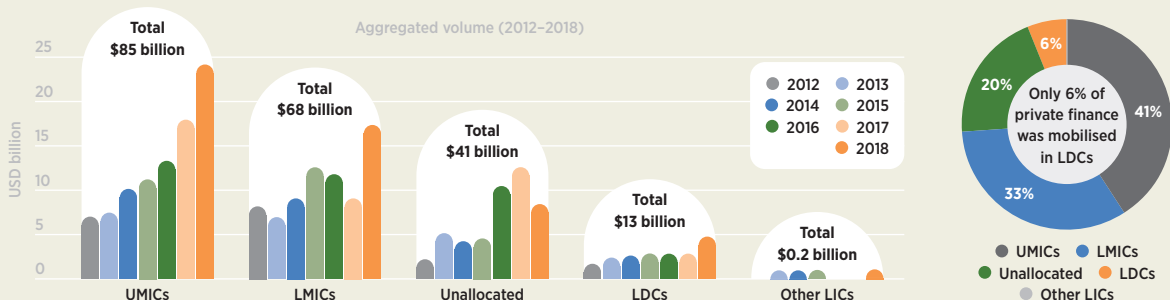


# Blended Finance in the Least Developed Countries 2020

The least developed countries (LDCs) are the furthest from achieving the Sustainable Development Goals (SDGs). They are also likely to be hit the hardest by the COVID-19 crisis. Blended finance can play a key role to support LDCs in mobilising resources for the medium-to-long term recovery from the COVID-19 crisis.

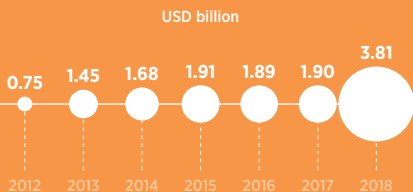


Private finance mobilised in LDCs, compared to other country groupings



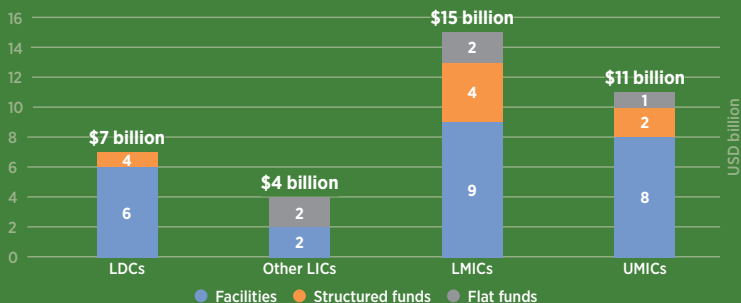
LDCs continue to receive the lowest, although increasing in volume, share of **only 6% of private finance mobilised** by official development finance interventions. Between 2012 and 2018, approximately USD **13.4 billion** was mobilised in LDCs. This compares with over USD 84 billion (41%) in UMICs and USD 68 billion (33%) in LMICs.

Amounts mobilised from the private sector in LDCs: 2012-2018



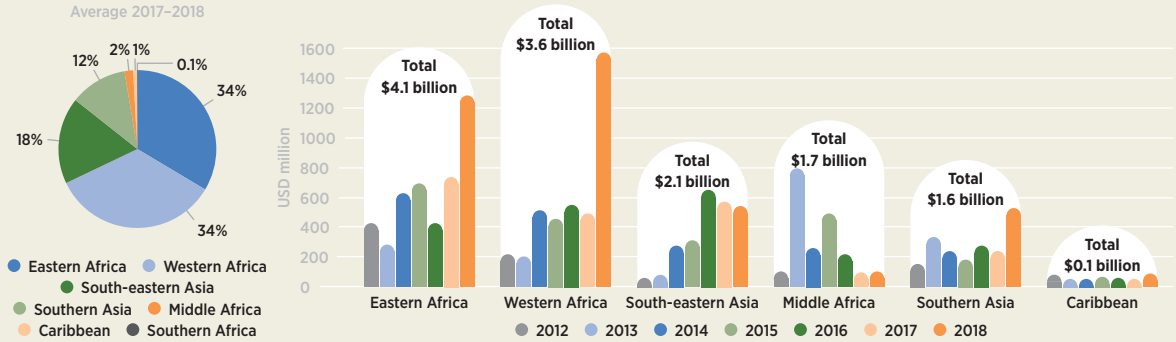
In 2018 private finance mobilised in LDCs more than doubled compared to the previous year – from USD **1.9 billion** in 2017 to USD **3.8 billion** in 2018.

Blended finance funds and facilities: AUM by country grouping (2017)



Blended finance CIVs invested USD **7.6 billion** in LDCs (**20%** of USD **38 billion**), of which commercial investors provided only USD **340 million**. More commercial finance was mobilised in structured rather than flat funds, particularly those structured as private equity.

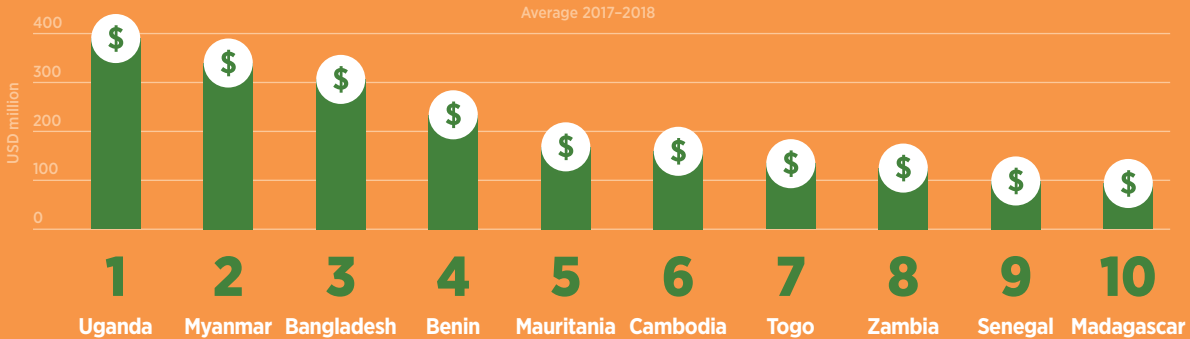
## Regional allocation of private finance mobilised in LDCs



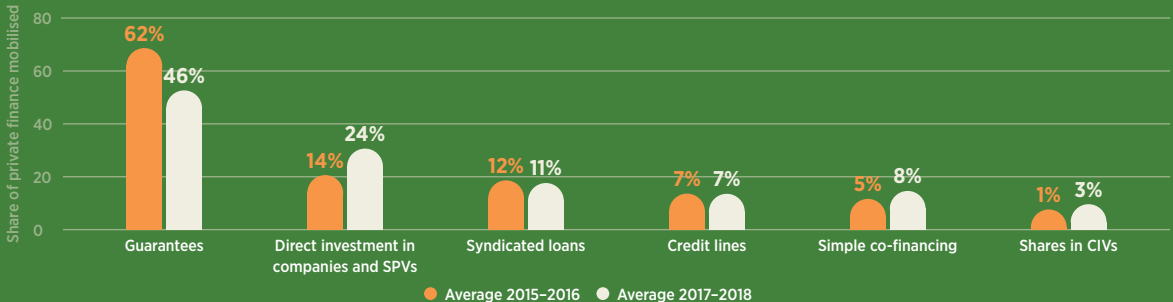
Over the 2012-2018 period, **45 out of the 47** LDCs received private finance mobilised by official development finance at least once. Compared to the 2019 report, **two additional** LDCs - Lesotho and Central African Republic - received private finance mobilised.

## Top ten LDCs in terms of average volume of private finance mobilised

In 2017-2018, the **top five** LDC recipients of private finance mobilised were: **Uganda, Myanmar, Bangladesh, Benin and Mauritania.**



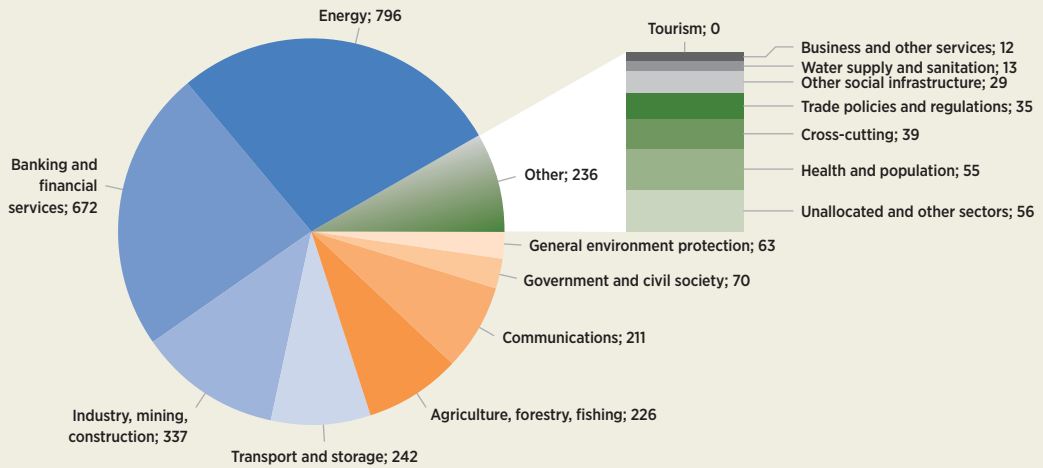
## Private finance mobilised in LDCs by leveraging mechanism



Guarantees mobilised the largest amounts of private finance by official development finance interventions in LDCs, followed by direct investment in companies and SPVs and syndicated loans. Mobilisation through direct investment in companies and SPVs (i.e. equity investments) increased by over **10%** compared to previous years.

## Private finance mobilised in LDCs by sector

Average 2017–2018, USD million



## The role of blended finance in responding to the COVID-19 crisis response and recovery: key areas of focus for building forward better



Attract investment in line with national SDG priorities



Get people back to work at decent, sustainable jobs



Focus on small and medium-sized enterprises



Systematically support women and girls



Support health systems



Target sectors critical for inclusive, resilient and sustainable development

## An Action Agenda to harness the potential of blended finance for the LDCs



Support domestic financial ecosystems and market development



Design blended finance solutions to reach the "last mile"



Improve impact management and measurement, and promote transparency



Bring blended finance to large scale through systemic and transformational approaches