

Statement by Multilateral Development Banks: Delivering on the 2030 Agenda

WASHINGTON, October 9, 2016 – The Heads of the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank Group, the International Finance Corporation, the Islamic Development Bank, the New Development Bank, the World Bank, and the International Monetary Fund issued the following statement today:

1. Last year, the Third International Conference on Financing for Development, the UN Sustainable Development Summit, and the 21st Conference of the Parties to the UN Framework Convention on Climate Change yielded some of the most ambitious global commitments ever made—commitments that are critical to improving lives and protecting the planet. The adoption of the 17 SDGs by the international community launched an ambitious 15-year global agenda to end poverty, fight inequality, and tackle climate change, while leaving no one behind.
2. MDBs and the IMF play a critical role in supporting their member countries' efforts to translate the SDGs that underpin this agenda into meaningful country-level targets, policies, programs, and projects needed to achieve them. They provide not only the necessary financing—either directly or by helping to “unlock” and catalyze additional public and private resources—but also policy advice and technical assistance supporting countries to build domestic capacity and to identify needed priority investments with the right standards. At the same time, the IMF and the World Bank are strengthening their debt sustainability assessment tools to ensure that investment scaling-up does not threaten the sustainability of public finances. To address the challenges of the 2030 Agenda for Sustainable Development, we are stepping up efforts—within our respective mandates and governance structures—to make the best possible use of our respective business models, enhance the multiplier effect of our financing, expand our technical assistance, disseminate and share our knowledge and best practices, and provide innovative and integral solutions to multidimensional development problems.
3. Throughout 2016 we have continued to enhance our coordination and collaboration, and came together to agree on common actions to address critical issues of the 2030 Agenda such as forced displacement, infrastructure, urbanization, climate finance and private investment. We launched the first Global Infrastructure Forum in April, which brought together public and private partners to highlight opportunities for investment in order to bridge the infrastructure gap, and have already begun working on preparing the second Forum to be held at the same time as the IMF-World Bank Group Spring Meetings in April 2017, focusing on inclusive, sustainable infrastructure. Likewise, we committed to tackle forced displacement at the World Humanitarian Summit in Istanbul in May and we have started launching new facilities to address its root causes. Furthermore, through a special joint Task Force, the MDBs advanced on harmonizing methodologies and common metrics to quantify private finance catalyzed by our institutions. We intend to start jointly reporting measures of private direct mobilization and private cofinancing in 2017, building on existing joint MDB reporting of private climate cofinancing. We will encourage other Development Finance Institutions and OECD to adopt the same methodology, facilitating greater global transparency on the development community's efforts to catalyze private finance. And finally, for the Habitat III Conference in Quito in October, MDBs will be joining forces to mainstream and implement the UN New Urban Agenda to promote equitable, sustainable, and productive urbanization.
4. In Paris, countries committed to make a leap forward towards achieving climate resilience and net-zero emissions from 2050 onwards. MDBs are deeply committed to this agenda and are aligning our organizations and our joint actions with it. We are developing together a joint climate action

partnership aimed at developing a more collaborative and coherent approach, within our respective institutional mandates, to working with countries to implement their NDCs and develop their adaptive capacities. We will focus on scaling up low-carbon and climate-resilient investments for sustainable infrastructure, including in particular speeding the energy transition consistent with the Paris Agreement. We will do this by aligning our financial flows with the countries' pathways to low-carbon and climate-resilient development, by increasing the predictability and ease of access to concessional resources, such as the Green Climate Fund, and by leveraging private finance for climate investments. In addition, the IMF and the World Bank Group will provide technical assistance to countries seeking to implement carbon taxation as an efficient tool for containing emissions.

5. Forced displacement poses a significant challenge to progress on the SDGs, and we have committed to work together on a new humanitarian-development partnership. Concessional financing and support for building institutional capacity for fragile and conflict-affected states are as important as ever. Additionally, we are working to bridge the gap between humanitarian and development assistance by ensuring support to countries hosting large numbers of refugees. Two new facilities are helping to do this: the World Bank's Global Concessional Financing Facility, part of its Global Crisis Response Platform, and the European Investment Bank's new Resilience Initiative for EU's Southern Neighborhood and Western Balkans. Those complement other efforts already in place, such as IDB's Alliance for Prosperity Plan in the Northern Triangle.
6. In line with the Addis Ababa Action Agenda and the G20 call, MDBs have been individually and collectively implementing several measures to optimize our balance sheets, from exposure exchange agreements that diversify our portfolio concentration to merging and leveraging concessional windows with accumulated equity and increased liquidity. Furthermore, we are stepping up internal revenue and expenditure actions to increase available medium-term capital as part of a Value-for-Money agenda. Given the growing financing demands that the 2030 Agenda entails and the financial capacity limits which many of our institutions are reaching, efforts to optimize capital will continue. These efforts should be complemented by other mechanisms to reinforce MDB resources, including through necessary shareholder support.
7. Going forward, we will redouble our efforts to scale-up financing for development as well as the capacity to achieve the SDGs by leveraging, mobilizing, and catalyzing resources at all levels. To that end, we are stepping up our efforts to further build up our range of instruments that share risk in non-sovereign operations with private investors, including syndications, structured finance, mezzanine financing, credit guarantee programs, hedging structures, and equity exposure. Moreover, we are working with our public and private sector clients, helping them create an enabling environment conducive to increased domestic and international investments. Likewise, MDBs and the IMF are expanding our policy guidance and technical assistance to support country efforts to increase their domestic resource mobilization. Furthermore, we are ramping up our support to countries to build data capacity to measure and monitor progress towards their global commitments. To build up a pipeline of well-prepared projects, in recent years, many of our institutions have launched new project preparation facilities. On the capacity building front, MDBs continue to collaborate across a number of joint platforms.
8. The 2030 Agenda is a trillion-dollar one, and official assistance flows will be nowhere near enough to finance it. Meeting the SDGs will require building a financing framework that channels more resources from more sources, particularly the private sector. This requires enhancing existing partnerships and building new ones with the private sector—including institutional investors—to mobilize financing for development. With our country clients in the lead, we reaffirm our commitment as development institutions to deepen and widen our partnerships with both the private and public sectors. We will individually and collectively bring in emerging and existing global, regional, sub-regional and national partner institutions and, together, contribute to the success of the 2030 Agenda, helping countries to leverage the financing and knowledge of the MDBs and the IMF to address their

most pressing development challenges and, as such, contribute to achieving the transformative outcomes that the SDGs entail.