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Nedopil Wang, Christoph; Larsen, Mathias Lund ; Yue, Mengdi; Wang, Yao

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ORIGINAL ARTICLE

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Prospects of the Multilateral Cooperation Center for Development Finance (MCDF) to catalyse infrastructure financing

Christoph Nedopil[1] | **Mathias Lund Larsen**[2,3] | **Mengdi Yue**[4] | **Yao Wang**[4]

[1]Green Finance and Development Center, Fanhai International School of Finance, Fudan University, Shanghai, China

[2]Department of Organization, Copenhagen Business School, Copenhagen, Denmark

[3]Sino-Danish Center for Education and Research, University of the Chinese Academy of Sciences, Beijing, China

[4]International Institute of Green Finance, Central University of Finance and Economics, Beijing, China

Correspondence
Mengdi Yue, International Institute of Green Finance, Central University of Finance and Economics, 62 South College Road, Haidian District, Beijing 100081, China.
Email: mengdiyue1991@gmail.com

Abstract

Initiated in 2017 and formally established in 2020, the Multilateral Cooperation Center for Development Finance (MCDF) is the latest addition to the development finance landscape in Asia. This article provides an in-depth analysis of MCDF's potential to offer additionality in development finance and its political legitimacy by comparing it to 18 development finance and capacity-building organisations. The article finds that while the MCDF contributes to closing the substantial infrastructure financing gap in Asia, it risks overlapping with existing initiatives to such a degree that it may become an inefficient use of resources while lacking legitimacy as a multilateral organisation due to its unclear relationship with China's Belt and Road Initiative. From this outset, and given the climate mandates of its multilateral development bank members, this article finds that if the MCDF focuses specifically on green and climate finance, it could carve out an area where it can become a much-needed new platform for project development and coordination.

KEYWORDS
Belt and Road Initiative (BRI), climate finance, infrastructure financing, Multilateral Cooperation Center for Development Finance (MCDF), multilateral development banks

1 | INTRODUCTION

Globally, the infrastructure investment gap across transport, energy, water and telecommunications is estimated at US$15 trillion up to 2040 (Global Infrastructure Hub [GI Hub], 2019c). To close that gap, the need to catalyse private sector financing for infrastructure investment is urgent: 85% of financing for sustainable development needs to be mobilised from the private sector, with the remaining 15% playing the role of 'mobilisation facilitation' (Akhtar et al., 2018; Woetzel et al., 2016). Multilateral development banks (MDBs) and their funds have a special role to play in closing the infrastructure finance gap with the potential to catalyse $2 to $5 of private capital for each $1 of their own spending (World Bank Group, 2015; World Economic Forum, 2013). By providing financing (e.g., concessional financing) as well as technical capacity for feasibility studies (e.g., applying higher standards for social and environmental risk management frameworks), MDBs' involvement works as a quality certification that attracts private investors beyond some private and government-initiated infrastructure projects in emerging economies.

With the goal of further accelerating financing into such infrastructure projects, the Chinese Ministry of Finance (MOF) and six MDBs—including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), the New Development Bank and the World Bank Group—initiated the Multilateral Cooperation Center for Development Finance (MCDF) through an initial 'Memorandum of Understanding [MoU] on collaboration on matters of common interest under the Belt and Road Initiative' signed at the Belt and Road Forum in Beijing on 14 May 2017 (Ministry of Finance of the People's Republic of China, 2017). At the second Belt and Road Forum in March 2019, the MOF and eight multilateral development institutions, including the ADB, AIIB, EBRD, EIB, Inter-American Development Bank (IDB), Development Bank of Latin America (CAF), International Fund for Agricultural Development (IFAD) and the World Bank Group, signed an MoU to officially establish the MCDF (Ministry of Finance of the People's Republic of China, 2019). Three years after the initial MoU, on 30 June 2020, the board of the AIIB confirmed it would host the secretariat of the MCDF (Asian Infrastructure Investment Bank [AIIB], 2021a).

Yet, the role of the MCDF and its purpose remain controversial as there are risks to its ability to perform as an effective 'multilateral development finance and cooperation centre' and to provide relevant funding and capacity for infrastructure finance. Current academic analysis is limited to one article praising the MCDF as a 'new beacon of multilateralism in development finance' (Gu, 2020a), while comparative analyses are missing. This leaves large gaps in the current understanding of the MCDF, both as to its potential positive contribution to sustainable infrastructure development and existing uncertainties around the MCDF.

Regarding the uncertainties, two are salient and are analysed in this article: the first uncertainty is whether the MCDF provides additionality as a development finance institution facilitating infrastructure construction, as many other institutions have been set up with not only similar purposes but similar shareholders. The second uncertainty is the MCDF's role in the

Chinese-initiated Belt and Road Initiative (BRI). The MCDF was announced as a deliverable at the first Belt and Road Forum in 2017 (State Council, 2017) and established under an MoU at the second forum in 2019 (Ministry of Finance of the People's Republic of China, 2019; Zhang, 2019). The impression that the MCDF is a tool for the BRI was exacerbated in January 2021 when China's State Council Information Office published a White Paper on 'China's international development cooperation in the new era', which states that the MCDF aims to 'attract more investment in the Belt and Road' (State Council Information Office, 2021). As the MCDF calls itself a 'multilateral institution', its role in the BRI adds uncertainty, as the BRI is a Chinese rather than a multilateral initiative. The controversy around the MCDF was highlighted again when the AIIB failed to mention publicly at its annual meeting of Board of Governors in July 2020 that a month earlier the Board had approved the AIIB as the MCDF's administrator (Gu, 2020b; see also AIIB, 2021a). Similarly, press releases by other signatories to the MCDF MoU such as the World Bank about the establishment of MCDF's secretariat at AIIB were not publicised in 2020.

In this article, we analyse MCDF's role in the development finance space by analysing its additionality compared to other development finance and capacity-building organisations, and its political legitimacy—both characteristics that have been found to be core success factors of development finance institutions. We study the functions and governance of the MCDF and compare it with 18 similar institutions of project facilitation that have been set up with similar ambitions as the MCDF. We also look at its relationship with the BRI as an issue shaping its political legitimacy. Based on the comparative analysis, we derive policy recommendations on five key aspects designed to maximise the efficiency of the MCDF to carry out its mandate. The analysis is based on publicly available materials and interviews with stakeholders at several financial institutions involved in the negotiations of the MCDF.

The article proceeds as follows: Section 2 introduces the functions, stakeholders and governance of the MCDF, and analyses its additionality to infrastructure financing and role in the BRI. Section 3 provides five recommendations for improving MCDF's role and addresses the issues of additionality and political legitimacy. Finally, in Section 4, we conclude with our findings and recommendations.

2 | ANALYSIS OF THE MCDF'S MULTILATERAL CONTRIBUTION TO INFRASTRUCTURE FINANCE AND FACILITATION

The concept of financing development through various 'development finance' institutions is at least five decades old. With ever new development mandates and development finance concepts, however, the international development finance system 'is really not much of a system. It is rather a collection of disjointed entities that lack coherence, [and] often work at cross purposes' (Sagasti et al., 2004), reducing the effectiveness of development finance.

Nevertheless, new organisations with the intention of providing some form of 'development finance', such as the MCDF, are proliferating. Like many development organisations, the MCDF is financed through public money (United Nations Conference on Trade and Development, 2019). Two characteristics have been found relevant for the success of these organisations: additionality and political legitimacy. Additionality, which can be understood as 'the principle that MDB support of the private sector should contribute beyond what is already accessible or in some form that is otherwise absent from the market' (European Bank for Reconstruction and

Development [EBRD], 2018, p. 5), has been widely adopted as a core element of the operations of development financial institutions. At the same time, political legitimacy has been found to be a core success factor of development finance institutions allowing them to establish a governance mechanism and credibility that enables efficient decision-making and use of funds (United Nations, 2012).

To understand the MCDF's role and potential success in the development finance universe, we therefore analyse both MCDF's additionality in its ambitions and governance compared to existing similar initiatives, and its political legitimacy.

2.1 | Functions, stakeholders and governance of the MCDF

The MCDF, according to the 2019 MoU, serves three functions: first, information sharing 'to facilitate [the] flow of information across the Parties and other development partners to avoid duplication and enhance collaboration'; second, capacity building 'to enhance relevant know-how and institutional capacity of developing countries and their development partners', for example, in investment climate, debt management, environmental and social frameworks, and anti-corruption; and third, project preparation 'to finance upstream activities including … pre-feasibility and feasibility studies, and environmental and social assessment[s]' in line with international practices and each party's relevant rules (Ministry of Finance of the People's Republic of China, 2019, p. 2). The MCDF's governing instrument assigns information sharing and capacity building to its Collaboration Platform and project finance facilitation to its Finance Facility (Multilateral Cooperation Center for Development Finance [MCDF], 2020). The MCDF does not have a specific regional focus for its functions.

To fulfil its functions, the MCDF lays out six 'participants' in its operations: 'contributors' from the financial sector and private sector, 'beneficiary countries', 'implementing partners', 'new partners' in developing countries, and 'the administrator' and the 'secretariat'. The MCDF's operating structure to support its functions comprises a Collaboration Platform, Finance Facility, an administrator and the secretariat. The latter two functions, which include management of the MCDF account, are carried out by the Chinese-initiated multilateral development institution, the AIIB (AIIB, 2022).

The MCDF was established with US$180.2 million of commitments from China, Egypt, Saudi Arabia, Hungary, Cambodia and the Philippines (Chen, 2020). Other partners who signed the MoUs for MCDF's establishment in 2017 and 2019, such as the World Bank and the ADB, have not officially contributed capital to the MCDF.

2.2 | Analysis of the MCDF's additionality

To evaluate whether the MCDF provides additionality with a unique contribution compared to existing organisations, we analyse 18 institutions that were similarly established by MDBs or by multiple governments and similarly focus on emerging market infrastructure connectivity. In the analysis, we distinguish four types of organisations and facilities: (1) organisations for project, capacity and financial cooperation; (2) organisations for infrastructure connectivity and policy coordination; (3) organisations for finance policy coordination; and (4) project facilitation funds and capacity-building facilities. By comparing the functions and governance of the institutions with those of the MCDF, we can evaluate MCDF's additionality. For a detailed overview of the institutions analysed, see Table 1.

2.2.1 | Organisations for coordinating project development, capacity building and financing

The MCDF's main functions are information sharing on infrastructure project development, capacity building and financial cooperation. In our analysis, we found three organisations established previously by international partners with the same functions: the Global Infrastructure Connectivity Alliance (GICA), Global Infrastructure Facility (GIF) and Global Infrastructure (GI) Hub.

GICA was established during the G20 summit in Hangzhou, China, in 2016 and was endorsed by several MDBs and the G20. Its secretariat is hosted by the World Bank's Bank Hub for Infrastructure and Urban Development in Singapore. Its activities aim to accelerate knowledge sharing on global infrastructure connectivity across regions, develop solutions to close gaps in global infrastructure connectivity, facilitate interactions among experts on connectivity issues, showcase connectivity initiatives across the globe through an interactive mapping tool, determine the trends and game changers impacting global connectivity, optimise infrastructure financing for infrastructure connectivity programs and provide relevant performance measurement tools on global infrastructure connectivity. Membership in GICA is open to countries, MDBs, and highly experienced international organisations and associations (Global Infrastructure Connectivity Alliance [GICA], 2018a). GICA's staff are mostly seconded World Bank staffers (GICA, 2018b).

The GIF was established in 2014 with an initial capitalisation of US$100 million as 'a partnership among governments, multilateral development banks, private sector investors, and financiers. It is designed to provide a new way to collaborate on preparing, structuring, and implementing complex projects that no single institution could handle on its own.[1] It aims to support projects in project definition, project preparation (including environmental and social impact assessments), transaction support and financing. As such, the GIF is an example of partnerships among MDBs, private sector investors and governments to develop bankable infrastructure projects. GIF's governance structure includes funding partners (e.g., donors, World Bank), beneficiary partners (regional representatives), technical partners (other MDBs), and advisory partners from private financial institutions and associations (Global Infrastructure Facility [GIF], 2020c).

Both organisations have, similar to the MCDF, financial institutions and international organisations as their members, some of which overlap with those of the MCDF (see Table 2 for the overlapping members between these organisations).

Similar to GICA, the GI Hub was also initiated by the G20, though two years earlier at the 2014 G20 summit in Brisbane, Australia. As compared with the multilateral characteristics of GICA, the GI Hub was established as a private organisation. The GI Hub 'provides data, insights and best practice and works towards creating a common language on infrastructure' through engaging governments, the private sector, development banks and other international organisations. It 'facilitates connections', 'provides best practice tools', 'offers infrastructure data', and 'advocates for sustainable infrastructure'. Compared to its peers, the GI Hub is a public company limited by guarantee under Australian law with its headquarters in Sydney. It is mainly funded by Australia and Canada and is the only dedicated G20 entity for infrastructure. Its staff consists of full-time professionals (GI Hub, 2019a).

[1] Retrieved 12 August 2020 from Global Infrastructure Facility, 'What is the GIF?', https://web.archive.org/web/20201127052706/https://www.globalinfrafacility.org/what-is-the-gif.

TABLE 1 Overview of initiatives overlapping with the MCDF

	Esta-blished in	Initiator(s)	Funders	Target countries	Governance	Members/stakeholders/partners: Country governments and national institutions	Members/stakeholders/partners: Multilateral institutions	Members/stakeholders/partners: Others	Roles and examples: Knowledge sharing	Roles and examples: Capacity building	Roles and examples: Project facilitation
Project, capacity, and finance cooperation											
Multilateral Cooperation Center for Development Finance (MCDF)	2019	China and six MDBs (Ministry of Finance of the People's Republic of China, 2017)	(Already committed) China, Egypt, Saudi Arabia, Hungary. Cambodia, Philippines (Chen, 2020)	Low- and middle-income countries or countries with an active country program with an implementing partner (MCDF, 2021)	• AIIB as Administrator and Secretariat • Includes a Governing Committee and Coordination Committee (MCDF, 2020)	China Ministry of Finance (Ministry of Finance of the People's Republic of China, 2019)	ADB, AIIB, EBRD, CAF, EIB, IDB, IFAD and World Bank (Ministry of Finance of the People's Republic of China, 2019)		Facilitating the flow of information across member countries	Enhancing relevant know-how and institutional capacity	Financing upstream activities including pre-feasibility and feasibility studies, environmental and social impact assessments
Global Infrastructure Connectivity Alliance (GICA)	2016	G20	China-World Bank Partnership Facility (CWPF), World Bank Group (GICA, 2018b)	Global	World Bank Hub for Infrastructure and Urban Development in Singapore as Secretariat (GICA, 2018b)	China and Indonesia (GICA, 2018b)	(In addition to CWPF and World Bank) ADB, AIIB, Eurasian Development Bank (EDB), World Bank, for example, OECD, UNCTAD, The Commonwealth Secretariat, GI Hub, GEIDCO and Long Term Infrastructure Investors Association (LTIIA) (GICA, 2018b)		Global Connectivity Outlook	Vision to Program to Projects (V2P2P)	Vision to Program to Projects (V2P2P)

TABLE 1 (Continued)

						Members/stakeholders/partners			Roles and examples		
	Esta-blished in	Initiator(s)	Funders	Target countries	Governance	Country governments and national institutions	Multilateral institutions	Others	Knowledge sharing	Capacity building	Project facilitation
Global Infrastructure (GI) Hub	2014	G20	Australia, Canada, China, Germany, Indonesia, Mexico, New Zealand, Republic of Korea, Saudi Arabia, Singapore, UK (GI Hub, 2019a)	Global	Board of Directors (including the Audit and Risk Committee) and the Strategic Council (GI Hub, 2019a)	G20 member and non-member countries (GI Hub, 2019b)	AfDB, ADB, GICA, EDB, GICA, Black Sea Trade & Development Bank, OECD, World Bank, etc. (GI Hub, 2019b)	Hong Kong Monetary Authority, Hong Kong Trade Development Council, etc. (GI Hub, 2019b)	Infrastructure best practice tools including information, guidance, and analysis tools	• Africa Infrastructure Fellowship Program • Infrastructure best practice tools including information, guidance, and analysis tools	Country Engagement Program
Global Infrastructure Facility (GIF)	2014	World Bank	Australia, Canada, China, Denmark, Germany, Japan, Singapore, World Bank (GIF, 2020b)	Global	Advisory Council comprised of funding partners, technical partners, advisory partners and beneficiary partners (GIF, 2020a)	Funding partners including Australia, Canada, China, Denmark, Germany, Japan, Singapore (GIF, 2020b)	Technical partners including ADB, EIB, World Bank, IDB, IsDB, etc. (GIF, 2020b)	Advisory partners including institutional investors, commercial banks, DFIs, ECAs, etc. (GIF, 2020b)	GIF Knowledge (including blogs, project briefs and reports)		Support projects in pre-feasibility studies, project preparation, including environmental and social impact assessments, transaction design, and post-transaction and financing
Connectivity and policy coordination											
United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)	1947	UN Economic and Social Council (ESCAP, n.d.-b)	Republic of Korea, China, Japan, Russian Federation, India, Islamic Republic of Iran, Canada, Germany, Sweden, UK. (ESCAP, n.d.-d)	Mostly Asia and Pacific regions	A senior management team led by the executive secretary (ESCAP, n.d.-e)	53 members and 9 associate members (not a member of the UN) (ESCAP, n.d.-c)			• Publications, data, statistics, and tools on social and economic issues, including energy and transport • Annual Commission		

(Continues)

TABLE 1 (Continued)

	Established in	Initiator(s)	Funders	Target countries	Governance	Members/stakeholders/partners: Country governments and national institutions	Multilateral institutions	Others	Roles and examples: Knowledge sharing	Capacity building	Project facilitation
Central Asia Regional Economic Cooperation (CAREC) Program	2001	Asian Development Bank (ADB) (CAREC, 2001)	ADB, other development partners, CAREC governments (CAREC, 2021)	Eurasian continent (CAREC, 2020)	Asian Development Bank as Secretariat (CAREC, 2020)	11 countries (including China) and 6 multilaterals (ADB, EBRD, IMF, World Bank, IsDB, UNDP) (CAREC, 2020)			CAREC Institute plays a key role in providing knowledge solutions and capacity-building services in CAREC's operational priorities to help uplift policy development, and facilitate sharing of experiences and best practices across member countries		Mobilise funds to support transportation networks, energy trade and security, free movement of people and freight, and economic development in Central Asia
Program for Infrastructure Development for Africa (PIDA)	2010	African Union Commission (AUC), the New Partnership for Africa's Development Planning and Coordination Agency (NPCA), and African Development Bank (AfDB) (African Union, n.d.)	African Development Fund (ADF), African Water Facility (AWF), Islamic Development Bank (IsDB), NEPAD-IPPF, etc. (AfDB, 2022)	Africa	A Steering Committee led by the AUC, a Technical Committee chaired by AfDB, a Programme Management Team (PMT) hosted by AfDB as Executing Agency in the New Partnership for Africa's Development (NEPAD) Division within Regional Integration and Trade Department (ONRI); AUC and NEPAD as Secretariat (AfDB, 2022)	JICA, USAID, GIZ, etc. (AfDB, 2022)	Power pools in East, West and Southern Africa (EAPP, SAPP, WAPP), Regional Economic Communities, Transport Corridor Authorities (AfDB, 2022)		• The PIDA Sector Studies • African Infrastructure Database (AID) and Virtual PIDA Information Center (VPIC)	• Service Delivery Mechanism (SDM)	• The PIDA Priority Action Plan (PAP) and PIDA-PAP 2 to develop infrastructure projects in energy, water, transport and ICT • Continental Business Network (CBN)

TABLE 1 (Continued)

						Members/stakeholders/partners			Roles and examples		
	Esta-blished in	Initiator(s)	Funders	Target countries	Governance	Country governments and national institutions	Multilateral institutions	Others	Knowledge sharing	Capacity building	Project facilitation
Finance policy coordination											
International Development Finance Club (IDFC)	2011	19 leading development banks including China Development Bank (KfW, 2011)	The 26 IDFC members (IDFC, 2019b)	Global	Comprised of steering group, Secretariat, working groups, networks of professionals (IDFC, 2019a)	26 development banks from developed and developing countries worldwide (IDFC, 2019c)			• Green Finance Mapping • IDFC Climate Facility (Online knowledge library, events, networking, online project marketplace) • Cooperation for Development (CfD) Working Group	• IDFC Climate Facility (training, coaching program, IDFC toolbox)	• IDFC Climate Facility (IDFC collaborative projects, co-finance with Green Climate Fund, access to GCF accreditation, preparation of projects)
World Federation of Development Financing Institutions (WFDFI)	1979	Assoc. of African Development Finance Institutions (AADFI), Assoc. of Development Financing Institutions in Asia and the Pacific (ADFIAP) and Latin American Assoc. of Development Financing Institutions (ALIDE), jointly with KfW of Germany (WFDFI, 2020b)		Global	Comprised of General Assembly (chairmen/CEOs), General Secretariat, and Board of Governors (WFDFI, 2020a)		AADFI, ADFIAP, Assoc. of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI), ALIDE, with a total membership of 328 institutions in 154 countries and territories (WFDFI, 2020c)		Sustaining membership, promoting advocacy, unleashing knowledge and refreshing alliances		

(Continues)

TABLE 1 (Continued)

						Members/stakeholders/partners			Roles and examples		
	Esta-blished in	**Initiator(s)**	**Funders**	**Target countries**	**Governance**	**Country governments and national institutions**	**Multilateral institutions**	**Others**	**Knowledge sharing**	**Capacity building**	**Project facilitation**
Project facilitation fund											
AIIB Project Preparation Special Fund (PPSF)	2016	AIIB	• China • UK • Korea • Hong Kong, China (AIIB, n.d.)	AIIB members • Eligible to receive financing from the International Development Association (IDA) • Not eligible to receive IDA financing but have substantial development needs and capacity constraints (AIIB, n.d.)	Grant proposal is screened by the AIIB Special Funds Committee and sent to President/Board for final approval (AIIB, n.d.)	AIIB members					Providing technical assistance grants for preparing bankable infrastructure projects
Investment Climate Facilitation Fund	2007	Asian Development Bank	Government of Japan supports the fund with an initial contribution of US$11.5 million. Total funds made available up to 31 Dec 2012 amounted to approx. US$32.2 million (ADB, 2020)	ADB's developing member countries (DMCs) (ADB, 2020)							Financing activities supported by ADB, including technical assistance and grant provision to investment projects

TABLE 1 (Continued)

	Established in	Initiator(s)	Funders	Target countries	Governance	Members/stakeholders/partners: Country governments and national institutions	Members/stakeholders/partners: Multilateral institutions	Members/stakeholders/partners: Others	Roles and examples: Knowledge sharing	Roles and examples: Capacity building	Roles and examples: Project facilitation
Project Preparation Facility (PPF)		Inter-American Development Bank (IDB)	IDB borrowing member countries								Providing up to US$1.5 million in complementary financing to finalise preparation activities for projects in IDB's pipeline
Project Preparation and Execution Facility (PROPEF)											Facilitating a more seamless transition from preparation to execution by financing additional project start-up activities, up to US$5 million per project
Infrastructure Fund (InfraFund)											Assisting public, private, and mixed entities in the identification, development, and preparation of bankable and sustainable infrastructure projects
Fund for Integration Infrastructure (FIRII)									Providing technical cooperation resources for studies concerning regional physical integration		Providing project preparation for cross-border infrastructure operations involving borrowing member countries

(Continues)

TABLE 1 (Continued)

						Members/stakeholders/partners			Roles and examples		
	Esta-blished in	Initiator(s)	Funders	Target countries	Governance	Country governments and national institutions	Multilateral institutions	Others	Knowledge sharing	Capacity building	Project facilitation
Fund for Financing Disaster Prevention (FDP)											Providing technical cooperation resources for the preparation of disaster prevention projects and risk assessments
Municipal Infrastructure Development Fund (MIDF)	2013	EBRD jointly with KfW (EBRD, 2013)	Initial donors (Swiss State Secretariat for Economic Affairs and the Government of Austria), participating banks, and other international donors (EBRD, 2013)	The Western Balkans (Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, Kosovo and Serbia) (EBRD, 2013)	Organised as a variable capital investment company ('SICAV') under the Luxembourg law on specialised investment funds (EBRD, 2013)			Local commer-cial banks in the target region (EBRD, 2013)			Providing senior loan finance for infrastructure projects in the target region
Private Finance for Energy Efficiency (PF4EE)	2014	EIB jointly with the European Commission (EIB, 2021)	European Commission's Programme for the Environment and Climate Action (LIFE Programme) (EIB, 2021)	Certain EU member states: Belgium, Croatia, Czech Republic, France, Greece, Cyprus, Italy, Latvia, Portugal, Poland and Spain (EIB, 2021)	Managed by EIB (EIB, 2021)	National partner banks in select member states of the EU (EIB, 2021)				The PF4EE WebCheck Tool and the Energy Efficiency Quick Estimator (EEQuest)	Providing risk-sharing, long-term financing, and expert support for energy efficiency investments

Source: Authors' compilation. Information on roles and examples are gathered from official websites of the organisations.

TABLE 2 Membership roster of MCDF, GICA and GIF

	MCDF 2020	GICA 2016	GIF 2014
African Development Bank (AfDB)			√
Asian Development Bank (ADB)	√	√	√
Asian Infrastructure Investment Bank (AIIB)	√		
China Ministry of Finance (MOF)	√		
Corporación Andina de Fomento (CAF)	√		
Eurasian Development Bank (EDB)		√	
European Bank for Reconstruction and Development (EBRD)	√		√
European Investment Bank (EIB)	√		√
Global Energy Interconnection Development and Cooperation Organization (GEIDCO)		√	
Global Infrastructure Hub (GIF)		√	
Inter-American Development Bank (IDB)	√		√
International Fund for Agricultural Development (IFAD)	√		
Organisation for Economic Co-operation and Development (OECD)		√	
United Nations Conference on Trade and Development (UNCTAD)		√	
World Bank	√	√	√

Abbreviations: GICA, Global Infrastructure Connectivity Alliance; GIF, Global Infrastructure Facility; MCDF, Multilateral Cooperation Center for Development Finance.

Source: Authors' compilation.

Among these organisations, as can be seen in Table 2, cross-membership has become commonplace. For example, GICA and the GI Hub signed an MOU in 2017 to strengthen collaboration on infrastructure connectivity, while the GI Hub provides in-kind contributions to GICA.

2.2.2 | Organisations for infrastructure connectivity and policy coordination

With policy coordination being of major importance for improving infrastructure connectivity, one of the MCDF's core functions is to provide coordination for infrastructure connectivity among its members. In our analysis, we found several institutions that were established to similarly support policy coordination in infrastructure connectivity.

The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations' regional hub in Asia and the Pacific, promoting cooperation among countries to achieve inclusive and sustainable development. Like many of the other institutions we analysed, including the MCDF, ESCAP comprises of member countries and their relevant organisations (e.g., transport-related associations) only, not financial institutions. Unlike the MCDF, ESCAP has no project facilitation funds. ESCAP's functions are also broader than those of the MCDF, including capacity-building services in the areas of macroeconomic policy, statistics and energy, among others (ESCAP, n.d.-a).

Similarly, the Central Asia Regional Economic Cooperation (CAREC) Program, a partnership of 11 countries and development partners, works to 'promote development through cooperation, leading to accelerated economic growth and poverty reduction' (CAREC, 2020). Compared with ESCAP, CAREC is hosted by the ADB and can, therefore, more directly support project financing. Since it started in 2001 and as of December 2020, CAREC had 'mobilised [US]$40 billion in investments that have helped establish multimodal transportation networks, increased energy trade and security, facilitated free movement of people and freight, and laid the groundwork for economic corridor development' (CAREC, 2020).

Finally, the Programme for Infrastructure Development in Africa (PIDA) is an initiative by the African Union Commission (AUC) together with the New Partnership for Africa's Development Planning and Coordinating Agency (or NPCA), the African Development Bank and the United Nations Economic Commission for Africa (Programme for Infrastructure Development in Africa, 2022). PIDA is dedicated to facilitating continental integration in Africa through improved regional infrastructure in the energy, water, transport, and information and communications technology sectors. Within its service delivery mechanism, PIDA provides technical assistance for early-stage project preparation (African Development Bank [AfDB], 2022).

2.2.3 | Organisations for finance policy coordination

Several organisations have been established over the past decades to support—similar to the MCDF—finance policy coordination between financial institutions to ensure that funds are used efficiently. These include the International Development Finance Club (IDFC), World Federation of Development Financing Institutions (WFDFI), the AIIB Project Preparation Special Fund (PPSF) and the Investment Climate Facilitation Fund, with the first two drawn out as examples below.

The IDFC, created in 2011, is a leading group of 26 national and regional development banks from all over the world (including the China Development Bank), a majority of which are active in emerging markets. Through the IDFC, and in close partnership with other development bank networks, 'members join forces as a platform to promote and leverage sustainable development investment worldwide' (IDFC, 2019c). Thus, while the IDFC is not engaged in project preparation or capacity building, it coordinates and aligns policies and processes for sustainable investing among its members, similar to the MCDF.

The WFDFI was established in June 1979 in Zurich, Switzerland, during the occasion of a United Nations meeting on development financing. It includes other associations of development banks as members, such as the Association of African Development Finance Institutions (AADFI), the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI) and Latin American Association of Development Financing Institutions (ALIDE). Similar to the IDFC, the WFDFI promotes cooperation among the development finance institutions of the world in infrastructure finance and does not engage in project preparation or capacity building.

2.2.4 | Project facilitation funds and capacity building facilities

As one of the functions of the MCDF is the provision of project facilitation funds and capacity-building facilities, we compare the MCDF with existing facilities established by development finance institutions. The following is a non-exhaustive overview of those project facilitation funds provided by MCDF members, and we acknowledge the existence of others:

- AIIB established the PPSF in 2016, which as at November 2020 had approved US$21.3 million for 12 projects (AIIB, 2021b).
- ADB established the Investment Climate Facilitation Fund in 2008 for all developing member countries (Asian Development Bank, 2020).
- IDB developed several facilities to support project preparation for countries in Latin America: the Project Preparation Facility (PPF), the Project Preparation and Execution Facility (PROPEF), the Infrastructure Fund (InfraFund), the Fund for Integration Infrastructure (FIRII) and the Fund for Financing Disaster Prevention (FDP; Inter-American Development Bank, 2020).
- EBRD (in cooperation with KfW) established the Municipal Infrastructure Development Fund (MIDF) in 2013 to provide loan finance for projects in Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, Kosovo and Serbia (EBRD, 2013).
- EIB established the Private Finance for Energy Efficiency (PF4EE) in 2014, providing risk protection, co-financing, and expert support on project development, specifically in order to involve the private sector and leverage private financial institutions in several European countries (European Investment Bank, 2021).

In addition, there are several project facilitation funds and capacity-building facilities that are working at subnational levels (e.g., cities). Some are listed in Appendices 1 and 2.

While project facilitation funds serve to prepare projects for better implementation and to attract wider investment, most of these facilities face difficulties in quickly disbursing available funds. For example, by February 2021, the AIIB's PPSF had invested US$25.44 million in 13 projects since 2016, when more funds were technically available (AIIB, 2021b). Similarly, China Overseas Infrastructure and Investment Corporation Limited, an overseas infrastructure development platform providing financing for early project development that launched in 2016, had difficulties generating sufficient projects for investments. One reason for the challenges in disbursing funds and developing projects is the lack of bankable projects: while projects might be relevant for the overall development of a region or country, the project by itself might not be economically viable. It thus fails to attract investors and would have to instead rely on grants, subsidies or concessional financing. In other words, while there might be an infrastructure gap and an infrastructure finance gap, the infrastructure would require funding at below or well-below market rates.

2.2.5 | Discussion of MCDF's additionality

The MCDF's three main functions of coordination among its members, capacity building and providing funds for project facilitation to accelerate infrastructure connectivity seem crucial and relevant to the recognised large infrastructure investment gap.

However, the analysis above has shown an overlap in MCDF's functions with already established global initiatives and multilateral organisations with congruous functions and similar members, such as the GICA and GIF. GICA, in particular, reveals that the MCDF duplicates a wide range of similar initiatives, including those led by China. The analysis also shows that each of the three functions of the MCDF (coordination, capacity building and project facilitation funds) is being served by specialised organisations: coordination by ESCAP or CAREC, project facilitation funds by development banks including the members of MCDF, and capacity building by almost all analysed organisations in the field of infrastructure connectivity and investments.

This would mean that the MCDF in its current form does not bring much additionality in development finance, while additionality is often a precondition to spend public money. At the same time, the MCDF risks duplicating and, therefore, potentially undermining existing institutions working in the same field. Compared to the private sector, where duplication might be seen as an advantage to provide competition, duplication in public institutions has several risks, particularly the inefficient use of public resources: with limited resources available in development finance, duplication of work on one project limits funding for other development projects. In a worst-case scenario, duplication of multilateral development institutions may even result in politicising projects as the host government needs to choose between project facilitators that are more closely aligned with one country or another, which ultimately increases project risks.

2.3 | MCDF's political legitimacy and its role in the Belt and Road Initiative (BRI)

Besides the question of MCDF's additionality in relation to development finance, there is also the question of its political legitimacy as a 'multilateral' organisation against the background of its relationship to the Chinese-initiated BRI (Chatzky & McBride, 2020). The BRI is China's international engagement strategy, particularly through infrastructure investments in emerging economies (Nedopil Wang, 2021). Since its announcement in 2013, around 140 countries have signed an MoU with China to 'join' the BRI (Green Finance and Development Center, 2021). By 2021, China's engagement in the BRI through construction and investment was about US$850 billion (Nedopil Wang, 2022), particularly in infrastructure projects to increase connectivity between China and other countries, and China aims to provide more infrastructure connectivity through the BRI in the future (National Development and Reform Commission et al., 2015). However, the promise of infrastructure-led connectivity is often accompanied by risks of sovereign debt distress in host countries (Barney & Souksakoun, 2021).

Part of the uncertainty about MCDF's relationship with the BRI stems from its history and relevant communication by various participating partners. The MCDF was originally agreed to at the first Belt and Road Forum in Beijing in 2017 with an MoU titled 'Memorandum of Understanding on collaboration on matters of common interest under the Belt and Road Initiative', and directly mentions that the BRI 'could present an opportunity to support sustainable development in the countries involved' (Ministry of Finance of the People's Republic of China, 2017, p. 2). The second MoU for the MCDF signed in 2019 during the second Belt and Road Forum (Zhang, 2019) did not refer to the BRI at all (Ministry of Finance of the People's Republic of China, 2019).

However, in January 2021, the State Council Information Office (the administrative office under China's highest governing body, the State Council) published a White Paper on 'China's international development cooperation in the new era'. In it, the MCDF was called on to deepen financial integration in the BRI and attract more investment in the Belt and Road (State Council Information Office, 2021).

Similarly, some Chinese scholars see a clear mandate for the MCDF to serve the BRI. For example, Gu (2020a) notes that the MCDF is one of 'three important institutions ... initiated by China' together with the BRI and the AIIB, and that the three institutions share the same focus: facilitating infrastructure and connectivity investments under China's leadership. Gu (2020a) also contends that 'it is sensible to argue that the three international institutions should be eligible to help and serve each other'. In other words, the AIIB and MCDF both serve the BRI. This is also a view shared by the MCDF co-signatory the Development Bank of Latin America or CAF. In its press release for the 2019 MCDF MoU, CAF understands the role of the MCDF as being 'to work on the promotion of infrastructure and connectivity development within the framework of the Belt and Road Initiative fostered by Chinese President Xi Jinping' (CAF, 2019).

However, in interviews with stakeholders from the AIIB, interviewees emphasised that the MCDF is not targeted at the BRI and does not serve the BRI in any way. Also, the governing instrument of the MCDF does not mention the BRI (MCDF, 2020).

The issue with MCDF's uncertain relationship with the BRI lies in the nature of the BRI, which is a Chinese initiative 'open to global participation', but not a multilateral initiative with a multilateral governing body. As most BRI investments are financed and implemented by Chinese institutions (Carey & Ladislaw, 2019), the MCDF's role in supporting those investments would call into question its multilateral nature.

3 | DISCUSSION AND RECOMMENDATIONS

The MCDF aims to provide another development finance facility to support coordination, transparency and project facilitation for infrastructure finance in emerging economies. However, as the analysis has shown, MCDF's additionality and political legitimacy in the development finance landscape are at this time unclear. First, it is not clear how MCDF will distinguish itself from existing institutions (e.g., GICA, GI Hub, IDFC), which often serve similar functions such as project facilitation, capacity building and transparency enhancement, and thus provide additionality. Second, it suffers from a lack of political legitimacy due to the uncertainty regarding the MCDF's role as an institution supporting the BRI, which is a 'Chinese initiative for the world' and thus not a multilateral initiative.

Based on the analysis, we developed the following recommendations to help improve MCDF's role and chances of success in a crowded but relevant field of infrastructure finance coordination, facilitation and capacity building, and address the issues of additionality and political legitimacy.

3.1 | Clarify organisational belonging and beneficiaries

Most important, the MCDF needs to clarify whether it functions as an institution supporting the Chinese BRI or as a multilateral institution with independence from China and governed in a multilateral way. The current lack of clarity on its target beneficiaries risks further raising suspicions over the goal and scope of the MCDF. It is not possible to be both a BRI and a multilateral at the same time, as the BRI is a China-governed initiative, and multilateral institutions are by definition governed jointly by its members. Consequently, the MCDF faces a stark choice between being a BRI or a multilateral organisation. This articles argues that the MCDF should choose the latter, while recognising that advantages and disadvantages of both exist.

If the MCDF were a BRI institution, it should aim to strengthen cooperation between Chinese financial institutions engaged in the BRI—particularly the China Development Bank, China Exim Bank, Industrial and Commercial Bank of China (ICBC) and the Bank of China—and international financial institutions to accelerate green development to build a green BRI as promised during the second Belt and Road Forum (Xi, 2019). In this case, the MCDF could increase its role in standard-setting for the BRI—for example, in collaboration with the Green Investment Principles (Green Finance Leadership Program, 2018) and the BRI Green Development Coalition (Nedopil Wang, 2020). It should strengthen the transparency of BRI investments, which has been criticised as lacking (Advisory Council of the Belt and Road Forum, 2019). It should also provide capacity and funds for co-financing between Chinese and international financial institutions, in particular in the following aspects:

- **Applying international standards.**Many BRI projects to date mostly are not planned according to international standards, lacking, for example, internationally recognised environmental and social impact assessments (Voituriez et al., 2019). This is in contrast to many development institutions and financial institutions that had signed the Equator Principles, a risk management framework for financial institutions, which applies International Finance Corporation's performance standards to projects, including on environmental and social risks (Nedopil et al., 2020). Capacity building on applying international standards for infrastructure finance would be within the functions of the MCDF.
- **Coordinating planning and investments.**Coordination of planning and investment between the host country and possible private and public investors in emerging economies is often weak. This can lead to uncoordinated efforts between investors from different countries (including the development banks) in supporting economic development and thus result in inefficiencies (Losos et al., 2019). The MCDF, through its finance coordination function, could support these countries and investors for better coordination on planning and investments.
- **Transparency of information.**Transparency around BRI investments is often insufficient, with projects, financing conditions and the stakeholders involved not sufficiently disclosed (Advisory Council of the Belt and Road Forum, 2019). The MCDF, through its mandate to increase information flow, could increase the transparency of BRI projects.

If the MCDF were to position itself as a multilateral institution, communication on it would need to clearly distance itself from the BRI, and MCDF's governance structure would need to reflect that through international participation and leadership. As most MCDF members are MDBs and their main contributors are Western countries, it may be easier to get direct international financial support for the MCDF if it is formally a multilateral rather than a BRI institution. As a multilateral institution, the MCDF would furthermore play a similar role as MDBs in providing a 'blue stamp' for projects that it is involved in. This, in turn, increases its ability to catalyse private capital as project risks are perceived as lower with multilateral backing. If the MCDF were to be interpreted as an international initiative to coordinate infrastructure investments in emerging economies with strong Chinese involvement, it would fulfil both requests by international stakeholders for more financial cooperation with Chinese partners and the MCDF's own goal of improving environmental risk management of current Chinese investments, and accordingly facilitate tripartite cooperation (Nedopil et al., 2020). The MCDF could therefore play an important role in bridging this gap between various types of investors and developers, including Chinese and international, and ensure that the local capacity gap to plan and implement infrastructure projects could be overcome (United Nations Economic and Social Commission for Asia and the Pacific, 2019).

This article argues that the MCDF can most efficiently fulfil its mandate by choosing to be a multilateral institution. The argument is that if the MCDF is not formally a BRI institution, it can nevertheless support BRI-related projects without the risk of being perceived as being led by China. We find that the AIIB has been successful in taking a similar approach, which the MCDF could follow facilitated by the close link between the AIIB and MCDF. In this way, through the MCDF secretariat, the MCDF governing bodies should make a statement that the MCDF is a multilateral institution supporting infrastructure development in Asia that includes but is not limited to BRI countries. This core recommendation of the MCDF's organisational nature forms the basis for the recommendations that follow.

3.2 | Focus on green investment and green capacity building

Working exclusively on green infrastructure projects would solve two important problems: acceleration of financing in green projects and additionality (and therefore a justification) for the MCDF.

First, green projects have a shorter historical track record than conventional infrastructure, which leads to a higher perceived risk of green projects within the investor community (World Economic Forum, 2013). As a consequence, the funding gap for green infrastructure is arguably the highest for mitigation and adaptation across a variety of sectors, from energy and transport to food (Asian Development Bank & ASEAN Catalytic Green Finance Facility, 2020). A dedicated 'green infrastructure' facility that provides capacity, a policy platform and finance mobilisation for green infrastructure would allow a clear focal point and effective pooling of resources and accelerate green project financing.

A focus on 'green' would also distinguish the MCDF from all other facilities and member organisations, whose emphasis on 'green' is accelerating against the backdrop of a majority of non-green investments in all member organisations (AfDB et al., 2020, 2021). Similarly, all of the 18 institutions analysed for this article include green components and are increasing their climate ambitions, yet none of them has an exclusive green focus.

Accordingly, the MCDF should provide relevant funding and capacity to reduce and allocate real and perceived risks of green projects in order to structure projects to increase their bankability. The MCDF would, therefore, support international commercial and development financial institutions to close the capacity and funding gap in green infrastructure.

3.3 | Improve information transparency

One of the functions of the MCDF, as stated in the MoU, is to 'facilitate [the] flow of information across Parties and other developing partners' (MCDF, 2020, p. 2). Nevertheless, information disclosure about its operations, projects and tools to the public is equally critical. Current documents, such as the governing instrument (MCDF, 2020), provide only a high-level impression of MCDF's governance and members. In contrast, most other platforms have developed detailed websites about their members and governance systems while sharing relevant resources that were developed with public funding. As an example, GICA developed the GICA Resource Library, which incorporates infrastructure and connectivity-related tools, best practices and publications.[2]

The MDCF could establish a database for the disclosure of relevant BRI project documents, such as bidding contracts and environmental impact assessments, and any processes in the infrastructure governance cycle (Figure 1). This platform would be a powerful research source and a significant step to improve the transparency of BRI projects.

3.4 | Clarify governance to expand international cooperation and private participation

So far, the MCDF consists of its eight MDB participants and the six funding countries that made donation commitments (see Table 1). The governance structure has six different categories of participants, but no information has been made public on the members of each of these categories. In contrast, the GIF has established a governance system comprised of funding partners that provide financial contributions, technical partners that lead the GIF project-supported activities and take advantage of their substantial experience to support infrastructure investment, and

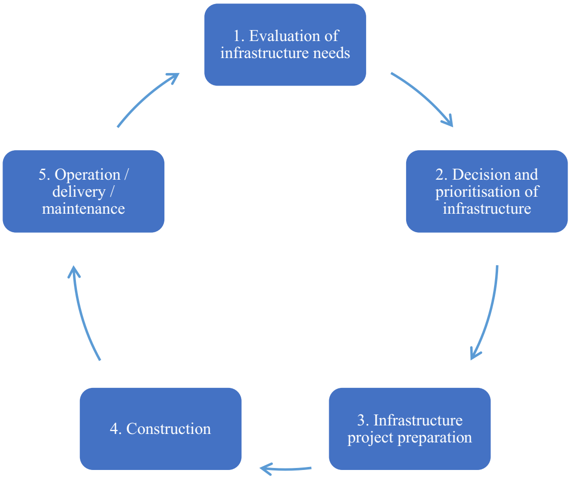

FIGURE 1 Infrastructure governance cycle. *Source*: Organisation for Economic Co-operation and Development (2015), p. 8

[2] See https://www.gica.global/resources.

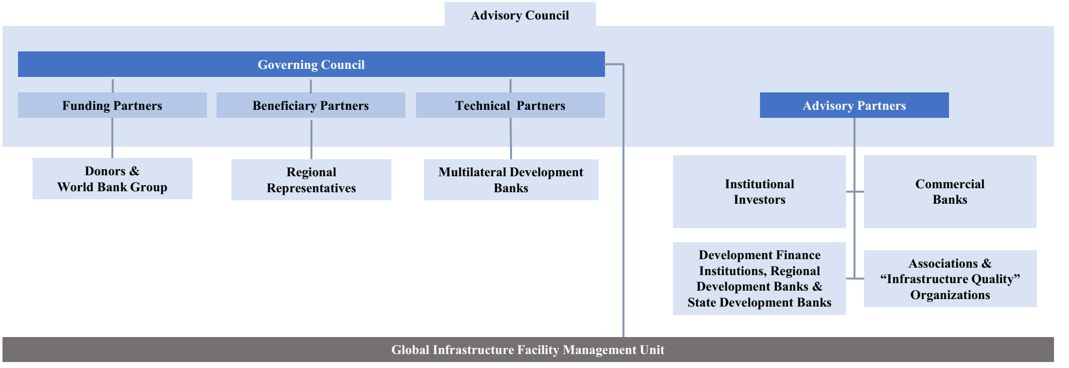

FIGURE 2 GIF Faculty Management Unit. *Source*: Global Infrastructure Facility, 'What is the GIF?', retrieved 8 December 2020, from https://www.globalinfrafacility.org/. Copyright 2016 by Global Infrastructure Facility

advisory partners that represent the voice of private sector infrastructure finance (see Figure 2; GIF, 2020a).

Accordingly, the MCDF should invite the private sector (Youssef & Nahas, 2017), such as private financial institutions, private companies and associations, from all nations to participate in the MCDF to foster public-private partnerships, similar to the GIF, ESCAP and CAREC.

The MCDF should also strengthen the participation of host countries in the governing board. While this often slows decision-making, it can also allow for proper integration. Similar to multilateral institutions in the field (e.g., CAREC, ESCAP, IDFC and WFDFI), the MCDF should invite host countries to participate in the organisation and governance of the facility to accelerate exchanges. Although this is formally the intention of the MCDF, it remains to be seen how and to what degree it will happen in practice.

3.5 | Collaboration and partnership with other facilities

The MCDF should partner with its peer institutions, such as the GI Hub, GICA and GIF, to avoid competition and to foster collaboration. Many of these institutions have already signed MoUs for collaboration amongst them or sit on the board of one another to strengthen collaboration. MCDF should also aim to support and learn from other institutions and see how MCDF can provide added value to existing infrastructure connectivity coordination, transparency and finance facilities. Implementing the above recommendations on participants and governance will also facilitate partnerships as the participants overlap and governance is directly compatible.

4 | CONCLUSION

Initiated in 2017 and formally established in 2020, the MCDF is the latest addition to the development finance landscape in Asia. It is also the third multilateral development finance initiative launched by China, following the AIIB and the New Development Bank. While only recently operationalised, the MCDF's backing from most of the world's MDBs suggests that it may have a substantial impact on infrastructure and climate finance in Asia. Yet, to play a relevant role in the development finance landscape, the MCDF should provide additionality and possess political legitimacy as a multilateral organisation.

This article provides an analysis of MCDF's additionality and political legitimacy by analysing its governance and strategy and comparing it to 18 similar or related development finance and capacity-building organisations. The article finds that the rationale for the MCDF is generally aligned with the goal to catalyse private sector finance in infrastructure by reducing risk and developing a formal pipeline of projects. However, the MCDF risks overlapping with existing initiatives, which might lead to both an inefficient use of resources and unhealthy competition for projects with alternative platforms while not necessarily providing additionality. Further, due to MCDF's relationship with the Chinese Government as the main sponsor and unclear role in the Chinese-led BRI, it risks conflating multilateral political legitimacy with 'multilateralism with Chinese characteristics'.

As the MCDF continues to adapt its scope and clarifies its mandate, the article finds that it could provide an important role in providing coordination, capacity building and transparency, and in building a project pipeline for joint investments to address the infrastructure gap. The article recommends that to achieve its aim and to increase the likelihood of success, the MCDF should clarify its BRI relations from this outset as being a multilateral initiative that supports infrastructure financing in Asia, and not just the BRI countries. The article further recommends that given the increasing green mandates of its MDB founding members, the MCDF should focus specifically on green and climate finance to carve out an area where it can become a much-needed new platform for project development and coordination. Lastly, the MCDF should increase transparency to the public, expand membership to private organisations, and establish partnerships with existing platforms.

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The views expressed in this paper are those of the authors only and do not represent those of their affiliations.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

ORCID

Christoph Nedopil https://orcid.org/0000-0001-9408-4935
Mathias Lund Larsen https://orcid.org/0000-0002-0442-7066
Mengdi Yue https://orcid.org/0000-0002-2457-7264

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AUTHOR BIOGRAPHIES

Dr Christoph Nedopil is Associate Professor, Economics, and Director of Finance and Development Center at Fanhai International School of Finance, Fudan University in Shanghai, China.

Mathias Lund Larsen is a dual PhD Fellow at Copenhagen Business School and the University of Chinese Academy of Sciences. He is also a Senior Research Consultant at the International Institute of Green Finance, Central University of Finance and Economics.

Mengdi Yue is a researcher at the International Institute of Green Finance at Central University of Finance and Economics.

Professor Yao Wang is the Director-General of International Institute of Green Finance at Central University of Finance and Economics, Deputy Secretary-General of Green Finance Committee of the China Society for Finance and Banking and Secretary-General of the Green Securities Committee of the Securities Association of China.

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APPENDIX 1: EXAMPLES OF PROJECT FACILITATION FUNDS

Enabling initiative	Funders	Focus
Africa Legal Support Facility (ALSF)	Two MDBs, five governments	Provides support to governments and utilities to strengthen their legal expertise and negotiating capacity.
Clean Energy Solutions Center (CESC)	Clean Energy Ministerial, four governments	Provides assistance to policymakers to help with the design of policy that enables the deployment of low-carbon technologies.
Commercial Law Development Program	US Department of Commerce	Provides support to governments and utilities to strengthen their legal expertise and negotiating capacity.
Cooperation on Framework Conditions for Private Sector Development	Norwegian Agency for Development Cooperation (NORAD)	Building capacity of institutions and private sector actors.
East Africa Regional Regulatory Partnership	United States Agency for International Development (USAID)	Capacity building to assist national energy regulators with regional energy trade.
Membership of the Council of European Energy Regulators (CEER)	Swedish Energy Markets Inspectorate	International cooperation to assist energy regulators.
Energy Sector Technical Leadership	USAID	Capacity building. Includes workshops, training programs, online courses and study tours for in-country energy professionals.
Energy Utility Partnership Program	USAID	Facilitates executive exchanges between power utilities in developing countries and those in the US to share best practices.
Enhancing Sustainable Utility Regulation	USAID	Exchange programs for utility regulators to discuss challenges and share best practices.

(Continues)

APPENDIX 1: (Continued)

Enabling initiative	Funders	Focus
Global Procurement Initiative (GPI)	US Trade and Development Agency (USTDA)	Training to boost capacity in public procurement processes for government departments and government-owned entities.
Increasing Adoption of Renewable Energy	USAID	Technical assistance and activities to promote an expanded supply of renewable energy technologies.
International Business Partnership Program	USTDA	Reverse trade missions to the US, conferences, training and workshops for exporters and importers.

Source: Authors' compilation.

APPENDIX 2: EXAMPLES OF CAPACITY-BUILDING FACILITIES

Description	Specific information
CDIA – Cities Development Initiative for Asia Lead organisations: Asian Development Bank (ADB) & GIZ Since: 2007 Facility type: PPF City focus: exclusively urban Thematic focus: no sectoral focus Partnership structure: multi-stakeholder Number of projects supported: more than 70 Average support per project: US$250,000	• Project preparation support in medium-sized cities • Prioritisation of urban infrastructure investments • Pre-feasibility studies • Linking to finance
ACCCRN – Asian Cities Climate Change Resilience Network On behalf of: Rockefeller Foundation Since: 2008 Facility type: PPF City focus: exclusively urban Thematic focus: climate focus Partnership structure: multi-stakeholder Number of projects supported: 35 Average support per project: US$350,000	

APPENDIX 2: (Continued)

Description	Specific information
UEIF – Urban Environment Infrastructure Fund Lead organisation: ADB Since: 2009 Facility type: PFF City focus: exclusively urban Thematic focus: no sectoral focus Partnership structure: single actor Number of projects supported: about 40 Average support per project: US$200,000	• Grants for technical assistance and investments
UFPF – Urban Project Finance Initiative Lead organisation: ADB Since: 2011 Facility type: PFF City focus: exclusively urban Thematic focus: climate focus Partnership structure: single actor	• Pooled grants from UEIF • Pooled grants from other urban trust funds • Framework agreements with financing partners • Knowledge provision and exchange
AAPP – Adapt-Asia Pacific Project Lead organisation: USAID Since: 2009 Facility type: PPF City focus: inclusively urban Thematic focus: climate focus Partnership structure: single actor (extensive partner network)	• Facilitating access to climate change adaptation finance • Building national capacity for adaptation • Technical assistance • Organising focused training and peer-to-peer learning • Promoting regional networking and training
AP3F – Asia Pacific Project Preparation Facility Lead organisation: ADB Since: 2014 Facility type: PPF City focus: inclusively urban Thematic focus: no sectoral focus Partnership structure: multi-stakeholder	• Financial assistance for public sector agencies of member countries to support financial, legal and technical advisory services • Support for enabling reforms and capacity building: – upstream sector reform – due diligence of project structuring – preparation of information memoranda and marketing – preparing project documentation and financial models

(Continues)

APPENDIX 2: (Continued)

Description	Specific information
USICEF – US-India Clean Energy Finance Facility	
Lead organisations: Climate Policy Initiative & Indian Renewable Energy Development Agency Since: 2017 Facility type: PFF City focus: inclusively urban Thematic focus: renewable energy Partnership structure: multi-stakeholder Number of projects supported: 5 Average support per project: US$250,000	• Providing technical assistance • Linking projects to finance
PIDG – Private Infrastructure Development Group	
Lead organisation: autonomous governance, membership of five European and Australian ministries as well as development finance institutions Since: 2002 Facility type: PFF City focus: inclusively urban Thematic focus: no sectoral focus Partnership structure: multi-stakeholder Number of projects supported (by InfraCo Asia): 12 Average support per project: US$500,000 (2–10 million in case of co-development and joint venture partner)	• Mobilisation of private sector investment • Group of subsidiary companies focused on – technical assistance – provision of guarantees – facilitation of private sector participation – provision of debt

Source: Oberholzer et al. (2018, pp. 16–17).