PRIVATE FINANCE MOBILISED BY OFFICIAL DEVELOPMENT FINANCE INTERVENTIONS

Opportunities and challenges to increase its contribution towards the SDGs in developing countries

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Abstract

This report takes stock of progress made by development co-operation providers – both bilateral and multilateral – to mobilise private finance in support of sustainable development. It also highlights the contribution of mobilised private finance to narrowing the sustainable development goals (SDGs) and climate financing gaps. Finally, based on a survey conducted in 2022, the report presents qualitative insights on the providers' portfolios, with a focus on their use of leveraging mechanisms, as well as on the main incentives and obstacles they encounter to scale up private finance for sustainable development and climate action.

Foreword

Despite the call from the Addis Ababa Action Agenda on Financing for Development [AAAA, (United Nations, 2015[1])] to mobilise all sources of finance for the implementation of the Sustainable Development Goals (SDGs), the financing gap was estimated at USD 3.9 trillion in 2021 (OECD, 2022[2]), a 56% increase from the pre-COVID estimated USD 2.5 trillion in 2020 (UNCTAD, 2020[3]). That gap largely exceeds development co-operation budgets worldwide, with official development assistance (ODA) by members of the Development Assistance Committee (DAC) amounting to USD 185.9 billion in 2021 (OECD, 2021[4]). In addition, while developed countries committed to providing and mobilising USD 100 billion per year by 2020 in support of climate action in developing countries, the objective had yet to be met in 2021 (OECD, 2022[5]). Mobilising private finance for sustainable development, in particular towards developing countries, therefore remains at the heart of the debate.

In order to inform both discussion and action, this report takes stock of progress made by development co-operation providers – bilateral and multilateral – to mobilise private finance in support of sustainable development (Chapter 1.), highlighting its contribution to the SDGs and climate action (Chapter 2.). It also presents qualitative insights on providers' portfolios – with a focus on their use of leveraging mechanisms – as well as on the main incentives and obstacles they encounter in scaling up private finance for sustainable development and climate action (Chapter 3.).

The report builds on two major sources:

1. OECD data on private finance mobilised by official development finance interventions

In response to the AAAA's call for more transparency, and under a high-level mandate from its DAC (OECD, 2014[6]), the OECD has been working with experts from bilateral and multilateral development finance institutions (DFIs) as well as the climate community --through the OECD-led Research Collaborative on Tracking Finance for Climate Action-- on an international standard for measuring and collecting data on the amounts mobilised from the private sector by official development finance interventions (OECD[7]):

- The term "mobilisation" (or leveraging) refers to the ways in which specific mechanisms stimulate the allocation of additional financial resources to particular objectives; it requires a demonstrable causal link between finance made available for a specific project and the leveraging instrument used.
- Data on mobilised private finance are collected for the leveraging mechanisms known to be used by development co-operation providers: syndicated loans, guarantees, shares in collective investment vehicles, direct investment in companies, credit lines, project finance and simple co-financing arrangements. The methodologies for reporting on amounts mobilised are defined instrument (leveraging mechanism) by instrument (OECD, 2020[8]). They were developed under an OECD-DAC high-level mandate and reflect the principles of causality and pro-rated attribution (in cases where more than one official provider is involved in a project mobilising private finance).

More recently, statistics on mobilised private finance became an integral component of the new, broader measure of Total Official Support for Sustainable Development (TOSSD[9]). Since March 2022, these data were integrated – on an experimental basis – in the SDG indicator framework under SDG indicator 17.3.1 "Additional financial resources mobilized for developing countries from multiple sources" (UNSD, 2022[10]). Private finance mobilisation was also placed at the centre of the OECD Blended Finance Principles (OECD, 2021[11]), defined as the *"strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries"*.

2. The 2022 Survey on providers' portfolios

In 2022, the OECD conducted a special survey on providers' portfolios towards private finance mobilisation for sustainable development, including climate action, with two objectives:

i. update information from a 2012 survey on providers' portfolios, with a particular focus on mechanisms and instruments designed to mobilise private finance, and

ii. gather more qualitative insights from providers on the main incentives and obstacles to mobilise private finance for sustainable development.

The survey was administered by the OECD Development Co-operation Directorate through the DAC Working Party on Development Finance Statistics (WP STAT), in close collaboration with the OECD Environmental Directorate (Research Collaborative on Tracking Finance for Climate Action).

Acknowledgments

This report was prepared by the OECD Development Co-operation Directorate under the strategic leadership of Haje Schütte, Senior Counsellor and Head of the Financing for Sustainable Development Division. It was co-ordinated and led by Cécile Sangaré, Development Finance Analyst, under the guidance of Julia Benn, Manager of the Statistical Standard and Method Unit. It was co-drafted with Tomáš Hos, Statistical Analyst, and benefitted from valuable inputs from Wiebke Bartz-Zuccala, Policy Analyst, Priscilla Boiardi, Policy Analyst, Manon Fortemps, Junior Policy Analyst, Camilo Gamba Gamba, Policy Analyst, Juan Pavajeau Fuentes, intern and Özlem Taskin, Policy Analyst, as well as from Chiara Falduto and Raphaël Jachnik from the OECD Environment Directorate.

The authors would like to extend their greatest appreciation to all organisations sharing regular data with the OECD on the amounts they mobilise from the private sector through their development finance interventions, as well as to the respondents to the OECD 2022 Survey on Providers' portfolios.

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Abbreviations and acronyms

AAAA	Addis Ababa Action Agenda
ADB	Asian Development Bank
AFD	French Development Agency
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
B2B	Business to business
BEIS	Department for Business, Energy and Industrial Strategy
BII	British International Investment, United Kingdom
BIO	Belgian Investment Company for Developing Countries
BMZ	Federal Ministry of Economic Cooperation and Development, Germany
CAF	Development Bank of Latin America
CDP	Cassa Depositi e Prestiti
CGIF	Credit Guarantee & Investment Facility
CIV	Collective investment vehicle
COFIDES	Compañía Española de Financiación del Desarrollo
CRS	Creditor Reporting System
DAC	OECD Development Assistance Committee
DEG	German Investment Corporation
DFC	Development Finance Corporation
DFI	Development finance institution
DIC	Direct investment in companies
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EDF	European Development Fund
EDFI	European Development Finance Institutions
EIB	European Investment Bank
ESG	Environmental, Social and Governance
EU	European Union
FCDO	Foreign, Commonwealth & Development Office
FinDev	Development Finance Institute Canada
Finnfund	Finnish Fund for Industrial Cooperation
FMO	Entrepreneurial Development Bank (Netherlands)
Fonprode	Development Promotion Fund, Spain
GCF	Green Climate Fund
GEF	Global Environment Facility

IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFU	Investment Fund for Developing Countries, Denmark
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KEXIM	Export-Import Bank of Korea
KFW	Credit Institute for Reconstruction, German development bank
LAC	Latin America and the Caribbean
LDC	Least developed country
LEAP	Leading Asia's Private Sector Infrastructure Fund
LIC	Low-income country
LMIC	Lower middle-income country
MCPP	Managed Co-Lending Portfolio Program
MDB	Multilateral development bank
MIC	Middle-income country
MIGA	Multilateral Investment Guarantee Agency
NDB	National development bank
PIDG	Private Infrastructure Development Group
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OeEB	Austrian Development Bank
SDG	Sustainable Development Goal
Sida	Swedish International Development Cooperation Agency
SIDS	Small island developing states
SIFEM	Swiss Investment Fund for Emerging Markets
SME	Small and medium-sized enterprises
SPV	Special purpose vehicle
SOFID	Sociedade para o financiamento do desenvolvimento, Portugal
Swedfund	Swedish development finance institution
TA	Technical assistance
TOSSD	Total Official Support for Sustainable Development
UMIC	Upper middle-income country
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
USD	US dollar
WBG	World Bank Group

Executive summary

Key findings

Over 2012-20, **almost USD 300 billion** was mobilised from the private sector by official development finance interventions, mostly through direct investment in companies and special purpose vehicles (SPVs) as well as guarantees. Over this period, mobilised private finance followed an upward trend, despite a slowdown in recent years, and reached USD 51.3 billion in 2020[1].

- In 2018-20, 34% of mobilised private finance targeted projects in **Africa** (USD 16.5 billion per year), while Asia was the second largest beneficiary region. The main beneficiary countries were Mozambique and India (USD 3.4 billion and USD 3.3 billion, respectively, per year on average).
- Overall, mobilised private finance focused on **developing countries with lower-risk profiles**, i.e. mostly middle-income countries (MICs, 87%), and on economic infrastructure and services (82%). Only 12% of mobilised private finance during this period benefitted projects in low-income countries (LICs) and 7% was in support of social infrastructure and services.
- **Multilateral development banks** remain crucial players, having mobilised 69% of the total in 2018-20. Still, bilateral providers – driven by the United States, France and the United Kingdom – played an important role, too; in particular, through their development finance institutions (DFIs).
- The data further indicate that mobilised private finance particularly contributed to the implementation of SDG 8 (**decent work and economic growth**), SDG 10 (**reduced inequalities**), SDG 13 (**climate action**) and SDG 9 (**industry, innovation and infrastructure**).
- Some 32% of the total mobilised private finance in 2018-20 contributed to climate mitigation and/or adaptation. Most of it went to **mitigation**. However, private finance mobilisation for adaptation rose from USD 1.9 billion in 2018 to USD 4.4 billion in 2020 (mostly driven by a large energy project in Mozambique).

Based on a 2022 survey on providers' portfolios towards private mobilisation, the report further shows that:

- Private finance mobilisation for development, as well as for climate action, is a **strategic objective** for most respondent institutions. However, only 18% of the financial instruments in the portfolios of providers (19% and 17% for bilateral and multilateral providers, respectively) had private finance mobilisation as a main objective.
- Nonetheless, the survey confirmed the **key role of guarantees, syndicated loans and project finance** in mobilising private finance, including for climate action. It also showed that several providers have strengthened their use of leveraging mechanisms by experimenting new

[1] At the time of drafting this report, preliminary figures for 2021 seemed to confirm the slowdown in private finance mobilisation by official development finance interventions, to be followed at oe.cd/mobilisation and tossd.org.

approaches to mobilise private finance (e.g. through new bond or guarantee programmes, capitalisation of blended finance funds and facilities).

- In terms of partnerships foreseen, most respondent institutions mentioned their intention to scale up private mobilisation through increased collaboration with **bilateral DFIs** and anticipate more mobilisation through **blended finance funds and facilities**.

With the SDG financing gap estimated at USD 3.9 trillion in 2021 (OECD, 2022[2]), the amounts of mobilised private finance appear modest and below expectations. According to providers and private actors, this is largely due to the challenges they meet when co-investing in developing countries:

- **high risk** perceived,
- **low level of returns** on investment portfolios,
- **lack of project pipelines** and bankable/sizeable investment opportunities in rather thin markets, and
- **lack of financial innovation** in institutions' portfolios.

The risk perceived by private investors is particularly high in **countries and sectors most in need**, in terms of projects' commercial viability and return profile, even for projects with impact goals, hence the small share of private finance mobilised in those contexts. Similarly, the low levels of financial returns, the very small size of investment opportunities and, more generally, the lack of incentives for private actors to invest in **climate adaptation** explains that it accounts for only 4% of providers' total mobilised private finance.

The survey further shed light on the concrete actions providers are considering in order to mobilise more private finance, such as:

- making greater use of guarantees and other innovative mechanisms, or funding new blended finance vehicles or programmes specifically set up to mobilise private investments, and
- undertaking more profound model changes (new mandate and/or business model).

Finally, the survey showed that most providers **track the development outcomes and impact** of their interventions, including for climate using specific indicators. In terms of alignment with existing sets of harmonised impact indicators, the most frequently cited were the Harmonized Indicator for Private Sector Operations (HIPSO) and IRIS+, with around one-third of the respondents explicitly referring to them**.**

Key recommendations

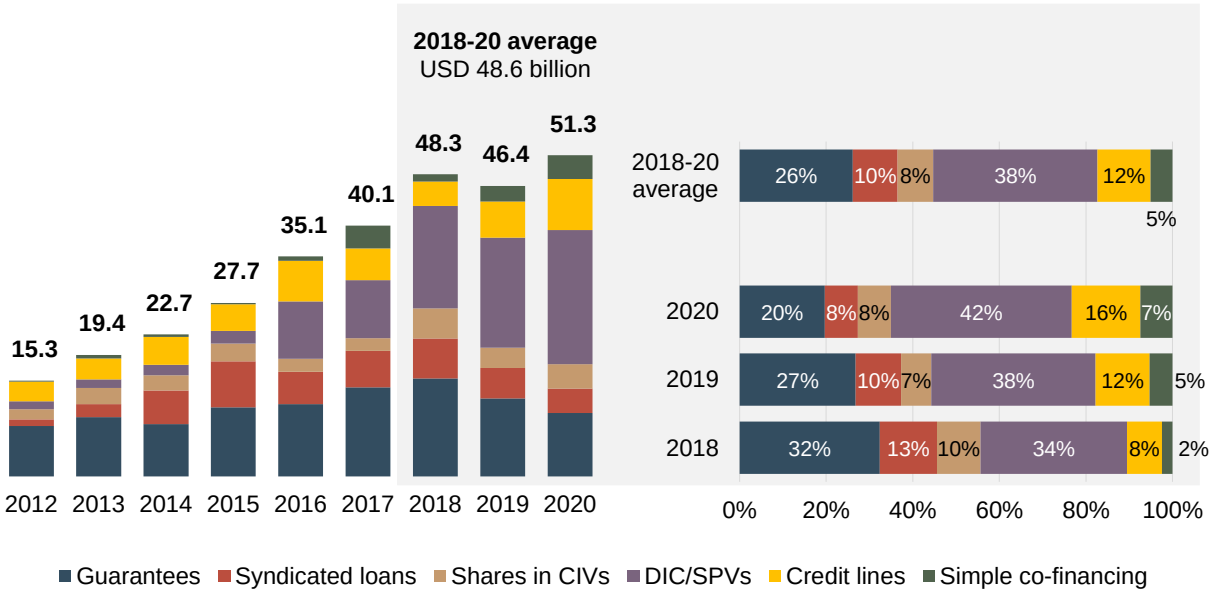
- In order to scale up mobilised private finance, providers should urgently make **greater use of mobilisation instruments and blended finance solutions** more generally**.** Multilateral banks should step up efforts to mitigate the risks for private investors, bundle projects to attract private investment and mobilise at scale and green their portfolios for climate action.
- The international community should in parallel continue **measuring** progress towards the mobilisation of private finance, in particular under SDG target "17.3. – Mobilize additional financial resources for developing countries from multiple sources".
- Lastly, to monitor progress towards the implementation of the SDGs in developing countries, including the more indirect (catalytic) effect of their interventions, providers must further align their methods for **assessing** the outcomes and impacts of their initiatives.

Chapter 1. Latest trends and features of mobilised private finance

1.1. Overview

Over USD 300 billion was mobilised from the private sector by official development finance interventions in 2012-20. During this period, mobilised private finance followed an upward trend with a slowdown in 2018-19, to then reach a peak of USD 51.3 billion in 2020 (see Figure 1.1).[1]

Figure 1.1. Mobilised private finance by leveraging mechanism, USD billion



Note: DIC/SPVs stands for direct investment in companies and project finance special purpose vehicles (SPVs).
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Direct investment in companies and project finance special purpose vehicles (DIC/SPVs) as well as guarantees were the main leveraging mechanisms in 2018-20, together representing almost two-thirds of all mobilised private finance (38% and 26%, respectively). While the share of mobilised private finance through direct investment has been growing over time in both volume and relative terms (see Figure 1.1), it decreased for guarantees from 32% in 2018 to 20% in 2020. Although the volumes mobilised through credit lines (12% of the total in 2018-20), syndicated loans (10%), shares in CIVs (8%) and simple

co-financing (5%) were relatively modest, these instruments can still prove particularly effective in specific contexts, such as access to SME financing, co-financing for small-scale projects and projects with limited bankability potential. See also Box 1.1 for a typical infrastructure project with private finance mobilisation.

1.2. Geographical distribution

Main beneficiary region

In 2018-20, 34% of mobilised private finance targeted projects in Africa (USD 16.5 billion per year). As shown in Figure 1.2, the larger share of private finance was mobilised for Eastern Africa (USD 5.1 billion), followed by North Africa (USD 3.9 billion) and Western Africa (USD 3.3 billion). Direct investment in companies and project finance SPVs mobilised the largest volumes in Eastern Africa (where it accounted for almost two-thirds of the sub-regional totals), whereas credit lines were mostly deployed in North Africa (USD 2.1 billion). Guarantees played a major role in Middle Africa[2] (72% of total mobilisation); although, in terms of volume, they mobilised their highest amounts in Eastern Africa (USD 1.2 billion) and Western Africa (USD 1.1 billion).

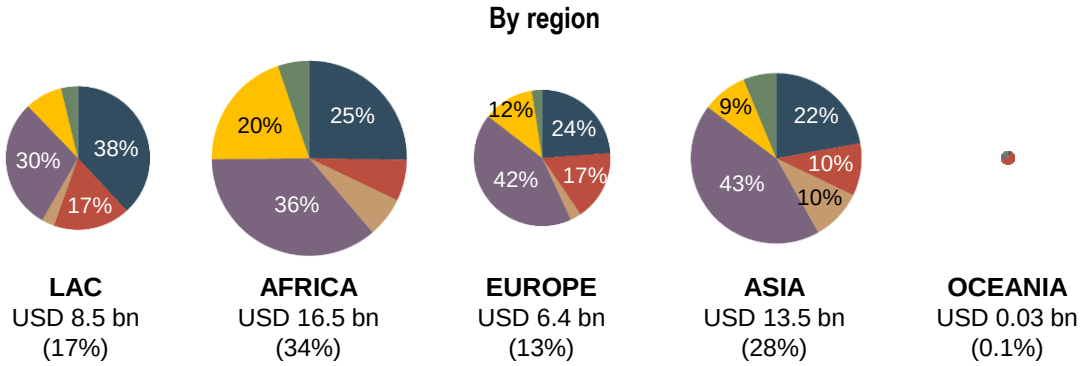
Asia was the second-largest beneficiary of mobilised private finance in 2018-20 (28%, USD 13.5 billion per year), with a majority targeting Far East Asia (USD 6.3 billion; 47%) and South Asia (USD 4.8 billion; 36%). While direct investment was used to mobilise private resources for all sub-regions, it accounted for 52% of total mobilisation for Far East Asia. Other leveraging mechanisms played an important role, too, with guarantees having mobilised between 20-30% in each of the Asian sub-regions, syndicated loans 10% (and up to 15% in Central Asia) and credit lines 9% (reaching 38% in Middle East Asia).

As for the other regions, 17% of total mobilised private finance targeted projects in Latin America and the Caribbean (LAC, USD 8.5 billion), 13% in Europe (USD 6.4 billion) and only 0.1% in Oceania (USD 29 million). While direct investment in companies and project finance SPVs was the main leveraging mechanism in Europe (45%), guarantees mobilised the most in LAC (38%). In addition, 8% (USD 3.8 billion) of private finance mobilisation was unspecified by region, one-third of which through shares in CIVs and a similar share through direct investment. All in all, 28% of total mobilised private finance benefitted five countries.

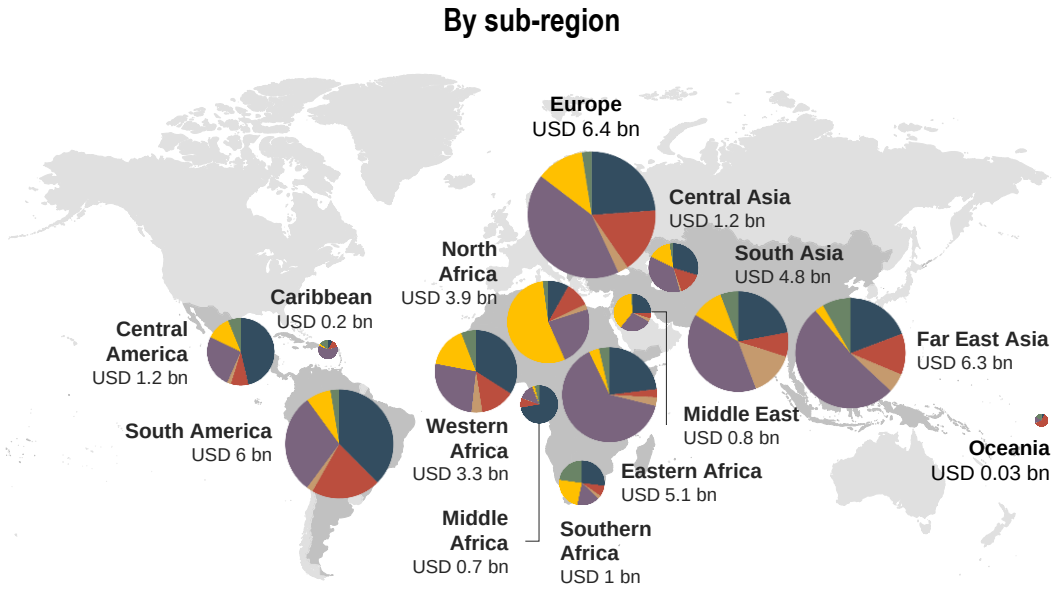
Top beneficiary countries

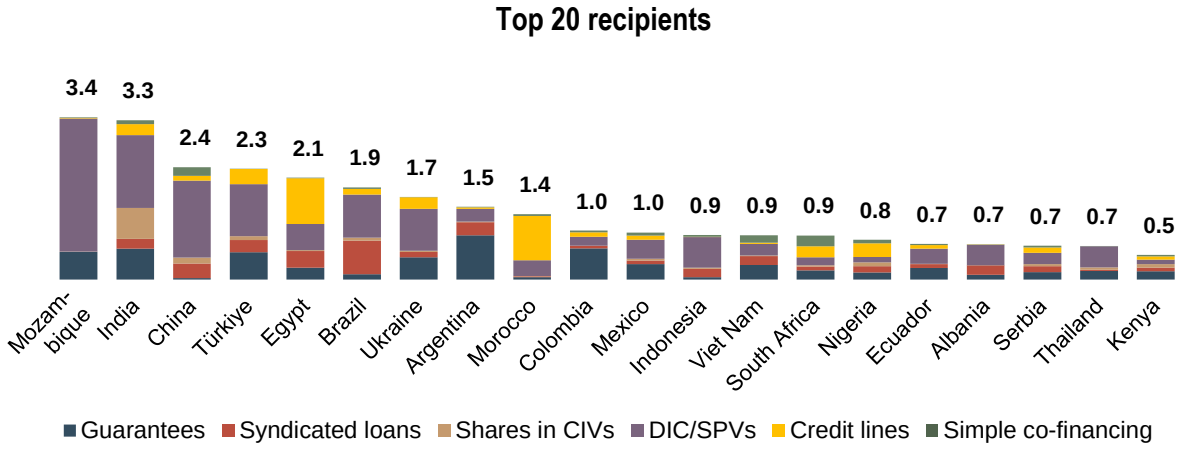
Mozambique and India were the main beneficiaries of mobilised private finance in 2018-20, with USD 3.4 billion and USD 3.3 billion mobilised per year on average. The People's Republic of China, Türkiye and Egypt complete the list of top five beneficiary countries, with annual receipts exceeding USD 2 billion on average (see Figure 1.2). While the high volumes of mobilisation for most of these countries could be explained by the local market dynamics and available investment opportunities, for Mozambique, being a fragile, low-income LDC, it primarily relates to large-scale industrial development in the domain of liquefied natural gas (see Box 3.1).

Figure 1.2. Geographic distribution of mobilised private finance, 2018-20 average, USD billion



Moreover, USD 3.8 billion was unspecified by region, representing 8% of the three-year mobilisation average.





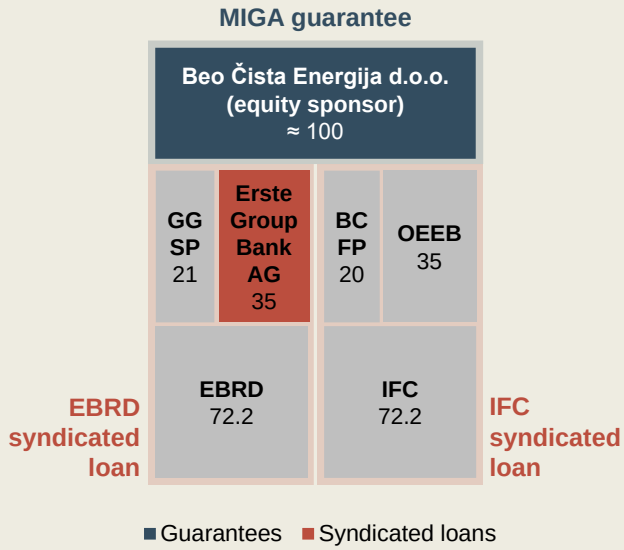
Note: LAC stands for Latin America and the Caribbean.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Box 1.1. Example of a project finance special purpose vehicle: Waste-to-Energy PPP Project in Belgrade, Serbia

In the broader context of Serbia's efforts to improve its waste management, the city of Belgrade has tasked a consortium of private developers to construct a brand-new waste-to-energy plant. The plant will use non-recyclable waste from a renovated landfill as an energy source to produce electricity and district heating through thermal recycling.

Having benefitted from International Finance Corporation (IFC) advisory services along with the support of Switzerland and other partners, the financial resources needed for implementing the project reached the developers through syndicated loans arranged by the European Bank for Reconstruction and Development (EBRD) and IFC. In addition to its own account financing, the EBRD mobilised a B-loan from the Erste Group Bank of up to EUR 35 million, with the Green Energy Special Fund, an EBRD-administered trust fund, providing an additional EUR 21 million (EBRD, 2022[14]).

Figure 1.3. Example of a project finance special purpose vehicle



The IFC debt package consisted of an IFC own account loan of EUR 72.2 million, up to EUR 35 million from Austria's Development Finance Institution OEEB and a concessional senior loan of up to EUR 20 million from the Canada-IFC Blended Climate Finance Program. In addition, the Multilateral Investment Guarantee Agency (MIGA) issued a guarantee to Beo Čista Energija of EUR 97.3 million covering up to 90% of investor equity investments (IFC, 2022[15]).

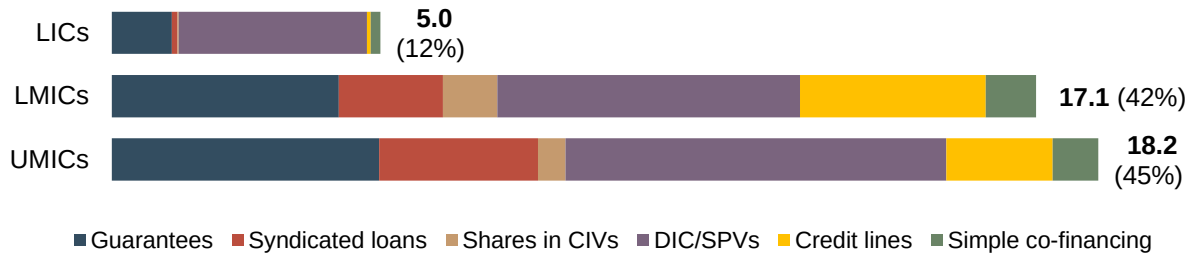
As a result, official development finance providers together mobilised some EUR 135 million in private financing for Serbia. While mobilised private equity was included under MIGA's mobilised private finance through guarantees, the private loan by Erste Group Bank AG appears in private mobilisation totals of the EBRD and its trust fund under the leveraging mechanism syndicated loan.

Note: GGSP stands for the Green Energy Special Fund and BCFP for the Canada-IFC Blended Climate Finance Program.
Source: (EBRD, 2022[14]), (IFC, 2022[15]).

Specific recipient groups

In 2018-20, 87% of country-allocable[3] mobilised private finance benefitted middle-income countries (MICs). MICs received USD 35.2 billion per year on average, with USD 18.2 billion (45%) for upper middle-income countries (UMICs) and USD 17.1 billion (42%) for lower middle-income countries (LMICs; see Figure 1.4). While guarantees and direct investment in companies and project finance SPVs mobilised private resources for projects in all three income groups, syndicated loans and credit lines were mainly used in the MICs.

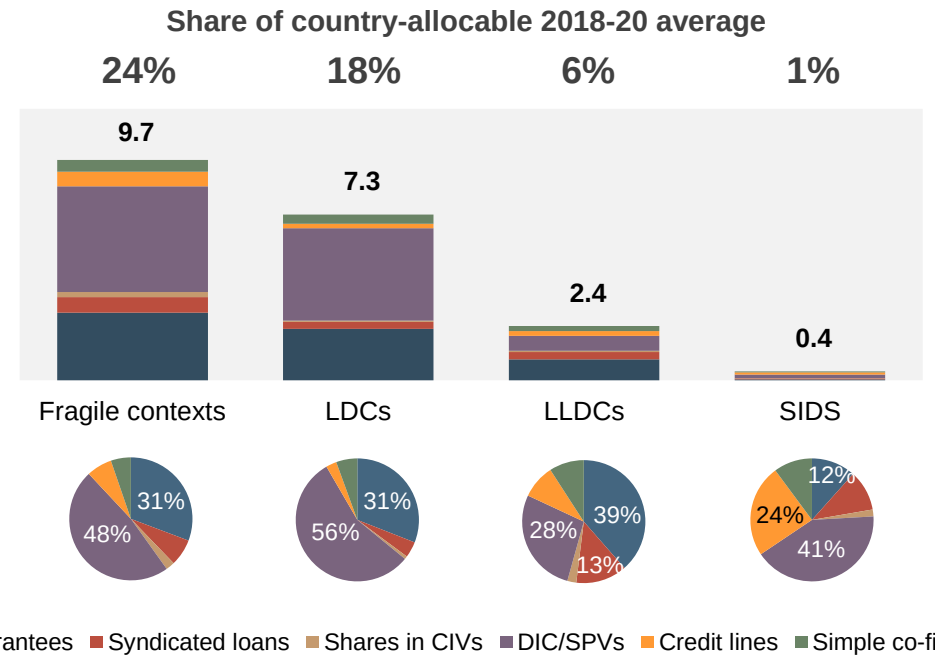
Figure 1.4. Mobilised private finance by income group, 2018-20 average, USD billion



Note: USD 375 thousand was mobilised for Venezuela and Niue which are not classified on GNI per capita for 2020 flows. Additional USD 8.4 billion was unallocated by country. Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Of the three-year country-allocable average, 18% of mobilised private finance targeted projects in the LDCs (see Figure 1.5), two-thirds of which in five countries only (Mozambique, Bangladesh, Uganda, Guinea and Angola). Further, one-quarter of this financing was for projects in fragile countries, but only USD 0.3 billion for extremely fragile countries. Concerning both country groups, most of this finance was unlocked through direct investment in companies and projects finance SPVs as well as guarantees, with other mechanisms playing a relatively small role (8% for the LDCs and 16% for fragile countries). The relatively high totals for the LDCs and fragile countries are, as mentioned in the section on top recipients above, driven by the gas industry development in Mozambique (see Box 3.1).

Figure 1.5. Mobilised private finance for the LDCs, LLDCs, SIDS and fragile countries. 2018-20 average, billion



Note: These recipient groupings are not mutually exclusive. Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

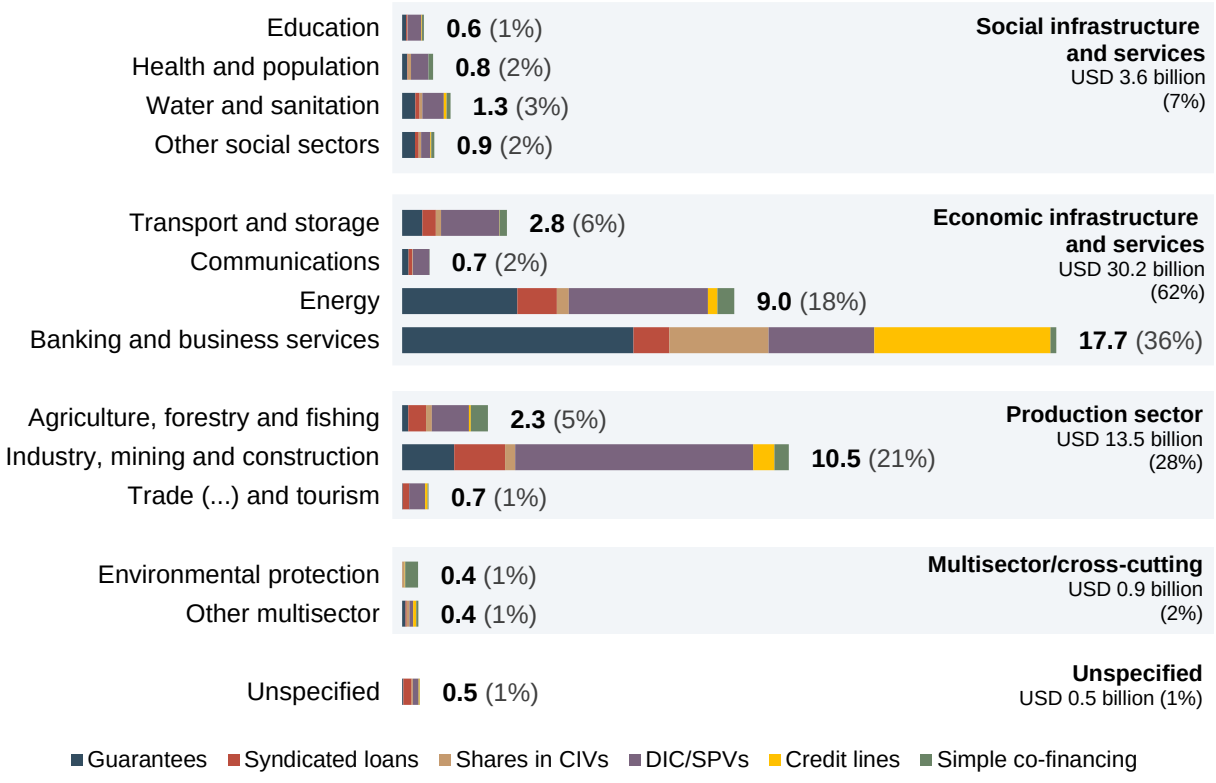
Land-locked developing countries (LLDCs) received USD 2.4 billion per year on average in 2018-20, representing 6% of country-allocable total. Guarantees and direct investment combined made up two-thirds of total mobilised private finance for LLDCs. Approximately half of the country group total was mobilised for four recipients only, namely Uganda, Kazakhstan, Azerbaijan and Paraguay.

Lastly, private mobilisation for small island developing states (SIDS) averaged USD 392 million per year in 2018-20, representing 1% of the country-allocable yearly average. Half of this financing was allocated to SIDS in the Caribbean and 40% to those in Africa.

1.3. Sectoral distribution

In 2018-20, almost two-thirds (62%) of mobilised private finance benefitted projects in sectors falling under the economic infrastructure and services, most notably banking and business services (USD 17.7 billion per year), energy (USD 9 billion) and transport and storage (USD 2.8 billion). Concerning banking and business services, most of this financing was mobilised through guarantees, credit lines and shares in CIVs, i.e. instruments frequently deployed for supporting SME development and financial inclusion. Private mobilisation in the energy as well as the transport and storage sectors was mainly achieved through guarantees, syndicated loans and direct investment in companies and SPVs, all of which are typically used in the context of project finance (see Figure 1.6).

Figure 1.6. Mobilised private finance by sector, 2018-20 average, USD billion



Note: Other social sectors include government and civil society and other social infrastructure and services.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

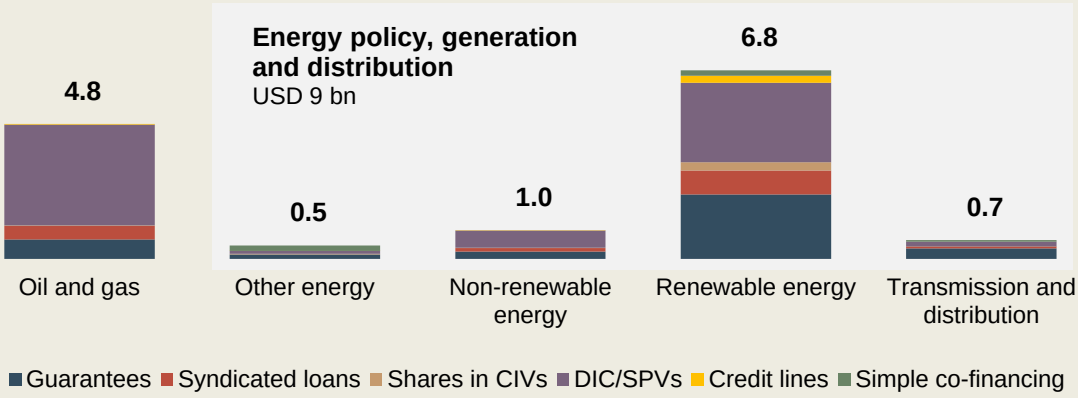
Mobilised private finance in the production sectors accounted for 28% of the total, three-quarters of which targeted activities in the industry, mining and construction sectors. Development of agro-industries accounted for 7%, chemical industries 6%, forestry industries 4% and other or unspecified industries 25%. Mining beyond oil and gas accounted for 8% and construction for 4%. While most of these activities were financed through direct investment in companies, project finance SPVs and syndicated loans, the oil and gas industry development also benefitted from the use of development guarantees. Further, projects in agriculture, forestry and fishing mobilised USD 2.3 billion from the private sector, 43% of which through direct investment, 21% syndicated loans and 20% simple co-financing. (Figure 1.6).

Only 7% on average of total mobilised private finance supported projects in social sectors (USD 3.6 billion per year). Water and sanitation benefitted from the largest share of mobilised private finance in this area (USD 1.3 billion), with health, population and education together unlocking USD 1.4 billion. Within health and population, around two-thirds of mobilised private finance specifically related to medical services and basic health infrastructure. In the education sector, over three-quarters concerned education facilities mostly aiming at higher education and vocational training. Almost one-half of mobilised private finance for the other social sectors related to housing projects.

Box 1.2. Mobilised private finance for energy-related projects in 2018-20

In 2018-20, providers mobilised USD 13.8 billion per year on average for energy-related projects, USD 9 billion of which was for energy policy, generation and distribution. Most of these activities concerned renewable energy (USD 6.8 billion), with energy generation from non-renewable projects supported with USD 1 billion of mobilised private finance, followed by transmission and distribution infrastructure (USD 0.7 billion) and other energy activities (USD 0.5 billion). The remaining USD 4.8 billion were chiefly mobilised for the development of crude fossil fuels industry, including liquefaction of natural gas and oil refineries (Figure 1.1).Over 90% of the total for such activities was mobilised through guarantees, syndicated loans and direct investment in companies and SPVs, mainly in the context of project finance. Other mechanisms played a marginal role.

Figure 1.7. Types of energy projects by leveraging instrument, 2018-20, USD billion



Note: Concerning energy generation from both renewable and non-renewable sources, most private finance mobilisation targeted developing countries in Asia (33%), the LAC region (28%) and Africa (25%); one-half involved projects in India (11%), Argentina (10%), Brazil (7%), China, Türkiye (5% each), Mexico, Côte d'Ivoire and Thailand (4% each). The most utilised sources of energy for electricity generation by these projects included solar, wind and hydro energy as well as natural gas. In addition, for oil and gas, two-thirds of mobilised private finance supported projects in Mozambique (see Box 3.1), followed by Albania (13%), Ukraine and Argentina (6% each).
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

1.4. Leading providers

Multilateral organisations were by far the main actors in this area, accounting for 74% of total mobilised private finance in 2018-20 (see Figure 1.8). While multilateral development banks (MDBs) played a leading role with USD 33.8 billion mobilised per year (accounting for 69% of the three-year total), bilateral providers were also significant actors, representing 25% of the total mobilised (USD 12.4 billion).

Figure 1.8. Mobilised private finance in 2018-20 by provider group

Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

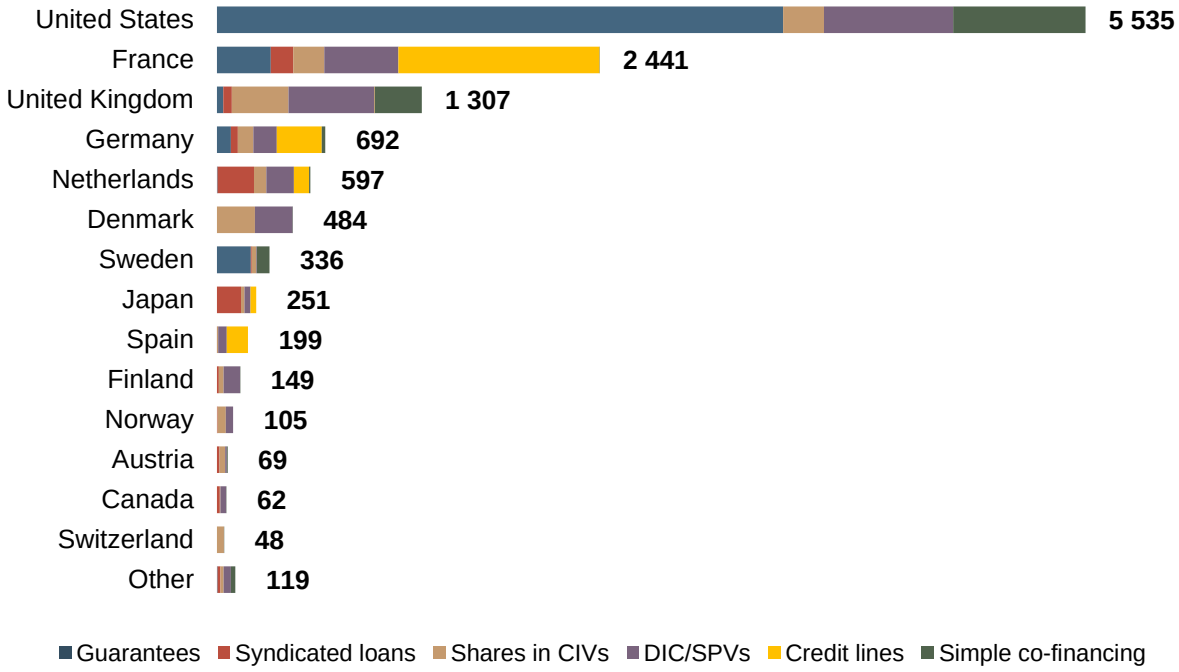
Multilateral providers

Close to 50% of the total in 2018-20 was mobilised by four MDBs, largely driven by the International Finance Corporation (IFC; 22%), followed by the European Bank for Reconstruction and Development (EBRD; 10%), the European Investment Bank (EIB; 9%) and the African Development Bank (AfDB; 8%). The Asian Development Bank (AsDB) Group[4] mobilised USD 2.2 billion (5%) per year from the private sector and the Inter-American Development Bank (IADB) Group USD 1.6 billion (3%). Overall, institutions of the World Bank Group (WBG)[5] mobilised one-third (34%) of the private finance total. Other multilateral institutions with large mobilisation volumes in 2018-20 included the Private Infrastructure Development Group (PIDG), Global Environment Facility (GEF) and Green Climate Fund (GCF). Whereas syndicated loans together with direct investment in companies and project finance SPVs were used to mobilise private finance by almost all MDBs, guarantees were mostly employed by the WBG institutions, and to a lesser extent also the AsDB Group, AfDB, PIDG, IADB Group and EBRD. Moreover, credit lines were the foremost leveraging mechanism used by the European Investment Bank (EIB) (see Figure 1.10).

Bilateral providers

Concerning bilateral providers, the United States mobilised by far the largest volumes of private finance for development, accounting for 11% of the 2018-20 total. France and the United Kingdom followed, mobilising USD 2.4 billion (5%) and USD 1.3 billion (3%), respectively. Four other countries mobilised over USD 300 million per year on average each, namely Germany (USD 0.7 billion), the Netherlands (USD 0.6 billion), Denmark (USD 0.5 billion) and Sweden (USD 0.3 billion). Whereas guarantees were mainly deployed by the United States and, to a lesser extent, France, Sweden and a few other countries, credit lines were mainly used by France, Germany, Spain and the Netherlands. Almost all bilateral providers listed in Figure 1.9 also mobilised private finance through shares in CIVs, in particular the United Kingdom, the United States and Denmark. In addition, syndicated loans were the main leveraging mechanism used to mobilise private finance by the Netherlands, Japan and France.

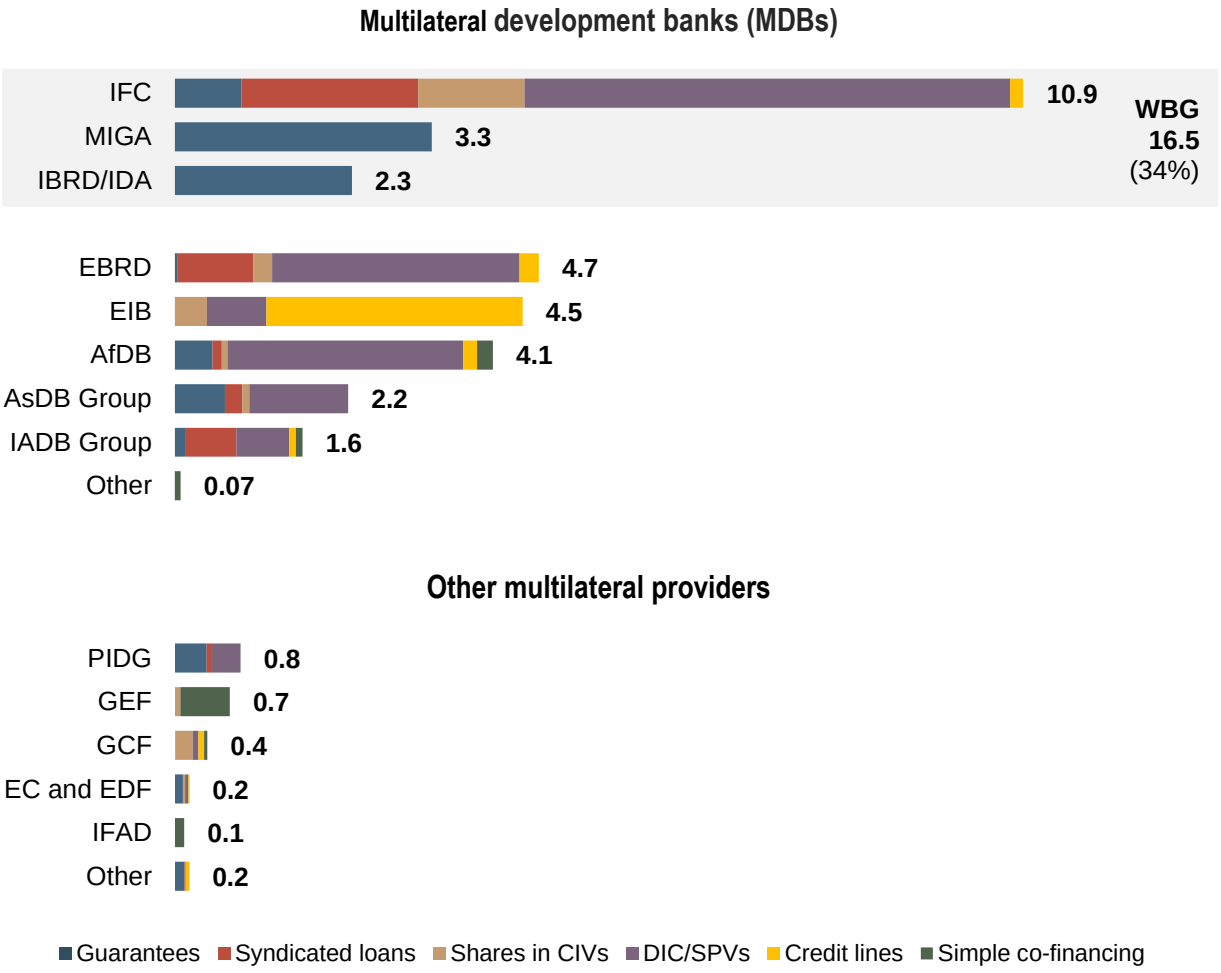
Figure 1.9. Mobilised private finance by bilateral providers, 2018-20 average, USD million



Note: Other countries presented in this chart include the Czech Republic, Estonia, Ireland, Luxembourg, Romania, the Slovak Republic and Slovenia. The coverage of reporting by Germany and the Netherlands is a work in progress. Moreover, for the purpose of the OECD statistics on amounts mobilised from the private sector, the Netherlands' DFI FMO is considered an official institution in line with the OECD DAC definition of official transactions. However, in the National Accounts System of the Netherlands, FMO is registered as a private, independent bank.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Bilateral development finance institutions (DFIs) played a leading role, representing 78% for total mobilisation by bilateral providers (USD 8.9 billion per year on average). The Development Finance Corporation (DFC) of the United States alone represented 41% of the three-year bilateral total (see Figure 1.11), mainly due to its guarantee portfolio (77%) and to a smaller extent direct investment in companies (17%) and shares in CIVs (6%). Other DFIs mobilised USD 4.2 billion per year on average, accounting for 34% of the bilateral total, mostly through direct investment in companies and project finance SPVs (36%), credit lines (25%) and shares in CIVs (24%). Furthermore, development agencies and other bilateral vehicles mobilised USD 2.8 billion (23%) per year on average, mostly by means of simple co-financing arrangements (38%), credit lines (23%) and guarantees (17%).

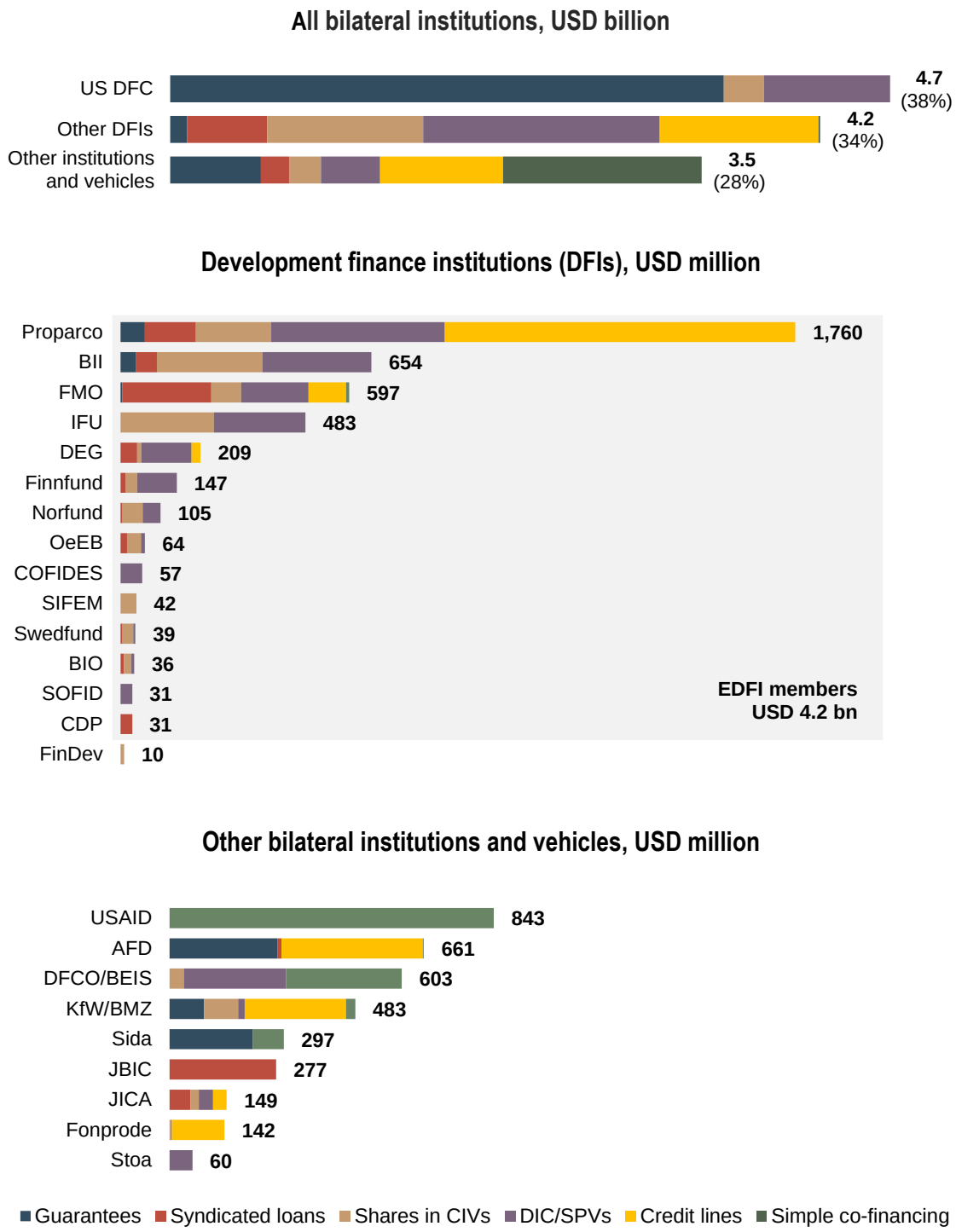
Figure 1.10. Mobilised private finance by multilateral organisations, 2018-20 average, USD billion



Note: IADB Group includes both the Inter-American Development Bank (IADB) and IDB Invest. The figure presented for the Asian Development Bank (AsDB) Group includes private mobilisation through the bank's ordinary capital resources and its trust fund Credit Guarantee and Investment Facility (CGIF). Other "MDBs" presented in this chart include the Council of Europe Development Bank (CoEB) and North American Development Bank (NADB). Other "other multilateral providers" include Climate Investment Funds (CIFs), Nordic Development Fund (NDF). OPEC Fund and United Nations Capital Development Fund (UNCDF).
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

With DFC clearly in the forefront (USD 4.7 billion; see Figure 1.11**), France's Proparco, the United Kingdom's BII, the Netherlands' FMO and Denmark's IFU were among the DFIs with the largest volumes of mobilised private finance in 2018-20**, with annual averages of USD 1.8 billion, USD 0.7 billion, USD 0.6 billion and USD 0.5 billion, respectively. Almost all DFIs mobilised private resources through shares in CIVs and direct investment in companies and project finance SPVs; syndicated loans were primarily used by FMO, Proparco, Germany's DEG, Italy's CDP and Austria's OeEB. Moreover, Proparco, FMO and DEG used credit lines, whereas guarantees unlocked the largest amounts in the case of DFC and to a smaller extent Proparco, BII and FMO (Figure 1.11).

Figure 1.11. Mobilised private finance by type of bilateral provider institution, 2018-20 average



Note: Figures presented under DFC in this chart include mobilised private finance by OPIC and USAID Development Credit Authority (DFC) in 2018-19 and by DFC in 2020. The figures representing CDP, FinDev, JBIC and Stoa show private finance mobilisation in only one of the three years, depending on data availability. Mobilised private finance by USAID Development Credit Authority (DCA)'s guarantee portfolio in 2018-19 is included under DFC. Moreover, for the period covered by this report, BII includes mobilised private finance by CDC Group. Moreover, for the purpose of the OECD statistics on amounts mobilised from the private sector, the Netherlands' DFI FMO is considered an official institution in line with the OECD DAC definition of official transactions. However, in the National Accounts System of the Netherlands, FMO is registered as a private, independent bank.

Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

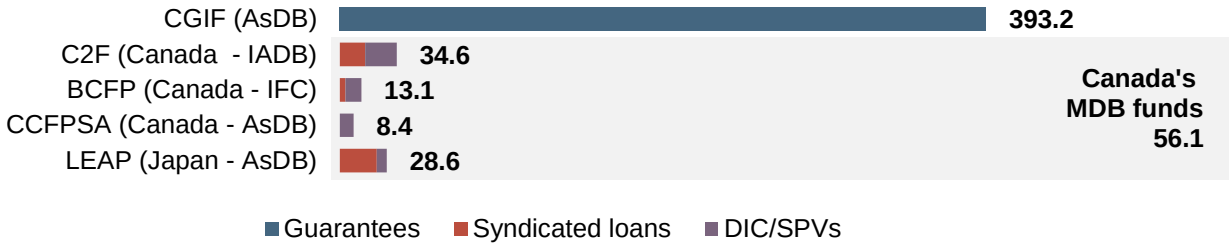
As regards other bilateral institutions, USAID (United States), AFD (France), DFCO/BEIS (United Kingdom) and KfW/BMZ (Germany) were the most significant actors, with simple co-financing arrangements playing the most significant role for the United States and United Kingdom's agencies. In addition to France and Germany's agencies, credit lines were a significant leveraging mechanism also in the case of Spain's Fonprode. Further, AFD, Sida (Sweden) and Germany's agencies also mobilised significant volumes through guarantees, while Japan's JBIC and JICA through syndicated loans (Figure 1.11).

Some bilateral providers also choose to leverage private finance through blended finance funds and facilities administered by the MDBs, benefiting from the agencies' unique in-house expertise and access to financing opportunities (OECD, 2022[16]). For instance,

- Over the past decade, Canada has funded trust funds at IFC (IFC, 2022[17]), (IFC, 2022[18]), Asian Development Bank (ADB, 2022[19]), (ADB, 2022[20]) and IADB Group (IDB Invest, 2022[21]) to specifically mobilise private finance for sustainable development and climate action (Figure 1.12).
- In 2016, Japan established the Leading Asia's Private Infrastructure Fund (LEAP) at the AsDB (ADB, 2022[22]).
- In 2017 Finland launched the Finland-IFC Blended Finance for Climate Program (IFC, 2022[23]).

Providers have also joined forces to mobilise private finance through multi-donor facilities, such as the Credit Guarantee and Investment Facility (CGIF, 2022[24]) or ADB Ventures Investment Fund 1 (ADB, 2022[25]) both of which are hosted at the AsDB.

Figure 1.12. Mobilised private finance through MDB funds and facilities, 2018-20 average, USD million



Note: Data on the mobilisation effect of Japan's LEAP Fund are only available for 2020. The presented figure therefore represents only 2020. C2F stands for Canadian Climate Fund for the Americas, the BCFP for Canada-IFC Blended Climate Finance Program (succeeding IFC-Canada Climate Change Program), CCFPSA for Canadian Climate Fund for the Private Sector in Asia I and II and LEAP for Leading Asia's Private Infrastructure Fund.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Blended finance funds and facilities have a strategic role to play in mobilising private sector financing for development (OECD[26]). However, there is still little evidence on the volumes of mobilised private finance by such vehicles. It is expected that more information will become available through the new TOSSD statistical framework which, among others, aims to better reflect the whole spectrum of multilateral organisations' operations (core and non-core) and, thus, provide a more accurate recipient perspective of all officially supported interventions – including the private finance they mobilise – in support of sustainable development (see also Box 2.1).

Box 1.3. Gas industry development in Mozambique

According to the International Energy Agency (IEA, 2022[27]), 40% of all the gas discovered worldwide in 2010-20 was on the African continent. One of the largest discoveries was in Mozambique, making it the 14th country in the world in terms of the largest gas reserves (EIA, 2022[28]). To exploit the economic potential of this natural endowment, a number of project pipelines in the gas industry have been developed by large international energy companies in collaboration with the local government as well as international finance institutions. The projects are expected to *inter alia* promote domestic resource mobilisation and address the country's current account deficit, contribute to the formalisation of Mozambique's employment, increase regional energy security and promote industrialisation of countries in Eastern and Southern Africa. Moreover, specific components of the projects, such as resettlement activities, have been designed to contribute to Mozambique's adaptation to the climate change (DFC, 2022[29]), (AfDB, 2022[30]).

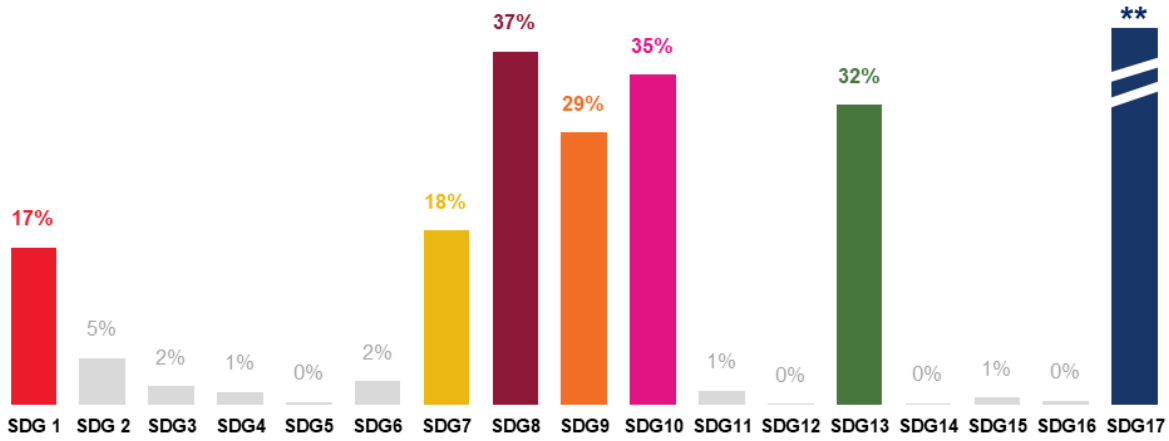
In this context, finance for activities aimed at gas exploration, exploitation, processing and transportation, including in the form of liquefied natural gas (LNG), has been negotiated during the second half of the last decade with financial and risk participation by both development and export credit agencies. Examples of such projects include the Rovuma LNG project led by a consortium of energy companies, e.g. Eni (Eni, 2022[31]) and ExxonMobil (ExxonMobil, 2022[32]) or Mozambique LNG Area 1 sponsored by a group of private enterprises, such as Total (Total, 2022[33]), and Mitsui (Mitsui, 2022[34]). The overall cost of both projects amounts to billions of US dollars, with the latter estimated at USD 24.1 billion (AfDB, 2022[30]). International development actors have been involved in these projects through debt financing or political risk guarantees (DFC, 2022[29]), (AfDB, 2022[30]).

Chapter 2. Contribution of mobilised private finance to the SDGs and climate action

2.1. Mobilised private finance mostly contributes to SDGs 8, 9, 10 and 13

Private finance mobilised for developing countries mostly contributes to the **SDGs aimed at developing economic infrastructure, reducing inequalities and advancing climate action** (Figure 2.1). Based on providers' reporting and authors' analysis, around one-third of mobilised private finance in 2018-20 contributed to financing the SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities), SDG 13 (climate action) and SDG 9 (industry, innovation and infrastructure). The share of mobilised private finance contributing to SDG 7 (affordable and clean energy) and SDG 1 (no poverty) were 18% and 17%, respectively, noting that SDG 17 (partnerships for development) underpin the entire model of private sector engagement (Figure 2.1).

Figure 2.1. SDG focus of mobilised private finance, estimation based on 2018-20



Note: The figure for SDG 5 is likely underestimated due to limited data quality, also related to confidentiality constraints of some providers. **: All mobilised private finance, in principle, contributes to SDG 17 under target 17.3: Mobilize additional financial resources for developing countries from multiple sources.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO as well as authors' analysis.

Consequently, much smaller shares of mobilised private finance are targeting SDGs relating to social sectors, such as SDG 3 (good health and well-being), SDG 4 (quality education) and SDG 16 (peace, justice and strong institutions), or environment-related SDGs beyond climate action, such as SDG 14 (life below water) and SDG 15 (life on land).

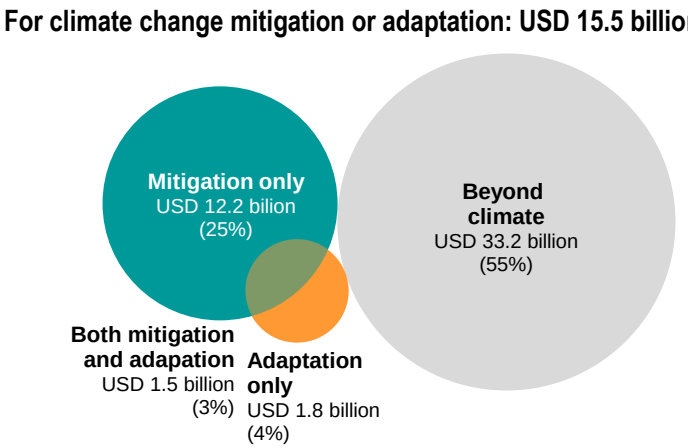
Examples of SDG targets supported through private finance mobilisation

- **Target 1.a:** Mobilisation of resources to end poverty
- **Target 1.4:** Equal rights to ownership, basic services, technology, and economic resources
- **Target 7.1:** Universal access to modern energy
- **Target 7.a:** Promote access to research, technology and investments in clean energy
- **Target 8.1:** Sustainable economic growth
- **Target 8.10:** Universal access to banking, insurance and financial services
- **Target 9.1:** Develop sustainable, resilient and inclusive infrastructures
- **Target 9.2:** Promote inclusive and sustainable industrialisation
- **Target 9.3:** Increase access to financial services and markets
- **Target 10.1:** Reduce income inequalities
- **Target 10.2:** Promote universal social, economic and political inclusion
- **Target 13.a:** Implement the UN Framework Convention on Climate Change
- **Target 17.3:** Mobilise financial resources for developing countries
- **Target 17.11:** Increase the exports of developing countries

2.2. Around one-third of private finance mobilisation contributed to climate action

In 2018-20, almost one-third (32%) of mobilised private finance targeted climate change mitigation and/or adaptation; yet, it amounted to USD 15.5 billion per year on average (see Figure 2.2)**.** USD 12.2 billion (25%) was mobilised for mitigation only, USD 1.8 billion (4%) was for adaptation only and USD 1.5 billion (3%) contributed to both mitigation and adaptation. While the total volume of mobilised private finance for climate action was rather stable over the three years, private resources unlocked for mitigation decreased from USD 15.7 billion in 2018 to USD 11.6 billion in 2020 (-26%). In contrast, private finance mobilisation for adaptation followed an upward trend from USD 1.9 billion in 2018 to USD 4.4 billion in 2020, noting that the 2020 figure mostly relates to activities in Mozambique's LNG development (see Box 3.1). Similar trends are observed in the OECD report on Climate Finance Provided and Mobilised by Developed Countries in 2016-2020 (OECD, 2022[35]), which specifically tracks developed countries' progress towards the UNFCCC goal of jointly mobilising USD 100 billion by 2020 for climate action in developing countries (see Box 2.2 for further detail).

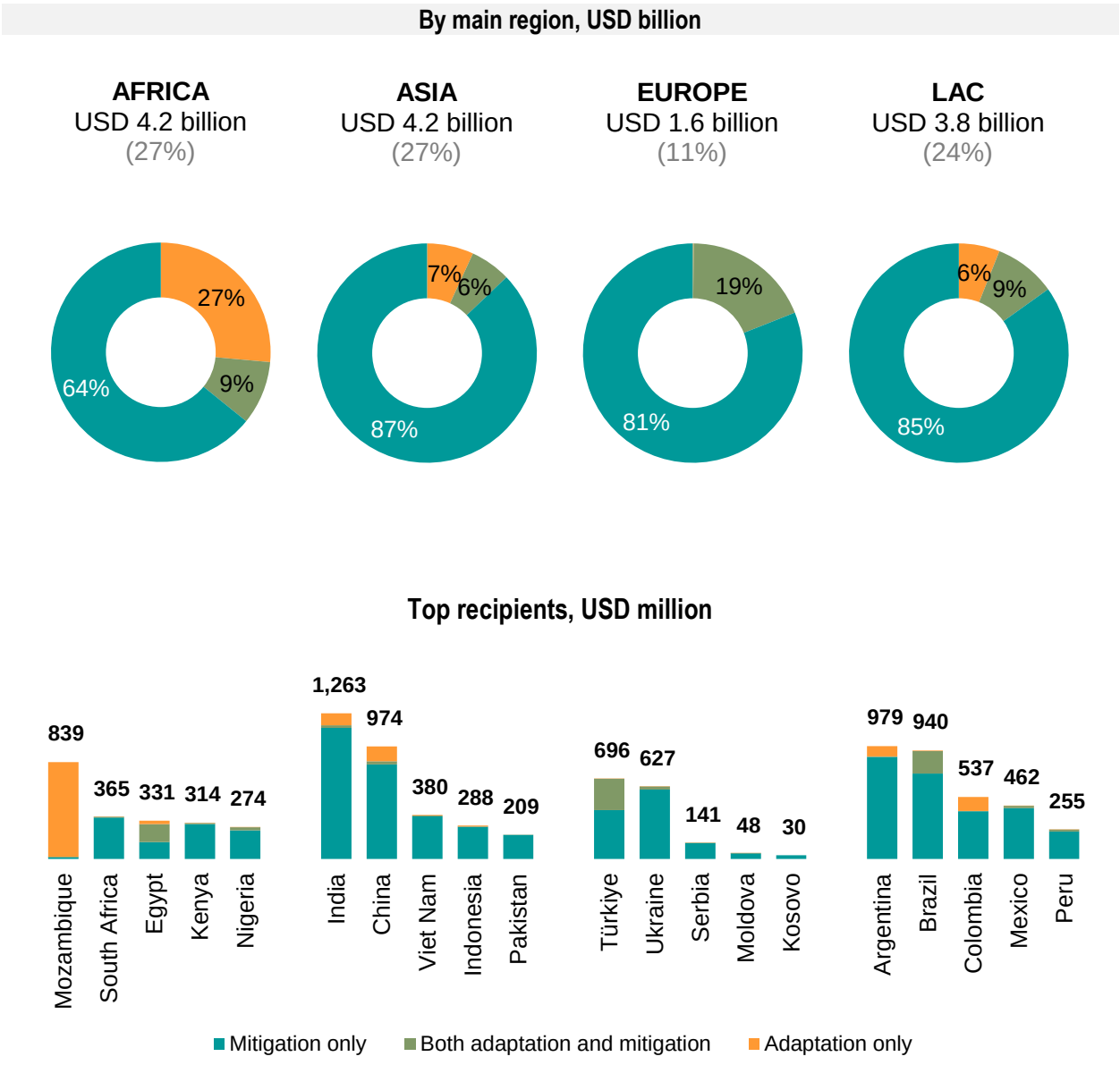
Figure 2.2. Mobilised private finance for climate, 2018-20 average, USD billion



Note: For bilateral and some multilateral providers, mobilised private finance mobilised for climate is tracked using the DAC Rio markers methodology (OECD, 2016[36]). In contrast, most MDBs and other multilateral organisations use the joint MDB methodology for tracking climate change adaptation and mitigation finance (EIB, 2021[37]).
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Compared to total mobilisation in 2018-20, mobilised private finance for climate was distributed more evenly across the main regions, with developing countries in Asia, Africa and the LAC region receiving each around USD 4 billion per year of mobilised private finance for climate-relevant activities. ODA-eligible countries in Europe benefitted from USD 1.6 billion per year on average (11%), noting that USD 1.7 billion was unallocated by region. Approximately two-thirds of this financing was allocated to the top 20 countries, with one-third to India (8%), Argentina, China, Brazil (6% each) and Mozambique (5%). Mozambique was by far the main recipient of mobilised private finance for adaptation (see Figure 2.3).

Figure 2.3. Geographical distribution of mobilised private finance for climate, 2018-20 average

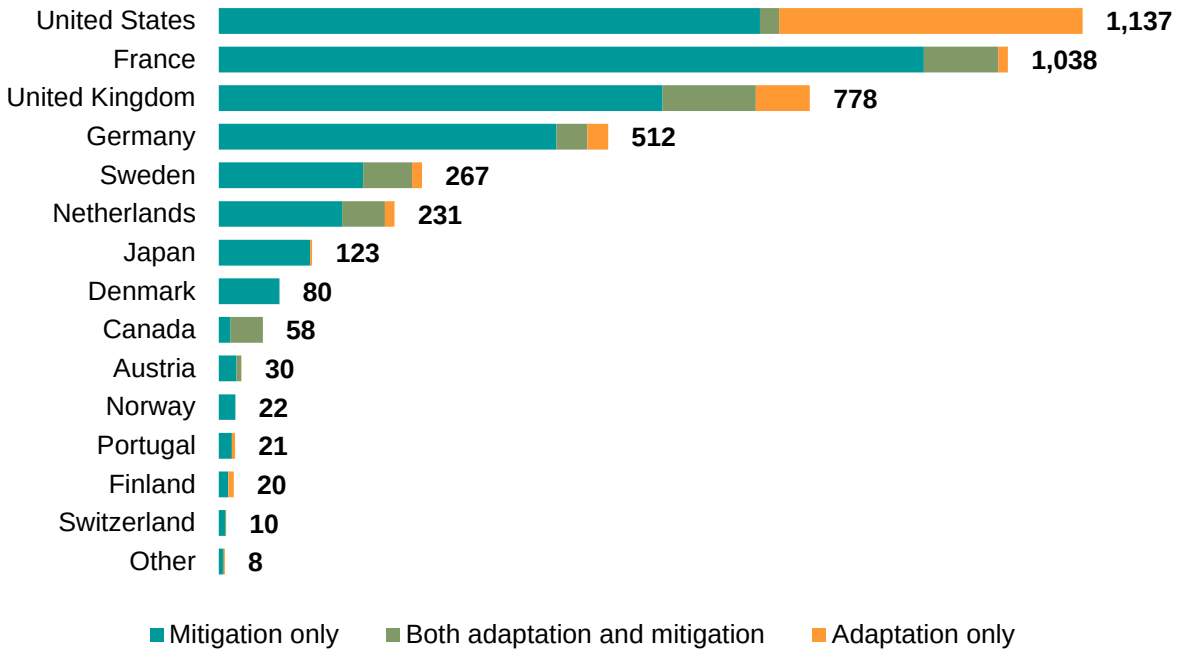


Note: LAC stands for Latin America and the Caribbean.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

For most regions, mobilised private finance for climate was rather concentrated on a limited number of recipient countries. While the top two African recipients accounted for 29% of the regional total, it was 51% for the top two recipients in the LAC region, 53% in Asia and even 80% in Europe (see Figure 2.3).

During 2018-20, the United States and France were the main bilateral actors in this area, with more than USD 1 billion mobilised for climate action each per year on average (see Figure 2.4). The United Kingdom and Germany followed, with totals of private mobilisation for climate of USD 0.8 billion and USD 0.5 billion respectively, whereas Sweden and the Netherlands mobilised around USD 250 million per year for climate. While bilateral providers generally devoted most of their mobilised private climate to mitigation activities, the abovementioned top six providers also mobilised the largest volumes of private finance for climate change adaptation.

Figure 2.4. Top bilateral providers by mobilised private finance for climate, 2018-20 average, USD million



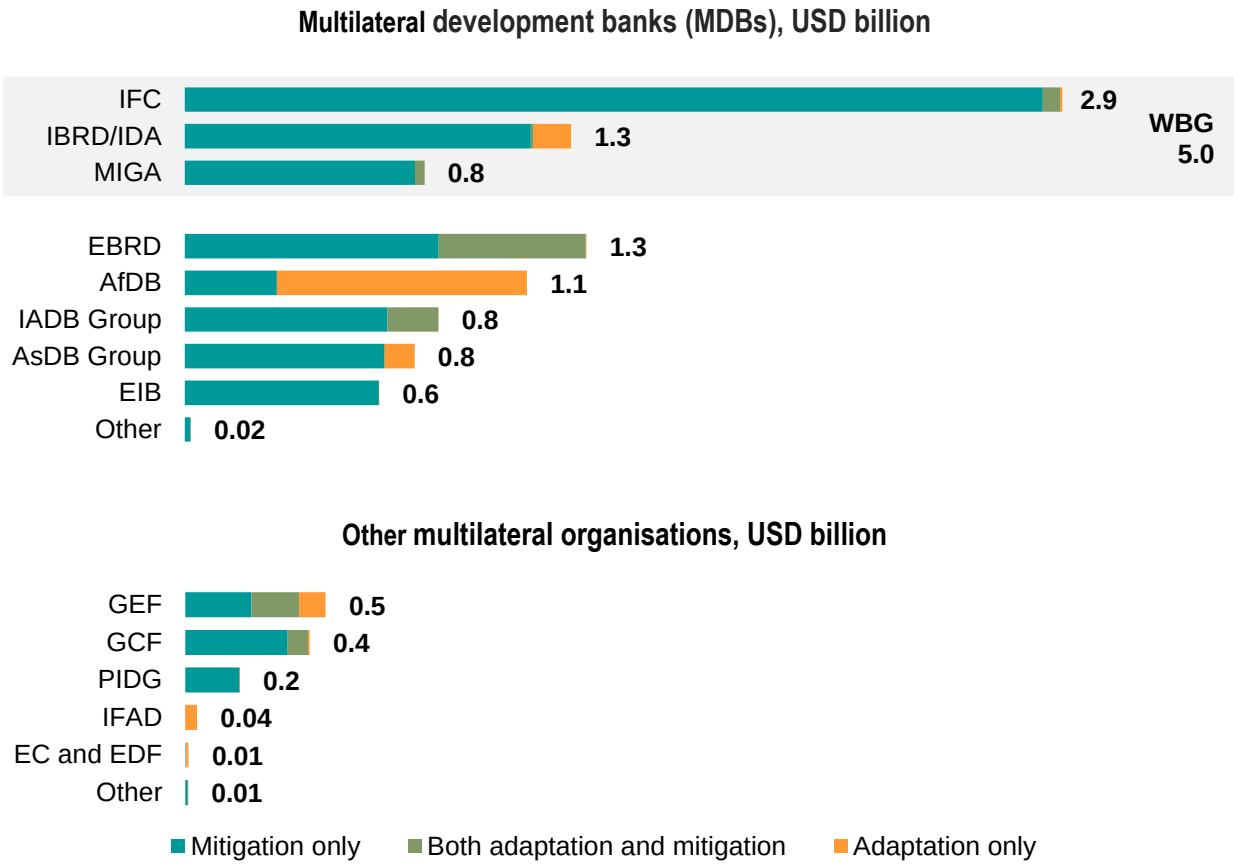
Note: For the purpose of the OECD statistics on amounts mobilised from the private sector, the Netherlands' DFI FMO is considered an official institution in line with the OECD DAC definition of official transactions. However, in the National Accounts System of the Netherlands, FMO is registered as a private, independent bank.
Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Canada and Sweden dedicated the largest shares of their private mobilisation for climate action in 2018-20, accounting for 93% and 80%, respectively, followed by Germany (74%)[6] and the United Kingdom (60%) (Figure 2.5). Indeed, development agencies and development finance institutions of these provider countries have put climate action at the core of their activities. For example, combatting climate change is part of FinDev Canada's core mandate, as well as Germany's KFW and DEG primary business goal. In addition, the United Kingdom's FCDO put the fight against climate change at the core of its 2022 International Development Strategy and promised to double its international climate finance contribution by 2026 (UK Government, 2022[38]).

As regards multilateral providers, **the IFC mobilised the largest volumes of private finance for climate projects in 2018-20 among all multilateral organisations (USD 2.9 billion)**, followed by EBRD, IBRD/IDA and AfDB. While almost all multilateral organisations listed in Figure 2.5 mobilised private

finance for climate mitigation, only a few aimed at targeting adaptation activities. Among the latter, the AfDB, EBRD and the Global Environment Facility (GEF) were the institutions that mobilised the largest volumes of private finance for adaptation.

Figure 2.5. Mobilised private finance for climate by multilateral providers, 2018-20 average



Source: (OECD, 2022[12]), (TOSSD, 2022[13]) and complementary data submissions from DEG and FMO.

Box 2.1. Total Official Support for Sustainable Development (TOSSD)

Total Official Support for Sustainable Development (TOSSD, 2022[13]) is an international standard to measure all officially supported resources to promote sustainable development in developing countries.

TOSSD is a two-pillar framework that tracks officially-supported

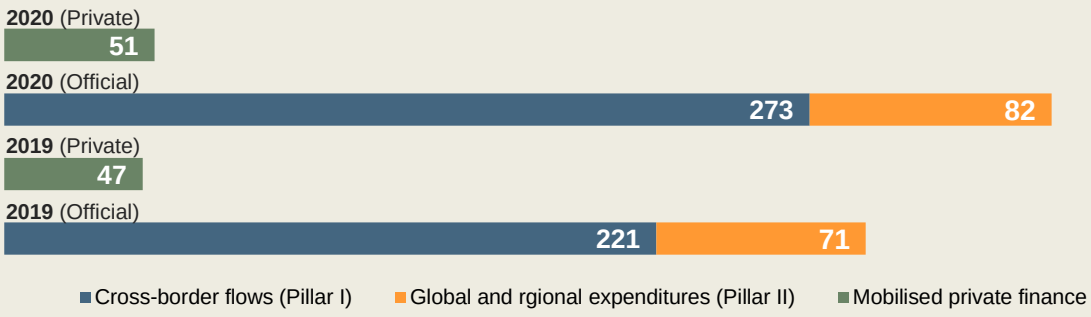
- Cross-border resource flows to developing countries and
- Global and regional expenditures for development enablers, international public goods (IPGs) and to address global challenges.
- Mobilised private finance through official interventions.

The international community took note of TOSSD in the Addis Ababa Action Agenda, in July 2015, calling for the development of TOSSD in an "open, inclusive and transparent manner" (UN, 2015[39]). Following this mandate, TOSSD has been developed and maintained by an International TOSSD Task Force, created in 2017. This Task Force is composed of Southern and traditional providers, recipient countries, and multilateral organisations.

In March 2022, TOSSD was adopted as a data source for indicator 17.3.1 of the SDG global indicator framework to measure development support, following a decision by the UN Statistical Commission (UN, 2022[40]). The OECD and UNCTAD are co-custodians for this indicator. In April 2022, the Secretariat submitted the TOSSD data, including on mobilised private finance, to the UN Statistics Division to inform indicator 17.3.1 for the first time. All of the TOSSD activities are available, free of charge at https://tossd.online/.

The latest TOSSD dataset on 2020 activities contains more than 318 000 activities (e.g. in the form of projects, budget support, technical co-operation) in support of sustainable development from almost 100 provider countries and multilateral organisations. In 2020, TOSSD amounted to USD 355 billion in gross disbursements, an increase of 22% compared to 2019. Besides, USD 51 billion was mobilised from the private sector for sustainable development through official development finance interventions (Figure 2.6).

Figure 2.6. TOSSD headline figure and mobilised private finance for 2019-20, USD billion



Note: TOSSD Pillar I and Pillar II are measured on a gross disbursement basis.
Source: (TOSSD, 2022[41]).

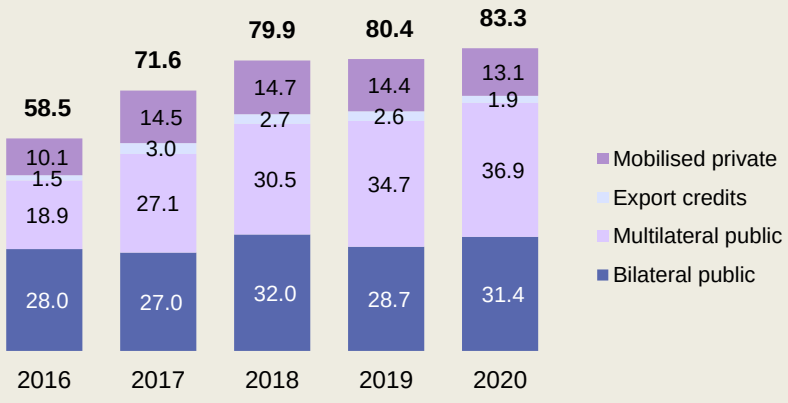
TOSSD data in 2020 captured over 75,000 activities not reported to any other existing global database on development finance flows. This represents an additional USD 68 billion in official support. Twelve South-South co-operation providers reported more than 4,500 activities on their contributions to sustainable development, mostly in the form of technical co-operation.

Box 2.2. Latest figures on progress towards the USD 100 billion goal

At the 15th Conference of Parties (COP15) of the UNFCCC in Copenhagen in 2009, developed countries committed to a collective goal of mobilising USD 100 billion per year by 2020 for climate action in developing countries, in the context of meaningful mitigation actions and transparency on implementation. The goal was formalised at COP16 in Cancun, and at COP21 in Paris, it was reiterated and extended to 2025. Since 2015, the OECD has produced a series of reports that track progress towards this goal. These reports are based on a robust accounting framework that tracks climate finance provided and mobilised for climate action in developing countries and that is attributable to developed countries. This includes four finance components, namely public bilateral climate finance provided by developed countries, public climate finance provided by multilateral organisations attributed to developed countries, climate-related export credits, and mobilised private finance by bilateral and multilateral public climate finance attributed to developed countries. According to the 2022 edition of the report (OECD, 2022[35]), developed countries provided or mobilised USD 83.3 billion for climate in 2020. Between 2016 and 2020, mobilised private finance for climate amounted to USD 13.4 billion per year or average, representing 18% of the five-year total average. However, the level of private climate finance mobilised varied significantly across the years, increasing from USD 10.1 billion in 2016 to USD 14.7 billion between 2016 and 2018, only to decrease to USD 13.1 billion in 2020.

This specific accounting framework used to track progress towards the UNFCCC USD 100 billion goal results in absolute figures for mobilised private finance that differ from those presented in this report in relation to climate change. The main reason is that figures for private climate finance mobilised by multilateral organisations included in (OECD, 2022[35]) only include the share that can be *attributed* to developed countries, recognising that developing countries also contribute to the operations and activities of multilateral development banks and climate funds. One other reason for differences relates to the geographical scope as figures in (OECD, 2022[35]) include both ODA eligible countries as well as those countries on the UNFCCC non-Annex I list (which includes a limited number of non-ODA eligible countries).

Figure 2.7. Private climate finance provided and mobilised by developed countries in 2016-20,



Source: (OECD, 2022[35])

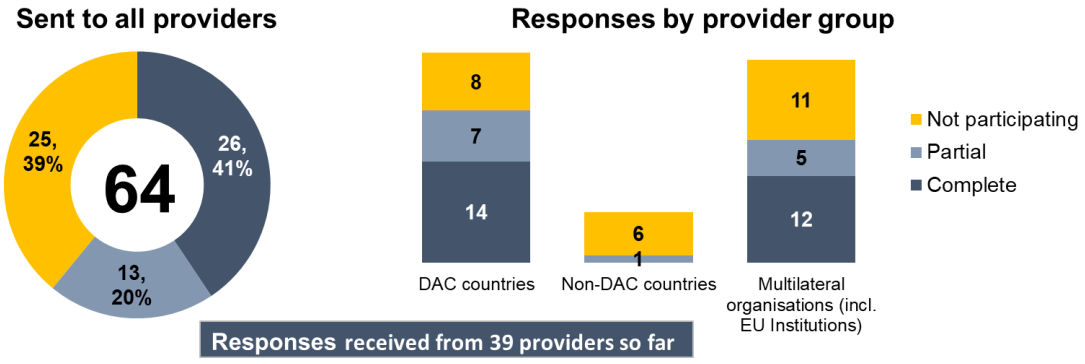
Chapter 3. Outlook on private mobilisation

3.1. The 2022 OECD DAC survey on providers' portfolios

The data indicate that, after a gradual growth until 2018, amounts of mobilised private finance slowed down (Chapter 1.). Further analysis was deemed necessary to understand the trends, drivers and obstacles for providers to mobilise private finance for sustainable development, including for climate action. In March-May 2022, the OECD carried out a qualitative survey aiming to i) update the information it collected back in 2012 on providers' portfolios[7], with a particular focus on mechanisms and instruments designed to mobilise private finance; and ii) gather more qualitative insights from providers on the main incentives and obstacles to mobilise private finance for sustainable development and climate action. This survey was administered through the DAC Working Party on Development Finance Statistics (WP STAT), in close collaboration with the OECD-led Research Collaborative on Tracking Finance for Climate Action. It was sent to 64 providers (Figure 3.1), including 36 provider countries (DAC and non-DAC) and 28 multilateral institutions (including the EU Institutions). Complete or partial[8] responses have been received from most of the main actors known to mobilise private finance for development, i.e. 22 countries (of which 21 DAC members) and 17 multilateral institutions (of which 12 MDBs, including the EIB).

This section analyses the information collected through the survey, in particular on the extent to which private mobilisation, including for climate, was incorporated into providers' strategic objectives and followed with concrete actions in terms of providers' portfolio innovation. It also aims to shed light on the main challenges and obstacles faced by providers, as well as on the main drivers, to scale up private finance mobilisation, including for climate.

Figure 3.1. Scale of the survey and responses



Source: 2022 OECD DAC Survey on Providers' Portfolios.
Note: The survey included a series of closed and opened (free text) questions. Closed questions usually suggested a yes/no type of answer including a rating on the extent to which the response applied, i.e. to some/little/great extent.

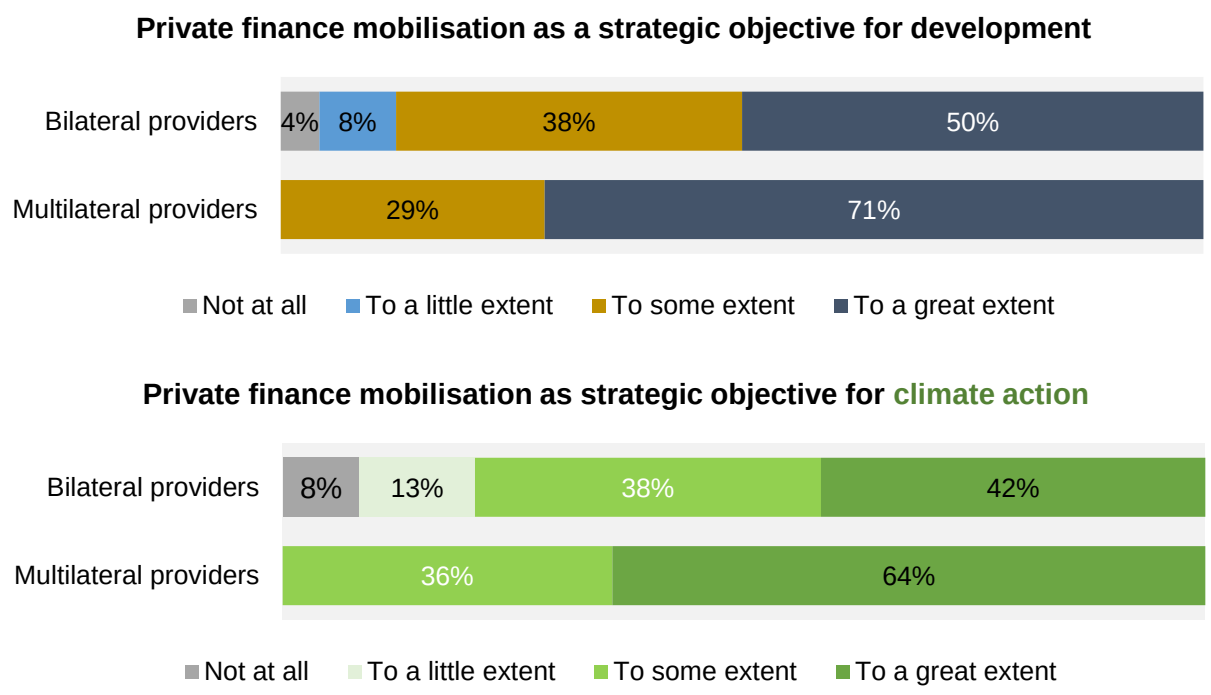
3.2. Update on providers' portfolios

Private mobilisation is high in providers' strategic objectives

As shown in Figure 3.2, **almost all bilateral providers and all multilateral institutions stated in their survey responses that mobilising private resources for development, including for climate action, constitutes to *some* or a *great* extent a strategic objective for their respective institutions.** While 71% of the multilateral organisations that participated in the survey indicated that mobilising private finance was – to a *great extent* – at the centre of their operations' policy, it seemed to receive relatively less priority from bilateral providers (50%). This observation follows a similar pattern as for the prioritisation of private mobilisation for climate action, which constituted a strategic objective to a great extent for 64% and 42% of multilateral and bilateral providers, respectively.

However, the update on providers' portfolios[9] shows a slightly different reality, confirming the challenges encountered by official providers in implementing their strategic objectives in this area. Indeed, it highlights that only 18% of all providers' portfolios (19% and 17% for bilateral and multilateral providers, respectively) have private finance mobilisation as their main objective, and 50% to a certain extent (40% and 63% for bilateral and multilateral institutions, respectively). Out of the 18% of providers' portfolios having private mobilisation as their main objective, only around half also incorporated climate as a core objective.

Figure 3.2. Extent to which private mobilisation constitutes a strategic objective for providers



Source: 2022 OECD DAC Survey on Providers' Portfolios.

Use of leveraging mechanisms and emerging approaches

The 2022 OECD DAC Survey on providers' portfolios offers insights on providers' use of leveraging mechanisms for private mobilisation in support of development and climate action (see Figure 3.3).

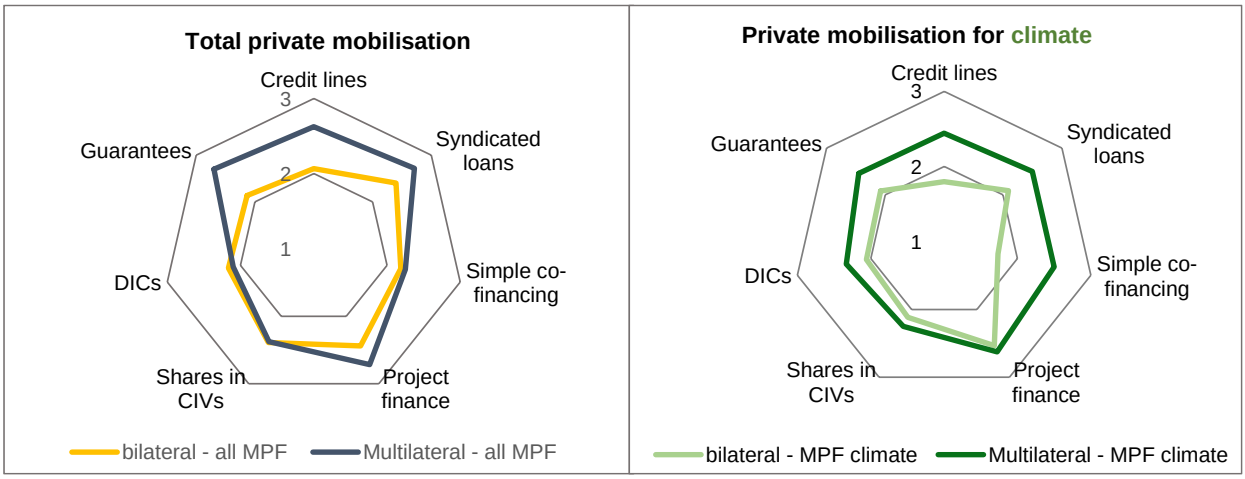
Most bilateral and all multilateral providers that responded to the survey indicated using specific financial products to mobilise private finance, in line with their strategic priorities (see section above). However, a few of them (one bilateral and three multilateral) do not report to the OECD on the amounts they mobilised from the private sector yet.

The survey confirmed the key role played by guarantees, syndicated loans and project finance for mobilising private finance, including for climate action. In this context, respondents underlined:

- the effectiveness of guarantees in mobilising private finance in nascent markets through risk mitigation
- the role of syndicated loans in off-setting early entrant costs and encouraging developers to enter the market, as well as the capacity of credit lines to build capacity in local IFIs and support micro, small and medium enterprises' (MSME) access to finance.

Moreover, the survey showed that, all providers combined, the use of leveraging mechanisms for climate action was generally more diversified than for all development finance interventions. While all providers seem to deploy similar leveraging mechanisms, multilateral providers tend to make a greater use of simple co-financing, credit lines and direct investment in companies for mobilising private climate finance.

Figure 3.3. Providers' use of leveraging mechanisms



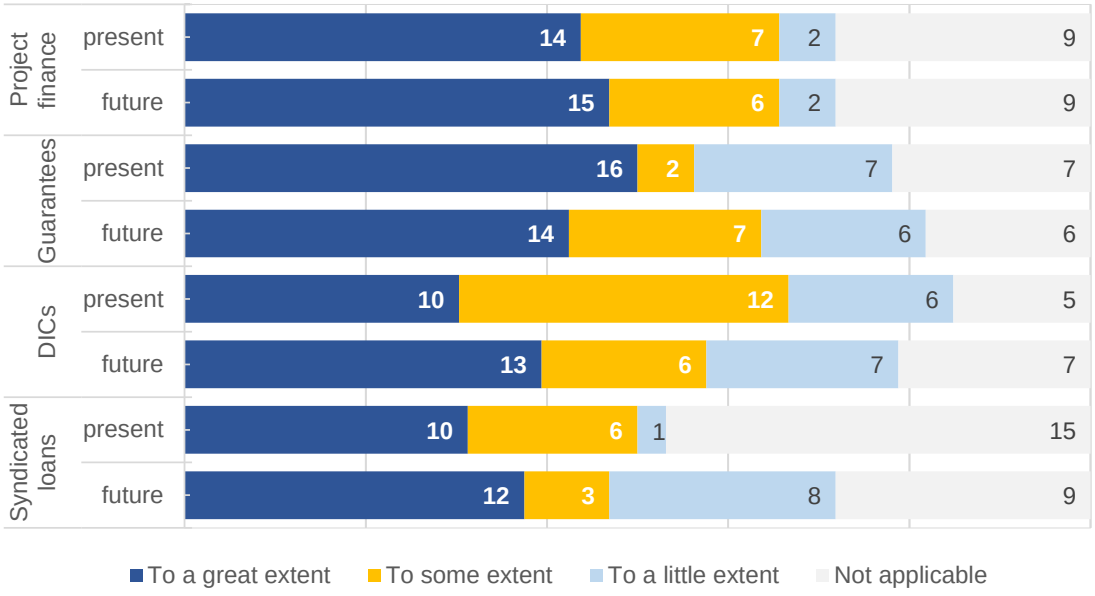
Source: 2022 OECD DAC Survey on Providers' Portfolios.

Still, the portfolio update revealed that several providers have strengthened their use of leveraging mechanisms by experimenting new approaches toward private mobilisation. This includes for example:

- bond issuance specifically designed to attract private investors (e.g. Cofides, the Spanish DFI, the Asian Development Bank, the International Finance Corporation and the Inter-American Development Bank Group)
- new or expanded guarantee programmes (e.g. Cofides, Sida – the Swedish International Development Agency, the Asian Development Bank and MIGA)
- capitalisation of blended finance funds and facilities – often administered by multilateral organisations – aiming at mobilising private finance for climate purposes (e.g. Canadian Climate Fund for the Private Sector in Asia, Canada's Blended Climate Finance Program at the IFC, Sweden's challenge funds; see also Figure 1.12).

The survey also sought providers' insights on the expected future of leveraging mechanisms. Responses indicated that providers aim – to some extent – at increasing or maintaining their use of leveraging mechanisms to mobilise private finance (see Figure 3.4)**.** The increase is expected to concern the main leveraging mechanisms already commonly deployed by providers, i.e. syndicated loans, guarantees and project finance. However, several respondents also specified that they were planning to make greater use of other mechanisms such as anchor investments in nascent bond markets and collective investment vehicles, bond issuance or technical assistance.[10]

Figure 3.4. Current vs. intended future use of the main leveraging mechanisms



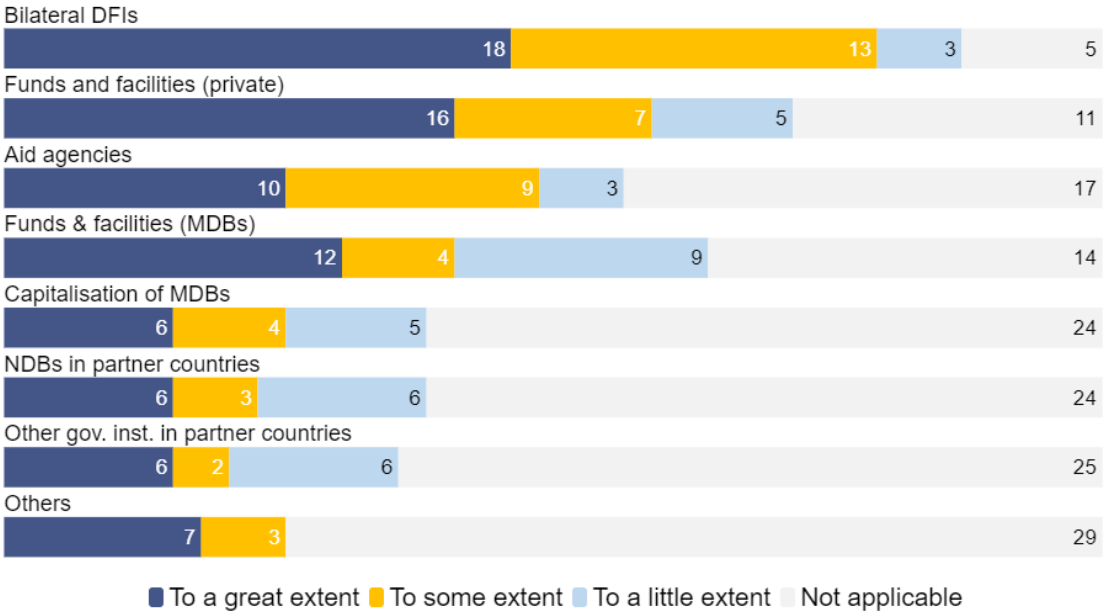
Source: 2022 OECD DAC Survey on Providers' Portfolios.

Partnerships foreseen to scale up private mobilisation

Thirty-one out of 39 respondents mentioned their intention to scale up mobilised private finance through bilateral DFIs to *some* or *a great extent* (Figure 3.5). While some providers rely on their national DFIs, others – such as the MDBs – foresee a strengthened collaboration with these institutions, in particular European DFIs, in their capacities of parallel lenders and upstream project development partners. Moreover, providers anticipate more private finance mobilisation **through blended finance funds and facilities**. While 16 out of 39 respondent institutions stated their objective to ramp up private mobilisation through funds and facilities administered by MDBs, 23 respondents indicated their plans to do so through funds and facilities managed by private entities, considered as having higher mobilisation potential and offering an opportunity to build a blended finance ecosystem.

Other partnerships envisaged include – to *some* and *a great extent* for 19 out of 39 respondents – collaboration with other providers' aid agencies (e.g. the UK's collaboration with other DFIs on the MOBILIST programme) or national institutions (e.g. ongoing discussions in Korea for strengthening collaboration between KEXIM and EDCF/EDPF). Other actions mentioned cover the re-capitalisation of MDBs (to *some* or *a great extent* for 10 out of 39 respondents) and collaboration with national development banks and other government institutions in partner countries (for 9 and 10 respondents out of 39, respectively).

Figure 3.5. Main vehicles through which providers plan to scale up private finance mobilisation in future, number of respondents



Note: NDBs stand for national development banks.
Source: 2022 OECD DAC Survey on Providers' Portfolios.

As regards partnerships with private actors (Figure 3.6), a majority of respondents stated that they plan to strengthen their collaboration with institutional investors – such as pension funds, sovereign wealth funds and insurance companies (see also Box 3.1), as well as commercial banks and impact investors – to increase their private mobilisation. Some respondents also envisage further work in future with financial intermediaries (e.g. investment funds), private owners / companies (e.g. start-ups) or private foundations.

Figure 3.6. Main private actors targeted by providers for future private mobilisation

Source: 2022 OECD DAC Survey on Providers' Portfolios.

3.3. Challenges hindering private mobilisation

In general

Overall, while the survey confirmed providers' intention to mobilise additional finance for sustainable development, including for climate action, the amounts mobilised from the private sector remain limited (see Chapter 1. and Chapter 2.). This is, to a large extent, explained by a number of challenges identified for both providers and private actors when co-investing in developing countries.

As shown in Figure 3.7, among the top challenges identified by the survey respondents, the most frequently cited for both official and private actors are the **high risk** perceived**,** the **low level of returns** on investment portfolios, the **lack of project pipelines and bankable/sizeable investment opportunities** in rather thin markets and the **lack of financial innovation** in institutions' portfolios. Other obstacles also include the national or domestic investment regulations, the lack of financial expertise, local capacities and know-how, together with a low level of information on existing investment (and co-investment) opportunities.

Addressing the challenges faced by investors in developing countries and scaling up the volumes of mobilised private finance to close the SDG and climate finance gaps will therefore **require a more profound and radical shift of providers' portfolios in the coming years**. Experience-sharing between providers could help drive behavioural change and contribute to strengthening institutions' financial capacities and expertise (e.g., develop green bond ecosystems to attract private investors). More comprehensive reporting and full disclosure on co-financing schemes involving private finance would definitely support peer-learning in this area but would also contribute to building trust on the markets and reducing the risk perception.

For the countries and sectors most in need

As also shown in Chapter 1. , a small share of mobilised private finance targeted projects in countries and sectors most in need. For most respondents to the survey, the main factor is the **particularly high risk perceived by private investors in these contexts in terms of projects' commercial viability and return profile, even for projects with impact goals.** For private mobilisation in the LDCs, the survey results emphasised the lack of sizeable projects and investment opportunities, combined with challenging economic and political environments in many of these countries. In such countries, transactions mobilising private investment tend to happen rather on a case-by-case or opportunistic basis. Furthermore, it was also mentioned that investors often lack knowledge and experience on projects in such contexts. The same applies to many of these partner country governments, which are often less familiar with privately funded infrastructure projects and do not have in place standardised agreements and documentation nor negotiation protocols for establishing public-private financing partnerships. Moreover, as regards social sectors such as health, education and housing, low revenue streams and a lack of awareness and know-how across private sector actors were identified as the foremost challenges to scale up private mobilisation. Transactions in these sectors also tend to be smaller in size and, depending on the repayment currency, more prone to exchange rate risk, making them less attractive for private investors.

However, some institutions have made private finance mobilisation in these areas a priority. It is the case, for example, for IDB Invest in the social infrastructure sector and the IFC, which committed to target 40% of its new commitments towards IDA17[11] countries, as well as fragile and conflict-affected situations by 2030. Other providers, such as GCF or PIDG, also set specific targets to significantly increase their portfolio-level mobilisation towards LDCs, SIDS or African countries. Still, some respondents considered that the blended finance schemes commonly available were not suited for these countries or sectors and recommended developing new and flexible instruments that allow for much longer-term investments. For instance, these include investing in first-loss tranches to address specific project risks or enhance project returns and mobilised private finance, as well as incentive mechanisms such as impact-

linked finance. Respondents also highlighted the key role to be played by MDBs and DFIs in scaling up private mobilisation in these areas, but at the same time underlined the need for these institutions to dramatically increase their risk appetite to enter these markets.

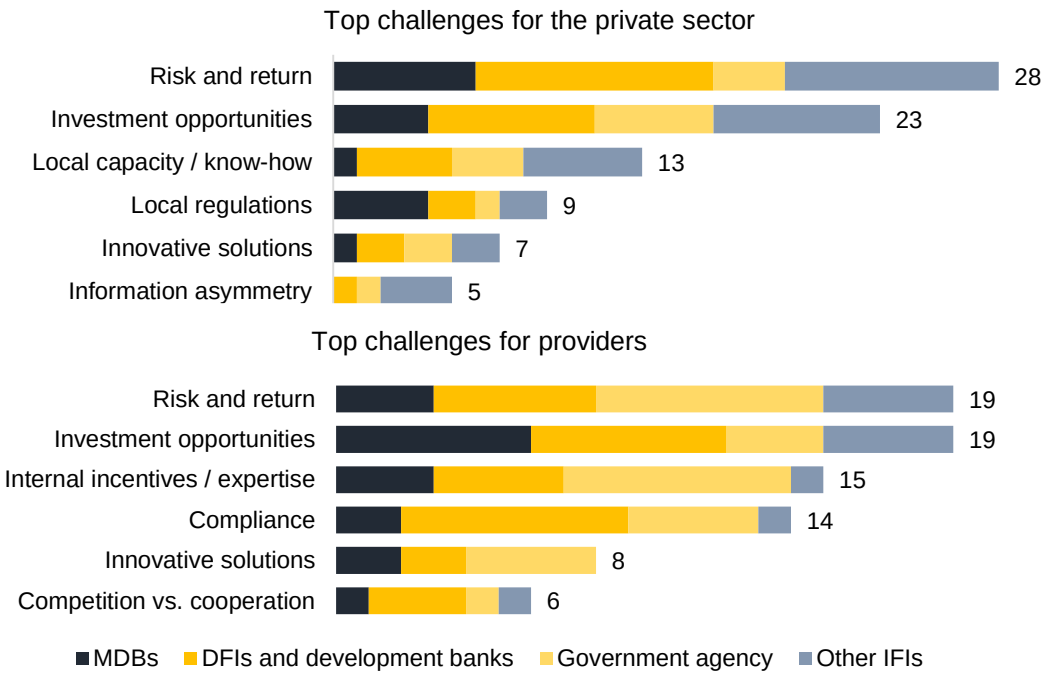
Finally, several respondents indicated that **the lack of data transparency on blended finance operations also constitutes a major obstacle to private mobilisation**. One of the main consequences mentioned was the wrong perception of the investment risk in certain areas (often, the perceived investment risk is higher than the actual risk but there is no evidence to demonstrate this).

For climate change adaptation

The survey also confirmed the challenges faced by providers to increase the share of mobilised private finance for climate adaptation in their total private mobilisation (4%, see Figure 2.2 in Chapter 2.). The survey results showed that adaptation projects generally do not offer sufficient financial returns to attract private investors and traditionally remained to be financed by the official sector. The main reason shared by respondents to the survey was the very small size of investment opportunities for adaptation, making it difficult to build a business case and achieve the required scale for private investors to come in. Providers also pointed out the higher capacity of mobilising private finance for climate change mitigation than for adaptation, mainly due to the comparatively more profitable and sizeable climate-related activities in sectors addressing climate mitigation such as energy. In addition, several providers mentioned that private investors generally have less exposure and knowledge about climate adaptation projects, which reduces their incentive to invest in this domain. Adaptation projects are also presented as having lower leverage ratios, smaller scale of activity and (initially) smaller amounts of finance required. In addition, the vulnerability of populations makes adaptation financing expensive to provide and less desirable to private investors than easier wins in other sectors.

To increase private finance mobilisation in support of climate adaptation, the survey underlined the need to structure and formulate adaptation projects and programmes in a way that involves from the design stage financing schemes with banks, corporations and other private actors. However, it also highlighted that there had been a growing interest for this type of transactions from commercial banks, despite the challenging market conditions and the high volume of short-term financing. For example, in 2020, the IFC decided that 35% of its new commitments would need to target climate change adaptation by 2030. USAID also took steps to mobilise more funding through different mechanisms, including a commitment to double private sector investments in adaptation and resilience in 20 climate-vulnerable countries.

Figure 3.7. Main challenges identified by providers affecting private mobilisation



Source: 2022 OECD DAC Survey on Providers' Portfolios.

Box 3.1. Potential of institutional investors to contribute to financing sustainable development in developing countries

A 2021 OECD report on "Mobilising institutional investors for financing sustainable development in developing countries: Emerging evidence of opportunities and challenges" (OECD, 2021[42]) highlighted that institutional investors – such as pension funds and insurance companies – are key participants in financial markets, holding more than USD 100 trillion of assets at end-2019. Most of these assets are invested in bonds and equities. The investments of institutional investors are usually regulated through quantitative investment limits – relatively common for pension funds – or a more principle-based approach, such as for insurance companies in many countries.

The report showed that reducing the annual financing gap for the SDGs [estimated at USD 3.9 billion in 2021, (OECD, 2022[2])] requires shifting financial resources towards sustainable development, including from the private sector, as well as greater alignment of all the investment chain with the SDGs. In this respect, institutional investors can help: shifting only 3.9% of their 2019 assets towards sustainable activities in developing countries would be sufficient to fill the gap.

However, the report also highlighted the findings from a survey conducted by the OECD on selected institutional investors and confirmed their propensity to mainly allocate assets in stable and low-risk contexts. Only a small share of the global assets of institutional investors is allocated to developing countries, mostly to middle-income economies with well-developed investment climate and in the form of asset classes with a relatively low-risk profile and predictable returns. The survey also showed that investment decisions by pension funds and insurance companies are largely influenced by risks associated with local corruption levels and political or macroeconomic instabilities. Other factors include the availability of investment opportunities and skilled workforce.

The survey further highlighted that collaboration between institutional investors and the public sector – whether governments of provider or partner countries, or multilateral organisations – remained sporadic. No more than one-fifth of the surveyed institutional investors collaborated with provider countries' development co-operation agencies, development finance institutions (DFIs) or multilateral development agencies and collaboration with governments of the developing countries was even rarer. Still, when collaboration occurs, it concentrates on risk mitigation, co-financing, access to knowledge and advice or due diligence services, not so much on development outcomes.

The report concluded on the role blended finance can play as one option in the development co-operation toolbox to mobilise institutional investors' assets toward developing countries. The use of risk mitigation instruments such as guarantees can contribute to lowering the perception of risks by institutional investors. However, it also underlined that development finance providers need to put more efforts to further mobilise institutional investors at scale in blended finance operations given their limited involvement so far.

More work is underway by the International Task Force on Total Official Support for Sustainable Development (TOSSD; see more at https://www.tossd.org/) to bring further transparency and evidence on the assets held by public institutional investors in developing countries that are aligned to the SDGs and the 2030 Agenda. This work is supported by a special data pilot aiming at exploring the feasibility to collect investment-level information from these actors. Findings from the pilot exercise will be presented in a TOSSD report to be released early 2023.

Box 3.2. Rethinking development banking in the decade of delivery

From Barbados Prime Minister Mottley's call for "overhaul of unfair, outdated global finance system" (United Nations, 2022[43]) at the 77th United Nations General Assembly in September 2022, to the United States Secretary of Treasury Janet L. Yellen's statement on rethinking development finance (U.S. Department of the Treasury, 2022[44]) at the Centre for Global Development in October 2022, the global community is increasingly speaking loud and clear: it is time to rethink development banking to deliver on climate action and the SDGs. Development banks and DFIs, however, cannot engage in this change agenda on climate action and scaling up efforts to unlock commercial investment by themselves: their activities are dependent on, and strongly influenced by, shareholder governments – for example, through their voting power and in the case of donor shareholders through the provision of capital and concessional finance.

To fully tap into the potential of development banks and DFIs to mobilise private capital, including for climate action, OECD research points to three main areas of action for both the institutions and their shareholders (OECD/The World Bank/UN Environment, 2018[45]) (OECD, 2019[46]):

1. Broaden the use of development banking.

   To date, direct financing through loans is at the core of development banks and DFIs business model. Conversely, blended finance approaches to mobilise private resources for development are a small part of development banks and DFIs' financing toolkit.

   Shareholders of development banks and DFIs need to reconsider the way development banking supports development outcomes and ensure that their provision of concessional resources supports a stronger focus on mobilisation. In addition, they need to integrate development, mobilisation and climate action at the centre of these institutions' mandates.

2. Support and back stronger focus on mobilising additional private finance.

   To close the climate and SDG financing gap, mobilisation must focus on those financial resources that are not already deployed for climate action. Accordingly, shareholders need to support and back development banks and DFIs to focus their institutional objectives on crowding-in new investors and sources of finance to climate investments. This, in turn, will facilitate the development of future-proof markets and country-owned catalytic activities such as domestic resource mobilisation.

   This shift of business model towards additional mobilisation calls for shareholder to reduce their expectations for Return on Equity (ROE), and to re-think their allocation of concessional resources. These actions should ultimately allow development banks and DFIs to engage in policy support and capacity development, alongside financing, thus facilitating market creation and country-owned catalytic activities in the medium term. In addition, lower ROE expectations can enable development banks and DFIs to engage in riskier activities and sectors to scale up mobilisation of private finance.

3. Target performance indicators towards mobilisation and impact.

   Operationalising stronger mandates on mobilisation requires institutional leadership and shareholders to adjust institutional metrics and performance priorities. To date leadership and shareholders often assess institutional performance via resources disbursed or committed, and individual officers can typically advance their careers by focusing on projects that tie up large volumes of resources rather than closely involve the private sector and mobilise its resources (OECD, 2021[11]). These incentive and performance systems reinforce the focus of development banks on acting as sole financier of e.g. infrastructure projects, thus further restricting their capacity to evolve into mobilisers of additional resources.

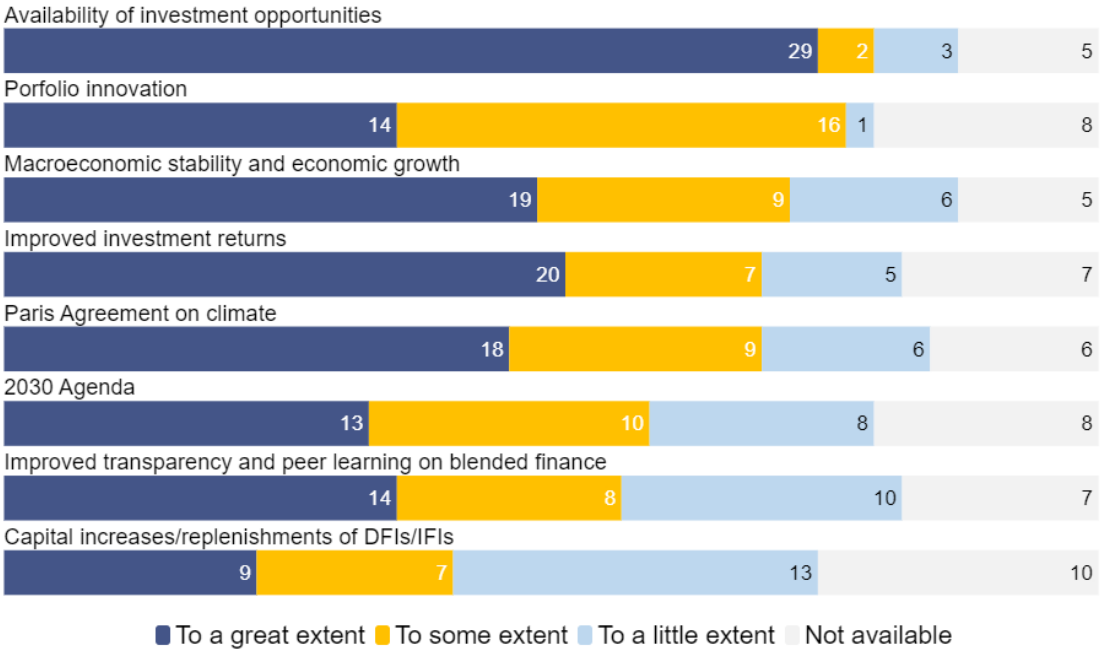
Most recently, the relevance of these elements was also recognised in the outcome document of COP27 (UNFCCC, 2022[47]).

3.4. Factors encouraging mobilisation and innovation

Investment opportunities are key drivers for private mobilisation

Survey respondents were also invited to identify, looking ahead, the main drivers for increased private finance mobilisation in general. **As expected, the availability of bankable investment opportunities was identified to *some* and *a large extent* as the main mobilisation driver** (by 31 respondents out of 39), followed by financial innovation (30). Many providers (28) also responded that macroeconomic stability and economic growth constitute to *some* and *a large extent* key drivers for private finance, although some risks can be mitigated by adequate financial mechanisms (e.g. guarantees or insurance). Other incentives considered as key mobilisation drivers (to *some* or *a great extent*) included the Paris Agreement on Climate and improved investment returns (by 27 respondents each), as well as the 2030 Agenda more generally (23) and improved transparency and peer learning on blended finance (22). The OECD DAC Community of Practice on Private Finance for Sustainable Development (CoP-PF4SD) has been established in 2020 to facilitate such peer learning both with an intention to share and improve mobilisation practices among DAC members as well as strengthening the impact of private finance for sustainable development. It brings together DAC members with actors from the private sector, as well as MDBs and DFIs and other providers to share good practices and enable the scaling up of blended finance models. (Figure 3.8.)

Figure 3.8. Main reasons for increasing the mobilisation of private finance, according to providers



Source: 2022 OECD DAC Survey on Providers' Portfolios.

Innovations and model changes foreseen to increase mobilised private finance

The survey also aimed to inform on providers' plans to increase the volumes of private finance they mobilise for development purposes. **Out of the 39 respondents, 31 provided insights on concrete actions considered to scale up mobilised private finance in future**. For some of them, the envisaged actions mainly consist of strengthening the financial capacities of existing mobilisation vehicles (e.g. Finnfund's increased Special Risk Financing limit, capitalisation of EU blended finance facilities). For

others, such initiatives range from increased use of existing leveraging mechanisms to the introduction of new instruments, new vehicles or more profound model changes.

Several respondents confirmed their intention to make greater use of guarantees and other innovative mechanisms to scale up their private finance mobilisation. For example, the Export-Import Bank of Korea (KEXIM), the Czech Republic[12] and Swedfund (in co-operation with other DFIs through the EU blended finance facilities) mentioned the introduction of guarantees in their portfolios. Some others referred to new and innovative approaches, notably to support and develop the green and/or sustainable bond markets (e.g. OeEB, KfW, Swedfund, United Kingdom, CABEI, PIDG-GuarantCo and IFC) as well as impact-linked financing (e.g. IFU, the Austrian Development Agency[13]).

Certain respondents also mentioned the funding of new blended finance vehicles or programmes specifically set up to mobilise private investments. This includes, for example, the USAID's Green Recovery Investment Platform (GRIP) and continent-wide Africa Trade and Investment (ATI), both established in 2021. While the former initiative strives to mobilise private finance in support of a transition to an equitable and resilient net-zero economy while stimulating recovery from the COVID-19 pandemic, the latter is designed to mobilise enterprise-driven solutions that increase trade and investment in Africa.

Other actions mentioned also included the development of project pipelines and investment opportunities at scale in developing countries (e.g. the United Kingdom's government programme MOBILIST,[14] the IFC Managed Co-Lending Portfolio Program[15]). Some providers also indicated their aim to support private finance mobilisation through enhanced technical assistance and advisory services (e.g. Cofides, the United Kingdom, Switzerland and the African Development Bank).

Some actors seem to be one step ahead of the others with the implementation of more profound model changes to scale up their private mobilisation, including for climate. This includes, for example, the recent accreditations of the Korea International Cooperation Agency (KOICA) and the Spanish DFI, COFIDES, to become GCF implementers, one prong of which is to mobilise private finance at scale for climate mitigation and adaptation through de-risking investment. COFIDES is in the process of enhancing its business model towards increased private finance mobilisation, in particular through programmes under the framework of EU blended finance facilities or the establishment of a new technical assistance facility aiming at supporting sustainable private sector investment. Historic reforms were also mandated by the board of the private-sector arm of the Inter-American Development Bank (IDB Invest), which will go together with a capital increase proposal. The new business model envisioned for IDB Invest (IDB Invest 2.0) will focus on originating more impactful projects, de-risking private-sector investment, and using new financial and technical tools, to help crowd-in investment. Another case is Global Affairs Canada's approach, which translates into an internal process of learning lessons, adapting, and improving the systems, processes, and human resources to manage repayable funding, including blended finance operations.

3.5. Tracking the impacts and outcomes of providers' interventions

Finally, the survey also aimed to collect information on mechanisms in place in providers' institutions to track the impacts and outcomes of their interventions in support of sustainable development. In particular, the survey focused on four areas: (i) what indicators the responding institutions use to track development results, and the link with harmonised/standardised metrics frameworks; (ii) whether they also use specific metrics to track climate-related outcomes; (iii) whether the responding institutions track the catalytic, more indirect, effects of their interventions; and (iv) whether they assess impact ex-post and publish the results.

Although the level of detail of the responses varies, most of the 39 survey respondents provided inputs to this part of the questionnaire (see a summary in Annex 3.A). Based on these results, it was possible to derive some general trends as outlined below.

Impact-related indicators used by providers and reporting

The survey results indicated that **most respondents track the development outcomes and impact of their interventions** (mostly using outputs proxies). In addition, a large majority of them (35 out of the 39 respondents) also track the impact of their climate change-related activities, using different indicators depending on the specific climate objective pursued and the projects in portfolio.

The survey and additional research further revealed that most institutions track the impact and outcomes of their interventions in other specific areas such as gender and the creation of (quality) jobs, in line with Standard 1.1 of the OECD UNDP Impact Standards that foresees that *"the partner articulates both quantitative and qualitative development impact objectives that positively contribute to the SDGs, and **cross-sectoral donor priorities**"* (OECD/UNDP, 2021[48]). However, it also highlighted that the link between the indicators used and the SDGs could be made more explicit, as only 15 out of 38 respondents explicitly mentioned the link between the indicators used and the SDG targets. Most respondents also confirmed tracking the role they play towards private sector growth and market creation – an important objective of their interventions – through a variety of indicators, from the number of local enterprises supported, to the generation of local income through taxes, from the improvement of supply chains quality to the improvement of the enabling environment.

In terms of alignment with existing sets of harmonised indicators, the most frequently cited are the Harmonized Indicator for Private Sector Operations (HIPSO)[16] and IRIS+,[17] with around one-third of the respondents explicitly referring to them. Although not a measurement framework as such, the Operating Principles for Impact Management (OPIM)[18] were mentioned by five respondents. Other indicators frameworks cited include the 2X Collaborative (tracking gender impacts) and the IFC Performance Standards on Social and Environmental Sustainability, among others. Only one respondent, IFU, reported aligning to the EU Green Finance Taxonomy.

Moreover, over half of the respondents reported having their own impact measurement and management framework (20 out of 38), in line with Boiardi and Stout (2021[49]), who show that while DFIs tend to converge on common metrics and indicators, they do not find it useful to converge towards a single measurement framework. Ultimately, the different contexts and geographies DFIs operate in, as well as the different stakeholders and shareholders they cater for, demand flexibility. It is worth noting that one respondent (Sida) pointed out the difficulties of measuring and tracking the development results of specific instruments, namely guarantees, which confirms the need to provide guidance in this area. This is in line with the findings of a recent OECD report, which highlighted that measuring the development impact of guarantees often proves challenging and remains a concern (Garbacz, Vilalta and Moller, 2021[50]).

More than two-thirds of the respondents confirmed publishing their impact results and outcomes, mostly through their annual reports (27 out of 38) and/or dedicated evaluation reports (17 out of 38). It is likely that more organisations perform ex-post evaluations but have not reported it in this survey. This points to a positive development in terms of transparency of organisations in line with Impact Standard 3 (OECD/UNDP, 2021[48]). However, further analysis would be needed to understand the quality of the reporting provided, and whether the data included is aggregated at portfolio level or disaggregated at project level, and whether all reports include ex-post assessments or just ex-ante predictions.

Existing indicators on the catalytic effect of providers' interventions

The survey results (see Annex 3.A) confirmed the challenges faced by providers to capture the catalytic – more indirect – effect of their interventions. Around one-third of the respondents referred to the measurement of their direct private mobilisation (either through the OECD or MDB approach, or both), noting that they do not systematically track the catalytic impact of their operations. Several respondents indicated tracking the indirect effect of their interventions through existing more qualitative impact indicators. For example, the IFC assesses the indirect impact of its interventions using the AIMM rating system, which includes indicators in each sector framework that capture the systemic and catalytic effects on the market. Four institutions reported using the Joint Impact Modelling (JIM), a tool recently launched by a group of DFIs to estimate the indirect effects of their interventions (JIM, 2020[51]).

Annex 3.A. Impact / outcomes tracking metrics and indicators

Table 3.A.1. Summary of survey responses by provider on questions 14 to 17 related to impact and outcome tracking methods

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
Australia	DFAT	Mobilised private finance, (OECD) number of female beneficiaries, number of investees adopting gender lens practices.		Financial, TA and development additionality.	Each mechanism has scheduled impact evaluations.
Austria	ADA	Number of local enterprises/institutions deriving a direct benefit from the business partnership (SDG target 9.3) and number of direct beneficiaries (disaggregated by gender if possible); additional local jobs (full-time equivalent, SDG target 8.5).	N/A	N/A	N/A
	OeEB (DFI)	Development Effectiveness Rating (DERa) such as decent jobs, local income, market/sector development, environmental stewardship, community benefits. + IFC's Operating Principles for Impact Management.	OECD/DAC handbook on climate markers + ecological and social standards agreed upon by EDFI (incl. IFC Performance Standards on Social and Environmental Sustainability and WBG Environmental, Health and Safety Guidelines).	Use of impact-related indicators	All projects are evaluated ex-post (OECD evaluation criteria, including impact measurement) and results published at https://www.oe-eb.at/en/development-effects/measuring-results.html.
Belgium	BIO-Invest (DFI)	Projects evaluated through key performance indicators (see at https://www.bio-invest.be/files/BIO-invest/Our-Impact/ToC/ToC_Digital_V3c.pdf), mostly based on HIPSO (https://indicators.ifipartnership.org/indicators/) and/or IRIS (https://iris.thegiin.org/metrics/) lists of indicators.	For renewable energy projects monitoring of indicators such as project cost (USD M), installed capacity (MW), power production (MWH), CO2 emissions avoided, equivalent number of people provided with electricity. For forestry projects: carbon sequestration; for agricultural projects: importance of sustainability certification/standard and number of Ha sustainably managed.	Measurement of private sector mobilisation is based on both OECD and MDB methodologies.	Annual report with some ex-post data on the impact-related at https://www.bio-invest.be/files/BIO-invest/About-BIO/Annual-Report/2020/BIOAnnualReport2020_EN.pdf) . Specific development and sustainability report with a strong focus on impact of interventions at https://www.bio-invest.be/files/BIO-invest/Our-Impact/BIO-SustainabilityReport-2021.pdf.

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
Canada	FinDev Canada (DFI)	Signatory to the Operating Principles for Impact Management. More information about FinDev Canada's development impact framework and indicators can be found here: https://www.findevcanada.ca/en/what-we-do/development-impact.	FinDev Canada's climate change strategy is structured around three strategic considerations: gender and climate-smart investing, climate mitigation, and climate adaptation and resilience. See also at https://www.findevcanada.ca/en/what-we-do/climate-change-approach.	Not applicable	FinDev Canada conducts both ex-ante and ex-post impact assessments of every investment. The results are published on their website: https://www.findevcanada.ca/en/what-we-do/our-portfolio.
Canada	GAC	Indicators for the International Assistance Innovation Program (IAIP) include Pro-poor Market Building indicators (e.g. low-income people with greater access to new goods or services, access to jobs, quality jobs created, etc.), gender-related indicators (e.g. investment in women-owned companies and those with women in senior leadership). It also includes mobilising public and private finance (leverage ratio of amounts mobilised from the private sector, OECD methodology).	The IAIP measures impact indicators related to action on Climate Change: tonnes of CO2 equivalent reduced, avoided or captured. Number of people supported to adapt to climate change.	Not tracked.	Expected results to be shared on the public project browser website at https://w05.international.gc.ca/projectbrowser-banqueprojets/, and actual results included on the website as part of the Government of Canada's annual reporting cycle to its parliament.
Switzerland	SDC	Aggregated Reference Indicators (ARI) and Thematic Reference Indicators (TRI). See more details here.	See Annex 1 under Sub-objective 3: Addressing climate change and its effects in the following document: https://rb.gy/bfzpvg.	Traditional Log Frame. Not standardised across institution. In impact-linked finance instruments, impact KPIs are agreed and measured on a deal-by-deal basis.	See at https://rb.gy/ndcxcg. Four-year accountability reports: https://rb.gy/9kqrdi.
	SECO	Use of a set of 16 standard indicators to track results achieved under Switzerland's Strategy for Cooperation and Development 2021-2024. SECO also conducts independent evaluations to assess the impact-related outcomes of the interventions.	Number of result-based indicators related to climate (e.g. amounts mobilised from the private sector including for climate, sustainable Urban Development, reduction of CO2 emissions) + forthcoming evaluation of SECO's climate approach and portfolio.		Monitoring data published every four years and evaluation data every two years (biannual performance report).

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
Czech Republic	CZDA	B2B - Commercial sustainability and competitiveness of local private sector companies through increased quality of value/supplier chains, increased capacity of local staff and applied level of labor standards. Guarantees to be monitored both out of the development impact and out of the financial efficiency.	A combination of Sendai Framework indications and Agenda 2030 targets are used, according to the particular sector of intervention.	Increased quality of value chains, supplier chains and increased capacity of local staff and the applied level of labour standards.	
Germany	KfW & DEG (DFI)	KfW uses standard indicators that have been agreed with BMZ to measure the specific impact of projects + project-specific indicators relating to their thematic context.	Part of the indicators mentioned in Question 14 relate to climate-related measures, i.e. reduced CO2-emissions and installed renewable energy generation.	Specific indicator to estimate activated private capital on local level (i.e. local MSMEs) through credit lines.	Ex-post data via final reports for all KFW interventions and ex-post evaluation at https://www.kfw.de/microsites/Microsite/transparenz.kfw.de/#/start. DEG provides information from evaluations at https://www.deginvest.de/Our-impact/Evaluierungen/. Additional evaluations are carried out by the independent institute DEV at: https://www.deval.org/en/ and BMZ publishes information on evaluations at https://www.bmz.de/de/ministerium/evaluierung.
Denmark	IFU (DFI)	Portfolio level indicators include: amount of investment into least-developed countries and Africa, of local taxes reported, gender lens projects (% volume of portfolio), tonnes of greenhouse gases (GHG) emitted, avoided or sequestered. Further sector level indicators and project level indicators are also used, which focus on aligning with harmonised and standard metrics like HIPSO, UN Principles for Responsable Investment (UNPRI), UN Global Compact (UNGC) and the EU Taxonomy (under development). All are aligned with the SDG targets/sub-goals.	Use of indicators to track and assess the climate relevance and performance of investments, e.g.: avoided emissions (average gridfactors), generated (footprint during construction).	No indicators are used for indirect effects. We make use of financial data to model such effects, making use of the Joint Impact Model that has been developed by FMO.	Ex-post impact outcomes are an area of work that we are aiming to work on.

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
Spain	Cofides (DFI)	Use of EDFIs' harmonised indicators, all aligned with international initiatives (e.g. HIPSO-Harmonized Indicators for Private Sector Operations, Joint Impact Model, International Financial Institutions Technical Working Group on GHG accounting framework). COFIDES is a founding signatory to the Operating Principles for Impact Management (an International Finance Corporation-IFC initiative), which establishes a framework for investors to ensure that they incorporate impact at each stage of an investment.	EDFIs' harmonised indicators under the frameworks established by the Partnership for Carbon Accounting Financials and the International Financial Institutions Technical Working Group on GHG accounting.	"Market structural effects" is one of the outcome categories used to monitor project performance in terms of impact, once the investment has materialised.	COFIDES provides information on aggregate results of environmental, social, corporate, governance and impact aspects in its annual Sustainability Reports, which are evaluated by the Steering Committee, as well as audited by independent third parties, and posted on COFIDES' corporate website.
Spain	AECID	Employment (jobs generated/maintained), share of women among final beneficiaries, final ticket sized of indirect lending activities, tax revenues generated, total private capital mobilisation,	Clean energy generated, total CO_2 savings.		Annual report with FONPRODE's impact-related outcomes is disclosed.
Finland	Finnfund (DFI)	33 indicators collected, mostly aligned with HIPSO, IRIS+ and 2XChallange frameworks.	Use of several indicators related to mitigation and calculating GHG footprint. Also for forestry investments, data on hectares, species, rotation times etc. are collected to calculate the annual sequestration of the forests. For adaptation: work in progress.	Update of the DEAT (development effect assessment tool) which, in part, assesses the impact of Finnfund's investments on mobilising private/other capital. This indicator is assessed annually against assumptions.	Annual publication of ex-post monitoring data in Finnfund's Annual Report at portfolio level. Finnfund's annual report is made available on its website and includes cross-sectoral data on jobs, taxes paid, GHG footprint, domestic purchases and sector-specific data; for example, on loans provided, farmers reached, energy generated, etc.
Korea	KEXIM	Kexim is using its own indicator to monitor impact-related outcomes of interventions.	Kexim is using its own indicator to monitor impact-related outcomes of interventions in climate change area.	N/A	N/A
	KOICA	Currently, no numeric indicators regarding impact-related outcome in terms of overall programme, rather only on the project level. They collect and review literary outcomes regarding the best-practices or business cases of a specific project.	Collects "the amount of CO_2 reduced (tonnes)" as a result of its projects.	Only direct mobilisation	Not yet applicable
Netherlands	FMO	Our impact measurements are done along the lines of the joint impact model. Details can be found on https://www.fmo.nl/impact/how-we-measure-impact.	See https://www.fmo.nl/impact/how-we-measure-impact.	FMO measures the direct mobilised amount but indirect mobilisation is not systematically accounted.	N/A

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Norway	Norfund (DFI)	Norfund uses EDFI/HIPSO harmonised indicators and works with the IRIS catalogue of metrics.	For climate investments, relevant PCAF standards are applied both ex-ante and ex-post.	Norfund measures private finance mobilisation using OECD & MDB methods.	Results are published on www.norfund.no.
Sweden	Sida	OECD DAC-compliant but work in progress in terms of impact measurement and indicators for development guarantees.	Case-by-case basis, depending on guarantee intervention.		Openaid data publishing, annual reports and internal reporting.
Sweden	Swedfund (DFI)	Indicators used include: gender equality (2X), job creation, tax generation, climate, private capital mobilisation (OECD). Work in progress in terms of impact measurement and indicators for development guarantees.	CO_2 emissions in total portfolio Reduced emissions per invested unit (USD). Climate-neutral portfolio by 2045.	N/A	Integrated annual report, Openaid data publishing, annual and internal reports.
United Kingdom	DFID & BII (DFI)	The United Kingdom is an active member and supporter of both the Global Impact Investing Network (GIIN: https://thegiin.org/) and the Impact Measurement Project (IMP: https://impactmanagementproject.com/). Key indicators used across UK interventions include: jobs, private finance mobilisation, sector outcomes, gender and climate.	The United Kingdom uses a standard set of key performance indicators to monitor climate interventions, including people supported to adapt to the effects of climate change; access to clean energy; net changes in greenhouse gas emissions; public and private finance mobilisation (aligned with OECD methodology), sustainable land management practices. Full information can be found here: https://www.gov.uk/government/publications/uk-climate-finance-results.	British International Investment (BII) has been working on the indirect impacts (joint impact model approach). Publication of annual estimates of results in this area for jobs (to be developed further over the next few years, see 2020 Annual Report p.32 & 33 https://assets.bii.co.uk/wp-content/uploads/2021/07/06071437/CDC-Annual-Review-2020.pdf).	You can find the latest British International Investment (BII) annual report from 2020 here: https://assets.bii.co.uk/wp-content/uploads/2021/07/06071437/CDC-Annual-Review-2020.pdf. Results on climate finance for the whole of the UK government can be found here: https://www.gov.uk/government/publications/uk-climate-finance-results-2021.

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
United States	USAID	Number of standard performance indicators used to monitor private capital mobilisation and investment. These indicators often include funding mobilised through technical assistance activities. Some examples are: number of private sector enterprises with increased access to finance, amount of investment mobilised (in USD). For energy projects: dollar value of non-donor resources mobilised for local development priorities, value of new funding mobilised to the water and sanitation sectors, value (in USD) of co-investment to improve the business enabling environment.	Indicators include: amount of investment mobilised (in USD) for climate change adaptation, for clean energy, for sustainable landscapes. See https://www.usaid.gov/project-starter/program-cycle/cdcs/performance-monitoring-indicators/standard-indicators; https://www.climatelinks.org/resources/gcc-standard-indicator-handbook.	N/A	N/A
	DFC (DFI)	Through its Impact Quotient (IQ) framework, DFC identifies the key indicators and metrics that best represent the development impact of each project, in line with HIPSO and IRIS+ metrics. Further, DFC's Development Outcomes Survey (DOS) form (annual survey sent to clients to gather development impact data) is also aligned with IQ and includes some additional metrics that are also aligned with HIPSO/IRIS+ where relevant.	DFC is currently adjusting climate-related indicators. So far, captured via: non-renewable energy produced, environmental certifications, and business innovation. DFC uses several other metrics (in alignment with HIPSO and IRIS+) related to natural-resource management, water, waste, GHG reduction and sequestration, among others. DFC's current tracking of GHG emissions of clients is done by DFC's environmental experts.	Captured in IQ through the indicator "Demonstration Effects" calculating: private sector investment capital (USD) and direct competitors in the market (in alignment with HIPSO and IRIS+).	DFC is working to increase its overall transparency (in alignment with the BUILD Act and the Publish What You Fund DFI Transparency Initiative) and to share more broadly the impact results of its investments.
African Development Bank Group		Impact-related/Development indicators in line with the AfDB's additionality and Development Outcomes Assessment framework, which considers, among others, the Sustainable Development Goals and the HIPSO indicators.	Reduction in greenhouse gas emissions, Investments in low-carbon and adaptation projects, with a climate-informed design, etc. Project-specific assessment using the Bank's Climate Safeguards System and greenhouse gas accounting tool using sector-specific scorecards (number of smallholder farmers adopting climate-smart agriculture, renewable energy capacity added, green jobs created, etc.).		2022 Annual Development Effectiveness of the AfDB.

Country/ organisation Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
Asian Development Bank Group	Development Results are measured using AsDB's Corporate Results Indicators, but also HIPSO Indicators or project specific indicators. Standardised and harmonised indicators are used as much as possible to allow aggregation of portfolio results, but flexible use of project-specific indicators is possible. Other impact-related indicators in use include SDGs, poverty orientation and gender design features.	Climate financing classification (based on MDB harmonised approach) Specific indicators of climate resilience or adaptation Emission reduction (tCO2e/y).	Explained in AsDB's rationale and explanation of the value additionality. If possible, such effects are integrated in the logical framework, but often this is not possible or suitable. The additionality is evaluated ex-ante and ex-post.	AsDB undertakes ex-post evaluation for all projects completed (private and sovereign). The results are independently validated and the reports are publicly available.
Central American Bank for Economic Integration (CABEI)	Results Component in the Development of the Intervention, institutional Effectiveness in Development Component, institutional performance and evaluability, economic sustainability and additionality, transversal Components, environmental and social performance (gender, poverty).	GHG emissions avoided through the intervention, project or programme (for mitigation operations). Number of people who increase their resilience to climate change (for adaptation operations): direct and indirect beneficiaries (men and women), percentage of the beneficiaries against the total population of the country.	All private sector projects are subject to impact monitoring: e.g. jobs generated, jobs for women, installed capacity (for energy projects), kilometers of roads improved, hospital beds, and number of classrooms or cubic meters of drinking water.	CABEI publishes information on its website about the impact of its operations through the following link: https://www.bcie.org/operaciones-y-proyectos/informacion-de-operaciones.
Caribbean Development Bank (CDB)	The Bank employs a four-level corporate result monitoring framework to track implementation of its strategy. Level 1 "progress towards SDGs and regional development outcomes"; level 2 "CDB's contribution to SDGs, country and regional development outcomes", level 3 "how well CDB manages its operations", level 4 "how efficient CDB is as an organisation". At level 2, which more closely tracks the outcomes of interventions, 34 indicators at the outcome and output levels exist, to the extent possible in alignment with those being tracked in other MDBs.	Several indicators used in the DER framework; see definition and methodology at https://www.caribank.org/publications-and-resources/resource-library/development-effectiveness-reviews).	Such indicators include: number of projects with business climate and competitiveness enhanced; BMCs with increased capacity to undertake PPP arrangements (number). Other indicators include, for example: value of credit made available to the private sector (disaggregated by sector); MSMEs benefitting from credit, beneficiaries of mortgage programmes or TA interventions targeted at MSMEs (all in number and by gender).	Information is publicly reported on an annual basis in the Development Effectiveness Review (see link under Q15).

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
European Bank of Reconstruction and Development (EBRD)		The EBRD's Compendium of Indicators (CoI) includes quantitative indicators (e.g. CO_2 emissions reductions, increase in MSME lending of partner banks, number of beneficiaries with new/improved infrastructure services, water saved) and qualitative measures (e.g. improvements in standards and practices or corporate governance, improvement in regulatory frameworks). EBRD is a founding member of HIPSO, which aligns results metrics with other MDBs and DFIs (see also https://www.ebrd.com/who-we-are/operating-principles-for-impact-management.html).	As part of the EBRD's approach to Green Economy Transition (GET), a comprehensive list of indicators has been developed, such as: energy savings, renewable energy production, GHG emission reductions, water savings and waste reductions. Using the International Financial Institution Framework for a Harmonized Approach to GHG Accounting to report on emissions.	The EBRD currently does not systematically measure the indirect catalytic effects and externalities of its interventions. However, work is underway to track EBRD's contribution to higher level outcomes, including catalytic effects, using the Theory of Change approach.	EBRD publishes ex-post data through an annual review (https://2020.ar-ebrd.com/), country results snapshots (https://www.ebrd.com/what-we-do/country-results-snapshots) and impact briefs (https://www.ebrd.com/news/publications/impact-briefs.html).
EU institutions	EIB	The EIB assesses the additionality and impact of its projects using the "Additionality and Impact Measurement framework" (AIM). At appraisal stage, each new EIB investment is assigned ex-ante scores for the expected project results, using more than 1 000 common and sector-specific indicators. The EIB is closely involved in the ongoing HIPSO, IRIS+ and Joint Impact Indicators (JII) developments for alignment purposes.		Indirect catalytic effects are not directly estimated. Proxies may include indicators on the development of the private and financial sector (improving competitiveness, new products etc.) and modelling approached in the local supply chains and other indirect effects on value added.	The EIB publishes project completion reports for its operations in the context of its EU External Lending Mandate. In addition, the EIB publishes the ex-post results of its operations as part of the annual reporting for e.g.: results of completed projects (p.74 - 2021/2022 EIB Global Report –The impact https://www.eib.org/attachments/publications/eib_global_report_impact_en.pdf)
Inter-American Development Bank	IDB Invest	The DELTA Tool (Development Effectiveness Learning, Tracking and Assessment), is a rigorous, fact-based scoring system that assesses the impact potential of each investment, assigning a score from zero to ten, which is tracked and updated throughout implementation.	Climate-change-related activities use the same monitoring and impact metrics as other projects.		The IDB Group publishes multiple reports year-round. One of the most comprehensive is the Development Effectiveness Overview (DEO), which details what is and is not working in meeting the region's (Latin America and the Caribbean) development challenges. https://idbinvest.org/en/publications/development-effectiveness-overview-deo-2021.

Country/ organisation	Agency	Impact-related indicators	For climate specifically	Indicators to track the catalytic (indirect) effect	Ex-post data on the impact-related outcomes
World Bank Group	IFC	IFC uses the Anticipated Impact Measurement and Monitoring (AIMM) rating system to assess the development impact outcomes of its investments. Standardised set of indicators to capture both a) the direct effects of each individual project; and b) the catalytic and systemic market effects that follow as a result. To the maximum extent possible, IFC uses harmonised indicators and works through various fora to co-ordinate with partner agencies. Sector Frameworks: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/development+impact/aimm/measuring-impact/measuring-impact.	The AIMM sector frameworks consider a wide range of climate-related effects, each incorporating a set of indicators. The relevant gap indicators assess the environmental regulatory framework, overall climate vulnerability, and other sector-specific environmental metrics to determine the economy's existing capacity for environmental resilience, adaptation, and mitigation. The intensity indicators assess IFC's intervention in light of water and land efficiency, GHG emissions reduction and avoidance. Sector-specific sustainability metrics track the percentage decrease in food loss in the agribusiness framework.	Use of AIMM rating system, which includes indicators in each sector framework that capture the systemic and catalytic effects on the market.	IFC publishes an annual report detailing the trends and takeaways from the impact delivered by its portfolio of its investments that year. It highlights several notable new projects, providing a brief description of the investment and the catalytic impact it has delivered to date. 2020 Impact Report: https://www.ifc.org/wps/wcm/connect/0d16e9f4-8f28-4422-9477-22c7c318856e/IFC-AR20-Measuring-Up.pdf?MOD=AJPERES&CVID=nlnjoQJ.
	MIGA	MIGA uses the Impact Measurement and Project Assessment Comparison Tool (IMPACT) to provide qualitative and quantitative metrics on the expected development impact of each project. The IMPACT framework uses a set of indicators that captures the direct impact of each project and the foreign investment contribution that would follow as a result.	GHG emissions, GHG emissions abated, Paris alignment.	MIGA collects data in direct and indirect private capital mobilised for all projects supported. MIGA also reinsures about 60% of its portfolio with private and public reinsurers.	World Bank Group has an independent evaluation department, which publishes data at an aggregate level of MIGA outcomes ex-post.
Green Climate Fund (GCF)		Various core indicators are used by GCF and these indicators quantitatively track major, climate-focused outcomes of GCF-funded projects/programs and are aligned with those of other climate finance mechanisms and the SDGs.	Core indicators used by GCF are as follows: GHG emissions reduced, avoided or removed/sequestered, direct and indirect beneficiaries reached, value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions, hectares of natural resource areas brought under improved low-emission and/or climate-resilient management practices.		This information is made available to the public by publishing the Status of the GCF portfolio report for the approved projects.

Source: 2022 OECD DAC Survey on Providers' Portfolios.

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Notes

[1] The rising trend since 2016 for direct investment in companies and project finance special purpose vehicles (DIC/SPVs) is in part due to improved reporting guidance and data coverage.

[2] In line with the DAC regional classification, Middle Africa includes Angola, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Gabon, Equatorial Guinea and Sao Tome and Principe.

[3] Country-allocable mobilised private finance is a subset of the total which is allocated to individual countries only. It therefore excludes private finance that is allocated to regions or for which the geographic allocation was not provided.

[4] In the context OECD and TOSSD statistics on mobilised private finance, the Asian Development Bank (AsDB) Group includes private mobilisation through the bank's ordinary capital resources and its trust fund Credit Guarantee and Investment Facility (CGIF).

[5] The World Bank Group includes the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC) and Multilateral International Guarantee Agency (MIGA).

[6] The percentage for Germany is biased though by the coverage of its reporting on mobilised private finance by DEG which is currently limited to the institutions' climate portfolio.

[7] Findings from the 2012 review were shared with members of the OECD DAC Working Party on development finance statistics at several occasions [e.g. under DCD/DAC/STAT(2012)8] and, in close consultation with experts from bilateral and multilateral development finance institutions, led to the revision of the CRS classification of financial instruments used in the context of development co-operation.

[8] Some providers responded to certain parts of the survey only.

[9] This part of the survey aimed to update the information collected in 2012 on providers' portfolios [see DCD/DAC/STAT(2012)8], with a particular focus on mechanisms and instruments designed to mobilise private finance.

[10] The OECD DAC Working Party on Development Finance Statistics is currently conducting a two-year data pilot (for reporting on 2020 and 2021 flows) to determine the extent to which the mobilisation effect of technical assistance could also be reported in the OECD measure, while avoiding double counting at the international level. Preliminary findings of this work can be found in DCD/DAC/STAT(2022)20.

[11] IDA17 refers to the 17th replenishment of the International Development Association of the World Bank Group.

[12] Through the National Guarantee programme, to be changed into a general Financial Instruments for Development Programme, offering both guarantees and blended loans.

[13] Through the Social Impact Incentives, a funding instrument that rewards impact enterprises with time-limited premium payments for achieving social impact.

[14] MOBILIST stands for the United Kingdom's flagship government programme, "Mobilising Institutional Capital Through Listed Product Structures", which supports investment solutions that help deliver the Global Goals for Sustainable Development and the climate transition. More information is available at: https://mobilistglobal.com/.

[15] The Managed Co-Lending Portfolio Program (MCPP) is IFC's syndications platform for institutional investors, launched in 2013 with a view to unlocking institutional capital for direct lending to IFC's borrowers in developing countries. See more at: https://rb.gy/hfbxvu.

[16] The Harmonized Indicators for Private Sector Operations (HIPSO) were developed by the IFI Working Group on Development Results Indicators Harmonization. (Harmonized Indicators for Private Sector Operations[53]).

[17] The IRIS+ indicator system was launched by the Global Impact Investing Network (GIIN) to help investors measure, manage, and optimise their impact ((Global Impact Investing Network[54])). Efforts to align and harmonised the IRIS+ and HIPSO indicators led to the recent launch of the Joint Impact Indicators (JII), a subset of the HIPSO indicators and the IRIS Catalog of Metrics in topics that are common across investments, including gender, jobs, and climate.

[18] The Impact Principles are a framework for investors for the design and implementation of their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle (Operating Principles for Impact Management, 2019[52]).