Keynote Speech at Finance in Common – Side Event on "Enhancing Market Access for Public Development Banks: Reducing the Cost of Capital for Sustainable Investment" – FfD4, Seville 2025

By

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Seville, 02 July 2025

Excellencies,

Representatives of Public Development Banks,

Distinguished Guests,

Ladies and Gentlemen,

It is a **singular honour** for me to join this **critical conversation** on a matter that goes to the **heart of what we are all trying to achieve** — not only **mobilizing more capital**, but mobilizing it **where it matters most**, at a **price that does not penalize** those **who need it most.**

I would like to **thank Finance in Common** for organising this event. You are convening this **discussion at a pivotal moment.**

The **question** before us today is **simple**, yet **urgent**: how can we **unleash the full potential of Public Development Banks (PDBs)** to drive the **green, just**, and **inclusive transformation** that the **2030 Agenda demands**?

This **question** is not abstract for us in **Guinea**. It is our **daily reality**.

Ladies and Gentlemen,

I have structured my intervention around 3 key points:

1st point: The Cost of Capital Is a Cost of Inequality

Let us begin with **an uncomfortable truth**: the **cost of capital today** reflects not the creditworthiness of our vision, but the **geography of our balance sheets**. Too often, **risk** is measured by **where we are**, **not** by **what we do**.

This **asymmetry** creates a **paradox**: **countries and PDBs** with the **greatest need** for affordable capital face the **highest barriers to access**.

In Guinea, we are implementing **Simandou 2040** — an **ambitious**, **long-term vision** to harness our **natural resource wealth**, invest in **infrastructure and local value chains**, and transition towards a **diversified and resilient economy**. But we are doing so with a **financing architecture** that **penalizes ambition**.

That is why we believe the **time** has come to **rebalance the global financial architecture** — and this begins with **empowering PDBs to do more**, with **less friction** and **less cost**.

2nd point: Development Banks: From Margin to Center

Public Development Banks are no longer auxiliary actors. They are **system shapers**. They are **vehicles for climate adaptation**, **food security**, **digital inclusion**, and **energy access** — not tomorrow, but **today**.

Yet, too many of our **PDBs** remain trapped in a **vicious cycle**:

- **Low credit ratings** that do not reflect developmental mandates;
- **High issuance costs** that disincentivize scaling;
- **Lack of credit enhancement tools** to improve market positioning;
- And **limited recognition of Preferred Creditor Status**, even when governance and performance are sound.

We must **move from** a paradigm of **constraint to** one of **strategic empowerment.**

Let me enforce this: **this is not a request for privilege**. It is a **call for parity of evaluation**. If a **PDB** is delivering on **governance**, **impact**, and **accountability** — then it deserves **credit treatment** on par with its ambition.

3rd point: Guinea's Experience: The Power of Targeted Development Finance

Allow me to briefly share our **perspective from Guinea**.

We have **leveraged partnerships with BADEA, UKEF, the Islamic Development Bank**, and others to finance **strategic infrastructure** — from rural roads to polytechnic schools to mini-hydropower.

But what has been **most effective** is when **financing** is accompanied by **confidence mechanisms** — **blended structures, guarantees**, and **flexible concessional instruments** that **lower** the **risk premium** and **raise developmental return.**

We see **enormous potential** in **new instruments**: **Hybrid capital**, **First-loss guarantees**, **Callable capital** and **regional guarantee platforms** that pool risks across PDBs.

These innovations must not remain on paper. They must become **the new norm** — particularly for **national and sub-regional development banks** serving countries like ours.

Ladies and Gentlemen,

What Needs to Happen Next? I propose the following as a way forward:

1. **Recognition Framework for Emerging PDBs**: Establish a **standardized** yet **flexible framework** through which PDBs can attain **Preferred Creditor Status**, based on **governance**, **capital adequacy**, and **alignment with the SDGs**.

2. **Blended Finance Acceleration Facility**: Create a **dedicated vehicle** within the Finance in Common platform to channel **concessional capital into guarantees** and **de-risking instruments**, tailored to **underserved regions and banks.**

3. **Data and Transparency Compact**: Work with **credit rating agencies and MDBs** to co-develop **methodologies** that reflect the **developmental mission and performance of PDBs**, not just sovereign risk proxies.

4. **South-South Knowledge Platform**: Institutionalize a **mechanism for peer learning** among **African and other Southern PDBs** to share **innovations in structuring, pricing, and risk management.**

Excellencies,

Ladies and Gentlemen,

If the market fails to recognize the true value of PDBs, then it is the **market** that **must evolve**, not the mission of development banks.

In **Guinea**, we are **ready to play our part** — as a **country of ambition**, of **reform**, and of **regional integration**.

Let us not wait for another crisis to act. Let us ensure that **public development banks** are **not the last resort** for the underserved, but the **first frontier of sustainable transformation.**

The **capital exists**. The **ambition exists**. **Now is the time to align them**.

Thank you.