



TOGETHER TO SHAPE
A SUSTAINABLE FUTURE

#IDFC10Years

International Development Finance Club (IDFC)

10-Year
Celebration
Report
2011-2021

2021

FOREWORD

I would like to start by thanking the first group of 17 institutions that gathered in 2011, around Dr. Ulrich Schroeder, first IDFC Chairperson and KfW CEO. Your vision launched the incredible journey of this unique Club. Thank to all of you who spearheaded the Public Development Banks recognition internationally and in the development finance ecosystem. Other institutions understood the pertinence of our Club joining it to diversify its landscape and strengthening its mandate. Our initial collective ambition on climate finance was then broaden by the full arrow of Sustainable Development Goals. I am grateful to have had the chance since 2016 to embark personally in this journey. Since then, we have together put light on the role of IDFC as the largest provider of development and climate finance globally and strong advocate for the alignment of all financial institutions, public and private, with the SDGs and Paris Agreement objectives. I am proud to have followed the path this pioneering group of leaders set 10 years ago. I am proud to lead our common efforts, in close partnership with other development bank networks, private sector, think tanks, academics and CSOs, gathered in the Finance in Common movement, a global platform for a sustainable, inclusive, and greener future. It was such an honor to bring my contribution and we have high hopes for the next decade paving the way to the achievement of the 2030 Agenda. Together with IDFC members, let's shape a sustainable future!



*Rémy Rioux,
IDFC Chairperson & CEO of Agence
Française de Développement (AFD)*



First IDFC Annual Meeting, Washington D.C, September 2011



TRIBUTE TO MR. SCHROEDER

“There are people that come into your life at one stage or another and you know from the very first moment that they are here to make an impact. Dr. Ulrich Schroeder was definitely one of them.

I remember my first IDFC Annual meeting back in 2013, where he presided. He filled the room with his presence. His wisdom, knowledge and what’s most important – his faith, enthusiasm and passion in the Club left little doubt that this platform would become one of the pillars of sustainable development on a global scale. He had a natural talent of being heard when he spoke, of being understood when he tried to deliver his point of view, to make you laugh with his jokes even during the most serious discussions. He was a born leader and every person, who had an honour and privilege to be personally acquainted with him, had something nice to say in his regard. It is a pure joy to witness his legacy live on. To see IDFC develop and gain weight and positioning in the international arena, to be a part of something Dr. Schroeder felt so strongly about. I am certain that he would have been very proud. That gives us all additional impetus to put an extra effort into everything we do.”

*Anna Lvova,
IIB Sherpa since 2013,
on behalf of all IDFC members, partners and friends*

INTRODUCTION

Created in 2011, the International Development Finance Club (IDFC) is the leading group of 26 national and regional development banks from all over the world, a majority active in emerging markets. IDFC is the largest provider of public development and climate finance globally, with US\$ 4 trillion in combined assets and annual commitments above US\$ 800 billion, including more than US\$ 160 billion of climate finance. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies.

IDFC members are aligned with and work together to implement the Sustainable Development Goals (SDGs) and the Paris Climate Agreement agendas. Through IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide.

From the creation of the Club in 2011, 10 years past, with growing international recognition for the Clubs achievements, a membership growing stronger and more and more efficient in contributing to the 2030 Agenda and the Paris Agreement with the aim of redirecting financial flows towards sustainable development investments that can enduringly protect

the people as well as the planet. But the Club has demonstrated also that its members can collectively mobilize its financial capacity and expertise to provide an immediate response to the short-term challenges, such as the ones that emerged during the unprecedented Covid 19 crisis.

Beyond its collective work and achievements, IDFC is also a unique spirit. Working together in the consensus and the conviviality, going through great times and difficult times, throughout the years, we created the IDFC family.

So we are proud to share with you our collective history, our actions, our efforts and our hopes for the future in this first IDFC activity report to celebrate together our 10 year anniversary and to shape together sustainable futures.



Chapter 1

**IDFC's History
2011 – 2021**

IDFC MEMBERS

The International Development Finance Club was created on 25th September 2011 around 17 founding institutions that agreed to abide by the terms of the [International Development Finance Club Charter](#). Today, IDFC is a Club of 26 national and regional development banks worldwide.

EUROPE

- Black Sea Region**
Black Sea Trade and Development Bank (BSTDB)*
- Croatia**
Croatian Bank for Reconstruction and Development (HBOR)*
- France**
Agence Française de Développement (AFD)*
- Germany**
KfW Bankengruppe (KfW)*
- Hungary**
International Investment Bank (IIB)
- Italia**
Cassa Depositi e Prestiti (CDP)
- Russia**
Vnesheconombank (VEB)*
- Turkey**
Industrial Development Bank of Turkey (TSKB)*

AFRICA

- Eastern & Southern Africa Region**
The Eastern & Southern Africa Trade and Development Bank (TDB)
- Morocco**
Caisse de Dépôt et de Gestion (CDG)*

South Africa
Development Bank of Southern Africa (DBSA)*

Western Africa Region
Banque Ouest Africaine de Développement (BOAD)

ASIA & MIDDLE EAST

- China**
China Development Bank (CDB)*
- India***
Small Industries Development Bank of India (SIDBI)
- Indonesia**
PT Sarana Multi Infrastruktur (Persero) (PT SMI)
- Japan**
Japan International Cooperation Agency (JICA)*
- Saudi Arabia**
Islamic Corporation for the Development of the Private Sector (ICD)
- South Korea**
The Korea Development Bank (KDB)*

CENTRAL AND SOUTH AMERICA

- Argentina**
Banco de Inversion y Comercio Exterior S.A. (BICE)

Brazil
Banco Nacional de Desenvolvimento Econômico e Social (BNDES)*

Chile
Banco Estado (BE)*

Central and Latin America Region
Development Bank of Latin America (CAF)*

Central America Region
Central American Bank for Economic Integration (BCIE/CABEI)*

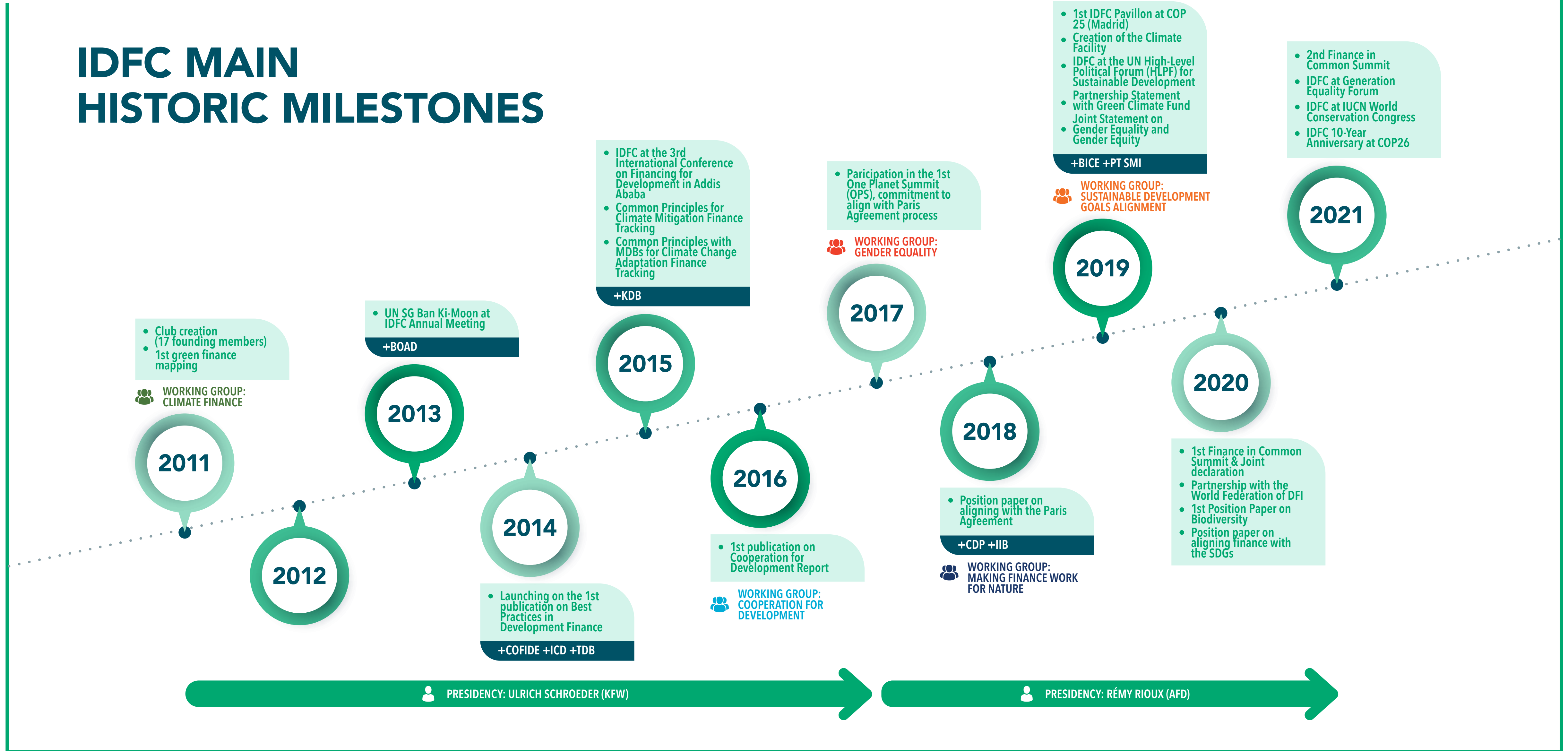
Colombia
Bancoldex S.A.*

Mexico
Nacional Financiera (Nafin)*

Perú
Corporación Financiera de Desarrollo S.A. (COFIDE)

*founding members

IDFC MAIN HISTORIC MILESTONES

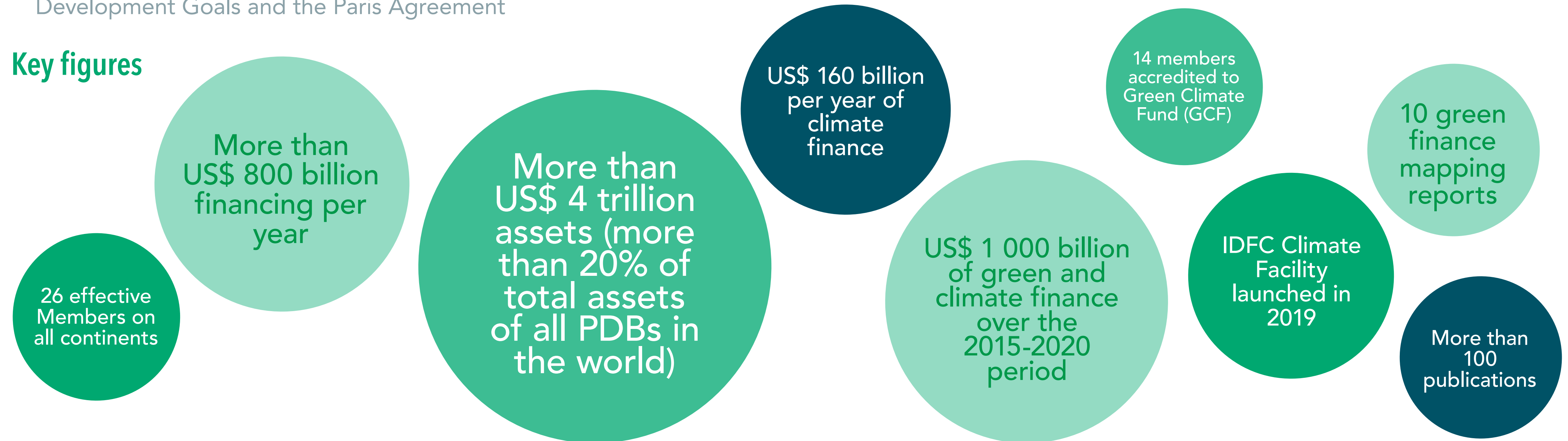


IDFC IDENTITY CARD

Main objectives

- Knowledge sharing and capacity building on measuring and mainstreaming climate and SDG finance
- Pursuing advocacy on the role of public development banks and the redirection and alignment of financial flows towards the Sustainable Development Goals and the Paris Agreement
- Increasing cooperation between members and easing access to project preparation and project financing

Key figures



IDFC GOVERNANCE

IDFC is an association of like-minded development banks. The organizational structure of the IDFC has been maintained simple and lean on purpose. In this way, we can better focus our efforts on our mission, and achieve our goals.

Steering group

is comprised of the Chairperson and the Vice-Chairpersons. It is elected from among the Members for two-year periods and is responsible for preparation and follow-up of the Annual Meeting and any other business. It convenes at least twice annually.

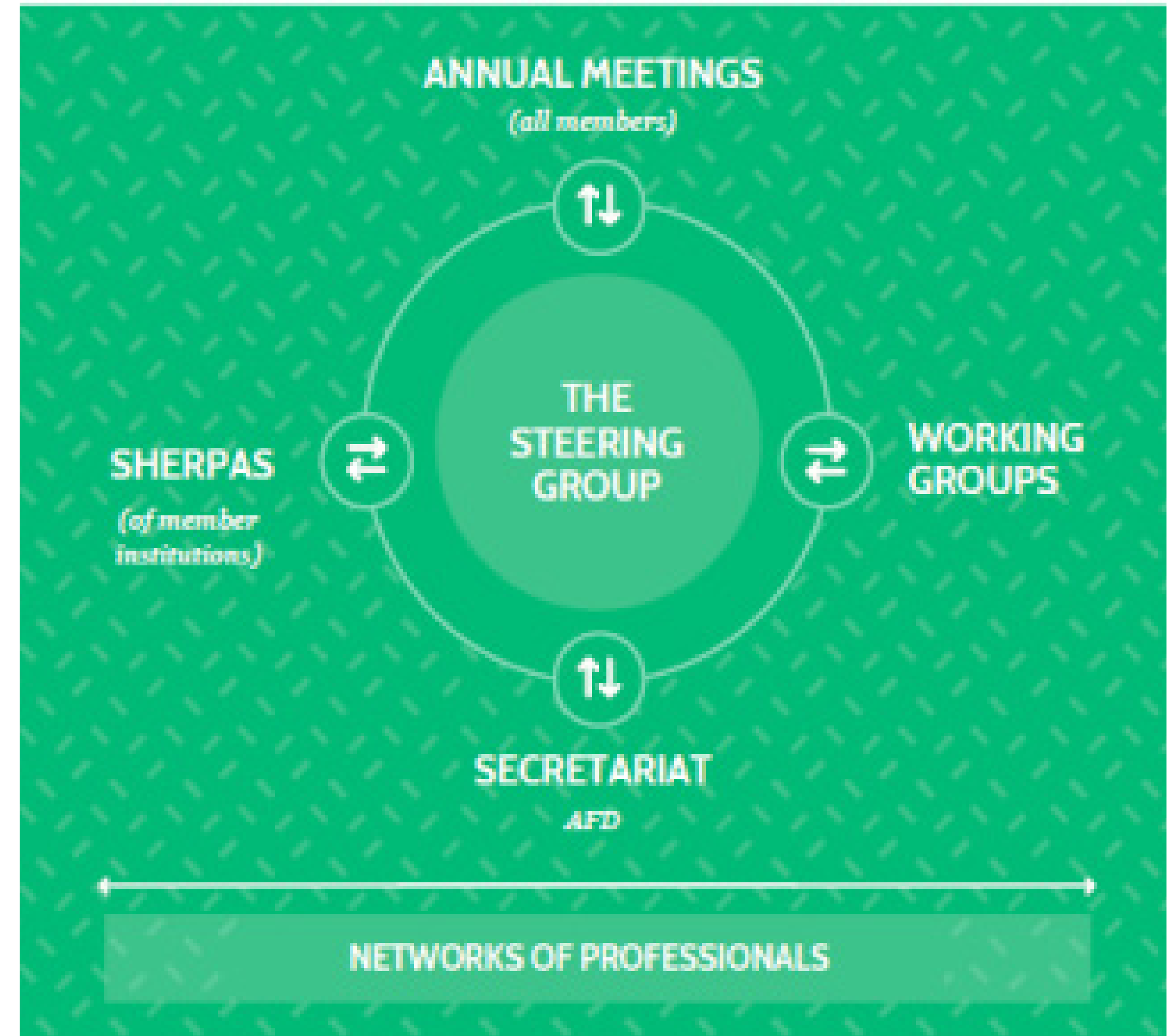
Secretariat

is appointed by the Chairperson and is hosted and funded by the Member whose CEO is the Chairperson. The Secretariat organizes and administers the work of the Club and coordinates the implementation of decisions made at the Annual Meeting.

Working group

prepare specific topics that currently engage the Club and develop relevant information and documentation.

- 4 strategic thematic working groups on climate finance, biodiversity finance, gender equality, SDG alignment
- 1 transversal working group on cooperation for development



Chapter 2

**IDFC Main
Achievements
throughout the years**

IDFC WORKING GROUPS MAIN ACTIVITIES & ACHIEVEMENTS

IDFC members are working together in sharing their know-how and best practice experiences in financing investments in strategic topics of mutual interest, in particular related to the Paris Agreement on climate change and the Sustainable Development Goals agendas.

Currently, the Club is focusing its strategic objectives through the activities of four thematic working groups, namely the **Climate Finance &**

Green Banking, Making Finance Work For Nature (MFW4N), Gender Equity, SDGs Alignment and a crosscutting working group on **Cooperation for Development (CfD)**. Their activities and achievements are described as follows:

Sherpa Meeting hosted by BNDES, Brazil, 2014





CLIMATE FINANCE WORKING GROUP

US\$ 1 000 billion of green and climate finance over 2015-2020 period

Green finance Mapping

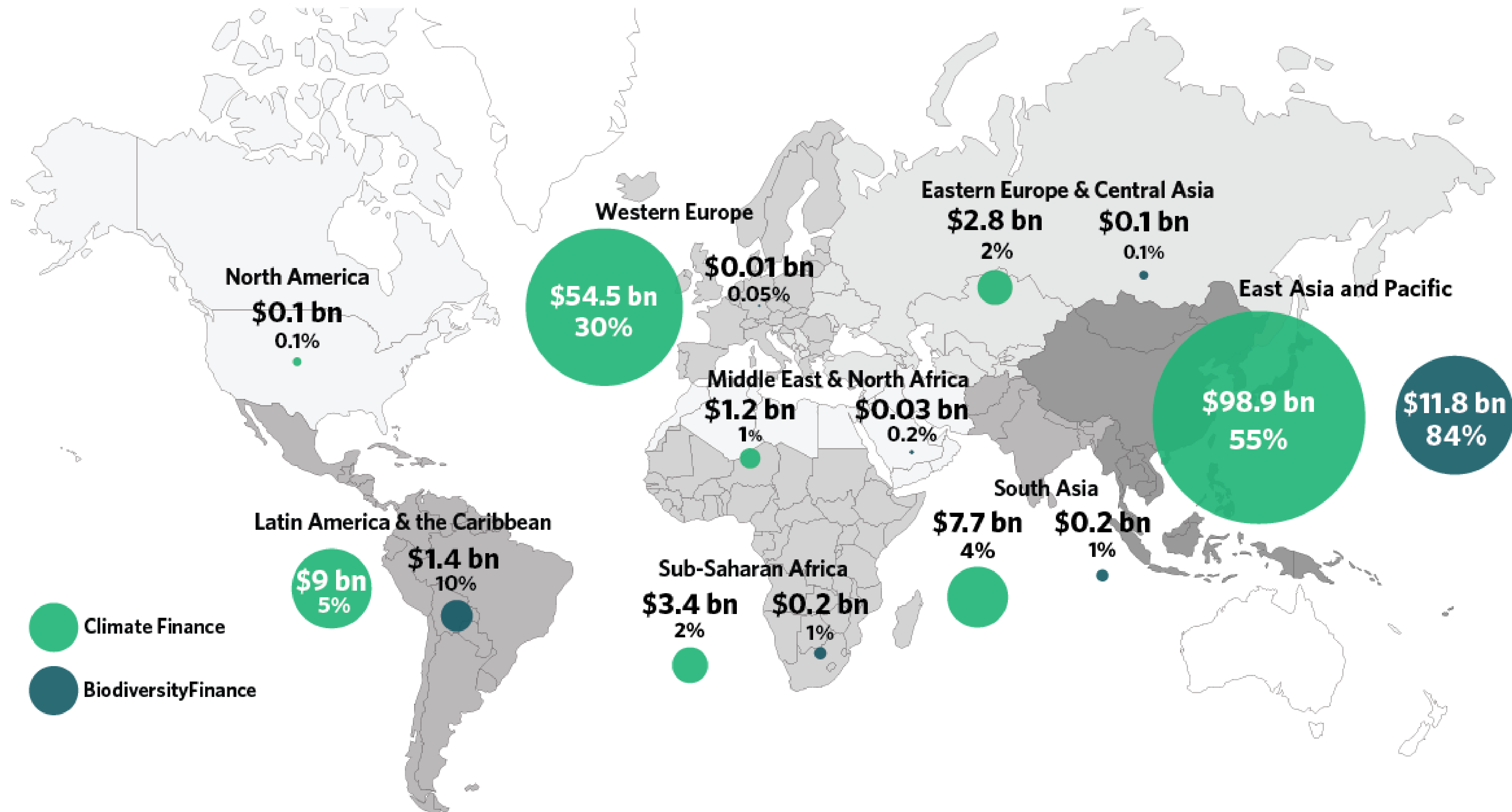
Since 2011, the [Green Finance Mapping \(GFM\) report](#) is one of IDFC's most important and renowned reports. It illustrates the contributions that IDFC members provide to green and climate finance. Since 2015, climate finance reporting is based on a methodology, jointly developed by the IDFC and Multilateral Development Banks, called the Common Principles for Climate Finance Tracking. The reporting methodology is constantly improved, hoping to further members' efforts for tracking and reporting on green finance flows — in 2021 [Common Principles for Climate Finance Mitigation have been revised](#).

In 2021, IDFC members reported collectively:

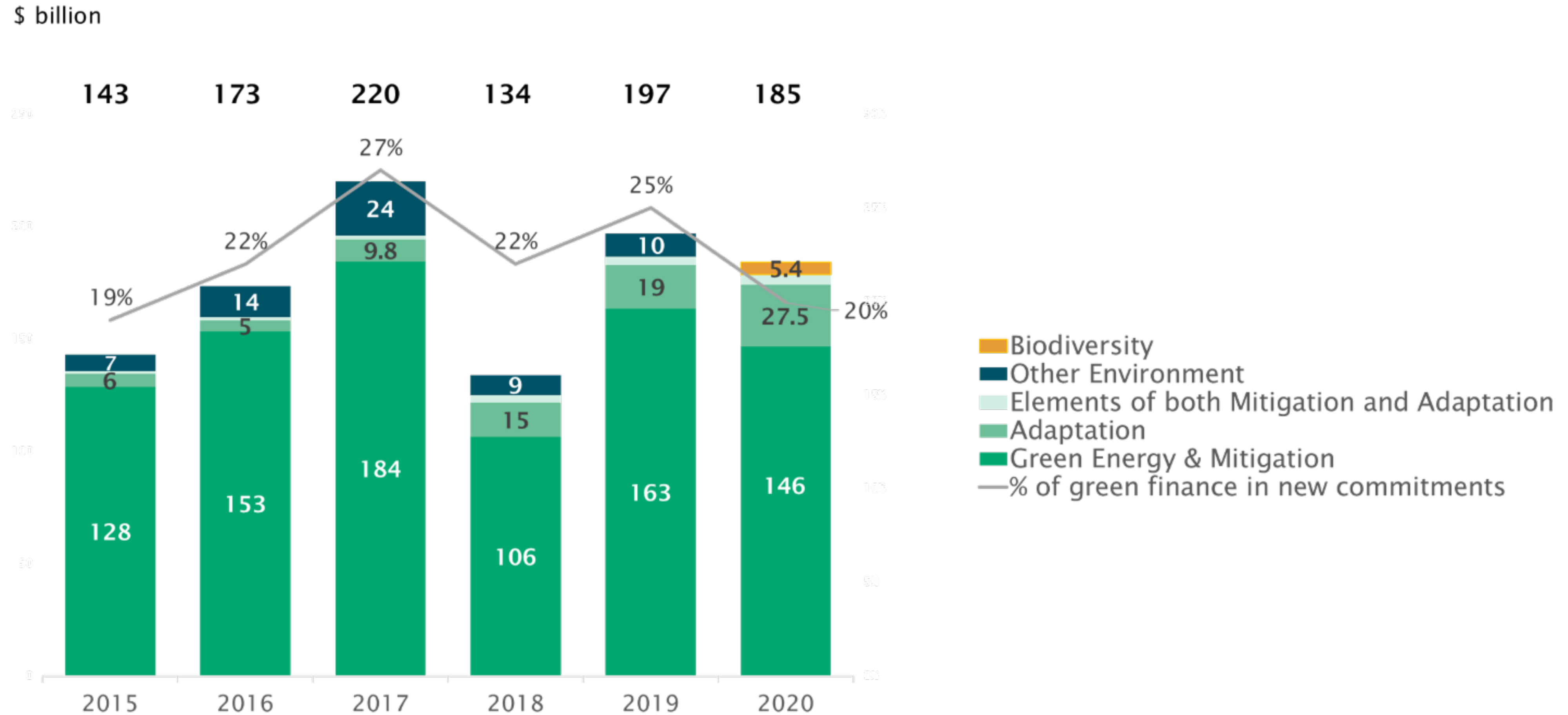
- More than **US\$1 trillion committed** to green finance since 2015 — overcoming the initial commitment of reaching this threshold by 2025, an increasing portion of which will be allocated to adaptation — including **US\$185 billion in 2020**
- Adaptation projects accounted for **US\$27.4 billion, up 42% from 2019 and x5 since 2016**
- **US\$14 billion was committed on biodiversity in 2020**. Biodiversity finance is mentioned for the first time in the Green and Climate Finance Mapping

¹ [Climate Action Summit in New York in 2019, IDFC also pledged to deploy more than US\\$ 1 trillion in climate finance by 2025](#)

Regional distribution of climate and biodiversity finance in 2020



IDFC green finance commitments in 2015-2020



Alignment with the Paris Agreement

At the first [One Planet Summit](#) in 2017, IDFC members committed to align with the Paris Agreement process, finance the trajectories and actions set by the countries and become a platform to mobilizing private finance towards climate and SDGs. IDFC took another step almost one year later, at COP24, by publishing a [position paper](#) on aligning with the Paris Agreement. IDFC members have committed to align their financial flows with the objectives of the Paris Agreement by following six objectives:

- Increasing climate finance;
- Supporting country-led strategies;
- Mobilize the private sector;
- Promote adaptation and resilience;
- Support the energy transition and;
- Recognize the need for internal transformation of financial institutions.

In 2021, IDFC published also an [operational framework to align with the Paris agreement](#) developed by two independent think tanks, the New Climate Institute (NCI) and the Institute for Climate Economics (ICE). This framework provides clear and practical guidance on how IDFC members — and the financial community at large — can reach a better alignment of their strategies, programs and operations with the requirements of the Paris Agreement, including through the implementation of TCFD recommendations.



Mainstreaming climate finance: the role of IDFC climate facility

In November 2019, the IDFC launched a [Climate Facility](#) (CF) as its first operational and innovative tool to strengthen knowledge and leverage resources in the field of climate change mitigation and adaptation. The main objectives of the CF are to:



Strengthen climate finance expertise and capacities of IDFC members



Originate and develop joint climate mitigation and adaptation projects



Institutionalize and facilitate collaborative work among members on climate change

The CF is steered by a Coordination Unit (CU) formed out of four climate finance experts seconded by IDFC members. The Facility focuses on four activity lines:



The CF benefitted from significant contributions from our members and strategic partners. Thus, AFD, the French Development Agency is hosting and administrating the Climate Facility since its creation. The Green Climate Fund (GCF) contributed for an amount of US\$ 700 000 to the CF while closely working with the CU in different capacity building activities. Lastly, in 2021, the Development bank of Latin America (CAF) has awarded a US\$ 1 million grant to the IDFC CF to support climate change initiatives globally.

Building strategic partnerships and alliances

In June 2019 IDFC signed a [strategic partnership with the Green Climate Fund \(GCF\)](#). IDFC and the GCF share a long-standing and successful history of collaboration since their respective establishment in 2010 and 2011. The GCF and IDFC Statement of Partnership intends to strengthen their collaboration by:

- Sharing knowledge for climate finance and action.
- Integration of climate considerations within financial institutions.
- Facilitation of access to GCF resources with co-financing from IDFC members and support to capacity building activities.
- Outreach and awareness raising, including the GCF contribution to the Climate Facility

In November 2019 [IDFC had, for the first time, its own Pavilion at the COP 25 in Madrid](#), illustrating the increasing role of the Club in the Climate finance community and the recognition of its contribution in the Climate ecosystem. [IDFC is actively participating in the COP 26](#) in Glasgow, UK, with a fully hybrid Pavilion, continuing its working in supporting the Paris Agreement alignment and its engagement on Climate action.

The Club is joining the dialogue in the development finance full range of actors on the harmonization of the practices and principles in the aim of reinforcing the alignment with the Paris Agreement. Hence in the Finance in Common Summit 2020 and 2021 IDFC, along with its partners, showcased [their common initiatives to move forward on the Alignment with the Paris Agreement](#).

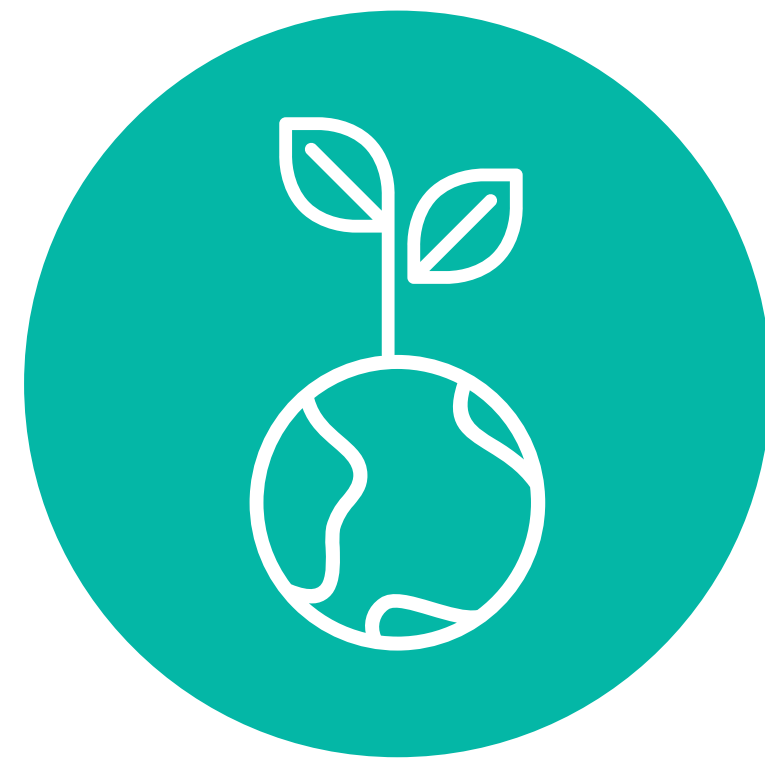


Green Climate Fund Executive Director Yannick Glemarec, & IDFC Chair, Rémy Rioux, Strategic Partnership Signature, Casablanca, June 2019



*Sergio Díaz-Granados,
Executive President of CAF —
Development Bank of Latin America*

"From CAF we put forward an agenda to become the green bank of Latin America, which is based on aligning economic sectors to draw guidelines that redirect their planning framework towards social responsibility and environmental sustainability. Under this approach, together with allies like the members of the IDFC, we seek to generate a competitive financial offer as well as technical solutions that will allow Latin America to become a prominent player in global climate action"



MAKING FINANCE WORK FOR NATURE (MFW4N) WORKING GROUP

US\$ 14 billion of biodiversity finance in 2020

In 2018, the Making Finance Work for Nature (MFW4N) working group was launched focused on four main issues:

1. Sharing knowledge and develop the vision through short term and long term solutions
2. Reporting methodologies on financing for biodiversity
3. Evaluate biodiversity impacts of investments
4. Promote Biodiversity in sector-based investments and pro-nature economies

Understanding that Parties to the Convention on Biological Diversity (CBD) affirmed that resource mobilization would be an integral part of the post-2020 global biodiversity framework, MFW4N working group decided to launch in 2020 a benchmark on development practices on biodiversity. The objective of [this benchmark](#) was twofold:

- Gather and share information on how development financing partners (multilateral and bilateral) integrate biodiversity in their operations, especially in view of identifying practical solutions for increasing their contribution to the financing needs that will be expressed at the COP15 CBD and within the Global Biodiversity Framework;
- Support the mobilization of all members of the IDFC Making Finance Work for Nature Group and their exchange on ways to enhance their support to the future objectives of the post 2020 framework on resource mobilization.

On November 2020, the Club announced [the first ever IDFC common position](#) to harness the power of Biodiversity for building a more inclusive and resilient future. In this document, IDFC members stressed that massively investing in the conservation, sustainable use and restoration of biodiversity is more than ever vital.

In 2021, IDFC recalled its actions to follow up on its 2020 [engagement to foster Biodiversity Finance](#). One of IDFC's main activity has been to develop a **toolbox on the integration of biodiversity** in Development Finance Institutions. The overall objective is to provide IDFC members (and other PDBs) with an opportunity to learn from each other, to disseminate good practice and lessons learned and to collaborate on biodiversity-related areas. The toolbox is designed to summarize the key characteristics of each tool and approach, and key references and other publications that will provide more detailed guidance. It can help to set clear strategies and action plans on biodiversity integration in PDB's and/or on the opportunities to develop and finance biodiversity-positive investments.

The [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) was launched in Paris in October 2021. TNFD's goal is to provide a universal disclosure framework useful to all finance institutions, be they North- or South-based, private or public. This Development Finance Hub convened and hosted by AFD within TNFD's secretariat will gather the contributions of the public development finance, including the IDFC ones, into the forthcoming disclosure framework through sectorial and strategic input and outreach.

The proximity between **climate and biodiversity** is of high importance for both areas and allows PDBs to seek for holistic solutions for the planet. Therefore, another theme that is currently very relevant for the MFW4N working group is the climate-biodiversity convergence. The inclusion of biodiversity in IDFC's Green Finance Mapping, the Club's flagship report is proves of that and it is a first step that demonstrates that PDBs can commit to increase and consolidate biodiversity finance. For the first time IDFC is reporting on its members' biodiversity projects.

Climate change and biodiversity loss are two sides of the same coin. Reaching holistic solutions for the planet implies to further explore and articulate the synergies between biodiversity and climate change. The IDFC working group aims to deepen and operationalize this convergence, notably by implementing nature-based solutions and share tools and methodology to support biodiversity mainstreaming and financing on the way for COP15 and the post-2020 Global Biodiversity Framework.



“Public development banks, starting with IDFC members, have a major role to play in promoting the consideration of biodiversity by the financial sector. What we observe in Brazil is that the richer the biodiversity in a place, the higher the natural capital there, the poorer the populations who live around it. More biodiversity must go hand in hand with more wealth.”



*Gustavo Montezano,
President of BNDES —
Development Bank of Brazil*



GENDER EQUALITY WORKING GROUP

While Gender Equality is a **key factor to leverage sustainable and inclusive development in all countries**, development banks have a unique role to play. In this context, in September 2017, the IDFC members collectively decided to form a Working Group echoing the “Sustainable Development Goal 5 — Gender Equality”

Firstly, the Working Group focused on UNDP’s Gender Equality Seal themes including eliminating gender-based pay gaps, **increasing women’s role in decision-making processes, enhancing work-life balance, enhancing women’s access to non-traditional jobs, and eradicating sexual harassment at work**. Within Members’ **internal institutional practices**, the Working Group conducted an analysis of **policies and strategies to promote gender equal opportunities in terms of career development, recruitment, training and social welfare infrastructure** and to seek solutions how to address the ongoing challenges that they are facing.

The Working Group has also been committed to **explore the operational dimension of Gender Equality** in order to increase external impact and to raise awareness on gender equality and women employment in public or private sector.

In **October 2019**, IDFC released a [Joint Statement on Gender Equality and Gender Equity](#) highlighting IDFC members’ commitment via both internal and external policies for gender equality and gender equity issues.

In order to **reinforce the role of development banks in the funding of an inclusive and sustainable economy taking into account gender equality as one of its strategic priorities**, IDFC has mandated in 2020 a **Study on Gender Equality**. In the light of the COVID pandemic and of climate change, **the study is addressing the role IDFC members can play, individually and as a club, as development banks in society’s ability to pivot quickly in order to rebuild society using a gender development finance lens**.

Nine members are participating in the IDFC Study on Gender Equality (TSKB, DBSA, Bancoldex, CAF, BICE, PT-SMI JICA, HBOR and CABEL); and most of them are already in the phase of construction and validation of their individual work plans.

Based on this study, IDFC is also developing a roadmap and action plan on gender equality with the goal to establish IDFC as an active platform for promoting and advocating gender equality and women's empowerment for the next years. The focus of this roadmap will be:

- Advocacy on Gender Equality and on the role that PDBs can play to achieve SDG 5, through promotion of strategic partnership and policy dialog

- Expanding gender mainstreaming and integrating SDG 5 in members' practices and operations through peer learning, knowledge exchange, reporting
- Promoting cooperation and joint operations between members around Gender Equality

The working group is also active among the Gender Equality and Women's Empowerment in Development Banks coalition launched at the Finance in Common Summit 2020 which was formed on the [Paris Development Banks Statement on Gender Equality & Women's empowerment](#). This group led by the AFD and UN Women discusses and works with all different kinds of PDBs to promote women's empowerment.





“As being part of IDFC, we acknowledge that the progress towards gender equality has yet to be reinforced and as development banks we should together increase the funding towards gender equity. IDFC is developing a roadmap and action plan on gender equality with the goal to establish IDFC as an active platform for promoting and advocating gender equality and women’s empowerment for the next years”

*Ece Borü,
CEO of TSKB –
Industrial Development Bank of Turkey*



SUSTAINABLE DEVELOPMENT GOALS (SDGs) ALIGNMENT WORKING GROUP

In 2018, IDFC partnered with the international think tank CGDEV and produced a first report on key success factors and challenges in implementing SDGs by IDFC members.

In 2019, IDFC decided to engage more substantially on Sustainable Finance and SDG Alignment, building on its historical anchoring on Climate and Paris Alignment Finance. Two main works were conducted: (i) a first survey of members' existing approaches to characterize SDG compatibility of activities and investments; (ii) a first internal position paper, consolidating IDFC contribution to the Alignment of Finance with the SDGs.

In 2020, IDFC investigated and studied all fields to unleash the potential of its members and Public Development Banks in achieving the SDGs, focusing more specifically on five key topics:

- **PDBs' mandate**
- **Regulation**
- Business models with a two-track approach on (i) innovative business model and (ii) impact of COVID-19 on business model
- **SDG framework** on members' approaches to characterize the activities vis à vis the SDGs; this substantial work has been captured in a [publication](#) by which IDFC stands ready to pursue this work with the finance community towards the elaboration of basic principles characterizing the alignment of finance with the SDGs, to improve global knowledge and accountability; IDFC also explored the OECD SDG tracker using Artificial Intelligence to map the SDGs
- **International development Finance Architecture:** the deliverable was an internal position paper focusing on members financing instruments, modalities, grant funding, SDG-related financing, and partnerships and calling for more access to multilateral partnership and multilateral finance.

Key messages from these deliverables have been integrated in a [position paper](#) published in October 2020.

To capitalize on previous works and to go a step further, IDFC launched in summer 2021 a dedicated study on SDG alignment to provide IDFC members with a conceptual framework as well as practical ways, tools and processes to implement it. The study will take into account members' specificities (mandates, strategies, capacities...), will propose methodology options to map SDG impacts, and will support the operationalization

of the SDGs into members' practices. This work is perfectly in line with the dialogue initiated between the public development banks and the private investors and the willingness of both parts to develop a common language around the definition, tracking and accounting of climate and SDG-aligned finance and investment.



*Hamid Tawfiki,
CEO of CDG Capital —
member of CDG Group,
Development Bank
of Morocco*



*Javier Diaz Fajardo,
CEO of Bancoldex —
Development Bank
of Colombia*

“Development of common language around the definition, tracking and accounting of SDG-aligned finance and investment, is essential to ensure that all types of investors, public and private, local and international, are working in the direction of sustainability. This is why CDG, as an IDFC member, is proud to contribute to our collective efforts in this aim”

“IDFC’s work has produced the right diagnosis for the alignment of public development banks to the SDGs. We now need to act swiftly to fulfill the 2030 Agenda — in emerging markets, this means supporting SMEs, which face important recovery challenges”



COOPERATION FOR DEVELOPMENT (CFD) WORKING GROUP

IDFC coined the concept of '**Cooperation for Development**' to describe the form of cooperation favored among its members. The group's institutional capacity varies from experienced to emerging, which makes cooperation key in developing the expertise of the entire group.

In 2016, the IDFC established a **Cooperation for Development (CfD) Working Group** to explore ways through which the Club could deepen cooperation and learn from each other. A paper was prepared in which it set out the origin of the term 'cooperation for development' and described ways in which members of the Club worked together.

From 2017, **CfD 2.0 was launched to map the experiences of members in their efforts to work together** and to explore **other ways to cooperate** (than South-South Cooperation and Trilateral/triangular).

This new mode of relationship between IDFC partners provides a framework within which partners can share experiences, strengths, and mitigate weaknesses and threats. It also provides a platform for the IDFC to showcase their collaboration in projects and processes.



*Patrick Dlamini,
CEO of DBSA —
Development Bank
of Southern Africa*

“At IDFC, through our cooperation for 10 years now, we are proud to be proactive in making sure we play our part in the SDGs and align with the Paris Agreement. We provide guidance to all members and even beyond so they can align to both”

The objectives of CfD 2.0 detailed in the [CfD Roundtable 2018 Report](#) are:

- Develop an IDFC definition and common understanding of what Co-operation for Development means;
- Share lessons and experiences with each other;
- Map existing cooperation and what members are doing in areas of common interest;
- Solicit ideas for new working group focus areas and offer new direction for future collaboration

IDFC has four modes of cooperation:

- Knowledge sharing through seminars, workshops, staff exchanges, information sharing, etc.
- Capacity building includes training programmes and staff exchanges
- Technical assistance includes project assistance, technology transfer, technical assistance for accreditation processes, project preparation, etc.
- Co-financing

Every year the CfD Working Group is collecting qualitative and quantitative data on how IDFC members cooperate with one another and the results are displayed in a yearly report. **In 2021, the survey included a question on collaboration in the post-COVID world.** IDFC members have shared extensive response on the initiatives focused on COVID-19 measures and were willing to share ideas for post covid-19 cooperation amongst IDFC members.

OTHER ACTIVITIES

Over the past years, the Club also worked on other subjects such as addressing the case of refugees and forced displaced population as vulnerable groups within and among countries. This IDFC working group, led by [JICA](#), had a significant output in the launch of a [report on the role of Development Finance Institutions in supporting refugees and forcibly displaced people](#). In 2019, IDFC also worked on assessing through a [brief overview the role of blended finance](#) in aligning development finance with the Sustainable Development Goals.

“Recognizing that humanity is facing the largest wave of forced displacement ever recorded, we can all agree that addressing the challenges posed by forced displacement is critical to achieving the SDGs. With the noble vision of “leaving no one behind” in mind, we must catalyze IDFC engagement to meet the growing challenges of forced displacement. By doing so, IDFC will effectively contribute to achieving human security and the SDGs”



Mutsuya Mori,
JICA's representative
to the IDFC

IDFC AND THE 2030 AGENDA: OUR ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT (SDGS) AND PARIS AGREEMENT

Since its creation in 2011, IDFC members are playing a crucial role in promoting sustainable development and helping transition to low-carbon climate-resilient development pathways. With their medium and long-term vision, their field experience in financing development, and their capacity to leverage private investment, development banks are uniquely positioned to provide supportive signals and contribute to the convergence of expectations for sustainable development within and across economic systems.

The IDFC network offers a practical example of a collective action to shape an interconnected world through a global cooperation that produces re-

sults. This outlines the role that such a network of development banks play on the global stage, intermediating resources, providing expertise, and fostering cooperation commensurate to the challenges of sustainability.

By pooling decades of experience in innovative leadership on development and climate finance, IDFC aims to position itself as a leader in achieving the Sustainable Development Goals and in implementing the Paris Climate Agreement.

IDFC fully embodies the form of partnership action endorsed in 2015 at the UN conference on Financing for Development in Addis Ababa and called for by the Sustainable Development Goals.

In 2019, IDFC called with the World Federation of DFI (WFDFI) for the organization of a Summit of all public development banks in the world. In response to this call, development finance institutions and researchers joined their efforts firstly to identify and classify the more than 500 Public Development Banks, distributed across every region of the world, operating at local, national, regional, international or multilateral levels. These institutions range from generalist or specialized, supporting small and medium enterprises, agriculture and food systems, housing, trade, as well as development finance institutions focused on the private sector.



527 PDB
in 2020



\$18.7 TRILLION
in assets



PDBs' total investments reached over
\$2.5 TRILLION in 2020 —
12% of global investment

The diversity of our institutions is a strength that nourished the creation of a PDB community for action, to [Finance in Common](#), united by three attributes: (i) owned, controlled or supported by governments; (ii) executing a public, development-oriented mandate, addressing market inconsistencies; (iii) enjoying independent legal status and financial autonomy. Combined, the volume of funding invested by the community of all PDBs amounts to about **US\$ 2.5 trillion annually — 12 percent of the total investments in the world every year by all public and private sources.**

As such, the PDBs built an unprecedented coalition to play a unique role in the financial system with the common aim of significantly contribute to reorienting global finance towards climate and SDGs. This coalition represents a “visible hand” that can help mobilize, secure and direct the finance we need for the future and provide urgent and counter-cyclical responses during times of crisis, without leaving no one behind.

In November 2020, the first edition of the [Finance in Common Summit \(FICS\)](#), was hosted by our member, Agence Française de Développement (AFD) in Paris. IDFC is playing a major role in building this new collective dynamic, alongside its partners. The Club has been continuously engaged in the organization and success of the FICS and contributed to build the momentum on the role of Public Development Banks with high-level commitment of its members. The signing of [The Joint Declaration](#) of all PDBS calling for a renewed coalition of development banks, echoing SDG 17 to revitalize the global partnership for sustainable development.

Building upon the positive results of the first edition of FICS, Public Development Banks convened for a second time to reiterate and reinforce

their commitments in support of common actions for climate and sustainable development. The Summit, held 19-20 October 2021 in Rome and in digital format, hosted by our member, Cassa Depositi e Prestiti (CDP), the Italian National Promotional Institution and Financial Institution for Development Cooperation, in partnership with the International Fund for Agricultural Development (IFAD) and with the support from all the members of the Finance in Common Coalition, including a strong presence and contribution of the Club. IDFC members during this second edition reiterated its engagement for [Climate finance](#), [Gender equity](#), [Biodiversity](#) in Making Finance Work for Nature and [support to SDGs alignment](#).

The second edition was a great success with confirmed progress and definition of new directions for the PDBs Coalition. Thus, this edition brought together for the second time the whole PDB community and their stakeholders reinforcing this global platform to share experiences and research, launch joint initiatives and frame new partnerships. At this occasion, for the first time, FiCS was recognized by the G20 Finance Ministers and Central Bank Governors, in their statement of 14 October 2021, as a contributor to the global financial architecture as requested by the United Nations and the G20. IDFC is proud to have participated in launching the FiCS that allowed the recognition of crucial role of PDBs in the current global crisis with a record level financing from the development banks during the Covid-19 pandemic and their confirmed impulse in reorienting global finance towards the SDGs.

IDFC AND ITS ENGAGEMENT TO THE CRISIS AND THE COLLABORATION IN THE COVID ERA, LESSONS LEARNED FROM THE COUNTERCYCLICAL ROLE OF THE IDFC MEMBERS

In the unprecedented situation caused by COVID-19 crisis, IDFC joined forces in sharing its best practices and capitalizing on its members respective experiences with regards to COVID-19.

IDFC members mobilized their full set of instruments to simultaneously address short-term needs and prepare economic recovery. Through extensive measures and systemic solutions to local financial systems, they ensure their countercyclical mandate. By providing financing facilities, guarantees, by massively reallocating funding and by putting in place easing measures, they support most affected sectors and contribute to maintain jobs.

IDFC members, through the lead of its Cooperation for Development working group, are currently reflecting on and assessing the counter cyclical role of public development banks and are laying the ground for post covid-19 cooperation in support of a of a sustainable and inclusive economic and financial recovery and transition.



Source: [IDFC Response to COVID-19 Crisis - IDFC](#)

Conclusion

IDFC, THE PIONEER IN MAPPING THE DEVELOPMENT BANKS AS KEY ACTORS IN BUILDING SUSTAINABLE AND GREEN PATHWAYS

Public development banks have more than ever a role to play: both counter-cyclical to cope with the current crisis and to support the definition of new development models and supporting long-term transitions for the implementation of the Paris Agreement on climate change and the Sustainable Development Goals.

The Club, that came a long way since 2011, with the efforts, faith and energy of all its members and partners, spearheaded this movement! So together, for the decade to come, let's continue to join forces, in the perspective of the achievement of the 2030 Agenda!

Together let's demonstrate the potential of development banks in redirecting all financial flows towards sustainable and inclusive development objectives and contribute to protecting nature and strengthening the resilience of societies leaving no one behind. Together let's shape sustainable futures!



IDFC Annual Meeting, Washington D.C, October 2019



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