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# Info Session: New Call for Applications

April 3rd, 2024

# Agenda



## The Catalytic Climate Finance Facility

- Carla Orrego, Climate Policy Initiative



## Application process

- Trang Vandelis, Convergence



## Successful applications

- Mauricio Rincon, Opportunity International
- Hussein Sefian, Acre Impact Capital
- Yihan Wang, Climate Policy Initiative
- Haysam Azhar, Climate Policy Initiative



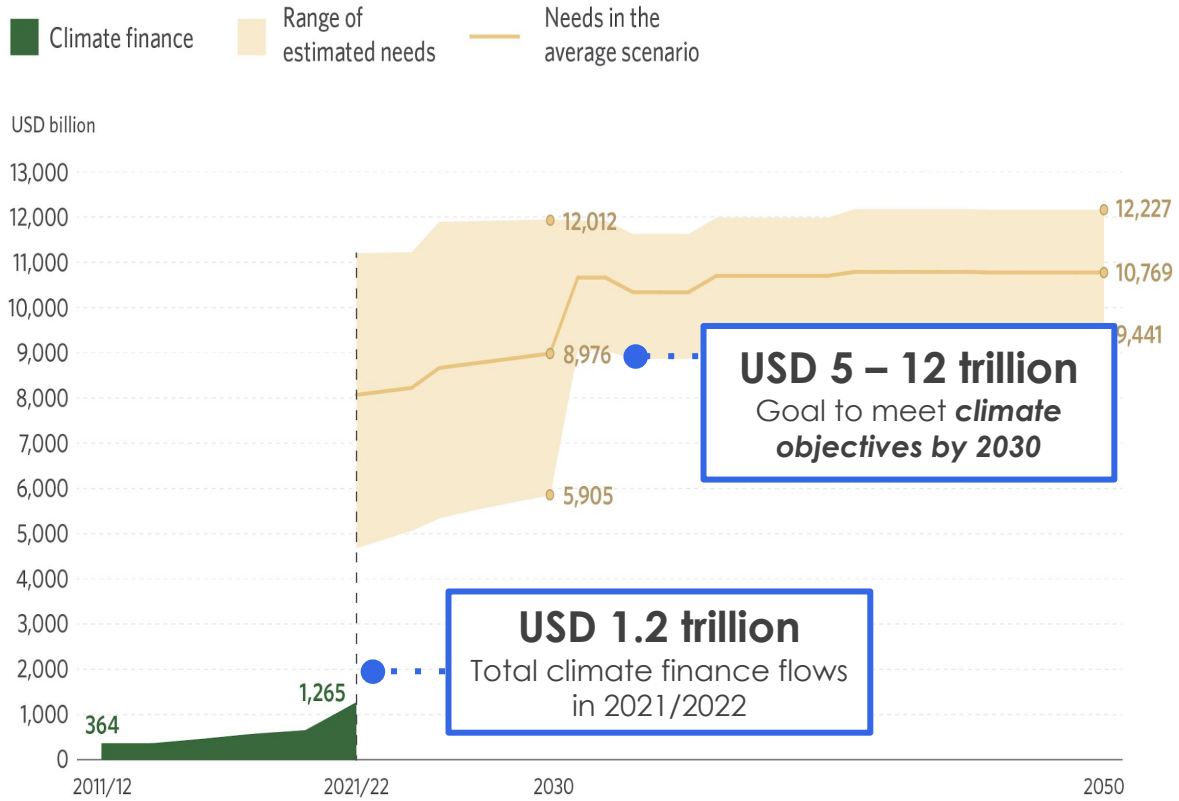
## Q&A



# The Catalytic Climate Finance Facility

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# The climate finance funding gap is increasing ...

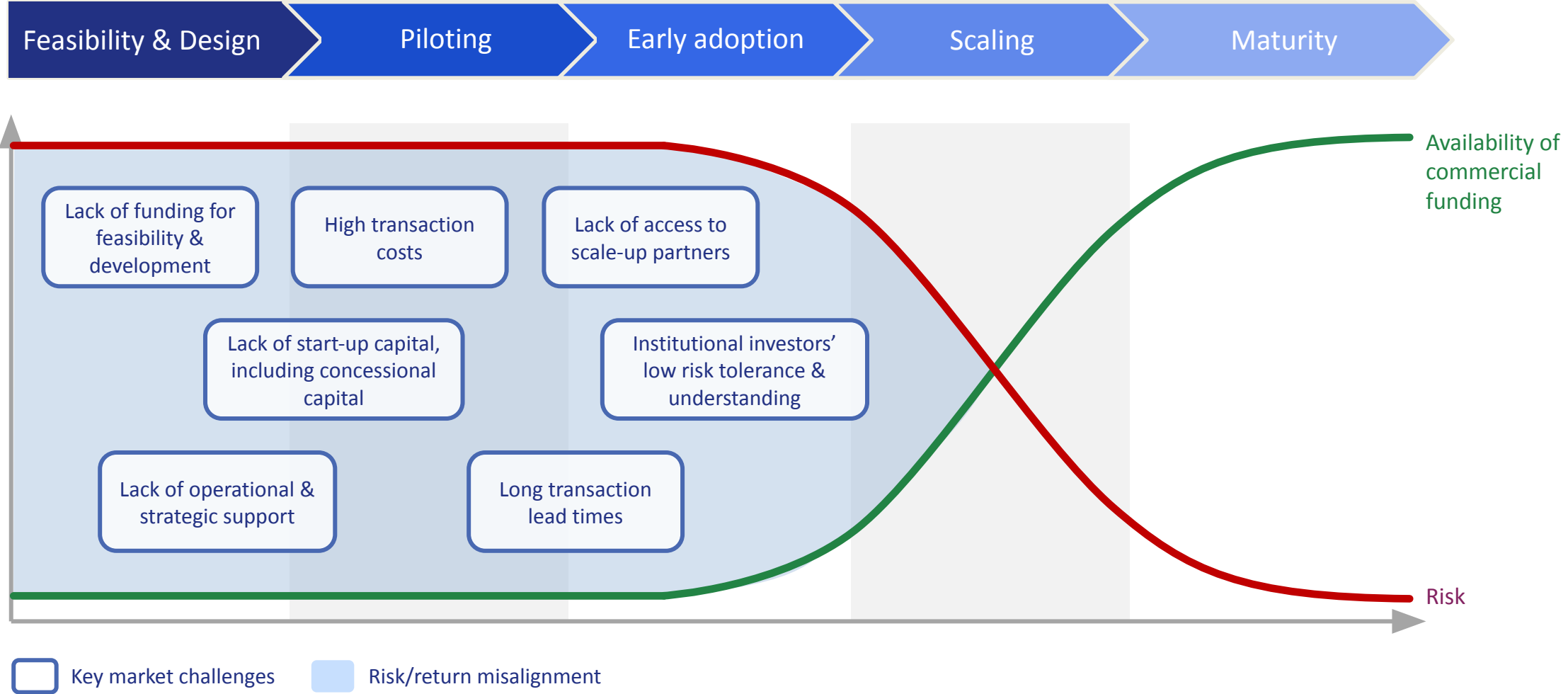


Source: Global Landscape of Climate Finance 2021, Climate Policy Initiative (Dec 2021)

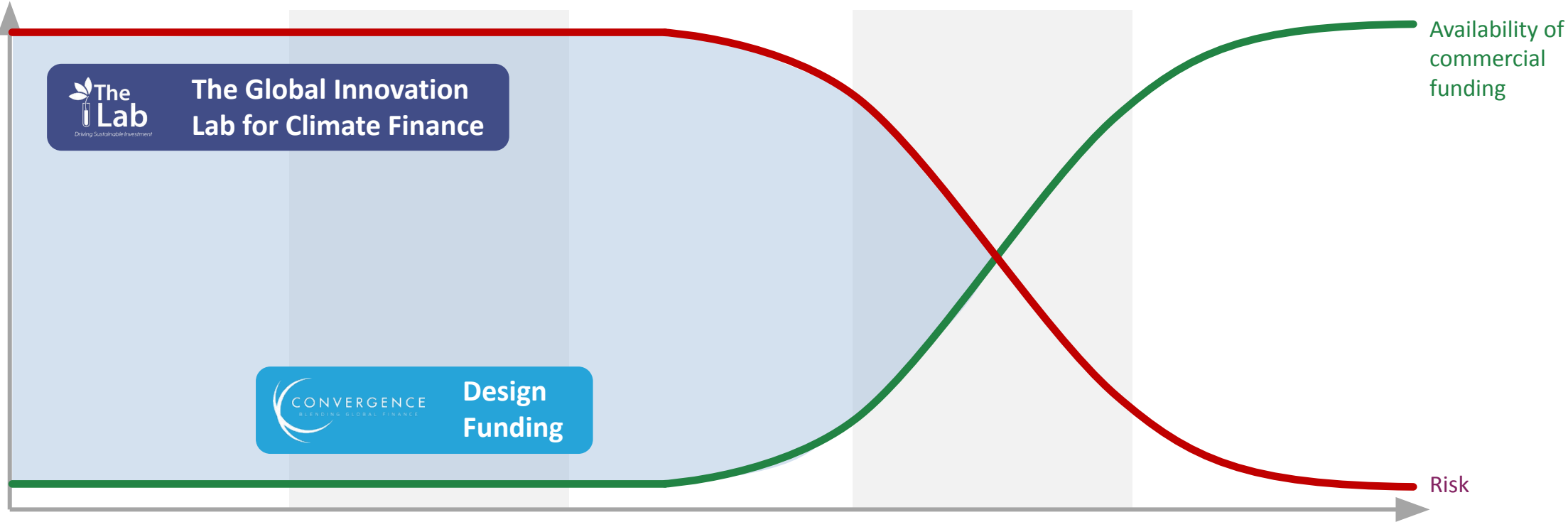
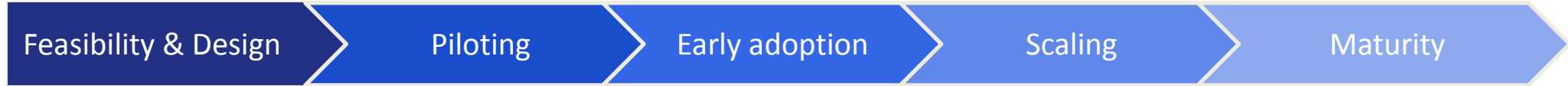
# ... and investment levels are far behind what is needed

- Current flows represent about only 1% of global GDCP. Climate finance must increase by at least five-fold annually
- Public climate finance accounts for 51% of total flows, and DFIs represent 57%
- Over 80% of total climate finance is going to developed markets and China
- Private finance accounts for 49% of total flows and is mostly directed to the US and Western Europe

# Key market challenges hinder the launch and scale-up of new, high-impact investment solutions



# The Lab and Design Funding



Risk/return misalignment

# The Global Innovation Lab for Climate Finance



The Lab develops innovative financial instruments that can drive billions in private investments to action on climate change

## 3 KEY PILLARS



### Public-Private Collaboration

Build capacity and knowledge to identify and deploy effective climate finance solutions.



### Innovation & Transformative Solutions

Reduce risks and barriers to investments in sustainable development.



### Mobilizing Finance

Catalytic finance enables piloting and implementation of transformative solutions.

**\$4.1B+**  
CAPITAL MOBILIZED

**68** INSTRUMENTS  
DEVELOPED

**90+** MEMBERS

# Convergence Design Funding & Market Acceleration Program

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 (SDGs) and Paris Agreement.

We are building the field of blended finance through **four key pathways**:

## Guiding



- Thought leadership
- Donor advisory services
- Deal insights & intelligence

## Connecting



- Networking
- Peer learning
- Multi-stakeholder working groups

## Educating



- Member learning programs
- Customized capacity building
- Online learning modules

## Mobilizing



- Grants to design & develop early-stage financial structures
- Live deal flow



~\$1.5B

CAPITAL MOBILIZED

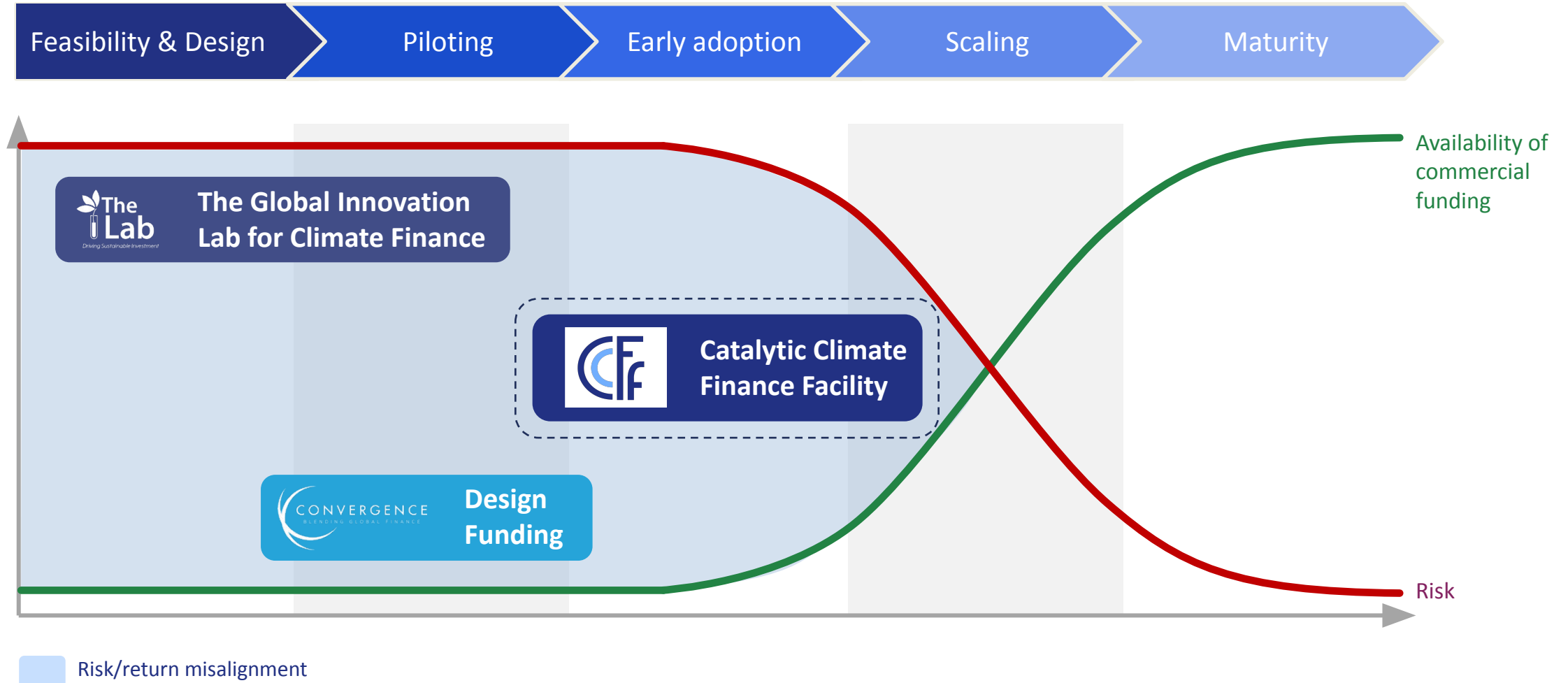
60+ STRUCTURES FUNDED

\$16M+

GRANTS AWARDED



# The CC Facility is designed to address the acceleration gap through strategic and bundled deployment of grant funding and customized acceleration support





**catalytic  
climate finance  
facility**

*Program focused on catalyzing  
sustainable climate finance globally*

**CHALLENGE**

Critical market need for start-up capital and expert support to generate investable climate solutions and crowd in private capital

**SOLUTION**

Facility to fund and support early-stage innovative climate solutions in developing economies, aiming to accelerate implementation and achieve scalability

**INNOVATION**

Bundled grant funding, customized acceleration support, and a learning platform to address market barriers preventing development and mobilization of private capital



**LEADING ORGANIZATIONS  
IN CLIMATE AND BLENDED FINANCE**

**\$100M**

PROGRAM SIZE

**~\$12M**

FIRST ROUND RAISED

**4** ANCHOR  
DONORS

BILL & MELINDA  
GATES foundation

**Canada**

  
Australian Government  
Department of Foreign Affairs and Trade

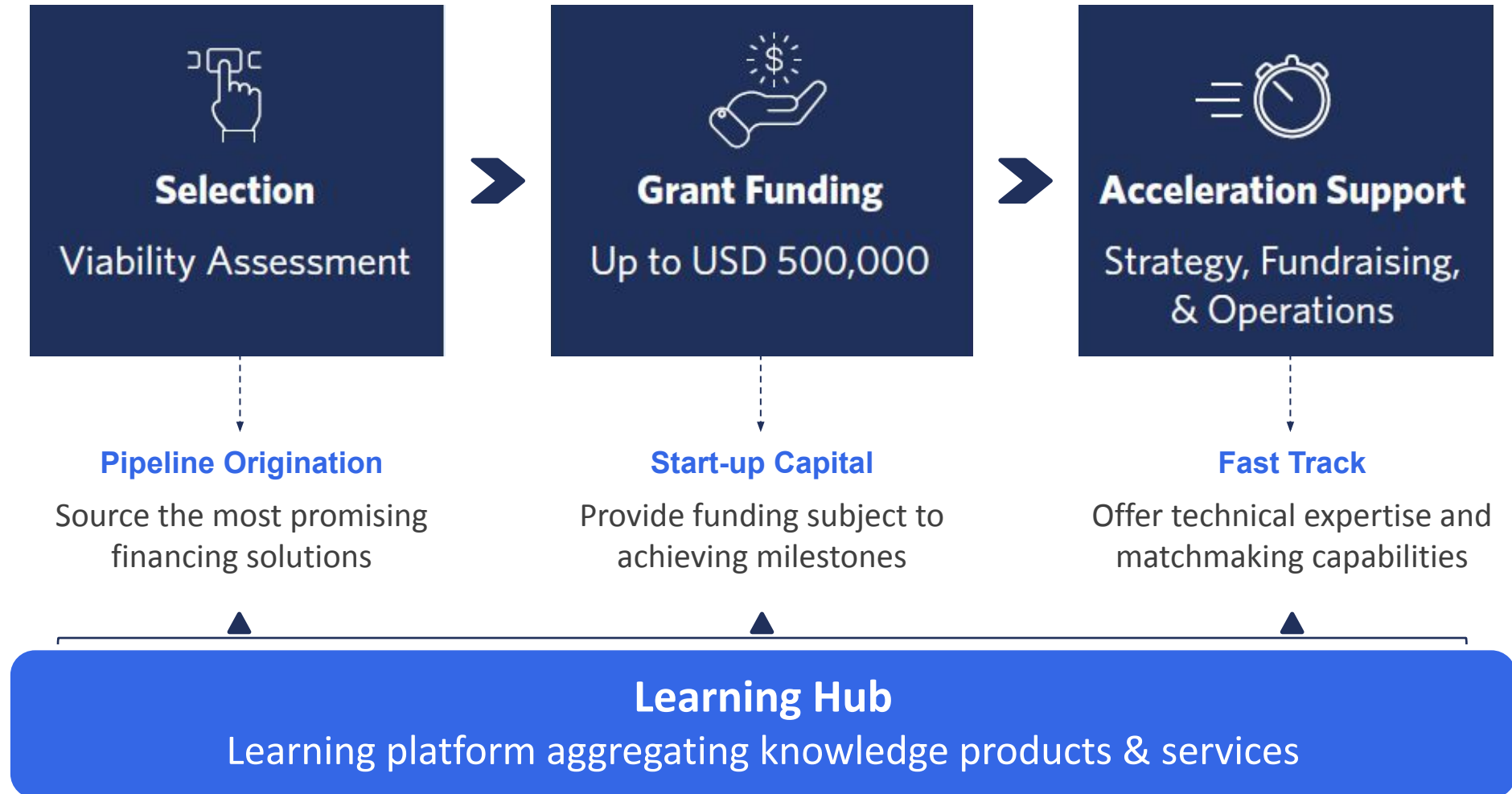
 IDRC • CRDI  
Canada

A blue-tinted photograph of a solar farm. In the foreground, rows of solar panels are visible, receding into the distance. In the middle ground, two workers wearing hard hats are on a roof, looking at a solar panel. The background shows more solar panels and some trees. The overall scene is a clean, modern representation of renewable energy.

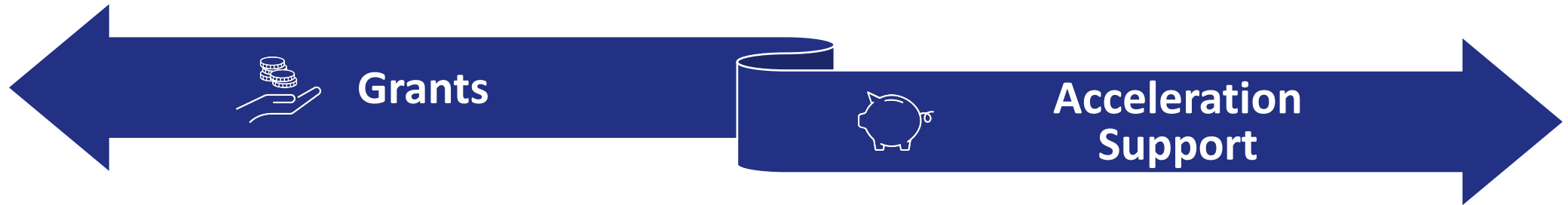
# Applying to the CC Facility

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The CC Facility aims to accelerate the implementation of climate finance solutions and build a market that will unlock the most innovative structures that can be scaled



Selected vehicles will receive *grant-based funding* and *in-kind acceleration support*, plus additional benefits holistically provided during the life of the program



Up to  
**USD 500k**

- Accelerates the launch and scale-up of blended finance structures for climate action
- Performance-driven and based on achieving predetermined milestones and deliverables

Up to  
**70 days**

- Customized technical assistance for 12-18 months
- Services focused on strategy, fundraising, and operations
- Proactively addresses key barriers to attracting private capital

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## Key Characteristics

### Investment Theme

Blended finance structures addressing climate change mitigation and/or adaptation.

### Sectors

Broad range of sectors with focus on sectors that are severely under-financed globally relative to the impact they can deliver.

### Geography

Developing countries. Applicants do not need to be domiciled in a developing country, but end beneficiaries and target activities must.

### Stage

Market-ready blended finance structures that have already completed feasibility, proof of concept, pilot, or MVP.

### Team & local capacity

Proven track-record and experience in targeted sector and geography, capacity, and willingness to engage with the program, and on-the-ground presence.

### Entity type

Organization or consortium of organizations, including advisory firms, foundations, not-for-profit, fund managers, and private enterprises.

## Evaluation Criteria

### ADDITIONALITY

Addresses climate finance barriers or a market failure in a new or more efficient way than existing solutions. Shows higher degree of additionality through the impact delivered.



### CATALYTIC POTENTIAL

Demonstrates ability to achieve socioeconomic and environmental impacts, prioritizing enhancement of local capacity. Shows scalability and replicability potential and understanding of local context.



### GENDER EQUALITY

Shows responsiveness to relevant gender risks and opportunities. Intentionally integrates gender considerations across operations and anticipates positive outcomes for gender equality.



### FINANCIAL SUSTAINABILITY

Demonstrates likelihood of achieving financial close, including team's ability to implement the solution and having a strategic plan for market viability.



### MOBILIZATION

Demonstrates potential to mobilize private capital and attract participation from new segments of investors. Shows that vehicle is bankable/investable.



# Selection process

		Steps	Timeline*
Stage 1	Screening	1 <b>Concept Note:</b> eligibility screen	Due April 24
		2 <b>Full Application:</b> eligible concept notes will be invited to submit a full application form	Due May 31
Stage 2	Evaluation	3 <b>Shortlist:</b> selected applicants will be invited to do a pitch presentation	June – September
		4 <b>Due-diligence:</b> in-depth DD process	
Stage 3	Recommendation	5 <b>Investment Committee &amp; Final Approvals:</b> finalists recommended and approved	October



An aerial photograph of a reservoir with a blue overlay. The water is a deep blue, and the surrounding land is a mix of green and brown. The text "Successful applications" is written in white, bold, sans-serif font across the middle of the image. A white horizontal line is positioned below the text.

# Successful applications

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# Climate Collateral Alliance

Opportunity International

A USD 75 million initiative that mobilizes blended capital to support smallholder farmers and agMSMEs implementing climate-smart practices in sub-Saharan Africa.



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# Acre Export Finance Fund I

Acre Impact Capital

A private debt fund investing in sovereign-backed climate-aligned essential infrastructure in Africa across four impact themes: renewable power, health, food and water scarcity, sustainable cities, and green transportation.



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# Q&A

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# CC Facility

## Contact

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 [@catalytic-climate-finance-facility](https://www.linkedin.com/company/catalytic-climate-finance-facility)



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CLIMATE  
POLICY  
INITIATIVE



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# Thank You