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Position paper transition finance

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Why transition finance?

Philanthropy and impact investing aim to address complex social and environmental challenges through finance. Yet, progress remains limited. Economic systems continue to drive extraction, financial systems reinforce inequality, and societies face increasing fragmentation and instability.

At DOEN, a **transition** means a long-term systemic shift towards a more environmentally sustainable and socially just society, based on solidarity and with space for innovation and imagination. **DOEN approaches transitions in a goal-oriented, bottom-up and collaborative way, supporting emerging niches and ecosystems.** Transitions involve a redistribution of power across structures, processes and organisations.

For over three decades, DOEN has developed a **holistic approach also known as transition finance**, combining financial tools - from philanthropy to investments - with broader support for pioneers, including ecosystem building and public awareness. Together, these efforts contribute to four major transitions: (i) the transition from a linear to a circular economy, (ii) the transition from growing inequality to a world where everyone participates and counts, (iii) a society that puts the commons first, and (iv) a society where there is room for radical imagination.

DOEN's approach

DOEN's work is guided by our strategic compass (2023 - 2027), which outlines three funding themes: (i) Regenerative economy, (ii) Social solidarity, and (iii) Power of imagination. Within these themes, DOEN fosters synergies and strengthens networks of funders and investors to help emerging niches thrive.

This strategic compass remains intentionally flexible, allowing DOEN to support practical interventions in areas such as blue economy, agrifood or circular economy, **while helping create the networks, knowledge and conditions needed for systemic change.**

DOEN works across multiple geographies: the Netherlands, Northern Europe, East Africa, North Africa, the Middle East and the Dutch Caribbean.

DOEN's unique way of working

DOEN occupies a distinctive position in transition finance as a **risk-tolerant, early-stage financier**. DOEN **drives change from the ground up, backing small-scale initiatives, early pioneers and sector-strengthening organisations with grants, loans and investment capital**. Our approach combines operational methods, strategies and organisational culture, enabling systems change **through a distinctive combination of financing, support and collaboration**.

Operational Approach

- **Multiple financing tools**: grants, loans and equity tailored to the needs of each initiative.
- **Polycapital support**: combining financial capital with other forms of support, including technical assistance, coaching, knowledge sharing, network building and ecosystem facilitation.
- **Cross-thematic and portfolio approach**: transitions do not result from individual investments alone. They require multiple actors working at different levels and often across sectors. DOEN therefore supports portfolios of complementary partners and connects actors across sectors and geographies.
- **Agility** in responding to emerging opportunities while maintaining portfolio-level direction.
- **Early-stage focus**: supporting experimental innovations and emerging approaches at an early stage, helping them develop, grow and contribute to broader systemic change.

Culture and organisational design

- **Flat, adaptive structure** enables rapid, creative decision-making.
- As reflected in the name 'DOEN' (translation: 'doing'), we have a **strong bias towards action**.
- **Entrepreneurial team** with deep systems awareness and **understanding of power dynamics**, building **trust-based relationships** with pioneers and partners.

Distinctive Features

- **Risk-tolerant** attitude.
- Facilitates **(cross-)sectoral networks** and encourages **systemic experimentation** without seeking to centralise control.
- **Trust-based, flexible funding**, enabled by the Dutch Postcode Lottery - no rigid KPIs.
- Structured as a **revolving fund**, DOEN Ventures can provide flexible investments free from specific financial return constraints.
- Ability to reach millions through the Dutch Postcode Lottery and the VriendenLoterij **communication channels**.

Two concrete examples

1. Fairphone: Early-stage, high-risk support with a range of financing tools

Fairphone is a social enterprise producing modular smartphones designed for longevity, repairability and fair supply chains, challenging conventional practices in the electronics industry.

DOEN's role:

- Provided **early catalytic funding** in Fairphone's experimental phase.
- Became an **early shareholder** through DOEN Ventures in 2017, enabling Fairphone to develop new models and attract further investors.
- Offered **support beyond funding**, providing credibility and legitimacy for Fairphone within the market and the investment community.

Systemic impact: Fairphone has helped raise industry standards and expectations around transparency, circular design and conflict-free supply chains.

2. We Doen Het Samen: Strengthening civic ecosystems

We Doen Het Samen is een coalitie die de participatie en zichtbaarheid van lokale gemeenschappen in Nederland versterkt.

DOEN's role:

- **Ecosystem enabler:** DOEN has supported hundreds of community initiatives over the years, helping create fertile ground for the Coalition to develop into a sustained, coordinated network.
- **Polycapital support:** Combined funding, facilitation, advocacy and visibility through Postcode Lottery channels to strengthen influence and inspire new initiatives.
- **Adaptive and strategic involvement:** Supported the coalition's programmes and engagement with policymakers.

Systemic Impact: The coalition strengthened civic infrastructure and connected local initiatives into a coordinated movement for participation and solidarity.

Future pathways

DOEN will continue to experiment and pioneer while deepening its role as a transition financier. Rather than positioning itself at the centre, DOEN supports pioneers, sector actors and fellow funders to shape transitions collectively. By sharing its experience, DOEN invites others to embrace risk, complexity, collaboration and long-term thinking to accelerate the transitions the world urgently needs.