

Impact, philanthropy and blended finance

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Impact investing, which aims at a measurable social or environmental effect in addition to a financial return, grew by 27 per cent in Switzerland in 2024. Geneva is one of its centres, at the meeting point of wealth management, philanthropy and the international organisations.¹ Geneva's philanthropic foundations, examined in Part F, invest a growing share of their capital according to criteria aligned with their mission, and family offices devote specific allocations to it. Managers specialising in microfinance, sustainable agriculture or health in developing countries have their head offices in Geneva.²

Blended finance is the frontier of this field. It combines public or philanthropic capital, which absorbs the first losses, with private capital, which benefits from that protection in order to finance projects in countries and sectors that the market alone does not finance. The development institutions, United Nations agencies and foundations present in Geneva are the natural architects of these structures, and Geneva managers are their partners. The volumes remain modest, the structures complex and the results unevenly measured, but no other financial centre brings together, in a single territory, all the actors required.

Worked example. A Geneva family office allocates CHF 50 million to a blended finance fund dedicated to renewable energy infrastructure in West Africa. The fund, with a size of USD 300 million, comprises a first-loss tranche of USD 60 million contributed by development institutions and a foundation, and a senior tranche of USD 240 million subscribed by private investors. The expected return on the senior tranche is 7 per cent per year, with first-loss protection of 20 per cent of the portfolio. The family office documents the expected impact, in installed capacity and avoided emissions, and requires annual reports verified by a third party. The structure allows it to invest in a region and a sector that it would not have financed without protection.

1 Notes

1. Union Bancaire Privée, 3 July 2025, cited above. ↩
2. Symbiotics (symbioticsgroup.com): more than USD 12 billion invested in 669 companies in 99 countries, USD 2.5 billion under management; FAIR (finance-fair.org): Geneva company founded in 2004, manager authorised by FINMA, more than 425 financial institutions financed in 83 countries. BlueOrchard (blueorchard.com): member of the Schrodgers group, head office in Zurich and office in Geneva, network of more than 750 financial institutions in more than 100 emerging and frontier markets. ↩

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