



Staying Ambitious: Practical steps for businesses to unlock recyclable and catalytic social impact finance

Introduction

Why are businesses exploring new financing models for their social impact work?

Businesses are under increasing pressure to deliver meaningful social and environmental impact at a time when many corporate social impact budgets are flat or declining. Across industries, social impact teams are being asked to do more with less: support communities, respond to complex global challenges, contribute to sustainability goals, and demonstrate measurable outcomes, often without significant increases in funding.

This reality is forcing many companies to rethink how they use capital for social impact. Traditional philanthropy and grant-making remain critically important, particularly for issues where there is no viable commercial return or where vulnerable communities require immediate support. However, many businesses are recognising that grants alone may not always create the long-term, systemic change they are seeking. Increasingly, companies are exploring whether some portion of their social impact funding could be deployed differently, in ways that recycle capital, attract additional investment, and build more financially sustainable models for impact.

This is where catalytic and recyclable finance enters the conversation. Catalytic finance refers to the use of capital to unlock or mobilise additional funding from other actors. Recyclable finance refers to mechanisms where capital can be returned and reused for future impact rather than spent once. These approaches can include repayable grants, concessional loans, guarantees, revolving funds, blended finance structures, impact investing, and evergreen vehicles.

For corporates with constrained social impact budgets, these approaches can offer a compelling proposition. A relatively small amount of funding can potentially unlock much larger pools of capital, reduce risk for other investors, and continue generating impact long after the original investment has been made. As one practitioner interviewed for this paper explained, businesses should shift their mindset from asking “How much can we give?” to “How can we unlock much more than our original contribution?”

There are already examples demonstrating this potential. One blended finance structure supporting [African education](#) reportedly used approximately \$7.5 million in catalytic capital to unlock nearly nine times more investment from institutional investors, enabling around \$100 million to support thousands of schools and millions of children. Such examples illustrate the multiplier effect that catalytic approaches can create when designed effectively.

Yet despite growing interest, corporate participation in catalytic and recyclable finance remains relatively limited. Many businesses still see impact investing and blended finance as overly complex, resource-intensive, or difficult to justify internally. Social enterprises and intermediaries, meanwhile, sometimes perceive corporates as slow-moving partners with small funding pots and demanding reporting requirements.

This paper is the result of a series of conversations with seasoned social impact practitioners from across the Business Fights Poverty Community. We explore how the barriers to transitioning from grant funding to recyclable or catalytic funding can be reduced in practice. Drawing on insights from corporates, impact investors, NGOs, intermediaries, and practitioners, we examine the conditions that can help businesses engage more confidently and effectively with catalytic and recyclable finance. The aim is not to argue that all corporate social impact funding should move toward investment models, but rather to provide practical guidance for where and how these approaches may be useful.

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Insights Summary

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<p>1. Start with the Problem: Before Choosing the Finance Tool</p> <p><i>"We went out there to understand what the problems were, and then we worked backwards."</i></p>	<p>Conduct a strategic review of your current social impact funding to identify where grants are creating dependency rather than long-term sustainability.</p> <p>Map the specific social or environmental outcomes your business wants to influence before selecting financing mechanisms such as grants, loans, guarantees, or blended finance.</p> <p>Assess all the assets your company can contribute beyond money, including procurement, supply chains, technical expertise, convening power, and employee skills, and identify where these could act catalytically.</p>
<p>2. Demystifying the Landscape: Understanding the Financing Options</p> <p><i>"There are so many different tools... corporates might find it difficult because there's such a vast array of options."</i></p>	<p>Build foundational literacy within sustainability, finance, and leadership teams on catalytic capital, blended finance, and recyclable funding models through workshops, peer learning, or specialist training.</p> <p>Engage with experienced intermediaries and networks such as GIIN, Impact Europe, Better Society Capital, or the Impact Investing Institute to learn from existing practice rather than building knowledge from scratch internally.</p> <p>Prepare finance committees and senior leaders using practical case studies and examples that demonstrate how catalytic finance can deliver both impact and long-term strategic value.</p>
<p>3. Starting Small: Building Internal Confidence Through Early Success</p> <p><i>"Do this in a sort of sandbox type way... do a little bit first."</i></p>	<p>Launch a small-scale "sandbox" pilot such as a repayable grant, co-investment, or contribution to an existing impact fund to build organisational confidence and learning.</p> <p>Ring-fence a dedicated pool of catalytic or recyclable capital so that decision-making can happen faster without repeated approval cycles.</p> <p>Design the first initiative around low-complexity, lower-risk opportunities where success can be demonstrated clearly and used to build internal momentum for future activity.</p>
<p>4. Partnerships Are Essential: No Business Can Do This Alone</p> <p><i>"You can't do it alone."</i></p>	<p>Identify and partner with experienced intermediaries, impact fund managers, NGOs, or advisory organisations that can provide structuring expertise, due diligence, and implementation support.</p> <p>Explore pooled funding or collaborative investment approaches with other corporates to create larger, more investable opportunities and reduce transaction costs.</p> <p>Simplify and streamline reporting requirements for social enterprises and delivery partners to ensure impact measurement remains practical and proportionate rather than burdensome.</p>
<p>5. Scaling with Patience, Leadership, and Long-Term Commitment</p> <p><i>"Unless there is a mandate that comes from the top... there is a very low ceiling to what could be achieved."</i></p>	<p>Secure explicit leadership and board-level backing for catalytic finance initiatives, including clear mandates, governance structures, and delegated authority for decision-making.</p> <p>Align catalytic finance activity with your company's core business capabilities, markets, or supply chains to strengthen both internal buy-in and long-term relevance.</p> <p>Adopt a patient capital mindset by setting realistic expectations around timelines, impact maturity, and financial returns, recognising that meaningful systems change may take 5-10 years or longer.</p>

The Five Key Insights

1. Start with the Problem: Before Choosing the Finance Tool

One of the strongest themes emerging from practitioners was the importance of beginning with the social or environmental problem itself, rather than with a particular financing mechanism.

There is a growing tendency within sustainability and impact conversations for terms such as “blended finance,” “impact investing,” or “catalytic capital” to become fashionable solutions in search of a problem. However, experienced practitioners repeatedly stressed that businesses should resist this temptation. The first question should never be “How do we do impact investing?” but rather “What problem are we trying to solve, and what is preventing progress?”

This distinction matters because catalytic and recyclable finance is not suitable for every challenge. Some issues are fundamentally dependent on grants and philanthropy because there is no realistic pathway for financial return. Humanitarian crises, emergency response, and support for highly vulnerable populations often require unrestricted or long-term grant funding. Several contributors warned against the idea that recyclable finance should replace traditional philanthropy altogether.

However, other challenges may benefit significantly from more innovative financing approaches. Social enterprises, community businesses, climate ventures, local infrastructure projects, or financial inclusion initiatives may be capable of generating revenue or repaying capital over time if they receive the right form of early support.

The key is understanding where traditional grant funding may be limiting long-term sustainability. In some cases, grants create dependency rather than resilience. In others, organisations may simply need patient capital, breathing space, or risk-sharing mechanisms to become sustainable over time.

Practitioners also highlighted the importance of recognising the full range of assets that businesses can contribute. Corporate impact is not limited to financial capital. Procurement relationships, technical expertise, legal support, employee skills, market access, supply chains, reputational influence, and convening power can all play catalytic roles in unlocking wider systems change.

Importantly, several contributors noted that businesses should focus on understanding systems and root causes before selecting financial

instruments. One interviewee described how their organisation spent significant time understanding local market failures before designing a financing structure, explaining: “We went out there to understand what the problems were, and then we worked backwards.” This problem-first approach helps businesses avoid creating financing structures that are innovative in theory but disconnected from real-world needs.

2. Demystify the Landscape: Understand the Financing Options

For many businesses, one of the greatest barriers to engaging with catalytic and recyclable finance is the sheer complexity of the landscape. Corporate social impact teams often operate comfortably within the language of grants, donations, sponsorships, or CSR programmes. Impact investing and blended finance, by contrast, introduce unfamiliar concepts, structures, and terminology that can feel intimidating to non-specialists.

One practitioner described the challenge clearly:

“There are so many different tools... corporates might find it difficult because there’s such a vast array of options.”

In reality, catalytic finance is not one single model but a spectrum of approaches. These can include repayable grants, revolving loan funds, first-loss guarantees, concessional debt, blended finance structures, venture philanthropy, evergreen vehicles, outcomes-based contracts, and equity investments in social enterprises. Some approaches aim for financial return, while others focus primarily on preserving and recycling capital so that it can continue delivering impact over time.

For many corporates, this complexity creates paralysis. Contributors described investment committees rejecting opportunities because they appeared too complicated, unfamiliar, or difficult to explain internally. Several also pointed to a structural skills gap: companies are often trying to navigate sophisticated financial structures without having the specialist expertise required.

However, practitioners consistently stressed that businesses do not necessarily need to become investment experts overnight. What matters initially is building enough understanding to ask informed questions, identify credible partners, and understand the basic trade-offs between risk, return, and impact.

Peer learning emerged as one of the most effective ways to accelerate this understanding. Several examples highlighted structured learning journeys where businesses or foundations explore impact investing together

through facilitated programmes and case studies. Others emphasised the value of networks such as the [Global Impact Investing Network \(GIIN\)](#), [Impact Europe](#), [Business Fights Poverty](#) or national impact investing forums.

Exposure to real-world examples appears particularly important. Contributors repeatedly stressed that case studies help finance teams and executives move from abstract theory to practical understanding. Examples such as [WaterEquity](#), community ownership models, or blended climate funds help businesses see how catalytic finance operates in practice.

Businesses also need to reframe how they think about risk. Traditionally, corporate decision-making tends to focus on financial risk and reputational exposure. Yet several practitioners argued that companies should also consider the risks of inaction: the long-term economic, social, and environmental consequences of failing to invest effectively in resilient communities and sustainable systems.

As one contributor observed:

“Sustainability is about risk. It's about the future risk, and taking into account all of the risks in the business today.”

3. Start Small: Building Internal Confidence Through Early Success

Many contributors argued that one of the biggest mistakes businesses make is trying to launch large-scale impact investment strategies before developing internal confidence or experience.

Instead, practitioners strongly recommended beginning with smaller, lower-risk experiments.

This “sandbox” approach allows businesses to learn gradually, demonstrate proof of concept internally, and reduce resistance from finance committees or leadership teams. As one practitioner explained simply:

“Do this in a sort of sandbox type way... do a little bit first.”

Small-scale pilots can take many forms. Businesses might contribute to an existing impact fund, test repayable grants with trusted NGO partners, participate in pooled investment structures, or support community finance initiatives alongside experienced intermediaries.

The purpose of these early steps is not necessarily financial return. Rather, it is to:

- build internal literacy,
- demonstrate that recyclable models can work,
- develop governance processes,
- and create organisational momentum.

Several contributors stressed the importance of ensuring the first investment is successful. Early failures can reinforce scepticism and make it significantly harder to secure future buy-in.

Starting small also helps businesses better align expectations with the realities of social impact work. Unlike commercial investments, catalytic finance often requires patience. Returns, both social and financial, may emerge over much longer timeframes than corporates are accustomed to.

Examples discussed by practitioners included community regeneration projects where meaningful financial sustainability took a decade to emerge, and evergreen-style impact vehicles designed to prioritise long-term ecosystem development over short-term profitability.

This patient capital mindset represents a significant cultural shift for many businesses. Yet contributors argued that it may ultimately create more resilient outcomes. Rather than viewing patient capital as simply a slower form of traditional investment, businesses should see it as a resilience tool that enables markets, organisations, and communities to mature sustainably over time.

Another practical recommendation emerging from interviews was the importance of ring-fencing capital. Social enterprises and intermediaries often perceive corporates as too slow because every decision requires multiple internal approvals. Dedicated impact investment pools or delegated authority structures can help businesses move more quickly and respond to opportunities more effectively.

4. Partnerships Are Essential: No Business Can Do This Alone

Perhaps the clearest message from practitioners was that catalytic and recyclable finance is fundamentally collaborative. Very few businesses possess all the capabilities required to source opportunities, structure investments, conduct due diligence, measure impact, manage risk, and support implementation internally. Attempting to build these capabilities alone is often expensive, slow, and inefficient.

As one contributor stated: “You can’t do it alone.” Successful corporate engagement depends heavily on partnerships. Businesses increasingly need to work alongside a mixture of:

- impact fund managers,
- specialist intermediaries,
- NGOs,
- local delivery organisations,
- philanthropic advisors,
- community organisations,
- and ecosystem networks.

These partnerships help corporates overcome several of the most persistent barriers to engagement. Specialist intermediaries can provide technical expertise, identify credible opportunities, manage due diligence, and structure financing arrangements that businesses would struggle to design independently.

Examples highlighted by contributors included organisations such as the [Impact Investing Institute](#), [Better Society Capital](#), [GIIN](#), [Impact Europe](#), [WaterEquity](#), and various specialist blended finance platforms. These organisations help businesses navigate complexity while reducing transaction costs and risk.

Pooling capital through partnerships also emerged as an important strategy. One persistent challenge is that many corporate social impact budgets are relatively small from an investment perspective. Individually, these allocations may not justify the effort required to structure blended finance transactions. Collectively, however, they can become meaningful.

Several contributors suggested that collaborative vehicles, where multiple corporates contribute smaller amounts into a shared structure, could significantly lower barriers to participation. Such approaches reduce duplication, create investable scale, and allow businesses to share learning and risk.

Partnerships also matter because impact outcomes are rarely attributable to a single actor. Several practitioners warned that businesses seeking direct attribution or tightly controlled branding opportunities may struggle with catalytic finance because these models are inherently collective. Social impact often emerges through ecosystems rather than individual interventions.

This creates tension around measurement and reporting. Social enterprises and intermediaries frequently experience corporate reporting requirements as excessive, fragmented, or disconnected from operational realities. Contributors, therefore, encouraged businesses to adopt more flexible and proportionate approaches to impact measurement.

Technology and AI may help reduce this burden over time by simplifying reporting processes and enabling more efficient analysis of impact data. However, businesses still need to balance accountability with practicality. If

measurement becomes too onerous, it risks discouraging exactly the organisations businesses are hoping to support.

5. Scaling with: Patience, Leadership, and Long-Term Commitment

For businesses that successfully navigate early pilots and partnerships, the next challenge becomes scaling. Yet contributors repeatedly stressed that scaling catalytic finance is not simply about deploying larger amounts of money. It requires deeper organisational change.

Successful engagement often depends on leadership support, governance reform, internal capability, and cultural alignment across the business. Several practitioners argued that catalytic finance initiatives typically only succeed when senior leaders genuinely understand and support the long-term rationale behind them.

One contributor explained:

“Unless there is a mandate that comes from the top... there is a very low ceiling to what could be achieved.”

Without this mandate, impact initiatives often remain isolated within sustainability or philanthropy teams, disconnected from core business strategy and vulnerable to budget cuts or leadership changes.

The examples most frequently cited by practitioners were organisations that had embedded catalytic approaches into broader corporate strategy rather than treating them as standalone philanthropic projects. [Danone Communities](#), for example, combines patient capital, employee engagement, and strategic alignment with Danone’s core expertise in nutrition and water access.

Similarly, [Reckitt’s](#) work with WaterEquity demonstrates how businesses can transition from familiar grant-based models toward investment-oriented structures without abandoning social purpose. [Anglo American’s Aseli Impact Capital](#) initiative illustrates how evergreen-style structures can support long-term ecosystem development in sectors such as the green economy and SME growth.

These examples share several common characteristics:

- long-term commitment,
- strategic alignment,
- partnership-based delivery,
- dedicated expertise,
- and willingness to tolerate slower timelines.

They also demonstrate that catalytic finance is most effective when businesses focus on relevance to their own capabilities and ecosystems. Contributors repeatedly stressed that impact investing works best when linked closely to a company's core competencies, markets, or supply chains rather than disconnected "doing good" initiatives.

Ultimately, catalytic finance is not about replacing philanthropy with investment logic. It is about using a broader range of financial tools to strengthen systems, support sustainable organisations, and unlock larger flows of capital toward social outcomes.

Conclusion

Catalytic and recyclable finance is still an emerging space for most corporates. While a relatively small number of businesses are experimenting with impact investing and blended finance, participation remains far below its potential.

The barriers are well understood:

- complexity,
- fragmented terminology,
- internal governance structures,
- capability gaps,
- slow decision-making,
- and tensions around measurement and attribution.

Yet the experiences shared by practitioners throughout this paper suggest that these barriers can be reduced. The most successful approaches begin with a clear understanding of the problem being addressed rather than with the financing mechanism itself. They involve gradual learning, trusted partnerships, small-scale experimentation, and realistic expectations about timeframes and outcomes.

Importantly, contributors consistently emphasised that grants remain essential. Not every social issue can or should become investable. Businesses should avoid treating catalytic finance as a replacement for philanthropy or as a fashionable trend disconnected from real needs.

At the same time, catalytic and recyclable finance offers businesses an opportunity to think differently about how capital can create long-term value. Even relatively small allocations can unlock much larger flows of funding, strengthen local ecosystems, and build more sustainable models for impact.

For corporate social impact professionals, the challenge is therefore not whether to abandon grants in favour of investment, but how to use the full range of available tools more strategically. As one contributor put it: "Think about how you can be far more catalytic with your capital than you currently are."

Resources

The following are useful organisations, recommended to help deepen insight and understanding of social impact catalytic funding.

Organisation	Outline	URL
Acumen	Impact investor using patient capital to support companies tackling poverty across emerging markets.	https://acumen.org/
Aséli Impact Capital	South African permanent capital vehicle supporting green MSMEs with patient, revenue-based capital; practical example of catalytic finance.	https://aseli.capital/
Better Society Capital	UK social impact investor helping grow investment into social issues and inequalities; useful for fund and market-building examples.	https://bettersocietycapital.com/
Convergence Finance	Convergence is a global network for blended finance. Combining data, intelligence and support.	https://www.convergence.finance/
Community Solar Farm Warehousing	In this example, community businesses formed a partnership called Community Energy Together (CET), and between them have taken ownership of solar farms, with incomes benefiting the communities they are located in.	https://bettersocietycapital.com/latest/biggest-ever-transfer-of-community-energy-assets-in-the-uk-is-completed/
Danone Communities	Danone-linked impact investment fund supporting social businesses in nutrition and safe drinking water, with patient capital and corporate expertise.	https://www.danonecommunities.com/
Emerging Market Loans Fund	This fund extends socially and environmentally responsible senior loans with fixed maturity dates to financial institutions, renewable energy firms and agribusinesses.	https://www.impactinvest.org.uk/case-study/emerging-markets-loans-fund/
Evergreen Capital	Evergreen Capital provides a diverse and flexible range of business finance solutions to South African businesses.	https://www.evergreen-capital.co.za/
Fairtrade premium	A tangible example of "recyclable" or "reinvested" finance because the extra money paid on top of the selling price is returned directly to farmers and workers, who then democratically decide how to reinvest it into their businesses and communities.	https://www.fairtrade.net/en/why-fairtrade/impact/key-figures-at-a-glance.html
FSD Africa	Research demonstrating the viability of refugees as banking customers.	https://fsdafrica.org/are-refugees-viable-customers-for-banks/

Organisation	Outline	URL
Global Impact Investing Network (GIIN)	Global industry network for impact investing, providing research, standards, events and investor connections.	https://thegiin.org/
Growth Impact Fund	UK fund investing in organisations led by people with lived experience; relevant for inclusive fund design and blended finance examples.	https://growthimpactfund.org.uk/
GSG Impact	Global network helping build impact economies through national partners, policy engagement and market infrastructure. Useful for companies seeking ecosystem-level guidance.	https://www.gsgimpact.org/
Hastings Common	This not-for-profit model prioritises long-term investment coupled with permanent community ownership of land and long-term income streams.	https://hastingscommons.com/a-new-dawn-for-community-driven-housing/
IDH Investment Solutions	IDH's integrated investment arm that specialises in developing investable opportunities and managing high-impact funds.	https://idh.org/investment-solutions
Impact Economy Collective	UK platform aligning philanthropy, impact investing and purpose-driven business with government priorities.	https://www.impacteconomycollective.org/
Impact Economy Foundation	Develops impact accounting approaches, including impact-weighted accounts frameworks, to integrate impact into decision-making.	https://impacteconomyfoundation.org/
Impact Europe	European network for impact investors, foundations, corporates and social innovators; useful for peer learning and practical training.	https://www.impacteurope.net/
Impact Investing Institute	UK body offering guidance, convening and place-based impact investing resources for investors and businesses.	https://www.impactinvest.org.uk/
Macquarie Group Foundation	Insights about social impact investing as a scalable, repayable funding model helping corporates achieve sustainable, measurable social change at scale.	https://www.macquarie.com/au/en/about/community/our-stories/how-investment-approaches-are-enhancing-corporate-social-impact.html
International Foundation for Valuing Impacts (IFVI)	Provides resources on valuing social and environmental impacts, including impact-weighted accounts learning.	https://ifvi.org/

Organisation	Outline	URL
Power to Change	Supports community businesses and place-based economic resilience; relevant for local investment and community ownership models.	https://www.powertochange.org.uk/
Reckitt	Reckitt is an active impact investor. Focusing to date on investing in water access and sanitation. This recyclable finance includes investments into the WaterEquity Everspring Fund.	https://www.reckitt.com/news/reckitt-makes-10million-investment-in-water-equity-everspring-fund/
Regional Education Finance Fund for Africa, BII	The fund provides long-term debt to financial institutions in Africa for on-lending to affordable, private education providers offering primary, secondary and tertiary education as well as for individual school fee loans to parents and students.	https://www.bii.co.uk/en/our-impact/fund/regional-education-finance-fund-for-africa-investment-01/
Save the Children Global Ventures	Innovative finance and impact investment platform focused on child-lens investing and blended finance.	https://scgv.org/
Shell Foundation	Independent foundation supporting clean energy solutions, market-building and de-risking approaches in Africa and Asia.	https://shellfoundation.org/
SpainNAB	Spain's National Advisory Board for impact investing; useful for 'sandbox' learning programmes, policy engagement and national ecosystem building.	https://spainnab.org/en/
Torino Social Impact	City-based ecosystem in Turin connecting public, private, financial and third-sector actors around social entrepreneurship and impact finance.	https://www.torinosocialimpact.it/en/
WaterEquity	Impact investment asset manager focused on water and sanitation enterprises in emerging and frontier markets.	https://waterequity.com/
Wayra / Telefónica Open Innovation	Telefónica's corporate venture capital and open innovation platform is useful as a corporate accelerator and startup investment model.	https://wayra.com/

Key Innovative Finance Terms

Innovative finance terminology can often feel technical or inaccessible. This glossary provides simple explanations of key terms referenced throughout the paper to help businesses understand the practical tools and approaches available.

Anchor Investment

An early or high-profile investment used to attract confidence and encourage additional investors to participate.

In practice: A respected business or institution invests first to signal credibility.

Blended Finance

The use of public, philanthropic or concessional funding to reduce risk and attract additional private investment into social or environmental projects.

In practice: Grants, guarantees or low-interest capital are used to encourage commercial investors to support projects they might otherwise see as too risky.

Catalytic Capital

Flexible or higher-risk capital used to unlock additional investment from others.

In practice: A business or foundation may absorb early risk, provide guarantees, or invest first in order to attract much larger pools of funding later.

Community Asset Ownership

Models where communities collectively own and manage local assets such as land, buildings or energy infrastructure.

In practice: Profits and decision-making remain within the community rather than external investors.

Concessional Finance

Finance provided on more favourable terms than standard market rates.

In practice: This could include lower interest rates, longer repayment periods or more flexible conditions to support social impact.

Debt Swap

An agreement where debt obligations are reduced or redirected in exchange for investment into agreed social or environmental outcomes.

In practice: Debt repayments may be redirected towards climate, education or conservation programmes.

Evergreen Fund

An investment fund designed to operate continuously rather than ending after a fixed period.

In practice: Returns are reinvested into future projects, allowing the fund to keep generating impact over the long term.

Financial Inclusion

Efforts to ensure underserved individuals or communities can access useful and affordable financial services.

In practice: This may include banking, savings, insurance, loans or digital payments for excluded populations.

First-Loss Capital

Capital that agrees to absorb initial losses if an investment underperforms.

In practice: This reduces risk for other investors and helps attract larger amounts of commercial finance.

Fund-of-Funds

An investment vehicle that invests in multiple underlying funds rather than directly into projects or businesses.

In practice: It helps diversify risk and gives investors access to a wider range of opportunities.

Guarantees

Financial commitments that protect lenders or investors against certain losses.

In practice: Guarantees can encourage banks or investors to support projects, businesses or communities they might otherwise consider too risky.

Impact Investing

Investments made with the intention of generating both financial returns and positive social or environmental impact.

In practice: Investors seek measurable impact alongside profit, rather than treating social good as separate from investment activity.

Outcomes-Based Finance

Funding where payments are linked to achieving agreed social or environmental outcomes rather than simply delivering activities.

In practice: Investors or providers are repaid when measurable results are achieved, such as improved education, employment or health outcomes.

Patient Capital

Long-term investment that accepts slower financial returns in order to support sustainable social or environmental outcomes.

In practice: Investors give projects time to mature rather than expecting rapid profits.

Place-Based Investment

Investment focused on improving outcomes within a specific community, city or region.

In practice: Capital is targeted towards local economic development, jobs, infrastructure or community resilience.

Pooled Investment Vehicle

A structure where multiple organisations contribute capital into a shared investment fund.

In practice: This spreads risk, reduces complexity and enables smaller organisations to participate.

Repayable Grants

Grants that may need to be repaid if a project succeeds financially.

In practice: If the initiative generates revenue or reaches agreed milestones, some or all of the grant funding is returned and reused.

Recyclable Finance

Finance structures where capital can be reused multiple times instead of being spent once.

In practice: Loans, repayable grants or revolving funds return money back into the system so it can be reinvested into future projects.

Results-Based Financing

Funding that is triggered by verified outputs or outcomes.

In practice: Payments may depend on the number of people trained, employed or benefiting from a service.

Revolving Loan Fund

A pool of money used to provide loans that are repaid and then lent out again to new recipients.

In practice: The same capital continues supporting multiple projects over time.

Risk-Sharing Facility

A financial arrangement where multiple parties agree to share investment risk.

In practice: Public institutions may absorb part of potential losses to encourage private-sector participation.

Social Enterprise

A business that trades commercially while prioritising social or environmental objectives.

In practice: Profits are largely reinvested into achieving the organisation's mission.

Social Return on Investment (SROI)

A framework for measuring the wider social value created relative to investment made.

In practice: Organisations estimate how much social benefit is generated for every pound or dollar invested.

Technical Assistance

Non-financial support provided alongside investment.

In practice: This may include training, business advice, governance support, legal expertise or impact measurement assistance.

Acknowledgements

This note was prepared by Katie Hyson, Director, Community Insights, Business Fights Poverty, with the generous input of many people across our community.