Driving Innovation for Climate & Nature

DCED Thematic Day on The Future of Private Sector Development at the Nexus of the Green and Digital Transformations.

June 2024

As the innovation and VC arm of the IDB Group we strive to discover new ways to drive inclusion, environmental action, and productivity.

Support early-stage **entrepreneurial innovation and the ecosystems** it needs to thrive.

1

Foster the development and adoption of **new technologies**.

2

Activate **innovative markets** and catalyze existing sectors.

3

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Innovation and Environmental Action

Paris Agreement (Article 10)
“Accelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and for promoting economic growth and sustainable development.”

The COP’s Technology Executive Committee (TEC) recommends enhancing the effectiveness and impact of climate entrepreneurs by :

1. Developing strong national entrepreneurial environments
2. Promoting opportunities to engage in entrepreneurship and focus on climate tech
3. Enhancing the effectiveness of incubation models for climate entrepreneurs

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Private Sector Challenges to Developing a Climate Tech Ecosystem

1 Finance

2 Investable companies

3 Broadening climate tech

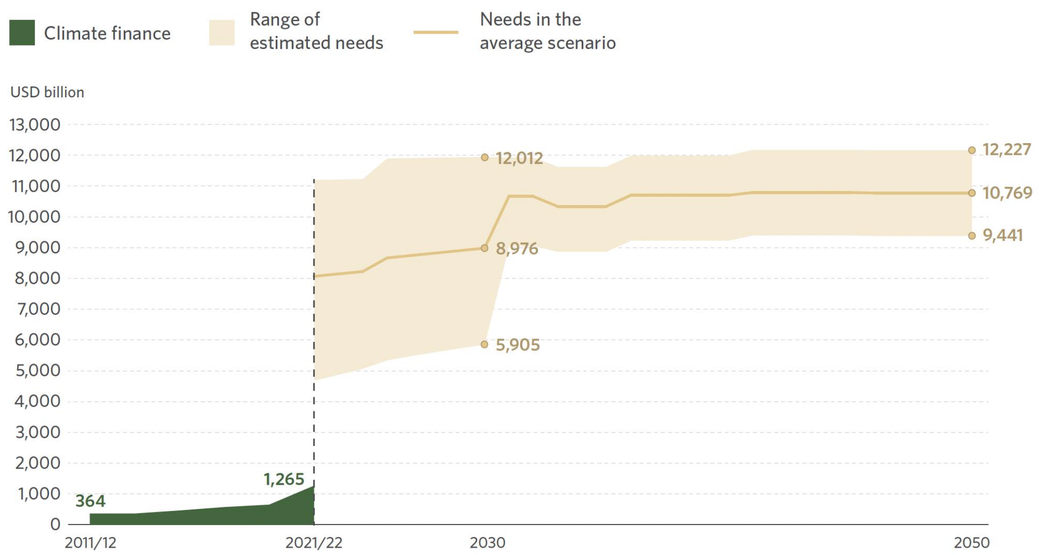
4 Leveraging the power of data

5 Linking with public policy

Private Sector Challenges to Developing a Climate Tech Ecosystem

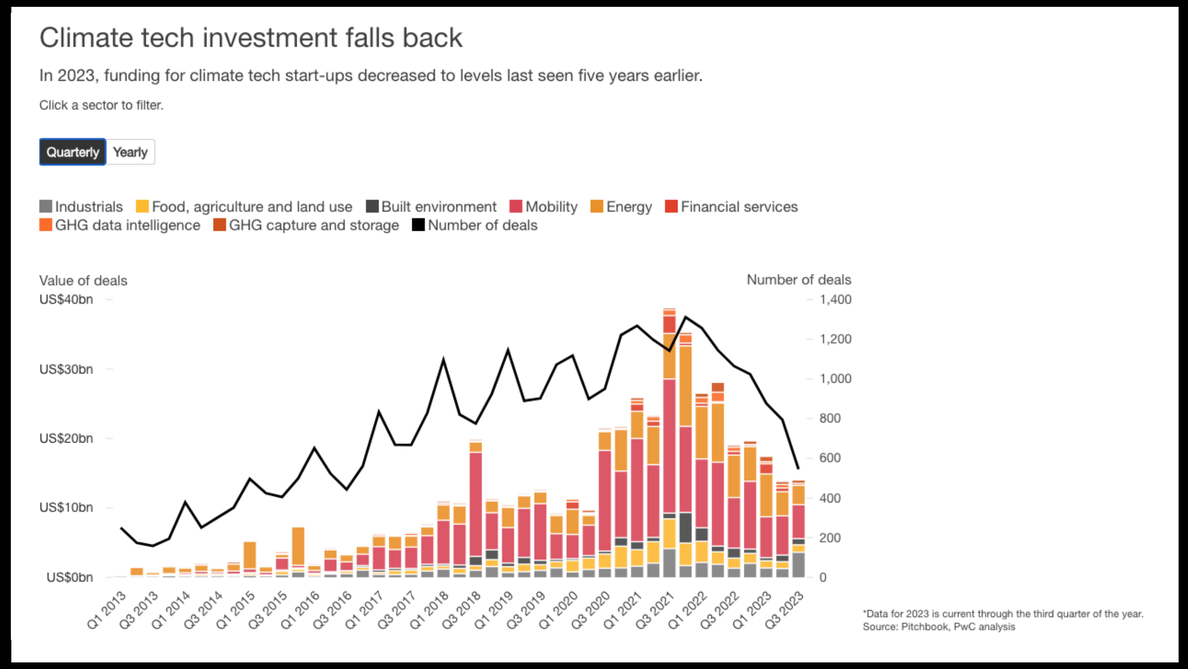
1 Finance

Figure ES3: Global tracked climate finance and average estimated annual needs through 2050[3]



Private Sector Challenges to Developing a Climate Tech Ecosystem

2 Investable companies



Private Sector Challenges to Developing a Climate Tech Ecosystem

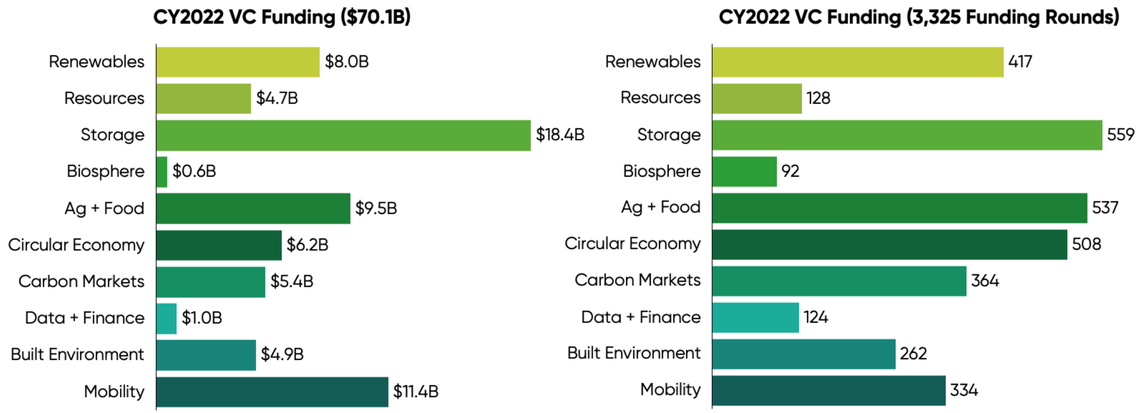
3 Broadening climate tech

HOLONIQ. GLOBAL IMPACT INTELLIGENCE

Holon IQ

$70.1B & 3,300+ deals in Climate Tech Venture Funding for 2022. Energy Storage/Distribution & Mobility continue to dominate the mega rounds.

Global Climate Tech Venture Capital Funding, 2010-2022 in USD Billions and number of funding rounds.



Source: HolonIQ, 2 January 2023. All numbers rounded and may not sum exactly due to rounding. Classification follows open-source www.globalclimatelandscape.org

www.holoniq.com

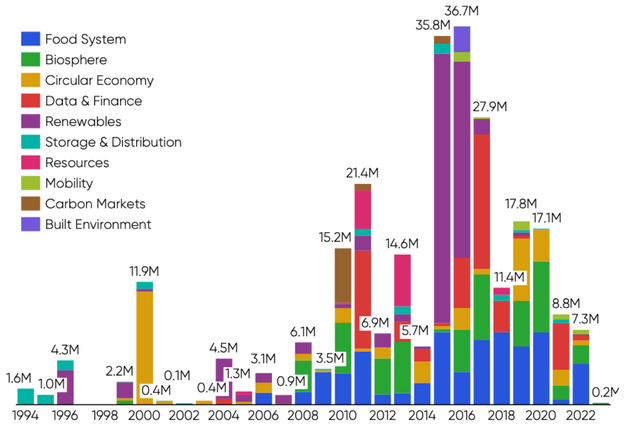
LAC CLIMATE LAC CLIMATE INNOVATION DEEP DIVE

Holon IQ

300 Unique IDB Lab Projects by Sub Sector

Climate Tech 'High Fit' IDB Lab Projects/Investments over Time by Number

USD Disbursed, Climate Tech = High



www.holoniq.com

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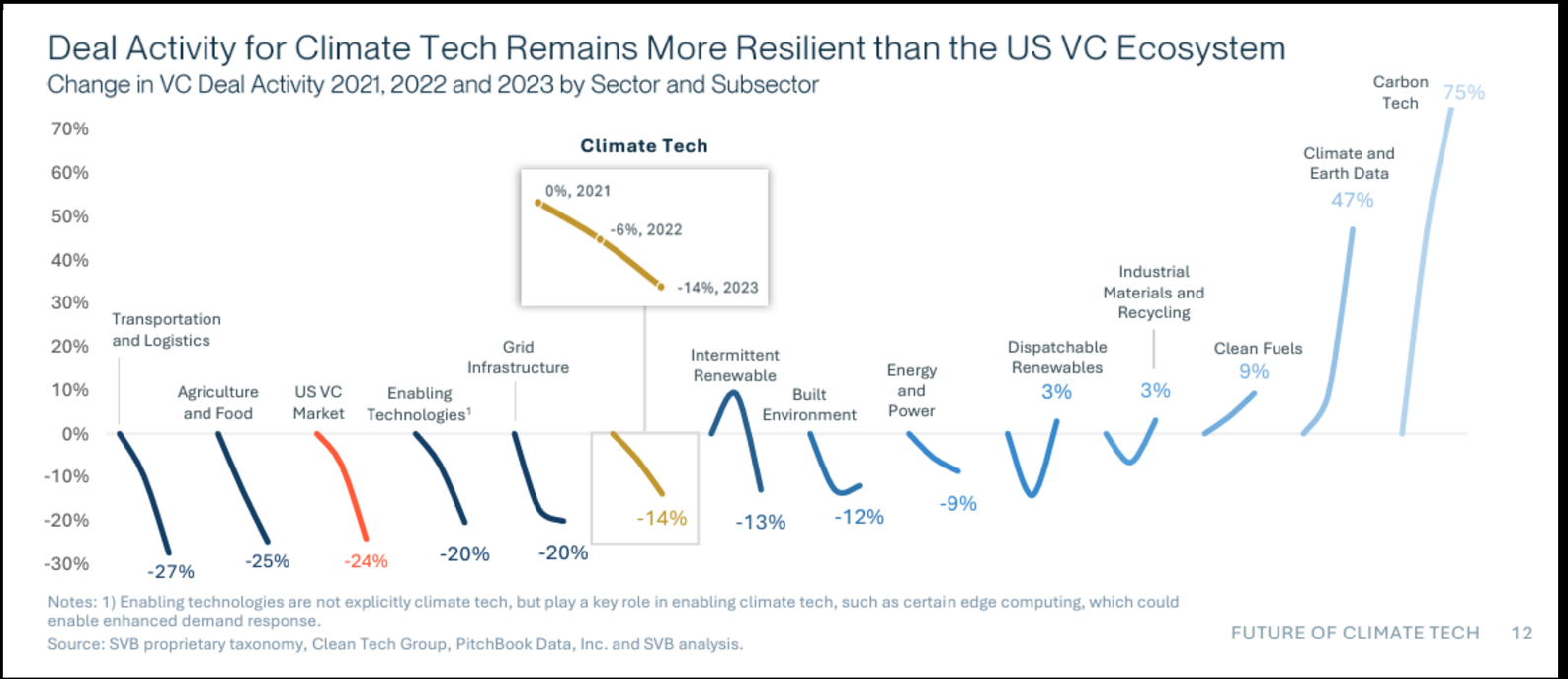
Private Sector Challenges to Developing a Climate Tech Ecosystem

4 Leveraging the power of data



Private Sector Challenges to Developing a Climate Tech Ecosystem

5 Linking with public policy

A

Better integration of state-sponsored R&D and entrepreneurship and innovation.

B

Regulation enabling innovation in finance and new financial instruments.

C

Measurement and standardization in biodiversity and the economic valuation of biodiversity.

D

Direct funding of innovation.

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NaturaTech LAC

Leveraging emerging tech to enable and promote the scalability of high-integrity biodiversity conservation and regeneration actions to improve people's well-being.

1

Promote more transparent and trustworthy environmentally-friendly (including zero-deforestation) value chains through the strategic adoption of emerging techs.

2

More effective **monitoring and management of territory** (forest/tropical forests' health and combating their deforestation).

3

Other topics: **Sustainable and regenerative agricultural practices** such as agroecology, blue-economy and NbS for cities.

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AI for Climate Resilience

A Moonshots for Development (M4D) -sponsored global challenge to identify AI-based solutions to climate adaptation facing farmers and rural communities.

Climate Sustainable Ag

Climate-resilient practices that optimize resource use, support better drop and farm management, improved yields, enhance disease and pest detection and management.

Natural Resource Management

Solutions to better manage water resources, forests, and biodiversity, and that promote sustainable resource use and ecosystem conservation.

Disaster Risk

Strengthen disaster risk strategies and early warning systems, enabling timely response and preparedness for extreme weather events and climate-related disasters.

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IDB Lab Portfolio Highlights

BIODIVERSITY, ECOSYSTEMS AND LANDSCAPES

Reforestation, genomics and bio-pesticides, soil restoration, silvo-pastoral solutions, bio-credit offsets, natural capital services, MRV, tokenization and digital wallets.

CIRCULAR ECONOMY

Marketplace platforms, corporate value chains, recycling, solid waste and plastics, and food waste.

OCEANS, COASTAL, AND WATER RESOURCES

Ocean plastics, sargassum solutions, artisanal and sustainable fisheries, water conservation services, precision fishing, biomaterials.

FOOD SYSTEMS

Soil improvement, regenerative agriculture, precision agriculture, AI-based resource optimization, logistics genomics, alternative proteins.

DATA AND FINANCE

Blockchain and MRV, imaging solutions, financial services and fintech solutions for climate, insurance, IoT solutions for nature and agriculture.

RENEWABLE ENERGY

Distributed energy solutions, biomass projects, green hydrogen, digital energy solutions.

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Thank you