

Multilateral Development Banks: How They Work and Where They Are Headed

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Abstract

Amid the transformation of the global economy, multilateral development banks (MDBs) are becoming a key pillar of national development. Their role extends far beyond traditional lending, forming the foundation for long-term growth. This report provides a comprehensive analysis of MDBs — from their history and mandates to the geography of their operations, equity capital structure, and credit ratings. Particular attention is paid to MDB performance indicators, including total assets and capital, investment activity, and financing in local currencies. The report also examines the prospects for the development of the MDB system and answers key questions: Which sectors will become priorities for MDB investment? How many multilateral development banks will there be in 10 years? What mechanisms will allow MDBs to expand their lending volumes?

Keywords: MDBs, development banks, international organizations, finance, investment, developing countries, capital.

JEL: F33, F36, F65, G15, G24, P33, P45.

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INTRODUCTORY REMARKS BY THE EURASIAN DEVELOPMENT BANK'S CHAIRMAN OF THE MANAGEMENT BOARD

The global financial system is at a point of heightened uncertainty. The world in which we operate has become more complex, faster-paced, and more fragmented — and this requires international financial institutions to develop new approaches and demonstrate greater adaptability.

First and foremost, a large number of challenges persist in the global economy. Sovereign debt is rising, placing additional pressure on national financial systems and limiting room for maneuver. The adoption of technological solutions is uneven, and the impact of their use is far from always reaching the expected scale.

A fundamental structural challenge persists: developing economies continue to face limited access to long-term and affordable financing. This directly affects their ability to ensure sustainable economic growth and development.

Multilateral development banks are therefore particularly important for developing countries. The banks invest approximately \$200 billion annually. They also serve as key providers of technical assistance, applied research, and advisory services to governments. Their contribution to shaping public policy and implementing reforms around the world cannot be overstated.



\$ 200 billion
is invested annually by MDBs

At the same time, the MDB system itself faces serious internal challenges. Its foundations were laid nearly 80 years ago at the Bretton Woods Conference with the aim of promoting economic growth and combating poverty. Since then, the network of banks has expanded to include dozens of institutions worldwide. Despite the results achieved, its effectiveness does not always meet modern requirements. Instead of coordination, we often see competition. The capital base is stagnating, and organizational structures and processes are becoming excessively bureaucratic.

About 80 years
ago, the foundations were laid for the MDB
system at the Bretton Woods Conference

The fundamental issue is that IDB investment volumes are not demonstrating the necessary growth momentum. Over the past 25 years, the share of their assets relative to global GDP has declined from 2.0% to 1.8%. To respond effectively to global challenges, it is necessary that assets and investments grow faster than the global economy, while maintaining the financial stability of institutions. This has already become a topic of discussion at the G20 level. Clearly, a rethinking of these issues and a search for new operating models are required.

From 2.0 to 1.8%
the share of IFI assets declined
relative to global GDP

In this report, we set out a number of key questions: What are the goals and mandates of multilateral development banks today? How is the existing architecture of the MDB system structured? What are the MDBs' capabilities? What resources and portfolios do they have at their disposal? What challenges do they face in the current reality? What are their prospects for development? The answers to these questions are of fundamental importance for understanding the future of the global financial architecture and sustainable development.

Nikolai Podguzov,
Chairman of the Management Board
Eurasian Development Bank

INTRODUCTION

Multilateral development banks (MDBs) occupy a central place in the global financial architecture of sustainable development. Amid mounting global challenges, including climate change, infrastructure deficits, and the need to achieve the Sustainable Development Goals (SDGs), academic and expert literature is increasingly focusing on scaling up the banks' operations, enhancing efficiency, and mobilizing additional resources.

One of the key areas of research is **assessing the required level of investment** and ways to secure it. A report by the G20 Independent Expert Group ([G20 IEG, 2023](#)) emphasizes the need to nearly triple MDB financing by 2030 compared to 2019 levels. This conclusion formed the basis for subsequent G20 initiatives to reform the MDB system ([G20, 2024](#)). Building on this, [Gallagher et al. \(2024\)](#) point out that MDBs lack a systematic approach to determining capital needs for achieving the SDGs and climate goals, which limits strategic planning and efficient resource allocation.

The studies also focus on **sources for increasing the financial capacity of MDBs**. In particular, [Vinokurov et al. \(2024\)](#) examine various mechanisms for raising equity capital. [Munir and Gallagher \(2018\)](#) analyze the potential for expanding lending without increasing capital, including scenarios involving a credit rating downgrade. These studies demonstrate the existence

of both institutional and market constraints affecting the ability of MDBs to scale their operations.

At the same time, significant attention is paid to issues of **operational efficiency**. [Bains et al. \(2024\)](#) identify a number of factors hindering the effectiveness of MDBs, including fragmented standards, insufficient coordination, and underfunding of project preparation. Proposed solutions include harmonizing environmental and social standards, developing country platforms, and strengthening inter-bank cooperation.

Given the limited willingness of shareholder countries to increase capital contributions, **optimizing the balance sheets of multilateral development banks** and introducing **financial innovations** have become key reform priorities. The [G20 Capital Adequacy Report \(2022\)](#) proposes a set of measures aimed at expanding lending without increasing capital. These include more comprehensive recognition of callable capital, the use of hybrid instruments, the transfer of risks to the private sector, and expanded access to liquidity. These approaches were further developed in subsequent initiatives and practices of the MDBs, including the Global Risk and Finance Forum (GRaFF) and the Emerging Markets Risk Database (GEMs).

The literature pays particular attention to **callable capital** as a unique element of MDBs' financial structure. [Humphrey et al. \(2024\)](#) emphasize that a more accurate reflection of this instrument in capital adequacy assessments could significantly increase banks' lending capacity. However, this approach requires coordinated action by shareholders and increased transparency in the procedures for its use. A number of leading MDBs have conducted reviews of triggers and procedures for drawing on call capital ([IBRD \(2024\)](#); [IDB \(2024\)](#)).

Hybrid capital is viewed as a promising tool for expanding the financial capabilities of MDBs ([Humphrey et al. \(2023\)](#)). It combines the characteristics of debt and equity, allowing for increased lending while maintaining credit ratings. Additional innovations, such as "sustainable future bonds," are aimed at attracting central bank reserve assets and demonstrate the potential to mobilize significant additional resources ([Zucker-Marques, Gallagher \(2024\)](#)).

Another important area of research is **expanding financing in local currencies**. The current hard currency dominance creates currency risks for borrowers, particularly in infrastructure projects. The literature ([Bonizzi et al., 2024](#); [Horrocks et al., 2025](#)) highlights key barriers, including high hedging costs, lack of expertise, limited instruments, and institutional constraints. Proposed solutions ([G20/GIF/IMF \(2025\)](#); [Horrocks et al., 2025](#);

[CPI, 2024](#); [IGC, 2023](#)) encompass both financial (development of hedging instruments, mobilization of resources in local currency) and non-financial measures (localization of supply chains, development of capital markets).

Significant attention is paid to **the mobilization of private capital** ([MDB Task Force on Mobilization, 2025](#)). The traditional MDB model, based on raising funds through bond issuance, is gradually being supplemented by instruments for the direct involvement of private investors. The [OECD \(2022\)](#) and [Gregory \(2023\)](#) identify a wide range of such instruments, including syndicated lending, guarantees, blended finance, and securitization. At the same time, the need to transition from the "originate-and-hold" model to the "originate-to-share" model, which involves risk sharing among market participants, is emphasized ([Humphrey, McHugh, 2026](#)).

A serious constraint on the expansion of MDBs' activities remains the lack of **well-prepared projects** ([Bains et al., 2024](#)). Despite the establishment of technical assistance mechanisms, the problem remains a pressing issue. [Schneidewind and Prizzon \(2024\)](#) note the need for systemic changes in approaches to project preparation, including the strengthening of national institutions and donor coordination.

Issues related to **cooperation** among international development banks occupy a prominent place in academic discourse. Despite recognition of its importance, research points to the existence of institutional barriers (Prizzon et al. (2024); Lee, Cardenas, 2021), including a lack of incentives, differences in mandates, and high transaction costs. Country platforms are considered a key coordination mechanism (Gilmour et al., 2024; Bains et al., 2024), formed on the basis of national priorities and aimed at coordinating the actions of various development institutions.

Additionally, the literature (Bhattacharya et al., 2018; Prizzon et al., 2024; Bains et al., 2024; Vinokurov et al., 2026) highlights the potential of other forms of cooperation, including joint financing of projects, standardization approaches, and the creation of joint investment platforms. It is also noted that a certain degree of competition among MDBs can foster innovation and improve efficiency, preventing the monopolization of development approaches.

Corporate governance of MDBs is also an important area of research. Studies by the African Development Bank Group (2018), Delikanli et al. (2018), and Prizzon et al. (2022) analyze existing governance models and propose ways to improve them. Key issues include improving compliance with international standards, optimizing the work of boards of directors, and recruiting independent members.

Overall, the current literature demonstrates a comprehensive approach to reforming MDBs, covering financial, institutional, and operational aspects. Despite significant progress in developing new instruments and mechanisms, key challenges — capital constraints, insufficient coordination, and a shortage of projects — remain relevant. This points to the need for further research and practical steps to transform MDBs into more flexible and effective development institutions.

At the same time, the topic of MDBs remains insufficiently explored in terms of **the system's architecture** and long-term development trajectories. There is a lack of research providing a comprehensive understanding of the global MDB system.

Among the overview studies, several key sources stand out. The ODI report (Faure et al., 2015) offers a comparative analysis of 14 institutions, including their mandates, structures, and instruments. S&P Global's annual reports (2024) contain comparable data on approximately 30 organizations with credit ratings, including an analysis of their financial stability. The CEB report (2025), prepared as part of the GRaFF initiative with the participation of the EBRD and the World Bank Group, aims to standardize data and enhance transparency, including regarding capital adequacy assessments.

This study aims to fill that gap. It covers 37 MDBs — from global to subregional — and includes the systematization of a vast dataset, comparative and dynamic analysis, as well as an assessment of key trends in their development.

The Eurasian Development Bank (EDB) has been consistently strengthening its analytical role in this area. In 2024, a database on non-sovereign financing in the Eurasian region was created, covering more than 2,300 transactions since 2008. In 2026, the launch of an open knowledge platform on MDBs is planned, bringing together research, educational materials, and the results of expert events aimed at deepening understanding of their role and transformation.

This report comprises 20 chapters and provides a comprehensive analysis of multilateral development banks — from their history and mandates to the geography of their operations, equity capital structure, and credit ratings. Particular attention is paid to key performance indicators, including asset and capital volumes, investment activity, and the scale of financing in local currencies. The concluding chapter presents the authors' view on the prospects for the development of the MDB system

1. CRITERIA FOR CLASSIFICATION AS AN MDB

This report is devoted to an analysis of the activities of multilateral development banks. First and foremost, it is necessary to determine which organizations are classified as MDBs and what key criteria characterize them (Prizzon and Engen, 2018; Peitz, 2022).

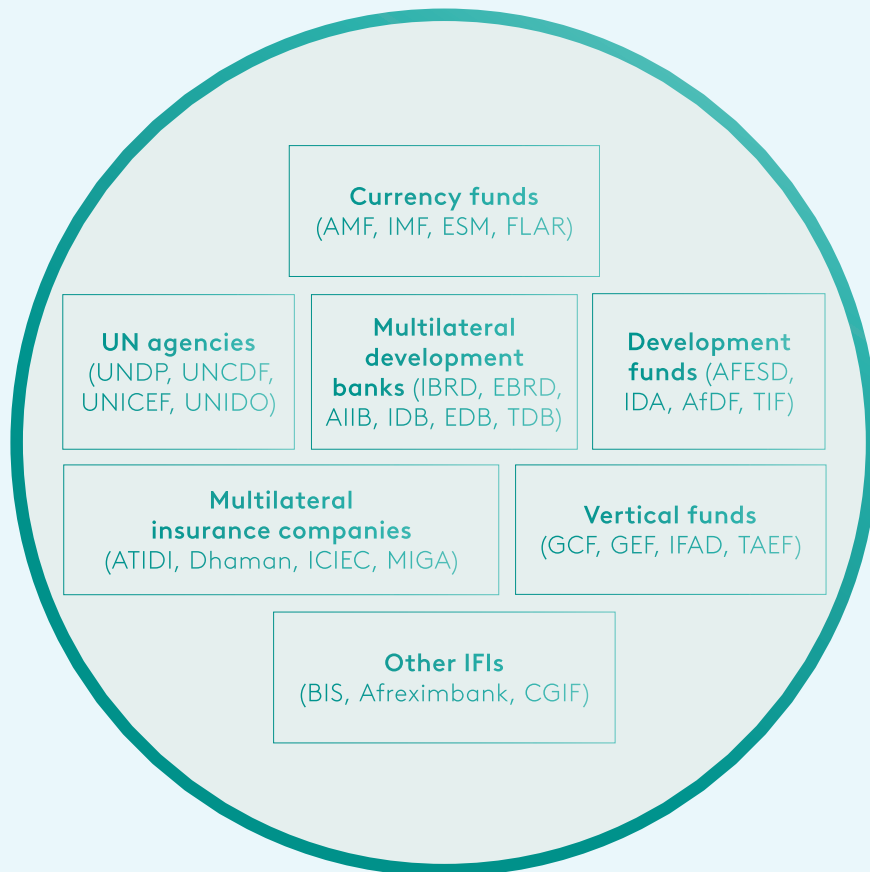
MDBs are part of the system of international financial institutions (IFIs), which play an important role in the global economy. A distinctive feature of IFIs is their intergovernmental status: they are established by two or more countries on the basis of an international treaty, have the status of subjects of international law, and, as a rule, are not subject to national financial regulation.

Unlike commercial institutions, IFIs are not established to generate profit but to achieve specific global and regional objectives, including macroeconomic stability and the promotion of socioeconomic development.

The modern system of IFIs began to take shape in the first half of the 20th century. The oldest IFI is the Bank for International Settlements (BIS), established in 1930. The 1944 Bretton Woods Conference played a key role, resulting in the establishment of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), which remain central to the IFI system.

There is a wide range of IFIs, including currency funds, insurance and guarantee mechanisms, development agencies, export-import banks, and specialized funds. It is the multilateral development banks that occupy the leading positions in terms of the scale of their activities and the volume of financial resources.

↓ Figure 1. System of international financial institutions (examples of organizations)



Source: EDB.

- **Multilateral development banks** are international financial institutions whose primary function is to finance socio-economic development projects, primarily by providing long-term loans using their own capital and funds raised in financial markets.
- **Currency funds** are designed to promote macroeconomic stability in member countries and typically provide medium-term loans.
- **Development funds** are similar in their objectives to multilateral development banks (MDBs), but differ in their predominant use of concessional forms of financing (grants and concessional loans) and/or financing exclusively through equity capital (contributions from participants) without raising funds on financial markets.
- **Vertical funds** are similar to development funds, but their activities are focused on a narrow thematic area, such as environmental protection, agriculture, etc.
- **Multilateral insurance companies** are established to promote investment and international trade by providing insurance coverage, primarily against political (non-commercial) risks.
- **UN system organizations** include specialized agencies that provide grant funding for various purposes.
- **Other IFIs** do not fall into any of the listed categories, but are too few in number to form a separate group.

MDBs are characterized by the following specific criteria:

1 MDBs, as a subset of IFIs, are established by two or more states on the basis of **an international treaty** and possess the status of subjects of international law.

2 The primary form of financing provided by MDBs is **loans**, although they may also provide guarantees, grants, make equity investments, and invest in bonds.

3 MDB financing is primarily directed toward **development projects** related to the expansion of physical and human capital, which accounts for the **long-term** nature of the financing.

4 The resource base of MDBs is formed not only through contributions from shareholder countries, but primarily through **borrowing in financial markets**, which distinguishes them from development funds.

5 MDBs **do not aim to maximize profits in their operations**. This allows them to provide borrowers with loans on attractive terms even when using market-based financing, including through grant components. As a rule, MDBs allocate a portion of their profits to grant financing.

6 **Governments** and/or institutions authorized by them exercise control over MDBs.

A number of African international financial institutions (AFC, Afreximbank, TDB) regularly pay dividends, a practice driven by the presence of commercial institutional investors in their capital. Attracting such investors is linked to the extremely limited budgetary resources of countries in the region, coupled with a high demand for capital. At the same time, the regular payment of dividends calls into question the non-commercial nature of these organizations and their status as development institutions. This issue has become particularly acute in recent years during the restructuring of the sovereign debt of several African countries, when the IMF and other creditors challenged the “preferred creditor” status of Afreximbank and TDB. In response, TDB initiated the conversion of commercial shareholders’ equity into hybrid financial instruments ([Humphrey, 2025](#)).

In addition to the key criteria, a number of **additional** yet widespread characteristics inherent to many MDBs can be identified:

7 Many leading MDBs devote significant attention to **non-investment instruments**, including analytical and research products, technical assistance, and educational programs. These intellectual products of MDBs, alongside financial investments, play an important role in addressing the socio-economic development challenges of the countries where they operate.

8

In addition to long-term investment loans, many MDBs also provide **short-term trade finance** to support export and import operations. For a number of MDBs, such instruments account for a significant share of the loan portfolio, which in some cases is reflected in their names (for example, “bank for trade and development,” as in BSTD, ETDB, and TDB). At the same time, international financial institutions whose primary objective is the development of international trade and which either lack long-term project financing entirely or have it only to a very limited extent (e.g., Afreximbank and the Islamic Trade Finance Corporation — ITFC), should be classified into a separate group distinct from the MDBs.

It should also be noted that international financial institutions can evolve by changing their funding sources and forms of activity. As a result, an organization that previously did not meet the criteria for an MDB may eventually be classified as such. Examples of such evolution include the OPEC Fund for International Development and FONPLATA, which initially operated as development funds but have since begun to actively utilize market borrowing.

Case: FONPLATA

Fonplata was established in 1974 by five countries in the La Plata River basin to finance integration and infrastructure projects in the region. Significant changes took place in 2018, when amendments were made to the founding agreement that transformed the organization into a development bank. The updated agreement established the possibility of admitting new member countries, including non-regional ones, expanding capital, and adopting a more flexible governance model. In 2019, the bank issued its first bond offering on international capital markets.

9

This evolution allows them to be classified as MDBs, a classification confirmed by their own documents. In such cases, the organization’s **self-identification as an MDB** can serve as an additional guideline.

Based on the combination of these criteria, we estimate that there are currently 37 multilateral development banks worldwide, a list of which is provided below.

There are **37** multilateral
development banks in the world

2. BANKS IN THE MDB SYSTEM

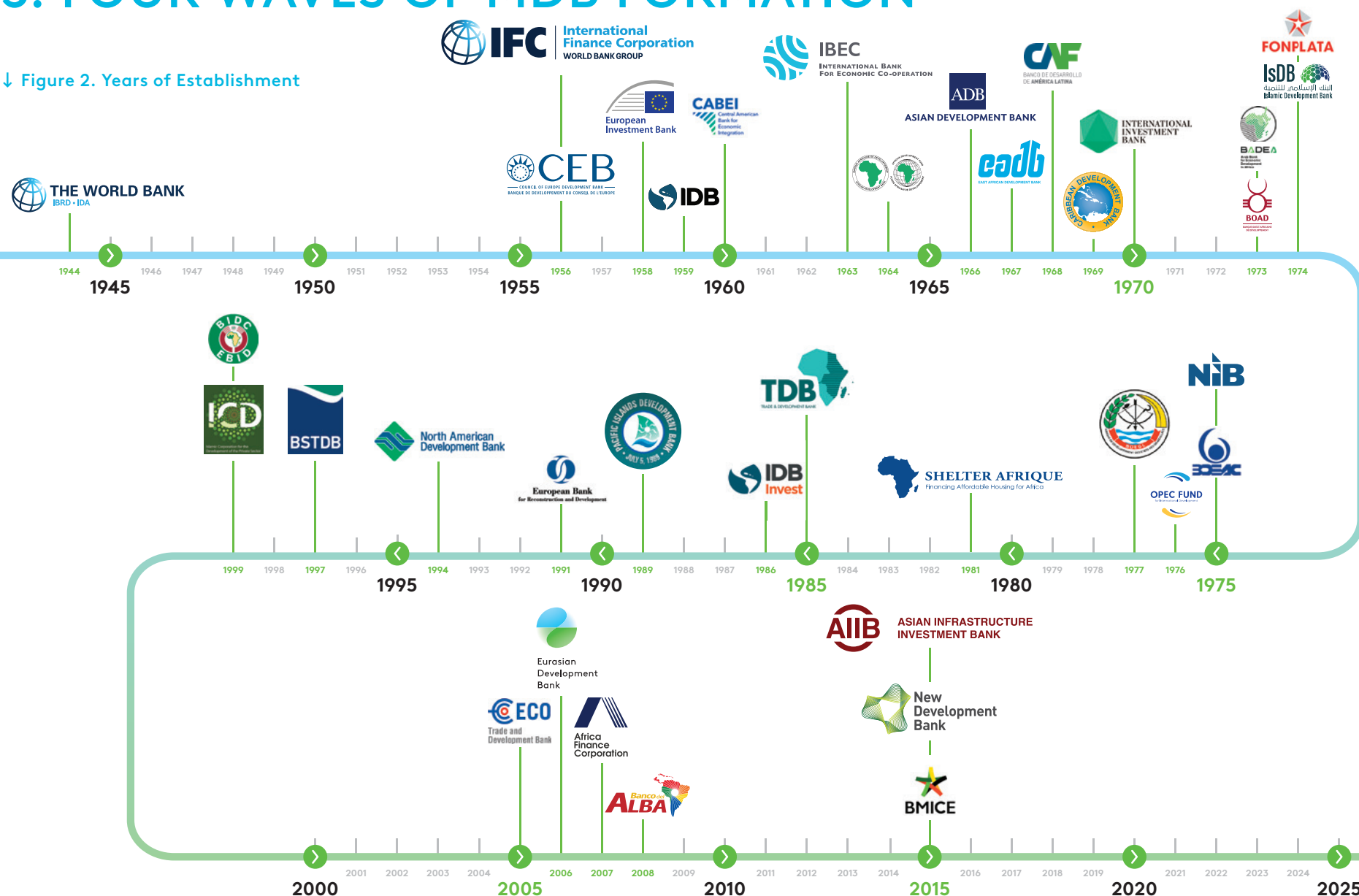
1	ADB	 ADB ASIAN DEVELOPMENT BANK	Asian Development Bank
2	AFC	 Africa Finance Corporation	African Finance Corporation
3	AfDB	 AfDB	African Development Bank
4	AIIB	 AIIB ASIAN INFRASTRUCTURE INVESTMENT BANK	Asian Infrastructure Investment Bank
5	BADEA	 BADEA Arab Bank for Economic Development in Africa	Arab Bank for Economic Development in Africa
6	Banco del ALBA	 Banco del ALBA	ALBA Bank
7	BDEAC	 BDEAC	Bank for the Development of Central African States
8	BDEGL	 BDEGL	Development Bank of the Great Lakes Region
9	BMICE	 BMICE	Maghreb Bank for Investment and International Trade
10	BOAD	 BOAD	West African Development Bank
11	BSTDB	 BSTDB	Black Sea Trade and Development Bank
12	CABEI	 CABEI Central American Bank for Economic Integration	Central American Bank for Economic Integration
13	CAF	 CAF BANCO DE DESARROLLO DE AMÉRICA LATINA	Andean Development Corporation
14	CDB	 CDB	Caribbean Development Bank
15	CEB	 CEB COUNCIL OF EUROPE DEVELOPMENT BANK	Council of Europe Development Bank
16	EADB	 EADB EAST AFRICAN DEVELOPMENT BANK	East African Development Bank
17	EBID	 EBID	ECOWAS Bank for Investment and Development
18	EBRD	 EBRD European Bank for Reconstruction and Development	European Bank for Reconstruction and Development

19	EDB		Eurasian Development Bank	Eurasian Development Bank
20	EIB		European Investment Bank	European Investment Bank
21	ETDB		Trade and Development Bank of the Organization for Economic Cooperation	Trade and Development Bank of the Organization for Economic Cooperation
22	FONPLATA		FONPLATA Development Bank	FONPLATA Development Bank
23	IBEC		International Bank for Economic Cooperation	International Bank for Economic Cooperation
24	IBRD		International Bank for Reconstruction and Development	International Bank for Reconstruction and Development
25	ICD		Islamic Corporation for the Development of the Private Sector	Islamic Corporation for the Development of the Private Sector
26	IDB		Inter-American Development Bank	Inter-American Development Bank
27	IDB Invest		Inter-American Investment Corporation	Inter-American Investment Corporation
28	IFC		International Finance Corporation	International Finance Corporation

29	IIB		International Investment Bank	International Investment Bank
30	IsDB		Islamic Development Bank	Islamic Development Bank
31	NADB		North American Development Bank	North American Development Bank
32	NDB		New Development Bank	New Development Bank
33	NIB		Nordic Investment Bank	Nordic Investment Bank
34	OPEC Fund		OPEC Fund for International Development	OPEC Fund for International Development
35	PIDB		Pacific Islands Development Bank	Pacific Islands Development Bank
36	SHAFDB		Shelter Afrique Development Bank	Shelter Afrique Development Bank
37	TDB		Trade and Development Bank of Eastern and Southern Africa	Trade and Development Bank of Eastern and Southern Africa

3. FOUR WAVES OF MDB FORMATION

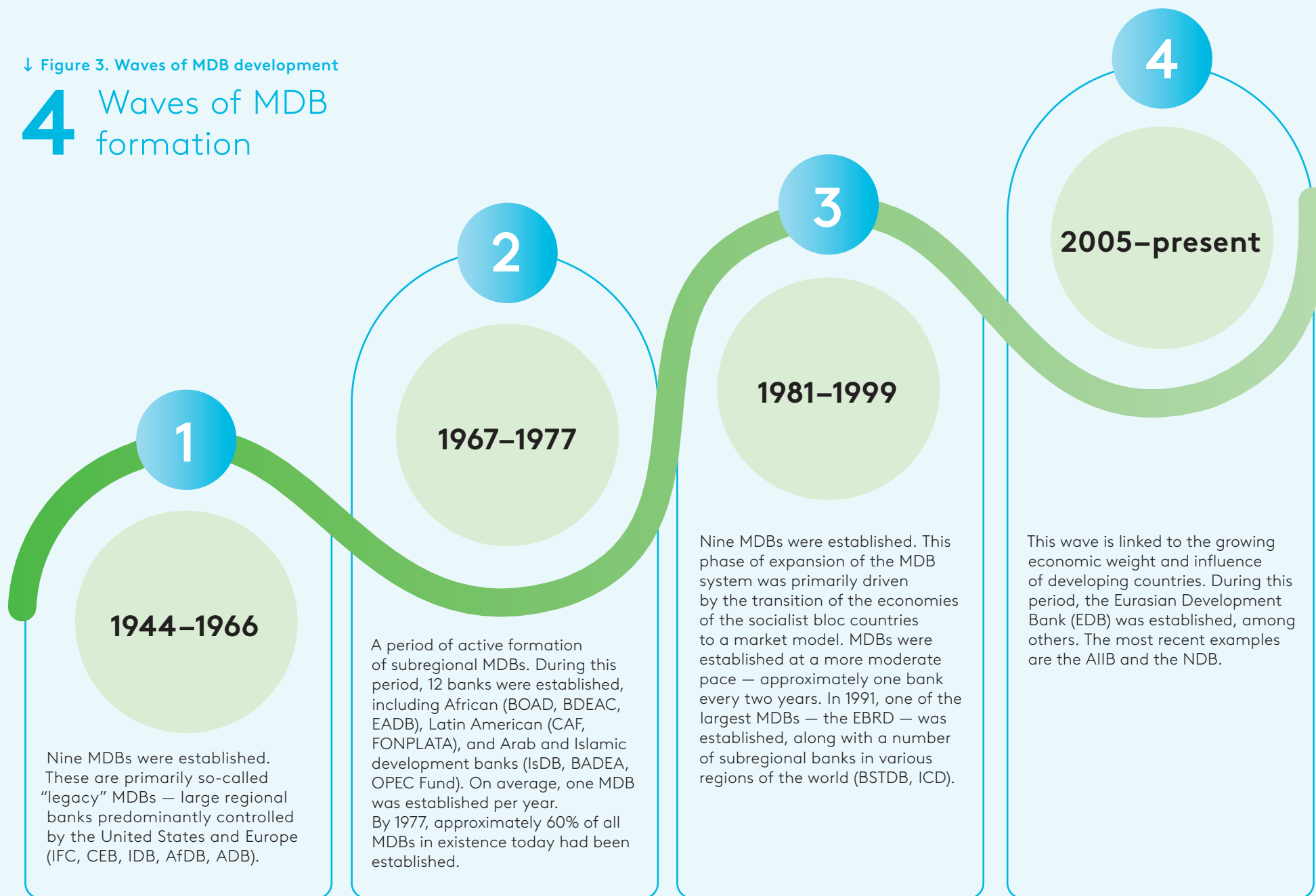
↓ Figure 2. Years of Establishment



Source: EDB based on MDB data.

↓ Figure 3. Waves of MDB development

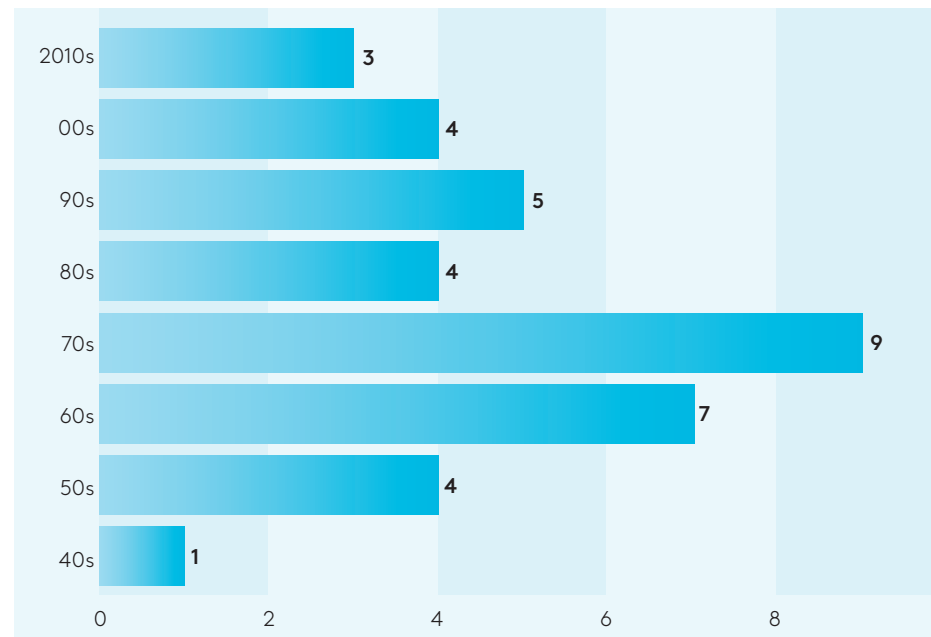
4 Waves of MDB formation



Source: EDB.

The International Bank for Reconstruction and Development (IBRD) — the world's first multilateral development bank — was established by a decision of the Bretton Woods Conference in July 1944, even before the end of World War II. Its creation reflected the recognition of the need for large-scale financing of Europe's postwar reconstruction and long-term socioeconomic development. The IBRD began operations in 1946 from its headquarters in Washington. For a decade, the IBRD remained the only MDB.

↓ Figure 4. Number of MDBs developed during different periods



Source: EDB.

The formation of the MDB system took place in several stages. The first wave (1944–1966) was characterized by the creation of basic regional institutions. The second wave (1967–1977) was marked by accelerated growth in the number of MDBs. By the end of this period, approximately 60% of all MDBs had been established. The third wave (1981–1999) was associated with the transformation of the economies of post-socialist countries. The current phase, which began in 2005, reflects the growing role of developing economies in the global financial architecture.

Over the past two decades, emerging economies have undergone a significant transformation, approaching a higher level of maturity in key macroeconomic indicators. While in the mid-2000s a significant portion of these countries belonged to the low-income group, by the mid-2020s more than 30 countries had moved into the upper-middle-income category (according to the World Bank's classification). On average, GDP per capita in developing economies roughly doubled between 2005 and 2025, and tripled in Asian countries.

One of the key factors in this resilience was the accumulation of international reserves. Over the period under review, the aggregate foreign exchange reserves of developing countries more than tripled. This allowed for the creation of a significant financial buffer, which enhances resilience to external shocks, expands the scope for independent economic policy, and strengthens the role of the Global South in the global financial system.

At the same time, countries have gained greater autonomy in choosing their development models. They have become more proactive in implementing their own industrial, infrastructure, and technology strategies, thereby reducing their reliance on recommendations from traditional Western institutions. This was particularly evident in the growing role of the state in investment activities: in a number of countries (including China, India, Vietnam, Indonesia, and Uzbekistan), the share of state investment exceeds 30%.

Case: AFC

The African Finance Corporation is an example of a Fourth Wave organization. The AFC is a multilateral financial organization, established in 2007 under an agreement among 46 sovereign African states. The AFC's mission is to promote economic growth and industrial development in African countries. The organization achieves this by developing and financing projects in infrastructure, natural resources, and industry, thereby boosting the productivity of African nations. As of early 2026, the total amount of disbursed financing stands at \$17 billion across 36 African countries. Capital is distributed among sovereign shareholders, financial institutions, pension funds, and other investors. The AFC ensures a return on investment. This distinguishes the AFC from the traditional MDB model. We include the AFC in the list of MDBs because the organization meets their core criteria.

Overall, the state has strengthened its position as a strategic investor and coordinator of economic development. This trend became particularly evident following the global financial crisis of 2008–2009, when many countries shifted to active countercyclical policies.

At the same time, dedicated development institutions emerged — regional banks and funds focused on financing infrastructure and supporting integration processes. Their objectives include strengthening ties among countries within specific subregions and, more broadly, among the nations of the Global South; expanding mutual trade and investment and reducing dependence on external sources of financing.

Recent initiatives confirm the enduring significance of multilateral development banks and funds: in 2023, an agreement was signed to establish the Turkic Investment Fund; in 2024, the African Energy Bank was established; and in 2025, plans were announced to create the SCO Development Bank.

4. HEADQUARTERS

The first multilateral development banks established their headquarters primarily in the United States and Western Europe. These included the IBRD (1944, Washington), the CEB (1956, Paris), the EIB (1958, Luxembourg), and the IDB (1959, Washington).

The year 1960 marked a turning point with the establishment of the Central American Bank for Economic Integration (CABEI) — the first multilateral development bank founded exclusively by developing countries and located in a shareholder country (Tegucigalpa, Honduras). In 1963, the International Bank for Economic Cooperation (IBEC) was established in Moscow.

Headquarters of **25** out of **37** MDBs
are located in countries
with developing economies

Subsequently, most new MDBs were established in developing countries, while instances of their establishment in the United States and Western Europe became rare (NIB — Helsinki, IDB Invest — Washington, NADB — San Antonio).

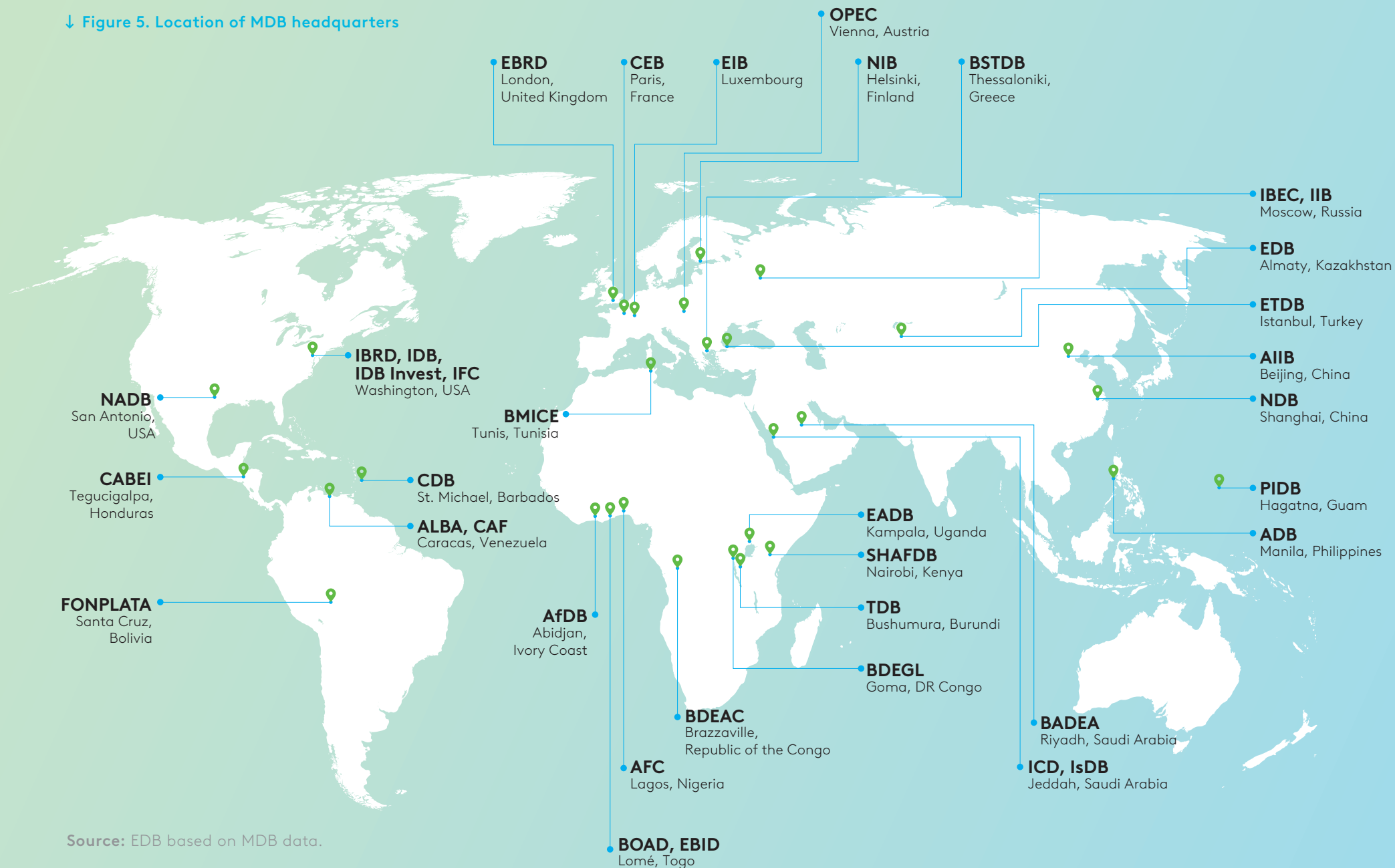
In terms of regional distribution, Africa leads with 10 MDBs. In Asia, despite the scale of its economy and population, there are 4 MDBs (ADB, AIIB, EDB, NDB).

Overall, 25 of the 37 MDB headquarters are located in developing economies, and their number will continue to grow. Such banks are typically controlled by borrowing countries, unlike MDBs in developed economies, which indicates a strengthening of their role and influence in the international financial architecture.

Case: ADB

When the Asian Development Bank (ADB) was established, the question of where to locate its headquarters was decided through a multi-stage voting process among the founding member countries. In December 1965, at a ministerial conference in Manila, 18 regional countries held three rounds of voting: in the first rounds, Tokyo (Japan) was in the lead but failed to secure a majority. In the final round, Manila (Philippines) received 9 votes against Tokyo's 8 (with one abstention) and was selected as the headquarters location. The decision was made by a narrow margin of one vote and was subsequently enshrined in the bank's founding documents.

↓ Figure 5. Location of MDB headquarters



Source: EDB based on MDB data.

5. SHAREHOLDERS

The shareholders of the first multilateral development bank, the IBRD, were initially exclusively sovereign states: from 44 countries in 1946 ([Mason, Asher, 1973](#)), their number grew to 189, effectively covering the entire world. In the number of shareholder countries, the IBRD remains the undisputed leader among MDBs. Its **classic shareholder model** provides for the participation of sovereign states only and the holding of a single class of shares with equal voting rights. This model remains widely used.

Although in the IBRD, as in the regional “legacy” MDBs, shares formally carry equal voting rights, by no means all shareholder countries are eligible for loans. Specifically, at the IBRD, only 86 of the 189 shareholder countries are borrowers, while another 44 low-income countries have received financing through the IDA, which is part of the World Bank Group ([IBRD, 2025](#)). In IBRD data, a distinction has emerged between **shareholder and donor countries** and borrower countries, based primarily on the level of average per capita income. Thus, if a country’s income exceeds the threshold of \$7,855 (in 2024 prices), the IBRD initiates the country’s transition to donor status and ceases lending ([World Bank, 2025](#)).

Smaller MDBs, seeking to attract external financing while limiting the influence of new participants on decision-making, have over time begun to adopt alternative capital structure models. These include, in particular, the division of shareholders into regional and non-regional countries, with restrictions on the latter’s shareholding and a ban on their access to loans, as seen in CAF, CDB, and CABEL, where non-regional participants typically act as donors ([Vinokurov et al., 2024](#)).

The shareholder base also began to include **international financial institutions** and authorized state-owned banks, including central banks, often with the allocation of separate classes of shares (BDEAC, BOAD, EADB). The most active institutional shareholder is the African Development Bank (AfDB), which as of 2024 held stakes in several other African MDBs.

Case: AfDB

In accordance with its policy, the African Development Bank may invest in the capital of private and public entities, as well as regional institutions, provided that its stake does not exceed 25% of the organization's capital. Such investments facilitate the inflow of external financing, enhance resource efficiency, and strengthen regional integration. The AfDB is a shareholder in the Africa Finance Corporation (\$65.4 million as of the end of 2024); the African Export and Import Bank (\$126.2 million); the East African Development Bank (25.7); the West African Development Bank (7.9); the Great Lakes Development Bank (4.5); and the Central African Development Bank (3.0). The total volume of such investments is limited to 15% of the AfDB's equity.

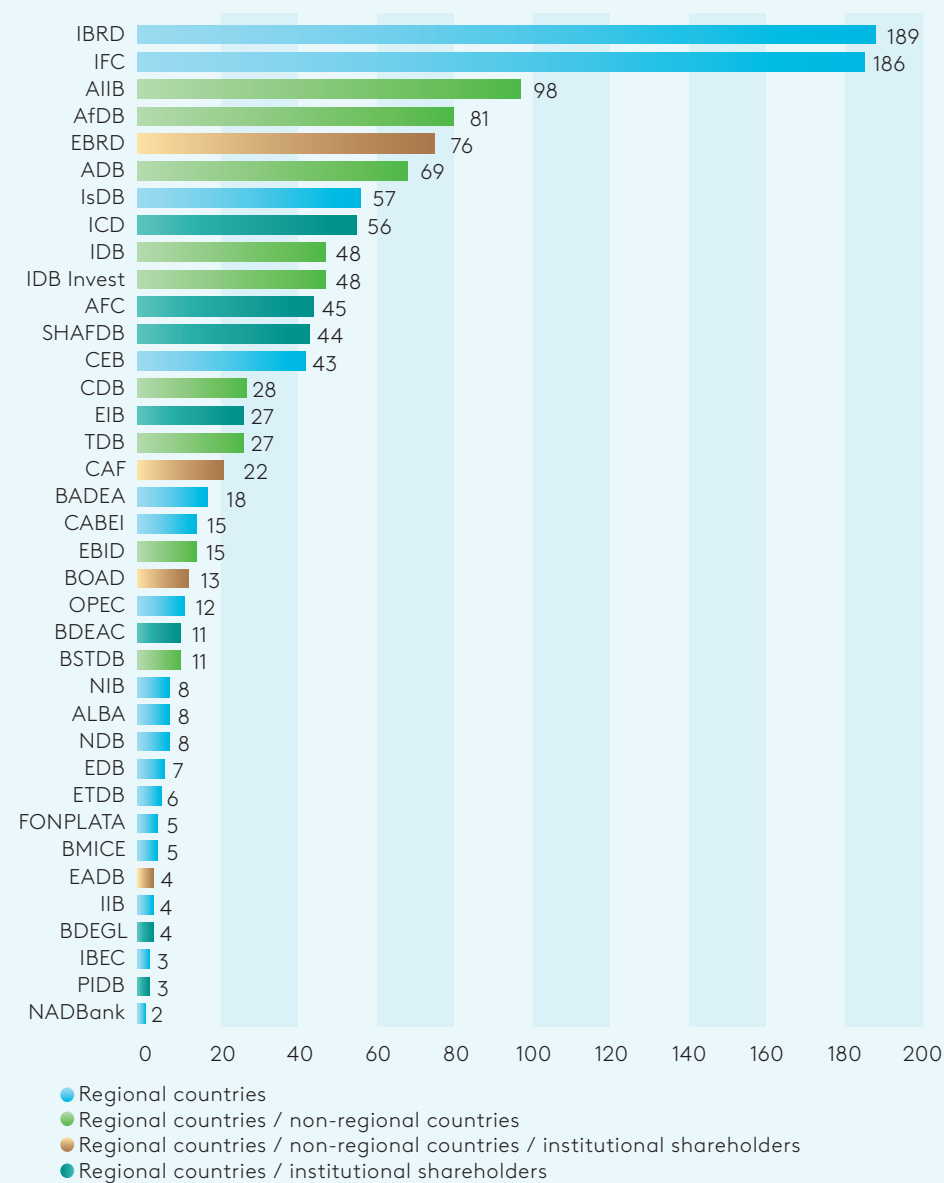
The **AFC** and **TDB**
make regular
dividend payments

The next stage in the evolution of the equity capital model was the attraction of **commercial institutional investors**, which required enhancing investment appeal, including through regular dividend payments, as African development institutions — the AFC and TDB — do. These innovations reflect African countries' desire to compensate for limited financial resources while retaining control over the institutions they have created. At the same time, the issuance of **hybrid capital** — non-voting instruments that combine the characteristics of shares and bonds — is developing.

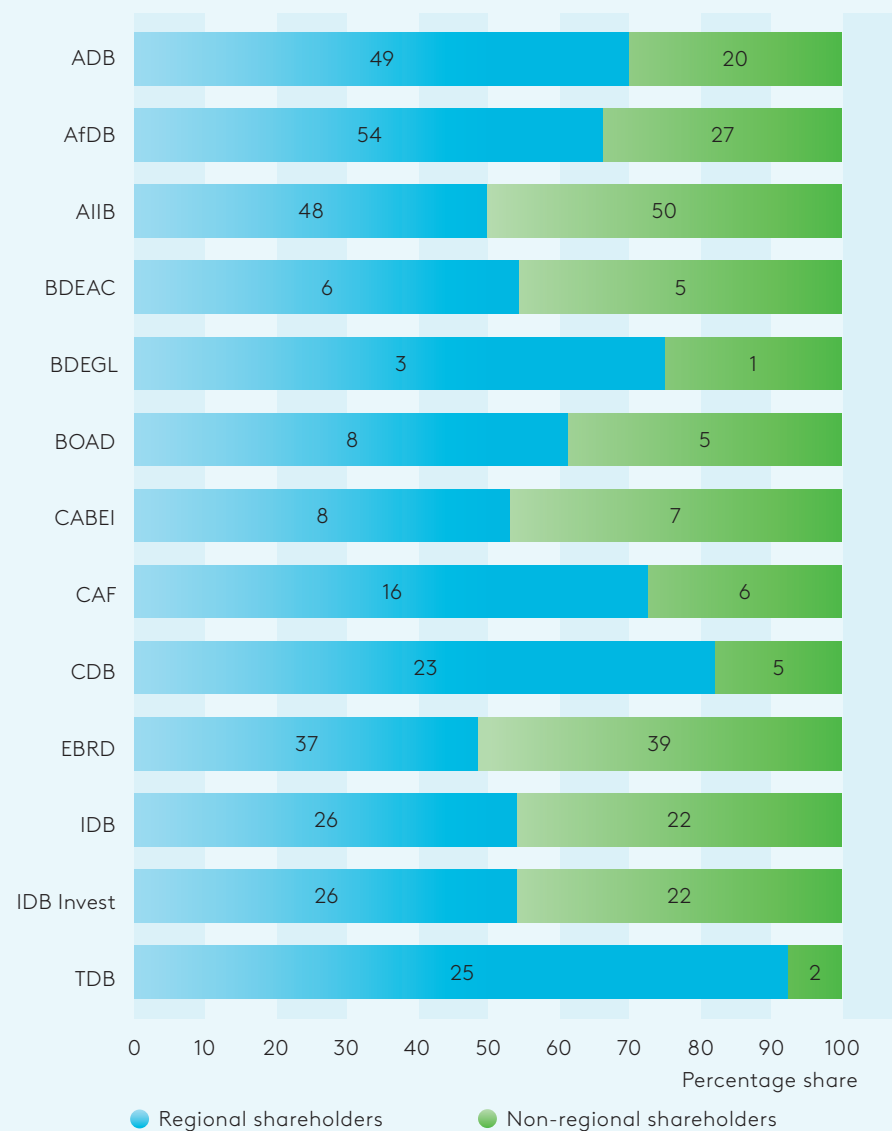
We see a structural contradiction between developing countries' growing need for investment from MDBs and the limited willingness of shareholder countries to increase their capital. This will continue to drive the search for mechanisms to raise capital without shareholder countries losing control.

MDBs will strive to strike a balance between regional and non-regional shareholders, attract institutional investors, and utilize new financial instruments, including hybrid capital.

↓ Figure 6. Number of sovereign shareholders



↓ Figure 7. MDBs with non-regional shareholder countries



Source: EDB based on MDB financial and annual reports.

6. CORPORATE GOVERNANCE

The corporate governance structure of MDBs is determined on a case-by-case basis by the founding countries. In practice, most MDBs use a **three-tier governance model** comprising the following bodies ([African Development Bank Group, 2018](#); [Prizzon et al., 2022](#)):

1. Board of Governors
2. Board of Directors
3. Executive Body (Head of the Bank/Management)

The highest governing body of an MDB in such a system is most often called the Board of Governors. Other names are also used, such as the General Assembly of Shareholders (AFC, BDEAC, CAF), the Ministerial Council (BOAD, OPEC Fund), or the Governing Council (CEB, EADB). Regardless of the name, this body brings together representatives of all MDB shareholder countries and makes decisions on key strategic and institutional issues, including, in particular:

- admission of new members to the organization;
- increasing the authorized capital and other matters affecting the bank's operational framework.

Members of the Governing Council are typically the finance or economy ministers of the member countries. Board meetings are held relatively infrequently — usually once a year. Consequently, a significant portion of managerial authority is delegated to the next level, the Board of Directors, which provides overall guidance on the bank's day-to-day operations and makes key operational and strategic decisions.

At a number of major MDBs, the Board of Directors operates under a **resident model**. This means that its members work on a full-time basis at the bank's headquarters and are remunerated from the MDB's budget. However, most development banks prefer a **non-resident Board of Directors model**, in which its members meet exclusively for sessions, and the Board's primary focus is on strategic issues.

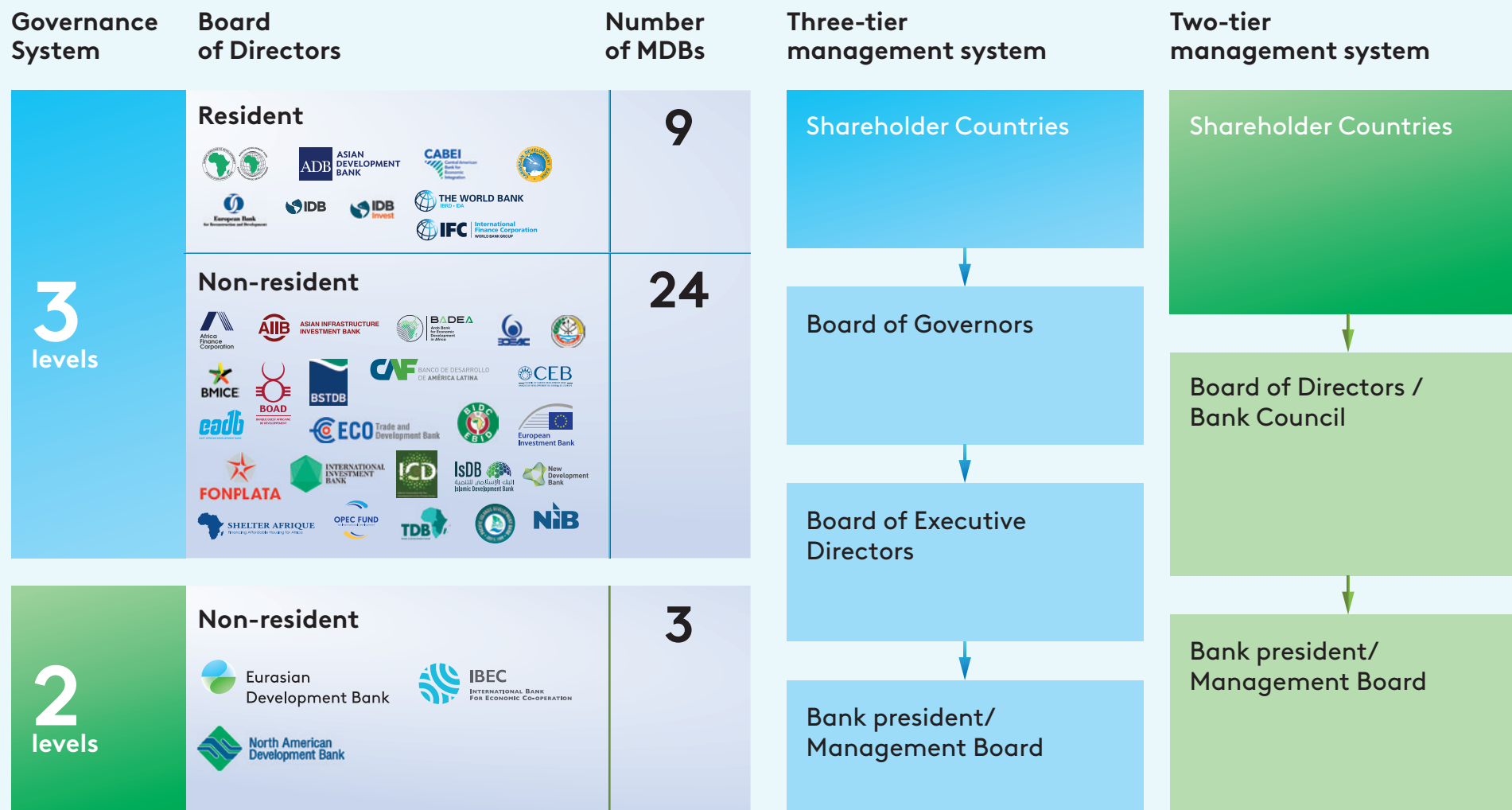
MDBs with a limited number of shareholder countries use **a two-tier governance model**. In this model, there is no Board of Governors, and shareholders are represented directly on the Board of Directors, which serves as the highest governing body. A two-tier governance model is applied in: the IBEC, EDB, and NADB. In the first two cases, the supreme governing body is called the Bank's Board. Operational management of the MDBs is carried out by the bank's executive bodies, headed by the bank's presidents.

The two-tier governance model of the MDB has several advantages over the three-tier model: it reduces bureaucratic procedures, speeds up the decision-making process, and strengthens interaction between the bank's executive bodies and shareholders.

Case: ADB

The Asian Development Bank's governance structure consists of the Board of Governors and the Board of Directors. The highest governing body is the Board of Governors, which includes one representative from each member country. According to the ADB Charter, all powers of the Bank rest with the Board of Governors: matters of membership, capital, and key institutional decisions. Executive management is carried out by the Board of Directors, which operates on a full-time basis (resident model). It consists of 12 directors representing groups of countries. The Board of Directors approves the Bank's projects, strategies, budget, and policies. The ADB President, elected by the Board of Governors, oversees operational activities and chairs the Board of Directors, ensuring the implementation of shareholder decisions.

↓ Figure 8. Corporate Governance Models at the MDB



Source: EDB based on MDB data.

7. GEOGRAPHY OF OPERATIONS

Despite their common operating principles, multilateral development banks differ significantly in the geographic scope of their operations. The region of operation is typically specified in their founding documents and is often reflected in the bank's name (for example, the Asian Development Bank or the Black Sea Trade and Development Bank). Based on the breadth of their geographic coverage, MDBs can be classified into four categories: global, interregional, regional, and subregional.

Only three institutions are classified as global MDBs: the **IBRD, IFC, and EIB**

1

Only three institutions are classified as **global** MDBs: the IBRD and IFC from the World Bank Group, as well as the European Investment Bank (EIB). Although approximately 90% of the EIB's portfolio is concentrated in EU countries, its significant operations outside the EU, covering all major macro-regions of the world, allow it to be classified as a global institution.

2

Interregional (cross-regional) MDBs operate in two or more macro-regions, but are smaller in scale and cover fewer countries than global institutions. The introduction of this category reflects the evolution of the MDB system. The most telling example is the New Development Bank (NDB): its portfolio covers only six countries, but they are located in Asia, Africa, Europe, and South America. Given the NDB's significant financial resources, classifying it as a subregional bank would be incorrect.

It is also appropriate to include the AIIB, the OPEC Fund, the IsDB, the ICD, and the EBRD in the interregional category; the EBRD has in recent years gone beyond its original regional mandate, expanding its operations to Africa and the Middle East.

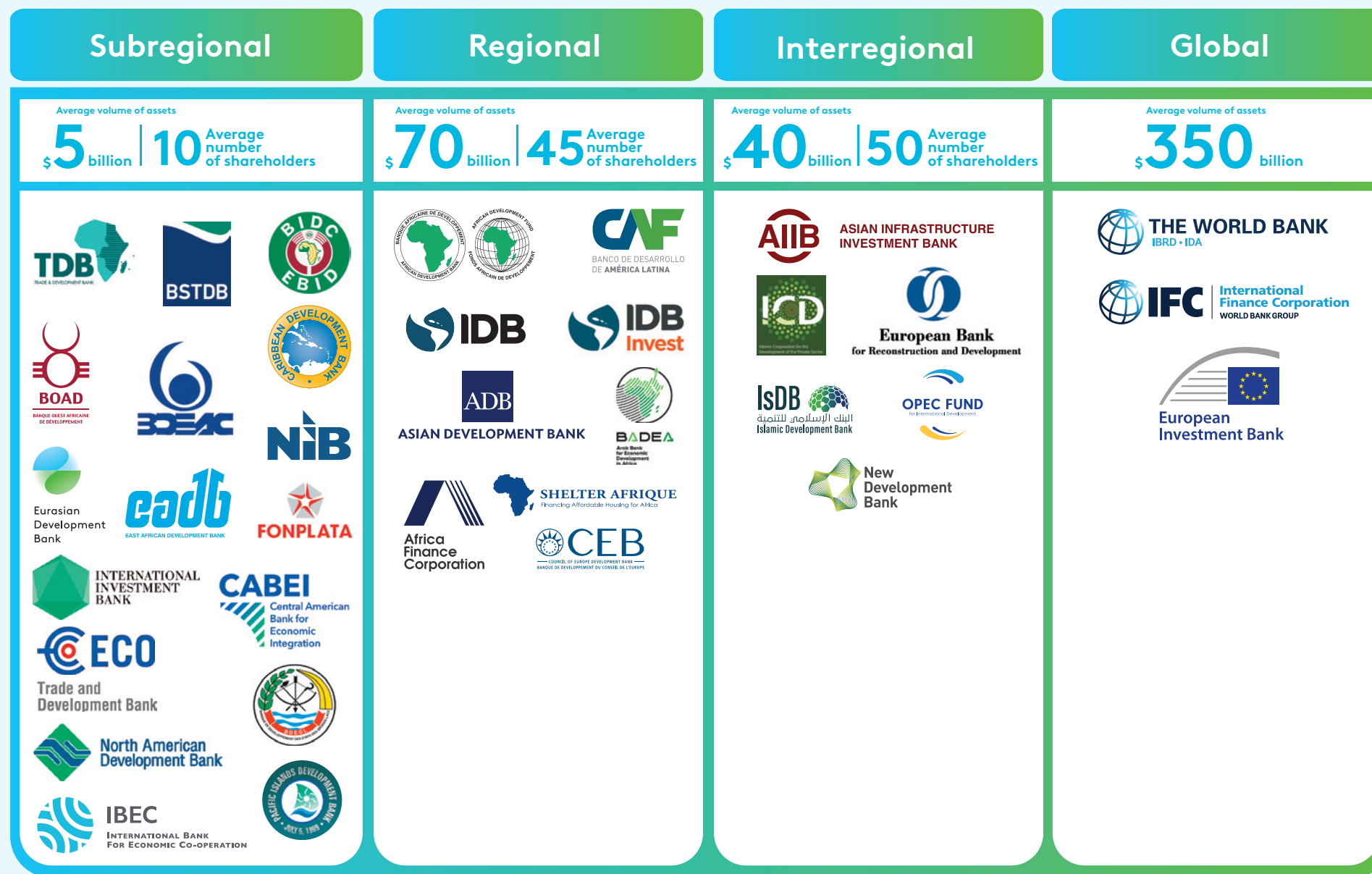
3 **Regional** MDBs operate in most countries within a single macro-region. These include traditional (“legacy”) development banks — the ADB, AfDB, and IDB — as well as the AFC, CAF, and CEB. Despite its smaller scale, the specialized SHAFDB is also included in this group, as it covers the main subregions of Africa.

4 Most MDBs fall into the **subregional** category. Although their financial resources are limited compared to larger MDBs, such institutions often play a significant role as instruments of economic integration and development within specific subregions.

Case: EIB

The European Investment Bank directed approximately 90% of its financing to EU member states in 2025. 10% of EIB operations are directed to non-EU countries (more than 160 countries) through the EIB Global channel. The largest volume of investments went to Sub-Saharan Africa (€2.0 billion), North Africa and the Middle East (\$1.6 billion), the Asia-Pacific region (€1.3 billion), and Latin America and the Caribbean (\$1.2 billion).

↓ Figure 9. Geography of MDB Operations



Source: EDB based on MDB data.

8. MANDATES AND MISSIONS

The mandate of an MDB is the institution's key objectives and functions. The mandate is set forth in **the founding agreement** and changes only very rarely, while its practical implementation is detailed in strategic documents.

MDBs' mandates are unique, yet they are united by a common commitment to **the sustainable socioeconomic development** of the countries where they operate. An important element of many MDBs' mandates is also the promotion of economic **cooperation and integration** among member countries. This reflects the historical origins of a number of MDBs as financial institutions of integration associations. For example, the EIB was established as the bank of the European Economic Community, and CABI explicitly enshrined an integration objective in its name. Currently, the number of MDBs associated with intergovernmental integration associations is significant (EIB, CABI, BOAD, EBID, ETDB, and others).

Alongside their core objectives, the mandates of individual MDBs include additional priorities. For instance, the IBRD and ADB emphasize poverty eradication, while the AFC, AIIB, NDB, and NADB view infrastructure investment as a key area of activity. Some MDBs have more specialized mandates: the EBRD focuses on supporting the transition to a market economy, the Islamic Development Bank (IsDB) operates in accordance with Sharia principles, and the SHAFDB concentrates on housing development in Africa. In general, **the breadth of MDBs' objectives** typically distinguishes them from highly specialized development institutions.

↓ Figure 10. Word cloud based on an analysis of MDB mandates



Note: Prepared based on an analysis of the statutory documents of 33 MDBs. The size of each word reflects its frequency of mention in the documents.

Source: EDB based on MDB data.

↓ Table 1. Mandates and missions of selected MDBs

EIB. To promote the balanced and sustainable development of the internal market in the interests of the EU by raising funds on capital markets and utilizing its own resources.

IBRD. To assist middle-income and creditworthy low-income countries in reducing poverty and addressing regional and global challenges.

EBRD. To promote the transition to open market economies and encourage private and entrepreneurial initiative in the countries of Central and Eastern Europe committed to the principles of multiparty democracy, pluralism, and a market economy.

AIIB. To promote sustainable economic development, wealth creation, and improved infrastructure connectivity in Asia through investments in infrastructure and other productive sectors.

CAF. To support countries in Latin America and the Caribbean and contribute to improving the quality of life in the region.

NIB. To increase productivity and improve the environment in the Nordic and Baltic countries.

CEB. To promote social cohesion in Europe, defined as “the ability of a society to ensure the well-being of all its members.”

IsDB. To promote economic development and social progress in member countries and Muslim communities, both individually and collectively, in accordance with the principles of Sharia.

CABEI. To promote economic integration and balanced economic and social development in the Central American region.

AFC. To promote economic growth and industrial development in African countries, while ensuring competitive returns on investment for its shareholders.

OPEC Fund. To stimulate development, strengthen communities, and empower people in low- and middle-income countries around the world.

TDB. To finance and promote trade, regional economic integration, and sustainable development in Eastern and Southern Africa.

BOAD. To promote the balanced development of member states and the achievement of economic integration in West Africa.

EDB. To contribute to the establishment and development of market economies in member states, their economic growth, and the expansion of trade and economic ties among them through investment activities.

FONPLATA. To support the integration, as well as the harmonious, inclusive, and sustainable development of member countries through the efficient and effective use of financial and non-financial resources.

NADB. To support the development and implementation of environmental infrastructure projects aimed at preserving, protecting, and improving the environment of the border region to enhance the well-being of the populations of the United States and Mexico.

SHAFDB. To promote and finance housing construction, urban development, and related infrastructure.

EBID. To promote the achievement of ECOWAS’s objectives by supporting infrastructure projects related to regional integration, as well as any other development projects in the public and private sectors.

9. CREDIT RATINGS

The ability of multilateral development banks to attract low-cost long-term financing depends directly on their credit rating. The largest MDBs strive to maintain the highest rating — AAA/Aaa — which ensures sustained access to capital markets even during periods of crisis and simultaneously limits the expansion of lending given the available capital (CEB, 2025).

12 out of 37 MDBs
have the highest credit ratings

As of mid-2025, **12 MDBs had the highest rating** from at least one of the three leading agencies (S&P, Moody's, Fitch). Their ratings generally align. The only exception is IDB Invest, which holds an AAA rating from Fitch and AA+ ratings from S&P and Moody's. These banks form the "top tier" of the MDB system and, as a rule, have successfully maintained the highest ratings for decades, despite occasional temporary downgrades (AfDB, CEB).

The high credit ratings of leading MDBs are driven by a number of factors (S&P Global Ratings, 2024; Humphrey, 2017):

1

Their **conservative financial policy** plays a key role: low leverage and substantial liquidity reserves. For example, at the end of 2024, the median leverage ratio for the 30 largest commercial banks stood at 16.4, whereas for the highest-rated MDBs was only 3.7.

2

The highest **leverage** among MDBs with the highest credit ratings are characteristic of the EIB, CEB, and NIB (Figure 22). What they have in common is a focus on EU countries, where borrowers' credit risks are significantly lower than, for example, in African economies. This allows these MDBs to employ higher leverage without compromising their credit ratings.

3

An equally important factor is the high likelihood of **support from shareholder countries**, which stems from the political significance of MDBs and the participation in their capital of states with high credit ratings and substantial financial resources. For most leading MDBs, such support is formalized as callable capital, the amount of which significantly exceeds paid-in capital.

MDBs with lower ratings are characterized by greater variability in both the level and dynamics of their ratings. A significant group of banks has ratings 1–2 notches below the maximum, including BADEA, CDB, NDB, and the OPEC Fund. CAF and CABEL stand out, having demonstrated a significant improvement in their ratings in recent years, while a number of MDBs (BSTDB, ICD) have seen the opposite trend.

Currently, the differences in ratings agencies' assessments of MDBs generally do not exceed one notch.

Case: CABEL

In 2002, S&P Global Ratings assigned the Central American Bank for Economic Integration an investment-grade rating of “BBB-” for the first time. Since then, the agency’s rating has been upgraded eight times, reaching “AA+” in 2025. Factors contributing to this included: strong shareholder support; the involvement of non-regional countries with high ratings; a low proportion of non-performing assets; high liquidity; expansion of the geographic scope of operations; effective risk management systems; and high institutional significance for the region.

↓ Figure 11. Credit ratings of MDBs

	S&P Global FitchRatings	MOODY'S	S&P Global	MOODY'S	FitchRatings
AAA / Aaa			ADB ASIAN DEVELOPMENT BANK AIIB ASIAN INFRASTRUCTURE INVESTMENT BANK CEB European Bank for Reconstruction and Development European Investment Bank THE WORLD BANK IDB IsDB		
			IFC International Finance Corporation NIB	IFC International Finance Corporation NIB	IDB Invest
AA+ / Aa1			IDB Invest New Development Bank OPEC FUND	North American Development Bank IDB Invest	OPEC FUND
AA / Aa2			CABEI CNF DEVELOPMENT BANK OF LATIN AMERICA		North American Development Bank New Development Bank
AA- / Aa3			CABEI CNF DEVELOPMENT BANK OF LATIN AMERICA		CNF DEVELOPMENT BANK OF LATIN AMERICA
A+ / A1					ICD
A / A2			eadb FONPLATA Development Bank ICD	FONPLATA ICD	
A- / A3				Africa Finance Corporation	
BBB+ / Baa1				BOAD BSTDB	
BBB / Baa2			BSTDB	BSTDB	BOAD
BBB- / Baa3				eadb	
BB+ / Ba1				TDB	
BB / Ba2					TDB
B / B2				BIOCEBIO	BIOCEBIO

Source: EDB based on MDBs' data.

10. SOVEREIGN AND NON-SOVEREIGN FINANCING

The operations of multilateral development banks are divided into sovereign and non-sovereign, depending on whether there are **government guarantees**. This distinction is key to the MDB operating model.

Sovereign financing is significantly less risky, which allows MDBs to maintain a higher credit rating. It also determines the sectoral structure of the portfolio: projects in the social sector, as a rule, are not **commercially viable** and are therefore almost always financed under sovereign guarantees.

The low default rate on such operations allows the IBRD to apply similar, and in some cases identical, **interest rates** to all borrowing countries.

Case: IBRD

Countries borrowing from the International Bank for Reconstruction and Development are classified into four groups (A through D) based on their per capita income. However, the cost of borrowing varies only slightly across these groups: the margin on long-term loans for Group D countries exceeds that for Group A countries by only 65 basis points (IBRD, 2025).

Sovereign and non-sovereign financing require different types of **expertise**. In the former, the analysis of public finances and the socio-economic impacts of projects is of key importance; in the latter, financial sustainability, risks, and the return on specific investments are paramount.

Based on portfolio structure, MDBs can be divided into three groups: banks specializing in sovereign financing (over 70% of the portfolio), those specializing in non-sovereign financing (less than 30%), and MDBs with a mixed portfolio.

- The first group includes the IBRD, the largest regional banks, as well as the AIIB and the NDB;
- The second group includes the IFC, EBRD, IDB Invest, ICD, as well as the EIB and NIB;
- The third group consists mainly of African MDBs.

African MDBs are characterized by a relatively high share of sovereign portfolios, which is due to a number of factors:

- 1 The needs of the shareholder countries. Despite the relatively low credit ratings of the African MDBs themselves, they generally exceed the ratings of the borrowing countries.
- 2 Support for African MDBs from larger MDBs and development institutions plays a significant role. For example, in the case of the EADB, such sources accounted for about 90% of funds raised in 2023–2024, which allows it to maintain a relatively low cost of funding at 6–7%.
- 3 A significant portion of sovereign financing is directed toward low-risk projects, in particular investment and trade projects that generate foreign exchange earnings.

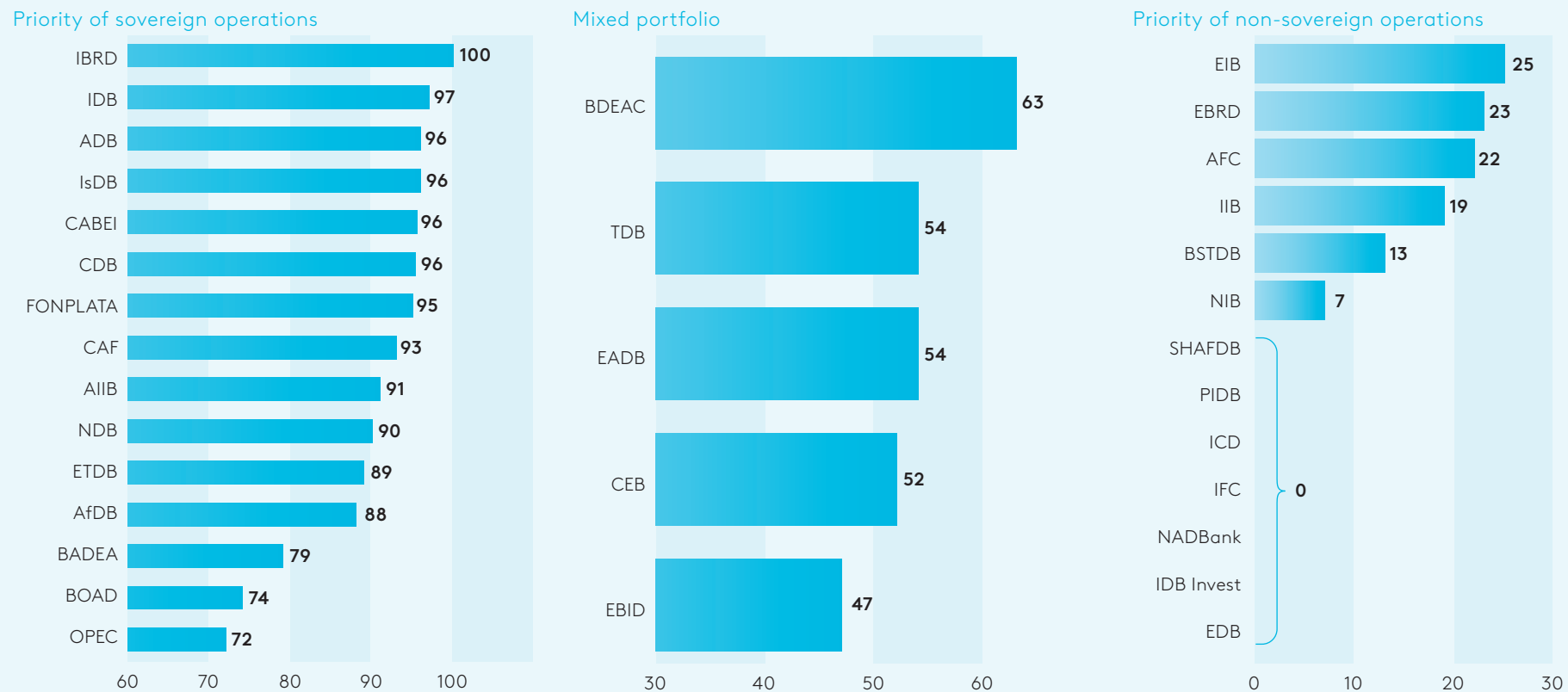
The observed growth in the prosperity of developing countries is accompanied by increased demand for non-sovereign operations. Improvements in the institutional environment are creating a broad foundation for the implementation of non-sovereign projects.

As macroeconomic stability and the maturity of national economies improve, the quality of economic growth increases and the predictability of economic policy improves. This creates favorable conditions for the development of the private sector and the expansion of non-sovereign financing instruments.

Non-sovereign investments have a broad impact on economic development. They contribute not only to the expansion of the private sector but also to the formation of domestic financial markets and the development of institutional investors. Unlike sovereign borrowing, such investments do not place a burden on the state budget. Furthermore, non-sovereign projects act as a catalyst for attracting private capital, stimulate competition and the adoption of innovations, and enhance the overall investment attractiveness of the economy.

We expect the volume of non-sovereign financing in developing countries to grow at a faster pace than sovereign financing.

↓ Figure 12. Share of sovereign financing in MDB portfolios in 2023–2024, %



Source: EDB based on MDBs' financial and annual reports.

11. INVESTMENT INSTRUMENTS

To fulfill their mandates, multilateral development banks use a range of investment instruments, the key ones being **loans, guarantees, equity investments, and debt securities** (Puerta et al., 2023).

Loans account for more than

80% of the investment portfolios of most MDBs

In terms of transaction volume, loans dominate the portfolios of all MDBs. **Loans make up more than 80%** of the investment portfolios of most MDBs (AFDB, 2018), while other instruments play a significant role only at a limited number of banks specializing in working with the private sector. Thus, private-sector-oriented banks (EBRD, IFC, IDB Invest) rely more heavily on **equity and debt instruments**. MDBs also provide trade finance instruments (loans, guarantees) to support the private sector's export and import activities.

Loans

Loans, as the primary instrument of MDBs, are divided into three main types. **Program loans** are intended to finance government programs in the areas of governance, health, and education. They are provided for long terms backed by sovereign guarantees.

For example, at the IBRD in 2024, they accounted for about 60% of approved financing. **Project loans** are used to implement investment projects and are the main type of MDB financing. They can be provided as both public and private borrowers, with or without a sovereign guarantee. A separate category consists of **lending to financial institutions** that act as intermediaries in financing small and medium-sized businesses.

Debt Securities

MDBs regularly purchase significant volumes of reliable debt securities (bonds) to invest temporarily available funds as part of treasury operations. Within their investment portfolios, the volume of bond investments is significantly lower. As a rule, MDBs purchase bonds for investment purposes on the primary market. They often act as anchor investors during placements, which helps attract other market participants.

MDBs actively invest in thematic bonds, including green (environmental), social, and sustainable development bonds. MDBs focused on non-sovereign financing are the most active in bond transactions. For example, bonds accounted for 18% of the IFC's investment portfolio as of the end of 2024.

Documentary operations

Documentary operations are instruments through which MDBs mitigate the risks of international trade transactions. These include banking services such as guarantees and letters of credit, which facilitate settlements between buyers and sellers.

The primary objective of documentary operations is to ensure reliable fulfillment of contractual obligations by the parties and protection against the risks of non-payment or non-delivery of goods. Such operations typically account for a relatively small share of total MDB financing.

Among MDBs actively using these instruments, the AfDB stands out: in 2020–2024, the volume of guarantees provided amounted to about 12% of the total approved financing.

Equity investments (equity participation)

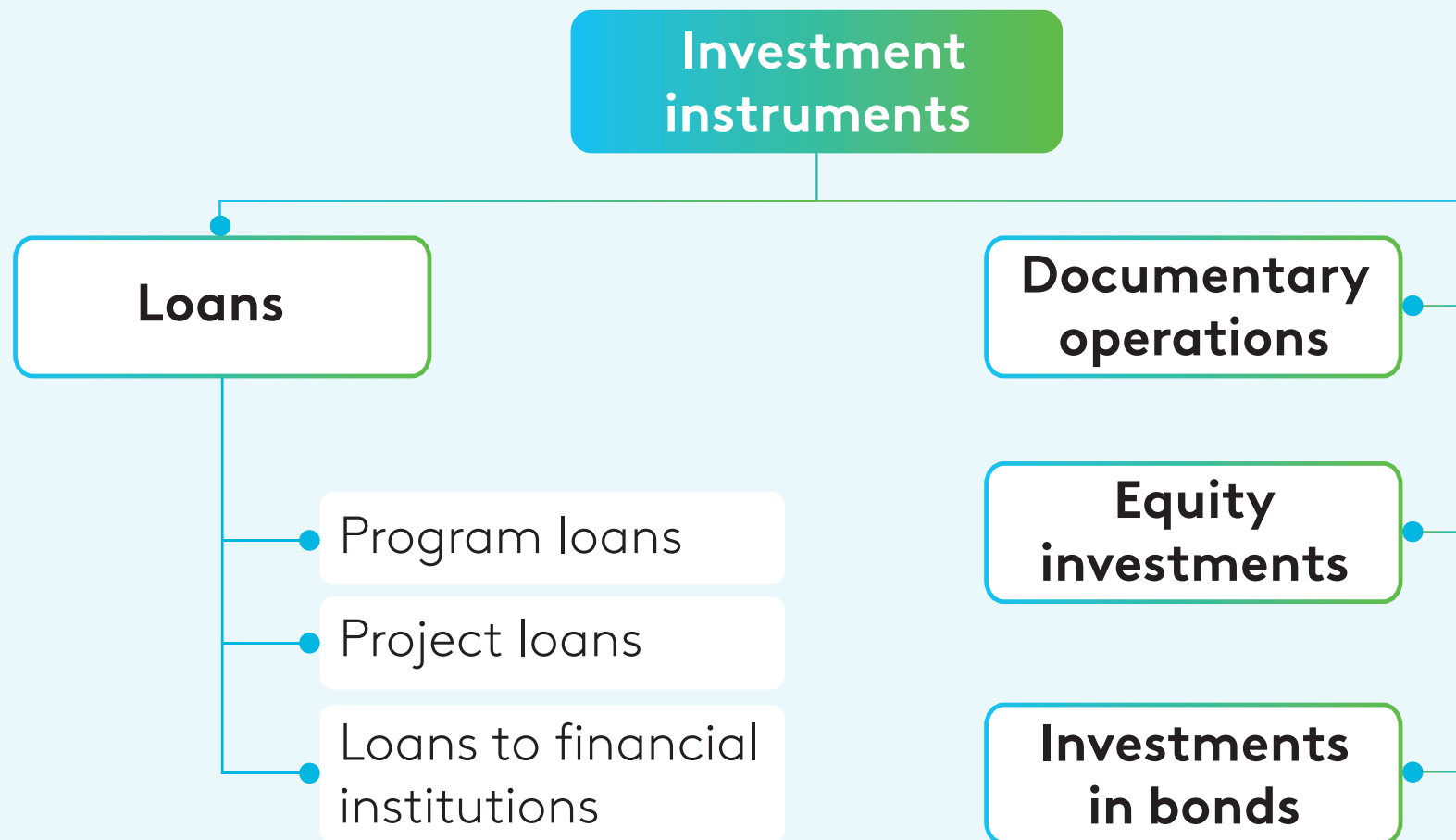
Equity investments are more characteristic of MDBs focused on working with non-sovereign borrowers. Such investments can be broadly divided into non-commercial and commercial, depending on their objectives.

Non-commercial investments are aimed at supporting organizations and developing projects, whereas commercial investments are profit-driven and typically involve a subsequent exit from the investment.

Typically, private equity firms acquire a minority stake in a company and secure representation on the board of directors. As a rule, they purchase newly issued shares, and the funds raised are directed toward the company's development, which brings the role of private equity firms closer to that of investment funds.

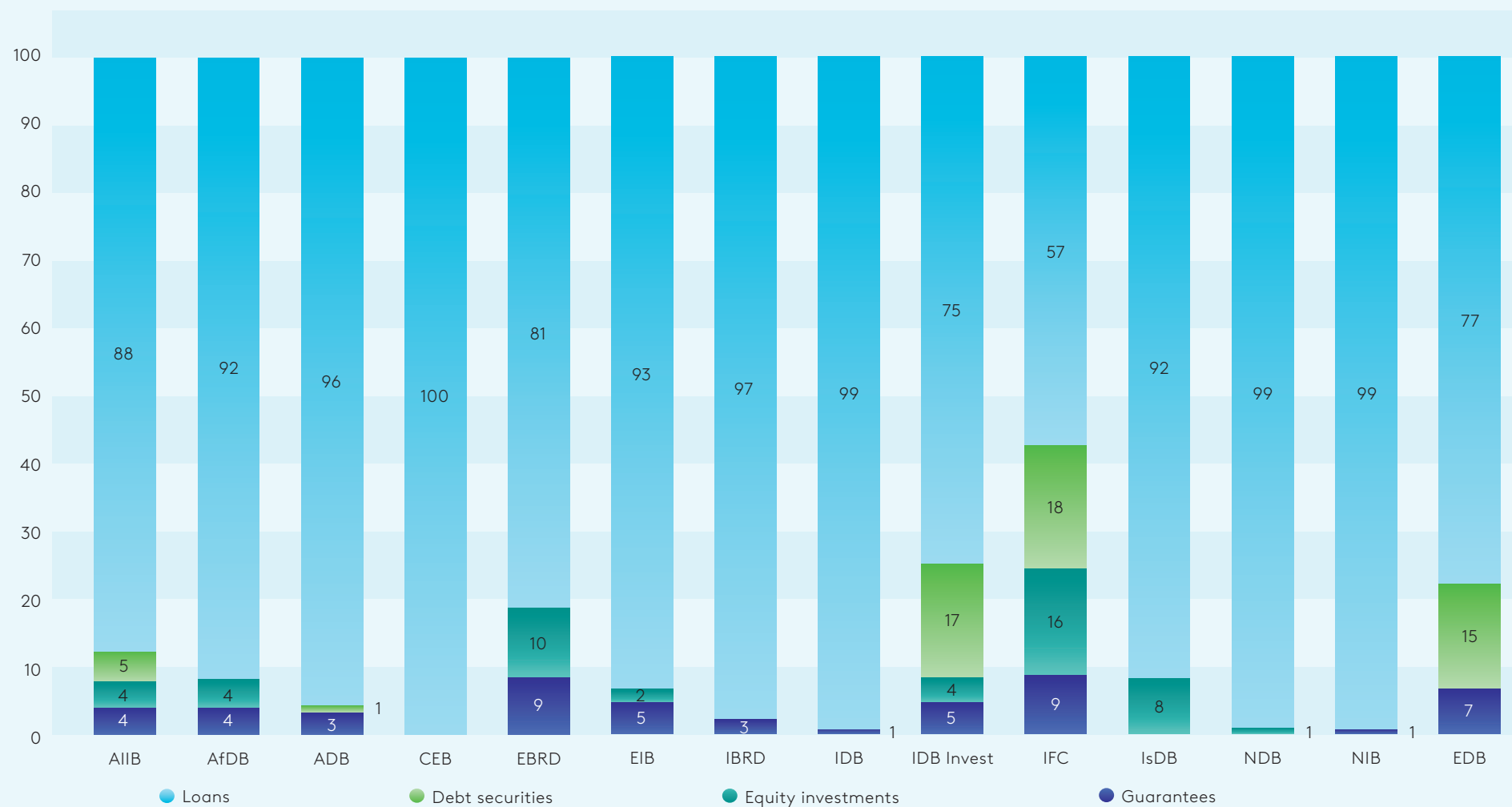
Equity investments are riskier than lending or bond investments, so their share in portfolios is low. Among the largest MDBs, the largest share of such investments is observed at the IFC and the EBRD — 16% and 10% of investment portfolios, respectively, as of the end of 2024.

↓ Figure 13. Investment instruments of MDBs



Source: EDB.

↓ Figure 14. Structure of investment instruments in the portfolios of selected MDBs in 2024, %



Source: CEB (2025), MDBs' annual and financial reports.

12. NON-INVESTMENT TRIAD

The ultimate goal of multilateral development banks is the development of human capital. Education and public health are key factors that directly influence labor productivity and long-term economic growth.

Multilateral development banks have played an active role for many years in supporting the social sector of countries by financing programs and projects. MDBs are also increasingly positioning themselves as “knowledge banks.” To this end, they create intellectual products. They serve as a bridge between knowledge and investment, laying the groundwork for subsequent financing.

To analyze MDB instruments that contribute to state capacity-building, we introduce the term “non-investment triad.” This triad consists of three major components:

1. Technical assistance.
2. Analytics and research.
3. Training programs.

Instruments of the “non-investment triad” cover pre-project preparation, investment project support, analytical and advisory services, and capacity-building programs. Their key objectives are to develop human and institutional capacity, prepare and improve the quality of investment projects, and support government policy.

Such expenditures can account for a significant portion of the budget of multilateral development banks. For example, the World Bank allocates substantial resources to advisory and analytical services.

Case: World Bank

The World Bank’s non-investment instruments are grouped under the category Advisory Services and Analytics (ASA). This is a system of advisory and analytical support aimed at improving the quality of decision-making and reforms in countries without providing direct financing. It includes the preparation of analytical products, the provision of advisory services, knowledge transfer, and training. More than 1,000 ASA products are delivered annually. From 2013 to 2022, ASA expenditures ranged from \$0.5 billion to \$0.8 billion, representing approximately 40–50% of the Bank’s total project expenditures (World Bank, 2022).

1

Technical Assistance

Technical assistance falls into two main categories. The first is directly linked to specific investment projects and includes, in particular, support for structuring and preparing investment projects for financing. The second category is broader in scope and aims to strengthen institutional capacity, for example, by developing public-private partnership mechanisms or modernizing the financial market infrastructure of MDB member countries. In Latin America, CAF approved more than 300 TA operations in 2024 totaling over \$150 million, aimed at infrastructure development, digitalization, and institutional strengthening. CABEL uses technical cooperation as a “project incubator”: in 2024, approved initiatives worth \$11.2 million facilitated the preparation of projects with potential financing of over \$1.7 billion. The CDB applies technical cooperation to climate projects and reforms, including legislative development and support for SMEs.

2

Research

Multilateral development banks are actively engaged in research, generating public goods. They possess significant in-house analytical and expert capacity at both regional and country levels. MDBs’ research activities focus on generating new knowledge on key development issues, including macroeconomics, economic growth, the financial sector, infrastructure, the environment, trade, and public governance. Another important part of this work is the creation and maintenance of long-term databases, which play a vital role in improving the effectiveness of public administration and analyzing socio-economic processes in shareholder countries. The publicly available databases of the IBRD and the IMF serve as a universal source of global macroeconomic and financial statistics. Smaller development institutions also collect information and maintain databases that are typically focused on specific regions or groups of countries.

Case: EDB

EDB supports the development of all components of the “non-investment triad.”

(1) Technical assistance. Since 2008, EDB has operated the Technical Assistance Fund (TAF), which finances the preparation of investment projects and initiatives to enhance the investment attractiveness of the Bank’s member countries. As of the end of 2025, 135 projects totaling \$22 million had been financed from TAF funds. The TAF budget is formed annually from the Bank’s net profit and targeted contributions from partners.

(2) Research. EDB is one of the leaders in applied economic analysis in the Eurasian region. The Bank’s main areas of analytical work include macroeconomic, integration, and sectoral analysis, as well as analysis of the activities of international financial institutions. The Bank prepares more than 400 analytical materials annually, including presentations, briefs, reports, working papers, sectoral assessments, and more.

(3) Training programs. In 2025, EDB established its own Academy for representatives of government agencies, the business community, financial institutions, and the expert community. In the Academy’s first year of operation, more than 200 people completed various training programs. The main topics of the training programs include: the activities of MDBs, project financing, regional development, and cooperation in key economic sectors — industry, the water and energy sector, logistics, and others. In 2026, the Academy’s digital counterpart — the EDB Digital Academy — began operations, offering free online courses and webinars.

3

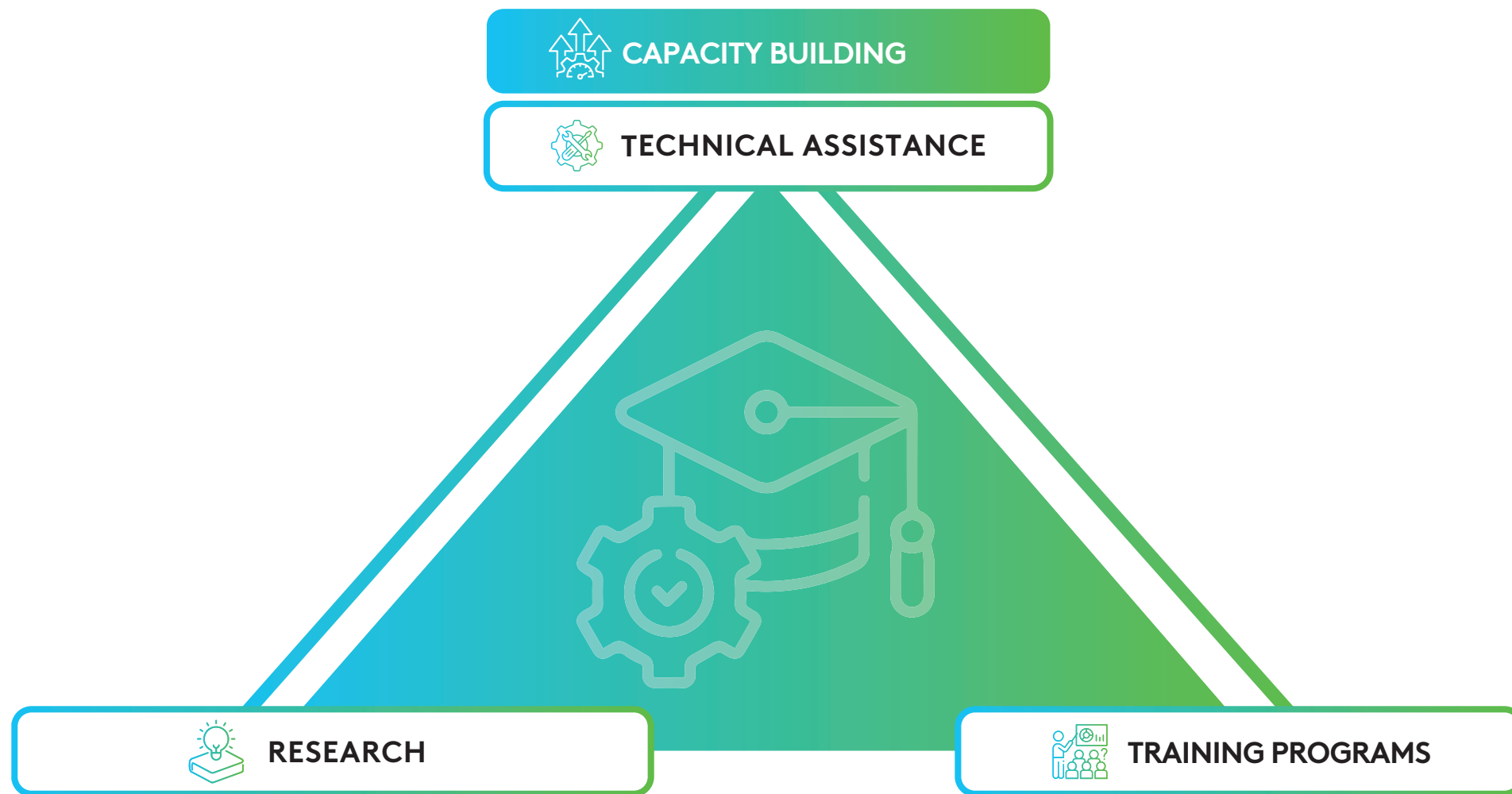
Training Programs

These are specialized educational initiatives — academies, institutes, courses, and platforms — created by MDBs to build the human and institutional capacity of partner countries. These programs are integrated with research activities, technical assistance, and investment projects, creating synergies and enhancing the Bank’s development impact.

The main objectives of training programs include knowledge transfer, enhancing the competencies of civil servants and specialists, reducing project risks, and disseminating international standards and best practices. Training enables borrowing countries to use the provided financial resources more effectively and implement development projects.

The target audience consists of government agencies, MDB partners, the private sector, and the general public. Modern programs actively utilize digital technologies — online courses, distance learning platforms, and artificial intelligence tools — making them scalable and accessible ([Vinokurov et al., 2026](#)).

↓ Figure 15. The triad of MDB non-investment instruments



Source: EDB.

13. KEY PERFORMANCE INDICATORS

↓ Table 2. Key performance indicators of the MDB system in 2024, \$ millions

MDB	Assets	Equity	Paid-in capital	Approved Investment
ADB	314,602	56,435	6,928	24,005
AFC	14,407	3,875	1,601	—
AfDB	55,391	15,958	9,633	7,265
AIIB	57,116	22,458	19,408	8,412
BADEA	6,553	5,780	5,000	2,467
BDEAC	1,569	581	192	303
BDEGL*	65	56.3	32	7
BOAD	6,166	1,979	624	1,493
BSTDB	1,915	926	713	431

MDB	Assets	Equity	Paid-in capital	Approved Investment
CABEI	18,239	5,030	1,536	2,229
CAF	56,460	15,989	5,826	15,856
CDB	2,017	908	388	304
CEB	40,115	4,903	1,835	4,535
EADB	506	349	277	111
EBID	1,930	613	562	633
EBRD	89,831	26,301	7,727	17,228
EDB	5,995	2,267	1,516	2,384
EIB	578,088	86,853	23,054	79,594

MDB	Assets	Equity	Paid-in capital	Approved Investment
ETDB*	663	625	426	175
FONPLATA	3,177	1,750	1,321	765
IBEC	505	221	208	—
IBRD	372,323	64,718	22,762	37,568
ICD	3,625	1,200	1,590	633
IDB	155,368	40,390	11,854	12,165
IDB Invest	12,801	3,695	2,711	6,463
IFC	112,295	38,616	23,406	31,654
IIB	1,179	344.5	112	—

MDB	Assets	Equity	Paid-in capital	Approved Investment
IsDB	38,760	15,636	9,735	5,106
NADB	2,402	868	506	362
NDB	31,536	12,239	10,129	4,511
NIB	44,781	4,730	879	5,216
OPEC Fund	9,434	6,636	2,642	2,332
PIDB*	20	16.8	16	4
SHAFDB	209	173	133	77
TDB	9,908	2,304	603	366
35 MDB	2,049,950	445,424	175,884	274,654

Notes:

"—" Data not published.

BMICE and Banco del ALBA do not publish data.

* Approved investments by BDEGL, ETDB, and PIDB are shown for 2023.

Source: EDB, based on the MDBs' financial and annual reports.

14. ASSETS

The total assets of multilateral development banks stood at **\$2.0 trillion** as of the end of 2024. A bank with such assets would rank 13th among the world's largest banks. The three largest MDBs — **the EIB, IBRD, and ADB** — dominate the system, accounting for about **62% of the total assets** of all MDBs.

MDBs would rank **13th** place among the world's largest banks by total assets

Over the past 25 years, the aggregate assets of multilateral development banks have increased approximately threefold. At the same time, their growth dynamics show a steady trend toward deceleration. Thus, between 2000 and 2010, the volume of MDB assets doubled. In the following decade (2010–2019), growth amounted to only about one-third of that, and over the past five years (2019–2024), it did not exceed 20%.

From **2.0** to **1.8%**
Total assets of MDBs have declined over 25 years relative to global GDP

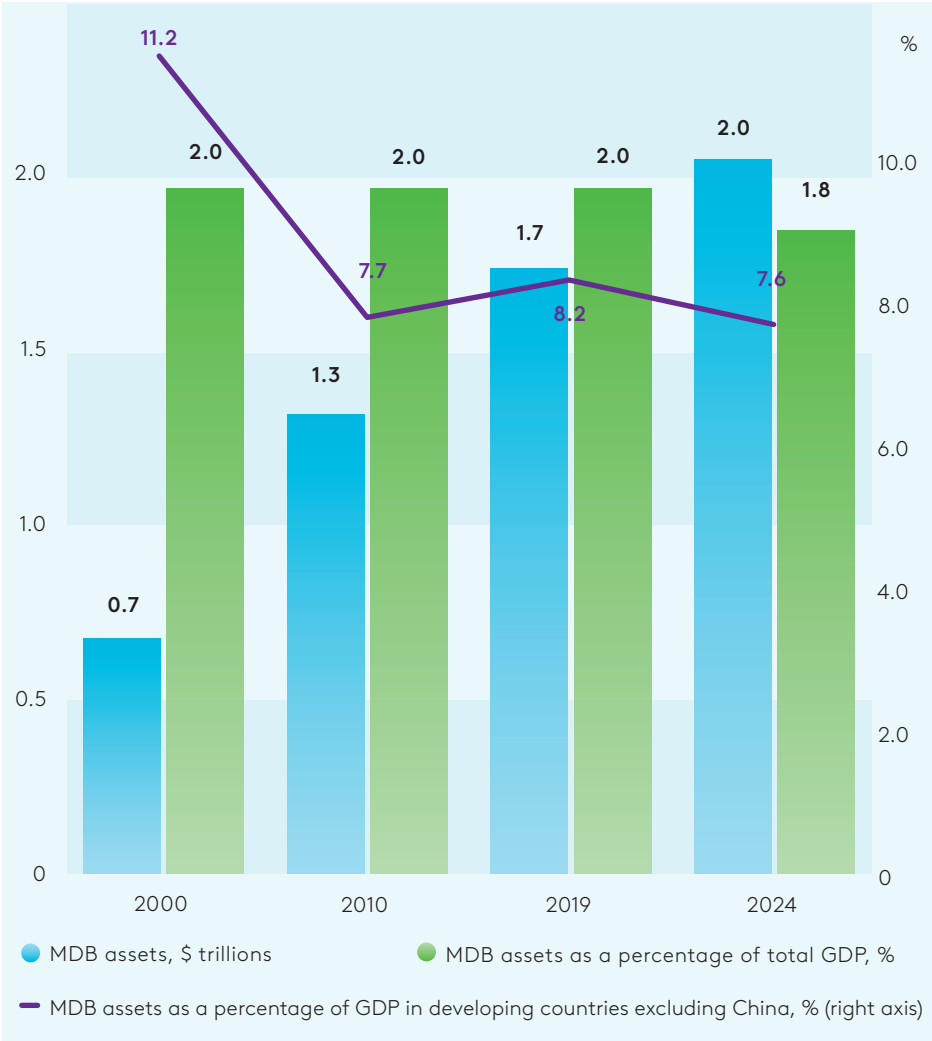
At the same time, the relative role of MDBs in the global economy is declining. Over the 25-year period under review, the ratio of MDB assets to global gross domestic product decreased from 2.0% to 1.8%. A more pronounced decline is observed when compared to the GDP of developing countries (excluding China): this indicator fell from 11.2% to 7.6%, indicating a weakening of the role of MDBs in financing the development of these economies.

Investment activity by MDBs is stagnating. Against this backdrop, a significant infrastructure gap persists in developing countries, requiring a substantial increase in investment.

This raises questions regarding the role and contribution of MDBs to global development. This issue has gained international recognition and has been brought to the G20 level, which attests to its high significance. To effectively respond to global challenges, MDB assets and investments must grow faster than the global economy.

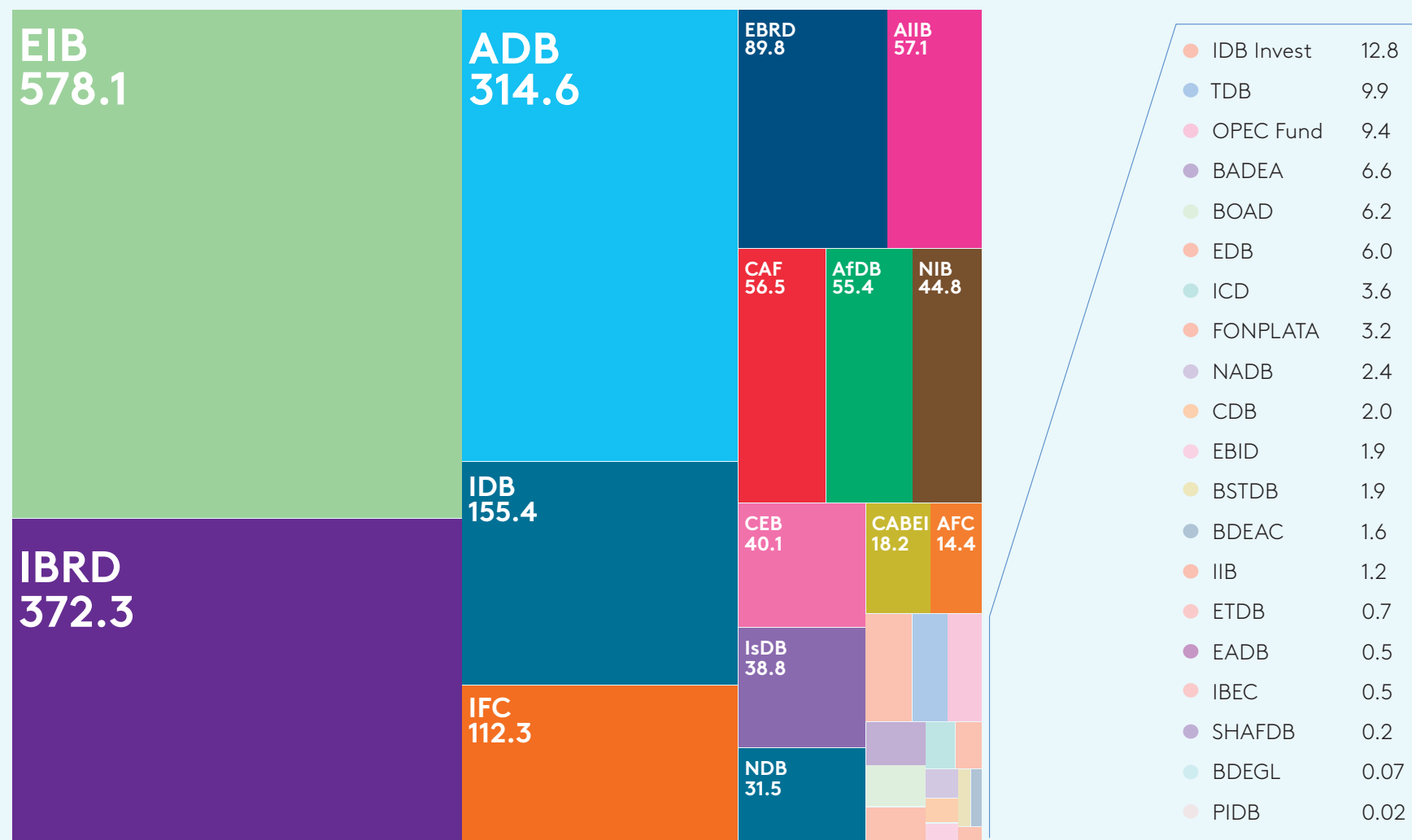
The current situation points to the need for a transformation of the MDB system. Banks need to revise their approaches to financing, seek new instruments, and improve the efficiency of resource utilization. In today’s environment, MDBs must not only expand the scale of their operations, but also strengthen their role as catalysts for investment and institutional development.

↓ Figure 16. Dynamics of MDB system assets



Source: EDB based on MDB financial and annual reports.

↓ Figure 17. MDB assets in 2024, \$ billions



Source: EDB based on MDB financial and annual reports.

15. EQUITY

When establishing an MDB, the founding countries determine the amounts of authorized and subscribed capital.

- **Authorized capital** is the maximum amount of capital (“ceiling”) that the MDB can potentially raise from member countries. It is set forth in the bank’s charter documents.
- **Subscribed capital** represents the portion of authorized capital that member states have committed to provide. Subscribed capital, in turn, consists of two components: paid-in capital and callable capital.
- **Paid-in capital** refers to funds that have actually been contributed.
- **Callable capital** refers to shareholders’ obligations to contribute additional funds if the bank experiences financial difficulties. This capital typically far exceeds paid-in capital, enhances the reliability of the MDB, and is sometimes used to set limits on the volume of liabilities. In practice, there have been no instances of callable capital being drawn upon.

As of the end of 2024, the MDBs’ total subscribed capital amounted to \$1.48 trillion, of which \$1.28 trillion (87%) was callable capital; the paid-in portion amounted to approximately \$175 billion (12%). The remaining amount represents shareholders’ obligations to pay contributions.

At the same time, the key indicator of the MDB’s lending capacity is equity.

- Equity is the difference between assets and liabilities and is accumulated primarily through retained earnings. The total equity of the MDB system amounts to approximately \$445 billion. This represents 22% of the total assets of all MDBs.

3rd place would be taken by MDBs
in terms of total capital among
the world’s largest banks

A bank with that amount of capital would rank third among the world’s largest commercial banks, whereas the two largest multilateral development banks — the EIB and the IBRD — rank 24th and 35th, respectively.

In new MDBs, paid-in and equity are generally similar, whereas in long-established institutions, equity significantly exceeds paid-in capital. Across the MDB system as a whole, **equity exceeds paid-in capital by a factor of 2.5.**

2.5 times

equity exceeds paid-in capital
on average across the MDB system

Callable capital is concentrated primarily among the five largest MDBs (IBRD, EIB, AfDB, IDB, ADB), which account for about 80% of its total volume. These banks are characterized by callable capital that is many times greater than paid-in capital (15–20 times), whereas the median value across the MDB system is 3.6.

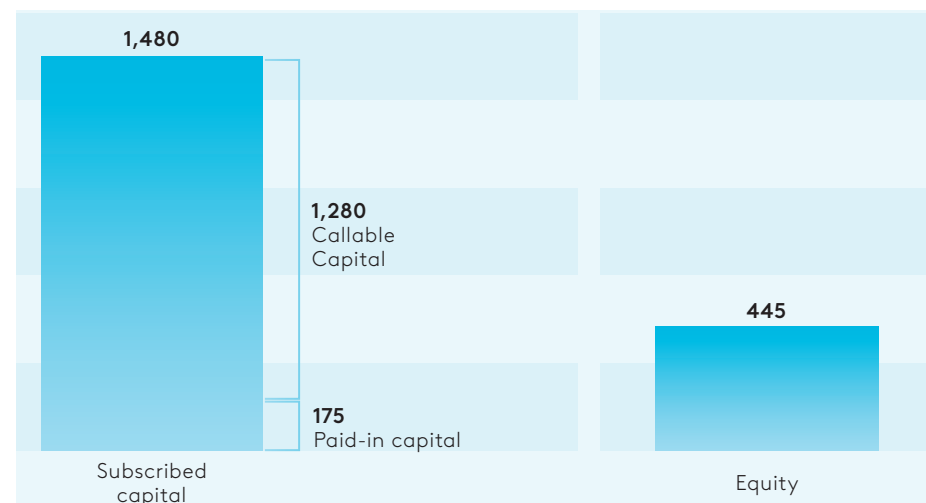
Case: The ADB

The Asian Development Bank's capital structure: authorized and subscribed capital — \$139 billion as of the end of 2024; callable capital — \$132 billion; paid-in capital — \$7 billion. Equity amounted to \$56.4 billion.

Case: The EDB

The Eurasian Development Bank's capital structure: authorized and subscribed capital — \$8.8 billion as of the end of 2025, including callable capital — \$6.3 billion, paid-in capital — \$1.6 billion, and additional share issuance — \$836 million. Equity amounted to \$2.5 billion.

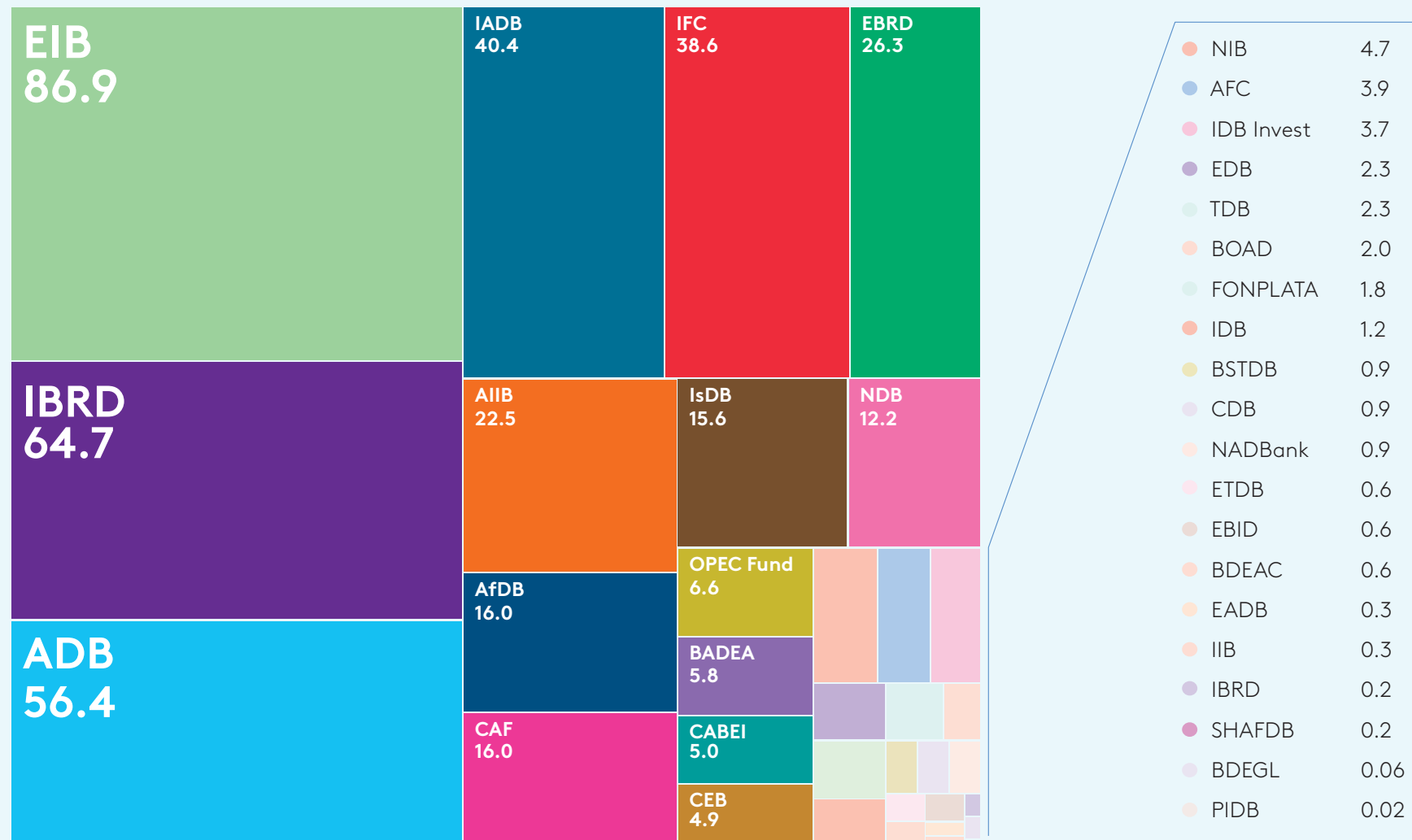
↓ Figure 18. Capital structure of the MDB system, \$ billions



Note: subscribed capital of MDBs consists of callable capital and paid-in capital. The remaining amount represents shareholders' obligations to pay their capital contributions.

Source: EDB based on the MDBs' financial and annual reports.

↓ Figure 19. MDBs' equity in 2024, \$ billions



Source: EDB based on MDB financial and annual reports.

16. INVESTMENTS

A key performance indicator for multilateral development banks is **the annual volume of contracted investments**, which reflects the scale of their mandate implementation. In practice, it is measured either by the volume of approved financing (Approvals) or by the volume of new financing commitments (Commitments), which are typically somewhat lower, since not all approved projects reach the contract-signing stage.

The total investment volume
of the MDB system exceeds

\$275 billion

Some MDBs publish both indicators, but in most cases only one of them is disclosed. In this report, the “Commitments” indicator is used as the aggregate investment volume, and in its absence, the “Approvals” indicator is used.

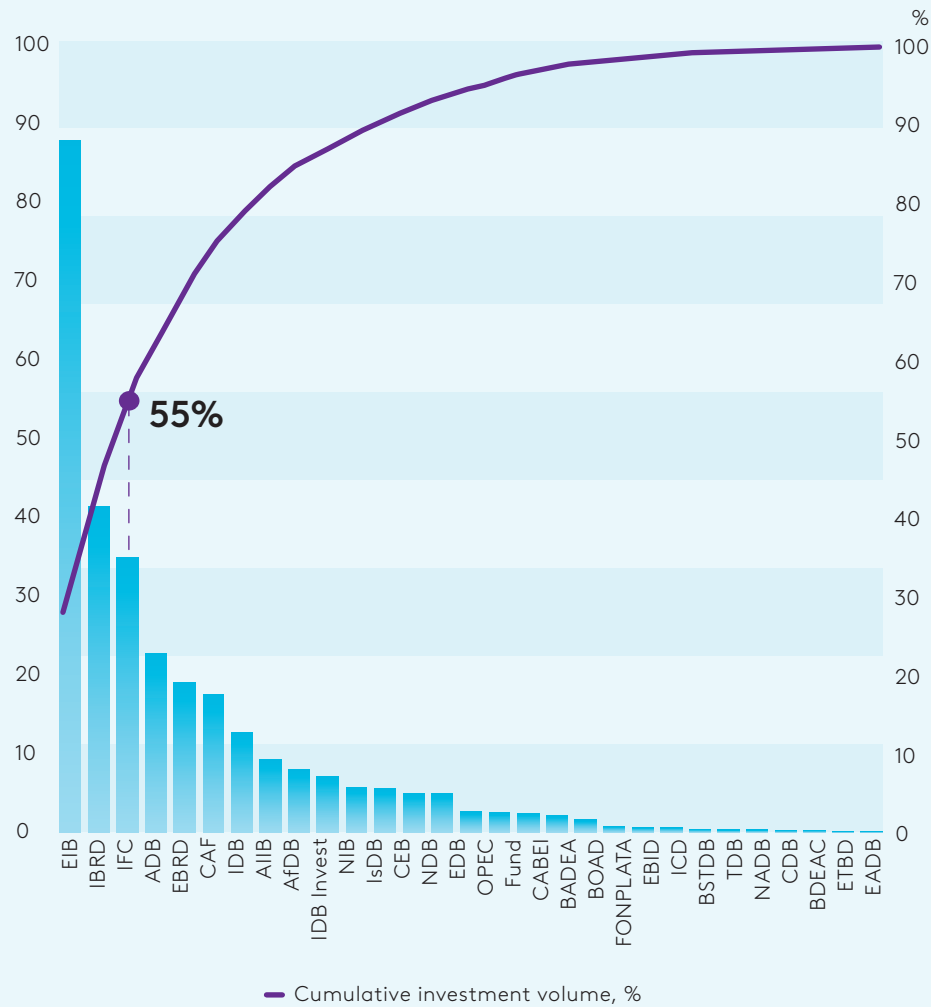
The total volume of investments by the multilateral development bank system exceeded \$275 billion in 2024. Fifty-five percent of this amount (\$148 billion) was provided by the three largest institutions — the European Investment Bank (EIB), the International Bank for Reconstruction and Development (IBRD), and the International Finance Corporation (IFC), all of which are also classified as global MDBs.

The concentration of investments is even more pronounced among the top five MDBs: including the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD), they account for about two-thirds of the system’s total investments.

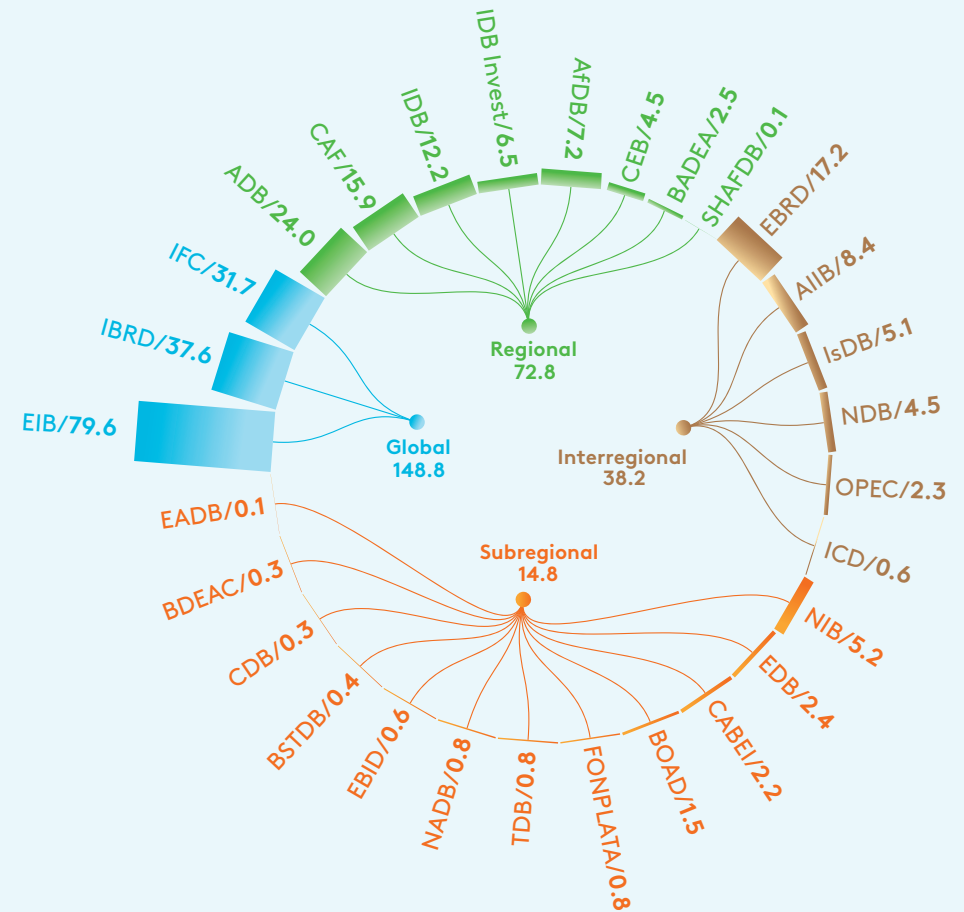
In terms of the geographical structure of operations, the distribution of investments is as follows:

- global MDBs account for 55% of the total volume
- regional MDBs account for 25%
- interregional banks account for 14%
- subregional projects account for about 5%.

↓ Figure 20. MDBs' approved investments in 2024, \$ billions



↓ Figure 21. MDB investments by geographic region in 2024, \$ billions



Source: EDB based on MDB financial and annual reports.

17. RELATIVE INDICATORS

In addition to absolute figures, which are closely linked to the scale of the MDB, relative indicators are also important.

The ratio of assets to equity reflects the use of **leverage**. The higher this ratio, the greater the sensitivity of the bank's capital to changes in asset values and, consequently, the level of risk.

3.5 The average ratio of assets to equity in the MDBs

The average asset-to-capital ratio for MDBs is 3.5. Leverage ratios within the MDB system vary significantly. The highest values are typical of Western European MDBs operating primarily in countries with low credit risks. In contrast, a number of smaller MDBs, especially in high-risk regions (primarily in Africa), either adhere to a significantly more conservative risk management policy or are objectively constrained by the conditions of their operating environment.

Another important indicator is the ratio of approved investments to the MDB's equity capital or assets.

The average ratio of MDB investments to their capital is 0.6, and to their assets, 0.2. There is significant variation in these figures across MDBs, which can be attributed to several factors.

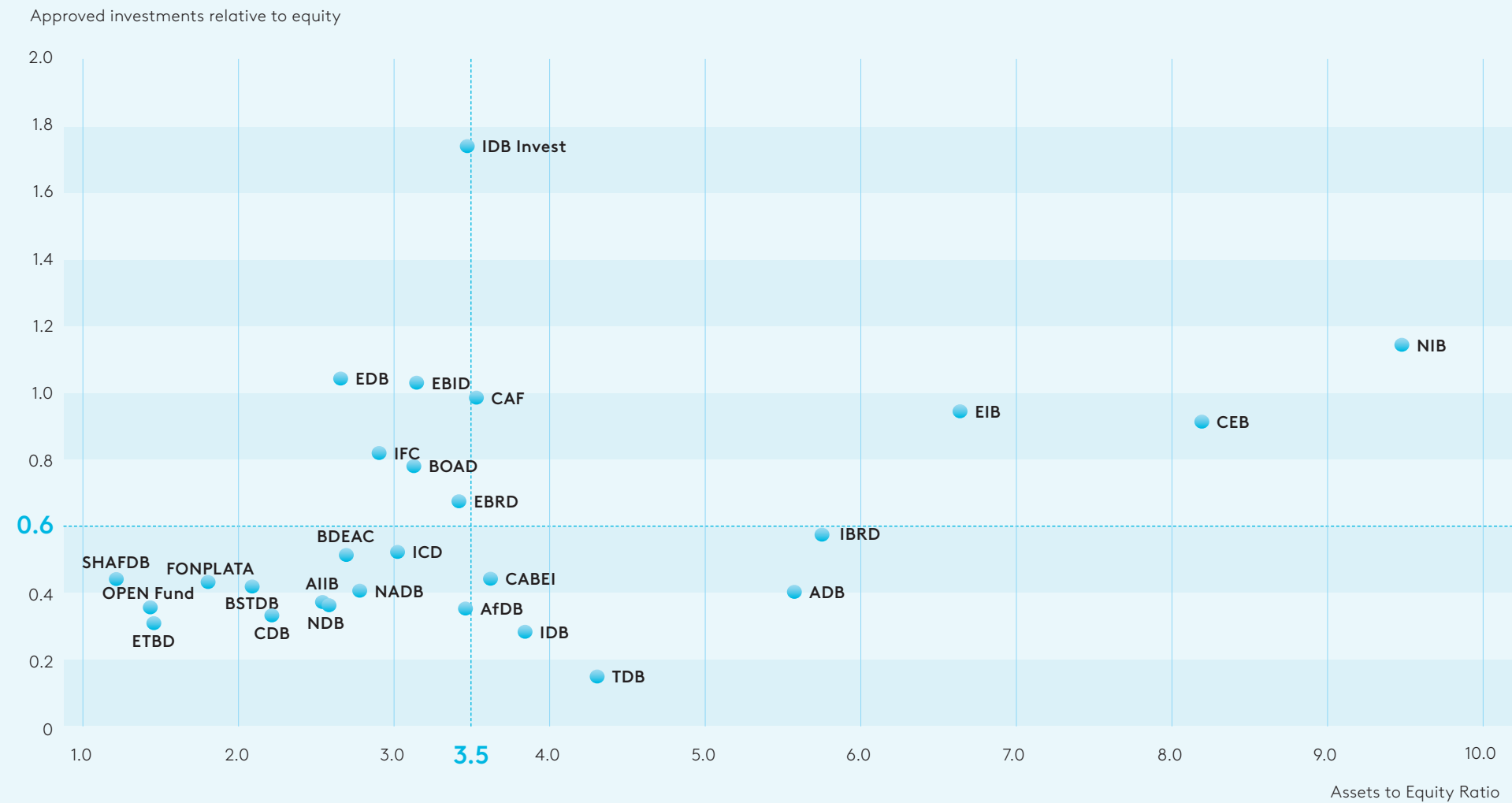
0.6 The average ratio of investments to MDBs' equity

First, MDBs that actively raise debt demonstrate higher investment relative to equity.

Second, the maturities of loans in the portfolio: shorter maturities increase asset turnover and the annual volume of investments, as is the case, for example, with IDB Invest, where a significant portion of operations are short-term.

Third, individual and temporary factors play a role, including changes in strategy and fluctuations in liquidity, which make the investment ratio quite volatile.

↓ Figure 22. Distribution of MDBs by a number of indicators in 2024, %



Source: EDB calculations based on MDB financial and annual reports.

18. DISBURSEMENTS

Disbursements reflect the actual volume of investments made by multilateral development banks. Unlike annual commitment indicators, data on actual financing disbursements are not disclosed by all MDBs. According to data from 28 MDBs, in 2024 **the aggregate volume of disbursements amounted to approximately \$200 billion**, which is equivalent to about 74% of the volume of investments they approved.

\$200 billion Annual volume disbursed in MDB financing

Annual actual disbursements are lower than annual approved investments for a number of reasons:

1 Annual expansion of lending activities. The only exceptions in 2024 were the Black Sea Trade and Development Bank (BSTDB) and the Caribbean Development Bank (CDB), where disbursement volumes exceeded approved investments due to an overall reduction in the scale of operations.

2 The inertial nature of the MDB investment cycle. Approved investments are typically disbursed to borrowers in stages, in accordance with a set schedule and subject to the fulfillment of predetermined conditions, particularly in the case of long-term projects.

3 Breach of conditions and the impact of external factors. Delays in disbursements may also be due to the borrower's inability to ensure timely fulfillment of the loan disbursement conditions agreed upon in the contract, as well as significant changes in the external environment (economic crises, changes in government), which in some cases lead to the complete cancellation of previously approved projects.

The lowest ratios are characteristic of a number of African development banks (BDEAC, SHAFDB, EADB), which in 2024 disbursed less than one-third of approved investments.

19. FINANCING IN NATIONAL CURRENCIES

The primary source of funding for multilateral development banks is borrowing on international capital markets in U.S. dollars and euros. These currencies dominate both the liability structure and the lending operations of MDBs. As a result, most loans are provided in reserve currencies, while project revenues in borrowing countries are generated primarily in local currencies.

This currency mismatch increases the vulnerability of projects to exchange-rate fluctuations. A devaluation of the national currency increases the debt burden and operational costs, which reduces returns and may jeopardize the project's financial sustainability. As a result, investors demand a higher risk premium or withdraw from participation altogether, limiting capital inflows.

Furthermore, currency risk is often transferred to the government through guarantees or support mechanisms, creating contingent liabilities and exacerbating fiscal risks. This can negatively impact the sustainability of public finances and limit opportunities for further infrastructure investment. Taken together, these factors increase the cost of financing and reduce the attractiveness of projects.

One key solution is to expand lending in local currencies. In this case, currency risk is partially transferred to MDBs, which have a greater capacity to manage it through portfolio diversification and high creditworthiness.

Financing in local currencies is viewed as a key tool for enhancing the resilience of developing economies and reducing currency risks. It allows for the alignment of the currency of revenues and liabilities, which is particularly important for infrastructure projects and small and medium-sized enterprises, whose cash flows are denominated in local currency. This enhances the financial stability of projects and reduces dependence on exchange-rate fluctuations.

New and subregional banks (see [Table 3](#)), as well as private-sector-focused MDBs (IFC, IDB Invest, EBRD), are particularly active in this area. For instance, the New Development Bank aims to increase the share of financing in the currencies of member countries to 30%.

The issue of expanding financing in local currencies has been reflected in the international agenda, including the Roadmap for Multilateral Development Bank Reforms (G20, 2024). Financing in local currencies offers a number of strategic advantages: it reduces currency risks for borrowers, expands access to financing, stimulates the mobilization of private capital, and contributes to the development of domestic capital markets.

However, the development of such financing faces a number of structural obstacles. These include insufficient depth and liquidity in domestic financial markets, limited access to long-term capital, and underdeveloped hedging instruments.

At the level of MDBs, obstacles include the high cost of hedging currency risks and, in some cases, the lack of necessary financial instruments, conservative risk management policies within an MDB, a lack of relevant expertise, and MDB liabilities denominated in reserve currencies.

Demand for such instruments significantly exceeds supply. However, current growth remains limited. For instance, in the Eurasian region, the average annual volume of non-sovereign transactions in the currencies of borrowing countries has risen over 15 years from just \$0.8 billion to \$1.2 billion (Vinokurov et al., 2025).

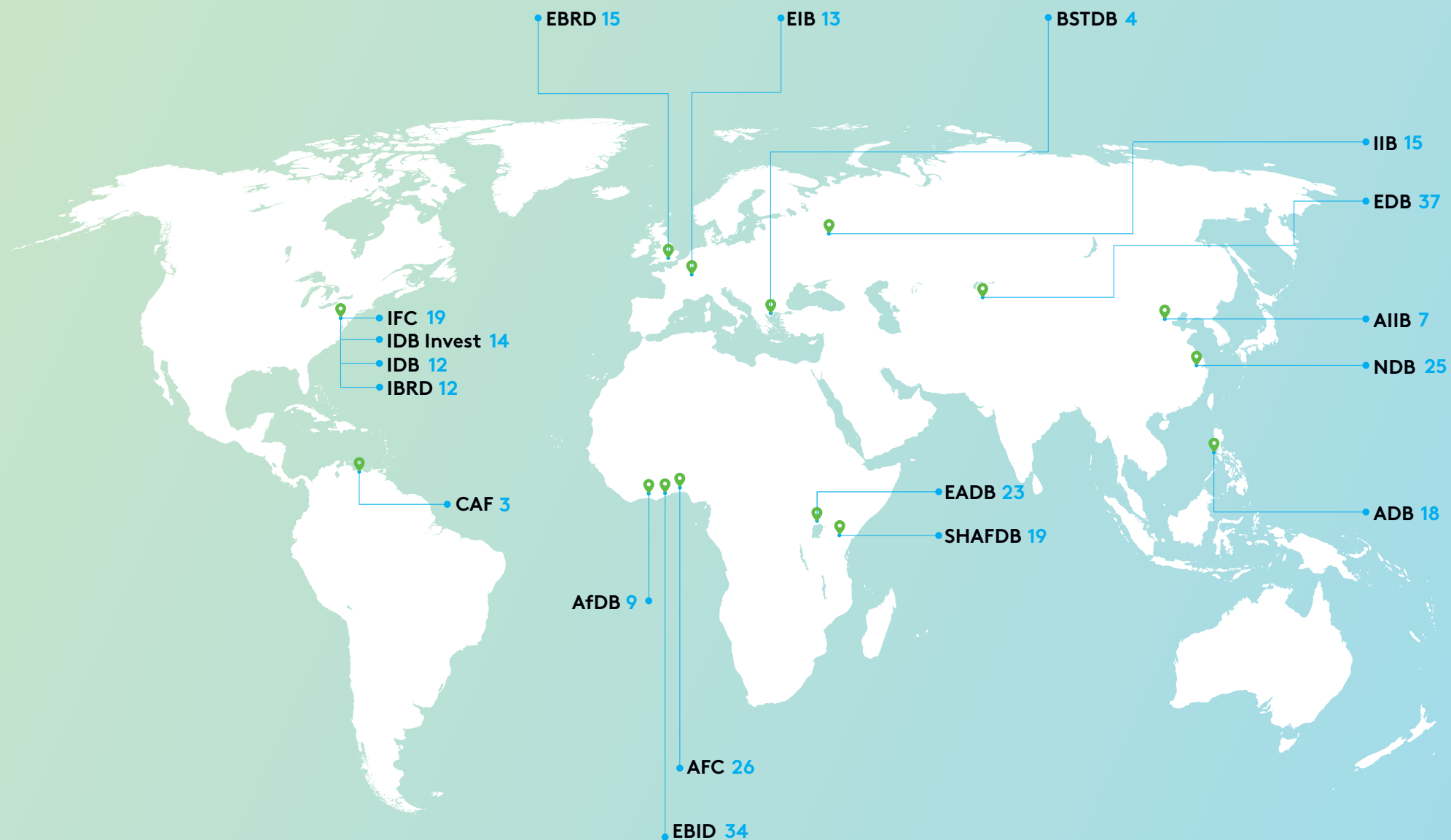
There are significant opportunities to expand financing in local currencies. These include the development of local capital markets, the issuance of bonds in local currency, and the use of blended finance mechanisms and currency risk hedging instruments. International financial institutions can stimulate private capital participation and strengthen financial infrastructure. In the long term, this contributes to increased investment activity, strengthened macroeconomic stability, and reduced systemic risks.

↓ Table 3. MDBs’ loan portfolio denominated in currencies other than the dollar and the euro, in 2024.

MDB	Share (%)	\$ millions
Eurasian Development Bank (EDB)	37	791
ECOWAS Bank for Investment and Development (EBID)	34	542
African Finance Corporation (AFC)	26	1,202
New Development Bank (NDB)	25	4,966
East African Development Bank (EADB)	23	30

Source: EDB, based on MDB financial and annual reports.

↓ Figure 23. Share of the MDBs' loan portfolio denominated in currencies other than the dollar and the euro in 2024, %



Source: EDB based on MDB financial and annual reports.

20. WHERE WILL MDBS BE IN 10 YEARS?

Over more than 80 years, the MDB system has become one of the key instruments for supporting socioeconomic development, primarily in developing countries. For many of these countries, MDBs are the primary source of long-term investment, contributing to infrastructure development, poverty reduction, and employment growth. In addition to financial resources, MDBs play an important role as repositories of knowledge and unique country- and region-specific expertise.

In public discussions on the activities of MDBs, attention is typically focused on a limited group of the largest banks, which account for the bulk of assets and investments. In reality, however, the MDB system is significantly broader and more diverse.

MDBs vary significantly in terms of asset size, geographic scope of operations, mandates, and corporate governance structures. Smaller MDBs often have specialized mandates, while larger ones have universal mandates.

Significant differences are also observed in equity participation models: ranging from the classic structure based on the IBRD model to the use of different classes of shares, hybrid capital, and the involvement of institutional investors.

In recent decades, new MDBs have been established primarily by borrowing countries, mainly developing ones. The diversity of MDBs allows for better consideration of country-specific circumstances and encourages the search for innovative solutions.

The Group of Twenty (G20) calls on international financial institutions to improve their effectiveness and significantly increase their funding to address the global and regional challenges facing the world's nations ([G20, 2024](#); [Independent Experts Group, G20, 2023](#)). In this regard, a Roadmap for Reforming the MDB System was developed in 2024 ([Box 1](#)).

Box 1. G20 Roadmap for Reforming the MDB System

The Roadmap (G20 Roadmap towards better, bigger, and more effective MDBs) was adopted in 2024 at a meeting of G20 finance ministers and central bank governors. The document notes that the global community remains significantly behind in achieving the Sustainable Development Goals and fulfilling the Paris Climate Agreement. Over the past decade, the financing gap required to achieve these goals has grown significantly and is currently estimated at approximately \$4 trillion annually.

The Roadmap proposes a comprehensive reform program for the MDB system aimed at building the banks' financial capacity, improving operational efficiency, and strengthening their impact on development. The implementation of these reforms should lead to an increased role for MDBs in addressing global and regional challenges.

The document outlines both short-term measures (1–3 years) and medium-term measures (through 2030). Progress is monitored by the G20 International Financial Architecture Working Group (IFAWG) on the MDB track.

The Roadmap consists primarily of 13 recommendations with corresponding implementation steps, grouped into three blocks.

1. Better MDB system

- enhancing the strategic vision of the MDBs to strengthen their contribution to addressing global challenges;
- strengthening national systems and optimizing the operational processes of international development banks;
- supporting country platforms and expanding the practice of joint project financing;

- improving and coordinating project preparation processes;
- increasing the effectiveness of mobilizing private capital and domestic national resources;
- expanding the scale of financing in local currencies and developing currency risk hedging instruments;
- optimizing the use of concessional financing for low-income countries.

2. Bigger MDB system

- continuing to implement the reforms proposed as part of the MDB's capital adequacy review;
- conducting regular reviews of the alignment of an MDB's resource base with its strategic objectives;
- developing innovative financial instruments (including hybrid capital and portfolio guarantees), as well as exploring opportunities to allocate special drawing rights to an MDB.

3. More effective MDB system

- strengthening measurement, reporting, and impact assessment systems;
- increasing geographic diversity, as well as the representation of women and emerging market and developing countries in MDB leadership and staff;
- creating incentives for coordinating MDB activities at the systemic and country levels.

Multilateral development banks have significant potential to improve the effectiveness of their operations. This is confirmed by a study by the ODI think tank ([Prizzon et al., 2026](#)), based on a large-scale survey of government representatives and the MDBs themselves. The study included 650 respondents from 125 countries.

The report's key findings point to systemic limitations in the current MDB model, specifically:

1 Insufficient funding flexibility. Only 20% believe that MDBs adequately take local specificities into account, and only 25% rate the aid as timely and flexible.

2 Weak coordination among MDBs at the country level. Only 48% of respondents expressed satisfaction with it.

3 Long and complex project cycles. Only 47% are satisfied with current project preparation processes.

These findings underscore the need to transform MDB approaches.

Below is the authors' perspective on possible directions for the development of the MDB system, taking into account current trends and international discourse.

1 The emergence of 3–4 new MDBs over the next 10–15 years with a focus on developing countries

The fourth wave of establishing multi-lateral development banks continues, and to date, it has not yet exhausted its potential. Its key feature is the strengthening of the role of developing countries in the global economy, including through the formation and development of development institutions under their management. Between 2009 and 2025, three new banks were established, suggesting that a comparable number of MDBs will emerge over the next 10–15 years. New MDBs are being formed in conjunction with regional integration associations, with the greatest interest in their creation remaining in Asian and African countries. It seems likely that regional development funds will continue to transform into MDBs.

2 Accelerated growth in non-sovereign financing volumes

The observed rise in the prosperity of developing countries is accompanied by an increase in demand for non-sovereign transactions. Improvements in the institutional environment are creating a broad foundation for the implementation of non-sovereign projects. It is becoming preferable for governments to attract financing into their economies through so-called “bankable” projects, that is, projects with commercial viability. Such investments do not place a burden on the state budget. Consequently, the largest MDBs are steadily increasing the volume of non-sovereign financing, shifting the structure of their operations from sovereign to non-sovereign. An additional driving factor is the growing participation of private investors in MDB projects, which are geared toward higher returns.

3 Diversification of the sectoral structure of MDB financing

The financial sector, energy, and transportation have historically been the key recipients of MDB resources, reflecting the priorities of macro-economic stabilization and the removal of infrastructure constraints. At the same time, the growing needs of borrowing countries for support in the structural transformation of their economies and the enhancement of export potential are driving increased demand for financing in productive sectors, primarily industry and the agro-industrial complex. Additionally, the number of bankable projects in the social sector and urban utility infra-structure is expected to grow. This will not only expand the MDBs’ operations in these sectors, but also strengthen their contribution to human capital development.

4 Diversification of MDB investment instruments

MDB instruments are likely to be more widely represented in MDB portfolios. The share of lending will decline due to increased use of other investment instruments: equity investments, purchases of borrowers' debt securities, and documentary operations (guarantees and letters of credit). This will be linked to the expected outpacing growth in non-sovereign financing volumes.

5 Growing importance of the 'non-investment triad'

MDBs will increasingly develop the "non-investment triad" — (1) technical assistance, (2) analytical products, and (3) training programs — in response to growing demand from borrowing countries. Mature MDBs will scale up the development and dissemination of their intellectual products to transfer knowledge and build the capacity of shareholder countries, reduce project risks, and share accumulated expertise. Smaller MDBs, in turn, will more actively develop non-investment instruments, occupying specialized niches at the regional level and strengthening their expertise in specific sectors. The introduction of new technologies (AI, VR/AR, etc.) will provide a significant boost to this process, enabling increased operational efficiency of projects, improved analytical quality, and a significant expansion of the audience reach for MDBs' intellectual products.

6 Development of new capital-raising mechanisms beyond traditional ones

Given significant budgetary constraints on recapitalization, MDBs are forced to seek sources of capital expansion. Expanding the shareholder base to include non-regional participants may lead to risks of diluting control over the management of MDBs. In turn, attracting private investors carries the risk of increasing the commercialization of the banks' activities. In this regard, banks are expected to make greater use of hybrid capital. One example is the AfDB's perpetual subordinated bonds, issued in 2024 in the amount of \$750 million, which are recognized by rating agencies as capital, thereby increasing the bank's leverage.

7 Establishment of new targeted capital funds

These funds are designed to attract long-term private financing for infrastructure projects in MDB shareholder countries and allow for the specific needs of individual sectors or regions to be addressed. Equity funds allow for the mobilization of resources outside the MDB's balance sheet. This reduces dependence on shareholder contributions and expands the total volume of available financing. The main investors in such funds are typically pension funds, insurance companies, development banks, and professional asset managers. Capital funds are likely to become a common channel for attracting resources from institutional investors.

8 Expanding private capital participation in MDB investment activities

In addition to co-financing projects, this requires the active implementation of innovative financial mechanisms. One of the priority areas is the transfer of a portion of risks from MDBs' balance sheets to external investors, which allows for the release of capital and an increase in financing volumes without increasing balance sheet liabilities. Mobilizing private capital will also remain crucial as a tool for attracting private investment in MDB projects.

9 Expanding financing in local currencies

This allows borrowers to mitigate risks and enables MDBs to expand their pool of potential clients. There is high demand from countries for the expansion of this type of financing. The use of national currencies offers a number of strategic advantages: it reduces currency risks for borrowers, expands access to financial resources, stimulates the attraction of private capital, and contributes to the development of domestic capital markets. New and subregional banks are particularly active in this area. Financing in national currencies is already becoming a strategic priority for such institutions. In particular, the New Development Bank aims to increase the share of financing in the currencies of member countries to 30%.

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ABBREVIATIONS

AI	artificial intelligence	CAF	Andean Development Corporation
ADB	Asian Development Bank (ADB)	CDB	Caribbean Development Bank
AFC	Africa Finance Corporation	CEB	Council of Europe Development Bank
AFESD	Arab Fund for Economic and Social Development	CGIF	Credit Guarantee and Investment Facility
AfDB	African Development Bank	Dhaman	Arab Investment and Export Credit Guarantee Corporation
AfDF	African Development Fund	EADB	East African Development Bank
Afreximbank	African Export-Import Bank	EBID	ECOWAS Bank for Investment and Development
AIIB	Asian Infrastructure Investment Bank	EBRD	European Bank for Reconstruction and Development
AMF	Arab Monetary Fund	ECOWAS	Economic Community of West African States (ECOWAS)
ASA	Advisory Services and Analytics	EDB	Eurasian Development Bank
ATIDI	African Trade and Investment Development Insurance Agency	EIB	European Investment Bank
BADEA	Arab Bank for Economic Development in Africa	ESM	European Stability Mechanism
BDEAC	Development Bank of the Central African States	ETDB	Economic Cooperation Organization Trade and Development Bank
BDEGL	Great Lakes States Development Bank	EU	European Union
BIS	Bank for International Settlements	FONPLATA	FONPLATA Development Bank
BMICE	Maghreb Bank for Investment and Foreign Trade	GCF	Green Climate Fund
BOAD	West African Development Bank	GEF	Global Environment Facility
BSTDB	Black Sea Trade and Development Bank	GEMs	Global Emerging Markets Risk Database
CABEI	Central American Bank for Economic Integration		

GRaFF	Global Risk and Finance Forum	NADB	North American Development Bank
IBEC	International Bank for Economic Cooperation	NDB	New Development Bank
IBRD	International Bank for Reconstruction and Development	NIB	Nordic Investment Bank
ICD	Islamic Corporation for the Development of the Private Sector	OPEC	OPEC Fund for International Development
ICIEC	Islamic Corporation for the Insurance and Export Credit	PIDB	Pacific Islands Development Bank
IDA	International Development Association	SDGs	Sustainable Development Goals
IDB	Inter-American Development Bank	SHAFDB	Shelter Afrique Development Bank
IDB Invest	Inter-American Investment Corporation	TA	technical assistance
IEG	Independent Expert Group	TAEF	Arab Energy Fund
IFAD	International Fund for Agricultural Development	TAF	EDB Technical Assistance Fund
IFC	International Finance Corporation	TDB	Eastern and Southern African Trade and Development Bank
IFI	International Financial Organization	TIF	Turkic Investment Fund
IIB	International Investment Bank	UNCDF	United Nations Capital Development Fund
IMF	International Monetary Fund (IMF)	UNDP	United Nations Development Programme
IsDB	Islamic Development Bank	UNICEF	United Nations International Children's Emergency Fund
ITFC	International Islamic Trade Finance Corporation	UNIDO	United Nations Industrial Development Organization
LAR	Latin American Reserve Fund	VR/AR	virtual reality (VR) and augmented reality (AR) technologies
MDB	multilateral development bank		
MIGA	Multilateral Investment Guarantee Agency		

RESEARCH AT THE EDB WEBSITE



Macroeconomic Outlook (RU/EN)

Macroeconomic Outlook 2026–2028

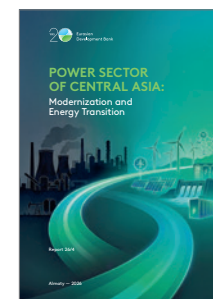
The analysis reviews economic development of the Bank's member states in early 2026 and outlines key macroeconomic forecasts for late 2026 and for 2027–2028.



Report 26/5 (RU/EN)

Waves of Investment Megahype. Digital, ESG, AI: What's Next?

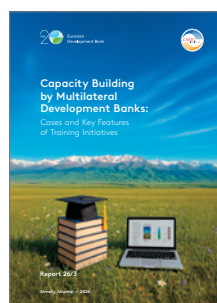
The report provides an overview of MDBs training initiatives (academies, institutes, training programs), analyzes their goals, governance and financing models, thematic areas, and other characteristics, outlines the long-term outlook for the development of the MDB training initiatives.



Report 26/4 (RU/EN)

Power Sector of Central Asia: Modernization and Energy Transition

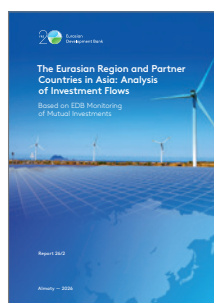
How can Central Asia secure a reliable and clean energy future? The answer lies in the «Middle Path» strategy. The report substantiates a balanced modernization model, integrating renewable energy potential with the stability of traditional generation and the synergies of regional cooperation.



Report 26/3 (RU/EN)

Capacity Building by Multilateral Development Banks: Cases and Key Features of Training Initiatives

The report provides an overview of MDBs training initiatives (academies, institutes, training programs), analyzes their goals, governance and financing models, thematic areas, and other characteristics, outlines the long-term outlook for the development of the MDB training initiatives.



Report 26/2 (RU/EN)

The Eurasian Region and Partner Countries in Asia: Analysis of Investment Flows based on EDB Monitoring of Mutual Investments

The report provides detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct foreign investment stock between Asian countries and countries in the Eurasian region for the period from 2016 to the first half of 2025.



Report 26/1 (RU/EN)

Cooperation of Multilateral Development Banks in Emerging Markets and Developing Countries: Untapped Opportunities

The report examines seven promising areas for MDB cooperation: 1) mobilizing capital, 2) capital markets, 3) local currencies, 4) project expertise, 5) pooling knowledge, 6) technical assistance, 7) cross-border projects.



Report 25/15 (RU/EN)

China and the Eurasian Region: Analysis of Investment flows based on EDB Monitoring of Mutual Investments

The report provides detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct foreign investment stock between China and countries in the Eurasian region for the period from 2016 to the first half of 2025.



Report 25/14 (RU/EN)

Investment Cooperation in the Eurasian Region based on EDB Monitoring of Mutual Investments

The report provides comprehensive insights into the scale, dynamics, geographical and sectoral structure of mutual direct foreign investments in the Eurasian region from 2016 to the first half of 2025, as well as key trends in investment cooperation.



Working Paper 25/13 (RU)

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- The role of international development banks in supporting green projects.



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