

# Caribbean Climate-Smart Facility

Accelerating the just energy transition

## The Need

**Swiftly and equitably transforming the Caribbean energy sector from fossil-fueled, vulnerable, centralized, and imported to renewable, resilient, distributed, and local energy.**

More than 44 million people in the Caribbean still depend on fossil-based electricity systems. Few clean energy projects attract investment in the Caribbean despite the strong commercial case for them. Research shows that project developers are reluctant to bring projects to market if investible capital is not readily available. At the same time, development banks and other potential finance providers are looking for “shovel-ready” projects that are substantially de-risked. This is especially true for small projects, which require as much effort to prepare and underwrite as large projects. Without robust project preparation and a dedicated pool of funding with the appropriate risk tolerance willing to lead project financing, projects stall or face unsustainable capital costs to compensate for perceived risks. This creates a gap between the projects ready to come to market and investors willing to invest in them.



**Project derisking** in renewable energy involves identifying and mitigating potential risks to ensure project success. These risks include technical challenges, regulatory changes, financial uncertainty, environmental impacts, and market fluctuations.

**Project preparation** for renewable energy projects involves planning and organizing the necessary resources, including site selection and acquisition, permitting and regulatory compliance, financing, procurement support and technical and engineering design, ensuring a smooth and successful project launch and commissioning. The project preparation and development phase is crucial for setting the foundation for successful renewable energy development.

# The Opportunity



The Caribbean Climate Smart Facility (CCSF) is designed to address this bankability gap and catalyze the transition to a fully commercial clean-energy market in the Caribbean, including overseas territories.

The CCSF ensures that clean energy projects mature rapidly, address the market failure points, and are well-positioned to leverage capital from the private sector and international public financing institutions. Without dedicated resources for completing pre-feasibility and feasibility activities, essential to reach bankability, many energy projects in the Caribbean region fail in the preparation phase. The CCSF builds on RMI's decade-long presence and unique advantage in the Caribbean region, focusing on addressing this challenge and ensuring that projects are ready to be built.

With a team of experienced project engineers and developers, the CCSF offers a suite of technical assistance services, including:

## Technical assistance

- Preparing technical pre-feasibility and feasibility assessments: i.e. hydrological, topographical, and environmental impact assessments and grid interconnection and system impact studies
- Ensuring compliance with national energy regulatory policies, as well as environmental and land-use regulations
- Business case development and financial modeling

## Procurement and financing

- Preparing requests for proposals (RFPs) for engineering, procurement, and construction firms (EPCs) and/or independent power producers (IPP)
- Contract negotiation support
- Owners engineering and construction oversight

## Capacity Building

- Strengthen the capacity of local energy leaders through technical capacity building workshops, seminars and thought leadership

Services offered by the CCSF significantly reduce risk to the developers or contractors and provide a long-term value for the utilities, governments, and/or commercial off-takers. Successful projects create momentum, build trust, and ultimately lower the financial — and sometimes political — risk of the sector and the country's risk profile.

While RMI focuses on the preparation of specific energy projects and creates enabling environments for project preparation to unlock investment, there is opportunity to further accelerate the sector's transition through regional collaboration and knowledge sharing. Sharing experiences, resources, and training enables professionals to reduce the uncertainty and, eventually, the cost of a clean energy transition. At the regional and local levels, the CCSF also helps to build public awareness on the energy transition through public consultations, key stakeholder engagement, and awareness campaigns.



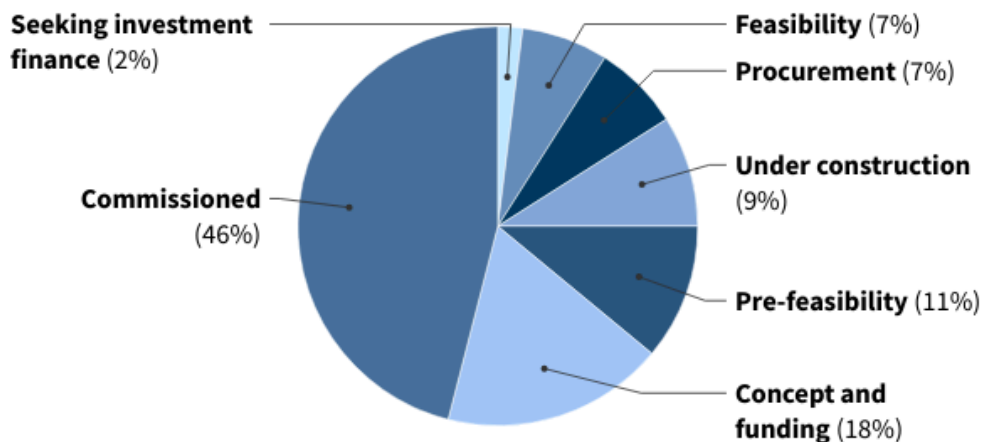
# CCSF Impact



The CCSF has successfully helped develop a significant number of renewable energy generation and storage projects across the region. For every USD \$1 invested in project preparation or de-risking, we unlock USD \$34 investment, and demonstrate a positive impact on the region's energy landscape. The pipeline of projects currently under development is robust, with an approximate total value of USD \$775 million. With over USD \$17.5 million in projects already under development, the fund is actively seeking an additional \$16 million in project preparation funding to fully realize the CCSF's potential and scale its regional impact.

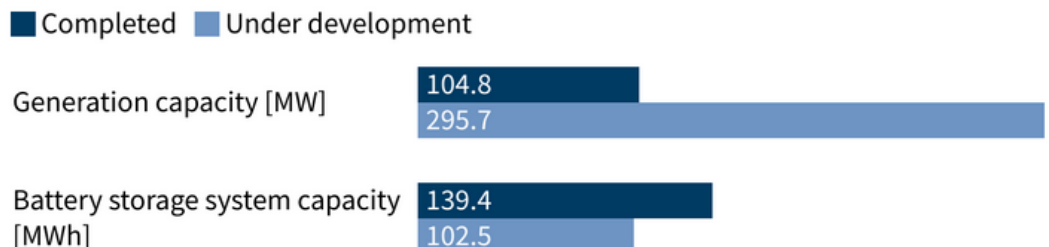
## Development Stage

This chart illustrates the development stage for the portfolio of projects in the CCSF. Notably, 46% of the projects have been successfully commissioned.



## Project Capacity Completed and Under Development

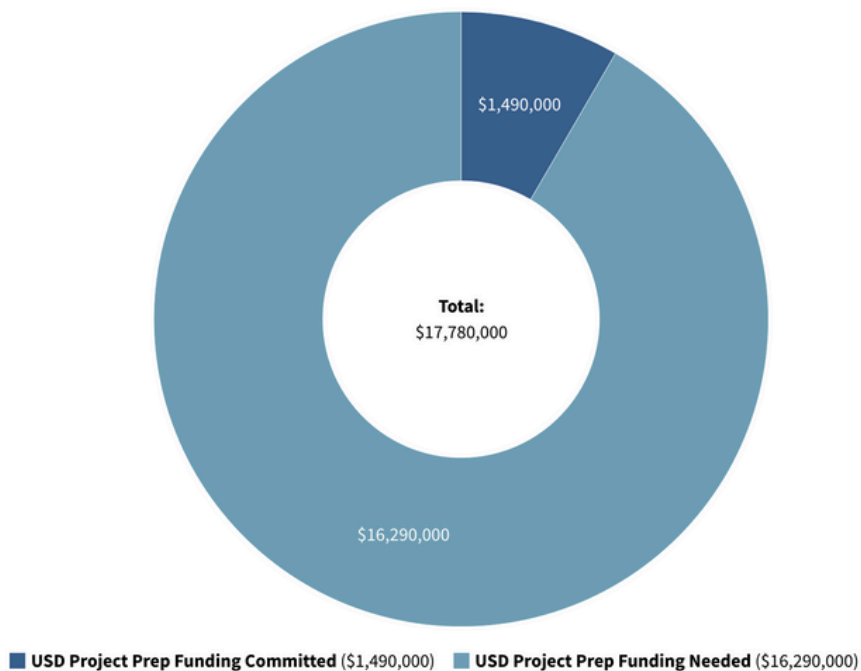
This chart compares the amount of generation capacity [MW] and battery storage system capacity [MWh] completed in the pipeline versus under development.



The below figures show both the committed and required project preparation funding for the CCSF's current project pipeline under development. They also demonstrate the total investment opportunity the pipeline presents as well as the expected leverage ratio.

## Required Project Preparation Funding for Pipeline Under Development

This chart illustrates the total investment opportunity of USD 17.78M, highlighting the committed portion (8%) and the remaining investment needed (92%).



**Investment Opportunity**  
**USD \$775m**

**Expected Leverage Ratio**  
**USD \$34**



## What Your Support Means

In order to deliver impact, we're bringing together support from donors and investors. This is a highly scalable investment. Each dollar donated to project preparation has the potential to unlock \$34 in investment for implementation.

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