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HOW TRANSPARENT ARE DEVELOPMENT FINANCE INSTITUTIONS?

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WELCOMING REMARKS:

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KEYNOTE PRESENTATION:

MARGARET KUHLOW
Deputy Assistant Secretary for International Development Finance and Policy, U.S. Treasury

PRESENTATION:

GARY FORSTER
CEO, Publish What You Fund

DISCUSSION:

ADRIANA KUGLER
Executive Director for the United States, World Bank Group

ELIZABETH BOGGS DAVIDSEN
Vice President, Office of Development Policy, U.S. Development Finance Corporation

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George Ingram Good morning, good afternoon, good evening for some. Welcome to the launch of the inaugural DFI Transparency Index. I'm George Ingram, I'm a senior fellow in the Center for Sustainable Development here at Brookings. I'm pleased to be hosting this event with Publish What You Fund, for whose sister organization, The Friends of Publish What You Fund, I chair. The DFI index could not be more timely with the magnitude and complexity of the intersection of global challenges. Climate change, historic levels of displaced persons, reversal inflicted on development by COVID and pandemic, pandemic and disruptions around the world and Ukraine war, all of which are putting front and center on the plate of policymakers, how to ramp up finance needed to address these challenges and meet the 2030 Global Goals.

Among the mechanisms identified in the CAP report to the G20 on mobilizing global finance is the role of transparency. Transparency can play two fundamental roles. Most obvious is accountability, accountability to shareholders and to stakeholders, so there is accurate information on how public funds are being deployed and the impact. With expectations for a larger role for public institutions to increase development finance, evidence is needed to demonstrate to policymakers and citizens that this is a good and effective use of taxpayer funds.

The second role is unleashing private finance. At a private roundtable here in October on de-risking development finance, a principal charge for participants representing both private and public institutions was the need for information on financial returns and default rates to inform decision making, evidenced best by the telling example of Moody's making available default rates on infrastructure investment in developing countries that increase the flow of private funds, as the assumption had been that the risk was greater than it actually was.

Our program today is first a keynote address by a senior official of the Department of Treasury, followed by a presentation of the DFI Transparency Index and then a panel discussion and questions from the audience. For those participating online, the social media tag is DFI Transparency and questions can be posed on Twitter and at events@Brookings.edu. It's my pleasure to introduce our keynote speaker, Margaret Kuhlow, Treasury Deputy Assistant Secretary for International Finance and Policy. Margaret comes well schooled for her current position and for addressing the topic of this event. She's worked and lived in developing countries, has engaged for many years in development finance and environmental issues, and has served in both OPEC and MCC and in civil society. Margaret's presentation will be followed by Gary Forster, who came to Publish What You Fund as the

CEO about five years ago from a career that involved first working in the private sector and then leading an NGO in Africa on health supply chains. Deputy Secretary Kuhlow, welcome.

Margaret Kuhlow Thank you very much, George, for the very kind invitation. It's a real pleasure to be here today. I'm very new in the role, I think this is my sixth day. But I have to say, this is a really great agenda, really great topic to start with, something that the U.S. Treasury has focused on for a very long time and something that I've championed also throughout my career, both in the public and the private sector. For decades, the United States has led the charge for greater accountability and transparency at the multilateral institutions in which we're a shareholder. We've used our role within these institutions to advocate for greater access to and disclosure of information, including information related to procurement, for stronger environmental and social safeguards to avoid, minimize and mitigate negative impacts from lending and to encourage a culture of learning and accountability. And I really appreciate your opening comment, George, relating the importance of transparency, in particular both to accountability and to unleashing private finance.

There's clearly much work that remains to be done, but it's really worth noting that the DFI Transparency Index that we'll hear more about today shows that the institutions with strong U.S. presence and the U.S. Development Finance Corporation among the bilateral DFIs fared well compared to their peers. I believe this reflects the longstanding U.S. commitment to greater transparency in these institutions. We see this work to increase transparency and accountability as fundamental to our efforts to promote greater development impact and effectiveness, in addition to sound risk management. When shareholders and stakeholders have greater access to information, it enables and encourages a richer dialogue with the multilateral development banks that can help inform program, design, implementation, supervision and ex-post evaluation. This ultimately contributes to better outcomes and stronger, more sustainable development impact.

Increased MDB transparency will be particularly important as shareholders seek to evolve these institutions to better address global challenges. As we all know, the world is facing a growing array of increasingly complex and interlinked challenges that do not respect national boundaries, including climate change, pandemics and fragility and conflict. Treasury is deeply concerned about the worsening impacts of global challenges on the poorest and most vulnerable countries and communities, and we don't see these impacts adequately addressed in our existing multilateral development finance infrastructure.

Addressing global challenges and achieving poverty reduction and the sustainable development goals are interlinked and mutually reinforcing objectives. You can't have one without the other, and the MDBs must do both well. To equip the multilateral development banks to address these global challenges at sufficient speed and scale, Secretary Yellen is leading an effort to evolve these institutions, starting with the World Bank. That involves reforms to the vision, incentive structures, operational approaches and financial capacity. The World Bank has published its Evolution Roadmap, which helpfully includes planned consultations with external stakeholders over the next few months and prior to the annual meetings, which will allow important additional input into the process beyond the engagement with the shareholders.

One key element of the evolution agenda is expanding MDB financial capacity, which is necessary for these institutions to better address global challenges that are also critical to poverty reduction and achieving the SDGs. The G20 MDB Capital Adequacy Framework Review, the CAF recommendations, as George referred to, are thus critical. These recommendations are a blueprint for more fully utilizing MDB balance sheets and pursuing innovative measures, and we're working across the MDB to establish processes for review, discussion and once agreed, implementation. A key component of this process will be transparency, both at the level of the executive boards and among stakeholders regarding the benefits, costs and applicability of the various CAF recommendations.

The evolution agenda also includes a call from Secretary Yellen from, for the MDGs to increase their ambition for private capital mobilization and improve the reporting on such mobilization. The Secretary has already convened two roundtables with MDB governors and G7 representatives calling for the MDBs to speed up investment in infrastructure and increase private capital mobilization to maximize the effectiveness of their resources, better meet countries needs and deliver impact. Given today's focus, I think it's worth discussing one CAF recommendation in particular in the context of private capital mobilization that is accelerating dissemination of core MDB credit statistics and related analysis by making the Global Emerging Markets Risk database or GEMS more widely available.

GEMS is one of the world's largest credit risk databases for the emerging markets operations of its member institutions, the MDBs and the DFIs and GEMS data provides insight into markets for which their, for which very little credit information exists, including low-income countries, frontier markets, fragile and conflict states. Wider access to GEMS would help build investor understanding of these markets and their ability to assess risks potentially expanding their ability to invest there. One of the most important ways to improve MDB accountability is to establish and maintain robust independent accountability mechanisms.

To that end, we've exerted considerable time and energy at each of the MDBs in which we're a shareholder. These independent mechanisms enable individuals and communities that may be negatively affected by an MDB funded project to register complaints and seek resolution. Addressing complaints in a timely manner, an equitable manner keeps the MDBs accountable to all stakeholders. It can also improve the outcomes and strengthen development impacts. The United States will continue to advocate for these bodies to be adequately resourced and independent, and so that project affected people can have a voice in development and improve the quality of MDB project delivery.

Of course, we want all development projects to be successful. For that to happen, the MDBs must prepare projects transparently with robust stakeholder engagement in an inclusive manner. Each project must have a trusted and reliable project-specific grievance mechanism so that issues can be successfully resolved quickly at the project level. We will continue to advocate for these mechanisms, along with improvements to MDB websites, improved access to information policies and strong stakeholder engagement.

Returning to our global challenges, one of the most important priorities is to address climate change. The United States is working to ramp up its support for developing countries to respond to climate change and implement the Paris Agreement. President Biden pledged to quadruple climate funding from the Obama administration peak, delivering $11 billion annually by 2024. In October, Secretary Yellen announced that the Treasury has signed an almost $1 billion loan agreement for the Clean Technology Fund. This contribution also makes good on the United States pledge to support the Clean Technology Fund's Accelerating Coal Transition investment program, made at the 2021 G7 summit alongside our G7 partners. The loan will be used to support U.S. climate commitments, including just energy transition partnerships or JET-Ps. The JET-P model aims to increase donor impact by aggregating development finance, philanthropic resources and private finance to accelerate the energy transition in high emitting markets. The funds are then used to accelerate the early retirement of high emitting assets, to invest in renewable energy and related grid infrastructure and support an inclusive and equitable transition for impacted communities in cooperation with partner countries.

The United States co-led with Japan an International Partners Group in negotiating a historic $20 Billion JET-P with Indonesia this past November, and we're heavily engaged in such partnerships in South Africa and Vietnam. Secretary Yellen has also convened the MDB heads over the summer to focus on the steps they're taking to address climate adaptation and resilience. During this convening, the Secretary asked the banks to identify the climate mitigation and adaptation components for all investments, including the amount and proportion of financing. The United States is committed to furthering transparency and accountability in climate finance accounting and will continue to work with the banks to deliver on the Secretary's request.

In closing, I want to thank you again for this opportunity to talk about the value of greater accountability and transparency, the MDBs, and we welcome the launch of the index, which will help support our collective efforts. We look forward to working together with all of you to increase transparency and accountability and as a result, development effectiveness. I will now hand the lectern over to Gary Forster, the CEO of Publish What You Find, so we can hear a little bit more about the index. And thank you again, George, to Brookings and Publish What You Fund.

Gary Forster Good morning, everybody. It's great to see so many people here in the room at Brookings. And we're excited to be joined by hundreds of participants online. It's also a privilege to follow Margaret Kuhlow's opening remarks. The U.S. has shown significant leadership on transparency and accountability, and we're delighted they could be here today to put the issue into context for us all. For those of you who don't know me, I'm Gary Forster, I'm the CEO of Publish What You Fund, and I'm here to walk you through the results of this first DFI transparency index.

Before we get into the results, let's remind ourselves why we're here and why we need DFI transparency. So Margaret and George have talked about the wider context in the moment, and the major global challenges. Meanwhile, development finance institutions are increasingly being called upon to address these issues. And judging by the rhetoric, many consider DFI as in the finance they can leverage from the private sector to be one of the leading solutions. With reform of these institutions on the horizon, it's very possible that a number of DFIs will end 2023 with more freedom and more capacity to make investments to address these crises.

Transparency is important for the governance, learning and accountability of these organizations. Transparency is also critical if we want to be able to evaluate the effectiveness of the upcoming reforms in channeling more money to where it is needed most. Before we get into the specific results, let's talk about the headlines in the report. So one, across the board, DFIs are insufficiently transparent, and this is especially the case for non-sovereign private sector operations. Two, many DFIs are not providing evidence of impact, data regarding mobilization or proof of accountability to communities. And I'll repeat that: many DFIs are not providing evidence of impact, data regarding mobilization or proof of accountability to communities. The lack of disclosure around results and mobilization limits the ability of stakeholders to ensure that DFIs are investing in the most impactful ways and mobilizing private finance efficiently.

Our third headline is that for many DFIs, even basic information about their investments is not publicly available. But finally, and importantly, the fourth headline from our research is that progress is being made. Many of the DFIs included in the index have committed time and resources to improving the transparency of their operations, using Publish What You Fund's DFI Transparency Tool as a guide. And that's no small matter. The majority of the 27 DFIs in this report have invested substantial time and real money establishing internal transparency groups, reviewing their processes, improving reporting and developing new websites or website functionality. The DFI Transparency Index Process, process is a two-stage process where we undertake an initial assessment, we provide feedback to the DFIs, then we undertake a final assessment which produces the scores you'll see today. This constructive engagement is and is designed to improve data quality, and the majority of DFIs took advantage of this window of opportunity to improve their data.

Throughout the life of this project, we have already seen the publication of significant new datasets, including data for almost 2000 new private investments from IDB Invest, the African Development Bank and the Asian Development Bank. In financial terms, this equates to information on more than 50 billion U.S. dollars of deals. One welcome trend is that the blanket use of commercial confidentiality arguments against transparency is changing. Yes, we agree that there are some specific cases where concerns relating to some national banking laws and there are other legitimate reasons for commercial confidentiality. But we're excited to see leading DFIs acknowledge that much of what they claim to be commercially confidential is due to the contracts and the non-disclosure agreements which DFIs are signing with their clients.

And while it's not practical to rewrite all existing agreements, today should mark a line in the sand. When going forward, DFIs consider their transparency obligations when agreeing contracts with investees. I'm also glad we're past the point of saying that investees aren't willing to be more transparent about their operations. As part of our work, we commissioned Thomas Venon and his team at the Center for Development Finance Studies to undertake a sentiment survey of investees, regarding investees views on transparency. They spoke to 20 DFI investees across a range of sectors and institution types, and there were two key findings. Firstly, that investees in most cases were willing to be more transparent about the, about their operations and the impact, the results from investments. And then secondly, that actually some of the information we were seeking, while not available through the DFI, was publicly available elsewhere.

So on to the results. It's important to be clear that we assessed sovereign and non-sovereign DFI separately. DFI operations can be broadly separated into two types. So you have non-sovereign operations in which DFIs invest primarily in private sector operations and then sovereign operations in which DFIs invest primarily in public sector operations with a sovereign guarantee. Some institutions, such as the African Development Bank or the European Investment Bank, have two portfolios, one sovereign, one non-sovereign. So you'll see that some institutions feature twice in the report. In total, we reviewed nine sovereign and 21 non-sovereign institutions and portfolios.

So let's start with the sovereign results. The Asian Development Bank was ranked as the most transparent development finance institution in the analysis of sovereign operations. As you can see, there is a broad range of performance by the nine DFIs we looked at. And while mobilization isn't relevant for sovereign portfolios, impact and accountability are. Four DFIs performed relatively strongly for impact transparency in our sovereign assessment. However, it's important to note that only three DFIs were found to consistently disclose investment level impact information.

For accountability, we assess the assurance of community disclosure, which means checking whether DFIs provide evidence on when, where and how project affected communities were consulted. This is an important part of ensuring that DFIs and our investees are fulfilling the environmental and social responsibilities they have established in their own policies. Our findings were in coverage, sorry, our findings were encouraging in our sovereign assessment with four of the nine DFIs scoring points for these indicators. However, that does mean that for five sovereign DFIs we could not consistently verify that required community disclosure had taken place.

So now to non-sovereign or private sector results. In our non-Sovereign assessment, you can see that IFC came top, the International Finance Corporation and the US Development Finance Corporation was the best performing bilateral development finance institution. But let's talk about impact. So only two institutions scored points for the results indicators in our assessments, which look at baselines, targets and actual results. And only one of these, IFU from Denmark disclosed ex-post results. So to be clear, only one institution was able to show its actual performance against what it had planned to do. And this is at once a worrying finding, but also a demonstration of what's possible. Regarding accountability, as with the sovereign portfolios, we again found some good overarching policies but little investment level evidence of actual community disclosure. This creates a situation in which it is often difficult to tell whether DFIs and their investees are fulfilling their environmental and social responsibilities.

And finally, mobilization of private capital. So beyond the aggregate data presented in financial reports, there was little to talk about at the investment level. No, not one single DFI passed our mobilization indicator, which measures the disclosure of disaggregated mobilization data. This raises questions about how DFIs, their shareholders and other stakeholders can learn about what works when seeking to mobilize private capital to fill the enormous financing gaps which persist.

And finally, a word on DFI investments through financial intermediaries. Lending to or investing in financial intermediaries has become an increasingly important aspect of DFI activity. Research conducted by Oxfam in 2018 indicated that FI, financial intermediary investments represented more than half of the portfolio of the IFC and the UK's then CDC at the time. We recognize that financial intermediary lending allows DFIs to address numerous development issues, including the presence of finance and equity gaps in developing economies. However, a lack of transparency means that it is unclear where a great deal of this development finance ends up, what the development impact is, and the environmental and social risks that it holds for project affected communities. IFC was the only DFI in our assessment who was found to disclose the identity of FI, of financial intermediary sub investments through the banks that they invest in.

So this has been an important beginning. The results are not good enough if we want to truly understand the contribution of DFIs and looking forward, we also want to measure the impact of the forthcoming reforms. But I'm standing here today and I'm feeling quite optimistic. What I think we've created with the DFI Transparency Index and the tool that underpins it is something quite powerful.

Leading DFIs have referred to the DFI transparency tool as their North Star and as a roadmap for change. Now that we have a shared vision of what DFI transparency should look like and we have a measurable baseline, we can monitor progress. The DFI index can also be used as a yardstick for setting targets in the upcoming reform discussions and then evaluating whether the reforms themselves were successful.

There is a lot of focus right now, as George and Margaret alluded to, on GEMS, data risk, return and default data as well as aggregate financial data. It's certainly feasible that in the coming years the DFI index could be used to track and evaluate the quantity and quality of this information as it becomes public from the DFIs. So before I hand back to George, let me quickly run you through the index website and the detailed DFI profiles so you get a sense of how rich the information is and how useful it will be for you if you're engaging with a DFI or to understand how your own organization is performing or could improve.

So firstly, the website, here you can see the main DFI index page. The first thing you need to do is select whether you want to review non-sovereign or sovereign institutions. You'll then see the appropriate rankings on the screen, now I'm showing you the non-Sovereign rankings. If you scroll down, you'll see a detailed table which gives you each organization's score for each of the components reviewed in the index. The next step is to click on an individual development finance institution and see a specific, highly detailed DFI profile. On the screen now, we're showing the African Development Bank's profile. You can see some analysis. And then if you scroll down, you'll see specific recommendations. We've put a lot of effort into making sure that these are specific and practical and actionable. If you scroll to the bottom, you'll see a deep dive section where each institution's performance can be analyzed, indicator by indicator. We're trying to be environmentally friendly, so we haven't printed the reports. The people in the room today have got a brief executive summary and the results, and there's a QR code on the front which will give you access to the detailed report on our website.

So before I hand over, I need to say a quick thank you to the team. Paul, Ryan, Michaela, Sally, this has been an enormous amount of work over the last three years, extraordinary amounts of data and literally hundreds of meetings with DFIs, their shareholders and other stakeholders. I also need to thank representatives from shareholder organizations, NGOs, think tanks, the private sector and the DFIs themselves who have collaborated with us on this effort. And to those DFIs who have engaged with us, who helped us undertake some of this initial work, and who have since in many cases worked extremely hard to improve their disclosure, we thank you also. I also need to thank the Gates Foundation, who have supported this initiative from the start and given us the funding and the freedom to to make this change happen.

So to conclude, we're not where we need to be, but we do have a baseline and we have a tool for measuring progress. Each DFI has a clear explanation of where it needs to improve. We've seen measurable progress just in the past eight months and leading DFIs are showing that they value transparency and are committing resources to working on this. As we call on DFIs to contribute to some of our world's biggest challenges, we are right to demand more and expect more. Thank you very much.

George Ingram My thanks to Margaret for setting the scene and particularly showing, demonstrating the strong Treasury, U.S. government commitment to transparency and accountability. And I particularly appreciate the fact that she called out GEMS and the importance of making that public, available, particularly to investors. To Gary, I particularly like the end of your presentation where you showed users how they can use the data that you put together. And you also noted that this was a project that while Publish What You Fund did all the work, it involved a lot of other people in development finance institutions and civil society, and it very much was, it was very much a collaborative effort.

So there are a lot of people beyond you and your staff that can take credit and some ownership for this report. The panel members I will introduce as I ask each one of them their first question. But I will note that they bring an extensive background, experience and knowledge in transparency and global finance. I also will note that my colleague Junjie Ren and all of our comms folks here, and Sally Paxton, who represents Publish What You Fund, they are tracking the online questions and they have the right to interrupt me and engage the online audience in the conversation. And I would say to my panelists, we're short on time, obviously a lot to cover, but I want this to be a conversation. And if you want to inject something related to what one of the other panelists has said please do so. And that goes for our online panelists also.

So to start with, we'll turn to one of our virtual participants, Olivier Shingiro. There we go, there he is. Olivier is logging in from Abidjan and is manager for corporate performance and accountability at the African Development Bank. In that position, he is responsible for tracking and assessing the bank's development impact and accountability. First of all, Olivier, my congratulations on the bank scoring number two, barely out of first place on the sovereign DFIs, no doubt that involved considerable effort. So a couple of questions. Tell us how the bank approached the work of the DFI transparency tool. Why and how is transparency relevant, beneficial to the work of the bank? And where is there more work to do?

Olivier Shingiro Thank you. Thank you, George. And good afternoon from Abidjan. Good morning in DC. I'll start by answering the, the why. And I think the deputy secretary said well, transparency is about accountability, and that's the way we see it. Transparency is what makes accountability possible. Transparency happens to ensure that the bank is accountable to its stakeholders, our taxpayers, citizens, but also the board of directors. So that that's the why. And by being transparent, open, obviously we expose ourselves to difficult questions, but legitimate questions. And at the end we see it as a way of improving our performance and a way of increasing the quality of our operations.

Now, the way we approached the DFI tool, we had, we were fortunate to be part of the first index, which is the added transparency index. So we had a lot of lessons coming out of it. One lesson was to make transparency the business of the whole bank. It's not only the business of my unit that is in charge of accountability, but we set up a cross unit task force that was able to help the bank achieve the results that you are seeing. And of course, with good result, there's always room for improvement. The report is was very well presented by Gary, is very specific on the areas where we should improve our on non-sovereign disclosure. And it's not only an issue of DFIs even non DFIs have the same issues, but we have a road map with the DFI tool, and we hope to make progress in the, in the years or months to come. Thank you.

George Ingram Thank you very much, Olivier. Elizabeth, Elizabeth Boggs Davidsen is vice president for policy at the U.S. Development Finance Corporation. My congratulations on the DFC coming in number one on the bilateral DFIs. I'm assuming that took a few extra weekends and maybe some late nights by you and some of your colleagues. So tell us, why is this tool, why is the DFI transparency tool important to the DFC's mission? Give us an idea of how you approached it. And is there anything more to be done?

Elizabeth Boggs Davidsen Thank you, George. It's a pleasure to be here. And we are proud, the DFC is extremely proud of the ranking, and I think it's fair to say that we would not have accomplished what we have so far if it were not for the, the advent of the tool. It's, you know, this tool has created some organizing forces within the DFC. We kind of looked at this as very active and collaborative effort to try to sort of tackle what was required for the index. And we, we thought about it externally and internally. So externally I think we spent quite a lot of time with Publish What You Fund to really understand what we were not disclosing what was really important for our stakeholders to have a better appreciation from you all, as well as like learning from some of our DFI, you know, peer organizations, what they were disclosing, how they were disclosing that. So we did some work externally.

And then internally— not unlike my other DFI colleagues— we put together an internal working group which was very cross departmental from the departments where transparency is essential for their operations. And this group really took to heart the effort of trying to address the needed disclosure requirements. And we, we broke this down into pieces, I would suggest. So we, we started with what we call in our agency the low hanging fruit. So we were able to make available the data points that we were collecting, but not necessarily disclosing in an easily accessible manner.

So our effort was really about bringing a cross-departmental working group together, it was really about breaking down the information requirements into manageable bites that we could tackle. It was about making, putting forward information on our transaction data sheets that, you know, we increased the amount of information available by about 70% as a result of really working through these data points. We have a long way to go, I think we all have a long way to go.

We're, I think our next step is really how do you create a more permanent culture around transparency within our agency? Partly this is being driven by right now we're in the process of developing an agency-wide transparency policy. And as we develop this policy, which is really defining principles around transparency, next steps for us are really how do we really define the procedures and create that institutionality to really implement the policy moving forward. So that's kind of our effort to date.

George Ingram Yeah. So I mean, both of you are telling us that this, this isn't the work of one office within, within an institution. It's got to be institution wide.

Elizabeth Boggs Davidsen That's right.

George Ingram And get broad ownership and involvement in it. Okay. Adriana, Adriana Kugler, is a labor and development economist and is executive director at the World Bank for the United States. Thanks for joining us today.

Adriana Kugler Thank you.

George Ingram First of all, what is the role of the executive director? I know you relate to the Treasury Department and that's sort of your, your home base besides the bank. Tell us what the role of the executive director is and how this tool can benefit you and your role and help advance the mission of the bank.

Adriana Kugler Thank you so much, first of all, for the invitation. And I really want to thank as well, Publish What You Fund and congratulate you on the launching of this important tool. I really value it, I think it will be very helpful moving forward. So let me, let me tell you what they would, my heart is, as executive director of the World Bank, I represent the U.S. and U.S. interests at the board of the World Bank Group, and that involves different organizations, including IFC, among the non-Sovereign DFI, but also IBRD and IDA, which cover middle income and low-income countries, among the sovereign DFIs.

As the largest shareholder, the US has consistently championed efforts towards greater transparency, strong ESG safeguards and accountability. More broadly, in my role as U.S. Executive Director, I help to set priorities and set a vision about where the World Bank needs to be going, and that involves evolution work that Margaret was mentioning. I do work very closely with Treasury, with the interagency process in representing the interests of the World Bank at the board of directors. These priorities of accountability and transparency, I really believe are critical in terms of ensuring effective and, effective and also responsible leadership and results from the part of finance institutions and development financing. So I want to echo that, that as we move forward towards this evolution work, we will continue to press on transparency and accountability.

And in that sense, I found the results that Gary presented very enlightening, right, with IFC, yes, ranking at the top, but are among a group of DFCs in the non-sovereign space that that all ranked very low. So we have to keep that in mind. IBRD and IDA in the sovereign space, on the other hand, rank fourth, but they actually come up much higher. So I think there is definitely work to do. I think this shows that the World Bank Group has been putting in an effort, but that there is still work to do. And I'm going to go deeper into what, what I think we can do, because my role at the board is also to be critical sometimes of the management. So I come from the other side, from some of the other panelists here in terms of asking for what I think we can do better. Again, representing the interests of the US, but as a whole, in terms of being a more effective organization.

In that sense, I think this tool, this transparency index is very helpful because it will help us to focus attention about how we can be more impactful. We know we need to be doing more in terms of meeting global priorities while addressing traditional development challenges, the twin goals, poverty and prosperity. And for that, we need to do more with the same amount of resources we have on the one hand, so we need to be more impactful and we need to press on outcome orientation.

But on the other hand, we need to mobilize new resources. And this goes to the other part of what your index is pointing to, how we can we get more information to make sure that we actually press the bank to do more in terms of mobilizing private sector resources as well. So I think it's a very useful tool from the point of view or from the vantage point of a board member and representing the largest shareholder in the board. We, we will definitely press on these issues of transparency and accountability, and we'll continue to do that moving forward.

George Ingram All right. Thank you. Now to take advantage of the virtual world again, we're going to go to London. Sam Attridge is a senior research analyst at the Overseas Development Institute and has undertaken extensive research on mobilization of finance. Sam, we're going to come back to that specific issue in a minute. But first of all, give us your perspective as a researcher of what the value and usability of this tool is.

Samantha Attridge Thank you, George. And good morning, everybody. And I just wanted to add my congratulations to Publish What You Fund and the team. A huge amount of work and a really critical, much needed index, which hopefully will be a game changer in transparency. I'm a big believer in what gets measured, gets done. So looking forward to, to progress over the next few years. So how as a researcher, how would I kind of use this index? So firstly, I think the, two things, I think. One is that at the very highest level is kind of obviously that lever to push for change to be more transparent.

So as an example, a lot of my work, I'm kind of looking, grappling with key questions from donors and, and shareholders about how can they best use their scarce resource and where to put it. But the advice I would say we've heard, kind of transparency is a bit lacking in the impact and mobilization, of play very important roles, but I don't think that getting their story out that well to date.

And I think kind of data and transparency and kind of impact, especially ex-post and mobilization, will help them tell their story.

And so I think lack of data will undermine the case for support of additional money to be put through these resources. So in deriving the policy recommendations, we do lots of evidence-based policy for policy kind of research that you could conceive of a scenario, I guess, that Gary was alluding to where you, you know, the index could be used as a target, kind of like for reform and to measure progress over time. So it gets quite easy to see, tie in recommendations to that.

So secondly, how we would use that as well is to scope out our research. We are approached all the time by shareholders and donors to undertake kind of evidence-based research to answer policy questions on how they should be using their money. And we will be able to look quickly at this index and say, okay, what kind of data is available and the level of detail in there. And so at the very beginning we can say to donors, I think we're going to be able to answer this question or actually I think we're going to struggle. So we'd also use it to scope out our research.

George Ingram Thank you, Sam. Nadia, nice to see you in person for a change.

Nadia Daar I know, we all have legs.

George Ingram Right? Amazing. Nadia is head of the Washington office for Oxfam International, and her role there includes working on development finance institutions and their accountability for sustainable development. Nadia, give us the perspective of civil society of what the role and value of this index is and how it can be helpful and at work. And before you answer, Sally is going to give us a couple of questions that were posed during the registration process. So Sally.

Sally Paxton Great. Thank you, George. We had one question from CRS and one from an academic in Austin that I'm going to kind of combine into one. How will the index help transform both short term, medium term and long-term investment performance? And how important is it to support efforts such as this index that really are essentially public goods? How is, how important is that to transformation?

Nadia Daar Thanks for those questions. And it's, it's wonderful to be here and celebrating really this amazing, amazing product that Publish What You Fund has put together. And seeing the evolution of it over the past three years has been an amazing journey to be part of. So thank you and congratulations. And I just really do want to say how unique the process for putting this tool together and the index was. I mean, it just with so many different stakeholders. And I've been doing advocacy on the IFIs and DFIs for 15 years, but this truly was a unique process to be part of where, you know, the targets of our advocacy were in the room with us having discussions about what is possible, where can we go, pushing back on each other, but in a very respectful way. And the result, I think, speaks for itself, it's just amazing. So congratulations and I hope it is the first index of many because this really needs to push DFIs on a race to the top.

And that's what I want to talk about. And it's about a story of how change happens. How does change happen? We've looked at these different institutions, we've looked at these rankings. We see IFC and the non-sovereign at the top. We see AfDB and our AfDB and AfDB in the top two in the Sovereign, DFC in the bilateral at the top. How did those changes happen? It's just not magic one day that these institutions suddenly decide to transform and disclose information. It's about people and it's about people like leaders like Elizabeth here taking that step to, to make those changes happen. But in a huge way, it's about the external pressure. When the IFC, you know, I, I believe that one of the reasons you see IFC up there at the top is because of the enormous pressure that civil society places on the IFC and the huge number of CSOs, civil society organizations, that are constantly putting pressure on them and on their shareholders like the US government and then the US government also being a champion on this.

So in 2012 you saw the IFC with its new disclosure policy. That didn't just happen. There were tons of stakeholders pushing the IFC to have a very advanced access to information policy. Same on the African Development Bank around that same period of time, and the World Bank sovereign, sovereign lending. So it's about that pressure and keeping that pressure up. And then it's about having these champions in shareholders. And I truly thank the US Government for being such a champion on transparency, and it wouldn't have happened without that. And I hope that you can also push other shareholders to play that role.

So I also want to say that this is so important because we're at a moment where there's just so many conversations about how we can boost international finance, how can we mobilize again or back to that conversation of mobilizing the billions to the trillions through the private sector. We have Secretary Yellen, as we heard earlier, pushing MDBs for reform, in large part, it's driven by how can we mobilize more finance, more finance for climate, more finance for development, more crisis finance. We need more finance. Everyone knows that. But that's a quantity question.

We need to also be thinking about the quality question, and there needs to be way more attention on that. We cannot be having the quantity conversation without the quality conversation, and we can't have the quality conversation without the transparency. So it's a foundation for having these conversations and that's why this tool is just so great to have, because it's going to push for more transparency, which will help us have those quality conversations.

So I'll stop there, but, but just to say, you know, a reminder for this conversation and everyone has said it, that it's not transparency just for the sake of transparency, I always say this, I feel like I'm repeating myself time and time again on these panels, that it's transparency for the sake of better development outcomes, for, for maximizing positive impact for people, for communities, minimizing risk, ensuring public resources. These are all public resources. So it's not just nice to have, it's not just good to have. It's the responsibility of these institutions to be disclosing this information, but it's for a greater good. It's not transparency just for transparency's sake.

George Ingram Adriana.

Adriana Kugler So I want to really echo Nadia, because we have a great partnership with the CSOs, and I want to say that that it takes a village, right, to get these organizations to move. It takes strong voices in the board, strong voices among the shareholders, but it is very helpful to have you publish and it is a global public good, right? So which I think makes us all realize we need some funding coming your way to, to support you in these efforts because it benefits all of us. But we need voices on the CSO's side to to support us, to to send that message strongly from the outside of these organizations as well.

In the short term, I so much believe that it's all about having more impact, right? Certainly doing no damage to communities and organizations around the world through our work, which speaks to our strong commitment to raise GS standards from our side, but also many other partners in the board with many allies. But certainly to also be much more impactful. Obviously, we don't want to do harm, but we want to do good. And it's not just a matter of moving financing and moving resources. It's about what those resources achieve, that that's what we all want. And in that sense, I think your index will be very, very helpful for us to continue to send that message to the World Bank Group.

George Ingram Thanks. Nadia, I think you reflect the members of the panel who have, understand not just the rationale for this transparency, but the passion for it. And that passion can make a difference in bringing people on board. Thank you. So to turn to the issue of impact development, the index demonstrated that for the most part, impact is under-reported. Elizabeth. The bill that gives the DFC a strong development mandate. Very briefly, how does impact fold into the, the DFC business model, how you measure it, and you know, what can be done in this, in this area where the DFC, like other DFIs, didn't do very well in transparency and reporting?

Elizabeth Boggs Davidsen Yeah, actually the, the BUILD Act really directed us to put into place an impact management system and it was quite specific, and it was, you know, not just to present what your anticipated development outcomes are, but it, it required that we really track and measure the performance of our transactions throughout their lifecycle. So it was a very intentional piece of our legislation. Over the last year, we've really now built an Impact Measurement Management and Learning Team, which is now responsible for scoring, working with clients and working with our origination teams to score each of our projects. We took stock after two years and really revisited our impact scoring. We broadened out our scoring tiers. We brought in a third-party verification company to really look at our impact management system and compare how it, how it compares to the operating principles for impact management.

So we, we had some gaps to solve. We broadened up the tiers. So we've, I think, put into place some very necessary measures and staffing to really report on impact more systematically. We know we need to get where we should be with the index. We, you know, part of our challenge is developing some mechanisms for client consent, but right away, we're going to be able to report on how we do our scoring, what are the indicators, the universe of indicators that we score around. We're also going to be able to, now that we've broadened out our classification, it'll be more meaningful to be able to make public, you know, the, the level of results that each of our projects receives with respect to is it highly developmental through the range of five different scorings. So we're going to be able to put some specific results and information available immediately.

And I must say we have work to upload more information on impact on our website. You'll see our IQ framework, which is the system that we use. We've recently completed, we're, you know, DFC in many respects is quite a new agency. We've created a new evaluation program. We've, you know, we've just published recently our first impact performance assessment of our financial intermediary portfolio in Latin America. And we're right now working with McKenzie on a new study around our political risk insurance product to see how effective that product is in mobilizing private sector capital. So all of this work, that McKenzie report should be available early spring. But really our intention and part of the intentionality comes from being part of this exercise with Publish What You Fund, and the tool is to really make this information more available and easy, easier to access for for the public.

George Ingram Thank you. Olivier. The African Development Bank does disclose results on sovereign activities. What are the lessons that you can share with us on how you, how you did that and got that done?

Olivier Shingiro Thank you, George. First of all, maybe for the benefit of the audience, I just wanted to give more precision on the fact that the African Development Bank Group has both sovereign and non-sovereign entities together, whereas in some of the examples, like IFC, World Bank, IDA, are separated. So we've given impacts reporting quite some importance at the global level. Corporate level, we have a reporting mechanism, we have a report that is called the Annual Development Effectiveness Review that is available widely online. So that's what we do at the corporate level. And this is part of the tools that improve the way we are transparent, not being transparent to be transparent, but to have tools that help the general public access that information in a way that is easy to understand. So on the sovereign side, it was quite easy because we have a long history of publishing results information. What is less easy and maybe we are going to discuss it, is to disclose information on the non-sovereign side.

George Ingram Great. Thanks very much. And Nadia, tell us how you see the benefits of disclosure, of impact data and maybe also comment on the role that frequently we see, see that data hidden behind the topic of commercial confidentiality?

Nadia Daar Sure. Okay. So and so on the, on the first one, just thinking about, you know, impact data, this is really the most important data if you think about it in understanding how effective any of these institutions are. Yet we saw from the index findings that it is one of the least developed pieces of disclosure. And part of that is a disclosure issue. But I wonder how much of it is actually about these institutions having that data in the first place. And if they have that data, what kind of data are they collecting? And so I'll give two examples of, of areas that, that we at Oxfam have been looking at. And I think we need significantly more data on. One is on climate, and one is on public services or the public services sector, let's say health and education, especially.

So on climate, last year we put out a study which was assessing how transparent the World Bank's climate finance portfolio was specifically. And while this particular index doesn't go sector by sector, I can tell you that on climate finance there is a huge deficit in transparency in understanding the disaggregation of this data, what is being counted as climate finance and what is not is very, very opaque. And at a time where we're all pushing for this $100 billion a year in climate finance and where we need more now for loss and damage, we need all of this finance mobilized, if we still can't understand what these institutions are even counting as climate finance, we have a massive problem. But again, that's the foundation for even understanding the impact of that climate finance. So if we want to talk about again, quantity, we need to understand quality. We need this kind of data.

The second example I want to give is on health and education. And this is an area where there have been serious questions over many, many years about what is the appropriate role of the private sector in health and education delivery, because there are serious questions around access, equity, poverty impact, especially in the for profit providers of health and education when you see, you know, mothers being released from hospital after giving birth because they haven't been able to pay their hospital bill, for example, or children not being able to access a school because they can't pay the school fees, families having to choose between sending their daughter or their son to a school and choosing the son repeatedly because they only have enough to pay the school fees for one child.

So very, a lot of questions about what happens in for profit education and health. These DFIs, a lot of them are involved in these sectors, but we don't have the impact data to make the case as to what is appropriate or not. The IEG, the International, Independent Evaluation Group, did a recent study on the education for profit sector and the IFC's portfolio and found there was not clear evidence of positive impact, found in fact there were many risks and the IFC has now ended this portfolio. But again, this came through shareholder advocacy, through the US government, and it came through civil society advocacy, and the IEG ended up doing that evaluation. This impact data wasn't immediately available. So we need this impact data much more systematically to understand where DFIs should be investing, what are the positive impacts and what importantly are the risks.

And I'll get to confidentiality, I didn't answer that question. So on confidentiality, Gary laid out that this is changing over time, but it really is a significant barrier in all of the conversations that we have with DFI is about transparency. One of the key things that repeatedly comes up is this issue of of commercial confidentiality, that actually this information is too sensitive to disclose and that that is the main reason we cannot disclose it. But over and over, what you find are ad hoc examples of where disclosure actually is happening.

And in fact, one of the most interesting things is that there are these amazing databases that are behind paywalls, but that have all of this information on financial data of DFI's lending and on commercial banks lending and on private equity funds and where they're lending to. That information is behind a paywall available on Bloomberg databases, on Thomson Reuters databases, but it's not available to the general public. The fact that it's available there is a clear indication that it can, that that confidentiality can be overcome. And getting the clients to consent to that disclosure is a key part of this. It can happen when the contracts are being done. There are league tables where clients just have to sign something and say we, we are okay with this information being disclosed. So very much overcome-able, not all of it, of course, but much of it.

George Ingram Thank you. You've set up my question to Adriana, and that is you've suggested that maybe this impact data isn't even available. Is it available at the IFC and the World Bank to you as a shareholder?

Adriana Kugler Absolutely. Absolutely.

George Ingram And can this be made public? What can we do to get that public?

Adriana Kugler Yes. So great question. I think, you know, development impact is a very reason why DFIs exist. So we need to know information on results and impact. This is critical. This is actually shared with us at the board room on a regular basis. So I think there is much less information out there in terms of what is available to us and should be available, by the way, to the public. So let me start by talking about the corporate scorecard, which is an overarching view of results and performance indicators that the World Bank Group has four all three institutions, so IBRD, IDA, IFC, but also MIGA, and this scorecard is shared to us on an annual basis. It has three tiers, Tier one for development outcomes, two for performance of countries and sovereign centered, three for actual perations and projects from the World Bank. So it is this Tier three which is most relevant how this impact, how these projects from the World Bank and this funding that goes out from the World Bank affects countries and affects communities and affects people around the world.

I was very disappointed when, when I got to see my first set of scorecards back in the fall and very critical because I'm a number person, I'm a, I crunch numbers, a number cruncher, right? So that's my world. And I was very disappointed because there were many missing values. So some information is out there. It's happening, but there were many missing values in particular when it comes to, for example, gender disaggregation. So we want to see what the impact is also in terms of different communities and whether there is inclusivity. But there were also many measures which really focused much more on inputs and outputs.

So again, how much money are we putting in? How many people are we serving? But what we really care about is are we making a difference in these people's lives around the world and in communities around the world? And that's why we focus on outputs and that's what we would like to see and where we would like to see the World Bank go. So we send a very strong message. And in response to that very strong message that I and many of my other board members colleagues echoed. Basically, the World Bank has agreed that in FY24 they are going to review these corporate scorecards, but they do exist. It's not as good as we would like the data to be, but they do exist.

On the IFC side, there is something called the AIMMS system. The AIMMs system is anticipated impact measurement and monitoring. This measures ex-ante impacts which are less than ideal, right? It's what you predict is going to happen, whether it happens or not. That's a different story, right? So that's, that's where I want to see improvement too, on where we've been having some very serious conversations with the IFC management about how to move from ex-ante to ex-post evaluation and impact, looking at the project moving forward. Having said that, they are committed to it and luckily, they're moving in that direction.

The other piece that, that exists right now is something called the Results Measurement System or RMS, which comes from IDA, and it's a commitment that was made in the 2012 IDA replenishment. These were the poor countries, so it doesn't include some of the middle-income countries, but those do exist. They're provided every three years when a replenishment is going to happen. And so there is a whole lot of information there. It's not perfect. And believe me, I know there's press at the board for the bank to do more work to improve those measurements, but I would say they get less credit than they should for some of the work they're doing. So I would say there is substantive work that the bank does on safeguards and data.

And then there is the real lack of communication and an effort to share that data with the rest of the world when it already exists. So this is where they suffered. And the pressure that you're putting from the outside is really very important to press on the bank the importance of being more transparent. Because this information is already available to your shareholders, it's available to the whole management so that they know what works and what doesn't work and how we should be presumably doing some things differently. But it is supposed to be available to the public, and yet we don't have one website where you should be able to find all this information all at once, to be shared with the broader public and with communities affected by World Bank projects.

So I, it's a mixed story again here because I think they do some work. It needs improvement, but they're certainly not doing a good enough work at sharing it with the outside world. They do share it with us on a regular basis and we definitely hold them up to it and to sharing it with us.

George Ingram Okay. I tell you what I'm going to do now. I've got a quick two finger with this gentleman right here, if you would give him the microphone, I'm then going to go to another question or two from the audience. Sam, I do want to hit mobilization before we end, so I'm going to come back to you on that. So, sir, please identify yourself.

Audience Member Thank you. Mobilization's exactly what I want to talk about. I'm Ronnie Cohen, I'm chairman of the Global Steering Group for Impact Investments. And I want to ask the panel about the opportunity that this hugely important transparency brings now for mobilizing private sector capital. There are major changes taking place in financial markets that are based around impact and impact transparency. Over the last three years alone, we have seen $1.4 trillion of sustainability linked, bonds and loans being issued, 1.4 trillion. The ability to measure that—.

George Ingram I like your question, that's good.

Audience Member And I'd just like to make a point. The ability to measure brings a lot more than accountability. It brings the ability to attract capital on a pay for success basis. And I want to ask the panel how they have been incorporated into the thinking of their organizations and the World Banks been involved with it, and of course, Elizabeth knows the field extremely well from her past career. How are you incorporating this change in thinking for pay for success securities, which are in the trillions now to amplify the work you're doing?

George Ingram So let me start with Sam, because you've done a lot of research in this area. And please tell us what information is available and how you can answer the gentleman's question. And then I particularly want to go to Olivier and Elizabeth.

Samantha Attridge Okay. Well, thank you very much. I'm mindful of, of time. So, you know, kind of, I guess we're focusing on mobilization here. And I think we've heard today, critical, only way to generate the scale of capital that we need. And I think it was Elizabeth, who mentioned it, it's intrinsic to DFIs DNA, especially those that focus on private investment. And a recent OECD survey said that many bilateral donors and multilaterals are stating this is a priority. But what we've seen, and

I think this plays out in the index Gary mentions, you know, is that not one DFI met the criteria or scored well at all in this. And I'm a researcher, so I guess I'll mention I'm a number person, I'm a numbers person, I've tried, I've been looking at this for about four or five years and you know, the picture is pretty, pretty dismal, obviously it's going to change going forward. And that transparency is the exception rather than the rule when it comes to mobilization.

So I think quickly there are two, I can just tell you there are two overarching issues which are affecting this. And then I'm going to tell you what is available. So two overarching issues just to be mindful of, because everything is a bit more complex than that than we think sometimes. So the first is, there's actually no common frameworks for measuring mobilization or even understanding it. We have different methodologies which these institutions use, which yield vastly different sums. If you look at what the IFC reports using the OECD methodology versus what it reports, if it uses the MDB methodology, they are there miles apart. So as an outsider, it's very difficult to know how can these figures be so different? And then, and there's questions around kind of the methodologies themselves, but I won't go in, I won't go into those.

And then when I've been trying to piece together this huge jigsaw puzzle, there's a plethora of sources of where this is disclosed and there's no consistency in where it's disclosed, how often, how it's calculated, and often you just can't reconcile. You can't reconcile the figures. So those are quite two big issues. I think overall as a system which need to be addressed.

But then if we look at transparency, you can look at it in two levels. One is the project level, which is what this index is, is looking at. And again, you know, I've said the picture is very poor, unfortunately. So most bilateral DFIs and the multilateral development banks don't publish any mobilization data at the project level in their project databases or their project information documents. For some, you can see kind of the total project value. You might be able to work out some co-investment, but it would never reconcile to, you know, you don't have enough information to use the OECD or MDB methodology. So at that project level, you know, from a public, you know, looking as an outsider, you have no idea.

At the institutional level, data is highly aggregated. You know, in the annual reports, some DFIs, and MDBs do report what they're mobilizing, some disclose which methods they use, some don't. And it's very rare that that would ever be, if you like, semi-disaggregated in terms of what sectors, what countries, regions, instruments. And incidentally, nowhere do we know who are we actually mobilizing. We have no idea. There's no public information, if you like, on who DFIs are mobilizing. So in their institutional reports, there is data sometimes, a bit patchy.

Another source of data is in the OECD creditor reporting system. I won't go into detail here. Only one bilateral DFI reports to that it's mobilization figures and again, that's highly aggregated. MDBs, and we see that actually in the index do slightly better in reporting to the OECD and the CRS if you want some kind of data. But again, you know you can't get it by country, only regions, you can't easily see what instruments are being used and sectors so it's very patchy even at the aggregated at the aggregated levels there.

Just for those who are interested, given these kind of difficulties, I tend to use two data sources. One is the MDB report, which, which they publish, but again, that's three years out of date. They last published in 2021 for 2019 data, its three years out of date. There's no dataset behind it and it's highly aggregated. It's just by institution, some income categories, and for infrastructure. The OECD does publish a much more informative report and they've just published in this month, actually a report which includes 2020 data, so it's the most useful if anyone wants to have a look. By the way, the figure was around 50, 50 billion. So good to know.

And in the past again there's no dataset behind this, pulling from lots of different sources, this jigsaw puzzle. So it's very difficult to kind of really get a detailed picture. Now, just finally, just wanted to say why we needed more, why do we need mobilization data? And I think this is talking to some of the points of the question that was raised. Obviously, we've heard about accountability. Shareholders are asking their institutions to do this. We've got no idea really what they're doing in this space.

Secondly, we need data to inform decision making and allocation of resourcing and learnings. So there's very little research on mobilization in part due to data. So we don't know who's been mobilized, how they're being mobilized and which countries and in which sectors. So we don't know what's a good mobilization ratio. By that I mean a dollar of DFI investment. How much private money is that mobilizing and is a high ratio good or is it bad? Of course, these ratios will vary by sector, by type of investor, by geography and instrument, etc. We just can't do this kind of analysis.

And so I think kind of our understanding of what's effective and our journey is severely constrained by this lack of accountability. I'm no expert on how the private sector itself would use this kind of data, but I could you know, we've heard today about kind of data on blended finance and mobilization and understanding or helping counter this misperception potentially of kind of risk in some of these markets. But also, I think it could help the private investor understand where DFIs are investing, I guess where they might be able to get support, where markets may be growing, where there is support, and obviously the kind of the non-financial advantages of investing with DFI. Also, for example, banks see where the opportunities are for participation, syndicated loans, etc, etc. But I'm not, I'm not on that side of the table. So those are just some thoughts on how the private sector might use that data.

George Ingram Sam, thank you very much. We're running short of time, so one minute apiece on this issue, starting with Olivier and then Elizabeth and Adriana.

Olivier Shingiro Yes. Thank you, George. And I agree very much with what has been said. We do report much better when its aggregate than at the project level. But there are a lot of things that we are doing in terms of mobilizing private capital that maybe we don't say much about. The bank has been involved into attracting private capital mobilizing. The latest initiative is the African Investment Forum, where we put together private capital and also bankable projects on the continent. So these are the things that we are trying to do to increase private, private capital. And to come back to, to some of the questions, it is true that by being more transparent, there is a case to be made that instead of talking only about confidentiality, I think it will mitigate those risk, it will reduce costs into the global chains and will be able to improve efficiency and learn better in the in the in the sector.

George Ingram Thanks, Olivier. Elizabeth, briefly, I know too briefly than all you have to say.

Elizabeth Boggs Davidsen No, really getting into Ronnie's question about accountability and I think providing information on intended impacts, but providing similar information in a granular way on capital mobile, how much capital is mobilized per product, per project, per region is, and providing certainty, obviously, that we're taking the steps to be accountable in the local communities. All of this sort of lends itself to suggest that by being, all of this is sort of driving more private sector capital mobilization in my opinion, the more transparent we are, the more opportunity we have to sort of prove that our private transactions are actually achieving the goals that we set out for the sustainable development goals. So this evidence base that all of these points of the transparency tool will lead us to are really driving that need for more transparency.

And just on that, on the private mobilization conversation, this is an area in the index that we were not able to sufficiently fortify. We've you know, again, part of this exercise is putting into place what we need to do to be better at this. And so we've over the last eight months developed a new capital mobilization measurement system. We are modeling our system after some research off of the OECD methodology for accounting. But again, it's enabling us to have a much more specific understanding and it's part of our, you know, clearance process, how much capital we are mobilizing per product.

And we're starting hopefully to see where products are more effective at mobilization, be they guarantees and the exercise, the research we're doing now with McKenzie on our political risk insurance is trying to prove the effectiveness of capital mobilization of this product. So I think all of this is really about putting into place better systems, the frameworks we have sort of the northstar from the index. But I think all DFIs are sort of working pretty systematically to make this information available. And anyway, thank you very much.

George Ingram Adriana.

Adriana Kugler Thank you so much. So I do want to say that the IFC does share information at the project level, in fact, and they do share accumulative information on core mobilization with the board. There was a commitment from the 2018 capital package to deliver 23 billion of cumulative core mobilization by the end of the decade. Now, having said that, obviously that, that's a needle in a haystack compared to the trillions that we need to address our global challenges that we face. Trillions from what we're told in terms of climate challenges, probably also just as much in terms of addressing pandemics and conflict and fragility. Right. Which on top of having to redress some of the progress that we lost ground on on poverty, on some of the other traditional development challenges.

So that's why we are pressing all the time the bank on the need to really make progress in terms of private capital mobilization. And I do think there is appetite from the private sector side. There is ESG investors that are growing in numbers, but there is a lot of uncertainty when the private sector comes into these emerging markets, which goes back to an issue that Margaret brought up. We've been pressing the bank to adopt some of the recommendations that came from the G20 on the capital adequacy framework. One of them was on sharing information from the GEMS data set with the rest of the world. They have now agreed this is another global public good, right, IFC, together with many other MDBs has developed this database, which could be very valuable, right for private investors to feel more comfortable and to understand what type of pricing they feel comfortable with in terms of coming in and putting funds for some of the projects that we're talking about.

The same in terms of providing guarantees or providing hybrid capital, right, options that, that put the private sector more at ease or at least cross-subsidize to some extent so that they're able to come in and help us out on these global challenges that we all face. So I think there is some work going on and some good work going on, but we'll keep pressing on that from the perspective of the board.

George Ingram So we have time for one more question from the audience. The gentleman here on the front who had the courage to sit up front, identify yourself.

Audience Member I'm Rob Mosbacher, and I had the pleasure of participating in this exercise as chair of a public advisory board on this process. So mobilization was what I was going to ask about. And Elizabeth, congratulations to the DFC on not only the ranking but also the commitment to go forward. And I think I guess I'd just ask you to elaborate a little bit on the potential change in culture that has to take place at the DFC when you go from being an organization that largely looks at the finance ability of a project into an organization that is going to look at finance ability and how much private capital we're going to mobilize.

Elizabeth Boggs Davidsen So yeah, I mean, I think it does take cultural change. Our singular focus has been for some time on dollars out the door. That's how we measure our success. So how do you sort of shift that to suggest that you can also have great success by driving capital where it's most needed? And part of this effort is, is data. It's like making, providing the evidence that this is the way to go. So I think we're sort of taking that step, we're putting really building, building new tools in our organization around capital mobilization, around impact management. These are new skills for the DFC that's been an organization that's been supported, anyway, been funded more on an annual basis. We have much longer funding opportunities, so we have more time now to be thoughtful about how we put into place the necessary conditions to change that culture. I think it's very much a work in progress, but the intention of making data more available, I think is where we build that evidence case more effectively. And that's very much the spirit of how the management is working today.

George Ingram All right. I'm sorry we don't have more time to entertain the hands that went up, but to close, Olivier, Elizabeth, Adriana, give us 45 seconds on what next in this arena for your institutions and for you, starting with Olivier.

Olivier Shingiro Thank you. And I was happy, I think this discussion was an eye opener on the efforts we have to make to make our work more transparent and available. I think we are going to be working in engaging other DFIs to see how we can improve together as a group. I know there is a ranking. The ranking makes that there is a bit of competition involved, but we need to work together to improve mainly the disclosure on the non-sovereign parts of the index. So that would be my closing. Thank you.

George Ingram Elizabeth.

Elizabeth Boggs Davidsen And our focus immediately is really landing an agency wide transparency policy and sort of the accompanying governance structure to enable us to and to, to have the procedures in place to move forward with those principles. So that's where we are today.

Adriana Kugler So I am all in favor indexes, as long as they're very well constructed, like I felt very comfortable having a great conversation with Publish What You Fund, which is why I'm going to invite you to speak to the rest of my board colleagues to share this information. I do think that that it's good to invite healthy competition. So as long as it is healthy competition and it, as you said before, it pushes us all up, not down, then, then it is all good for us. Two priorities, right, impact is very key. I think this presses a point once again that we need to be more impactful with our resources. And so these emphases that you have in the DFA Transparency Index is very valuable.

The second one is, is what the two of you asked before about PCM private capital mobilization. And the fact that yes, we need to be more impactful with our current resources. What, we're facing multiple challenges around the world and growing challenges that we need to face, so we need to raise resources from everybody around the world, right, including the private sector. So we will be pressing on GEMS and definitely making the, that dataset available, but certainly taking more measures in terms of using guarantees, using hybrid capital and many other options as we move to consider a capital adequacy framework recommendation. So thank you so much.

George Ingram I'm going to make a concluding remarks before I call on Nadia. And that is what comes across so strongly to me is the manner in which Publish What You Fund conducted this research in such a collaborative manner gave everybody ownership and gave everybody the opportunity to demonstrate and the time to improve from the original benchmark that was made maybe six months ago or so, Gary, and then worked with them on how to improve their transparency. And it's a collaborative model of research and advocacy, which clearly works.

And I'm impressed with the commitment that I've heard today for further advancement and the critical role that this plays in mobilizing the finance that we need to deal with poverty and development in the SDGs. And I thank the panelists for all they do in this arena for joining us. And I call on Nadia last because I want this program to end with a level of energy and passion, which she is much better at evidencing than I am. So Nadia.

Nadia Daar That, that's very kind. No pressure. No, I think where I'll end is on a question that you asked Elizabeth on culture change. And I really feel that that is a huge part of this. It's about how you change incentive structures at these institutions that really are so heavily guided by this question of how to get more dollars out the door. I said it earlier on this quantity question, but how do you change that question? How do you change what is making a staff person feel that they have succeeded in doing what they are supposed to do as a staff member or a management member or a board member of these DFIs. We're seeing extreme poverty and inequality rising together at horrible, horrible rates. For the first time in 25 years, they are now increasing together, extreme poverty and inequality.

And so if anything should be driving these institutions at this moment in time, it is about how to make sure that your development finance is reaching those who need it most. That is what should be driving. That is the ultimate North star. This is, again, transparency, this index and North Star as a guiding post towards something bigger. And that is making sure that this finance is getting to those people who need it most. That's where I'll end.

George Ingram My, my thanks to the in-person and online audience for joining us today and my thanks to my Brookings colleagues for putting this together. Have a good day, everybody, and a good evening.