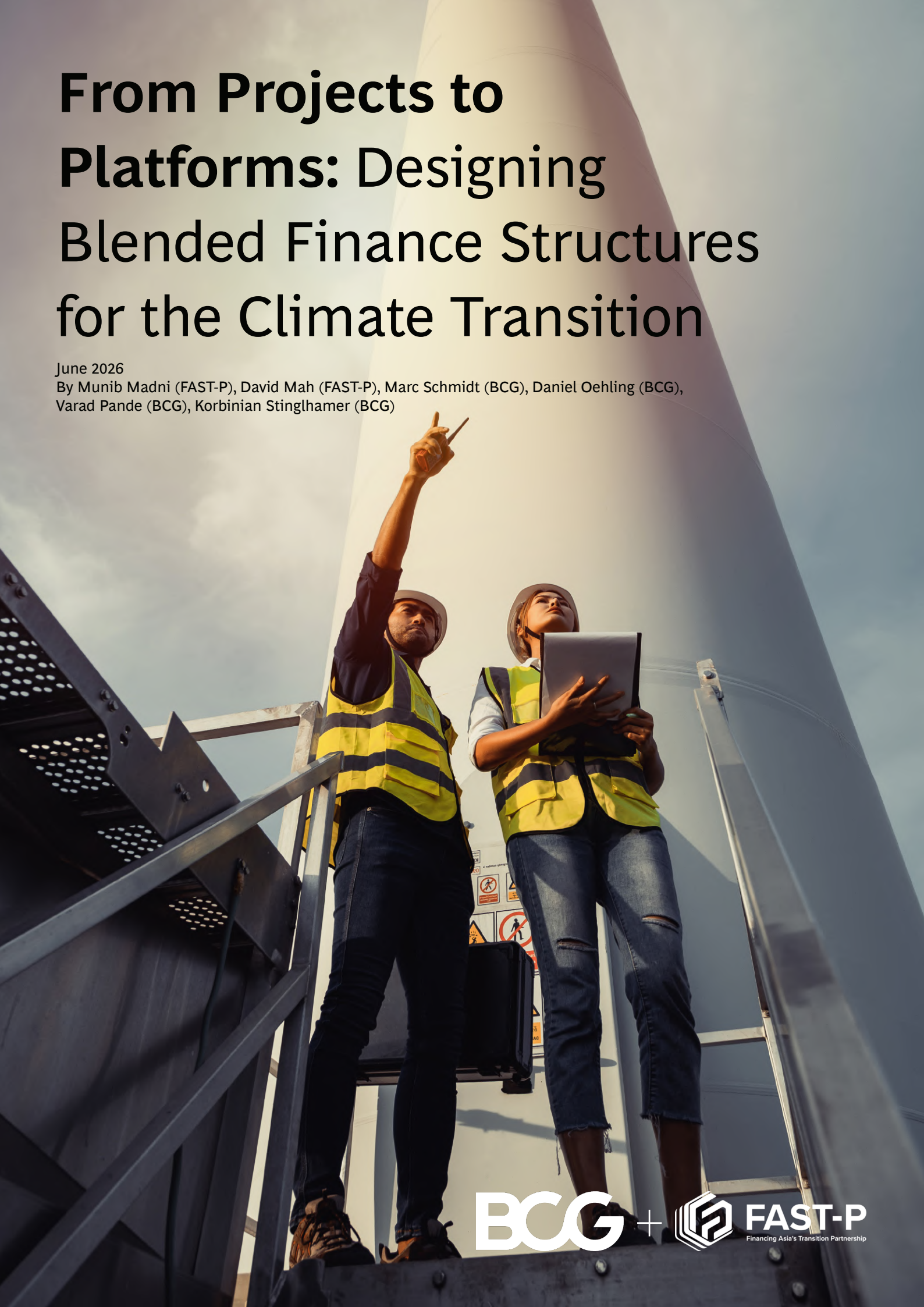


From Projects to Platforms: Designing Blended Finance Structures for the Climate Transition

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FAST-P

Launched by the Monetary Authority of Singapore (MAS) in 2023, the Financing Asia's Transition Partnership (FAST-P) is a Singapore-led blended finance initiative to mobilise up to US\$5 billion for Asia's green transition. It brings together public, private and philanthropic capital to finance investments across Southeast and South Asia. The initiative aims to accelerate Asia's fair, measurable, and finance-driven transition to low-carbon, climate-resilient economies by unlocking the flow of mainstream private capital into high-integrity transition investments and creating replicable, investable models that reduce the need for catalytic capital over time.

This paper argues that if blended finance is to scale, it must evolve from fragmented, deal-by-deal structures toward platform-based models that pool capital, align incentives and enable replication across markets.



Blended finance has long been seen as a key tool for mobilising private capital toward development and sustainability goals. At its core, it refers to the strategic use of catalytic public or philanthropic capital to mobilise additional private investment into climate and sustainable development.¹

In practice, this involves structuring capital to address risks that markets struggle to price, enabling commercial investors to participate at scale. Such support can take many forms, including guarantees, subordinated capital, or first-loss tranches. While blended finance is often criticised as merely subsidising projects, its effectiveness depends on a more catalytic role: using concessional capital to reprice risk, build track record, establish standards, and crowd in private investment that would not otherwise flow.²

At its best, blended finance aligns actors with different objectives around a shared purpose: financing projects that deliver development, climate, and commercial outcomes that markets alone would not support at scale. Governments seek infrastructure and development outcomes; philanthropies prioritize impact and additionality; development finance institutions seek mobilisation and market creation; and commercial investors require risk-adjusted returns and scalable products. Blended finance is most effective when these objectives are brought together within a structure in which each type of capital plays a clearly defined role aligned to its mandate.

1. The terms concessional and catalytic capital are often used interchangeably. Concessional capital generally refers to capital provided on below-market terms, whether through pricing, tenor, subordination or risk absorption. Catalytic capital is a specific use of concessional capital, deployed explicitly to mobilise additional sources of finance and test new business models, typically on a time-bound basis.

2. OECD, “Making Blended Finance Work for the Sustainable Development Goals”, OECD Publishing, 2018, accessed March 5, 2026, www.oecd.org/content/dam/oecd/en/publications/reports/2018/01/making-blended-finance-work-for-the-sustainable-development-goals_g1g88c68/9789264288768-en.pdf

Why Blended Finance Has Not Yet Scaled

Despite its promise, blended finance has not scaled at the pace required. As Ravi Menon, former Managing Director of the Monetary Authority of Singapore, has noted, blended finance “is not a new idea ... but it has never been scaled.” The gap between ambition and mobilisation is evident in the data: between 2019 and 2023, blended finance deals worth about US\$16 billion were recorded in Asia, against an estimated US\$2 trillion in annual climate investment needs.^{3,4} The talk of blended finance has been in trillions; the walk, thus far, is in a few billions.

Why does this gap persist? Blended Finance has produced important proof points, but its dominant operating model remains too often transaction by transaction, fund by fund, and mandate by mandate. This deal-by-deal approach has been valuable for experimentation. It has allowed investors, governments, philanthropies, and development institutions to test new instruments, demonstrate that risk-sharing can unlock capital, and show that commercial investors can participate in sectors and markets they might otherwise avoid.

However, the same features that make deal-by-deal blended finance useful for experimentation also constrain scale. Each transaction is typically structured as a bespoke

negotiation, with legal terms, risk-sharing arrangements, investor approvals, impact frameworks, and reporting requirements rebuilt from scratch. This slows deployment, raises transaction costs, and limits the ability to reuse structures, keeping learning confined to individual deals rather than translating into broader market practice.

These barriers can be grouped into six structural frictions: Projects, Pipelines, Policy, Products, Providers, and Pooling.⁵ Together, they create a fragmented system in which capital, standards, risk-sharing, and learning do not come together efficiently. Addressing one friction in isolation is rarely sufficient.

To overcome this fragmentation, blended finance needs to be understood not only as a structuring tool, but also as a coordination mechanism. While its structuring techniques are increasingly well established, its coordination role remains less developed. Scaling blended finance therefore requires an architecture that can align capital, risk-sharing, governance, and learning across multiple transactions, rather than renegotiating these elements each time. Platforms can provide such an architecture by making coordination visible, repeatable, and investable.

Why Platforms Bring Scale

A platform-based approach starts from a different premise. Instead of asking how to finance individual transactions, it focuses on how capital, governance, investment strategy, and market engagement can be organised to support multiple funds, vehicles, and projects over time. In this paper, we define a blended finance platform as an initiative that invests in and shapes multiple vehicles or funds under a common strategy and governance framework. In doing so, platforms can help organise capital at scale, align structures across investments, and reduce fragmentation across projects, partners, and markets.

Platforms create scale through five related effects.

1. First, they can send a visible market signal by bringing public, philanthropic, concessional, development, and commercial capital around a shared investment

theme, making commitments and impact more visible to the market.

2. Second, they can place different forms of capital where they are most effective. First-loss capital can absorb downside risk, concessional debt can improve affordability or tenor, grants can support preparation and technical assistance, and commercial capital can participate at a risk-return profile aligned with its mandate.

3. Third, platforms can make the objectives of different actors more explicit, translating mobilisation, additionality, impact, policy priorities, and financial return into shared eligibility criteria, governance arrangements, reporting expectations, and deployment principles.

3. BCG analysis, published in the WEF. Varad Pande, Marc Schmidt, and Vincent Chin, “How blended finance could narrow Asia’s \$2.5 trillion annual sustainable investment gap,” World Economic Forum, June 5, 2025, accessed December 17, 2025, www.weforum.org/stories/2025/06/blended-finance-asia-sustainable-development-goal-investment-gap/

4. Asian Development Bank, “Asia-Pacific Climate Report 2024: Catalyzing Finance and Policy Solutions”, ADB, 2024, accessed March 5, 2026, www.adb.org/sites/default/files/publication/1008086/asia-pacific-climate-report-2024.pdf

5. Altéra, “ALTÉRRRA | Powering the Climate Economy,” Altéra official website, accessed December 17, 2025, <https://www.alterra.ae/>

4. **Fourth**, platforms can improve repeatability. Once common approaches to documentation, concessionality, risk-sharing, reporting, and investment governance are established, new vehicles can be launched with less friction. Structures need not be identical, but they become sufficiently familiar for investors and partners to understand and trust.
5. **Fifth**, platforms can aggregate opportunities across projects, sectors, managers, or geographies, creating portfolios better suited to institutional investors while generating learning across funds and markets. Because they operate above individual transactions,

platforms can also identify where catalytic capital is most effective and engage selectively on systemic barriers such as technical assistance, policy coordination, or shared standards.

The platform model is therefore not simply a scaled-up version of deal-by-deal blended finance. It is a different way of organising blended finance so that capital mobilisation, risk-sharing, governance, and learning can become repeatable and scalable over time.

Different Platforms Optimise for Different Outcomes

All blended finance platforms aim to mobilise capital, deliver additionality, generate measurable impact, and make learning reusable. In practice, however, they are designed around different constraints and objectives. Some focus on mobilising large volumes of capital; others on creating markets where investable pipelines do not yet exist. Some aim to channel institutional capital into specific geographies, sectors, or asset classes, while others focus on shaping fund structures, setting standards, or addressing ecosystem barriers such as policy, capacity, and project development.

As a result, platform design should follow the problem. Where the main barrier is the absence of catalytic anchor capital for credible managers, a lighter-touch allocation model may be appropriate. Where investable projects are scarce, platforms may need to take a more interventionist approach, combining capital with technical assistance and project development. Where coordination among capital providers, fund managers, and market actors is the key challenge, platforms may focus on shaping structures, standards, and partnerships without taking over execution.

For platform designers, catalytic capital providers, and commercial investors, two dimensions are particularly useful for understanding how platforms differ.

The first is engagement in fund design: how actively the platform shapes the vehicles through which capital is deployed. This includes three connected choices. Platforms define their strategic mandate, including geographic scope, sector priorities, transition themes, and target asset classes. They determine the capital structure, including how catalytic and commercial capital are combined through instruments such as subordinated capital, guarantees, first-loss tranches, concessional debt, or sidecar vehicles. They also establish governance and operating arrangements, including who sets strategy, who approves investments, how performance is monitored, how managers are selected, and what internal capacity is required. Together, these choices shape mobilisation potential, investor appetite, diversification, speed, credibility, and accountability.

The second is extent of market engagement: how far the platform extends beyond capital allocation to address the enabling conditions for investment. This may include technical assistance, pipeline development, policy dialogue, industry standards, or coordination with governments and development institutions.

Taken together, these two dimensions help explain why platforms differ in practice. They also provide a useful lens for understanding three broad archetypes: **Anchor Allocators, Active Catalysts, and Strategic Shapers**.

Three Archetypes of Blended Finance Platforms: Anchor Allocators, Active Catalysts, and Strategic Shapers

1. Anchor Allocators primarily pool catalytic capital and deploy it through external fund managers. They define strategic priorities, target sectors, risk appetite, impact expectations, then allocate capital to managers or vehicles that fit the mandate. Day-to-day origination, pipeline development, structuring, and portfolio management are largely delegated to the fund managers (GPs).

This model is well suited to situations where credible managers already exist and the main barrier is the absence of catalytic anchor capital. Anchor Allocators can move capital efficiently, signal confidence, help funds reach scale, and crowd in other investors by taking an early or risk-bearing position.

Beyond capital allocation, their role in ecosystem engagement is typically limited, relying on fund managers, DFIs and other partners to lead on policy dialogue, technical assistance and market development.

ALTÉRRRA, launched by the United Arab Emirates at COP28, illustrates features of the Anchor Allocator model. Backed by sovereign catalytic capital, it invests alongside established fund managers (GPs) to channel climate-focused capital into emerging markets.⁵

2. Active Catalysts operate at the other end of the spectrum. Active Catalysts bring most of the blended-finance toolkit in-house. They take a hands-on role in both fund design and deployment, shaping structures, originating, and co-developing projects with fund managers (GPs), and remaining closely involved from preparation through to execution and operation. Beyond capital allocation, they can engage deeply in ecosystem activities, supporting technical-assistance programmes and working directly with governments and regulators to address policy, pipeline, and market constraints.

This model is well suited to markets or sectors where the main barrier is not simply risk appetite, but the absence of bankable projects, capable sponsors, workable contracts, or enabling policy conditions. By intervening where markets are not yet able to organise themselves, Active Catalysts can deliver high levels of additionality.

However, this approach is inherently complex. It requires significant institutional capacity, technical expertise, local presence, and sustained partner management, often over longer time horizons. It can also be more difficult to replicate quickly, given the bespoke nature of engagement at the project and market level. As such, this model typically optimises for market creation and additionality, often at the cost of speed and simplicity.

The Private Infrastructure Development Group (PIDG) illustrates the Active Catalyst approach. It combines project development, guarantees, long-term debt, and technical assistance within a coordinated structure to mobilise private investment in more challenging markets.⁶

3. Strategic Shapers sit between these two models. In terms of fund design and deployment, they work with fund managers (GPs) to define thematic priorities, co-design structures, , and align capital stacks, while leaving day-to-day operations, deal origination, deployment, and fund management to the fund managers (GPs). On ecosystem engagement, they intervene selectively, stepping into policy dialogue or market-development efforts where these are essential to scaling their vehicles.

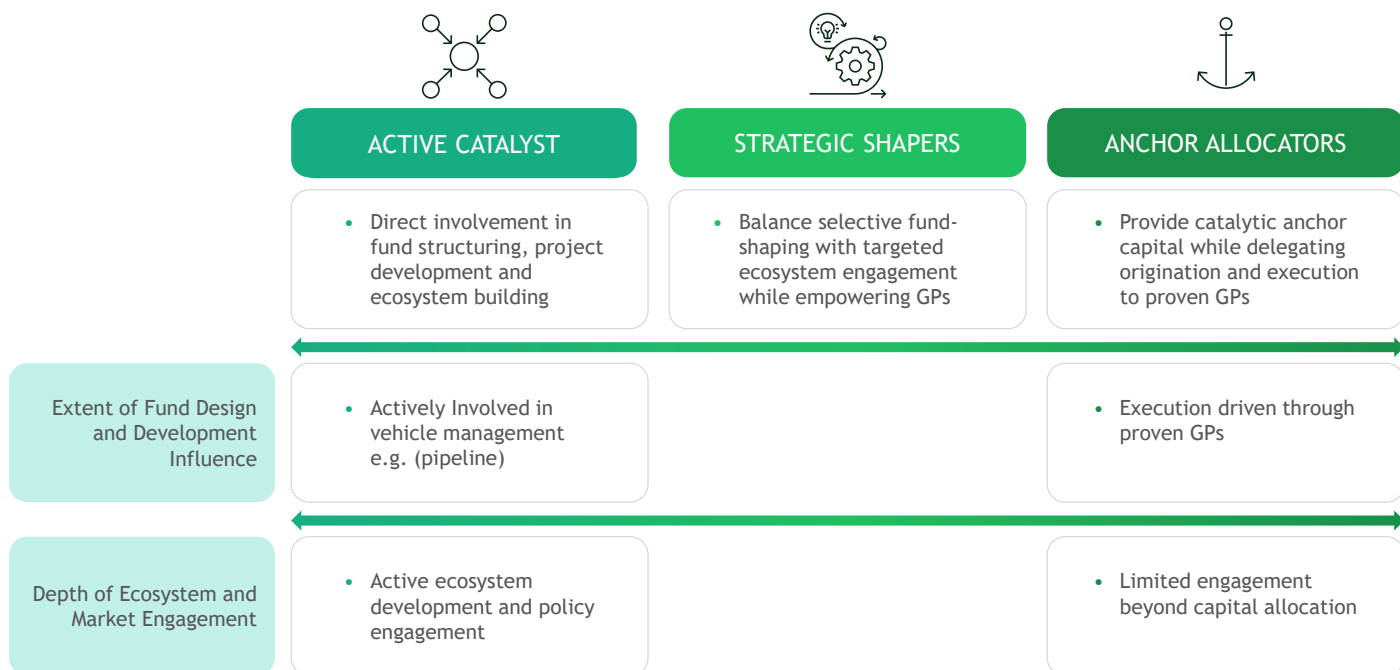
This model is most relevant where capable market actors exist, but are not yet organised into structures that allow capital to move efficiently. The role of Strategic Shapers is to provide coherence: defining transition themes, shaping capital structures, aligning concessional and commercial investors, setting guardrails for additionality and impact, and addressing selected ecosystem barriers where these constrain scale.

Strategic Shapers therefore optimise for disciplined mobilisation. They aim to preserve commercial execution while using catalytic capital and platform governance to improve risk-sharing, credibility, and repeatability. Rather than replacing market actors, they seek to organise them more effectively.

5. Altérra, "ALTÉRRRA | Powering the Climate Economy," Altérra official website, accessed December 17, 2025, www.alterra.ae/

6. Private Infrastructure Development Group (PIDG), PIDG 2024 Sustainability and Impact Report (covering the 2024 reporting year), published 23 June 2025, PDF, accessed December 17, 2025, www.pidg.org/wp-content/uploads/PIDG-2024-Sustainability-and-Impact-report-Final-Digital.pdf

Three Archetypes of Blended Finance Platforms, Differentiated by Fund-Shaping and Ecosystem Engagement



These archetypes should not be interpreted as rigid categories. Many platforms combine features of more than one model. The purpose of this framework is not

classification for its own sake, but to clarify what a platform is optimising for, and how its performance should be assessed.

FAST-P as an Example of a Strategic Shaper

The Financing Asia’s Transition Partnership (FAST-P) provides one example of how the Strategic Shaper model is being applied in practice. Launched by the Monetary Authority of Singapore in 2023, FAST-P is a blended finance initiative that brings together public, private, and philanthropic partners to support Asia’s decarbonisation and climate resilience. The Singapore Government has committed up to US\$500 million in concessional capital, intended to be matched by other partners, including governments, multilateral development finance institutions, and philanthropies. This pooled concessional capital is designed to crowd in commercial investment to support Asia’s energy transition.⁷

FAST-P is structured as a family of partnerships (funds), each focused on a specific decarbonisation opportunity or transition challenge. Three partnerships are currently in progress, with others planned: 1) Energy Transition Acceleration Fund (ETAF), which focuses on coal and associated power infrastructure, helping to replace or

displace coal-based power generation; 2) the Green Investments Partnership (GIP) for green and sustainable infrastructure; and 3) the Industrial Transformation Programme (ITP), which targets harder-to-abate sectors such as cement and steel, as well as emerging carbon-removal technologies. The Green Investments Partnership, managed by Pentagreen Capital, recently reached a first close of US\$510 million in 2025 to support green and sustainable infrastructure projects across South and Southeast Asia, using a mix of commercial and concessional tranches to de-risk near-bankable assets.⁸

This structure reflects a platform-based approach. The climate transition does not represent a single financing problem: different sectors require different forms of capital, risk-sharing mechanisms, managers, and ecosystem support. A platform approach allows these strategies to be pursued through specialised vehicles while maintaining a common framework for catalytic capital, governance, mobilisation, and impact.

7. Singapore Economic Development Board (EDB), “Singapore pledges up to S\$669 million to finance climate action in Asia,” EDB Insights – Sustainability, 13 November 2024, accessed December 17, 2025, www.edb.gov.sg/en/business-insights/insights/singapore-pledges-up-to-s669-million-to-finance-climate-action-in-asia.html

8. In this context, near-bankable refers to projects or business models that meet most of today’s standard bank credit requirements. They are nevertheless often avoided by banks due to factors such as limited track record, insufficient scale, non-standard offtake structures, tenor mismatches or collateral constraints, despite being commercially viable in underlying terms.



FAST-P's Strategic Shaper role can be understood across five dimensions.

1. Focus on where need and opportunity are greatest

The FAST-P framework directs capital toward transition-relevant infrastructure and industrial assets in Asian emerging markets and developing economies, where perceived risks are high and long-term capital is scarce. This spans mid-market projects through to larger utility-scale power assets, but the emphasis is on areas where blended finance can make a material difference to whether projects proceed and on what terms.

2. Deploy concessional capital in catalytic structures designed to crowd in commercial investment

Singapore has committed up to US\$500 million in concessional capital to FAST-P, intended to crowd in commercial and philanthropic partners. Rather than relying on a single instrument, the platform applies concessional capital flexibly across partnerships, including through first-loss positions and other risk-sharing approaches where appropriate. Its deployment is guided by three considerations: whether capital mobilises private investment, delivers additionality, and supports meaningful climate and inclusive economic outcomes. This flexible approach allows the platform to adapt the balance between concessionality and commercial discipline across sectors, managers, and market conditions, with catalytic support expected to decline as risks become better understood and more commercially priced.

3. Provide a credible governance anchor and clear market signals

The platform operates under defined investment themes and eligibility criteria supported by Singapore-based governance structures and participation from experienced public and development finance partners. Many of these partners bring established track records in catalytic investing and development finance, reinforcing the platform's governance guardrails and risk discipline. Together, this framework is designed to provide commercial and catalytic investors with confidence in how risk, return, and impact are managed.

4. Work through experienced fund managers

The platform operates through partnerships with established fund managers, while focusing centrally on structuring capital, alignment, and standards, while day-to-day origination and execution sit with specialist managers.

5. Pursue repeatability and design coherence

The platform applies consistent structuring approaches, governance principles, and reporting norms to support repeatability. Its broader aim is to generate learning and develop approaches that others may adapt over time. This can help reduce transaction costs, build investor familiarity, and support a more scalable blended finance market beyond individual initiatives.

Taken together, these features illustrate how a Strategic Shaper model can seek to balance catalytic discipline, commercial credibility, and regional relevance. FAST-P illustrates how a Strategic Shaper platform can seek to pool capital, structure risk, and coordinate investment vehicles without crowding out market actors.



Conclusion

Blended finance has demonstrated that catalytic capital can make difficult transactions investable. Scaling it, however, requires moving beyond bespoke, deal-by-deal structures toward platform-based approaches that can coordinate capital, risk-sharing, governance, and learning across multiple vehicles and markets.

Platforms such as FAST-P and others illustrate how blended finance can become more repeatable, flexible, and catalytic, while generating lessons that others may adapt

over time. The next phase is likely to involve continued deployment, learning, and refinement, alongside greater practical alignment on mobilisation, additionality, impact, concessionality, documentation, and reporting.

This need not result in a heavy standard-setting exercise. Rather, progress is likely to come from focused efforts to reduce fragmentation, share what works in practice, and gradually build a more investable architecture for climate finance at scale.

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