

Measuring private finance mobilised by official development finance interventions

Workshop on Data Collection for Long-term Investment
G20/OECD Task Force on Institutional Investors and Long-Term Financing
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CONTEXT

OBJECTIVE

- To develop an international standard for measuring the amounts mobilised from the private sector by official development finance interventions. (2014 DAC HLM mandate).
 - ➔ As from 2017, part of regular data collection in the DAC system

SCOPE

- So far, the work was limited to measure direct mobilisation, as opposed to indirect mobilisation (i.e. catalytic effect) considered more difficult to track statistically.



**SUSTAINABLE
DEVELOPMENT** GOALS



United Nations
Framework Convention on
Climate Change

**ODA
MODERNISATION**

**NEW TOSSD
FRAMEWORK**

DAC work on mobilisation is carried out in close collaboration with



Research Collaborative
Tracking Private Climate Finance

DFIs/IFIs experts

APPROACH FOLLOWED BY THE DAC

PRINCIPLES

In the context of an international statistical system, the approach needs to be:

1. **CONSERVATIVE** in terms of **causality** assumptions
2. **FAIR** in terms of **attribution** (all official actors are taken into account)
3. **PRAGMATIC** in terms of **point of measurement** and **data availability**

... while avoiding double counting

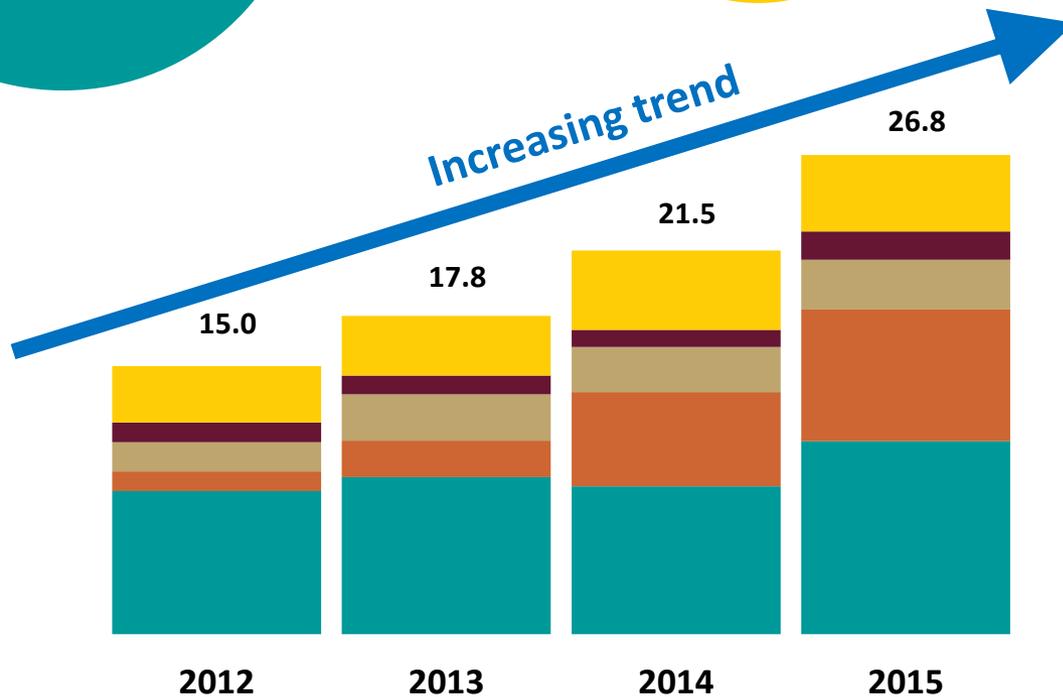
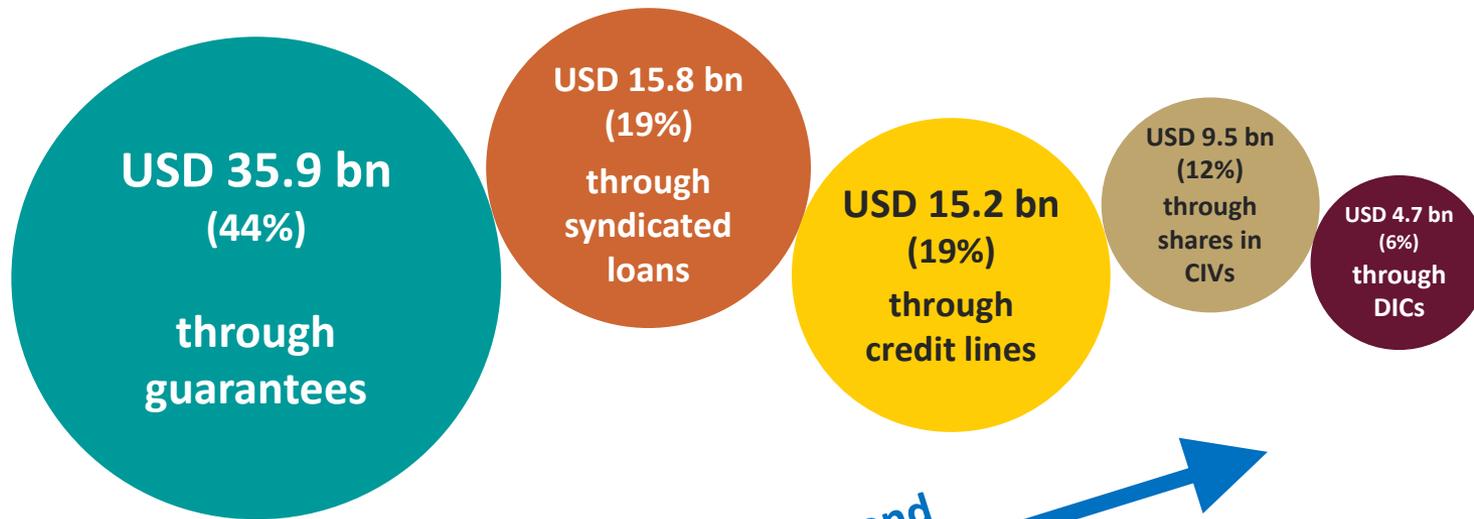
INSTRUMENT-SPECIFIC METHODOLOGIES (in progress)



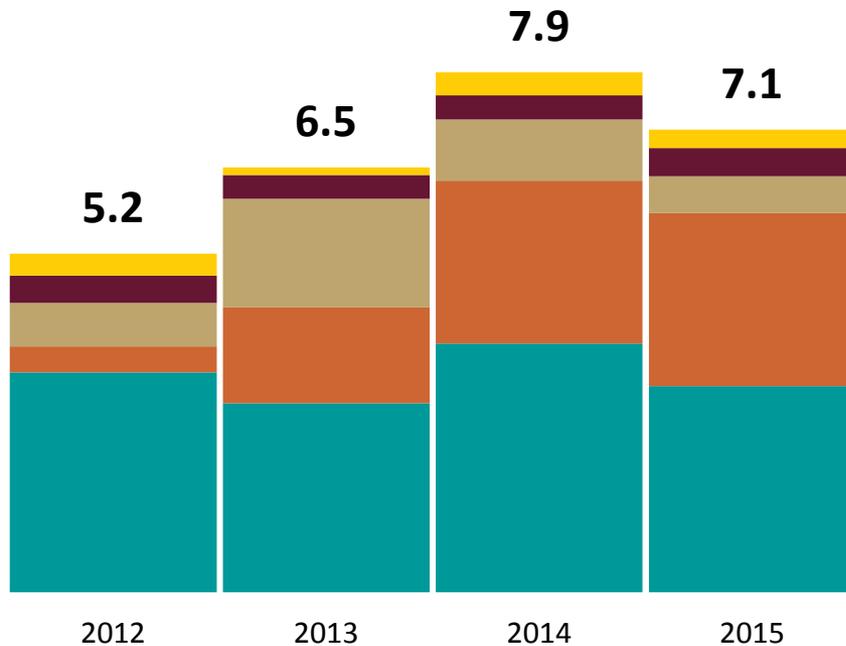
SURVEYS

- A series of survey carried out since 2013 to pilot methodologies and collect data

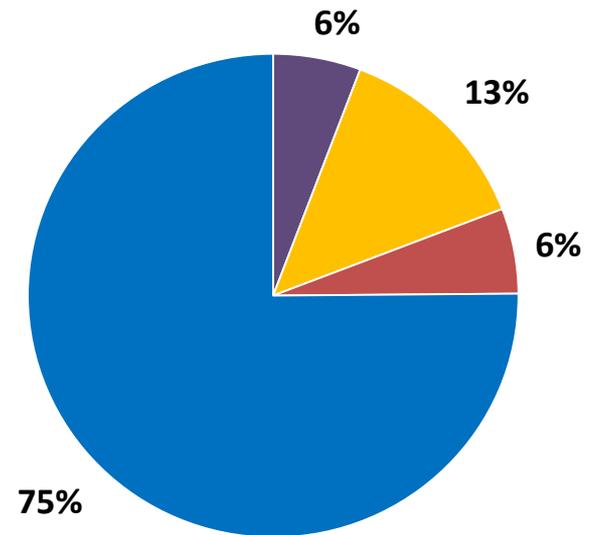
2016 SURVEY: USD 81.1 BILLION MOBILISED FOR DEVELOPMENT



...of which 33% IN INFRASTRUCTURE SECTORS



- Credit lines
- Direct investment in companies
- Shares in CIVs
- Syndicated loans
- Guarantees



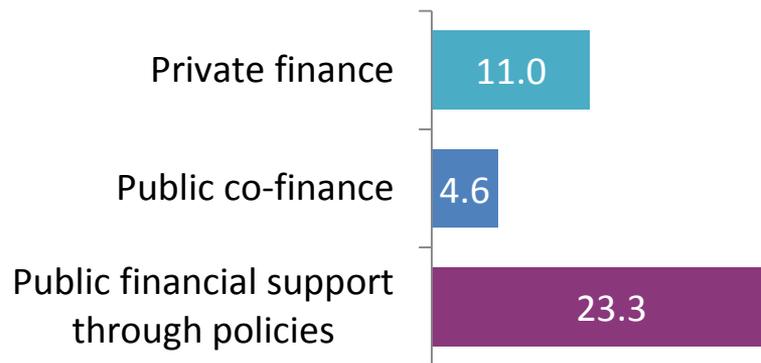
- Water Supply & Sanitation
- Transport & Storage
- Communications
- Energy

Estimating publicly-mobilised private finance for climate action in South Africa (2010-2015)



- **Complement to OECD DAC work**
- Estimates mobilisation by public interventions including those **beyond development finance** (e.g. policies, capacity building)
- **Data granularity/availability** underpins methodological possibilities

Overview of finance for renewable energy projects (USDbn)



Data sources and insights

- **Primary data** collection from OECD DAC surveys, and public finance providers
- **Secondary data** from commercial databases, and desktop research
- Data from international actors remains **partial**, most domestic actors do not track **climate relevance**
- Partial records of **private finance alongside targeted climate policies** were a useful data source
- **Commercial databases** helped identify projects with no public co-finance

MORE INFO ON OECD WORK ON MOBILISATION

2016 OECD-DAC Survey on amounts mobilised (...)

<http://www.oecd.org/dac/stats/mobilisation.htm>

 **OECD**
THE DEVELOPMENT ASSISTANCE COMMITTEE
ENABLING EFFECTIVE DEVELOPMENT

**AMOUNTS MOBILISED FROM THE PRIVATE SECTOR
BY OFFICIAL DEVELOPMENT FINANCE INTERVENTIONS**
2016 OECD-DAC Survey – Preliminary analysis

Background

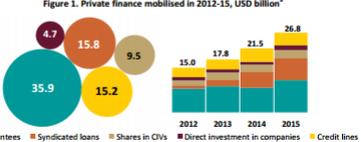
The need to mobilise private resources is at the heart of discussions around how to finance the Sustainable Development Goals (SDGs), including in the context of climate change mitigation and adaptation. The OECD Development Assistance Committee (DAC) has been working on this issue under a mandate from the December 2014 and February 2016 High Level Meetings with the aim to establish an international standard for measuring the volume of private finance mobilised by official development finance interventions. This work is carried out in consultation with multilateral and bilateral development finance institutions, as well as in close collaboration with the OECD-led Research Collaborative on tracking private climate finance.¹ It is also expected to contribute to the ongoing development of a broader measurement framework of total official support for sustainable development (TOSSD) and the DAC work stream on blended finance. As from 2017, data collection on amounts mobilised is being implemented in the regular DAC statistical system.

The 2016 DAC Survey follows a series of surveys carried out since 2012 to pilot methodologies for measuring amounts mobilised from the private sector by official development finance interventions. In this iteration, the objectives were to 1) pilot methodologies developed for credit lines and direct investment in companies, 2) update the data for guarantees, syndicated loans and shares in collective investment vehicles² and 3) explore approaches for amounts mobilised through complex financing schemes (e.g. PPPs). This note presents the preliminary results of the 2016 Survey. A more comprehensive analysis will be produced during the 2nd quarter of 2017.

USD 81.1 billion were mobilised from the private sector in 2012-15

The 2016 Survey shows that, in 2012-15, USD 81.1 billion were mobilised from the private sector by official development finance interventions in form of guarantees, syndicated loans, shares in CIVs, credit lines and direct investment in companies (DICs). Compared to previous DAC surveys, amounts mobilised continued on their upward trend, increasing from USD 15.0 to 26.8 billion between 2012 and 2015. Results confirm that the main leveraging instrument to date is guarantees (USD 35.9 billion mobilised, representing 45% of the total). They, however, also underline the mobilisation effect of the other instruments surveyed, i.e. syndicated loans and credit lines (19% each), shares in CIVs (12%) and DICs (6%).

Figure 1. Private finance mobilised in 2012-15, USD billion³



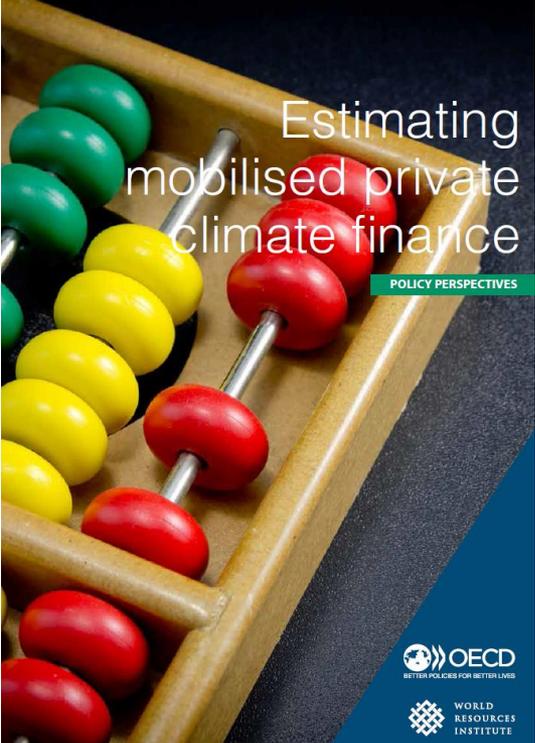
Instrument Type	Amount (USD billion)
Guarantees	35.9
Syndicated loans	15.2
Shares in CIVs	9.5
Direct investment in companies	4.7
Credit lines	15.8

¹ <http://www.oecd.org/env/researchcollaborative/>
² Instruments covered in the 2015 Survey.
³ The increase in the amounts mobilised by syndicated loans as from 2014 is mostly explained by the fact that the IFC provided data for the instrument for 2014-15 only.

AMOUNTS MOBILISED FROM THE PRIVATE SECTOR BY OFFICIAL DEVELOPMENT FINANCE INTERVENTIONS
Guarantees, syndicated loans, collective investment vehicles, credit lines and direct investment in companies

Research Collaborative on Tracking Private Climate Finance

www.oecd.org/env/researchcollaborative



Estimating mobilised private climate finance

POLICY PERSPECTIVES

 **OECD**
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 **WORLD RESOURCES INSTITUTE**