

Accelerating Impact Investments for Climate and Nature in Asia

INSIGHT REPORT
MARCH 2025



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Foreword



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As we approach a critical juncture in the fight for the future of the ecosystems upon which we depend, it is increasingly clear that we must accelerate efforts to create and implement solutions to the climate crisis with urgency and resolve. The need for collective action across all sectors has never been more pressing. To overcome the barriers that have hindered progress, we must promote collaboration and innovation – both in the development of the practical solutions required and in the ways we finance them.

Asia plays a pivotal role in the global climate challenge. With its rapidly growing economies, expanding populations and rich (but increasingly vulnerable) ecosystems, the region holds the key to determining the success or failure of global climate efforts. The stakes are high, not just for Asia but for the entire world. This is a shared challenge that requires a unified global response. The burden of addressing it should not fall solely on the shoulders of this region: it is a collective responsibility.

Impact investing has emerged as a promising tool to mobilize the necessary capital for climate action. It offers a powerful way to attract diverse stakeholders, manage risk and drive innovation. While significant strides have been made in Europe and North America, where the potential for profitable investments that deliver positive environmental and social outcomes is widely recognized, the market for impact investing is currently in its early stages in Asia. However, if accelerated and widely adopted in the region, the potential benefits for both climate and nature are immense.

By harnessing the collective power of the financial sector, we can confront climate change head-on and ensure that the investments we make today lay the foundation for a sustainable world for generations to come. In facing this greatest of crises, we are confident that our capacity for innovation will prove to be our strongest ally.

Executive summary

Multistakeholder collaboration is vital to scale impact investing, de-risk investments and deliver sustainable triple-bottom-line returns.

The Sustainable Development Goals (SDGs) face a daunting yearly funding gap of \$4.2 trillion in developing countries,¹ hindering progress on essential climate, environmental and social issues. To meet these challenges at scale and pace, radically more effective and efficient financial mechanisms must be employed. Impact investing presents a promising solution, particularly in Asia, which is home to some of the world's most critical climate and nature challenges while, in parallel, offering significant opportunities for transformative change.

This insight report, based on market data, case studies and expert interviews, demonstrates how impact investing can unlock the financial capital needed to address these pressing issues while also delivering returns on investment. All experts interviewed agreed that urgent action is needed in Asia, but emphasized that climate and nature challenges are a global issue that requires shared solutions.



There is a greater sense of urgency in terms of climate and nature action in Asia, particularly because it is the geographic part of the world where we have the most climate-related disasters than anywhere else.

Sector expert, July 2024

Asia, compared to Europe and North America, has a relatively nascent impact investing market. However, interest in the region is growing, driven by the diverse opportunities for climate and nature solutions. Early movers are introducing innovative blended financial structures that reduce risks and improve the bankability of investments, helping attract more capital to the region. Despite this, challenges remain, including market immaturity, limited data and perceptions of high risk, which complicate the identification of quality investment opportunities that promise measurable positive impacts and financial returns.

This report outlines how collaboration across public, private and philanthropic sectors is crucial to overcoming these barriers. By harnessing the

strengths of each sector, these partnerships can create sustainable financial structures that unlock additional private capital, making investments more scalable, replicable and attractive. These collaborations generate win-win outcomes across the triple bottom line – environmentally, socially and economically – while helping to pool resources and increase investment flows.

To accelerate the growth of impact investing in Asia, the report concludes with a forward-looking roadmap. Drawing from expert insights, successful case studies and lessons learned, it offers actionable steps for practitioners and other key stakeholders to address the identified challenges and unlock the full potential of impact investing in solving some of the world's most urgent climate and nature crises.

1

Context

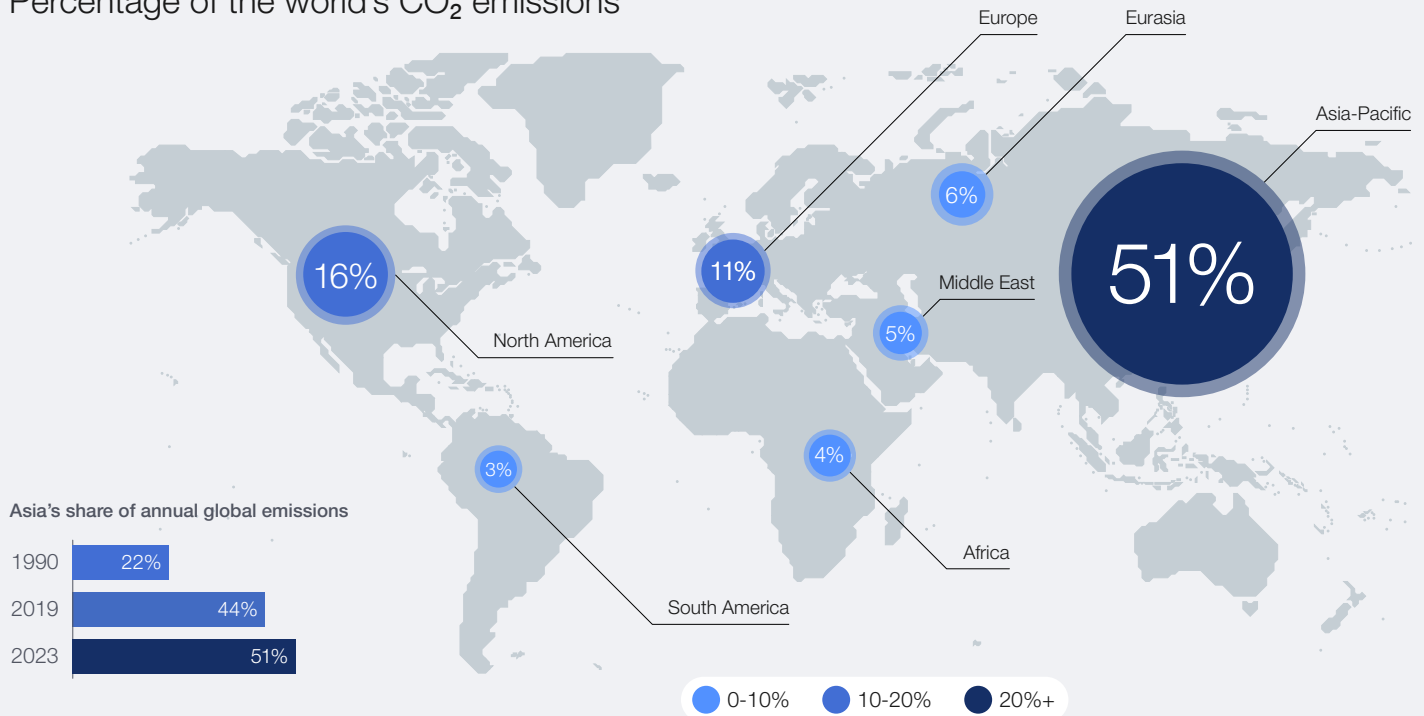
Asia requires urgent action and innovative financing solutions to transition into sustainable development.



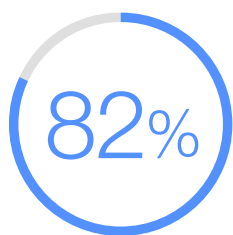
1.1 Balancing high emissions and extreme climate vulnerability

FIGURE 1 Asia-Pacific accounts for the largest share of global CO₂ emissions

Percentage of the world's CO₂ emissions



Source: World Economic Forum. (2023). *Accelerating Asia's Advantage: A Guide to Corporate Climate Action*; Asia Development Bank. (2023). *Asia in the global transition to new zero: Asian development outlook 2023 thematic report*.



of the world's coal generation is situated in Asia.

Asia stands as the world's largest contributor to anthropogenic carbon emissions, accounting for approximately 51% of global emissions annually.² This region's share has grown significantly over the past few decades, rising from 22% in 1990 to 44% in 2019, reflecting a rapidly increasing emission rate that is unmatched by any other part of the world.³ It is home to 82% of the world's coal generation,⁴ one of the most harmful sources of energy for the climate. Consequently, addressing Asia's carbon footprint is critical to achieving global sustainability and climate mitigation goals.⁵

At the same time, Asia is highly vulnerable to the impacts of climate change. With a population of 4.68 billion people, many of whom live in coastal or low-lying areas, the region faces significant risks from rising sea levels, extreme weather events and other climate-related challenges.⁶ The economic repercussions are also severe. For example, in Viet Nam, approximately 80% of the country's gross domestic product (GDP) is generated from coastal lowlands, which are highly susceptible to flooding and other climate impacts.⁷ Without effective adaptation measures, it is projected that 6-12 million people could be displaced by 2070-2100 due to the effects of climate change in the region.⁸

Beyond the direct environmental risks, Asia's natural capital – an essential source of wealth for many communities – is increasingly under threat. Around 30% of the wealth in the Asia-Pacific region is derived from natural resources, with many low-income communities dependent on natural ecosystems and tourism for their livelihoods.^{9,10}

Despite this, climate change and the degradation of ecosystems are undermining these resources. South-East Asia, for example, has lost approximately half of its mangrove forests over the past five decades, endangering vital ecosystem services such as fisheries, coastline protection and carbon sequestration.^{11,12} Countries like Indonesia and Malaysia have seen particularly high rates of mangrove loss,¹³ while Indonesia is also facing an expected decline of 48% of its forest cover by 2050.¹⁴ Additionally, 70% of coral reefs in the Philippines are at risk of degradation, further exacerbating the region's vulnerability.¹⁵

These trends highlight the urgent need for targeted climate action and sustainable development strategies to mitigate the impacts of climate change in Asia, both for the region's people and its vital ecosystems.



The World Economic Forum's [Coal to Clean Initiative](#), part of the GAEA (Giving to Amplify Earth Action) programme, is spearheading efforts to design scalable financing mechanisms for coal phase-out – vital to achieving net zero but massively hindered by the corresponding financial and operational complexities. A key issue of retiring coal-fired power plants (CFPPs) early in South-East Asia, in particular, is that many are relatively young and with substantial outstanding revenue still to generate. The early retirement of these assets must therefore address the financial pressures on asset owners, ensuring they can meet outstanding debt obligations and realize fair value from their investments.

The Coal to Clean Initiative focuses on innovative financing solutions to address these issues, while minimizing reliance on large amounts of concessional capital and balancing critical energy security and just transition challenges. Based on a representative sample of CFPPs in the Philippines, the

initiative is developing debt-based refinancing mechanisms to achieve significant emissions abatement through early CFPP closure. These approaches involve restructuring the capital stack of CFPPs to offer asset owners early monetization of plant value without financial loss, and could be delivered in the form of a public-private-philanthropic partnership (4P).

The proposed mechanisms also aim to incentivize asset owners to consider early retirement, a critical step in creating a pipeline of CFPPs eligible for retirement. By enabling early payouts, asset owners can also hedge against risks of stranded assets and diminishing revenue streams as cleaner alternatives outcompete coal. The initiative highlights the potential for market-based mechanisms that deliver investor returns at commercial rates, using familiar financing tools to enhance replicability. Future work will explore bundling multiple CFPPs into portfolios and integrating alternative mechanisms, such as repurposing CFPP sites to maximize impact.



GAEA plays a key role as convener, broker and adviser to facilitate the 4P approach, with a particular focus on how innovative financing mechanisms can help address barriers or market failures, paving the way for bigger institutional and commercial investors to come in and mainstream economic and environmental sustainability. Achieving crucial goals such as the transformation of our energy future requires more than just willpower – it demands collaboration across sectors, where public, private and philanthropic forces unite and orchestrate the spectrum of capital and its different assets and tools with a systems-level change lens.

Luis Alvarado, Head of GAEA / Strategic Public-Private-Philanthropic Partnerships, Centre for Nature and Climate, World Economic Forum

1.2 Impact investing key to accelerating change

“ Impact investing provides a more direct and actionable pathway for investors seeking to drive the transition to a sustainable future.

The climate crisis, combined with Asia's status as home to some of the world's largest carbon-emitting countries, presents both a critical challenge and a unique opportunity for innovation. This dynamic is driving significant interest in impact investing, which has the potential to attract substantial capital for climate action in the region from both local and global investors. Impact investments are particularly well-suited to address these challenges, as they are specifically designed to “generate positive, measurable social and environmental impact alongside financial return”,¹⁶ as illustrated in case study 2.

Other sustainable investment strategies, such as socially responsible investing (SRI) – which

screens investments based on ethical criteria – and environmental, social and governance (ESG) investing – which evaluates companies on their sustainability practices alongside traditional financial metrics – play important roles in promoting corporate responsibility and risk management, yet impact investing stands out. Its defining feature is explicit focus on generating measurable social or environmental outcomes. By targeting innovative solutions to pressing global issues and offering a blend of financial returns and positive social and environmental outcomes, impact investing provides a more direct and actionable pathway for investors seeking to drive the transition to a sustainable future.

CASE STUDY 2

Southeast Asia Climate and Nature-Based Solutions (SCeNe) Coalition



To boost investment in high-quality nature-based solutions (NbS) that deliver triple-benefit outcomes for climate, biodiversity and local communities in South-East Asia, nine international non-profit organizations focused on climate and conservation have formed the [SCeNe Coalition](#), hosted by The Nature Conservancy (TNC) in Singapore.

The coalition's mission is to support frontline organizations (FOs) – local non-governmental organizations (NGOs), community groups, cooperatives and Indigenous Peoples – in developing NbS projects that channel carbon and climate finance into equitable climate mitigation and adaptation efforts, biodiversity conservation and the enhancement of local socioeconomic well-being.

By doing so, the coalition aims to accelerate and scale the demand for and supply of high-integrity NbS in South-East Asia. It seeks to demonstrate what high-quality NbS for climate looks like in the region while ensuring that these projects deliver on their triple benefits. To achieve this, the coalition is focused on providing data, highlighting best practices in developing high-quality NbS projects, building the capacity of local FOs to implement these projects and facilitating access to financing.

The coalition has identified three bodies of work to support the delivery of its objectives:

- 1 **NbS tool** is a climate tech platform designed to assist FOs in developing NbS projects. This includes features for data analysis, pre-feasibility assessments, project documentation and showcasing projects to potential investors.
- 2 **NbS portfolio** is a guidance document on developing high-quality NbS projects and a collection of NbS projects that represent best practices for and examples of high-quality NbS projects. This knowledge product provides case studies to guide FOs and strengthen their capacity to implement these projects, and enhances access to financing by informing the market, including investors and buyers.
- 3 **NbS incubator** is a programme that provides bespoke support to FOs in addressing gaps in financing, data, technology, knowledge and capacity for NbS implementation. The incubator enables FOs to build a pipeline of high-quality, triple-benefit NbS projects by providing tailored support, including funding, technical expertise, social safeguards, benefits sharing and stakeholder engagement facilitation.

These efforts aim to catalyse the development and scaling of NbS that are not only effective in addressing climate and biodiversity challenges but also bring tangible benefits to local communities in South-East Asia.



“Diverse and locally tailored investment opportunities in Asia present a compelling case for attracting philanthropic capital and donors.”

Asia presents a unique opportunity for piloting climate and NbS that are not only investable but also scalable and replicable. As a result, many investors are increasingly drawn to the region, united by a shared goal of diversifying their portfolios with innovative investments that generate positive social and environmental impact. These investors are often willing to accept potentially lower market valuations compared to those in Europe and North America, recognizing the long-term value and impact potential in Asia. Solutions that were once viewed as high-risk are now gaining recognition as viable investment opportunities, with capital deployment in South-East Asia, in particular, experiencing significant growth in recent years.¹⁷

Moreover, the diverse and locally tailored investment opportunities in the region also present a compelling case for attracting philanthropic capital and donors.¹⁸ Donors who are eager to support climate and nature agendas are increasingly presented with a wider range of investable projects that have the potential for commercial scalability. Given the interconnected nature of social and environmental impacts in Asia, these opportunities offer the potential for combined positive outcomes, further enticing a broad spectrum of investors and stakeholders, as demonstrated in case study 3.

CASE STUDY 3

Asia Climate-smart Landscapes Fund



ADM Capital launched the [Asia Climate-smart Landscape Fund](#) for Indonesia in November 2023, harnessing its depth of experience in ESG-integrated private capital lending in the region to create sustainable impact. The fund aims to address the major funding gap for small- and medium-sized enterprises (SMEs) engaged in sustainable agriculture, agroforestry and aquaculture by providing medium-term senior secured lending, and links 50% of carry to achieving impact. Access to funding is a significant obstacle for these SMEs due to perceived credit and ESG risks in the sector and country, even though they are vital to the Indonesian economy and a key part of the net-zero transition.

The initiative sets both financial and impact targets for projects, including enhancing livelihoods and increasing employment, achieving fairer gender ratios, improving land use management and reducing greenhouse gas emissions. The implementers found that a technical assistance facility was also required to sit alongside the fund to support the transition work of the companies involved and their supply chains, achieve best practice and improve credit and impact outcomes.

The US International Development Finance Corporation provides a 50% guarantee across the fund at the asset level

and the United States Agency for International Development, Rabo Foundation and the Australian Government's Department of Foreign Affairs and Trade also participate in the guarantee. This has catalysed six investors, with seed commitments secured from Calvert Impact Capital, Ceniarth, the David and Lucile Packard Foundation, the John D. and Catherine T. MacArthur Foundation, Margaret A Cargill Philanthropies and RS Group. The fund is targeting total commitments of up to \$200 million in further closes.

The initiative is bolstered by its partnerships with NGOs such as Partnerships for Forests and Convergence, which brings further local experience and knowledge, as well as the National University of Singapore Centre for Nature-based Climate Solutions, which supports the development of methodologies around carbon, biodiversity and high conservation value (HCV) assessments.

ADM Capital's fund provides sustainable business models that serve as proof of concept and bring more investors into the country and sector. Plans are also in place to scale, with a particular focus on traceability technology, digitization and data sharing, which would further help smallholder farmers to secure their livelihoods.



2

Challenges of Asia's impact investment market

Asia's nascent impact investment market faces challenges in aligning financial returns with diverse social and environmental impacts.



“Asia’s diverse and fragmented market makes it difficult for investors to identify and pinpoint the most promising opportunities.”

A key challenge facing Asia’s impact investment market is the trade-off between social and environmental impact and financial returns. Investments that deliver the highest social and environmental outcomes may not always generate the highest financial returns, and vice versa. Given the wide range of social and environmental investment opportunities in the region, aligning these with appropriate financial return profiles can be time-consuming, slowing down investment activity. Additionally, the region’s diverse and fragmented market makes it difficult for investors to identify and pinpoint the most promising opportunities.

While impact investing is on the rise in Asia, the level of investment remains disproportionately low relative to the region’s carbon emissions and the potential for positive environmental impact. Several factors contribute to this lag, including perceptions of higher risk, a lack of sufficient investment data for impact-focused funds and the absence of a proven track record for climate-related investments. Moreover, the relatively nascent nature of the market means many opportunities are considered too early-stage or too small to attract significant investment. Some of these challenges are explored in case study 4.

CASE STUDY 4

Pentagreen Capital

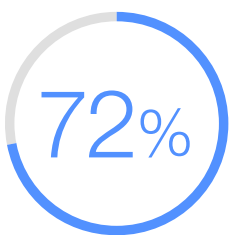


[Pentagreen Capital](#) was launched in 2022 by HSBC and Temasek with an initial capital of \$150 million. Supported by strategic partners Asian Development Bank (ADB) and Clifford Capital Holdings, it aims to catalyse financing for innovative clean infrastructure projects that progress climate change mitigation and adaptation efforts in Asia, focusing on the renewable energy, energy storage, clean transport, water and waste management sectors. Through the Green Investments partnership, an innovative blended finance programme set up to address climate finance gaps and increase the bankability of green and sustainable infrastructure, the platform aims to deploy \$1 billion to bridge

the major climate funding gap of these projects and crowd in commercial capital for projects that would not have access to traditional finance.

By using catalytic capital from public or philanthropic sources to crowd in private sector investment, it forms a blended capital pool that has the appropriate risk-bearing appetite to bridge the risk-reward gaps commonly observed in sustainable infrastructure projects in South-East Asia. With the ability to deploy capital into such marginally bankable projects, the risk-reward gap is expected to close over time, helping to accelerate such projects towards the mainstream.

2.1 Nascency of the market

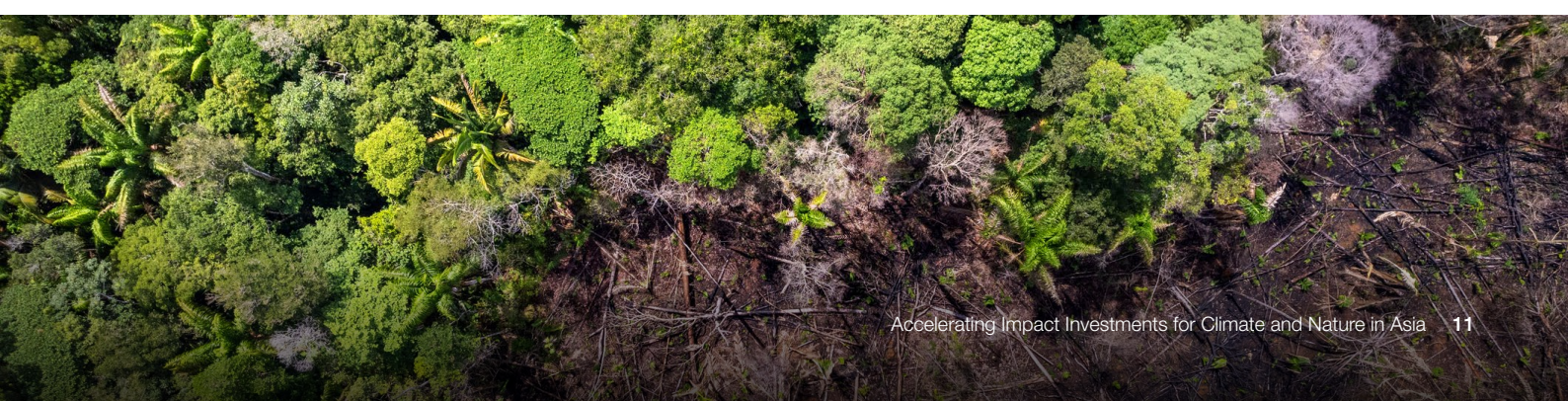


of nature-based projects cover less than 1 km².

A common theme raised by experts interviewed for this report was the early stage of the impact investment market in Asia, where many key financial systems, such as investment taxonomies, are still underdeveloped compared to regions like North America and Europe. Several experts noted that the concept of investing for both positive environmental and social impacts alongside financial returns remains in its infancy in much of Asia. However, certain markets, such as Singapore and Hong Kong, are more actively pursuing these opportunities.

This nascent stage is not only a regional challenge but also a broader industry-wide issue. Nature-

based projects, in particular, tend to be smaller in scale globally. For example, the European Union reports that 72% of nature-based projects cover less than 1 km² – significantly smaller than the scale needed for meaningful restoration, given that 10 million hectares are deforested worldwide each year.¹⁹ Additionally, 81% of these projects have investment costs of less than €10 million, and only 3% report private sector funding.²⁰ This disparity may explain why institutional capital is more frequently directed towards renewable energy investments, which have developed into a well-established asset class with clearer regulatory frameworks and defined investment pathways.



2.2 Investor knowledge and expectations

Additionally, experts interviewed for this report identified a key barrier to attracting more capital to impact investments in Asia: a lack of trust and accountability around the reported impacts. This stems in part from insufficient evidence that funded solutions are delivering tangible results, compounded by growing market scrutiny that pressures impact investors to demonstrate genuine, measurable outcomes.

To address this challenge, organizations like [Blue Mark](#) can play a crucial role in building trust

by providing independent, closed-loop verification of social and environmental impacts to strengthen the credibility of impact investments. Additionally, platforms like ImpactCollab, highlighted in case study 5, are helping to bridge this gap by offering investors a curated marketplace of impact opportunities, along with the data needed to assess impact performance and make informed decisions. These solutions are not only key to unlocking more capital but also vital for improving communication and collaboration across sectors and stakeholders.

CASE STUDY 5

ImpactCollab



AVPN launched [ImpactCollab](#), a marketplace platform that finance professionals can use to access verified charitable and impact organizations, due diligence resources and impact monitoring tools. In its first phase, ImpactCollab will be used by private banks in Singapore to enhance philanthropy advisory services that finance professionals provide to their clients. Once momentum is built around philanthropy engagement with the private banks and clients, the platform will expand to include blended finance and impact investing opportunities, and will engage a broader range of users beyond the banks.

As an ecosystem builder, AVPN focuses on knowledge sharing, capital mobilization, policy advocacy and creating communities of impact, with Singapore serving as a key hub for philanthropy, finance and family offices. ImpactCollab is supported by the Monetary Authority of Singapore (MAS) and the Bill & Melinda Gates Foundation, and was developed in consultation with the Private Banking Industry Group in Singapore.



Investments that generate positive social and environmental impacts require specialized knowledge and expertise. The unique risk profiles associated with certain technologies, solutions or sub-sectors – often outside of traditional investment areas – make it challenging for investors to vet opportunities effectively. Coupled with limited access to reliable data, this can make it difficult for investors to assess investment readiness.

Specialized expertise is also essential to track the full life cycle of these investments, ensuring that both financial progress and impact outcomes are monitored accurately. The long gestation periods of climate-related investments, which often span 15 to 20 years or more, are another hurdle, as they do not align with the shorter-term expectations of traditional investors. Given the novelty of many climate solutions, there is added risk in the uncertainty around how investments will mature and perform over time.

Government involvement in markets like Hong Kong and Singapore, along with sustainability events such as the One Earth Summit in Hong Kong, are helping to raise awareness and increase the urgency around climate action. These initiatives are also helping to mainstream conversations about blended finance and natural capital, which are essential to scaling impact investments.

While investing in climate resilience and climate-related assets could serve as a way to derisk portfolios against climate exposure, several experts pointed out that the necessary risk mitigation mechanisms, such as insurance structures and capital regulation, are not yet in place to incentivize such investments. To mobilize capital for positive environmental outcomes, the right financial structures need to be coupled with robust policy and regulatory frameworks,²¹ which is being explored in some areas, as illustrated in case study 6.

CASE STUDY 6

Green and Sustainable Finance Cross-Agency Steering Group



The [Green and Sustainable Finance Cross-Agency Steering Group](#) (steering group, or CASG) of the Hong Kong Special Administrative Region (HKSAR) aims to coordinate the management of climate and environmental risks in the financial sector, accelerate the growth of green and sustainable finance, and support the HKSAR Government's climate strategies. Comprised of financial regulators, the stock exchange and various government bureaux, the steering group members drive these efforts by discussing and coordinating their policies and regulation, addressing cross-sectoral challenges and monitoring global and regional trends.

The steering group focuses on three key areas to capture financing and investment opportunities arising from the low-carbon transition of the Asia-Pacific region:

- ① Enhancing corporate sustainability disclosures with a view to adopting the IFRS Sustainability Disclosure Standards locally

- ② Promoting the use of green technology to support sustainability reporting and data analysis

- ③ Supporting the development of transition finance to bolster Hong Kong's role as a leading sustainable finance hub

The steering group has also developed a website,²² which is a one-stop green and sustainable finance information hub for financial institutions, corporates and the general public. The website features a centralized sustainability data and information portal, greenhouse gas emissions calculation and estimation tools, a digitalized sustainability disclosure template, among other functions, which are free of charge for public use.



2.3 Geographic challenges



The structural development, economic and environmental vulnerabilities due to inherent characteristics like remoteness or smallness or just fragility means these areas and regions have an increased set of vulnerabilities in terms of climate change. So, the link between climate and nature action then becomes clearer and more urgent just because the impacts that they experience are probably more real.

Sector expert, July 2024

“ Fragmentation raises questions about the scale of investment needed in regions where the impact may be limited to only a small portion of the population.

One significant challenge in mobilizing capital for impact investments in Asia is the region's vast and diverse geography, within which many areas are either too small or too remote to access key resources despite being highly vulnerable to climate risks.

For archipelagic nations like the Philippines and Indonesia, which have 7,641 and 17,508 islands, respectively, the vast distances between islands and the scattered, often low-density populations present unique obstacles. This fragmentation raises questions about the scale of investment needed in regions where the impact may be limited to only a small portion of the population. This challenge is particularly evident in climate-related projects such as offshore wind farms, where optimal siting is essential to maximize clean energy production.

While these projects can be effectively managed and monetized to deliver financial returns, the capital flow in such fragmented geographies is more complex and may require significant upfront investment to overcome logistical barriers.

Despite these challenges, several initiatives are emerging to address the region's needs. For example, at the 2022 G20 Leaders' Summit in Bali, Indonesia's President, along with the International Partners Group (IPG), led by South Africa and Japan, signed an agreement to mobilize \$20 billion in public and private financing to support a just energy transition in Indonesia. These initiatives, discussed further in case study 7, represent important steps towards overcoming geographical and logistical barriers to climate investment in the region.

CASE STUDY 7

Indonesia Just Energy Transition Partnership



The [Indonesia Just Energy Transition Partnership](#) (JETP) is a landmark agreement aimed at mobilizing \$20 billion in public and private financing to support Indonesia's transition to a just and sustainable energy future. Signed during the 2022 G20 (Group of 20) Leaders' Summit in Bali, the agreement was established between the Government of Indonesia (GoI) and the International Partners Group (IPG), which is co-led by the United States and Japan. The JETP aims to limit power sector emissions to 290 million tonnes of CO₂ equivalent (MTCO₂e) and accelerate the deployment of renewable energy, with a target of at least 34% of total power generation coming from renewables by 2030. Additionally, the partnership sets a goal for the power sector to achieve net-zero emissions by 2050.

In order to implement the JETP agreement, the GoI established the JETP Secretariat, which produced the Comprehensive Investment and Policy Plan (CIPP), launched in November 2023. The development of the CIPP was supported by four independent working groups: the Technical Working Group (led by the International Energy Agency), the Policy Working Group (led by the World Bank), the Financial Working Group (led by the Asian Development Bank), and the Just Transition Working Group (led by the United Nations Development Programme). In May 2024, a new working group, the Energy Efficiency and Electrification Working Group (led by the Southeast Asia Energy Transition Partnership) was launched. As part of the CIPP, the Just Transition Working Group consisting of World Bank, ADB, GIZ, International Labour Organization (ILO), and Indonesian Center for Environmental Law (ICEL) also contributed to the development of the Just Transition Framework.



2.4 Cultural dynamics

Experts interviewed for this report emphasized that cultural dynamics in Asia present unique challenges and opportunities compared to other regions. A key observation was the prevailing belief in many parts of Asia that impact investments are inherently concessionary or loss-making – an assumption that has largely been overcome in North America and Europe. However, family offices, which play a significant role in the region, are evolving rapidly. These offices are increasingly prioritizing sustainability-driven investment strategies, as their

inherited wealth is often tied to family legacy, values and reputation. In particular, the third and fourth generations of family offices are placing greater emphasis on environmental and social impact, reflecting a growing awareness and sense of urgency around climate action. This shift represents a significant opportunity for impact investing in Asia, as these families seek to align their investments with both their financial goals and their broader ethical values.

CASE STUDY 8

TPC's Octave Wellbeing Economy Fund



Tsao Pao Chee (TPC) has partnered with like-minded co-investors to drive positive ESG and impact outcomes, making notable strides through various initiatives including the [Octave Wellbeing Economy Fund](#) (OWEF). This initiative has led to tangible progress in areas such as agricultural technology, food technology, sustainability and mental well-being. One of its first investments was recently made in Varaha, an Indian climate technology start-up focused on generating verified, high-quality carbon credits, through a financing round led by RTP.

Varaha develops NbS and measures greenhouse gas emissions using a combination of field research and remote data collection. By employing advanced technologies like satellite remote sensing, biochemical modelling and machine learning, Varaha is creating value across the entire carbon credit value chain, incentivizing thousands of smallholders towards sustainable practices. Varaha's industry-leading measurement, reporting and verification (MRV) platform

uses remote sensing, machine learning and scientific research to quantify the sequestration and reduction of greenhouse gases from regenerative agriculture, afforestation and biochar projects. Their projects also enhance productivity, boost crop yields, save water, increase biodiversity and raise climate adaptation.

The TPC business operation is guided by its Well-Being Mandate, which is established based on its chairman's grounding principles and guiding values: to serve the well-being economy and create wealth at the same time. TPC's investment strategy centres on financial outcomes, scalable impact investing, prioritizing local economic benefits and sustainable resource use. The firm has developed a framework that can be replicated across different regions and sectors, providing both technological and financial support to unlock large-scale impact. This model holds the potential for broad application across diverse geographies and contexts.



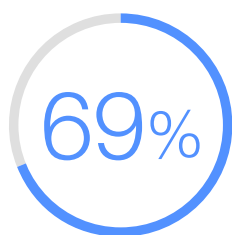
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Insights for practitioners

Blended finance structures and cross-sector collaboration unlock impact investment potential in Asia, overcoming risks, opening green markets and scaling sustainable solutions.



3.1 The power and potential of blended finance



of blended finance transactions are concentrated in India.

Experts interviewed for this report highlighted the need for blended financial structures in certain projects where business models are not yet mature enough to attract support from corporate or institutional investors. Without this initial capital, these projects may struggle to survive long enough and overcome the so-called “valley of death”, in which early-stage impact ventures try to develop a minimum viable product and secure venture financing, as described in case study 9. As a result, concessionary capital – often sourced from family offices, philanthropic organizations, or public sectors – is crucial in helping to kickstart these investments.

The experts’ portfolios reveal that co-invested blended finance interventions have proven to be among the most effective in building markets.

They view blended finance as a paradigm shift, the result of years of development driven by impact investing pioneers. This shift has led to the creation of a broad range of risk-tolerant blended finance structures, providing investors with a diverse selection of investment options ranging from large-scale initiatives to smaller projects, with each delivering varying levels of social, environmental and financial returns.

Although blended finance is still considered nascent in Asia, the market is growing, particularly in South Asia, where 69% of blended finance transactions are concentrated in India.²³ The trend towards blended financial models in Asia appears to have been driven more by external investors entering the region rather than by domestic investors, although many of these investments are still relatively small in scale.



In Asia, I think you are looking at smaller ticket sizes ... but I think the beauty of Asia is that if you think about the economic growth, these are the future large companies – not just in terms of financial return but also from an impact perspective.

Sector expert, July 2024

CASE STUDY 9

The Amplifier



Many early-stage impact ventures face a critical challenge known as the “valley of death”. To help overcome this barrier, the Philanthropy Asia Alliance (PAA) and the Centre for Impact Investing and Practices (CIIP) have launched the [Amplifier](#), with support from the Mastercard Center for Inclusive Growth. The year-long programme aims to nurture and mentor impact start-ups to become commercially viable and scale positive impact in Asia.

Tackling complex societal challenges and addressing the “valley of death” requires not just funding, but a committed network of partners willing to share their knowledge, experience and resources. The Amplifier takes a “whole-of-ecosystem” approach, made possible by the contributions of a growing network of experts, mentors and resources from across industries and sectors, each bringing valuable expertise to help early-stage impact ventures succeed. By providing consulting and legal services, impact management and measurement training, industry mentorship, and expanded market access, the programme helps de-risk these ventures, making them more attractive to private investors.

During the programme, Amplifier mentees are each eligible to receive catalytic capital of up to SGD 250,000 (Singaporean dollars) to scale their venture and impact.

This funding is provided as a recoverable grant, which is repayable by the mentees when and if certain growth milestones are hit. This enables any recovered capital to be reused for future cohorts of Amplifier start-ups. The Amplifier model uses philanthropic capital to reduce the risk of failure for early-stage start-ups and positions them to attract private investment as they grow and demonstrate measurable impact.

Ultimately, the Amplifier provides a pathway for start-ups to transition from early-stage risk capital to larger commercial investments, enhancing their financial stability and amplifying their societal impact. As more partners join this mission, the potential to drive meaningful change across Asia grows exponentially.

The inaugural 2024 cohort brought together five Climate and Nature ventures – Circ, GRST, MAYANI, Mycotech Lab (MYCL) and Sampangan – from diverse geographies and business models, each offering innovative Asia-centric solutions to address the region’s pressing environmental challenges. Over the course of the year, the mentees will work closely with mentors and partners to build business partnerships, strengthen commercial capabilities and deliver more impact in the region.

3.2 Collaboration opportunities

Partnerships are essential in Asia, particularly due to the perceived or actual higher risks in the region. They provide an opportunity to distribute these risks across multiple stakeholders, including those focused on finance-first and impact-first

investments. Blended finance often plays a central role in these partnerships, where public and philanthropic funds or concessionary capital are combined to unlock private sector capital and scale impact investments.



Partnerships are there to really de-risk the intervention. So, when you look at a shared risk, it's much better than taking it on yourself.

Sector expert, July 2024

Concessionary capital, typically provided by donors such as development finance institutions (DFIs) in the form of grants or guarantees or organizations like the ADB, the Department of Foreign Affairs and Trade, and the World Bank, plays a critical role in supporting these initiatives. Many of these funds are specifically targeted

at emerging markets. By accepting higher financial risks and lower returns, concessionary and philanthropic capital allows investments to address more challenging social and environmental issues,²⁴ such as those targeted by the Financing Asia's Transition Partnership (FAST-P) initiative, as outlined in case study 10.

CASE STUDY 10

FAST-P



At COP28 in 2023, the Monetary Authority of Singapore (MAS) launched [FAST-P](#), a blended finance initiative that aims to mobilize up to \$5 billion in collaboration with public, private and philanthropic sector partners to de-risk and finance green and transition projects in Asia. The Singapore government is pledging up to \$500 million as concessional capital, to match dollar-for-dollar, other concessional capital from partners.

FAST-P comprises three programmes targeted at Asia, with an initial focus in South-East Asia. Each programme has a different set of concessional and commercial partners and is managed by a manager with investment and impact objectives.

- 1 Energy Transition Acceleration Finance partnership (ETAF): The ADB, Global Energy Alliance for People and Planet (GEAPP) and MAS announced the intent to establish this partnership at COP28. ETAF focuses on energy transition projects, including early retirement of coal assets, renewable energy, and grid modernization and development.
- 2 Green Investments Partnership (GIP): GIP seeks to deploy blended capital to address climate finance gaps and increase the bankability of green and sustainable

infrastructure projects in Asia. GIP focuses on marginally bankable green and sustainable infrastructure in Asia, such as renewable energy and storage, electric vehicle, transport, as well as the water and waste management sectors.

It is supported by Allied Climate Partners (ACP), International Finance Corporation (IFC), MAS and Temasek. Pentagreen Capital will manage and deploy capital into the target sectors. HSBC and Temasek, as the founding shareholders of Pentagreen, will commit capital to support the initiative.

- 3 Industrial Transformation Programme (ITP): Asia's ongoing urbanization and development have been a growing source of emissions. The industrial transformation investments needed in South-East Asia is about \$35 billion in 2023, which increases to more than \$130 billion in 2040.

ITP will explore opportunities to provide debt financing to private-sector borrowers seeking to decarbonize their businesses, including projects in hard-to-abate sectors, technology solutions for the low-carbon transformation and industrial opportunities.



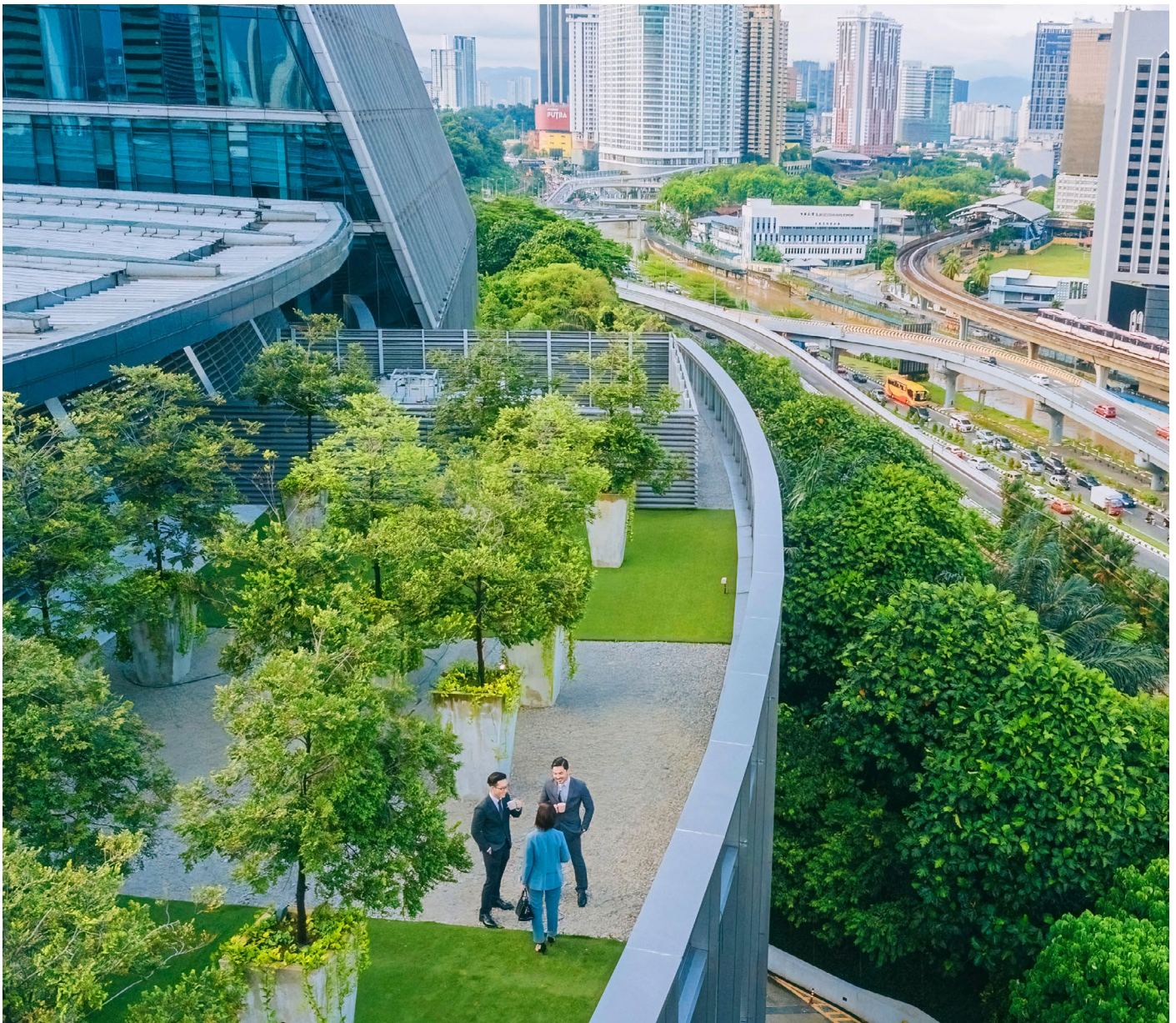
“ The 4Ps model is gaining increasing traction, as it allows for the blending of financial and non-financial resources with philanthropic funds.

Although still a relatively new concept in Asia, cross-sector partnership models have proven successful in attracting commercial capital, even for high-risk investments. The 4Ps model (public-private-philanthropic partnerships) is gaining increasing traction, as it allows for the blending of financial and non-financial resources with philanthropic funds. These funds can be allocated, for example, to first-loss capital, absorbing the initial risks of potentially high-risk investments, as shown in case study 11. Philanthropic capital is particularly valuable because it is flexible, risk-tolerant, patient and driven by long-term values and outcomes rather than short-term financial returns. This allows for the testing of innovative approaches, with successful outcomes serving as a springboard to attract larger public and private investments that can drive systems-level change.

Philanthropic capital can also be used to reward “risk-averse” partners by compensating them for accepting higher initial risks, which in turn de-risks the investment for other investors. This makes the investment more attractive to finance-first partners,

incentivizing broader participation.²⁵ By adjusting for risk, this model helps mitigate potential losses, while the capital can be used to build the capacity needed to deliver both social and environmental impact. For start-ups, philanthropic funds can serve as a testing ground, allowing prototypes to mature to a stage where they are ready for scaling by public and private sectors, transitioning from concept to market-ready solutions. The SDG Loan Fund (see case study 11), for example, illustrates how blended finance can be effectively used to mobilize private investment at scale, supporting emerging and frontier markets in achieving the Sustainable Development Goals (SDGs), with a particular focus on climate-related objectives.

As well as offering funding and resources, the public sector can play a critical role by creating enabling policies and regulations to accelerate the growth of impact investments. Governments benefit not only from advancing their climate goals but also from protecting natural resources, improving livelihoods, safeguarding public health and strengthening economic resilience.



CASE STUDY 11

SDG Loan Fund



Initiated by the private sector, the [SDG Loan Fund](#) is one of the largest blended finance funds in the market to date. It has successfully mobilized \$1.1 billion of investor capital to advance the SDGs, as urgently needed in emerging and frontier markets. The catalytic model of blended finance is highly effective for advancing the SDGs, as demonstrated by the John D. and Catherine T. MacArthur Foundation. Their approach achieved a 1:44 ratio.²⁶ This model efficiently uses limited public or philanthropic capital to attract significant private investment.

Bridging major funding gaps holding back the realization of these critical goals, the fund allows institutional investors to co-invest in a portfolio of FMO-originated loan participations that support financial institutions and intermediaries serving SMEs aligned with the SDGs. These high impact companies and projects are operating in sectors such as energy, finance

and agribusiness across Asia, Latin America, Africa and Eastern Europe.

Overall, capital deployed by the SDG Loan Fund will focus on economic growth (SDG 8), equality (SDG 10) and climate (SDG 13). Once fully deployed across approximately 100 high-impact loan participations, the fund aims to support around 60,000 jobs and prevent the release of about 450,000 tonnes of CO₂e in greenhouse gases annually.

Allianz Global Investors is managing the SDG Loan Fund and FMO Investment Management (a subsidiary of FMO NV – the Dutch Entrepreneurial Development Bank) originates and manages the loan portfolio. The MacArthur Foundation provided a programme-related investment in the form of a \$25 million unfunded guarantee for credit enhancement.



Collaboration and partnerships are essential to bridging Asia's diverse market of investment opportunities. Different partners bring unique strengths to a project, enhancing overall impact and scalability. Investors with the resources to accept the risks associated with opportunity-rich regions,

especially when collaborating with local partners who have deep knowledge of regional dynamics, can drive more effective change. The added support can generate social benefits while ensuring that positive impacts are achieved without creating dependency or other negative outcomes.



We also increase efficiency because of differences. We are working on the strength of our partners. So different people bring certain value-adds to a particular project and we increase efficiency.

Sector expert, July 2024

This dynamic is clearly illustrated by the [Breakthrough Energy Fellows](#) Regional Hub in South-East Asia, where partnerships between Temasek and Enterprise Singapore bring a wealth of experience, expertise and regional insights. This initiative provides catalytic funding and support to climate technology innovators, helping them

develop, commercialize and scale promising climate solutions. The partnership uses Breakthrough Energy's pioneering climate technology platform, Temasek's thought leadership, expertise and global investor networks anchored in Asia, and Enterprise Singapore's commitment to enterprise development and valuable regional connections.²⁷

3.3 The right partnerships

“GAEA plays a critical role as a convenor, facilitating the 4P approach to harness philanthropic and concessionary impact capital for climate investments.

Equally important as forming partnerships is ensuring the right alignment between stakeholders across different sectors, sub-sectors and geographies. This is crucial to avoid wasting time and resources, as the expectations, mandates and risk tolerance of different partners can vary significantly. For example, some partners may prioritize impact-first goals and focus on delivering tangible social or environmental outcomes, while others may be driven by specific policies like corporate social responsibility (CSR), directing capital towards particular objectives. Government partners, on the other hand, typically have defined climate targets that shape their investment decisions.

Experts interviewed for this report emphasized the importance of identifying the right stakeholders to make collaborations successful, including non-profits, industry associations and organizations like the World Economic Forum. They also stressed the importance of choosing the right timing and platforms to facilitate investment. At the heart of these partnerships, a coordinating partner is often needed to orchestrate the collective efforts and ensure smooth collaboration.

Initiatives such as PAA Communities²⁸ have successfully brought together diverse communities

spanning areas like blue ocean conservation, sustainable land use and inclusive education to scale impact more effectively across regions. These communities pool vast domain expertise, enabling members and partners to use their collective strengths to address complex, multifaceted challenges.

For example, one key question being explored is whether returns generated from impact-first investments can be recycled into future climate and nature investments, ensuring the sustainability of operations and continued impact-driven funding, as illustrated in case study 12. The World Economic Forum's GAEA initiative is uniquely positioned to address these challenges. GAEA plays a critical role as a convenor, facilitating the 4P approach to harness philanthropic and concessionary impact capital for climate investments. GAEA is currently working to establish a global platform for investment innovation, with Asia serving as a strategic focal point. Its goal is to build a structured ecosystem that showcases Asian innovations and capabilities on the global stage, helping mobilize the resources needed to meet climate and nature goals both in the region and globally.

CASE STUDY 12 Co-Axis



Temasek Trust launched [Co-Axis](#), the first global impact marketplace, in partnership with DBS Foundation and UBS Optimus Foundation in April 2024. The platform has curated around 100 impact opportunities so far. Co-Axis is designed to unlock risk capital and harness community-driven efforts to accelerate innovative solutions addressing some of the world's most pressing sustainability challenges. The platform connects funders – such as family offices, corporates, philanthropists, high-net-worth individuals and private foundations – with early-stage ventures, charitable organizations and blended finance projects that have significant impact potential.

In addition to its impact opportunities, Co-Axis serves as a knowledge hub where communities can exchange best practices, access valuable insights, build capacity and participate in training programmes. This collaborative

space is designed to forge multi-sector partnerships and help both funders and opportunity owners maximize their impact. Co-Axis is also actively forming new partnerships to strengthen its ability to attract investors and support global impact-driven projects. Through its recent partnership with Arta Finance, Co-Axis provides high-net-worth individuals with seamless access to philanthropic giving opportunities, expanding the platform's reach and enhancing its potential impact.

The platform offers a variety of instruments, focused on using philanthropic and catalytic capital. These instruments are designed to mobilize additional funding and potentially form blended finance structures. Among them, recoverable grants and similar tools can be reinvested into future impact opportunities, creating a cyclical model that amplifies impact over time.

3.4 Standards and taxonomy

“Harmonization helps bridge communication gaps between sectors and drives strategic coordination.

Harmonized standards and a clear taxonomy are critical for verifying investment opportunities, enabling investors to reach a common understanding. Standardization not only allows for more equitable comparisons of impact investments across sectors, geographies and asset classes but also enhances the quality and quantity of available investment data for future opportunities. Furthermore, it facilitates multistakeholder collaboration by establishing a shared framework for evaluating investments. One significant challenge is that social and environmental impacts often materialize much later than financial returns, making it difficult to assess the success of investments without metrics that track long-term outcomes.

Several initiatives are working to address this challenge. For example, the [Green Finance Industry Taskforce](#) (GFIT), convened by MAS, is developing a taxonomy as a key component of its broader mandate to accelerate green finance development. GFIT's efforts also include enhancing

environmental risk management practices for financial institutions, improving disclosure standards and promoting green finance solutions. In addition, the [Global Impact Investing Network](#) (GIIN), through its IRIS+ system, and Novata have integrated their metrics and data management tools to help asset managers collect, manage and analyse standardized impact data from portfolio companies. This enables investors to report relevant impact information to stakeholders.

When investments bring together multiple stakeholders, harmonization helps bridge communication gaps between sectors and drives strategic coordination. To unlock more capital for NbS, achieving common understanding is essential. While market concessionary finance typically flows from philanthropic- and public-sector sources, these alone are insufficient to close the funding gap required to address climate risks. The private sector must also play a key role in mobilizing additional capital around nature-based investments.

CASE STUDY 13

AlphaTrio Partners and Institute of Sustainability and Technology



[AlphaTrio Partners](#) was established to drive measurable impact alongside sustainable returns in Asia by empowering disruptive technologies with robust business models. AlphaTrio focuses on delivering positive environmental and social outcomes that align with both regional priorities and global standards. Through its vast ecosystem of strategic partners and co-investors, AlphaTrio supports the commercial scaling of initiatives aimed at addressing urbanization, promoting sustainable living, tackling hunger and enhancing agricultural resilience, improving resource efficiency, decarbonizing transport and shipping, and advancing the energy transition, including:

- **Property technology (proptech) and mobility:** Decarbonizing buildings and cities to maximize energy efficiency, implementing energy-saving solutions, smart building management systems, new materials and sustainable living solutions such as electric vehicles (EVs).
- **Clean technology (cleantech):** Carbon capture technologies, renewable energy, batteries and water treatment systems critical to reducing emissions.

- **Agriculture and food technology (agrifoodtech):** Addressing global biodiversity loss, extreme weather and food and water security challenges through precision farming, enabling the growth of more food without straining natural resources, and advancing alternative protein solutions.

The non-profit [Institute of Sustainability and Technology](#) (IST) was established to accelerate the climate transition with capacity building, thematic research and conferences. IST supports AlphaTrio Partners with Impact Measurement and Management (IMM) by developing a robust IMM framework and conducting independent impact due diligence on investment opportunities, ensuring external validation and alignment with global standards. Through its impact investment community network, IST ensures that the framework remains aligned with evolving standards, such as IRIS+, and that the fund consistently delivers measurable and verified impact.

4

Looking ahead

Asia's impact investing future demands partnerships, tailored solutions and scalable innovations for climate and nature resilience.



Drawing from the successful case studies, lessons learned, market data and expert interviews analysed for this report, 10 key focus areas have been identified to further advance impact investing in Asia for practitioners and other stakeholders:

1 Build strategic partnerships

Form collaborations between private, public and philanthropic sectors to consolidate expertise, resources and networks. Use catalytic capital from family offices, philanthropic organizations and public funding to attract private sector investment, addressing the funding gap for urgent climate adaptation.

2 Incubate and scale impact solutions

Support the development and scaling of climate and nature solutions by incubating new initiatives and start-ups. Provide financial and non-financial resources, including capacity building, mentorship and professional tools and services for both investors and entrepreneurs, ensuring a robust ecosystem for innovation.

3 Encourage cross-border collaboration

Facilitate partnerships between international investors and local stakeholders in Asia. By pairing expertise in financial strategies like blended finance with local knowledge, investment barriers can be overcome, particularly in low-income or emerging markets, ensuring informed decision-making in areas with limited investment data.

4 Customize solutions to local contexts

Work closely with local partners to align with country-specific priorities, ensuring that impact investing efforts are tailored to the diverse needs and conditions of each region, making them more effective and relevant.

5 Coordinate and advocate

Engage key stakeholders, including non-profits, industry associations and international organizations such as the World Economic Forum, to coordinate collaborations. Create marketplace platforms that help investors navigate opportunities, balancing risk, financial returns and social/environmental impact, while identifying strategic partnerships for scaling solutions.

6 Raise awareness and address misconceptions

Promote the potential of impact investing in Asia by showcasing successful case studies and best practices. Highlight both the financial returns and positive social and environmental outcomes through conferences, reports and thought leadership to increase investor confidence and capital flows into the region.

7 Enhance impact measurement and transparency

Develop and standardize metrics for impact tracing to allow fair comparison of results, increase transparency and verify the actual impacts of investments. Building trust in impact measurement will boost investor confidence and accelerate capital flow into impact-focused opportunities.

8 Create enabling environments

Advocate for policies that incentivize impact investing, such as tax incentives, favourable insurance and lending conditions, and risk mitigation mechanisms. These policies will provide the support necessary to stimulate further investment in sustainable solutions.

9 Align investor expectations with impact realities

Manage investor expectations by clarifying that the highest social and environmental impacts may not always yield the greatest financial returns in the short term. Encourage investors to adjust to longer investment life cycles and be patient with the timeframes required for realizing impact outcomes.

10 Support hard-to-abate sectors and just transitions

Focus on supporting sectors with the highest carbon emissions: coal, cement, steel, chemicals, heavy-duty transport and aviation. Facilitate just energy transitions in these sectors to significantly reduce emissions and ensure that workers and communities are supported during the shift to cleaner energy.

Conclusion

With abundant financial resources and global expertise, and clear incentives for tackling climate and nature challenges in Asia, the region's wealth of investable opportunities and scalable solutions are driving a new market. The journey ahead is, however, not without its obstacles. Traditional economic and investment structures have created barriers, yet these can be dismantled and reimaged to encourage innovative business models that generate both financial returns and positive environmental impacts.

Impact investing is a crucial strategy to bridge the SDG funding gap and drive a sustainable transition, but it requires dynamic approaches and unprecedented collaboration. By pooling financial and non-financial resources, encouraging dialogue and creating partnerships, solutions can be scaled and implemented at the necessary pace. Through partnerships that bring together the public, private and philanthropic sectors, catalytic capital can address the constraints of market conditions, while the public sector can create an enabling environment that unlocks capital for climate and nature solutions.

Blended financial structures, though still emerging in Asia, have the potential to establish a new market for sustainable investments. These structures are seen as a "tipping point" for the region, attracting investors committed to both financial returns and improved climate and nature as well as social outcomes. Despite challenges such as market immaturity, a lack of data and the perception of high risk, many proven solutions are already addressing these issues, as outlined in the case studies in this report.

Supporting and encouraging both existing practitioners and newcomers is key to advancing impact investing in Asia. Diverse actors across sectors have crucial roles to play in driving a sustainable transition. These include incubating and accelerating key projects, facilitating multi-partner collaborations, providing non-financial resources like capacity-building tools, developing impact measurement systems and raising awareness.

The cooperation and innovation needed in Asia present a unique and urgent opportunity to create systems-level change. As the region accounts for around half of global greenhouse gas emissions, a sustainable transition in Asia is critical to a sustainable global future. By investing in Asia's climate solutions, the \$4.2 trillion SDG funding gap can be bridged, vulnerable economies can be supported, and the global shift to a green and inclusive future accelerated.

The goal of GAEA is to build a structured ecosystem that showcases Asian innovations and capabilities on the global stage, helping mobilize the resources needed to meet climate and nature goals both in the region and globally. Ultimately, the aim is to harness philanthropic and concessionary impact capital to de-risk investments, catalyse private capital flows, and mobilize resources for both economic and environmental sustainability.

Now is the time to act. Join the growing movement of impact investors harnessing the opportunity and their power to catalyse the capital flow needed to scale solutions in areas such as clean energy, sustainable agriculture and resilient infrastructure. Be a part of shaping Asia's sustainable transition and creating lasting systems-level change globally.

Appendix:

Methodology and analyses

In total, 23 online interviews were conducted with experts possessing relevant expertise and experience in impact investing for climate and nature in Asia. Interviews lasted approximately 1 hour and followed a semi-structured format, whereby 10 predefined questions were asked, followed by unscripted follow-up questions. One expert elected to review the 10 questions and provide a summarized response to the interview questions. The audio feed was recorded to generate accurate transcripts containing all the experts' responses. Permission from each expert was gained before recordings were collected. Every transcript was screened as part of the rigorous preprocessing of the data, reviewing any transcription errors.

The data collected from the interviews remained strictly confidential. This was ensured by removing any personal identifiers from the information collected and stored, when applicable. Stored files and data used for analyses were coded to conceal identifiable information, which was stored in password-protected storage devices.

After all transcripts were screened, detailed analyses were performed using the software R²⁹ by implementing a corpus-based analysis. Another preprocessing analysis was applied to discard certain words, which were redundant to the study. This included a predefined list of English

“stop words” that frequently appear in everyday conversation but provide little information (e.g. “I”, “she’ll”, “the”, etc.). Other idle words (e.g. “like”, “right”, “okay”, etc.) were also added to the list of excluded words that were not considered informative to the outcome. The analysis accounted for compound words (e.g. blended finance and impact investment) and two-worded names (e.g. Hong Kong) without confusing these with individual terms that contained the same words (e.g. investment). For consistency, only British English spelling was used to prevent duplication of the same words appearing for other spelling variations (e.g. American English). Duplication for case-sensitive words (e.g. nouns and acronyms) was avoided by using lower casing.

Interview responses given by the experts were included in the analyses, along with their follow-up responses to additional questions asked by the interviewer. Both questions and follow-up questions asked by the interviewers, and any other information not directly related to the interview (e.g. introductions and concluding remarks), were discarded. Several layers of analyses were included to evaluate the recurrence of a word (i.e. by frequency) and to identify important connections between different words (i.e. pattern analysis). These analyses helped pinpoint the most important information contained within the transcripts.

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Endnotes

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