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Operational Models of Development Banks in Asia, Latin America, And Africa: A Comparative Analytical Study of ADB, IDB and AfDB

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ABSTRACT

Multilateral development banks (MDBs) face pressure to finance development, climate transition and debt-resilient growth, yet how institutional design shapes their operational models remains understudied. This study compares the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), and the African Development Bank (AfDB), the regional development banks of their continents, which share an institutional form and AAA ratings but differ in governance configuration. The banks are compared along three dimensions: governance legitimacy, financial instruments, and sectoral alignment. Using a comparative institutional approach, the study analyzes the banks' annual reports, financial statements, and strategy documents for 2022–2024. Although all three banks hold AAA ratings, each balances legitimacy against financial capacity differently: the ADB relies on non-regional shareholder backing and a technocratic orientation, the IDB on a negotiated borrower–donor balance, and the AfDB on regional ownership and concessional finance. The ADB shows the diversified instrument mix and the highest efficiency (71% disbursement ratio, 10-month approval time); the IDB relies on policy-based lending, and the AfDB on blended finance. Climate finance unites all three, reaching 41–49% of 2024 approvals and about USD 25 billion. Effectiveness depends less on scale than on the fit between governance, instruments and regional priorities.

Introduction

Development banks constitute a central component of the global architecture of development finance, particularly in emerging and developing economies where structural constraints, limited capital and institutional fragilities impede sustainable growth. Unlike commercial financial institutions, they are mandated to correct market failures by providing long-term finance, supporting public goods and promoting inclusive development, a role that has expanded with climate change, infrastructure deficits and widening inequalities (Birdsall & Rojas-Suarez, 2004; Culpeper, 2006; Fay & Morrison, 2005; Ocampo, 2006).

Within this framework, multilateral development banks (MDBs) have emerged as pivotal regional actors. Originally established to supplement limited domestic capital, they have evolved into institutions that combine financial intermediation with policy coordination, capacity building and long-term planning, shaping national development frameworks through sectoral prioritization and policy alignment. This role may also be interpreted through the prism of ordoliberal approaches, in which public institutions are expected not to

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intervene ad hoc but to shape stable frameworks for competition, development and socio-economic order (Dahl, 2020, 2023).

Among the most influential MDBs are the Asian Development Bank (ADB), the Inter-American Development Bank (IDB) and the African Development Bank (AfDB). While they share the objective of fostering economic development and regional integration, they differ substantially in governance arrangements, capital structures and sectoral focus. The Manila-based ADB has traditionally emphasized large-scale infrastructure, regional connectivity and climate resilience; the IDB, based in Washington, D.C., combines lending with extensive policy dialogue in social sectors; and the AfDB, headquartered in Abidjan, aligns its strategy with Agenda 2063 and the African Continental Free Trade Area (Stolarczyk, 2024).

The operating environment of MDBs has become increasingly complex with post-COVID-19 recovery, rising sovereign debt vulnerabilities, intensifying climate risks and persistent financing gaps. This has shifted development finance toward the catalytic use of private capital, risk-sharing, blended finance and stronger alignment with the Sustainable Development Goals (United Nations, 2015), while MDBs must preserve their own financial integrity.

Against this backdrop, there is a need for systematic comparative analyses of how institutional design, governance and regional context shape MDB operational models. This article addresses this gap through a comparative policy analysis of the ADB, IDB and AfDB. It argues that MDB effectiveness is not determined solely by the scale of financial resources or donor composition, but by the interaction of three institutional dimensions: governance legitimacy, the structure and diversity of financial instruments, and the strategic alignment of sectoral priorities. As MDBs increasingly support trade integration, digital transformation and climate transitions, a clearer understanding of these configurations can inform policy coherence and development effectiveness (Greenhill et al., 2015; Humphrey et al., 2015; Kharas et al., 2014).

Literature Review

Development Banks and the Ordoliberal Perspective

The literature positions MDBs as institutions that supply long-term finance where commercial lenders are unwilling or unable to do so (Birdsall & Rojas-Suarez, 2004; Ocampo, 2006). Ocampo and Ortega (2020, 2022) map the global architecture of development banks more systematically, while Humphrey et al. (2015) examine how new players such as the Asian Infrastructure Investment Bank are reshaping the MDB landscape. Ordoliberal approaches offer a complementary interpretive lens: they emphasize governance frameworks, regulatory order and the role of public authority in preserving developmental and competitive balance (Dahl, 2013, 2020, 2023), which allows MDBs to be read as rule-setting institutions rather than mere lenders.

Governance, Instruments and Sectoral Alignment

Governance legitimacy is understood here as the configuration of ownership, voting power and decision-making processes that shape institutional autonomy and policy space. These arrangements are usually examined institution by institution on the basis of official disclosures (ADB, 2024a; AfDB, 2024c; IDB, n.d.), and systematic cross-regional comparison remains limited despite calls for greater coherence in development finance (Greenhill et al., 2015; Kharas et al., 2014).

Financial instruments encompass sovereign, non-sovereign and concessional financing mechanisms, including blended finance and green bonds. Munir and Gallagher (2020) and Puerta et al. (2023) highlight trade-offs between balance-sheet expansion, leverage and fiscal risk, but treat instrument choice largely as a technical question common to all MDBs. The blended-finance literature (Basile & Dutra, 2019; Basile & Neunuebel, 2019; International Finance Corporation, 2017; OECD, 2020; Winckler Andersen et al., 2019) explains how concessional resources can absorb risk to crowd in private capital, yet rarely compares how intensively regional banks use it.

Sectoral alignment refers to the allocation of resources across infrastructure, climate action and inclusive growth in response to regional needs and global agendas. The shift toward climate finance under the 2030 Agenda (United Nations, 2015) and the Paris Agreement (UNFCCC, 2015) is well documented (Multilateral Development Banks, 2024; World Bank Treasury, 2024), and climate policy is increasingly embedded in wider institutional frameworks (Dahl, 2021). This work, however, seldom links climate-finance outcomes back to governance structure and instrument mix.

Methodology

The study adopts a comparative institutional approach based on document analysis of primary data for 2022–2024, including annual reports, financial statements and strategy documents (ADB, 2024a, 2024b, 2024c; AfDB, 2024a, 2024b; IDB, 2024a, 2024b, 2024c). The 2024 reports provide the main cross-sectional comparison, and the 2022–2023 figures are used to trace trends. The analysis examines governance structures, capital adequacy, lending portfolios, concessional financing, climate finance and operational performance. Rather than ranking the institutions, it identifies patterns of convergence and divergence and interprets them within their political economy contexts. Financial values are reported in each institution's reporting currency; AfDB figures in Units of Account (UA) are converted where needed at the IMF 2024 average rate of 1 UA = 1.35 USD.

The ADB, IDB and AfDB were selected as the most influential regional MDBs in Asia, Latin America and Africa, which share comparable financial foundations (callable capital, preferred creditor status, AAA ratings and concessional windows) but differ in mandates, shareholder structures and financial architectures, and for which comparable annual reports, financial statements and strategy documents are available

The analysis rests on the proposition that MDB effectiveness is not reducible to the scale of financial resources or disbursements, but emerges from the interaction between ownership structures, capital instruments and region-specific development needs. The banks are compared along three interrelated dimensions:

(i) Governance models and shareholding configurations: ownership, voting power, board composition and decision-making procedures, reflecting governance legitimacy and the balance between borrowing and non-borrowing members.

(ii) Financial instruments and capital mobilization: sovereign, non-sovereign and concessional financing, blended finance and thematic bonds, and the capacity to mobilize private capital within risk-management constraints.

(iii) Strategic objectives and sectoral alignment: the allocation of resources across infrastructure, climate action and inclusive growth, and the responsiveness of strategies to regional challenges and global agendas.

These dimensions are treated as interconnected components of one institutional system, which makes it possible to trace how MDBs translate formal mandates into operational practice. This is consistent with institutional approaches stressing governance frameworks and regulatory order as guarantors of developmental and competitive balance (Dahl, 2013).

Result and Discussion

Governance and Capital Structures of MDBs

Governance and capital frameworks determine both the financial robustness of MDBs and their political legitimacy among member states (AfDB, 2024a). They reflect the historical and political economy contexts in which each bank was established and shape how it balances financial sustainability, representation and responsiveness to regional priorities. Table 1 summarizes the key indicators.

Capital Base and Creditworthiness

All three institutions hold AAA ratings, anchored in callable capital, preferred creditor status and conservative risk management, but differ in the relationship between paid-in and callable capital. The ADB's capital base reached approximately USD 168 billion following the 2018 merger of its Ordinary Capital Resources with the lending operations of the Asian Development Fund (ADB, 2024b). The IDB holds approximately USD 180 billion in subscribed capital, only about 5% of it paid-in, so its model relies heavily on callable commitments and donor confidence (IDB, 2024a). After General Capital Increase VII, the AfDB's authorized capital stands at approximately UA 208 billion (around USD 288 billion), with a callable-to-paid-in ratio of roughly 5:1.

Voting Power and Decision-Making Thresholds

In the ADB, Japan and the United States each hold approximately 15.6% of voting shares, granting them significant influence and the capacity to exercise informal veto power over decisions requiring a two-thirds majority; key capital and policy decisions require a two-thirds majority, effectively granting the major shareholders a blocking minority (ADB, 2024a). In the IDB, borrowing members from Latin America and the Caribbean control approximately 50.02% of votes, ensuring regional majority ownership; however, capital increases and major policy decisions require non-regional approval under a three-fourths threshold, so the bank

operates in a negotiated equilibrium with external financiers (IDB, n.d.). The AfDB allocates approximately 60% of votes to regional member countries and applies a two-thirds weighted majority; regional voting cohesion reduces the risk of gridlock, although reliance on non-regional shareholders for market access creates structural dependencies (AfDB, 2024c). These variations reveal a trade-off between inclusiveness and efficiency in institutional design.

Board Representation and Accountability

The ADB, IDB and AfDB have boards of 12, 14 and 20 executive directors, respectively. Larger boards enhance representation but may lengthen decision-making. The AfDB has relocated key operational functions to Abidjan and Nairobi, whereas the ADB and IDB remain more centralized, and project approval takes approximately 60 days at the ADB compared with 90–120 days at the AfDB. Beyond formal rules, governance effectiveness also depends on disclosure, the quality of information and the alignment of decisions with development mandates, since MDBs are hybrid systems combining creditor and borrower interests.

Table 1. Comparative Overview of Governance and Capitalization (2024)

Indicator	AfDB	ADB	IDB
Executive Directors	20	12	14
Regional voting power	60% (Africa)	~35% (Asia)	>50% (LAC)
Total Members	82	69	48
Callable-to-paid-in ratio	~5:1	~6:1	~5:1
Credit rating	AAA	AAA	AAA
Major shareholders	Nigeria, Egypt, U.S., Japan	Japan, U.S., China	Brazil, Argentina, U.S.
Blocking threshold	2/3	2/3	3/4

Source: AfDB (2024a); ADB (2024b); IDB (2024a); compiled from official shareholder and governance disclosures.

Table 1 shows that comparable creditworthiness coexists with different balances between financial adequacy and political legitimacy. The ADB's governance is oriented toward technocratic efficiency and investor confidence, supported by strong non-regional shareholder influence. The IDB emphasizes political representativeness within a hybrid structure in which regional borrowers hold a majority while external stakeholders retain strategic influence. The AfDB prioritizes regional ownership combined with concessional resource mobilization. There is thus no single governance model; institutional design reflects each region's political economy. Strategic frameworks, namely the AfDB's High 5s (AfDB, 2023b), the ADB's Strategy 2030 (ADB, 2018) and the IDB's Vision 2025 (IDB, 2021), translate these configurations into operational priorities and shape the choice of financial instruments.

Financial Instruments and Risk-Transfer Mechanisms

MDBs deploy a diversified set of instruments, including sovereign and policy-based lending, private-sector operations, guarantees, equity and blended finance, whose configuration is shaped by capital adequacy frameworks, risk appetite and strategic priorities (Munir & Gallagher, 2020; Ocampo & Ortega, 2020; Puerta et al., 2023). The instrument mix reflects both how capital is deployed and which development objectives it serves (AfDB, 2024a).

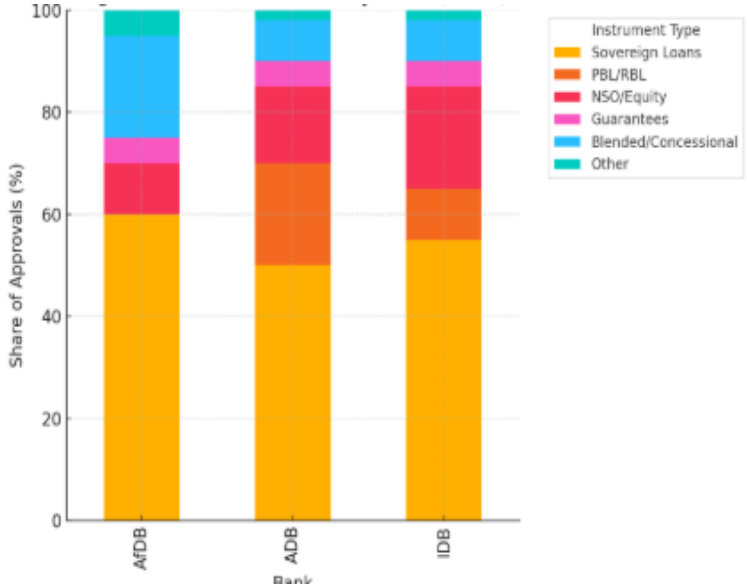
Sovereign lending remains the cornerstone of MDB operations (ADB, 2024a). Project loans finance infrastructure and social services, while policy-based lending (PBL) is disbursed upon agreed policy conditions and results-based lending (RBL) upon verifiable outcomes (ADB, 2023); PBL is effective only where macroeconomic frameworks and monitoring systems are adequate. Non-sovereign operations (NSOs), including private-sector loans, equity and subordinated debt, crowd in private capital but alter risk profiles and capital planning (AfDB, 2023a). Partial risk and credit guarantees improve bankability in high-risk settings but create contingent liabilities that require transparent pricing (IDB Invest, 2024). Blended finance combines concessional resources from the AfDF, ADF and FSO with ordinary capital and private finance, and is most effective when concessional funds absorb specific risks selectively and temporarily (OECD, 2020). MDBs also increasingly use green and blue bonds, local currency lending and contingent crisis financing (Ocampo & Ortega, 2022; World Bank Treasury, 2024).

Comparative Instrument Profile

The ADB exemplifies targeted innovation, combining large-scale sovereign lending with active NSOs, extensive use of RBL reflecting a technocratic focus on measurable outcomes, and climate finance through co-

financed green bonds and dedicated trust funds. The IDB integrates PBL with support for macroeconomic and fiscal reform and a strong social-sector portfolio, complemented by more developed private-sector mechanisms such as equity and innovation platforms. The AfDB, although smaller, is the most active in blended finance, channeling AfDF resources into infrastructure and energy in fragile and low-access environments. These mixes involve trade-offs between catalytic impact and fiscal risk, balance-sheet expansion and leverage, and speed of delivery and due diligence.

Figure 1 confirms that sovereign lending dominates all three portfolios in 2024, while complementary instruments diverge. The ADB has the most diversified mix, the IDB leans toward PBL, and the AfDB relies more on blended and concessional finance owing to affordability constraints in its lower-income and fragile member countries. Guarantees account for only a small share of commitments despite their strategic importance for mobilizing private capital.



Share of approvals/commitments by instrument category (sovereign loans, PBL/RBL, NSO/equity, guarantees, blended/concessional, 2024
Source: AfDB, ADB, and IDB Annual Reports (2024)

Figure 1. Instrument Mix by Bank

Concessional Windows

Concessional windows, financed through donor replenishments and transfers from ordinary capital, provide counter-cyclical support, finance socially necessary but commercially unviable projects and preserve debt sustainability (Basile & Dutra, 2019; International Finance Corporation, 2017; Winckler Andersen et al., 2019). The AfDF, established in 1972, is replenished every three years; AfDF-16 (2023–2025) mobilized UA 8.9 billion, 14% more than the previous cycle, and AfDF operations account for approximately 25% of total approved lending. The ADF, established in 1973, was restructured in 2017, when its concessional lending moved into Ordinary Capital Resources; it now provides grants only, with annual allocations of approximately USD 1.3 billion under ADF-13 (2021–2024). The IDB's FSO, established in 1959, has diminished as the bank shifted toward trust funds and targeted grants; FSO-linked operations, concentrated in Haiti and Caribbean microstates, reached approximately USD 450 million in 2024, or 3.5% of approvals (Table 2).

Table 2. Comparative Terms of Concessional Windows (2024)

Feature	AfDF	ADF	FSO
Latest replenishment	AfDF-16 (2023–25)	ADF-13 (2021–24)	Legacy fund (ongoing)
Resource mobilization (USD bn)	≈ 12	≈ 4	≈ 0.5

Source: AfDB (2024b); ADB (2024b); IDB (2024b).

Concessionality is thus operationalized differently: the AfDF combines grants with long-tenor concessional loans, the ADF has moved to streamlined grant financing, and the IDB follows a more modular approach through trust funds and blended structures. All three, however, increasingly use concessional resources catalytically, through first-loss tranches, interest rate buy-downs and co-financing guarantees, to mobilize private capital for climate resilience, energy transition and inclusive infrastructure.

Operational Efficiency

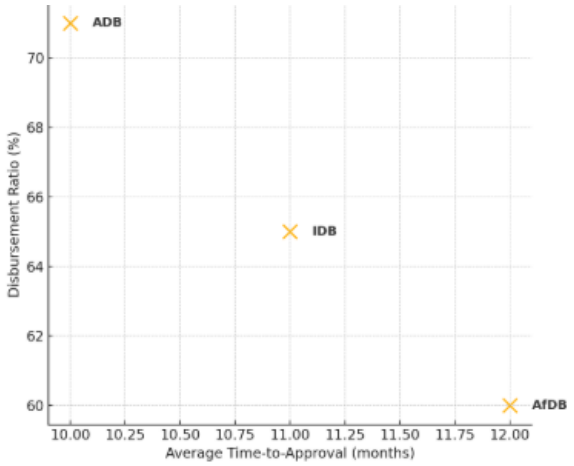
Operational efficiency, the capacity to translate commitments into timely outcomes, is assessed through disbursement ratios, time-to-approval (TTA), evaluability and implementation performance (Table 3). The AfDB raised its disbursement ratio from 57% in 2022 to 60% in 2024 and cut average TTA from 15 to 12 months after introducing its Integrated Quality and Results System in 2023, although governance operations still lag behind energy and transport. The ADB is the most efficient: TTA fell from 12 to about 10–11 months, disbursement ratios stayed at 69–72%, and 86% of projects were rated on track in 2024. At the IDB, the Operational Efficiency Program and the Digital Backbone initiative reduced TTA from 13 to 11 months, disbursement ratios held at about 65% (IDB, 2024c), and on-time completion rose from 72% to 78%.

Table 3. Operational Efficiency Indicators (2022–2024)

Indicator	AfDB	ADB	IDB
Disbursement ratio (%) 2024	60	71	65
Avg. time-to-approval (months)	12	10	11
Project evaluability index (1–10)	6.7	8.1	7.5
Projects rated “on track” (%)	79	86	78
Avg. project completion time variance (%)	+12	+8	+9

Source: AfDB (2024a); ADB (2024a); IDB (2024a).

Figure 2 shows that the ADB combines the highest disbursement ratio with the shortest approval time, the AfDB shows the steepest improvement, and the IDB occupies an intermediate position. Implementation capacity thus matters as much as instrument design, and efficiency gains are increasingly channeled into climate finance.



Each point represents one MDB. Each point represents one MDB. ADB demonstrates the highest disbursement efficiency with the shortest approval timeline, while AfDB shows the largest year-on-year improvement trend.
Source: AfDB, ADB, and IDB Annual Reports (2024)

Figure 2. Operational Efficiency: Disbursement Ratio versus Time-to-Approval (2024)

Strategic Objectives and Sectoral Alignment

Alignment with regional agendas is a key determinant of MDB legitimacy and effectiveness. The ADB's Strategy 2030 emphasizes resilient infrastructure, climate mitigation and regional integration; the IDB supports decentralization, education reform and digital connectivity in Latin America; and the AfDB organizes its operations around the High 5s (ADB, 2018; AfDB, 2023b; IDB, 2021). All three increasingly prioritize energy security, climate resilience, transport connectivity and institutional capacity, but with regional accents: energy access and agricultural transformation at the AfDB, infrastructure and climate adaptation at the ADB, and social inclusion and urban development at the IDB. Their portfolios are therefore mission-driven rather than shaped solely by credit risk.

Climate Finance as Evidence of Alignment

Climate finance has become a central pillar of MDB operations (Multilateral Development Banks, 2024). Since the Paris Agreement (UNFCCC, 2015), MDBs have harmonized the tracking of mitigation and adaptation finance, reflecting the embedding of climate policy in wider socio-economic frameworks (Dahl, 2021). AfDB

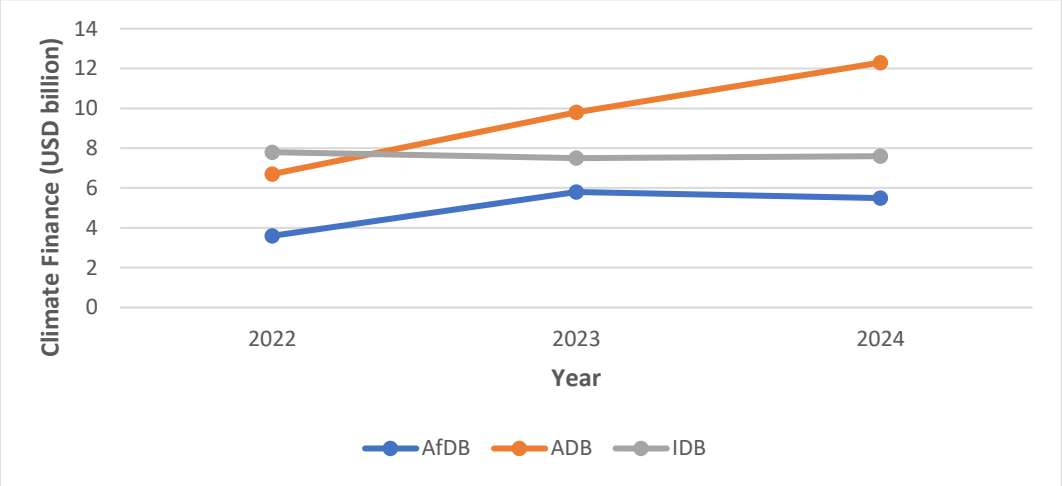
climate finance rose from USD 3.6 billion in 2022 to USD 5.8 billion in 2023 before stabilizing at USD 5.5 billion in 2024 (49% of approvals), supported by a UA 429 million Climate Action Window for adaptation in fragile states and USD 1.2 billion in green and blue bonds (AfDB, 2024a). The ADB, committed to USD 100 billion in cumulative climate finance by 2030, nearly doubled its annual volume from USD 6.7 billion to USD 12.3 billion (41% of approvals), driven by resilience in energy and transport and by the Energy Transition Mechanism (ADB, 2024a). The IDB kept climate finance stable at USD 7.5–7.8 billion (around 45% of approvals), expanding private engagement through IDB Invest and IDB Lab and a USD 1 billion Green Finance Partnership Facility (IDB, 2024a).

Table 4. MDB Climate Finance Commitments (2022–2024)

Bank	2022 ($ bn)	2023 ($ bn)	2024 ($ bn)	Share of Approvals (2024 %)
AfDB	3.6	5.8	5.5	49
ADB	6.7	9.8	12.3	41
IDB	7.8	7.5	7.6	≈45

Source: AfDB (2024a, pp. 88–89); ADB (2024a, p. 52); IDB (2024a, pp. 34–35); Multilateral Development Banks (2024, p. 4).

As Figure 3 shows, combined climate finance reached approximately USD 25 billion in 2024, up from about USD 18 billion in 2022. The ADB leads in volume, the AfDB allocates the largest share of its portfolio to climate, and the IDB stands out for private-sector engagement and urban resilience.



Source: AfDB Annual Report 2024, p. 88-89; ADB Annual Report 2024, p. 52; IDB Annual Report 2024, p. 34-35.

Figure 3. Climate Finance Trends (2022–2024)

Case Studies: Operational Alignment in Practice

The AfDB's *Desert to Power* initiative applies blended finance to solar deployment across eleven Sahel countries. By 2024 commitments exceeded USD 1.8 billion, combining sovereign lending (55%), guarantees and risk-sharing (30%) and grants (15%) from AfDF resources, the Sustainable Energy Fund for Africa and co-financiers, with the aim of reaching 250 million people by 2030 (AfDB, 2024a, 2024d). The ADB's *Energy Transition Mechanism (ETM)* mobilized USD 2.5 billion in blended finance for the early retirement of coal assets in the Philippines, Indonesia and Viet Nam; a Philippine pilot closed a 630 MW plant early, reducing emissions by 5.6 million tons of CO_2 (ADB, 2024a, 2024d). The IDB's *Resilient Cities and Urban Water Program* mobilized USD 3.1 billion for more than 22 projects in flood resilience, low-carbon transport and water management between 2022 and 2024, financed through sovereign loans (60%), private-sector operations (25%) and grants (15%), with 82% of projects meeting gender-responsive design standards (IDB, 2024a, 2024d).

These cases indicate that alignment is defined less by lending volume than by the quality and strategic intent of interventions: the AfDB expands energy access in underserved regions, the ADB finances the systemic shift away from carbon-intensive energy, and the IDB addresses environmental risk and social inequality together through urban resilience.

Comparative Operational Metrics

Table 5 brings the operational indicators together. The ADB operates at the largest scale in approvals and disbursements, the AfDB shows the fastest growth in approvals (from UA 6.16 billion to UA 8.47 billion), and the IDB maintains broadly stable volumes. Climate finance shares converged within a 41–49% range by 2024.

Table 5. Comparative Operational Metrics of MDBs (2022–2024)

Metric	AfDB 2022	AfDB 2023	AfDB 2024	ADB 2022	ADB 2023	ADB 2024	IDB 2022	IDB 2023	IDB 2024
Approvals / Commitments (bn)	6.16 UA	8.03 UA	8.47 UA	20.5 USD	23.6 USD	24.3 USD	12.7 USD	12.7 USD	12.3 USD
Disbursements (bn)	3.52 UA	4.43 UA	5.09 UA	18.6 USD	17.8 USD	18.6 USD	10.7 USD	10.7 USD	9.0 USD
Climate Finance Share (%)	40	55	49	33	38	41	45	45	46
Projects Approved (#)	142	159	165	128	133	151	96	92	95

Source: AfDB (2024a); ADB (2024a); IDB (2024a).

Conclusions

The comparison of the AfDB, ADB and IDB reveals both convergence and divergence. The three banks share a mandate to advance sustainable development, regional equity and poverty reduction, and all maintain AAA ratings, yet each pursues this mandate through an operational model shaped by distinct political and economic conditions. Governance differs chiefly in the distribution of decision-making power. The AfDB reflects a model of regional primacy with balanced participation between regional and non-regional members, while the ADB and IDB incorporate stronger influence from donor economies. These configurations shape institutional autonomy, strategic direction and policy formulation.

Instrument mixes follow these governance logics. The ADB has the most diversified portfolio, combining RBL, NSOs, green bonds and climate trust funds; the IDB relies most on PBL, complemented by private-sector engagement through IDB Invest and IDB Lab; and the AfDB leads in blended finance built on AfDF resources. Guarantees remain a small share of commitments in all three banks despite their catalytic potential. Concessional windows also diverge, from the AfDF's mix of grants and long-tenor loans, to the ADF's grant-only model, to the IDB's shift toward trust funds. Operationally, the ADB is the most efficient, the AfDB shows the steepest improvement, and the IDB occupies an intermediate position.

Sectorally, all three prioritize infrastructure, social inclusion and climate action, but with different emphases: the AfDB focuses on energy access and agricultural transformation, the ADB on infrastructure and regional integration, and the IDB on social protection and institutional capacity. Climate finance has become a unifying priority, reaching 41–49% of 2024 approvals and about USD 25 billion combined. Overall, the analysis confirms that MDB effectiveness is determined not by scale alone, but by the interaction between governance legitimacy, capital adequacy, financial instruments and sectoral alignment within specific regional political economy contexts.

Several policy priorities follow. Coordinated capital adequacy reviews and better recognition of callable capital would expand lending capacity without undermining stability. Concessional replenishments should allocate a larger, explicitly targeted share to adaptation in fragile and low-income countries. Wider use of guarantees and risk-sharing would mobilize more private capital for infrastructure and energy, while further digitalization of procurement and approval processes would shorten delivery times. Harmonized climate finance taxonomies, stronger co-financing with global climate funds and private investors, and improved evaluation metrics would enhance transparency and the measurement of development and climate impact.

There is no single optimal model of multilateral development banking. As MDBs evolve from traditional lenders into platforms for collective resilience, their impact will depend less on institutional size than on their capacity to innovate, coordinate and deploy resources effectively.

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