



**GREEN  
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DEUTSCHE ZUSAMMENARBEIT

**CATAL1.5T**

**DECEMBER 2023**

# CLIMATE START-UP PROGRAMME LATIN AMERICA

## CATAL1.5°T Initiative Latin America Platform

### Status quo: climate start-ups are essential to build a net-zero future in Latin America

To keep global warming close to 1.5° Celsius, emissions must significantly drop across all sectors of the global economy before the end of this decade. Many countries in Latin America have a strong commitment to build this goal, most of them updated their nationally determined contributions (NDCs) to bring emissions to net zero by 2050. Mexico has set the objective of reducing greenhouse gas emissions (GHG) by 35% by 2030. The global CATAL1.5°T (pronounced ‘Catalyst’) Initiative supports climate ventures because they are vital in achieving these goals. The “Climate start-up programme Latin America” based in Mexico is part of this initiative. In North America and Europe, climate tech investments have increased markedly since 2020. In developing and emerging-market countries, venture capitalists (VCs) are often hesitant to invest in climate tech due to the perceived high investment risks.

Germany and Mexico have a strong partnership in climate change adaption for more than 40 years. The “Climate Start-up Programme Latin America”, implemented by GIZ Mexico together with the university Tecnológico de Monterrey, serves as a flagship project in this context - aiming to attract start-ups from Mexico and other Latin American countries. It focuses on reducing investment risks through pre-investment support and funding grants that are available to help early-stage climate entrepreneurs develop their climate tech ventures so that they are investment-ready.

### Facts and figures

<b>Term:</b>	November 2022 – April 2026
<b>Countries</b>	<b>Mexico</b> and selected countries: Argentina, Colombia, Costa Rica, Dominican Republic, El Salvador, Honduras, Peru
<b>Total approved budget</b>	approx. EUR 10 million
<b>Political Counterpart</b>	Agencia Mexicana de Cooperación Internacional para el Desarrollo (AMEXCID)
<b>Implemented by</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>Implementing Partners</b>	EIT Climate-KIC, Instituto Tecnológico de Monterrey
<b>Strategic allies</b>	Mexican Private Capital Association (AMEXCAP)
<b>GCF counterparts in the region</b>	<ul style="list-style-type: none"> <li>• Ministry of Environment and Energy, Costa Rica</li> <li>• National Planning Department, Colombia</li> <li>• Ministry of Natural Resources, Environment and Mines, Honduras</li> <li>• Ministry of Economy and Finance, Peru</li> <li>• Ministry of Environment and Natural Resources, El Salvador</li> <li>• Ministry of Finance and Public Credit (SHCP), Mexico</li> <li>• Ministry of Environment and Natural Resources, Dominican Republic</li> <li>• Ministry of Economy, Argentina</li> </ul>

## Objectives and activities: promoting Latin American climate tech ventures

To encourage seed investments in promising, early-stage climate ventures in Latin America and to promote Mexico as a strong location for innovation and investment through regional climate tech innovation networks, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Green Climate Fund (GCF) are financing the “Climate Start-up programme Latin America” as part of the global CATAL1.5°T Initiative. The programme provides technical and financial support to local start-ups and young companies offering innovative products, services and business models that directly help transition to net zero by 2050. Any venture with a transformative climate solution in the fields of energy, food/agriculture and land use, transportation, buildings, and industry and manufacturing can apply for support. To curate regional climate tech innovation networks, the platform strongly fosters diversity, equity and inclusion (DEI) and ways of integrating environmental, social and governance (ESG) considerations into day-to-day operations.

### The platform covers three lines of action:

- The **Accelerator Programme** for 30 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** 60 new climate start-ups receive technical support and a grant to get their prototype climate solution ready for commercialisation.

The BMZ reserved 40% of its funds for the Accelerator and the Pre-Accelerator Programme for Mexican start-ups.

- Through its **Ideation Programme**, the platform organises 36 climate hackathons (‘climathons’) at local level in 8 countries to create vibrant local communities of climate innovators and entrepreneurs and facilitate the development of promising climate tech ideas. The programme offers additional support to female entrepreneurs and potential pre-acceleration participants as part of the Climathon community.



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 Latin America Platform is expected to leverage about EUR 15 million in venture capital, which could unlock a climate mitigation potential of up to 2.11 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) over a 20-year period. This is equivalent of the annual greenhouse gas emissions of the Maldives in 2021. It will also aid Mexico in the transformation of its private sector.

Overall, the platform will support 90 climate ventures from eight selected countries in Latin America (Mexico, Argentina, Colombia, Costa Rica, Dominican Republic, El Salvador, Honduras, Peru). It is operated by a partner consortium of a regional team from GIZ, EIT Climate-KIC, Europe’s leading climate innovation agency and the university Tecnológico de Monterrey, renowned for its profound experience with start-ups and entrepreneurship programmes. It uses an innovative implementation approach with strong partners from civil society and the private sector collaborating on an equal level.

## Activities

The CATAL1.5°T Latin America Platform was launched in June 2023 in Mexico, followed by 11 Climathons with 371 participants, including 171 women, and the first call for the CATAL1.5°T Accelerator, where more than 200 start-ups applied. The respective Accelerator programme for 10 selected start-ups will start in April 2024.

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