Of total $379 trillion global financial assets, most are concentrated in developed economies

Figure 8. Shares of global financial assets are unevenly distributed across countries

0.08% 

= $153 billion / $ 184 trillion

= total annual ODA / institutional investor assets
Private capital mobilized MDBs & DFIs, 2019: $63.6 billion

ODA multiplier: $64 billion / $153 billion = 0.4

SDG financing gap:

$2.5 trillion, pre-Covid-19 $4.2 trillion, Covid-19
The SDG financing gap in developing countries has widened by 70%

Institutional investors

Development finance providers: MDBs, DFIs

Local investors: Strategic Investment Funds, Green Banks

Key relationships
## Multiplier, green banks

<table>
<thead>
<tr>
<th>Name</th>
<th>Period</th>
<th>Reported multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Energy Finance Corp. (Australia)</td>
<td>2014-2015</td>
<td>1.8</td>
</tr>
<tr>
<td>Connecticut GB</td>
<td>2013</td>
<td>10</td>
</tr>
<tr>
<td>New York GB</td>
<td>First 3 transactions, 2015</td>
<td>3.6</td>
</tr>
<tr>
<td>UK Green Investment Bank</td>
<td>2012-2015</td>
<td>3</td>
</tr>
</tbody>
</table>
### Multipliers, strategic investment funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Year</th>
<th>Capitalization</th>
<th>Total multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marguerite Fund, European Union</td>
<td>2010</td>
<td>EUR 710 million</td>
<td>11.8</td>
</tr>
<tr>
<td>Ireland Strategic Investment Fund</td>
<td>2014</td>
<td>EUR 7.6 billion</td>
<td>~2.4</td>
</tr>
<tr>
<td>Philippine Investment Alliance for Infrastructure</td>
<td>2012</td>
<td>USD 625 million</td>
<td>~25</td>
</tr>
<tr>
<td>FONSIS, Senegal</td>
<td>2016</td>
<td>Unknown</td>
<td>9.6</td>
</tr>
</tbody>
</table>
## Multipliers, multilateral climate funds

<table>
<thead>
<tr>
<th>Name</th>
<th>Co-financing all sources / MCF</th>
<th>Co-financing</th>
<th>Multiplier (private / public capital)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% Public</td>
<td>% Private</td>
</tr>
<tr>
<td>Clean Technology Fund</td>
<td>7</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td>Global Environment Facility</td>
<td>9.7</td>
<td>85</td>
<td>15</td>
</tr>
<tr>
<td>Green Climate Fund</td>
<td>2.3</td>
<td>69</td>
<td>30</td>
</tr>
</tbody>
</table>
Key relationships

Institutional investors

Development finance providers: MDBs, DFIs

Local investors: Strategic Investment Funds, Green Banks
Collaborative model, advantages

- Locational advantages of partners
- Pooling resources for due diligence, research, monitoring
- Deal flow from partners
- Diversification opportunities
- Opportunity to bypass conventional financial intermediaries
- Local partner (SIF) can mitigate headline risk, political risk
Blended finance through collaboration

- SIF / green bank "boots on the ground"
- Local networks, continuous engagement with parties to transactions
- Convert MFI debt to “patient equity” through direct SIF capitalization, loans to SIF governments. Also project level co-investing
- Promote competition, reward best performing SIFs, green banks
Blended finance through collaboration

MFIs – institutional investors

- Sourcing deals on collaborative platforms
- Human resources
- Governance and regulatory requirements
- Mitigating different institutional characteristics
Elements of collaborative model with MFIs

- Add value for institutional investors
- Address concerns of institutional investors in relevant regions and sectors
- Investor confidence that blended finance investments are commercial
- Assist institutional investors with assessing risks in new sectors and geographies
- Complement private finance at relevant stages of the investment cycle
Thank you

WEBSITE: http://www.oecd.org/dev/

CONTACT: Håvard Halland, Senior Economist, OECD Development Centre

havard.halland@oecd.org