

Guidance 5: Decision tree for identifying climate opportunities

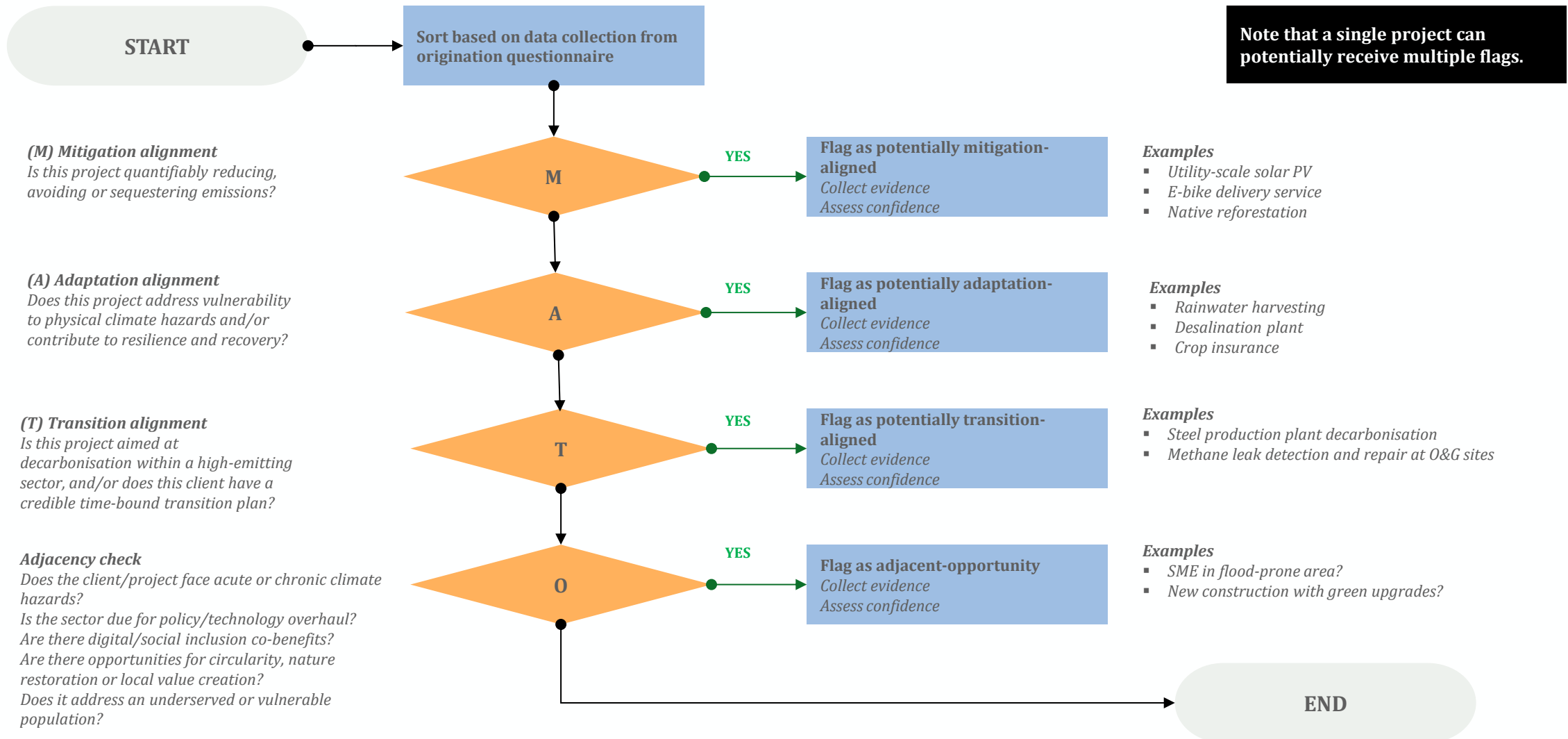
Design principles and structure

- **Categorical branching** – each immediate branch is a major climate-relevant intervention (i.e. mitigation, adaptation, transition, adjacent), so this taxonomy can be expanded in-depth within each category; and in the case of ‘Advanced’ FIs, the tool can be enhanced with new categories in future, such as nature, ESG, and just transition.
- **Minimum inputs, maximum insights** – each decision point relies on a minimum of data, most likely already collected in standard origination processes (e.g. sector, asset type, asset location, project purpose).
- **Decision support, not judgment** – the tool is meant to flag relevant considerations, not approve or reject summarily; relevant staff must always be in the loop and accountable.
- **Note:** There is potential overlap between some projects which could be flagged as both mitigation or transition-aligned.

For example, consider a steel production plant exploring decarbonisation options – would that qualify as mitigation or transition-aligned?

Depending on the client profile and the project details, both flags can be true. The key distinction would be that mitigation (M) should be considered more ambitious and only flagged if the client can evidence direct, immediate and quantifiable GHG reductions; as opposed to transition (T) which is hard-to-abate sector-specific and often can only demonstrate interim progress with a future target date for full Paris alignment.

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Guidance 5: Illustrative examples for a climate opportunities lookup table

A lookup table can categorise climate opportunities that are activity-based or linked to a specific use of proceeds.

Activities relevant to Mitigation (M)

1. *Clean energy generation (solar, wind, geothermal, hydro)*
2. *Energy efficiency (buildings, industry, appliances)*
3. *Low-carbon transport and mobility (BEVs, mass transit, active mobility)*
4. *Industrial decarbonisation (steel, cement, chemicals, CCUS)*
5. *Circular economy and resource efficiency (waste-to-energy, recycling, bioplastics)*
6. *Nature-based mitigation (reforestation, soil carbon, blue carbon)*

Activities relevant to Adaptation (A)

1. *Climate-resilient agriculture and food systems (drought-resilient seeds, insurance)*
2. *Water security and coastal protection (desalination, flood barriers, rehabilitated wetlands)*
3. *Health and social resilience (climate-proof clinics, early warning systems)*
4. *Resilient infrastructure and cities (flood-proofing, cooling, green/blue infrastructure)*
5. *Digital climate services (index insurance, mobile hazard alerts)*

Activities relevant to Transition (T)

1. *Sectoral decarbonisation pathways (O&G, steel, cement, shipping)*
2. *Transition finance instruments (sustainability-linked loans/bonds)*
3. *Just transition (work reskilling, SME decarbonisation, social safeguards)*
4. *Process emissions abatement (methane leak detection, flaring)*

Activities relevant for Adjacent Opportunities (O)

1. *Digital/fintech for climate (ag-tech, insurtech, regtech)*
2. *Financial inclusion and resilience (micro-insurance, savings, MSME green loans)*
3. *Social infrastructure (health, education, safety nets with a climate lens)*
4. *Urban upgrades (retrofits, green upgrades in new builds, mobility-as-a-service)*
5. *SME/community climate solutions (local renewables, nature conservation)*

Guidance 5: Illustrative examples of options within a climate opportunities lookup table

What is a climate opportunity?

- Any technology, product or service that either addresses the causes of climate change (mitigation) or the consequences (adaptation and resilience).

The goals of the Paris Climate Accord provide the 'north star' for defining climate impact objectives:

	A&R	Mitigation
Paris climate goals	To reduce vulnerability to climate change by enhancing adaptive capacity and strengthen resilience	To limit global warming to 1.5C
Climate solutions required	Solutions enabling to prepare and prevent, respond to and/or recover from climate impacts	Solutions enabling to avoid, reduce and/or sequester GHG emissions

A climate investment is...



There are two key types of climate solutions: i) mitigation solutions, and ii) A&R solutions.

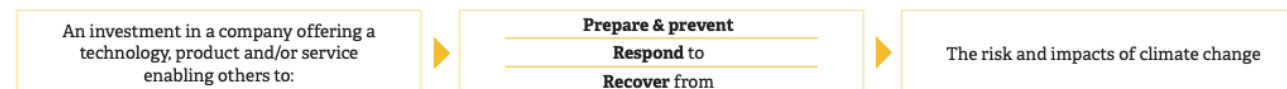
A climate mitigation investment is...



Mitigation solutions include:

Renewable power generation		Avoids GHG emissions
Energy efficiency products		Reduces GHG emissions
Reforestation		Removes GHGs from the atmosphere

A climate A&R investment is...



A&R solutions include:

Climate risk analytics		Enable others to prepare for & prevent the impacts of climate change
Cooling technologies		Enable others to respond to the impact of climate change
Climate insurance		Enables others to recover from the impacts of climate change

Source: BII

Guidance 5: Illustrative examples of options within a climate opportunities lookup table

Investment opportunities in climate solutions exist across sectors and geographies

Here is an overview of examples. The [‘climate opportunities by sector’](#) section provides further details, including on climate solution-specific assessment criteria.



Agriculture, Forestry & Fisheries

Mitigation: Biochar production; Anaerobic waste digesters; Electric boats for fishing

A&R: Water-efficient irrigation; Drought tolerant crops; Efficient cold storage.

Cross-climate: Solar irrigation; Agroforestry



Energy

Mitigation: Wind generation; Solar generation; Hydropower

A&R: Weather forecasting for grid resilience; Weatherisation of renewable energy assets

Cross-climate: Off-grid solar



Manufacturing

Mitigation: Low-carbon cement; Green steel; Electrification of industrial processes

A&R: Water-efficient equipment; Energy-efficient cooling equipment

Cross-climate: Supply chain optimisation



Real Estate/Buildings

Mitigation: Rooftop solar; Insulation; Sustainable building materials

A&R: Green roofs; Rooftop rainwater harvesting

Cross-climate: Energy-efficient cooling



Transport

Mitigation: Electric vehicles (EVs); low emission fuels; EV charging infrastructure

A&R: Remote sensing systems to identify damaged infrastructure

Cross-climate: Renewable charging infrastructure



Water

Mitigation: Solar-powered water treatment; Demand monitoring systems

A&R: Water storage & harvesting

Cross-climate: Solar-powered desalination; Waste-water recovery and reuse; Non-revenue water reduction



Waste

Mitigation: Recycled materials; Waste to energy; Methane capture

A&R: Fire-safety landfill structures

Cross-climate: Decentralised waste stations



Digital & Communication Technology

Mitigation: Efficient data centres

A&R: Climate risk modelling services; Crop data analytics

Cross-climate: Digital climate advisory services to farmers



Nature-based Solutions

Mitigation: Satellite systems to measure and monitoring carbon stocked in forests

A&R: Bioswales; Green roofs; AI-tools modelling climate impacts on forests to support forest management

Cross-climate: Mangrove restoration



Health

Mitigation: On-site renewables for hospitals

A&R: Disease surveillance systems; Early warning systems

Cross-climate: Energy-efficient cooling to manage heat stress.



Financial Services

Mitigation: EV finance

A&R: Climate insurance; microfinance for climate-resilient agriculture

Cross-climate: Green mortgages for buildings certified for energy performance and climate resilience