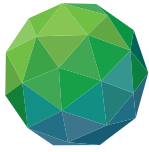


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CATAL1.5T

AUGUST 2023

THE CATAL1.5°T INITIATIVE

Accelerating climate tech innovations in emerging and developing markets

Status quo: climate start-ups are essential to build a net-zero future

To keep global warming close to 1.5° Celsius, we must significantly reduce emissions across all sectors of the global economy before the end of this decade. The CATAL1.5°T Initiative supports climate ventures, because they are vital in achieving this ambitious goal. While climate tech alone cannot save the planet, without tech solutions we don't stand a chance. The agility and transformative innovations of tech start-ups and venture capital investors can play a vital part in rapidly bringing high-impact climate solutions to local markets and paving the way towards a net-zero future.

In North America and Europe, climate tech investments have increased markedly since 2020. In developing and emerging-market countries, by contrast, venture capitalists (VCs) are often hesitant to invest in climate tech due to the perceived high investment risks. Risks can be appreciably reduced if targeted pre-investment support and funding grants are available to help early-stage climate entrepreneurs develop their climate tech ventures such that they are investment-ready.

Objectives and activities: promoting climate tech ventures

To encourage seed investments in promising, early-stage climate ventures from the Global South and to promote regional climate tech innovation networks, the Deutsche

Facts and figures

Term:	April 2022 – September 2029
Countries	Latin America: Argentina, Colombia, Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Peru West Africa: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mauritania, Niger, Senegal, Togo
Total approved budget	EUR 37 million
Implementing Partners	Latin America: GIZ, EIT Climate-KIC, Tecnológico de Monterrey West Africa: GIZ, EIT Climate-KIC, I&P ENTREPRENEURS & DEVELOPPEMENT (IPED)

Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has launched the global CATAL1.5°T Initiative (pronounced 'Catalyst'). The initiative is funded by the international Green Climate Fund (GCF) and the German Federal Ministry for Economic Cooperation and Development (BMZ) for an initial term of six years.

Its work in developing and emerging markets focuses on catalysing start-ups and young companies offering innovative and sustainable climate tech solutions.

Through regional platforms in Latin America and West Africa, the initiative is to provide technical and financial support

Implemented by



to local start-ups and young companies offering innovative products, services and business models that directly help us transition to net zero by 2050. The initiative supports the decarbonisation process in a wide range of sectors. Any venture that proposes a transformative climate solution in the fields of energy, food/agriculture and land use, transportation, buildings, and industry and manufacturing can apply for support. The initiative strongly fosters diversity, equity and inclusion (DEI).

Each regional CATAL1.5°T platform includes four programmes targeting different groups:

- The **Accelerator Programme** for climate tech ventures launching a first product or service on regional markets is pivotal to the initiative. Support includes technical training, coaching, mentoring and repayable grants to help ventures navigate the ‘valley of death’.
- Under the **Pre-Accelerator Programme** new climate start-ups receive technical support and a grant to get their prototype climate solution ready for commercialisation.
- Through its **Ideation Programme**, the initiative organises climate hackathons (‘climathons’) at local level in participating countries to create vibrant local communities of climate innovators and entrepreneurs, and facilitate the development of promising climate tech ideas.
- To curate regional climate tech innovation networks, the CATAL1.5°T Initiative’s **ecosystem support** offers training for accelerators, VCs and interested investors in fields as varied as climate tech, diversity, equity and inclusion (DEI), and ways of integrating environmental, social and governance (ESG) considerations into day-to-day operations. The initiative will also promote dialogues between the start-up community, VCs, and policymakers to discuss actions that governments can take to boost climate tech.



Climate tech innovations are vital in paving the way towards a net-zero future

Impact: leveraging venture capital and unlocking mitigation potential

The CATAL1.5°T Initiative is expected to leverage about EUR 400 million in venture capital, which could unlock a climate mitigation potential of up to 58 million tonnes of carbon dioxide equivalent (MtCO₂e) over a 20-year period. That is equivalent to the annual greenhouse gas emissions of Greece in 2021.

Initially, the initiative will support 180 climate ventures from eight countries in Latin America (Argentina, Colombia, Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Peru) and eight countries in West Africa (Benin, Burkina Faso, Côte d’Ivoire, Guinea, Mauritania, Niger, Senegal, Togo). Each regional CATAL1.5°T platform is operated by a partner consortium, including a leading local start-up investor or accelerator and regional teams from GIZ and EIT Climate-KIC, Europe’s leading climate innovation agency.

Outlook: regional launches in Latin America and West Africa

The CATAL1.5°T Initiative was launched in June 2023 in Latin America, with West Africa following soon. First calls for applications for the CATAL1.5°T programmes in Latin America are scheduled to go online in late 2023. The initiative could also be extended to other regions in future.

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Regional CATAL1.5°T platforms in Latin America and West Africa are run by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in cooperation with EIT Climate-KIC, Tecnológico de Monterrey and Investisseurs & Partenaires Entrepreneurs & Développement (IPED).