



GRANT PROGRAM GENERATES USD 116M OF BLENDED FINANCE INVESTMENTS FOR GLOBAL DEVELOPMENT

TORONTO, 14 March 2018 – Convergence’s grant program, [Design Funding](#), is establishing itself as the nerve centre for the next generation of blended finance structures. Since 2016, blended finance vehicles supported by Convergence have raised about USD 116M of investments from public, philanthropic, and private investors.

Convergence has consistently identified which blended finance structures are most likely to reach financial close at scale in order to drive large scale private capital to places that need it most. In the past few months, Convergence has supported three landmark deals that have all reached financial close, including Asia’s first corporate sustainability bond, the world’s first healthcare development impact bond, and a global network of affordable eye care hospitals. The grantees and their deals are discussed in more detail below.

At the end of February, the [Tropical Landscapes Financing Facility](#) (TLFF), a partnership of ADM Capital/ADM Capital Foundation, BNP Paribas, UN Environment and World Agroforestry Centre closed its inaugural deal – a USD 95M bond to support socially inclusive, climate friendly production of natural rubber, Asia’s first corporate sustainability bond. This deal is just a first for TLFF, which aims to provide long-term financing for projects that improve access to rural electricity, reduce greenhouse gas emissions, and enhance smallholder farmers’ livelihoods in Indonesia. ADM Capital/ADMCF received a grant to help build the initial finance structure and pipeline for TLFF.

“Convergence was critical to our ability to assemble a team and develop a pipeline of projects, including the recent RLU sustainability bond. Such development capital is rare, yet supports the sort of pivot needed to stimulate the private sector to think differently about finance.” – says Lisa Genasci, CEO of ADM Capital Foundation.

[Alina Vision](#), which aims to develop a global network of more than 60 affordable eye care hospitals over the next 10 years, received financial backing from Australian-based Fred Hollows Foundation and major Japanese pharmaceuticals company Rohto at the end of 2017. In the next 10 years, the network is projected to deliver over 2.2 million cataract surgeries in remote and low-income communities worldwide to prevent avoidable blindness.

“Convergence’s support helped catalyze over USD 12M in equity and grant funding in less than a year. The big surprise for us has been that their engagement and support after the grant was awarded has been just as helpful, by connecting us with potential funders and partners through their vast professional network. Something many funders say they do, but Convergence actually delivers.” – says Ben Midberry, co-founder & Managing Director of Alina Vision.

Finally, Palladium officially launched its [Utkrisht impact bond](#), the world's first health care development impact bond and one of the most ambitious impact bonds to date in a developing country. The USD 9M three-year impact bond will fund critical maternal and newborn health interventions in Rajasthan, India, and will positively impact up to 600,000 pregnant women and save up to 10,000 lives.

“Creating an entirely new financing mechanism, and a fit-for-purpose implementation design to go with it, takes longer – much longer! – than anyone expects. If Convergence hadn't stepped in to fund critical elements of the pre-design and design phase, we wouldn't have been able to get this transformative deal off the ground.” – says Peter Vanderwal, chief architect of the Utkrisht impact bond.

Convergence has the only global funding program exclusively focused on providing catalytic grants to design innovative blended finance structures that aim to attract private capital to achieve the Sustainable Development Goals. It has awarded USD 5M to date for the design of 15 blended finance vehicles, with the potential to catalyze over USD 2B – a multiplier of 400x. The program's initial funding was provided by the Government of Canada.

“We pride ourselves in having the unique expertise to identify early on which structures will attract private sector funding at scale, and make real long-term impact. We believe that our broader operation, which includes generating blended finance intelligence, data, and dealflow, are what gives Design Funding its edge.” says Joan Larrea, CEO of Convergence.

Despite the significant potential of blended finance, the reality is that most transactions involving public, philanthropic, and private investors are complex, time intensive, and highly costly to structure and launch. Convergence encourages practitioners to design structures that would otherwise be too risky or complex to pursue through two types of grants, feasibility study funding (up to USD 200K) or proof of concept funding (up to USD 750K).

ABOUT CONVERGENCE

Convergence is the global network for blended finance. We generate blended finance data, intelligence, and deal flow to increase private sector investment in developing countries. Visit www.convergence.finance to learn more.

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 May 31, 2018. Visit www.convergence.finance/design-funding to learn more.

MEDIA CONTACT

Sijia Yi

Communications Lead

Tel.: 647-573-5993

sijia.yi@convergence.finance