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Committees

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**Comparative Analysis of Private Sector Mobilization Reporting
Practices and Potential Implications for New CIF Programs**

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1. Executive Summary

1. Over the past few years, members of the Climate Investment Funds' (CIF) Trust Fund Committees (TFC) have made periodic inquiries regarding the CIF's methodology for reporting private sector mobilization, and to what extent this reporting methodology can, and should, be aligned with the Organization for Economic Co-operation and Development (OECD)'s methodology. In April 2020, the TFC requested the CIF Administrative Unit (CIFAU) *"in collaboration with the MDBs, to investigate the possibility of enhancing reporting on mobilized private sector investments in line with OECD."*
2. This brief responds to this request. This document is not intended to be a formal policy document. Rather it seeks to highlight relevant considerations of mobilization reporting for the CIF, in an effort to improve the understanding and relevance of CIF's mobilization reporting going forward.
3. The report also presents recommendations for consideration, including that the CIF continue using its existing mobilization reporting methodologies, as they provide the most comprehensive and transparent measure of CIF's relative contribution to the projects in which it participates. The report identifies areas where potential reporting enhancements could be introduced under the new CIF programs to further improve CIF's mobilization reporting practices.
4. Adoption of the OECD mobilization methodology as CIF's primary mobilization measure is not recommended, due to inherent limitations in OECD's current reporting practices. However, the report recommends that CIF examine the feasibility of providing supplemental mobilization reporting for CIF's new programs in accordance with OECD methodologies.
5. As there appears to be notable activity by several groups taking place regarding private sector mobilization in support of development activities, it is recommended that the CIF remain aware of the ongoing broader conversations on private sector mobilization to ensure CIF's reporting methodologies continue to remain relevant in the future.

2. Introduction

6. Over the past few years, members of the CIF TFCs have made periodic inquiries regarding the CIF's methodology for reporting private sector mobilization, and to what extent this reporting methodology can, and should, be aligned with the OECD's methodology.¹ The difference in methodologies have led to

¹ Most recently, in March 2020, Switzerland, a donor country to the CIF, provided the CIF Administrative Unit with the following feedback on the Operational Modalities paper: 'With regards to reporting on co-financing (Chapter 5.1 point 37), the MDBs should be requested to also report mobilized private sector investments to the OECD either project level data or by applying OECD methodology. Opposite to the MDB methodology the mobilized private investments are thereby attributed among all public fund contributors, both developed and developing and not only among MDBs. This is crucial for all our climate finance reporting.'

some concerns, including, whether there might be double-counting across institutions with regards to reported private sector co-financing amounts.

7. In April 2020, the TFC requested the CIFAU “in collaboration with the MDBs, to investigate the possibility of enhancing reporting on mobilized private sector investments in line with OECD.”²
8. This brief responds to this request by providing background information on relevant CIF, MDB, and OECD reporting practices, as well as initial thoughts on enhanced reporting on private sector mobilization for CIF’s investments.³ The brief also touches on related topics that may be of value to inform reporting practices for future CIF programming.

3. The Climate Investment Funds’ Reporting Framework and Practices

9. At the core of the CIF’s activities are its ability to incentivize multi-stakeholder partnerships – including governments, business, civil society, and development partners – around a shared vision through an inclusive investment planning approach, multi-MDB model and a common financing platform.
10. Reporting practices play a key role in ensuring the success of this model. CIF’s reporting framework has evolved since it was first introduced, following a flexible and pragmatic approach taking into account the needs of its various stakeholders. This reporting framework currently encompasses financial management, risk management, portfolio and operational (including pipeline and results) reporting as well as other types of reporting, such as knowledge reports.

a) CIF Results and Mobilization Reporting

11. Each CIF program has its own unique results framework approved by its respective TFC Committee or program Sub-Committee. The CIF results frameworks are tailored to each program and establish a basis for monitoring and evaluation of the impact, outcomes and outputs of CIF-funded activities.
12. In addition to the CIF results frameworks, the CIF reports on the impacts of its programs, more generally to a broader audience, in the CIF Annual Report, using commonly understood metrics which are applied consistently across all programs. One of these key metrics includes target, or expected, as well as actual co-financing associated with CIF projects. CIF defines co-financing as the amount of financing invested by all other non-CIF financiers in a CIF project, regardless of their specific role in the transaction and whether the financier is classified as a public or a private entity.
13. CIF tracks co-financing based on the following source classifications: MDB, Bilateral, Government, Private Sector (no breakdown by private sector institution), and Other. This metric represents a fundamental indicator, providing a measure of CIF’s impact and success in advancing climate smart investments.

b) Mobilization reporting by MDBs to CIF

14. Under CIF’s reporting frameworks, mobilization figures are first generated by the CIF partner MDBs, which then provide this information to the CIFAU. MDBs report target co-financing amounts for all programs, and also report achieved co-financing results for some CIF programs as follows:

² As provided in the TFC [April 2020 decision text](#).

³ Mobilization is also referred to as “co-finance” or “co-financing”, and in this brief these terms will be used interchangeably.

- **Target co-financing:** CIFAU records target co-financing amounts for public sector projects at the time of MDB board approval and records target co-financing amounts for private sector projects at the time of TFC approval (see ‘Program vs project level reporting’ below for further information). Targets are also expressed as mobilization ratios, or leverage ratios.
 - **Achieved co-financing:** Achieved co-financing results are monitored annually for the CTF and SREP programs, as part of their results frameworks. Results achieved during the year and cumulative, over the life of the project, are tracked. Although the PPCR and FIP programs track target co-financing amounts, they do not track achieved co-financing amounts, since this metric is not included as an indicator in their respective results frameworks.
15. Excluding the known differences relating to tracking of achieved co-financing amounts described above, to date, CIF’s MDB partners have taken different approaches to reporting on co-financing for their respective CIF projects. Some of these differences stem from CIF’s reliance on partner MDBs’ own monitoring procedures, which may not be consistent across all CIF partner MDBs. The following differences in reporting practices are noted:
- **Timing of information reported:** While most MDBs report target co-financing amounts once a project is approved by their respective board, some do not report target co-financing amounts until projects reach financial closure and/or begin operating.
 - **Program vs project level reporting:** Many private sector investments are approved by the TFC at the program level, allowing MDBs a specific amount of time⁴ following such approvals, to prepare and submit individual subprojects for MDB board approval. In these instances, the CIFAU records target co-financing at the program level following TFC approvals and records achieved co-financing amounts relating to individual subprojects when the program closes.⁵
 - **Confidentiality concerns:** Due to confidentiality concerns, some MDBs are not permitted to submit project-level co-financing amounts achieved for CIF private sector projects (although target co-financing amounts at the project level are provided at the time of MDB approval). Some MDBs can submit achieved co-financing information to the CIF AU but labeled as confidential, which means that the CIF AU can only report it in an aggregate way. Finally, some MDBs can report project-level achieved co-financing only for programs with three or more active subprojects, to protect the confidentiality of data.
16. Current guidance for the new CIF programs⁶ supports the use of MDBs’ harmonized definitions and procedures for reporting on private sector mobilization. See Section 4 below for additional information on the MDBs’ approach to mobilization reporting.

⁴ As provided for in the Joint CTF-SCF/TFC.23/4 *CIF Pipeline and Cancellation Policy*
https://www.climateinvestmentfunds.org/sites/cif_enc/files/meeting-documents/joint_ctf-scf_tfc.23_4_cif_pipeline_management_and_cancellation_policy.pdf.

⁵ For a public sector project, program close occurs when funds have been fully disbursed. For private sector projects, program close occurs when the loans have been fully repaid.

⁶ Paragraph 37 of the CIF [operational modalities paper](#) for the new CIF programs.

c) Mobilization reporting by CIF to TFC

17. Co-financing disclosures for target co-financing activity are reported semi-annually by the CIFAU to the respective TFC and/or Sub-Committees in the Semi-Annual Operational Report for each CIF program. Annual disclosures for target co-financing activity are also provided in the Results Report for CTF and the combined Operational and Results Report for each of the SCF (PPCR, FIP, and SREP) programs.

The following section describes in more detail the content of these disclosures:

18. Semi-Annual Operational Report:
- Target co-financing, dollar value, by source (MDB, Bilateral, Government, Private Sector and Other); and
 - Target Leverage – total leverage ratio and leverage ratio, by source. CTF also provides leverage ratio information for public vs private sector portfolios.
19. Results Report/Operational and Results Report: Annual co-financing disclosures vary by program. All CIF programs disclose the target level of co-financing expected, in aggregate, and by source of co-financing. PPCR also provides target co-financing amounts by sector. SREP, PPCR and CTF each provide project level information on target co-financing amounts, by source of co-financing. SREP and CTF also report actual co-financing amounts achieved at the project level for public sector projects.⁷
20. Appendix I provides further information on the co-financing disclosures provided in the Results Report and the Operational and Results Reports for the CIF programs.

d) Reporting by CIF to OECD

21. The CIFAU reports CIF's approved funding amounts by program annually to the OECD, in accordance with OECD methodologies and instructions. The CIF does not provide any mobilization data (ie information relating to private or public sector co-financing amounts) relating to CIF projects as part of its OECD reporting.

4. Joint MDB and OECD Mobilization Reporting Methodologies

e) Recent Advancements in the Development Finance Reporting Landscape

22. Several important initiatives, which began in 2015, led to the acceleration of global development aspirations and impacted how a wide number of development organizations report on their activities.
- In April 2015, a Development Committee Discussion Note, *From Billions to Trillions, Transforming Development Finance*,⁸ prepared jointly by the MDBs and the International Monetary Fund, laid out an approach that asked MDBs to enhance their financial leverage, ramp up assistance for domestic resource mobilization and catalyze private investment to achieve the transformative vision of the sustainable development goals (SDGs), which would be adopted later that year.

⁷ Actual co-financing amounts for some private sector projects are provided by MDBs to CIFAU on a confidential basis only.

⁸ See Discussion Note <http://pubdocs.worldbank.org/en/622841485963735448/DC2015-0002-E-FinancingforDevelopment.pdf>

- In July 2015, the Third International Conference on Financing for Development in Addis Ababa recognized that the financial resources needed to achieve the SDGs far exceeded current financial flows.
 - In September 2015, the global community adopted the 2030 Sustainable Development Agenda and the SDGs that underpin it.
 - In December 2015, at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement was negotiated, which saw countries make commitments to a global agreement on the reduction of climate change.
 - In adopting the Hamburg Principles in 2016, the G20 nations endorsed a target of increasing mobilization by 25% to 35% by 2020.
23. These mandates created a critical role for MDBs and development finance institutions (DFIs) in helping attract or “mobilize” private investment to development projects through risk mitigation products, advisory services, and the demonstration effects of their own investments.
24. Simultaneously, the OECD has focused its efforts on improving data on mobilization, recognizing the importance of mobilization in delivering the 2030 Sustainable Development Agenda.⁹ The OECD and MDBs have engaged in extensive dialogue with regards to how, and to what extent, mobilization reporting methodologies and practices can be aligned between the two groups.

f) MDB Mobilization Reporting and the Task Force on Mobilization

25. As a key step towards larger efforts to mobilize more private investments through their institutions, MDBs and DFIs have worked to develop a common reporting methodology to measure private investment mobilized. Since 2016, a large number of MDBs and DFIs, including all six CIF partner MDBs, have worked together as part of the MDB Task Force on Mobilization¹⁰ to report on their mobilization annually in a joint report¹¹.

⁹ Note that the OECD has been working to develop a shared reporting system and action program which attempts to capture the common values underlying the various approaches to blended finance, including the OECD Development Assistance Committee (DAC) Blended Finance Principles, and the underlying framework in the Addis Ababa Action Agenda. The Total Official Support for Sustainable Development (TOSSD) concept emerged in 2015 as a way to capture the Addis Ababa Action Agenda, based on the recognition that international statistics needed to reflect the new development finance landscape characterised by the emergence of new actors (e.g. emerging providers, the private sector), new financial instruments used in development co-operation (e.g. guarantees), and a greater focus on sustainable development. TOSSD is being developed by an international task force with representation from provider countries, recipient countries and multilateral organizations, in consultation with Civil Society Organizations and other relevant stakeholders. The OECD acts as the technical secretariat of the TOSSD task force.

¹⁰ The task force (as of August 2019) is comprised of the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Islamic Corporation for the Development of the Private Sector, the Inter-American Development Bank and IDB Invest, the International Finance Corporation, the Islamic Development Bank, the Multilateral Investment Guarantee Agency, the New Development Bank and the World Bank.

¹¹ See here for a copy of the [2019 report](#).

Under the Joint MDB reporting methodology developed by the MDB Task Force, all private sector mobilization is classified as either “private direct mobilization”¹² (PDM), or “private indirect mobilization” (PIM):

- Under PDM, all private finance mobilized is attributed to the MDB that set up the deal with no attribution to other co-financiers; and
- Under PIM, where an MDB is providing financing, but no MDB is playing an active or direct role that leads to the private entity’s commitment in the transaction, the total private co-financing is reported pro-rata by the MDBs without including other public development financiers.¹³

26. The Joint MDB reporting methodology has resulted in several benefits for MDBs, including: enabling MDBs to report more fully on contributions to a range of development priorities, including climate change and infrastructure development; providing an analytical foundation for the many high-level discussions taking place on financing for development; and, providing a common platform and methodology around which MDBs can convene to share experiences, lessons learned and to identify opportunities to improve mobilization performance.
27. The Joint MDB report provides private sector mobilization information based on country income classification, geographic region, and reporting institution; however, no project level information is provided.
28. The Joint MDB reporting of private investment mobilization continues to be a learning-by-doing process. It has evolved to produce a more robust, transparent, and consistent methodology for the aggregation of mobilized amounts, minimizing double counting and assigning attribution in a consistent fashion within MDBs in response to shareholders’ mandates.

g) OECD Mobilization Reporting

29. The OECD has collected data on activities conducted by multilateral organizations through the Creditor Reporting System for several years. This data is collected as per the request of OECD DAC members for all major multilateral organizations and, since 2016, all multilateral organizations that are included in the list of official development assistance eligible international organizations.
30. The OECD, on an annual basis, collects information on private finance mobilized through official development finance interventions. The information collected on private finance mobilized includes the leveraging instrument used, the amounts mobilized, and the origin of the funds mobilized.
31. Under the OECD reporting methodology, private sector mobilization is calculated as follows:
 - 50% of private finance mobilized is attributed to the MDB/DFI that set up the deal; and

¹² The Joint MDB methodology defines private direct mobilization as financing from a private entity on commercial terms due to the active and direct involvement of a MDB leading to commitment. Evidence of active and direct involvement include mandate letters, fees linked to financial commitment or other auditable evidence of a MDB’s active and direct role leading to commitment of other private financiers.

¹³ In order to mitigate double counting, the private co-finance flows are pro-rated amongst the MDBs involved, based on the proportion of the reporting MDB’s commitment to the total MDB commitments.

- The remaining 50% is attributed among all public development financiers in the transaction (including the lead MDB) on a pro-rata basis, regardless of their level of involvement in the transaction or their involvement in securing the private entity's commitment in the transaction.
- Where no MDB/DFI is playing a lead role (i.e., set up the deal), 100% of the total private finance mobilized is attributed among all public development financiers in the transaction on a pro-rata basis.

32. To facilitate the calculation of its private sector mobilization amounts, the OECD requests the following guidelines be adhered to the completion of their annual OECD reporting templates:

- Resources mobilized from public entities are to be excluded from the OECD mobilization measure. In order to avoid double counting, official actors involved in a project are to report only their respective share of the private finance mobilized.
- Reporting of private finance mobilization to the OECD can be based on either the OECD or the Joint MDB methodology. The OECD asks that data providers use the same methodology across their reporting and inform the OECD of the methodology used.
- Reporting should be provided at the activity (i.e., project) level. OECD's ultimate objective is to make all data publicly available through its website: stats.oecd.org and www.tossd.org. The OECD has confirmed that data on private finance mobilized by the MDBs will be disclosed at the aggregate level only, pending discussions with the MDBs and subject to agreement with each organization.

h) Joint MDB and OECD Discussions on Mobilization Reporting

33. Starting in 2016, as OECD began to increase its efforts in reporting private sector mobilization information across DFIs, a series of discussions were held and working groups were established between the MDBs and OECD in an attempt to harmonize the private sector mobilization methodology and disclosure practices, between the MDBs and OECD/DAC.

Through these discussions, it became evident that while MDB and OECD reporting of private sector mobilization have common underlying principles, the scope of application and formulas used are different, which have given rise to two distinct reporting issues: methodology differences, and level of detail being reported.

Issue #1: Joint MDB vs OECD Methodology

34. The key methodology difference relates to how the amounts mobilized from the private sector are attributed to public institutions involved in the investment. The MDB approach attributes "credit" using direct vs indirect mobilization criteria (as defined above), whereas the OECD approach is more inclusive, assigning credit to smaller actors that do not necessarily have the capacity to arrange deals but nevertheless provide funding.
35. Status: Discussions are still underway. The working group is making progress on certain aspects of private sector reporting methodologies, including sector definitions, climate indicator definitions, technical advisory mobilization and other forms of catalyzation. However, the core issue relating to attribution across other public sector actors remains the key ongoing difference between the two methodologies.

Issue #2: Private Sector Disclosure Practices

36. There are ongoing discussions between OECD and the MDBs relating to the sharing of confidential information on private sector mobilization. OECD has requested that the MDBs share project-level financing information with the OECD. The MDBs have expressed concerns with this request, as this information is generally considered confidential and not for distribution to third parties. MDBs have instead proposed to provide aggregated co-financing figures across their portfolio to OECD.
37. Status: Work continues to more seamlessly share data for OECD reporting, however the issue of broader disclosure of confidential private sector information remains an outstanding issue and has yet to be resolved.

5. Observations and Recommendations

i) Measuring development effectiveness: Mobilization vs mandate

38. The nature of methodology differences between the emerging OECD methodologies, the Joint MDB approach and how CIF reports mobilization amounts is not unusual. Mobilization reporting, like many other types of reporting, evolve over time and are ultimately customized to suit the users of such information and the mandate of the organization. It is important to note that there is not one “right” method for reporting mobilization amounts.
39. Table 1 below illustrates the private sector mobilization amounts which would be reported under the different approaches.

Table 1. Private finance mobilized under CIF, OECD and Joint MDB approaches

Lender	Role	Commitment (USD millions)	Private finance mobilized (USD millions)		
			CIF ^{1.}	OECD ^{2.}	Joint MDB ^{3.}
MDB	Arranger	200	0	125	150
MDB	Participant	50	0	12.5	0
CIF	Participant	25	150	6.25	0
Government	Participant	25	0	6.25	0
Private sector	Participant	150	-	-	-
<i>Total financing</i>		<i>450</i>			
Total private sector mobilized			150	150	150

- 1) CIF reports 100% of private sector financing raised with no attribution. CIF's mobilization reporting also reports co-financing raised from (where applicable) MDBs, Bilateral, Government and Other.
- 2) OECD approach attributes 50% of private sector financing to MDB that arranged the deal, with remaining 50% attributed pro-rata to all public sector financiers (including MDB arranger). Where no MDB is lead arranger, 100% of private sector financing is attributed pro-rata to all public sector financiers in the deal.

- 3) Joint MDB approach attributes 100% of private sector financing to MDB that arranged the deal. Where no MDB is lead arranger, 100% of private sector financing is attributed pro-rata to all MDBs in the deal.
40. Appendix II outlines the notable differences in mobilization reporting between the CIF, OECD and Joint MDB reporting methodologies. Appendix III and IV provide further information on the OECD and MDB approaches to measuring mobilization for various financing instruments while Appendix V illustrates the mobilization amounts reported under the OECD and Joint MDB reporting methodologies.
41. The Joint MDB approach of assigning 100% of the “credit” for having mobilized private resources to the MDB responsible for leading and/or arranging the transaction is one of the primary allocation methodologies used by commercial banks to measure market activity in financing transactions.
42. Despite the difference in mandates between MDBs and commercial banks, MDBs in their role as international financial institutions, actively lead, arrange, structure and/or participate in financing transactions to meet the needs of recipient countries and organizations, and the underlying nature of these activities is very similar to that of commercial banks. Hence, it is not unusual that the mobilization methodology adopted by the Joint MDB Task Force is largely consistent with the methodology used by many commercial banks and is a methodology understood by, and familiar to, most private market participants.
43. The MDB approach for measuring mobilization is focused on the MDBs’ own resources (ordinary capital) and considers public resources under management (including CIF resources) in the same way as other public resources. Therefore, regardless of what role (lead arranger or other participant) the MDB plays in a financing transaction, where CIF resources are also provided, no attribution of private sector mobilization would be made to the CIF under the Joint MDB approach.
44. The mobilization methodology introduced by the OECD represents a new basis for impact measurement. The OECD approach seeks to define an allocation methodology which provides a more inclusive window into the actual financing volume across the various finance participants compared with the Joint MDB approach. The OECD approach attributes less recognition to the lead MDB, while allowing the remaining recognition to be attributed to smaller actors that do not necessarily have the capacity to arrange deals but nevertheless provide funding in a transaction.
45. If MDBs were to report under the OECD approach, then CIF’s mobilization impact would be recognized to a greater extent than under the Joint MDB approach, but it would still fall significantly short of measuring CIF’s true impact on the overall project.
46. The CIF method of reporting mobilization differs from both of these attribution methodologies. The CIF reporting of mobilization amounts involves no attribution calculations. Rather, CIF comprehensively reports all sources of funding provided by non-CIF financiers, regardless of their overall role in the transaction, and whether they are a public or a private entity. This reporting allows full transparency into CIF related programs and projects.
47. One of the key features in both the OECD and the Joint MDB approach is that neither approach provides any “credit” to CIF for the critical role it plays in lowering the overall risk to other financiers in the project, and to the project overall. CIF’s concessional financing acts as a notable risk mitigant, encouraging the testing of new business models, building of track records in unproven markets and boosting investor confidence to unlock additional sources of finance in the projects in which CIF funding

is deployed. By design, CIF financing is expected to help projects move forward when they would not otherwise be able to. Neither approach recognizes this important element. An approach which allows for the recognition of CIF's transformative role in reducing risks in the projects in which it participates should be the goal.

48. Since development effectiveness is a core part of the evaluation processes and assessments of the MDBs, and of the CIF, the approach to measuring development effectiveness is critical, and should be tailored to reflect the nature and mandate of the organization.

j) What CIF should be doing with regards to the OECD methodology

49. The differences in OECD and MDB measurement methodologies for mobilization represent broad issues which extend beyond the CIF and the MDBs which act as CIF's implementing agencies. Each entity has its own mandate and its own stakeholders whose reporting needs may be different and whose reporting frameworks have been established through ongoing consultations and approvals.
50. Efforts to harmonize OECD and MDB measurement methodologies, where practical, are ongoing. As such, it is recommended that the CIF remain engaged with the MDB group on this matter as they pursue dialogue and efforts with the OECD relating to harmonization. Recommendations and solutions, once endorsed, can then be examined more broadly, including in the context of the CIF.
51. It is worth highlighting, however, that neither the OECD nor the Joint MDB approach to measuring private sector mobilization will eliminate the risk of double counting, a concern raised by the OECD. Countries, institutions and other development organizations not affiliated with the OECD will continue to report on these matters in accordance with their own mandates and to meet the needs of their individual stakeholders. Therefore, it may not be realistic to encourage and/or endorse one approach over another, with the goal of eliminating double-counting as a key priority.
52. In addition, the scope of the OECD and Joint MDB methodologies only extend to the measurement and attribution of "credit" relating to amounts mobilized from private investors and other institutional investors¹⁴, which represents a subset of total amounts mobilized.
53. **Therefore, at this time, it is not recommended that the CIF adopt the Joint MDB or the OECD mobilization methodology as its primary mobilization measure. Due to the underlying nature and mandate of CIF's activities, we believe the existing mobilization reporting provided by CIF for its programs and projects provides the most comprehensive and transparent measure of CIF's relative contribution to the projects in which it participates.**
54. As there appears to be notable activity by several groups taking place regarding the role of government and philanthropic funds in helping to mobilize private investment for development, it is recommended that the CIF remain aware of the broader conversations on private sector mobilization to ensure CIF's reporting methodologies remain relevant and not duplicative.

k) Potential Reporting Enhancements that could be Implemented under the New CIF programs Pending further update from the OECD and MDBs discussions, the CIF will, in consultation with the MDBs, explore the following areas:

¹⁴ Including insurance companies, pension funds and sovereign wealth funds.

- Ensure that CIF's current reporting methodology for mobilization is clearly described in CIF reports and disclosures.
- Ensure that any changes or refinements in methodology and disclosures adopted in the reporting period by CIF and/or one of its implementing MDBs, are clearly described in CIF reports and disclosures.
- Review known differences in CIF mobilization reporting practices, as identified in the *Mobilization reporting by MDBs to CIF*, section of this brief:
 - Timing of information reported;
 - Program vs project level reporting; and
 - No reporting of achieved co-financing amounts for private sector projects, with a view to establishing a policy for CIF's new programs, to ensure CIF co-financing targets and results are reported consistently and differences are minimized, where possible, understanding that differences may still arise due to reliance on MDBs' monitoring procedures and confidentiality concerns relating to private sector information.
- Introduce reporting of achieved mobilization results for all of CIF's new programs. Although results reporting needs to be program-specific, the reporting of mobilization amounts achieved against expected targets, is applicable to all investments and/or programs and provides a fundamental, consistent and key measure against which CIF can measure its success and communicate its impact across all its programs, to a broad audience. Confidentiality concerns relating to private sector project information would need to be considered in the determination of an overall mobilization reporting framework to ensure that target and actual mobilization information for private sector projects is appropriately captured.
- Examine the feasibility of providing mobilization results for all of CIF's new programs in accordance with OECD methodologies, as supplemental reporting only.

6. Appendices

l) Appendix I: Summary of Co-financing disclosures provided in the CTF Results Report and the Operational and Results Report for SCF programs

Source: Compiled from reports provided for the Committee/Sub-Committee meetings originally scheduled for March 2020 (SREP/SC.22/3, FIP/SC.23/3, PPCR/SC.25/3, CTF/TFC.24/4)

SREP:

- Target co-financing, dollar value and percentage, by source of co-financing
- Expected and actual co-financing, at aggregate SREP level (reporting year and cumulative information provided)
- Detailed analysis on *Increased public and private investments*. Project level analysis which includes actual and expected co-financing amounts, by source of co-financing (cumulative analysis)

FIP:

- Target co-financing, dollar value and percentage, by source of co-financing

PPCR:

- Target co-financing, dollar value and percentage, by source of co-financing
- Target co-financing, by percentage, by sector
- Annex 2: *Outside funding secured by projects under endorsed SPCRs of new PPCR countries*. Provides amount of funding requested (ie target) and source of such funding, by project
- Annex 3: *List of projects identified under the endorsed SPCRs of the New PPCR Countries*. Provides expected co-financing from MDBs, governments and others, by project
- Annex 5: *Status of country portfolio*. Provides expected co-financing, by country

CTF:

- Reporting year and cumulative co-financing achieved compared with cumulative co-financing target
- Cumulative co-financing amounts achieved, by source
- Reporting year and cumulative co-financing achieved, by region, compared to target
- Reporting year co-financing achieved, percentage, by source, for public and private sector portfolios
- Annex 1: *Summary of results*. Project level analysis which includes co-financing amounts achieved for reporting year, cumulative co-financing amounts achieved and cumulative target, by project
- Annex 2: *Direct finance leveraged by source*. Project level analysis which provides co-financing amounts achieved for reporting year, cumulative co-financing amounts achieved and cumulative target, by project, and by source of co-financing

m) Appendix II: Comparison of CIF, OECD and Joint MDB Approaches for reporting on resources mobilized

	CIF Approach	OECD Approach	Joint MDB Approach
Goal	Meet the reporting needs of the CTF and SCF Trust Fund Committee members, including stakeholders with active observer status (private sector, civil society, and indigenous peoples' representatives).	Meet the mobilization reporting needs of OECD member countries.	Meet the mobilization reporting needs of all shareholder countries.
Definition	Measures all private and public resources mobilized by CIF resources.	Measures all official resources from bilateral and multilateral organizations for meeting the SDGs. Separately measures private resources mobilized by these resources.	Measures private investment mobilized by a development operation of an MDB or DFI.
Attribution	100% of the non-CIF amounts mobilized from both public and private sector co-financing partners are reported by CIF in its mobilization reporting. No distinction is made between their role or risk profile, or CIF's role or risk profile in the transaction.	50% of the amounts mobilized from private sector are attributed to leading MDB, remaining 50% are attributed among all official investors on a pro-rata basis, regardless of the risk profile of the investment.	PDM = Leading MDB obtains 100% of the "credit" for having mobilized private resources. PIM = Private co-finance amounts are pro-rated amongst the MDBs involved, based on the proportion of total MDB commitments made by the reporting MDB.
Private Finance	Reported as one of the sources of mobilization in the broader CIF mobilization reporting framework.	Transactions are classified as official or private according to who owns or controls the financing entity. Any resources mobilized from public entities are excluded. Classifies all resources from sovereign wealth funds as official.	All investors that are investing primarily on a commercial basis and managerially autonomous from government are counted as private entities. Sovereign wealth funds are regarded as private entities.
Scope	All CIF related countries.	ODA-eligible and DAC member countries.	All countries of operation.
Direct vs. Indirect	No distinction between direct and indirect mobilization. ¹⁵ All amounts mobilized are treated exactly the same for	No distinction between direct and indirect mobilization. Requires that there are demonstrated causal links between official and private investments.	An active MDB/DFI role creates direct mobilization, otherwise indirect. Private direct mobilization (PDM) accessed according to (i) active and direct involvement including mandate

¹⁵ See definitions in Section 4 of this document.

	reporting purposes (ie no attribution rules).		letters, fees linked to financial commitment or (ii) other validate evidence.
Mobilization reporting	Tracked and reported at program level, and once program closes, sub-project information is reported. Expected and actual mobilization amounts are monitored. Mobilization amounts for some private sector projects not reported due to confidentiality.	Reporting is requested at activity level. Objective is to make all data publicly available to the extent possible. Data on private finance mobilized by the MDBs disclosed at the aggregate level only.	Aggregate mobilization reporting only for OECD purposes. However, MDBs report joint MDB mobilization by country income classification, sector and region.
Instruments	Covers all CIF related instruments. Trade finance is not applicable as it is not a financing arrangement offered by CIF.	Subset. Covers guarantee, syndicated loan, collective investment vehicle (CIV), direct (equity) investment, credit line, standard grant/loan in co-financing arrangement, and project finance. Trade finance not covered.	Covers all types of instruments including trade finance.
PPP advisory service	CIF provides advisory services and related assistance, however, consistent with OECD, the catalysation effect of the PPP advisory service is not acknowledged.	OECD has not acknowledged the catalysation effect of the PPP advisory service.	MDBs may provide advisory services and related assistance to a client where these services are linked to the procurement of funds for a specific activity. Procurement of private financing linked to the provision of advisory services counted as PDM.
Definition of Infrastructure	Includes all CIF related activity, which is consistent with MDB scope.	Infrastructure to include only economic (roads, e.g.) infrastructure (no social infra).	Includes both economic and social (schools, e.g.) infrastructure.

n) Appendix III: Comparison of OECD and MDB methodologies for reporting on resources mobilized.

55. The following table provides a presentation of the OECD and MDB methodologies for reporting on resources mobilized.

Source: TOSSD Reporting Instructions – February 2020, Annex F. Methods and supplementary data on resources mobilized.

Leveraging Instrument	OECD Methodology	MDB Methodology
Guarantee	100% of the face value of the transaction being guaranteed.	For commercial risk guarantee, the difference between the face value of the guaranteed transaction and the guarantor’s exposure value in case of default is reported as mobilized. For non-commercial risk guarantee, 100% of the face value of the transaction guaranteed is reported as mobilized.
Syndicated loans	Arranger reports 50% of syndicated private finance. Official lenders in the syndication report the remaining 50%, volume pro-rata. In the case of private arrangers, the funds mobilized are reported by official lenders pro-rata.	All private finance in the syndication is reported by the arranger.
Shares in collective investment vehicles (CIVs) Direct investment in companies (DIC) Project finance special purpose vehicles (SPVs)	50% of the private investment is reported by official actors in the riskiest investment tranche of the vehicle. The remaining 50% is reported by all official actors in vehicle, volume pro-rata.	Following guidance on indirect mobilization, all private finance mobilized through CIVs is reported by investing MDBs, volume pro-rata, irrespective of the risk taken.
Credit lines	The official provider of the credit line reports the additional funds invested by the recipient of the credit line (usually a local finance institution) and, if requested by the credit line, co-investments, on a revolving basis if applicable, by end-borrowers (MSMEs).	Credit line providers report the funds added by credit line users (local finance institutions). Funds invested by end-borrowers are not considered mobilized.
Grants & loans in simple co-financing arrangements	Providers report the private co-financing, pro-rata to their financial share (provided, as for any other leveraging instrument, that a causal link can be demonstrated - e.g., in the project documentation, the financial agreement).	Following guidance on indirect mobilization, providers report the private co-financing, pro-rata to their financial share.

o) Appendix IV: Case Comparison Between OECD and Joint MDB Methodologies

Source: MDB Methodology for Private Investment Mobilization – Reference Guide – June 2018

Instrument	Example	OECD Approach	MDB Approach
Commercial Risk Guarantee	An MDB guarantees 70% of a loan provided by a private bank, who is the sole lender to a project alongside the private sponsor	The full amount of the private loan is attributed to the guarantor (i.e. the MDB) as mobilized private investment.	30% of the guaranteed private loan is reported as PDM (the rest is added to the MDB's Commitments) 100% of the private sponsor's investment is attributed as PIM
Syndicated Loan	An MDB leads a syndicate that includes one private lender and one public lender; the borrower is private	50% of the value of the private lender's investment is attributed to the arranger, (i.e., the MDB). The other 50% is shared proportionally (by commitment amount) between all public lenders in the syndication (incl. the MDB if applicable).	100% of the private loan is attributed to the MDB as PDM 100% of the sponsor's equity is attributed to the MDB as PIM Nothing is attributed to the public lender
Collective Investment Vehicles	One MDB and one public investor commit to a CIV (flat structure) alongside a private investor with investments of USD 50, 30 and 20 million respectively; no direct or active role is played by any of the investors.	50% of the private investment is attributed equally between all public investors in the CIV, 50/50 to the MDB and the public investor in this example. The other 50% is attributed on a prorated basis of total commitment between all public investors.	100% of the private investor's commitment is attributed to the MDB as PIM Nothing is attributed to the public investor
Non-Commercial Risk Guarantee	An MDB guarantees 90% of a non-shareholder loan provided by a private bank, who is a lender to a project, alongside other private sponsors.	The full amount of the private loan is attributed to the guarantor (i.e. the MDB) as mobilized private investment.	100% of the guaranteed loan is reported as PDM 100% of the private sponsors' investments are attributed to PIM

PDM – Private direct mobilization

PIM – Private indirect mobilization

p) Appendix V: Example of Different Reporting Methodologies in Practice

Source: OECD, Development Assistance Committee, Measuring Mobilization, briefing on efforts to harmonize OECD and MDB measurement methodologies, May 25, 2018

Illustration of possible double counting if mixing both DAC and MDB approaches,

Syndicated loan for Oyu Tolgoi mine (Mongolia), arranged by IFC

Lender	Role	Commitment (USD million)	Private finance mobilized according to (USD million)		
			OECD-DAC	MDBs	Both approaches mixed
IFC	Official Arranger	400	736.8	776	776.0 <i>(MDB approach)</i>
KfW	Official Participant	20	17.4	0	17.4 <i>(OECD-DAC approach)</i>
FMO	Official Participant	25	21.8	0	21.8 <i>(OECD-DAC approach)</i>
PRIVATE *	Participant	776	–	–	–
TOTAL PRIVATE SECTOR MOBILIZED			776.0	776.0	815.2 <i>(of which USD 39.2 million double-counted)</i>

* BNP Paribas, Australia and New Zealand Banking Group, ING Bank, Société Générale, Sumitomo Mitsui Banking Corporation, Standard Chartered Bank, Canadian Imperial Bank of Commerce, Crédit Agricole, Intesa Sanpaolo, National Australia Bank, Natixis, HSBC Bank, The Bank of Tokyo-Mitsubishi UFJ.