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# Technical Assistance and Capacity building for Public Development Banks (PDBs) Mapping and Qualitative Benchmarking

Final Report

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## List of abbreviations

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AADFI	Association of African Development Finance Institutions
ABDE	Associação Brasileira de Desenvolvimento
ADB	Asian Development Bank
AFC	Agricultural Finance Corporation
AFD	Agence Française de Développement
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
ALIDE	Latin American Association of Development Financing Institutions
BNDA	Banque nationale de developpement agricole
BRD	Development Bank of Rwanda
CAF	Development Bank of Latin America and the Caribbean

CB	Capacity building
CBF	Conseil Bancaire et Financier
CDP	Cassa despositi e Prestiti S.p.A.
CGAP	Consultative Group to Assist the Poor
CGD	Center for Global Development
DBP	Development Bank of the Philippines
DFI	Development Finance Institution
EBRD	European Bank for Reconstruction and Development
ECDPM	European Centre for Development Policy Management
EFSD+	European Fund for Sustainable Development Plus
EIB	European Investment Bank
EvalNet	OECD DAC Network on Development Evaluation
FICS	Finance in Common Summit
FMO	Dutch Entrepreneurial Development Bank
GCF	Green Climate Fund
GEF	Global Environment Facility
GFANZ	Glasgow Financial Alliance for Net Zero
GGGI	Global Green Growth Institute
GIF	Global Infrastructure Facility
GIZ	Gesellschaft für Internationale Zusammenarbeit
HIC	High-income country
IDB	Inter-American Development Bank
ICR	Investment Climate Reform Facility
IDFC	International Development Finance Club
IFAD	International Fund for Agricultural Development
IICA	Inter-American Institute for Cooperation on Agriculture
IKI	International Climate Initiative (“Internationale Klimaschutzinitiative”)
INTPA	International partnerships
IO	International organisation
IPC	Internationale Projekt Consult GmbH
IYBA	Investing in Young Businesses in Africa
LIC	Low-income country
LMIC	Low- or middle-income country
MDB	Multilateral Development Bank
M&E	Monitoring & evaluation
NDB	National Development Bank
NGO	Non-governmental organisation

PDB	Public Development Bank
RDB	Regional Development Bank
SBN	Sustainable Banking Network
SDB	Sub-national Development Bank
SDG	Sustainable Development Goals
SEED	Supporting Entrepreneurship Ecosystem Development
SME	Small and medium-sized enterprises
SNV	Netherlands Development Organisation
SUNREF	Sustainable Use of Natural Resources and Energy Finance
TA	Technical assistance
TAAP	Technical assistance action plan
TSKB	Industrial Development Bank of Turkey
UMIC	Upper middle-income country
UNDP	United Nations Development Programme

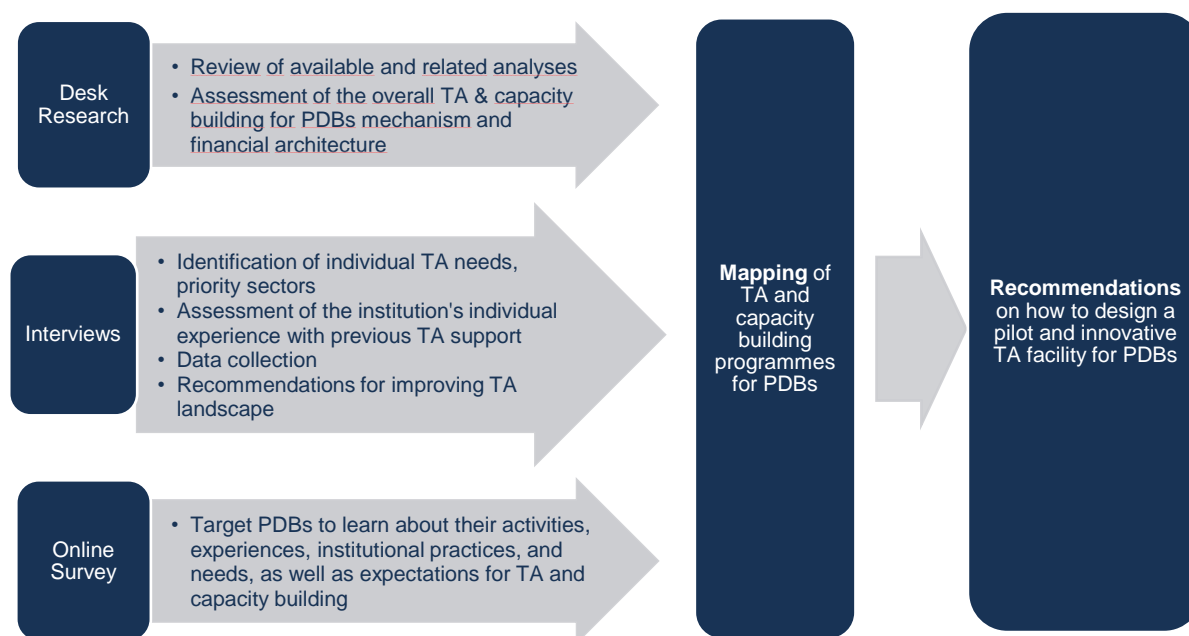
## Executive summary

### Objectives of the study

The general purpose of this study is to improve the knowledge about TA and capacity building (CB) programmes for PDBs and collect quantitative and qualitative information in order to formulate recommendations on how to design and finance tailored TA to support PDBs' alignment on SDGs and the Paris Agreement. The study therefore maps global TA programmes for PDBs (or to which PDBs are eligible), including providers, beneficiaries and processes.

### Methodology

Figure 1: Methodology of the TA mapping study



Source: IPC

The study results are derived from the following data collection sources:

#### Online PDB Survey (demand side)

The FiCS Secretariat launched an online survey directed towards its PDB members, with the objective of assessing their TA needs regarding the sustainable finance agenda considering the needs gap based on the TA and CB they already receive. The survey comprised approximately 25 questions regarding TA needs, challenges and barriers in accessing TA, experience with previous TA and questions about recommendations for the TA landscape.

The survey was officially launched by the FiCS Secretariat on 1 December 2023 and closed on 23 February 2024. During this time, the survey was answered by fifty-four (54) respondents from forty-nine (49) different institutions from all world regions, representing a diverse range of profiles with representatives from PDBs of different sizes and mandates.

## Qualitative interviews with various stakeholders (demand and supply side)

Semi-structured qualitative interviews were conducted between October 2023 and February 2024 to complement the quantitative results provided by the online survey. A set of 27 institutions were identified, representing different categories of stakeholders engaged in providing or receiving TA to PDBs. For the purpose of the mapping, four categories of stakeholders were identified for the interviews:

- Group 1 – Multilateral / Tier 1 Development Finance Institutions (DFIs) (TA providers): Large, often multilateral, international FIs with significant resources and global reach providing TA as part of their product offer (often in parallel to loans).
- Group 2 – Ad-hoc TA Facilities and programmes (TA providers): Facilities supported by PDBs networks/coalitions and/or ad-hoc programmes, offering dedicated TA support to PDBs.
- Group 3 – PDB TA recipients: PDBs benefitting from TA, typically Tier 2 or Tier 3 national/sub-national PDBs, but also Tier 1 and regional PDBs and networks.
- Group 4 – TA implementers and others: Consulting firms, experts and institutions implementing TA programmes or facilities.

## Additional desk research

Additional desk research and a review of documentation from TA providers and programme websites were conducted to complement the mapping and data collection.

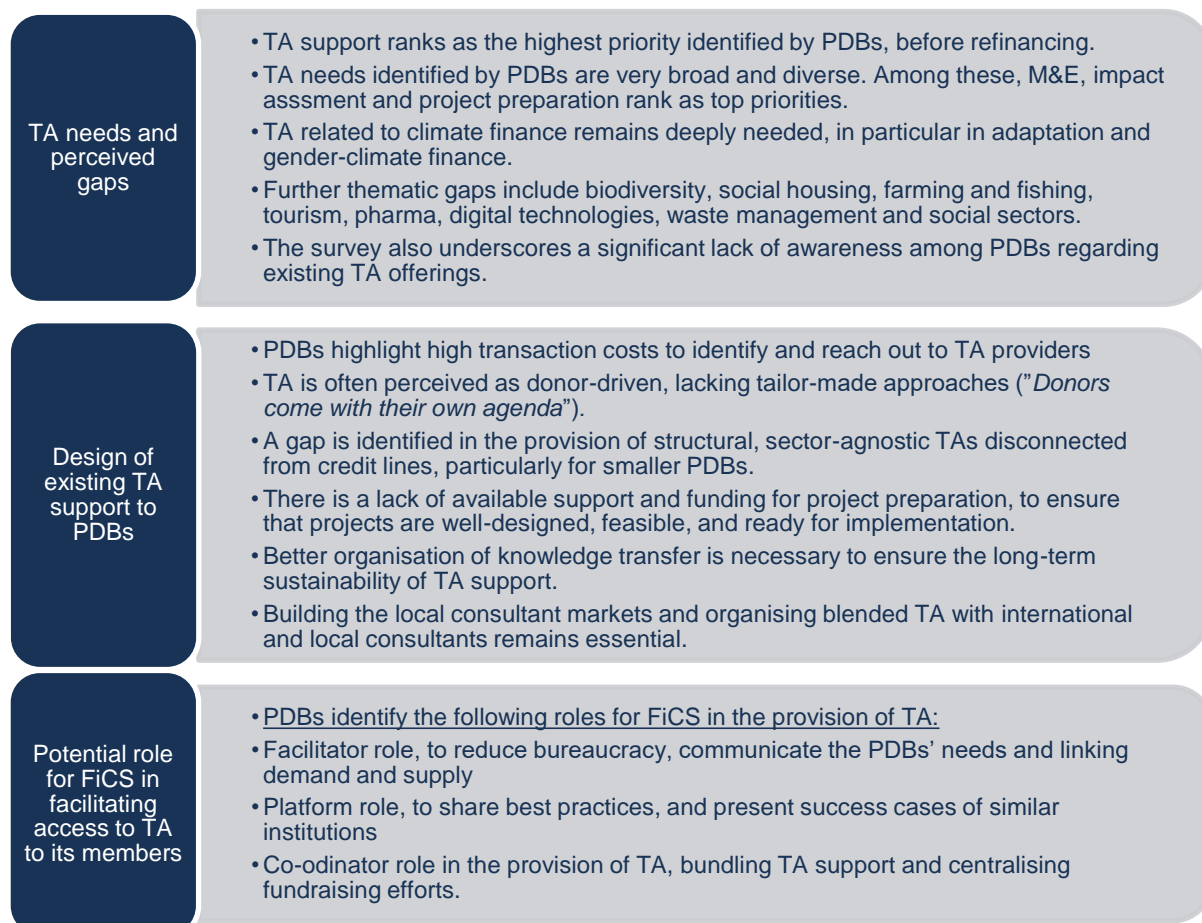
## Limitations

- The diversity of TA and capacity building approaches, objectives, formats, and budgets makes it challenging to map the existing offer, particularly related to short-term, punctual, and ad-hoc TA budgets. Therefore, the approach adopted in the study was primarily to develop a typology of TA providers, identifying broad categories of TA suppliers and mechanisms (see Section 5).
- Most TA initiatives and programmes are not specifically customised for PDBs; many have a broader range of beneficiaries (e.g. corporate banks, MFIs or public sector entities such as ministries, departments, and agencies at local, regional and national levels) with PDBs eligible for support without a specific focus. The study identifies some TA facilities with a clear focus on PDBs;
- The supply of TA and capacity building to PDBs is rapidly evolving, driven by increasing appetite in these institutions. Therefore, it was not possible to ensure the identification of all initiatives, particularly those that are still in development and not publicly disclosed.
- Only a relatively limited number of PDBs participated in the survey, with 49 institutions represented and 54 individual respondents, including duplicates from some institutions. While this represents a positive outcome considering the limited timeframe for the online survey and compared to FiCS benchmarks with other similar online surveys, the sample size still remains relatively limited. Despite covering all geographic regions and PDBs of different mandate, size or levels of ownership, the sample may not fully reflect the perspectives of all 500+ members of the FiCS network.



## Findings

Figure 2: Summary of main findings



Source: IPC

## Recommendations for TA providers

Table 1: Summary of identified gaps and main recommendations for the design and access to TA for PDBs

	Main gaps identified in the provision of TA and capacity-building to PDBs	
	General gaps	Specific gaps
<p>Summary of identified gaps in current TA offer for PDBs</p>	<p><b>Gaps identified in terms of TA topics:</b></p> <ul style="list-style-type: none"> <li>• Project preparation</li> <li>• M&amp;E and impact assessment</li> <li>• Climate, especially adaptation finance, gender and climate, renewable energy, climate risks assessment, regulations, carbon markets, GCF accreditation.</li> </ul> <p><b>Gaps identified in terms of TA formats:</b></p> <ul style="list-style-type: none"> <li>• Structural, sector-agnostic TA disconnected from asset-based credit lines, particularly for smaller PDBs</li> <li>• Peer-learning and exchange visits</li> </ul>	<p><b>Specific gaps identified by some PDBs:</b></p> <ul style="list-style-type: none"> <li>• Other thematic gaps such as biodiversity, social housing, waste management, farming and fishing, food security, tourism, pharma, digital, social sectors.</li> <li>• Engineering and technical expertise</li> <li>• Capacity building to support larger PDBs in the provision of TA to their clients</li> </ul>

Main recommendations for TA providers	
	Short-term (immediately actionable with existing frameworks)
<b>Recommendations for the design of TA and capacity-building facilities</b>	<p><b>Long-term</b></p> <p><b>Contribute to addressing current gaps in existing TA offer to PDBs:</b></p> <ul style="list-style-type: none"> <li>• Promote sector-agnostic TAs, disconnected from asset-based credit lines, particularly to support project preparation and enhance the capacities of smaller PDBs;</li> <li>• Promote and facilitate peer exchange visits and promote South-South co-operation among PDBs.</li> </ul> <p><b>Structure local consultant markets:</b></p> <ul style="list-style-type: none"> <li>• Promote dedicated training programmes and knowledge sharing to educate local consultants on SDGs standards and the climate finance agenda;</li> <li>• Share information and databases of existing consultants with expertise on sustainable finance.</li> </ul> <p><b>Take a long-term perspective and holistic approach to support PDBs in their transformation path towards sustainable finance:</b></p> <ul style="list-style-type: none"> <li>• Adopt a long-term perspective in the provision of TA to support PDBs in their transformation and internalisation of the SDGs and climate-related agendas;</li> <li>• Better co-ordinate various TA efforts from different TA providers supporting a same PDB, to avoid overlaps and inefficient use of resources.</li> </ul>
<b>Recommendations to improve access to TA and capacity building support for PDBs</b>	<p><b>Short-term (immediately actionable with existing frameworks)</b></p> <p><b>Promote tailor-made approaches to TA and capacity building to PDBs:</b></p> <ul style="list-style-type: none"> <li>• Conduct thorough need analysis prior to the implementation of TA supports;</li> <li>• Adopt a differentiated approach in the design of TA provided to banks, depending on their types, size, and level of maturity (e.g., focus on institutional strengthening TA for smaller banks vs targeted sector-specific TAs for more mature PDBs).</li> </ul> <p><b>Facilitate knowledge transfer to ensure sustainability of TA support:</b></p> <ul style="list-style-type: none"> <li>• Organise blended local and international expertise within TA provider consultant teams;</li> <li>• For less mature banks, prioritise resident TA hosted within the institution to facilitate daily support and knowledge transfer;</li> <li>• Foresee additional post-TA delivery support and resources, including mentoring and coaching, to internalise and operationalise the trainings, tools and guidelines delivered by the TA;</li> <li>• Systematically assess the additionality and efficiency of TA supports provided, using the OECD DAC evaluation criteria; (relevance, coherence, effectiveness, efficiency, impact and sustainability), disseminating results and building on lessons learned.</li> </ul> <p><b>Bridge information gap on existing TA offer:</b></p> <ul style="list-style-type: none"> <li>• Raise awareness on existing TA offer to PDBs through PDB networks and association;</li> <li>• Facilitate access to information about existing TA programmes and initiatives accessible to PDBs through a dedicated website portal or platform.</li> </ul> <p><b>Reduce high transaction costs to access TA:</b></p> <ul style="list-style-type: none"> <li>• Leverage national association, regional networks and PDB coalitions to co-ordinate fundraising efforts;</li> <li>• Align due-diligence processes among TA providers.</li> </ul>
<b>Recommendations on the role FiCS and regional networks could play in the facilitation and provision of TA to PDBs</b>	<p><b>FiCS Secretariat:</b></p> <ul style="list-style-type: none"> <li>• Establish and co-ordinate a TA coalition group/working group within FiCS network to discuss TA-related topics and enhance the dialogue and co-ordination between development finance institutions and grant-based TA suppliers;</li> <li>• Leverage and co-ordinate FiCS coalitions, PDB networks and national banking associations to consolidate TA needs and map existing TA offer specific to local markets/countries and sectors;</li> <li>• Contribute to co-ordinate the establishment of a database of local consultants, to serve as a resource for FiCS members for identifying qualified consultants with expertise in various fields and facilitate</li> </ul> <p><b>FiCS Secretariat:</b></p> <ul style="list-style-type: none"> <li>• Take a facilitator role to reduce bureaucracy, build awareness on existing TA facilities;</li> <li>• Serve as an advocate for smaller institutions to get tailored, flexible TA support and lines of financing;</li> <li>• Take a front-line leadership position to enhance the capacity of FiCS members by consolidating TA support, centralising fundraising efforts, and broadening TA funding opportunities for PDBs (see scenarios below).</li> </ul>

	<p>contacts among members for cross-reference checks of existing consultants.</p> <p><b>FiCS Secretariat and FiCS coalitions:</b></p> <ul style="list-style-type: none"><li>• Share best practices and success stories among FiCS PDB members;</li><li>• Organise knowledge transfer among PDBs and support peer learning and exchange visits.</li></ul>	
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## 1 Introduction

### 1.1 Background and context

During the FiCS Summit in Cartagena, Colombia (4-6 September 2023), participants agreed that significant capacity building is required within the Public Development Banks (PDBs) system to address the challenges posed by climate change and to meet the targets of the UN 2030 Sustainable Development Goals (SDGs).

The importance of technical assistance (TA) and capacity building for PDBs is further highlighted in the ongoing Sustainable Technical Assistance Action Plan (TAAP) initiated within the framework of the 2023 G20 Sustainable Finance Working Group, which is emphasised in its recommendation No. 4<sup>1</sup>:

*“Relevant International Organisations, regional and international fora, Multilateral Development Banks (MDBs), Development Finance Institutions (DFIs), and other development banks should encourage and support the development of a well-co-ordinated international network of capacity building service providers to help scale-up their efforts, foster exchange of best practices, develop higher-quality contents for global usage, and better connect content providers with countries and audiences in need”.*

In this context, and in view of contributing to the objectives of the TAAP, the FiCS Secretariat launched a mapping and **qualitative benchmark of Technical Assistance and capacity building programmes for PDBs**. Conducted by Internationale Projekt Consult GmbH (IPC), this study aims to enhance existing knowledge about TA and capacity programmes supporting PDBs, with the goal of collecting data and formulating recommendations on how to design and facilitate access to tailored TA for PDBs in relation with the SDGs alignment and Paris Agreement agendas.

This report presents the key results of the study.

Due to the extensive scope of the mapping and the constrained timeframe for conducting the study, its primary objective and ambition is mostly to provide an **initial overview and typology of the TA needs and existing range of TA offering to PDBs**, associated with **preliminary recommendations on the possible role of FiCS** in facilitating access to TA for PDBs members of the FiCS network. More comprehensive and in-depth studies will be necessary to further refine this mapping and recommendations, with a focus on specific sectors or geographies.

### 1.2 Scope of the study

The study was conducted over a period of almost five months from October 2023 to February 2024. It consists of three main components:

- An analysis of the **demand** for TA from PDBs in relation with the SDG alignment and Paris Agreement agendas
- An initial **typology and mapping of existing TA offer to PDBs** in relation with sustainable finance
- The formulation of a set of **preliminary recommendations** to enhance the accessibility and provision of TA tailored to the recipient’s needs, as well as recommendations regarding the possible role of FiCS in facilitating access to TA for its members.

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<sup>1</sup> TAAP recommendation n°4. Source: [https://g20sfwg.org/wp-content/uploads/2023/09/TAAP\\_One-Pager\\_vf.pdf](https://g20sfwg.org/wp-content/uploads/2023/09/TAAP_One-Pager_vf.pdf).

The findings of this study predominantly stem from a comprehensive **quantitative online survey** carried out among 54 respondents who are PDB members of the FiCS network, conducted between December 2023 and February 2024. This quantitative data is complemented by insightful **qualitative interviews** conducted with 27 organisations actively engaged in providing or receiving TA support to PDBs, offering a diverse range of perspectives. Additional **desk research** was carried out to collect additional insights and data on existing TA programmes and facilities in order to develop the mapping.

The detailed methodology of the study is presented in Section 3.

### 1.3 Outline of the report structure

The report is structured in four main chapters: **Section 2** introduces key definitions and outlines the detailed methodology of the study; **Section 3** focuses on the analysis of the demand for TA and capacity building services, summarising the key take-aways of the online survey and qualitative interviews with PDBs; **Section 4** provides a typology of existing TA providers supporting PDBs and introduces the global mapping of TA offer.

## 2 Methodology

### 2.1 Some definitions

This section introduces key definitions of the main terms used in the study, namely what is meant by "Public Development Banks (PDBs)", "Technical Assistance (TA) and Capacity Building (CB)".

Given the broad scope of the study and the lack of commonly accepted and agreed definitions, it seems important to clarify these concepts to ensure a more precise delineation of the study's scope and boundaries. However, while there is certainly room for interpretation and refinement, conducting an in-depth analysis of the challenges posed by these definitions is beyond the scope of this study.

#### Public Development Banks (PDBs)

There is no internationally agreed-upon terminology nor definition to refer to Public Development Banks (PDBs) and financial institutions that perform development financing on behalf of governments. Generally speaking, PPDBs can be broadly defined as "*mission-driven institutions which use financial instruments to execute a public mandate on behalf of their governments*" (Xu, Marodon & Ru, 2021<sup>2</sup>).

Any attempt to further define PDBs faces **methodological challenges** due to the wide diversity of financial institutions considered and the sometimes-blurred boundaries between different types of institutions. For example:

- Some private banks may undertake both a public service mission and a development mandate (e.g., AFC in Kenya, TSKB in Turkey).
- Non-bank financial institutions, privately owned, can have a clear developmental mission (e.g., microfinance institutions).
- Public-owned non-bank financial institutions can have a development mandate (e.g. Environmental Investment Fund of Namibia).

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<sup>2</sup> Xu, J. Marodon, R. Ru, X. (2021) Mapping 500+ Development Banks: Qualification Criteria, Stylised Facts, and Development Trends. NSE Development Financing Research Report.

- Public owned banks of a "commercial" nature and engaged in retail activities may also have a development focus, particularly in supporting SMEs or agriculture (e.g., BNDA Mali, Agricultural Development Bank in Ghana, etc.).

In this study, we adopt the broader definition highlighted above, as further refined by FiCS members in the Joint Declaration of November 2020<sup>3</sup>. According to this definition, PDBs share three core characteristics:

- They enjoy independent legal status and financial autonomy
- They are owned, controlled or supported by central or local governments
- They execute a public development-oriented mandate, addressing market inconsistencies.

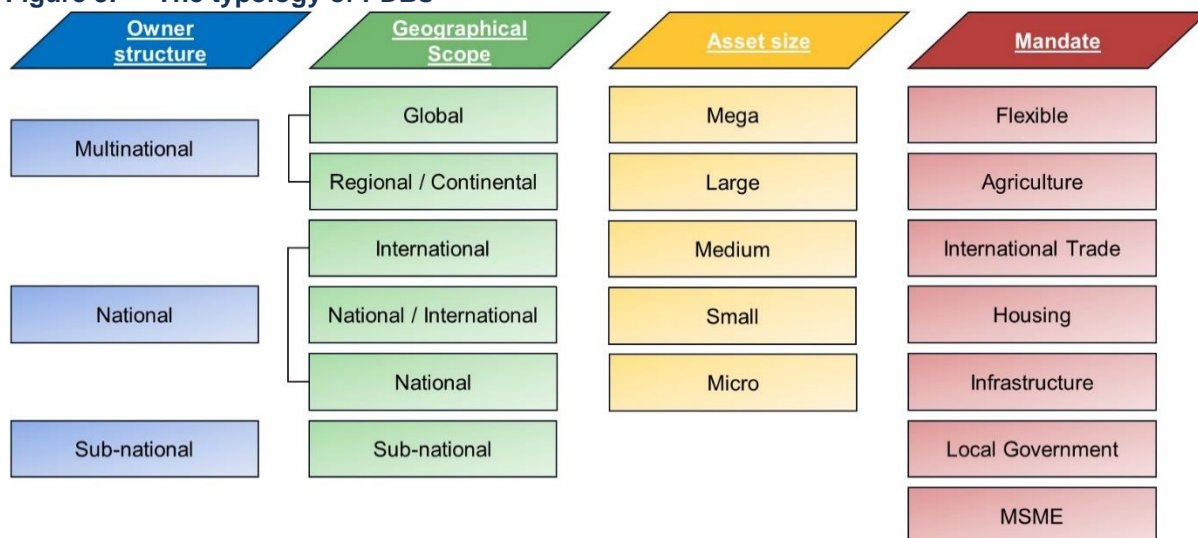
Within this definition, PDBs can be classified using different criteria such as ownership, geographical scope, size, official mandate, and the income levels of their home countries.

For the purpose of the study, we suggest the following broad segmentation, which is commonly found in the literature:

- Multinational development banks (MDBs) or regional development banks (RDBs), owned by two or more countries
- National development banks (NDBs), created by a single government or national public entity
- Sub-national development banks (SDBs), created and owned by a local government entity.

The figure below summarises the typology of PDBs and illustrates the variety of institutions considered. The study aims at a holistic approach considering different perspectives through a systematic inclusion in the mapping of representatives from each group and geographical region (refer to Section 4 for a comprehensive overview of the PDBs that participated in the online survey).

**Figure 3: The typology of PDBs**



Source: IPC, adapted from Xu et al. (2021) Mapping 500+ Development Banks Qualification criteria, stylised facts and development trends, AFD Research Papers N.192.

Based on Xu et al. (2021) the study categorises the institutions according to their asset sizes.

<sup>3</sup> FiCS Joint Declaration of all Public Development Banks in the World, Paris, 12 November 2020  
[https://financeincommon.org/sites/default/files/2023-06/FiCs%20-%20Joint%20declaration\\_maquette\\_print%20150121\\_230623.pdf](https://financeincommon.org/sites/default/files/2023-06/FiCs%20-%20Joint%20declaration_maquette_print%20150121_230623.pdf)

**Table 2: Sizes of PDBs**

Size	Total assets [in billion USD]
Mega	>500
Large	100-500
Medium	20-100
Small	0,5-20
Micro	<0,5

Source: Xu, Jiajun, Régis Marodon, Xinshun Ru, Xiaomeng Ren, and Xinyue Wu. 2021.<sup>4</sup>

## Technical assistance and capacity building

As in the case for PDBs, there is no internationally agreed-upon definition of TA and capacity building. These terms are often used interchangeably to refer to **non-financial support provided to organisations and governments, usually knowledge-based, contracted by and/or provided to organisations by local or international experts to support a project preparation, implementation and/or strengthen an organisation’s capacities.**

Some definitions can be derived from the interviews conducted during the study, as follows: **technical assistance** typically involves the provision of expertise, advice, and support in distinct areas of need aimed at addressing immediate challenges or improving performance in a particular domain. **Capacity building**, on the other hand, focuses more on enhancing the abilities, skills, and resources of individuals, organisations, or institutions over the long term. It aims to strengthen overall capabilities, effectiveness, and resilience to address current and future challenges more independently. In essence, while TA often provides short-term support to address immediate needs, capacity building aims to foster sustainable development by empowering individuals or organisations to function more effectively over time.

TA and capacity building can be delivered in different modalities, such as through hands-on support from experts, workshops, coaching sessions, peer learning, and knowledge sharing. These various approaches reflect the diversity of TA and CB methods, which can be influenced by factors like budget, duration, and funding sources. The interviews and survey results confirmed that these factors jointly contribute to the wide range of TA options available:

- **Budget range:** typically, from USD 5,000 for a training session or workshop to USD 1-2 million for large-scale, multi-year transformational TAs.
- **Duration:** from a couple of days of consultant support for training or mentoring sessions to 2-3 years of in-house expertise to support the institution.
- **TA providers and implementation modalities:** local or international consultants, employed by donors, or recruited directly by the PDB, experts from partner donors or peer organisations, NGOs, banking associations, etc.
- **Funding sources and mechanisms:** TA/CB may be funded by direct subsidies, pro bono expertise from a donor or peer organisation, or the recipient PDB’s own resources. It may occasionally involve reimbursable TA, or an interest rate reduction when TA is linked to a credit line. In this study, the focus is on technical assistance measures that are **funded or/and implemented with the support of donors and external funders.**

<sup>4</sup> “What are Public Development Banks and Development Financing Institutions? Qualification Criteria, Stylised Facts and Development Trends.” China Economic Quarterly International, volume 1, issue 4: 271-294.  
 DOI:<https://doi.org/10.1016/j.ceqi.2021.10.001>

Annex 2 offers a comprehensive overview of the diverse **modalities of TA and CB** identified during the study. Each format includes indications of typical budget and duration, as well as the identification of advantages and disadvantages, with some examples.

For the purpose of the study and the mapping of TA offer to PDBs, a **typology based on the objective of the TA to PDBs** is also proposed as summarised in the table below:

**Table 3: Indicative typology of TA supports to PDBs based on the objective**

		Objective of the support	Types of activities
Project related TA	Project preparation TA	Ensuring financial and economic sustainability of the donor-funded project and that projects are well-designed, feasible, and ready for implementation.	Feasibility studies, environmental and social assessments, developing project plans and designs, preparing budget and financial models, organising stakeholder consultations, etc.
	Transactional TA	Typically referring to short-term, task-oriented support provided to PDBs to address specific issues or challenges in relation with a specific transaction or investment (not necessarily in relation with a donor-funded project).	Assistance in contract negotiation, risk assessment and analysis, financial analysis, support to due diligence process, legal support, structuration of green bonds, risk mitigation instruments, etc.
	Project implementation TA	Supports the successful execution of a donor-funded project according to its goals, timeline, and budget. Often linked to a (thematic) credit line.	Project planning, monitoring progress, managing resources, co-ordinating stakeholders, solving implementation challenges, ensuring compliance with project requirements and objectives.
Institutional strengthening TA		Aims to improve the internal effectiveness and efficiency of PDBs with a focus on governance and organisation, processes and procedures.	Organisational diagnostics, governance, review of existing internal policies and procedures including lending process and risk management procedures, design of ESMS, monitoring and evaluation frameworks, etc.
Capacity building TA		Focuses on strengthening the skills and capabilities of PDB staff and teams.	Trainings, workshops, mentoring sessions to build the knowledge and capacities of PDB's staff in relation with sustainable finance and internalisation of SDGs and Paris agreement agendas in all business activities of the bank.
Sectoral TA		Provides specialised support within specific sectors or technical areas.	TA provided by sectoral experts, typically engineers, to support market assessments and pipeline generation in a given sector (e.g., renewable energy, agriculture, climate-resilient infrastructure, etc.).
Policy support		Assists in the development, review, and implementation of sector policies and strategies; facilitation of policy dialogue with policymakers, regulators, etc	Research and analyses, technical expertise in areas relevant to the sector policy, contributing to drafting sector policy documents, facilitating stakeholder engagement through workshops and consultations to gather input from and build consensus with policymakers, etc.
Peer-learning and networking		Facilitates knowledge exchange and learning among peers.	Peer learning workshops, Knowledge Sharing Platforms, study tours and site visits, peer mentoring and coaching (pairing staff members from different PDBs), joint research and collaborative projects, conferences and forums, etc.



Source: IPC

In practice, it is hard to categorise a TA programme into only one TA type, as these programmes often encompass various objectives and formats of TA and capacity building.

For instance, certain bilateral and multilateral banks like the World Bank (WB), Inter-American Development Bank (IDB), French Development Agency (AFD) or Asian Development Bank (ADB) offer what can be termed as **Transformational TAs** to PDBs. These involve a combination of the previously mentioned types of TA to bring about fundamental and lasting changes in the policies, systems, and practices of a PDB, catalysing broader and longer-term systemic changes and institutional transformations. Transformational TAs typically incorporate various activities, including strategic planning for sustained impact, promoting innovation and experimentation, conducting thorough institutional diagnostics, supporting institutional strengthening across all levels of the organisation and fostering partnerships aimed at systemic change.

Finally, a distinction is made throughout the report between **TA recipients**, which refers to organisations receiving TA support to enhance their capabilities or address particular issues, and **TA providers**, which refers to entities offering expertise, guidance, and support to TA recipients to help them address specific challenges. In the context of this study, **some PDBs can serve as both TA recipients and TA providers to their clients**. In this report, *TA recipients* may refer either to *PDBs* benefiting from TA support from external TA providers, or *clients* receiving TA support from PDBs to implement their projects or investments. On the other hand, *TA providers* may refer either to *specialised external TA service providers* providing TA to PDBs (such as consultancy firms, specialised agencies, NGOs, other government bodies and other entities with relevant expertise), or *PDBs themselves*, in the cases where PDBs deliver or channel TA directly to their clients.

## FiCS network and FiCS Secretariat

In the report, reference is made to FiCS in different capacities and formats:

- **FiCS as a movement** or multi-stakeholder initiative, launched in 2020 with the goal to align the financial system with the SDGs and the Paris Agreement.
- **FiCS as a network**, bringing together more than 530 public development banks of all types (multinational, regional, national and sub-national) and from all regions, as well as regional networks, international organisation, private sector representatives, academic, civil society organisations and local actors.
- **FiCS Secretariat**, hosted by AFD in Paris, whose role is to facilitate and foster interaction, communication, collaboration, and engagement within the FiCS network.
- **FiCS Executive committee**, FiCS main governance body.
- **FiCS coalitions**, thematic or regional working groups gathering a sub-group of FiCS members interested in a specific topic or region (e.g., water coalition, gender coalition, etc.).
- **FiCS as the Finance in Common Summit**, the Annual Summit of Public Development Banks, whose goal is to promote sustainable financing through innovative financial tools to achieve the SDGs.

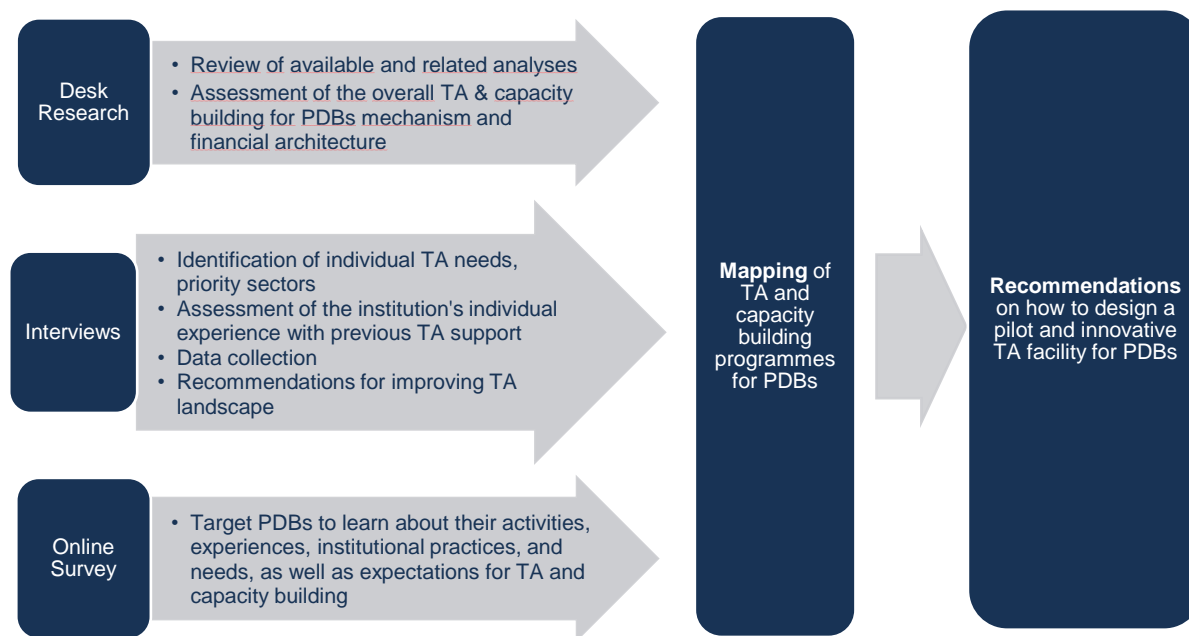
## 2.2 Data collection methodology

The study results are derived from the following data collection sources:

- **An online survey** conducted among PDB members of the FiCS network (54 respondents)

- **Qualitative interviews** with 27 institutions (PDBs, TA providers, TA implementers, etc.)
- Additional **desk research** and review of TA providers' documentation and websites.

**Figure 4: Methodology of the TA mapping study**



Source: IPC

### Online PDB survey (demand side)

The FiCS Secretariat launched an online survey directed towards its PDB members, with the objective of assessing their TA needs regarding the sustainable finance agenda and taking into account possible gaps based on the TA and CB they already receive. The survey comprised approximately 25 questions regarding the TA needs, challenges and barriers in accessing TA, experience with previous TA and questions about recommendations for the TA landscape. The main objective of the survey was to get representative quantitative insights, hence a majority of questions asked were closed questions. However, there was room included for the respondents to add comments, give examples and display their ideas and perspective through a set of open questions.

The detailed survey questionnaire is available in Annex 1.

The survey was officially launched by the FiCS Secretariat on 1 December 2023 and closed on 23 February 2024. During this time, the survey was answered by fifty-four (54) respondents from forty-nine (49) different institutions from all world regions, representing a diverse range of profiles with representatives from PDBs of different size and mandates. An overview of the respondent PDBs' profile and key survey results is provided in Section 4 below.

### Qualitative interviews with various stakeholders (demand and supply side)

**Semi-structured qualitative interviews** were conducted between October 2023 and February 2024 to complement the quantitative results provided by the online survey. A set of 27 institutions were identified, representing different categories of stakeholders engaged in providing or receiving TA to PDBs. For the purpose of the mapping, four categories of stakeholders were identified for the interviews:

- **Group 1 – Multilateral / Tier 1 Development Finance Institutions (DFIs) (TA providers):** Large, often multilateral, international FIs with significant resources and global reach providing TA as part of their services (often in parallel to loans).
- **Group 2 – Ad-hoc TA Facilities and programmes (TA providers):** Facilities supported by PDBs networks/coalitions and/or ad-hoc programmes, offering dedicated TA support to PDBs.
- **Group 3 – PDB TA recipients:** PDBs benefitting from TA, typically Tier 2 or Tier 3 national/sub-national PDBs, but also Tier 1 and regional PDBs and networks.
- **Group 4 – TA implementers and others:** Consulting firms, experts and institutions implementing TA programmes or facilities.

The table below summarises the scope of the interviews carried out for each of these categories of stakeholders, with the names of the institutions interviewed.

**Table 4: Institutions interviewed for the study and key questions**

	Multilateral / Tier 1 DFIs	TA facilities and programmes	TA recipients – PDBs and PDB associations	TA implementers
<b>Objectives</b>	Understand DFIs' (specific) approach to PDBs, TA and capacity building instruments mobilised, delivery channels and priority topics.	Map existing TA facilities and programmes; understand how they are operated; identify gaps and collaboration opportunities	Understand TA needs of PDBs, their priorities, and preferred TA instruments / delivery channels and key features.	Understand existing TA offer, detailed processes and operational challenges.
<b>Key Questions</b>	<ul style="list-style-type: none"> <li>• Does the institution have a specific approach to PDBs?</li> <li>• Type of TA instruments? Linked to credit lines, or ad-hoc grant programme/facility? Budget range, priority topics, beneficiaries, etc.</li> <li>• PDB TA and capacity building priority needs to align with SDGs and Paris Agreement agenda?</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed structure of TA facility, history, promoters, delivery channels, TA instruments, priority topics, beneficiaries, targets, etc.</li> <li>• Additional needs, existing gaps or overlaps between existing initiatives?</li> <li>• Role of FICS in co-ordinating existing TA offer to PDBs?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the PDB's strategy and main priorities?</li> <li>• What are the priority needs identified for TA?</li> <li>• Does the PDB already receive TA? If so, what are the TA providers, topics, etc.? Any challenges in TA implementation?</li> <li>• What are the preferred features for delivering and implementing TA?</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed TA instruments, processes, beneficiaries, results achieved, etc.</li> <li>• Potential challenges in TA implementation</li> <li>• Existing gaps and additional needs</li> <li>• Recommendations for the design of a new facility, and/or co-ordination with existing facilities</li> </ul>
<b>Institutions Interviewed</b>	World Bank, IDB, EIB, EBRD, AFD, AfDB, ADB, AIIB, CDP Italy, FMO	IDFC, ICR Facility, Water Finance, coalition, IYBA GFANZ, UNDP, IFAD Agri-PDB Platform, EU/INTPA	ALIDE, AADFI, BRD Rwanda, Fonplata, Caribbean Development Bank, Bank of Philippines	Expertise France, GIZ

Source: IPC

### Additional desk research

Additional desk research and a review of documentation from TA providers and programme websites were conducted to complement the mapping and data collection.

The list of background documents reviewed is available in Annex 3.

## 2.3 Challenges and limitations of the study

Due to the extensive scope of the mapping and the constrained timeframe for conducting the study, its primary objective and ambition are mainly to provide an **initial overview** of the needs and existing TA offering to PDBs in relation to sustainable finance.

**Some limitations in the study and data collection** include, but are not limited to:

- The diversity of TA and capacity building approaches, objectives, formats, and budgets makes it challenging to map the existing offer, particularly related to short-term, punctual, and ad-hoc TA budgets. Therefore, the approach adopted in the study was primarily to develop a typology of TA providers, identifying broad categories of TA suppliers and mechanisms (see Section 4). A more comprehensive and detailed mapping of TA and capacity-building funding sources available to PDBs would necessitate a decentralised approach to data collection, in order to map all existing TA sources available for PDBs in each country or sector, which goes beyond the scope of this study.
- Most TA initiatives and programmes are not specifically customised for PDBs; many have a broader range of beneficiaries (e.g. corporate banks, MFIs or public sector entities such as ministries, departments, and agencies at local, regional and national levels) with PDBs eligible for support without a specific focus. The study identifies some TA facilities with a clear focus on PDBs. However, the identification of additional TA funding sources not specific to PDBs would necessitate a more in-depth mapping and survey of TA market players.
- The supply of TA and capacity building to PDBs is rapidly evolving, driven by increasing appetite in these institutions. It was therefore not possible to identify all initiatives, particularly those that are still in development and not yet publicly disclosed.
- Only a relatively limited number of PDBs participated in the survey, with 49 institutions represented and 54 individual respondents, including duplicates from some institutions. While this represents a positive outcome considering the limited timeframe for the online survey and compared to FiCS benchmarks with other similar online surveys, the sample size nonetheless remains relatively limited. Despite covering all geographic regions and PDBs of different mandate, size or levels of ownership, the sample may therefore not fully reflect the perspectives of all 500+ members of the FiCS network.

Finally, given the extensive scope of the study and the relatively limited timeframe and number of interviews and institutions surveyed, the TA mapping provided as an output to this study can only offer partial insights. More comprehensive and in-depth studies will be necessary to further refine this mapping, with a focus on specific sectors or geographies.

However, it is important to note that **similar mapping exercises** were identified during the interviews, the results of which could be combined to develop a more detailed and comprehensive overview of existing TA needs and supply. An overview of these ongoing mapping exercises is provided in Section 4.2.

## 3 Demand side analysis

This section provides the key results of the online survey conducted between December 2023 and February 2024 with FiCS members, complemented by qualitative interviews held with PDBs as part of the study (see section 3). It provides an overview of the profile of the respondents to the online survey, the priority TA needs identified by PDBs in relation with sustainable finance, and the limitations and gaps they perceive in the existing TA offer to PDBs.

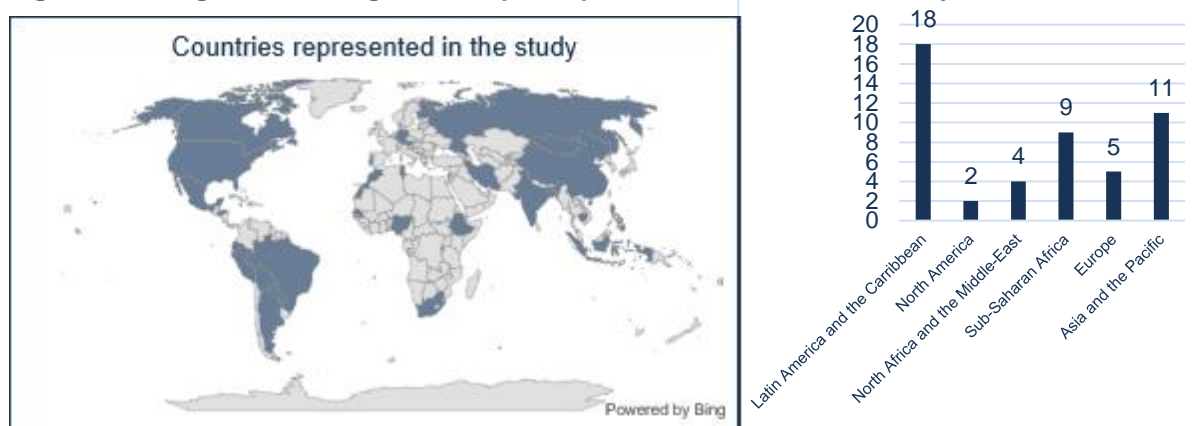
Considering the global presence of over 500 PDBs with different mandates, sizes and geographical coverage, the results are based on a sample of self-reported data. While the results have been cross-checked to the extent possible across both survey results and qualitative interviews to improve representativeness, the study cannot account for potential biases that arise due to the sample size.

### Profile of the respondents to the online survey

The profile of the respondents to the online survey reflects the diversity of PDBs.

Fifty-four (54) respondents from forty-nine (49) different institutions participated in the online survey from all world regions. The regional coverage of the online survey is displayed in the figure below.

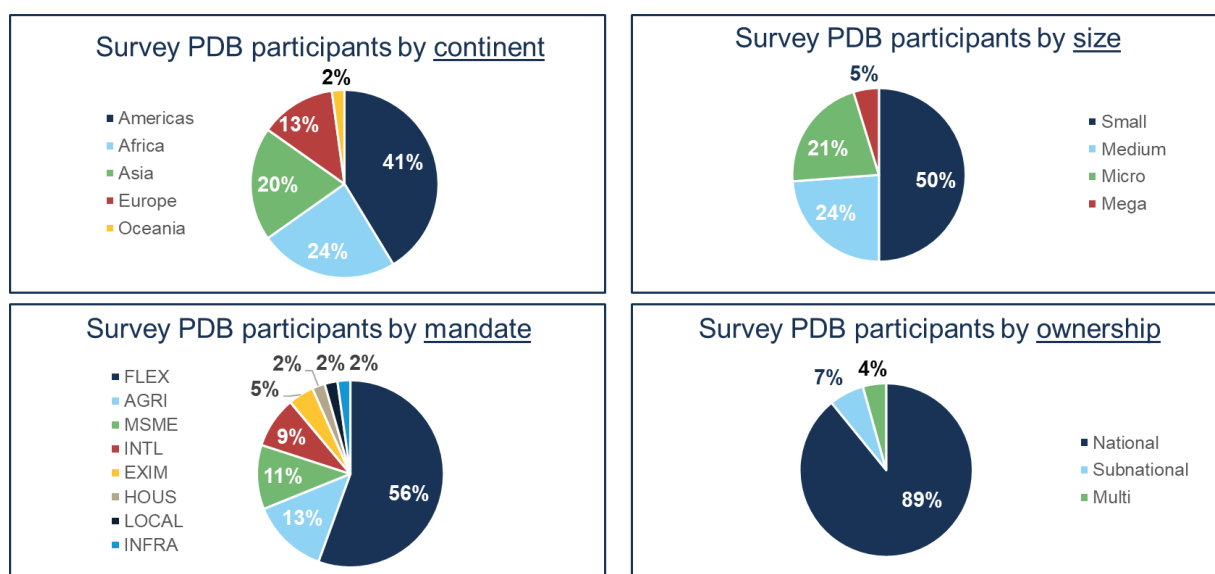
**Figure 5: Regional coverage of PDB participants to the TA online survey**



Source: IPC, based on PDB TA online survey

The sample of the PDB respondents also reflects the **diversity of PDBs**, in terms of geography, size, mandate and ownership, as illustrated in the figure below.

**Figure 6: Overview of the profile of PDB respondents to the online survey**

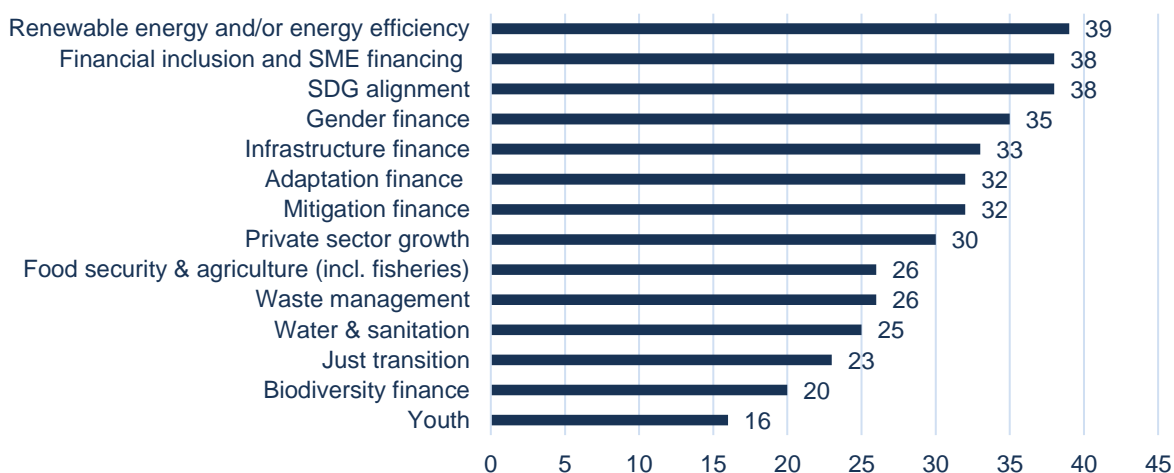


Source: IPC, based on PDBs TA online survey

**Finding 1:**  
**Most PDBs already integrate SDGs and climate into their strategies.**

88% of the sample stated that they have dedicated strategies to promote SDG finance, climate, environmental protection or financial inclusion, with strategy documents typically updated every 2-3 years. Almost all of these strategies cover renewable energy/ energy efficiency, financial inclusion, SME financing and SDG alignment. However, Just Transition, Biodiversity finance and Youth seem to be less prominent in the respondent PDB’s strategies.

**Figure 7: Main dimensions covered in the PDB respondents’ strategies**



Source: IPC, based on PDB TA online survey (48 institutions)

### TA needs identified by PDBs in relation with sustainable finance

**Finding 2:**  
**TA support and refinancing ranks as the highest priority identified by PDBs.**

The results indicate that technical assistance together with refinancing represent the highest priority among the respondents. Networking, risk-sharing mechanisms and market knowledge appear to be of lower priority.

When asked to rank the importance of TA from 1 (not so important) to 5 (very important), almost 80% of the respondents consider TA as very or quite important. This tendency is particularly true for smaller PDBs, potentially due to the fact that major international PDBs have (financial) means to address their needs independently. The finding remains robust, as most PDBs that do not identify TA as a priority need tend to give low priority to the remaining needs as well (i.e. refinancing, networking, risk-sharing mechanisms and market knowledge).

**Figure 8: What type of support do PDBs need in priority**



Source: IPC, based on PDB TA online survey (46 respondents) – Response to the question: “What type of support do you need in priority? Please rank according to level of importance, from 1 (not so important) to 5 (very important)”

**Finding 3:**

**TA and capacity building needs identified by PDBs are very broad and diverse.**

**Among the TA needs identified by PDBs, Impact assessment, Monitoring and Evaluation (M&E) and project preparation rank as the highest priorities. The results also show a high interest from PDBs for peer learning, knowledge sharing and on-site exchange visits.**

**The survey revealed that the TA and capacity building needs identified by PDBs are very broad and diverse in terms of objectives, formats, topics, and required expertise.**

PDBs identify needs to support the definition of their sustainable finance strategies, the alignment of their internal policies and procedures, the development of specific financial products, and policy dialogue. The figure below illustrates the most common TA and capacity building needs mentioned by PDBs in the online survey and in qualitative interviews. While the needs are diverse, the answers are structured among four high-level topics.

**Figure 9: TA needs among PDBs are broad and diverse**

<b>Institutional strengthening TA</b> Alignment of PDBs internal policies, processes, and procedures	<b>Project related and sectoral TA</b> Project preparation, transactional TA, project implementation TA	<b>Policy support TA</b>
Integration of SDGs and transition finance into the organisation's strategies Definition of internal policies and roadmaps related with sustainable finance Definition of ESMS; sustainability risk analysis Banking operations: pipeline generation, risk management, credit assessment, monitoring procedures, etc. Support to improved governance and compliance SDG taxonomy Data collection/ impact analysis and reporting Support to IT systems and digital transformation	Project preparation TA Market studies, e.g. for specific target groups, for digital financial services, etc. Green finance SME, agriculture, youth, gender financing, etc. PPP Financing (e.g. for infrastructure) Trade Finance Green Bonds; Social Impact Bonds Blended Finance approaches Instruments for currency risk mitigation Insurance Guarantees GCF accreditation	Bringing the DFI's experience in financing underserved groups into the policy dialogue Access to platforms/ policy networking Promote innovation, e.g. new technologies or business models
<b>Capacity building TA</b>		
Trainings, workshops, mentoring sessions to build the knowledge and capacities of PDB's staff in relation with sustainable finance and internalisation of SDGs and Paris agreement agendas in all business activities of the PDBs		
Cross-cutting: Peer-learning and networking; Mobilisation of funding		

Source: IPC, based on PDB TA online survey and qualitative interviews with PDBs

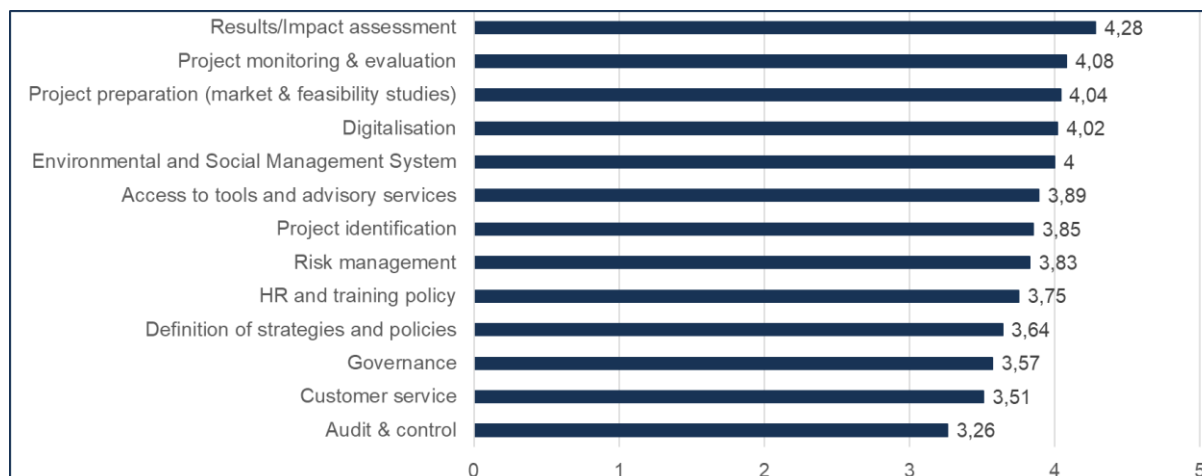
**Impact assessment, project monitoring and evaluation (M&E) and project preparation are the most prominent TA priorities identified by the respondents.**

75% of the PDB respondents consider impact assessment as very or quite important, thus acknowledging the importance of impact monitoring, accountability and reporting for the implementation of their sustainable finance strategies. However, PDBs often lack resources and expertise to draft robust M&E frameworks, internalise SDG and climate taxonomies, identify KPIs and monitor indicators in their IT systems, and align with best international reporting practices.

Support to project preparation is also lacking in most contexts. PDBs highlight the need for more upstream support in anticipation of future sustainable finance projects and investments, including the definition of sustainable finance policies and roadmaps, the provision of market assessments and target segment analyses, and support to fundraising.



**Figure 10: M&E and project preparation are identified as top priorities by PDBs**



Source: IPC, based on PDB TA online survey (54 respondents) – Response (averages) to the question: “What TA needs do you identify as a priority for your institution, in relation with sustainable finance? Please outline the level of priority from 1 (not a priority) to 5 (high priority)”

**Most PDBs mention benchmark, knowledge sharing and networking as priority needs, with a desire to better understand what their peers are doing and integrate international best practices.**

There is a marked interest for on-site exchange visits, where case studies and lessons learned can be discussed among peers and concrete achievements observed firsthand in the field. However, there is limited funding available to support this type of activities.

The **FiCS Secretariat** could also play a role in facilitating such exchange visits by establishing a network of willing institutions ready to welcome staff from other PDBs and **encouraging exchange visits among FiCS members.**

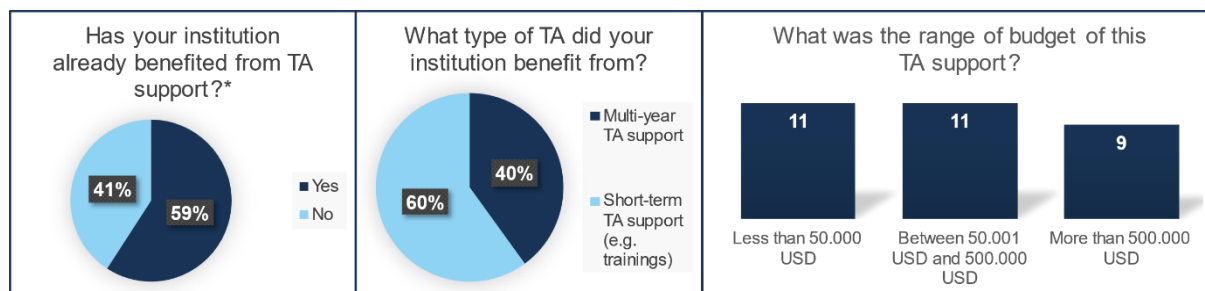
### Identified gaps in existing TA offer

**Finding 4:**

**Most of the participants in the online survey have already benefited from TA funded by international donors. While respondents commend existing TA support as beneficial for defining and implementing their sustainable finance strategies, they also identify existing gaps in the design and coverage of current TA supply.**

**59% of the respondents have already benefited from TA and capacity building in the past, with 40% of them already benefiting from large-scale, multi-year TA support.** Typical amount and duration vary broadly depending on the TA and capacity building objectives and format, as already highlighted in Section 3.1.

**Figure 11: The majority of the PDB respondents have already benefited from TA support**



Source: IPC, based on PDB TA online survey – \*49 respondents (duplicates excluded)

**The respondents commend existing TA support as beneficial for defining and implementing their sustainable finance strategies and for supporting the development of their institution.**

When asked to identify the primary strengths of the existing TA support they receive, PDB respondents highlight several benefits, including TA’s role in modernising governance structures, enhancing policy frameworks, identifying new development opportunities for their institution, fostering technical skill development across all levels, improving internal processes efficiency and effectiveness, facilitating benchmarking with international best practices, and promoting increased international co-operation.

On average, respondents ranked the effectiveness of existing TA support funded by international donors highly, scoring it at 4,11 on a scale from 1 to 5 (1=inefficient; 5=highly efficient).

**PDBs also identify limitations in the design of existing TA offer, especially related with (i) high transaction costs to access TA, (ii) the lack of tailored approaches to the individual needs, and (iii) the need to better organise knowledge-transfer to ensure sustainability of the TA support.**

PDBs often emphasise the **high transaction costs** and lengthy processes involved in identifying and engaging with TA providers individually. Additionally, TA providers and donors often require similar needs assessments and diagnostics for each new TA opportunity, leading to redundant processes that lack co-ordination or standardisation ("*we go through the same needs assessments again and again*").

According to PDBs, TA support from donors and MDBs is **not always tailored to their needs**. TAs associated with credit lines may indirectly address PDBs’ funding and diversification needs. They also contribute to align the banks internal strategies and processes with international standards, thus paving the ground for future fund mobilisation. However, this TA and capacity building support is often perceived as supply-driven rather than based on beneficiaries’ needs ("*Donors come with their own agenda*"). This is particularly true for thematic TAs linked to credit lines (e.g., green, climate, gender credit lines, etc.), which are sometimes perceived as disconnected from immediate institutional needs and not ideally integrated into the bank’s strategy, thus decreasing ownership and sustainability.

**Smaller PDBs**, in particular, emphasise the need for more structural support and capacity building to strengthen their core functions as development banking institutions. This involves providing support in areas such as strategy and business plan development, enhancing risk assessment and management, improving governance and compliance, strengthening IT systems, establishing monitoring and evaluation frameworks, developing marketing, etc.

The transaction costs and alignment of TA support with existing needs may also vary based on the **institution recruiting the TA provider**. PDBs receiving TA may directly select their service provider, often necessitating compliance with public procurement processes aligned with donors’ requirements,

resulting in high transaction costs. Alternatively, the TA implementer may be recruited directly by the donor itself, through its own processes, but then limiting the PDB's influence in selecting the most suitable consultant to support them.

Additionally, some PDBs mention that external consultant teams sometimes **lack knowledge of national contexts**, resulting in TA supports that are overly general and theoretical ("*one-size-fits-all*"). There is a need to develop blended TA approaches that incorporate both international and local expertise.

The PDBs also advocate for enhanced **knowledge transfer** from the external consultant teams responsible for TA and capacity building support to the institution's staff. They emphasise the importance of organising in-house, local TA support, particularly during the initial phases of the TA support when operational risks are higher.

**Building the local consultant market** is crucial for ensuring knowledge transfer and the availability and sustainability of TA support to PDBs. Local experts usually have a deep understanding of the socio-economic, political, and cultural context in which PDBs operate, enabling tailored solutions to address specific needs. They have the capacity to engage with local stakeholders through established networks. Local expertise is also more cost-effective than international alternatives, maximising the impact of TA funds by eliminating travel and accommodation expenses. Investing in local expertise fosters sustainability by building long-term capacities within regions.

Some interviewees indicate that the FiCS Secretariat and coalitions, alongside other international players supporting PDBs, could play a role in structuring the local consultant markets. They could, for example support the implementation of dedicated training programmes and knowledge sharing to educate local consultants on SDGs standards and the climate finance agenda. The FiCS Secretariat could also contribute to co-ordinate the establishment of a database of local consultants, to serve as a resource for its members for identifying qualified consultants with expertise in various fields. Sharing databases among donors and PDBs would facilitate collaboration and streamline the process of accessing consultant resources. Most donors usually have internal databases of local consultants available that could possibly be made accessible to others and to FiCS members. The establishment of a certification system for consultants could also be considered. Such a certification process would enhance transparency, credibility, and trust in the consultant market, ultimately improving the quality of TA provided to PDBs. The FiCS Secretariat could also possibly play a role in this endeavour, by encouraging contacts among members to facilitate reference checks of existing consultants.

PDBs also advocate for allocating **dedicated resources in the design of TA programmes to support the implementation of the recommendations** after the main activities have been delivered. This **post-TA delivery support** is often necessary to ensure the sustainability of the TA provided. This includes the possibility of organising mentoring sessions or providing targeted individual support after the completion of the TA to ensure that the tools and training provided within the framework of TA projects are internalised and operationalised within the institution. It might be most efficient to include these activities from the very beginning in the design of the TA.

**Finally, in terms of thematic gaps, there is a persistent need for more funding and support for climate-related initiatives.**

While many TA and capacity building programmes and initiatives focus on green and climate finance (see Section 5), PDBs emphasise the ongoing need for additional support and funding to align their

strategies, policies, and procedures with the Paris Agreement agenda. In this regard, PDBs specifically highlight the following topics as lacking sufficient support<sup>5</sup>:

- Adaptation finance
- Gender and climate
- Mapping climate risks and opportunities
- Alignment with national and international regulations, strategies and frameworks
- Understanding carbon markets & internalising carbon footprint/GHG calculation tools
- Renewable energy
- GCF accreditation.

**PDBs also identify other areas of interest that are currently not adequately addressed by existing TA offer.** These thematic gaps include, in particular:

- Biodiversity
- Social Housing
- Waste management
- Farming and fishing, food security
- Tourism
- Pharma
- Digital technologies and artificial intelligence
- Social sectors, including education and health.

Some PDBs also emphasise the need for additional **engineering and technical expertise** to support both project preparation and implementation, including technical engineering expertise for the development of investment strategies, environmental and technical studies, and the creation of investment pipelines in infrastructure, green, waste management, or other sectors of interest for PDBs.

**Finding 5:**

**There is a need for structural, sector-agnostic TA support disconnected from credit lines, particularly to support project preparation, and enhance the capacities of smaller PDBs.**

According to the online survey, **73% of the TA provided to PDBs was delivered in parallel to a credit line**, i.e. aiming at reinforcing the capacity of the recipient to ensure that the credit line is implemented and disbursed successfully.

PDB respondents mention a **lack of variety** in existing TAs. There is a need for **tailored sector-agnostic TA, disconnected from asset-based credit lines**, either stand-alone or combined with policy-based credit facilities to enhance the general capacities and address specific challenges faced by PDBs, particularly the smaller ones.

More specifically, the most frequently identified gaps by the PDBs and in the interviews relate to small-scale TA for **project preparation** (e.g., market assessments, feasibility studies, etc.), **staff capacity building** (e.g., training sessions, Trainings of Trainers), mentoring sessions, development of internal training platforms), ad-hoc TA to address **specific institutional challenges** (e.g., review of existing policies and procedures, design of monitoring and evaluation frameworks, support to digitalisation and marketing, etc.), and funding for **peer exchange visits**. These small-scale, ad-hoc TA supports are typically more challenging for donors to finance, due to their limited size and high transaction costs.

<sup>5</sup> See open questions in the online survey questionnaire.

The box below presents the example of the ICR Facility, which offers customised, demand-driven, short-term TA to PDBs.

**Box 1: The ICR Facility: a tailored, demand-driven, and short-term TA support to PDBs**

**Overview**

*The Investment Climate Reform (ICR) Facility, co-funded with 26,7 million euros from the EU, the Organisation of African, Caribbean and Pacific States (OACPS), BMZ, and the British Council, was launched at the end of 2019 and is set to continue until the end of 2025. Jointly implemented by GIZ, British Council, Expertise France and SNV, this technical assistance Facility consists of three primary components. The majority of the budget, approximately two-thirds to three-quarters, is allocated to business environment reforms, which form the first component. The second component focuses on strengthening national and subnational Development Finance Institutions. Finally, the third component is dedicated to knowledge management.*

**Support to Banks and Knowledge Sharing**

*The ICR Facility provides tailor-made support to a limited number of banks and organises knowledge-sharing activities for a wider audience. From 2020 to 2022, the ICR Facility supported six banks through tailored capacity-building and technical assistance measures on a broad range of topics. The selection process involved screening PDBs' requests to identify the institutions receiving less support (additionality) and those capable of receiving and absorbing TA, while ensuring geographical balance. Examples of support provided include assistance with the launch of a learning management system and training of trainers (ToT), the organisation of trainings for relationship managers, a study to restructure the private sector fund of the Caribbean Development Bank (CDB), etc. Interestingly, a significant number of requests for study trips were received during the application phase. However, the ICR Facility did not have the capacity to handle these requests.*

**Recent Focus on Gender**

*In 2022, a call for proposal with a focus on gender was organised to select beneficiary banks from 2023 to 2025. Requests received from the banks during the application process covered a broad range of TA needs, including the development of gender strategies and of financial products targeting women, the design of M&E and impact measurement tools, support to capital raising and fundraising with a focus on gender finance, development of digital tools to increase loan uptake by female clients, etc. As part of knowledge management efforts, a study on gender was also conducted, and a Massive Open Online Course (MOOC) on integrating gender into development finance institutions was developed, that will be integrated into the AADFI training platform.*

*The TA provided by the ICR Facility is tailored, demand-driven, and short-term, with a maximum of 100 days per institution. It involves blended expertise including international and local consultants.*

Source: IPC, based on an interview with IRC Facility, FICS TA study

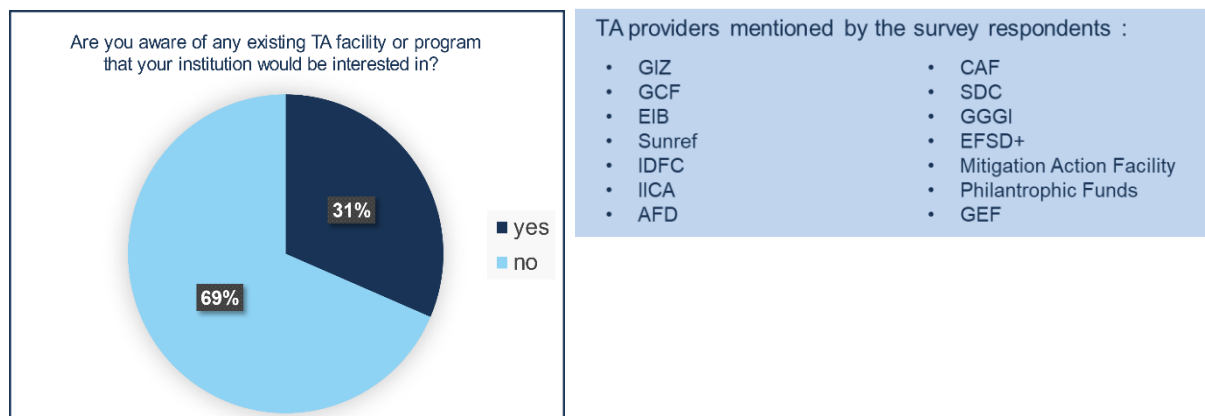
**Finding 6:**

**The online survey further highlights an information gap in the existing TA offering to PDBs. The majority of the PDBs is not aware of any existing TA providers that would be interesting for them.**

PDBs are often well aware of existing TA support provided by multilateral and regional development banks in relation to the provision of thematic credit lines. However, only a few identify other types of TA facilities and programmes benefiting PDBs. Philanthropic foundations are identified as a potential source of support, especially in social sectors such as education and health, but little is known about the concrete opportunities offered in this field.

Overall, there is a confirmed interest from all interviewed PDBs in better accessing information on available TA and capacity building programmes and facilities for which they could be eligible.

**Figure 12: Information gap in the existing TA offer to PDBs**



Source: PDB TA online survey (54 respondents)

## Role of FiCS and the regional networks

### Finding 7:

The majority of the interviewed and surveyed PDBs confirm that the FiCS Secretariat and FiCS coalitions have a role to play in facilitating access to TA for FiCS members.

Three main roles were indicated by the respondents:

- **FiCS Secretariat in a facilitator role**, in close co-ordination with the PDB regional networks, to co-ordinate discussion about TA among PDB members, build awareness on existing TA facilities, contribute to matching the needs and supply, and serve as an advocate for smaller institutions to get tailored TA support.
- **FiCS Secretariat and FiCS coalitions as platforms**, to share best practices and success stories of similar institutions, organise knowledge transfer among PDBs and support peer learning and exchange visits.
- **FiCS Secretariat in a co-ordination role** for the provision of TA, taking a front-line leadership position to enhance the capacity of its members by consolidating TA support, centralising fundraising efforts, and broadening TA funding opportunities for PDBs.

**Networks, PDB coalitions, and national banking associations** can also play a crucial role in consolidating the TA needs of PDBs, leveraging funding, and connecting TA needs with supply while considering local or sector-specific specificities and contexts. These networks, being close to their members and driven by demand, could efficiently serve as decentralised relays for the FiCS Secretariat in centralising and co-ordinating the local demand for TA and conducting specific regional- or sector-based need assessments.

These potential roles for the FiCS Secretariat and the PDB networks and coalitions in the facilitation and/or provision of TA to their PDB members are further discussed in section 6.

## 4 Supply side analysis – Mapping of existing TA and capacity building offer to PDBs

### 4.1 Summary of TA landscape (segmentation, main channels, category of TA providers, etc.)

As emphasised in Section 3.3, the variety of TA and capacity-building mechanisms, objectives, formats, and budget available presents a challenge in fully mapping the available TA supply for PDBs. The interviews conducted during the study reaffirmed this diversity in funding sources and TA formats supporting PDBs. As a result, the approach adopted in the study primarily involved developing a **typology of TA providers** for PDBs, as outlined in the table below.

**Table 5: Groups / categories of TA providers**

Type	Short description	Types of TA and other support provided	Advantages and limitations	Examples
<b>Multilateral Development Banks (MDBs) / Bilateral Development Banks / International Development Finance Institutions (DFIs)</b>	Multilateral Development Banks or DFIs providing Loans, TA, and other types of support, typically worldwide or in multiple regions of the world.	<ul style="list-style-type: none"> <li>All stages of the investment cycle, including preparation, implementation, evaluation</li> <li>Usually large scale, thematic TA, up to USD 2-3 million over 2-5 years</li> <li>Diversity of small-scale TA and capacity building initiatives and formats available, depending on the institution (e.g. networking, e-trainings, workshops, etc)</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Large budget available</li> <li>Capacity to support PDBs over the long-term</li> <li>Good visibility</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Donor-driven</li> <li>High transaction costs to access TA programmes</li> <li>TA usually associated with Credit Line, rarely stand-alone</li> </ul>	ADB, IDB, AFD, WB, EIB, Italian CDP, AIIB, AfDB, FMO
<b>Regional Development Banks (RDBs)</b>	Regional Development banks providing TA to partner countries or members in a sub-region (ex: SSA, Latin America, etc).	<ul style="list-style-type: none"> <li>All stages of the investment cycle, including preparation, implementation, evaluation</li> <li>Typically, 50,000 – 100,000 USD (or less)</li> <li>TA executed on behalf of programmes, or as direct implementer on own funds</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Usually faster in providing TAs</li> <li>Demand-driven</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Approval from MoF/member countries often required</li> <li>TA often financed on own funds; need to diversify funding sources for TA</li> </ul>	CAF, Fonplata, DBSA, Caribbean Development Bank
<b>National / sub-national Development Banks (NDBs)</b>	National Development banks providing TA to their clients,	<ul style="list-style-type: none"> <li>Transactional TA, preparation and implementation TA to support</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Close to markets; market knowledge</li> <li>Demand-driven</li> </ul>	Development Bank of Rwanda (BRD), Development Bank of

Type	Short description	Types of TA and other support provided	Advantages and limitations	Examples
	which may include in some cases smaller national or sub-national banks in the country, and public and private companies. NDBs often serve as both TA providers (to their clients), and TA recipients (receiving themselves TA support to address their specific challenges).	clients in projects/ programmes/ investments <ul style="list-style-type: none"> <li>• Typically, 50,000 or less</li> <li>• TA usually executed on behalf of donor-funded programmes</li> </ul>	<b>Limitations:</b> <ul style="list-style-type: none"> <li>• Limited TA absorption capacities of smaller NDBs</li> <li>• Often limited in their capacities as TA providers to their clients</li> <li>• Limited resources available for TA; need to diversify funding sources.</li> </ul>	Philippines (DBP), Development of Nigeria, etc.
<b>Donor organisations</b>	International public donors, mobilising mostly grant money	TA programmes, trainings, short-term and long-term capacity building support	<b>Advantages:</b> <ul style="list-style-type: none"> <li>• Grant money</li> <li>• Political leverage and connections with ecosystem players</li> </ul> <b>Limitations:</b> <ul style="list-style-type: none"> <li>• Donor-driven</li> <li>• High transaction costs to access TA programmes</li> <li>• Usually not directly involved with banks; partnering with MDBs/DFIs, possibly via delegation of funds</li> <li>• Sustainability of funding sources for PDBs</li> </ul>	EU, UNDP, USAID
<b>Philanthropy</b>	Private foundations, mobilising mostly grant money	TA programmes, trainings, short-term and long-term capacity building support	<b>Advantages:</b> <ul style="list-style-type: none"> <li>• Large grant budget available</li> <li>• Focus on social sectors</li> </ul> <b>Limitations:</b> <ul style="list-style-type: none"> <li>• Only limited focus on banking and financial sectors</li> <li>• Donor-driven</li> <li>• Sustainability of funding</li> </ul>	Gates Foundation, MasterCard Foundation, Bloomberg Family Foundation
<b>Ad-hoc TA facility or programmes</b>	Stand-alone TA facility or programme, with a dedicated budget and timeframe; most of the time financed by donor organisations, with implementation delegated to an ad-hoc team or entity.	Typically, short-term TAs, knowledge transfer and peer-learning	<b>Advantages:</b> <ul style="list-style-type: none"> <li>• Tailor-made TAs, dedicated to PDBs</li> <li>• Demand-driven</li> </ul> <b>Limitations:</b> <ul style="list-style-type: none"> <li>• Relatively limited number of beneficiaries; limited outreach; risk of spreading TA support and subsidies on a few PDBs</li> <li>• No available funding on their own; dependence on donor funding; continuous fundraising efforts needed in case of open-ended facilities</li> </ul>	ICR facility, IDFC Climate Facility, IFAD Agri-PDB platform



Type	Short description	Types of TA and other support provided	Advantages and limitations	Examples
			<ul style="list-style-type: none"> <li>• Donor-driven</li> <li>• Sustainability of funding</li> <li>• Sustainability of TA support provided often limited by the time duration of the facility/programme (typically a few years).</li> </ul>	
<b>Trust Funds / Investment Funds</b>	Trust Funds: basket funds managed by a trustee organisation on behalf of multiple funders and registered as a legal entity	<ul style="list-style-type: none"> <li>• All stages of the investment cycle, including preparation, implementation, evaluation</li> <li>• Short-term and large-scale TAs</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Large budget available</li> <li>• Dedicated focus on specific sectors or country</li> <li>• Variety of funds and funding sources available for TA</li> <li>• Catalysing private sector investment</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• High transaction costs to access TA</li> <li>• Not tailor-made to PDBs</li> <li>• Not accessible to small PDBs with limited absorption capacities</li> <li>• Multitude of mechanisms and funding sources available leading to lack of visibility and clarity</li> </ul>	GCF, Climate Investment Funds, GEF, World Bank trust funds
	Investment Funds: funding instruments providing loans, TA, other type and supports, typically focusing on a specific topic or region			GIF, Green bond funds, Impact investment funds, Infrastructure funds
<b>Coalitions / PDB network and associations</b>	Coalition of PDBs providing TA to their members.	Typically, short-term TAs, knowledge transfer and peer-learning	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Close to their members; demand-driven</li> <li>• Tailor-made to PDBs</li> <li>• Offering networking and knowledge sharing opportunities to their members</li> <li>• Willingness to develop the range of services to their members</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• Limited resources; no available funding on their own and dependence on donor funding</li> <li>• Governance and operating structures may be weak</li> </ul>	Water Coalition, IYBA, FiCS coalitions
	Regional PDB networks			AADFI, ALIDE, ADFIAP, ADFIMI
	National banking associations			ABDE Brazil, CBF Tunisia, etc.
<b>NGOs</b>	Non-Governmental Organisations, TA providers and implementers	Expertise, advocacy, or project implementation support in areas such as poverty alleviation, environmental sustainability, or gender equality.	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Local presence; close to the markets</li> <li>• Focus on social sectors, gender, poverty alleviation</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• No available funding on their own; dependence on donor funding</li> <li>• Limited focus on banking sectors</li> <li>• Sustainability of funding</li> </ul>	SNV, Care International
<b>International policy initiatives</b>	International initiatives mobilising multiple countries / partners, with a	Expertise, knowledge sharing, capacity-building, networking and advocacy	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Political leverage, through access to international networks and to decision-makers/standard-setters</li> </ul>	GFANZ, CGAP

Type	Short description	Types of TA and other support provided	Advantages and limitations	Examples
	focus on lobbying, policy and standards		<ul style="list-style-type: none"> <li>• Co-ordination and collaboration with ecosystem players, including standards and regulators</li> <li>• Catalysing private sector investment</li> <li>• Knowledge exchange platforms</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• Limited funding available for direct TA support</li> <li>• Dependence on donor funding</li> <li>• Potential for donor-driven agendas</li> <li>• Sustainability of funding</li> </ul>	
<b>Think tanks, academies, platforms</b>	Training platforms, academies, think tanks providing tools and online knowledge resources	Online training and exchange platforms, peer-learning, networking, policy advocacy	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Access to ecosystem players, research and publication</li> <li>• Expertise and knowledge</li> <li>• Fostering innovation, impact measurement</li> <li>• Networking and partnership opportunities</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• Limited resources available</li> <li>• Limited focus on banking sectors</li> <li>• Standardised /one-size-fits-all approach (online training programmes)</li> <li>• Sustainability of funding</li> </ul>	ECDPM, Center for Global Development (CGD), Sustainable Banking Network (SBN), MFW4A, etc.

Source: IPC

## 4.2 Key take-aways from the interviews with the TA providers

The interviews conducted during the study with 27 institutions, including TA providers and TA PDB recipients, all **confirmed a significant interest in the TA mapping exercise conducted by FiCS**. All interviewees emphasised the lack of consolidated information on the existing TA and capacity building supply available to PDBs. There is a general willingness to contribute to this mapping effort, with FiCS potentially playing a co-ordinating role for this purpose (see section 6 below).

Interestingly, other **similar TA mapping initiatives** were identified during the interviews, whose results could be combined to develop a more detailed and comprehensive mapping of existing TA offer for PDBs. These mapping initiatives are summarised in the box below.

### Box 2: Other ongoing mapping exercises in relation with TA to PDBs

**IDB:** IDB contributed to the creation of the Green Finance LAC platform, a knowledge exchange platform to respond to the demand of PDBs and other FIs for sharing information and knowledge about green financing in Latin America and the Caribbean (LAC). The outputs of this mapping region is available here: [Projects Map | Green Finance LAC](#). IDB has expressed interest in collaborating with FiCS to enhance access to information on existing TA and capacity-building initiatives and programmes available for PDBs.

**IYBA:** The Investing in Young Businesses in Africa (IYBA) initiative supports early-stage business ecosystem actors in Africa with the provision of pre-seed and early-stage financing, and technical assistance. Through

*the Supporting Entrepreneurship Ecosystem Development (SEED) programme, IYBA is currently conducting a mapping of financial institutions and ecosystem players engaged in financing early-stage companies in Africa. IYBA is interested in collaborating with FiCS to complement ongoing mapping exercises of TA programmes for PDBs.*

**ICR Facility:** *the ICR Facility has launched an Exchange Group to give the opportunity to regional and national DFIs from mainly member states of the Organisation of African, Caribbean and Pacific States (OACPS) to exchange with peers. The DFI exchange group will be used as an “umbrella” platform for DFI-related knowledge sharing and group activities, such as event and peer exchange sessions. In this framework, ICR and EU/INTPA have expressed an interest in addressing the topic of TA to DFIs and contribute to the ongoing mapping exercise conducted by FiCS.*

**GFANZ:** *in the framework of its Global Capacity Building Coalition on climate finance GFANZ is exploring the possibility of conducting a mapping focused on climate finance education and technical assistance resources and has expressed an interest in collaborating with FiCS in these mapping efforts. GFANZ has also indicated the availability of budgetary resources that could be allocated to support the development of an online portal aimed at enhancing access to information and resources, in collaboration with FiCS.*

**Fonplata:** *During the interview, Fonplata confirmed its interest in FiCS' mapping efforts and expressed a particular interest in mapping available resources in support to sustainable infrastructure projects.*

Source: interviews conducted during the FiCS TA mapping study

The following findings summarise key take-aways from the interviews conducted with TA providers and TA PDB recipient during the study.

**Finding 8:**

**Some TA suppliers have a dedicated approach to PDBs, others consider PDBs mostly as channels to reach specific markets or target segments.**

All the donors and TA suppliers interviewed acknowledge the dual role of PDBs, both as financiers of public projects and as catalysts for private sector mobilisation. PDBs are generally perceived as natural partners for donors, being more attuned than other types of institutions to the developmental impact of projects and having significant leverage through political support and their development mandate.

However, donors' approaches to PDBs vary, some of them considering support to PDBs as an end in itself, while others consider PDBs mostly as channels to reach specific markets or target groups.

Only few donors interviewed have a specifically dedicated approach to PDBs. This is for example the case of AFD, IDB, and WB, who adopt an ecosystem and holistic approach to supporting PDBs, engaging them in strategic dialogues with other stakeholders, including policy makers, standards, regulators, national banking associations, central banks, etc. Support provided to PDBs evolve over time, with increased specificities and demanding criteria for the recipient bank from one project generation to another.

In contrast, most donors have less “thought-out” and structured approaches to mobilising PDBs, without a dedicated approach and mobilising these institutions primary as instrument for financing sectoral projects and channeling funding and TA support to the market.

This perception of the role PDBs play in the ecosystem has an influence on the scale and formats of TAs delivered to PDBs. TA suppliers holding a systemic approach with the PDBs tend to offer longer-term, larger scale TAs without any thematic or sectoral focus aimed at institutional strengthening,

capacity building and transformation of the PDBs, while others tend to favor more thematic or sectoral TAs, usually associated with thematic credit lines.

**Finding 9:**

**The variety of PDBs calls for differentiated approaches in the provision of TA and capacity building support, with more structural support for smaller banks and the mobilisation of larger banks in catalytic and peer learning roles for disseminating best practices to the market.**

**Smaller PDBs have limited capacities to absorb large-scale TAs and usually lack internal expertise and resources to monitor and internalise TA supports.**

Capacity limitations within smaller PDBs can hinder the utilisation of TA. These institutions often lack the human resources or expertise necessary to effectively monitor the TA and allocate sufficient time and resources for proper knowledge transfer. This calls for a phased approach to TA for smaller PDBs in the long term, involving on-site TA within the institution to facilitate daily interaction, along with the allocation of dedicated budget and time to operationalise and internalise the TA support delivered. By adopting this approach, internal processes can be established and enhanced, equipping recipients across the entire institution (including management, back office, front office, etc.) with the necessary capacities to effectively absorb large-scale TA.

**On the other hand, larger PDBs can be mobilised in catalytic and peer learning roles for disseminating best practices to other PDBs.**

“South-South” co-operation can foster collaboration and knowledge sharing among PDBs facing similar development challenges and contexts. South-South co-operation and peer-learning exchanges usually result in effective and efficient outcomes, also contributing to reducing dependence on traditional donor funding for PDBs.

**Larger PDBs also play an instrumental role in providing TA to their clients and channelling know-how and best practices to the market and should be supported in this capacity.**

As highlighted in the online survey, 61% of the PDB respondents are themselves TA providers to their clients. Approximately half of the respondents have dedicated TA teams, typically within departments responsible for strategy and partnerships (when the focus is on fund mobilisation for TA as a recipient), and occasionally within departments handling business operations (with an emphasis on providing TA to clients). and supporting business origination The TA support offered by these PDBs to their clients can take various forms, including business advisory services aimed at helping client companies’ access customised financing options, the provision of technical expertise in areas such as infrastructure development, renewable energy projects, and environmental management, or facilitating connections with other businesses, industry associations, research institutions, and government agencies. This expertise may be sourced from in-house staff from the PDB or through the engagement of external experts funded by donor-supported programmes.

PDBs’ role as TA providers is crucial as it may contribute to maximise developmental impact of the investments, build capacities and foster innovation in the market, and mitigate the risk associated with project implementation and operation. This support for PDBs in their role as TA providers requires dedicated assistance and a specific approach that could be further integrated into the TA facilities and programmes funded by donors. Such support could include assessments of skills gaps within the institution’s TA team, organising training sessions (including Training of Trainers), providing mentoring

support, facilitating knowledge sharing and exchanges with other TA providers, and ensuring access to necessary resources.

**This differentiated approach to TA for PDBs**, with more structural and institutional support for smaller PDBs, and targeted assistance to larger banks in their role of channelling TA to the market, is illustrated below through the approach taken by IFAD in the Agri-PDB platform.




**Box 3: IFAD TA Agri-platform: a differentiated approach based on the PDB’s profile**

*The FiCS Agricultural Coalition has created an Agricultural Public Development Banks Platform hosted by IFAD. The Platform promotes exchanges and best practices to support green, inclusive, and sustainable finance. In co-operation with the regional PDB networks, the Platform aims to offer peer-to-peer support to agricultural development banks, which are seeking to enhance their strategic orientations and tools (for example improving identification, monitoring, and assessing the impacts of their financing on climate change, on agroecology or on financial inclusion). In-kind expertise, trainings or thematic debates will also progressively be organised with various technical partners.*

*The Agri-PDB Platform identifies three groups of banks with different profiles and needs, grouping similar banks in a same group to facilitate knowledge absorption:*

- the "Priority Support group", which brings together banks in fragile situations;
- the "Targeted Support group", which should strengthen its tools and activities;
- the "Referent Support group", which consists of the strongest banks, which need ad hoc support, and which will be considered as resources for the other two groups of the platform.

**Table: IFAD typology of Agri-PDBs and services delivered to each target groups**

 Group 1	 Group 2	 Group 3
<b>Priority Support Group</b> Size Small banks in LIC/LMIC, fragile context	<b>Targeted Support Group</b> Size Small and medium banks in UMIC, LMIC	<b>Referent Support Group</b> Size Medium and large banks sizes, UMIC, LMIC, HIC
Medium to long term TA to revisit the PDB’s business model and governance structure. Capacity building (systems, HR). Participants to the Agri-PDB platform working groups.	Beneficiary of medium to short-term TA. Market research and partner mapping. Support for the digitalisation of processes, tools to better measure risks. Participants to the Agri-PDB platform working groups.	Beneficiary of short-term TA. Study trips. Peer to peer TA providers. Tools for Environmental and Social impact measurement Animation of working groups Integration into thematic international networks.

Source: Final report on the mapping and typology of PDBs, Mohamed Ali Trabelsi, December 2023

**Finding 10:**

**Donors highlight the importance of assessing the added value of grant-based TA support to PDBs. It is therefore critical to systematically measure and document the effectiveness and efficiency of TA programmes to ensure the accountability of both PDBs and TA suppliers.**

Assessing the added value of TA supports provided to PDBs is critical to ensure optimal allocation of scarce TA grant-based resources. On one hand, the large and medium PDBs have the capacity to finance TA on their own resources especially short-term TAs, while on the other hand, smaller PDBs may lack funds or be too small to qualify for credit lines, which are often the entry point to access TAs.

Therefore, it is critical for donors to carefully assess the added value of any TA support or programme to PDBs and target in priority smaller institutions with more limited access to TA support. This ensures that grant money is used to address existing funding gaps and target in priority the needs of smaller PDBs that lack sufficient resources.

Measuring the effectiveness of TA initiatives and programmes is also critical to ensure sustainability and accountability. Monitoring TA effectiveness may help support decision-making, learn from past experiences, showcase success stories, and demonstrate the impact of the TA support provided. An iterative process of learning and improvement is essential for enhancing the design and implementation of future TA initiatives and maximise their impact. The OECD DAC Network on Development Evaluation (EvalNet) is the standard setter in this area and has defined six evaluation criteria to provide a narrative framework to determine the effectiveness of an intervention (TA)<sup>67</sup>.

- (1) Relevance
- (2) Coherence
- (3) Effectiveness
- (4) Efficiency
- (5) Impact and sustainability.

These criteria have the potential to serve as a benchmark and contribute to systematic evaluation of the effectiveness, which allows to learn from past mistakes and formulate recommendations for upcoming interventions.

**Finding 11:**

**Enhancing dialogue and co-ordination between development finance institutions and grant donors will lead to more integrated approaches among available instruments supporting PDBs.**

**There is an interest among the institutions interviewed in establishing a TA and capacity building working group co-ordinated by FiCS Secretariat, where TA-related topics could be discussed.**

Finally, some interviewees (e.g., IDB) highlight the importance of a close dialogue between multilateral, bilateral development banks and DFIs mobilising loans, guarantees and other financial instruments in support to PDBs, and grant-based donors mostly mobilising grant money with a focus on capacity building and other form of grant-based assistance. This close dialogue is crucial to better co-ordinate between different instruments and catalyse scarce grant money resources efficiently in support to PDBs.

The FiCS Secretariat is also identified as a potential partner to initiate a discussion among its members on the articulation between development finance, donors, and PDBs, for example, through the organisation of a dedicated TA working group.

Some interviewees suggest establishing a **TA and capacity building coalition** within the Finance in Common network to collaborate and co-ordinate these diverse mapping exercises. This coalition could also provide a space for discussion for PDBs and TA providers to share their views on existing TA demand, supply and existing gaps, and the way forward to enhance access and efficiency of TA supports to PDBs.

<sup>6</sup> OECD (2019), Better Criteria for Better Evaluation, OECD Publishing, Paris.

<https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

<sup>7</sup> OECD (2021), Applying Evaluation Criteria Thoughtfully, OECD Publishing, Paris.

<https://doi.org/10.1787/543e84ed-en>.

## 5 Summary of recommendations

### 5.1 Recommendations for an improved design and access to TA for PDBs

The table below outlines the primary recommendations for the design and an improved access to TA for PDBs, as derived from the findings and detailed in sections 4 and 5 above. As mentioned earlier, these recommendations should be considered in light of the study limitations discussed in chapter 2.3 (Methodology), which include a relatively limited timeframe and number of interviews and institutions surveyed.

**Table 6: Summary of identified gaps and main recommendations for the design and access to TA for PDBs**

Main gaps identified in the provision of TA and capacity-building to PDBs		
	General gaps	Specific gaps
<b>Summary of identified gaps in current TA offer for PDBs</b>	<p><b>Gaps identified in terms of TA topics:</b></p> <ul style="list-style-type: none"> <li>• Project preparation</li> <li>• M&amp;E and impact assessment</li> <li>• Climate, especially adaptation finance, gender and climate, renewable energy, climate risks assessment, regulations, carbon markets, GCF accreditation.</li> </ul> <p><b>Gaps identified in terms of TA formats:</b></p> <ul style="list-style-type: none"> <li>• Structural, sector-agnostic TA disconnected from asset-based credit lines, particularly for smaller PDBs</li> <li>• Peer-learning and exchange visits</li> </ul>	<p><b>Specific TA gaps identified by some PDBs:</b></p> <ul style="list-style-type: none"> <li>• Other thematic gaps such as biodiversity, social housing, waste management, farming and fishing, food security, tourism, pharma, digital, social sectors. These topics and the associated TA needs identified by PDBs could be discussed within dedicated thematic FiCS coalitions.</li> <li>• Engineering and technical expertise</li> <li>• Capacity building to support larger PDBs in the provision of TA to their clients</li> </ul>

Main recommendations for TA providers		
	Short-term (immediately actionable with existing frameworks)	Long-term
<b>Recommendations for the design of TA and capacity-building facilities</b>	<p><b>Promote tailor-made approaches to TA and capacity building to PDBs:</b></p> <ul style="list-style-type: none"> <li>• Conduct thorough need analysis prior to the implementation of TA supports;</li> <li>• Adopt a differentiated approach in the design of TA provided to banks, depending on their types, size, and level of maturity (e.g., focus on institutional strengthening TA for smaller banks vs targeted sector-specific TAs for more mature PDBs).</li> </ul> <p><b>Facilitate knowledge transfer to ensure sustainability of TA support:</b></p> <ul style="list-style-type: none"> <li>• Organise blended local and international expertise within TA provider consultant teams;</li> <li>• For less mature banks, prioritise resident TA hosted within the institution to facilitate daily support and knowledge transfer;</li> <li>• Foresee additional post-TA delivery support and resources, including mentoring and coaching, to internalise and operationalise the</li> </ul>	<p><b>Contribute to addressing current gaps in existing TA offer to PDBs</b></p> <ul style="list-style-type: none"> <li>• Promote sector-agnostic TAs, disconnected from asset-based credit lines, particularly to support project preparation and enhance the capacities of smaller PDBs;</li> <li>• Promote and facilitate peer exchange visits and promote South-South co-operation among PDBs.</li> </ul> <p><b>Structure local consultant markets</b></p> <ul style="list-style-type: none"> <li>• Promote dedicated training programmes and knowledge sharing to educate local consultants on SDGs standards and the climate finance agenda;</li> <li>• Share information and databases of existing consultants with expertise on sustainable finance.</li> </ul> <p><b>Take a long-term perspective and holistic approach to support PDBs in their</b></p>

Main recommendations for TA providers		
	Short-term (immediately actionable with existing frameworks)	Long-term
	<p>trainings, tools and guidelines delivered by the TA;</p> <ul style="list-style-type: none"> <li>• Systematically assess the additionality and efficiency of TA supports provided, using the OECD DAC evaluation criteria; (relevance, coherence, effectiveness, efficiency, impact and sustainability), disseminating results and building on lessons learned.</li> </ul>	<p><b>transformation path towards sustainable finance:</b></p> <ul style="list-style-type: none"> <li>• Adopt a long-term perspective in the provision of TA to support PDBs in their transformation and internalisation of the SDGs and climate-related agendas;</li> <li>• Better co-ordinate various TA efforts from different TA providers supporting a same PDB, to avoid overlaps and inefficient use of resources.</li> </ul>
<b>Recommendations to improve access to TA and capacity building support for PDBs</b>	<p><b>Bridge information gap on existing TA offer</b></p> <ul style="list-style-type: none"> <li>• Raise awareness on existing TA offer to PDBs through PDB networks and association.</li> <li>• Facilitate access to information about existing TA programmes and initiatives accessible to PDBs through a dedicated website portal or platform.</li> </ul>	<p><b>Reduce high transaction costs to access TA</b></p> <ul style="list-style-type: none"> <li>• Leverage national association, regional networks and PDB coalitions to co-ordinate fundraising efforts;</li> <li>• Align due-diligence processes among TA providers.</li> </ul>
<b>Recommendations on possible role of the FiCS Secretariat, FiCS coalitions and regional networks in the facilitation of TA provision to PDBs</b>	<p><b>FiCS Secretariat:</b></p> <ul style="list-style-type: none"> <li>• Establish and co-ordinate a TA coalition group/working group within FiCS network to discuss TA-related topics and enhance the dialogue and co-ordination between development finance institutions and grant-based TA suppliers;</li> <li>• Leverage and co-ordinate FiCS coalitions, PDB networks and national banking associations to consolidate TA needs and map existing TA offer specific to local markets/countries and sectors;</li> <li>• Contribute to co-ordinate the establishment of a database of local consultants, to serve as a resource for FiCS members for identifying qualified consultants with expertise in various fields and facilitate contacts among members for cross-reference checks of existing consultants.</li> </ul> <p><b>FiCS Secretariat and FiCS coalitions:</b></p> <ul style="list-style-type: none"> <li>• Share best practices and success stories among FiCS PDB members;</li> <li>• Organise knowledge transfer among PDBs and support peer learning and exchange visits.</li> </ul>	<p><b>FiCS Secretariat:</b></p> <ul style="list-style-type: none"> <li>• Take a facilitator role to reduce bureaucracy, build awareness on existing TA facilities;</li> <li>• Serve as an advocate for smaller institutions to get tailored, flexible TA support and lines of financing;</li> <li>• Take a front-line leadership position to enhance the capacity of FiCS members by consolidating TA support, centralising fundraising efforts, and broadening TA funding opportunities for PDBs (see scenarios below).</li> </ul>

Source: IPC

Note: these recommendations are mainly consistent with the recommendations of the G20 sustainable Finance Working Group under the Indian G20 Presidency, which conducted a similar exercise to identify barriers affecting TA and capacity building in the efforts to scale-up sustainable finance<sup>8</sup>. This report identifies four main barriers:

**(1) Limited financial support.** Many programmes operate on small scale due to funding constraints.

<sup>8</sup> G20 Sustainable Finance Technical Assistance Action Plan – Vision document (draft), March 2024



- (2) Insufficient coverage.** The existing services cover a range of technical areas, while others are less well covered. The same applies to regions and institutions. Some institutions or regions are disproportionately better served than others.
- (3) Lack of co-ordination leading to a demand-supply mismatch.** Duplication of efforts and inefficient uses of resources result from isolated provision of TA where providers do not co-ordinate.
- (4) Poor effectiveness of delivery.** There is a lack of agreed-on best practices when it comes to content and delivery methods to make the services most impactful within specific contexts and geographic regions.

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