COP15 - IDFC Press release

IDFC members commit to support an ambitious and effective Post-2020 Global Biodiversity Framework with a potential to mobilize more than 100 billion dollars of biodiversity finance by 2027

Montreal, December 14th, 2022 - During the COP15 Finance and Biodiversity Day Rémy Rioux, Chair of the International Development Finance Club (IDFC) reaffirmed the Club's commitments to support an ambitious and effective Post-2020 Global Biodiversity Framework during the plenary session on "Leveraging opportunities and overcoming challenges for financial flows alignment and resources mobilization: Greening the Finance and Financing the Green".

As our global economy is highly dependent on nature, biodiversity loss and climate change represent significant risks to corporate and financial stability. The risks of inaction are immense. In its 2021 Global Risks report, the World Economic Forum highlighted that the three most severe risks at a global scale over the next 10 years are climate action failure, extreme weather, and biodiversity loss, and the five most menacing long-term threats are all environmental. However, the opportunities from action are equally huge.
Tackling biodiversity loss by aligning financial flows with global biodiversity targets will be an important part of the solution in terms of climate change, poverty reduction and equitable development, particularly in developing countries. By integrating nature-related financial risks, impacts and dependencies into investment decisions, by scaling up nature positive investments and finally by disclosing nature-related financial risks and opportunities, the financial sector will make the difference.

In this regard, IDFC actively participated to the COP15 agenda. On December 8th, during the official Side Event on *"Alignment of financial flows: channeling public and private investment towards nature"*, members of IDFC and its partner Finance for Biodiversity Initiative recalled the relevance of the 2050 Vision for Biodiversity "living in harmony with nature" and the links between social, biodiversity and climate finance and with the view of progressively strengthening the convergence between these three overall finalities by developing approaches with multiple cobenefits, in line with the objectives of the Paris Agreement and the Sustainable Development Goals.

And on December 14th, for the Finance and Biodiversity Day in which Rémy Rioux, announced IDFC position paper and commitments **to support an ambitious and effective post-2020 Global Biodiversity Framework with a potential to mobilize more than US$100 billion of biodiversity finance by 2027 through the following actions:**

- Developing their biodiversity strategy or action plans, combining risk management, impact mitigation, as well as direct conservation and mainstreaming finance,
- Supporting the development of biodiversity/nature strategies at client level,
- Mobilizing finance for nature-positive projects and nature based solutions,
- Managing nature-related risks, impacts and dependencies and integrating nature-related risks in the financial decisions,
- Leveraging private finance through the development of adequate financial mechanisms,
- Allocating a substantive part of climate finance to biodiversity projects,

Press contacts: Gwladys Le Roy leroyg.ext@afd.fr

- Tracking, reporting and disclosing the nature-related risks, impacts, dependencies and opportunities, through common methodologies or frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD)

Thus, Rémy Rioux officially highlighted *"The Club delivered unprecedented levels of green finance in 2021, mobilising 224bn$ including a rise of biodiversity finance from 14 to 18bn$. I am pleased to confirm that IDFC officially supports the implementation of the GBF and will mobilize 100 billion dollars for biodiversity in 5 years, by 2027. A majority of this finance comes from Southern institutions, this demonstrate that financing green is a shared opportunity globally."*

Indeed, since 2011, the IDFC has conducted a periodic mapping of member institutions' green finance contributions. Since 2019, the Club is reporting on its biodiversity finance contributions. In 2021, IDFC members reported a 21% global increase from 2020 and an investment in biodiversity 31% higher than in 2020.

Rémy Rioux also recalled the Club's rationale: *"Institutions are at very different stages of maturity and don't have the same capacities – for this reason, we insist through the Finance in Common movement and within IDFC on capacity building, best practices sharing and mentoring programs. For instance, IDFC developed a specific Biodiversity Toolbox to support its members to mainstreaming biodiversity into all sectors of activities."*

In this regard, **IDFC published a "Biodiversity Toolbox" to introduce the conceptual foundations for understanding the role of biodiversity for financial institutions.** It mostly addresses members of the IDFC, their clients and any other financial institution willing to include biodiversity in its operations. At its core, it **provides a stepwise approach to integrate biodiversity concerns into the strategies and operations of development finance institutions**. Each step is illustrated with a selection of available methods, tools and examples. The tools presented are merely a selection, as there are new advancements all the time.

About IDFC

The International Development Finance Club (IDFC), created in 2011, is the leading group of 27 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 US$ 4 trillion in combined assets and annual commitments above US$800 billion, including US$ 160 billion per year of climate finance. 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 (SDGs) and the Paris Climate Agreement agendas. Through IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide.

IDFC is chaired since October 2017 by the Agence Française de Développement (French Development Agency), where the IDFC Secretariat is hosted in Paris, France.

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