



THK ROADMAP FOR  
BLENDED FINANCE



# FINANCING FOR SUSTAINABLE DEVELOPMENT

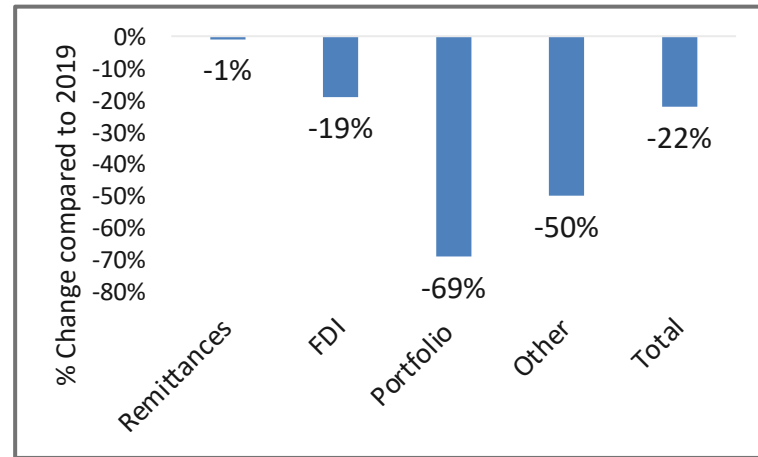
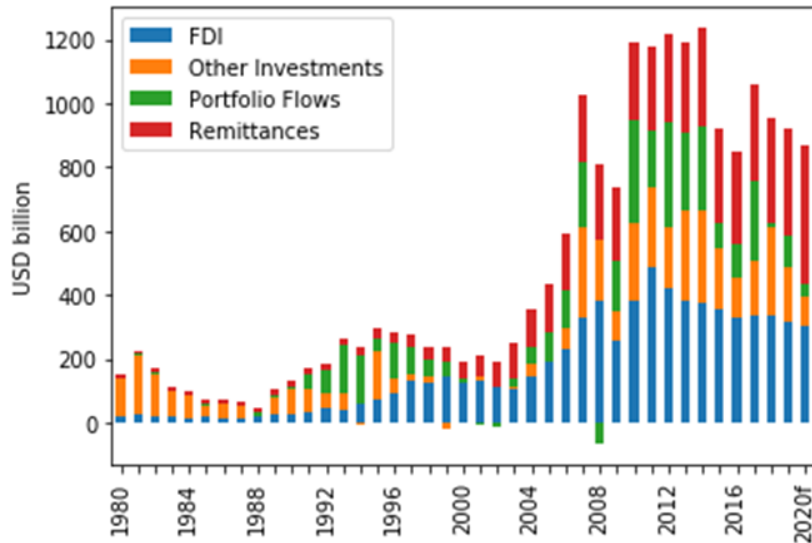
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*“We work to measure, mobilise, align and enhance the impact of financing  
for sustainable development.”*

# Covid-19 outbreak aggravated a downward trend in external private finance in developing countries

Financial inflows to developing countries have been declining steadily since 2017 and remain below their level of 2010. The COVID-19 pandemic amplified this trend, resulting in a 22% decline in external private resources.



Source: IMF Balance of payments (database), <http://data.imf.org/boop>



# Blended Finance: Basics

Blended finance can help bridge the investment gap for the SDGs, but requires a common framework



## What is blended finance?

Blended finance is the strategic use of **development finance** for the **mobilisation of additional finance** towards sustainable development in developing countries.



# Blended Finance: Instruments

Syndication

Risk Transfer Mechanisms

PPPs

Funds and Facilities

## Instruments

Mitigating risk and crowding-in additional capital

Equity instruments

Debt instruments, incl.  
GSS Bonds

Mezzanine instruments

Guarantees and  
Insurance

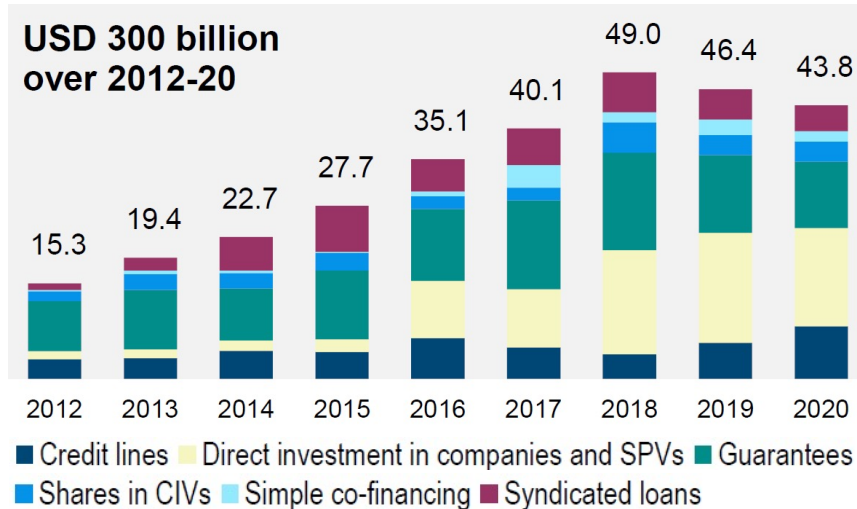
Hedging

Grants & Technical  
Assistance

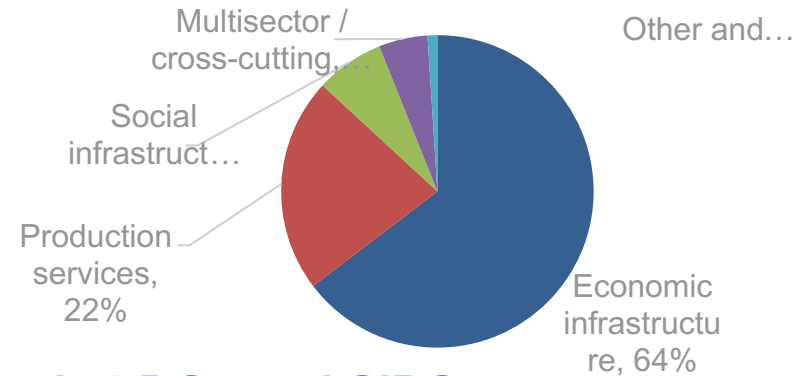
# Key challenges in blended finance implementation

## 1 – Missing frameworks for developing countries, LDCs and SIDS

## 2 – Scaling blended finance in social sectors



Private finance mobilised, 2018-20 average

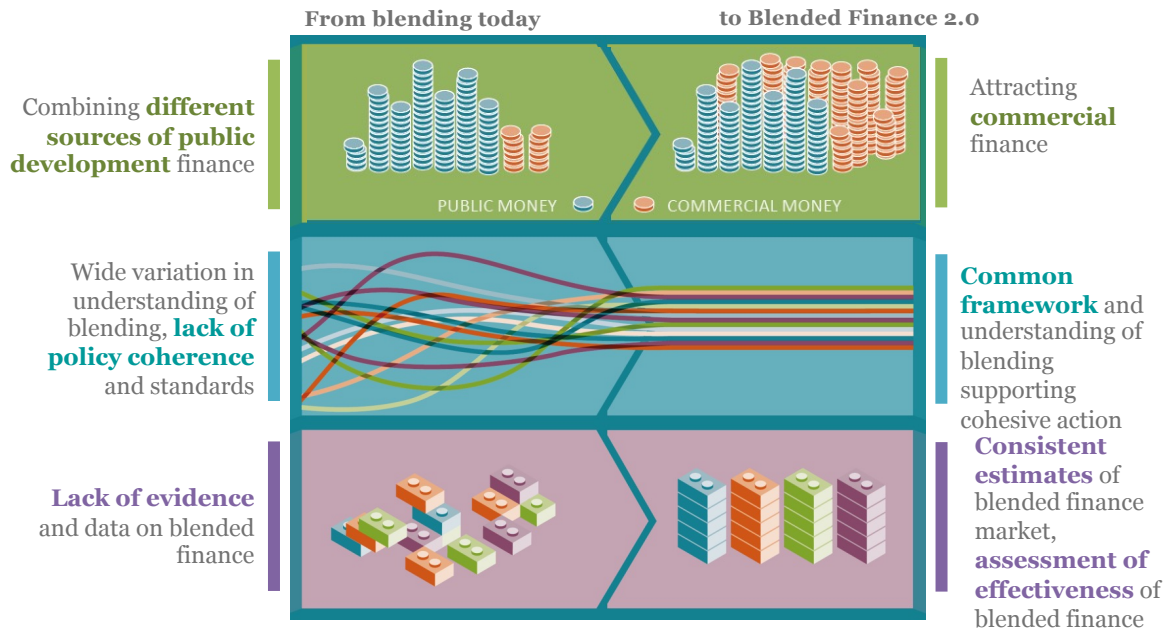


## 3 – Implementation and capacity, in particular in LDCs and SIDS

Of the top 20 recipients for private finance mobilised in 2018-20, **only one country (Mozambique) is a LDC**, mobilising on average USD 0.7 billion of the USD 26.8 billion this group of countries mobilised



# Moving towards Blended Finance 2.0





# THANKS

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