

MAPPING OF GREEN FINANCE DELIVERED BY IDFC MEMBERS IN 2013

SEPTEMBER 2014



supported by **ECOFYS**



Since 2011, the International Development Finance Club (IDFC) has carried out a periodic mapping on green financing by its member banks. This booklet summarizes the results of the mapping of green finance delivered by IDFC members in 2013.

The IDFC new green finance commitments in 2013 include climate finance such as green energy and mitigation of greenhouse gases and adaptation to climate change as well as finance for other environmental objectives. They are shown in Figure A:

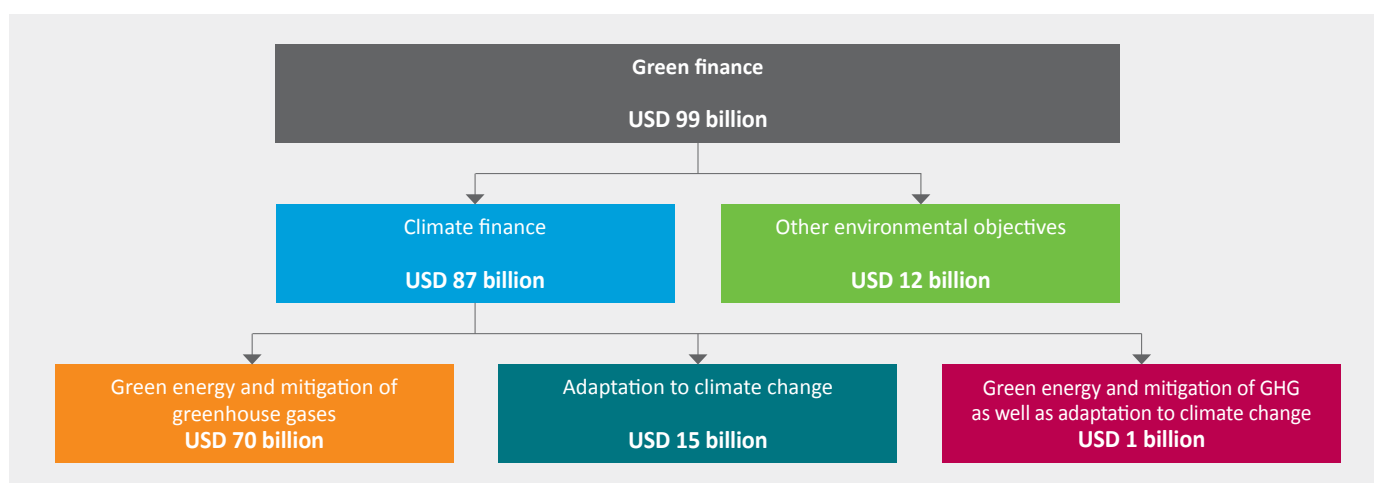


Figure A | New green financial commitments of IDFC members in 2013.*

KEY INSIGHTS FROM THE MAPPING OF GREEN FINANCE DELIVERED BY IDFC MEMBERS IN 2013

99 billion USD of new green finance in 2013. Total green finance contributions from IDFC members have increased for the third year in a row since the initial green finance mapping exercise has been implemented. This is a 4 billion USD increase over last year, and 11 billion USD, or nearly 23% more than 2011.**

Total climate finance commitments of 87 billion USD in 2013.

The share of the total new green finance commitments for clean energy and mitigation of greenhouse gases (GHG) was 70 billion USD in 2013. Investments targeted at adaptation to climate change, and for finance with both elements of green energy and mitigation of GHG as well as adaptation to climate change were 15 billion USD and 1 billion USD respectively in 2013. Other environmental objectives received 12 billion USD in new finance in 2013.

* | Note that due to mathematical rounding of decimals, the numbers do not necessarily add up to the total in this figure.

** | Note: In 2013 the number of IDFC members reporting on new green finance commitments increased to 18 compared to 14 in 2011 and 2012. The main differences between 2011 and 2012 are explained by an improvement of methodology and tracking processes.



Figure B | Comparison of the share of financial commitments for each category.**

A continuing increase of the total green finance commitments by IDFC members since 2011. New green finance commitments have risen across all substantive categories. The steady scaling-up clearly indicates the capacity of banks to generate and handle increasing amounts of finance to meet environmental and climate change needs. This is also reflected in the number of IDFC members reporting green finance commitments, which increased from 14 in 2012 to 18 in 2013. At the same time the quality of reporting has increased, with decreasing amounts of unattributed green commitments.

Methodologies for climate finance reporting differ. As there is no internationally agreed definition for green and climate finance, IDFC provides detailed working definitions for the categorization of green finance flows applied in this mapping. The mapping exercise draws on first-hand data provided by IDFC members. Data is then checked for consistency and presented in aggregate form to the public.

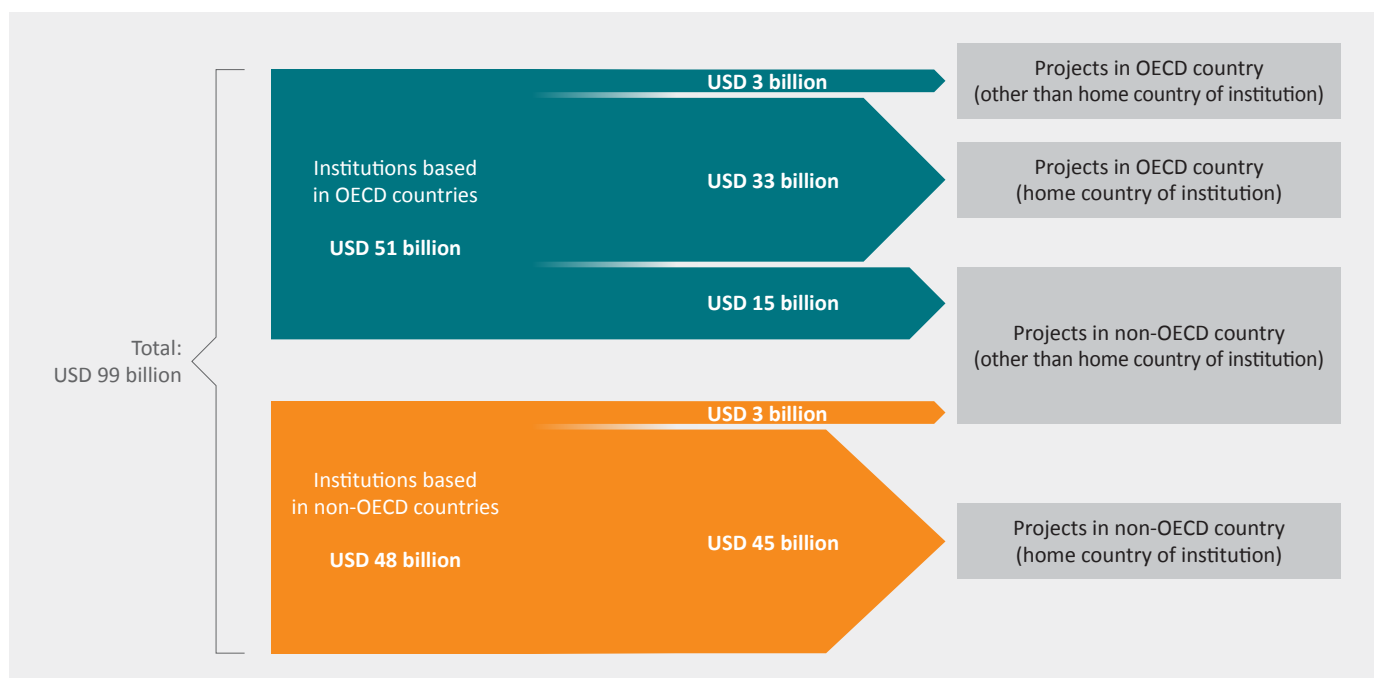


Figure C | Flows of international and domestic new green finance delivered by IDFC members in 2013.*

Central role of green finance delivery to the respective home countries. The mapping of new green finance commitments for 2013 confirms the important pattern of IDFC members providing

green finance in their respective home countries. Concessional loans are the predominant form of green finance delivery.

GREEN ENERGY AND MITIGATION OF GREENHOUSE GASES

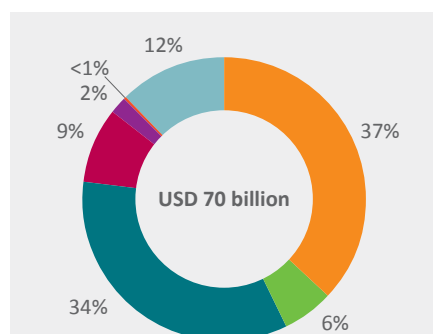


Figure D | Finance to green energy and mitigation of greenhouse gas emissions in 2013.

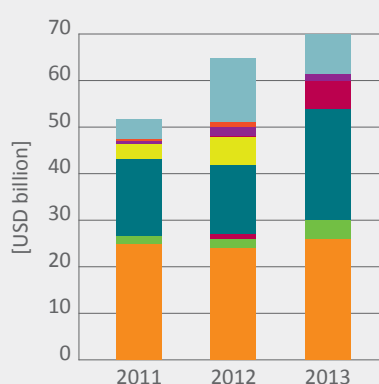


Figure E | Change in finance to green energy and mitigation of greenhouse gas emissions from 2011 to 2013.**

- Other categories or unattributed in "green energy and mitigation"
- Local, sectoral or national budget support to a climate change mitigation policy
- Agriculture, forestry and land-use
- Process emissions in industry and fugitive emissions
- Sustainable transport
- Energy efficiency in industry and buildings
- Production of long-lived products or equipments for the generation of RE
- Lower-carbon and efficient energy generation
- Renewable energy (RE) supply

Total new finance commitments attributed to green energy and mitigation of greenhouse gases amount to 70 billion USD. Renewable energy supply became the largest sector in this category (37 percent) in 2013, followed by energy efficiency in industry and buildings (34 percent).

Investments in green energy and mitigation of greenhouse gases continue to be the focus of IDFC member green finance. Finance to green energy and mitigation of GHG has grown in all substantive categories compared to previous years.

ADAPTATION TO CLIMATE CHANGE

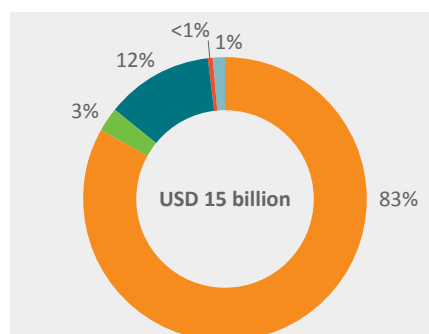


Figure F | Figure G Finance to adaptation to climate change in 2013.

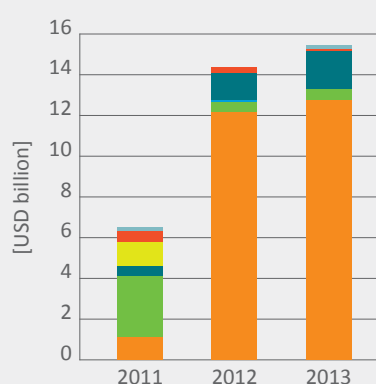


Figure G | Change in finance to adaptation to climate change from 2011 to 2013.**

- Other categories or unattributed in "adaptation"
- Local, sectoral or national budget support to a climate change adaption policy
- Improved resilience of infrastructure
- Other disaster risk reduction
- Coastal protection
- Agriculture, natural resources and ecosystem based adaption
- Water preservation

Finance for adaptation to climate change is the second pillar of new climate finance provided by IDFC members, totaling 15 billion USD in 2013. Adaptation accounts for about 16% of new climate finance provided by IDFC members. Investments in areas with elements of green energy and mitigation of GHGs as well as adaptation to climate change contribute another 1 billion USD in 2013.

OTHER ENVIRONMENTAL OBJECTIVES

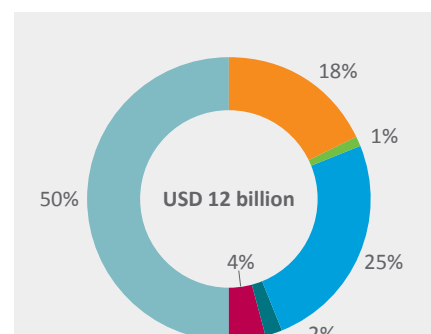


Figure H | Finance to other environmental objectives in 2013.

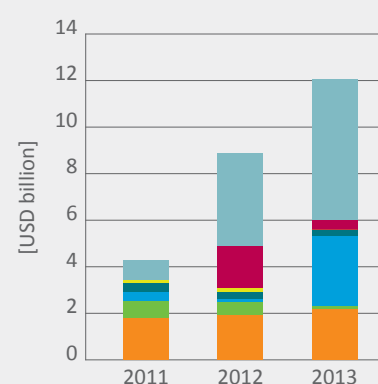


Figure I | Change in finance to other environmental objectives from 2011 to 2013.**

- Other categories or unattributed in "other environmental objectives"
- Sustainable infrastructure
- Biodiversity
- Waste management
- Industrial pollution control
- Waste water treatment
- Water supply

IDFC member investments for other environmental objectives complement the focus on climate change with 12 billion USD. Important green climate finance flows were addressed at industrial pollution control, water supply, waste management and sustainable infrastructure. Total investment provided for other environmental objectives grew compared to previous years (from 9 billion USD to 12 billion USD).

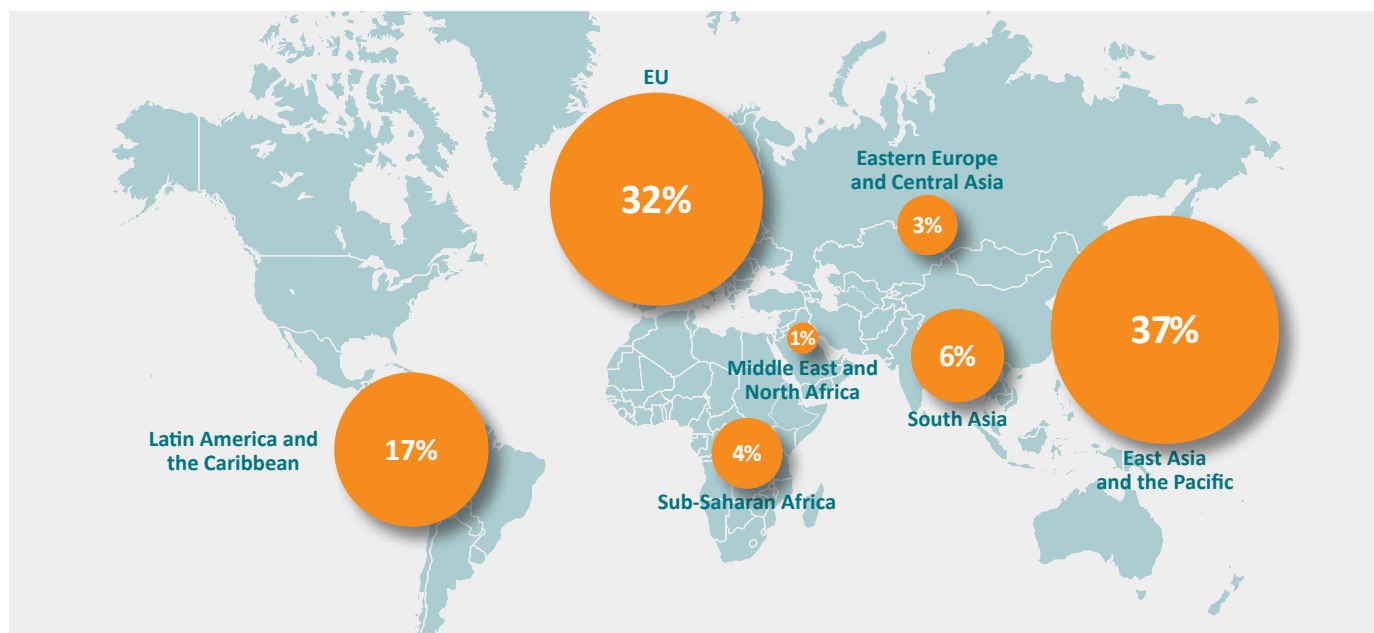


Figure J | New green finance per target region in 2013.

The distribution by target regions of IDFC provided green finance reflects member institutions' global reach. Major green finance flows by IDFC members went to East Asia and Pacific (37 billion USD), the EU (32 billion USD), Latin America and Caribbean (17 billion USD), South Asia (6 billion USD) and Sub-Saharan Africa (4 billion USD) in 2013.

ABOUT IDFC

The Members of the International Development Finance Club (IDFC) share a similar background and a similar view of their role in the world. IDFC unites global expertise and innovation with in-depth local know-how and total assets of more than 2.1 trillion USD.

In 2011 and 2012, IDFC started with Climate Finance as its initial work program, since financing access to clean and sustainable

energy is on the top of today's development agenda. Building on Climate Finance and Sustainable Development, the IDFC focuses on the financing of environmentally friendly (green) infrastructure and social development.

IDFC continuously improves its green finance tracking methodology and works with other parties to further develop international best practice standards. IDFC is committed to help enhance its members' capacity to track and report on their green finance flows.

Contact Further information on the IDFC, its members and activities can be found at www.idfc.org.

Ecofys (www.ecofys.com) has been providing the analysis for the IDFC green finance mapping reports since 2011, and in 2013 was supported by World Resources Institute (www.wri.org).

IDFC MEMBERS

- Agence Française de Développement (AFD)
- Banco del Estado de Chile (BE)
- Bancoldex S.A.
- Banque Ouest Africaine de Développement (BOAD)
- Black Sea Trade and Development Bank (BSTDB)
- Brazilian Development Bank (BNDES)
- CAF - Development Bank of Latin America (CAF)
- Caisse de Dépôt et de Gestion (CDG)
- Central American Bank for Economic Integration (CABEI)
- China Development Bank (CDB)
- Croatian Bank for Reconstruction and Development (HBOR)
- Development Bank of Southern Africa (DBSA)
- Indonesia Eximbank (IEB)
- Industrial Development Bank of Turkey (TSKB)
- Japan International Cooperation Agency (JICA)
- KfW Bankengruppe (KfW)
- Korea Finance Corporation (KoFC)
- Nacional Financiera, S.N.C. (NAFIN)
- Small Industries Development Bank of India (SIDBI)
- Vnesheconombank (VEB)