

# Capital Orchestrator

A capital orchestrator that unlocks and coordinates optimal capital flows towards systemic innovations to advance ecologically safe, socially just and regenerative production and deployment of renewable energy in the Philippines



## How can financial capital support a transition towards a responsible renewable energy system in the Philippines?

The Philippines—one of the most disaster-prone countries in the world—is taking decisive steps to catalyze the clean energy transition by setting targets of 35% renewables share in the power mix by 2030 and 50% by 2040. To achieve the full potential of this transition however, requires the renewable energy sector to operate in ways that generate positive, rather than adverse, environmental, human rights and social impacts across its value-chains. Yet there are currently a set of interlinked root causes that prevent developers, financiers, and the wider value chain from integrating strong environmental and social safeguards into RE deployment. These key systemic challenges are:

**Land use models and marine spatial planning** are intensifying competition for limited resources as RE scales, but there are inadequate ways of managing these impacts well.

**Communities are rarely engaged as equitable partners** in the RE development process, hindering potential for creating shared value models for resiliency.

**Inadequate investment into ESG-related activities** by RE actors in the face of competing priorities for capital allocation is creating ecological and social risks, as well as project development and operational risks.

**Biodiversity loss, natural resources management, ecosystem services** and social impact data is limited, creating challenges in managing ecological and social risks.

**There is an impending RE waste crisis** due to limited infrastructure and knowledge to embed **circularity** systemically within RE value-chains.

The financial capital available within the RE system in the Philippines could be a critical lever in tackling these systemic barriers to create a responsible and resilient RE system for the Philippines. However, it is not serving that purpose because:

**RE developers are not allocating capital towards environmental and social (ESG) measures.** Most renewable energy developers underinvest in environmental and social (ESG) measures, as their budget priorities are to meet project-readiness and growth targets. Any ESG spending is typically limited to early-stage compliance to secure financing, rather than to tackling ESG impact across full project lifecycles where major risks are more likely to appear. Investor priorities for short-term returns and high compliance costs on ESG-linked loans further discourage action. This creates a “chicken-and-egg” problem—developers need financing to manage ESG risks, but financing is withheld until those risks are managed.

**Capital is not being directed towards systemic levers that could create enabling conditions for responsible RE deployment.** What is being financed are single projects which already exist. Yet what needs financing are systemic enablers that will bring about system-wide conditions for responsible RE. For example: capital is not being channeled towards building a circular economy for managing RE waste; or at scale towards promising technologies like agrivoltaics, despite their potential to reduce land competition, as well as strengthen climate resilience and water insecurity.

## The Responsible RE Capital Orchestrator

The Responsible Energy Initiative (Philippines) wants to change the way financial capital is responding to the energy transition - by designing a systemic intervention that will channel the right kind of capital, in the right amount, at the right time, towards innovations with the greatest strategic potential for creating an ecologically safe, socially just and regenerative RE system in the Philippines.

Our working hypothesis is that this intervention will take the form of a financial backbone entity<sup>1</sup> that can orchestrate the mobilization and deployment of financial capital into key strategic leverage points in the system that will tackle

barriers to responsible RE. This entity will help establish new norms and structures for systemic investing in the energy transition in the Philippines that advance ecosystem regeneration, equitable distribution of the social and economic benefits of the transition, and resilience for the RE sector to climate and environmental shocks.

The Responsible RE Capital Orchestrator draws inspiration from a parallel initiative to develop a Regenerative Agriculture Capital Orchestrator, an innovation helmed by Transcap Initiative to address the challenge of coordinating and channelling capital towards catalytic interventions that enable a systemic transition from traditional to regenerative agriculture in the US mid-West.

## What functions would the Responsible RE Capital Orchestrator perform?

The Responsible RE Capital Orchestrator is not a blended finance instrument. Rather, it would function as a place-based, participatory entity that:

**Creates systems intelligence** on where capital is needed to unlock systems-level interventions for building a responsible RE system, tracking key indicators of systems impact arising from associated financial flows and deal flows, and creating knowledge and data that informs systemic deployment of capital for responsible RE.

**Connects capital to the right opportunities**, acting as a ‘matchmaker’ between capital sources and systemic innovations, building investor coalitions around systemic levers and identifying combinatorial effects between individual investments.

**Catalyzing capital mobilization** through working in partnership with financial actors to structure innovative finance instruments that address unmet needs in the system, as well as broadening participation and impact from other capital allocators.

**Builds the momentum for a just energy transition** by generating investor confidence and engagement in the actions that drive responsible RE, supporting participatory, collaborative approaches to capital allocation decision-making across the system, drawing on REI-Philippines model of collaborative change-making.

## How will it be developed?

The Responsible RE Capital Orchestrator is currently an early-stage concept generated through insights from the **Access to Finance workstream** of the **REI-Philippines Collaborative Action Platform**. This workstream comprises representation from leading banks, investors, RE developers and civil society organisations within the RE system in the Philippines.

With support from Forum for the Future and Transcap Initiative, the workstream is entering a prototype development stage in 2026 – 2027. This will involve:

- Designing a prototype version of the Responsible RE Capital Orchestrator
- Field-testing to observe how it functions in the real economy and how the system responds
- Assessing its potential for impact and scale

We welcome interest from RE system actors and funders who wish to support this prototype development by participating in the design and field-testing process and/or investing in the prototyping activities.



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<sup>1</sup> Hofstetter D., Gazibara I., Paterson H., Bone Dodds, G., Burkett, I., Burrows, J., Conway, R., Eccles, T., Essl, P., Fabyanske, J., Fumi, A., Gimson, B., Hall, M., Hannant, A., Imon Gavin, E., Irby, K., Lehan, B., Leon, C.A., Löfgren, K., Power, S., Rasul, N., Rodriguez, T., Shams, N., Snyder, M., Vaccaro, J., Visser, B., Wokke, D., Yau, A., Financial Backbones: Capital Facilitation for Systems Transformation, published by TransCap Initiative, Zurich (Switzerland), September 2025.