Multilateral development banks
A short guide

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Introduction

This short guide takes stock of the mandates, structures and instruments of some of the most pertinent global, regional and sub-regional multilateral development banks (MDBs). It aims to offer an accessible, up-to-date comparative description of the MDB landscape to help inform bilateral agencies’ decisions on allocations to MDBs, and to help partner country governments review and compare financing options.

Four trends have brought more attention to the architecture, operations and future of MDBs:

1. Developing countries are creating purpose-built bilateral, regional-bilateral and multilateral institutions to provide market-based public lending. Some have long and successful records of accomplishment, such as the Development Bank of Latin America (CAF) and the Central American Development Bank (CABEI). The two newest, the BRICS’ New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB), have had their Articles of Agreement approved by founding members and operations are due to start in 2016. These agencies offer borrowing countries alternative funding choices, and potentially higher combined volumes of funding on terms that are more attractive. They could also potentially make use of different and less demanding processes and standards to lending. These are positive developments, but unlikely to be big enough to address the funding shortfalls in developing countries.

2. Countries eligible for MDB loans are favouring more expensive, but less conditional, borrowing options, including from bilateral export credit agencies and sovereign bond markets. However, responses to a survey on 40 developing countries indicate a substantially higher level of satisfaction with multilateral development organisations than with bilateral organisations. The survey identifies multilateral loans as the largest external financing source over a five to ten year period.

3. As a country graduates to middle-income status, public resources as a share of GDP falls, since international assistance decreases faster than tax revenues rise. MDB non-concessional resources are in a strong position to fill this ‘missing middle’ of development finance. Some MDBs (the Asian Development Bank (ADB) and, initially, the World Bank) have developed new ways to leverage receivables from their concessional loans, rather than raising new capital from members.

4. The 2015 intergovernmental communique on Financing for Development emphasised the critical role of MDBs in financing sustainable development and providing expertise. In the Addis Ababa outcome document, United Nations member states encouraged multilateral development finance institutions to examine their role, scale and functioning to ensure they are responsive to the sustainable development agenda.

These trends on both the demand and supply side of development finance are challenging the international development finance architecture. They also explain the scale of the task facing existing MDBs.

For the purpose of this guide, we defined as MDBs those with ownership by two or more sovereigns, so sub-regionals (e.g. CAF) are included, but national banks are not. They must have developing countries as an important (if not only) subset of borrowers. As such, we include the large external operations of banks lending mainly to its advanced member countries (e.g. the European Investment Bank (EIB)), but exclude development finance institutions providing loans, equity and guarantees to the private sector without sovereign backing (such as the International Finance Corporation). Since the AIIB and NDB are not operational yet, they are only partially covered in this comparative analysis.

This guide provides a comparison of the main features of the 14 institutions in Table 1 (overleaf) and a summarised factsheet of each MDB.
We based our comparisons on each MDB’s annual and financial reports, their corporate websites, and data from the Organisation for Economic Co-operation and Development (OECD). Unless otherwise specified, we reported the latest available information. Comparable information across MDBs is not always available. Where relevant, alternative definitions and sources will be noted.

Most developing country governments have expressed a clear preference for speedily negotiated and implemented projects. Multilateral and regional banks often attract criticism for delays in project negotiations and implementation. Some reports indicate a lapse of between one and ten years, or 12 to 16 months, at the World Bank. The waiting period can be between seven and ten months at IADB, and between three and six months at CAF (although this can be reduced to one-and-a-half months if urgent). However, there are no publicly available data on the time between the start of the project negotiations and the first disbursement of funds.

### Table 1: List of Multilateral Development Banks

<table>
<thead>
<tr>
<th>Global Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World Bank</strong></td>
</tr>
<tr>
<td><strong>NDB</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADB</strong></td>
</tr>
<tr>
<td><strong>AfDB</strong></td>
</tr>
<tr>
<td><strong>AIIB</strong></td>
</tr>
<tr>
<td><strong>EBRD</strong></td>
</tr>
<tr>
<td><strong>EIB</strong></td>
</tr>
<tr>
<td><strong>IADB</strong></td>
</tr>
<tr>
<td><strong>IsDB</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sub-Regional Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BOAD</strong></td>
</tr>
<tr>
<td><strong>CABEI</strong></td>
</tr>
<tr>
<td><strong>CAF</strong></td>
</tr>
<tr>
<td><strong>EADB</strong></td>
</tr>
<tr>
<td><strong>PTA</strong></td>
</tr>
</tbody>
</table>
Most MDBs were established during and after decolonisation. There was no major addition to the MDB landscape until the creation of the EBRD following the collapse of the Soviet Union. There has been a gap of 20 years before the establishment any major new regional multilateral banks (AIIB and NDB).
MDBs are present in all continents, but the largest number (in our sample) is in sub-Saharan Africa. These are, however, the smallest organisations.
## Mandates and mission statements

<table>
<thead>
<tr>
<th>Organization</th>
<th>Mission Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>End extreme poverty within a generation and boost shared prosperity</td>
</tr>
<tr>
<td>ADB</td>
<td>Eradicate poverty in Asia Pacific</td>
</tr>
<tr>
<td>AfDB</td>
<td>Promote sustainable economic growth and reduce poverty in Africa</td>
</tr>
<tr>
<td>EBRD</td>
<td>Foster the transition towards open market-oriented economies and private and entrepreneurial initiatives in central and eastern European countries committed to the principles of multiparty democracy, pluralism and market economics</td>
</tr>
<tr>
<td>EIB</td>
<td>Contribute to the development of the internal market of the European Union</td>
</tr>
<tr>
<td>IADB</td>
<td>Promote the economic and social development of the developing member states, individually and collectively</td>
</tr>
<tr>
<td>IsDB</td>
<td>Foster economic development and social progress in member countries and Muslim communities, individually as well as jointly, in accordance with the principles of the Shari’ah</td>
</tr>
<tr>
<td>BOAD</td>
<td>Promote economic development in member states and economic integration across West Africa</td>
</tr>
<tr>
<td>CABEI</td>
<td>Promote economic integration and balanced economic and social development in member states</td>
</tr>
<tr>
<td>CAF</td>
<td>Promote sustainable development and regional integration</td>
</tr>
<tr>
<td>EADB</td>
<td>Promote sustainable socio-economic development in East Africa</td>
</tr>
<tr>
<td>PTA</td>
<td>Finance and foster trade, socio-economic development and regional economic integration across member states</td>
</tr>
</tbody>
</table>

**Source:** Elaborated from articles of agreements and policy documents.

- The common elements in the mandates of most of the MDBs – with the exception of the EBRD, which targets the transition to a market economy – are the economic and social development of its members, and regional economic integration (BOAD, CABEI, CAF and EADB). The EU’s External Action policies define specific regional mandates for the EIB’s external activities.

- Only the World Bank (IBRD and IDA) and ADB/ADF emphasise poverty eradication as their main goal.
Membership criteria to regional institutions often include affiliation with other regional organisations (for instance the UN Economic and Social Commission for Asia and the Pacific for ADB membership, or the Organisation of American States to join the IADB), the International Monetary Fund or one of the UN bodies for non-regional institutions. In other cases, membership is restricted to a specific group: only members of the Organisation of Islamic Cooperation can join the IsDB, and the EIB is exclusively for European Union member states. The EIB also has a regional organisation (the Commission) on its Board.

The size of membership ranges between 13 (CABEI) and 188 (IBRD). Regional MDBs have on average 60 members, while sub-regional MDBs usually have less than 20 members.

Sub-Saharan Africa’s sub-regional MDBs (such as BOAD, EADB and PTA) include states, commercial banks and development finance institutions among their members. CAF also has commercial banks as shareholders.

Source: Latest data (2013 or 2014) from annual reports and corporate websites.
All CAF, EIB, and IsDB member states are also borrowing countries. EIB, however, also provides funding to non-member states (approximately 10% of its loans).

The voting share given to borrowing countries varies between 90% (EADB) and 15% (EBRD).

Borrowing is usually extended to both public and private entities (although some, including IBRD and IDA, require sovereign guarantee). However, comparing client bases is complicated, as MDBs describe their potential clients with different levels of detail (municipalities, local governments, state-owned enterprises, small and medium-sized enterprises and large firms). It is worth noting that both EBRD and PTA mainly lend to the private sector and only IADB specifies that it also provides funding to non-governmental organisations.

The data on sovereign and non-sovereign lending is not comparable, but some findings are worth noting. In 2014, disbursement to the public sector amounted to 83% of ADB’s total loans paid. Public sector loans also amounted to a considerable number of outstanding loans: 76% at AfDB, 75% at CABEL, 80% at CAF, 92% at IADB, and 90% at IsDB.

**Source:** Latest data (2013 or 2014) from annual reports and corporate websites.

**Note:** Figures are rounded. In the case of IADB, borrowers own 50.02% of the voting shares.
Capital

Subscribed capital is over $100 billion for ADB, EIB, IADB and IBRD. AfDB and IsDB have subscribed capital between $50 and 100 billion, while other subscribed commitments are negligible or far in the future.

While the EIB and World Bank have similar levels of subscribed capital, the World Bank has approximately 30% of EIB’s lending. A similar argument would apply to a comparison between IADB and ADB.

Source: Latest data (2013 or 2014) from annual reports and corporate websites. Reported data sourced from financial statements.
Credit rating

Recent credit ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>ADB, AfDB, EBRD, EIB, IADB, IBRD and IsDB</td>
</tr>
<tr>
<td>AA-</td>
<td>CAF</td>
</tr>
<tr>
<td>A</td>
<td>CABEI</td>
</tr>
<tr>
<td>BBB</td>
<td>BOAD</td>
</tr>
<tr>
<td>BB</td>
<td>EADB and PTA</td>
</tr>
</tbody>
</table>

Source: Latest data (2013 or 2014) from annual reports and corporate websites. Reported data sourced from financial statements.

- Most MDBs have a credit rating of AAA – especially the large and regional development banks. This applies to MDBs hard windows, and not their soft windows. Note that institutions may retain AAA status even when a majority of their founder-shareholders have lost theirs (e.g. France, Italy, the UK and the US).

- Those MDBs whose main shareholders are developing countries (i.e. BOAD, CABEI, CAF, EADB and PTA) generally have lower credit ratings.
Sector focus

Total annual operations allocated to specific sectors (%)

<table>
<thead>
<tr>
<th>MDB</th>
<th>Economic Infrastructure</th>
<th>Financial sector</th>
<th>Productive sector</th>
<th>Social development and infrastructure</th>
<th>Share of top 2-4 sectors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>62</td>
<td>16</td>
<td></td>
<td></td>
<td>78</td>
</tr>
<tr>
<td>AfDB</td>
<td>58</td>
<td>7</td>
<td>9</td>
<td></td>
<td>74</td>
</tr>
<tr>
<td>AfDF</td>
<td>47</td>
<td>7</td>
<td>20</td>
<td></td>
<td>74</td>
</tr>
<tr>
<td>ADF</td>
<td>41</td>
<td>38</td>
<td></td>
<td></td>
<td>79</td>
</tr>
<tr>
<td>BOAD</td>
<td>63</td>
<td>9</td>
<td></td>
<td></td>
<td>71</td>
</tr>
<tr>
<td>CABEI</td>
<td>41</td>
<td>28</td>
<td>11</td>
<td></td>
<td>79</td>
</tr>
<tr>
<td>CAF</td>
<td>24</td>
<td>45</td>
<td>9</td>
<td>15</td>
<td>92</td>
</tr>
<tr>
<td>EBRD</td>
<td>66</td>
<td>32</td>
<td></td>
<td></td>
<td>98</td>
</tr>
<tr>
<td>EIB</td>
<td>41</td>
<td>33</td>
<td>11</td>
<td></td>
<td>85</td>
</tr>
<tr>
<td>IADB</td>
<td>31</td>
<td>13</td>
<td>49</td>
<td></td>
<td>93</td>
</tr>
<tr>
<td>IBRD</td>
<td>37</td>
<td>10</td>
<td>46</td>
<td></td>
<td>93</td>
</tr>
<tr>
<td>IDA</td>
<td>27</td>
<td>11</td>
<td>40</td>
<td></td>
<td>78</td>
</tr>
<tr>
<td>IsDB</td>
<td>74</td>
<td>3</td>
<td>18</td>
<td></td>
<td>96</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration based on the OECD’s creditor reporting system and annual reports.

Note: Data refers to the top three or four sectors for each MDB. We used the average 2012-2013 data. Where we use the top three, the fourth largest share was either multi-sector or unallocated. No compatible data were available for EADB and PTA.

*Depending on data availability.

Most MDBs’ operations are highly concentrated in economic infrastructure.

Financial services are key areas for Latin American regional banks and the EIB. For others, this might be an issue of classification, i.e. funds routed through the financial sector are redeployed to one or more of the remaining categories.

It is interesting to note that IADB dedicates the largest share of its operations to social rather than economic infrastructure. Also, IBRD spends a greater share on social infrastructure than IDA does.
Only four MDBs have an annual volume of operations above $10 billion. EIB’s operations, at over $100 billion, are by far the largest. It is the only MDB in this guide lending primarily to developed countries. Less than 10% (€7.7 billion or $8.5 billion) goes to developing countries, of which €2.9 billion ($3.2 billion) was classified as official development assistance (ODA) in 2013. The World Bank is the second largest, with annual operations of $30 billion.

A large share of MDBs’ annual lending operations is not classified as ODA. Although more than 50% of AfDB’s operations count as ODA, only 39% of the World Bank (IDA and IBRD), 12% of ADB, and 4% of EIB operations are classified as such. Furthermore, operations within MDBs’ hard windows are classified as other official flows, and not ODA.

Source: OECD creditor reporting system when available; latest data from annual reports where OECD data is not available. Please note that the discrepancies with the data in the factsheets relate to OECD’s reporting on calendar years as opposed to financial years.

Note: EIB figures based on external operations only.

*2013 data.
Instruments

<table>
<thead>
<tr>
<th>MDB</th>
<th>Grants</th>
<th>Loans</th>
<th>Lines of credit</th>
<th>Technical assistance</th>
<th>Guarantees</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>IBRD</td>
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<td></td>
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<tr>
<td>ADB</td>
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<td></td>
<td></td>
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<tr>
<td>ADF</td>
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<tr>
<td>AfDB</td>
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<tr>
<td>AfDF</td>
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<td></td>
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<tr>
<td>EBRD</td>
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<td></td>
<td></td>
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<tr>
<td>EIB</td>
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<td></td>
</tr>
<tr>
<td>IADB</td>
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<td></td>
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<td></td>
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<tr>
<td>IsDB</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>BOAD</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CABEI</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>CAF</td>
<td></td>
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<td></td>
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<tr>
<td>EADB</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>PTA</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration based on information from annual reports and corporate websites.

Note: For IADB, equity instruments are only available through the Multilateral Investment Fund and not directly from ordinary capital resources.

MDBs apply a broad range of instruments, including grants, loans, lines of credit, technical assistance and equity. Note that none of the banks offers all of these.

Loans are the most common instrument, followed by technical assistance, guarantees and equity.
# Terms and conditions

<table>
<thead>
<tr>
<th>MDB</th>
<th>Instrument</th>
<th>Maturity (years)</th>
<th>Grace period (years)</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA</td>
<td>Regular credit</td>
<td>38</td>
<td>6</td>
<td>No interest. 0.75% service charge (Special Drawing Rights (SDR)).</td>
</tr>
<tr>
<td></td>
<td>Blend</td>
<td>25</td>
<td>5</td>
<td>1.25% interest. 0.75% service charge (SDR).</td>
</tr>
<tr>
<td></td>
<td>Hard-term lending</td>
<td>25</td>
<td>5</td>
<td>1.08% interest. 0.75% service charge (SDR).</td>
</tr>
<tr>
<td>IBRD</td>
<td>Flexible loan, variable and fixed spread and development policy loans</td>
<td>8 to 15/20</td>
<td>N/A</td>
<td>6-month Libor, plus contractual spread of 0.5%. Front-end and commitment fee of 0.25% each.</td>
</tr>
<tr>
<td></td>
<td>Special Development Policy Loan</td>
<td>5 to 10</td>
<td>3 to 5</td>
<td>6-month Libor plus a minimum of 2%. Front-end fee of 1% of the principal loan.</td>
</tr>
<tr>
<td>ADB</td>
<td>Libor-based loans</td>
<td>Varies</td>
<td>N/A</td>
<td>Floating 6-month Libor rate; contractual spread and maturity premium fixed.</td>
</tr>
<tr>
<td></td>
<td>Local currency loan</td>
<td>Varies</td>
<td>N/A</td>
<td>Floating or fixed rate, contractual spread and maturity premium fixed.</td>
</tr>
<tr>
<td>ADF</td>
<td>Group A (ADF-only); Project loans</td>
<td>32</td>
<td>8</td>
<td>1% during grace period; 1.5% beyond grace period. Equal amortisation; no commitment fee.</td>
</tr>
<tr>
<td></td>
<td>Group A (ADF-only); Programme loans</td>
<td>40</td>
<td>8</td>
<td>1% during grace period; 1.5% beyond grace period. Equal amortisation; no commitment fee.</td>
</tr>
<tr>
<td></td>
<td>Group B (Blend)</td>
<td>25</td>
<td>5</td>
<td>2%. Principal repayment at 2% per year for the first 10 years after the grace period and 4% per year thereafter; no commitment fee.</td>
</tr>
<tr>
<td></td>
<td>Emergency assistance loans</td>
<td>40</td>
<td>10</td>
<td>1%. Principal repayment at 2% per year for the first 10 years after the grace period and 4% per year thereafter; no commitment fee.</td>
</tr>
<tr>
<td>AfDB</td>
<td>Loans</td>
<td>20</td>
<td>5</td>
<td>Interest rate variable and reflects the direct market cost of funds. Commitment charge on disbursement balance: 1%.</td>
</tr>
<tr>
<td>AfDF</td>
<td>Loans</td>
<td>30 to 40</td>
<td>5 to 10</td>
<td>None for Development Fund countries; 1% for blend, gap and graduating countries. Service charge commitment fee: 0.75% per annum on outstanding balance; 0.50% per annum on undisbursed amount.</td>
</tr>
<tr>
<td></td>
<td>Technical assistance loans</td>
<td>50</td>
<td>10</td>
<td>None for Development Fund countries; 1% for blend, gap and graduating countries. Service charge commitment fee: 0.75% per annum on outstanding balance; 0.50% per annum on undisbursed amount.</td>
</tr>
</tbody>
</table>

Continued overleaf
Terms and conditions continued

<table>
<thead>
<tr>
<th>MDB</th>
<th>Instrument</th>
<th>Maturity (years)</th>
<th>Grace period (years)</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBRD</td>
<td>Loans</td>
<td>1 to 15</td>
<td>N/A</td>
<td>Fixed or floating rate.</td>
</tr>
<tr>
<td>IADB</td>
<td>Flexible financing facility</td>
<td>20 to 25</td>
<td>12.75 to 15.25</td>
<td>Libor-based.</td>
</tr>
<tr>
<td></td>
<td>Development sustainability credit line</td>
<td>6</td>
<td>3</td>
<td>Libor-based.</td>
</tr>
<tr>
<td>IsDB</td>
<td>Concessional loans under ordinary capital resources</td>
<td>15 to 25</td>
<td>3 to 7</td>
<td>Service fee up to 1.5%.</td>
</tr>
<tr>
<td></td>
<td>Islamic Solidarity Fund for development loans</td>
<td>15 to 30</td>
<td>3 to 10</td>
<td>No interest rate applied in compliance with Islamic Finance. Service fee varies from 0.75 to 2%.</td>
</tr>
</tbody>
</table>

- The terms and conditions for BOAD, CEBEI, CAF, EADB and PTA are either not publicly available, or agreed on case-by-case bases. EIB also has to comply with the confidentiality requirements of private borrowers.

- The terms and conditions are very diverse and depend on the status of the borrowing country and the type of instrument. Terms can vary from a minimum maturity of five to 40 years, or a minimum grace period of between three and ten years. Interest rates are fixed for concessional windows (up to 2.81% for countries eligible in the blend window), but floating/variable for non-concessional windows (i.e. Libor+ contractual spread, but usually below 2% when the information has been published).
Glossary

Amortisation is the scheduled repayments of the principal debt on a loan, excluding the interest payments.

Bilateral organisations represent individual governments (also referred to as official or sovereign organisations).

Blending or blended finance combine market (or concessional) loans and other financial instruments with accompanying grant (or grant equivalent) components. The objective is to leverage additional non-concessional public and/or private resources with a variety of financial terms and characteristics.

Callable capital are the contributions due to the MDB, subject to payment as and when required to meet the bank’s obligations on borrowing of funds for inclusion in its ordinary capital resources, or guarantees chargeable to such resources. This acts as protection for holders of bonds and guarantees issued by the Bank in the unlikely event that it is not able to meet its financial obligations.

Concessionality is a measure of the ‘softness’ of a loan, reflecting the benefit to the borrower compared to a loan at market rate. Technically, it is calculated as the difference between the nominal value of a credit and the present value of the debt service at the date of disbursement, calculated at a discount rate applicable to the currency of the transaction and expressed as a percentage of the nominal value. Concessional or soft loans are those that include at least a 25% grant element.

Credit rating is the current opinion of the creditworthiness, where creditworthiness includes the likelihood of default and credit stability (and in some cases recovery) (Standard and Poor’s definition).

Development finance institutions are specialised institutions that invest in developing countries. They are usually controlled by their governments and invest in private sector companies and projects with the aim of generating development impact while at the same time delivering a financial return.

Equity is the purchase of a company’s (or MDB’s) shares.

Floating rate is the variable interest rate on any debt instrument, including loans.

Grace period of a loan is the period between the date of signature and the first repayment towards the principal. Note that in most cases, interest is paid during the grace period (the period up to the first repayment). The repayment period is the phase between the first and last repayment of the principal. Maturity refers to the sum of both periods, i.e. the grace and repayment periods.

The grant element measures the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. In December 2014, DAC statistics applied the IMF 5% discount rate as the reference rate. The size of the grant element corresponds with the length of the grace period, the interest rate and the length of maturity.

Guarantees are a specialised form of insurance related to financial transactions, in which the risk of noncompliance by one of the two sides in a transaction is taken on by a third party external to the original transaction.

Instalment sale is a credit sale of an asset, delivered on the spot, in which the purchaser can pay the price of the asset at a future date, either in lump sum or instalments.

Istisna’a is a sale where an asset is transacted before it comes into existence.

Libor is the London inter-bank lending rate. It provides a benchmark of interest rates at which banks can borrow from one another.

Lines of credit provide a guarantee that funds will be made available, but no financial asset exists until funds are actually advanced.

Loans are financial transfers for which repayment is required.

Maturity is the date at which the final repayment of a loan is due; by extension, a measure of the scheduled life of the loan.

Multilateral development banks are institutions that provide financial support and professional advice for economic and social development activities in developing countries (World Bank definition).

Official development assistance is grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies. ODA is: (a) undertaken by the official sector, (b) with promotion of economic development and welfare as the main objective, and (c) at concessional financial terms (i.e. loans have a grant element of at least 25%). Technical cooperation in included, in addition to financial flows. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance pay-outs) are generally not included.

Other official flows are transactions by the official sector with countries on the DAC List of ODA Recipients which do not meet the conditions for eligibility as ODA, either because they are not primarily aimed at development, or because they have a grant element of less than 25%.
Restricted Mudarabah is a profit-sharing loss-bearing contract in which one party provides capital and the other party provides expertise to manage a business enterprise.

Paid-in capital is the amount of capital paid by shareholders.

Special Drawing Rights is an international reserve asset created by the IMF in 1969 to supplement member countries’ official reserves. Its value is based on a basket of four key international currencies, and SDRs can be exchanged for freely usable currencies.

Subscribed capital is the amount of capital (out of authorised capital) for which a company or MDB has received applications from the shareholders.

Technical assistance includes both grants to nationals of aid recipient countries receiving education or training at home or abroad, and payments to consultants, advisers (or similar), teachers and administrators serving in recipient countries (including the cost of associated equipment). Technical assistance provided specifically to facilitate the implementation of a capital project is included indistinguishably in bilateral project and programme expenditures, and is not separately identified as technical cooperation in statistics of aggregate flows.

End notes

1 The BRICS are Brazil, Russia, India, China and South Africa
6 Ibid.
7 As defined by the Organisation for Economic Co-operation and Development’s Development Assistance Committee
8 This list is not exhaustive and we limited our review to the most pertinent actors. Other MDBs include the Caribbean Development Bank, Black Sea Trade and Development Bank, Nordic Development Bank and North American Development Bank.
9 See http://stats.oecd.org/
13 Ibid.
Factsheets

1 World Bank
2 Asian Development Bank (ADB)
3 African Development Bank (AfDB)
4 European Bank for Reconstruction and development (EBRD)
5 European Investment Bank (EIB)
6 Inter-American Development Bank (IADB)
7 Islamic Development Bank (IsDB)
8 Banque Ouest Africaine de Développement (BOAD)
9 Central American Bank for Economic Integration (CABEI)
10 Development Bank of Latin America (CAF)
11 East African Development Bank (EADB)
12 Eastern and Southern African Trade and Development Bank (PTA)
MEMBERSHIP AND GOVERNANCE

Mandate and priorities
End extreme poverty within a generation and boost shared prosperity.

Objectives by 2030: End extreme poverty by decreasing the percentage of people living on less than $1.25 a day to no more than 3%, and promote shared prosperity by fostering the income growth of the bottom 40% for every country.

Eligibility criteria
Under the IBRD Articles of Agreement, a country must first join the International Monetary Fund (IMF).

Who can borrow?
Economies are divided into IDA, IBRD, and blend countries based on the operational policies of the World Bank. Countries with low per capita incomes and lacking the financial ability to borrow from IBRD, can borrow from IDA. Blend countries are eligible for IDA loans but are also eligible for IBRD loans because they are financially creditworthy.

FINANCIAL STATEMENT

Credit rating (2014/15)
AAA

Financing sources
IBRD: international financial markets, capital subscription. IDA: replenishments.

Capital (IBRD)
Subscribed $232 billion
Paid-in $14 billion
Reserves (2013) $147 million

OPERATIONS

Annual grants and loans disbursed
2013 $27 billion
2014 $32 billion

Main instruments
IDA: Grants, loans (concessional) and debt relief, guarantees.
IBRD: loans, guarantees and risk management products.

Priority sectors
Sector share of top 4 priority sectors
IBRD IDA
Social Infrastructure and Services; 46% Social Infrastructure and Services; 40%
Economic Infrastructure and Services; 37% Economic Infrastructure and Services; 27%
Production Sectors; 10% Production Sectors;11%
Multi-Sector/Cross-Cutting; 6% Action Relating to Debt; 11%

Safeguards and procurement policies

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>MDB</th>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA</td>
<td>Regular credit</td>
<td>38 years</td>
<td>6 years</td>
<td>No interest. 0.75 % service charge (Special Drawing Rights (SDR)).</td>
</tr>
<tr>
<td></td>
<td>Blend</td>
<td>25 years</td>
<td>5 years</td>
<td>1.25% interest. 0.75 % service charge (SDR).</td>
</tr>
<tr>
<td></td>
<td>Hard-term lending</td>
<td>25 years</td>
<td>5 years</td>
<td>1.08% interest. 0.75 % service charge (SDR).</td>
</tr>
<tr>
<td>IBRD</td>
<td>Flexible loan, variable and fixed spread and development policy loans</td>
<td>8 to 15/20 years</td>
<td>N/A</td>
<td>6-month Libor, plus contractual spread of 0.5%. Front-end and commitment fee of 0.25% each.</td>
</tr>
<tr>
<td></td>
<td>Special Development Policy Loan</td>
<td>5 to 10 years</td>
<td>3 to 5 years</td>
<td>6-month Libor plus a minimum of 2%. Front-end fee of 1% of the principal loan.</td>
</tr>
</tbody>
</table>
Asian Development Bank (ADB)

Asian Development Fund (ADF) and Ordinary Capital Resources
Established: 1966 | Headquarters: Manila, Philippines

MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Aiming for an Asia and Pacific free from poverty. Fostering inclusive growth.

Eligibility criteria
Members of UNESCAP and other regional countries and non-regional developed countries which are members of the UN.

Who can borrow?
Public and private sector – 83% of disbursements in 2014 were to sovereign lenders.

FINANCIAL STATEMENT

Credit rating
AAA

Financing sources
Market borrowing, special funds, shareholder capital.

Capital
Subscribed $153 billion
Paid-in $7.8 billion
Reserves $11 billion

OPERATIONS

Annual grants and loans disbursed
$22.3 billion

Geographic focus of operations (% of total)
- Central and West Asia 23%
- East Asia 13%
- Pacific 1%
- South Asia 29%
- Southeast Asia 31%
- Other

Main instruments
Loans, technical assistance, grants, guarantees and equity investments.

Priority sectors
Sector share of top priority sectors (2012-2013 averages)

<table>
<thead>
<tr>
<th>Sector</th>
<th>ADB</th>
<th>ADF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic infrastructure and services</td>
<td>62%</td>
<td>41%</td>
</tr>
<tr>
<td>Social infrastructure and services</td>
<td>16%</td>
<td>38%</td>
</tr>
<tr>
<td>Unallocated/unspecified</td>
<td>12%</td>
<td>0%</td>
</tr>
<tr>
<td>Multi-sector/cross-cutting</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Production sectors</td>
<td>3%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF Group A (ADF-only): Project loans</td>
<td>32 years</td>
<td>8 years</td>
<td>1% during grace period; 1.5% beyond grace period. Equal amortisation; no commitment fee.</td>
</tr>
<tr>
<td>ADF Group A (ADF-only): Programme loans</td>
<td>40 years</td>
<td>8 years</td>
<td>1% during grace period; 1.5% beyond grace period. Equal amortisation; no commitment fee.</td>
</tr>
<tr>
<td>ADF Group B (Blend)</td>
<td>25 years</td>
<td>5 years</td>
<td>2%. Equal amortisation; no commitment fee.</td>
</tr>
<tr>
<td>Emergency assistance loans</td>
<td>40 years</td>
<td>10 years</td>
<td>1%. Principal repayment at 2% per year for the first 10 years after the grace period and 4% per year thereafter; no commitment fee.</td>
</tr>
<tr>
<td>ADB Libor-based loans</td>
<td>Varies</td>
<td>N/A</td>
<td>Floating rate 6-month Libor, contractual spread and maturity premium fixed.</td>
</tr>
<tr>
<td>ADB Local currency loan</td>
<td>Varies</td>
<td>N/A</td>
<td>Floating or fixed rate, contractual spread and maturity premium fixed.</td>
</tr>
</tbody>
</table>

Safeguards and procurement policies
Environmental, involuntary resettlement and indigenous peoples safeguards.
Mandate and priorities

Promote sustainable economic growth and reduce poverty in Africa by mobilising and allocating resources for investment in regional member countries as well as by providing policy advice and technical assistance to support development efforts.

Eligibility criteria

Members of the UN or International Justice Court with approval from the Board of Governors if they are not founding member states.

Who can borrow?

Governments, private sector, national, subregional development finance institutions, public sector enterprises – 76% of sovereign lending exposure in 2014 (AfDB).

Members

80

Regional membership

Members

54

Shareholding

60%

Who can borrow?

Governments, private sector, national, subregional development finance institutions, public sector enterprises – 76% of sovereign lending exposure in 2014 (AfDB).

FINANCIAL STATEMENT

Credit rating

AAA

Financing sources

Shareholder capital, replenishment, net income and bond issuance.

Capital

Subscribed $90 billion

Paid-in $7 billion

Reserves $4 billion

OPERATIONS

Annual grants and loans disbursed

ADB (2013) $2.3 billion

ADF (2013) $2.3 billion

Main instruments

Project loans, lines of credit, sector investment and rehabilitation loan investments, sector and structural adjustment loans, technical assistance, equity investment and guarantees.

Priority sectors

Sector share of top 2 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>AfDB</th>
<th>ADF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic infrastructure</td>
<td>58%</td>
<td>47%</td>
</tr>
<tr>
<td>Social development and social infrastructure</td>
<td>9%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Geographic focus of operations (% of total)

- West Africa 28%
- Multiregional 25%
- Southern Africa 17%
- East Africa 17%
- Central Africa 7%
- North Africa 6%

Safeguards and procurement policies

Environmental and social assessment; involuntary resettlement, land acquisition, population displacement and compensation; biodiversity and ecosystem services; pollution prevention and control, hazardous materials and resource efficiency; and labour conditions, health and safety.

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>MDB</th>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td>Loans</td>
<td>20 years</td>
<td>5 years</td>
<td>Variable and reflects the direct market cost of funds. Commitment charge on disbursement balance: 1%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>None for Development Fund countries; 1% for blend, gap and graduating countries. Service charge commitment fee: 0.75% per annum on outstanding balance; 0.50% per annum on undisbursed amount.</td>
</tr>
<tr>
<td>AfDF</td>
<td>Loans</td>
<td>30 to 40 years</td>
<td>5 to 10 years</td>
<td>None for Development Fund countries; 1% for blend, gap and graduating countries. Service charge commitment fee: 0.75% per annum on outstanding balance; 0.50% per annum on undisbursed amount.</td>
</tr>
<tr>
<td></td>
<td>Technical assistance loans</td>
<td>50 years</td>
<td>10 years</td>
<td>None for Development Fund countries; 1% for blend, gap and graduating countries. Service charge commitment fee: 0.75% per annum on outstanding balance; 0.50% per annum on undisbursed amount.</td>
</tr>
</tbody>
</table>
**MEMBERSHIP AND GOVERNANCE**

**Mandate and priorities**
Foster the transition towards open market-oriented economies and promote private and entrepreneurial initiatives in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economics.

**Eligibility criteria**
European countries, non-European countries that are members of the IMF, the European Economic Community (i.e. the EU) and the EIB.

**Members**

<table>
<thead>
<tr>
<th>Regional membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
</tr>
<tr>
<td>48</td>
</tr>
<tr>
<td>Shareholding</td>
</tr>
<tr>
<td>75%</td>
</tr>
</tbody>
</table>

| 64 Plus the European Union and the EIB. |

**Who can borrow?**
Mainly the private sector, but also municipal entities and publicly owned companies. In 2014, 24% of loans, undrawn loan commitments and guarantees were to the public sector.

**FINANCIAL STATEMENT**

**Credit rating**
AAA

**Financing sources**
Capital, borrowing and net income.

**Capital**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscribed</td>
</tr>
<tr>
<td>$33.7 billion</td>
</tr>
<tr>
<td>Paid-in</td>
</tr>
<tr>
<td>$7 billion</td>
</tr>
<tr>
<td>Reserves</td>
</tr>
<tr>
<td>$9 billion</td>
</tr>
</tbody>
</table>

**OPERATIONS**

**Annual grants and loans disbursed**
2013 $4.2 billion

**Main instruments**
Loans, equity investments, guarantees, co-financing and syndicated loans.

**Priority sectors**
Sector share of top 2 priority sectors

<table>
<thead>
<tr>
<th>Sector share of top 2 priority sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic infrastructure and services</td>
</tr>
<tr>
<td>Production sectors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic infrastructure and services</td>
<td>66%</td>
</tr>
<tr>
<td>Production sectors</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Geographic focus of operations**

- Central Europe and the Baltic states
- South-eastern Europe
- Eastern Europe and the Caucasus
- Central Asia
- Southern and eastern Mediterranean
- Others (Russia, Turkey and Cyprus)

**Safeguards and procurement policies**
10 different performance requirements: assessment and management of environmental and social impact and issues; labour and working conditions; resource efficiency and pollution prevention and control; health and safety; land acquisition; involuntary resettlement and economic displacement; biodiversity conservation and sustainable management of living natural resources; indigenous peoples; cultural heritage; and financial intermediaries.

**Typical terms and conditions of lending instruments**
A minimum amount of €5 million (approximately $6.7 million), although this can be lower in some countries

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>1 to 15 years</td>
<td>N/A</td>
<td>Fixed or floating rate.</td>
</tr>
</tbody>
</table>
MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Contribute to the balanced and steady development of the internal market in the interest of the European Union (EU). Operating on a non-profit-making basis, the EIB grants loans and give guarantees which facilitate the financing of projects in all sectors of the economy.

Eligibility criteria
EU member states.

Members
28

Voting share
Each member’s voting share in the EIB’s capital is based on its economic weight within the EU (in term of the relative size of its GDP) at the time of its accession, although it was capped so that the four largest economies (France, Germany, Italy and the UK) all have the same shareholding. Together with Spain, they represent more than 74% of the EIB’s capital.

Who can borrow?
Public bodies, large corporations or small businesses in EIB member countries. EIB also provides financing to projects in third countries that support the EU’s external cooperation and development policies. Disbursed sovereign exposures: €38 billion ($50.4 billion). Sovereign-guaranteed exposures: €82 billion ($108.8 billion) (in 2014).

FINANCIAL STATEMENT

Credit rating
AAA

Financing sources
Mainly international capital markets through bond issuance.

Capital
Subscribed
$275 billion
Reserves
$41 billion

OPERATIONS

Annual grants and loans disbursed
2013
$102 billion
2014
$95 billion

Main instruments
Loans, guarantees, microfinance, equity investment and blended finance.

Priority sectors
Sector share of top 4 priority sectors
<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and financial services</td>
<td>33%</td>
<td>2,254</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>23%</td>
<td>1,560</td>
</tr>
<tr>
<td>Energy generation and supply</td>
<td>18%</td>
<td>1,184</td>
</tr>
<tr>
<td>Industry</td>
<td>11%</td>
<td>737</td>
</tr>
</tbody>
</table>

Geographic focus of operations (% of total)
- Turkey 26%
- Ukraine 12%
- India 6%
- Morocco 6%
- Tunisia 7%
- Other

Safeguards and procurement policies
Charter of Fundamental Rights of the European Union Environmental and Social Principles and Standards.

Typical terms and conditions of lending instruments
Loans run from approximately four to 20 years. Loan rates vary from project to project according to specific aspects such as currencies borrowed, amount, duration and timing of disbursement. The EIB does not publish information on the financing terms and conditions of its loans, such as maturity, interest rates and grace period. This information typically forms part of the EIB’s confidential relationship with its business partners.
MEMBERSHIP AND GOVERNANCE

Mandate and priorities

Foster the economic and social development in the developing member countries of Latin America and the Caribbean. Devote at least 50% of operations and 40% of resources to programmes promoting social equity and reducing poverty. The IADB lends to two country groupings based on GNP per capita.

Eligibility criteria

Members of the Organization of the American States (regional) or International Monetary Fund (non-regional); subscription of shares of the Ordinary Capital and contribution to the Fund for Special Operations.

Who can borrow?

Any member country (political subdivision or government organisation, independent agency, semi-public enterprise), private enterprise in the territory of a member country, regional organisations composed of member countries, and to the Caribbean Development Bank. Outstanding loans as of 2014: $68.6 billion (sovereign); $5.97 billion (non-sovereign).

FINANCIAL STATEMENT

Credit rating (2014)
AAA

Financing sources

Member countries' subscriptions and contributions, borrowings on the financial markets, trust funds administered through co-financing.

Capital

Subscribed
$144 billion

Paid-in
$5 billion

Reserves
$16 billion

OPERATIONS

Annual grants and loans disbursed

2012
$6.5 billion

2013
$9.8 billion

Geographic focus of operations (% of total)

- Brazil 20%
- Mexico 18%
- Argentina 13%
- Ecuador 6%
- Colombia 5%
- Other

Main instruments

Loans, grants and technical assistance. Concessional window: Fund for Special Operations.

Priority sectors

Sector share of top 4 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social infrastructure and services</td>
<td>49%</td>
<td>3,074</td>
</tr>
<tr>
<td>Economic infrastructure and services</td>
<td>31%</td>
<td>2,534</td>
</tr>
<tr>
<td>Production sectors</td>
<td>13%</td>
<td>1,138</td>
</tr>
<tr>
<td>Multi-sector/cross-cutting</td>
<td>6%</td>
<td>438</td>
</tr>
</tbody>
</table>

Safeguards and procurement policies

Environment, policy on indigenous peoples, gender equality in development, involuntary resettlement.

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible financing facility</td>
<td>20 to 25 years</td>
<td>12.75 to 15.25 years</td>
<td>Libor-based.</td>
</tr>
<tr>
<td>Development sustainability credit line</td>
<td>6 years</td>
<td>3 years</td>
<td>Libor-based.</td>
</tr>
</tbody>
</table>
MEMBERSHIP AND GOVERNANCE

Mandate and priorities
To foster economic development and social progress in member countries and Muslim communities individually as well as jointly in accordance with the principles of the Shari'ah. To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering the people.

Eligibility criteria
Members of the Organisation of Islamic Cooperation that contribute to the Bank and accept the terms and conditions defined by the IsDB Board of Governors.

Who can borrow?
Both public and private sectors, large and medium sized projects, and small enterprises in member countries. Over 90% of all financing is sovereign guaranteed.

FINANCIAL STATEMENT

Credit rating
AAA

Financing sources
- Shareholders capital, retained earnings, funds generated internally through its foreign trade and project financing operations and ordinary capital re-resources (equity, Islamic capital market).

Capital
- Subscribed: $33 billion
- Paid-in: $7.1 billion
- Reserves: $3.5 billion

OPERATIONS

Annual grants and loans disbursed
- 2014-15: $5.2 billion
- 2013-14: $6.6 billion

Main instruments
- Concessional: grants and loans.
- Ordinary: Leasing, Istisna’a, installment sale, restricted Mudarabah.

Priority sectors
- Social Infrastructure and services: 30% ($1,214 million)
- Economic Infrastructure services: 53% ($2,166 million)
- Production Sectors: 11% ($447 million)
- Multi-sector/cross-cutting: 4% ($175 million)

Geographic focus of operations (% of total)
- Egypt: 19%
- Bangladesh: 17%
- Morocco: 7%
- Pakistan: 7%
- Turkey: 4%
- Other

Safeguards and procurement policies
Some environmental and social safeguards.

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Maturity</th>
<th>Grace period</th>
<th>Interest and other features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concessional loans under ordinary capital resources</td>
<td>15 to 25 years</td>
<td>3 to 7 years</td>
<td>Service fee up to 1.5%</td>
</tr>
<tr>
<td>Islamic Solidarity Fund for development loans</td>
<td>15 to 30 years</td>
<td>3 to 10 years</td>
<td>No interest rate applied in compliance with Islamic Finance. Service fee varies from 0.75 to 2%</td>
</tr>
</tbody>
</table>
MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Promote balanced development in member states; foster economic integration in West Africa.

Eligibility criteria
Members of the West African Economic and Monetary Union (WAEMU).

Who can borrow?
WAEMU member countries, their communities and government institutions; agencies, businesses and private individuals contributing to the economic development or integration of member countries; countries of the sub-region which are non-WAEMU members, their agencies or businesses.

FINANCIAL STATEMENT

Credit rating
BBB

Financing sources
Capital subscriptions by shareholders, appropriations from members, reserves, mobilisation of regional savings and resources outside the Union.

Capital
Subscribed $2.3 billion
Paid-in $507,641
Reserves $364 million

OPERATIONS

Annual grants and loans disbursed
$1 billion
Excluding the Energy Development Fund.

Main instruments
Medium- and long-term loans, equity investment in the share capital of companies or national financial institutions, financing of short-term operations.

Priority sectors
Sector share of top 4 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural development</td>
<td>14%</td>
</tr>
<tr>
<td>Basic infrastructure</td>
<td>6%</td>
</tr>
<tr>
<td>Modern infrastructure</td>
<td>57%</td>
</tr>
<tr>
<td>Financial institutions &amp; SME promotion boards</td>
<td>9%</td>
</tr>
</tbody>
</table>

Geographic focus of operations
WAEMU countries.

Typical terms and conditions of lending instruments

<table>
<thead>
<tr>
<th>Terms</th>
<th>CFA franc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>CFA franc</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Interest rates are fixed over the life of the loans. Variable rates can be applied on demand and depending on the Bank’s available resources. Interest rates are determined each year in line with the financial outlook.</td>
</tr>
<tr>
<td>Maturity and grace period</td>
<td>Maximum loan term is 12 years with a grace period of up to three years.</td>
</tr>
</tbody>
</table>
Central American Bank for Economic Integration (CABEI)

Established: 1960  |  Headquarters: Tegucigalpa, Honduras

MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Promote the economic integration and the balanced economic and social development of founding member countries. Attend to and align with the interests of member countries.

Eligibility criteria
Countries and public organisations with an international scope in accordance with the regulations established by the Board of Governors.

Who can borrow?
Public financial and corporate private sector.

FINANCIAL STATEMENT

Credit rating
A

Financing sources
Capital subscription, loans and bond issuances.

Capital
Subscribed: $4 billion
Paid-in: $0.7 billion
Reserves: $1.6 billion

OPERATIONS

Annual grants and loans disbursed
2014
$1.6 billion

Main instruments
Loans, co-financing, syndicated loans, guarantees, credit lines, working capital loans, trade finance, technical assistance and leasing.

Priority sectors
Sector share of top 4 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial intermediation</td>
<td>28%</td>
</tr>
<tr>
<td>Energy</td>
<td>27%</td>
</tr>
<tr>
<td>Industry</td>
<td>16%</td>
</tr>
<tr>
<td>Productive infrastructure</td>
<td>14%</td>
</tr>
</tbody>
</table>

Geographic focus of operations
Central America and other non-founding members.

Safeguards and procurement policies
Information not publicly available.

Typical terms and conditions of lending instruments
Not publicly available or defined on a case-by-case basis.
Development Bank of Latin America (CAF)

Established: 1970  |  Headquarters: Caracas, Venezuela

MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Promote sustainable development and regional integration by providing multiple financial services to clients in the public and private sectors of shareholder countries.

Members
19

Regional membership
Members
17

Who can borrow?
Public and private sector (banks and companies). In 2014, 80% of the loan portfolio were to sovereign borrowers.

FINANCIAL STATEMENT

Credit rating
AA-

Financing sources
Capital subscription, medium- and long-term debt issuances, deposits from central banks and other member government institutions.

Capital
Subscribed and paid-in: $4.9 billion
Reserves: $2.5 billion

OPERATIONS

Annual grants and loans disbursed
ADB (2013)
$6.1 billion

Main instruments
Medium and long-term loans, credit lines, equity investments, syndicated loans, guarantees, trade finance and grants.

Priority sectors
Sector share of top 3 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial systems</td>
<td>45%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>24%</td>
</tr>
<tr>
<td>Social and environment development</td>
<td>15%</td>
</tr>
</tbody>
</table>

Geographic focus of operations
Shareholders in Latin America, loans to banks in Portugal and Spain.

Safeguards and procurement policies
Policy Guidelines for the Compliance of Environmental and Social Safeguards. Time from negotiation to first disbursement are three to five months.

Typical terms and conditions of lending instruments
The minimum amount of an A/B loan should be $50 million. The maximum amount is based on the project and the capacity to attract investors within the framework of the norms set forth by CAF. Generally, CAF has to maintain a minimum of 25% of the total amount of an A/B Loan, by financing the A Tranche.
East African Development Bank (EADB)
Established: 1967 | Headquarters: Kampala, Uganda

MEMBERSHIP AND GOVERNANCE

Mandate and priorities
Promote sustainable socio-economic development in East Africa by providing development finance, support and advisory services.

Eligibility criteria
Member states of the East African Community, or other institutions with similar objectives for purposes of strategic partnerships.

Members
4

Plus 9 public/private banking institutions (3 development finance institutions and 6 commercial banks).

Voting share
Member states 90%

Who can borrow?
Public and private entities in member states.

FINANCIAL STATEMENT

Credit rating
BB

Financing sources
Capital, lines of credits, bond issuance and co-financing arrangements.

Capital
Authorised $1,080 million
Paid-in $173 million
Reserves $11 million

OPERATIONS

Annual grants and loans disbursed
$42.2 million

Main instruments
Medium-, long- and short-term loans, asset leasing, equity investment, loan guarantees and technical assistance.

Priority sectors
Sector share of top 4 priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, marine and food processing</td>
<td>19%</td>
</tr>
<tr>
<td>Commercial banks</td>
<td>18%</td>
</tr>
<tr>
<td>Education, health and other community services</td>
<td>16%</td>
</tr>
<tr>
<td>Electricity and water</td>
<td>15%</td>
</tr>
</tbody>
</table>

Geographic focus of operations
Regional member countries only.

Safeguards and procurement policies
Corporate social responsibility guidelines and an environmental policy.

Typical terms and conditions of lending instruments
Both foreign and local currency loans have a floating interest rate based on the EADB Reference Rate for each currency, plus a risk margin. The margin depends on the perceived risk of the borrower. The Bank’s Reference Rate is based on the average cost of funds per currency.
**MEMBERSHIP AND GOVERNANCE**

**Mandate and priorities**

Extend development capital and services to advance regional growth and integration through customer focused and innovative financing instruments. Finance and foster trade, socio-economic development and regional economic integration across member states.

**Eligibility criteria**

Membership is open to Common Market for Eastern and Southern Africa (COMESA) and non-COMESA states, non-regional countries, as well as institutional shareholders (e.g. African Development Bank).

**Regional membership**

<table>
<thead>
<tr>
<th>Members</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>81%</td>
</tr>
</tbody>
</table>

Who can borrow?

PTA limits its lending to the corporate sector; companies may have links to governments (e.g. parastatals) in member countries.

**FINANCIAL STATEMENT**

**Credit rating**

BB

**Financing sources**

Callable capital, paid-in capital and reserves to borrow additional funds.

**Capital**

- **Subscribed**
  - $3 billion
- **Paid-in**
  - $307 million
- **Reserves**
  - $314 million

**OPERATIONS**

**Annual grants and loans disbursed**

- 2012: $160.5 million
- 2013: $210.9 million

**Main instruments**

Project and infrastructure finance to public and private sector projects in most sectors of the economy.

**Priority sectors**

<table>
<thead>
<tr>
<th>Sector share of top 4 priority sectors</th>
<th>Trade Finance</th>
<th>Project &amp; infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemical 52%</td>
<td>Energy 37%</td>
<td></td>
</tr>
<tr>
<td>Agribusiness 37%</td>
<td>Transport and logistics 15%</td>
<td></td>
</tr>
<tr>
<td>Banking and financial services 5%</td>
<td>Real estate 14%</td>
<td></td>
</tr>
<tr>
<td>Aviation 3%</td>
<td>Manufacturing and heavy industries 9%</td>
<td></td>
</tr>
</tbody>
</table>

**Geographic focus of operations (% of total)**

- Kenya 36%
- Mauritius 20%
- Ethiopia 14%
- Rwanda 10%
- Tanzania 10%
- Other

**Typical terms and conditions of lending instruments**

Interest rates for direct financing and lines of credit are determined by the PTA, reflecting the cost of funds, risk exposure and margin. Rates can be fixed or floating depending on nature and source of funds.