



# IDFC GREEN FINANCE MAPPING REPORT 2024

## Executive Summary

**\$1.7 trillion**  
in total green finance  
since 2015

**\$199 billion**  
in green finance in 2023

**\$175 billion**  
in mitigation finance in  
2023

**\$8.2 billion**  
in biodiversity finance in  
2023

**\$11 billion**  
in dual-objective finance (targeting  
both mitigation and adaptation) in  
2023, nearly double compared to 2022

**More than 50% of  
members increased their  
green finance**  
showcasing continued global  
potential for green finance

**\$158 billion**  
in climate finance committed in  
non-OECD countries in 2023

# 1. INTRODUCTION AND CONTEXT

Since 2011, the International Development Finance Club (IDFC), a group of 26 national and region development banks with over \$4 trillion in combined assets and annual commitments exceeding \$800 billion, has conducted an annual mapping of member institutions' green finance contributions.

**In 2023, IDFC members reported \$199 billion<sup>1</sup> in total green finance commitments.** After a record-breaking year in 2022, overall green finance commitments decreased by 31% in 2023, returning to pre-pandemic levels. Despite this decrease, which was driven by a few large reporting institutions, IDFC members overall are showing continued and increased engagement in green finance. Half of members (13) increased their total green finance commitments in 2023, with these commitments increasing by an average of 27% across the Club. In addition, a record number of institutions participated in the Green Finance Mapping survey (23) and reported biodiversity commitments (8) in 2023.<sup>2</sup>

The drop in overall green finance is largely driven by:

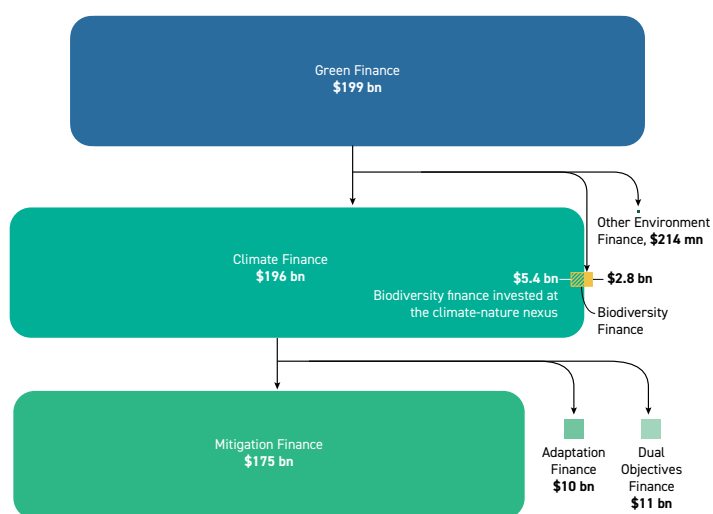
- A decrease in total new commitments (both green and non-green), of 16% across the Club in 2023, which may be partly explained by normal year-on-year investment fluctuations and shifting investment priorities in a slowing global economy.
- Currency depreciation in East Asia and the Pacific.<sup>3</sup>
- The adoption of more conservative tracking methodologies, like the updated [Common Principles for Adaptation](#) (2023), by institutions that provide a significant share of total green finance.

Cumulative green finance commitments by IDFC members have surpassed \$1.7 trillion since the signing of the Paris Agreement in 2015, demonstrating these public development banks' unique ability to deliver green finance at scale. The integration of updated and more conservative tracking methodologies highlights members' commitment to rigorous climate finance tracking, with more expected to integrate these methodologies next year.

In the context of the exceptional levels of green finance commitments reached in 2022 (see Figure 2) as part of investment strategies to support post-pandemic economic recovery, lower levels of finance in 2023 do not represent any diminished ambition of members to scale green finance. Rather, green finance commitments have returned to levels seen prior to COVID-19 recovery efforts. Indeed, green finance in 2023 was on par with average annual investments over the previous five years (2018-2022). Efforts are now needed to scale green finance beyond historic levels, and many members have indicated that their medium- and long-term investment strategies prioritize further scaling of these commitments.

IDFC members are showing strong progress on their respective paths to attaining climate and broader environmental targets at the individual institution level. Indeed, at \$1.1 trillion in cumulative green finance commitments since 2019, the IDFC as a group remains on track to mobilize \$1.3 trillion between 2019 and 2025, as pledged in the IDFC State of Ambition (2021). The Club's aim to further strengthen the robustness and consistency of green finance tracking across members is currently being supported by a dedicated three-year capacity-building program facilitated by the IDFC Facility in partnership with Climate Policy Initiative.

**Figure 1: IDFC green finance commitments in 2023 by theme**



1 \$= US dollar.

2 Of the 22 members responding to the GFM survey in 2022, 7 reported biodiversity commitments.

3 [https://www.bbvaresearch.com/wp-content/uploads/2023/07/202307\\_China\\_Should-we-worry-about-RMB-dipping-to-historical-low.pdf](https://www.bbvaresearch.com/wp-content/uploads/2023/07/202307_China_Should-we-worry-about-RMB-dipping-to-historical-low.pdf)

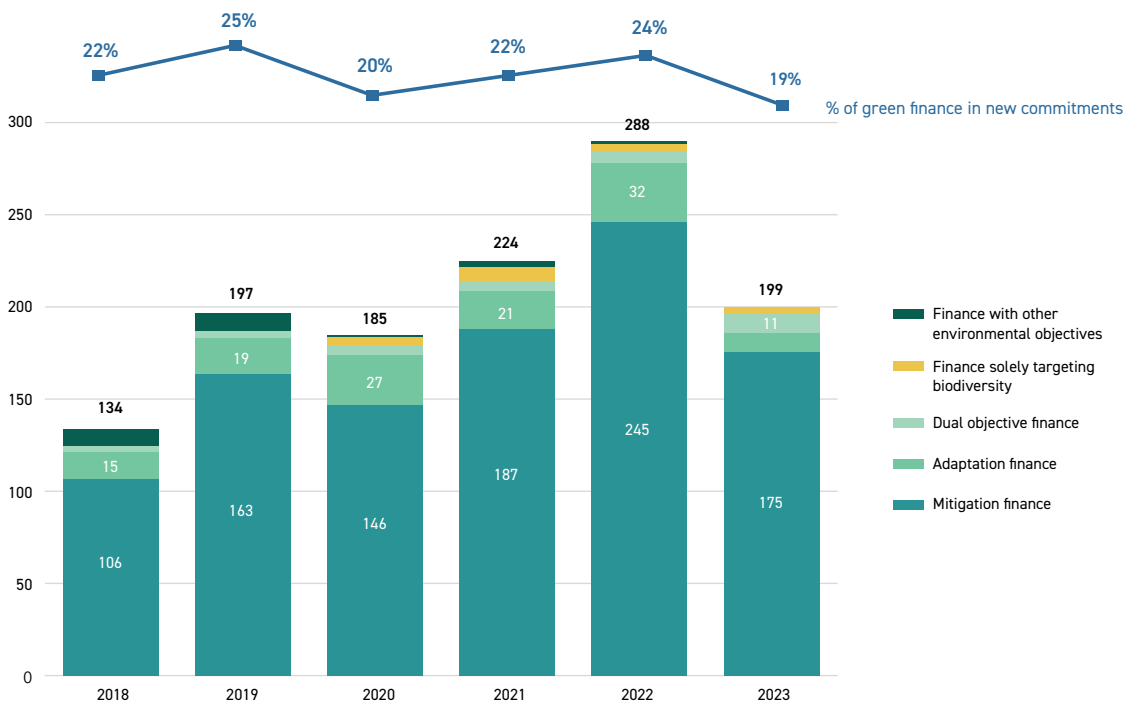
## 1.1 KEY FINDINGS IN THE 2023 DATA

- **IDFC members reported total green finance commitments of \$199 billion in 2023.** After a record year in 2022, this represents a 31% decrease from 2022. (see Figure 2).
- In 2023, green finance represented 19% of total new commitments reported by IDFC members. Since 2015, green finance commitments have consistently represented approximately one-fifth of total IDFC investments.
- **Climate finance** — consisting of all activities related to the mitigation of greenhouse gas (GHG) emissions and adaptation to climate change — **accounted for 98% of total green finance (or \$196.4 billion),** on par with the share observed in 2022.
- Mitigation finance continued to dominate, representing 89% of climate finance, approximately the same share as in 2022.
- Adaptation finance totaled \$10.5 billion in 2023, following an unprecedented \$32 billion in 2022. The decrease in adaptation finance was driven by more conservative tracking methodologies, as well as currency

depreciation and overall lower investment volumes, particularly from members with larger total investment relative to other members.

- Despite the overall decrease in adaptation finance, 64% of members who reported adaptation finance increased their adaptation commitments, half of which reported adaptation finance for the first time. This increased reporting underscores members' commitment to scale their adaptation finance as highlighted in the Club's Contribution to the UNFCCC Post-2025 Climate Finance Dialogues.<sup>5</sup>
- Finance to projects containing elements of both mitigation and adaptation dual objectives, which has been increasing since 2019, nearly doubled in 2023, reaching \$11 billion. These flows represent 6% of total climate finance in 2023. Such finance not only contributes to adaptation objectives, but also highlights an increased awareness and emphasis on the integration of both mitigation and adaptation considerations in climate commitments.
- **Finance for biodiversity projects decreased in 2023, totaling \$8.2 billion.** This includes

Figure 2: IDFC green finance commitments 2019-2023 (\$ billion)<sup>4</sup>



<sup>4</sup> For KfW, domestic green finance commitments do not align exactly with the Common Principles for Mitigation.

<sup>5</sup> <https://www.idfc.org/wp-content/uploads/2023/11/idfc-contribution-post-2025-climate-finance-final-design.pdf>

finance for water supply, wastewater treatment, and agriculture and natural resources management that delivers biodiversity benefits, as well as dedicated conservation projects.

- Additionally, IDFC members reported \$214 million in finance for other environmental objectives, including projects for circular economy or reducing pollution.

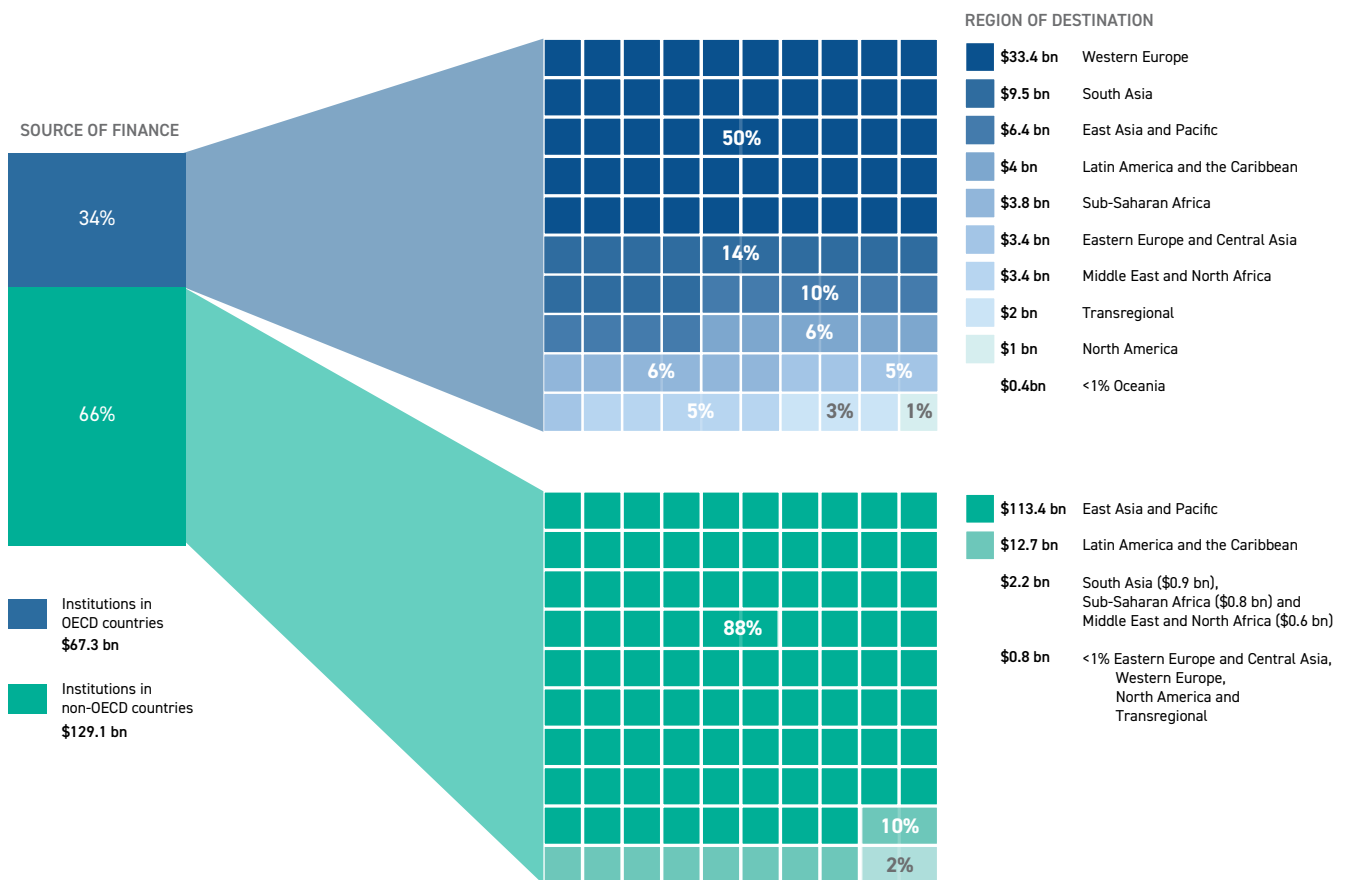
## 1.2 CLIMATE FINANCE IN 2023

- **Sources of finance:** IDFC institutions based in non-OECD countries continued to commit the majority of climate finance. Totalling \$129 billion, climate finance commitments from non-OECD-based institutions represented 66% of total climate finance in 2023 (see Figures 3 and 4). This trend is primarily driven by domestic commitments in China.

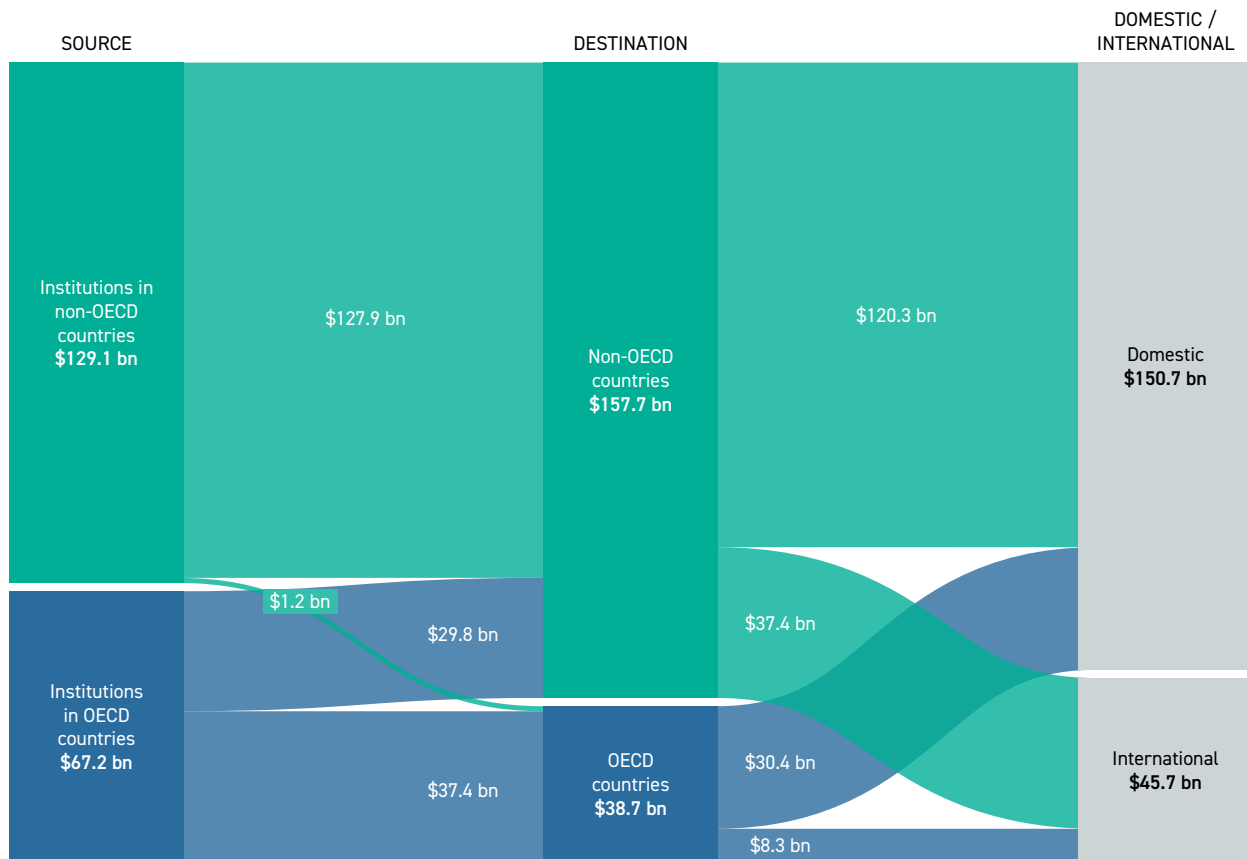
- **Geographic destination:** East Asia and the Pacific continues to receive the majority of climate finance, at 61% in 2023 (compared to 69% in 2022), also driven by domestic commitments in China. Western Europe was the second-highest climate finance recipient, with 17% of the total, followed by Latin America and the Caribbean (9%) (see Figure 3).

- The share of total climate finance commitments made in the home country of IDFC member institutions was 77% (\$151 billion), while 23% (\$46 billion) was spent internationally, an increase from \$33 billion in 2022.
- Of the \$46 billion climate finance committed internationally, 65% (\$30 billion) flowed from institutions based in OECD countries to non-OECD countries (see Figure 4).

**Figure 3: Climate finance commitments in 2023 by source of finance (OECD/non-OECD) and destination region**



**Figure 4: Climate finance commitments in 2023 by source of finance (OECD/non-OECD) and destination (Domestic/International, \$ billion)**



- Financing instruments:** Similar to previous years, climate finance was overwhelmingly provided in the form of loans at \$189 billion, or 96% of the total. Non-concessional debt lending remained the most prominent type of loan used, accounting for two-thirds of debt. Grant finance decreased substantially from \$24 billion in 2022 to \$4 billion in 2023. The remaining \$4 billion was a mix of equity, guarantees, and other instruments.

### 1.3 BIODIVERSITY FINANCE IN 2023

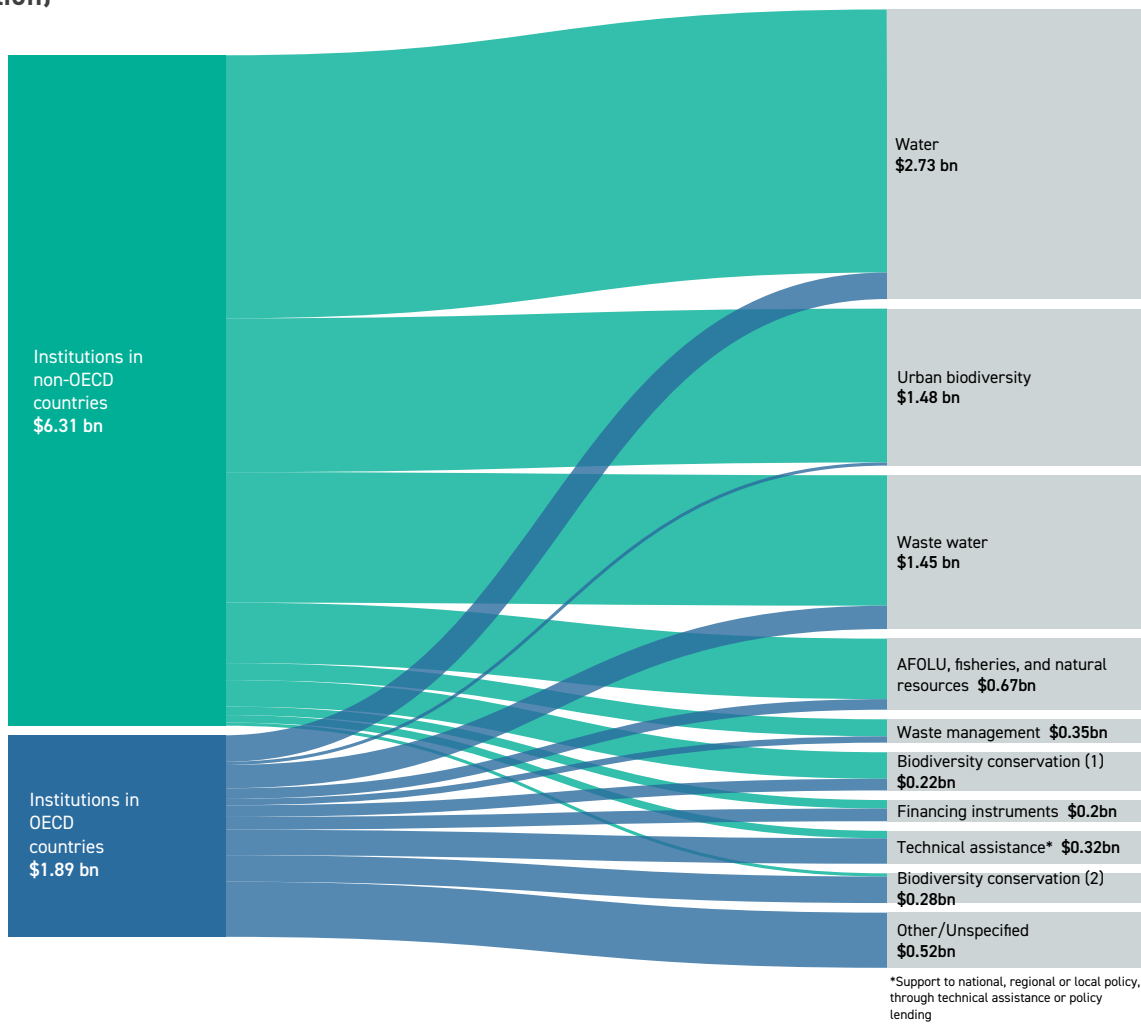
- Eight IDFC members reported investments in biodiversity, compared to seven in previous years. This represents the highest number of institutions reporting biodiversity finance to date. **A total of \$8.2 billion of biodiversity finance was reported for 2023**, approximately half of the annual average committed over 2020-2022.
- Of these biodiversity finance commitments, 35% (\$2.8 billion) went to projects solely targeting biodiversity**, while the remaining

\$5.4 billion consisted of investments at the climate-nature nexus.

- Sources of finance:** IDFC institutions based in non-OECD countries committed \$6.3 billion in biodiversity finance, accounting for 77% of the total. IDFC institutions based in OECD countries committed \$1.9 billion, or 23% of the total.
- Geographic destinations:** East Asia and the Pacific attracted 71% of biodiversity finance commitments in 2023 (or \$5.8 billion), followed by Latin America and the Caribbean at 18% (\$1.4 billion) (see Figure 5).
- Sectors:** Most biodiversity finance (33%, or \$2.73 billion) went to water preservation activities. Urban biodiversity<sup>6</sup> and wastewater treatment projects followed as the second- and third-highest sectors for biodiversity finance, at \$1.48 billion (18%) and \$1.45 billion (18%), respectively.

6 Urban biodiversity activities include green infrastructure and measures to reduce urban pollution.

**Figure 5: Biodiversity finance commitments in 2023 by source of finance (OECD/non-OECD) and end use (\$ billion)<sup>7</sup>**



## 1.4 IMPROVING GREEN FINANCE MAPPING METHODOLOGY

To inform this exercise, IDFC members completed a survey in which they self-reported their green finance commitments.<sup>8</sup> The data was then checked for consistency and aggregated.

The IDFC survey uses the Joint Multilateral Development Banks (MDBs) and IDFC Common Principles for Climate Mitigation Finance Tracking (updated in 2023) and the new Common Principles for Climate Change Adaptation Finance Tracking (2023 version). The list of reporting institutions and reporting coverage across all categories varies from year to year. Consequently, comparisons with previous GFM figures may not be entirely consistent.

The Common Principles address uncertainty by following the principle of conservativeness, preferring to

under-report rather than over-report climate finance. This principle particularly impacts the reporting of adaptation commitments. Given that the context-specific nature of adaptation activities creates challenges to consistently identify and track relevant projects, taking a conservative approach to complex estimates of adaptation-relevant costs may result in lower reported sums. The IDFC Facility is conducting a three-year capacity-building initiative with Climate Policy Initiative to enhance institutional capacity on tracking green finance.

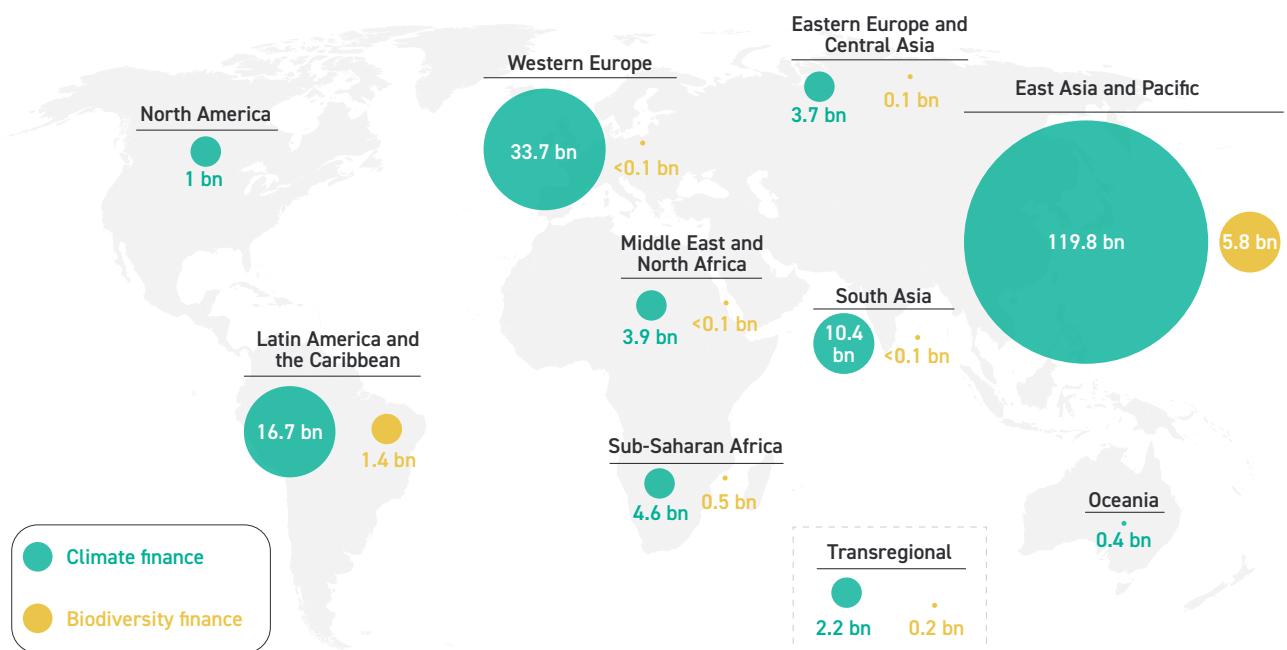
For the fourth year, the 2023 GFM tracks biodiversity finance separately from other forms of environmental finance. IDFC members may report on biodiversity finance at the project or aggregate level. Seven members have consistently reported biodiversity finance since tracking began in 2021, with eight reporting biodiversity finance for 2023.<sup>9</sup>

<sup>7</sup> As shown in the figure, 'Water' encompasses activities targeting water preservation and/or the reduction of water pollution; biodiversity conservation (1) activities include projects which have a significant objective to protect and conserve biodiversity, among other objectives, whereas biodiversity conservation (2) activities have a principal objective to protect and conserve biodiversity.

<sup>8</sup> Green finance commitments are defined as per IDFC Common Principles tracking methodologies.

<sup>9</sup> Relative scales for climate and biodiversity finance are shown

**Figure 6: Regional distribution of climate and biodiversity finance in 2023<sup>9</sup>**



## ABOUT THE IDFC

The IDFC, created in 2011, is a leading group of 26 national and regional development banks from all over the world. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies. IDFC members are aligned with and work together to implement the Sustainable Development Goals, the Paris Climate Agreement and the Kunming-Montreal Global Biodiversity Framework. Through the IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide.

The green finance mapping report exists to illustrate the contributions that IDFC members provide to green finance and climate finance therein. The reporting methodology is constantly improving, with the hope of furthering member efforts in tracking and reporting on green finance flows.

More information about the IDFC can be found at [www.idfc.org](http://www.idfc.org). This year's green mapping report was prepared with the support of Climate Policy Initiative ([www.climatepolicyinitiative.org](http://www.climatepolicyinitiative.org)).

## IDFC MEMBERS

- Africa Finance Corporation (AFC)
- Agence Française de Développement (AFD)
- Banco Industrial y de Comercio Exterior (BICE)
- Bancóldex S.A.
- Banco Nacional de Desenvolvimento Econômico e Social (BNDES)
- Banque Ouest Africaine de Développement (BOAD)
- Black Sea Trade and Development Bank (BSTDB)
- Development bank of Latin America (CAF)
- Caisse de Dépôt et de Gestion (CDG)
- Cassa depositi e prestiti (CDP)
- Central American Bank for Economic Integration (BCIE/ CABEL)
- China Development Bank (CDB)
- Corporación Financiera de Desarrollo S.A. (COFIDE)
- Croatian Bank for Reconstruction and Development (HBOR)
- Development Bank of Southern Africa (DBSA)
- The Eastern and Southern African Trade and Development Bank (TDB)
- Industrial Development Bank of Turkey (TSKB)
- Islamic Corporation for the Development of the Private Sector (ICD)
- *International Investment Bank (IIB)*
- Japan International Cooperation Agency (JICA)
- KfW Bankengruppe
- Korean Development Bank (KDB)
- Nacional Financiera (NAFIN)
- PT Sarana Multi Infrastruktur (PTSMI)
- Small Industries Development Bank of India (SIDBI)
- *State Development Corporation (VEB)*