



The Global Infrastructure Facility

One step beyond

Modernization of municipal street lighting in Brazil using energy efficient technology, will bring improved security, reduced service interruption, and availability of public spaces for use at night. The raising of a dam will increase storage capacity, strengthen climate resilience and address water security challenges for a city in Malawi. A new underwater cable links the Tunisian and Italian power grids, opening new commercial possibilities, including future exports of solar power to Europe. An expanded river port in Ukraine stimulates exports of agricultural products. These are some of the expected results enabled by the Global Infrastructure Facility, better known as the GIF.

Our Mission

PARTNERING
FOR GREATER
INVESTMENT

COLLABORATING
FOR MORE
IMPACT

LEVERAGING
PRIVATE
FINANCE

Now operational for more than two years, the GIF is unlocking billions of dollars for infrastructure development in emerging economies and developing countries. The GIF is accelerating its support for the design and preparation of projects, as it is moving from individual projects to programs wherever possible. Its work directly supports the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity by leveraging private capital for infrastructure.

The GIF Vision

Infrastructure is one of the pillars for stimulating economic development, reducing poverty, and improving the quality of life. Access to water and sanitation, power, transport and communications enables people to live productive day-to-day lives; businesses of all sizes and sectors rely on infrastructure for production and trade. Challenges of the 21st century—such as climate change, population growth, and urbanization—are driving demand even higher.

But building infrastructure is a complex, risky, and costly process, and few governments have all resources necessary to build, operate, and maintain it. That is why strategic partnerships—with the private sector and multilateral development banks—make sense. Together, they have the knowledge, expertise, and resources to create infrastructure and related services where they are most needed.

In support of this goal, the GIF was established in March 2015 to enable collective action among a wide range of partners. The idea was simple but powerful: the GIF would serve as a global platform where governments, international financial institutions, and private sector investors could integrate their efforts to develop complex infrastructure projects.

A Growing Portfolio

The need for the GIF's support is reflected in its rapid portfolio growth. After the first year of operations, the portfolio consisted of four projects supporting early-stage project scoping. Approved funding was under \$1 million. Within six months, the number of projects had tripled to 12, with over \$4 million in approved funding. The range of the GIF's support also expanded to include full project preparation and support.

By September 2017, the number of approved projects stood at 32, with over \$17 million in approved funding. GIF support shifted more heavily towards project preparation and support, which now accounts for two-thirds of the total and more than half of approved funding. And demand continues to rise. Today, there are 44 leads under development that could more than double the number of approved projects by September 2018.

This effort is already paying off—\$17 million in GIF-approved funding is expected to mobilize more than \$10 billion in private sector investment. Nearly half of this is in the transportation sector. Nearly 40 percent of projects are in East Asia & the Pacific region, followed by the Middle East & North Africa at 20 percent. Approved projects include potable water sector reform in Mauritius, development of a liquid natural gas terminal in Myanmar, a hydropower plant in the Solomon Islands, and a power transmission line in Panama.

The Power of Partnerships

The GIF operates through a collaborative approach among donors, multilateral development banks, private sector firms, and beneficiary governments. The GIF's management team, housed within the World Bank Group, is well-placed to serve drive this effort.

- ◆ Funding partners provide the resources necessary for the GIF to operate. These currently consist of the World Bank Group and donor governments: Australia, Canada, China, Japan and Singapore.
- ◆ Technical partners consist of major multilateral development banks with experience in infrastructure investment in developing economies. The number of Technical Partners continues to grow and in the next year is expected to total ten of the leading multilateral development banks.
- ◆ Advisory partners include institutional investors, commercial banks, development finance institutions, and associations. These 46 partners provide the voice of the private sector, ensuring that GIF projects are well-designed and appealing to investors. Collectively, Advisory Partners represent more than \$13 trillion in assets.
- ◆ Beneficiary partners represent governments of countries where GIF projects are implemented. Three beneficiary partners serve one-year terms on a rotational basis. Currently, these are India, Jordan and the Philippines.

The GIF's unique partnership structure provides it with a rich base of expertise, enabling it to apply global best practices in its work.

Looking Ahead

The GIF continuously adapts its products to better serve the needs of its clients. It is now preparing to conduct an independent, mid-term evaluation that will provide valuable information for further program improvements.

Several new initiatives will be rolled out in the near future, including:

- ◆ The Downstream Financing Window, which provides credit enhancement instruments to fill gaps in the existing suite of available risk mitigation tools
- ◆ A new tool, the Project Readiness Assessment, developed to accelerate the project preparation process
- ◆ An initiative to encourage the sale of existing brownfield infrastructure assets, which can be used to finance new infrastructure projects in emerging markets and developing economies, where appropriate

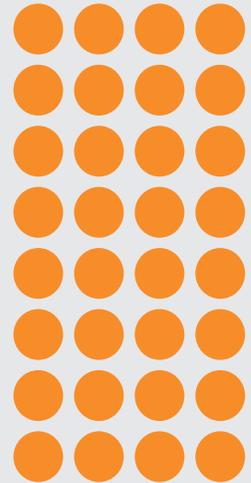
The GIF has seen an upsurge in demand for its services, as measured by the number of inquiries and applications received. Its emphasis on project quality will help address barriers to infrastructure investment and increase interest from the private sector. As multilateral development banks begin to focus more and more on maximizing finance for development, the GIF serves as a change agent that brings critical funding and technical support to catalyze this transition.

GIF funding can be used to complement ongoing activities, fill capacity gaps, and mitigate failure risk. It adds tremendous value to the infrastructure development process. For more information go to: www.globalinfrastructure.org.

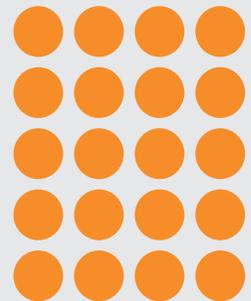
Growing Demand

(# of approved projects)

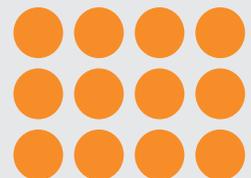
September 2017



March 2017



September 2016



March 2016





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Infrastructure
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One sign of the GIF's success is the growing list of satisfied client governments who have sought multiple engagements. In Jordan, for example, the GIF's work led to the first PPP for a key border crossing with the West Bank—a complex, high-risk project with multiple interfaces with state agencies in two countries. The International Finance Corporation—the technical partner—is utilizing the GIF team's expertise in border crossing design and operations to address these risks. GIF funding was vital for preparing this project in this fragile area. Other trade and logistics trust fund resources were unable to provide this type of transaction advisory support. GIF funding of \$1.65 million is expected to leverage \$50 million in investment. The GIF is also supporting a project in collaboration with the European Bank for Reconstruction and Development—the technical partner—to design a PPP project for Marka airport, Amman's oldest, which is currently servicing only charter and general aviation needs. With GIF's funding, this project will bring competition to the air traffic market and allow growth of low-cost carriers in Jordan.

