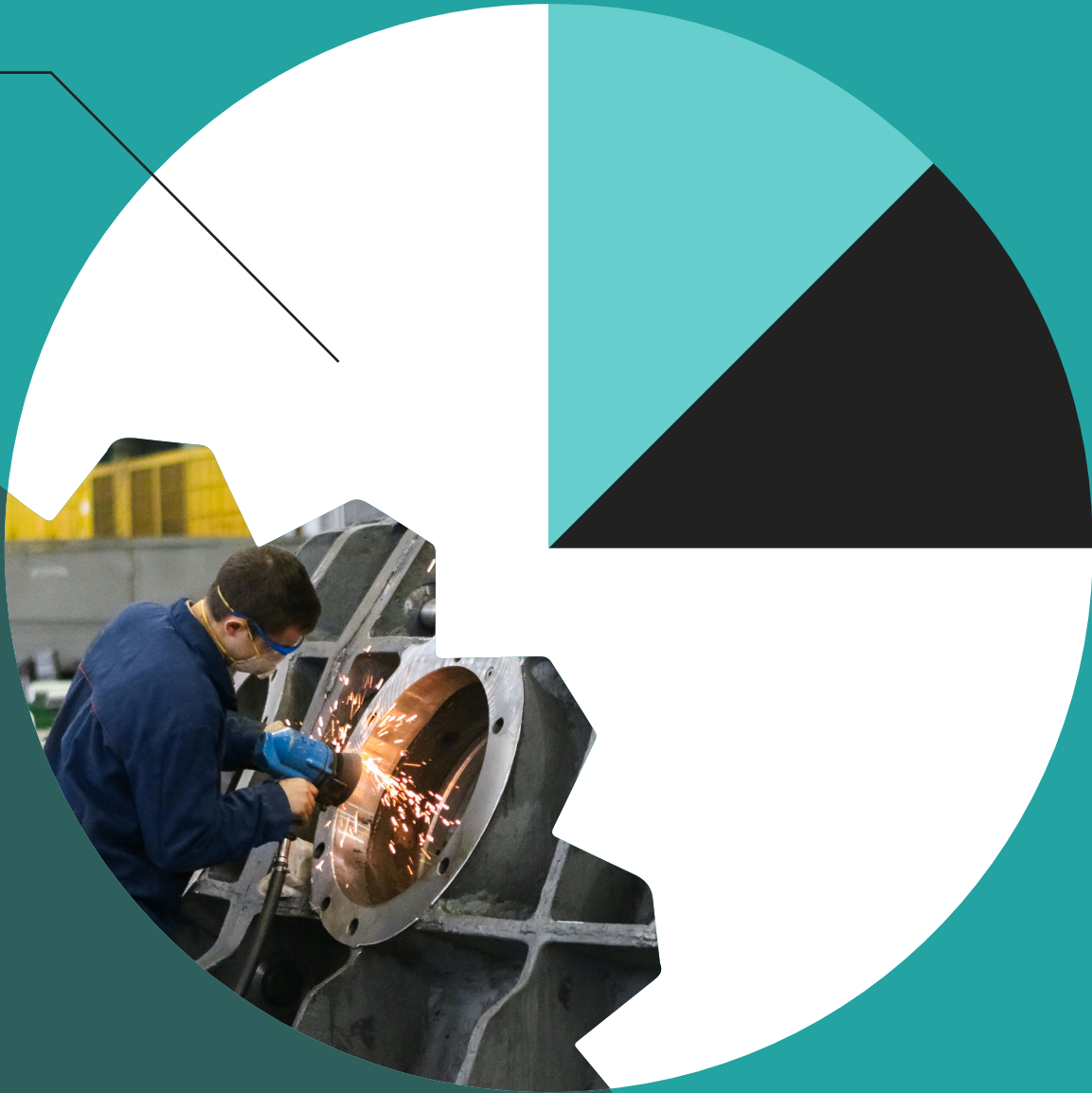


# 05



**Delivering Results**

# Catalytic Finance

The world has no shortage of solutions to improve human well-being, but it lacks sufficient financing to scale them. Across the globe, individuals and institutions need capital to help them improve health, nutrition, jobs, and more, especially as climate change creates headwinds to progress.

## Stories from the Field



Dawn Lippert shares more about Elemental's work. (Photo Courtesy of Elemental Exceleerator)

### Honolulu

## How to fund scalable climate technology solutions

As a 6-year-old, Dawn Lippert fined her parents and siblings 25 cents every time they left a light on. "I was hardwired to recognize waste and do something about it," she says.

Today, Lippert is CEO of the Honolulu-based Elemental Impact, a nonprofit investor, which The Rockefeller Foundation has supported since 2023. Their efforts help close the financing and knowledge gap for entrepreneurs, bringing critical technology projects from demonstration to commercial scale.

Since its founding in 2009, Elemental Impact has mobilized government and philanthropic capital to invest \$105 million across 160+ portfolio companies. Their first-of-their-kind commercial projects have helped create 17,000+ jobs, often in low-income and underserved communities, and supported local economies across the U.S. in states like Ohio, Arizona, Louisiana, Tennessee, and Texas, and around the world.

In 2024, Elemental invested \$23 million in 36 companies, including a follow-on investment in Fervo Energy, a company that's unlocking geothermal energy at unprecedented scale. Their support enabled the Cape Station development in southwest Utah and built the country's first geothermal apprenticeship program with Southern Utah University. Over time, this commercial-scale facility is expected to generate over \$437 million in wages and \$1.1 billion in local economic activity supported by ongoing operations.

"There is a hunger to work in climate, to be part of the solution. We need to provide on-ramps for young people so anyone can apply their talent to the climate challenge," said Lippert.

## SNAPSHOT

The Rockefeller Foundation works to put innovative financial tools in the hands of our partners to advance progress. Our Innovative Finance team works with partners and grantees to bridge funding gaps for solutions that are good for people and planet by deploying flexible risk capital in underinvested segments.

### 2024 By the Numbers



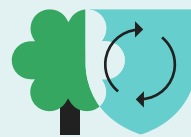
**114 thousand jobs** in the United States, Latin America, Sub-Saharan Africa, South Asia and Southeast Asia



**136 million people** with improved access to health and financial services around the world



**82.8 million t/CO2e\*** avoided or sequestered in the United States and India



**15.6 million hectares** protected or under sustainable cultivation in the United States, Brazil, and India

\*CO2e—a common unit used to express a variety of greenhouse gases in terms of carbon dioxide equivalence

# Highlights

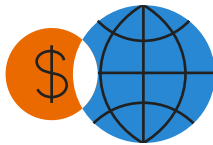
## The Foundation scales millions in investments.

In 2024, The Rockefeller Foundation's Innovative Finance team closed a program-related investment in the Aligned Climate Fund 2 (ACF2) at \$85 million, which will be dedicated to accelerating clean energy, efficient buildings, electric transport, and sustainable land use technologies—all while creating good green jobs and reducing energy bills for low- and moderate-income families. ACF2 included investments from leading pensions, corporations, endowments, foundations, and family offices, with approximately 15% coming from philanthropy and 60% from private institutional investors. The Rockefeller Foundation directly invested \$3 million in ACF2 and helped leverage private investment from other mission-driven institutional investors, such as The Ford Foundation, The Nathan Cummings Foundation, and the Schmidt Family Foundation.



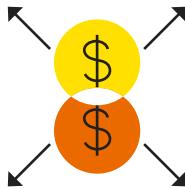
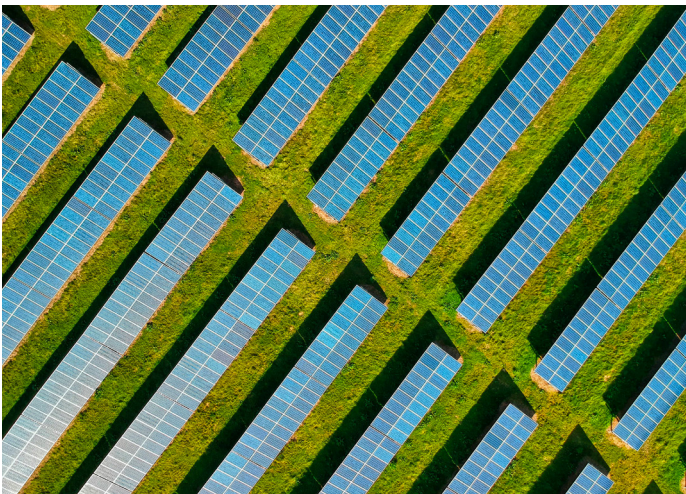
**\$3 million**

directly **invested** by The Rockefeller Foundation in ACF2



**\$85 million**

**total close** of the climate investment fund



**\$1.04 billion**

**mobilized** from partnering investors, **exceeding its initial target**



**\$30 million**

**committed** in 12 investments by the Zero Gap Fund

## The Zero Gap Fund mobilizes more than \$1 billion.

The Zero Gap Fund, created by the Foundation in partnership with the John D. and Catherine T. MacArthur Foundation and its Catalytic Capital Consortium, tackles the world's most pressing challenges by investing in innovative financial structures that can catalyze additional capital toward the United Nations Sustainable Development Goals, which include eradicating poverty, improving health, improving education, and more. The fund is now fully committed across 12 investments. With \$30 million committed, the Zero Gap Fund has mobilized approximately \$1.04 billion from partnering investors, exceeding its initial target.

# Deep Dive Mombak

## Reforestation Reimagined

Monica Silva is known as the mother of the seedlings. She wakes up most mornings at 4 a.m. to catch the bus to Turmalina Farm to care for what she calls “the children.”

“When the seedlings get here, they are like little babies. They’ve endured long trips, and many arrive damaged. It’s my job to help prepare them to be planted,” she said.

Ms. Silva works at Turmalina’s nursery in Mãe do Rio, Para, Brazil, tending plants for Mombak, a Brazilian startup supported through a project related investment (PRI) by The Rockefeller Foundation and focused on generating high-quality carbon credits through reforestation of the Amazon.

Brazil is home to 60 percent of the Amazon Basin, home to nearly 10 percent of the earth’s biodiversity and 16 percent of its freshwater. But over the last 50 years, Brazil’s Amazon has lost about a fifth of its forest cover to deforestation, in part due to cattle ranching. Peter Fernandez and Gabriel Silva co-founded Mombak with the vision of addressing deforestation by creating the world’s largest, high-quality carbon removal platform by purchasing or partnering with landowners to transition land use from cattle pasture to native reforestation.

Since 2023, The Rockefeller Foundation has been proud to support that vision. Mombak’s efforts work thanks to their network of unlikely partners—from landowners to climate scientists to corporations to people like Ms. Silva—all working together.

Once Mombak partners with landowners, they supply the seedlings, employees, and land managers necessary for reforestation. Through data analysis of land parcels, Mombak calculates the carbon removal potential of each project and sells high-quality carbon removal credits to companies that want to offset their residual emissions. Landowners receive a percentage of the revenue from those sales, creating a new and passive revenue stream that can be three to five times greater per hectare than their revenue from cattle ranching.

Mombak has established several core practices that drive their work: mindful land procurement practices, science-driven reforestation, and long-term partnership. These practices have helped build Mombak’s reputation and attract corporate partners like Microsoft and Google. Microsoft has

agreed to purchase up to 1.5 million tonnes of carbon, while Google agreed to offtake an additional 50,000 metric tons by 2030.

To date, Mombak’s reforestation efforts have created as many as seven times more jobs than existing cattle ranching operations, providing above-average wages and benefits like healthcare and vacation for people like Ms. Silva.

“It is an honor to be a part of something that is not just business,” said Ms. Silva. “It’s a part of the future of our children and our grandchildren.”



Monica Silva waters seedlings at Turmalina Farm.  
(Image credit: The Rockefeller Foundation)

## LESSONS IN ACTION



### Agreement isn’t essential, embracing candor and conflict is.

When we started allocating funds from our climate finance portfolio, we looked for partners with a deep understanding and experience operating in local markets. This means having proven investment skills and understanding how businesses thrive and deliver results and putting systems in place to hear and respond to community needs. Mombak is demonstrating that this hypothesis is valid. Moving forward, we will continue to prioritize strong in-market players that demonstrate deep local connections and market insights.

## Stories from the Field

### India

#### Creating India's largest inclusive bank

"Emerging consumers," those who earn less than \$11.20 per day, are often underserved or excluded from essential financial and healthcare products and services, leaving them unprotected against financial and health shocks. With the lack of financial services to support wealth building, like savings, credit, etc., emerging consumers across the global south, including in India, are particularly vulnerable.

LeapFrog's Emerging Consumer Fund III (Fund III), supported by the Foundation's Zero Gap Fund, aims to address these challenges by investing in tech-enabled companies whose products improve access to critical health and financial services for low-income consumers in sub-Saharan Africa and South and Southeast Asia. In 2018, LeapFrog, AXA, and the U.S. Overseas Private Investment Corporation (now the U.S. International Development Finance Corporation), joined with the Zero Gap Fund to create an innovative insurance mechanism to mitigate tail-end performance risks of the private equity investments and mobilize additional capital for the fund, ultimately bringing together unlikely partners to support emerging consumers across the globe.

In India, Leapfrog has enabled financial inclusion at scale by investing in companies like Fincare Small Finance Bank (Fincare). The company currently serves 5.8 million emerging consumers, the majority of whom are women living in rural areas. In April 2024, Fincare merged with AU Small Finance Bank to create India's largest inclusive bank, with a \$6.3 billion market capitalization.

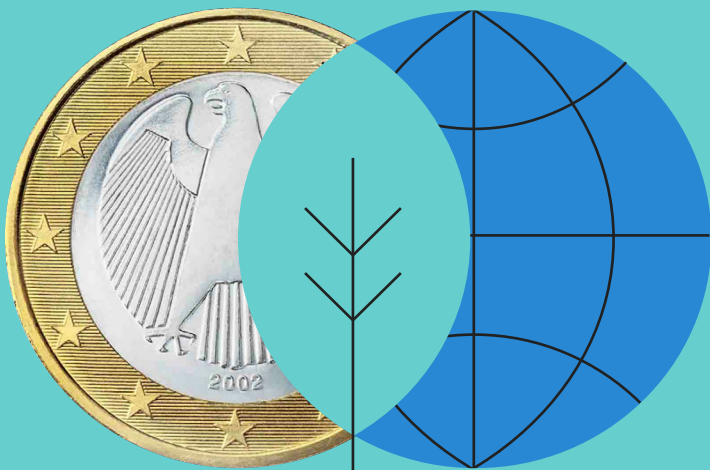


*Fund III invests in tech-enabled companies whose products improve access to critical health and financial services for low-income consumers in sub-Saharan Africa and South and Southeast Asia.*

# Advocacy for Reform

The Global Economic Recovery team is changing finance while tackling poverty and more.

In 2024, 3.3 billion people lived in countries that spent more on servicing their debt to foreign companies and corporations than on health care and education. This debt service also limited how these countries could address climate change's impact. Because people and the planet are suffering from an inefficient and ineffective global financial system, The Rockefeller Foundation's Global Economic Recovery (GER) initiative is driving high-quality finance to developing countries to lift people out of poverty and more.



In 2024, the global consultancy Itad conducted an independent evaluation of GER's work since 2021. Based on evidence and analysis drawn from partners and stakeholders, Itad noted that within global finance The Rockefeller Foundation's GER initiative is a "highly credible and influential program of work that has contributed to influencing significant change within the complex ecosystem of the [global financial architecture]" and that "The Rockefeller Foundation and GER have made a high contribution to change at different levels."

GER's impact is amplified by its ability to nurture new ideas and build partnerships around them. With new powers rising and longstanding powers undergoing significant domestic changes, it is critical to build diverse coalitions of developed and developing countries to ensure progress on key reforms. For example, GER's work with Barbados Prime Minister Mia Mottley on the Bridgetown Initiative has brought leaders from advanced and developing countries to the table to agree on reforms to multilateral development banks (MDBs) in order to unlock billions of dollars in public financing and drive private capital mobilization. Similarly, GER has led the way on the debt-suspension clauses now being established by



Barbados Prime Minister Mia Mottley speaks at the 2024 World Bank Annual Meeting's Finance Forum at The Rockefeller Foundation Office in Washington, D.C. October 2024. (Image credit: The Rockefeller Foundation)

multilateral development banks; these instruments offer financial relief to developing countries facing hurricanes or other natural disasters.

And GER's work continues to make an impact. Itad's assessment showed that the GER team was instrumental in getting capital adequacy frameworks (CAF) reforms onto the agenda of the G20 Presidency. Thus far, CAF reforms have expanded lending headroom at MDBs by approximately \$170 billion. And most recently, the GER effort contributed to the successful CAF-focused advocacy to secure a 1 percent change to the World Bank's equity-to-loan ratio, from 19 percent to 18, thereby enabling the World Bank to add \$30 billion to its development and climate lending.

That impact—and that kind of partnership building—is also key to the Foundation's efforts in the pursuit of world-changing goals. It is how GER successfully worked for a new issuance of special drawing rights (SDRs), which can now be rechanneled to the IMF's Resilience and Sustainability Trust and, hopefully, through multilateral development banks, to provide access to additional lending headroom. As Itad noted in their evaluation, "The networks and political capital of the GER team specifically—including with G20 and COP presidencies—have been pivotal in ensuring... [these] ideas and agendas move forward."

## LESSONS IN ACTION



### **Polarization opens doors, too.**

The GER team's work has focused on acting as a trusted, neutral partner for stewarding political processes across a range of partners. Accomplishing that has required us to leverage our convening power, expertise, and innovation to drive change in the short term, while also laying the groundwork for long-term results. As part of the process, the GER team has taken steps to integrate feedback from civil society and national stakeholders, which will help us continue to refine our approach and maintain momentum into the future.

## Stories from the Field



Isatou Camara at the Cape Point Beach in Bakau, The Gambia, during an evening stroll with her family. (Photo Courtesy of Isatou Camara)

### The Gambia

#### Finance meets a changing Gambian coast

As a child, Isatou Camara reveled in the vibrant coastal landscape where towering palm trees framed pristine beaches. Today, erosion and rising sea levels have carved away much of the sand where she once played and destroyed farmland. “The speed at which the sea is claiming our land is alarming,” she says. Erosion isn’t all that worries her. The Gambia has seen massive windstorms and torrential rains pummel homes, claim lives, and rack up hundreds of millions of dollars in damage.

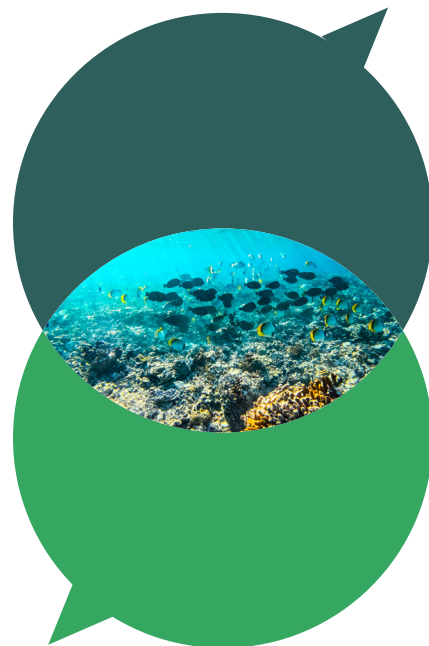
As her country’s new director of climate finance, Camara has become a powerful advocate for The Gambia’s path to resilience through her participation in the V20 Climate Prosperity Fellowship Program, supported by the Foundation as part of an effort to build capacity in the finance ministries of vulnerable countries.

Climate change is projected to cause \$38 trillion a year in losses worldwide by 2049, shrinking the global economy by about 20 percent and disproportionately impacting the least developed countries. Fellows are mentored on a broad range of topics, from reforming the international financial system to supporting economies through carbon financing.

## Stories from Our Convenings

### Nature Bonds Projects

In November 2024, The Rockefeller Foundation’s Bellagio Center hosted a convening titled “Nature Bonds Projects: Building Solutions for Scalable Impact.” Nature Bonds Projects are designed to transform a portion of the debt burden of lower- and middle-income countries (LMICs) into conservation funding, which is why the convening brought together stakeholders, including governments, development financial institutions, investment banks, conservation organizations, and investors, to discuss and develop more effective funding and capacity building practices. The convening’s outcomes included the identification of 20 critical barriers to scaling Nature Bonds Projects and six solutions to streamline processes, standardize reporting, and build government capacity.



# Looking Ahead

## Deepening our Impact Investing

The Rockefeller Foundation remains committed to bridging the gap between financial innovation and private capital needed to scale transformative projects. As always, our focus will be on investing in underinvested communities and sustainable ways, ensuring that our solutions not only drive long-term progress but also make a meaningful difference today.



### Elemental Impact

To provide additional support to our grantee, Elemental Impact, we convened clean tech experts for a multiday convening where they brainstormed capital solutions, made connections across fields, and created opportunities to fast-track financing for promising early-stage climate hardware technologies. Experts from across the field discussed the outlines of funding plans and highlighted needs for fostering collaboration among investors, philanthropists, government officials, climate scientists, and entrepreneurs to mobilize capital and help critical technologies achieve commercial scale and broad adoption in communities.

