

THE INTERNATIONAL DEVELOPMENT FINANCE CLUB AND THE SUSTAINABLE DEVELOPMENT GOALS

IMPACT, OPPORTUNITIES, AND CHALLENGES



SCOTT MORRIS



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All viewpoints expressed are the author's alone and do not represent official views of the IDFC, IDFC member institutions, or the Center for Global Development.

Abbreviations

AsDB	Asian Development Bank	IADB	Inter-American Development Bank
AFD	Agence Française de Développement	ICD	Islamic Corporation for the Development of the Private Sector
AfDB	African Development Bank	IDFC	International Development Finance Club
AiIB	Asian Infrastructure Investment Bank	IIB	International Investment Bank
BE	Banco Estado	JICA	Japan International Cooperation Agency
BNDES	Brazilian Development Bank	KDB	Korea Development Bank
BOAD	West African Development Bank	KfW	KfW Bankengruppe
BSTDB	Black Sea Trade and Development Bank	LIC	lower-income country
CABEI	Central American Bank for Economic Integration	LMIC	lower-middle-income country
CAF	Development Bank of Latin America	MDB	multilateral development bank
CDB	China Development Bank	MDG	Millennium Development Goal
CDG	Caisse de Dépôt et de Gestion	NAFIN	Nacional Financiera
CDP	Cassa Depositit e Presitit	OECD	Organisation for Economic Co-operation and Development
COFIDE	Corporación Financiera de Desarrollo S.A.	SDG	Sustainable Development Goal
DBSA	Development Bank of Southern Africa	SIDBI	Small Industries Development Bank of India
DFI	development finance institution	SME	small and medium enterprise
EBRD	European Bank for Reconstruction and Development	TDB	Eastern and Southern African Trade and Development Bank
EIB	European Investment Bank	TSKB	Industrial Development Bank of Turkey
ESS	environmental and social safeguards	VEB	Vnesheconombank
FCAS	fragile and conflict-affected settings	WB	World Bank
HBOR	Croatian Bank for Reconstruction and Development		

Executive Summary

The Sustainable Development Goals (SDGs) face a key dilemma. Although major multilateral institutions like the World Bank and the other core multilateral development banks (MDBs) have played a leadership role in shaping the SDG financing framework, there is a significant misalignment between the structure of these institutions and SDG financing needs. Specifically, the SDGs put countries, not multilateral institutions or foreign donors, at the forefront in achieving desired outcomes. Further, the SDG financing agenda identifies an important role for the private sector and other nonsovereign actors. Although the MDBs will remain key players in SDG financing, other leading actors—and particularly, other ways of organizing across institutions—will be needed to meet the SDGs.

The International Development Finance Club (IDFC) is uniquely positioned to play a leadership role on the SDGs. A diverse group of development finance institutions (DFIs), IDFC members collectively embrace a strong country-led focus and private-sector orientation. Members represent a variety of models. Some act as national banks, focused primarily on domestic financing. Others act as bilateral aid agencies and DFIs. Still others act as regional and multilateral development institutions. Together they bring considerable financial and strategic resources to meet SDG financing needs, and they appear to be well matched to respond to key SDG requirements, including the call for nationally led development strategies and the need for substantial private-sector and nonsovereign investment, particularly in infrastructure.

This report surveys 22 IDFC member institutions to identify the club's role in meeting SDG financing needs. Through institutional snapshots, aggregated

financial data, qualitative inputs, and case studies, the report reveals a high degree of SDG relevance in these development institutions. We find that the total assets of IDFC institutions are significantly greater than the total assets of core MDBs, indicating that as an organization, IDFC has untapped power as an organizing platform for the SDG agenda. We also find a high degree of alignment between IDFC-reported activities and the full range of SDGs, though only a minority of IDFC members inform their operations with an explicit SDG strategy. Most relevant to the question of leveraging private financing for the SDGs, especially infrastructure, our survey indicates that as a group, IDFC members primarily finance nonsovereign entities, especially private firms, in the course of pursuing development objectives.

The IDFC could play a stronger leadership role on behalf of its membership by better aligning its mandate with the SDG agenda. We see a future in which IDFC members adopt common standards for SDG frameworks and for tracking the inputs and outputs relevant to the SDGs. Members should consider the degree to which they wish to make the club a meaningful platform for coordination, deliberation, and visibility for the broader SDG agenda. This agenda implies a widening set of demands on members and may require a more robust secretariat to support a wider range of reporting activities, information gathering, agenda setting, and convening.

Through a greater commitment to SDG-oriented activities, IDFC members could demonstrate the value of organizing around national, bilateral, and multilateral development institutions to address the leading development challenges in the years ahead.

Overview

This report examines the unique role the International Development Finance Club (IDFC) can play in pursuit of the Sustainable Development Goals (SDGs). Founded in 2010, this informal club of 24 “development banks” in fact represents a diverse array of development finance institutions that, as a group, are particularly well suited to playing a leadership role on the SDGs.¹

The report begins by establishing the role of IDFC member institutions within the larger context of the

SDGs. In Section 2, relying on a survey of IDFC members and publicly available data, we identify the unique features of IDFC institutions that can be brought to bear in pursuit of the SDGs, the unique value of the club itself in helping to shape the multilateral character of the SDG agenda, and the barriers to progress on these fronts (see box 1 for a list of IDFC members surveyed for this report). Finally, in Section 3, we offer recommendations to the IDFC and its members, aimed at enhancing their role in achieving the SDGs.

Box 1. Surveyed IDFC members

- Agence Française de Développement (AFD)
- Banco Estado (BE)
- Banco Nacional de Desenvolvimento Econômico e Social (BNDES)
- Bancóldex
- Banque Ouest Africaine de Développement (BOAD)
- Black Sea Trade and Development Bank (BSTDB)
- Caisse de Dépôt et de Gestion (CDG)
- Central American Bank for Economic Integration (CABEI)
- China Development Bank (CDB)
- Corporación Financiera de Desarrollo (COFIDE)
- Croatian Bank for Reconstruction and Development (HBOR)
- Development Bank of Latin America (CAF)
- Development Bank of Southern Africa (DBSA)
- Eastern and Southern African Trade and Development Bank (TDB)
- Industrial Development Bank of Turkey (TSKB)
- Islamic Corporation for the Development of the Private Sector (ICD)
- Japan International Cooperation Agency (JICA)
- KfW Bankengruppe (KfW)
- Korea Development Bank (KDB)
- Nacional Financiera (NAFIN)
- Small Industries Development Bank of India (SIDBI)
- Vnesheconombank (VEB)

1. Twenty-two development banks were surveyed and included in this report. The two development banks not included, Cassa Depositiva e Prestitiva (CDP) of Italy and the International Investment Bank (IIB), became IDFC member institutions in October 2018.

Section 1.

The SDG Context for IDFC Financing

At the close of the Millennium Development Goals (MDGs) period in 2015, the United Nations established the more ambitious Sustainable Development Goals (SDGs). The 17 SDGs represent a consensus on key areas of poverty alleviation for all countries to collectively work toward and achieve by 2030. The SDGs set out a comprehensive development agenda, covering issues ranging from poverty alleviation, hunger, and health to decent work, environmental sustainability, and peace and justice (see box 2 for a list of the SDGs).

The SDG framework offers all countries, regardless of their income status, areas in which they can focus their efforts. The SDGs provide a clear language for national governments, nonprofits, and institutional organizations to use in framing their development efforts, allowing individuals and institutions to better communicate and coordinate activities to improve quality of life. On this basis, the SDGs provide a useful way to consider the activities of a wide range of development actors, including those that are the focus of this study.

Box 2. The Sustainable Development Goals

The Sustainable Development Goals are as follows:

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation, and infrastructure
10. Reduced inequality
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice, and strong institutions
17. Partnerships to achieve the goals

Each goal is broken down into clear metrics that individual countries can use to assess their progress. Multiple targets represent specific elements of the larger goals, and indicators are measurable statistics that can be tracked to measure progress toward a specific target. For example, under Goal 13, one target includes strengthening resilience to climate-related hazards and natural disasters; a related indicator is the number of countries with national and local disaster risk reduction strategies.

The SDG Financing Dilemma

The SDG agenda faces a key dilemma. Although major multilateral institutions like the World Bank and other core multilateral development banks (MDBs) have played a leadership role in shaping the SDG financing framework,² there is a significant misalignment between the structure of these institutions and SDG financing needs.

Specifically, the SDGs put countries, not multilateral institutions or foreign donors, at the forefront in achieving the outcomes. Further, the SDG financing agenda identifies an important role for the private sector and other nonsovereign actors, including state/provincial and municipal governments. Nonsovereign engagement has been an important but lesser element of the MDBs' business models, which continue to rely primarily on direct lending to national governments.

While the MDBs will have an important role to play, institutions with stronger ties at the country level to these nonsovereign actors would be better suited to drive SDG progress. From a multilateral perspective, linkages between leading country-level actors, bilateral development finance institutions (DFIs), and regional development banks hold particular promise in better informing the SDG agenda and motivating action at the national level.

From this standpoint, the International Development Finance Club (IDFC) is uniquely positioned to play a leadership role. The 24 IDFC member institutions embrace a variety of models. Some act as national banks, focused primarily on domestic financing. Others act as bilateral aid agencies and DFIs; still others act as regional and multilateral development institutions. Irrespective of their models, IDFC member institutions “share a similar vision of development strategies to be pursued inter alia to support sustainable improvements in economic, environmental, social and human development.”³

2. See, for example, the prominent role identified for these institutions in the Addis Ababa Action Agenda in 2015 (United Nations 2015).

3. IDFC 2018.

In reviewing the financing challenges associated with the SDGs, we have identified three salient issues: (1) the imperative that countries take responsibility for implementing SDGs at the national level, (2) the immense amount of financing needed to meet SDG infrastructure goals, and (3) the need to engage the private sector in narrowing the gap between current official development assistance levels and the financial flows needed to achieve the SDGs. IDFC members, in their role as national and subregional development banks, are uniquely situated to help address these three challenges.

Country-Led Development as a Multilateral Priority

A key feature that differentiates the SDGs from the 2000–2015 MDGs is the universal nature of the SDGs. The SDGs are not an action agenda for rich-country donors; rather, they are an agenda for all countries. The United Nations describes the SDGs as “unique in that they call for action by *all countries*, poor, rich, and middle income, to promote prosperity while protecting the planet.... Governments are expected to *take ownership* and establish *national frameworks* for the achievement of the 17 Goals. *Countries have the primary responsibility* for follow-up and review of the progress made in implementing the Goals.”⁴

The MDGs targeted issues specific to developing nations, with the understanding that developed nations would assist these countries in reaching a higher standard of living. In contrast, the SDGs express a recognition that poverty and its effects are not limited to lower-middle-income and lower-income countries (LMICs and LICs). Within the SDG paradigm, countries are expected to look both inward and outward, to implement changes at the national level as well as the bilateral and multilateral levels.

This approach acknowledges that country context matters and that tailored solutions to development challenges are necessary. Evidence increasingly suggests

4. United Nations 2018 (emphasis added).

that “‘best practice’ policies are only best practice for particular institutions at particular times.”⁵ Evaluations of similar development projects can yield vastly different results, indicating that local context is a crucial consideration when designing policy initiatives.⁶

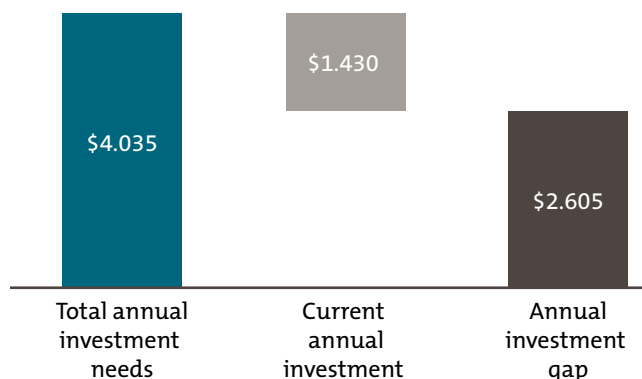
It follows that country-led decision making, and even sources of financing, are often best matched to meeting development challenges at the local and country levels. Localized development banks have insight into creating administrative procedures well fitted to the needs and capabilities of the local economy.⁷ National and subregional development banks have the scope and resources to analyze which interventions, financial models, and administrative structures achieve the greatest success in their own countries or regions.

With close ties to national governments and an experienced understanding of development issues, national development banks can make a powerful contribution to development policy discussions. An example is the creation of national needs assessments for achieving the SDGs. While various researchers have created generalized global needs assessments,⁸ there are significant country-to-country variations within these models.

The Challenge of Scaling Resources to Meet the SDGs

There are clear challenges in meeting the scale of SDG finance needs, given current levels of development finance. Cost estimates for financing the SDGs vary widely depending on the methodology of the analysis, the assumptions included, and the quality of available data. For the WASH sector (water, sanitation, and hygiene), estimates vary from \$114 billion to \$260 billion annually.⁹ Researchers estimate that providing energy access could cost anywhere from \$75 billion

Figure 1. Estimated annual investment needs (US\$ trillions)



Source: UNCTAD 2014b.

to \$690 billion annually.¹⁰ The wide variation in cost estimates again highlights the role that national actors will need to play in providing country-level needs assessments.

In 2014, the United Nations Conference on Trade and Development (UNCTAD) estimated total annual investment needs to meet the SDGs at approximately \$4.0 trillion each year.¹¹ Compared with the current annual investment of \$1.4 trillion, this figure leaves an approximate annual investment gap of \$2.6 trillion each year (see Figure 1).

The UN Sustainable Development Solutions Network also conducted a global needs analysis for completion of the SDGs, grouping each of the 17 goals into 8 areas of investment (see Table 1).¹² In general, there is a consensus in the SDG financing literature that infrastructure financing is the primary challenge to achieving the UN goals.¹³ Of the 8 categories, infrastructure was estimated to cost approximately \$1.1 trillion dollars annually, or 68 percent of the total cost of meeting the SDGs. (Infrastructure includes four subcategories: access to modern energy, access to water and sanitation,

5. Kenny 2018.

6. Vivalt 2015; see also Pritchett and Sandefur 2013.

7. Bhattacharya et al. 2018, 15.

8. Schmidt-Traub 2015.

9. Hutton and Varughese 2016; UNCTAD 2014b. All dollar amounts in this report are in US dollars.

10. Galiana and Sopinka 2014; see also Bhattacharyya 2013 and Schmidt-Traub 2015.

11. UNCTAD 2014b.

12. Schmidt-Traub 2015.

13. Bhattacharya et al. 2018; Savoy, Carter, and Lemma 2016.

Table 1. Summary of incremental SDG investment needs in low-income and lower-middle-income countries (average for 2015–2030, US\$ billions)

Investment Area	Development Investment Needs	Incremental Climate Mitigation and Adaptation Investment Needs	Total Investment Needs	Private, Commercial Financing (%)	Private, Commercial Financing (\$)	Public Financing (\$)
Health	84.8	1.3	86.1	0%	0.0	86.1
Education	212.3	0.0	212.3	0%	0.0	212.3
Social protection	?	?	?	?	?	?
Agriculture and food security	126.1	24.1	150.2	51%	76.6	73.6
Infrastructure						
Access to modern energy	303.1	61.3	364.4	50%	180.4	184.0
Access to electricity and clean cooking fuels	79.3	4.4	83.7	14%	11.3	72.4
Power infrastructure	224.3	57.5	281.8	61%	170.5	111.3
Access to water and sanitation	30.6	17.0	47.6	10%	4.8	42.8
Basic water supply and adequate sanitation	30.6	17.0	47.6	10%	4.8	42.8
Water and sanitation infrastructure	?	?	?	?	?	?
Access to transport infrastructure	395.1	38.3	433.4	55%	236.2	197.2
Access to telecommunications infrastructure	206.8	0.0	206.8	70%	144.8	62.0
Ecosystems, including biodiversity	21.3	?	21.3	15%	3.2	18.1
Data for the SDGs	0.5	0.0	0.5	0%	0.0	0.5
Emergency response and humanitarian work	17.0	?	17.0	0%	0.0	17.0
All SDG Investment Areas	1,397.7	141.9	1,539.7	42%	646.7	893.0

Source: UNSDSG, Investment Needs to Achieve the Sustainable Development Goals

Note: Original table shows estimates as a range in 2013 dollars; this table has been adjusted to show the averages of each range in 2018 dollars according to the U.S. Bureau of Labor Statistics consumer price index calculator.

transport infrastructure, and telecommunications infrastructure.) Of the total cost for infrastructure, climate change mitigation and adaptation costs are estimated at approximately 10 percent to 15 percent, or approximately \$110 billion to \$165 billion.¹⁴

Within the development assistance and finance landscape, it is clear that some actors are more relevant than others in meeting the leading infrastructure financing needs of the SDGs. For example, whereas grant-based aid agencies such as USAID are at the forefront in areas

like disease eradication, they are less suited to providing infrastructure finance than are institutions that rely on leveraged balance sheets in order to lend on a much greater scale.

Over a 12-year period, total annual commitments from these DFIs have grown from \$10 billion to \$70 billion (growth of 600 percent), while in the same period, traditional grant-based aid grew from \$88.6 billion to \$137.2 billion (growth of 50 percent).¹⁵ This leveraged lending model is commonly employed by the MDBs as well as by

14. Bhattacharya, Romani, and Stern 2012.

15. Savoy, Carter, and Lemma 2016.

all the members of the IDFC, but a key distinction is the degree to which lending is targeted at governments (by the MDBs) versus the private sector (by the IDFC).

The Private-Sector Challenge

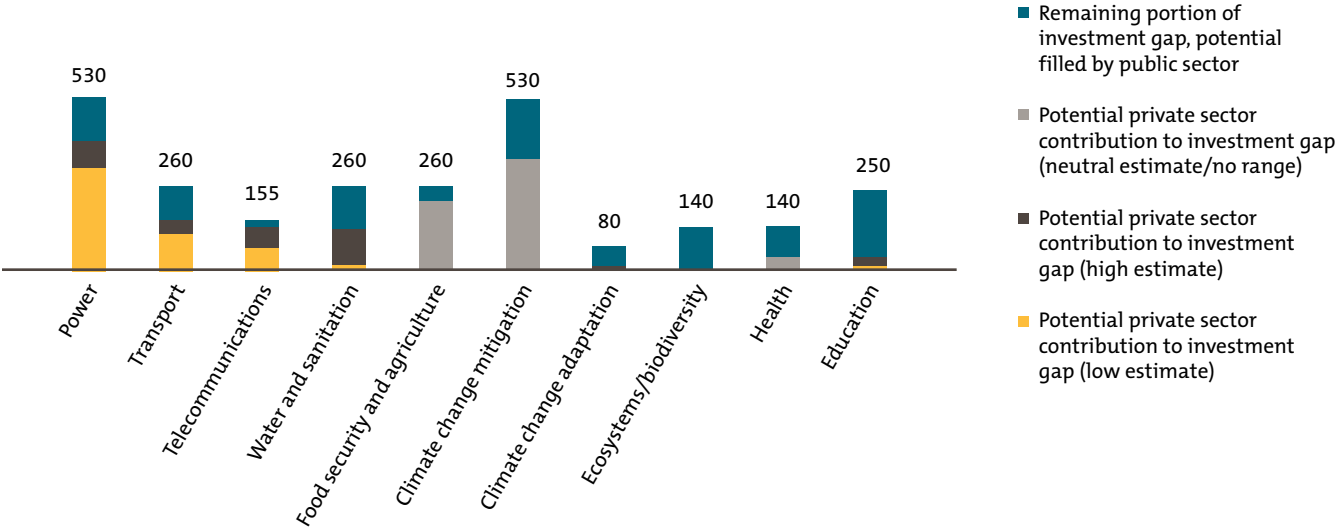
This distinction between the MDBs and IDFC members matters for the SDGs, given the critical role identified for private-sector finance. The 2014 UNCTAD report assesses expected levels of financing from private sources in meeting SDG financing needs within sectors (see Figure 2). UNCTAD estimates the potential private-sector contribution to the total investment gap could range from \$1.2 trillion to \$1.5 trillion each year, with variation between sectors. For example, the power sector could expect to see private-sector contributions from \$318 billion to \$400 billion each year, covering 60 to 75 percent of the total annual investment gap for that sector. On the other hand, the education sector may expect to see private-sector contributions only from \$19 billion to \$25 billion each year, covering 8 to 10 percent of the total annual investment gap for that sector.

It is important to put incremental SDG cost estimates in an appropriate context. Various components of global savings suggest useful targets for meeting financing needs. For example, as of 2013, institutional investors based in Organisation for Economic Co-operation and Development (OECD) countries had nearly \$100 trillion under management.¹⁶ The role of institutional investors in emerging markets has grown as well, with equity and bond markets increasing exponentially over the last two decades. It is less a question of whether enough funds exist than of how to shift these funds from current areas of focus to the developing world.

This agenda is encapsulated in the concept of *blended finance*, which is generally defined as “the strategic use of development finance for the mobilization of additional finance toward sustainable development in developing countries.”¹⁷ There has been significant growth in blended finance since 2000, both in the number of facilities dedicated to it and in the aggregate deal count of blended finance agreements (see Figures 3 and 4). According to the OECD, 167 facilities

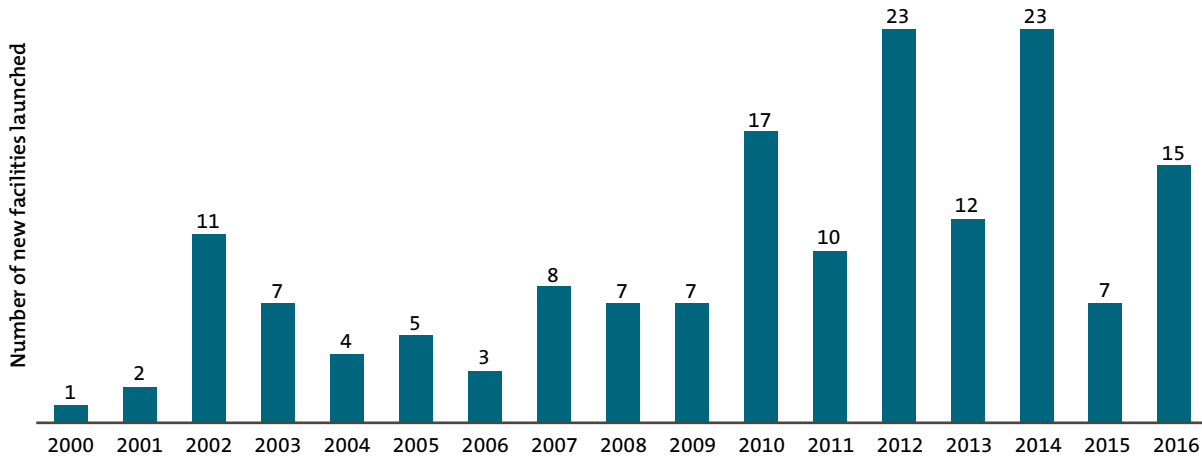
16. World Bank 2015.
17. OECD 2018.

Figure 2. Estimated private-sector contributions to annual investment gap, by sector (US\$ billions)



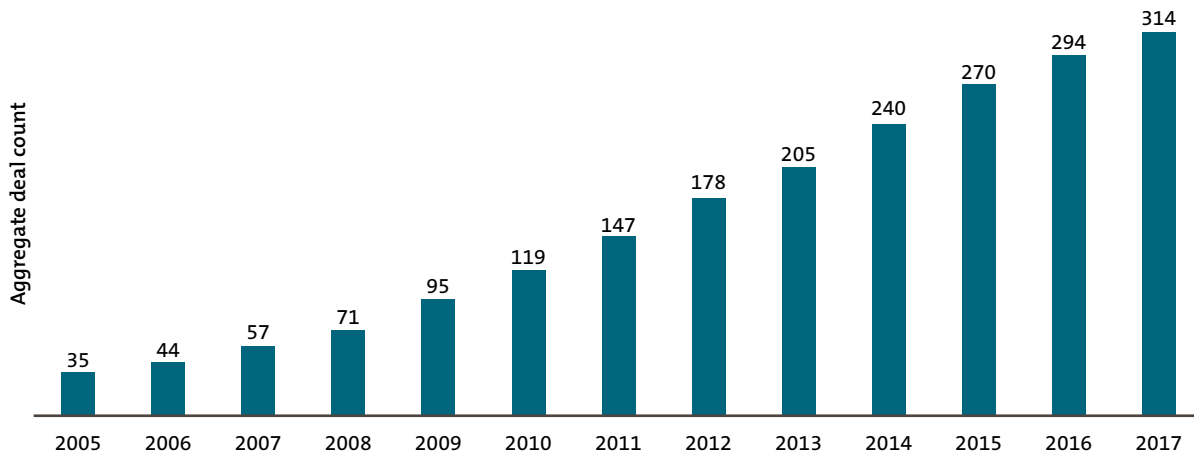
Source: UNCTAD 2014b.

Figure 3. Number of new blended finance facilities launched per year, 2000–2016



Source: OECD 2017.

Figure 4. Aggregate blended finance deal count, 2005–2018



Source: OECD 2017.

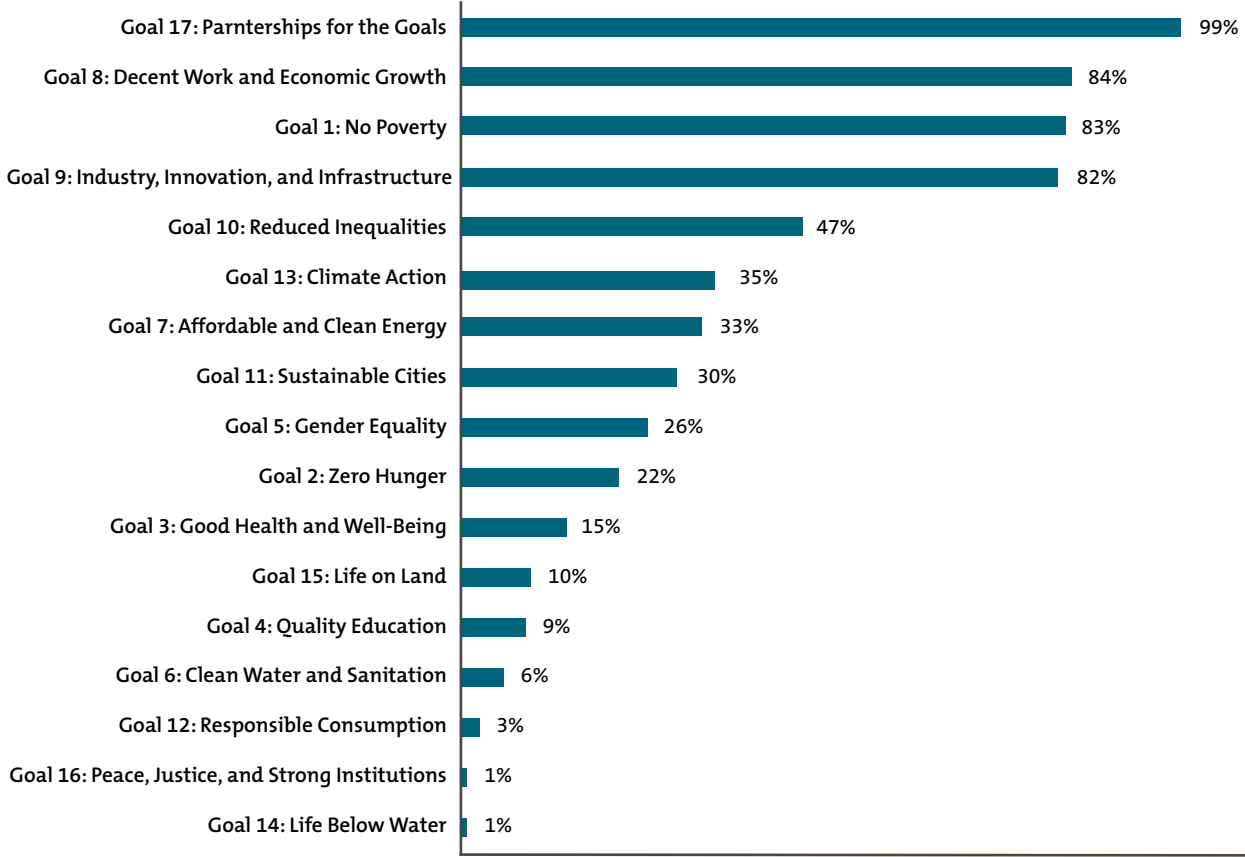
have been established to pool public financing for blended finance.¹⁸ The total amount of blended finance now stands at over \$50 billion.¹⁹ These trends are positive for the future of financing the SDGs, but the development community will need to adopt new approaches to bring private-sector contributions to the level needed to close the annual investment gap.

Some of the SDGs lend themselves more readily to blended capital financing structures than others (see Figure 5). SDG targets that are aligned with common private-sector goals, such as economic growth or industry and innovation, tend to attract more blended finance agreements than do others. Indeed, SDG 17, “Partnerships for the Goals,” demonstrates that public-private blended finance partnerships are both a means to, and an end of, the SDGs.

18. Ibid.

19. Blended Finance Taskforce and Convergence 2018.

Figure 5. SDG target frequency in blended finance transactions



Source: Convergence 2018.

The DFIs’ role in blended finance may be commonly understood to be adjusting the private sector’s risk-return assessment through some form of subsidy, whether through cofinancing or guarantee instruments. But underlying the blended finance agenda is a deeper set of challenges, interactions, and policy issues that must be considered in order to bring private funds to bear on the SDG agenda. Evidence points to a number of challenges in attracting funding for private investors into SDG sectors that go beyond the financing role, suggesting a broader agenda for national development banks and other DFIs. These challenges include the following:

Lack of information. Private-sector investments operate well insofar as investors are able to accurately measure the risk of their investments. Lack of information is a barrier to investment, and private companies may avoid certain countries or sectors, not because they know that these would be risky investments, but precisely because they *don’t* know. In addition, individuals and corporations in the private sector are less familiar with SDG targets and interventions, and may not have the internal capacity to evaluate the risk of SDG-specific projects.²⁰ Lack of information is a particular challenge for pension funds, whose portfolios, on average,

²⁰ Savoy, Carter, and Lemma 2016.

contain investments in developing countries at a low rate of 3 percent.²¹

DFIs have the capacity and knowledge base to conduct in-depth development impact reviews of past investments, looking beyond direct financial returns to more detailed assessments of the overall investment environment pertaining to the project. As a result, DFI financing can play a signaling role for markets and provide better information for private investors seeking to make similar investments.²²

Public goods and private finance. When it comes to attracting private finance to the SDG agenda, there is a fundamental challenge in the public goods nature of many of the goals, including infrastructure. If private investors have not been attracted to these sectors and projects to date, it may be due to the lack of identifiable private returns or revenue streams associated with classic public goods. Nonetheless, in sectors with demonstrated models of private-sector investment through blended finance and public-private partnerships, DFIs can play a critical role, along with government partners, in ensuring that public interests are met. For example, private investments in water- or energy-sector projects may benefit from the help of a DFI in navigating how to target consumer subsidies (the public interest) while also allowing for fee structures that generate a private return.

DFIs can also support an approach to project investment and operations that generates a public benefit beyond what a strictly private project might provide. Social and environmental safeguards, as well as project selection standards oriented toward “development impact” (versus narrow measures of financial rates of return), are all examples of DFI approaches that seek to bring public benefits to private investments. The public goods test extends to issues such as debt sustainability, particularly on cross-border transactions in which the interests of the lender, in one country, might diverge

from those of the borrower, in another, and there is no common regulatory framework.

Standard setting and investment environment. Related to the challenge of market failures in information is the investment environment itself. For example, private investors may be hesitant to invest in a country when the procurement process is opaque.²³ Concerns about corruption may prevent companies from entering certain markets. More generally, navigating a broader regulatory and policy environment may prove to be an insurmountable barrier for many investors. The investment environment for infrastructure can be a particular challenge, given the financing risks associated with large-scale investment, long payback periods, and complex regulatory environments.

While environmental and social safeguards (ESS) can deliver a clear public benefit, they can also generate considerable transaction costs when it comes to infrastructure investments. Large-scale infrastructure projects are frequently environmentally and socially disruptive, and private investors who work with ESS-conscious development banks are often held to a higher standard than their competitors, which increases both overall costs and time required for a project.

In all the areas that affect the investment environment, government has the leading role of setting regulation and ensuring compliance. DFIs, in turn, as arms of the government in some cases and partners in others, can play a key role in aligning themselves with the public goals while also working with private investors to identify viable projects consistent with these goals. In some cases, this arrangement could mean the DFIs play a role in regulatory reforms or, on the other hand, help private firms themselves align their practices with existing regulation.

Private finance in fragile and conflict-affected settings (FCAS). Due in part to the challenges listed above, private investment in FCAS is particularly low. These countries are least capable of mobilizing domestic

21. Stewart and Yermo 2012.

22. te Velde 2015.

23. Kenny 2018.

resources to provide for infrastructure construction and will require considerable outside financing to meet the SDGs. Although private capital makes up 15 to 20 percent of infrastructure investment in developing countries, the majority of this investment goes to upper-middle-income countries and very little to LMICs and LICs.²⁴

The subsidy role that DFIs can play is perhaps most relevant in these settings, and more generally, concessional financing is often critical, given debt capacity considerations. Overall, the utility of blended finance in fragile settings may be limited, with priority SDG activities best accomplished through grant-based interventions. Nonetheless, DFIs are best positioned to test the risks associated with FCAS investments and pursue innovative approaches to engage private-sector actors. There is very limited supply of natural foreign direct investment in these countries, so DFIs need to become more comfortable with riskier investments²⁵ and shift the balance of their portfolios to areas with the greatest need. Otherwise, there is considerable risk that the most fragile and poorest countries will be left behind in this universal agenda.

Implications for the IDFC

As discussed in the next section of this report, IDFC institutions appear to be well matched to respond to key aspects of SDG financing needs described here. As a group, the IDFC is more oriented toward nationally led development approaches than are the MDBs, thanks to the large share of IDFC members that are national development banks. The IDFC's bilateral institutions can be particularly effective in catalyzing coordination with other public and private players, such as diplomatic missions, the business community, and export promotion agencies. In turn, the club itself provides a platform for sharing national experiences and tailored strategies among the national development banks themselves, as well as through the club's

bilateral and multilateral institutions, something this report explores further in Section 3.

With regard to the scale of SDG financing needs, particularly related to infrastructure, the comparative advantage of the IDFC is also clear. As a group, its financial footprint is far larger than that of other leading development actors, and its diversity in membership suggests a range of approaches to development finance that can meet various needs: not just large-scale financing, but also loans to small and medium enterprises (SMEs); not just lending, but also technical support aimed at project preparation.

Finally, when it comes to private-sector and nonsovereign finance, the IDFC's comparative advantages are clear. Whereas the MDBs chiefly lend to national governments, and many bilateral aid agencies provide grants to governments and nongovernmental organizations, IDFC members are primarily financing private entities and subsovereign governments. Yet as public institutions, they have ties to government policy, whether in their own country of operation (e.g., Caisse de Dépôt et de Gestion in Morocco or the Brazilian Development Bank in Brazil) or as a development partner country (Agence Française de Développement for France or the Japan International Cooperation Agency for Japan). Further, financing from the bilateral actors can often be particularly effective at mitigating financing risk from the standpoint of private investors.

The blended finance agenda requires strong engagement at the nexus of private investment and public policy. It is both a matter of financial instruments and policies, and one of technical engagement. Further, the broader public mandate of these institutions, reflected in their mission statements, suggests that they can deliver a package of financial and nonfinancial engagement that aligns private investment with the broader public goals reflected in the SDGs. How and to what degree they do so in practice is explored further in the remainder of the report.

24. Ibid.

25. Savoy, Carter, and Lemma 2016.

Section 2.

Mapping the IDFC Landscape

If the characteristics of SDG financing challenges and opportunities suggest that IDFC members are uniquely positioned to provide leadership, just how fit for purpose are they? To answer this question, this section relies on direct reporting and publicly available data to map the aggregate landscape of IDFC activities.²⁶ Specifically, it considers four areas:

1. Financing and nonfinancing activities
2. Governance arrangements
3. Operational standards
4. Experiences of engagement in SDG activities

The section concludes with a discussion of best practices for SDG-oriented financing as reported by IDFC members, and the barriers to progress identified by the group. Member reporting reveals common issues as well as a diversity of experience. Case studies of best practices are included throughout the section.

Appendix A gives the mission statement of each IDFC member described in this report, and Appendix B presents an institutional snapshot of each of these members.

26. A note on methodology: Reporting in this section relies on the results of a survey instrument that was sent to the IDFC membership in May 2018. Of the 22 institutions, 19 responded to the survey with partial or complete responses. In order to address gaps in reporting, we supplemented survey responses with data from public sources, such as institution websites, annual reports, and investor presentations. Currency conversion was also used for comparison purposes. Not all graphical presentations in this section reflect complete information for all IDFC institutions.

Financing and Nonfinancing Activities

Measured on an asset basis, IDFC members in aggregate represent a far larger share of development financing globally than do the core multilateral development banks (MDBs)—\$3.8 trillion compared with \$1.5 trillion (see Figure 6). China Development Bank (CDB) alone has significantly more assets under management than the MDBs as a group. Setting aside CDB, the balance of IDFC assets is roughly on par with core MDB assets. More than anything else, this scale of official finance points to the potential power of the IDFC as an organizing platform when it comes to the SDG agenda.

Among possible financial instruments, IDFC members rely almost exclusively on loans, with a very small share of resources devoted to guarantees, equity, grants, and technical assistance (see Figure 7). The reliance on lending mirrors the experience of other leading DFIs, such as the International Finance Corporation, which have had little take-up of guarantees or equity stakes. This overall allocation of funds points to an area of policy consideration about how best to leverage private-sector financing in support of the SDGs.

Figure 6. Total assets of IDFC member institutions compared with total assets of core MDBs (US\$ millions)

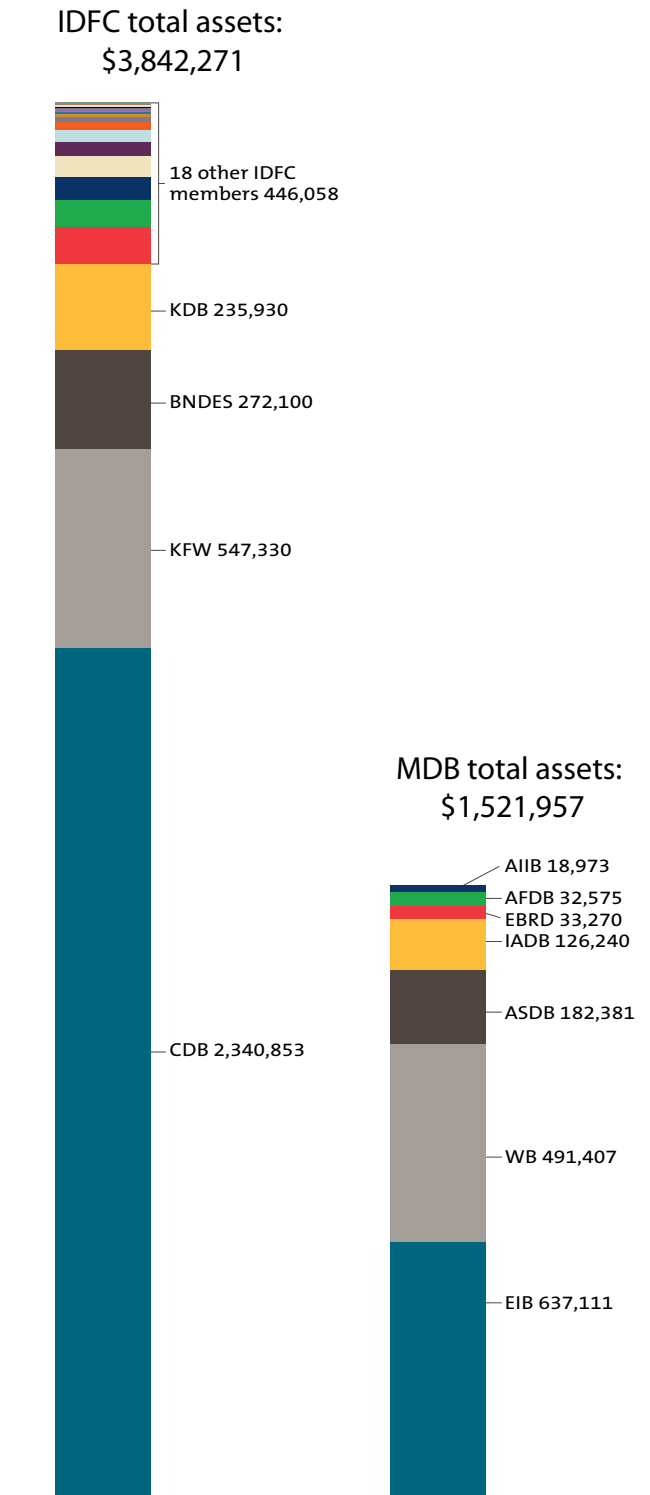
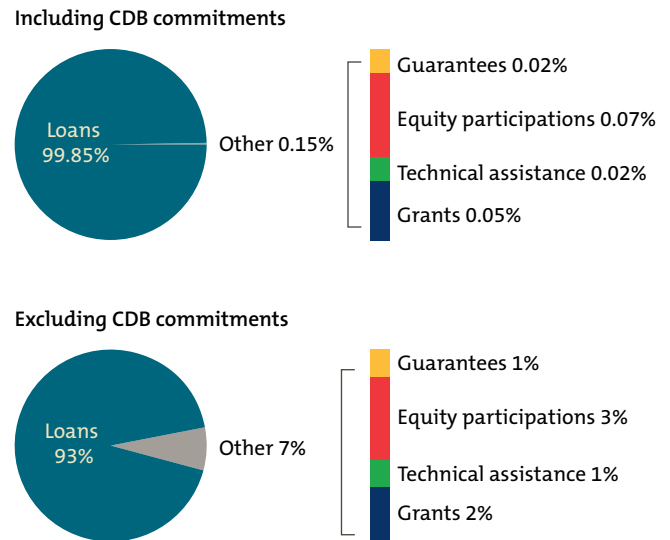


Figure 7. Total commitment amount by financial instrument



In contrast to the MDB system, which predominantly finances sovereign governments, IDFC members mostly support nonsovereign entities, and particularly private firms (see Figure 8). This pronounced engagement with the private sector speaks to their particular role in carrying forward SDG objectives around leveraging private financing. At the same time, the relatively small share of financing for sovereign governments may provide a misleading view of IDFC members' relevance for policymakers, since each member has direct ties to government in its governance arrangements.

Within the private sector, most IDFC financing (based on limited reporting) is in the form of corporate finance, although SME finance constitutes a very large minority of overall funding (see Figure 9). (Box 3 offers examples of best practices in financial product innovation and partnerships.)

With most lending terms for five or more years, the maturity structure of IDFC member loans (again based on limited reporting) suggests a strong

Figure 8. IDFC members’ total commitment amount by type of borrower

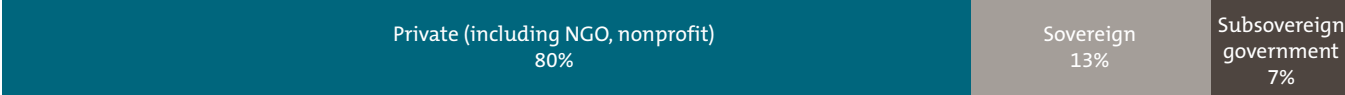


Figure 9. Components of IDFC members’ private-sector finance



commitment to longer-term engagements (see Figure 10). This distribution of lending terms suggests higher development value than, for example, financing activities dominated by short-term export credits.

A large majority of members offer preferential or concessional interest rates on loans in support of

certain sectors or activities (see Figure 11). The use of concessional finance suggests a high degree of receptivity to a public goods rationale for the members’ financing activities. In this regard, their business models may be particularly well suited to work at the nexus of private finance and SDG-driven public policies.

Box 3. Financial product innovation and partnerships

In 2014, the Japanese International Cooperation Agency (JICA) and the Bill & Melinda Gates Foundation signed an innovative financing agreement to support polio eradication in Nigeria. JICA provided a concessional loan of US\$77 million to the Nigerian government to support polio eradication efforts and help procure 476 million vaccine doses for children under the age of five. Under the agreement, the foundation will repay the loan to JICA on behalf of the Nigerian government if the project is successfully implemented. This “loan conversion” mechanism aims to support the government’s commitment to polio eradication without imposing a financial burden and provides strong incentives for effective program implementation by employing “outcomes”-based financing.

Banco Estado (BE) has introduced innovative financial products aimed at energy efficiency into Chile’s financial markets. Its EcoVivienda

“eco-housing mortgage” finances the purchase of new homes in Chile at a preferential rate applicable to houses that hold an energy classification higher than that required by Chilean law. This initiative is linked to an agreement signed in 2016 with KfW Bankengruppe.

In the SME market segment, BE has introduced a special funding product in energy efficiency for nonconventional renewable energies, developed with the Ministry of Energy and the Chilean Energy Efficiency Agency, which provide the technical analysis of the initiatives.

Similarly, Bancóldex has introduced a “sustainable development and renewable energy” loan that targets energy efficiency measures in Colombia’s business sector. Bancóldex is now extending this product to the service sector, focusing on sustainable transport and energy efficiency.

Figure 10. Maturity structure of IDFC members' loans



Figure 11. Percentage of IDFC members offering preferential interest rates to certain sectors



Similarly, a majority of the reporting institutions (with limited reporting) identify a range of non-financing activities, including technical assistance and policy dialogue (see Table 2). Again, this finding suggests significant fitness for purpose when it comes to bridging gaps between SDG policy objectives and private finance. (Box 4 highlights an example of a best practice in additionality in project finance.)

IDFC member financing by sector sees concentration in industrial and infrastructure-related sectors. Setting aside CDB financing, the remaining IDFC membership has significant engagement in a range of social sectors, including health and education (see Figure 12).

Geographic restrictions on IDFC financing vary, with a majority of funds allocated domestically (see Figure 13). This allocation reflects the varying governing arrangements of the IDFC members (see discussion below on governance arrangements). Just 11 percent of the total is allocated by bilateral funds like Agence Française de Développement (AFD), which provide financing only in other countries. Again, this strong bias toward domestic finance points to a particular strength in considering SDG relevance. At the same time, the mix of financing arrangements is fairly diverse overall, with significant funds allocated by institutions that operate both domestically and internationally.

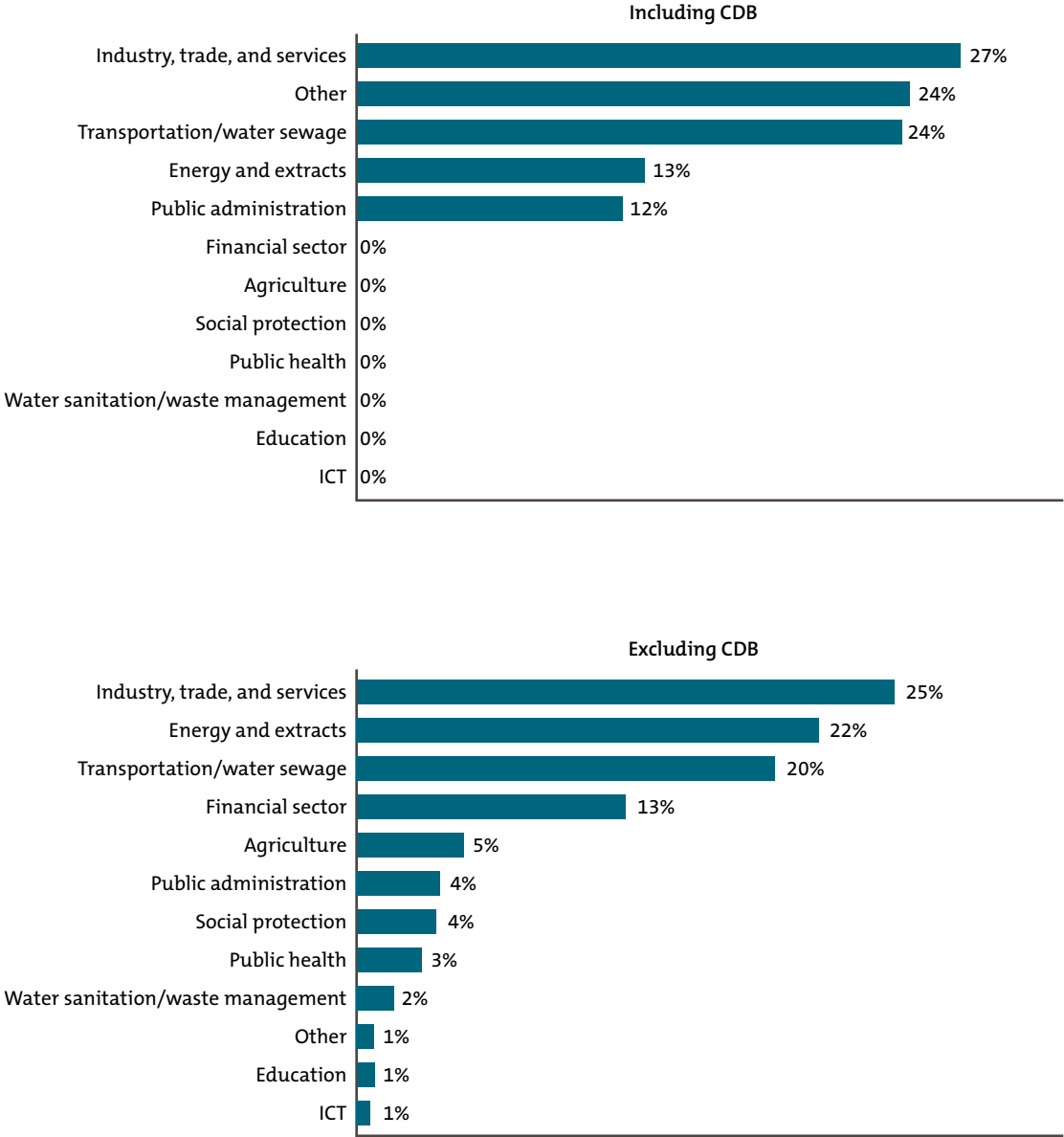
Box 4. Demonstrating additionality in project finance

The approach of Morocco's Caisse de Dépôt et de Gestion (CDG) to the Taghazout Bay resort development project demonstrates how broader development, environmental, and social objectives can be integrated in project design to achieve additionality in private investment beyond financial returns.

The Taghazout Bay development plan seeks to preserve natural, social, and cultural heritage. It is part of a cooperative partnership initiative that brings stakeholders together to achieve sustainable

development objectives, with commitments under multiple sustainability certifications. In a country experiencing high water stress, efforts have been made to limit water consumption. A treatment plant that will make it possible to reuse water for watering golf courses and green spaces is being developed. The resort's landscaping uses endemic species requiring very little water, a 100-hectare argan tree reserve has been preserved, and solar panels and LED lights are used in all public parking lots and exterior facilities.

Figure 12. Commitments by sectoral allocation, 2015–2017, including and excluding CDB commitments



Note: 0% represents under 1%.

The geographic distribution of IDFC member financing is biased toward Asia as a result of the scale of CDB financing (see Figure 14). Setting aside CDB, a leading focus on Latin America emerges. Both graphs in Figure 14 reveal the degree to which Africa is not a leading market for the membership as a whole, although the IDFC does include Africa-based and Africa-focused institutions.

To some extent, the relative disparity in funding in Africa poses a challenge for the SDG agenda generally, given the degree to which the poorest countries are concentrated within the region and the overall scale

Figure 13. Geographic restrictions on financing

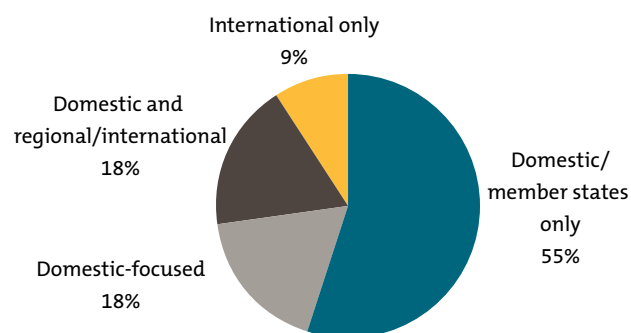
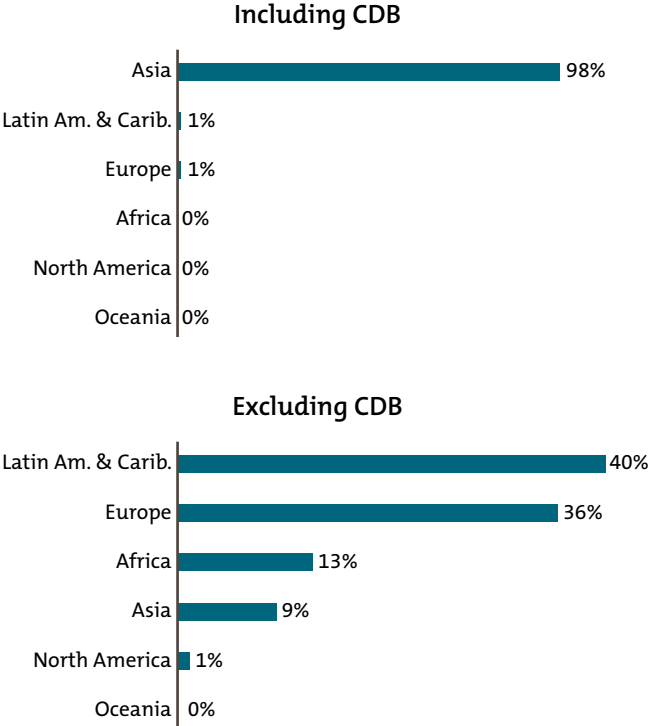


Table 2. Selected IDFC members' nonfinancing activities

IDFC Institution	Research	Policy Dialogue	Technical Assistance to Recipient Government	Technical Assistance to Entrepreneurs and SMEs	Financial Advisory/ Consulting Services	International Knowledge Sharing	Supporting Social Programs	Disaster Relief
AFD	x		x			x		
BE	x	x		x	x			x
Bancoldex		x		x	x			
BNDES	x	x	x	x	x		x	
BOAD	x		x					
BSTDB		x		x				
CABEI				x				
CAF	x	x	x					
CDG		x				x	x	
ICD	x	x	x	x	x			
JICA	x	x	x			x	x	x
KfW	x	x	x					
NAFIN				x		x		
TSKB					x			
VEB				x	x			

Figure 14. Commitments by region, including and excluding CDB commitments



of IDFC member financing (Box 5 provides an example of a best practice in IDFC engagement in fragile settings). The geographic distribution may also reflect the challenges of a larger scale of operations in low-income-country markets, which has been evident in the allocation of resources among other private sector-focused DFIs. The participation of Africa-led institutions within the IDFC points to the prospective value of the club in spurring development progress within the region, recognizing the particular value of regionally and nationally led strategies.

Box 5. Effective engagement in fragile settings

The Business Resilience Assistance for Value-Adding Enterprises (BRAVE) initiative of the Islamic Corporation for the Development of the Private Sector (ICD) in Yemen demonstrates development gains in the most challenging of fragile and conflict-affected environments. By focusing on risk management and crisis mitigation strategies for businesses seeking to operate in Yemen, ICD has reported strong interest in its initial phase of work in Sanaa, Aden, and Mukalla, with applications from over 1,200 firms. Phase 1 work has included training in developing business continuity plans for 528 firms, completion of such plans for nearly all of these firms, and additional grant support for 285 SMEs. ICD reports that the project has helped to build trust between participating banks and the target businesses, leading in some cases to direct financing from the banks.

Governance Arrangements

As reflected in the geographic restrictions, IDFC members vary considerably in their ownership and their operations in relation to ownership. Most of the members are national institutions, while six are multilateral, with ownership distributed across their respective member countries (see Table 3). Among the nationally owned institutions, some operate only domestically, some operate domestically and internationally, and one operates exclusively internationally. From this standpoint, the IDFC has a diverse membership that extends well beyond a collection of national development banks.

Among the multilateral institutions, ownership is mostly concentrated within the institutions' regions of operation (see Table 4). In this sense, they operate more as credit cooperatives for their country members than as donor-recipient institutions like the World Bank. That said, nearly all have some degree of nonregional ownership, and TDB in particular has a significant share of nonregional and/or nonclient owners.

In their governing bodies, both the multilateral and the national institutions demonstrate strong ties to governments, along with some diversity beyond their government ownership (see Figure 15). For example, some of the multilateral members include representatives of other regional institutions on their governing bodies. And among the national institutions, governing bodies typically include technical experts, private representatives, or representatives from subnational governments. (Box 6 provides an example of a best practice in IDFC policy engagement with government officials.)

The mission statements of IDFC members demonstrate a strong commitment to a broadly defined economic growth and development rationale for their activities, rather than any particular sectoral or issue focus. Some national institutions justify their activities in other countries according to national interests, as seen in VEB's mission statement: "to be a driving force of Russia's development through funding investment projects of national significance." Other institutions, such as KfW, target development in other countries as one of their leading objectives, as KfW indicates in its mission statement, which mentions "supporting economic and social progress in developing and transition countries." For a complete comparison of IDFC mission statements, see Appendix A.

IDFC members' policy priorities reflect the variety of economic activities that fall under the purview of a development finance mandate (see Table 5). While there are some areas of shared focus, in particular

Table 3. IDFC members included in the analysis, by institution type

Multilateral	National		
	Domestic Only	Blend	Int'l Only
<ul style="list-style-type: none"> • BOAD: West African Development Bank • BSTDB: Black Sea Trade and Development Bank • CABEI: Central American Bank for Economic Integration • CAF: Development Bank of Latin America • ICD: Islamic Corporation for the Development of the Private Sector • TDB: Eastern and Southern African Trade and Development Bank 	<ul style="list-style-type: none"> • BE: Banco Estado • CDG: Caisse de Dépôt et de Gestion • HBOR: Croatian Bank for Reconstruction and Development • NAFIN: Nacional Financiera • SIDBI: Small Industries Development Bank of India • TSKB: Industrial Development Bank of Turkey 	<ul style="list-style-type: none"> • AFD: Agence Française de Développement • Bancóldex • BNDES: Brazilian Development Bank • CDB: China Development Bank • COFIDE: Corporación Financiera de Desarrollo S.A. • DBSA: Development Bank of Southern Africa • KDB: Korea Development Bank • KfW: KfW Bankengruppe • VEB: Vnesheconombank 	<ul style="list-style-type: none"> • JICA: Japan International Cooperation Agency

Table 4. Ownership structure of multilateral IDFC member institutions

BOAD	
Central Bank of West African States (BCEAO)	46.86%
Benin	5.86%
Burkina	5.86%
Cote D'Ivoire	5.86%
Guinea Bissau	5.86%
Mali	5.86%
Niger	5.86%
Senegal	5.86%
Togo	5.86%
France	3.48%
Non-regional shareholders with >3% ownership	2.80%

BSTDB	
Russia	16.50%
Turkey	16.50%
Greece	16.50%
Romania	14%
Bulgaria	13.50%
Ukraine	13.50%
Azerbaijan	5.00%
Regional shareholders with >3% ownership	4.00%

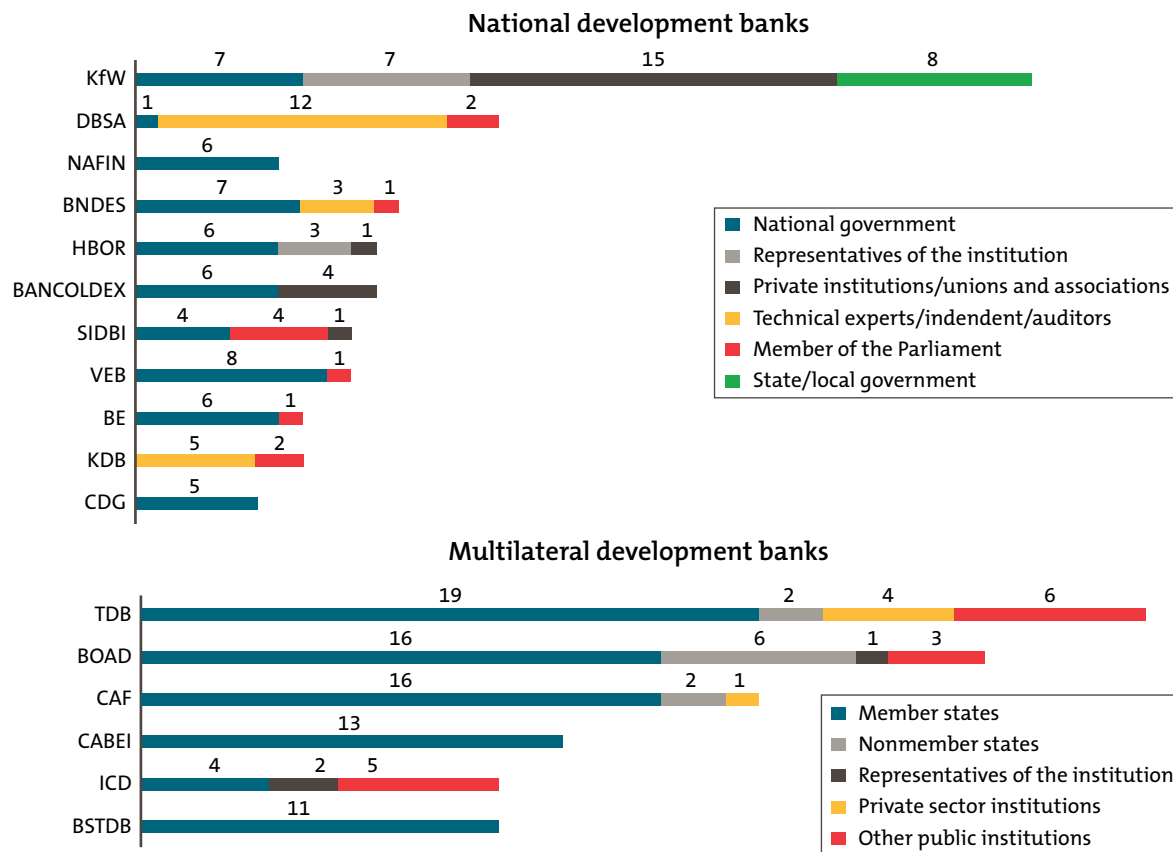
CABEI	
Guatemala	11.85%
El Salvador	11.85%
Honduras	11.85%
Nicaragua	11.85%
Costa Rica	11.85%
Taiwan	11.62%
Mexico	7.11%
Panama	5.13%
Dominican Republic	5.04%
Spain	4.65%
Argentina	3.36%
Colombia	3.36%
Belize	0.48%

ICD	
Member countries	50.30%
Islamic Development Bank	38.30%
Public financial Institutions	11.20%

TDB	
Regional shareholders with >3% ownership	25.50%
China	9.10%
Uganda	8.70%
African Development Bank (AfDB)	8.37%
Rwanda	6.20%
Mauritius	5.90%
Egypt	5.68%
Ethiopia	5.68%
Kenya	5.68%
Zimbabwe	5.52%
Tanzania	5.49%
Non-regional and institutional shareholders with >3% ownership	5.00%
OPEC Fund for International Development	3.19%

CAF	
Peru	17.98%
Colombia	17.01%
Venezuela	16.95%
Argentina	9.47%
Brazil	8.84%
Ecuador	5.34%
Bolivia	5.30%
Spain	4.36%
Non-member shareholders with >3% ownership	3.79%
Uruguay	2.96%
Panama	2.84%
Paraguay	2.79%
Trinidad & Tobago	2.38%

Figure 15. Board of directors composition, MDBs and selected national development banks



Box 6. Effective policy engagement through dialogue and technical assistance

Although IDFC members are predominantly engaged in development finance, they may also help to shape policy at the national and subnational levels, suggesting a potential for broader engagement in the future. The Brazilian Development Bank (BNDES) works closely with the Brazilian government and several stakeholders in the development of sectoral, industrial, and public policies. For instance, BNDES played an important role in the development of the newly released Brazilian National Strategic Plan (Estratégia Nacional de Desenvolvimento Econômico e Social),^a prepared jointly with the Brazilian Ministry of Planning.

BNDES also supports local governments on project preparation initiatives, providing advisory services

to public entities. It supports diverse privatization projects, such as public concessions, public-private partnerships, and privatization at any government level (federal, state, and municipal). BNDES participation covers almost every stage of the process, from prefeasibility studies to the bidding documents and financial closing of public-entity contracts with private partners. The Brazilian government has been working to encourage long-term partnerships between the public and private sectors, aiming at better-quality services and adequate infrastructure for its citizens.^b

a. www.planejamento.gov.br/desenvolvimento-socioeconomico-estrategia-nacional/estrategia-nacional-e-sumario-executivo/estrategia-nacional.

b. For more information, see BNDES 2018, 57–58.

infrastructure development, each member institution has the flexibility to embrace priorities that address institutional strengths and national or regional needs.

Operational Standards

Most national institutions within the IDFC membership are under the regulatory supervision of an external financial authority (including banking

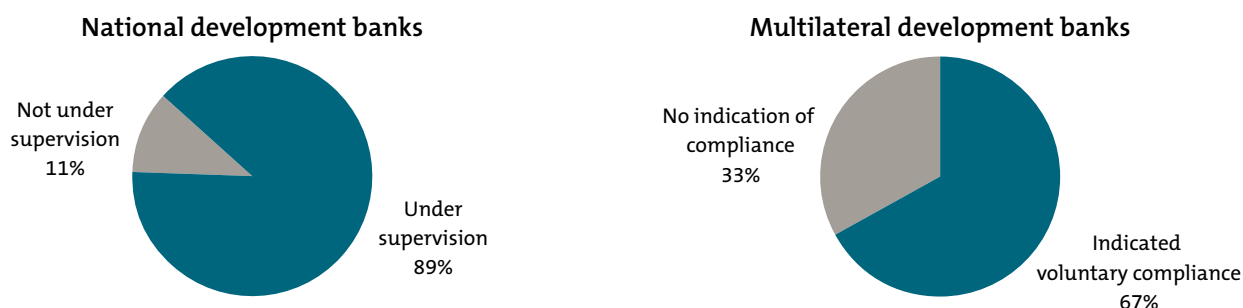
regulators or other supervisory bodies), reflecting the fact that most of these institutions operate domestically. Among the multilateral institutions, two-thirds comply voluntarily with various types of regional and international standards, regulations, and reporting (see Figure 16).

Limited reporting on standards associated with loan pricing suggests alignment with “market pricing” principles, which generally appears to mean that

Table 5. Policy priorities of IDFC member institutions

	Environmental Concerns/ Green Finance	Financial Sector Development	Micro, Small, and Medium Enterprises	Gender Equality	Export Sector/Trade Finance	Infrastructure	Human Development	Private Sector Development/ Cofinancing	Strengthening International Relationships	Innovation	Other
AFD	x						x				x (SDGs)
Banco Estado	x	x	x	x							
Bancóldex	x		x		x						
BNDES	x		x		x	x	x	x			
BOAD				x		x		x			
BTSDB			x		x				x		
CABEI	x	x				x	x	x			
CAF	x	x				x	x			x	
CDB	x					x					x (Urbanization)
CDG		x						x			x (Tourism)
COFIDE		x	x			x					
DBSA						x					
HBOR	x	x	x		x	x		x			
ICD								x			
JICA							x		x		
KfW		x	x		x	x	x				
NAFIN		x	x	x							
SIDBI	x		x								
TDB					x	x					
TSKB	x		x			x					
VEB					x	x				x	x (Digital Economy)

Figure 16. Percentage of IDFC member institutions under supervision of an external financial authority or indicating voluntary compliance with regional and/or international regulations and reporting



pricing is based on the institution’s cost of borrowing, a determined risk spread, and overhead (see Table 6). As indicated earlier, some institutions report preferential terms for some lending activities, but most appear to operate in a manner that seeks to preserve capital and/or achieve profitability.

All IDFC members report the use of environmental and social safeguards (ESS), with most either aligned

with international standards or working toward those standards (see Table 7). Some members also report that they are aligned or compliant with domestic standards in these areas. Revealed in this reporting are clear mandates to provide safeguards alongside a wide range of practice and standards in this regard. (Box 7 describes how BOAD, accredited by the Green Climate Fund, is supporting climate resilience in its region.)

Table 6. Loan conditions and pricing, selected IDFC institutions

IDFC Institution	Standard Loan Conditions	Factors Determining Loan Pricing
BE	Varies based on risk and compliance requirements, following Chilean regulations	Fixed for consumer finance, floating for mortgage and commercial loans. Based on market conditions.
BNDES	Primarily long-term rate, plus risk spreads and margin rates depending on the project sector and the partner	Fixed rates, determined by risk spread, cost of funds/project, BNDES’s operating costs
BOAD	Concessional and nonconcessional, with deferrals available depending on project sector and market conditions	Rates are fixed. For concessional loans, the project/funding cost, exchange risk, and operating cost margin. For nonconcessional, the same components as for concessional loans, plus credit risk margin and a commercial margin that depends on loan type
BSTDB	Conditions vary, follows MDB practices	Most floating, sometimes fixed. Cost of funds, covering costs, risk margin, and term risk. Country risk can also be considered.
CAF	Loans to public entities must have sovereign guarantees. Private entities generally must have bank or other guarantees.	Most floating. Cost of funds plus spread covering operational costs and credit risks, plus loan origination fee
ICD	ICD cannot be a majority financier to the project.	Market based
KfW	Varies by project, credit rating, business section	Market based
VEB		Source of funding, foreign exchange risk, project costs

Among those reporting, a significant majority restrict lending according to public-interest principles (see Figure 17). Sectors or activities identified as ineligible for investment include gambling enterprises, arms trade, tobacco, mining, and any activity with identified negative environmental externalities. Reported prohibitions reveal a wide array of sectors and activities, and

in practice, restricted sectors for some IDFC members may in fact constitute significant areas of investment for others.

The question of debt sustainability when it comes to cross-border lending practices represents a mixed picture for IDFC members. While sovereign lending or

Table 7. IDFC member institutions that follow ESS

	Uses ESS	Aligned with International Standards	Partially Adopted / Working Toward International Standards	Compliant with Domestic/Regional Standards	Green Climate Fund Accredited
AFD	x	x			x
Bancóldex	x		x		
BE	x		x	x	
BNDES	x		x	x	
BOAD	x			x	x
BSTDB	x	x			
CABEI	x	x		x	x
CAF	x		x		x
CDB	x		x		
CDG	x				x
DBSA	x	x		x	x
HBOR	x		x	x	
ICD	x	x			
JICA	x	x			x
KDB	x	x		x	x
KfW	x	x		x	x
NAFIN	x		x	x	
SIDBI	x			x	x
TDB	x			x	
TSKB	x	x			
VEB	x			x	

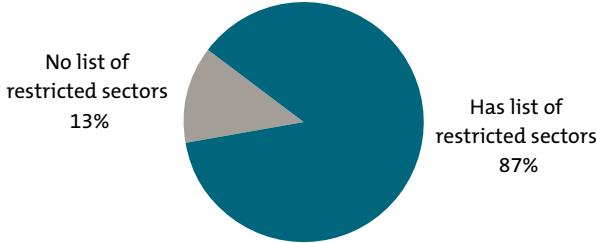
Box 7. Regional partnerships to achieve climate resilience

The West African Development Bank's (BOAD's) work on climate strategies in the agriculture sector demonstrates how regionally led initiatives can partner effectively with other international actors.

BOAD has joined a partnership with the West African Economic and Monetary Union member states and other technical and financial partners to work in West Africa for climate-smart agriculture. The initiative aims to strengthen the capacity of agricultural systems to contribute to food security by integrating the need for climate change adaptation and mitigation potential into sustainable agriculture development strategies.

BOAD has been accredited by the Green Climate Fund, an international climate finance mechanism, as a regional partner. As part of BOAD's environmental and climate strategy for 2015–2019, it is working through these partnerships to leverage its financing and operational ties within West Africa. To date, BOAD has supported the development of three projects for the promotion of climate-smart agriculture by the Adaptation Fund (a funding mechanism established under the UN Framework Convention on Climate Change), two of which are national (in Niger and Guinea Bissau) and one regional (in Benin, Burkina Faso, Ghana, Niger, and Togo).

Figure 17. Percentage of IDFC member institutions restricting financing to certain sectors



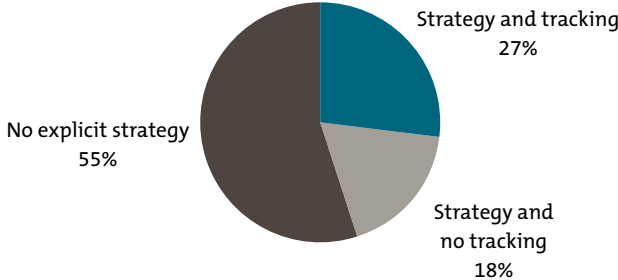
lending with sovereign guarantees represents a minority of financing activities, private lending activities do have implications for overall sovereign debt risks. A majority of the IDFC’s bilateral lenders are not members of the Paris Club of creditors, including CDB, which accounts for a large majority IDFC lending. The IDFC’s multilateral members generally report internal standards for ensuring sustainable financing with no reported linkages to the debt sustainability framework of the International Monetary Fund and the World Bank.

Experiences of Engagement in SDG Activities

A minority of IDFC members have an identifiable SDG framework or strategy that informs operations (see Figure 18). Fewer still track operations according to an SDG strategy.

Even so, there is a high degree of alignment between reported IDFC activities and the SDGs (see Figure 19). IDFC members report some degree of relevance for all the SDGs except for SDG 16, “Peace, Justice, and Strong Institutions.” SDGs related to infrastructure, industry, and environmental goals are most commonly identified among IDFC members, consistent with the patterns of financing identified earlier in this report.

Figure 18. Percentage of IDFC member institutions with SDG strategies and tracking mechanisms



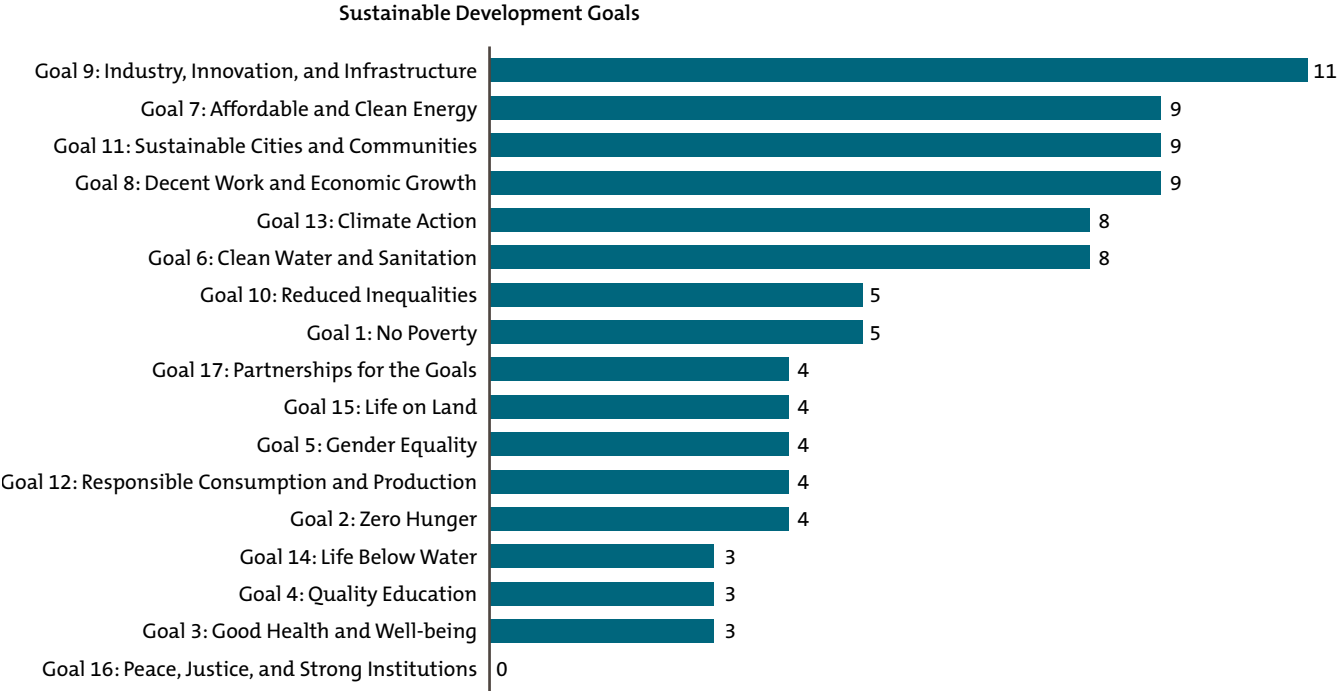
Best Practices Overview

IDFC members have demonstrated a variety of best practices, with key strengths emerging in climate, SMEs, partnerships, nonfinancial activities, and financial product innovations. We summarize those experiences here, reflecting highlights from the specific case studies portrayed earlier in this section.

Members reported significant engagement in SME finance as an important channel for development progress around key objectives such as climate change mitigation and gender equality. For example, NAFIN, through its Sustainable Projects Unit, has prioritized climate mitigation actions among SMEs through energy efficiency investments.

Around these same objectives, there are multiple successful examples of innovative approaches to financing, such as green and social bond issuances. National institutions such as TSKB, Bancóldex, and BE report being first or early movers in the issuance of these types of bonds for their countries. AFD identifies innovation and diversity in its offerings of financing instruments as a key objective and strength, with leading examples of guarantee instruments for SME finance, and integrated offerings of financing and technical support to promote sustainable use of natural resources.

Figure 19. Number of IDFC institutions active within each SDG



Nonfinancing activities emerged as a key category of best practice, with members reporting technical assistance in various forms, including training programs, as key to ensuring success in the institution’s project finance and to supporting overall development progress in the country and sector of operation. Although leadership on knowledge products is not common among the membership, some reported significant research activities, and considerable reach and influence in informing the development community globally. For example, AFD has partnered with the United Nations Development Programme (UNDP) to identify approaches that would better diversify financing instruments and improve vulnerability management in low-income countries.

Institutional partnerships were cited as important to leveraging the IDFC members’ financing and expertise by working with complementary partners (in terms of geographic strengths or sector expertise), with

examples of partnerships among IDFC members themselves and with other development partners, including UNDP, MDBs, and the Bill & Melinda Gates Foundation.

Barriers to Development Progress Identified by IDFC Members

IDFC members reported a large number of barriers to progress on the SDGs, both pertaining to their own ability to engage and more broadly.

There is an identified **lack of clear and comprehensive SDG strategies** within countries that can serve as useful guides for various development finance actors. As a result, there can often be overlap and lack of knowledge about the activities of multiple actors in the same space. Relatedly, there is too little coordination within regions (across countries) and across sectors to pursue development strategies in an integrated fashion.

A **lack of capacity** generally has been a barrier to progress. This includes a general lack of technical capacity within governments and weak market capacity in assessing project risk, particularly for environmental projects. Relatedly, markets are **underserved by data** related to climate.

Members reported that **market conditions are very weak** in some cases, describing isolated geographies, lack of hard and soft infrastructure, and weak human capital. These all constitute clear barriers to private investment in support of the SDGs.

The **water supply and sewage sector** was identified as particularly prone to **weak and inherently complex regulatory, institutional, legal, and credit environments**, all of which combine to create significant barriers to progress.

Logistics infrastructure was identified as critical to SDG progress, particularly in geographically large markets and countries. The lack of long-term planning and coordination between public and private actors was identified as a key weakness in this regard.

Members identified a **lack of concessional finance** as a barrier to enabling project preparation, pursuing technical capacity building, and supporting sectors in which market returns may be limited. Similarly, the **lack of fiscal space** in governments was identified as a critical barrier.

Members pointed to constraints on DFIs, particularly multilateral institutions, due to the **assessment standards of credit rating agencies**. Relatedly, they pointed to the need for more balance sheet and other financial innovations to create more lending headroom in light of constraints driven by credit ratings.

Members identified **attitudes within DFIs** that view the SDGs as more of an obstacle to financing than a core business goal. This may be attributed to a lack of senior-level support for the goals as well as a lack of technical capacity in translating the goals into a strategic and operational framework.

Section 3.

The Agenda Ahead: Considerations and Recommendations

This report has sought to set an SDG context for the activities of IDFC member institutions (Section 1) and to identify the “footprint” and perspectives of IDFC members when it comes to the SDGs (Section 2). In this final section, we consider the degree to which the IDFC members could be better aligned with the SDGs, and in particular, the role the IDFC itself could play as a coordinating platform for its members and a coordinating mechanism between the membership and other SDG-related actors internationally.

Adopting SDG Frameworks and Tracking

It is evident that IDFC members have a **high degree of relevance** for the SDGs in their existing operations and a **low degree of SDG-determined strategy**. Few of the members reported using an SDG framework to help drive operational strategy or to track financing activities. This does not necessarily constitute a failure on the part of these institutions. After all, the SDG strategies themselves are intended to be nationally driven, and the missions, strategies, and operations of the IDFC’s national members are already in a sense a reflection of national strategies. Further, the mapping of current IDFC operations demonstrates a great deal of SDG-relevant financing and engagement.

That said, IDFC members should consider the degree to which an explicit adoption of the SDGs as an input into strategy and operations could help to identify gaps and opportunities consistent with their existing missions and strategies. IDFC members themselves identified the lack of such frameworks and coordination across SDG-relevant actors as a key barrier to development progress. Given the substantial financial footprint of the IDFC members, coordinated adoption of SDG frameworks—coordinated across the membership but also in coordination and consultation with their national authorities and other international actors—would mark a major step forward for the SDG policy agenda internationally.

Even a simplistic framework for each institution could provide the basis for SDG tracking activities. This report has offered basic reporting on the alignment of current IDFC member activities with the SDGs. Each institution could carry this type of reporting forward with more deliberate and detailed efforts to classify projects and programs according to the goals.

As with the work of the IDFC to date to survey its members on key questions and to convene around key agendas, the club secretariat would likely need to play a strong coordinating role in seeking member commitments to adopt SDG frameworks and tracking

mechanisms. A working group could be tasked with identifying the methodology and elements for a common template, in consultation with leading policy actors in the SDG community.

Pursuing a Broader SDG Mandate for the IDFC

Despite a founding mandate defined broadly around global development goals, the focus of the IDFC to date has been narrower. By focusing primarily on green finance, the club has been a highly visible leader in climate and related multilateral forums. Yet, consistent with its broader mandate, the missions and operations of its members point to a broader relevance for the development community. Members should consider the degree to which they wish to make the club a meaningful platform for coordination, deliberation, and visibility in the broader SDG agenda. As with the reporting conducted for this study, as well as the proposal for SDG frameworks, a broader agenda implies a wider set of demands on members. It also suggests that IDFC members could be asked to deliberate on issues, some sensitive, that have not been invoked in discussions to date, such as data transparency, broadly defined, or debt sustainability standards.

A decision by IDFC members to support a broader operational mandate implies a more robust secretariat to support a wider range of reporting activities, information gathering, agenda setting, and convening. It is beyond the scope of this report to consider all relevant details here, but the prospect suggests the need to consider questions of budget and organization, with various models to draw on from other contexts.

Considering the Elements of a Broader IDFC Agenda

It is worth considering what a broader set of issues and activities might look like. We offer a short list of examples here:

Collaborative annual reporting. Moving toward routine and standardized reporting would mark a major commitment and contribution by the IDFC to the SDG agenda. Building on the survey elements of this report, the IDFC should consider an annual SDG report in a manner that allows for comparison over time. A sustained commitment to consistent data reporting would greatly increase the visibility and relevance of the IDFC and its members in the SDG policy community.

Dialogue and deliberation on standard setting and operational strategies. IDFC members have defined key barriers to development progress to include weak capacity in countries and markets of operation, as well as a lack of concessional finance to support critical functions such as training and project preparation. IDFC should consider whether its members could use the club to explore collective commitments around levels of technical assistance or grant-based allocations (where relevant to the institution's financial model).

Similarly, the diversity of approaches to environmental and social standards and to procurement standards suggests there would be value in dialogue around these issues, both in sharing practices and in considering the feasibility of common principles or standards, whether specific to the IDFC or aligned with other standard-setting bodies.

Project collaboration. Members reported examples of project- and sector-level collaboration. They could build on these cases by considering whether the IDFC could be a platform to explore project and sector partnerships, both among the membership and with other development finance institutions (DFIs). Those with a track record of collaboration could play a leadership role in this regard.

Collaboration with other development finance platforms. With a stronger mandate from its members, the IDFC should also explore opportunities for collaboration and coordination with other international development platforms in SDG-relevant areas. The multilateral development banks (MDBs) have a long

history of project- and policy-level coordination, and thus present the greatest potential for “value added” for the IDFC both in giving and receiving input and guidance. MDBs stand to learn more from the experience of IDFC members, and the MDBs themselves can provide guidance on cross-institutional standard setting and financial innovation, such as resource pooling and risk-swap arrangements.

Information beyond anecdote on best practices in blended finance. IDFC members could benefit from greater information sharing about what works and what doesn’t in development practice, particularly on issues like blended finance. Case studies are helpful in informing all IDFC members, but there would be greater utility in stronger commitments to in-depth monitoring and evaluation at the project level and on an aggregated basis. Reporting beyond limited measures of financial commitments and financial rates of return remains weak among DFIs. The IDFC could prove a useful platform for considering the budgeting and organizational requirements to enable sounder measures of development impact by its members.

Prioritizing learning from investments in fragile settings. When it comes to best practice in development finance, fragile and conflict settings represent the hardest cases with the greatest knowledge gaps. For

countries defined by fragility and conflict, the experience of development finance is limited, with most external support coming in the form of grants and humanitarian relief. Too little is known about successful approaches to engaging the private sector in these settings. The diversity of IDFC members suggests a deeper knowledge base on this set of questions than may reside elsewhere in the international system. A deliberate commitment to consider and report on this topic would make a substantial contribution to development knowledge and progress.

Conclusion

The IDFC represents a unique model for the international development system, defined by a diverse set of institutions with a strong country-led focus and private-sector orientation. To date, the club has demonstrated strong leadership on the climate finance agenda. But its full potential has been underexploited on the broader development agenda reflected in the SDGs. Through a greater commitment to a range of new activities within the club, the IDFC’s members could demonstrate the value of organizing around national, bilateral, and multilateral development institutions to address the leading development challenges in the years ahead.

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Appendix A.

IDFC Members' Mission Statements

AFD	To finance international development projects and programs in foreign countries and French territories as directed by the Committee for International Cooperation and Development
Banco Estado	To assist Chile in becoming a more inclusive and equitable country with opportunities that reach everyone
Bancóldex	To drive the Colombian entrepreneurial sector's productivity through innovation, modernization, and internationalization within the framework of social responsibility
BNDES	To enable financial solutions that add investments for the sustainable development of Brazil
BOAD	To promote the balanced development of the member states and to contribute to the achievement of the economic integration of West Africa
BSTDB	To promote economic development and regional cooperation in the Black Sea region
CABEI	To promote the economic integration and the balanced economic and social development of the Central America region
CAF	To foster and promote economic development, social development, and integration within the shareholder countries through the efficient use of financial resources in conjunction with both private sector and public sector entities
CDB	To enhance national competitiveness and improve peoples' livelihood
CDG	To collect and secure regulated savings which are then channeled towards profitable and growth-generating investments
COFIDE	To be the motor of sustainable and inclusive development of Peru, boosting the country's productivity and competitiveness through financial services
DBSA	To advance the development impact in the region by expanding access to development finance and implementing sustainable development solutions to improve the quality of life of individuals; support economic growth; support regional integration; and promote the sustainable use of scarce resources
HBOR	To provide support for the creation of new values for the purpose of enabling the sustainable and even development in all areas of Croatia; carries out a threefold role of development bank, export bank, and export credit insurance agency
ICD	To complement the role played by the Islamic Development Bank through the development and promotion of the private sector as a vehicle for boosting economic growth and prosperity
JICA	To work on human security and quality growth in accordance with the Development Cooperation Charter of Government of Japan

(continued)

IDFC Members' Mission Statements (continued)

KDB	To supply and manage major industrial capital to help develop Korean industries and the national economy
KfW	To support change and encourage forward-looking ideas by promoting domestic investments; financing German and European companies to compete in global markets; and supporting economic and social progress in developing and transition countries
NAFIN	To promote the economic development of Mexico by facilitating access to finance and other entrepreneurial development services for micro, small, and medium enterprises; to encourage innovation, foster productivity, competitiveness, job generation and regional growth on behalf of the federal government
SIDBI	To facilitate and strengthen credit flow to micro, small, and medium enterprises (MSMEs) and address both financial and developmental gaps in the MSME eco-system
TDB	To be at the forefront of extending reliable financial and non-financial services to advance trade, development, and regional economic integration through customer-focused and innovative instruments
TSKB	To create value for the inclusive and sustainable development of Turkey through financing and consultancy solutions powered by its experience in development and investment banking
VEB	To be a driving force of Russia's development through funding investment projects of national significance, which helps to diversify Russia's economy and enhances its efficiency; this economic enhancement provides an impetus for serious social transformations in the country

Appendix B.

Institutional Snapshots

This section presents institutional snapshots of each member of the IDFC to give an overview of each individual institution. Information in this section relies upon direct reporting and publicly available data to map the landscape of IDFC activities.

Agence Française de Développement (AFD)

Established: 1941 | HQ: Paris, France | Total assets: \$59.6 billion

NATIONAL—BLEND

Policy Overview

Mission

To finance international development projects and programs in foreign countries and French territories as directed by the Committee for International Cooperation and Development.

Policy Priorities

1. Poverty eradication
2. Sustainable Development Goals
3. Paris Agreement and protection of global public goods

External Regulation

The bank is under the supervision of the French Prudential Supervisory Authority, which operates under the Banque de France.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: AFD operates exclusively in foreign countries and nondomestic French territories.

Nongeographical: AFD has a list of restricted sectors.

Safeguards

The bank follows International Finance Corporation performance standards and the World Bank Environmental and Social Framework.

SDG Priorities

Goal 1	Goal 6	Goal 10	Goal 14
Goal 2	Goal 7	Goal 11	Goal 15
Goal 3	Goal 8	Goal 12	Goal 16
Goal 4	Goal 9	Goal 13	Goal 17
Goal 5			

SDG Tracking

AFD has a temporary internal SDG monitoring and evaluation framework; the bank is currently transitioning to a new framework for budgetary and sectoral targeting.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

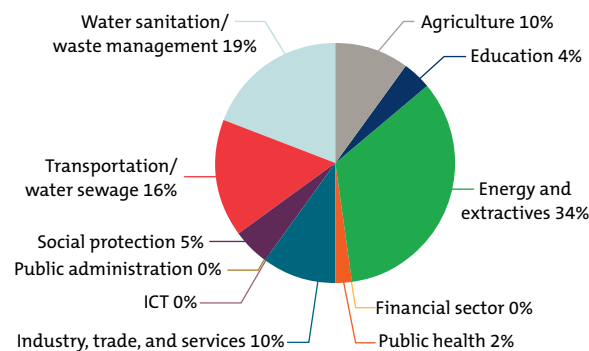
Loans (\$6,164), Grants (\$796), Equity Participations (\$458), Guarantees (\$157)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Africa	\$4,060
Asia/Middle East & N. Africa	\$2,726
Europe	\$1,850
Latin America & Caribbean	\$1,375

Maturity Structure of Loans	Collection from Loans
Short term	33%
Mid term	40%
Long term	27%

Type of Borrower	2015	2016	2017
Sovereign	\$3,705	\$4,462	
Private (inc. nongov. org., nonprofit, etc.)			
Subsovereign government	\$1,619	\$1,843	

Allocation by Sector (2015–2017)



Banco Estado (BE)

Established: 1953 | HQ: Santiago, Chile | Total assets: \$61.6 billion

NATIONAL—DOMESTIC

Policy Overview

Mission

To assist Chile in becoming a more inclusive and equitable country with opportunities that reach everyone.

Policy Priorities

1. Financial inclusion
2. Funding small and microenterprises
3. Green finance
4. Empowering female entrepreneurs

External Regulation

The bank is under the supervision of the Superintendence of Banks and the Chilean Central Bank.

Preferential Interest Rates

Banco Estado offers preferential interest rates to finance green mortgage loans.

Project Eligibility Criteria

Geographical: The bank operates exclusively in the domestic Chilean market.

Nongeographical: Banco Estado has a list of restricted sectors.

Safeguards

As of 2017, Banco Estado has developed an internal social and environmental risk policy for use in evaluating investment projects. This policy incorporates elements of national and international standards.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

All Banco Estado initiatives are linked to an applicable SDG.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

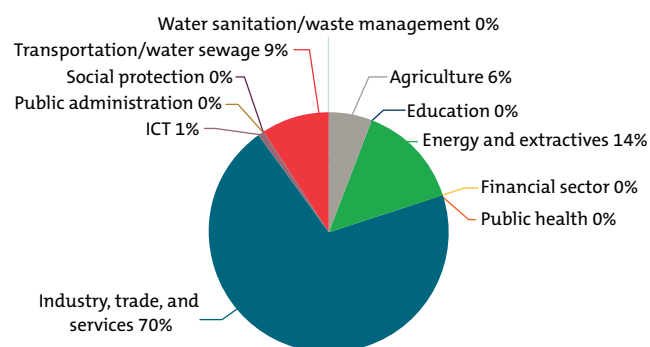
Loans (\$30,566)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Latin America & Caribbean	\$30,566

Maturity Structure of Loans	Collection from Loans
Short term	22%
Mid term	52%
Long term	26%

Type of Borrower (Private)	2015	2016	2017
Corporate	67%	64%	62%
Small/medium enterprises	25%	26%	27%

Allocation by Sector (2015–2017)



Bancóldex

Established: 1991 | HQ: Bogotá, Colombia | Total assets: \$2.4 billion

NATIONAL—BLEND

Policy Overview

Mission

To drive the Colombian entrepreneurial sector's productivity through innovation, modernization, and internationalization within the framework of social responsibility.

Policy Priorities

1. Export sector
2. Microenterprises and microfinance institutions
3. Green finance

External Regulation

The bank is under the supervision of the National Financial Regulatory Entity.

Preferential Interest Rates

Bancóldex offers special credit lines to some sectors, such as export-oriented businesses and small enterprises; however, these investments carry market rates with soft conditions.

Project Eligibility Criteria

Geographical: The bank supports Colombian companies' activities domestically and abroad, as well as supporting interbank lending in other Latin American countries.

Nongeographical: Bancóldex has a list of restricted sectors.

Safeguards

Bancóldex is developing an internal environmental and social policy that incorporates the Equator Principles and World Bank standards. At the national level, Colombia has no regulations on environmental and social risk.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

No current systematic method of tracking SDG progress.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$323), Equity Participations (\$47)

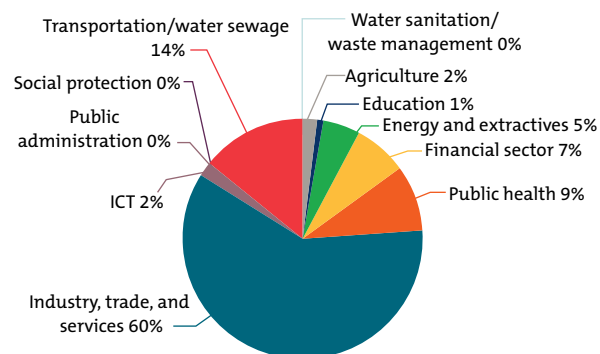
Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Latin America and Caribbean	\$370

Maturity Structure of Loans	Collection from Loans
Short term	8%
Mid term	29%
Long term	63%

Type of Borrower	2015	2016	2017
Sovereign			
Private (inc. nongov. org., nonprofit, etc.)	\$1,404	\$1,198	\$1,142
Subsovereign government			

Private Borrower Types	2015	2016	2017
Corporate	\$209	\$331	\$415
Small/medium enterprises	\$689	\$614	\$694
Financial services	\$506	\$253	\$33
Project finance			

Allocation by Sector (2015–2017)



Brazilian Development Bank (BNDES)

Established: 1952 | HQ: Brasilia, Brazil | Total assets: \$272.1 billion

NATIONAL—BLEND

Policy Overview

Mission

To enable financial solutions that add investments for the sustainable development of Brazil.

Policy Priorities

1. Infrastructure
2. Production structure
3. Education, health, and safety

External Regulation

The bank is under the supervision of the Federal Audit Court, the Ministry of Transparency, and the Brazilian Central Bank.

Preferential Interest Rates

BNDES offers preferential interest rates to sectors in energy (solar), inclusive connectivity, corporate social security, sanitation, and professional qualification.

Project Eligibility Criteria

Geographical: The bank exclusively supports Brazilian companies' activities domestically and abroad.

Nongeographical: BNDES has a list of restricted sectors.

Safeguards

BNDES has an internal social and environmental responsibility policy that aligns with national and regional standards; the bank signed an agreement in 2017 with the International Finance Corporation to begin working toward international standards.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

No current systematic method of tracking SDG progress.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$29,207), Equity Participations (\$271), Grants (\$130)

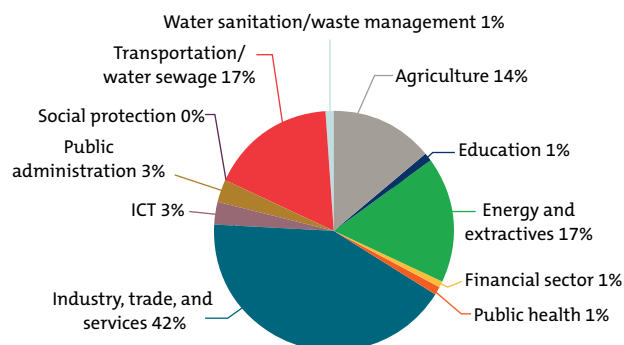
Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Latin America and Caribbean	\$28,534
North America	\$988
Africa	\$77
Asia/Middle East & N. Africa	\$9

Maturity Structure of Loans	Collection from Loans
Short term	4%
Mid term	2%
Long term	94%

Type of Borrower	2015	2016	2017
Sovereign	\$6,456	\$4,435	\$4,074
Private (inc. nongov. org., nonprofit, etc.)	\$192,372	\$163,537	\$159,104
Subsovereign government	\$14,354	\$14,574	\$15,324

Private Borrower Types	2015	2016	2017
Corporate	\$21,649	\$13,600	\$9,166
Small/medium enterprises	\$11,480	\$7,806	\$9,286
Financial services			
Project finance	\$2,610	\$1,506	\$1,979

Allocation by Sector (2015–2017)



West African Development Bank (BOAD)

Established: 1973 | HQ: Lomé, Togo | Total assets: \$4.0 billion

MULTILATERAL

Policy Overview

Mission

To promote the balanced development of the member states and to contribute to the achievement of the economic integration of West Africa.

Policy Priorities

1. Transportation infrastructure
2. Gender equality
3. Promotion of private-sector activity

External Regulation

The bank is not under the supervision of an external authority; however, the bank complies with various member country and institution regulations in a purely voluntary manner.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: Funds both national and regional projects in the West African Economic and Monetary Union.

Nongeographical: BOAD has a list of restricted sectors.

Safeguards

BOAD is an accredited entity, Category B, under the Green Climate Fund standard, indicating that it has a stated environmental and social safeguards (ESS) policy that meets ESS standards of member states.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

No current systematic method of tracking SDG progress.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

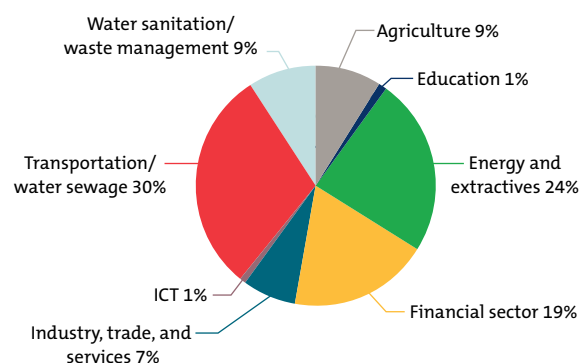
Loans (\$736), Equity Participations (\$27), Guarantees (\$14)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Africa	\$777

Type of Borrower	2015	2016	2017
Sovereign	\$1,573	\$1,811	\$2,053
Private (inc. nongov. org., nonprofit, etc.)	\$491	\$551	\$640
Subsovereign government	\$314	\$350	\$377

Private Borrower Types	2015	2016	2017
Corporate	\$77	\$178	\$244
Small/medium enterprises	\$38	\$17	\$92
Financial services	\$791	\$300	\$282
Project finance	\$69	\$176	\$229

Allocation by Sector (2015–2017)



Black Sea Trade and Development Bank (BSTDB)

Established: 1997 | HQ: Thessaloniki, Greece | Total assets: \$1.8 billion

MULTILATERAL

Policy Overview

Mission

To promote economic development and regional cooperation in the Black Sea region.

Policy Priorities

1. Cross-country projects
2. Small and medium enterprises
3. Trade finance

External Regulation

BSTDB is not under the supervision of any external authority; however, the bank does seek to comply with accepted international standards (of the Basel Committee, the EU, etc.).

Preferential Interest Rates

BSTDB does not have any preferential interest rate programs.

Project Eligibility Criteria

Geographical: The bank exclusively operates in its member states.

Nongeographical: BSTDB has a list of restricted sectors.

Safeguards

Follows international environmental and social policies that are congruent with World Bank standards; the bank also respects standards set in its member states when carrying out a project.

SDG Priorities

No identified SDG priorities.

SDG Tracking

BSTDB does not have a current systematic method of tracking SDG progress; however, it anticipates focusing on the SDGs as they become a priority for the member states.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

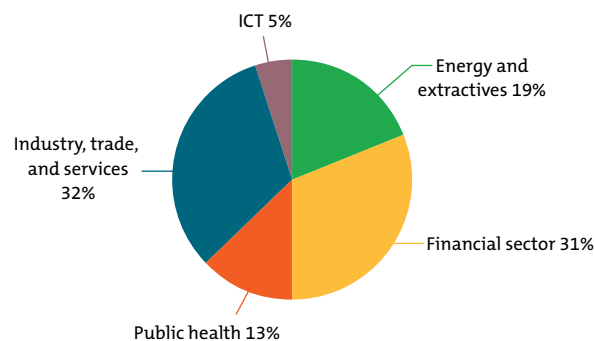
Loans (\$470), Equity Participations (\$3)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Europe	\$473

Type of Borrower	2015	2016	2017
Sovereign	\$54	\$69	\$60
Private (inc. nongov. org., nonprofit, etc.)	\$468	\$345	\$421
Subsovereign government			\$4

Private Borrower Types	2015	2016	2017
Corporate	\$445	\$304	\$350
Small/medium enterprises	\$78	\$111	\$130
Financial services			
Project finance			

Allocation by Sector (2015–2017)



Central American Bank for Economic Integration (CABEI)

Established: 1960 | HQ: Tegucigalpa, Honduras | Total assets: \$9.7 billion

MULTILATERAL

Policy Overview

Mission

To promote the economic integration and the balanced economic and social development of the Central American region.

Policy Priorities

1. Human development and social infrastructure
2. Productive infrastructure (transportation, telecommunications)
3. Energy
4. Rural development and the environment
5. Financial intermediation and development finance
6. Competitiveness services

External Regulation

The bank is not under the supervision of an external authority.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: The bank operates exclusively in its member countries.

Nongeographical: CABEI has a list of restricted sectors.

Safeguards

CABEI follows internal standards known as the System of Identification, Evaluation and Mitigation of Environmental and Social Risks (SIEMAS), aligned with international standards set by the International Finance Corporation and the World Bank.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

CABEI has a development impact system, which tracks the bank's projects and links them to SDGs.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

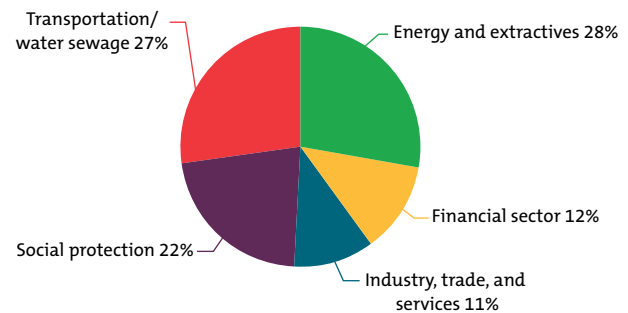
Loans (\$1,963)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Latin America & Caribbean	\$1,963

Type of Borrower	2015	2016	2017
Sovereign	\$1,201	\$1,190	\$1,312
Private (inc. nongov. org., nonprofit, etc.)	\$279	\$248	\$160
Subsovereign government	\$377	\$668	\$454

Maturity Structure of Loans	Collection from Loans
Short term	1%
Mid term	
Long term	99%

Allocation by Sector (2015–2017)



Development Bank of Latin America (CAF)

Established: 1968 | HQ: Caracas, Venezuela | Total assets: \$38.1 billion

MULTILATERAL

Policy Overview

Mission

To foster and promote economic development, social development, and integration within the shareholder countries through the efficient use of financial resources in conjunction with both private-sector and public-sector entities.

Policy Priorities

1. Infrastructure
2. Energy
3. Social development
4. Social innovation
5. Financial services
6. The environment and climate change

External Regulation

The bank is not under the supervision of an external authority.

Preferential Interest Rates

CAF offers preferential interest rates to projects providing social or developmental benefits that are unable to sustain market interest rates. Rates may be subsidized through the Compensatory Financing Fund.

Project Eligibility Criteria

Geographical: The bank operates exclusively in its 19 member countries.

Nongeographical: CAF has a list of restricted sectors.

Safeguards

CAF has established internal policies based both on member countries' national standards and on international standards; the bank does not follow the World Bank standards in their entirety.

SDG Priorities

No identified SDG priorities.

SDG Tracking

No current systematic method of tracking SDG progress.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

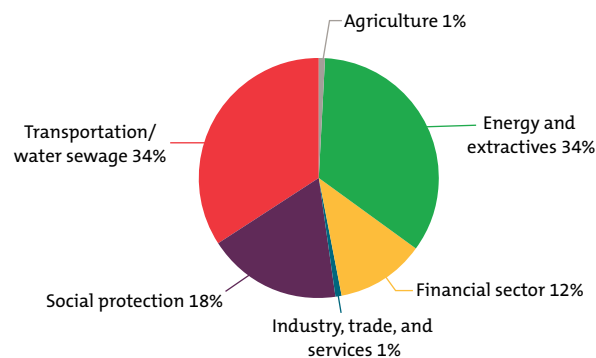
Loans (\$22,012), Guarantees (\$72), Equity Participations (\$22)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Latin America & Caribbean	\$22,012

Maturity Structure of Loans	Collection from Loans
Short term	19%
Mid term	20%
Long term	60%

Type of Borrower	2015	2016	2017
Sovereign	\$16,482	\$18,028	\$19,402
Private (inc. nongov. org., nonprofit, etc.)	\$4,22	\$3,948	\$3,949
Subsovereign government			

Allocation by Sector (2015–2017)



China Development Bank (CDB)

Established: 1994 | HQ: Beijing, People’s Republic of China | Total assets: \$2,340.9 billion (\$2.3 trillion)

NATIONAL—BLEND

Policy Overview

Mission

To enhance national competitiveness and improve people’s livelihood.

Policy Priorities

1. Infrastructure, especially transportation and energy
2. Green finance
3. Urbanization
4. Water, sanitation, and hygiene infrastructure

External Regulation

The bank is under the supervision of the China Banking Regulatory Commission.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: The bank supports both domestic and international clients.

Safeguards

CDB engages in sustainable development activities in line with international standards adapted to the Chinese environment.

SDG Priorities

No identified SDG priorities.

SDG Tracking

CDB releases a sustainable development report annually; however, the bank’s development targets do not explicitly reference the SDG framework.

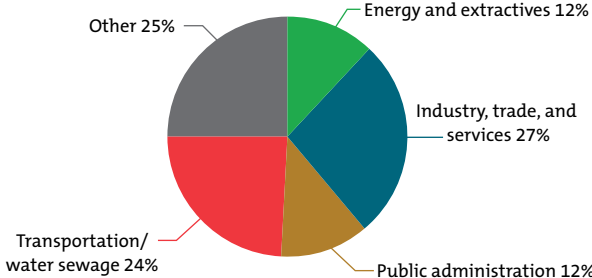
Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$10,187,267)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Asia	\$10,187,267

Allocation by Sector (2015–2017)



Corporación Financiera de Desarrollo S.A. (COFIDE)

Established: 1971 | HQ: Lima, Perú | Total assets: \$3.5 billion

NATIONAL—BLEND

Policy Overview

Mission

To be the motor of sustainable and inclusive development of Peru, boosting the country’s productivity and competitiveness through financial services.

Policy Priorities

1. Productive investment and infrastructure financing
2. Small and microenterprise financing
3. Trusts and funds management
4. Financial inclusion and dynamic entrepreneurship

External Regulation

The bank is not under the supervision of an external authority.

SDG Priorities

No identified SDG priorities.

SDG Tracking

The SDGs are not explicitly mentioned in the bank’s strategic framework.

Financial Overview

Financial information for COFIDE was not available in annual reports.

Caisse de Dépôt et de Gestion (CDG)

Established: 1959 | HQ: Rabat, Morocco | Total assets: \$23.3 billion

NATIONAL—DOMESTIC

Policy Overview

Mission

To collect and secure regulated savings, which are then channeled toward profitable and growth-generating investments.

Policy Priorities

1. Savings pension plans
2. Tourism
3. Territorial development
4. Cofinancing
5. Investment

External Regulation

CDG is under the supervision of the Moroccan Central Bank (Bank Al Maghrib).

Preferential Interest Rates

CDG does not have any preferential interest rate programs.

Project Eligibility Criteria

Geographical: CDG is legally permitted to invest abroad, but currently the bank's investment strategy focuses primarily on Morocco.

Nongeographical: CDG does not have any sector-specific barriers to financing.

Safeguards

CDG has adopted a comprehensive environment-friendly policy; however, the bank does not have a group-level framework for environmental and social safeguards. CDG Capital, one of CDG's financial subsidiaries, is accredited by the Green Climate Fund under Category B.

SDG Priorities

- | | | | |
|--------|--------|---------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

The SDGs are not explicitly mentioned in the bank's strategic framework.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$6,495), Equity Participations (\$5,125)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Africa	\$12,869
Europe	\$18

Maturity Structure of Loans	Collection from Loans
Short term	
Mid term	0.14%
Long term	99.86%

Type of Borrower	2015	2016	2017
Sovereign	\$3,204	\$3,034	\$3,571
Private (inc. nongov. org., nonprofit, etc.)	\$3,019	\$3,521	\$3,136
Subsovereign government			

Private Borrower Types	2015	2016	2017
Corporate	\$1,279	\$1,411	\$1,311
Small/medium enterprises	\$104	\$81	\$76
Financial services	\$850	\$1,107	\$1,370
Project finance	\$786	\$922	\$380

Development Bank of Southern Africa (DBSA)

Established: 1983 | HQ: Johannesburg, South Africa | Total assets: \$6.2 billion

NATIONAL—BLEND

Policy Overview

Mission

To advance the development impact in the region by expanding access to development finance and implementing sustainable development solutions to improve the quality of life of individuals, support economic growth, support regional integration, and promote the sustainable use of scarce resources.

Policy Priorities

1. Infrastructure

Project Eligibility Criteria

Geographical: The bank will fund projects both domestically and in other countries in Africa.

Safeguards

DBSA is accredited by the Green Climate Fund, Category A, which means it is held to both national and international standards.

SDG Priorities

Goal 1 Goal 6 Goal 10 Goal 14
 Goal 2 Goal 7 Goal 11 Goal 15
 Goal 3 Goal 8 Goal 12 Goal 16
 Goal 4 Goal 9 Goal 13 Goal 17
 Goal 5

SDG Tracking

DBSA monitors both internal targets regarding financing of SDGs and, in collaboration with other national agencies, will be reporting against national SDG targets and indicators.

Financial Overview

US\$ millions

Priority Regions, Annual Average of 2015–2017	Percent
Africa	100%

Maturity Structure of Loans	Collection from Loans
Short term	15%
Mid term	27%
Long term	58%

Type of Borrower	2015	2016	2017
Sovereign	\$2	\$1	\$1
Private (inc. nongov. org., nonprofit, etc.)	\$9	\$7	\$6
Subsovereign government	\$2	\$1	\$3

Private Borrower Types	2015	2016	2017
Corporate	\$4	\$5	\$5
Small/medium enterprises			
Financial services			
Project finance	\$12	\$13	\$15

Croatian Bank for Reconstruction and Development (HBOR)

Established: 1992 | HQ: Zagreb, Croatia | Total assets: \$4.4 billion

NATIONAL—DOMESTIC

Policy Overview

Mission

To provide support for the creation of new values for the purpose of enabling the sustainable and even development in all areas of Croatia; carries out a threefold role of development bank, export bank, and export credit insurance agency.

Policy Priorities

1. Development and reconstruction of Croatian economy
2. Infrastructure
3. Promoting exports
4. Small and medium enterprises
5. Environmental protection
6. Insuring Croatian exports

External Regulation

The bank is not under the supervision of an external authority.

Preferential Interest Rates

HBOR offers 2% interest rates to its preferential target group of start-ups and female and/or young entrepreneurs.

Project Eligibility Criteria

Geographical: HBOR offers primarily domestic finance; the bank also has foreign loan programs of buyer credit and supplier credit.

Nongeographical: HBOR has a list of restricted sectors.

Safeguards

HBOR has an internal environmental and social safeguards regulation system that implements guidelines from the Croatian government and incorporates UN Global Compact principles.

SDG Priorities

No identified SDG priorities.

SDG Tracking

HBOR is preparing to begin tracking and reporting aligned with the SDGs.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

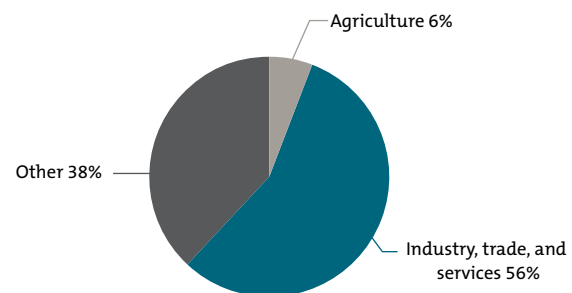
Loans (\$1,014), Guarantees (\$246)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Europe	\$1,261

Type of Borrower	2015	2016	2017
Sovereign	\$246	\$49	\$129
Private (inc. nongov. org., nonprofit, etc.)	\$922	\$928	\$613
Subsovereign government	\$48	\$47	\$61

Private Borrower Types	2015	2016	2017
Corporate	\$426	\$336	\$253
Small/medium enterprises	\$496	\$592	\$359
Financial services			
Project finance			

Allocation by Sector (2015–2017)



Islamic Corporation for the Development of the Private Sector (ICD)

Established: 1999 | HQ: Jeddah, Saudi Arabia | Total assets: \$3.0 billion

MULTILATERAL

Policy Overview

Mission

To complement the role played by the Islamic Development Bank (IDB) through the development and promotion of the private sector as a vehicle for boosting economic growth and prosperity.

Policy Priorities

1. Private-sector development

External Regulation

The bank is not under the supervision of an external authority.

Preferential Interest Rates

ICD does not have any preferential interest rate programs.

Project Eligibility Criteria

Geographical: The bank invests in enterprises located in member countries or mainly for the benefit of member countries.

Nongeographical: ICD has a list of restricted sectors.

Safeguards

The bank follows the IDB group internal standards, which in turn follow international standards.

SDG Priorities

Goal 1	Goal 6	Goal 10	Goal 14
Goal 2	Goal 7	Goal 11	Goal 15
Goal 3	Goal 8	Goal 12	Goal 16
Goal 4	Goal 9	Goal 13	Goal 17
Goal 5			

SDG Tracking

ICD has recently completed a strategy mapping exercise to link the SDGs with its strategy and development targets.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

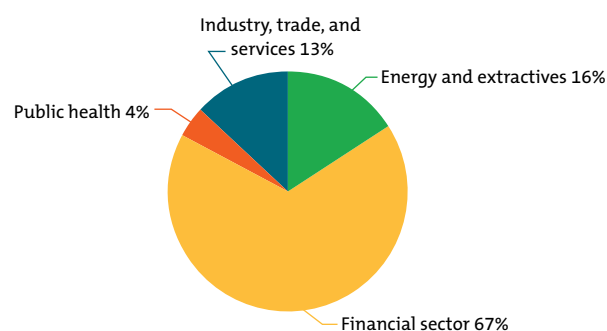
Loans (\$689), Equity Participations (\$86), Technical Assistance (\$3)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Asia/Middle East	\$479
Africa	\$309

Type of Borrower	2015	2016	2017
Sovereign			
Private (inc. nongov. org., nonprofit, etc.)	\$632	\$764	\$938
Subsovereign government			

Private Borrower Types	2015	2016	2017
Corporate	\$240	\$142	\$237
Small/medium enterprises	\$1	\$1	\$7
Financial services	\$391	\$571	\$591
Project finance		\$50	\$103

Allocation by Sector (2015–2017)



Japan International Cooperation Agency (JICA)

Established: 2003 | HQ: Tokyo, Japan | Total assets: \$103 billion

NATIONAL—INTERNATIONAL

Policy Overview

Mission

To work on human security and quality growth in accordance with the Development Cooperation Charter of Government of Japan.

Policy Priorities

1. “Quality growth” and poverty eradication through such growth
2. Sharing universal values and realizing a peaceful and secure society
3. Building a sustainable and resilient international community through efforts to address global challenges

External Regulation

The bank’s finance and investment account is supervised by Japan’s Financial Services Agency; the bank’s general account is not under national financial supervision.

Preferential Interest Rates

JICA offers the lowest interest rates to low-income less developed countries and for projects assisting in disaster recovery; JICA also targets projects in quality infrastructure, global environmental and climate-change issues, health and medical care services, disaster prevention and reduction, and human resource development.

Project Eligibility Criteria

Geographical: JICA operates exclusively in foreign developing countries.

Nongeographical: JICA has a list of restricted sectors.

Safeguards

JICA has its own explicitly described environmental and social considerations policy, which has recently been revised for closer alignment with World Bank standards.

SDG Priorities

Goal 1	Goal 6	Goal 10	Goal 14
Goal 2	Goal 7	Goal 11	Goal 15
Goal 3	Goal 8	Goal 12	Goal 16
Goal 4	Goal 9	Goal 13	Goal 17
Goal 5			

SDG Tracking

JICA began tracking SDG finance in April 2017.

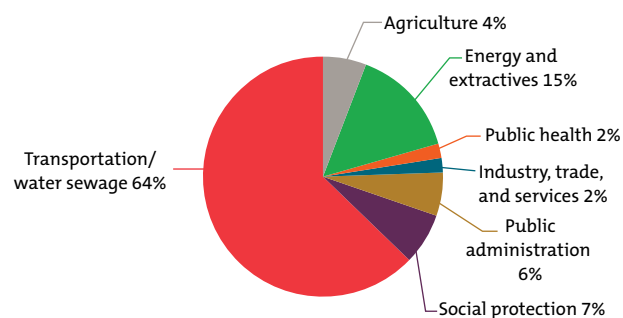
Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$16,883), Technical Assistance (\$1,800), Grants (\$945)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Asia	\$12,927
Europe/Middle East & N. Africa	\$2,517
Africa	\$2,033
Latin America & Caribbean	\$626
Oceania	\$272

Allocation by Sector (2015–2017)



Korea Development Bank (KDB)

Established: 1954 | HQ: Seoul, Korea | Total assets: \$235.9 billion

NATIONAL—BLEND

Policy Overview

Mission

To supply and manage major industrial capital to help develop Korean industries and the national economy.

External Regulation

The bank is under the supervision of the National Financial Services Commission.

Preferential Interest Rates

KDB offers preferential interest rates for small and medium enterprises, government-selected industries, and new growth products.

Safeguards

In January 2017, KDB adopted the Equator Principles, which require compliance with both host-country laws and international standards.

SDG Priorities

No identified SDG priorities.

SDG Tracking

No current systematic method of tracking SDG progress.

Financial Overview

Financial information for KDB was not available in annual reports.

KfW Bankengruppe (KfW)

Established: 1948 | HQ: Frankfurt, Germany | Total assets: \$547.3 billion

NATIONAL—BLEND

Policy Overview

Mission

To support change and encourage forward-looking ideas by promoting domestic investments, financing German and European companies to compete in global markets, and supporting economic and social progress in developing and transition countries.

Policy Priorities

1. Sustainability, especially renewable energy
2. Venture capital
3. Export finance
4. Education
5. Infrastructure
6. Start-ups and small/medium enterprises

External Regulation

The bank is under the supervision of the German central bank (German Bundesbank), specifically by the BaFin agency.

Preferential Interest Rates

KfW offers preferential interest rates domestically to loan programs that promote certain fields, such as energy efficiency; the bank offers preferential interest rates internationally to instruments used in export financing, such as commercial reference interest programs.

Project Eligibility Criteria

Geographical: The bank operates both domestically and internationally.

Nongeographical: KfW has no published exclusion list of categories of ineligible investments.

Safeguards

The bank follows World Bank safeguards and the human rights guidelines of the German Federal Ministry for Economic Cooperation and Development (BMZ).

SDG Priorities

No identified SDG priorities.

SDG Tracking

While the broad business model of KfW has impact on the whole range of the SDGs, there is no explicit targeting or tracking of specific SDGs.

Financial Overview

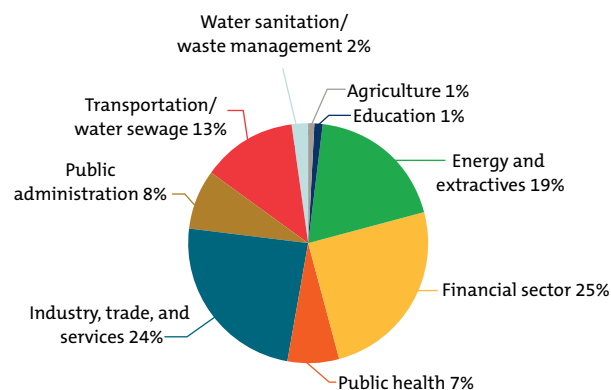
Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$82,853), Grants (\$3,017), Guarantees (\$1,022), Equity Participations (\$936)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Europe	\$69,607
Africa	\$4,854
Asia	\$4,722
Latin America & Caribbean	\$3,538
North America	\$1,731
Oceania	\$480

Type of Borrower	2015	2016	2017
Sovereign	\$207	\$8,770	\$9,554
Private (inc. nongov. org., nonprofit, etc.)	\$81,844	\$76,973	\$70,740
Subsovereign government	\$6,075	\$4,769	\$4,552

Allocation by Sector (2015–2017)



Nacional Financiera (NAFIN)

Established: 1934 | HQ: Mexico City, Mexico | Total assets: \$30.7 billion

NATIONAL—DOMESTIC

Policy Overview

Mission

To promote the economic development of Mexico by facilitating access to finance and other entrepreneurial development services for micro, small, and medium enterprise; to encourage innovation [and] foster productivity, competitiveness, job generation, and regional growth on behalf of the federal government.

Policy Priorities

1. Small/medium enterprises and entrepreneurs
2. Gender equality
3. Development of financial markets

External Regulation

The bank is under the supervision of the Ministry of Finance and Public Credit, the National Banking and Securities Commission, and Mexico's Central Bank.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: The bank operates exclusively in the domestic Mexican market.

Nongeographical: NAFIN has a list of restricted sectors.

Safeguards

NAFIN complies with national regulations on environmental and social matters; the bank is also currently working on the development and implementation of an internal environmental and social safeguards system that complies with international standards.

SDG Priorities

No identified SDG priorities.

SDG Tracking

NAFIN does not have a specific strategy regarding SDGs.

Financial Overview

Financial information for NAFIN was not available in annual reports.

Small Industries Development Bank of India (SIDBI)

Established: 1990 | HQ: Lucknow, India | Total assets: \$12.7 billion

NATIONAL—DOMESTIC

Policy Overview

Mission

To facilitate and strengthen credit flow to micro, small, and medium enterprises (MSMEs) and address both financial and developmental gaps in the MSME ecosystem.

Policy Priorities

1. Financing micro, small, and medium enterprises
2. Green finance

External Regulation

The bank is under the supervision and regulation of the Reserve Bank of India.

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: The bank finances domestic projects.

Safeguards

SIDBI is an accredited entity, Category B, under the Green Climate Fund standard, indicating that it has a stated environmental and social safeguards (ESS) policy that meets ESS standards of the host country.

SDG Priorities

No identified SDG priorities.

SDG Tracking

No explicit SDG strategy.

Financial Overview

Financial information for SIDBI was not available in annual reports.

Eastern and Southern African Trade and Development Bank (TDB)

Established: 1985 | HQ: Bujumbura, Burundi | Total assets: \$5.3 billion

MULTILATERAL

Policy Overview

Mission

To be at the forefront of extending reliable financial and nonfinancial services to advance trade, development, and regional economic integration through customer-focused and innovative instruments.

Policy Priorities

1. Trade finance
2. Infrastructure, especially power and transportation

External Regulation

The bank is not under the supervision of an external authority; however, TDB strives to apply industry standards of the Association of African Development Financial Institutions (AADFI).

Preferential Interest Rates

No areas/sectors identified.

Project Eligibility Criteria

Geographical: The bank operates exclusively in member countries.

Safeguards

TDB follows an internal environmental and social management framework, which incorporates applicable environmental and social requirements and procedures of the bank’s member states.

SDG Priorities

- | | | | |
|--------|---------------|----------------|---------|
| Goal 1 | Goal 6 | Goal 10 | Goal 14 |
| Goal 2 | Goal 7 | Goal 11 | Goal 15 |
| Goal 3 | Goal 8 | Goal 12 | Goal 16 |
| Goal 4 | Goal 9 | Goal 13 | Goal 17 |
| Goal 5 | | | |

SDG Tracking

TDB is aware that infrastructure financing is a great need for the SDGs and is focusing its priority on this sector.

Financial Overview

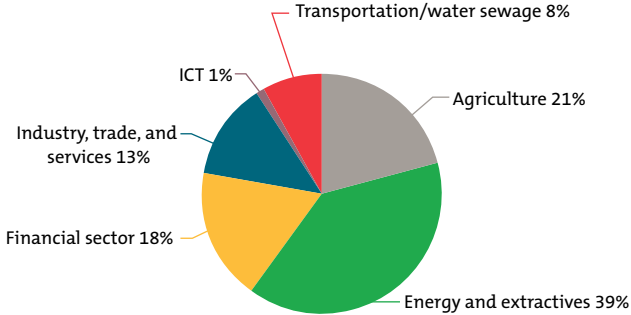
Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$3,418)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Africa	\$3,418

Type of Borrower	2015	2016	2017
Sovereign	\$1,440	\$1,472	\$1,800
Private (inc. nongov. org., nonprofit, etc.)	\$1,560	\$1,865	\$1,369
Subsovereign government			\$743

Allocation by Sector (2015–2017)



Industrial Development Bank of Turkey (TSKB)

Established: 1950 | HQ: Istanbul, Turkey | Total assets: \$1.9 billion

Policy Overview

NATIONAL—DOMESTIC

Mission

To create value for the inclusive and sustainable development of Turkey through financing and consultancy solutions powered by its experience in development and investment banking.

Policy Priorities

1. Sustainability, especially renewable energy
2. Financing entrepreneurs and small and medium enterprises

External Regulation

The bank is under the supervision of the Banking Regulation and Supervision Agency.

Preferential Interest Rates

TSKB does not have any preferential interest rate programs.

Project Eligibility Criteria

Geographical: The bank operates exclusively in the domestic Turkish market.

Nongeographical: TSKB has a list of restricted sectors.

Safeguards

TSKB follows an internal sustainability management system as well as the international safeguard standards of the International Finance Corporation.

SDG Priorities

Goal 1	Goal 6	Goal 10	Goal 14
Goal 2	Goal 7	Goal 11	Goal 15
Goal 3	Goal 8	Goal 12	Goal 16
Goal 4	Goal 9	Goal 13	Goal 17
Goal 5			

SDG Tracking

Beginning in 2017, TSKB tracks lending activities according to the SDGs.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$3,371), Guarantees (\$382), Equity Participations (\$78)

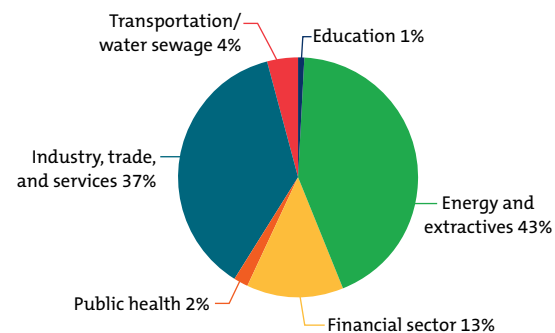
Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Europe	\$3,371

Maturity Structure of Loans	Collection from Loans
Short term	6%
Mid term	94%
Long term	

Type of Borrower	2015	2016	2017
Sovereign			
Private (inc. nongov. org., nonprofit, etc.)	\$2,592	\$3,266	\$4,057
Subsovereign government	\$6	\$24	\$167

Private Borrower Types	2015	2016	2017
Corporate	\$690	\$847	\$1,253
Small/medium enterprises	\$147	\$175	\$274
Financial services	\$348	\$448	\$531
Project finance	\$1,413	\$1,821	\$2,165

Allocation by Sector (2015–2017)



Vnesheconombank (VEB)

Established: 1922 | HQ: Moscow, Russia | Total assets: \$74.7 billion

NATIONAL—BLEND

Policy Overview

Mission

To be a driving force of Russia's development through funding investment projects of national significance, which helps to diversify Russia's economy and enhance its efficiency; this economic enhancement provides an impetus for serious social transformations in the country.

Policy Priorities

1. Infrastructure
2. Innovation and projects in the digital economy
3. High-technology industry and production projects
4. Export finance

External Regulation

The bank is under the supervision of the Accounts Chamber of the Russian Federation, which is the parliamentary body of financial control in Russia.

Preferential Interest Rates

VEB offers subsidized interest rates to projects in export support and projects funded from deposits in the National Wealth Fund.

Project Eligibility Criteria

Geographical: The bank focuses on domestic projects, with foreign involvement limited to export projects and projects with Russian content.

Nongeographical: Information not available.

Safeguards

VEB complies with operational standards in its host country, Russia; the bank has also implemented the energy efficiency assessment standards of the International Finance Corporation in its internal evaluation of projects.

SDG Priorities

Goal 1	Goal 6	Goal 10	Goal 14
Goal 2	Goal 7	Goal 11	Goal 15
Goal 3	Goal 8	Goal 12	Goal 16
Goal 4	Goal 9	Goal 13	Goal 17
Goal 5			

SDG Tracking

VEB indirectly pursues the SDGs but currently has no explicit strategy for them.

Financial Overview

Financial Instruments, Annual Average of 2015–2017 (US\$ millions)

Loans (\$37), Guarantees (\$14), Equity Participations (\$1)

Priority Regions, Annual Average of 2015–2017	(US\$ millions)
Europe	\$51

Maturity Structure of Loans	Collection from Loans
Short term	18%
Mid term	61%
Long term	21%

Allocation by Sector (2015–2017)

