

15 October 2018

Berne Union Capacity Sharing Marketplace



Banks, ECAs, MDBs and DFIs as a partnership

- Our customers are exporters/contractors, importers & project sponsors (public & private sector), and also institutional investors
- ECAs, MDBs and DFIs are our partners
- Critical capability to support our customers' strategic ambitions
- Critical capability to service our customers particularly in emerging and higher-risk markets
- Banks see themselves as part of the infrastructure solution
- ANZ's "Purpose" agenda is a key component of decision making:
 - *"To shape a world where people and communities thrive"*

Market Overview

- Significant need for infrastructure financing, both “economic” and “social”
- Deep local & hard currency liquidity
- “Capital gaps” – debt & equity
- Concentration of risk capacity in certain infrastructure sectors
- Many ECAs operating under more flexible, “national interest” oriented mandates
- Banks facing tighter regulation
- In certain emerging/higher-risk markets (still) an inability to strategically plan and prioritise infrastructure investment – “supply driven”
- Stronger sustainability consciousness, often aligned with the UN Sustainable Development Goals

Roadblocks

- ECAs predominantly “demand driven” export orientation vs. tools of public policy
- MDBs/DFIs – lower visibility, product diversity and policy agenda challenging to navigate
- Product capital efficiency
- Speed to market
- OECD consensus – is it still relevant?

Opportunities

- Greater knowledge sharing, including commercial banks – forums like this!!
- Collaboration in engaging public sector entities and developing new frameworks
- Joint actions plans to identify and address capital gaps
- Underwriting and transaction efficiency, e.g. environmental & social review
- Aligned engagement with Central Banks to develop local currency solutions
- Reduce policy complexity & identify opportunities to harmonise
- Commercial banks want to be actively involved
- Opportunity to think differently!

The world is making a transition to a lower carbon economy. As an industry, how are we positioning ourselves as part of this transition?

1. We are well positioned



2. More can be done, we should be more pro-active in



facilitating sustainable development



3. This is not an "industry" issue, it's up to individual



organisations

4. What transition?



HOW ARE WE MAPPING TO THE SDGS?



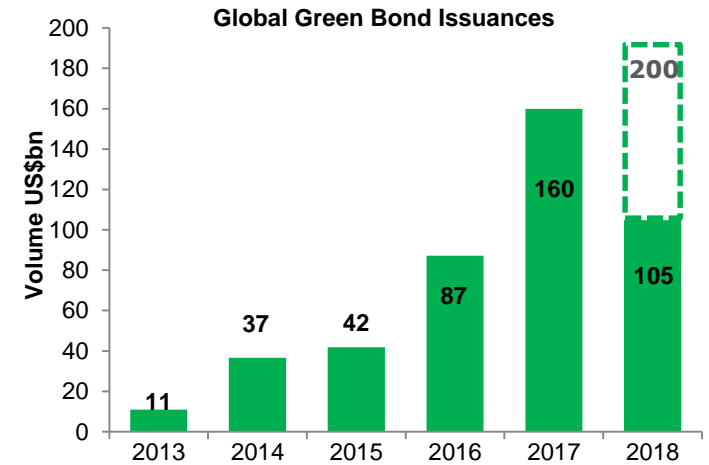
SDG-aligned transactions as a percentage of total 2017 ECA-supported transactions

Other markets are active promoting financing solutions for sustainable development

Members and Partners

Real Economy					
Banks & Insurance					
Institutional Investors					
Development Banks					
Investor Initiatives					
UN Agencies & Initiatives					

* As of November 30, 2017. Additional members and partners are expected to join.



Source: Climate Bonds Initiative, Bloomberg

BLENDED FINANCE TASKFORCE

PROGRAMME OF ACTION

"Mobilising private capital for the SDGs at scale"

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FINANCING A
SUSTAINABLE
EUROPEAN ECONOMY