

Private Finance Made Available

Measuring MDB/DFI Investment Flows



A Brief History by
The MDB Task Force on Mobilization



This brief history was prepared by a group of Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs), collectively known as the “MDB Task Force on Mobilization,” composed of the African Development Bank (AfDB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), CAF—Development Bank of Latin America and the Caribbean, the European Development Finance Institutions (EDFI), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB Group), the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IDB Invest), the International Finance Corporation (IFC), the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Development Bank (IsDB), the Multilateral Investment Guarantee Agency (MIGA), and the World Bank (WB). The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the official views of the MDBs/DFIs’ Boards of Executive Directors or the governments they represent.

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Introduction

Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs) play a vital role in bringing private finance into emerging markets.¹ Since 2016, the MDB Task Force on Mobilization (the “Task Force”²) has used a harmonized methodology to estimate the “mobilization” of this private finance, or the amount “made available”³ by investors for activities in which MDBs also participate, and a common measurement framework to track the results of MDB efforts to mobilize private capital.⁴ This is known as the MDB Methodology for Private Investment Mobilized, also referred to as the MDB “joint mobilization methodology.” Using this MDB joint mobilization methodology, the Task Force also published annual private mobilization estimates alongside stocktaking, case studies, and detail on innovations and other market trends in its *Mobilization of Private Finance by Multilateral Development Banks and Development Finance Institutions* flagship report (the *MDB Joint Report*). The Task Force also published a *Mobilization Reference Guide* to help users understand, interpret and apply the MDB joint mobilization methodology and put it to use in reporting.

In 2026, the Task Force finished an update of the MDB joint mobilization methodology. This update was driven by the increasing complexity and amount of innovation in MDB product offerings, and the growing importance of (and need to recognize) different flows of private money beyond mobilization within development finance. This overview summarizes these improvements and highlights reference materials and supporting documents designed to help members apply the revised joint measurement and reporting methodology. To set the context for all of this, it also provides a brief history of MDB mobilization, shows why it is even more important now, and builds the case for why a clear and consistent methodology is critical for the MDB mission.

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1. For brevity, in this publication, “MDBs” refers to both MDBs and DFIs.
 2. Formerly known as the MDB Task Force on Private Investment Catalyzation, see “Joint MDB Reporting on Private Investment Mobilization: Methodology Reference Guide.”
 3. The phrase “made available” is commonly used across the definitions of all the indicators discussed in this document, and in the MDB methodology. It is thus that it forms the title of this overview.
 4. Task Force member institutions are listed in the Annex.
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A Brief History of MDBs and Private Finance

Origins of Development Banks and Private Finance in Development

Helping to make private finance available for development purposes has a long and distinguished history among MDBs. The roots of this activity trace back to 1944, when the Articles of Agreement for the International Bank for Reconstruction and Development (IBRD), now part of the World Bank Group, first noted its critical role, stating the Bank was formed:

“... to promote private foreign investment ... made by private investors; and when private capital is not available on reasonable terms, to supplement private investment by providing ... its own capital, funds raised by it and its other resources.”

While this was the first such charter, other MDBs chartered subsequently have similar provisions that recognize or encourage those institutions to bring in private investors, with some institutions even requiring that projects not be fully financed by the institution alone. Across MDBs, these provisions reflect a shared mandate to involve private investors and ensure that projects are not solely reliant on MDB financing, thereby fostering greater private sector participation in development.

The ability to crowd in private capital to supplement MDBs' own financing was originally referred to as “private co-financing.” Since those Articles written in 1944, this concept of shared participation and shared risk has expanded from the rebuilding and reconstruction in the original mandate of wartime economies to include support for developing countries outside of Europe. These countries had much higher levels of risk and were less known to investors, and this required MDBs to invest heavily themselves to derisk opportunities in what were eventually known as “emerging economies.” As these markets began to develop, projects there were also able to attract private finance in addition to MDBs' own investments, and this additional private finance became important to recognize as, again, helping make this available was core to the MDBs' own mandates.

For many decades, individual MDBs reported on the private finance made available for specific projects, but such data was not comprehensive, aggregated, or measured through a unified framework. Consistent reporting of this private investment, important to many shareholders of the MDBs, was urgently needed.

Shifting from Co-finance to Mobilization

In 2012, the Organisation for Economic Co-operation and Development (OECD) began to collect this information on private finance that supplemented MDB and other official development funding interventions. Their involvement in data collection marked the first use of the term *mobilization*.

The OECD and its Development Assistance Committee (DAC) needed a precise definition of the causal link between an official public intervention, such as an MDB guarantee or a loan, and the private finance consequently attracted to a development project. The term *mobilization* was specifically chosen to represent this cause-and-effect relationship, ensuring reported data only reflected private investment that would not have occurred without official intervention.⁵ This narrowed scope distinguished mobilization from other private capital flows not directly influenced by public development finance. It also replaced other terms used to refer to private funding brought in by official interventions, such as “co-finance.”

Mobilization and the Sustainable Development Goals (SDGs)

In 2015, the international community adopted the SDGs and recognized that achieving these goals would require trillions of dollars—far more than the billions that public sources of funding could provide. This fueled growing consensus on the need for a common methodology to comprehensively track and report mobilization, to understand the full, accurate picture of what MDBs were already doing.

At the Third International Conference on Financing for Development held in Ethiopia in 2015, delegates stressed the importance of “mobilizing and effectively using all resources.” Critically, the Addis Ababa Action Agenda (AAAA) established the concept of using public funds strategically to “catalyze, mobilize, and crowd in” private investment. This was a significant shift in thinking, where public finance was seen not only as a source of funds able to bring investors along as well, but also as a tool to leverage much larger private flows.

MDBs recognized that strong public policies, regulatory frameworks, and good governance were essential to creating an enabling environment for investors. Energized by the AAAA, they renewed their efforts to crowd in private investment at an unprecedented scale, and began work to develop a comprehensive method to measure and track these flows.

5. In this, the term “mobilization” is superior to “co-finance.” The latter does not imply any cause-and-effect; its use implies that investors could just be participating randomly, without any recognition of the MDB role at all.

The Drive to Standardization

While the OECD collected mobilization data and was the first source of comprehensive reporting on total flows, defining and qualifying mobilization was not done in a standardized way across the reporting institutions. Over the past two decades, MDBs had progressively developed their own corporate results frameworks and scorecards to monitor development outcomes and institutional performance, including aspects related to private sector engagement. However, these frameworks were designed primarily for internal performance management and accountability, and were developed independently across institutions. As a result, differences in definitions, methodologies, and reporting practices persisted, highlighting the need for a harmonized approach to measuring and reporting private investment mobilization across the MDB system.⁶

To standardize a system-wide approach to this important concept, the MDB Task Force on Mobilization was formed in 2016, with the International Finance Corporation serving as the Secretariat, and an initial membership of 7 institutions.⁷ The Task Force then created the MDB joint mobilization methodology, which standardized mobilization definitions and harmonized how this data was measured and reported. This methodology has been used to date to capture comprehensive mobilization data across all members, which is then published annually in the *MDB Joint Report*. It provides a common framework and reference point not only for MDBs but also for shareholders, governments, policy makers, the private sector, and civil society to better understand trends, innovations, and drivers of private finance in MDB-led development activity.

Growth in Demand for Private Finance and the Need for Change

The international community aims to achieve the SDGs by 2030. As that date draws closer, and official budgets have tightened, the role of the private sector has become more critical, and calls have grown louder for the MDBs to more fully engage with additional potential sources of financing. In 2017, for example, the G20 called for MDBs to increase mobilization by 25-35 percent by 2020.⁸ The UN's Financing for Sustainable Development Report in 2019 also called for action at all

6. MDB corporate results frameworks and scorecards emerged progressively across institutions as part of a broader shift toward managing for development results. For example, the World Bank Group launched a unified Corporate Scorecard in 2014 to monitor results across its institutions. The Inter-American Development Bank (IDB) implemented a Corporate Results Framework in the early 2010s (formalized under IDB-9 and in use by 2012–2013) to strengthen results-based management. The Asian Development Bank (ADB) introduced its Corporate Results Framework in 2008 as a key tool for tracking development effectiveness and institutional performance. These frameworks evolved in parallel across MDBs and were not initially designed for cross-institution comparability. Today, the only harmonized indicators common across all MDB scorecards that allow benchmarking and aggregation are private mobilization (thanks to the *MDB joint mobilization methodology*) and climate finance.

7. ADB, AfDB, EIB, EBRD, IDB, WB, IFC. IFC still serves as the Secretariat.

8. *Hamburg Update: Taking Forward the G20 Action Plan on the 2030 Agenda for Sustainable Development*.

levels to help reach the SDGs, and cautioned that the goals would not be reached without such action.⁹

The MDBs met the G20's goal one year behind schedule—by 2021 they had increased mobilization by 49 percent, so they were making progress. But in 2022, the G20 raised the bar further, calling on MDBs to “mobilize and catalyze \$500 billion” by 2030.¹⁰ Given that MDBs had mobilized \$244 billion in calendar year 2021, this amounted to doubling the total finance provided within just seven years. Something had to change.

Getting to 2030: Innovation and a Broader Focus

In 2023, the *Triple Agenda* report from the G20's Independent Experts Group made several recommendations on how to meet this ambitious mobilization target. The most prominent recommendation was a move away from “originate to hold”—the longtime MDB business model of developing bankable projects in which they co-invest and which they hold to maturity. Instead, the report recommended a shift to “originate to distribute”—where MDBs acted more like commercial and investment banks, taking smaller portions of or short-term positions in projects shared with private investors. This would require a massive change in MDB thinking, and a broadening of products from current portfolios to include those that encourage earlier private sector participation, and enable MDBs to quickly shift out of their project positions and transfer all or a portion of them or the remaining risk in them to private investors once de-risked.

The Triple Agenda report also emphasized the need for *catalyzation*.¹¹ The concept of catalytic finance dates back to most MDB charters, and while the 2015 AAAA explicitly made a call for it, catalyzation had received much less focus than mobilization thus far. Catalyzation involves MDBs helping make available private finance for development activities in emerging markets, not through their investing and the confidence it provides for others to invest, but *as a result* of it, and as a result of other non-investment activities, such as preparing and helping to launch bankable projects, fostering conditions that enable the growth of healthy and robust markets, or policy and regulatory reforms that address binding constraints to private investment in key sectors such as infrastructure.

MDBs were being asked by the G20 in essence to return to their roots by the inclusion of catalyzation—as the original charter put it, helping to make private finance available through its “own capital,” but only as part of a broader mandate to “promote private investment”—that is, helping to make private finance available not only through MDB financing, but through a wider set of interventions that promoted investment, such as project preparation, policy and regulatory reforms, and market creation, among others. Catalyzation was thus returned to the MDBs' toolkit as another important means to meet their goals.

9. *Financing for Sustainable Development Report 2019*.

10. *Strengthening Multilateral Development Banks: The Triple Agenda Report of the Independent Experts Group*.

11. *Strengthening Multilateral Development Banks: The Triple Agenda Report of the Independent Experts Group*.

Updating the Model and Methodology

By 2023, with this new G20 call, it was clear that since the MDB joint mobilization methodology was no longer fully capturing the evolving products, tools, approaches and mandates required to address these growing goals, including those needed to operate an originate-to-distribute model and to catalyze investment downstream, it was important to ensure it did so. Recognizing this, in 2024 the Task Force began to review and update the MDB joint mobilization methodology. This initiative also addressed shareholder demands for “further reporting on private sector mobilization.”¹²

The growth in mobilization measurement had led to new reporting, new targets, and in some cases, divergent understandings of mobilization itself. The Task Force aimed to strengthen the definitions for each flow and create consistent and rigorous principles and guidelines, while allowing room for innovation. The updated methodology lays out clear foundations for estimating mobilization rigorously and consistently, as well as providing a basis for future growth. While the Task Force has produced what in many ways is a fundamentally new methodology and system of measurement—history shows in other ways, as this short overview has made clear, this 2026 revision brings MDBs back to their original charters, and will help them better meet the goals those charters laid out.

12. Viewpoint Note: *MDBs working as a system for impact and scale.*

Principles of the MDB Joint Methodology

There are several overarching principles that govern the definitions and individual coverage decisions reflected in the individual methodologies.

Different Indicators for Different Flows of Finance

There are many ways that MDBs can help to crowd in financing for development. Different activities have different impacts on capital flows and thus should be measured in different ways. This requires different indicators.

The founding documents for many MDBs also recognize these distinct roles: sometimes it would be sufficient to “promote” private investment, sometimes this needs to be “supplemented” with MDB resources when private investment is not sufficient. MDBs may use their “own capital” or “funds raised by it.” These are in essence three distinct activities: promoting investing, investing with your own funds, and raising funds to invest.¹³

Following this logic, the ways in which MDBs distinguish between their different activities and resulting financing, as identified and endorsed by this Task Force, are:

- Risk: Financing that results from investors willing to take project risk is distinct from that made available from investors seeking exposure to MDB risk.
- Timing: When the financing is made available matters—whether prior to, contemporaneous with, or following an MDB investment or advisory intervention.
- MDB participation: Whether or not the MDB also participates in the financed activity.

The following indicators are based on these differentiating and distinguishing characteristics of MDB activities and resulting flows of funding:

13. Language present in several MDB charters.

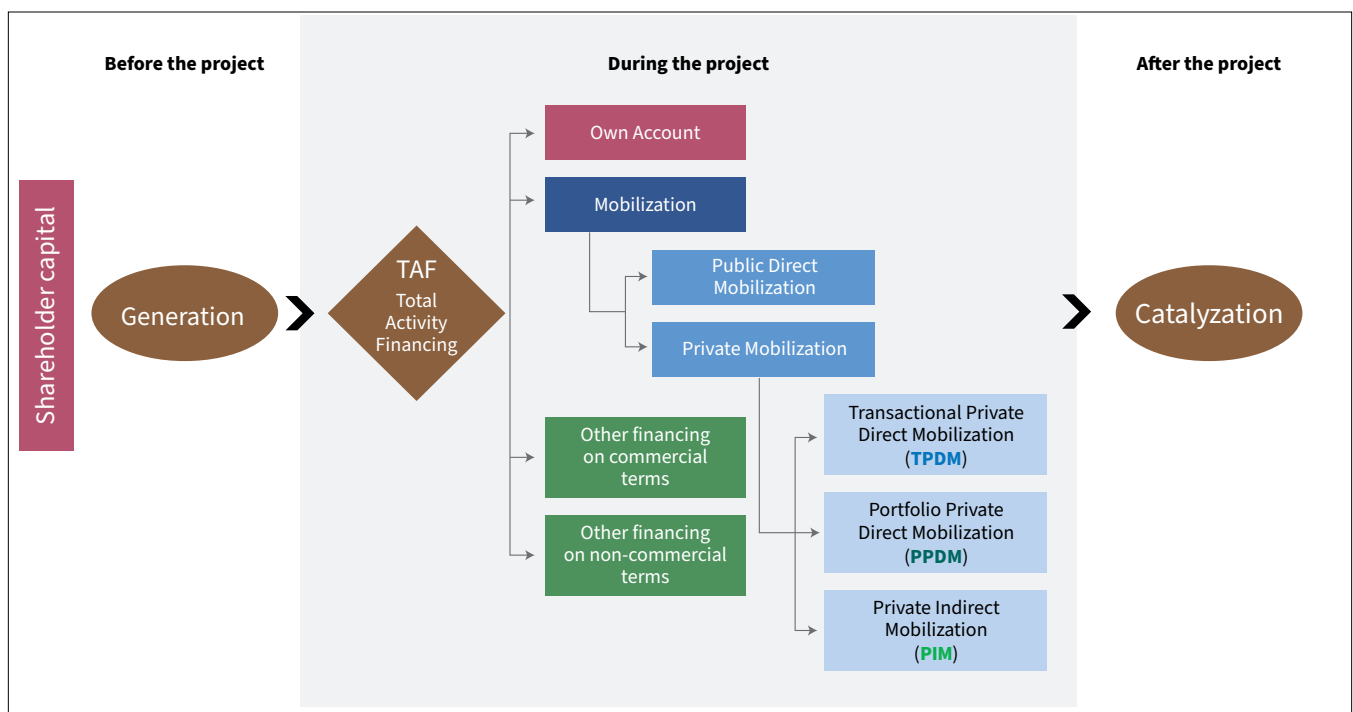
- **Generation** estimates the financing *made available for, or in place of, MDB financing* of activities, or in support of the MDB’s development mandate, because of the MDB’s credit, balance sheet, or other capabilities. This reflects the “funds raised by” the MDB.
- **Mobilization** estimates the private financing *made available for an activity* which an MDB is also financing. This reflects the MDB investment with its “own capital.”
- **Catalyzation** estimates the private financing *made available because of, or as a result of, an activity* financed by an MDB or conducted with MDB advisory services. This is where the MDB “promotes” private investment.

Figure 2.1 illustrates these flows. Generation happens *before the project* and measures financing made available that the MDB *plans to use* for development activities or to further its development mission. Mobilization happens *during the project*, and estimates financing made available for activities happening *contemporaneously* to the MDB financing, in which it takes part. Catalyzation happens *because of, or as a result of, the MDB or MDB-financed activities*, and goes beyond own account and mobilization.

To avoid significant risk of mixing flows that represent different activities, these three amounts *must not be aggregated or conflated*.

The definitions of each of the activities also capture a logic of why “double counting” of amounts *between* indicators is expected. The same money can represent

Figure 2.1. A Mapping of Private Investment in MDB Development Finance



the results of different actions at different points in time by different actors. The work product of an MDB in advisory or investment can catalyze a farther downstream project and its investment. However, for this investment to be made available in actuality, another MDB may need to make a commitment to the downstream project. This may involve an MDB's direct investment and thus mobilize additional funds. And some of that investment may use funds it has generated. These different actions may lead to the same impact and, possibly, involve the same amount of money qualified separately in three different indicators. These indicators are therefore considered measures of impact, not accounting indicators, so they do not need to be able to sum.

Thus, the same financing may be included more than once across different indicators, reflecting a true measure of impact from different actions. It is not the same as when the *same* action of two MDBs (investing in a project for example) causes the same financing, which would be reported within a single indicator. In such cases, the results of this action of MDBs should be the subject of allocation between them.

Using the Guides

How to Use the Reference Guides

The updated MDB joint mobilization methodology and *Mobilization Reference Guide* were finalized in 2026. As MDBs also now recognize different flows of private finance beyond mobilization, captured in new indicators, this created the need for additional reference materials. Thus, since the Task Force developed the “MDB Methodology for Generation” (the MDB joint generation methodology), the Task Force also developed a *Generation Reference Guide* to help users understand and interpret the generation methodology and apply it to reporting, as with mobilization.

The reference guides outline the principles, parameters, and methodology for reporting. Each guide contains:

- An overview of the concept and building blocks of each indicator as well as the agreed definition.
- Descriptions and guidance of categories within the indicator.
- Detailed guidance for individual products, activities or components of the indicator.
- Allocation guidance, comparisons to other international standards, and other reference information.

For catalyzation, MDBs are still collaborating closely to develop a final approach for this indicator. As this work has added complexity due to the difficulty sometimes involved in estimating it (involving calculations of amounts necessarily in the future in some cases)—in contrast to the comparably more straightforward nature of generation and mobilization estimation—they will provide a progress note outlining the status of those efforts along with this Brief History and the other reference materials.

Members of MDB Task Force on Mobilization

As of October 2026, the Task Force was composed of the following MDBs and DFIs:

- African Development Bank (AfDB)
- Asian Development Bank (ADB)
- Asian Infrastructure Investment Bank (AIIB)
- CAF—Development Bank of Latin America and the Caribbean
- European Bank for Reconstruction and Development (EBRD)
- European Development Finance Institutions (EDFI)¹⁴
- European Investment Bank (EIB Group)
- Inter-American Development Bank (IDB)
- Inter-American Investment Corporation (IDB Invest)
- International Finance Corporation (IFC)
- International Islamic Trade Finance Corporation (ITFC)
- Islamic Corporation for Insurance of Investments and Export Credits (ICIEC)
- Islamic Corporation for the Development of the Private Sector (ICD)
- Islamic Development Bank (IsDB)
- Multilateral Investment Guarantee Agency (MIGA)
- World Bank (WB)

The list of Task Force member institutions will be updated to reflect new members that join and participate in joint reporting. The updated membership list will be published in the *MDB Joint Report*.

14. EDFI membership consists of BII (United Kingdom), BIO (Belgium), Cofides (Spain), DEG (Germany), Finnfund (Finland), FMO (The Netherlands), Impact Fund Denmark (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SIFEM (Switzerland), Simest and CDP Development Finance (Italy), SOFID (Portugal), and Swedfund (Sweden).

