

TRI HITA KARANA ROADMAP FOR BLENDED FINANCE: ACTION AREAS



# **The Tri Hita Karana Roadmap for Blended Finance**

Transparency Working Group

## **Promoting Transparency in Blended Finance**

12 May 2020

## Acknowledgements

This report is the result of discussions and input by a wide range of blended finance actors and members of the THK Transparency Working Group (listed in Annex 1). It compiles their inputs, insight and practices. While this paper cannot reflect the views of any particular institution, it does reflect the shared ambition to improve transparency of blended finance and the latest thinking by those at the forefront of these challenging issues.

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## Executive Summary

Against a backdrop of trillion-dollar funding gaps to achieve the Sustainable Development Goals (SDGs), blended finance has gained momentum among providers of development finance as a means to leverage and catalyse both more finance to meet the SDGs and build the capacity of different actors, the private sector in particular. Continued and growing ambitions to use of blended finance in financing sustainable development have, however, highlighted key considerations on the appropriate level and nature of transparency and data availability. Transparency is a key consideration for providers, implementers and recipients of blended finance resources – as demonstrated, among other things, by existing efforts and initiatives by multilateral development banks (MDBs), development finance institutions (DFIs), donors and other actors. While acknowledging the barriers, challenges and limitations; better and more robust data and information will enable all stakeholders to better understand impact, the status of their interests and strengthen accountability to taxpayers, intended beneficiaries and clients.

This paper aims to provide a useful reference for all blended finance stakeholders to build a common understanding of where we are and what needs to be done to further improve blended finance transparency.

### What is blended finance?

Blended finance is a structuring approach able to bring together investments from organisations with different mandates and thus catalyse participation of new actors, especially from the private sector, in the financing for development space. As such blended finance may come in a variety of forms and from diverse actors but broadly falls into two categories:

1. Blended concessional finance which includes concessional finance from donors alongside DFI's own finance; and
2. A broader definition which includes the use of development finance to mobilise additional commercial finance.

### Defining transparency in blended finance

Building on input and consultation with stakeholders, the THK Transparency Working Group proposes as a working definition

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*Blended Finance Transparency: “the availability, accessibility, comprehensiveness, comparability, clarity, granularity, traceability, reliability, timeliness and relevance of both ex-ante and ex-post information regarding the use of public and private capital in blended finance transactions”*

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### Who are the stakeholders in blended finance?

Stakeholder category	Public Sector	Inter-governmental organisations	Development Banks	Private and commercial actors	Non-governmental organisations
Stakeholders	Aid agencies/ donors, host governments	Norm setting and convening organisations (e.g. OECD, UN)	MDBs, DFIs, national development banks	Private foundations, commercial banks and insurers, institutional investors	CSOs, think tanks, academia, researchers

## Current state of play and emerging findings

Alongside existing research, the findings of this paper are based on analysis of available databases, a survey of select blended finance stakeholders and an analysis of ‘best practice’ case studies in select institutions. This research has highlighted several key issues:

- There is broad agreement amongst all stakeholders **that there is a need for greater transparency in blended finance** – however debate remains about how far that should go and how to overcome potential risks.
- There is potential for **improvement in all aspects of blended finance transparency** from project level information to development impact – but there are particular challenges, such as undermining competition, in delivering better information on the value of investments and financial intermediaries.
- **Transparency at the project and activity, versus portfolio, level remains particularly problematic** due to both legal limitations or market driven practices but also as it may undermine the principles of, for example, additionality and minimum concessionality.
- **Impact data from blended finance projects remains limited and, in many cases, at portfolio level** but is key to building an evidence base, understanding what works and supporting inter-institutional learning. The work of the THK Impact Working Group provides a standardised and concrete framework to improve impact information and evaluation.
- Specific **input information that could be improved** includes: instrument (i.e. deal structure, equity, debt, risk management), concessionality level if any, volume of concessional finance, rationale for use of concessional finance, volume of other development finance, additionality, private finance mobilised (although subject to concerns of sensitivity), investee type, host country and sector of intervention.

## Looking forward – recommendations

Building from a common understanding of the current state of play, challenges and where there is opportunity for progress, members of the THK Transparency Working Group will continue to drive an ambitious, action-oriented programme to achieve a blended finance transparency agenda.

### What next?

- Strengthen multi-stakeholder dialogue and collaboration around the needs and responsibilities of all actors in blended finance.
- Establish the respective roles and responsibilities of stakeholder groups.
- Harmonise reporting practices through agreeing minimum reporting requirements for all stakeholders – and with an emphasis on public availability of information.
- Establish a common reporting standard for blended finance that will be fit-for- purpose and fit for all actors.
- Enhance access to information on existing blended finance facilities and investments

## Background

Against a backdrop of trillion-dollar funding gaps to achieve the Sustainable Development Goals (SDGs), blended finance has gained momentum among providers of development finance as a structuring approach able to bring together investments from organisations with different mandates and thus catalyse participation of new actors, especially from the private sector, in the financing for development space. Amid the ambition for increasing the use of blended finance as a tool for sustainable development, key considerations around the appropriate level and nature of transparency and data availability are emerging.

Transparency is a key consideration for providers, implementers and recipients of blended finance resources – as demonstrated, among other things, by existing efforts and initiatives by MDBs, DFIs, donors and other actors listed in Annex 3. As an example, transparency is present in all MDBs operations in accordance with each institution’s respective Access to Information Policies (AIP), sanctioned by their Boards, and Governors including most DAC members. MDBs’ AIPs comply with stakeholders’ transparency demands while ensuring confidentiality of commercially sensitive information by law.

More robust data, information, and publicized findings, is expected to enable blended finance stakeholders to better track the status of their interests and priorities in addition to improving accountability to taxpayers, intended beneficiaries and clients. But there are also limitations to the availability of some data and information that need to be taken into account. For example, maintaining confidentiality of commercially sensitive information creates trust with private actors for investing in new markets, but also limits the availability of information to the general public.

As we enter the last decade of action for the SDGs, there is a need to foster greater understanding of the transparency needs of all relevant stakeholders and the challenges that hinder such needs from being fulfilled. This is an important step toward ensuring improved effectiveness of blended finance as a financing for development tool as well as strengthened accountability, including to the ultimate intended beneficiaries (especially when scarce aid resources are involved).

### What is blended finance?

Blended finance refers to structuring approach that allows organisations with different objectives (e.g. financial returns, social impact) to invest alongside each other.<sup>1</sup> Depending on which definition is used, the sources of finance that are combined through blended finance structures can differ.

There are two main definitions for blended finance:

1. *Blended Concessional Finance*, which refers to “combining concessional finance from donors or third parties alongside DFIs’ normal own account finance and/or commercial finance from other investors, to develop private sector markets, address the Sustainable Development Goals (SDGs), and mobilize private resources”. This is the definition of blended finance adopted by the DFI Working Group on Blended Concessional Finance for Private Sector Projects. The sources of concessional finance used to blend can be either public or philanthropic, as long as there is no market-level compensation for the risk being taken by these sources of funds. Blended finance and blended concessional finance are used interchangeably by those who subscribe to this definition.
2. *Blended Finance as other forms of development finance that mobilise commercial investments to SDG projects in developing countries*. This broader definition refers to “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries”. This is the definition of blending adopted by the OECD, which allows for both concessional and non-concessional forms of development finance (public or philanthropic) to mobilise additional (primarily commercial)

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<sup>1</sup> <https://www.convergence.finance/blended-finance>

investment to SDG projects in developing countries. In this case, additional risks being taken by non-concessional public or philanthropic sources of finance are compensated. There are few examples of non-concessional public or philanthropic finance structures (e.g. funds with pari passu investments from MDBs or DFIs and the private sector); most of the Blended Finance structures will fit the Blended Concessional Finance definition described above in point 1.

The difference in definitions is important to note, especially in the context of gathering, analysing, and presenting aggregate data on blended finance transactions. However, from a transparency perspective, the more disaggregated available data is, the less of an issue the difference in definitions becomes. This is because with more granular data, users are able to single out blended finance transactions that fit their definitional requirements and to identify relevant data within broader datasets. In light of this and in order to be relevant to all stakeholders involved or interested in the blended finance market, the report presents analysis of transparency dimensions, including needs, gaps, benefits and bottlenecks, by stakeholder group so that readers can easily identify which areas are relevant to their operations and interests. In instances where content is relevant for blended concessional finance alone this is clearly stated.

### Why the focus on blended finance transparency?

In an effort to bring together different perspectives and ensure effective use of blended finance, the Tri Hita Karana (THK) Roadmap for Blended Finance, which was presented at the Tri Hita Karana Sustainable Development Forum on “Blended Finance and Innovation for Better Business Better World” in Bali in October 2018, sets out shared values and key action areas for effectively scaling up blended finance operations.<sup>2</sup> It builds on various existing initiatives, such as the OECD DAC Blended Finance Principles, the DFI Working Group on Blended Concessional Finance who delivered the DFI Enhanced Principles<sup>3</sup>, and is supported by a wide range of actors including governments such as Indonesia, Canada, Sweden, Switzerland, Denmark, the European Commission; development finance actors such as the Development Bank of Southern Africa and other Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs); and other private sector oriented actors like the World Economic Forum, Convergence and the Blended Finance Taskforce.

Promoting transparency on both use and impact of blended finance operations is part of the shared value system which is at the basis of the THK Roadmap:

*“Promote transparency when engaging in blended finance: Accountability and transparency on the appropriate use and impact of blended finance should be pursued. Financial flows and development results should be tracked, reported and communicated. Thereby, blended finance should seek to promote adherence to high standards of conduct by private sector investors and investee companies, including in the areas of corporate governance, environmental impact, social inclusion, transparency, integrity, and disclosure”.*<sup>4</sup>

Transparency, especially in relation to blended concessional finance, is also one of the key action areas identified in the THK Roadmap to ensure an effective scale-up of the blended finance market. This call for transparency is found in several international efforts. SDG 17 includes commitments to enhance transparency and accountability to developing country stakeholders by increasing availability and access to relevant data<sup>5</sup> – a goal that is critical to the entire 2030 Agenda because a lack of transparency undermines progress across all SDGs. In addition, the Charlevoix Commitment

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<sup>2</sup> [http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/\\_THK%20Roadmap%20booklet%20A5.pdf](http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/_THK%20Roadmap%20booklet%20A5.pdf)

<sup>3</sup> 2017 REPORT: THE DEVELOPMENT FINANCE INSTITUTIONS WORKING GROUP ON BLENDED CONCESSIONAL FINANCE FOR PRIVATE SECTOR PROJECTS, [https://www.ifc.org/wps/wcm/connect/a8398ed6-55d0-4cc4-95aa-bcbabe39f79f/DFI+Blended+Concessional+Finance+for+Private+Sector+Operations\\_Summary+R....pdf?MOD=AJPERES&CVID=IYCLe0B](https://www.ifc.org/wps/wcm/connect/a8398ed6-55d0-4cc4-95aa-bcbabe39f79f/DFI+Blended+Concessional+Finance+for+Private+Sector+Operations_Summary+R....pdf?MOD=AJPERES&CVID=IYCLe0B)

<sup>4</sup> [http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/\\_THK%20Roadmap%20booklet%20A5.pdf](http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/_THK%20Roadmap%20booklet%20A5.pdf) (p. 5)

<sup>5</sup> SDG targets 17.18 and 17.19 <https://sustainabledevelopment.un.org/sdg17>



on Innovative Financing for Development commits G7 members to work to implement the OECD-DAC Blended Finance Principles, including promoting greater transparency and accountability of blended finance transactions. This is in line with and amplified by the 2017 DFI Enhanced Blended Concessional Finance Principles for Private Sector Operations. The Paris Agreement too promotes a practical exchange and dialogue between countries on enhanced transparency frameworks, to build trust and confidence that countries take action to meet their national climate targets. THK efforts are therefore closely aligned with other initiatives that advocate for appropriate and responsible disclosure and transparency, which also include Publish What You Fund's newly launched "DFI Transparency Initiative" and the UN-supported Principles for Responsible Investment (PRI).

Led by the co-chairs and members of the THK Transparency Working Group (listed in Annex 1), this report complements the outputs of other THK Working Groups focused on the other action areas outlined in the THK Roadmap, namely: practice, mobilisation, building inclusive markets, and impact. For example, while the topic of how the development impact of blended finance can be assessed is tackled by the THK Impact Working Group, reviewing the current state of data and information required to carry out such assessment falls within the scope of the THK Transparency Working Group, and thus of this report. The sections below in fact focus on the availability and required improvements in both volumes and performance/ impact information.

The expectation is that together, the guidance materials produced by the THK Working Groups can take forward the action areas identified in the THK Roadmap and support the establishment of the appropriate environment for blended finance, mindful of the responsibilities and needs of all stakeholders.

## Objectives

The objectives of the THK Transparency Working Group are to promote and scale up transparency efforts by:

- a. **making existing efforts available** to a larger group of stakeholders, including the private sector, donors and civil society;
- b. explicitly **fostering the exchange** of activity-level, disaggregated data on financial flows, including both development and commercial finance, financial performance, and development results of blended finance investments in developing countries and emerging markets;
- c. creating appropriate **data standards** focusing on the information that supports monitoring and measurement of effectiveness of blended finance.

To deliver on these objectives, working group members agreed on a number of outputs (detailed in Annex 2) of which this report is one. Building on other outputs including an initial scoping survey and a compendium of transparency resources, this report assesses the current state of transparency by mapping available data and information against the various responsibilities and needs of relevant stakeholders, setting out the benefits of improved transparency for all, identifying what the main challenges are to addressing outstanding gaps in data and information, and recommending a way forward to overcome such challenges and take the transparency agenda forward. In so doing it provides an evidence base to further progress in delivering on the Working Group's objectives, including objective which falls outside the immediate scope of the report.

The aim is for this report to become a useful reference for all blended finance stakeholders, including governments (both development partners and in developing countries), DFIs and MDBs, civil society and private sector investors already active in, or interested in entering, this space. It is envisioned that the analysis and recommendations provided in the following sections will form the basis for a common understanding of where we are and what needs to be done to further strengthen transparency and promote a more conducive environment for the effective scale-up of blended finance (including blended concessional finance) as a financing for development tool. The

report also provides examples of best practice in various areas related to transparency through the use of case studies.

## Blended finance transparency definition

The development effectiveness agenda recognises transparency as one of the building blocks of accountability and more broadly, in the context of development finance, transparency is seen not as an end in itself but rather an essential step toward better coordination and more effective targeting and use of resources. While there are various definitions<sup>6</sup>, common elements can be identified across them – namely the comprehensiveness, clarity, accessibility, reliability, timeliness, relevance, granularity, comparability and traceability of published data and information. More broadly, it can be stated that transparency in the context of development finance, is about being fully open with people about how public money is raised and used, while also guaranteeing that confidentiality of commercially sensitive information is respected where necessary.

However, given the multi-stakeholder nature of blended finance structures, the definition of transparency needs to take into account the responsibilities of all actors, including those that may result in limitations to what can be legally reported to the wider public, such as information considered to be commercially sensitive or in any way compromising to the integrity of the institution, its interests and operations.. With the view of reflecting these specificities in a definition of transparency that can be applied to blended finance transactions, the THK Transparency Working Group also used insight from responses to a scoping survey that it conducted in the summer of 2019 among 30 blended finance actors, ranging from private sector investors to DFIs, development partners and CSOs.

Responses to the survey pointed to transparency in blended finance being about the flow of information that can allow external stakeholders to understand the different approaches and structures and that facilitates the entrance of new actors as public, private or commercial investors. Responses also highlighted the need for transparency to include accountability to host communities and governments as well as to taxpayers in relevant development partners' countries. More broadly, transparency was characterised as a public good that stakeholders should strive toward, including as means to reduce corruption and being able to hold public officials and business people to account.<sup>7</sup>

As a result, mindful of the need for transparency to serve accountability and learning objectives on the one hand, and on the other, recognising the limitations specific to this multi-stakeholder approach where different institutions subscribe to their own disclosure policy and practice as agreed with their shareholders, the THK Transparency Working Group proposes to define the principles of transparency in blended finance as follows:

*Blended Finance Transparency: “the availability, accessibility, comprehensiveness, comparability, clarity, granularity, traceability, reliability, timeliness and relevance of both ex-ante and ex-post information regarding the use of public and private capital in blended finance transactions”*

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<sup>6</sup> The IMF defines fiscal transparency as “the comprehensiveness, clarity, reliability, timeliness, and relevance of published public reporting on the past, present, and future state of public finances” – see here: <https://www.imf.org/external/np/fad/trans/>. The OECD, in publication on best practices for budget transparency, defines it as “the full disclosure of all relevant fiscal information in a timely and systematic manner” – see p. 7 here: <https://www.oecd.org/governance/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>. The International Aid Transparency Initiative (IATI) refers to transparency as “detailed, comprehensive, up-to-date, comparable, traceable, forward- and backward-looking information [published] in a common electronic format” – see pp 4-5 here: <https://iatistandard.org/media/documents/archive/2010/05/Copy-of-Framework-for-Costs-and-Benefits-of-transparency-IATI-SC.pdf>.

<sup>7</sup> Reference was made specifically to Transparency International’s description of corruption in terms of the need to shed light on ensuring that “public officials, civil servants, managers, board members and business people act visibly and understandably, and report on their activities. And it means that the general public can hold them to account”.

This definition is proposed with the view of establishing both an ambition and a benchmark for what transparency in this space should be about. Notably, certain elements such as accessibility and granularity may apply to different degrees to blended concessional finance and other blended finance transactions. Comparability is challenging as currently institutions, for example, interpret terms differently. Similarly, the need for comprehensiveness of data must be set against potential risks in providing some information, such as subsidy rates, that carry some risks which are yet to be fully understood or for which solutions are not yet fully worked out. Consensus on the interpretation of all elements of the definition is yet to be built – not least given some of the risks that are associated with increased transparency at the transaction level (see Table 2 in Current state of blended finance transparency section below).

## Transparency stakeholders

The variety of stakeholders in blended finance is broad – ranging from the providers of finance (both concessional and commercial), to those structuring blended finance deals, implementers, organisations involved in post-investment activities, host governments and communities, civil society organisations, and other organizations involved in blended finance advocacy, policy and research.

In table 1 all relevant stakeholders are grouped into 5 categories (public sector; intergovernmental organisations; development banks; private and commercial actors; and non-governmental organisations and civil society). For each a list is provided of the transparency attributes which they are looking for/ need and those which they are able to supply/ make available. It is important to note that information made available to one actor may serve another in a chain of accountability, according to their respective obligations – e.g. DFI to donor government to tax payer base.

**TABLE 1 - Blended finance stakeholders: transparency needs and contributions<sup>8</sup>**

<b>Stakeholder categories</b>	<b>Stakeholders</b>	<b>Transparency needs/ information they are looking for</b>	<b>Transparency contributions/ information they make (publicly) available</b>
<b>Public sector</b>	<b>Aid agencies/ donors</b>	<ul style="list-style-type: none"> <li>• Needs/ market failures that blended finance investments can contribute to solving in developing countries.</li> <li>• Comparative advantage of blended finance structures compared to other uses of ODA.</li> <li>• Existing blended finance models and investment opportunities.</li> <li>• Effectiveness and impact of using ODA in blended finance structures, including likely impact on poverty reduction /leaving no one behind (to be able to establish what works/ when/ if blending is a good use of ODA).</li> <li>• Equitable distribution and use of funds in recipient countries.</li> <li>• Conditions for successful blended finance projects, including capacity requirements at the national level.</li> </ul>	<ul style="list-style-type: none"> <li>• Volumes and terms of ODA spent in blended finance projects (though not publicly provided)</li> <li>• Existing blended finance facilities and programmes, including terms and conditions (though not always accessible)</li> <li>• Mobilisation of private finance (though not always using common methodologies)</li> <li>• Development impact (though not consistently provided)</li> <li>• Application of the OECD DAC Blended Finance Principles (in particular Principle 5 on monitoring Blended Finance for transparency and results)</li> <li>• Promotion of the application of the DFI Blended Concessional Finance Enhanced Principles to all private sector projects funded by them (in particular on principle 5 on including high standards and transparency)</li> </ul>
	<b>Host governments</b>	<ul style="list-style-type: none"> <li>• Amount of funding – both concessional and non – being channelled through blended finance structures into their country.</li> <li>• Scope, focus and location of blended finance projects in their country.</li> <li>• Existing blended finance models and investment opportunities.</li> <li>• Effectiveness and impact of blended finance structures, including alignment with own development priorities and objectives.</li> <li>• Condition for successful blended finance projects, including capacity requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Needs/ market failures that blended finance investments can contribute to solving in developing countries (though not consistently provided)</li> <li>• Nationally identified development priorities and objectives that blended finance could contribute toward.</li> </ul>
<b>Intergovernmental organisations</b>	<b>Norm-setting and convening organisations</b>	<ul style="list-style-type: none"> <li>• Volumes and terms of finance being channelled through blended finance structures, target sectors and geographies, as well as main actors involved (both providers of concessional and commercial capital).</li> </ul>	<ul style="list-style-type: none"> <li>• Who the relevant actors in the blended finance market are – both in terms of concessional capital providers and commercial investors (though not always accessible)</li> <li>• What the comparative advantage of blended finance structures is in the context of other financing for</li> </ul>

<sup>8</sup> Note that these have not been verified by groups that are not represented within the THK Transparency Working Group. .

Stakeholder categories	Stakeholders	Transparency needs/ information they are looking for	Transparency contributions/ information they make (publicly) available
	(e.g. OECD, UN)	<ul style="list-style-type: none"> <li>• Effectiveness and impact of blended finance structures, including against different SDGs.</li> <li>• Conditions for successful blended finance projects, including capacity requirements at the national level.</li> </ul>	<ul style="list-style-type: none"> <li>• development approaches (though information remains limited)</li> <li>• Best practices/ 'what works' in blended finance/ lessons learned (though limited information provided)</li> <li>• Principles for effective provision of blended finance (at the policy level)</li> </ul>
<b>Development banks</b>	<b>MDBs and other donor country-based DFIs</b>	<ul style="list-style-type: none"> <li>• Existing blended finance models and investment opportunities.</li> <li>• Availability, terms and conditions of donor facilities.</li> <li>• Conditions for successful blended finance projects, including capacity requirements at the national level.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing blended finance facilities and programmes (though not always accessible)</li> <li>• Mobilisation of private finance (though not always using common methodologies)</li> <li>• Blended Finance structures, aggregate volumes, analysis of blended concessional finance activities and, where possible, investment terms (though not publicly provided)</li> <li>• Development impact (though not consistently provided)</li> <li>• Standards and lessons learned on the use of blended finance / best practices / case studies</li> <li>• Principles for the effective implementation of blended finance (at the operational level)</li> </ul>
	<b>National development banks</b>	<ul style="list-style-type: none"> <li>• Amount of funding – both concessional and non – being channelled through blended finance structures into their country.</li> <li>• Scope, focus and location of blended finance projects in their country.</li> <li>• Existing blended finance models and investment opportunities.</li> <li>• Availability, terms and conditions of donor facilities.</li> <li>• Conditions for successful blended finance projects, including capacity requirements at the national level.</li> <li>• Effectiveness and impact of blended finance structures, including alignment with national development priorities and objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Needs/ market failures that blended finance investments can contribute to solving in developing countries.</li> <li>• Availability and terms of concessional finance</li> <li>• Mobilisation of private finance</li> <li>• Development impact</li> <li>• Standards and lessons learned on the use of blended finance</li> </ul>
<b>Private and commercial actors</b>	<b>Private foundations</b>	<ul style="list-style-type: none"> <li>• Existing blended finance models and investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Volumes and terms of concessional finance provided into blended finance structures (though not publicly available)</li> <li>• Mobilisation of private finance (though not consistently available/ not always using common methodologies)</li> </ul>

Stakeholder categories	Stakeholders	Transparency needs/ information they are looking for	Transparency contributions/ information they make (publicly) available
			<ul style="list-style-type: none"> <li>• Development impact (thought not consistently provided)</li> <li>• Availability, terms and conditions of funded facilities.</li> </ul>
	<p><b>Commercial banks and insurers</b></p> <p><b>Institutional investors</b></p>	<ul style="list-style-type: none"> <li>• Existing blended finance models and investment opportunities.</li> <li>• Availability, terms and conditions of donor facilities/ concessional finance</li> </ul>	<ul style="list-style-type: none"> <li>• Amounts of private finance invested in blended finance structures (though not publicly provided)</li> <li>• Investment terms (though not publicly provided)</li> <li>• Scope, focus and geography of blended finance investments (though not publicly provided)</li> <li>• Risk/return profiles of blended finance projects (though not publicly provided)</li> </ul>
<b>Non-governmental organisations and civil society</b>	<p><b>International, national and local NGOs and CSOs</b></p> <p><b>Think tanks, academia and researchers</b></p>	<ul style="list-style-type: none"> <li>• Needs/ market failures that blended finance investments can contribute to solving in developing countries.</li> <li>• Comparative advantage of blended finance structures compared to other uses of ODA.</li> <li>• Existing blended finance models and investment opportunities</li> <li>• Effectiveness and impact of using ODA in blended finance structures, including likely impact on poverty reduction /leaving no one behind (to be able to establish what works/ when/ if blending is a good use of ODA)</li> <li>• Conditions for successful blended finance projects, including capacity requirements at the national level.</li> <li>• Amounts of funding – both concessional and non – being channelled through blended finance structures into their country.</li> <li>• Scope, focus and location of blended finance projects</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution of blended finance to sustainable development outcomes in developing countries, including alignment to nationally identified development priorities and objectives (though information remains limited)</li> <li>• Potential negative side effects of blended finance investments at the community and national level.</li> <li>• Best practices/ lessons learned (though information remains limited).</li> <li>• Evidence of adherence to blended finance principles.</li> <li>• Host country citizens'/ communities' perspectives on the benefits and risks of blended finance in terms of development impact and effectiveness.</li> </ul>

The multi-stakeholder nature of blended finance deals, especially blended concessional finance, means that blended finance investments require additional considerations with respect to transparency as compared to traditional donor-recipient aid transactions. In seeking to further strengthen blended finance transparency, the responsibilities of all stakeholders (e.g. donors' and governments' accountability to tax payers, or commercial banks' and DFIs' fiduciary duties to clients) need to be carefully considered and respective needs balanced to avoid undermining anyone's capacity to undertake their duties effectively, and to ensure that investments can result in maximum impact on intended beneficiaries and ultimately on SDG achievement.

Case study 1 below illustrates what the lack of basic information on DFIs' activities, including blended finance investments (whether concessional or not), can result in at the host country level – underlining the fundamental importance to address remaining challenges in the transparency space in a way that can benefit all relevant stakeholders. Case study 2 illustrates the importance to embed the promotion of transparency within strong governance structures and disclosure practices.

### CASE STUDY 1

Case Study Name: Undermining fiscal policy of sovereign governments: how overlooking the transparency needs of host governments can result in weakened domestic capacity

Case Study Contact: Gary Forster, CEO, Publish What You Fund

Elements	Description	Role of transparency
<b>Originating organisation/ blending partners(s);</b>	Publish What You Fund, the Federal Ministry of Budget, Finance and Planning (Nigeria), the Central Bank of Nigeria	This case study was developed through research undertaken in Abuja, Nigeria, in late November 2019.
<b>Challenge/Issue</b>	Government stakeholders are unable to plan their budgets or undertake basic fiscal policy processes, such as accurately calculating their Balance of Payments, because of an absence of public information regarding DFI investments, including blended finance projects.	Basic financial in-flow and out-flow information, by project, with timelines, would enable government stakeholders to forecast and plan accordingly. Specifically, the grant element is required to determine residual investment figures.
<b>Blended finance approach</b>	This need for transparency relates to all types of DFI investment, including blending. This example will also relate to all sovereign nations receiving DFI investments.	Not applicable

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**Impact/Results** As one example, the Central Bank of Nigeria does not currently have access to information regarding the number and scale of DFI investments within its borders, the withdrawals of value once these investments are exited, nor indeed the various operators in the DFI space. As a result, the Central Bank's calculations of the country's Balance of Payments (and therefore current account balance) is based on estimates. A lack of accuracy in these calculations can result in incorrect figures, distorting the country's relative deficit/surplus position and therefore undermining efforts to develop appropriate fiscal policy measures to manage inflation, interest rates and exchange rates.

The lesson here is that some transparency issues are so fundamental that they do not require a specific impact measure but rather an understanding of what it means to work in partnership with sovereign governments and not to undermine their efforts to manage their own fiscal position.

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**Lessons learned in respect to transparency** The fundamental lesson here (and backed up by research – see [Sarah Mulley](#)) is that we, as stakeholders, should not attempt to predict the myriad use cases which could manifest as a result of making DFI investment information, including on blended finance, transparent. Rather, approaching the issue from a rights-based angle (including that sovereign governments' have a right to self-determination) will produce a more equitable and nurturing investment environment in which the countries which DFIs exist to support are aware of precisely the form which that support is taking.

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[end of case study 1]



## CASE STUDY 2

Case Study Name: IFC’s enhanced concessionality disclosure for improved governance

Case Study Contact: Luigi Lannutti, IFC

Elements	Description	Role of transparency
<b>Originating organisation/ blending partners(s);</b>	International Finance Corporation (IFC)	IFC’s enhanced concessionality disclosure for better governance
<b>Challenge/ Issue</b>	DFIs that use blended concessional finance place strong discipline on “what” and “how” blended concessional finance investments happen. While no universal approach will fit all implementers, good governance can improve projects for all. DFIs and other implementers need to learn from each other to ensure good governance, as the sharing of experiences is crucial to building global trust in the use of concessional funds.	To work well, governance structures need to promote transparency, focus on solving potential conflicts of interest and ensure accountability. This is the only way that implementers can learn from each other and, together with all stakeholders, can continuously refine their approaches to Blended Concessional Finance.
<b>Blended finance approach</b>	<p>IFC has developed and continuously refines a robust governance system for blended concessional finance, guided by the <a href="#">Development Finance Institutions Enhanced Principles (which have been adopted by 23 DFIs)</a>.<sup>9</sup> IFC has set up strong governance mechanisms:</p> <ul style="list-style-type: none"> <li>• Separate operational teams, representing the interest and monitoring the engagement requirements of the concessional finance providers;</li> <li>• Separate decision process to safeguard the appropriate and efficient use of concessional funds, and independently verify the application of the Principles;</li> <li>• Continued engagement with donors and the IFC’s Board of Directors (shareholders).</li> </ul> <p>For several years, IFC has systematically disclosed to the public information on the sponsor, structure, expected development impact, instrument, and amount of blended finance for every eligible project, and starting with projects mandated on or after October 1<sup>st</sup>,</p>	

<sup>9</sup> A summary of the rationale and approach IFC takes to governance is available in IFC’s Emerging Market Compass Note 66 “[Blended Concessional Finance: Governance Matters for Impact](#)”. Moreover, IFC discloses information on its individual investment projects at <https://disclosures.ifc.org>.

2019, IFC will publicly disclose also the estimated concessionality level for each proposed project along with the justification for why it is necessary.

<b>Impact/ Results</b>	As an example of the recent disclosure enhancement, Kinyinya is a housing project where a concessional subordinated loan and a quasi-equity investment were provided to help mitigate the high implementation risk for this greenfield project in Rwanda.	The amount of the investments and additional details on the level of concessionality for Kinyinya are provided to the public at <a href="https://disclosures.ifc.org/#/projectDetail/SII/40409">https://disclosures.ifc.org/#/projectDetail/SII/40409</a> .
<b>Lessons learned in respect to transparency</b>	Governance and transparency are a continuous work in progress and should be finetuned and improved over time. IFC has progressively done so since 2013, starting with general details and information on its blended concessional finance co-investments, and more recently, enhancing its practice to include concessionality elements at the project level.	

[end of case study 2]

## Current state of blended finance transparency

This paper defines blended finance transparency as “the availability, accessibility, comprehensiveness, comparability, clarity, granularity, traceability, reliability, timeliness, and relevance of both ex-ante and ex-post information regarding the use of public and private capital in blended finance transactions”. Table 2 below considers key information points related to the elements of this definition, alongside the sensitivities/ risks that can be associated to increases in transparency across them. It’s based on both existing research and knowledge/ insight from working group members as well as broader inputs from relevant actors as collected through the scoping survey that the Working Group undertook at the start of the process. Notably, 90% of respondents in the survey supported the need for more transparency in blending. This finding is confirmed by the analysis in table 2 below, which shows that there remains scope for improvement across all key elements. It’s important to note that valuable efforts have been ongoing (in some cases for a number of years) to expand the base of available evidence and respond to stakeholders’ needs.

Annex 3 includes a list of all relevant transparency initiatives, platforms and data sources, as identified and reviewed by the THK Transparency Working Group. The list includes, among others, the annual joint report published, since 2017, by the DFI Working Group on Blended Concessional Finance for Private Sector Projects – which represents a notable step forward in terms of both availability of information and standardisation of reporting across key blended finance implementers. These reports include data on blended concessional finance for the period 2014-2018 across private sector operations of 23 DFIs. The number of initiatives and platforms, as well as the variety of fora within which they were created, reflect the appetite and widely recognised need by all stakeholders to tackle outstanding gaps in data and information, and the commitment of the DFI group to respond to such asks (see Case Study 3).

In addition, at the institutional level, there have been announcements by key blended finance players, in relation to additional disclosure commitments, especially when it comes to blended finance transactions involving scarce public concessional resources (ODA). The IFC, for example, with the view of strengthening public confidence in its operations, took the decision to publicly disclose the estimated subsidy for each proposed project along with a justification for why it's necessary, for all blended concessional finance investments mandated on or after 1 October 2019.<sup>10</sup>

### Publish What You Fund's new "DFI Transparency Initiative"

In November 2019 Publish What You Fund embarked on a new "DFI Transparency Initiative" aimed at working collaboratively with Development Finance Institutions (DFIs) and other stakeholders to increase the transparency of DFIs. The main objective is to increase transparency on the use of public funds, including official development assistance (ODA), for private sector investments through DFIs. Publish What You Fund is engaging with relevant stakeholders, including DFIs, NGOs, civil society, think tanks and governments to:

- Better understand the interplay between transparency and impactful investment
- Identify and highlight good and innovative practices
- Develop ambitious and actionable transparency recommendations for DFIs
- Identify potential public goods that could support increased transparency
- Advocate for the adoption of transparency recommendations

In the first phase of the initiative, Publish What You Fund will seek a deeper understanding of priority issues for development and DFIs, including how the information and data underpinning these issues and practices can be more transparent. The approach will be collaborative and will take on board progress already made by DFIs:

- The project has started with a close examination of the growing body of literature that calls for greater DFI transparency and build on progress that has already been made, including during the consultation process held between DFIs and the International Aid Transparency Initiative (IATI) in 2014 and more recently the Organisation for Economic Co-operation and Development's (OECD's) [Tri Hita Karana Roadmap for Blended Finance](#) Transparency Working Group.
- With guidance from a multi-stakeholder project advisory board, the project team will identify five to six priority issues that will form the basis for the project's work.
- Using a consultative process, we will utilise working groups to delve into each priority issue. They will then seek areas of consensus and disagreement, identify good and innovative practices, and look for alternatives to full transparency where necessary.
- Later they will develop transparency recommendations for DFIs that are both ambitious and actionable, and which would allow DFIs to share more information, including the development impact of their investments. Publish What You Fund acknowledge that DFIs have differing business models, and thus will examine a spectrum of practices among multilateral and bilateral DFIs with an aim to develop recommendations that are broadly applicable.
- Additionally, the team will identify whether a public good/goods would be useful to increase access to DFI information and/or assessing progress towards greater transparency.

In the initiative's second phase, the evidence gathered during the consultative process will be used to share the recommendations broadly. This will include advocacy efforts with a range of stakeholders, including policy and decision makers, shareholders, DFI decision makers and civil society to garner support for greater transparency.

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<sup>10</sup> <https://www.devex.com/news/opinion-in-blended-finance-transparency-and-rigor-must-rule-the-day-95776>

**TABLE 2 - Current state of available information on blended finance and potential risks of increased transparency**

Theme	Element	Current state	Risk	Notes
<b>Project Information</b>	Name			Various databases exist that contain project information (such as the Convergence deal database) but there is scope to improve both quantity and quality of this type of data, particularly in relation to clarity (e.g. on location) and accessibility (e.g. public access). It could be feasible to use the IATI standard as a basis for this kind of information.
	Location			
	Project description			
	Financial elements (e.g. cost and funding types such as equity, technical assistance, insurance)			
	Dates			
	Status			
<b>Development Impact</b>	Ex-Ante outcome			Coverage on impact data is not consistent across actors and, where available, tends to be reported at the portfolio, not project, level. <sup>11</sup> There is a valid discussion about whether stakeholders should prioritise process transparency (how impact is conceptualised) rather than data transparency (the quantitative impact of investments).
	Ex-Post impact			
	Theory of change			
<b>ESG &amp; Accountability</b>	Pre-project ESG reports			There are several standards in the ESG space and comparability across them remains challenging, as well as clarity around which is being used by different actors. As a first step, greater transparency around the processes and standards, and how they were applied vis-a-vis individual investments, and how this translates to engagement with local communities, would enable a variety of stakeholders to better understand their opportunities for collaborating.
	ESG monitoring			
	IAM/Complaints			
<b>Value of Investments</b>	Subsidy figure (\$)			Data and information on concessionality remains scarce though donors are increasing requirements in relation to this type of information; the impact of this is yet to be fully assessed as it may present risks in terms of competition/ fair pricing considerations. Multiple datasets exist for data on mobilisation of private funds though differences in methodologies prevent comparability and consistent use.
	Subsidy rationale			
	Mobilisation of private funds			
<b>Financial Intermediarie</b>	Sub-project information			Information about the investments that financial intermediaries make using funds received from DFIs and other blended finance providers (sub-project information) is
	Beneficial ownership			

<sup>11</sup> <https://devinit.org/post/blended-finance-poorest-people/>

<b>s &amp; Off-Shore Financial Centres</b>	Tax arrangements			rarely disclosed, though typically guidance is provided about how such funds may be invested. Additional transparency in this area is considered medium risk, along with tax arrangements, because there is precedent for disclosure on both, whereas there seems to be a blanket refusal on beneficial ownership. In the case of tax arrangements greater transparency regarding both the rationale for certain arrangements, and what those arrangements are, is warranted.
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*Note – this table uses a traffic light system from red where there are the most challenges or risks to green where the current state of transparency seems good or risks are perceived to be low. It aims to highlight both areas where further action could deliver substantial progress as well as areas where risks of greater transparency are perceived to be higher and additional efforts may be required to overcome challenges and balance risks versus rewards.*

### CASE STUDY 3

Case Study Name: DFI Working Group data compilation for transparency of blended concessional finance for private sector projects

Case Study Contact: Kruskaia Sierra-Escalante, Luigi Lannutti, IFC

Elements	Description	Role of transparency
<b>Originating organisation/ blending partners(s);</b>	IFC as chair of the DFI Working Group on Blended Concessional Finance for Private Sector Projects, including 23 DFIs (AsDB, AIB, ICD, IDBinvest, 15-member EDFI, AfDB, EBRD, IFC, EIB).	DFI Working Group data compilation for transparency of DFIs' Blended Concessional Finance operations for Private Sector Projects
<b>Challenge/ Issue</b>	DFIs and other implementers need to learn from each other to ensure good practices, as the sharing of data and experiences is crucial to building global trust in the use of concessional funds and also to continuously refine the use of blended concessional finance as a financing for development tool.	To work well, data should be systematically collected and transparently published. This way, implementers can learn from each other and, together with all stakeholders, can continuously refine their approaches to Blended Concessional Finance.
<b>Blended finance approach</b>	The increasing use of concessional funds blended with DFIs' own financing and that of others on commercial terms has brought the DFIs together to develop common standards for implementation of blended concessional finance projects; provide transparent, comprehensive and consistent data on their blended concessional finance activities; discuss and review the merits and adequacy of existing approaches to blended concessional finance activities. The ultimate objective of this work, with a distinct focus on private sector operations, is to increase development impact, crowd-in private investments while ensuring minimum concessionality, and enhance trust and transparency for the use of blended concessional finance from DFIs. It will also share and promote the use of best practices in blended concessional finance implementation by other market players.	The DFIs' annual report provides an update on the core outcomes of the work conducted in a given year. For example, over the last year, the members of the DFI working group worked to (i) improve the scope and quality of DFI blended concessional finance data and update the data to 2018; (ii) share knowledge and experience on the use of blended concessional finance, including updates on improvements in governance arrangements with respect to blended concessional finance and the Enhanced Principles; and iii) coordinate interactions with other working groups that address blended concessional finance issues. The 2018 report is the third such report published by the DFI Working Group (joint works started in 2017 with data covering 2014-2016).
<b>Impact/ Results</b>	In 2019 DFIs were able to build on the methodology developed over past years to collect blended concessional finance data and managed to assemble the most complete set of DFI data to date. For example, for 2018, this new data shows that DFIs financed projects with a total	The DFI Working Group's reports on Blended Concessional Finance for Private Sector Projects is published annually on the <a href="#">IFC website</a> . The links to the three available reports can be found below:

volume of more than US\$6 billion using approximately US\$1.1 billion in concessional funds and about US\$2.4 billion in DFI own-account resources. Private sector finance mobilized for these projects was about US\$1.7 billion.

- [2017 Joint Report](#)
- [2018 Joint Report](#)
- [2019 Joint Report](#)

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<b>Lessons learned in respect to transparency</b>	Lessons learned are that the more DFIs share information and data, the more they can learn from each other, and improve practices. This is important to reflect on and continuously improve practices related to the use of minimum concessionality in each project that benefits from blended concessional finance. DFIs also continuously refine the rationale for using blended concessional finance, as a way to make sure that scarce resources are used for the most impactful projects in the markets that need them the most.
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[end of case study 3]

### Transparency at the activity and portfolio levels

Transaction/activity-level data is not always and fully available. This tends to be explained by legal obligations and market driven practices that limit the information that can be publicly disclosed while not jeopardising the success and sustainability of blended finance projects. For example, in the context of the private sector, data may only be made publicly available, or available to the concessional finance providers, at an aggregate level in order to comply with confidentiality agreements and expectations of private sector actors in respect of their commercially sensitive information. If non-disclosure agreements with private sectors were not respected, disclosure could hinder (instead of help) the effectiveness of private sector participation in development finance. If concessional terms in a market become “expected” as opposed to being considered a justified support for pioneering projects or programs, SDG financing will suffer. This would not conform to the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations (DFI Enhanced Principles for short) – namely principles 1 (Additionality/ case for concessionality); 3 (Commercial sustainability); and 4 (Reinforcing markets).<sup>12</sup>

Similarly, there is a tension between standardisation of concessional pricing, which needs to take into consideration the bespoke nature of each project, and/or disclosing terms and conditions of an investment on the one hand and being able to minimise concessionality on such investment on the other hand. Again, this goes against multiple DFI Enhanced Principles – namely principles 2 (Crowding-in and minimum concessionality); 3 (Commercial sustainability); and 4 (Reinforcing markets).

Keeping these challenges into account, transaction level data should be reported at the most granular/ disaggregated level possible. While some organisations (such as the Private Infrastructure Development Group, PIDG – see case study 4 below) are able to report project level data on both volumes and performance, both ex-ante and ex-post, this is not common practice across all players. Particular gaps in the evidence relate to the volumes and terms of concessional funding channelled through blended finance structures, as well as the anticipated and actual development results and impact of projects thus financed. More specifically, bearing in mind potential risks that may still need to be fully assessed, input data relevant to blended finance transactions on which transparency could be improved includes:

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<sup>12</sup> See Annex 1 here [https://www.ifc.org/wps/wcm/connect/3aaf1c1a-11a8-4f21-bf26-e76e1a6bc912/201810\\_DFI-Blended-Finance-Report.pdf?MOD=AJPERES&CVID=mpvbN7c](https://www.ifc.org/wps/wcm/connect/3aaf1c1a-11a8-4f21-bf26-e76e1a6bc912/201810_DFI-Blended-Finance-Report.pdf?MOD=AJPERES&CVID=mpvbN7c)

- Instrument (e.g. deal structure, debt, equity, risk management/participation)
- Concessionality level, if any
- Volume of concessional finance, if any
- Rationale for the use of concessional finance, if any
- Volume of other development finance
- Additionality expected from other development finance
- Private finance mobilised, although could be sensitive data at the transaction level
- Investee type (e.g. international or domestic; public or private; size)
- Host country
- Sector of intervention

Notably, consideration needs to be given to how many data points can be disclosed without enabling reverse engineering of sensitive commercial terms.

#### CASE STUDY 4

Case Study Name: PIDG Results Monitoring Database: providing accessible project level data on blended finance transactions in the infrastructure sector<sup>13</sup>

Case Study Contact: Marco Serena

Elements	Description	Role of transparency
<b>Originating organisation(s)/ blending partners</b>	The Private Infrastructure Development Group (PIDG) was established in 2002 as an innovative infrastructure finance organisation to encourage and mobilise private investment in pioneering infrastructure in Sub-Saharan Africa and South-East Asia. Its aim is to address the market failures that have created constraints to private investment in infrastructure service provision, thus facilitating growth and ultimately combating poverty. It is funded by six donor governments and the IFC.	Through its Results Monitoring Database, PIDG provides publicly accessible information on the predicted and where possible actual development impact of all the projects it supports. The data is provided at the project level, and in addition to impact indicators, it also includes among other things, US\$ commitments (by PIDG, private sector, DFIs, grant funders, and total) host country, sector, project status, and the name and jurisdiction of the recipients of PIDG funding. <sup>14</sup>
<b>Challenge/Issue</b>	Reported data is used to track projects against a number of results monitoring indicators and at two stages in the project development cycle – the predicted development impact at financial close, and the actual development impact when a project is fully operational and delivering services on the ground.	The transparent publication of data is an output of project tracking. It enables PIDG to provide information to stakeholders interested in finding out more about PIDG's activities.
<b>Blended finance approach</b>	PIDG operates through 4 PIDG Companies (Facilities) in project development; and project financing	

<sup>13</sup> <http://data.pidg.org/about.htm>

<sup>14</sup> <http://data.pidg.org/projects/list.htm?>



	and investment. PIDG also provides upstream technical assistance, including project preparation, through the TAF facility.
<b>Impact/Results</b>	<p>There are two principal areas of impact from having a publicly available database (as opposed to an internal database).</p> <p>1) Data being published is a strong incentive to robustness, accuracy and prudence in the impacts that are claimed by the PIDG Companies</p> <p>2) To provide easy access to impact data for PIDG shareholders, funders and stakeholders.</p>
<b>Lessons learned in respect to transparency</b>	<p>Key learnings for PIDG have included:</p> <ul style="list-style-type: none"> <li>• Be clear what information is provided at which point in the project cycle. The name and basic details (country and PIDG commitment) are published at the commitment stage, whereas the development impact and mobilisation data is only published at financial close – when it is more certain that the project will go ahead as planned. This balances the need for transparency with the need for providing accurate data.</li> <li>• Starting from the position that there should be transparency about the financing figures (and other numbers), with the confidential information as to the providers of funding retained in the internal commentary, has enabled all but 12 of the projects in the database to have financing data published.</li> <li>• Certain projects’ financial data (usually equity) may need to be kept confidential, and there should be a way of doing this within the database classifications. However, this needs to be applied carefully, and the default position should be transparency – otherwise the temptation will be to label each project as confidential.</li> <li>• Adaptability is key – the web-based database must be able to be changed/update if new indicators or data-fields are introduced.</li> </ul>

[end of case study 4]

## Transparency over the whole project cycle

**Project design and tendering:** Transparency starts before the transaction phase. In concessional blended finance models, donors provide grants or concessional finance for blending with DFIs' non-concessional own balance sheet financing or directly with the private sector. Channels for such concessional finance include blended finance funds and facilities. A recent OECD survey shows that from 2008 to 2017, more than 195 of such vehicles were created.<sup>15</sup> From a private sector perspective, this number reflects the need for highly transparent application processes for concessional donor finance. Information on target regions and sectors, as well as on anticipated returns (both financial and developmental) should be available at the tendering stage in an equal and transparent manner to all blended finance stakeholders in the ecosystem, including public and private actors. This transparent allocation is possible in particular to PPPs and project benefiting from a government concession.

**Implementation:** At the implementation-level, transparency and knowledge sharing have been significantly expanded since 2017. For example, the DFI Working Group on Blended Concessional Finance brought together 23 institutions to agree on definitions, collect data, and develop a set of enhanced principles, share best practices and case studies. The results of this work have been published in three reports (2017, 2018 and 2019) comprising data from 2014 to 2018. As reflected in Table 2 above, scope remains for further efforts in reporting across other blended finance actors, including increased standardisation and enhanced comprehensiveness and relevance of available data on the scale, scope and performance of existing investments, which would also strengthen the ability of relevant stakeholders to improve monitoring of ongoing blended finance projects.

**Evaluation:** Good quality evaluation information is critical to be able to establish an evidence base of what the key success factors and best practices are that can support further strengthening of the use and impact of blended finance – both concessional and non – as a financing for development tool. A 2019 paper published by the OECD shed light on the urgent need to improve our understanding of the potential role that blended finance can play in achieving the SDGs and what the main challenges in relation to evaluating blended finance projects are, which currently hinder such understanding. Firstly, there is a significant variety among blended finance actors when it comes to evaluation practices, approaches, capacity and information disclosure, which makes it difficult to develop a complete picture of what current evidence suggests. Secondly, different interpretations of terms such as additionality and impact further hinder comparability of evaluation findings. And lastly, evaluations are highly dependent on monitoring systems which means that current limitations in the ability to robustly monitor blended finance projects translate into challenges in evaluations too.<sup>16</sup>

## Transparency beyond volumes and financial performance

Data on volumes and distribution of blended finance investments (countries/ sectors) is key in order to better understand the use and relevance of this particular tool in the broader financing for development toolkit. Data on financial performance is crucial to build a public track record of blended finance and unlock increasing volumes of commercial investment. However, ultimately, blended finance is about development impact, it's about enabling SDG-related investments in developing countries that would otherwise not be possible. So data on development impact is vital too as it can enable relevant stakeholders to establish what types of blended finance structures work best in which contexts and to address which specific SDG needs in different geographical or sectoral settings, thus improving its effectiveness.

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<sup>15</sup> Basile I., J. Dutra, (2019), "Blended Finance Funds and Facilities: 2018 Survey Results". OECD Development Co-operation Working Papers, No 59, OECD Publishing, Paris <https://www.oecd-ilibrary.org/docserver/806991a2-en.pdf?expires=1579551204&id=id&accname=guest&checksum=309BD726394A938C7C19475D6115C7A0>

<sup>16</sup> <https://www.oecd-ilibrary.org/docserver/4c1fc76e-en.pdf?expires=1579550917&id=id&accname=guest&checksum=198D5939E5339B4870B3E0904FBAA632>

To date, impact data on blended finance projects has been limited, especially in relation to distributional impact (i.e. how different population groups can benefit from blended finance investments).<sup>17</sup> In a 2019 piece, Convergence found that, although there is some variation across sectors, “approximately half of blended finance transactions do not publicly disclose impact outcomes” and that “when impact outcomes have been publicly disclosed, the majority of impact reporting has been self-reported by the lead organisation through an annual report.”<sup>18</sup> In addition, impact data tends to be more available at the portfolio level compared to the project level, although efforts are being made by some organisations to expand this.<sup>19</sup> For example, some MDBs, like the Asian Development Bank, disclose impact outcomes for all their activities.

## Benefits from further improving transparency and addressing remaining bottlenecks

Increased transparency is not an end in itself but an essential step towards improving the coordination, accountability and effectiveness of financing and maximising impact toward SDG achievement. More specifically, improving transparency on blended finance can build trust and improve learning within and across implementers such as DFIs and MDBs; strengthen the case for more investment – both from existing and prospective donors and investors; enable better understanding of risks and returns expectations – both in terms of financials and development impact; support decision-making on the effectiveness of blending as a financing for development tool; facilitate more effective engagement in the market by all relevant actors, including host governments and communities as well as commercial actors; and minimise asymmetries of information where possible<sup>20</sup>, thus encouraging a more competitive playing field. In addition, improving transparency can enable outstanding gaps in data and information to be filled, meaning that stakeholders would be better able to carry out their duties – be it to taxpayers, host communities or clients.

While these benefits are widely acknowledged across blended finance actors, implementing actions to realise them is not straightforward. The participation of both public (especially public concessional) and commercial capital in blended finance structures, while presenting opportunities to unlock much-needed additional sources of financing for development, also brings with it specific challenges with regard to transparency.

Table 3 below brings together outstanding gaps in available data and information on blending (building on the analysis presented in Table 1), the reasons why improved transparency can benefit the various relevant stakeholder groups, and the main obstacles that remain to be addressed in order to expand availability of all required data and information. This is done to provide a succinct yet complete picture of the different factors that need to be taken into consideration to advance the blended finance transparency agenda while remaining mindful of the potential risks associated with it.

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<sup>17</sup> <https://www.gov.uk/dfid-research-outputs/the-impact-of-development-finance-institutions-rapid-evidence-assessment>; <https://devinit.org/publications/blended-finance-poorest-people/>

<sup>18</sup> <https://www.convergence.finance/news-and-events/news/LM3hOb8pHaWX05oNGjPVu/view>

<sup>19</sup> <https://devinit.org/publications/blended-finance-poorest-people/>

<sup>20</sup> It is worth noting that information is not always consistent as different actors, for example, may interpret terms differently. Efforts to standardised both reporting, results measures and shared language are underway in different fora which will support further minimising such asymmetries.

**TABLE 3 - Benefits from improved transparency and remaining bottlenecks**

Stakeholder categories	Stakeholders	Outstanding transparency gaps/ what they need but is not (publicly) available	Benefits from improved transparency/ what filling outstanding transparency gaps would enable them to do better	Key bottlenecks/ what is hindering progress in filling outstanding transparency gaps
Public sector	Aid agencies/ donors	<ul style="list-style-type: none"> <li>• Complete, comparable and reliable data on amounts of private finance mobilised by blended finance structures.</li> <li>• Consistent and comparable information on the development impact of different blended finance models.</li> <li>• Information on effectiveness of blending as a financing approach, compared to other uses of ODA.</li> </ul>	<ul style="list-style-type: none"> <li>• Understand the realistic potential of blending as an approach to mobilise much needed additional finance toward the SDGs.</li> <li>• Understand the development impact and cost/benefit of blended finance structures compared to other development financing approaches.</li> <li>• Assess if/ how ODA deployed through blended finance can reach and benefit those beneficiaries that the tool is intended to reach, and which SDGs it can most effectively be expected to contribute to.</li> <li>• Better coordinate across ODA providers thereby reducing duplication of efforts and strengthening engagement with private sector and civil society.</li> <li>• Take more effective decisions on when scarce ODA resources should be channelled through blended finance structures and when not.</li> <li>• Increase allocations to effective blended finance projects/structures/facilities.</li> <li>• Better learning.</li> <li>• Increase accountability to ultimate beneficiaries in developing countries and to domestic taxpayers.</li> </ul>	
	Host governments	<ul style="list-style-type: none"> <li>• Complete and relevant data on amounts of finance flowing into the country through blended</li> </ul>	<ul style="list-style-type: none"> <li>• Gain more comprehensive visibility of all different types of finance flowing into the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited involvement in blended finance deals</li> <li>•</li> </ul>

Stakeholder categories	Stakeholders	Outstanding transparency gaps/ what they need but is not (publicly) available	Benefits from improved transparency/ what filling outstanding transparency gaps would enable them to do better	Key bottlenecks/ what is hindering progress in filling outstanding transparency gaps
		<p>finance structures – both concessional and commercial.</p> <ul style="list-style-type: none"> <li>• Consistent and comparable data on scope, focus and geographical location of existing and planned blended finance projects.</li> <li>• Consistent and comparable information on the development impact of different blended finance models.</li> <li>• Information on effectiveness of blending as a financing approach, compared to other uses of ODA, and what the success factors are.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate more active coordination of donor efforts in country.</li> <li>• Facilitate more accurate national and sub-national planning and budgeting as well as more effective fiscal policy measures.</li> <li>• Increase alignment of blended finance investments with national development plans and other nationally or externally funded development projects.</li> <li>• Increase participation/ funding in existing blended finance projects.</li> <li>• Design new blended finance projects relevant to the national context.</li> <li>• Better understand expected impact of blended finance projects and their likely contributions to national development objectives.</li> <li>• Increase accountability to citizens/ tax payers.</li> </ul>	<ul style="list-style-type: none"> <li>• No agreed standard and rules for reporting concessional finance contributions to blended finance transactions.<sup>21</sup></li> <li>• No standard, widely used methodology to report on amounts of mobilised private sector financing.</li> <li>• No standard agreed measures to assess (ex-ante) development impact, including impact on poverty and resulting lack of data and information on this even within financing organisations.</li> <li>• Commercial, legal, or other confidentiality requirements which limit the amount of information that can be made publicly available on past blended finance deals, including risk/return profiles</li> </ul>
<b>Intergovernmental organisations</b>	<b>Norm-setting and convening organisations (e.g. OECD, UN)</b>	<ul style="list-style-type: none"> <li>• Complete, comparable and reliable data on amounts of finance being channelled through blended finance structures – both concessional and commercial.</li> <li>• Needs and market failures blended finance investments can effectively contribute to addressing.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop more comprehensive and specific guidelines for effective use of blended finance (based on more complete data and information on volumes and impact).</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a standard and widely used reporting system on adherence to guidelines and principles</li> <li>• All bottlenecks identified for public sector</li> </ul>

Stakeholder categories	Stakeholders	Outstanding transparency gaps/ what they need but is not (publicly) available	Benefits from improved transparency/ what filling outstanding transparency gaps would enable them to do better	Key bottlenecks/ what is hindering progress in filling outstanding transparency gaps
		<ul style="list-style-type: none"> <li>• Success factors for blended finance projects.</li> </ul>		
<b>Development banks</b>	<b>MDBs and other donor country-based DFIs</b>	<ul style="list-style-type: none"> <li>• Possible sources of commercial capital.</li> <li>• Effectiveness of different blended finance models in different contexts.</li> <li>• Information on needs and market failures blended finance investments can effectively contribute to addressing.</li> <li>• Success factors for blended finance projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Have better visibility of investment opportunities as well as likely sources of concessional and commercial capital.</li> <li>• Improve coordination and reduce competition/ duplication across DFIs/MDBs.</li> <li>• Scale up effective use of blended finance as a financing for development tool (see Case Study 5).</li> <li>• Increase accountability and ability to report to boards and shareholders, including on performance against the SDGs.</li> <li>• Better learning.</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial, legal, or other confidentiality requirements which limit the amount of information that can be made publicly available on past blended finance deals, including risk/return profiles</li> </ul>
	<b>National development banks</b>	<ul style="list-style-type: none"> <li>• Information on existing donor facilities that may be relevant in their geography.</li> <li>• Possible sources of commercial capital to co-finance projects.</li> <li>• Effectiveness of different blended finance models.</li> <li>• Success factors for blended finance projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Have better visibility on where and how to access potential co-financing.</li> <li>• Increase ability to access and participate in blended finance investments.</li> </ul>	<ul style="list-style-type: none"> <li>• All bottlenecks identified for public sector</li> </ul>
<b>Private and commercial actors</b>	<b>Private foundations</b>	<ul style="list-style-type: none"> <li>• Information on relevant donor facilities and sources of commercial capital for co-financing blended finance projects.</li> <li>• Effectiveness of different blended finance models.</li> </ul>	<ul style="list-style-type: none"> <li>• Have better visibility of investment opportunities and increase ability to identify and participate in effective blended finance projects.</li> <li>• Improve coordination with other blended finance implementors thereby</li> </ul>	<ul style="list-style-type: none"> <li>• All bottlenecks identified for public sector</li> </ul>

Stakeholder categories	Stakeholders	Outstanding transparency gaps/ what they need but is not (publicly) available	Benefits from improved transparency/ what filling outstanding transparency gaps would enable them to do better	Key bottlenecks/ what is hindering progress in filling outstanding transparency gaps
		<ul style="list-style-type: none"> <li>• Success factors for blended finance projects.</li> </ul>	<ul style="list-style-type: none"> <li>strengthening effectiveness and impact of own contributions.</li> <li>• Better learning.</li> </ul>	
	<b>Commercial banks and insurers</b> <b>Institutional investors</b>	<ul style="list-style-type: none"> <li>• Complete and accessible information on existing donor facilities and sources of concessional capital for blended finance transactions, including terms of available concessional capital.</li> <li>• Complete and reliable data on risk-return profiles of historic blended finance deals.</li> </ul>	<ul style="list-style-type: none"> <li>• Have better visibility of investment opportunities, sources of concessional capital and how to access it.</li> <li>• Increase investment into developing countries through profitable blended finance projects, thereby further diversifying portfolios/ expanding income streams.</li> </ul>	<ul style="list-style-type: none"> <li>• Unclear process/ criteria for accessing concessional capital/ ODA</li> <li>• All bottlenecks identified for public sector</li> </ul>
<b>Non-governmental organisations and civil society</b>	<b>International, national and local NGOs and CSOs</b>	<ul style="list-style-type: none"> <li>• Complete, comparable and reliable data on amounts of concessional capital invested in blended finance structures and on the private finance mobilised through such structures.</li> <li>• Consistent and comparable information on the development impact of different blended finance models, including on poverty reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Better hold duty bearers to account, including in relation to corruption</li> <li>• Provide rights holders with more complete and accurate data and information on targeting, use and impact of development finance thereby facilitating effective participation in public life and local, national and international development.</li> </ul>	<ul style="list-style-type: none"> <li>• All bottlenecks identified for public sector</li> </ul>
	<b>Think tanks, academia and researchers</b>	<ul style="list-style-type: none"> <li>• Information on effectiveness of blending as a financing approach, compared to other uses of ODA</li> <li>• Information on needs and market failures blended finance investments can effectively contribute to addressing.</li> </ul>	<ul style="list-style-type: none"> <li>• Produce more specific, insightful analysis and research on trends, targeting and use of development finance and on what mechanisms and approaches may be most effective in various settings/ under various conditions.</li> </ul>	

## CASE STUDY 5

Case Study Name: Small Loan Guarantee Program: an illustration of the value of transparency for scaling up effective use of blended finance

Case Study Contact: Luigi Lannutti, IFC

Elements	Description	Role of transparency
<b>Originating organisation/ blending partners(s);</b>	IFC's Small Loan Guarantee Program (SLGP)	Transparent programmatic solutions to enhance access to SLGP
<b>Challenge/ Issue</b>	SMEs play a central role in the creation of dynamic, competitive and inclusive economies and are important net job creators in developing countries, accounting for 80% of net job creation and 67% of employment. And yet, IFC estimates that there is a US\$4.5 trillion SME financing gap in emerging markets. SMEs are a key engine of economic growth and critical suppliers in value chains, often serving the poor and underserved markets given their local ownership structure and operational agility. Addressing the huge financing gap will help new SMEs invest, grow and better contribute to economic growth and job creation.	The transparently programmatic product of SLGP helps IFC scale solutions to reach more implementing FIs and consequently more SMEs.
<b>Blended finance approach</b>	The SLGP is a scalable and replicable unfunded risk sharing facility supported by first-loss capital from the International Development Association's Private Sector Window (IDA PSW) to help banks increase the size of their lending to SMEs. The risk sharing facility provides partial guarantees to FIs to cover a portfolio of loans to SMEs. The first-loss coverage provided in the case of SLGP from IDA PSW reduces the risk for IFC, which allows IFC to price the instrument attractively and in turn incentivizes banks to do more lending to higher impact projects and entrepreneurs.	The facility transparently offers a program to potential clients, and this helps in terms of deployment, since FIs can understand it better.
<b>Impact/ Results</b>	SLGP has had good uptake so far in Haiti, Cambodia, and eight countries in Africa. It synchronizes with broader World Bank Group efforts to improve the enabling environment for SMEs to access finance. In FY19, IFC increased existing investment in SLGP by \$400 million. The program is supported by the IDA PSW first-loss guarantee of up to \$120 million. This is expected to enable up to \$800 million in SME lending in low-income countries around the world. In Haiti, for example, a \$2.5 million risk-sharing facility committed with Société Générale de Solidarité (Sogesol) is expected to help the	IFC launched a media campaign about the SLGP to socialize the program and its expected development impact. Part of the campaign includes success stories from SMEs in West Africa ( <a href="https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/scaling-small-business-lending-west-africa">https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/scaling-small-business-lending-west-africa</a> ). A summary of investment



microfinance institution provide more than 500 loans to SMEs and agribusinesses by 2023, fostering economic growth and job creation.

information for all projects under SLGP is available on the IFC disclosure page (<https://disclosures.ifc.org>) and on the IDA PSW disclosure page (<http://ida.worldbank.org/replenishments/ida18-replenishment/ida18-private-sector-window/ida18-private-sector-window-projects>).

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<b>Lessons learned in respect to transparency</b>	Standardized products and programmatic approaches are great solutions to transparently offer a product to all those private sector actors that can partner with IFC to solve a development challenge. The benefits of a program are maximized when it is transparently socialized in a way that all potential stakeholders can access it to help scale up its usage.
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[end of case study 5]

## The way forward: recommendations for further strengthening blended finance transparency

By design, blended finance involves actors with different interests and mandates coming together to provide financing on different terms to achieve different objectives through the same project. It is thus paramount that a collaborative spirit is sustained not only during the investment phase but also more broadly, to create and maintain a conducive environment for effective scale-up of the market. As the analysis in this report underlines, strengthened transparency can be an important ingredient for creating and maintaining such an environment and for ensuring that the collaborative spirit at the core of blended finance operations, and of the THK Roadmap, is upheld.

The overall aim of this report was to establish the basis for a common understanding across all stakeholder groups of the current state of blended finance transparency and of what the outstanding challenges are that need to be overcome to make further progress. With this as starting point, the following recommendations set out an initial and ambitious way forward for effectively advancing the blended finance transparency agenda:

- 1. Maintain multi-stakeholder dialogue and collaboration in relation to blended finance transparency** whether as part of the THK Roadmap initiative or other ongoing initiatives and fora, to ensure that needs and responsibilities of all relevant stakeholders can adequately be taken into account.
- 2. Establish clear roles and responsibilities** across all stakeholder groups with regard to: i) adherence to different transparency-related principles (which stakeholder groups should be expected to adhere to which sets of principles, e.g. OECD DAC Blended Finance Principles, the DFIs' Enhanced Principles); ii) project design, implementation and accountability (which stakeholder groups should be involved at which stage of the decision-making process, and which stakeholder groups should be accountable to whom) ; iii) compliance with adequate standards of information disclosure (which stakeholder groups should be responsible for reporting which pieces of information according to which standard and to whom, mindful of any legal limitations but also cognisant of the need to fill remaining gaps in data and information).
- 3. Agree on minimum reporting requirements for different stakeholders, including elements that can/should be made available to the general public, as a first step toward harmonising application of reporting principles** and with the view of supporting better fulfilment of the transparency needs of different stakeholder groups as identified in this report. This should include agreement on *what* to report in relation to volumes of finance (both concessional and non), financial performance and development results/impact.
- 4. Consider the feasibility of establishing common reporting principles for blended finance transactions, with an ambition to develop a common standard**, to align *how* data on financial flows, commercial performance and development results is reported, including to the public, thus facilitating tracking of blended finance investments. To avoid this resulting in increased reporting burden for all involved, it is recommended that adaptations to existing development finance-related data standards are considered before a new standard is created. Agreeing a common standard of reporting may also encourage resolution of outstanding issues around differing definitions and methodologies as elements of the standard could be developed to cater for the needs of different actors – e.g. by enabling enough granularity in reported data.
- 5. Enhance access to information on existing blended finance facilities and current blended finance investments** to ensure equal and transparent access to concessional resources available for blending on the one hand and to broaden the evidence base on current use and performance of blended finance structures on the other. This includes providing more clarity around existing donor facilities through which private sector actors can access concessional

finance; increasing visibility of blended finance projects at the developing country level; and considering, where possible, to make existing databases freely accessible by the general public (at least in relation to those elements not affected by legal and other limitations).

## Annex 1. THK Working Group Members

### Co-Chairs

- Meghan Watkinson, Laird Hindle, David Hughes, Global Affairs Canada
- Paul Horrocks, OECD
- Kruskaia Sierra-Escalante, IFC

### Members

- Laurence Breton-Moyet, Afd
- DFI Working Group on Blended Concessional Finance
  - Lesley Bearman Lahm, Trevor Lewis, Adrian Torres, Asian Development Bank (ADB)
  - Alan Rousso, Stephan Jacobin, EBRD
  - Marika Levena, European Investment Bank
  - Matthew Pegon, IADB
  - Kruskaia Sierra-Escalante, Gonzalo Gutierrez, Luigi Lannutti, Morten Lauridsen, IFC
- Chris Clubb, Justice Johnson, Convergence
- Cecilia Caio, Amy Dodd, Development Initiatives
- Hiroo Iwazaki, Tomoharu Otake, Makoto Kanagawa, Naomi Hara, Ryutaro Murotani, Japan International Cooperation Agency (JICA)
- Lasse Moller, OECD
- Gary Forster, Sally Paxton, Farzana Ahmed, Publish What You Fund
- Molly Bradtke, Cecil-Francis Brenninkmeijer, RARE
- Karin Lindblad, Swedish International Development Cooperation Agency (SIDA)
- Catharina Dyvik, Systemiq Earth
- Arnfinn Jacobsen, United in Diversity

## Annex 2. Working Group deliverables 2019-2020

### Priority deliverables

1. A scoping survey to inform the state of play, current reporting practice and areas for improvement
2. A report on transparency for blended finance, framing a pathway to more transparency in the context of blended finance and including recommendations for and across blended finance stakeholders
3. A compendium of transparency resources

### Additional deliverables

4. Apply analysis on transparency to a blended finance project in Indonesia
5. Conduct a workshop as a basis to further develop recommendations for blended finance transparency

## Annex 3. Blended Finance Transparency Resources

### Blended finance transparency initiatives and platforms as identified by a joint OECD-World Economic Forum mapping exercise undertaken in 2019

#### a. Cross-sector

- Blended Finance Taskforce
  - The blended finance taskforce was set up to mobilise private capital for the SDGs. More information at: <https://www.blendedfinance.earth/>
- Confluence Philanthropy
  - Confluence Philanthropy's mission is to transform the practice of investing by aligning capital with values of sustainability, equity and justice. More information at: <https://www.confluencephilanthropy.org/>
- Convergence
  - Convergence is the global network for blended finance. More information at: <https://www.convergence.finance/>
- DFI Working Group on Blended Concessional Finance for Private Sector Projects
  - Group of multilateral and bilateral DFIs focusing on sharing of data, knowledge and experience on the use of blended concessional finance. More information at: <http://www.ifc.org/blendedfinance>
- Digital Earth Africa
  - Digital Earth Africa's vision is to provide routine, reliable and operational services using Earth observations in support of policy making across social, environmental and economic issues and develop an ecosystem of innovation across sectors. More information at: <https://www.digitalearthafrika.org/>
- EU Platform for Blending in External Cooperation
  - The aim is to improve the quality and efficiency of EU development and external cooperation blending mechanisms. More information at: <https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2852>
- MDB Task Force on Additionality
  - Formed to develop a harmonised approach to additionality. More information at: <https://www.adb.org/sites/default/files/institutional-document/456886/mdb-additionality-private-sector.pdf>
- Publish What You Fund's DFI Transparency Initiative

- See box below for more information.
- Redesigning Development Finance Initiative
  - A joint World Economic Forum and OECD DAC global project seeking to harness development, investor and philanthropic resources to achieve exponential social impact. More information at: [http://www3.weforum.org/docs/WEF\\_ReDesigningDevelopmentFinance\\_Overview.pdf](http://www3.weforum.org/docs/WEF_ReDesigningDevelopmentFinance_Overview.pdf)
- Social Progress Imperative
  - Provides decision-makers and everyday citizens with the very best data on the social and environmental health of their societies and help them prioritise actions that accelerate social progress. More information at: <https://www.socialprogress.org/>
- Sustainable Development Investment Partnership (SDIP)
  - A global independent platform of 42 public, private and philanthropic institutions with the shared ambition to scale finance for the SDGs and overcome the barriers to private investment in developing countries. More information at: <http://sdiponline.org/>
- The Investment Integration Project (TIIP)
  - TIIP develops tools for pursuing system-level investing. More information at: <https://www.tiiproject.com/>
- The GrowInclusive Platform
  - GrowInclusive provides actionable pathways to enable companies to increase their social impact and find relevant partners to scale their contribution to the SDGs. More information at: <https://www.growinclusive.org/>
- UN Alliance for SDG Finance
  - A joint platform between the UN Global Compact, UN Environmental Finance Initiative, and Principles for Responsible Investment aimed at mobilising private capital for the SDGs. More information at: <https://www.unglobalcompact.org/take-action/action/globalallianceforsdgfinance>

## **b. Sector specific**

### Agriculture

- Patient Procurement Platform
  - An initiative supported by Grow Africa to help 1 million of the world's poorest farmers shift from subsistence farming to market-oriented agriculture.

### Digital identity

- ID2020 Digital Identity Alliance
  - ID2020 is setting the course of digital ID through a multi-stakeholder partnership ensuring digital ID is responsibly implemented and widely accessible. More information at: <https://id2020.org/>
- Platform for Good Digital Identity
  - Sits within the World Economic Forum's broader initiative on the Future of Digital Economy and Society and aims to foster cooperation on advancing good, user-centric digital identities. More information at: <https://www.weforum.org/projects/digital-identity>

### Education

- Education Data Solutions Roundtable
  - Launched by the Global Partnership for Education in 2018 to leverage local, private and development partners' expertise to improve the availability and use of accurate

and timely education data at country and global level. More information at: <https://www.globalpartnership.org/content/factsheet-education-data-solutions-roundtable>

## Health

- UHC2030
  - UHC2030 is the global movement to build stronger health systems for universal health coverage. More information at: <https://www.uhc2030.org/>

## Infrastructure

- Global Infrastructure Connectivity Alliance
  - The alliance strives to provide policy makers and practitioners with the tools and resources needed to develop, implement and monitor successful connectivity projects. More information at: <https://www.gica.global/>
- Infrastructure Data Initiative
  - The initiative aims to improve the availability and quality of data and information on infrastructure investment in order to identify the critical data that is needed to develop infrastructure investment standards and benchmark. More information at: <https://www.gihub.org/resources/data/infrastructure-data-initiative/>
- World Bank Global Infrastructure Facility (GIF)
  - GIF is a partnership among government, multilateral development banks, private sector investors and financiers to enhance investment in infrastructure including through greater impact and more private finance mobilisation. More information at: <https://www.globalinfrafacility.org/>

## WASH

- Peer Water Exchange (PWX)
  - PWX is the WASH sector's platform to select, fund, manage, monitor and assess impact of water, sanitation and sewage projects. More information at: <https://peerwater.org/>

## c. Climate related

- CREO Syndicate
  - A public charity founded by wealth owners and family offices with a mission to address pressing environmental challenges by catalysing private capital into innovative solutions. More information at: <https://creosyndicate.org/>
- Mission Innovation
  - A global initiative working to accelerate clean energy innovation. More information at: <http://mission-innovation.net/>
- NDC Partnership
  - Through the NDC Partnership members leverage their resources and expertise to provide countries with the tools they need to implement their nationally determined contributions (NDCs) and combat climate change. More information at: <https://ndcpartnership.org/>
- Platform for Accelerating the Circular Economy (PACE)
  - PACE is a public-private collaboration platform and project accelerator for the circular economy. More information at: <https://pacecircular.org/>
- Platform for Agricultural Risk Management (PARM)

- PARM focuses on making risk management an integral part of policy planning and implementation in the agricultural sector in developing countries. More information at: <https://p4arm.org/>
- World Alliance for Efficient Solutions
  - Launched at the Bonn Climate Conference in 2017, this alliance brings together the main actors in the field of clean technologies. More information at: <https://solarimpulse.com/world-alliance>

**Blended finance databases and data sources as compiled in the compendium of transparency resources developed by the THK Transparency Working Group**

**a. Cross-institutional data**

- OECD Blended Finance Funds and Facilities Data
  - Data on development and commercial finance, concessional and non-concessional accessible within reports
- OECD Mobilisation Data
  - Data on private finance mobilised accessible within survey reports
- DFI Working Group on Blended Concessional Finance for Private Sector Projects
  - Data on concessional blended finance and on directly and indirectly mobilised private finance accessible within Working Group reports
- DFI Working Group on Mobilisation
  - Data on directly and indirectly mobilised private finance accessible within Working Group reports
- Convergence Deals Database
  - Data on development (concessional only) and commercial finance not available to the public, but accessible in The State of Blended Finance and other analytical outputs produced by Convergence
- Private Participation in Infrastructure Database
  - Data on public and private, concessional and non-concessional finance used in infrastructure projects publicly accessible at: <https://ppi.worldbank.org/>
- Global Emerging Markets Risk Database (GEMS)
  - Not publicly accessible

**b. Institutional data**

- Private Infrastructure Development Group (PIDG) Results Monitoring Database
  - Financing and results data publicly accessible at: <http://data.pidg.org/>
- IFC Project Disclosure Portal
  - Data on development and commercial finance, concessional and non-concessional publicly accessible at: <https://disclosures.ifc.org>
- IDA18 Private Sector Window Project Disclosure Portal
  - Data on concessional finance publicly accessible at: <http://ida.worldbank.org/replenishments/ida18-replenishment/ida18-private-sector-window/ida18-private-sector-window-projects>

**c. Data platforms**

- International Aid Transparency Initiative (IATI)
  - Public, concessional, non-concessional data publicly accessible at: <https://iatistandard.org/en/> (private flows also available but not in relation to blending specifically)