**II. B. Domestic and international private business and finance**

33-35: As an overarching comment for paragraph’s 33-35, a major barrier to increasing private finance is the lack of “bankable” or “investable” deals. This is particularly the case for countries in special circumstances, including SIDS. For domestic, foreign and impact investment, there is a need for development partners to provide support to the investment pipeline, including supporting businesses to be ‘investment ready’.

Para 34 is encouraging, but could include a reference to working with national pension and provident funds to promote domestic investment. These entities are significant holders of capital, and are more familiar with local investment opportunities.

In 34C We see quite a focus on sophisticated financial instruments. Our view is that these may not be appropriate for all countries. The drafting could reflect this.

35 (a-f) The text could refer to the role of development partners and MDBs in de-risking foreign investment through mechanisms such as first loss facilities or partial guarantees.

35g We support the need for IFC to scale up the use of the IDA Private Sector Window (PSW), through a variety of measures, including increased local currency lending and enhancing private equity. This complements calls in this Chapter for additional focus on stimulating the private sector through policy reforms to enhance the business environment.

This is one area where the outcome document should recognise the progress that the MDBs, including IFC, have made in private sector development. All MDBs have made progress – although not yet enough – in leveraging more private sector financing. The scale up of IFC has already occurred as part of IDA21. Scaling up the Private Sector Window doesn’t come without trade-offs with IDA priorities, unless it comes from IFC’s own balance sheet.

35(h) We support the need for MDBs to establish pools of catalytic capital seeded by development banks, development finance institutions, foundations and philanthropies and note their support for the development of repositories of guarantee instruments, building on the World Bank Guarantee Platform. The MDBs are already doing this, though there is room for scale up.

35(i) We support MDBs providing enhanced technical assistance (TA) in a coordinated manner, including through the establishment of a Pooled Technical Assistance Platform, to help developing countries, particularly countries in special situations, originate, prepare and support high-impact infrastructure projects.

35(j, k) We support these, noting again that some progress has been made – particularly around risk mitigation. The work around credit rating methodologies is critical to significantly lifting the amount of financing that MDBs have available, while ensuring that MDBs do not lose their AAA rating.

36G: We’d welcome more clarity around a “global interoperability governance framework”.