



PRESS RELEASE

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IDFC and TDB Convene DFIs at the One Planet Summit in Nairobi

Development Banks align with the Paris Agreement and Long-Term Sustainable Financing in Africa

March 14th 2019, Nairobi – Today, at the One Planet Summit in Nairobi (OPS), the International Development Finance Club (IDFC) and the Trade and Development Bank (TDB) convened leading Development Finance Institutions (DFIs), and prominent private banks to lead discussions on aligning financial flows to the Paris Agreement and mobilising long-term sustainable financing in Africa.

This IDFC-TDB special deep-dive session is taking place on the afternoon of the One Planet Summit, with the participation of the French Development Agency, the Development Bank of Southern Africa, the African Development Bank, the European Investment Bank, the Green Climate Fund, and KCB Bank Kenya.

Indeed, the finance community has a key role to play in fighting climate change and redirecting financial flows towards a development model that is truly sustainable. The IDFC, the international group of the 25 largest national and regional development banks, is stepping up its climate action. At the One Planet Summit in New York, the IDFC announced the doubling of its climate commitments from COP21, going from \$100 billion in 2015 to close to \$200 billion in 2017.

Aligning with the Paris Agreement has the potential to become a new standard for the financial community. It represents a means to respond to the urgency of climate action and line up today's choices with its long-term objectives. To make progress in operationalizing this, institutions participating in this OPS Deep Dive session shared emerging processes, tools and approaches while agreeing to strengthen dialogue and collaboration among multilateral, national and regional development finance institutions but also international finance institutions, the private sector and civil society.

Aligning financial flows in Africa should help harness the enormous, yet still largely untapped, renewable energy potential of the continent, and more generally support pathways for low-carbon and resource-efficient growth. Although Africa is only responsible for 4% of global greenhouse-gas emissions, 65% of its population is directly impacted by climate change. Given its geographical position, the vulnerability of its populations and the reliance of its economies on natural resources, aligning financial flows with climate adaptation and resilience imperatives is of paramount importance for the continent.

As part of their commitment, panellists in today's Deep Dive session highlighted their individual contributions towards One Planet Summit's Africa Pledge to accelerate the alignment of financial flows with the Paris Agreement.

AFD reported € 750 million towards climate adaptation in Africa in 2018, representing 50% of its total adaptation climate finance. AFD launched a new Biodiversity Facility of 10M€ to support countries,



including in Africa to design strategies for biodiversity protection, in collaboration with WWF and IUCN. AFD announced that 2 new African countries, Ghana and Ivory Coast, joined the Adapt'Action Facility. AFD recalled the approval by the Green Climate Fund of the flagship program of 650M€ called “Transforming Financial System for Climate” for 16 African countries.

With USD 1.4 bn of TDB’s portfolio directly contributing to SDGs, 69% of its energy portfolio in renewables, and much more in its pipeline, TDB is stepping-up its climate commitments through its work with various partners, including IDFC Members.

Today, TDB and AFD signed an agreement towards a US\$ 120 credit facility that will be targeting climate-oriented projects in the African region covered by TDB.

GCF has just approved an additional \$440M in climate finance, taking its portfolio to a total of \$5.0 bn in 97 developing countries. Together with co-financing, this amounts to an investment of \$17.6bn to support low-emission, climate-resilient development. The GCF anticipates up to 1 billion USD more will be committed to new projects by the end of 2019. GCF’s collaboration with IDFC members continues to grow: three of its new projects are with IDFC members (two with BOAD, and one with DBSA). It has also just given the green light to an additional \$122.5 million to its Readiness and preparatory support programme in 2019. These funds provide support so that developing countries can turn their climate ambitions into action, strengthening capacity and planning to create a pipeline of projects that is ready to access international climate finance.

EIB aims to be Paris Aligned in all our activities by 2020 by implementing our Climate Strategy – the institution will be dialoguing with stakeholders in 2019 on the Mid-Term Review of the Climate Strategy Implementation. Likewise, EIB has launched its Climate Risk Management system to address physical climate risks in all operations – this is incorporated into Bank project appraisal processes and went live in February 2019. It starts with early scoping and follows right through to project monitoring.

EIB has also created a Bank-wide Task Force for assessing climate risks in its Portfolio and has made a first analysis of the transition and physical climate risks. Involvement of all parts of the Bank on this – from Risk Management, to sector experts, to Treasury, has been hugely fruitful. Later this year EIB will be holding public consultation meetings on its updated Environmental and Social Sustainability Statement – which will include mainstreaming climate change considerations into all of its E&S standards.

KCB Group PLC has committed to continually contribute to the green economy by deepening its focus on funding projects that have a positive environmental and social impact in East Africa and beyond in the coming years. As the largest financial institution by assets in East Africa, the Bank is collaborating with other industry players to raise the first Green Bonds in the region for environmentally friendly projects. KCB has integrated eight of the 17 Sustainable Development Goals (SDGs) into its business processes to track its responsibility and ensure that we are accountable for its actions. The Bank’s integral involvement in the drafting of the six new UNEP FI Principles for Responsible Banking is also a testament of this commitment.

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About TDB

Established in 1985, the Eastern and Southern African Trade and Development Bank (TDB) is a multilateral, treaty-based development financial institution, with assets approaching USD 6 bn. The Bank's mandate is to finance and foster trade, regional economic integration and sustainable development through trade finance, project and infrastructure finance, asset management and advisory services.

The Bank approaches its interventions in a manner that pro-actively supports sustainable development, including the reduction of climate risks and expansion of clean energy in line with the Paris Agreement, reinforcing the SDG commitment linked to environmental protection.

www.tdbgroup.org

About IDFC

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 \$4 trillion in combined assets and annual commitments above \$850 billion, including \$200 billion of climate finance. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies. 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.

<https://www.idfc.org>

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