# STATE OF BLENDED FINANCE

## SPRING 2025

CONVERGENCE
BLENDING GLOBAL FINANCE

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# LETTER FROM THE CEO

I am writing this letter from a very different context than the one published in our climate-focused State of Blended Finance report released last autumn. By the end of 2024 we saw unprecedented cuts to ODA across the board, in the Netherlands, Germany, France, and others. Then early in 2025 we saw the dismantling of USAID, one of the most frequent investors in blended finance amongst official donor agencies.

This current report looks at data from 2024, and will not reflect the impacts of these new challenges, which will no doubt be felt in the market this year and beyond. Instead, it offers a critical snapshot of the period before, and will be the year against which the future will be benchmarked.

Following record-high volumes in 2023, this report found that the blended finance market remained resilient through 2024, despite macroeconomic uncertainty. Blended finance deal flow was higher in 2024 than the market average for the past five years, and deal sizes are trending upward, with the median size increasing from $38 million (2020 - 2023) to $65 million (2024) — reflecting growing ambition and scale. We're also seeing more buy-in from the private sector. Commercial capital from private sector investors outpaced DFIs and MDBs in capital deployment, with $6.9 billion in investments in 2024.

To mark Convergence's 10-year anniversary, this year's report reflects on how far we've come on some of blended finance's major issues and themes, including the lack of private sector mobilization strategies amongst most donors, the need for better local capital mobilization, and the urgency of transparency and standardization.

What we've seen is that despite the market growing in size, and more people than ever talking about the promise of blended finance, it remains plagued by its most intractable issues. In light of the ODA drop, it's more important than ever for those of us invested in and investing in blended finance to ensure change happens. In this report, we've outlined concrete calls to action that engage the whole field. There is much talk of uncertainty right now, but I see it differently: it is beyond clear that we are on a precipice; how far we fall is up to us.

Every challenge creates an opening for a major break in the status quo. As development aid constricts, the rationale for stretching the public dollar through blended finance will only grow. Past the publication of this report, we will be monitoring the market closely, reporting on what we see, and cutting through the noise. I hope you will follow us.

**JOAN M. LARREA**
CHIEF EXECUTIVE OFFICER,
CONVERGENCE


# EXECUTIVE SUMMARY

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This report investigates blended finance trends across the overall market in 2024, including investor and deal trends.

It is divided into four parts and includes the following key findings:

### PART I: MARKET OVERVIEW

- Blended finance deal flow was higher in 2024 than the market average for the previous four years, with 123 deals reaching close totaling $18 billion in financing.
- Climate continues to dominate the blended finance landscape, with the share of climate deals representing 49% in 2024, and accounting for over 62% of total financing.

### PART II: DEAL TRENDS

- Deal sizes are trending upward, with the median size increasing from $38 million (2020 - 2023) to $65 million (2024), bolstered by three transactions exceeding $1 billion.
- The use of concessional guarantees and risk insurance as a blending archetype has been increasing since 2022, appearing in 34% of transactions in 2024.
- Blended arrangements with financial institutions are gaining prominence, driven by Development Finance Institutions and Multilateral Development Banks (DFIs and MDBs).
- While fewer in number, project transactions account for the majority of financing in the energy and infrastructure sectors.
- Although the number of funds launched declined, total financing increased, driven by greater private sector mobilization, particularly from institutional investor participation.
- While Sub-Saharan Africa continues to be the most targeted region by investment count and aggregate financing, Europe and Central Asia saw its share of deals rise from 10% in 2022 to 23% in 2024, driven by support for Ukraine.

### PART III: INVESTOR TRENDS

- Commercial capital from private sector investors outpaced DFIs and MDBs in capital deployment, with $6.9 billion in investments in 2024.
- Among private investors, the share of commitments from commercial banks and other financial intermediaries increased from 45% in 2022 to 55% in 2024.
- Development agencies and multi-donor pools are the largest source of concessional finance, accounting for 65% of total concessional commitments in the past three years, up from 56% in the 2019 - 2021 period
- Meanwhile, despite high catalytic capital potential, philanthropic investors continue to represent a small share of total investor commitments, representing just 3% of commitments in 2024.
- Local investors in EMDEs represent a small component of blended finance, accounting for 17% of all capital commitments, mostly on a commercial basis

### PART V: TAKING STOCK OF EFFORTS TO SCALE

- This year's thematic section of the report reviews what progress has been made in the last five years against the four key challenges to blended finance achieving scale, as outlined in Convergence's 2021 State of Blended Finance Report. These include:

  1. **Lack of a Private Sector Mobilization Strategy and Action Plan**
     - Donors have not prioritized or budgeted private sector mobilization as a necessity for significantly narrowing the SDG financing gap.
     - **Calls to Action:** Expanding the focus on private sector mobilization from non-government actors like foundations, and boosting collaborative or coalition-led blended

initiatives that can deploy catalytic capital efficiently and help develop deal pipelines, can help to safeguard blended finance in an environment of constrained Official Development Assistance (ODA)

2. **Local Investment in Blended Finance is Underrepresented**
   - Representation from local actors, including developing country governments, regional development banks, and private investors, remains largely missing from the blended finance market.
   - **Calls to Action:** Attracting local institutional investors through local currency green bonds, building capacity among local financial institutions for green projects, and creating an enabling environment for blended finance through local government-led blended finance initiatives can help to mobilize local investors into blended transactions more effectively going forward.

3. **Lack of Transparency on Blended Finance Activity**
   - Concessional capital providers rarely share financial terms or post-investment outcomes publicly, which limits the availability of evidence supporting blended finance as a development tool.
   - **Calls to Action:** Going forward, concessional and catalytic capital providers can require greater data transparency from private sector actors. Data transparency should also be embedded throughout every stage of a blended finance transaction

4. **The Ecosystem for Blended Finance Remains Underdeveloped**
   - SDG projects are often too small to receive scaled investments, and limited repetition and standardization in the market overall. Today, private investors continue to be wary of investing in EMDEs, including via blended finance. Global investors have rich opportunities to place their capital within developed markets and still meet their impact and climate targets.
   - **Calls to Action:** Going forward, standardizing proven risk-reduction models and deal structures can help to create assets that meet the fiduciary and regulatory obligations of the investors who hold vast pools of capital, and thereby deliver better quality financing for SDG initiatives in emerging markets in higher quantities.

# INTRODUCTION:

# MACRO CONTEXT

INTRODUCTION

# MACRO CONTEXT

The macroeconomic environment in 2024 was shaped by an early rebound in global financial conditions, followed by renewed volatility later in the year. Emerging markets and developing economies (EMDEs) entered the year with cautious optimism. Global inflation eased steadily, supported by falling commodity prices and the lagged impact of earlier monetary tightening, bringing headline rates closer to central bank targets in many advanced and emerging economies. This contributed to real income gains, recovering domestic demand, and a gradual rebound in trade and industrial activity. Investor sentiment improved in this context, with narrowing spreads and growing expectations of a "soft landing" driving renewed interest in EMDE assets. In several markets, sustained portfolio inflows into local debt likely reflect a combination of factors, including improved market conditions, increased investor demand for diversification, and a generally supportive risk environment.

However, this momentum faded amid rising volatility, driven by several policy-related factors. Slower-than-expected rate cuts by the U.S. Federal Reserve kept yields elevated and the U.S. dollar strong, which reversed some of the early-year risk-on sentiment. In parallel, a wave of elections across the world in 2024 sparked global economic uncertainty, dampening investor appetite for assets in EMDEs. Moreover, concerns about potential shifts in trade and fiscal policy among newly elected governments, also contributed to investor uncertainty. This prospect raised fears of supply chain disruptions, declining cross-border investment, and renewed inflationary pressures via higher import prices. Together, this triggered large capital outflows from EMDEs: in Q4 alone, net outflows (excluding China) were estimated at $19 billion. These outflows intensified existing currency pressures in several EMDEs, triggering sharp depreciations that raised the cost of servicing foreign debt. Central banks were forced to tighten policy to stabilize exchange rates and anchor inflation expectations.

In light of the turbulent backdrop, the blended finance market demonstrated resilience. Following record-high volumes in 2023, activity remained steady through 2024, with 123 deals reaching close totaling $18.3 billion in financing. In view of the above macroeconomic challenges and repercussions, blended finance offers a critical mechanism to drive investments into sectors critical for reaching the Sustainable Development Goals (SDGs). This function has become even more urgent amid recent announcements by key donor governments to reduce Official Development Assistance (ODA) allocations, necessitating a more catalytic and strategic use of limited concessional funding to mobilize local and international private capital at scale. This State of Blended Finance report assesses the progress made over the past five years, highlights persistent barriers, and outlines a forward-looking agenda to scale implementation of proven blended structures and close the SDG financing gap.

# PART I:
# MARKET OVERVIEW

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# MARKET OVERVIEW

## THE BLENDED FINANCE MARKET REMAINED RESILIENT IN 2024

- The blended finance market remained stable in 2024, with 123 deals reaching close according to Convergence Market Data. Encouragingly, annual blended finance volumes have increased by an average annual volume of $1.7 billion, between $11.5 billion in 2020 and $18.3 billion in 2024. This trend highlights the market's resilience as a countercyclical tool for mobilizing capital even during periods of macroeconomic volatility.
- While total financing in 2024 was lower than 2023, where blended finance flows hit a record annual height of $23.1 billion, it remained well above 2022 annual flows of $14.3 billion. This sustained level of activity suggests that 2023 was not a one-off spike but part of a broader upward trend.
- Aggregate financing growth in 2024 was supported by a rise in median ticket size of blended deals and bolstered by three transactions exceeding $1 billion – two large-scale funds and a major infrastructure project in West Africa.
- Climate continues to dominate the blended finance landscape. More than half of all blended finance deals over the past decade have been climate-focused, with the share of climate deals representing 49% in 2024, and accounting for over 62% of total financing.
- Overall, the blended finance market stands at 1350 deals totalling $249.2 billion in volume. Convergence has recorded over 8571 unique financial commitments to blended finance transactions by over 2197 different investors. The historical median investment size is $10 million (excl. guarantees and insurance products).

**Figure 1:** Blended finance market: Annual Financing Flows (USD Billions), 2020-2024

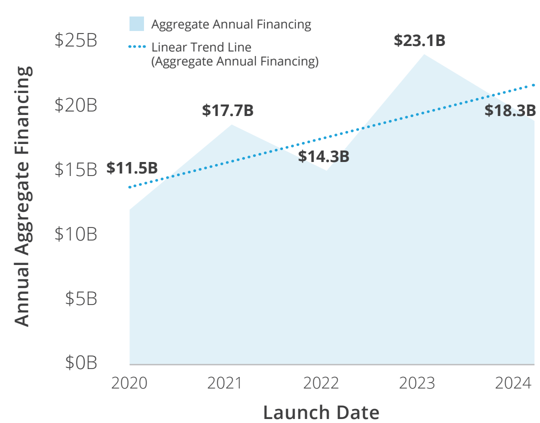
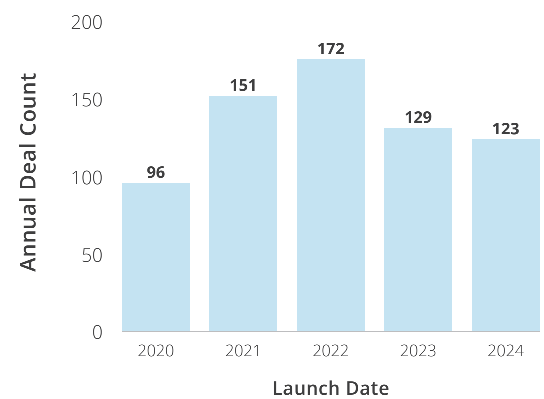



**Figure 2:** Blended finance market: Annual Deal Count, 2020-2024




1. We anticipate that the 2024 figures will rise in the forthcoming 2025 State of Blended Finance: Climate Edition (to be launched this Fall), as the current dataset does not yet reflect the full extent of market activity. This is due to prevailing disclosure practices among market participants, where many closed deals have yet to be made public, and several transactions with concessional commitments are still in the process of mobilizing private capital before being classified as blended finance. A fuller picture will emerge later this year and be captured in our climate-focused report. This mirrors last year's trend: the *2024 State of Blended Finance (Spring Edition)* initially reported 99 deals totaling $15 billion in 2023, which later rose to 127 deals and $23.1 billion in the Climate Edition released in the Fall.

# PART II:

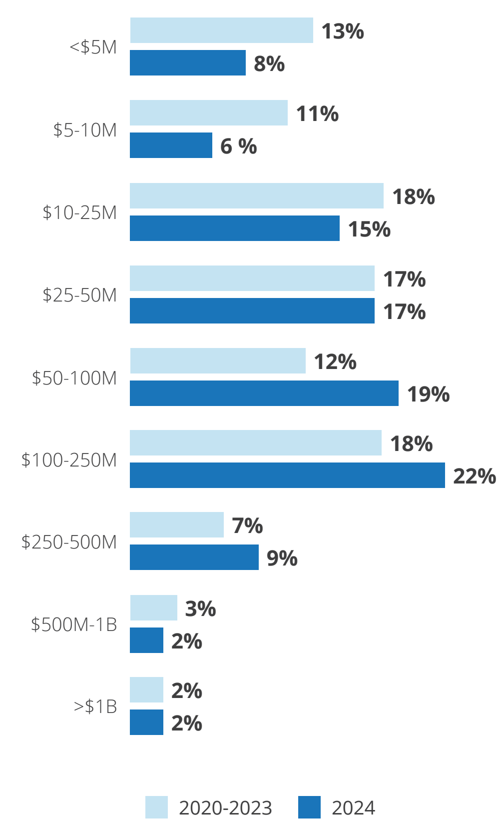
# DEAL TRENDS

# PART II:
# DEAL TRENDS

## SHIFT TOWARD LARGER DEALS REFLECTS GROWING AMBITION AT SCALE

- Blended finance deal sizes are trending upward, with the median size increasing from $38 million (2020 - 2023) to $65 million (2024) reflecting growing ambition and scale in deployment.
- Large blended finance deals ($100 million+) have remained concentrated in energy (39%), financial services (25%), and infrastructure (22%) over the past three years. Most take the form of projects, funds, or company vehicles.
- Moreover, billion-dollar-plus ("whale") deals are gaining momentum: from just five >$1billion deals per year on average in 2020–2022 (~$2.6 billion annually), volumes increased to $9.3 billion across seven deals in 2023. The trend continues, with three deals launched in 2024 totaling $4.75 billion already closed.
- As an example, Brookfield Asset Management's Catalytic Transition Fund, which targets clean energy and transition assets across emerging markets, announced an initial close of $2.4 billion. The fund was anchored by a $1 billion catalytic investment from ALTÉRRA Funds, which helped crowd in major institutional investors, including CDPQ, GIC, Prudential Financial, and Temasek Holdings.
- Whale deals have accounted for just 2.5% of blended finance activity over the past three years, but contributed roughly 27% of total financing mobilized—an impact that, as noted by Convergence, signals a structural shift toward fewer, larger vehicles driving market mobilization.
- The shift toward larger deals is promising, but scaling blended finance requires more than deal size. A lack of structural standardization continues to slow the rollout and replication of blended structures, and in many cases, concessional capital mobilizes public commercial funding from MDBs and DFIs rather than private investment, a trend explored in more detail later in the report.

**Figure 3:** Proportion of blended finance deals by size, 2020-2023 and 2024



# GUARANTEES ARE GAINING TRACTION AS A KEY BLENDING ARCHETYPE

- Over the past three years, concessional debt/equity has remained the most prominent blending archetype in the blended finance market on proportional and absolute terms. Concessional debt/equity has most frequently been provided via senior debt (49% of concessional capital investments), subordinate debt (18% of investments), and senior equity (9% of investments). Development agencies and multi-donor funds provided 65% of the concessional debt/equity, followed by DFI/MDBs (19%).
- Investment-stage grants are the most commonly deployed type of grant, primarily targeting companies and projects. These grants are predominantly provided by development agencies and multi-donor funds, which account for 83% of total investment-stage grant commitments. USAID, through its West Africa Trade & Investment Hub Program, was the leading provider of investment-stage grants in the past three years (36% of the commitments). The development agency co-invested in companies across Sub-Saharan Africa that seek to strengthen value chains, generate employment, and expand access to financing for both firms and farmers.
- The use of concessional guarantees and risk insurance as a blending archetype has been on the rise since 2022, appearing in 34% of transactions in 2024, almost wholly driven by guarantees (insurance accounted for less than 1%)
- Development agencies and multi-donor funds are the primary providers of concessional guarantees, accounting for 60% over the past three years. Of these, 36% were loan portfolio guarantees issued to financial institutions to mitigate credit risk across their lending portfolios, while 33% were credit guarantees, primarily supporting individual projects and bonds. [FMO's Nasira program] played a significant role in providing concessional guarantees in 2024. Backed by the European Commission and the Dutch government's MASSIF fund, Nasira is a risk-sharing facility that supports banks in extending loans to groups typically viewed as high-risk, such as agricultural micro, small and medium enterprises (MSMEs), as well as young, female, and migrant entrepreneurs.
- DFIs and MDBs increasingly use donor-funded concessional pools to provide first-loss risk coverage for lending activities, to de-risk their own position in the transactions. For example, the European Bank for Reconstruction and Development (EBRD) provided $45 million in debt financing to [Sarimay Solar] for a 100 MW solar photovoltaic plant in Uzbekistan, with $7 million of the senior debt tranche backed by an unfunded concessional guarantee from the European Fund for Sustainable Development Plus (EFSD+).

**Figure 4:** Proportion of blended finance transactions by blending archetype, 2022-2024

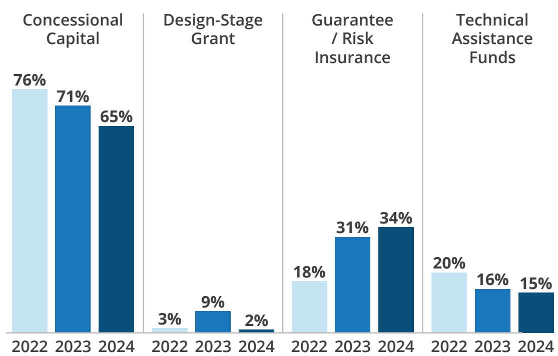
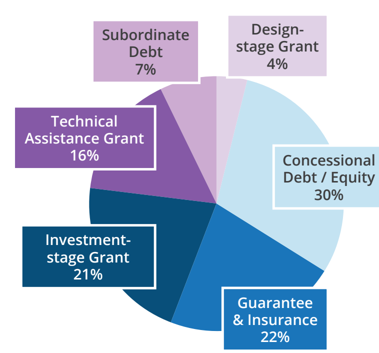



**Figure 5:** Proportion of investments by concessional instrument, 2022-2024



## THE VEHICLE LANDSCAPE IS SHIFTING

**Three notable trends emerged in 2024 (expanded in subsequent pages):**

1. Blended arrangements with financial institutions[2] are gaining prominence, driven by DFIs and MDBs.
2. While fewer in number, project transactions account for the majority of financing in the energy and infrastructure sectors.
3. Although the number of funds launched declined, total financing increased, driven by greater private sector mobilization, particularly from institutional investor participation.

**Figure 6:** Proportion of blended finance transactions by vehicle type per year, 2022-2024

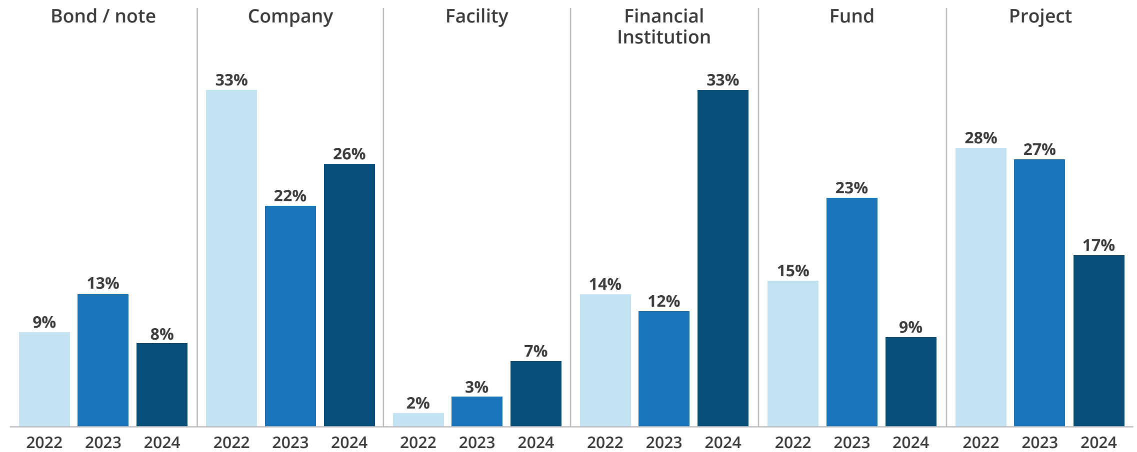
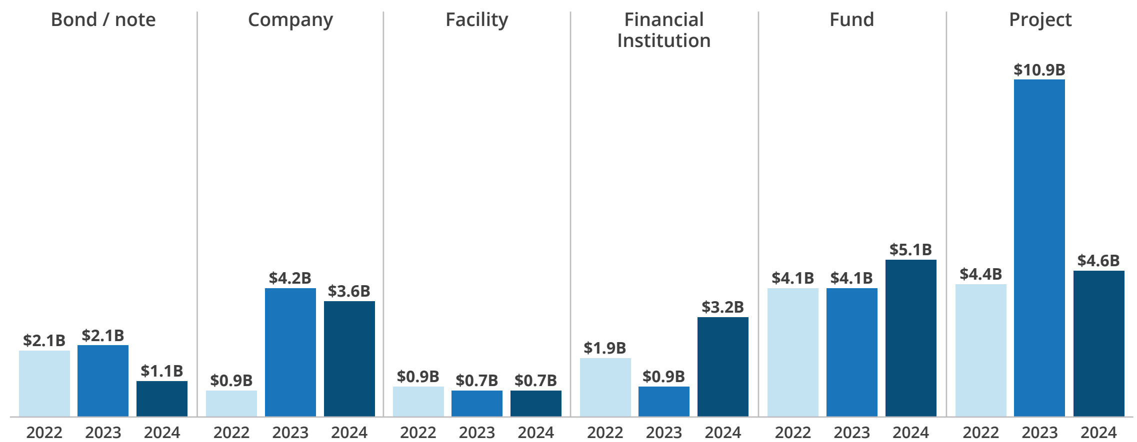



**Figure 7:** Financing for blended finance transactions by vehicle type per year, 2022-2024




2. Please refer to the Methodology & Notes section for additional context on our new vehicle category.

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# BLENDED ARRANGEMENTS WITH FINANCIAL INSTITUTIONS ARE GAINING PROMINENCE, DRIVEN BY DFIs AND MDBs

- Convergence Market Data indicates a strong preference among public investors in 2024 to provide lines of credit, loans, or guarantees to financial institutions. In fact, these deals accounted for 33% of all blended finance transactions last year, surpassing projects (17%) and funds (9%), which have traditionally been mainstay transaction structures in the market.
- These blending arrangements primarily support commercial banks' portfolios. This enables them to increase lending to key underserved sectors and diversify their lending operations. These transactions accounted for $3.2 billion (17%) of total financing flows in the blended finance market in 2024 (Figure 7). The median deal size of these transactions was $40 million in 2024, compared to $100 million for projects and $135 million for funds.
- Similar to funds and facilities (both aggregated approaches commonly used in blended finance) blended arrangements with financial institutions allow DFIs and MDBs to reach small and medium-sized enterprises (SMEs) and smallholder farmers, while reducing risk exposure through portfolio-level diversification. Notably, 79% of these transactions supported small businesses, and 36% specifically targeted agricultural finance.
- Supporting domestic financial institutions can also serve as a more efficient way to encourage local currency financing, which can often be a challenge for blended funds and facilities. Moreover, 53% of the transactions were gender-responsive, given that these deals often include a gender lens, such as incentivizing financial institutions to increase lending to women-owned businesses or tailor financial products to better serve women clients.
- Risk-sharing agreements between DFIs and MDBs and banks contributed to the growing prevalence of guarantees/risk insurance as a key blending archetype. Guarantees accounted for 46% of the concessional instruments used in these transactions.
- The rise in this risk reduction approach reflects the growing interest from DFIs and MDBs to deploy blended finance to reach SMEs at the portfolio level. For example, FMO, through its risk-sharing facility Nasira, provided a second-loss guarantee of up to 95% of the losses on the underlying portfolio for seven banks in 2024 alone. In the past year, EBRD, primarily supported by the Crisis Response Special Fund, extended lines of credit or partial guarantees to five banks in Ukraine to provide liquidity support and help stabilize the banking sector during the war.

**Figure 8:** Sub-sectors targeted via blending arrangements with financial institutions; proportion of blended finance deals, 2022-2024

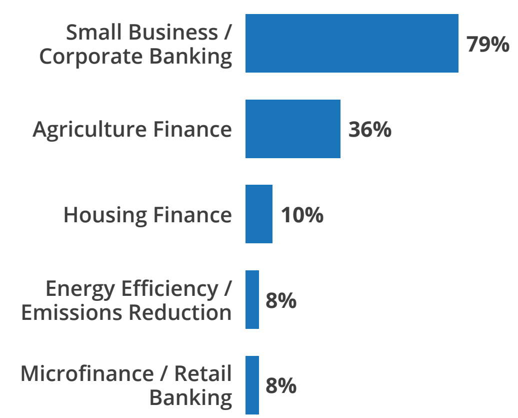
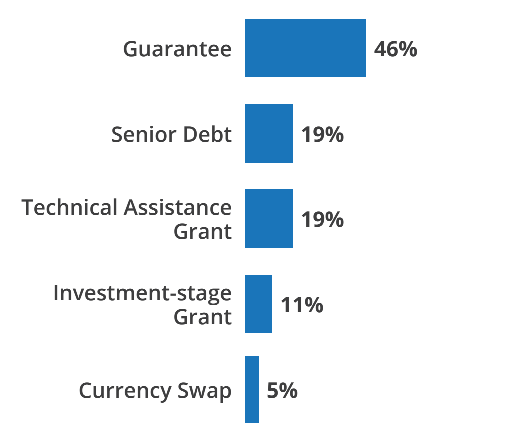


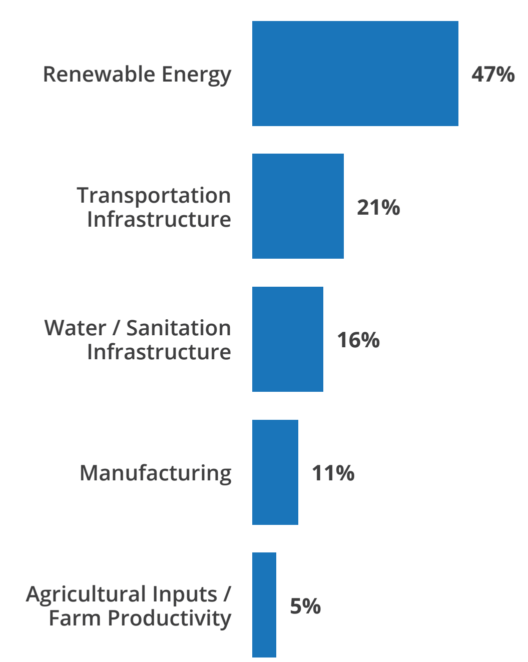

**Figure 9:** Breakdown of concessional instruments used in blending arrangements with financial institutions; proportion of investments, 2022 - 2024



# 2 LARGE-SCALE PROJECT FINANCING IS ON THE RISE AND REMAINS CENTRAL TO INFRASTRUCTURE AND CLIMATE FINANCE

- Projects are growing in size and significance, with median deal sizes rising from $22 million in 2022 to $70 million in 2023 and $100 million in 2024. They also mobilized $4.6 billion (25%) of total financing in 2024, despite representing just 17% of all deals, the lowest share recorded since 2020.
- Renewable energy (47%) and transportation infrastructure (21%) make up the majority of projects, most of which (67%) target climate mitigation and/or adaptation. However, the number of projects has declined as financial institution transactions rise, a trend also reflected in sector shifts. In 2023, infrastructure (non-energy) and energy accounted for 34% and 29% of blended transactions, respectively, but fell to 32% and 21% in 2024, while financial services grew to 48%.
- In reviewing global project finance trends, Morningstar projected that 2024 would continue to present significant challenges for the renewable energy sector - a core focus for blended finance projects. The outlook highlighted that greenfield projects, in particular, are likely to be disproportionately affected by rising capital costs, volatile input prices, and protracted permitting processes. These pressures likely contributed to an overall lower project count in the blended finance market, with financing increasingly concentrated in larger projects led by more established, better credit rated project sponsors. At the same time, investor interest is growing in emerging sectors such as battery energy storage systems (BESS) and project-financed digital infrastructure. Yet, despite this momentum, these newer asset classes remain significantly underrepresented in blended finance.
- The decline in projects is also reflected by the MDB and DFI activity in blended finance; for instance, the International Finance Corporation (IFC), which invested in 12 and 11 projects in 2022 and 2023 respectively, only invested in four projects in 2024 (compared to 16 companies and seven financial institutions).
- Six of the "whale" ($1 billion plus) transactions in the past three years have been large scale projects, surpassing funds (4 deals) and companies (1 deal). This reflects the need for large-scale infrastructure investments in EMDEs, where bridging the $452 billion annual financing gap requires capital-intensive, project-based solutions. In 2024, for instance, Indorama Eleme in Nigeria secured $1.25 billion to expand fertilizer production and build a new shipping terminal.
- Unlike financial institution transactions, where guarantees are more common, risk reduction for private investors is provided via private investors in projects that are primarily mobilized through concessional senior debt (36%) and investment-stage grants (24%), instruments that lower capital costs, improve credit quality, and enhance project bankability.

**Figure 10:** Sub-sectors targeted via projects; proportion of blended finance deals, 2022-2024



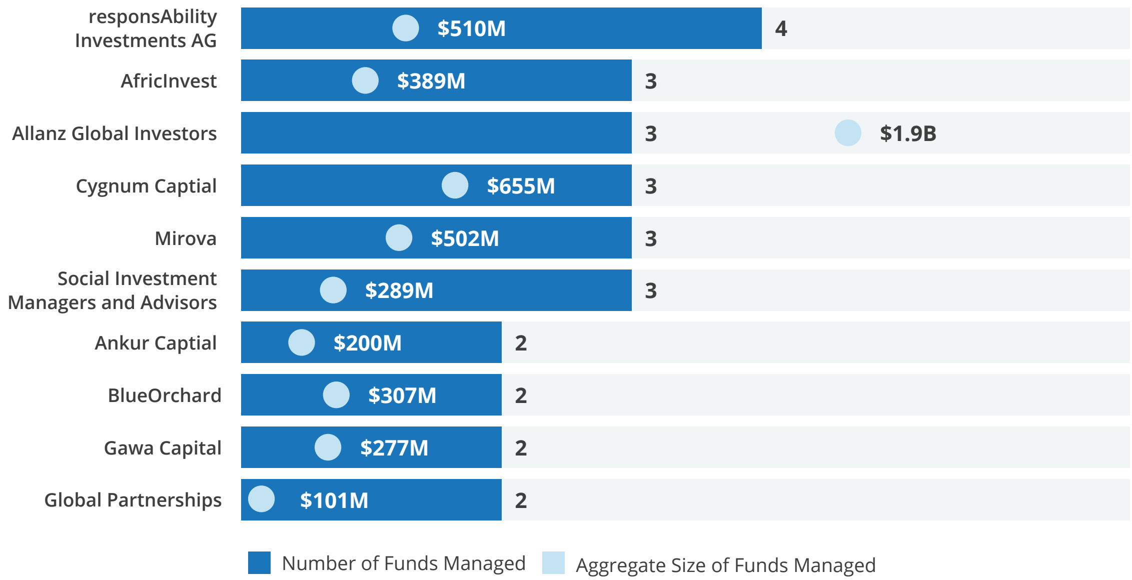
# 3 FUNDS EMERGE AS KEY DRIVERS OF SCALE AND STANDARDIZATION IN BLENDED FINANCE

- Despite representing just 9% of blended finance deals in 2024, a notable drop from previous years, funds mobilized more capital than any other vehicle type, totalling $5.1 billion. This financing volume was primarily driven by two key funds: the Catalytic Transition Fund (with a fundraising target of $5 billion) and the TPG Global South Initiative (with a fundraising target of $2.5 billion). Moreover, the median deal size for funds has steadily increased from $48 million in 2022 to $100 million in 2023 and $135 million in 2024. This shift signals that funds are emerging as the most scalable and replicable blended finance vehicle, drawing increased participation from the private sector, particularly institutional investors, who require investment assets that meet their fiduciary and regulatory obligations.
- In fact, institutional investors accounted for 50% of the private sector commitments in funds. For instance, the Catalytic Transition Fund, managed by Brookfield, received $1 billion in investments from institutional investors, including Caisse de dépôt et placement du Québec (CDPQ), Government of Singapore Investment Corporation (GIC), Prudential Financial, and Temasek Holdings.

- Convergence has also observed a greater concentration of proven fund managers in the blended finance market. As seen in the league table (Figure 11), impact-driven fund managers such as responsAbility Investments AG (“responsAbility”) lead in managing blended funds, overseeing four funds launched in the past six years. Although less represented, traditional fund managers such as Allianz and BlackRock demonstrate the opportunity for more mainstream fund managers in blended finance; the median fund size for funds managed by established asset managers like Allianz, BlackRock, and Brookfield between 2019 and 2024 is $612 million, substantially larger than the typical fund size observed in the blended finance market. General Partners (GPs) with proven track records can markedly reduce perceived risk and provide additional advantages from the perspective of rating agencies.

- While asset/investment managers represent the bulk of fund managers in blended funds, private equity and venture capital firms are playing an increasingly significant role, with their share of funds rising from 23% (2019-2021) to 40% (2022-2024). This investor class typically manages smaller-sized funds in the blended finance space, with a median fund size of $60 million. Their portfolios show a strong emphasis on gender-responsive strategies (60% of funds managed) as well as on cross-cutting climate objectives, with 60% of their climate-related funds targeting such measures. For example, Mekong Capital, a leading private equity fund manager in Southeast Asia, is pursuing a blended finance strategy for the first time through its $200 million [Mekong Earth Regeneration Fund](). The fund focuses on providing growth-stage private equity investments in regenerative agriculture and sustainable land use in Vietnam.
- With regards to investment strategy, renewable energy and energy efficiency/emissions reduction were top priorities (both present in half of the funds), followed by sustainable agriculture (25% of the funds). Notably, 64% of the funds focused on climate mitigation and/or adaptation.

**Figure 11:** Most frequent fund managers in blended finance by number of funds managed and aggregate fund size (AUM), 2019-2024



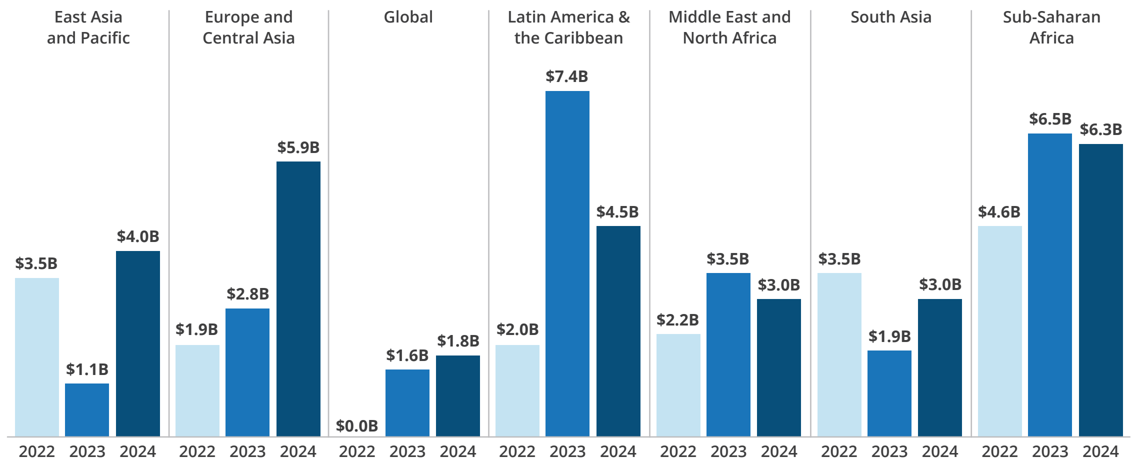

# ACTIVITY EXPANDS IN UKRAINE AND EAST ASIA, BUT AFRICA CONTINUES TO ATTRACT THE MOST CAPITAL

- Between 2022 and 2024, Sub-Saharan Africa remained the most targeted region, with an average of 48% of transactions directed there each year (Appendix, Figure 25). These deals were mainly companies (40%), followed by projects (19%). While Sub-Saharan Africa remains the most targeted region, the number of transactions has declined. Moreover, financing flows have remained steady at $6.3 billion in 2024, with a median transaction size of $46 million (2024). Deals targeting the region were primarily focused on the financial services sector (41%), followed by the infrastructure sector (37%).
- Europe and Central Asia, historically underrepresented in the blended finance market, saw its share of deals rise from 10% in 2022 to 23% in 2024. The financing flows also rose significantly, from $2.8 billion in 2022 to $5.9 billion in 2024. This surge was largely driven by support for Ukraine, with a focus on the country's economic stabilization, liquidity support, and continued access to essential services.
- In fact, Ukraine became the top single-country recipient globally of blended finance in terms of both deals and financing, with 16 transactions and $2.2 billion in 2024. Of the transactions, 38% supported financial institutions to extend lines of credit to Ukrainian companies and SMEs, while 25% were used to directly finance companies. The Ukraine Recovery and Reconstruction Guarantee Facility is a prime example of how institutional investors, both domestic and multinational, can be mobilized to support conflict-affected regions.

- Through the facility, EBRD provided approximately $100 million in concessional guarantees, backed by grants and unfunded guarantees from donors, including the European Union and the governments of France, the United Kingdom, Norway, and Switzerland. The guarantee offered to global reinsurance companies is designed to cover losses stemming from war-related risks insured by local Ukrainian providers. The facility has the potential to support insurance coverage for up to $1 billion worth of goods and vehicles in transit annually. Several Ukrainian reinsurers such as INGO, Colonnade, and UNIQA have joined the facility, alongside global reinsurer MS Amlin. Through this mechanism, MS Amlin can offload reinsurance exposure from its balance sheet, enabling it to re-engage with Ukrainian insurers more confidently.

- Financing flows towards East Asia and the Pacific have surged from $1.1 billion in 2023 to $4.0 billion in 2024. Deals targeting the region in 2024 have the highest median size, at $100 million (compared to $46 million in Sub-Saharan Africa and $91.5 million in Europe and Central Asia). This increase is primarily driven by the [TPG Global South Initiative](), which reached its first close with $1.25 billion. Notably, compared to other regions, East Asia and the Pacific saw a significantly higher proportion of blended bonds in 2024 (23% versus 8% overall). For instance, the International Development and Investment Corporation issued a [$40 million green bond](), fully guaranteed by GuarantCo, with the proceeds supporting aquaculture infrastructure. This bond represents the first local currency green bond issued in the aquaculture sector. It was oversubscribed by local offices of multinational insurance companies, including Manulife and AIA.
- In 2024, blended finance was primarily concentrated in a few select countries: Ukraine (16 deals, $2.2 billion), Nigeria (13 deals, $2.02 billion), Kenya (9 deals, $0.97 billion), and Senegal (6 deals, $1.54 billion).

**Figure 12:** Financing for blended finance transactions by region per year, 2022-2024




PART III:

# INVESTOR TRENDS

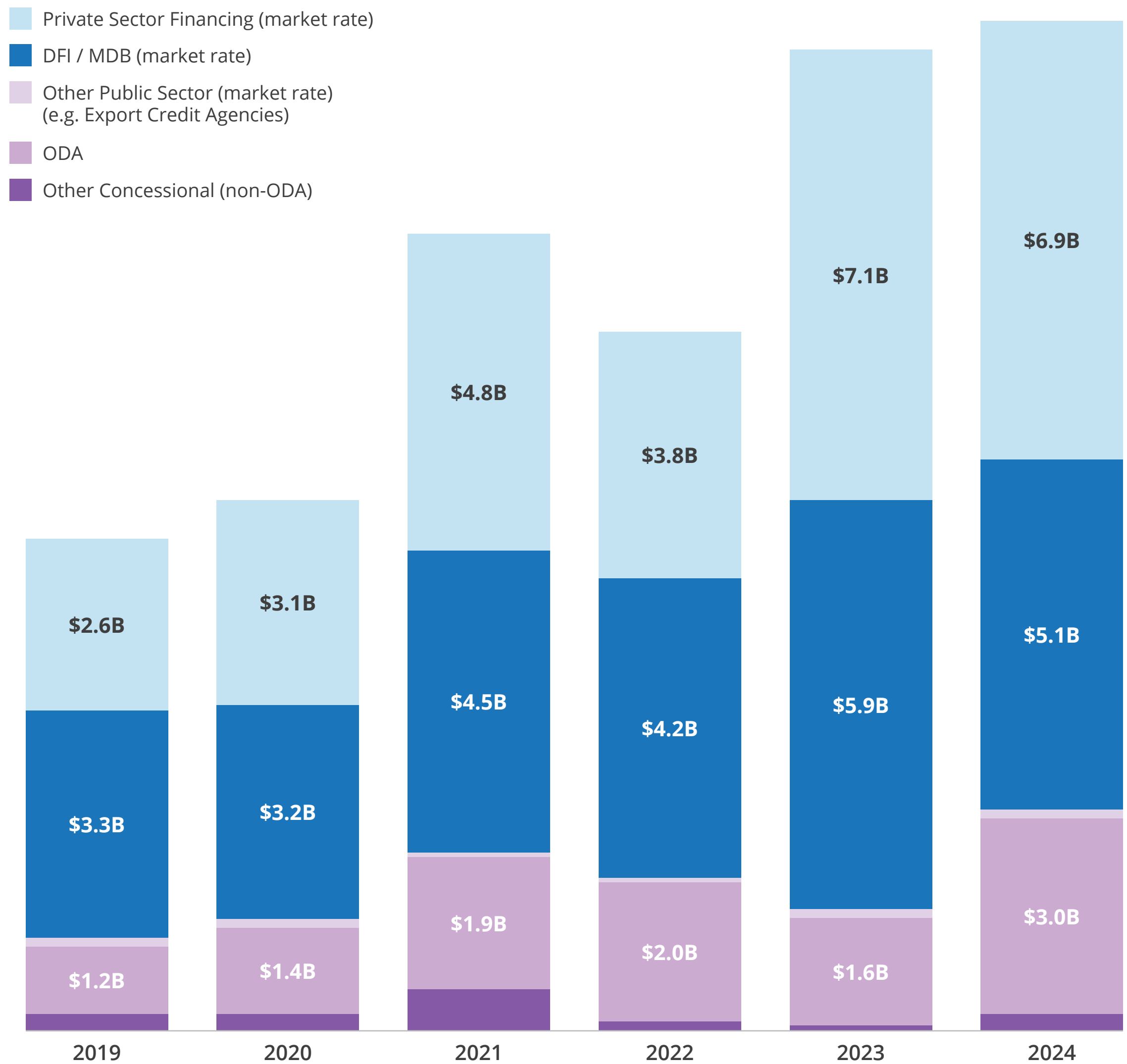
# PART III:
# INVESTOR TRENDS

## PRIVATE SECTOR SURPASSES DFIs AS LARGEST COMMERCIAL SOURCE; ODA AND GUARANTEE USE EXPANDS

- Traditionally, DFIs and MDBs have been an equivalent source of commercial (market-rate) capital to the private sector for blended finance transactions, contributing an average of $3.8 billion annually between 2019 and 2021. During those three years, private investors contributed an average of $3.5 billion per year in commercial capital. This figure has risen substantially - from $4.8 billion in 2021 to $7.1 billion in 2023 and $6.9 billion in 2024 - and commercial capital from private sector investors outpaced DFIs and MDBs in capital deployment over the past two years.
- In 2024, Convergence observed a strong rebound in ODA (excluding guarantees and insurance) allocated to blended finance transactions, marking an 80% increase from 2023. While this may appear to contrast recent Organization for Economic Cooperation and Development (OECD) trends indicating a decline in ODA levels in 2024, a closer examination of ODA providers in blended finance transactions reveals that the increase was primarily driven by the UAE, a non-OECD Development Assistance Committee (DAC) . ALTERRA, the UAE's concessional capital platform, committed $1.5 billion to two funds in 2024. Among DAC members, JICA notably increased its direct financing for blended transactions, rising from $400 million to $700 million.
- Convergence has also noted a rise in the use of blended finance to support economic recovery and reconstruction, which may explain the increase in ODA. Moreover, in 2024, blended finance deals in Ukraine accounted for 3.5% of all ODA allocated to blended finance, up from just 1% in 2023. Given the ongoing nature of the war and the decline in financial support from donor countries to Ukraine, blended finance can play a more significant role. By leveraging private sector participation, it can help amplify the impact of available resources and ensure more efficient and effective deployment of funds into the country, and other fragile and conflict-affected situations.

- To date, Convergence has found that, on average, every dollar of concessional capital (including guarantees and insurance) attracted $3.76 in commercial capital from both DFIs / MDBs and the private sector. However, larger transactions (>$100 million) attracted $5.46 of commercial capital for every dollar of concessional capital. These larger transactions have predominantly targeted the energy sector (40%) followed by the infrastructure sector (25%), reflecting their relative maturity, established revenue models, and stronger appeal to commercial investors (both DFI / MDB and private sector). In fact, each concessional dollar mobilized $2.70 in private sector capital for transactions >$100 million, compared to $1.99 for all deals.
- It is important to note that the use of guarantees as ODA-eligible instruments is not reflected in the graph below. In 2024, Convergence recorded $1 billion in concessional guarantees, representing a 42% increase from 2023. The growing use of guarantees has also influenced the leverage and mobilization ratios, with implications on future trends. When excluding concessional guarantees from the analysis across all years, the leverage ratio increases to 4.37, while the private sector mobilization ratio rises to 2.5.

**Figure 13:** Sources of financing to blended finance deals (excluding guarantees and insurance instruments), 2019-2024



# PRIVATE CAPITAL VOLUMES LED BY FINANCIAL INSTITUTIONS, WITH GROWING INSTITUTIONAL INVESTOR ROLE

- **Private investors** have invested approximately $20 billion in blended finance transactions since 2022. This investor class contributed 32% of total commitments in blended finance transactions over the past three years. The decline in projects, particularly for renewable energy, highlighted above, also explains the decline in the share of commitments from project developers/corporates, from 35% in 2022 to 22% in 2024.
- Among private investors, the share of commitments from commercial banks and other financial intermediaries increased from 45% in 2022 to 55% in 2024. Financing flows from these parties also rose significantly, from $1.3 billion to $3.4 billion during this period (Figure 15). In 2024, 56% of the commitments from this investor class were driven by DFI and MDB efforts to support their on-lending activities, while 15% and 14% were direct investments by these banks in projects and companies, respectively, that simultaneously received concessional funding from other parties (i.e. third-party mobilization).
- Financial institutions have been quite active in the blended finance market. In fact, the majority of top private investors in the league table (Appendix, Figure 29) are financial institutions, with SMBC leading with 13 commitments between 2022 and 2024, followed by MUFG with eight commitments. It is important to note that the top lenders, though financial institutions, are not recipients of risk-sharing facilities from DFI / MDBs. Instead, these multinational banks have primarily invested directly in projects (accounting for 32% of their commitments) and have supported domestic financial institutions in EMDEs through on-lending activities (26% of the commitments).
- The share of commitments from institutional investors increased from 12% in 2022 to 16% in 2024. Financing volumes were also up from $14 million in 2022 to $1 billion in 2023 and $1.7 billion in 2024 (Figure 15). This investor class has a strong preference for blended funds; 35% of their commitments during this period were investments into this vehicle. The rise in the median fund size over the past few years has also increased the participation from institutional investors, underscoring the importance of mobilizing this investor class to achieve scale. Notably, after DFIs (23% of commitments), institutional investors held the second-largest share of fund commitments (20%) over the past three years.

**Figure 14:** Breakdown of private sector commitments by private sector investor sub-type, proportion of total private sector commitments, 2022-2024

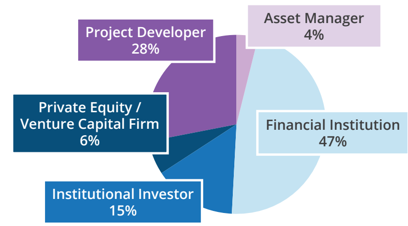
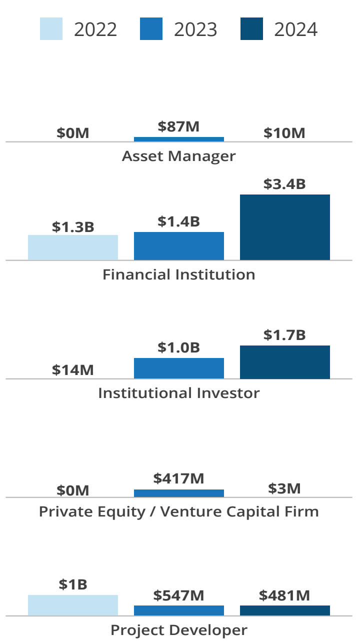


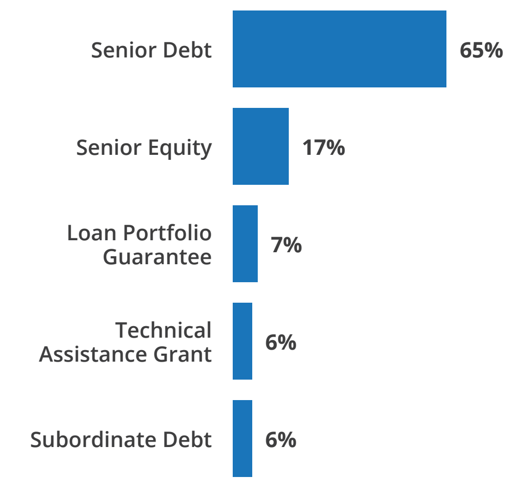

**Figure 15:** Annual recorded financing totals, by private investor sub-type, 2022-2024



# DFIS AND MDBS SCALE UP DEBT FINANCE AND PROGRAMMATIC GUARANTEES, WITH GROWING FOCUS ON FINANCIAL INSTITUTIONS

- Since 2022, **DFIs and MDBs** have committed approximately $18 billion to blended finance transactions. Nearly 80% of the financing was provided on commercial terms where other parties, often donor-funded concessional pools, provided the concessional capital. DFI and MDB activity in blended finance mirrors their broader investment patterns, including a growing emphasis on the use of guarantees. For IFC, for example, the use of guarantees for long-term financing rose by more than 160% from FY 2023 to FY 2025, while loan and equity disbursements remained stable. In blended finance, DFI / MDB activity has been concentrated in debt instruments (60% of financing for blended deals), and equity instruments (16%). The use of guarantees has grown from 12% (2022) to 18% (2024) of financing, primarily through loan-portfolio guarantees (38% of guarantee commitments) and credit guarantees (23%). Reflecting this growing emphasis on risk-mitigation tools, the World Bank Group announced in 2024 a unified guarantee platform, combining the World Bank, IFC, and the Multilateral Investment Guarantee Agency (MIGA), which aims to triple annual guarantees to $20 billion by 2030 and drive investment into higher-risk regions such as Africa and Ukraine.
- Between 2023 and 2024, DFI and MDB proportional commitments to blended project deals fell from 33% to 20%, while support for financial institutions rose from 7% to 30%. This reflects the increasing commercial viability of project-based sectors like renewable energy and energy efficiency, where maturing private debt markets and scaled ticket sizes have diminished the need for concessional capital. In these cases, DFIs and MDBs are often able to participate on fully commercial terms, reducing their involvement in blended structures across these sectors. Regionally, investments in Sub-Saharan Africa and Europe and Central Asia have remained steady, while commitments to South Asia and the Middle East and North Africa region  dropped sharply, from 13% to 7% and 22% to 6%, respectively.
- Increasingly, DFIs and MDBs are using blended finance to support standardized instruments such as credit lines and guarantees to commercial banks. These approaches can be effective in mobilizing internal bank resources. More fundamentally, these transactions are structured to manage their institutional exposure by investing on equal terms in relatively strong, lower-risk opportunities, rather than directly de-risking higher-risk market segments. As a result, the reach of blended finance into underserved or higher-risk segments remains modest through such an approach.
- IFC (with 132 commitments), EBRD (65), and FMO (57) have been the most active investors among DFIs and MDBs over the past three years (Appendix, Figure 30). IFC also leads in financing flows, providing $4.4 billion in blended finance transactions, followed by United States International Development Finance Corporation (US DFC) with $2.2 billion (excluding guarantees).

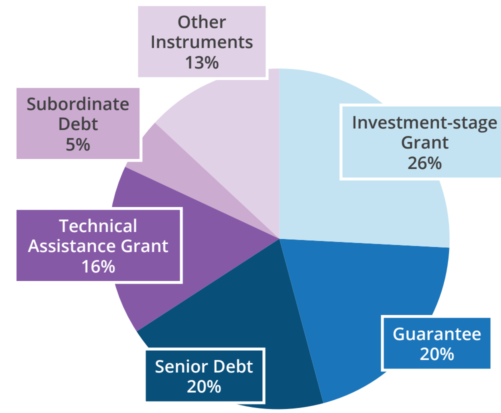
**Figure 16:** Breakdown of financial instruments used by DFIs/MDBs; proportion of investments, 2022-2024



# DEVELOPMENT AGENCIES ARE THE LARGEST SOURCE OF CONCESSIONAL CAPITAL, WITH A SHIFT FROM GRANTS TO RISK-SHARING INSTRUMENTS

- Over the past three years, **development agencies and multi-donor pools** have contributed $5.1 billion in concessional capital, accounting for 65% of total concessional commitments, up from 56% in the 2019 - 2021 period. This proportional increase is largely due to the decline in commitments from foundations and NGOs, which are key providers of non-ODA concessional capital.
- Development agencies have most often allocated their funding through investment-stage grants (26% of their commitments), followed by guarantees and senior concessional debt administered by DFI and MDB (20% each). However, the share of investment-stage grants has dropped significantly, from 41% in 2022 to just 10% in 2024. At the same time, the use of both senior debt and guarantees has increased, with guarantees rising from 11% to 27% and senior debt from 19% to 24% in the same time period. This trend suggests a maturing approach among development agencies, aiming to deploy scarce concessional capital more effectively by using investment instruments that can return capital where feasible, while reserving full concessionality for transactions that truly require it
- Over the past three years, development agencies (e.g., USAID and JICA) and bilateral programs with MDBs (e.g., the Canada-IFC Blended Climate Finance Program) have invested more in blended finance transactions than via multi-donor funds (e.g., the Green Climate Fund (GCF) and the Clean Technology Fund (CTF)), excluding guarantees. On average, direct contributions by government entities / bilateral programs exceeded indirect contributions via multilateral funds by $763 million per year (Figure 18). (Refer to Methodology & Notes for definitions).
- USAID ranks at the top among donor agencies and bilateral concessional pools, with 68 concessional commitments totaling $107 million (Appendix, Figure 31). More than 70% of these commitments were directed towards the agriculture sector, followed by the financial services sector. Despite its active role in development finance, USAID's contribution to ODA for blended finance has remained modest, averaging around 2.1% of total concessional capital annually since 2018. The suspension of USAID operations is therefore expected to have a disproportionate impact on certain sectors (such as agriculture) where the agency has played a catalytic role.

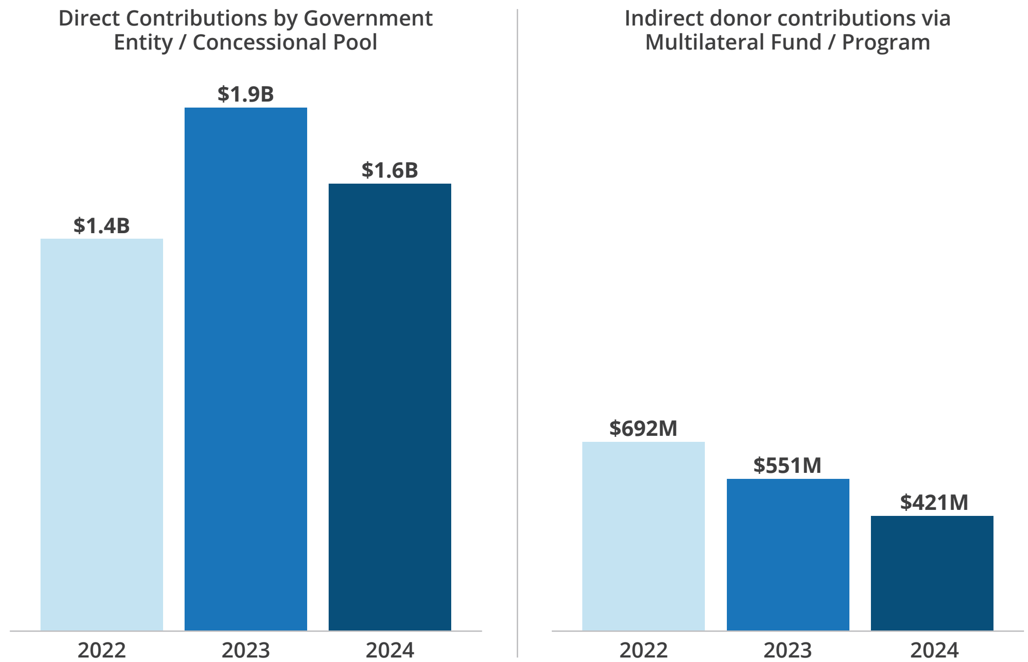
**Figure 17:** Breakdown of financial instruments used by development agencies / donor funds; proportion of investments, 2022-2024




- Nonetheless, the continued engagement of other major donors, such as Germany's BMZ, Japan's JICA, and the UK's FCDO, will be critical to maintaining momentum in the blended finance market. In fact, JICA leads in terms of financing flows, contributing $1.8 billion (with a median investment of $50 million) in concessional investments over the past three years. JICA's investments have mainly focused on the energy sector (41%), followed by the financial services sector (31%).

- The league table in Figure 31 (Appendix) illustrates how MDBs often use donor-funded concessional pools to mobilize commercial capital. For example, IFC has deployed $104 million across 11 commitments using Canadian funds, primarily as senior concessional debt, which has gone on to mobilize co-financing from IFC along with private investors. IFC has predominantly administered these funds to deals in the energy sector (80% of investments), followed by the infrastructure sector.
- The Private Infrastructure Development Group (PIDG), a multi-donor infrastructure investor supported by the governments of the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Canada, and Germany, leads among the multi-donor funds and other multilateral entities. It has made 56 catalytic commitments into blended finance over the past three years.

**Figure 18:** Breakdown of annual recorded financing directly by development agencies and multi-donor funds, 2022-2024




## LIMITED CAPITAL DEPLOYMENT FROM FOUNDATIONS, BUT HIGH POTENTIAL

- Since 2022, philanthropic investors have contributed $100 million in catalytic capital to blended finance transactions. They have consistently represented a small share of total investor commitments in these deals; their share declined from 6% in 2022 to 3% in 2024.
- Over the past three years, philanthropic investors have primarily provided investment-stage grants (40% of their contributions) and directed most of their capital toward blended funds (48%), followed by companies (27%). Unlike other concessional capital providers, which are increasingly channeling capital to financial institutions, only 2% of philanthropic commitments have supported this vehicle type.
- Global Energy Alliance for People and Planet (GEAPP) has been the leading provider of concessional capital among philanthropic investors, with five commitments totalling $9 million, followed by the Bill & Melinda Gates Foundation (Gates Foundation) and the Shell Foundation, each with four commitments over the past three years (Appendix, Figure 32).
- While overall participation among foundations remains modest, interest is growing and further participation is anticipated in the coming years. A key reason lies in the unique investor profile of foundations; compared to other investors, they typically have a higher risk tolerance, longer time horizons, and fewer constraints across asset classes – attributes that make them well-suited to invest in opportunities deemed high risk. This applies not only to their programmatic capital (e.g. the 5% annual spend for minimum charitable allocation requirements in the U.S.) but also to endowment assets, which could be strategically deployed for mission-aligned investments that are high-yielding to grow endowment assets.
- As an example, the European Investment Bank (EIB) and the Gates Foundation launched the $750 million Accelerating Human Development guarantee facility to catalyze investment in infrastructure, strengthen health systems, and enhance manufacturing capacity for health products and technologies. Additionally, GEAPP, the Rockefeller Foundation, and ALTERRA have signed a memorandum of understanding to create a collaborative platform aimed at scaling climate investments in EMDEs.
- There are opportunities for foundations to play a larger, more catalytic role within the blended finance market. For example, foundations can create investor confidence by being early movers in transactions viewed as risky, or by providing design-stage funding to support innovative financial transactions in reaching bankability. Foundations can also better coordinate with other investor groups including DFIs and MDBs, to co-invest to maximize each parties' respective risk tolerances and enhance private sector mobilization. Initiatives such as the Catalytic Capital Consortium (C3) have prioritized more coordination between catalytic capital providers, including philanthropy and DFIs / MDBs. Creating strategies for foundation capital to be more catalytic is especially critical given the decline in ODA and public, concessional capital.

# IMPACT INVESTORS ACCOUNT FOR MODEST CAPITAL COMMITMENTS BUT PLAY AN OUTSIZED ROLE AS FUND MANAGERS

- Commitments from impact investors have remained steady over the past three years, averaging 6% of the overall annual contributions. During this period, they have invested approximately $400 million in blended finance transactions, mainly through senior equity (45%) and senior debt (42%). More than 80% of these commitments were made on commercial terms.
- The median size of transactions financed by impact investors is $40 million, which is below the overall market median of $65 million. These are primarily funds (34%) and companies (30%). In parallel, impact investors have also played a significant role as fund managers, managing 48% of all blended funds launched in 2022 - 2024. These funds have reached a median size of $106 million, underscoring their dual role as both capital providers and ecosystem builders.
- As an example, Leapfrog Investments, an impact investor, is managing the $1.1 billion [Leapfrog Emerging Consumer Fund IV], which focuses on financial services and healthcare companies catering to the expanding consumer base in Asia and Africa. Temasek, Singapore's sovereign wealth fund, was the fund's anchor investor, with a $500 million commitment in 2021. Other institutional investors from Asia in the fund include AIA Group and Sumitomo Mitsui Trust Bank. Additionally, grants were provided by foundations and endowments such as the Ford Foundation and IMAS Foundation, which helped improve its feasibility.
- Among impact investors, Ceniarth tops the list by number of investments, having made 10 deals totalling $16.7 million over the past three years (Appendix, Figure 32). In terms of capital deployed, BlueOrchard leads with $46 million invested during the same period.

**Figure 20:** Breakdown of financial instruments used by impact investors; proportion of investments, 2022-2024

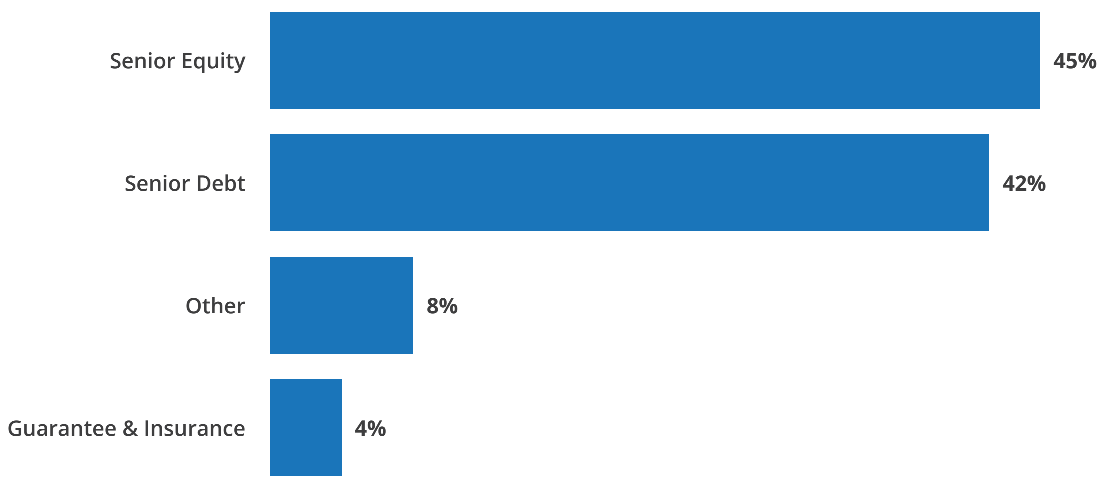
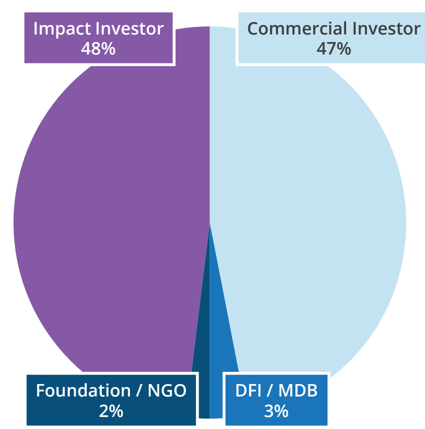


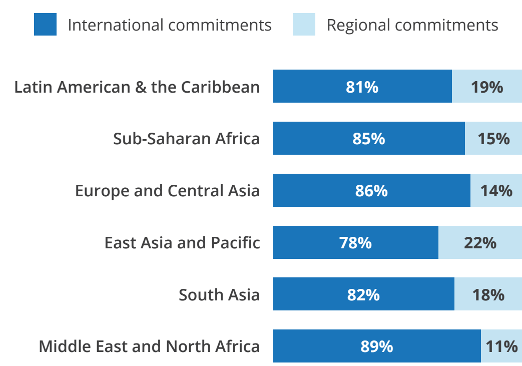

**Figure 19:** Breakdown of blended fund managers by investor class; proportion of deals; 2019 - 2024



# LOCAL INVESTORS REMAIN UNDERREPRESENTED IN BLENDED FINANCE

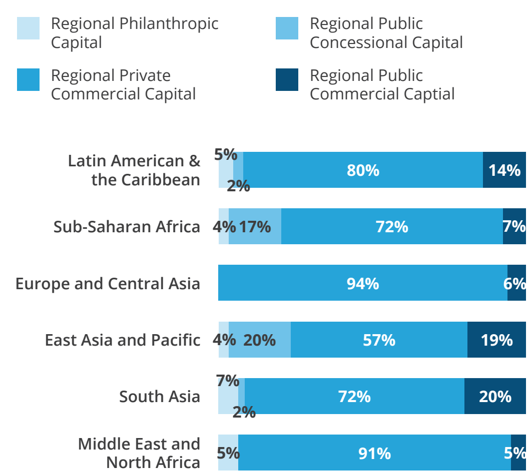
- Local investors, including domestic and regional investors[3] in neighbouring EMDEs, represent a small component of blended finance. Local investment into projects in home regions represents an average of 17% of all capital comments between 2022-2024 mostly on a commercial basis (89% of all local capital commitments).
- The majority of local capital commitments come from the private commercial sector (78%), driven primarily by regional financial institutions and project sponsors. This is followed by the public commercial investors which represent ~11% of regional capital. Public commercial investors are mainly regional or national DFIs, MDBs, and development agencies.
- Overall, local capital investments are proportionally higher in East Asia (22% of commitments) compared to other regions, and lowest in the Middle East and North Africa region (11% of commitments). Convergence's data finds that transactions in East Asia with local participation typically include two or more local investors, signalling that local participation can instill confidence and attract other local investors.
- On a proportional basis, private local commitments outweigh public local commitments most dramatically in East and Central Asia (94% of commitments) and in the Middle East and North Africa region (91% of commitments). Meanwhile, the commercial investment from local public actors have been relatively highest in South Asia (20% of commitments) and East Asia (19% of commitments). This activity is highly influenced by government blended finance initiatives such as the Self Reliant India Fund in South Asia and PT SMI in Indonesia. Additionally, local investment in the region has been enabled by the participation of public commercial actors in neighbouring high-income countries, including in Japan (e.g., JICA), and Singapore (e.g., Temasek Holdings)

**Figure 21:** Breakdown of regional and investor commitments by region; proportion of investment commitments, 2022-2024




- Concessional capital from local, government-led blended finance initiatives remains limited across all regions, accounting for only ~7% of investment commitments. Sub-Saharan Africa has the highest share, with regional public concessional financing representing 17% of all regional commitments. The majority of these concessional commitments stem from multilateral funds and diversified financial institutions including the Sustainable Energy Fund for Africa (SEFA), Financial Sector Deepening Africa (FSDA), and Infracredit Nigeria.

**Figure 22:** Breakdown of local capital sources by region; proportion of investment commitments, 2022-2024




3. Global DFIs/MDBs and institutions based in high-income countries (e.g, Japan, Singapore) are excluded from this analysis as they are not considered domestic or regional capital in the spirit of this commentary.

# PART IV:

# TAKING STOCK OF EFFORTS TO SCALE

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## THEME 1: LACK OF A PRIVATE SECTOR MOBILIZATION STRATEGY AND ACTION PLAN

### Looking back to 2021

In 2021, Convergence noted that donors had not prioritized and budgeted private sector mobilization as a necessity to significantly narrowing the SDG financing gap, with only 2-3% of ODA allocated annually to private sector mobilization and few DFIs and MDBs having meaningful mobilization targets. We called for donors to allocate a known amount of funds annually to blended transactions and make private sector mobilization a key part of their strategy, and for MDBs and DFIs to engage with institutional investors on a radically different scale.

### The picture in 2025

The picture since 2021, however, has been mixed. To start, unprecedented ODA cuts in OECD DAC countries since 2024 will likely continue in the years to come, with international aid from official donors falling in 2024 for the first time after five years of consecutive growth. With the withdrawal of the US from the aid community and baseline ODA levels potentially being significantly diminished going forward, and the proportion of ODA allocated toward blended finance still limited (reaching approximately 2% in 2024 according to the OECD's preliminary data), the resurgence in blended deal volumes that Convergence has recently tracked may be threatened.

However, the past few years have shown that blended finance can still thrive in an environment where the ODA totals allocated toward it are in decline. In this vein, Convergence found that annual ODA funding totals to blended finance (excluding guarantees and insurance) dropped by 45% in 2023 from 2021. The presence of a DFI or MDB in a transaction has also tended to reduce the ODA needed to catalyze private investors.With ODA declining, it is therefore even more critical for DFIs and MDBs to prioritize using scarce concessional resources to mobilize third-party private investment through de-risking instruments, and to increase their risk tolerance by participating in more junior and mezzanine positions and enabling more investment opportunities for private investors.

### Call to Action Expanding private sector mobilization across the donor community

Intensifying mobilization efforts across the donor community and boosting collaboration will also become even more critical in the context of declining ODA. Consider foundations. While they must continuously adhere to their responsibilities of capital preservation when investing in conventional financial instruments, opportunities to align more of their charitable allocations with SDG investments must be encouraged. A recent regulatory change in the Netherlands, for example, has made it easier for charitable funds and family offices to make impact investments.

Foundations have played a highly catalytic role in blended finance historically and have been likelier than DFIs and MDBs to take on riskier transactions. In the context of declining ODA, they can and should play a larger role in catalyzing private capital into blended transactions. By also deploying mission-related investments (MRIs) in blended finance to a greater degree, foundations can play a more prominent role as providers of market-rate finance in addition to their role as concessional funders in the market. Foundations can also use their voice to a greater degree to help drive standardization and foster the creation of an increased number of investable assets, tailored to the needs and requirements of institutional investors.

## Call to Action Boosting collaboration within the donor community

Donor governments must also take stock and recalibrate. The second half of the "decade of action" is set to be defined by uncertainty, with

scarce ODA resources likely to become less available for pilot transactions, and the national interests of individual donors potentially shaping aid allocations to a greater degree. As ODA diminishes, donor governments have an opportunity to be more strategic and efficient in how they allocate scarce concessional resources.

Collaborative or coalition-led blended finance initiatives deploying ODA instruments to develop deal pipelines and deploy catalytic capital efficiently must continue to be supported. Multilateral funds capitalized by several donors like GCF, PIDG, and CTF have played an increasingly large role in providing catalytic capital to mobilize private investment.

Examples of other collaborative donor initiatives launched in recent years include the Green Guarantee Company, which will utilize an initial balance sheet of $100 million funded by government and multilateral donors to unlock $1 billion in private sector investor capital for climate, and the Investment Mobilization Alliance (IMCA), which will provide catalytic investment support and technical expertise to build out a pipeline of bankable climate-centric investments.

The Hamburg Sustainability Platform, meanwhile, was established in October 2024 by a coalition of donors, development banks, and institutional investors to scale sustainable investments into EMDEs by more efficiently combining public and private investments through standardized financial products and harmonized public strategies, enhancing simplicity and replicability.

# THEME 2: LOCAL INVESTMENT IN BLENDED FINANCE IS UNDER-REPRESENTED

## Looking Back to 2021

In 2021, Convergence noted that representation from local actors, including developing country governments, regional development banks, and private investors remained largely missing from the blended finance market. The historic focus on prioritizing cross-border, foreign investment in blended finance makes sense, given the "billions to trillions" agenda. Global financial assets, largely based in developed economies, represent over $460 trillion – the objective of blended finance is to mobilize even a small fraction of these assets to fill the SDG financing gap. Simply, achieving the SDGs largely rests on achieving the scale of capital only present in global financial markets.

Yet, as Convergence documented in earlier reports, incorporating local investors in the blended finance market can play an important role in fulfilling the long-term objective of blended finance, which is to foster and sustain investments into SDG-aligned projects in EMDEs. Here local investors bring distinct advantages:

1. they have a deeper understanding of the local investment landscapes, thereby requiring a lower risk premium compared to global peers;
2. they invest in local currency, reducing the need for hedging costs; and
3. they can build momentum amongst local actors for SDG-aligned sectors, including through consortiums.

Moreover, with global reductions in ODA as well as macroeconomic volatility threatening cross-border flows, the traditional sources of capital underpinning blended finance are at risk of declining. In view of this context, maximizing local investment is a critical priority. Host country governments also have an important role to play in creating an enabling environment for blended finance, including through capitalizing concessional capital facilities and by creating a favourable regulatory environment for private investors in SDG-aligned sectors.

## The picture in 2025

As documented earlier in this report, local investment in blended finance continues to be underrepresented in the blended finance market, accounting for under 20% of all blended finance investment across all regions by investment count. Many of the barriers outlined in earlier reports remain true today.

Key challenges for local investors include:

- maturity mismatches whereby local banks rely on short-term deposits, and are thus unable to provide the longer tenured loans required for infrastructure projects;
- stringent counter-party limits, which local banks from investing larger concentrations in climate sectors such as renewable energy

3. institutional investors prefer public markets and fixed income government securities, while blended finance transactions remain concentrated in alternative asset classes such as infrastructure and private equity; and,
4. there is a lack of SDG-aligned mandates amongst local investors compared to global peers.

On the public-sector side, the low participation of many host governments in blended finance are caused by an unfamiliarity with blended finance approaches, as well as a focus on laying the groundwork for investment through regulatory changes rather than concessional capital facilities (and are thus foundational work that is not reflected in our deal data).

## Call to Action Attracting local institutional investors through local currency green bonds

In recent years, Convergence has witnessed strong participation from institutional investors based in EMDEs into blended green bonds. Green bonds offer institutional investors a number of advantages, including:

1. longer tenors that match investor liabilities,
2. liquidity via capital markets, and
3. access to local currency transactions.

Recent examples of green bonds that have attracted investment from institutional investors include IDI Sao Mai's Green Bond for Sustainable Fish; the VND 1 billion local currency bond, issued in 2023, received a full guarantee from InfraCo Asia and was oversubscribed by insurance companies in Vietnam. The guarantee enabled a 20-year tenor with fixed coupon payments, supporting sustainable aquaculture farming in the country. Other notable examples include the Development Bank of Rwanda (BRD) sustainability-linked bond series, which aim to raise RWF 150 billion in five years. The second bond in the series was issued in 2024, which leveraged $10 million in International Development Association (IDA) funds provided to the Government of Rwanda, as collateral to raise over $20 million from retail investors in Rwanda and globally, for a seven year tenor with an interest rate of 12.9%.

## Call to Action Building capacity amongst local financial institutions for green projects

Large-scale project finance in EMDEs is mostly financed by global commercial banks and their regional subsidiaries. In this way, smaller domestic financial institutions are unfamiliar with infrastructure as an asset class. To address this gap, multiple capacity building programs have emerged in recent years to build the expertise of local financial institutions in project finance in climate-aligned sectors. Examples of these programs include Allotrope's Greening the Banks initiative, which aims to strengthen the capacity of Southeast Asian banks and financial institutions to participate in renewable energy transactions, including through sharing market data, engaging with local regulators, providing access to green pipeline, and supporting local financial institutions to issue green financial products. Other initiatives include the Global Capacity Building Coalition, supported by the Glasgow Financial Alliance for Net Zero (GFANZ) and Bloomberg Philanthropy, which supports financial institutions in EMDEs to manage risks associated with the Net Zero transition and exchange knowledge with global peers.

## Call to Action Creating an Enabling Environment for Blended Finance through Climate Taxonomies

The creation of green taxonomies has served as an important precursor for mobilizing participation from local financial institutions towards green investments, by creating a guiding framework of sustainable finance. For example, the Government of Vietnam, through the Ministry of Natural Resources and Environment, Ministry of Finance, and State Bank of Vietnam, is currently working to align its taxonomy with the European Union and the Government of Rwanda is in the implementation stage of it's green taxonomy framework after announcing the initiative at COP28, in partnership with the Capital Market Authority (CMA), Rwanda Stock Exchange (RSE), and Private Sector Federation. These policies can serve as an important foundation and precursor to more involved efforts such as the establishment of country-led blended finance facilities, to incentivize the local financial sector to participate in climate finance opportunities.

## Call to Action Creating an Enabling Environment for Blended Finance through Local Blended Finance Initiatives and Global South-South Collaboration

National governments in EMDEs have increasingly played a leadership role in fostering blended finance through both pools of concessional capital, as well as regulatory incentives. Although still a relatively small proportion of overall concessional capital flows, country-level concessional finance platforms such as Indonesia's PT Sarana Multi Infrastruktur (PT SMI), government-administered blended finance programs as led by Rwanda's BRD (noted above), as well as instrument-specific programs such as the Philippines Guarantee Corporation (PhilGuarantee), have demonstrated the benefits of local government involvement in mobilizing blended finance from both local and global sources. Moreover, identifying opportunities for local and global investment is increasingly being considered within larger national investment frameworks such as country Nationally Determined Contributions (NDCs). To further this momentum, there is an opportunity for greater collaboration and cross-learnings for national governments in the Global South to share experiences and learnings with peers.

## IMPLICATIONS OF THE CURRENT STATE OF ODA

- With traditional sources of global blended finance flows under strain, the opportunity for local capital mobilization has never been greater or more critical.
- Blended finance initiatives should prioritize supporting the development of local capital markets, including through developing long-term bond markets, increasing local currency financing, identifying opportunities for capacity and knowledge-sharing between global and local financial institutions, and promoting regulations that incentivize local investment towards SDG-aligned sectors.
- Importantly, there is a significant opportunity for local governments in EMDEs to play a leadership role, through strategically drawing on government funds and creating a conducive policy environment for private investment. Here, local governments with experience in setting up successful blended finance facilities should share learnings and promote replicable approaches to peers.

# THEME 3: LACK OF TRANSPARENCY ON BLENDED FINANCE ACTIVITY

## Looking back to 2021

In 2021, Convergence noted that concessional capital providers rarely share financial terms or post-investment outcomes publicly, which limits the availability of evidence supporting blended finance as a development tool. Additionally, these investors do not seem to encourage or require private investors to share financial data in a transparent or easily accessible manner, creating further challenges to scaling the blended finance market.

While private sector investors may not want to share post-hoc performance data on individual transactions for competitive reasons, strategically sharing certain metrics, such as on an aggregate basis, can help grow the use of blended finance by establishing benchmarks. This can help catalytic investors better allocate capital and allow private investors to better price risk and quantify historical returns more reliably for better alignment of perceived and real risk.

This depth of data is a fundamental element of efficient capital markets and conventional private market investment. This is particularly important regarding data on the amount of concessionality within a blended transaction. By providing this visibility, other investors can ensure the responsible use of limited catalytic resources, understand the minimum required concessionality within a given transaction, and prevent over-subsidization.

A further issue discussed in the report relates to enhanced disclosure around the allocation of concessional capital. Onerous and convoluted processes inhibit investors' ability to identify catalytic capital pools that align with their impact theses, region of interest, or sectoral focus. Additional clarity is therefore also required from donors on their investment terms, availability of funding, and criteria for accessing financial support.

## The picture in 2025

Data transparency has seen some notable improvements. However, there are still major challenges with disclosure from ODA providers, DFIs and MDBs, private investors, and other funding sources such as foundations. For public capital providers, continued progress is needed to address data gaps in the market associated with metrics that private investors have stated are useful to understanding the risk profile of different investments, such as total investment size, instrument, country, sector, and the amount mobilized and type of mobilized party (in the case of concessional capital providers). Overall, transparency remains fundamental to ensuring that public funders are applying the highest standards in the use of blended finance.

## Status of Previous Initiatives

The 2021 report listed initiatives that attempted to rectify these challenges. It is worth revisiting the status of these initiatives to understand their current impacts on increasing transparency:

| INDICATOR | | STATE OF THE MARKET IN 2025 |
|---|---|---|
| **Global Emerging Markets (GEMs) Report on Default Statistics** | GEMs releases two annual reports that jointly provide comprehensive data and analysis on the default rates of sovereign and corporate debt within emerging markets. This data helps investors and policymakers understand the risk profile and creditworthiness of countries and companies in these markets, offering insights into trends, causes, and the financial health of the regions. | For the first time this past year, the report for private and public lending includes statistics on recovery rates for default events. Including these statistics is important because it helps investors assess expected loss in the event of a default, providing a clearer picture of the financial risks involved. Recovery rate data also allows for better comparison between different markets and debt instruments, helping to guide investment decisions, risk management strategies, and pricing of credit risk in emerging markets. GEMs also now consists of 26 member institutions, up from 11 in 2021, suggesting there is growing interest in providing data to better inform markets. |
| **IFC Subsidy Disclosures** | IFC shares public information on the sponsor, project structure, expected development impact, financial instrument, and the amount of donor partner funding for each eligible project. IFC also discloses the estimated subsidy for each proposed project, along with an explanation of its necessity. By providing the market with more transparency and demonstrating a strict application of the principle of minimum concessionality, IFC aims to advance the scaling of blended finance. | In June 2024, IFC partnered with the IFRS Foundation to improve sustainability and climate reporting in emerging markets, aiming to standardize and enhance transparency in line with the IFRS Sustainability Disclosure Standards. Additionally, as of 2025, IFC has conducted a comprehensive benchmarking analysis of its Disclosure and Transparency Framework against leading global standards. |
| **Publish What You Fund** | This initiative aggregates aid and development information to enable effective decision-making and public accountability. Most pertinent to blended finance is their DFI Transparency Index, launched in 2023. They also fund the bi-annual Aid Transparency Index, which provides measures of aid transparency for 50 development agencies. | The 2023 Index found that DFIs continue to lack transparency, particularly in non-sovereign operations, by not providing evidence of impact, data on mobilization, or proof of accountability to the community. There are also six large DFIs that are not included. In 2024, Publish What You Fund launched a proposal to improve the measurement and disclosure of private capital mobilization. Due to funding cuts, Publish What You Fund will not be developing the 2026 version of the Aid Transparency Index. |

## Recently Launched Initiatives

Since the previous report, new initiatives have also launched and others are in progress that will increase transparency on key metrics for blended finance investors:

1. *Catalytic Climate Consortium Research (C3) Initiative research awards:* In October 2021, the C3 Initiative announced awards that supported 14 research projects that look at the use of catalytic capital to build the evidence base for growing the market for risk-tolerant, flexible, and patient investments that address global challenges. The awards totaled $10 million over three years and included initiatives such as a project that focuses on accelerating data collection for the Impact Finance Database, with a focus on catalytic capital, and another that looks at the experience of catalytic funds that provide capital to African entrepreneurs in more than 150 transactions.
2. *Impact Disclosure Taskforce:* A coalition of financial institutions, capital markets participants, and industry experts that was founded in April 2023 to create voluntary guidelines for reporting on the impact of entities. Its goal is to establish systems that ensure accurate and complete impact reporting by corporate and sovereign entities working towards the SDGs to drive more investment into these organizations. The first draft of its Impact Disclosure Guidance was published in 2024.
3. *Catalytic Capital Financing Facility (CC Facility) Learning Hub Research Project:* The CC Facility Learning Hub, a joint initiative between Convergence and Climate Policy Initiative, recently announced the funding of a research project with Investisseurs & Partenaires Ecosystems that will lead to the publication of aggregate post-hoc investment data for several funds that are active within Africa. The purpose of the project is to build a business case for the inclusion of gender and climate-lens investing within blended finance transactions.

### Call to Action Incorporating public disclosure requirements

Concessional, catalytic capital providers have the opportunity to require greater data transparency from private sector actors. These investors often set the terms of engagement and are uniquely positioned to mandate public disclosure of key deal information. Moreover, private actors may be willing to share data more openly if requested, especially if doing so can enhance their credibility, attract additional investors, or contribute to building market data that can create more efficient blended finance structures.

### Call to Action Considering data transparency throughout each step of a transaction

Data transparency should be embedded throughout every stage of a blended finance transaction. Deal sponsors should provide clear disclosure of project objectives, expected outcomes, and risk mitigation strategies to ensure better alignment among stakeholders. During structuring and implementation, transparency around financial terms, capital flows, and performance indicators supports informed decision-making. In the post-investment stage, sharing impact results and financial returns enhances accountability and supports market development. Moving forward, we encourage all stakeholders in the blended finance ecosystem to commit to transparency as a guiding principle in our shared pursuit of impactful and sustainable development.

### IMPLICATIONS OF THE CURRENT STATE OF ODA

- With the discontinuation of the Aid Transparency Index, there will likely be a drastic reduction in the granularity and availability of data from providers of ODA. Publish What You Fund, for example, found that transparency standards consistently slip between previous index editions.
- This means there is an increased need for higher levels of transparency from other investors within blended finance transactions through disclosing data in easily accessible formats and providing more detailed transaction-level outcomes.

# THEME 4: THE ECOSYSTEM FOR BLENDED FINANCE REMAINS UNDERDEVELOPED

## Looking back to 2021

Convergence noted a lack of financial intermediation as a core deficiency in blended finance's ability to better address the SDG funding gap. Even as interest from donors to mobilize through blended structures began to peak and investors were increasingly committed to allocate greater shares of their portfolios to EMDEs, SDG-related projects remained too small to ensure an institutionalized focus on blended finance. Where blended finance deals were successful in mobilizing scaled sums of capital, limited repetition and standardization followed.

## The picture in 2025

Private sector investors continue to be wary of EMDE investing, including via blended finance. Global investors have rich opportunities to place their capital within developed markets and still meet their impact and climate targets, if any. As noted by The Global Impact Investing Network (GIIN), the impact investing market grew to its highest level ever in 2024, reaching $1.57 trillion in AUM. However, much of this value is in high-income economies.

The call for deeper financial intermediation and standardization in the blended finance market remains pertinent in 2025. Complexity, insufficient deal sizes, overly fit-for-purpose models, and unknown originating entities continue to be barriers to participation. For deals of comparable size and that require a similar asset position for equivalent risk-adjusted returns, blended deals are perceived to present significantly higher transaction costs.

Where a project or portfolio level investment opportunity presents acceptable risk, public and private sector capital can co-invest. The challenge is that very few of these opportunities currently exist in EMDEs. Critically, this means the public sector must act to reduce risk or transfer risk away from private sector investors to bring that investment in line with their fiduciary and regulatory obligations. If scaled mobilization of private sector capital to climate and SDG projects is to be realized, blended

| INDICATOR | STATE OF THE MARKET IN 2025 | |
|---|---|---|
| **Paris Agreement and SDGs** | The UNFCCC estimates that the annual monetary need to deliver on developing country climate action plans stands at $6 trillion. Progress under the Paris Agreement falls well short of this goal. | Most recent estimates from the OECD indicate that the annual SDG funding gap has swelled to $4 trillion, a 36% increase from the inception of the SDGs in 2015 ($2.5 trillion). |
| **Cross-border financing flow to developing countries** | Private sector investment flows from developed to developing countries comprised only 2% of SDG financing needs in 2024.<br>In 2009 at COP15, developed countries pledged to mobilize $100 billion in climate finance to developing countries annually. They met that target for the first time in 2022, two years later than initially planned. At COP29 in 2024, developed countries increased that target to $300 billion annually by 2035. | |
| **Blended finance flows** | Convergence observed noticeable market growth in blended finance in 2023, recording the highest ever annual market capitalization and largest sum of investment from private sector sources. These trends appeared to have been sustained in 2024.<br>However, much of the decade has been characterized by the peaks and troughs typical of portfolio investment in EMDEs, with a lot of innovation and experimentation of investment approaches but little repetition and standardization. | |

finance must be more efficiently and effectively deployed through standardized models. The table below demonstrates progress to-date in building an ecosystem for blended finance.

### Call to Action Global call for a renewed global financing framework

Ahead of the 4th International Conference on Financing for Development (FfD4) in June 2025, the UN and member states published the Zero Draft on the current state of financing for development. A core theme is the urgent need for a large-scale increase in private sector mobilization for sustainable development, with a direct call to enhance the value of blended finance investment through standardization.

### Call to Action The standardization of proven risk reduction methods for scaled mobilization

Standardizing proven deal structures aims to deliver financing that is better quality, aligned to sovereign debt sustainability, affordability and financial additionality, and in higher quantities – markedly moving the needle on current annual EMDE financing flows, while creating assets that meet the fiduciary and regulatory obligations of the investors who hold vast pools of capital. A series of recent initiatives have been undertaken in this respect. British International Investment



reviewed its investment activity in blended funds to present a suite of five blended fund archetypes, intended as a structuring reference for future LPs/GPs to reduce the complexity of design and the difficulties of operationalizing blended funds. Archetypes are defined by their investment strategy, risk-return profiles and institutional investor risk appetite, and delve into the details of fund terms, including distribution approaches (i.e., waterfalls) to bring greater consistency and a greater understanding of how these vehicles operate. A more sector-specific project was conducted by ISF Advisors, meanwhile, which provided guidance for donors and investors on the proven effective uses of risk-bearing concessional capital in funds investing in agri-SMEs.

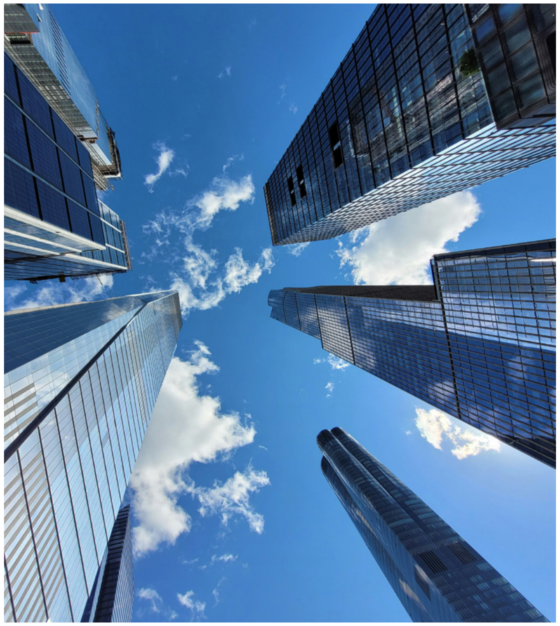
Finally, aligned with the FfD4 Zero Draft, Convergence is undertaking a project, the Scale Private Sector Mobilization Project (PIMMs), to identify mobilization activities in blended finance that have been proven to work. While the last decade has seen limited replication of successful blended finance models, there has been significant experimentation into the most efficient uses of catalytic and concessional capital to crowd-in the greatest amounts of commercial investment. Using this substantial universe of deal data, Convergence is advocating that no new innovations are necessary to deliver financing at scale; only tweaks to existing solutions.

Convergence is working with blended finance practitioners to identify a suite of blended finance models to be standardized at both the project (e.g., guarantees, risk sharing with financial institutions, political risk mitigation) and portfolio levels (e.g., tiered funds), and across the investment timeline (e.g., project preparation, project investment, portfolio investment). Central to the standardization of blended finance approaches is consistent applications of de-risking and/or risk transfer instruments by donors and philanthropies.

This is critical in two ways:

1. de-risking using concessional capital is fundamental to creating assets that are fiduciary compliant for developed country investors (i.e., rated BB/BBB); and
2. repeated use of proven structures reduces the perceived complexity and transaction costs that currently disincentivize engagement from private sector investors.

Overall, standardized blended finance models can more reliably provide assets that are developed market equivalent. Improving the quality and quantity of intermediation in blended finance is particularly important in this respect. Most institutional investors will not/cannot invest on a project level basis in EMDEs due to insufficient ticket sizes, no existing country presence, or insufficient resources to execute a direct investment strategy. The standardization of tiered funds can deliver the types of assets these investors demand, along with providing diversification benefits that can be a powerful incentive for these investor types to participate.



## IMPLICATIONS OF THE CURRENT STATE OF ODA

- ODA funding is undeniably a critical element of standardized blended finance models because it facilitates the risk reduction and/or risk transfer outcomes necessary to create fiduciary compliant assets in EMDEs. The MDBs and DFIs currently have no explicit mandate to use balance sheet resources to de-risk third party investors nor more routinely invest in riskier assets (B rated and below), and many private foundations have yet to incorporate blended finance into their investment strategies.
- With less ODA funding available to blended finance given current market circumstances, efficiency of allocation is paramount. Standardized blended investment models allow for the maximization of mobilization, financial additionality, and sustainable development outcomes, while demanding only a limited amount of ODA capital. On a case by case basis, standardized models would aim to require only 5-10% of total project cost to be ODA to mobilize at scale, leaving the vast majority of ODA resources to address other development needs. This should also motivate developing country governments to reroute sovereign ODA flows for the purposes of mobilizing domestic and cross-border investors into sustainable development projects.

# METHODOLOGY & NOTES

1. **Convergence Market Data:** Convergence maintains the largest and most detailed database of blended finance transactions that have reached financial close. Given the current state of information sharing, it is not possible for this database to be fully comprehensive. We have made efforts to capture all relevant blended finance transactions; however, there are likely more transactions that have not been captured.

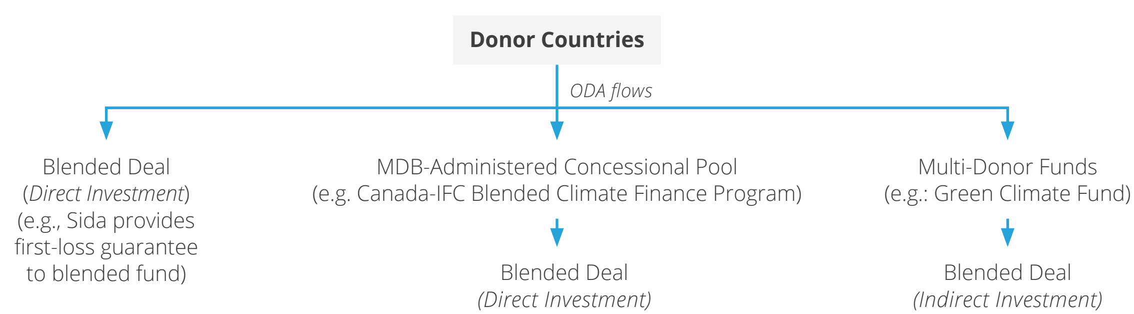
2. **New Financial Vehicle Category:** In March 2025, Convergence introduced a new vehicle category specifically designed to capture blending arrangements with financial institutions. Previously, blended finance transactions with financial institutions in Convergence Market Data were categorized broadly as either "company" or "facility" deals. Since public investors, including DFIs and MDBs, have long provided financing to domestic and multinational financial institutions operating in EMDEs, the introduction of the new "Financial Institutions" vehicle will more accurately reflect the role these investors play in the blended finance market. Convergence defines a financial institution transaction as *"A transaction that combines the use of concessional lines of credit, debt, equity, guarantees, or other risk-sharing arrangements provided to mobilize private sector commercial lending from the recipient domestic commercial bank or MFI via expanded downstream lending activities, **and/or** the use of such concessional instruments, with the addition of technical assistance, to mobilize third-party commercial investment from public or private sector sources directed to the recipient bank which leads to expanded downstream lending activities."*

3. **Capturing Donor Concessional Capital:** In this report, Convergence has tried to showcase the various ways in which donor countries typically provide concessional capital to blended finance.

   A. **Direct Donor Contribution** refer to contributions made by donor countries either directly into blended finance transactions (e.g., through a development agency) or through concessional capital pools administered by DFIs or MDBs. These pools are typically funded by a single donor and earmarked specifically for blending with ordinary DFI commercial capital, as part of the DFI's blended finance strategy (blended concessional finance). These donor pools are explicitly concessional and attributed clearly to one (or a very limited number of) donor country(ies), and thus easier to track individual contributions.

   B. **Indirect Donor Contribution** refer to contributions from donor governments to blended finance deals via multi-donor funds (e.g., Green Climate Fund). These funds are supported by multiple donor countries, and as such, the investments they make are typically attributed collectively to all participating donors. For the sake of simplicity in this analysis, the multi-donor fund itself is treated as the investor, rather than disaggregating the investment by individual donor shares.

**Figure 23:** Pathways for Donor Concessional Capital Deployment in Blended Finance



# APPENDIX:
# DEAL TRENDS

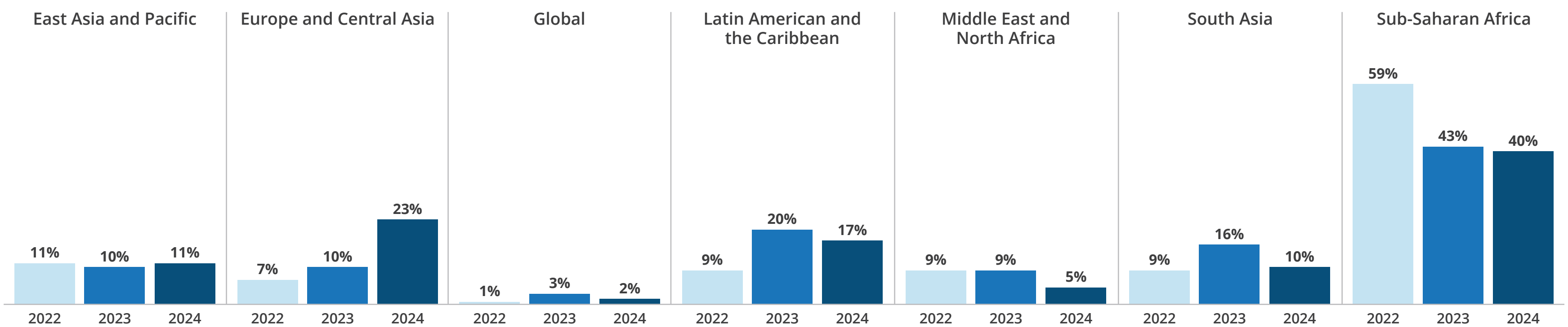
# APPENDIX
# DEAL TRENDS

## INFRASTRUCTURE AND FINANCIAL INSTITUTIONS REMAIN THE TOP TARGETED SECTORS IN BLENDED FINANCE

**Figure 24:** Proportion of blended finance deals by sector, 2022-2024

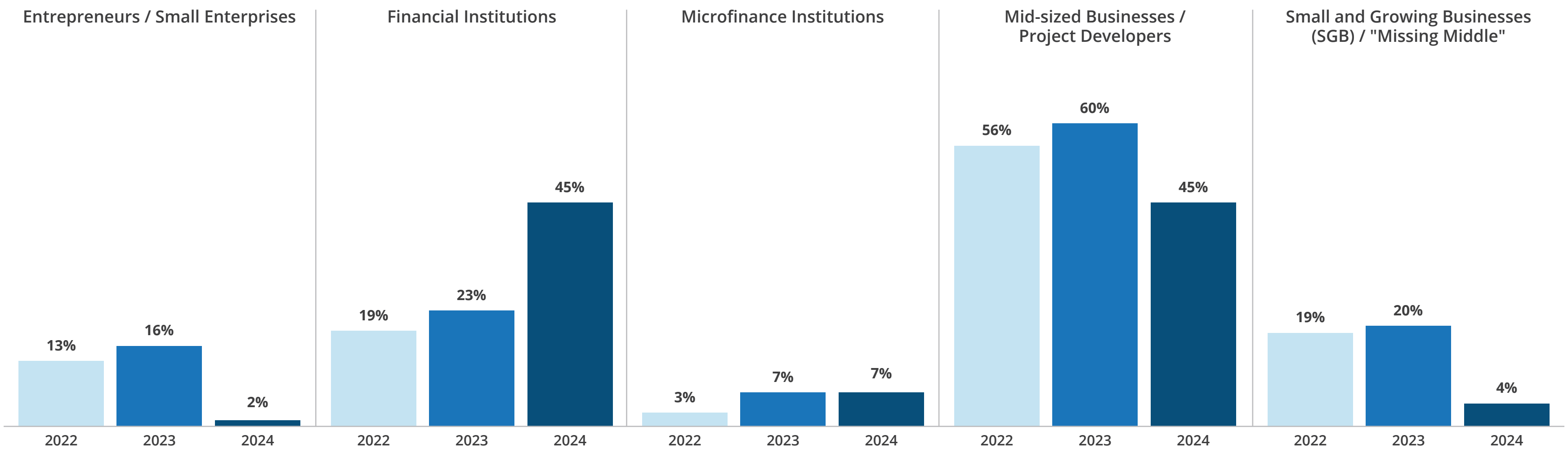

## SUB-SAHARAN AFRICA REMAINS THE MOST TARGETED REGION FOR BLENDED FINANCE TRANSACTIONS BY COUNT (AND FINANCING)

**Figure 25:** Proportion of blended finance deals by region, 2022-2024



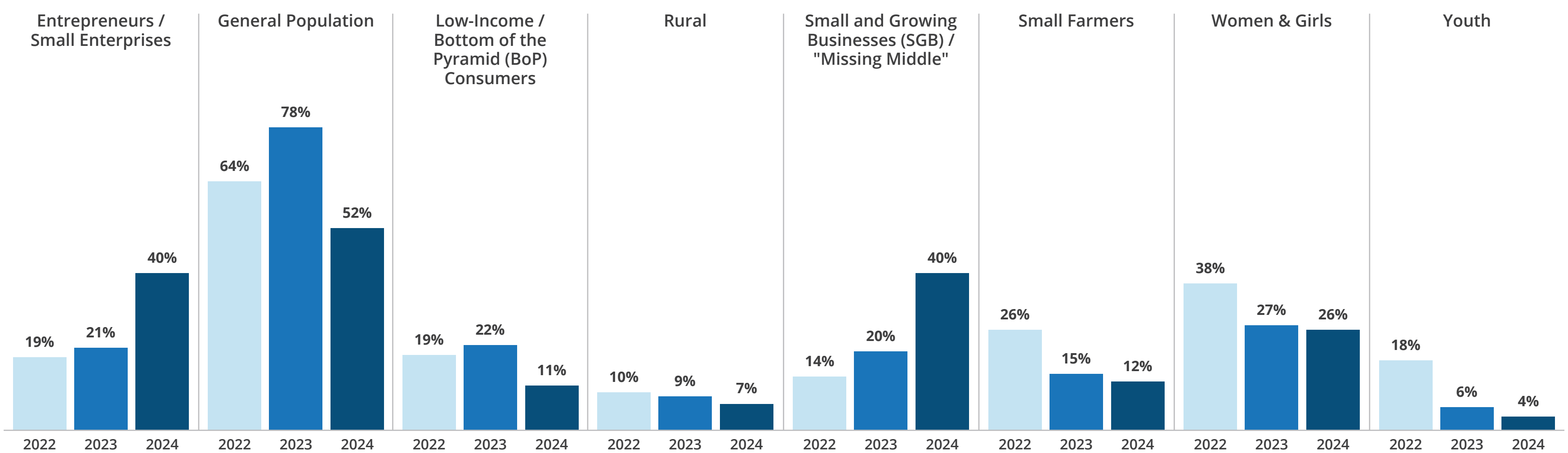
## FINANCIAL INSTITUTIONS AND PROJECT DEVELOPERS ARE THE LEADING DIRECT RECIPIENTS OF FINANCING

**Figure 26:** Direct recipients of blended finance transactions, 2022-2024



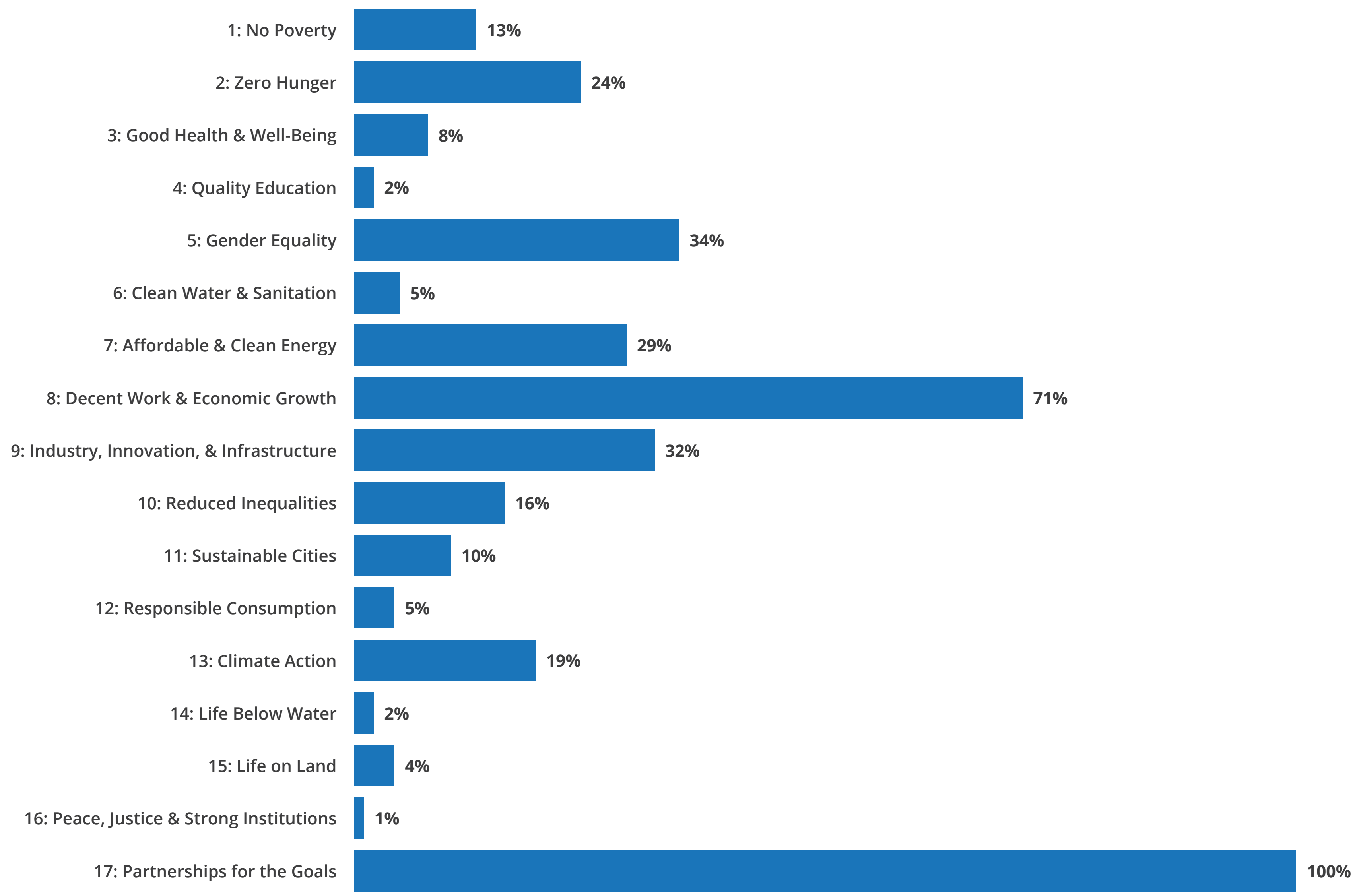

## BLENDED FINANCE FLOWS TOWARDS SMES AND THE MISSING MIDDLE ARE GROWING

**Figure 27:** End recipients of finance in blended finance transactions, 2022-2024



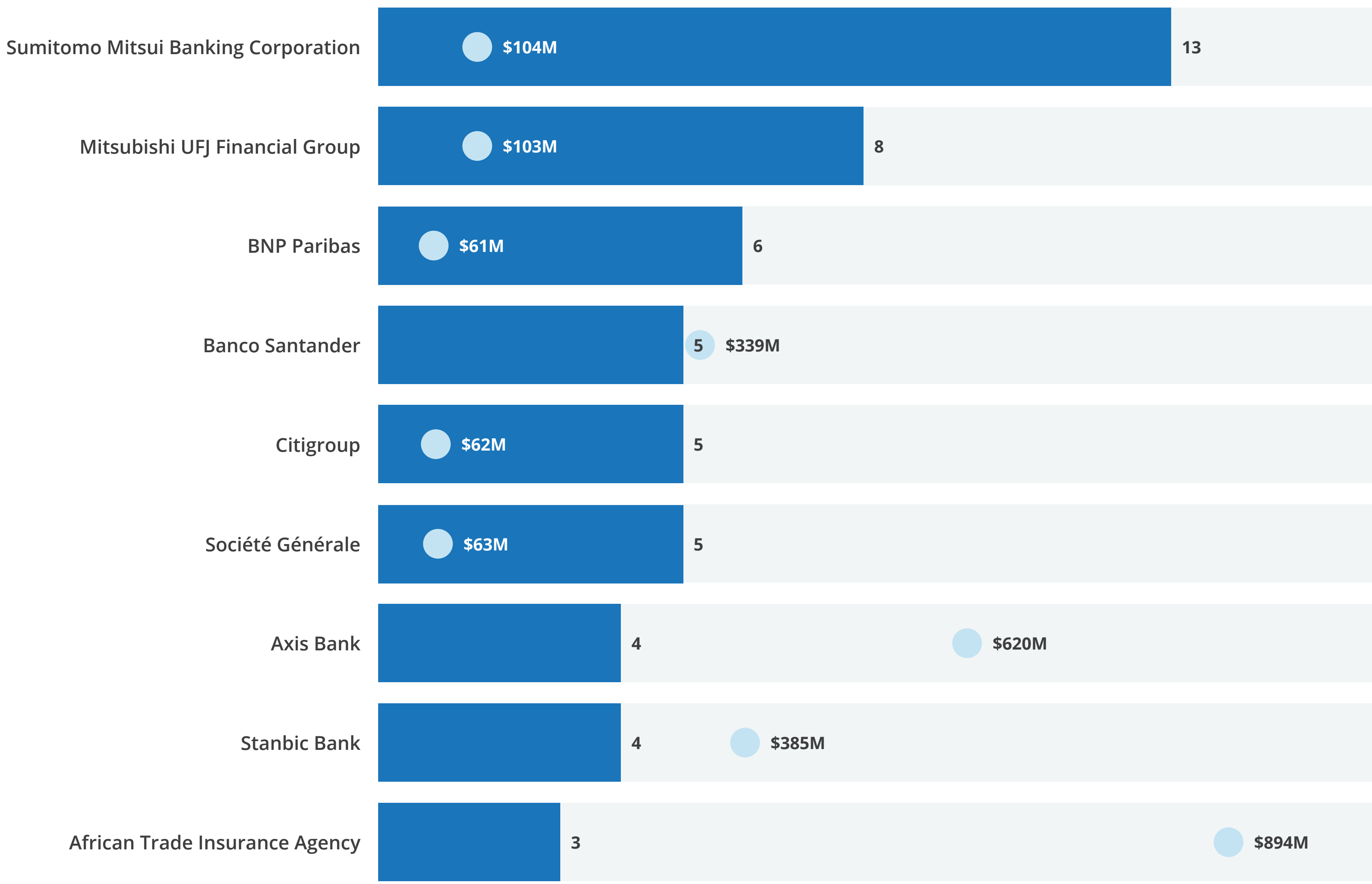
## GENDER-RESPONSIVENESS IN BLENDED FINANCE IS INCREASING, WITH SDG 5 AS THE SECOND MOST TARGETED SDG

**Figure 28:** Proportion of blended finance transactions by SDG, 2022-2024



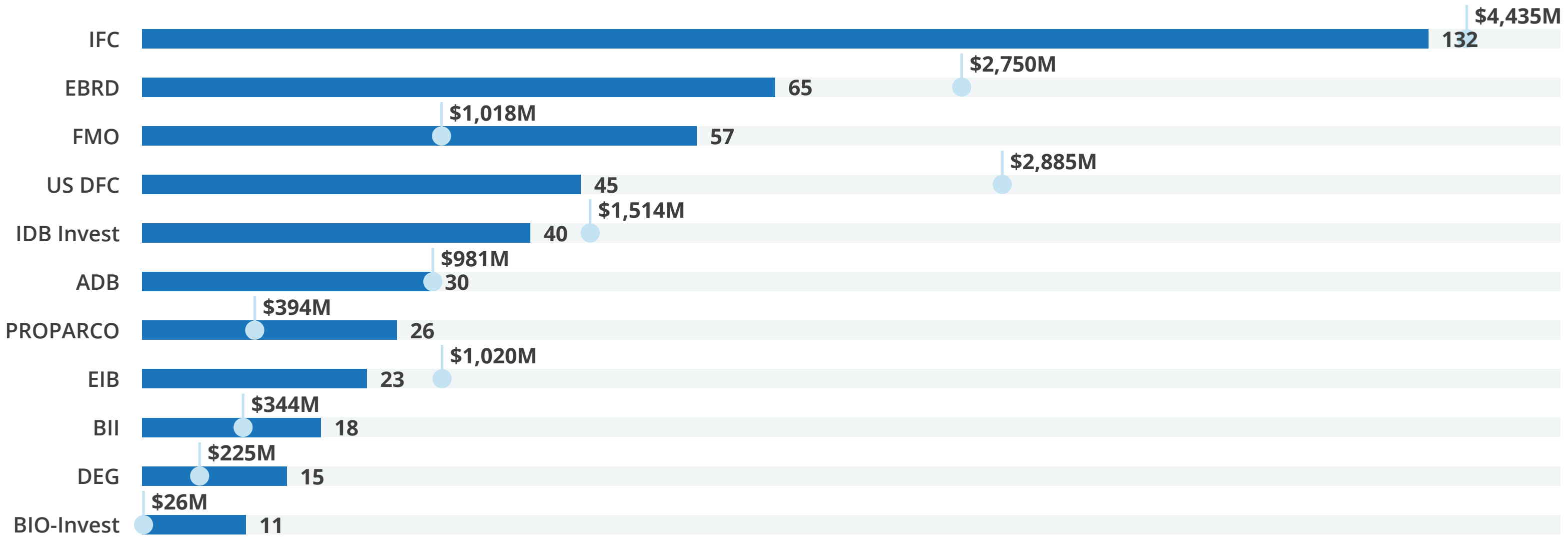
## JAPANESE COMMERCIAL BANKS LEAD PRIVATE SECTOR COMMITMENTS

**Figure 29:** Most frequent private sector investors in blended finance by number of commitments and aggregate investment size, 2022-2024



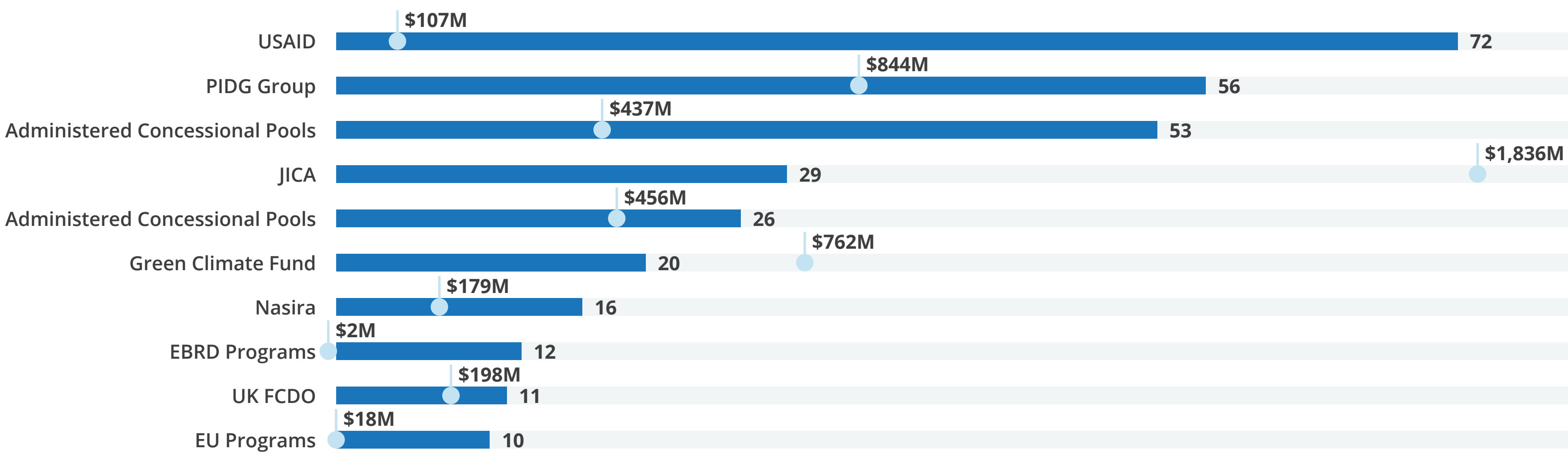
## IFC LEADS ALL DFIs/MDBs IN BLENDED FINANCE COMMITMENTS AND FINANCING

**Figure 30:** Most frequent DFI / MDB participants in blended finance deals by number of commitments and aggregate investment size, 2022-2024



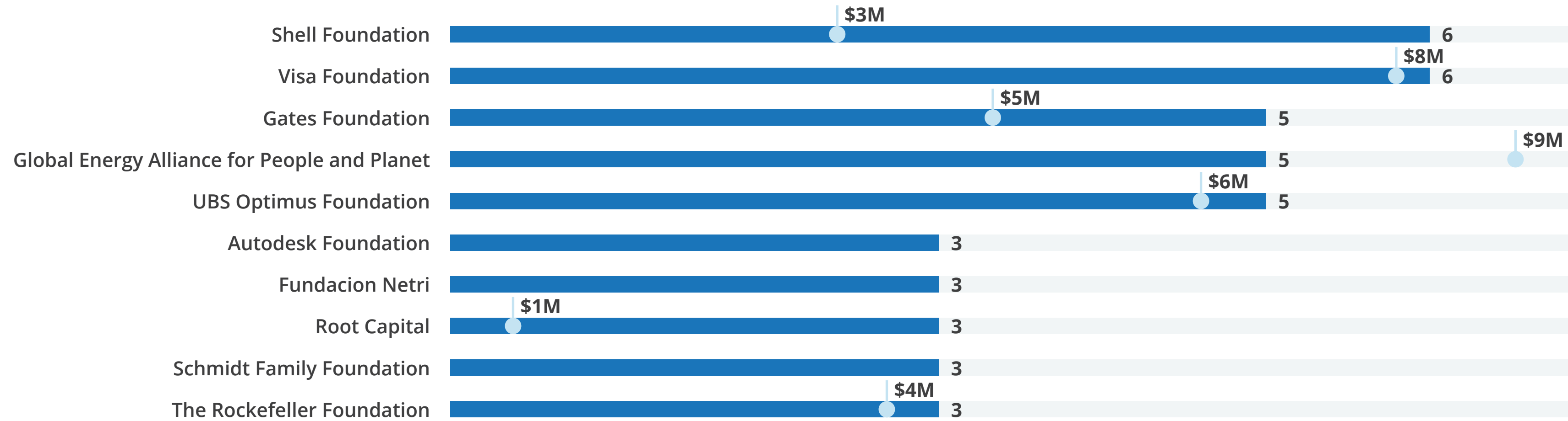

## AMONG DEVELOPMENT AGENCIES AND MULTI-DONOR FUNDS, USAID LEADS BY COMMITMENTS

**Figure 31:** Most frequent development agencies and multi-donor funds in blended finance deals by number of commitments and aggregate investment size, 2022-2024



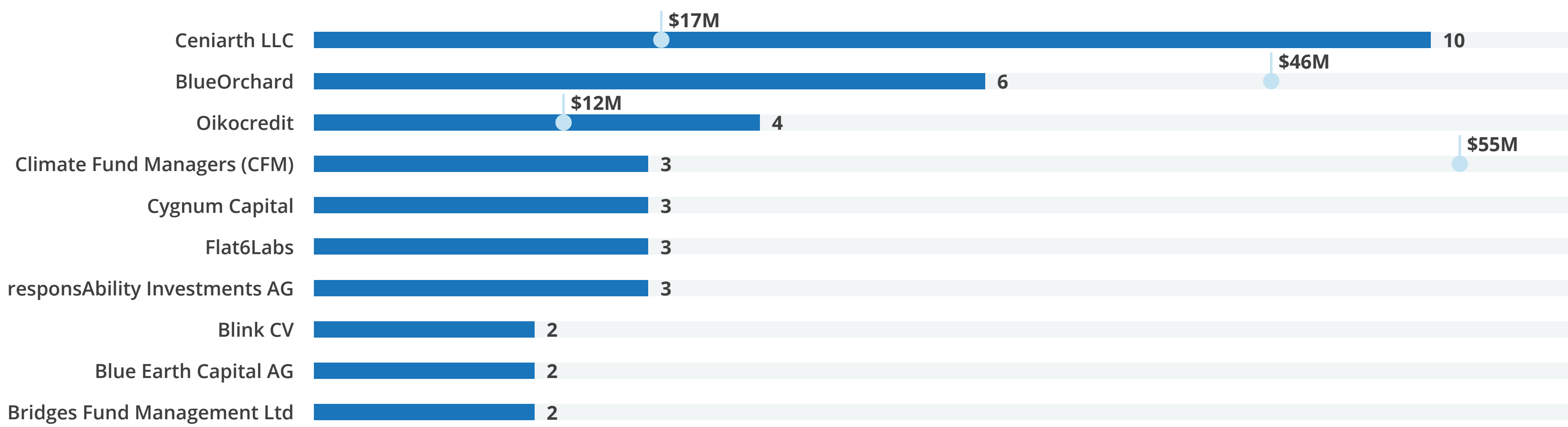
## VISA FOUNDATION AND SHELL FOUNDATION LEAD PHILANTHROPIC COMMITMENTS

**Figure 32:** Most frequent philanthropic investors in blended finance deals by number of commitments and aggregate investment size[4], 2022-2024




## CENIARTH LEADS IMPACT INVESTORS BY COMMITMENTS

**Figure 33:** Most frequent impact investors in blended finance deals by number of commitments and aggregate investment size[5], 2022-2024




4. Note: Due to limited public disclosure, aggregate investment size may not be available for all investors.
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CONVERGENCE
BLENDING GLOBAL FINANCE

**CONVERGENCE** is the global network for blended finance. We exist to increase private investment in emerging markets and developing economies to advance the UN Sustainable Development Goals and Paris Agreement.

**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.