FINANCING THE SUSTAINABLE DEVELOPMENT GOALS
THE CONTRIBUTIONS OF THE MULTILATERAL DEVELOPMENT BANKS
The organizations partnering on this report are the African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, International Finance Corporation, Islamic Development Bank, New Development Bank, World Bank Group, and the International Monetary Fund as members of the meetings of the Heads of Multilateral Development Banks (MDBs). The use of the term "MDBs" in this report refers to these 11 banks, and the International Monetary Fund’s role is specified as appropriate.

Production of this report was coordinated by the Islamic Development Bank as chair of the 2020 meetings of the Heads of MDBs, and the Asian Development Bank as chair of the MDB Working Group on Managing for Development Results. The designated “Sherpas” of the Heads and their teams guided the process, and focal points from each institution provided the featured technical content.

The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the official views and policies of the participating institutions, their Boards of Executive Directors, or the governments they represent. The accuracy of the data included in this report is not guaranteed, and no responsibility for any consequence of their use is accepted. By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document, no judgements are intended as to the legal or other status of any territory or area. All figures are in United States Dollars unless otherwise specified.

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Foreword

The year 2020 marks 75 years of multilateralism since the United Nations (UN) came into existence and 5 years since the adoption of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The SDGs present a new vision of development for all countries linking people, planet, and prosperity. The financing needed to realize this vision has grown from billions to trillions.

With only 10 years to go before 2030, we have entered a Decade of Action to achieve the SDGs. In this context, the multilateral development banks (MDBs) and the International Monetary Fund have come together to highlight our efforts to support countries in achieving the SDGs, by providing finance, technical assistance, policy support, and knowledge.

This year, in the context of the unprecedented coronavirus disease (COVID-19) pandemic, the MDBs acted swiftly to reorient their financing to help address critical needs, developing a global response package of $230 billion. The package will help address threats to peoples’ lives through short-term emergency health sector financing, accelerated infrastructure investment financing, and other instruments including trade finance and guarantees. It will also support MSMEs that have been hard-hit by the pandemic.

The pandemic has highlighted the fragility of the progress countries have made toward the SDGs and underlined the imperative of fostering better and more resilient development through a stronger focus on achieving the SDGs. Together, the Heads of MDBs have reflected on opportunities to strengthen their support for this vital agenda at this critical time. We recognize the urgency to achieve the 2030 Agenda through the work that needs to go into building a more resilient post-COVID-19 world.

This report features our efforts related to each of the 17 SDGs, reflecting our respective mandates and comparative advantages. Unlike commercial banks, the MDBs seek to maximize development impact rather than profits. We all agree that the investment required to achieve the SDGs vastly exceeds what the public sector can be expected to deliver. Steering private sector and other resources toward the SDGs is therefore crucial. Embodying the spirit of “SDG 17: Partnerships for the Goals”, the MDBs have developed close collaborations with each other and with other development partners, the UN, governments, private sector actors, and civil society to support this agenda as we work to reduce the effects of the COVID-19 pandemic.

We are committed to working with partner countries to emerge from the pandemic refocused on the SDGs, reflecting the principles of effective development cooperation.

To achieve these goals, we will deepen our focus on inclusion, and scale up our investments in people and human capital. We will strengthen our focus on resilience, including through economic and financial measures, to preserve our shared prosperity. We will continue to promote quality infrastructure that supports the SDGs, encourage digitalization, and foster innovation. We recognize the imperative to encourage green approaches to development and ambitious climate action, as envisioned in the Paris Agreement on Climate Change, and will enhance our efforts to protect the planet through our programming. We are also committed to continuing to work together to advance common approaches to results measurement in support of the SDGs.

I hope this report highlights our diverse ongoing efforts geared to supporting the SDGs. I am convinced that the MDBs have a key role to play through deeper collaboration during this Decade of Action to foster an inclusive, sustainable, green, and resilient future for the people we serve.

Bandar Hajjar
President, Islamic Development Bank
2020 Chair of the Meetings of the Heads of Multilateral Development Banks
INTRODUCTION

In 2015, the international community adopted the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) that underpin it, setting out an ambitious and universal 15-year agenda to improve people’s well-being, increase prosperity, protect the planet, and promote peace and good governance. Five years later, despite important achievements, the scale and speed of progress has been inadequate. The Secretary-General of the United Nations (UN) declared 2020 the start of a new “decade of action” aimed at infusing urgency and purpose into efforts to achieve the SDGs by 2030. The coronavirus disease (COVID-19) pandemic and ensuing economic crisis now threaten to stall and even erode prospects for accelerating progress toward the SDGs. Hard-won human development gains may be set back.

National and global leaders recognize the opportunity—and responsibility—to ensure that recovery efforts strengthen the inclusion, resilience, and environmental sustainability of our societies and economies. This imperative has been emphasized at forums including the Group of Twenty (G20) and the UN Secretary-General, who declared that the SDGs need to sustain their momentum despite the COVID-19 pandemic. Five years later, despite important achievements, the scale and speed of progress has been inadequate. The Secretary-General of the United Nations (UN) declared 2020 the start of a new “decade of action” aimed at infusing urgency and purpose into efforts to achieve the SDGs by 2030. The coronavirus disease (COVID-19) pandemic and ensuing economic crisis now threaten to stall and even erode prospects for accelerating progress toward the SDGs. Hard-won human development gains may be set back.

As Asia and the Pacific continues its development journey and recovers from the COVID-19 pandemic, it is more important than ever to focus on achieving the SDGs. Mobilizing domestic financial resources while ensuring debt sustainability is vital and will allow our partner governments to strengthen social safety nets and invest in high-quality green, resilient, and sustainable infrastructure, to benefit the poorest.

Masatsugu Asakawa
President, Asian Development Bank

The unprecedented crisis of the COVID-19 pandemic has once again called for the global development community to act together in response to common challenges. We as MDBs must further strengthen collaboration and partnerships, not only among ourselves, but also with other development partners from both public and private spheres. Together, we can help bring the world closer to the SDGs by 2030.

Marcos Troyjo
President, New Development Bank

The multilateral development banks (MDBs) and the International Monetary Fund (IMF) are committed partners in countries’ efforts to achieve the SDGs. They deliver innovative financing solutions that respond to specific needs and promote adherence to high standards, including in the areas of environmental sustainability, social inclusion, and good governance. The financing they provide—both directly and by helping to catalyze additional public and private resources—delivers significant sustainable development impact. Several MDBs provide concessional financing and grants that directly fund progress toward the SDGs in the poorest countries. The MDBs also leverage their respective areas of expertise to provide technical assistance and knowledge that helps partners tackle the challenges at the heart of the SDGs. They seek to work as a system, learning from each other’s experiences, and coordinating to advance shared development agendas.

The SDGs are the cornerstone of MDB support for sustainable and broad-based economic and social development. This joint report reflects our common endeavor: diverse organizations, each with a unique mandate and focus, joining forces and working towards the same goals.

Rolf Wenzel
Governor, Council of Europe Development Bank

This joint report, issued under the guidance of the Heads of 11 MDBs and the IMF, presents collective and individual efforts to support countries in achieving the SDGs (Box 1). Section 1 provides illustrative examples of MDBs’ individual and collective financing to support countries’ delivery of the SDGs. Section 2 focuses on partnerships to mobilize financing and generate knowledge in support of the SDGs. Given the role and mandate of the IMF to address macroeconomic and finance sector issues that affect global stability, its efforts are covered separately in Box 4. Section 3 looks ahead, reflecting on opportunities for the MDBs to strengthen their contribution to the Decade of Action, including through their efforts to help countries align their COVID-19 recovery efforts with the SDGs.

The IMF’s support for the SDGs is detailed in Box 4.

Box 4: The Multilateral Development Banks at a Glance

**Key Facts and Figures**

The Multilateral Development Banks (MDBs) and the International Monetary Fund (IMF) work closely together to support sustainable development in multiple ways and forums. The Heads of these institutions interact regularly, typically gathering alongside the IMF and World Bank Group spring and annual meetings. These meetings foster informal exchanges on shared challenges and opportunities, as well as common positions on critical global issues, such as the response to the coronavirus disease (COVID-19) pandemic. The IMF’s support for the SDGs is detailed in Box 4.

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SECTION 1
FINANCING FOR ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

In the final decade for achieving the 2030 Agenda for Sustainable Development and in the face of a global public health and economic crisis, it has never been more important to steer public and private finance toward the SDGs. The MDBs play a vital role in supporting countries’ efforts to advance the SDGs through direct financing and assistance for projects and programs in the public and private sectors, and by helping mobilize and catalyze public and private resources toward SDG-aligned investments. The MDBs seek to respond to the national priorities of their countries of operations and to complement each other’s efforts. While each MDB has its own reporting frameworks, all have sought to demonstrate how their operations contribute to countries’ progress on the SDGs.

This section does not aim to be exhaustive but rather highlights examples of the MDBs’ contributions to financing the SDGs. Most MDBs are active across all 17 Goals, and most projects and programs support multiple SDGs. The section is organized around four interlinked themes anchored in the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda: people, planet, prosperity, and sustainable infrastructure.2 Given the breadth of the SDGs and wide-ranging support the MDBs provide, the report draws upon illustrative examples to demonstrate the ways in which the MDBs support countries’ efforts to achieve the SDGs.

The SDGs commit to “end poverty and hunger in all their forms and dimensions, and to ensure that all human beings can fulfill their potential in dignity and equality and in a healthy environment.”

The MDBs provide finance for programs that directly build and strengthen human capital. They support investments in infrastructure and economic systems that directly improve agricultural systems and strengthen the underpinnings of the food system as well as basic social services. Many MDBs support improving education systems and strengthening health systems. MDBs also have a strong focus on inclusion. In particular, they promote gender equality by financing programs to empower women and have created systems to integrate gender considerations across their programming.

Finally, in an increasingly urban world, many MDBs work to support greener, more livable cities (Box 2), and to extend basic services to the growing numbers of people who live in urban areas.

**PEOPLE**

Feed Africa, one of the High Five Agendas of the African Development Bank (AfDB), aims to transform African agriculture into a globally competitive, inclusive, and business-oriented sector that creates wealth, generates employment, ensures food security, and improves quality of life. As part of this strategy, AfDB launched the Technologies for African Agricultural Transformation Program in 2018. The program aims to enhance the competitiveness of the sector by deploying high-impact, proven agricultural technologies to raise productivity, mitigate risks, and promote diversification and processing in 18 agricultural value chains. It aims to reach 40 million farmers by 2023 and add 120 million tons to the African food basket. The 19 million farmers reached by the program so far have increased their incomes by 39% and the productivity of their crops by 58%.

Strengthening agriculture is also priority for the International Finance Corporation (IFC). Through its investment and advisory services, IFC has been working with Kaebauk Investimentu no Finansas, S.A. in Timor-Leste on a holistic farming-to-financing approach that addresses financing gaps in this critical sector. With a $5 million loan that includes funds from the International Development Association (IDA) Private Sector Window, IFC aims to improve productivity in agribusiness by developing a sufficient flow of bankable agribusiness financing opportunities, which will provide more and better financial access to more than 100,000 people by 2024, more than 75% of whom will be women.

**AFDB’S TECHNOLOGIES FOR AFRICAN AGRICULTURAL TRANSFORMATION PROGRAM AIMS TO REACH 40 MILLION FARMERS BY 2023 AND ADD 120 MILLION METRIC TONS TO THE AFRICAN FOOD BASKET**

Beyond COVID-19, MDBs’ support includes enhancing health care delivery and systems, which are essential to human capital development. The European Investment Bank (EIB), for example, provides financing for medical research and health care. In December 2019, the EIB and the European Commission signed financing agreements establishing the EU Malaria Fund, investing more than €110 million to support a portfolio of promising research and development projects to tackle malaria. The Asian Development Bank (ADB) is strengthening health systems, including by supporting digitization. Its $7.5 million grant for the Introducing eGovernment through Digital Health Project in Tonga, for example, aims to improve health services delivery by helping the government develop a gender-sensitive digital health strategy and improve legislation, policies, and regulations related to the health sector and the use of digital solutions.

**INVESTING IN SOCIAL SERVICES TO BUILD HUMAN CAPITAL**

The COVID-19 pandemic has driven home the central importance of social services in health and well-being. Many MDBs have been working to support stronger health systems, and in 2020, in response to the pandemic, they have scaled up financing for the health sector. Some MDBs have taken bold measures to develop nimble new programs to deliver support. For example, the World Bank Group (WBG) established a COVID-19 Fast Track Facility as part of its response to the pandemic that provides emergency support to almost 100 countries. The Asian Infrastructure Investment Bank (AIIB) developed a dedicated COVID-19 Crisis Recovery Facility as part of a swift response to its members’ needs, including investments in health sector by expanding AIIB’s operations to new areas. Many MDBs are now developing programs to support universal, effective, and equitable access to COVID-19 vaccines. The MDBs’ responses to the pandemic are discussed further in section 3.

**ADB’S HEALTH INITIATIVES IN TONGA WILL ENABLE 100% OF PATIENTS TO HAVE A UNIQUE DIGITAL HEALTH IDENTIFIER**

**INVESTING IN SOCIAL SERVICES TO BUILD HUMAN CAPITAL**
Through the project, 100% of patients will have a unique digital health identifier, 90% of health workers (70% of whom are women) will be trained on health information system data collection, and births and deaths will automatically be transferred to the national civil registration system. The World Bank’s IDA is supporting an e-government platform for the country.

The Inter-American Development Bank (IDB) is supporting the Mesoamerican Health Initiative (Salud Mesoamérica), a public–private multi-donor partnership that supports good health and well-being by improving access to quality health care for the poorest women and children, with a focus on strengthening health systems for reproductive, maternal, neonatal, and child health. Using a results-based financing model, a $131 million grant has leveraged $44 million of domestic resources to reduce maternal and neonatal deaths. Through this initiative, the management of obstetric and neonatal complications improved by 20 percentage points from 2013 to 2018 compared with areas without intervention.

Quality education is another pillar of MDBs’ efforts to help enable people to thrive and fulfill their potential. In the Democratic Republic of the Congo, for example, the World Bank’s IDA is helping roll out free schooling, lay a foundation for quality education, and strengthen systems for results while also providing relief and support for education access during the COVID-19 pandemic. Educaión Mesoamérica is another IDB-supported results-based financing initiative partnering with 10 Mesoamerican governments, the United Nations Children’s Fund (UNICEF), and other strategic partners that supports quality education focused on those who are currently out of school and individuals who face greater difficulties entering the labor market. The results-based model will be used to improve learning outcomes, raise retention rates, and ensure positive learning environments.

In northern Mozambique, the Islamic Development Bank (IDB) helped finance improved education facilities for rural school children and enhance the capacity of teachers and school managers to improve the learning process. The Secondary Education Expansion Project built two new secondary schools in Chirue and Mampaisa districts; fully refurbished three secondary schools in the cities of Bando, Mecace, and Nacala; built on-site accommodation for teaching staff and lodging for students; and trained 145 teachers. The project created a better learning environment for 40,000 students. Pass rates rose from 55% to 80% and more girls now attend these schools.

**Empowering Women in Business**

Recognizing the importance of gender equality for sustainable development, all the MDBs maintain a strong focus on gender equality throughout their operations. A key element of these efforts is realizing women’s economic potential.

Supporting women’s economic empowerment has been a common focus. For example, the European Bank for Reconstruction and Development (EBRD) launched the Women in Business (WiB) Programme in 2014. In Turkey, where female labor force participation rates are some of the lowest among peer countries, the WiB Programme supported local commercial banks to provide loans, capacity-building, mentoring, and networking opportunities to women entrepreneurs. Partner banks provided more than 17,000 loans for a total value of €417 million, including €300 million from EBRD financing. Half the enterprises benefiting from advisory services reported an increase in employment, creating over almost 1,200 jobs over 4 years, two-thirds of which were filled by women. The EBRD has now deployed the WiB Programme in 20 countries across Africa, Asia, and Europe.

ARDB launched the Affirmative Finance Action for Women in Africa Program in 2018, which aims to close the gender credit gap for women in Africa and scale up support for women’s enterprises by mobilizing $5 billion in investment by 2023. Direct ARDB financing of $138 million will be on-lent to women through 10 financial institutions in Botswana, Guinea, Kenya, Mozambique, Rwanda, Senegal, and Tunisia. In March 2020, an initial portfolio credit guarantee transaction of $250 million was approved, which will unlock $1.3 billion–$2.0 billion, alongside the Africa Guarantee Fund, which will provide up to $70 million to unlock $93 million in financing for 11,000 women-owned small and medium-sized enterprises (SMEs).

Accompanying technical assistance and policy dialogue will help enhance the enabling environment and remove legal barriers to businesses owned and run by women. In 2018, the program provided technical assistance to several banks, and partnered with the Entrepreneurship Foundation to train 1,000 women entrepreneurs across the continent in business model development and financial planning.

**More Than 17,000 Women Entrepreneurs Have Received Loans from the EBRD’s Partner Banks for Its Women in Business Programme**

Similarly, in November 2019, the EIB launched SheInvest to boost gender equality and economically empower women in Africa, aiming to mobilize €1 billion of investment in services, products, and sustainable infrastructure. The initiative is complemented by the African Women Rising technical assistance program. SheInvest is aligned with the criteria of the 2X Challenge: Financing for Women, a framework endorsed by the Group of Seven development finance institutions that aims to direct capital toward women’s development.

Recognizing the importance of women in the digital economy, Digital2Equal is an IFU-led initiative partnering with the European Commission that brought together 17 leading technology companies in the online marketplace to boost opportunities for women in emerging markets.

**The IsDB’s Mozambique Secondary Education Project Created a Better Learning Environment for 40,000 Students, Increasing Girls Participation, and Raised Pass Rates from 55% to 80%**

More than 17,000 women entrepreneurs have received loans from the EBRD’s partner banks for its women in business programme.

**Preserving Cultural Heritage**

The New Development Bank (NDB) approved a $220 million loan in 2018 to help nine competitively selected small historic cities in the Russian Federation renovate and preserve their cultural heritage, develop tourism infrastructure, modernize urban infrastructure, and restore the ecological environment. The Small Historic Cities Development Project is expected to increase the annual tourist inflow to the cities by 50% by 2024, and create more job opportunities and higher incomes for local residents. In 2020, the NDB approved another loan of €205 million to support a second phase, covering eight additional cities in the country.

**The NDB’s Historic Cities Program in the Russian Federation Seeks to Restore Cultural Heritage and Increase the Annual Tourist Inflow to Nine Cities by 50% from 2017 to 2024**

**Housing and Social Services for the Most Vulnerable**

Aid for refugees, migrants, and internally displaced people is a statutory priority of the Council of Europe Development Bank (CEB). Its Housing for Refugees and Displaced Persons in Bosnia and Herzegovina Project is financing sustainable housing solutions for people displaced within the country because of the 1992–1995 conflict. The CEB’s €650 million support is expected to provide at least 2,600 new or refurbished housing units and 5 institutional accommodation centers for at least 7,200 displaced people. In addition, more than 180 places are planned for people needing assistance and living in social institutions, especially geriatric centers, and a psychiatric care center. The new accommodation ensures affordability, while assuring access to social services and security, improving living conditions, and promoting inclusion.
With most of the developing world rapidly urbanizing, a key strategic priority for many multilateral development banks (MDBs) is to support greener cities that offer their inhabitants a higher quality of life. In 2019, The African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank reviewed urbanization trends and developments in their regions. Their joint report, Creating Livable Cities: Regional Perspectives, highlighted MDBs' support for national and subnational governments, the private sector, and civil society to identify transformative investments and strengthen planning and regulatory systems.

The MDBs provide strategic and policy advice and help develop institutional capacity to better plan and manage dynamic urbanization forces. For example, the European Bank for Reconstruction and Development developed the €1.5 billion EBRD Green Cities program to help cities develop environmental action plans, access sustainable infrastructure financing, and build technical expertise. The program finances infrastructure including district energy, green buildings and building retrofits, renewable energy, urban transport, street lighting, urban climate resilience, water and wastewater treatment, solid waste management, and nature-based solutions. Founded as a pilot project in 2016, the program has benefited 36.5 million people in 43 cities in Central Asia, Eastern Europe, and the southern and eastern Mediterranean.

Another example is the European Investment Bank’s engagement with the Autonomous Community of Valencia, in eastern Spain, where a €270 million framework loan will help modernize and diversify the regional economy. The project includes forest rehabilitation and fire prevention, and increased resource and energy efficiency in agriculture and food production. The project complements programs under the European Fund for Regional Development, the European Social Fund, and the Rural Development Programme. The project will create 840 new permanent jobs (400 of them in small and medium-sized enterprises and start-ups), extend high-speed internet coverage, build four new sewage treatment plants, modernize 6,700 farm holdings, and upgrade 14,900 hectares of water-saving irrigation systems. Renovations of public buildings will provide further benefits to this community of 5 million people.

The New Development Bank has supported sustainable urban transport networks as part of its efforts to promote livable cities. In Luoyang, an ancient capital city in the People’s Republic of China, the New Development Bank approved a $300 million loan in 2018 for the construction of the city’s first metro line. The Luoyang Metro Project, an underground line, will ease traffic congestion in dense urban areas. Once completed, it will have a total route length of 22 kilometers with 18 stations, and will provide a safe, efficient, comfortable, and low-carbon means of transport.

The MDBs recognize the urgency of protecting the planet “so that it can support the needs of the present and future generations” as set out in the 2030 Agenda for Sustainable Development. Climate change is a fundamental threat to global development and is increasingly central to the MDBs’ financing efforts. MDBs are working closely together in this vital area, and many have scaled up financing related to ocean and land-based ecosystems and for sustainable and responsible systems of production and consumption. Safeguard policies help avoid and mitigate potential negative environmental effects of MDB investments. In addition, many MDBs report on the environmental and social sustainability of their operations.

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The Paris Agreement established the goal of limiting climate change to well below 2°C while pursuing efforts to limit change to 1.5°C. Yet, the Nationally Determined Contributions (NDCs) of climate action submitted by signatories to the Paris Agreement are insufficient to meet this goal. Countries are to renew their NDCs and make them more ambitious every 5 years. Supporting countries in both implementing their NDCs and enabling more ambitious commitments is critical to achieving the Paris Agreement and the Sustainable Development Goals (SDGs). The multilateral development banks have committed to provide technical support for this process and help countries mobilize resources and have established focused programs to this end.

**The European Investment Bank**'s operations are anchored within the context of NDCs, national adaptation plans, and long-term strategies under the Paris Agreement. Advisory support is developed in close collaboration with the European External Action Service, the European Commission, and European Union delegations.

**The World Bank Group** has facilitated NDC implementation and enhancement in more than 50 countries through the NDC Support Facility. The facility also facilitated a Climate Action Peer Exchange and the Coalition of Finance Ministers for Climate Action, helping countries mobilize and align the finance needed to implement their NDCs, establish best practices such as climate budgeting and strategies for green investment and procurement, and factor climate risks and vulnerabilities into economic planning.

**The New Development Bank** (NDB) has also supported NDC implementation through its assistance for national climate financing mechanisms. The NDB approved a loan of $500 million in 2019 to support Fondo Clima, Brazil’s national climate fund. The proceeds will be on-lent to climate change mitigation and adaptation subprojects in sectors such as urban mobility, wastewater treatment, renewable energy, and energy efficiency, which are expected to help the country fulfill its NDCs. The NDB’s loan to Fondo Clima has the potential to mobilize additional $2 billion for climate adaptation and mitigation projects in Brazil.

**The Inter-American Development Bank** (IADB) is leveraging its close collaboration with the United Nations Development Programme, the Inter-American Development Bank (IADB), and the World Bank Group in the context of NDCs, national adaptation plans, and long-term strategies under the Paris Agreement. IADB’s strategic priority is to ensure alignment with mitigation goals, systematically screen operations for alignment, and prioritize climate projects, and track how projects support their NDCs.

The establishment of the Climate Investment Funds in 2010 helped MDBs develop joint programs to address climate change in emerging markets. Since 2012, 10 MDBs have reported on their climate change financing using a jointly agreed methodology. In 2017, this same group committed to align their operations progressively with the objectives of the Paris Agreement. These commitments go beyond climate finance targets, to ensure alignment with mitigation goals, systematically screen operations for climate resilience, scale up climate finance, support strategies for low-emission and climate-resilient development (Box 12), and develop reporting mechanisms.

IADB also provides green loans to help emerging markets shift to low-carbon development. 95% loan to NMB Bank Limited, its first climate-focused lending project to a financial institution in Nepal, is supporting the implementation of the Sustainable Development Goals (Box 3), and developing reporting mechanisms.

The protection of land- and water-based ecosystems is a key strategic priority for many of the MDBs. For example, the EBRD, under its Green Economy Transition Approaches 2021–2025, targets increasing green financing to more than 50% of its business volume and achieving net greenhouse gas emissions reductions of at least 25 million tons by 2025. The EIB Group aims to support €1 trillion in investments for climate action and environmental sustainability up to 2030—8% under its Strategy 2020, aims to scale up its climate finance to a cumulative total of €1 trillion between 2019 and 2030, and ensure that 75% of its operations support climate change mitigation and adaptation. The ADB’s Corporate Strategy: Financing Infrastructure for Tomorrow (2020–2023) sets an ambitious climate finance target of 50% of its financing approval by 2025 to support clients to scale-up climate actions and respond to the adverse impacts of climate change. Under its Climate Action Plan, the WBIs has invested more than $83 billion dollars in climate-related investments over the last five years. Over the next five years, the WBIs will go further: The International Bank for Reconstruction and Development and IDA will seek to ensure that 50% of climate finance supports adaptation and resilience. Similarly, IFC is committed to its climate-related investments to an annual average of 35% of its own account long-term commitment volume between 2021 and 2025.

The MDGs are supporting climate action and adopting climate financing and Paris Agreement alignment targets.

Aligning financial flows with climate action.

Supporting action on climate change has become a key strategic priority for many of the MDBs. For example, the EBRD, under its Green Economy Transition Approaches 2021–2025, targets increasing green financing to more than 50% of its business volume and achieving net greenhouse gas emissions reductions of at least 25 million tons by 2025. The EIB Group aims to support €1 trillion in investments for climate action and environmental sustainability up to 2030—8% under its Strategy 2020, aims to scale up its climate finance to a cumulative total of €1 trillion between 2019 and 2030, and ensure that 75% of its operations support climate change mitigation and adaptation. The ADB’s Corporate Strategy: Financing Infrastructure for Tomorrow (2020–2023) sets an ambitious climate finance target of 50% of its financing approval by 2025 to support clients to scale-up climate actions and respond to the adverse impacts of climate change. Under its Climate Action Plan, the WBIs has invested more than $83 billion dollars in climate-related investments over the last five years. Over the next five years, the WBIs will go further: The International Bank for Reconstruction and Development and IDA will seek to ensure that 50% of climate finance supports adaptation and resilience. Similarly, IFC is committed to its climate-related investments to an annual average of 35% of its own account long-term commitment volume between 2021 and 2025.

Encouraging more responsible production through waste-to-energy systems.

Bangladesh is working to improve the country’s health and environment by creating a waste-to-energy power plant that will provide electricity to the local community. The project is expected to contribute to reducing environmental degradation and improving the quality of life for residents. The plant is expected to generate up to 15 megawatts of electricity, which could help meet the growing energy needs of the local community. The plant is expected to have a significant impact on the local economy, creating new jobs and generating additional revenue. The project is being implemented in collaboration with the Asian Development Bank (ADB), the World Bank, and the Ministry of Energy and Mineral Resources of Bangladesh. The project is expected to be completed in 2024.
conservation of landscape and marine ecosystems in Latin America and the
Caribbean, focusing on the nexus between the environment and economic
development. It prioritizes multi-stakeholder partnerships to drive natural
capital innovation and demonstrate how natural capital can be an asset and
driver of development. The Natural Capital Lab collaborated with the Chilean
Forest Service to design a forest monitoring dashboard that incorporates
artificial intelligence, big data, and remote sensing. It also worked with the
Paulson Institute and Salesforce to develop and pilot a technology platform
linking investors with conservation and restoration projects, which is now
being taken to scale. Other contributions include supporting regulation of
plastics, policy and regulatory dialogue, the promotion of biodiversity
mainstreaming in IDB operations, and contributing to the Dasgupta Review of
The Economics of Biodiversity.

THE MDBS ARE SCALING UP THEIR EFForts TO PROTECT THE OCEANS, INCLUDING THROUGH BETTER WASTE MANAGEMENT

ADB’s Action Plan for Healthy Oceans and Sustainable Blue Economies, launched in 2019, will expand financing and technical assistance for ocean health and marine economy projects to $5 billion during 2019–2024. The plan focuses on creating inclusive livelihoods and business opportunities in sustainable tourism and fisheries; protecting and restoring coastal and marine ecosystems and key rivers; reducing land-based sources of marine pollution including plastics, wastewater, and agricultural runoff; and improving the sustainability of ports and other coastal infrastructure. It includes an oceans financing initiative that aims to create opportunities for the private sector to invest in viable projects to improve ocean health. Similarly, ADB has reviewed opportunities and challenges to sustainably harness marine extractive resources, ocean energy, blue biotechnology, blue ports, and blue bonds for accelerated sustainable development in Africa. It is helping institutionalize the Fisheries Transparency Initiative in relevant member countries as part of a broad-based effort to increase transparency and participation in fisheries governance to enhance sustainable marine fishery management. The EIB, together with German cooperation through KfW and the Agence Française de Développement, has committed to provide up to €2 billion in investment during 2018–2023 for the Clean Oceans Initiative to support public and private sector projects that reduce or avoid plastic and other waste, or clean up waste and wastewater before it reaches the ocean. By October 2020, $1.3 billion had been raised in support of 21 projects, largely in Africa, Asia, and Latin America.

The SDGs aim to “ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature.” Through their programs, the MDBs seek to promote job creation and sustain livelihoods, while also helping to strengthen governance and build strong institutions that are fundamental to well-functioning markets. MDBs have also sought to strengthen their engagement in countries and areas categorized as fragile and conflict-affected.
In Jordan, IFC’s support to the garment sector will help increase exports by $100 million annually by 2021.

The WB’s $1 billion support for accelerating India’s COVID-19 social protection response will scale up cash transfers and food benefits and develop more integrated social protection systems.

In the Philippines, ADB and the World Bank have built on longstanding efforts to strengthen the country’s social protection systems to help the country cope with COVID-19. ADB is providing a $500 million loan and technical assistance to support the expansion of the government’s Pantawid Pampalayang Pilipino Program (4Ps). The Expanded Social Assistance Project will fund part of the government’s conditional cash transfers to about 42.5 million households, modernize the delivery system, strengthen links with complementary social programs, and help 4Ps households in selected districts graduate out of poverty with the aim of sustainable livelihood assistance. The World Bank is providing $300 million in parallel to strengthen project implementation, monitoring, and evaluation procedures, including upgrading the 4Ps management information system, payment systems, and grievance redress system.

For example, the EIF has an extensive range of intermediated products to address the key constraints SMEs and micro-capitalization face, complemented by initiatives in specific markets and sectors. The EIF financed a $25 million intermediated facility to support private agriculture projects in Malawi, a key component of the European Union’s EU4A “Promoting Growth” Programme. The facility combines intermediated finance with a partial portfolio guarantee to de-risk lending to targeted value chains. It also provides technical assistance to agri-food enterprises and to support integration of smallholder farmers into commercial value chains. In Mali, the EIF backed the expansion of Kifo Kafir, a leading microfinance institution, with a $10 million local currency loan. The support is expected to enable about 60,000 microfinance loans for smallholder farmers.

Supporting SMEs is also a priority for the EBRD. Since 2014, the EBRD has provided SME assistance through a dedicated Small Business Initiative that combines direct and indirect financing, advisory services, and policy work to promote SME competitiveness and growth. Almost one-third of the EBRD’s projects and more than one-tenth of its annual bank investment are directed to SMEs. On average, this means that the EBRD channels more than $1 billion to more than 500,000 small businesses each year.

In Jordan, IFC’s $25 million loan to Classic Fashion Apparel Industry aims to ramp up current production of technical garment and denim products and increase exports by $100 million annually by 2021. From 2021 to 2024, exports are expected to double to $2 billion annually. By expanding its garment production and doubling its revenue, Classic Fashion Apparel Industry will account for about 25% of the growth of the country’s garment sector.

In Brazil, IODI provided $20 million to Banco Diasul S.A., a mid-sized bank, to expand its SME lending portfolio. From 2014 to 2019, the value of the bank’s SME lending portfolio grew by 250%, with the share of SMEs in the overall loan portfolio nearly doubling. The ratio of nonperforming loans remained stable, demonstrating that the bank was able to grow its SME lending rapidly without compromising the health of its portfolio. In addition, IODI invested to mobilize additional funds from other lenders, amounting to nine times the size of its initial loan.

The IODI has also supported regional cooperation among SMEs, for example through the ConnectAmericas initiative that helps SMEs promote business networks within and outside the region, and access commercial and technical information. ConnectAmericas information has reached more than 400,000 registered users in 209 countries and territories, and contributed to generating more than $700 million in business-to-business transactions.

In response to the COVID-19 crisis, the MDBs took rapid action to sustain livelihoods and preserve the private sector’s capacity to support the economic recovery from the pandemic. For instance, in Cambodia, IFC has provided $50 million to Arriet PLC and $25 million to Hatha Kakakpov Limited to increase their working capital lending programs to micro, small, and medium-sized enterprises (MSMEs) that have been affected by COVID-19, particularly those in the garment, tourism, and construction sectors. The companies expect to use at least 30% of this investment to provide working capital to women borrowers and women-owned and -led MSMEs.

Similarly, the EBRD responded quickly to meet the needs of SMEs early in the COVID-19 crisis. The EBRD supported financing to SMEs from partner finance institutions, including in local currency. The EBRD also rapidly rolled out its advisory services through a digital platform, including COVID-19 specific advice on financial management and business continuity.

The MDBs are also supporting MSMEs in fragile contexts. The IDB Group’s Business Resilience Assistance for Value-Adding Enterprises (BRAVE) Project in Yemen used an integrated framework to respond to the impact of the conflict on the private sector. BRAVE combined value-chain design principles with training, credit, and grant-matching schemes. Through $5.57 million in financial assistance to 548 MSMEs, received training to counter the effects of conflict on their businesses. The project provided financing for capital goods, business services, and recovery and growth to 251 MSMEs and 15 lead firms, including 67 women-owned enterprises. Some 15,000 jobs were sustained and 880 new ones were created.

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Many MDBs have boosted their investments in social protection to reduce poverty and foster inclusive growth. In the context of COVID-19, there is growing consensus around the value of recovery and economic stimulus packages that integrate resilience features. Social protection systems are a critical element of such programs, helping provide income support and manage shocks.

For example, the World Bank’s $1 billion support for accelerating India’s COVID-19 Social Protection Response development policy operation will help scale up cash transfers and food benefits, including for migrants and informal workers, and strengthen core identification and service delivery systems, notably for women. The assistance will help India move from 460 or more fragmented social protection schemes to an integrated system that is fast and more flexible, acknowledging the diversity of needs across states.

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sustainability of infrastructure investments. Many have also jointly invested in platforms and tools to advance common approaches to define and assess the environmental, social, and economic impacts of infrastructure investments and, through the MDB Infrastructure Cooperation Platform, are working with other actors, including the private sector. The MDBs have responded by collaborating with the UN to convene the Global Infrastructure Forum annually since 2015.

Many MDBs have invested in frameworks and standards to assess the quality of their own infrastructure investments and, through the MDB Infrastructure Cooperation Platform, are working to advance common approaches to define and assess the environmental, social, and economic sustainability of infrastructure investments. Many also have jointly invested in platforms and tools to help their partners develop quality infrastructure, including SOURCE, the multilateral platform for infrastructure project preparation; the Global Infrastructure Facility; and the G20 work streams on quality infrastructure.9

SUSTAINABLE INFRASTRUCTURE

Infrastructure underpins efforts to meet the SDGs, providing the services that enable people and economies to thrive. Choices about how infrastructure is developed affect the environment and the prospects for more responsible consumption and ambitious climate action.

The MDBs are important players in infrastructure financing. They recognize the importance of quality infrastructure development and embed environment, social, and governance standards to ensure appropriate management of possible negative impacts. This key role is recognized in the Addis Ababa Action Agenda, which called for the establishment of a forum to enable coordination among infrastructure actors, including the private sector. The MDBs have responded by collaborating with the UN to convene the Global Infrastructure Forum annually since 2015.

Several MDBs have stepped up their efforts to address issues related to migration, displacement, and refugees with the aim of reducing inequalities. For example, the IDB’s new Migration Unit supports knowledge generation, dialogue to coordinate migration policies throughout the region, capacity-building, and investments to help countries provide services to migrants. Since 2019, the IDB has approved investment grants for $55.9 million (of which $30.2 million are from IDB donors) to support water and sanitation, education, and social inclusion for about 1 million beneficiaries in Colombia, 367,000 in Costa Rica, and more than 200,000 in Ecuador and Peru.

The World Bank’s concessional arm, IDA, has established the Window for Host Communities and Refugees to help provide both immediate and longer term support to refugee and host communities in low income countries. More than 20 projects (with a total value of $327 million) have been approved across multiple sectors including education, health, social protection, access to jobs, water and sanitation. The Window will finance up to $2.2 billion, including $1 billion for operations responding to the impacts of the pandemic in 2020-2023.

The CEB’s approach to inclusive growth recognizes economic growth with social inclusion, equality, and quality of life for present and future generations, while focusing on the most vulnerable segments of the population. Through a €700 million loan to Hémisphère, a social impact fund that brings together public and private financing to achieve clearly defined social goals, the CEB is financing measures to facilitate the implementation of planned and well-managed migration policies, while ensuring operational effectiveness and budget optimisation for the central government. So far, investments have acquired 59 facilities to provide access to social support services, and created 6,000 temporary housing places to accommodate asylum seekers and other vulnerable people.

The CEB’s financing helped create 6,000 places in France to accommodate asylum seekers and other vulnerable people.

THE EBRD SUPPORTED UKRAINE’S DEVELOPMENT OF AN E-PROCUREMENT SYSTEM, SAVING THE GOVERNMENT ABOUT €1.1 BILLION

- The EBRD provided technical advice to the Investors Council Secretariat on the Investment Funds and Securitisation Law and supported the formation of a working group to bring together the authorities and the private sector to discuss challenges to electricity generation and export, with a focus on renewable energy. In Armenia, the EBRD supported the Chamber of Commerce and Industry’s rollout of an e-system for country of origin documentation, an important step in combating corruption. The EBRD helped create the Business Ombudsman Institution in Ukraine, which has led in the recovery of almost €700 million, and supported the new Ukrainian e-procurement system, saving the government about €1.1 billion.

SUPPORTING REFUGEES AND MIGRANTS

10 Top Priorities

Photo: Regional Housing Programme (implemented by the Council of Europe Development Bank)

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FINANCING THE SUSTAINABLE DEVELOPMENT GOALS THE CONTRIBUTIONS OF THE MULTILATERAL DEVELOPMENT BANKS

Photo: Regional Housing Programme (implemented by the Council of Europe Development Bank)

Photo: European Union Programme. Implemented by the Council of Europe Development Bank

Photo: Dominic Chavez/World Bank

SCALING UP FINANCING FOR RENEWABLE ENERGY

All of the MDBs have stepped up their assistance to their countries to expand clean energy infrastructure. For example, the AIIB is providing $343 million for a 100-megawatt (MW) wind power project in the town of Bananas, in southern Bangladesh. The Bananas 100 MW Wind Power Plant will be the largest wind farm in Central Asia, mitigating more than 260,000 tons of CO₂ equivalent and generating about 319 GWh of clean electricity per year.

In Niger, the EIB has financed the expansion of water supply systems in the state’s rural areas, ensuring doorstep availability of clean and safe drinking water. More than 3 million people are expected to benefit from the project.

Also in India, a $1.5 billion loan from the World Bank for the national flagship campaign, Swachh Bharat Abhiyan, has provided rural areas with access to improved sanitation. This support led to the construction of 103 million household latrines, and as a result, the national government declared 656,175 villages free of open defecation. In Ethiopia, International Development Association funding of $300 million was provided for the Consolidated Water Supply, Sanitation, and Hygiene Account Project to implement water supply, sanitation, and hygiene activities, including retrofitting schools and health facilities with handwashing stations for use as isolation facilities. Almost 4 million people are directly benefiting from climate-resilient water supply services and more than 3 million are benefiting from improved access to sanitation.

IMPROVING WATER QUALITY AND SANITATION SERVICES

Access to clean water and sanitation flows through all the SDGs and is a major priority for all of the MDBs. The link between access to water and managing communicable diseases, for example, has been highlighted by the COVID-19 pandemic, where handwashing has been a critical part of efforts to contain the virus.

MORE THAN 3 MILLION PEOPLE ARE EXPECTED TO BENEFIT FROM THE NDB’S WATER SUPPLY PROJECT IN RURAL INDIA

The NDB supports the development of water supply and sanitation systems, especially in underserved rural and peri-urban areas. In India, for example, the NDB provided a $470 million loan in 2017 to support the Madhya Pradesh Multi Village Water Supply Project, which covers 3,400 villages. The project initiates the installation of distribution pipelines and the establishment of household connections in the state’s rural areas, ensuring doorstep availability of clean and safe drinking water. More than 3 million people are expected to benefit from the project.

INVESTING IN RESILIENT INFRASTRUCTURE

MDBs take a holistic approach to resilience, ensuring infrastructure interventions are coupled with local and institutional capacity-building. The AIIB is providing $195 million for the Resilient Community Development Project, which aims to develop climate-resilient and market-oriented infrastructure and livelihoods in 2,942 villages in 17 poor towns in Myanmar’s Ayeyawady, Chin, Sagaing, and Tanintharyi regions. Using a community-based development approach that emphasizes local community participation and features a strong gender component, the project will help identify, develop, and fund 3,000 climate- and disaster-resilient community infrastructure subprojects, including village access or farm roads, small bridges, water supply, electric grid connection, and multipurpose centers. The project will help reduce rural poverty and strengthen climate and disaster resilience for about 1.8 million people.

In Sri Lanka, the ADB is helping the government mitigate disaster risk by implementing measures and enhancing policy, regulations, and institutional capacity for landslide management through a $180 million loan. The Reduction of Landslide Vulnerability by Mitigation Measures Project aims to reduce the risk and damage from landslides by implementing mitigation measures in 147 sites across 10 districts, enhancing land use guidelines for landslide-prone areas, and strengthening climate resilience standards and specifications for landslide prevention and mitigation. The project will benefit 15,000 people and protect key roads and railways.

THE MDBS ARE INVESTING IN FRAMEWORKS AND STANDARDS TO ASSESS THE QUALITY OF INFRASTRUCTURE INVESTMENTS

In the Lao People’s Democratic Republic (Lao PDR), the EIB provided $20 million for rural road investments under the Lao Resilient Rural Roads Project, combined with a $5 million grant from the European Union to support climate-resilient infrastructure and improve the livelihoods of thousands of people. The EIB is also providing a €100 million loan for road rehabilitation.
UPGRADING PORTS FOR ENVIRONMENTAL SUSTAINABILITY

Improving port and shipping infrastructure is a major challenge in small island developing states. Through the $21.3 million Sustainable and Climate-Resilient Connectivity Project, ADB is supporting efforts to upgrade Nauru’s largely inoperable Awo boat harbor into an efficient, reliable, and climate-resilient port. In addition to upgrading infrastructure to international maritime standards, the project will support institutional reforms to strengthen governance and management of the Port Authority of Nauru, and establish a revolving fund for port operation and maintenance. Similarly, in Samoa, ADB is providing $62.26 million to improve Apia Port, Samoa’s main international maritime gateway. The Enhancing Safety, Security, and Sustainability of Apia Port Project will rehabilitate and upgrade the port to withstand a 100-year storm event and projected sea level rise over 50 years, and formulate a multi-hazard disaster preparedness plan. Such investments support efforts to promote regional cooperation and integration.

ENHANCING DIGITAL COMMUNICATIONS INFRASTRUCTURE

The SDG framework recognizes digital and internet connectivity as a key need, particularly in poorer countries where this infrastructure is much less developed. In Cambodia, the AIV is providing a loan to Cambodia Fiber Optic Communication Network Co., Ltd., which will invest in about 2,000 kilometers of urban and rural fiber-optic backbone networks to provide wider coverage within major cities and across suburban and rural areas. The IDB has supported initiatives such as the 2019 Regional Submarine Telecommunications Project in Bangladesh and in Djibouti through investments totaling $82.8 million. These projects seek to meet growing demand for international voice and data communication by connecting the two countries to the Southeast Asia–Middle East–Western Europe 5 submarine cable network, enabling high-speed internet access to more than 50 million subscribers in Bangladesh and more than 60 million subscribers in Djibouti.

ADB Invest, in collaboration with Telefónica, Facebook, and CAF (Development Bank of Latin America), is supporting Internet para Todos (IPT) Peru to help bridge the digital divide in Latin America. The goal is to bring mobile broadband to remote populations where the deployment of conventional telecom infrastructure is not yet economically feasible. IPT Peru’s mission is to connect rural communities throughout Peru by enabling any mobile network operator to use IPT’s 3G and 4G infrastructure to deliver high-quality retail mobile communication services. The success of IPT in Peru will pave the way to replicate this type of business model in other countries in Latin America and the Caribbean.

BOX 4: THE INTERNATIONAL MONETARY FUND’S SUPPORT FOR THE 2030 AGENDA

The International Monetary Fund (IMF) supports member countries in the implementation of the Sustainable Development Goals (SDGs) in areas relevant to its mandate of ensuring macroeconomic and financial stability. It also provides targeted policy advice and capacity development support in areas related to the 2030 Agenda for Sustainable Development where it has specialist expertise. This work is part of the IMF’s efforts to help countries strengthen their macroeconomic fundamentals, collect and attract funds for financing their development plans, and build institutional capacity for efficient spending.

People. The IMF has intensified its policy engagement on inclusion, which is critical to stability and progress, working with countries on a range of issues. For example, it has worked with the Democratic Republic of the Congo and Honduras to help minimize the adverse distributional impact from fiscal consolidations, with Morocco and Pakistan to reform gender discriminatory tax policies and laws, and with Paraguay and Saudi Arabia to improve the legal credit infrastructure for expanding access to finance.

Planet. Addressing the macroeconomic challenges of climate change has been a growing area of emphasis for the IMF. It has provided policy advice on the pricing of carbon emissions and removing energy subsidies and has helped countries vulnerable to natural disasters develop policy frameworks to strengthen climate resilience and support adaptation. It has developed tools that can be used in 150 countries to quantify appropriate levels of carbon taxation. Since 2016, the IMF has incorporated disaster risk in macroeconomic policy analysis for small states.

Prosperity, economic resilience and sustainable infrastructure. As part of its efforts to promote prosperity and economic growth, the IMF has strengthened support for the development of domestic financial markets while promoting financial sector stability and policies for economic diversification. Since 2016, it has provided technical assistance to more than 110 countries to help enhance their financial stability frameworks. It has also increased assistance for building state capacity and overseeing the scaling-up of infrastructure investment through public investment management assessments, which had been undertaken in 71 countries by July 2020. Following IMF recommendations, for example, Togo has terminated the practice of disbursing funds without verifying the completion of projects, while Senka has created a single project pipeline and detailed risk assessment for project approval and selection.

Financing for the Goals. The IMF has helped countries boost domestic revenue mobilization, which is essential for delivering public services such as health, education, and social protection initiatives. Between 2015 and 2018, the IMF’s technical support for building tax systems was scaled up by 46% and has continued to rise thereafter. With the IMF’s assistance, for example, Mongolia began a 3-year project in 2017 to reform its tax administration through December 2019, which resulted in a nominal tax revenue increase of 53%. In 2018, the IMF developed a methodology to identify the amount of additional spending needed to meet key SDG targets in developing countries. The IMF’s technical support for fragile and conflict-affected states. Technical support for these states has also increased, and now accounts for about one-quarter of all IMF capacity development support. In Somalia, for example, the IMF has promoted the establishment of key tax institutions, institutionalization of sound financial management procedures and practices across government, and introduction of a licensing and supervision process for financial institutions.

Data for the Goals. Recognizing that good data are crucial for sound policymaking and monitoring the progress of the SDGs, the IMF has scaled up its efforts to strengthen national statistics systems. The IMF’s support in this area increased by about one-third between 2014 and 2018, with sustained increases thereafter. An online learning curriculum is being developed, with two courses already publicly available and seven additional courses set to be made available within the next 5 years. The IMF is also the lead agency for four official SDG indicators related to financial access, financial soundness, total government revenue as a proportion of gross domestic product by source, and the proportion of the domestic budget funded by domestic taxes. The IMF provides the data and metadata on these indicators to the United Nations.

Finally, the IMF has helped strengthen financial safety nets for developing countries. Limits on access to the IMF’s concessional lending facilities for lower-income countries were increased by 55% in 2015 and by a further 33% in 2019. To help combat the economic fallout from the coronavirus disease (COVID-19) crisis, the IMF has provided emergency financial assistance to more than 80 emerging and developing economies since March 2020. Annual limits on access to all emergency financing facilities were temporarily doubled in April 2020 to help members cope with the impact of the pandemic.
SECTION 2
PARTNERSHIPS FOR THE GOALS—MOBILIZING FINANCING AND KNOWLEDGE

Partnerships play a critical role in mobilizing public and private resources as well as in supporting knowledge and capacity-building to deliver on the 2030 Agenda. As multilateral institutions, the MDBs are built upon a foundation of partnership and collaboration, complementing their direct financing to support lasting sustainable development.
Mobilizing finance for the Sustainable Development Goals and supporting country implementation. The MDBs work with governments, development partners, and private actors to attract financing to the investments they support. They seek to use the billions of dollars that they manage directly to support global efforts to mobilize the trillions of dollars needed to achieve the ambitious development goals envisioned in the Addis Ababa Action Agenda. The MDBs use diverse approaches to help drive financing toward the SDGs, including by mobilizing private-sector capital, helping to make policy and regulatory environments more conducive to attracting private finance, establishing special funds to support the SDGs, and supporting SDG-aligned thematic bonds.

Mobilizing private sector capital. The MDBs are significant financing partners in countries’ efforts to catalyze capital toward the SDGs, including from the private sector. MDBs help mobilize private financing by structuring sound investment projects, connecting alongside commercial investors, and developing new financial products to unlock additional flows. Since 2016, many MDBs have worked together to identify and jointly report on the finance mobilized by their operations, as well as supporting their policies and regulatory environments to enable 95 innovative solutions related to the SDGs so far. There has been strong interest in the initiative: its second competitive “Call for Innovations” in April 2019 attracted 5,053 submissions from 173 countries.

Supportive policy and regulatory environments. Many MDBs work with governments, through technical assistance and advisory services, to help create policy and regulatory environments that can attract private finance to support the attainment of the SDGs. For example, the EBRD, the Islamic Corporation for the Development of the Private Sector of the IDB Group, and the AfDB worked with the Government of Egypt to develop a regulatory environment conducive to private investment in renewable energy, attracting international developers and cofinanciers. This enabled establishment of the largest solar complex in Africa, the Benban Solar Park, which will help to avoid about 70,000 tons of CO2 emissions a year with 631 MW of renewable energy capacity installed.

Financing Innovation for the Sustainable Development Goals. Some MDBs have also developed platforms focused on directly supporting SDG attainment by supporting innovation. For example, IDB Ventures has raised development partner funds to invest in early-stage technology businesses that can scale and deliver significant impact toward the SDGs. Launched in early 2020, the program has already helped more than 50 early-stage technology companies explore opportunities in Asia.

In early 2018, the IDB launched a “One Billion Initiative” to promote technological and scientific solutions to help SDGs related to food, health, education, water and sanitation, clean energy, and sustainable industrialization. It is comprised of “Engage”, a digital hub to connect scientists, innovators, and entrepreneurs, and “Transform”, a Fund with an initial target size of US $500 million to support member countries to innovate to address development challenges through technology and entrepreneurship. The Fund has established four funding categories (proof of concept, start-up, commercialization and capacity building) and forms the basis of an ecosystem of complementary initiatives including a competition (Roadshow), a knowledge sharing instrument (Academy) and an annual gathering (Summit) that disseminates solutions to achieve a specific SDG. The Transform Fund complemented by Engage has invested $17.33 million to enable 95 innovative solutions related to the SDGs so far. There has been strong interest in the initiative: its second competitive “Call for Innovations” in April 2019 attracted 5,053 submissions from 173 countries.

Thematic bonds. The MDBs engage with the capital markets to steer finance toward sustainable development, including by developing thematic bonds that align with the SDGs. These efforts include both developing their own thematic bonds as part of their efforts to raise capital for their operations, as well as supporting their partners to develop and issue thematic bonds. All MDBs have been especially active in green and climate bond markets (Box 5) and have helped strengthen institutional frameworks for sustainability, including through improved standards and reporting.

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Box 5: Highlights of Multilateral Development Bank Support for Green and Climate Bonds

The multilateral development banks were pioneers in the green bonds and climate bonds market, issuing their first bonds more than a decade ago and seeking to establish harmonized best practices for this market.

The European Investment Bank (EIB) issued the first Climate Awareness Bond in 2007. Since then, it has issued more than €30.8 billion in Climate Awareness Bonds, the proceeds of which have helped finance 180 renewable energy and energy efficiency projects all over the world. The World Bank (WB) issued the first green bond in 2008 setting the blueprint for the Green Bond Principles. Since then, WB has raised about $17 billion to support clean energy and transportation, sustainable agriculture and ecosystems, and water and wastewater management projects in member countries. The World Bank also supports green projects through its Sustainable Development Bond program and provides advisory services to promote transparency and help emerging market sovereign issuers build green, social and sustainable bond programs, and engage with market stakeholders on environmental, social and governance considerations for investment.

The International Finance Corporation (IFC) launched its Green Bond Program in 2010 and was the first issuer to list a billion dollar green bond in the global market in 2013. The landmark issuance proved that green bonds were a scalable product that appealed to investors worldwide. By the end of June 2020, IFC had issued about 17 green bonds for an aggregate value of more than $10 billion. IFC also shares expertise and supports finance sector regulators and industry associations in emerging markets to develop green bonds, including through its Green Bond Technical Assistance Program and through the Sustainable Banking Network, which represents 39 countries and more than $4 trillion in assets managing economies.

The European Bank for Reconstruction and Development (EBRD) has been issuing green bonds since 2010, with $6.8 billion already issued more than 103 transactions by September 2020. In 2019, the EBRD introduced two new bonds: the Climate Resilience Bonds and Green Transition Bonds. Climate Resilience Bonds are underpinned by a portfolio of assets focused on climate change adaptation, while Green Transition Bonds are underpinned by a portfolio of assets focused on economic sectors that are highly dependent on the use of fossil fuels to enable their transition to low carbon and resource-efficient operations. All EBRD green bonds are aligned with the Green Bond Principles.

The AfDB (AFDB) has successfully issued more than 14 green bonds raising a total of $1.5 billion from environmentally conscious investors. These funds have supported 24 projects in 14 countries.

The Asian Development Bank’s (ADB) Green Bond Program targets projects that promote the transition to lower carbon and climate-resilient growth as set out in its Bank Green Bond Framework. Since its launch in 2015, the program has raised about $7.6 billion.

In July 2016, the New Development Bank (NDB) issued its first green bond. The New Development Bank (NDB) also developed platforms focused on directly financing projects that collectively installed 306 megawatts of clean-energy capacity.

The Inter-American Development Bank Group (IDB Group) has also supported its partners in Latin America in developing green bonds, often in collaboration with other development partners. For example, in 2019, IDB, IFC, and other development partners provided support to Banco Pichincha—Ecuador’s largest financial institution—for the first issuance of green bonds in Ecuador’s stock market. In 2019, the Asian Infrastructure Investment Bank (AIIB) launched the $500 million Asia Climate Bond Portfolio in partnership with Amundi, Europe’s largest asset manager. The portfolio engages with companies issuing labeled green bonds and unlabelled climate bonds to transition their business models to increase climate resilience and green leadership. It translates the three key objectives of the Paris Agreement on climate change into fundamental metrics, equipping investors with a new tool to assess an issuer’s level of alignment with climate change mitigation, adaptation, and low-carbon transition objectives.

Since establishing its Green Bond Framework in 2013, the African Development Bank (AfDB) has successfully issued more than 14 green bonds raising a total of $1.5 billion from environmentally conscious investors. These funds have supported 24 projects in 14 countries.
The MDBs have been increasingly active in the social bond markets. For example, the EIB has issued Social Inclusion Bonds in the amount of more than $150 million. The和技术有been increasingly active in the social bond markets. The EIB has issued Social Inclusion Bonds, which have been used to expand access to financing for women-led SMEs in Panama.

Integrated sustainable development bonds are another area where the MDBs have supported innovation. For example, in 2019, the EIB, IFC and IFC Invest helped local banks in Latin America and the Caribbean issue social, green, and sustainability bonds, such as a sustainable bond issued by Bancolombia, which has a measurable environmental and social benefit and adheres to international standards set out in the Sustainability-Linked Bond Principles. In July 2020, ADB issued $116 million in SDG-linked bonds issued by Nedbank Group in South Africa. The SDG-linked Tier 2 bond issuance, the first of its kind in Africa, is based on the green bonds segment of the Johannesburg Stock Exchange and will enable Nedbank to generate $66 million in new investments in environmentally friendly and climate-sensitive projects. In the same month, the IsDB raised $1.5 billion with its first-ever Sustainability Sukuk (Islamic bond) to tackle the aftermath of the COVID-19 pandemic. The EIB has also issued Social Inclusion Bonds (SIBs). SIBs were launched in 2018 and have been used to support projects across diverse aspects of development.

Data for the Sustainable Development Goals. The MDBs provide diverse support for the ambitious monitoring demands that underpin the 17 SDGs and their 231 officially agreed indicators. The WBIS is the custodian of several SDG indicators related to poverty and other topics. It also produces the World Development Indicators, a widely referenced compilation of internationally comparable statistics about global development. In addition, many MDBs provide capacity-building support for statistical systems in their member countries, often in collaboration with the UN system. Some MDBs have established regional data hubs and platforms to help their members and regions report on progress against the SDGs. For example, ADB supports the SDG Data Hub Platform, which allows all Asian countries to manage and report data relating to progress made on the SDGs. ADB also works with the Bill & Melinda Gates Foundation to enhance coordination and data interoperability for SDG reporting using international standards. MDBs also provide massive open online courses, and many make their data and information widely available on open data portals.

Building a knowledge base and sharing knowledge. Beyond supporting the monitoring of specific indicators, the MDBs help build a knowledge base that supports a deeper understanding of development challenges and effective solutions. For example, the WBIS created the Global Land and Property Observatories to provide a data portal focused on real estate and land use, on the basis of internationally comparable statistics about global development. In addition, many MDBs provide capacity-building support for statistical systems in their member countries, often in collaboration with the UN system. MDBs promote cooperation among their member countries through their Social Inclusion Bonds, which fosters the exchange of knowledge, expertise, technology, and resources to develop capabilities and devise autonomous solutions to support national development objectives and the achievement of the SDGs.

The complexity of the SDG agenda further reinforces the need to share lessons and encourage exchanges to support better implementation. The MDBs complement their financing with technical expertise and knowledge solutions that address the development challenges at the heart of the SDGs. For example, the WBIS promotes cooperation among its member countries through its Reverse Linkage initiative, which fosters the exchange of knowledge, expertise, technology, and resources to develop capabilities and devise autonomous solutions to support national development objectives and the achievement of the SDGs.

The 2030 Agenda recognizes the imperative of building capacity to achieve the SDGs, and the vital role of knowledge in supporting effective implementation and spurring the innovations necessary for progress. The MDBs support diverse knowledge generation and dissemination efforts. They have robust systems for results management and evaluation to foster learning and accountability. In addition, the MDBs provide capacity-building support to countries to help catalyze the changes necessary to achieve the SDGs. They also collaborate to promote common standards and approaches across diverse aspects of development.

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The MDBs are pursuing common, principles-based approaches to aligning their results and finance reporting with the SDGs. Establishing a common methodology for measuring contribution to the SDGs using the Harmonized Indicators for Private Sector Operations also helps converge on a common set of private sector SDG impact indicators. These efforts aim to help the MDBs better monitor, manage, and communicate to their stakeholders about their contributions to the SDGs.

Exchanges within organizations and with specialist institutions on emerging areas of emphasis can also support Sustainable Development Goal related programming. For instance, the MDBs SDG Community of Practice, established in 2017, aims to raise staff awareness on the SDGs, support SDG alignment, and share knowledge and expertise emerging from the MDBs’ interventions. It regularly organizes high-level events with global experts to share lessons and insights on SDG implementation. The community of practice also publishes a quarterly newsletter. The SDG Digest, which collates insights from global thought leaders and cooperation staff on their efforts to support the SDGs. In the same vein, the NDB and the Food and Agriculture Organization of the United Nations collaborated on a series of workshops in 2019 to explore approaches to align investments in irrigation, water resources management, and sanitation with the SDGs. ADB, IFC, and the IIB have jointly supported regional communities of practice on management for development result. Since 2017, they have jointly convened government stakeholders and leading experts to explore issues related to operationalizing the SDGs, including integrating the SDGs into national results management systems.
SECTION 3
THE PATH AHEAD
The SDGs set out an ambitious agenda for all countries. The COVID-19 pandemic and the consequent socioeconomic crisis have stalled and threatened progress on the SDGs in all countries. Impacts have been particularly severe for the most vulnerable, including women and youth. Hundreds of millions of people may be pushed back into poverty for the first time in 2 decades.¹⁴

Fragile and conflict-affected situations have also been severely impacted, and there is a risk that the far-reaching effects of the pandemic could further erode peace and stability. At the same time, climate change remains an urgent threat and immediate action is needed to support environmental sustainability. The pandemic has exposed fragilities in social and economic systems, and has highlighted pervasive inequalities.

Yet this bleak backdrop has forced diverse innovations, including harnessing digital technologies and other new ways to deliver critical functions. It has reinforced the relevance of the 17 SDGs as a road map for inclusive, sustainable, green, and resilient recovery. In responding to the crisis, countries and their development partners have an opportunity to refocus on the SDGs.

¹⁴ The World Bank estimates that 71 million–100 million people may be pushed into extreme poverty, measured at the international poverty line of $1.90 per day, while many more who live very close to the poverty line will also be severely affected. (World Bank Blogs. Updated Estimates of the Impact of COVID-19 on Global Poverty. https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty.)
A COLLECTIVE RESPONSE TO A HISTORIC CRISIS

Since the earliest stages of the COVID-19 outbreak, the MDBs have taken swift action and provided finance to safeguard people’s lives and livelihood. They have scaled up their programs, including by mobilizing funds from capital markets and investment vehicles, and collaborated closely to develop complementary and coordinated responses that leverage each other’s systems, capacities, and field presence for the greatest impact. Partnerships have been used to deploy the expertise and comparative advantages of diverse actors including the UN system, the private sector, and academia.

To support the sustainable development agenda, the IDB Group will be updating our guarantee products to catalyze more private investment through our sovereign guaranteed operations.

Mauricio Claver-Carone
President, Inter-American Development Bank Group

Collectively, the MDBs plan to provide $230 billion on between April 2020 and mid-2021 to reduce the impact of the global crisis. $75 billion of this will be directed to the world’s poorest countries by December 2020. In addition, since mid-March, the IMF has provided financing to 81 member countries totaling more than $110 billion, with additional resources for member countries to tap into its $600 billion lending capacity through program arrangements.

Helping countries bring people up in terms of their jobs and incomes, in terms of their overall living standards: That’s the goal.

David Malpass
President, World Bank Group

To address the most urgent needs, the MDBs have accelerated the processing of new approvals and disbursements to support country responses to COVID-19, including by establishing quick-disbursing operations to support countries’ counter-cyclical expenditure programs. These measures also benefit private sector clients, particularly critical industries and MSMEs, as part of efforts to help sustain economies and preserve jobs. The MDBs have coordinated closely with the IMF and supported sound debt management.

A vibrant and innovative private sector is the bedrock of sustainable and inclusive growth. Governments have a core role – and responsibility – to unleash the full potential of the private sector by promoting sound regulation, good governance and robust environmental and social standards. The multilateral development banks are steadfast partners in these efforts, working with both the private sector and national authorities to accelerate countries’ progress on the Sustainable Development Goals.

Odile Renaud-Basso
President, European Bank for Reconstruction and Development

The MDBs will continue efforts to stretch their balance sheets, increase direct financing, expand co-financing, and mobilize private finance to SDG-aligned investments, making the best use of all available instruments including critically important donor grant funding. At the same time, MDBs will continue to explore enhancements to their offerings that can help catalyze more private investment, such as new approaches to guarantees. They will work with governments, other development partners, and private actors to drive innovation and financing toward the SDGs.

The SDGs have raised the bar of development financing from billions to trillions. Hence, our road to the SDGs crosses with that of the global markets, which sit on $300 trillion. If we succeed in mobilizing 1% from these markets into development, we can close the SDGs financing gap. This entails forging public-private-philanthropy-people partnerships (P3s), pursuing a paradigm shift, and reorienting the development narrative to do development differently. As multilateral development banks, we look forward to aligning our shared pool of resources to mobilize trillions for the SDGs.

Bandar Hajjar
President, Islamic Development Bank

Collaboration, coordination, and knowledge sharing will be hallmarks of these efforts. Key areas of collective focus will include:

Investing in People: A deeper focus on inclusion. The MDBs will deepen efforts to support investments in human capital, with a focus on the needs of the poorest and most vulnerable including women and young people who have been severely affected by the crisis. This will also require supporting workers and their livelihoods, including through SMES that are the backbone of many economies.

Protecting the Planet: Green development and ambitious climate action. The MDBs will continue efforts to help countries take ambitious action on climate change and environmental sustainability, while investing in cutting-edge, low-carbon, and climate-resilient approaches to development that reflect the goals of the Paris Agreement. Continued efforts to promote green and livable cities will support greener and more inclusive development.

Preserving Prosperity: Strengthening resilience. The MDBs will foster resilience, including economic and financial resilience, to equip partner countries to weather and bounce back from future shocks. Continued efforts to help countries manage debt sustainably and develop local currency and capital markets will be important. Vital contributions to resilience include strengthening governance and institutions; and expanding efficient, well-targeted social protection and safety-net systems to ensure the most vulnerable segments of the population are better protected.

To the poorest countries are defined as those eligible for the G20 Debt Service Suspension Initiative.

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Promoting sustainable infrastructure and digitization for sustainability. The MDBs will continue to support quality infrastructure. An important element of these efforts will be supporting more equitable access to basic digital technology infrastructure. They will accelerate efforts to harness the power of digital technology to spur innovations that can enable progress toward the SDGs, including access to health care, education, finance, and mobility.

Working together to support the Goals. The MDBs each have distinct mandates, roles, and advantages and will focus their activities accordingly. They will continue to develop common approaches and standards in areas of collective focus such as quality infrastructure and impact investment standards for the private sector. They will advance common approaches to align results management SDGs to track and communicate results transparently. Together, they will deliver financing, policy, and knowledge support to help countries realize the future they want, as set out in the 2030 Agenda for Sustainable Development.

Kristalina Georgieva
Managing Director, International Monetary Fund

It is paramount that institutions such as the IMF, the World Bank, and other multilateral development banks retain a focus on the longer-term objectives embodied in the SDGs, in particular the fight to end absolute poverty. This requires continued emphasis on supporting education, health systems, and social protection—but also on the types of infrastructure investments that can drive economic growth while protecting the environment. Progress in these areas will depend importantly on domestic revenue mobilization as well as external public and private financing.

Mauricio Claver-Carone
President, Inter-American Development Bank Group

The MDBs play an essential role in mobilizing private sector solutions and finance to create markets. The COVID-19 pandemic has underscored our role and the urgent need to respond to this crisis as well as the opportunity to take bolder action and rebuild a more resilient tomorrow.

Stephanie von Friedeburg
Interim Managing Director & Executive Vice President, International Finance Corporation

The MDBs will continue efforts to stretch their balance sheets, increase direct financing, expand co-financing, and mobilize private finance to SDG-aligned investments, making the best use of all available instruments including critically important donor grant funding. At the same time, MDBs will continue to explore enhancements to their offerings that can help catalyze more private investment, such as new approaches to guarantees. They will work with governments, other development partners, and private actors to drive innovation and financing toward the SDGs.

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Protecting the Planet: Green development and ambitious climate action. The MDBs will continue efforts to help countries take ambitious action on climate change and environmental sustainability, while investing in cutting-edge, low-carbon, and climate-resilient approaches to development that reflect the goals of the Paris Agreement. Continued efforts to promote green and livable cities will support greener and more inclusive development.

Preserving Prosperity: Strengthening resilience. The MDBs will foster resilience, including economic and financial resilience, to equip partner countries to weather and bounce back from future shocks. Continued efforts to help countries manage debt sustainably and develop local currency and capital markets will be important. Vital contributions to resilience include strengthening governance and institutions; and expanding efficient, well-targeted social protection and safety-net systems to ensure the most vulnerable segments of the population are better protected.

Promoting sustainable infrastructure and digitization for sustainability. The MDBs will continue to support quality infrastructure. An important element of these efforts will be supporting more equitable access to basic digital technology infrastructure. They will accelerate efforts to harness the power of digital technology to spur innovations that can enable progress toward the SDGs, including access to health care, education, finance, and mobility.

Working together to support the Goals. The MDBs each have distinct mandates, roles, and advantages and will focus their activities accordingly. They will continue to develop common approaches and standards in areas of collective focus such as quality infrastructure and impact investment standards for the private sector. They will advance common approaches to align results management SDGs to track and communicate results transparently. Together, they will deliver financing, policy, and knowledge support to help countries realize the future they want, as set out in the 2030 Agenda for Sustainable Development.

Kristalina Georgieva
Managing Director, International Monetary Fund

It is paramount that institutions such as the IMF, the World Bank, and other multilateral development banks retain a focus on the longer-term objectives embodied in the SDGs, in particular the fight to end absolute poverty. This requires continued emphasis on supporting education, health systems, and social protection—but also on the types of infrastructure investments that can drive economic growth while protecting the environment. Progress in these areas will depend importantly on domestic revenue mobilization as well as external public and private financing.