

GIF ADVISORY COUNCIL MEETING

POST-EVENT SUMMARY

MAY 10-11, 2021

Investing in a Resilient Future



The GIF is supported by the Governments of Australia, Canada, People's Republic of China, Denmark, Germany, Japan, Singapore, and the World Bank.

MEETING SUMMARY

On May 10-11, 2021, the Global Infrastructure Facility (GIF) virtually held its eleventh Advisory Council (AC) Meeting, with more than 130 participants in attendance, including private sector financiers and investors from the GIF's Advisory Partner network, representatives of multilateral development banks (MDBs), donor governments, and other observers. The meeting, "Investing in a Resilient Future", was Co-Chaired by **Mari Pangestu**, Managing Director of Development Policy & Partnerships, World Bank, and **Jérôme Jean Haegeli**, Group Chief Economist, Managing Director, Swiss Re Institute. **Imad Fakhoury**, GIF Governing Council Co-Chair and Global Director of Infrastructure Finance, PPPs & Guarantees, World Bank provided closing remarks on May 11 with **Jason Lu**, Head of the GIF.

The AC meeting provided insights and fresh discussions around the important themes of innovation and sustainability as key drivers to building more resilient infrastructure that is able to withstand future shocks—especially in the aftermath of the COVID-19 pandemic and in the face of an intensifying climate crisis. Six plenary sessions over two days featured public and private sector who shared their experience and views on topics that included: through scaling investment in **Nature-based Solutions (NbS)**; recent **Infratech** innovations that optimize infrastructure design and delivery to promote resilience; MDB **Technical Partner Transaction** highlights; initiatives and platforms seeking to **Mobilize Private Finance** towards sustainable, resilient infrastructure solutions; **COP26**, and the **FAST-Infra** initiative that seeks to establish a Sustainable Infrastructure Label and create a new infrastructure asset class.

[Day 1 – May 10](#)

Opening Remarks & GIF Updates

Speakers

- **Jason Lu**, Head, Global Infrastructure Facility
- **Mari Pangestu**, Managing Director for Development Policy & Partnerships, World Bank
- **Jérôme Jean Haegeli**, Group Chief Economist, Managing Director, Swiss Re Institute

Jason Lu, Head of the Global Infrastructure Facility opened the meeting by welcoming all Advisory Council Partners as well as the new World Bank GIF Advisory Council Co-Chair, **Mari Pangestu** and GIF Advisory Council Co-Chair, **Jérôme Jean Haegeli**. He also thanked **Jérôme Jean Haegeli** for his important leadership throughout his two-year term that reaches completion on June 30, and announced the incoming GIF Advisory Council Co-Chair, **Daniel Zelikow**, Global Co-head, Infrastructure Finance & Advisory, and Global Head, Public Sector, J.P. Morgan, who assumes his position on July 1, 2021.

In her keynote remarks, **Mari Pangestu, Managing Director for Development Policy & Partnerships at the World Bank**, expressed her appreciation of the new role as GIF AC Co-Chair and underscored the importance of working with partners to promote coordinated solutions and more investment in a low-carbon, resilient, and inclusive future. She noted the urgency for acting now as we facing both COVID-19 and climate change—which, collectively, are pushing the poor deeper into poverty—about 150 million people are expected to be fall into poverty by the end of 2021, and 130 million more into extreme poverty by 2030.

Furthermore, she recognized the interdependence between people, climate, and economics. and how business as usual activities would not provide the sustainable economic recovery needed. She referred to the World Bank's **Green, Resilient, Inclusive Development (GRID) approach**, that coordinates targeted

financial and technical support to governments and the private sector capable of addressing pre-pandemic structural weaknesses through resiliency, sustainability, and inclusiveness. The World Bank is committed to achieving 35 percent of its portfolio to climate finance and at least 75 percent for adaptation, with financial flows aligned with the 2030 Paris Agreement.

In closing, she commended the GIF's role in building a pipeline of sustainable, climate-smart projects and promoting infrastructure as an asset class, as well as its contribution to the World Bank's Private Capital Mobilization target (17 percent or US\$ 1.9 billion), advancement of the G20 QII Principles, and support of the Global Investors for Sustainable Development (GISD) initiative.

Jérôme Jean Haegeli, Group Chief Economist, Managing Director, Swiss Re Institute and Co-Chair of the GIF's Advisory Council, congratulated Mari Pangestu on her Co-Chair role and thanked the Advisory Council for its dedication and achievements during his term as Co-Chair. He noted that global economic recovery will require a longer-term outlook that creates opportunities to attract private finance to quality infrastructure investment, capable of addressing climate change and post-Covid-19. With this in mind, he recognized the GIF's collaboration platform as being crucial to facilitating more climate-smart investments and providing support through its Covid-19 Response Facility. He also remarked on the GIF's accomplishments over the past five years such as its strong portfolio of 104 projects and programs in 52 countries, 74 percent of which are considered climate-smart, illustrating the GIF's great potential for mobilizing private capital.

Looking forward, he also referred to "differing shades of green" with respect to the varying speeds and capacities of countries to move toward economic recovery and climate resilience and suggested that savings from debt initiatives might be used by low-income countries toward their climate resilience. He also commended the Finance to Accelerate the Sustainable Transition-Infrastructure initiative to establish standards in sustainable infrastructure investment and encouraged the MDBs and G20 to work together to address economic and climate related challenges with platforms like the GIF.

Jason Lu rounded out the opening session with GIF updates on its portfolio and the partnerships, knowledge, and communications agenda. As of April 2021, GIF's portfolio included 104 activities in 52 countries, with expectations to mobilize US\$72 billion in financing, with half coming from the private sector. So far within FY21, 10 GIF-supported projects successfully closed, totaling US\$1.9 billion in private capital. Seventy-four percent of GIF's portfolio is currently climate smart and this will increase as GIF expands its operations toward more low-carbon, climate-resilient solutions in FY22. Moving forward, GIF anticipates stronger engagements and outreach with its Advisory Partners on market soundings and MDB Technical Partners on specific project transactions.

Exemplary transactions included: **Ethiopia Telecom Privatization Project**, where the GIF, in collaboration with the World Bank and IFC, helped to liberalize one of the World's last remaining telecom monopolies, recently resulting in one new private telecommunications license awarded to the Global Partnership for Ethiopia/Vodacom Consortium for US\$850million. Similarly, **Brazil Street Lighting Program** commercially closed five of its projects that are all fully climate-smart and should reduce streetlighting expenses by 40 percent, improve public safety measures, particularly for women, and endow CAIXA with the capacity to develop similar transactions in the future.

On Partnerships, Knowledge and Communications, a refreshed [website](#), [new video](#) and [LinkedIn page](#), were highlighted. GIF also has produced close to 50 knowledge products, including a [joint report](#) with Swiss Re on mobilizing institutional investment into infrastructure in emerging markets and most recently, a [joint report](#) in collaboration with the Climate Finance Leadership Initiative (CFLI) and Association of European Development Finance Institutions, on unlocking private finance in emerging markets. The GIF is also active in sustainable infrastructure initiatives in the run-up to COP26 such as [FAST-Infra](#).

Session One | Building a Resilient Future: Nature-Based Solutions

Speakers

- **Raj Kumar**, Founding President and Editor-in-Chief, Devex (Moderator)
- **Martijn Wilder**, Founding Partner, Pollination
- **Alexandra Basirov**, Global Head of Sustainable Finance, BNP Paribas
- **Patrick Scheurle**, Managing Partner for the Sub-national Climate Fund, Pegasus Capital Advisors
- **Mariana Silva**, Infrastructure and Sustainable Finance Specialist, IDB
- **Gerard Bos**, Director, Global Business and Biodiversity Programme, IUCN

Key Takeaways

- The pool of green finance private sector funds for environmental climate-related investment has never been larger.
- Nature-based Solutions (NbS) are actions and services that nature provides, able to protect, sustainably manage, and restore ecosystems.
- NbS are typically small-scale projects that lack homogeneity, CAPEX, and expected returns.
- Blended finance instruments in low market rate environments with risk covering are best for NbS.

Summary

Raj Kumar, Founding President and Editor-in-Chief, Devex, opened the session and noted that nature itself has ways to help solve the sustainable infrastructure challenges we face today. A number of regional initiatives, financing innovations and broad-based coalitions, including the MDBs, are now looking at innovative ways to scale Nature-based Solutions (NbS) through instruments and environments able to attract investment.

On a regional level, **Mariana Silva, Infrastructure and Sustainable Finance Specialist, IDB** explained that Latin America and other EMDEs are well-endowed with natural habitats well-suited to NbS, however, as of yet, NbS has not been widely deployed in infrastructure projects nor has the private sector been fully engaged. The Inter-American Development Bank and United Nations Environment Programme are collaborating on a global market assessment, that complements a [2019 discussion](#) paper, to look at 50 private equity, institutional investors, and asset managers to better understand what the enablers and barriers to private sector uptake are, and determine what is required to leverage the services nature can provide. Mexico, for example, utilizes land-based financing. Here, a mass infrastructure project using NbS raised US\$9 million due to appreciating property values and related taxes. Similarly, a US\$3.8 million insurance policy in collaboration with Swiss Re provides parametric coverage for natural assets for Mexico's MesoAmerican reef.

Martijn Wilder, Founding Partner, Pollination and [HSBC Pollination Climate Asset Management](#), has created a series of natural capital funds. By investing in a diverse range of activities that preserve, protect and enhance nature over the long-term and addresses climate change, these funds seek to make investing in a nature an investible proposition. Regenerative farming for example allows for the selling of soil carbon credits, thus creating a healthier underlying business and an increased rate of return. However, Biodiversity is still a relatively immature asset class even though in some places such as Australia, legislation does fund biodiversity. To date, carbon credits have been the only real currency for financing nature.

As described by **Gerard Bos, Director, Global Business and Biodiversity Programme, IUCN**, innovative financing vehicles and collaboration platforms are showing great potential for accelerating the uptake of NbS, Broad-based coalitions and platforms such as [The Sub-national Climate Fund \(SCF\)](#) seek to

accelerate global investments for local climate action in emerging markets ,through all aspects of the value chain. Additionally, the [Nature+ Accelerator Fund](#) offers investment opportunities for small scale and immature projects through investments able to balance measurable, science-based conservation benefits and positive social impacts with financial returns.

Patrick Scheurle, Managing Partner for the Sub-national Climate Fund, Pegasus Capital Advisors, delved further into the SCF and described it as a US\$5-75 million blended finance initiative that invests in mid-sized NbS infrastructure projects—a space historically untapped. Emerging markets need capital the most and also will have the largest impact on climate mitigation and adaptation. SCF also invests in more traditional renewable energy projects and is able to de-risk them.

Alexandra Basirov, Global Head of Sustainable Finance, BNP Paribas expanded the discussion on SCF by highlighting the value of working collectively, across disciplines and various levels of expertise. SCF brings five partners together, including IUCN, NGOs, private equity, and the broader finance community and together they are able to identify the right projects and communicate their value proposition to private interests.

Overall, session panelists acknowledged that public and private actors are committed to investing in NbS, however, the tools and products able to attract capital flows to NbS are still lacking. Recommendations included a pipeline of high-quality NbS projects; “nature” being considered a large-scale infrastructure solution rather than as small capitalization assets; and commercial bank expertise in NbS would help promote NbS at scale, thus having a better understanding of return potential would incorporate NbS in investment decisions.

Session Two | Designing a Resilient Future: Innovations in Infrastructure Development

Speakers

- **Vivien Foster**, Chief Economist of the Infrastructure Vice-Presidency, World Bank (moderator)
- **Peter Mockel**, Principal Industry Specialist, IFC
- **Stephan Feilhauer**, Senior Vice President, Macquarie Capital
- **Matthew Jordan-Tank**, Director, Sustainable Infrastructure Policy & Project Preparation, EBRD
- **Fernando Faria**, Global Deputy Head of KPMG Impact and Partner, Infrastructure Advisory, KPMG

Key Takeaways

- Cross-cutting approaches that breakdown silos and favor comprehensive government delivery are essential to supporting Infratech in the public and private sectors.
- Capacity building for government officials reduces information asymmetries between the private and public sectors.
- Digital infrastructure and data are the basis for leveraging infrastructure solutions.
- Pilots are crucial and especially useful for governments with limited financing.
- A combination of GIF’s project preparation financing and knowledge transfer is needed by EMDEs.

Summary

Vivien Foster, Chief Economist of the Infrastructure Vice-Presidency, World Bank, moderated the session that focused on technological innovation and how it is reshaping infrastructure and its technical and regulatory challenges across the globe. COVID-19 underscored the importance of innovation as a key driver

in building more resilient infrastructure that can withstand future shocks. Infratech is capable of breaking down barriers in infrastructure delivery, to efficiency gains across the infrastructure lifecycle, and service delivery.

Fernando Faria, Global Deputy Head of KPMG Impact and Partner, Infrastructure Advisory, took the public view in the discussions and noted that many emerging market governments face infrastructure delivery challenges and the inability to catalyze the necessary US\$6 trillion in infrastructure investment by 2040. A 2021 KPMG [report](#) surveyed 80 Senior Officers in 15 Latin America countries (LAC) to identify the key challenges and opportunities for expanding infrastructure in LAC markets. The report found Infratech among the three main challenges to infrastructure delivery due to a lack of public sector capacity that can lead to public and private asymmetries and uncoordinated, siloed sectoral ministries that affect outcomes. On the positive side, Infratech deployment in emerging markets has the potential to “leapfrog” the developed markets with “legacy issues”.

The MDB perspective was presented by **Matthew Jordan-Tank, Director, Sustainable Infrastructure Policy & Project Preparation, EBRD**, who acknowledged that MDBs are well positioned to help governments move the needle on Infratech. MDB can help governments understand Infratech’s value proposition to, for example, maximize value for users and support regulatory environments for digitalization, The current EBRD [Strategy](#), recognizes Infratech as having the potential to improve infrastructure’s operational reliability, quality of service, and CAPEX by through preventive maintenance.

On the investor side, **Stephan Feilhauer, Senior Vice President, Macquarie Capital**, explained that private investment in Infratech is imperative for bridging the infrastructure financing gap and cultivating innovations that will improve efficiencies and expand markets. Investors like Macquarie have been investing in innovative companies in the Infratech space for some time and have shown interest in mobility fleets and electrification, energy storage, industry cyber technology, among other cross-cutting themes, by making principal investments that help take the companies to the next stage of growth. These companies are usually graduated from binary science and the pilot stage and have a blue-chip customer bases that can be connected to other likeminded companies within the Macquarie network.

Peter Mockel, Principal Industry Specialist, IFC, shared his expertise in the area of battery storage by noting its rapid maturation and transformation into a new infrastructure asset class. Battery Storage has the potential to support uninterrupted production of firm renewable energy by the end of the decade and some storage solutions such as island systems are already competitive. For emerging markets entry into Infratech, first steps should include ensuring that the right regulations are in place in order to have a stable environments able to attract financing and value assets.

Midway through the session, the panel delved deeper into thematic topics such as building on to existing technologies or integrating them to “leapfrog”; cities as laboratories of innovations due to a small but focused geographical scale; and how investments are occurring even in uninviting environments, when existing technological assets are harnessed to develop new service delivering modes. Overall, the session’s emergent themes included a need to build capacity and structure innovative solutions to accelerate the benefits Infratech can bring to the project lifecycle. In this way, the GIF’s role in funding of pre-transaction and early project assessments illustrate good practices for pushing the transfer of private sector know-how to the public sector. Of particular importance is the GIF’s role in de-risking technologies that are not quite commercially viable but could be if supported by viability gap funding that would potentially spur the development of the wider industry.

Session Three | Project Highlights: Sustainable Infrastructure Transactions

Speakers

- **Michael Kane**, Senior Infrastructure Specialist, GIF (moderator)
- **Gilda Fridegotto**, Investment Officer, IFC and **Dr. Jose Rafael Marfori**, Special Assistant to the Director of the University of Philippines – Philippine General Hospital (UP-PGH)
- **Gadi Taj Ndahumba**, Head of Power Sector at the African Legal Support Facility (ALSF) - African Development Bank Group – Eswatini Renewable Energy IPP Procurement Program
- **Mukta Malhotra**, Public-Private Partnership Specialist, ADB - Namangan Wastewater Treatment Plan PPP Program
- **Peter Johansen**, Senior Energy Specialist, World Bank - Geothermal Resource Risk Mitigation

Summary

This session, moderated by **Michael Kane, Senior Infrastructure Specialist, GIF**, highlighted transactions implemented by GIF Technical Partners that are sustainable and may be supported by GIF's COVID-19 Response Facility, and are in an advanced stage of implementation.

Gilda Fridegotto, Investment Officer, IFC, showcased the **Philippines General Hospital (PGH)**. She spoke on the IFC's role as Lead Transaction Advisor for the 200 to 300 bed, dedicated cancer center at the National University Hospital of the Philippines (UP-PGH), designed as a 30-year Build Transfer Operate (BTO) Mixed Public Private Partnership (PPP) facility. The UP-PGH Cancer Center PPP Project will be the Metro Manila Area's first dedicated cancer center.

GIF is supporting UP-PGH with the preparation and structuring of the PPP through the GIF COVID-19 Response Facility. Due to COVID-19, the project has been challenged with maintaining its sustainability in response to evolving market dynamics, which lead to constraints in fiscal capacity, liquidity, credit guarantees, equity investing, and demand readjustments. UP-PGH has also been designated as a COVID-19 referral center, fully focused on the COVID-19 emergency in 2019 and 2020.

Gadi Taj Ndahumba, Head of Power Sector, African Legal Support Facility (ALSF), AfBD, described the **Eswatini Renewable Energy (RE) Independent Power Producer (IPP) Program** as the first competitive tender process designed to facilitate private sector investment in grid-connected RE generation in the country. To support the government, the advisory team identified the necessary components for making the transaction sustainable and bankable by initially developing the energy sector's least-cost generation masterplan, conducting grid analysis, undertaking stakeholder consultations with the private sector, and securing cabinet level approval for RE capacity to be procured as IPPs.

Subsequently a toolkit was developed with all relevant IPP project procurement documentation, adapted from international best practice, and capacity building trainings for government officials followed. An internationally experienced transaction advisory team was assembled to support the government with structuring and procurement/tendering process that provided certainty to the private sector. Support from the GIF COVID-19 Response Facility was crucial to overcoming the related delays to the procurement process and to reaching commercial close.

Mukta Malhotra, Public-Private Partnership Specialist, ADB, presented on the **Namangan Wastewater Treatment Plan PPP Program**. At the request of the Government of Uzbekistan, ADB provided advisory services that transferred part of the water supply and sewerage systems management to private operators. ADB helped identify PPP opportunities across different cities in Uzbekistan, building capacity and acting as the project's transaction advisor. ADB also assisted with structuring the project and developing and

implementing the tender process to procure the project. A main takeaway was the importance of upstream engagement that allowed ADB to help with project preparation details and facilitate financing. ADB supported policy advice, analyzed a credit guarantee and equity investments, arranged initial conversations with the private initiator, helped with closing the project structure, and determined the commercial conditions for the project. These proved critical for making the transaction sustainable over time.

Peter Johansen, Senior Energy Specialist, World Bank, showcased the **Geothermal Resource Risk Mitigation (GREM) Project**, approved by the World Bank in 2019 to support the establishment of the GREM Facility, which seeks to provide financing to both private and public sector geothermal developers to mitigate early-stage drilling and confirm the level of resource risks. PT Sara Multi Infrastruktur (Persero) (PT SMI), a financial institution of the Ministry of Finance of Indonesia, houses and operates GREM. GREM's risk-sharing mechanism was made possible by capitalizing the Facility with public funds, the World Bank, and concessional funds from the Green Climate Fund and Clean Technology Fund. GREM leverages these public and concessional funds to raise additional private financing from developers in a cost-effective manner. GIF provides advisory support to PT SMI to help operationalize the Facility, as well as transaction advisory services to structure financing packages under the private sector window and mobilize private partners for PT Perusahaan Listrik Negara (PT PLN), the national utility. In its first phase, the GREM facility is expected to support an estimated power generation capacity of 1–1.5 GW from geothermal resources, with more than US\$4 billion of private capital mobilized.

Day 1 Wrap-up

Following the day's rich discussions, **Jason Lu, Head of the Global Infrastructure Facility**, provided the end-of-day remarks. He suggested that the meaning of "resilience" is evolving and it not only happens at the asset-level, but also at the wider systems level, where innovative financing solutions, as highlighted by IDB, are helping to optimize infrastructure and consider wider community and biodiversity impacts. Infratech enabled solutions are also critical components to designing and structuring sustainable infrastructure to improve efficiencies and meet future needs, he noted. He thanked the GIF's MDB Technical Partners who are implementing projects that serve as prime examples of how resilience considerations are integrated into projects on the ground.

Day 2 – May 11

Session One | The Road to COP26: Introduction to the Global Private Capital Mobilization Platform

Jason Lu, Head, Global Infrastructure Facility, opened the second day by presenting on the GIF's efforts to scale its operations in recognition of COP26 and the estimated annual US\$3.5 trillion infrastructure investment gap in emerging markets. GIF is developing an end-to-end, integrated platform, aimed at unlocking private investment for low-carbon, climate resilient infrastructure. This strategic initiative stems from GIF's engagement with the **Global Investors for Sustainable Development (GISD)** alliance, launched by the UN in 2019, that includes banks and CEOs, some of whom are GIF's Advisory Partners.

As GISD seeks to accelerate long-term financing for sustainable infrastructure solutions, the end-to-end solution will be anchored in GIF's business model and entail the scaling of GIF's existing Upstream Advisory Window as well as resources to develop two downstream financing windows, including a project-level credit

enhancement facility and a portfolio-level blended finance facility, to mobilize institutional investors through a fund. New opportunities to leverage existing partnerships and the existing track record to scale-up private finance for climate action will arise through the launch of the **Private Capital Mobilization Platform (PCMP)**. The PCMP, powered by an expanded GIF and its partnership network, will provide new resources and space for accelerating PCM initiatives for sustainable infrastructure and climate finance, both upstream and downstream, through a **Global Mobilization Platform and Country Mobilization Platform**. The **Global Mobilization Platform** will offer a permanent space for connecting, incubating, piloting, and scaling innovative private sector initiatives, such as FAST-Infra, focused on transitioning towards low-carbon, climate resilient infrastructure. The **Country Mobilization Platform** will bring together private sector, host government and MDB partners in-country to provide targeted support around a series of priority policy issues and sector-specific NDC financing priorities to help unlock private climate finance. The PCMP – comprised of the Global Mobilization Platform and Country Mobilization Platform – would leverage the GIF’s existing partnerships with government, MDBs, private sector, and global initiatives, as well as its in-house technical team, providing integrated solutions for private sector mobilization.

Session Two | Going Downstream: GISS and GIF’s New Blended Finance and Private Capital Mobilization Solutions

Speakers

- **Juan Echeverri**, Senior Infrastructure Finance Specialist, GIF (moderator)
- **Franziska Ehm**, Head of Strategy, Allianz Investment Management
- **Juan Carlos Reboulen**, Investment Management Officer – Infrastructure, IDB Invest

Key Takeaways

- Investor appetite in infrastructure is evolving. More partnerships are supporting blended finance.
- GIF’s work with GISS in the upstream and downstream could bring more bankable projects to market and accelerate resources that support de-risked infrastructure investment opportunities.

Summary

Juan Echeverri, Senior Infrastructure Finance Specialist, GIF, moderated the session and delved deeper into the downstream components of the proposed GIF / GISS **Global Private Capital Mobilization Platform** - Credit Enhancement Facility (Pillar 2) and Sustainable Infrastructure Investment Platform (Pillar 3).

Franziska Ehm, Head of Strategy, Allianz, suggested that the liquidity in the market is being directed towards a discrete set of projects and she stressed the importance of risk allocation and noted challenges such as competition for a reduced number of bankable transactions, the lack of scale, and the difficulty of working with local currencies. She also noted investing in emerging markets can help diversify portfolios, with blended finance being a useful mechanism despite the scarcity of concessional capital, and how private investors are increasingly tracking SDGs as part of their investment decision-making and finding local currency harder and more costly to hedge.

Juan Carlos Reboulen, Syndications Lead, IDB Invest, remarked on three main interconnected constraints to bringing private capital into structures based around risk allocation: country risk across LAC and its debt management, demand risk assessments for future demand on PPP projects, and technology risk that requires bankable projects. He suggested that MDB’s might provide risk mitigation across their products. and noted that traditionally, MDBs relied on products like A/B loan structures, but today other mechanisms are being explored such as green bonds. Furthermore, new tools such as blend finance and guarantees are needed as well as real credit enhancements to facilitate liquidity. With regard to the challenge of local currencies, he noted the IDB is testing a structure, where the IDB could provide local currency liquidity to

USD private capital participants, as transactions in local currencies are expected to become more commonplace.

Session Three | FAST-Infra – The Sustainable Infrastructure Label

Panelists

- **Towfiqua Hoque**, Senior Infrastructure Finance Specialist, GIF
- **Christian Déséglise**, Head of Sustainable Finance and Investments, HSBC
- **Michael Ridley**, Senior Responsible Investment Specialist, HSBC
- **Robin Grenfell**, Manager, Macquarie Green Investment Group
- **Hayden Morgan**, Founder and Director, Morgan Green Advisory Ltd.

Key Takeaways

- FAST-infra is a multi-stakeholder initiative that aims to transform sustainable infrastructure into a liquid asset class and scale and mobilize private financing in the sector.
- FAST-Infra is comprised of four initiatives: **Sustainable Infrastructure Label (SI Label)**, underpinned by ESG and adaptation and resilience standards; **Tech-enabled platform**, facilitates the flow of information and data throughout project phases of sustainable infrastructure financing; **Open-sourced Managed Co-Lending Portfolio Program (OMCPPP)**, allows participation by a range of emerging market national development banks (NDBs) and investors; **Liquidity or Revenue Guarantee Facility**, powers emerging market producers, protects projects against non-payment by utility clients.

Summary

Towfiqua Hoque, Senior Infrastructure Special, GIF, moderated the session that spotlighted the FAST-Infra SI Label Framework of the “[Finance to Accelerate the Sustainable Transition: Infrastructure](#)” (FAST-Infra) initiative, an effective tool to mobilize private capital for sustainable infrastructure investment.

Michael Ridley, Senior Responsible Investment Specialist, HSBC and **Christian Déséglise, Head of Sustainable Finance and Investments, HSBC**, discussed the genesis of FAST-Infra, which began with the OECD, IFC, CPI, HSBC, and GIF in 2020 under the auspices of French President Emmanuel Macron’s One Planet Lab. Fast-Infra expanded to include public and private sector stakeholders, including private investors and financiers, governments, DFIs, NGOs, standard-setters, and rating agencies to become a multi-stakeholder collaboration platform that leverages the networks of the ecosystem to help mobilize finance for infrastructure and promote infrastructure as a liquid asset class.

Robin Grenfell, Manager, Macquarie Green Investment Group, described the FAST-Infra SI Label Framework Document and associated sustainability criteria and how a series of virtual roundtables with private investors and financiers, MDBs, standard-setters, public sector entities, non-profits, and other subject-matter experts across the public and private sector had recently concluded. The SI Label Working Group – co-chaired by the GIF and Macquarie – is currently consolidating key takeaways and will soon present the updated documents for a formalized, [60-day public consultation period](#) through July 30, 2021. The SI Label seeks to: (i) provide coherency in the market regarding asset quality and sustainability throughout the asset lifecycle; (ii) encourage governments/sponsors to design infrastructure projects with an aim to obtaining SI Label accreditation to raise financing; and (iii) facilitate investment decisions across private providers of capital and blended financing by donors and DFIs.

Hayden Morgan, Founder and Director, Morgan Green Advisory Ltd., explained the technical details of the SI Label, noting it requires sustainability across four dimensions: Environment; Social; Governance; and Adaptation & Resilience. These dimensions are underpinned by 14 criteria, of which infrastructure assets will need to comply. The sustainability criteria build on existing frameworks, taxonomies, and standards in alignment with the SDGs and QII Principles. Transparent disclosure and impact reporting will be required, with self-declaration reviews. However, external assessments of verification/certification of the alignment with SI Label criteria will not be required but is encouraged. Envisioned is the SI Label's ability to provide a powerful market signal to both the public and private sector, promote standardization in the preparation of projects (reducing transaction costs), and enhance the long-term sustainability of infrastructure assets.

Closing Remarks

Speakers

- **Jason Lu**, Head, Global Infrastructure Facility
- **Imad Fakhoury**, Co-Chair, GIF Governing Council, Global Director of Infrastructure Finance, PPPs & Guarantees (IPG) Global Practice, Infrastructure, World Bank

Summary

Imad Fakhoury, Co-Chair, GIF Governing Council, Global Director of Infrastructure Finance, PPPs & Guarantees (IPG) Global Practice, Infrastructure, World Bank, acknowledged GIF's AC Meetings as a cornerstone of its partner engagement and a showcase for GIF initiatives and other important topics in the infrastructure finance ecosystem. He emphasized the World Bank Group's commitment to making infrastructure fundamentally more accessible to all people, as a great equalizer, allowing more workers to access jobs, more people to access education, and more firms to access markets and opportunities. He also noted GIF's critical role in expanding the infrastructure pipeline of sustainable, high quality project preparation, and its promotion of standards as part of infrastructure as an asset class approach, scaling the use of credit enhancement products, developing necessary aggregation gap forms, and enhancing the alignment and disclosure around ESG, integrating climate considerations into PPP projects and the infrastructure project cycle, in addition to the QII principles. Furthermore, he note the demand for the GIF's work and it need to be scaled, , given that the need for resilient, sustainable, and quality infrastructure has never been greater.

After Imad's remarks, **Jason Lu** introduced **Daniel Zelikow, Vice Chair, Public Sector, Global Co-Head of Infrastructure Finance and Advisory, and Chair of the Governing Board of J. P. Morgan Development Finance Institution**, as the GIF's incoming Advisory Council Co-Chair.

For more information, please contact: managementunit@globalinfrafacility.org

Visit the GIF website at <https://www.globalinfrafacility.org/> and follow us on [LinkedIn](#).