WORKING DRAFT

GLOBAL FINANCING PLAYBOOK

Fostering Collaboration Across Finance and Development Institutions

Executive summary / Why the Playbook?

The **Fourth International Conference on Financing for Development (FfD4)** represents a critical opportunity to reset global financing efforts in support of the 2030 Agenda and climate goals. Investment in developing countries is often constrained by perceived risks, limited project pipelines, and the lack of standardized impact frameworks. While the scale of investment required is well understood, the means to mobilize and align public, private, domestic, and international resources remain fragmented and insufficient.

The **2025 Global Financing Playbook ("the Playbook")** responds to this challenge by offering a practical, collaborative framework to help countries and financing partners move from political agreement to implementation through initiatives and solutions offered by the Playbook partners. Developed in the lead-up to FfD4 and shaped by a broad multi-stakeholder process, the Playbook provides a concise overview of key international initiatives.

At the center of this approach is the recognition that sustainable development and climate goals must be **driven by country leadership**. Countries articulate their priorities through national development plans (NDPs), Nationally Determined Contributions (NDCs), and National Biodiversity Strategies and Action Plans (NBSAPs). These strategies must be supported by nationally owned financing frameworks and mechanisms that mobilize and align investment with clear, credible policy agendas.

Country platforms play a critical role in this effort. These are government-led coordination mechanisms embedded in national institutions, often with strong participation from national development banks. They bring together public and private stakeholders around a shared vision, linking policy reforms, project pipelines, and financing partners under a coherent financing strategy. Integrated National Financing Frameworks (INFFs), led by ministries of finance, are one of the leading tools to develop such strategies, identifying financing needs and opportunities, structuring policy reforms, and aligning financial flows with development objectives.

Structured around **four strategic pillars**, the Playbook identifies key areas where policy, institutional, and financial innovations can reinforce one another: from creating enabling environments and building robust pipelines to reducing investment risk and embedding sustainability in financial decision-making. Rather than offering a one-size-fits-all approach, it brings together diverse tools and initiatives that can be adapted to country-specific contexts.

By presenting these elements in a practical and collaborative format, the Playbook seeks to inform and inspire more coordinated international support for financing strategies that deliver on national development priorities in the lead-up to FfD4 and beyond.

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List of Abbreviations

SDG - Sustainable Development Goal(s)
FfD4 - Fourth International Conference on Financing for Development
NDP - National Development Plan
NDC - Nationally Determined Contribution
NBSAP - National Biodiversity Strategies and Action Plans
INFF - Integrated National Financing Framework
MDB - Multilateral Development Bank
RDB - Regional and Sub-regional Development Bank
PDB - Public Development Bank
DFI - Development Finance Institution
IFI - International Financial Institution
PPP - Public-Private Partnership
ESG - Environmental, Social and Governance
FX - Foreign Exchange
M&E - Monitoring and Evaluation
CPBF - Climate-focused Policy-Based Financing
TA - Technical Assistance
LCY - Local Currency
JETP - Just Energy Transition Partnership
EU - European Union
FSDA - Financial Sector Deepening Africa
ADB - Asian Development Bank
AIIB - Asian Infrastructure Investment Bank
EBRD - European Bank for Reconstruction and Development
BCDP - Bangladesh Climate and Development Platform
GCF - Green Climate Fund
CIF - Climate Investment Fund
PISTA - Platform for Investment Support and Technical Assistance
EFSD+ - European Fund for Sustainable Development Plus
MCDF - Multilateral Cooperation Center for Development Finance
IADB - Inter-American Development Bank
FID - Fund for Innovation in Development
OPIM - Operating Principles for Impact Management
ISO - International Organization for Standardization
ICMA - International Capital Market Association
AFD - French Development Agency
CABEI - Central American Bank for Economic Integration
UNDP - United Nations Development Programme
UNCDF - United Nations Capital Development Fund
MIGA - Multilateral Investment Guarantee Agency
SLL - Sustainability-Linked Loan

I. Introduction

The global development finance landscape stands at the threshold of a new era, defined by massive needs, growing systemic risks, and an urgent call for transformative financial solutions. Amid persistent geopolitical tensions, rising debt burdens, climate instability, and narrowing fiscal space, **existing financing approaches are no longer sufficient** to meet the scale of today's development challenges.

With development needs rising sharply and only a limited share of global goals on track, the global community faces an urgent imperative to accelerate progress towards sustainable, resilient, and inclusive development. The financing required to meet these priorities is enormous; **over $4 trillion is needed annually** to achieve the Sustainable Development Goals (SDGs), while delivering on existing Nationally Determined Contributions (NDCs) under the Paris Agreement requires an estimated $5.8 trillion by 2030. Yet less than 15% of global SDG investments reach emerging markets, which face the largest financing gaps and the highest needs for affordable, risk-adjusted capital.

To close this gap, a fundamental shift is needed in how development finance is mobilized, coordinated, and deployed. Isolated efforts are not enough; stronger collaboration between Multilateral Development Banks (MDBs), Regional and Sub-regional Development Banks (RDBs), Public Development Banks (PDBs), UN agencies, the private sector, philanthropies, and other stakeholders is essential. By working together through multi-stakeholder partnerships, these actors can leverage their respective mandates and instruments to scale up impact, mobilize private capital, and deploy innovative financial solutions. In this context, the role of subregional development banks should be emphasized. These institutions operate close to governments and local stakeholders, acting as key enablers for translating international commitments into concrete financing structures and technical support schemes at the regional level.

The country platforms as collaborative frameworks offer an ideal mechanism to align and coordinate the efforts of various stakeholders to address a country's financing needs for development. The platforms aim to enhance the effectiveness and efficiency of resource mobilization and utilization by fostering partnerships and leveraging synergies among different actors.

The UN is instrumental in setting the global development agenda, by providing a global platform for dialogue, setting international norms and standards, and facilitating partnerships. **Multilateral Development Banks (MDBs)** play a catalytic role in enabling private investment, mitigating risk, and supporting sustainable finance ecosystems. Their reform agenda is expected to unlock $300–400 billion in additional lending capacity over the next decade. **Regional and Sub-regional Development Banks (RDBs)** complement these efforts by working closely with governments and local stakeholders, supporting sectoral investment plans and providing technical assistance for capital market development and thematic bond markets. **Public Development Banks (PDBs),** which collectively represent 26% of G20 GDP, must be better integrated into global financial discussions. Equally, **bilateral development agencies, philanthropic institutions, and multilateral climate and development funds** bring complementary resources, innovation, and long-term commitment to scaling sustainable finance.

This playbook outlines key strategies and mechanisms for fostering collaboration between financial and development institutions to scale financing for sustainable development. Building on new and ongoing initiatives and efforts, it complements the FfD4 outcome document by supporting the implementation of agreed actions through practical tools and collaboration models. It is a lean, multi-stakeholder initiative aimed at accelerating action through coordination between public and private actors, particularly at the country-level. To that end, **the Playbook is structured around four key pillars of collaboration, which are detailed in the following chapters.**

Context - The need for stronger collaboration across Finance and Development Institutions

Financing for development sits at the nexus of financial and development sectors, requiring deeper systemic partnerships to unlock investment in the geographies and sectors that most need it. Addressing the gap for development requires a unified effort from a diverse array of stakeholders, including Multilateral Development Banks (MDBs), Regional and Sub-regional Development Banks (RDBs), Public Development Banks (PDBs), UN agencies, philanthropies, private sector partners, and other key actors.

Private finance plays a crucial role in bridging the financing gap and accelerating progress toward the 2030 Agenda. Despite managing over $100 trillion in assets, institutional investors allocate only 6% of their portfolios to developing markets, often without measurable sustainability outcomes aligned with the SDGs. Financial institutions, including MDBs and other PDBs, IFIs, and DFIs, are critical for crowding in private capital through blended financing solutions, risk mitigation instruments, and capacity-building initiatives. Development institutions, in turn, provide technical expertise, institutional capacity-building, and policy support necessary to create enabling environments for sustainable investments.

Progress hinges not only on these actors' individual actions but also on their willingness to collaborate across institutional and sectoral boundaries. By leveraging their unique mandates, instruments, and comparative advantages through intentional and trust-based partnerships, these actors can jointly catalyze investment, foster partnerships, and deploy innovative financial solutions. This collective action is essential to scale impact, ensure resilience, and respond effectively to today's development challenges.

Seville 2025: A defining moment for financing sustainable development

The **Fourth International Conference on Financing for Development (FfD4)** arrives at a critical juncture. It offers a rare chance to reflect on lessons learned since Monterrey (2002), Doha (2008), and Addis Ababa (2015), while also adapting to today's rapidly shifting financial and geopolitical landscape. The road to Seville is marked by an unprecedented level of inclusivity in the preparatory process. Through structured dialogues, thematic consultations, and regional forums, diverse stakeholders, from governments and multilateral institutions to civil society and the private sector, are being engaged in shaping the agenda and outcomes of FfD4.
FfD4 can serve as a catalyst for a new era of financing cooperation, one that better reflects the needs of developing countries, acknowledges the role of emerging donors and private finance, and reinforces the centrality of sustainable development outcomes.

The Playbook

The 4th International Conference on Financing for Development (FfD4) in Seville in 2025 represents a pivotal opportunity to revitalize these partnerships, ensuring that financial and development institutions collaborate more effectively to mobilize and align finance for sustainable development. The conference will serve as a platform to secure ambitious commitments at global, regional, and country levels, facilitating deeper engagement between financial and development stakeholders to maximize their collective impact. The collaboration should be grounded in country-led plans and supported by inclusive coordination platforms that bring together public and private stakeholders.

These platforms are essential to ensure coherence, ownership, and alignment with national development priorities.

In support of this vision, **the 2025 Global Financing Playbook ("the Playbook")** is a multi-stakeholder initiative aimed at strengthening collaboration across development finance actors, public and private alike, to unlock investment aligned with developing countries' needs. It provides a practical framework to overcome investment barriers and scale financing aligned with national priorities, as informed by Integrated National Financing Frameworks (INFFs).

This initiative is being developed in close coordination **with partners across the globe,** including developing countries' Governments, Multilateral and Public Development Banks (PDBs), Regional and Sub-regional Development Banks (RDBs), Development Finance Institutions (DFIs), International Financial Institutions (IFIs), and philanthropies. In this regard, the Playbook will also serve as a platform to advocate for synergies and complementarities across solutions and Playbook partners and between partners and developing countries.

It will complement the outcome of the Fourth International Conference on Financing for Development (FfD4) by translating political commitments into practical action through initiatives and solutions offered by the Playbook partners. It will be officially launched at the FfD4. Beyond that, partners agree to continue working together to put the Playbook into action, with regular communication and information exchange on implementation and results through country-led collaboration.

It is organized into four key areas of collaboration:

1. Policy De-risking - Enhancing regulatory frameworks to attract investment
2. Pipeline Development - Strengthening project origination and ensuring alignment with SDGs
3. Financial De-risking - Expanding blended finance instruments and risk mitigation strategies
4. Embedding Impact - Advancing shared principles for impact measurement to ensure accountability and maximize development outcomes

II. Key areas of collaboration

1. Presentation of the four pillars

To scale financing for sustainable development, financial and development institutions must collaborate across four key pillars.

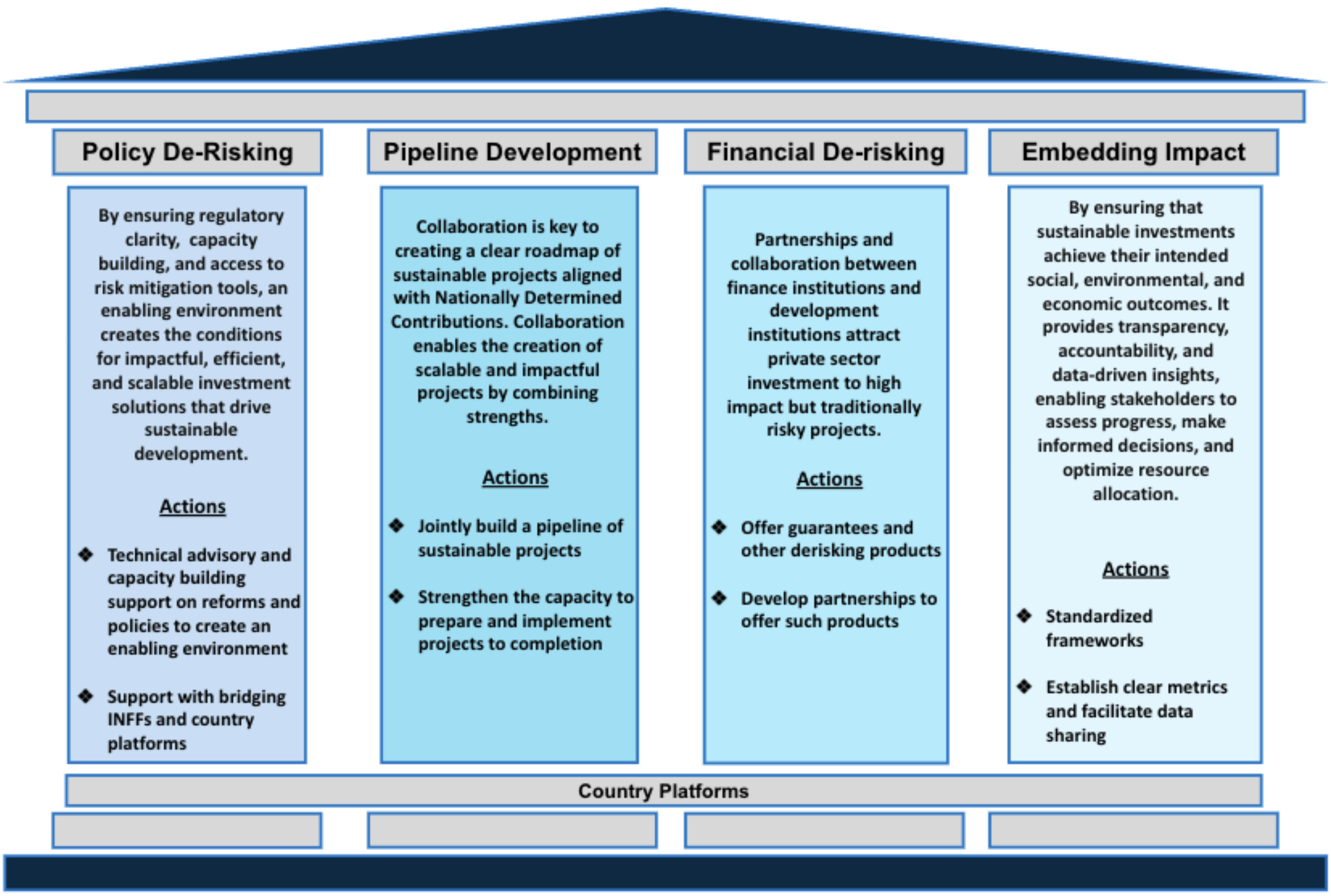
1. Policy De-risking focuses on strengthening regulatory frameworks, aligning policies, and expanding risk mitigation tools to create a stable investment climate.
2. Pipeline Development enhances project origination by aligning investments with sustainable priorities and strengthening technical capacity.
3. Financial De-risking mobilizes private capital through blended finance, guarantees, and risk-sharing mechanisms.
4. Embedding Impact in businesses and investments to maximize meaningful impact per dollar invested.

Together, these pillars create a systemic approach to mobilizing and aligning finance for sustainable development.

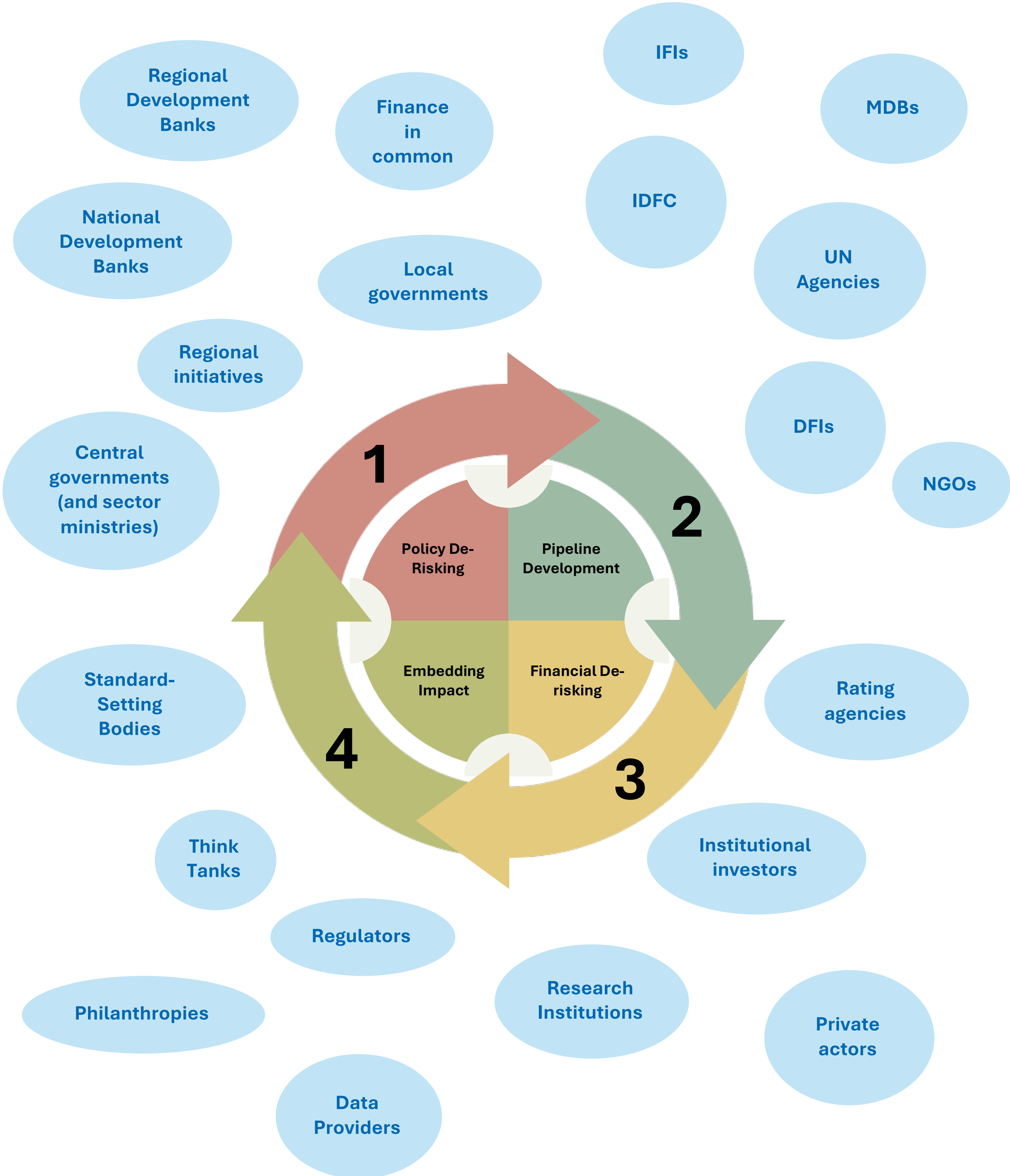
The four pillars are intended to be operationalized through country platforms, which are government led coordination mechanisms that bring together public and private stakeholders to align financing with national priorities. Country platforms provide a space for structured dialogue, joint planning, and collaborative implementation, helping to coordinate efforts across sectors and development partners. By fostering coherence between policies, investments, and institutional efforts, they enhance the effectiveness and efficiency of development financing.

Integrated National Financing Frameworks (INFFs) represent one of the leading tools for operationalizing country platforms. Led by ministries of finance, Integrated National Financing Frameworks (INFFs) help countries identify financing needs and opportunities, define policy reform agendas, and align domestic and international financial flows with national development plans, such as National Development Plans (NDPs), Nationally Determined Contributions (NDCs), and National Biodiversity Strategies and Action Plans (NBSAPs). INFFs also support the institutionalization of sovereign financing strategies and the design of enabling environments to attract investment. Together, INFFs and broader country platforms ensure that financing is not only mobilized but also aligned, coherent, inclusive, and country owned.

Presentation of the four pillars of collaboration



2. Actors and champions



3. Key areas of collaboration - Analysis of each pillar

A) Policy De-Risking

i. Opportunities and challenges

The importance of Policy De-risking in mobilizing Sustainable Finance

Creating an enabling environment is fundamental to mobilizing private capital for sustainable development. It provides the policy, regulatory, and institutional frameworks necessary to reduce investment risks, align stakeholder priorities, and create the conditions for scalable and impactful investments. Without clear and predictable regulations, sustainable investments in developing markets remain constrained by high-risk perceptions, policy uncertainties, and weak institutional capacities.

Policy de-risking refers to government-led and regulatory interventions that improve investment conditions, ensuring that financial and development institutions can collaborate effectively. By removing regulatory bottlenecks, strengthening legal frameworks, and enhancing transparency, governments can lower the cost of capital, attract private sector participation, and unlock financing for critical projects with sustainable objectives.

Financial and development institutions play a complementary role in enabling policy de-risking by providing technical assistance, facilitating policy dialogue, and supporting institutional reforms to enhance financial governance and investment readiness.

Key barriers to Policy De-Risking

Despite the growing demand for sustainable finance, several policy and regulatory challenges hinder private sector investment and the scalability of development financing:

- **Regulatory uncertainty and policy inconsistencies**
    - Many countries lack clear regulatory frameworks for sustainable investments, leading to unpredictable policy shifts that discourage long-term commitments.
    - Frequent changes in tax policies, foreign exchange controls, and investment incentives create instability, increasing the perceived risk of investment in emerging markets.

- **Misalignment between national policies and international standards**
    - Non-prudential sustainable finance regulatory frameworks: Current sustainable finance regulations often overlook the unique challenges faced by global investors deploying capital in EMDEs (Emerging Markets and Developing Economies).
    - Lack of alignment and interoperability between national financial regulations and global standards leads to market inefficiencies.
    - Absence of clear sustainable investment taxonomies results in SDG/green washing, inconsistent reporting, fragmented market practices, and limited investor confidence.

- **Weak institutional capacity and governance gaps**
    - Insufficient institutional capabilities to develop, implement, and enforce investment policies limit the effectiveness of financial governance.
    - Limited capacity to carry out reforms needed for creating an enabling environment for sustainable investment
    - Many public financial institutions lack coordination with private sector actors, reducing opportunities for blended finance and risk-sharing initiatives.

- **Graduation paradox and eligibility constraints**
    - Many middle-income countries lose access to concessional and blended finance once they exceed income thresholds, despite ongoing development needs, climate vulnerability, and limited fiscal space.
    - Rigid eligibility criteria prevent countries from mobilizing affordable capital and adopting innovative financing solutions, limiting the effectiveness of policy de-risking efforts.

ii. Instruments and solutions

To unlock finance for sustainable development, countries must improve their policy and regulatory frameworks while fostering collaboration between financial and development institutions. The following solutions can significantly reduce investment risks and enhance market confidence:

1. **Strengthening regulatory frameworks for sustainable investments**
    - Develop and implement interoperational sustainable investment taxonomies to define green, sustainable, and transition finance classifications.
    - Allow spaces that facilitate impact investors to work with regulators to shape EMDE-aligned sustainable finance standards.
    - Streamline regulatory approval processes for SDG and climate-related investments, reducing bureaucratic delays.
    - Introduce investment-friendly legal reforms that provide stability in foreign exchange, taxation, and land-use policies.
    - Enhance transparency in ESG reporting by aligning disclosure frameworks with global sustainability standards.
    - Adapt concessional and blended finance eligibility frameworks to consider broader development and climate vulnerability factors, ensuring that countries facing the graduation paradox can access affordable capital and risk-sharing instruments.

2. **Aligning financial and development policies with country-led strategies**
    - Use already existing local coordination structures and/or Integrated National Financing Frameworks (INFFs) as the foundational mechanism to align financial and development policies with national development objectives, providing a platform for coordinated action by governments, financial institutions, and development actors.
    - Strengthen public-private partnerships (PPPs) by improving governance structures, contract enforcement, and risk-sharing mechanisms.

3. **Enhancing institutional capacity for policy implementation**
    - Provide technical assistance to governments to take forward the priority financing reforms and policies for creating a conducive investment environment.
    - Support capacity-building programs for regulators, central banks, and financial supervisors to improve oversight of sustainable finance initiatives.
    - Leverage public development banks (PDBs) and multilateral institutions to structure financing solutions and provide advisory services for policy implementation.
    - Engage philanthropic organizations as catalytic partners to support enabling environments, policy experimentation, and capacity-building efforts, especially in underfunded sectors or early-stage reforms.

B) Pipeline Development

i. Opportunities and challenges

The importance of Pipeline Development in scaling sustainable finance

A well-structured pipeline of bankable, sustainability-focused projects is essential to mobilizing finance for sustainable development. Without a clear pipeline, investors face difficulties in identifying viable opportunities, despite growing commitments to sustainable finance. The challenge is not the lack of funding, but rather the absence of well-prepared, investment-ready projects that meet the risk-return expectations of both public and private investors.
Collaboration across financial institutions and development organizations is key to creating a clear roadmap of projects aligned with sustainable development priorities identified at the country level, including national development plans, INFFs, Nationally Determined Contributions, NAPs, NBSAPs etc. Development institutions bring technical knowledge and local expertise, while financial institutions contribute capital and risk management strategies. Collaboration enables the creation of scalable and impactful projects by combining strengths.

Pipeline development involves the identification, preparation, and structuring of projects that align with national development priorities and global sustainability targets, such as the Paris Agreement and the SDGs. Well-structured pipelines facilitate the mobilization of blended finance solutions, enabling the pooling of resources and expertise from both sectors. Such collaboration is essential for leveraging private sector investment and addressing the finance gap. In this regard, dedicated technical cooperation windows for project preparation - financing feasibility, environmental and social, and engineering studies - are a cornerstone of successful pipeline development.

Key Barriers to Pipeline Development

Despite their potential, several barriers hinder the development and scaling of bankable projects, particularly in emerging markets and developing economies:

- **Lack of bankable projects and investment mismatch**
  - There are not enough bankable pipeline opportunities for financiers to fill the gap.
  - Many projects are not structured to meet investor expectations, lacking robust financial models, risk assessments, and market feasibility studies.
  - Private investors hesitate to commit capital to projects with unclear risk-return profiles, especially in emerging and developing markets.
  - There is often a disconnect between national financing needs and the risk appetite of financial institutions, limiting investment flows.

- **Limited access to early-stage project development and Technical Assistance**
  - Market creation and project preparation is underfunded, particularly in sectors like climate adaptation, sustainable infrastructure, and social development.
  - Governments and project developers often lack the technical expertise needed to structure bankable projects and conduct feasibility studies.

- **Fragmented coordination between public and private sector actors**
  - Public and private stakeholders often lack coordination, leading to a misalignment between policy objectives and investment priorities.
  - Insufficient dialogue between governments, PDBs, MDBs, and private investors results in projects that do not match the financial and risk requirements of institutional investors.

- **Limited transparency and access to pipeline data**
  - Investors struggle to identify investment-ready projects due to fragmented project databases and a lack of standardized reporting frameworks.
  - The absence of digital platforms for project pipeline visibility makes it difficult to track bankable sustainability-focused projects in various sectors.
  - Lack of communication and transparency on the sustainable outcome can sometimes create fear of greenwashing.

ii. Instruments and solutions

1. **Strengthening project preparation facilities and Technical Assistance**
   - Expand dedicated project preparation facilities within PDBs, MDBs, and IFIs to support project sourcing, feasibility studies, technical assessments, and financial structuring.
   - Provide long-term technical assistance to governments to improve market creation, project origination, structuring, and risk assessment.
   - Leverage philanthropic funding to support early-stage project development, feasibility studies, and innovation pilots, helping to create a pipeline of opportunities supporting sustainable outcomes.

2. **Enhancing coordination between public and private finance**
   - Strengthen country platforms to serve as convening spaces for pipeline development, linking public priorities with private sector capabilities and financing solutions.
   - Strengthen partnerships between development banks and institutional investors to streamline project structuring and financing processes.

3. **Leveraging digital platforms for project pipeline transparency**
   - Develop an open-access platform to track, monitor, and showcase bankable sustainability-focused projects, improving project visibility for financial institutions and investors.
   - Enhance data-sharing between UN agencies, PDBs, and IFIs to facilitate access to financing opportunities and ensure better project pipeline coordination.

C) Financial De-Risking

i. Opportunities and challenges

The importance of Financial De-risking in scaling sustainable finance

Financial de-risking plays a pivotal role in mobilizing private investment for sustainable development, particularly in emerging markets. Many sustainability-focused projects struggle to attract investment due to concerns over political instability, currency volatility, creditworthiness, and weak financial structures. Without effective risk mitigation, even well-designed projects face difficulties securing financing at competitive rates.

Financial de-risking refers to structured mechanisms which reduce investor exposure to financial, regulatory, and operational risks. These instruments help lower the cost of capital, improve creditworthiness, and increase the attractiveness of sustainability-focused investments. MDBs, IFIs, PDBs, and DFIs are crucial actors in financial de-risking, providing risk mitigation tools that enhance investor confidence. Strengthening these mechanisms and improving coordination between financial and development institutions can unlock significant private capital for high-impact projects.

Key Barriers to Financial De-risking

- **High perceived and real investment risk**
    - Investors generally perceive investment projects in developing countries as high-risk due to political instability, regulatory unpredictability, and foreign exchange volatility.
    - Sustainable investments are seen as uncertain in terms of financial returns, making them less attractive to private investors. Investors perceive that there is insufficient historical investment data in sustainable projects to justify differentiating their risk levels from other investments.
    - Weak credit profiles and lack of collateral increase borrowing costs, reducing the bankability of sustainable projects.

- **Limited availability and scale of de-risking instruments**
    - Existing financial de-risking tools, such as guarantees, blended finance, and concessional funding, are not widely accessible or sufficiently scaled to address investment risks.
    - Private sector engagement remains low due to insufficient knowledge and understanding of available risk-sharing mechanisms.

- **Weak credit enhancement mechanisms and limited access to risk mitigation tools**
    - Many developing countries lack local financial instruments, such as partial credit guarantees, to improve the creditworthiness of sustainability-focused investments.
    - Development finance-backed guarantees are often not adequately recognized by credit rating agencies, leading to mispriced risk and higher borrowing costs.
    - Absence of sovereign-backed guarantees, hedging facilities, and long-term capital markets makes it difficult for financial institutions to mobilize large-scale private investment

- **Lack of coordination among financial and development institutions**
    - Financial institutions, MDBs, and DFIs often deploy risk mitigation tools independently, leading to fragmentation and inefficiencies.
    - Public and private sector actors lack structured platforms to co-design de-risking strategies that align with investment priorities.
    - Absence of standardized risk assessment frameworks across financial institutions results in inconsistent risk mitigation approaches.

ii. Instruments and solutions

1. **Expanding and scaling risk mitigation instruments**
    - Increase the deployment of risk-sharing mechanisms, including guarantees, insurance, and first-loss capital, to lower risk perceptions and mobilize private capital.
    - Establish regional and sector-specific blended finance facilities to improve project bankability.
    - Scale up sovereign-backed guarantees to reduce borrowing costs for sustainability-focused projects in high-risk markets.
    - Expand currency risk hedging instruments: Develop and scale affordable FX instruments like forwards and cross-currency swaps to reduce exchange rate risks and support local currency financing.

- Emerging sovereign instruments such as debt-for-nature swaps and sustainability-linked sovereign loans can align debt sustainability with climate and SDG outcomes, reshaping incentives for national governments.
- Promote local capital market development and local currency lending: Deepen domestic bond markets, expand local investor bases, and provide incentives for local currency lending to reduce foreign exchange exposure and attract domestic institutional capital.

2. **Strengthening credit enhancement and risk management tools**
   - Expand the use of partial credit guarantees and political risk insurance to enhance investor confidence.
   - Support currency hedging facilities to mitigate foreign exchange risks, particularly for sustainability-focused and infrastructure investments.
   - Develop structured finance solutions that allow institutional investors to participate in investments through securitized or risk-pooling mechanisms.

3. **Enhancing stakeholders' collaboration on risk mitigation**
   - Establish joint de-risking platforms where MDBs, DFIs, and institutional investors can co-invest and share risk.
   - Develop common credit rating methodologies that recognize development finance-backed guarantees and improve risk pricing.
   - Leverage national processes such as INFFs to expand country-level de-risking initiatives to ensure that de-risking solutions are tailored to national priorities.
   - Climate-focused internal concessional funds managed by development banks, are also powerful instruments to blend and de-risk public sector operations. These facilities improve the financial viability of projects and help crowd-in private investment in high-impact sectors.
   - Reform internal capital and performance incentives to encourage greater use of guarantees, supported by donor contributions or adapted portfolio metrics that value guarantees equally to loans.

4. **Encouraging Public-Private Partnerships (PPPs) for risk-sharing**
   - Strengthen PPP frameworks to facilitate joint financing models that leverage both public and private sector resources.
   - Enhance regulatory environments to facilitate investment derisking to support sustainable development financing.

5. **Tailor financial de-risking approaches to diverse regional contexts and financing systems**
   - Incorporate context-specific financing tools, such as sukuk and other sharia-compliant mechanisms, to ensure alignment with regional financial systems and broaden investor participation.
   - Leverage local financial institutions and community-based lenders to design risk mitigation products that reflect local market conditions and build trust among domestic investors.

D) Embedding Impact

i. Opportunities and challenges

The importance of Embedding Impact in Sustainable Finance

Ensuring that financial flows deliver tangible, measurable, and long-term development benefits is critical for achieving sustainability goals. While mobilizing capital is essential, finance without proven impact falls short of driving meaningful and sustainable progress. Embedding impact entails integrating robust Impact measurement and management frameworks into financing and business decision-making processes. This ensures that investments contribute effectively to social, environmental, and economic progress.

A key challenge lies in the difficulty many financial institutions and investors face in assessing whether their financing effectively advances sustainability goals. In the absence of clear impact frameworks, the risk of greenwashing, inefficiencies, and misallocation of resources can increase, undermining investor confidence and reducing the credibility of sustainable finance initiatives.

Lack of transparency and standardized reporting frameworks further hinders comparability and accountability. Aligning sustainability metrics across institutions is critical to strengthen credibility and support effective decision-making. While many institutions are embedding impact frameworks directly into their investment processes, others focus on aligning investments with long-term development objectives and rely on clients to monitor or report progress. These diverse approaches highlight the need for flexibility in how impact is embedded, while reinforcing the importance of transparency and shared standards to ensure sustainable finance delivers measurable outcomes.

Key barriers to Embedding Impact

- **Lack of standardized impact measurement frameworks**
    - No universal definition of "impact" across financial institutions, leading to inconsistent reporting and tracking.
    - Comparability, customization, and costs are important considerations for the design of Monitoring and Evaluation (M&E) systems. The lack of harmonized M&E frameworks and international standards complicates comparability of outcomes and aggregation of results.
    - Exclusive reliance on ex post evaluations or standardized grids may overlook local contexts and community-specific norms.
    - Fragmented sustainability standards create inefficiencies and make it difficult to compare and classify investments.

- **Challenges in tracking and reporting sustainable outcomes**
    - Many financial institutions lack institutional frameworks and processes to monitor and track impact, making it difficult to measure long-term effects.
    - Limited use of real-time monitoring and evaluation tools, reducing the ability to adjust financing strategies based on actual impact.

- **Misalignment between financial returns and embedding impact**
    - Investors prioritize short-term financial returns over long-term sustainability outcomes, reducing incentives for high-impact investments.
    - Blended finance structures do not always incorporate strong impact-tracking mechanisms, limiting transparency on development results.

- **Greenwashing and misuse of sustainability labels**
    - Lack of clear sustainability criteria allows investments to be labeled without accountability.
    - The absence of independent verification frameworks creates risks for investors and weakens confidence in sustainable finance.
    - Lack of capacity of investors and projects in embedding impact in their investment decisions and business processes

ii. Instruments and solutions

1. **Strengthen public sector tools and frameworks**
    - Use SDG and climate budget tagging to align and track public spending with sustainability goals.
    - Design impact-linked sovereign lending to tie loan terms to progress on development and climate targets.
    - Apply institution-wide sustainable finance frameworks to define eligibility, measure results, and report consistently.

2. **Advocating for standardized impact management standards**
    - Advocate broader adoption of standardized impact management frameworks, while ensuring that reporting requirements are tailored to local contexts and do not create excessive burdens, especially for SMEs in developing markets.
    - Strengthen alignment between ESG and impact management standards, and between management and reporting standards.
    - Expand the use of impact-linked financing models, ensuring investments are tied to measurable development outcomes.

3. **Leveraging technology and data analytics**
    - Deploy solutions to monitor progress toward sustainability goals and provide real-time impact insights for investors.
    - Improve impact data collection and accessibility by developing impact measurement tools.
    - Strengthen public-private partnerships on impact reporting, ensuring that private sector financing aligns with country-led development priorities.

4. **Enhancing accountability through transparency**
    - Establish impact verification mechanisms to prevent greenwashing and improve credibility.
    - Encourage the disclosure of impact performance aligned with sustainability goals, fostering investor confidence.
    - Strengthen regulatory oversight on impact reporting, ensuring compliance with sustainability commitments.
    - Promote transparency and comparability through interoperable data systems and shared metrics that align with ongoing efforts by MDBs and UN entities to standardize impact reporting.

III. Mapping of initiatives

I- Policy De-Risking

1. **Integrated National Financing Frameworks** (INFFs) are country-led strategies that align public and private financing with national development priorities through coordinated partnerships and policy reforms. The INFF Facility supports governments with financing assessments, strategy development, and robust monitoring and governance.
2. **JETP (Just Energy Transition Partnership):** is a government-led initiative that supports developing countries in shifting from fossil fuels to cleaner energy through policy reforms, capacity building,

and coordinated financing. It mobilizes concessional and private capital while strengthening regulatory frameworks to de-risk investments in the energy transition (shared by EDFI).

3. **EU Omnibus** (Ongoing Sustainable Finance Regulations revision): European Union's comprehensive process of reviewing and updating its sustainable finance regulatory framework - including taxonomy, disclosure, and reporting standards - to improve alignment with climate and sustainability goals and ensure interoperability with global markets (shared by EDFI).
4. **Financial Sector Deepening Africa (FSDA) - Regulatory and Policy Support Program for Capital Markets Development in Sub-Saharan Africa**: In-process grant (pending final approval) from the Gates Foundation's Development Policy and Finance Team (DPAF) to strengthen the regulatory capacity of African capital markets to unlock long-term domestic and international capital for development sectors.
5. **Climate focused Policy-Based Financing (CPBF)** was introduced to support AIIB Members' efforts to improve the enabling environment for climate action, helping to mobilize private capital to push for national climate plans, and increase bankable infrastructure investments. Some examples include the $1.85 billion Climate and Development Platform (BCDP) in Bangladesh, and a $1 billion operation in Brazil in collaboration with other multilateral partners.

II- Pipeline Development

1. **The Platform for Investment Support and Technical Assistance (PISTA):** An initiative by UNDP to support developing economies in their efforts to decarbonize and transition to climate-resilient economies.
2. **Technical Assistance Pooling Platforms (TAPPS):** is an innovative partnership approach to enhance the effectiveness and impact of TA for specific sectors and geographies, with possible linkages to regional / country platforms. TAPPs serve as a tool to support project preparation and implementation while strengthening the institutional capacity of recipient organizations and countries. By pooling resources from multiple stakeholders, TAPPs optimize funding allocation, avoid duplication, and improve coordination in development efforts.
3. **Sustainable Urban Mobility in Central America - Blended Support through Technical Assistance and Investment Loan (**CABEI**):** A regional program that blends an investment loan and technical assistance to develop bankable sustainable mobility projects aligned with climate and resilience goals.
4. **Blended Finance Initiatives- Electric Passenger Train in Costa Rica (CABEI):** A flagship blended climate finance project that combines concessional and non-concessional funding to implement Costa Rica's Electric Passenger Train, reducing fiscal pressure and supporting decarbonization.
5. **ARIA (Africa Resilience Investment Accelerator)**: a collaborative platform between FMO and BII (with Proparco) that provides technical assistance and structuring support to unlock private investment in early-stage resilience and climate-focused SME projects across frontier markets in Africa.
6. **Invest for Impact Nepal (IIN)**: a collaborative platform founded in 2021 by DFIs - British International Investment (BII), FMO, and SDC - to accelerate transformative foreign investment into Nepal's private sector through investment-readiness support and ecosystem development.
7. **IFAD Co-financing Opportunities Catalogue:** A digital platform maintained by the International Fund for Agricultural Development (IFAD) that lists and filters investment-ready rural development and agribusiness projects, making it easier for public and private partners to identify and mobilize co-financing for country-level initiatives.
8. **Egypt - Nexus on Water, Food and Water Program**: a national initiative aimed to mobilize coordinated financing to address issues related to climate adaptation, mitigation, and resilience, through the interconnection between water, food, and energy. The Egyptian government

identified a key set of priority projects, including nine projects within the water, food, and energy sectors.

9. **Climate Change Investment Project Preparation Fund (FCC for its Spanish acronym)**: a regional facility providing technical assistance for early-stage preparation of climate-resilient investments, helping mobilize significant financing for high-impact, climate-aligned projects across multiple sectors.
10. **Second Circuit of the Central American Electrical Interconnection System (SIEPAC):** a transformative regional project that enhances energy integration and grid decarbonization across six Central American countries, showcasing how regional public banks can catalyze cross-border sustainable infrastructure aligned with national and climate goals.
11. **LAC Capital Market Alliance:** Co-led by CAF, UNDP, and BNP Paribas, this alliance strengthens Latin American capital markets by fostering sustainable finance products, regulatory alignment, and regional market integration.
12. **The Greening the Pacific Financial Systems project:** launched by AFD to strengthen the coordination and capacities of Pacific financial systems in terms of sustainable finance and improve the resilience of the players who make them up. The project's objectives include: (1) Initiate a dynamic of regional integration of financial systems on sustainable development issues, particularly related to climate change; (2) Strengthen the capacity of public financial actors in the region to mobilize the private sector in climate change financing while promoting informed climate risk management.
13. **Fund for Responding to Loss and Damage:** A multilateral fund designed to provide financial support to developing countries that are particularly vulnerable to the adverse effects of climate change. It aims to address the immediate and long-term impacts of climate-related events, such as extreme weather and rising sea levels, by offering resources for recovery, rehabilitation, and resilience-building efforts.
14. **Multilateral Cooperation Center Development Finance:** A multilateral institution that finances projects that enhance regional infrastructure and cross border connectivity. By fostering collaboration among multilateral development banks and new partners, the MCDF aims to improve economic integration, high project standards and regional connectivity.
15. **Mobilising Finance for Forests (MFF):** a blended finance initiative launched by the UK government and FMO in 2021 (joined by the Netherlands in 2024) to unlock private investment into sustainable forestry and land-use projects across Africa, Asia, and Latin America, aiming to protect tropical forests and combat climate change.

III. Financial De-Risking

1. **Local currency financing - Delta:** An AIIB/EBRD-proposed initiative, named Delta, addresses the lack of long-term local currency (LCY) financing in developing economies. Delta would source LCY onshore and offer sustainable hedging solutions to MDBs and other DFIs, by managing LCY liquidity pools on their behalf, performing maturity transformation in-house, warehousing all the risks DFIs are uninclined to take, while also fostering the development of local money and capital markets through policy dialogue and technical assistance, with hands-on experience, ultimately contributing to domestic resource mobilization.
2. **Credit Enhancement Task Force:** Led by The Nature Conservancy with CAF as a member, this task force develops innovative credit enhancement tools to unlock private investment for nature-based and climate-resilient projects in emerging markets.
3. **Debt-for-Nature and Climate Swaps:** Sovereign debt transactions that restructure debt while committing savings to nature conservation or climate action. For example, CAF's debt-for-nature swap in El Salvador supports environmental protection while improving fiscal sustainability.

4. **Sustainability-Linked Sovereign Loans (SLLs):** Loans to sovereigns that embed financial incentives tied to achieving SDG targets. For example, CAF's SLL in Mexico aligns loan conditions with measurable sustainability performance, encouraging policy reforms and impact delivery.
5. **CAF-UNDP Blue Bond:** An innovative thematic bond structure that mobilizes capital for ocean sustainability, lowers investor risk through strong governance and transparency, and demonstrates tangible impact through verified marine conservation outcomes.
6. **Currency hedging for FX risk mitigation**: The Currency Exchange Fund (TCX) is a specialized fund that provides affordable, tailor-made currency hedging solutions (like forwards and swaps) to development finance institutions and impact investors.
7. **European Fund for Sustainable Development (EFSD + EDFI Joint Guarantees) EU-backed Guarantees:** Cleverly designed instruments with a targeted Support: All EFSD + guarantees are specifically designed to aid Least Developed Countries (LDCs) and Fragile States.
8. **Terra (Transforming and Empowering Resilient and Responsible Agribusiness):** a blended finance programme by CDP and FAO, backed by EFSD+ guarantees, that provides financing and risk mitigation tools to strengthen access to finance for MSMEs and medium-sized agribusinesses across the agricultural value chain.
9. **Nasira:** A risk-sharing facility managed by FMO that supports pipeline development for local financial institutions to lend to (new and) underserved segments (youth, women, migrants) in fragile markets (shared by FMO).
10. **DFCD:** a consortium of FMO, CFM, WWF-NL and SNV, which consists of three facilities: the Water Facility, managed by CFM, the Origination Facility, managed by WWF-NL and SNV and the Land Use Facility, managed by FMO. DFCD focuses on climate adaptation and mitigation in sectors like climate-resilient agriculture, forestry and water and food security.

IV. Embedding Impact

1. **ISO/UNDP SDG Guidelines:** These guidelines aim to help organizations contribute to the SDGs by embedding impact and the SDGs into business decision-making and management approaches.
2. **Operating Principles for Impact Management (OPIM):** a global standard for integrating impact throughout the investment life cycle, guiding investors and public development banks (several PDBs, such as KfW, AFD, and CAF, are signatories) in the design, implementation, and continuous improvement of impact management systems.
3. **EDFI Harmonization Initiative on Impact Measurement and Responsible Financing ("The Harmonization Initiative"):** is a collaboration among 15 European Development Finance Institutions (DFIs), launched in 2019 to align impact measurement and reporting practices.
4. **ICMA Impact Reporting Task Force:** A collaborative group advancing harmonized post-issuance impact reporting standards for green, social, and sustainability bonds. CAF actively contributes technical expertise to improve market transparency and comparability.
5. **Impact Evaluation - A Map of Uses:** open-source tool developed by AFD to help users navigate and apply different impact evaluation methods across the project cycle, promoting better design, monitoring, and learning from development interventions.
6. **FID**: FID is an innovative mechanism dedicated to financing innovation. At the heart of its approach is the synergy between innovation and research teams to pilot, test, and rigorously evaluate the impact of projects using scientific methods. FID's ambition is to contribute, in the long term, to transforming public policies by supporting the scaling up of proven innovations to fight poverty and inequality.

IV. Conclusion

The Global Financial Playbook highlights the urgent need for more coherent, coordinated, and catalytic development financing to accelerate progress toward the Sustainable Development Goals and global climate objectives. As countries confront a complex and evolving development landscape, marked by widening financing gaps, rising debt vulnerabilities, and intensifying climate risks, strengthening the quality and effectiveness of financing partnerships is essential.

The convening of the international community at the Fourth International Conference on Financing for Development (FfD4) reinforces the urgency of mobilizing collective action to align global ambitions with country-led development pathways. **This Playbook contributes to that global effort by showcasing practical approaches to enhance complementarity among financing actors and support more integrated, country-driven financing solutions.**

Drawing on the diverse experience and comparative advantages of the United Nations system, Multilateral Development Banks, and development partners, the Playbook identifies tested approaches and emerging practices that support stronger alignment of resources with national priorities. The case studies featured throughout illustrate how joint planning, co-financing platforms, and pooled instruments can strengthen development outcomes while promoting greater coherence, resilience, and long-term impact.

At the core of these efforts is a shared commitment to development effectiveness. This includes ensuring that financing is aligned with national strategies, grounded in inclusive partnerships, and delivered in a transparent, predictable, and accountable manner. It also requires sustained efforts to strengthen institutional capacity and policy coherence at country level, particularly in low-capacity and vulnerable contexts, and to foster greater complementarity across bilateral, multilateral, and private financing channels.

Looking ahead, enhanced collaboration among development actors will be critical to bridging the financing gap, scaling up investment in global public goods, and supporting countries in managing multidimensional risks. This will require more agile and context-specific approaches to financial cooperation, underpinned by trust, flexibility, and mutual accountability.

The Global Financial Playbook serves as a shared reference point to inform ongoing dialogue and collective action. It offers practical insights and policy-relevant recommendations to guide more effective and aligned financing, while encouraging continued innovation and knowledge exchange. As development partners, we remain committed to supporting country-led development priorities through more responsive, inclusive, and coordinated financial support, building a stronger foundation for sustainable development outcomes at scale.

V. Participating Institutions in the Global Financing Playbook

As of June 2025

The Playbook is a result of consultations and inputs from more than 20 development and financial institutions. The list of confirmed organizations supporting this initiative is evolving and remains open to partners.

Confirmed endorsers of the Global Financing Playbook include the International Fund for Agricultural Development (IFAD), the Development Bank of Latin America and the Caribbean (CAF), the United Nations Capital Development Fund (UNCDF), the Financial Fund for the Development of the River Plate Basin (FONPLATA), Cassa Depositi e Prestiti (CDP), the Central American Bank for Economic Integration (CABEI), and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group.

Institutions actively engaged in consultations or providing inputs include the Association of European Development Finance Institutions (EDFI), the Bill & Melinda Gates Foundation, and the Dutch entrepreneurial development bank (FMO).

A wider group of partners have expressed interest or are in ongoing discussions, including the European Bank for Reconstruction and Development (EBRD), the Council of Europe Development Bank (CEB), the Islamic Development Bank (IsDB), the United Nations Department of Economic and Social Affairs (UN DESA), the Inter-American Development Bank (IDB), the Glasgow Financial Alliance for Net Zero (GFANZ), the Green Climate Fund (GCF), the Asian Development Bank (ADB), the Brazilian Development Bank (BNDES), the Development Bank of Southern Africa (DBSA), the African Development Bank (AfDB), the New Development Bank (NDB), the Children's Investment Fund Foundation (CIFF), Sharing Strategies, and HSBC Holdings plc.

ANNEX

Annex 1. Initiatives from endorsing partners

Box 1. AIIB's Initiatives

AIIB EXAMPLES	
Initiative	**POLICY DE-RISKING**
CPBF	• In June 2024, Climate focused Policy-Based Financing (CPBF) was introduced to support AIIB Members' efforts to improve the enabling environment for climate action, helping to mobilize private capital to push for national climate plans, and increase bankable infrastructure investments. • **In Bangladesh**, the $1.85 billion multi-donor initiative Climate and Development Platform (BCDP) - launched by the Bangladesh government with support from AIIB, ADB, the World Bank, IFC, EIB, AFD, JICA, and others- mobilizes investment by integrating policy reform, financial commitments, and institutional strengthening, to support climate governance. • **In Brazil**, a $1 billion operation will mobilize private capital for adaptation and mitigation projects while also supporting policy reforms in areas like green finance and biodiversity conservation.
Initiative	**PIPELINE DEVELOPMENT**
TA Pooling	• Technical Assistance Pooling Platforms (TAPPs) is an innovative partnership approach to enhance the effectiveness and impact of TA for specific sectors and geographies, with possible linkages to regional / country platforms. • TAPPs serve as a tool to support project preparation and implementation while strengthening the institutional capacity of recipient organizations and countries. By pooling resources from multiple stakeholders, TAPPs optimize funding allocation, avoid duplication, and improve coordination in development efforts.
Initiative	**FINANCIAL DE-RISKING**
Local currency financing - Delta	• An AIIB/EBRD-proposed initiative, named Delta, addresses the lack of long-term local currency (LCY) financing in developing economies. Delta would source LCY onshore and offer sustainable hedging solutions to MDBs and other DFIs, by managing LCY liquidity pools on their behalf, performing maturity transformation in-house, warehousing all the risks DFIs are uninclined to take, while also fostering the development of local money and capital markets through policy dialogue and technical assistance, with hands-on experience, ultimately contributing to domestic resource mobilization. • The Delta-type of approach has been successfully and profitably run by EBRD's Treasury for the past twenty years and is ready to be scaled up globally.

Box 2. UNDP's Initiatives

UNDP EXAMPLES	
Initiative	**POLICY DE-RISKING**
INFF Facility	The Integrated National Financing Framework (INFF) Facility is a joint initiative by UNDP, UN DESA, OECD, UNICEF, the EU, and partner governments. It helps countries

	develop and implement country-led financing strategies to align public and private resources with national development goals and the SDGs. The Facility brokers technical assistance, shares knowledge, and provides guidance to strengthen coordination across government and partners, build capacity to design financing strategies, and enhance coherence among international partners supporting INFFs. **INFFs link to the Playbook pillars:** ● **Policy De-risking:** INFFs help develop national sustainable finance policies, taxonomies, and disclosure rules, ensuring interoperability with global standards. ● **Pipeline Development:** INFFs identify investment opportunities and support project pipelines that address SDG priorities. ● **Financial De-risking:** INFFs help governments leverage risk mitigation tools like guarantees and blended finance to mobilize private capital. ● **Embedding Impact:** INFFs integrate impact management and measurement frameworks into national financing strategies, promoting accountability and sustainability alignment.
Initiative	**PIPELINE DEVELOPMENT**
PISTA	The Platform for Investment Support and Technical Assistance (PISTA) is a climate finance mobilisation facility designed to accelerate the flow of climate finance in developing economies, with a strong focus on Africa. Funded by Italy and hosted by the UNDP Rome Centre, PISTA helps countries translate their national climate strategies—such as NDCs, NAPs, —into high-impact, investment-ready mitigation and adaptation projects. It does this by identifying priority climate projects and providing targeted technical assistance grants to make them bankable and investment ready. In parallel, PISTA facilitates connections between these project pipelines and a network of public and private financiers, with the goal of unlocking over $500 million in blended finance by 2027. For example, PISTA is supporting a 60 MW solar facility in Zambia, which will provide clean power to over 65,000 homes and businesses, in advancing towards a financial close; and it is helping to design a green screening and taxonomy framework and to develop social and environmental guidelines for Ethiopia's $100 million Enterprise Financing Facility (EFF)—a blended fund-of-funds aimed at scaling climate-resilient SMEs and startups aligned with the country's broader economic transformation agenda.
Initiative	**EMBEDDING IMPACT**
ISO/UNDP Guidelines for Contributing to the SDGs (PAS 53002)	● UNDP and ISO (International Organization for Standardization) developed the ISO/UNDP Guidelines for Contributing to the SDGs (PAS 53002), and currently developing UNDP-ISO Management System Standards for the SDGs (53001) which will provide a structured and actionable pathway for organizations to move beyond compliance and toward transformative change. ● A change to internal management practices, rather than external reporting, will ensure a better financial system. As outlined in the Playbook, there are challenges when it comes to impact, and the solution is not more external reporting, but rather a reimagining of internal management practices. ● The ISO-UNDP 53001 can drive better decision-making, enhance the credibility of external reporting and help to overcome the 4 challenges identified in the

	playbook: lack of standardized frameworks, tracking and reporting, misalignment between returns and impact and greenwashing. • If all financial institutions and companies embed sustainability at their core, creating internal management systems that speak to each other, they would be able to align credit portfolios with the SDGs and transform the entire capital value chain, factoring in climate resilience, social impact, and long-term sustainability.

Box 3. CABEI's Initiatives

CABEI EXAMPLES	
Initiative	**PIPELINE DEVELOPMENT**
Sustainable Urban Mobility in Central America	• **Sustainable Urban Mobility in Central America - Blended Support through Technical Assistance and Investment Loan (**CABEI**): A** regional initiative that combines a EUR 80 million investment loan with a EUR 3.5 million technical assistance grant funded by KfW. The technical assistance supports the preparation of pre-feasibility studies, environmental and social assessments, and sustainable mobility planning, ensuring that projects are aligned with climate and resilience goals. This preparatory work enables the structuring of viable and bankable investments, which are subsequently financed through the loan component. The program demonstrates how blended finance - combining concessional resources and credit - can effectively strengthen project pipelines and accelerate the implementation of sustainable infrastructure in alignment with national development priorities.
Electric Passenger Train in Costa Rica	• **Blended Finance Initiatives- Electric Passenger Train in Costa Rica (CABEI):** A Flagship Blended Climate Finance Operation. CABEI, as a direct access entity accredited by the Green Climate Fund (GCF), is currently leading a large-scale climate finance operation to implement the Electric Passenger Train Project in the Greater Metropolitan Area (GAM) of Costa Rica. The initiative mobilizes a total of US$943.9 million, combining concessional and non-concessional loans and grants. Within this structure, CABEI will administer a GCF contribution of US$200 million (US$178.7 million in highly concessional loans and US$21.3 million in grants), in addition to its own parallel loan of US$371.3 million and resources from the European Investment Bank (US$250 million). The GCF grant will finance non-motorized transportation infrastructure and accessibility measures, while the concessional loan component significantly de-risks the financing structure for the country. The project exemplifies how blended finance mechanisms - combined with sovereign climate-aligned infrastructure investment - can reduce fiscal pressure, accelerate decarbonization, and generate transformative development impact.
Climate Change Investment Project Preparation Fund (FCC for its Spanish acronym)	• The Central American Bank of Economic Integration (CABEI) has launched **the Climate Change Investment Project Preparation Fund (FCC for its Spanish acronym)**, a regional facility launched by CABEI with the support of the **European Union, AFD, and FONPRODE**. The FCC provides non-reimbursable resources for the design and structuring of climate-aligned investment projects and is currently open to partnerships with other institutions, as well as to supporting countries in the region with the technical and financial preparation of their climate-related investments. To

	date, the FCC has approved **over US$6.86 million** in technical assistance for early-stage project preparation. These resources have contributed to structuring **climate-resilient investments** that have already mobilized more than **US$ US$1,970.21 million in loans**, demonstrating a strong catalytic effect. The Fund supports initiatives across a range of sectors, including **urban mobility, resilient housing, sustainable water infrastructure, climate-smart education facilities, and integrated watershed recovery**. It offers a unique and scalable platform to advance high-impact, climate-aligned investments in the region.
Second Circuit of the Central American Electrical Interconnection System (SIEPAC)	● The Central American Bank of Economic Integration (CABEI), is financing the Second Circuit of the Central American Electrical Interconnection System (SIEPAC), a transformative regional initiative aimed at strengthening energy integration across six countries in Central America. The project will benefit over 50 million people by enhancing the stability, reliability, and decarbonization of the regional electricity grid. It builds on a strong institutional and regulatory framework for cross-border energy cooperation and promotes renewable energy development by reducing transmission bottlenecks. This initiative demonstrates how regional public development banks can catalyze high-impact, multi-country investments aligned with both national energy strategies and climate commitments. It also reinforces the role of integrated planning and harmonized regulation as essential tools for scaling sustainable infrastructure in interconnected economies.

Box 4. IFAD's Initiatives

IFAD EXAMPLES	
Initiative	**PIPELINE DEVELOPMENT**
IFAD Co-financing Opportunities Catalogue	● The Playbook highlights that limited transparency and access to pipeline data are key barriers to pipeline development and collaboration. It notes that investors struggle to identify investment-ready projects due to fragmented project databases and the absence of digital platforms for project pipeline visibility. ● As an assembler of development finance in agriculture and rural development, IFAD (International Fund for Agriculture and Development) seeks to strengthen both domestic and international partnerships and mobilize cofinancing resources at country level for the government projects that it finances. ● In order to increase transparency and accessible information on its projects IFAD has developed a Cofinancing Opportunities Catalogue. The Catalogue is a digital platform that provides information on investment projects for which IFAD is mobilizing additional resources. Through its filtering mechanism and search function, the cofinancing opportunities catalogue makes it easy to identify projects for priority themes, regions or countries. ● IFAD supports projects and programmes in over 100 countries across the World. IFAD invests in rural people, empowering them to increase their food security, improve the nutrition of their families and increase their incomes.

Initiative	PIPELINE DEVELOPMENT
Egypt - Nexus on Water, Food and Water Program.	● The Playbook highlights that fragmented coordination between governments, IFI's and private sector actors can lead to a misalignment between policy objectives and investment priorities. ● The Government of Egypt's Nexus of Water, Food and Energy (NWFE) program, where IFAD is the lead partner for the Food pillar, is an example of a Government coordinated multi-partner initiative, where governments policy objectives and a coordinated approach to mobilizing development finance is at the centre stage. ● In July 2022, the Country Platform for the NFWE Program was launched as a national initiative aimed to mobilize coordinated financing to address issues related to climate adaptation, mitigation, and resilience, through the interconnection between water, food, and energy. The Egyptian government identified a key set of priority projects, including nine projects within the water, food, and energy sectors. Additionally, since the launch in 2022, four sustainable transport projects has been added to the NWFE+ program, aimed at promoting a comprehensive green transition. ● The Government of Egypt has selected the International Fund for Agricultural Development (IFAD) to lead the multi-billion dollar food and agriculture pillar. The lead partner for the Energy pillar is EBRD, for the Water pillar it is AfDB and for the added Transport pillar it is EIB.

Box 5. CDP's Initiatives

CDP EXAMPLES	
Initiative	**FINANCIAL DE-RISKING**
Terra	CDP is working on blended finance solutions for addressing both supply and demand side and for de-risking the perceived risk in the **agri-business sector**. A key example is the program **Transforming and Empowering Resilient and Responsible Agribusiness ("TERRA")**, promoted by CDP in partnership with the Food and Agriculture Organization of the United Nations ("FAO"), with support from the European Fund for Sustainable and Development Plus ("EFSD+"). The European Commission will make available EUR 109.5 million, in the form of a pari-passu guarantee managed by CDP, to facilitate the provision of: (a) Direct CDP financing to (i) local or locally active Financial Intermediaries ("FIs") with the aim of supporting access to finance of MSMEs; and (ii) medium-sized enterprises operating throughout the agricultural value chain; and (b) Risk mitigation instruments to hedge portfolios of loans originated by local or locally active Financial Intermediaries to (i) MSMEs operating in the entire agricultural value chain or (ii) MFIs that in turn will lend to MSMEs.

Annex 2. Initiatives from potential partners

Box 1. Gates Foundation Initiatives

GATES FOUNDATION EXAMPLES	
Initiative	**POLICY DE-RISKING**
Financial Sector Deepening Africa (FSDA)	**Regulatory and Policy Support Program for Capital Markets Development in Sub-Saharan Africa**. In-process grant (pending final approval) from the Gates Foundation's Development Policy and Finance Team (DPAF) to strengthen the regulatory capacity of African capital markets to unlock long-term domestic and international capital for development sectors. By addressing technical capacity gaps, enhancing regulatory and policy frameworks, and promoting technology adoption, FSDA's program aims to bolster capital market regulatory capacity - thereby improving financial infrastructure, increasing investor confidence, and facilitating the mobilization of institutional capital into alternative instruments and innovative financial products.

Box 2. EDFI Initiatives

EDFI EXAMPLES	
Initiative	**Financial and Policy Derisking / Pipeline Development initiatives**
ARIA (Africa Resilience Investment Accelerator): www.ariainvests.org	• ARIA is a joint market creation initiative FMO began with British International Investment (BII) to support the long-term economic growth of underinvested African frontier markets. This responds to the DFI's investment approach where they aim to develop unbankable opportunities into bankable projects, addressing the growing lack of available investment opportunities. Since 2021, ARIA has mobilized over USD 50 mln in capital for frontier market businesses. With the recent onboarding of Proparco as a funding partner and expansion of ARIA into Guinea and Togo, ARIA partners will be able to jointly deepen the pre-investment technical assistance they offer businesses and enhance broader ecosystem development activities.
Invest for Impact Nepal (IIN): www.investforimpactnepal.com	• IIN is a ground-breaking collaboration between DFIs and Development Partners to unlock and accelerate transformative foreign investments to speed up growth, create jobs, and assist in the development of an equitable and sustainable economy in Nepal. IIN aims to achieve this by enabling Financial Institutions (FIs) and Private Equity and Venture Capital (PEVC) funds access resources and expertise from DFIs and impact investors for investment into Nepali businesses and develop the emerging investment ecosystem. It has been recognised by the Oxford Fragility Forum, the leading forum that brings together DFIs for an action-oriented discussion on how to improve investment in fragile and conflict-affected environments, as one of the most successful global examples of collaboration. IIN is established by BII, FMO, and the Swiss Agency for Development Cooperation (SDC) to complement existing efforts to attract DFI investment to support private sector growth. The IIN initiative commenced in February 2021 to research and understand the investment market and ecosystem constraints. Since August 2022, it translated these findings into implementation

<table>
<tr><th>Initiative</th><th>Financial De-risking</th></tr>
<tr><td>European Fund for Sustainable Development (EFSD+) EU-backed Guarantees</td><td>
</td></tr>
<tr><th>Initiative</th><th>Embedding impact</th></tr>
<tr><td>EDFI background work: Harmonization Task Force</td><td>
Since 2019, the EDFI Harmonization Initiative on Impact Measurement and Responsible Financing (the “Harmonization Initiative”) has made significant progress in its alignment efforts. The Task Force has already achieved alignment and agreement from EDFI members in significant areas, including (i) harmonizing methodologies for assessing alignment with the Paris Agreement at both the project and the portfolio level, (ii) harmonizing the measurement of gender smart investments around the criteria of the 2X Challenge, (iii) harmonizing the estimation methodology for indirect job creation using the Joint Impact Model, (iv) adopting the OECD Development Assistance Committee’s country income group classifications for reporting on investment flows, and the World Bank Group’s Harmonized List of Fragile Situations as the basis for reporting on investments in fragile states; and (v) reporting jointly on the mobilization of private co-finance. The adoption of classifications from the World Bank Group and the OECD highlights the initiative’s focus on leveraging agreement in other fora, rather than duplicating efforts.
The primary benefit of taking the EDFI harmonized indicators as a starting point is that these represent pre-agreed indicators on which the European DFIs (EDFIs) have collectively indicated their willingness to collect and share data. As such, they represent indicators that have been reviewed extensively and found to be technically robust and represent a potential way of accelerating discussions in relation to reporting by commencing with a list that has already been demonstrated to be workable in the context of DFI investment.

The following table summarizes the EDFI harmonized indicators:</td></tr>
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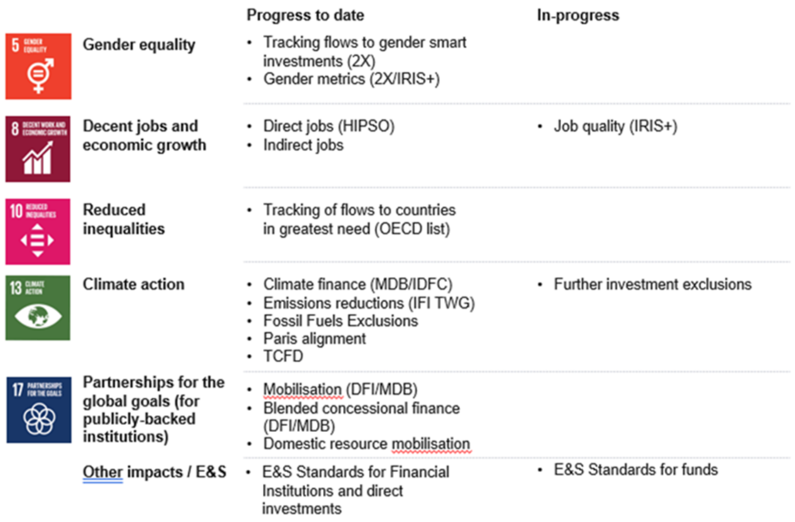

	Progress to date	In-progress
Gender equality	• Tracking flows to gender smart investments (2X) • Gender metrics (2X/IRIS+)	
Decent jobs and economic growth	• Direct jobs (HIPSO) • Indirect jobs	• Job quality (IRIS+)
Reduced inequalities	• Tracking of flows to countries in greatest need (OECD list)	
Climate action	• Climate finance (MDB/IDFC) • Emissions reductions (IFI TWG) • Fossil Fuels Exclusions • Paris alignment • TCFD	• Further investment exclusions
Partnerships for the global goals (for publicly-backed institutions)	• Mobilisation (DFI/MDB) • Blended concessional finance (DFI/MDB) • Domestic resource mobilisation	
Other impacts / E&S	• E&S Standards for Financial Institutions and direct investments	• E&S Standards for funds

Box 3. FMO Initiatives

FMO EXAMPLES	
Initiative	**PIPELINE DEVELOPMENT**
Market Creation	• The **Africa Resilience Investment Accelerator (ARIA)** is an initiative funded by FMO and BII, which Proparco recently joined. Since its launch in 2021, ARIA has unlocked over €50 million in DFI investments by addressing systemic barriers in frontier African markets such as Ethiopia, the DRC, Benin, Liberia, and Sierra Leone, with planned expansion to Guinea and Togo. • **Mobilising Finance for Forests (MFF):** MFF deploys funding into pioneering business models across various geographies, to support these models in becoming bankable. An example of this is Terrasos - a pioneer in the biodiversity credit space that has successfully proven a novel business model and approach to biodiversity conservation through Habitat Banks in Colombia.
Nasira & TA	Technical Assistance (TA) under NASIRA strengthens financial institutions' capacity to originate and structure inclusive finance projects. NASIRA+ will deepen this support, focusing on early-stage project development and feasibility.
Initiative	**FINANCIAL DE-RISKING**
Dutch Fund for Climate and Development (DFCD)	• DFCD is a consortium of FMO, CFM, WWF-NL and SNV and exists of three facilities: the Water Facility, managed by CFM, the Origination Facility, managed by WWF-NL and SNV and the Land Use Facility, managed by FMO. DFCD focuses on climate adaptation and mitigation in sectors like climate-resilient agriculture, forestry and water and food security. • DFCD Aya is a top-up of the Land Use Facility of the DFCD, managed and implemented by FMO. It provides finance and TA to de-risk investments in climate adaptation and mitigation. It helps to attract private capital to high-impact, climate-resilient projects in vulnerable regions in Latin America, Africa and Asia.

Nasira	A risk-sharing facility managed by FMO that supports pipeline development for local financial institutions to lend to (new and) underserved segments (youth, women, migrants) in fragile markets. By de-risking MSME lending NASIRA helps create new, investable opportunities in the European Neighborhood and Sub-Saharan Africa. Nasira is expected to expand into Asia and Latin America, with a stronger TA component, aiming to unlock €1 billion in MSME loans globally.
Mobilising Finance for Forests (MFF)	• Mobilising Finance for Forests (MFF) is a blended finance facility managed by FMO on behalf of the UK Government and the government of the Kingdom of the Netherlands, designed to combat deforestation and other environmentally unsustainable land use practices contributing to global climate change. It has the aim of catalysing over $1 billion in private investments. • A key example of the mobilization potential MFF offers is the $40 million commitment to The Reforestation Fund (TRF), a Latin America focused private equity strategy investing in projects that are dedicated to sustainable commercial tree farms and the protection and restoration of native ecosystems. The MFF investment in the fund catalyzed over $300 million of additional capital.