



FORUM FINANCE CLIMAT 2015 PARIS LE 31 MARS

Des solutions partagées
pour les pays en développement

Development banks adopt common standards to move climate finance forward

Paris, 31 March 2015 – At the initiative of the International Development Finance Club, IDFC, a club of 22 international, regional and national public development banks, a *Climate Finance Forum* was held in Paris today. The forum has resulted in major advances for a more effective mainstreaming of the fight against climate change into the practices of financiers.

In an effort to give impetus to “green” the global financial system, a broad and unprecedented coalition of development banks established common principles to define and measure financing that benefits the climate.

“Multilateral Development Banks and IDFC have adopted today a common definition of climate friendly development programs. This marks a major milestone in the fight against climate change”, declared **Ulrich Schröder, Chairperson of IDFC and Chief Executive Officer of KfW Bankengruppe.**

While there are now numerous solutions to provide access to energy, transport, housing, or for industrial and agricultural production, they do not all have the same value in the fight against climate change. **This common definition of “climate-friendly” activities adopted by development banks is a key step in supporting the transformation of economies towards more resilient and low-carbon models.**

Towards the “greening” of development bank practices

During the *Climate Finance Forum*, several multilateral development banks and members of IDFC set up a pilot group (including CAF, WBG, AFD, IDB, ADB, AFDB, EIB, JICA) to help establish a basis for common “greening” practices in the run up to COP21. Such practices involve raising the level of ambition in financing climate-smart investments to support better development results, for example by evaluating the impacts projects have on greenhouse gas emissions, by taking into account the vulnerability of projects to the effects of climate change, or by integrating a carbon price into the economic assessment of investments.

“In order to better support both development and the fight against climate change, the first thing we need to do is to apply the highest standards to ourselves. The mainstreaming of climate change within development banks, already well under way, will be scaled up following this joint work”, points out Enrique Garcia, **Vice-Chairperson of IDFC and Chief Executive Officer of CAF.**

Tools to give impetus to financing and investors

Faced with the challenges, **public financing must also promote the mobilization of private investments.** Several financiers who were at the Forum aim to define, by COP21, a standard to measure the leverage that public green financing has on private investments. Key financial practitioners involved in green bonds also indicated their intention to build consensus on common impact reporting frameworks for this nascent and promising market, with the aim of increasing its credibility and impacts.

“In addition to their core mission of supporting the economic and social development of their partners, development banks also have a major role to play in ensuring that the thousands of billions of dollars of global finance are invested in low-carbon, climate resilient development. Instruments such as climate bonds, for which AFD is playing a pioneering role, can be powerful vehicles for the market and for mobilizing savings”, points out Anne Paugam, **Vice-Chairperson of IDFC and Chief Executive Officer of AFD.**

About IDFC

The International Development Finance Club is a network of twenty-two national, regional and international development banks from all over the world (Germany’s KfW, Development Bank of Southern Africa – DBSA, Development Bank of Latin America – CAF, Brazilian National Bank for Economic and Social Development – BNDES, Japan International Cooperation Agency – JICA, Deposit and Management Fund CDG – Morocco, Agence Française de Développement – AFD). The complete list is available here: <https://www.idfc.org/Who-We-Are/members.aspx>.

These institutions have a total balance sheet of over USD 2,100bn and USD 400bn of annual commitments, including USD 99bn in “green” investments and USD 87bn for the climate (2013). <https://www.idfc.org>

About the Agence Française de Développement

Agence Française de Développement (AFD), a public development finance institution that implements the policy defined by the French Government, works to fight poverty and promote sustainable development. AFD operates on four continents *via* a network of 71 agencies. It finances and supports projects that improve living conditions for populations, boost economic growth and protect the planet. In 2014, AFD committed EUR 8.1bn to finance projects in developing countries and for overseas France. Since 2005, AFD has earmarked EUR 18bn for projects that reconcile development and climate, including EUR 2.8bn in 2014 (i.e. 53% of its financing in developing and emerging countries).

<http://www.afd.fr>