Mechanisms to Scale Private Sector Investment in Sustainable Projects

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Introduction

Currently, global financing for climate change is well below the $1.6 to 3.8 trillion needed annually just to transform energy systems, let alone address other mitigation and adaptation requirements.\(^1\) If we are to meet United Nations commitments for climate funding and stay within the 1.5 to 2°C global warming targets proposed by the Intergovernmental Panel on Climate Change, a dramatic expansion of private finance—which currently makes up 56% of climate funding—is needed.\(^2\) Private financing for sustainable development is critical to address not only climate change but also other pressing social and environmental concerns.

There are numerous obstacles to scaling private finance, however. These include the need for more standardised project information to inform engagement with private investors as well as the need for enhanced technical, logistical and legal capabilities to deliver sustainability projects more efficiently at scale. Troublingly, these barriers have proved to be persistent: climate investment in developing economies and generation of private co-financing by multilateral development banks (MDBs) both fell in 2020.\(^3\)

The Sustainable Markets Initiative (SMI)—established in 2020 by His Royal Highness The Prince of Wales (HRH)—commissioned the Scaling Private Sector Investment (SPSI) project to take a deeper dive into the barriers to sustainable development and to identify key leverage points for improving the sustainable financing ecosystem. SPSI aims primarily to address the difficulties in scaling global private sustainability financing. Our interim report in June 2021 proposed two mechanisms to improve efficiency and address information asymmetries in the market: first, a project delivery unit (PDU) network that would connect local development project sponsors with global peers, knowledge partners and financial organisations; and second, an online tool that project sponsors can use to better understand the information investors are likely to seek and to assess the readiness of their projects for investor engagement.\(^4\) These initiatives build on existing resources and add value by offering new global connections and tools. The purpose of this report is to share progress made since the June 2021 interim report as well as to offer recommendations and next steps on these two initiatives.

SMI’s PDU Network: A Vision for Capacity Building and Scaling Private Financing

PDUs refer to organisations that work with project sponsors to plan, guide and execute sustainable development projects. These organisations operate at many scales: PDUs might be located within a single country or offer their services on a regional or global basis.

Where they are present, country-level PDUs are often the touchpoints for structuring, planning and pitching sustainable development projects to potential private capital investors. (See Common Functions of PDUs.) These PDUs—organisations such as Sri Lanka’s Board of Investment, the St. Kitts Investment Promotion Agency (SKIPA) or Indonesia’s Committee for Acceleration of Priority Infrastructure Delivery (KPIP)—employ professional skills alongside local knowledge to move projects forward. Local and regional PDUs can also play a key role in offering specialist advice on specific sustainability topics.
Project sponsors, however, may still face several pain points when attempting to deliver privately financed projects in emerging economies. When SPSI’s contributing firms consulted with project sponsors to identify what challenges often arise during project delivery, the issues that came up included:

- The need for capacity building to streamline early-stage processes, such as risk assessments or feasibility studies.
- Difficulty accessing expertise on new and emerging technologies.
- Challenges in building bankable project pipelines and pairing viable projects with appropriate investor funding sources.
- Problems staying up to date with rapidly evolving international standards and with private and public sector investor expectations.

In some cases, these hurdles were compounded by governance structures that were not conducive to swiftly financing projects; project sponsors often need input from many different government departments and can be expected to complete onerous documentation processes when applying for grant funding. For country PDUs to overcome these struggles, multidisciplinary knowledge and teams are a must. Thus, to build project sponsors’ capacities to handle a wide range of logistical and technical challenges, the SPSI recommends the establishment of a network of PDUs.

While many regional MDBs and knowledge/finance partners already offer resources for the country-level actors they interact with, this network could add value through the global sharing of information across industries and regions. Specifically, it would provide project sponsors an opportunity to access global best practices, expand their networks and utilise the SMI Project Development Tool—an online tool, described below, that can help project sponsors better understand the information investors are likely to seek and to assess the project readiness. Indeed, one finance partner commented that issues with project readiness created challenges in unlocking available funding. For knowledge partners and financial stakeholders, the network would offer an opportunity to promote their existing materials to a wider base and to forge connections across regions and project types. For organisations whose financing scope is limited, this network would offer a venue for collaboration and co-financing opportunities with organisations such as MDBs, whose scope is larger. It would also provide greater visibility of investor-ready projects.

### COMMON FUNCTIONS OF PDUS

#### Project delivery
- Planning and development of investment strategy
- Speeding delivery and providing cost-reduction analysis
- Establishing partnership between stakeholders
- Supporting priorities assessment

#### Legal
- Understanding the legal environment
- Getting stakeholders’ approval
- Supporting market development to encourage competition and innovation
- Fiscal assessment of projects

#### Communication and marketing
- Developing communication strategy for corporate and private sponsors
- Public relations strategy
- Advertising campaigns
- Investor relations

#### Technical capabilities
- Providing access to feasibility studies resources
- Advising on asset management
- Sharing best practices and knowledge

#### Commercial
- Advising on the commercial aspects of projects
- Procurement strategies
- Project design and preparation
- Supply chain management

#### Project financing and structuring
- Transaction support
- Access to financing facilities
- Financial and cost benefit analysis
- Experience in project structuring
- Investment feasibility assessment and risk management

#### ESG
- Climate finance expertise
- Sustainability integration into decision making
- ESG integration during the whole lifecycle
- Performance measurement guidelines (KPIs)
- Specialized technical support such as environmental and social impact assessments, sustainability standards and labelling, etc.
**Recommendation**

The SPSI working group recommends establishing a virtual network of PDUs, to be designed as a roster of global stakeholders and a knowledge repository with options to filter members and materials by region, sector and types of knowledge partners. This network’s objective would be to augment the capacity of individual PDUs by providing a platform to share best practices, provide centralised access to trainings and online tools, develop a broader knowledge base, plug local gaps, promote their materials, and connect with knowledge partners, financial institutions and global peers. This capacity building in turn supports the SPSI initiative’s overarching goal of increasing privately financed sustainable development—especially in emerging markets. As PDUs become more well connected and skilled, they will be able to deliver more privately financed projects at scale. Indeed, a finance partner commented that project sponsors had large variance in their ESG technical capabilities. This network could help expand the reach of existing ESG capacity-building materials that MDBs and UN Agencies have created.

To achieve these objectives, the virtual network of PDUs would undertake four main initiatives in the short term, derived from feedback from project sponsors, knowledge partners and financial institutions:

- **Developing a “Social Network” Style Roster of Global Experts and Organisations.** By providing a filterable list of global stakeholders, the PDU network could reduce the time-consuming burden of having to identify and engage with many different ministries, agencies and organisations for guidance on different project phases.

- **Disseminating Training Programmes and Materials.** Network members would be able to access a central repository of training materials and host or attend webinars on specialised technologies or processes. The network would offer a cross-regional platform to publish and share best-practice advice on topics such as project structuring, private financing and ESG measurement and reporting. Crucially, larger knowledge and finance partners could use this as an opportunity to build on their existing resources and promote them to stakeholders they have yet to connect with.

- **Organising Working Group Discussions on Key Project Financing Topics.** Involved stakeholders would include in-country government agencies, multilateral organisations and knowledge and finance partners. Initially, these discussions might take the form of asynchronous online forums and regionally organised video conference webinars.

- **Supporting PDUs’ Use of the SMI Project Development Tool.** As highlighted below, the PDU network would help promote the *SMI Project Development Tool*, which identifies key analyses investors will most likely need and then scores projects based on their completion of those tasks.

Through these initiatives, projects would receive support to help them be investor-ready faster, and PDUs would be provided with a platform through which they could more easily connect with investors. This would help streamline the sustainable development process.

Eventually, the network could be expanded to include more functions within the sustainable development space. As the capacity of the network increases over the longer term, SMI envisions additional uses, which might include:

- **Setting Up Project Gateway Review Panels.** These technical assistance panels could be consulted by project sponsors to identify project hurdles and contribute advice necessary to move projects toward investor-readiness.
• **Hosting In-Person Roundtables and Conferences.** Such events would appeal to stakeholders who prefer face-to-face interaction and would offer an opportunity to network and take deeper dives into key topics surrounding private financing for sustainable development.

• **Representing the Network in International Forums.** Without playing a duplicative role, the network could be called upon to raise awareness of existing opportunities and challenges faced by sustainable development sponsors.

Further stakeholder feedback and funding evaluations will be necessary to determine the viability of these longer-term objectives.

**Suggested PDU Network Structure**

SPSI is engaged in ongoing stakeholder interviews to understand which network organisational structure would best deliver value and avoid duplication of other efforts. Preliminary feedback suggests that a successful PDU network could take the form of a virtual “knowledge and finance hub” that works alongside a social-networking style directory of relevant stakeholders. Here, online resources and a list of organisations would be presented in a modular fashion: members could filter information by geography, project type and stakeholder category, for example. Critically, this model would accommodate regional differences in working norms and issues while still allowing lessons from one region to be applied elsewhere, increasing the percolation of best practices. One finance partner commented that “there is immense value in sharing experiences across country context; good governance advice and case studies can be fungible.” But the partner also noted that regional filters are key for addressing local political, cultural and logistical constraints.

A web-based model would also offer flexibility for various degrees of use by stakeholders, while keeping initial costs and staffing commitments low. Another knowledge partner confirmed that the low barriers to entry of such a model would be appealing. The network would be multi-use: organisations who already have large amounts of expertise and resources, such as UN agencies or multilateral institutions, could view this as an additional venue to promote their materials, while less mature organisations could access vital training and support materials to help them navigate their project development. Finally, a virtual model would help the network remain “country led” by facilitating organic peer-to-peer connections. By using the network, local and regional organisations would be able to deploy a mix of local knowledge and global best practices.

**Partnership Engagement and Next Steps**

To date, the SPSI has worked with 15 knowledge and finance partners around the globe—with a particular focus on Africa, Asia-Pacific and the Caribbean—to understand the current PDU landscape supporting sustainable development projects (see *Knowledge and Finance Partners by Region*). Each partner shared its perspective on the current challenges facing PDUs, existing gaps in services and its vision for a potential PDU network.
As we move forward with the virtual network, further discussion and work will be needed. Given the high interest expressed so far, SMI will continue to reach out to local organisations and project sponsors to validate global demand for the PDU network, building on local engagement to date.

Conditional on sufficient global interest, SMI will work together with countries and project sponsors on:

- Developing options for the PDU network’s operating model framework via direct engagement with stakeholders.
- Securing commitments to the PDU network and establish a founding group of partners.
- Identifying optimal funding, management and technical structures for the virtual network.
- Defining, proposing and refining the knowledge repository’s modular filtering options.
- Launching and implementing the network’s short-term initiatives.

The SMI Project Development Tool

A critical imperative of the SPSI project is to address the need for standardised information about investment-ready sustainable development projects. Currently, the lack of consistency in project preparation, execution and documentation increases the cost of capital and creates a perception of risk among investors. Moreover, quantifying actual risk can be difficult without high-quality, standardised information.

In response to these market challenges, SMI—with the support of the contributing firms—developed, piloted and refined the SMI Project Development Tool to support project sponsors in preparing consistent, high-quality project plans for a wide variety of sustainable development projects. The tool aims to:

- Encourage project sponsors to adopt a standardised approach to project planning and preparation that is familiar to investors.
● Provide guidance to project sponsors on international standards and best practices across a range of project considerations.
● Increase sponsors’ understanding of the readiness of their projects, enabling them to be better prepared to communicate opportunities and risks to investors.
● Accelerate the closing of investment deals by improving the quality of discussions between project sponsors and investors.

The tool is structured as a series of yes/no questions which act as a checklist for projects to follow in their journey from concept development to formal fundraising. The questions and related guidance prompt project leaders to be ready with the information investors may seek at each stage of development; the questions cover considerations across macroeconomic, regulation, legal, government counterparty risk, revenue, development, construction, operations, financing, risk and impact reporting. Moreover, project teams can share an active project in the tool among their team members so they can work on their responses collaboratively.

The tool features five sections, which follow the progression of a project from inception to fundraising:

Section 1: Basic Information (23 questions)
The first section asks for key project information, such as location, sector, how advanced the project is, the timeline and whether there is a PDU in place. Completion of the “basic information” section will allow for project leads to introduce high-level discussions with potential investors to discuss the project concept and filter initial investment appetite.

Section 2: Concept and Market Assessment (11 questions)
This section evaluates project risk and opportunities at a high level through questions, such as:
- Has the need for potential public consultation processes been considered in the project schedule?
- Has a capex estimate for the project been computed?
- Do you have a view on the indicative IRR range for the project?
- Have potential climate risks been considered?
The objective is to indicate the scale of the opportunity, the project status, a broad range of target returns and any potential known risks.

Section 3: Pre-Feasibility Assessment and Planning (26 questions)
In this section, project sponsors can set out further practical planning details, such as:
- Have you considered whether government authorization or approval in principle will be required?
- Have you clearly articulated the type of financing you are seeking (e.g. equity, mezzanine, debt, refinancing, grant, philanthropic)?
- Does the developer/project sponsor have experience operating in the proposed location? If not, are partnerships in place to bring in local knowledge, experience and connections?
- Has the project team considered how the project acts in support of the selected Sustainable Development Goals (SDGs), giving quantitative expected impact wherever possible?
Topics covered include the specifications of the proposed development, the legal and regulatory framework within which it will operate and its existing or proposed backers.

Section 4: Technical Feasibility Studies (42 questions)
This section enables project sponsors to consider the adequacy of the prep work completed. For example:
- Do you have a project plan which includes: i) project risks; ii) budget; iii) organizational overview or organogram; iv) scope, goals and objectives; and v) a project schedule?
- Have you undertaken a financial analysis to demonstrate the financial sustainability of the project? This could be in the form of a high-level commercial model or a business plan.
- Have you set up a risk register for your project?
- Have the expected Scope 1, 2 and 3 greenhouse gas emissions from construction and operation over the lifetime of the project been estimated?

Questions at this phase are designed to move project sponsors beyond an initial concept and toward a tangible plan around which some early-stage technical and commercial thinking has been undertaken.

Section 5: Procurement and Financing Commitment (62 questions)

In this final section, sponsors can consider in detail the readiness of the project they are offering to investors, including return assumptions supported by credible financial modelling and the proposed approach to developer procurement. Sample questions in this section include:

- Have you obtained the necessary government authorization(s) to proceed with this project?
- Have the required permits and any special licenses been obtained to enable the project to go ahead (e.g., construction, environmental, zoning, fire, grid operator license etc.)?
- Have the ramifications of using technology been considered, including ensuring that the requisite staffing and maintenance procedures are in place?

If teams are struggling to answer these questions guidance is provided, including common best practices. Pilot users said they found the guidance extremely helpful, in particular the “further information” tab.

At the end of the assessment, project sponsors are issued a score that signals their project readiness, by which we mean the project is at a point where the project lead (and/or team of specialists) can hold productive discussions with potential local and international investors about deploying capital. In calculating project readiness, some “core questions” related to project milestones—completion of a feasibility or risk assessment, for example—are weighted more heavily and therefore contribute more towards the overall score. When the project team makes changes to their responses in the tool, their score will update automatically.

The tool targets a wide range of project sponsors, from country governments and public agencies to private developers, as well as a broader set of stakeholders, including individual investors, non-governmental organisations and project teams. Data entered into the tool would be owned by the project sponsors and is intended for internal planning purposes. The process of filling out the questionnaire itself may encourage more thorough planning: one stakeholder commented that the tool “forced the team to think and discuss next steps [...] the tool works well from an operational efficiency view.” If a project sponsor chooses, they can provide potential investors with direct access to the data portal or they can export the answers to their questions as a Word document. Overall, the tool promises to be a helpful element of project planning. “It’s a very effective platform that is certainly going to make a difference in sustainable infrastructure projects,” one stakeholder said. “The question framework is spot on and should cover comprehensively what an investor would want to see.”

The tool is available on an open-source basis on the SMI website.
Conclusion

Based on the work of SMI—with support of the contributing firms—on the SPSI project, two mechanisms are recommended to build stakeholder capacity and accelerate private sector investment in sustainable development projects.

First, the SPSI project proposes creating a virtual PDU network to better share resources and information among stakeholders. The feedback received indicates strong interest in a virtual platform for this network, with a modular online knowledge repository and stakeholder roster that could be filtered by region, technology, stakeholder type and more. Once established, the network would be the first point of contact for project sponsors looking to accelerate private investment in their projects by leveraging best practices, trainings and topic discussions. Furthermore, through its filterable roster, the network would create opportunities for projects to connect with financial institutions and for financial and knowledge organisations to expand their reach in emerging markets. SMI sees the network as having great potential to contribute to global agendas of increased climate financing; further work will be commissioned to confirm interest from local governments, agree on founding partners and to design the platform for the virtual PDU network. This work will be completed in 2022.

Second, the SPSI project developed, piloted and refined the SMI Project Development Tool to help project sponsors prepare for financing conversations with investors. The tool will allow project sponsors to better identify investor needs and increase the efficiency and transparency of their project planning processes. The tool is currently available on an open-source basis on the SMI website.

Overall, while SMI sees great potential in these two mechanisms, they are not intended to be a panacea. Rather, they are meant to be an addition to a larger body of ongoing work by NGOs, MDBs and other stakeholders toward reducing the barriers to private sustainability financing. Projects designed to further reduce risk for investors, to bundle small-scale projects or to create “matchmaking” systems to pair projects with investors will also be critical developments toward this overarching goal. Scaling private sustainability financing is a complex task, and SMI believes these initiatives are an important addition to the space.
1. Aim is to develop an understanding of the revenue generation model and the public need.
2. Government/public entity to iteratively finalise project selection through a series of studies that include how revenue model and economic constraints should work.
3. Some combination of government and commercial support may be needed until project becomes self-sustaining.

Note: The figure above sets out an overview of the key documents, parties involved and funding that is typical for different stages of a sustainable project’s lifecycle, from the earliest concept soundings to the commercial operation of the project. The SMI Project Development Tool takes users through a checklist of activities and key documents that would enable them to have productive conversations with investors about their project following the first four key project stages: from concept and market assessment through feasibility studies and to the procurement and financing commitment stages.
Appendix B: Contributing Knowledge and Finance Partners

Asian Development Bank
The Asian Development Bank (ADB) promotes social and economic development in Asia and the Pacific by providing loans, technical assistance, grants and equity investments to its members and partners. To maximise impact, they also facilitate policy dialogues, host a webinar series on critical Asian policy issues, provide advisory services and co-finance operations. For more information, visit adb.org.

Caribbean Community Climate Change Centre (5 Cs)
The Caribbean Community Climate Change Centre “coordinates the Caribbean region’s response to climate change, working on effective solutions and projects to combat the environmental impacts of climate change and global warming.” For more information, visit www.caribbeanclimate.bz.

Coalition for Climate Resilient Investment
CCRI was launched in 2019 at the UN Climate Action Summit, and includes private sector and government representatives, including financial institutions representing $20 trillion in assets. CCRI is a flagship initiative of the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in 2021, with the specific goal of supporting national planning and asset design and structuring practices to better integrate physical climate risks. At the asset level, CCRI is publishing frameworks and case studies for the integration of physical climate risk into project-level infrastructure investment decisions. For more information, visit resilientinvestment.org.

Global Infrastructure Facility
“The Global Infrastructure Facility (GIF), a G20 initiative, is a global collaboration platform that integrates efforts to boost private investment in sustainable, quality infrastructure projects in developing countries and emerging markets. GIF enables collective action among a wide range of partners—including donors, development finance institutions, country governments, with inputs of private sector investors and financiers—to leverage resources and expertise and find solutions to build bankable pipelines of infrastructure projects that attract private financing.” For more information, visit www.globalinfrafacility.org.

Inter-American Development Bank
The Inter-American Development Bank (IDB) “works to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education, and advance infrastructure. Our aim is to achieve development in a sustainable, climate-friendly way. With a history dating back to 1959, today we are the leading source of development financing for Latin America and the Caribbean. We provide loans, grants, and technical assistance; and we conduct extensive research. We maintain a strong commitment to achieving measurable results and the highest standards of integrity, transparency, and accountability.

The IDB prioritizes social inclusion and equality; productivity and innovation; and regional economic integration in its development work across Latin America and the Caribbean. In doing so, it addresses the cross-cutting issues of gender equality and diversity; climate change and environmental sustainability; and institutional capacity and the rule of law.” For more information, visit www.iadb.org.
International Project Finance Association
The International Project Finance Association, or IPFA, is the global professional association for infrastructure and energy project financing worldwide. It is an independent, not-for-profit organisation, that connects and promotes the collective interests of its public and private sector members, including the industry’s leading investors, lenders, advisors, developers, sponsors and government institutions. For more than 20 years, it has been a home for thought leadership, networking and professional development, with the aim of driving continuous progress for the benefit of the industry. For more information, visit www.ipfa.org.

Ministry of Sustainable Development, St Kitts and Nevis
The Ministry of Sustainable Development manages the agenda for sustainable development in the Federation of St. Kitts and Nevis (SKN). More information is available here.

Small additional contributions were made by:

- **St. Kitts Investment Promotion Agency (SKIPA)**
  The St. Kitts Investment Promotion Agency (SKIPA) aims to “promote and generate strategic investments for St. Kitts and to facilitate the establishment and expansion of local and foreign investment projects while advocating for the continued development and enhancement of the investment environment in St. Kitts.” They provide support for local and foreign investors preparing to conduct business in St. Kitts by acting as a repository of information to help start new businesses and serving as a liaison to relevant government departments and agencies. For more information, visit investstkitts.kn.

- **Department of Marine Resources (DMR), Ministry of Agriculture, Fisheries and Marine Resources.** The DMR manages marine habitats and fisheries on the island with an aim to “To conserve, manage, develop and sustainably use fisheries, aquaculture and marine resources in the waters of St. Kitts and Nevis.” The DMR also monitors and control all fishing vessels nationally including those beyond national jurisdiction. For this project, the DMR coordinated feedback from aquaculture farmers on the SMI Project Development Tool. For more information, visit dmrskn.com.

Performance Delivery Unit in the Presidency, Namibia
The Performance Delivery Unit (PDU) in the Presidency spearheads the implementation of the five pillars of Namibia’s five-year Harambee Prosperity Plan II. One of the pillars, Economic Advancement, includes the Southern Corridor Development Initiative, which is a portfolio of complementary projects and infrastructure that maximises the opportunity presented by the production of green hydrogen and ammonia for the country. The Initiative was conceived following a preliminary analysis of the green hydrogen market and levelised cost of hydrogen and shows that Namibia could produce highly competitive green hydrogen and ammonia. With its abundant, world-class renewable energy resources, increasing demand for green hydrogen worldwide and PDU driven delivery, Namibia could be an early entrant in this new market.

Private Infrastructure Development Group
The Private Infrastructure Development Group (PIDG) is an innovative infrastructure project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and South and Southeast Asia. PIDG investments promote socioeconomic development within a just transition to net zero emissions, combat poverty and contribute to the UN’s Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. For more information, visit pidg.org.
The Resilient Water Accelerator
The Resilient Water Accelerator, which is being led by international development organisation WaterAid, will bring together governments, private sector leaders, development banks, development agencies and experts to ensure that more finance is fast tracked towards providing and protecting communities’ vital water services. For more information, visit wateraid.org.

UN ESCAP – Infrastructure Financing and PPP Network of Asia and the Pacific
The United Nations Economic and Social Commission for Asia and Pacific (UN ESCAP) is an intergovernmental platform in the Asia-Pacific region. Their Infrastructure Financing and Public-Private Partnerships (PPP) Network of Asia and the Pacific focuses on developing PPP projects and infrastructure financing strategies to promote sustainable development and regional connectivity. The network aims to share best practices, foster capacity building and development of successful pilot projects, connect Asia-Pacific countries to global investors and assist in developing local infrastructure regulatory frameworks to facilitate transaction matchmaking. For more information, visit unescap.org.

University of West Indies
A public university system serving 17 countries and territories in the Caribbean: Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands. The university’s mission is to "advance learning, create knowledge and foster innovation for the positive transformation of the Caribbean and the wider world.” For more information, visit uwi.edu.

Appendix C: Proposed PDU Network Guiding Principles
When developing a framework for the PDU network, the SMI and its contributing partners aligned on the following guiding principles:

- **Country Led.** Ensure content is produced bottom-up and that country PDUs have opportunities to interact organically.

- **Market Aligned.** Share and develop best-practice tools, technical knowledge and innovative solutions that are directly useful and valuable to project developers.

- **Project/Transaction Focused.** Follow a tested approach, incorporate well-established investor requirements, and generate and encourage a viable investment pipeline of sustainable projects/transactions.

- **Purpose Driven.** Prioritise the overarching goal of promoting private investment in sustainable development.

- **Capacity Building.** The network will help member countries build skills to be more effective in their sustainable development work.
• **Integrated.** The PDU network will build on and promote the resources of existing regional organisations. It will also work alongside other SMI initiatives.

• **Adaptive.** The PDU network will continue to iterate and evolve as uptake and member maturity grows.

• **Outcomes Focused.** Build effective measurement and reporting that can demonstrate clear outputs and real-world impact.

• **Inclusive.** Ensure the PDU activities are relevant, just, valuable, accessible and affordable to a range of global stakeholders.

• **Partnership Minded.** To provide a non-competitive, global community of practice aligned with SDG 17.
Contacts

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Endnotes

1. Climate Policy Initiative (CPI), 2019, Global Landscape of Climate Finance
2. USAID, September 2021, Catalyzing Private Finance for Climate Action
3. World Resources Institute (WRI), 2021, MDB Climate Finance in 2020