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THE INVESTMENT CLIMATE REFORM FACILITY SUPPORTS ACP DEVELOPMENT FINANCE INSTITUTIONS

The Investment Climate Reform (ICR) Facility provides technical assistance to national and sub-regional development finance institutions (DFIs) in African, Caribbean and Pacific (ACP) countries to become stronger institutions and to identify, prepare and implement projects and investments with high development impact, especially related to women's economic empowerment (WEE) and gender-lens investing (GLI). Since 2020, the ICR Facility has organised a total of 22 events and over 50 DFIs have benefitted from our support.

The ICR Facility can support DFIs in three different ways:

1. WE PROVIDE TAILOR-MADE TECHNICAL ASSISTANCE TO SELECTED INSTITUTIONS

The ICR Facility supports DFIs by providing **tailor-made technical assistance, capacity building and advisory**. From 2020 to 2022, we worked in depth with six DFIs. Each bank chooses the topics and forms of assistance based on its strategic priorities. Where possible, activities targeted towards a specific DFI were opened to other banks in order to facilitate knowledge sharing and peer exchange.

TAILORED TECHNICAL ASSISTANCE

Management processes and investment pipelines	Access to and leverage of international funding	Strengthening institutional structures	Specific financial instruments	Policy dialogue
▪ Credit risk management ▪ Development impact finance ▪ Management trainings ▪ Public-Private Partnerships (PPPs) ▪ Market research	▪ Private sector lending approaches, including blended finance ▪ Access to international and/or bilateral funds ▪ Access to guarantee instruments	▪ Risk frameworks ▪ Monitoring & evaluation ▪ ESG standards and ESS ▪ Gender strategies and policies ▪ Reporting and governance	▪ Social Impact Bonds ▪ Project Finance ▪ Private Equity and Venture Capital Financing ▪ Trade Finance instruments	▪ DFI engagement in political processes/ Public-Private Dialogues (PPDs), including promoting WEE/ GLI in political agenda ▪ Implementation of national gender policies ▪ Peer-to-peer dialogue on public policies

WOMEN'S ECONOMIC EMPOWERMENT / GENDER-LENS INVESTING

EXAMPLES OF SUPPORT WE PROVIDE

Rwanda Development Bank (BRD)

- Assistance with the accreditation for the Green Climate Fund (GCF) by (1) revising the bank's policies and procedures and (2) elaborating a gender policy and on-granting manual for climate finance.
- Improving BRD's performance tracking and development impact measurement by conducting a benchmark study to compare BRD to its peers, developing an impact dashboard (including a training for BRD staff) and support in developing an excel-based impact measurement tool.

Development Bank of Samoa (DBS)

- Review of the bank's credit risk policy and recommendations for improving its application; development of templates for loan appraisals and coaching of staff; organisation of a roundtable on credit risk management with other DFIs in the Pacific.
- Review of processes and approaches to customer services, and training on customer relations.
- Roundtables on Small and medium-sized enterprises (SMEs) and value chain financing and advisory how to tailor financial products to agricultural SMEs.

2. WE ORGANISE KNOWLEDGE SHARING ACTIVITES

The ICR Facility disseminates good practices and lessons learned, and promotes dialogue and knowledge sharing between regional and national institutions as well as between geographical regions.

EXAMPLES OF SUPPORT WE PROVIDE

Knowledge Hub: World Federation of Development Financing Institutions (WFDFI)	Peer-to-Peer Workshops for Carribean & Pacific DFIs
▪ Development of a Knowledge Hub jointly with the WFDFI to facilitate access to good practices and lessons learned for DFI community, including individual knowledge products and links to other sources. ▪ Development of a user manual to maintain the Knowledge Hub up-to-date.	▪ Organisation of a Peer-to-Peer event series for Caribbean and Pacific DFIs on innovative SME Financing, entailing eight workshops on themes such as Credit Risk Management, Client Outreach, and Portfolio and Client Management.

Do you have a topic you would like to discuss with your peers? Contact us at **info@icr-facility.eu**

3. WE PROVIDE DEMAND-BASED TECHNICAL ASSISTANCE ON INVESTMENT CLIMATE REFORM AND POLICY DIALOGUE

DFIs can apply for short-term technical assistance of up to 90 expert days from the ICR Facility on topics related to business environment and investment climate reform, advocacy with policymakers, public-private dialogue formats and improving the existing legal/ institutional frameworks and policies for public-private partnerships. Requests can include for instance:

- Working with policymakers to establish a common understanding of gender issues in finance and alignment of DFIs with national gender strategies;
- Promoting an inclusive and gender-sensitive investment climate e.g. through collaborative gender assessments in DFIs and their commercial bank partners;
- Piloting and promoting new inclusive financing approaches vis-à-vis policymakers;
- Engaging with financial regulators and authorities to discuss potential amendments in the regulations to facilitate financing for women-led SMEs;
- Initiatives to improve sex-disaggregated data availability and define gender-related key performance indicators (KPIs), e.g. in collaboration with national statistics agencies

TANZANIA AGRICULTURAL DEVELOPMENT BANK (TADB) AGRIBUSINESS FINANCING FOR WOMEN & YOUTH

The ICR Facility supported TADB in developing a gender scheme to offer financial and non-financial support for women and youth in agribusiness. This included:

- developing a landscape study on agribusiness financing for women/youth
- drafting a Gender Strategy
- conceptualising a Gender Scheme

Workshop to validate the Gender Scheme & Strategy and expand partnerships and dialogue with stakeholders along the agriculture value chain

Are you interested in improving your investment climate or to kick-start a public private dialogue?
Contact us at **info@icr-facility.eu**

ANY QUESTIONS? CONTACT US

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