

Key findings

Scaling up Public Development Banks' transformative alignment with the 2030 Agenda for Sustainable Development

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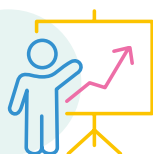


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THE VISIBLE HAND:
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Although traditional financing approaches, such as Official development Aid (ODA) and domestic resource mobilisation, remain essential to implement the 2030 Agenda and its Sustainable Development Goals (SDGs), a vast amount of additional funding is needed. Coupling their leverage capacity with systemic and cross-cutting 2030 Agenda alignment practices, Public Development Banks (PDBs) can be catalysts for investment and behavioural transformations, and ultimately accelerate the implementation of the Sustainable Development Goals.



Objectives and research questions

This research aims at assessing how Public Development Banks (PDBs) – of different sizes and geographical locations – interpret and include sustainable development priorities in their day-to-day strategic, operational and external decisions.

What are the best practices and innovative solutions developed by PDBs, and in particular by national development banks (NDBs), to align their practices with the 2030 Agenda: (a) to have a transformative effect and (b) at a desired scale?



Methods

The authors have conducted both qualitative research, through interviews with PDBs, and quantitative assessments of their lending practices and leverage capacities, to observe their financial potential to contribute to the implementation of SDGs.



Results

Most PDBs have the interest and willingness to take the necessary steps to mainstream SDG priorities into their strategies and operations. However, efforts are still scattered and lack overall coherence, thereby compromising their forcefulness and the visibility of possible impacts. Success will rely on harnessing the synergies across the SDGs and adopting an integrated approach.

The innovative practices that some PDBs have implemented can be shared with counterparts, with a view to building harmonization and coherence, which are crucial prerequisites for scaled-up alignment. For PDBs to be able to lead, they will need political backing and support from governments, shareholders and market players.



Recommendations

- ➔ **PDBs' strategies should lead to a complete, comprehensive and systemic integration of the SDGs**, percolating all of their activities, instead of classifying existing projects with individual SDGs. In order to integrate SDGs in all actions and processes of their banks, the 2030 Agenda needs to be **solidly anchored within PDBs' organizational culture, backed by adequate incentives and capacity building**. PDBs should also place more emphasis on support for early-stage project preparation and for facilitating the structuring of SDG bankable projects.
- ➔ **PDBs need to take ownership and leadership in their roles** as enablers and catalysers of sustainable finance. It is crucial that they seize opportunities offered by the SDGs to work side-by-side with other stakeholders—underpinned by strategic partnerships, blended finance or other financial mechanisms like guarantees or Green/SDG bonds— to play a larger and potentially transformational role in scaling up finance to achieve the SDGs.
- ➔ **PDBs' actions need to be upheld by a clear SDG national policy and budget** – through an Integrated National Financing Framework (INFF) for instance – and tailor made regulations that increase their appetite for risks and invest in non-traditional sectors or poor/fragile settings. Establishing an “SDG Credit Score” would also be a major step to encourage and support PDBs to drive sustainable development transformations.
- ➔ **Expanding lending capacities**. PDBs, particularly NDBs should bet on being less conservative with their lending practices. They have a wide margin of opportunity to leverage new resources and increase the amount of loans granted.

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[Access the research paper](#)

[SCALING UP PUBLIC DEVELOPMENT BANKS' TRANSFORMATIVE ALIGNMENT WITH THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT](#)