



## IFC Advisory Services in Infrastructure

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# Better Access to Public Services Through Public-Private Partnerships

Reliable electricity, a good transportation network, and adequate water and sanitation services are intrinsic to a country's economic growth. Quality health care and a robust education system make the chances of sustainable economic progress even better.

Since 1989, IFC Advisory Services in Infrastructure has worked on more than 250 projects in 80 countries, including many of the world's poorest. Our advice helps to generate investment opportunities that result in long-term economic growth and better living standards. Infrastructure advisory transactions completed in fiscal year 2009:

- Helped 4.9 million people gain better access to critical public services.
- Yielded fiscal savings of US\$360 million.
- Leveraged over US\$1.7 billion in private investment.

IFC works closely with many donor partners including: Australia, Austria, Brazil, Canada, France, Ireland, Italy, Japan, Kuwait, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, the United States, the Public-Private Infrastructure Advisory Facility, the Global Partnership for Output-Based Aid, and the Private Infrastructure Development Group.

## WHY IFC?

The global economic crisis has placed enormous stress on governments struggling to find sufficient resources to advance crucial infrastructure projects. Increasingly, governments are looking to the private sector for help. And they are turning to IFC to help mobilize the power of public-private partnerships.

IFC is the only multilateral organization that offers direct advisory services to governments on private sector participation in infrastructure and other public services. Acting as an honest broker, IFC advises client governments on the structure and implementation of private sector transactions that meet the needs of the government, consumers, and investors alike. IFC advice is based on established good practices and balances the needs of investors with public policy considerations and the needs of the community.

As the lead transaction advisor to governments, IFC brings these unique qualities to the table:

- Emphasis on transparency, fairness, and neutrality.
- Extensive knowledge of emerging markets.
- Established reputation in the global investment community.
- Geographically diversified teams with 80 field staff based in more than 20 countries.
- Focus of a development institution with experience as an investor and lender to private sector clients.
- Member of the World Bank Group.
- Continued IFC engagement after a transaction is completed.

## A DEEPENING ENGAGEMENT WITH THE PRIVATE SECTOR

Public-private partnerships harness the untapped potential of the private sector to increase access, enhance the quality, and improve the efficiency of public services, without further burdening public finances. When markets are buoyant, it is relatively easy to attract private investors. But in today's uncertain financial environment, private capital is showing less interest in infrastructure projects and market risk.

Confidence is key. When structured by IFC, public-private partnerships are not just contracts, although they include long-term agreements between governments and investors to provide specific services in line with strict service criteria. IFC takes the process a step further and helps lay the foundation for future transactions.

IFC's strategic approach includes advising clients on technical, legal, and regulatory requirements; helping to design new laws and regulatory institutions; building capacity and training government staff; monitoring projects for investor feedback; addressing social and sustainability issues; and devising the strategies necessary to deliver successful public-private partnership transactions in difficult market conditions.

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