



Eurasian Development Bank

Cooperation of Multilateral Development Banks

in Emerging Markets
and Developing Countries:
Untapped Opportunities

January 2026



Financing needs and gaps in emerging markets and developing countries (EMDCs) will continue to grow.



Cooperation of the MDBs addresses these issues and could be fruitful in many areas.



The world needs more active **horizontal linkages**, as well as **vertical linkages** among MDBs.

The perspective linkages among MDBs

Vertical cooperation — between **larger and smaller** MDBs.

Case 1:

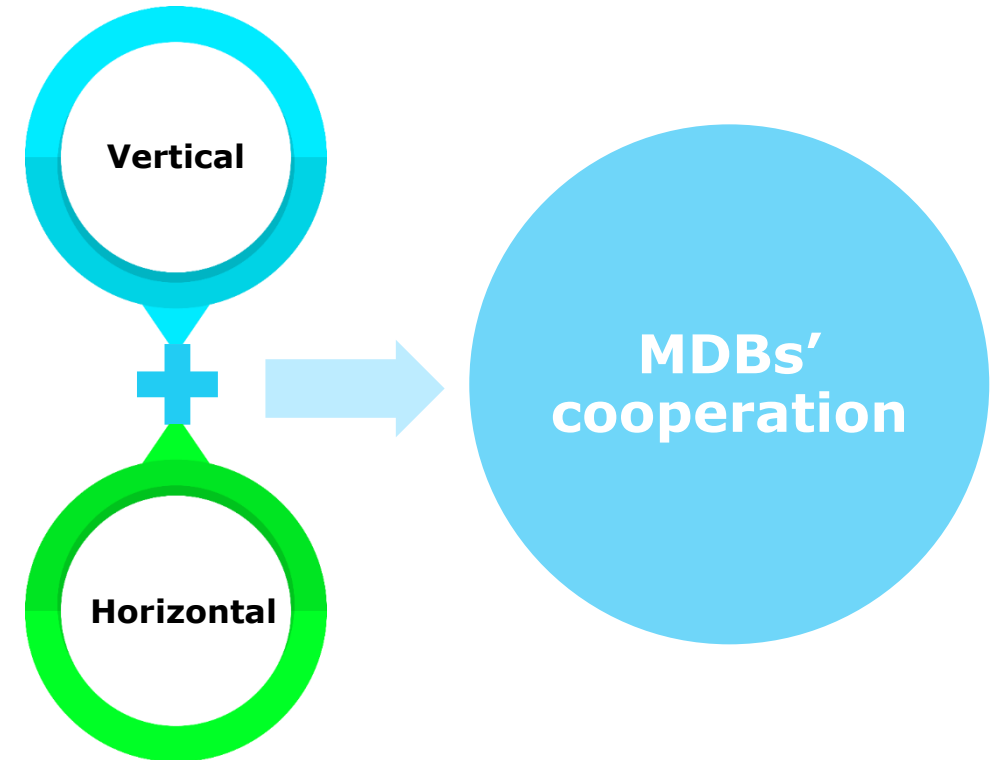


Horizontal cooperation — between **peer** MDBs.

Case 2: within 'legacy' group



Case 3: MDBs established by the EMDCs (borrower-led MDBs)



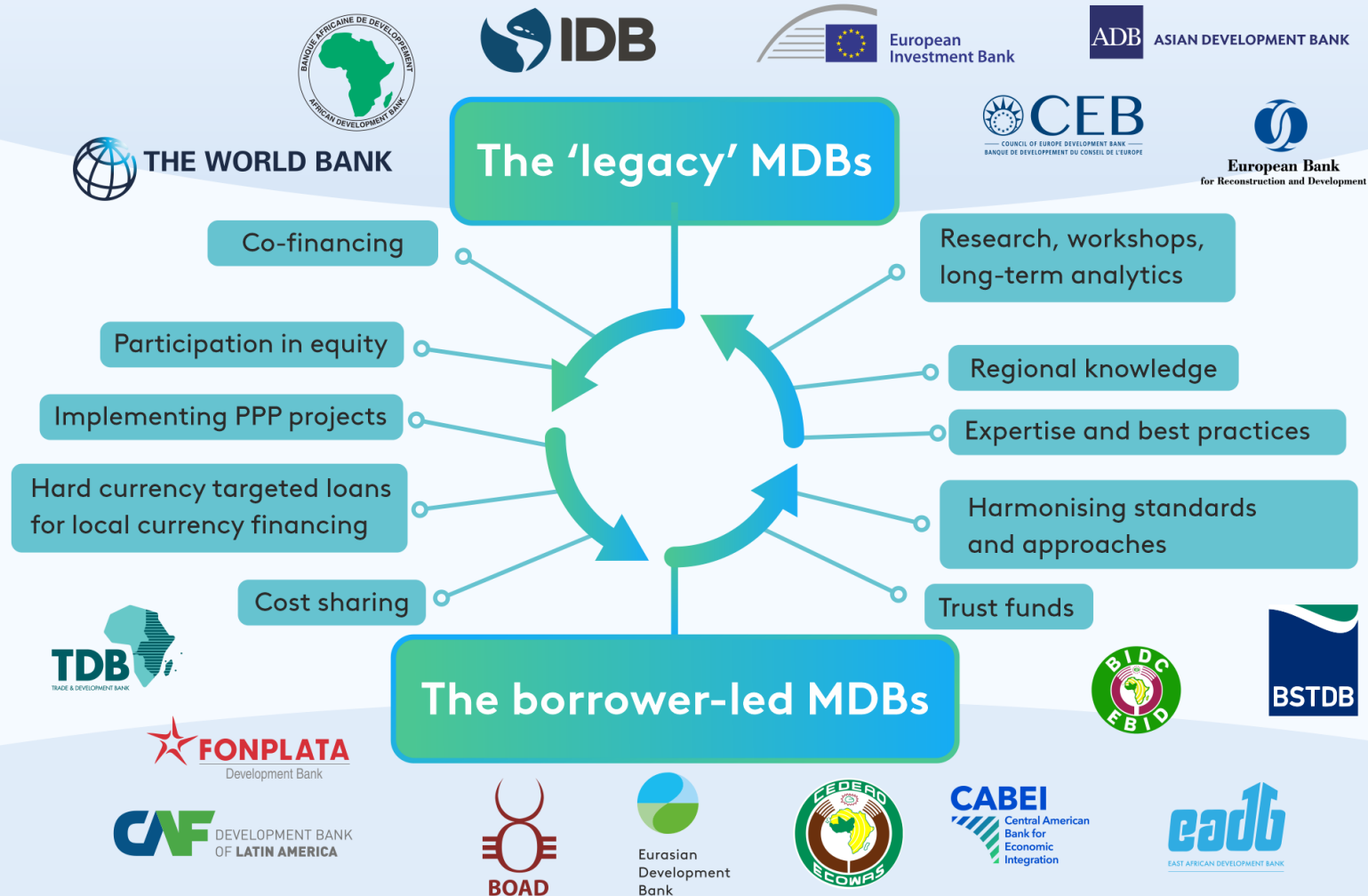
MDBs established by the EMDCs have unique features in the global MDB family



- Assets (USD bln)
- Number of Shareholder Countries
- Headquarters

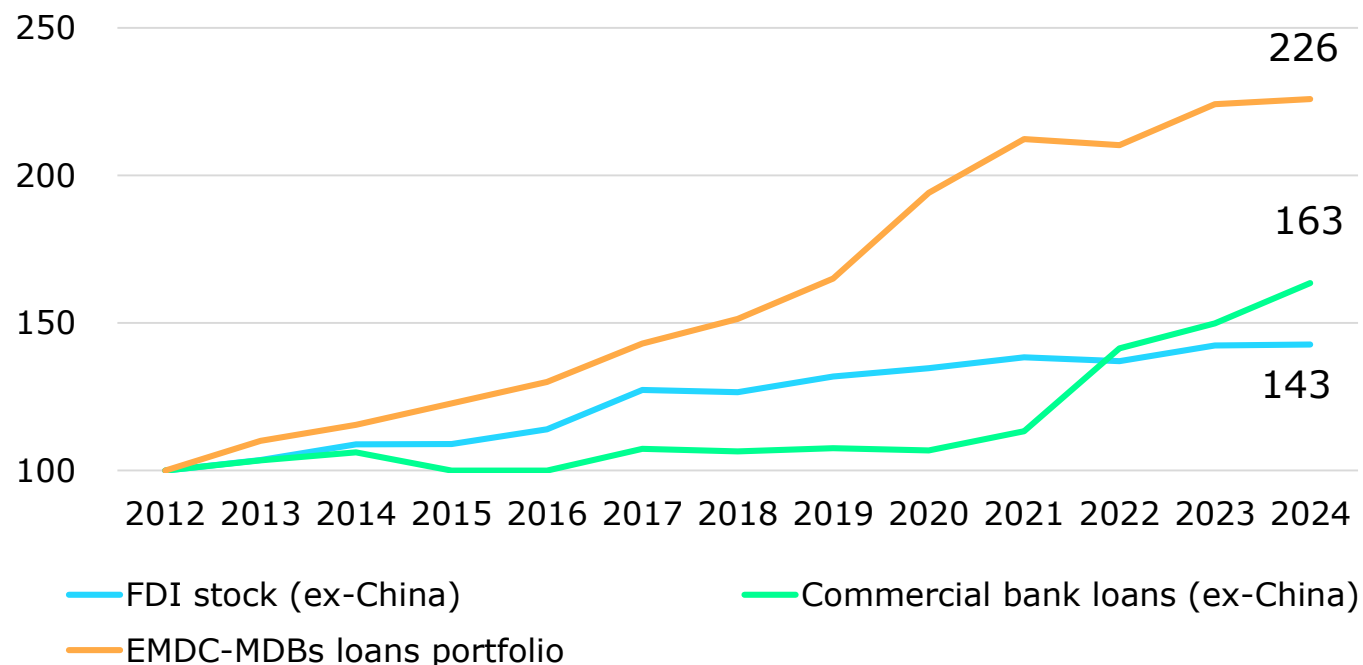
Source: compiled by authors based on MDBs' data

Building relationships within MDBs groups ('legacy' and borrower-led) and between larger and smaller MDBs is important



The role of borrower-led MDBs in the EMDCs has been growing rapidly

Long-term investment in EMDCs is challenging for the domestic financial sector
(in 2012 prices, 2012=100)



x3

growth of the nominal volume of loans issued on the balance sheets of EMDC-MDBs for the last 10 years, to over

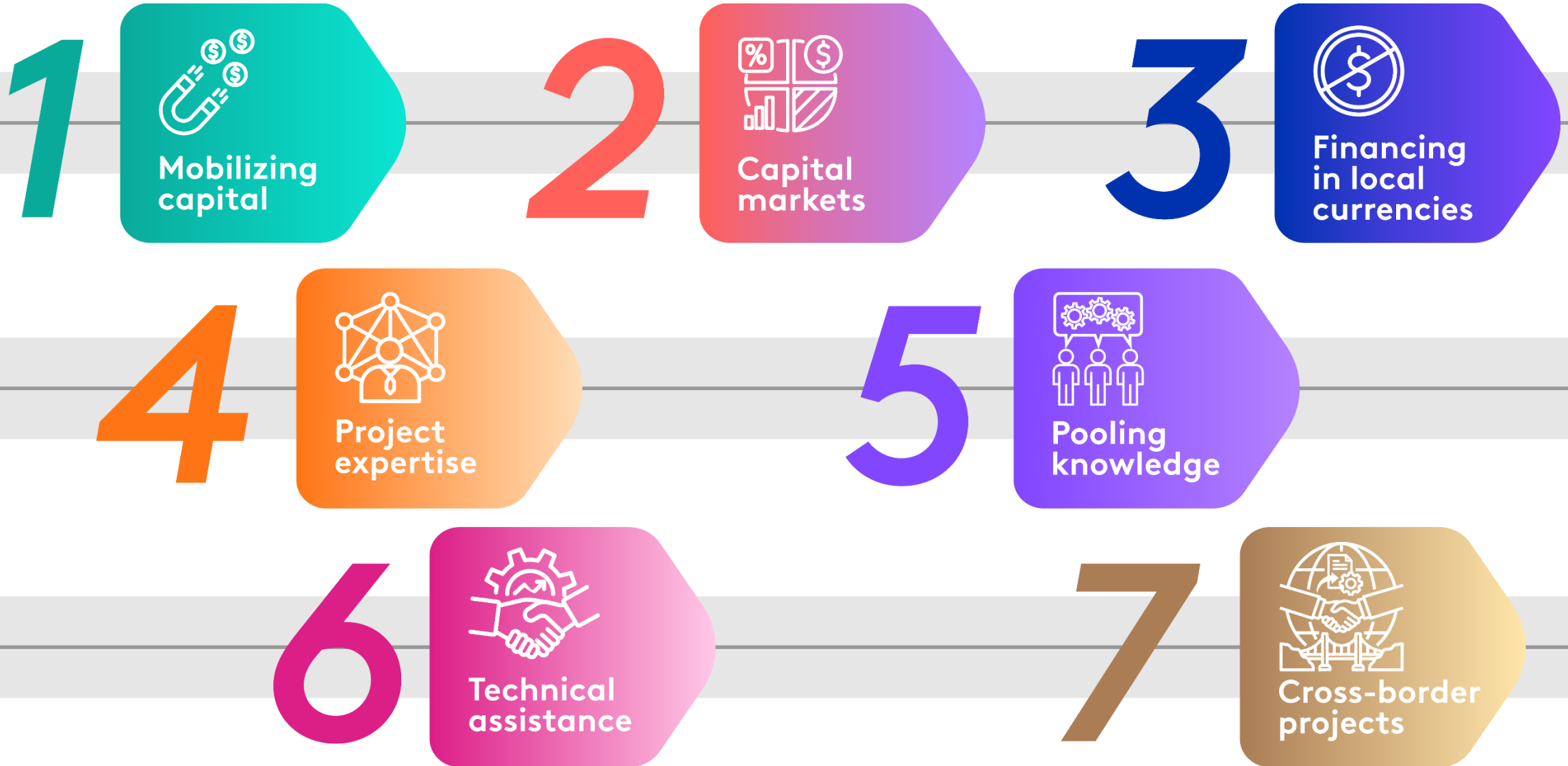
\$150 billion

Note: Commercial bank loans are loans to the domestic private sector in low- and middle-income countries from commercial banks.

EMDC-MDB loans are a cumulative loan portfolio from borrower-led MDBs.

Source: IMF, MDBs, EDB' estimates.

Vectors for cooperation



MDBs' cooperation: advantages and opportunities

1



Mobilizing
capital

WHAT?

VECTORS
FOR COOPERATION

Mobilizing
capital

HOW?

COOPERATION FORMATS

- Co-financing
- Fund-like arrangements
- Loan guarantees

WHY?

COOPERATION ADVANTAGES

- Implement large-scale projects
- Close EMDCs' financial gap
- Unlock economic potential of EMDCs
- Share risks of the MDBs

The largest financial needs up to 2040 in EMDCs are in **roads** (\$13.3 trillion) and **power** (\$12.7 trillion) **infrastructure**.

MDBs' cooperation: advantages and opportunities

2



MDBs can **increase the amount of funding** available as well as **improve funding conditions** by participating in equity.

WHAT?

VECTORS FOR COOPERATION

Capital markets

HOW?

COOPERATION FORMATS

- Participation in equity
- Mutual bonds purchases
- Climate finance & GSS bonds
- Trust funds
- Regional agents & consulting
- Islamic finance

WHY?

COOPERATION ADVANTAGES

- Development of EMDC financial markets
- Diversification of geography
- Increased sources of funding for MDBs
- MDBs' rating support

MDBs' cooperation: advantages and opportunities

3



Financing
in local
currencies

EMDCs need

rapid growth

of financing in local
currencies.

WHAT?

VECTORS
FOR COOPERATION

Financing
in local
currencies

HOW?

COOPERATION FORMATS

- Mutual bonds purchases in local currencies
- Hard currency targeted loans for local currency project finance
- Cross-currency swaps

WHY?

COOPERATION ADVANTAGES

- Meet EMDCs' needs
- Better terms for MDBs compared to market conditions
- More capabilities for local currency financing
- Improved conditions for capital-intensive infrastructure
- Currency risk mitigation for borrowers

MDBs' cooperation: advantages and opportunities

4



Project
expertise

Cooperation among MDBs

**with different
geographical
specializations**

can facilitate an effective exchange
of project expertise.

WHAT?

VECTORS
FOR COOPERATION

Project
expertise

HOW?

COOPERATION FORMATS

- Sharing experience & best practices
- Coordinating technical expertise
- Being a "mediator" in PPP projects
- Sharing knowledge of the region

WHY?

COOPERATION ADVANTAGES

- Improve MDBs' project outcomes
- Leverage comparative advantages from regional specialization
- Reduce risk and facilitate better project implementation

MDBs' cooperation: advantages and opportunities

5



The joint implementation of long-term research projects

is an area of cooperation among MDBs.

WHAT?

VECTORS FOR COOPERATION

Pooling knowledge

HOW?

COOPERATION FORMATS

- Comparative analysis
- Joint research
- Long-term research projects (e.g., databases)
- Joint forums and workshops

WHY?

COOPERATION ADVANTAGES

- Facilitate open access research as a public good
- Improve the efficiency and save resources of EMDC-MDBs
- Develop joint action to address development challenges

MDBs' cooperation: advantages and opportunities

6



In EMDCs, technical assistance plays a crucial role in laying **the foundation for a larger impact.**

WHAT?

VECTORS FOR COOPERATION

Technical assistance

HOW?

COOPERATION FORMATS

- Cost sharing through joint TA
- Pooling knowledge and regional expertise
- Harmonising TA approaches and procedures

WHY?

COOPERATION ADVANTAGES

- Increase the scale and reach of projects
- Increase the quality and effectiveness of projects
- Align and coordinate MDB development efforts
- Reinforce future cooperation post-TA

MDBs' cooperation: advantages and opportunities



MDB cooperation could be
a solution to finance
large cross-border projects.

WHAT?

VECTORS
FOR COOPERATION

Cross-border
projects

HOW?

COOPERATION FORMATS

- Expertise at the national level
- Coordinating interactions among EMDCs
- Co-financing
- Fund to promote investment in private companies

WHY?

COOPERATION ADVANTAGES

- Increase the scale of cross-border projects
- Be an anchor for commercial financing
- Increase trade and investment, create jobs
- Mitigate EMDCs' political risks

Case 1 / Water, energy, and food nexus

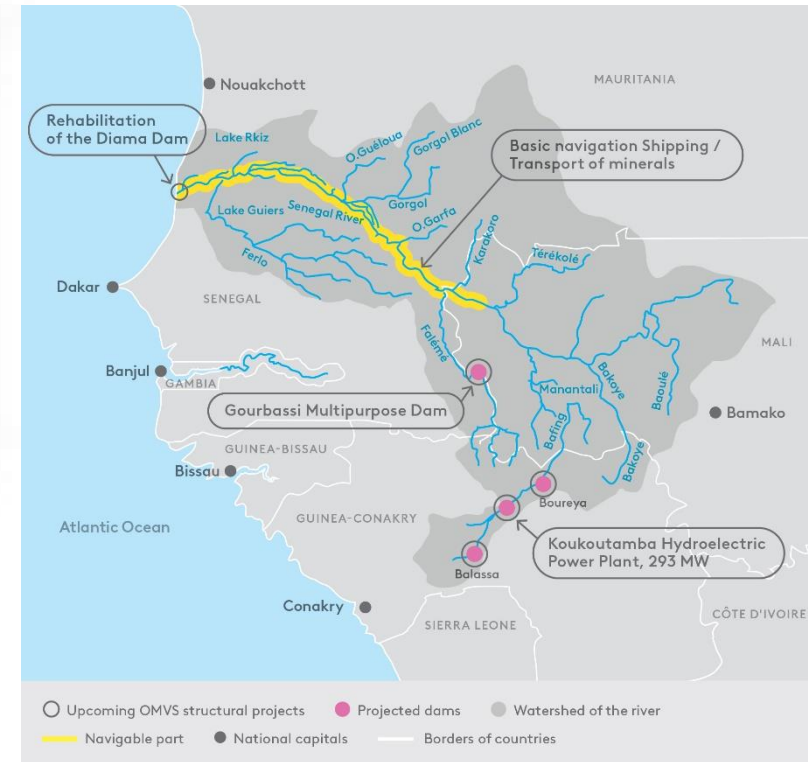
MDBs' cooperation mechanisms

- Support for the establishment of regional **Water and Energy Consortia**
- **Financial operator** for regional Water and Energy Consortia
- Consulting services, research, and capacity building for sustainable finance in the region via the **Secretariat**

Forms of participation of financial operator(s) in developing water and energy facilities

 Long-term loans	 Bond issuing and equity participation	 Joint-venture development	 Investment attraction, monitoring and control
 Syndicated funding	 Trade financing	 Payment services	 Technical assistance

Best experience



project	Hydro Power Plant at the Manantali Dam 1,600 km of high-voltage power transmission lines
location	Senegal River Basin
project cost	\$433 million

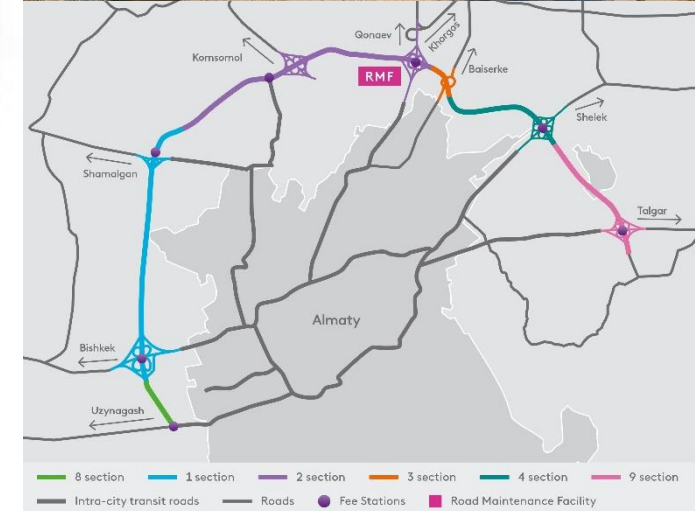


Case 2 / Sustainable transport connectivity

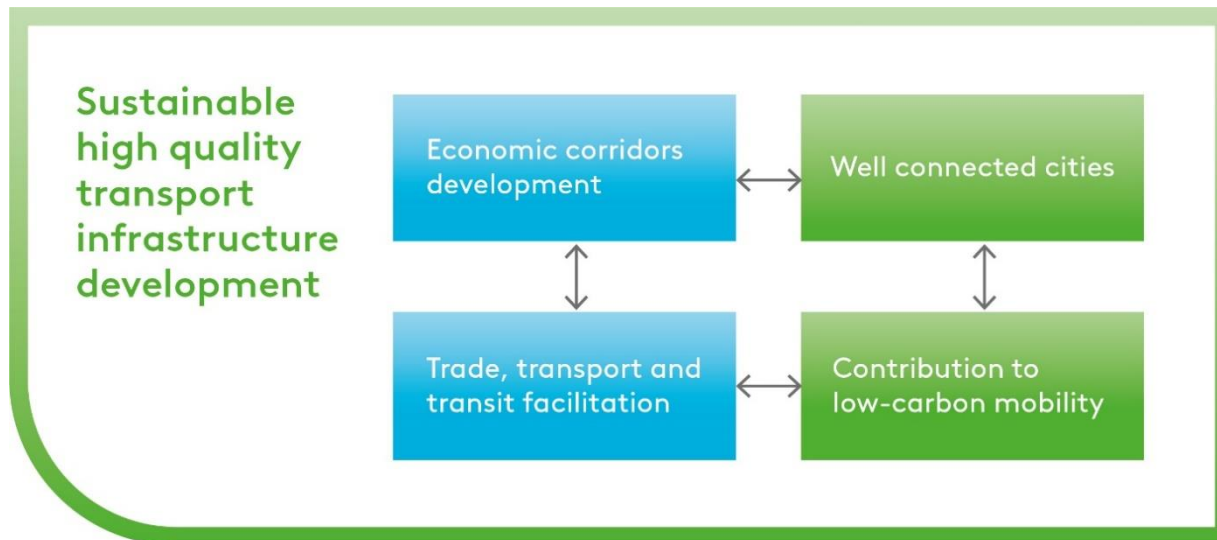
MDBs' cooperation mechanisms

- Joint implementation of transport infrastructure projects, including co-financing
- Promotion of infrastructure development plan coordination among member-states
- Cooperation in soft infrastructure improvement along international transport corridors

Best experience



Deliverables



project	Big Almaty Ring Road (BAKAD), 66 km
location	Kazakhstan
project cost	\$743 million
commissioning date	June 16, 2023

Case 3 / Sustainable and climate finance for EMDCs

MDBs' cooperation mechanisms

- Joint MDB GSS+ finance (targeted issuance of GSS+ bonds and loans) for green & adaptation projects
- New common green facilities like GEFF or ASEAN Green Platform
- Sharing the best ESG research and sustainable finance practices

\$137
billion

MDBs provided for climate finance in 2024

\$85
billion

Climate finance in **low- and middle-income countries**

Low- and middle-income countries:

\$59
billion

Mitigation finance

\$26
billion

Adaptation finance

Best experience



The share of climate finance in the total volume is 75% by 2030

The ASEAN Green Recovery Platform (\$655 million)



Green Economy Financing Facility (GEFF), > €4 billion

50% share of green financing in the total volume by 2025

Partnership with the Global Environment Facility



The share of climate finance in the total volume is 50% by 2025







Source: EIB

Case 4 / Cross-border infrastructure

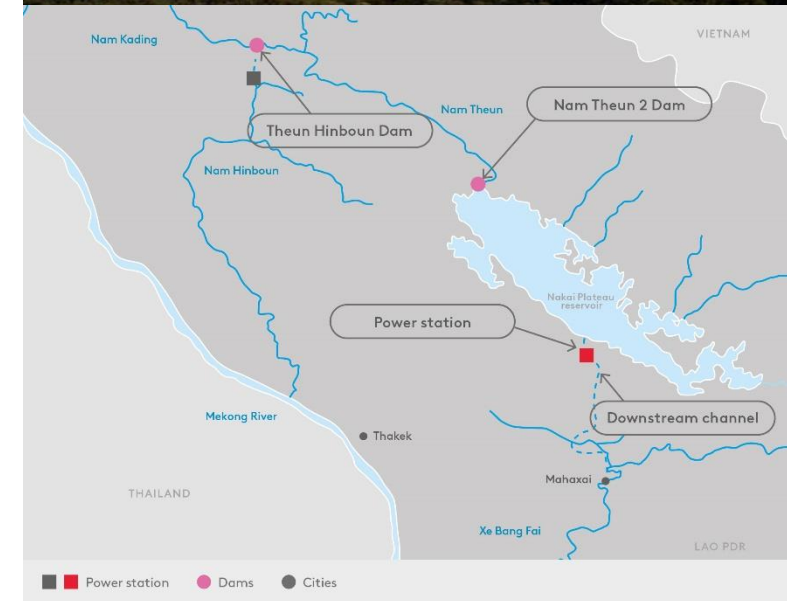
MDBs' cooperation mechanisms

- Establishing a pool of MDBs for cross-border projects
- Interaction of intergovernmental coordination mechanisms
- Promotion of guidelines for cross-border PPPs

MDBs

 <p>Contribute to cross-border projects quick start</p>	 <p>Serve as long-term anchor</p>
 <p>Expertise</p>	 <p>Neutral platform for moderating interstate negotiations</p>
 <p>Risk mitigation</p>	 <p>Compliance of cross-border PPP projects with the MDB mission</p>

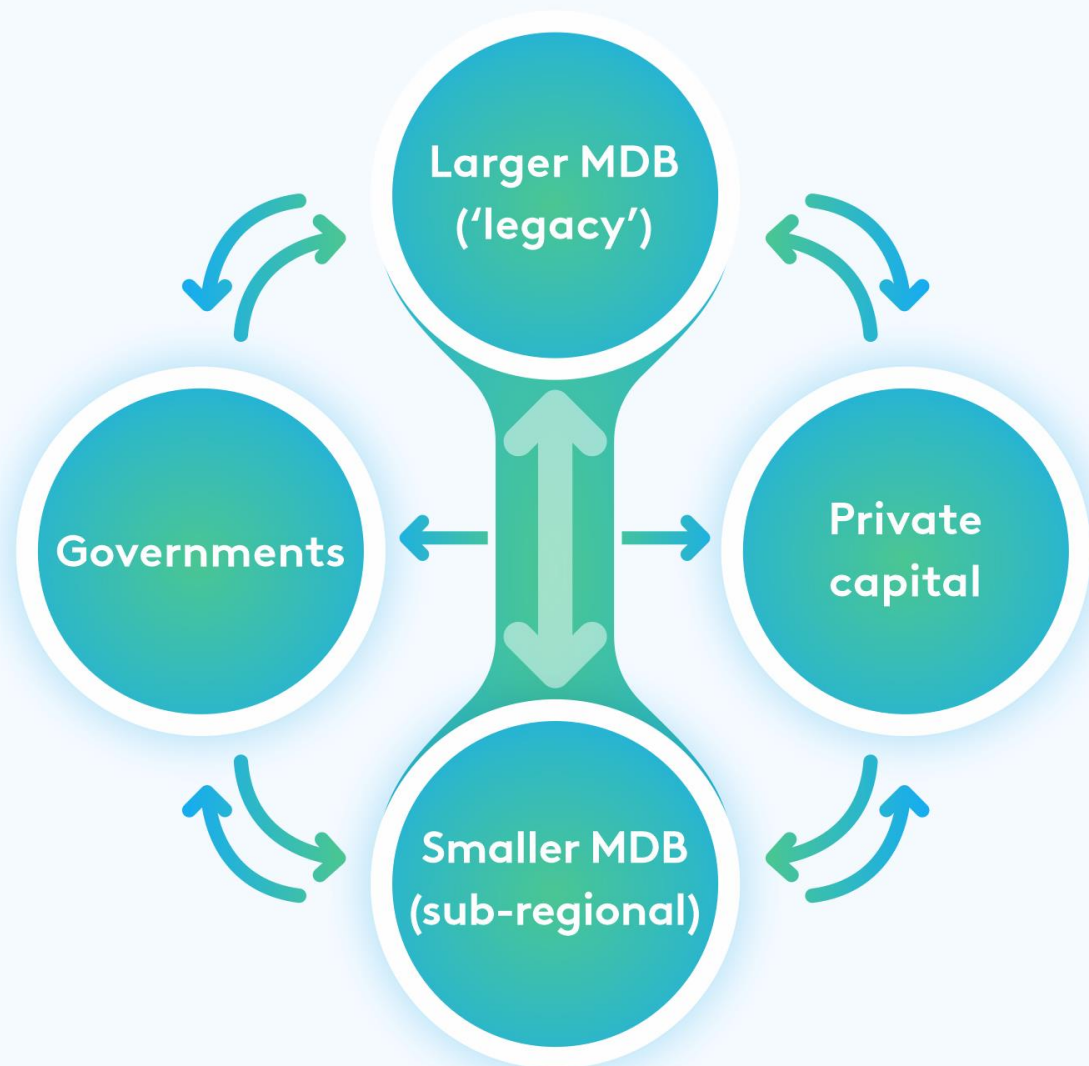
Best experience



project	Nam Theun 2 Dam
participants	Lao PDR + Thailand
project cost	\$1,308 million



Cross-border PPP projects are a prime example of the importance of MDBs' cooperation



MDBs as anchor partners in cross-border PPP projects

-  Launching of cross-border PPP projects
-  Serving as platforms for coordinating the positions of various countries
-  Moderating negotiations between the participating countries
-  Developing environmental and social frameworks
-  Having a broad range of project competencies and risk management policies
-  Providing technical assistance
-  Developing intergovernmental agreements



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