

MULTILATERAL COOPERATION CENTER FOR DEVELOPMENT FINANCE

RESULTS FRAMEWORK OF THE MCDF FINANCE FACILITY

Impact of MCDF is aligned with

Quality infrastructure and connectivity projects following accredited IFI standards in developing countries increased

MCDF will track data showing trends in developing countries with respect to the infrastructure connectivity gap, as well as the achievement of various infrastructure related Sustainable Development Goals (SDGs), with special emphasis on transport, energy, ICT and water (SDG 9.1.2 and 9.4.1; SDG 9.C.1; SDG 7.1.1 and 7.1.2; and SDG 6.5)¹. Debt sustainability will be monitored on the basis of data published by the International Monetary Fund (IMF).

Results Chain	Performance Indicators	Data Sources and Reporting	Assumptions/Risks
<p><i>Outcome</i></p> <p><i>Finance mobilized by IPs and NPs for high-quality infrastructure connectivity projects in developing countries increased</i></p>			

¹ High-level trends in infrastructure and SDGs cannot be attributed to MCDF alone. However, the Secretariat will track developments in these areas based on data available in the marketplace. The intention here is not to show attribution but to create a context for MCDF operations. This information is to be included in the MCDF Annual Results Framework Report. It should be noted that this high-level impact statement is compatible with the language included in the Memorandum of Understanding (MOU) for the establishment of MCDF signed on 25 March 2019 by eight international financing institutions and the Ministry of Finance of the People's Republic of China, which called on MCDF to "serve as a platform to foster high quality infrastructure and connectivity investments for developing countries, advocating a transparent, friendly, non-discriminatory and predictable financing environment, and taking into account debt sustainability when mobilizing financing".

Results Chain	Performance Indicators	Data Sources and Reporting	Assumptions/Risks
<p>1. <i>Wider adoption, or significant progress in the adoption of, accredited IFI standards in critical policy areas</i> by NPs.</p>	<p>By 2025</p> <p>At least 2 geographically and financially influential NPs adopt, or make significant progress in the adoption of, the necessary internal institutional measures to apply accredited IFI standards with respect to transparency and disclosure of information; debt sustainability (consistent with IMF policy and methodology); procurement; preventing and combating fraud and corruption; environment and social safeguards in infrastructure projects; standards on fossil fuel investments and clean energy.</p>	<p>MCDF annual report. IP reports.</p> <p>The process to measure the extent to which NPs adopt, or make significant progress in the adoption of, the necessary measures to apply accredited IFI standards, could start with the submission of reports by IPs on findings based on joint pilot project preparation work in the field. Such reports could help determine how far or near NPs may be with respect to meeting IFI standards.</p> <p>Separately, the Governing Committee will discuss, and agree, how to apply the criteria to best measure progress made in the adoption of standards, and how to judge whether NPs are geographically and financially influential. Such discussion should take place at the time of the RF approval, or at any other convenient time agreed by the members.</p>	<p>A working assumption is that outputs will translate into outcomes and inputs into outputs. Baselines or benchmarks for NPs are to be established over time through joint IP-NP work on pilot projects.</p> <p>One risk here could be reluctance by NPs to modify their business models to adopt and apply accredited IFI standards with respect to some or to all of the critical policy areas both in the context of joint projects with IPs and/or projects financed on their own. NPs may also lack knowledge and capacity to make these changes. All the lessons learned from joint preparation work will be shared with NP’s senior management. MCDF will facilitate this process.</p>
<p>2. <i>Increased mobilized finance and number of</i></p>	<p>By 2025</p> <p>At least US\$ 1.5 billion to be mobilized for 10 joint IP-NP projects</p>	<p>MCDF annual report. IP reports.</p>	<p>NPs project quality will increase through IP-NP co-financed project partnerships.</p>

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<p><i>connectivity projects developed by IPs and NPs in developing countries follow IFI accredited standards</i></p> <p>3. <i>Increased mobilized finance and number of IPs stand-alone connectivity projects in developing countries</i></p>	<p>At least US\$ 1.5 billion mobilized for 10 IP stand-alone projects developed with the support of MCDF technical assistance.</p>	<p>MCDF annual report. IP reports.</p>	<p>Changes in IP project pipelines (due to cyclical or other factors) or reluctance to carry out joint project preparation work with NPs. Conversely, there could be reluctance by NPs to work with IPs. Countries could also prefer bilateral arrangements. Finally, there is a risk of limited third-party finance for projects.</p> <p>The financing of joint IP-NP connectivity projects, and the adoption and application of accredited IFI standards by NPs, could be influenced by the timelines, the cost and the success rate, or quality, of specific MCDF activities. Although the number of activities is related to outputs, the quality, cost and timelines can affect outcomes.</p> <p>It is assumed IPs will continue to place priority to connectivity projects. A possible risk is the priority placed by countries on connectivity projects, as well as the resources IPs divert to other programs and projects.</p>

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<p>Outputs</p> <p><i>Timeliness, cost and quality of evaluated MCDF activities</i></p> <p>1. <i>Information Sharing</i></p>	<p>By 2025</p> <p>10 workshops/seminars covering connectivity infrastructure investments, accredited IFI standards and best practices organized.</p> <p>At least 800 participants attending workshops/seminar; 70% sharing positive feedback on relevance and quality.</p> <p>At least 2 major research studies on quality infrastructure and standards commissioned</p> <p>At least 8 business matching events organized, related mostly to connectivity investment project opportunities in developing countries targeting a wide private and public sector stakeholders and collaboration</p> <p>At least 10 recipient countries engaged in workshops/seminars and business matching events</p> <p>At least 10 NPs engaged in information sharing events (private and public sector in nature).</p> <p>80 % of the activities completed on time 80 % of the activities completed within budget</p>	<p>MCDF annual report.</p> <p>Through Annual Reports, MCDF will show both performance in the information sharing area in a given year, as well as the cumulative portfolio up to that point.</p> <p>MCDF annual report</p> <p>MCDF annual report.</p> <p>MCDF annual report.</p> <p>MCDF annual report.</p> <p>MCDF annual report</p> <p>MCDF annual report</p>	<p>The Collaboration Platform can help bring about changes at the NP level by sharing details on successful policy frameworks, internal institutional arrangements and project experiences by IPs and NPs. Risks include low event attendance, low quality presentations or inadequate case studies.</p> <p>Poor timing, coordination and organization of events, low participation by IP/NP/countries. Low attendance by senior management, low quality and inadequate content under case studies. Low outreach by MCDF.</p> <p>Possible competition from events organized by IPs, NPs, countries, others.</p> <p>Poor design and execution, low quality content.</p> <p>Inadequate outreach by MCDF, low quality content in website. Low interest from countries, NPs and IPs.</p>

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<p>2. <i>Capacity Building</i></p>	<p>70 % of the completed activities rated successful</p> <p>By 2025</p> <p>At least 10 recipient countries benefit directly from MCDF-funded capacity building assignments related to connectivity investment project planning and the adoption and application of accredited IFI standards.</p> <p>At least 10 NPs accept MCDF funded capacity building technical assistance on accredited IFI standards.</p> <p>70 % of the activities completed on time 70 % of the activities completed within budget 70 % of the completed activities rated successful</p>	<p>MCDF annual report. The annual report will show the actual number of activities delivered under this capacity building heading as a whole, together with the cumulative portfolio up to that point in time.</p> <p>MCDF annual report. IP reports.</p> <p>MCDF annual report. IP activity completion reports.</p>	<p>Capacity building can take place at the country and NP level. Technical assistance can be used to carry out diagnostics (gap analyses) as well as policy, rules, processes and procedure reforms aimed at mainstreaming the adoption and application of standards. Reluctance to change and/or poor TA design and execution can impair these objectives</p> <p>Low country interest. Poor organization and outreach by MCDF.</p> <p>Reluctance by countries to engage in capacity building work related to connectivity project planning or standards. Possible duplication of other capacity building work implemented by the countries themselves, or with the help of IPs.</p> <p>Reluctance by NPs to request IP and MCDF help with respect to standards in</p>

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<p>3. <i>Project Preparation</i></p>	<p>By 2025</p> <p>At least 10 joint IP-NP project preparation proposals approved by MCDF.</p>	<p>MCDF annual report. IP reports. The annual report will show the actual number of activities delivered under this project preparation heading as a whole, together with the cumulative portfolio up to that point in time.</p> <p>To the extent possible, MCDF will do its utmost to front-load project preparation work. However, this will be contingent on IP-NP project pipelines, requests submitted for financial assistance and the availability of funds.</p>	<p>critical policy areas or to introduce policy and institutional changes post-capacity building work.</p> <p>Increased IP emphasis on the use of country systems, especially at the level of government agencies responsible for infrastructure connectivity investments, leading to NP reluctance to make internal changes related to standards.</p> <p>MCDF will facilitate the submission to senior NP management of all reports prepared on lessons learned.</p> <p>Joint project preparation is likely to be the most appropriate way to bring about institutional changes at the NP level with regard to the adoption and application of standards. Feasibility study work in particular exposes NP teams to IP due diligence processes and accredited IFI standards, information that can be shared with senior management by the IPs and/or MCDF.</p> <p>Possible risks are insufficient IP-NP team interactions, country reluctance to IP-NP collaboration, poor feasibility</p>

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	<p>At least 10 stand-alone IP project preparation proposals approved by MCDF</p> <p>At least 10 project concept papers approved by IPs, 5 of which requiring high levels of readiness.</p> <p>80 % of completed projects rated successful</p>	<p>MCDF annual report. IP reports.</p> <p>MCDF annual report</p> <p>MCDF annual report. IP activity completion reports.</p>	<p>study TA design, cost overruns, unbalanced due diligence work, slow and costly processing and perceptions of complexity.</p> <p>Reluctance by recipient countries to allow IP-NP partnerships and/or the use of accredited IFI standards. Priority or strategic changes at the level of IPs and NPs on account of cyclical factors or crises. NP reluctance to process and implement projects in line with IP standards. Reluctance by NPs to adopt IP cross-debarment requirements or adopt high readiness filters at the project processing stage. NP leadership changes, leading to low interest in joint IP-NP project preparation work.</p> <p>Changes in strategic priorities and/or adjustments to existing project pipelines based on cyclical and other factors (leading to IPs shifting away from project support).</p> <p>IP internal changes with respect to project processing approaches, including placing lower emphasis on readiness filters.</p> <p>Possible risks include poor project design and supervision, limited collaboration between IPs and NPs,</p>

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			weak agency implementation capacity, low quality contractors, inadequate technology, integrity and safeguards issues, mis-procurement, high and unsustainable country debt and complaints from affected people.

Key Activities with Milestones
<p><i>MCDF Finance Facility established and fund raising completed</i></p> <ul style="list-style-type: none"> - MCDF documentation completed (Q2 2020) - MCDF Administrator and Hosting Agreement with AIIB completed (Q3 2020) - Funding contributions (June 2020) <p><i>MCDF Secretariat in place</i></p> <ul style="list-style-type: none"> - MCDF Secretariat established and office in place (Q3 2020) - First MCDF budget approved (Q3 2020) - Secretariat staff profiles approved (Q3 2020) - Posts for Secretariat staff advertised (Q3 2020) - Secretariat staff recruitment completed (Q4 2020) <p><i>Information and knowledge sharing activities which need financing support from MCDF's Finance Facility</i></p> <ul style="list-style-type: none"> - MCDF website established and operational (Q1 2021) - Information and knowledge sharing events approved and implemented (Q4 2020-Q4 2025) - Business matching events organized (Q4 2021-Q4 2025) - Research studies on standards and connectivity projects organized and implemented (Q4 2020–Q4 2025)

Capacity building proposals for NPs and countries approved

- Capacity building proposals for MCDF funding approved and activities implemented (Q4 2020-Q4 2025)
- NP and country staff standards training proposals for MCDF funding approved and activities implemented (Q4 2020-Q4 2025)
- Project specific capacity building proposals for MCDF funding approved and activities implemented (Q4 2020-Q4 2025)

High quality connectivity project preparation proposals approved

- Pre-concept paper proposals for MCDF funding approved and activities implemented (Q4 2020-Q4 2025)
- Project preparation proposals for MCDF funding approved and activities implemented (Q4 2020-Q4 2025)

Inputs

1. MCDF Resource Envelope: USD 200 million

2. Financing Plan

- IP in-kind contributions (\$ equivalent person-months dedicated to MCDF activities). \$ -- million
- Country in-kind contributions (\$ equivalent person-month dedicated to MCDF activities). \$ -- million
- Country cash contributions (\$ equivalent). \$-- million
- Other (\$ equivalent in-kind and cash contributions to MCDF activities). \$---million

3. Resource Allocation

By 2025

- Information Sharing 5%
- Capacity Building 20%
- Project Preparation 75% (50% involving IP-NP partnerships)