HOW DFIs ACHIEVE CATALYTIC IMPACT:

Challenges and Opportunities in a Changing Development Finance Landscape

CONVERGENCE

BLENDING GLOBAL FINANCE

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CATALYTIC CAPITAL CONSORTIUM (C3) AND CONVERGENCE

This research paper is the second knowledge building resource produced by Convergence as part of a grant awarded by the C3 Grantmaking Program. In conjunction with the previously published report entitled How DFIs Deploy Catalytic Capital, this brief intends to further strengthen the familiarity among development finance stakeholders regarding the catalytic strategies of Development Finance Institutions (DFIs). The catalytic capital landscape is changing. Longstanding suppliers of this capital are retreating, leaving a void which impacts deployers and recipients alike. New and underrepresented players in the development finance and blended finance space must adapt their conventional investment and impact mandates to ensure sufficient amounts of capital continue to flow to where they are needed most. Philanthropic organizations like foundations are largely untapped sources of vital catalytic and risk-bearing capital. This brief assesses the historical engagement of philanthropic investors and DFIs in blended finance, building upon other areas of Convergence's knowledge building work, and proposes a series of pathways for more systematic collaboration between these groups to sustain the allocation of catalytic resources to developing countries.

EXECUTIVE SUMMARY

DFIs are pivotal players in blended finance. Between 2019-2024, they have invested in 63% of blended deals, which have cumulatively mobilized over $67 billion. They act as cornerstone investors, drawing in private capital to high-risk sectors, nascent markets, and underserved geographies. However, DFIs' ability to deploy catalytic capital relies heavily on concessional resources, particularly from official development assistance (ODA). With ODA volumes in decline, DFIs face growing pressure to do more with fewer concessional funds.

In this context, foundations and other philanthropic actors represent a significant but underutilized source of catalytic capital and a promising partner for DFIs. While foundations accounted for less than 5% of total catalytic capital in blended finance in 2024, they deploy a much higher share of their investments on concessional terms (roughly two-thirds). Convergence data shows that DFIs co-invest with foundations in about 22% of transactions, however collaboration is typically ad hoc. Systematic partnerships remain rare.

This brief begins by examining strategies pursued by DFIs to deploy catalytic capital

- **Programmatic blended finance:** Using sequenced deals to build markets
- **Dedicated catalytic portfolios:** Ring-fenced pools to test high-risk, high-impact models
- **Early-stage venture-style support:** Early-stage investment backing startups and venture capital funds in nascent ecosystems with smaller ticket sizes
- **Guarantee pilots:** Partnerships to develop new instruments and share implementation knowledge
- **Risk-sharing with local financial institutions:** Scaling micro, small, and medium enterprises (MSME) and local currency lending through guarantees and co-lending
- **Junior tranche participation:** DFIs absorbing more risk in blended funds to crowd in institutional investors

Despite these existing efforts,there is room for greater systematic cooperation between catalytic capital providers.

The brief also puts forward a series of opportunities for novel partnerships between DFIs and Philanthropy

- **Lifecycle alignment:** Foundations provide pre-seed or early-stage risk capital, while DFIs step in at growth and scale phases
- **Portfolio-level impact measurement:** Foundations can help DFIs strengthen ex-post evaluation and transparency, including market-level outcomes
- **Standardized blended models:** Risk tranched financial instruments offer a template for combining first-loss capital from philanthropic actors such as foundations with DFI participation in junior positions to maximize mobilization

INTRODUCTION

Development Finance Institutions (DFIs) are long-standing investors of catalytic capital, and critical players in the blended finance market – Convergence data finds that DFIs are invested in 63% of all blended finance transactions. DFIs have increasingly used blended finance to achieve catalytic impact by drawing on catalytic capital from donor partners, including official development assistance (ODA) providers and philanthropic entities, to invest in higher-risk and nascent sectors, markets, and regions which would otherwise not be possible through ordinary commercial resources.

Beyond blended finance, DFIs have also adopted a number of new approaches to bolster their catalytic impact and take on greater systematic risk. This includes carving out standalone pools of capital to invest in innovative but small transactions, indirectly investing in early-stage entrepreneurs through intermediated venture capital, or developing pilot programs to design new financial instruments and products such as guarantees.

With ODA volumes decreasing, catalytic capital resources available for DFIs to deploy blended finance will become even scarcer, adding more pressure on DFIs to use limited funds to achieve greater catalytic impact. There are also renewed efforts for DFIs to formulate new catalytic capital strategies, and to coordinate with other catalytic capital providers such as foundations, family offices, and impact investors to maximize respective resources for impact. Convergence Market Data finds some evidence of co-investment between DFIs and philanthropic actors such as foundations (in 22% of DFI transactions), but typically collaboration is on an ad-hoc, deal-by-deal basis. There is room for greater systematic cooperation between catalytic capital providers, including through more intentional sequencing of the deployment of catalytic capital at various stages of the project life cycle, co-creating ex-post impact tracking, evaluation and dissemination methodologies, and a unified commitment to prioritize catalytic capital deployment to standardized blended finance structures.

This report will:

1. Evaluate how DFIs have approached catalytic capital in the blended finance market to date, as captured by Convergence Market Data
2. Identify the key institutional and programmatic barriers faced by DFIs when deploying catalytic capital
3. Highlight catalytic strategies DFIs have developed to date
4. Recommend areas for greater participation between DFIs and other catalytic capital providers, with a particular focus on foundations

AN ASIDE ON KEY TERMS

Catalytic capital is investment intended to attract additional financing into the capital stack of a transaction. Blended finance and catalytic capital are closely interlinked but are not synonymous.

Blended finance is a structuring approach which uses a specific type of catalytic capital, known as concessional capital – risk-tolerant capital that is otherwise not available in the market – to attract private financing to a transaction. According to Convergence's definition of blended finance, concessional capital only refers to risk-bearing investment that is priced below market (i.e., **price concessionality**) and does not include **structural concessionality** (i.e., extended investment tenors or grace periods, or novel interest rate structures without discount). Concessional capital that is deployed by DFIs alongside their own account investment is known as **blended concessional finance** and may or may not feature the participation of market-rate co-financing from private sources.

Box 1. Key definitions

PART 1

HOW DFIs DEPLOY CATALYTIC CAPITAL

This section revisits and updates trends first captured in Convergence's 2022 report, "How DFIs Deploy Catalytic Capital".

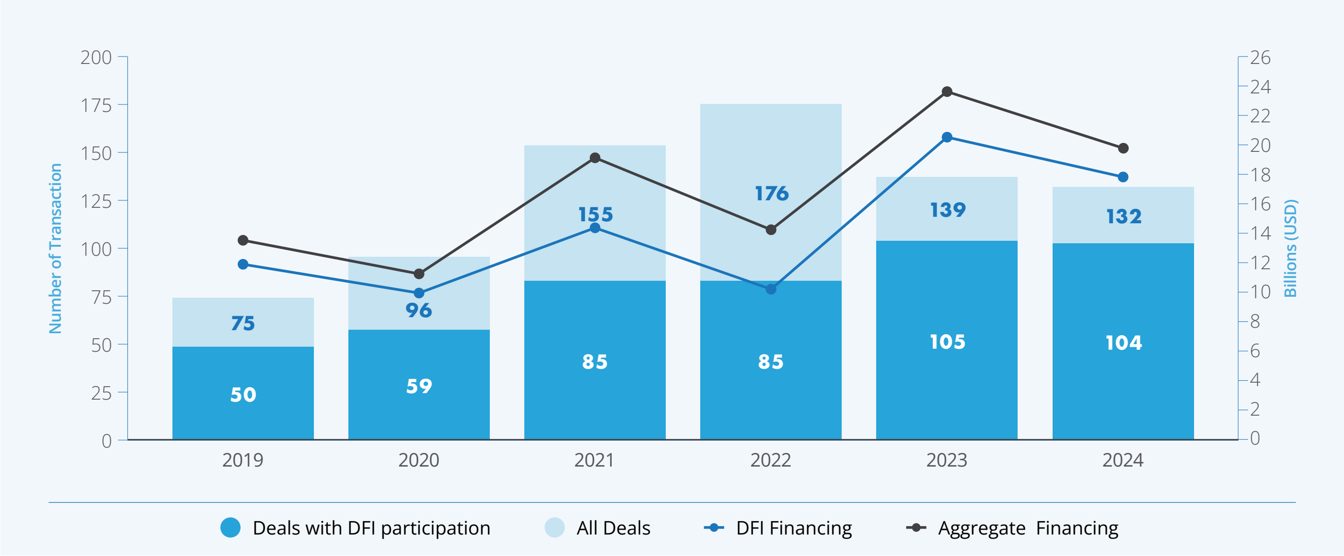

Figure 1: DFI financing in the overall blended finance market.
Source: Convergence Market Data, 2025.

DFIs ARE THE MOST ACTIVE INVESTOR TYPE IN BLENDED FINANCE

According to Convergence Market Data, between 2019 and 2024, DFIs participated in 63% of blended finance transactions, representing 488 deals. This share is slightly lower than what was reported in the previous report, where Convergence found DFIs participated in over 70% of transactions. The small decline is likely due to a proportional shift in the blended finance market and increased participation from other actors.

For example, development agencies increased their share of total commitments from 21% in 2019, to 28% in 2022. Despite this slight reduction, DFIs remain a dominant financing source, accounting for 85% of total financing volumes during this period. Blended finance transactions involving DFIs have mobilized $67 billion in capital between 2019 and 2024.

DFIs MAINLY PARTICIPATE IN BLENDED FINANCE ON COMMERCIAL TERMS

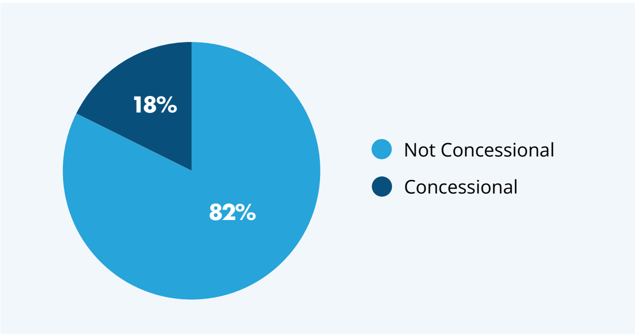

Figure 2: Blended finance commitments by concessionality.
Source: Convergence Market Data, 2025.

According to Convergence Market Data, across all years of available data, DFIs invest commercially in 82% of investments and concessionally in 18%. On average, DFIs have administered $801 million annually in concessional finance over the past six years. This figure has decreased compared to the previous report, likely due to decreasing ODA flows and a shift among ODA providers towards deploying catalytic guarantees and insurance instruments directly. Interestingly, Convergence's 2024 State of Blended Finance finds that the presence of DFIs in blended transactions helps reduce the amount of ODA required to mobilize private sector investment, increasing the efficiency of each ODA dollar deployed. The predominance of commercial commitments by DFIs reflect their conservative approaches to risk, shaped by the need to maintain high credit ratings. As discussed in the 2023 State of Blended Finance, commercial investments from DFIs and Multilateral Development Banks (MDBs) were the leading sources of financing through this period, growing by approximately 140% between 2022 and 2023 alone.

DFIs MOST COMMONLY INVEST IN BLENDED FINANCE USING SENIOR DEBT, EQUITY, AND GUARANTEES

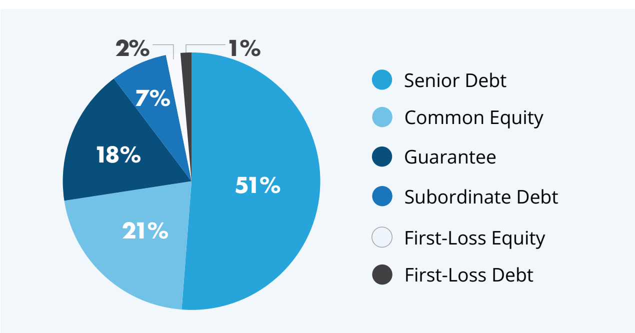

Figure 3: Investment instruments used by DFIs.
Source: Convergence Market Data, 2025.

The most commonly used catalytic instrument by DFIs is senior debt (51% of transactions), which mirrors findings from the DFI Working Group Report. The trend reflects DFIs' conservative credit risk tolerance. To a lesser degree, DFIs have also provided equity (21%) and guarantees (18%). Guarantees have increasingly been used in blended finance by DFIs and MDBs. Key benefits include: i) balance sheet efficiency- unfunded guarantees provided by DFIs require little upfront capital (only amounts equal to expected loss) and offer contingent risk exposure, and ii) are lower risk instruments compared to other catalytic mechanisms because they target specific rather than total risk. This trend again aligns with the DFI Working Group Report which also reported guarantees as a commonly leveraged instrument, behind senior debt (42%). Convergence Market Data found that guarantees are most concentrated in the financial services and energy sectors, likely because of the commercial viability of these industries. The latest State of Blended Finance similarly reports a strong DFI preference for guarantees and risk-sharing agreements with banks, which account for 46% of blending instruments in financial institution transactions. These agreements enable DFIs to reach underserved markets (e.g., take on Small and Medium sized Enterprise (SME) risk, while also reducing diversifiable risk through a portfolio-level approach.

DFIs CATALYZE PRIVATE INVESTORS AND OTHER DFIs AND MDBs

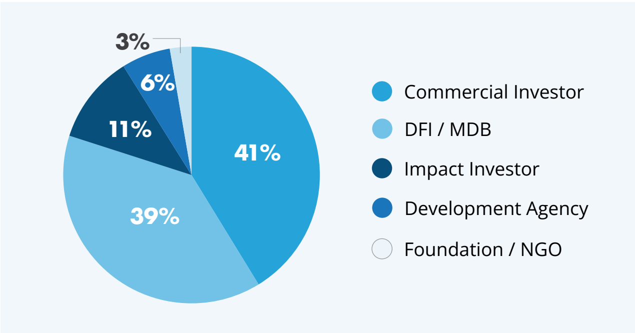

Figure 4: Catalyzed investors of DFIs.
Source: Convergence Market Data, 2025.

Catalytic commitments from DFIs most frequently catalyze commercial investors (41%), and other DFIs and MDBs (39%). The trends reflect DFIs' core mandate to foster private sector development in emerging markets and to play a central role in crowding in private capital to advance the Sustainable Development Goals (SDGs). The majority of this mobilization occurs on equal risk terms (i.e., pari passu), where the DFI is not explicitly reducing the risk of co-investors.

The financial services and energy remain the leading sectors where DFIs most frequently mobilize private capital. The financial services sector holds significant potential to scale impact by reaching large and diverse segments of the population through established financial institutions. By working directly with local financial institutions and leveraging existing financial networks, DFIs can extend access to finance across broader sectors and regions.

This could include transactions where one DFI is investing on concessional terms, through a blended concessional finance program such as IDA's Private Sector Window Blended Finance Facility (IDA PSW BFF), alongside other DFIs on commercial terms. DFIs also often co-invest alongside each other in transactions on commercial terms. Convergence Market Data shows that 36% of all blended finance transactions feature multiple (= >2) DFIs. This figure grows to 57% when counting only transactions involving DFIs, demonstrating the collaborative nature of DFIs.

DFIs ARE MOST COMMONLY MOBILIZED BY DEVELOPMENT AGENCIES AND PHILANTHROPY

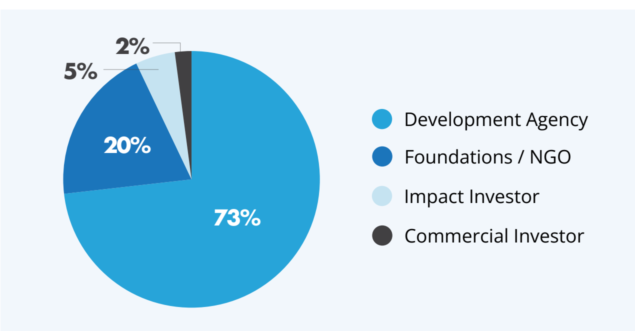

Figure 5: Catalyzers of DFIs.
Source: Convergence Market Data, 2025.

In blended finance transactions where DFIs are investing on commercial terms, catalytic capital is most often provided by development agencies (73%), followed by philanthropic actors (20%).
This makes sense, given that development agencies are the leading sources of catalytic capital in the blended finance market; development agencies provided 65% of all catalytic capital between 2022-2024. While foundations have provided a much smaller percentage of total catalytic capital to the blended finance market, accounting for under 5% of all investments in 2024, they prioritize concessionality – two-thirds of all investments from foundations are concessional. Convergence's Blending with Foundations data brief highlights a growing emphasis on strategic partnerships between DFIs and foundations, which will be explored in Part 4 of this report.

PART 2

BARRIERS FACED BY DFIs WHEN DEPLOYING CATALYTIC CAPITAL

The governance structure of DFIs pose a number of barriers when deploying catalytic capital:

1 DFIs GENERALLY CANNOT DEPLOY CAPITAL FROM THEIR OWN BALANCE SHEET ON CONCESSIONAL TERMS

Broadly speaking, the mission of DFIs is to operate on a commercial basis to support development challenges, using market-based pricing to avoid market distortion. Moreover, DFIs must practice conservative risk management and maintain substantial liquidity to maintain their investment grade ratings for favourable rates when borrowing in global capital markets; 81% of the DFIs in the DFI Working Group have received credit ratings, and of those, 84% hold ratings of AA- or higher (see Annex 1). As a result, DFIs typically do not provide financing from their ordinary resources on concessional terms (e.g., accept below-market returns or assume first-loss risk). Blended finance has emerged as a strategy to enable DFIs to participate in higher-risk transactions, by combining concessional resources from donor government partners with regular DFI financing to achieve greater development impact.

Concessional resources enable DFIs to deploy funding that:

1. is priced below-market (e.g., at a lower interest rate),
2. in a junior position without commensurate returns, or
3. exhibits flexible terms such as longer tenors and payback periods.

This enables DFIs to invest in new technologies, provide local currency financing, invest in greenfield projects, or invest in projects with a long time horizon (e.g., loan tenors over seven years). DFIs who do not house blended finance facilities, such as the US Development Finance Corporation (DFC), have created other strategies to achieve catalytic impact, by developing specific programs or ring-fenced pools of capital to pilot innovative strategies. These will be explored in the next section.

2 BALANCING PRIVATE SECTOR MOBILIZATION AND DEVELOPMENT IMPACT

Interviews with DFIs revealed they often face tension when balancing private sector mobilization goals and development impact, particularly at the transaction level. While private sector mobilization targets must increase significantly if blended finance is to scale at the levels required, there is a chance that higher-risk pilot transactions could be deprioritized, particularly by ODA providers. When private sector mobilization targets are high, a transaction may not be considered catalytic if it does not attract sufficient co-investment. Many DFIs report their annual mobilization volumes, both in their individual annual reports and through the DFI Working Group's Joint Report. In addition to publishing mobilization volumes, several DFIs also outline mobilization targets or ratios. Thus, financial additionality of the donor's funds are often considered the most important measure of catalytic impact. In a time of scarce catalytic capital, there is an even greater need for blended finance to achieve high mobilization targets to address the growing capital gap. As shared by one DFI:

> *"The consideration of third-party private mobilization is embedded within all of our investment processes, including initial screening, due diligence, and approval process and monitoring."*

3 LIMITED CAPACITY TO CONDUCT AND DISSEMINATE LARGE-SCALE EVALUATIONS ON EX-POST IMPACT AT THE PORTFOLIO LEVEL

DFIs have sophisticated impact frameworks for guiding their due diligence and final investment decisions. Many of these frameworks include specific metrics for measuring catalytic impact.

For example, DFC's Impact Quotient (IQ) framework scores projects according to three pillars:

1. Growth (economic growth including job creation),
2. Inclusion (including how a project benefits underrepresented groups), and
3. Innovation (use of innovative financial structures to mobilize private capital).

The Innovation pillar of IQ is particularly relevant when identifying catalytic capital opportunities for DFC. This pillar scores projects higher if they use new or uncommon finance models that aim to increase competition in the market, and/or mobilize private capital through blended finance or other risk-sharing structures. To measure this, the IQ uses metrics such as: new and uncommon products or services, value of private capital mobilized, and local government reform.

Similarly, IDB Invest uses the DELTA framework to track the projected and achieved development impact of its investments. Within the DELTA framework at, additionality includes two components and one of them, financial additionality, explicitly incorporates a concept of "catalyzing capital" by measuring resource mobilization of the investment. Valuing financial additionality through DELTA creates incentives for IDB Invest's investment teams to allocate resources where they are needed most; higher scores are awarded to transactions that mobilize capital in more challenging markets, or in new markets or sectors. The DELTA framework includes a results matrix for tracking impact over the life of the transaction, which is then aggregated at a portfolio level.

IMPACT QUOTIENT (US DFC)			
OVERVIEW & OBJECTIVE	**SCORECARD**	**SCORECARD CRITERIA**	**KEY RISK CONSIDERATION(S)**
Development impact management system that help inform decision-making during project approval process *Key objectives include:* assessing compliance with DFC's Environmental and Social standards, monitor projects' progress toward developmental objectives, take corrective measures to improve compliance, evaluate and report on impact performance at the portfolio level, and contribute to strategy development	Each investment is scored against **core impacts** and assigned a score between 0-37.5 Each investment is scored against **ancillary impacts** and assigned a score between 0-15 **Bonus points** (up to 7.5) are awarded for voluntary initiatives in inclusive governance, reduction of environmental impact of operations, or familial/ employee development Where possible, indicators are aligned with recognized metrics, like the Harmonized Indicators for Private Sector Operations or the IRIS+	**Overarching development impacts:** Economic growth, inclusion, innovation *Economic Growth* • measures the overall scale of impact *Inclusion* • measures benefits to disadvantaged populations and geographies *Innovation* • measures market diversification, benefits to the climate and other overall demonstration effects **Core impacts** define the project's development objectives and performance **Ancillary impacts** are important but incidental to core impact **Bonus impacts** are entirely voluntary and which DFC finds value in promoting among investees	Up to 37.5 points can be deducted for risks related to the project's environmental/social profile, country risk, sponsor's capacity, underdeveloped systems for collecting and reporting impact, inadequate customer feedback loop, and job losses

Table 1-1: Summary of DFC Impact Quotient and IDB Invest DELTA impact frameworks

DELTA (IDB INVEST)			
OVERVIEW & OBJECTIVE	**SCORECARD**	**SCORECARD CRITERIA**	**KEY RISK CONSIDERATION(S)**
A scoring system that systematically assesses, using a counterfactual approach, expected impact to inform decision making and portfolio management	Each project is assigned a score from 0-10 that is updated throughout investment implementation DELTA score is combined with a results matrix with key indicators linked to theory of change, impact objectives and targeted SDGs Where possible, indicators are aligned with recognized metrics, like the Harmonized Indicators for Private Sector Operations or the IRIS+	*Economic Analysis* • an estimation of the net benefit to the economy and society *Sustainability* • measures the financial sustainability of the company/project, including primary financial risks that could impede the achievement of impact. Also measures compliance with ESG requirements *Stakeholder Analysis* • complements economic analysis to understand how costs and benefits are distributed across stakeholders *Additionality* • analyzes both financial and non-financial additionality that an investment yields. Financial additionality includes catalyzing capital and resource mobilization as a core consideration. Non-financial additionality is directly linked to the employment of advisory services to strengthen business practices	*Under Economic Analysis* • protectionist regulatory environment and lack of competition *Under Sustainability* • financial risk that could impede the impact thesis. Any main negative effects are mitigated and/or compensated to the extent possible. ESG risk tied to compliance with IDB Invest's ESG requirements, including any degradation of compliance overtime *Under Stakeholder Analysis* • lack of indicators to measure specific outcomes for beneficiary groups and overly broad/numerous development objectives *Under Additionality* • all projects must express financial additionality. There is no crowding out of the private sector. Catalytic capital is being used in instances where the project would otherwise not go forward

Table 1-2: Summary of DFC's Impact Quotient and IDB Invest's DELTA impact frameworks

While many of these frameworks include some analysis of ex-post impact, the focus is often at the pre-investment or active investment period of the transaction. Further, reporting on achieved impact is often collected at the individual deal level. There is a need for more in-depth evaluations that can help establish causal links between what catalytic capital strategies are most effective and can in turn influence allocations of capital in the future.

4 MANAGING THE DEPLOYMENT OF CATALYTIC CAPITAL ACROSS PROGRAMS

Donor funds are organized according to specific windows, depending on the specific mandate and priorities of the donor government partner. Examples of donor-funded DFI blended finance programs include the Finland-IFC Climate Blended Finance program, the IDB Canadian Climate Fund for the Private Sector in the Americas (C2F), and the MASSIF Fund managed by FMO on behalf of the Dutch government. DFIs revealed that the specific and varied criteria of DFI concessional blended finance programs can complicate access and management of catalytic funds across the DFI.

5 SILOED AND AD-HOC APPROACH TO PARTNERSHIPS

Convergence Market Data finds that DFIs occasionally co-invest with foundations (in 22% of transactions). However, this generally happens on an ad-hoc and opportunistic basis. To date, DFIs have not had a coordinated strategy when partnering and deploying catalytic capital. There is an opportunity to more systematically work with partners with comparative advantages, for example to access different financial instruments, risk reduction for projects along the scale continuum, or access expertise within a certain sector or market. Additionally, while collaboration opportunities are usually framed based on co-investment, coordinating timelines, risk tolerances, and due diligence can be timely and resource intensive. Here, catalytic capital providers should also identify opportunities to invest in a coordinated fashion along the life cycle of a project, with highly catalytic capital supporting early-stage activities where there is greater uncertainty and more traditional development finance supporting scale. The capital continuum created by IDB Lab and IDB Invest, detailed in Part 3, provides one model for a more coordinated approach for catalytic capital providers.

6 DECLINING ODA IS CREATING NEW PRESSURES

With catalytic financing becoming scarcer as a result of global ODA cuts, there is increasing pressure on MDBs and DFIs to use blended finance to maximize leverage and scale. Less funding from ODA funders will also mean that MDBs and DFIs will have to identify new catalytic capital partners to pursue blended finance strategies.

PART 3

STRATEGIES PURSUED BY DFIs TO DEPLOY CATALYTIC CAPITAL

DFIs have adopted a number of strategies to pursue the use of catalytic capital, despite the aforementioned barriers.

1 DEPLOYING BLENDED FINANCE USING A PROGRAMMATIC APPROACH TO CATALYZE NEW MARKETS

Blended finance has historically been used to reduce transaction risk on a deal-by-deal basis, to improve the financial viability and/or investability of a specific project or fund. IDB Invest is one example of a DFI that has been using blended finance to deepen relatively underinvested markets through a series of aligned transactions. Rather than to mitigate risk on individual transactions, a programmatic approach is guided by an overarching goal executed across successive deals, often to demonstrate bankability and/or investability and grow market exposure among key investor types. A programmatic approach can also target different project phases to demonstrate economic feasibility at varying points of the deal life cycle.

When describing their approach to being catalytic, IDB Invest shared:

> *"Sometimes we have a thesis, and we test it on a transaction basis. Then we can build out a programmatic approach based on a single transaction"*

An illustrative example of how IDB Invest is providing blended finance on a programmatic basis is through their support for Uruguay's clean energy transition. Here, IDB extended long-term loans at subsidized interest rates to a series of solar energy projects to help address market barriers facing institutional investors.

CASE STUDY EXAMPLE: IDB INVEST'S APPROACH TO DEVELOPING THE SOLAR MARKET IN URUGUAY

In 2013, the Government of Uruguay launched a 200MW tender program to attract private sector participation in the development of solar photovoltaic (PV) power plants and increase the share of renewable energy in Uruguay's energy matrix.

IDB Invest and C2F addressed the primary market barriers to institutional investor investment in Uruguay's nascent solar market. IDB Invest played a central role in arranging long-term financing and subsequent refinancing for three solar PV projects in Uruguay, creating a demonstration effect for attracting private sector and cross-border investment in renewable energy. The underlying projects secured a total of $188.2 million in financing, with a significant portion ($47.4 million) provided by C2F. These projects, located in the Río Negro, Soriano, Paysandú, and Salto Departments, contributed to the diversification of Uruguay's energy mix and the expansion of its renewable energy capacity.

C2F's funding in the projects was on favorable terms that were otherwise unavailable in the market. This included longer tenors and subsidized interest rates, which improved project viability, enhanced credit profiles, and reduced the overall cost of debt. Importantly, it helped bridge financing gaps that exceeded the requirements of institutional investors. As the risk perception of renewable energy assets improved, IDB Invest witnessed a shift in the market. By 2018, long-term commercial financing became more accessible, and by the end of 2020, all the projects were successfully refinanced in the capital markets or loans market. Notably, in the first project refinancing (La Jacinta Solar Project), C2F continued to participate at a reduced subsidy level to enable an investment grade rating on the issuance. However, in all subsequent refinancings, C2F's involvement was fully prepaid, indicating the projects' improved credit standing and reduced need for catalytic financing.

KEY INSIGHTS

Taking a programmatic approach to blended finance can produce greater impact than ad hoc investing: At the beginning of the solar tender in 2013, private ownership of renewable energy assets was low at 5%. However, by 2018, the clean energy sector attracted $4.5 billion in private sector investment, with foreign investors contributing 75% of the capital. The share of non-renewable sources in Uruguay's energy supply decreased from 58% to 37% between 2005 and 2018, while energy imports, primarily fossil fuels, virtually ceased. This shift reduced dependence on hydroelectric power and expensive, high-emission fuel imports, leading to improved productivity and resilience in the industry. The replication of proven models for similar transactions will be instrumental in scaling up solar markets elsewhere and achieving broader sustainable energy goals.

Blended finance can help bridge the gap to market maturity: Blended finance, particularly the soft capital from the C2F, played a crucial role in bridging the gap to market maturity. C2F's catalytic financing helped align borrower credit and project risk profiles with institutional investor expectations. It also allowed for longer tenors on IDB Invest loans, ensuring the bankability of projects. As risk perceptions of institutional investors changed and the cost of solar PV equipment decreased, catalytic financing became less necessary. Institutional investors began replacing the subsidization model, making solar projects increasingly attractive in the capital market and outcompeting fossil fuel-fired energy.

Box 2: Developing the solar market in Uruguay through blended finance. Click to download.

The programmatic approach concept is also linked to the growing push within the blended finance market for greater standardization of investment structures. If catalytic capital providers prioritize deployment of capital on a systematic basis (vs ad hoc) to a defined suite of model blended finance structures, efficiency of scarce risk-bearing capital and resultant mobilization can be enhanced. Convergence has recently undertaken efforts to propose a set of blended finance structures, spanning the project investment life cycle, to be prioritized to standardize and significantly ramp up donor and private sector engagement in blended finance. Called the Scale Private Investment Mobilization Project and Action Plan (PIMMs), the initiative outlines how blended finance practitioners can reduce project cost and design timelines, raise greater amounts of capital, and deliver the types of assets that meet private investor needs and obligations.

2 CARVING OUT A SEPARATE PORTFOLIO FOR HIGH-IMPACT TRANSACTIONS

In addition to partnering with donors to invest in higher-risk or impactful transactions, DFIs have also spearheaded pilot initiatives in-house to trial out catalytic strategies. Two key examples, DFC's Portfolio for Impact and Innovation (PI^2) program and the British International Investment (BII) Catalyst program, are explored below:

i DFC PORTFOLIO FOR IMPACT AND INNOVATION (PI^2) PROGRAM

Through PI^2, DFC has tailored a program to enable investments in more innovative, early-stage, or pioneering transactions with high potential for impact or scale. This portfolio focuses on underserved markets, with 92% of PI^2 allocations going to low- and lower-middle income countries compared to ~65% across DFC's other portfolio allocations.

PI^2 was originally founded under the former Overseas Private Investment Corporation (OPIC) as the Portfolio for Impact (PI) program. The impetus for PI came following the recognition that higher-impact deals (for example, those targeting themes such as healthcare or microfinance) often involved long and onerous processes when being reviewed by OPIC's approval committees. As a result, OPIC decided to create a separate process that would allow for more efficient review and approval when assessing higher-risk investment opportunities including, among other features, a cap of up to $5 million per transaction.

PI^2 is catalytic in the following ways:

- **Opportunistic and first mover:** Through PI^2, DFC bridges the financing gap for high impact and innovative companies targeting underserved markets. As such, DFC is often the first institutional investor in PI^2 projects that operate in hard-to-reach markets, employ new business models (e.g., PAYGO solar and digital lending), or pioneer emerging investment themes (e.g., microinsurance or disability-inclusive investments).
- **Capacity to invest in smaller deals compared to typical deal size in other DFC departments:** PI^2 invests in deals ranging from ~$1 million to maximum $10 million, which fall below the usual ticket size for the DFI.
- **Ability to experiment with different investment products:** PI^2 has invested in different types of investment products, such as development impact bonds, impact-linked financing, or revenue-based financing.
- **Scaling businesses:** DFC supports small businesses looking to achieve scale, such as non-profits evolving into social enterprises.

BII'S CATALYST PROGRAM

BII created a separate pool of capital with the goal of achieving enhanced development impact by embracing a flexible approach to risk. While still seeking a positive financial return at the individual investment level, the strategy sought to transform markets by targeting high-impact investments in sectors and geographies where risks were not always fully compensated by additional returns. Later, the path taken was to bring them 'in-house', moving the portfolio onto BII's balance sheet while maintaining it as a ring-fenced pool of capital with a clear set of criteria. The program currently focuses on six thematic strategies:

- ***Gridworks:*** Provides equity investments to expand energy transmission, distribution, and off-grid electricity in Africa.
- ***Energy Access and Efficiency:*** Improves access to clean off-grid energy and supports resource-efficiency projects through local currency lending.
- ***"Greenovate":*** Leverages concessional capital to dismantle barriers to financing for first-of-its-kind infrastructure projects.
- ***MedAccess:*** Improve access to medical supplies in underserved markets using guarantees.
- ***Primary Agriculture:*** Increase economic opportunities for remote and rural agri-SMEs, through patient capital and technical assistance.
- ***Forestry:*** Support sustainable forestry initiatives in Africa to improve climate resilience and rural livelihoods.

Over the course of the program, BII developed good practice guidelines such as: i) reducing the exposure to multiple key risk factors within a single transaction, for instance by not combining the use of high-risk instruments with high-risk sectors or geographies where external shocks are common, ii) the importance of a diversified portfolio and counter-cyclical investment approach, and iii) the value of integrating specific data-sharing terms into capital agreements to contribute to market-building objectives. BII also highlighted the need for DFIs to take a more proactive role in sponsoring new "platforms" in undeveloped markets with high impact potential but limited commercial activity. Platforms refer to when a DFI incubates and finances a start-up or acquires operating assets to act as a deal sponsor in markets that lack sponsors and anchor investors. DFI-sponsored platforms help catalyze future private investment in underdeveloped sectors and regions by demonstrating viability, reducing risk, generating market knowledge, and enabling larger project ticket sizes. In BII's experience, their unique risk appetite allows the DFI to take full or majority equity stakes in these platforms, eliminating the need for co-financiers. Equity is seen as the most effective instrument for platform development, and BII advocates for greater flexibility from governments for DFIs to deploy equity.

3 INVESTING ALONG THE INVESTMENT CONTINUUM, INCLUDING EARLY-STAGE TRANSACTIONS

Catalytic capital can be used to provide essential support to impact enterprises that either have not yet achieved breakeven or have narrow operating margins. These impact enterprises may need time to test and refine their business models and/or to adapt to serving new geographies or previously underserved populations.

IDB Lab is a unique example of an MDB program that promotes the use of catalytic capital for early-stage entrepreneurial innovations. The IDB Group is the only multilateral organization with an arm exclusively dedicated to early-stage innovation and venture capital at the regional level.

IDB LAB CAN BE CONSIDERED CATALYTIC IN THE FOLLOWING WAYS

- **Supporting nascent ecosystems:** IDB Lab prioritizes investments in the region that are underinvested, recognizing that a high concentration of money is going into a select few countries. As shared by the Lab,

  > *"We look for venture capital funds in nascent ecosystems. We supported the first institutional venture capital fund for Paraguay and Bolivia, Carao Ventures in Costa Rica, and Pomona Impact in Guatemala"*

- **Providing smaller ticket sizes:** The ticket size for investments considered by IDB Lab (starting as low as $250,000 for startups in seed stage in nascent ecosystems) is smaller than that for IDB Invest (usually starting at $10 million). As shared by IDB Invest,

  > *"Everything from Series C onwards goes to IDB Invest, and Series B and below goes to IDB Lab."*

- **Attracting co-financing / mobilizing third party investors:** IDB Lab requires all deals to have a co-investor. Specifically, in the case of direct equity, the co-investor needs to have a proven track record and be the one to lead the fundraising round. As shared by IDB Lab

  > *"We want to send a sign to the private sector. Over the past six years, we have mobilized six times our money"*

	INVESTMENT IN START-UPS	INVESTMENT IN FUNDS	LOANS AND SERIES B VENTURE DEBT
DESCRIPTION	Direct investments, including equity and quasi-equity, into early-stage businesses addressing key development challenges in LAC. The ventures must have exceptional impact potential, innovative business models, solid financial sustainability, and clear scalability paths. Investments are mainly made alongside trusted VC co-investors.	Invests in VC funds to expand the markets and frontiers of opportunity for early-stage businesses. **The funds must be aligned with at least one of the following three approaches:** 1 nascent and emerging ecosystems, 2 regional funds or 3 sector specific funds.	Provide debt financing to early growth stage startups, innovative SMEs, grassroot organizations, MFIs, and debt funds that are targeting key development challenges in LAC, through new and innovative solutions. Projects must have clear impact through innovation and be financially sustainable.
PRIORITY SECTOR	AgTech and natural capital; fintech; essential infrastructure services; talent, employment and edtech; and health tech	Agriculture and natural capital; financial inclusion; essential infrastructure services; talent, employment and education; and health	Agriculture and natural capital; financial inclusion; essential infrastructure services; talent, employment and education; and health
TICKET SIZE	$250k to $3M	$3M – $5M	$500k – $5M
IMPACT	Impact angle in LAC for poor and vulnerable populations, climate change and environmental sustainability, gender and diversity.		

Table 2: Financial instruments provided by IDB Lab.

Convergence's PIMMs project and Action Plan likewise highlights the need for more project preparation facilities to increase the pipeline of viable projects in developing countries. An increase in the amount of catalytic funding for these facilities directly addresses the broad consensus that there are insufficient investment opportunities that meet the regulatory and legal standards, cashflow requirements, and overall market integration expected by private sector investors. The general market-level and asset-specific expertise of DFIs, make them important collaborators in preparation facilities.

4 TRIALLING NEW INSTRUMENTS SUCH AS GUARANTEES IN PARTNERSHIP WITH ESTABLISHED PARTNER ORGANIZATIONS

Guarantees and risk insurance target the specific risks that prevent investability (e.g., credit risk, currency risk, political risk). In doing so, they can deliver investment grade instruments in non-investment grade markets to drive private sector mobilization. In its PIMMs project and Action Plan, Convergence emphasizes that increasing the supply of guarantees from creditworthy guarantors is paramount. However, developing robust guarantee programs requires significant capacity and technical expertise, including the development of origination and risk assessment frameworks, and create scalable and standardized guarantee products. The pilot collaboration between IFU, the Danish bilateral DFI, and Sida represents a model for how DFIs can leverage learnings and know-how from organizations with sustained guarantee programs to build up their own expertise.

In an effort to build out its financial instruments beyond equity financing, the Danish government launched the Development Guarantee Facility (DGF) in 2022, a DKK 2 billion sovereign-backed guarantee program managed by Denmark's DFI, IFU. The pilot phase, spanning 2022-2025, was developed in direct cooperation with Sida in order to leverage the institution's 15-year track record on guarantee issuance. Here, IFU, Sida, and the Swedish National Debt Office closely collaborated on capacity building, pipeline development, and risk assessment.

IFU established three guarantee products:

1. portfolio guarantees,
2. project guarantees, and
3. balance sheet guarantees.

DGK became fully operational in 2024, signing two guarantees for a total of DKK 746 million.

As noted by Convergence, a larger universe of creditworthy guarantee issuing entities, like the IFU-Sida collaboration, as well as more re-guarantors who can unlock issuing capacity among the guarantee organizations, is crucial to ensuring borrower credit quality does not prevent the realization of viable projects. A greater supply of project-level guarantees can also enable other scaled blended finance instruments such as tiered private equity and debt funds, which can develop portfolios of creditworthy projects.

5 SUPPORTING RISK-SHARING AGREEMENTS WITH LOCAL FINANCIAL INSTITUTIONS, TO EXTEND LOCAL CURRENCY FINANCING AND BUILD DOMESTIC FINANCIAL MARKETS

Risk-sharing agreements between DFIs and financial institutions enable recipient banks to increase their exposure limits and expand lending to riskier market segments. Risk-sharing agreements can be facilitated through guarantees, credit facilities, or first-loss capital. For DFIs, participating in risk-sharing agreements provides a number of catalytic benefits. For example, supporting a portfolio of loans reduces concentration risk associated with any one loan or borrower, enables DFIs to take on SME risk, and provides a more efficient channel to reach priority sectors. Moreover, supporting local banks unlocks a greater quantum of local currency financing for SMEs and can allow for more favourable loan terms (i.e., reduction of collateral requirements, extended grace periods, lower rates). Empowering local communities to access financial markets through loans and guarantees is therefore a cost-effective way to build local capacity and self-reliance. The PIMMs project and Action Plan also highlights the potential of using catalytic capital to catalyze guarantee issuing entities to unlock a higher quality and quantity of investment to real economy entities and develop domestic capital markets. For example, the Africa Guarantee Fund, backed by a series of DFIs and donor governments, has unlocked $4.3 billion in SME financing since its inception.

While risk-sharing agreements can include full and partial coverage guarantees, the 50/50 risk-sharing approach to partial-credit guarantees, whereby DFIs assumes 50% of the risk in partnership with local financial institutions, is also catalytic as it requires the partner institutions to put skin in the game and provides a demonstration effect. One recent example is the 2024 risk-sharing transaction between IFC and Orange Bank Africa, a digital bank operating in Côte d'Ivoire. IFC provided an unfunded risk-sharing facility, to scale lending to SMEs in Côte d'Ivoire. Through the facility, IFC provided a 50% partial-guarantee on the portfolio which will enable the bank to extend up to $30 million in additional local currency financing to this segment.

6 MAXIMIZING DFI RISK TOLERANCE BY PARTICIPATING IN A JUNIOR POSITION

DFIs have faced increased pressure to expand their risk tolerance by investing in mezzanine, subordinated or junior positions, thereby enabling more private investment into senior tranches. With a total size of $1.11 billion, the SDG Loan Fund highlights the additional impact unlocked when DFIs occupy higher risk positions (e.g., first-loss). Here, FMO assumed Class B shares in the fund, which were junior to those held by institutional investors. FMO's catalytic participation was unlocked through a partial guarantee provided by the John D. and Catherine T. MacArthur Foundation. The guarantee was structured as a program-related investment (PRI), covering up to $25 million in potential losses. MacArthur's flexible participation fulfilled FMO's technical requirements to assume a first-loss position through Class B Shares. FMO's investment was sized to be large enough to meet the credit risk tolerance of institutional investors, while using the minimum amount of capital required. As a result, the SDG Loan Fund achieved a leverage ratio of 1:9, attracting more than $1 billion from Allianz SE and other institutional investors, far above the average leverage ratio of blended finance transactions.

The PIMMs project and Action Plan underscores the importance and potential of more public sector funding, including from DFIs, being intentionally deployed to reduce risk at scale. Convergence estimates that only 3% of DFI financing is deployed to reduce risk for private investors. With aggregate balance sheet capital of only around $40-50 billion, the current DFI status quo will have little impact on developing market funding gaps if risk budgets are not expanded.

Finally, regardless of the aforementioned strategies, there is a need for more impact evaluations to better document causal links between blended finance and portfolio-level impact, as well as to influence future allocations of scarce catalytic finance. This is critical in blended finance, as catalytic capital is mostly used as a temporary support for near-bankable projects to achieve bankability, with the overall medium- to longer-term goal of creating commercial markets. Understanding the long-term impact of catalytic capital on markets at the portfolio-level is therefore a key indicator.

Some DFIs have begun to integrate ex-post impact evaluations into their blended finance frameworks. Both IDB Invest and BII include a metric for aggregating the impact of transactions at the portfolio-level within their impact frameworks.

IMPACT SCORE	= PRODUCTIVE SCORE	+ SUSTAINABLE SCORE	+ INCLUSIVE SCORE
What does this mean?	Raising the productivity of an economy so that it can support a decent standard of living for all.	Helping transform the economy to reduce emissions, protect the environment, and adapt to the changing climate.	Sharing the benefit of higher productivity and sustainability with poor and marginalized sections of society.
How will we measure it?	1 Degree of need 2 Intensity 3 Economic enablers 4 Catalyzing markets	1 Climate mitigation 2 Climate adaptation and resilience	1 Rich to low-income populations 2 Poor and fragile countries 3 Gender and diversity

Figure 6: BII Impact Score framework.
Source: Best Practices for Donor Governments Engaging in Blended Finance. Click to download.

For 2022-2026, BII developed an Impact Score to replace its Development Impact Grid which had been used since 2012, as one of the key performance indicators reported to FCDO. BII's Impact Score is comprised of a productive score (raising productivity of economy) + a sustainable score (climate impact) + an inclusive score (reaching low-income populations and gender). The sum of three scores will result in a Total Impact Score, which can range from -1 to 10.

A particular area of interest is the "catalyze markets" measurement under the productive score. The score assesses key factors such as:

1. pioneering new business models that can be replicated,
2. reinforcing demonstration, and
3. improving the enabling environment.

Monitoring these investments usually requires the collection of market-level information, as opposed to the firm-level data which is more typical.

Similarly, DFIs have also conducted impact evaluations to document the financial performance of their portfolios, including loss and recovery rates. In 2024, IDB Invest published a report for the first time that draws on 28 years of data, highlighting IDB Invest's strong performance in managing credit risk within emerging markets. Despite the inherent challenges of these regions, the average default rate remains low at 1.8%, demonstrating the effectiveness of IDB Invest's robust risk management framework.

PART 4

OPPORTUNITIES FOR PARTNERSHIPS BETWEEN DFIs AND PHILANTHROPY

As mentioned, DFIs have independently sought to amplify their catalytic impact through a number of strategies. With DFIs facing increasing pressure and more constrained resources, there is an opportunity to more effectively coordinate with other catalytic capital providers, particularly philanthropic actors like foundations. Convergence Market Data finds that foundations are underrepresented in the blended finance market, representing only 3% of all investments in blended finance in 2024, and several key barriers persist which impede more systematic collaboration with DFIs.

It is often challenging to align the charitable mandate of philanthropies with the investment and impact objectives of development banks. This may be particularly pronounced among smaller foundations that have more narrowly focused charitable purposes. Foundations that are governed to closely adhere to their charitable mission are similarly circumscribed, with broad "impact investing" opportunities considered ineligible. Upstream conversations, early in the investment process, are paramount to ensure consistency in the creation of development outcomes. Additionally, building formal relationships over time can more tightly link the objectives of each entity and can lead to co-created impact mandates for joint investment programs.

Smaller foundations may have less stringent investment oversight and investment teams with less experience navigating the asset classes blended finance typically intersects (e.g., alternatives). Conversely, the investment strategies of DFIs have significant allocations earmarked for alternatives and therefore possess substantial knowledge and track records. As a result, the types of opportunities for philanthropic-DFI collaboration should be clearly and narrowly defined and match the expertise and objectives of each entity. Prioritizing investing via intermediaries (e.g., funds) can allow foundations to transfer some of the due diligence and monitoring onus onto fund managers who have greater expertise and capacity.

In some cases, philanthropies may be limited in the catalytic financial instruments at their disposal due to regulatory requirements associated with their charitable and tax-exempt status as well as the administrative burden that certain instruments carry and may disincentivize their use. Likewise, the higher risk opportunities that fall within the DFI investment remit, may fall beyond the prudency standards for foundations. Foundations are encouraged to make more creative use of investment instruments, including PRIs (for US-based foundations) and mission-related investments (MRIs), which allow foundations to navigate around prudency standards and participate in higher risk, high impact transactions, and in the case of MRIs, utilize endowment corpus assets in blended deals.

Finally, there is the risk of misalignment of mobilization priorities and crowding out of private capital by DFI participation. DFI investment that is enabled by a pre-seed or development phase catalytic investment provided by a philanthropy which had the intention or potential to attract private investment should be avoided. In such cases, early-stage philanthropic participation should be coupled with subsequent junior/subordinated DFI investment at the commitment phase, freeing up senior risk tranches for private investors.

Convergence identifies the following additional opportunities for DFI-philanthropic collaboration:

INCREASED BLENDING ACROSS THE DEAL LIFE CYCLE, IN ADDITION TO MITIGATING SPECIFIC RISKS WITHIN THE CAPITAL STACK

Co-investment opportunities between DFIs and philanthropies are often conceptualized based on participation within the capital stack. However, there is perhaps an even greater opportunity for philanthropy and DFIs to coordinate more closely when investing across the project life cycle, with philanthropy focused on investing at the upstream stages of project development and DFIs supporting scale-up. As outlined by C3 and Tideline, and exemplified in practice by IDB Lab and IDB Invest, catalytic capital can reside at different stages of the project life cycle. Yet, along this continuum, there continues to be an investment gap for financial vehicles that have achieved initial proof of concept but lack the necessary capital to continue to attract follow-on funding to achieve a financially viable and attractive size. Philanthropic organizations already have a history of supporting these activities, with examples including the Rockefeller Foundation's collaboration with the MacArthur Foundation through its Zero Gap Fund. The Zero Gap Fund deploys pre-seed funding to operationalize viable vehicles through the reallocation of risk and the creation of new relationships between stakeholders. In some cases, once project economic viability was assured, recipients secured blended participation from DFIs during the capital raising phase, which was used to address specific investment risks (e.g., liquidity, currency, country risk). While these examples are not indicative of a formalized co-investment relationship between a foundation and catalytic DFI participation, they showcase the potential capital raising benefits when catalytic capital is sequenced by these organizations over the project life cycle. There are only a handful of programs in the blended finance market that fill this investment gap; therefore, an untapped opportunity exists for philanthropy and DFIs to collaborate in a highly additional way. Important factors to consider include the alignment of the impact thesis between the pre-seed catalytic provider and commitment phase catalytic investors as well as the intended seniority of the DFI in the transaction.

SUPPORTING DFIs TO EVALUATE PORTFOLIO-LEVEL IMPACT AND BOLSTER TRANSPARENCY

To date, DFIs have generally not institutionalized tracking portfolio-level impact within their blended finance frameworks, particularly ex-post, in part given the complexity of their investment portfolios and infrequency of reporting. While DFIs such as BII and IDB Invest are incorporating market-level impact into their impact frameworks, the focus of this analysis is often at the pre-investment stage. There is an opportunity for philanthropies with robust programs of portfolio-level impact review and a sufficient track record, to share their approaches with DFIs with the aim to establish a minimum standard of ex-post impact disclosure across common and comparable indicators. Moreover, while strides have been made to better document the financial performance of DFI investments, such as through IDB Invest's recent report on default and recovery rates, recent events such as the cancellation of the 2026 AID Transparency Index threaten progress made by aid agencies and DFIs (through affiliated reports such as the DFI Transparency Index) to better document achieved impact. There is an opportunity for philanthropy to step in as funders for such initiatives as funding from donor governments decline.

Convergence also identifies a market-wide priority which can expedite collaborative deployment of catalytic capital by philanthropies and DFIs:

STANDARDIZING FINANCIAL MODELS THAT MAXIMIZE THE RISK WILLINGNESS, CAPACITY AND CAPITAL EFFICIENCIES OF DFIs AND FOUNDATIONS

The SDG Loan Fund serves as a good practice model for how philanthropic investments and DFI capital can be deployed within a tiered fund in a highly additional way. While DFIs and MDBs tend to participate in senior positions, the SDG Loan Fund demonstrates how first-loss support from foundations can enable DFIs to assume a junior, higher-risk position than typically possible, thereby maximizing private sector mobilization. The SDG Loan Fund is well-aligned to the one of the models (model 11) proposed by Convergence under its PIMMs project and Action Plan. BII promotes similar standardized models, with MDBs and DFIs participating in junior tranches, through its recent report on Practical guidance to scale blended finance, written in collaboration with Boston Consulting Group (BCG). Here, DFIs participate in a junior position in two of the typologies identified: Archetype D (Targeted mobilization) and Archetype E (Diversified mobilization).

CONCLUSION

Amidst a changing development finance landscape, DFIs play an increasingly critical role as investors of catalytic capital. As traditional sources of catalytic capital in the form of ODA retract, DFIs have a renewed imperative to innovate and replicate successful catalytic capital strategies and maximize their resources for both mobilization and impact. As this Brief demonstrates, DFIs have already demonstrated successful catalytic strategies that go beyond the day-to-day commercial appetite of their institutions. There is great but unrealized potential for catalytic capital to go further through more strategic and coordinated partnerships between DFIs, foundations, and other catalytic capital providers.

ANNEX 1 MOST DFI WORKING GROUP MEMBERS HOLD A CREDIT RATING OF AA OR HIGHER

DFI Working Group Member	Credit Rating	Source
African Development Bank (AfDB)	AAA	Fitch Ratings
Asian Development Bank (ADB)	AAA	Moody's Ratings
Asian Infrastructure Investment Bank (AIIB)	AAA	Fitch Ratings
European Bank for Reconstruction and Development (EBRD)	AAA	Moody's Ratings
Belgian Investment Company (BIO)	AA-	Fitch Ratings
British International Investment (BII)	*No rating available*	
Cofides	BBB	Fitch Ratings
DEG	AAA	Fitch Ratings
Finnfund	AA+	Fitch Ratings
FMO	AAA	Fitch Ratings
IFU	AAA	S&P
Norfund	*No rating available*	
OeEB	AA+	S&P
Proparco	AA-	S&P
SIFEM	AAA	S&P
Simest/ CDP	BBB+	S&P
Swedfund	*No rating available*	
European Investment Bank (EIB)	AAA	Fitch Ratings
Inter-American Development Bank (IDB)	AAA	Fitch Ratings
Islamic Corporation For The Development Of The Private Sector (ICD)	AA-	Fitch Ratings
International Finance Corporation (IFC)	AAA	Moody's Ratings

ANNEX 2 NEARLY ALL DFI WORKING GROUP MEMBERS HAVE REPORTED PRIVATE SECTOR MOBILIZATION VOLUMES FOR THE 2023/2024 PERIOD

DFI Working Group Member	Credit Rating
African Development Bank (AfDB)	UA 2.3 billion (2024)
Asian Development Bank (ADB)	USD 8.7 billion (2024)
Asian Infrastructure Investment Bank (AIIB)	USD 3.1 billion (2023)
European Bank for Reconstruction and Development (EBRD)	EUR 4.820 billion (2024)
Belgian Investment Company(BIO)	*No figure publicly available*
British International Investment (BII)	*USD 929 million* (2023)
Cofides	*No figure publicly available*
DEG	EUR 613 million (2023)
Finnfund	EUR 198 million (2023)
FMO	EUR 1.4 billion (2024)
IFU	DKN 1.4 billion (2024)
Norfund	NOK 7.8 billion (2023)
OeEB	EUR 35 million (2023)
Proparco	*No figure publicly available*
SIFEM	USD 36.2 million (2024)
Simest/ CDP	*No figure publicly available*
Swedfund	*No figure publicly available*
European Investment Bank (EIB)	USD 53 billion (2024)
Inter-American Development Bank (IDB)	USD 6.6 billion (2024)
Islamic Corporation For The Development Of The Private Sector (ICD)	*No figure publicly available*
International Finance Corporation (IFC)	USD 34 billion (2024)

CONVERGENCE
BLENDING GLOBAL FINANCE

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.

BLENDED FINANCE uses catalytic capital from public or philanthropic sources to scale up private sector investment in emerging markets to realize the SDGs.

Our **GLOBAL MEMBERSHIP** includes public, private, and philanthropic investors as well as sponsors of transactions and funds. We offer this community a curated, online platform to connect with each other on blended finance transactions in progress, as well as exclusive access to original market intelligence and knowledge products such as case studies, reports, trainings, and webinars. To accelerate advances in the field, Convergence also provides grants for the design of vehicles that could attract private capital to global development at scale.