



**GREEN BANK
NETWORK**



**Green
Investment
Group**

**MDBs in the Green Finance
Ecosystem: how development
finance institutions and the public
and private sectors work together to
meet green finance goals**

Sixth Annual Green Bank Congress



Rethinking development finance for climate

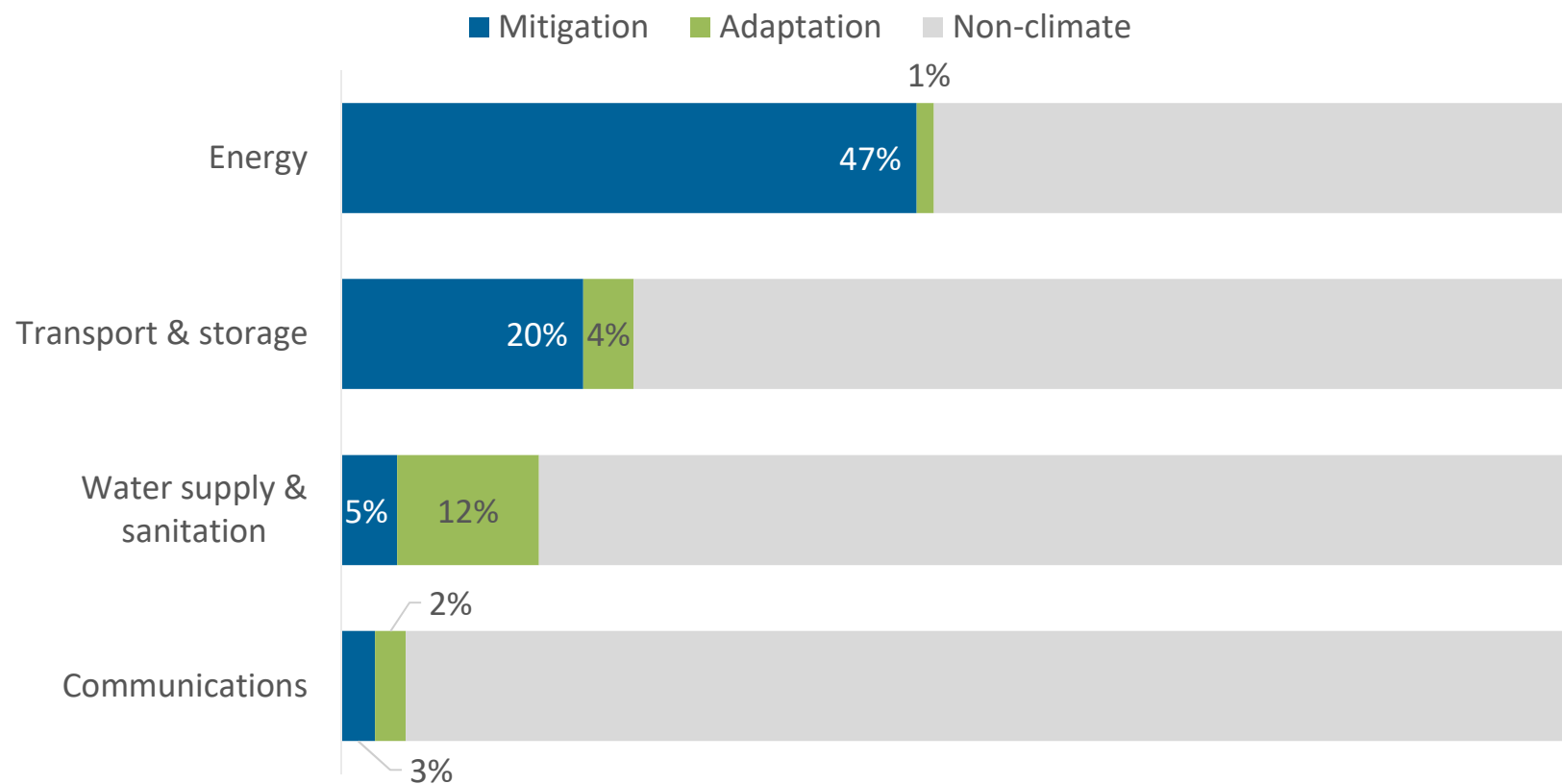
*2018 Green Bank Congress, 29th November 2018,
Shanghai*

Naeeda Crishna Morgado, Development Co-operation
Directorate, OECD



Share of MDB climate finance for infrastructures shows gaps

Share of MDB commitments for infrastructure that are climate-related, by sector, 2015-16 average



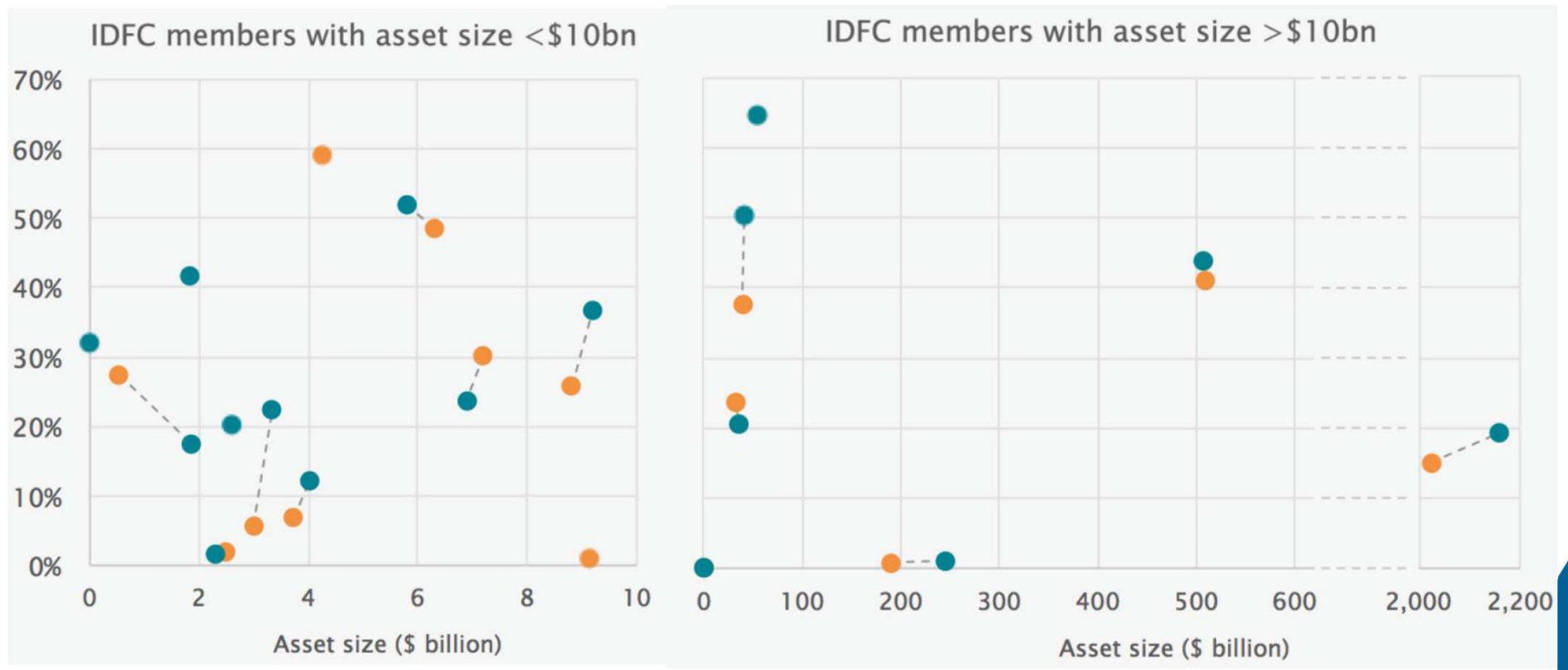
OECD/World Bank/UNEP (2018), *Financing Climate Futures – rethinking infrastructure*, OECD, Paris





Significant variation in shares of IDFC members' green finance

IDFC members: green finance commitments as share of overall commitments, 2015 and 2016, by total asset size



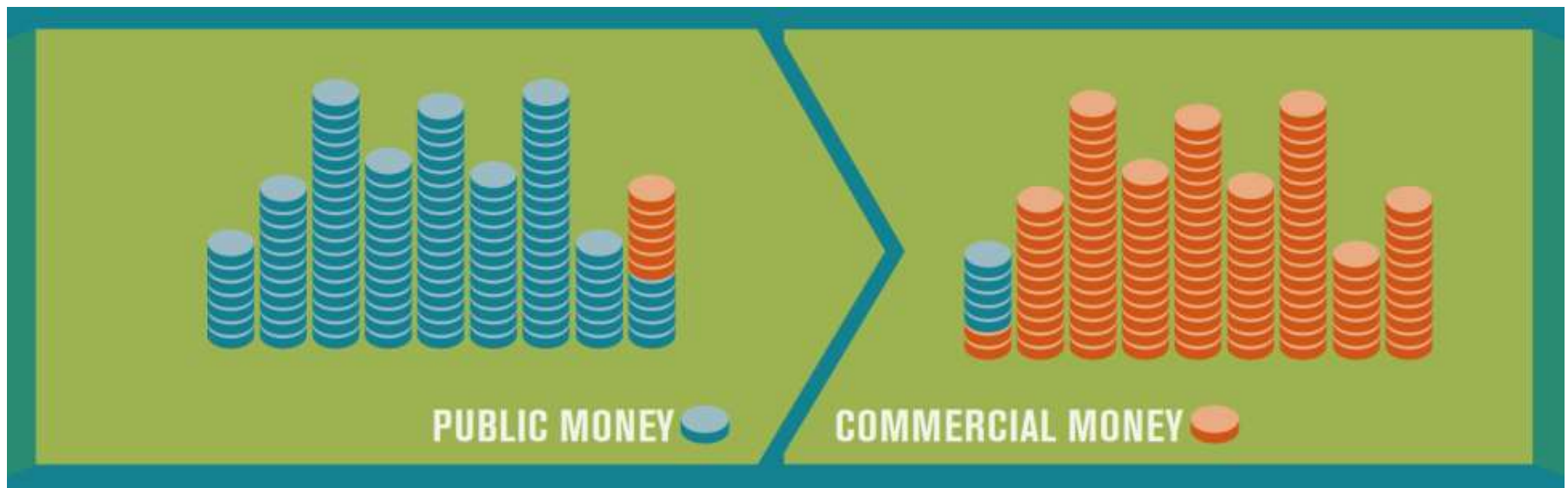
IDFC (2017), IDFC Green Finance Mapping Report 2017



Moving towards blending 2.0

Combining **different sources of public development** finance

Attracting **commercial** finance at scale



From blending today

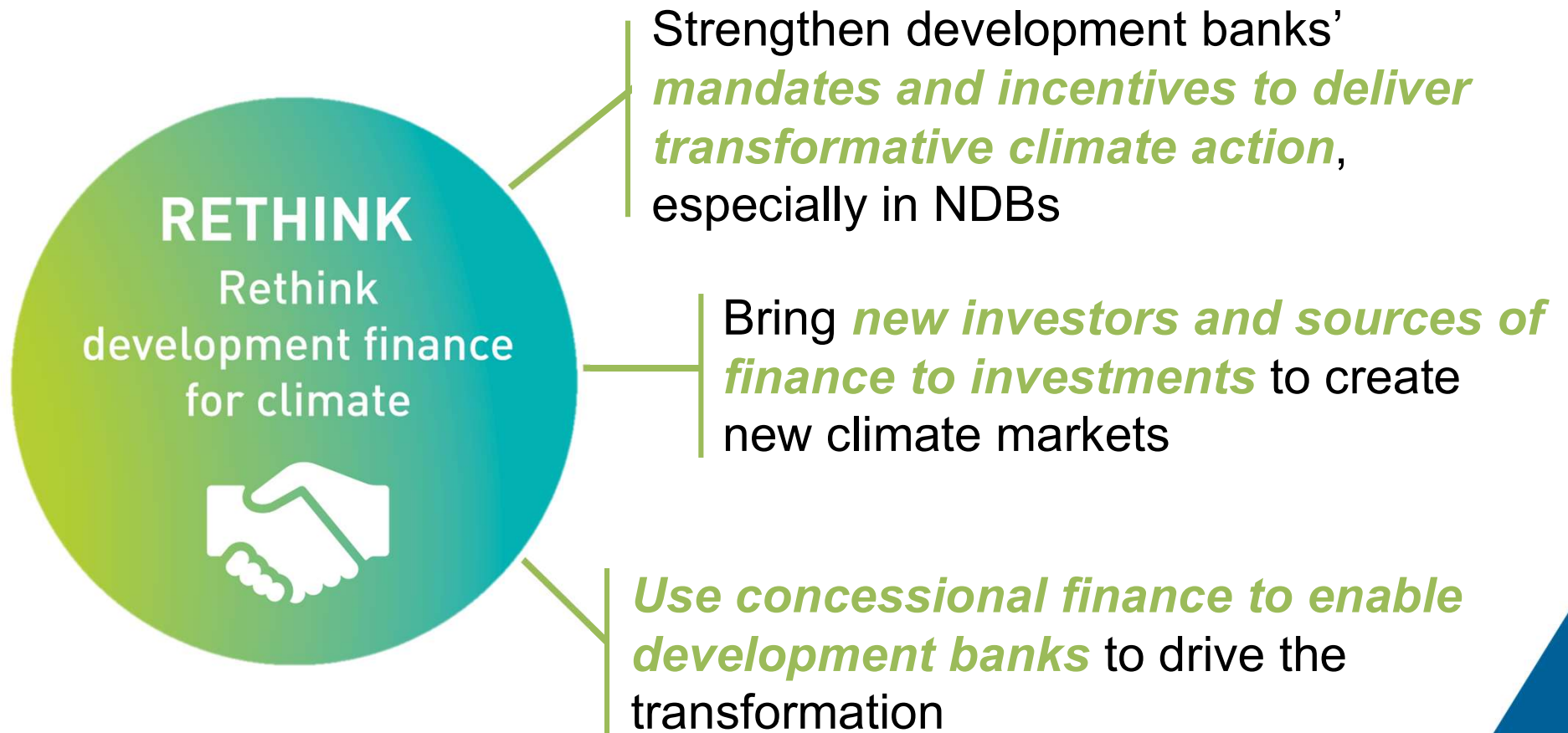
to Blended Finance 2.0

OECD (2018), Making Blended Finance work for the SDGs, OECD, Paris

**Development banks need to transition from
'financer' to 'mobiliser'**



Financing Climate Futures: Rethinking development banks for climate





Thank you!

INTER-AMERICAN DEVELOPMENT BANK

DEVELOPMENT BANKS OF THE FUTURE





What to do NOW?



Direct Financing:
Was easier,

But available money
is not enough.

No choice but to
optimize

NDBs FINANCIAL ENGINEERING



Guarantees



Transfers (& Contingent)



Development of ESG and MRV



Credit Enhancements



Blended Financing



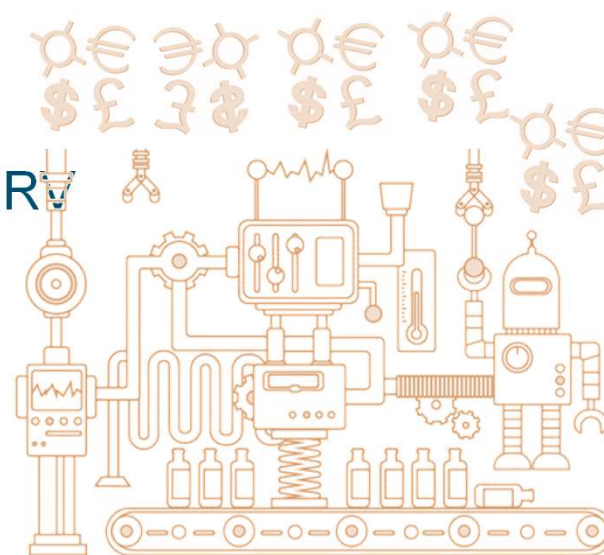
Off Balance Operations



Development of Smooth Project Pipeline



Regulations and Legal Frameworks (APP's)



Supporting National Development Banks all along the issuance process: Green / Sustainable Bonds / Structure / Guarantees



THANK YOU!





6th Annual Green Bank Congress

**Exploring Effective Tools to Mobilize Private Investment in
Low Carbon Climate Resilient Infrastructure**

#MondeEnCommun
AGENCE FRANÇAISE DE DÉVELOPPEMENT

Shanghai - 29/11/2018



AFD GROUP: A GROWING GLOBAL NETWORK



2,500 staff



85 agencies



3,600 projects supported



109 countries of operation



80 nationalities

A WORLD IN COMMON

#MondeEnCommun
AGENCE FRANÇAISE DE DÉVELOPPEMENT

100% PARIS AGREEMENT

Goals

Consistency of AFD Group activity with the Paris agreement, support to low carbon and resilient development pathways

Maximize climate impact and leverage

An enhanced role within IFIs committed on Climate

Objectives

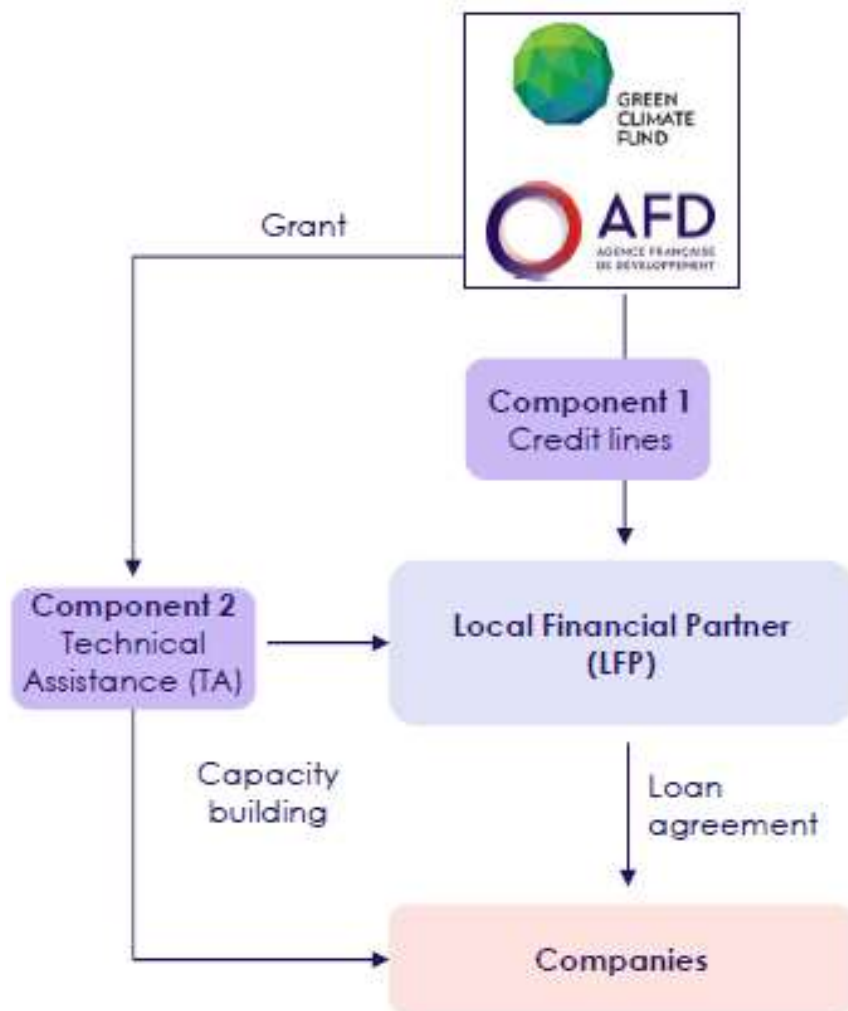
Make the entirety of financings consistent with low carbon and resilient development.
Support the development of low carbon and resilient long term trajectories by countries.

Increase the levels of climate financing

Contribute to the re-direction of financial flows

Contribute to the definition of solutions and standards

TFCS – TRANSFORMING FINANCIAL SYSTEMS FOR



Expected benefits

- ✓ **> 30MT CO₂** reduced or avoided during the programme lifetime (2,3MT Annually)
- ✓ **880 Companies** developing low carbon or climate resilient investment or services
- ✓ **>200 000 direct beneficiaries** (50% women)
- ✓ **280 MW** of renewable installed capacity
- ✓ **200 GWh** of energy savings par year
- ✓ **30 + financial institutions** implementing or improving climate strategies
- ✓ **> 900 bank** staff trained on climate issues



WHAT IS IDFC ?

- ✓ **Leading national & regional development banks**
- ✓ **International reach**
- ✓ **Regional balance**



IDFC, created in 2011, is the leading group of 24 national and regional development banks from all over the world, a majority active in emerging markets. IDFC is the largest provider of public development and climate finance globally, with USD 4 trillion in combined assets and annual commitments above USD 850 billion



GREEN FINANCE MAPPING REPORT 2018



supported by
Climate Policy Initiative

**\$219
billion** in
green finance in
2017

26%
increase
on 2016

87% in home country
of IDFC member

84% of total finance committed in
2017 in Green energy and Mitigation of
Greenhouse Gases

X2 growth
in adaptation finance

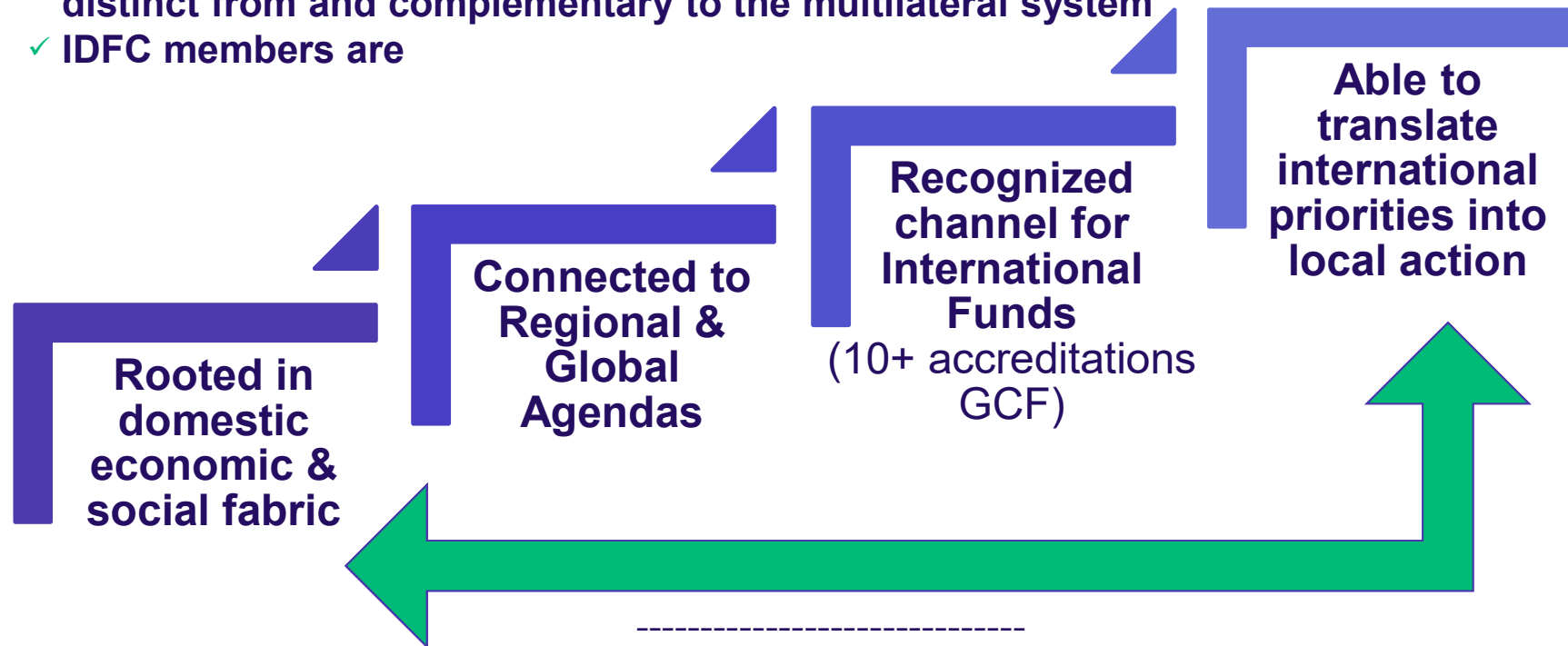
27% of total new
commitments in 2017 were
green finance commitments

\$26 billion
international finance
to projects in non-OECD countries



CONNECTING GLOBAL CHALLENGES AND LOCAL ACTION TOWARDS GREEN FINANCE

- ✓ IDFC: component of development finance architecture, distinct from and complementary to the multilateral system
- ✓ IDFC members are



IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies.



THANK YOU



@AFD_en
@AFD_France

AGENCE FRANÇAISE
DE DÉVELOPPEMENT
#WorldInCommon



GREEN
CLIMATE
FUND

GCF Support on Green Banking

Leo Park



Mission and Three Pillars

FI team aspires to green the financial sector and players in developing countries as the finance sector is a backbone of the real economy.

Funding
proposal
and PPF

Readiness
programme

Awareness
raising &
outreach



Potential Interventions

Accreditation

- Banks naturally become greener by going through GCF accreditation process

Readiness Programme

- Promote country-level green finance initiatives and knowledge sharing

Debt

- Green credit lines and green bonds to FIs to finance green projects

Equity

- Equity investment in green FIs, platforms, and funds

Grant

- Technical assistance for capacity building of FIs, ESS/gender mainstreaming, etc.



Funding Proposal and PPF

Green lending (on-lending) programme

- › Extend green credit lines to FIs to finance green projects
- › e.g. XacBank programmes and PPF, EBRD SEFF programme, NABARD rooftop solar programme, AFD TFSC, CABI CAMBio II



Risk sharing programme

- › Set up a risk sharing platform with local FIs
- › e.g. DB UGEAP, IDB MSME programme



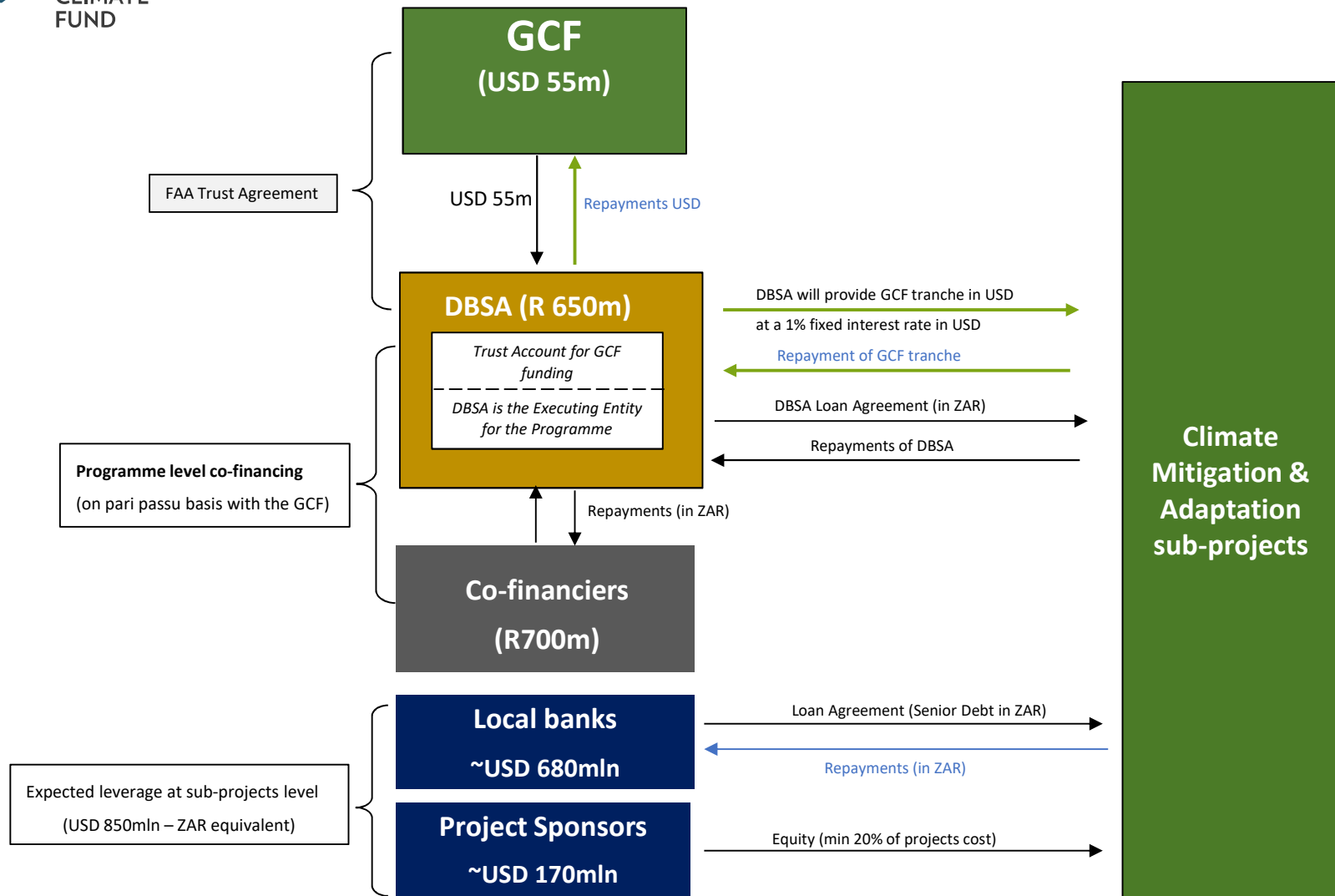
Establishing green FIs or units

- › Set up new green financial institutions or units within an existing institution, convert existing institutions into green banks and/or transform MFIs into fully-fledged green banks e.g. DBSA CFF





B20: DBSA CLIMATE FINANCE FACILITY

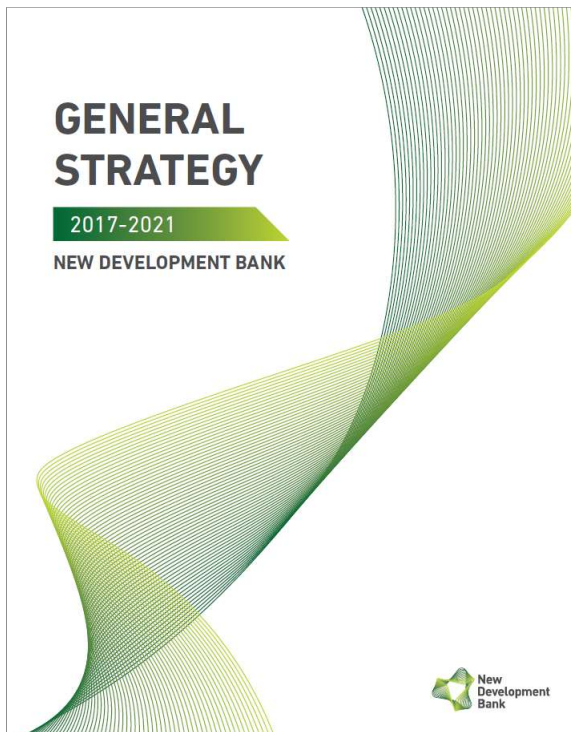




**GREEN
CLIMATE
FUND**



New Development Bank: Strategic focus on sustainable infrastructure development

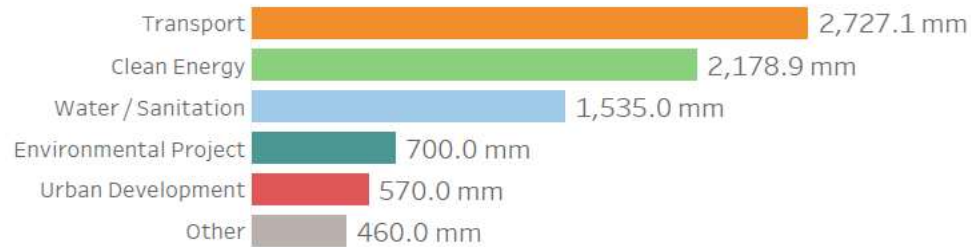


- **Mandate:** support global growth and development, mobilizing resources for infrastructure and sustainable development projects
- **Strategic Focus:** Sustainable infrastructure development
- **Regulatory requirements:** green bonds, social bonds & sustainability bonds
- **Accountability to shareholders and stakeholders:** development impact
- **Helping member countries to meet their international commitments:**
 - Sustainable Development Goals
 - Paris Agreement

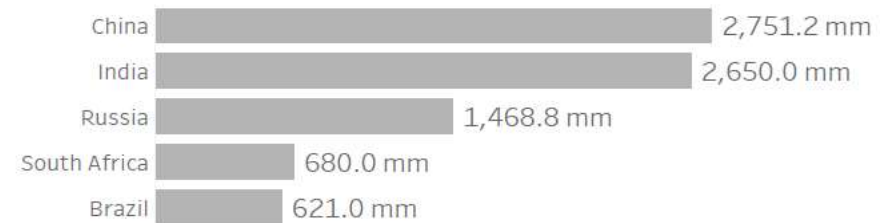


Cumulative loan approvals by key area and country (as of Nov-2018)

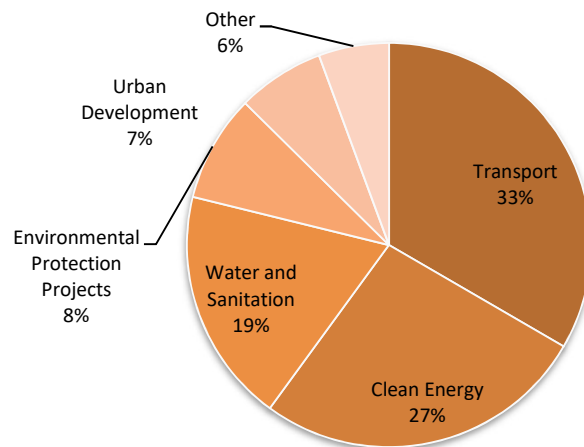
total in USD



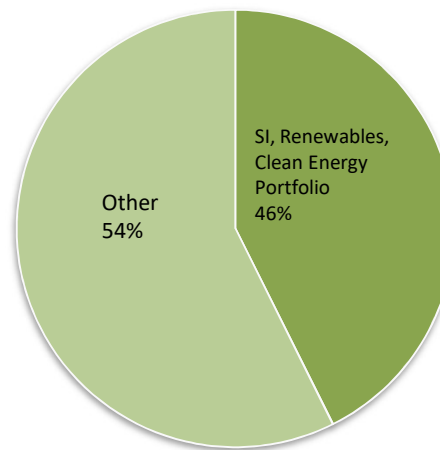
by country in USD



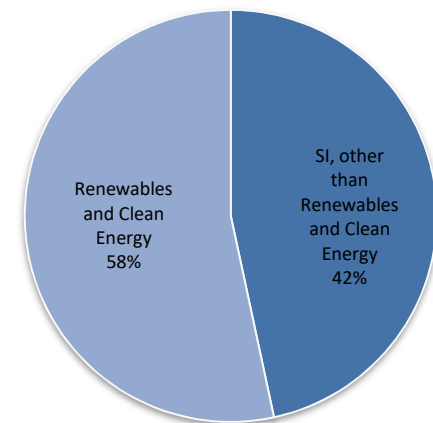
Portfolio by key area



SI, Renewables, Clean Energy in total portfolio



SI, Renewables, Clean Energy portfolio allocation





Cumulative loan approvals reached USD 8.2bn (as of Nov-2018)

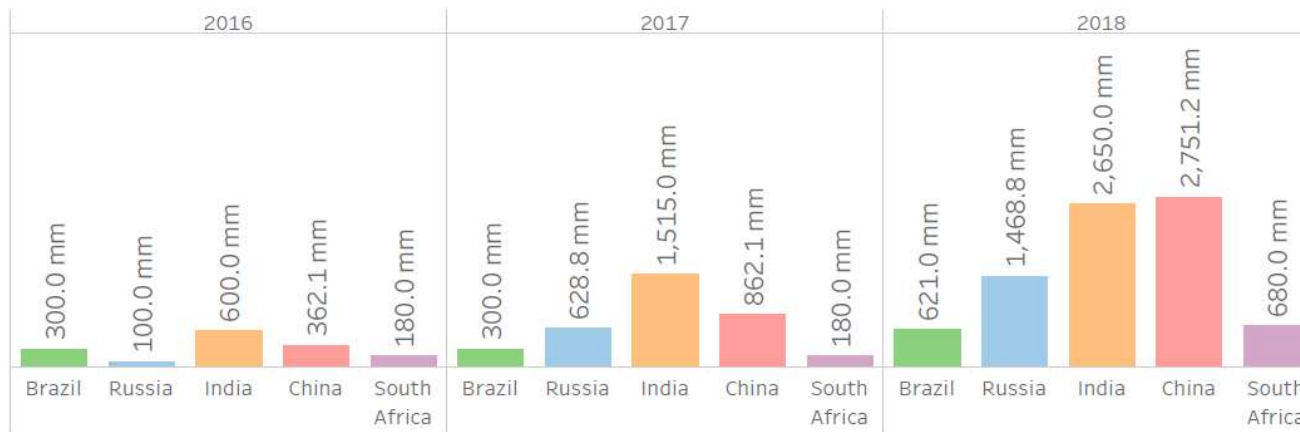
cumulative approvals in USD



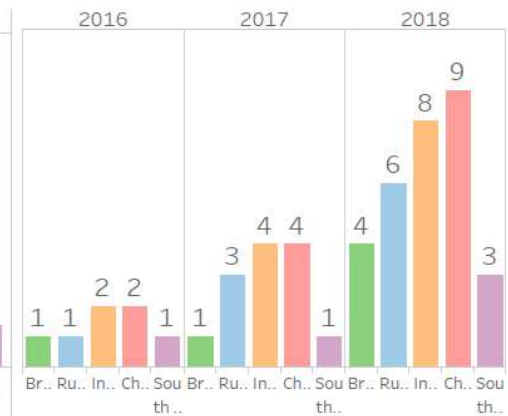
total number of project



cumulative approvals by country in USD



total number of project





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Discussion & Questions

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