



Business Sector Steering Committee

Third International Conference on Financing for Development

Initiatives to Mobilize the Private Sector for Development:
Implementation of FfD for Results - SDG, Climate-Change, and Inclusive Economic Growth

Financing for Development Side Event
Wednesday, 20 April 2016, 10 AM - 1 PM
UN Conference Room E
New York, New York

The Addis Ababa Action Agenda (“AAAA”) is intended to define the financing framework for the Sustainable Development Goals (SDGs), and close the funding gap estimated at US\$2.5 trillion per year. Against this daunting finance gap, there is a surplus supply of private capital, both locally and globally. Another opportunity is the transformation of the informal sector as an under-estimated and under-recognized driver of local economic growth that can stimulate sustainable economic and inclusive growth in developing countries and small island developing states.

Delivering solutions for sustainable and inclusive growth and finance inherently reside at the country level. This requires explicitly building the technical operational processes for improving national enabling-environments and capital markets (such as local expertise hubs) as well as the identification and development of investable entities -- projects, instruments, and facilities -- that can successfully harness mobilize and secure private capital and ensure sustainable development impact. Therefore delivering on the SDGs, Climate Change, and inclusiveness objectives requires country-based approaches with the operational capacity to bridge public and private requirements and processes, harnessing the needed capital and ensuring accountable, efficient and smart delivery of the transformative agenda delivering on the 2030 Agenda.

Given the above imperative for effective local implementation at the country level, this side event is aimed at discussing the required country actions to deliver on finance and inclusive sustainable growth. There will be two presentations and an open discussion of implementation strategies.

The agenda and speakers are listed below.

Agenda

10 AM Opening comments: Louise Kantrow, Ph.D, ICC Permanent Representative to the United Nations

Presentations

>10:10 – 11:10 AM Expertise HUB to EMPOWER and UPGRADE the INFORMAL SECTOR:
H.R.H. Princess Abze Djigma, CEO AbzeSolar S.A. and leader of the Initiative MAMA-LIGHT® for Sustainable Energy.

Comments from Colleagues, Questions & Answers

>11:10 AM – 12:10 PM Scalable Country Implementation Frameworks for Delivering on National and Subnational Finance for SDGs & Climate Change Results (“Deliver4Results or D4R”): *Dr. Barbara C. Samuels, Executive Director, Global Clearinghouse for Development Finance (GlobalDF)*

Comments from Colleagues, Questions & Answers

> 12:10 – 1:00 PM: Open discussion on ways to improve country implementation strategies that mobilize the private sector

ANNEXES:

ANNEX A: Expertise HUB to EMPOWER and UPGRADE the INFORMAL SECTOR,
H.R.H. Princess Abze Djigma

ANNEX B: Scalable *Country Implementation Frameworks* for Delivering on National and Subnational Finance for SDGs & Climate Change Results (“Deliver4Results or D4R”), GlobalDF

ANNEX A: **Expertise HUB to EMPOWER and UPGRADE the INFORMAL SECTOR**

Summary

The informal sector is an under-estimated and under-recognized driver of local economic growth. Empowering the informal sector is one of the most effective ways to stimulate sustainable economic and inclusive growth in Developing Countries and Small Island Developing States.

H.R.H. Princess Abze Djigma, coming from, part of and representing the informal sector in international meetings took the initiative to initiate an expertise HUB to empower the informal sector grow and to facilitate international cooperation. This document describes the outline of the Expertise HUB.

Background

In African countries despite its economic growth over the past years, most of the population still rely on the informal economy to survive. “In fact, the informal sector contributes about 55 per cent of Sub-Saharan Africa’s GDP and almost 80 per cent of the labour force. In several countries of Africa, 90% of urban and rural workers have informal jobs. On average for all of Africa, 84% of women are informally employed, as compared to 63% of men.” (AU and AfDB).

The informal sector although is not limited to Africa. In most developing countries all over the world the numbers are nearly the same and are up to 90% of the workers in agriculture informal (World Bank).

Providing finance is not enough by itself to lift people from poverty: Equally important is going beyond basic financial needs to ensure the empowerment of the poor, particularly women and youth, and to use legal framework in ways that benefit them and their communities. Vocational training and training of trainers are key to reach the people.

Modernizing the Informal Sector means providing access to adapted and flexible infrastructure like roads and energy to grow their micro-business and household farming beyond meeting basic services, to empower the poor to generate equitable employment and additional income, to enable better access to education and health care; and to satisfy lifestyle needs and improve living standards.

AbzeSolar S.A. has in cooperation with ICC and UNDP hosted a successful side event during the UN Conference Financing for Development (FfD3) in Addis Ababa: “Empowering the Private Sector in Africa” (<http://www.un.org/esa/ffd/ffd3/events/event/empowering-the-informal-sector-in-africa-2.html>)

The key messages were:

- The Informal Sector in Africa is fundamental in the implementation of the SDG targets
- There is not enough attention/awareness from political and financial decision makers. Often the Informal Sector is not recognized and neglected in policies, tools and development programs.
- The Informal Sector is in general not aware of the obligations and benefits of becoming formal. Important is to make the value visible for both parties: paying tax in return for enablers and means.
- To unlock the potential of the Informal Sector it is key to start with respecting and understanding their current values, needs and drivers.
- Providing means (education, energy, infrastructure) and incentives accelerates the transformation of the Informal Sector to the Formal Sector.

All participants acknowledged, the informal sector is an important pillar of Africa's socio-economic transformation and are ready and committed to act together with The Initiative MAMA-LIGHT® to work with and for the Informal Sector to achieve the ambitious targets of the SDG's and to don't leave people behind! This led to the following recommendations:

- Use official development assistance (ODA) to support efforts to build capacity in developing countries to integrate the informal sector into the formal economy.
- Use initiatives as AbzeSolar's Initiative MAMA-LIGHT[®] as a delivery mechanism and a technical assistant provider to create/accelerate local Municipal structures, to train local informal sector companies via operational MAMA-LIGHT[®] tool kits, to roll out, install and implement energy solutions and to aggregate local financial needs to create bankable projects.
- Welcome the Bali package (December 2013) and the WTO, Aid for Trade Facility, to support this transformation and to include provisions for technical assistance and capacity building in Sub-Saharan Countries.
- Welcome the Multi Lateral Development Banks (MDB's) to plan financial support (2016-2018) for this initiative and to include it in their action plan.

The messages got included in the official documentation of FfD3

- Article 22 of the Addis Ababa Action Agenda: http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf
- Reference to AbzeSolar in the official outcome document of FfD3, http://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.227/20 and references to strengthening the local economy and the south-south cooperation and triangular cooperation in the same document.

“The initiative MAMA-LIGHT[®] for Sustainable Energy” together with traditional authorities and local governments forges building unity, supports creating a good environment for implementation and pays attention on gender equality in the implementation of the SDG's framework. It includes the development of relevant sector policies and standards, monitors mechanisms and strengthens capacities, through clear and focused programs to fulfil the 2030 Agenda for Sustainable Development (the SDG's).

In September 2015 The Initiative MAMA-LIGHT[®] for Sustainable Energy is selected by the UN at the UN Sustainable Development Summit 2015, as one of the 14 global breakthrough solutions for achieving the new Sustainable Development Goals. This recognised and leveraged the Initiative as one of the key delivery mechanisms and technical assistance providers to empower the informal sector (<http://www.solutions-summit.org/>).

The Opportunity

The informal sector of today will be the tomorrow SME's . With the right support today a few of them will grow to become tomorrow's Multi National Companies.

Investing in empowering the bottom of the pyramid and leveraging the informal sector will attract FDI from foreign countries and multi nationals as it demonstrates we are structuring and creating an enabling environment for their supply chain. At the same time it will help to facilitate the Informal sector to the formal sector: this will increase the revenue of local taxes and will help mobilize domestic resources.

Approach for Empowering the Informal Sector

To create an expertise hub that catalyzes the empowerment of the Informal Sector. The Hub works with and on behalf the informal sector. It is an expertise centrum that facilitates the empowerment of the informal sector via making information accessible for both the informal sector and its stakeholders and by initiation/catalyzing actions/activities to help the informal sector. In detail:

- Bring together and provide insight in existing tools to support the informal sector
- Create awareness for the both the importance and the challenges of the informal sector at global, local and regional political level
- Facilitate and strengthen South-South & Triangular Cooperation
- Secure that empowering the Informal Sector gets embedded in the Nationally Appropriate Mitigation Actions (NAMA's) and the National Adaptation Programs of Action (NAPA's)
- Providing means (education, energy, infrastructure) and incentives to accelerate the transformation of the Informal Sector to the Formal Sector
- Use energy, The Initiative MAMA-LIGHT[®] for Sustainable Energy” as an example how to empower the informal sector
- Stimulate investments (public and non public) in the Informal Sector and in local Agribusiness

- Strengthening Women and Youth Empowerment through Jobs and Entrepreneurship
- Coordinate and support initiatives to become bankable.

Set up and Roll out

The government of Ghana will facilitate the location of the Expertise HUB. Lessons learned and examples of the Region du Centre of Burkina Faso and the informal sector in Ghana will constitute the starting base.

H.R.H. Princess Abze Djigma has mobilized a number of key partners, with roots/interests in Developing Countries and Small Island Developing States and who recognize the informal sector as the growth engine of the future, to facilitate and to accelerate the growth.

*For more information, please contact H.R.H. Princess Abze Djigma,
CEO AbzeSolar S.A. and leader of the Initiative MAMA-LIGHT® for Sustainable Energy.
Reachable at abze@abzesolar.com (+31 611 778 550).*

ANNEX B:
Scalable Country Implementation Frameworks for Delivering on National and Subnational Finance for SDGs & Climate Change Results (“Deliver4Results or D4R”)

The Challenge: 2016 is cited as the “Year of Implementation” for delivering on the three international agreements of 2015: the Sustainable Development Goals (“SDGs”), Financing for Development, and COP 21. Moreover, there is the daunting imperative of widening the scope of implementation to Local Authorities as manifested in the upcoming Habitat III Conference: By 2050, 80% of the world’s population is expected to live in cities, but even today the wide range of Local Authorities are not able to deliver on existing needs.

However, despite extensive efforts by National Governments, Local Authorities, and their development partners to set up Public-Private Partnerships, use of project preparation projects and risk mitigation instruments, and other techniques to mobilize private capital, significant financing gaps continue to impede the delivery of essential SDG projects. The annual SDG funding gap is estimated at US \$2.5 trillion by UNCTAD. At the 2015 UN International Financing for Development Conference, UN Member States acknowledged in the *Addis Ababa Action Agenda* the need to scale up access to private capital by developing “bankable projects” that meet investor criteria.

To set forth an implementation strategy, the term “blended finance” was inserted into the *Addis Ababa Action Agenda*, defined as a “blending” of public and private sector inputs to enable the development and finance of bankable SDG-related projects. Given the urgency of addressing this challenge, new global finance initiatives have been set up to enable greater access to private capital.¹ However, these new initiatives and other programs are hampered by the lack of bankable projects that meet investor and due diligence criteria (debt and equity). The success of these global initiatives therefore depends on the ability to scale up pipelines of bankable projects that can deliver on the SDGs.

The Country Implementation Gap for Realizing SDGs: Despite the achievements to date, there remains a mortal gap in the implementation framework: *Country implementation frameworks are required to develop “bankable projects” and mobilize private capital.* The reason there is a lack of bankable projects for private finance is due to technical and political issues at both national and subnational operational levels.

By definition, the great majority of projects in developing countries require enabling environments and targeted support from the public sector to enable project identification and development, as well as strategically crafted risk mitigation to enable access to private capital (for example, mitigation of political, demand, performance, credit, and foreign exchange risks). It is important to

¹ The Sustainable Development Investment Partnership (SDIP) supported by the OECD, Sweden, the United States, Citibank, World Economic Forum and others brings together public and private entities that share an ambition to scale up sustainable development investments in developing countries with the goal of mobilizing US\$100 billion investment by 2020. Convergence (supported by the Canadian government) brings together public and private investors for blended finance investments in emerging and frontier markets. The SDG Philanthropy Platform (led by UNDP, the Foundation Center and Rockefeller Philanthropy Advisors) was launched in July 2014 to nurture a more active and coordinated engagement by philanthropic organizations in the implementation and localization of the SDGs. Other initiatives include the World Bank “Global Infrastructure Facility, and the Group of 20 Infrastructure Hub.

note that private sector capital can only be mobilized for projects that are expected to generate revenues to pay debt service or provide equity returns.²

As a practical matter, successful collaboration at the project level requires technical, dynamic, and effective teamwork between the government, private sector, and development partners with the required political support. Therefore, streamlined country implementation frameworks are needed to enable cost-effective and successful scaling up in the identification, development and finance of SDG-related bankable projects.

Such country implementation frameworks need to address key challenges such as those summarized below:

> Need for Cohesive Frameworks for Sustainable Development Plans: Traditional “National Development Plans” do not meet the needs for low-carbon and resilient projects that can deliver services at the subnational levels.

> Essential Role of Local Authorities: Global agreements underscore the urgent imperative for Local Authorities to develop the capacity and access to finance required delivering climate-smart services and spur local economic growth to reduce unemployment and improve social equity. In October 2016, Habitat III will result in a new global agreement focused on this immediate subnational imperative.

> Need to Define National-Subnational Implementation Frameworks: Given the expanding role of Local Authorities, both National Governments and Local Authorities need to work together in formulating cohesive integrated sustainable development plans and frameworks, with clear rules, processes, accountabilities, and financing solutions. Moreover, extensive studies have documented the trend towards decentralization of service provision, and the resulting imperative for Local Authorities to improve their ability to select, develop, and finance adequate local essential services such as water & sanitation, transport, energy, telecommunications networks, and other services.

> Effective Cross-Country Exchanges, Collaboration, and Alliances: South-South peer exchanges are critical to building the needed adaptation, capacities, and confidence for success. Moreover, in some geographical regions such as West Africa and Central America, akin to the European Union, building cross-border regional partnerships between National Governments and Local Authorities is crucial to developing economies of scale in marketplaces, reducing transaction costs, and consolidating the needed political consensus and changes in national-enabling environments.

> Climate-Smart & Resiliency Approaches: The above challenges are compounded by the need to integrate low-carbon and resilient technologies and processes that are being developed by the public and private sectors worldwide. Both National Governments and Local Authorities need to have easy access to information on best practices, optimal approaches, and sources of expertise, services, equipment, and support.

² A critical component of country implementation framework is developing the capacity to define projects that could be bankable (with proper structuring, grant support, and risk mitigation), versus those projects that require complete grant funding (such as feeder roads, essential public services for poor people that cannot afford any fees, etc). It is important to note that in several sectors such as transport and water and sanitation, subsidies are routinely provided to achieve access to finance.

>Need for Private Sector Engagement: Both National Governments and Local Authorities are struggling with the challenge of how to engage the private sector in helping them shape and integrate their Sustainable Development Plans that can meet their development needs. Successful engagement of the private sector entails building implementation partnerships with the private sector across the spectrum of expertise, services, equipment, and finance. Both National Governments and Local Authorities also need to have the capacity to bargain effectively with private sector providers of expertise, services, equipment, and finance.

>Crippling Lack of Private Finance and Concentrations: The failures to date are evidenced by the 2014 data provided by the World Bank PPI database that almost 75% of private finance was concentrated in five developing countries.³

>Need to Mobilize Local Finance, especially Institutional Investors: Best practices in developing country finance are universal: Projects generating local currency revenues need to be financed in local currency.⁴ Explicit financing techniques need to be expanded to crowd in local finance sources, including local banks, institutional investors, equity investors, and stock markets.

>Lack of Country-Level Capacity and Coordination Mechanisms: To achieve “blended finance” for SDG projects, National Governments, Local Authorities, and their development partners need to coordinate closely in the development and finance processes for potentially investable projects (including companies, pooled finance facilities, other instruments, and funds). An ample supply of highly-skilled professionals need to be available to enable the identification, development, and finance of projects, such as strategic planners, financial advisors, project finance lawyers, environmental engineers, sector experts, accountants, etc.

The Proposed Scalable Country Implementation Framework: The proposed project is to develop a scalable “*country implementation framework*” that can better enable National Governments and Local Authorities to increase their access to private finance for climate-smart essential public services and projects advancing the SDGs and local economic development.

The proposed *country implementation framework* would include key first-order interventions required to fully engage the private sector. A critical element is operationalizing “blended finance” at the project level, enabling the public sector (national and local governments, development partners) and foundations to collaborate more effectively in targeting interventions at the specific project level to achieve “bankability.”⁵

The standardized approach would reflect universal investor requirements and needed operational efficiencies, building in mechanisms to enable adaptation to different country and local needs, and the operating environments (e.g., legal, institutional, regulatory environments; cultures; etc.). The

³ The five countries are: Brazil, Turkey, Peru, Colombia, and India. Only 2% of investment was in in Sub-Saharan Africa and 4% investment in water & sewage. During 2014, only 239 projects financed with an average size of US\$ 419 Million. See World Bank PPI database.

⁴ Developed highly-rated countries can often access currency hedges that mitigate foreign exchange risk. The significant liability incurred by developing countries is evidenced by Colombia’s depreciating peso, estimated at 65%, thereby increasing debt service and operating costs that may need to be passed on to users of essential public services.

⁵ Projects are defined as legally investable entities, such as utility operating companies, financial institutions, equity funds, pooled finance facilities, PPPs, etc.

proposed project would leverage the extensive research, pilots, and instruments developed to date to mobilize the private sector for development.

The envisioned project modules include carefully designed transformational interventions aimed at leap-frogging and fast-tracking the required increased effectiveness in sustainable development planning, increasing the pipeline of bankable projects and increased finance, as summarized below.

- 1) Establish Knowledge & Finance Hubs (“Hubs”) of skilled professionals (international, regional, national, local): The lack of available and affordable skilled professionals required to select, develop, and finance projects (such as planners, financial advisors, project finance lawyers, sector experts, environmental engineers, accountants, etc) is an imposing impediment undermining the development of bankable SDG projects. The establishment of “Hubs” can fast-track the needed supply of such experts to provide expert fast-track support for the development of National and Subnational Sustainable Development Plans and the development and finance of priority projects. Hub experts can also provide open independent expert advise to government officials (national and local). Important components of the Hubs are the establishment of global expert support groups and peer-to-peer sharing of information and experiences.
- 2) Marketplace: To successfully identify, develop, and finance projects, all countries – developed and developing – need to have dynamic “marketplaces” that link the “demand” of projects to the “supply” of expert services, equipment, and finance. In fact, development effectiveness is currently impeded by knowledge and coordination gaps between project sponsors and development partner programs, and between development partners themselves. To jump-start this needed marketplace development marketplace, an on-line “Project Development Marketplace” could be launched to expand the development of localized country and regional marketplaces, activating the needed identification of needs and easy access to public and private providers of services, products, and finance.⁶
- 3) Governments & Development Partners Provide Targeted Support: The country implementation framework needs to set forth the required changes in national and subnational enabling environments. Specific processes that need to be streamlined include: developing cohesive national sustainable development plans, coordinating with subnational plans; improving the capacity of National Governments, Local Authorities, development partners, and foundations to coordinate in developing bankable projects that can access private finance (e.g., project selection and development, risk mitigation, subsidies, negotiation); empowerment of Local Authorities (e.g., coordination in developing national and subnational sustainable development plans, ensuring adequate, timely, and predictable intergovernmental financial transfers; ability to collect own source revenue, negotiate and enter into PPPs; bankruptcy laws that ensures no contingent sovereign liability; etc.); and support scaling up of financial instruments that have successful track records and innovative finance (e.g., project finance, pooled finance, contingency refinancing facility, etc.).

⁶ There would be directories of projects in development (with information on purpose, expected results, available project documentation, project development needs, contact of responsible person); Directories of providers (Public, Private) on Expert services, Equipment, Project preparation facilities, Risk mitigation (performance, credit, demand, off-take, etc), Finance Providers (covering grants, debt, equity with criteria/process).

- 4) Pilots of Demonstration Projects Mobilizing Local Finance with Innovative Finance Techniques: Formulating sustainable development plans and marketplaces can take years of consultation, but demonstration pilots can provide momentum and scalable models for replication. It is also critical to develop high-impact projects that are financed using local capital. In selecting projects, “quick wins” are needed to create momentum and confidence, as well as feedback back on how to improve coordination processes, business models, and finance structures.

- 5) Performance Tracking and Reporting: To capture successes, lessons learned, secure support and build market confidence, momentum and learning, there needs to be an on-line “*Country Project Tracking Application*.” This technical on-line tool would provide a simple framework for documenting transparently the specific status of projects through their development cycle, covering critical project development milestones, such as project concept note, prefeasibility study, development of business plan, completion of financial model, creation of legal structure, securing of initial working capital and equity, securing of legal access to land for project site, vendor negotiation and selection, securing of risk mitigation, financial close, construction, and operation. User-friendly reports on Project Performance would include the status of projects, impediments (type/solutions), amount of public investment compared to private capital (leverage), reported development impact, etc. Information would be disclosed openly to local stakeholders, the government, development partners, foundations, potential investors and providers of services/equipment, capital (public, private). Modern visualization techniques would be used, enabling the use of the data (such as interactive maps and detailed project summaries), enabling cost-effective streamlined coordination between project sponsors, governments, development partners, foundations, and private sector providers of services, equipment, and capital.

For more information, please contact Dr. Barbara Samuels, Executive Director, Global Clearinghouse for Development Finance (barbara@globaldf.org; +1 917 359 6696).

BACKGROUND ON GLOBALDF

The Global Clearinghouse for Development (“GlobalDF”) is a U.S. non-profit 501(c) 3 tax-exempt organization formed to implement the UN Financing for Development (FfD) objective of mobilizing the private sector for development, economic growth, job creation, and poverty reduction. GlobalDF is aimed at identifying, developing, and implementing effective interventions that erode barriers impeding access to private finance and private sector development on both systematic and project levels as detailed below.

The GlobalDF Team has extensive transactional experience in developing and financing projects worldwide, closing finance for over US\$10 billion of projects. GlobalDF is comprised of executives with in aggregate over 200 years of experience in development finance, project finance, subnational finance, risk mitigation, and credit risk management. Prior experience of senior GlobalDF staff comprise the following: Global Head of Project Finance, Bank of America; former Director of Country Assessment, Chase Manhattan Bank; Senior Investment Banker, Lehman Brothers Public Finance; Chair of Rating Committee at Moody’s; Chief Underwriter, MIGA; Vice-President for Political Risk Insurance at American International Group (AIG); and Senior Advisors to project sponsors (e.g., AES, Duke, IPS, small renewable projects, etc) and Development Finance institutions

(e.g., African and Latin American governments, World Bank, African Development Bank, the Central American Bank for Economic Integration, IFC, EIB, EBRD, JBIC, Latin American Development Bank CAF, USTDA, and the UN Capital Development Fund). GlobalDF funders include the UN Financing for Development Office, Rockefeller Foundation, African Development Bank, UN Capital Development Fund, Swiss government, Norwegian government, and Ford Foundation. More information on services is provided below: (1) Systemic challenges and solutions in mobilizing the private sector for development; and (2) Project-specific challenges and solutions in identifying, developing, and structuring viable projects for private sector investors.

Systemic Challenges: GlobalDF conducts innovative finance programs at the local level and assessments of the impediments blocking development finance and formulates ground-breaking solutions, including innovative finance and project development approaches and the development of new Global Public Goods needed to increase access to finance and widespread development results. The local programs include the development of operational programs that have effective and innovative management techniques, financial structures, training materials, and on-line enabling tools that increase the capacity of government officials, development agencies, and the private sector to collaborate in accessing private sector finance and improve business-enabling environments.

Related GlobalDF services include:

- Blended finance programs at the local level: Development and implementation of blended finance programs in countries and regions, such as the UN Capital Development Fund's Global Program Local Finance Initiative;⁷
- Financial Innovation: Development of new risk mitigation instruments, refined application of existing risk mitigation instruments, and fund advisory;⁸
- Capacity-Building of Stakeholders in the Public and Private Sectors: Training of government officials, project sponsors, bankers, and in-country technical service providers (consultants, lawyers, accountants, etc);
- Analytics and Research on Finance Impediments and Solutions, such as the study “*African Risk Mitigation Needs and Solutions*” sponsored by the Infrastructure Consortium for Africa and the African Development Bank and the World Economic Forum Report on enhancing the effectiveness of Development Finance Institutions in mobilizing the private sector;⁹

⁷ For information on the blended finance program that GlobalDF designed (2008 – 2012) and implemented in two countries Tanzania and Uganda (2011 – 2013), see <http://www.uncdf.org/en/lfi>. The GlobalDF Team has also provided advisory and implemented other blended finance programs and/or projects (e.g., advisory to Central American Bank for Economic Integration, energy project for Rwanda project, and over 100 finance transactions). Other recent assignments include: advisory support for the World Bank *City Creditworthiness Initiative* (with support from the Rockefeller Foundation); author of the policy framework for subnational finance launched at the Addis Ababa FfD International Conference by the French government and FMDV (*Creating the Local Financing Framework for the SDGs: The Potential Catalytic Role of Subnational Pooled Finance Mechanisms*); the design and implementation of the UN Capital Development Fund's *Local Finance Initiative*;

⁸ GlobalDF and its team members have pioneered innovative risk mitigation instruments, legal structures and contracts, and other approaches to mitigate foreign currency risk, performance risk, demand risk, off take risk, and crowd-in institutional investors.

⁹ For the Africa risk mitigation study conducted in partnership with IOS Partners, see http://www.icafrica.org/fileadmin/documents/Knowledge/ICA_publications/IRMA%20FINAL%20REPORT-AfDB%20Official%20v2.pdf. The World Economic Forum study (2004 – 2006) was sponsored by US State Department and the Swiss government: “*Building on the Monterrey Consensus: The Untapped Potential for Development Institutions to Catalyze Private Investment*,” and directed by Dr. Barbara Samuels (GlobalDF Executive Director), Davos: January 28, 2006. The study included input from over 500 experts; workshops in São Paulo, Hong Kong, and New York; presentations at World Bank 2006 Spring Meetings & National Press Club; and

- Development of Performance Benchmarks for Private Sector Mobilization: Refining ways to measure the effectiveness of debt and credit enhancements provided by the public sector in "crowding in" private sector capital (based on the initial template developed with Reuters Project Finance International, "International Development Finance Institution Project League Tables");
- Provision of Scalable On-Line Tools to Empower and Anchor Needed Processes: Scalable communication platforms for interested governments to increase their capacity to identify investment impediments and possible solutions, improving their business-enabling environments ("*Government-Investor Networks*"); an open portal and network for infrastructure practitioners to facilitate use of risk mitigation instruments and techniques (www.infradev.org); and a global portal on investment-enabling resources (see www.globalclearinghouse.org).

Project Level Challenges: GlobalDF is focused on addressing a critical impediment in economic development -- the lack of bankable projects. To access private sector finance, public and private sector project sponsors need to have credible business plans, credible expert assessments on project feasibility, resilient project structures, risk mitigation, and financial models that validate the business viability over the longer-term. Proven technical approaches in project finance, structuring, and risk mitigation, using existing public sector support programs, can be used to increase the number of bankable projects in developing countries.

Related GlobalDF services include:

- Project Structuring, Risk Mitigation, and Credit Enhancement: Mitigating risks through ensuring the proper legal, operational, and management structure;
- Management of Technical Feasibility Studies required to ensure sustainable projects and access to finance;
- Contract Negotiations with investors, providers of equipment and services, etc;
- Identification of Project Risks and Sources of Public Sector Support: To be bankable, project risks need to be identified with strategies for risk reduction for ensuring project viability and long-term sustainability (e.g., public support includes providers of project preparation support, credit enhancements, guarantees, interest subsidies, etc);
- Identification of Private Sector Sources of Finance (e.g., banks, pension funds, social impact investors, other investors); and
- Technical Support for Financial Close (e.g., preparation of financial models, project information memorandums, documentation, and management of negotiation process.