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MEASURING AND REPORTING ON MOBILISATION

Possible rationalisation of reporting and inclusion of two additional leveraging mechanisms in the CRS

Formal meeting of the Working Party on Development Finance Statistics (WP-STAT)
1-2 July 2019, OECD Conference Centre, 2 rue André Pascal 75016 Paris

This note is presented FOR DISCUSSION under item 11 of the draft annotated agenda DCD/DAC/STAT/A(2019)2.

The note invites members to share their views on two proposals relating to measuring and reporting on mobilisation through the CRS:

- Rationalise the CRS reporting requirements pertaining to the amounts mobilised from the private sector. **See paragraphs 7 to 15.**
- Building on the results of the 2018 Survey, complement the current scope of the OECD DAC measure on mobilisation with two additional leveraging mechanisms, namely simple co-financing arrangements and project finance SPVs. **See paragraphs 27 to 29.**

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MEASURING AND REPORTING ON MOBILISATION

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Introduction

1. The Secretariat has been working for a number of years now, under DAC high-level mandates, and in collaboration with the OECD-hosted Research Collaborative on tracking private climate finance, to develop an international standard for measuring and collecting data on private finance mobilised by development finance interventions, including for climate action. The aim is to provide robust and transparent evidence to inform international processes, including the implementation of the Addis Ababa Action Agenda and negotiations within the United Nations Framework Convention on Climate Change (UNFCCC). More recently, this work has provided key inputs to the development of the Total Official Support for Sustainable Development (TOSSD) statistical measure and discussions on blended finance as well as estimates of progress towards the USD 100 billion goal ahead of the UN Climate Summit in September.

2. The methods for measuring mobilisation have been developed in dialogue with members and with bilateral and multilateral development finance institutions. They strive to be fair in terms of attribution and incentives provided (taking into account the role of and risk taken by all official actors, including from recipient countries), and reasonable in terms of accounting boundaries and assumptions regarding the causal link between public finance and private finance mobilisation.

3. In parallel, a group of Multilateral Development Banks (MDBs) has developed its own approach for jointly reporting on private investment mobilisation. This is closely related to the billions to trillions agenda and the request to MDBs by their respective shareholders to optimise their balance sheets by increasing investment from the private sector and institutional investors. The OECD and MDB methodologies do have commonalities, but also divergences which prevent their mixed use without double counting [see the results of a recent comparison exercise in DCD/DAC/STAT(2019)10].

4. While there is a common understanding that the two methodologies both have their merits and serve different purposes, it was commonly agreed that MDBs would apply the OECD methodology in their reporting to the OECD DAC system so as to avoid double counting at the international level as well as to ensure comparability of data. However, while the MDBs provided data to the OECD over the course of the years, a couple of them greatly reduced the level of granularity or anonymised projects in their submissions as of 2018, preventing the Secretariat from carrying out the regular quality assurance work. Furthermore, these institutions applied the MDB approach, thus creating double counting in the system. At the July Working Party on Development Finance Statistics (WP-STAT) meeting, the Secretariat will update members on continued discussions on the harmonisation of MDBs' and members' reporting on mobilisation in OECD DAC statistics, including the question of how to overcome possible confidentiality constraints placed on these data.

5. Data on amounts mobilised from the private sector have been collected for over five years, first in the form of surveys, followed by a progressive integration of the data in regular CRS data collection starting in 2017 with three leveraging mechanisms (guarantees, syndicated loans and shares in collective investment vehicles) and followed in 2018 by two additional mechanisms (direct

investment in companies and credit lines). In 2018, a data Survey was conducted to pilot approaches for capturing the amounts mobilised through a last set of leveraging mechanisms identified: simple co-financing arrangements (including technical assistance) and project finance special purpose vehicles (SPVs). The Survey also intended to test approaches for capturing the mobilisation impact of single-donor funds and facilities mandated to mobilise private finance for development.

6. **This note invites members to share their views on the following two possible proposals:**

- **Rationalise the CRS reporting requirements pertaining to the amounts mobilised from the private sector. See paragraphs 7 to 15.**
- **Building on the results of the 2018 Survey, complement the current scope of the OECD DAC measure on mobilisation with two additional leveraging mechanisms, namely simple co-financing arrangements and project finance SPVs. See paragraphs 27 to 29.**

Based on members' comments and inputs, the Secretariat will circulate the proposals for members' approval through the written procedure.

Rationalising CRS reporting on mobilisation

Current reporting process and templates: CRS ++ and supplementary file

7. Since 2017 (for reporting on 2016 flows), reporting on mobilisation has been included in the regular CRS reporting through the following three fields:

- 43a – Leveraging mechanism
- 43b – Amounts mobilised from the private sector
- 43c – Origin of funds mobilised

8. In addition, in order to enable the Secretariat to carry out a basic data quality check, and to assist members in the setting up of their internal statistical systems on mobilisation, members have been invited to complement their CRS++ data submission with a supplementary data file ("CRS supplementary file on mobilisation"). This file solicits additional information needed for calculating the share of the amounts mobilised attributed to the provider according to the OECD methodologies. In 2019, it also included a "CHECK" field which automatically calculates the amounts mobilised based on the inputs in relevant fields of the file.

9. As in previous years, in its 2019 data solicitation letter the Secretariat invited members and other data providers to continue completing and submitting the supplementary file alongside their main CRS++ reporting. Furthermore, pending final approval of the new methodologies tested for simple co-financing arrangements and project finance SPVs, and in order to avoid a parallel data survey later this year, members were invited to also report provisional information for these two mechanisms in the supplementary file.

10. As agreed in 2018, only information captured in the three fields included in the standard CRS++ reporting template – 43a, 43b and 43c – will be published according to certain criteria [see paragraphs 15-16 of DCD/DAC/STAT(2018)54]. Data collected through the supplementary file are stored in a separate database and are not for public disclosure.

Possible rationalisation of the reporting process on mobilisation

11. As illustrated in the Annex 1, beyond the three CRS regular data fields on mobilisation (43a, 43b and 43c), the current supplementary file on mobilisation also includes:

- **Additional fields on the amounts mobilised**, mainly related to the role and volume invested by the official and private actors in a mobilisation scheme. These fields are currently organised in sections by each leveraging mechanism and capture the information needed to calculate the share of the private finance mobilised attributed to the provider according to the OECD DAC methodology.
- **Fields linking the mobilisation data to the CRS++ dataset**.

12. With the scope of the data collection having expanded over the past years to six leveraging mechanisms, the number of mobilisation data fields in the supplementary file has reached 23 in total. Some of these fields are redundant across leveraging mechanisms (such as "total private investment" or "amount invested by the reporting institution") and the Secretariat sees room for rationalisation. In addition, based on feedback received from some reporting institutions, the Secretariat also perceives a need to simplify the reporting.
13. As shown in Annex 1, removing the redundancies across data fields could actually reduce the number of supplementary fields from 23 to 9. While it would discontinue the current instrument-specific structure of the supplementary data file, it would not compromise the comprehensiveness and quality of information sought by the current template. Neither would it affect the functioning of the "CHECK" field.
14. In addition, the reduction in the number of supplementary data fields to 9 triggers the question of whether they could be added as new columns to the CRS++ template or whether it is preferable to continue collecting the additional information in a separate file as at present. While including the 9 new columns in the CRS++ template would respond to a request from a few providers to consolidate overall CRS++ reporting, it would also significantly increase the size of the file (which already includes 53 fields) for data to be collected only for a small subset of projects (meaning that most of time these fields would be empty). On the other hand, members may consider it easier to circulate a separate reporting template on mobilisation to the institutions concerned. They may also see benefits of having an instrument-specific structure in the supplementary file (i.e. keeping the current 23 supplementary fields), for example as a means to facilitate reporting of institutions specialised in one or two leveraging mechanisms (e.g. Sida and MIGA with guarantees, CDC Group with shares in CIVs).
15. **In the light of the above, members are invited to share their views on the extent to which reporting on mobilisation should be rationalised (i.e. move from 23 to 9 supplementary fields) and consolidated (i.e. keep the data collection on supplementary fields for mobilisation separate or include them in the CRS++ template).**

Measuring private mobilisation through simple co-financing arrangements and project finance SPVs

Background: the 2018 Survey

16. In 2018, the Secretariat carried out a data Survey with the aim to:

- pilot possible approaches for capturing the amounts mobilised through grants and loans in simple co-financing arrangements with the private sector, as well as through project finance special purpose vehicles (SPVs) where multiple actors and instruments often interact;
- testing the feasibility of capturing the mobilisation effect of single-donor funds and facilities;
- complementing data on amounts mobilised through direct investment in companies and credit lines for 2016.

17. As described in Annex 2, the methodology piloted through the survey for simple co-financing arrangements mainly consisted in defining the project boundaries for measuring mobilisation through such mechanisms (based on financial arrangements and specifications agreed among the official provider and partner private entity, for a specific activity and as recorded in the provider's documentation). Given the "simple" nature of the financial arrangements, the methodology further suggests attributing the private finance mobilised to official actors pro-rata to their respective financial share in the deal. Financing committed outside the financial arrangement (whether upstream or downstream) was considered out of scope. For project finance SPVs, the methodology developed rather aimed at providing reporting guidance on when to apply or combine existing methodologies for guarantees, syndicated loans and direct investment in companies to attribute private finance mobilised by official development finance interventions in a project finance structure (SPV).

Highlights from the Survey

18. As the 2018 data survey coincided with the regular CRS data collection (including on mobilisation), many members and other organisations reported data to both processes through a single data submission. Overall, 21 members and 16 multilateral organisations reported mobilisation data in 2018. Five bilateral and three multilateral providers reported on mobilisation for the first time in 2018. Data collected through both the regular CRS data collection and the survey enabled the Secretariat to produce a comprehensive picture, in terms of leveraging mechanisms covered, of the amounts mobilised from the private sector by official development finance interventions in 2012-17.[1]

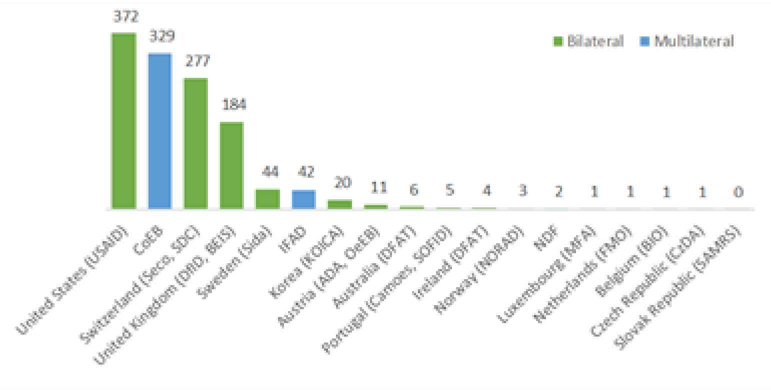
Grants and loans in simple co-financing arrangements

19. In total, 15 bilateral and three multilateral providers reported on the amounts mobilised through simple co-financing arrangements with the private sector, such as business partnerships, B2B programmes, matching grant schemes and similar. Piloting this leveraging mechanism enabled five providers (Australia, Czech Republic, Ireland, Korea and Slovak Republic) and two multilateral providers (Council of Europe Development Bank and International Fund for Agricultural Development) to report on their mobilisation effect for the first time. However, a few countries and organisations known to mobilise private finance through simple co-financing arrangements did not respond to the survey, mainly due to limited availability of relevant information in their internal systems, capacity constraints or other reasons (e.g. Denmark, Finland, Japan, New Zealand).

20. Regarding the specific case of technical assistance, discussions with a couple of members (Japan, Switzerland) suggested that more work is needed to clarify under which circumstances and criteria such activities can be considered having a direct mobilisation effect – i.e. where a direct causal link can be established between the official and private financing, as opposed to a more indirect (catalytic) effect. For example, causality can reasonably be assumed between private investment and technical assistance services aiming at developing concrete investment opportunities, or sound and bankable business plans, as opposed to broad capacity building activities.

[1] More information is available at: http://www.oecd.org/development/financing-sustainable-development/development-finance-standards/mobilisation.htm.

Figure 1. Amounts mobilised through simple-co-financing arrangements in 2017
USD million



Project finance special purpose vehicles (SPVs)

21. For the purpose of the survey, project finance refers to a modality of project financing via special purpose vehicles (SPVs), usually of a non-recourse or limited recourse nature. Typical project finance instruments include equity instruments, senior debt, as well as credit enhancements such as guarantees. Project finance in development contexts usually involves multiple actors including both private and/or official project sponsors and debt providers.

22. Eight bilateral and four multilateral organisations reported to the survey data on the amounts mobilised through project finance SPVs (beyond syndicated loans and guarantees) 2. This includes Austria (OeEB), Belgium (BIO), Canada (through MDB-administered facilities), Denmark (IFU), Netherlands (FMO)3, Norway (Norfund), United Kingdom (CDC Group) and USA (OPIC) and, on the multilateral side, the Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank (EIB) and the Private Infrastructure Development Group.

23. While final data from one member is still expected, preliminary results show that the amounts mobilised through project finance SPVs, beyond syndicated loans and guarantees, amounted to around USD 6 billion in 2017, which represents approximately 80% of the total amount mobilised through direct investment in companies and SPVs. These results are considered encouraging and confirm the importance of capturing this leveraging mechanism in the measure on mobilisation. Project finance remains an attractive and critical tool to mobilise private finance, in particular in the context of large infrastructure projects in developing countries, where risks are better shared amongst different classes of investors (equity holders, debt providers, quasi-equity investors, guarantors).

24. Data shared by the 12 bilateral and multilateral providers on project finance SPVs, following the approach suggested, showed the feasibility of capturing the totality of the amounts mobilised through

[2] Project finance special purpose vehicles (SPVs) often refer to complex financing structures where multiple official and private investors, as well as different leveraging mechanisms. While the DAC methods on guarantees and syndicated loans already capture significant shares of private investments in project finance SPVs, non-guaranteed private investments beyond syndicated loans (e.g. private equity or private debt in SPVs without syndicated debt) remained out of reach of the DAC methodologies.

[3] In the context of the OECD-DAC statistics, FMO is considered official, in line with the OECD definition of official transactions. However, in the National Accounts System (NAS) of the Netherlands, FMO is registered as a private, independent bank. Data on the amounts mobilised by FMO are collected on an ad-hoc basis.

such schemes while avoiding double counting.[4] However, in general, a flag would have been useful to facilitate identification and analyse of private finance mobilised through project finance schemes. Indeed, depending on the financial structure, the amounts mobilised appear under guarantees, syndicated loans or direct investment in companies/SPVs.

Single-donor funds and facilities

25. Canada and the Nordic Development Fund reported on the amounts mobilised through their single-donor facilities, whether administered by MDBs or not. Significant work in this respect is also being undertaken by the Netherlands for 2018 flows. More data on amount mobilised through single-donor funds and facilities were however expected, as other members are known to use such vehicles to mobilise private finance.

26. Even though the reported data were of a very good quality, some members suggested that data on the amounts mobilised through MDB-administered single-donor facilities should be collected directly from the multilateral organisations, as facility managers are deemed to have direct access to the information.

Inclusion of simple co-financing arrangements and project finance SPVs in the measure on mobilisation

27. As described above, the 2018 Survey showed that a significant number of institutions do mobilise private finance for development using simple co-financing arrangements (mainly traditional aid agencies) or participating in project finance SPVs. Most of these institutions were also able to report on the amounts mobilised through these mechanisms, the others are working on adjusting their internal system and developing their reporting capacities to report in the future.

28. The Secretariat would therefore like to suggest expanding the scope of the mobilisation measure by introducing these two additional leveraging mechanisms in the regular data collection, applying the methodologies piloted through the Survey (see in Annex 2).[5] With this expansion the OECD DAC measure on mobilisation could be considered comprehensive, with the understanding that the methodologies could be further adjusted by the WP-STAT if deemed necessary. The Secretariat does not foresee any additional leveraging mechanism to be added to the list.

29. Members are invited to share their views on the proposal to include simple co-financing arrangements and project finance SPVs in the regular data collection on mobilisation, following the methodologies proposed in Annex 2.

[4] A concrete example of project finance schemes involving multiple actors and instruments is the Hidrowarm hydropower project in Ecuador, sponsored by private investors and further financed through a syndicated debt facility arranged by the IADB Group and participated by FMO, Canadian Climate Fund for the Private Sector in the Americas and several commercial banks. More details can be found here: https://www.iic.org/en/media/news/iic-finances-hydropower-plant-ecuador#.XQenUIgza70.

[5] At the June 2018 WP-STAT meeting, the Secretariat invited members to consider two attribution options in cases where instrument-specific methodologies overlap, e.g. when a private B-loan in a syndication also benefits from an official guarantee: option 1 (50:50 sharing between instruments) and option 2 (or prioritisation of guarantees). Discussions at the 2018 June WP-STAT highlighted that while two members supported option 1, two other expressed their preference for option 2 [see paragraph 23 of DCD/DAC/STAT/M(2018)2]. The 2018 survey did not provide further insights on this issue as the case did not arise (rather rare). However, in the methodology presented in Annex 2, the Secretariat has retained option 1 (50:50 sharing), considered more neutral in terms on incentives.

Next steps

30. Based on members' comments and inputs, the Secretariat will circulate the two proposals for members' approval under the written procedure, for implementation in 2020 for reporting on 2019 flows.

31. Finally, discussions regarding which technical assistance activities can be considered having a (direct) mobilisation effect will be pursued with members and other stakeholders, including MDBs. A workshop on this issue is planned to be organised in the last quarter of 2019.

Annex 1. Possible reduction of the number of supplementary fields for reporting on mobilisation

In order to rationalise the reporting format, the current 23 supplementary fields could be merged to the following 9 fields (see also figure 2 below):

- **Amounts invested by your institution**

  To capture the amount invested by the reporting institution. This field is applicable to all leveraging mechanisms. For guarantees, this field can be used to report on the guarantor's exposure (needed in the case of co-guarantors).

- **Total official investment**

  To capture the total amount invested by all official providers (including the reporting institution). This field is applicable to all leveraging mechanisms. For guarantees, the field could be used to report on the sum of all official guarantors' exposure.

- **Private investment before attribution**

  To capture the total private investment mobilised, before attribution. This field is applicable to all leveraging mechanisms. For credit lines, the field would capture the private finance mobilised at the local finance institution's level (top-up fund).

For syndicated loans

- **Type of arranger**

  To capture the official vs. private nature of the arranger.

For shares in CIVs and DICs/SPVs

- **Number of official investors in the riskiest tranche**

  This field is only applicable to shares in CIVs, direct investment in companies and project finance SPVs, for capturing the number of official actors investing in the riskiest tranche (incl. the reporting institution, if relevant).

- **Number of official investors in the mezzanine/senior tranche**

  This field is only applicable to shares in CIVs, direct investment in companies and project finance SPVs, for capturing the number of official investors (incl. the reporting institution, if relevant) in the mezzanine/senior tranches.

For credit lines

- **Revolving factor**

  This field is only applicable to credit lines for capturing the value of a revolving factor, if relevant.

- **End-borrowers' equity**

  This field is only applicable to credit lines for capturing the value of the end-borrowers' equity investment, as required by the credit line contract (if any).

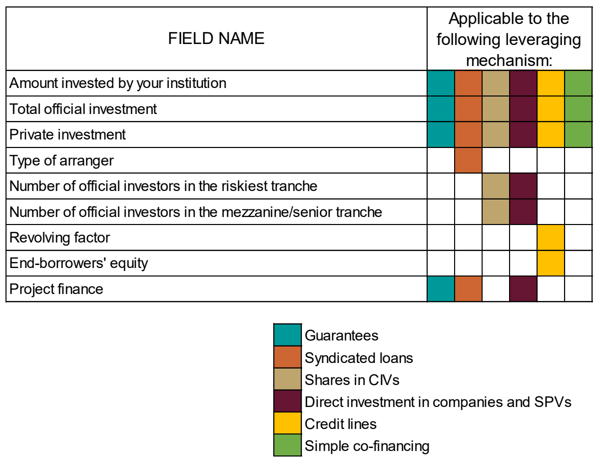
For project finance

- **Project finance flag**

This field is meant to isolate investments in broader project finance SPVs. It is applicable to guarantees, syndicated loans and direct investment in project finance SPVs.

Figure 2. Proposed simplification of the supplementary file on mobilisation

Leveraging mechanism	FIELD NAME
Gurantees	Name(s) of official co-guarantors
Syndicated loans	Type of arranger
	Total amount invested by your institution
	Total funding from official participants in the syndication
	Private funding in syndication
Shares in CIVs	Total amount invested by your institution
	Number of official investors in the riskiest tranche of the CIV
	Number of official investors in the mezzanine/senior tranche of the CIV - for structured CIVs
	Total official investment
	Private investment
Direct investment in companies and SPVs	Amount invested by your institution in the financing round
	Number of official investors in equity tranche
	Number of official investors in mezzanine/ senior debt tranche
	Total official investment in the financing round
	Private investment
Credit lines	Amount invested by your institution
	Total official amount in the credit line
	Private top-up funds by local finance institution
	Revolving factor
	End-borrowers' equity
Simple co-financing	Total amount invested by your institution
	Total official finance in the arrangement
	Private finance in the arrangement



Annex 2. Proposed methodologies for measuring private mobilisation through simple co-financing arrangements and project finance SPVs

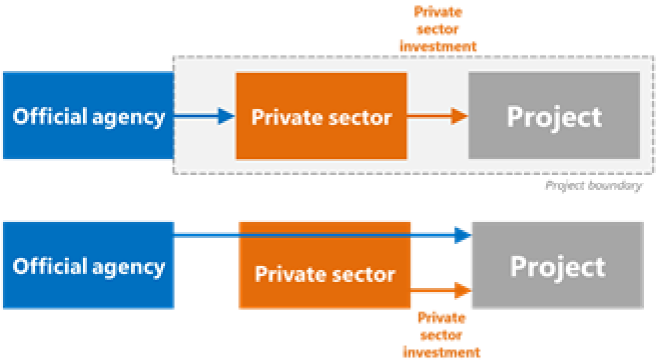
The reporting instructions on simple co-financing and project finance below include the data requested by the supplementary fields (these fields are numbered as "X").

1. Simple co-financing

Description

Simple co-financing arrangements refer to various business partnerships, B2B programmes, business surveys, matching programmes and similar, but also result-based approaches.

Figure 3. Possible schemes of simple co-financing arrangements



Key assumptions

The measurement of private finance mobilised is based on the general assumption that the private sector would not have invested without the official finance intervention (additionality assumption). A causal link between a standard grant or loan and a private co-investment is established only if it can be demonstrated (e.g. through contractual/financial agreement or project documentation) that the provision of official funds are conditioned[6] to:

- Private sector co-financing, or
- Specific outcomes of private sector investment (in the case of result-based financing mechanisms).

Loans to enterprises should be considered under the methodology on direct investment in companies.

Attribution method

Private finance mobilised through a simple co-financing arrangement is attributed to official actors pro-rata to their respective financial share in the deal.

$$\text{Amounts mobilised by A} = \frac{O_A}{O_{total}} \text{ x P}$$

[6] The provision of technical assistance (capacity building, feasibility study etc.) can be claimed to mobilise private finance only for projects where causality - i.e. direct link with private investments - is demonstrated in the project documentation or financial agreement.

O_A = Investment by the official actor; O_{total} = Total official investment; P = Private investment

Project boundaries are defined as financial arrangements and specifications agreed among the official provider and private entity, for a specific activity or project and as recorded in the provider's documentation.

Financing committed outside defined financial arrangement (whether upstream of downstream) is considered out of scope.

Point of measurement

The point of measurement may vary, depending on the modality and data availability. Mobilisation by standard grants and loans in simple co-financing arrangements is ideally measured at the commitment stage or, alternatively, when the private investment takes place.

Examples and reporting instructions

Example 1: single official actor

Based on the results of an open competition, an aid agency awards a grant of USD 2 million to a private company in the provider country to implement a development project in the water sector with a total project cost 3 million.

Table 1: Reporting instructions, grants and loans in co-financing arrangements, Example 1

Reporting agency / **Field**	**Aid agency**
Field 12 – Financial instrument	110=standard grant
Field 33 – Amount committed	2000
Field 43a – Leveraging mechanism	10=Simple co-financing arrangement
Field 43b– Amount mobilised from the private sector	1000
Field 43c – Origin of funds mobilised	1=provider country
X – Amount invested by your institution	2000
X – Total official investment	2000
X – Private investment before attribution	1000

Example 2: multiple official actors

An IFI and a bilateral aid agency partnered with a private company in the beneficiary country to co-finance a project of USD 5 million. The project documentation indicates that the IFI financed a USD 2.5 million loan, the bilateral aid agency provided a grant amounting to USD 0.5 million and the remaining USD 2 million originates from private sources.

Table 2: Reporting instructions, grants and loans in co-financing arrangements, Example 2

Field / Reporting agency	IFI	Aid agency
Field 12 – Financial instrument	421=Standard loan	110=standard grant
Field 33 – Amount committed	2500	500
Field 43a – Leveraging mechanism	10=Simple co-financing arrangement	10=Simple co-financing arrangement
Field 43b– Amount mobilised from the private sector	1666.67	333.33
Field 43c – Origin of funds mobilised	3=beneficiary country	3=beneficiary country
X – Amount invested by your institution	2500	500
X – Total official investment	3000	3000
X – Private investment before attribution	2000	2000

2. Project finance

This section provides guidance on when to apply or combine existing methodologies for guarantees, syndicated loans and direct investment in companies to attribute private finance mobilised by official development finance interventions in project finance special purpose vehicles (SPVs).

Description

For the purpose of this methodology, project finance refers to non-recourse or limited recourse financing[7] of projects via special purpose vehicles (SPVs). Typical project finance instruments include equity instruments, senior debt, as well as credit enhancements such as guarantees. It follows that project finance usually involves multiple actors including private and/or official project sponsors/developers investing in the equity, and debt providers such as development banks, development finance institutions, or commercial banks. Senior debt enjoys priority in terms of repayment over all other forms of finance. So, repayment risks for senior lenders are lower than for equity investors.

Key assumptions

The basic assumption is that the private sector would not have invested in the project finance SPV without the involvement of the official actor (additionality assumption). It is further assumed that, in project finance, the causal link between official and private investment is stronger in a syndication or a guarantee scheme than if extended on a stand-alone basis in the SPV (e.g. sponsors' equities, standard loan).

Project boundaries are defined by the balance sheet of the SPV, as well as potential guarantee arrangements, as recorded in the providers' documentation, particularly the financial closure arrangements. Financing committed outside the SPV is not considered.

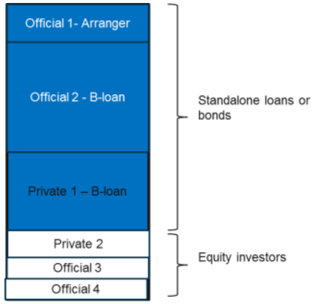
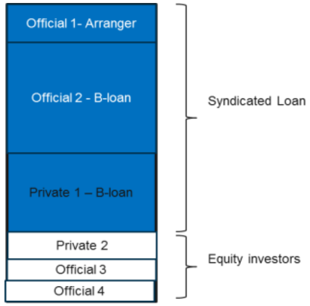
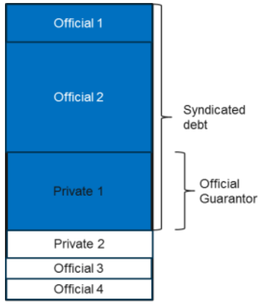
Attribution method

Private finance can be mobilised in a project finance SPV by official interventions, and therefore attributed according to four main scenarios (see Table 3 below).

[7] Non-recourse or limited recourse financing refers to a financial structure, where the investors and lenders rely either exclusively (non-recourse) or mainly (limited recourse) on the cash flow generated by the project to repay their loans and earn a return on their investments.

Table 3. Attribution method per project finance scenario

Senior debt and mezzanine finance | Equity

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Project finance structure	**Scenario 1 –** Debt is not syndicated; no guarantee in project finance. 	**Scenario 2** – Debt is not syndicated; private equity (and/or debt) is officially guaranteed. 	**Scenario 3** – Debt is syndicated. Private B-loan is not guaranteed. 	**Scenario 4** – Debt is syndicated; private B-loan in the syndication is also officially guaranteed (methodologies overlap). 
Attribution method	• Private investment in the SPV (Private 1 and 2) is attributed to all official actors in the SPV (officials 1, 2, 3 and 4) according to the *direct investment in companies methodology*.	• Private equities (private 2) is attributed to the official guarantor according to the *guarantee methodology*. • Private debt (Private 1) is attributed to all official actors in the SPV (officials 1, 2, 3 and 4) according to the *direct investment in companies methodology* (.	• Private B-loan (Private 1) is attributed to official actors involved in the loan syndication (official 1 and official 2) according to *the syndicated loan methodology*. • Private equities (private 2) is attributed to all official actors in the SPV (officials 1, 2, 3 and 4) according to the *direct investment in companies methodology*.	• Private equities (private 2) is attributed to all official actors in the SPV (officials 1, 2, 3 and 4) according to the *direct investment in companies methodology*. • Private B-loan (private 1) is attributed by sharing equally. ○ 50% to the official participants in the syndicated loan (officials 1 and 2) according to the *syndicated loans methodology*. ○ 50% to the official guarantor(s) according to the *guarantee methodology*.

Point of measurement

The amounts mobilised from the private sector are measured at the financial closure stage, i.e. the point in time where all agreements related to the project finance SPV have been signed and all required conditions (including financial commitments) have been concluded. If the project is divided in several phases with subsequent financial closure(s), the amounts mobilised are measured at the financial closure for each phase.

Examples and reporting instructions

An SPV was set up for a large-scale infrastructure project, amounting to USD 0.9 billion. An MDB arranged a syndicated loan with the following structure:

- MDB arranger (A-loan): USD 150 million;
- DFI1 (parallel loan): USD 350 million;
- Private banks (B-loans): USD 200 million.

The private banks in the syndicated debt facility also benefitted from a guarantee extended by an aid agency. Local private project developers invested USD 110 million in the equity, alongside with a DFI2 which sponsored the project with an equity investment of USD 50 million.

Reporting of the amounts mobilised through the syndication

Private B-loans in the syndication, which also benefited from a guarantee, are attributed equally (50/50) to both the official actors in the syndication and the official guarantor, using the existing methodologies for syndicated loans and guarantees.

Table 4. Reporting instructions

Field / Reporting institution	MDB	DFI1	Aid agency
Field 12 – Type of finance	421=standard loan	421=standard loan	1100=guarantee/insurance
Field 33 – Commitment	150000	350000	0
Field 43a – Leveraging mechanism	1=syndicated loan, arranger	2=syndicated loan, participant	6=guarantee/insurance
Field 43b – Amount mobilised	65000	35000	100000
Field 43c – Origin of funds mobilised	5=Other/multiple origins	5=Other/multiple origins	5=Other/multiple origins
X - Amounts invested by your institution	150000	350000	70%
X - Total official investment	500000	500000	70%
X – Private investment before attribution	100000	100000	100000
X – Type of arranger	1=official	1=official	
X – Project finance flag	1	1	1

Reporting of the non-guaranteed and not syndicated private investment (private equity sponsors)

The non-guaranteed and not syndicated private investment is attributed to all official actors in the SPV using the methodology for direct investment in companies (reported as a separate record in the template, possibly using the same ID number).

Table 5. Reporting instructions

Field / Reporting institution	MDB	DFI1	DFI2
Field 12 – Type of finance	421=standard loan	421=standard loan	510=common equity
Field 33 – Commitment	0 (already reported)	0 (already reported)	50000
Field 43a – Leveraging mechanism	8=direct investment in companies and project finance SPVs, debt	8=direct investment in companies and project finance SPVs, debt	7=direct investment in companies and project finance SPVs, equity
Field 43b – Amount mobilised	15000	35000	60000
Field 43c – Origin of funds mobilised	2=Recipient country	2=Recipient country	2=Recipient country
X - Amounts invested by your institution	150000	350000	50000
X - Total official investment	550000	550000	550000
X – Private investment before attribution	110000	110000	110000
X - Number of official investors in the riskiest tranche	1	1	1
X - Number of official investors in the mezzanine/senior tranche	2	2	2
X – Project finance flag	1	1	1