



MULTILATERAL
COOPERATION CENTER
FOR DEVELOPMENT FINANCE

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Strategy of the Multilateral Cooperation Center for Development Finance, 2027-2031

September 2026

MCDF Strategy 2027–2031¹

Deepening Connectivity · Raising Quality Standards · Broadening Partnerships

Executive Summary

The Multilateral Cooperation Center for Development Finance (MCDF) enters the 2027–2031 period at a moment of both opportunity and persistent challenges for global connectivity infrastructure investment. Despite significant progress in recent decades, large gaps in transport, energy, digital, and water connectivity continue to constrain trade, productivity, and inclusive growth in many developing countries. The shortage of bankable projects and financing, and governments’ limited fiscal space for connectivity investment persist. The quality of infrastructure investment remains a central concern, as countries face high and, in some cases, growing risks related to debt sustainability, climate change, other environmental and social pressures, and governance. In recent years, there has also been a rising awareness that connectivity across borders extends beyond traditional infrastructure and encompasses multiple dimensions, including the effects of climate change and pandemics.

Against this backdrop, **MCDF Strategy 2027–2031 aims to set out a clear and coherent framework to deepen connectivity, raise quality standards in cross-border connectivity investments, and broaden partnerships.** This strategy builds on MCDF’s experiences and results achieved during its first five years of operations and incorporates the findings and recommendations of the Independent Evaluation of MCDF that covered the period 2021–2025. The Independent Evaluation confirmed the relevance, efficiency, and effectiveness of MCDF’s operations while also underscoring the continued importance of adaptation, scale, and partnership.

The proposed new strategy reaffirms **MCDF’s distinctive role as an independent multilateral platform that operates through accredited International Financial Institution (IFI) Implementing Partners (IPs) and works in close collaboration with governments, development finance institutions, and developing country financiers (New Partners).** It positions MCDF as a comprehensive platform for grant-based project preparation, capacity building, and knowledge sharing, with a specific focus on advancing sustainable, high-quality connectivity infrastructure. The strategy places particular emphasis on contexts where coordination challenges, multi-stakeholder engagement, and cross-border dimensions are most pronounced, and where early, high-quality preparation is critical to improving project readiness and investment outcomes.

During the 2027–2031 period, MCDF will pursue three mutually reinforcing strategic directions to: **deepen its support for connectivity** by expanding its sectoral scope to

¹ MCDF’s initial phase was designed to be 2021-2025, which was subsequently extended to 2026 due to the startup delay caused by COVID-19. It is proposed that the second phase of MCDF will be set as the 5-year period 2027-2031.

include climate adaptation and social sectors with connectivity components, while maintaining a strong focus on traditional infrastructure sectors; **continue raising quality standards** by reinforcing the application of “IFI standards,” strengthening monitoring, evaluation, and learning, and accelerating the dissemination of good practices through the MCDF Collaboration Platform; and **strengthen partnerships** by engaging a wider range of donors, beneficiary countries, IFIs, and development finance institutions, and enhancing support for donor countries, reflecting MCDF’s character as an initiative for mutual cooperation .

The proposed new strategy sets ambitious but realistic targets. By 2031, MCDF aims to double its number of donor countries, as well as to both double (in annual terms compared to end-2025 achievement) the MCDF Finance Facility’s approved grant support for project preparation, capacity building and information sharing, and double the projected investment mobilization leveraged by these grants (by comparing the projected investment mobilization of grants approved in 2031 against that of 2025 approved grants). The MCDF Collaboration Platform’s role as a global knowledge and coordination hub on IFI infrastructure standards will continue to be strengthened, including through the development of regional learning centers. Through disciplined implementation, strong governance, and continued collaboration with its partners, MCDF will further enhance and expand its support for sustainable, high-quality connectivity infrastructure that delivers lasting development impact.

I. KEY FEATURES OF MCDF IN THE 2021-2025 PERIOD

1. About MCDF

Since its launch in 2021, MCDF has grown as a unique **independent multilateral initiative that works collaboratively to provide comprehensive support services to respond to growing demand for high-quality connectivity infrastructure investment** in developing countries. MCDF was established to complement and strengthen the global development finance architecture by focusing on the upstream constraints that often limit the preparation, coordination, and quality of connectivity investments.

From its inception, MCDF has been designed to address a persistent gap in the development finance landscape. Many developing countries also face difficulties in translating investment needs into bankable, well-prepared project proposals that meet international standards and attract diverse sources of financing. These challenges are particularly acute for cross-border and broader regional connectivity projects, which require complex coordination among multiple countries, institutions, and stakeholders. Such dynamics underscore the continued importance of catalytic and standards-based support to mobilize resources effectively.

The United Nations estimates that developing countries require an additional USD4 trillion in financing annually to achieve sustainable development, with infrastructure being one of its major components. Putting this into perspective, countries in Sub-Saharan Africa, for example, need to invest approximately 7.1% of GDP in infrastructure

annually if they are to realize the Sustainable Development Goals. However, investment in the region is currently around 3.5% of GDP.² According to the Asian Development Bank, developing Asia will need USD1.7 trillion per year in infrastructure investment until 2030 to maintain growth momentum, eradicate poverty, and respond to climate change. In Latin America and the Caribbean, countries will need to invest at least 3.12% of GDP in infrastructure annually until 2030.³

MCDF responded to these challenges by operating through accredited IFI Implementing Partners and by maintaining a strong multilateral governance structure that reflects collaboration among diversified multilateral and bilateral and public and private stakeholders. Through the MCDF Financing Facility, MCDF provides grant support for feasibility study work, including environmental and social impact assessments (ESIAs), and capacity development, addressing upstream preparation and technical capacity gaps that often constrain project bankability. MCDF also works to address growing interest in climate adaptation, which widely lags climate mitigation efforts. This range of support helps countries translate their connectivity needs into well-prepared, investment-ready proposals that can attract financing from IFIs and private investors. MCDF places particular emphasis on cross-border and broader regional projects, where multi-jurisdictional coordination and alignment of standards are critical to reducing complexity and perceived risk.

Complementing this project-level support, the **MCDF Finance Facility and MCDF Collaboration Platform** strengthen institutional capacity and promote the consistent application of IFI standards and good practices through knowledge sharing, training, and peer learning. These instruments reinforce both project readiness and systemic capacity, enabling developing countries to advance sustainable, high-quality, connectivity infrastructure investments.

This approach ensures that **MCDF-supported activities are anchored in internationally recognized standards, benefit from deep technical expertise, and remain aligned with the priorities and needs of its members and beneficiary countries.** By approving grant funding for projects that mobilize downstream financing, MCDF plays a critical role in bridging the project preparation gap and leveraging diverse capital for connectivity. This approach not only helps to close the bankability divide but also aligns with global efforts to scale infrastructure investment in developing regions.

2. Objectives and Principles

2.1 MCDF Objectives

MCDF's overarching objective is to promote sustainable, high-quality connectivity infrastructure investment in developing countries through partnerships, as connectivity underpins economic integration, productivity growth, and access to markets and

² International Finance Corporation and World Bank Group: Infrastructure in Africa-how institutional reforms can attract more private investment. February 2023

³ Inter-American Development Bank: The infrastructure gap in Latin America and the Caribbean: investment needed through 2030 to meet the Sustainable Development Goals. December 2021

services. When projects are well-designed and effectively implemented, connectivity infrastructure contributes directly to poverty reduction, shared prosperity, and inclusive growth.

During the 2021-2026 period, MCDF prioritized three specific objectives.

First, MCDF sought to **increase connectivity project financing** by supporting the preparation of high-quality and bankable project proposals that can mobilize financing for these projects and thus help meet infrastructure demand in developing countries. MCDF worked to increase project financing and the mobilization of financial resources through accredited IFI Implementing Partners as well as developing country financiers (New Partners⁴) and other development financing entities for connectivity initiatives, amplifying the impact of its grant-based support.

Second, MCDF aimed to **enhance country-level application of IFI standards** as a sustainable, long-term approach to ensuring high-quality infrastructure on the ground. These standards provide a strong and internationally recognized benchmark for infrastructure development, helping to maximize the development impact of projects while mitigating long-term fiscal, environmental, social, and governance risks. High-quality infrastructure supports debt sustainability, environmental stewardship, social inclusion, and resilience to climate and other systemic shocks.

Third, MCDF tried to **widen and deepen its partnerships, including with New Partners**, through capacity building and information and knowledge sharing that harnesses their financial resources and local knowledge, recognizing that alignment is often a gradual and practical process. MCDF aimed to deepen its partnerships with donor countries by providing well-targeted support to respond to their specific needs.

2.2 MCDF Principles

MCDF's principles were to provide a coherent foundation for its strategic direction. They were articulated through three mutually reinforcing pillars:

- **Connectivity** focused on linking communities, economies, and governments through cross-border energy, transport, ICT, and water networks, including both 'hard' and 'soft' infrastructure.
- **Quality** emphasized accredited IFI standards for infrastructure covering debt sustainability; environmental and social standards; standards on fossil fuel investments and promoting clean energy; fraud and corruption; procurement; and transparency and disclosure of information.
- **Partnerships** underscored the facilitation of new and effective partnerships between developing country governments, IFIs, and New Partners, as well as

⁴ 'New Partners' are defined in MCDF's Governing Instrument Article 3.4 as "financial institutions as well as investors, state-owned or private, which generally do not yet apply Accredited IFI standards, and are based in recipient countries of the IFI Implementing Partners."

various private sector infrastructure financiers that can drive sustainable, high-quality connectivity investments.

3. MCDF Instruments

A key strength of MCDF is its dual structure, combining the MCDF Finance Facility and the MCDF Collaboration Platform which are mutually reinforcing and designed to address key constraints in the connectivity investment cycle.

MCDF Finance Facility: its provision of grant-based support remains at the core of MCDF's business model. MCDF grants fund project preparation, capacity building, and information sharing activities, encouraging new investments and partnerships between IFIs, New Partners, and other financiers of connectivity infrastructure investment. This upstream support is critical to improving project quality, readiness, and bankability.

MCDF Collaboration Platform: harnesses the combined power of 14 MCDF Coordination Committee IFI members to promote IFI standards and good practices for high-quality connectivity infrastructure through knowledge-sharing and training events, knowledge products, and communities of practice. It also provides an opportunity for improving coordination between IFIs, governments, and New Partners on both standards and connectivity project pipelines, to improve the overall efficiency of the connectivity investment ecosystem.

4. MCDF Governance Structure

MCDF benefits from a well-established and proven multilateral governance structure organized around its four components:

- **The MCDF Governing Committee** makes decisions on strategies, policies, funding proposals, budget, workplan, and operational oversight of the MCDF Finance Facility. The MCDF Finance Facility provides grant funding for project preparation, capacity building, and information/knowledge sharing. It also supports the activities of the MCDF Collaboration Platform, the MCDF Secretariat, and the MCDF Administrator.
- **The MCDF Coordination Committee** oversees the activities of the MCDF Collaboration Platform. The MCDF Collaboration Platform fosters information and knowledge sharing and collaboration among IFIs and other development partners to promote the application of IFI standards and good practices that can help realize sustainable, high-quality connectivity investments. The MCDF Coordination Committee also provides strategic advice on funding proposals submitted by IPs to the MCDF Finance Facility.
- **The MCDF Secretariat** is responsible for the day-to-day operations of MCDF, led by its CEO selected through a transparent and merit-based recruitment process.
- **The MCDF Administrator** provides administrative and financial services to MCDF, including hosting the MCDF Secretariat. AIIB has been serving as the Administrator of MCDF since 30 June 2020.

The composition of the MCDF Governing Committee and the MCDF Coordination Committee ensures effective multilateral oversight and coordination:

- The **MCDF Governing Committee** is composed of Members (representatives of contributors to the MCDF Finance Facility) and Observers (representatives of IPs, the MCDF Administrator, and the CEO of the MCDF Secretariat). Members include Voting Members (those who have contributed USD10 million or more over a 5-year period) and Non-Voting Members (those who have contributed less than USD10 million). Currently, Cambodia, China, Egypt, Hungary, Lao PDR, the Philippines, and Saudi Arabia are Members of the MCDF Governing Committee, with China, Egypt, Hungary, and Saudi Arabia having voting rights. Decisions are taken by consensus among Voting Members, and each Voting Member has one vote. The chairmanship of the MCDF Governing Committee rotates among Voting Members.
- The **MCDF Coordination Committee** is composed of all Members of the MCDF Governing Committee and IFIs that are parties to the 2019 MOU on “Matters to establish MCDF,” including the Asian Development Bank (ADB), African Development Bank (AfDB), Africa Finance Corporation (AFC), Asian Infrastructure Development Bank (AIIB), Development Bank of Latin America and the Caribbean (CAF), Caribbean Development Bank (CDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), Islamic Development Bank (IsDB), New Development Bank (NDB), Eastern and Southern African Trade and Development Bank (TDB), and World Bank Group (WB). The MCDF Coordination Committee also currently accommodates 22 Observer countries and organizations that can participate in discussion at MCDF Coordination Committee meetings but cannot participate in decision making.

The multilateral nature of MCDF’s governance structure remains fundamental to its effectiveness as it ensures legitimacy, accountability, and a strong focus on member needs, while enabling coordination across institutions, countries, and regions. Overall, the governance structure is well-suited to MCDF’s role in promoting cooperation and collaboration among all partners that support MCDF.

II. ACHIEVEMENTS AND CHALLENGES

1. MCDF’s Key Achievements in 2021-2025

MCDF has had a very successful start. Despite the difficulties it encountered in the initial years due to the COVID-19 pandemic, by the end of 2025, MCDF had met or exceeded most of its 2021–2025 output targets. The MCDF Governing Committee has approved 59 grants: 44 for project preparation, 11 for capacity building, and 4 for information sharing, totaling USD 77.6 million and benefiting 88 countries. These grants address critical bottlenecks in project preparation and institutional capacity and are expected to mobilize USD12.7 billion in financing for connectivity infrastructure in the

sectors of transport, energy, information and communication technology, and cross-border water resource management. **The list of 59 grants approved by MCDF is attached as Appendix 1.**

In parallel, **MCDF organized 41 knowledge events under the MCDF Collaboration Platform**, with some 7,298 participants from 113 countries, including staff from 99 developing country financiers. These events facilitated dialogue among policymakers, practitioners, and financiers, contributing to a growing community of practice around connectivity infrastructure standards and partnerships.

MCDF achieved global reach, being active across Africa, Asia, and Latin America and the Caribbean. It supported most of the target sectors important to improving connectivity, demonstrating both flexibility and relevance.

This global reach reflects **MCDF's success in accrediting strong IPs active worldwide**. It currently has eight accredited IPs: AIIB has been an IP since 2021, AfDB since 2022, CAF and AFC since 2023, IFAD, IsDB, and CDB since 2024, and the West African Development Bank (BOAD) in 2025. In addition, the 14 MCDF Coordination Committee IFI members have worked closely together as co-organizers and participants in MCDF Collaboration Platform events.

Appendix 2 presents the list of workshops and seminars organized by MCDF.

Box: MCDF Collaboration Platform Support to Debt Sustainability

The MCDF Collaboration Platform has implemented a comprehensive workstream to help developing country governments and financiers use IFI standards and good practices to manage the fiscal and credit risks associated with financing infrastructure projects. In 2021, MCDF and AIIB's Economics Department jointly launched the virtual Workshop Series on Sustainable Financing for Development and Infrastructure. It was unique in two ways: firstly, in its comprehensive nature, with 10 modules led by IFI and other international experts covering the entire debt management process, from macroeconomic analysis, medium-term strategies, and annual borrowing plans, to its accounting, reporting, legal, and institutional arrangements; and secondly, in being offered to both borrowers (public debt management offices of development country governments) and lenders (developing country banks) to improve mutual understanding. It was extremely popular, with more than 300 practitioners joining over six months from 61 countries, and recording a 95% satisfaction rating.

The MCDF Collaboration Platform has since built on this, together with its IFI partners, to broaden and deepen their engagement in four ways, which are reflective of how the MCDF Collaboration Platform's other workstreams have developed:

- **Replication with additional partners:** a second equally successful workshop series was held in 2023 by MCDF and AIIB, with the World Bank contributing expertise and country clients and a module added on its Sustainable Development Financing Policy.
- **Knowledge product:** a flagship knowledge product, entitled *Sustainable Financing of Development and Infrastructure: a Handbook for Borrowers and Lenders*, was produced to disseminate key messages from the workshop series.
- **Regional in-person training:** the four-day Residential Workshop on Debt Sustainability for Central and West Asia was cohosted by MCDF and the CAREC Institute in Urumqi, China in 2024 to enable greater interaction between participants and instructors and between participants for peer-to-peer learning. It brought together governments, IFIs, and other financiers from the region, including a special session to brainstorm constraints to scaling up development finance.
- **Focus on financiers:** tailored training was provided to the Export-Import Bank of China (CEXIM) in 2023 to help its staff manage credit risks. The training was extended in 2025 to other major Chinese banks and financial institutions lending overseas, with the Workshop on Sovereign Risks for Infrastructure Financiers cohosted by AIIB, the World Bank, and the Asia-Pacific Finance and Development Institute in Shanghai.

Moving down the results chain, **key MCDF outcomes** during the 2021-2026 period are as follows:

- **Increasing Connectivity Investments:** a main expected outcome was to incentivize investments in MCDF target connectivity sectors. MCDF's achievements are significant, with 44 project preparation grants approved (USD61.9 million). Among them are some large strategic projects, such as a coastal railway corridor in Peru (USD300 million), a digital infrastructure project in Nigeria (USD200 million), a hydro plant on the Zambia-Democratic Republic of the Congo border (USD1.68 billion), and a multimodal logistics park project in China (USD300 million). In total, these grants are expected to mobilize USD12.7 billion in financing, benefiting 33 countries and demonstrating a high leverage ratio of over 200 (mobilized investment amount relative to the amount of grants provided).

Box: MCDF Support for a New Railway Corridor along South America's Pacific Coast

MCDF is working with CAF to implement a USD4.2 million MCDF grant-supported project that aims to lay the groundwork for a new railway corridor to strengthen connectivity along South America's Pacific coast. The MCDF grant is financing a pre-feasibility study and a final feasibility study (pre-investment study) covering technical, financial, operational, and environmental and social safeguards. The studies will help the Government of Peru and CAF determine the project's feasibility, profile, and final investment and financing plans needed to move toward sustainable, high-quality project delivery.

The MCDF grant supports preparatory activities for a rail line between the Peruvian cities of Barranca and Trujillo, one of eight main segments of the planned Coastal Railway Corridor. The nearly 2,500km railway corridor will extend from Tacna in southern Peru to Tumbes in the north of the country, improving border linkages with Chile and Ecuador. The construction of approximately 80 kilometers (km) of tunnels and 40km of bridges within the segment will enable more seamless connectivity across the area's mountainous and barren terrain, connecting the two countries' populations of 19.7 million and 18.0 million, respectively.

By 2030, the Coastal Railway Corridor is projected to serve 30 million passengers and 60 million tons of freight annually. Additionally, the Barranca-Trujillo segment is expected to ease adjacent, carbon-intensive road congestion and connect with local ports and airports.

- **Quality Standards for NPs:** another key expected outcome was the adoption of quality standards at least by two geographically diverse and financially influential NPs. Since 2021, MCDF has supported activities to this end in nine such NPs, including the Export-Import Bank of China (CEXIM), Banco de Desenvolvimento de Minas Gerais, Abu Dhabi Fund for Development, Commercial International Bank, Credit Agricole du Maroc, City Bank PLC, Development Bank of Kazakhstan, Eastern Bank PLC, and Financiera de Desarrollo Nacional. One of these activities

has already achieved results, with CEXIM significantly enhancing its environment and social framework through its recently established Green Financing Framework, supported by an MCDF grant implemented by AIIB. By strengthening the environmental and social safeguards and standards of major financiers, these strategic interventions have demonstrated MCDF's potential to influence quality practices at scale (see the box below for more details).

Box: MCDF Support to CEXIM

AIIB has provided a USD200 million non-sovereign-backed on-lending facility to the Export-Import Bank of China (CEXIM) to enable it to finance green subprojects in China. This partnership between AIIB and CEXIM was made possible through an MCDF grant of USD714,000 (including administrative fee to the IP) approved in 2021. It was used to assist CEXIM in developing and implementing its Environmental and Social Framework (ESF) and Green Financing Framework (GFF) to: (i) support CEXIM's Green On-Lending Facility through the application of improved standards reflected in CEXIM's revised policies and procedures; and (ii) develop a Green Financing Framework (GFF) that will be applied to other projects or business lines in the future, thereby strengthening CEXIM's institutional capacity in this field.

CEXIM has published its enhanced ESF and GFF on its website. Two subprojects in Inner Mongolia and Guangdong have completed full-cycle E&S monitoring, and a third subproject in Jiangsu is under implementation. Additional green subprojects are expected as CEXIM continues to build its pipeline.

- **IP-NP Partnerships:** the third key expected outcome was to support IP-NP partnerships for project preparation and thus raise the quality standards of NPs. MCDF has also made substantial progress in this area, approving 8 project preparation grants supporting potential IP-NP joint projects relative to a target of 10 projects. In terms of investment in these projects, MCDF has exceeded the target of USD1.5 billion, with these 8 projects set to mobilize USD2.6 billion in financing. As these projects are implemented and demonstrate the feasibility and benefits of such partnerships for both IPs and NPs, they will likely proliferate.

Box: MCDF Support to Road Development Program in Lao PDR

For land-locked Lao PDR, the development of a national road network connecting Lao PDR with neighboring countries is an integral part of its national development strategy. A USD735,000 MCDF grant approved in 2022 supported project preparation related to the National Road 13 South Extension (NR13SE) Project in Lao PDR, which AIIB was considering financing, and capacity building for the Department of Roads, under in the Ministry of Public Works and Transport, on managing the output and performance-based road contract. The total cost of the investment project is USD74.3 million, for which AIIB extended a loan of USD40 million in November 2024. The NR13SE project aims to improve, rehabilitate, and maintain a critical 50 km section of NR13. The first 20 km of this section will be expanded from two to four lanes, and the following 30 km will undergo rehabilitation.

The MCDF grant was instrumental in assisting the Government of Lao PDR in undertaking high-quality project preparation activities and improving its capacity to implement projects in line with IFI standards. The grant also facilitated collaboration between the Government of Lao PDR and AIIB while promoting a new partnership with the Abu Dhabi Fund for Development, which provided USD20 million as a co-financier of the NR13SE Project

MCDF also proved that its core design is highly effective and efficient. Project support focused on IFI high-priority projects, achieving a high leverage rate (mobilized investment amount relative to the amount of grants provided), as noted above, while administrative efficiency ensured that resources were directed primarily to client support through a streamlined procedure. Notably, regarding administrative efficiency during this initial period of establishment:

- **Growth in MCDF's outputs has been quicker than the increase in administrative expenditure.** Such performance is notable, as most organizations require an initial consolidation period upon establishment.
- **Administrative costs compare favorably** to other global facilities that provide similar services as MCDF in terms of funding commitments and disbursements per unit of admin budgets, and equal efficiency indicators for staff use.
- **The administrative budget has been carefully managed.** The increase in the budget has been modest, while budget utilization has improved significantly. Resources have hence mostly benefited the intended beneficiaries directly.
- These **efficiencies, including a streamlined one-month internal approval procedure, reflect both careful management and the effective design of its business model.** With regard to the latter, MCDF has not reinvented the wheel

and relies on the capacities of its IPs and other partners in the MCDF Collaboration Platform and the MCDF Finance Facility.

In conclusion, **MCDF is now well-positioned to continue growing and demonstrate its ability to deliver results and impact.** While it is too early to measure MCDF's impact fully, its activities are already demonstrating potential in promoting quality investments in connectivity. MCDF output targets have been surpassed, and outcomes are already becoming visible, even though most activities supported by the MCDF project preparation grants are only just beginning or are in the early implementation phase. MCDF Collaboration Platform activities are being well received by clients, as demonstrated by feedback surveys in which an average of 97% of respondents were either 'Satisfied' or 'Very Satisfied' with their relevance and quality. With efficient and effective approaches to leverage the capacity and reach of partners, MCDF is well-positioned to grow in a sustainable manner.

2. Challenges

The Independent Evaluation ⁵ of MCDF for the 2021-25 period confirmed the appropriateness of MCDF's strategy and business model in addressing its three objectives of deepening connectivity, improving quality standards, and broadening partnerships, together with the identification of challenges:

- **Connectivity Challenge:** MCDF should focus on constraints (other than finance) that limit connectivity, such as support to build bankable project pipelines, capacity building, and information and knowledge sharing, and to address key institutional bottlenecks.
- **Quality Challenge:** It is important for MCDF to continue promoting long-standing IFI infrastructure investment quality standards designed to maximize development impact and work mainly through IFIs with strong track records in applying these standards.
- **Partnership Challenge:** MCDF should continue to harness the MCDF Collaboration Platform and the MCDF Finance Facility to optimally address the coordination and financing needs of cross-border projects. This includes encouraging co-financing and knowledge sharing between IFIs and New Partners and other private financiers, supporting multiple project finance and governance models (sovereign, PPP, and nonsovereign), and building recipient country capacity.
- **Mutual Support Challenge:** Underpinning work on these three challenges, it is important to ensure that MCDF will be supported by many countries that are

⁵ <https://www.themcdf.org/en/news-activities/publications/independent-evaluation-reports/2025/index.html>

encouraged to make financial contributions according to their ability and participate in the governance of MCDF to ensure genuine ownership, accountability, and a focus on the needs of members to uphold the principle of mutual support.

III. STRATEGIC DIRECTIONS FOR 2027-2031

1. Strategic Directions

Deepening Connectivity · Raising Quality Standards · Broadening Partnerships

The 2027–2031 strategy period represents a phase of continuity and expansion and further strengthening for MCDF. Global connectivity needs remain substantial, while the operating environment for development finance is becoming increasingly complex, shaped by climate change, heightened debt vulnerabilities, rapid technological transformation, and evolving geopolitical dynamics. In this context, MCDF Strategy 2027–2031 sets out a clear roadmap to enhance its impact, scale up its support, and sustain its relevance over the medium term.

MCDF's strategic directions for the period 2027–2031 translate its overarching vision into a coherent set of operational priorities. Aligning with MCDF's strategy for the 2021-2026 period, MCDF Strategy 2027-2031 will prioritize three specific objectives to **deepen connectivity, raise quality standards of infrastructure investment in developing countries, and broaden partnerships** through all MCDF-supported activities. Responding to the evolving global context for connectivity infrastructure investment, these strategic directions represent important incremental enhancements of MCDF's operational modality for (i) the MCDF Finance Facility, (ii) the MCDF Collaboration Platform, and (iii) cross-cutting areas.

2. MCDF Finance Facility

During the 2027–2031 period, grants from the MCDF Finance Facility will continue to deliver catalytic upstream support for high-quality connectivity infrastructure projects. MCDF Finance Facility's grants prioritize upstream support for project preparation to ensure their bankability and to crowd in downstream financing. This will, in turn, contribute to fiscal sustainability in respect of sovereign projects.

At the outcome level, MCDF will underpin the mobilization of higher levels of financing from third parties for the underlying projects. Further, the share of projects incorporating climate adaptation features will also increase. At the same time, country-level institutions and New Partners will receive support and demonstrate improved capacity in the application of standards, as well as in planning and project management. Development practitioners and staff of New Partners will apply newly acquired skills in project preparation. The leverage ratio of MCDF grants will increase over the period.

The operational targets for the MCDF Finance Facility will double during 2026 and 2031 in relation to project preparation, capacity building, and information sharing. In parallel, it will help double the dollar value of the total capital investment of underlying projects prepared with MCDF grants. These include sovereign, non-sovereign and public-private partnership (PPP) projects.

Strengthening support for project preparation in countries with high infrastructure needs. This includes targeted efforts to expand regional approaches, particularly for cross-border projects. MCDF will support early-stage preparation of large-scale projects and enhance their bankability, including corridor development and national geospatial and information systems. At the same time, attention will be paid to capacity building assistance for national institutions. MCDF will also continue to strengthen its engagement with regional stakeholders to deliver transformational impact.

Broadening the Connectivity Focus. In addition to its traditional emphasis on transport, energy, ICT and cross-border water resources management, MCDF's connectivity focus will be broadened to include climate adaptation and social sectors with strong connectivity components, such as smart health systems and digital education. In the context of ICT or digital connectivity, creating greater broadband through terrestrial and submarine cables (ICT projects) will facilitate the delivery of a range of public services, including digital health and digital education. In the health sector, coordinated pandemic prevention effectively supports the maintenance of connectivity among countries, and digital education will not only take advantage of the development of digital connectivity within and across borders but also result in substantial economic returns on IT connectivity investment. Particularly in the context of climate-related and social sector connectivity initiatives, gender responsiveness across projects will be strengthened. This broader scope recognizes that connectivity is increasingly multisectoral, and that resilient, inclusive infrastructure systems are essential for long-term development outcomes. Addressing cross-border connectivity extends beyond traditional physical infrastructure, such as roads, railways, and energy grids. Connectivity also encompasses integrated climate adaptation measures that ensure resilience against vulnerabilities like floods, droughts, and rising sea levels, which often transcend national boundaries and require coordinated regional planning. By embedding climate adaptation into the existing MCDF connectivity approach, this can significantly contribute to more sustainable and inclusive development outcomes, reduce long-term risks, and enhance regional stability. The new focus sectors will be applied only to **donor countries**.

Broadening Implementation Instruments. MCDF will continue to provide grant funding through accredited IFI IPs as the main implementation channel for connectivity project support, while broadening channels to allow donor countries and their national financial institutions to access MCDF grants for specific activities.

- **New Instrument 1 – Project Preparation Bridge Finance for Donor Countries:** grants may be provided to **donor countries** to cover preparation costs of projects expected to be invested by non-IP members of the “Group of 10” MDBs, which is better known as the Heads of MDBs Group (HoMDBs). By providing bridge funding on a grant basis, MCDF seeks to facilitate upstream project preparation by

enabling donor countries to secure loan financing of non-IP members of the Heads of MDBs Group.

- **New Instrument 2 – Direct Capacity Building Support to National Financial Institutions:** direct capacity building support may be provided to selected national financial institutions in **donor countries**. Each donor country could nominate one to two financial institutions. This innovative instrument will strongly support countries’ ambition to enhance their institutional capacity to develop high-quality connectivity infrastructure pipelines and attract investors. It will incentivize countries and their New Partners to collaborate with MCDF, enabling them to co-finance or jointly finance connectivity projects or to apply high standards in their own connectivity projects, thereby enhancing the quality and scale of connectivity investments.

A policy note describing these two proposed new instruments is attached as Appendix 3.

More tailor-made support to donor countries. MCDF will provide more tailor-made support through customized training and knowledge-sharing activities, informed by structured country consultations with **donor countries** conducted by the MCDF Secretariat. Such consultations will also provide opportunities for countries and the MCDF Secretariat to discuss donor countries’ infrastructure investment needs and preliminary project ideas, so that donor countries and the MCDF Secretariat can jointly assess the alignment of these proposals with the potential interest of IFI partners. This combination of scale and customization will enable MCDF to respond effectively to the diverse needs of donor countries while maintaining strategic focus. MCDF will play a convening role regarding the engagement of IFIs and experts, and in setting up special knowledge events. By harnessing a pool of experts and support from IFIs, MCDF will help arrange country-specific training programs, workshops, and seminars targeting priority topics, such as project planning and design, environmental and social assessment, public-private partnerships (PPPs), procurement, debt sustainability, climate resilience, digitalization, and financial management.

Preliminary Needs Assessment for Grant Support. Through a preliminary survey of potential demand for MCDF Finance Facility grants by the existing 8 IPs based on the current sector eligibility before the broadening of the connectivity focus as discussed above, a total pipeline of 229 projects was identified, with a combined indicative financing volume of USD362 million. The survey included a breakdown of proposals across key activity types (project preparation, capacity building, concept development), sectoral distribution (transport, energy, ICT, and transboundary water), and regional spread. The survey results show that 84% of the total is for project preparation, 15% for capacity development, and 1% for concept development. In terms of sectors, 48% is for transport, 31% for energy, 18% for ICT, and 3% for cross-border water resource management. Regional distribution was 39% for Latin America and the Caribbean, 38% for Africa, and 22% for Asia and the Pacific. Although not reflected in the Preliminary Needs Assessment, efforts to accredit additional institutions as Implementing Partners of the MCDF Finance Facility will continue. **Appendix 4 presents the outcomes of the Preliminary Needs Assessment.**

Resource allocation. Due to scarce grant resources, annual funding allocation to non-donor countries will be generally capped at USD1.5 million for project preparation and USD500,000 for capacity building. This cap may be adjusted according to the sufficiency of financial resources and with the approval of the MCDF Governing Committee.

No limit is currently proposed to the annual funding allocation to donor countries. Pre-concept support will be available only to donor countries during the new strategy period 2027-2031.

Implementation. Operationally, MCDF will continue to prioritize project readiness, timely implementation, and effective use of grant resources. Measures to accelerate disbursements, encourage IPs to promptly implement approved grants, strengthen monitoring and reporting, and enforce accountability will be applied consistently to ensure that approved activities translate into timely, tangible results. These measures will include the deployment of **a portfolio and procurement monitoring system**, and **the application of a claw-back provision that applies when there is zero disbursement of a grant two years after MCDF Governing Committee approval.**

3. MCDF Collaboration Platform

The MCDF Collaboration Platform will not only continue to facilitate and strengthen knowledge-sharing on IFI standards and good practices but also significantly scale them up. Based on the recommendations of the Independent Evaluation of MCDF and valuable suggestions made by stakeholders in the survey, the following approaches are proposed:

Knowledge and Coordination Hub on Infrastructure Standards. By 2031, the MCDF Collaboration Platform will aim to be a leading source of practical support to developing countries on IFI projects, standards, and good practices for high-quality connectivity infrastructure. It will focus on the following topics in order of priority:

- **Priority 1:** environmental and social standards, project preparation, and project implementation
- **Priority 2:** cross-border connectivity (transport, energy, digital, water, regional integration, trade facilitation and economic corridors, climate adaptation, and social sectors with strong connectivity components)
- **Priority 3:** climate-smart infrastructure, debt sustainability, and PPPs
- **Priority 4:** anticorruption and transparency

The MCDF Collaboration Platform will promote standards on these topics in a number of ways:

- **Knowledge-Sharing Events and Training:** knowledge-sharing events will focus on making the case for IFI standards and good practices and supporting networking and partnership-development, while training events will focus on developing specific skills to apply IFI standards and good practices. MCDF will also continue to develop and expand high-profile flagship events that promote its mandate on connectivity, quality, and partnership, and provide a platform for strategic dialogue, policy engagement, and visibility at regional and global levels.

- **Flagship Knowledge Products, Communities of Practice, and E-learning Courses.** Flagship knowledge products will be further developed and complemented by additional analytical products, including one every year on infrastructure standards. MCDF will also seek pilot testing and develop the use of communities of practice and e-learning to provide a richer set of services.
- **Knowledge Hub:** MCDF's integrated e-platform will host a learning space where practitioners can not only access the latest IFI formal policies and guidance but also practical lessons and advice from the frontline, through a rich set of videos and presentations from MCDF events, knowledge products, artificial intelligence (AI) tools, and other learning resources.
- **Coordination Hub:** MCDF will continue to convene multilateral and bilateral development partners to promote better coordination on standards and good practices among IFIs, countries, and New Partners.

Piloting of Regional Learning Centers. To enhance responsiveness, efficiency, and sustainability, MCDF will pilot the establishment of regional learning centers in donor countries. These centers will serve as hubs for regional engagement, peer learning, and capacity building, strengthening local ownership and continuity. Learning Centers will be developed in close collaboration with well-established local knowledge institutions and MCDF's IFI partners to provide a platform for regional outreach by MCDF and, where possible, offer valued, accredited training that participants are willing to pay for, thereby promoting financial sustainability.

The MCDF Collaboration Platform will also scale up both its scale and quality of activities, doubling the number of people attending its events from 1,926 in 2025 to 4,000 in 2031, and becoming established as a global knowledge and coordination hub on IFI infrastructure standards and good practices.

4. Cross-Cutting Areas

Strengthening partnerships will remain central to MCDF's strategy. While continuing with its efforts to expand and deepen its partnerships with countries and institutions, engagement with beneficiary countries will be institutionalized and strengthened for every MCDF Finance Facility project by holding **screen meetings** with project owners and related government line ministries, ensuring alignment with country priorities and enhancing ownership. For donor countries, **annual country consultations** will be conducted to identify cooperation areas and facilitate tailor-made training and knowledge support. Strengthening engagement with New Partners, particularly national Development Financing Institutions in emerging markets, will be a key target in the new strategy, with full appreciation of the potential of such institutions. At the same time, MCDF will continue with its efforts in communication and public outreach to raise its profile in the global development community.

Technical Coordination. New working groups under the MCDF Coordination Committee may be established to bring together technical staff from IFI partners and other relevant institutions around specific thematic or operational topics related to MCDF's mandate.

These working groups will support practical problem-solving, coordination, and peer learning.

Expert Pool. A pool of experts will be developed in collaboration with IFI Partners to expand the range and depth of technical services available to beneficiary and donor countries. This pool will support project preparation, institutional strengthening, and knowledge dissemination activities, enhancing flexibility and responsiveness.

Early Knowledge Sharing. Greater complementarity between the MCDF Finance Facility and the MCDF Collaboration Platform will promote early knowledge sharing and cross-learning, allowing lessons from project implementation to inform broader practices in a timely manner. Sharing lessons from MCDF Finance Facility projects early in the project implementation process will help to accelerate learning and good practice adoption.

Monitoring and Evaluation. MCDF will continue to emphasize efficiency, accountability, and results. Systems for monitoring, evaluation, learning, quality assurance, and risk management will be enhanced to achieve greater impact and transparency, working in coordination with IPs' systems. **The proposed Results Framework is attached as Appendix 5.**

APPENDICES

- Appendix 1: Grants Approved by MCDF
- Appendix 2: Workshops and Seminars Organized by MCDF
- Appendix 3: Policy Notes on Proposed New Instruments
- Appendix 4: Preliminary Needs Assessment for Grant Support
- Appendix 5: Proposed Results Framework

Appendix 1: Grants Approved by MCDF

Project Preparation

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
1	China EXIM Bank Enhanced Environmental and Social Management Systems	AIIB	China	Asia and the Pacific	Energy	714,000	2021
2	Brazil BDMG Enhanced Environmental and Social Framework to support BDMG Asia Connectivity Facility	AIIB	Brazil	Latin America and the Caribbean (LAC)	Energy	1,050,000	2021
3	Indonesia Batam-Bintan Bridge Project	AIIB	Indonesia	Asia and the Pacific	Transport	525,000	2022
4	Road Development Program in Lao PDR	AIIB	Lao PDR	Asia and the Pacific	Transport	735,000	2022
5	Indonesia Trans-Sumatra Toll Road (Cinto Kenang to Sentjulang) Project	AIIB	Indonesia	Asia and the Pacific	Transport	1,449,000	2022
6	Egypt and Sudan Extra High Voltage Power System Interconnector Project	AfDB	Egypt, Sudan	Africa	Energy	2,835,000	2022
7	Green Infrastructure Banks Financing Initiative	AfDB	Egypt, Morocco	Africa	Multi-sector	2,100,000	2023
8	Luapula Hydro Power Plant Scheme	AfDB	Democratic Republic of the Congo, Zambia	Africa	Energy	4,200,000	2023
9	Antarctic Submarine Cable	CAF	Chile	LAC	Telecommunications	1,680,000	2023
10	High-Performance Computing Centers in Latin America and Caribbean	CAF	Dominican Republic	LAC	Telecommunications	1,575,000	2023
11	Submarine Cable Connecting El Salvador with the Region	CAF	El Salvador	LAC	Telecommunications	525,000	2023
12	China-ASEAN Sea-Rail Multimodal Logistics Project	AIIB	China	Asia and the Pacific	Transport	1,659,000	2024
13	Pilot City Airport Project Concept Development	CAF	Multi-country	LAC	Transport	157,500	2024
14	Galapagos Logistics Infrastructure and Sustainability Investment Project	CAF	Ecuador	LAC	Transport	3,675,000	2024
15	Project Concept Development for a Pilot Caymanas Special Economic Zone Project	CAF	Jamaica	LAC	Transport	157,500	2024

Project Preparation

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
16	Bangladesh Sustainable Private Capital Infrastructure Financing	AIIB	Bangladesh	Asia and the Pacific	Energy	525,000	2024
17	Indonesia: Project to Optimize Regional Transport (PORT)	AIIB	Indonesia	Asia and the Pacific	Transport	157,500 (pre-approved)	2024
18	Development of Strategic Investment Plan for Seychelles Ports Authority for Period 2025-2030	AfDB	Seychelles	Africa	Transport	157,500	2024
19	Project Concept Development for a Pilot on Digital Transformation and Cybersecurity Integration in Latin America and the Caribbean	CAF	Multi-country	LAC	Telecommunications	157,500	2024
20	Project Concept Development for a Pilot on Panama Canal Green Corridor Initiative	CAF	Panama	LAC	Transport	157,500	2024
21	SKBS Port Road Interchange Studies	AIIB	Bahrain	Asia and the Pacific	Transport	630,000	2024
22	Project to Improve Regional Connectivity (PIRC) in Cambodia	AIIB	Cambodia	Asia and the Pacific	Transport	157,500 (pre-approved)	2024
23	Maldives Uthuru-Thilafalhu-Thilafushi Link Project	AIIB	Maldives	Asia and the Pacific	Transport	157,500	2024
24	Development Bank of Kazakhstan Green and Cross-border Connectivity On-Lending Facility	AIIB	Kazakhstan	Asia and the Pacific	Multi-sector	840,000	2024
25	Bangladesh Sustainable Infrastructure Financing	AIIB	Bangladesh	Asia and the Pacific	Multi-sector	525,000	2024
26	Tocumen International Airport Modernization	CAF	Panama	LAC	Transport	3,150,000	2024
27	National Road 22 Tunnel Project in Lao PDR	AIIB	Lao PDR	Asia and the Pacific	Transport	157,500 (pre-approved)	2025
28	Peru Coastal Railway Project Barranca - Trujillo Section	CAF	Peru	LAC	Transport	4,200,000	2025

Project Preparation

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
29	Tanzania-Malawi 400kV Power Interconnector	AfDB	Tanzania, Malawi	Africa	Energy	2,257,500	2025
30	Nigeria Project Building Resilient Digital Infrastructure for Growth	AfDB	Nigeria	Africa	Telecommunications	2,625,000	2025
31	Feasibility Study (Phase I) of the Caspian Green Energy Corridor Project	AIIB	Azerbaijan	Asia and the Pacific	Energy	1,050,000	2025
32	Concept Development for Coastal Infrastructure to Support Large-Scale Offshore Wind Farm in the Caspian Sea	AIIB	Azerbaijan	Asia and the Pacific	Energy	105,000	2025
33	Pre-Feasibility Study for Rwanda: New Kigali International Airport City Project	AIIB	Rwanda	Africa	Transport	105,000	2025
34	Transaction Advisory Services and Updating the Studies for the Development of the Lower Songwe Dam, Hydropower Plant and Transmission Lines Project	AfDB	Tanzania, Malawi	Africa	Energy	3,885,000	2025
35	Tanzania-Burundi Standard Gauge Railway (SGR) Phase II – Lots 6, 7 and 8 Project	AfDB	Tanzania, Burundi	Africa	Transport	525,000	2025
36	Greater Abidjan Freight Barge Transport Development Project	AIIB	Côte d'Ivoire	Africa	Transport	4,299,750	2025
37	The Coffee Train	CAF	Colombia	LAC	Transport	3,150,000	2025
38	West-North Transport Corridor, Bolivia	CAF	Bolivia	LAC	Transport	3,150,000	2025
39	Nature Based Solutions for Inclusive Rural Development Project (NBSP)	IFAD	Viet Nam	Asia and the Pacific	Transport	1,470,000	2025
40	Bogota Multimodal Integration Terminals Project	CAF	Colombia	LAC	Transport	2,625,000	2025

Project Preparation

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
41	Pre-Feasibility Study of Southern Laos Connectivity Project	AIIB	Lao PDR	Asia and the Pacific	Transport	157,500 (pre-approved)	2025
42	Feasibility Study for Kenya: Mau Summit – Malaba Road PPP Project	AIIB	Kenya	Africa	Transport	3,150,000	2025
43	Concept Development for ASEAN Power Grid (APG) projects in the Mainland Southeast Asia	AIIB	Multi-country	Asia and the Pacific	Energy	157,500 (pre-approved)	2025
44	Concept Development for ASEAN Power Grid (APG) projects in Maritime Southeast Asia	AIIB	Multi-country	Asia and the Pacific	Energy	157,500 (pre-approved)	2025
					Total Financing	61,934,250	

Capacity Building

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
1	Capacity Development Support for Cross-Border Economic Corridor/Special Economic Zone Sihanoukville Province	AIIB	Cambodia	Asia and the Pacific	Transport	152,250	2021
2	Capacity Building and Knowledge Sharing: Environmental and Social Safeguards	AIIB	Multi-country	Asia and the Pacific	Multi-sector	829,500	2022
3	Joint 3-Year Program with ASEAN Supporting Infrastructure Connectivity in the ASEAN Region	AIIB	Multi-country	Asia and the Pacific	Multi-sector	2,691,150	2022
4	Capacity Building for East African Community Trade Portals Connectivity	AfDB	Multi-country	Africa	Telecommunications	1,639,748	2023
5	Environmental and Social Sustainability Capacity Building for African Countries	AfDB	Multi-country	Africa	Multi-sector	2,415,000	2023
6	African Ports Portals Connectivity	AfDB	Multi-country	Africa	Transport	2,150,316	2023
7	Assistance for Capacity Building for Logistics Hub Initiative (LHI)	CAF	Jamaica	LAC	Transport	420,000	2024
8	Assistance for Capacity Building in the Puyango-Tumbes Transboundary Basin	CAF	Ecuador, Peru	LAC	Water	2,100,000	2024
9	Project Financial Management (PFM) Capacity Building Regional Workshops for Islamic Development Bank (IsDB) Member Countries (MCs)	IsDB	Multi-country	Multi-region	Multi-sector	210,000	2025
10	Capacity Development for Boosting Cooperation to Promote Regional Integration and Development in the Sahel Countries of Africa	IsDB	Multi-country	Africa	Multi-sector	564,585	2025
11	IFAD SUSTAIN Phase III-Enhancing Capacity on Environmental and Social Safeguards, Social Inclusion, and Gender Equality	IFAD	Multi-country	Multi-region	Multi-sector	1,260,000	2025
					Total Financing	14,432,549	

Information and Knowledge Sharing

No.	Project Title	Partner	Country	Region	Sector	MCDF Financing (USD)	Year of Approval
1	Central Asian Connectivity Study	AIIB	Multi-country	Asia and the Pacific	Multi-sector	165,375	2023
2	Africa Transport Forum Project	AfDB	Multi-country	Africa	Transport	210,000	2024
3	Enhancing Africa's Trade Transit Facilitation and Connectivity Project	AfDB	Multi-country	Africa	Transport	546,000	2024
4	Knowledge Sharing Study for the Panamericana Intra-Regional Trade Initiative	CAF	Multi-country	LAC	Transport	315,000	2024
					Total Financing	1,236,375	

Appendix 2: Workshops and Seminars Organized by MCDF

Theme	Year	Date	Event Title	Number of Attendees	Countries
Anticorruption	2023	27 Nov 2023	Workshop on IFI Practices and Standards on Anticorruption and Integrity	37	1
	2024	27–29 Aug 2024	2nd Asia-Pacific Anticorruption and Integrity Forum: Delivering Development with Integrity	221	10
	2025	16-18 Sep 2025	3rd Asia-Pacific Integrity and Compliance Forum: Delivering Development with Integrity	190	9
Climate-Smart Infrastructure	2021	25 May 2021	Seminar on Financing for Climate-Smart Connectivity	200	2
	2022	Jun–Nov 2022 (4 Workshops)	Workshop Series on Climate-Smart Connectivity Infrastructure	462	65
	2022	1 Nov 2022	COP27: Mobilizing Finance for Climate Smart Connectivity	577	N/A
	2023	20 Nov 2023	Climate-Smart Connectivity Infrastructure: Financing Innovation and Best Practices	104	13
	2025	10 Apr–2 Jun 2025	Workshop Series on Innovations in Renewable Energy Technology and Connectivity	210	49
Cross-Border Infrastructure	2023	26 Sep 2023	Seminar on Cross-Border Infrastructure: Future Trends and Finance Mobilization (AIIB Annual Meeting 2023)	294	N/A
	2024	26 Sep 2024	Best Practices for Resilient Cross-Border Connectivity in Central Asia (AIIB Annual Meeting 2024)	194	N/A
	2025	26 Sep 2025	Promoting High-Quality Cross Border Infrastructure: Experiences and Lessons from IFI Practices	220	N/A
	2026	21 Jan 2026	Workshop 1: The Demand for Digital Infrastructure and Digital Public Infrastructure	472	73
Debt Sustainability	2021	1 & 3 Jun 2021	Workshop on Sustainable Lending Practices	100	11
	2022	Nov 2021–Apr 2022 (10 Workshops)	Workshop Series on Sustainable Financing for Development and Infrastructure (Debt Sustainability)	303	61
	2023	May–Sep 2023 (6 Workshops)	Second Workshop Series on Sustainable Financing of Development and Infrastructure	350	57
	2023	20–21 Jun 2023	Debt Sustainability Assessments and Debt Restructuring Case Studies (CEXIM)	25	1
	2024	18–21 Nov 2024	Debt Sustainability for Central and West Asia	36	9

Theme	Year	Date	Event Title	Number of Attendees	Countries
Debt Sustainability	2024	25 Nov 2024	Training on Debt Sustainability Assessments	30	1
	2025	9-10 Dec 2025	Workshop on Managing Sovereign Risks for Infrastructure Financiers	49	1
Environmental and Social Safeguards	2023	27-28 Jun 2023	Wind Power Projects: Challenges and Good Practices - An Environmental and Social Safeguards CoP Seminar	107	13
	2023	6 Dec 2023	Enhancing Stakeholder Engagement in MDB Projects in Asia in the Context of Land Acquisition and Resettlement	127	17
	2024	25-26 Jan 2024	Intermediate Finance Challenges and Good Practices: Environmental and Social Safeguards CoP Seminar	160	18
	2024	26 Aug-9 Sep 2024 (3 Workshops)	Workshop on Land and Asset Valuation in Involuntary Resettlement	265	42
	2024	26 Sep 2024	E&S Safeguards Seminar on Intermediated Finance: Opportunities, Challenges, and Good Practices (AIIB Annual Meeting 2024)	255	N/A
	2024	31 Oct-1 Nov 2024	Environmental and Social Safeguards CoP Seminar on Sustainable Transport Investments: Opportunities, Challenges and Good Practices	115	17
	2025	28-30 May 2025	Environment and Social Training for Chinese Contractors Enhancing Knowledge for a Sustainable Future	213	1
	2025	24 Oct 2025	Environment and Social Community of Practice Seminar on "Country Systems in Practice: Advancing Environmental and Social Risk Management	137	10
Investment Facilitation	2021	29 Nov 2021	Workshop on Partnership, Cooperation and Connectivity in Central and Western Asia	56	9
	2021	13 Dec 2021	Workshop on Cooperation in Infrastructure Development for Connectivity in Egypt	64	5
	2022	26 Apr 2022	Workshop on Post-COVID-19 Infrastructure and Connectivity in Southeast Asia	138	11
	2022	18 May 2022	Workshop on Cooperation in Infrastructure Development for Connectivity in Indonesia	122	12
	2023	30-31 Mar 2023	Regional Consultation Workshop on Central Asian Connectivity	40	5

Theme	Year	Date	Event Title	Number of Attendees	Countries
Investment Facilitation	2023	11–12 Dec 2023	Workshop on Cooperation in Infrastructure Development for Connectivity and Sustainable Development in Africa	68	10
	2024	11–12 Mar 2024	Regional Dialogue on the Central Asia Connectivity Project Pipeline	52	6
	2024	6–7 Nov 2024	CAF Programming Deep-Dive	40	7
	2025	3–5 Dec 2025	Connectivity Investment Conference on Green and Efficient Ports	124	23
Procurement	2022	1–2 Nov 2022	Workshop on MDB Procurement and Financing Business Opportunities and Policies	229	3
	2024	13–14 May 2024	Multilateral Development Bank Procurement and Financing Business Opportunities and Policies for the MENA Region	110	5
Project Preparation	2024	15 Oct 2024	Workshop on the World Bank Policies and Practices on the Project Cycle	117	1
Public-Private Partnerships	2024	23 Jul–5 Sep 2024 (4 Workshops)	2024 Workshop Series on PPP Hot Topics	374	75
	2025	2 Apr–5 Jun 2025	2025 Workshop Series on PPP Hot Topics	665	66
IFI-New Partner Partnerships	2025	26 Feb 2025	Finance in Common: Private Sector Mobilization for Sustainable Infrastructure in Emerging Economies	118	N/A

Appendix 3:

Policy Notes on Proposed New Instruments

During the 2027–2031 period, the Multilateral Cooperation Center for Development Finance (MCDF)’s approach to achieve its mandate will be refined based on the lessons derived from early implementation experience and feedback received from its Governing Committee members and Coordination Committee members. The Independent Evaluation of the experience gained during 2021-2025 confirmed the appropriateness of MCDF’s strategy and business model, and called for more support to country development agendas and country-level financial institutions. New instruments will be introduced to respond to these demands. The new instruments are available to donor countries only. Detailed procedures will be provided in the revised Operations Manual.

The new instruments will be implemented on a trial basis for five years. The associated financing criteria and procedures will be reviewed prior to the end of the trial period, and a decision will be taken by the MCDF Governing Committee, in concurrence with the Administrator, as to whether to continue the instruments and upon what terms. The first such review will be undertaken no later than five years from the commencement of implementation.

Project Preparation Bridge Finance**Background**

MCDF accredits Implementing Partners (IPs) to extend funding for project preparation and capacity building in beneficiary countries, with a strong emphasis on maintaining high quality standards, particularly in the areas of safeguards and fiduciary oversight. Within the “Group of 10”⁶ Multilateral Development Banks (MDBs), three currently serve as MCDF IPs⁷, and most members are accredited by the Global Infrastructure Facility (GIF) and/or the Green Climate Fund (GCF) and have a high credit rating of AA+ or above. These institutions set benchmarks for accreditation and quality assurance. MCDF’s operational model, through working with accredited IFI IPs, is thus built on leveraging the expertise and oversight of these highly rated institutions to ensure rigorous standards in project preparation and capacity building activities.

Although non-IP members of the Heads of MDBs Group are also recognized for upholding similarly high standards in the projects they finance, they have no access to MCDF financial resources to support donor countries’ projects. Countries usually bear the cost of project preparation.

⁶ World Bank Group (includes IBRD and IFC), the European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, African Development Bank, Asian Infrastructure Investment Bank, New Development Bank, Council of Europe Development Bank, Asian Development Bank and the Islamic Development Bank.

⁷ The Asian Infrastructure Investment Bank, African Development Bank, and the Islamic Development Bank, CAF – the development bank for Latin America and the Caribbean, African Finance Corporation, Caribbean Development Bank, West Africa Development Bank (BOAD) and the International Fund for Agricultural Development.

To address the financial burden faced by donor countries, MCDF proposes a bridge finance instrument. The rationale for the bridge finance instrument is to prevent donor countries from being burdened by the upfront costs of project preparation for connectivity investment financed by non-IP members of the Heads of MDBs Group. By providing bridge funding on a grant basis, MCDF seeks to facilitate upstream project preparation through enabling donor countries to secure loan financing from non-IP members of the Heads of MDBs Group.

Financing Criteria

The bridge finance instrument is applicable when countries have entered into project preparation technical assistance agreement with non-IP members of the Heads of MDBs Group and would have funded the associated costs without MCDF Finance Facility support.

Getting access to bridge finance from MCDF Finance Facility requires:

- The country should enter into an agreement with the non-IP member of the Heads of MDBs Group on technical assistance for preparing projects to be financed by a non-IP member of the Heads of MDBs Group.
- The country could submit application for bridge finance support after technical assistance mentioned above is signed.
- The country (usually represented by the Ministry of Finance) and the Asian Infrastructure Investment Bank (AIIB) as the Administrator of the MCDF Finance Facility should enter into an agreement for MCDF Finance Facility to finance the cost incurred by the country on project preparation in concurrence with the MCDF Secretariat.
- The bridge finance grants will be disbursed directly to a non-IP members of the Heads of MDBs Group or to the Ministry of Finance in the country, subject to proper arrangement defined in the agreement mentioned above.

MCDF Finance Facility will **cap 5%** of project preparation resources deployed for the bridge finance.

Direct Capacity Building Support to National Financial Institutions

Background

National financial institutions, including development banks and selected government agencies in developing countries, are increasingly important sources of infrastructure project pipelines and financing, particularly for cross-border connectivity infrastructure. These institutions possess privileged access to development projects, local currency financing, investors, and co-financiers, and their extensive local knowledge and established relationships with governments and the private sector make them key players in public, private, and public-private partnership (PPP) operations.

MCDF aims to support activities that increase high-quality connectivity investments by promoting the application of high standards by New Partners⁸ and at the country level. National financial institutions and selected government agencies play a key role in achieving this goal.

The objective of direct capacity building support is to strengthen institutional capacity related to the adoption and application of IFI standards by New Partners and create opportunities for cofinancing joint financing connectivity projects by IPs and New Partners. Strengthening partnerships with national financial institutions by providing direct access to MCDF capacity building resources complements the existing MCDF business model, which operates through Accredited IFI Implementing Partners. This innovative approach will strongly support countries' ambition to enhance institutional capacity to identify, plan, design and execute bankable projects. It will incentivize countries and their New Partners to collaborate with MCDF and enable them to cofinance or jointly finance connectivity projects, or apply high standards in their own connectivity projects, thereby enhancing the quality and scale of connectivity investments. Incentives will be further designed to encourage national financial institutions to generate projects to be cofinanced by MCDF IPs.

Financing Criteria

The direct capacity building support is provided only if the standards promoted through capacity building activities, including but not limited to project design, environmental and social safeguards, procurement, renewable energy, financial management, debt sustainability, public-private-partnerships, and anti-corruption and anti-fraud, are equivalent to those of MCDF Accredited IFI Implementing Partners.

During pilot period, each country can nominate one to two national financial institutions as recipient of such support. The institution could submit proposal on direct capacity building support to the MCDF Secretariat based on the standard template which will be developed in the revised Operations Manual.

The standard template defines the scope of direct capacity building support, including among others, purpose, activities, timeline, financial needs, management, output and outcome. The implementation should be completed within three years after approval by the Governing Committee.

After approval by the Governing Committee in concurrence with AIIB as the Administrator of MCDF, the country (usually represented by the Ministry of Finance), the recipient institution and AIIB as Administrator of the MCDF, in concurrence with the MCDF Secretariat, will sign an agreement to ensure the appropriate use of grant funding with the monitoring and reporting mechanism in accordance with international standards.

Further consideration will be given to incentivize the capacity building activities leading to projects to be cofinanced by MCDF IPs.

⁸ As provided in the MCDF Governing Instrument, New Partners are financial institutions as well as investors, state-owned or private, which generally do not yet apply Accredited IFI standards, and are based in recipient countries of the IFI Implementing Partners.

The MCDF Secretariat will organize the procurement process in collaboration with AIIB as the Administrator and the relevant national financial institution. The procurement process follows AIIB corporate procurement rules, policies, and procedures. It may use a pool of qualified experts selected based on a demonstrated track record of successfully delivering past MCDF activities.

Each proposal is limited to a maximum of USD1 million per financial institution.

Appendix 4:

Preliminary Needs Assessment for Grant Support**MCDF Finance Facility 2027-2031**

This note presents an aggregate overview of demand projections for MCDF Finance Facility grants submitted by current MCDF Implementing Partners (IPs) for the 2027-2031 period. In total, the IPs have identified a pipeline of **229 projects** with a combined indicative financing requirement of **USD362 million**. These projections are disaggregated by **year, type of activities, sector, and region**, providing a structured view of the emerging pipeline and its alignment with broader connectivity objectives.

The analysis includes a breakdown of proposals across key activity types (project preparation, capacity building, concept development), as well as sectoral distribution (transport, energy, ICT, and transboundary water) and regional spread. In addition, the analysis includes the **average grant size** of the required grants, offering insight into the typical scale of operations envisaged by IPs and helping to inform resource planning and program design.

These elements provide a consolidated picture of demand, supporting strategic decision-making on prioritization, sequencing, and potential areas for collaboration among IPs.

1. Demand by Year (growth assumption: linear 20% per year)

Year	2027	2028	2029	2030	2031	Total
(USD Million)	48.6	58.4	70	84.1	100.9	362

2. Demand by IP

IP	AfDB	AIIB	CAF	IFAD	IsDB	AFC	CDB	BOAD	Total
Total Demand (USD Million)	65	76.9	80.1	41	39	10	20	30	362
No. of Proposals	25	60	58	22	21	8	15	20	229

3. Demand by Type of Activities

Activity Type	Number of Proposals	Amount (USD Million)
Project Preparation (including Public-Private Partnerships (PPPs))	159	303
Capacity Building	45	54
Concept Development (TBD)	25	5
TOTAL	229	362

4. Demand by Sector

Sector	Number of Proposals	Amount (USD Million)
Transport and Logistics	124	173
Energy	60	113
ICT	40	66
Water	5	10
TOTAL	229	362

5. Demand by Region

Region	Number of Proposals	Amount (USD Million)
Africa	77	138.6
Asia and Pacific	74	81.4
Latin America and the Caribbean	78	142
TOTAL	229	362

6. Average Grant Size per Activity

Activity Type	Avg Size (USD Million)
Project Preparation (including PPPs)	1.9
Capacity Building	1.2
Concept Development (TBD)	0.2

Appendix 5 — MCDF Results Framework (2027–2031)⁹

IMPACT

- MCDF contributes to sustainable, inclusive, and climate resilient connectivity infrastructure in developing countries.
- MCDF strengthens institutional capacity for project preparation, delivery, and standards alignment.
- MCDF promotes the application of international good practices and safeguards.
- MCDF enhances cooperation and knowledge exchange among IFIs, New Partners, and countries.
- MCDF supports increased financing for high-quality connectivity infrastructure.

FINANCE FACILITY (FF) — OUTCOMES

Results Chain	Performance Indicators (by 2031)	Data Sources & Reporting	Assumptions & Risks
Outcome FF1: Increased financing for high-quality connectivity infrastructure projects	Downstream financing mobilised for MCDF-supported projects increases significantly; number of MCDF-supported projects reaching financing decision rises annually; share of projects incorporating climate adaptation components increases.	IP reports; MCDF annual portfolio monitoring.	Assumes strong IFI engagement and adequate project pipeline. Risks include macroeconomic constraints and reduced co-financing appetite.
Outcome FF2: Improved institutional capability for project preparation and delivery	Country institutions and New Partners demonstrate improved capacity; adoption of new tools and processes increases; practitioners and NP staff apply newly acquired skills in project preparation.	MCDF training evaluations; institutional assessments; MCDF annual report.	Assumes stable staffing and demand for capacity building. Risks include turnover and limited institutional incentives.

⁹ The Results Framework sets targets for 2031, while annual milestones towards them will be set each year in the Workplan and Budget of MCDF and the Workplan and Budget of the Collaboration Platform, for approval by the Governing Committee for the former and for agreement of the Coordination Committee for the latter.

Results Chain	Performance Indicators (by 2031)	Data Sources & Reporting	Assumptions & Risks
Outcome FF3: Increased mobilisation of additional financing	Additional financing mobilised increases by USD 8B; number of financiers engaged increases; leverage ratio improves.	IP reports; MCDF portfolio monitoring.	Assumes favourable market conditions. Risks include volatility in financing markets.

FINANCE FACILITY (FF) — OUTPUTS

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
FF Output 1: Increased project preparation proposals from IPs	Cumulative number of proposals increases from 44 to 80; cumulative value increases from USD 60M to USD 120M.	MCDF annual reports; IP/NP reports.	Assumes continued IP interest. Risks include low conversion of grants into projects.
FF Output 2: Increased downstream financing for MCDF-supported projects	Value of projects financed post-preparation increases from USD 12B to USD 20B.	IP reports; MCDF annual reports.	Assumes timely conversion of grants. Risks include variability in project characteristics and funding availability.
FF Output 3: Increased pre-concept project development proposals in donor countries	Number of funding requests increases from 3 to 6.	IP and MCDF reports.	Assumes demand for pre-concept work. Risks include limited interest.
FF Output 4: Increased capacity-building proposals from IPs	Number of proposals increases from 11 to 20, value increases from USD 14M to USD 20M.	MCDF portfolio reports; IP/NP reports.	Assumes strong demand. Risks include limited country interest.
FF Output 5: Increased climate adaptation project preparation proposals	≥30% of project preparation proposals incorporate climate adaptation measures that meet defined criteria.	MCDF portfolio reports; IP/NP reports.	Assumes IP engagement on climate adaptation. Risks include higher project costs.
FF Output 6: Increased bridge finance operations in donor countries	Number of bridge finance proposals reaches 10.	MCDF portfolio reports; IP/NP reports.	Assumes countries can meet reimbursement conditions. Risks

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
			include caps on Finance Facility resources.
FF Output 7: Increased capacity-building support to domestic financial institutions in donor countries	Number of direct support operations reaches 6.	MCDF portfolio reports; IP/NP reports.	Assumes interest from DFIs. Risks include limited demand.

COLLABORATION PLATFORM (CP) — OUTCOMES

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
Outcome CP1: Enhanced cooperation and knowledge exchange	≥3 effective partnerships with cross-IFI working groups established; >10 IP–NP joint events; ≥70% of users recognise MCDF as a leading knowledge hub.	MCDF annual report; event reports.	Assumes strong IFI/NP engagement. Risks include geopolitical tensions reducing cooperation.
Outcome CP2: Improved alignment of standards and practices	At least 7 country institutions and 7 New Partners report significantly improved application of standards or practices due to CP support.	Surveys of participants and institutions; MCDF annual report.	Assumes training is targeted and institutions are committed to reforms. Risks include limited uptake or competing priorities.

COLLABORATION PLATFORM (CP) — OUTPUTS

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
CP Output 1: Knowledge-Sharing Events	At least 3 ‘flagship events’ happen every year that are high-profile, led by MCDF, and promote its mandate of infrastructure connectivity, quality and partnership; on average at least 90% of respondents report a better understanding of a) the importance of the focus topic and the need for their organization to make improvements on it; and b) the role of IFIs on the focus topic including what they can offer; on average at least 80% of all Knowledge-Sharing Event participants are Very Satisfied or Satisfied.	MCDF Annual Report, based on Platform Team database; Event Summaries based on feedback surveys.	The events add sufficient value to MCDF’s IFI partners and target beneficiaries that they develop a strong reputation, attracting more interest each year; all events include content that makes the case for the importance of the focus topic and helps participants to understand better how their organization is performing in relation to it; all events include content on the role of IFIs on the focus topic; events are designed informed by consultation on needs, and feedback is carefully learnt from afterwards.

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
CP Output 2: Training	Training sessions: tailored training is provided to organizations at least 10 times at Country level, and 10 times to New Partners. Satisfaction: on average at least 80% of all Training participants are Very Satisfied or Satisfied.	MCDF Annual Report, based on Platform Team database; Event Summaries based on feedback surveys.	There is sufficient demand for more in-depth tailored training generated by the Knowledge-Sharing Events and stakeholder outreach; training is designed informed by consultation on needs, and feedback is carefully learnt from afterwards.
CP Output 3: Event Outreach	Number of people or entities attending Collaboration Platform events each year is increased as follows: people doubled from 1,926 (2025) to 4,000 (2031); recipient countries by 30% from 61 (average 2021–25) to 79 (average 2027–31); New Partners by 30% from 34 (2021–25) to 44 (2027–31); and IFIs by 30% from 11 (2021–25) to 14 (2027–31).	MCDF Annual Report, based on Platform Team database.	Events are focused on topics of strong interest to MCDF’s target beneficiaries, and effectively delivered to provide practical support (applies to all indicators).
CP Output 4: Piloting of Regional Learning Centers	At least 3 Regional Learning Centers established delivering at least one accredited course per year, or annual accredited courses launched in 3 existing centers.	MCDF Annual Report, based on Platform Team database.	It is possible to identify new accredited courses that meet a strong market need, and suitable institutions to deliver them.
CP Output 5: Knowledge Products	Every year at least one MCDF Connectivity Infrastructure Report and one significant report on infrastructure standards are produced; at least one thematic report is produced every two years; and the MCDF Brief is produced every two weeks.	MCDF Annual Report, based on Platform Team database.	The knowledge products add sufficient value to MCDF’s IFI partners and target beneficiaries that they develop a strong reputation, attracting more interest each year.
CP Output 6: Support to cross-IFI working groups	Partnerships established between MCDF and at least 3 cross-IFI working groups on standards and best practices.	MCDF Annual Report, based on reports of working	There is sufficient interest from cross-IFI working groups in support from MCDF.

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
CP Output 7: MCDF website and integrated digital platform	On the MCDF website, double the number of annual user visits from about 80,000 in 2025 to 160,000 in 2031 and the number of annual page views from about 145,000 in 2025 to 290,000 in 2031; on MCDF's LinkedIn account, more than double the number of total followers from just over 6,000 in 2025 to 15,000 in 2031; annually produce an estimated 60 news releases; event pages, recordings, and PPTs for approximately 10 events; 10–12 explainer videos; 4–6 interview features; around 20 photo galleries; and 1 photo contest; double the total number of downloads of knowledge products on the MCDF website annually from about 360 in 2025 to 720 in 2031; double the number of new MCDF news subscribers annually from about 160 in 2025 to 320 in 2031; double the average likes and shares per post on MCDF's LinkedIn account from 11 and 1, respectively, in 2025 to 22 and 2, respectively, in 2031; introduce a tagging and tailored information and knowledge-sharing material search function under a dedicated section on the website, which is linked across MCDF's integrated platform, and includes AI functionality to facilitate efficient learning;	group activities with MCDF support.	
		MCDF website backend; MCDF LinkedIn account dashboard; MCDF Mailchimp account dashboard; other integrated platform channels.	MCDF operations remain active and relevant, with a large number of activities and news and information updates; communications production capacity is raised and sustained; MCDF's core business output is relevant and attractive to audiences and dissemination and promotion efforts and capacity are sufficient; MCDF website knowledge hub section's linkages across other MCDF digital platforms will depend on the status of these platforms; rapid changes in AI technology and its application could change the AI compatibility needs of MCDF's website.

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
	introduce measures to enable news and information on the MCDF website to be detected and cited by AI search engines, monitoring the results and making adjustments, as needed.		

CROSS-CUTTING FUNCTIONS (CC) — OUTPUTS (supporting both FF and CP outcomes)

Results Chain	Performance Indicators (By 2031)	Data Sources & Reporting	Assumptions & Risks
CC Output 1: Strengthened country engagement	Screening meetings conducted for all FF projects; annual donor consultations held.	MCDF annual report.	Assumes strong country engagement.
CC Output 2: Enhanced technical coordination	New working groups under the MCDF Coordination Committee established	MCDF annual report.	Assumes sufficient interest from Coordination Committee members
CC Output 3: Expert Pool operationalised	Expert Pool fully operational; increased deployments.	MCDF annual report.	Assumes Expert Pool remains staffed.
CC Output 4: Early Knowledge Sharing	Lessons from MCDF Finance Facility projects regularly disseminated through the MCDF Collaboration Platform	MCDF annual report	Assumes IPs are able to effectively identify lessons from projects, or that additional support can be provided to them for lesson-learning
CC Output 5: Portfolio monitoring system operational	System operational; ≥90% timely reporting; clawback applied where needed.	MCDF annual report.	Assumes data availability and system functionality.

SUMMARY OF ASSUMPTIONS & RISKS

- Stable donor commitments and replenishment.
- Continued engagement from IFIs, New Partners, and countries.
- Strong demand for project preparation, capacity building, and knowledge products.
- Functioning digital systems and data availability.
- No major geopolitical disruptions affecting cooperation.
- Adequate staffing and institutional capacity across MCDF and partners.
- Market conditions supportive of infrastructure financing.