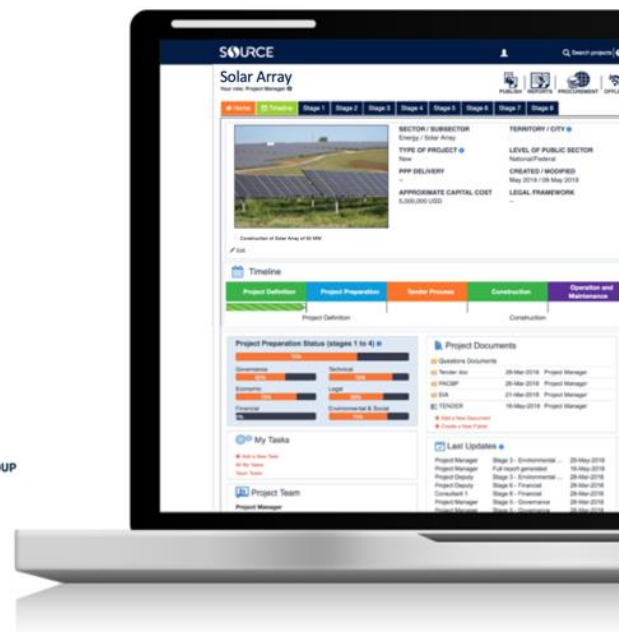


SOURCE

THE MULTILATERAL PLATFORM FOR QUALITY INFRASTRUCTURE



Brief for the G-24

July 2019

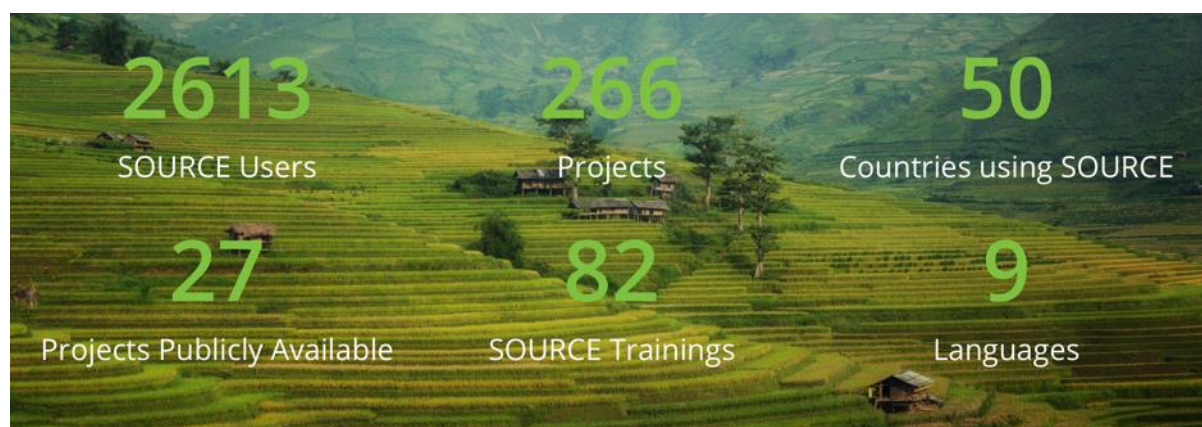
Background

Infrastructure investment is a key component of the 2030 Agenda for Sustainable Development and is recognized as a crucial driver of economic development. Because the quality, quantity, and accessibility of economic infrastructure in developing countries lag behind those in advanced economies, scaling up infrastructure investment is a key pillar in many national development strategies. The inability of sovereign and sub-sovereign agencies in emerging market and developing countries to prepare a consistent supply of structured projects offering a standardized risk transfer regime and satisfactory investment return remains a hurdle in connecting potential project sponsors and available finance to infrastructure development activities.

The high costs associated with the preparation of bid proposals for infrastructure projects are difficult to justify when the underlying projects themselves suffer from poor preparation, delays, and a lack of transparency in the bidding process. Bridging large infrastructure gaps will require tackling several problems in terms of project preparation, mobilization of financing, project selection and implementation, the profile of cash flows, and the perception of high risks throughout the project life cycle, which contribute to making private investment difficult to justify and costly to achieve.

Originally developed by the Asian Development Bank (AsDB) under a technical assistance (TA) programme funded by the Republic of Korea, SOURCE has been operated by the Sustainable Infrastructure Foundation (SIF) since 2014, a not-for-profit foundation headquartered in Geneva, Switzerland.

SOURCE Key numbers in July 2019



SOURCE is the multilateral project preparation platform led and funded by the Multilateral Development Banks. It brings about systemic change in the way governments prepare, procure and implement their infrastructure projects.

SOURCE provides a comprehensive map of all aspects to take into account in order to develop quality and sustainable infrastructure, covering governance, technical, economic, legal, financial, environmental and social issues. It uses sector-specific sets of questions covering all the stages of the project cycle, spanning from project definition to operation and maintenance. SOURCE's objective is to strengthen the capacity of project developers by providing:

- i) an online, secure and collaborative project management software** that can be connected to other databases, initiatives, platforms and tools;
- ii) a structured and standardized methodology** integrating multilateral best practices and standards, a practical access to curated knowledge products and tools, as well as a knowledge management system to record, curate and manage lessons learnt and an internal knowledge document;
- iii) a communication platform** between project stakeholders, reducing preparation and transaction costs, promoting transparency and consistency throughout the project cycle;
- iv) a project promotion tool** developed in liaison with private sector and investors; and
- v) a standardized database**, with servers under the jurisdiction of the United Nations, structuring infrastructure project information to prepare dashboards and assess performance and sustainability of infrastructure.

The SOURCE Council

The SOURCE Council is composed of Multilateral Development Banks (MDBs) that have made full annual institutional membership contributions and are working to integrate SOURCE into their operations. The SOURCE Council effectively approves the annual budget and strategic direction of SOURCE, including the oversight of SIF's activities related to the development and promotion of SOURCE.



(observer)



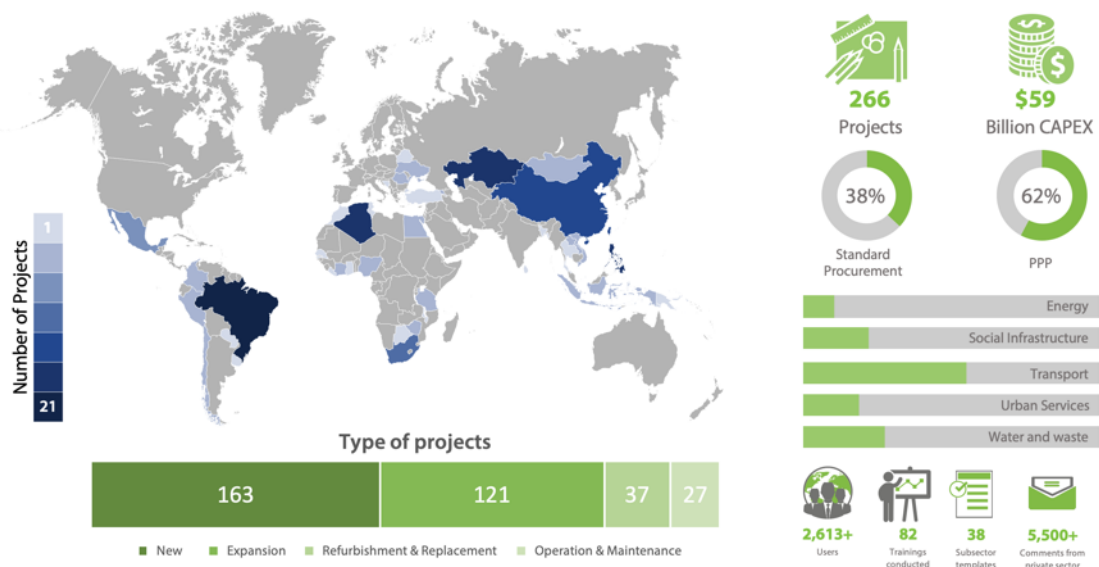
The Sustainable Infrastructure Foundation (SIF)

SIF is a not-for-profit Swiss foundation headquartered in Geneva that coordinates the provision of SOURCE. SIF is led and financed by the MDB members of the SOURCE Council, to:

- Manage the development of SOURCE;
- Provide capacity building to SOURCE users;
- Conduct the adoption of SOURCE by governments, public agencies and international organizations.

SIF is a delegate at the **G20** and participates in its Infrastructure Working Group.

SOURCE global coverage (July 2019)



G-24 countries preparing projects on SOURCE by start of use:

2016

Brazil
Colombia
Côte d'Ivoire
Egypt
Indonesia
Nigeria
Philippines

2017

Algeria
China (special observer)
Ghana
Lebanon
Mexico
Morocco
Peru
South Africa
Sri Lanka

2018

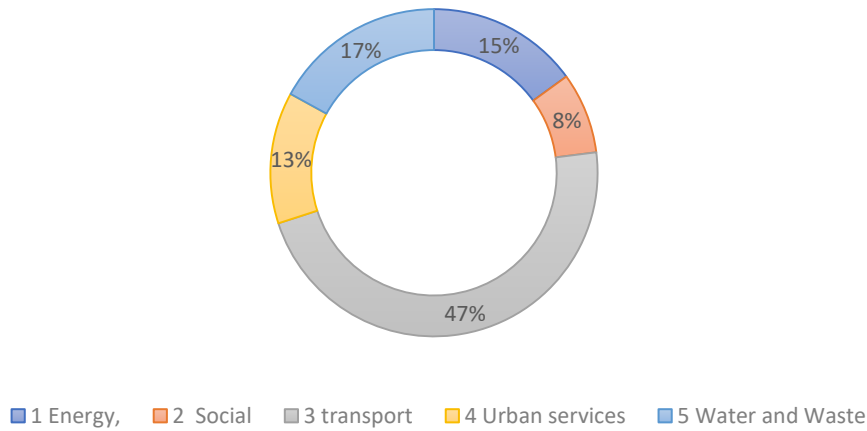
Ecuador
Indonesia (observer)
Lebanon
Mexico
Morocco
Nigeria

2019

India

48% of the projects on SOURCE are from G-24 member countries

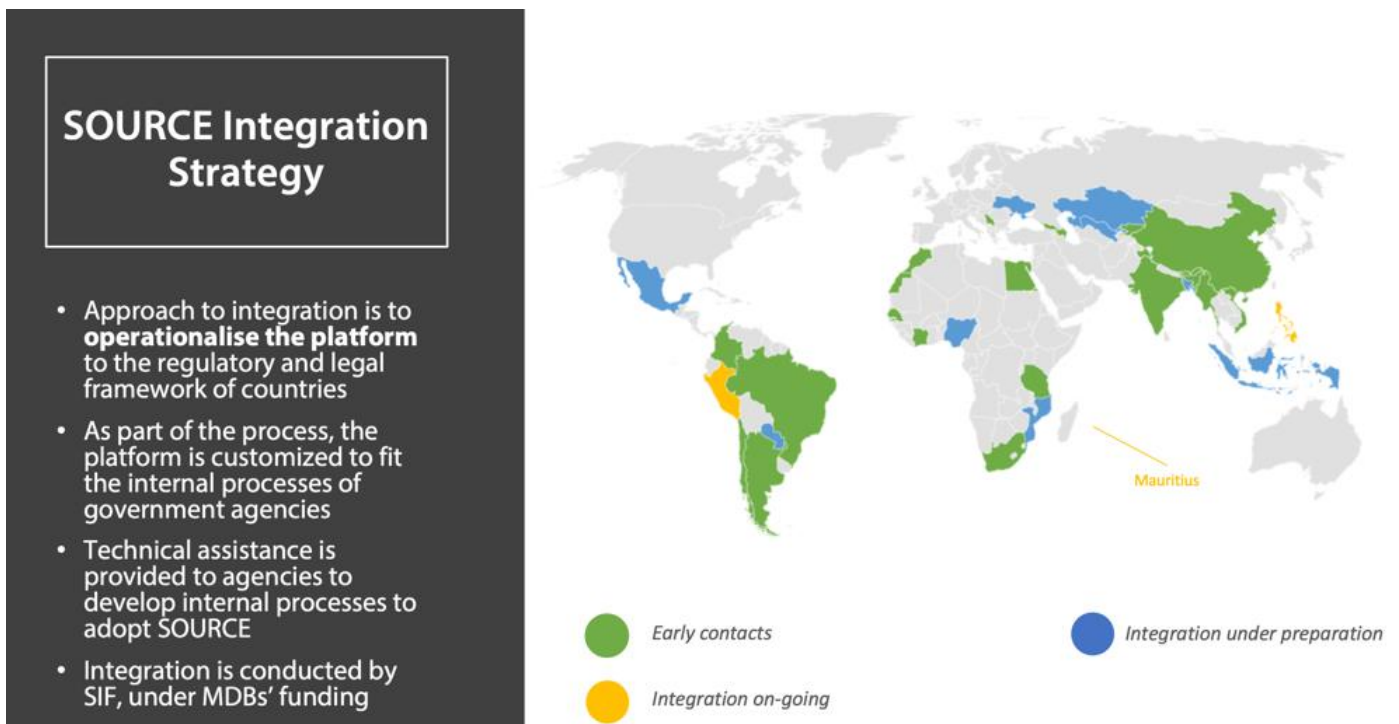
G-24 country members project sectorial distribution on SOURCE, July 2019



SOURCE Integration

In April 2018, two years following the global launch of SOURCE, SIF and its partner MDBs initiated a new strategy to scale up the global impact of the platform based on the integration of SOURCE in countries and MDBs. This strategy aims to operationalize and customize SOURCE platform to countries' regulatory framework and project development processes, to enable its adoption at the national level across all agencies involved in the development, funding and management of infrastructure projects. Following a successful piloting in the Philippines, the strategy was approved and maintained by the SOURCE Council in December 2018, with the objective of covering at least 15 countries by the end of 2019. Figure 1 shows the current status of SOURCE integration in different countries.

Figure 1: Status of SOURCE integration worldwide, July 2019



SOURCE is currently working across all continents, including Asia, Latin America, Europe and Africa. The activities conducted for the integration of SOURCE in priority countries for each region are as follows:

- **Asia**

- **Philippines:** The integration of SOURCE is under implementation and will be completed in May 2019 with the support of the Asian Development Bank (AsDB). The focal agency of the integration has been the National PPP center, under the oversight of the Ministry of Finance, with a view to extend the use of SOURCE for all types of procurement by 2020
- **Indonesia:** SOURCE is collaborating with the Indonesian Ministry of National Development Planning (BAPPENAS), the World Bank and the AsDB to implement SOURCE as the central platform for the PPP Joint Office. As part of this collaboration, the harmonization of a project screening tool developed by the World Bank is planned for the first stage of customization.

- **Latin America**

- **Peru:** SOURCE is working with the Peruvian Agency “ProInversion” and the InterAmerican Development Bank (IaDB) to integrate the SOURCE platform into their project management operations. An inception workshop for the integration has been organized in May 2019 and the integration is currently in process. The technical assistance will be facilitated and financed by IaDB.
- SIF is collaborating with the Financing Energy for Low-carbon Investment-Cities (FELICITY) Advisory Facility, an initiative funded by the GIZ in Cooperation with the European Investment Bank (EIB). SIF provided SOURCE trainings for municipalities in Mexico and Brazil, to enable them to autonomously use and apply the platform in their infrastructure projects:
 - i. **Brazil:** The cities of Brasilia, Florianopolis and Porto Alegre expressed interest in using the SOURCE platform to manage low-carbon projects;
 - ii. **Mexico:** Mexico City and Naucalpan municipality have been fully trained on the use of the platform and are currently using SOURCE with pilot projects. In addition, the Global Infrastructure Hub (GIH) committed support to the integration of SOURCE in the context of the FELICITY programme in two urban areas in Mexico City.
- **Argentina:** A SOURCE training and inception workshop was conducted with the support of IaDB in Buenos Aires on November 15th, 2018 to initiate the integration of the platform in the country.

- **Africa**

- **Nigeria:** With the support of Islamic Development Bank (IsDB), a two-day SOURCE training programme was organized in Abuja, Nigeria in March 2018. A letter of Interest was sent to the African Development Bank (AfDB) by the Nigerian Infrastructure Concession Regulatory Commission in August 2018 to implement SOURCE in PPP projects and subsequently in other infrastructure projects.
- **Morocco:** SOURCE was presented as part of a call for proposal to the Ministry of Finance in April 2019.

SIF provides the opportunity for countries already using SOURCE on specific projects, such as Algeria and Ghana, to confirm their interest to further institutionalize the use of the tool nationally. SIF is also in discussion to integrate SOURCE in Guatemala, Ethiopia and Kenya by the end of 2020.

Investor Leadership Network (ILN)

The long-term mindset and overall objectives of the ILN are particularly well-aligned with MDBs' mandates. Furthermore, MDBs' unique capacity and experience in sustainable development, as well as their extensive field presence around the world make them natural partners for ILN initiatives. In this context, ILN and MDB leaders consider there is a great opportunity to increase the impact of their respective activities through closer collaboration, active networking and expertise sharing.

SIF successfully completed the recruitment of 16 fellows from 10 countries that will participated to the ILN Sustainable Infrastructure Fellowship Program in York University Toronto Canada from June 3rd to July 12th, 2019. A SOURCE training will be provided on June 17th and 18th in York University. In addition, further case studies developed in collaboration with the MDBs will be used by the fellows to work on SOURCE across the academic program.

Fellows	Country
1	Brazil
2	Colombia
2	Indonesia
1	Mauritius
1	Mexico
1	Namibia
1	Peru
4	Philippines
1	Serbia
2	South Africa

SIF is working with

ILN Partners

CDPQ, ONTARIO TEACHERS' PENSION PLAN, CalPERS, AVIVA, NATIXIS INVESTMENT MANAGERS

Private Sector

CPP INVESTMENT BOARD, OMERS, AIMCO, OPTrust, PGGM, GENERALI

AUTODESK, AECON, Allianz Global Investors, ATKINS, BECHTEL, BNP PARIBAS, Caisse de dépôt et placement du Québec, BOUYGUES, BOMBARDIER, citibank

EIFFAGE, egis, ERM, ferrovial, HSBC, KPMG, LAZARD, MACQUARIE, MARSH

meridiam, Microsoft, MOTT MACDONALD, pwc, Pinsent Masons, PRUDENTIAL, SAP, SMBC, SNC-LAVALIN

International Institutions

Swiss Re, VEOLIA, VINCI

africaninvestor, CITIES CLIMATE FINANCE LEADERSHIP ALLIANCE, cta, DFAT, FIDIC, Global Infrastructure Hub, giz, GRESB REAL ESTATE

ICC INTERNATIONAL CHAMBER OF COMMERCE, ICC international computing center, MCC, Ministry of Infrastructure and Water Management, OECD, Private Infrastructure Development Group, WORLD ECONOMIC FORUM