



IDFC Green Finance Mapping Report 2020

December
2020

International
Development
Finance Club
IDFC

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The background of the infographic is composed of several overlapping diamonds in various shades of green and teal. The central diamond is a dark teal color and contains the main text. To its right is a smaller teal diamond with additional text. To its bottom-left is another teal diamond with text. Surrounding these are several other diamonds in lighter shades of green and teal, some of which are partially cut off by the edges of the image.

\$867 billion
total green finance
since 2015

\$197 billion
in green finance in
2019

25% of total new
commitments in 2019
were green finance
commitments



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EXECUTIVE SUMMARY

Since 2011, IDFC has conducted a periodic mapping of member institutions' green finance contributions. During the 2019 UN Climate Action Summit, IDFC affirmed a series of commitments to improve the quality of climate finance – in addition to increasing its quantity – including efforts to further align financial flows with the Paris Agreement and SDGs.ⁱ Towards this end, IDFC launched a Climate Facility and developed a strategic partnership with the Green Climate Fund (GCF).ⁱⁱ The partnership with GCF was signed in June 2019 to cooperate on integrating climate considerations in financial institutions and facilitate access to GCF resources with co-financing from IDFC members, among other measures.ⁱⁱⁱ Currently 13 IDFC members are accredited by the GCF, with BNDES and CDP gaining their accreditation status in 2019.

2019 also saw a strong rebound in green finance commitments by IDFC institutions following a significant drop in 2018. Financing for all project categories increased, in particular for mitigation and adaptation projects. Most IDFC institutions indicated stable or increasing green finance commitments, with nine members out of 26 reporting an increase of 10% or higher from 2018. Six members have more than doubled their commitments since 2015.

2019 Key Findings

- **IDFC members reported total green finance commitments of \$197 billion.** This represents a 47% increase from 2018, but still below the high point reached in 2017. Cumulative green finance commitments by IDFC members have reached \$867 billion since 2015.
- **Green finance commitments represented approximately 25% of total new commitments reported by members, resuming an upward trend.** Green commitments have consistently represented more than one fifth of total IDFC investments since 2015. Climate finance – consisting of all activities related to mitigation of GHG emissions and adaptation to climate change – accounted for 93% of total green finance.
- **Climate finance** – consisting of all activities related to mitigation of GHG emissions and adaptation to climate change – accounted for 95% of total green finance (\$187 billion). Cumulative climate finance commitments have reached \$803 billion since 2015.
- Finance for green energy and mitigation of greenhouse gases was the largest category, representing 87% of climate finance.

Figure ES1 | Breakdown of IDFC Green Finance Commitments in 2019 (left) and 2015-2019 (right) (\$ billion)

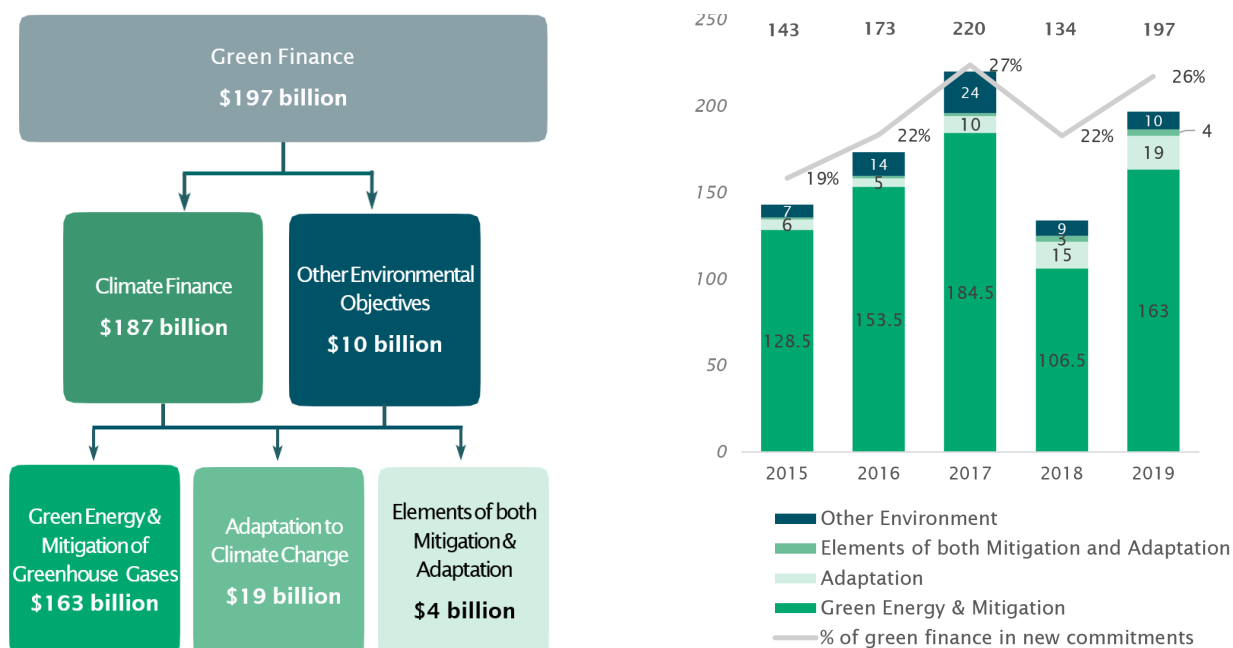
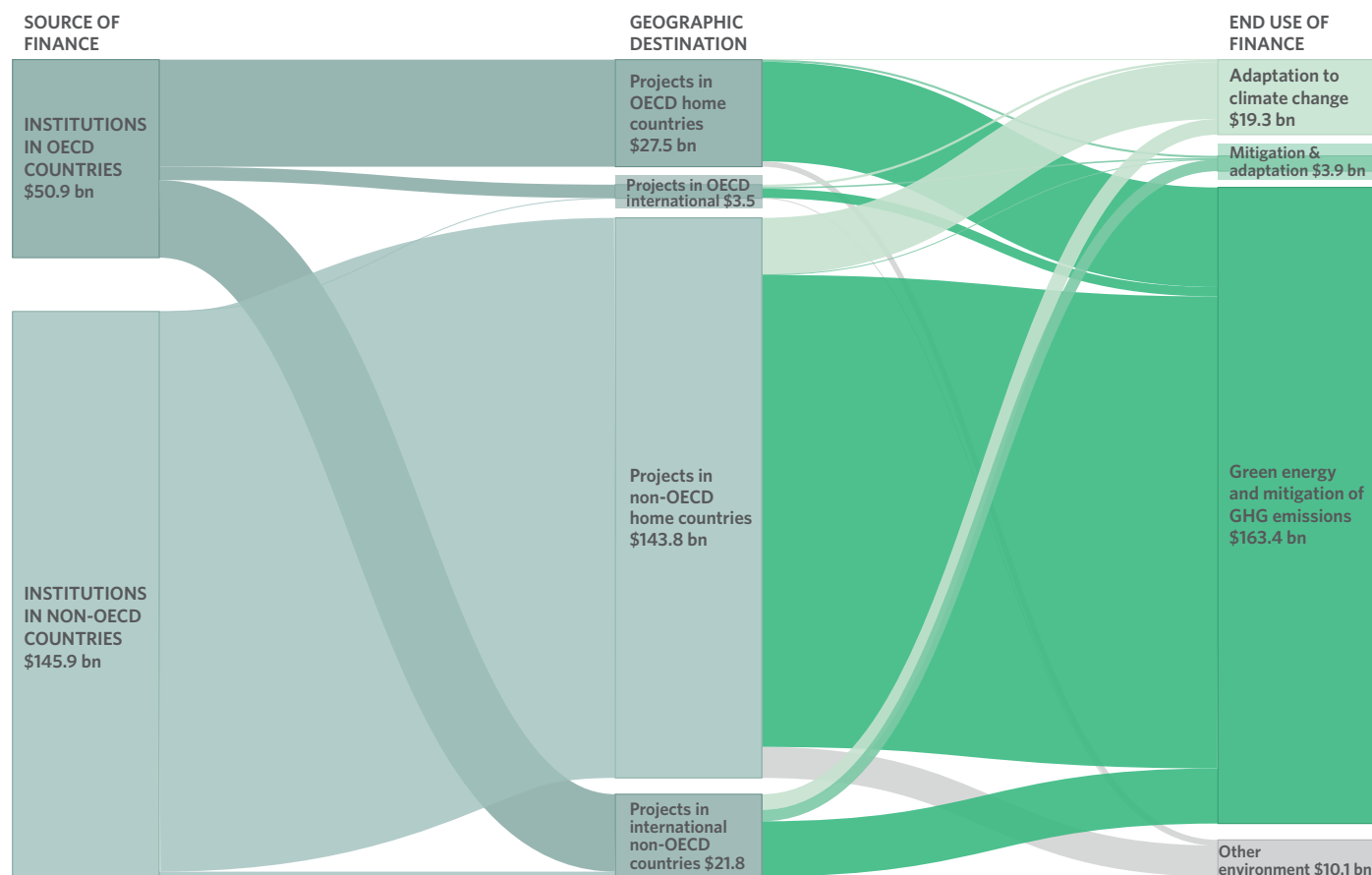


Figure ES2 | Green finance commitments in 2019 by origin, destination (OECD/non-OECD), and end use



- Adaptation represented 10% of climate finance, an increase of 26% from 2018. This continues three years of consecutive growth, achieving more than three times the level of adaptation commitments made in 2015.
- Projects containing elements of both mitigation and adaptation have been steadily increasing but remain a small portion of the total at 2%.
- **Other Environment** - The remaining 5% of green finance (\$10 billion) went to other environmental finance, or activities that are addressing environmental issues but are not directly related to GHG mitigation or adaptation to climate change. The category includes activities related to waste and water management, biodiversity, and industrial pollution control.
- **Source of Finance:** IDFC institutions based in non-OECD countries committed \$146 billion (74%). This increase resumes the upward trend of the non-OECD share of IDFC green finance, which reached 75% (\$166 billion) in 2017 and 68% (\$118 billion) in 2016. OECD country based

IDFC institutions committed \$51 billion (26%), lower than in previous years 2015-2017 (\$54-55 billion).

- **Geographic Destination:** East Asia and Pacific region again accounted for the largest share of commitments at 69%, in accordance with the geographical distribution of total commitments and assets. Commitments reaching Eastern Europe and Central Asia significantly increased from \$2.1 billion (2%) to \$10 billion (5%), and slightly increased in Sub-Saharan Africa from \$3 billion to \$4.5 billion (2%). Commitments to other remaining regions have decreased from 2018.
- **Domestic and Outbound finance:** The share of total green finance commitments in the home countries of the respective IDFC member institutions was 87% (\$171.5 billion), while the remaining 13% (\$25 billion) was outbound (i.e. international commitments) in line with the mandate and scope of the operations of IDFC members.
- Among outbound commitments, flows from OECD country institutions to non-OECD

countries represented 79% (\$20 billion). Flows from non-OECD country institutions largely remained at home, representing 87% (\$143.9 billion) of total finance reaching non-OECD countries..

- **Financing instruments:** Most commitments were provided in the form of loans at \$190 billion, or 97% of total green finance, similar to previous years. in line with the typology of IDFC members' investment portfolios. \$4 billion was provided through grants, continuing the increasing trend since 2016.

Improving Green Finance Mapping Methodology

To inform this exercise, IDFC members complete a survey template, from which data are checked for consistency and aggregated. The list of reporting institutions and reporting coverage across all categories vary from year to year. The number of reporting institutions for 2019 is 22 out of 26, compared to 17 out of 24 for 2018.

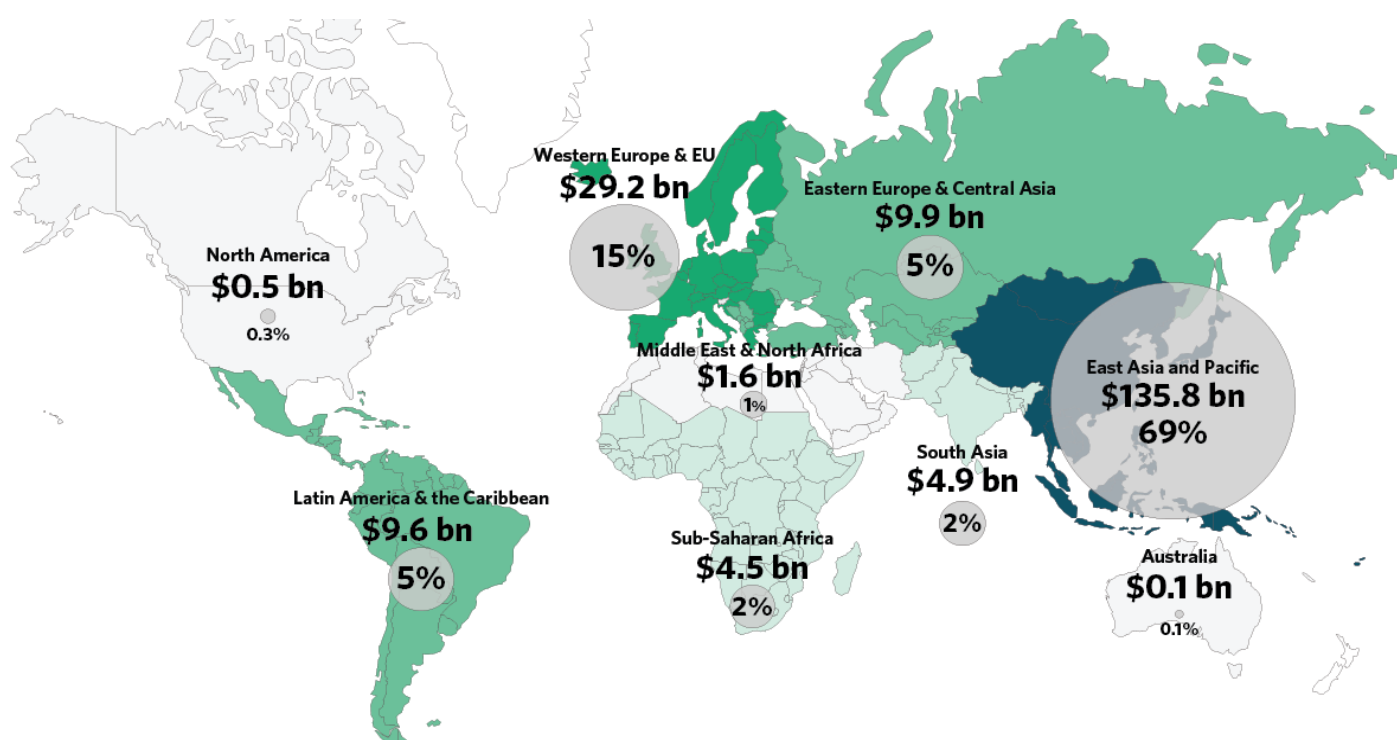
The IDFC survey uses the Multilateral Development Banks (MDBs) and IDFC Common Principles for Climate Mitigation^{iv} and Adaptation Finance Tracking.^v Following the Common Principles, uncertainty is overcome via the principle of conservativeness where climate finance is preferred to be under-reported rather than over-reported. In particular, adaptation

commitments are expected to be conservative, as adaptation-related activities are context-specific and institutions are not always able to consistently identify relevant projects. Another challenging area for reporting is private sector co-finance mobilized by IDFC members.

The IDFC Climate Facility launched in September 2019 supports knowledge transfer and capacity development on climate issues amongst IDFC members. It will also support the development and application of common methodologies for estimating, tracking and reporting private finance mobilized in coming years. Improved reporting can help increase the effectiveness and catalytic potential of green finance committed by IDFC members (see Section 4.2).

The Coordination Unit of the Climate Facility supported the 2019 GFM exercise by providing direct assistance to members during the data collection. This support facilitated the involvement of some members and thus contributed to the increase in the number of participating members.

Figure ES3 | Green finance commitments by geographic destination in 2019



1. INTRODUCTION

Climate finance flows worldwide reached an annual USD 579 billion, their highest level ever, in the 2017/18 period. However, investment is still far from the level needed to achieve international climate goals. The public and private sector each accounts for around half of total climate finance flows, but the sectoral and regional breakdown varies greatly across different types of actors: 85% of private finance in this period flowed to renewable energy generation primarily in Western Europe, North America and East Asia Pacific, while public finance prioritized relatively nascent and harder to invest sectors such as low-carbon transport, energy efficiency, as well as agriculture, forestry and land use in developing countries.^{vi}

In times of COVID-19, alignment with the Paris Agreement and Sustainable Development Goals (SDG) is becoming progressively challenging and ever more urgent. The dual challenge policymakers now face is to promote investment for a sustainable transition at much greater scale, to meet targets across all sectors and implement Nationally Determined Contributions while delivering economic recovery. Overcoming this unprecedented crisis and rebuilding a sustainable world calls for strengthened cooperation and collective action across public and private institutions.

In this context, public development banks (PDBs) will play a significant role in responding to the effects of the pandemic and shifting investment flows towards achieving the Paris Agreement and the SDGs. They can also foster effective collaboration and dialogue among market actors, governments and regulators to promote long term carbon neutrality and inclusive growth.

The International Development Finance Club (IDFC) is the leading group of 26 national and regional development banks from all over the world, the majority of which are active in emerging markets. Together, the IDFC members are the largest provider of public development finance globally, with \$4 trillion in combined assets and annual commitments averaging more than \$600 billion in the past five years.

Towards the end of 2019, at the United Nations Climate Action Summit, IDFC stated its potential and capacity to mobilize and raise the volume of finance flowing to climate and environmental goals, through two key

channels, which include:

1. providing more than \$1 trillion of climate finance by 2025;
2. leveraging additional investment from the private sector by blending public finance with mobilized private funds. In this way IDFC seeks to accelerate a wider reorientation of private finance for sustainable and climate compatible development.

This Green Finance Mapping report assesses financial commitments made during 2019, offering the first measurement of initial progress towards these objectives. Moreover, in addition to providing and mobilizing finance at greater scale, IDFC is taking steps to address the quality of flows and how commitments promote the changes needed in key economic sectors. Its members are working to align financial flows with the Paris Agreement and the SDGs by:^{vii}

- Working at national and sub-national level and engaging with other actors to support national constituencies implement their commitments to the Paris Agreement and provide policy advice to devise development pathways consistent with long term resilience and carbon neutrality
- Further embedding climate change considerations and alignment with the Paris Agreement within IDFC members' strategies;
- Redirecting financial flows in support of low-carbon and climate-resilient sustainable development.

To help achieve these goals, IDFC established a Climate Facility which became operational in 2019.^{viii} The Facility, led by its Coordination Unit, will support these efforts and encourage cooperation among members. Activities supported by the Facility include capacity building, such as training and ad-hoc response to members' needs, knowledge sharing, and project preparation.

Furthermore, through a partnership with established in June 2019, IDFC and GCF will cooperate on a number of items including integrating climate

considerations in financial institutions, facilitating access to GCF resources for IDFC members, and capacity building. Already in 2019, 5 projects led by IDFC members (AFD, DBSA, 2 projects by BOAD, KFW) have received co-financing from GCF totaling \$265.5 million.

Robust and consistent tracking of green finance flows will be essential for IDFC members to evaluate progress in achieving their green finance ambitions. IDFC has conducted regular mapping of its member institutions' green finance commitments since 2011 (first report published in 2012), to increase transparency and accessibility as outlined by the 2017 One Planet Summit joint resolution with Multilateral Development Banks (MDBs). This report presents the methodology used and findings from the 2020 mapping exercise, concerning commitments made during 2019. The report, prepared with the support of Climate Policy Initiative, is structured as follows:

- Section 2 outlines the methodology used to record member institutions' green financial commitments;
- Section 3 presents the findings for 2019 green finance flows, including aggregated flows across IDFC and breakdowns by region of destination, financial instrument, sector of use, and sub-sectoral technologies.
- Section 4 discusses IDFC's commitments for aligning with the Paris Agreement.
- Section 5 summarizes trends and concludes.

Figure 1 | IDFC Members and their locations

Our members

26 Members from developed and developing countries

EUROPE

Italy

Cassa depositi e prestiti (CDP)

Black Sea Region (Location: Greece)

Black Sea Trade and Development Bank (BSTDB)

France

Agence Française de Développement (AFD)

Croatia

Croatian Bank for Reconstruction and Development (HBOR)

Germany

KfW Bankengruppe

Turkey

Industrial Development Bank of Turkey (TSKB)

Russia

Vnesheconombank (VEB)

AFRICA

Morocco

Caisse de Dépôt et de Gestion (CDG)

South Africa

Development Bank of Southern Africa (DBSA)

Western Africa Region

(Location: Togo)

Banque Ouest Africaine de Développement (BOAD)

Eastern & Southern Africa Region

(Location: Burundi & Mauritius)

The Eastern and Southern African Trade and Development Bank (TDB)

ASIA AND MENA

India

Small Industries Development Bank of India (SIDBI)

China

China Development Bank (CDB)

South Korea

The Korea Development Bank (KDB)

Japan

Japan International Cooperation Agency (JICA)

Indonesia

PT Sarana Multi Infrastruktur (Persero) (PT SMI)

CENTRAL AND SOUTH AMERICA

Central America Region

Central American Bank for Economic Integration (BCIE/CABEI)

Mexico

Nacional Financiera (NAFIN)

Central and Latin America Region

Development Bank of Latin America (CAF)

Perú

Corporación Financiera de Desarrollo S.A. (COFIDE)

Colombia

Bancoldex S.A.

Brazil

Banco Nacional de Desenvolvimento Econômico e Social (BNDES)

Chile

Banco Estado (BE)

Argentina

Banco de Inversión y Comercio Exterior S.A. (BICE)

INTER-REGIONAL INSTITUTIONS

Islamic Corporation for the Development of the Private Sector (ICD)

International Investment Bank (IIB)



2. METHODOLOGY

The methodology for green finance mapping has continually evolved over the years to improve the transparency, comparability, consistency, and flexibility of the process. The 2020 edition reflects an improvement in the survey template sent out to IDFC members, to encourage project-level reporting, including data on co-financing and adaptation.

The IDFC survey is aligned with the MDB-IDFC Common Principles for Climate Mitigation Finance Tracking and MDB-IDFC Common Principles for Climate Change Adaptation Finance Tracking in 2015.

As in previous years, mapping is conducted in three stages:

i) Collecting commitments data using a survey template filled out by member institutions. All commitments were reported in U.S. dollars, which institutions converted using World Bank exchange rate data where required. Detailed guidelines were provided to IDFC members on the categorization of projects and use of this template, including standardized definitions of regions, categories, and instruments; lists of eligible projects; and methodologies for estimating private finance mobilization. Please see the Appendices for further details on the survey.

ii) Checking the data and verifying reliability and consistency of reporting. Institutions were encouraged to note and report any deviations from the guidelines, and inconsistencies were identified and corrected. In cases of uncertainty, the reported estimates are conservative, following a preference for under-reporting rather than over-reporting green finance.

iii) Analyzing the dataset and presenting findings at aggregate and organization levels. Commitments by individual institutions were published for the first time in the 2017 green finance mapping exercise, a practice continued in the current edition.

This year's mapping is based on 22 survey responses from 26 IDFC members, an improvement from 17 responses out of 24 members in 2018.¹ All institutions submitting data this year also returned surveys last year, with the exception of BE and NAFIN. There were six additional respondents this year: BICE, COFIDE, HBOR, ICD, PTSMI and TDB. BICE and PTSMI joined IDFC in 2019. Annual fluctuations in the number of reporting institutions and in coverage across green finance activities affect year-to-year comparisons.

¹ The 22 respondents for 2019 included: AFD, Bancoldex, BICE, BNDES, BOAD, BSTDB, CABEL, CAF, CDB, CDG, CDP, COFIDE, DBSA, HBOR, ICD, JICA, KDB, KfW, PT SMI, TDB, TSKB, and VEB. There were 18 respondents in 2017, 20 respondents in 2016 and 2015.

Box 1: New elements introduced in the 2019 Green Finance Mapping exercise

- **Project-level data:** Member institutions were provided an improved template for reporting project-level data, as an alternative to reporting at the aggregate level. The template allowed members to report in multiple currencies, instruments, and sources for any given project. The template also featured automated calculations that provided members with the final aggregate figures, which could be utilized for internal reporting purposes as well. These improvements resulted in nine members' utilization of the project-level template, compared with only two institutions utilizing the template last year. While project-level reporting can be demanding in terms of internal capacity and may raise confidentiality issues, it brings significant benefits in terms of greater transparency and more accurate analysis. Granular information at the project-level allows IDFC to better identify which locations and industries commitments are flowing to, how the deployment of technologies compares to needs for low-carbon and climate resilient development, and which projects and financing structures mobilize greater private co-investment.
- **Adaptation project details:** To better understand adaptation finance flows, this year's template featured an additional sub-category for each adaptation project category, where members could specify whether an adaptation project was for 1) retrofitting existing infrastructure, 2) new infrastructure, or 3) building capacity. Out of eleven total institutions reporting on adaptation finance, four members provided further details on their adaptation projects at this level.
- **Simplified methodology for reporting private finance mobilization:** IDFC has gathered estimates of the volume of private investment mobilized by its member institutions since 2014. However, this process faces challenges around the various definitions, scope, and methodologies employed by member institutions. The 2019 green finance survey provided member institutions with a simplified methodology for reporting private mobilization figures, differentiating between sources of finance and financial instrument. Lessons from this process will help improve private co-financing estimates, which can in turn better determine the effectiveness of public finance flows. This process requires coordination across multiple internal business units within IDFC member institutions to collect the necessary data, as well as strong collaboration between members to identify overlap and correct for potential double-counting when aggregating results.

3. GREEN FINANCE MAPPING OUTCOMES

This report includes an overall green finance number divided into two major categories, namely climate finance and other environmental objectives. The former grouping is composed of finance for green energy and mitigation of greenhouse gases (GHG) (henceforth 'mitigation'), adaptation to climate change, and projects that include elements of both mitigation and adaptation. In many cases, climate-related activities also have environmental co-benefits (e.g. renewable energy projects contributing to air quality improvement). For the sake of simplicity, these are classified here as climate finance. Finance for activities that have no climate co-benefits but only environmental co-benefits is considered in the category of other environmental objectives.

Out of the \$197 billion committed by the IDFC members in 2019 for green finance, \$187 billion was allocated to climate finance.² This was a strong rebound in commitments following a significant drop in 2018, resuming an overall upward trend. Mitigation continues to account for the largest share of climate finance, representing 89% of green finance committed in 2019. Adaptation finance has continued to increase in absolute terms from the \$15 billion committed in 2018 to \$19 billion in 2019. Projects with elements of both mitigation and adaptation also

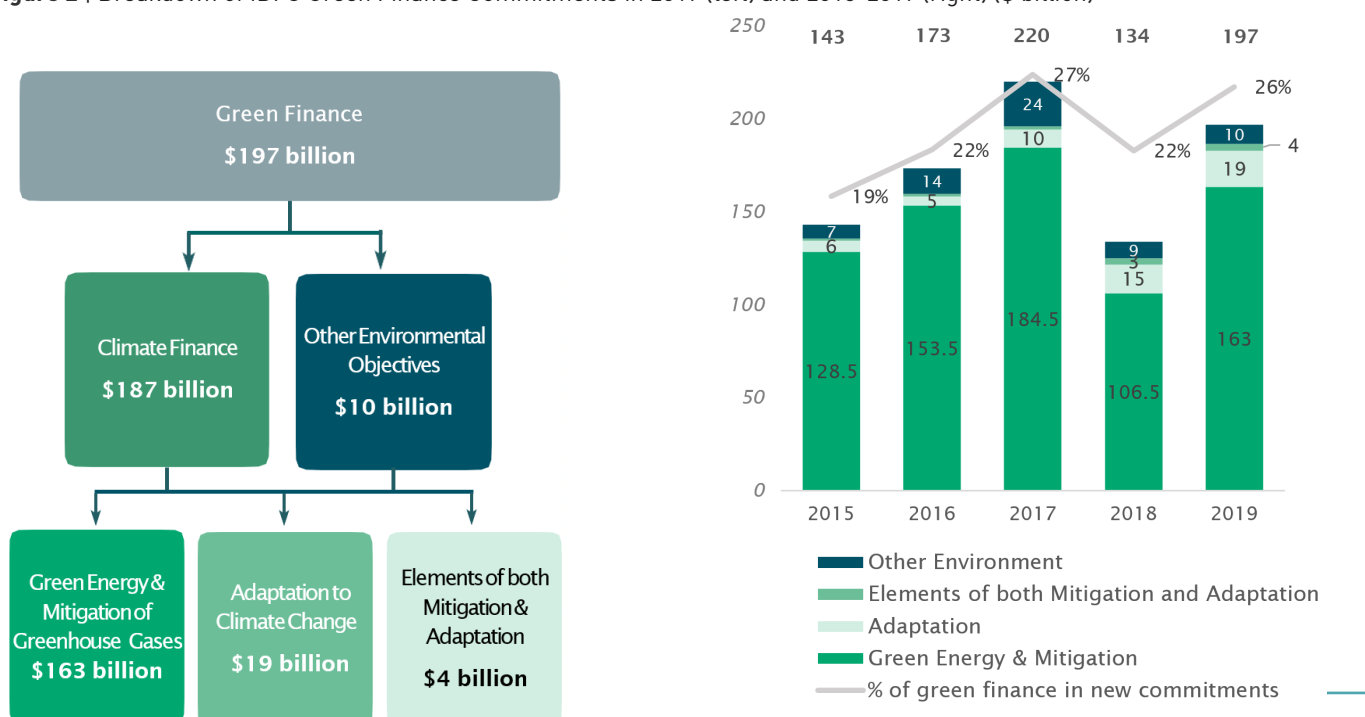
increased to \$4 billion. Finance for other environmental objectives remained at \$10 billion, a slight increase from 2018.

3.1 GREEN FINANCE COMMITMENTS

IDFC members' commitments for green finance amounted to \$197 billion in 2019. While this marks a significant rebound from the \$134 billion tracked in 2018, it remains below the historic high of \$220 billion recorded in 2017. Climate finance accounted for \$187 billion, or 95% of total green finance commitments. Within this category, most finance went to mitigation projects, accounting for \$163 billion, or 89% of total green finance. Within mitigation projects, transportation (\$82 billion), renewable energy (\$35 billion), and energy efficiency (\$26 billion) were the categories receiving the most finance.

Finance for adaptation projects continued to increase in 2019 to \$19 billion, a 26% increase from the \$15 billion tracked in 2018 and achieving more than three times growth since 2015. This accounts for 10% of total IDFC climate finance, similar to the share of adaptation provided by development finance institutions in global climate finance among public sources (9% in 2017/18).

Figure 2 | Breakdown of IDFC Green Finance Commitments in 2019 (left) and 2015-2019 (right) (\$ billion)



² All figures are in US dollars nominal values unless otherwise stated.

LOCATION OF IDFC MEMBER	REPORTING MEMBER INSTITUTIONS IN 2019	GREEN ENERGY AND MITIGATION OF GHGS		ADAPTATION		BOTH MITIGATION AND ADAPTATION		OTHER ENVIRONMENT		TOTAL GREEN COMMITMENTS	
		2017/18 (AVERAGE)	2019	2017/18	2019	2017/18	2019	2017/18	2019	2017/18	2019
EUROPE	KfW	32,575	28,235	862	2,437	923	629	1,554	1,314	35,917	32,616
	AFD	3,173	3,056	1,028	1,154	1038	2,761	560	80	5,799	7,052
	VEB	622	6,686	-	-	-	-	-	-	622	6,686
	CDP	1,819	2,559	2	14	-	494	391	260	2,212	3,327
	TSKB	452	227	-	-	-	-	41	5	493	232
	BSTDB	36	270	-	-	-	-	11	25	48	295
	HBOR	68	142	4	-	-	-	5	0	77	142
	Sub-total	38,745	41,175	1,896	3,605	1961	3884	2562	1684	45,167	50,350
CENTRAL AND SOUTH AMERICA	CAF	2,021	1,613	1,060	161	-	0	145	758	3,225	2,532
	BNDES	3,549	1,983	19	-	65	-	276.5	263	3,900	2,246
	BCIE/CABEI	546	550	177	286	-	-	384	251	834	1,087
	Bancoldex	55	117	-	1	-	-	10.5	-	65	118
	COFIDE	-	101	-	-	-	-	-	-	-	101
	BICE ³	-	77	-	-	-	-	-	-	-	77
	Sub-total	6,170	4,441	1,256	447	65	0	816	1,272	8,024	6,161
AFRICA	DBSA	207	357	33	28	-	-	65.5	65	289	449
	TDB	-	153	-	12	-	-	-	-	-	176
	BOAD	-	34	-	23	-	28	-	16	-	101
	Sub-total	207	544	33	63	0	28	65.5	81	289	726
ASIA AND MENA	CDB	94,418	110,743	7,279	14,453	-	-	11,949	6,822	113,645	132,018
	JICA	5,284	5,527	2,077	720	449	18	1,354	224	9,163	6,490
	KDB	468	882	-	-	-	-	-	-	468	882
	PTSMI	-	92	-	-	-	-	-	-	-	92
	ICD	104	50	-	-	-	-	-	-	104	50
	CDG	1	-	14	-	-	-	-	38	15	39
	Sub-total	100,275	117,294	9,370	15,174	449	18	13,303	7,084	123,395	139,571
TOTAL ⁴		145,283	163,454	12,524	19,289	2,475	3,931	16,547	10,121	176,831	196,769

Financing commitments for projects with elements of both mitigation and adaptation received \$4 billion in 2019, continuing the increasing trend from \$3 billion in 2018 and \$2 billion in 2017. Meanwhile, the share of commitments in green finance flowing towards projects with other environmental objectives increased to \$10 billion from \$9 billion last year but remained below the \$24 billion and \$14 billion tracked in 2017 and 2016.

Table 1 provides an institutional level breakdown of green finance comparing the average of 2017/18 with 2019. Of the 22 reporting institutions in 2019, all institutions reported commitments to mitigation, 11 reported commitments to adaptation, and 14

institutions reported commitments to other environment projects.

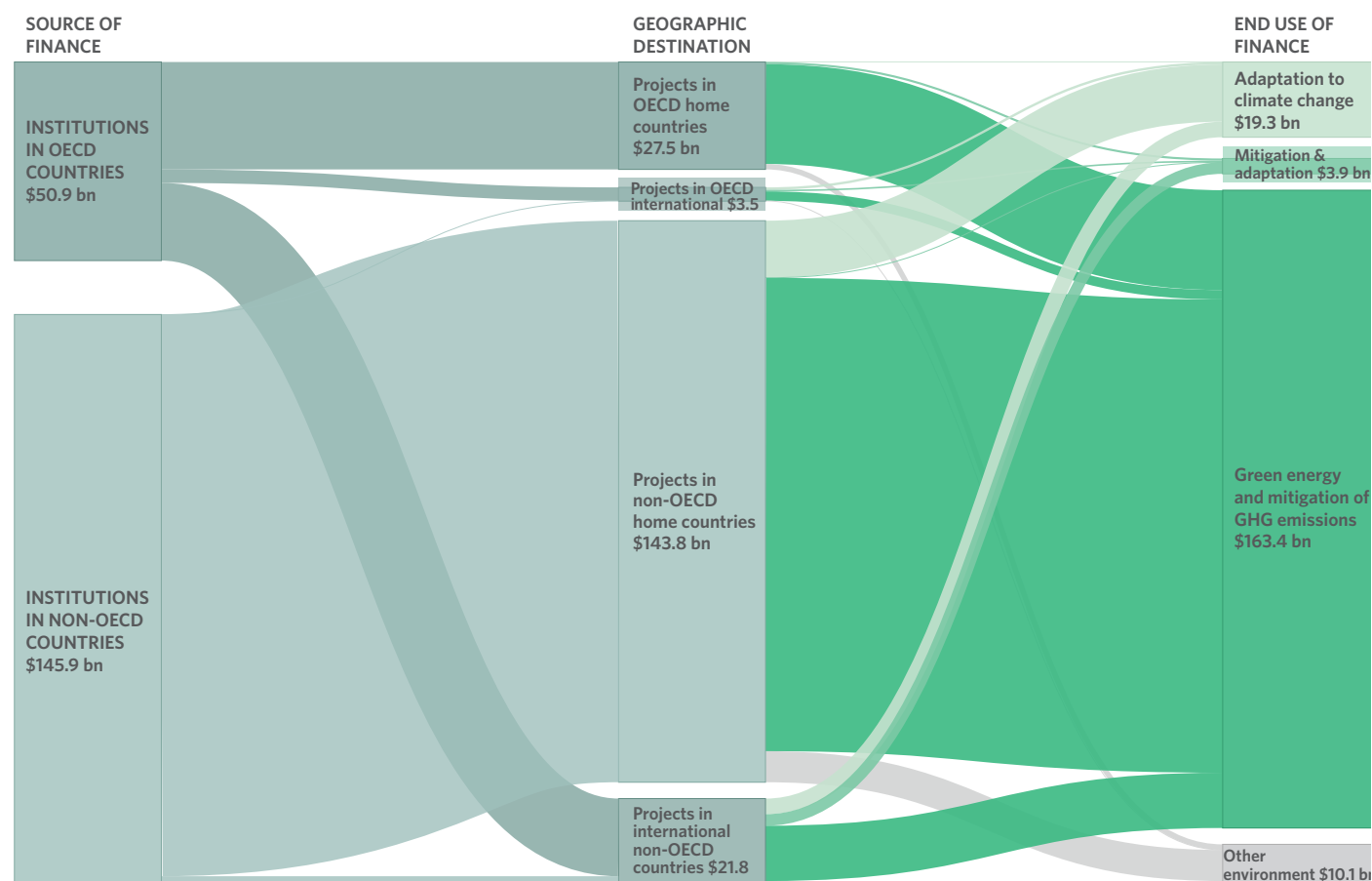
3.2 GREEN FINANCE COMMITMENTS FROM INSTITUTIONS IN OECD AND NON-OECD COUNTRIES

Green finance committed to projects in institutions' home countries greatly outweighed finance committed internationally, in line with IDFC members' different mandates according to their institutional arrangements. Finance for dual benefits (combined mitigation and adaptation) projects was the category with the highest proportion of international flows, followed by adaptation finance, while other

³ New members to IDFC joining in 2019

⁴ Totals for commitments in each category will not add up exactly to total green finance commitments, due to some institutions reporting minor unattributed amounts of finance.

Figure 3 | Green Finance Flows from OECD and Non-OECD IDFC Members by Category in 2019 (\$ billion)



environmental finance was the most concentrated in domestic flows.

Out of the 22 reporting institutions, 15 are non-OECD-based institutions and seven are OECD-based. Non-OECD-based institutions provided the majority of green finance in 2019, at \$146 billion, or 74% of the total. This is an increase from \$80 billion last year, but remains below \$166 billion in 2017, the highest level of annual commitments on record. For non-OECD institutions, nearly all 2019 commitments (98%) went to projects in the source institution's home country, with the remainder committed to projects in other non-OECD countries.

OECD-based institutions committed the remaining \$51 billion or 26%, of total green finance in 2019. This was slightly lower than the \$54 billion tracked in the previous two years. This group committed \$27.5 billion, or 54% of its total finance, to projects in the source institutions' home countries; \$20 billion flowed internationally non-OECD countries; and \$3.5 billion went to projects in other OECD countries.

Total financing provided in non-OECD countries was \$166 billion, an increase from \$100 billion but still

below the \$185 billion tracked in 2017. This represented 84% of total green finance commitments, similar to 2017 when the share was 85%. International commitments to projects in non-OECD countries was \$22 billion, a decrease from \$25 billion in 2018 and \$27 billion in 2017. This decline is attributable to reduced commitments between non-OECD countries, as well as finance from institutions in OECD countries to projects in non-OECD countries declining by \$1 billion.

The breakdown of commitments made domestically and internationally varies greatly by category of green finance. As Figure 5 shows, most finance for projects in OECD countries was for mitigation or other environmental objectives: mitigation represented 93% (\$26 billion) of domestic flows and 69% (\$2.4 billion) of international flows to OECD countries. In contrast, commitments for adaptation projects reported a slightly larger share in international, or outbound commitments, representing \$4 billion (18%) of international flows to non-OECD countries.

Figure 4 | Green Finance Commitments from OECD and Non-OECD, 2015-2019 (\$ billion)

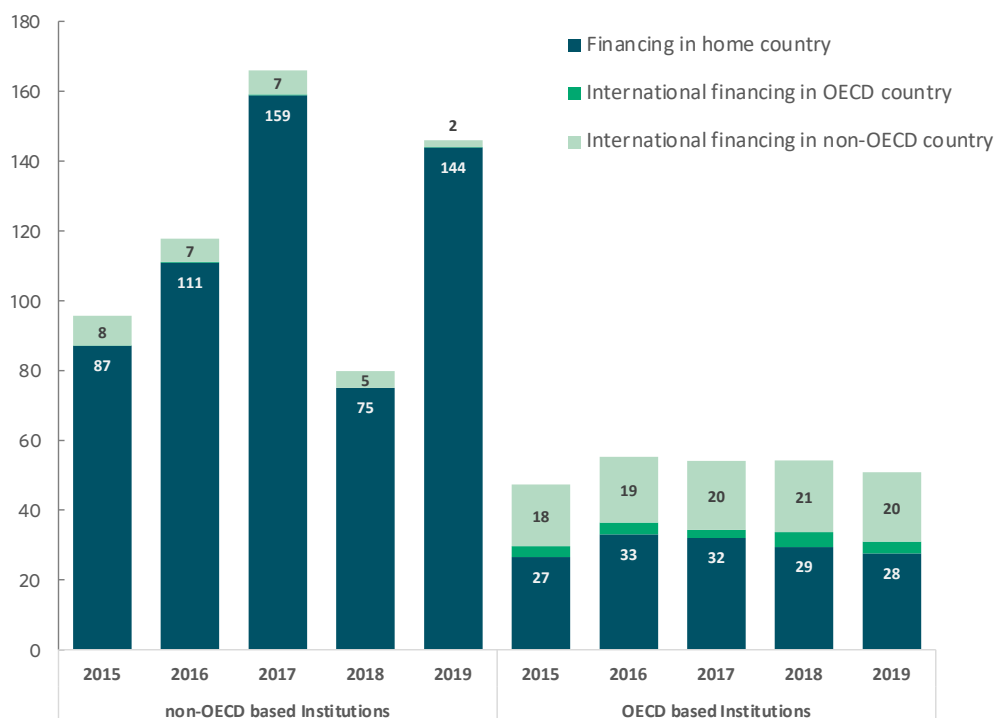
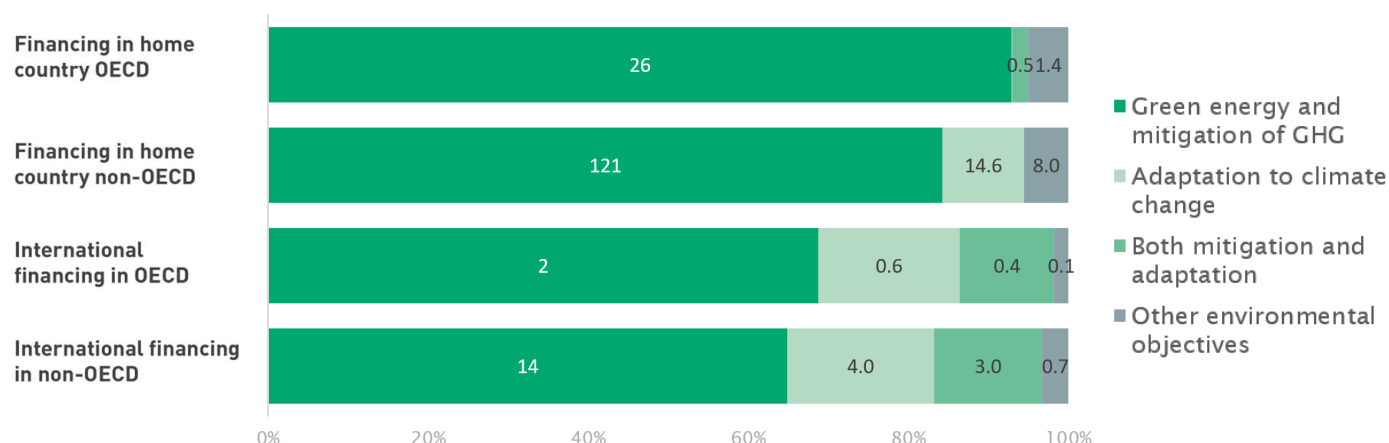


Figure 5 | Proportion of Domestic and International Green Financing Commitments by Category in 2019 (percent and \$ billion)



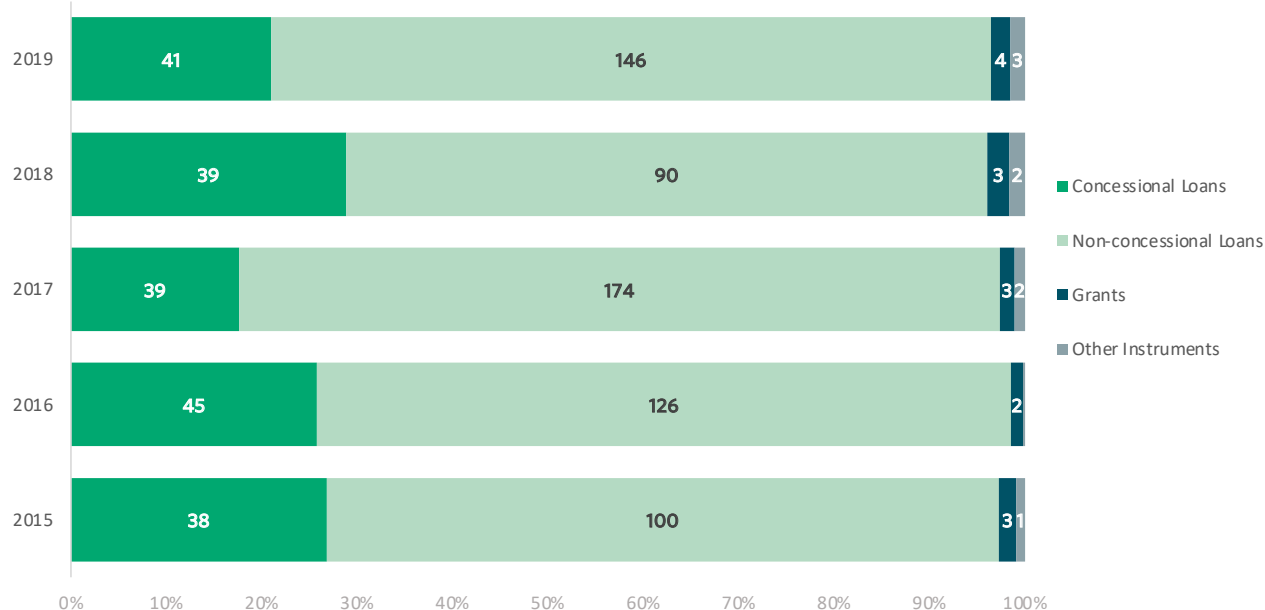
3.3 GREEN FINANCE COMMITMENTS BY INSTRUMENT TYPE

As in previous years, loans were the primary vehicle through which IDFC member institutions committed green finance, in line with the typology of their portfolios, accounting for \$146 billion or 95% of the 2019 total, with concessional and non-concessional loans accounting for 21% and 74%, respectively. Finance committed in the form of grants increased in 2019 to \$4 billion. Other instruments, such as guarantees and equity, continue to account for around 1% of green finance commitments.

Figure 6 shows the breakdown of green financing received by instrument type from 2015 to 2019, while Figure 7 demonstrates the variation by category and year. Non-concessional (i.e. market-rate) loans to mitigation increased to \$120 billion, while concessional loans and grants increased to \$37 billion and \$2 billion. Non-concessional finance for adaptation projects increased from \$12 to \$15 billion, while concessional adaptation finance has remained at \$2 billion following the decreasing trend in the past four years.

As with previous years, only a small percentage of finance has been committed through grants overall, contributing \$4 billion across all categories (2%). This is similar to the share of grants contributed by

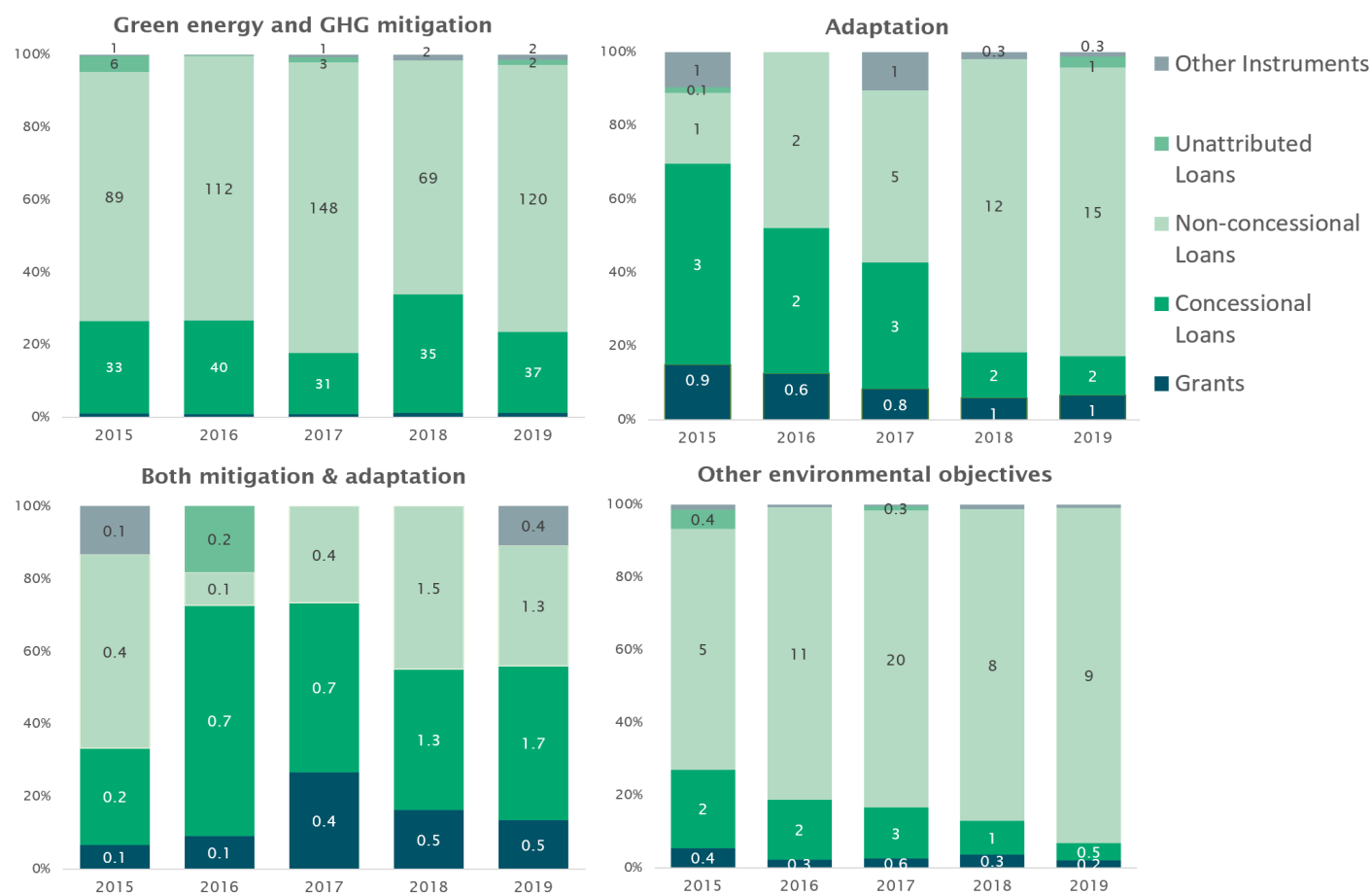
Figure 6 | Green Finance Commitments by Instrument Type, 2015-2018 (percent and \$ billion)



development finance institutions in global climate finance flows. The overall share of grants in global climate finance has been steadily increasing over the past five years, as public actors seek to build strong

enabling environments and undertake demonstration projects for sustainable investment across a range of sectors^{ix}.

Figure 7 | Green Finance Commitments by Instrument and Category, 2015-2019 (percent and \$ billion)

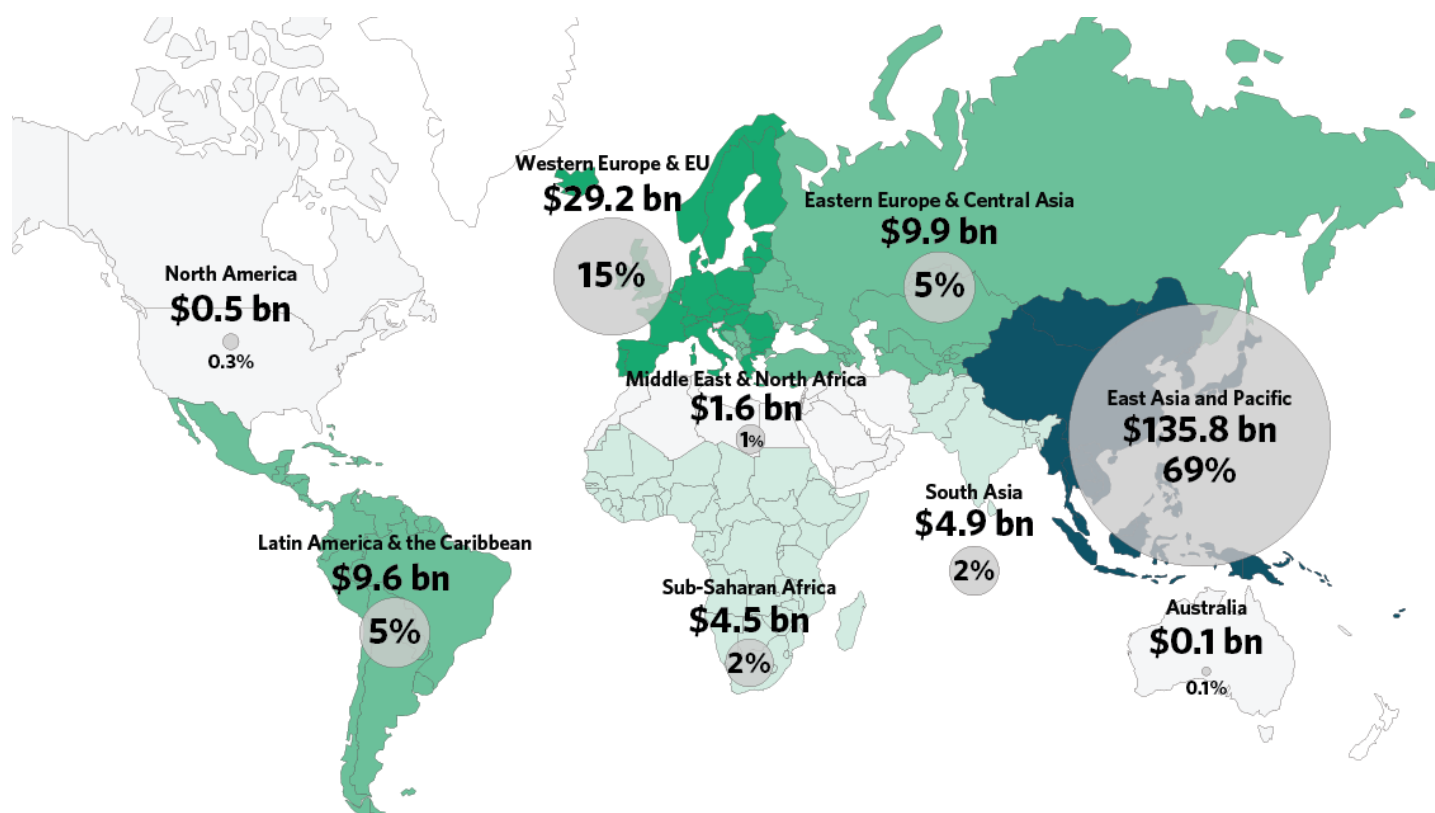


3.4 GREEN FINANCE COMMITMENTS BY GEOGRAPHIC DESTINATION

Figure 8 shows the distribution of commitments by geographic destination in 2019. The majority of com-

of total commitments in each category respectively. Eastern Europe and Central Asia region received the highest amount of commitments going to projects with other environmental objectives, at \$1.3 billion, or 35% of the total commitment in this category.

Figure 8 | Green Finance Commitments by geographic destination in 2019)



mitments went to the East Asia and Pacific region, accounting for 69% of total green finance commitments, in line with the trend prior to 2018 when commitments to this region had declined to 56%. Western Europe and EU region received the second largest amount of commitments at \$30 billion, or 15%. Commitments reaching Eastern Europe and Central Asia significantly increased from \$2.1 billion (2%) in 2018 to \$10 billion (5%), and slightly increased in Sub-Saharan Africa to \$4.5 billion (2%). Commitments to other remaining regions decreased from 2018. These trends reflect the IDFC members' region of operation and their mandates.

The East Asia and Pacific region received the majority of commitments going to mitigation, adaptation, and projects with both mitigation and adaptation objectives, recording \$113 billion, \$15 billion, and \$7 billion respectively. This accounted for 69%, 81%, and 69%

3.5 GREEN FINANCE COMMITMENTS - CLIMATE FINANCE

The Green Finance Mapping exercise tracks finance across three broad categories: 1) Green energy and mitigation of GHG, 2) Adaptation, 3) Projects with both mitigation and adaptation elements, and 4) Other Environment. Climate finance is a subset of green finance, consisting of the first three categories of projects given their intended purpose is to address climate change. The fourth category, "Other Environment," involves projects that address environmental issues but are not directly related to GHG mitigation or adaptation to climate change. These include activities related to waste and water management, biodiversity, and industrial pollution control. This section provides an overview of climate finance categories, while Section 3.6 will give an overview of finance going to projects with other environmental objectives.

In 2019, climate finance accounted for 95% of total green finance (\$187 billion), a slightly higher share compared to past three years (Figure 9). Mitigation accounted for 87% of climate finance (\$163.5 billion), followed by adaptation at 10% (\$19 billion) and projects with both mitigation and adaptation elements at \$4 billion. Adaptation finance has increased for three consecutive years, achieving more

than three times the level of adaptation commitments in 2015, or \$6 billion. The increase in adaptation reflects a growing commitment among public development banks to address the impacts of climate change. Adaptation represented 5% of global climate finance in 2017/18, of which 79% was provided by development finance institutions, including public development banks.^x

Figure 9 | Share of Climate Finance in Total Green Finance Commitments, 2015-2019 (% and \$ billion)

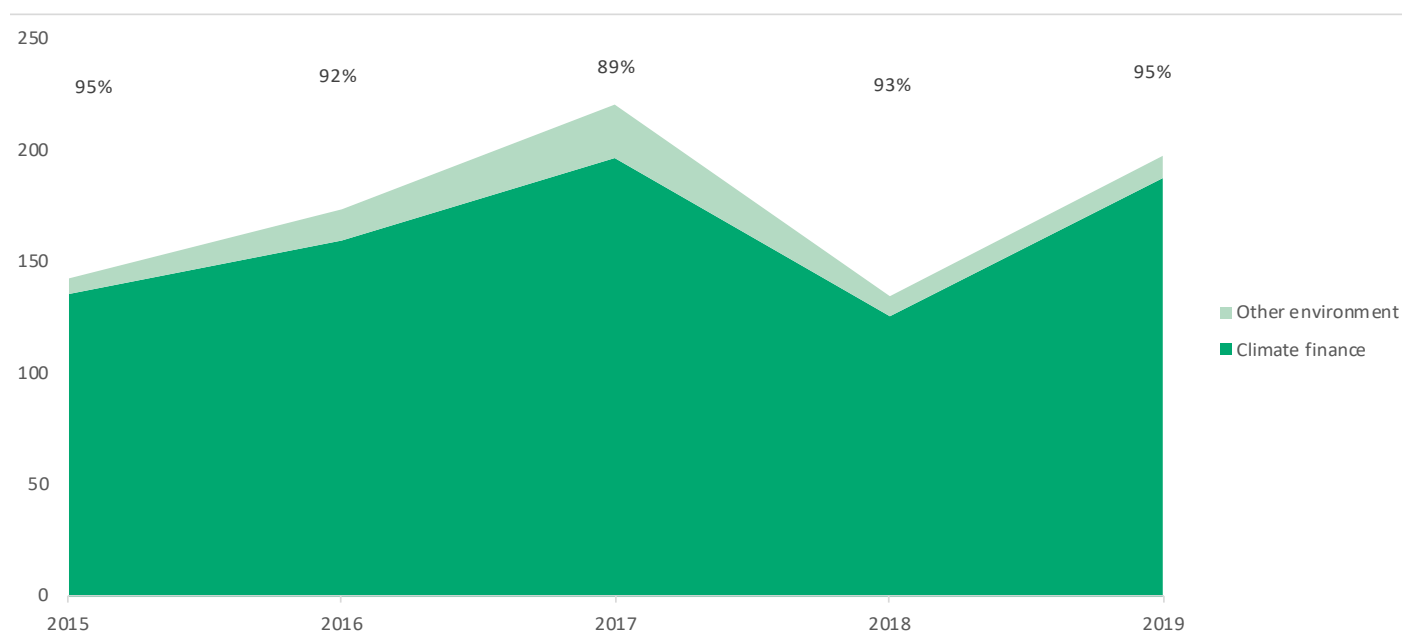
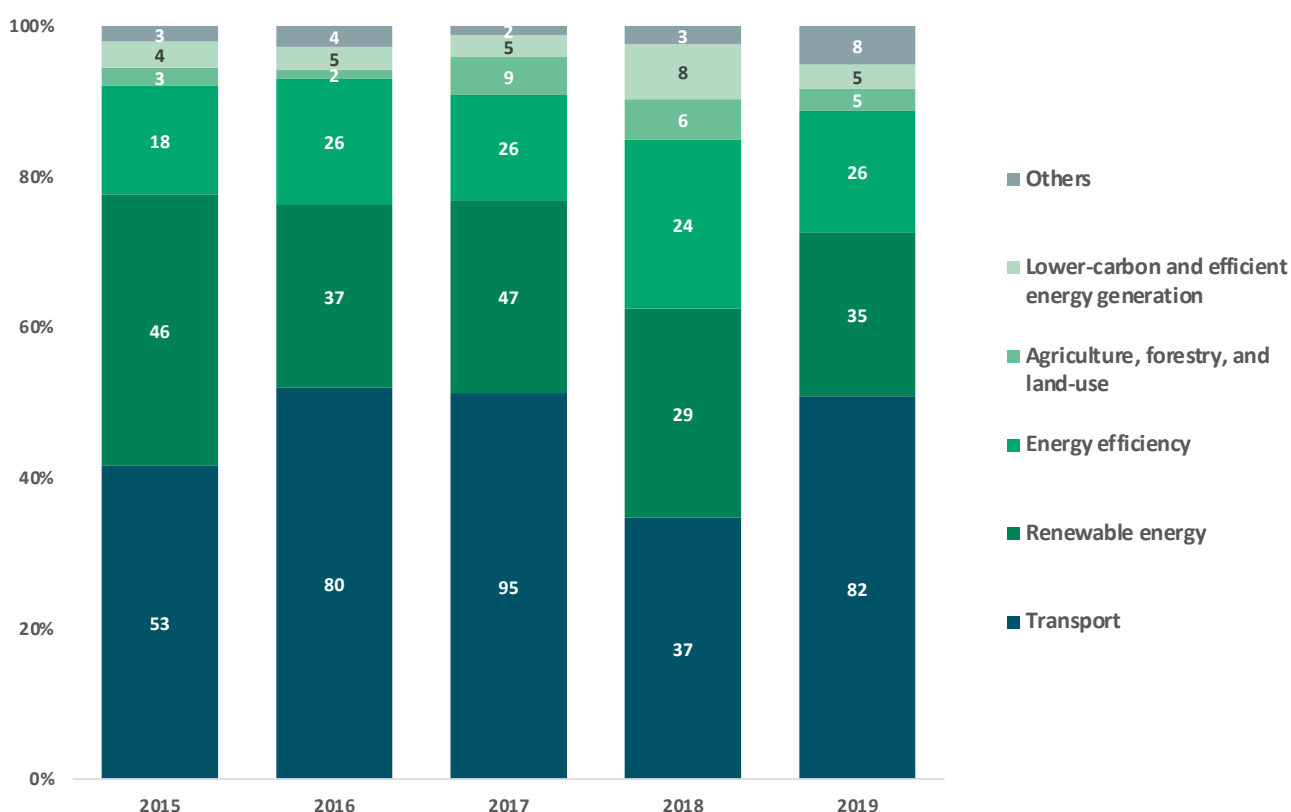


Figure 10 | Green Finance Commitments to Green Energy and Mitigation of GHG by subcategory, 2015-2019 (percent and \$ billion)



Box 2: Mitigation project case study: KfW in Germany – Deploying energy efficiency in buildings

KfW's programs for energy efficiency in the building sector are its flagship products promoting domestic investment in Germany. In 2019, KfW provided USD 14.6 billion (EUR 13 billion) in promotional finance for energy efficiency in all building types. Promotional support is available for efficient new construction as well as comprehensive refurbishment or single measures (such as replacement of heating or windows).

Finance is provided on more concessional terms the greater the energy efficiency achieved through the measures taken. In the current low interest rate environment, concessions are made primarily in the form of partial debt relief. For residential buildings, relief can be as much as 40% for comprehensive refurbishment packages, 25% for new construction and 20% for single measures.

The scheme is based on legal requirements for energy savings in Germany's building code. Prospective borrowers must contract a third-party energy expert to prove the resulting primary energy demand will be considerably less than required by the code. Additional finance is available to cover this cost. Private customers have the choice between loans and investment grants. The maximum loan amount for residential buildings is USD 134,000 (EUR 120,000) per housing unit and USD 56,000 (EUR 50,000) for single measures per housing unit. For non-residential buildings, the loan amount can be up to USD 28 million (EUR 25M) and the maximum debt relief for comprehensive refurbishment is 27.5%, capped at a max. of USD 308 (EUR 275) per square meter. Loans provided for energy efficient construction are partly refinanced by KfW Green Bonds.

Since its inception in 2006 until 2019, the program has supported 5.6 million housing units. In the first three quarters of 2020, KfW has exceeded the volume of finance provided for energy efficiency in 2019, priming low-carbon investment in buildings to be a key basis of a green recovery.

Sources: KfW, 2020. Energy efficiency, corporate environmental protection and renewable energies.

Web page, at <https://www.kfw.de/inlandsfoerderung/Unternehmen/Energie-Umwelt/index-2.html> KfW, 2020. Sustainability Report 2019.

3.5.1 GREEN ENERGY AND GHG MITIGATION

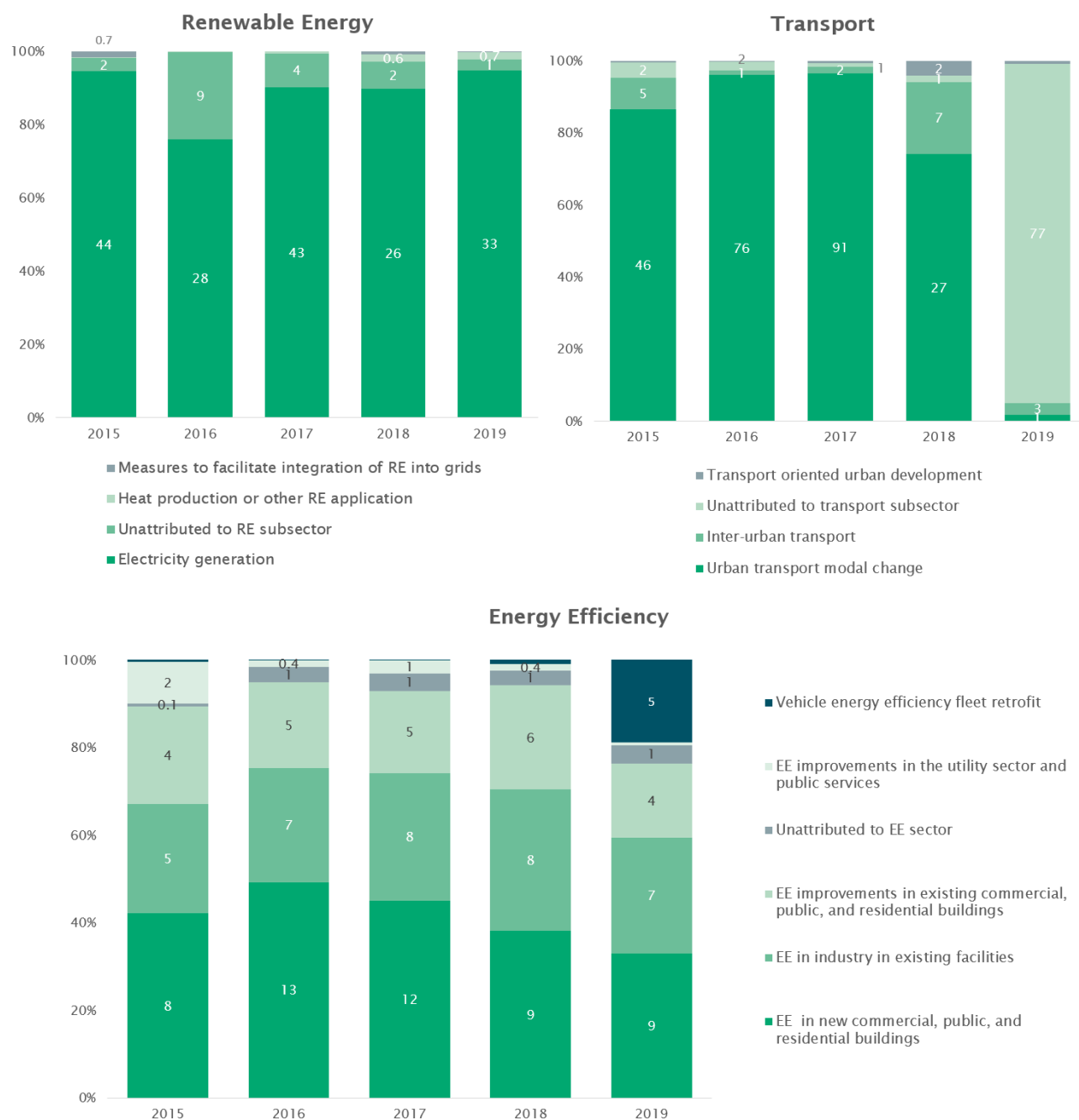
Among the \$163 billion allocated to mitigation projects, the transport sector received the most finance as in previous years, at \$82 billion, or 50% of total mitigation commitments. Renewable energy and energy efficiency continued to remain at second and third place for receiving the highest mitigation commitments, at \$35 billion (21%) and \$26 billion (16%) each. Commitments for agriculture, forestry and land use continued its declining trend since 2017.

Among the top three subcategories – transport, renewable energy, and energy efficiency – Figure 11 shows

the breakdown of activities receiving the most finance in 2019. In the transport category, a significant portion was unattributed this year due to lack of data on the sub-category activities.

For renewable energy, most finance went to electricity generation, continuing the trend from previous years. The third subcategory, energy efficiency, saw a marked increase in vehicle retrofits in 2019 compared to previous years. Energy efficiency for new commercial, public and residential buildings and existing industrial facilities represented 62% of total commitments in this sub-category

Figure 11 | Disaggregation of Green Energy and Mitigation Subcategories, 2015-2019 (percent and \$ billion)



A further breakdown of renewable energy generation by different technologies (Figure 12) shows that most finance was committed for wind in 2019, accounting for \$54 billion, or 79% of the total commitments to renewables. The majority of this commitment, or \$46.7 billion, was contributed by non-OECD based institutions. Solar and hydropower followed at \$7 billion and \$6 billion each.

Of the \$163 billion committed to mitigation, 74% was contributed by non-OECD based institutions, similar to 2017 (Figure 13). Compared to previous years, non-OECD institutions' international commitments to non-OECD countries declined to \$0.1 billion. OECD institutions'

overall commitments to mitigation also declined from \$46 billion in 2018 to \$41 billion in 2019.

3.5.2 GREEN FINANCE COMMITMENTS TO CLIMATE ADAPTATION

Adaptation finance continued its increasing trend in 2019, with another 26% increase from the \$15 billion recorded in 2018 (Figure 14). Following the trend of previous years, commitments to water preservation nearly doubled to \$11.2 billion, a 75% increase from 2018. The second largest sub-category was other disaster risk reduction measures, similar to some previous years, reflecting continued efforts to address climate-related disaster risks.

Figure 12 | Commitments to Renewable Energy Technologies by Technologies and OECD and non-OECD based Institutions in 2019
(percent and \$ billion)

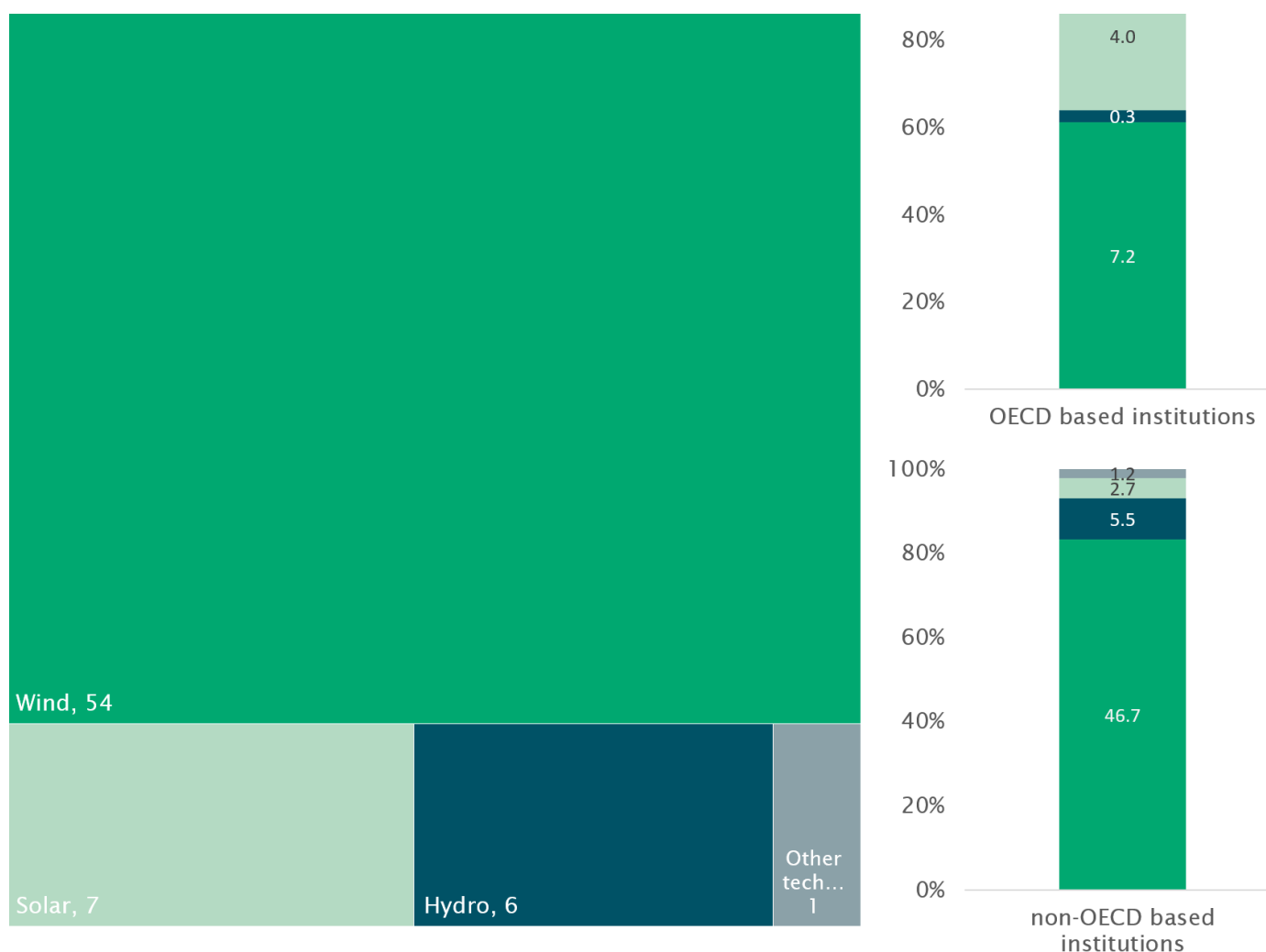
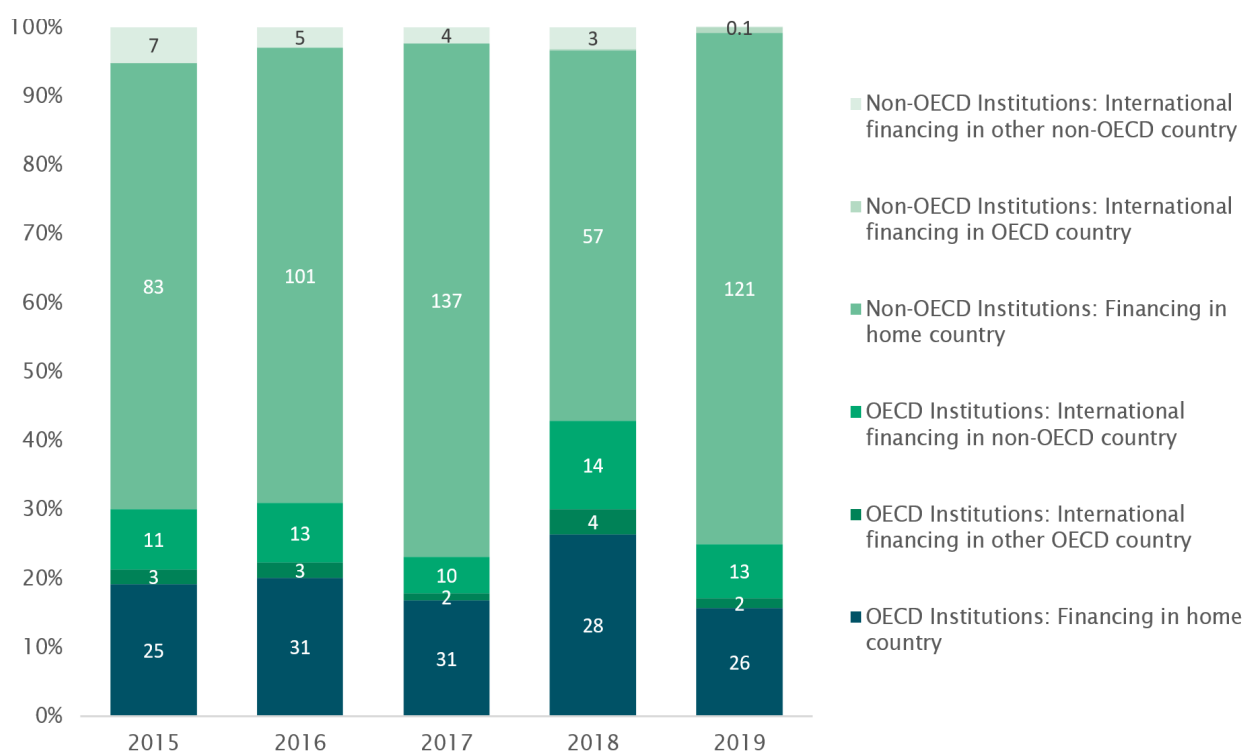


Figure 13 | Commitments to Green Energy and Mitigation of GHGs from IDFC Members in 2019 (percent and \$ billion)



Tracking climate change adaptation finance is a persisting challenge for the development finance community. With the Common Principles for Adaptation Finance tracking (co-developed with MDBs), IDFC institutions will continue to work on improving understanding and capacity for applying the principles to ensure consistent reporting practices. This year's green finance mapping survey included an option for members to report specifically on the type of adaptation project undertaken, including: 1) investment in retrofitting existing infrastructure; 2) investment in new physical assets; and 3) investment in capacity building, climate risk assessments, etc. This information is helpful to better understand underlying trends in adaptation finance and identify gaps, especially given the need to scale up trillions in resilient infrastructure in the coming decade. Of the four members with available information on the above, investment in retrofitting assets accounted for the highest share (\$285 million out of \$369 million).

Figure 15 shows the domestic and international flows to adaptation projects, broken down by the source institution's location. Non-OECD institutions' commitments to adaptation in their home countries represented the dominant share at 79%, similar to 2018, with an increase of \$4 billion. Meanwhile, there were

no non-OECD institution commitments to other non-OECD institutions recorded this year. OECD institutions' international commitments to other OECD institutions also increased by \$1 billion.

Box 3: Adaptation project case study: CDB in China – Adapting urban water environments

One priority in CDB's lending has been the country's waterways: it provided over USD 10 billion to water preservation projects in 2019, mostly targeting water resource management and other integrated projects for managed adaptation of the river ecosystem. Through these measures, water preservation is tied to a broader plan to achieve balanced regional development and integration of several urban areas through new infrastructure. The Yangtze river has been a key focus. CDB made a loan commitment of approximately USD 900 million for an urban water environment project in JiuJiang, Jiangxi. Notably, this is the first public-private partnership project for protection and green development on the river. Development of the Yangtze River Economic Belt is being conducted in tandem with ecological projects to deliver both resilience and economic growth.

Source: CDB, 2020. 2019 Annual Report. <http://www.cdb.com.cn/English/bgxz/ndbg/ndbg2019/>

Figure 14 | Green Finance Commitments to Adaptation by subcategory, 2015-2019 (percent and \$ billion)

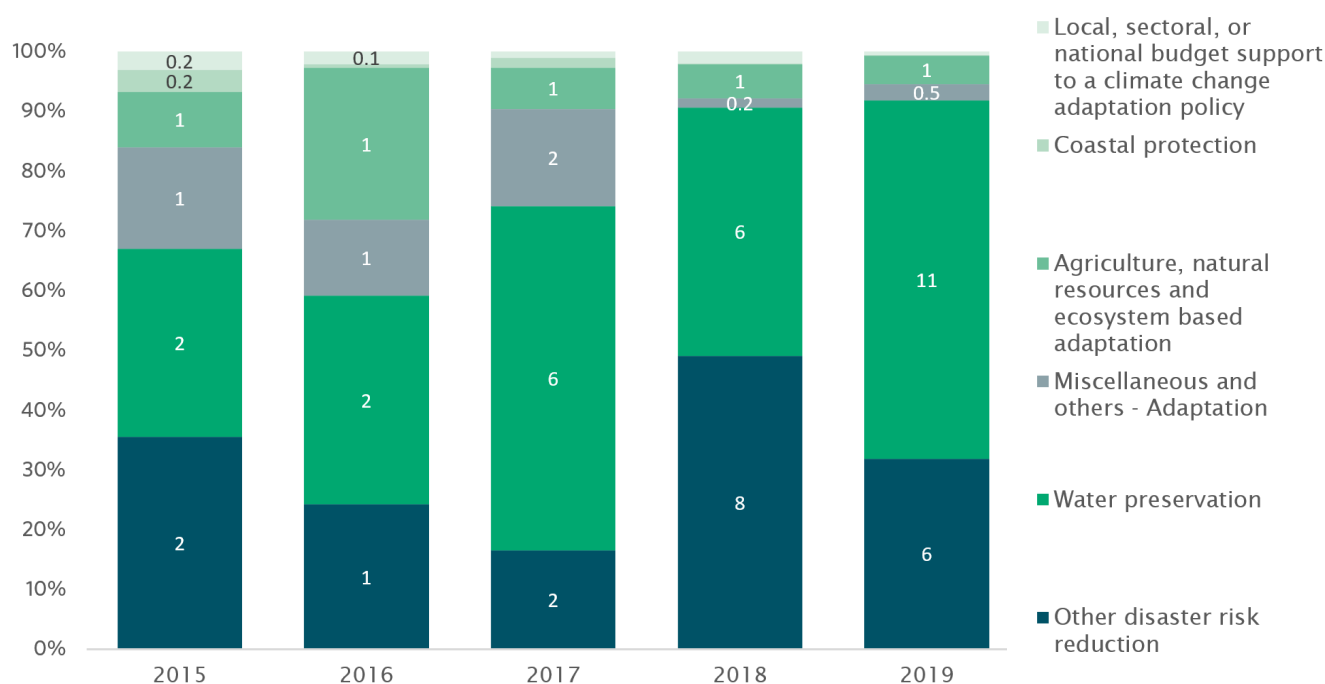
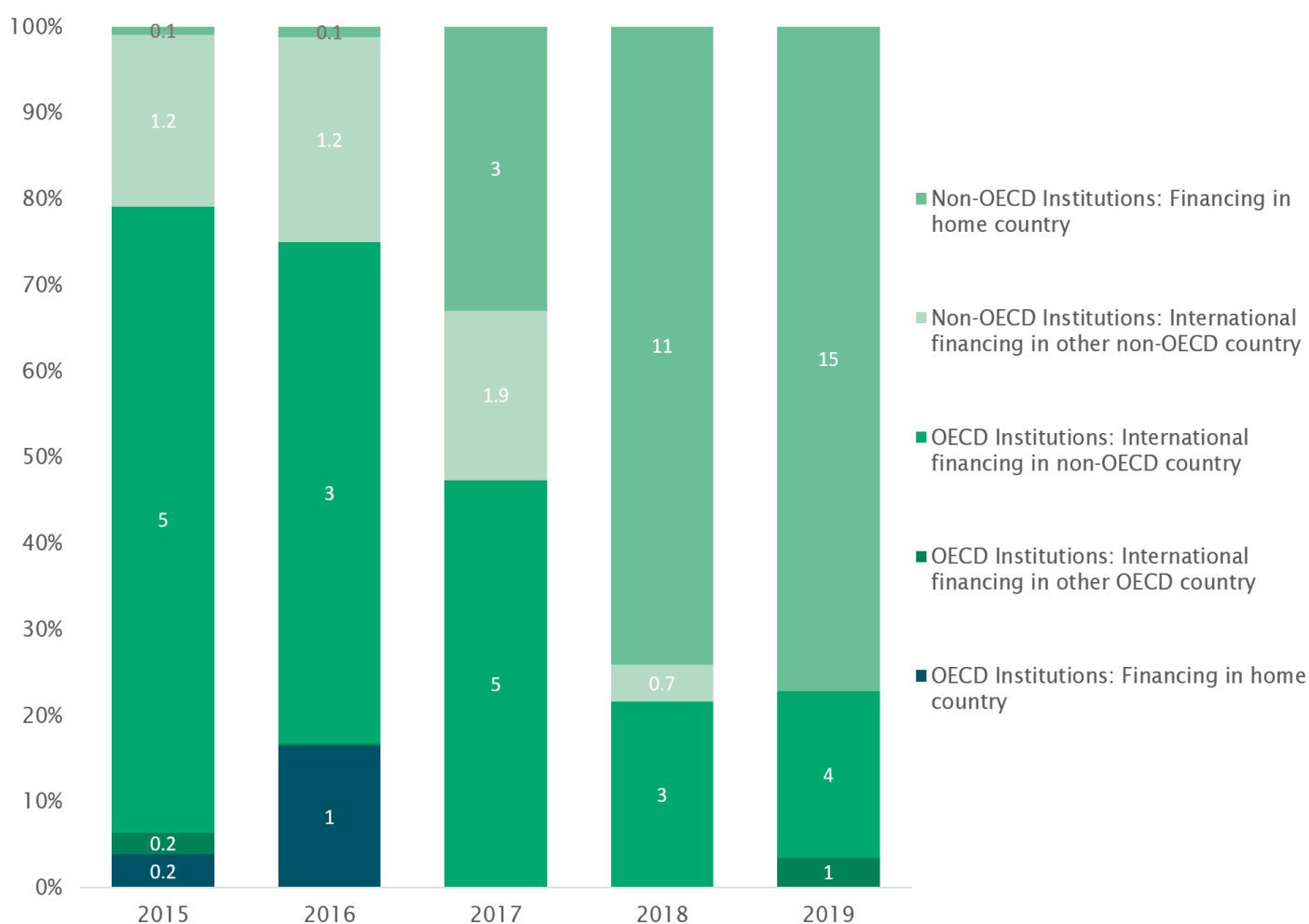


Figure 15 | Commitments to Adaptation to Climate Change from OECD and Non-OECD IDFC Members, 2015-2019 (percent and \$ billion)



Tracking adaptation finance remains difficult, as standardized definitions and methodologies for measuring adaptation benefits are less developed compared to mitigation activities. Often adaptation finance may entail capturing the portion of a broader investment going towards ensuring the project is climate resilient or overlap with traditional development projects that

aim to reduce the vulnerability or community exposed to climate risks. Based on the MDB-IDFC common principles, adaptation finance consists of projects with a stated intent to address any identified climate risks, vulnerabilities, and impacts, and requires adaptation activities to be disaggregated from non-adaptation activities as far as reasonably possible.^{xi}

3.6 GREEN FINANCE COMMITMENTS - OTHER ENVIRONMENTAL OBJECTIVES

In addition to climate finance, the GFM tracks “Other Environment” projects that address environmental issues but are not directly related to climate change mitigation or adaptation. These include activities related to waste and water management, biodiversity, and industrial pollution control. While these projects may also deliver some mitigation and adaptation benefits indirectly, they are tracked separately under this category as those climate benefits are not clearly identified and the primary objective of these projects is not related to climate change. By the same token, projects with a principal climate component will be counted under climate finance but may still have other environmental benefits, such as promoting biodiversity. This means that total commitments in the ‘Other Environment’ category are an underestimate of the volume of finance with benefits to these activities.

Green finance in this category increased slightly to \$10 billion, or 5% of total green finance. This was a slight increase compared to \$9 billion in 2018 but remained far below the \$24 billion recorded in 2017. Within this subcategory, commitments going to water supply increased to \$4 billion, while commitments to industrial pollution control declined to \$0.2 billion. Commitments for waste management and sustainable infrastructure increased to \$1 billion and \$0.8 billion. There haven’t been significant commitments to biodiversity and soil remediation or land rehabilitation after mining recorded in the past five years, although this may be due to those projects being tracked under climate finance, given they frequently have a mitigation and/or adaptation component. This attests to the need for continuous review and updating of standards and green project definitions, as IDFC members will be undertaking in the coming years.

Box 4: Other Environment project case study 1: AFD in France – Strengthening sustainable environmental management in the biodiversity hotspot of Madagascar and the Indian Ocean islands

The populations and economies of Comoros, Madagascar, Mauritius and Seychelles depend on natural resources and ecosystem services such as the provision of materials, food and plants, climate regulation or pollination, which are essential components of adaptation to climate change. Threatened by human activities, the capacity of ecosystems to provide these essential services is decreasing, while further increasing the vulnerability of populations to climate change. Biodiversity conservation and sound natural resource management measures can thus become powerful tools for adaptation and support for the most vulnerable populations.

AFD has obtained funding from the Green Climate Fund (GCF) for the Critical Ecosystem Partnership Fund (CEPF), which is hosted by the NGO Conversation International and to which AFD has been contributing for more than 10 years. This €35M grant aims to define and then launch (via local NGOs) ecosystem-based adaptation action plans aligned with the national climate change strategies of identified countries. The objective is to protect, restore or promote the sustainable use of critical ecosystems that provide ecosystem services to the most vulnerable people, while contributing to the achievement of the region’s climate objectives. In addition, through this support, CEPF will benefit from capacity building on adaptation issues.

This project exemplifies how the different categories in the Green Finance Mapping are often closely inter-linked, with projects that may be tracked under ‘other environment’ often delivering important adaptation benefits.

Source : AFD, 2020. Tour du monde des solutions pour le climat, 2020 edition.

Figure 16 | Green Finance Commitments to Other Environment Objectives by subcategory, 2015-2019 (percent and \$ billion)

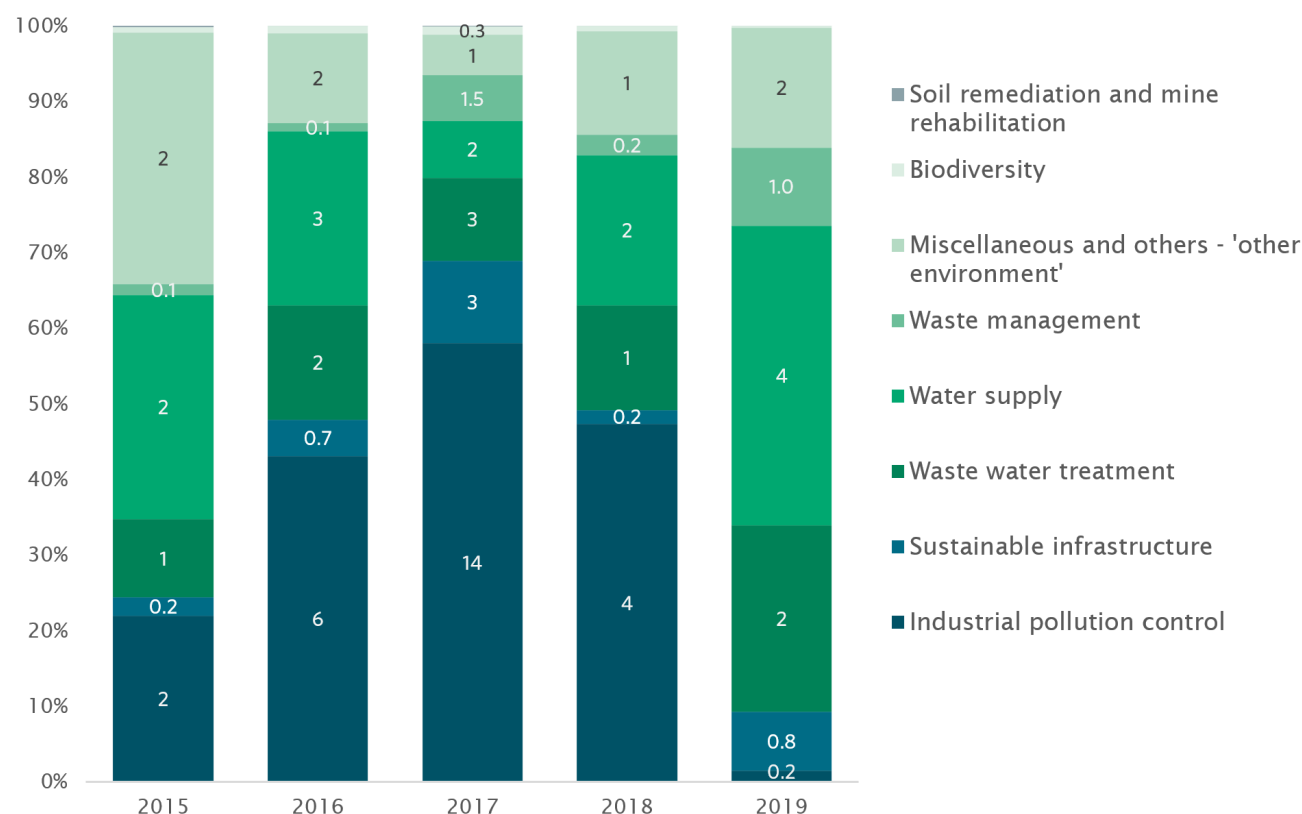
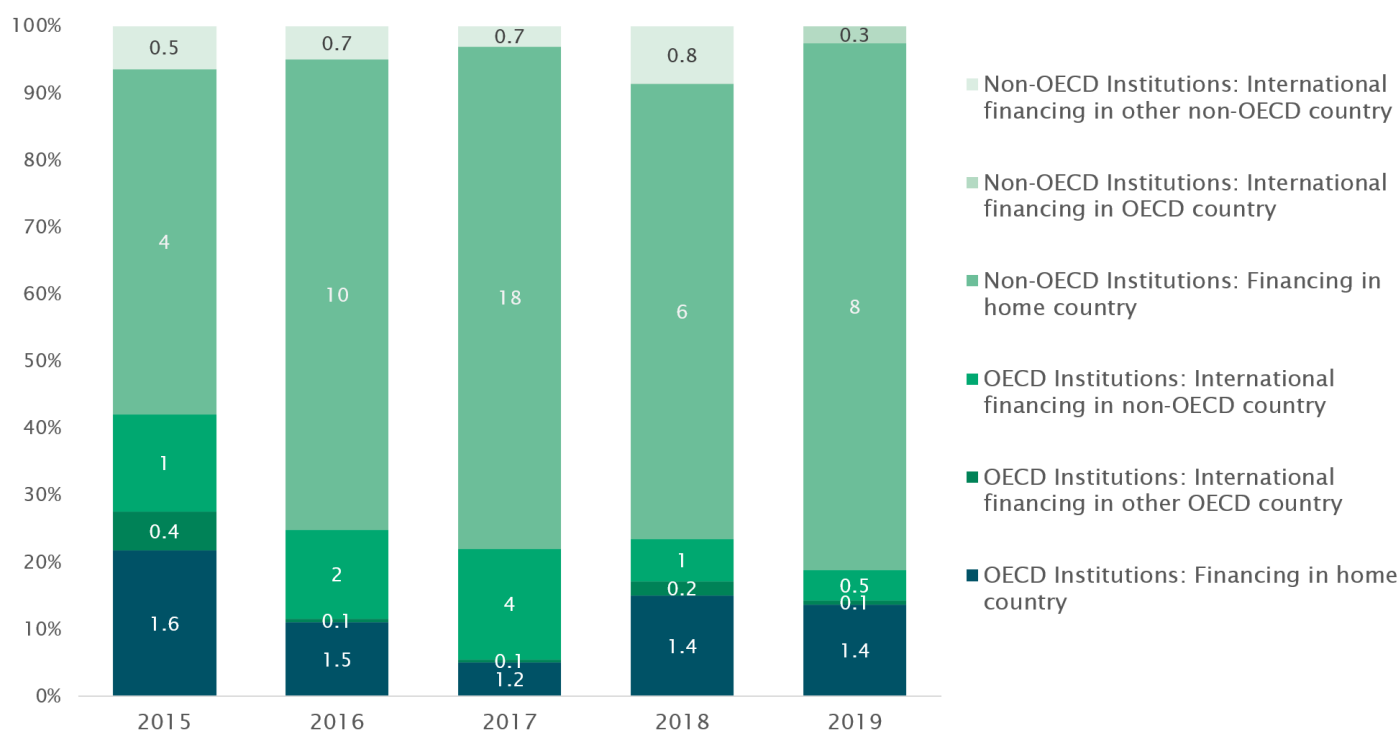


Figure 17 shows the breakdown of international and domestic finance for other environmental objectives. Similar to the trend observed for adaptation finance, domestic financing from non-OECD-based institutions increased to \$8 billion, with no international

commitments going to other non-OECD institutions. OECD institutions maintained a steady level of commitments going to domestic projects, representing 70% of total commitments made by OECD institutions.

Figure 17 | International and Domestic Financing to Other Environmental Objectives, 2015-2019 (percent and \$ billion)



Box 5: Other Environment project case study 2: DBSA in South Africa – Ecosystem Services for Water Security

During 2019, the DBSA provided financing for the planning and upgrading of water related infrastructure for a multitude of small projects in several South African municipalities.

In appraising these projects, DBSA recognized that municipal water services were highly dependent on catchment management and ecosystem services. The ad hoc nature of these projects made it difficult however to address catchment management on a project by project basis. Efforts were made to link these loans to a comprehensive national initiative called Ecosystem Services for Water Security. The initiative is funded by the Global Environment Facility (GEF). DBSA co-finance the initiative and also plays the role of a GEF implementing agency. The South African National Biodiversity Institute (SANBI) is the executing agency.

The initiative addresses the development of supportive policies, institutional structures and financing instruments to mobilise sustained investment in ecological infrastructure to improve water security. The project is implemented through three work programs which aim to:

- Create an enabling environment by integrating ecosystem services into the water value chain through natural capital accounts, supportive policies and financing mechanisms.
- Strengthen capacity for implementation through a demonstrable evidence base in two strategic water catchments critical to water security namely:
 - the **Berg and Breede** catchments in the Western Cape
 - the **Greater uMngeni** catchment in KwaZulu-Natal
- Share the knowledge generated through the project with stakeholders to mobilise action.

The initiative outlines a “roadmap”, of identified opportunities and interventions for the public and private sector to enhance investment in ecological infrastructure and improve water security.

Source: DBSA, 2019. 2019 Sustainability Review. <https://www.dbsa.org/EN/InvestorRelations/Pages/Sustainability.aspx>

3.7 MOBILIZED PRIVATE FINANCE

IDFC green finance tracking has included private sector mobilization since 2014, but generalizable findings remain difficult primarily due to limited data and varying methodologies. In the 2019 mapping exercise, the IDFC survey included a simplified template for members to report their total commitments to projects receiving co-financing from private institutions,⁵ as well as from other IDFC institutions and other public institutions. Where possible, member institutions also disaggregated their reported mobilized finance by the financial instrument used.

Among the nine institutions reporting co-financing data, five members provided an instrument breakdown and three members provided data at the project-level.

In total, these institutions reported around \$30 billion mobilized in co-financing from other public and private institutions. GCF provided \$265.5 million in co-financing for five projects led by IDFC members (AFD, DBSA, 2 projects by BOAD, KFW).

Of the \$9.6 billion in co-financing, the majority was provided by private institutions (\$7 billion) followed by other public institutions and other IDFC institutions (Figure 18). Mitigation received the largest share of co-finance from each source. Adaptation received only \$0.1 billion in co-financing from private institutions. While this reflects a significant adaptation finance gap, this result is partly due to challenges in tracking and accounting for private investment in adaptation sectors. Among co-financing received from private institutions, non-concessional loans accounted for the largest share at 61%.

5 For simplicity, the terms ‘co-financing’ and ‘finance mobilized’ are used here synonymously.

Private financing mobilization estimates vary from year to year depending on the members who are able to provide this data. This also reflects the challenges of consistently tracking co-financing amounts, the methodology and capacity for which varies from

institution to institution. To assess the effectiveness of public funds committed by IDFC members in mobilizing finance, project-level details on these amounts will be critical.

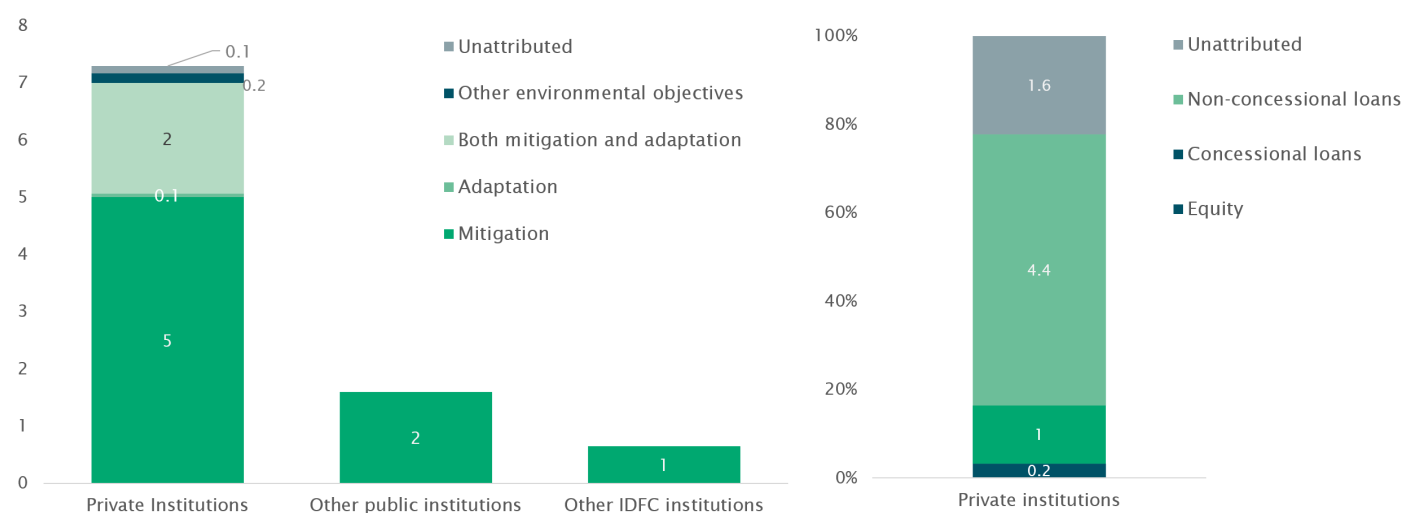
Box 6: Private finance mobilization case study: COFIDE in Peru – Mobilizing Finance for Energy Access

Concessional finance can be leveraged to mobilize private capital to achieve development goals, an approach often referred to as blended finance. COFIDE funded one project in 2019 targeting energy access for rural areas in Peru not yet connected to the electricity grid. Financed through concessional loans (first phase) and bonds (second phase), these projects funded the installation and maintenance of 220,000 solar panels. In the 2019 Green Finance Mapping, project-level reporting by members highlighted direct links between particular projects and commitments mobilized from private investors. Accounting for involvement from additional IDFC members, the project mobilized almost three times the volume of public funds (USD 68.95 million in the first phase and USD 23.7 million in the second phase) in private finance (USD 68.95 million in the first phase and USD 195.57 million in the second phase).

In April 2015, Ergon Peru S.A.C. (“Ergon”) entered into investment agreements with the Peruvian Ministry of Energy and Mines (“MEM”) to install and operate at up to 213,441 small-scale photovoltaic systems (“RER Kits” or “Kits”) supplying electricity to off-grid rural areas in Peru. The project funded the installation and maintenance of these solar panels. The total project cost was USD 254 million, financed in two phases through concessional loans (first phase) and bonds (second phase). Accounting for involvement from additional IDFC members, the project mobilized almost three times the volume of public funds (USD 68.95 million in the first phase and USD 23.7 million in the second) in private finance (USD 68.95 million in the first phase and USD 195.57 million in the second). The beneficiaries from the development of this project are rural populations in Peru, in regions including Puno, Huancavelica, Cajamarca, and Amazonas, who for the most part do not have access to the national electricity grid. Since the investment agreement has a long-term tenure, COFIDE believes this investment will ensure access to energy in rural areas for a long time.

Source: project-level reporting for Green Finance Mapping 2019

Figure 18 | Co-finance mobilized in 2019, by source and category (\$ billion)



4. ALIGNMENT WITH THE PARIS AGREEMENT

In support of making flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, IDFC members along with MDBs pledged to align finance flows with the Paris Agreement at the One Planet Summit in December 2017.^{xi} Since then, IDFC has made considerable progress to advance understanding of Paris alignment and mobilize action towards alignment.

In December 2018, IDFC released a position paper on Paris Alignment which reaffirmed the unique role IDFC members play in implementing the Paris Agreement and aligning financial flows. The position paper outlines a series of commitments including:

- support country-led climate related policies
- seek to catalyze investments, and to mobilize private capital (local & international)
- recognize the importance of adaptation and resilience, especially in most vulnerable countries
- support the transition from fossil fuels to renewables financing
- [recognizing that] aligning with the Paris agreement is also a process of internal transformation of the institutions, which can build on existing principles and/or practices

- increasingly mobilize finance for climate action

Figure 19 | Implementing alignment across the national, strategic, and operational levels

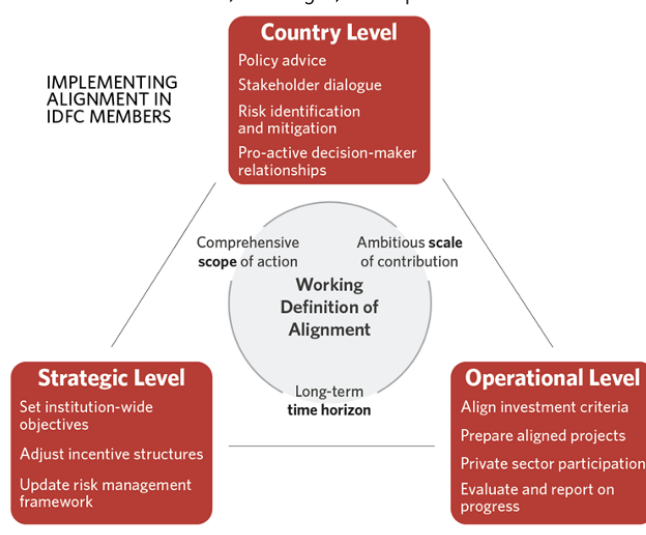
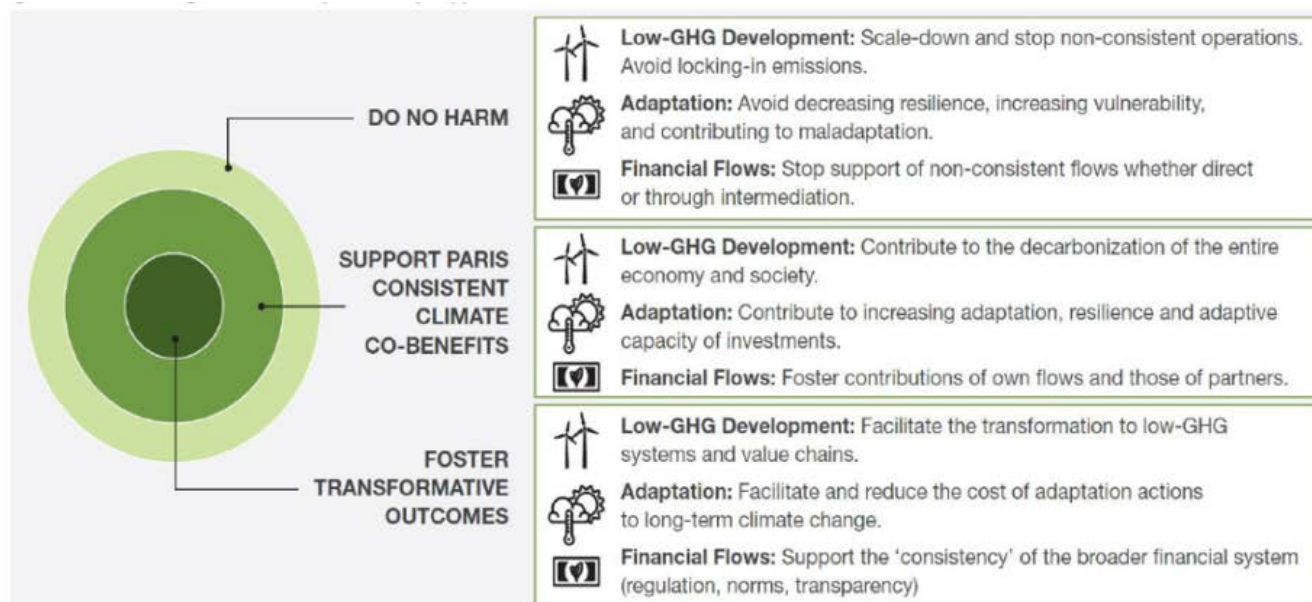


Figure 20 | The Paris Alignment 'Bulls Eye': actively support national and international transformations across all activities



In support of these commitments, IDFC commissioned a study on implementing alignment that would provide concrete recommendations for IDFC members, led by Climate Policy Initiative and the Institute for Climate Economics (ICE). The report was launched September 2019 in two parts: Part 1 establishing a theoretical and conceptual basis for alignment, and Part 2 identifying a targeted set of activities IDFC members may implement across the country-level, strategic and operational levels.^{xiii} It promotes (i) a comprehensive scope of action, i.e. screening all activities financed for positive or negative climate impacts; (ii) the contribution of near term actions to the achievement of long term goals of the Paris Agreement and the SDGs; and (iii) a do no harm approach while aiming for deep transformations of systems and value chains (Figures 19 and 20).

Box 7: The IDFC Climate Facility

In order to support members in their efforts to further integrate climate change into their mandates and align their approaches to address the needs of financing related projects, the IDFC has set up the “IDFC Climate Facility”. The objectives of the Climate Facility (CF) are to “institutionalize and facilitate collaborative work among members on climate change, and strengthen the capacity of IDFC members to originate and develop climate mitigation and adaptation projects and develop new and joint business opportunities in this field.” To achieve these objectives, the Facility will provide resources and services to IDFC members for facilitating cooperation between them and external stakeholders, easing access to project preparation and financing, as well as capacity building in climate finance and related fields.

For the pilot/initial phase of four years, the Facility is hosted by AFD. Its work is facilitated by a Coordination Unit (CU), currently staffed with secondees from TSKB, KfW and AFD. The CU roles consists in managing the Facility’s annual work programme, providing specific climate finance expertise and inputs to the technical work of the Facility, and contributing to the communication between the IDFC members, the IDFC Climate working group, the Secretariat and external stakeholders and potential partners.

At the 2019 United Nations Climate Action Summit, IDFC members made the additional commitment to mobilize significant financing volumes for achieving the Paris Agreement objectives, and undertake recommendations for implementing alignment by having members:

- Work at country and sub-national level and engage with other actors to support national constituencies implement their commitments to the Paris Agreement and provide policy advice to devise development pathways consistent with long term resilience and carbon neutrality;
- Further embed climate change considerations and alignment with the Paris Agreement within IDFC members’ strategies;
- Redirect financial flows in support of low-carbon and climate-resilient sustainable development.

The IDFC Climate Facility launched in 2019 aims to further institutionalize and facilitate collaboration among members on climate change (Box 7). Additionally, the partnership with GCF signed in June 2019 will be another resource for IDFC members, as it supports further knowledge sharing on climate finance, integration of climate considerations in financial institutions, facilitates access to GCF resources with co-financing from IDFC members and support to capacity building activities, as well as increasing joint outreach and awareness raising. In 2019, two new members of the Club were accredited to the GCF (reaching a total of 13) and 5 projects submitted by members were approved by the GCF for an amount of \$265 million (reaching a total of 15 projects representing \$985 million of GCF co-financing to the Club).

5. CONCLUSIONS

In 2019, IDFC institutions committed \$197 billion in green finance, representing 25% of total new commitments made by reporting institutions and a significant rebound from the historic low of \$134 billion recorded in 2018. A total of 22 members out of 26 (85%) participated in the GFM exercise this year, the highest participation rate to date and an important milestone for tracking green finance. Many IDFC institutions have reported increased green finance commitments, with 10 institutions reporting their largest yearly commitment to date in 2019. The quality of data also improved, with more members reporting at the project-level and providing more detailed information on adaptation projects.

Climate finance represented 95% of total green finance (\$187 billion), with the majority going to mitigation (\$163.5 billion) followed by adaptation (\$19 billion). Adaptation finance has increased for three consecutive years, achieving more than three times the level of commitments made in 2015. The continued growth of adaptation finance reflects growing awareness of the need to address climate risks and increased attention to tracking adaptation activities, a category in which defining a standardized definition and typology remains a challenge. In terms of source and destination, the majority of green finance commitments remained in the home countries of the respective IDFC member institutions, while \$22 billion in international commitments went to non-OECD countries.

The trends observed in 2019 reinforce IDFC's commitments to increase both the quantity and quality of green finance and marks a promising first step towards the commitment to provide more than \$1 trillion in climate finance by 2025. This year, however, the outbreak of COVID-19 presents unprecedented challenge for the development finance community in upholding the Paris climate commitments and ensuring a sustainable recovery. While the impact of the pandemic on climate finance flows remains to be seen,

it is expected that public resources will be stretched thin across multiple development priorities.

In the wake of COVID-19, IDFC members will need to strengthen cooperation on multiple fronts, including the integration of climate considerations for a sustainable recovery, while maintaining momentum on the rapid scale up of climate finance. The IDFC Climate Facility, and the partnership with GCF, will play key roles in supporting members towards this end, leveraging resources to meet development banks' needs for navigating the critical next years while ensuring alignment with the Paris Agreement and Sustainable Development Goals (SDG). Overcoming this unprecedented crisis and rebuilding a sustainable world will require collective action across public and private institutions, in which development finance institutions can play a catalytic role. Public development banks can also foster effective collaboration and dialogue among market actors, governments and regulators to promote long term carbon neutrality and inclusive growth.

At the Climate Action Summit in New York in September 2019, the IDFC proposed that a Summit of Development Banks be organized in 2020 under UN sponsorship, ahead of COP 26, to mobilize all public development banks worldwide as well as their broad stakeholders, with a view of further tapping their decisive potential to enable the implementation of the climate and SDGs agendas. This Summit is being organised as the Finance in Common Summit, together by the IDFC and the World Federation of Development Finance Institutions (WFDFI) and under the high patronage of the UNSG on November 9 – 13, 2020. Additional commitments and initiatives to further international goals are anticipated to launch on the occasion of the Summit. Collectively, IDFC members have transformative potential to strengthen climate action and inclusive growth during this period of unprecedented crisis, in partnership with other development finance institutions, policy makers, and private sector actors.

6. APPENDICES

6.1 APPENDIX A.1: LIST AND BRIEF DESCRIPTION OF IDFC OECD MEMBER ORGANIZATIONS

REGION	ORGANIZATION
Europe	Agence Française de Développement (AFD), France
	Black Sea Trade and Development Bank (BSTDB), Greece
	Cassa Depositi e Prestiti (CDP), Italy
	Industrial Development Bank of Turkey (TSKB), Turkey
	KfW Bankengruppe, Germany
Central and South America	Banco Estado (BE) Chile
	Nacional Financiera (NAFIN), Mexico
Asia and MENA	The Korea Development Bank (KDB), South Korea
	Japan International Cooperation Agency (JICA), Japan

6.2 APPENDIX A.2: LIST AND BRIEF DESCRIPTION OF IDFC NON-OECD MEMBER ORGANIZATIONS

REGION	ORGANIZATION
Europe	Croatian Bank for Reconstruction and Development (HBOR), Croatia
	Vnesheconombank (VEB.RF), Russia
Central and South America	Banco de Inversion y Comercio Exterior S.A. (BICE), Argentina
	Bancoldex S.A., Colombia
	Banco Nacional de Desenvolvimento Econômico e Social (BNDES), Brazil
	Central American Bank for Economic Integration (BCIE/CABEI), Honduras
	Corporación Financiera de Desarrollo S.A. (COFIDE), Peru
	Development Bank of Latin America (CAF), Peru
Africa	Banque Ouest Africaine de Développement (BOAD), Togo
	Caisse de Dépôt et de Gestion (CDG), Morocco
	Development Bank of Southern Africa (DBSA), South Africa
	The Trade and Development Bank (TDB), Burundi
Asia and MENA	China Development Bank (CDB), China
	PT Sarana Multi Infrastruktur (PT SMI)Indonesia Exim Bank, Indonesia
	Small Industries Development Bank of India (SIDBI), India
	Islamic Corporation for the Development of the Private Sector (ICD), Saudi Arabia
Inter-regional institutions	International Investment Bank (IIB), Russia Hungary

6.3 APPENDIX B: METHODOLOGY GUIDANCE – DEFINITIONS AND TERMINOLOGY

DEFINITIONS AND TERMINOLOGY

With no standardized and internationally agreed definitions for green and climate finance, this methodology provides working definitions for both the 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 GHG emissions, 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:

- Green energy and mitigation of GHG
- Adaptation to climate change impacts
- Other environmental objectives

To provide accurate and comparable data for this mapping exercise, a consistent categorization of mitigation and adaptation activities was agreed to by IDFC members, taking into consideration the outcomes of the MDBs-IDFC Common Principles for Climate Finance Tracking. The 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 Table B2.
- 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 Appendix C.

The categories were adopted from the 2011 IDFC Green Finance Mapping methodology and updated

according to the MDBs-IDFC Common Principles for Climate Finance Tracking. 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 subcategories with clear project activity examples. The category on green energy and mitigation was also disaggregated further into sub-subcategories, based on the developed MDBs-IDFC Common Principles for Climate Mitigation Finance Tracking. This approach also helps to avoid double-counting of projects. Additional details on the themes, subcategories, and sub-subcategories are provided in Appendix C. In those cases where IDFC members did not have, or refrained from providing, subcategory information, non-attributed data were provided.

In this study, given data are for financial flows committed in the year 2017 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 2017. Cross financial flows between IDFC banks are minimal in the climate financing area and hence are not accounted for in the assessment.

Table B1 | Definition of Instruments

INSTRUMENT	DEFINITION
Loans	A loan is a debt evidenced by a note that specifies, among other things, the principal amount, interest rate, and date of repayment.
...of which concessional loans	Loans which are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those available on the market or by longer pay back periods or a combination of these.
...of which non-concessional loans	Loans with regular market conditions
Grants	Grants are transfers made in cash, goods, or services for which no repayment is required.
Other Instruments includes	
Guarantee	Formal assurance that liabilities of a debtor will be met if the debtor fails to settle the debt.
Equity	A stock or any other security representing an ownership interest.

Table B2 | Definition of Categories/Themes

OTHER ENVIRONMENTAL OBJECTIVE		SOURCE
Definition	An activity will be classified as other environmental objective 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		SOURCE
Definition	An activity will be classified as related to climate change mitigation if it promotes “efforts to reduce or limit greenhouse gas (GHG) emissions or enhance GHG sequestration”. Reporting according to the Principles does not imply evidence of climate change impacts and any inclusion of climate change impacts is not a substitute for project-specific theoretical and/or quantitative evidence of GHG emission mitigation; projects seeking to demonstrate climate change impacts should do so through project-specific data	MDBs-IDFC Common Principles for Climate Mitigation Finance Tracking V2 ^{xiii}
Criteria for Eligibility	<p>Where data are unavailable, any uncertainty is to be overcome following the principle of conservativeness where climate finance is preferred to be under-reported rather than over-reported</p> <ul style="list-style-type: none"> • The Principles are activity-based as they focus on the type of activity to be executed, and not on its purpose, the origin of the financial resources, or its actual results. The list of activities eligible under these principles are illustrated in Table 1 • Project reporting is ex-ante project implementation at board approval or financial commitment • Climate finance tracking is independent of GHG accounting reporting in the absence of a joint GHG methodology. • The Principles require mitigation activities to be disaggregated from non-mitigation activities as far as reasonably possible. If such disaggregation is needed and not possible using project specific data, a more qualitative/experience based assessment can be used to identify the proportion of the project that covers climate mitigation activities, consistent with the conservativeness principle. This is applicable to all categories, but of particular significance for energy efficiency projects. • Mitigation activities or projects can consist of a stand-alone project, multiple stand-alone projects under a larger programme, a component of a stand-alone project, or a programme financed through a financial intermediary. • In fossil fuel combustion sectors (transport, and energy production and use), the methodology recognizes the importance of long-term structural changes, such as the energy production shift to renewable energy technologies, and the modal shift to low-carbon modes of transport. Consequently, for renewable energy and transport projects ensuring modal shift, both new and retrofit projects are included. In energy efficiency, however, the methodology acknowledges that drawing the boundary between increasing production and reducing emissions per unit of output is difficult. Consequently, greenfield energy efficiency investments are included only in few cases when they enable preventing a long-term lock-in in high carbon infrastructure, and, for the case of energy efficiency investments in existing facilities, it is required that old technologies are replaced well before the end of their lifetime, and new technologies are substantially more efficient than the replaced technologies. Alternatively, it is required that new technologies or processes are substantially more efficient than those normally used in greenfield projects. • The methodology assumes that care will be taken to identify cases when projects do not mitigate emissions due to their specific circumstances. 	MDBs-IDFC Common Principles for Climate Mitigation Finance Tracking V2

CLIMATE-CHANGE ADAPTATION		SOURCE
Definition	<p>Adaptation finance tracking relates to tracking the finance for activities that address current and expected effects of climate change, where such effects are material for the context of those activities.</p> <p>Adaptation finance tracking may relate to activities consisting of stand-alone projects, multiple projects under larger programmes, or project components, sub-components or elements, including those financed through financial intermediaries.</p>	IDFC-MDBs Common principles for climate change adaptation
Criteria for Eligibility	<p>Adaptation finance tracking process consists of the following key steps:</p> <p>Setting out the context of risks, vulnerabilities and impacts related to climate variability and climate change;</p> <p>Stating the intent to address the identified risks, vulnerabilities and impacts in project documentation;</p> <p>Demonstrating a direct link between the identified risks, vulnerabilities and impacts, and the financed activities.</p> <p>Adaptation finance tracking requires adaptation activities to be disaggregated from non-adaptation activities as far as reasonably possible. If disaggregation is not possible using project specific data, a more qualitative or experience-based assessment can be used to identify the proportion of the project that covers climate change adaptation activities. In consistence with the principle of conservativeness, climate finance is underreported rather than over-reported in this case.</p>	IDFC-MDBs Common principles for climate change adaptation

Table B3 | Definition of Regions (Adapted from the World Bank)

EAST ASIA AND THE PACIFIC	EASTERN EUROPE AND CENTRAL ASIA	LATIN AMERICA AND THE CARIBBEAN	MIDDLE EAST AND NORTH AFRICA	SOUTH ASIA
American Samoa	Albania	Antigua and Barbuda	Algeria	Afghanistan
Cambodia	Armenia	Argentina	Djibouti	Bangladesh
China	Azerbaijan	Belize	Egypt, Arab Rep.	Bhutan
Fiji	Belarus	Bolivia	Iran, Islamic Rep.	India
Indonesia	Bosnia and Herzegovina	Brazil	Iraq	Maldives
Kiribati	Georgia	Chile	Jordan	Nepal
Korea, Dem. Rep.	Kazakhstan	Colombia	Lebanon	Pakistan
Lao PDR	Kosovo	Costa Rica	Libya	Sri Lanka
Malaysia	Kyrgyz Republic	Cuba	Morocco	
Marshall Islands	Macedonia, FYR	Dominica	Syrian Arab Republic	
Micronesia, Fed. Sts	Moldova	Dominican Republic	Tunisia	
Mongolia	Montenegro	Ecuador	West Bank and Gaza	
Myanmar	Russian Federation	El Salvador	Yemen, Rep.	
Palau	Serbia	Grenada		
Papua New Guinea	Tajikistan	Guatemala		

Philippines	Turkey	Guyana		
Samoa	Turkmenistan	Haiti		
Solomon Islands	Ukraine	Honduras		
Thailand	Uzbekistan	Jamaica		
Timor-Leste		Mexico		
Tuvalu		Nicaragua		
Tonga		Panama		
Vanuatu		Paraguay		
Vietnam		Peru		
		St. Lucia		
		St. Vincent and the Grenadines		
		Suriname		
		Uruguay		
		Venezuela, RB		
SUB-SAHARAN AFRICA		EU	Others	
Angola	Mauritania	Austria	Trans-regional	
Benin	Mauritius	Belgium	Include funds that are channelled to more than one region and/or that are channelled through multilateral climate funds.	
Botswana	Mozambique	Bulgaria		
Burkina Faso	Namibia	Cyprus	Australia Canada Japan United States	
Burundi	Niger	Czech Republic		
Cameroon	Nigeria	Denmark		
Cape Verde	Rwanda	Estonia		
Central African Republic	São Tomé and Príncipe	Finland		
Chad	Senegal	France		
Comoros	Seychelles	Germany		
Congo, Dem. Rep.	Sierra Leone	Greece		
Congo, Rep	Somalia	Hungary		
Côte d'Ivoire	South Africa	Ireland		
Eritrea	South Sudan	Italy		
Ethiopia	Sudan	Latvia		
Gabon	Swaziland	Lithuania		
Gambia, The	Tanzania	Luxembourg		
Ghana	Togo	Malta		
Guinea	Uganda	Netherlands		
Guinea-Bissau	Zambia	Poland		
Kenya	Zimbabwe	Portugal		
Lesotho		Romania		
Liberia		Slovakia		
Madagascar		Slovenia		
Malawi		Spain		
Mali		Sweden		
		United Kingdom		

Table B4 | Definition of private sector co-financing

Definition	The asset financed is in private ownership ($\geq 50\%$) ("private investment") AND/OR the financial contribution comes from a private sector actor ("private capital")	DFI climate finance questionnaire
Criteria for Eligibility	Loans by private sector actors mobilised by IDFC member loans Loans by private sector actors mobilised by IDFC member equity positions Loans by private sector actor mobilised by IDFC member guarantees Equity from private sector mobilised by IDFC member loans Equity from the private sector actor mobilised by IDFC member equity positions Loans by private sector actor mobilised by IDFC member grants (e.g. to cover costs of a renewable energy feed-in law or premium or CO2-certificates in the CDM) Equity from private sector actor mobilised by IDFC member grants (e.g. to cover costs of a renewable energy feed-in law or premium or CO2-certificates in the CDM) Loans to the private sector generated by the revolving use of credit lines or green funds (subtract original loan to avoid double counting) Loans and equity mobilised from the private sector in other ways under Public-Private-Partnerships (PPP)	
Sampling vs. complete coverage	It is acceptable to derive representative mobilisation factors (e.g. 1,5 for revolving credit lines to banks or 1,5 for equity in project finance) for homogenous fractions of the portfolio based on a representative subset of projects.	
Several public sector actors are involved	Allocate mobilised investment on a pro-rata basis to different public financiers independent of the specific instruments applied.	

Table B5 | Definition of climate policies

Definition	Specific climate strategy that the institution acts upon	IDFC green finance mapping
Specifications	<p>Environment rate: rate that shows the proportion of commitments regarding environmental topics compared to total commitments</p> <p>Climate guidelines for new projects (like ESG standards): inclusion of environmental, social & governance criteria/guidelines/policies in investment analysis and decision processes</p>	

6.4 APPENDIX C: METHODOLOGY GUIDANCE – ESTIMATING PRIVATE SECTOR MOBILIZATION

Table C1 | Joint DFI Group

Description	Defined as the amount of financial resources contributed by external entities alongside finance invested by an IDFC member.		
Eligibility	IDFC INSTRUMENT	PRIVATE FINANCE MOBILIZED	ATTRIBUTION IF SEVERAL PUBLIC SECTOR ACTORS
	Grants	Private finance loans, equity	Allocate mobilised investment on a pro-rata basis to different public financiers independent of the specific instruments applied.
	Loans	Private finance loans, equity	
	Equity	Private finance loans, equity	
	Guarantees	Private finance loans, equity	
	Credit lines	Private finance loans, subtracting original loan amount to avoid double counting	
Sampling vs. Complete coverage	It is acceptable to derive representative mobilisation factors (e.g. 1.5 for revolving credit lines to banks or 1.5 for equity in project finance) for homogenous fractions of the portfolio based on a representative subset of projects. Member institutions were asked to indicate which factors were used per instrument type in the survey sheet.		
Source	KfW, 2015. Proposal of a methodology for tracking publicly mobilized private climate finance.		

Table C1 | Joint DFI Group

Description	Implies a causal link for when specific mechanisms stimulate the allocation of additional financial resources to particular objectives.		
Eligibility	IDFC INSTRUMENT	PRIVATE FINANCE MOBILIZED	ATTRIBUTION IF SEVERAL PUBLIC SECTOR ACTORS
	Syndicated loans	Private finance loans in the syndicate	If public arranger, allocate 50% of private finance loans to arranger, and the remainder to all public financiers on a pro-rata basis. If private arranger, allocate 100% of private finance loans on a pro-rata basis among public financiers.
	Shares in Collective Investment Vehicles (e.g. funds)	Private finance equity in CIV	At the time of each private investment, 50% of amount to those in riskiest tranche pro-rata, and the remainder 50% pro-rata to all (including those in riskiest tranche).
	Guarantees	Private finance loans (full value)	Allocate private finance on a pro-rata basis among public financiers
	Credit lines	Additional loans from local private finance institution, equity from private end-borrower (estimated). If credit line is longer maturity than typical loan for target borrowers, apply factor for use of revolving funds by credit line. (calculated by estimating the proportion of the average loan maturity against the credit line term and multiply by average utilization rate (percentage of the finance available in similar credit lines)).	Allocate private finance on a pro-rata basis among public financiers
	Direct investment in companies	Private loans, equity during financing round	At the time of the financing round, 50% of private finance amount to those in riskiest part of corporate structure e.g. equity or mezzanine, and the remainder 50% pro-rata among all public financiers
Sampling vs. Complete coverage	It is acceptable to derive representative mobilisation factors (e.g. 1,5 for revolving credit lines to banks or 1,5 for equity in project finance) for homogenous fractions of the portfolio based on a representative subset of projects. Please indicate which factors were used per instrument type in the survey sheet.		
Source	OECD DAC, 2018. DAC methodologies for measuring the amounts mobilised from the private sector by official development finance interventions.		

6.5 APPENDIX D: ELIGIBLE PROJECT CATEGORIES

Despite the efforts of MDBs and IDFC to develop Common Principles for Climate Finance Tracking, a key challenge of the mapping study is to overcome the varying definitions for green finance and to distinguish the finance flows, attributed to other environmental objectives, green energy and mitigation of GHG and adaptation categories, from each other. In order to most effectively distinguish between these categories,

guidance was provided to IDFC members. Much of this guidance was determined in close coordination with representatives of IDFC.

Disaggregated data was collected as shown in Table 4 below. In addition, IDFC members were asked to further disaggregate their financial commitments to green energy and mitigation.

Category	Subcategory	Activities
Green energy and mitigation of greenhouse gas emissions		
1. Renewable Energy	1.1 Electricity Generation	Wind power
		Geothermal power (only if net emission reductions can be demonstrated)
		Solar power (concentrated solar power, photovoltaic power)
		Biomass or biogas power (only if net emission reductions, including carbon pool balance, can be demonstrated)
		Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
		Hydropower plants (only if net emission reductions can be demonstrated)
		Renewable energy power plant retrofits
	1.2 Heat Production or other renewable energy application	Solar water heating and other thermal applications of solar power in all sectors
		Thermal applications of geothermal power in all sectors
		Wind-driven pumping systems or similar
	1.3 Measures to facilitate integration of renewable energy into grids	Thermal applications of sustainably/produced bioenergy in all sectors, incl. efficient, improved biomass stoves
		New, expanded and improved transmission systems (lines, substations).
		Storage systems (battery, mechanical, pumped storage)
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability, (only if net emission reductions can be demonstrated)[1]
		Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type
	2.2 Power Plants	Conversion of existing fossil-fuel based power plant to co-generation[2] technologies that generate electricity in addition to providing heating/cooling
		Waste heat recovery improvements.
		Energy-efficiency improvement in existing thermal power plant,

3. Energy efficiency	3.1 Energy efficiency in industry in existing facilities	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)
	3.2 Energy efficiency improvements in existing commercial, public and residential 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[3]
		Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption
	3.3 Energy efficiency improvements in the utility sector and public services	Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment
		Rehabilitation of district heating and cooling systems
		Utility heat loss reduction and/or increased waste heat recovery
		Improvement in utility scale energy efficiency through efficient energy use, and loss reduction
	3.4 Vehicle energy efficiency fleet retrofit	Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	3.5 Energy efficiency in new commercial, public and residential buildings	Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes
	3.6 Energy audits	Energy audits to energy end-users, including industries, buildings, and transport systems
4. Agriculture, forestry and land-use	4.1 Agriculture	Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes
		Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)
		Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use ...).
	4.2 Afforestation and reforestation, and biosphere conservation	Afforestation (plantations) on non-forested land
		Reforestation on previously forested land
		Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities
		Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems
	4.3 Livestock	Livestock projects that reduce methane or other GHG emissions (manure management with biogas, etc.)
	4.4 Biofuels	Production of biofuels (including biodiesel and bioethanol) (only if net emission reductions can be demonstrated)

5. Non-energy GHG reductions	5.1 Fugitive emissions	Reduction of gas flaring or methane fugitive emissions in the oil and gas industry Coal mine methane capture
	5.2 Carbon capture and storage	Projects for carbon capture and storage technology that prevent release of large quantities of CO ₂ into the atmosphere from fossil fuel use in power generation, and process emissions in other industries
	5.3 Air conditioning and refrigeration	Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
	5.4 Industrial processes	Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
6. Waste and wastewater		Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net GHG emission reductions can be demonstrated)
		Waste management projects that capture or combust methane emissions
		Waste to energy projects
		Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated).
7. Transport	7.1 Urban transport modal change	Urban mass transit
		Non-motorized transport (bicycles and pedestrian mobility)
	7.2 Transport oriented 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 dedicated 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)
	7.3 Inter-urban 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)
8. Low-carbon technologies	8.1 Products or equipment	Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors
	8.2 R&D	Research and development of renewable energy or energy efficiency technologies
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	Mitigation national, sectorial or territorial policies/planning/action plan policy/planning/institutions
		Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)
		Systems for monitoring the emissions of greenhouse gases
		Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution),
		Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research
		Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action

	9.2 Financing Instruments	Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.
10. Miscellaneous	10.1 Other activities with net greenhouse gas reduction	Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions
[1] In case capacity expansion only the part that is reducing existing losses is included		
[2] In all cogeneration projects it is required that energy efficiency is substantially higher than separate production.		
[3] ibid		

CATEGORY	SUBCATEGORY	ACTIVITIES
Adaptation to climate change		
Water preservation	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)
Agriculture, natural resources and ecosystem based adaptation	Agriculture, natural resources and ecosystem based adaptation	Conservation agriculture such as provision of information on crop diversification options (to adapt to an increased vulnerability in crop productivity)
		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	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)
Other disaster risk reduction	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	Local, sectoral, or national budget support to a climate change adaptation policy	Dedicated budget support to a national or local authorities for climate change adaptation policy implementation

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

6.6 APPENDIX E: DATA TABLE

GREEN ENERGY AND MITIGATION OF GHG EMISSIONS	\$ BILLIONS IN 2016	\$ BILLIONS IN 2017	\$ BILLIONS IN 2018	\$ BILLIONS IN 2019
Transport	79.6	94.6	36.9	81.9
Renewable energy	37.1	47.2	29.5	35.1
Energy efficiency	25.8	25.8	23.8	26
Lower-carbon and efficient energy generation	4.7	5.3	7.7	5.1
Agriculture, forestry, and land-use	1.8	9.3	5.7	4.8
Cross-cutting issues	1.0	1.2	2.0	1.9
Miscellaneous and others—green energy and mitigation	0.9	0.7	0.3	5.2
Waste and wastewater	0.4	0.3	0.3	1.2
Unattributed	2.0	-	0.1	2.4
TOTAL	153.3	184.5	106.3	163.5

ADAPTATION TO CLIMATE CHANGE	\$ BILLIONS IN 2016	\$ BILLIONS IN 2017	\$ BILLIONS IN 2018	\$ BILLIONS IN 2019
Water preservation	1.7	5.6	6.4	11
Agriculture, natural resources and ecosystem-based adaptation	1.2	0.7	0.9	1
Other disaster risk reduction	1.2	1.6	7.6	6
Miscellaneous and others - Adaptation	0.6	1.6	0.2	0.5
Local, sectoral, or national budget support to a climate change adaptation policy	0.1	0.1	0.3	0.1
Coastal protection	0.03	0.2	0.02	0.03
TOTAL	4.8	9.7	15.4	19.3

PROJECTS WITH ELEMENTS OF BOTH MITIGATION AND ADAPTATION	\$ BILLIONS IN 2016	\$ BILLIONS IN 2017	\$ BILLIONS IN 2018	\$ BILLIONS IN 2019
TOTAL	1.4	1.6	3.3	3.9

OTHER ENVIRONMENTAL OBJECTIVES	\$ BILLIONS IN 2016	\$ BILLIONS IN 2017	\$ BILLIONS IN 2018	\$ BILLIONS IN 2019
Industrial pollution control	6.0	14.0	4.2	0.2
Water supply	3.2	1.8	1.8	4
Waste water treatment	2.1	2.7	1.2	2
Miscellaneous and others - 'other environment'	1.6	1.3	1.2	2
Sustainable infrastructure	0.7	2.6	0.2	0.8
Waste management	0.1	1.5	0.2	1
Biodiversity	0.1	0.3	0.06	0.03
Soil remediation and mine rehabilitation	0.001	0.001		0.00
TOTAL	13.8	24.2		10.1

ADB	Asian Development Bank
AFD	Agence Française de Développement
AfDB	African Development Bank
Bancoldex	Banco de Comercio Exterior de Colombia
BE	Banco de Estado
BICE	Banco de Inversión y Comercio Exterior S.A
BNDES	Brazilian Development Bank
BOAD	Banque Ouest Africain de Développement
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
CDP	Cassa Depositi e Prestiti
CO2	Carbon dioxide
COFIDE	Corporación Financiera de Desarrollo S.A.
MDB-IDFC Common Principles	Common Principles for Climate Mitigation as well Climate Change Adaptation Finance Tracking, jointly developed by MDBs and IDFC
COP	Conference of Parties
CPI	Climate Policy Initiative
DBSA	Development Bank of Southern Africa
HBOR	Croatian Bank for Reconstruction and Development
ICD	Islamic Corporation for the Development of the Private Sector
IEB	Indonesia Exim Bank
IDFC	International Development Finance Club
IFC	International Finance Corporation
IIB	International Investment Bank
JICA	Japan International Cooperation Agency
KFW	Kreditanstalt für Wiederaufbau
KDB	Korean Development Bank
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
PT SMI	PT Sarana Multi Infrastruktur (Persero)
PV	Photovoltaic
SEI	Stockholm Environment Institute
SIDBI	Small Industries Development Bank of India
TDB	Trade and Development Bank
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

Endnotes

- i **IDFC, 2019a.** IDFC's Contribution to the Climate Action Summit 2019. Available at: <https://www.idfc.org/wp-content/uploads/2019/09/official-idfc-communique-vdef21-09-2019-22h50-cet.pdf>
- ii **IDFC, 2019b.** IDFC Climate Facility. Available at: <https://www.idfc.org/idfc-climate-facility/>
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