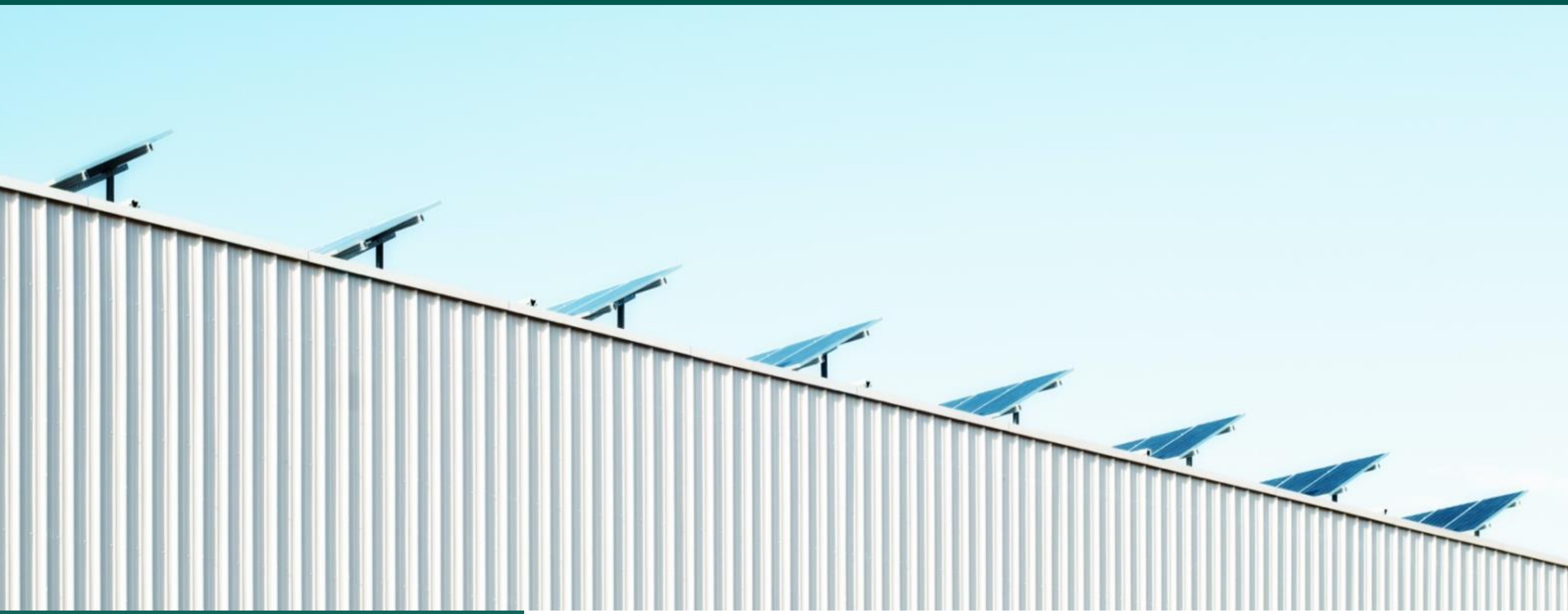
Catalytic



From Commitments to Delivery: The Next Chapter of Climate Finance

As stakeholders are about to gather for London Climate Action Week (LCA), one message is emerging with increasing clarity: the climate finance conversation is shifting from ambition to implementation.

For much of the past decade, international climate discussions have focused on setting targets, mobilizing commitments, and building consensus around the urgency of climate action. These efforts have been essential. Yet today, the challenge is no longer defining what needs to be done. The challenge is financing and delivering solutions at the scale and speed required.

Across sectors and geographies, a growing pipeline of climate solutions exists. From resilient infrastructure and sustainable land use to methane abatement, ocean conservation, and climate adaptation, many of the technologies, business models, and interventions needed to address climate change are already available. What remains missing is a sufficient flow of capital into projects that are often perceived as too complex, too early-stage, or too risky for traditional investors.
Bridging this gap requires more than additional funding. It requires financial structures capable of aligning public, philanthropic, and private capital around shared objectives. Blended finance, technical assistance, risk-sharing mechanisms, and innovative investment vehicles all have a critical role to play in transforming promising opportunities into investable propositions.

Encouragingly, discussions taking place across LCAW increasingly reflect this shift. Conversations are moving beyond the question of whether capital should support climate action and toward how financial systems can better deploy capital where it is most needed. The focus is increasingly on execution, scalability, and impact.

For organizations, like ours, working at the intersection of climate and finance, this is a welcome evolution. Success in the years ahead will not be measured by the volume of commitments announced, but by the number of projects financed, communities reached, emissions reduced, and ecosystems protected.

The next chapter of climate finance is not about setting new ambitions. It is about delivering on the ambitions we have already set.

A few of our team members will be attending LCAW (see the event section p 6) to share our experiences, meet our partners and hopefully contribute to more capital flowing towards sustainable projects.

Catalytic's programmes

Catalytic Finance Foundation is currently running 6 programmes.

- **Catalytic Cities**, an incubation program supported by Bloomberg Philanthropies
- **The Global Fund for Coral Reef**, a blended finance facility for which Catalytic is providing post-investment technical assistance, capital acceleration ang program support.
- **The Subnational Climate Fund**, a blended finance facility, with concessional funds from the Green Climate Fund (GCF) for which Catalytic is leading the technical assistance facility.
- **Canopy Trust** is a blended finance facility with concessional capital from Belgium. Germany, Norway and the Central African Forest Initiative. Catalytic is running the entire program, from incubation to capital deployment.
- **GAIA** is a private credit facility with initial commitment from MUFG, FinDev Canada, and the GCF.
- **Sustainable Land Use Fund 2**,managed by Mirova is a blended finance fund Mirova for which Catalytic provides technical assistance.

Catalytic Cities

Currently, Catalytic Cities is working on the following blended finance solutions:

Waste Fund

On the **30th of April, Catalytic co-hosted a session with Impact for Breakfast** bringing together practitioners working at the intersection of waste systems, blended finance, carbon markets, and impact investment to examine a core question: Why does capital continue to fall short in delivering scalable solutions in solid waste? The panel converged on a striking diagnosis: the financial and technical risks during projects' operational phase are the primary constraint for investors in the solid waste sector. Finance instruments designed for CAPEX often prove insufficient at the operational stage, unless the technology and underlying business model are sound. Supporting projects through their operational phase — with dedicated OPEX funding and technical support — is therefore essential. Catalytic's ongoing financing vehicle design aiming to reward solid waste projects on their methane reductions would address this precise challenge.

Later in June, our deputy CEO, Jiao Tang continued the discussion during a panel organized by RMI. The webinar coincided with the launch of RMI's report "Mobilizing Private Capital to reduce methane emissions from waste in emerging markets".

E-Bus

Catalytic is working closely with partners, BTG Pactual, and the Mitigation Action Facility (MAF) to ensure the operationalization of the **Brazil E-Bus Credit Risk Fund.**

On 9th June, Cristina Clopatofsky, the Catalytic Cities program manager, attended a workshop hosted by the MAF bringing together applicants involved in the latest call for proposals.

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The Global Fund for Coral Reefs

GFCR is a global blended finance partnership established to mobilize public, philanthropic, and private capital at scale in support of the protection, restoration, and sustainable use of coral reef ecosystems.

Global Reefs Convenings

As GFCR continues to expand its operational footprint and investment pipeline, 2026 represents an important opportunity to strengthen engagement with governments, financial institutions, private sector actors, and conservation stakeholders through a series of Global Coral Reef convenings held alongside major international ocean and climate events. These convenings are intended to highlight viable reef-positive investment opportunities emerging from GFCR-supported initiatives, foster dialogue on enabling policies and innovative blended finance approaches, and mobilize additional capital for scalable solutions across sectors such as sustainable fisheries, tourism, waste and wastewater management, and nature-based coastal protection.

To support the successful delivery of these objectives, Catalytic has been assisting the United Nations Capital Development Fund with the recruitment and engagement of specialized consultants, helping ensure that the technical, strategic, and operational capacities required for these convenings are in place.

One Ocean Finance

One Ocean Finance (OOF) has gained significant momentum since UNOC in Nice, almost a year ago; evolving from a conceptual initiative into a structured global effort to contribute to the financing architecture for the sustainable ocean economy. Designed to unlock billions of dollars from ocean-dependent industries and blue economy sectors, the initiative seeks to establish a coherent and scalable platform capable of channelling underutilized capital toward ocean conservation, sustainable economic development, and resilient coastal communities. The initiative aims to bridge the gap between public and private finance by combining innovative financial mechanisms with a collaborative, multi-stakeholder governance model.

Catalytic is actively contributing to this agenda through our broader engagement in the development of innovative financing solutions for reef-positive and ocean-positive investments (leveraging our experience with the development of the port fund for Catalytic Cities) and our participation in the OOF working group.

Catalytic supported the organisation of a High-Level Session early May 2026 in Busan, Republic of Korea in preparation of UNOC-4 which will be hosted in the country.

Earlier this week, a co-design workshop held at the Our Ocean Conference in Mombasa brought together One Ocean Finance partners, the Government of Kenya, and GIZ, alongside public and private sector stakeholders, to advance the development of a green shipping corridor aimed at accelerating maritime decarbonisation in Kenya. The discussions built on a pre-feasibility study by the Kenya Maritime Authority and the Global Maritime Forum, focusing on key barriers such as green fuel availability, cost of capital, regulatory reform, and the integration of environmental and social benefits into corridor design. With over 40 participants, including the President's climate envoy and senior representatives from relevant sectors and financial institutions, the workshop strengthened alignment around the One Ocean Finance–Kenya model and secured a high-level commitment from the Kenyan government to partner on the initiative. Next steps include establishing a working group and roadmap to support the launch of Kenya's first green corridor, with a view toward the 2028 UN Ocean Conference in Busan.

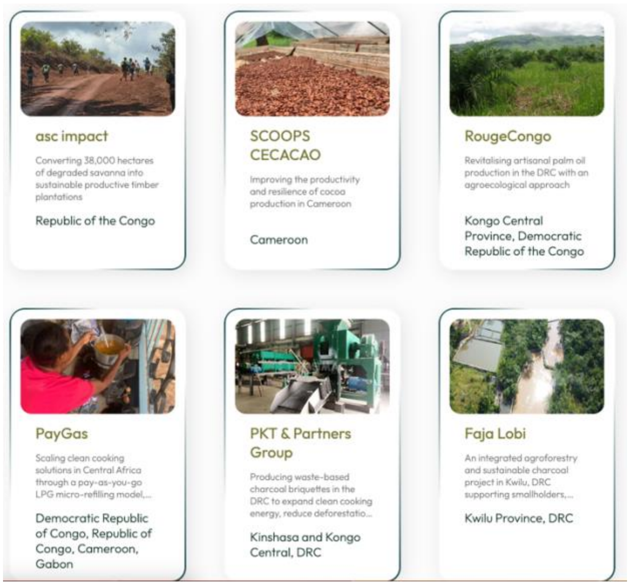
As the OOF continues its co-design phase, it is expected to serve as a key platform for aligning conservation priorities with investment opportunities, demonstrating how blended finance approaches can mobilize capital at the scale required to support a regenerative and sustainable ocean economy.

Canopy Trust

After a first successful fundraising round, the last few months have been dedicated to build a strong pipeline and deploy the first TA grants to refine proposals for potential investments.

Building the pipeline

Since inception, Canopy has approved technical assistance for 9 projects, summaries can be accessed from our website.



Regarding the pipeline, we have received more than 70 project proposals, more than half of them from the Democratic Republic of Congo (DRC).

DRC attracts a disproportionately large number of development projects relative to its Congo Basin peers because its sheer development scale and acute needs. The country has vast natural resource and forest endowments, and despite a backdrop of a challenging business climate as historically indicated by low World Bank ease-of-doing-business rankings, the country attracts more investments than its neighbours.

According to UNCTAD's *World Investment Report*, the DRC attracted an estimated **USD 1.6–2.4 billion in annual FDI flows in recent years**, with a total FDI stock approaching **~USD 32–33 billion**, reflecting sustained interest funded largely by extractive and related sectors.

In comparison, neighbouring economies such as **Cameroon** drew **under USD 1 billion in FDI in 2024** (around USD 925 million according to UNCTAD data), and **Republic of the Congo** reported around **USD 0.6 billion** of FDI inflows in the same period.

USD 1.6-2.4 bn

In annual FDI flows in recent years

USD 32 bn

Total FDI stock

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Under USD 1bn

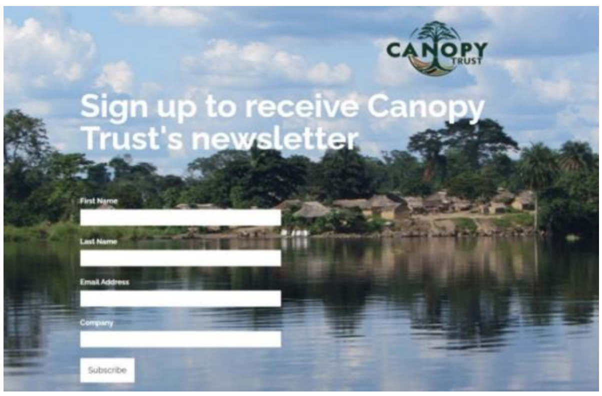
In annual FDI flows in 2024

USD 0.6 bn

Total FDI stock

Source: UNCTAD, World Investment Report

However, despite the challenge our team remains committed to develop the pipeline across all 5 target countries, which is why Canopy Trust's programme manager, Julie Goerig, is spending a week in Cameroon, attending the Promote event and meeting private and institutional stakeholders



Subnational Climate Fund

Catalytic manages the SCF Technical Assistance Facility, which combines pipeline development, capacity building and SDGs Impact identification, measurement, management and maximisation.

Fundraising

The Japan International Cooperation Agency (JICA) has committed USD 20 million to the Subnational Climate Fund through its Private Sector Investment Finance scheme. Formalised in December 2025 and celebrated with a signing ceremony in April 2026, the investment marks an important milestone in mobilising capital for climate infrastructure across emerging markets, underscoring growing institutional confidence in Pegasus Capital Advisors' capacity to structure and deploy blended finance solutions at scale.

Shohei HARA , Senior Vice President, JICA & David Cogut, Co-Managing Partner, Pegasus Capital Advisors

Technical Assistance Facility

In the last quarter, 3 new Technical Assistance (TA) grants were approved for:

- Pre-Feasibility Study and Environmental and Social Study for Mobility for Africa
- Environmental & Social Impact Study to support a conservation and eco-tourism initiative in Kenya.

Project Submission

SCF's project submission platform is open, and we review projects on an on-going basis.

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GAIA Technical Assistance Facility

Catalytic was appointed as the Lead Execution Agency of the Technical Assistance Facility (TAF) manager for GAIA Technical Assistance Facility.

GAIA is a private credit facility managed by Climate Fund Managers and supported by Pollination. It provides long-term loans to adaptation and mitigation projects in 19 emerging and developing markets. The fund reached a first close of USD 600 million in October 2025, with cornerstone commitments from MUFG, FinDev Canada, and the Green Climate Fund, and is targeting a total size of USD 1.48 billion, with final close anticipated in 2027.

In March 2026, The Global Environment Facility (GEF) announce a USD 1.5 million contribution to the Gaia TAF which will support the development of a viable and high-impact investment pipeline with a strong focus on Least Developed Countries and Small Island Developing States.

Through technical assistance grants, GEF funding will help potential GAIA Fund investees in LDCs and SIDS strengthen project design, improve adaptation impact, meet ESG standards, and enhance commercial viability.

Sustainable Land Use Fund 2

Catalytic continues to support Mirova's Sustainable Land Use Fund 2 through its role as lead of the dedicated Technical Assistance Facility (TAF), aimed at strengthening the environmental, social, and climate performance of portfolio companies.

Since April, Catalytic has been actively delivering technical assistance across key thematic areas, including climate mitigation and adaptation, gender, biodiversity, and environmental and social management systems. Early support has focused on high-priority interventions to enhance resilience. Initial technical assistance approvals include climate risk and greenhouse gas emissions assessments, alongside targeted support for supply chain decarbonization and water security.

Notably, this latter work is being implemented for an Indonesia-based investee specializing in organic coconut sugar products, with a focus on improving sustainability across sourcing and production processes. These interventions are designed to help portfolio companies better manage physical and transition risks while strengthening operational sustainability and long-term value creation.

Through this Facility, Catalytic is contributing to maximizing the impact and bankability of investments under the Fund, reinforcing the role of blended finance in scaling sustainable land use solutions.

Publication

David Albertani contributed to Brainforest's new report "Capital for Nature", a synthesis from 11 interviews with founders, capital allocators, and catalytic financiers across the nature-finance ecosystem. David shares what he has learned, especially with Canopy Trust.

Events

Our deputy CEO, Jiao Tang, who has long been dedicated to advancing sustainable waste management in developing countries, will speak as a guest speaker at the **Climate and Clean Air Coalition (CCAC)**'s board meeting on 20 June in the UK. She will share her insight on why waste methane mitigation projects often fails without OPEX financing support in developing countries and propose how, in many ways, development finance could play an important role in this respect. In 2023, Jiao wrote an Op-Ed on the topic, based on which Catalytic has been working on a financial mechanism to enable the financing of waste methane reduction projects in developing countries. Two years after, now, we are ready for launching this mechanism to the funding market.

The **Climate and Clean Air Coalition (CCAC)** is a voluntary partnership of over 200 governments, intergovernmental organizations, businesses, scientific institutions and civil society organizations committed to protecting the climate and improving air quality through actions to reduce the super pollutants which are short-lived in the atmosphere: methane, black carbon, tropospheric ozone and HFCs, through a practical, measures-based approach.

The Catalytic Cities team will attend **the Local Climate Action Summit (LCAS)** on the 23rd of June. LCAS is a globally recognized sub-national and local leaders' forum led by Climate Group's Under2 Coalition and Bloomberg Philanthropies.

The ocean has emerged as a key focus during LCAW, reflecting its central role in climate resilience, global trade, and biodiversity. Our colleague **Vangelis Papakonstantinou** will take this opportunity to engage with partners to advance Catalytic's work on the Port Fund and One Ocean Finance, further demonstrating how innovative blended finance structures can support ocean-based solutions.

Our colleague **George Scott** will complete the delegation attending meetings on behalf of the Subnational Climate Fund.

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