

## Development Banks Agree Common Approach to Measure Climate Finance

### *Common principals for tracking finance for adaptation to climate change*

**PARIS, July 9, 2015** – The world’s leading development finance institutions have taken an important step forward in tracking more consistently the flows of finance that help countries and people deal with the effects of climate change.

The six large multilateral development banks (MDBs) and the International Development Finance Club (IDFC), a network of national, regional and international development banks, have agreed on a common set of principles to track financial commitments that help countries prepare for and build resilience to the impacts of climate change.

The ability to track systematically the flows of finance that support climate adaptation makes an important contribution to helping societies deal more effectively with the negative effects of climate change

Labelled, the [Common Principles for Climate Change Adaptation Finance Tracking](#), the initiative builds on a similar agreement earlier this year to define and track mitigation finance, the funding aimed at combatting climate change.

By increasing transparency of climate finance flows, the agreement on the two common principles for tracking climate finance will help to build confidence that money is flowing to help deal with this major global challenge.

It is an important signal ahead of this year’s COP21 conference in Paris that aims to deliver a global agreement on climate.

The multilateral banks include the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB) and the World Bank Group.

*“This worldwide cooperation between national and international financial institutions brings a unique value to address the development needs of vulnerable countries” – International Development Finance Club.*

*“This represents a significant milestone in global climate action. It brings development finance institutions together on how we track finance flowing to countries, as they adapt to the impacts of climate change. The agreement paves the way for greater transparency in financial flows and hopefully will help underpin greater commitment in Paris,”* said **World Bank Group Vice President and Special Envoy for Climate Change, Rachel Kyte.**

The document is aimed at achieving a common understanding of what to count as climate adaptation finance. Knowing how the money is flowing is critical for reaching areas of opportunity and need, because what gets measured gets managed.

Last month, the MDBs [said](#) that they had delivered US\$ 5 billion in financing last year to help developing countries and emerging economies adapt to the challenges of climate change. Similarly, [IDFC members](#) reported in their last green finance mapping report a contribution of US\$ 15.8 billion to adaptation projects in developing countries in 2013.

Nonetheless, IDFC and MDBs agree that increased support for more climate resilient infrastructure, natural ecosystem and other adaptation measures is urgently needed.

According to the newly agreed common principles document, “the MDBs and IDFC are fully committed to promoting and supporting climate resilient development as an essential element of the sustainability of their investments.” They plan to do this, the document says “by integrating climate resilience and adaptation into their investments, operations and initiatives.”

The purpose of the principles is to set out an agreed approach for tracking adaptation finance. The principles are voluntary and set common definitions and guidelines. The implementation, reporting and quality control are each institution’s responsibility. In addition, IDFC and MDBs have committed to further develop their cooperation in the future and will continue to share practices and knowledge on climate finance.

**For more information, contact:**

For MDBs: Camille Funnell, the World Bank Group, [cfunnell@worldbank.org](mailto:cfunnell@worldbank.org), +1 (202) 294-4804

For IDFC: IDFC Secretariat, Sebastian Schild von Spannenberg; [sebastian.spannenberg@kfw.de](mailto:sebastian.spannenberg@kfw.de)

**About the International Development Finance Club:**

The 22 Members of the International Development Finance Club (IDFC) share a similar background and vision regarding the promotion of low carbon climate resilient development pathways. IDFC unites global expertise and innovation with in-depth local know-how and total assets of more than 2.1 trillion USD. For more information: [www.idfc.org](http://www.idfc.org)