

CIG INITIATIVE ON CLOSING THE INVESTMENT GAP

in Sustainable Infrastructure

WHAT'S AT STAKE?

Globally, over USD 6.9 trillion in annual financing is needed to deliver the Paris Agreement commitments and the Sustainable Development Goals (SDGs). We know that all actors—countries, cities, companies, civil society and more—need to raise their level of ambition and act aggressively to meet these goals. Yet, climate-smart, sustainable infrastructure projects in developing countries—a key piece of the puzzle—rarely attract the necessary large-scale, long-term financing from the private sector that makes up USD 100+ trillion in global savings and investment pools. Without these funding opportunities, developing countries depend on constrained public sector funding; the loans, guarantees and other credit enhancements offered by multilateral development banks (MDBs), bilateral aid agencies, and other sources.

WHAT WE DO

Bottom line, CIG builds the capacities of developing countries and supports their efforts to attract large-scale financing on the best practicable terms from the global savings and investment pools, while minimizing their dependence on public sector funding.

By working directly with developing country governments and investment teams, we can identify key sustainable infrastructure projects and programs that are capital-efficient and fundable. CIG helps these projects evolve to meet the criteria for equity investment, or refinancing that are applied to the high-grade, liquid, fixed-income allocation of investor portfolios by helping countries identify necessary adaptations to their legal and regulatory frameworks, and build local capacity in project economics and financial structuring.



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WHY CIG IS DIFFERENT

CIG is a capacity-building and match-making initiative. It does not carry infrastructure transactions on its own balance sheet and, therefore, has the independence and credibility to bring together a diverse set of stakeholders—developing countries, private investors, rating agencies, lawyers, and MDBs—to frame flagship projects and programs that catalyze investment. Through direct engagement, developing country teams present their projects for critical review, in terms of bankability, to financial sector experts. Together, they identify optimal sources of project finance, explore policy reforms and the regulatory structures needed to attract private finance, pinpoint barriers to private sector investment, and identify specific steps to overcome them. CIG works with country teams to integrate the feedback and take the joint efforts to investment stage.

CIG IN 2020 AND BEYOND...

CIG will build upon the experience gained in its two-year pilot phase to provide technical assistance and facilitate collaboration in more countries and on additional projects, including:

- Expanding CIG so more developing country can structure sustainable infrastructure projects to assess the lowest-cost capital in the global savings and investments pools.
- Integrating gender equality and opportunities for women and girls.
- Replicating successful project structures within countries, and aggregating similar sustainable infrastructure projects across countries to create investment-grade financial instruments.
- Creating credit-enhanced revolving fund structures that enable sustainable investments in the Small Island Developing States (SIDS) and other small developing countries.

PARTNER COUNTRIES

BANGLADESH
CHILE
COLOMBIA
EGYPT
ETHIOPIA
FIJI
JAMAICA
KENYA
VIETNAM

