



GLOBAL TOOLBOX:

Instruments Available from Multilateral Development Banks to Support Private Investment in Europe

The Global Toolbox provides an interactive inventory of instruments available from multilateral development banks to support and enhance private investments in emerging and developing markets across the globe.

The interactive toolbox is grouped by region: Asia, Africa, Europe, and Latin America and the Caribbean. Within each region, instruments are categorized by those available to governments, to investors, and to firms and other private sector entities.

The instruments in each regional Toolbox may not be available to all countries in the region, but will depend on the mandate and policies of the relevant development banks. For information on country coverage, refer to the provided links for the instruments.

These regional toolboxes reflect an initial joint effort (version 1.0) by Multilateral Development Banks to provide a comprehensive overview of instruments available to support private sector activities in emerging market and developing economies.

This version of the Toolbox outlines instruments to scale up private investments in Europe.

For each sub-category, the following structure is applied as instrument types:

1. Project preparation and advisory facilities
2. Risk mitigation vehicles and guarantees
3. Co-investment platforms
4. Project financial instruments
5. [Blended finance](#) project instruments

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LIST OF ABBREVIATIONS:

- AIIB** Asian Infrastructure Investment Bank
- EBRD** European Bank for Reconstruction and Development
- EIB** European Investment Bank
- ICD** Islamic Corporation for the Development of the Private Sector (Islamic Development Bank)
- ICIEC** Islamic Corporation for the Insurance of Investment and Export Credit (Islamic Development Bank)
- IFC** International Finance Corporation
- IsDB** Islamic Development Bank
- PPP** Public-Private Partnership
- SME** Small and Medium-Sized Enterprises
- WBG** World Bank Group

1. GOVERNMENTS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	AIIB	Project Preparation Special Fund	Provides grants to support and facilitate the preparation of projects to be financed by AIIB in eligible member countries. In exceptional circumstances, Fund resources may also be used for preparing non-sovereign backed transactions where there is a demonstrable need.	AIIB Project Preparation Special Fund
Project Prep and Advisory Facilities	EBRD	Infrastructure Project Preparation Facility (IPPF)	Provides enhanced support and delivery mechanisms for project preparation (for both PPPs and public sector financed projects) to improve efficiency, quality, and replicability of infrastructure projects.	IPPF
Project Prep and Advisory Facilities	EBRD	Local Currency and Capital Market Development Initiative (LC2)	<p>Policy dialogue and product design</p> <ul style="list-style-type: none"> • Reduces reliance on foreign currency borrowing and lending through building sustainable and resilient domestic local currency financial sectors. • MoU on developing domestic capital markets and improving the access of SME to local currency financing. • Expands the range of equity and debt financial instruments such as covered and municipal bonds, equity funds. • Promotes efficiency of capital market infrastructure through improving and developing debt/equity trading platforms and clearing and settlement institutions, and alternative financing channels such as crowd funding and listing support platforms for SME. 	LC2
Project Prep and Advisory Facilities	EIB	European Investment Advisory Hub (EIAH)	The European Investment Advisory Hub (EIAH) is designed to act as a single point of entry to a comprehensive offer of advisory services and technical assistance. The Hub aims to improve the quality of investment projects by offering tailored advisory support to European project promoters.	EIAH
Project Prep and Advisory Facilities	EIB	Municipal Project Support Facility (MPSF)	Provides technical assistance to municipalities in Eastern Partner countries—Ukraine, Belarus, Georgia, Armenia, Azerbaijan, and Moldova—and helps prepare and implement bankable, sustainable, and economically viable projects.	MPSF
Project Prep and Advisory Facilities	EIB	Economic Resilience Initiative	Focused on both public and private sectors, the Initiative allows the EU bank to accelerate implementation of ongoing projects and provide additional financial and technical support to projects that otherwise would have difficulty originating.	Economic Resilience Initiative

GOVERNMENTS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	EIB	Financial Instruments Advisory	Provides support to managing authorities and national promotional institutions across the EU in terms of capacity building and hands-on support to set up and implement financial instruments or investment platforms which utilize EU funding streams.	fi-compass
Project Prep and Advisory Facilities	EIB	European PPP Expertise Centre (EPEC)	EPEC is a unique membership based PPP expertise network, with a mission to support the public sector to deliver sound PPPs. Its membership comprises 41 public sector entities (typically central PPP units) from 30 countries, as well as the EIB and the EC.	EPEC
Project Prep and Advisory Facilities	EIB	European Local Energy Assistance (ELENA)	Provides grants to EU municipalities for technical assistance focused on the implementation of energy efficiency, distributed renewable energy and urban transport projects and programmes.	ELENA
Project Prep and Advisory Facilities	EIB	Eastern Partnership Technical Assistance Trust Fund (EPTATF)	Aims to enhance the quality and development impact of EIB operations in the Eastern Partnership Countries. It is a multi-donor, multi-sector trust fund established by the Bank in December 2010 in response to the need for specific technical advisory support to its lending activities in the Eastern Partnership Countries. In addition to direct project related support, the Trust Fund provides institutional support and capacity building via the Eastern Partnership Internship Programme and the Eastern Partnership Secondment Programme.	EPTATF
Project Prep and Advisory Facilities	ICD	Sukuk Program	As the private sector arm of the Islamic Development Bank Group, ICD helps its member countries mobilize resources from the market through Islamic finance facilities (sukuk). Sukuk advises member governments on issuing short and long term sukuku which will provide the banking sector with the needed liquid instruments to invest surplus capital.	Sukuk Program
Project Prep and Advisory Facilities	ICD	Islamic Financial Institutions Development Program	Supports financial institutions in member countries to set up Islamic Finance window and to convert their operations from conventional finance to Islamic Finance.	IFI Program
Project Prep and Advisory Facilities	ICD	Industry and Business Environment Support Program	Assists member countries in the development of conducive enabling environment for business, improves firms' competitiveness, enhances value chains, and promotes industrialization in productive sectors.	IBES Program
Project Prep and Advisory Facilities	IFC	InfraVentures	Assumes the risks and associated costs of early-stage project development, preparing projects for investment by the private sector. Projects must be related to core infrastructure such as power, water, roads, ports, and airports.	InfraVentures Homepage Overview of InfraVentures

GOVERNMENTS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	IFC A multi-donor facility	Infrastructure Development Collaboration Partnership Fund (DevCo)	Advisory services on privatization transactions and public-private partnerships (PPPs) in infrastructure, health, and education sectors. Technical assistance to perform due diligence and provide inputs to the development of strategic options and policy choices regarding the structuring of transactions for client governments.	DevCo DevCo Operating Principles
Project Prep and Advisory Facilities/ Project Financial Instruments	WBG	Investment Project Financing (IPF)	Supports capital-intensive investments, agricultural development, service delivery, credit and grant delivery, and institution building. Used in all sectors; focused on the long term (5-10 years).	IPF
Project Prep and Advisory Facilities	WBG	Advisory Services and Analytics (ASA)	Helping governments adopt better policies, programs, and reforms that lead to greater economic growth and stability. Consisting of economic and sector work and technical assistance.	ASA
Risk mitigation vehicles and guarantees	ICIEC	Export Credit and Investment Reinsurance	Offers mitigation tools for Export Credit Agencies (ECAs) and insurers to provide capacity building support, technical assistance, and credit information services for ECAs in member countries.	ICIEC Export Credit
Project Financial Instruments	AIIB	Sovereign-Backed Financing (including preparation advances for sovereign-backed financing)	Provides financing to the public part of a public-private-partnership project that is backed by a sovereign guarantee by the member countries to the Bank (AIIB may also provide the financing for preparatory activities).	Sovereign-Backed Financing
Project Financial Instruments	AIIB	Non-Sovereign-Backed Financing	Includes any financing (senior loan, subordinated loan and syndicated loan) to or for the benefit of a private enterprise or a sub-sovereign entity that is not backed by a guarantee or counter-guarantee and indemnity provided by the member countries to the Bank.	Non-Sovereign-Backed Financing
Project Financial Instruments	AIIB	Equity Investment	Equity investment in a state-owned entity.	Equity Investment
Project Financial Instruments	EIB	Project loans, intermediated loans	Project loans finance projects promoted by private and public sector companies or entities, or PPPs. EIB lends to projects for which total investment cost exceeds EUR 25 million. EIB makes loans to local banks and other intermediaries which subsequently “on-lend” to final beneficiaries, SMEs or medium-sized companies, and public sector entities.	EIB Loans
Project Financial Instruments	EIB	Own Risk Facility (ORF)	Investment facility in public sector projects for Southern and Eastern Neighbourhood regions: senior loans, subordinated loans, and equity.	EIB Own Risk Facility

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	EIB	Economic Resilience Initiative (ERI)	Financing in support of the capacity of economies in the Western Balkans to boost economic resilience in these regions by investing in vital infrastructure: senior loans and subordinated loans.	Economic Resilience Initiative
Project Financial Instruments	EIB	Deep and Comprehensive Free Trade Area (DCFTA) Initiative East	Aims to strengthen economic development in the countries which have signed an association agreement with the EU—namely Georgia, Moldova and Ukraine—by providing targeted financial and technical support to small and medium-sized enterprises (SMEs) in these three countries. Provides loans, guarantees, TA, intermediated finance (microfinance).	DCFTA
Project Financial Instruments	EIB	Connecting Europe Facility (CEF)	Alternative to traditional grant funding by offering competitive financial products for priority investments in transport, energy and Telecommunications. Variety of products and structures including loans, intermediated loans, project finance, mezzanine and equity through funds.	CEF
Project Financial Instruments	EIB	Climate Action and Environment Facility (CAEF)	Climate Action and Environment Facility (CAEF) for investment grade projects in renewable energy, energy efficiency, carbon capture, transportation or storage projects aiming specifically to reduce greenhouse gas emissions and projects contributing substantially to security of EU energy supply.	CAEF
Project Financial Instruments	IsDB	<ul style="list-style-type: none"> • Loans • Leasing • Istisna'a • Grants • Installment Sale • Equity • Mudarabah • Trade Finance 	IsDB offers various Islamic finance products to support development projects in its Member Countries. Through these products, IsDB finances a variety of projects in the agriculture, industrial, infrastructure, and other sectors.	IsDB Financial Products
Project Financial Instruments	WBG	Development Policy Financing (DPF)	Provides rapidly-disbursing financing to help borrowers address actual or anticipated development financing requirements. Can be extended as loans, credits, or grants.	DPF

2. INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	EBRD	Infrastructure Project Preparation Facility (IPPF)	Offers enhanced support and delivery mechanisms for project preparation (for both PPPs and public sector financed projects) to improve efficiency, quality, and replicability of infrastructure projects.	IPPF
Risk Mitigation Vehicles and Guarantees	ICIEC	Credit Insurance and Investment Insurance Solutions	<p>Credit insurance covers insolvency of the obligor, failure or refusal of the obligor to pay on due date, and currency inconvertibility.</p> <ul style="list-style-type: none"> • Bank Master Policy • Documentary Credit Insurance Policy <p>Investment insurance covers risks such as non-honoring of financial obligations by the sovereign/sub-sovereign, currency inconvertibility and transfer restrictions, and expropriation.</p> <ul style="list-style-type: none"> • Non-Honoring of Sovereign Financial Obligations • Foreign Investment Insurance Policy for Financing Facility and Equity 	ICIEC Insurance Solutions
Risk Mitigation Vehicles and Guarantees	IFC	PSW Local Currency Financing Facility (IDA 18)	Provides hedging solutions for local currency in markets without commercial hedging solutions.	PSW
Risk Mitigation Vehicles and Guarantees	WBG	Project-based guarantees (loan guarantees & payment guarantees)	<p>Project-based guarantees which fall into two main categories:</p> <p>(i) Loan guarantees that cover defaults of debt service payments.</p> <p>(ii) Payment guarantees that cover payment defaults of non-loan-related government payment obligations to private entities.</p> <p>New Private Sector Window provides additional project-based guarantees with greater flexibility (e.g., does not require sovereign guarantee).</p>	<p>Overview World Bank Group guarantee products</p> <p><i>This publication summarizes key features of the guarantee products offered by the World Bank Group.</i></p>
Co-Investment Platforms	EBRD	Equity Participation Fund (EPF)	EPF is designed to attract long-term institutional capital into private sector investment in the EBRD regions of operation by mobilizing funds from leading global institutional investors. An investment in the EPF provides investors access to a predetermined slice of EBRD's new direct equity investments over the EPF investment period.	EBRD Equity Participation Fund
Co-Investment Platforms	EIB	Green Bonds	Green bonds, which finance a significant proportion of renewable energy and energy efficiency lending, alongside regular bonds.	Green Bonds
Co-Investment Platforms	ICD	Assets Management Services	SME, private equity and income funds to mobilize resources for private sector development. Private equity funds include infrastructure, healthcare, and other sectorial thematic areas.	Assets Management Services

INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	AIIB	Sovereign-Backed Financing (including preparation advances for sovereign-backed financing)	Provides financing to the public part of a public-private-partnership project that is backed by a sovereign guarantee by the member countries to the Bank (AIIB may also provide the financing for preparatory activities).	Sovereign-Backed Financing
Project Financial Instruments	AIIB	Non-Sovereign-Backed Financing	Includes any financing (senior loan, subordinated loan and syndicated loan) to or for the benefit of a private enterprise or a sub-sovereign entity that is not backed by a guarantee or counter-guarantee and indemnity provided by the member countries to the Bank.	Non-Sovereign-Backed Financing
Project Financial Instruments	AIIB	Equity Investment	Equity investments in an investor.	Equity Investment
Project Financial Instruments	EBRD	Loans: <ul style="list-style-type: none"> • Senior loans • Subordinated loans • Syndicated loans • Blended loans 	EBRD finances projects and companies through loans from its own account, typically for 5 to 20 years. EBRD also makes loans to intermediary banks, leasing companies, and other financial institutions for on-lending.	EBRD Project Finance
Blended Finance Project Instruments	IFC	Global SME Finance Facility ¹	Blended finance is based on a combination of market loans and grants, which may take various forms, such as direct investment grants, interest rate subsidies, loan guarantees, technical assistance, risk mitigation, and equity instruments.	Global SME Finance Facility
Blended Finance Project Instruments	IFC (private sector window)	Global Agriculture and Food Security Program (GAFSP) ²	Provides competitive grant financing to support governments to implement their food and nutrition security priorities. It also provides concessional finance blended with commercial finance to stimulate private investment into agriculture, gender, nutrition, climate change and targeted support to fragile and conflict affected states.	GAFSP

¹Global SME Finance Facility is a platform to blend donor funding with funding from international development institutions to expand lending to small businesses in EMs to support high-impact projects with higher risk profiles, women-owned businesses, and those engaged in sustainable energy and climate-change activities

²GAFSP uses blended finance solutions and the IFC's expertise and knowledge to support projects in the agricultural sector which may not attract commercial funding due to perceived high risks in the sector. GAFSP funding is co-invested alongside IFC funding to address market failures by providing affordable funding with less demanding terms, which allows GAFSP to invest in early stage or riskier projects that hold high potential for development impact and financial sustainability.

INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Blended Finance Project Instruments	IFC	Blended Climate Finance (BCF)	Addresses market barriers by using concessional financial instruments to undertake pioneering projects that directly combat climate change and have a strong potential to transform markets. This can take the form of a variety of products and structures including risk sharing products, lower interest rates, longer tenors, subordinated rank in loans, or lower returns for equity investments.	Blended Climate Business
Blended Finance Project Instruments	IFC	IDA18: PSW Blended Finance Facility	Additional blended finance for sectors such as manufacturing, technology, and basic services.	PSW

3. FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	AIIB	Project Preparation Special Fund	Provides grants to support and facilitate the preparation of projects to be financed by AIIB in eligible member countries. In exceptional circumstances, Fund resources may also be used for preparing non-sovereign backed transactions where there is a demonstrable need.	AIIB Project Preparation Special Fund
Project Prep and Advisory Facilities	EBRD	Infrastructure Project Preparation Facility (IPPF)	Offers enhanced support and delivery mechanisms for project preparation (for both PPPs and public sector financed projects) to improve efficiency, quality, and replicability of infrastructure projects.	IPPF
Project Prep and Advisory Facilities	EIB	European Investment Advisory Hub (EIAH)	The European Investment Advisory Hub (EIAH) is designed to act as a single point of entry to a comprehensive offer of advisory services and technical assistance. The Hub aims to improve the quality of investment projects by offering tailored advisory support to European project promoters.	EIAH
Project Prep and Advisory Facilities	EIB	InnovFin Advisory	InnovFin Advisory (IFA) is part of the InnovFin programme of Horizon 2020 and provides financial and technical advice to public and private sector promoters to improve the access to finance for innovative projects and prepare projects for appraisal by EIB and/or other providers of capital. In addition, IFA conducts a wide range of thematic market studies, to assess gaps in financing and current tools to propose measures to further improve the investment conditions and funding landscape for innovative projects. This may include development of and advice on new financing mechanisms.	IFA
Risk Mitigation Vehicles and Guarantees	ICIEC	Credit Insurance and Investment Insurance Solutions	Credit insurance covers insolvency of the buyer/ issuing bank, failure or refusal of the buyer to pay, and currency transfer restrictions. <ul style="list-style-type: none"> • Comprehensive Short-Term Policy • Specific Transaction Policy Investment insurance covers currency inconvertibility, transfer restrictions, expropriation, and breach of contract. <ul style="list-style-type: none"> • Foreign Investment Insurance Policy for Equity 	ICIEC Insurance Solutions

FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Risk Mitigation Vehicles and Guarantees	WBG	Project-based guarantees (loan guarantees and payment guarantees)	<p>Project-based guarantees that fall into two categories:</p> <ul style="list-style-type: none"> (i) Loan guarantees that cover defaults of debt service payments. (ii) Payment guarantees that cover payment defaults of non-loan-related government payment obligations to private entities. <p>New Private Sector Window (PSW) provides additional project-based guarantees with greater flexibility (e.g., does not require sovereign guarantee).</p>	Overview World Bank Group guarantee products
Project Financial Instruments	AIIB	Sovereign-Backed Financing (including preparation advances for sovereign-backed financing)	Provides financing to the public part of a public-private-partnership project that is backed by a sovereign guarantee by the member countries to the Bank (AIIB may also provide the financing for preparatory activities).	Sovereign-Backed Financing
Project Financial Instruments	AIIB	Non-Sovereign-Backed Financing	Includes any financing (senior loan, subordinated loan and syndicated loan) to or for the benefit of a private enterprise or a sub-sovereign entity that is not backed by a guarantee or counter-guarantee and indemnity provided by the member countries to the Bank.	Non-Sovereign-Backed Financing
Project Financial Instruments	AIIB	Equity Investment	Invests either in new enterprise or an existing enterprise as a loan convertible into equity.	Equity Investment
Project Financial Instruments	EBRD	Loans: <ul style="list-style-type: none"> • Senior loans • Subordinated loans • Syndicated loans • Blended loans 	<p>EBRD finances projects and companies through loans from its own account, typically for 5 to 20 years.</p> <p>EBRD also makes loans to intermediary banks, leasing companies, and other financial institutions for on-lending.</p>	EBRD Project Finance
Project Financial Instruments	EIB	<ul style="list-style-type: none"> • Project loans • Intermediated loans 	<p>Project loans finance projects promoted by private and public sector companies or entities, or public-private partnerships. EIB lends to projects for which total investment cost exceeds EUR 25 million.</p> <p>EIB makes loans to local banks and other intermediaries which subsequently “on-lend” to final beneficiaries, SMEs or medium-sized companies, and public sector entities.</p>	EIB Loans
Project Financial Instruments	European Commission and EIB	<ul style="list-style-type: none"> • Guarantees • Equity 	EFISI is one of the three pillars of the Investment Plan for Europe that aims to mobilize private investment in strategic projects reaching and supporting the real economy, under two windows: Infrastructure and Innovation and SMEs.	EFISI

FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	EIB	<ul style="list-style-type: none"> • Loans • Guarantees • Equity-type funding 	InnovFin financing tools cover a wide range of loans, guarantees, and equity-type funding, which can be tailored to innovators' needs. Financing is either provided directly or via a financial intermediary, most usually a bank or a fund. InnovFin is available across all eligible sectors in EU Member States and Associated Countries, under the EU Research and Innovation programme, Horizon 2020.	InnovFin
Project Financial Instruments	EIB	Natural Capital Financing Facility (NCFF)	The NCFF employs a range of different financing options for different projects, including debt and equity financing as well as direct and intermediated funding.	NCFF
Project Financial Instruments	European Commission and EIB	Decentralised Financial Instruments (DFI)	Transform EU resources under the European Structural and Investment Funds (ESIF) into financial products such as loans, guarantees, equity and other risk-bearing mechanisms. These are then used to support economically viable projects which promote EU policy objectives. Financial instruments (FIs) aim to put EU funds to good and efficient use, ensuring that grants are complemented by other financial products so that EU funding can be used time and time again in a revolving fashion. FIs can be combined with technical support or guarantee/interest rate subsidies.	DFI
Project Financial Instruments	EIB	Economic Resilience Initiative (ERI) <ul style="list-style-type: none"> • Senior Loans • Subordinated Loans • Equity 	Financing in support of the capacity of economies in the Western Balkans Boosting economic resilience in these regions by developing the private sector and stimulating growth and job creation.	Economic Resilience Initiative
Project Financial Instruments	EIB	Own Risk Facility (ORF)	Investment facility in public sector projects for Southern and Eastern Neighbourhood regions: senior loans, subordinated loans and equity.	EIB Own Risk Facility
Project Financial Instruments	ICD	<ul style="list-style-type: none"> • Term Finance • Project Finance • Line of Finance • Equity 	Equity capital, term finance, trade finance, and project finance for suitable greenfield and brownfield projects in its member countries. The typical duration for the loan maturity is 3 to 7 years while the Bank can go beyond 10 years on infrastructure and project finance transactions.	ICD Investment Facilities

FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	IFC	Equity: <ul style="list-style-type: none"> • Structured finance • Equity • Private equity & investment funds 	Equity investments provide developmental support and long-term growth capital that private enterprises need. IFC invests directly in companies' equity and through private-equity funds.	IFC Equity
Project Financial Instruments	IFC	Loans: <ul style="list-style-type: none"> -Senior loans -Subordinated loans -Syndicated loans -Blended loans 	IFC finances projects and companies through loans from its own account, typically for 7 to 12 years. IFC also makes loans to intermediary banks, leasing companies, and other financial institutions for on-lending.	IFC Loans
Blended Finance Project Instruments	ICD	Global SMEs Program	The Global SMEs Program focuses on providing (1) access to finance, (2) capacity building, and (3) advisory services to SMEs to help them access capital and export markets as well as take part in global value chains.	ICD SME Programs



ASIAN INFRASTRUCTURE
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