



MAPPING OF GREEN FINANCE DELIVERED BY IDFC MEMBERS IN 2012

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MAPPING OF GREEN FINANCE DELIVERED BY IDFC MEMBERS IN 2012

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EXECUTIVE SUMMARY

The Rio+20 conference on sustainable development, which took place in Rio de Janeiro, Brazil, in June 2012, was a significant step towards a green economy within the context of sustainable development. To transition towards a green economy, the challenges of climate change need to be effectively dealt with. Climate finance is crucial to help developing countries adapt to climate change, and adjust to a new low-carbon pathway.

Methodologies for climate finance reporting differ, although there seems to be convergence on some flows and projects that could count towards climate finance. A coordinated effort is needed to agree upon the categorisation of project activities and financial flows to count towards delivered climate finance.

The IDFC new green finance commitments in 2012 are shown in Figure A.

Key insights from the mapping of green finance delivered by IDFC members in 2012:

- **95 bn. US\$ of new green finance in 2012.** The absolute green finance contributions from IDFC members has increased in significance from 2011 to 2012, with total green finance increasing by 6 bn. US\$. This compares to 426 bn. US\$ of total new finance commitments of all IDFC members, or a 22% share of green finance in the total new finance commitments in 2012.

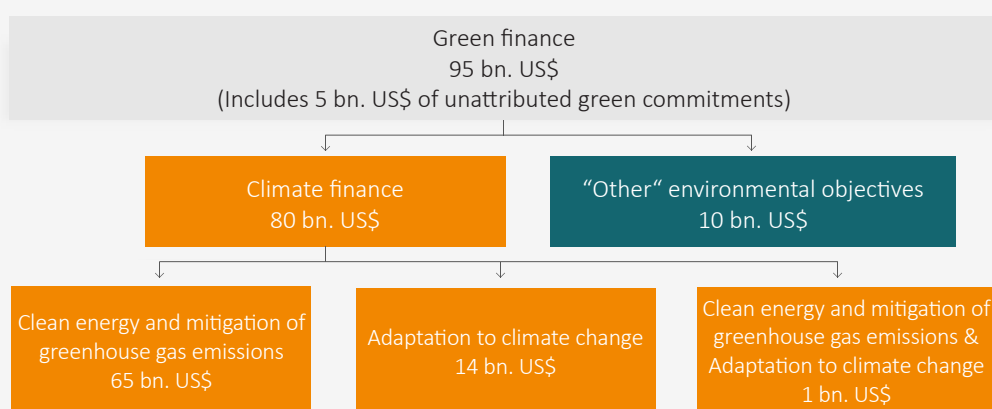


Figure A | New green financial commitments of IDFC members in 2012

In a move to set the example, the International Development Finance Club (IDFC) has started to carry out a periodic green finance mapping. This report delivers the results of the mapping of green finance delivered by IDFC members in 2012.

Green finance is a broad term that can refer to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy.

• Total climate finance commitments of 80 bn. US\$ in 2012.

The share of the total new green finance commitments for clean energy and mitigation to greenhouse gases was 51 bn. US\$ in 2011 and 65 bn. US\$ in 2012. For adaptation to climate change, the share was 6 bn. US\$ in 2011 and 14 bn. US\$ in 2012 (Figure B). The share of the new category, with elements of both adaptation and mitigation, was 1 bn. US\$.

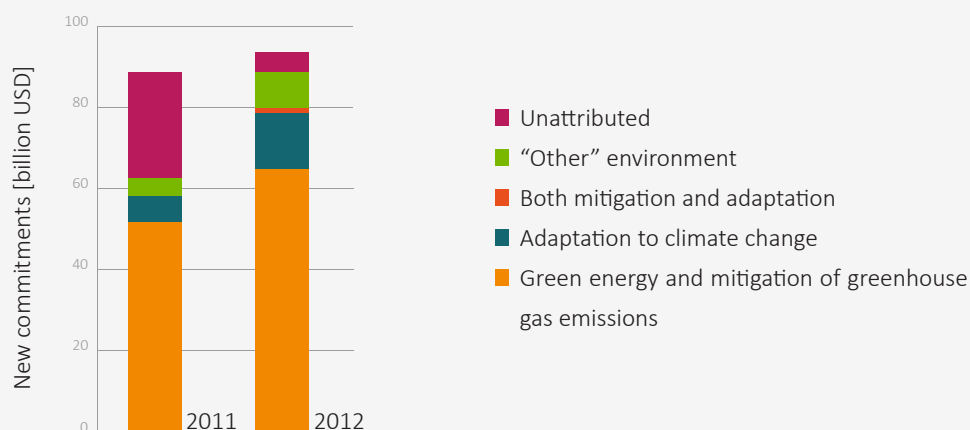


Figure B | Comparison of the share of financial commitments for each category, and unattributed data provided in 2011 and 2012

- **A steady scaling-up of the total green and climate finance commitments over the period 2011 to 2012.** The increased volumes of green and climate finance committed by IDFC members in 2012 clearly indicate the capacity of the banks to generate and handle increasing amounts of finance to meet local demands.

- **IDFC's absolute share of the total annual global climate finance from the public sector is significant.** In 2011, the most recent year for which comparable data was available (Buchner et al., 2012), IDFC's contribution of 58 bn. US\$ of mitigation and adaptation finance contributed roughly 64% to the global total climate finance from public sources.

- **The mapping of new green finance commitments of IDFC members for 2012 has confirmed an important pattern of green finance flows.** The central role of green finance delivered in the respective organisations' home countries stands out (Figure C).

- **Concessional loans as the major financial instrument of IDFC members in green finance.** Being public or publicly-mandated development banks, IDFC members can provide the majority of their green finance commitments at concessional terms. They hereby overcome existing financial barriers for green investments, and provide support to greening of the economy, in particular in developing countries.

- **Leading the way to a better alignment of climate finance tracking and reporting methodologies.** IDFC provides a proactive platform from which to stimulate the sharing of experiences and shape future discussions on further alignment of climate finance-tracking methodologies internationally. This year's mapping exercise adopted more stringent guidelines on the inclusion of project activities for the three categories, which has resulted in increased transparency and more robust accounting of the green and climate finance contributions. In addition, finer detail of the distribution of green finance of IDFC members across financial instruments and geographical spread has been provided in this year's mapping exercise.

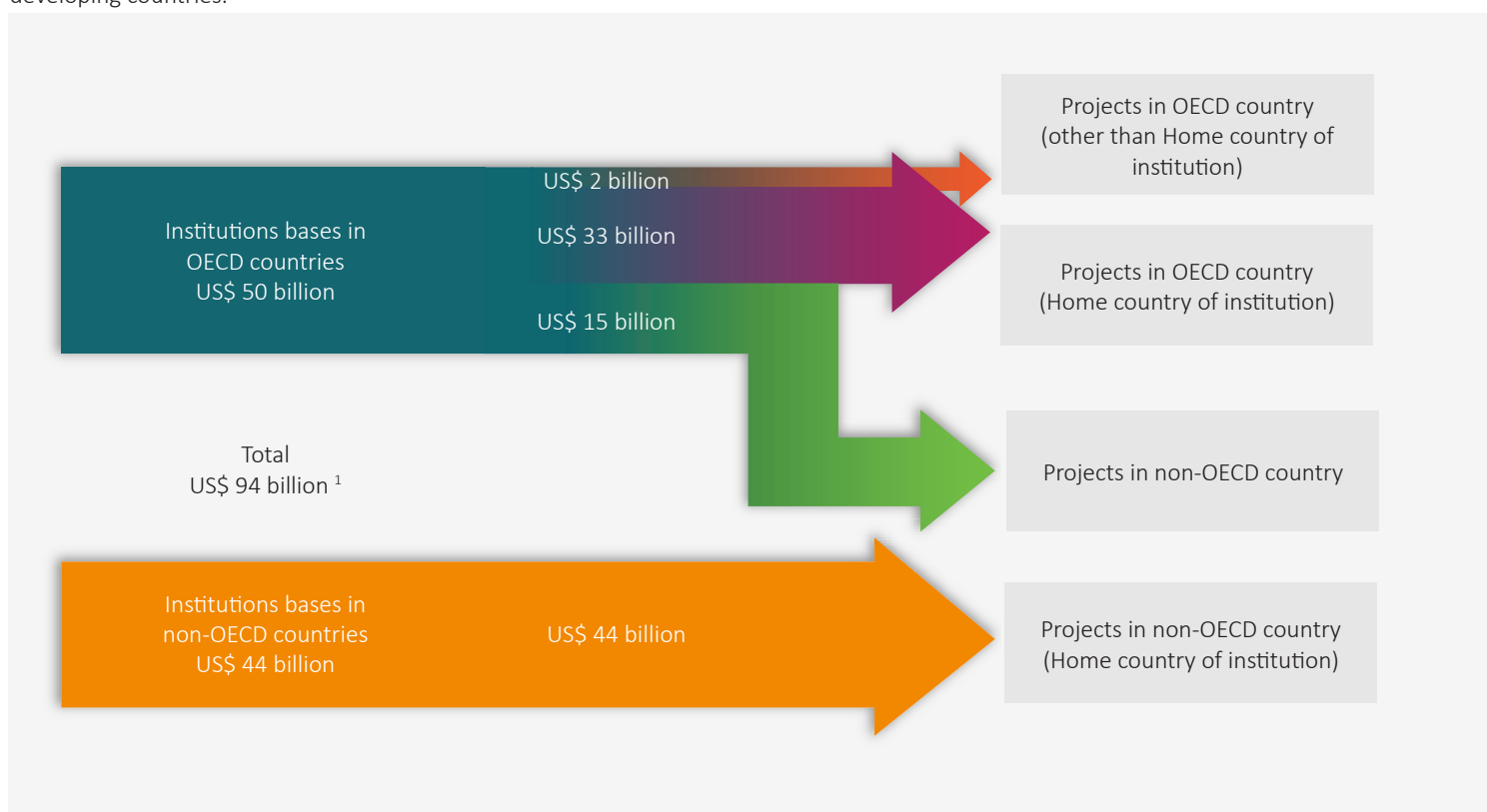


Figure C | International and domestic green finance delivered by IDFC members in 2012 ¹

¹ | Note that due to rounding of decimals, the numbers do not necessarily add up to the total in this graph. In addition, a small share of the total green finance is not attributed to region and not accounted for in the graph. The total number in this graph therefore varies from the total green finance covered in this report.

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1 | INTRODUCTION

The Rio+20 conference on sustainable development, which took place in Rio de Janeiro, Brazil, in June 2012 was a significant step towards a green economy within the context of sustainable development. To transition towards a green economy, the challenges of climate change need to be effectively dealt with. Climate finance is crucial to help developing countries adapt to climate change and adjust to a new low carbon pathway.

During the fifteenth Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in December 2009, the Copenhagen Accord was agreed, whereby developed countries pledged fast-start finance to the amount of 30 billion US\$ for 2010-2012, and to mobilise long-term finance of 100 billion US\$ per year from 2020, from a range of sources including public (bilateral and multilateral) and private. These pledges were formalised during the Cancun Agreements at the UNFCCC COP in December 2010. The Green Climate Fund (GCF) was also created at this time to manage some of the flows of climate finance.

Development banks play a crucial role in the delivery of climate finance, also acting as a link between public and private finance. The International Development Finance Club (IDFC) represents a unique mix of bilateral, regional, and national development banks, providing a platform for working closely together, exchanging best practices and experiences. In addition, the deep knowledge of these development banks on the implementation of mitigation and adaptation activities locally allows them to effectively combine technical assistance with financial packages. This acts as a perfect enabler to encourage the crowding-in of local and international private sector investments to support the transition towards green economies.

Since 2010, the IDFC members have been mapping their green finance (including climate finance) contributions in an effort to align the collation and transparent reporting of these financial flows. In doing so, the IDFC contributes practical experiences to the

international climate finance forum, helping to shape discussions on methodologies to accurately define, estimate, and track the mobilisation of green and climate finance.

1.1 | BACKGROUND AND OBJECTIVES

The IDFC, formed in 2011, is a group of twenty national, bilateral, and regional development banks that share a similar vision of development finance and global climate change challenges facing the international community. IDFC members are distributed across Europe, Asia, Central and South America, and Africa (Annex A contains a brief description of each IDFC member). Figure 1 gives a list of the regional, bilateral, and national development banks which the IDFC comprises.

IDFC pools together the best practices and experiences of its members in strategic topics of mutual interest, including climate finance. The IDFC climate finance work programme brings energy access and clean energy supply to the forefront of the development agenda. One of its main purposes is to mobilise green growth potential while supporting climate change mitigation and adaptation activities.

The key objective of the IDFC green finance mapping exercise for 2012 is to transparently collate and disclose complete data on new green finance commitments. By building on previous years' mapping exercises, IDFC works to improve its tracking methodology, moving towards further alignment of approaches amongst its members in order to generate comparable data. Harmonising the tracking methodology, where possible, with other initiatives has also been considered within this mapping exercise. By reporting their year-on-year increase in new green finance commitments, IDFC members continue to demonstrate their ability to channel large volumes of finance towards climate change mitigation and adaptation, and development projects.

IDFC MEMBERS

Regional Development Banks

- BSTDB
- CABI
- CAF
- BOAD

Bilateral Development Banks

- AfD
- KfW
- JICA

National Development Banks

- BdE
- BNDES
- CDB
- DBSA
- TSKB
- NAFIN
- KfW
- Bancoldex
- CDG
- HBOR
- Indonesia Exim Bank
- KoFC
- SIDBI
- VEB

Figure 1 | International and domestic green finance delivered by IDFC members in 2012

1.2 | REPORT STRUCTURE

This report focuses on the methodology and results of the IDFC green finance mapping exercise for 2012 finance commitments. The report is structured as follows:

Section 2 provides an overview of the climate finance framework, outlining key initiatives taken into consideration in this year's methodology.

Section 3 details the methodology used for this mapping exercise.

Section 4 discusses the main outcomes of the mapping exercise.

Section 5 sets out the conclusions of the mapping exercise.

Annex A contains a list and brief description of IDFC member organisations.

Annex B covers definitions used in the methodology for each of the three themes of which green finance comprises; definitions of financial instruments; and regional distributions categorisation.

Annex C presents a list of core eligible project categories used to define green finance investments.

Annex D is the index of acronyms.

Annex E is the list of references.

2 | THE CLIMATE FINANCE FRAMEWORK: AN OVERVIEW OF KEY TRACKING AND REPORTING INITIATIVES

Viewed within the context of the commitment to mobilise 100 bn. US\$ annually, tracking and reporting of climate finance information has become an increasingly important issue. Some level of reporting guidelines has been provided by the UNFCCC to track the delivery and receipt of climate finance within the national communications and biennial reports for developed and developing countries. However, these guidelines are not sufficient to accurately and efficiently report climate finance mobilised by developed countries towards the US\$ 100 billion commitment (Caruso and Ellis 2013). The Standing Committee on Finance has invited developed country governments at COP 18 to submit by May 2014 “information on the appropriate methodologies and systems used to measure and track climate finance” (UNFCCC 2012). This is a first step towards coordinating approaches at an international level.

In parallel, several other collaborative initiatives at an institutional level, including that of the IDFC, have made progress in methodologies to track and report climate finance flows. The convergence of these methodologies both with each other and with national efforts, would help to ensure the move towards measureable, reportable and verifiable climate finance.

As methodologies to assess and estimate mobilisation of climate finance can vary widely, IDFC members recognise the importance of aligning, where possible, existing approaches. In order to accurately track and account for international climate finance, there needs to be a shared understanding of the definitions and accounting procedures for mitigation and adaptation activities. For example the IDFC green finance mapping initiative has considered guidance provided by the OECD-DAC Climate Markers on climate change mitigation and adaptation. In addition, selected elements of the joint Multilateral Development Banks’ (MDBs) initiative on mitigation and adaptation finance (MDB 2012a, 2012b)—which represents another effort towards harmonised approaches to define and track climate finance—have been used for this year’s mapping methodology. Taking this open stance has led to the international acceptance of the IDFC mapping exercises, and has encouraged cooperation with other such initiatives.

Improved reporting of public sector finance by these multilateral and bilateral institutions will contribute towards more robust reporting by developed country governments (Tirpak et al. 2010). In addition, the guidelines provided on the application of the OECD-DAC climate markers (OECD 2011), on definitions and eligibility criteria for climate change mitigation and adaptation projects, have been heavily referred to across climate finance tracking methodologies. The World Resources Institute has also produced guidelines for reporting information on climate finance that provide recommendations on accounting for and reviewing climate finance information (Tirpak et al. 2010).

The OECD paper on tracking of climate finance (Clapp et al. 2012) provides interesting insights from key actors in climate finance on quantifying the level of, and understanding the tracking methods for, private climate finance mobilised by their interventions. A couple of the main outcomes highlighted by the report are that

the methodologies used to assess and estimate mobilisation vary widely, and that a significant risk of double-counting of climate finance exists. In addition, the Landscape of Climate Finance report (Buchner et al. 2012) by the Climate Policy Initiative (CPI) aims to provide a holistic view of public and private climate finance flows. Its findings confirm the pivotal role that development banks play in the landscape of climate finance, by acting as a link between public and private finance. In addition, key gaps to tracking climate finance such as transparency and consistency are reiterated. Findings from this IDFC mapping study can offer a key contribution to other such initiatives.

In a collective effort to contribute to defining, tracking, and reporting mobilised climate finance, IDFC has built on its green finance mapping initiative of 2012. Further detail on the definitions of green and climate finance is provided in section 3.1 below. At present there seems to be potential for some convergence on methodologies accounting for climate finance flows towards different types of projects. In order to attempt to bring together some of the existing thinking around this issue, the methodology has been aligned, where possible, to other climate finance tracking initiatives. Some members of IDFC, such as the bilateral development banks, already have well-developed methodologies to define and track climate finance, which were also closely considered in the revised methodology for this year.

The methodology revolves around four key aspects of defining, tracking and reporting climate finance that dictate its robustness and accuracy (Figure 2 below):

- **Transparency:** to adopt a standardised financial reporting format with common definitions and methodologies to quantify climate finance.
- **Comparability:** to encourage a universal methodology/approach by which institutions can assess and estimate mobilised climate finance.
- **Consistency:** to promote a yearly accounting requirement for financial institutions and national governments on climate finance.
- **Flexibility:** to allow for a practical, adaptable, and coordinated universal reporting system to track climate finance.

3.1 | DEFINITIONS AND TERMINOLOGY

As there is no internationally-agreed definition for green and climate finance, this methodology provides working definitions for both terminologies. Green finance is a broad term that can refer to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy. Green finance includes climate finance, but is not limited to it. It also refers to a wider range of “other” environmental objectives; for example industrial pollution control, water sanitation, and biodiversity protection. Mitigation and adaptation finance is specifically related to climate change-related activities: mitigation financial flows refer to investments in projects and programmes that contribute to reducing or avoiding greenhouse gas emissions (GHGs); whereas adaptation financial flows refer to investments that contribute to reducing the vulnerability of goods and persons to the effects of climate change.

Thus for the purposes of the mapping exercise, green finance is split into three separate categories/themes ² (Figure 3).

- Clean energy and mitigation of greenhouse gas emissions
- Adaptation to climate change impacts
- “Other” environmental objectives

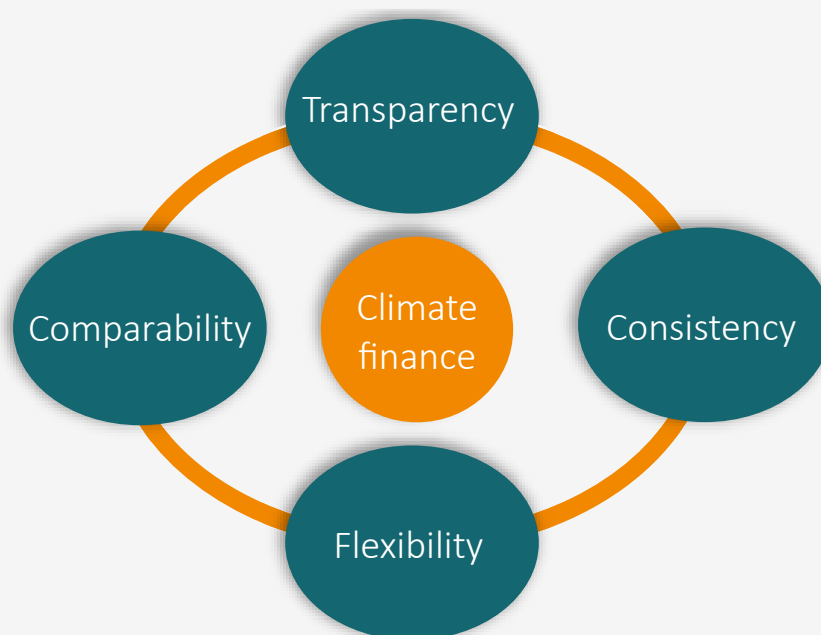


Figure 2 | The four central aspects of defining, tracking, and reporting climate finance

² | This year, an additional option was given to banks to categorise separately projects with elements of both adaptation to climate change impacts, and clean energy and mitigation of greenhouse gas emissions.

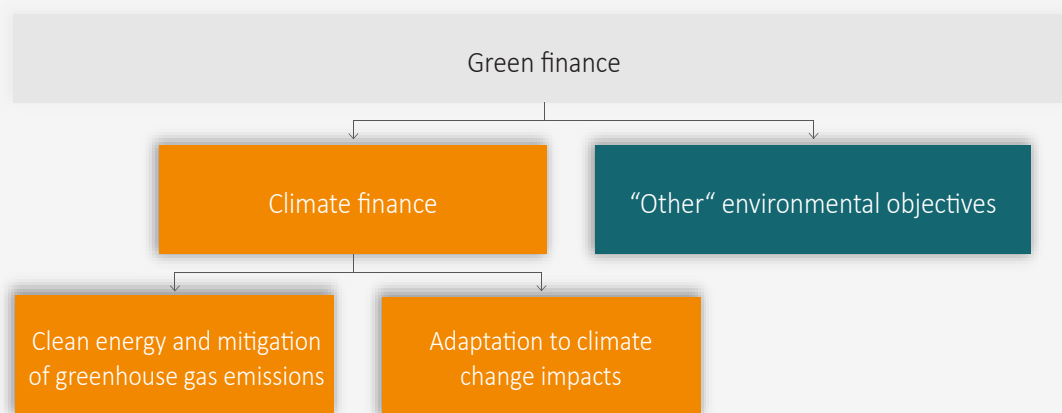


Figure 3 | Green finance mapping categories/themes

In order to provide accurate and comparable data for this mapping exercise, a consistent categorisation of mitigation and adaptation activities was agreed between Ecofys and the IDFC members. This mapping exercise adopted a two-step approach based on:

- A global definition of mitigation, adaptation and “other” environment projects. A list of definitions is provided in Annex B.
- A core list of project categories that were consensually accepted by all IDFC members as projects that typically contribute to tackling climate change. A list of project categories is provided in Annex C. These categories were adapted from the previous year’s IDFC green finance mapping methodology and the joint MDB typology of mitigation activities (MDB 2012b).

As there are significant challenges to unambiguously attributing specific investments to only one of the three themes, it was decided to split each theme into separate sub-categories with clear project activity examples. This approach also helps to avoid double-counting of projects. Additional details on the themes and sub-categories are provided in Annex C. In those cases where IDFC members did not have, or refrained from providing, sub-category information, non-attributed data was provided.

In this study, given data is for financial flows committed in the year 2012 in the form of inter alia loans (concessional and non-concessional), grants, guarantees, equity, and mezzanine finance used by financial institutions to finance investments. New commitments refer to financial commitments signed or approved by the board of the reporting institution during 2012. Cross financial flows between IDFC banks are minimal in the climate financing area, and hence are not accounted for in the assessment³.

3.2 | DATA COLLECTION APPROACH

The mapping exercise draws on first-hand data provided by IDFC members. A desk-based data collection approach was carried out using a customised financial survey tool. Eighteen members of the IDFC participated in this mapping exercise. Most of the data is from direct responses from the banks using the survey tool, with some remaining data collected from publicly-available sources (with the permission of the respective institutions). In those circumstances where disaggregated data could not be provided due to confidentiality issues, data from the bank’s annual report was taken. It should be noted that such data could not be perfectly interpreted. In one instance, to obtain a representative number for new commitments towards clean energy and mitigation of GHGs, data relating to the increase in outstanding loans was used as a very conservative estimate for new commitments in this field.

Detailed guidelines were provided to IDFC members on the categorisation of projects (as listed in Annex C). Any deviations from the guidelines were guarantees, equity, and mezzanine finance used recorded and reported. During the data collection process, IDFC members were asked to use these definitions and eligibility criteria (defined in Annex B and C). If there were any deviations from the guidelines, organisations were encouraged to note and report them. The institutions provided their data in US\$. They were asked to use the average exchange rates from local currencies to US\$ from the World Bank⁴.

3 | Less than 0.3% of total green finance commitments for 2012.

4 | <http://data.worldbank.org/indicator>

3.3 | METHODOLOGY ADDITIONS

The IDFC green finance mapping for this year builds and improves on the mapping conducted during 2012 for 2011 commitments. A summary of the key improvements is given below. This is a gradual process that draws from IDFC members' participation in the mapping experience, and learnings from other mapping initiatives.

Firstly, for this year's mapping exercise, differentiating and aggregating various instruments was expanded to include grants, loans (concessional and non-concessional) and other instruments (guarantees, equity and any other). Last year only two options were considered: share of loans, and share of other instruments (guarantees, equity etc). Definitions of the financial instruments considered this year are provided in Annex B.

Secondly, an additional regional dimension was considered. In 2012, based on the current green finance funding priorities and trends of IDFC members, the regional distribution data focused on share of financing done in the home country, share of international financing to OECD countries, and share of international financing to non-OECD countries. Note that for the sub-regional banks of the IDFC, the group of countries which they cover is considered as their "home country" in the methodology. For this year's mapping exercise, in addition to the OECD/non-OECD split, the following regional split, as adapted from the World Bank ⁵, was considered: Australia; East Asia and Pacific; Eastern Europe and Central Asia; European Union; Japan; Latin America and the Caribbean; Middle East and North Africa; South Asia; Sub-Saharan Africa; United States; and Trans-regional. Definitions of countries for each region are provided in Annex B.

Thirdly, more detail on the project-level reporting for individual categories has been provided. As it is a significant challenge to distinguish financing for climate change adaptation projects from development projects, this year's methodology provides further guidance, with detailed examples on what could be categorised as a climate change adaptation project. Guidance used by the Agence Française de Développement (AFD) on defining adaptation projects (AFD 2012) has been used, and was provided to participating banks in the IDFC financial survey tool (refer to Annex B).

To further reduce uncertainties in the attribution of infrastructure projects that occur in a "business as usual" scenario versus infrastructure projects in response to adaptation to climate change, the "improved resilience to infrastructure" subcategory has been removed. Instead, under the subcategory "other disaster-risk reduction", a project activity for climate change-resilient infrastructure has been added. Another change to subcategories is under the "other" environment category. "Sustainable infrastructure" has been added to capture those infrastructure project activities that should not be categorised under adaptation. In addition, further detail on project activities under each mitigation subcategory has been added.

A risk of double-counting exists where elements of both mitigation

and adaptation appear in the same project activity. To minimise this, a fourth category for combined "mitigation and adaptation" projects was provided. This approach circumvents the need to use a potentially inaccurate 50-50 per cent split that was suggested in the methodology of the mapping exercise conducted in 2012, taken from the guidance provided for the OECD DAC climate markers.

Given below are some key methodological challenges faced in the implementation of the IDFC green finance mapping exercise. To the extent possible, these challenges should be further addressed by the IDFC in future mapping exercises.

3.3.1 | Methodological challenges

Key issues encountered in accurately accounting for and reporting climate finance in this year's green finance mapping exercise are listed below:

- Risk of double counting: Area A in Figure 4 below covers the new category for projects with both mitigation and adaptation elements. Further guidance needs to be provided on how to accurately capture all potential overlaps to prevent potential double-counting.
- Confidentiality issues: External reporting of data can vary between IDFC members in the level of information permitted to be divulged by each bank.
- Lack of data (systems to track the data and/or internal capacity to extract the data): Some IDFC members could not provide the required or the full range of data.
- Consistency of data: The level of data and detail reported by IDFC members differed from bank to bank.
- Comparability of data: Although the methodology provided very specific guidance on sub-categories and project examples for each of the themes, further progress can be made towards understanding the interpretation of the three themes, and data allocated to each.
- Aligning of climate finance mapping initiatives: Further efforts can be made amongst initiatives to collaborate. For example, some institutions have a narrower definition of adaptation finance than others, which would benefit from additional deliberations and a consensus on the definition to be used internationally.

5 | <http://data.worldbank.org/about/country-classifications/country-and-lending-groups>.

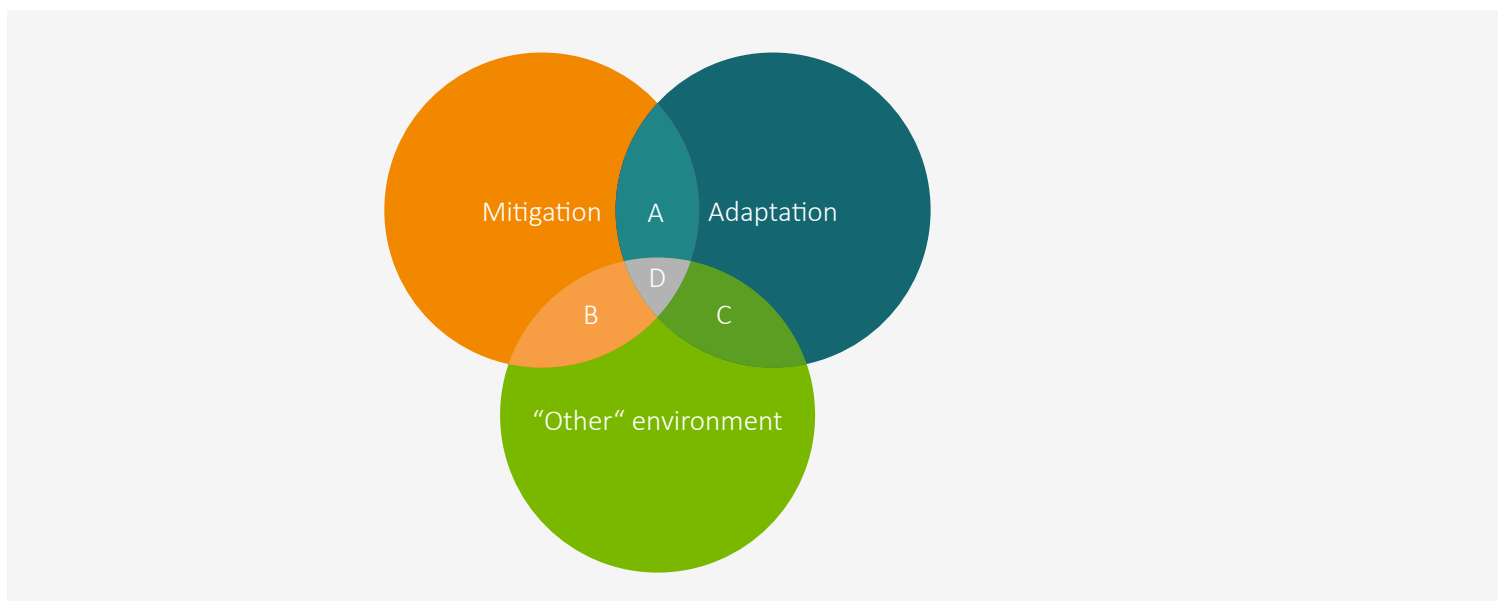


Figure 4 | Overlaps between the three green finance categories/themes

3.3.2 | Methodological issues to be considered in future mapping exercises

based in non-OECD countries.

The IDFC green finance mapping exercise has added some complexity from last year, at the same time making adjustments, where possible, to align to other climate finance tracking initiatives. By doing so, it allows its members to gradually absorb and incorporate suggested changes to their internal reporting systems, to allow for accurate tracking of their climate finance commitments. Given below are the authors' recommendations for consideration in next year's mapping methodology:

- Incorporate recipient typology i.e. to whom the funds are channelled. For example, the public versus the private sector.
- Further refine the definition of "other" environment finance.
- Clear definition of new and additional climate finance.
- Add concrete suggestions on how to verify climate finance data.
- Consider innovative and practical solutions for potential double-counting issues.
- Explore further areas of methodological alignment amongst institutions and climate finance initiatives.
- Finer guidance on the distinction between adaptation and development finance.
- Capture the potential overlaps between all three categories.
- Track the original sources of financing, e.g. of national banks

4 | GREEN FINANCE MAPPING OUTCOMES FOR 2012

This section presents the main results of the mapping of green finance delivered by IDFC members in 2012. Only two of the twenty IDFC members could not participate in this mapping exercise⁶. If projects could not be sub-categorised into those options provided in the financial survey, banks were asked to create an “other” category and to specify the project activity. In instances where banks could not specify any project activity for the “other” category, this data forms a part of the non-attributed data.

4.1 | GREEN FINANCE COMMITMENTS

The total green finance contribution of IDFC members in 2012

commitments.

The unattributed share of green finance for 2012 has decreased from 25 bn. US\$ in 2011 to 5 bn. US\$ in 2012. This is due to attributed data for 2011 that was not available for some banks, being made available only for 2012. The category split for 2011 and 2012 shows that the total absolute financial commitments have increased for the “other” environment projects categories, from approximately 4 bn. US\$ in 2011 to 10 bn. US\$ in 2012. The share of the clean energy and mitigation of greenhouse gas emissions projects increased from approximately 51 bn. US\$ in 2011 to 65

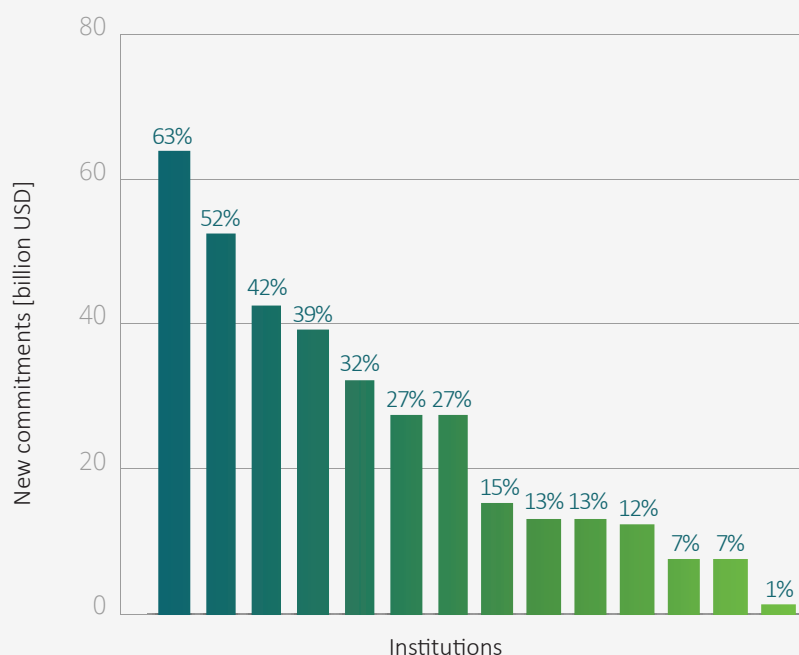


Figure 5 | Share of green finance of new commitments by a range of selected IDFC members in 2012.

was **95 bn. US\$, an increase of 6 bn. US\$, or 6.7%, on 2011**. It should be noted that the data is not directly comparable in terms of the number of institutions participating. The contribution of green finance to the total new finance commitments in 2012 for individual institutions is provided in Figure 5, ranging from 63% to 1%. Two banks confirmed that there were no significant contributions to green finance in the year 2012.

Figure 6 provides data from 14 institutions with attributed new green finance commitments to the defined categories for 2012. Approximately 5 bn. US\$ of the total 95 bn. US\$ of new green finance commitments for 2012 were not attributed to any categories. Of the total attributed green finance commitments in 2012, approximately 72% is for clean energy and mitigation of greenhouse gas emissions projects; approximately 16% is for adaptation to climate change projects; and approximately 11% is for “other” environmental projects. The new category for this year for projects with elements of both mitigation and adaptation comprises approximately 1% of the total attributed green finance

bn. US\$. The adaptation to climate change projects category also increased from approximately 6 bn. US\$ in 2011 to 14 bn. US\$ in 2012.

Approximately 1 bn. US\$ of the attributed green finance commitments were placed in the new category for projects with elements of both mitigation and adaptation activities. As further details on the combined mitigation and adaptation category has not been provided, a further section has not been dedicated to reporting these results. Providing further methodological guidance to allow for the capture of overlaps between other categories could provide increased transparency in the reporting of attributed green finance commitments.

⁶ | BOAD joined IDFC only in mid-2013 and could not adapt the mapping methodology so quickly. One member could not participate due to significant internal reorganisation issues.

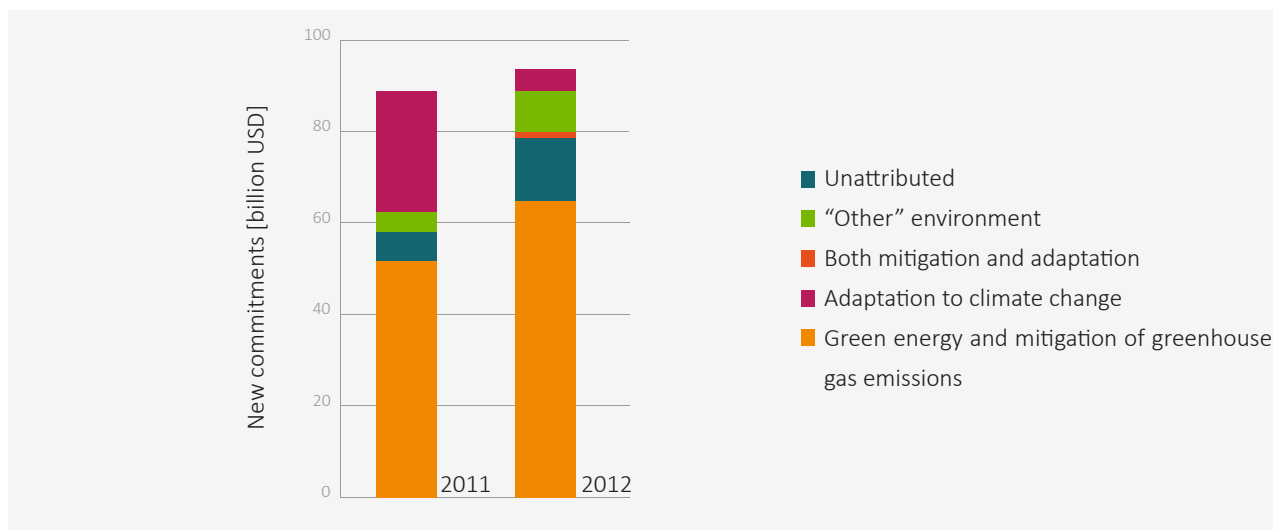


Figure 6 | Comparison of the share of financial commitments for each category and unattributed data provided in 2011 and 2012

4.2 | GREEN FINANCE FLOWS FROM INSTITUTIONS BASED IN OECD AND NON-OECD COUNTRIES

Figure 7 depicts green finance flows from institutions based in OECD countries and non-OECD countries. The total share of green financing originating from the six institutions based in OECD countries is 54%, and from the seven institutions based in non-OECD countries is 46%. Institutions based in non-OECD countries delivered approximately 44 bn. US\$ of the total green finance, and institutions based in OECD countries delivered approximately 50 bn. US\$.

However, end-distribution of the finance varies. All of the finance sourced from institutions based in non-OECD countries (44 bn. US\$) is spent in their respective home country or region. Of the finance sourced from institutions based in OECD countries, 33 bn. US\$ (37% of the total green finance) is spent in their respective home country, 2 bn. US\$ (2% of the total green finance) is spent in other OECD countries, and 15 bn. US\$ (17% of the total green finance), is spent in non-OECD countries. Apart from the flows from OECD countries spent in their respective home country (an increase of 18% from 2011 to 2012), the order of magnitude of the flows does not differ much from 2011 numbers.

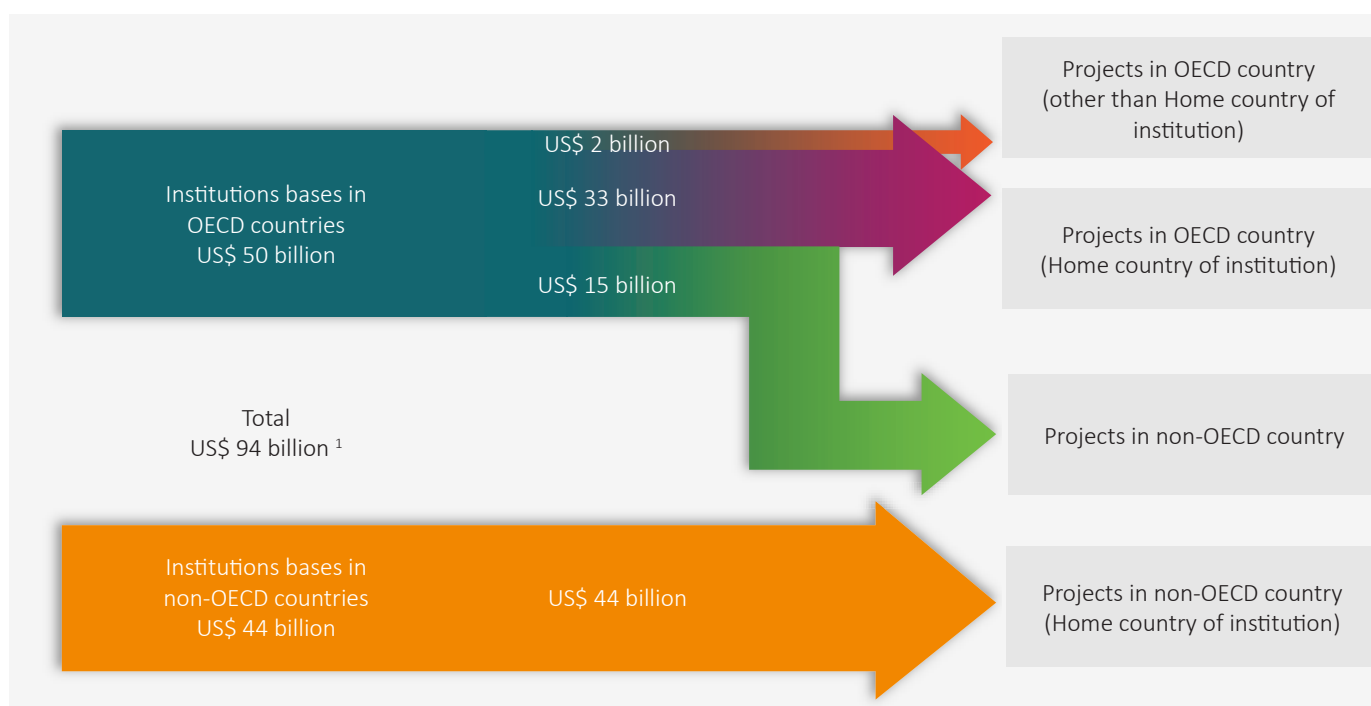


Figure 7 | International and domestic green finance delivered by IDFC members in 2012 for the last 12 institutions that provided this split ⁷

⁷ | Note that due to rounding of decimals, the numbers do not necessarily add up to the total in this graph. In addition, a small share of the total green finance is not attributed to region and not accounted for in the graph. The total number in this graph therefore varies from the total green finance covered in this report.

4.3 | DISTRIBUTION OF FINANCING TO CLEAN ENERGY AND MITIGATION OF GREENHOUSE GAS EMISSIONS PROJECTS

The total amount of financing attributed to clean energy and mitigation of greenhouse gas emissions projects in 2012 is 65 bn. US\$, all of which has been attributed to a sub-category (Figure

This year, more detailed guidance and project examples were given under each category and corresponding sub-categories (Annex B). An insignificant share of finance was attributed to the new category of “process emissions in industry and fugitive emissions”, created under clean energy and mitigation of greenhouse gas emissions projects.

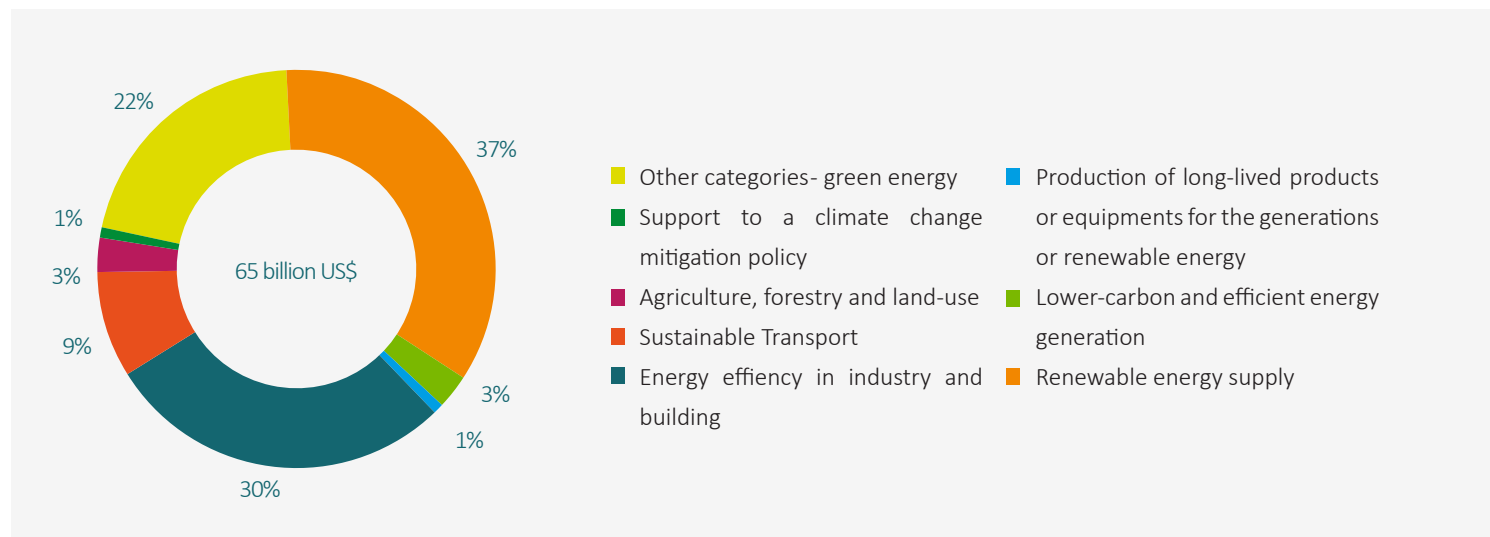


Figure 8 | Finance to clean energy and mitigation of greenhouse gas emissions projects in 2012, for the 14 institutions that provided this split

8). Renewable energy supply projects made up 37% of financing attributed to clean energy and mitigation of greenhouse gas emissions projects, followed by energy efficiency in industry and buildings at 30%, and green energy at 22%.

The total amount of financing attributed to clean energy and mitigation of greenhouse gas emissions projects in 2011 was just over 51 bn. US\$. Absolute shares attributed to specific sub-categories for 2011 and 2012 are shown in Figure 9.

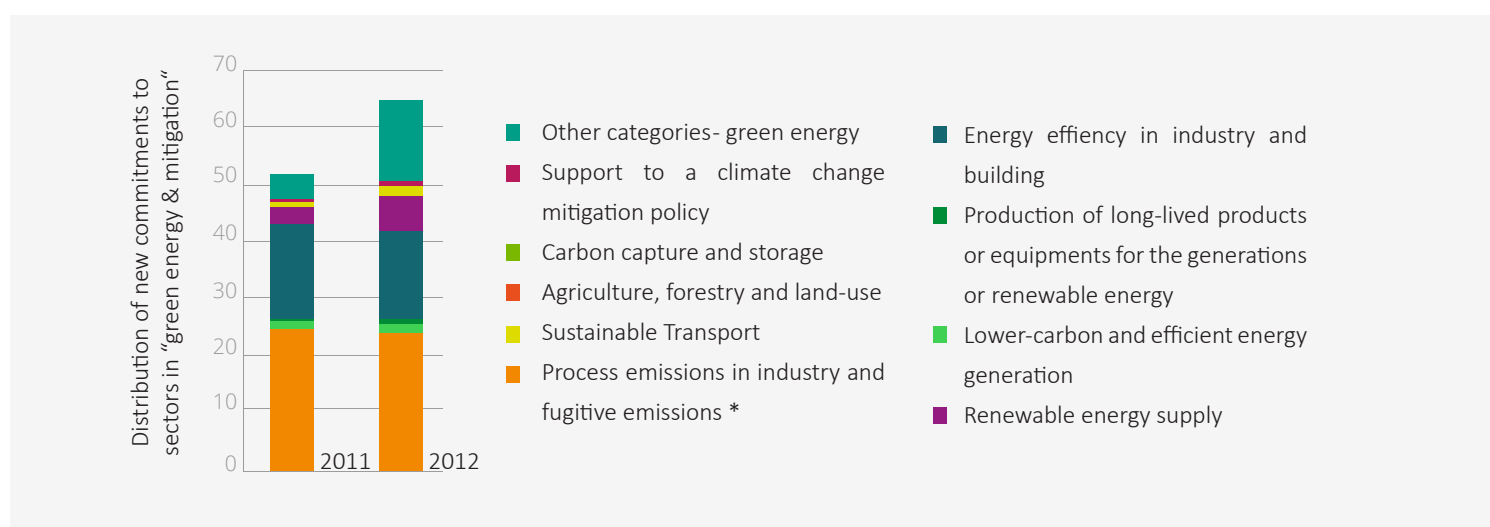


Figure 9 | Finance to clean energy and mitigation of greenhouse gas emissions projects in 2012, for the 14 institutions that provided this split ⁸

* 8 | Indicates that this category is only available for one of the years.

4.4 | DISTRIBUTION OF FINANCING TO ADAPTATION PROJECTS

The distribution of financing attributed to adaptation to climate change projects in 2012 is 14 bn. US\$ (Figure 10). The largest shares of distinct adaptation projects were categorised into water

Absolute shares attributed to specific adaptation sub-categories for 2011 and 2012 are shown in Figure 11. The data from some banks that could not be attributed in 2011 were “attributable” in 2012.

The total amount of financing attributed to adaptation to climate

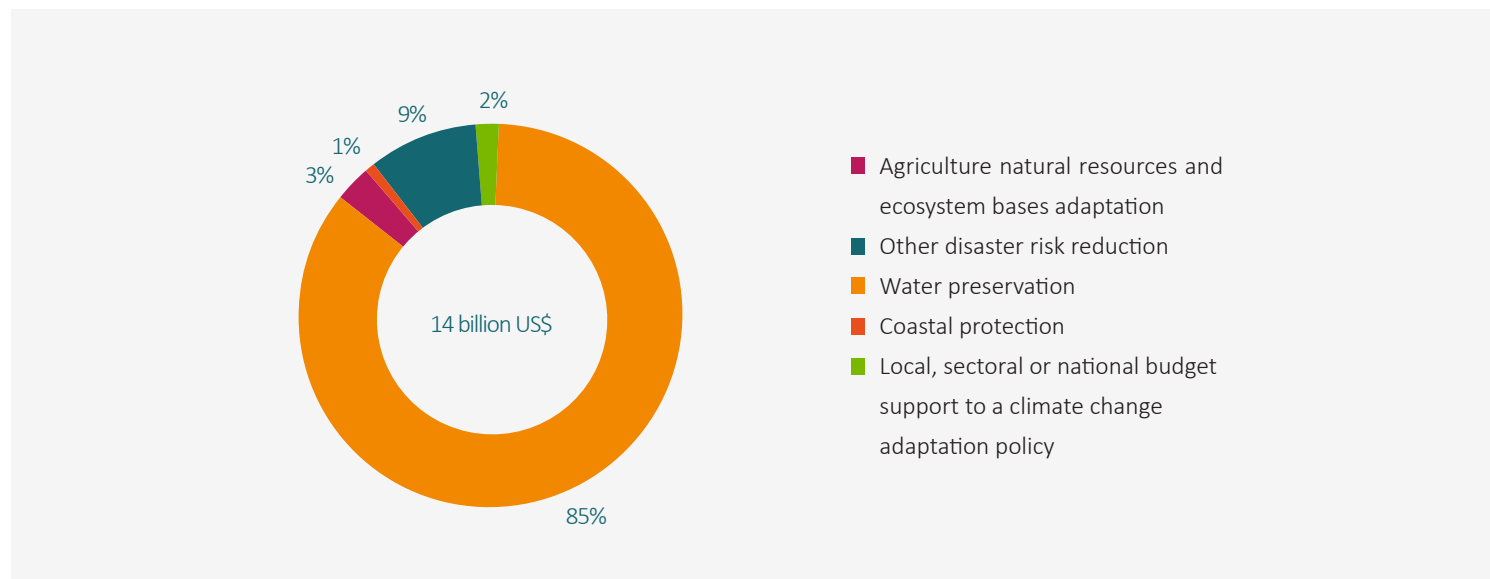


Figure 10 | Finance to clean energy and mitigation of greenhouse gas emissions projects in 2012, for the 14 institutions that provided this split

preservation adaptation projects (85%). The next largest represented categories are for other disaster risk reduction projects (9%), and agriculture, natural resources and ecosystem based adaptation projects (3%). There was a negligible amount of unattributable financing for adaptation to climate change projects in 2012.

change projects increased from approximately 7 bn. US\$ in 2011 to 14 bn. US\$ in 2012. The sub-category that recorded the largest increase from 2011 to 2012 in attributed finance is water preservation.

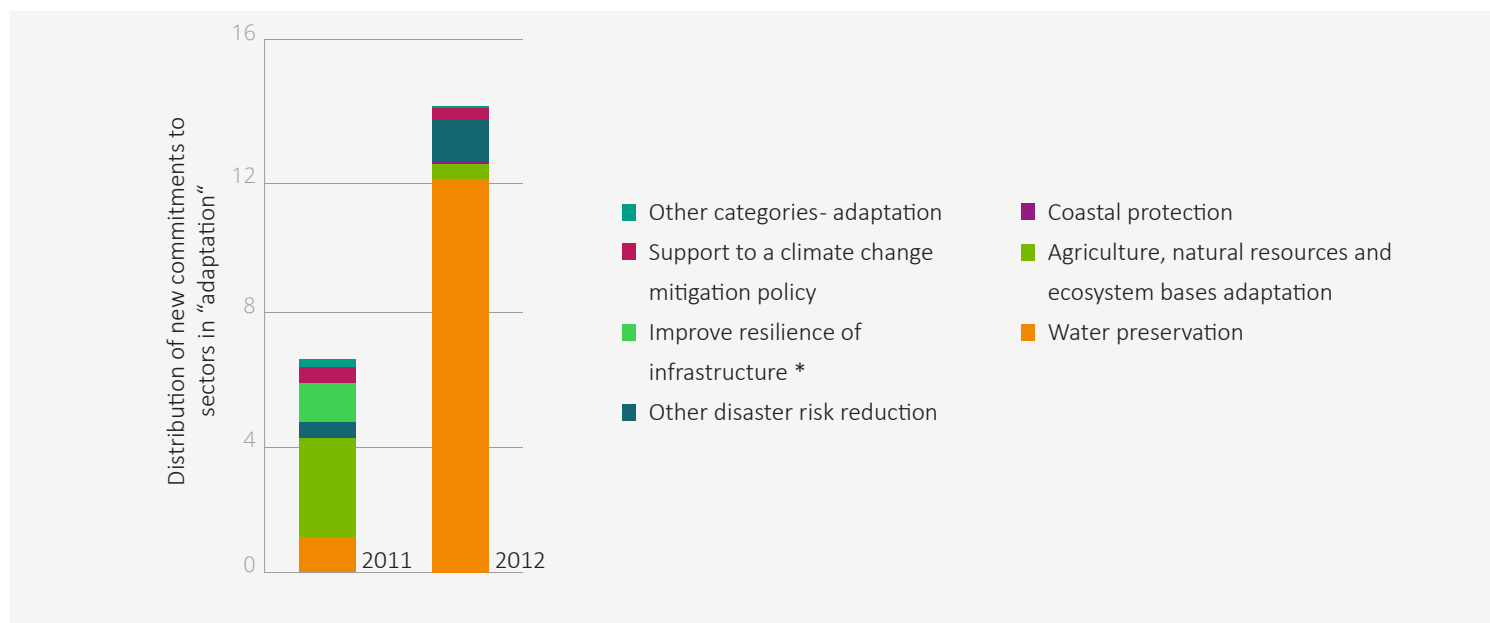


Figure 11 | Comparison of shares (percentage) of sub-categories attributed to adaptation to climate change projects for 2011 and 2012 ⁹

⁹ Indicates that this category is only available for one of the years.

4.5 | DISTRIBUTION OF FINANCING TO “OTHER” ENVIRONMENTAL PROJECTS

The distribution of financing attributed to “other” environmental projects in 2012 is shown in Figure 12. The total amount of financing attributed to the “other” environmental projects category was 10

The percentage shares in 2012 differ from those reported in 2011. This could be due to the inclusion of a new sub-category, “sustainable infrastructure” where nearly 2 bn. US\$ of financing was attributed. The largest difference was seen in the increase in the unattributed finance. A better understanding is needed of what this unattributed finance comprises, and why it could not be

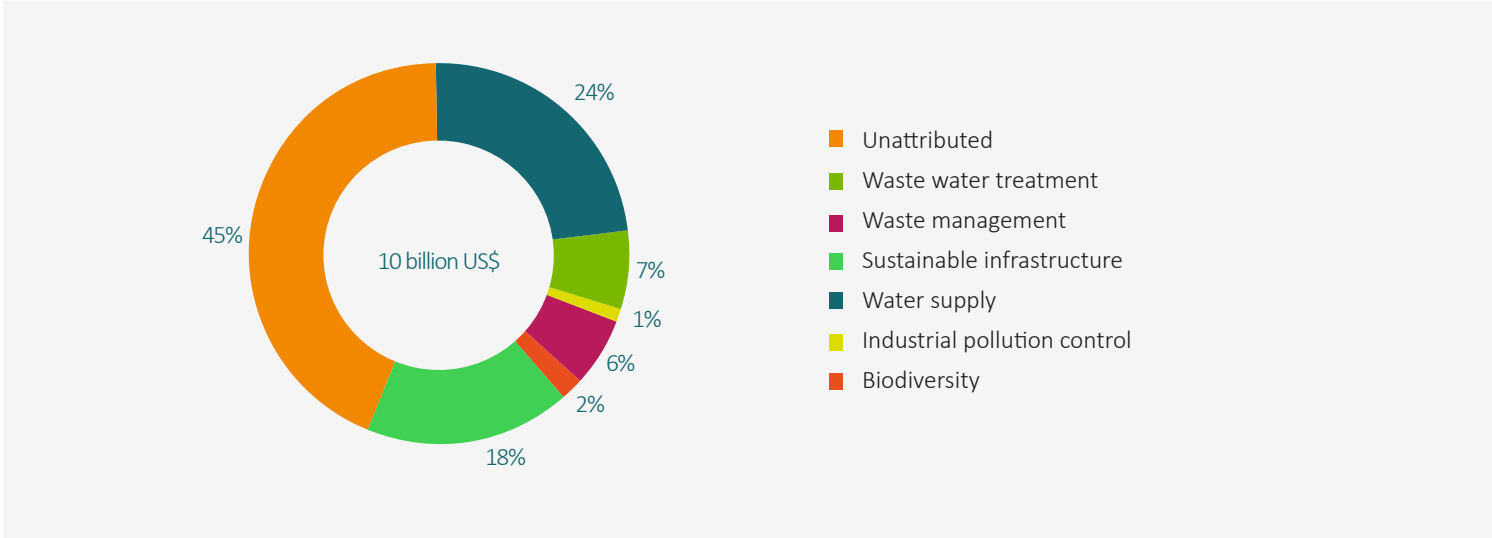


Figure 12 | Finance to “other” environmental projects in 2012 for the 13 institutions that provided this split.

bn. US\$. A large number (4 bn. US\$) of projects was not attributed to any sub-category. Of the total attributed finance, water supply (24%) and sustainable infrastructure (18%) projects made up the majority shares, followed by waste water treatment.

attributed to any other category.

A comparison of percentage shares attributed to specific sub-categories for 2011 and 2012 are shown in Figure 13.

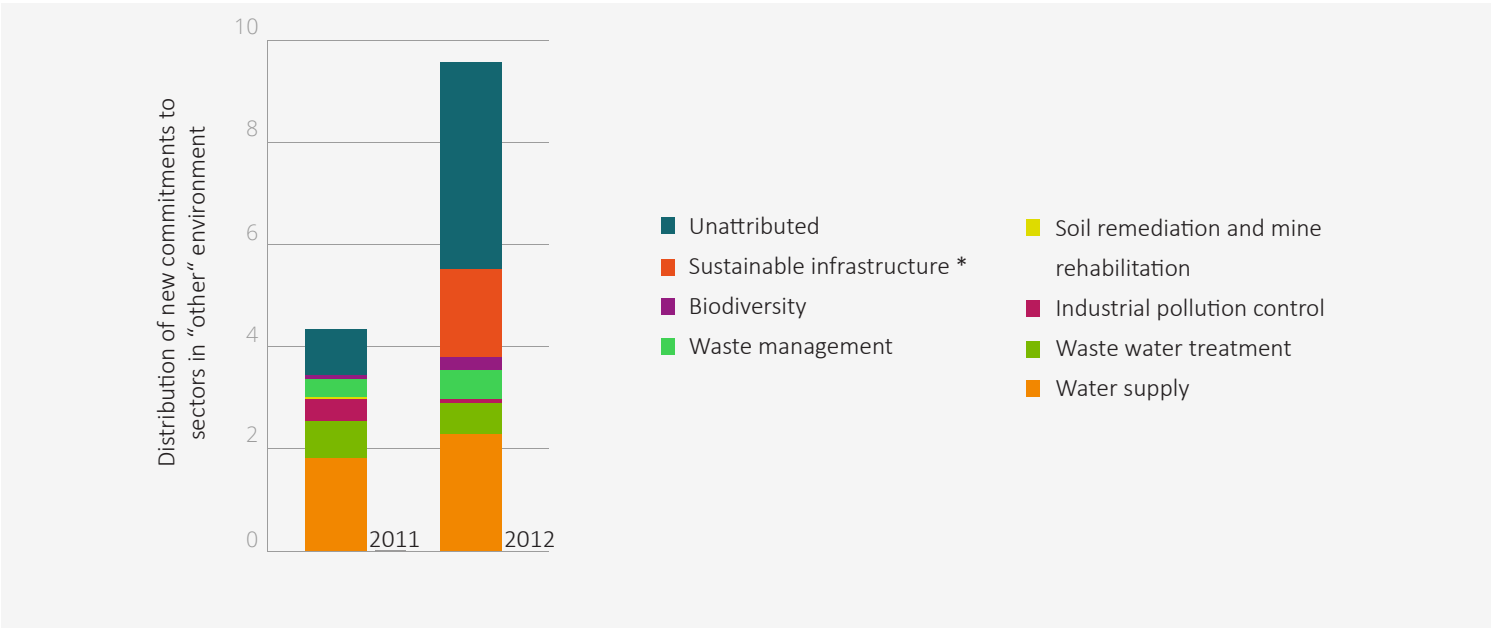


Figure 13 | Comparison of shares (percentage) of sub-categories attributed to “other” environmental projects for 2011 and 2012 ¹⁰

* 10 | Indicates that this category is only available for one of the years.

4.6 | DISTRIBUTION OF FINANCING BY INSTRUMENT TYPE

Figure 14 below shows that the majority of the total green finance (99%) was distributed via loans (28% non-concessional and 71% concessional loans) with the minority share made up of equity,

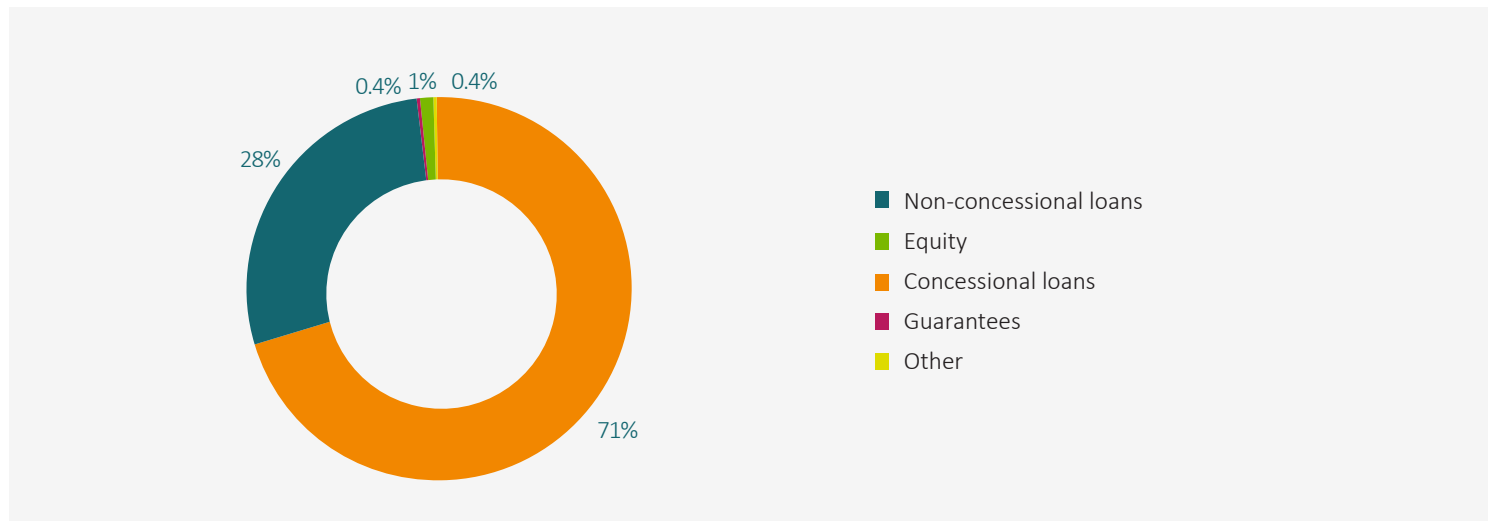


Figure 14 | Finance by instrument type in 2012 for the 11 institutions that provided this split

guarantees, and other financial instruments in that order. The institutions that represent this split represent approximately 61.5 bn. US\$ of the total green finance commitments for 2012. In 2011, only two categories for instrument type was provided—loans and other—whereby the majority of the total green finance (95%) was distributed via loans. However, it provides a finer detail for the division between non-concessional and concessional loans.

4.7 | DISTRIBUTION OF FINANCING BY TARGET REGION

Figure 15 below shows the distribution of financing by target region, with the largest recipient of green financing being East Asia & the Pacific (35%), followed by Western Europe (34%), and Latin

America & the Caribbean (17%).

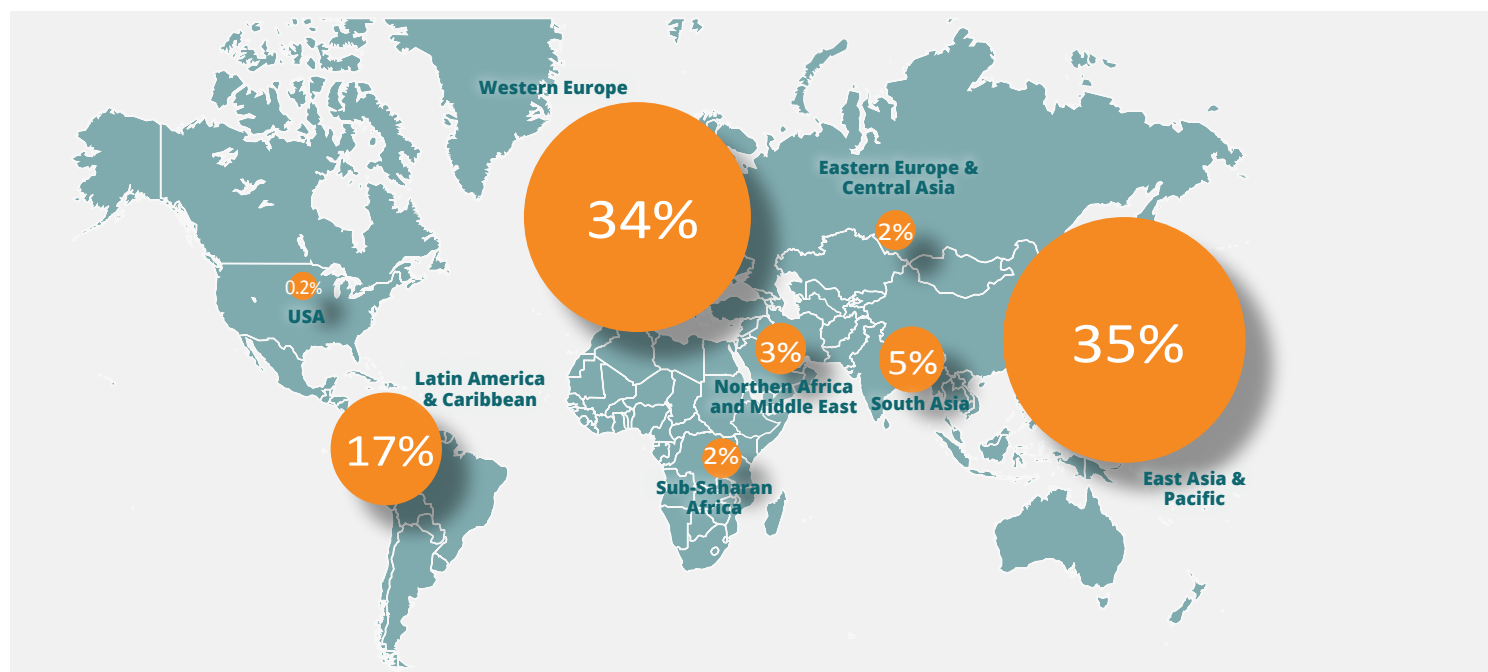


Figure 15 | Green finance per target region in 2012

IDFC brings together a range of national, bilateral, and regional development banks, in a unique setting of cooperation that can help move forward, along with other initiatives, the total volume of green finance for developing countries, and a more defined international methodology and process for climate finance tracking. Sharing of the IDFC green finance mapping exercise results for their 2012 activities allows for the transparent reporting of a large share of public sector financing. In addition it allows for the mainstreaming of the climate change agenda across IDFC members.

The following are the key conclusions from the IDFC green finance mapping exercise results for 2012:

- **95 bn. US\$ of new green finance in 2012.**

IDFC members made total new commitments of 95 bn. US\$ in green financing during 2012. The largest share of attributable green financing (72%) was invested in clean energy and mitigation of greenhouse gas emissions projects, with 11% of the financing invested in other environmental projects, and the remaining 16% in adaptation to climate change projects. The new category combining elements of both mitigation and adaptation projects has a 1% share of the total green finance commitments.

- **Total climate finance commitments of 80 bn. US\$ in 2012.**

IDFC members made total new commitments of 80 bn. US\$ in climate financing (mitigation and adaptation financing) during 2012. The share of the total new green finance commitments for clean energy and mitigation to greenhouse gases was 51 bn. US\$ in 2011 and 65 bn. US\$ in 2012, for adaptation to climate change 6 bn. US\$ in 2011 and 14 bn. US\$ in 2012. The share of the new category, with elements of both adaptation and mitigation, was 1 bn. US\$. The more stringent guidelines provided for the adaptation to climate change project category has resulted in increased transparency and more robust accounting of climate adaptation projects.

- **A steady scaling-up of the total green and climate finance commitments over the period 2011 to 2012.**

Although it is difficult to directly compare the finance commitments year on year due to variation in the number of institutions participating, and mapping methodology amendments to allow for the more transparent and stringent attribution of data, it is clear that the absolute green and climate finance contributions from IDFC members have increased in significance from 2011 to 2012. Total green finance has increased by 6 bn. US\$ from 2011 to 2012. Thus existing capacities and experience of the development banks to package and target climate interventions makes them well positioned as a vehicle to channel additional scaled-up climate finance, from international funds such as the soon to be operational Green Climate Fund.

- **Significant share of the total annual global climate finance (public sector) contributions in 2011.**

The total annual global climate finance, as reported by the CPI Landscape of Climate Finance for 2011 financial commitments was

approximately 364 bn. US\$ per annum (Buchner et al. 2012). Of the total, 91 bn. US\$ is from public sources. Even though not directly comparable, it is apparent that the IDFC absolute share of the total annual global climate finance (public sector) in 2011 is significant, with a mitigation and adaptation contribution of 58 bn. US\$.

- **Concessional loans as the major financial instrument of IDFC members in green finance.**

Being public or publicly-mandated development banks, IDFC members can provide the majority of their green finance commitments at concessional terms. They can hereby overcome existing financial barriers for green investments, and provide support to greening the economy in particular in developing countries.

- **Leading the way to a better alignment of climate finance tracking and reporting methodologies.**

The IDFC green finance mapping is an unique initiative that brings together its members to collaborate on creating a standardised methodology that can be potentially applied at an even broader level to other institutions. However, much is yet to be done methodologically to improve the reporting and tracking of green and climate finance flows. Further mapping exercises will present the opportunity to gradually improve on the comparability, consistency, and transparency of the collated data, thereby gradually moving towards a harmonised approach. IDFC members provide a proactive platform by which to stimulate the sharing of experiences and shape future discussions on further alignment of climate finance tracking methodologies internationally.

- **Adding an analytical basis to understand changes in financing flows and categorisation**

The mapping of new green finance commitments of IDFC members for 2012 confirmed an important pattern of green finance flows. Particularly, the central role of green finance delivered in each respective organisation's home country stands out. Another interesting outcome of the mapping exercise is the change in the split of financing towards different categories in 2011 and 2012. Of particular note is the allocation of finance to newly-created categories such as the mitigation and adaptation category, demonstrating a possible requirement to capture overlaps between the other categories. Furthermore, the addition of "sustainable infrastructure" under the "other" environment category was allocated approximately 2 bn. US\$ of financial commitments in 2012. This significant allocation to a new category shows that further thought on the categorisation of project activities could lead to a more conservative and stringent estimation of climate finance flows.

Annex A - List and brief description of IDFC member organisations

- 1. Agence Française de Développement (AFD), France:** is the French Development Bank, and the central figure in France's development assistance system. AFD and its subsidiary PROPARCO are dedicated to private-sector finance projects and programmes on five continents and 80 countries – with primacy given to Africa.
- 2. Banco Estado (BE), Chile:** State-owned BE provides wholesale and retail banking services to large and medium-sized companies and government entities, as well as individuals, small businesses, and micro-enterprises, primarily in Chile.
- 3. Bancóldex S.A., Colombia:** Bancóldex is associated with Colombia's Ministry of Commerce, Industry, and Tourism, and offers products and services that address market gaps, as well as the financial and non-financial needs of Colombian companies and citizens.
- 4. Banco Nacional de Desenvolvimento Econômico e Social (BNDES), Brazil:** BNDES is a federal public company associated with Brazil's Ministry of Development, Industry and Foreign Trade—and one of the largest development banks in the world.
- 5. Banque Ouest Africain de Développement ¹¹ (BOAD), Togo:** is an international multi-lateral development bank established in 1973 to serve the nations of Francophone and Lusophone West Africa. The BOAD is organised by the Central Bank of West African States and its eight member governments. It is funded by member states, foreign governments and international agencies.
- 6. Black Sea Trade and Development Bank (BSTDB), Greece:** BSTDB is a financial institution established by Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine, to support economic development and regional cooperation.
- 7. Caisse de Dépôt et de Gestion (CDG), Morocco:** CDG is active in virtually all areas of Morocco's national economy, and is the country's largest institutional investor in infrastructure and government treasury securities.
- 8. Central American Bank for Economic Integration (BCIE/CABEI), Honduras:** CABEI is the largest financial institution in Central America. Founded in 1960 by Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, its members now also include Argentina, Colombia, the Dominican Republic, Mexico, Panama, Spain, and Taiwan.
- 9. China Development Bank (CDB), China:** CDB is a financial institution in the People's Republic of China (PRC) under the direct jurisdiction of the State Council. The bank is the second-largest bond issuer in China, as well as the country's largest foreign currency lender.
- 10. CAF, development bank of Latin America:** With eighteen member countries from Latin America, the Caribbean, and Europe, CAF is one of the region's main sources of multilateral financing, with the mission of stimulating sustainable development and regional integration.
- 11. Croatian Bank for Reconstruction and Development (HBOR), Croatia:** HBOR is the development and export bank of the Republic of Croatia with the main task of promoting the development of the Croatian economy. HBOR builds bridges between entrepreneurial ideas and their accomplishment.
- 12. Development Bank of Southern Africa (DBSA), South Africa:** DBSA is a development finance institution dedicated to promoting economic growth, human resource development, institutional capacity building, and development projects throughout the region of Southern Africa.
- 13. Indonesia Exim Bank, Indonesia:** As an Indonesian export financing institution, IEB has the objective of improving national exports through low-cost loans, guarantees, and/or micro-financing to Indonesian exporters and foreign importers of Indonesian goods.
- 14. Industrial Development Bank of Turkey (TSKB), Turkey:** TSKB is a publicly-traded, quasi-governmental bank that provides services in the areas of corporate lending, project finance, investment banking, corporate finance, capital markets brokerage, leasing, and portfolio management.
- 15. Japan International Cooperation Agency (JICA), Japan:** JICA is an independent agency that coordinates development assistance for the government of Japan, with a role in providing technical cooperation, capital grants, and yen loans.
- 16. KfW Bankengruppe, Germany:** KfW is a German government-owned development bank with KfW IPEX Bank GmbH, KfW DEG and KfW Development Bank predominantly active in the international arena.
- 17. Korea Finance Corporation (KoFC), South Korea:** As a policy arm of the Korean government, KoFC is an integrated policy-based financial institution established to assist small and medium enterprises, as well as to supply and manage funds required for the growth of the national economy.
- 18. Nacional Financiera (NAFIN), Mexico:** NAFIN promotes the overall development and modernisation of the industrial sector, stimulates the development of financial markets, and acts as financial agent in the negotiation, contracting, and management of credits from abroad.
- 19. Small Industries Development Bank of India (SIDBI), India:** SIDBI was established in 1990 as "the principal financial institution for the promotion, financing and development of industry in the small-scale sector", as well as coordinating the functions of other institutions similarly engaged.
- 20. Vnesheconombank (VEB), Russia:** VEB is commonly called the Russian Development Bank. It acts on behalf of the national government to support and develop the Russian economy, as well as to manage state debts and pension funds.

¹¹ | Indicates that this category is only available for one of the years.

Table 1 | Definition of categories/themes

“Other” environment		Source
Definition	An activity will be classified as “other” environment category if it does not directly target climate change mitigation or adaptation, yet is, however related to sustainable development with a positive impact on the environment.	IDFC green finance mapping
Climate change mitigation		
Definition	An activity will be classified as related to climate change mitigation if it contributes to reducing or avoiding greenhouse gas (GHG) emissions, or to enhancing GHG sequestration.	Handbook on the OECD-DAC Climate Markers, September 2011
Criteria for eligibility	The activity contributes to (a) The mitigation of climate change by avoiding or reducing emissions of GHGs, including gases regulated by the Montreal Protocol; or (b) The protection and/or enhancement of GHG sinks and reservoirs; or (c) The integration of climate change concerns with recipient countries’ development objectives through institution building, capacity development, strengthening the regulatory or policy framework, or research.	Criteria for eligibility
Climate change adaptation		
Definition	An activity will be classified as related to climate change adaptation if it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience. This encompasses a range of activities from information and knowledge generation, to capacity development, planning, and the implementation of climate change adaptation actions and investments.	Handbook on the OECD-DAC Climate Markers, September 2011
Criteria for eligibility	For a project to be recognised as a “climate/adaptation” project, the analysis must demonstrate that it potentially contributes to reducing the vulnerability to climate change identified in the project area. To demonstrate this, the following should be made available: (i) a study of the vulnerabilities to climate change of the project’s geographical area, and (ii) an analysis of the activities planned by the project in the light of a positive list of actions that can contribute to reducing vulnerability, or to strengthening the resilience, of communities, goods or ecosystems to climate change.	AFD climate finance tracking method, 2012

Table 2 | Definition of instruments

Instrument	Definition
Grants	Grants are transfers made in cash, goods or services, for which no repayment is required
Loans	A loan is a debt evidenced by a note which specifies, among other things, the principal amount, interest rate, and date of repayment.
...of which concessional loans	A concessional loan is a loan which provides benefits to the recipients in terms of being extended at softer terms, and longer maturities and grace periods, than other sources of financing.
Other instruments	
...of which guarantee	Formal assurance that liabilities of a debtor will be met if the debtor fails to settle the debt
...of which equity	A stock or any other security representing an ownership interest

Table 3 | Definition of regions (as adapted from the World Bank)

East Asia and Pacific	Eastern Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	EU	Trans-regional
American Samoa	Albania	Antigua and Barbuda	Algeria	Afghanistan	Angola	Malawi	Austria
Cambodia	Armenia	Argentina	Djibouti	Bangladesh	Benin	Mali	Belgium
China	Azerbaijan	Belize	Egypt, Arab Rep.	Bhutan	Botswana	Mauritania	Bulgaria
Fiji	Belarus	Bolivia	Iran, Islamic Rep.	India	Burkina Faso	Mauritius	Cyprus
Indonesia	Bosnia and Herzegovina	Brazil	Iraq	Maldives	Burundi	Mozambique	Czech Republic
Kiribati	Georgia	Chile	Jordan	Nepal	Cameroon	Namibia	Denmark
Korea, Dem. Rep.	Kazakhstan	Colombia	Lebanon	Pakistan	Cape Verde	Niger	Estonia
Lao PDR	Kosovo	Costa Rica	Libya	Sri Lanka	Central African Republic	Nigeria	Finland
Malaysia	Kyrgyz Republic	Cuba	Morocco		Chad	Rwanda	France
Marshall	Macedonia, FYR	Dominica	Syrian Arab Republic		Comoros	São Tomé and Príncipe	Germany
Islands	Moldova	Dominican Republic	Tunisia		Congo, Dem. Rep.	Senegal	Greece
Micronesia, Fed. Sts	Montenegro	Ecuador	West Bank and Gaza		Congo, Rep	Seychelles	Hungary
Mongolia	Russian Federation	El Salvador	Yemen, Rep.		Côte d'Ivoire	Sierra Leone	Ireland
Myanmar	Serbia	Grenada			Eritrea	Somalia	Italy
Palau	Tajikistan	Guatemala			Ethiopia	South Africa	Latvia

Include funds that are channelled to more than one region and/or that are channelled, for example, to the World Bank Climate Investment Fund (CIF) or Global Environment Facility (GEF).

East Asia and Pacific	Eastern Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	EU	Trans-regional
Papua New Guinea	Turkey	Guyana			Gabon	South Sudan	Lithuania
Philippines	Turkmenistan	Haiti			Gambia, The	Sudan	Luxembourg
Samoa	Ukraine	Honduras			Ghana	Swaziland	Malta
Solomon Islands	Uzbekistan	Jamaica			Guinea	Tanzania	Netherlands
Thailand		Mexico			Guinea-	Togo	Poland
Timor-Leste		Nicaragua			Bissau	Uganda	Portugal
Tuvalu		Panama			Kenya	Zambia	Romania
Tonga		Paraguay			Lesotho	Zimbabwe	Slovakia
Vanuatu		Peru			Liberia		Slovenia
Vietnam		St. Lucia			Madagascar		Spain
		St. Vincent and the Grenadines					Sweden
		Suriname					United
		Uruguay					Kingdom
		Venezuela, RB					

A key challenge of this mapping study is to overcome the varying definitions for green finance themes, and to distinguish between the “other” environmental, clean energy and mitigation of GHGs, and adaptation categories for which data was collected. In order to distinguish between these categories, a framework was created for IDFC members. Much of this guidance is based on the understanding of IDFC members of the three categories, and was determined in close coordination with representatives of IDFC. Disaggregated data was collected as shown in Table 4 below.

Table 4 | Eligible project categories

Category	Examples
“Other” environment	
Water supply	Water supply- municipal / industrial / agricultural
Waste water treatment	Waste water treatment- municipal / industrial / agricultural
Industrial pollution control	Reduction of fluid and air pollutants from industry
Soil remediation and mine rehabilitation	Clean-up of hazardous waste sites
Waste management	Solid waste collection and treatment, recycling
Biodiversity	Forest species protection, biodiversity
Sustainable infrastructure	Improvement of general transport logistics such as reduction of empty running

Category	Examples
Clean energy and mitigation of greenhouse gas emissions	Electricity generation
	Wind power
	Geothermal power
	Solar power (concentrated solar power, photovoltaic power)
	Biomass or biogas power that does not decrease biomass and soil carbon pools
	Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
	Hydropower plants (only if net emission reductions can be demonstrated)
	Heat production
	Solar water heating and other thermal applications of solar power in all sectors
	Thermal applications of geothermal power in all sectors
Renewable energy supply	Thermal applications of sustainably-produced bioenergy in all sectors, incl. efficient, improved biomass stoves
	Waste and wastewater
	Waste management and waste-to-energy projects that reduce methane emissions and generate energy
	Transmission and distribution systems
	Retro-fit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses, excluding capacity expansion
	Improving existing systems to facilitate the integration of renewable energy sources into the grid
	Power plants
	Renewable energy power plant retro-fits
	Energy-efficiency improvement in existing thermal power plant
	Thermal power plant retro-fit to fuel switch from a more GHG-intensive fuel to a different, less GHG-intensive fuel type
Lower-carbon and efficient energy generation	Waste heat recovery improvements
	Fossil-fuel based co-generation technologies that generate electricity in addition to providing heating/cooling

Category	Examples
Production of long-lived products or equipment for the generation of renewable energy	Projects producing components, equipment or infrastructure dedicated for the renewable energy sector, e. g. blades for windmills, photovoltaic cells, boilers for co-generation projects
	Industry
	Significant industrial energy-efficiency improvements through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery
	Installation of co-generation plants that generate electricity in addition to providing heating/cooling
	More efficient facility replacement of an older facility (old facility retired)
	Commercial and residential sectors (buildings)
	Energy-efficiency improvement in lighting, appliances and equipment
	Substitution of existing heating/cooling systems for buildings by co-generation plants that generate electricity in addition to providing heating/cooling
	Waste heat recovery improvements
	Retro-fit of existing buildings: Architectural or building changes that enable reduction of energy consumption
Energy efficiency in industry and buildings (projects dedicated to a significant improvement in energy efficiency)	Efficiency of new buildings: Use of highly efficient architectural designs or building techniques that enable reducing energy consumption for heating and air conditioning, exceeding available standards, and complying with high energy efficiency certification or rating schemes
	Industrial processes
	Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
	Fugitive emissions
	Reduction of gas flaring or methane fugitive emissions in the oil and gas industry
	Coal mine methane capture
	Air conditioning and cooling
	Retro-fit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
Process emissions in industry and fugitive emissions	

Category	Examples
Agriculture, forestry and land-use	Afforestation and reforestation
	Afforestation (plantations) on non-forested land
	Reforestation on previously forested land
	Reducing emissions from the deforestation or degradation of ecosystems
	Biosphere conservation projects (including payments for ecosystem services)
	Sustainable forest management
	Forest management activities that increase carbon stocks or reduce the impact of forestry activities
	Agriculture
	Agriculture projects that do not deplete and/or improve existing carbon pools (Reduction in fertilizer use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc.)
	Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agriculture processes
Carbon capture and storage	Livestock
	Livestock projects that reduce methane or other GHG emissions (manure management with biogas, etc.)
	Biofuels
	Production of biofuels (including biodiesel and bioethanol)
Local, sectoral or national budget support to a climate change mitigation policy	Projects for carbon capture and storage technology that attempts to prevent release of large quantities of CO ₂ into the atmosphere from fossil fuel use in power generation, and process emissions in other industries
	Dedicated budget support to national or local authorities for implementation of climate change mitigation policies.

Category	Examples
Agriculture, forestry and land-use	Vehicle energy efficiency fleet retrofit
	Existing vehicles, rail or boat fleet retro-fit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	Urban transport modal change
	Urban mass transit
	Non-motorized transport (bicycles and pedestrian mobility)
	Urban development
	Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars.
	Transport demand management measures to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)
	Inter-urban modal transport
	Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)
	Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)

Category	Examples
Adaptation to climate change	
Water preservation	Improvement in catchment management planning (to adapt to a reduction in river water levels due to reduced rainfall)
	Installation of domestic rainwater harvesting equipment and storage (to adapt to an increase in groundwater salinity due to sea level rise)
	Rehabilitation of water distribution networks to improve water resource management (to adapt to increased water scarcity caused by climate change)
	Conservation agriculture such as provision of information on crop diversification options (to adapt to an increased vulnerability in crop productivity)
Agriculture, natural resources and ecosystem based adaptation	Increased production of fodder crops to supplement rangeland diet (to adapt to a loss in forage quality or quantity caused by climatic changes)
	Adoption of sustainable fishing techniques (to adapt to the loss of fish stocks due to changes in water flows or temperature)
	Identification of protected ecosystem areas (to adapt to a loss of species caused by sudden temperature changes)
	Improved management of slopes basins (to adapt to increased soil erosion caused by flooding due to excess rainfall)
Coastal protection	Building of dykes to protect infrastructure (to adapt to the loss and damage caused by storms and coastal flooding, and sea-level rise)
	Mangrove planting (to build a natural barrier to adapt to increased coastal erosion and to limit saltwater intrusion into soils caused by sea-level rise)

Category	Examples
Other disaster risk reduction	Early warning systems for extreme weather events (to adapt to an increase in extreme weather events by improving natural disasters management and reduce related loss and damage)
	Improved drainage systems (to adapt to an increase in floods by draining off rainwaters)
	Insurance against natural disasters (to adapt better to extensive loss and damage caused by extreme weather events)
	Building resilient infrastructures such as a protection system for dams (to adapt to exposure and risk to extreme weather impacts, such as flooding, caused by climate change)
	Monitoring of disease outbreaks and development of a national response plan (to adapt to changing patterns of diseases that are caused by changing climatic conditions)
Local, sectoral, or national budget support to a climate change adaptation policy	Dedicated budget support to national or local authorities for implementation of climate change adaptation policies

Note: IDFC members were given the option to add other considered climate related investment categories for all three themes in an “other” category along with example projects.

ADB	Asian Development Bank
AFD	Agence Française de Développement
AfDB	African Development Bank
Bancoldex	Banco de Comercio Exterior de Colombia
BdE	Banco de Estado
BNDES	Brazilian Development Bank
BSTDB	Black Sea Trade and Development Bank
CABEI	Central American Bank for Economic Integration
CAF	development bank of Latin America
CDB	China Development Bank
CDG	Caisse de Dépôt et de Gestion
CO2	Carbon dioxide
COP	Conference of Parties
CPI	Climate Policy Initiative
DBSA	Development Bank of Southern Africa
Exim	Indonesia Exim Bank
GHG	Greenhouse gases
HBOR	Croatian Bank for Reconstruction and Development
IDFC	International Development Finance Club
IFC	International Finance Corporation
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
KoFC	Korea Finance Corporation
MDB	Multilateral Development Bank
NAFIN	Nacional Financiera S.N.C
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	Organisation for Economic Cooperation and Development Assistance Committee
PV	Photovoltaic
SIDBI	Small Industries Development Bank of India
SEI	Stockholm Environment Institute
TSKB	Industrial Development Bank of Turkey
UNEP	United Nations Environmental Programme
UNEP BFI	United Nations Environmental Programme Bilateral Finance Institutions
UNFCCC	United Nations Framework Convention on Climate Change
VEB	Vnesheconombank

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