MOBILIZATION OF PRIVATE FINANCE

by Multilateral Development Banks and Development Finance Institutions

2018

REPORT PUBLISHED AUGUST 2019

AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT

AIIB

ADB

BIO
Belgian Investment Company for Developing Countries

COFIDES
We invest in development

CDC
Investment works

finnfund

FMO
Entrepreneurial Development Bank

EDFI

European Bank for Reconstruction and Development

European Investment Bank
The EU bank

ICD
Islamic Corporation for the Development of the Private Sector

IDB Group

IFU
INVESTMENT FUND FOR DEVELOPING COUNTRIES

IsDB
مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group

KFW DEG

Norfund

OeEB

PROPARCO
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

SBI BMI

SIFEM
SWISS INVESTMENT FUND FOR EMERGING MARKETS

simest
gruppo cdp

SOFID
Financiamos a Internacionalização

Swedfund

WORLD BANK GROUP
THE WORLD BANK IBRD • IDA
IFC International Finance Corporation
MIGA Multilateral Investment Guarantee Agency

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This report was prepared by a group of multilateral development banks (MDBs), collectively known as the "MDB Task Force on Mobilization," composed of the African Development Bank (AfDB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Islamic Corporation for the Development of the Private Sector (ICD), the Inter-American Development Bank (IDB) and IDB Invest, the International Finance Corporation (IFC), the Islamic Development Bank (IsDB), the Multilateral Investment Guarantee Agency (MIGA), the New Development Bank (NDB) and the World Bank (WB). The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the official views of the MDBs' Boards of Executive Directors, or the governments they represent.

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
CAGR	Compound Annual Growth Rate
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DFIs	Development Finance Institutions
EBRD	European Bank for Reconstruction and Development
EDFI	European Development Finance Institutions
EIB	European Investment Bank
FDI	Foreign Direct Investment (D & I capital)
FINNFUND	Finnish Fund for Industrial Cooperation Ltd
FMO	Netherlands Development Finance Company
HIC	High-income country
ICD	Islamic Corporation for the Development of the Private Sector
IDB	Inter-American Development Bank
IDBG	Inter-American Development Bank Group
IFC	International Finance Corporation
IFI	International Financial Institution
IFU	Investeringsfonden for Udviklingslande
IMF	International Monetary Fund
IsDB	Islamic Development Bank
LDC	Least developed country
LIC	Low-income country
MDB	Multilateral Development Bank
MIC	Middle-income country
MIGA	Multilateral Investment Guarantee Agency
Norfund	Norwegian Investment Fund for Developing Countries
OECD	Organization for Economic Cooperation and Development
PCf	Private Co-financing
PDM	Private Direct Mobilization
PIM	Private Indirect Mobilization
SBI-BMI	Belgian Corporation for International Investment
SDGs	Sustainable Development Goals
SIFEM	Swiss Investment Fund for Emerging Markets
SIMEST	Società Italiana per le Imprese all'Estero
SOFID	Sociedade para o Financiamento do Desenvolvimento
TA	Technical Assistance
TPM	Total Private Mobilization
WB	World Bank
WBG	World Bank Group


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EXECUTIVE SUMMARY


MIDLED

THE AMBITIOUS AGENDA OUTLINED AT THE ADDIS ABABA Conference in 2015 and reinforced by subsequent fora recognized the importance of private investment to meeting the financing needs of the Sustainable Development Goals (SDGs). Multilateral development banks and development finance institutions (MDBs and DFIs) play a critical role in helping mobilize this investment through their operations in developing countries. Since 2016, MDBs and DFIs have reported on their mobilization annually in this joint mobilization report.

This year's report contains results that support the recent United Nations Inter-Agency Task Force findings on Financing for Development that, while "there is progress" on increasing financing for development, it is not happening "at the required speed." Although there has been significant growth in MDB/DFI mobilization of private finance in some areas, in total the report reflects the tough work that remains for MDBs and DFIs and the challenges to be faced in moving development finance from billions to trillions of dollars.

Mobilization of private investments is particularly important for financing of development in both middle- and low-income countries. In 2018, MDBs and DFIs **mobilized $69.4 billion from operations in middle- and low-income countries,** a 17% increase from 2017. Of this amount $20.1 billion was private direct mobilization (which is a key priority for many MDBs), an increase of 8% over 2017.

Mobilization

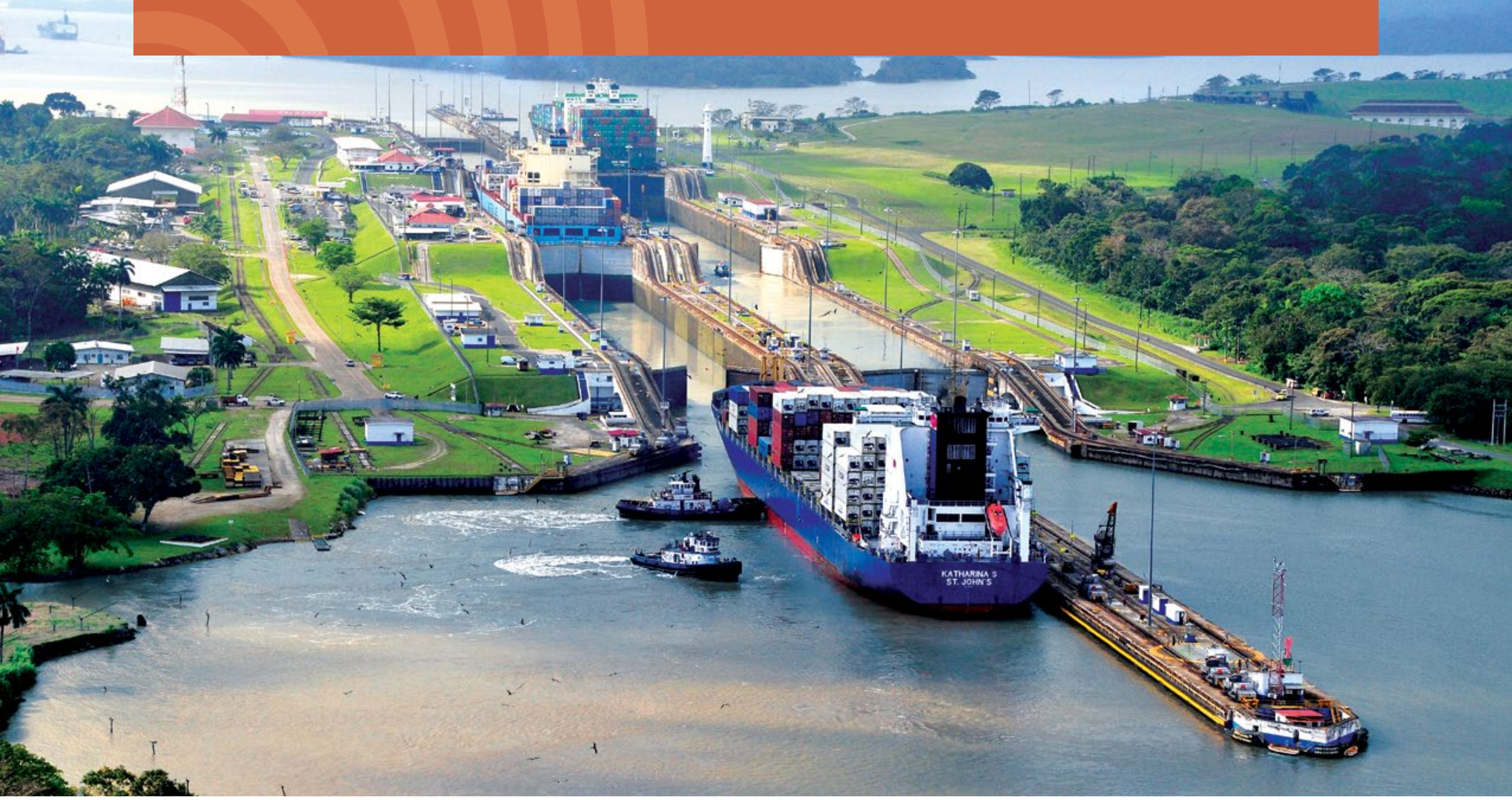
↑17%

in middle and low-income countries

$5.5B

mobilized in LIC

MDBs and DFIs mobilized $5.5 billion in low-income countries versus $5.3 billion in 2017. The reporting also measures mobilization in all least developed countries (LDCs), where total private mobilization was $6.3 billion.



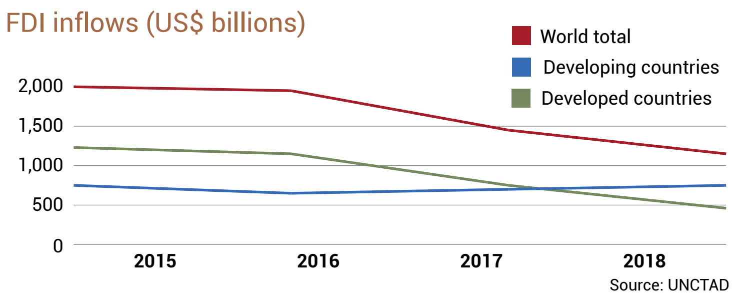
The report on mobilization for 2018 has improved in coverage and quality compared with previous years. For the first time, the joint report covers all task force members, with 27 institutions reporting, including coverage for the European DFIs Proparco (France), COFIDES (Spain), and Swedfund (Sweden). Furthermore, more members of the group are using the complete joint methodology, reporting at commitment, and including more products for comprehensive coverage.

27
institutions reporting

Volume of mobilization stable overall

Because the report for 2018 is the third joint report on mobilization from MDBs and DFIs, it has been possible to make some preliminary observations on trends, while the analytical foundation will be even stronger with longer time-series of data in the future. The overall observation for the three-year period points to a stable pattern in the volume of mobilization of private investments.

Notably, the 2018 results were achieved from a lower level of MDB own account investment than last year and in a more challenging global economic environment.



1 REPORTING MOBILIZATION FOR 2018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TransMiCable

IN 2015, THE GLOBAL COMMUNITY ADOPTED THE 2030 Sustainable Development Agenda and the sustainable development goals (SDGs) that underpin it, and countries made commitments at the 21st Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change. In July of the same year, the Third International Conference on Financing for Development in Addis Ababa recognized that the financial resources needed to achieve the SDGs far exceeded current financial flows. Those mandates have created a critical role for multilateral development banks (MDBs) and other development finance institutions (DFIs) in helping attract or "mobilize" private investment to development projects through risk mitigation products, advisory services, and the demonstration effects of their own investments. In adopting the Hamburg Principles in 2016, the G20 nations welcomed the role of the MDBs[1] in mobilizing[2] and catalyzing[3] private capital and endorsed a target of increasing mobilization by 25% to 35% by 2020. The UN recently called for "action…at all levels" to help reach the SDGs, since "it is clear the world will not achieve" them without it.

In response, MDBs have taken steps to mobilize more private investment. These institutions catalyze and mobilize private investment through channels related to their investment operations, including by (i) helping client governments and the private sector evaluate and structure higher-quality investment projects; (ii) helping mitigate real and perceived risks associated with investments that have a positive development impact; (iii) actively engage with traditional investors and new sources of commercial financing for development, such as institutional or impact investors, to structure and deliver private investment to directly leverage MDB resources; and (iv) developing new financial products to help unlock additional flows. This mobilization report documents the sum of the private investment mobilized through those channels.

Low-income countries saw their first increase in private mobilization since reporting began, up 4% from 2017.

Research shows the impact that MDBs can have on financial flows from mobilization. A recent economic analysis by task force member IDB Group showed that MDBs have generated positive and significant direct and indirect mobilization.[4] MDB mobilization can increase the total amount of available private financing in a country and improve the terms for debt financing and available sources of financing. The results are economically significant and long lasting.

The UN has noted in the Inter-agency Task Force (IATF) on Financing for Development's *Financing for Sustainable Development Report 2019*, "there is progress to report on financing…since the adoption of the Addis Agenda in 2015."[5] Private investment mobilized by MDB operations for meeting the SDGs grew in 2018 in middle- and low-income countries, which are the focus of development. Low-income countries also saw their first increase in private mobilization since reporting began, up 4% from 2017. Indeed, this annual mobilization report is itself a mark of progress. This document reports on amounts mobilized, directly and indirectly, from private investors alongside MDB and DFI investments across the life of an operation.

The reporting methodology, adopted in 2016,[6] makes it possible to measure private investment mobilized over time on a consistent basis using common definitions and methodologies. It also enables MDBs to report more fully on

TABLE 1.1 Participation

Participating Members	
African Development Bank (AfDB)	The International Finance Corporation (IFC)
The Asian Development Bank (ADB)	The Islamic Corporation for the Development of the Private Sector (ICD)
The Asian Infrastructure Investment Bank (AIIB)	The Islamic Development Bank (IsDB)
Belgian Corporation for International Investment (SBI-BMI)	The Multilateral Investment Guarantee Agency (MIGA)
Belgian Investment Company for Developing Countries (BIO)	Netherlands Development Finance Company (FMO)
CDC Group PLC	Norwegian Investment Fund for Developing Countries (Norfund)
COFIDES	Oesterreichische Entwicklungsbank AG (OeEB)
Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)	Proparco
The European Bank for Reconstruction and Development (EBRD)	Sociedade para o Financiamento do Desenvolvimento (SOFID)
The European Investment Bank (EIB)	Società Italiana per le Imprese all'Estero (SIMEST)
Finnish Fund for Industrial Cooperation Ltd (FINNFUND)	Swedfund
Investeringsfonden for Udviklingslande (IFU)	Swiss Investment Fund for Emerging Markets (SIFEM)
The Inter-American Development Bank (IDB) and Inter-American Investment Corporation (IDB Invest)	The World Bank (WB)

contributions to a range of development priorities, including climate change and infrastructure development.[7] This process will contribute to providing an analytical foundation for the many high-level discussions taking place in 2019 on financing for development; it also provides a common platform and methodology around which MDBs can convene to share experiences, lessons learned and to identify opportunities to improve mobilization performance.

The IATF report also notes that although progress has been made, "these changes are not happening at the required scale, nor with the necessary speed."[8] Total private investment mobilized for all income groups has decreased over the past year and since 2016 by 2%, including in specific areas of need such as infrastructure and education. Even in middle-income countries and low-income countries (MIC and LIC), which increased their total private mobilization levels over the past year, the compound annual growth rate of total private investment mobilized since 2016 is a relatively modest 6%.[9] This is indeed not the "required scale" to move development finance from billions to trillions of dollars. Thus, while there is progress, there is a need to commit to do more to achieve the goals and impact required by the SDGs.

MDBs continue to make advances in the completeness and thoroughness of their data collection practices, with many now having measured mobilization for three or more years.

Note that MDBs are operating in a challenging investment environment for private funds. UNCTAD reported that total foreign direct investment (FDI) in 2018 to all countries decreased by 19%, while to developing countries it increased only 3%.[10] So, taken in the context of investment growth generally, MDBs are holding their own. But 2030 is only growing closer, and MDBs recognize they need to continue to push for new products, partnerships, and other innovative tools to accelerate mobilization and progress toward meeting the Addis agenda.

WHAT IS REPORTED

This report contains results for private investment mobilized by financial products and investments, as well as results of direct transaction advisory services, for 2018.[11] The total mobilization is split into private direct mobilization and private indirect mobilization per the harmonized definitions.

For financial products, the report also distinguishes between long-term (tenors of one year or more) and short-term finance, which is typically offered through revolving facilities such as trade finance and working capital facilities. Both types of finance are important to support economic growth, with long-term finance essential for financing fixed capital investment in infrastructure and other sectors and short-term finance important for supporting the expansion of trade and value chains.

The report provides a disaggregation of the long term finance results by income level.[12] This includes a distinction between "low-income countries" (LIC)—with a GNI (gross national income) per capita below a defined threshold—and "low-income and least-developed countries" (LDCs) which are low- and middle-income countries confronting severe structural impediments to sustainable development.[13] The data for long term finance is also disaggregated by region and by infrastructure and other sectors. The 2018 report focuses on mobilization for the low- and middle-income countries, which is the focus of MDB development operations. All income group information is contained in the appendix.[14]

For 2018, the group of European Development Finance Institutions (EDFI), which adopted the methodology in 2017, is reporting for all 15 members; see table 1.1 for the complete list. The MDB Task Force welcomes the contribution of these additional DFIs to this joint report, Proparco (France), COFIDES (Spain), and Swedfund (Sweden). In addition, FMO and DEG are reporting private indirect mobilization for the first time in 2018.

TABLE 1.2 Definitions

Private Co-Financing/Mobilization	Private Direct Mobilization
The investment made by a private entity, which is defined as a legal entity that is • Carrying out or established for business purposes and • Financially and managerially autonomous from national or local government. Some public entities that are organized with financial and managerial autonomy are counted as private entities. Other examples include registered commercial banks, insurance companies, sovereign wealth funds, and other institutional investors investing primarily on a commercial basis.	Financing from a private entity on commercial terms due to the active and direct involvement of an MDB leading to commitment. Evidence of active and direct involvement includes mandate letters, fees linked to financial commitment, or other validated or auditable evidence of an MDB's active and direct role leading to commitment of other private financiers. PDM does not include sponsor financing.
	Private Indirect Mobilization
	Financing from private entities provided in connection with a specific activity for which an MDB is providing financing, where no MDB is playing an active or direct role that leads to the commitment of the private entity's finance. PIM includes sponsor financing, if the sponsor qualifies as a private entity.
Private Direct Mobilization + Private Indirect Mobilization = Private Co-Financing/Mobilization	

ABOUT THE DATA

This report uses two primary indicators: *private direct mobilization (PDM)* and *private indirect mobilization (PIM)*. PDM involves a transactional relationship between the MDB and the client of an MDB-supported project or activity, and it measures the financial flows that result from that relationship. PIM estimates the investment flows into that project that are not directly arranged by the MDB or DFI. See the definitions, drawn from the MDB reference guide,[15] in table 1.2.

The report uses attribution rules proportional to MDB commitments to a project to **avoid double counting** of private mobilization where more than one MDB is involved in a transaction. The MDBs exchange information on mobilized projects to enable appropriate attribution and avoid double counting, but current limitations on data systems mean that some double counting may remain in this year's data.

For 2018, MDB and DFIs have identified jointly mobilized projects to eliminate double counting as much as possible. As in past years, the task force believes that any potential double-counting amounts involved are not significant relative to the overall mobilization amounts.

The mobilization data in the report is collected and reported directly by members. Although most data is collected manually after year close, MDBs continue to make advances in the completeness and thoroughness of their **data collection practices**, with many now having measured mobilization for three or more years. This is particularly


SIMPLE PAST TENSE
Singular
She
We
They
I
You
Irregular
go - went
come - came
Regular
cook - cooked
dance - danced

true for direct mobilization where some MDBs even release annual audited mobilization data. Most significant are the advances some members have made or are planning to make toward automation, replacing the manual effort of the previous years with real-time, point-of-transaction collection.

For example, in 2018 the World Bank upgraded its data collection system to include private mobilization. That information, which in the past has been collected manually after the end of the fiscal year, is now entered directly by the task team leader involved in the operation. Thus, the infrastructure is now in place for the World Bank to report mobilization in real time in the future. Another example is the IDB Group, which has improved its ability to track its mobilization efforts by introducing changes to its internal operations' registration system to account for co-financing activities happening through its sovereign-guaranteed window.

Several members have also **enhanced the product coverage** of their mobilization estimates this year, using the same definition as in previous years but adding more complex or smaller-volume instruments to their estimates that they did not include in the past. For example, the IDB Group now includes insurance and secondary sales. Members adding new product coverage help enrich the completeness of the estimates.[16]

The largest change to data coverage and collection for 2018 involves two factors: (i) overall changes in how members report mobilization and (ii) additional members reporting. Both modifications affect the reporting for this year as follows:

- Most members report mobilization figures at the point of commitment; a few members report at the point of board approval.[17] AfDB made a change to report 2018 at commitment. This practice had the impact of reducing the mobilization amounts from AfDB independent of any other changes, because approval numbers are generally higher than those at commitment (approvals are made at earlier stages in the process). In this case, the alteration caused a $2 billion reduction in total private mobilization.[18] Although this change impacted the total amount of mobilization AfDB reported, it increased the accuracy of the estimates: approval numbers are higher because projects at that stage are more prospective, and thus some percentage of them do not materialize.
- EDFI added reporting for three additional members in 2018, and two additional members increased their reporting. In 2017, EDFI reported only 30% of potential indirect and 50% of potential direct mobilization, but EDFI has now full reporting of both indicators for all members.[19] This additional reporting had the effect of raising mobilization amounts for EDFI, solely for the new members reporting and new estimates this year, by $7 billion for total private mobilization.[20]

The main report presents these numbers all as reported, so readers should be aware of the incomparability of year-to-year data due to these factors. In section 4, on trend analysis, to allow for comparability the report team adjusted for these large reporting differences for 2018 (and for 2016, when EDFI did not report at all).

MDBs have made advances in automation of data collection and completeness of product coverage.

2 ONGOING DEVELOPMENTS IN THE METHODOLOGY AND ROLE OF SHAREHOLDERS

CROWN
033
028
003
027
004
CROWN

JOINT REPORTING OF MDB MOBILIZATION OF PRIVATE finance, critical to delivering the *2030 Agenda*, has been a learning-by-doing process. It has evolved to produce a more robust, transparent, and consistent methodology for the aggregation of mobilized amounts, minimizing double counting and assigning attribution properly within and among MDBs in response, in part, to shareholders' mandates.

Over the past few years, this methodology has been strengthened and complemented through such steps as including European DFIs and expanding the range of products covered. In addition, given that mobilization comprises a broad effort that includes many dimensions and sources of finance, MDBs have worked together on such topics as blended concessional finance, which is key for private sector mobilization.[21] MDBs also continue to work with other mobilization methodology definition exercises, such as those led by the Organization for Economic Co-operation and Development (OECD), to explore synergies and opportunities for collaboration.

In addition to providing the MDBs with capital, shareholders also act as true partners in development.

Using those building blocks, the MDBs have developed a resilient, transparent methodology that builds on best practices and that development practitioners can easily adopt. At the same time, the methodology must continue to evolve so that it enhances transparency within the limits of possible financial disclosure and better informs the expert audience and the public on how the world's scarce development finance is deployed to maximize financing for development.

In addition to providing the MDBs with capital, **shareholders** also act as true partners in development. They stress issues of common interest to MDBs, such as addressing gender gaps; assisting small and medium enterprises (SMEs); and engaging in fragile and conflict states, low-income countries, and vulnerable island states in the Pacific, the Caribbean, and elsewhere—and they steer MDBs toward working in those areas. Shareholders back up their priorities by deploying scarce taxpayer resources toward them.

Development partners have recognized that mobilizing development finance will require new and innovative approaches. Shareholders provide funding using an increasingly broad array of instruments, such as grants, concessional finance to be used or "blended" alongside MDB investments, returnable capital, guarantees, and first-loss facilities. Recent examples of these options include support for blended concessional finance to encourage private sector solutions and the use of returnable capital whereby funds are invested alongside MDBs' ordinary capital in markets where it can be difficult to fill a financing round.

MDB shareholders are increasingly closer to institutional and other investors in their home countries; they can have a good sense of what it will take to bring those parties into emerging markets. They have worked with the MDBs to come up with innovative ways to partner with those investors and companies. For example, they have helped provide a guarantee alongside IFC for institutional investors who invest in climate-friendly infrastructure projects in emerging markets. They also have helped IDB mobilize climate-friendly private sector projects in Latin America and the Caribbean through the US$250 million Canadian Climate Fund.[22] The MDBs value the interest shareholders have to work together to deliver more such effective solutions.

The goal for MDBs must be to preserve the integrity of an already robust methodology while expanding on the definitions in a rigorous and meaningful manner to include further measurement of the impact of partners such as shareholders. Through their efforts to continue defining and refining best practices, MDBs have demonstrated their commitment to improve reporting while ensuring transparency, accountability, and trust among all relevant stakeholders. In this vein, MDBs recognize that donor resources are a valuable input—especially in blended concessional finance operations—that make riskier projects bankable and conducive to mobilization.

MDBs also continue to work to assess the catalyzation of private investment from their investment and advisory activities, as highlighted in the 2017 report, and will provide updates on their progress in future reports.

3 OVERVIEW OF MDB RESULTS

LONG-TERM FINANCE

For 2018, the MDB Task Force agreed to report results that exclude operations in high-income countries, because low- and middle-income countries are the primary focus of development operations. Based on 2018 commitment data, the total amount of long-term finance mobilized by the MDBs from private investors and other institutional investors (including insurance companies, pension funds, and sovereign wealth funds) in all **low- and middle-income countries of operation was $69.4 billion,** compared with $59.0 billion in 2017. Of this amount, 29% was direct mobilization and 71% was indirect (see figure 3.1).

In 2018 in LIC alone, $5.5 billion was mobilized, versus $5.3 billion in 2017. The reporting also measures mobilization in all LDCs, a broader measure that includes all LIC and other countries; total private mobilization was $6.3 billion.[23] Notably, these mobilization amounts were achieved with lower levels of commitment than in 2017.[24]

Across all regions in 2018, MDBs mobilized private finance. For all income classifications, $19.2 billion in private finance was for projects in Asia; $20.0 billion for projects in Latin America and the Caribbean; and $13.6 billion for projects in Africa. The Middle East had the lowest absolute amount of total private mobilization, at $5.3 billion.[25]

The majority of total private mobilization, 92%, was mobilized by MDBs, with 8% mobilized by DFIs, as illustrated in figure 3.3.

FIGURE 3.1 Total Private Mobilization, LIC and MIC, 2018, US$ billions

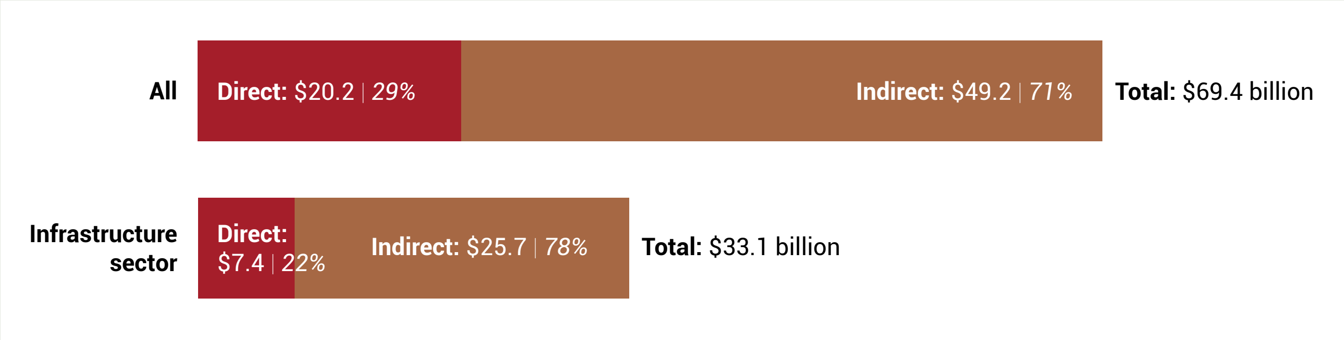


FIGURE 3.2 Mobilization by Region (without Europe), All Countries, 2018, US$ billions

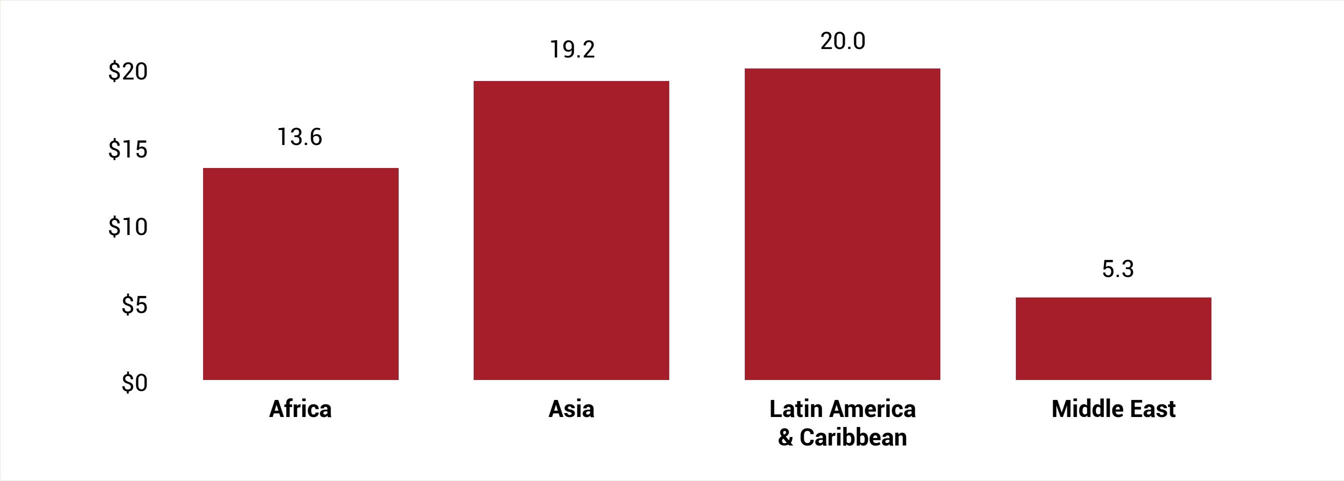
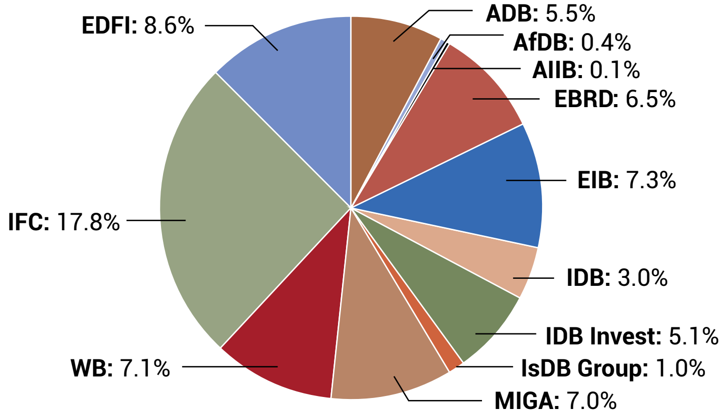


FIGURE 3.3 Mobilization by Institution, LIC and MIC, 2018, US$ billions



SHORT-TERM FINANCE

Short-term finance (STF) for all income levels was $5.0 billion in 2018. This figure represents trade finance, SME finance, and other instruments with terms generally less than one year.[26] This is an increase over 2017, when the amount of short-term finance was $4.2 billion, as well as over 2016, when the amount was $3.7 billion.

Increasing short-term finance has become a component of MDBs' strategy for increasing financing for development. STF often mobilizes funding for SMEs and other businesses to allow those companies to perform activities essential to development, most typically hiring labor, adding manufacturing capacity, and purchasing raw materials to fulfill international and regional contracts. STF facilities also enable the local companies to manage currency and payment risk on cross-border transactions. Without drawing on those facilities, many companies could not participate as fully in international supply chains. Thus, the growth in this indicator of 35% since reporting began is an important and meaningful outcome.

The Addis Declaration identified short-term finance, including trade and supply-chain finance, as important to achieving the SDGs. Yet, numerous studies, including the Asian Development Bank's "Trade Finance Gaps, Growth, and Jobs" study,[27] identify large market gaps of more than $1.5 trillion globally, with concentrations among SMEs in emerging markets. MDBs help fill the short-term finance gap through trade finance programs, which provide loans and guarantees to banks to support trade. But MDBs alone cannot close the gap.

The size of the STF gap requires MDBs to mobilize private sector resources. MDB trade and supply-chain finance programs have been successfully mobilizing substantial sums from insurance and commercial banks that flow to developing countries to support trade and SMEs in value chains. Some MDBs mobilize through their trade finance programs slightly more than half their support for trade.

Note that STF is measured for all income groups because data is not collected for this indicator by income.

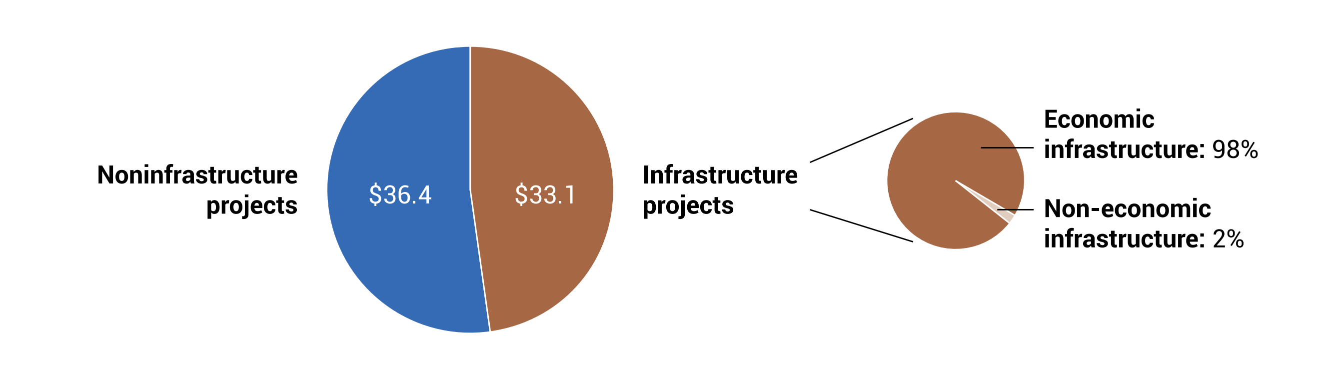
INFRASTRUCTURE MOBILIZATION

The amount of total private mobilization for infrastructure (including power, water, transportation, telecommunications, information technology, and social infrastructure such as schools and hospitals) in middle- and low-income countries was $33.1 billion, or 48% of all private mobilization.

Private direct mobilization for infrastructure amounted to $7.4 billion or 22% of total private mobilization for infrastructure. This amount is significantly lower than for all private mobilization, where PDM amounts to 29% of the total (see figure 3.1).

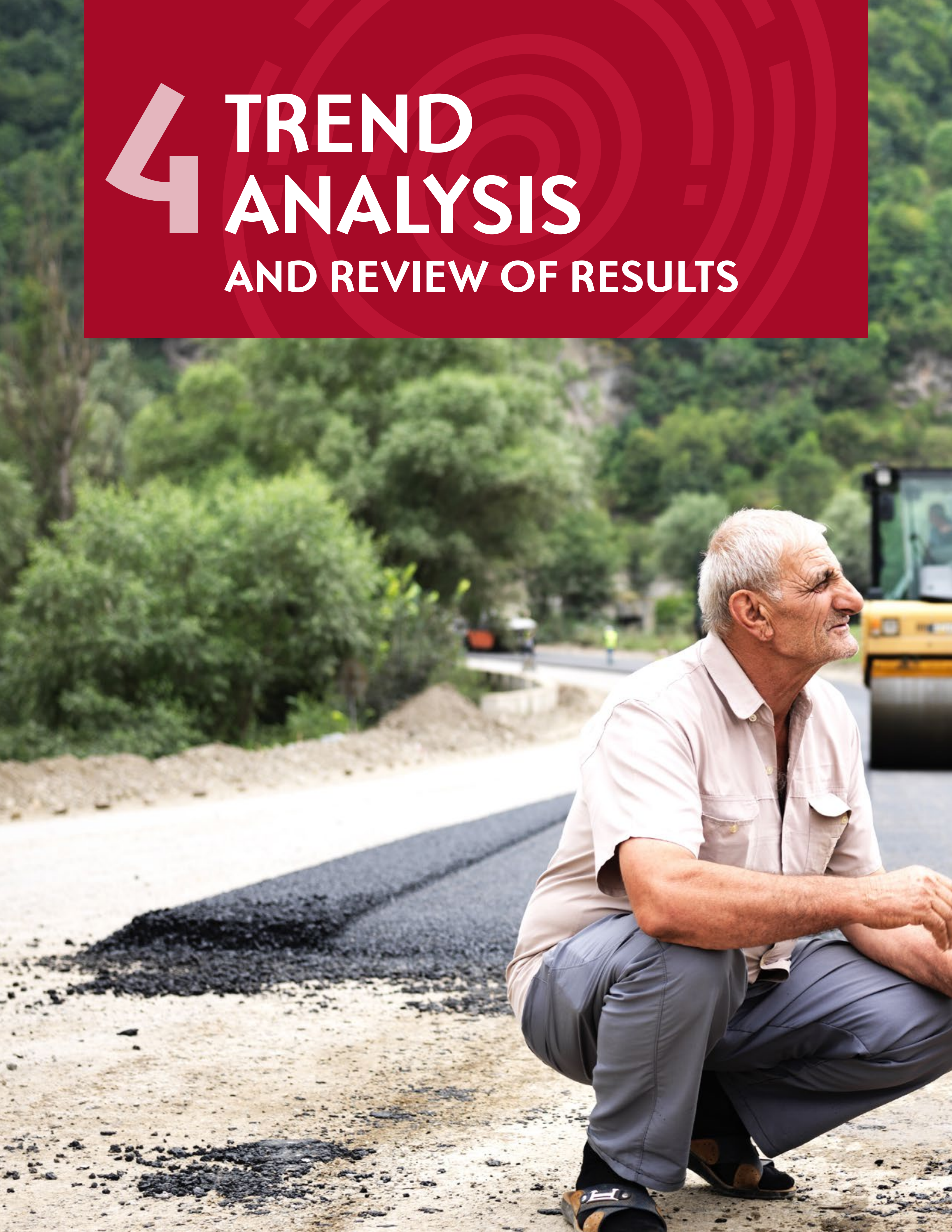
Only 2% of infrastructure mobilization stems from private investment in social infrastructure such as schools and hospitals, reflecting the limited extent of private investment in social sectors in most low- and middle-income countries. Alternatively, 98% was mobilized by investment in economic infrastructure, including power, water, transportation, telecommunications, and information technology. This situation is an acceleration of a trend seen last year: physical infrastructure continues to receive almost all private mobilization financing.

FIGURE 3.4 Infrastructure Mobilization, LIC and MIC, 2018, US$ billions



4 TREND ANALYSIS

AND REVIEW OF RESULTS



THIS THIRD REPORT ON MOBILIZATION PROVIDES A FIRST opportunity for some observations on trends. When interpreting the trends, one must note two data adjustments:

- AfDB has changed reporting from approval-based to commitment-based amounts for 2018. To ensure comparability of numbers across all three years, the report uses approval-based mobilization amounts in this section. The main body of the report uses commitment-based amounts.[28]
- EDFI has increased reporting each year, from no members in 2016 to 80% of members in 2017 to all members in 2018. To ensure comparability, the report team, in collaboration with the European Investment Bank, has estimated additional EDFI mobilization amounts for 2016 and 2017 so that all years represent 100%-member contribution, using the 2018 numbers reported as a guide.

The dominant trend over the three-year period is relative stability. The total mobilization amount reported by the group remained under US$200 billion.

The yearly numbers may not exactly match the as-reported amounts in 2017 and 2018 because of these changes.

Note that in any given year, large fluctuations can occur in mobilization reflecting unique, one-off situations, such as large multiyear projects closing, new product introductions, or simply the good fortune of MDB project leads. Having three years of data mitigates these single year variations, but they may remain. Of course, going forward as MDBs continue reporting, additional years' data will lessen the impact of this "lumpiness" and improve the findings in this trend analysis.

The dominant trend over the three-year period is relative **stability**. The **total mobilization** amount for low and middle income countries reported by the group remained under US$72 billion, with a compound annual growth rate (CAGR) of −2.4%.[29] The distribution between direct and indirect mobilization also stayed relatively consistent: indirect flows dominated, with approximately 70% of the total. Both direct and indirect mobilization have experienced a moderate decline.

When comparing developments in **low- and middle-income countries** with the overarching trends, we can observe a noteworthy divergence. LIC/MIC total mobilization decreased at −4.4%, CAGR, a bit more than for countries overall, but for LIC and MIC direct mobilization rose, which is a trend in the opposite direction from the one observed when all regions are combined. The boost in direct mobilization of 4.6% CAGR should be highlighted, especially as direct mobilization decreased for countries overall. This increase may reflect the higher emphasis on LIC and MIC from MDBs and the greater array of products they are adding to product lines to support investors in these countries, such as platforms and private investment "windows." However, perhaps as a result, indirect mobilization fell more rapidly in LIC and MIC than in the total, at CAGRs of –7.4% and –1.8%, respectively. The overall share of direct mobilization, at roughly 30%, and indirect mobilization, accounting for about 70%, remained on par with the totals in 2017 and 2018, even though indirect mobilization started off at 77% in 2016. It should thus be noted that this trend equalized over time.

As for the **share of LIC and MIC of the total private financing** mobilized in 2016–2018, it is notable that the 2017 decrease seems to have affected LIC and MIC more than high-income countries (HICs), both in amount and in the share of the total. The share went down from 47%, almost half of the overall amount, to 38% before it recovered to 44% in 2018. This movement provides an indication that it remains more challenging to mobilize private financing for

development in LIC and MIC—the countries most in need—than in advanced economies and that LIC and MIC suffer greater vulnerability to shocks.

In 2018, mobilization in middle- and low-income countries increased by 11%, a turnaround from 2017, when it shrank to 80% of the 2016 amount. However, mobilization has not made a full recovery to 2016 levels.[30]

All regions outside Europe, apart from Africa, saw a rise in private mobilization between 2017 and 2018. The CAGR for Europe, at –5.7%, suggests that the contraction of this region's prominent share in the overall mobilization amount created room for other parts of the world to grow. In Asia, especially, mobilization saw an increase at 5.7% CAGR. In the Middle East, MDBs and DFIs jointly mobilized US$5.3 billion in 2018, up from US$0.7 billion in 2017.

The 2016–2018 trends in LIC and MIC show both infrastructure and non-infrastructure projects suffered from the downward trend in private mobilization in LIC and MIC between 2016 and 2017, but infrastructure underwent a more rapid decline in that period and overall, as manifested by the CAGR for infrastructure at –6.6%, alongside –1.7% for non-infrastructure. This trend reinforces the need to step up global efforts to create an infrastructure asset class with enough volume of bankable projects to help attract more private capital into the sector. Disaggregation to economic and social infrastructure underlines the continuing dominance of economic infrastructure in its capacity to attract private financing.

In conclusion, the Financing for Development agenda envisions that the private sector will take a prominent role in mobilization of private capital to achieve the SDGs. As documented by this report, the MDB/DFIs have contributed significantly to mobilization of private capital in the reported years, 2016–2018. The joint mobilization provides an analytical foundation for understanding the enormous efforts that are still required to move development finance from billions of dollars to the trillions of dollars required to realize the SDGs.

APPENDIX: DISAGGREGATED DATA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THE DATA CONTAINED IN THIS APPENDIX DISAGGREGATES MDBs' combined direct and indirect mobilization from private investors and other institutional investors (including insurance companies, pension funds, and sovereign wealth funds) on a consistent basis. Please refer to the "Joint MDB Reporting on Private Investment Mobilization: Methodology Reference Guide" (www.worldbank.org/mdbmobguide) for further information and detailed methodologies.

The data is disaggregated by country income group (low-income countries, low-income countries and other least developed countries, middle-income countries, and high-income countries) and by institution, as well as by region. "Low-income countries," "middle-income countries," and "high-income countries" are defined using the World Bank Atlas method. "Least developed countries" are drawn from the list maintained by the United Nations Committee for Development. Unless noted, all figures are for long-term financing.

ALL COUNTRIES OF OPERATION

TABLE A.1 All Countries of Operation

	Total (US$, billions)	Of which is infrastructure (US$, billions)
Direct Mobilization	45.9	7.7
Indirect Mobilization	115.0	54.5
Total Private Mobilization or Private Co-financing	160.9	62.2

TABLE A.2 All Countries of Operation — Short Term Financing

	Total (US$, billions)
Direct Mobilization	5.0

BY INSTITUTION

Note that the Inter-American Development Bank (IDB) Group includes IDB and IDB Invest. The Islamic Development Bank (IsDB) Group consists of IsDB, ICD, ITFC and ICIEC. The organizations that constitute the World Bank are the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA).

TABLE A.3 All Countries

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	5,549	793	4,756
AfDB	400	20	380
AIIB	150	–	150
EBRD	12,564	1,213	11,351
EDFI	11,399	1,493	9,906
EIB	87,105	25,134	61,971
IDB Group	8,242	946	7,296
- IDB	2,968	—	2,968
- IDB Invest	5,274	946	4,328
IsDB Group	1,093	430	663
World Bank Group	34,440	15,901	18,539
- MIGA	8,586	5,946	2,640
- WB	7,144	2,851	4,292
- IFC	18,710	7,103	11,607
TOTAL	**160,941**	**45,930**	**115,011**

TABLE A.4 LIC and MIC

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	5,548.8	793.2	4,755.6
AfDB	399.7	20.0	379.7
AIIB	149.9	0.0	149.9
EBRD	6,481.0	795.2	5,685.8
EDFI	8,569.8	1,396.5	7,173.3
EIB	7,281.7	1,938.9	5,342.7
IDB Group	8,019.4	723.2	7,296.3
- IDB	2,967.9	0.0	2,967.9
- IDB Invest	5,051.5	723.2	4,328.4
IsDB Group	989.7	430.0	559.7
World Bank Group	31,991.4	14,089.8	17,901.6
- MIGA	7,007.4	4,367.5	2,639.9
- WB	7,143.9	2851.45	4292.46
- IFC	17,840.1	6,870.8	10,969.3
TOTAL	**69,431.4**	**20,186.8**	**49,244.6**

TABLE A.5 Infrastructure Financing, All Countries

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	4,888.3	472.1	4,416.2
AfDB	45.2	7.4	37.8
AIIB	149.9	0.0	149.9
EBRD	996.0	282.0	714.0
EDFI	4,078.1	374.0	3,704.1
EIB	29,347.5	186.1	29,161.4
IDB Group	6,729.2	460.4	6,268.7
- IDB	2,967.9	0.0	2,967.9
- IDB Invest	3,761.3	460.4	3,300.8
IsDB Group	105.5	34.0	71.5
World Bank Group	15,838.9	5,893.2	9,945.7
- MIGA	4,504.0	2,035.2	2,468.8
- WB	5,694.8	1,581.5	4,113.4
- IFC	5,640.1	2,276.6	3,363.5
TOTAL	**62,178.5**	**7,709.2**	**54,469.3**

BY INCOME CLASSIFICATION

TABLE A.6 Low Income Countries

	Total (US$, billions)	Of which is infrastructure (US$, billions)
Direct Mobilization	2.3	0.9
Indirect Mobilization	3.2	1.2
Total Private Mobilization or Private Co-financing	5.5	2.1

Note: Low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of $995 or less in 2017

TABLE A.7 Low Income Countries — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	186.2	10.0	176.2
AIIB	0.0	0.0	0.0
EBRD	0.0	0.0	0.0
EDFI	829.9	43.2	786.7
EIB	746.5	412.6	333.8
IDB Group	4.0	0.0	4.0
- IDB	0.0	0.0	0.0
- IDB Invest	4.0	0.0	4.0
IsDB Group	824.8	376.0	448.8
World Bank Group	2,933.6	1,496.9	1,436.7
- MIGA	1,157.0	552.8	604.2
- WB	559.0	498.0	61.0
- IFC	1,217.6	446.1	771.5
TOTAL	**5,524.9**	**2,338.7**	**3,186.2**

TABLE A.8 Low Income Countries – By Institution, Infrastructure Only

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	25.9	7.4	18.5
AIIB	0.0	0.0	0.0
EBRD	0.0	0.0	0.0
EDFI	368.7	—	368.7
EIB	160.9	57.3	103.7
IDB Group	0.0	0.0	0.0
- IDB	0.0	0.0	0.0
- IDB Invest	0.0	0.0	0.0
IsDB Group	0.0	0.0	0.0
World Bank Group	1,559.9	840.1	719.9
- MIGA	1,151.2	547.1	604.2
- WB	289.0	228.0	61.0
- IFC	119.7	65.0	54.7
TOTAL	**2,115.4**	**904.7**	**1,210.7**

TABLE A.9 Low Income and Least Developed Countries

	Total (US$, billions)	Of which is infrastructure (US$, billions)
Direct Mobilization	2.9	1.1
Indirect Mobilization	3.3	1.2
Total Private Mobilization or Private Co-financing	6.3	2.2

Note: Least developed countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets. There are currently 47 countries on the list of LDCs, which is reviewed every three years by the United Nations Committee for Development.

TABLE A.10 Low Income and Least Developed Countries – By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	200.8	12.9	188.0
AIIB	0.0	0.0	0.0
EBRD	0.0	0.0	0.0
EDFI	943.3	116.2	827.2
EIB	746.5	412.6	333.8
IDB Group	0.0	0.0	0.0
- IDB	0.0	0.0	0.0
- IDB Invest	0.0	0.0	0.0
IsDB Group	894.0	412.0	482.0
World Bank Group	3,471.7	1,993.9	1,477.7
- MIGA	1,694.6	1,048.1	646.5
- WB	559.0	498.0	61.0
- IFC	1,218.1	447.8	770.2
TOTAL	**6,256.3**	**2,947.6**	**3,308.8**

TABLE A.11 Low Income and Least Developed Countries – By Institution, Infrastructure

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	35.6	7.4	28.2
AIIB	0.0	0.0	0.0
EBRD	0.0	0.0	0.0
EDFI	284.1	0.0	284.0
EIB	160.9	57.3	103.7
IDB Group	0.0	0.0	0.0
- IDB	0.0	0.0	0.0
- IDB Invest	0.0	0.0	0.0
IsDB Group	0.0	0.0	0.0
World Bank Group	1,763.8	1,002.1	761.7
- MIGA	1,355.6	709.1	646.5
- WB	289.0	228.0	61.0
- IFC	119.2	65.0	54.2
TOTAL	**2,244.4**	**1,066.7**	**1,177.7**

TABLE A.12 Middle Income Countries

	Total (US$, billions)	Of which is infrastructure (US$, billions)
Direct Mobilization	17.8	6.5
Indirect Mobilization	46.1	24.5
Total Private Mobilization or Private Co-financing	63.9	30.9

Note: Middle-income economies are those with a GNI per capita, calculated using the World Bank Atlas method, between $996 and $12,055 in 2017

TABLE A.13 Middle Income Countries – By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	5,548.8	793.2	4,755.6
AfDB	213.6	10.0	203.6
AIIB	149.9	0.0	149.9
EBRD	6,481.0	795.2	5,685.8
EDFI	7,739.9	1,353.4	6,386.5
EIB	6,535.2	1,526.3	5,008.9
IDB Group	8,015.4	723.2	7,292.3
- IDB	2,967.9	—	2,967.9
- IDB Invest	5,047.5	723.2	4,324.4
IsDB Group	164.9	54.0	110.9
World Bank Group	29,057.8	12,592.9	16,464.9
- MIGA	5,850.5	3,814.8	2,035.7
- WB	6,584.9	2,353.5	4,231.5
- IFC	16,622.4	6,424.7	10,197.8
TOTAL	**63,906.5**	**17,848.1**	**46,058.4**

TABLE A.14 Middle Income Countries – By Institution, Infrastructure

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	4,888.3	472.1	4,416.2
AfDB	19.4	—	19.4
AIIB	149.9	0.0	149.9
EBRD	622.0	282.0	340.0
EDFI	2,597.5	314.5	2,283.0
EIB	2,059.1	0.0	2,059.1
IDB Group	6,564.7	296.0	6,268.7
- IDB	2,967.9	0.0	2,967.9
- IDB Invest	3,596.8	296.0	3,300.8
IsDB Group	105.5	34.0	71.5
World Bank Group	13,937.1	5,053.2	8,883.9
- MIGA	3,352.8	1,488.1	1,864.6
- WB	5,405.8	1,353.5	4,052.4
- IFC	5,178.5	2,211.6	2,966.9
TOTAL	**30,943.4**	**6,451.7**	**24,491.7**

TABLE A.15 High Income Countries

	Total (US$, billions)	Of which is infrastructure (US$, billions)
Direct Mobilization	25.7	0.4
Indirect Mobilization	65.8	28.8
Total Private Mobilization or Private Co-financing	91.5	29.1

Note: High-income economies are those with a GNI per capita, calculated using the World Bank Atlas method, above $12,055 in 2017

TABLE A.16 High Countries – By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	0.0	–	–
AIIB	0.0	0.0	0.0
EBRD	6,082.6	417.8	5,664.8
EDFI	2,829.1	96.6	2,732.5
EIB	79,823.0	23,194.9	56,628.1
IDB Group	222.7	222.7	0.0
- IDB	0.0	0.0	0.0
- IDB Invest	222.7	222.7	0.0
IsDB Group	103.2	0.0	103.2
World Bank Group	2,449.0	1,811.6	637.4
- MIGA	1,578.9	1,578.9	0.00
- WB	0.0	0.0	0.0
- IFC	870.1	232.7	637.4
TOTAL	**91,509.7**	**25,743.6**	**65,766.1**

TABLE A.17 High Income Countries – By Institution, Infrastructure

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	0.0	0.0	0.0
AfDB	0.0	—	—
AIIB	0.0	0.0	0.0
EBRD	374.0	0.0	374.0
EDFI	1,111.9	59.5	1,052.4
EIB	27,127.5	128.8	26,998.7
IDB Group	164.5	164.5	0.0
- IDB	0.0	0.0	0.0
- IDB Invest	164.5	164.5	0.0
IsDB Group	0.0	0.0	0.0
World Bank Group	341.9	0.0	341.9
- MIGA	0.0	0.0	0.0
- WB	0.0	0.0	0.0
- IFC	341.9	0.0	341.9
TOTAL	**29,119.7**	**352.8**	**28,766.9**

BY REGION

Classification by region follows World Bank Group guidelines, and maintained the definition from 2017 to ensure consistency.[31]

TABLE A.18 Africa

	Total (US$, billions)
Direct Mobilization	5.1
Indirect Mobilization	8.5
Total Private Mobilization or Private Co-financing	13.6

TABLE A.19 Africa — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	N/A	N/A	N/A
AfDB	399.7	20.0	379.7
AIIB	N/A	N/A	N/A
EBRD	N/A	N/A	N/A
EDFI	4136.2	468.7	3,667.4
EIB	887.2	455.6	431.7
IDB Group	N/A	N/A	N/A
- IDB	N/A	N/A	N/A
- IDB Invest	N/A	N/A	N/A
IsDB Group	0.2	0.0	0.2
World Bank Group	8,221.1	4,173.8	4,047.3
- MIGA	2,713.1	1,216.0	1,497.1
- WB	1,923.9	1,451.5	472.5
- IFC	3,584.0	1,506.3	2,077.7
TOTAL	**13,644.4**	**5,118.1**	**8,526.3**

N/A = Not Applicable. The region is not within mandate for this MDB.

TABLE A.20 Asia

	Total (US$, billions)
Direct Mobilization	5.2
Indirect Mobilization	14.0
Total Private Mobilization or Private Co-financing	19.2

TABLE A.21 Asia — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	5,544.0	793.2	4,750.8
AfDB	N/A	N/A	N/A
AIIB	149.9	0.0	149.9
EBRD	29.0	11.0	18.0
EDFI	1818.8	259.2	1,559.7
EIB	603.6	0.3	603.3
IDB Group	N/A	N/A	N/A
- IDB	N/A	N/A	N/A
- IDB Invest	N/A	N/A	N/A
IsDB Group	182.3	10.0	172.3
World Bank Group	10,903.9	4,163.5	6,740.3
- MIGA	1,680.8	979.3	701.5
- WB	200.0	0.0	200.0
- IFC	9,023.1	3,184.2	5,838.8
TOTAL	**19,231.5**	**5,237.2**	**13,994.3**

TABLE A.22 Europe

	Total (US$, billions)
Direct Mobilization	28.6
Indirect Mobilization	74.1
Total Private Mobilization or Private Co-financing	102.7

TABLE A.23 Europe — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	4.8	0.0	4.8
AfDB	N/A	N/A	N/A
AIIB	N/A	N/A	N/A
EBRD	11,857.0	1,171.0	10,686.0
EDFI	2515.7	244.6	2,271.1
EIB	83,223.8	24,247.1	58,976.7
IDB Group	N/A	N/A	N/A
- IDB	N/A	N/A	N/A
- IDB Invest	N/A	N/A	N/A
IsDB Group	153.0	45.0	108.0
World Bank Group	4,941.7	2,890.8	2,051.0
- MIGA	1,350.8	1,343.2	7.6
- WB	1,582.0	1,000.0	582.0
- IFC	2,009.0	547.6	1,461.4
TOTAL	**102,696.0**	**28,598.5**	**74,097.5**

TABLE A.24 Latin America and Caribbean

	Total (US$, billions)
Direct Mobilization	5.2
Indirect Mobilization	14.8
Total Private Mobilization or Private Co-financing	20.0

TABLE A.25 Latin America and Caribbean — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	N/A	N/A	N/A
AfDB	N/A	N/A	N/A
AIIB	N/A	N/A	N/A
EBRD	N/A	N/A	N/A
EDFI	2899.1	491.5	2,407.6
EIB	555.9	7.7	548.2
IDB Group	8,242.2	945.9	7,296.3
- IDB	2,967.9	0.0	2,967.9
- IDB Invest	5,274.3	945.9	4,328.4
IsDB Group	28.6	0.0	28.6
World Bank Group	8,296.1	3,739.0	4,557.2
- MIGA	2,137.1	2,125.2	11.9
- WB	3,258.0	400.0	2,858.0
- IFC	2,901.0	1,213.8	1,687.3
TOTAL	**20,022.0**	**5,184.1**	**14,837.9**

TABLE A.26 Middle East

	Total (US$, billions)
Direct Mobilization	1.8
Indirect Mobilization	3.6
Total Private Mobilization or Private Co-financing	5.3

TABLE A.27 Middle East — By Institution

	TPM (US$, millions)	PDM (US$, millions)	PIM (US$, millions)
ADB	N/A	N/A	N/A
AfDB	N/A	N/A	N/A
AIIB	N/A	N/A	N/A
EBRD	678.0	31.0	647.0
EDFI	29.1	29.1	0.0
EIB	1,834.1	423.2	1,411.0
IDB Group	N/A	N/A	N/A
- IDB	N/A	N/A	N/A
- IDB Invest	N/A	N/A	N/A
IsDB Group	729.0	375.0	354.0
World Bank Group	2,077.6	934.3	1,143.3
- MIGA	704.6	282.8	421.8
- WB	180.0	0.0	180.0
- IFC	1,193.0	651.5	541.5
TOTAL	**5,347.8**	**1,792.6**	**3,555.2**

ENDNOTES

1. Hereafter for brevity, MDBs and DFIs will mostly be referred to jointly as "MDBs."
2. Mobilization is also referred to as "co-finance," and the MDB definitions allow use of these terms interchangeably. For clarity and consistency, the term "mobilization" will be used in this report.
3. As defined by the G20 International Financial Architecture Working Group in the "Principles of MDBs' Strategy for Crowding-In Private Sector Finance for Growth and Sustainable Development" (April 2017, 12), private investment catalyzed is private sector financing that results from the development impact of an activity or multiple activities, of an MDB. It includes investments made as a result of an operation up to three years after completion.
4. See the IDB Invest blog post, Alessandro Maffioli, Giulia Lotti, and Jozef Henriquez, "Mobilizing Private Finance towards Development," April 5, 2019, https://blogs.iadb.org/bidinvest/en/mobilizing-private-finance-towards-development/, or the original research article, Chiara Broccolini and others, "Mobilization Effects of Multilateral Development Banks," IMF Working Paper 19/28, February 2019.
5. Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development Report 2019 (New York: United Nations, 2019), iii.
6. See the World Bank, "Joint MDB Reporting on Private Investment Mobilization: Methodology Reference Guide," Washington, DC, June 2018, and table 1.2 of this report for definitions of these terms.
7. See the "Joint Report on Multilateral Development Banks' Climate Finance," European Bank for Reconstruction and Development, London, June 2018, for reporting on climate-related mobilization specifically.
8. World Bank, "Joint MDB Reporting," and table 1.2 of this report.
9. For the main section of the report, compound annual growth rate and other comparative figures use the data in this section. The trend analysis section (section 4) compares three years of data and makes adjustments to ensure comparability. Using that adjusted data, the MIC/LIC number actually declines by 4.7%.
10. UNCTAD *Investment Trends Monitor*, January 2019.
11. This report does not measure public mobilization.
12. Short term finance as of now is collected only for all income levels and regions, and not disaggregated.
13. For the current fiscal year, low-income countries are defined as those with GNI per capita calculated using the World Bank Atlas method, of $995 or less in 2017; middle-income countries are those with a GNI per capita between $995 and $12,055; high-income economies are those with a GNI per capita of $12,056 or more. See more information at https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups. There are currently 47 countries on the list of LDCs that is reviewed every three years by the Committee for Development and, for 2018, 34 LIC countries, so LDC is a broader measure. See also note 22.
14. This focus is set by consensus of the MDBs on the task force, who recognized that although mobilization in higher-income countries may be part of the mandate of some member institutions, it is not for most and does not reflect the orientation of this report and MDBs overall toward maximizing impact in developing countries.
15. World Bank, "Joint MDB Reporting."
16. This is one factor making estimates not directly comparable to those from previous years. But the additional instruments added to estimates are a small percentage of the total mobilization typically, so there is not a great impact from adding them. For example, WBG's FY15 estimate used in 2016 MDB reporting excluded some products but covered 93% of own account amounts.
17. Inter-American Development Bank and Islamic Development Bank data is based on approvals. The remaining MDBs report at commitment. All amounts are U.S. dollars.
18. Based on 2018 approval numbers also provided by AfDB.
19. The percentage of "potential" is based on own account: for 2017, only 30% of total "own account" investments for EDFI also had private indirect mobilization reported, and 50% had private direct reported, according to EDFI data.
20. Based on 2018 data for the same members that reported in 2017, provided by EDFI
21. The DFI Working Group on Blended Concessional Finance for Private Sector Projects comprises IFC, AfDB, ADB, AIIB, EBRD, EIB, IDB Group, ICD, and several European DFIs (EDFIs).
22. Inter-American Investment Corporation, "Canadian Climate Fund for the Private Sector in the Americas (C2F)," https://www.iic.org/en/c2f/canadian-climate-fund-private-sector-americas-c2f.
23. The UN defines less-developed countries through an annual review process, conducted by the UN Department of Social Affairs. It includes LIC status as one of three criteria; the others are human assets and economic vulnerability. There are 47 countries with LDC status and 34 LIC.
24. Mobilization ratios, or total mobilization over own account investment, rose in 2018.
25. Note that these figures include a very small amount of high-income country mobilization per region, impossible to remove because mobilization is not collected by income by region. Thus, the sum of those figures will not equal the $69.4 million reported earlier in this section and in figure 3.1, and also because this regional breakdown does not include Europe, which is primarily high income. Note that currently, members report mobilization by income group, and by region, but not by income group by region.
26. Short-term finance by agreement of MDBs is tracked and reported separately from mobilization, which includes only long-term instruments.
27. Asian Development Bank, "Trade Finance Gaps, Growth, and Jobs Survey" ADB Brief 83, ADB, Manila, the Philippines, September 2017.
28. The AfDB estimate uses a ratio of commitments to approvals from the previous two years applied to this year's commitments data reported in section 3. AfDB completed this analysis itself.
29. Compound annual growth rate (CAGR) is an estimation of the growth rate of an indicator on an annual basis based on a rate of change across one or multiple years.
30. Recall that this section uses modeled or otherwise different data from the rest of the report for two members, so the rate of change will not match that in the rest of the report, which relies only on figures as reported.
31. In 2018 the World Bank changed regional definitions, but the MDB Task Force elected to keep reporting with the 2017 definitions to ensure consistency among years.


Baby fit

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