

An Open Letter to the Global Infrastructure Finance Community

1 November 2021

We are a group of private sector financiers, investors, and representatives of non-governmental organizations involved in infrastructure finance. We recognize that quality infrastructure is key to delivering economic recovery, inclusive growth, and climate action in line with the Sustainable Development Goals and Paris Agreement commitments, and we are committed to the critical role the private sector plays in this agenda.

We can only support these goals at scale through bankable infrastructure projects in emerging markets and developing economies (EMDEs). However, these projects are limited – especially in the field of climate finance. Simply put, what is holding back the delivery of climate-friendly and sustainable infrastructure is not a lack of capital, but a lack of well-prepared projects.

An increase in public finance can play a critical role in addressing the need for project development and preparation necessary to address the shortage of bankable sustainable infrastructure projects in EMDEs. In particular, we believe that the Global Infrastructure Facility (GIF) has a proven business model for addressing this bottleneck and has played a critical role in mobilizing the private sector to-date. We believe it is the ideal focal point into which additional funds should be channeled.

Structuring bankable infrastructure projects is a complex, multi-year process that requires dedicated support and close collaboration with multiple stakeholders. Created in 2014 as a G20 initiative to increase private sector investment in sustainable infrastructure in EMDEs, the GIF provides funding and technical support for comprehensive feasibility, appraisal, design, structuring, and transaction support. These activities are critical to bringing well-structured, high-quality infrastructure programs and projects to market.

As Advisory Partners of the GIF, we have witnessed the Facility's growth through a pilot phase. As of today, 12 GIF-supported projects have reached commercial close, mobilizing US\$3.8 billion in private investment, proving to be one of the most effective uses of donor funding for infrastructure development. Given this effectiveness and a robust pipeline of future projects, channeling more resources into the GIF will allow it to further amplify its impact in the market. In particular, we understand that the GIF has requested funding of US\$300 million over five years. We consider this to be a modest request given the magnitude of the challenge of project development.

We believe the GIF has a unique comparative advantage in project development and preparation as a focal point for the private sector, MDBs, client countries, and donor country governments, and welcome its efforts to grow its global platform. We hope that governments committed to infrastructure development in EMDEs will support the critical need for the GIF to be scaled-up in order to address the lack of bankable deal flow originating from public and private sources. In turn, we stand ready to do our part to support the GIF.

Sincerely,

GIF's Advisory Partners

Current and Former Private Sector Co-Chairs of GIF Advisory Council:

Daniel M. Zelikow, Global Co-head, Infrastructure Finance & Advisory, and Global Head, Public Sector
J.P. Morgan & GIF Advisory Council Co-Chair

Christopher J. Leslie, Senior Managing Director
Macquarie Asset Management

Emmanuel Jaclot, Executive Vice President & Head of Infrastructure
CDPQ

Rajeev Kannan, Managing Executive Officer & Deputy Head of Asia Pacific
SMBC

Julie Monaco, Global Head, Public Sector
Citi

Jerome Haegeli, Group Chief Economist & Managing Director
Swiss Re Institute