ECONOMIC AND PRIVATE SECTOR
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HELPDESK REQUEST

Development Finance Institutions

A brief mapping and profiling literature review

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Overseas Development Institute
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Abbreviations

ADB	Asian Development Bank
AFD	Agence Francaise de Developpement
AfDB	African Development Bank
BRICs	Brazil, Russia, India & China
CDC	Commonwealth Development Corporation
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DFI	Development Finance Institution
DFID	Department for International Development
EBRD	European Bank of Reconstruction & Development
EDFI	European Development Finance Institutions
EIB	European Investment Bank
EU	European Union
FMO	Financierings-Maatschappij voor Ontwikkelingslanden
HIPC	Highly Indebted Poor Country
IADB	Inter-American Development Bank
IFC	International Finance Corporation
JBIC	Japanese Bank for International Cooperation
KFW	Kreditanstalt für Wiederaufbau
LDC	Least Developed Country
LIC	Low Income Country
MENA	Middle-East & North Africa
MIGA	Multilateral Investment Guarantee Agency
PIDG	Private Infrastructure Development Group
SME	Small & Medium Enterprise
WB	World Bank

1 Introduction

1.1 Methodology

The paper, carried out under the DFID Economics and Private Sector Professional Evidence and Applied Knowledge Services (EPS-PEAKS) framework seeks to provide a profile and mapping of Development Finance Institutions(DFIs).

The first section of the paper provides a brief methodology explanation and summary of findings. The second section compares and maps out different development finance institutions (DFI) and donors with respect to their activities, geographic distribution, ownership and other key indicators. The mapping draws on relevant data and information from annual reports and websites on key multilateral and bilateral DFIs under public as well as mixed ownerships and forms. This data is presented in the third section, as a series of individual profiles for each DFI. The final section highlights some initial findings that can be drawn from the exercise.

There are a number of caveats that must be applied to this mapping exercise. The first is that the mapping and profiling exercise, as represented by this paper, was limited in both scope and scale by the nature of the PEAKS process. The second but perhaps foremost is the general incomparability of data as reported by the DFIs themselves, this has meant that the mapping and profiling exercise is based on limited (and incomplete) data. This results in a document that can be used as a general primer on DFIs but should not be used as a source of comprehensive information on their activities. The third caveat is that the institutions included in the mapping and profiling were chosen based on the requirements of the helpdesk and are thus not limited only to institutions traditionally defined as DFIs.

1.2 Summary of Findings

- **DFI reporting is disjointed** as they use a wide variety of reporting systems for various aspects of its operations making comparisons difficult and the identification of gaps in investments problematic.

- **Ownership** of DFIs is divided into three categories i.e. multilateral organisations are owned by participating member states whilst bilateral organisations are either solely owned by an individual member or by both the government and private sector.

- DFI size reflects its membership with multilateral organisations being larger and having access to more funds than bilateral DFIs.

- DFIs mainly use three types of **instruments** i.e. loans, equity investments and guarantees. Loans represent a majority of DFI investments whilst equity use is more varied and is more prevalent in bilateral DFIs than in multilateral DFIs.

- **Regional distribution** varies widely but on average most financing goes towards Sub Saharan Africa and Asia.

- **Sectoral** investment data shows that DFIs concentrate investments in two sectors i.e. the finance and infrastructure sectors but there is divergence between DFIs.

2 DFI Mapping

Development Finance Institutions (DFIs) are government controlled institutions that invest in sustainable private sector projects while spurring development in developing countries and remaining financially viable (Dalberg, 2010). They tend to occupy the space between foreign aid and private investment and target countries or regions where access to private sector funding is limited.

Most Low Income Countries don't have the sovereign credit ratings (between 'AAA' and 'BBB') to attract borrowers. Similarly, companies operating in these markets also find access to finance to be a major constraint to operations and growth. DFIs fill this financial gap as providers of both sovereign finance (to governments) and non-sovereign finance (to private sector entities). They operate under four conditions (Lemma, 2015) i.e. they need to be additional, create catalytic effects, have a developmental impact as well as operate on the basis of net positive financial returns.

DFIs often invest in areas that commercial entities may not approach i.e. in poorer countries and higher risk industries and sectors. This highlight's the 'additionality' role that is often a part of most DFI mandates i.e. providing finance that is additional to that provided by the market either through more favourable terms or through the provision of finance where none is available. DFI's also intend to act as a catalyst to help attract and mobilise private investors. When a DFI is ultimately crowded out (by private sector actors) of an investment, it could be considered an indicator of DFI's success (Evans and Griffith, 2012).

DFIs also focus on their developmental impacts and aim to achieve poverty reduction by stimulating growth and wealth creation through the development of the private sector. They invest in sustainable private sector projects and aim to maximise the impact on development. (Kingombe et al. 2011). DFIs investment evaluations show that their investments often make a positive contribution to both employment and productivity as well as showing (limited) evidence of positive financial deepening (Lemma, 2015).

The following section seeks to map and compare key characteristics of DFIs namely their ownership structure, the activities and instruments that they use in their operations, the regions that they operate in and the sectors that they carry out investments in. The section provides comparative evidence where data is available using, at the individual DFI level, either the latest reported annual data or total portfolio data. In order to provide comparative data, percentages of investment volumes have been used, however the limited availability of comparative data means that the information provided here should be used as a primer, rather than a definitive source of information.

2.1 Ownership

Ownership types vary across the DFIs examined in this study. Multilateral DFIs are usually owned entirely by the public sector - all of their member countries, although the weight of each single member's voting power varies significantly. Regional multilateral DFIs are often owned by member governments within the region as well as from outside the region. These include ADB, AfDB and IDB. EIB and EBRD on the other hand, are entirely owned EU member states alone. Bilateral DFIs can be owned by the public and the private sectors. For instance, CDC, DEG, Swedfund, AFD and JBIC are 100% owned by their respective governments and whereas Proparco, FMO have a mixture of public and private ownerships. Table 1 below provides a brief summary of the ownership (or membership) structure of the DFIs included within the study.

Table 1: Summary of DFI ownership

DFI	Ownership
IFC	184 member countries
MIGA	26 industrialised countries and 156 developing countries;
EIB	28 member states of the European Union; Germany, France, Italy and UK are the top four contributors with equal amounts; http://www.eib.org/about/structure/shareholders/index.htm
ADB	67 regional members (65.125% voting power) and 19 non-regional members (34.875% voting power) http://www.adb.org/sites/default/files/page/30786/files/oi-appendix1.pdf
AfDB	54 African countries (regional member countries) plus 26 non-African countries (non-regional member countries)
IDB	Shareholders are 48 member countries, including 26 Latin American and Caribbean borrowing members, who have a majority ownership of the IDB. http://www.iadb.org/en/about-us/member-countries,6291.html
EBRD	The EBRD is owned by 64 countries, the European Union and the European Investment Bank. http://www.ebrd.com/shareholders-and-board-of-governors.html
CDC	100% owned by the United Kingdom government
DEG	100% owned by KfW (see below for KFW ownership)
FMO	51% by the Dutch State, 49% by commercial banks, trade unions, and other private sector representatives;
Proparco	63% owned by French government and 23% owned by French financial organisations and 12% owned by international financial organisations;
Swedfund	100% owned by the Swedish government
KfW	80% by the German Federal government and 20% by the individual German states
JBIC	100% owned by the Japanese government
AFD	100% owned by the French government

2.2 Activities and instruments

DFIs provide loans, guarantees, equity positions to the private sector for a period between 10-15 years. Specifically, they provide finance to financial institutions that provide long-term capital and know-how to local small and medium sized enterprise (SMEs); to private sector intermediaries (such as funds of funds) which in turn, invest in underlying private enterprises that involved in development projects; and to underlying private enterprises. Agencies such as the IFC also provide technical assistance as such as advisory service to project sites.

The instrument table (table 2) below illustrates the main range of instruments that DFIs deploy in their activities. The most common instruments are loans, equity and guarantees, while other instruments (highlighted in table 3) like grants, advisory service, funds, risk management products, trade finance and bonds are also available. Large DFIs like the IFC, offers a broad range of instruments and services, whereas specialist institutions such as MIGA would only one specific type of instrument. Note that some DFIs have very specific instruments that are not used by others i.e. the ADB (a US$ 6.6 billion in Direct Value Adding Co-financing in 2013) or the AfDB (who invested US 22.3 million into an HIPC fund in 2013).

Table 2: Main Instruments used by DFIs

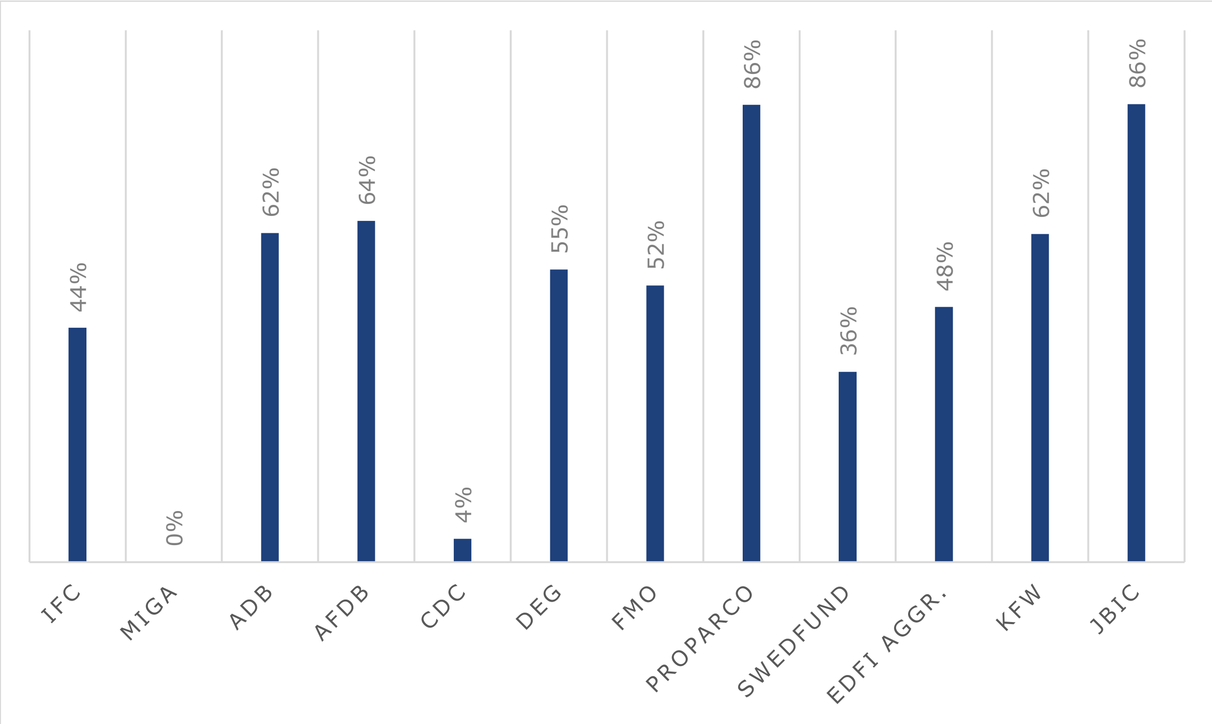
DFIs	Loans	Equity	Guarantees
IFC	✓	✓	✓
MIGA			✓
EIB	✓	✓	
ADB	✓	✓	✓
AfDB	✓	✓	✓
IDB	✓	✓	
EBRD	✓	✓	✓
CDC	✓	✓	✓
DEG	✓	✓	
FMO	✓	✓	✓
Proparco	✓	✓	
Swedfund	✓	✓	
AFD	✓	✓	✓
KfW	✓		
JBIC	✓	✓	✓

Table 3: Additional Instruments used by DFIs

DFI	Grants	Risk Management	Advisory & Technical services	Trade Finance	Bonds	Funds Management
IFC		✓	✓			
MIGA						
EIB				✓	✓	
ADB	✓		✓			
AfDB	✓					✓
IDB			✓			
EBRD			✓			
CDC						
DEG						
FMO						
Proparco						
Swedfund						✓
AFD	✓					✓
KfW	✓					✓
JBIC						

The instrument charts below (figures 1 to 3) illustrates the percentages of DFIs' portfolios in the three main instruments – loans, equity/quasi-equity and guarantees.

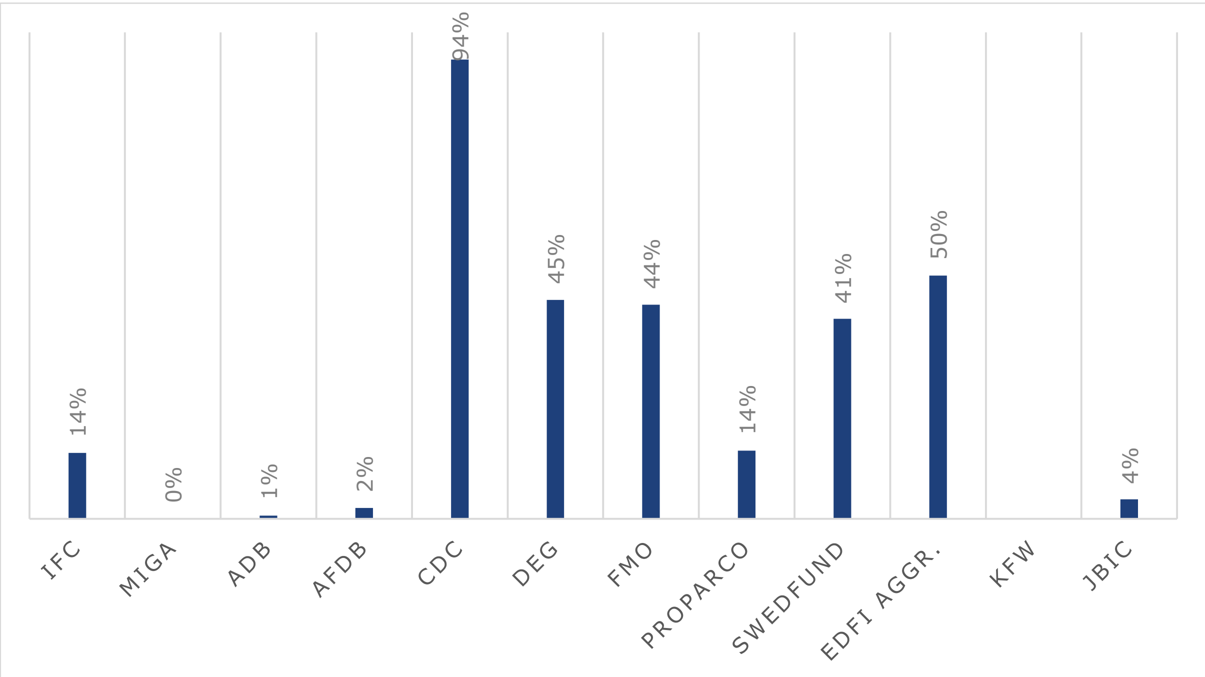
Figure 1: Percentage of portfolio in loans



Source: Author Calculations

Figure 1 (above) illustrates the fact that loans represent a majority of investments in most DFIs (with divergences such as the CDC for which they account for 4% of investments or for Swedfund where they account for just above a third of investments).

Figure 2: Percentage of portfolio in equity and quasi-equity



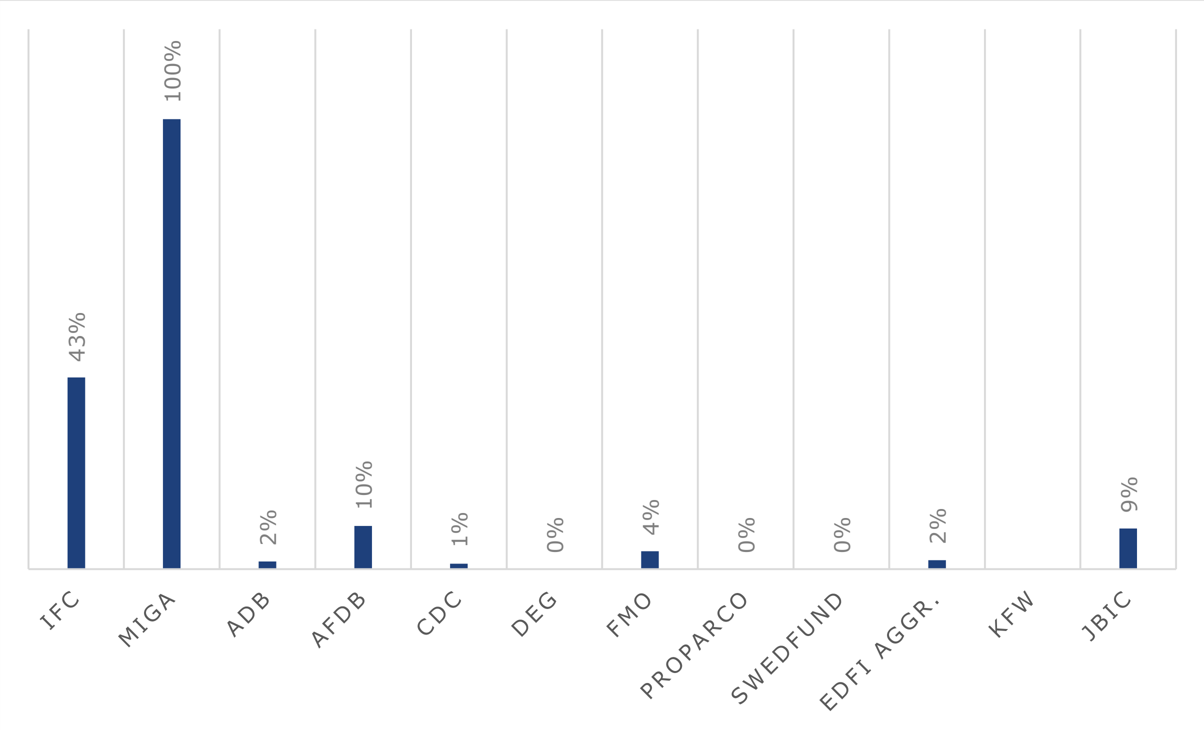
Source: Author Calculations

Figure 2 highlights the fact that there are large differences in the use equity as a form of investment across DFIs i.e. the CDC devotes 94% of its investments to equity whilst other

DFIs such as ADB or the AfDB. Figure 2 also illustrates there is a greater prevalence of equity based investments in bilateral DFIs (CDC, FMO, Swedfund etc.) than in multilateral DFIs (IFC, ADB, AfDB etc.).

Figure 3 (below) shows that there is a limited use of guarantees by DFIs except by a specialist DFI such as MIGA which devote the majority of their resources to this type of instrument.

Figure 3: Percentage of portfolio in guarantees



Source: Author Calculations

2.3 Size

In general, the multilateral Development Finance Institutions (DFIs) tend to be bigger than the bilateral ones due to a wider geographical coverage and the amounts of resources that are available to them.

The International Finance Corporation is the largest among all the DFIs with a total portfolio of over US$ 50 billion. This is about 10 times the size of a large bilateral DFIs like the CDC who has a portfolio size around US$ 5 billion. In the financial year of 2014 alone, IFC invested over US$ 17 billion into 599 projects in 98 countries. The other multilateral covered in this study is the Multilateral Investment Guarantee Agency (MIGA), who is another member of the World Bank Group. It issued US$ 3.2 billion in guarantees for projects in developing countries in 2014 with a gross portfolio of US$ 12.4 billion.

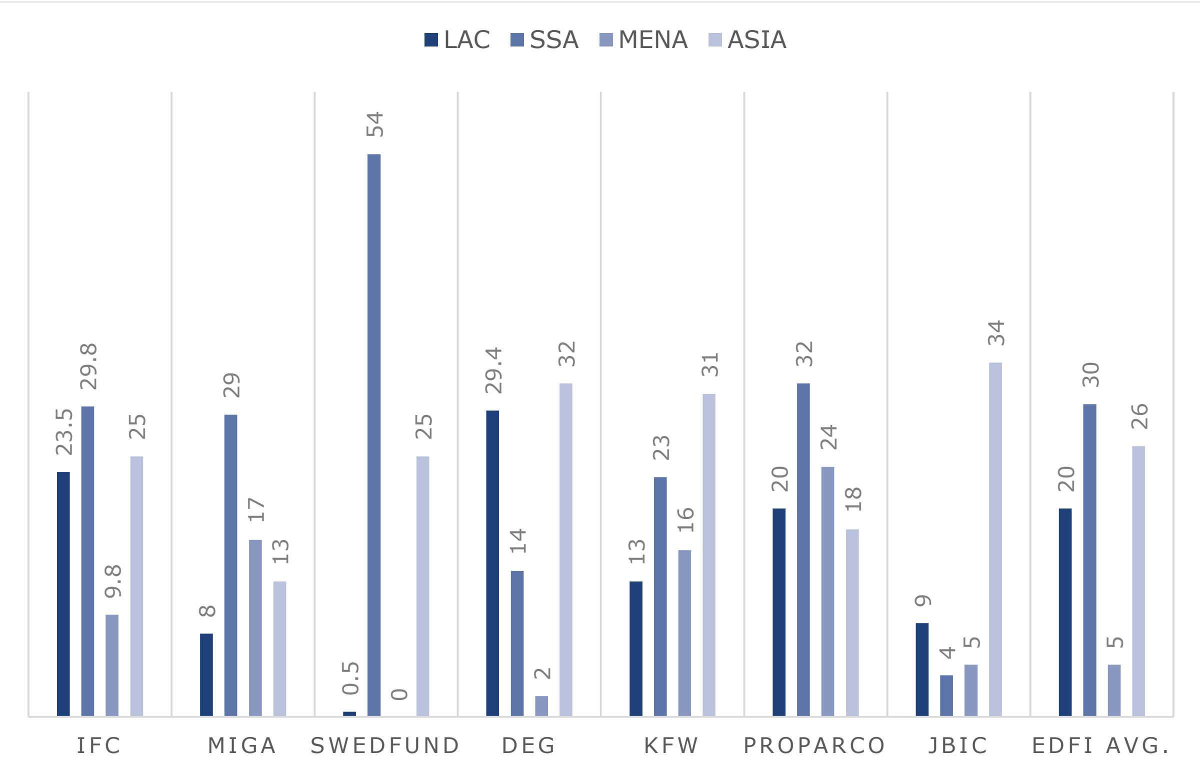
Regional multilateral DFIs would often have a geographical focus and tend to be smaller than the IFC. For example, Asian Development Bank (ADB), African Development Bank (AfDB), Inter-American Development Bank (IDB), European Bank of Reconstruction and Development (EBRD) and European Investment Bank all have fewer resources.

This study primarily deals with the biggest members of the European Development Finance Institutions (EDFI) plus two non EDFI members i.e. the KfW and the Japanese Bank of International Co-operation (JBIC). JBIC is in fact the largest bilateral DFI with Yen 15,304.5 billion (about € 110 billion) in its portfolio. Within EDFI members, the largest bilateral DFI in this study is FMO (the Dutch DFI) with a portfolio of € 6.6 billion. On the other end of the spectrum, the Swedfund is the smallest one we coved with a portfolio of only € 342 million.

2.4 Regional Distribution

Figure 4 below highlights portfolio investments for a number of DFIs (both multilateral and bilateral as well as the average for EDFI members), for which data is available, at the regional level using a simple best-fit grouping system which then allows a (basic) level of comparison. The chart (and table 3 below it) highlight the fact that the majority of portfolio investments are carried out in Sub-Saharan Africa (26.9%) followed by Asia (25.5%) whilst the MENA region lags behind (at an average of 9.9% of portfolio investments).

Figure 4: DFI Investment by Region (% of investments)



Source: Author Calculations

The IFC and the MIGA are the only multilateral DFIs with a global reach. For example, Latin America & Caribbean, Sub-Saharan Africa and Europe and Central Asia are the top three regions for IFC's investment portfolio, while other parts of the world also attract a significant amount of the investments. For MIGA however, its portfolio is more concentrated in its top three regions: Europe and Central Asia (33%), Sub-Saharan Africa (29%) and Middle East and North Africa (17%), that accounting for the majority of its investment destinations. Other multilateral DFIs such as the ADB, the IADB and the AfDB tend to have a regional focus which is an inherent part of their mandate which means that 100% of their portfolios are clustered in their mandate regions – except for the EIB which also investments in developing countries.

Table 4: Average DFI Portfolio Investment by Region

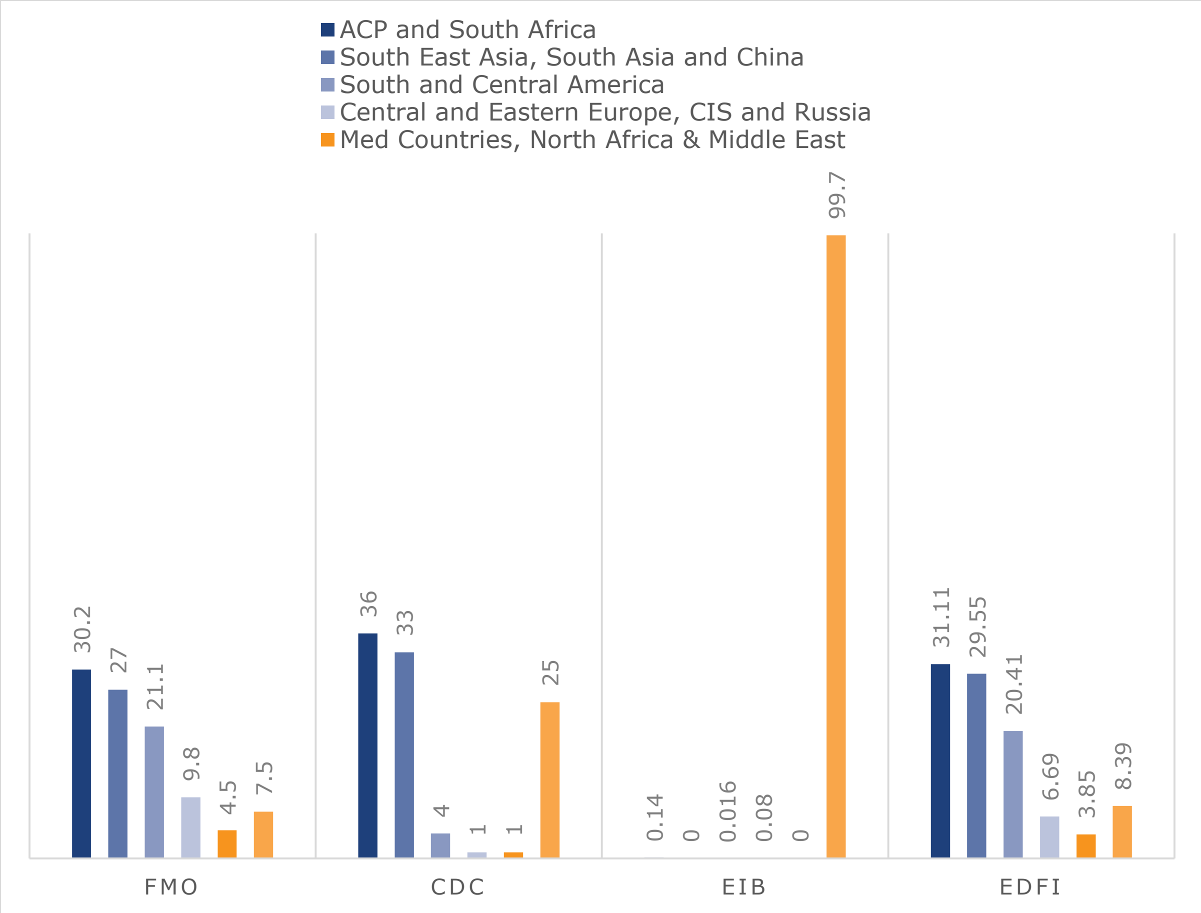
Region	Average Portfolio Investment (% of Portfolio)
Latin America & Caribbean	15.4
Sub-Saharan Africa	26.9
Middle East & North Africa	9.9
Asia	25.5

Source: Author Calculations

JBIC is an interesting case here. As its profile (section 3 below) shows, 30% of its portfolio is in North America (not represented in figure 4 above). A number of other DFIs use an alternative regional grouping system where the Africa, Caribbean and Pacific (ACP) countries are grouped as a single region. This comparison (shown in figure 5 below) makes it impossible to directly compare regional groupings with the other DFIs (those highlighted in figure 4 above), hence a separate chart has been produced for them. Of interest is the fact that EDFI reporting uses both systems, hence EDFI members (as a whole) can be represented in both comparisons.

EDFI members as a whole invests 28% (7.9 billion Euros) of their portfolios in Africa, Caribbean and Pacific regions, followed by Asia and China with 26% (7.4 billion Euros) and Latin America with 20% (5.4 billion Euros). In contrast, the EIB provides a minuscule percentage of its portfolio to regions outside of the EU (i.e. 0.03%) but unlike the ADB, the AfDB or the IAB it still carries out investments outside of its mandate region. The other two DFIs represented in figure 5 below are both bilateral organisations (CDC and FMO). Whilst the FMO portfolio division closely resembles the EDFI member average, the CDC is mainly concentrated in ACP countries (mainly in Sub-Saharan Africa) and in South Asian countries as part of its investment focus.

Figure 5: DFI Investment by Region using ACP reporting (% of investments)



Source: Author Calculations

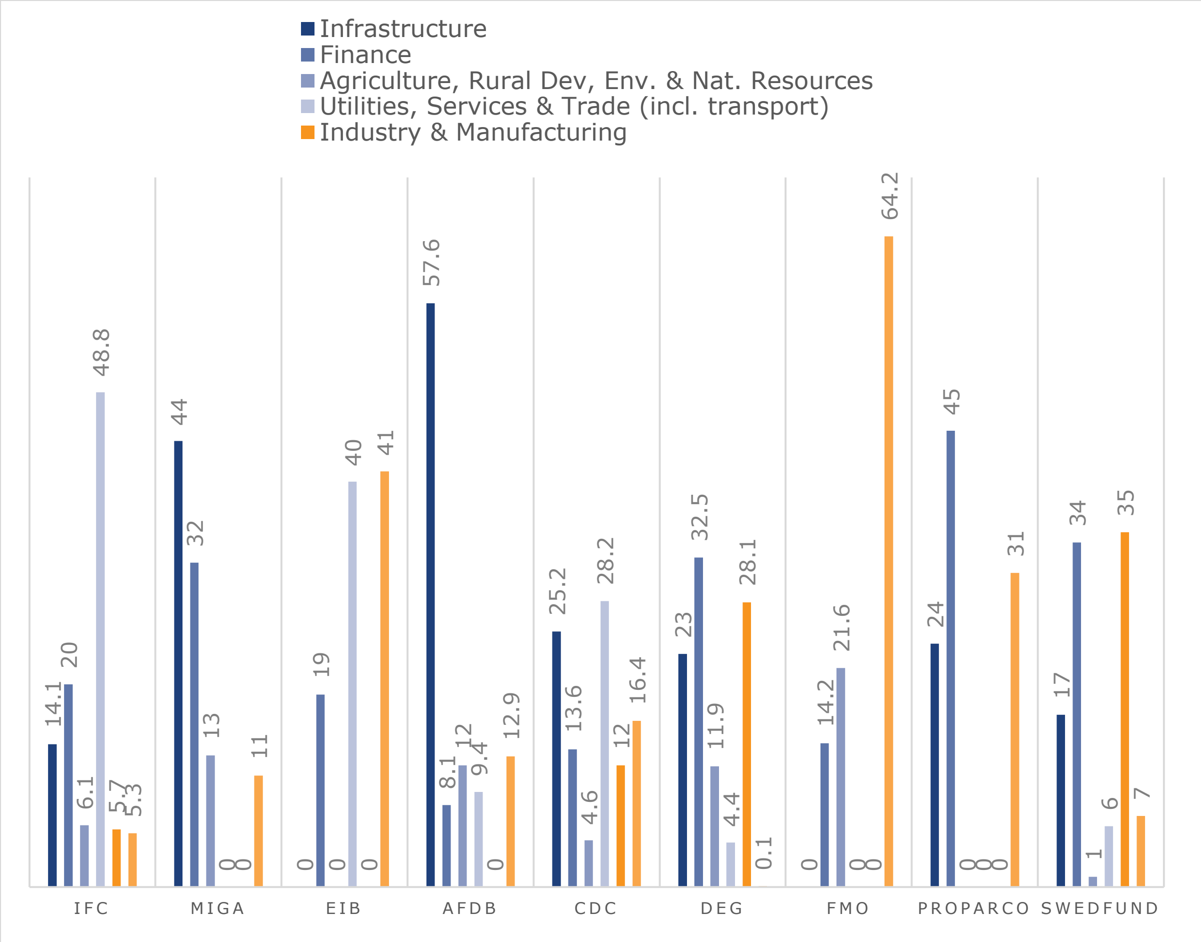
The most significant challenge when one compares the geographical focus of these DFI portfolios is the fact that they don't use the same geographical units and tend to separate or combine regions at their discretions, which hinders accurate cross-regional comparisons. For instance, whereas the IFC groups the Caribbean with Latin America as one region, the EDFI groups the Caribbean together with African and Pacific countries to form the ACP cluster.

2.5 Sector Distribution

The following section highlights the sectoral distribution of DFI investments. As the DFIs tend to have a highly fragmented classification of sectoral investments (see the profiling section), the comparison required a re-classification of investments based on the most commonly reported sectors. This resulted in a classification (referred to as 'main sectors') which included the Infrastructure, Finance, Agricultural (including natural resources), utilities & services and industry & manufacturing sectors. Remaining non-classifiable sectors make up the reminder of investments where sectoral reporting does not add up to 100% for each DFI.

Figure 6 (below) shows the sectoral division across DFIs (where data was available) as a percentage of investments (either for investments carried out in the latest reporting year or for the total portfolio – dependant on where data was available – see the profile section for each individual DFI). The figure shows a wide variety of sectoral allocations i.e. FMO is heavily invested within the industry and manufacturing sector whilst the AfDB mainly invests in infrastructure.

Figure 6: Portfolio Investments by Sector



Source: Author Calculations

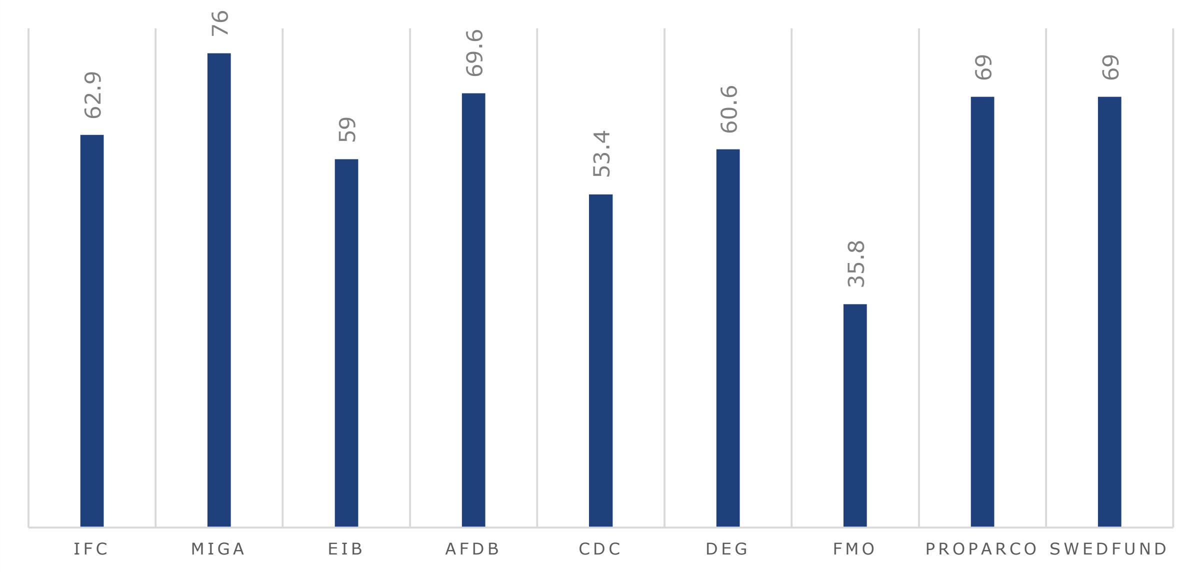
In terms of multilateral DFIs, the IFC focuses its investment on the financial markets, infrastructure, manufacturing and so on, although in 2014, its top sector was trade finance, which accounted for over a third of its investments in that year. MIGA invests in less sectors with infrastructure (44%) on the top of its agenda, followed by financial sector (32%), Agribusiness, manufacturing and services (13%), and oil, gas & mining (11%). The AfDB concentrates a large proportion of its investments in the infrastructure sector (mainly through large scale regional-level projects) with less focus on other sectors whilst the ADB[1] mainly invests in Energy and Transport/ICT projects. Bilateral DFIs tend to have a more balanced sectoral portfolio however they

The sectoral portfolio for EDFI members (EDFI, 2013) are similar to the multilateral DFIs. The financial sector remains the largest sector (30%) of total portfolio, followed by infrastructure (26%), industry/manufacturing (23%) and agriculture (7%). The issue of harmonisation and standardizing the languages for comparison arises again but it is not as significant as it was for comparing investments across regions.

The pattern highlights at the fact that DFIs mainly invest in one or two sectors – figure 7 below shows that most DFIs (except FMO) have more than half (61.7% on average) of their investments in two 'main' sectors. This, of course, may be due to the classification of these 'main sectors' but still hints at a predisposition for DFIs to specialise in particular areas of investment.

[1] The ADB is not represented in the chart due to the highly divergent sectoral classification it uses – for detailed information on the ADB see the profile section below

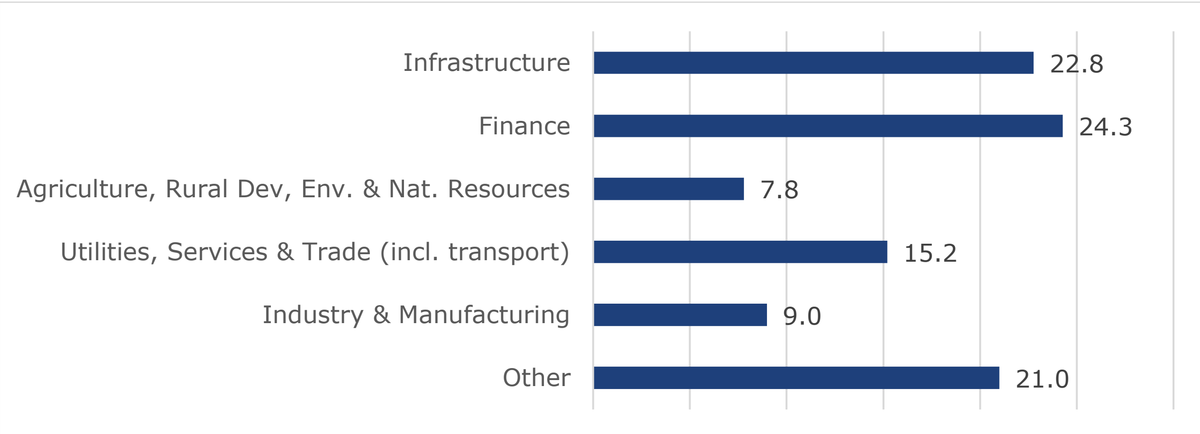
Figure 7: Cumulative Investments in Top Two Sectors by DFI (% investments)



Source: Author Calculation

Figure 8 (below) shows that the finance and infrastructure sectors are the main focus sectors of DFI investments (accounting, on average, for nearly half of all investments) whilst agriculture (and related areas like rural development and natural resource) and industry/manufacturing investments represent less than 10% (each) of total investments.

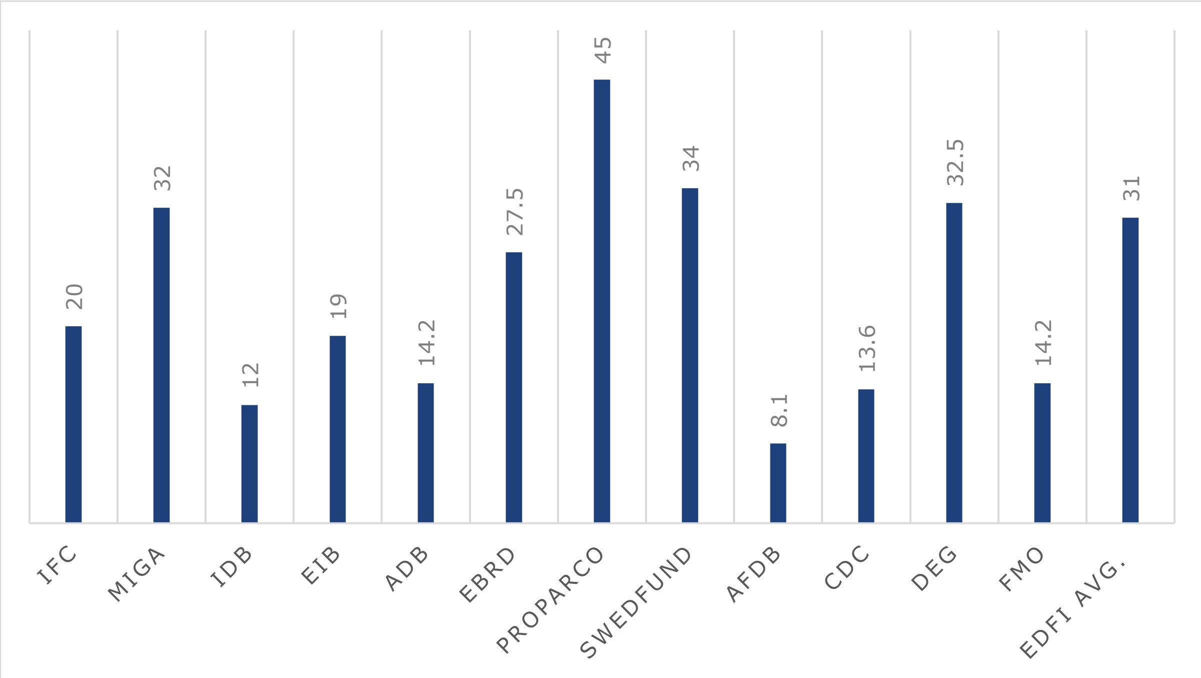
Figure 8: Average DFI Investment (% of investment) in Main Sectors



Source: Author Calculations

Figures 9 to 11 highlight some other prevalent sectors of investment that were not captured (or properly highlighted) in the figure above. Figure 9 below shows investments in the financial sector, a sector where the majority of DFIs participate in. The results show that whilst, on average DFIs place around a quarter of their investments in the financial sector, there is still a divergence between institutions i.e. between the AfDB (8% of investments) and Proparco (45%), respectively the lowest and highest investors in the sector, there is a 37% difference.

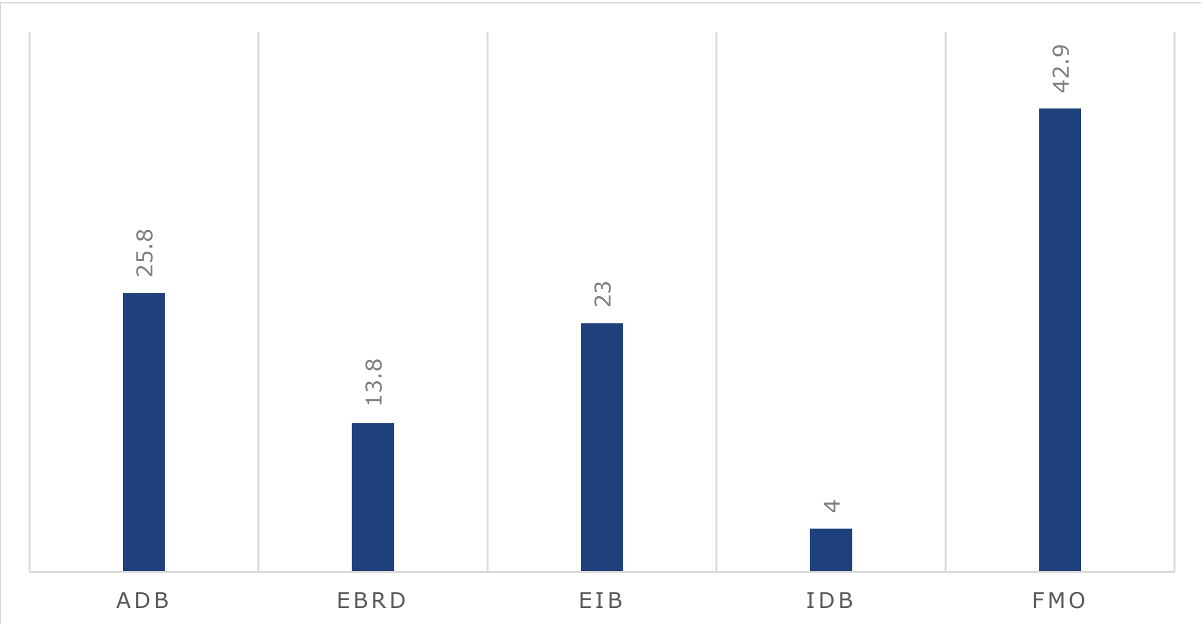
Figure 9: Financial Sector Investments (% of Investments)



Source: Author Calculations

Energy investments can be quite substantial (shown in figure 10 below for DFIs that report in investments within the sector). The FMO is the most prominent DFI within the energy sector followed by the ADB and the EIB whilst other DFIs such as the EBRD and the IDB also invest in energy.

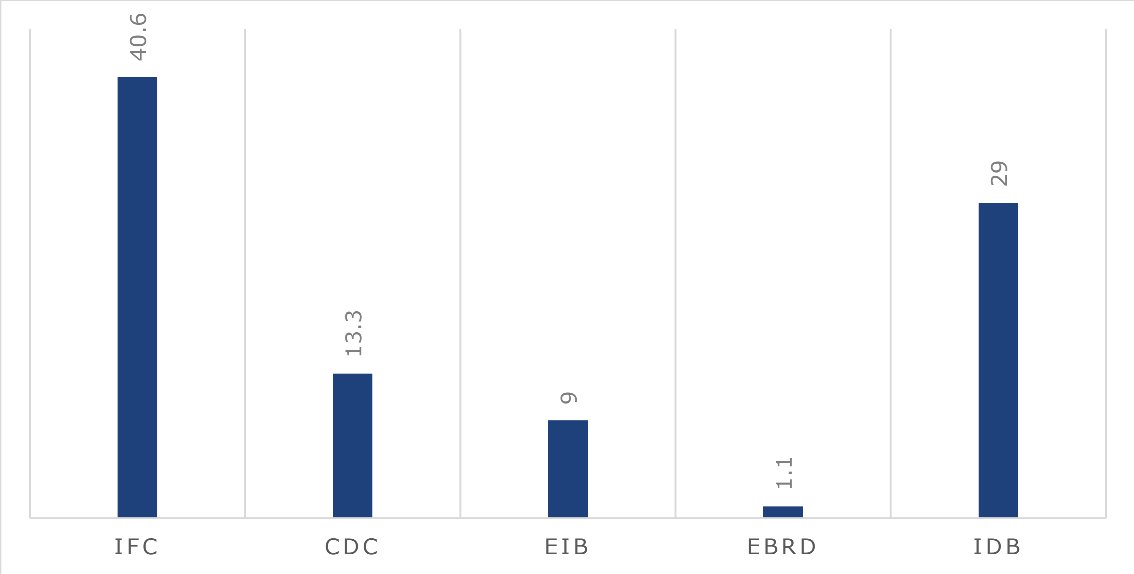
Figure 10: Energy Investments (% of Investments)



Source: Author Calculations

Certain DFIs also invest in the trade and transport sector (investments in trade finance, transportation systems etc.) with the IFC making 40.6% of its investments in the sector whilst the IDB makes 29% of its investments here. Of interest is also the fact that three DFIs invest in the extractives sector i.e. the IFC (2.6%), MIGA (11%) and the CDC (3.6%).

Figure 11: Trade & Transport (% of Investments)



Source: Author Calculations

2.6 DFI Terms of Investment

There are a number of parameters that can be used to assess the terms of investment that DFIs use. These include the length of the investment, the interest rates used to fund the investment (for loans), the maximum amount of equity that a DFI can invest in, the maximum loan size (relative to the total project size), the currency that investments are typically undertaken in and the typical length of a loan or investment. The table (2) below provides data on these parameters (where available) for the bilateral and multilateral DFIs.

Table 5: Terms of Investment

DFI	Interest Rate	Length	Currency	Maximum Size (Loan)	Maximum Size (Equity %)
Multilateral DFIs					
IFC	3/6 month LIBOR	7 – 12 Years	USD & EUR	25% Project Cost	20%
EIB	Market Driven Standard Rate (var.)	25 Years Maximum	EUR	50% Project Cost	Temporary minority investment
EBRD	LIBOR	5 – 10 Years	EUR	35%	
IADB	LIBOR	25 Years Maximum	USD		33%
ADB	LIBOR	Average 19 years with 25 Years Max cap.	USD or Local Currency		
AfDB	3/6 month LIBOR	12 Years Max.	EUR, USD, Yen, GBP		15%
Bilateral DFIs					
CDC	LIBOR				

DEG	Market driven according to project/country risk	4 – 15 Years	EUR, GBP, CHF or USD	€25 million - €35 million	50%
FMO	LIBOR	12 Years Max (20 for LDC Infra.)	EUR, USD or Local Currency	25% (or 50% if LDC infrastructure)	
Proparco	LIBOR/EURIBOR	7 years minimum, 17 years maximum.	EUR	€ 2 million to € 200 million	70%
Swedfund	Market driven based on risk	5 – 10 years	Equal or lower than co-investor/partner	USD 2 million to USD 10 million	25% - 35%
JBIC	Yen loans are fixed; others are variable	No limit but 1 – 10 year typical	Yen, US$ or €		50%

Source: Author Compilation; Te Velde & Warner (2007) *Note:* Table only includes DFIs where information was available

3 DFI Profiles

The following section provides a basic profile for the DFIs included in the study. The profiling exercise includes data on:

- The Ownership of the DFI i.e. who has a stake in the institutions.
- The amount of portfolio investments either in the latest given year and/or as a total, depending on information availability.
- The number of projects the DFI is involved in, either in the latest reporting year or at the total portfolio level (dependent on available information).
- A breakdown of the sectors that the DFIs invest in. Sectoral breakdowns are shown as reported by the DFI's themselves. Where data was available volumes (in monetary terms using the DFI reporting currency) were also included.
- The types of instruments used by DFIs i.e. loans, equity investments, guarantees etc.
- The regional distribution of investments.
- Least Developed Country (LDC) exposure. Reporting on LDC exposure by DFIs is limited. Where such information was available it has been included in the profile, however, where this is not the case it has been replaced with other (where available) information such as exposure to developing countries or HIPC countries.
- Investee type which reports the main clients or investment targets of the DFIs.

3.1 International Finance Corporation (IFC)

IFC is the largest development finance institution in the world. As a member of the World Bank Group, it works closely with businesses in developing countries to help them succeed in was that promote prosperity for all. IFC provides investment, advice and asset management to developing countries to create opportunities in the private sector. In the financial year of 2014, the IFC invested 17,261 billion USD into 599 projects in 98 countries. IFC provided a record amount of financing for private sector development in the world's poorest countries — nearly $8.5 billion in all, including funds mobilized from other investors. These countries accounted for half of the nearly 600 projects IFC began during the year.

DFI		International Finance Corporation (IFC)
Year	2014	Total
Ownership		184 Member Countries
Portfolio Investments	US$ 17.2 billion	US$ 51.7 billion
No. of Projects	599 new projects	
Sectors (US$ million)	Trade Finance $ 7,007 Financial Markets $ 3,454 Infrastructure $ 2,426	Financial Markets $14,994 Infrastructure $10,192 Manufacturing $ 6,411

	Agribusiness & Forestry $ 1,051 Manufacturing $ 984 Consumer & Social Services $ 928 ITC $ 489 Funds $ 480 Oil, Gas & Mining $ 441	Agribusiness & Forestry $ 4,345 Consumer & Social Services $ 4,199 Funds $ 3,862 Trade Finance $ 3,166 Oil, Gas & Mining $ 2,559 ITC $ 2,007
Instruments Used (US$ million)	Loans US$ 7,579 Guarantees US$ 7,328 Equity US$ 2,324 Risk Management Products US$ 30	
Regional Distribution (US$ million)	Latin America & Caribbean $ 4,057 Sub-Saharan Africa $ 3,540 Europe and Central Asia $ 3,478 East Asia and the Pacific $ 2,771 Middle East and North Africa $ 1,698 South Asia $ 1,558 Global $ 158	Latin America & Caribbean $11,645 Europe and Central Asia $11,041 Sub-Saharan Africa $ 8,540 East Asia and the Pacific $ 8,023 Middle East and North Africa $ 5,801 South Asia $ 5,782 Global $ 902
LDC Exposure	288 Projects accounting for US$ 6.8 billion in IDA countries. 47 projects in Fragile & Conflict Situations	
Investee Type	Focus on private sector, with committed investments in 2,011 Firms. The IFC provides funds and technical support to businesses (directly to larger enterprises and indirectly through financial services funds to MSMEs) as well as funds for Public-Private Partnerships.	
Source	http://www.ifc.org/wps/wcm/connect/0edb7a004572ddb38bb6bb9916182e35/AR2014_Report.pdf?MOD=AJPERES	

3.2 MIGA (Multilateral Investment Guarantee Agency)

MIGA is a member of the World Bank Group, whose mission is to promote foreign direct investment (FDI) into developing countries by providing political risk insurance guarantees to private sector investors and lenders. In fiscal year 2014, MIGA issued a total of $3.2 billion in guarantees for projects in MIGA's developing member countries. An additional $1.8 million in guarantees was issued under MIGA-administered trust funds. This year marked the fourth consecutive year of record issuance by MIGA, with 51 percent of this new issuance falling into at least one of MIGA's priority areas. At the end of the year, MIGA's gross exposure was $12.4 billion.

DFI	**Multilateral Investment Guarantee Agency (MIGA)**
Year	2013/14
Ownership	26 industrialised countries and 156 developing countries;
Portfolio Investments	US 3.2 Billion new issuances in 2014; US$12.4 billion outstanding exposure by end of 2014
Sectors	Infrastructure – 44% Financial Sector – 32% Agribusiness, Manufacturing & Services – 13% Oil, Gas & Mining – 11%
Instruments Used (US$ million)	Investment Insurance Guarantees
Regional Distribution	Europe & Central Asia – 33% Sub-Saharan Africa – 29% Middle East & North Africa – 17% Asia and Pacific – 13%

	Latin America & the Caribbean – 8%
LDC Exposure	50% of Projects in IDA countries, 29% of projects in Fragile & Conflict Afflicted Countries
Investee Type	Large scale Private Sector Enterprises
Source	http://www.miga.org/sectors/index.cfm http://www.miga.org/documents/Annual_Report_14.pdf

3.3 European Investment Bank

The European Investment Bank is a DFI dedicated for the EU-28 states, while supporting EU's external priorities. Relatively few resources were devoted to countries outside the EU. Loans worth EUR 7.7bn underscore its commitment to financing infrastructure, SME activities and climate action projects in our Eastern Partners, the Mediterranean, Africa, Asia and Latin America.

DFI		**European Investment Bank**
Ownership	28 member states of the European Union; Germany, France, Italy and UK are the top four contributors with equal amounts; http://www.eib.org/about/structure/shareholders/index.htm	
Year	*Total EIB 2013*	*ACP and OCT countries Only 2013*
Portfolio	€75.1 billion in 2013	€712 million for ACP countries in 2013
No. of Projects		20
Sectors	Strategic Infrastructure EU Smart Cities Climate & Climate Action Funds SME & Mid-Cap Support Youth Skills & Employment Support	Energy – 23% Water & Sewerage – 7% Transport – 9% ICT – 1% Financial Services – 19% (Cumulative 2003 – 2012)
Instruments Used	Project Loans Intermediary Loans Venture Capital Trade Finance Equity & Fund Investments Structured Finance Guarantees Project Bonds	
Regional Distribution	European Union - € 64.6 billion Non EU Europe – €1.8 billion ACP & S. Africa – €988 million Asia & Latin America - €1.2 billion EFTA & Pre-Accession countries - €3.1 billion	West Africa & Sahel – 25% Caribbean – 7% Central & Eastern Africa – 27% Pacific – 3% Southern Africa and Indian Ocean – 24% Regional Africa and ACP States – 14% (Cumulative 2003 – 2012)
LDC Exposure	€233 million through single LDC country investments, unclear amount through regional investments in ACP countries.	

Investee Type	Small Public Foundations Universities and Research Centres Large Corporations Mid-Cap Companies SMEs
Source	http://www.eib.org/attachments/general/reports/fr2013en.pdf http://www.eib.org/attachments/country/if_annual_report_2013_en.pdf

3.4 Asian Development Bank (ADB)

The Asian Development Bank aims to alleviate poverty and improve people's lives in Asia and the Pacific. The main devices for assistance are loans, grants, policy dialogue, technical assistance and equity investments. In 2013, the Asian Development Bank committed a total of $21.02 billion in development assistance, including $14.38 billion from ADB and special funds; $3.85 billion from official co-financing partners; and $2.80 billion from commercial co-financing, public–private partnerships, and private sector operations. Also in 2013, ADB strengthened its approach to support inclusive economic growth by revising its corporate results framework to include new indicators to measure its contribution to the three pillars for inclusive economic growth: jobs creation, broader access to economic opportunities and social protection for the poor and disadvantaged.

DFI	**Asian Development Bank**
Year	2013
Ownership	67 regional members (65.125% voting power) and 19 non-regional members (34.875% voting power) http://www.adb.org/sites/default/files/page/30786/files/oi-appendix1.pdf
Portfolio Investments (US$ million)	US$ 21 billion of which US$ 16.48 billion were through sovereign operations (public sector financing) and US$ 4.5 billion were through non-sovereign operations (financing for the private sector)
No. of Projects	223 Financing Projects & 411 Technical Assistance Grants
Sectors (approx.)	Agriculture & Natural Resources – US$ 1.03 billion Education – US$ 0.72 billion Energy – US$ 5.41 billion Finance – US$ 2.97 billion Health & Social Protection – US$ 1.08 billion Industry & Trade – US$ 0.07 billion Public Sector Management – US$ 1.12 billion Transport & ICT – US$ 5.11 billion Water Supply & Municipal Infrastructure – US$ 1.91 billion Multisector – US$ 1.52 billion
Instruments Used (Cumulative Sovereign & Non Sovereign)	Loans – US$ 13 billion Equity – US$ 0.14 billion Grants – US$0.85 billion Guarantees – US$ 0.35 billion Technical Assistance –US$ 0.42 billion Direct Value Adding Co-financing – US$ 6.6 billion
Regional Distribution	Central & West Asia – US$ 5.53 billion South Asia – US$ 5.96 billion East Asia – US$ 2.53 billion Southeast Asia – US$ 6.21 billion Pacific – US$ 0.47 billion Regional – US$ 0.33 billion

LDC Exposure	Unclear for 2013 - at least US$ 3.3 billion as directly reported by ADB for projects in Bangladesh, Nepal and Myanmar. Reporting on the 2007 to 2009 period found that in 2009 LDC assistance represented 5% of Ordinary Capital Resources, 48% of Asian Development Fund resources and 16% of Technical Assistance resources.
Investee Type	Provides services to government through sovereign services and private sector actors through non-sovereign services. In 2013, 41% of ADBN projects supported private sector development (equivalent to 35% of ordinary capital resources and Asian Development Fund resources).
Source	http://www.adb.org/documents/adb-annual-report-2013 http://www.adb.org/sites/default/files/institutional-document/42741/adb-financial-report-2013.pdf http://www.adb.org/sites/default/files/institutional-document/42741/od-appendix1.pdf http://esango.un.org/ldcportal/documents/10179/38203/sum_results_multi_asdb.pdf

3.5 African Development Bank (AfDB)

The African Development Bank aims to spur sustainable economic development and social progress in its regional members by mobilising and allocating resources for investments and providing policy advice and technical assistance to support development efforts. In 2013, African Development Bank committed USD 6.7 billion to projects and programs in member countries, an increase of some 3% in real terms over the previous year in accordance with its strategy—the bulk of the investments were in infrastructure. The lower overall lending at the Bank window was more than compensated for by higher levels of financing from the concessional window, the African Development Fund.

DFI	**African Development Bank - 2013**
Year	2013
Ownership	54 African countries (regional member countries) plus 26 non-African countries (non-regional member countries);
Portfolio Investments	UA 4.49 Billion Divided as: ADB: UA 1.83 billion ADF: UA 2.27 billion NTF: UA 31.2 million Special Funds: UA 253.4 million
No. of Projects	317
Sectors (UA million)	Infrastructure: UA 2.05 billion (57.6 %) Multisector: UA 449.2 million (12.6 %) Agriculture and Rural Development: UA 428.7 million (12.0 %) Social: UA 334.8 million (9.4 %) Finance: UA 288.0 million (8.1 %) Environment: UA 9.2 million (0.3 %) Urban development: UA 0.3 million (0.01 %)
Instruments Used	Loans - UA 2.86 billion Grants - UA 697.0 million HIPC - UA 22.3 million Equity - UA 99.5 million Guarantees - UA 431.7 million Loan Reallocation -UA 17.8 million Special Funds - UA 253.4 million

Regional Distribution	Multiregional – 24.8% North Africa – 6.4% West Africa – 27.8% East Africa – 16.8% Southern Africa – 17.3% Central Africa – 6.8%
Investee Type	The AfDB provides both sovereign (government) and non-sovereign (i.e. private sector) services. For 2013 loan approval, 55% went to sovereign and 45% to private sector operations. Private sector operations were mainly carried out in the finance sector (65.5%) and in the energy sector (22.9%). 53.6% of Private sector operations were regional.
LDC Exposure	LDC exposure amounts to 70.84% in terms of outstanding loans by end of 2013. 25.7% of private sector operations were carried out in Low Income Countries.
Source	http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Annual_Report_2013.pdf http://www.afdb.org/en/documents/document/junuary-2015-exchange-rates-51037/

3.6 Inter-America Development Bank (IDB)

The Inter-American Development Bank supports efforts by Latin America and the Caribbean countries to reduce poverty and inequality to bring out sustainable development by providing loans, grants, technical assistance and research. In 2013, Inter-America Development Bank approved $14 billion in financing for 168 projects in priority sectors such as institutional development, infrastructure, the environment, social development, and regional integration and foreign trade. Of the total of loans and guarantees approved in 2013, $2.1 billion were for private-sector operations, without a sovereign guarantee**.** The Bank's emphasis on execution led to a surge in disbursements to $11.2 billion. Additionally, the Bank approved a total of $404 million in grant financing operations.

DFI	**Inter-American Development Bank**
Year	2013
Ownership	48 member countries, including 26 Latin American and Caribbean borrowing members, who have a majority ownership of the IDB. http://www.iadb.org/en/about-us/member-countries,6291.html
Investments	US$ 13.89 billion approved loans in 2013
No. of Projects	167
Sectors (US$ million)	Agriculture & Rural Dev. US$ 227 – 2% Energy US$ 534 – 4% Environment US$ 178 – 1% Sustainable Tourism US$ 185 – 1% Transport US$ 2,804 – 20% Water and Sanitation US$ 775 – 6% Financial Markets US$ 1,614 – 12% Private Firms & SMEs US$ 463 – 3% Reform Support US$ 2,319 – 17% Science and Technology US$ 24 – 0% Urban Development and Housing US$ 545 – 4% Trade US$ 1,223 – 9% Education US$ 726 – 5% Health US$ 751 – 5% Social Investment US$ 1,527 – 11%

Instruments Used (US$ million)	Loans Equity Technical Assistance
Regional Distribution (US$ million)	Central America Latin America Caribbean
LDC Exposure	Unclear – Haiti is the only LDC country the IADB funds with US$ 189 million in approved projects for 2013 (i.e. 0.013% of 2013 investments)
Investee Type	In 2013, private sector loans amounted to US$ 2.1 billion
Source	http://publications.iadb.org/bitstream/handle/11319/6422/IDB%20Annual%20Report%202013.%20%20The%20Year%20in%20Review.pdf?sequence=1

3.7 European Bank of Reconstruction and Development (EBRD)

The European Bank of Reconstruction and Development was created in 1991 to assist central and eastern European countries to progress towards market-orientated economies and promote private and entrepreneurial initiatives. It invests in more than 30 countries from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean. In 2013, EBRD invested €8.5 billion in 392 projects across more than 30 countries, coming close to the record set in 2012 of 393 projects. Its investments promote sustainable development in the private sector and key areas included corporate sector, infrastructure, power and natural resources.

DFI	European Bank of Reconstruction and Development
Year	2013
Ownership	The EBRD is owned by 64 countries, the European Union and the European Investment Bank. http://www.ebrd.com/shareholders-and-board-of-governors.html
Portfolio Investments	€ 8.5 billion approved investments in 2013
No. of Projects	392
Sectors	Financial Sector – € 2.4 billion Industry, Commerce & Agribusiness - € 2.6 billion Transport - € 1.1 billion Municipal & Environ. Infrastructure - € 0.55 billion Power & Energy - € 1.2 billion Natural Resources - € 0.57 billion Nuclear Safety - € 0.3 billion
Instruments Used (€ million)	Loans Equity Investments Trade Promotion Guarantees Technical Assistance
Regional Distribution (€ million)	Central Europe & Baltic States – € 1,607 South Eastern Europe - € 1,648 Eastern Europe & Caucasus - €1,509 Central Asia - € 549 Southern & Eastern Mediterranean - € 449

	Russia - € 1,816 Turkey - € 920
LDC Exposure	None
Investee Type	
Source	http://www.ebrd.com/news/publications/annual-report/annual-report-2013.html

3.8 Private Infrastructure Development Group (PIDG)

The Private Infrastructure Development Group, a multi-donor funded organization, provides private sector investment to countries where there is a limited amount of investors, experience, and availability of long-term private financing and public funds. In 2013 it committed US$117.1 million to 19 new infrastructure projects and 12 Technical Assistance Facility (TAF) grants. It is predicted that in 2014, PIDG members' cumulative financial support will exceed US$ 1bn.

DFI		**Private Infrastructure Development Group (PIDG) - 2013**
Year	2013	Total
Portfolio Investments	US$ 2.2 billion	US$ 27.9 billion
No. of Projects	19	99
Sectors (% of portfolio)		Telecoms – 20.9% Transport – 20.6% Industrial Infrastructure – 12.7% Housing – 4.5% Agri-infrastructure – 4.5% Mining – 2.4% Multi-sector – 2.1% Water, Sewerage, & Sanitation – 0.8% Urban Development Infrastructure – 0.1%
Instruments Used		Grants Advisory Services Guarantees Long-term Loans Financing & Policy Equity Funds Co-financing Infrastructure Development
Regional Distribution		Sub-Saharan Africa – 69% Asia – 19%
LDC Exposure		57.1% of commitments were to projects located in fragile states
Investee Type		Invests in infrastructure development in developing countries through the provision of technical assistance, project development and capital expertise, and long-term debt finance.
Source		http://www.pidg.org/resource-library/key-documents/annual-reports

3.9 CDC

The Commonwealth Development Corporation (CDC) is one of the oldest DFIs currently operating and is fully owned by the government of the United Kingdom. The CDC provides equity, debt, mezzanine and guarantee finance. CDC is self-funding and focuses its investments in Africa and South Asia.

DFI		CDC
Year	2013	Total
Ownership		100% owned by UK government
Portfolio Investments (million Euro)	732	4,555
No. of Projects	26 new projects	Committed investments in 178 projects
Sectors	Infrastructure 25.2% Financial Institutions 13.6% Trade 13.3% Manufacturing 12.0% Business Services 10.3% Construction 6.3% Communications 5.0% Agribusiness 4.6% Mineral Extraction 3.6% Health 3.0% Education 2.6% Real Estate 0.5%	Infrastructure 25% Trade 13% Manufacturing 12% Financial services 11% Business services 10% Real estate 7% Health and education 5% Communications 5% Agribusiness 5% Mineral extraction 4% Microfinance 3%
Instruments Used (US$ million)	Debt 323.2 Equity investment 120.6 Mezzanine 24.9	Equity and quasi-equity 94.4% Loans 4.4% Guarantees 1.2%
Regional Distribution (US$ million)	Africa 251.7 South Asia 371.4 New cross-region 382.6	ACP and South Africa: 36% South East Asia, South Asia and China: 33% South and Central America: 4% Med. Countries, North Africa and Middle East: 1% Central and Eastern Europe, CIS and Russia: 1% Other countries and inter-regional investments 25%
LDC Exposure	CDC's highest country exposures are 19% in India, 14% in China, 14% in South Africa and 10% in Nigeria. However, none of these are LDCs. In 2013 the CDC provided approximately US$ 341 million in funding for regional funds however the percentage attributable to LDCs is unknown.	
Investee Type	The CDC is focussed on investing in private sector enterprises, both small and large scale. 617 Businesses in Africa 356 Businesses in South Asia 328 Businesses in other regions.	
Source	http://www.cdcgroup.com/Documents/Financial%20Publications/CDC%20Annual%20Accounts%202013.pdf http://www.cdcgroup.com/Documents/Annual%20Reviews/CDC_AnnualReview_2013.pdf EDFi Annual Report 2013;	

3.10 DEG

The DEG was founded in 1962 and its mission was to promote entrepreneurial initiatives in developing countries. It has been a member of the KfW Group since 2001 and is a part of KfW financing. According to KfW's annual report, as a result of the investments DEG co-financed, 970,000 jobs were secured or created in 2013 alone.[2] For equity, DEG usually participate in an investment project via a 5 to 25% minority stake over a limited period. For loans, term usually lasts between 4 and 10 years with a volume between 3 and 25 million Euros.

DFI		DEG
Year	2013	Total
Ownership	100% owned by KfW, who is in turn 80% owned by the Federal government and 20% by the states	
Portfolio Investments (Euro million)	1450	6226
No. of Projects	109	735
Sectors (Euro millions)	Financial sector: 478.5 Manufacturing: 403.6 Infrastructure: 314.1 Agribusiness: 207.8 Service: 46.0	
Instruments Used (Euro million)	Loans with equity features: 242.9 Equity participants: 329.3	Equity and quasi-equity: 45% Loans: 55% Guarantees: 0%
Regional Distribution (Euro million)	Asia: 492.0 Latin America: 401.1 Sub-Saharan Africa: 325.7 Europe/Caucasus: 170.6 Three supra-regional schemes: 60.7	
LDC Exposure	Unknown proportion but DEG reports that in 2013 investments were carried out in Bangladesh, Zambia, Senegal and Tanzania	
Investee Type	In 2008, DEG granted two-long term loans totalling around USD 20 million to build a sustainable ecological waste disposal system in Trinidad, that now has almost 30 locations and employ over 1000 people (40% of which are women).	
Source	https://www.deginvest.de/DEG-Documents-in-English/Download-Center/DEG_Annual-Report_2013.pdf https://www.deginvest.de/International-financing/DEG/Unsere-Investitionen/Portfolio EDFi Annual Report 2013; https://www.kfw.de/PDF/Download-Center/Finanzpublikationen/PDF-Dokumente-Berichte-etc./1_Gesch%C3%A4ftsberichte/Gesch%C3%A4ftsbericht_2013-2.pdf	

[2] P 108, KfW Annual Report

3.11 FMO

FMO is the Dutch development bank and it is one of the largest bilateral development banks in the world. Through a mixed public and private ownership (51% by the Dutch State and 49% held by commercial banks, trade unions and other private sector representatives), it uses equity, loans and guarantees to mobilise investment into projects in developing countries. FMO's share of portfolio in LICs and LMICs is 77% in 2013, which is high among other DFIs.

DFI		FMO
Year	2013	Total
Ownership	51% by the Dutch State, 49% by commercial banks, trade unions, and other private sector representatives;	
Portfolio (Euro million)	1524	6600
No. of Projects	196	885
Sectors (US$ million)	Financial Institutions: 50 Private Equity Funds: 64 Energy:151 Agribusiness, Food and Water: 76 Diverse Sectors: 11	Financial Institutions: 2303 Private Equity Funds: 1268 Energy:1405 Agribusiness, Food and Water: 466 Diverse Sectors: 1191
Instruments Used (US$ million)		Equity and quasi-equity: 44% Loans: 52% Guarantees: 4%
Regional Distribution (US$ million)		ACP and South Africa: 30.2% South East Asia, South Asia and China: 27% South and Central America: 21.1% Central and Eastern Europe, CIS and Russia: 9.8% Med Countries, North Africa & Middle East: 4.5% Other countries and inter-regional investments: 7.5%
LDC Exposure	Unclear LDC exposure, FMO carried out investments worth €1 billion (77% of Portfolio) in new contracts in low-income countries (LIC) and lower-middle-income (LMIC) countries in 2013.	
Investee Type	Financing AEI, Centrans Energy Services and Energia Eolica in Nicaragua for investments in wind energy ($45 million for 15 years, together with Central American Bank for Economic Integration).	
Source	http://annualreport.fmo.nl/ EDFi Report 2013 and author's own calculations https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67635/comparing-DFIs.pdf	

3.12 Proparco

Proparco is the French development finance institution, jointly held by Agencies Francaise de Development and public and private shareholders. It has over 340 clients in 60 countries and its portfolio increased from 3.1 billion Euros in 2012 to 4.2 billion Euros in

2013. Sub Saharan Africa is one of the areas that Proparco priorities and in 2012, 50% of its financing were directed to the region to mainly support infrastructure, financial sector and agribusinesses

After Sub Saharan Africa, Proparco has its second largest geographical focus is Latin America and Caribbean, where 26% of its total investment were devoted to in 2013. It also invested 3% of its portfolio that year to French Overseas Territory.

DFI		Proparco
Year	2013	Total
Ownership	63% owned by French government and 23% owned by French financial organisations and 12% owned by international financial organisations;	
Portfolio Investments (Euro million)	847	4210
No. of Projects	53	442
Sectors (Euro million)	Financial Sector: 45% Infrastructure: 29% Corporate: 24% Investment funds: 2%	Financial Sector: 51% Infrastructure: 26% Corporate: 18% Investment funds: 5%
Instruments Used (Euro million)		Equity and quasi-equity : 14% Loans: 86% Guarantees: 0%
Regional Distribution (Euro million)	Sub-Saharan Africa: 46% Latin America and Caribbean: 26% Asia: 14% Mediterranean and Middle East: 6% Multi-country: 5% French Overseas Territories: 3%	Sub-Saharan Africa: 32% Latin America and Caribbean: 20% Asia: 18% Mediterranean and Middle East: 24% Multi-country: 2% French Overseas Territories: 4%
LDC exposure	Top 10 countries for loan commitment (Euro million): (#1) Kenya: 65 (#1 joint) Ivory Coast: 65 (#7) Martinique: 25 (#9) Bangladesh: 22 (#10) Honduras: 19	
Investee Type		Unclear
Source	http://www.proparco.fr/webdav/site/proparco/shared/ELEMENTS_COMMUNS/PDF/Rapports-annuels/Rapport%20annuel%202013/Annual_report_PROPARCO_2013.pdf EDFi report 2013	

3.13 Swedfund

Swedfund is the development financial institution for the Swedish government. Its aim is to eliminate poverty by creating sustainable business in some of the poorest countries in the world. It has a total portfolio of 342 million Euros. It invested 46 million Euros into 6 projects in total in 2013. It is owned 100% by the Swedish government. It has a heavy emphasis towards Africa with 54% of its investments on the continent.

Like other DFIs, Swedfund also offers financial support to small and medium sized Swedish firms conditional loans, knowledge transfer and equipment when they enter developing countries, based on long-term commercial cooperation between the Swedish enterprise and a firm in the host country.

DFI		**Swedfund**
Year	2013	Total
Ownership		100% owned by the Swedish government
Portfolio Investments (Euro million)	46	342
No. of Projects	6	96
Sectors (Euro million)		Financial: 34% Infrastructure: 17% Agribusiness: 1% Industry and manufacturing: 35% Services: 6% Other: 5%
Instruments Used (Euro million)		Equity (directly owned): 41.1% Loans and Guarantees: 35.8% Funds (indirectly owned equities): 23.1%
Regional Distribution (Euro million)		Africa: 54% Asia: 25.2% Latin America: 0.5% Eastern Europe: 13% Other regions: 7.3%
LDC Exposure		
Investee Type		60 million Swedish kroner funding for a waste management project in Vietnam
Source		http://www.swedfund.se/en/investments/ EDFi report 2013

3.14 EDFI (EDFI reporting of its member institutions)

European Development Finance Institutions (EDFI) is the Association of European Development Finance Institutions with 15 bilateral institutions focused on investing in the private sector of developing countries with a developmental impact. The EDFI members include: Bio (Belgium), CDC (UK), COFIDES (Spain), KfW/DEG (Germany), FINNFUND (Finland), FMO (Netherlands), IFU (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SBI-BMI (Belgium), SIFEM (Switzerland), SIMEST (Italy), SOFID (Portugal) and Swedfund (Sweden). This study has used data on EDFI has a proxy for smaller DFIs in general.

DFI		**EDFi total - 2013**
Year	2013	Total
Ownership		Various

Portfolio Investments (Euro billion)	5.8	28
No. of Projects	613	3791
Sectors (Euro million)	Financial sector: 1,809 (31%) Infrastructure: 1,397 (24%) Agribusiness: 1,103 (9%) Industry/Manufacturing: 513 (19%) Services: 168 (3%) Other: 850 (15%)	Financial sector: 30% Infrastructure: 26% Industry Manufacturing: 23% Agribusiness: 7% Services: 3% Other: 11%
Instruments Used (Euro million)		Equity and quasi-equity: 50% Loans: 48% Guarantees: 2%
Regional Distribution (Euro million)	ACP: 1742 South Asia: 810 South America: 726 South East Asia: 616 Other: 490 Central America: 466 China: 300 CIS: 225 Mediterranean countries: 164 Central and Eastern Europe: 139 South Africa: 75 North Africa: 54 Russia: 27 Middle East: 7	Africa: 30% Asia: 26% Latin America: 20% Europe: 7% Middle East North Africa: 5% Other: 12%
LDC Exposure		Various
Investee Type		Various
Source		EDFi report 2013

3.15 KfW

KfW development bank is a member of the German government’s KfW group, who promotes development programs in Africa, Asia, Latin America and South-Eastern Europe on behalf of the German Federal Government. KfW invests in LDCs. For example, corporations with Mali and Myanmar were resumed in 2013 as a result of positive political development. KfW has also supported Afghanistan and Pakistan on behalf of the German government. In 2013, KfW provided a total of 85 million Euros to aid the Syrian refugees in neighbouring countries.

DFI		KFW development bank
Year	2013	Total
Ownership	100% owned by government (80% owned by the Federal government and 20% by the states)	
Portfolio Investments (Euro million)	5268	

No. of Projects	
Sectors (Euro million)	Social infrastructure and services: 1609 Economic Infrastructure and services: 2906 Production sectors: 161 Others: 592
Instruments Used (Euro million)	Grants: 1611 Loans: 3251 Delegated funds: 406
Regional Distribution (Euro million)	SSA: 1,188 (23%) Asia and Oceania: 1,658 (31%) Europe and Caucasus: 721 (14%) Latin America: 663 (13%) North Africa/Middle East: 861 (16%) Supraregional: 176 (3%)
LDC exposure	**Heavy exposure** Top 10 commitment countries were: Afghanistan Tanzania Burundi Mozambique Nigeria (non LDC) Namibia DRC Niger Liberia Palestinian Territories (non LDC)
Investee Type	Various types
Source	https://www.kfw.de/PDF/Download-Center/Finanzpublikationen/PDF-Dokumente-Berichte-etc./1_Gesch%C3%A4ftsberichte/Gesch%C3%A4ftsbericht_2013-2.pdf

3.16 Japanese Bank of International Co-operation (JBIC)

JBIC is a policy-based financial institution wholly owned by the Japanese government, which has the objective of contributing to the sound development of Japan and the world. Interestingly though, JBIC mostly invests in rich or middle income countries. Few LDCs or LICs investment examples could be found in their annual report. The tone of its language is also very different from other European DFIs: for example, according to their 2014 annual report, its objectives were the following four fields:

- Promoting the overseas development and securement of resources which are important for Japan;
- Maintaining and improving the international competitiveness of Japanese industries;
- Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming;
- Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption;

DFI		Japanese Bank of International Co-operation (JBIC) - 2013
Year	2013	Total
Ownership		100% owned by the Japanese government
Portfolio Investments (Yen billion)	2,206.1	15,304.5
No. of Projects		
Sectors (Yen billion)		
Instruments Used (Yen billion)	Overseas Investment Loans: 1,671 (76%) Export Loans: 126.2 (6%) Import Loans: 56.2 (3%) Equity Participants: 97.4 (4%) Guarantees: 209.1 (9%) Untied Loans: 46 (2%)	**As of March 31, 2014:** Outstanding Loans and Equity Participations: 12,881.9 Outstanding Guarantees: 2,422.6 **As of June 27, 2014:** Capital: 1,391.0
Regional Distribution	Asia: 472.7 (21%) Oceania: 292.9 (13%) Europe: 350.3 (16%) Middle East: 104.8 (5%) Africa: 81.1 (4%) North America: 654.0 (30%) Latin America and Caribbean: 209.1 (9%) Others: 40.8 (2%)	
LDC exposure		Very few, mainly going to middle income and developed countries
Investee Type		Joint ventures and sustainable projects
Source		https://www.jbic.go.jp/wp-content/uploads/page/2014/11/32729/2014E_01.pdf Author's own calculations

3.17 Agency Francaise de Development (AFD)

The Agence Francaise de Development (AFD) is the French bilateral development finance institution. It aims to contribute to sustainable development and poverty reduction in developing countries. AFD carries out this mandate by providing finance, risk analysis and hedging instruments. For example, it provides grants in Sub-Saharan Africa, allocates soft loans and technical assistance to middle income countries and allocates loans with market rates to finance projects against climate change in emerging countries. AFD also provides support for regional cooperation for a range of activities in French Overseas Territories.

DFI	AFD
Year	2013
Ownership	100% owned by the French government
Portfolio Investments (Euro billion)	7.8

No. of Projects	676
Sectors (Euro Million)	Infrastructure and urban development: 3.299 (44%); Business, industry and trade: 1,609 (21%); Other (budget support and debt relief): 0.303 (4%); Health and education: 0.771 (10%); Water and sanitation: 0.724 (10%); Environment and natural resources: 0.479 (6.5%); Agriculture and food security: 0.338 (4.5%);
Instruments Used (Euro Billion)	Loans: 5.817 (79%) Grants: 0.897 (12%) Guarantees: 0.29 (3.5%) Equity: 0.073 (1%)
Regional Distribution (Euro Billion)	Middle East and North Africa: 0.796 (11%); Latin America and Caribbean: 1.169 (15%); Sub-Saharan Africa: 2.778 (37%); Asia: 1.194 (16%); French Overseas Provinces: 1.506 (20%);
LDC exposure	57% of all project grants to 17 priority poor sub-Saharan African countries
Investee Type	
Source	http://www.afd.fr/webdav/site/afd/shared/PUBLICATIONS/INSTITUTIONNEL/rapports-annuels/annual-report-afd-2013.pdf http://www.afd.fr/lang/en/home/AFD/presentation-afd Author's own calculations

4 Conclusions

The report has provided a mapping and profiling of a number of different Development Finance Institutions. The exercise, though mainly descriptive in its nature, has found a number of points that can be gleamed through the comparison of DFIS.

The first point is the **disjointed nature of DFI reporting**. DFIs use a wide variety of reporting systems for various aspects of its operations. This makes comparisons of DFI activities difficult as the use of different categories (for instruments used, regional categorisation and sectoral categorisation) and the identification of particular gaps in investments problematic.

Ownership of DFIs is divided into three categories i.e. multilateral organisations are owned by the member states that participate in the organisation whilst bilateral organisations are either owned by the individual member state that is responsible for its operations or in-part by both the government and private sector organisations. Whilst individual governments can wholly own bilateral DFIs, different parts of the government can have a stake in the institutions i.e. KfW is part owned by the German federal government and part owned by the individual German states.

The **size** of a DFI tends to reflect the amount of members that are a part of it, with multilateral organisations logically being larger and having access to more funds than bilateral DFIs.

DFIs mainly use three types of **instruments** i.e. loans, equity investments and guarantees. Loans represent a majority of DFI investments but there can be high divergence between institutions. Equity use, on the other hand, is more varied and is more prevalent in bilateral DFIs than in multilateral DFIs.

The **regional distribution** of DFIs varies quite widely – there is obvious regional bias for multilateral organisation organisations such as the EIB, the EBRD, the IDB, the ADB and the AfDB, mainly due to their mandate to cover particular regions whilst bilateral organisations are more varied. On average most financing is channelled towards Sub Saharan Africa and Asia (more than 50% of investments).

Sectoral investments vary by DFI although available data shows that DFIs mainly concentrate investments in two sectors i.e. on average DFIs make 61.7% of their investments in two sectors. The finance and infrastructure sectors are the main areas of focus for DFIs (accounting for 47.1% of investments on average) but there is still a wide divergence between institutions.

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