

CIG INITIATIVE ON CLOSING THE INVESTMENT GAP

in Sustainable Infrastructure

The vision of the CIG Initiative is a world in 2030 in which large-scale private financing for resilient and sustainable infrastructure is widespread and plentiful.

WHAT IS 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. The CIG Initiative works with developing countries to configure their projects to attract private capital from the USD 100+ trillion in global savings and investment pools. Without these funding opportunities, developing countries depend on constrained public sector funding offered by multilateral development banks (MDBs), bilateral aid agencies, and other sources.

WHAT WE DO

The mission of the CIG Initiative is to help unlock private financing for resilient and sustainable infrastructure in developing countries. CIG builds the capacities of developing countries and supports their efforts to attract large-scale financing on the best possible 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 identify key resilient and sustainable infrastructure projects and programs that are capital-efficient and fundable. CIG helps these projects evolve to meet the criteria for equity investment or debt financing 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.



The CIG Initiative is supported by the Governments of Denmark, Canada and Jamaica, and the United Nations Development Programme (UNDP)

WHY CIG IS UNIQUE

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 investment 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 developing country investment teams to integrate the feedback and take the joint efforts to investment stage.

CURRENT PARTNER COUNTRIES

BANGLADESH
CHILE
COLOMBIA
EGYPT
ETHIOPIA
FIJI
JAMAICA
KENYA
VIETNAM

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 countries can structure resilient and sustainable infrastructure projects to access the lowest-cost capital in the global savings and investments pools.
- Aligning projects and programs with the Paris Agreement and the SDGs.
- 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 resilient and sustainable investments in the Small Island Developing States (SIDS), Landlocked Developing Countries (LLDCs) and other developing countries.

Initiative on Closing the Investment Gap

Hosted at the Center for Global Sustainability | University of Maryland School of Public Policy

For more information: go.umd.edu/ciginitiative