



Global Donor
Platform for
Rural Development



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Strengthening food systems through development finance

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Interviewed by GDPRD's Michelle

Michelle Tang/GDPRD: Songbae thanks for being with us today. First of all, congratulations on your new role. My first question to you would be, what are the issues that keep you up at night?

Songbae Lee/USAID: You know, I don't think there are issues that keep me up at night. I mean, if anything, I've been watching *The Walking Dead* with my wife before we go to bed. So maybe pictures of zombies. But another way I'd answer that. And I'll take not falling asleep at night, but on my commute to work. When I bike, I always try to think of all the different things organizations I'm talking to people I'm talking to and where the link is to make a real big difference. It's the really useful. To have expertise in two different areas and then seeing how you can combine them, it's beyond introductions and actually finding you know more concrete pieces of work that we can work on together.

Michelle: Why is sustainable blended finance critical for addressing global security challenges? And if you can tell us a bit about what specific opportunities this particular situation presents?

Songbae: The argument I typically hear is, we have these huge challenges in the world. Donor funding isn't enough, and we have these very large commercial capital markets. So let's just rechannel the flow of that capital to these issues. I think the premise makes complete sense and that's something that I've been working on for the last four years at US aid and previous to that, eight years as an impact lender to highlight a challenge. I think that's how people think about the gap, how big the gap is and how much money is in the capital markets. What I think is overlooked is how much of that gap can we really be addressed by blended finance. Even if we took all the existing donor funding and shifted it all to blended finance, it still wouldn't fill that entire gap.

What's really important is to understand what part of that gap we can incrementally address through blended finance and to do that, we really need to gather the data of the work we're already doing, take a rigorous approach and understand the impact because I think to really have a transformational impact, it's not by having blended finance build that entire gap. It's having the evidence of how it works. So you can eventually influence government. Most of that gap we're talking about is going to need government involvement to address.

Michelle: If you could share a story, an example that you've seen that illustrates the point about how this all works.

Songbae: Broadly, now we support every SMEs in Africa through two channels, investment funds and banks. Aceli Africa is the activity that primarily works with local banks, and this activity didn't even know what it was going to be. They just started realizing needed to collect better data, to see exactly what the problem was. It's typically data. Around how much riskier and how much more expensive are loans to agree SME? So after they took more than you know, 1-2 years of collecting this data, were they able to design come up with the idea, the concept for a cell and then build it? And this is something that is really important right now. We'll design something on paper, put out a request for proposals and have someone just do it and expect it to be as successful as possible. But I think we need to take a much longer approach for the design process and our budget process. Right now, it is not set up to.

Michelle: You shared a bit earlier about your more recent career. What inspired you to become involved in international development work to begin with?

Songbae: I think there's two ways to answer that, and they're both absolutely as relevant. One is my upbringing. My parents always encouraged me to travel. My dad would specifically say, go to countries that might be poor and material wealth, but rich in cultural wealth. So I was this in developing countries. I was lucky enough to travel, so I was able to see the experiences in other countries. And I think that's where part of it comes from.

The other part is obviously my parents are immigrants. They came from Korea the year I was born and this idea of trying to improve your life and especially for your children, for you. The other side though is just so much luck, being at the right place at the right time. You know people who are out there pounding the pavement, putting themselves in uncomfortable positions, trying to always learn, tend to be more lucky. You never know which thing you do will be the thing that makes the difference.

Michelle: Last question, what is the one message that you would like our listeners of the podcast to walk away.

Songbae: I don't like to work on activity where another donor isn't funding it. The saying is you can go faster alone, but farther together. That's the way I really think applies here. If there's an activity that I think is worthwhile to support, well, a good way to fact check that is that you convince another donor to do it with you. And so not only that you have that validation, but you have the additional resources. I'm not saying everyone has to do everything together, but they're clearly should be some activities. I really like the idea of working on multi donor funded activities and that is an example of a Aceli that's an example of FASA.

The other thing though, we published so many reports is we published report. We want to have generally is as wide an audience as possible. For me, it's much more helpful. I just want one specific use case that I know one organization is going to use, but it also the report is more tailored to the problem of that organization so that it can solve and be addressed. And if it's useful for that organization, for what they're trying to accomplish. It should be useful for other folks as.

The example would be exactly what we're doing with the GDPRD working group on the framework. This framework, if it's just a thinking exercise, I don't want to spend any time on it, but we already are engaging donors who are expressed interest in testing it. And to me that's a huge, huge win and obviously we'd like to refine this and then make it more broadly available to the public.

Michelle: Thank you for sharing the wisdom, the knowledge and also the experiences.