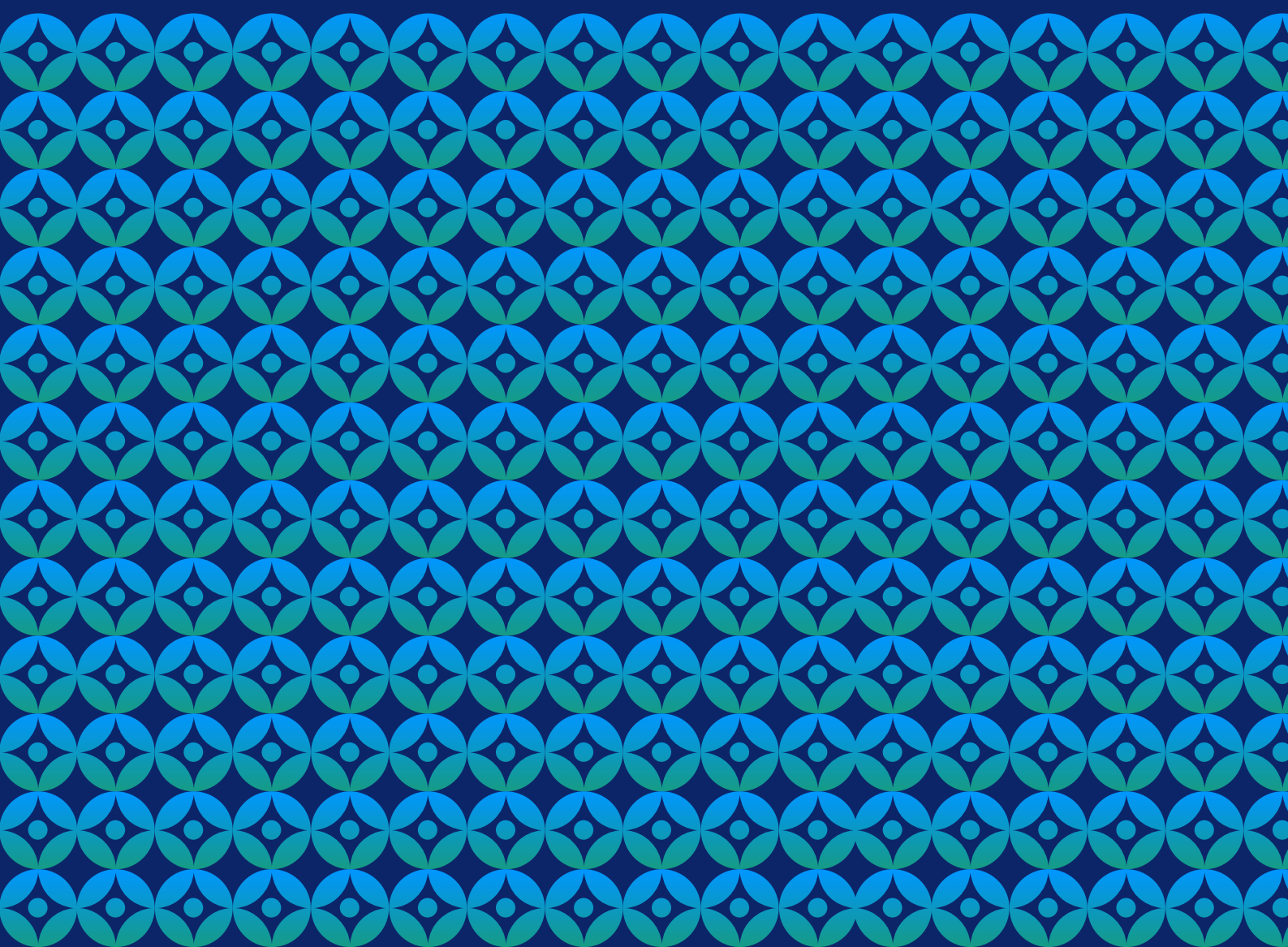




First In, Many Follow: How Foundations are Anchoring the Next Wave of Blended Finance

An Australian Perspective

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Jake Cusack



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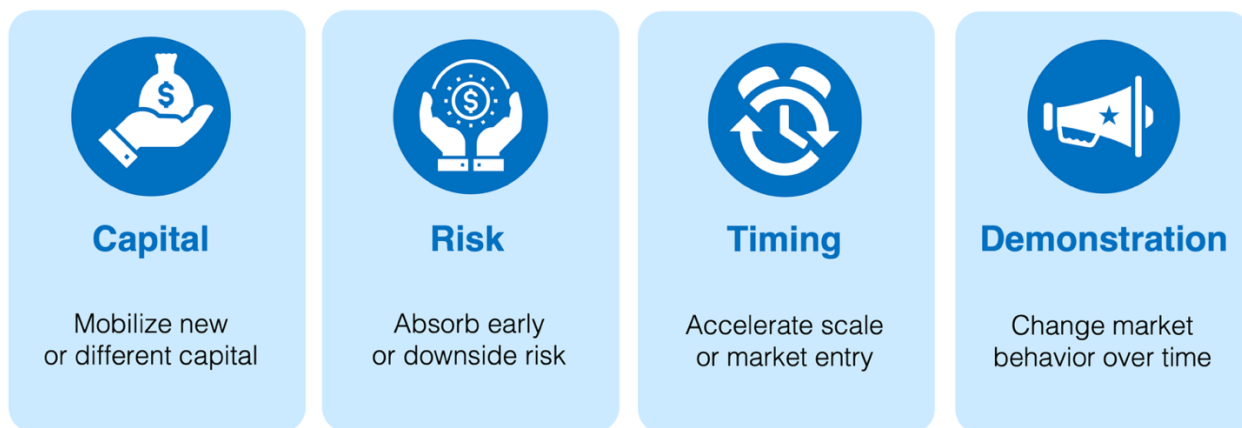
An Australian Perspective

In this addendum, we profile how several Australian foundations are implementing their own fit for purpose approach to blended finance participation and offer five practical steps to get started.

CrossBoundary's white paper [*First In, Many Follow: How Foundations are Anchoring the Next Wave of Blended Finance*](#) profiles how blended finance is increasingly recognised as a highly effective philanthropic strategy because it allows for **capital preservation** – a funder can expect that some or all of the capital contributed to a blended transaction will be returned for redeployment, resulting in a multiplier effect on their funding. In addition, it supports **capital crowd-in** – a catalytic capital tranche will increase the volume of capital flows to a cause the organisation cares deeply about.¹

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Figure 01



Often the challenge for foundations is not in describing the desired results of its carefully deployed capital, but rather how and where to start. Should we go alone - retaining control over timing, terms and recipients - or go together, forgoing some of that control but potentially realising exponential outcomes in conjunction with like-minded philanthropists? Neither approach is better or worse than the other, and foundations will have their own views on which approach(es) best fit their own circumstances. CrossBoundary's Blended Finance Participation Framework and the case studies presented in this paper can help foundations determine their own fit-for-purpose approach. We see how Australian foundations have benefited from

¹ Blended Finance and Investor Engagement Unit, Department of Foreign Affairs and Trade. (2024, October 11). Blended finance — philanthropy's next frontier? Philanthropy Australia. <https://www.philanthropy.org.au/news-and-stories/blended-finance-philanthropys-next-frontier/>



consideration of two particular dimensions: their outcome ambitions (direct outcomes or market systems level), and their participation approach (investing in partnership with other funders, or by retaining full control over each investment decision).

CrossBoundary's simple 2x2 framework (see Figure 2) distils these critical dimensions into four archetypes of blended finance participation. The case studies in this addendum show three of these archetypes in practice among Australian foundations, while the accompanying profile of Australia's Department of Foreign Affairs and Trade (DFAT) illustrates multiple approaches. We profile Snow Foundation as a **Direct Steward** (single funder, direct outcomes), Minderoo Foundation as a **Collaborative Investor** (shared participation, direct outcomes), Transition Accelerator as a **Strategic Architect** (single funder, systemic change), and DFAT as a **Market Builder** (shared participation, systemic change).

State of the market: Australian Foundations' Participation in Blended Finance

In Australia, the potential and practice of blended finance has gained increasing attention in recent years. A number of market building and education initiatives bring together public, philanthropic and private sector actors to discuss case studies and examine the benefits and practice of blended finance. The [Foundations Group for Impact Investing \(FGII\)](#) engages those charged with stewarding the \$51 billion² held in the endowments of Australian Foundations³. In 2024 the Melbourne Business School's Blended Finance for Climate Initiative began hosting its regular roundtables with impact driven investors along the spectrum of finance, publishing learnings in its [Blended Finance Insights and Action Reports](#). The Australian Government's Department of Foreign Affairs and Trade's (DFAT) Blended Finance and Investor Engagement Unit (BFU) actively engages foundations and family offices to support blended co-investment in climate and gender focused funds.⁴ The BFU actively highlights DFAT's own catalytic investments in the Indo-Pacific, including through DFAT's \$250 million impact fund of funds, Australian Development Investments (ADI):

ADI is guided by a deliberately catalytic investment strategy that prioritises taking early-stage and higher-risk positions in the capital stack to unlock additional private finance for impact funds in the Indo-Pacific. Through the International Development Investor Group (IDIG), DFAT works with Australian foundations and family offices that are closely aligned with ADI's climate and gender-lens investing impact mandate. These engagements support Australian private capital mobilisation into impact investment opportunities that deliver development outcomes across the region at scale.

However there are limited disaggregated data on how Australian foundations participate in blended finance structures or their motivations to use catalytic capital. Impact Investing Australia's 2025 State of the Sector Report sheds some light: it found both increased awareness of blended finance and growing experience amongst active impact investors.⁵ Over 60% of its investor respondents had participated in some form of blended finance structure, with 30% participating as concessional finance providers, and another 22% as market-rate investors. One fifth (19%) of investors had participated as philanthropic grant providers. Wealth advisers, often engaged by endowment trustees to support investment management, reported broader

² includes funds held by philanthropy, hospitals and universities

³ Australian Charities and Not-for-profits Commission. (2023). *Australian charities report* (9th ed.). ACNC. As cited in Brown, C. (n.d.). *Unlocking climate finance: The role of impact-driven catalytic investors*. Sustainable Value Creation Institute, Melbourne Business School.

⁴ Blended Finance and Investor Engagement Unit, Department of Foreign Affairs and Trade. (2024, October 11). Blended finance — philanthropy's next frontier? Philanthropy Australia. <https://www.philanthropy.org.au/news-and-stories/blended-finance-philanthropys-next-frontier/>

⁵ Campbell, B., Cripps, M., Edwards, M., Hetherington, D., Logue, D., Raj, S., & Zhao, Y. (2025). The 2025 impact investing benchmarking study. Impact Investing Australia. <https://impactinvestingaustralia.com/wp-content/uploads/2025/10/Benchmarking-Impact-Final.pdf>



involvement – over 80% said they had participated in blended finance, most commonly with advice on concessional finance provision and development finance. When it comes to investing offshore, particularly in the Asia-Pacific region, the Endowments for Impact Challenge reported that an uplift in advisor capability is required to bridge the gap between evolving client demand and low levels of advisor readiness to originate and assess emerging markets opportunities and assess blended finance structures.⁶

A small number of Australian foundations have publicly shared their own approaches to impact driven investing, their use of catalytic capital, and in some cases, their participation in blended finance structures. The **Paul Ramsay Foundation (PRF)** has published an Insights Paper sharing the process, learnings, and future considerations arising from its 2023 amended Investment Policy Statement (IPS), which embedded responsible investing across the whole of its Balance Sheet. PRF's new IPS captures the three pillars in its impact investing strategy: Impact-first Program Related Investing (can accept concessionary financial returns due to the strength of impact, as well as targeted grants to support market building), Mission Related Investing targeting risk adjusted market returns, and responsible investing principles applied to the endowment.⁷

Minderoo Foundation has established its Strategic Impact Fund, a \$250 million allocation used exclusively for impact investing. It has also allocated an additional \$25 million to catalytic capital – deploying investments across the full spectrum of capital that may *accept higher risk* or lower returns to invest in projects with high social or environmental impact that may struggle to attract finance⁸. This allocation can support sub-commercial opportunities and blended finance models that *accelerate* transformative impact.⁹ **Snow Foundation** regularly deploys capital across the spectrum from grants through to private debt to public equities investments as tools to drive positive change, foster innovation and address complex social challenges¹⁰. The **Trawalla Group** has initiated the Transition Accelerator to develop blended finance models that partner philanthropy and private capital to back climate solutions together.¹¹ Its blended finance models help meet the needs of commercial investors who want to diversify into environmental projects by using catalytic funds to either help improve returns or reduce investment risk.



⁶ Madhavan, D., Goodman, A., & Issa, A. (2022). Private wealth managers landscape review. As cited in Mission meets capital: Findings from the Endowments for Impact Challenge (2025). <https://www.endowmentsforimpactchallenge.com/>

⁷ Paul Ramsay Foundation. (n.d.). Total impact approach: Embedding responsible investing into PRF's investment policy statement [Insights paper]. https://cdn.prod.website-files.com/62b998c0c9af9f65bba26051/659b5ecaa25d7ba2dff20c14_PRF-Insights-Paper-Total-Impact-Approach.pdf

⁸ Minderoo Foundation. (n.d.). Strategic Impact Fund: Sustainable materials. Retrieved May 28, 2026, from <https://www.minderoo.org/stories/sif-sustainable-materials/>

⁹ Minderoo Foundation. (n.d.). Minderoo Foundation invests \$5 million to accelerate ocean innovation and impact. Retrieved May 28, 2026, from <https://www.minderoo.org/media/minderoo-foundation-invests-5-million-to-accelerate-ocean-innovation-and-impact/>

¹⁰ Snow Foundation. (n.d.). *Social impact investments*. Retrieved May 28, 2026, from <https://www.snowfoundation.org.au/purpose/social-impact-investments/>

¹¹ Philanthropy Australia. (n.d.). Innovative blended finance model unlocks profitable climate investments. <https://www.philanthropy.org.au/news-and-stories/innovative-blended-finance-model-unlocks-profitable-climate-investments/>



Some features seen internationally in foundations' participation in blended finance are less evident in Australia. Only a handful of foundations are openly discussing how they **utilise all their funding tools (from endowment capital to programmatic grants) along the risk/return spectrum to support their own missional priorities** or have stated their objective to **catalyse additional investment as a standalone outcome**. Whilst many are seeking systems change in priority social or climate related sectors, joint platforms to build blended finance structures to fund solutions at scale are less evident in Australia.

How to participate in blended finance – an integrated approach

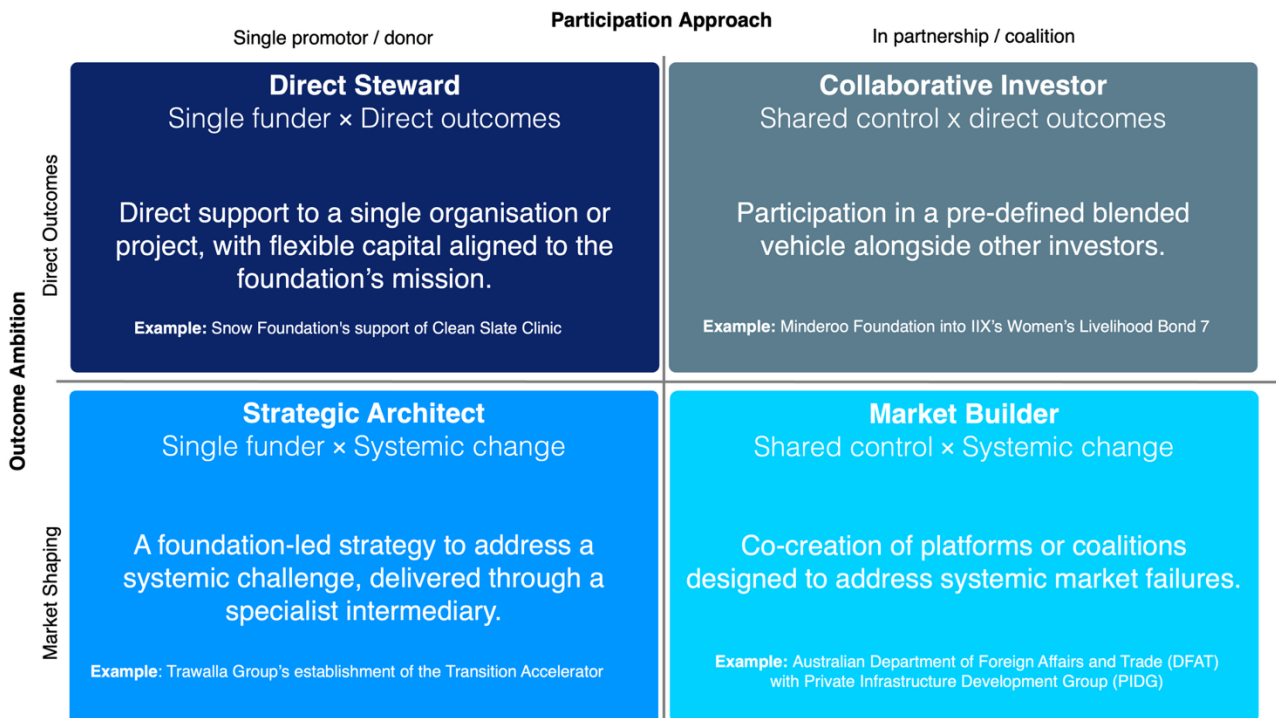
The following diagnostic assists foundations to assess a fit for purpose approach through consideration of two dimensions:

- **Outcome ambition:** Are you seeking direct, transaction-level outcomes, or are you aiming for broader market or systems change that may reshape how capital flows beyond individual deals?
- **Participation approach:** Are you looking to control each investment decision made off your own balance sheet, or to work in partnership with other funders through coalitions, pooled vehicles, or platforms?

Foundations typically enter blended finance through one of four pathways, and over time, many move across quadrants. We have often observed foundations adding tools as they encounter persistent market constraints, partnering when execution and deal-making capacity is the binding constraint, and building internal capability once approaches show results and become replicable at scale. Some foundations may also be able to use various combinations of tools across quadrants from the outset, depending on appetite and capabilities.

Figure 02

2x2 Framework for Blended Finance Participation for Foundations



Local examples in the Australian Case Studies clearly demonstrate three of these archetypes of blended finance participation. These organisations shared insights about their core motivations, common challenges and helpful pre-requisites as they undertake blended deals.

In taking a '**DIRECT STEWARD**' approach, Snow Foundation provided direct support to startup enterprise Clean Slate Clinic, providing different forms of capital over time as the enterprise matured. It found clear impact additionality whereby the foundation's initial absorption of early or demonstration risk accelerated CSC's organisational maturity, and broadened outcomes for CSC's clients. Whilst the form of its investment changed over time (from grants to Series A equity to convertible notes) making the case to the board (the investment decision makers) focused on the foundation's missional purpose first, and the form of funding second. Direct investment allowed for control over the instrument, terms, and pacing, provided direct links to outcomes for target cohorts and close connection to the scaling journey.

“ *Well, it's a pretty easy decision really, because it's fully aligned with what you're doing in your grant making.... So those conversations with your board - I don't think they're that hard to have if you've got a board that's interested in philanthropy.* ”

Craig Betts, CIO, Snow Foundation

Transition Accelerator has evolved its market building function as a **STRATEGIC ARCHITECT** - a specialist intermediary created to address systemic market-level challenges in decarbonising energy systems. Transition Accelerator has seen a clear need for its heavy lifting on investment facilitation – working with investment teams and fellow foundations, not-for-profits and philanthropy to help structure impactful projects to receive catalytic capital. Blended finance structures can be unfamiliar, so dedicated capital markets, tax and regulatory expertise has been essential to gain trust and operate efficiently as structures shape up and move through the investment lifecycle. Its role has evolved over time as understanding of market failures becomes more nuanced, requiring more tactical interventions such as investor education, or bridging capital for unfamiliar deal structures.

In addition, the specialist intermediary capability has been vital in accurately identifying the financing or risk-return market failure suitable for a blended finance solution. Too often, practitioners start with an instrument or a tool and try to find market failures that fit and can justify the use of that structure, leading to unsuccessful structures that are unable to crowd in capital or achieve impact:

“ *We've had to lean in more and build that capability and capacity across a lot of different players in the ecosystem.... We almost play a translation role sometimes because there's a lot of amazing delivery partners that we work with in the not-for-profit space who are absolutely incredible at delivering projects on the ground but are less versed in the financial structuring or the investment thesis or how to work with the commercial partners. Equally on the commercial partner side, they're less versed in how to articulate what the impact is or why it's an attractive proposition for philanthropists. So that's some sort of market building and over time, as everyone gets on board, that role will decrease and eventually will be irrelevant.* ”

Monique Andrew, CEO, Transition Accelerator

Minderoo Foundation's decision to invest in the catalytic tranche of the Women's Livelihood Bond 7 as a **COLLABORATIVE INVESTOR** provided the opportunity to participate in a pre-defined blended finance vehicle. Its investment generated both **capital additionality** – directly mobilising new Australian private



investor participation – and **capital leverage** – catalysing additional senior investment into the single instrument. Minderoo Foundation has introduced defined investment allocations that support blended finance participation across the capital spectrum. The pre-defined terms for the first loss investment simplified the investment proposal which was made jointly by the programmatic team and the impact investing team. They were able to demonstrate clear alignment with missional objectives – in this case equal economic opportunity for women and girls – and clear catalytic funding impact.

“ *There was an education piece... Minderoo has historically been focused on grant funding so there was a clear focus to bring along the programmatic areas, which we call our Focus Areas, to understand impact investing and why it is worth putting in the extra time and resources to do an investment rather than focus solely on grant funding. So, we (the impact investing team) did that work by spending time with our Focus Areas.*

Once we had our 2030 strategy, we had clear areas of impact, and we as an impact investing team looked at each of our Focus Areas and we'd say how do we invest in this area? And that means geography, what kind of capital we use, what kind of investments we're after, how do you make the most impact, how do you crowd in the maximum amount of commercial capital? Then off the back of that we drafted investment strategies for each of our Focus Areas and then in turn present them to our IC for approval - and that gives us the clarity and mandate to deploy investment capital into these areas.

One of our first investment strategies and landscape assessments was with our Equal Economic Opportunity impact area....and it was amazing to see the power of that because when we had our IC, we received approval for the investment strategy, we presented our landscape assessment, and we received approval for two significant investments.

And that is an example of how you can be structured in your approach and be very decisive about where you put your capital and how that maximises impact.

Cronje Wolvaardt, Director of Impact Investing, Minderoo



Australian Department of Foreign Affairs and Trade (DFAT) blended finance portfolio

Australia's Department of Foreign Affairs and Trade (DFAT) has been utilising blended finance approaches through the Australian development program across the Indo-Pacific since 2013, with a larger scale-up in this approach since 2023. Blended finance is an important tool for DFAT & Australia:

DFAT's approach to blended finance is guided by the Australian Government's 2023 Development Finance Review and *Invested: Australia's Southeast Asia Economic Strategy to 2040*, which articulates Australia's long-term objective of deeper economic integration with Southeast Asia. This strategic framework also shapes DFAT's engagement with foundations and family offices, with a focus on mobilising increased Australian private capital into Southeast Asian markets as part of Australia's sustained regional economic and development engagement.

DFAT's specialist investment mechanisms demonstrate several of the common pathways to blended finance participation that are also utilised by foundations.

The Strategic Architect with Australian Development Investments (ADI)

DFAT, the single funder of ADI, established this fund mandate and investment strategy to address a systemic challenge – the financing gap for small and medium enterprises (SMEs) in the Indo-Pacific region. ADI is a A\$250 million fund of funds, which makes early-stage and concessional investments into impact investment funds selected based on their capacity to deliver climate and gender equality outcomes. The strategy is delivered by a specialist intermediary – regionally based fund manager Sarona Asset Management - with DFAT working closely with the fund manager to ensure the fund delivers against its impact objectives, effectively retaining decision making control over objectives, scope, and success. This pathway allows DFAT to design and prove new financing models to drive systemic change, whilst leveraging external expertise for deal origination, structuring, and execution.

The Market Builder with Private Infrastructure Development Group (PIDG)

DFAT is a co-owner of the Private Infrastructure Development Group (PIDG) alongside five like-minded governments (Australia, the United Kingdom, Sweden, Switzerland, the Netherlands, and Canada). Characterised by joint governance and shared control, PIDG as the intermediated platform is designed to address systemic market failures in emerging market sustainable infrastructure development. Anchor or catalytic capital into the platform from these institutional partners allows the ownership group to jointly tackle problems too large or complex for any single funder to address alone, to change how markets function and to unlock new pipelines, sectors, and investment models at scale.



Australian Department of Foreign Affairs and Trade (DFAT) blended finance portfolio (cont'd)

Market Building with Convergence Blended Finance platform

DFAT's support of the specialist blended finance platform Convergence is another example of participating as a Market Builder, seeking systemic change in emerging markets alongside other core government and philanthropic funders. Convergence is a co-created network designed to increase private investment in EMDEs to advance the UN Sustainable Development Goals (SDGs) and the Paris Agreement. DFAT's catalytic co-funding supports the design and scale-up of new blended finance structures in vital areas of market failure, changing how a market functions, unlocking new pipelines, sectors, and investment models at scale. For example, the Asia Climate Solutions Design grant addresses the significant climate mitigation and adaptation finance gap most pronounced in sectors such as the blue economy, clean energy, and sustainable cities and infrastructure. The Convergence platform accelerates sustainable development in emerging markets by co-funding early-stage blended finance practitioners to scope, structure, and launch new blended finance solutions that unlock commercial investment.

Collaborative Investing alongside Australian Foundations and Family Offices

DFAT also participates as a Collaborative Investor, advancing shared missional outcomes with greater scale and leverage by creating opportunities for private investors to co-invest in predefined blended vehicles. Under this pathway, private investors directly invest into a fund, bond, or structured vehicle with defined terms, each selecting the role they wish to play within the capital stack (e.g. grant, first loss, concessional, commercial). Initiated by DFAT's Blended Finance and Investor Engagement Unit, its International Development Investor Group (IDIG) shares insights, pipeline, and due diligence with Australian foundations and family offices to support members to participate in blended finance deals alongside DFAT's own investment mechanisms (such as ADI). The fund structure or vehicle is often pre-designed, but may evolve as co-investors club together to do larger or less familiar deals by sharing risk and effort.

IDIG members see the benefit of a clear pathway to invest in the Indo-Pacific alongside DFAT through de-risked, pre-diligenced opportunities. These transactions can support members' portfolio diversification and provide access to high-impact investment opportunities, often delivering outsized development outcomes compared with investing solely in domestic markets.





Local takeaways

Discussions with leading Australian foundations pioneering blended finance participation have drawn out the following insights and practical actions:

- **Foundations have a distinct opportunity to use blended finance to play a market-building role, not just a pure capital-provider role.** There is immense and necessary value in resourcing the translators, orchestrators, and educators across nonprofits, investors, boards, and corpus managers. In many markets, capital alone is not enough; someone has to connect impact logic with investment logic.
 - Consider creating or joining market shaping platforms / coalitions – start conversations about the **‘Market Builder’** pathway.
- **The first internal hurdle is governance and mandate, not financial structure.** The hard part is often not designing a clever instrument, but getting boards, investment committees, and risk teams comfortable with using more of the balance sheet in service of mission. Many institutions will accept 100% loss in grants, yet become overly conservative once the same mission is pursued through investments.
 - Draw on external expertise to support grant making/programmatic teams to deploy capital into blended structures – you’ll catalyse greater impact. Try out the **‘Collaborative Investor’** pathway.
- **Blended finance should be treated as a tool for solving access-to-finance problems, not as an end in itself.** Start with the financing gap in a priority sector, then choose the instrument that fits. Blended finance works best when philanthropy is used to prove a market - demonstrate that underserved sectors can become investable for private capital over time - not permanently subsidise one.
 - Situate blended finance as a tool for pursuing your own missional purposes, upskilling your programmatic teams, and grounding its use to address real market failures rather than turning it into a buzzword or standalone strategy. The **‘Direct Steward’** pathway is a great place to start.





- **The bottleneck is often not lack of pipeline, but lack of investment opportunity translation.** Contributors to this paper pushed back on the idea that good opportunities do not exist. The real gap is in shaping projects, enterprises, and delivery models into forms that commercial investors can underwrite.
 - Draw on investment facilitation services to support tailored investment strategy and pipeline curation – utilise the dedicated impact investing, financial structuring, capital markets, tax and regulatory expertise that will help translate your missional goals to investment opportunities. Pave your own **‘Strategic Architect’** pathway.
- **You do not need to start big to start credibly.** Foundations can begin with small, practical steps: a pilot investment, a capacity-building grant, or participation through an existing fund. Early participation can build institutional confidence and shorten the learning curve.
 - External advisors and expertise can help you build internal capability to assess blended finance approaches and opportunities.

Conclusion

As stated in CrossBoundary’s *First In, Many Follow* white paper, a growing landscape of exciting innovations and impactful interventions present an unprecedented opportunity for foundations to step up and take measured risk through thoughtful blended finance participation. Doing this in partnership can go a long way toward reshaping how financing is undertaken in the years to come.

Australian foundations can learn from each other, and improve upon leading international examples of co-created blended finance platforms or coalitions designed to address systemic market failures. Such valuable investment facilitation exists – specialist financial markets expertise is essential to build coalitions of blended finance participants, and to efficiently identify, originate, structure and close collaborative investment structures. Such approaches enable participants to tackle problems too large or complex for any single funder to address alone, and jointly catalyse funding – and outcomes – at a scale unachievable alone.



Annex: Case Studies

1. APPROACH: DIRECT STEWARD - Single funder × Direct outcomes

Direct support to a single organisation or project, with flexible capital aligned to the foundation's mission.

Foundation Sponsor: Snow Foundation support of Clean Slate Clinic (CSC)	
<p>Australia's Snow Foundation is a leading family philanthropic organisation committed to achieving meaningful social change in Australia.¹² The Foundation supports transformative initiatives with a focus on women and girls, First Nations communities, LGBTIQ+ people, youth, the community where they live and work, and the broader for-purpose sector ecosystem.</p> <p>A cornerstone of the Foundation's approach is impact investing. Catalytic capital (higher-risk, high-impact investments focused on early-stage ventures) represents 32% of active commitments, reflecting its ambition to support innovation and address complex social challenges.¹³</p>	
<p>Description</p>	<p>Clean Slate Clinic is a pioneering care-tech platform that delivers Australia's first clinically governed, doctor-led detox program entirely at home. For over four years, Snow Foundation has supported CSC with three forms of capital, tailoring the support to the enterprise's maturity and needs:</p> <ul style="list-style-type: none"> As a Snow Entrepreneurs Fellowship participant, CSC first received catalytic, non dilutive grants with wraparound support to build traction, evidence and team capacity. Snow Foundation then participated in a Series A priced equity round providing growth capital to scale the Australian service, strengthen governance and operations, and deepen insurer/PHN partnerships. One year later, Snow participated in the company's raise of convertible notes to support international expansion and working capital as it entered new markets.
Characteristics of the DIRECT STEWARD approach	
<p>Core motivator</p>	<p>Purpose – full alignment with Snow Foundation's missional / thematic priority to achieve meaningful social change in Australia by supporting innovation that addresses complex social challenges.</p>
<p>How – starting point</p>	<p>Investee initially selected based on the social impact the CSC model could deliver, and the alignment with foundation's missional priorities/thematics.</p>
<p>Market failure addressed</p>	<p>Early-stage social innovations, unfamiliar/ innovative business models, minimal track record</p>
<p>Benefits for the foundation/asset owner</p>	<ul style="list-style-type: none"> Direct link to outcomes for target cohorts; connection to the scaling journey Control: High – the foundation itself can decide the instrument, terms, and pacing Clearly additional AND catalytic – Snow Foundation's absorption of a small amount of early or downside risk clearly unlocked larger and larger volumes of private capital over time - it's rare in a practical sense to have options to deploy different types of capital over time. There is a timing benefit as well – Snow's support accelerated the models' maturity and therefore its impact outcomes.
<p>Benefits for the investee</p>	<ul style="list-style-type: none"> Capital tailored to CSC's growth stages and financial maturity Patient capital allowed growth over time, and supported breadth and depth of impact
<p>Helpful prerequisites for the sponsor</p>	<ul style="list-style-type: none"> The board (the investment decision makers) are committed to the missional purpose first, and the form of funding second: <ul style="list-style-type: none"> <i>"Well, it's a pretty easy decision really, because it's fully aligned with what you're doing in your grant making.... So those conversations with your board - I don't think they're that hard to have if you've got a board that's interested in philanthropy." (Source: Asia Pacific II Summit Panel transcript)</i>

¹² Campbell, B., Cripps, M., Edwards, M., Hetherington, D., Logue, D., Raj, S., & Zhao, Y. (2025). The 2025 impact investing benchmarking study. Impact Investing Australia. <https://impactinvestingaustralia.com/wp-content/uploads/2025/10/Benchmarking-Impact-Final.pdf>

¹³ Snow Foundation. (n.d.). Social impact investments. Retrieved May 28, 2026, from <https://www.snowfoundation.org.au/purpose/social-impact-investments/>



	<ul style="list-style-type: none"> • Close engagement, physical proximity and regular communication between the grant-making programmatic and investment teams facilitates joint decision-making. • A single team within the Foundation determines the most appropriate type of capital required by the investee at the time
Challenges and learnings	Recently the foundation separated the impact investment decisions from the main investment committee. This allowed for more focused decisions on high-risk, low-value investments, which previously could take up a disproportionate amount of IC time.
Sources	<ul style="list-style-type: none"> • Snow Foundation. (n.d.). Snow Entrepreneurs Fellowship. Retrieved May 28, 2026, from https://www.snowfoundation.org.au/snow-partners/snow-entrepreneurs/ • Snow Foundation. (n.d.). Social impact investments. Retrieved May 28, 2026, from https://www.snowfoundation.org.au/purpose/social-impact-investments/ • Campbell, B., Cripps, M., Edwards, M., Hetherington, D., Logue, D., Raj, S., & Zhao, Y. (2025). The 2025 impact investing benchmarking study. Impact Investing Australia. https://impactinvestingaustralia.com/wp-content/uploads/2025/10/Benchmarking-Impact-Final.pdf

2. STRATEGIC ARCHITECT APPROACH - Single funder × Systemic change

A foundation-led strategy to address a systemic challenge, delivered through a specialist intermediary.

Foundation Sponsor: Trawalla Group’s establishment of the Transition Accelerator	
<p><i>Trawalla Group (the Schwartz family office) manages investments and philanthropy. Trawalla backs bold businesses and meaningful change — with a mindset shaped by the family’s entrepreneurial heritage. Beyond its broader investment portfolio, Carol and Alan Schwartz have established a range of purpose-aligned initiatives, one of which is the Transition Accelerator.</i>¹⁴</p>	
Description	<p>Transition Accelerator (TA) was set up by a single sponsor to support projects that have a clear and measurable benefit of decarbonising energy systems and sequestering carbon from the atmosphere. It seeks projects that have identifiable social and biodiversity co-benefits.</p> <p>TA is designed to facilitate blended finance or catalytic capital deals by being the first mover, providing structuring and capital advisory services, underwriting where needed, and leading syndication with co-investors.</p>
Characteristics of the STRATEGIC ARCHITECT approach	
Core motivator	Trawalla Group wants to see Australia and the Asia Pacific do better in mobilising capital into climate solutions.
How—starting point	<ul style="list-style-type: none"> • Trawalla Group recognises “If no-one else is acting, we must. Climate Solutions will not deliver what the world needs without private capital market investment.” • Recognition that new models, new structures, and new participants in blended finance require dedicated and specialist capital markets, tax and regulatory expertise as replicable models are developed. • Along with capital advisory, TA has its own balance sheet which may be drawn on to underwrite loans in the early stages of deal structuring, and recycled as pricing and credit risk assessments are developed for new models.
Market failure addressed	<ul style="list-style-type: none"> • Trawalla Group recognised the \$70bn annual gap in capital investment into decarbonisation solutions. It sees the billions of dollars’ worth of potential investment opportunities that have strong, impactful, social and environmental outcomes that are unable to attract commercial investment due to a risk/return mismatch. • By facilitating concessional capital into projects Transition Accelerator can ‘unlock’ commercial capital and catalyse a wave of private investment into climate projects.
Benefits for the foundation/asset owner	<ul style="list-style-type: none"> • Through Transition Accelerator, Trawalla Group seeks demonstrable climate action at scale. It secures the potential to address fundamental systemic and market failures at scale by leveraging specialist and dedicated expertise to design and prove new market or financing models. • Transition Accelerator’s work clearly generates Additionality: <ul style="list-style-type: none"> ○ Timing Additionality - it accelerates deployment, scale, or market entry in ways that materially affect outcomes; Without its dedicated work, climate investment would occur later, at a smaller scale, or only following policy or subsidy changes. ○ Demonstration Additionality - The structures it designs and pilots enable first of kind transactions, new asset classes, and new investor participation that would otherwise not exist.

¹⁴ Trawalla Group. (n.d.). Home. Retrieved May 28, 2026, from <https://trawallagroup.com.au/>



Benefits for the investee	Transition Accelerator does the heavy lifting on investment facilitation – it works with investment teams to help structure sub-economic, yet impactful, projects to receive catalytic capital. It then works with fellow foundations, not-for-profits and philanthropy to place or syndicate capital.
Helpful prerequisites for the sponsor	A variety of capital options – grants, short and long term loans (recoverable and non-recoverable), concessionary equity/first loss capital.
Challenges and learnings	<ul style="list-style-type: none"> Blended finance structures are complex and expensive to structure, so creating structures that can be replicated is important to delivering impact at scale. Expertise in capital markets is essential to gain trust and operate efficiently throughout the investment lifecycle: <ul style="list-style-type: none"> <u>Sourcing</u> - identify impact climate projects where there is a barrier to investment <u>Fundraising</u> - source funding from impact, philanthropic and commercial investors. <u>Blending</u> - create a capital stack that overcomes barriers and reduces cost of capital. This may include philanthropic funding being used to reduce risk, increase returns or seek regulatory change where there is a material misalignment between value and profit in the market. <u>Structuring</u> - structure tax efficient vehicles with a clear governance process to assess impact, returns and avoid conflicts for participants. Roles are likely to evolve over time as understanding of market failures becomes more nuanced and require more tactical interventions such as investor education, or bridging capital for new structures. <p><i>“We’ve had to lean in more and build that capability and capacity across a lot of different players in the ecosystem....We almost play a translation role sometimes because there’s a lot of amazing delivery partners that we work with in the not-for-profit space who are absolutely incredible at delivering projects on the ground but are less versed in the financial structuring or the investment thesis or how to work with the commercial partners. Equally on the commercial partner side, they’re less versed in how to articulate what the impact is or why it’s an attractive proposition for philanthropists. So that’s some sort of market building and over time, as everyone gets on board, that role will decrease and eventually will be irrelevant.”</i></p> <p><i>Monique Andrew, CEO, Transition Accelerator</i></p>
Sources	<ul style="list-style-type: none"> Trawalla Group. (n.d.). Home. Retrieved May 28, 2026, from https://trawallagroup.com.au/ Transition Accelerator. (n.d.). Catalytic capital. Retrieved May 28, 2026, from https://www.transitionaccelerator.com.au/home-1-1 Melbourne Business School, Sustainable Value Creation Institute. (n.d.). Case study: Transition Accelerator – Trawalla Group. Retrieved May 28, 2026, from https://mbs.edu/centres/sustainable-value-creation-institute/blended-finance/case-studies-and-resources/Transition-Accelerator

3. COLLABORATIVE INVESTOR APPROACH - Shared control x direct outcomes

Participation in a pre-defined blended vehicle alongside other investors.

Foundation Sponsor: Minderoo Foundation into IIX’s Women’s Livelihood Bond 7	
<p><i>Minderoo is an Australian philanthropy, working to forge a fair future by courageously challenging inequalities and campaigning for meaningful change. It focuses efforts on three areas – communities, gender equality and natural ecosystems.¹⁵ The Minderoo Foundation has established its Strategic Impact Fund, a \$250 million allocation used exclusively for impact investing, and has allocated an additional \$27.5 million to catalytic capital – deploying investments across the full spectrum of capital that may accept higher risk or lower returns to invest in projects with high social or environmental impact that may struggle to attract finance¹⁶. Minderoo prefers to partner where possible to maximise impact but also makes direct investments.</i></p>	
Description	<p>Minderoo Foundation invested US\$2.6mn into the first loss tranche of IIX’s Women’s Livelihood Bond 7, a fixed income instrument designed to empower high-impact enterprises owned and operated by underserved women and communities in India, Indonesia, the Philippines, and Sri Lanka.</p> <p>Minderoo’s investment sat alongside the IFC and other catalytic investors in a blended finance vehicle with pre-defined terms and structure. To date, the catalytic tranche mobilised a raise of US\$60M into the WLB7, though this is anticipated to near US\$90M at final close.</p>

¹⁵ Minderoo Foundation. (n.d.). Our purpose. Retrieved May 28, 2026, from <https://www.minderoo.org/our-purpose/>

¹⁶ Minderoo Foundation. (n.d.). Strategic Impact Fund: Sustainable materials. Retrieved May 28, 2026, from <https://www.minderoo.org/stories/sif-sustainable-materials/>



Characteristics of the COLLABORATIVE INVESTOR approach

Core motivator	<p>Minderoo’s decision to invest into the WLB7 is because it seeks to bring the full spectrum of capital to bear on core market failures in support of its three focus areas, preferably participating where its investment creates additionality or where it can crowd in additional capital. In this case, Minderoo has a deep commitment to unlocking capital for equal economic opportunity for women and girls. By providing catalytic first-loss capital into the pre-defined WLB7 structure, Minderoo Foundation reduced risk for private investors, crowding in significant capital and accelerating financial inclusion for women and girls who are too often left behind.¹⁷</p>
How—starting point	<ul style="list-style-type: none"> • The opportunity was pre-defined by the deal sponsor, and secured Minderoo’s consideration because it aligned with the Foundation’s previously established impact priorities. • Minderoo had taken a very structured approach to identifying where and when to participate in impact investing and blended finance. The impact investing team developed investment strategies for missional focus areas based off deep examination of social and environmental dynamics, market failures, and landscape assessments across geographies. These investment strategies consider where the most additional & catalytic effect of the use of their capital could be, and how to crowd in the maximum amount of commercial capital. Investment strategies are endorsed by the IC which provides the clarity and mandate to deploy investment capital into focus areas.
Market failure addressed	<p>The blended finance instrument’s first loss tranche generated both capital additionality – directly mobilising new Australian private investor participation - and capital leverage – catalysing additional senior investment into the single instrument.</p>
Benefits for the foundation/asset owner	<ul style="list-style-type: none"> • Advance equal economic opportunity gender equality priorities with greater scale and leverage. • Clarity – the pre-defined terms for the first loss investment into the WLB7 provided clarity for the investment proposal which was made jointly by the programmatic team and the impact investing team. They were able to demonstrate clear catalytic funding impact, and clear alignment with missional objectives – in this case equal economic opportunity for women and girls. • Efficiency – the Foundation team was able to make a strong case for a) maximum catalytic impact from their own scarce balance sheet resources, and b) investment directly aligned with Minderoo Foundation’s gender equal economic opportunity priorities: supporting women-led enterprises and expanding access to finance for women.
Benefits for the investee	<p>The first loss participation clearly mobilises greater volume and new sources of private sector capital. IIX stated: Minderoo is stepping in with catalytic first-loss capital to de-risk the investment and crowd in private capital. This is more than a partnership—it’s a powerful signal of what happens when bold philanthropy meets inclusive finance.... Their involvement highlights the crucial role of philanthropic capital in embracing risk and driving impact where traditional finance often won’t go. When philanthropy steps up as a catalytic force, it unlocks markets, builds confidence, and reshapes what’s possible.</p>
Helpful prerequisites for the sponsor	<ul style="list-style-type: none"> • Minderoo has clear mandates and investment strategies for its different pools of capital (the \$250mn SIF, the catalytic allocation of \$27.5mn, its grant pools & the endowment). Eg. Minderoo’s Strategic Impact Fund (SIF) and Catalytic Capital: Launched in 2021, the SIF is a \$250 million allocation used exclusively for impact investing. In addition to this fund, \$27.5 million is allocated to catalytic capital – investments that accept higher risk or lower returns to invest in projects with high social or environmental impact that may struggle to attract finance. • Joint proposals – the programmatic grant function and the impact investing teams present to the IC together.
Challenges and learnings	<p>Learning together has been crucial. Time and effort has been invested into education both ways – by the programmatic teams and by the impact investing team.</p> <p><i>“There was a clear focus to bring along the programmatic areas (which we call ‘Focus Areas’) as impact investing strategies were developed, to understand impact investing and why it is worth putting in the extra time and resources to do an investment rather than focus solely on grant funding. So, we (the impact investing team) did that work by spending time with our Focus Areas.”</i></p>
Sources	<ul style="list-style-type: none"> • International Finance Corporation. (2025). IFC invests in IIX’s Women’s Livelihood Bond 7 to fund high-impact women enterprises. https://www.ifc.org/en/pressroom/2025/ifc-invests-in-iix-s-womens-s-livelihood-bond-7-to-fund-high-impact-women-enterprises • Impact Investment Exchange. (2025). IIX’s Women’s Livelihood Bond 7 to fund high-impact women enterprises across South and Southeast Asia. https://iixglobal.com/iixs-womens-livelihood-bond-7-to-fund-high-impact-women-enterprises-across-south-and-southeast-asia/ • Shahnaz, D. [Durreen]. (2025). [LinkedIn post on the IIX Women’s Livelihood Bond 7]. LinkedIn. https://www.linkedin.com/posts/durreenshahnaz_iixs-womens-livelihood-bond-7-to-fund-activity-7358102720068677633_7yT/

¹⁷ Impact Investment Exchange. (2025). IIX’s Women’s Livelihood Bond 7 to fund high-impact women enterprises across South and Southeast Asia. <https://iixglobal.com/iixs-womens-livelihood-bond-7-to-fund-high-impact-women-enterprises-across-south-and-southeast-asia/>



Further Reading

The following publicly available resources offer further perspective on blended finance and philanthropy in Australia and the Indo-Pacific:

- Melbourne Business School, Sustainable Value Creation Institute – [Blended Finance for Climate \(programme and Insights and Action report series\)](#)
- Philanthropy Australia – [Blended finance: philanthropy's next frontier?](#)
- Endowments for Impact Challenge – [Mission Meets Capital: Findings from the Endowments for Impact Challenge](#)
- Reichstein Foundation – [Beyond Capital: How Philanthropy Can Advance Impact Investing](#)
- Australian Sustainable Finance Institute – [Australian financial institutions' views on climate and clean energy opportunities in South and Southeast Asia](#)

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