

## FiCS – TA & Capacity Building for PDBs

### 1 Context of the study

As the global network of all Public Development Banks (PDBs) and inclusive coalition gathering PDBs' key stakeholders, Finance in Common (FiCS) aims to reinforce capacities and amplify the potential of PDBs through enhanced cooperation with all partners committed to achieving the SDGs and the Paris Agreement. Beyond an annual Summit, FiCS aims to be a community of practice and knowledge whereby members' access and share a broad range of expertise, working together towards a common goal, as well as an advocacy coalition voicing PDBs' solutions, and a marketplace.

With the present study, FiCS aims to reinforce capacities and amplify the potential of PDBs through enhanced cooperation with all partners committed to achieve the SDGs and the Paris Agreement. In this context, FiCS will facilitate the mapping of technical assistance (TA) and capacity building programs for PDBs. This research will contribute to an ongoing Sustainable Finance Technical Assistance Action Plan (TAAP) exercise launched in the context of the Sustainable Finance Working Group of the G20. With this mapping and benchmark the knowledge about TA and capacity building programs will be improved. Furthermore, the study includes the collection of data that reflects the current landscape including the supply and demand for TA to PDBs.

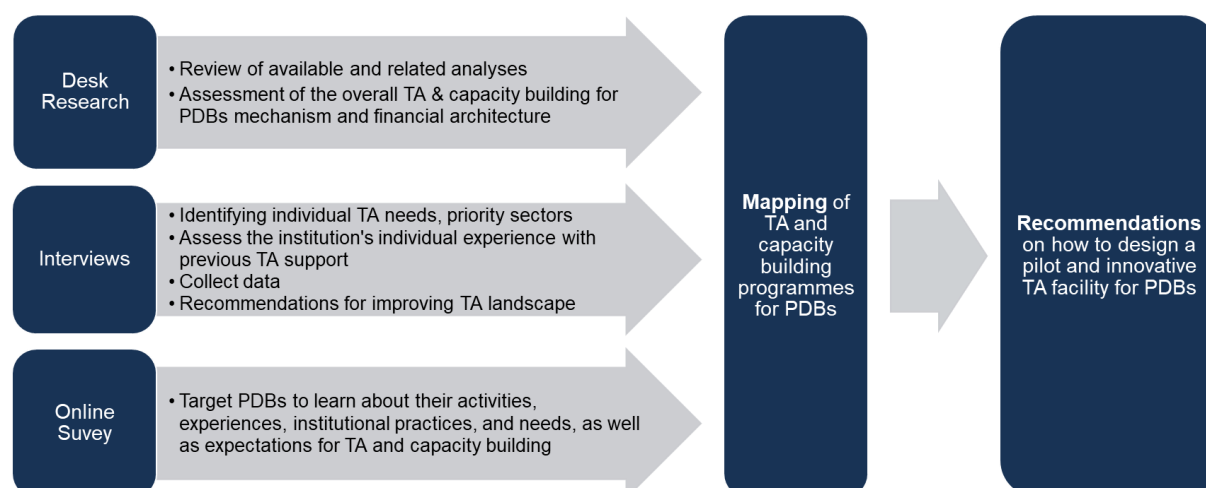
This holistic approach combining qualitative analysis and data driven approaches will enable the formulation of well-informed recommendations on how to design and finance tailored TA for PDBs' alignment on the SDGs and on the Paris Agreement.

### 2 Objectives

The objective of this research is to **map and perform a qualitative benchmark of TA and capacity building programmes for PDBs** in all world regions, including:

- A typology of TA providers (main characteristics of their programmes, funding, design, amount, implementing partners, activities, delivery methods and synergies with other programmes)
- An analysis of the TA needs of the PDBs with regards sustainable finance and the alignment with SDGs and the Paris agreement agenda
- Recommendations on the role FiCS could play in facilitating access to TA to its members

### 3 Components of the study



### 3.1 Interviews

Initial desk research allowed to develop remaining questions about the supply and demand of TA provided to PDBs in order to further understand the TA landscape. 26 interviews with different institutions were conducted while maintaining a global focus assessing the potentially different TA needs in different regions.

The types of institutions interviewed are as follows:

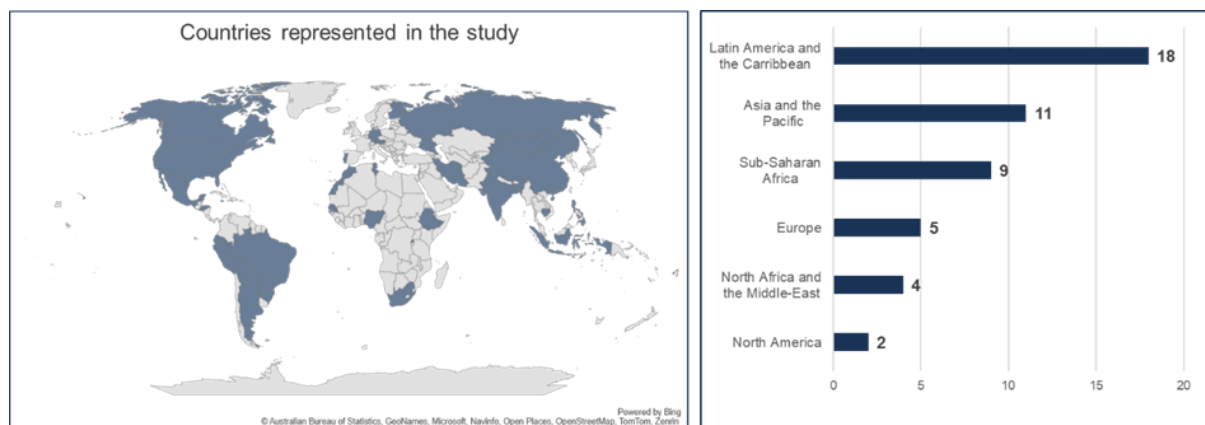
	Multilateral / Tier 1 DFIs	TA facilities and programmes	TA recipients – PDBs and PDB associations	TA implementers
<b>Objectives</b>	Understand DFIs' (specific) approach to PDBs, TA and capacity building instruments mobilized, delivery channels and priority topics.	Map existing TA facilities and programmes; 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 coordinating 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 coordination 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, GIF

### 3.2 Online survey

To assess the validity of the qualitative insights from the desk research and interviews, an online survey was conducted targeted to PDBs. The survey entails about 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 survey was shared via mail with the PDBs that are part of the FiCS network.

In total, the survey was answered by 54 respondents from 49 different institutions from all world regions, reflecting the diversity of PDBs.

The regional coverage of the online survey is displayed in the figure below:



## 4 Preliminary results

### TA needs and perceived gaps

- TA support ranks as the highest priority identified by PDBs, before refinancing.
- TA needs identified by PDBs are very broad and diverse. Among these, M&E, impact assessment and project preparation rank as top priorities.
- TA related to climate finance remains deeply needed, in particular in adaptation and gender-climate finance.
- Further thematic gaps include biodiversity, social housing, farming and fishing, tourism, pharma, digital technologies, waste management and social sectors.
- The survey also underscores a significant lack of awareness among PDBs regarding existing TA offerings.

### Design of existing TA support to PDBs

- PDBs highlight high transaction costs to identify and reach out to TA providers
- TA is often perceived as donor-driven, lacking tailor-made approaches (*"Donors come with their own agenda"*).
- A gap is identified in the provision of structural, sector-agnostic TAs disconnected from credit lines, particularly for smaller PDBs.
- There is a lack of available support and funding for project preparation, to ensure that projects are well-designed, feasible, and ready for implementation.
- Better organization of knowledge transfer is necessary to ensure the long-term sustainability of TA support.
- Building the local consultant markets and organizing blended TA with international and local consultants remains essential.

### Potential role for FiCs in facilitating access to TA to its members

#### PDBs identify the following roles for FiCS in the provision of TA:

- Facilitator role, to reduce bureaucracy, communicate the PDBs' needs and linking demand and supply
- Platform role, to share best practices, and present success cases of similar institutions
- Coordinator role in the provision of TA, bundling TA support and centralizing fundraising efforts.

## 5 Next steps

The study is still ongoing, with preliminary results to be submitted to FiCS in the first week of March. The comprehensive study report, including detailed results of the online survey and a preliminary mapping of TA providers will be finalized by end of March. The results of the study may be presented at the G20 meeting in May and further actions discussed at the FiCS Summit in China in October 2024.