



**THE IEL COLLECTIVE  
INAUGURAL CONFERENCE  
6 – 7 NOVEMBER 2019  
UNIVERSITY OF WARWICK, COVENTRY, UK**

**PRIVATE SECTOR AND SUSTAINABLE DEVELOPMENT: CAN IFC SELF-  
REGULATE ITS “FROM BILLIONS TO TRILLIONS” AGENDA?**

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Abstract

The achievement of the Sustainable Development Goals (SDGs) in 2030 requires bridging an annual investment gap estimated at 2.5 trillion USD.<sup>1</sup> Therefore, multilateral development banks and bilateral development finance institutions have embraced a “from billions to trillions” agenda,<sup>2</sup> which aims at maximizing public and private finance for development. This is to take place in particular through blended finance, which refers to the use of public development finance for the mobilization of private finance, towards the achievement of the SDGs. As the World Bank Group institution specialized in financing the private sector, the International Finance Corporation (IFC) is one of the leaders of this agenda, both in terms of innovative financing instruments and of self-regulation. Because blended finance is at the heart of the disjunctive between public and private interests, the objective of the paper is to analyze to what extent the IFC’s can ensure the conciliation of these interests for the achievement of the SDGs.

The paper first explains how the “from billions to trillions” agenda is taking place in the IFC through blended finance, focusing on the Global Agriculture and Food Security Program (GAFSP) and the Private Sector Window (PSW) initiatives. The paper reviews the criticisms made to these

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<sup>1</sup> OECD, *Making Blended Finance Work for Sustainable Development Goals*, Paris: OECD Publishing (2018), p. 22, <http://dx.doi.org/10.1787/9789264288768-en>.

<sup>2</sup> AfDB, ADB, EBRD, EIB, IADB, World Bank Group, IMF, *From Billions to Trillions: MDB Contributions to Financing For Development* (2015), <http://documents.worldbank.org/curated/en/602761467999349576/From-billions-to-trillions-MDB-contributions-to-financing-for-development>.

initiatives, notably regarding results, transparency and accountability. The paper then analyzes different efforts made by IFC to self-regulate this area of activities, together with other multilateral development banks and development finance institutions (DFI). These self-regulating efforts include the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations (2017), the Multilateral Development Banks' Harmonized Framework for Additionality in Private Sector Operations (2018) and the Operating Principles for Impact Management (2019). Finally, the paper aims at evaluating and comparing these self-regulations efforts for the purpose of achieving the SDGs.