

2023 FiCS Summit Session Concept Note



Side Event 6

Pathway of PDBs towards alignment to Paris Agreement

September 5th / 5:30pm – 6:30pm / Room: Barahona 4

Coordinator(s)

Tatiana Alves, Team Leader IFD/CMF, Inter-American Development Bank, talves@IADB.ORG

Nicole Pinko, Climate Manager , CPI (AFD), nicole.pinko@cpiglobal.

Detailed information about the session

Rationale

Public Development Banks (PDBs) have a key role to play to support the decarbonization ,the climate resilience of the real economies around the world and to mobilize public and private financial flows to fulfil the objectives of the Paris Agreement.

A large number of PDBs have taken a leadership role on climate change-related investments, based on their development mandate. However, the urgency and the ambition of the climate action necessary to achieve the goals of the Paris Agreement involve not only the need to increase climate investment, but also to ensure that all financial flows are aligned with such goals, and in particular with achieving zero net greenhouse gas emissions globally by the middle of this century.

Committing to such alignment is not easy. First, PDBs and their shareholders need to understand the costs and the benefits this commitment involves. Secondly, in a context of multiple approaches available to ensure alignment (quantitative and qualitative; portfolio-level and project-by project; etc.), PDBs face the additional

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| | <p>challenge of deciding the most suitable strategy according to their mandates and priorities.</p> <p>Aligning PDBs strategy to Paris Agreement fosters additional private sector funding and new resources for adaptation and mitigation projects, because the clear message PDBs send to markets.</p> <p>Taking into account this context, the workshop will aim to answer the following questions:</p> <p>What does it mean for a PDB to become aligned to the Paris Agreement? Which are the main challenges and main recommendations for PDBs taking into account the peculiarities of PDBs (those supporting big project infrastructure with direct financing vs SMEs through intermediaries)? What are the costs and benefits that this pathway implies for a PDB? What is the cost of inaction? What is the current status of LAC PDBs in their readiness towards Paris Alignment? Which tools/initiatives are available to support this pathway? What are the missing capacities/tools and how to fill the gap? Governments must create a framework of action to move forward or leave it to their discretion?</p> |
| <p>Objective</p> | <p>The objectives of this workshop are: i) to discuss and create awareness, based on pragmatic data and instruments, about why and how a PDB could align its business model towards Paris Agreement and; and ii) to share best practices and difficulties from PDBs that have created and implemented a roadmap towards Paris Alignment.</p> <p>Results from relevant studies aimed at understanding the impacts, tools and methodologies will be presented.</p> |
| <p>Target audience</p> | <p>Public Development Banks, Academia, Ministries of Finance ,policymakers, private sector, regulators (Central Banks and Superintendencies)</p> |



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| Outcome of the event | <ul style="list-style-type: none"> - PDBs will learn the pros, cons and limits of the different alignment approaches, their similarities and differences, their potential complementarities, and how they apply differentially to public and private financial institutions; - PDBs will learn what the Paris Agreement implies for them, and the value added of alignment for their mandate. - PDBs will learn how to integrate this commitment into their strategies and operations, and how to design a roadmap that guides them to travel a path that is adapted to the reality and context of each country and each institution. - PDBs will learn about available toolkits and initiatives that support this way. - PDBs will learn from peers on how different PDBs around the world are adapting their business model to become Paris Aligned. - PDBs will be in a position to discuss the mandate with their stakeholders and seek additional necessary resources (eg HR). - PDBs will learn the importance of supporting their clients not only through financial assistance but through technical and institutional support. |
| Format of the event | 1 moderator/facilitator and 7 speakers/experts around the table |
| Partners | IDB, AFD, ALIDE AND BANCOLDEX |
| Moderator | Jesús Gutiérrez, ALIDE |
| Speakers/Experts | <ol style="list-style-type: none"> 0. Tatiana Alves, Lead Specialist, IFD/CMF, IDB 1. Nicole Pinko, Climate Manager, I4CE/CPI 2. Laurent Biddiscombe, Executive deputy head of operations, AFD (& IDFC) 3. Maria Jose Naranjo, Vicepresident of Corporate Estrateg, Bancoldex 4. Alicia Montalvo, Climate Action and Positive Biodiversity Manager, CAF 5. Mark Swilling, Chairman, DBSA 6. Ibrahim Traoré, Chief Division Finance Climat, BOAD |
| Run of show | 17:30-17:34 Introduction. Tatiana Alves, Lead Specialist, IFD/CMF, IDB 17:34-17:38 AFD perspective. Laurent Biddiscombe, Executive deputy head of operations |



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| | <p>17:38-17:45 IC4E/CPI: Paris alignment journey and support to partners; Helping public development banks navigate the “Paris alignment” approaches - Nicole Pinko, Climate Manager, IC4E/CPI</p> <p>17:45-17:55 Readiness of LAC PBDs towards Paris Alignment and IDB tools to support this pathway (this will include a video on the tools), Tatiana Alves</p> <p>17:55 -17:57 Introduction of the panel, Jesús Gutiérrez, ALIDE</p> <p>17:57 - 18:25 Panel with 4 banks (BANCOLDEX, BOAD, CAF, DBSA)</p> <p>18:25-18:30 Conclusions and closure, Jesús Gutierrez, ALIDE and Tatiana Alves, IDB</p> |
| Materials | <ul style="list-style-type: none"> • Session Concept Note to be posted on the online Summit platform • Briefings for speakers to be prepared by the session’s organizers • Presentations (PowerPoint) • Other documentation (e.g. reports, research studies) |
| Language of the event | <p>The event will be held in :</p> <p style="text-align: center;">(X) English (X) Spanish</p> |
| Equipment needed | <ul style="list-style-type: none"> • PowerPoint projection • Video projection • Simultaneous translation |