

Scale Private Investment Mobilization Project: Action Plan to mobilize \$500+ billion private investment annually for SDGs in Low & Middle-Income Countries

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SCALE PRIVATE INVESTMENT MOBILIZATION PROJECT (PIMMs)

The following slide deck provides an overview of the Convergence Scale Private Investment Mobilization Project, and includes:

- 1. A summary of the current state of private sector mobilization in developing countries
- The rationale for prioritizing standardized blended finance investment vehicles
- An outline of key project elements, including the [12] Private Investment Mobilization Models (PIMMs) proposed by Convergence for standardization, and project alignment with ongoing global calls for development finance reform
- 4. A call for feedback from market stakeholders on core project elements, particularly the proposed PIMMs

Convergence recommends this deck be read alongside the Consultation Report and PIMMs factsheets available on the dedicated PIMMs Project webpage on Convergence's website

How to provide feedback:

- **Step I –** Review slide deck and/or Consultation Report
- Step 2 On the PIMMs webpage, use the interactive PIMMs matrix to filter to the PIMMs model factsheets most relevant to your investor type and/or development/investment mandate
- **Step 3 –** Review selected PIMMs factsheets, which detail the proposed models
- **Step 4 –** Leave feedback on the Consultation Report and/or PIMMs factsheets through the **survey link** on the webpage and at the end of this slide deck

KEY MESSAGES AND OBJECTIVES

Key Messages:

- Achieving SDGS in developing countries requires private investment mobilization
- Most investment opportunities are perceived as high risk, beyond the fiduciary and regulatory investment mandates of most private sector investors
- Recommendations do not require new funding or the creation of new institutions
- Reducing investment risk is essential to mobilize private investment at scale equitably, but low amounts of blended finance to date have reduced risk of mobilizing

Objectives:

- This project aims to identify how to mobilize private investment at scale primarily by (i) deploying public sector catalytic & concessional funds strategically to reduce risk and (ii) governing development finance organizations to mobilize at scale
- Project identifies how to achieve investment and mobilization objectives of the Financing for Development 4 (FfD4) Outcome Document
- Increasing private investment mobilization to \$500+ billion annually is possible

UN FFD4 OUTCOME DOCUMENT (FIRST DRAFT): BETTER ACTION PLAN REQUIRED TO MOBILIZE AT SCALE

Mobilization objectives: ambitious, mobilize from all sources, impact, meet national priorities, standardization, debt sustainability, FX mitigation, transparent access, share risk and rewards fairly

Section	Text (verbatim)				
Renewed global	. We decide to launch an ambitious package of reforms and actions to catalyse sustainable development investment at				
financing	scale to close this financing gap with urgency. We will mobilize additional and innovative financing from all sources,				
framework	recognizing the comparative advantages of public and private finance.				
Clause 5 & 6	6. We commit to reform the international financial architecture				
Private capital	d) We call for all blended finance initiatives to:				
mobilization for	i) focus on sustainable development impact, rather than on quantity or degree of leverage alone;				
sustainable	ii) promote country ownership by aligning with national sustainable development priorities and industrialization				
development	strategies;				
Clause 28	iii) ensure financial and developmental additionality;				
	iv) share risk and rewards fairly;				
	v) be transparent and have clear accountability mechanisms;				
	vi) include the participation of local communities in decisions affecting them;				
	vii) take into account debt sustainability.				
	g) We support efforts towards greater standardization of blended finance instruments to create effective and replicable				
	structures				

Critical amendments: reducing investment risk to within investors' mandates, scale mobilization, and blended finance exclusively for private investment mobilization.



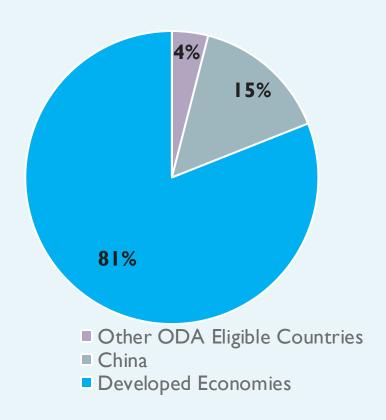
GLOBAL FINANCIAL ASSETS: LOCATED IN HICs & CHINA

- Global financial assets are estimated at \$482 trillion (Financial Stability Board)
- Only 4-5% invested/located in LICs and MICs (ex-China)
- Median sovereign risk of developing countries is "B-" "Highly Speculative"
- Majority of public and private sector: "B" or "CCC"
- Risk beyond fiduciary and regulatory limits for most investors

World Bank International Debt Statistics Report:

- Private financial / investment sector investment flows from developed countries to developing countries are lower than in 2015 (FfD3 Addis Ababa)
- Net flows averaged less than \$100 billion in 2019-23 around 2% of SDG investment needs

Distribution of \$482 Trillion of Global Financial Assets



Source: Financial Stability Board Annual Report

NET ANNUAL CROSS-BORDER PRIVATE INVESTMENT FLOWS TO ALL **DEVELOPING COUNTRIES**

- Low due to high risk and limited investment opportunities
- Foreign Direct Investment is most important: \$308 billion annually
- Long-term debt from private sector: \$115 billion
- Portfolio equity from private sector: Negative \$19 billion

Private Financial/Investment Sector:

- Net \$95 billion per year
- Less than 2% of the SDG investment needs
- 0.2% of Global Financial Assets owned by the private sector

Amounts in USD Billlions	All LICs & MICS	China	LICs & MICs (ex-China)
Net financial inflows (Average 2018-2	2021)		
Net debt inflows			
Use of IMF Credit	24.5	0.0	24.5
Long term:	312.0	139.5	172.5
Official creditors	57.0	-1.0	58.0
Multilaterals	46.3	0.6	45.6
of which WBG	20.3	0.1	20.2
Bilaterals	11.0	-1.6	12.6
Private Creditors	255.3	140.7	114.6
Bondholders	200.5	112.6	88.0
Banks and others	54.8	28.2	26.6
Short term	138.0	103.9	34.1
Net equity inflows			
Foreign Direct Investment	519.3	211.5	307.8
Portfolio equity	48.5	67.2	-18.7

Source: World Bank, International Debt Report 2022

HIGH COUNTRY RISK IN DEVELOPING COUNTRIES

- Risk is too high for most investors, impeding investment
- 140 Developing Countries:
 - 10% rated Investment Grade
 - 13% rated BB
 - 76% rated B or lower
- Median sovereign risk is "B-"
- The majority of public and private sector borrowers had implied ratings of "B" and "CCC"
- Country and currency risk are too high for most investors
 - 93 rated by Fitch, Moody's, and S&P
 - 38 rated using OECD ECA ratings
 - 19 not rated

MOODY'S	S&P	FITCH	DESCRIPTIONS	GRADE
Aaa	AAA	AAA	Highest credit quality, minimum credit risk	
Aa	AA	AA	Very high credit quality, very low credit risk	\$
А	А	А	High credit quality, low credit risk	\$
Ваа	ВВВ	ВВВ	Good credit quality, moderate credit risk	INVESTMENT
Ва	ВВ	ВВ	Issuer faces adverse conditions and uncertainty, substantial credit risk	
В	В	В	High credit risk, issuer able to meet financial commitments	
Caa	ссс	ссс	Vulnerable and default likely	
Ca	сс	СС	lssuer is highly vulnerable or near default	96
С	С	С	Lower ratings, issuer in default	HIGH YIELD
	D	RD	Lower ratings, issuer in default	(or "Junk")
		D	Lower ratings, issuer in default	

Source: Compiled by Convergence from Fitch, Moody's, S&P and OECD ECA ratings, 2025

PRIVATE SECTOR DEBT INVESTORS

Probability of default and expected loss is too high to invest in B and CCC countries for most private sector investors

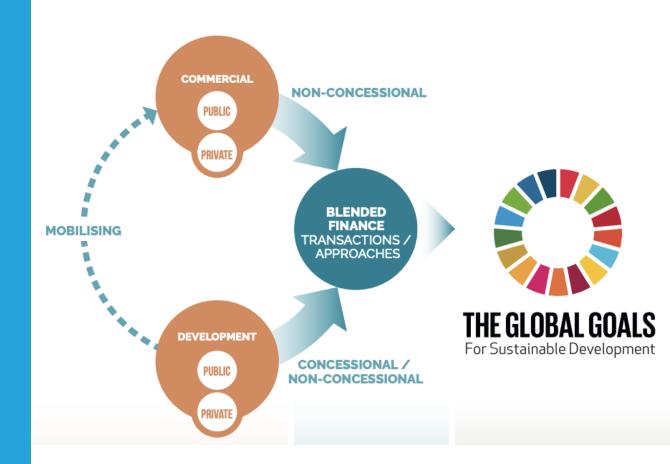
- Expected loss for debt investors is a function of expected probability of default and loss given default
- Comparing BBB (global) to B (emerging markets): Annual probability of default and expected loss is 20-25 times higher; beyond fiduciary and regulatory investment obligations of most private investors
- Comparing BBB (global) to CCC (emerging markets): Annual probability of default and expected loss is 50+ times higher; beyond fiduciary and regulatory investment obligations of almost all private investors
- Global Emerging Markets (GEMs) database: Lower defaults and losses for borrowers rated B and CCC

			One Y	ear Proba	bility of De	efault		
	BBB	BB+	BB	BB-	B+	В	B-	ccc/d
S&P Global Corporate - Average	0.19	0.44	0.64	1.10	1.96	5.27	8.07	24.54
S&P Emerging & Frontier Markets - Average	0.28	0.34	0.41	1.53	2.88	4.18	4.94	17.03
GEMs - Emerging Markets - Average		1.34	1.45	2.06	2.74	3.48	4.61	7.00

Source: Convergence 2025

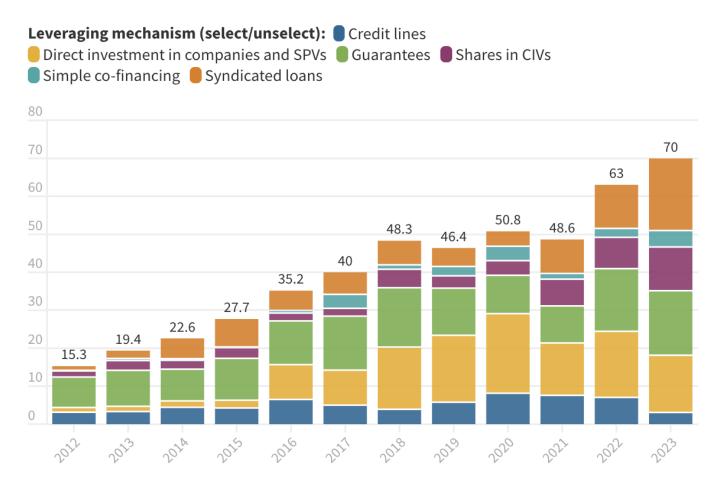
BLENDED FINANCE

- <u>Definition</u>: The use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.
- Sources of development finance: Public sector (e.g., ODA, MDBs & bilateral DFls) and philanthropic foundations
- Sources of additional finance: Mainly private sector investment in developed and developing economies – financial sector and real economy. Secondarily, MDB & DFI.



MORE MOBILIZATION NEEDED

- Official development finance increased private investment mobilization from \$28 billion in 2015 (pre-SDGs) to \$57 billion average in 2019-23
- This represents only 1% of annual SDG
 & climate investment needs.
- [70]% of public concessional funds provided to MDBs & DFIs with no/low mobilization
- Only [20-25]% mobilized through formal risk reduction (e.g., guarantees)

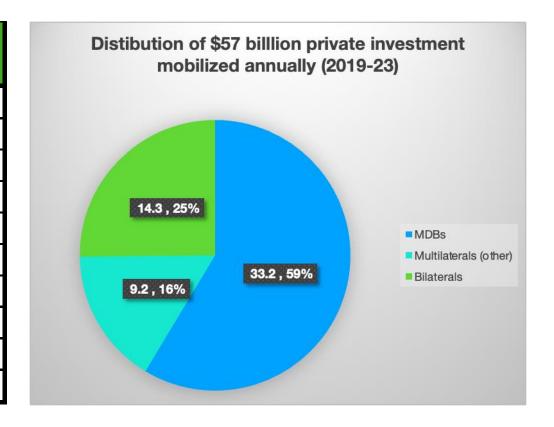


Source: OECD (2025), Mobilised private finance for development (2025)

PRIVATE INVESTMENT MOBILIZATION

\$56.7 billion average 2019-2023, 0.8% of \$7 trillion developing country investment needs

MDB	USD Million	Multilateral	USD Million	Bilateral	USD Million
IFC	15,671	EU	6,565	USA	6,303
MIGA	4,224	GCF	1,125	France	2,220
AFDB	3,641	GEF	585	UK	1,730
IDB Invest	3,504	PIDG	542	Germany	894
EBRD	2,772	CGIF	273	Japan	779
IADB	1,163	CIF	110	Sweden	484
IBRD	914			Netherlands	467
AsDB	906			Norway	302
IDA	142			Denmark	237
OPEC F	97			Canada	164



Source: Convergence 2025

MDBs & DFIs DO NOT FORMALLY REDUCE RISK

- Around \$470-480 billion MDB balance sheet capital and \$40 billion bilateral DFI capital
- That capital makes around \$130-140 billion financing commitments in developing countries annually, ranked in order by volume: (i) subsidized sovereign loans, (ii) loans to the private sector, (iii) equity to the private sector, and (iv) guarantees. MIGA is only MDB/DFI reducing risk to mobilize as a primary activity
- Convergence estimates [3-4]% of commitments and [1-2]% of MDB & DFI capital reduce risk of mobilizing
- MDBs most significant comparative advantages currently:
 - Collaborate with governments to identify good, viable sovereign projects
 - Subsidized loans to sovereigns
 - Identify the best private sector risk in countries and provide USD loans (and equity)



BACKGROUND OF SCALE PRIVATE INVESTMENT MOBILIZATION PROJECT

- Since 2015, the international development community (e.g., UN members, OECD DAC, G7 and G20) agree on the importance of mobilizing private investment at scale, which is well below expectations and needs
- No one organization is responsible for private investment mobilization agenda
- Convergence established (2015) by international development community as not-for-profit 100% focused on private investment mobilization through blended finance
- OECD DAC members (e.g., Canada and Australia) fund Convergence to identify good practice blended finance and how to mobilize private investment at scale
- Project focused on analytical lessons from mobilization success to identity effective and efficient ways to mobilize at scale: aspire \$500+ billion annually with higher debt sustainability

Source: Joint MDB & DFI Report and Convergence

PROJECT CONSOLIDATES DEVELOPMENT COMMUNITY & PRIVATE SECTOR

- G7 and G20 High-Level communiques since 2016 call for improved mobilization
- Many UN communiques call for improved mobilization
- Convergence and stakeholders amended the project objectives (March 10, 2025 FfD4 initial draft):
 - ➤ Project fully aligned to achieve FfD4 Outcome Document see next slides
 - ➤ Aligned to COP29 New Collective Quantified Goal on Climate Finance (NCQG) \$300 billion by 2035
- Project addresses calls to action from private sector, such as GISD Alliance, NZAOA, and SMI
- Summary: Project intentionally designed to identify best way to achieve private investment mobilization objectives of FfD4 Document (SDGs) and COP29 NCQG
- Convergence will amend project (as required) to ensure recommendations deliver on final FfD4
 Outcome Document

MAIN SOURCES OF PUBLIC SECTOR FUNDING AVAILABLE IN BLENDED FINANCE TO MOBILIZE PRIVATE INVESTMENT

Source	Government Resources	Development Finance Institutions
Developing Countries	Domestic government fiscal resources	 Public development banks (e.g., Uganda Development Bank)
Developed Countries	 ODA from 32 OECAD DAC members Similar flows from other countries Climate finance flows 	Bilateral DFIs (British International Investment)
Both	Multi-donor funds (e.g., Green Climate Fund)UN agencies	 MDBs Sub-regional MDBs (e.g., BDSA and BOAD)

In addition, philanthropic foundations and some private sector organization have funding available to mobilize private investment.

TWO APPROACHES TO MOBILIZE PRIVATE INVESTMENT TO DEVELOPING **COUNTRIES**

APPROACH 1: Mobilize private investment at equal risk-return terms as public funds

- Almost all MDB & DFI mobilization undertaken on equal risk terms (e.g., pari passu)
- Only [3-4]% of MDB & DFI annual \$140 billion financial commitments reduce developing country investment risk to mobilize private investment (MIGA exception)
- Generally, MDBs can mobilize at the same risk profile in 24% of developing countries rated "BB" or better, but very difficult for 76% of countries rated B or lower

NOT BEST FOR AFRICA & DEVELOPING COUNTRIES - RISK REDUCTION IS ESSENTIAL

APPROACH 2: Mobilize investment by reducing investment risk fairly to within investors' fiduciary and regulatory investment obligations

- Less than [2]% of ODA commitments reduce developing country investment risk.
- [70]% of public sector concessional funds (e.g., ODA) provided to MDBs & DFIs used for impact, but nominal mobilization (i.e., private direct mobilization)

CRITICAL TO REDUCE RISK TO MOBILIZE PRIVATE INVESTMENT AT SCALE

FOUR MAIN ALTERNATIVES TO MOBILIZE PRIVATE INVESTMENT AT SCALE

Must reduce investment risk to within investors' fiduciary, regulatory investment obligations

#	Alternative	Advantages	Disadvantages
ı	Transform MDBs & DFIs into de-riskers and mobilizers	 Existing capitalization: \$480 billion MDB & \$50 billion DFI balance sheet capital Good combination of development and financial expertise Arrange financial transactions (loans and equity) 	 Likely best solution, but too complicated 30+ organizations with diffuse ownership Required risk inconsistent with AAA/AA ratings; likely A or BBB optimal Inertia of existing business models
2	Deploy large (33%+?) of ODA to de-risk and mobilize	 ODA can cover concessional terrain required for scale mobilization – already being granted 	 Unacceptable to developing countries and developed countries
3	Establish new MDB(s) to lead de-risking and mobilization	 New MDB(s) with clear mandate to deliver scale mobilization (or transform IFC and MIGA) Tolerance for required risk to de-disk (CCC) 	 Require \$50+ billion new capital Take 5+ years to be functional Classic governance challenges
4	Manageable combination of I and 2	 Simplest solution - all institutions already in place and actionable in 2025 No need to change existing business models Simple Action Plan with (i) [5]% ODA risk reducing and (ii) MDB & DFI arranging / mobilizing within existing mandates 	O ()

FOUR COMPONENTS TO ACHIEVE SCALE (& DEBT SUSTAINABILITY)

Title	Description
Scale Private Investment Mobilization Action Plan	Development community, led by OECD DAC members, agree on Action Plan to mobilize private investment at scale aligned to debt sustainability, FfD4 Zero Draft, and COP29 NCQG. Align with developing countries.
Standardized & Simplified Private Investment Mobilization Models	The development community, developing countries and the private sector agree on [12] Standardized Private Investment Mobilization Models (PIMMs) as foundation for scale mobilization, based on an analytical assessment to efficiently create investments meeting private investors' mandates (primarily through risk reduction) PIMMs designed to be implementable at single-country (Vietnam), region (Asia), or all developing countries.
Network of Catalytic & Concessional Funders	Catalytic and concessional funding (C&C funding) at financial terms beyond (i) private sector and (ii) ability/willingness of MDBs & bilateral DFIs (e.g., high risk and tolerance for expected losses) OECD DAC members establish a Network and Mobilization Secretariat, invite philanthropic foundations and developing countries, and award C&C funding to the best proposals/cases adhering to [12] PIMMs. Nordic-led Investment Mobilization Collaboration Alliance is the best example.
Development Finance Activities and Governance	Development community agrees on activities and governance KPIs aligned with Action Plan Applicable to OECD DAC members, MDBs, Bilateral DFIs, and PDBs

PRIVATE SECTOR INVESTORS TARGETED IN SCALE MOBILIZATION

- Good practice blended finance solutions are designed to mobilize specific investor-type(s)
- Each investor type is impeded by specific risks to be mitigated

		Domestic in Developing Country	High-Income Countries
ı	Finance and Investment Sector	 Commercial banks Microfinance institutions Fintechs Insurance companies Pension companies Investment funds (and fund managers) 	 International commercial banks Pension companies Insurance companies Investment funds (and fund managers) Sovereign Wealth Funds
	Real-Economy Sector	MSMEsLarge corporates	Foreign Direct InvestorsLarge corporates

CONDITIONS TO MOBILIZE PRIVATE INVESTMENT

Private sector investors can only invest if: (i) project is viable and investable, and (ii) investment meets investors' fiduciary, regulatory and prudential investment obligations

Obligations: (i) acceptable risk and (ii) market-equivalent risk-adjusted return

Project-level investability:

- Investors are prepared to invest in a \$50,000 to \$500 million project in a developing country
- Project must be fully viable: Expectation that the project will earn revenues to repay investors "as is"
- Project must be investable: Project must present an acceptable debt and equity investment opportunity
- If viable and investable, it can attract project sponsors, lenders, and equity investors prepared to take country risk

Portfolio-level investability:

- Portfolio must be investable
- Developed country investors (pension funds and insurance companies) usually do not invest at project level too small and no local presence/knowledge. Developed country institutional investors require a portfolio-level solution
- Portfolio-level solutions are excellent to mitigate developing country "country risk" diversification is very powerful
- Diversification and subordination of public sector funds easily create acceptable investments for developed country investors

SUMMARY OF 12 PRIVATE INVESTMENT MOBILIZATION MODELS

Darker shades of green expected to mobilize higher amounts

- A package of [12] PIMMS will mobilize primarily by reducing risk for private investors to within fiduciary mandates:
 - I. Increase project viability
 - 2. Improve project-level investability
 - 3. Improve portfolio-level investability (fund)
 - 4. Mitigate currency risk for investors
- Both private sector and public sector investment

	Increase number of viable projects	Increase investability of projects	Increase investability at portfolio level	Develop Domestic Financial Sector	Mitigate FX risk
Public sector projects	PIMM1: Public Sector Project Preparation		PIMM9: Public Sector Blended Finance Debt Fund		
Private	PIMM2: Private Sector	PIMM4: Value Chain Financing PIMM8: Risk Sharing with Financial Intermediaries	PIMM10: Private Sector Blended Finance Debt Fund	PIMM3: Develop	PIMM12: Local Currency Solutions (to mitigate risk for investors, projects,
sector operations	Project Development Funding	PIMM5: Guarantees PIMM6: Political Risk Insurance PIMM7: Buyer / Off-taker mitigation	PIMM11: Private Sector Blended Finance Equity Fund	Domestic Financial Sector	borrowers and Developing Countries)

PIMMS TO INCREASE PROJECT VIABILITY AND REDUCE FX RISK

#		PIMM	Importance	Benefit of PIMM for Asia and other LICS & MICs
1		Public Sector Project Preparation Facilities	Very high	 Lack of viable public sector climate mitigation projects. PIMM is critical to increase the universe of viable public sector projects.
2		Private Sector Project Development Funding	Very high	 Lack of viable private sector climate mitigation projects. PIMM is critical to increase the universe of viable private sector projects.
1	2	Local Currency Solutions	Very high	 Most "additional" private sector investment is expected to be cross-border investment from investors in developed countries. Almost all projects will involve a significant element of FX risk, for the projects, borrowers, investors, and countries.
				 PIMM reduces FX risk for investors (debt and equity), and for public and privat sector borrowers/projects in developing countries.

PIMMS TO IMPROVE PROJECT LEVEL RISK FOR LARGE PROJECTS

#	Private Investment Mobilization Model	Importance	Benefit of PIMM for Asia and other LICS & MICs
5	Guarantees (Project Level)	Very high	• Many important private sector capital investment projects will be assessed by lenders and investors as too high risk (e.g., a good project located in a country rated CCC with an implied rating of CCC or CC).
			 Guarantees from (i) general guarantors (e.g., GuarantCo) and (ii) climate- focused guarantors (e.g., Green Guarantee Company) are critical to mobilize loans and equity to projects – mostly mitigating high country risks.
6	Political Risk Insurance (Project Level)	High	 Many important projects located in developing countries assessed by private sector investors to have high political risk. An increased supply of political risk insurance allows debt and equity investors
7	Buyer / Off-taker Credit Enhancement / Risk Mitigation (Project Level)	Very high	 Many important projects in developing countries are renewable energy projects (e.g., Independent Power Projects) that sell their electricity to one or several buyers. Buyers are often assessed by private sector investors to have high credit risk (e.g., low ability and/or willingness to pay). Increase supply of Buyer / Off-taker Risk Mitigation.

PIMMS TO MOBILIZE DEVELOPED COUNTRY INSTITUTIONAL INVESTORS

#	Private Investment Mobilization Model	Importance	Benefit of PIMM for Asia and other LICS & MICs
9	Public Sector Blended Finance Debt Fund	Very high	 Large percent of SDG & climate investment should be undertaken by public sector. 76% of developing countries are rated B or lower, beyond investors' fiduciary and regulatory investment obligations. Fund raises debt from private investors issuing investment grade bonds/notes, fund
			invests debt to public sector (sovereign) borrowers.
10	Private Sector Blended Finance Debt Fund	Very high	 Large percent of projects undertaken by private sector, but in developing countries with high-risk country ratings. Fund raises debt from private investors issuing investment grade bonds/notes, with fund investing in debt to private sector borrowers for projects in developing countries (e.g., JETP and NDC).
11	Private Sector Blended Finance Equity Fund	Very high	 Fund raises equity from private investors by issuing senior shares with good risk-return profile due to mezzanine and junior investors subordinate in returns. Fund finances many companies, projects, and financial institutions in developing countries.

TWO LAYERS OF MOBILIZATION STANDARDIZATION

First Layer:

- Identify a manageable number of [12] Private Investment Mobilization Models to achieve scale
- Simplify mobilization into [12] common mobilization models
- Agree that I) proposed [12] PIMMs will yield huge efficiencies; and 2) public and philanthropic organizations will award catalytic and concessional funding to cases/proposals that are in line with PIMMs models to maximize the effectiveness and efficiency of catalytic and concessional capital deployment.

Second Layer:

[7] of [12] PIMMs standardized key terms and/or financial structure based on evidence in the past decade; [5] others have no immediate standardization given insufficient evidence to date

Consultations in February – June:

Which [8-12] PIMMs to standardize and determine standardized terms/structure based on majority views

PIMMS CAN BE IMPLEMENTED ON THREE LEVELS

I. Single country:

• Example: Kenya can implement solutions led by the Kenyan government – good examples from Indonesia, Brazil, and Tanzania

2. Multiple countries:

 Example: Sub-Saharan Africa countries requires multiple country governments to agree

3. All Low- and Middle-Income Countries:

 Example: A coalition of willing countries is implemented in all or most developing countries

PUBLIC SECTOR FUNDING IN PIMMs UNDERWRITES RISK

- Private investors and rating agencies perceive investment risk in developing countries to be higher (e.g., B and CCC) than the development community.
- Delta is primarily due to country, currency, and political risks, not commercial risks.
- Excellent use of public sector funding (ODA and developing country fiscal resources): Underwrite that delta to create investments meeting fiduciary and regulatory obligations and mobilize private investment despite its high perceived risk
- II of I2 PIMMs are intentionally structured to underwrite that delta: public sector organizations deploy catalytic and concessional funds to bear the risk of the delta
- Public sector loses money if actual risk (and losses) meet the expectations of private investors and rating agencies.
- No/nominal losses if actual risk meets development community expectations.

[12] PIMMs WORK WELL FOR 10 SECTORS / DEVELOPMENT THEMES

#	PIMM Name	Climate Mitigation	Climate Adaptation	Infrastructure	PPPs	Manufacturing	Agriculture	MSMEs	Heath	Education	Gender
	Public Sector Project Preparation	VH	VH	VH	VH	L	М	L	VH	VH	M
2	Private Sector Project Development	VH	Н	VH	Н	М	М	L	L	L	М
	Domestic Financial Sector Development	VH	Н	Н	Z	VH	VH	VH	Ι	L	VH
4	Value Chain Financing	VH	н	Z	Z	Н	VH	H	Z	N	Н
5	Guarantees (Project	VH	L	VH	VH	VH	М	L	М	L	М
6	Political Risk	Н	L	Н	VH	Н	н	L	М	L	М
7	Buyer / Off-taker Risk Mitigation	VH	L	VH	VH	М	L	L	L	L	L
8	Risk Sharing with Financial intermediaries	VH	VH	М	Z	VH	VH	VH	Н	М	VH
9	Public Sector Blended Finance Debt Funds	VH	VH	VH	М	L	М	N	VH	VH	М
10	Private Sector Blended Finance Debt Funds	VH	М	VH	Н	VH	н	VH	М	L	М
П	Private Sector Blended Finance	VH	М	VH	Н	VH	н	VH	М	L	М
	Local Currency Solutions	VH	VH	VH	VH	Н	VH	VH	Ι	н	Н

VH – Very high priority to standardize

H – High priority to standardize

M – Medium priority to standardize

L – Low priority to standardize

N – No priority to standardize/not relevant

[12] PIMMs WORK WELL FOR 11 MAIN PRIVATE SECTOR INVESTORS

			Domestic Investors										
#	PIMM Name	Pension Companies	Insurance Companies	Investment Funds (Fund Managers)	International Commercial Bank	Sovereign Wealth Fund	FDI & Large Corporate	Commercial bank	MFI	Pension Company	Large Corporat e	MSME	t
ı	Public Sector Project Preparation	н	н	н	Н	н	н	N	N	М	VH	L	s
2	Private Sector Project Development	н	н	VH	VH	н	VH	VH	L	н	н	L	II s
3	Domestic Financial Sector Development	VH	VH	VH	Н	Н	н	VH	VH	VH	VH	VH	ı
4	Value Chain Financing	N	N	М	L	N	VH	VH	VH	N	н	VH	S
5	Guarantees	н	н	н	VH	N	н	VH	L	VH	н	L	ı
6	Political Risk	Н	Н	н	н	н	н	VH	L	L	н	L	S
7	Buyer / Off-taker Risk Mitigation	н	Н	н	н	н	Н	VH	L	Н	н	L	
8	Risk Sharing with Financial intermediaries	N	N	М	N	Н	н	VH	L	N	М	VH	
9	Public Sector Blended Finance Debt Funds	VH	VH	VH	Н	N	Н	М	н	н	М	N	
10	Private Sector Blended Finance Debt Funds	VH	VH	VH	VH	VH	VH	VH	Н	VH	VH	VH	
- 11	Private Sector Blended Finance Equity Funds	VH	L	VH	N	VH	н	VH	Н	н	VH	VH	
12	Local Currency Solutions	VH	VH	VH	VH	VH	н	VH	VH	L	Н	VH	

VH – Very high priority to standardize

H – High priority to standardize

M – Medium priority to standardize

L – Low priority to standardize

N – No priority to standardize/not relevant

EXAMPLE PUBLIC SECTOR DEBT FUND

Public Sector Debt Fund is the most important PIMM to finance SDGs in developing countries

- Establish multiple funds to finance developing country governments to fund climate and SDG projects at subsidized interest rates
- Huge mobilization (\$300+ billion annually) and large interest rate saving (\$30+ billion annually) possible
- Funds invest in bonds, loans, and A-B loans to governments
- Funds require three tiers of funding:
 - 1. Senior capital from private sector investors: Bonds or notes rated investment grade (BBB)
 - 2. MDBs subscribing mezzanine bonds rated CCC
 - 3. OECD DAC governments (e.g., France) and possibly developing countries investing junior capital – expected losses (rated C) requiring equivalent of grants
- MDBs arrange A-B loans or parallel loans to sovereign borrowers replicating IBRD practices in 1970s.

Fund Capitalization

Senior Capital BBB bonds

Private investors

90% of capital

Mezzanine Capital CCC bonds

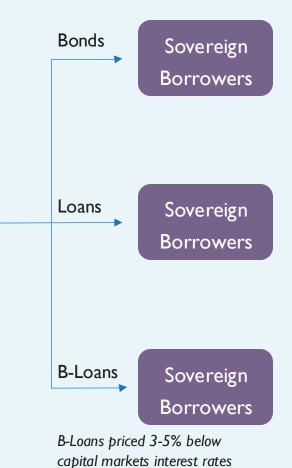
MDBs, OECD DAC, philanthropic foundations

Priority of Repayment & Return

7.5% of capital

Junior Capital C Notes

OECD DAC. developing countries 2.5% of capital



saving governments \$30+ billion

annually



IMPROVING DRAFT SCALE PRIVATE INVESTMENT MOBILIZATION PROJECT

- Convergence and project funders committed to a fit-for-purpose Action Plan and standardized blended finance solutions to achieve scale mobilization aligned to FfD4 Outcome Document
- Convergence holding consultations in February June to improve the Action Plan
- The objective is to issue an interim Action Plan and recommendations by June 2025
- Please contact the persons listed on page 38 of the Consultations Report to participate in consultations in **April June**
- If you represent a developing country government and would like to learn more, please contact comms@convergence.finance



PROPOSED NEXT STEPS: ACTION PLAN

Use the FfD4 Forum in Sevilla to achieve co-leadership of mobilization between developing countries and OECD DAC countries

- Some countries submit a proposal to Sevilla Platform to develop Scale Private Investment Mobilization
 Action Plan in 2025 (supported by UN agencies and Convergence)
- Use Sevilla Platform to reach an agreement with OECD DAC Member countries to agree on Action Plan in 2025 – begin implementation in 2026
- Use the milestone of the November 2025 G20 Summit in November to achieve a final agreement on Action Plan between Asian countries, OECD DAC countries, and other developing countries

FINANCING FOR DEVELOPMENT FORUM (FFD4) SEVILLA PLATFORM FOR ACTION

What is the Sevilla Platform for Action?

A platform that allows countries and stakeholders to launch voluntary initiatives to deliver measurable progress to boost a renewed financing framework during the FfD4 Forum.

Guidelines for Initiative Submission

- To be eligible, an initiative should be:
 - New or represents a significant scaling up of an existing successful effort.
 - Forward-looking and advanced progress in at least one FfD4 action area.
 - Initiatives can be put forward by a single entity or a coalition and should be open to further participants.
 - The window for submission of initiatives to be showcased is open from I May until 6 June 2025.

CONTACTS

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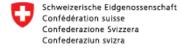
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