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# Investment Mobilisation Collaboration Alliance (IMCA)



IMCA

A joint collaboration on mobilising climate finance to emerging markets and developing economies

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# **1) Private Investments in Emerging Markets and Developing Economies**

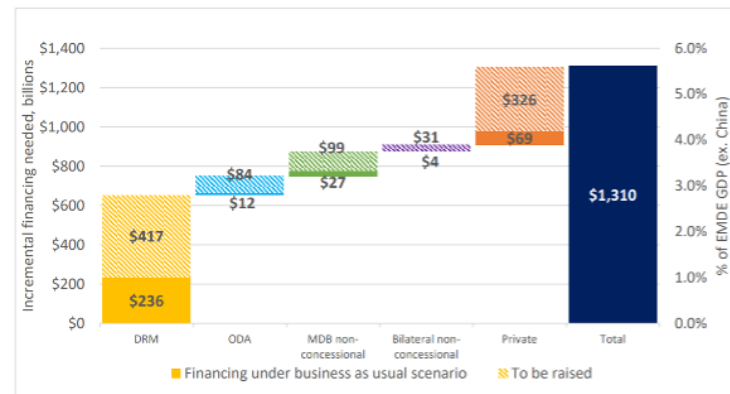
**- The financing gap**

# Private Investment in Emerging Markets and Developing Economies

## The financing gap



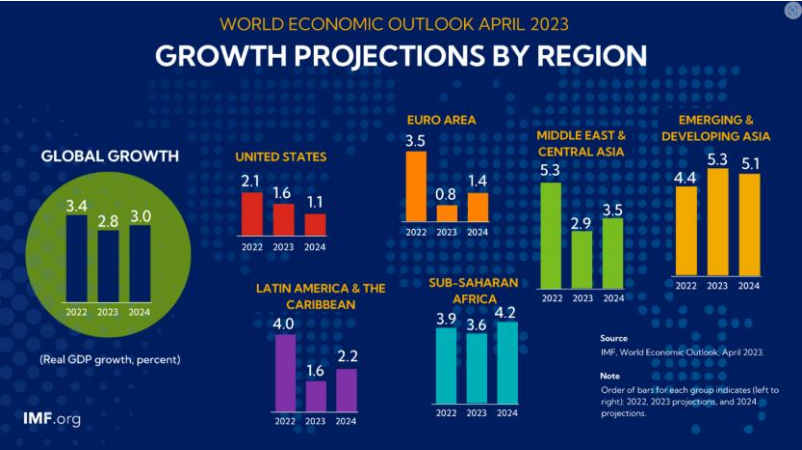
During COP29, governments agreed to set a new financing target (NCQG) of **\$300 billion a year** by 2035 to help developing countries finance climate mitigation and adaptation investments



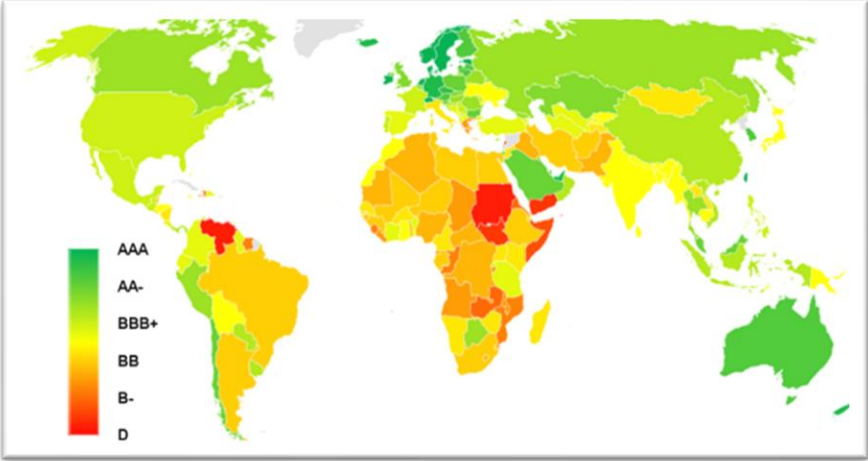
This New Collective Quantified Goal (NCQG) remains far short of the estimated **\$1.3 trillion a year** that the most vulnerable countries need to combat the impacts of climate change, and to adapt for a green future without harming their economies.

# Investing in emerging markets and developing economies

A story of growth...



...and risk



## **2) Blended Finance in practice**

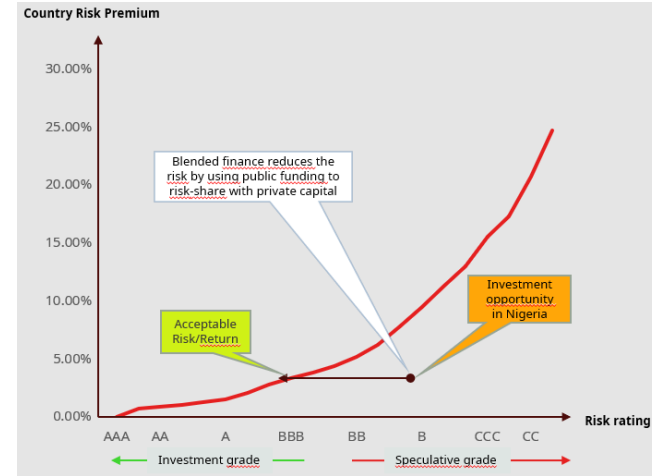
**- Introduction to The Danish Sustainable Development Goals Funds I & II**

# Private Investment in Emerging Markets and Developing Economies

using blended finance to de-risk



One solution to **mobilise private capital** is to de-risk private capital using public funding **to risk-share** with private capital



De-risking can happen at **the project level as well as the portfolio level.**

# Discussion and Q&A on blended finance and IFU SDG funds?



# 3) Investment Mobilisation Collaboration Alliance (IMCA)

- The concept: Organizing and cooperating on blended finance

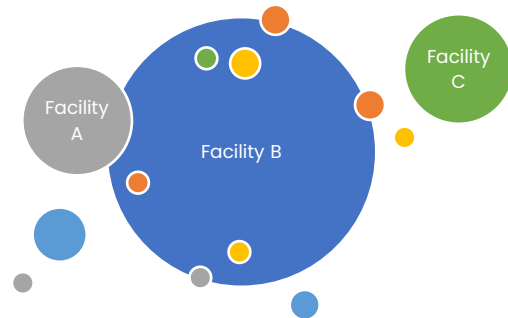


# Fragmented landscape of facilities with haphazard interactions with asset managers

## The problem

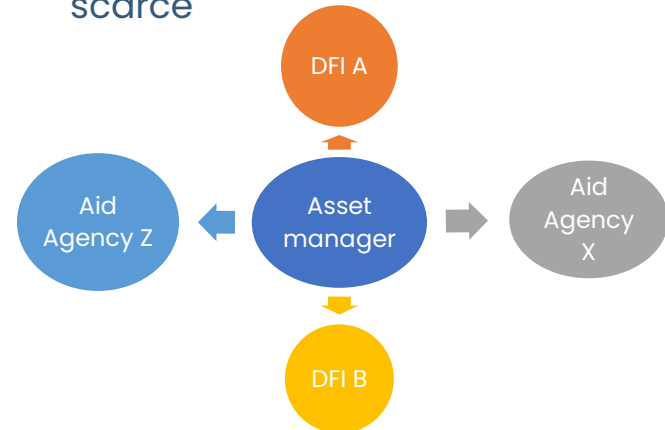
- **Fragmented donor landscape:**

- OECD mapping: Around 200 blended finance facilities
- ODI mapping: more than 130 project pipeline development facilities



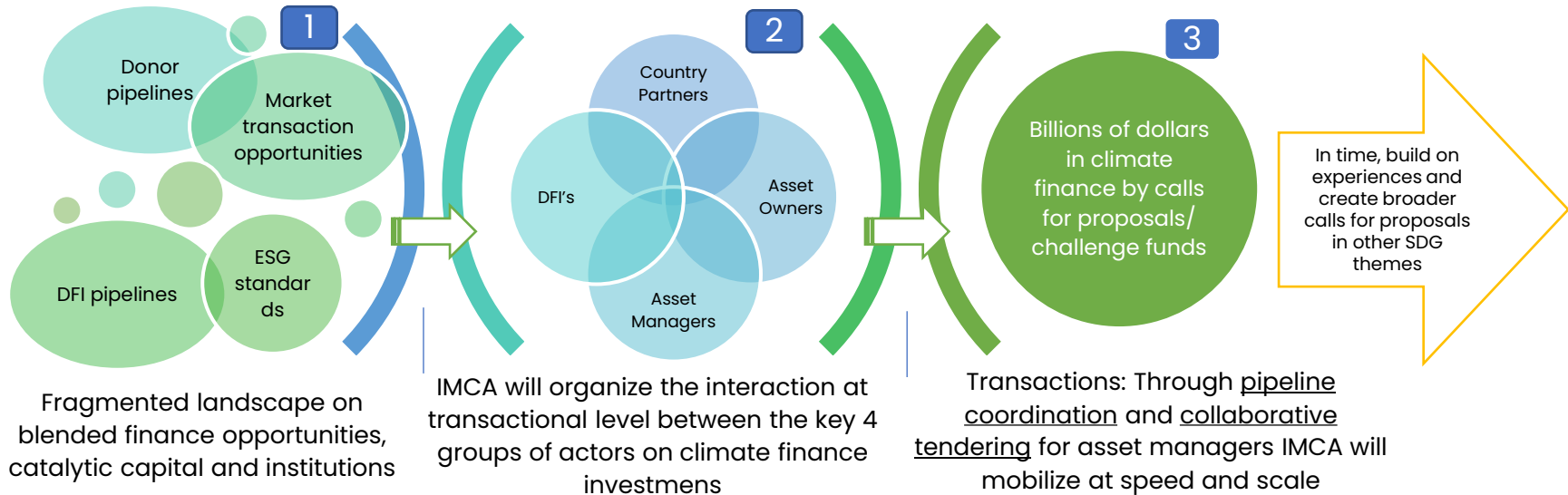
- **Haphazard interaction:**

- Asset managers share the same fund proposals across donors and DFI's on investment funds
- Coordination between aid agencies and DFIs at the transactional level is scarce



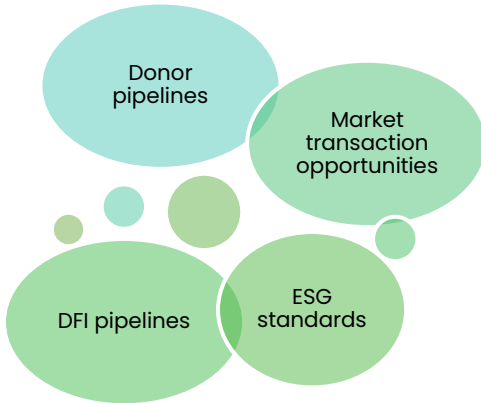
# Investment Mobilization Collaboration Alliance (IMCA)

The concept



# Pipeline Coordination Mechanism

## The ask



Fragmented landscape on blended finance opportunities, catalytic capital and institutions



IMCA Members with separate but potentially overlapping transactions and development mandates

## Workstream One

Shared overview of transactions

Collaboration on funding

Shared due diligence

## Workstream two

Combining public funding into tendering to asset managers to attract private capital

# IMCA call for proposals

	Blended Finance for Energy Transition (BEFT)	Adaptation Finance Window (AFW)	Greening Value Chains in Africa (GVCA)
Fund Overview	Mobilize \$1 billion to accelerate emerging markets' efforts to achieve a just and resilient energy transition and limit global temperature rise to 1.5°C through both private and public capital.	Leverage blended finance to support the launch of innovative funds or investment vehicles that will deliver significant outcomes for climate adaptation (including climate resilience of vulnerable people and communities, food and water security, health, nature-based solutions, and infrastructure and built environment).	Mobilize capital into funds that invest in the sustainability and expansion of higher-value economic activities across energy transition value chains in Africa, with particular focus on Sub-Saharan Africa.
Region	India, Indonesia and Vietnam	Latin-America, Africa, Asia Pacific	Africa
Call for Proposal	Yes	Yes	Open until January 17, 2025
IMCA Partner Countries	Denmark (15 mil. USD) USA (15 mil. USD)	Denmark (50 mil. USD guarantee) , Sweden (50 mil. USD guarantee) USA (5 mil. Grant for technical assistance)	Denmark Sweden, Norway, (60 mil. USD guarantee In total) USA (up to 9 mil. USD equity/TA)
Finance Vehicle	First loss equity junior tranche	First loss or parri passu guarantees for debt, technical assistance grants	First loss or parri passu guarantees for debt. First loss equity and technical assistance grant
Fund Finalists	ResponsAbility, EverSource Capital	Under negotiation with 3 finalists	Depending on proposals received
Private Capital Mobilized	150 mil. USD private capital mobilized	Aiming up toward 500 mil. USD	Depending on proposals received
Ratio	1:5 private capital mobilized	Aiming for up to 1:5 private capital mobilized	Depending on proposals received

# Greening Value Chains in Africa (GVCA)

## Window III

### Objective

The Greening Value Chains in Africa (GVCA) window will source, shape, and implement partnerships that invest in the sustainability and expansion of higher-value economic activities across energy transition value chains in Africa.

### Current Status

- RfA was launched at COP29 after Marlow Global conducted a market assessment
- CFDA will be accepting applicants for the GVCA Window until January 17, 2025
- IMCA members anticipate providing at least USD \$70 million of catalytic finance through GVCA. This includes grants from USAID and guarantees from Sweden, Norway, and Denmark.

### Timeline

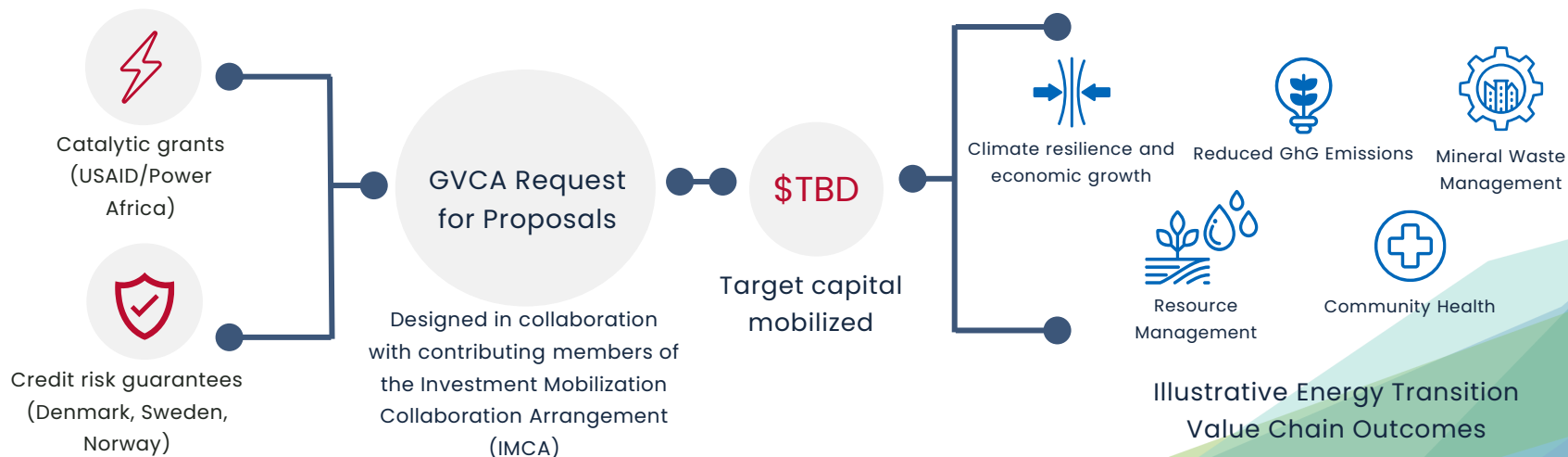


# Greening Value Chains in Africa (GVCA)

Window III

## Additional Information

A structured, collaborative process to use blended finance to support the launch of innovative funds or investment vehicles to green energy transition value chains and promote local economic development in Africa.



# Greening Value Chains in Africa (GVCA)

Window III

## Additional Information

### GRANTS: Up to \$3M each

with a potential of \$70M or more in catalytic finance support, including both guarantees and grants.

### GEOGRAPHY: Africa

with a strong preference for opportunities in Sub-Saharan Africa.

Application window open through **17 Jan**

Finalists give oral presentations

Grants awarded and co-creation for additional financing

Awards announced at COP31

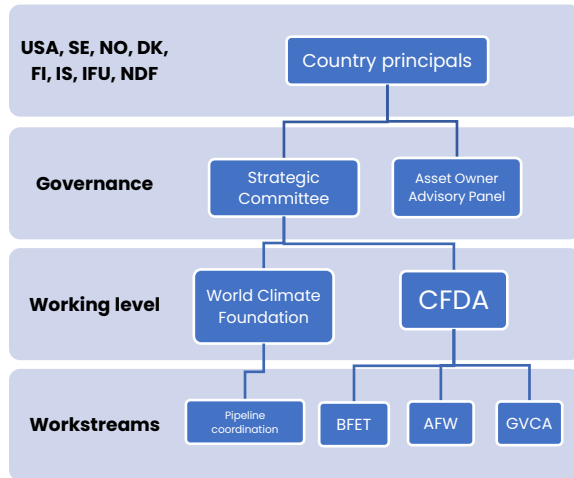
## **4) IMCA - The organization**

**- Structure, Organisation, Members, and Events**

# Investment Mobilization Collaboration Alliance (IMCA)

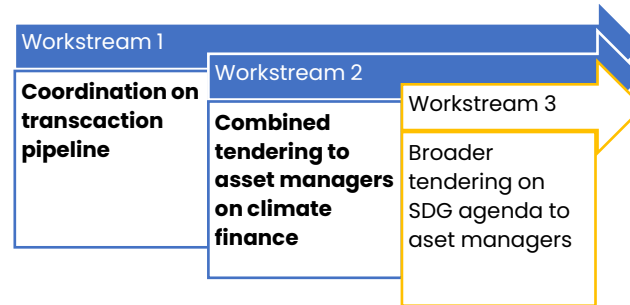
## The organisation

### Structure



- Secretariat function placed at the World Climate Foundation
- CFDA as technical engine
- Asset Owner Advisory Panel under establishment

### Workstreams



- Workstream 1 under establishment with Secretariat
- Workstream 2 continues to launch finance windows
- Workstream 3 is envisioned to kick off post pilot phase

# Investment Mobilization Collaboration Alliance (IMCA)

The members



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| **Government of Iceland**

Government of Iceland



Swedish International  
Development Aid  
Agency



Nordic Development Fund

Nordic Development  
Fund



Investment Fund for  
Developing Countries



World Climate  
Foundation

The observers

**Canada**

Government of Canada



Foreign, Commonwealth  
& Development Office

United Kingdom Foreign,  
Commonwealth & Development  
Office



global  
environment  
facility  
INVESTING IN OUR PLANET

Global Environment Facility (GEF)

# Investment Mobilization Collaboration Alliance (IMCA)

## The structure

### Principals

- **Principal Strategic Meetings:** occur one per-year, historically during COP.
- **The Principals' Strategic Meeting:** is held between IMCA's donor country principals, the Strategic Committee and the Climate Investment Coalition (CIC) to set high-level direction of IMCA.

### Strategic Committee

- **Strategic Committee Meetings:** IMCA Secretariat coordinates six to twelve meetings per year
- **The Strategic Committee Meeting:** convenes representatives from country partners with the option for Observer Parties to attend alongside CIC. Selected consultancy/firms may be also included. The meeting aims to implement the strategic direction set by Management meetings.

### Asset Owner Panel

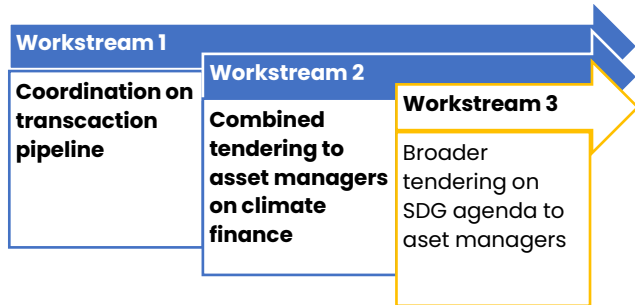
- **Asset Owner Panel:** one meeting per-year, during the Workshop, with the Strategic Committee
- **The Asset Owner Panel:** will be composed of up to 10 asset owners from member and developing countries to advise on the feasibility of private investments for IMCA finance windows in order to attract private capital.

# Investment Mobilization Collaboration Alliance (IMCA)

## Asset Owner Advisory Panel

### Mission

- The mission for the Panel is to advise the Strategic Committee consisting of IMCA members, on private investor engagement and capital mobilization for IMCA's finance windows and source ideas and potential areas of focus for future finance windows in connection with combined tendering to asset managers.



### Objective

- The objective of the Panel is to contribute to enhancing relevance and functionality of new IMCA funding windows so as to best attract private sector capital from institutional investors and other types of asset owners

Blended Finance for Energy Transition

Adaptation Finance Window

Greening the Value Chains in Africa

# Investment Mobilization Collaboration Alliance (IMCA)

## Asset Owner Advisory Panel

### Activities

- The Panel is expected to provide comprehensive insights and strategic guidance, conveying to the Strategic Committee what needs to be in place for private market capital to flow towards emerging markets and developing economies
  - Envisioned Panel discussion topics for insight and guidance could include:
  - An **overview of private market experience** in emerging markets and developing economies;
  - **Current obstacles** for private investment flowing to these markets;
  - Types of **blended finance vehicles that would be necessary** for investment in emerging markets and developing economies;
  - **Trends and opportunities** where the private sector might invest and the level of de-risking required to unlock that investment, and;
  - How private markets see emerging markets and developing economies **moving forward**

# Investment Mobilization Collaboration Alliance (IMCA)

COP29

## Principals Strategic Dinner

Gathered high-level representatives from IMCA member and observer countries to connect during COP and continue to forge meaningful relationships and explore new partnerships that can drive impactful, long-term solutions for climate finance in emerging markets and developing economies



## Side-Event in UNFCCC Blue Zone

Convened high-level representatives from IMCA member countries to present IMCA progress over the last year, formally welcome new members NDF and Iceland into the Alliance and announce the latest IMCA finance window: GVCA.



# 3) Investment Mobilisation Collaboration Alliance (IMCA)

- Discussion and Q&A





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Sida



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