

## SURVEY ON THE MOBILISATION EFFECT OF OFFICIAL DEVELOPMENT FINANCE PRELIMINARY RESULTS

This note presents a preliminary analysis of the responses to the *Survey on the mobilisation effect of official development finance*, carried out by the Secretariat in May-June 2014. These results, and the findings presented in Annex 1 of DCD-DAC-STAT(2014)12 will be published as a DCD working paper by the end of 2014.

### Objective, scope and response rate

The main objective of the Survey was to explore the feasibility of measuring the amounts mobilised from the private sector by official development finance in an international statistical system. It aimed to do so by assessing whether institutions measured the amounts mobilised from the private sector as a result of their interventions, and when this was the case, how they measured such amounts.

The scope of the Survey was limited to the mobilisation from the private sector as a result of official development finance for the year 2012<sup>1</sup>. The Survey analysed the amounts mobilised from the private sector through the use of the following instruments: syndicated loans with private co-financiers; equity investment (direct or through shares in collective investment vehicles); mezzanine finance; investment grants<sup>2</sup> and fee-based financial services<sup>3</sup>. The mobilisation potential of interventions such as policy reforms and technical assistance were out of the scope of the Survey. Guarantee schemes were also excluded as these had already been analysed in the [DAC Survey on guarantees for development](#).

The Survey targeted aid agencies and bilateral and multilateral development finance institutions (DFIs) prone to provide development finance through instruments with the potential to mobilise private finance. It was organised through the DAC Working Party on Development Finance Statistics (WP-STAT) network of statistical correspondents, and in collaboration with the bilateral and multilateral DFI community.

The questionnaire was sent to 32 bilateral and 14 multilateral institutions, and the response rate was 63% (Table 1). Bilateral institutions included 17 DFIs and 15 aid agencies/ministries, 12 and 10 of which responded to the Survey respectively. Responses from DFIs and aid agencies/ministries were analysed separately; however results are presented jointly – as “bilateral institutions” – whenever findings are similar for the two types of institutions. The detailed sample is given in Table 4.

**Table 1 - Sample and response rate**

	Institutions targeted	Sample	Response rate
Bilateral institutions	32*	22	69%
Multilateral institutions	14	7	50%
<b>Total</b>	<b>46</b>	<b>29</b>	<b>63%</b>

\* From 25 countries, includes 17 DFIs and 15 aid agencies/ministries.

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- 1 Private sector flows mobilised by official export credit agencies were excluded, as their main objective is not developmental.
  - 2 Excludes grants for technical assistance.
  - 3 The list of instruments selected is based on the results of the DAC review of DFIs' portfolios, available in DCD-DAC-STAT(2012)8.

The questionnaire was structured in two sections:

- A form aiming at collecting general information on the institution’s portfolio and the methodologies used to estimate the amounts mobilised.
- A data file aiming at collecting data at the activity level on the actual amounts mobilised from the private sector by different financial instruments.

## Survey Results

This section analyses the responses to the Survey with regard to i) data availability – whether official institutions keep track of the amounts mobilised from the private sector as a result of their interventions; and ii) methodologies – how official institutions measure the amounts mobilised.

### i) Data availability

Overall, 64% of the bilateral and all the multilateral institutions sampled estimate the mobilisation effect of their interventions. Amounts mobilised by syndicated loans and guarantees are usually collected, while this is not always the case for equity and mezzanine finance. Data on mobilisation are collected at the project level in most institutions; however not all of them were able to provide project-level data to the Survey.

On average, two-thirds of the institutions measuring amounts mobilised have data that permit distinguishing between resources mobilised from the official vs. private sectors. This proportion is lower for bilateral DFIs, less than 40% of which seem to be able to do so.

Half of bilateral and over 70% of multilateral institutions can identify amounts mobilised specifically for climate change adaptation or mitigation projects. However, the information cannot be easily compared across institutions, as some are able to identify only certain activities (e.g. mitigation), or only certain types of flows (e.g. ODA).

**Table 2 - Summary of responses on data availability**

	Measure mobilisation	Availability of project-level data*	Ability to distinguish official and private resources mobilised*	Ability to identify amounts mobilised for climate change projects
Bilateral institutions	64% (14)	57% (8)	57% (8)	43% (6)
Multilateral institutions	100% (7)	86% (6)	86% (6)	71% (5)
Total	<b>72% (21)</b>	<b>70% (14)</b>	<b>70% (14)</b>	<b>52% (11)</b>

\* The sample for the calculation of these percentages consists of all the institutions having answered “Yes” to the question “Do you measure mobilisation?”

### ii) Methodologies

Two-thirds of the institutions proxy the amounts mobilised with the **total project cost** (Table 3). Exceptions to this approach mostly consist of methodologies to measure the amounts mobilised by guarantee/insurance schemes and investments in collective investment vehicles.

Most institutions (>70%) include both official and private resources in the estimation of amounts mobilised. In terms of complexity of the estimation, only a few institutions have methodologies that vary per financial instrument, equity investments being often excluded from the calculations.

**Table 3 - Total project cost as a proxy of amounts mobilised**

Type of institution	Country	Agency name	Total project cost used as a proxy
Bilateral	Belgium	Belgian Investment Company for Developing Countries (BIO)	No
	Japan	Japan International Cooperation Agency (JICA)	Yes
	Korea	Korea International Cooperation Agency (KOICA)	Yes
	Norway	Norfund	Yes
	Portugal	Sociedade para o Financiamento do Desenvolvimento (SOFID)	Yes
	Switzerland	Swiss Investment Fund for Emerging Markets (SIFEM)	Yes
		Swiss State for Economic Affairs (SECO)	No
	United Kingdom	CDC Group (CDC)	No
		Department for International Development (DFID)	Yes
United States	Overseas Private Investment Corporation (OPIC)	Yes	
	United States Agency for International Development (USAID)	No	
Multilateral		Asian Development Bank (AsDB)	Yes
		European Bank for Reconstruction and Development (EBRD)	Yes
		Inter-American Development Bank (IADB)	Yes
		International Finance Corporation (IFC)	No
		Nordic Development Fund (NDF)	Yes
		Private Infrastructure Development Group (PIDG)	Yes
		The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)	No

Note: three institutions were excluded from this table as their responses did not allow assessing whether the total project cost was used as a proxy for amounts mobilised.

### Box 1. Annual reports' analysis

In parallel to the survey, a review of 26 DFIs' annual reports was carried out. Initially conceived as a consistency check for the survey responses, the review also allowed a better understanding of the place of private finance mobilisation and its measurement in DFIs public communication and investment strategy.

The terms mobilisation, leverage or catalytic were mentioned in over 75% of the annual reports reviewed. Improving the mobilisation effect of operations was also a specific objective for three-quarters of these reports. In terms of data availability, just over half of the institutions distinguished private from official mobilisation, and only 25% actually provided data on amounts mobilised. Methodologies were also rarely available: 6 annual reports (from 20 mentioning mobilisation) mentioned the existence of guidelines to measure finance mobilised, 4 of which made these methodologies available online.

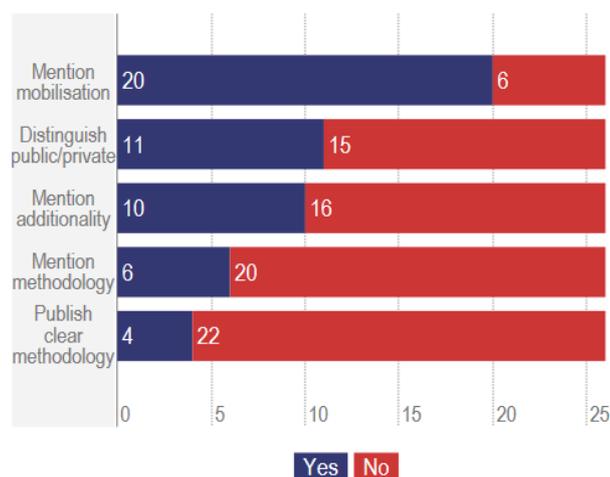


Table 4 – Detailed sample

Country	Institution name	Response status	Project-level data
Australia	Department of Foreign Affairs and Trade	Yes	No
Austria	Austrian Development Agency (ADA)	Yes	No
	Austria Development Bank (OeEB)	Yes	Yes
Belgium	Belgian Investment Company for Developing Countries (BIO)	Yes	Yes
Canada	Ministry of Foreign Affairs, Trade and Development	No response	
Denmark	Danish International Development Agency (DANIDA)	Yes	Yes
	Investment Fund for Developing Countries (IFU)	Yes	Yes
European Union	European Investment Bank (EIB)	No response	
Finland	Finnfund	Yes	Yes
France	Agence Française de Développement (AFD)	No response	
	Promotion et Participation pour la Coopération économique (PROPARCO)	No response	
Germany	German Investment and Development Corporation (Kfw DEG)	Yes	No
Greece	Ministry of Foreign Affairs - Hellenic aid	Yes	No
Ireland	Department of Foreign Affairs	No response	
Italy	Società Italiana per le Imprese all'Estero (SIMEST)	No response	
Japan	Japan International Cooperation Agency (JICA)	Yes	Yes
Korea	The Export-Import Bank of Korea (Korea Eximbank)	Yes	No
	Korea International Cooperation Agency(KOICA)	Yes	Yes
Luxembourg	Ministère des Affaires étrangères	No response	
Netherlands	Netherlands Development Finance Company (FMO)	No response	
New Zealand	Ministry of Foreign Affairs and Trade	No response	
Norway	Norfund	Yes	No
Portugal	Sociedade para o Financiamento do Desenvolvimento (SOFID)	Yes	Yes
Spain	Compañía Española de Financiación del Desarrollo	No response	
Sweden	Swedfund International AB (SWEDFUND)	Yes	No
Switzerland	Swiss State for Economic Affairs (SECO)	Yes	Yes
	Swiss Investment Fund for Emerging Markets (SIFEM)	Yes	No
United Arab Emirates	Ministry of International Cooperation and Development	Yes	No
United Kingdom	CDC Group (CDC)	Yes	*
	Department for International Development (DFID)	Yes	Yes
United States	Overseas Private Investment Corporation (OPIC)	Yes	Yes
	United States Agency for International Development (USAID)	Yes	Yes
Multilateral institutions	African Development Bank (AfDB)	No response	
	Arab Fund	No response	
	Asian Development Bank (AsDB)	Yes	No
	Arab Bank for Economic Development in Africa (BADEA)	No response	
	Caribbean Development Bank (CDB)	No response	
	European Bank for Reconstruction and Development (EBRD)	Yes	Yes
	Inter-American Development Bank (IADB)	Yes	Yes
	International Bank for Reconstruction and Development/ International Development Association (IBRD/IDA)	No response	
	International Fund for Agricultural Development (IFAD)	No response	
	International Finance Corporation (IFC)	Yes	Yes
	The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)	Yes	Yes
	Nordic Development Fund (NDF)	Yes	Yes
	OPEC Fund for International Development (OFID)	No response	
Private Infrastructure Development Group (PIDG)	Yes	Yes	

\* Provided aggregate data on its participation in funds.