



COMMUNITY EQUITY OPPORTUNITY FUND (CEOF)

INSTRUMENT ANALYSIS
OCTOBER 2025



Community Equity Opportunity Fund

LAB VEHICLE ANALYSIS

October 2025

The Lab identifies, develops, and launches sustainable finance vehicles that can drive billions to a low-carbon economy. The 2025 Lab cycle targets three thematic areas (mitigation, adaptation, and sustainable agriculture and food systems) and five geographic regions (Brazil, East & Southern Africa, India, Latin America & the Caribbean, and The Philippines).

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SUMMARY

The Community Equity Opportunity Fund (CEOF) is a blended finance facility that enables rural and Indigenous communities in Latin America to become equity partners in renewable energy projects from the earliest stages of development through operations and revenue generation. By providing milestone-based project development finance and catalytic equity at construction, while also embedding community co-ownership, CEOF directly addresses the capital, capacity, and governance barriers that prevent community participation in energy infrastructure development. Its flexible, stage-agnostic model de-risks investments for Independent Power Producers (IPPs) and aligns interests across communities, development finance institutions (DFIs), and private investors.

Led by Meliquina Partners, a Latin America-based organization with expertise in structuring community equity partnerships and investing in renewable energy projects, the team has already piloted the model through the 18 MW Antú solar project with the Millaqueo Mapuche community in Argentina. The team has identified a strong project pipeline in Argentina and Colombia and has secured early-stage support from the UK PACT program, setting the stage for near-term execution and long-term scalability.

- **Innovative:** Through its integrated structure, CEOF tackles persistent social risks, unlocks commercial capital for energy infrastructure, and incentivizes mutual buy-in from IPPs and communities.
- **Actionable:** Meliquina has developed a robust pilot pipeline and operational plan for implementation in Argentina and Colombia.
- **Financially Sustainable:** CEOF's blended capital structure enables commercial investors to participate in projects without bearing early-stage risk. Concessional finance will be phased out as communities refinance through leveraged equity buyouts, facilitated by the fund's capital recycling mechanisms.
- **Catalytic:** The pilot phase is projected to unlock over USD 350 million in co-investment, mobilizing commercial capital at an estimated 10:1 ratio and securing long-term equity positions for communities valued at ~USD 35 million.

The Lab Secretariat recommends endorsing the instrument as it fits the Lab criteria. Immediate next steps include finalizing the fund vehicle structure, securing anchor DFI and donor commitments, and launching technical assistance to prepare the first pilot investments in Argentina and Colombia within the next 6 to 12 months.

TABLE OF CONTENTS

SUMMARY 3

CONTEXT 5

DESIGN AND POSITIONING 7

1. Introduction to the Vehicle 7

1.1 **Investment Thesis:** Driving Renewable Growth Through Community Co-Ownership..... 7

1.2 **Vehicle Mechanics:** Blending Conventional Project Finance with Community Co-Ownership Structures 8

1.3 **Target Pipeline** 11

1.4 **Detailed Investment Strategy** 12

2. Market Additionality Analysis 14

IMPLEMENTATION AND OPERATIONALIZATION 16

3. Implementation Pathway and Replication 16

3.1 **Near-term Implementation Plan**..... 16

3.2 **Potential Risks and Challenges to Instrument Success** 17

4. Financial Modeling Outcomes 18

5. Climate and Social Impact Strategy and Projections..... 19

5.1 **Impact Measurement and Management Strategy**..... 19

5.2 **Pre-investment Impact Modeling Projections** 20

5.3 **Preliminary Gender Strategy** 21

REFERENCES 23

CONTEXT

In Latin America and the Caribbean, rural and Indigenous communities are largely excluded from the economic benefits of energy transition, despite bearing the burdens of large-scale infrastructure projects developed on their resource-rich lands. Community Equity Opportunity Fund (CEOOF) seeks to overcome this challenge through community equity participation.

In Latin America and the Caribbean (LAC), rising energy demand and the harmful impacts of fossil fuel use underscore the urgent need to expand renewable energy capacity. While global trends show increasing investment in clean energy, LAC faces a particular challenge: many of the regions with the highest renewable generation potential overlap with rural and Indigenous territories. In several countries, projects have faced community resistance due to unfair engagement models, slowing down deployment despite strong technical and economic feasibility.

If LAC countries are to keep pace with the global energy transition, ensuring fair participation and benefits for impacted communities is essential, both to unlock resource-rich project locations and to contribute to local economic development. For example, Colombia's total installed electricity capacity is 19 gigawatts (GW), while the northeastern department of La Guajira alone holds an estimated generation potential of 18–21 GW.

Rural and Indigenous communities not only face limited opportunities to benefit from the accelerating energy transition, but also often experience aggressive or extractive engagement practices from developers, resembling those of traditional resource industries. This dynamic has repeatedly led to conflict, often resulting in costly project delays or cancellations, even in advanced stages of development and implementation, leaving communities without economic benefits, social representation, voice in governance, and exposed to significant disruptions in their livelihoods due to large-scale development.

This is exemplified by the 205 MW Windpeshi project in La Guajira (Colombia), which has been halted since May 2023 due to multiple challenges, including strained relations with local communities, unclear ground rules during the consultation process, restricted access to territory, and delays in transmission infrastructure. Road blockades and work stoppages have been frequent, leading Enel Green Power to announce the project's indefinite suspension. In 2025, the project was acquired by Ecopetrol, the national utilities company, which is now seeking to unlock its development alongside six other wind projects in the region.

Although most infrastructure projects in CEOOF target markets secure land use agreements with communities during early development stages through consultation processes, these agreements often fail to establish durable partnerships between communities and commercial project developers. Instead, they are frequently perceived as regulatory or transactional requirements. In many cases, tensions still arise during later stages—such as construction and operations—due to informational asymmetries, unforeseen changes, and the absence of effective mediation mechanisms.

Given that traditional project development structures offer limited bilateral communication mechanisms, both commercial interests and communities have little ability to anticipate or resolve conflicts before they escalate into major disruption. This often leads to substantial committed capital losses and missed opportunities for local economic empowerment.

CEOF introduces a bundled approach of tailored financing combined with technical assistance to support community participation in project development and ensure commercially viable returns for all parties involved — both communities and developers. This approach not only aims to mitigate social opposition risk but also seeks to accelerate a just energy transition by leveraging active community buy-in and support.

DESIGN AND POSITIONING

1. INTRODUCTION TO THE VEHICLE

CEOOF is a fund that will invest in utility-scale renewable energy projects in Argentina and Colombia to enable co-ownership structures with rural and Indigenous communities from the earliest stages of development.

1.1 INVESTMENT THESIS: DRIVING RENEWABLE GROWTH THROUGH COMMUNITY CO-OWNERSHIP

CEOOF will invest in utility-scale (i.e., >1 MW) renewable energy projects in Argentina and Colombia, with the specific intent of facilitating an equity partnership structure that enables local rural and indigenous communities' ownership. After accounting for overlap with community-owned lands, these markets hold robust wind and solar development potential, aggregating to a ~USD 25 billion potentially addressable market based on existing undeveloped resources.¹ For reference, Colombia's total installed electricity capacity is 19 gigawatts (GW).

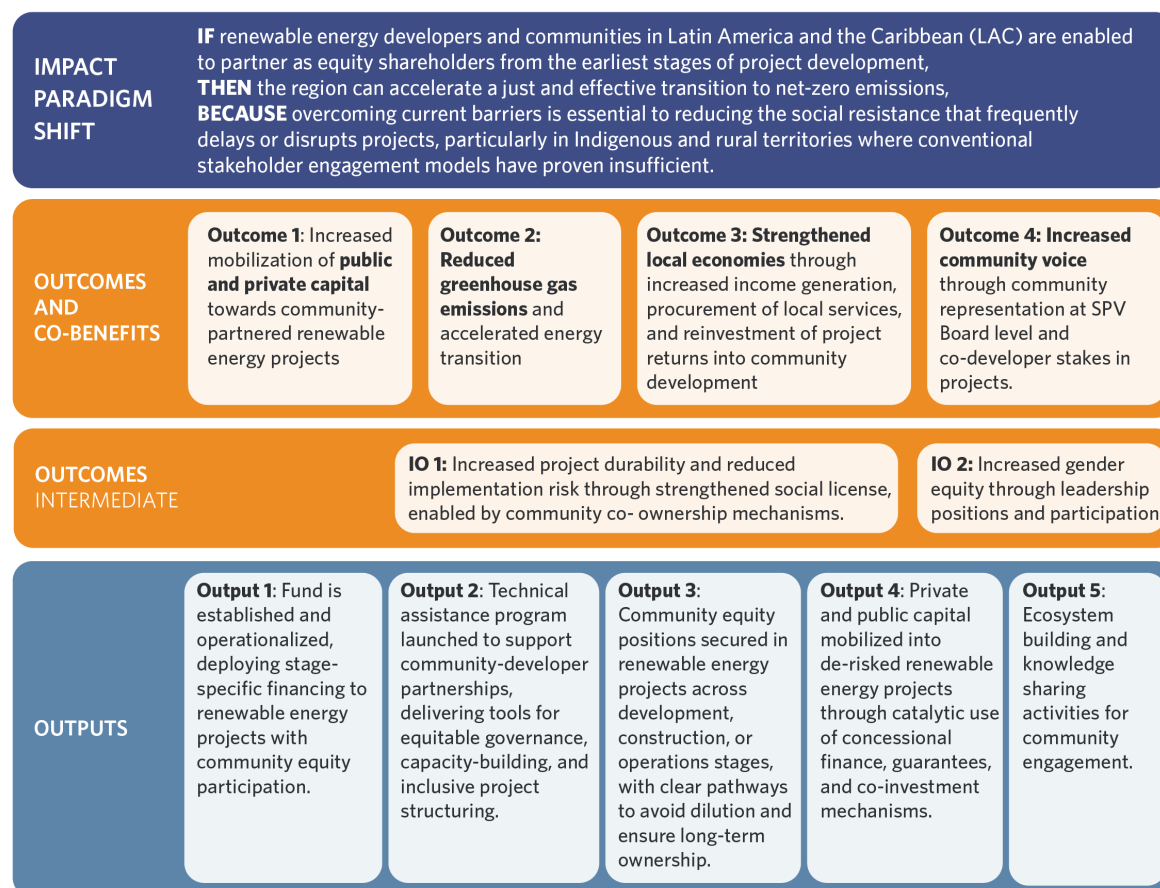
In many instances, rural and Indigenous community lands contain wind and solar sites with the highest generation potential in their regions, attracting strong interest from commercial developers. For example, in Colombia's La Guajira region, at least 45 upcoming wind projects, totaling around 8 GW (i.e., one third of currently installed grid capacity in Colombia), are located on Wayuu Indigenous lands ([SEI 2024](#)). However, where developers have moved forward without securing sustained community support or without a robust mechanism for community engagement, projects have often faced significant setbacks due to opposition, resulting in failed development or persistent tensions even after operations begin.

CEOOF operates on the premise that equity partnerships between renewable energy developers and communities across the LAC region, from the earliest stages of project development, can accelerate just and effective transition to net-zero. By addressing barriers like limited access to capital, technical capacity, and inclusive investment structures, CEOOF helps reduce the social resistance that often delays or disrupts projects —especially in rural and Indigenous territories where conventional engagement models have failed.

The CEOOF investments aim to generate market-rate returns for communities, investors, and the fund by addressing a key bottleneck: the lack of inclusive project structures. By combining development financing with co-ownership models, CEOOF seeks to convert overlooked or avoided sites into viable investment for high-capacity renewable energy generation. Its approach delivers not only strong financial performance but also measurable climate and development impact. By replacing fossil fuels with renewables, it strengthens local economies and ensures community participation through equity ownership, local hiring, and board-level decision-making power. CEOOF expects to invest in six to eight renewable energy projects ranging from 15 to 100 megawatts in capacity.

¹ This figure is estimated against the assessment that 30% of total land area in the target markets of Argentina and Colombia is under indigenous ownership. However, given that optimal development sites (i.e., greater generation potential) tend to disproportionately overlap with Indigenous lands, a total addressable market of USD 25 billion is a conservative figure.

Figure 1: CEOF's Theory of Change



1.2 VEHICLE MECHANICS: BLENDING CONVENTIONAL PROJECT FINANCE WITH COMMUNITY CO-OWNERSHIP STRUCTURES

The CEOF investment facility will provide financing to the special purpose vehicles (SPVs) that manage ownership of renewable energy projects, with the goal of ensuring meaningful community equity participation.

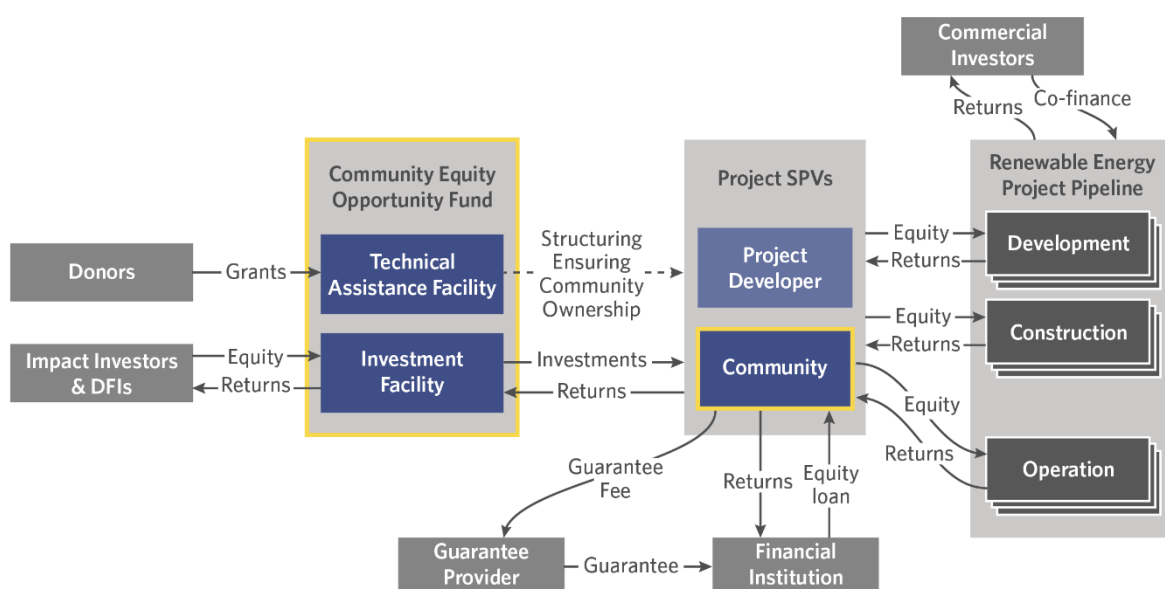
1. During the development stage, this financing will primarily take the form of milestone-based loans covering a substantial share of development costs. Any remaining costs will be co-financed by commercial partners and community in-kind commitments (e.g., "sweat equity" in the form of land or labor inputs), with equity stakes in the SPV allocated proportionally to the market value of each party's contributions. At financial close, the development loan will be refinanced through the project's construction financing, while CEOF will also provide catalytic equity alongside external investors. This financing structure largely mirrors standard project finance practices. However, the additional equity introduced at financial close may dilute the community's ownership stake.
2. To safeguard long-term community ownership, CEOF will facilitate a leveraged buyout (LBO) of its own equity position by the community. This transaction is targeted for approximately two years post-COD, once project cash flows have stabilized, ensuring that communities begin to receive distributions early in the operational phase. The LBO will be supported by an external credit guarantee, allowing the community to access affordable capital for the buyout.
3. While CEOF will not directly provide the credit guarantee for the community buyout, it is exploring partnerships with local financial institutions, commercial IPPs, and/or utility offtakers

that could facilitate the transaction either by issuing the guarantee themselves or by leveraging their balance sheets to back a guarantee structure executed by a third party. In all cases, strategic partnerships will be essential to ensure communities can access affordable capital to complete the leveraged buyout and secure long-term ownership.

CEOF's vehicle mechanics are designed to align with conventional project finance structures while embedding a tailored co-ownership mechanism. This model harmonizes incentives among communities, developers, and investors, ensuring financial returns for all parties, with a strong emphasis on long-term community benefit.

In addition to its financial instruments, CEOF includes a dedicated technical assistance facility designed to strengthen community equity partnerships throughout the project lifecycle. Drawing on Meliquina's experience in structuring inclusive development models, this facility will support communities and developers to negotiate transparent agreements with clearly defined and shared expectations. It will also deliver tailored skill-building programs to prepare community members for employment and service opportunities generated by the project, addressing gaps that arise when communities are engaged too late in the process. Finally, the facility will support the establishment of mechanisms such as local public shareholding structures to broaden community participation and long-term ownership.

Figure 4: CEOF Vehicle Mechanics



CEOF will operate through a partnership between Meliquina and a dedicated fund manager, with clearly defined roles across project development, community engagement, and fund governance. Meliquina will lead early-stage activities, including community identification, outreach, and partnership building, and will provide technical assistance to support the formation of SPVs structured for community co-ownership. As projects progress, Meliquina will support technical development, such as engineering, permitting, and environmental assessments, through a combination of internal capacity and external experts.

The fund manager, in coordination with Meliquina, will lead investment governance, including project selection based on defined criteria, investment structuring, documentation, and fiduciary oversight. Responsibilities will also include building governance systems, ensure regulatory compliance, and overseeing disbursements and reporting throughout the project lifecycle.

Box 1. Co-Ownership and Project Development from the Community Perspective

Successful execution of CEOF vehicle mechanics is predicated on partnerships with communities that are highly motivated and engaged at each stage of project development. In the CEOF co-ownership model, communities will go beyond acceptance of project development activities to become actively involved in advancing projects to commissioning. For example, during ongoing development of the Antu pilot project, the Millaqueo Mapuche community has emerged as a primary advocate with investors and regulators, motivated by a belief that the project will anchor the community's economic advancement for future generations.

This partnership is built on a long-term basis, with a unique and evolving dynamic across project development stages:

Development, Planning, and Design

Prior to the initiation of any project development activities, CEOF will engage prospective community partners to ensure complete understanding on implications of co-ownership and project development. As development activities kick off, communities will start to define their unique value-add to projects (e.g., streamlining permitting and licensing through engagement with local authorities) and will begin to accrue an equity interest in the project via in-kind contributions (e.g., present value of land concessions). Lastly, communities will provide planning inputs that orient project design towards the safeguarding of livelihoods and maximization of economic development impacts.

Construction

In the run-up to construction, communities will play a pivotal role in attracting investment to secure financial close, through outreach to local financial institutions, DFIs, and other potential capital providers. Then during construction, communities will both monitor construction activities for completion and compliance and offer hands-on support towards meeting construction milestones through direct labor input or supporting services (e.g., hospitality). During this phase, it is expected that communities will not only receive direct compensation for services rendered but will also benefit from upskilling and knowledge sharing.

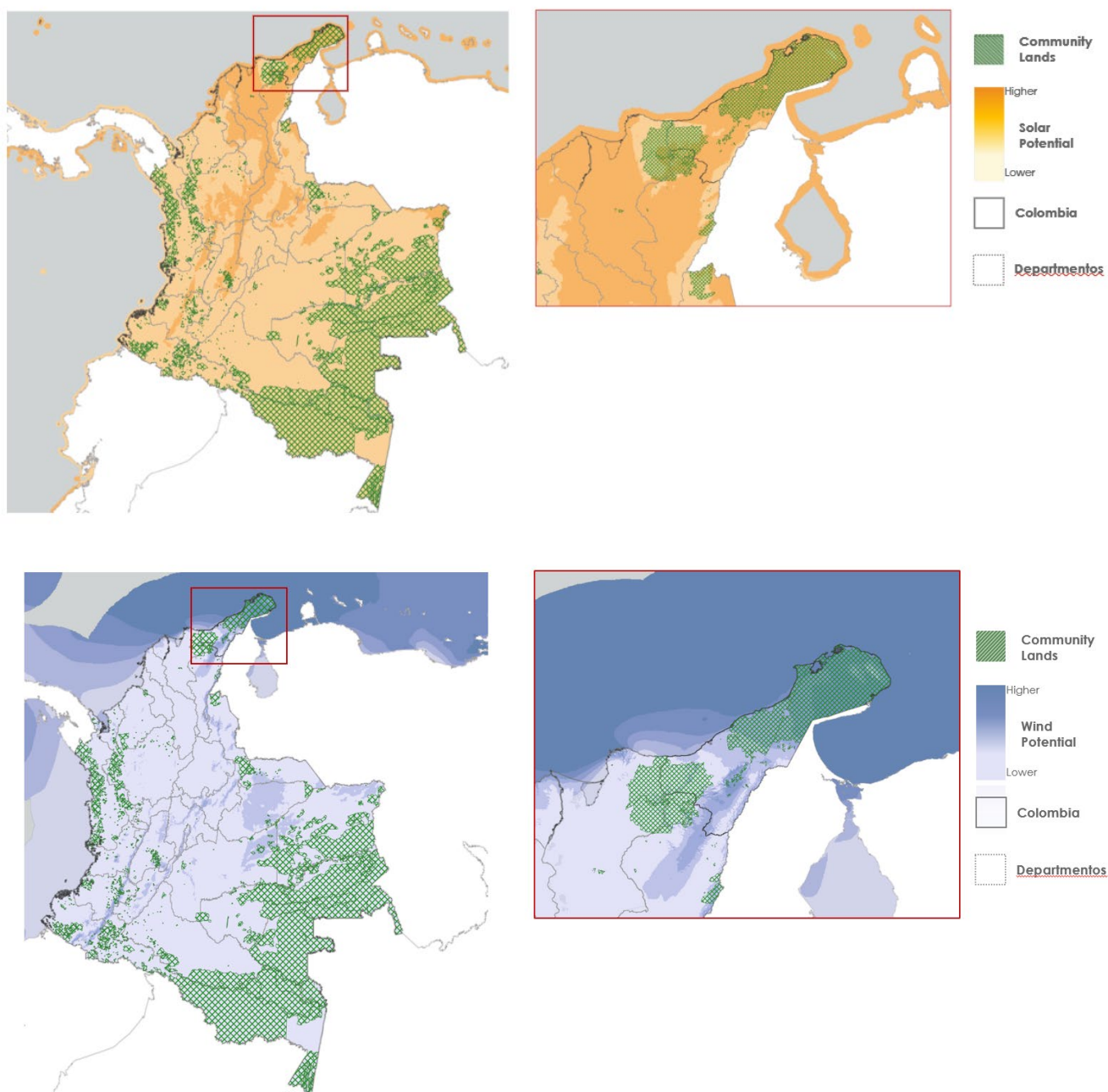
Operations

As projects approach commissioning, communities will be tasked with preparing for asset acquisition and ownership. From a financing perspective, this will entail procurement of a loan by the community to finance a purchase of the CEOF equity position, as well as a third-party guarantee to secure the loan and reduce borrowing costs. Note here that CEOF will support this transaction by structuring the sale of shares on terms that make a leveraged buy-out feasible (i.e., project cash flow to communities is more than sufficient to cover debt service), while also arranging for a guarantor (as detailed in the previous section). In parallel, community members will need to be embedded within the project governance (i.e., board) and operating team, to position the community for a long-term stewardship role as significant shareholders. Finally, communities will receive training on financial management best practice, so they can responsibly manage project equity distributions.

1.3 TARGET PIPELINE

In addition to advancing the ongoing pilot project in Argentina, Meliquina Partners is expanding the CEOF investment pipeline by engaging with communities, IPPs, and financial institutions in Colombia and other similar regions. As mentioned above, community-owned lands in Argentina and Colombia significantly overlap with prime wind and solar development sites, providing a strong project pipeline for CEOF. This is especially evident in Colombia's La Guajira region, where exceptional wind and solar potential aligns almost entirely with Wayuu Indigenous community lands.

Figure 2: CEOF Colombia Project Pipeline



Aligning the interests of communities, commercial partners, and project investors can help mitigate development and counterparty risks that frequently delay renewable energy projects, while also streamlining permitting and construction. For large-scale infrastructure, development timelines and costs are critical to commercial success. The CEOF model proposes to address these challenges

through mechanisms such as: (1) bypassing substation queues via direct community utility connections, (2) simplifying or completely waiving the Free, Prior, and Informed Consent (FPIC) process through community authorization,² and (3) exempting smaller projects (less than 10 MW) from environmental licensing. These measures reduce social opposition risk and accelerate time to commercial operation date (COD), resulting in lower costs and stronger returns compared to conventional models.

Table 1: Comparison Between Standard Project Development Practice and CEOF

	Standard Project Development Practices	CEOF Community Partnership Development Model
Community role	Community role is limited to “free prior and informed consultation” with no/little active participation in project development or direct ownership stake.	Community is directly involved in the project development and ownership structure, taking an active role in coordinating development tasks.
Project costs and capital structure	Project developer/sponsor is solely responsible for managing development costs, risks, and tasks, as well as engaging with external investors.	CEOF provides financing to cover majority of development costs, shares risks, and facilitates community investment and partnership design. Communities add to the project capital stack through public share purchases and/or external borrowing.
Local economy alignment	No formal mechanism in place to ensure continuous alignment of project development priorities with local economic needs, or for various stakeholders to communicate preferences and objectives.	Partnership model internalizes alignment of development priorities and local economic needs, while providing a clear channel for communication.
Project example	A wind development project in the La Guajira region of Colombia faced opposition from the nearby Wayuu community that resulted in the project producing electricity but not being connected to the grid system.	ANTU is the first solar PV project in Latin America to incorporate the community as a shareholder partner. The project is in the preconstruction phase and close to financial close.

These investments target renewable energy projects designed as commercial assets that deliver long-term economic benefits for both developers and participating communities. This approach supports the impact thesis by addressing a core barrier to project success: the lack of alignment and collaboration between developers and local communities. By fostering this synergy, the strategy accelerates project execution while ensuring shared value creation.

1.4 DETAILED INVESTMENT STRATEGY

CEOF will primarily utilize (1) milestone-based loans for project development and (2) catalytic equity to fund project construction. While terms will be market rate across both instruments, capital deployment

² Within the context of CEOF target markets, communities are entitled to full discretion over the manner in which FPIC is implemented, per legal precedence established in the Colombian Constitutional Court and within other legal frameworks across the region. If a community decides to waive FPIC, it can be waived entirely without third party (i.e., regulatory) approval.

through the fund will follow an innovative structure that is specifically designed to facilitate CEOF's community ownership objective.

- The milestone-based development loans will accrue interest without expectation of repayment until a project reaches financial close. While nominal tenors will be three to five years, development loans will be refinanced by construction lending, targeting liquidation one to two years after commitment. Under this structure, project SPV owners will not be required to make cash payments to service debt before the project begins generating cash flow.
- Similarly, catalytic equity investments will be underwritten with the expectation that they will eventually be sold to community co-owners on accommodating terms. The timing of liquidation will be designed to ensure that the project is fully de-risked and operational before the community executes a leveraged buyout of CEOF's equity position, thus protecting communities from facing debt service obligations before long-term cash flows are secured.

These terms and overall approach are shaped by the considerations that (1) CEOF will need to liquidate investments on a relatively short-to-medium timeframe (i.e., five to six years) in order to continuously facilitate new project development, and (2) community partners are constrained in their ability to service financing costs and provide collateral, outside of the distributions provided to them from the project. Moreover, these instruments are designed to insulate the vehicle from frictions that occur during the project development cycle, allowing execution to proceed even in the event of delays or other pitfalls.

2. MARKET ADDITIONALITY ANALYSIS

CEOF is the first known fund in Latin America to operationalize community co-ownership of renewable energy projects, moving beyond benefit-sharing to enable early-stage equity participation and governance rights. Its flexible, blended finance model seeks to fill a critical market gap by aligning community, investor, and developer interests from project inception.

CEOF addresses a significant gap in the Latin American renewable energy investment landscape by treating communities as co-investors, not just stakeholders. By enabling communities to participate from the earliest stages of project development with aligned governance and financial rights, CEOF aims to reduce social risks and foster long-term resilience. Unlike models that only redistribute profits or mandate minimum shares, CEOF enables active participation shaping project design, governance, and impact.

While community equity participation in renewable energy projects is a relatively new approach in Latin America, several models across Canada, South Africa, and Nepal have enabled various forms of community equity in renewable energy infrastructure. Although these models differ in structure, stage of intervention, and level of community involvement, these initiatives share a common goal: aligning community incentives with project success to reduce social risk, distribute long-term value, and support a just transition.

Instrument	Region	Structure	Financing Source	Key Features
Indigenous Loan Guarantee Program	Canada	Loan Guarantee Facility	Provincial/Federal Governments	Enables large-scale equity participation, often greater than 30%; guarantees reduce cost of capital; strong governance required
Hydropower Local Share Regulation	Nepal	Mandated local equity offering	Not applicable (government facilitation)	10% local ownership mandated; regulated offering; strengthens social license
REI4P (Renewable Energy IPP Procurement Programme)	South Africa	PPP with community ownership mandate	DFI debt, commercial lenders	2.5–10% equity for local communities via trusts; limited governance role; community impact depends on financing terms

Applicable Considerations from Other Geographies

- In Canada, with over CAD 10 billion in Indigenous equity investment, economic development corporations have played a central role as commercial arms of communities. Local communities shifted from passive benefit recipients to active co-developers and owners supported by loan guarantee mechanisms, partnerships with utilities, and federal/provincial support programs.
- Nepal's legally mandated local share model has empowered individuals to invest in hydropower projects through regulated offerings. This model has broad participation and high levels of trust due to state oversight but is less suited to contexts with collective governance and land tenure rights.
- South Africa's REI4P mandates community equity as a threshold requirement. However, experience shows that communities often lack direct governance rights, and their equity stakes are typically managed via SPVs or trusts, limiting engagement and decision-making. Financing is often debt-based, delaying dividends and reducing development impact.

CEOF seeks to be the first commercially oriented mechanism in Latin America to facilitate direct equity ownership by local communities in renewable energy projects from the early stages of development. It distinguishes itself by combining flexible structuring with a focus on mobilizing private capital and enabling community co-development. The fund will provide direct support to communities through structured finance, technical assistance, and participation in governance. This co-development model is intended to improve project bankability, enhance local ownership, and create long-term revenue streams for underrepresented groups.

A critical market additionality of CEOF lies in addressing financing bottlenecks faced by projects located in Indigenous and rural communities. These projects often encounter higher early-stage costs and longer development timelines due to consultation processes, governance complexities, and logistical challenges. As a result, DFIs and commercial lenders frequently delay or withhold financing, perceiving elevated social risks and execution uncertainty. By stepping in early with catalytic capital, risk-sharing instruments, and dedicated technical assistance, CEOF helps unlock financing for projects that would otherwise struggle to reach bankability despite strong underlying renewable energy potential.

While CEOF faces challenges such as operational complexity and high early-stage costs, it may be well positioned to capitalize on growing demand from developers, DFIs, and impact investors seeking inclusive solutions.

IMPLEMENTATION AND OPERATIONALIZATION

3. IMPLEMENTATION PATHWAY AND REPLICATION

CEOF will begin with a targeted pilot in Argentina and Colombia, leveraging existing community relationships and project pipelines to validate the model, while laying the groundwork for regional scale-up through strategic partnerships, technical assistance, and blended finance.

3.1 NEAR-TERM IMPLEMENTATION PLAN

The CEOF will be the first investment vehicle launched by Meliquina. This new avenue builds on the organization's extensive experience in community engagement, which has identified a clear opportunity to position communities as active co-owners in renewable energy projects, rather than passive participants. The first CEOF fund is expected to support mid-sized renewable energy projects ranging from 20 to 100 MW, in Argentina and Colombia.

These projects will span both solar and wind technologies and will be sourced primarily from Meliquina's development pipeline. This includes the 18 MW ANTÚ solar project in partnership with the Millaqueo Mapuche community and an upcoming 20 MW solar PV project in northern Argentina. Additional pipeline opportunities are being scoped in Colombia, particularly in La Guajira, Meta, Huila, Antioquia, and Cauca.

Meliquina is currently piloting the technical assistance component of the model through the ANTÚ project in Argentina. This initiative aims to test the effectiveness and benefits of deep community integration in project development.

To operationalize the fund, the following resources will be required:

- **Personnel:** Legal and finance experts, community liaisons, technical advisors, and fund operations staff.
- **Capital:** USD 35-40 million in total fund capitalization (USD 25-30 million commercial equity, USD 10-15 million concessional equity, and USD 5 million grant-based technical assistance facility).
- **Legal and Structural Setup:** Establishment of fund vehicle (likely domiciled in Luxembourg or Delaware), governance framework, and compliance systems.

Meliquina will seek to engage an experienced asset manager to establish a fund management partnership that can support the scaling, governance, and operational management of CEOF.

Key Stakeholders and Roles for Implementation

- Communities: Co-developers and equity partners; beneficiaries of technical assistance (TA) and capacity-building.
- Project Developers/IPPs: Project sponsors; co-investors; technical executors.
- DFIs: Anchor investors; providers of concessional capital and guarantees.
- Donors: Providers of grant-based technical assistance and junior equity.
- Governments and Regulators: Off-takers, permitting authorities, policy enablers.

3.2 POTENTIAL RISKS AND CHALLENGES TO INSTRUMENT SUCCESS

Risk	Description	CEOF's Mitigation Strategy
Raising donor and DFI capital	Securing sufficient funding from donors and DFIs may prove challenging, particularly in a competitive environment where multiple initiatives vie for limited concessional resources.	Leverage Meliquina's track record and pipeline to demonstrate CEOF's readiness and alignment. Present a phased funding strategy showing immediate impact and scalability. Use The Lab's network to connect with aligned partners.
Thinner margins than business-as-usual (BAU)	Co-developing with communities introduces higher upfront costs due to engagement, capacity-building, and logistical needs, which vary based on accessibility and readiness.	Provide milestone-based disbursements and TA support to effective governance. Include cost contingency buffers and adaptive learning mechanisms based on pilot insights.
Conflict of interest in pricing projects across stages	CEOF's involvement at multiple stages may raise concerns over fair valuation and potential self-dealing.	Rely on external, market-based pricing for equity sales and refinancing. Reinforce transparency through policies and independent oversight.
Building and maintaining a robust project pipeline	Resistance from Independent power producers IPPs or communities, or gaps between development and construction stages, could disrupt pipeline continuity.	Leverage Meliquina's existing pipeline. Use TA to build readiness. Define clear eligibility criteria and integrate applications across stages. Monitor progress and adjust fund allocations dynamically.
Unclear community land title or authority to approve projects	Some communities may face challenges related to land tenure, unclear governance structures, or lack of formal authority to approve and manage project siting, which could delay or block development.	During due diligence, Meliquina will prioritize communities with organizational dynamics and governance structures conducive to project approval and long-term engagement. The use of TA will further support communities in closing capacity or legal gaps where needed.

4. FINANCIAL MODELING OUTCOMES

CEOF is designed to align with conventional project finance structures while embedding a community co-ownership model. The fund targets low double-digit returns through investments in high-potential renewable energy assets, supported by concessional capital to de-risk community participation.

The investment activities of CEOF are designed to fit within a standard project finance template, no different than the structure currently used to finance renewable energy development in LAC and other regions. In particular, the CEOF investment approach is intended to minimize disruption to the conventional sequence of project finance familiar to commercial investors (investment at development and construction stages, exit after COD), with the only point of nuance being that CEOF's exit will be structured as an LBO by the community co-owner.

Moreover, this structure also holds potential to deliver returns better than business-as-usual, by accelerating project development and construction timelines through direct coordination and buy-in from communities, potentially yielding faster turnaround to cash flow generation and higher present value of projects.

On an individual project basis, financial modeling suggests that each deal CEOF participates in could yield gross returns of 15-30% to the fund. These returns are projected to be higher than typical clean energy infrastructure equity returns in advanced economies, due to the fact that CEOF capitalizes on (1) exceptional wind and solar generation potential that is specific to community development sites and (2) accelerated exit timeframes due to the community LBO.

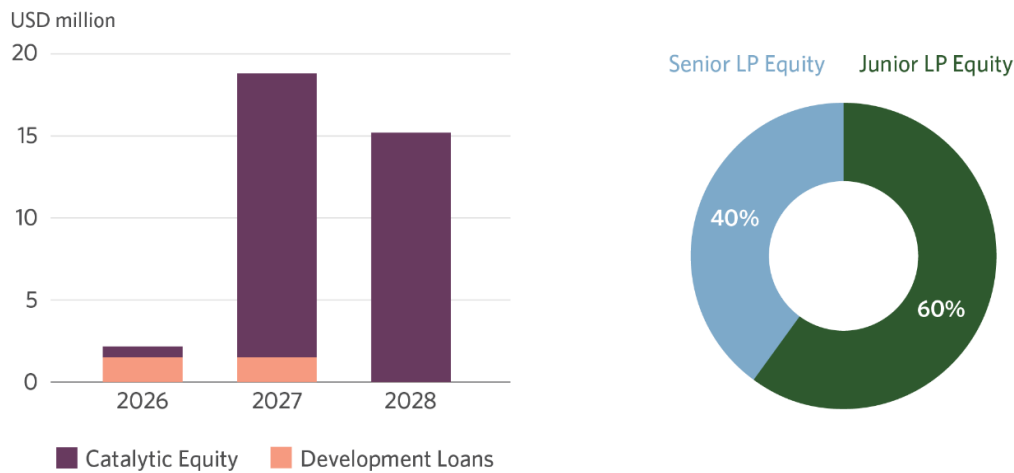
However, LBOs are structured specifically to ensure that communities do not face negative cash flow from these transactions and are protected from disproportionate financing burden, which requires some cash flow and preferred return flexibility on the part of the fund. Sensitivity analysis suggests that the size of CEOF's returns will be highly contingent on the timing and pricing of LBO exits.

At the fund level, senior limited partner (LP) returns are projected to reach 20% in the base case, after accounting for fees and carried interest. The fund will be structured as 100% equity but will feature senior and junior (concessional) tranches, which will respectively contribute 60% and 40% to CEOF's total capitalization. The junior tranche will be a key mechanism for crowding in private capital via senior LPs, absorbing risks posed by project development failure and delays in LBO execution.

The target size of the fund is USD 35-40 million. Given that CEOF's investment pipeline is comprised entirely of commercial-grade projects, the fund could reach commercial viability in a relatively short timeframe. However, community co-ownership is a novel financing structure in the LAC region, so it is expected that CEOF will require a multi-year pilot phase to ramp up towards market-rate risk-adjusted returns.

Ultimately, CEOF aims to crowd-in private finance at both the project and fund level by offering an attractive avenue towards investing in premium commercial assets (renewables projects with strong generation potential). These are proven technologies that are already deployed at scale in the LAC region, backed by robust upstream supply chains and engineering, procurement, and construction (EPC) service providers and downstream utility-scale offtake. Where CEOF successfully releases financing bottlenecks, which currently preclude participation by commercial actors, through community equity partnerships, there is a clearly defined roadmap to commercial returns.

Figure 4: CEOF Capital Deployment (Visualization of vehicle’s capital stack, and financial model outputs)



5. CLIMATE AND SOCIAL IMPACT STRATEGY AND PROJECTIONS

CEOF aims to deliver measurable climate mitigation, inclusive economic development, and community empowerment.

CEOF is built on the premise that if renewable energy developers and communities in LAC are enabled to partner as equity shareholders from the earliest stages of project development, the region could accelerate a just and effective transition to net-zero emissions. By directly addressing systemic barriers such as limited access to affordable capital, insufficient technical capacity, and exclusionary investment structures, CEOF seeks to reduce social resistance and unlock the long-term value of co-ownership.

Through this approach, CEOF has the potential to deliver quantifiable results: an estimated 250,000 metric tons of CO₂ equivalent (tCO₂e) avoided annually, at least 80 MW of new renewable energy installed, over USD 1.5 million in recurring community revenues, more than 500 green jobs, 40% of which are expected to go to women. By embedding climate resilience, inclusive governance, and community empowerment at the heart of its model, CEOF offers a compelling and replicable pathway for high-impact, low-carbon investment in the Global South.

5.1 IMPACT MEASUREMENT AND MANAGEMENT STRATEGY

Impact Management Strategy: Impact measurement will be embedded in CEOF’s investment process. Meliquina will lead data collection and analysis during the different stages of engagement, supported by technical partners and third-party verifiers. Dedicated resources from the TA facility will support capacity-building for communities and developers to ensure consistent data quality.

Impact Alignment: The KPIs outlined align with the Just Transition Criteria defined by the Inter-American Development Bank. The fund aims to meet more than half of the Sustainable Development Goals (SDGs)

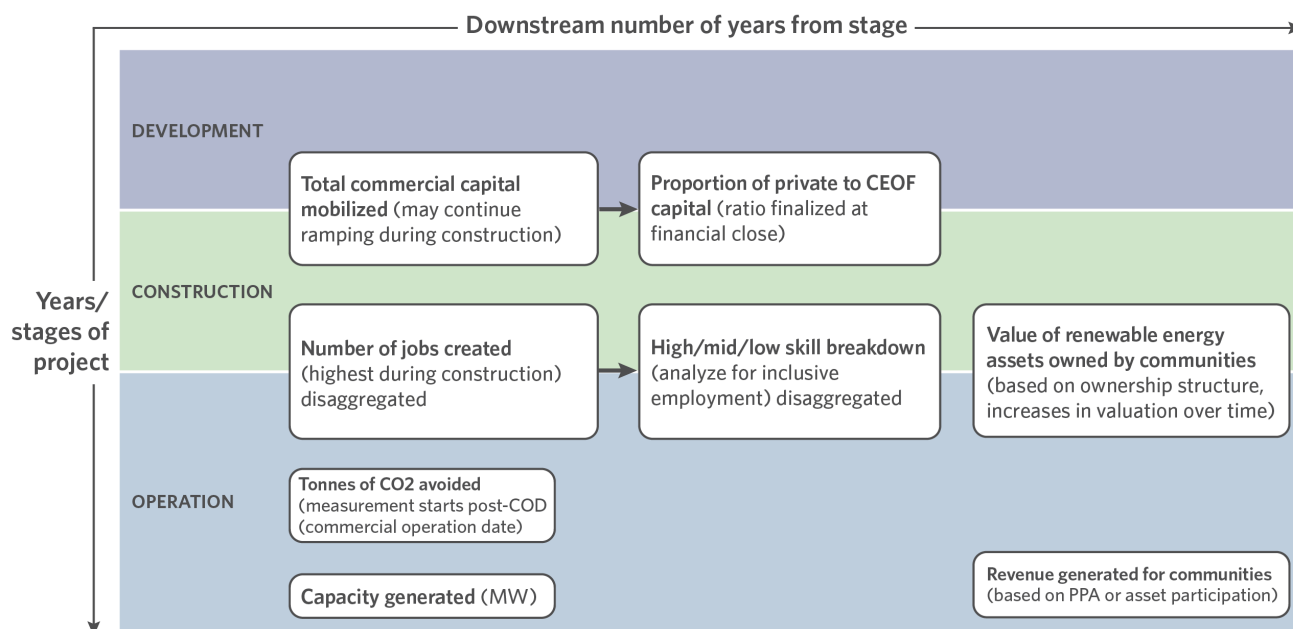
by the UN, including no poverty, gender equality, affordable and clean energy, decent work and economic growth, climate action, amongst others.

See table below for each impact area, the proposed KPI, measurement method, and responsible data source.

Figure 5: KPI and measurement framework

Impact Area	KPI	Measurement Method	Data Source
Climate Mitigation	tCO2e emissions avoided annually	Emissions modeling using grid baseline factors	Project developers; third-party verification
Renewable Energy Deployment	MW of renewable energy installed	Capacity tracking per project	Project documentation; fund records
Financial Mobilization	USD of private and public co-investment mobilized	Investment tracking at project level	Fund records; developer reports
Community Ownership	Percentage of equity held by communities at COD	Shareholder agreements	SPV documents; legal filings
Local Economic Impact	Annual revenue distributed to communities	Dividend reports and financial statements	Fund records; community trust records
Capacity Building	Number of community members trained	TA program reports	Implementing partners; TA facility
Leadership	Share of community members at project SPV board	Attendance records from board meetings	Project developers; third party verification

Figure 6: KPI Waterfall- impact downstream of project stages and years



5.2 PRE-INVESTMENT IMPACT MODELING PROJECTIONS

Without CEOF, there exists a misalignment exists between energy developers and local communities. If developers and communities partner as equity shareholders through co-ownership structures, then the

region can accelerate a just transition to net-zero and economic resiliency. The fund is not only able to mobilize public and private capital towards community-partnered renewable energy projects but also strengthen local economies and increase community representation.

Across the eight renewable energy projects, more than USD 360 million and close to 240 Megawatts of capacity will be deployed. This is roughly equivalent to the electricity demand of ~180,000 average Colombian households, underscoring the scale of the investment.³ The fund could help power more than 3200 jobs across 25 years. Find below some preliminary results of impact modeling for CEOF.

Impact area	Metric	Value
Financial Mobilization	Total Mobilized Mobilization ratio	= USD 363.52 m = 10×
Renewable Energy Deployment	Sum of project capacities (MW)	= 237 MW
Climate Mitigation	Total emissions avoided	=417,000 tCO₂e/year
Local Economic Impact	Total community distributions to equity Total value of new community assets	= USD 49.28 m. = USD 78 m.
Employment & Capacity Building	Total over 25 years	= 3,217 job-years
Community Ownership* Still under definition, target to reflect “significant minority” holding.	Total	= average % equity held by communities at COD.
Community voice in Decision-Making*	Number of projects with FPIC and with community members at project SPV board at COD.	= 8 renewable energy projects.

In Argentina, the model has been tested with the ANTU solar project, an 18 MW initiative developed in partnership with the Millaqueo Mapuche community. Set to begin construction in late 2025, this project serves as a proof of concept for integrating community equity into renewable energy.

5.3 PRELIMINARY GENDER STRATEGY

For context, Meliquina Partners approaches gender with an equity lens. They prioritize working with communities that have women representation either in the initial stakeholder meetings or women’s presence in the discussion around potential projects. They have incorporated gender-responsive measures such as ensuring representation of women and other marginalized genders in governance, participation and community voice, and see gender equity as an important part of the project, starting even before the development phase begins. In the early stages of project screening, they prioritize working with communities where women are represented, either by participating in initial stakeholder meetings or being involved in discussions about potential projects.

³ The calculation is based on the fact that an average household in Colombia consumes between 1,200–1,300 kWh/year, and that 1 MW of solar/wind capacity generates on average ~750–800 MWh/year (depending on the capacity factor).

The instrument aims to increase the participation of women and marginalized gender identities in the renewable energy sector as decision-makers, entrepreneurs, and skilled employees, while improving energy access. The instrument will prioritize the following:

- Their participation in decision-making
 - representation at project SPV board level
 - women-led or women-only sessions to discuss the feasibility and impacts from the project at times that are convenient for them (based on childcare, job schedules, and household responsibilities)
- Education and training to enhance relevant skills
- Improved energy access for all community members

The above-mentioned KPIs for impact measurement (Figure 5) are disaggregated by gender, and the following table shows gender related KPIs:

Figure 7: Gender impact strategy and measurement

Impact	Goal	Metric	Timeline
Ensure gender parity in governance structure	33% representation of women across the fund's governance structure and leadership positions	Percentage of women in governance and leadership positions	On formation or registration of fund
Ensure gender parity in workforce	At least 40% representation of women in the workforce	Number of women in workforce, by different departments	During construction and operation phases
	Gender equity in payment structures across similar positions at the same level	Average annual salary for employees in management, (disaggregated by gender)	
	Prevention of gender-based violence and harassment (GBVH) for internal staff and external partners	• Setting training on prevention of GBVH • Setting up a safe grievance process for reporting instances of GBVH with a zero-tolerance policy in place	
Develop internal and external skills to promote internal mobility and address skills gap.	Leadership and STEM training modules developed for women professionals across CEOF's energy value chain to encourage their entry into management positions. Education program pipelines that make it easier for women to access training around being skilled worker in renewable energy (RE)	Number or percentage of employees participating (disaggregated by gender)	Conclusion of stakeholder engagement plan Implementation of stakeholder engagement activities – on a project basis
End-user consumer benefits	Expand access to clean energy solutions	• # of people with improved energy access (disaggregated by gender) • # of people with access to clean cooking (disaggregated by gender)	

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