



**International
Research Initiative:**
Realizing the Potential of Public
Development Banks and Development
Financing Institutions for Achieving
Sustainable Development Goals



PEKING UNIVERSITY
Institute of New Structural Economics



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Public Development Banks (PDBs) and Development Financing Institutions (DFIs) are government-sponsored financial institutions with explicit official missions to promote public policy objectives and potent policy instruments for fixing market failures, incubating markets, coordinating public policies with stakeholders, and promoting economic structural transformation in an equitable and sustainable manner. PDBs and DFIs are experiencing a renaissance worldwide as their usefulness is increasingly recognized by both academics and policymakers. However, academic research examining their roles, operations, and effectiveness are limited.

In an effort to fill this gap, the Institute of New Structural Economics at Peking University (INSE), sponsored by the Agence Française de Développement (AFD), Ford Foundation, and the International Development Finance Club (IDFC), has launched the International Research Initiative on PDBs and DFIs.



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International Research Initiative: Realizing the Potential of Public Development Banks and Development Financing Institutions for Achieving Sustainable Development Goals

Objectives

- To create a global community of academia and practitioners in the field of PDBs & DFIs;
- To foster rigorous academic research and propose concrete policy recommendations;
- To unleash the full potential of PDBs & DFIs for achieving the Sustainable Development Goals (SDGs) and facilitating global structural transformation.

Actions

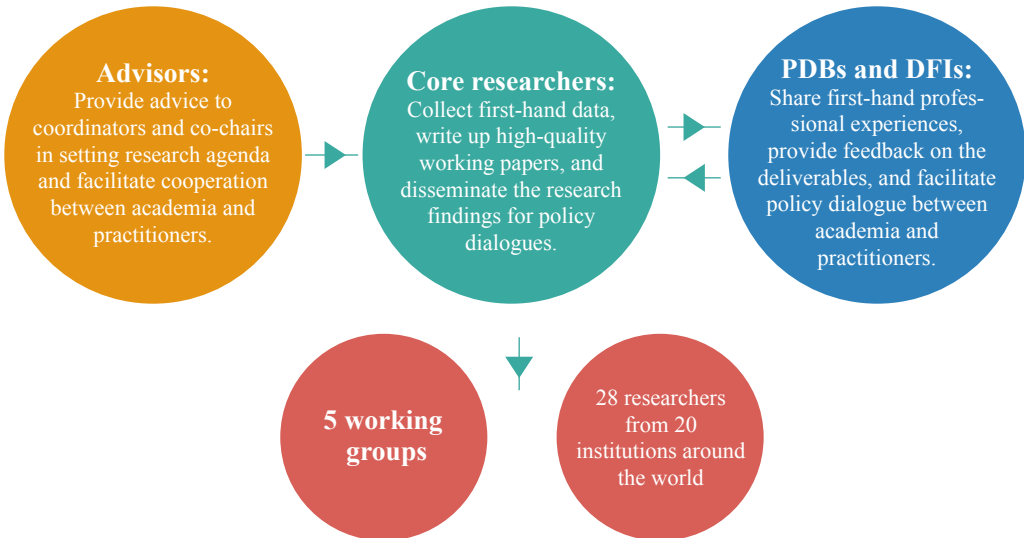
To originate a series of comprehensive and rigorous thematic research on PDBs & DFIs by bringing together the global researchers and experts in this field.



To create the first comprehensive database on PDBs & DFIs worldwide for rigorous academic research.

To share the results of the policy-oriented academic researches with all the stakeholders for improving the effectiveness of PDBs & DFIs in achieving their mandates.

Organization



Working Group on Characterization of SDG-Compatible Investments: to review the existing efforts in measuring SDG-compatible development impacts, analyse pros and cons of alternative approaches, and explore the feasibility of PDBs & DFIs to screen their portfolios and decision-making process to make SDG-compatible investments.

Working Group on Business Models: to examine the appropriate financial instruments, business models and strategies of PDBs in meeting diverse development needs at different development stages.

Working Group on Governance: to examine the governance structure, the determinants of good governance, and the relationship between governance and performance of PDBs & DFIs.

Working Group on Financial Regulation: to examine the impacts of financial regulation on financing amounts and patterns, explore the measures of financial regulation that do not constrain PDBs & DFIs' role of supporting structural transformation in a sustainable and equitable manner, while ensuring financial stability and soundness.

Working Group on Global Development Finance Architecture: to address the fundamental question of why PDBs & DFIs are essential actors in the global finance architecture, with focus on justification of government action in financial systems, comparative advantages of PDBs & DFIs over other governmental intervention, and adjustments of the role of PDBs & DFIs in different development stages.

Governance

Coordinators



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Current Achievements

3

Database Reports

Mapping Development Finance Institutions Worldwide: Definitions, Rationales, and Varieties

Identifying and Classifying Public Development Banks and Development Financing Institutions

Funding Sources of National Development Banks

14

Research Papers

- Scaling up Public Development Banks' Transformative Alignment with the 2030 Agenda for Sustainable Development
- Piloting and Scaling Up Clean Energy Transitions: The Role of Development Financial Institutions
- Climate Change and Development Bank Project Cycles
- Financial Regulation of National Development Banks - NDBs
- Carbon Policies and Climate Financial Regulation
- Effective Development Banking: Loans or Guarantees?
- Matching Risks with Instruments in Development Banks
- The Allocation of Resources of National Development Banks: Does it Fit Development Goals?
- Checks and balance, Political Leadership, and Bureaucratic Autonomy: Evidence from National Development Banks
- Financial Performance and Corporate Governance: Evidence from National Development Banks in Africa
- The Global Development Bank's Architecture
- Exchange Rate and Balance of Payment Risks in the Global Development Finance Architecture
- From Global to Local: Subnational Development Banks in the Era of Sustainable Development Goals
- Can Development Banks Step Up to the Challenge of Sustainable Development?

For more information of the research program/initiative:

INSE's website: Research → Development Financing

<https://www.nse.pku.edu.cn/en/research/df/oaa/index.htm>

AFD's website:

<https://www.afd.fr/en/carte-des-projets/realizing-potential-public-development-banks-achieving-sustainable-development-goals>