



USAID
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THE SUSTAINABLE DEVELOPMENT INVESTMENT PARTNERSHIP

An Investment Partnership to De-Risk Infrastructure Projects

Investments in clean water, electricity, sanitation and sustainable transit systems can transform societies, but public and donor funds will never be enough to meet the financing demand for these projects. Each year, trillions of dollars are needed for investments in infrastructure around the world.

As a founding member of the Sustainable Development Investment Partnership (SDIP), USAID's Office of Private Capital and Microenterprise (PCM) is supporting a



global effort to scale up sustainable infrastructure investments in developing economies. The Partnership combines risk mitigation, co-investment and technical assistance to enable specific projects to gain access to private capital.

SDIP's goal is to mobilize \$100 billion in private financing and investment by 2020 to help countries achieve the Sustainable Development Goals. It will support investments in water and sanitation systems, transportation, clean energy, agriculture, health, telecommunications and climate adaptation.

At the heart of SDIP is the Project Review Group (PRG), which convenes regularly to review transactions that are in need of additional risk mitigation, technical assistance and/or financial structuring by SDIP partners in order to be considered "bankable" by banks and investors. Over the past year, the PRG has reviewed over 30 projects across multiple regions and sectors totaling approximately \$28 billion with a financing gap of about \$3.5 billion. These transactions range from a wind farm in Indonesia, a solid waste facility in India to a rapid bus transit system in Jordan.

USAID is a member of the SDIP Secretariat and provides strategic advice on sourcing and financing transactions. SDIP is open to new partners, including governments, local and global private banks, institutional investors and other organizations active in emerging economies, development finance institutions, bi- and multilateral development banks, and other organizations committed to applying substantial energy and resources to support the activities of the partnership.

PCM Support to Investors and Financiers:

- Develops risk mitigation tools
- Provides structuring support for blended finance models
- Supports intermediary linking capital supply and demand
- Convenes financial, donor and public sector partners around opportunities for private finance

PCM Support to USAID Missions:

- Provides transaction structuring support
- Builds partnerships with investors that provide access to capital and expertise
- Identifies and screens new investment partners

MOBILIZING PRIVATE CAPITAL TO MAXIMIZE DEVELOPMENT RESULTS

The Office of Private Capital and Microenterprise (PCM) is a new office within the Bureau for Economic Growth, Education and Environment (E3). PCM mobilizes private sector capital and expertise in support of development priorities. PCM engages investors and reduces business risks through: 1) direct transaction support, and 2) facilitation of investment partnerships. This approach complements traditional development programming by drawing in private investment that is capable of addressing development needs sustainably and at greater scale.

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