



Banking on Development

DO YOU NEED FINANCING FOR YOUR PROJECTS IN EMERGING MARKETS?

Then, attend an Informational Training Session about obtaining financing from the private sector departments of multilateral development banks.

SESSION B: William A. Delphos, Managing Director, Delphos International, Ltd.

Banking on the Private Sector: How to obtain MDB money for your project in emerging markets

The Training Session will focus on practical tools and strategies for accessing MDB financing, notably senior loans and loan guarantees but also equity, political risk insurance, and (in specific instances) grants. The leading MDBs will be compared and advice will be given in selecting the most appropriate agency given the circumstances of your project.

Mr. Delphos will discuss the entire financing cycle: project formulation, creation of a compelling financing and business plan, lender due diligence, negotiations of financing terms and conditions, agency approval process, and closing and disbursement. The basic financing products offered by the MDBs to the private sector will be discussed. Common pitfalls and mistakes of potential borrowers will be identified and ample time will be provided for Q&A. Mr. Delphos will also discuss the specific challenges of small business sponsors in dealing with MDBs. The session will be of interest to current and potential investors in emerging markets as well as equipment vendors who are seeking creative ways of financing their sales.

As a group, the multilateral development banks are still one of the most important sources of financing for private infrastructure and other foreign direct investment projects in emerging markets. In addition to the debt and equity financing and the political risk insurance that they provide for their own accounts, the MDBs help mobilize substantial additional financing from private-sector financial institutions.



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Responding to the increased sophistication of many emerging markets, the MDBs have recently introduced new products such as partial credit guarantees and local currency instruments to leverage their expertise and balance sheets more effectively. In addition to their investment operations, the private-sector departments of the MDBs provide privatization and other financing advice to government and private clients.

Strategic investors, equipment suppliers, and developers seeking to start up or expand operations in emerging markets are well advised to familiarize themselves with the products, procedures, and constraints of the leading MDBs. In many of the riskier developing countries, private projects would often not happen without MDB and other public sector support. Even in richer and more advanced markets such as Brazil, China, and Russia, MDBs can add value as part of a well-structured financing plan.