



BLENDING FINANCE FOR CONSERVATION

UNLOCKING PRIVATE SECTOR FINANCE
FOR SUSTAINABLE LANDSCAPE
MANAGEMENT WORKSHOP

MARCH 21, 2019

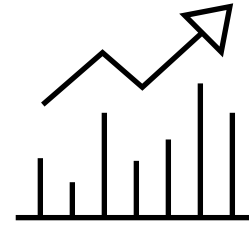
WHAT IS CONVERGENCE?

Convergence is the global network for blended finance. We generate blended finance data, intelligence, and deal flow to increase private sector investment in developing countries.



A GLOBAL NETWORK

We have a global [membership](#) of over 300 public, private, & philanthropic institutions



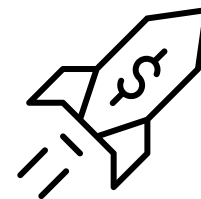
DATA & INTELLIGENCE

Original [content](#) builds the evidence base for blended finance, including data on past deals, trend reports, case studies, region and sector briefs, and webinars.



DEAL FLOW

An online match-making platform for investors and those seeking capital to connect on active deals.



MARKET ACCELERATION

Our [Design Funding](#) program awards grants for the design of innovative vehicles that aim to attract private capital to global development at scale.



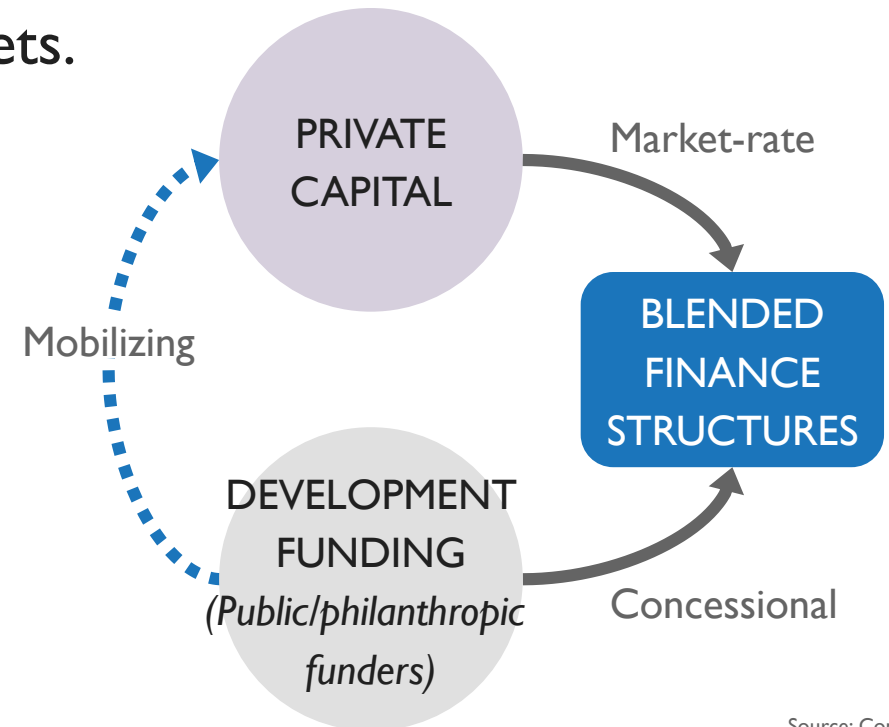
INTRODUCTION TO BLENDED FINANCE

WHAT IS BLENDED FINANCE?

Private investment is crucial to close the \$2.5 trillion annual funding gap threatening the success of the Sustainable Development Goals ([SDGs](#)). One way to attract this private capital is through blended finance – the use of catalytic capital from public or philanthropic sources to increase private sector investment in emerging markets.

Blended finance transactions should have three signature markings:

1. Expected positive financial return
2. Contribute towards achieving the SDGs (not every participant needs to have that development objective)
3. Public or philanthropic parties are catalytic (improve the risk/return profile to attract participation from the private sector)



Source: [Convergence](#)

BLEND ED FINANCE ARCHETYPES

CONCESSIONAL DEBT OR EQUITY	GUARANTEE & RISK INSURANCE	DESIGN / PREPARATION FUNDING GRANT	TECHNICAL ASSISTANCE GRANT
Public or philanthropic investors are concessional within the capital structure CAPITAL STRUCTURE Senior Debt Flexible Debt Equity Junior Equity	Risk reduction tools that protect investors against capital losses CAPITAL STRUCTURE Guarantee Senior Debt Equity	Grant funding that supports costs and activities that lead to bankability of projects Grants CAPITAL STRUCTURE Senior Debt Equity	Funds to supplement the capacity of investees CAPITAL STRUCTURE Senior Debt Equity TA FACILITY Grants

CURRENT MARKET ESTIMATE

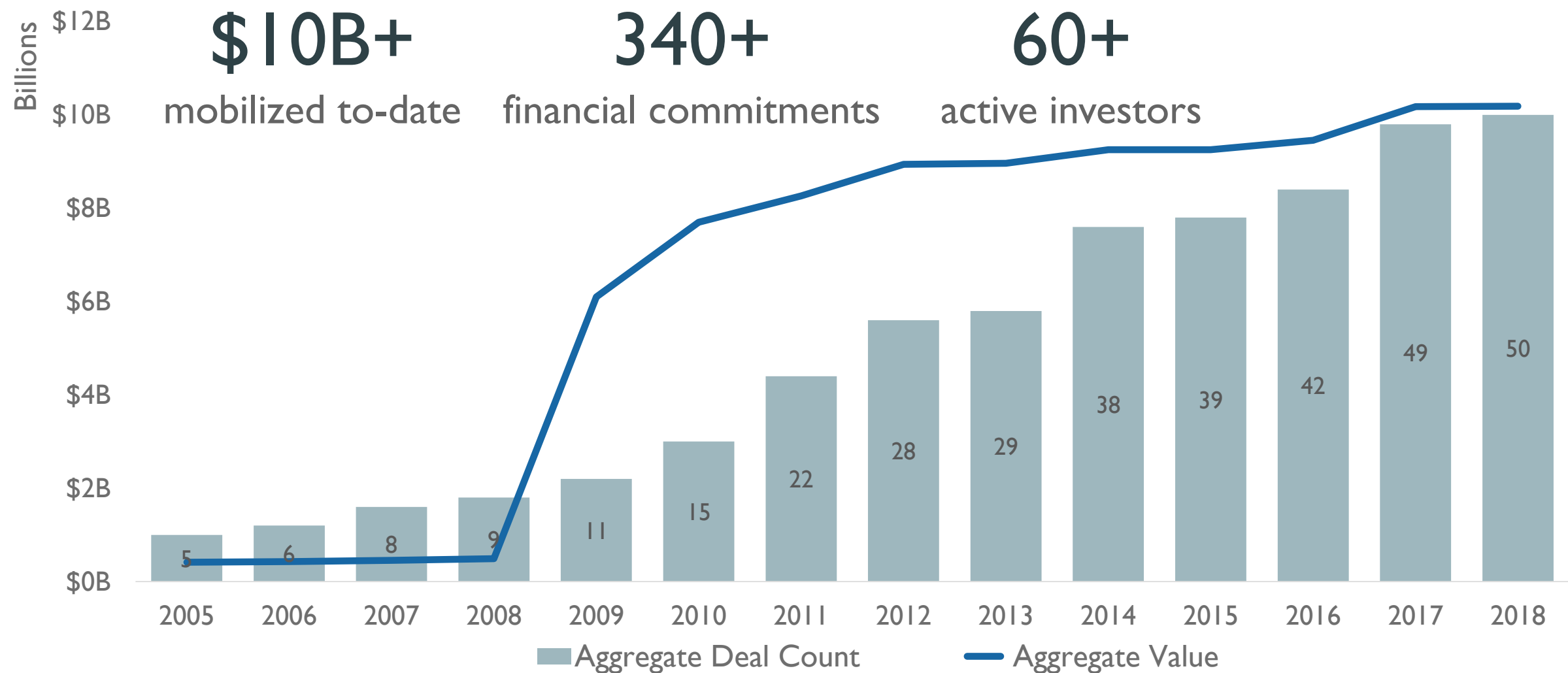


Source: [Convergence Historical Deals Database](#)



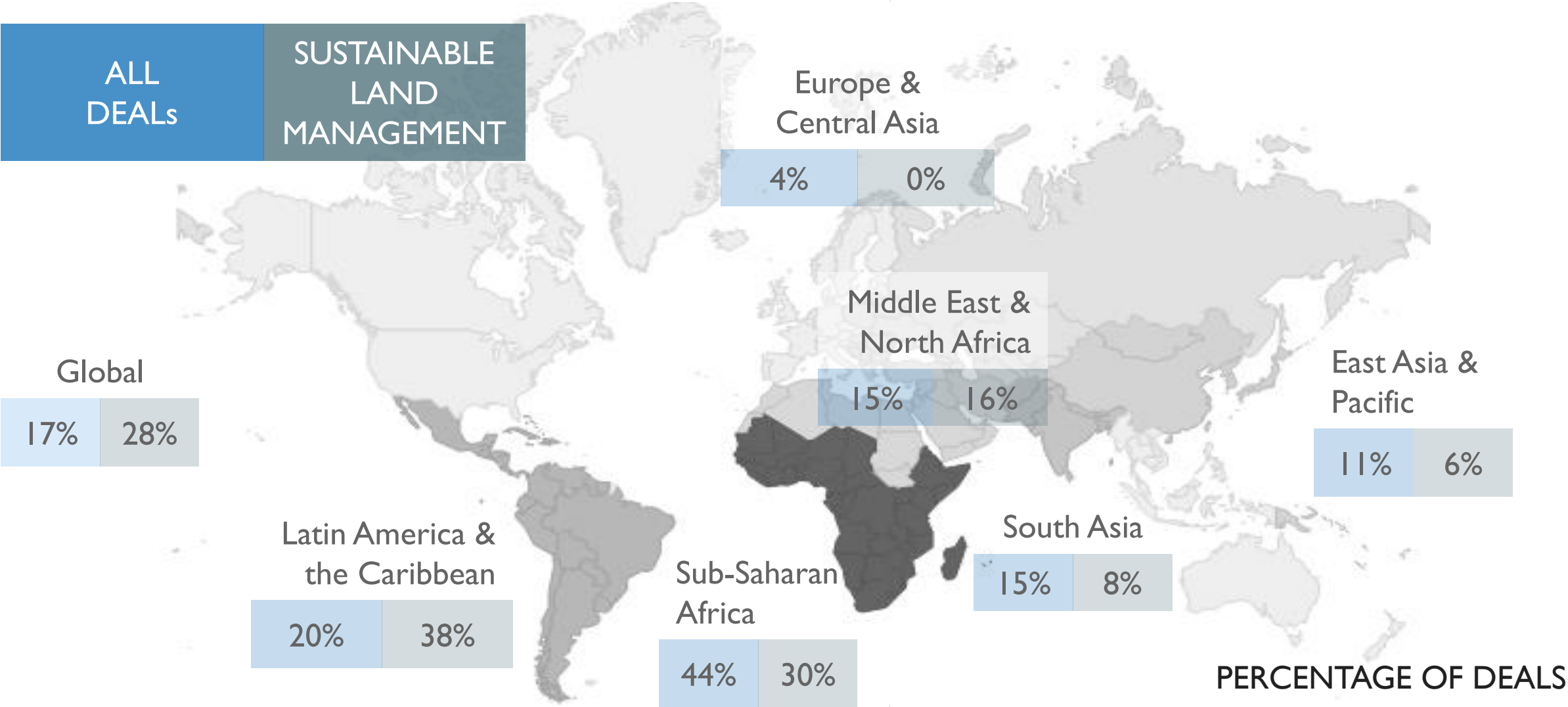
KEY TRENDS: SUSTAINABLE LAND MANAGEMENT

CURRENT MARKET ESTIMATE



Source: [Convergence Historical Deals Database](#)

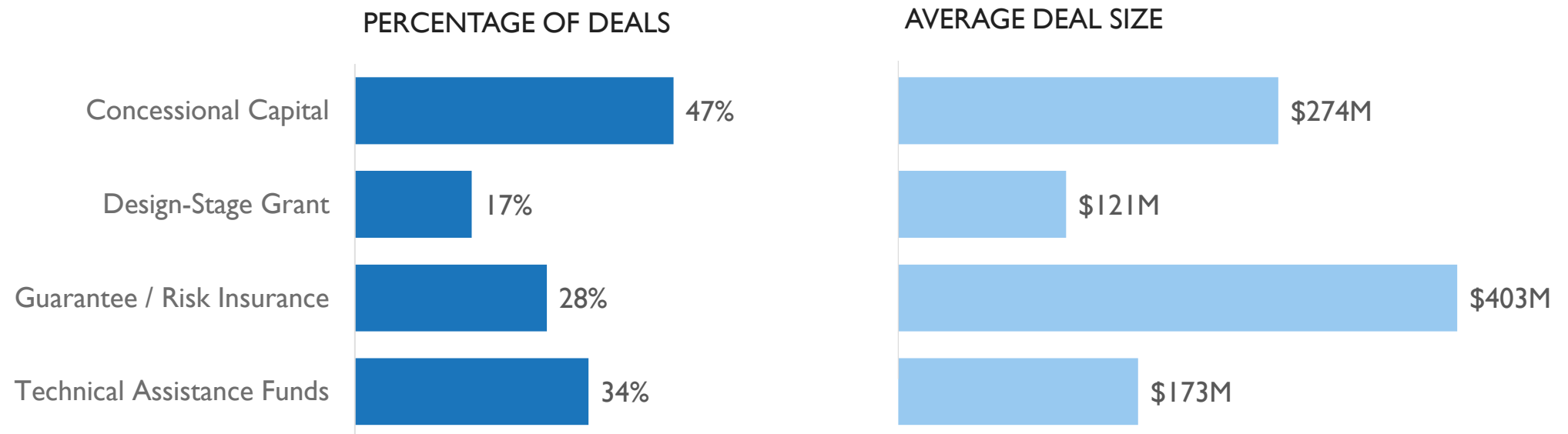
REGION FOCUS



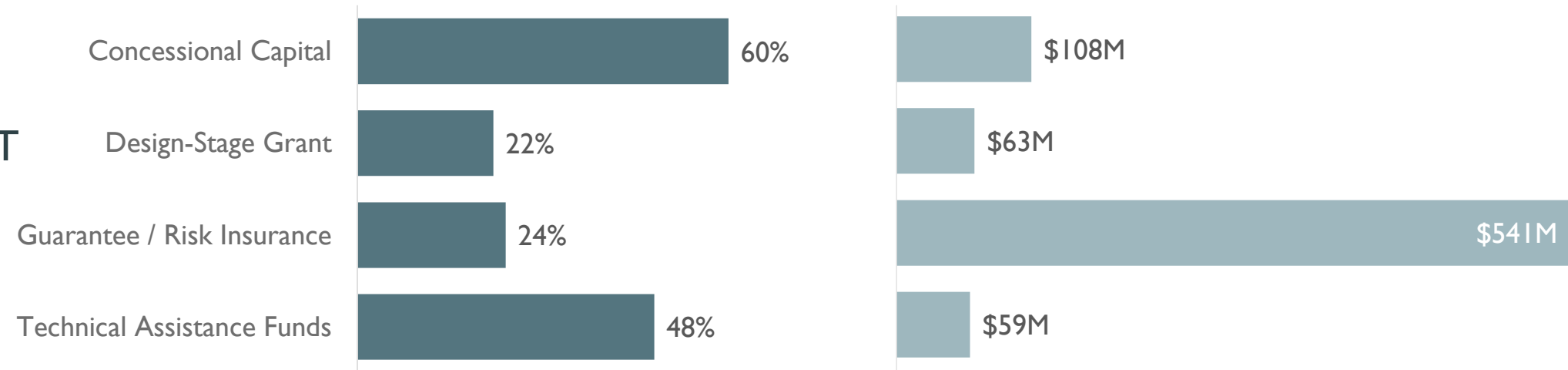
Source: [Convergence Historical Deals Database](#)
Convergence tracks country data by stated countries of focus at the time of financial close, not actual investment flows. Often, countries of eligibility are broader than those explicitly stated.

BLEND ED FINANCE ARCHETYPES

ALL DEALS

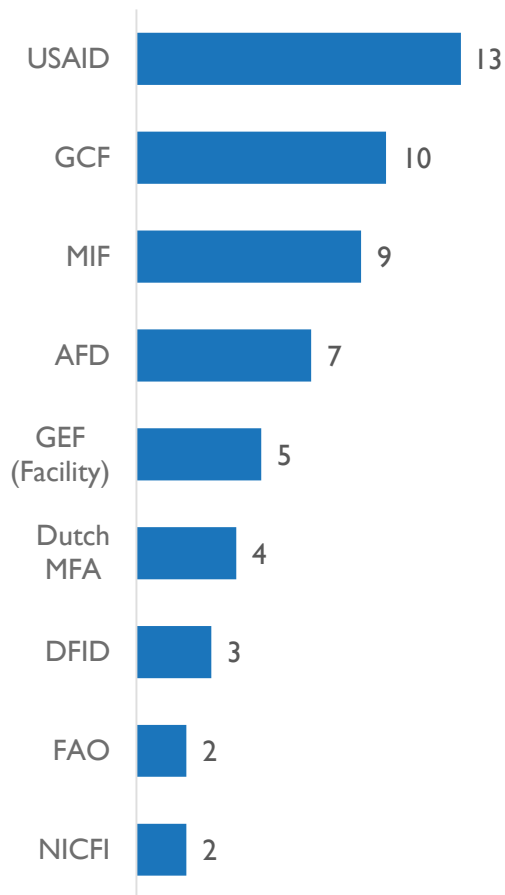


SUSTAINABLE LAND MANAGEMENT

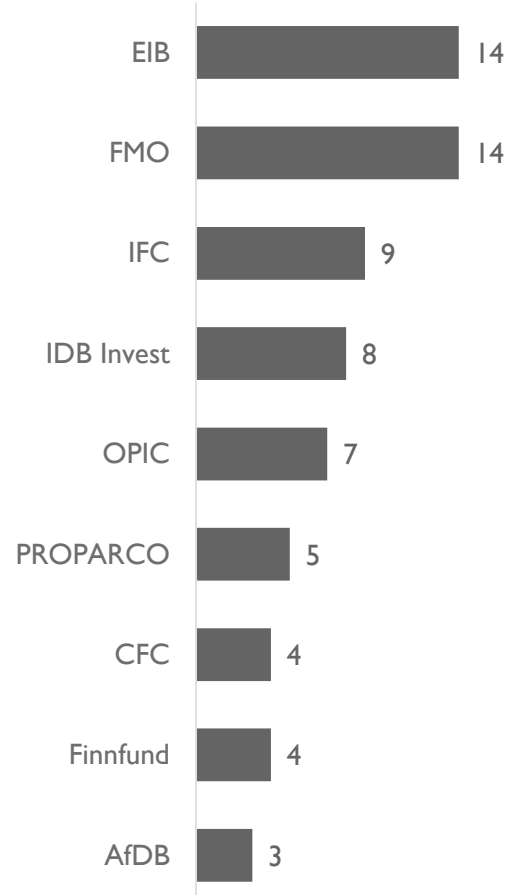


LEAGUE TABLES

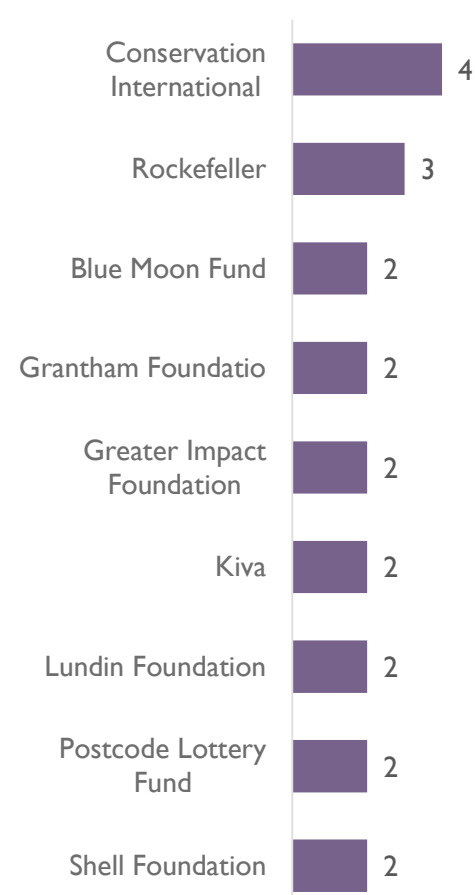
DEVELOPMENT AGENCIES & FUNDS



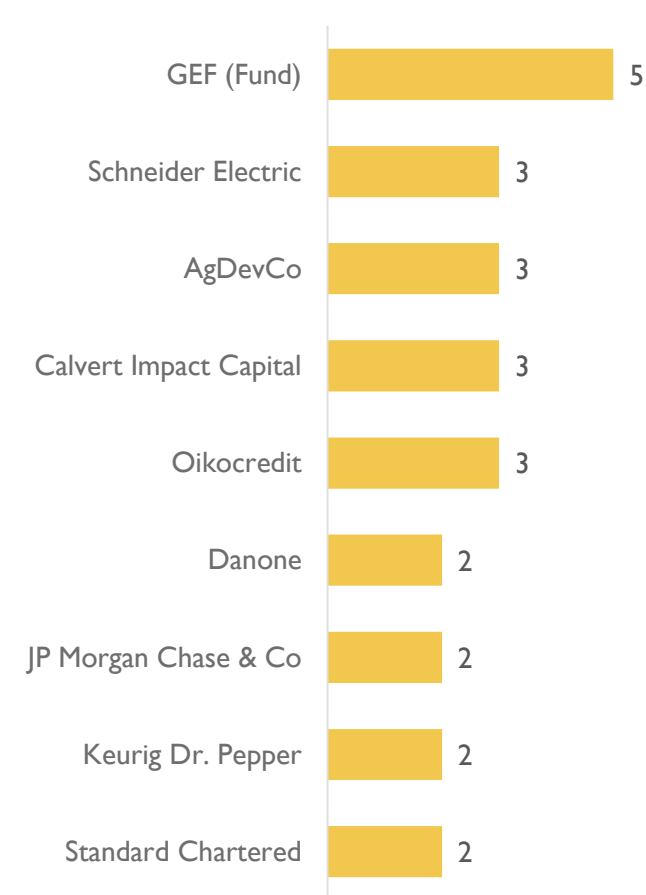
DEVELOPMENT BANKS & FINANCE INSTITUTIONS



FOUNDATIONS & NGOS



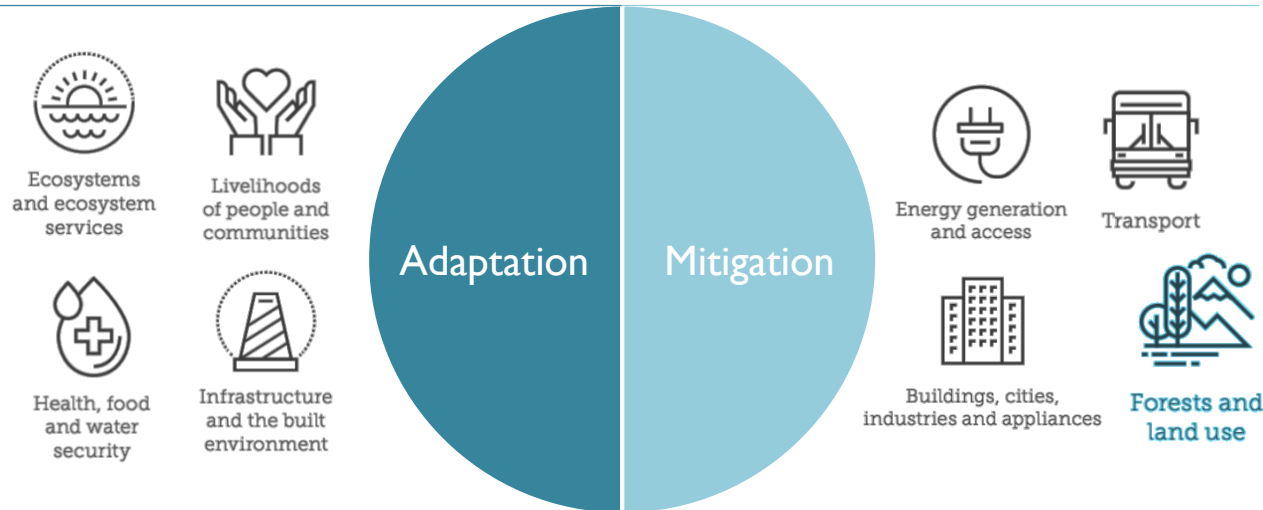
COMMERCIAL & IMPACT INVESTORS



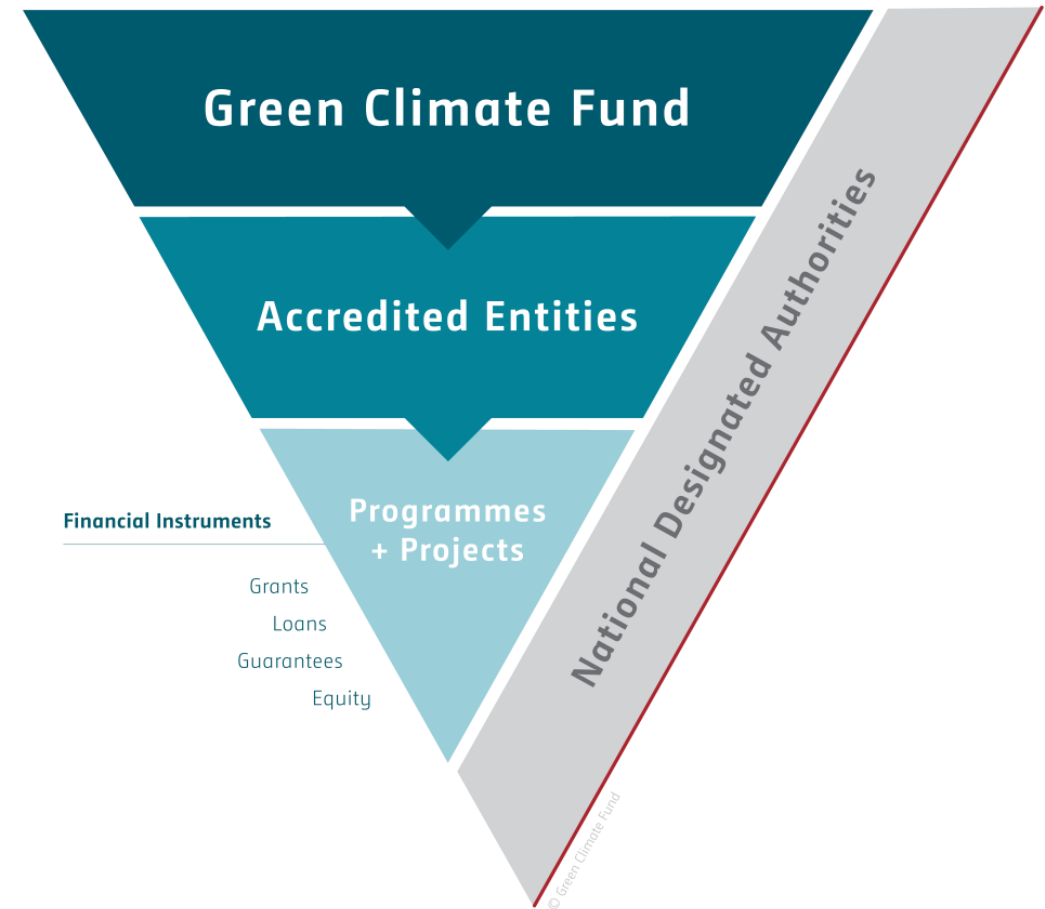
Source: [Convergence Historical Deals Database](#)

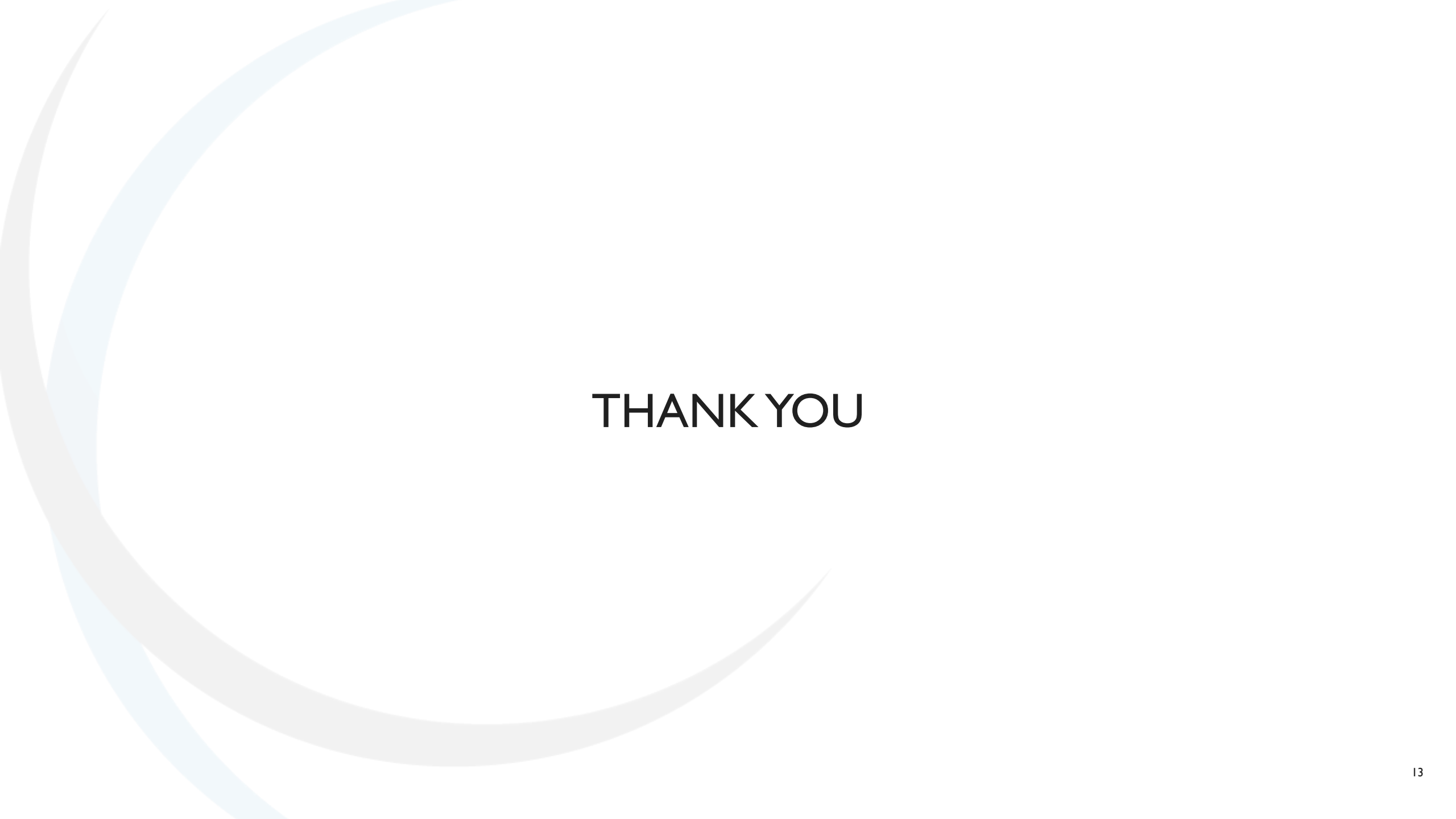
INVESTOR PROFILE: GREEN CLIMATE FUND

- GCF aims to **leverage concessional public capital to catalyze a flow of climate finance** (including private finance) to invest in low-emission and climate-resilient development.
- GCF provides financing in the form of **grants, loans, equity or guarantees** in eight strategic areas:



GCF Architecture





THANK YOU

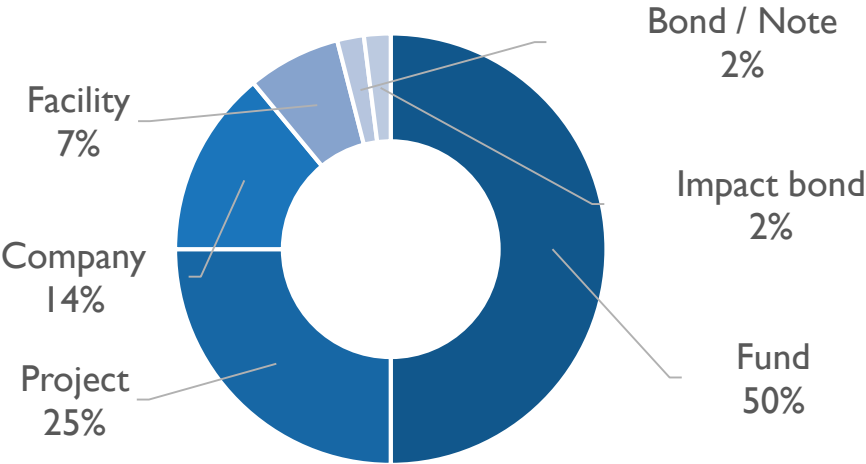


APPENDIX

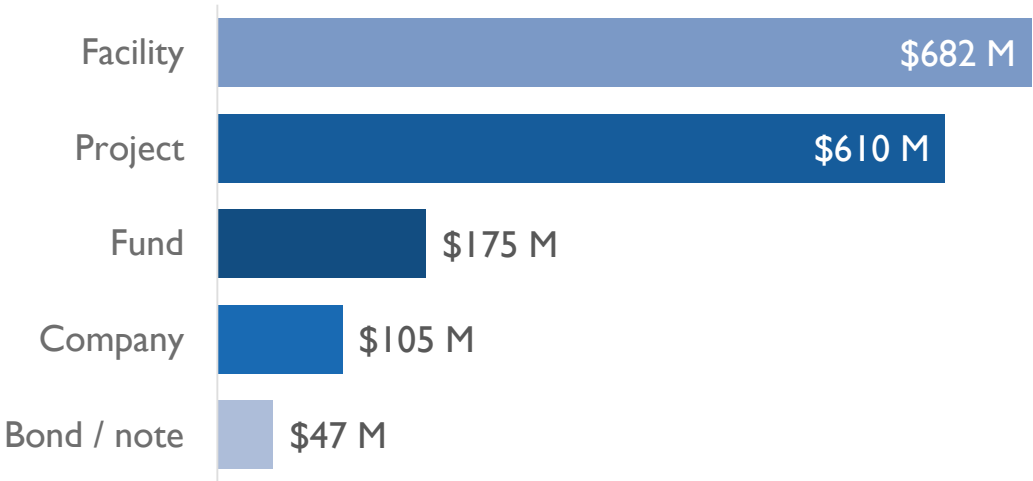
DEAL TYPE & SIZE

ALL DEALS

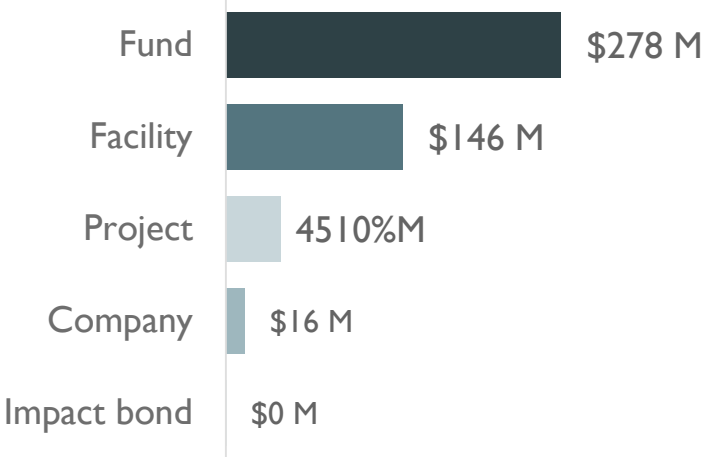
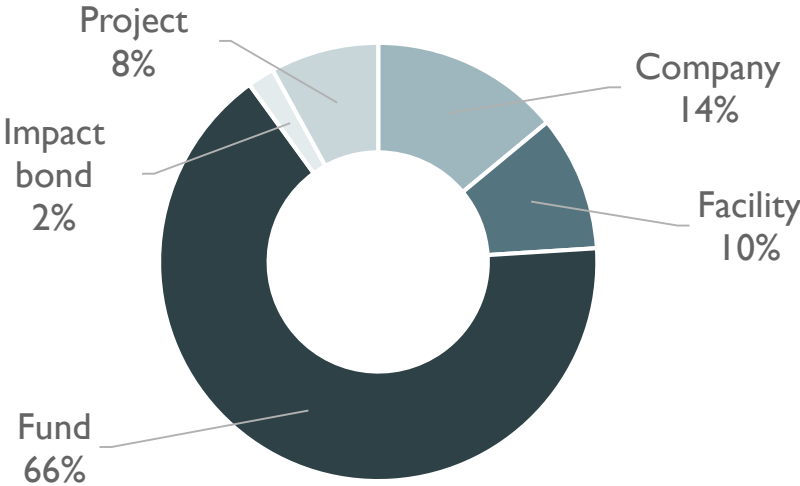
DEAL TYPE



AVERAGE DEAL SIZE



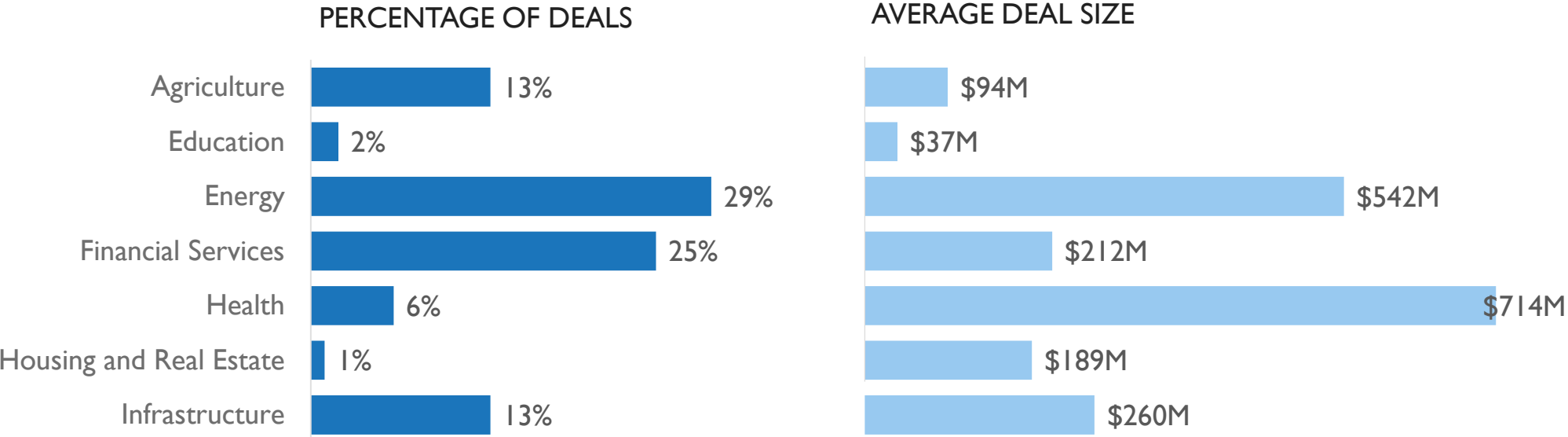
SUSTAINABLE LAND MANAGEMENT



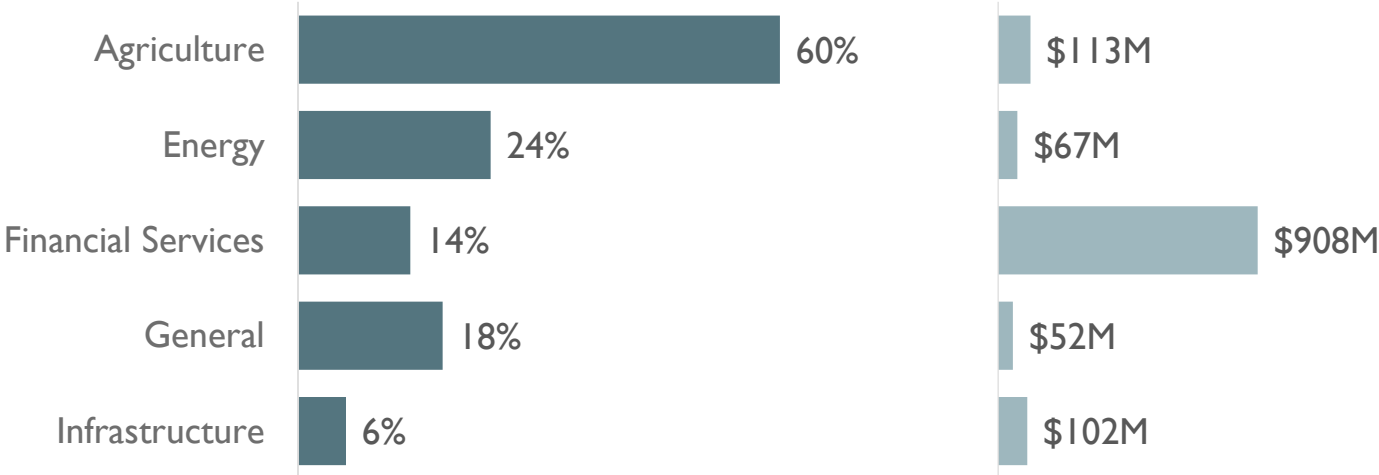
Source: [Convergence Historical Deals Database](#)

SECTOR FOCUS

ALL DEALS



SUSTAINABLE LAND MANAGEMENT



Source: [Convergence Historical Deals Database](#)