



Convergence awards grant to ADM Capital and ADM Capital Foundation for design of financing facility for renewable energy and smallholder livelihood projects in Indonesia

Convergence Design Funding award aims to mobilize new sources of financing to achieve the Sustainable Development Goals and catalyze the next generation of blended finance instruments

TORONTO, ON, CA – [Convergence](#), the first and only platform exclusively focused on blended finance, announced it will award a grant to ADM Capital and ADM Capital Foundation (ADMCF) for the design of a Tropical Landscapes Finance Facility (TLFF) and Tropical Landscapes Bond (TLB), which in partnership with UNEP, ICRAF, and BNP Paribas, will provide long-term financing for projects that improve access to rural electricity, reduce greenhouse gas emissions, and enhance smallholder farmers' livelihoods in Indonesia. The design grant is part of Convergence's efforts to surface the next generation of blended finance models and foster market-wide learning to drive the field forward. Convergence will award a minimum of CAD 10M in design grants over the next five years, and this initial funding is provided by the Government of Canada.

ADM Capital will use the Convergence proof of concept funding to help finalize the overall design of the TLFF – which will include a loan fund and a grant fund – and structure initial projects that will be funded by the TLFF. ADM Capital anticipates that the loan fund will benefit from contingent funding commitments from development finance institutions and aid agencies to mitigate credit risks of the underlying projects.

"We are creating a novel structure that will address multiple challenges to financing renewable energy and livelihood projects in Indonesia. The loan platform together with contingent funding commitments will ensure the TLFF is able to fund early-stage projects that must be nurtured and further developed," said Chris Botsford, co-founder of ADM Capital. He said that once projects reach maturity and begin to generate cash flows, they will be aggregated and packaged in a bond program that will help recycle loan capital for further TLFF lending. Lisa Genasci, CEO of ADM Capital Foundation, commented, "The grant fund within the TLFF will be a critical component, helping to cultivate a bankable project pipeline, supporting select projects to achieve the intended impact, helping to build capacity where it matters most, and monitoring the impact of all projects."

The mechanism will support the Government of Indonesia in meeting key development and environmental objectives. Dr. Yanuar Nugroho, Deputy Chief of Staff, Executive Office of the President of Indonesia said, "The Government of Indonesia has several ambitious targets around

deforestation and sustainable energy, including restoring 2 million hectares of peatland by 2020, reducing greenhouse gas emissions by between 29% and 41%, reaching full electrification by 2020, and increasing the renewables mix from 6% to 23% over the next 5 years. The structure proposed by the Tropical Landscape Finance Facility will help towards achieving these goals.”

Convergence is an independent institution that helps public, philanthropic, and private investors find and connect with each other to co-invest in blended finance deals in emerging markets. Convergence offers grant funding for practitioners to design innovative blended finance instruments that address a key development need but would otherwise be too risky or complex to pursue. To share what grantees have learned through their design process, Convergence, in partnership with the Bertha Centre for Social Innovation and Entrepreneurship at the University of Cape Town's Graduate School of Business, will create learning briefs that outline key decisions and outcomes from the design processes to ensure practitioners considering similar instruments have access to design best practices.

“ADM Capital has proven itself as a leader in designing open and evergreen debt funds in the region, and is developing with its partners a potentially landmark transaction that, if successful, will be a blueprint for leveraging capital market principles and financial institution capabilities alongside mechanisms available from development funders to finance early-stage, high-risk development projects,” said Joan Larrea, CEO of Convergence.

Convergence accepts Design Funding applications on a continuous basis, and reviews applications every quarter. To be considered for the next review cycle, practitioners must submit their applications by February 28, 2017. Visit www.convergence.finance/design-funding to learn more.

MEDIA CONTACT: For media inquiries, please contact comms@convergence.finance.

ABOUT CONVERGENCE: Convergence is an institution that connects, educates, and supports investors to execute blended finance transactions that increase private sector investment in emerging markets. Visit www.convergence.finance to learn more.

ABOUT ADM CAPITAL: ADM Capital is an investment management firm with a focus on private equity and private credit investments in Asia and Europe. The group has 20 years of investment experience, over which time it has developed strong relationships with borrowers and investors in various sectors, countries and asset classes. ADM Capital has been active in Indonesia for over 18 years, having helped companies restructure and recover from the Asian crisis in 1998 and Global Financial Crisis in 2008, while helping them take advantage of growth opportunities in their markets. ADM Capital is headquartered in Hong Kong, with satellite offices in Istanbul, London and Almaty.

ABOUT ADM CAPITAL FOUNDATION: In 2006 the partners of ADM Capital established ADMCF to support critical research and impact-driven approaches to promoting equity and environmental conservation in Asia. The Foundation works toward solutions to key challenges facing our oceans,

and at the intersections between conservation and development, water, food and energy. Over the past decade, ADMCF has provided funding and strategic support to over 40 partners in 10 Asian countries.