**Financial Risk Management Instruments**:

These are initiatives which leverage public funds to create investment incentives for the private sector, through mechanisms that correct market failures, reduce sovereign risk and/or macroeconomic and climate driven vulnerabilities. Various forms of risk management approaches, including guarantees, derivatives, blended finance, pooled vehicles, project preparations facilities, etc., provide insurance protection for risk sharing or full risk transfer.

| Mechanism | Description | Examples | Beneficiaries | Scalability |
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| **Blended Finance/PPPs** | **Blending finance is generally based on a combination of market loans and grants, which may take various forms, such as direct investment grants, interest rate subsidies, loan guarantees, technical assistance, risk mitigation and equity instruments. Blending arrangements, potentially increases the volume and impact of development finance. Blending loans and grants means adapting the level of concessionality of funding to the recipient's needs, thereby using funds in the most careful and economical way.**<br><br>**A Public-Private Partnership (PPP) involves the private sector in aspects of the provision of infrastructure and services that have traditionally been provided by the government. Private companies finance projects and provide expertise to ease fiscal constraints and increase efficiency. By engaging the private sector and giving it defined responsibilities, governments broaden their options for delivering better services.** | • **Accelerated Co-financing Facility for Africa (ACFA)**<br>• **Buy-downs**<br>• **EU-Africa Infrastructure Trust Fund**<br>• **Global Index Insurance Facility (GIIF)**<br>• **MED 5P Initiative**<br>• **Neighborhood Investment Facility (NIF)**<br>• **Public-Private Infrastructure Advisory Facility (PPIAF)**<br>• **Western Balkans Investment Framework (WBIF)** | **LICs, LDCs, FCS, MICs** | **High** |
| Accelerated Cofinancing Facility for | The Accelerated Cofinancing Facility for Africa (ACFA) provides joint project financing with JICA on concessional terms. AfDB provides project appraisal and loan administration services for the whole project. | | | |

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| Africa (ACFA) | http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/enhanced-private-sector-assistance-for-africa-epsa-initiative/ | | |
| Buy-downs | Buy downs (also called “credit buy-downs” or “loan buy-downs) are a combination of a loan to a developing country and a donor commits to buy down the loan, effectively transforming it to a grant.<br>An IBRD-buy-down for a tuberculosis project in China piloted this tool in 2003. DFID grant funds were combined with IBRD into a single stream, which reduced the cost of borrowing to roughly 2 percent. This was followed by two additional buy-down arrangements in China, one for education and one for rural development.<br><br>Results-based IDA buy-downs were initially piloted in Pakistan and Nigeria in projects supporting polio eradication, spurred by the global public good character of this initiative. A total of eight credits, including supplemental credits, are expected to include buy-downs with funding from the Gates Foundation, the United Nations Foundation, Rotary International, and the U.S. Centers for Disease Control. The total amount of support committed until 2012 under this mechanism, called the “World Bank Investment Partnership for Polio” is US$316 million.[1]<br><br>http://www.cgdev.org/publication/leveraging-world-bank-resources-poorest-ida-blended-financing-facility-proposal-working | LICs, LDCs, FCS | Medium |
| EU-Africa Infrastructure Trust Fund | Established in 2007, the EU-Africa Infrastructure Trust Fund (EU-AITF) aims to increase investment in infrastructure in Sub-Saharan Africa by blending long term loans from participating financiers with grant resources. EU-AITF funding is available from two different envelopes: (1) The regional envelope promotes projects with a demonstrable regional impact. (2) The Sustainable Energy for all (SE4ALL) envelope supports regional, national and local projects targeting sustainability-related objectives.<br>The AfDB has started using blending resources through the EU-Africa Infrastructure Trust Fund. As of mid-2014, the pipeline of projects that could potentially benefit from the fund amount to EUR 100 million of grant contributions.<br>As at December 2014, the cumulative total of grant operations approved by the EU-AITF stood at EUR 557.1m – EUR 428.1m under the regional envelope (since 2007) and EUR 129m under the SE4ALL envelope (since July 2013). The cost of EU-AITF supported projects in their investment phase is currently estimated at EUR 6.2bn, which is 13.5 times the volume of EU-AITF grant support<br><br>http://www.eib.org/infocentre/publications/all/eu-africa-infrastructure-trust-fund.htm | LICs, LDCs, FCS, MICs | High |
| The Global Index Insurance | The Global Index Insurance Facility (GIIF) is a multi-donor trust fund supporting the development and growth of local markets for weather and disaster index-based insurance in developing countries, primarily Sub-Saharan Africa, Latin America and the Caribbean and Asia Pacific. GIIF’s implementing partners | LICs, LDCs, FCS, MICs | High |

[1] http://www.polioeradication.org/Portals/0/Document/AnnualReport/AR2011/GPEI_AR2011_A4_EN_WEB_Section_7.pdf

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| Facility (GIIF) | have covered more than 600,000 farmers, pastoralists and micro-entrepreneurs to date with $119 million in sums insured and reached over one million with information and access to index insurance. Index insurance is a relatively new but innovative approach to insurance provision that pays out benefits on the basis of a **pre-determined index** (e.g. rainfall level, seismic activity, livestock mortality rates) for loss of assets and investments, primarily working capital, resulting from weather and catastrophic events, without requiring the traditional services of insurance claims assessors. GIIF works both with private sector and public sector partners in order to build index insurance markets.<br><br>http://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/industries/financial+markets/retail+finance/insurance/global+index+insurance+facility | | |
| MED 5P Initiative | Led by EIB, in cooperation/coordination with AFD, EBRD, and KfW, and funded with EU budget resources, the MED 5P initiative supports the efforts of public authorities in Egypt, Jordan, Morocco, Tunisia and Lebanon to procure infrastructure services through public-private partnership (PPP) structures. MED 5P is meant to finance legal, financial and technical advisory services for the preparation, procurement and implementation of PPP projects in the transportation, water and wastewater, waste management, energy and renewable energy, social and urban infrastructure sectors. MED 5P will also foster PPP projects with a climate mitigation or adaptation component.<br><br>http://www.eib.org/projects/regions/med/med5p/index.htm | | |
| Neighborhood Investment Facility (NIF) | The Neighbourhood Investment Facility (NIF) is financial mechanism aimed at mobilising additional funding to cover the investment needs of the EU Neighbouring region for infrastructures in sectors such as transport, energy, the environment and social issues (e.g. construction of schools or hospitals). The NIF also supports the private sector particularly through risk capital operations targeting Small and Medium-sized Enterprises.<br><br>Facilities modelled after the NIF are the Investment Facility for Central Asia (IFCA), Latin America Investment Facility (LAIF), Asia Investment Facility (AIF), Caribbean Investment Facility (CIF), and Investment Facility for the Pacific (IFP).<br><br>http://ec.europa.eu/europeaid/regions/eu-neighbourhood-region-and-russia/interregional-cooperation/neighbourhood-investment_en | LICs, MICs | High |
| Public-Private Infrastructure Advisory Facility (PPIAF) | The Public-Private Infrastructure Advisory Facility (PPIAF) is a multi-donor trust fund that provides technical assistance to governments in developing countries in support of the enabling environment conducive to private investment, including the necessary policies, laws, regulations, institutions, and government capacity. It also supports governments to develop specific infrastructure projects with private sector participation.<br><br>PPIAF provides three types of technical assistance for governments of low- and middle-income countries. | LICs, MICs | High |

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| | First, PPIAF assists governments to develop enabling environments that facilitate private investment in infrastructure. Second, PPIAF's project cycle-related assistance addresses a lack of capacity to develop and transact "bankable" projects that can attract private sector investment. Third, capacity and awareness building activities help developing countries by sharing knowledge of key issues related to private infrastructure development. PPIAF identifies and disseminates knowledge by publishing best practices studied, developing toolkits, and conducting workshops and seminars. PPIAF also supports sub-sovereign authorities and utilities through its Sub-National Technical Assistance (SNTA) program.<br><br>http://www.ppiaf.org/ | | | |
| Public Private Partnership Resource Centers | The AfDB is setting up a number of Public Private Partnership (PPP) Resource Centres in the African continent, in support of the efforts of African governments to accelerate the development of privately financed infrastructure. The AfDB-hosted Infrastructure Consortium for Africa (ICA) is coordinating a Project Preparation Financing Network ("tunnel of funds").<br><br>URL | | LICs, LDCs, FCS, MICs | High |
| Western Balkans Investment Framework (WBIF) | The Western Balkans Investment Framework (WBIF) supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. It is a joint initiative of the EU, International Financial institutions, bilateral donors and the governments of the Western Balkans. The WBIF focuses on key sectors including energy, environment, transport, social issues and private sector development.<br>The Western Balkans Investment Framework offers a new approach of addressing the region's extensive and diverse investment needs. It consists of two key components:<br>• Joint Grant Facility (JGF), which pools grants from the European Commission's budget, CEB, EBRD, EIB and bilateral donors;<br>• Joint Lending Facility (JLF), based on loans provided by CEB, EBRD and EIB and increased cooperation with other multilateral development and bilateral financial institutions.<br><br>http://www.wbif.eu/ | | MICs | Medium |
| **Hedging/Derivatives/Swaps** | **MDBs' stand-alone hedging products for risk management are available to help clients manage their financial risks. Using standard risk management techniques, these products can transform the risk characteristics of a borrower's obligations without changing the terms negotiated in the loan agreements.**<br><br>**A derivative is a contract that derives its** | • **Catastrophe Swap**<br>• **Currency conversion and swap**<br>• **Commodity price swap**<br>• **Exposure swap**<br>• **Interest rate swap**<br>• **Interest rate cap and collar**<br>• **The Currency Exchange Fund (TCX)**<br>• **Weather Derivatives** | **LICs, SIDs, MICs** | **High** |

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| | **value from the performance of an underlying entity. This underlying entity can be an asset, index, or interest rate, and is often called the "underlying". Derivatives can be used for a number of purposes, including insuring against price movements (hedging), increasing exposure to price movements for speculation or getting access to otherwise hard-to-trade assets or markets Some of the more common derivatives include forwards, futures, options, swaps, and variations of these such as collateralized debt obligations, credit default swaps, and mortgage-backed securities.**<br><br>**Traditionally, the exchange of one security for another to change the maturity (bonds), quality of issues (stocks or bonds), or because investment objectives have changed.** | | | |
| Catastrophe Swap | A catastrophe swap exchanges a fixed payment for a part of the difference between insurance premiums and the losses caused by insurance claims.<br><br>The traditional re-insurers are the most active players in the market, and this market segment, which the WBG has accessed under a cat swap format, is the biggest and most mature. In swap form, the WBG has intermediated catastrophe swaps for the Caribbean Catastrophe Risk Insurance Facility ("CCRIF") and the Pacific Catastrophe Risk Insurance Facility.<br><br>http://www.ccrif.org/ | | LICs, SIDs, MICs | High |
| Currency swap | Currency swaps alter the currency terms of a loan obligation if risk management requirements have changed since the initial choice of loan currency. To access built-in conversion options simply request the desired type and terms of the conversion. Availability of currency hedging products presupposes a sufficiently liquid swap market in the desired currency.<br>For WBG loans without embedded options or debt owed to creditors other than WBG, access swaps by signing a Master Derivatives Agreement.<br><br>http://treasury.worldbank.org/bdm/htm/hedging_products.html | | LICs, LDCs, SIDs, MICs | High |
| Commodity | This is a swap in which exchanged cash flows are dependent on the price of an underlying commodity. A | | LICs, MICs | Medium |

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| price swap | commodity swap is usually used to hedge against the price of a commodity. One set of cash flows is linked to the market price of a commodity or index. The other is a fixed cash flow or a cash flow based on a variable rate of interest. In this way, a commodity swap is a hybrid, spanning interest rate swap and commodity swap markets.<br>Commodity price swaps link IBRD debt service payments to the prices of a particular commodity or commodities in order to reduce commodity price risk. IBRD commodity swaps are individually negotiated transactions provided on a case-by-case basis.<br><br>URL | | |
| Exposure swap | Exposure swaps allow for formally exchanging MDBs' selected country exposures to reduce concentration risk and gain headroom capacity.<br>MDBs are expanding the use of innovative exposure exchanges to enable increased financing for countries where lending is constrained. The WBG has already tested this solution between IBRD and MIGA for an exposure swap of up to USD 100 million of principal which allowed each organization to do more business in Brazil and Panama. This approach is being scaled amongst the MDBs through the MDBs Working Group.<br><br>URL | LICs, LLDCs, FCS, MICs | High |
| Interest rate swap | Interest rate conversions and swaps Transform the interest rate basis of a loan obligation from a fixed to floating rate or vice versa. To access built-in conversion options simply request the desired type and terms of the conversion.<br><br>For IBRD loans without embedded options or debt owed to creditors other than IBRD, access swaps by signing a Master Derivatives Agreement with IBRD.<br><br>http://treasury.worldbank.org/bdm/htm/hedging_products.html | LICs, LLDCs, MICs | High |
| Interest rate cap and collar | Interest rate caps and collars limit interest rate variability with a cap or a collar. Caps set an upper limit on the variable interest rate of the loan. Collars set an upper limit (a cap) and a lower limit (a floor) on the interest rate of the loan. Both require payment of an up-front premium to purchase the interest rate protection.<br><br>For IBRD loans without embedded options or for debt owed to creditors other than IBRD, access caps and collars by signing a Master Derivatives Agreement with IBRD.<br><br>http://treasury.worldbank.org/bdm/htm/hedging_products.html | LICs, LLDCs, MICs | High |
| The Currency Exchange Fund (TCX) | TCX is a special purpose fund that provides OTC derivatives to hedge the currency and interest rate mismatch that is created in cross-border investments between international investors and local borrowers in frontier and less liquid emerging markets. The goal is to promote long-term local currency financing, by contributing to a reduction in the market risks associated with currency mismatches. | LICs, MICs | High |

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| | To achieve this objective, TCX acts as a market-maker in currencies and maturities not covered by commercial banks or other providers, notably where there are no offshore markets, no long-term hedging, or, in extreme cases, no markets at all.<br><br>TCX's investor base predominantly consists of development finance institutions and microfinance investment vehicles active in the long-term debt markets of emerging and frontier markets. TCX's shareholders and approved counterparties include AfDB, EBRD, IADB, IFC, and other organizations.<br><br>URL | | | |
| Weather Derivatives | Weather derivatives are linked to an index that measures weather related risks such as low rainfall or drought. Unlike insurance, weather derivatives do not cover the loss from weather related events but the value of the derivative changes depending on movements of the underlying index. Weather derivatives may avoid moral hazard problems that come with insurance products because the value of the derivative solely depends on exogenous variables, for example rainfall.<br>This market is newer and smaller, but is becoming an important source of risk capital transfer. WBG has intermediated weather-event related swaps for the government of Malawi and the Uruguayan state-owned electricity utility, UTE.<br><br>http://treasury.worldbank.org/bdm/htm/risk_financing.html | | LICs, SIDs, MICs | High |
| **Guarantees /Insurance** | MDBs' guarantees are seen by investors as a stabilizing factor in transactions with sovereign governments. By covering a government or government entity's failure to meet specific contractual obligations to a private or public project, MDBs' guarantees have helped attract direct private sector investment in oil, gas and mining, power, telecom, transport, and water projects; enhanced private sector participation in privatizations and public-private partnerships, and helped governments access international capital markets on more favorable terms. In addition to the leverage effect, guarantees have also played a valuable role in easing the entry of emerging economies into international capital markets by helping them acquire a track record of credible policy performance. | • **Non-Honoring of Sovereign Financial Obligations**<br>• **Partial credit guarantees**<br>• **Partial risk guarantees**<br>• **Private Equity Fund Insurance**<br>• **Project-based guarantees**<br>• **Policy-based guarantees** | **LICs, LDCs, FCS, MICs** | **High** |

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| Non-Honoring of Sovereign Financial Obligations | MIGA's non-honoring of sovereign financial obligations (NHSFO) coverage provides credit enhancement in transactions involving sovereign and subsovereign obligors. The primary beneficiaries of this cover are commercial lenders that provide loans to public sector entities for infrastructure and other productive investments. NHSFO has the additional benefit of mobilizing financing from the private sector without using IBRD credit lines.<br><br>In Turkey, MIGA's NHSFO coverage is supporting the expansion of Istanbul's metro system, which will reduce traffic and congestion, provide better access to jobs, and improve the quality of life in the metropolis that is home to 18 percent of Turkey's population.<br><br>http://treasury.worldbank.org/bdm/pdf/MIGA_NHSFO_brief.pdf | LICs, LDCs, FCS, MICs | High |
| Partial Credit Guarantees (PCGs) | PCGs cover private lenders against all risks during a specific period of the financing term of debt for a public investment; they are designed to extend maturity and improve market terms<br>AFDB, IADB, WBG (IBRD, IFC and MIGA) offer PCGs.<br><br>Partial credit guaranteed for education sector finance: The IADB is providing a partial credit guarantee of approximately US$7 million to support a Mexican finance company that provides loans to Mexican students to pursue higher education studies in Mexico. The partial credit guarantee will improve the rating of the company's education bonds, making them more attractive to private investors.<br><br>http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/structured+finance/products/partial+credit+guarantee | LICs, LDCs, FCS, MICs | High |
| Partial Risk Guarantees (PRGs) | PRGs ensure payment if a government or other public entity fails to perform its contractual obligations with respect to a private-sector project. Partial risk guarantees cover political risk, particularly losses on equity/quasi-equity or other forms of direct investment.<br>MIGA guarantees covering equity investments and subordinated loans have recently supported private investment in the Henri Konan Bedie bridge of Cote d'Ivoire, by mitigating risks of transfer restriction, expropriation, war and civil disturbance, and breach of contract.<br><br>A Partial Risk Guarantee of the concessional arm of the African Development Bank Group has backed some obligations of the Kenyan government in the context of the financing of the Lake Turkana Wind Project.<br><br>http://www.afdb.org/en/projects-and-operations/financial-products/african-development-fund/guarantees/ | LICs, LDCs, FCS, MICs | High |
| Policy-based guarantees | Policy-based guarantees cover debt service defaults, irrespective of the cause of such default, on a specified portion of commercial debt owed by Government and associated with the supported Government's program of policy and institutional actions. In providing guarantee coverage, the MDBs assess the appropriateness of the Government undertakings, taking into account country, market and program circumstances. Policy-based guarantees do not support bilateral debt or debt extended by publicly | LICs, LDCs, FCS, MICs | High |

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| | owned entities that operate under public law for public policy purposes (e.g., bilateral financiers, government owned-policy banks and export/import agencies).<br><br>http://web.worldbank.org/external/default/main?theSitePK=3985219&pagePK=64143534&contentMDK=20260696&menuPK=64143504&piPK=64143448 | | | |
| Private equity fund insurance | Private equity funds are facing significant challenges as they seek to attract scarce capital for investments into emerging and frontier markets. Top-down investors may be uneasy with the macro environments of certain markets due to concerns about government stability, civil unrest, and fragile regulatory frameworks. These are risks that private markets find very difficult to hedge and present a specific challenge to emerging market private equity funds.<br>MIGA offers a solution to these issues by providing its guarantee coverage to private equity funds that meet our eligibility criteria and commit to our environmental, social, and anti-corruption policies.<br><br>MIGA has provided master contracts to several private equity funds investing in sub-Saharan Africa, especially in the agribusiness sector. We recently collaborated with the Overseas Private Investment Corporation to offer reinsurance on a master contract that will support investments in 13 countries across sub-Saharan Africa.<br><br>http://www.miga.org/investmentguarantees/index.cfm?stid=1803 | | LICs, LDCs, FCS, MICs | High |
| Project-based guarantees | Project-based guarantees support projects with defined development objectives, activities, and results. There are two types: loan guarantees and payment guarantees.<br><br>Loan guarantees: they cover loan-related debt service defaults caused by Government failure to meet specific payment and/or performance obligations arising from contract, law or regulation, in relation to a project. Loan guarantees include coverage for debt service defaults on: (i) commercial debt, normally for a private sector project where the cause of debt service default is specifically covered by the Bank's guarantee; and (ii) a specified portion of commercial debt irrespective of the cause of such default, normally for a public sector project. Payment guarantees cover defaults on non-loan related Government payment obligations, to private entities and foreign public entities arising from contract, law or regulation.<br><br>http://treasury.worldbank.org/bdm/htm/credit_enhancement.html | | LICs, LDCs, FCS, MICs | High |
| **Indexed/Performance Based Bonds** | **Indexed bonds tie the performance (schedule or amount of payment of interest and/or of repayment of principal) to the performance of an index. The instrument allows debtors to hedge against risks deriving from fluctuations of the index. Common indices are inflation and GDP but also a carbon-indexed bond has** | • **Capital-at-risk bonds**<br>• **Carbon-indexed Bonds**<br>• **Commodity-indexed Bonds**<br>• **GDP-indexed Bonds**<br>• **Inflation-indexed Bonds** | **LICs, MICS, SIDs** | **Medium** |

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| | **been piloted by the World Bank in cooperation with a private sector partner.** | | |
| **Capital-at-risk bonds** | The Capital at Risk Notes program facilitates risk transfer solutions for the MDBs and their clients using the capital markets. Under this program, the MDB issues notes where some or all of the investors' principal may be at risk, such as catastrophe bonds ('cat bonds'). Their benefits to investors include potential yield enhancement and opportunity to include new perils and regions to diversity portfolios.<br><br>WBG Capital-at-Risk Notes program created in in early 2014 enable the Bank to streamline the delivery of cost effective and efficient risk management and funding tools to clients through the issuance of a special category of bonds. These bonds could be used for catastrophe hedges, longevity hedges, project financing and credit linked. Because of the nature of the embedded risks and the potential for capital at risk, these bonds may be rated less than triple-A. For this reason, and in order to clearly differentiate this new category of bonds from other bonds issued off the standard IBRD Global Debt Issuance Facility ("GDIF") program, a separate Prospectus Supplement was prepared. The first capital-at-risk bond was issued in July 2014. The transaction was a three year issue linked to hurricane and earthquake risk in sixteen Caribbean countries.<br><br>http://treasury.worldbank.org/cmd/htm/CapitalAtRiskNotesProgram.html | **LICs, MICs** | **Medium** |
| **Carbon-linked bonds** | The performance of carbon-linked bonds (also called carbon-indexed bonds) depends on the development of the carbon markets.<br>By purchasing this bond, investors can indirectly participate in the market for GHG emission reductions. Investors will also be supporting demand for CERs generated from a specific UNFCCC-registered clean energy project. The market for CERs contributes to a reduction of global greenhouse gas emissions and the transition to a low carbon growth economy."[2]<br>Cool bonds are an example of carbon-linked bonds and are five-year, USD-denominated notes paying a coupon of 3 percent for an initial period, and a variable coupon amount for the remaining maturity of the note tied to Certified Emission Reductions (CERs) generated by specified greenhouse gas–reducing projects in China and Malaysia. IBRD counterparties hedging exposure to CERs contributes to expansion of carbon markets. Daiwa Securities and Mitsubishi UFJ Securities distributed the notes to Japanese investors.<br><br>http://treasury.worldbank.org/cmd/htm/CO2LBond.html | **LICs, MICs** | **Medium** |
| **Catastrophe Bonds** | Catastrophe or cat bonds are risk-linked securities that transfer a specified set of risks to investors. Cat bonds require the bondholders to forgive or defer some or all payments of principal or interest if actual catastrophe losses exceed a specified amount, or trigger. Catastrophe bonds have traditionally covered natural disasters. | **LICs, MICs** | **Medium** |

[2] http://treasury.worldbank.org/cmd/htm/CO2LBond.html

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| | WBG has developed the MultiCat Program - a bond issuance platform - that transfers diversified risk to private investors.<br><br>http://treasury.worldbank.org/bdm/htm/risk_financing.html | | |
| **GDP-linked bonds** | A GDP-indexed bond is a sovereign bond whose interest rate and/or repayments vary with a country's rate of economic growth. If economic growth is low, interest and/or principal payments are low; if it is high, interest payments are high. Therefore, countries with poor economic performance which are less likely to be able to service their debt face a lower burden from servicing GDP-indexed bonds. The instrument allows to hedge debt payments against economic recessions. The first GDP-indexed bond was issued by Bulgaria in 1994, followed by other countries.<br><br>URL | **LICs, MICs, SIDs** | **Medium** |
| **Market Data/Benchmarks** | **The Financial Services Industry is known for its complexity in terms of vendors, products, user requirements, agreements and pricing structures. Availability of data and benchmarking reduces uncertainty and therefore risk for investors**<br>• **Global Emerging Markets Local Currency Bond Index (GeMX)**<br>• **Global Map of Environmental and Social Risks in Agro-Commodity Production (GMAP)** | **LICs, MICs** | **Medium** |
| Global Emerging Markets Local Currency Bond Index (GeMX) | The Markit iBoxx Global Emerging Market Index (GEMX) family is designed to reflect the performance of Emerging Market Local Currency denominated debt from countries qualifying for the World Bank Gemloc programme. The index rules aim to offer a broad coverage of the Emerging Markets bond universe, whilst upholding minimum standards of investability and liquidity. As of 01 April 2012, the index tracks 360 bonds from 24 countries. The indices are an integral part of the global Markit iBoxx index families, which provide the marketplace with accurate and objective benchmarks by which to assess the performance of bond markets and investments. Below the GEMX Overall, the index family is split into three major regional indices: Global, EMEA (Europe, Middle East, Africa), Asia and Latin America. These are further broken down into sub-indices based on countries, bond types and maturities. These indices serve several purposes:<br>• To act as a benchmark for portfolio management;<br>• To act as an indicator of market performance and development;<br>• To act as a basis on which market options & futures may be derived;<br>• To act as a comparator for different markets<br><br>https://www.markit.com/assets/en/docs/products/data/indices/bond-indices/Markit_iBoxx_GEMX_index%20guide.pdf | LICs, MICs | Medium |

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| Global Map of Environmental and Social Risks in Agro-Commodity Production (GMAP) | (GMAP) is a database which collects information on environmental & social (E&S) risks for 150 country-commodity combinations and assigns a color-coded risk score (green/yellow/red). This risk score provides a basis for more systematic E&S due diligence and decision-making on financing (go/no go)<br>IFC is helping support agribusiness firms to do business in a sustainable way. For many, identifying and managing supply chain risks related to child and forced labor, conversion of natural and critical habitats, and loss of biodiversity represents a key challenge. IFC has developed a suite of new tools and resources, including the Global Map of Environmental and Social Risks in Agro-Commodity Production, that enhance our due diligence and ability to analyze potential risks.<br><br>http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+strategy/agribusiness/gmap | | LICs, SIDs, MICs | Medium |
| **Project Preparation Facilities (PPFs)** | **Project preparation facilities support project sponsors in preparing infrastructure projects. PPFs provide technical expertise in increasing the quality of the project pipeline as well as mobilize technical and financial resources to achieve greater leverage in implementing complex projects.<br>Many MDBs are currently launching Project Preparation Facilities, including the WBG, EBRD, ADB, and AfDB** | • **African Legal Support Facility**<br>• **DevCo PIDG Facility**<br>• **Global Center for Infrastructure**<br>• **InfraFund**<br>• **Infrastructure Project Preparation Facility**<br>• **Investment Climate Facility for Africa**<br>• **IADB Project Preparation Facility**<br>• **PPP Advice Office**<br>• **Public-Private Infrastructure Advisory Facility (PPIAF)** | **LICs, LDCs, FCS, MICs** | **Medium** |
| African Legal Support Facility (ALSF) | ALSF, hosted by the AfDB, supports African governments in the negotiation of complex commercial transactions, including in the infrastructure sector. It provides assistance to African countries to strengthen their legal expertise and negotiating capacity in debt management and litigation, natural resources and extractive industries management and contracting, investment agreements, and related commercial and business transactions. The ALSF also grants and advances funds to African countries for legal advice from top legal counsel in these areas. The ALSF's goal is to ensure fair and balanced negotiations.<br><br>http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/african-legal-support-facility/ | | LICs, LDCs, FCS, MICs | Medium |
| DevCo PIDG Facility | DevCo – part of PIDG, the multi-donor Private Infrastructure Development Group – is managed by IFC and advises governments in poorer countries on structuring private sector participation in infrastructure projects. Other companies supported by PIDG provide additional assistance related to marketing, project development (e.g. Infraco) and financing (e.g. Emerging Africa Infrastructure Fund – EAIF and Guarantco).<br><br>http://www.pidg.org/what-we-do/companies/devco | | LICs, LDCs, FCS, MICs | Medium |
| Global Center for | WBG's GCI to facilitate effective knowledge dissemination. The GCI is a type of "knowledge platform" that is being designed to act as a means of disseminating best practice and lessons learned across the | | LICs, LDCs, FCS, MICs | Medium |

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| Infrastructure (GCI) | infrastructure sector.<br><br>URL | | |
| InfraFund | IADB's InfraFund is a fast-disbursing fund created to support the preparation of climate resilient and sustainable infrastructure projects. InfraFund is dedicated to assisting public, private and mixed-capital entities in Latin America and the Caribbean in the identification, development and preparation of bankable and sustainable infrastructure projects.<br><br>http://www.iadb.org/en/topics/transportation/infrafund,1635.html | LICs, MICs | Medium |
| Infrastructure Project Preparation Facility | EBRD's Infrastructure Project Preparation Facility seeks to remedy the lack of creditworthy, well-structured projects in infrastructure in emerging markets by building a pipeline of finance-ready projects. It also aims to provide assistance to national/local governments in building solid regulatory frameworks to enable investments. It has three primary objectives: advocate for and build the environment for investment climate improvement; encourage business to response by improving investor perception on Africa.<br><br>http://www.ebrd.com/news/2014/ebrd-launches-infrastructure-project-preparation-facility.html | LICs, MICs, | Medium |
| Investment Climate facility for Africa (ICF) | ICF works to improve the climate for investment in Africa by removing barriers to doing business. ICF aims to work with receptive African governments to make the continent an even better place to do business, systematically focusing on areas where practical steps can be taken to remove identified constraints and problems.<br><br>http://www.icfafrica.org/ | LICs, LDCs, FCS, MICS | Medium |
| Project Preparation Facilities | The Inter-American Development Bank has several facilities that support project preparation: the Project Preparation Facility (PPF), the Project Preparation and Execution Facility (PROPEF), the Infrastructure Fund (InfraFund), the Fund for Integration Infrastructure (FIRII), and the Fund for Financing Disaster Prevention (FDP).<br>• The PPF provides up to $1.5 million in complementary financing to finalize preparation activities for projects in the Bank's pipeline. PPFs aim to strengthen and shorten the project preparation stage, facilitating loan approval and project execution.<br>• The PROPEF facilitates a more seamless transition from preparation to execution by financing additional project start-up activities. PROPEFs make more funding available per project--up to $5 million--than traditional PPFs, as well.<br>• The InfraFund, created with a $20 million contribution from the IDB, provides resources to assist public, private and mixed entities in the identification, development, and preparation of bankable and sustainable infrastructure projects.<br>• The FIRII, also funded with a $20 million IDB contribution, provides technical cooperation resources for studies concerning regional physical integration and project preparation for cross- | LICs, MICs | Medium |

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| | border infrastructure operations involving borrowing member countries.<br>• The FDP provides technical cooperation resources for the preparation of disaster prevention projects and risk assessments in IDB borrowing member countries.<br><br>http://www.iadb.org/en/about-us/project-preparation-facilities,6010.html | | |
| Public-Private Partnership Advice Office | In September 2014, AsDB opened a new office to provide governments with independent advice on shaping PPPs. ADB seeks to become an active project developer and a resource mobilizer to raise financing from other development partners, including the private sector for PPP projects. These services will be distinct from PPP advocacy, support for development policy, legal and regulatory frameworks to promote PPPs, and coordination of financing.<br><br>URL | LICs, LDCs, FCS, MICs | Medium |
| Public-Private Infrastructure Advisory Facility (PPIAF) | See above | | |
| **Risk Sharing Facilities** | **A risk sharing facility (RSF) is a loss-sharing agreement between an MDB and an originator of assets in which the MDB reimburses the originator for a portion of the principal losses incurred on a portfolio of eligible assets.**<br>• **The European Progress Microfinance Facility**<br>• **Private Sector Credit Enhancement Facility (PSF)**<br>• **Risk Sharing Facility**<br>• **Risk Sharing Facility Direct**<br>• **Risk Sharing Finance Facility (RSFF)**<br>• **SME Finance Initiative**<br>• **Sustainable Energy Financing Facilities (SEFFs)**<br>• **Women Entrepreneurs Opportunity Facility** | **LICs, LDCs, FCS, MICS** | **Medium** |
| The European Progress Microfinance Facility) | The European Progress Microfinance Facility is a microfinance initiative for which EUR 205 million of funding has been made available from the European Commission and the European Investment Bank. Progress Microfinance, an initiative targeting all EU Member States, aims at increasing access to finance for individuals who have lost or are at risk of losing their job or have difficulties entering or re-entering the labour market. It also targets disadvantaged individuals, including people at risk of social exclusion. In addition to individuals, Progress Microfinance also supports micro-enterprises, including those in the social economy providing jobs for the unemployed or the disadvantaged.<br><br>http://www.eif.org/what_we_do/microfinance/progress/ | MICs | Medium |
| Private Sector Credit Enhancement Facility (PSF) | Given the constraint of limited AfDB risk capital for Low Income Countries (LICs) and fragile states, the PSF with a seed capital of UA 165 million as an African Development Fund (ADF) grant was proposed to carry out more private sector projects in LICs. The PSF will provide guarantees to the African Development Bank (the Bank) on selected private sector operations in these countries and free up capital for the Bank and | LICs, LDCs, FCS, MICS | Medium |

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| | thereby increase its capacity to extend additional private sector loans in these countries.<br><br>URL | | |
| Risk Sharing Facility | The IFC risk sharing facility (RSF) allows a client to sell a portion of the risk associated with a pool of assets. The assets typically remain on the client's balance sheet and the risk transfer comes from a partial guarantee provided by IFC.<br><br>In general, the guarantee is available for new assets to be originated by the client using an agreed upon underwriting criteria, but in certain situations may also be used for assets that have been already originated. Typically, the client's purpose in entering into a risk sharing facility with IFC is to help the client increase its capacity to originate new assets within an asset class in which IFC is interested in increasing its own exposure.<br><br>For example, Kenya School Risk Sharing Facility with the IFC in the amount of USD 2.8 million on loans extended to eligible private schools to finance construction, purchase, of educational materials, and other capital expenditures. IFC's support intended to augment the supply of medium-term lending available to the education sector.<br><br>http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/structured+finance/products/portfolio+risk+sharing+facility | LICs, LDCs, FCS, MICS | Medium |
| Risk Sharing Facility Direct | The EBRD is considering increasing the size and expanding the geographic coverage of its risk-sharing and co-financing instruments with Partner Financial Institutions (PFIs) to support their loans to local companies. The Bank will create the "Risk Sharing Facility" (RSF) to share risk on these loans in the Bank's countries of operations. The RSF will be modelled on the success of the "Medium-Sized Co-Financing Facility" which it will replace.<br><br>http://www.ebrd.com/work-with-us/projects/psd/risk-sharing-facility-direct.html | MICs | Medium |
| Risk Sharing Finance Facility | The European Commission and the European Investment Bank have joined forces to set up the Risk Sharing Finance Facility (RSFF). RSFF is an innovative scheme to improve access to debt financing for private companies or public institutions promoting activities in the field of<br>Research, Technological Development Demonstration and Innovation investments.<br>RSFF is built on the principle of credit risk sharing between the European Community and the EIB, extending the ability of the Bank to provide loans or guarantees with a low and sub-investment grade risk profile. The scheme also provides a wealth of opportunities for new and innovative EIB financing solutions directed at the private sector and the research community as a whole.<br><br>www.eib.org/rsff | MICs | Medium |
| SME Finance | SME Finance Initiative supported by the UK Department for International Development, EIB and IFC, | LICs, MICs | Medium |

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| Initiative | provides risk capital for banks to lend to SMEs, funding for technical advice and technological innovation and improved information on SME credit worthiness.<br><br>URL | | |
| Sustainable Energy Financing Facilities (SEFFs) | Through SEFFs, the EBRD extends credit lines to local financial institutions that seek to develop sustainable energy financing as a permanent area of business. Finance is provided for two key areas: energy efficiency and small-scale renewable energy. Local financial institutions on-lend the funds which they have received from the EBRD to their clients, which include small and medium-sized businesses, corporate and residential borrowers, and renewable energy project developers. Each SEFF establishes a Project Implementation Team, comprised of local and international experts who provide support to participating local financial institutions and their clients.<br><br>http://www.ebrdseff.com/en/home.html | LICs, MICs | Medium |
| Women Entrepreneurs Opportunity Facility | The Women Entrepreneurs Opportunity Facility, launched jointly by the IFC and Goldman Sachs Group, aims to raise $600 million, which will increase access to finance to as many as 100,000 women entrepreneurs in emerging markets. This is the first fund of this kind to be dedicated exclusively to financing women-owned small and medium businesses in developing countries. IFC will invest an initial $100 million and the Goldman Sachs Foundation will provide $32 million. IFC will manage the facility, which is expected to mobilize up to an additional $468 million from public and private investors. An estimated $300 billion credit gap exists for women-owned enterprises, according to IFC research.<br><br>http://ifcext.ifc.org/ifcext/pressroom/IFCPressRoom.nsf/0/46E12EAD05D0619B85257C9200595A41 | LICs, MICs | Medium |