



CLIMATE  
POLICY  
INITIATIVE

METHODOLOGY BRIEF

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# Tracking Capital Mobilized by Innovative Climate Finance Vehicles

March 2026

## ACKNOWLEDGMENTS

The authors would like to thank Barbara Buchner, Bella Tonkonogy, Ben Broché, Rob Kahn, Morgan Richmond, Amandra Brasil, Joe Leavenworth-Bakali, Akshay Nambiar, Jennifer Grosman Fernández, Edel Tessema, Angela Woodall, Elana Fortin, Denny Kosasih, and Júlio Lubianco for their continuous advice, feedback, design support, and technical review.

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## ABOUT CLIMATE POLICY INITIATIVE

CPI is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. CPI has offices in Austria, Brazil, India, Indonesia, South Africa, the United Kingdom, and the United States.

# DESCRIPTORS

## SECTOR

Financial

## REGION

Global

## KEYWORDS

Capital Mobilization, Financial Innovation, Blended Finance

## RELATED CPI PROGRAMS

[The Global Innovation Lab for Climate Finance](#)

[The Catalytic Climate Finance Facility](#)

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## RECOMMENDED CITATION

CPI. 2026. Tracking Capital Mobilized by Innovative Climate Finance Vehicles: Methodology Brief.

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# KEY TERMS

<b>Blended Finance</b>	The strategic use of public or philanthropic funding to de-risk and catalyze private investment in projects with high climate and development impact.
<b>Capital Mobilization</b>	Capital deployed following support from the Lab or CC Facility to early-stage climate finance vehicles.
<b>Climate Finance Vehicle</b>	A structured financial mechanism (e.g., fund or facility) that is designed to direct investment towards projects that mitigate emissions or facilitate adaptation.
<b>Climate Mitigation</b>	Activities contributing towards the reduction of greenhouse gas emissions.
<b>Climate Adaptation</b>	Activities that minimize vulnerability and enhance resilience to climate change impacts.
<b>Commercial Finance</b>	Financing that is provided on market rate terms to generate risk-adjusted return on investment.
<b>Concessional Finance</b>	Financing that is provided on below-market rate terms used to de-risk investments and crowd-in private capital.
<b>Direct Mobilization</b>	Capital mobilized by the activities of vehicles that have directly received support from CPI.
<b>Emerging Markets and Developing Economies (EMDEs)</b>	Countries that are progressing towards middle-income status through rapid industrialization and integration into global financial markets.
<b>End Investees</b>	Projects, companies, or funds that have received investment from CPI-supported vehicles.
<b>Indirect Mobilization</b>	Capital mobilized by end investees or replications of CPI-supported vehicles, occurring an additional degree of separation from the initial CPI support activities.
<b>Lab Member Organizations</b>	Public and private organizations that take part in Lab activities, including selection and endorsement of early-stage climate vehicles, as well as ad hoc support.
<b>Multiplier Effect</b>	When upstream capital markets interventions result in much larger volumes of downstream investment in the real economy.
<b>Pre-Seed Capital Facility</b>	The Pre-Seed Capital Facility provides milestone-based grant funding as working capital to a subset of vehicles endorsed by the Lab.
<b>Proponents</b>	Organizations that submit ideas to the Lab or CC Facility (and are also the lead implementers).
<b>Real Economy</b>	The production of goods and services, distinct from financial markets.
<b>Vehicle Replication</b>	A new vehicle whose structure derives from the structure of a CPI-supported vehicle that invests in a different sector from the original CPI-supported vehicle.

# INTRODUCTION

**Climate Policy Initiative (CPI)** is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change.

CPI's Financial Innovation Structuring and Advisory work is a key pillar of our efforts to realize this mission, focused on the design and development of innovative financial vehicles that can mobilize private capital for climate mitigation and adaptation in emerging and developing economies (EMDEs). We aim to build a pipeline of investable and scalable climate finance solutions that aligns with investor risk-return expectations and drives investments towards sectors and regions where critical capital gaps exist.

This workstream is highlighted by two flagship programs: (i) **The Global Innovation Lab for Climate Finance (The Lab)**, and the (ii) **Catalytic Climate Finance Facility (CC Facility)**, an incubator and accelerator supporting the structuring, launching, and scaling of climate finance solutions, each targeting different stages in the development process (see Box 1 for detail on each program).

As Lab and CC Facility-supported financial vehicles are deployed, they begin to channel *capital* towards investee projects, companies, and funds in target sectors and geographies. **This methodology brief outlines the comprehensive approach CPI has established for tracking capital mobilized by CPI-supported vehicles.**

The remaining sections of the brief are structured as follows:

- **Section 1** provides a definition of capital mobilization from the standpoint of CPI programs.
- **Section 2** details a "pathways"-based approach to tracking capital mobilization.
- **Section 3** summarizes how tracked capital mobilization relates to tracking of real economy climate finance flows in the [Global Landscape of Climate Finance](#).

Tracked capital mobilization provides an important indication of the Lab and CC Facility's impact and catalytic potential, highlighting both the volume of financing flows and breadth of financial institutions (public and private) engaged by CPI-supported vehicles. Moreover, it provides key strategic insight into how upstream capital markets interventions such as the Lab and CC Facility are connected to downstream real economy investments into climate projects and companies.

Accordingly, the primary audience for this brief are the Lab and CC Facility's stakeholder organizations that include program network members, proponent organizations of climate finance vehicles, and funders of both vehicles and the programs themselves. More broadly, this brief may be of interest to the many development finance institutions (DFIs), bilateral development agencies, philanthropies, and impact investors that have developed or are developing their own approaches to measuring and analyzing capital mobilization linked to their investments and programs.

### Box 1. The Lab and CC Facility

***The Global Innovation Lab for Climate Finance*** is an investor-led, public-private initiative that provides technical assistance (TA) supporting the design and development of early-stage (i.e., pilot or pre-market) climate finance vehicles in EMDEs. The Lab supports climate finance vehicles with: (i) a 7-month incubation-program that turns ideas into concrete mechanisms that are ready for the market, (ii) 12-month implementation support, following a customized needs-based TA workplan for each vehicle, (iii) a suite of portfolio services ranging from business development and investor matchmaking to thematic technical outputs such as adaptation and gender mainstreaming. The Lab has operated since 2014 and developed a portfolio of 87 solutions. To complement the technical support and network, The Lab has an embedded Pre-Seed Capital Facility, which addresses the funding gap for early-stage climate vehicles with up to USD 250,000 in conditional grants to Lab-endorsed vehicles. Pre-seed funds support working capital expenses necessary for vehicle set-up and market implementation, complementing the Lab's technical assistance. The Pre-Seed Capital Facility was launched in 2024 and has awarded grant support to ten solutions.

***The Catalytic Climate Finance Facility*** accelerates the implementation of ready-to-scale (i.e., market-ready) financial vehicles, filling a market gap and reducing fragmentation to mobilize capital for climate action in emerging and developing economies. It provides a suite of acceleration services, including (i) conditional grant funding of up to USD 500,000, subject to achieving pre-defined milestones (ii) customized technical assistance, tailored to support organizations managing climate finance vehicles to achieve the pre-defined milestones and unlock disbursements, and (iii) knowledge sharing resources. The CC Facility has been in operation for three years and has awarded grants to a portfolio of 17 solutions. The initiative is a partnership between CPI and [Convergence](#).

Note that this approach to tracking capital mobilization is specifically designed to apply to programs (such as the Lab and CC Facility) that operate at the **vehicle** level. Other programs, for example the Cities Climate Finance Leadership Alliance's (CCFLA) [Project Preparation Facility Connector](#) or the ClimateShot Investor Coalition's (CLIC) [Agrifood Investment Connector](#), that operate at the project and company level will likely take different methodological approaches that are tailored to reflect their respective scope of operations.

# 1. DEFINING CAPITAL MOBILIZATION

CPI seeks to comprehensively track capital mobilization outcomes associated with our programs in accordance with best practice, though there is no widely accepted definition across institutions in the climate and development finance space.

In particular, the scope of financing (i.e., private only, commercial only, commercial and concessional) and set of mechanisms (i.e., co-investment only, inclusive of risk-sharing or subsequent capital raises, etc.) under consideration for capital mobilization tracking differ significantly depending on how tracked figures are intended to be used:

- Organizations tracking capital mobilization for **accounting** purposes (e.g., bilateral donors subject to ODA reporting requirements) take a narrower approach (i.e., only consider private co-investment) to avoid overlapping attribution with peers.
- In contrast, organizations that track for **strategic, impact-oriented** purposes will look at capital mobilization through a wider lens to gain a more comprehensive understanding of their impact on financial flows and other market actors.

A review of methodologies published in recent years shows that working definitions used to track capital mobilization vary considerably across organizations:

- [OECD Development Assistance Committee \(DAC\)](#) and [MDB Taskforce](#) guidelines adopt a narrow, accounting-based definition of capital mobilization, only considering *private* co-investment in companies, projects, and funds.
- By contrast, [British International Investment \(BII\)](#) utilizes a more expansive definition that includes all capital mobilized from *commercial* (i.e., non-concessional) sources through pathways that include co-investment but also consider risk-sharing, subsequent capital raised by investees, and other mechanisms.
- Furthermore, both [Green Climate Fund \(GCF\)](#) and [UK International Climate Finance \(ICF\)](#) guidelines also take into account public co-investment, inclusive of grants and other concessional instruments, as a separate indicator from private mobilized finance.
- More recently, the [MacArthur Foundation](#) has published a report describing the Foundation's approach to measuring the impact of its catalytic investments, which distinguishes between the assessed level of influence (high, medium, and low) that each of their investments have had on co-investment flows.

Given that the Lab and CC Facility have a primarily *strategic* mandate to launch and scale innovative climate finance vehicles, ultimately driving increased investment towards climate mitigation and adaptation in EMDEs, our approach to tracking capital mobilization follows a wider scope that includes flows from both commercial and non-commercial sources across multiple mechanisms.

Our definition considers mobilization to have occurred **when capital is deployed following support from the Lab or CC Facility to early-stage climate finance vehicles.**

Tracked capital mobilization includes financing provided by public, private, and philanthropic sources on both a commercial and concessional basis—which are all important elements contributing to successful vehicle deployment—yielding a comprehensive view of market actors engaged by CPI-supported vehicles.

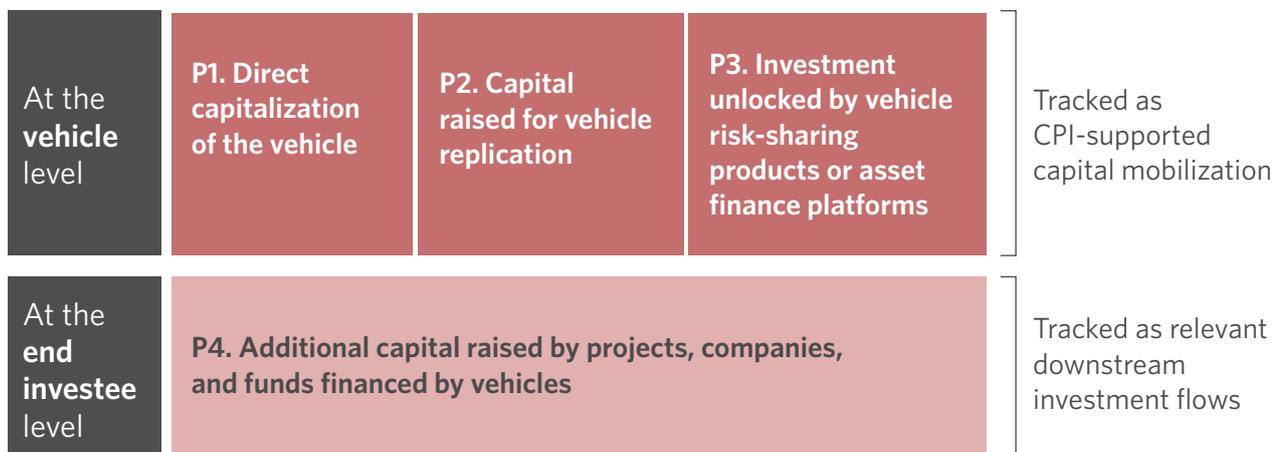
Our tracking approach also aims to follow capital mobilization outcomes as vehicles mature (i.e., expansion in new geographies and replication in new sectors) after receiving CPI technical assistance and grant support at early stages (i.e., pre-market and pilot).

Overall, this wide scope approach allows us to capture the entire evolution of CPI-supported vehicles from blended finance structures supported at early stages by public and philanthropic concessional resources to commercially proven models that are fit to deliver on the overarching objective of CPI capital mobilization programs: scaling up private commercial investment into EMDE climate sectors.

## 2. TRACKING CAPITAL MOBILIZATION VIA “PATHWAYS”

Similar to [BII](#), we operationalize our definition of capital mobilization by tracking financing flows across **four key pathways**, that are unlocked via incubation and acceleration of climate finance vehicles through CPI. These pathways represent the primary mechanisms by which capital is mobilized following technical assistance and catalytic grant funding delivered by the Lab and CC Facility.

**Figure 1:** Capital Mobilization Pathways



Capital mobilization flows through these four pathways are both **sequential** and **mutually exclusive**, with Pathway 1 being the outcome closest in relation to Lab and CC Facility support, followed by Pathway 2 and/or Pathway 3, and Pathway 4 (when applicable).

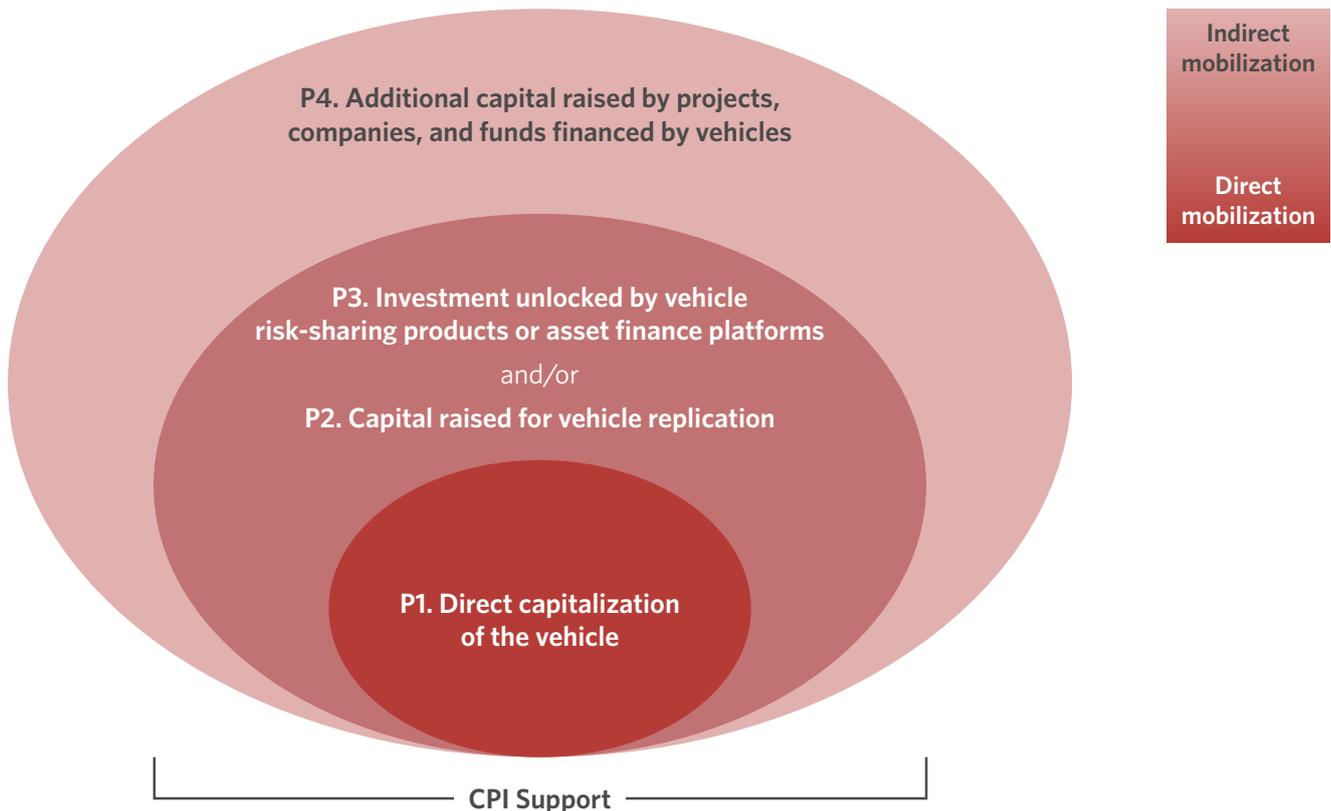
The mobilization process starts with Pathway 1, where CPI support is a critical component that positions early-stage climate finance vehicles to establish an operating structure and commercial model that is ready to raise capital from investors and donors. This may be iterated upon when vehicles are later expanded (also tracked in Pathway 1) or replicated in new sectors (Pathway 2). In many cases, capital raised in Pathways 1 and 2 is then re-invested into vehicle pipelines (i.e., climate projects, companies, and funds). However, there are also cases where CPI’s role is focused on supporting the development of vehicles’ risk-sharing products or asset finance platforms,<sup>1</sup> which are then deployed to facilitate financing of climate projects, companies, and funds by way of third-party investors (Pathway 3).

Pathway 4 captures mobilization generated an additional degree of separation downstream when end investees (i.e., projects, companies, or funds) of CPI-supported vehicles raise additional capital from third parties alongside or after initial early-stage investments from vehicles. Pathway 4 transactions are distinguishable from Pathway 3 transactions in that CPI-supported vehicles are not a direct counterparty in the former, where they are in the latter.

<sup>1</sup> In general, there are two broad “categories” of CPI-supported vehicles. One involves vehicles that raise both operating and investment capital then re-invest the latter into their pipelines of climate projects, companies, and funds. The other involves vehicles that raise capital for the purpose of developing risk-sharing and asset-finance platforms that then allow third parties to invest into climate project, companies, and funds. Further examples are given in the pathways descriptions in this section.

It should be acknowledged that while CPI support is a key enabling factor, vehicles' proponent organizations are the primary drivers of capital mobilization outcomes. CPI cannot precisely attribute a share of vehicles' capital mobilization outcomes to our support, nor is this our goal. Rather, we have carefully shaped our programs to provide tailored assistance which contributes to vehicles' readiness for market entry and so aim to track all of the subsequent capital mobilization outcomes which we helped enable through early-stage support.

**Figure 2:** Direct Mobilization vs. Indirect Mobilization



Relatedly, in the tracking process, we qualify capital mobilization across each pathway by strength of linkages to CPI support, as shown in Figure 2 above. Transactions that *involve the immediate beneficiaries of CPI support* (i.e., vehicles and their proponents) are considered to be “*direct*” mobilization (Pathways 1, 2, and 3), while transactions that occur downstream of CPI support to vehicles but *do not involve immediate beneficiaries* are qualified as “*indirect*” mobilization (Pathway 4). This distinction also allows us to more precisely map and analyze the quantity and qualities (e.g., public vs. private share) of capital mobilization outcomes linked to CPI programs.

Precisely due to the fact that Pathway 4 capital mobilization occurs several degrees of separation away from CPI support (i.e., is the most *indirect* form of mobilization), we do not attribute Pathway 4 flows as “CPI-supported capital mobilization” but nevertheless aim to track these transactions given their upstream linkages to CPI activities. Namely, maintaining visibility into financing flows towards end investees of CPI-supported vehicles is important for generating insights into how vehicle-level capital mobilization enabled by CPI programs generates catalytic investments into real economy climate mitigation and adaptation activities.

# PATHWAY 1: DIRECT CAPITALIZATION OF THE VEHICLE

## PATHWAY DESCRIPTION

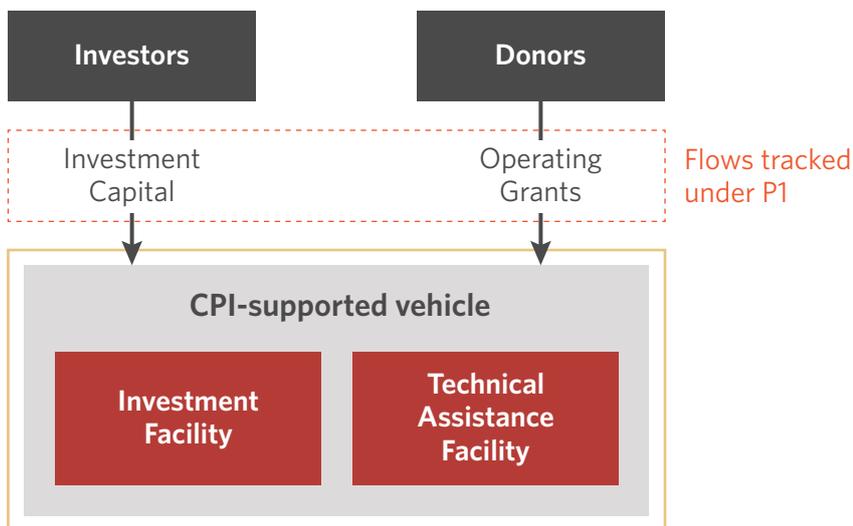
Flows tracked within Pathway 1 reflect capital that is raised by CPI-supported vehicles as they execute initial deployment. In particular, Pathway 1 capital mobilization is comprised of (a) **operating capital<sup>2</sup> received prior to financial close** to set-up and develop the vehicle and (b) **investment capital** (i.e., debt, equity, hybrid instruments<sup>3</sup>) that flows through the vehicle and into its financing activities, including resources invested by the proponent. Investment capital that flows through expansion of a CPI-supported vehicle in a new market or with new investment pipeline in the initial market also qualifies (see Box 2 in the next section for an explanation of expansion vs. replication). Finally, investment capital is only tracked within Pathway 1 if it is ultimately passed through CPI-supported vehicles as financing of climate mitigation and adaptation activities in EMDEs.

Note that Pathway 1 capital mobilization does not consider other operating or investment capital raised by the proponent organization that *does not flow through the vehicle*. We also only track in-kind contributions that are directly reflected in the vehicle's capital structure.<sup>4</sup>

## ILLUSTRATION OF CAPITAL FLOWS

Pathway 1 mobilization occurs when CPI-supported vehicles raise investment capital and operating funds from investors and donors:

**Figure 3:** Pathway 1 — Direct Capitalization



<sup>2</sup> Catalytic grant funding awarded through the Lab's Pre-Seed Capital Facility (USD 150k-250k) and the CC Facility (up to USD 500k) is not tracked as capital mobilization. Rather, it constitutes part of CPI's support to vehicles.

<sup>3</sup> Investment instruments that combine characteristics of debt and equity, examples include mezzanine debt and convertible notes.

<sup>4</sup> Most in-kind support received by vehicles (e.g., legal advice, graduate student research input, etc.) cannot be tracked as capital mobilization because it is unclear to what extent subsequent capital raising can be attributed to that support. However, there are some instances where in-kind support has been tracked as capital mobilization when such contributions are directly reflected in the vehicle's capital structure. For example, a past proponent waived fund management fees, which were then converted to a GP equity stake.

## CONTRIBUTION OF CPI SUPPORT

Financial vehicles participate in CPI programs as either early-stage ideas or newly launched ventures facing a difficult path to scale, many led by first-time fund managers that have limited operating or investment capital at their disposal. CPI programs are designed to support vehicles in establishing a commercial structure that is ready for go-to-market and/or scaling up, having been stress-tested and validated by both our internal analyst teams and network of experts. After vehicles are endorsed, CPI provides ad-hoc ongoing portfolio services, including expert advice and access to pro-bono legal services, and the possibility to receive working capital grants to ensure that proponents have the operating structure to launch and scale.

## VEHICLE EXAMPLE

**Climate Investor One (CIO)** is a [USD 920 million blended finance facility led by Climate Fund Managers](#), which invests in the development and construction of renewable energy projects across Africa, Asia, and Latin America. CIO was supported by CPI in the Lab's 2015 cycle to market-test its design and governance, develop a financial model, engage prospective investors, and establish a pilot fund. CIO was endorsed by the Lab membership in 2015 and secured a USD 412 million first close in 2017, leveraging a blended finance structure developed during Lab support (CFM 2017). CIO went on to raise an additional USD 508 million before reaching final close in 2019.

## PATHWAY 2: CAPITAL RAISED FOR VEHICLE REPLICATION

### PATHWAY DESCRIPTION

Under Pathway 2, CPI tracks investment and operating capital that flows through replications of CPI-supported vehicles. The following criteria must be met for capital mobilized by replication to be tracked under Pathway 2<sup>5</sup>:

- a. The replication vehicle operates in a new sector (including new sector applications within the initial market), and
- b. The replication vehicle retains similar vehicle mechanics and investment strategy to the original CPI-supported vehicle.

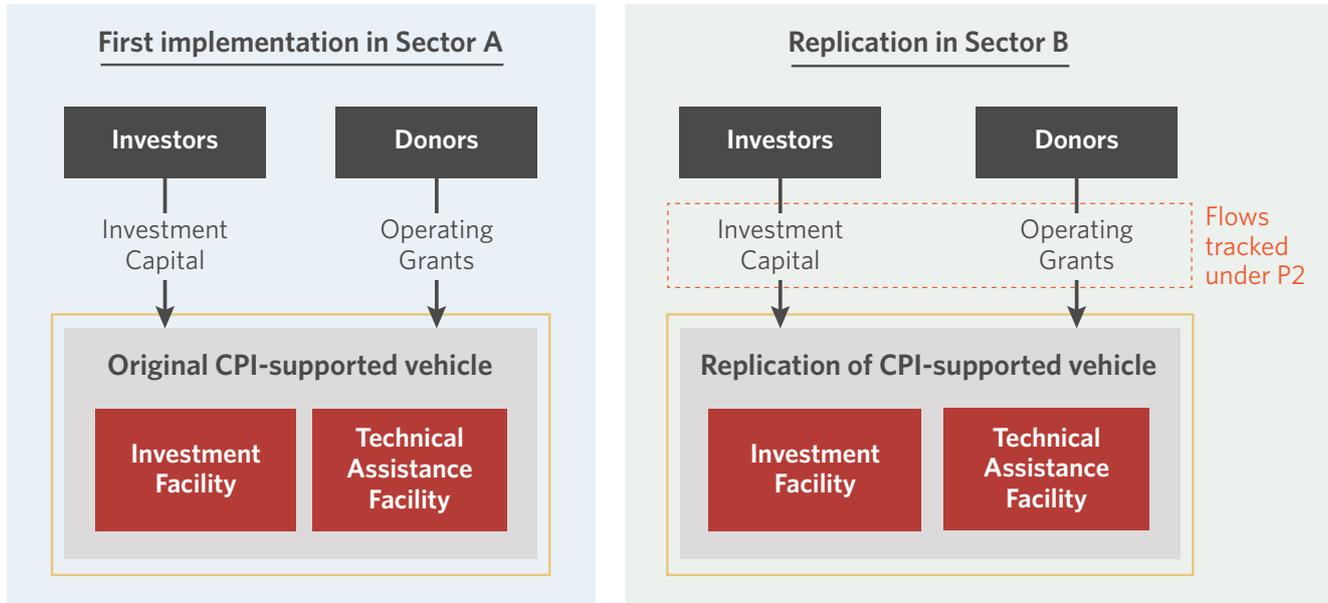
We track replication (i.e., Pathway 2) separately from expansion (tracked under Pathway 1) because we view entry into a new sector as a qualitatively different aspect of scaling up (see Box 2 below for more detail). While CPI support aims to equip vehicles with an operating structure and commercial model that can be expanded into new geographies, applying this structure to a new sector reflects a markedly different phase of the vehicle's evolution given that it will be utilized to finance a completely different asset class within an unfamiliar market environment. Note that Pathway 2 capital mobilization does not consider capital raised by replication vehicles managed by third parties that did not participate in CPI programs.

<sup>5</sup> Pathway 2 mobilization ranges from more direct mobilization – for instance, when CPI significantly contributed to the implementation of the replication vehicle (e.g., supported go-to-market activities or advised on the replication strategy) or the replication vehicle is the first replication of the original CPI-supported vehicle – to less direct mobilization. Future replications beyond the first and those in which CPI's role is more limited are still tracked under Pathway 2, but considered less direct.

## ILLUSTRATION OF CAPITAL FLOWS

Pathway 2 mobilization occurs when the replication of a CPI-supported vehicle addressing climate finance gaps in a new sector mobilizes capital:

**Figure 4:** Pathway 2 — Capital Raised for Vehicle Replication



## CONTRIBUTION OF CPI SUPPORT

CPI's support enables vehicle replication through demonstrating the feasibility of the original CPI-supported vehicle. When vehicles enter CPI programs, they are early-stage and seeking support to scale-up (see Box 2 below). Through technical assistance and catalytic grant capital CPI provides to strengthen a vehicle's design, strategy, and pathway to implementation, CPI-supported vehicles are able to launch. After an initial demonstration of market feasibility, vehicle structures can be repurposed to address climate finance gaps in new sectors.

## VEHICLE EXAMPLES

**Climate Investor Two (CI2):** Building on the structure of CIO (see Pathway 1 above), [Climate Fund Managers launched CI2 in 2019](#), replicating CIO in the water sector to finance water, sanitation, and ocean infrastructure projects. CPI provided strategic inputs for CI2's climate adaptation lens and advised on its fundraising strategy. CI2 reached final close at USD 1.065 billion in 2025, becoming the largest adaptation infrastructure fund in EMDEs (CFM 2025). Investment capital mobilized by CI2 is tracked under Pathway 2.

**Cooling as a Service (CaaS) with Virtual Cold Chain Assistant (VCCA):** [CaaS is a pay-per-service model in the energy efficiency sector](#), lowering upfront costs for clean cooling systems in emerging markets. Proponents Basel Agency for Sustainable Energy (BASE) and the Kigali Cooling Efficiency Program (K-CEP) received CPI support for CaaS in the Lab's 2019 cycle to develop a deployment strategy, identify target markets, and build an implementation pathway. CaaS was endorsed by the Lab membership and launched in 2019. In 2021, [CaaS was replicated for application in the agriculture sector](#), leveraging a VCCA software tool

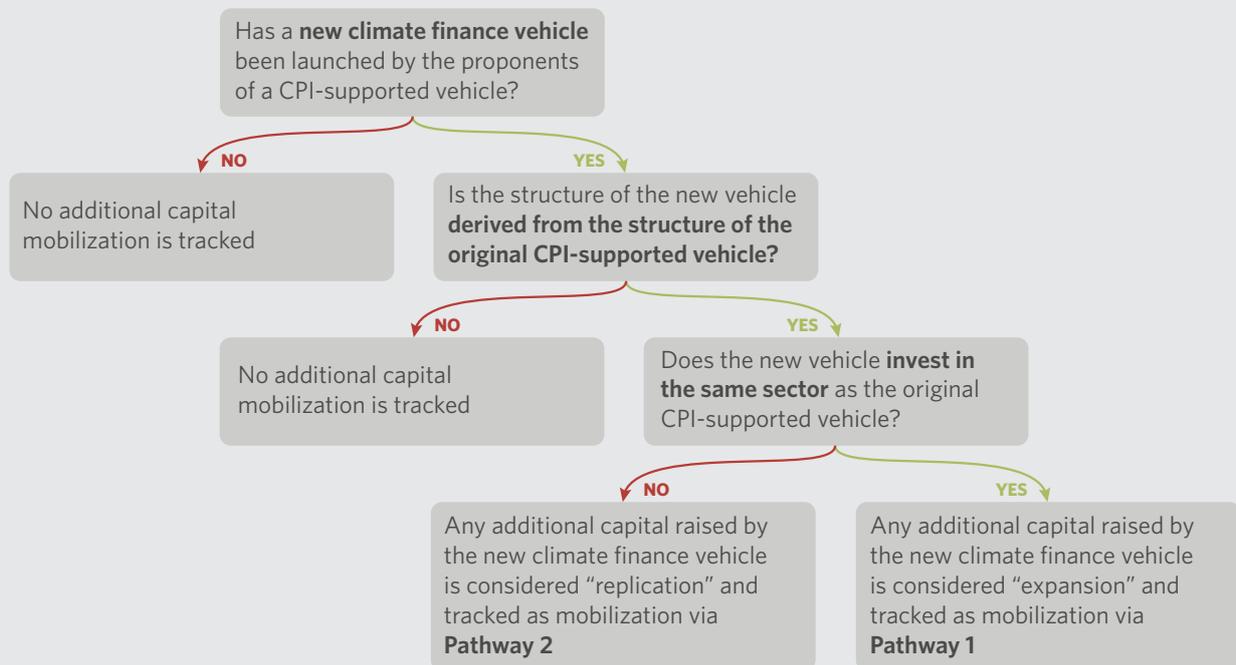
to enable smallholder farmer access to cold chain systems in India. CPI supported the replication vehicle's financial structure development and pilot project preparation. Investment and operating capital raised to develop the CaaS with VCCA platform is tracked under Pathway 2.

### Box 2. Distinguishing Expansion (Pathway 1) from Replication (Pathway 2)

It is important to clarify CPI's use of terminology for expansion versus replication of CPI-supported vehicles. Both refer to the scale-up of CPI-supported vehicles (i.e., capital mobilized when new climate finance vehicles are launched by the proponents of an original CPI-supported vehicle), however, capital flows are tracked as *expansion* (Pathway 1) when the new vehicle(s) operate in the *same sector* as the original CPI-supported vehicle and as *replication* (Pathway 2) when the new vehicle(s) operate in a *different sector* from the original CPI-supported vehicle.

For example, the original bond product issued through the Green Receivables Fund (Green FIDC), which was initially proposed and developed during the Lab's 2017 cycle, has been expanded through follow-on securitization products (e.g., Green CRI) that also capitalize solar distributed generation projects; this is tracked as Pathway 1. The previously described CI2 and CaaS with VCCA vehicles, which replicated their structures to address new sectors, are tracked as Pathway 2. The precise delineation between expansion and replication cases is detailed in Figure 5 below.

**Figure 5:** Expansion vs. Replication



# PATHWAY 3: INVESTMENT UNLOCKED BY VEHICLE RISK-SHARING PRODUCTS OR ASSET FINANCE PLATFORMS

## PATHWAY DESCRIPTION

Not all CPI-supported vehicles deploy capital as financing intermediaries for upstream investors; instead, some vehicles develop risk-sharing products or asset finance platforms that facilitate the flow of investment from third-party investors towards climate mitigation and adaptation activities.

Although these vehicles also raise capital within their own structures (i.e., Pathway 1 mobilization) to develop and implement such products, in many cases they are only expected to yield market-level or below market returns, therefore the quantity of capital raised within the vehicle structure may be limited. On the other hand, these vehicles have been shown to achieve large-scale capital mobilization outcomes by offering products that are tailored to de-risk and secure significant investment by third parties towards climate projects, companies, and funds—these flows are tracked under Pathway 3 mobilization.

Specifically, capital mobilization tracked under Pathway 3 is comprised of investment capital (i.e., debt, equity, hybrid instruments) that is deployed towards climate mitigation or adaptation activities by-way-of facilitation from a CPI-supported vehicle in the form of:

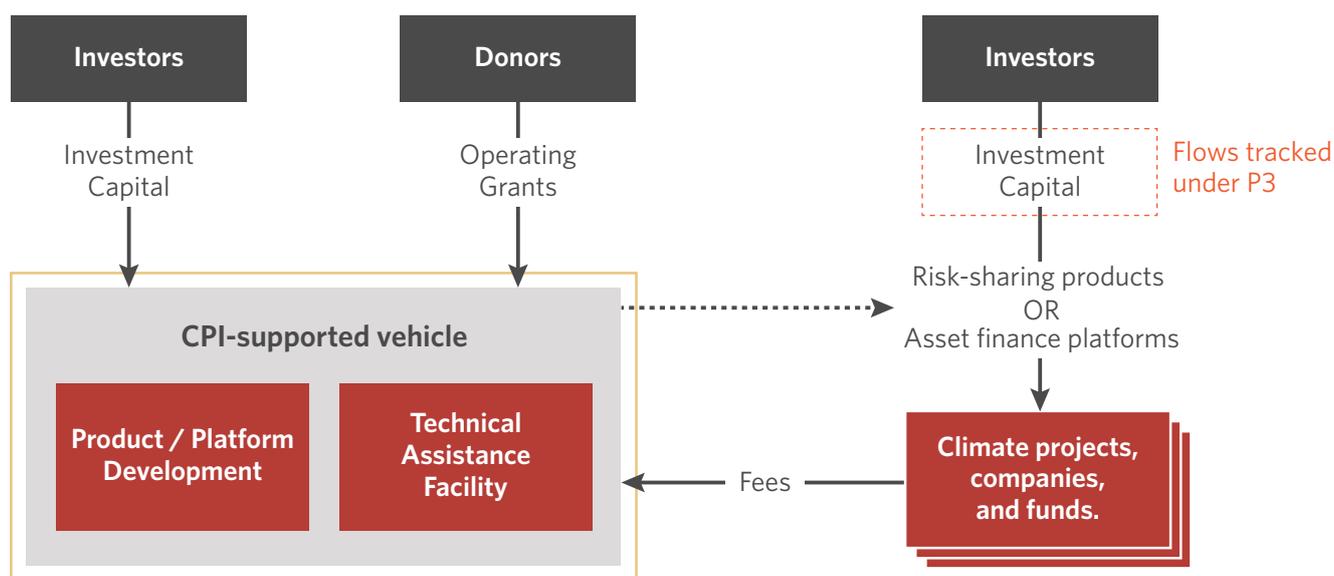
- a. Risk-sharing products (e.g., guarantee, FX hedge, insurance, etc.); or
- b. Asset finance platforms (e.g., pay-as-you-go, leaseback model, etc.).

For (a), tracked mobilization includes both the amount of investment capital covered by the risk-sharing product (in the case of funded risk transfer), as well as any additional investment capital provided by the same underwriting entity that is not subject to risk-sharing coverage. For (b), tracked mobilization includes the total amount of asset financing facilitated by the platform; this is reflective of the fact that, in the absence of financing platforms, high upfront costs preclude the purchase of key assets and thus it is unlikely that these investments would have taken place under business-as-usual.

Note that capital mobilization tracked via Pathway 3 does not consider any investment capital originated by-way-of risk-sharing products or asset finance platforms that does not finance climate mitigation or adaptation activities. Also not included are fees paid to CPI-supported vehicles (e.g., guarantee fees, hedging costs, platform service fees, etc.), which ultimately do not pass through to climate mitigation or adaptation in the real economy and instead contribute towards funding vehicle operations and providing returns to vehicle investors.

## ILLUSTRATION OF CAPITAL FLOWS

Pathway 3 mobilization occurs when a CPI-supported risk-sharing product or asset finance platform enables investment from third parties towards climate mitigation and adaptation activities.

**Figure 6:** Pathway 3 — Investment Unlocked by Vehicle Risk-Sharing Products or Asset Finance Platforms

## CONTRIBUTION OF CPI SUPPORT

When proponents enter CPI programs seeking to develop risk-sharing products or asset finance platforms, these instruments have generally been conceptualized against a specific market failure or gap, but for the most part remain untested within target markets. Through CPI's technical assistance and facilitated engagement with key experts and market players, risk-sharing and asset finance instruments build proof of concept for product-market fit, which is then made actionable through CPI-supported implementation planning.

## VEHICLE EXAMPLE

**The Currency Exchange Fund (TCX)**, in partnership with the International Finance Corporation (IFC), participated in the 2015 Lab cycle, [seeking to pilot a long-term foreign exchange \(FX\) risk management vehicle](#) that would provide currency swaps enabling clean energy projects in EMDEs to access long-tenor hard currency finance. This de-risking mechanism was designed to address a longstanding market failure in which projects in EMDEs with strong development feasibility and long-term contracted revenues still face a dearth of financing due to the fact that local capital markets do not offer long-tenor finance to match project operating lifecycles, while depreciation risks to local currency cash flows make international hard currency borrowing uneconomical in the absence of a hedging mechanism. Following Lab support and endorsement, long-term FX hedging through the TCX vehicle has been utilized to underwrite over USD 500 million in climate-focused third-party investments in EMDEs.

## PATHWAY 4: CAPITAL RAISED BY PROJECTS, COMPANIES, AND FUNDS FINANCE BY VEHICLES

### PATHWAY DESCRIPTION

Under Pathway 4, CPI tracks investment capital that flows to the end investees of CPI-supported vehicles. This may include projects, companies, or funds that CPI-supported vehicles have invested in. Capital flows may occur contemporaneously (i.e., co-investment) or subsequently to investment by the CPI-supported vehicle. Importantly, the CPI-supported vehicle must be either the lead investor or the anchor concessional investor in a financing round of end investees in order for further capitalization of the end investees by third parties to count as Pathway 4 mobilization.

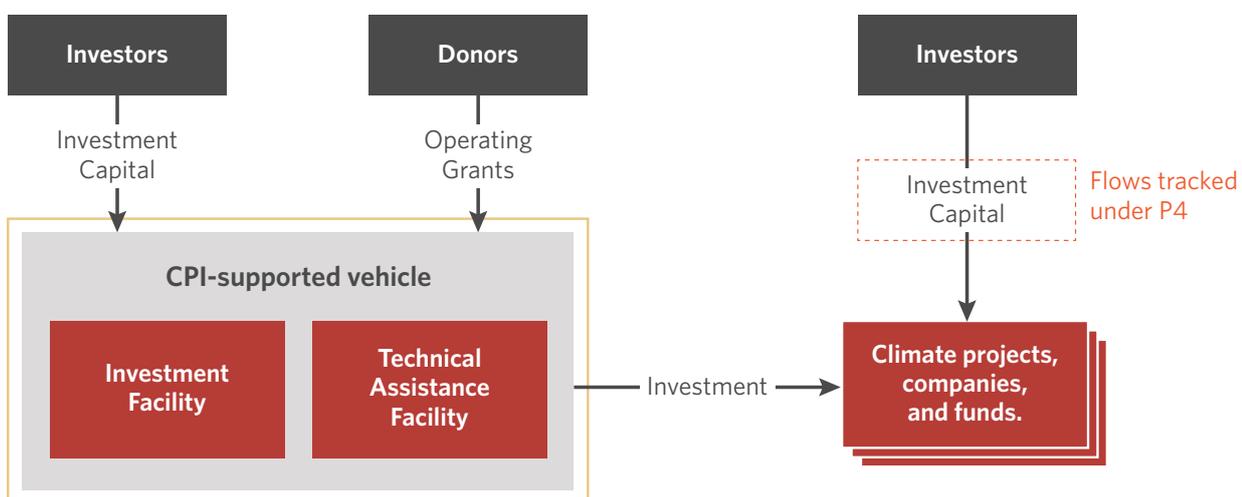
Because Pathway 4 mobilization occurs many degrees of separation away from CPI support (i.e., the most *indirect* mobilization pathway) and—unlike Pathways 1-3—does not involve capital flows to the direct beneficiaries of CPI programs (i.e., CPI-supported vehicles), it is not considered to be “CPI-supported capital mobilization.” Rather, capital flows to end investees of CPI-supported vehicles that directly contribute to climate mitigation or adaptation in the real economy are considered climate finance flows as tracked within the Global Landscape for Climate Finance (GLCF) (further detailed in Section 3 below). However, because CPI plays an enabling role in facilitating end investees’ capitalization by the CPI-supported vehicle through its support of the intermediary, we still aim to cover these transactions under CPI’s capital mobilization methodology to assess the catalytic role played by CPI-supported vehicles.

Any capital flows to end investees of CPI-supported vehicles contemporaneously or subsequently to a financing round in which the CPI-supported vehicle is neither the lead investor nor the anchor concessional investor are not considered Pathway 4 mobilization. Additionally, any capital flows to end investees of CPI-supported vehicles for implementation activities that are unrelated to climate mitigation or adaptation activities are not considered Pathway 4 mobilization.

### ILLUSTRATION OF CAPITAL FLOWS

Pathway 4 mobilization occurs when CPI-supported vehicles’ investments in climate projects, companies, or funds “crowd-in” co-investment or subsequent financing from third parties:

**Figure 7:** Pathway 4 — Capital Raised by Projects, Companies, and Funds Financed by Vehicle



## CONTRIBUTION OF CPI SUPPORT

While not directly attributable, Pathway 4 flows have upstream linkages to CPI programs. Through its provision of technical assistance and catalytic grant capital, CPI helps intermediaries reach pilot and scale-up phases in which they can provide financing to end investees. CPI-supported vehicles' investment both de-risks end investees, improving their bankability and crowding in investment from additional sources that otherwise may not have participated, and strengthens end investees' balance sheets, enabling them to advance value enhancing activities and consequently attract further investment.

Tracking Pathway 4 mobilization relies on availability and access to end investee-level mobilization data, which often poses data collection challenges (further detailed under "Barriers and Limitations to Tracking Capital Mobilization" below).

## VEHICLE EXAMPLE

**The Catalyst Fund** is [an impact fund and accelerator supporting early-stage, tech-enabled climate resilience solutions](#) in Africa. Catalyst Fund began set up of its first venture fund in 2022, which received CPI support in the Lab's 2023 cycle for its development and scale-up. Subsequently, Catalyst Fund was also supported in the CC Facility's 2024 round to develop its gender strategy, investor engagement strategy, and climate adaptation impact framework.

CPI also supported Mazao Hub, a Tanzanian agricultural analytics provider, through [the ClimateShot Investor Coalition \(CLIC\)'s Agrifood Investment Connector](#). CPI provided Mazao Hub tactical guidance in engagement and impact alignment with Catalyst Fund, and in September 2025, Mazao Hub raised a USD 2 million oversubscribed pre-seed round led by Catalyst Fund with participation from Nordic Impact Funds, Mercy Corps Ventures, elea Foundation, Impacc, DOB Equity, and the Livelihood Impact Fund (Mazao Hub 2025). Given that these co-investment transactions occurred several degrees of separation away from CPI's support of Catalyst Fund, we do not consider these transactions as CPI-supported capital mobilization outcomes. Nevertheless, given the upstream linkages to CPI programs, we still track these mobilization outcomes within Pathway 4 to capture instances where our programs can be connected vertically to investments into real economy climate impact.

## BARRIERS AND LIMITATIONS TO TRACKING CAPITAL MOBILIZATION

### ATTRIBUTION

As discussed in the Introduction, defining the attribution of capital mobilization outcomes involving CPI-supported vehicles to CPI's support is a challenge, as the direct ties between CPI's support and vehicles' capital mobilization vary case-by-case. While CPI support plays a key enabling role, vehicles' proponent organizations drive successful capital mobilization outcomes, with other actors—including other vehicle support programs, investment advisors, and investors themselves—also contributing significantly. CPI cannot claim exclusive credit for the capital mobilized by the vehicles it supports nor precisely attribute incremental shares of vehicles' capital mobilization outcomes to CPI support.

However, CPI's programs fill a market gap where early-stage vehicles otherwise face limited resources to support their development and market entry, and therefore contribute tangibly to vehicles' successful

deployment. Moreover, CPI-supported vehicles have diverse and innovative structures that mobilize capital in unique ways. Our pathways-based approach aims to reflect these nuances to capture how CPI's support contributes to closing the climate finance gap.

## ASSUMPTIONS

Establishing a capital mobilization tracking methodology requires assumptions about which financing flows will and will not be tracked. Assumptions vary across methodologies depending on the intended purpose of tracking capital mobilization. We have noted the assumptions that enable CPI to track capital mobilization which occurs following CPI support of early-stage climate finance vehicles. These include, but are not limited to:

- The level of preparedness for market entry of vehicles when they enter CPI programs and the effects of CPI support in enhancing it
- The conditions under which operating capital received by CPI-supported vehicles constitutes capital mobilization (i.e., operating capital received by third parties prior to financial close)
- How investment capital flowing through CPI-supported vehicles ultimately contributes to climate mitigation and adaptation impact
- How CPI-supported vehicles contribute to end investees' ability to crowd-in third party capital

## DATA COLLECTION

Tracking capital mobilization relies on the availability and collectability of relevant mobilization data. Ease of data collection is correlated with the directness of the capital mobilization pathway (i.e., the level of influence of CPI support on capital flows). For example, Pathway 1 data sources (i.e., proponents) are more closely connected to CPI than the end investees tracked under Pathway 4, making Pathway 1 data collection more easily accessible than Pathway 4 data collection. Other challenges include collecting sufficiently detailed qualitative data to accurately categorize all capital mobilization within a pathway, extending data validation practices to indirect mobilization pathways, and ensuring data collection efforts do not place undue reporting burden on CPI-supported proponents or their direct counterparties (i.e., investors or investees). See the Annex for further details on CPI's sources of capital mobilization data.

### 3. LINKING TRACKED CAPITAL MOBILIZATION TO TRACKED CLIMATE FINANCE

While related, tracking of CPI-supported capital mobilization differs partially on a methodological basis from how climate finance flows are tracked within the [Global Landscape of Climate Finance \(GLCF\)](#).

In general terms, the working definition of climate finance that guides GLCF tracking covers resources directed to activities that (1) reduce greenhouse gas emissions (i.e., “mitigation finance”), (2) reduce vulnerability to climate change impacts and risks by increasing adaptive capacity and resilience (i.e., “adaptation finance”), or (3) contribute to both. Based on this reference point, GLCF tracking excludes flows to intermediary financing vehicles and only considers capital allocated to projects and physical assets. This methodology “ensures that only investments directly contributing to climate mitigation or adaptation in the real economy are counted as climate finance,” and ensures that flows in the GLCF are not double counted with upstream transactions.

Given this definitional framework, intermediary capital flows into CPI-supported vehicles (i.e., capital mobilized through Pathway 1 and Pathway 2) do not qualify as climate finance for the purposes of the GLCF. However, once capital has been passed through CPI-supported vehicles as investment in climate mitigation and adaptation activities within the real economy, it would then be considered climate finance for the GLCF.<sup>6</sup>

In contrast, flows tracked within Pathways 3 and 4 do qualify as climate finance for the GLCF so long as end investees operate and contribute to climate mitigation or adaptation in the real economy (i.e., projects and companies) rather than capital markets (i.e., funds). Moreover, when flows in Pathways 3 and 4 can be linked back to preceding mobilization outcomes in Pathways 1 and 2, this allows us to directly observe the “multiplier effect” that takes place when investment into CPI-supported vehicles is re-deployed to catalyze even greater volumes of financing towards climate mitigation and adaptation activities on the ground.

Broadly speaking, tracking of CPI-supported capital mobilization provides unique insight in that it captures the entire sequence of transactions spanning the entry of innovative climate finance vehicles into capital markets all the way down to the financing of climate projects into the real economy. We can utilize this information to better understand the upstream process that enables the real economy financing activities and helps to close the climate finance gap tracked in the GLCF, and to shape our programs and broader activities accordingly.

The transaction flow between capital markets and real economy facilitated by CPI-supported vehicles is illustrated using the following example from the Lab portfolio.

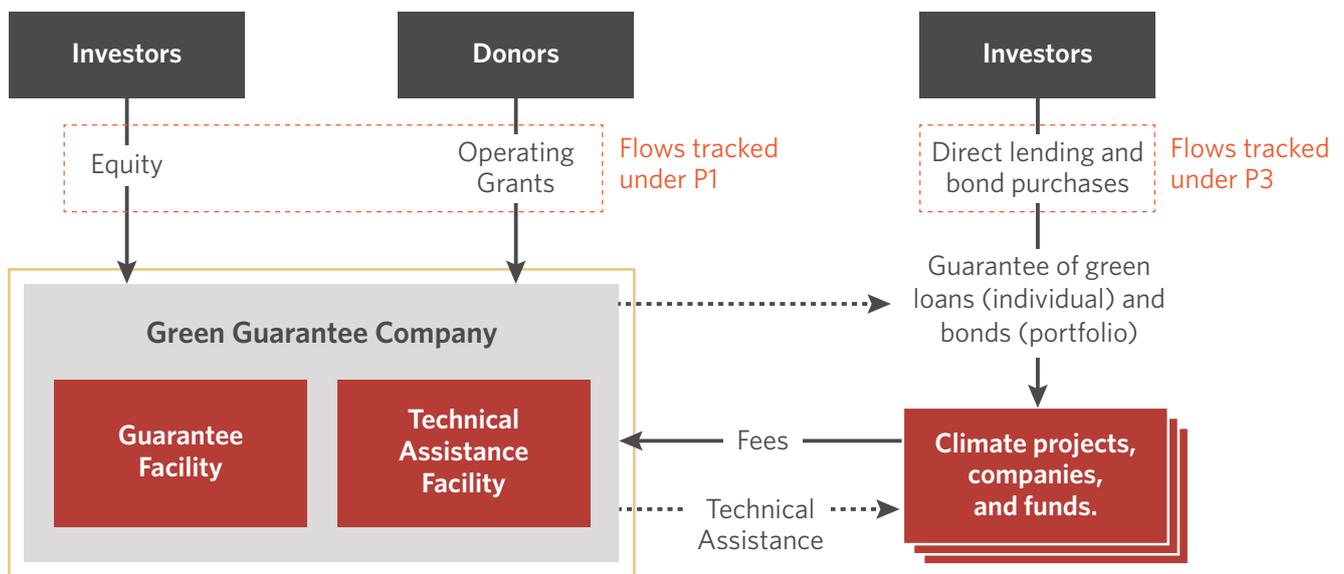
**The Green Guarantee Company (GGC):** GGC is a [guarantee facility for climate mitigation and adaptation projects in EMDEs](#) managed by the Development Guarantee Group (DGG) in partnership with Cardano Development. By providing full guarantees to green bond and loan issuers certified against the Climate Bonds Standard, GGC helps climate infrastructure projects in EMDEs access global capital markets, enabling

<sup>6</sup> Most investment capital raised by CPI-supported vehicles (i.e., Pathway 1 mobilization) is passed through to investment pipelines comprised of projects and companies whose business activities contribute towards climate mitigation or adaptation in the real economy. However, in many cases a share of committed capital is also utilized to pay fund management fees and other expenses. As such, it cannot be assumed that all flows tracked under Pathway 1 can be qualified as climate finance.

projects that otherwise would have been delayed or canceled due to lack of financing to raise capital. GGC participated in the 2022 Lab cycle, receiving support with design of the guarantee facility, validation of its financial feasibility, development of risk mitigation strategies, and preparation for its pilot in South Africa. GGC was endorsed by the Lab membership in 2022 and launched in 2024, raising an initial USD 100 million from the United Kingdom’s Foreign Commonwealth & Development Office (FCDO) through its MOBILIST programme, the Green Climate Fund, the Nigeria Sovereign Investment Authority (NSIA), the United States Agency for International Development (USAID) with Prosper Africa, and Norfund (LSE 2024).

As shown in Figure 8, capital flows to the GGC vehicle structure are considered CPI-supported capital mobilization tracked under Pathway 1, while the direct project investments enabled by GGC’s credit enhancement products are considered both CPI-supported capital mobilization tracked under Pathway 3 and GLCF climate finance flows. Note that, while the latter qualify as “climate finance” because they directly finance climate infrastructure projects that advance national climate goals and sustainable economic development, these flows are only possible due to preceding vehicle-level transactions, i.e., capital mobilized through Pathway 1.

**Figure 8:** Capital Mobilization Through the Green Guarantee Company



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# ANNEX

## SOURCES USED TO TRACK CAPITAL MOBILIZATION DATA

In order to ensure the accuracy and integrity of capital mobilization tracking, data is collected only from sources that can provide first-hand validation that financing transactions have occurred.

### INCLUDED DATA SOURCES:

1. *Disbursed* amounts that are confirmed in writing by either the proponents of CPI-supported vehicles or their direct counterparties (i.e., investors or investees).
2. Formally *committed* amounts that are confirmed in writing by either the proponents of CPI-supported vehicles or their direct counterparties (i.e., investors or investees).

### MONITORED DATA SOURCES:

3. Conditional commitments that have been publicly announced remain non-binding until the fulfilment of agreed pre-conditions by either the proponents of CPI-supported vehicles or their direct counterparties (i.e., investors or investees).

### EXCLUDED DATA SOURCES:

4. Press releases without formal confirmation of commitment or disbursement.
5. Non-binding commitments (e.g., letter of intent) issued by either the proponents of CPI-supported vehicles or their direct counterparties (i.e., investors or investees).



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