Financing for Development – What Changed after 2008?

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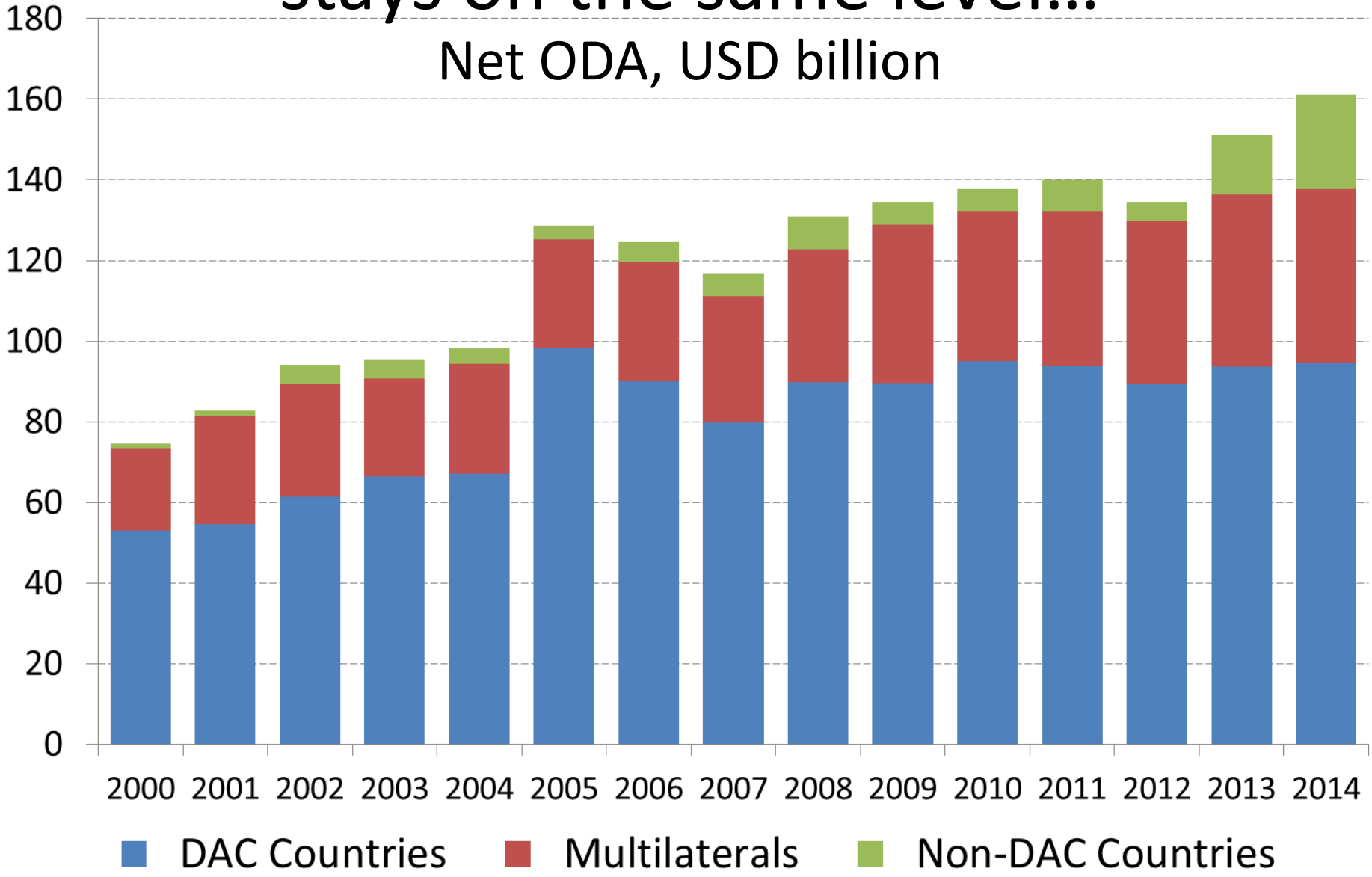
Financing for Development – Global Order before 2008

1. Traditional donors: conditionality, social sector
2. China: no conditionality, infrastructure;
3. Oil exporting countries: no conditionality, different projects;
4. Private development finance: almost negligible.

Aid from traditional donors generally stays on the same level…



Source: OECD DAC Statistics

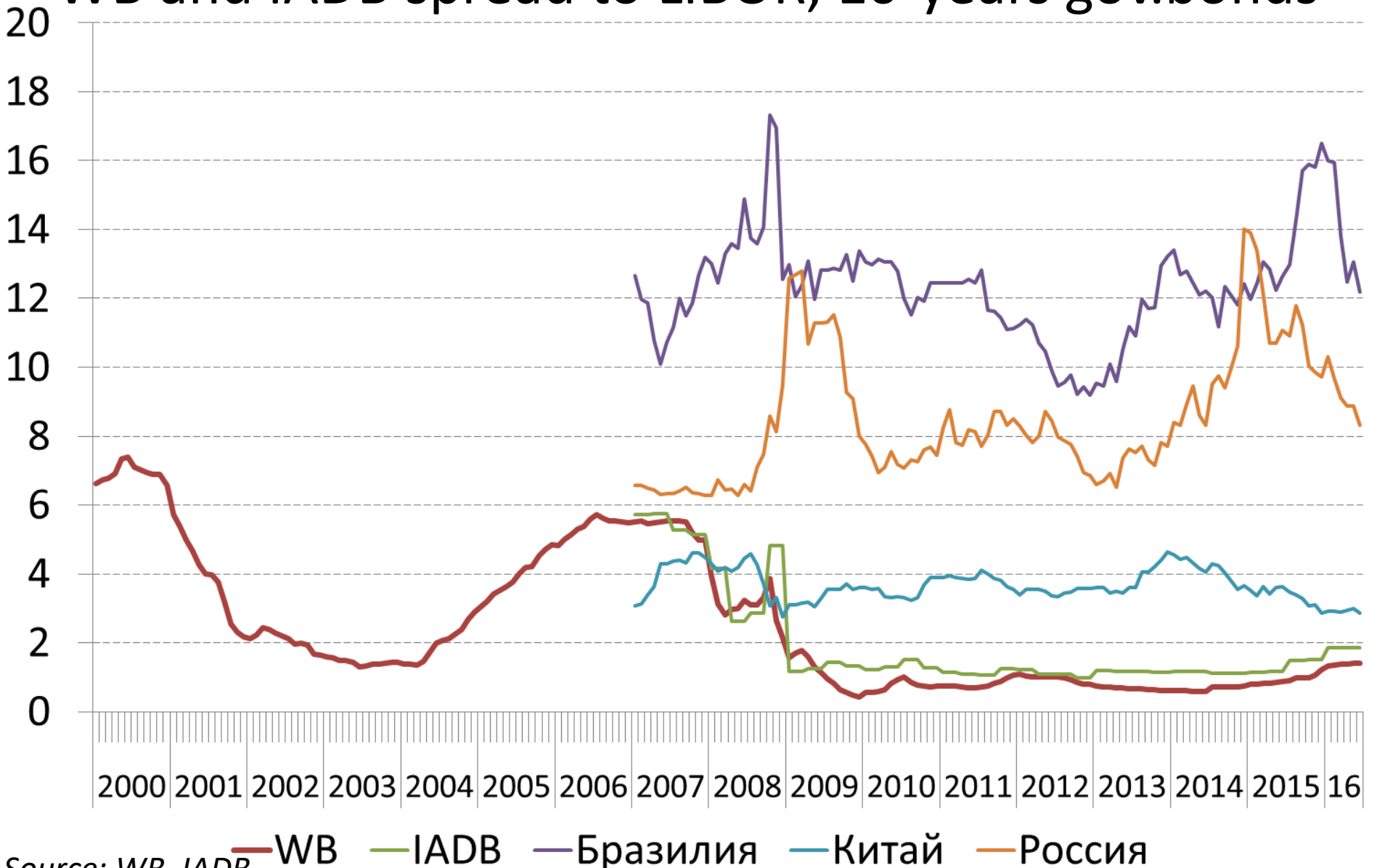
…although more political restrictions are in place

- In 2013 the World Bank formally announced that it was ending support for coal projects;

- Nine Russian projects, ready for approval, have "hung up" in the World Bank.

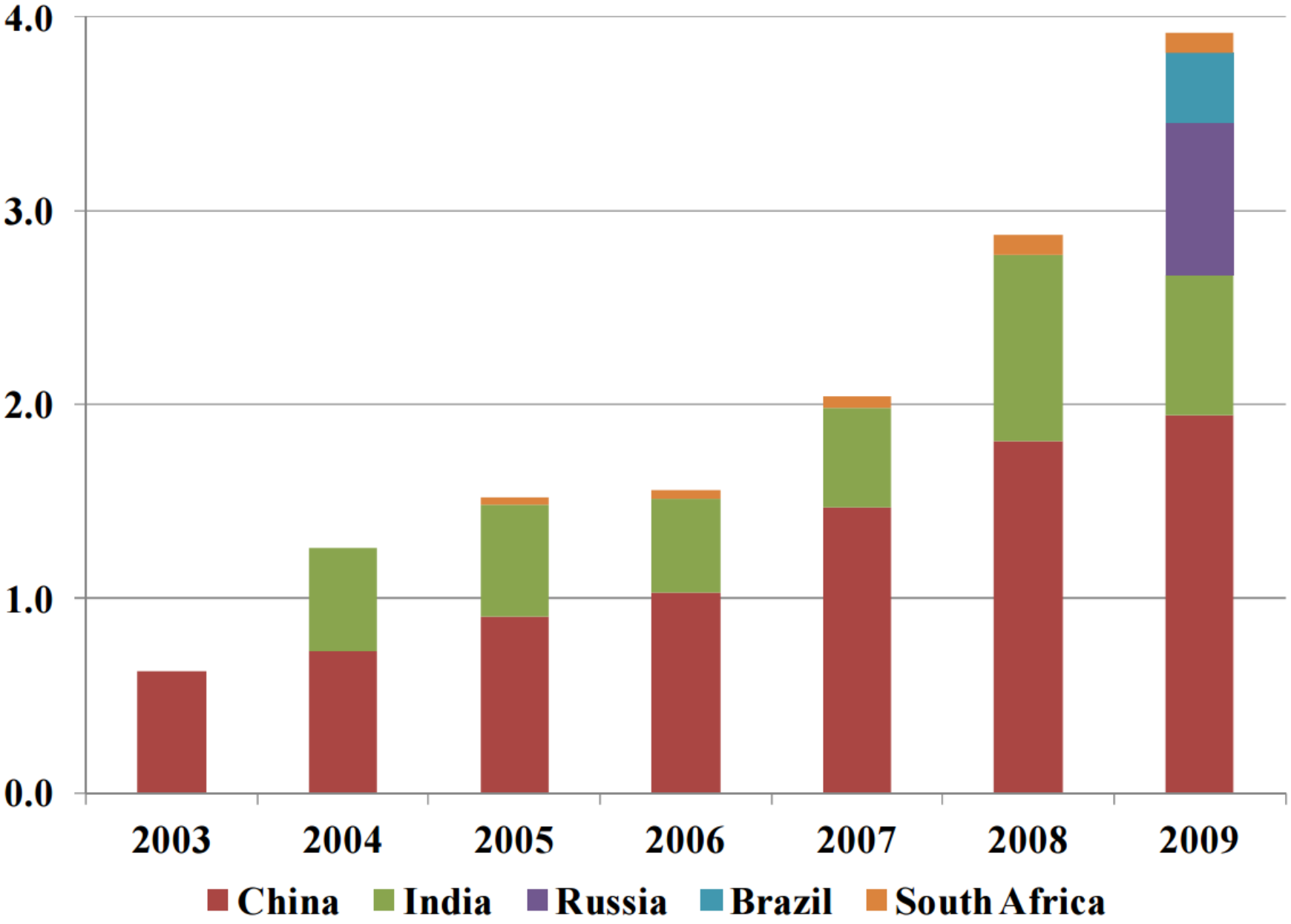
Interest rates of Bretton-Woods are low

WB and IADB spread to LIBOR, 10-years gov.bonds

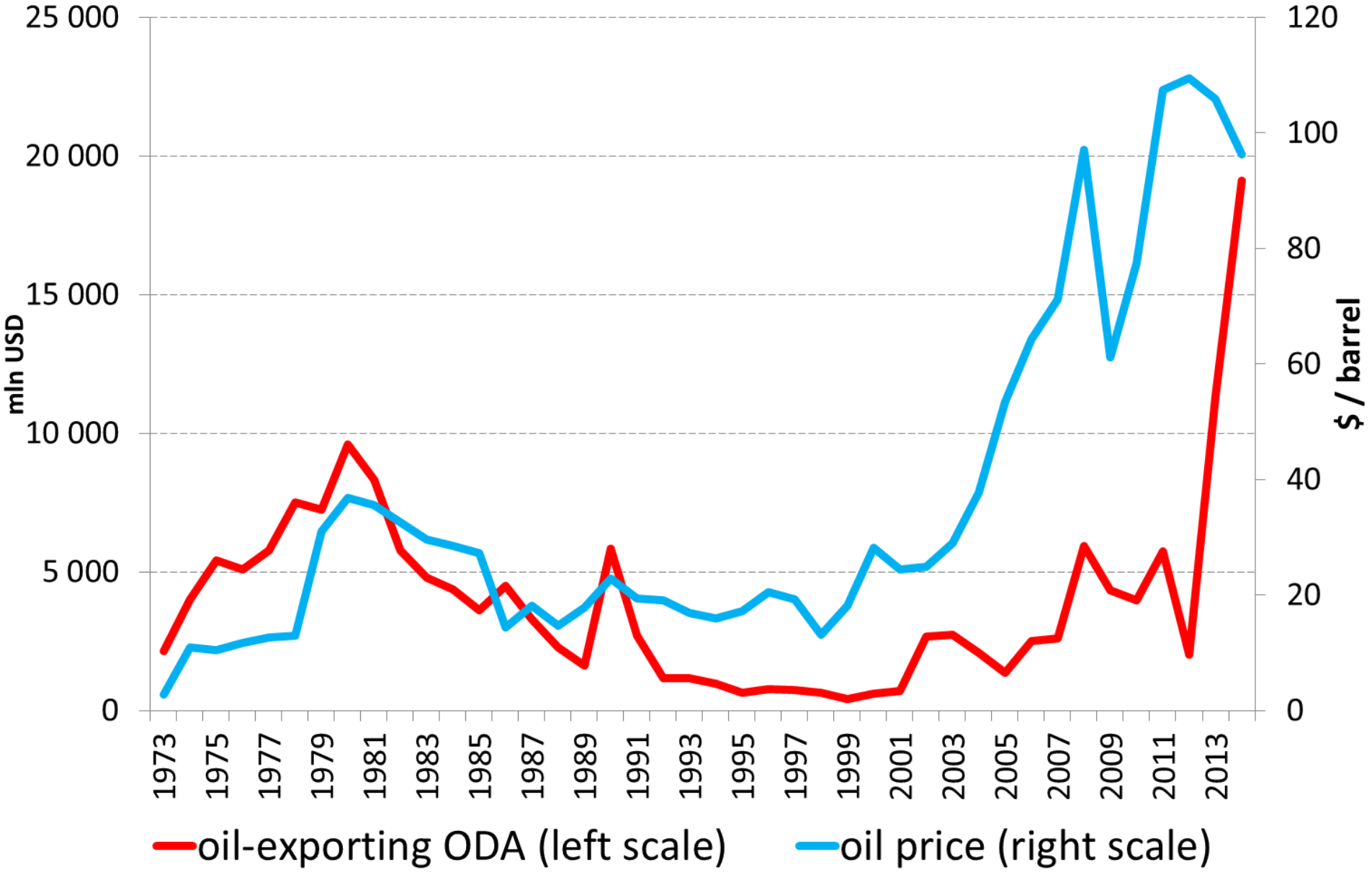


Source: WB, IADB

Aid from BRICS, especially China, increases

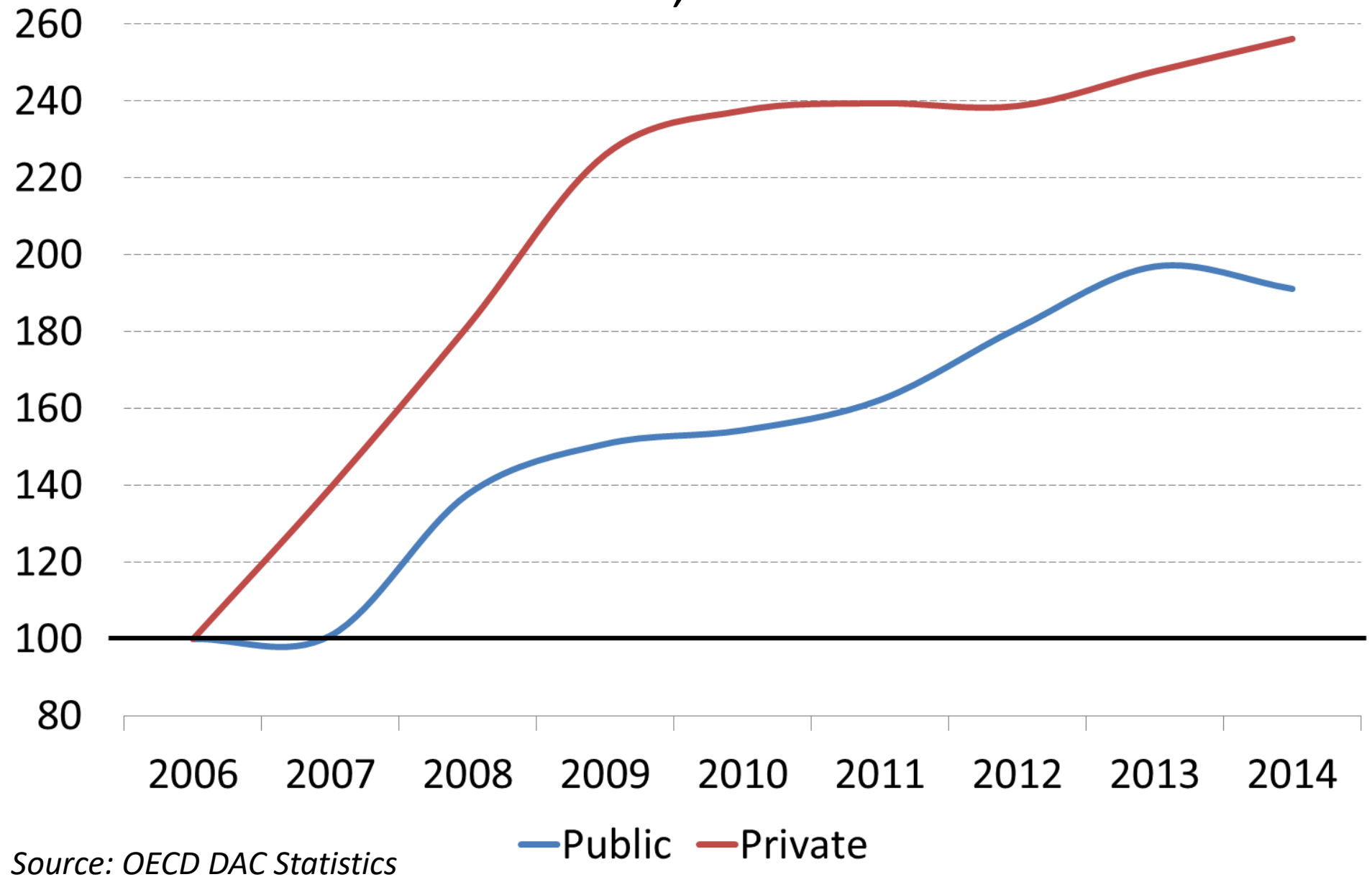


Aid from oil exporting countries is unstable



More private investors

Net flows, 2006=100

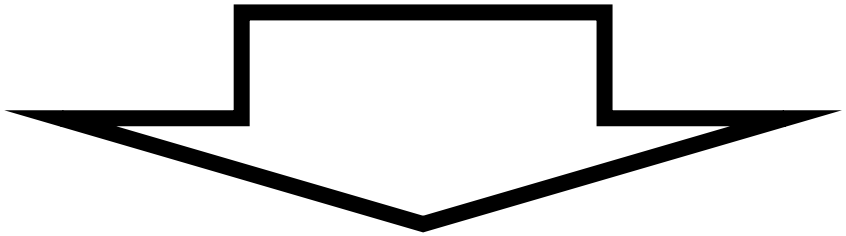


Source: OECD DAC Statistics

Conclusion

Money from traditional donors become more difficult to get

Non-traditional donors become more active



Shift to non-conditionality and non-traditional donors

Thank you!