



KPMG supporting international development

**International Development
Assistance Services**

kpmg.com/idas



Foreword



Delivering basic public services in the developing world presents an array of challenges. Strengthening institutions—governments, businesses, and nonprofit organizations—is critical because they are at the core of driving progress. The UN Sustainable Development Goals (SDGs) created a framework and objective for stakeholders in the development sector to unite behind, ultimately creating a sustainable and thriving world for all. However, it is well known that there are still a number of roadblocks remaining, including financing, which stand in the way of achieving these goals by the 2030 timeframe. And this was the case before COVID-19 emerged.

The COVID-19 crisis presents a significant challenge to the world as a whole. No country is immune. This challenge highlights the importance of achieving the SDGs and ensuring that the world can withstand future emergencies of this magnitude. KPMG member firms are continuing to respond to the COVID-19-specific needs of our clients and communities with a collective intention of working toward a more resilient and sustainable global future.

There is still much to do to create a sustainable environment for growth globally, and with the added challenges presented by the COVID-19 crisis and recovery, both in the developing and developed world, it will be vital for all sectors and industries to work together. With member firms in 147 countries and territories, KPMG stands ready to assist governments, businesses, multilateral development banks, foundations, nonprofit organizations, NGOS, and development agencies with sector-specific experience and solutions to improve the development landscape.

If you have any questions related to the capabilities of KPMG member firms and their International Development Assistance Services (IDAS), including capabilities related to COVID-19 response, I encourage you to contact an IDAS team member to learn more and to find out how we can support your organization's development agenda.



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Overview of KPMG

KPMG member firms work with clients to address complex challenges using a multidisciplinary approach spanning both industry sectors and national boundaries. Member firms draw from leading experts in a variety of disciplines, a deep knowledge base, and tools that are field tested and industry leading.

KPMG's global network of member firms operates in 147 countries and territories and has more than 219,000 people around the world, providing advisory, tax, and audit services to industry and global capital markets and are committed to supporting the global effort to reach the Sustainable Development Goals (SDGs) by 2030.



A trusted advisor

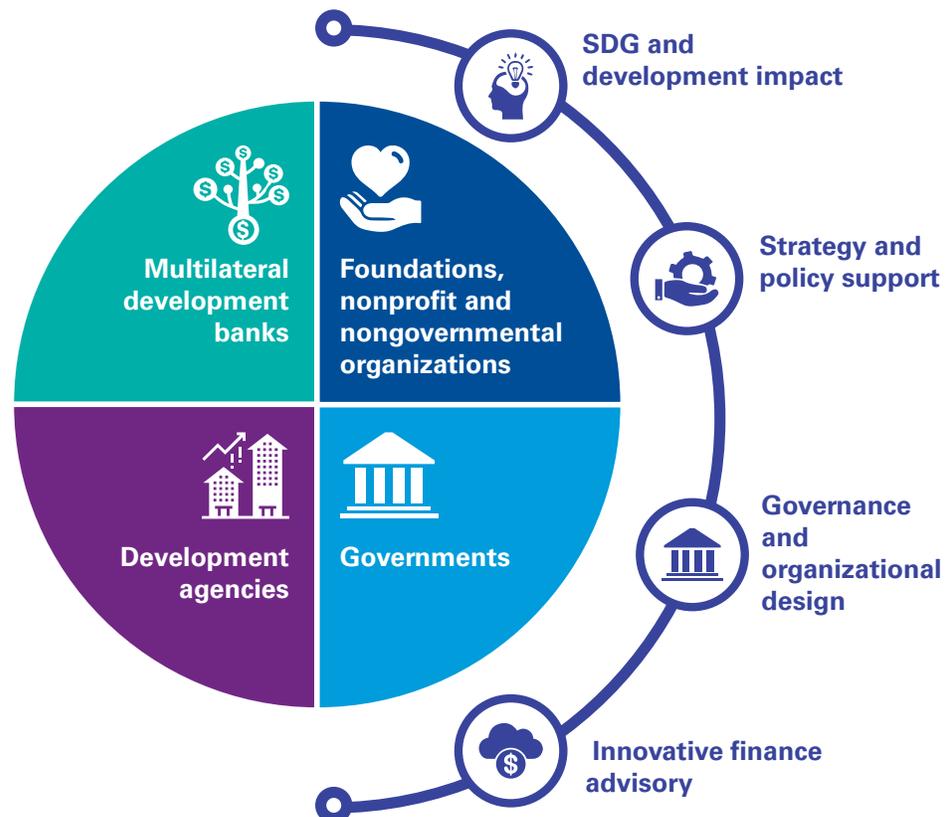
KPMG firms have a dedicated practice, International Development Assistance Services (IDAS), that works with clients to address the challenges faced by the global development community; working with nongovernmental organizations (NGOs), philanthropic foundations, development agencies, multilateral development banks (MDBs), and other international entities on a variety of projects.

Practice professionals work across the globe to deliver sustainable solutions in complex, fragile, and developing country environments. KPMG member firms have successfully helped clients

deliver projects across Africa, Asia, Eastern Europe, the Middle East, Latin America, and the Caribbean.

KPMG firms strive to be the advisors of choice when you need on-the-ground experience, tested global knowledge, and networks and teams that are proud to help clients achieve positive change. By contextualizing the knowledge and experience of KPMG's global network, IDAS brings a broad-ranging suite of practical skills and strategies into the development landscape.

Our clients
and how we
serve them



Development and SDG impact

To help countries reach the SDGs by 2030 we draw on KPMG's subject matter professionals (SMPs) in areas such as infrastructure, health, public finance, economic development, smart cities, and many others.



Indicative case studies: Development and SDG impact

SDG financing and localization platform



Large multilateral organization



KPMG in Bangladesh along with KPMG in India worked with a multilateral organization to design and implement a pilot platform to finance and localize support for SDG 6: Clean Water and Sanitation (WASH) in Bangladesh. The platform helps pool private and public financial and technical resources, drives resource allocation, and serves as a resource to coordinate a WASH strategy. The project also included a workshop with chambers of commerce, local government agencies, NGOs, and private service providers to test business models for engaging organizations operating in the water industry. KPMG in Bangladesh also developed country-specific SDG indicators to monitor progress, identified data gaps, and assessed the overall size of the funding market for water sanitation projects. Finally, the team developed a checklist to cover potential financing and localization options and to encourage private investment in the sector. The resulting toolkit included guidelines for establishing partnerships to achieve SDG 6.1—access to clean drinking water grounded on the institutional and regulatory requirements in Bangladesh.

Strategic framework for SDG implementation: Enhancing impact of cooperatives



Cooperatives of the Americas



KPMG member firms in the U.S. and in Costa Rica worked with COOP Americas, a member of the International Cooperative Alliance, to develop a strategic plan, define its value proposition, and set up an SDG-aligned roadmap of initiatives for 2020–2023. Based on a membership survey and landscaping exercise, the team incorporated relevant leading practices to meet SDG priorities and helped frame the strategic plan. The team led a training program focused on skills in project design aligned with the SDGs and approaches to working with international financial institutions. As a result, COOP Americas was able to expand its development sector activities with its membership and more effectively engage in the global dialog on the SDGs.

Localized SDG action plans



Andhra Pradesh Panchayat Raj (Village) Department

The local self-governing bodies in India's Andhra Pradesh state work with 34 million rural citizens on areas as varied as education, health, livelihoods, governance, and water/sanitation (WASH). KPMG in India worked with the state government to develop action plans targeting seven SDGs and aligned with its U.S. \$5.6 billion budget working across 25 agencies and over 150,000 staff members.

Recommendations made by the KPMG team fostered SDG-aligned planning and implementation, and conceptualized an information and communications technology system to bridge siloes and synergize planning efforts among local authorities, the state government, and community-based organizations involved in this implementation. These efforts laid the foundation for implementing the SDGs at scale.



Strategy and policy implementation

KPMG professionals work with clients to enable their strategic policy objectives to be measurable, time-bound, and grounded in local needs.



Indicative case studies: Strategy and policy implementation

Structural reforms in the Indian power sector



Department for International Development (DFID), UK

The Government of India (GoI) has laid out an ambitious plan to provide secure, affordable and sustainable energy to all its citizens. It has set a target of achieving 175 GW of Renewable Energy (RE) capacity by 2022 and has recently undertaken one of the largest expansions of electricity access in its history, providing last mile connectivity to approximately 26 million households. To support the reforms process further, the Government of India and the UK Government responded by jointly undertaking the Power Sector Reforms Program.

As the lead implementing agency of this program, KPMG in India led central and state-level transformation initiatives to improve the viability of distribution utilities, mobilize investments in the sector and support large scale deployment of renewable energy. Activities within the engagement include optimization of power purchase costs of distribution utilities, design of policy and regulatory frameworks, and development of innovative business models to facilitate RE integration. The KPMG team also developed financing instruments and helped establish a knowledge-sharing platform—the Centre for Energy Regulation. These efforts have paved the way for an overall strategic vision for reforms and a more informed approach to decision-making. The program has been rated highly in DFID's annual reviews for consistently delivering ahead on its milestones.



Health sector reform in Kazakhstan: Enabling universal healthcare



Ministry of Health of the Republic of Kazakhstan (funded by the World Bank)

Universal health care (UHC) is a central component of Kazakhstan's national agenda, as evidenced by the mandatory social health insurance law. The resulting Compulsory Social and Medical Insurance (CSMI) program seeks to lower the cost of care, raise quality, and expand nationwide access to medical insurance. KPMG in Kazakhstan worked with the Ministry of Health and the Social Health Insurance Fund (SHIF), the government's strategic purchaser of medical care, to help ensure a smooth rollout. KPMG in Kazakhstan provided support in the form of revenue forecasting, data analysis, budget planning, design of automated purchase-to-payment systems, and implementation of World Health Organization (WHO) pharmaceutical standards. Ongoing activities have paved the way for a more transparent and accessible healthcare system by 2030.

Small and medium enterprise (SME) sector integration in the Congo



Congo Ministry of Small and Medium Enterprises of Crafts and Informal Sector (MPMEASI) – (financed by the African Development Bank)

A multilateral finance institution, focused on building the capacity of governments to establish stable sustainable fiscal and macroeconomic policies, initiated a multiyear transformation. The process was designed to modernize and streamline its professional services business, and implement portfolio management processes and a new technology solution to lay the foundation for addressing evolving business needs.

To reinforce its mission, this multilateral finance institution hired KPMG in the U.S. to introduce a centralized demand pipeline and establish data tools for decision-making. The team led a stakeholder consultation process through large audience format workshops that identified updated organizational needs and process designs. The result was an optimized business management and client interface model that was endorsed broadly by cross-functional departments. This new model and its design was the important foundation for the eventual technology implementation.

Indicative case studies: Governance and organizational design

Enhanced organizational governance and operations



African Risk Capacity (ARC)

The ARC deploys risk pooling and risk transfer, among other instruments, to enable member countries to plan, prepare, and respond to extreme weather events and natural disasters. To ensure the ability of ARC member countries to mobilize emergency assistance, KPMG in Norway and KPMG in East Africa assessed the governance and operations structure of its two constituent entities—ARC Agency and the ARC Insurance Company Ltd. A comparative analysis was made against the operations and institutional structures of similar organizations and recommendations were developed to strengthen ARC's sovereign insurance products.

This review resulted in options for implementing a clear division of labor between the ARC Agency and ARC Insurance Company, improving the uptake of insurance products among member states, strengthening effectiveness in country operations and alignment with the African Union's climate change efforts. The results included revisions to the governance structure, research and development for new early warning and sovereign insurance products, as well as pathways to greater private sector collaboration.



Enterprise-wide transformation to meet development objectives



Major multilateral finance institution

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Innovative finance advisory

KPMG member firms seek to bridge the gap between the private sector and development partners to catalyze investment in areas critical to achieving the SDGs.



Indicative case studies: Innovative finance advisory

Guidelines for impact investing and private sector engagement



Korea International Cooperation Agency (KOICA)

KOICA sought to identify ways to best leverage public resources and aid dollars to catalyze private investment in emerging economies. KPMG in South Korea developed practical guidelines for deployment of impact investment and blended finance, with the objective of improving procedures for mobilizing finance.

The KPMG team completed an analysis of KOICA's current processes and capabilities, as well as consultations with development finance institutions, donor agencies, and impact fund managers. This work resulted in recommendations to implement an impact investment and blended finance mechanism ready-to-use guidelines tailored for planning and implementation, as well as operational documents such as term sheets, due diligence considerations, and impact assessment criteria. The result was a practical and ready-for-market impact investing strategy and blended finance tools.

Partnership decision framework: Methodology for selecting interventions



New Zealand Ministry of Foreign Affairs and Trade (MFAT)

MFAT sought to leverage partnerships with the private sector to deliver its aid objectives in the Pacific. Working with KPMG in New Zealand, the organization worked to develop a decision framework to assist MFAT project teams in identifying appropriate delivery models for future aid projects.

The KPMG team consulted with stakeholders across MFAT to identify and synthesize aid interventions considered successful in generating partnerships with private sector organizations. These case studies allowed for the classification of projects into partnering models and highlighted key success factors. The resulting decision framework identified the triggers for private sector participation and corresponding commercial partnership options aligned to MFAT's broader development objectives. The framework now assists MFAT with improving the consistency and effectiveness of engaging with the private sector to bring funding and expertise that complement aid projects.

Fund management of the Africa Enterprise Challenge Fund and Connect

Alliance for a Green Revolution in Africa/SIDA



The Africa Enterprise Challenge Fund (AECF) is a non-profit institution supporting early and growth-stage businesses—through the provision of patient capital—to innovate, create jobs, and leverage investments and markets to create resilience and sustainable incomes for rural poor and marginalized communities in Africa. AECF focuses on the agribusiness and renewable energy sectors, with increased support to climate technologies—such as off-grid solar power, micro-grids, pay-as-you-go solar—to benefit the rural poor.

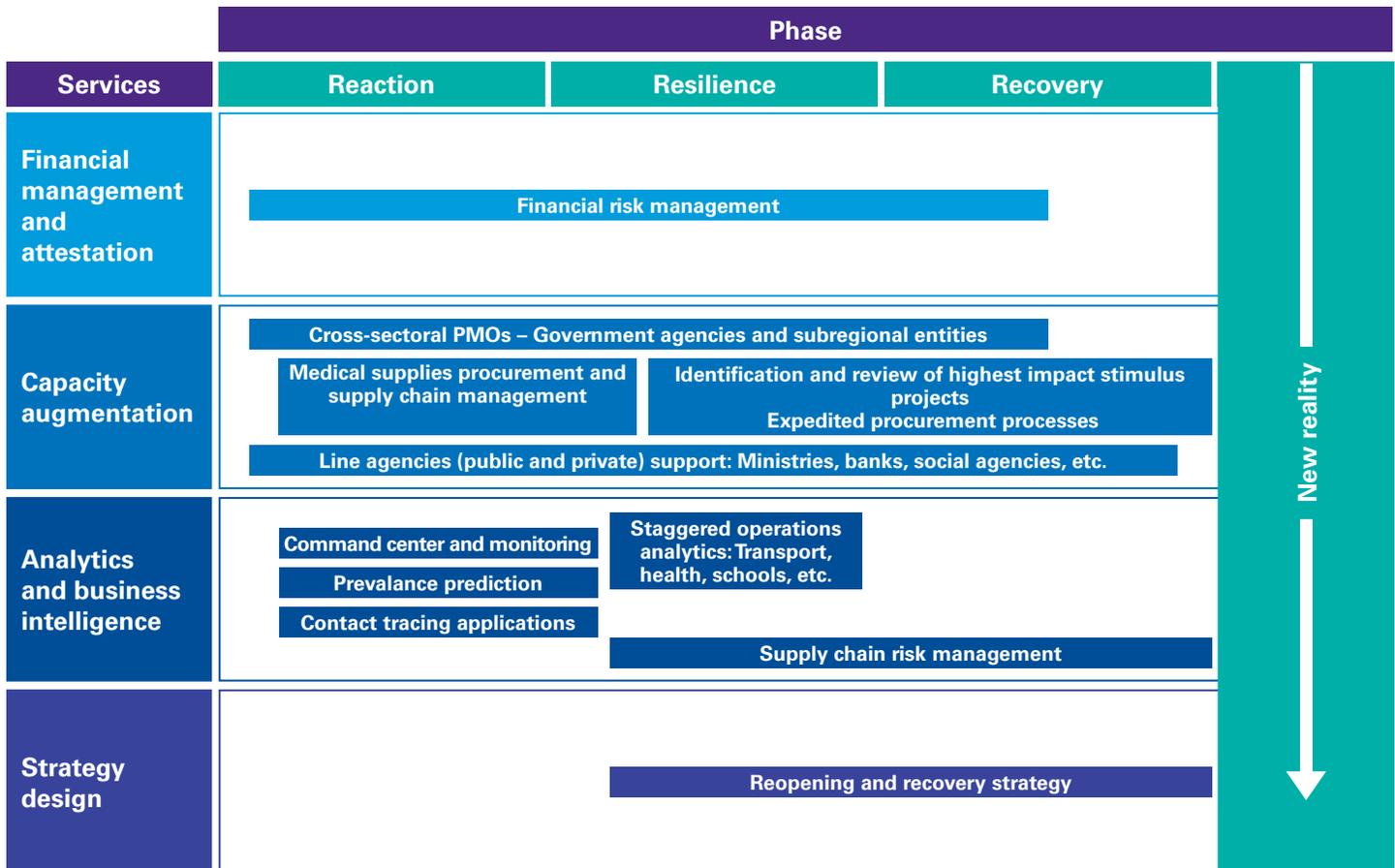
As Fund Manager for the AECF, KPMG in East Africa (KPMG) designed and launched competitions and prepared a robust communication strategy, marketing to both applicants and potential funders. This led to more than 24,000 businesses registering for AECF competitions and increased the size of the fund from an initial US\$ 35 million to a US\$ 244 million portfolio in nine years. KPMG monitored the performance and development impact of more than 200 grantees over the course of the project, deploying results management systems that tracked management plans, results chains, and beneficiary models.

The **AECF Connect** unit was established with support from Swedish International Development Cooperation Agency (SIDA) to help businesses receiving grants from the AECF to raise follow-on capital for scale up. Implemented by KPMG in East Africa, Connect provided a range of services from fundraising toolkits and investor introductions to more active support of the entire fundraising process. As Connect manager, KPMG supported 11 AECF portfolio companies to raise a total of \$35.9 million against a 3-year target of \$25 million. In addition to these 11 mandates, 45 companies received support from Connect, and more than 70 companies attended one of the Investment workshop events that AECF Connect organized.

Supporting COVID-19 response

The magnitude and speed of the global spread of the COVID-19 crisis has put great pressure on stakeholders across the globe. KPMG member firms are working with governments, businesses, and communities to respond to the health, social, and economic impact of the crisis.

Phases of COVID-19 response



1

▶ Reaction phase

Protecting lives

- Procure and deploy emergency health equipment; provide financial and in-kind temporary support

Protecting livelihoods

- Provide liquidity and other support to support employment

Identify resources

- Review national budgets and donor agreements to maximize availability of funding

KPMG professionals can help:

- Identify data and business intelligence flows to design dashboards and provide staff support to crisis command centers to oversee the emergency response
- Design and implement risk-based procurement methods
- Analyze and help optimize supply chains to purchase health and other essential equipment
- Provide technical and human resources to agencies managing financial support programs, including cash transfers, grants, and concessional loans
- Develop analytical tools to predict virus prevalence and health equipment needs
- Roll out technology solutions, including mobile applications to facilitate contact tracing and other measures to contain infections
- Audit financial risks associated with emergency expenditure measures

2

▶ Resilience phase

Gradually restart

- Reinstate economic activity while minimizing health risks both from the virus and required quarantine measures

KPMG professionals can help:

- Design long-term strategies that can guide the staggered opening of the economy, linking actions in this phase to those required to help ensure rapid, sustainable recovery of the economy
- Analyze real-time data such as transportation and traffic patterns to guide staggered reopening of the economy
- Analyze and help optimize public and private sector operations to identify weak points, strengthen resilience, and facilitate project ramp-up
- Design milestones-based measures to move from emergency subsistence support to economic recovery

3

▶ Recovery phase

Build back better

- Increase resilience in health systems, supply and distribution chains, and social safety nets

Target resources

- Identify sectors and initiatives where resources will be most given limited fiscal space

KPMG professionals can help:

- Support the design and implementation of broad-based economic recovery programs
- Identify and advise on the management of high-impact and labor-intensive programs to generate self-sustaining employment opportunities
- Facilitate restructuring of strategic industries and PPPs to increase long-term sustainability and help reduce government liabilities
- Design, facilitate, and advise on the management of the establishment of targeted recovery funds to address needs to strategic sectors and vulnerable populations
- Review service delivery processes, supply chains, and operational processes to increase resilience
- Advise on the management of financial programs, including credit lines and guarantees, to help speed-up implementation and minimize risks
- Audit the provision of financial risk management and attestation services of recovery programs

4

▶ New reality phase

Contact us

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End notes

¹ Report of the expert group on 175 GW by 2022. <https://niti.gov.in/writereaddata/files/175-GW-Renewable-Energy.pdf>

² Figures as of March 2015; Business case and summary 204059 <https://devtracker.dfid.gov.uk/projects/GB-1-204059/documents>

³ Ibid

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