stage financing to promote mitigation solutions; MSMEs, companies across relevant LAC industries and households will benefit from adoption of new solutions; LAC accelerators

\*The information mentioned in this document is indicative and may be altered throughout the project cycle prior to approval. This document does not guarantee approval of the project.

\*\*The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

will benefit from capacity development, and access to a global climate innovation network; and cohorts of climate entrepreneurs will benefit from participation in specialized climate acceleration programs

Expected to impact:

- 4,000 beneficiaries, including companies in relevant sectors, MSME customers and households that will adopt new solutions.
- 10 - 12 accelerators (in eligible countries) will receive capacity building and access to a global climate technology innovation community (through Climate KIC's ClimAccelerator).
- 3 million tons of CO<sub>2</sub>e reduced; 2,700 GWh of electricity saved and or 230 MWs of new installed RE capacity.

**The partner** GreenHub will be executed by IDB Lab in partnership with Climate KIC, Europe's leading climate knowledge and innovation community.

**The IDB Lab's contribution** GreenHub 1.0 will be fully funded with resources from the Climate Investment Fund's Clean Technology Fund. In total they are US 5,300,000 of Equity funds; US \$8,300,000 of Contingent Recovery Funds and US 1,000,000 in Non-Reimbursable Technical Cooperation.

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