

Repositioning Multilateral Development Banks to Support Asia's Energy Transition



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Do MDBs Matter for the Energy Transition?

	2022 Commitments (US bln)	Of which, in Asia (US bln)	% Energy Sector
World Bank Group			
IBRD/IDA	70.7	16.1	9%
IFC/MIGA	17.4	5.3	12%
Asian DB	20.2	20.2	7%
Asian Infra Investment Bank	6.2	6.2	18%
New DB	5	2.5	10%
Eurasian DB	1.6	0.4	18%

YES because it's not just about the financing

- Knowledge value-added and quality
- Relationship with gov'ts and international legitimacy
- Policy dialogue and regulatory framework
- Demonstration effect and crowding in
- And yes, also the financing

The Power of MDB Financial Model

	Total Paid-In Share Capital	Cumulative Financing (to 2022)
World Bank IBRD (1944)	US\$20 bln	US\$820 bln
ADB (1966)	US\$7.6 bln	US\$305 bln

Switzerland: Total capital across major MDBs = @\$1.2 billion

Annual Swiss ODA 2022 = \$4.3 billion

MDBs Mobilize Private and Public Finance

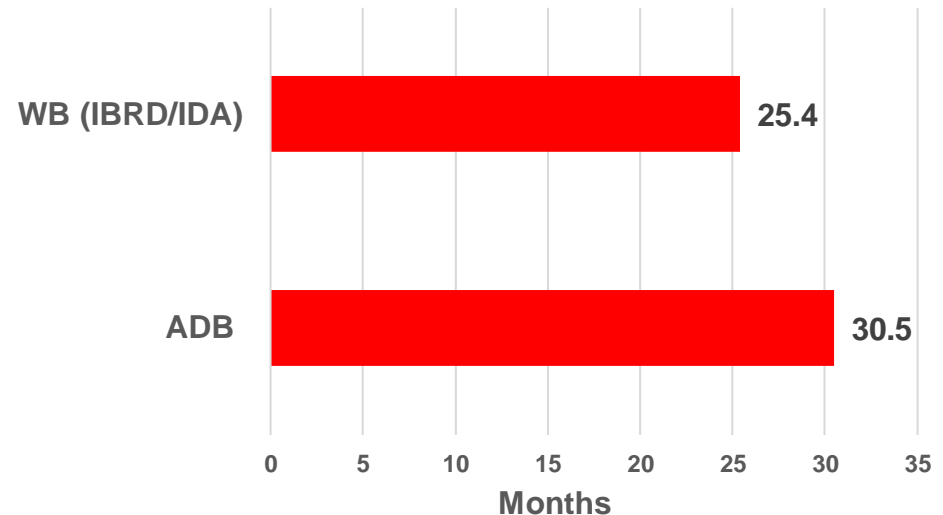
- Mobilizing through direct operations
 - Guarantees
 - Co-financing
- Balance sheet mobilization
 - Asset: securitization and credit insurance (esp. non-sovereign)
 - Liability/equity: hybrid capital
- Catalyzing the private sector
 - Regulatory/policy framework
 - Bottleneck investments

What Needs to Change?

Part 1: Operational Policies and Style

- Bureaucracy and risk aversion
- Coordination and country platforms
- Operational priorities

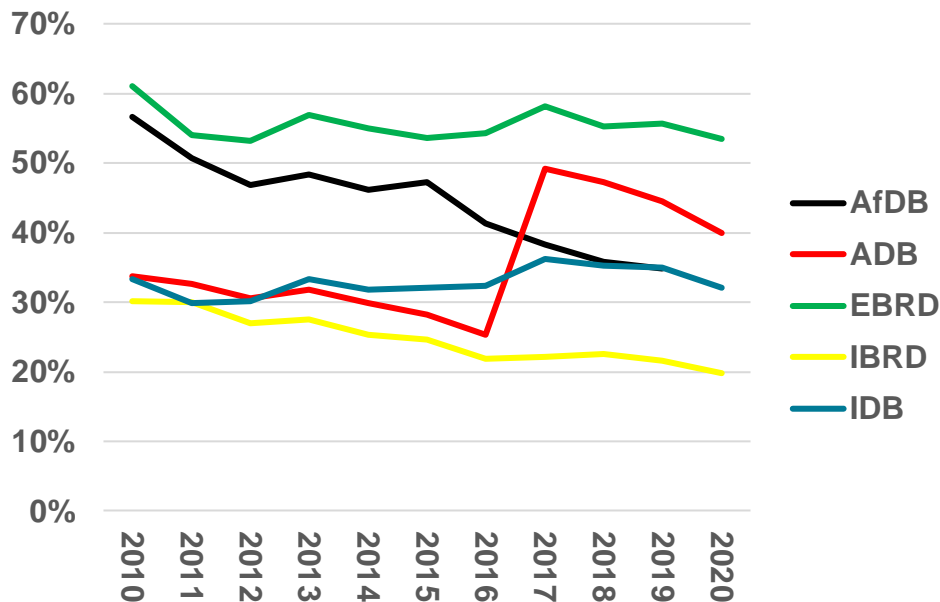
Time to First Disbursement



What Needs to Change?

Part 2: Financial Capacity and Policy

Equity to Loans: Too Conservative



G20 Independent Review (July 2022)



MDBs Need Fresh Capital!