Internal Report on Workshop Reflections

UN-convened Net-Zero Asset Owner Alliance
G7 Workshop on 'Scaling Blended Finance'
2 June 2022, Allianz Forum, Berlin

1. Context

The global economy must undergo an unprecedented transition if the world is to avert catastrophic climate change. Achieving the Paris Agreement goal of limiting global average temperature rise to below 1.5°C by 2050 requires major investment in clean technologies, low-carbon infrastructure, sustainable businesses models, and adaptation measures. Significant capital is available, but it is not flowing in sufficient quantities, especially into Emerging Markets and Developing Economies (EMDEs). There are both economic and regulatory reasons for this insufficient flow of capital. Urgent collaborative action is needed by all stakeholders to: (i) scale the necessary investments in the short- and medium-term; and (ii) address the systemic and regulatory barriers.

Under the UN-convened Net-Zero Asset Owner Alliance (the Alliance, hitherto), 74 leading asset owners with US$ 10.6 trillion in assets under management have committed to align investment portfolios to net zero in an effort to help drive transition towards a 1.5°C world along no or limited overshoot pathways. Members of the Alliance are eager to contribute to the necessary transition finance globally across high-, middle-, and low-income countries. To this end, the Alliance actively collaborates with actors across the entire financial value chain to enhance the supply side of finance into climate solutions at the required scale and pace, with a particular focus on facilitating increased capital flows into EMDEs to fund the net-zero transition.

2. Why 'Blended Finance'?

While governments, multilateral development banks (MDBs), and development finance institutions (DFIs) are actively engaged in addressing the financing gap, it is widely recognised that the public sector does not have the requisite capital to do so on its own. The private sector, on the other hand, does. Yet, private capital is largely stymied due to the high risk attached to participating in climate-linked investments in emerging economies. In low- and middle-income countries the average sovereign risk rating is "B-" or "Highly Speculative". Therefore, the investment risk in these countries is often beyond the risk tolerances of asset owners within the Alliance and other institutional investors. This roadblock arises from the fiduciary duty of asset owners to provide robust risk-adjusted returns for their investors.

One viable solution to this hurdle is to employ public and philanthropic capital to improve the risk profiles of investment opportunities, thus catalysing and incentivising private-sector funding in EMDEs and in innovative climate enterprises. The Alliance strongly believes that this model of 'blended finance' can and must play a significant role in mobilising the flow of climate capital to where it is needed most. This conviction fits with the Alliance's firm belief that partnerships are key in facilitating net-zero transition at scale.

To build momentum for this high-potential approach, the Alliance issued a Call to Action[1] to asset managers to build and work on blended finance vehicles at scale. While blended finance remains a relatively new idea, it is far from untested. Recent years have seen a number of fund transactions utilising a blended finance approach. The volume of private capital mobilised by blended finance structures (across debt and equity) varies widely, with the balance between public and private investment averaging around US$ 1 (public): US$ 2.74 (private).[2]

[1] For the full text of the Alliance's Call to Action, see: https://www.unepfi.org/wordpress/wp-content/uploads/2022/03/NZAOA-Renewed-Call-to-Action-to-Asset-Managers.pdf
[2] Convergence. April 2020. How to Mobilize Private Investment at Scale in Blended Finance.' https://www.convergence.finance/resource/3cpgfofIUn2QY8rFEV2IFt/view

By the same token, we acknowledge that the barriers to scaling blended finance are considerable, and the time available to address the same is short.[3] We are also very aware that success is only possible through cross-sector dialogue, collaboration, and the alignment of goals, which often is complex and challenging. Given the stakes at hand, joint action by all stakeholders is urgently needed to standardise and rapidly scale such models.

In a spirit of optimism and shared learning, the Alliance therefore convened a high-level workshop in early June 2022 in Berlin to discuss 'Scaling Blended Finance' with leading actors and thinkers across the field of blended finance. In light of the wide-ranging work already done on barriers to growth,[4] the objective of the discussion was to explore solutions for taking this innovative approach to transition financing to the next level.

3. Instituting a systemic change

The relatively slow growth of blended finance has not been for want of trying. Recent years have seen a flood of in-depth reports, ambitious commitments, and pilot projects (albeit small in scale). A common theme permeating all the conversations during the workshop, however, was the need for a fundamental shift in how development finance is structured.

At present, the system is built for, and around, public-sector institutions. For all the value that MDBs and DFIs have brought to the promotion of economic development over the last half-century and more, their dominance of the development sector is judged to have crowded out rather than crowded in other private players in certain market segments. The most recent annual mobilisation report[5] demonstrates only $21 billion of private direct mobilisation.

Modernise the governance and business models of multilateral development banks and development finance institutions: A rethink of the governance and business models of MDBs and DFIs will be needed to fully harness their local knowledge, expertise, and sourcing networks, which most private investors do not otherwise have access to. These institutions should be incentivised to maximise total investments through, most importantly, mobilising private capital, while at the same time effectively deploying their own balance sheets. In particular, private-sector delegates expressed sympathy towards calls for MDBs and DFIs to become "market makers" with regards to climate finance. This would mean moving away from 'buy-and-hold' positions to a more agile and flexible stance that would see them free up space for private-sector actors in relevant market segments of interest.

"The MDBs and DFIs are tremendous at arranging and distributing out capital in these markets – really, they are the best in the world. But they were never incentivised to transfer these projects once they were developed. Instead, the emphasis is on a 'buy-and-hold' strategy. That's the foundation of the multilaterals. That's fine for the 1950s when 90 percent of capital flows to the developed world were public. Then, it made perfect sense. But this is 2022 and space needs to open up for private-sector involvement."

On the other side of the coin, the creation of reliable and attractive investment vehicles is also necessary if asset owners and other private financiers are to be drawn into climate financing, particularly in a blended finance format.

As the chief shareholders of MDBs and DFIs, it was felt that the onus of above-mentioned reforms sits best with

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[3] Net-Zero Asset Owner Alliance. November 2021. Scaling Blended Finance: discussion paper. https://www.unepfi.org/publications/scaling-blended-finance/

[4] Ibid.

[5] International Finance Corporation (2020). *Mobilization of Private Finance by Multilateral Development Banks and Development Finance Institutions 2019*. Washington D.C. p.42. https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/mobilization+of+private+finance+by+multilateral+development+banks+and+development+finance+institutions+2019

influential cross-government alliances such as the G7 and the Coalition of Finance Ministers for Climate Action (which presently represents over 70 countries).[6]

"Heads of government, as the shareholders [of the world's MDBs and DFIs], need to say, 'Look, we have this financing gap and infrastructure deficits in emerging markets keep growing – something global and geopolitical events are perpetuating. But if we could exercise our power as shareholders of these banks to help mobilise the capital that's elusive to us at the moment and that will support the delivery on our nationally determined contributions, then we have an alignment of interest.' To date, this alignment of interest hasn't been very well articulated . . . and it is not something others can fix. Only the MDBs' own shareholders can incentivise them to make the change required to become aligned with net zero."

Workshop participants expressed a strong belief that key performance indicators (KPIs) around the mobilisation of private-sector capital would help increase the institutional focus of MDBs and DFIs. In addition, it was felt that setting guiding targets for capital expenditure for fund aggregation, technical assistance, project preparation, and other activities aimed at catalysing private-sector capital would help blended finance to scale rapidly. The same goes for bolstering areas of financing that are currently under-funded. Two notable cases in point are equity funding (including for early-stage development) and local currency financing.

"The G7 could say, 'Okay, we're going to set aside five per cent of ODA for the mobilisation of private-sector capital.' This would be flexible capital that can contribute to multiple categories of facilities (ideally, linked to the private sector). It's really important that MDBs and DFIs develop a set of KPIs that are set against mobilisation rather than against bureaucratic measures, as is currently the case."

"I couldn't agree more emphatically with the comments that were made about the need to get the shareholders of multilateral banks engaged in urgent actions to transform KPIs so that they are no longer about holding loans on their balance sheet but instead about . . . mobilising finance, including from the private sector."

"As we sit here today, the World Bank Group in their corporate scorecard does not have a single mobilisation objective"

Pooling funding from various catalytic capital providers: Experience shows that arranging blended finance projects on an individual basis requires considerable amounts of time and energy. Due diligence requirements continue to be considerable, for example, and project preparation remains a lengthy process. Even with the additional efficiencies that will come with time, however, individual project costs are expected to remain unsustainable. Such a scenario serves as a major impediment to scale in the near and medium-term future.

"Doing blended finance on a project-by-project basis takes a huge amount of effort. Instead of funding a national facility with all the appropriate governance standards and visibility that this requires, it would be better to blend the finance at an aggregate level. That is the only way to get anywhere near the scale that we are talking about. If it [blended finance] continues to be done on a project-by-project basis, as now, it will turn out to be disappointing because it just moves much too slowly."

A more effective approach would be to pool development finance into an aggregate fund that is used to support a suite of projects that meet the collective objectives of donors while also conforming to the necessary governance standards.

To bridge the gap between high investment risk in EMDEs and investors' fiduciary obligations to earn a risk-adjusted return, governments and foundations must create sizeable and flexible pools of concessional capital to de-risk investments so as to bring them within investors' risk limits. Such pooling, if appropriately structured, could allow the best mobilisation ideas to gain easier and more transparent access to larger amounts of catalytic capital.

[6] The Coalition of Finance Ministers for Climate Action was initially launched in 2019 with 26 founder members. It explicitly recognises "the unique capacity of the world's finance ministers" to address the challenges posed by climate change and the role of collective engagement in doing so. In respect of how public finance is used, its members hold to six non-binding guiding principles, which include support for mainstreaming climate finance and mobilising support and capital for its acceleration. For more on coalition, see: www.financeministersforclimate.org

To ensure that catalytic capital achieves maximum impact, additionality, and mobilisation, such pooled funding could be allocated to the best vehicles identified along pre-agreed criteria in a call for proposals. Diversifying risks across multiple projects aggregated in a multi-sectoral and multinational investment vehicle also allows for the effective and efficient use of scarce catalytic capital to promote impact at scale.

"Ultimately, there are three big sources of this [first loss] capital out there: ODA money, climate money, and philanthropic foundation money. But to reach scale and have real impact, these need to be collectively allocated to the best ideas globally."

The challenge with a pooled approach is to ensure that the pursuit for scale does not compromise the commitment of all players to climate impact. Echoing through the workshop was a shared conviction that scale and impact represent dual priorities of blended finance. Measuring impact remains a challenge, however. At present, non-financial performance metrics are often weak for individual projects and/or insufficiently transparent. Moves towards greater data transparency (see below) should help overcome this shortcoming.

"A one [publicly invested USD] to 100 [privately invested USD] leverage is useless if there's no development impact attached to it. The amount of money leveraged is not an end in itself but rather a means to an end. When we ask ourselves, 'What's the best blended finance project?', it's not about how much money we're spending; it's about how many vulnerable people are now adapting to climate change as a result and other questions like this."

"When donors make available facilities for scaling, they should be very demanding as regards the mobilisation multiple attached to their money. When they make money available for early-stage projects in difficult markets with underserved populations, it's fair enough that this multiple won't be so high. But, of course, they should be putting their money wherever the spending multiple is best . . . That doesn't mean impact is not important. Of course, it's important. But the priority right now is to mobilise capital, period. Naturally, we want to mobilise it well. It's not that we should do that; we must do it for blended finance to work."

Widen investment focus to prioritise pan-national themes: The majority of donor funding currently requires investment to fit specific sectoral or geographic guidelines. Such restrictions reduce the potential pool of investible projects and thus the scale of respective blended finance vehicles, thereby disabling the scale and diversification sought for by institutional investors. Attaching region-agnostic thematic parameters (such as, for example, decarbonising energy or Paris-aligned activities) and enabling easier access to official development assistance (ODA) would help circumvent these barriers.

"It feels like this more regional approach somehow just isn't working. For the purposes of scale, investments can't be overly contained in this way. What investors are looking for is a really big theme, like 'Getting out of coal in Asia', for instance. A really big theme like that, not country X or county Y as an isolated risk. If you can somehow bundle it [climate finance] and make it more aggregated on a retail or wholesale level, then that would be a better way to organise it."

"It's extremely complicated to identify donor capital because we have found across the years that it is getting more and more restrictive in terms of specific themes and sectors to which it can be allocated. Each donor that we speak to has, let's say, four or five countries that they focus on. These are their political priority countries. Now, I fully understand why certain countries make it onto these lists, but as institutional investors we need diversification."

Make guarantees eligible for official development assistance: When donors budget for guarantees, the provisions they make are lower than if they were to allocate capital in 'cash' terms. This means that moving towards guarantees as a source of donor funding for climate solutions and clean technology projects could have a significant multiplier effect as less budget provisioning would be required. In addition, guarantees may also not be called upon, thus allowing for the creation of a secondary market for their future commercialisation. To date, the use of this financing instrument has been limited as guarantees are only counted towards ODA if called upon and utilised. Accounting guarantees as ODA-eligible could also incentivise a wider use of guarantees. It was noted that guarantees are, for the most part, only helpful when they are on demand instruments by highly rated sovereigns (i.e., 'AA' and above).

Increasing the use of guarantees for climate finance and development would not necessarily present as sizeable a leap as might be thought. OECD governments, for instance, already make substantial use of guarantees through their export credit agencies. This expertise would just need to be repurposed for climate finance to become immediately effective. It was also observed that the size of the guarantee is expected to vary. The level of provisioning – and, therefore, budget allocation – would differ depending on the type of guarantee used and the asset class that the guarantee in question aims to de-risk: e.g., infrastructure debt, corporate debt, financial institutions, microfinance, infrastructure equity, private equity, and venture capital. Governments would benefit from recommendations about respective provisioning levels for these different asset classes. The OECD is well-positioned to provide such a steer in this respect.

Review long-standing fund investments of donors: To maximise private capital investments a review of the long-standing fund investments of governments would be timely. Such a review may reveal opportunities for donors to benefit from a secondary market for limited partner stakes in funds where sufficient and robust track record is meanwhile available. If so, donors would not only recoup invested capital for reinvestment in new projects and funds, but they could also succeed in crowding in private capital.

4. Increasing data transparency

One of the primary reasons that private-sector investors are dissuaded from providing transition finance in emerging markets is the perceived risk of such investments. The development community has long argued that the actual risk is not as high as private-sector funders tend to think. However, at present, there is an absence of credible and sufficient data available to private investors to substantiate this position. Currently, private investors are not capable of determining an appropriate pricing or the investment is priced at a level that makes it effectively impossible for private financiers to enter the market. In addition, robust information about historic investment returns on transition projects in developing economies is scarce. This represents a major obstacle for private investors, particularly those in private equity. Were asset owners and asset managers to have access to details about the default and recovery rates experienced by MDBs and DFIs across sectors and regions over decades, such over-estimates could potentially be avoided.

Support accurate risk pricing by providing access to core credit risk data: The market's doubts about the historic performance of emerging market projects are as much a question of data access as anything else. Such data exist, albeit based on a limited universe of projects (as is expected for an emerging field such as transition finance). At present, the fullest repository is the Global Emerging Markets' (GEM) Risk Database. During 2021 the GEM produced historic default rates of sovereign and private exposures. The historic default rates are more or less consistent with Moody's statistics on emerging market loans. Therefore, it did not prove that perceived risk is higher. It was, however, argued that recovery rates of MDBs /DFIs are significantly higher. It is the widespread belief (albeit not supported by any publicly available data) that MDBs are better positioned to recouple their investments when projects fail. Among the reasons given for this is their preferred creditor status and their conservative underwriting standards. All else being equal, assuming MDBs' recovery rates were to be double those registered by Moody's, they should experience overall loss rates that are twice as low. Logic would therefore hold that blended finance vehicles that co-invest with MDBs should only require half of the first-loss tranche (compared to vehicles for which capital structures are determined based on Moody's datasets).
With this reasoning in mind, delegates expressed strong support for making the GEM database public. It was strongly felt that such a move would allow private-sector investors to more accurately price emerging market project risks and thereby reduce the cost of de-risking first losses.

Publication of the GEM database would also allow rating agencies to accurately assess the senior tranches of blended finance structures. This would further assist institutional investors (particularly smaller investors without extensive in-house research capacity) to participate in fundraising and investment for blended finance vehicles.

5. Creating standardised investment vehicles

An imperative for blended finance to reach scale is the creation of replicable, harmonised investment vehicles that adhere to common standards and meet core requirements of private investors and catalytic capital

providers equally. A workshop member raised scaling architectures rather than various small announcements as critical. Institutional investors are looking to invest north of US$150 million for individual debt investments and US$50 million or more in for each equity investment. However, due to accounting considerations, they also cannot contribute more than 20 per cent to any vehicle. This suggests the need for debt and equity blended finance vehicles with a value of US$750 million and US$250 million, respectively. The current average comes in at a mere US$65 million or so.[7]

Many of the above-mentioned measures will contribute towards expanding the scale of blended finance vehicles: notably, making private-sector investments eligible for ODA, pooling donor funds, increasing the use of guarantees, and encouraging public donors to revise their revenue models and become 'market makers'.

Clear criteria for securitisation: For European investors, a more precise treatment of blended finance fund structures in European securitisation regulation would be helpful to build investor confidence. At present, existing securitisation regulations leave it uncertain if blended finance vehicles qualify as securitisation. Therefore, investors are still left with the potential prospect of increased capital charges and onerous regulatory reporting obligations. If blended finance funds were to fall outside the tight constraints of European securitisation regulation, then this would create more confidence for MDBs and DFIs regarding the availability of private capital for climate-related projects.

The prospect of the Alliance engaging directly with European regulators to discuss changes to securitisation norms that would facilitate the growth and acceleration of blended finance solutions won considerable support among delegates.

Clear criteria for investing in transitional assets: To allow for public and private investors to support the transformation of 'brown' asset (such as coal-fired power stations) into 'green' assets (such as renewable power facilities), it is important to determine tighter, commonly agreed guidelines for investing in transitional assets.

"Most of the institutions from the Net Zero Asset Owners Alliance as well as most MDBs cannot touch anything related to coal. Yet, if we're to green our energy matrix, it will involve supporting a transition mechanism that funds an existing brown asset owner to move to green. That way you could short the lifetime of a coal plant from, say, 40 years to 15 years or 10 years . . . If we don't come up with some way of defining the criteria around this [brown-to-green transition], however, it's going to become very difficult for the multilateral banks to actually support the creation of these national vehicles that will shorten the lifetime of fossil fuels and accelerate the development of renewables."

6. Strengthening the project pipeline

The slow growth of blended finance has as much to do with supply bottlenecks as it does with demand-side problems. At present, there is a severe lack of well-structured, investable projects in local markets that meet the risk-return requirements of private investors. Increasing the pool of viable projects in the pipeline would help attract more donors and resolve some of the problems regarding the deployment of investable capital.

Increase technical assistance: Climate-related projects are often difficult to structure even in developed markets. In emerging markets, where track records are minimal and political and currency risks are often high, the complexity level increases considerably. Such deals therefore require substantial expertise. Despite pockets of knowledge in the private sector, the general level of understanding of climate finance in emerging economies is limited. In contrast, MDBs and DFIs are endowed with considerable internal know-how given their protagonist role in the field of climate finance. These public institutions could be instrumental in raising the institutional capacity of local governments and other key players, as well as connecting asset owners and asset managers with local experts.

A quick and effective way of managing the knowledge gap that exists today would be to provide grant-funded technical assistance for capacity building and project preparation. Such assistance would give the initial confidence required by asset owners to diversify their investment portfolios into what is often deemed a high-

[7] Convergence Research. October 2020. The State of Blended Finance 2020. P.16.

risk area. Similarly, technical assistance of this nature would engender collaboration with public donors at an early stage in the project pipeline, increasing the likelihood of future synergies between private and public funders.

"What would be great is to have some sort of matchmaking facility that sees private funders like us connect up with local people who know how these kinds of projects work and can help get them off the ground. Somehow this needs all to come together so that this whole ecosystem starts working as one."

In creating credit-worthy, real-economy companies and projects that can then attract further equity or debt financing, having risk-bearing equity finance across the full spectrum of the asset lifecycle is crucial. An increased provision of early-stage development finance can fill a critical financing gap in the early stages of project exploration and development. It can also help to advance the universe of bankable projects.

Encourage reforms in recipient countries: High levels of project risk are often highlighted as a disincentive for private investors to pursue climate-linked projects in emerging markets. Risks relating to political instability and currency fluctuations are cited with particular frequency. In the instances where projects can get off the ground, the costs of underwriting these risks dramatically reduces the projects' attractiveness for investors seeking a minimum yield. First-loss positions by MDBs and DFIs mitigate these risks to an extent, but there is a limit to how much risk they can absorb.

One obvious solution is to look for methods to reduce the risk at source. Development banks and other donor organisations have a long history in supporting public governance, democracy-building, good fiscal management, and other core components of stable, well-managed economies. The effects of such measures often take time to be seen, but their long-term contribution to national economic development can be profound. The pace of improvement also tends to be self-reinforcing. As better practices encourage capital flows into an emerging market to increase, so does the incentive to keep such improvements growing. The more that public and private funders can back such moves, the better not just for blended finance solutions but for foreign investment more generally.

"It's important to focus on the receiver side as well as the supply side . . . I think we also need to really emphasise how important it is that recipient countries – that's to say, developing countries - also take some of the responsibility here and commit to reform their own investment climates. It can be hard to convince funders in OECD countries to devote more resources to this if they don't see a commensurate commitment from the recipient countries to improve the investment climate."

7. Next Steps discussed

Asset Owners

Increasing the knowledge base among asset owners as regards blended finance marks a vital next step. Information about this emerging area of climate finance remains scant. Furthermore, the information that does exist tends to focus on problems rather than solutions. With the Call to Action, plus the collaboration with Convergence, the Alliance is already working in the direction of knowledge-sharing and the encouragement of capacity-building among asset managers and asset owners.

Harmonisation of blended finance vehicles and greater transparency around historic deals would also serve to allay preconceived fears about high project risks. In particular, the publication of the GEM database would enable institutional investors to properly assign risk ratings and accurately price returns.

In addition, moves by public lenders to increase technical assistance would have the effect of addressing capacity shortfalls, lack of investable project pipelines and missing enabling environment.

Continued Dialogue

As the Alliance, we are aware of the urgent need to move towards a solutions-based conversation about blended finance. To have impact on the flow of development capital, it is imperative that political decision makers are brought into this discussion as well as public and private funders.

"When looking to engage politicians, it is important to reduce the level of complexity so that this [blended finance] is easily comprehensible and digestible. Our story has to be that it's feasible and it's doable to close the climate finance gap. No single solution can deliver that alone . . . but, at the same time, there must be a deliberate attempt to change the existing system - not just a project here and a project there."

As shareholders of the MDBs and DFIs, national governments can play a key role in reorientating the business models of these organisations to facilitate greater cooperation with private funders in the future.

"There needs to be a really coordinated push from the donors not from the management to persuade them to switch to a market-maker strategy. Because of the historical DNA of these organisations and the various silos that have been created within them, there has been very little competition in the development or climate finance space. Yet, when you consider that private investors have something like 900 times more capital than public donor institutions, then it feels appropriate that a competitive solution is created around this. How about developing a dual-track approach, for example, where donors can also go directly to the private sector with catalytic capital to fully create a competitive landscape?"

As part of this attempt for high-level policy engagement, workshop delegates mooted the possibility of writing a formal petition to the G7 heads of state and to the Finance Minister Coalition for Climate Action. The purpose of this statement would be to clarify the case for blended finance and to present recommendations on how it could be brought to scale. In addition to the proposals laid out above (notably, mobilisation KPIs and pooling donor capital), exploring how tax incentives could stimulate private-sector participation in the transition of emerging markets was also suggested.

"Some form of tax incentive, such as the municipal bond market in America or the venture capital trust market in the UK, could be used to incentivise capital to flow into this market. For long-term institutional capital, we might also look at that type of arrangement for climate-related supportive investments into emerging markets and developing countries. This approach could include developing countries and emerging markets themselves, with governments extending similar [tax] benefits to their own domestic asset owners so they can participate elsewhere."

Engaging the Global South

Any solution for climate transition in emerging markets must, as a matter of priority, involve close participation with critical actors in these same markets. The redundancy of trying to impose development models on low-income countries without local collaboration is well-documented. The burgeoning blended finance movement must be mindful of this precedent and seek opportunities at every stage to listen to local decision makers and integrate their priorities into project preparations. Similarly, supporting measures to raise awareness and to provide technical capacity in these markets is crucial for the long-term success of transition projects.

"I feel strongly is that you need to have voices from the Global South as part of your discussion. Take Indonesia, for instance, which is set to host the G20 summit later this year in November. They are very much behind the blended finance agenda and have considerable credibility in this area. The next three presidencies of the G20 [Indonesia, India, Brazil] are all from the Global South, so it's imperative that we develop a political narrative proposal that is attractive for these players."

Ongoing collaboration among the workshop community

Despite a very fruitful series of breakout discussions and a comprehensive plenary debate, many delegates expressed a desire to continue with this solutions-oriented discussion. It was also observed that other investment-related groups currently have blended finance high on their agenda and that opportunities to link in

with these parallel debates would be helpful. The Alliance is strongly supportive of both these suggestions and is currently considering how best to expand and deepen this conversation going forward.