

METHODOLOGY FOR DETAILING MULTILATERAL DEVELOPMENT BANK RENEWABLE ELECTRICITY, GRIDS, ENERGY STORAGE, & ENERGY EFFICIENCY INVESTMENTS

NRDC (Natural Resources Defense Council) and Grupo de Financiamiento Climático para América Latina y el Caribe (GFLAC) have sought to provide a more granular look at Multilateral Development Bank (MDB) financing for different category and sub-categories of renewable electricity, transmission & distribution, energy storage, and energy efficiency investments over recent years. To develop this data, we have utilized the following approaches.

1. **Evaluate the sub-category data from the existing databases** that track MDB climate and energy finance including from the:
 - a. Joint Report on MDB Climate Finance, with the most recent data at: <https://www.eib.org/en/publications/20250071-2024-joint-report-on-mdbs-climate-finance>
 - b. OECD Creditor Reporting Service (CRS) via Aid Atlas: https://aid-atlas.org/profile/multilateral-development-banks/all/energy/2021-2021?usdType=usd_commitment
 - c. Public Finance for Energy Database: <https://energyfinance.org/#/>

2. The **“Public Finance for Energy Database”** was used **a starting point, with some modifications and adjustments**. The database includes a detailed tracking of MDB energy investments but wasn’t built to pull out more detailed renewable electricity, energy storage, transmission and distribution, or energy efficiency categorization so we followed this approach:
 - a. Using the “Public Finance for Energy Database” 2021-2024 spreadsheet, apply the following filters to columns:
 - i. Visible: True
 - ii. Mechanism: Select All
 - iii. Institution Kind: Multilateral
 - iv. Category: Clean *and* Other
 - v. Sector: Select All
 - vi. Stage: Select All
 - vii. Kind: Select All
 - b. After applying the above filters, we looked at the project documentation for all projects since many ones listed as a particular electricity source (e.g.,

wind and solar) also included an energy storage, transmission and distribution, or energy efficiency component.

- c. For each project, we evaluated the MDB's project documentation and other public information to assess whether the project had specific investments, goals, targets, or other strategies around renewable electricity, energy storage, transmission and distribution, energy efficiency, or a mix.
- d. We added a new column "NRDC Sector" (column U) to then classify by (using methodology explained in "f" below) in an NRDC, GFLAC, [etc] table:
 - i. Renewable Electricity (i.e., solar, wind, geothermal and mixed renewables) – labelled RE – when the project invested in a specific renewable electricity project or had explicit goals for increased renewable electricity generation.
 - ii. Hydro (large and small) – labelled Hydro – Large or Hydro - Small
 - iii. Energy Storage – labelled Energy Storage – when the project invested in a specific energy storage project or had explicit goals to support energy storage development. Note: we included some hydro projects in this category when they were explicitly pumped hydro storage.
 - iv. End-Use Energy Efficiency & Electrification – labelled EE – when the project invested in a specific energy efficiency project or had explicit goals for improved energy efficiency.
 - v. Transmission & Distribution – labelled T&D – when the project invested in or had explicit goals to for an electricity grid expansion (e.g., building a new transmission line or connecting a new community to the grid), improvements to the transmission and distribution system (e.g., installation of smart meters), or improved utility management. Note: some specific solar or wind projects noted that the investment supported the building of transmission lines for that project so those were also labelled T&D.
 - vi. Policy-Based Lending (PBL), Budget Support, Development Policy Finance (DPF), Payment for Results (Pfor), Development Policy Credit (DPC), Program Based Operation (PBO), Results-Based Finance (RBF) – labelled PBL, Budget, DPF, Pfor, DPC, PBO, RBF. These are often investments that include a variety of policy changes tied to the financing so: (1) when the project included specific metrics or goals to deliver RE, EE, energy storage, etc we labelled them as one of the policy focused tools (e.g., PBL, DPF, Pfor) and also the specific clean energy metrics in the financing (e.g., RE, EE, T&D); and (2) when the policy support was very broad or unclearly tied to clean energy, we

- simply labelled it as the form of policy support from the institution without any reference to a clean energy sub-category (e.g., PBL).
- vii. Financial Intermediaries – labelled FI – when the project was funding a strategy or pooled fund that wasn't specifically for RE, EE, energy storage, etc. When it was unclear what specific areas were funded, it was labelled "FI". When it also stated specific investment areas it was geared towards, it was labelled "FI, RE, etc" (depending on the category of activities it intends to support).
 - viii. Technical Assistance – labelled TA. When it funded a number of areas, it was labelled "TA". When it also stated specific areas, it was labelled "TA, RE, etc" (depending on the category of activities it intends to support).
 - ix. Not RE – when not obvious RE/EE included
 - x. Other Energy – when includes RE, EE, storage, or grids AND includes other electricity sector (e.g., coal retirement) or other energy sector mitigation efforts (e.g., electric vehicles).
 - xi. Transition Minerals – labelled Transition Minerals when the project focuses on the mining or processing of transition minerals
 - xii. Other Climate – when it includes other climate mitigation or adaptation investments not specifically about electricity transitions.
 - xiii. Other – when includes other investments (e.g., broadband) beside clean electricity or other climate
 - xiv. Note: for ones that have multiple categories, we labelled each category (e.g., RE, EE, Energy Storage, T&D).
- e. Added “Sub-Category” (column AA) to break-out RE projects that have a mix – i.e., only one clean energy category or mixed (e.g., solar, wind when it is both) – by:
- i. Wind
 - ii. Solar
 - iii. Geothermal
 - iv. Hydro
 - v. Mixed RE – where it was unclear if it was specific renewable electricity technology (e.g., wind or solar)
 - vi. Other RE
 - vii. Energy Storage
 - viii. EE
 - ix. Other (i.e., where there are other electricity strategies with the project)

- f. We also included some additional investments that weren't included in the "Public Finance for Energy Database" and reclassified some IDB project to IDB Invest. For a limited number of investments, we assessed that they were primarily aimed at a specific strategy that was different than classified in the original database. For these investments we applied our categorization to the entire investment.
- g. For the subcategorization in "e" and "f", we evaluated MDBs project documentation using the following methodology:
 - i. For IDA and IBRD, we evaluated the project summary, "Project Paper", "Disclosable Version of the Implementation Status & Results Report (ISR)", "Environmental and Social Management Framework (ESMF)", and other documentation on the project.
 - ii. For IFC, we evaluated the project description and the "Environmental and Social Review Summary".
 - iii. For ADB, "Report and Recommendation of the President", "Program Implementation Document", "Technical Assistance Report", and "Environment and Social Compliance Audit Report".
 - iv. For EIB, we evaluated the "Project Summary Sheet" and "Environmental and Social Data Sheet".
 - v. For EBRD, we evaluated the "Project Summary Document" and "Environmental and Social Documentation".
 - vi. For IDB, we evaluated project summary, project details and project documentation (loan proposal, project profile, etc.), and for the IDB Invest project scope and objective and some additional information when direct links were available.
 - vii. For AfDB, we evaluated the project summary, "Project Appraisal Report", "Environmental Study", and results page.
 - viii. For AfDB, we evaluated the "Project Summary".
 - ix. For the IsDB, we evaluated the limited publicly available information for the projects.
 - x. For each MDB we assessed whether the project was primarily focused on electricity sector efforts (or was a combination of many areas with electricity sector as one of many areas). If it was a policy support package that was primarily focused on RE, energy storage, EE, or T&D, we classified it in "NRDC Sector" and "NRDC Sub-Category" using the appropriate classification for the strategies in the project. If it was a policy support package but had either unclear RE, EE, energy storage,

or T&D metrics/goals or was very broad in focus, then we classified only using the category in (d)(vi).

3. For summing the total investment amount, we applied the following:

- a. For investments that included several strategies (per our methodology), we used the original database categories, except where noted below, to sum the total investment in \$USD per strategy using the values in “column D”. We didn’t attempt to assign a portion of the total investment to each strategy as public documentation didn’t allow a specific allocation. As a result, the totals per strategy (i.e., solar, wind, energy storage, T&D) are lower than the actual amount going to those areas.
- b. Some investments were assessed in a different category than in the original database after evaluating the project documentation.
- c. For investments labelled “Transmission & Distribution” in the original database “stage” column, we summed them as “Transmission & Distribution” when the project was primarily a T&D project. Note, we would have double-counted projects in renewable electricity, energy efficiency, and “Mixed or unclear” if we had included all projects in “stage” labelled Transmission & Distribution.
- d. Total investment dollars for each category were based upon the original data in the *Public Finance for Energy Database* using our categorization in “NRDC \$ Sector” (column AH).
- e. As a result, total investment dollars are summed as:
 - i. “Renewables” – includes the sum of “Solar”, “Wind”, “Mixed RE”, “Geothermal”, and “Hydro – Small”.
 - ii. “Solar” – solar projects. Note: some solar projects also include energy storage and T&D but we didn’t attempt to break those investment amounts into each category. Also, there are additional investments in solar captured in “Renewables – Clean” and “Mixed – Clean” but we didn’t attempt to breakout the sub-components.
 - iii. “Wind” – wind projects. “Wind” is the sum of: “Wind-Onshore” (an onshore project), “Wind-Offshore” (an offshore), “Wind-Offshore-Onshore” (where the project had both but didn’t breakout the investment value for each), and “Wind-General” (didn’t specify the particular onshore/offshore focus). Note: some wind projects also include T&D but we didn’t attempt to break that investment amount into each category. Also, there are additional investments in wind

captured in “Renewables – Clean” and “Mixed or unclear – Clean” but we didn’t attempt to breakout the sub-components.

- iv. “Mixed RE” – is the sum of: “Wind and Solar” (where the project included both wind and solar but didn’t specify the share between each) and “Renewables – Clean” (where had a broad mix of renewable electricity investments but didn’t specify the breakdown). Note: we weren’t able to breakout the investments by technology type.
- v. “Mixed – Clean” – projects that invested in a variety of strategies for RE, EE, Energy Storage, and T&D but weren’t specifically focused on one area/technology. Several MDB investments are a mix of strategies. We were unable to break down these projects into each category given the available information.
- vi. “Energy Storage” – energy storage projects. “Energy Storage” is the sum of: “Energy Storage-BESS (battery energy storage system-BESS), “Energy Storage-Pumped Hydro” (specifically a pumped hydro project for energy storage), and “Energy Storage-Industrial” (a project focused on energy storage for industry as these might be outside the electricity sector in the future). Note: there are additional energy storage investments embedded in the RE projects (such as in Solar or Mixed RE) or Mixed - Clean.
- vii. “Energy Efficiency” – energy efficiency projects. Note: there are additional energy efficiency investments as captured in “Mixed – Clean” or “Transmission & Distribution” (e.g., reducing transmission losses or smart meters) but we didn’t attempt to breakout the sub-components.
- viii. “Transmission & Distribution” – T&D projects. Note: we summed these projects regardless of whether they were for renewable electricity, large hydro, or undefined. Also, some T&D investments were also geared to improve energy efficiency, but we included the totals here instead of breaking them down for energy efficiency.
- ix. “Mixed or unclear – Other” – projects that were unclear if they were geared towards RE, EE, T&D, or Energy Storage. These projects may have such a focus, but the publicly available information we reviewed wasn’t clear.
- x. “Hydro – Large” – used the original database classification for these projects using the “sector” classification. Note: some investments that were labelled “Hydro – Large” in original database under “stage” are labelled as T&D in our analysis since we didn’t break T&D by what

it was being used for. “Hydro – Large” investments weren’t included in the “Renewables” total or in our total MDB clean electricity investments.

4. **For summing the total number of investments that had a specific RE, T&D, energy storage, or EE component**, we applied the following:
 - a. The criteria in 2 were used to assess the number of projects by sub-category:
 - i. Renewables: Solar, Wind, Mixed RE (e.g., unclear specificity on RE sub-categories), Geothermal, Hydro-Small
 - ii. T&D
 - iii. Energy Storage
 - iv. EE
 - v. General policy-based, technical assistance, and financial intermediary (where the project didn’t include a documented strategy)
 - b. Since some investments included multiple strategies, the sum of number of investments by strategy will be larger than the totals in the database. For investments where the database broke the investment into different components, we counted them as one investment for our purposes.
 - c. For calculating the share of each sub-category as a percentage of the “Total Electricity” projects we used the original database total number of projects but without counting a project with the same name that was broken into individual components. “Total Electricity” is the sum (in the original database) of: "Efficiency - Clean", "Energy Storage", "Geothermal", "Hydro - Small", "Mixed or unclear - Clean", "Mixed or unclear - Other", "Renewables - Clean", "Solar", "Wind", "Wind and Solar" (in “stage”).

5. For **showing values as a percentage of total climate finance**, we used the total climate finance reporting for each MDB from the latest “Joint Report on MDB Climate Finance”.