



THE STATE OF BLENDED FINANCE 2021

REPORT LAUNCH

OCTOBER 27, 2021

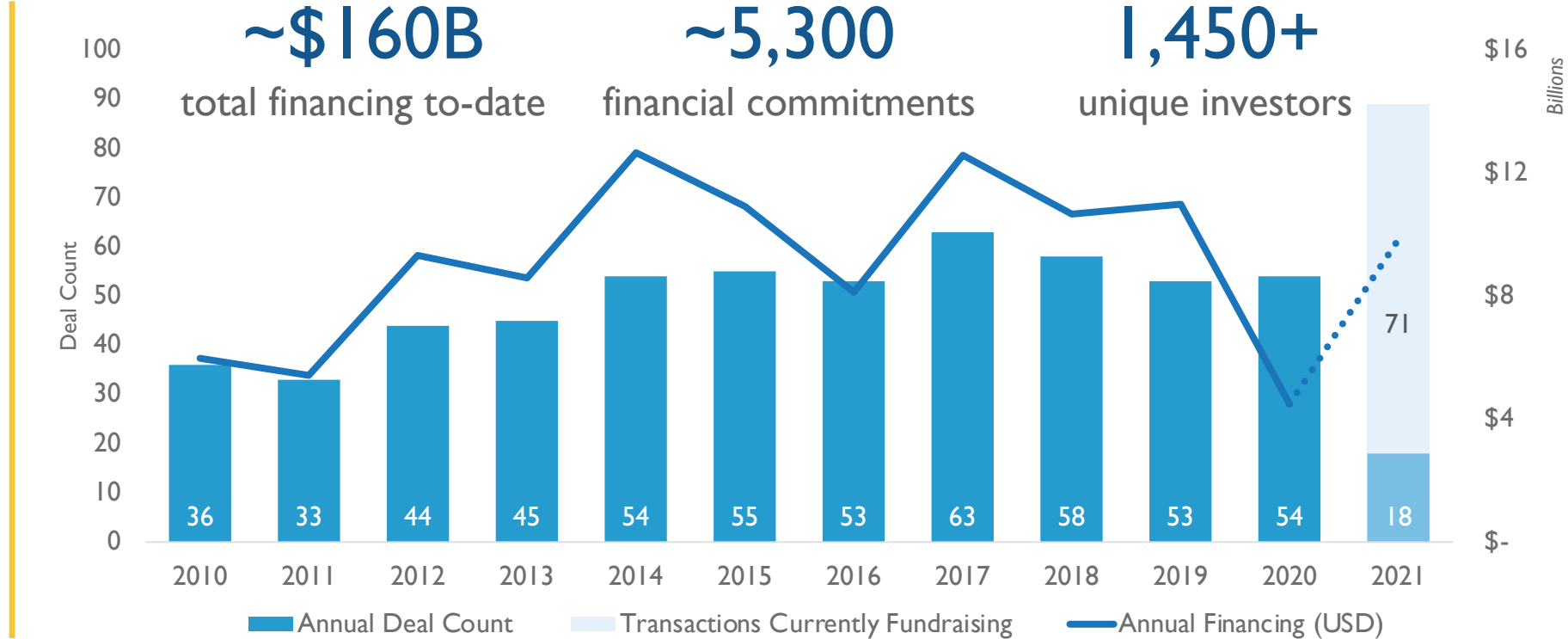
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A black and white photograph of a wind farm. Several large wind turbines are visible, with one in the foreground on the left and others receding into the distance. They are situated in a field of low-lying vegetation, possibly corn, with a line of trees in the background under a cloudy sky.

REPORT FINDINGS

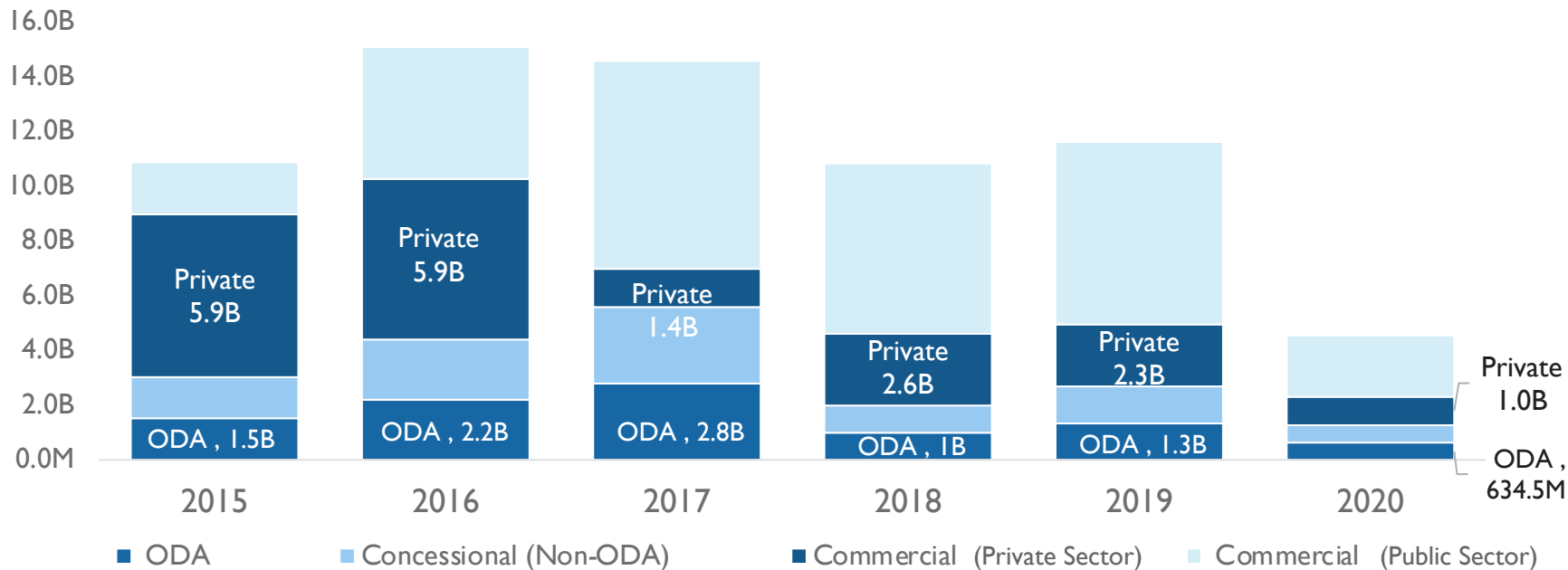
DEAL COUNT REMAINS STEADY WHILE FLOWS DROPPED SIGNIFICANTLY IN 2020, SIGNALLING IMPACT OF COVID-19



Source: Convergence, The State of Blended Finance 2021

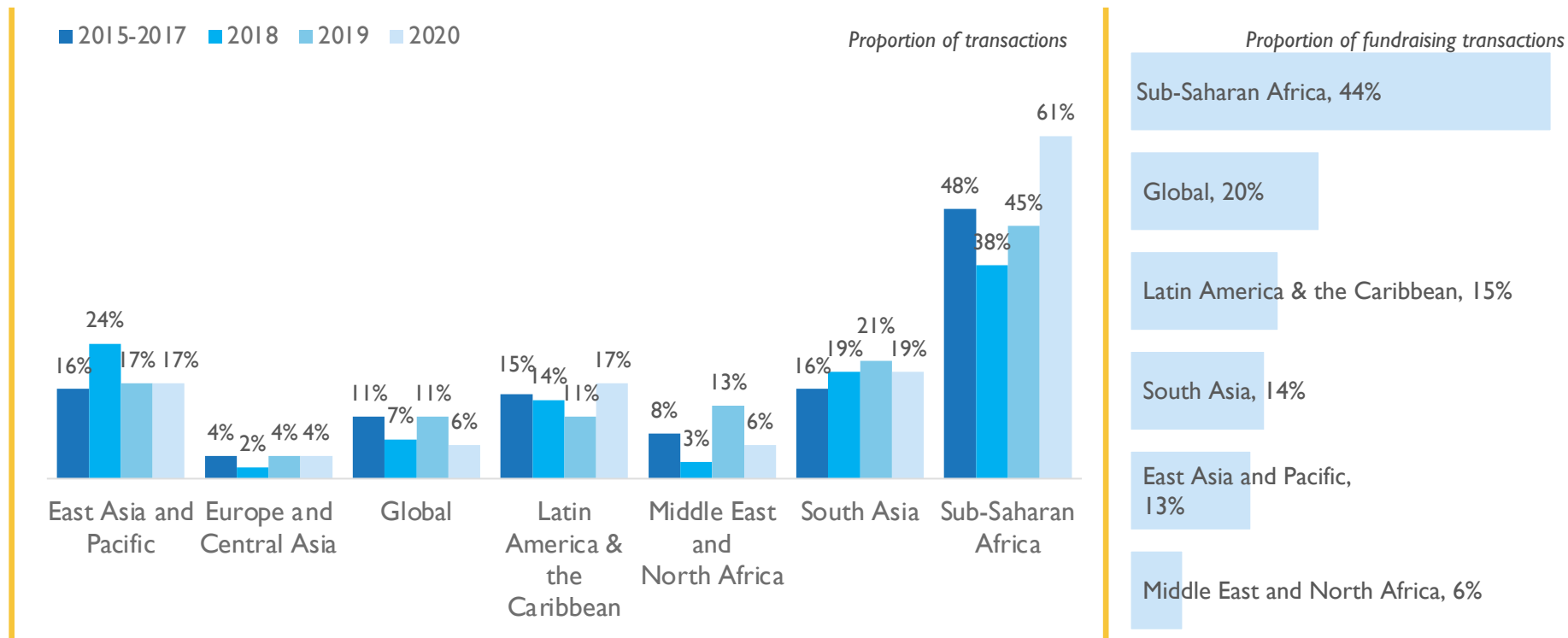
PRIVATE FINANCING REMAINS FRACTION OF OVERALL BLENDED FINANCE FLOWS WHILE ODA LEVELS REMAIN LIMITED

SOURCES OF BLENDED FINANCE FLOWS



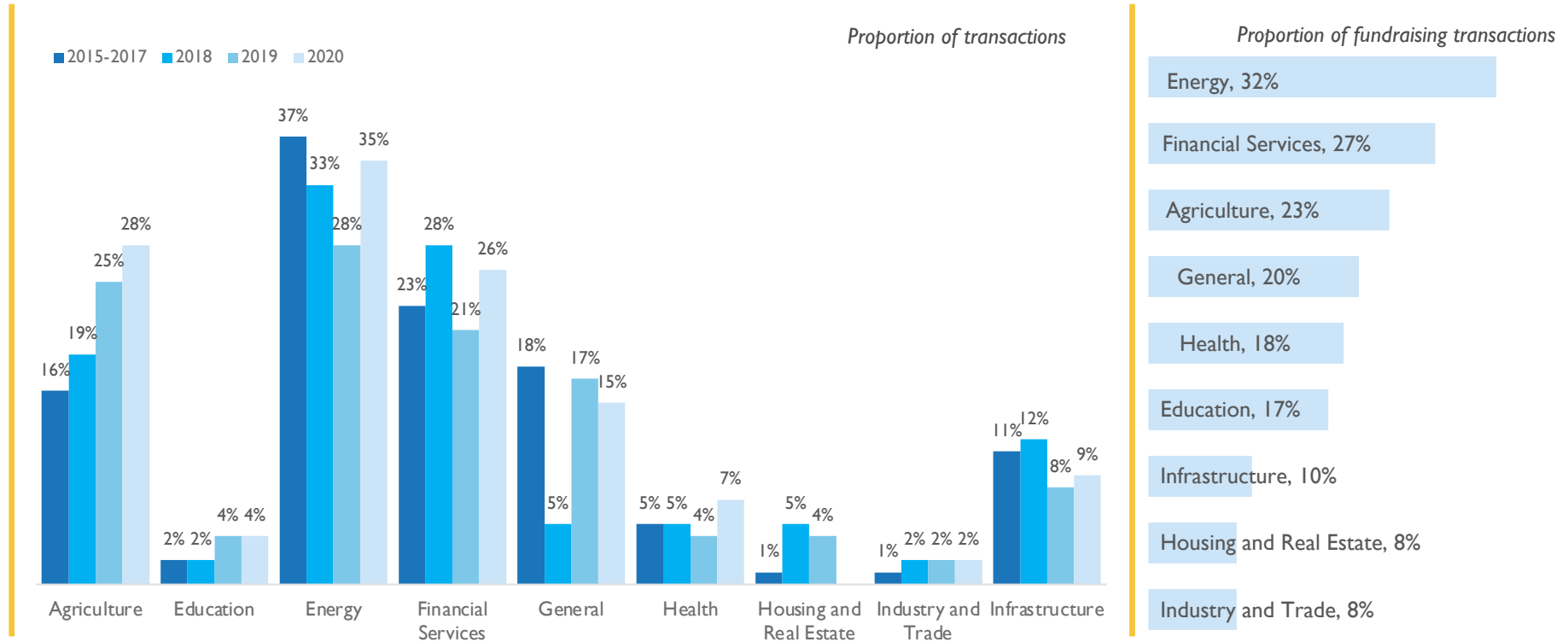
Source: Convergence, The State of Blended Finance 2021

BLENDED FINANCE ACTIVITY IN SUB-SAHARAN AFRICA HOLDS STRONG, WITH LATIN AMERICA SEEING AN UPTICK



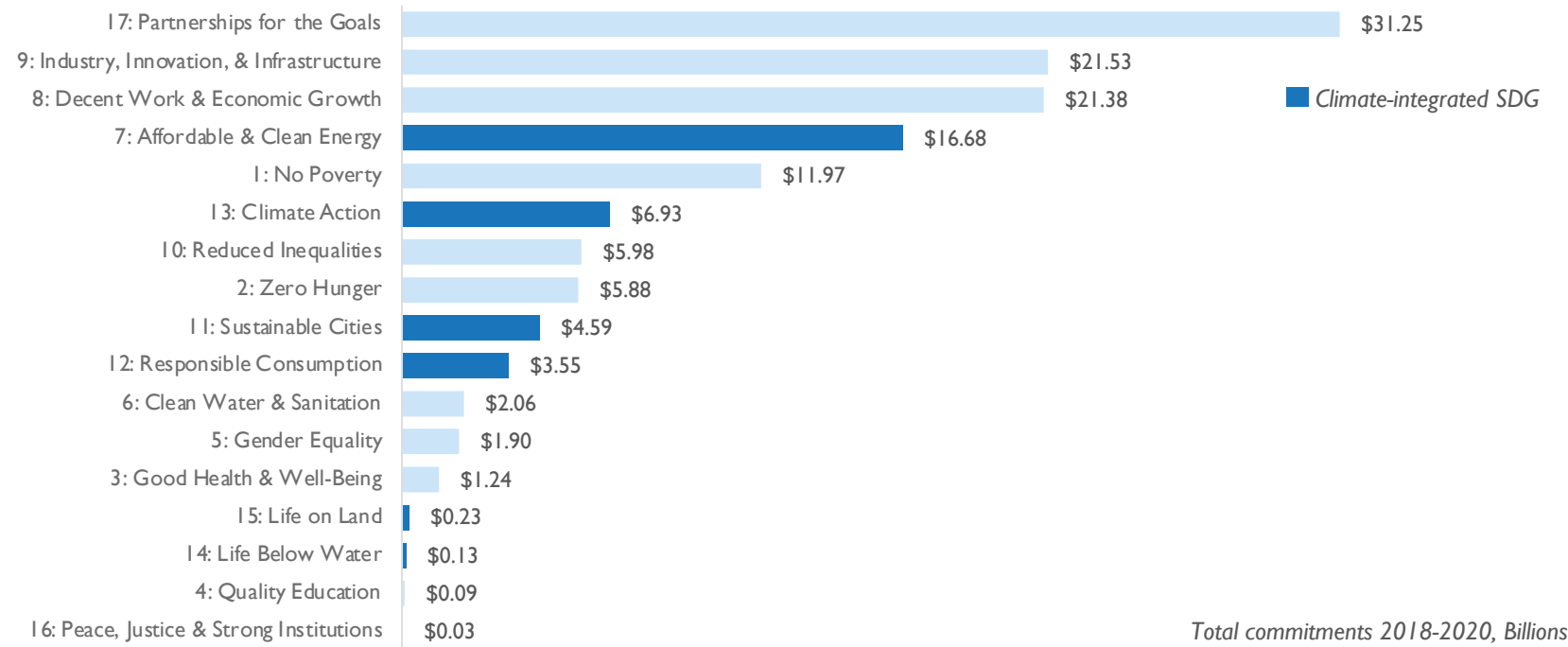
Source: Convergence, The State of Blended Finance 2021

AGRIBUSINESSES ARE BECOMING A KEY RECIPIENT OF BLENDED CAPITAL



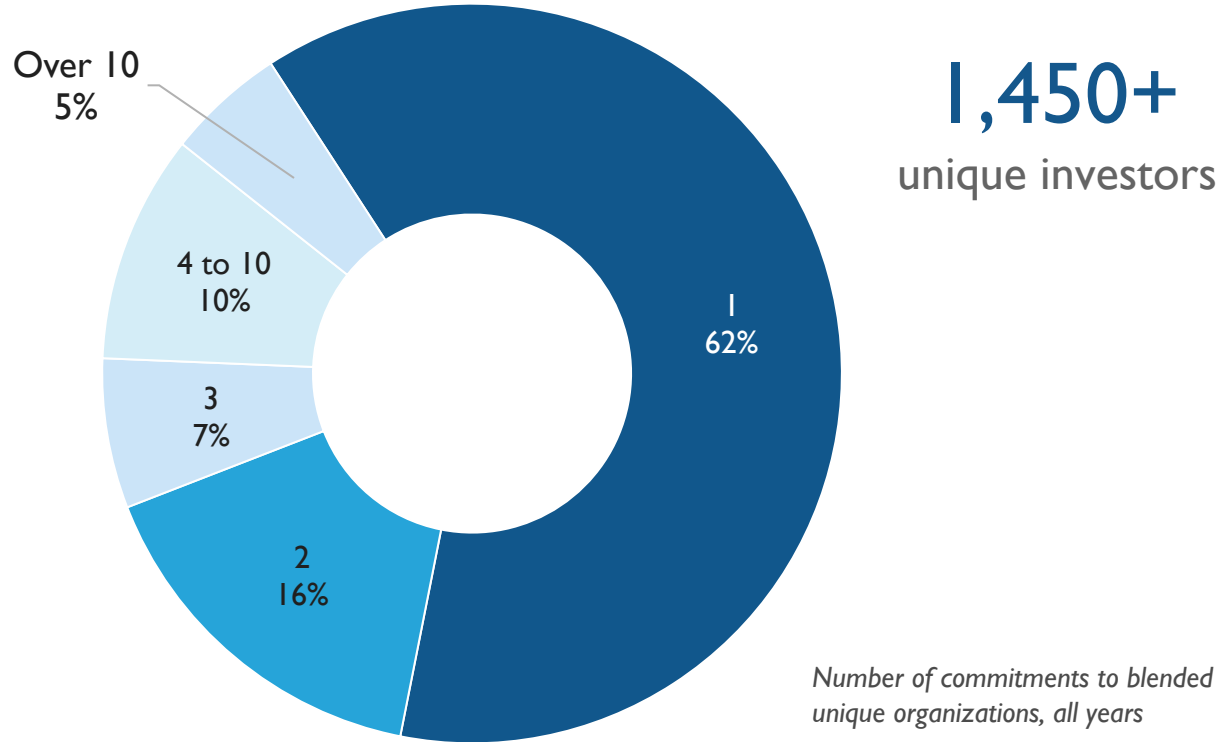
Source: Convergence, The State of Blended Finance 2021

BLEND ED CLIMATE FINANCE COMPRISES A SIZEABLE SHARE OF THE OVERALL MARKET



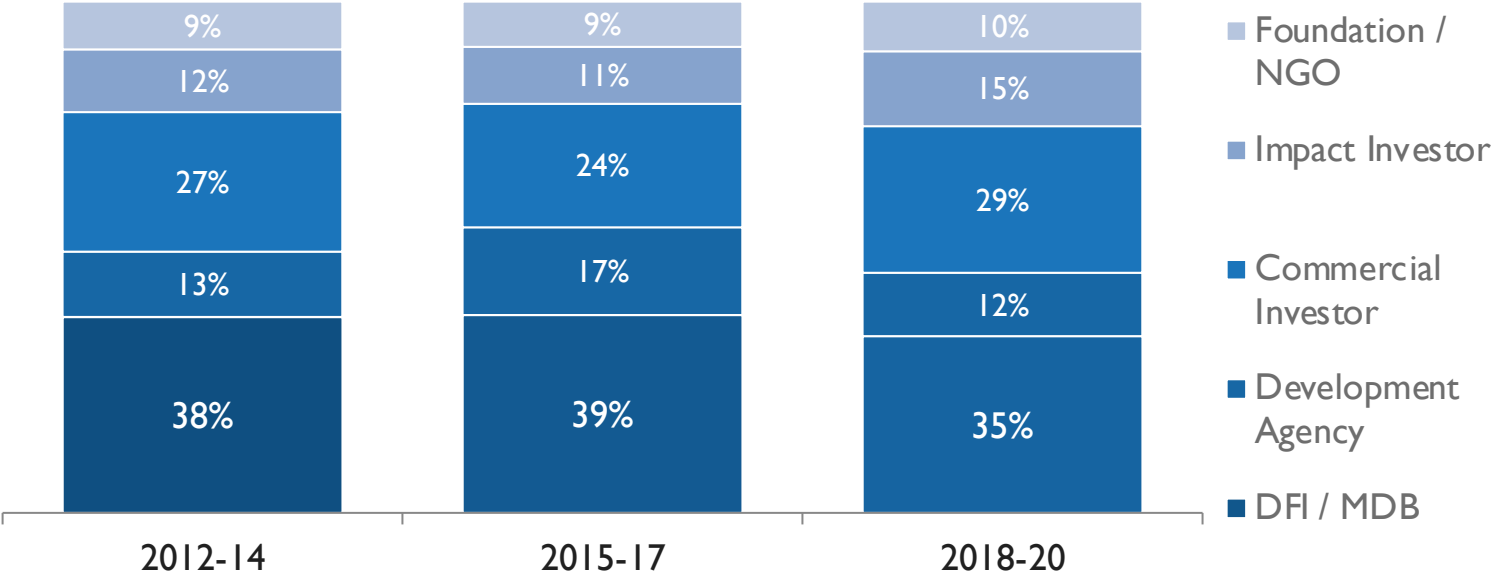
Source: Convergence, The State of Blended Finance 2021

MOST INVESTORS PARTICIPATE ON AD HOC BASIS; FEW HAVE MADE MULTIPLE COMMITMENTS TO BLENDED TRANSACTIONS



Source: Convergence, The State of Blended Finance 2021

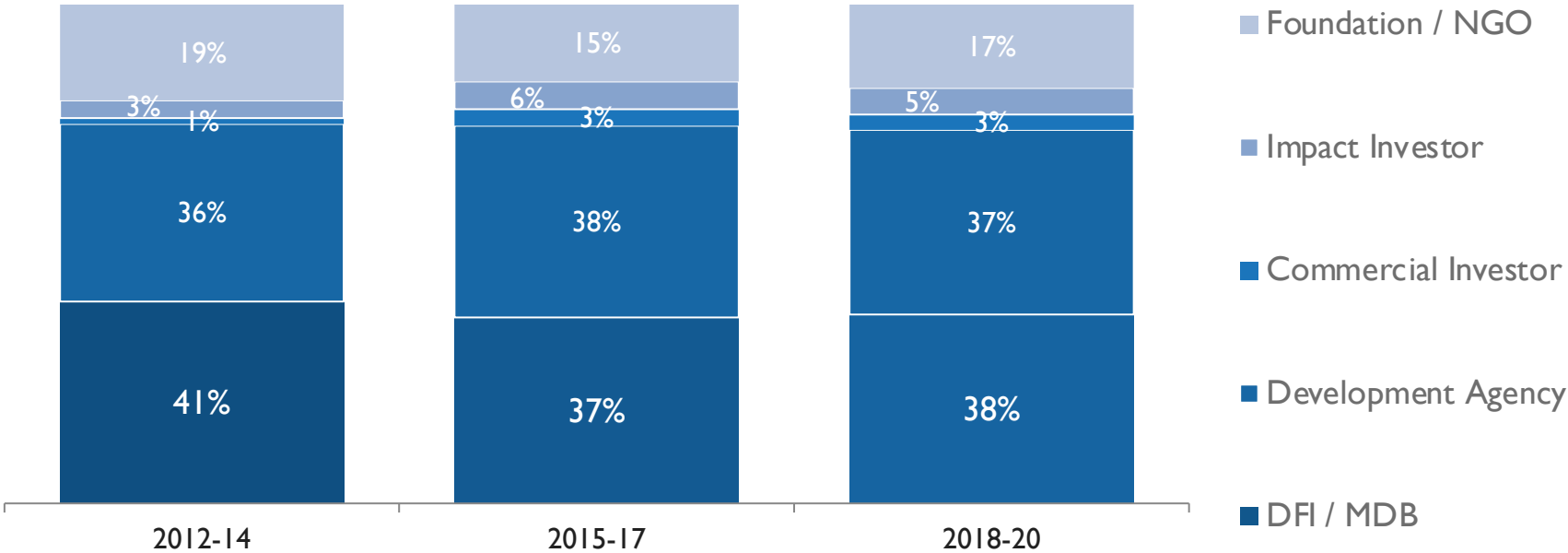
MDBS / DFIS CONSISTENTLY REPRESENT LARGEST PROPORTION OF COMMITMENTS TO BLENDED FINANCE TRANSACTIONS



Sources of commitments to blended transactions, by proportion

Source: Convergence, The State of Blended Finance 2021

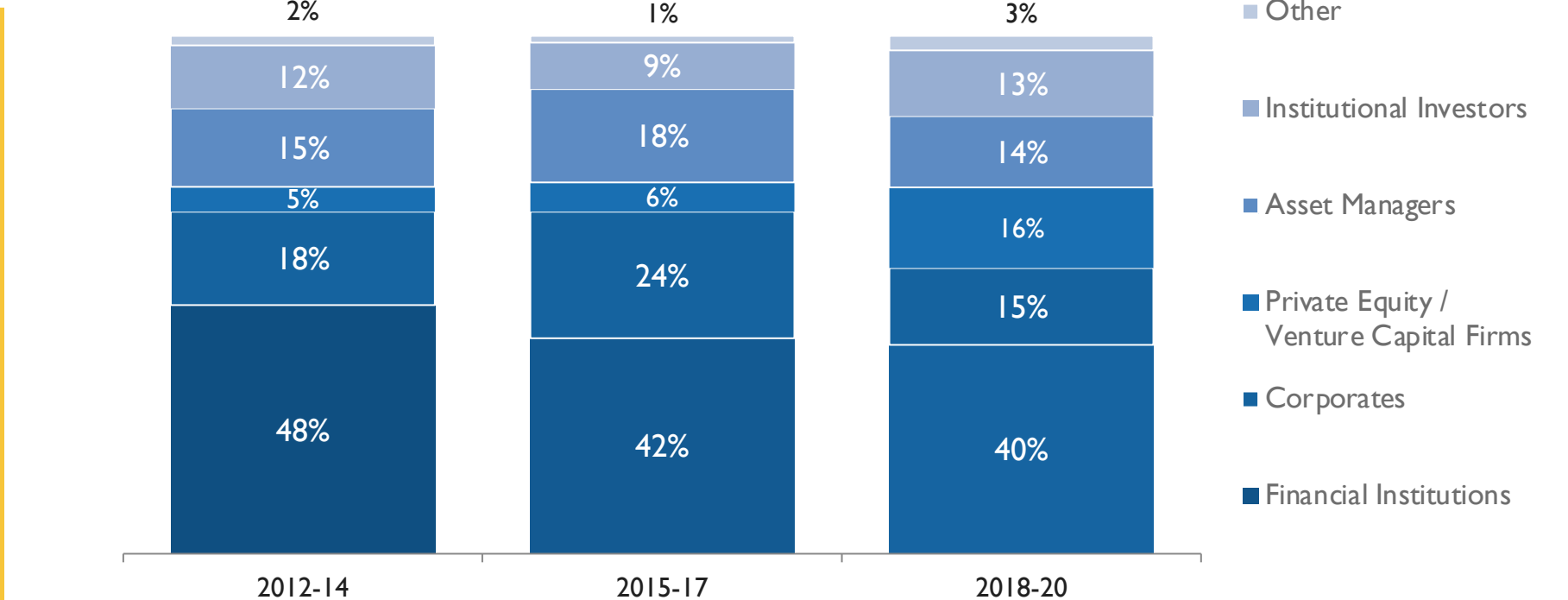
DEVELOPMENT AGENCIES AND FOUNDATIONS PROVIDE OUTSIZED PROPORTIONS OF CONCESSIONAL CAPITAL TO BLENDED FINANCE



Sources of concessional commitments to blended transactions, by proportion

Source: Convergence, The State of Blended Finance 2021

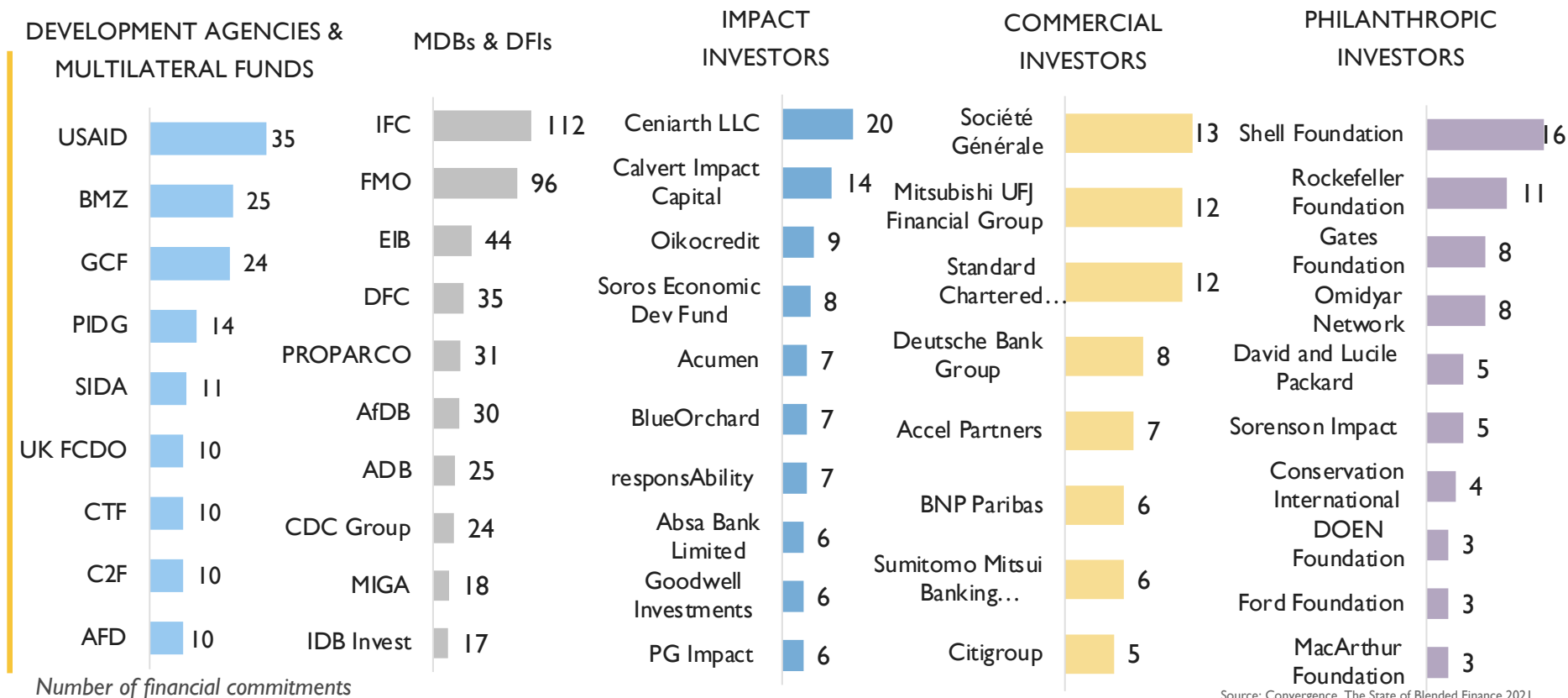
FINANCIAL INSTITUTIONS PROVIDE MAJORITY OF COMMITMENTS FROM PRIVATE SECTOR INVESTORS



Percent of financial commitments

Source: Convergence, The State of Blended Finance 2021

BLENDING FINANCE TRENDS: TOP INVESTORS (2015-20)



Source: Convergence, The State of Blended Finance 2021

CONVERGENCE IDENTIFIES SIX RECOMMENDATIONS FOR SCALING BLENDED FINANCE

1. Donors should make private sector mobilization an essential pillar of their strategy
2. MDBs and DFIs must put in place strategies to engage with investors on a radically different scale
3. Local country governments can create an enabling environment for blended finance by leveraging public funding strategically, using local MDBs and DFIs for deal origination, and structuring blended finance products appropriately for local investors
4. Practitioners should develop proven and replicable blended finance structures
5. Practitioners should prioritize innovative models insofar as they are replicable and familiar to investors
6. All practitioners, but particularly donors, should publicly disclose blended finance data

Source: Convergence, The State of Blended Finance 2021