



MULTILATERAL DEVELOPMENT BANKS: INTERNATIONAL ORGANIZATIONS OR PROFIT- -ORIENTED ENTERPRISES

BANKI ROZWOJU WIELOSTRONNEGO:
ORGANIZACJE MIĘDZYNARODOWE CZY PRZEDSIĘBIORSTWA
NASTAWIONE NA ZYSK

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— ABSTRACT —

The article describes the role of multilateral development banks in financing economic and social changes in the world. The structure, directions and priorities of these international organizations and the process of selection of projects they finance have been analyzed. Individual features of these organizations have also been characterized. The data for analysis are mostly official information published by Multilateral Development Banks (in reports or websites) as well as analyses prepared by independent institutions (e.g., the World Bank, or NGOs). The paper is trying to answer the question whether Multilateral Development Banks are international organizations driven by the desire to help by supporting investments, or whether it is more important for them to

— ABSTRAKT —

Artykuł opisuje rolę wielostronnych banków rozwoju w finansowaniu zmian gospodarczych i społecznych na świecie. Analizie poddano strukturę, kierunki i priorytety, jakimi kierują się te organizacje międzynarodowe przy doborze projektów, które finansują. Scharakteryzowano także indywidualne cechy tych organizacji. Dane do przeprowadzenia analizy to przede wszystkim oficjalne informacje opublikowane przez wielostronne banki rozwoju (w raportach i sprawozdaniach oraz na stronach internetowych), jak i już opracowane analizy dokonane przez niezależne instytucje (np. World Bank, organizacje pozarządowe). Praca ma za zadanie odpowiedzieć na pytanie, czy wielostronne banki rozwoju jako organizacje międzynarodowe kierują się w swojej działalności przede wszystkim chęcią niesienia pomocy pop-

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generate economic profit and strengthen their international position.

rzez wspieranie określonych inwestycji, czy jednak bardziej chęcią generowania zysku ekonomicznego i umacniania swojej pozycji międzynarodowej.

Keywords: international organizations; Multilateral Development Banks (MDBs); regional banks; international financial projects; international financial policy

Słowa kluczowe: organizacje międzynarodowe; banki rozwoju wielostronnego; banki regionalne; międzynarodowe projekty finansowe; międzynarodowa polityka finansowa

INTRODUCTION

The first part describes the types and number of regional banks in the world. In the second part of the paper, the policies and missions of regional development banks were compared, and statistical data on the amounts lent to states by regional banks were presented, and also the credit policy of regional banks was defined. The third part describes the shareholder structure of individual banks and its importance and impact on policy – including funding directions. The fourth part describes the involvement of government bodies and the rating agencies. Fifth – performs a comparative analysis of the number of employees in individual banks and presents the conclusions from these facts. The sixth section sets out the financial instruments offered by regional banks as well as the strategies and goals of the banks. The conclusions are based on the theory and analysis of empirical data and on the main factors influencing the activity of multilateral development banks. From the analysis, conclusions were drawn regarding the main motivations followed by banks in their decision-making processes.

Multilateral Development Banks (MDBs) are institutions which usually provide financial assistance to developing states by promoting economic and social progress (Faure, Prizzon, & Rogerson, 2015, p. 1). MDBs are international organizations and, according to M. Pietraś (2007, p. 92), they are a subject of international political relations. MBDs are established under international law and are based on multilateral contracts. The basic documents which state the Bank's policy and rules are 'Articles of Agreements' and 'Contracts' – which give legal basis of activity. The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) are additionally established under the Common law. For example, the EBRD Agreement is an example of the

Europe Union (UE) Common law to conclude treaties under Article 235 of the Treaty of Rome. In the so-called ERTA principle (Acquah, 2017, pp. 548–550), the Court of Justice of EU confirmed that “article 235 empowers the council to take any ‘appropriate measures’ equally in the sphere of external relations” (Court of Justice EU Judiciary – Case 22/70, 1971). During the negotiations on the establishment of the EBRD, the Community was represented by the Commission. Pursuant to Article 235 of the Treaty of Rome, the Council, acting as one, on a proposal from the Commission and after consulting the European Parliament, adopted on November 19, 1990, a decision approving the agreement establishing the EBRD. These events are invoked to emphasize the different roles of EIB and EBRD, and their origins.

The MDBs finance major infrastructure and other development projects by providing loans, primarily in line with government policy reforms. The MDBs provide financial assistance to middle-income states and some of low-income states on market-based conditions and provide concessional assistance, including grants and loans at below-market interest rates, to low-income states to support them (Suzuki & Nanwani, 2005, pp. 180–182). It is very important to compare those banks and analyze which is the most effective and most important to which political and geographic area. The MDBs are also cooperating, so that is why it is so important to show their main activity (Nelson, 2020). In this paper, only selected banks are suitable for a comparative analysis according to the criteria of the size of the bank’s operations and the criteria of similarity of mission and geographical destination. Chosen institutions are shown in the table below.

NUMBER OF REGIONAL BANKS IN THE WORLD

Considering the position of certain MDBs in local and global international environment, it is necessary to know the competition and its possibilities. Table 1 presents data of development banks on a global market.

Some of the institutions recognize also sub-regional banks, which can also be a competition for regional banks. The examples of sub-regional banks are: the Arab Bank for Economic Development in Africa (BADEA), the Arab Fund for Economic and Social Development (AFESD), the Black Sea Trade and Development Bank (BSTDB), the Caribbean Development Bank (CDB), the Central American Bank for Economic Integration (CABEI), the Development Bank of the Central African States (BDEAC), the Development Bank of Latin

Table 1. Development Banks on Global and Regional Markets

Global Development Banks	
1	European Investment Bank (EIB)
2	International Fund for Agricultural Development (IFAD)
3	International Investment Bank (IIB)
4	New Development Bank (NDB)
5	OPEC Fund for International Development (OFID)
6	World Bank Group: International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA)
Regional Development Banks	
7	African Development Bank (AfDB)
8	Asian Development Bank (AsDB)
9	Asian Infrastructure Investment Bank (AIIB)
10	European Bank for Reconstruction and Development (EBRD)
11	Inter-American Development Bank (IADB)
12	Islamic Development Bank (IsDB)

Source: Engen & Prizzon (2018, p. 9).

America (CAF), the East African Development Bank (EADB), the Eastern and Southern African Trade and Development Bank (TDB), the Economic Cooperation Organization Trade and Development Bank (ETDB), ECOWAS Bank for Investment and Development – EBID. It should be noted that the name (geographic description in it) of the regional bank does not determine the area of activity – the area of activity is determined by the statute, and also international and bilateral agreements (S. Griffith-Jones, D. Griffith-Jones, & Hertova, 2008, p. 1).

The number of regional banks which are treated as a source of capital for certain states, varies from ten banks in Azerbaijan (ten banks offer support for that state), Egypt, and Tajikistan, to just two regional banks (also called Multilateral Development Banks – MDBs) in Croatia, Cuba, and North Korea. In Croatia it is EBRD and the World Bank, in Cuba and North Korea it is IFAD and OPIC. On average, each state can receive assistance from six regional banks, and that number decreases as the borrowing state becomes richer. On average, low-income countries (LICs) borrow capital from an average of 7,3 banks, lower-middle-income states (LMICs) borrow from 6,4 banks, and upper-middle-

income countries (UMICs) borrow from average 5,4 banks. Regional banks' coverage (the amount of support offered) changes by region and sub-region.

Central Asia, North, West and East Africa are the regions with the largest number of global banks operating. The Pacific Area have only few: AsDB, EIB, IFAD, and the World Bank. A total of 16 banks are present in Africa. Five of these are sub-regional banks: *Banque de Développement des Etats de l'Afrique Centrale* (the Development Bank of the Central African States, BDEAC), *Banque Ouest Africaine de Développement* (the West African Development Bank, BOAD), the East African Development Bank (EADB), the Economic Community of West African States (ECOWAS) Bank for Investment and Development (EBID), and the Eastern and Southern African Trade and Development Bank (TDB). One is a regional bank: AfDB. Next, three Arab banks – AFESD, BADEA, and IsDB – are present in 27 African states. Finally, Egypt, Morocco, and Tunisia borrow from EBRD, Egypt from AIIB, and South Africa from NDB (Engen & Prizzon, 2018, p. 15; see: Figure 1).

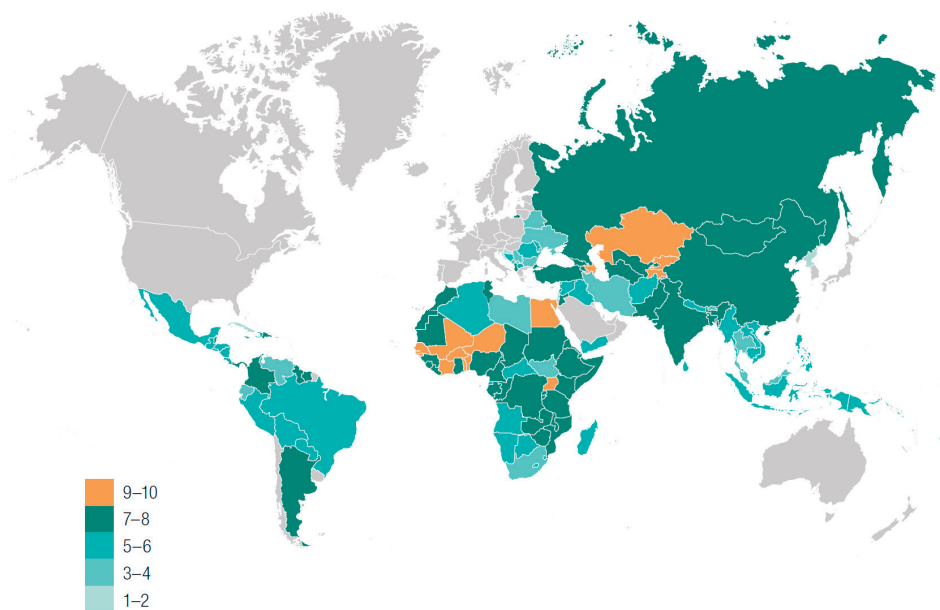


Figure 1. Number of Banks Serving Each Country

Source: Engen & Prizzon (2018, p. 15).

POLICY AND MISSIONS OF REGIONAL DEVELOPMENT BANKS

Every regional bank has different mission (most often included in founding documents or other legal acts and contracts) but in some strategic areas the mission is similar. Mission is not a specific goal, but it says what is important for the institution. For example, the EBRD wants to support states in the transition to a well-functioning, sustainable market economy and to promote private and entrepreneurial initiatives in Central and Eastern European states. But nowadays, the EBRD grants loans also outside Europe (European Bank for Reconstruction and Development, 2021).

Table 2. Missions of Regional Development Banks

African Development Bank (AfDB) – focuses on “sustainable economic development and social progress of its regional members, individually and jointly” (https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-new-development-bank-partner-deliver-life-changing-projects-millions-africans-32234 , 2019)
Arab Fund for Economic and Social Development (AFESD) – “Financing of economic and social development projects in the Arab states” (http://www.arabfund.org/default.aspx?pageId=10 , 2021).
Asian Infrastructure Investment Bank (AIIB) – “Sustainable economic development, wealth creation and improvement of infrastructure connectivity in Asia, and promotion of regional cooperation and partnership in addressing development challenges” (https://www.aiib.org/en/about-aiib/basic-documents/_download/articles-of-agreement/basic_document_english-bank_articles_of_agreement.pdf , 2021).
Asian Development Bank (AsDB) – “Promoting economic growth and cooperation in Asia and the Far East and contribution to the acceleration of the process of economic development of the developing member countries in the region, collectively and individually” (https://www.adb.org/what-we-do/themes/regional-cooperation/strategy , 2021).
Arab Bank for Economic Development in Africa (BADEA) – “Contribution to economic, financial and technical cooperation between African and Arab countries” (https://www.badea.org/Portal/Document_Repository/274/1_40y-en.pdf , 2014).
Black Sea Trade and Development Bank (BSTDB) – “Contribution to the transition process of member countries towards economic prosperity”.
Central American Bank for Economic Integration (CABEI) – “Promotion of economic integration of the Central American region [...] and balanced economic and social development” (https://www.bcie.org/fileadmin/bcie/english/files/news-and-media/publications/regulations/cabei_environmental_and_social_policy_01.pdf , 2021).
Development Bank of Latin America (CAF) – “Promotion of sustainable development and regional integration” (https://eulacfoundation.org/en/mapeo/caf-development-bank-latin-america , 2019).
Caribbean Development Bank (CDB) – “Contribution to economic growth and development of member countries in the Caribbean and the promotion of economic cooperation and integration among them” (https://www.caribank.org/our-work , 2021).

Table 2. continued

East Africa Development Bank (EADB) – “Promotion of the development of the region investments and social responsibility, throughout East Africa” (https://eadb.org/about-us/ , 2021).
Eurasian Development Bank (EDB) – “Strengthening and development of market economies in the member countries and enhancement of trade and economic integration among them” (https://eabr.org/upload/iblock/d06/FINAL_eng_strategy.pdf , 2021).
The European Investment Bank (EIB) – “Contribution to the balanced and steady development of the common market in the interest of the community” (https://www.europarl.europa.eu/ftu/pdf/en/FTU_1.3.15.pdf , 2022).
Economic Cooperation Organization Trade and Development Bank (ETDB) – “Expansion of intra-regional trade and acceleration of economic development of members of the Economic Cooperation Organisation” (https://uia.org/s/or/en/1100043681 , 2013).
Inter-American Development Bank (IADB) – “Contribution to the acceleration of the process of economic and social development of the regional developing member countries, individually and collectively” (https://www.iadb.org/en/intal/creation , 2021).
International Fund for Agricultural Development (IFAD) – “Mobilization of resources for agricultural development in developing member countries” (https://www.ifad.org/documents/38714170/41203357/AR2018_e_LONG.pdf/e64a6026-9092-5080-4da3-300e95c7bcd1 , 2019, p. 2).
International Investment Bank (IIB) – “Realisation of joint investment projects and programmes of development of member countries” (https://iib.int/en/articles/eurasian-development-bank-and-international-investment-bank-extend-their-investment-cooperation , 2014).
Islamic Development Bank (IsDB) – “Support for the economic development and social progress of member countries” (https://www.isdb.org/sites/default/files/media/documents/2018-12/IsDB-Annual%20Report-1429H.pdf , 2009, p. 66).
New Development Bank (NDB) – “Mobilisation of resources for infrastructure and sustainable development projects in Brazil, Russia, India, China and South Africa (BRICS) and other emerging economies” (https://www.ndb.int/media/new-bank-embraces-role-brics-growth/ , 2019).
OPEC Fund for International Development (OFID) – “Reinforcement of financial cooperation between members of OPEC and developing countries through financial support to assist the latter on appropriate terms in their economic and social development efforts” (https://www.opec.org/opec_web/en/about_us/716.htm , 2020).
Eastern and Southern African Trade and Development Bank (TDB) – “provide financial and technical assistance to promote the economic and social development of Member States, taking into account the prevailing varying economic and other relevant conditions within the Member States” (https://www.tdbgroup.org/wp-content/uploads/documents/Charter_Document_ENGLISH_15062017.pdf , 2021, p. 8).
International Development Association (World Bank Group) (IDA) – “Promotion of economic development, increase productivity, and thus raise standards of living in the less-developed areas of the world included within the Association’s membership, in particular by providing financing to meet their important developmental requirements on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans, thereby furthering the developmental objectives of the [IBRD] and supplementing its activities” (https://www.nationsencyclopedia.com/United-Nations-Related-Agencies/The-World-Bank-Group-THE-INTERNATIONAL-DEVELOPMENT-ASSOCIATION-IDA.html , 2021).

Table 2. continued

International Bank for Reconstruction and Development (World Bank Group) (IBRD) – “Reconstruction and development of territories of members by facilitating capital investment for productive purposes; promotion of private foreign investment and, when private capital is not available on reasonable terms, supplementing private investment by providing, on suitable conditions, finance for productive purposes out of the Bank’s own capital, funds raised by the Bank and its other resources” (<https://www.loc.gov/law/help/us-treaties/bevans/m-ust000003-1390.pdf>, 2021, p. 1391).

Source: Engen & Prizzon (2018).

Creating of international development bank is always affected by some regional problems to solve. That is why regional banks are set up, and those banks has their own mandates and very often political and international goals. There are two common areas of problems that regional banks are focusing on. In most mandates it is supporting sustainable economic development, fostering regional development and cooperation, economic integration and intra-regional trade development. Some regional banks have more specialized goals in their mandate, for example, supporting the transition to market economy (EBRD) or agricultural development (IFAD) and also infrastructure development (AIIB, EADB and NDB) (Engen & Prizzon, 2018, p. 16). As Table 3 presents, European banks are the strongest supporters of development in a broad sense, including EIB, EBRD, but also the World Bank (IFC) group has significant value of lending amounts.

Table 3. Amounts Lent by Regional Banks and Financial Organizations in 1993–2017

Multilateral Development Bank	USD (million)
European Investment Bank – EIB	45,528
European Bank for Reconstruction and Development – EBRD	45,064
International Finance Corporation – IFC	41,062
International Bank for Reconstruction & Development – World Bank (IBRD)	35,228
IADB Invest	25,158
African Development Bank	13,070
Asian Development Bank	8,293
Islamic Development Bank	7,274
Corporación Andina de Fomento – CAF Development Bank of Latin America	4,115
Eurasian Development Bank	3,989
Nordic Investment Bank	2,888

Multilateral Development Bank	USD (million)
African Export-Import Bank – Afreximbank	2,783
International Islamic Trade Finance Corp – ITFC	1,169
Clean Technology Fund	769
International Investment Bank – IIB	709
International Development Association – IDA	645
Africa Finance Corp – AFC	554
Asian Infrastructure Investment Bank	462
CABEI	422
Banco del Desarrollo	377
Andean Development Corp	350
East African Development Bank	181
Islamic Corp for the Development of the Private Sector – ICD	169
West African Development Bank – BOAD	115
Multilateral Investment Guarantee Agency	112
Caribbean Development Bank – CDB	107
Banque de Developpement des Etats de l’Afrique Centrale – BDEAC	60
Islamic Corp for Insurance of Investments & Export Credits – ICIEC	10
Nordic Development Fund	8
Eurasian Bank	4

Source: Broccolini et al. (2020, p. 39).

As it is shown in table above, the EBRD is one of the top banks according to amounts lent. It is significant that on the first place is European Investment Bank, as both banks have headquarters in Europe, and the difference between loan amounts in those banks are not big, comparing to another banks’ loan amounts. The increase in the average level income overlaps with the amount of the bank’s loan and the level of reserves. This is because reserves are accrued income that has been saved up, which is usually transferred to loan accounts, obviously with the approval of the board of directors or other decision-making process. It should be noted that EBRD and EIB have quite a long tradition and experience, and therefore also prestige. Below (Table 4) the European Regional Banks ranking, in which US banks are also placed.

Table 4

Overview of MDB Lending Windows MDB	Type of Financing	Type of Borrower	Year Founded	New Commitments, FY2019 or 2018 (Billion \$)
World Bank Group				
International Bank for Reconstruction and Development (IBRD)	Non-concessional loans and loan guarantees	Primarily middle-income governments, also some creditworthy low-income countries	1944	22.6
International Development Association (IDA)	Concessional loans and grants	Low-income governments	1960	19.5
International Finance Corporation (IFC) (a)	Non-concessional loans, equity investments, and loan guarantees	Private-sector firms in developing countries (middle- and low-income countries)	1956	11.8
European Bank for Reconstruction and Development (EBRD)	Non-concessional loans equity investments, and loan guarantees	Primarily private-sector firms in developing countries in the region, also developing-country governments in the region	1991	11.6
African Development Bank (AfDB)	Non-concessional and concessional loans, equity investments, and loan guarantees	Middle-income governments, some creditworthy low-income governments, and private-sector firms in the region	1964	6.3
African Development Fund (AfDF)	Grants	Low-income governments in the region	1972	1.4
Asian Development Bank (AsDB) (b)	Non-concessional and concessional loans, equity investments, and loan guarantees	Middle-income governments, some creditworthy low-income governments, and private-sector firms in the region	1966	17.2
Asian Development Fund (AsDF)	Grants	Low-income governments in the region	1973	2.9
Inter-American Development Bank (IADB)	Non-concessional and concessional loans and loan guarantees	Middle-income governments, some creditworthy low-income governments, and private-sector firms in the region	1959	13.0

Source: Nelson (2020).

Table 5. Shareholder Structure of Regional Banks

Largest five shareholders	MDB largest shareholder	2 nd largest shareholder	3 rd largest shareholder	4 th largest shareholder	5 th largest shareholder
AfDB	Nigeria	US	Egypt	Japan	South Africa
AIIB	China	India	Russia	Germany	Korea
EBRD	US	France, Germany, Italy, Japan, UK			
EDB	Russia, Kazakhstan, Belarus, Tajikistan				Kyrgyzstan, Armenia

Source: Engen & Prizzon (2018, p. 19).

Largest five shareholders of chosen regional banks are the states listed in Table 5. The evaluating of shareholding structures, rather than the number of shareholders, shows that MDBs are controlled largely by small groups of strongest states. Over half of the MDBs have more than 60% of the voting shares concentrated in the five biggest shareholders. It should be noted that dispersed ownership structures can be found among the big regional and global banks (also as a result of their larger membership). The biggest ownership shares are Russian: 66% in the EDB and 47.9% in the IIB. The count of membership (shareholders) is not the same in every bank: for example, 189 members of the World Bank, and in the case of IBRD members are covering nearly every state in the world. The World Bank and the International Fund for Agricultural Development have larger and geographically dispersed memberships than other regional banks and development institutions, which are larger than sub-regional banks. The MDBs that originated as the regional or non-regional bank members are classified as regional members or non-regional members (which usually do not borrow, only support financially). It should be emphasized that about half of sub-regional banks have non-regional members (shareholders – which are financing states, making investments). The sub-regional African MDB have the largest share of non-regional shareholders among their members. It means that members are earning money on borrowing to African states. Analyzing most of EDB shareholder structure, in total – more than half of the reviewed MDBs' shareholder states (14 of the 25) have no non-regional members. This distinction between regional and non-regional members does not apply if the creation (mission) of the bank is not focused on a geographical direction, like in case of the global banks such as the World Bank, or banks that do not have geography-based identity, for example, the International Investment Bank (IIB)

or the Economic Cooperation Organization Trade and Development Bank (ETDB), which are focusing on certain sector and not on certain geographic area. Some of regional banks have no non-regional members, because they lend to non-member states without requiring or allowing them to become shareholders (for example, the EIB where membership is restricted to EU member states). Very unique cooperation appears in Africa, where many of the sub-regional banks are associated with sub-regional organizations. The EADB, for example, is present in four of six members of the East African Community; for example, all members of the ECOWAS are EBID members; the BOAD includes only member states of the West African Economic and Monetary Union (WAEMU). This data analysis shows clearly that some states has strong position in the international financial institutions (as shareholders – states that lend to earn interest) – they are mostly developed states, but among those states one of the biggest player is Russia.

GOVERNMENT BODIES AND RATING OF REGIONAL BANKS

It should be noted that for larger development banks, the allocation of directors (mostly chosen from government bodies) is based on vote shares among members, and groups of smaller shareholder states are represented by a common director. Looking at the World Bank and at the regional development banks, the number of directors ranges from 12 at the AsDB to 25 at the World Bank, in EBRD it is 23.

The prestige of the selected institution depends mainly on the composition of shareholders and their credit ratings created by rating agencies (Wang, 2017, p. 114). The ratings issued by credit rating agencies (Standard & Poor's, Moody's, and Fitch) are the most important. The biggest regional banks have AAA ratings (means the highest safety for lending and borrowing entities) (Engen & Prizzon, 2018, p. 21). In most of the development banks, private sector operations are most profitable – for example, in the EBRD, the EIB (Humphrey, 2015, pp. 1–5).

As can be seen on Chart 1, the biggest structure has the World Bank and then the Asian Development Bank, the European Investment Bank and the EBRD. Those are the biggest lenders so the administrative staff is extensive, but it should be noted that the EIB and the EBRD are the bigger entities in term of amount of loans in total (bigger than the World Bank and the AsDB).

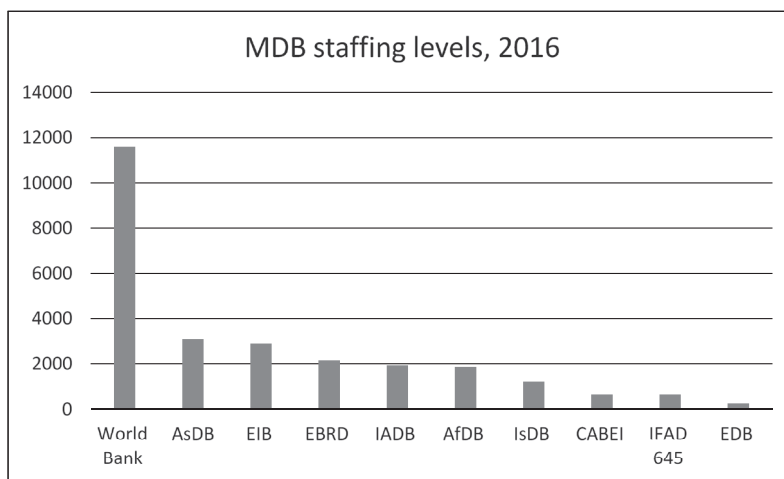


Chart 1. Number of Employees in Regional Banks

Source: Engen & Prizzon (2018, p. 29).

FINANCIAL INSTRUMENTS OFFERED BY REGIONAL BANKS

Essential data states that the AfDB, the BADEA, the EBRD, and the EDB have a share of non-performing loans above 4% of their portfolio. Non-performing loans are undesirable behavior, what it means is that borrower is in default since they have not made the scheduled payments for a specified period, it means they are late with their payment. That share is lower than 2% for global banks, including the EIB, the IBRD, the IDA, and the IFAD and RDBs such as the IADB. Share of non-performing loans (most recent data from 2016) is biggest for the EBRD. The rate is more than 5% of loans. This situation creates a risk for banks, with insufficient inflows it may lead to financial problems and bank insolvency.

Table 6. Financial Instruments Offered by Regional Banks

MDB	Loans	Grants	Lines of credit	Technical assistance	Guarantees	Equity	Total
AfDB	X	X	X	X	X	X	6
AsDB	X	X	X	X	X	X	6
IADB	X	X	X	X	X	X	6
CAF	X	-	X	X	X	X	5

MDB	Loans	Grants	Lines of credit	Technical assistance	Guarantees	Equity	Total
EADB	X	-	X	X	X	X	5
EBRD	X	-	X	X	X	X	5
EDB	X	X	-	X	X	X	5
EIB	X	-	X	X	X	X	5

Source: Engen & Prizzon (2018).

The last piece of data to compare is portfolio offer. Table 6 shows that most MDBs have a varied and wide offer, only one tool is not used (one can say it is avoided by some MDBs), i.e., grants. It means that those banks mostly realize projects which can bring earnings on interest, so it can be concluded that profit is more important than support policy in some way (Engen & Prizzon, 2018, p. 19).

Table 7. MDB Safeguard Policies

MDB	Environment and sustainable development	Resettlement, land and compensation	Biodiversity, ecosystems and habitats	Pollution prevention and control	Labor, health and safety	Gender	Indigenous peoples, cultural property and heritage
AfDB	x	x	x	x	x	x	
AIIB	x	x	x		x		x
AsDB	x	x	x	x	x		x
BSTDB	x		x	x	x		
CAF	x	x	x			x	x
CDB		x	x	x	x		x
EBRD	x	x	x	x	x		x
EIB	x	x	x	x	x		x
ETDB	x						
IADB	x	x				x	x
IFAD	x	x					
IIB	x						
NDB	x	x					x
World Bank	x	x	x				x

Source: Engen & Prizzon (2018, p. 45).

SUMMARY

Presented data and analysis conclusions in the article show clearly that financial international organizations, including MDBs, are not only political institutions that try to help poorer states and conduct active politics for aid, but they are also business institutions based on economic profit. It is clearly evidenced, for example, in protection policies of MDBs, the financial tools banks are using – only that which guarantee profit-making. It should be noted that most development banks function as regular banks with international character, sometimes with a political mission, but ultimately preferring to make financial profit to survive. However, it should be noted that many of them exist thanks to membership fees. In some way this is a very positive situation, because the economic principles make this organizations effective and efficient. But some development banks do not explicitly show that economic profit is the most important factor. It is most clearly visible in the statutory goals, where it does not say that profit from operations and projects is one of the main goals of the organization. This is what makes banks primarily profit-oriented and develop their own structures, while using their position and potential to raise capital. The political position of MDBs is an undisputed advantage of this type of institution. The board of directors often includes ministers of finance or prime ministers of involved states, who have strong political leanings. That is why it is so significant, because MDBs have a tremendous influence on politics and international relations, financing relevant investments of political nature. The fact that these banks have enormous financial resources makes them very important and strong players in the international arena. Each MDB has a specific policy covered in the statute – this means it implements politics, but it should be remembered that economic profit is equally important as politics. Therefore, organizations such as MDBs have mixed political and economic nature, with an emphasis on profit-making – they are ultimately banks, despite having a special mission to help other states.

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