


Catalytic Climate Capital

**Bridging the Gap Between Capital
and Clean Energy Projects**



The LUCELEC solar farm in St Lucia generates enough electricity for nearly 3,500 homes while offsetting over 3,800 metric tons of carbon dioxide annually, already saving \$16 million for consumers.

The Opportunity

As of 2023, 67% of global emissions are coming from the Global South, of which 30% are from India and China.¹

It's critical that we prioritize accessible, low-emission pathways to ensure sustainable growth and development.

The Challenge

Despite strong commercial interest, very few clean energy projects are brought to the market for investment in developing and emerging economies.

As emerging markets and developing countries rapidly expand across the Global South, it's time to go beyond pilots and finance clean energy projects at scale. But this requires “de-risking” clean energy projects – ensuring they are seen as secure and profitable bets for investors – and positioning local experts as changemakers in the energy transition.

Before banks can loan millions for a solar farm, project developers race to complete a daunting development and de-risking checklist – from feasibility studies to negotiating contracts with construction companies to securing government permits – to raise bank financing, a process that can take 3-5 years. De-risking clean energy projects is even more difficult in the Global South – where myriad project and market risks lead to unforeseen “soft” costs and perceptions of higher risk, which often means high-cost development capital and inflated expectations on returns on investment.

Collectively, this has prevented a clear business case for scaling renewables in many Global South markets. Very few private sector developers and investors are willing or well placed to take on this work, which is a prerequisite to building a robust pipeline of clean energy projects. **RMI's role in the clean energy ecosystem and our experience and reach in the Global South uniquely position us to address this market failure.**

¹ <https://www.cgdev.org/media/developing-countries-are-responsible-63-percent-current-carbon-emissions>

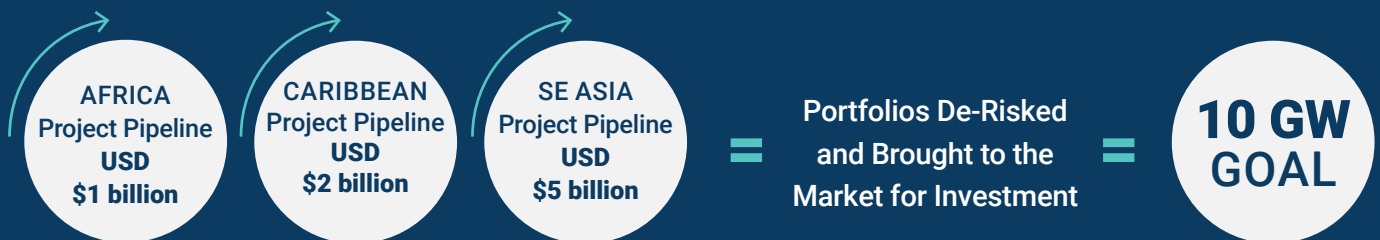
The Solution

Since 2015, RMI has collaborated with utilities, distribution companies, project developers, and local stakeholders to develop a robust pipeline of over USD 8 billion in clean energy projects across the Caribbean, Africa, and Southeast Asia. While we've proven our ability to structure compelling investment opportunities, we must accelerate the pace of investment to meet growing energy demand and climate goals.

Our Catalytic Climate Capital approach is designed to bridge the gap between capital and clean energy projects. We focus on high-impact projects in renewable energy generation, energy efficiency, and clean transportation. By accelerating the development of these projects, we aim to create jobs, improve energy access, and reduce greenhouse gas emissions in emerging markets. We offer a comprehensive suite of services, including:

- 1. Fund Partnership and Project Development Support:** Our Project Preparation and Development Facilities (PPDFs) provide funding to identify promising projects, conduct feasibility studies, and prepare bankable investment packages, ultimately reducing investment risks and attracting private capital. We also partner with fund managers on blended finance instruments, such as the [CARICOM Resilience Fund](#). This \$100 million blended finance fund will unlock private-sector participation across renewable energy, clean transport, blue economy, sustainable agriculture, communication technology, and financial services in the Caribbean.
- 2. Financial Innovation:** We create innovative financial tools, such as designing toolkits of solutions to mitigate risks and address market barriers for India's two- and three-wheeler market, that reduce investment risk and improve project returns.
- 3. Capacity Building:** Through our [Climate Finance Access Network](#) and [Energy Transition Academy](#), we empower local stakeholders with the skills and knowledge needed to develop and manage successful clean energy projects. By strengthening expertise on the ground, we create a sustainable pipeline of bankable projects and enhance investor confidence.

Aligning the interests of all stakeholders helps create a sustainable ecosystem for clean energy investment. RMI's role typically concludes at financial close, at which point philanthropic capital is returned and reinvested in new project development through regional PPDFs. **This capital recycling approach maximizes the impact of funding by catalyzing additional private capital and expanding our reach.**



Unlocking Clean Energy Investment in St. Lucia

RMI recently supported the preparation of a portfolio of 8 solar and battery storage microgrid projects across St. Lucia.* The sites include the nation's largest public hospital, largest water treatment and pumping facility (which serves up to 60 percent of the population), and several schools that serve as emergency shelters, strengthening island-wide resiliency. More importantly, local stakeholders learned by doing every step of the way, building the capacity to replicate and scale this work independently in the future.

*RMI's \$400,000 PPDF generated a \$7.4 million final project investment in St. Lucia.

Why RMI

Deep expertise and our cross-sectoral role in the global clean energy ecosystem uniquely position RMI to lead this critical effort.

RMI is an independent nonprofit, founded in 1982 as Rocky Mountain Institute, that transforms global energy systems through market-driven solutions to align with a 1.5°C future and secure a clean, prosperous, zero-carbon future for all. We work in the world's most critical geographies and engage businesses, policymakers, communities, and NGOs to identify and scale energy system interventions that will cut greenhouse gas emissions at least 50 percent by 2030. With more than 700 staff, RMI has offices in Basalt and Boulder, Colorado; New York City; Oakland, California; Washington, D.C.; Abuja, Nigeria; and Beijing.

As a non-governmental organization, our cross-sectoral role in the global clean energy ecosystem uniquely positions us to accelerate climate capital in emerging markets and developing economies. We build deep trust with governments, utilities, and regulators through our strong analytical rigor, inclusive approach to problem solving, equity-minded focus, and deep understanding of the local context and challenges. Our project pipeline includes more than US\$2 billion in the Caribbean, US \$1 billion in Nigeria and US\$5 billion in Southeast Asia. We also facilitated nearly 75 percent of all clean energy deal flow in the English-speaking Caribbean over the last nine years, supporting 14 projects from concept to commissioning – six of which were the country's first-ever clean energy projects.

How You Can Help

Strategic partnership and catalytic funding will help to unlock finance for project pipelines and allow RMI to scale this proven approach across geographies.

RMI is actively seeking partnerships with investors and philanthropists to unlock the full potential of these markets. Combining our deep market expertise with financial resources can create a powerful force for positive change, addressing climate impacts while generating attractive returns. Working with RMI, you can play a pivotal role in accelerating climate finance and generating and de-risking portfolios of clean energy investments.

Partnering with RMI means:

- **Accelerating impact:** Our deep market knowledge and relationships enable local stakeholders to rapidly deploy capital into high-impact projects.
- **Mitigating risk:** Our rigorous project evaluation, development, and financial structuring reduce investment risk.
- **Building a strong portfolio:** Our capacity-building efforts create a robust ecosystem for long-term investment.

Together, we can unlock the immense potential of emerging markets for clean energy, generate significant returns, and contribute to a sustainable future.

Contact Us

For more information, please contact:

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