Catalytic launches capital acceleration workstream

In our mission to accelerate catalytic finance solutions for the Sustainable Development Goals, Catalytic has often been described as an "incubator" of blended finance initiatives. Over the last years, this role has enabled us to help design and launch major investment vehicles that collectively raised more than USD 500 million in concessional capital and aim to leverage up to USD 3 billion in commercial finance.

Yet, one persistent challenge remains: **how can promising early-stage projects access the capital they need to become investable, and how can we scale up the amount of private capital investing in sectors and places which are deemed to be too risky for investors**. Many initiatives require catalytic and concessional finance before they can attract large-scale institutional investment.

To respond to that challenge, **Catalytic has introduced a new activity: capital acceleration**. This modality complements our established work in technical assistance by directly deploying early-stage, patient, and concessional capital into early-stage projects, as well as providing risk-absorbing junior capital into investment funds that cover the sectors and geographies deemed too risky by institutional investors. By doing so, we aim to close the gap between project incubation and full-scale fund deployment, helping to build the "missing middle" of investable opportunities in climate and biodiversity finance.

Two recent open calls illustrate this new approach:

- **Global Fund for Coral Reefs – Call for Proposals for an investment fund investing in coral reef-positive projects and businesses in the Pacific SIDS –** Concessional capital support for investment funds building portfolios of reef-positive businesses in Small Island Developing States in the Pacific. This initiative, in partnership with the SDG Impact Finance Initiative, seeks to foster private investment in the region and grow a reef-positive economy.
- **Canopy Trust- Call for Expression of Interest** - junior concessional capital of up to USD 10 million support for investment funds investing in projects and businesses aiming at addressing drivers of deforestation in the Congo Basin.

Both mandates reflect Catalytic's conviction that timely, risk-tolerant capital can accelerate sustainable investment ecosystems—whether by equipping farmers in Central Africa to adopt climate-smart practices or by helping investment funds reach their fundraising target so that they can invest in multiple businesses that restore and protect coral reefs at the same time.

Capital acceleration thus represents a natural evolution of our role as a quiet achiever in blended finance: not only supporting fund design and technical assistance, but also bridging the earliest, riskiest stages of capital deployment with bankability, so that others—public, philanthropic, and private investors alike—would follow at scale.

Canopy Trust

With the launch of the website, and on-going call for projects, Canopy Trust has started deploying technical assistance in three projects in the Congo Bassin:

- The **agroforestry project in DRC** mentioned in the previous newsletter. A call for proposals for consultant to carry the TA was launched in the first weeks of September,
- A project led by an NGO working on the implementation of a **clean and efficient charcoal production** to power cassava flour drying equipment, palm oil processing and other food processing machine in DRC.
- A multi-crop, integrated value chain initiative that will combine direct agricultural production, outgrower engagement, and sustainable processing to create a robust supply chain for food, feed, and biofuel feedstocks in DRC

Capital Acceleration

Canopy Trust issued a Call for Expression of Interest to **provide up to USD 10 million in junior concessional capital to investment funds addressing deforestation reduction in Central Africa**. Eligible funds must target sectors such as clean cooking, agroforestry, and sustainable forestry, demonstrate strong management experience, and present a pipeline of impactful transactions in Canopy Trust's target geographies. After the EoI deadline, applications will be screened against the eligibility criteria. Shortlisted funds will then be invited to submit a full proposal, which will be evaluated on impact alignment, investment approach, team strength, governance, and financial sustainability. First capital deployment is expected in 2026.

For further information, email us at canopytrust@catalyticfinance.org or visit our website www.canopytrust.org

Global Fund for Coral Reefs (GFCR)

Technical Assistance

The mandate won by Catalytic is currently providing technical assistance for two projects invested by Pegasus:

Agrion

Under this mandate, Agrion has made strong progress on several key activities. The *Reef Impact and Landscape Study* is mapping how agricultural practices affect the Costa dos Corais Marine Protected Area and will help identify the best areas for future expansion. Work on the *Environmental and Social Management System (ESMS)* has advanced, with a recent assessment highlighting priorities around governance, biodiversity, and gender inclusion. The *Life Cycle Assessment (LCA)* is now underway to measure Agrion's environmental benefits compared to synthetic fertilizers. At the same time, both the *Organic Product Line* market research and product development have started, supporting Agrion's move into Brazil's fast-growing biological inputs market.

Parley

Work with Parley is moving forward across several areas to strengthen its impact on ocean conservation and waste management. The Reef and Plastic Impact Study has identified how plastic pollution harms resilient coral reefs and is helping pinpoint priority regions for Parley's future expansion, with a focus on Sri Lanka and the Maldives where operations are already advancing. Development of Parley's Environmental and Social Management System (ESMS) is also underway, aiming to create a consistent global framework adaptable to local contexts. In parallel, Support Activities for the Maldives and Sri Lanka have now kicked off, helping scale Parley's on-the-groundwork in waste collection and recycling while reinforcing community engagement and environmental protection.

Capital Acceleration

Early summer we issued a Call for Proposal for Investment Funds Investing in Coral Reef-Positive Businesses and Projects in the Pacific Small Island Developing States. Early October, Catalytic will submit its recommendations to the GFCR Technical Working Group and Board members to complete the selection process and investment negotiations with the selected candidate. Negotiation process is expected to be concluded by year end.

Catalytic Cities

Over the past three months, Catalytic Cities has advanced two major initiatives aimed at tackling some of the most pressing urban decarbonization challenges through blended finance.

Port Decarbonization

In May, we launched a Call for Proposals to identify an asset manager to co-design and manage a new blended finance vehicle focused on port efficiency and decarbonization. Ports contribute significantly to global CO_2 emissions and local air pollution, yet also represent a unique opportunity for investment in renewable energy hubs, shore power, smart port technologies, and electrified cargo handling. With strong interest already expressed by partners such as Amazon and Lloyd's Register Maritime Decarbonization Hub, this vehicle aims to unlock long-term capital for projects capable of reducing up to 1.5 million tons of CO_2 per port per year, while driving both profitability and public health benefits.

Following initial submissions in June, shortlisted candidates are now engaged in detailed proposal development and interviews. Final selection will be completed by end-2025, with the vehicle expected to kick off capital raising and technical assistance implementation in 2026.

New Insights for Port Decarbonization

David Albertani contributed to The Financing Maritime Innovation & Infrastructure 2025 booklet from Blumorpho:

https://www.blumorpho.com/financing-maritime-innovation/booklet2025/

E-buses in Latin America

In June, together with WRI Brasil, we launched a Call for Proposals to identify a guarantee manager for the Brazil E-Bus Credit Enhancement Facility. Designed to support the deployment of 1,700+ electric buses across up to five Brazilian cities, the facility will tackle critical barriers to scaling e-bus adoption—including financing gaps, contract structures, and battery replacement risks. Subject to final approval, **the vehicle will be anchored by EUR 16m in concessional capital from the Mitigation Action Facility** and **an additional EUR 9m in technical assistance to be deployed by WRI Brasil,** the vehicle is targeting at least EUR 48m to make urban mobility cleaner, healthier, and more resilient.

Proposals have been reviewed, and the final selection is expected by the end October. An announcement of the selected guarantee manager will follow in November, and the signing of an MoU is planned for December 2025.

Related news:

Our colleague Cristina Clopatofsky contributed to a Report from Urban Transitions mission which articulates both the urgency and opportunity inherent in scaling blended finance for urban climate transitions.
https://urbantransitionsmission.org/blending-finance-for-net-zero-resilient-and-inclusive-cities/

For more information, please visit:
https://www.catalyticfinance.org/catalytic-cities

Subnational Climate Fund

The Subnational Climate Fund (SCF), launched in 2021, is a blended finance initiative dedicated to investing in and scaling mid-sized, climate-resilient, low-carbon infrastructure projects in emerging markets and developing countries.

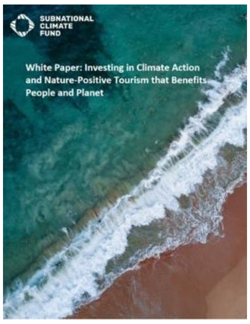
New projects

In the last quarter, 6 new Technical Assistance grants were approved for:

- A vertical farming market readiness study in Sub-Saharan Africa
- A large-scale battery energy storage project in Chile
- Additional feasibility studies across Africa and Latin America supporting renewable energy, agriculture, and waste management initiatives

Report and other news

On September 27 (World Tourism Day) SCF published **a white paper on the benefits of climate and nature - positive tourism**. The report was written in support of the Glasgow Declaration Initiative on Climate Action in Tourism which is led by UN Tourism



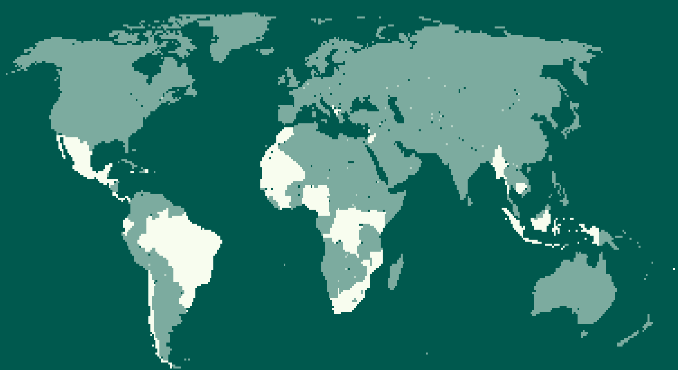
The Subnational Climate Fund (SCF) and Canopy Trust are listed as Cooperative Climate Initiatives (CCIs) on the UNFCCC Global Climate Action platform.

Number of studies supported by SCF Technical Assistance Grants

105 Studies
approved since inception

51
Projects supported to date

USD 28 million



The SCF works in **42 countries** in Asia-Pacific, Latin America, the Caribbean, the Mediterranean, and Africa

Catalytic is growing! We have welcomed new colleagues in the last few months:

We're excited to welcome **Vangelis Papakonstantinou** to the team.
Vangelis leads initiatives in ocean-related finance with a focus on scaling investment vehicles for sustainable infrastructure.
Responsibilities include: asset manager selection, pipeline development and mobilizing capital to accelerate decarbonization and resilience in ocean economy.

We also would like to welcome **Ahmed Guenounou** as our communications intern.
Ahmed is pursuing a Master's in Marketing at the University of Lausanne and has a strong interest in sustainability and digital communications. At Catalytic, he supports content creation, newsletters, and social media to highlight our initiatives and amplify stakeholder engagement.

The 2nd half of the year is a marathon of events for our team, starting in New York, back to base, COP and many more in between. Each event is carefully selected to balance our environmental footprint with the benefits of meeting various stakeholders that help us achieve our mission

----

September

David Albertani, Cristina Clopatofsky and **Vangelis Papakonstantinou** were at New York Climate Week to meet with some of our donors, including Bloomberg Philanthropies. NY Climate Week remains an important event for our community.

The **whole team** will be present at Building Bridges, that we refer to as the *Geneva Sustainable Finance Week*. This event taking place in our home city is a great opportunity for the team to meet with many stakeholders and to stay on top of the latest knowledge in our industry.

October

Jiao Tang, Julie Goerig, and **George Scott** will be at AFSIC- Investing in Africa- in London on the 14th and 15th of October to meet with investors and project developers. If you're in London and would love to meet, send us an email.

November

Early November, a few colleagues will be attending the Local Leaders Forum organized by Bloomberg Philanthropies and the COP30 Presidency to gather mayors, governors and subnational leaders.

At the same time, **David Albertani**, our CEO, will be in Kenya to attend the Africa Venture Philanthropy Alliance (AVPA) conference. We are running a couple of programs on the African Continent 8Canopy Trust, SCF) also it is important for us to meet with local partners.

Catalytic
FINANCE FOUNDATION

International Environment House 2
Chemin de Balexert 7–9
1219 Châtelaine
Geneva, Switzerland

catalyticfinance.org
info@catalyticfinance.org