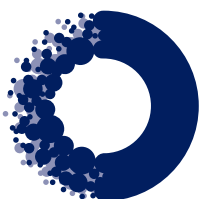


Unlocking climate finance - the role of impact driven catalytic investors

A Roundtable of the Blended Finance
for Climate Initiative

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CONTENTS

| SECTION | | PAGE |
|---------|--|------|
| 1 | Executive Summary | 1 |
| 2 | Setting the Context | |
| | 2.1 Australia's Climate Challenge | 7 |
| | 2.2 Blended Finance Approaches | 8 |
| | 2.3 Sources of impact driven catalytic finance | 11 |
| 3 | Case Studies from Presentations | |
| | 3.1 Gaia Fund, Pollination | 17 |
| | 3.2 Special Purpose Vehicle to support Asian Climate-smart Fund, Department of Foreign Affairs & Trade | 18 |
| | 3.3 Wilyun Pools, Transition Accelerator | 20 |
| 4 | Insights & Potential Actions | |
| | 4.1 Catalytic finance has a role to play in developing investable projects and funds | 22 |
| | 4.2 Philanthropy can play a leadership role | 23 |
| | 4.3 Building connections and capability across the sources of finance | 24 |

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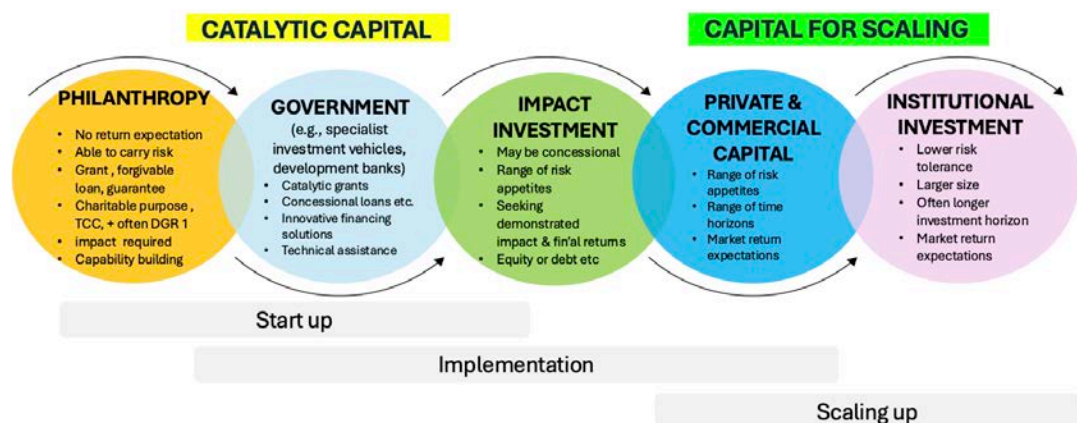
1. EXECUTIVE SUMMARY

The Blended Finance for Climate Roundtable with Impact Driven Catalytic Investors was the fifth in a series of high-level Roundtables hosted by Sustainable Value Creation Institute at Melbourne Business School. The Roundtable brought together catalytic investors from philanthropy, impact investment and government to identify actions which would help grow the contribution of catalytic investors to blended finance approaches to accelerate Australia and our Region's' climate transition.

This Roundtable was held on 4 December 2025 and included a case study from each of Pollination, Department of Foreign Affairs and Trade, and the Transition Accelerator. Participants included representatives from philanthropic foundations, impact investors and government. Insights were also provided by Joan Larrea, the CEO of Convergence, the global lead for blended finance in developing countries, who was hosted in Australia by DFAT. Foundations Group for Impact Investing (hosted by Philanthropy Australia) was also a partner in the Roundtable. It was a wonderful example of collaboration for sharing learning across different sources of finance.

The Roundtable focused especially on the catalytic role of philanthropy, impact investment and government within the continuum of finance. These are all impact driven sources of finance. Venture capital was not part of this Roundtable conversation. We note the important roles of private capital and institutional capital within the continuum of climate finance.

The Blended Finance Continuum



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Blended finance approaches used in projects in developing countries usually involve catalytic capital from philanthropy, development banks and impact driven investors. In the Australian context, catalytic capital can be contributed by philanthropy, impact investors (including foundations using their investments for impact) alongside specialist government investment vehicles (for example, the Clean Energy Finance Corporation, National Reconstruction Fund, Export Finance Australia or initiatives such as the Australian Climate Partnership). Catalytic finance providers can help projects become ready to scale in several ways. For example, they can enable an eligible project or enterprise to build a successful track record and/or contribute to the capital stack for large scale projects to help leverage in private capital and institutional investment. They can, subject to their legal and impact frameworks, support technical assistance, provide concessional loans, guarantees and early-stage equity, and other tools, and work alongside private and institutional investors.

Key to a blended finance approach is to engage across the various source of finance to enable each investor to play to their strengths while achieving a social or environmental purpose. The varied sources of finance have different risk appetites, return expectations, flexibility, time horizons and purposes. Some are driven by impact and some by profit. Each operates within a different legal framework. Ensuring that each source of finance plays its part at appropriate times within a transaction or over the life of an enterprise, can provide an important tool to accelerate our climate transition. Blended finance uses public and philanthropic capital to attract private and institutional capital into climate (or social) impact transactions, usually at scale.

Climate change continues to impact Australia's way of life and economy

The latest *Intergovernmental Panel on Climate Change 2023, AR6 Synthesis Report* (IPCC Report, 2023) highlights the urgent need to keep global warming to at or below 1.5°C to avoid the most serious consequences. We need to make it easier to move finance at scale to where it is needed to accelerate our climate transition. On a positive note, Australia has the capital it needs for its climate transition. However, the different sources of capital are not well connected and there are missed opportunities because we are not using blended finance approaches sufficiently to accelerate climate finance at scale. Making these connections and taking practical actions to address them were the motivators for the Blended Finance for Climate Roundtable series.

Climate change is a physical risk but also a financial and economic risk as communities and business respond to challenges such as workforce safety, health risks to vulnerable populations, emerging uninsurability in certain locations (for example, due to sea level rise or flood projections) and loss of power. There is an urgent need to fund a faster transition to renewable energy and all the business and built environment transformation that requires. The current situation requires work on both reducing emissions and increasing resilience. *Disaster recovery funding by the Australian government is projected to at least triple over the next 40 years, to \$140 billion in today's dollars if global temperatures rise to 3°C, while labour productivity under a 3°C of warming could decrease by 0.2 percent annually and cost \$135 billion by 2063. (Treasury, Commonwealth of Australia).*

Australia requires \$7-\$9 trillion of capital by 2060 and \$1.5 trillion by 2030 to fund the climate transition (Net Zero Australia). Australia must continue to reduce greenhouse gas emissions across all sectors of the economy including energy, transport, industrial processes, agriculture, and waste management. We need to invest in climate technology solutions and build resilience to climate impact within local communities in the face of increasingly intense natural disasters and heatwaves. In this challenging context, blended finance is an approach which can help marshal local and international finance and funding to support Australia and our region's climate transition. Blended Finance approaches to climate finance respond to the acceleration opportunity reported in the IPCC Report.



The 2023 Intergovernmental Panel on Climate Change report highlights *that improved availability and access to finance will enable accelerated climate action. Addressing needs and gaps and broadening equitable access to domestic and international finance...can act as a catalyst for accelerating mitigation and shifting development pathways.* (IPCC Report, 'Near Term Responses in a Changing Climate', UN, 2023, p.111).

The opportunity to grow public – private – philanthropic collaboration in financing climate mitigation and adaptation (and to achieve other Sustainable Development Goals) was promoted at the G20 Social Summit in 2025 by philanthropy platforms such as WINGS (international philanthropy network) and the F20 Platform (foundation networks for G20 member countries).

Australia is a wealthy country, including the \$4.5 trillion held in superannuation funds (ASFA, 2025). There is more than \$51 billion held in the endowments of Australian Foundations, which includes funds held by philanthropy, hospitals and universities (ACNC Charities Report, Ninth Edition, ACNC, 2023). In addition, Minderoo Foundation made an addition of \$4.9 billion 2024/25, to its philanthropic funds (ACNC Eleventh Edition, 2025). **Australia has the finance to accelerate our transition to renewable energy sources and to build our resilience to a changing climate. In global terms, we have a stable investment and political context. We have the opportunity to unlock private and institutional investment in Australia to support Australia and our region's climate transition through a strategic use of blended finance approaches. These are described as co-investment approaches in some sectors.**

It would be easy to expect institutional and private investors in Australia to step up and finance the climate transition on their own. However, this misunderstands the context for this investment at scale. Institutional investors take a long-term view and invest at very large scale, with return expectations and risks reflecting the aspirations of superannuation fund members. They might fund a small portfolio of early-stage investments but overall, they are looking for opportunities that have demonstrated a track record of success and are of a size which fits their investment scale. Climate projects can be too small, too risky, too complex or too short term to attract and meet the expectations of institutional investors in their early stages. This is where catalytic finance comes into play.

Impact Driven Catalytic Sources of Finance

Philanthropy, government specialist investment vehicles and impact investors are all impact driven. They are pursuing an impact outcome, in this case addressing climate change, both mitigation and adaptation.

Philanthropy can play an important role as the risk capital of the not-for-profit sector. Philanthropy could provide the catalytic capital required to initiate and test eligible new enterprises and projects that will contribute to Australia's climate transition. In addition to making grants for charitable purposes, an endowed foundation can choose to allocate part or all of its corpus to impact investment; place a sustainable investment lens across its whole portfolio, begin a decarbonisation journey project, and/or invest in climate transition funds and companies.

Impact investing is another form of catalytic capital. Impact investments are made by impact driven private or public investors, including philanthropic trusts and foundations, made with the intention of generating positive, measurable social and/or environmental impact alongside a financial return. In the case of averting the worst consequences of climate change, impact investors are looking to reduce greenhouse gas emissions, increase circularity and build climate resilience. Impact investors vary

in their return expectations, their risk appetite, their patience (term of investment) and flexibility. Impact investors develop investment policies that reflect their impact and return objectives and monitor progress on both over time.

Blended Finance Case Studies

The three case studies presented at the Roundtable vary in geography and scope. They all demonstrate different sources of catalytic capital working together to achieve climate mitigation and adaptation outcomes. They all demonstrate the critical role played by impact driven catalytic finance from philanthropy, impact investors and government in providing support for early stage and enabling scaling up of projects that demonstrate impact to scale.



Case Study 1: The Gaia Fund, MUHG

Presented by Pollination, impact advisors to the Fund

The Gaia Fund is an innovative blended finance facility designed to mobilize greater international capital to support the climate ambitions of emerging market governments. With support from its anchor investors, the Fund has reached a USD 600M first close, with at least 25% of its proceeds allocated to the most vulnerable communities in small island developing states (SIDS) and least developed countries (LDCs), and at least 70% of its proceeds going towards high-impact adaptation projects, which are historically underfunded.

The annual climate finance gap in emerging markets demonstrates the difficulty of raising private capital for climate adaptation and mitigation projects in the Global South. As a pioneering fund, Gaia seeks to set a precedent and inspire other investors. To replicate this model and attract greater commercial capital from institutional investors, there needs to be more proactive collaboration between public and private investors and greater knowledge exchange and capability building for emerging market investees to create a more expansive and sustainable pipeline of bankable projects. (Pollination, 2025)



Case Study 2: Special Purpose Vehicle to support Asian Climate-smart Landscape Fund

Presented by Department of Foreign Affairs & Trade & Ecotone Partners

Blended Finance and Investor Engagement Unit at Department of Foreign Affairs and Trade (DFAT) presented an innovative case study on a proposed special purpose vehicle to catalyse Australian co-investment alongside an expected Australian Development Investments (ADI) transaction in Indonesia. The vehicle is still under development, with an in-depth case study to be shared once the vehicle is closed. The case study was co-presented with Ecotone Partners. (DFAT, 2025)

The case study is an excellent example of government seeking to act as a catalytic investor alongside private and philanthropic impact investors to accelerate climate finance in Australia's region. Building relationships across the continuum of finance is vital to building climate finance funds and platforms using blended finance approaches. This applies in the catalytic stages of projects as much as in later stage scaling up. DFAT has demonstrated leadership through its development of the International Development Investor Group which has built relationships and trust between catalytic finance from government and foundation and family office impact investors. More of these connections can be built to support investment in Australia and our region.



Case Study 3: Wilyun Pools

Presented by Transition Accelerator

The Wilyun Pools biodiversity conservation (regenerative planting and forestry) and climate mitigation project faced a funding challenge due to unattractive returns for commercial investors. Additionally, the scale was too large for philanthropy to cover alone. This gap left a promising initiative aimed at restoring biodiversity to a 900-hectare site at risk of not proceeding. Despite its potential for meaningful climate, biodiversity and first nations impact, the project required innovative funding solutions.

Transition Accelerator underwrote and syndicated a concessional loan of \$3 million to catalyse the project. The loan syndicate was made up of philanthropic foundations which made impact loans to support the project to take on \$6 million of commercial finance.

Philanthropy did not just fund the project; it made it possible. This catalytic approach transforms philanthropic capital into a powerful engine for impact. By taking an innovative approach to the ability of philanthropic foundations to make concessional loans, philanthropy acted as a catalyst to a climate mitigation and biodiversity restoration project that would otherwise have not proceeded. This approach is an excellent example of innovation enabled by the 2016 amendments to Federal Treasury's Ancillary Fund Guidelines. (Transition Accelerator, 2025)

Insights

Insights from the Roundtable are found in section 4 of this report. A summary of Roundtable insights is listed below.

Leadership from catalytic investors, including government, is key to accelerating the use blended finance approaches into climate finance.

Australia can learn from the work of DFAT in supporting blended finance approaches in our Region. We need to build our capability across the sources of finance, from philanthropy through to institutional investment, to mainstream blended finance (co-investment) approaches locally in Australia.

Catalytic finance has a role in developing investable projects and funds.

Philanthropy can play a leadership role in blended finance approaches to support our climate transition.

Connecting the various forms of finance with each other to enable the right risk, return and impact outcomes for climate projects is critical. All forms of finance should be encouraged to see themselves as part of a large finance ecosystem in Australia. International Development Investor Group is an initiative of DFAT in this space and the Foundations Group for Impact Investing hosted by Philanthropy Australia is another example of this. Impact Investment Australia can also play a role.

We have the money, but we need stronger connections between different types of investors (with different risk, return, impact and other objectives) and stronger capability in blended finance approaches.

Potential Actions

Foundations as co-investors

- Encourage foundations with endowments to engage in climate mitigation and adaptation investment opportunities as grantmakers, as providers of loans and guarantees (from grant funds of Ancillary Funds) and as impact investors (from capital).
- Build capability in co-investment so that they are confident exploring blended finance opportunities. This can be through continuing to share case studies, and opportunities for peer-to-peer learning and professional development.
- Inspire a mindset shift so that foundations see themselves more often as part of the continuum of capital, in line with their own impact strategies, grants and investment policies and legislative context. Become active investors in public-private-philanthropy financing collaborations as envisaged at COP 31.

Build leadership capability in blended finance approaches

- The governance level decision makers of catalytic finance providers, especially within philanthropic foundations, could be better informed about blended finance approaches. Catalytic finance providers are impact driven and blended finance approaches are another tool to achieve impact. Attention should be given to upskilling Boards and Investment Committees about blended finance approaches. Board and IC recruitment should consider new members with experience in blended finance and a better understanding of the risk/innovation lens when trying to achieve impact, in this case addressing the urgent challenge of climate change. Training opportunities and opportunities to share knowledge and practice should be encouraged.
- Philanthropy Australia and Impact Investment Australia, Foundations Group for Impact Investing (Philanthropy Australia supported), International Development Investor Group (DFAT supported) and the GIIN can continue promoting blended finance as a tool within the philanthropy toolbox. Case studies are very helpful to demonstrate what can be done. Real life opportunities, such as the [three Case Studies](#) in this report, should be shared widely to increase awareness of blended finance opportunities.

Connect easily with the other sources of finance

- The bringing together of catalytic investors: philanthropy, impact investment and government, including specialist investment vehicles, could increase the pool of capital for early stage or smaller climate projects. Platforms that enable all the sources of finance, including private and institutional capital, to work together through blended finance approaches to enable scaling up are emerging around the world and one could be replicated in Australia.

2. CONTEXT

2.1 Australia's Climate Challenge

The Blended Finance for Climate Roundtable with Catalytic Investors was held in the context of rising global temperatures.

Australia is currently facing a 2025/26 summer of heatwaves, bushfires and floods. For example, Victoria has recorded a new statewide maximum temperature, with 48.9C recorded in the north-west towns of Walpeup and Hopetoun (Bureau of Meteorology, 27 January 2026). The impact of heatwaves on people and infrastructure is significant.

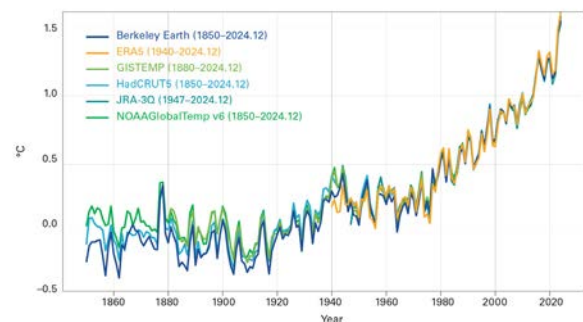
Severe and extreme heatwaves have claimed more lives than any other natural hazard in Australia. Heatwaves can be dangerous because they pose health risks to the most vulnerable.

While older people and very young children are often the most vulnerable, extreme heatwaves can affect anyone's health. Heatwaves can also affect the transport, agriculture and energy sectors and associated infrastructure. This includes interruptions to cooling and refrigeration. (Heatwave Knowledge Centre, Bureau of Meteorology, Victoria)

2024 was the warmest year on record, reaching 1.5°C for the first time, with ocean warming also increasing. January 2025 was 1.75°C above the pre-industrial level, according to the [Copernicus Climate Change Service \(C3S\)](#)... it was the 18th month in the last nineteen months for which the global-average surface air temperature was more than 1.5°C above the pre-industrial level. 2024 was the warmest year on record, likely temporarily hitting 1.5°C for the first time (*World Meteorological Organization's 2025 consolidated global analysis of six international datasets*).

GLOBAL MEAN TEMPERATURE 1850-2024

Difference from 1850-1900 average



14 Feb 2025, World Meteorological Organisation

Australia also faces a biodiversity crisis. In 2023, 144 new species were added to the national threatened species list - five times more than the yearly average. Protecting intact natural ecosystems is second only to ending fossil fuels as a priority economic solution to reducing emissions and meeting our global climate targets. Conservation, improved management, and restoration of forests and other ecosystems offer the largest share of economic mitigation potential, as an immediate action. (*Climate Change 2022: Impacts, Adaptation, and Vulnerability, Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, UN 2022*).

Australia requires \$7-\$9 trillion of capital by 2060 and \$1.5 trillion by 2030 to fund the climate transition (Net Zero Australia). Australia must continue to reduce greenhouse gas emissions across all sectors of the economy including energy, transport, industrial processes, agriculture, and waste management. We need to invest in climate technology solutions and build resilience to climate impact within local communities in the face of increasingly intense natural disasters and heatwaves.

Climate change is a physical risk but also a financial and economic risk as communities and business respond to challenges such as workforce safety, health risks to vulnerable populations, emerging uninsurability in certain locations (for example, due to sea level rise or flood projections) and loss of power. There is an urgent need to fund a faster transition to renewable energy and all the business and built environment transformation that requires. The current situation requires work on both reducing emissions and increasing resilience. *Disaster recovery funding by the Australian government is projected to at least triple over the next 40 years, to \$140 billion in today's dollars if global temperatures rise to 3°C, while labour productivity under a 3°C of warming could decrease by 0.2 percent annually and cost \$135 billion by 2063.* (Treasury, Commonwealth of Australia).

While we work to reduce greenhouse gas emissions through our transition to renewable energy and across industries, we must also address the current and projected health and community impacts of climate change and build resilience.

2.2 Accelerating climate finance through blended finance approaches

International context

The 2023 Intergovernmental Panel on Climate Change report highlights *that improved availability and access to finance will enable accelerated climate action. Addressing needs and gaps and broadening equitable access to domestic and international finance...can act as a catalyst for accelerating mitigation and shifting development pathways. Climate resilient development is enabled by increased international cooperation including improved access to financial resources, particularly for vulnerable regions, sectors and groups, and inclusive governance and coordinated policies.* (IPCC Report, 'Near Term Responses in a Changing Climate', UN, 2023, p.111).

The opportunity to grow public – private – philanthropic collaboration in financing climate mitigation and adaptation (and to achieve other Sustainable Development Goals) has also been promoted at the G20 Social Summit in 2025 by philanthropy platforms such as WINGs (international philanthropy network) and the F20 Platform (foundation networks for G20 member countries).

The opportunity to apply catalytic philanthropic capital to accelerate climate finance is now well recognised. Several significant philanthropic pledges and initiatives were announced at COP 30, including:

- A \$300 million commitment from major philanthropic foundations to the Belem Health Action Plan, with funders including Bloomberg Philanthropies, Gates Foundation, Rockefeller Foundation, and Wellcome Trust.
- The Gates Foundation pledged \$1.4 billion to support smallholder farmers, an essential group in the fight against climate impacts on food systems.

- *The Rockefeller Foundation committed \$5.4 million to strengthen Brazil's food systems, focusing on linking regenerative agriculture with Brazil's National School Feeding Program. (F20 Platform, December 2025)*
- *Minderoo Foundation committed a further US\$2.5 million (A\$3.8 million) to support the Fossil Fuel Non-Proliferation Treaty Initiative, a global effort to accelerate a just transition away from coal, oil and gas – the primary drivers of global warming – and fast track practical solutions. (minderoo.org, 10/11/2025)*

It is important to note that catalytic finance and funding is working on climate adaptation and resilience in addition to energy, industry and other sector transition. The Gaia Fund (Case Study 1) is an example of this mix. It aims to invest in 70% in climate adaptation projects and 30% in climate mitigation projects.

Australia's Opportunity

Australia is a wealthy country, including the \$4.5 trillion held in superannuation funds (ASFA, 2025). There is more than \$51 billion held in the endowments of Australian Foundations, which includes funds held by philanthropy, hospitals and universities (ACNC Charities Report, Ninth Edition, ACNC, 2023). In addition, Minderoo Foundation made an addition of \$4.9 billion 2024/25, to its philanthropic funds (ACNC Eleventh Edition, 2025). **Australia has the finance to accelerate our transition to renewable energy sources and to build our resilience to a changing climate. In global terms, we have a stable investment and political context.**

We have the opportunity to unlock private and institutional investment in Australia to support Australia and our regions' climate transition through a strategic use of blended finance approaches. These are described as co-investment approaches in some sectors. This can engage impact driven finance (from impact investment, government specialist investment vehicles, development banks, and philanthropy) at early stage, catalytic stages. Different sources of finance can be included in capital stacks, matching risk, return and regulatory requirements. We have the potential to partner across the different sources of finance from catalytic stages (involving specialist government investment vehicles such as CEFC, philanthropy, and/or impact investment co-investment) through to scaling via private capital and institutional investment. We need to accelerate our own investment in Australia and our Regions' climate related opportunities and risk management (i.e. building resilience).

Blended Finance Approaches

Blended finance is the use of capital from public or philanthropic sources to catalyse private sector capital into investments whose risk adjusted returns must be realigned through the use of concessional capital. It is a structuring approach that allows organizations with different objectives to invest alongside each other while achieving their own distinct goals. Blended finance is a form of co-investment, where investors sit alongside each other in a capital stack (see second diagram below) or where they invest in a transaction alongside each other over time (for example early catalytic finance and later scaling up finance).

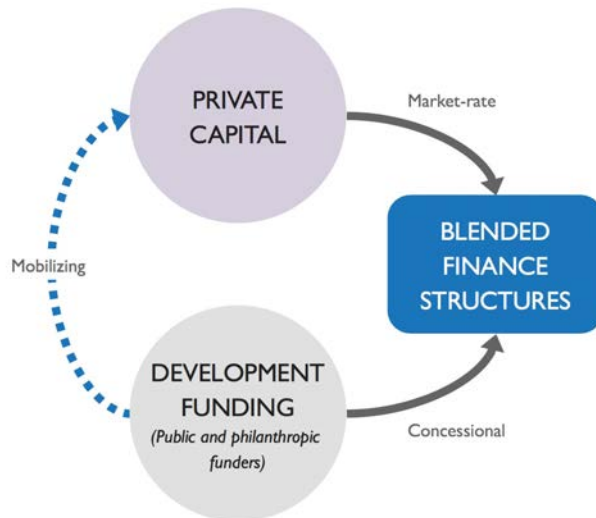
Each investor and each source of finance operates within different legal and policy contexts. These influence their investment mandates and approach to impact, risk, returns and investment horizons.

Some investors will be impact driven. Some will be profit driven but able to support relevant projects. While the blended finance approach is used extensively in development finance, it can also apply to a developed country such as Australia. This is the powerful opportunity that Australia can lead on.

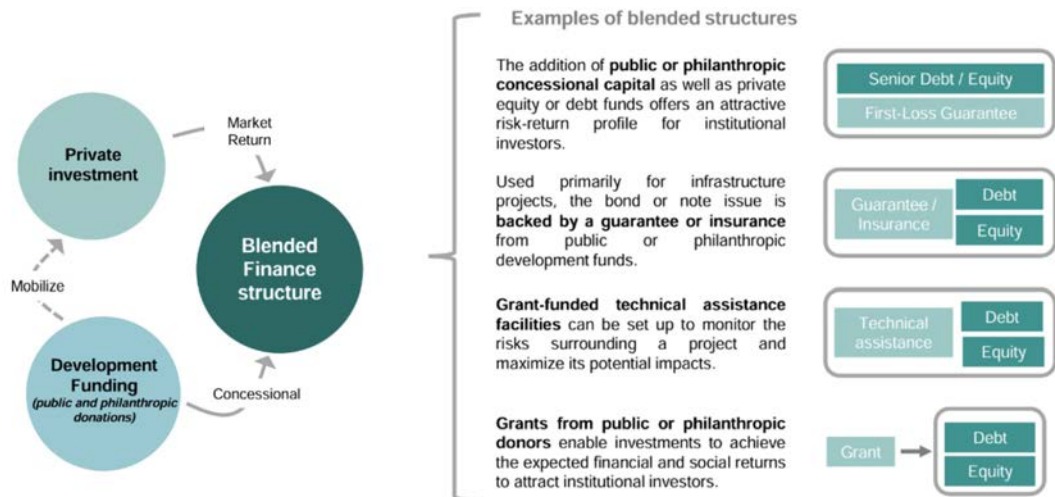
The case studies provide examples of how blended finance approaches can be applied in climate finance. Other case studies can be found on [our webpage](#).

Convergence

[Convergence - The Global Network for Blended Finance](#)



The Blending Mechanism



Source: Convergence (2022). The State of Blended Finance 2021

2.3 Sources of Impact Driven Catalytic Finance

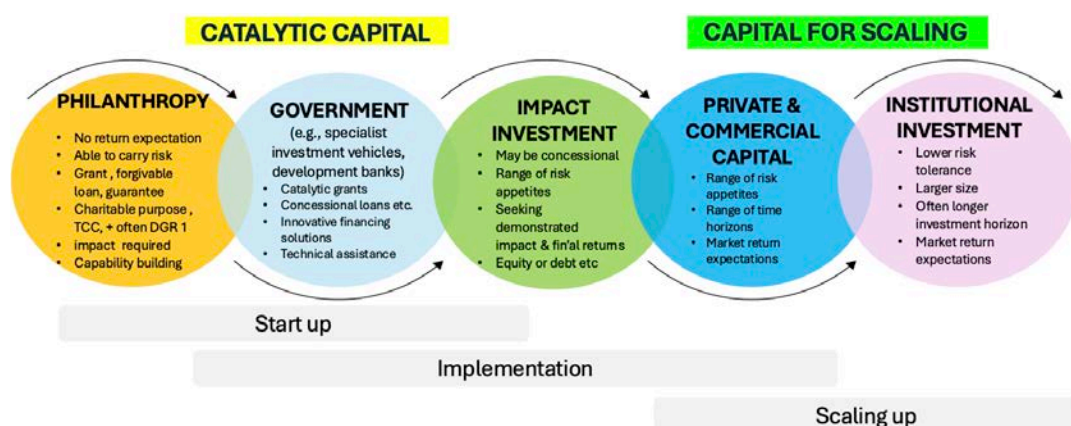
It would be easy to expect institutional investors in Australia to step up and finance the climate transition alongside government. However, this misunderstands the context for climate investing at scale. Catalytic finance providers such as foundations and impact investors have a role to play in early stages that has much further to go.

Catalytic finance is critical for enabling early-stage projects to test and demonstrate their business model, and to support projects and enterprises reach a scale where they are investment ready for large private capital and institutional investors, including superannuation funds. What is critical at this catalytic stage is that the investor is able to take some risk (often using their knowledge and due diligence of a particular sector to enable deep knowledge to inform this risk), have flexibility in terms of return (this might even be concessional, or deferred), and be impact driven, in this case to be driven to respond to the climate crisis through mitigation or adaptation efforts. Catalytic finance providers are usually impact driven and often open to supporting and investing in innovation.

These sectors can be great collaborators with each other and can sit alongside private and institutional investors in a capital stack or at different times in a new project or enterprise's journey. Institutional investors take a long-term view and invest at very large scale, with return expectations and risk appetites reflecting the aspirations of, for example, superannuation fund members. A superannuation fund might fund a small portfolio of early-stage investments but overall, they are looking for opportunities that have demonstrated track record of success and are of a size which fits their investment scale. This is usually \$100 million plus per transaction. Climate projects that have potentially high impact can be too small, too risky, too complex or too short term to attract and meet the expectations of institutional investors. This is where catalytic finance comes into play.

The different sources of finance are often not well known to each other. This is one of the barriers that the Blended Finance for Climate Roundtable series has been addressing. Other Roundtables have considered other aspects of the blended finance continuum or particular themes, for example climate and nature.

The Blended Finance Continuum



Melbourne Business School 2025

Philanthropy, government specialist investment vehicles and impact investors are all impact driven. They are pursuing an impact outcome, in this case addressing climate change, both mitigation and adaptation. To provide information to readers who may not be familiar with these sources of finance, a summary of each is included in this report. If you know these areas well, please skip ahead. Other Roundtable reports and case studies can be found at the [Blended Finance for Climate Initiative MBS webpage](#).

Philanthropy

Philanthropy, especially endowed philanthropy, sits in a unique and powerful place in the continuum of capital. Philanthropic funds are used for charitable purposes which benefit the community, such as advancing the natural environment and advancing health (see Australian Charities Act 2013). Foundations comply with strict legislative requirements because they enjoy special tax status, many are Deductible Gift Recipients and most are charities and therefore exempt from income tax and, subject to their charitable purpose and activities, able to apply for other tax exemptions. Regulators include the ACNC, ATO and Treasury. Philanthropy uses a variety of structures including private and public ancillary funds, charitable trusts and a company limited by guarantee or other eligible corporate structure.

Philanthropy has a special role to play in supporting a fair and inclusive climate transition with endowed foundations granting or investing in the energy transformation, clean technology research and jobs, sustainable agricultural research and demonstration, sustainable urban planning, nature conservation including Indigenous owned or managed initiatives, the health impacts of climate change, community resilience and adaptation – and of course other areas.

Philanthropy can play an important role as the risk capital of the not-for-profit sector. Philanthropy can sometimes provide the catalytic capital required to initiate and test new enterprises and projects that will contribute to Australia's climate transition. In addition to making grants for charitable purposes, an endowed foundation can choose to allocate part of its corpus to impact investment; place sustainable investment lens across its whole portfolio, and/or invest in climate transition funds and companies.

Australian PAF and PuAF [private and public ancillary funds] giving to environment now represents 3.8 per cent of broader giving [ACNC]. However, this figure should be regarded as a proxy, as it represents only a small fraction of total giving and does not account for contributions that address multiple categories. Australia's giving landscape is set to shift significantly with an unprecedented \$5.4 trillion intergenerational wealth transfer expected over the next two decades, as baby boomers pass on their wealth. (Environment and Climate Change Giving Trends 2025, Australian Environmental Grantmakers Network, 2025)

While philanthropy towards environmental causes is only 4% of Australian philanthropy, this is expected to grow. This does not include funds for disaster response and community resilience and some of the other multi-impact projects such as described earlier in this section. Philanthropy has a special role to play in Australia's climate transition as a source of catalytic capital in initiatives such as Trawalla Foundation's Transition Accelerator ([case study 3](#)).

While there are some major initiatives internationally spearheaded by philanthropy, Australian philanthropy can grow its leadership role in catalytic finance using both granting and investment strategies. There are some promising collaborations and networks, some led by Australian Environmental Grantmakers Network. Some international philanthropy examples: The Rockefeller Foundation US\$1 billion *Catalytic Fund* focuses on renewable energy around the world; IKEA Foundation's \$500 million *Global Energy Alliance for People and Planet*; *Project Finance for Permanence*, an initiative of WWF, which encourages blended finance for financing of conservation areas, are good examples. DFAT has created the Australian Climate Finance Partnership, which is managed by the Asian Development Bank and is designed to mobilise private sector investment into low emission, climate-resilient solutions for developing countries in the Pacific and Southeast Asia.

DFAT has also initiated the International Development Investor Group and Philanthropy Australia hosts the Foundations Group for Impact Investing (FGII). FGII was established to improve the supply and demand for impact capital through convening foundations and charitable funders. Paul Ramsay Foundation was a driving force in the establishment of FGII. Further global philanthropic initiatives announced at COP 30, including one by the Minderoo Foundation, were mentioned at the start of this chapter.

Australian philanthropic foundations, such as Lord Mayor's Charitable Foundation (now known as Greater Melbourne Foundation), have provided seed funding for initiatives such as Beyond Zero Emissions' 1 million jobs plan and strategic funding of Climate Works and the Smart Energy Council. Philanthropy can provide early stage or scaling up funding to develop and test social enterprise business models in relevant areas such as the circular economy (Green Collect) and sustainable food (including initiatives of Sustainable Table), and support policy research (Foodprint Project, University of Melbourne). Boundless Earth, The Macdoch Foundation, Minderoo Foundation and other individual and foundation members of the Australian Grantmakers Network are showing leadership in climate philanthropy. There is more to be done across all aspects of the energy transition, in new manufacturing, and in supporting innovation. There is also more to do in climate adaptation, resilience and disaster preparedness.

There have been policy changes to encourage foundations (in this case, those using an ancillary fund structure) to use their grants budget for impact. This is reflected in the Wilyun Ponds case study lead by Trawalla Foundation, which has demonstrated leadership in this area. *The Taxation Administration (Private Ancillary Funds) Guidelines (2019)* include examples of how various investment options should be treated within the Minimum Annual Distribution requirements (section 15(4)). A few examples from section 15(4) are included here for information:

Example 3: Where a private ancillary fund invests in a **social impact bond** that is issued by an eligible deductible gift recipient and has a return that is less than the market rate of return on a similar corporate bond issue, the fund is providing a benefit the market value of which is used in calculating how much it has distributed. The fund may determine the market value as an amount equal to the interest saved in the financial year by the deductible gift recipient from issuing the bond at a discounted rate of return.

Example 4: Where a private ancillary fund **lends money** to an eligible deductible gift recipient at a discount to the interest rate which would be charged on a comparable loan sourced from a financial institution at arm's length, the fund is providing the borrower with a benefit equal to the market value of the interest forgone in the financial year by the lender because the borrower was not charged an arm's length rate of interest.

Example 5: Where a private ancillary fund **guarantees a loan** provided by a financial institution to an eligible deductible gift recipient, the fund is providing a benefit the market value of which is used in calculating how much it has distributed. The fund may determine market value as an amount equal to the discount to the interest rate which would otherwise be charged on a comparable arm's length unsecured loan sourced from that financial institution.

Philanthropy is more than granting. Philanthropy can be influential through the use of its capital. This will vary depending on each foundation or trust's legal and impact frameworks.

This can include:

- Grant for an early-stage enterprise or project related to the climate transition.
- Grant as a concessional or recoverable loan (grants) or guarantee (e.g. private ancillary fund guidelines).
- Impact investment – concessional loan, patient equity (see section below).
- Impact investment – market return debt but usually more flexible, longer term, and/or open to early-stage ventures (see section below).
- Investment opportunities as part of a decarbonisation or climate lens approach across the enterprise investment portfolio, often through funds in various asset classes.

Peak bodies in this space include Australian Environmental Grantmakers Network and Philanthropy Australia in Australia, and WINGS and F20 Platform internationally. More than 900 foundations around the world have signed on to the International Philanthropy Pledge on Climate Change, hosted by WINGS.

Impact investment

Impact investing is another form of catalytic capital. Impact investments are made by impact driven private or public investors, including philanthropic trusts and foundations, made with the intention of generating positive, measurable social and/or environmental impact alongside a financial return. In the case of averting the worst consequences of climate change, impact investors are looking to reduce greenhouse gas emissions, increase circularity and build climate resilience. Impact investors vary in their return expectations, their risk appetite, their patience (term of investment) and flexibility. Impact investors develop investment policies that reflect their impact and return objectives and monitor progress on both over time.

Peak bodies in this area include Impact Investing Australia, and globally, the Global Impact Investing Network ([The GIIN](#)). Impact Investing Australia is Australia's representative on the Global Steering Committee of the GIIN. GIIN has produced a guide for impact investors making decisions about climate mitigation projects. The GIIN Global Climate Solutions Investing Framework, Gilbert S et al, GIIN, 2025.

Impact investment is driven by the goal of applying capital to achieve social and/or environmental impact. As well as a financial return, impact investors want to achieve a measurable impact from their investment in a project or enterprise.

Impact investments can be made directly into an organisation or via a managed impact investment fund. They typically come in the form of a loan (debt) or a private stake in an entity (equity) and span different asset classes. (Impact Investing Australia)

Measuring impact is a critical part of impact investment. A great deal of work has been undertaken by leading international impact investing networks to bring more consistency to this area of work. Some of this aligns with the Sustainable Development Goals. Examples are the *Impact Measurement Project* and *IRIS*. Impact investment can help embed environmental and social impact into the enterprise or project from the outset.

Catalytic capital can be used to derisk and leverage in other sources of capital that have lower risk appetites and less flexibility. Some Australian foundations are impact investors, and this gives them another tool that can be used to help accelerate our climate transition. For example, a philanthropic grant (or forgivable loan) could sit alongside impact investment in certain eligible transactions.

Australia has a growing impact investment sector with active intermediaries and funds including, amongst others, Ecotone, Conscious Investment Management, Sefa, For Purpose Investment Partners, Brightlight, Australian Development Investments, Tenacious Ventures, Impact Investment Group, Kilara and others. At June 2025, impact investment products were valued at more than AUS \$157 (Benchmarking Impact, Impact Investing Australia & CSI UNSW, 2025). The investment in climate related projects by impact investors is likely to grow given the scale of work required to achieve our climate transition, in areas relating to both mitigation and adaptation. The Social Impact Investing Taskforce made [recommendations to the Federal Government](#) about strengthening this sector. Impact investing is an important source of catalytic capital to finance the climate transition.

Government Specialist Investment Vehicles & Development Banks

Government specialist investment vehicles include specialist investment vehicles and development banks, such as the Asian Development Bank, which manages the Australian Climate Partnership for the Australian Government. Specialist Investment Vehicles provide flexible grants and investment funds to help catalyse projects and attract commercial investment. Some of these include investment mandates which are focused on or include aspects of the climate transition.

Development banks play a special role in blended finance in developing countries. Concessional capital that they provide can leverage in private and institutional capital to finance projects from start up to scaling up. The Monsoon Windfarm case study (Asian Development Bank) on the [MBS Blended Finance for Climate Initiative website](#) is an example of this. In addition to domestic vehicles, Australia has the Pacific Infrastructure Fund, and the Australia Climate Partnership supports Asian Development Bank and the Asia Infrastructure Investment Bank. It does not have its own development bank at this stage.

Specialist investment vehicles such as the National Reconstruction Fund, Clean Energy Finance Corporation, AERNA, Export Finance Australia and the Northern Australia Infrastructure Fund have been established by Government to support key policy areas requiring concessional capital to make investment opportunities viable. There is around \$60 billion held by the Specialist Investment Vehicles (Mandala Partners, 2025). There is currently a review being undertaken by Government of Specialist Investment Vehicles to ensure that their return expectations, risk appetites and overall investment mandates are working so as to accelerate private and superannuation finance into key areas, including climate projects where that fits their mandate.

This review is currently receiving submissions. For example, the submission *Optimising Australia's Specialist Investment Vehicles for the Net Zero Journey*, Mandala & Investor Group on Climate Change, Dec 2025.

Specialist investment vehicles play an extremely important catalytic role in, for example, renewable energy projects such as financed by the Clean Energy Finance Corporation. This SIV review might result in increased collaboration, including with impact investors, and increased capability to undertake blended finance transactions. Watch this space!



3. Case Studies

3.1 Case Study One: Gaia Fund

Presented by Lin Yuan, Director Climate Finance, Pollination | Pollination is the Climate Impact Advisor for the GAIA Fund

| | |
|--|---|
| Investors | FinDev Canada, MUFG, and the Green Climate Fund |
| Source of finance | Catalytic finance and institutional investment |
| Financial structure | Investment vehicle with a risk profile aligned with private investors' requirements which: <ul style="list-style-type: none"> • Blends different sources of capital to match investors' risk-return profiles; • Is a multi tiered fund structure that provides tiers of capital with different risk profiles; and • Includes credit enhancement features and a TA (technical assistance) facility to support capital deployment. |
| Fund Manager and Impact Advisor | Climate Fund Managers, with Pollination serving as an impact advisor to the fund manager |
| Sector | Minimum of 70% of proceeds to fund critical climate adaptation projects (e.g., water, agriculture, and infrastructure), with 30% to fund <i>climate mitigation</i> projects. |
| Geography | 19 emerging market countries in Africa, Latin America & the Caribbean, and Asia |

OVERVIEW

The Gaia Fund is an innovative blended finance facility designed to mobilize greater international capital to support the climate ambitions of emerging market governments. With support from its anchor investors, the Fund has reached a USD 600M first close, with at least 25% of its proceeds allocated to the most vulnerable communities in small island developing states (SIDS) and least developed countries (LDCs), and at least 70% of its proceeds going towards high-impact adaptation projects, which are historically underfunded.

The Fund aggregates public and private investments in a two-tier structure comprising senior and junior equity tranches. Additionally, the Fund has a technical assistance facility and a currency hedging facility, which enable the Fund to provide tailored support and local currency denominated, long-term investments that meet the needs of emerging market investees.

INSIGHTS

The annual climate finance gap in emerging markets demonstrates the difficulty of raising private capital for climate adaptation and mitigation projects in the Global South. As a pioneering fund, Gaia seeks to set a precedent and inspire other investors. To replicate this model and attract greater commercial capital from institutional investors, there needs to be more proactive collaboration between public and private investors and greater knowledge exchange and capability building for emerging market investees to create a more expansive and sustainable pipeline of bankable projects.

See also case study by CDPQ, Sustainable Markets Initiative & Investor Leadership Network (2025) is available here: [see pages 17-20](#).

3.2 Case Study 2: Special Purpose Vehicle to support Asian Climate-smart Landscape Fund

Presented by Laura Phillips, Assistant Director, Blended Finance and Investor Engagement Unit (BFU) | Development Finance and Economics Branch, Climate Diplomacy and Development Finance Division, Department of Foreign Affairs and Trade | With Jeremy Burke, Partner, Ecotone Partners

| | |
|------------------------------|---|
| Fund Name | ACLF Feeder Fund |
| Proposed Investors | Australian Development Investments, impact investors (International Development Investor Group members and others) |
| Proposed Fund Manager | Ecotone Partners Financial Services |
| Source of finance | Catalytic investors (government anchored special purpose vehicle with foundation and family office impact investors) |
| Financial instrument | Australian domiciled special purpose vehicle (feeder fund) to invest solely in the Asian Climate-smart Landscape Fund (master fund) |
| Sector | Climate mitigation and adaptation, Gender, economic development |
| Geography | Indonesia |

OVERVIEW

DFAT presented an innovative case study on a proposed special purpose vehicle to catalyse Australian co-investment alongside an expected Australian Development Investments (ADI) transaction in Indonesia. The vehicle is still under development, with an in-depth case study to be shared once the vehicle is closed.

The case study is an excellent example of government seeking to act as a catalytic investor alongside private and philanthropic impact investors to accelerate climate finance in Australia's region. DFAT has been building strong relationships with impact investors interested in regional development with a focus on gender and climate. DFAT provides this group of impact investors, known as the International Development Investor Group, with deal origination and pipeline opportunities, shares due diligence and facilitate co-investment, including developing dedicated investment vehicles, shares market intelligence and provides capability building opportunities.

The impact investors are foundations and family offices. The foundations have a strong commitment to impact in their work as charitable grantmaking foundations. The foundations must comply with relevant Australian charity law, for example Federal Treasury Guidelines on the governance, investment, and distribution of Ancillary Funds.

Australian Development Investments (an initiative of the Department of Foreign Affairs and Trade) is a \$250 million impact fund-of-funds which provides early stage and concessional investment as part of Australia's development program. ADI is considering investing in the Asian Climate-Smart Landscapes Fund (ACLF) via the ACLF Feeder Fund (AFF), which provides investments to small and medium enterprises in areas including clean energy, emissions reduction, forest and landscape, sustainable supply chains, biodiversity protection and gender. 30% of projects include women's employment opportunities.

INSIGHTS

This case study is an example of the important leadership role that government can play as a catalytic finance and funding provider to help accelerate the use of blended finance approaches for climate and other related social benefit transactions.

DFAT has played a catalytic role in establishing the Australian feeder fund to enable an investment opportunity for Australian impact investors with an interest in supporting climate and gender projects in our region. The new fund has carefully considered the impact, risk and return expectations of impact investors.

Building relationships across the continuum of finance is vital to building climate finance funds and platforms using blended finance approaches. This applies in the catalytic stages of projects as much as in later stage scaling up. DFAT has demonstrated leadership through its development of the International Development Investor Group which has built relationships and trust between catalytic finance from government and foundation and family office impact investors. More of these connections can be built to support investment in Australia and our region.



International Development Investor Group study tour to ACLF portfolio company Big Tree Farms in central Java.

3.3 Case Study 3: Wilyun Pools by Transition Accelerator

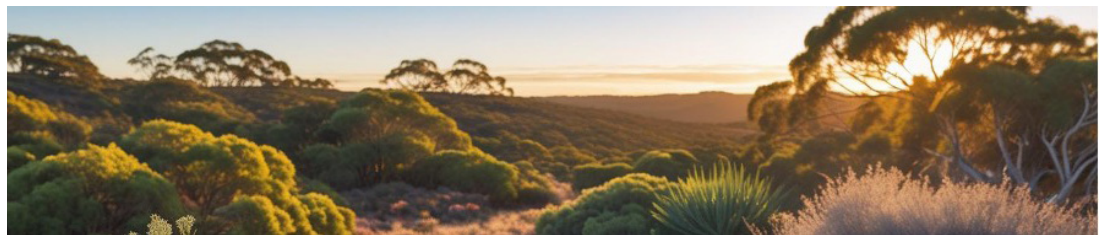
Presented by Monique Andrew, Executive Director of the Transition Accelerator & Senior Adviser to E&P Financial Group.

| | |
|-----------------------------|---|
| Finance Partners | Transition Accelerator, Foundations, Wollemi Capital (commercial investor) |
| Source of finance | Catalytic impact loan, equity (commercial investors) |
| Financial instrument | An underwrite of a concessional interest free loan secured against the land within the capital stack was provided by Transition Accelerator to unlock six million of private commercial investment. Foundation investors joined in a syndicated concessional loan, freeing up the initial funds to be invested in another climate and nature project. |
| Partners | Gondwana Link, Wirlomin Noongar Language and Stories (future landowner) |
| Sector | Climate and biodiversity conservation |
| Geography | Southwest Western Australia |
| Geography | Indonesia |

OVERVIEW

The Wilyun Pools biodiversity conservation (regenerative planting and forestry) and climate mitigation project faced a funding challenge due to unattractive returns for commercial investors. Additionally, the scale was too large for philanthropy to cover alone. This gap left a promising initiative aimed at restoring biodiversity to a 900-hectare site at risk of not proceeding. Despite its potential for meaningful climate, biodiversity and first nations impact, the project required innovative funding solutions.

Transition Accelerator, a not-for-profit that performs the role and services of an investment bank, acted as both a lender and intermediary, provided technical assistance and fund-raising support to enable this innovative project to proceed. Environmental and cultural safeguards were embedded into the project. These measures ensured the protection of impact integrity throughout the initiative. Carbon Neutral delivered the environmental planting in collaboration with Gondwana Link, a deductible gift recipient (DGR) environmental conservation charity.



Transition Accelerator underwrote and syndicated a concessional loan of \$3 million to catalyse the project. The loan syndicate was made up of philanthropic foundations which made impact loans to support the project to take on \$6 million of commercial finance. Foundations (in this case, Private Ancillary Funds) must distribute 5% of the balance of their corpus as at 30 June of the preceding financial year and are able to include interest foregone from a concessional or interest free loan to a DGR 1 entity. The foregone interest counts towards the distribution amount. In this case study, foregone interest of approximately 12% was applied. This approach is an excellent example of innovation enabled by the 2016 amendments to Federal Treasury's Ancillary Fund Guidelines.

Transition Accelerator designed an innovation blended finance solution.

This project has demonstrated a solution to the challenges of meeting private investor return expectations and enabling philanthropic foundations to grant or invest at the scale required.

INSIGHTS

Philanthropy did not just fund the project; it made it possible. This catalytic approach transforms philanthropic capital into a powerful engine for impact. By taking an innovative approach to the ability of philanthropic foundations to make concessional loans, philanthropy acted as a catalyst to a climate mitigation and biodiversity restoration project that would otherwise have not proceeded. If the project performs above expectations, there is an upside sharing arrangement in place, whereby 25% of the return above the base-case comes to Transition Accelerator's permanent capital pool. This capital is solely used to deploy or underwrite further environmental projects.



Every dollar of concessional capital leveraged two dollars of private investment (1:2 ratio). The relationship between Transition Accelerator and Wollemi demonstrates the ability of diverse sources of capital to work together and deliver a blended finance approach that solves for the impact, risk, and return expectations of different investors.

This project has developed templates of loan and governance documents which enable the transaction to be replicated, resulting in greater efficiency over time.

4. INSIGHTS & ACTIONS

The following high-level Insights were captured from Roundtable case studies and discussions. The potential Actions were drawn from the conversations and are designed to accelerate climate investment from impact driven catalytic investors, especially philanthropy and impact investors, noting that foundations can use various tools from their granting and investment toolboxes, subject to their particular legal requirements and impact goals. The important role of government-initiated specialist investment vehicles, such as the Clean Energy Finance Corporation and National Reconstruction Fund and others, as catalytic funders and investors is noted. Please visit the Blended Finance for Climate Initiative webpage for a CEFC case study from a previous Roundtable. There are further opportunities for collaboration amongst catalytic finance providers, philanthropy, impact investors and government.

4.1 Insight

Catalytic finance has a demonstrated role in developing investable projects and funds

Catalytic finance from impact driven investors, especially philanthropy and impact investment, can play some key roles in accelerating finance and funding into climate projects. As noted during the Roundtable, these roles include:

- Funding for design and technical assistance to build a pipeline of investable projects.
- Enabling new models of blended finance to be developed and explored for example debt swaps for nature (for example, work of The Nature Conservancy in the Seychelles).
- De-risking projects through funding early-stage demonstration, market research and through investing alongside other sources of finance.
- Impact strengthening through funding high quality impact reporting and monitoring that there is focus on impact during project implementation.

Taking into account their charitable purposes and grants priorities and investment policies, foundations can play a leadership role in supporting start-ups (for example, in clean tech and climate focused social and commercial enterprises) and smaller scale projects (for example, community batteries, climate mitigation through regenerative forestry). They can also co-invest alongside impact investors and specialist investment vehicles through concessional or commercial loans, guarantees and other financing mechanisms, depending on their legislative requirements. They may be able to tailor their risk appetite and return expectations in some circumstances to support their impact goals. Through technical assistance grants and early stage concessional or repayable loans or small injections of equity, they could support market building and business model testing, to help projects and enterprises to develop track records or new models, with potential to scale. As mainstream investors with responsible investment policies, larger foundations sometimes invest at scale alongside private and institutional capital.

POTENTIAL ACTIONS AND OPPORTUNITIES

- Encourage foundations with endowments to engage in climate mitigation and adaptation investment opportunities as grantmakers, as providers of loans and guarantees (from grant funds if Ancillary Funds) and as impact investors (from capital).
- Build capability in co-investment so that they are confident exploring blended finance opportunities. This can be through continuing to share case studies, and opportunities for peer-to-peer learning and professional development.
- Inspire a mindset shift so that foundations see themselves more often as part of the continuum of capital, in line with their own impact strategies, grants and investment policies and legal and regulatory context. Become active investors in public-private-philanthropy financing collaborations as envisaged at COP 31.

4.2 Insight:

Philanthropy could play a leadership role in blended finance for climate as a grantmaker and impact investor

The Roundtable had a deep dive conversation about the governance of philanthropic trusts and foundations. Many trusts and foundations are governed by voluntary Boards and voluntary Investment Committees (ICs). Smaller foundations do not have the resources to buy in due diligence on every climate focused transaction that is presented to them. Boards and IC members are often drawn from business and may not have a deep understanding of the impact goals or philanthropic tools available to achieve their charitable purposes, for example loans and guarantees to DGRs if they are Ancillary Funds. For example, Federal Treasury took the step of issuing a Guideline in 2016 in relation to the minimum annual distribution of Ancillary Funds (a common form of private or public foundation) that included examples of the correct treatment of investment tools such as concessional (below market) loans and guarantees to achieve charitable purposes. The Wilyun Ponds Case Study 3 from the Transition Accelerator is a great example of being put into action.

It was noted that some foundations expect things to be 'gold plated' when considering climate projects rather than being commercially realistic. Early-stage projects can fail to raise even small amounts of funds because of unrealistic expectations. This is partly because philanthropies (foundations and trusts) have not understood their role as catalytic finance and funders within a broader blended finance context. Even a small allocation to high risk, high impact projects in their impact investment programs can be powerful given the \$51 plus billion funds held in the corpuses of endowed foundations (ACNC, 2024).

Other points made included that proposals presented to Foundation Investment Committees and then to Boards needed to use, as far as possible, common legal frameworks and standard documentation understood by investment professionals. Opportunities to co-invest and share due diligence on investment opportunities should be encouraged. Proposals should explain the leverage power of the philanthropic grant or investment in enabling a climate project to be demonstrated or, if already at scale, to be fully rolled out.

Working with other impact driven investors, including government Specialist Investment Vehicles (for example, the Clean Energy Finance Corporation, Export Finance Australia, National Reconstruction Fund and others) should be encouraged.

The role of investment advisors was mentioned as they are key gatekeepers to new investment proposals and new investment approaches. There are some excellent intermediaries already in place, but mainstream advisors need to be open to exploring and recommending opportunities to co-invest in climate related investment opportunities alongside other sources of finance. Again, the more this can be done using recognisable documents and processes, the better.

The depth of knowledge of some foundations and intermediaries in certain sectors, gained often through their granting, is a strength in assessing the risk of some climate related projects. While grants and investment approvals often follow different internal approval process, there can be great opportunities when foundations work to provide both grants and impact investments alongside each other or over time.

ACTIONS

2.1 The governance level decision makers of catalytic finance providers, especially within philanthropic foundations, could be better educated about blended finance approaches. Catalytic finance providers are impact driven and using blended finance approaches is another tool to achieve impact. Attention should be given to upskilling Boards and Investment Committees about blended finance approaches. Board and IC recruitment should consider new members with experience in blended finance and a better understanding of the risk/innovation lens when trying to achieve impact, in this case addressing the urgent challenge of climate change. Training opportunities and opportunities to share knowledge and practice should be encouraged.

2.2 Philanthropy Australia and Impact Investment Australia, Foundations Group for Impact Investing, International Development Investor Group (DFAT supported) and the GIIN can continue promoting blended finance as a tool within the philanthropy toolbox. Case studies are very helpful to demonstrate what can be done. Real life opportunities, such the case studies in this report and on the website, should be shared widely to increase awareness of blended finance opportunities.

4.3 Insight:

Building connections and capability across sources of finance enables and accelerates blended finance approaches

The case studies and discussion all highlighted the critical importance of building stronger connections between the different sources of finance to realise the potential of blended finance in Australia and our Region. Several participants referred to blended finance for climate platforms that are emerging in other jurisdictions. SCALED, IMCA and FAST-P are explained in summary below. It was noted that the Australian Government has invested in Fast P, but there is not yet a similar initiative in Australia. There is a clear domestic opportunity.

SCALED: SCALING CAPITAL FOR SUSTAINABLE DEVELOPMENT

SCALED is an initiative of the Governments of Germany, France, Canada, Denmark, United Kingdom and South Africa with La Caisse (formerly CDPQ) and Allianz SE. While this platform focuses on emerging and developing economies, the processes of catalysing public/ private investment through blended finance approaches is relevant to a developed country like Australia, especially given our deep financial resources. SCALED's aim and approach are set out here:

SCALED (formerly known as the Hamburg Sustainability Platform) is an international multi-stakeholder initiative with the aim to mobilise large-scale private investment as a contribution to closing the SDG finance gap. We aim to overcome structural challenges of blended finance, i.e., the catalytic use of public funding to leverage private capital for SDG investment.

Systemic solutions are needed to simplify and accelerate the cumbersome process of capital formation between multiple public and private investors. We are therefore working towards standardisation of blended finance requirements, vehicle types, and processes...

SCALED will provide value for all blended finance participants, in particular private institutional investors (asset owners), donor governments, Development Finance Institutions (DFIs), Multilateral Development Banks (MDBs), philanthropies, and asset managers. (SCALED, 2025)

FAST-P: FINANCING ASIA'S TRANSITION PARTNERSHIP

Financing Asia's Transition Partnership (FAST -P) is an exciting initiative of the Governments of Singapore and United Kingdom led by the Monetary Authority of Singapore. Investors include Temasek and Export Finance Australia alongside other public and private investors. FAST - P aims to accelerate sustainable infrastructure across the region. It is using blended finance approaches to support low-carbon energy projects and innovative business models.

The UK and Singapore are working together to accelerate sustainable infrastructure and investment across the region. This includes supporting early-stage project development through joint technical assistance and encouraging private sector involvement, with a focus on practical solutions to help countries transition to cleaner energy

By actively participating in the FAST-P initiative, alongside Singapore and other international partners, the UK is helping to mobilise critical capital and close infrastructure financing gaps. (Monetary Authority of Singapore, July 2025)

IMCA: INVESTMENT MOBILISATION COLLABORATION ALLIANCE

Launched in 2023, the Investment Mobilisation Collaboration Alliance (IMCA) is a collaborative partnership between Denmark, Finland, Iceland, Norway and Sweden, together with the Danish DFI (IFU) and the Nordic Development Fund. It was established in 2023 and launched at COP28 via its Blended Finance for Energy Transition and the Adaptation Finance Window capital raisings. Another funding call was launched at COP29 via the Greening Value Chains in Africa window. It is successfully meeting its aim to *raise concessional catalytic donor financing to the scale of millions of USD and through this attract billions of USD from institutional and other private investors towards sustainable investments in emerging markets and developing economies (EMDEs). (Secretary General, OECD, IMCA briefing paper)*

ACTION

Based on a recommendation from an earlier Blended Finance for Climate Initiative Roundtable with CDPQ (La Caisse) and representatives of superannuation funds, SVPI MBS is researching the concept of an Australian climate finance platform in consultation with experts which can aggregate projects into investable propositions for institutional investors and blend difference sources of finance to match risk, return, impact and other expectations. The bringing together of catalytic investors: philanthropy, impact investment and government, including specialist investment vehicles, can increase the pool of capital for early stage or smaller climate projects. Platforms that enable all the sources of finance, including private and institutional capital, to work together through blended finance approaches to enable scaling up are emerging around the world and one could be replicated in Australia.