

Draft – November 30, 2021
Net- Zero Asset Owners Alliance & Convergence Blended Finance
Collaboration Agreement

Objectives of Collaboration:

- Increase Net-Zero Asset Owners Alliance members knowledge of blended finance approaches/structures that create investment assets aligned to Net-Zero objectives and targeting emerging markets and frontier markets (hereafter, Aligned Investment Assets). For example, through workshops.
- Increase Alliance members access to Aligned Investment Assets
- Support Alliance members to profile their preferred “short-listed” transactions to the donor / development community
- As required, support the Alliance Secretariat and Alliance members to (i) disseminate and distribute their December 2021 Scaling Blended Finance Discussion Paper and (ii) realize the recommendations in the Discussion Paper in 2022
- As required, support the Alliance Secretariat and Alliance members activities and interest in blended finance

Term of Collaboration

- Convergence and the Alliance would enter into a Collaboration Agreement for the period starting on the Beginning Date (expected to be December X, 2021) to December 31, 2022.
- In November 2022, Convergence and the Alliance would hold a teleconference to discuss possible extension of the Collaboration Agreement for 2023.

Summary of Focus Collaboration Activities

1. Access for Alliance Secretariat and Alliance members to Convergence website and web-based services, including Matchmaking Investment Platform
2. Facilitate connection between Donor Community, DFIs, Asset Managers and Asset Owners
3. Guidance from Asset Owners on vehicle structures and relevant criteria to mobilize capital
4. Connect not fully structured vehicles with donors for concessional capital
5. Joint workshops and initiatives supporting scaling and knowledge sharing

Selective Details of Collaboration Activities

Description of Collaboration Activity	Convergence and Net-Zero Asset Owner Alliance (the Alliance) Collaboration
1. Access for Alliance members to full Convergence website including Investment Platform) and other web-based applications/services)	<p>Please see accompanying Convergence Services for Asset Owners PDF document that describes all membership / subscription benefits for asset owners, where the regular annual fee is \$5,000 or \$10,000.</p> <p>Convergence would provide the same benefits and services described in the accompanying PDF document, plus the collaboration activities described in this document, to the Alliance Secretariat and all Net-Zero Alliance members with an annual fee of \$25,000 for the period from Beginning Date to December 31, 2022. In November 2022, the Alliance and Convergence will discuss whether the discounted fee for all Alliance members would continue or whether each Alliance member would be required to pay their own fee.</p>
2. Facilitate connection between Donor	Donor community

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<p>community, DFIs, Asset Managers and Asset Owners</p>	<p>Convergence proposes a Kick-Off Workshop between leading donors, Alliance members and Convergence as soon as practical.</p> <p>The workshop could include four main agenda items:</p> <ol style="list-style-type: none"> 1. Collaboration modalities between donors and asset owners to increase investment in climate/environment projects in 2021-22. 2. The Alliance ask the short-listed Asset Managers to contact Convergence to get them connected to the donor community. 3. Donors share their short-listed transactions from their Donor Working Group deliberations - expressing donors' interest in principle to fund these transactions if investors will invest 4. In consultation between the donors and the Alliance members, and at discretion of the Alliance members, agreement on a sub-set of these transactions to prioritise for presentation and/or distribution to Alliance members to increase their understanding and the individual members' prospective due diligence.
	<p>MDBs and DFIs</p> <p>Convergence proposes to discuss in a workshop between Alliance members and MDBs/DFIs towards identifying transactions and structures that can work effectively for Alliance members and MDBs/DFIs.</p>
	<p>Asset Owners</p> <p>If requested, Convergence to support existing and prospective new Alliance members in the field of blended finance.</p>
<p>3. Guidance from Asset Owners on Vehicle structures and relevant criteria to mobilize capital</p>	<p>The Net-Zero Asset Owners Alliance released its "Scaling Blended Finance Discussion Paper" in November 2021.</p> <p>Convergence proposes to agree an Action Plan with Net-Zero Alliance to (i) disseminate/distribute the report and (ii) realize the solution recommendations in the report.</p> <p>[The GISD Alliance released its "Position Paper" in October 22 from GISD Alliance to Official Development Community with eight recommendations the Official Development Community should undertake to increase private investment mobilization to emerging markets and frontier markets. Convergence and Alliance to discuss merits of combining forces with GISD Alliance to realize outcome sin areas of mutual interest]</p>
<p>4. Connect not fully structured vehicles with donors for concessional capital</p>	<p>For transactions identified by the Alliance as transactions that could be of interest for their investment, but still require catalytic/concessional funding commitment, Convergence will undertake actions to introduce those transaction to the development and philanthropic communities for prospective funding. See also 2.2.</p>
<p>5. Joint workshops and initiatives supporting scaling</p>	<p>Please see ideas listed above.</p>

Agreement by Convergence and the Net Zero Asset Owner Alliance

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Internal

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