

September 2025

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NEWS

Upcoming studies

BENEFITS OF ECOTOURISM

On the 27th of September, to mark **World Tourism Day**, SCF will publish a white paper on the benefits of investing in Climate and Nature-Positive Tourism.

Follow us on [LinkedIn](#) to get the study.



EXPLORING VERTICAL FARMING IN SUB-SAHARAN AFRICA

The SCF recently approved a grant for a study that will look at market readiness and demand for **vertical farming in Sub-Saharan Africa**.

The results should be published in a few months on our website.

IN THE NEWS

PLASTICS TREATY DEADLOCK

Talks in Geneva ended without agreement on financing or production limits, underscoring the need for local action through initiatives like SCF.

Read our [food for thoughts](#) section

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BLENDED FINANCE FOR CLIMATE SOLUTIONS

The Subnational Climate Fund (SCF) is a global blended finance initiative designed to accelerate climate infrastructure solutions in 42 developing countries. It operates through two complementary components—a Technical Assistance (TA) Fund and an Investment Fund (IF)— that work in tandem to support the growth of mid-sized infrastructure projects and companies. SCF targets key sectors such as sustainable energy, waste and sanitation, regenerative agriculture, and urban development.

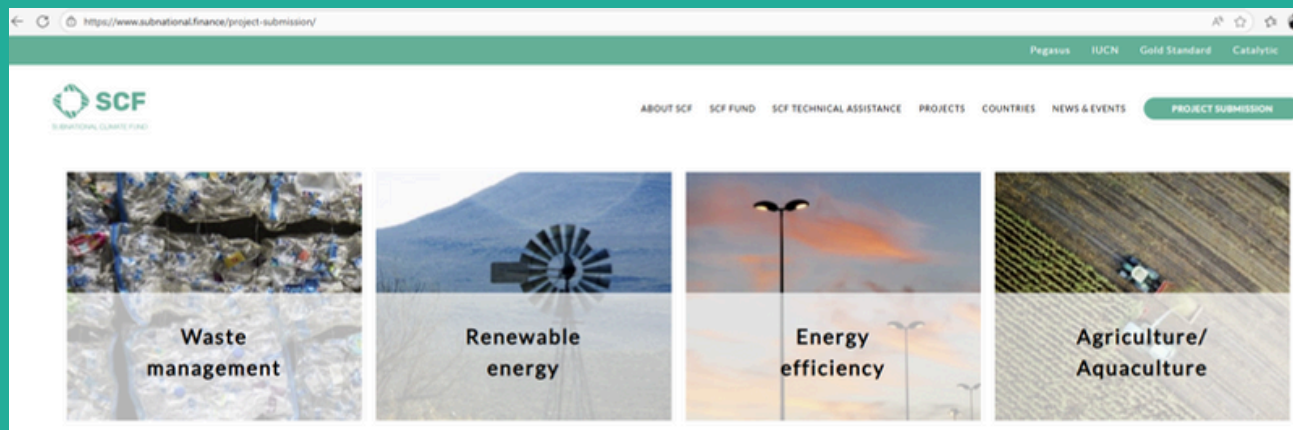


Across all its activities, it places strong emphasis on decarbonization, climate resilience, and delivering meaningful local economic development impact.

- **The SCF Investment Fund**, managed by Pegasus Capital Advisors, provides equity investments ranging from USD 5 to 75 million to support the growth of companies and commercial projects.
- **The SCF Technical Assistance Facility**, managed by IUCN, Catalytic Finance Foundation & Gold Standard, provides grants for feasibility studies, environmental and social safeguards, gender action plans, and other technical support that helps projects become investment-ready, enabling rapid scaling while ensuring environmental, social, and financial goals are met.

To explore initiatives currently under consideration for investment or that have received technical assistance, please [visit the Projects page](#) on our website.

Requests for technical assistance (TA) or equity investments should be submitted through our [online platform](#).



PROJECT INSIGHT

Antofagasta

Sector: Renewable Energy

Country: Chile

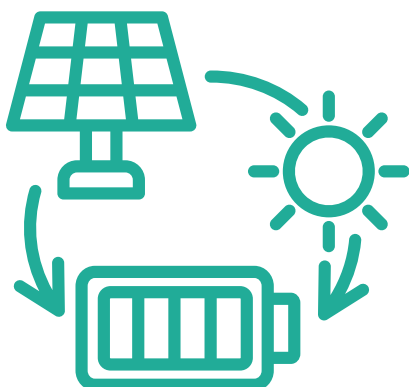
The SCF is providing Technical Assistance to a large-scale Battery Energy Storage System (BESS) in northern Chile's Antofagasta region to address solar energy curtailment and improve grid stability. The project will store excess daytime solar power and release it during evening peak demand, replacing fossil fuel-based ramp-up energy and supporting Chile's clean energy transition.

By combining grid-connected storage, clean energy optimization, and strong ESG compliance, the project aligns with Chile's national Energy 2050 plan and strengthens the country's climate resilience and renewable energy infrastructure.

THE CHALLENGE

Chile has experienced a rapid expansion of solar PV capacity, particularly in its northern desert regions. However, grid bottlenecks and timing mismatches between generation and demand have led to significant curtailment of solar energy—with renewable power going unused. The lack of battery storage prevents shifting clean energy to evening hours, forcing reliance on coal-fired ramp-up generation.

Without sufficient storage infrastructure, solar power continues to be wasted while fossil fuel plants meet evening demand.



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SCF's Involvement

To enable project bankability and scale, the SCF TA Facility provides grants for pre-feasibility and a feasibility studies covering:

- Advanced financial and market modelling
- Foundational engineering design
- ESG-compliant technology selection
- Enhanced environmental and social impact planning
- Strategic legal and commercial structuring

This technical assistance ensures the project can meet high sustainability, financial, and regulatory standards while maximizing clean energy utilization.

EXPECTED IMPACT

The project contributes to national and global sustainability goals through solar integration, fossil fuel displacement, and economic empowerment.



FOOD FOR THOUGHTS

How to Finance Plastic Pollution Solutions?

Plastic pollution has become one of the defining environmental challenges of our time, with negotiations underway for a new international treaty to end plastic waste. Governments, scientists, businesses, and civil society had hoped to shape what could have been the most significant global agreement since the Paris Climate Accord.

However, the most recent round of talks in Geneva collapsed without consensus, largely due to disagreements over financing and limits on plastic production. This failure underscores how deeply the financing question divides countries and key stakeholders — and how essential it is to resolving the crisis.

Developing countries have consistently stressed that without predictable and sufficient resources, it will be impossible to meet the treaty's goals.

They called for a new international fund to support waste management infrastructure, recycling facilities, and circular economy models. Such a fund, they argued, would provide the scale and reliability needed to tackle plastic pollution in the most affected regions. Yet this proposal was rejected, with some countries insisting that existing mechanisms, such as the Global Environment Facility, should be expanded instead.

The deadlock leaves a major gap: **how to mobilize the billions of dollars required each year to manage plastic waste and reduce leakage into the environment.** For developing countries, financing is not a side issue but the very foundation of implementation. Without it, global commitments risk remaining words on paper. At the same time, the failure in Geneva opens space for innovative approaches. Blended finance structures that combine public and private capital, extended producer responsibility schemes, and impact funds like the Subnational Climate Fund can help bridge the financing gap.

Catalytic Finance Foundation has been calling for and designing innovative financing for waste management infrastructure, particularly emphasizing on results-based financing models - be it plastic waste reduction or methane emission reduction from waste.

These mechanisms not only channel investment into recycling and waste management but also support local communities, create jobs, and foster sustainable markets.

The collapse of the talks shows that ambition alone is not enough. Without reliable and sufficient financing, the plastics treaty risks slipping further out of reach. How the international community responds in the months ahead will determine whether this is a momentary setback — or another missed opportunity to turn the tide on plastic pollution.





SUBNATIONAL CLIMATE FUND

International Environment House 2
Chemin de Ballexert, 7-9
1219 Vernier, Geneva, Switzerland

Phone: +41 22 755 65 452

Fax: +41 22 755 65 49

Email: media@catalyticfinance.org



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