

On MDBs catalysing private investment and finance AKA “Commitment to Catalyse”

MDBs and other public financial institutions must fully embrace their critical role in catalysing private investment and finance for climate and development. MDBs are uniquely positioned to provide support in areas such as enabling policy, planning and regulation in real economy and financial sectors; investment planning and development of pipelines of investment opportunities; provision of risk mitigation instruments; and vehicles and channels connecting private finance with real economy investments in emerging and developing economies.

We call upon MDBs as a group and individually to urgently [and by XX] develop concrete commitments and plans for their contribution to catalysing scaled up flows of private finance and investment, which should include quantitative and qualitative targets as well as indicators for tracking progress. The focus and scope of these commitments, plans and performance indicators should go well beyond the MDBs’ own financing to include private investment and finance outcomes as well as the impact on the transitions and overall investment trajectories of countries and sectors from MDB catalytic efforts. They should be ambitious and specific enough to drive the necessary adjustments to operating models and internal incentives of MDBs; and they should reflect the commitment by MDBs to act as a system and in addition take responsibility for the wider international ecosystem of actors through cooperation with governments, private sector and enabling institutions via country platforms and other means. In parallel, we as governments shall ensure that scaled up financing is made available for these catalytic efforts by MDBs and others, which will require significantly scaled up investments in human and institutional capacity as well as injections of seed capital for risk mitigation and blended finance instruments.