

## Creating Markets, Creating Opportunities

The private sector is the biggest engine of economic growth in the world, creating jobs and strengthening economies. How to create more opportunities for private investment in the places that need growth the most was the theme of IFC's flagship event at this year's Spring Meetings: Creating Markets, Creating Opportunities.

Opening the discussion, World Bank Group President Jim Yong Kim and IFC EVP and CEO Philippe Le Houérou stressed that development finance institutions and governments need a fresh approach to meet the enormous financing needs of emerging markets. They agreed that IFC and the World Bank Group must work with partners and governments to more proactively unlock private investments that are currently on the sidelines.

They outlined three key components to this fresh approach:

- The first is creating markets. This means enabling the development of new markets or pushing regulatory and institutional reforms to attract private investment.
- The second is more effectively crowding-in private financing by de-risking projects. One example is leveraging the new IDA18 \$2 billion private sector window to do more local currency financing and to provide first loss capital.
- The third is to adopt a private sector-first approach to financing. That means, when we look at a project, we should first ask whether private financing alone can pay for it. If not, we should work with the government to enact reforms to attract private investment. If that fails, we should deploy new risk-reduction tools to spur private investment. Private finance comes into play only when all other options have been exhausted, they said.

Colombia's Minister of Finance and Public Credit, Panelist Mauricio Cárdenas, said it was critical to develop local capital markets to enable long-term financing and financing at scale. Other panelists talked about the important role government regulation plays to create a level playing field and ensure transparency.

Other panelists were: Imad Fakhoury, Minister of Planning & International Cooperation, Jordan, Vincent Le Guennou, Chairman of the Board of Directors, Eranove, and Co-CEO Emerging Capital Partners, Tara Lindstedt, Managing Director, EPG Energy, Dimitris Tsitsiragos, Vice President, New Business, IFC, Chris Wood, CEO, WIOCC.