

Abidjan, 20 October 2022

Final Communiqué 2022 Finance in Common Summit (FICS)

The third edition of the [Finance in Common](#) Summit took place from the 18th to 20th of October in Abidjan, Ivory Coast. Co-organised by two major multilateral development banks (MDBs), the African Development Bank (AfDB) and the European Investment Bank (EIB)¹, it took place in Africa for the first time and accommodated a large in-person participation (over 900 guests in person and more than 1000 remotely). The summit focused on accelerating green and just transitions for a sustainable recovery, bringing together numerous public development banks (PDBs) as well as international organisations, regional networks of PDBs and Development Finance Institutions (DFIs), civil society, regulators and private sector operators. It highlighted PDBs key role in supporting the transition of economies and financial systems towards sustainability, while leaving no one behind and addressing the most vital and pressing needs of countries and vulnerable groups. The summit showcased a shared vision among FICS members in favour of a sustainable investment policy for development.

In less than three years, FICS has become a unique global go-to platform for all public development banks, promoting increased coherence in their strategies and operations, by accelerating their convergence towards shared standards and best practices. Representing collectively more than 23 trillion US\$ of assets and approximately 12% of total global investment each year, it brings together in a concrete and collaborative way key stakeholders from all over the world. Through multilateral fora such as the G20 and the COP, FICS contributes to transform the financial system towards climate, social and sustainability objectives.

FICS works to achieve the 2030 Agenda and meet the goals of the Paris Agreement, which require a global mobilisation effort bringing together policy makers and private sector, knowledge and financing. In a context marked by interlinked crises and asynchronous recovery, working to implement its founding 2020 [joint declaration of all Public Development Banks](#), the 3rd FICS Summit demonstrated the continued mobilisation of its members to help address some of the most urgent topics on the global agenda, uniting their strengths to implement the mandates conferred to them by their governments.

Finance in Common delivers results collectively and inclusively

Since 2020, FICS members work on environmental issues, to scale up climate finance, in line with the objectives of the Paris Agreement and the SDGs. In Abidjan, FICS highlighted:

- Reaching 51 billion US\$ for climate finance in low and middle income countries, which represents 62% of their global climate finance figure of 82 billion US\$, MDBs' commitments last year were 63 billion US\$ for mitigation and over 19 billion US\$ for adaptation, according to the [2021 Joint Report on Multilateral Development Banks' Climate Finance](#) published shortly before FICS. Climate finance committed by major MDBs in 2021 already delivered more than their collective goal for 2025. MDBs achieved substantial progress in developing further methodologies for Paris Alignment as well as working on updating their adaptation finance tracking methodologies. In

¹ In partnership with Agence Française de Développement (AFD), Cassa Depositi e Prestiti (CDP) and Council of Europe Development Bank (CEB)

addition to a specific Adaptation Report, the [International Development Finance Club](#) (IDFC) reported, through the [Green Finance Mapping](#) (GFM) published at the summit, a record level of 224 billion US\$ of green and climate finance in 2021 (+20% compared to 2020), which puts IDFC members on track to reach 1.3 trillion US\$ of green finance between 2019 and 2025. Today, climate finance accounts for an average of 20% of total commitments made by IDFC members. If PDBs were to commit to a similar ratio, they could extend more than 500 billion US\$ of climate finance per year, and mobilize much more through the private sector. As biodiversity finance originated by the Club also rose from 14 to 18 billion US\$ in 2021, IDFC developed a [Toolkit](#) for financial institutions to mainstream it.

- The Adaptation & Resilience Investors Collaborative continued to grow its membership and ambitions, bringing to 18 the number of participating members, and put forward a set of [ambitious actions](#) for the G7 in June 2022 on how to accelerate and scale up private investment in climate adaptation and resilience.
- The Global Center on Adaptation (GCA) leveraged its brokering role to effectively mobilize private sector capital for adaptation action through the announcement of a new GCA/Invesco cooperation agreement, which aims to bridge and foster a tight collaboration between private institutional investors and PDBs. Other programs include the Africa Adaptation Acceleration Programme (AAAP), jointly led by the GCA and the AfDB, which will mobilize up to 13 billion US\$ for the Climate Action Window of the African Development Fund, to address climate change challenges in fragile and low-income countries in Africa, or the upcoming Alliance for Green Infrastructure in Africa (AGIA).

Beyond climate, FICS members work tirelessly on social issues, to leave no-one behind.

- FICS members expressed their willingness to contribute to the success of the new Financial Intermediary Fund (FIF) on Pandemic Prevention, Preparedness and Response, hosted by the World Bank. They agreed on an [investment agenda on health and social protection systems](#), to increase investments in health systems. Speakers agreed on the need to scale up and advance new co-financing opportunities.
- Launched at FICS 2021 in Rome, the PDB Platform for Green and Inclusive Food Systems is now becoming operational. Building on a newly developed typology of agricultural PDBs, the PDB Platform will provide technical assistance, sharing of experience, training and support to innovation for Green and Inclusive finance, including with a national level focus. It recently shared experiences on how to mitigate the social and economic consequences of the war in Ukraine for small producers. IFAD President invited all PDBs financing agriculture to join the PDB Platform.
- Participants also agreed that just transition partnerships must address how people are accompanied to move out from fossil fuel to more sustainable alternatives, with special attention to the most vulnerable, communities affected by a deterioration of their environmental and living conditions, or their source of income. They highlighted the key role of education, employment, T-VET and social protection to support these transitions. Inclusive planning is crucial to ensure that all stakeholders' interests are considered, and ensure positive outcomes for all.
- The Coalition on Gender Equality and Women's Empowerment in Development Banks, which accelerates the realization of gender equality and women empowerment through the international financial system, welcomed five new signatories. The summit acknowledged new partnerships to advance gender equality, notably between the EIB and the Development Bank of Rwanda, under the ShelInvest initiative.
- A declaration of the Alliance of African Ministers for Urban Development Financing, in the presence of 15 African ministers in charge of cities, was released as a contribution to COP 27 and 2023 global agenda, through the "Finance your cities" high level conference, curated by the Global Fund for cities development (FMDV). Also, two new initiatives were launched: the FICS Coalition on

Resilient Cities and Regions, and the African Alliance of Subnational Development Banks², to reinforce SDB's intermediary role in the presence of 40 African SDBs representatives.

- FICS delivered its [first report to the G20 Presidency](#), following its recognition in 2021, with tangible projects addressing four development priorities (food security, sustainable finance, health and energy transition). FICS was also mentioned by UN DESA³ and contributed to the G20 Sustainable Finance Working Group's [progress tracking](#), demonstrating PDBs' support to the implementation of the G20 Sustainable Finance Roadmap.

Finance in Common contributes to a global mobilization effort

- *A systemic approach to reorient finance towards sustainable development*

The FICS coalition aims to significantly contribute to the climate and SDG reorientation of all financial flows and capital. As identified in a new key joint [UNDP-FICS report on the Role of PDBs to scale up sustainable finance](#), PDBs are already actively cooperating to channel financial flows to the SDGs. They are joining forces to elaborate common guidelines for climate and SDG alignment (such as the OECD-UNDP Impact standards for financing sustainable development), to collect and disclose more information on the impact of their financings.

- *FICS community acting local and regional to build a global collective architecture*

FICS supports the strengthening of regional associations of public development banks, which play a unique role in disseminating knowledge and expertise for their national members, and in promoting long-term investment. A discussion took place in Abidjan where each region explained how regional MDBs and regional associations of PDBs are working together and could improve their cooperation in the future, as pillars of a global architecture of all PDBs.

- *Civil society involvement in FICS process*

FICS is becoming a forum for increased dialogue between PDBs, civil society organizations (CSOs) and communities. PDBs and CSOs engage in a dialogue on shared priorities, such as Human Rights Based Approaches (HRBA), with the potential to further reinforce PDBs' ambition and to contribute to concrete and measurable actions towards climate resilient, fair and inclusive social development by PDBs. To date, FICS governance involves three CSOs and networks, and builds on a joint PDB-CSO working group since 2021, to develop a more structured and long-term dialog. In Abidjan, FICS also welcomed participants from the Debating Africa/Debating Europe focus group project "Securing Our Future" (involving 100 young people from Africa and Europe), and engaged in consultations on AfDB's Youth Entrepreneurship Investment Banks (YEIBs).

- *Private sector and regulators mobilization*

FICS aims at contributing to the emergence of a global financial framework for green and SDG aligned investments, building notably on the GFANZ/ UNEP FI / NGFS / FICS global conversation. Given their government backing and experience in emerging markets PDBs are able to go where the private sector currently cannot, creating investable pipelines, investment track records and – ultimately – functioning markets, so that private capital can follow. The Alliance for entrepreneurship in Africa, proof of how FICS PDBs are joining forces for a common purpose, is paving the way for a future high-level summit to be hosted by France in 2023. The D20 Long-Term Investors Club (D20-LTIC), through its engagement with the G20, played a critical role in promoting policies that increase blended finance, closer public-private cooperation and common international standards.

² National Development Banks or Financing Institutions with a mandate to finance subnational investments and local governments

³ Financing for Sustainable Development Report, 2021

The Finance in Common coalition is moving forward

- *A growing voice and collaborative space for PDBs within the international financial system*

The coalition offers a privileged space for PDBs to exchange and coordinate with their partners in the presence of policy makers, in sync with other multilateral fora. The coalition pursued efforts to advance the voice of PDBs in support of the COP 15 and COP 27 Presidencies, receiving recognition from the UNFCCC COP26, the UN CBD COP15, and the UNCCD. It contributed to a strong mobilization of PDBs in the last mile before Sharm El Sheikh.

Members welcome FICS work program and activities, witnessing a growing interest in the activities of FICS' thematic coalitions, with new PDBs joining and contributing actively, as detailed in the [2022 FICS Progress Report](#). The coalition also welcomed new partnerships and linkages (B4IG, Global Steering Group for Impact Investment, GFANZ). Building on its inclusive governance, the FICS Secretariat also promoted new tools and services, and is exploring possible technical assistance needs, which could be meaningful for both financial and non-financial actors. It will explore possible future topics of interest (such as resilience or disaster risk management), and support thematic coalitions in crossing experiences and focusing on concrete actions at the national level, taking into account growing fragilities contexts. It will also address questions regarding the future role, architecture and activities of the financial system in a world in transition, to be further taken up by the Task Force on Foresight for Sustainable Development Finance.

- *A clarification of the role of PDBs within their respective financial systems*

The [FICS' Research Conference](#) in Abidjan presented an updated database with key facts and figures on the 522 PDBs listed to date⁴. 90% of these PDBs are either national or subnational development banks, and the remaining 10% operate internationally. Africa concentrates 20% of PDBs⁵ worldwide but they are usually small or micro institutions, accounting for about 1% of total assets only. A feature of the database introduced this year is the identification, for every PDB, of the policy area in which it is active. The database now provides financial figures covering the period 2018-2020 collected from the 350 PDBs publishing their accounts: total assets, net liabilities, capital base, net interest income, financial result and number of employees. For instance, the database shows a growing number of green banks specialised in financing renewable energy and the green transition in USA, a movement furthered in the context of the Inflation Reduction Act by the creation of the Greenhouse Gas Reduction Fund.

The Research Conference presented new insights, with 18 policy and research papers released in Abidjan focusing on SDG alignment, African PDBs and the international financial architecture. It confirmed that, under certain conditions, PDBs have the capacity to boost the green and just transition and mobilize economic actors, for sustainable solutions to emerge at scale. New research on the role of artificial intelligence for SDGs alignment was also presented. A special session demonstrated that African PDBs were adaptable, resourceful, and largely counter-cyclical in their response to Covid-19. Building on their complementarities through their existing networks, they can be particularly effective in delivering on their mandates when they have independence and suitable regulatory frameworks in place. The pandemic has pushed PDBs to accelerate their move towards digitalization, while the scope to promote green lending remains significant.

⁴ An initiative between the Institute of Structural Economics (INSE) at Peking University and the French Development Agency (AFD)

⁵ PDBs per country: USA (25), followed by Brazil (21), India (20) and Vietnam (20 PDBs)

Call to action and next steps for Finance in Common

In line with the 2020 Declaration and a growing sense of urgency, FICS Members called on their national authorities and respective constituencies to activate the following levers, in order to unleash their full potential and convert PDBs into SDGs enablers:

- *Strengthen PDBs' mandates to systematically align their operations with the SDGs and the Paris Agreement*, by incentivizing policies and regulatory frameworks, paving the way for a future conversation on PDBs' contribution to carbon neutrality and nature positive finance;
- *Support ambitious outcomes at COP27 to deliver on the Paris Agreement and Global Biodiversity Framework at COP15*, which requires enabling conditions and the alignment of public and private financial flows, and increase substantially adaptation finance, to achieve balance between adaptation and mitigation finance;
- *Encourage the elaboration and implementation by PDBs of common guidelines and methodologies* for the institutional alignment with the Paris Agreement and the SDGs, as well as the characterization of sustainable development investment;
- *Encourage regulators and central banks, through the NGFS, to analyze and report their climate and nature-related risks* in order to preserve their financial stability, and support PDBs to do the same;
- *Support the re-channeling of Special Drawing Rights to MDBs*, in order to fund national and regional banks, and bridge subnational financing gaps;
- *Increase PDBs' capital base and financial capabilities at scale* (including through concessional finance and greater use of blended finance products), *and grant them access to key multilateral funds* (such as the GCF, GEF, GPE, FIF, etc.), if proper standards and procedures are satisfied by PDBs;
- *FICS is willing to play an active role under the Indian presidency of the G20*, together with Indian PDBs, as well as with upcoming COP 16 and 28 Presidencies;
- *In the run up to the September 2023 UN SDG Summit, explore impetus for a new ad-hoc Summit on Finance for Sustainable Development on the road to 2030* [or "Addis+10 conference"], to address the systemic issues of the climate and SDG alignment and transformation of the entire financial system.

The 2023 Summit will take place in Latin America, at the invitation of ALIDE and IDB.

Annexes

More information on the Official agenda, the Deliverables, the Research conference and the Side events can be found in the [Annexes](#).