



OECD Blended Finance Funds and Facilities

2018 Survey results

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INTRODUCTION



Setting the scene

- Decline in 2018 Official Development Assistance
 - 2.7% decrease to USD 153 billion and 3% decrease to LDCs
- New approach “shifting the trillions” is required to align broader actors and resources in support of sustainable development.
- Better policies for a more transparent and efficient financing for sustainable development: mobilisation, impact and transition.



What is blended finance?

Blended finance is the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries





OECD DAC BLENDED FINANCE PRINCIPLES to Unlock Commercial Finance for the SDGs

PRINCIPLE 1 : ANCHOR BLENDED FINANCE USE TO A DEVELOPMENT RATIONALE

PRINCIPLE 2 : DESIGN BLENDED FINANCE TO INCREASE THE MOBILISATION OF COMMERCIAL FINANCE

PRINCIPLE 3 : TAILOR BLENDED FINANCE TO LOCAL CONTEXT

PRINCIPLE 4 : FOCUS ON EFFECTIVE PARTNERING FOR BLENDED FINANCE

PRINCIPLE 5 : MONITOR BLENDED FINANCE FOR TRANSPARENCY AND RESULTS



2018 OECD Blended Finance Funds and Facilities Survey

The survey pursues three aims:

- to gather a more comprehensive picture of the latest market trends in blended finance,
- to understand what types of risks these funds and facilities are addressing and how they can leverage private capital more effectively,
- to explore how their development impact is being tracked and evaluated.

180 responses: 94 facilities and 86 funds, USD 60.2 billion AUM in 2017.



Collective Investment Vehicles (CIVs)

Facilities for blending

- Pooling development resources
- Mobilising additional finance through operations (project-level)

Blended funds

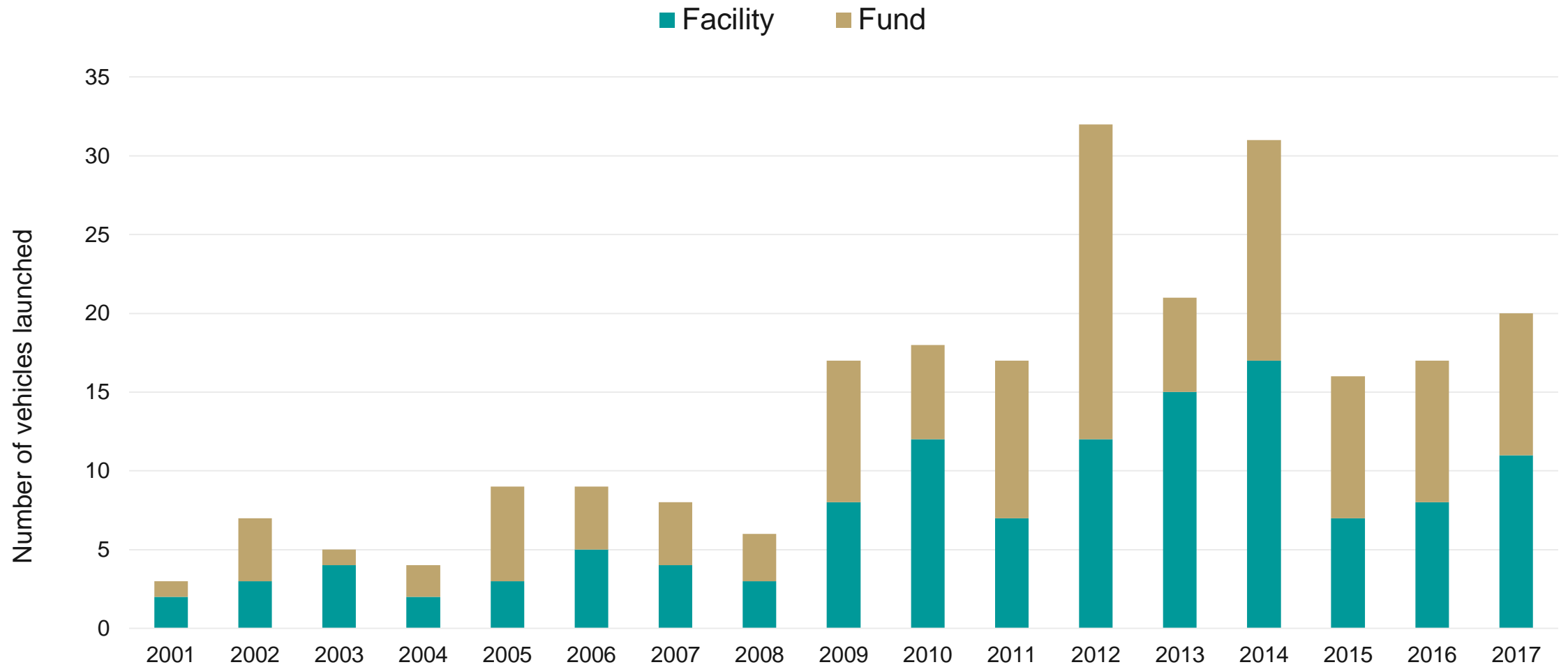
- Pooling development and commercial resources
- Mobilising additional finance at capital-level and through operations (project-level)
- Two types:
 - Flat: risks and returns split equally between investors
 - Structured: risks and returns allocated differently



MARKET AND PLAYERS



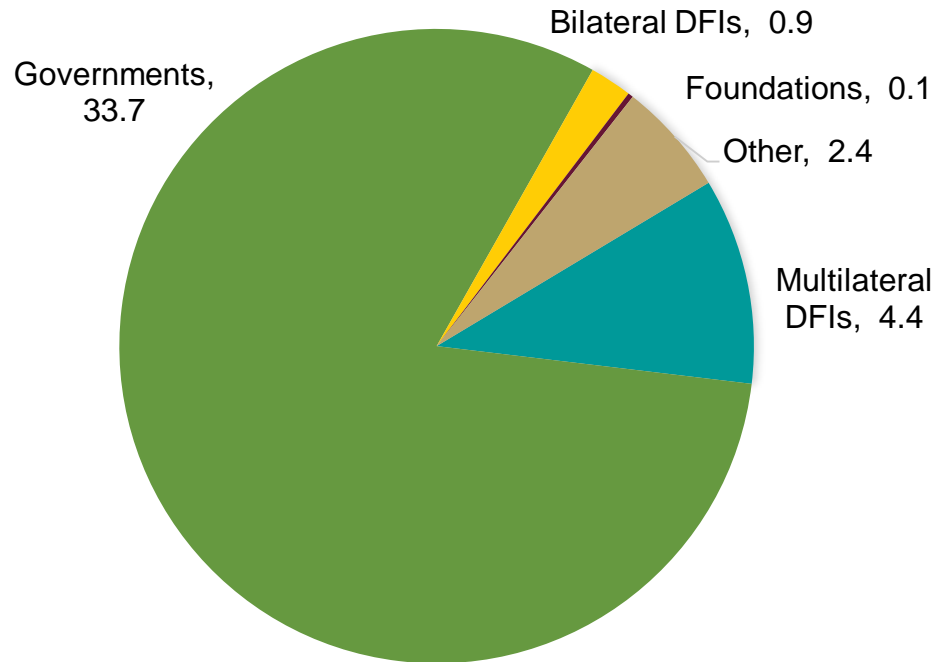
Market maturity





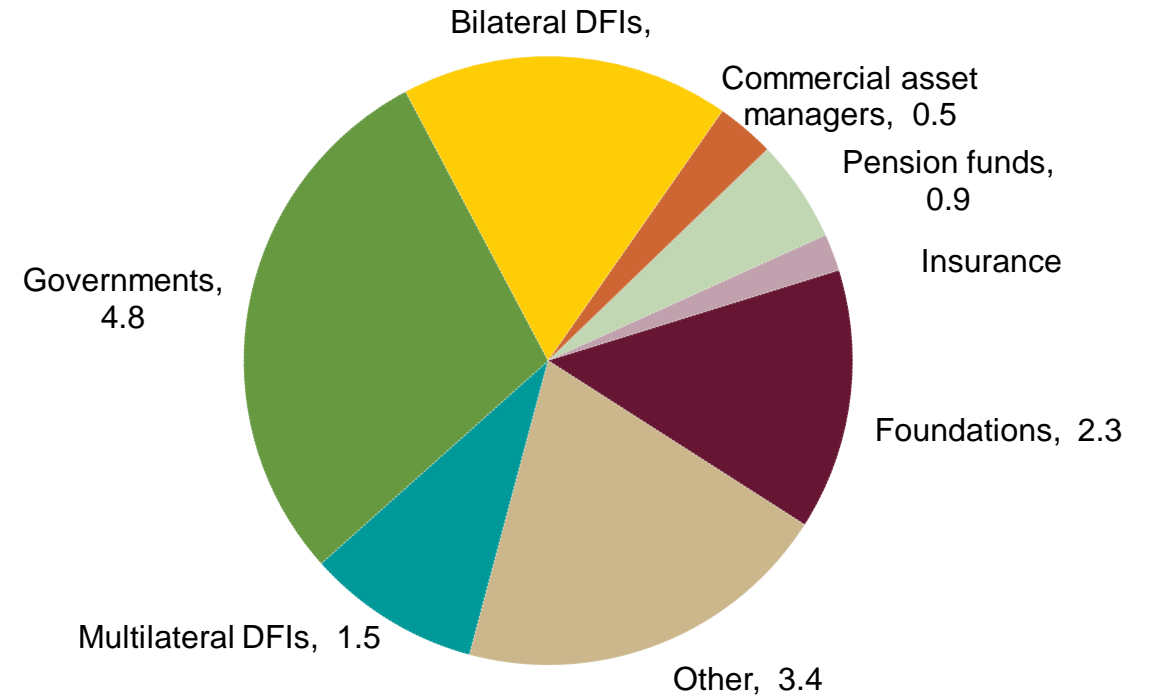
Investors

Facilities



USD 41.5 billion

Funds

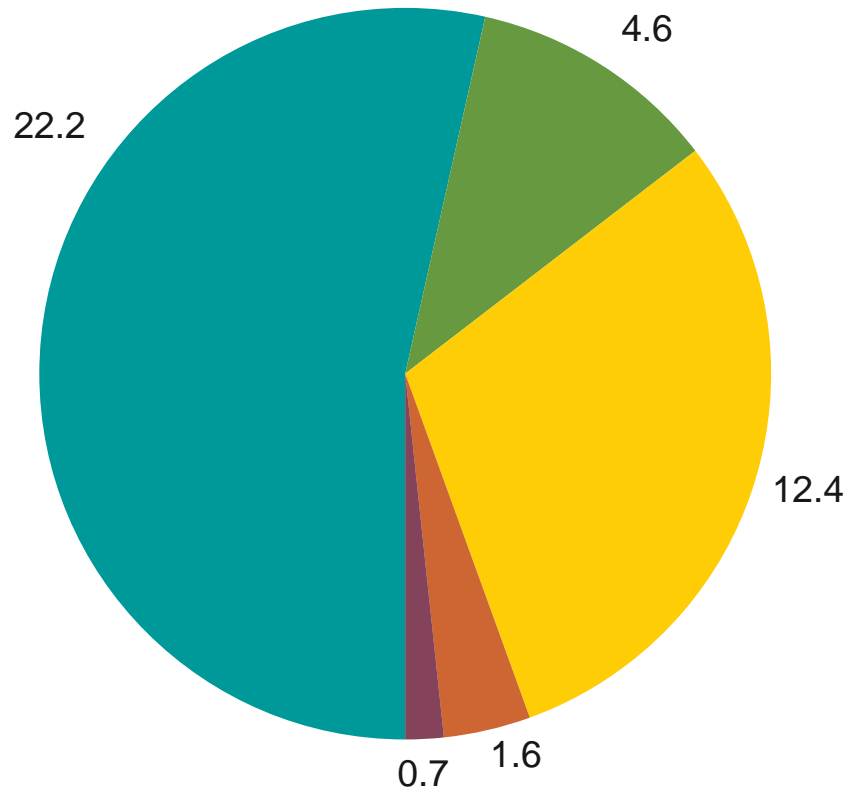


USD 16.8 billion

Total: USD 60.2 BILLION AUM

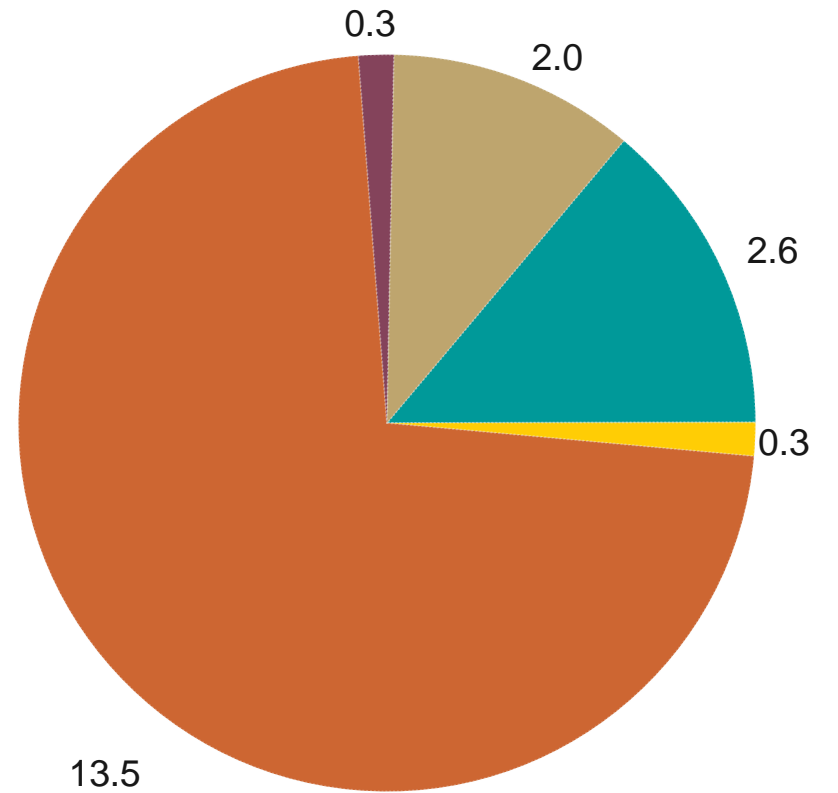
- Multilateral DFIs
- Governments
- Bilateral DFIs
- Commerical asset managers
- Non-profit asset managers
- Other

Facilities



USD 41.5 billion

Funds



USD 18.7 billion

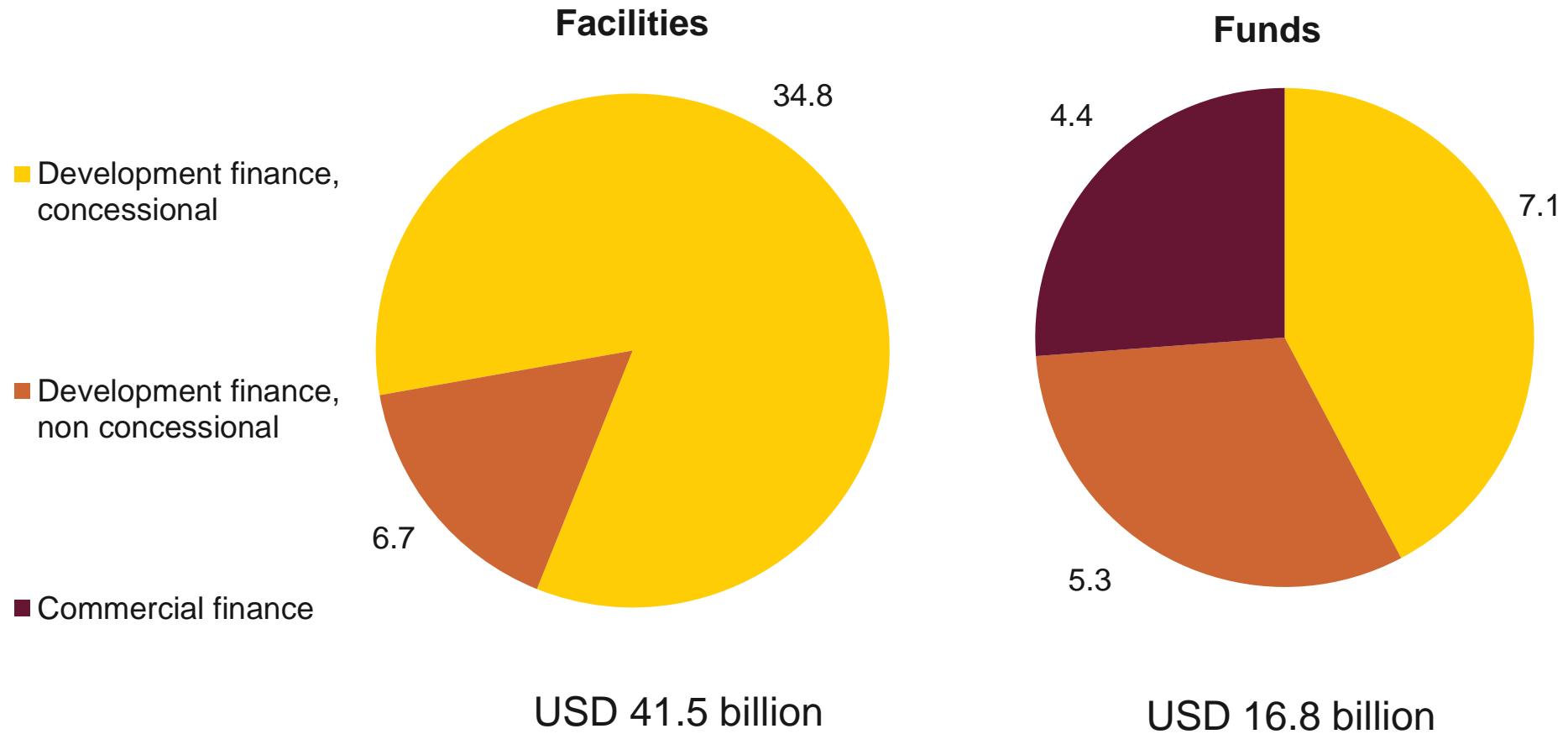
Total: USD 60.2 BILLION AUM



INVESTMENT STRATEGY



Sources of capital

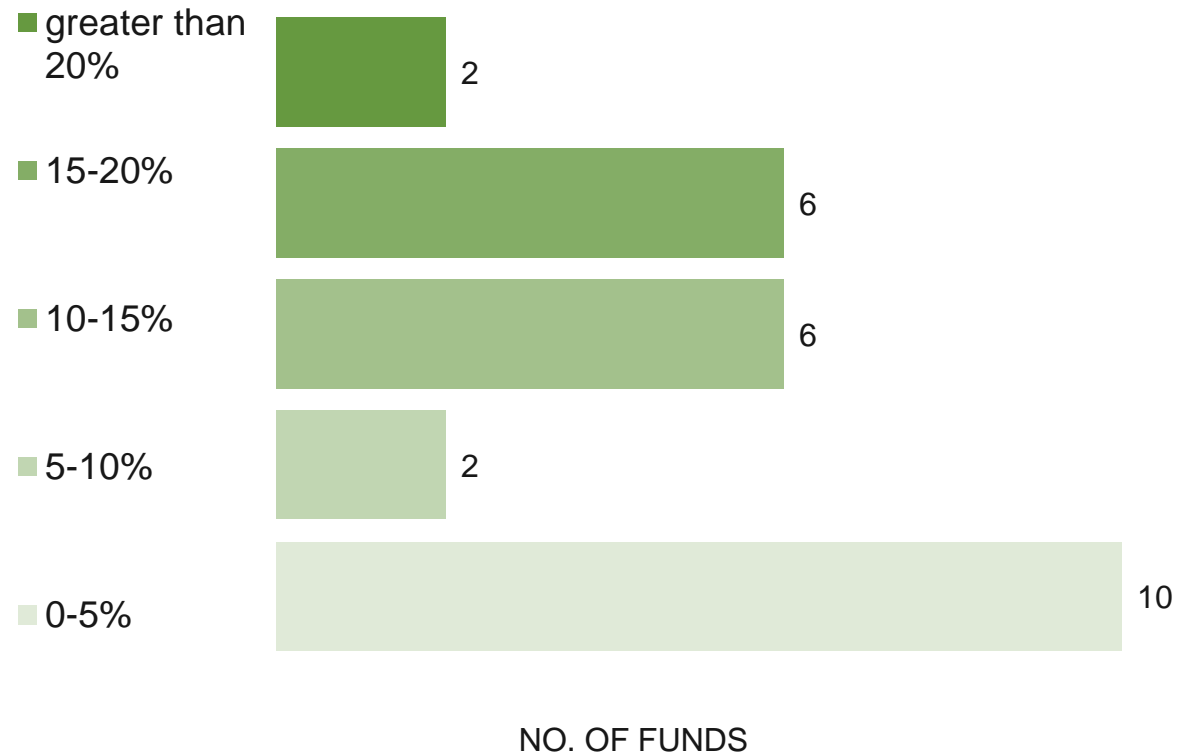


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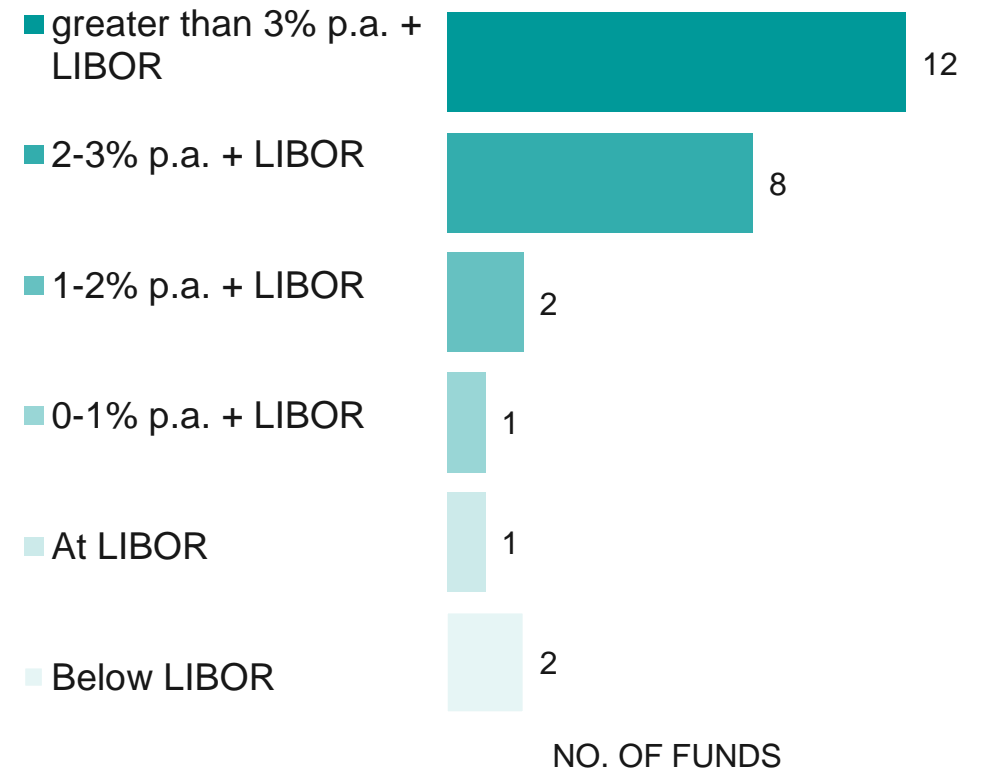


Blended funds: financial return expectations

Private equity and Venture capital

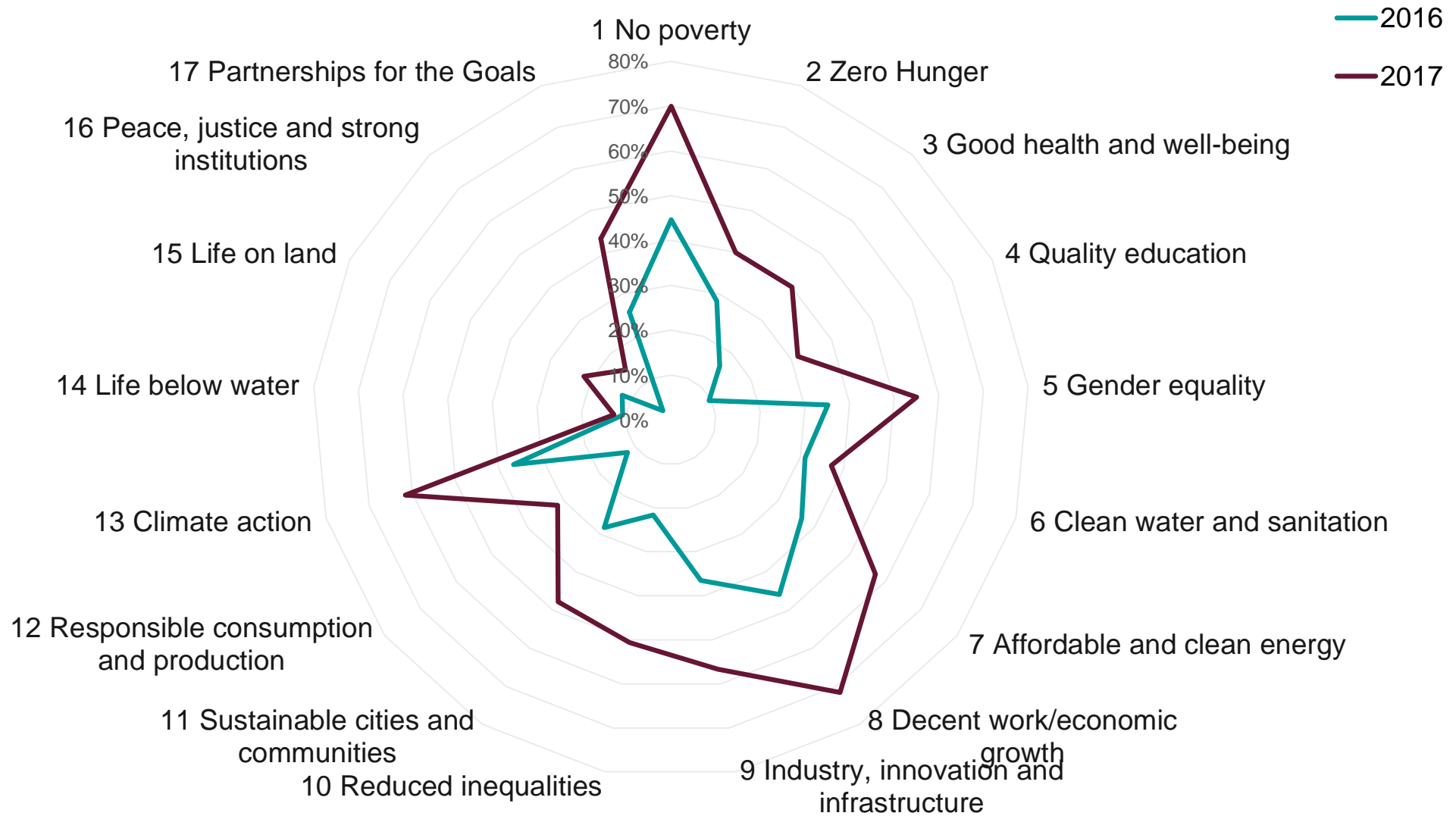


Fixed income





SDG targeting

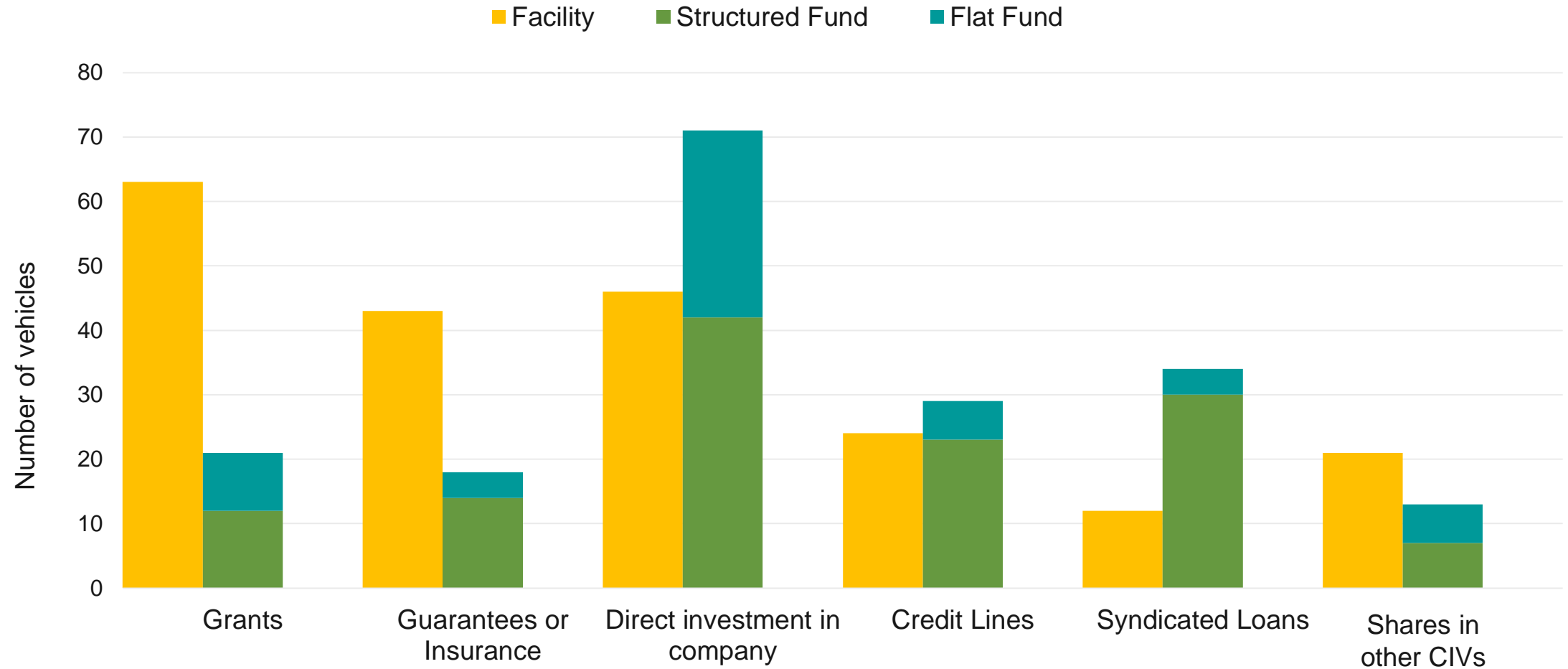




PORTFOLIO

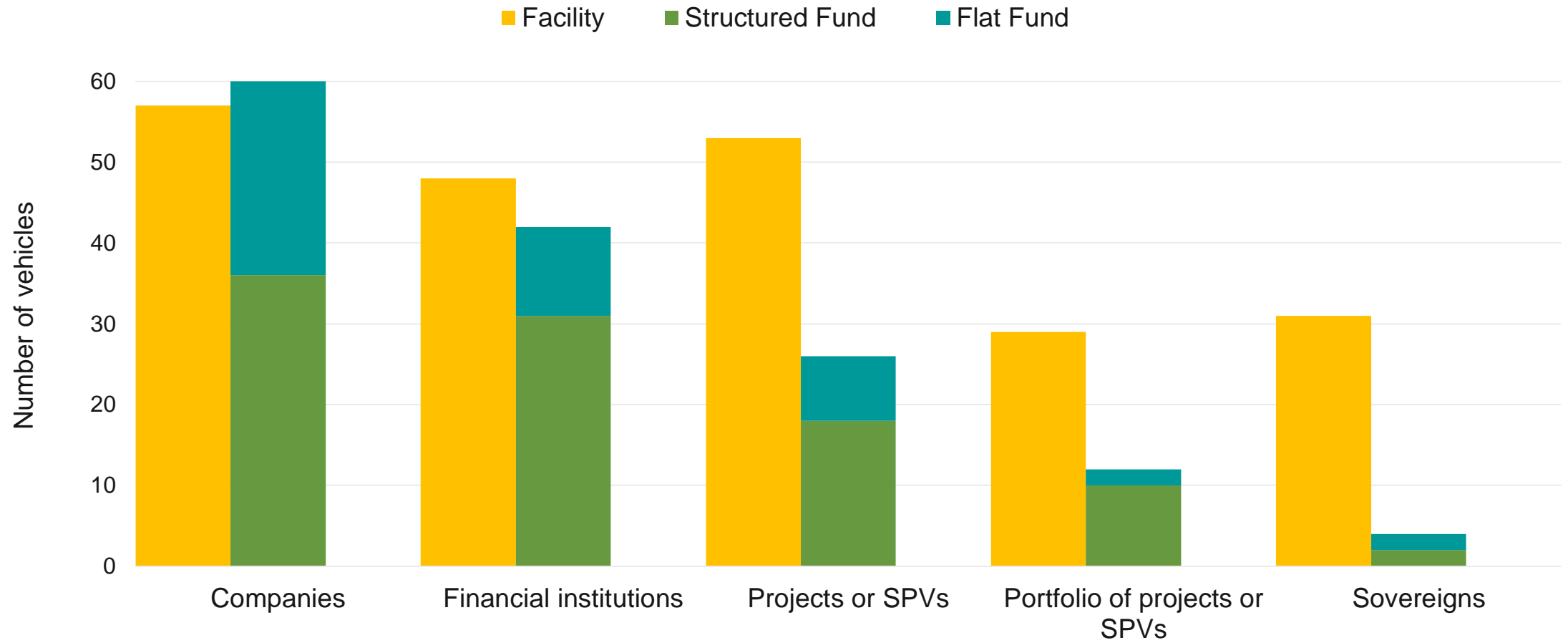


Investment instruments



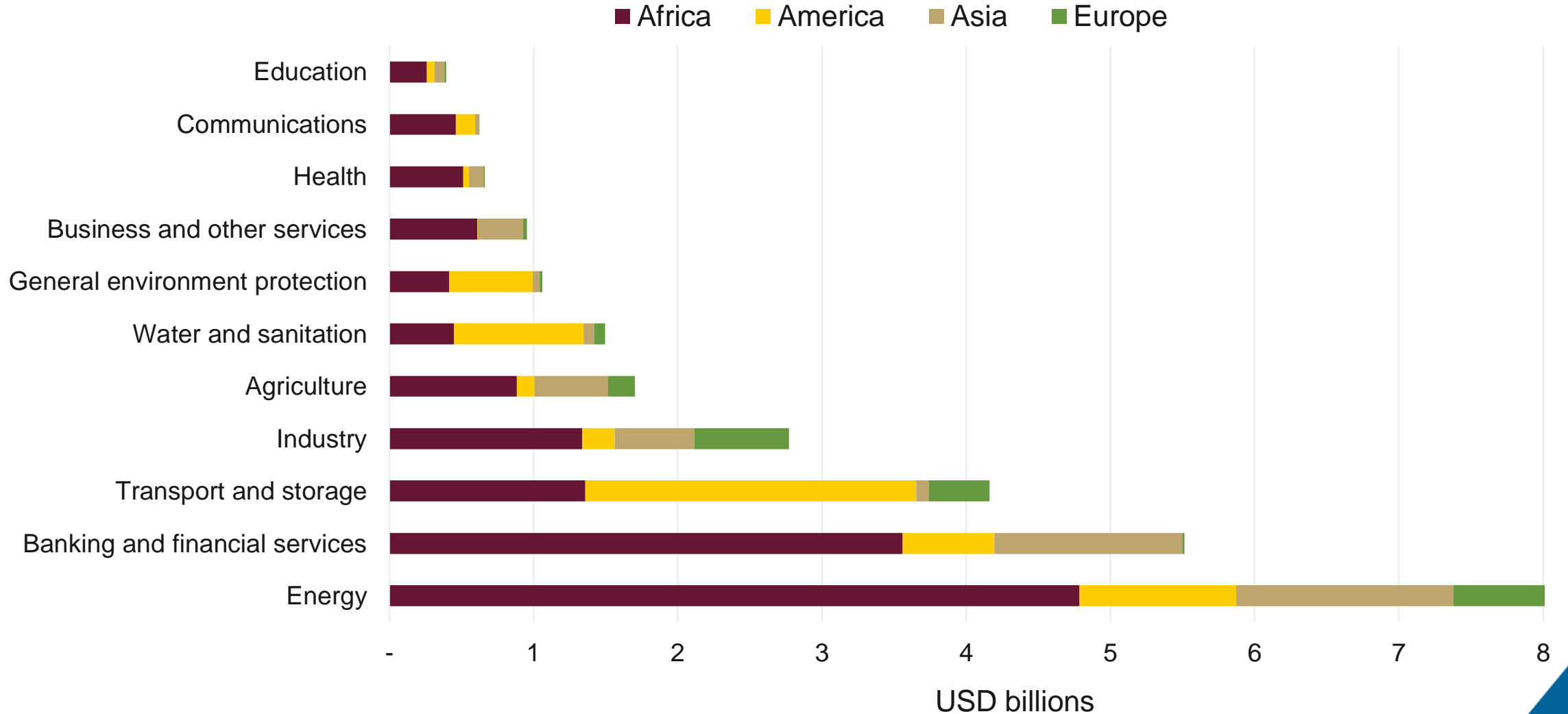


Investees





Investments by sector and region

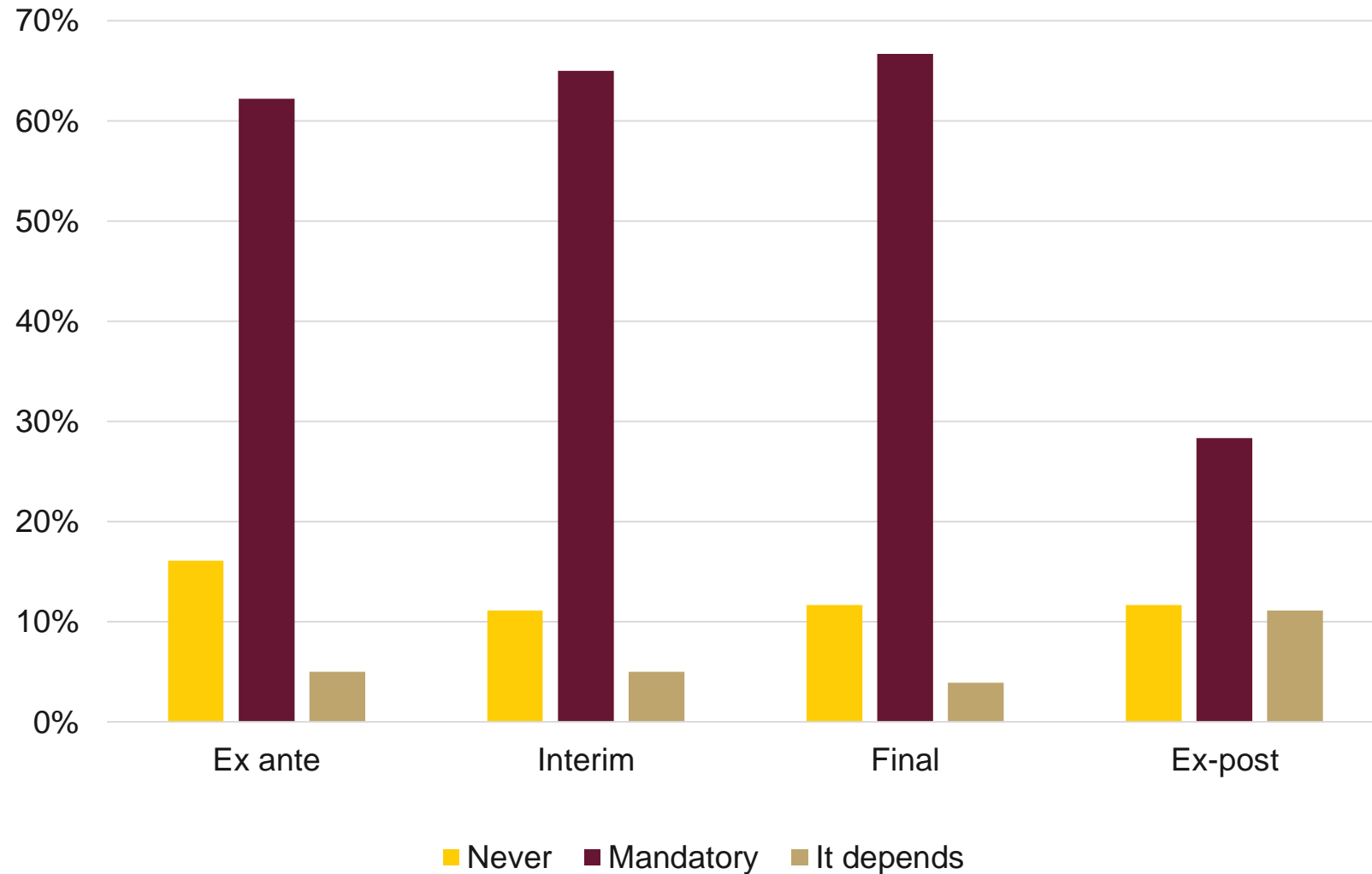




IMPACT CONSIDERATIONS

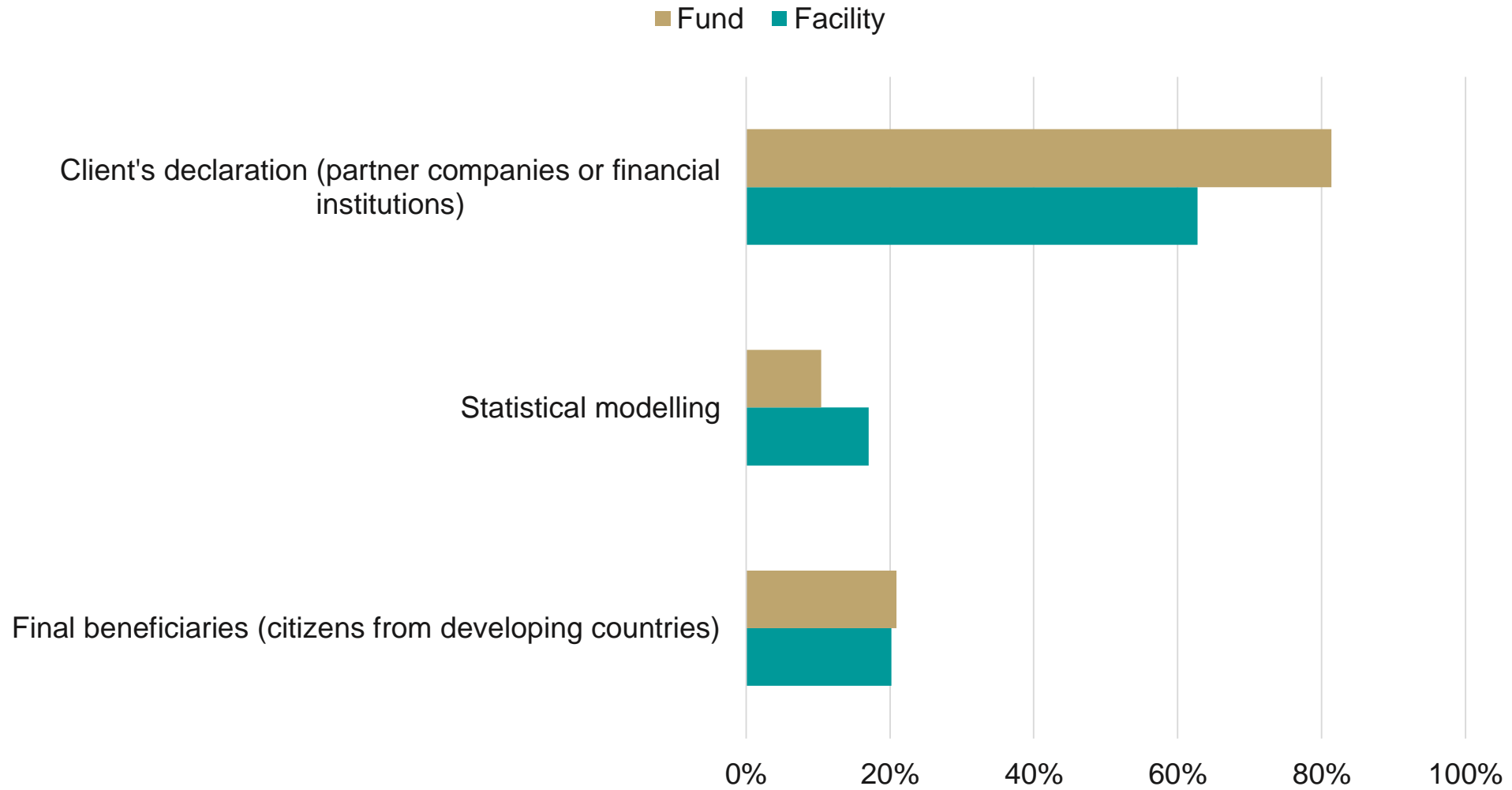


Development performance data collection





Sources of development impact information





THANK YOU!