

# »» Climate Finance and Development Finance Institutions (DFIs)

OECD-CPI Consultation on Development and Climate Change  
Warsaw - 19 November 2013

Jochen Harnisch, KFW - Competence Center Environment and Climate

Bank aus Verantwortung

**KFW**

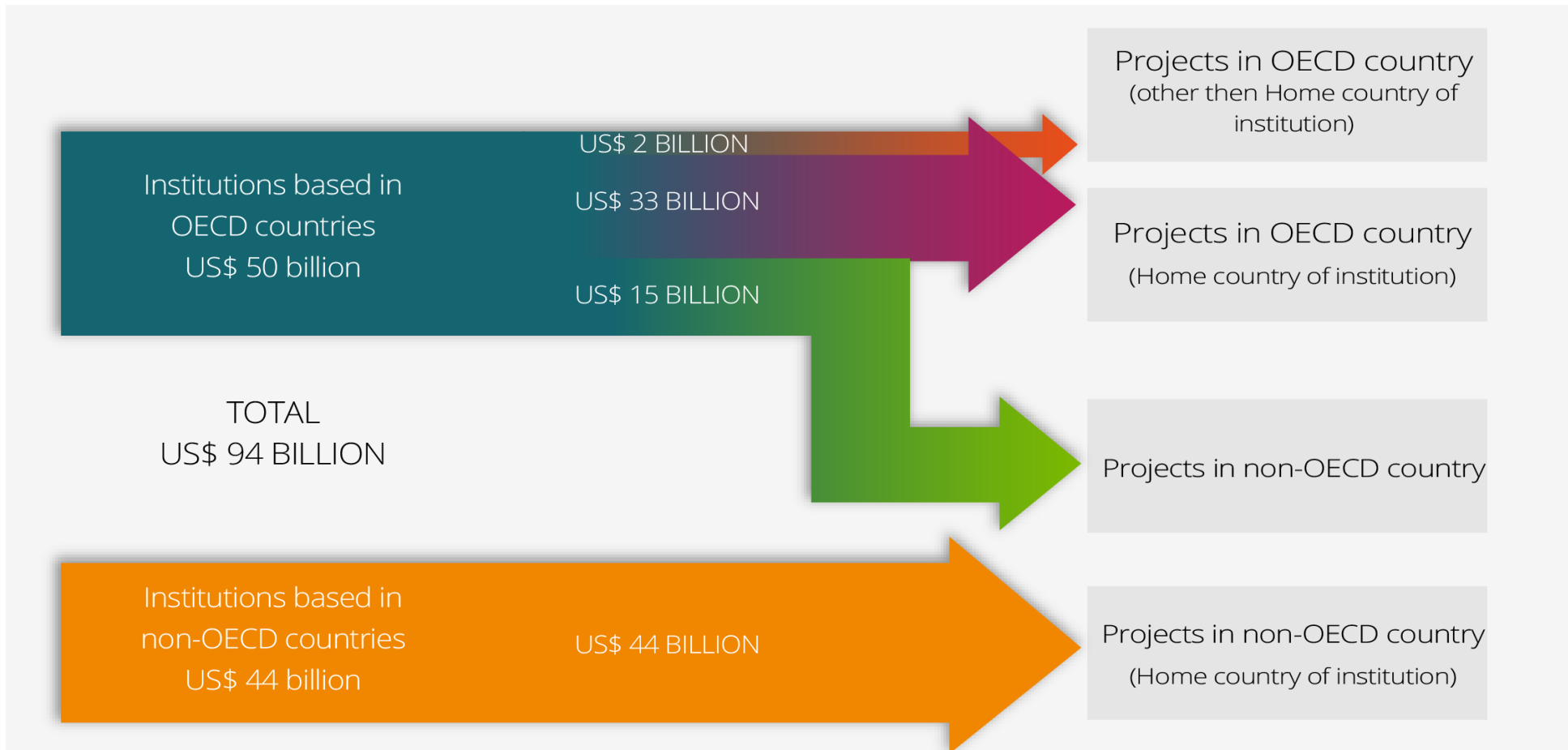
## »» The International Development Finance Club (IDFC)

- › Network of 20 leading development finance institutions with mandates for national, sub-regional, regional and international activities around the world.



- › Combined assets of more than USD 2,100 billion
- › New commitments added up to approx. USD 390 billion
- › Activities : Green finance mapping, exchange on good practices in private sector mobilisation and support of GCF implementation
- › Current focus: green infrastructure finance, green urban infrastructure, SME energy efficiency

## »» IDFC Green Finance Mapping 2013



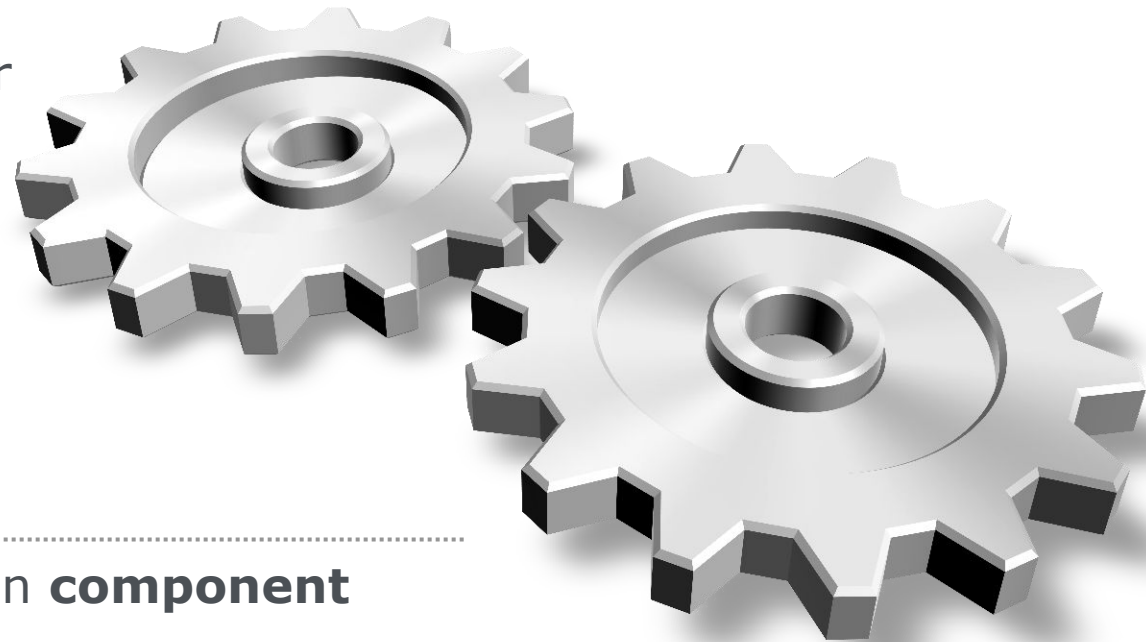
Source: Ecofys/IDFC, 2013, <http://www.idfc.org>

## »» Alternative Approaches for Tracking Climate Finance

### OECD DAC Rio Marker - Methodology

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- Objective: **Purpose** to reduce or limit GHG emissions
- Objective: Increasing adaptive capacity and resilience
- Projects, programs and policy

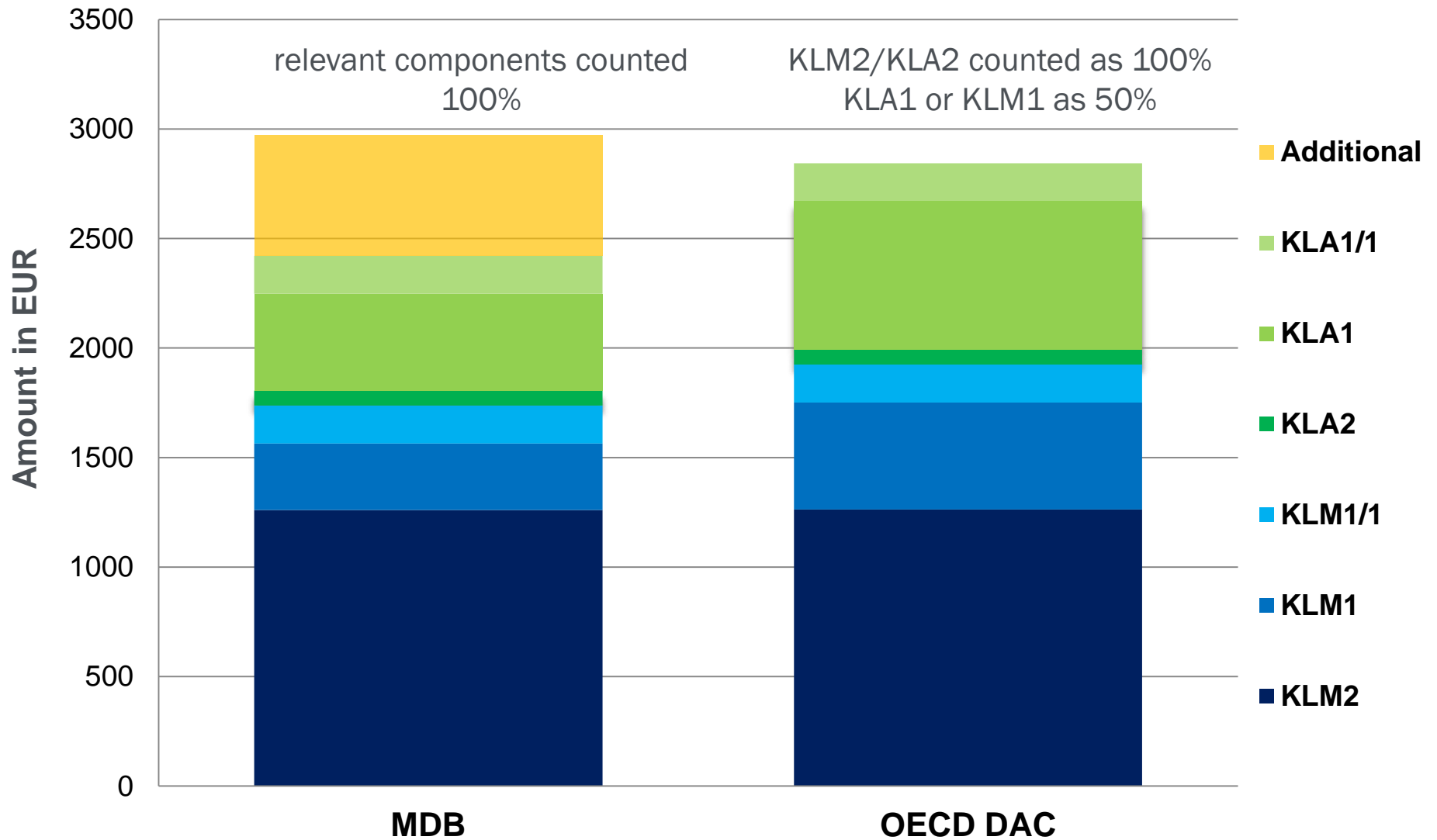


### MDB - Methodology

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- Positive list for climate mitigation **component**
- Criteria for adaptation component
- Specifically for financing activities

# »» KFW New Projects 2012: MDB or OECD-DAC Rio Marker Approach



## »» Scaling-up the Green Economy

Conference, Frankfurt – 4 September 2013: Participating Organisations

### **Development Finance Institutions (DFI) & Development Banks (DB) from Developed Countries:**

- › AFD - Agence Francaise de Developpement, France
- › BIO - Belgian Investment Company for Developing Countries, Belgium
- › BSTDB - Black Sea Trade and Development Bank
- › CDC Group - UK
- › FINNFUND - Finnish Fund for Industrial Cooperation
- › FMO - Netherlands Development Finance Company
- › IFU - The Investment Fund for Developing Countries of Denmark
- › JICA - Japan International Cooperation Agency
- › KfW - KfW Development Bank, Germany
- › DEG Deutsche Investitions- und Entwicklungsgesellschaft, Germany
- › Norfund - Norwegian Investment Fund for Developing Countries
- › OeEB - The Development Bank of Austria
- › OPIC - Overseas Private Investment Corporation, U.S.
- › SOFID - Sociedade para o Financiamento do Desenvolvimento, Portugal
- › VEB - Vnesheconombank, Russian Federation

## »» Scaling-up the Green Economy

### Conference, Frankfurt - Highlights From Final Statement on Conclusions

- › Participating institutions **are already core supporters of the development of a green economy** - with new commitments for climate finance projects in developing countries and emerging economies of **\$15 bln. in 2012**, plus \$3.5 bln for other environment projects
- › Participants agree to **improve the effectiveness** of our financing activities for a green economy, and **to increase our collective efforts**, including catalytic effects on private investments **towards the objective of \$100 bln. p. yr. by 2020**
- › Participants agree on efforts to work towards **harmonised guidelines**, taking into account individual countries' circumstances, **to limit projects which lead to significant fossil fuel-based greenhouse gas emissions.**
- › Participating institutions strive to **harmonise their monitoring and reporting systems** for finance provided to green economy projects and programmes.

Source: [https://www.kfw-entwicklungsbank.de/PDF/Entwicklungsfinanzierung/Umwelt-und-Klima/Konferenzen-und-Veranstaltungen/Scaling-up-the-Green-Economy-Final-Conclusion\\_EN.pdf](https://www.kfw-entwicklungsbank.de/PDF/Entwicklungsfinanzierung/Umwelt-und-Klima/Konferenzen-und-Veranstaltungen/Scaling-up-the-Green-Economy-Final-Conclusion_EN.pdf)

## »» Outlook

- › Different mapping processes on the road of convergence – catalytic role of OECD and CPI
- › OECD-DAC approach well and widely accepted for wider reporting of development finance
- › No agreed definitions of climate finance
- › Unclear whether OECD-DAC or MDB approaches system is more accurate or more cost-effective: intensified dialogue with objective of mutual learning in 2014
- › If underlying positive/negative lists are applied consistently results for both approaches generally agree reasonably well
- › IDFC and bilateral DFIs:
  - Evolutionary harmonisation and development of reporting methodologies
  - Focus on scaling-up, increasing effectiveness and instrument innovation



## »» Contact Details

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