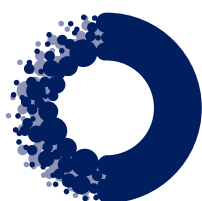




Testing the Aggregator Fund Concept

Blended Finance for Climate Initiative

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DISCLAIMER

The Testing the Aggregator Platform workshop was convened to gather expert insights into accelerating climate finance and is not intended to provide legal or financial advice in respect of any particular transaction, fund or project. Independent advice should always be sought.

The Insights and Next Steps reported here emerged from the expert discussion but do not necessarily reflect the organisational view of individual participants.

1. SETTING THE SCENE

1.1 Introduction

This short report captures the key Insights and recommended Next Steps from a Chatham House Rules workshop discussion about the concept of an Australian Climate Finance Aggregator Platform.

The recommendation about an Aggregator Fund or Platform emerged from a Roundtable with super funds and CDPQ (La Caisse) in 2025 about unlocking finance at scale to support Australia's climate transition. That Roundtable was held at the Melbourne Business School in 2025 and hosted by the Blended Finance for Climate Initiative, now part of the Sustainable Value Creation Institute at MBS (SVCI MBS).

Following the Roundtable with La Caisse, one-to-one deep dive interviews were undertaken with super funds and peak bodies to test and develop the concept of an aggregator. The idea was supported in principle but a clear founder for the Aggregator Platform or Fund did not emerge. A briefing paper was prepared following the interviews. This was provided to workshop participants as background to the concept testing workshop discussion.

The June 2026 workshop discussion was hosted by the Transition Accelerator and facilitated by the Blended Finance for Climate Initiative at SVCI MBS. The workshop discussion confirmed some previously identified climate finance gaps, canvassed options to address these, including the use of project aggregation and blended finance approaches, considered a Platform in the Australian context, and arrived at a series of recommended next steps.

Participants included investment experts from CEFC, NRF, ARENA, Cyan Ventures, Investible, Munderoo Foundation, Asian Development Bank, Temasek, IGCC, SVCI MBS and the Transition Accelerator. Blended finance combines catalytic finance from government or philanthropy to leverage private and institutional investment into areas of social or environmental concern (i.e., the SDGs).

1.2 Context

The meeting took place in the context of rising temperatures (land and sea). Australia's climate has warmed by an average of 1.51 ± 0.23 °C since national records began in 1910 (CSIRO, 2026). 7 May 2026 was Melbourne's hottest May day on record; mean maximum temperature range 1.1 – 2.3 °C above the temperature average (BOM, 2026). Sea surface temperatures have increased by an average of 1.08 °C since 1900. Warming has led to an increase in the frequency of extreme heat events over land and in the oceans (CSIRO & BOM, *State of the Climate Report 2024*, p2). Increasing climate risks and also climate related investment opportunities are now mainstream investor considerations.

Improved availability and access to finance to support the transition to a net zero global economy has been recognised by the UN as a critical tool and catalyst to accelerate climate action. *Addressing needs and gaps and broadening equitable access to domestic and international finance...can act as a catalyst for accelerating mitigation and shifting development pathways (Near Term Responses in a Changing Climate, Intergovernmental Panel on Climate Change, AR6 Synthesis Report, 2023, p.111).*

Australia has an opportunity to accelerate climate finance through wider use of blended finance approaches including with aggregation of opportunities to meet investor mandates.

1.3 Climate Finance Challenges

There are some major climate finance gaps and barriers to solve in Australia so we can unlock climate finance at scale. These are summarized below and drawn from the setting the scene presentation at the workshop.

1.3.1 Meeting the mandates of super funds

The earlier Roundtable with CDPQ (La Caisse) and super funds recommended exploration of an Aggregator Fund or Platform, which could help increase the investability of opportunities that are presented to super funds. Super funds are keen to support the climate transition but there is often a mismatch between presented proposals that are too small, too risky, too short term, too complex or with low return expectations, and the investment mandates of super funds. The Aggregator would:

- **Aggregate projects** into investible scaled up opportunities (i.e., \$100 m minimum, preferably \$250 m), blend sources of finance to de-risk projects and match investment mandates.
- Provide technical assistance to increase **blended finance capability** across the climate finance ecosystem, from early-stage support, demonstration of a viable business model, through to scaling up.
- **Act as a connector** or bridge between different types of finance, from impact driven catalytic sources: philanthropy, impact investors, specialist investment vehicles (e.g., CEFC, NRF, ARENA), and private and institutional capital.
- **Be efficient**, operate at scale, use standard documents, present projects as mainstream opportunities, and use recognised fund managers.

Community battery projects are an example of projects that require aggregation to match super fund investment mandates. A community battery requires around \$1 million and a battery plus a solar array up to around \$15 million. The demonstration project of the Community Energy Incubator run by the Community Power Agency was noted as a positive pilot in this space. Projects that could be aggregated for institutional investment would be underpinned by sound economic logic. Catalytic finance (government, philanthropy, and impact investment) through blended finance approaches can assist in building investment readiness. (For a discussion of different community energy models, see *Community Energy: Hope and Headwinds*, Pollination, July 2024)

1.3.2 The Missing Middle

There is a growing recognition of a missing middle in the Australian climate finance ecosystem.

Clean tech start up projects in Australia often run out of runway post early-stage funding before they are ready for next stage venture capital, infrastructure capital, or other commercial investment. ARENA provides critical grants, matched by other grants or concessional capital but the lead time provided by the grants are often not long enough for first of a kind projects to be demonstrated and proven. Missing middle concessional or patient investors are needed to bridge this financing gap.

Green manufacturing and renewable fuel transition projects, especially first of a kind projects, also take time to prove and require more grants and patient capital over five or more years. Again, this financing gap requires bridging through blended finance approaches.

1.3.3 Blended finance capability

There is an opportunity to increase the opportunities for different sources of climate finance to work together, both within a capital stack with different risk and return expectations, and also across a project's journey from start up through to readiness for institutional investment (temporal blended finance). There is a need for more capability building and technical assistance to enable more use of blended finance approaches within climate finance in Australia. It is noted that Australia has engaged blended finance approaches in its international development work via DFAT's initiatives, such as the Australian Climate Finance Partnership (managed by the Asian Development Bank) and others, and some of Export Finance Australia's investments, for example in the FAST-P Platform based in Singapore. We should also be building this blended finance capability domestically.



2. INSIGHTS

The Workshop Expert Participants brought exceptional depth of experience in climate investment from the perspective of private capital, impact investment, philanthropy, a development bank and government specialist investment vehicles.

2.1 Regulatory certainty

There was consensus that a clearer demand landscape, where the potential to generate returns in certain net zero future industries was made clear to the market, would assist many projects become investible, especially first of a kind projects.

Australia requires greater regulatory certainty and clear priorities about the clean or green industries in which Australia wants to become a global leader so that investment can flow into these priority climate transition areas. Examples were also given during the discussion about Government backed power purchase agreements, which provide stability to a project's long-term prospects. One regional project that used blended finance alongside power purchase agreements is the large Monsoon Windfarm project in Lao financed by co-investment led by the Asian Development Bank.

2.2 Aggregator Platform - potential first steps

The Aggregator Platform was considered from many perspectives, including a regional example.

FAST-P is a regional example of a climate finance platform that aimed to use blended finance at scale. Based in Singapore, it reflects the Singaporean Government's ambition to be the Global Climate Finance Hub. It was established by the Monetary Authority of Singapore. The Platform operates via leadership from the dedicated FAST-P Office, with technical assistance capability alongside access to three climate finance partnerships funds that are managed by fund managers with international credibility. The first three partnerships announced to date are:

- *Green Investments Partnership (GIP)*, with Pentagreen Capital as the fund manager (a JV between Temasek and HSBC);
- *Energy Transition Acceleration Finance (ETAF)*, fund manager unannounced; and
- *Industrial Transformation Partnership (ITP)* with BlackRock as the fund manager.

The FAST-P Platform is explicit in its aim of mainstreaming blended finance for climate transition via a platform with a range of funds (pillars) rather than one transaction at a time. *'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 doing so, platforms can help organise capital at scale, align structures across investments, and reduce fragmentation across projects, partners, and markets.'* (From *Projects to Platforms: Designing Blended Finance Structures for the Climate Transition*, FAST-P and BCG, June 2026, p3)

It was noted that there are some aggregators in the Australian market already. One or more highly respected, internationally recognised fund managers already working with super funds in Australia could be engaged in collaboratively solving how to address the opportunity of aggregation of projects to meet super fund investment mandates including scaled up use of blended finance approaches.

Cyan Ventures provided highlights of the First of a Kind Bridge Fund that is being considered to help address the 'Missing Middle' in the financing journey. The need for patient, low-cost capital for green industries of the future can be addressed. This model could be extended.

Electric vehicle battery charging was suggested as an area with strong demonstrated demand that could be an excellent pilot to show that blended finance approach to a climate infrastructure fund. This could attract finance from SIVs and concessional finance providers in the first instance and then leverage in other private and institutional finance over time.

2.3 Clean tech financing gap - another Missing Middle

Clean tech financing gaps could be addressed by introducing more concessional capital to the market. Concessional finance can accept a below market return but can also work in other innovative ways to address financing gaps. These include acting as very patient capital or taking on more risk because of a deep understanding of technology risk. The missing middle for clean tech is real but could be addressed.

Overall, catalytic finance needs to build closer connections, so that the pipeline of opportunities reaches a wider concessional finance investor audience. There is a need to connect different sources of concessional capital to try to bridge this gap.

2.4 Specialist Investment Vehicles

CEFC, ARENA and NRF are all playing important roles catalysing either or both climate infrastructure and clean tech projects. It was apparent that the SIVs are now connecting closely. There is potential for other forms of concessional and grant capital to work closely together, especially on first of a kind projects. Philanthropy and impact investment have a role to play. There is further growth expected in Australia, and the leadership of Transition Accelerator and Minderoo Foundation in this area was noted.

In general, it was noted that government and philanthropy want leverage for the public benefit, not to underwrite commercial returns. They sometimes also want opportunities to participate in the upside of investments as mainstream investors. They can share a role as impact driven finance providers, often with catalytic objectives and longer-term investment horizons.

More collaboration between government, philanthropy and impact investors (often foundations or family offices) could be transformational in the Australian context. This collaboration is already being demonstrated by Australia's international development commitment to climate action led by Blended Finance and Investor Engagement Unit within DFAT.

2.5 Blended Finance Capability through Technical Assistance

Blended finance capability needs to grow further. There are many examples in development finance of support and capability building being provided as projects become investment ready and then grow and scale. This capability building and support is known as technical assistance in development finance. Technical assistance should be part of all initiatives aimed at accelerating climate finance using blended finance approaches.

Technical assistance can range from demonstrating a viable business model, deal structuring, engaging with other sources of finance to create a blended capital stack or access to different sources of capital over time, supporting investees through project implementation, monitoring performance and impact outcomes and other skills sharing to build expertise within the climate finance system.



3. NEXT STEPS

3.1 Aggregator Platform Concept - start with demonstration funds and build out

Discussions from the workshop recommended that the Aggregator Platform start small through demonstrating one or several successful blended finance funds within a pillar (like the FAST-P example above), especially those that addressed the Missing Middle challenges or first of a kind projects. Other pillars could be built over time. The funds could demonstrate that blended finance approaches and aggregation could unlock more climate finance. Each fund would be set up to address a particular climate financing gap and tailored accordingly. Blended finance approaches would be used to enable scale. All funds should be supported by technical assistance to investees and investors. The pillars could be the first step in building a platform. Super funds could be presented investment opportunities in each pillar at the appropriate time.

Several demonstration funds within pillars were suggested:

1. DECARBONISATION (OR SOME OTHER NAME)

One potential pillar suggested was **low carbon fuels**, such as sustainable aviation fuel. This would demonstrate development finance. A first of a kind bridge fund is being considered by Cyan Ventures, for example.

2. CLIMATE INFRASTRUCTURE

It was recommended that another pillar could begin with a fund addressing an area that is already commercial but needing to scale. For example, **electric vehicle battery charging infrastructure**. A blended finance approach between SIVs, institutional and impact investors could kick start this pillar.

3. CLIMATE TECH

Another finance gap, which could also become another pillar related to **clean tech bridging finance**. More concessional finance is required to come in alongside SIVs, especially ARENA, and other very early-stage investors. This is a gap that could be assisted through connecting with philanthropy and impact investors. A dedicated grant pool funded by philanthropy perhaps alongside government to support these higher-risk opportunities is being developed by the Transition Accelerator. The intention is to deploy capital from this pool as either recoverable grants or first-loss equity, instruments that are better suited to the higher risk profile of this pillar.

3.2 Engage existing leading fund manager capability to enhance aggregation & consider Platform models

The potential for aggregating projects to create investible opportunities for super funds should be discussed further with highly respected, internationally recognised fund managers already working with super funds.

Further investigation of platform models should be undertaken. Platforms, which sit above several investment pillars (as in the FAST-P example) enable blended finance approaches to scale. There are different platform models depending on the local availability of capital, pipeline, supporting policy and stable governance environments. One platform model acts as an *Active Catalyst* coordinating market players, supporting the ecosystems, working with policy makers and supporting the pipeline. Another is a *Strategic Shaper*. *'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.'* (From *Projects to Platforms: Designing Blended Finance Structures for the Climate Transition*, Munib Madni (FAST-P) & BCG, June 2026, p 5)

These models are useful in thinking about an approach that might be best suited to Australia. Other existing platforms such as SCALED based in Germany (a partnership with the Governments of France, UK, Canada and South Africa) are also informative.

3.3 Regulatory certainty - a clear roadmap for success

While it was noted that Australia is usually market driven and less interventionist in its approach, in the climate finance space detailed plans set by Government with priority areas identified to support Australia's transition to a net zero economy would signal clear support and opportunities to the market.

A clear long-term view of Australia's preferred green industries of the future would be very useful. Advocacy around greater attention on enabling solid demand within net zero/climate safe markets through clear policy support for climate aligned opportunities would be supportive.

