

THE FINANCE IN COMMON SUMMIT

- ASSESSMENT -

After more than a year of preparations, the Finance in Common Summit (FiCS) succeeded in delivering proof that Public Development Banks (PDBs) around the world are ready to make a collective commitment to the implementation of Sustainable Development Goals (SDGs) and the Paris Agreement, and to build joint, coherent and concerted responses to major global challenges.

The Organization

The Finance in Common Summit took place within the framework of the 2020 Paris Peace Forum (PPF). The deterioration of the public health situation led the PPF/FiCS to be held entirely online. A dedicated digital platform was developed with conferencing features and networking opportunities, enabling the PPF/FiCS to break ground with a high-level, diplomatic event of unprecedented size and scope. A total of 12,000 participants took part, a figure much higher than what a face-to-face event would have allowed. The Joint Declaration of All Public Development Banks, additional declarations, replays of all sessions, the program, the list of speakers and partners, written contributions and video messages from partners and other key stakeholders, the "PDBs in Action" project showcase, as well as a press review are all available on the FiCS website: www.financeincommon.org

The Content

The FiCS deliverables and program were built around four key issues:

1. *What are Public Development Banks? What is their raison d'être?* The preparatory work for the Summit helped to establish the profile of the PDBs: These banks are very numerous (453), they provide significant financing (10% of total annual investments around the world), they are very diverse, operating at the local, national, regional, international and multilateral levels, but they share three common attributes: they are owned by States; they have financial and legal autonomy; and they have a development mandate. This point was scientifically established at the research conference and is outlined in Part 1 of the Joint Declaration of the Summit.
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2. *What is their contribution to the implementation of Sustainable Development Goals and the Paris Agreement? Is it sufficient?* The PDBs have committed to accelerate the implementation of these objectives in Part 2 of the Declaration. The thematic focus of ten High-Level Events (HLE) gave even more substance to these commitments. The project platforms - "PDBs in Action" of the FiCS and the "Solutions Space" of the PPF (which remain accessible online) - illustrate the concrete role of PDBs through 40+ examples of operations in the field.
3. *How can they increase their impact by joining forces?* PDBs are committed to forming a coalition and cooperating more cooperatively to find answers to global issues, as set out in Part 3 of the Declaration.
4. *Finally, how to realize their potential to redirect all financial flows towards SDGs and the Paris Agreement? How can they leverage on the other 90% of global investments? How can they enter into partnership with other financial and non-financial stakeholders?* Two High-Level Panels (HLP) notably enabled us to engage in this dialogue with other stakeholders (governments, central banks, private finance, civil society, philanthropy, local authorities), as called for in Part 4 of the Declaration.

The Programme

The Summit began on 9 and 10 November with an international research conference, entitled "[The Visible Hand: Development Banks in Transition](#)". This conference – organized with the Institute of New Structural Economics at Peking University (INSE; the Institute for Sustainable Development and International Relations (IDDRI); and the Foundation for Studies and Research on International Development (FERDI) – made it possible to establish the encompassing concept of "Public Development Banks"; to identify the main characteristics of these institutions; to deploy a first-of-its-kind database; and to better understand the role of PDBs in the context of the global financial architecture. By mobilizing researchers and experts from around the world, including from China and the United States, this meeting was the occasion to publish [16 research papers](#), demonstrating the role finance infrastructure could play in the development of a sustainable integrated public sector, with a regional or even global dimension and focused on development, in order to amplify and accelerate the scaling up of financing aligned with the SDGs and the Paris Agreement.

Following a dialogue between practitioners and academics, [ten recommendations](#) were made to encourage policymakers to strengthen the mandate of Public Development Banks and give them the means to fully play their role as "visible hands".

On the 11 and 12 November, the Summit brought together for the first time the 453 PDBs in the world, their shareholders and stakeholders. Fifteen high-level sessions over these two days allowed the participation of 140 panellists from PDBs and other development stakeholders including:

- ✓ An opening session to showcase the strength and diversity of the community of the PDBs
- ✓ Ten high-level events (HLE) to discuss the banks' concrete roadmap on the specific themes of gender; social investment; the agri-food system; the private sector in Africa; fragility and resilience; adaptation to climate change; alignment with the Paris Agreement; the role of public equity; local financing and resilient cities; and biodiversity.
- ✓ Two high-level panels (HLP) to discuss how to move forward with PDBs shareholders and stakeholders.
- ✓ Two special sessions on sport & development and the state of Green Banks.

The FiCS Plenary Session was an opportunity to highlight the capacity for concrete action by PDBs, in application of government directives and in the service of just transition. Emmanuel Macron,

President of the French Republic, was joined by Macky Sall, President of the Republic of Senegal; Carlos Alvarado Quesada, President of the Republic of Costa Rica; Alberto Fernandez, President of Argentina; Kristalina Georgieva, Managing Director of the International Monetary Fund; Angel Gurría, Secretary-General of the OECD; Alok Sharma, President of the COP26; and Valdis Dombrovskis, Executive Vice-President of the European Commission; with closing remarks by António Guterres, Secretary-General of the United Nations. The second part of the Plenary Session focused on the announcement of the Joint Declaration and featured Thabo Thamane, Chairman, World Federation of Development Finance Institutions (WFDFI) & CEO, CEDA; Rémy Rioux, Chair, International Development Finance Club (IDFC) & CEO, Agence Française de Développement (AFD); Bandar Hajjar, President, Islamic Development Bank Group (IsDB) & 2020 Chair, Heads of MDB Meetings; and Werner Hoyer, President, European Investment Bank (EIB). The third part of the Plenary Session, examining how the community of PDBs interacts with the wider finance ecosystem, featured Akinwumi Adesina, President, African Development Bank Group (AfDB); Kate Hampton, CEO, Children's Investment Fund Foundation (CIFF); Iara Pietricovsky, Chair, FORUS International (International Forum of NGO platforms); and John Denton, Secretary-General, International Chamber of Commerce (ICC).

Seven Preparatory Events ("pre-Summits") were also organized between September and November to focus on more specific regional issues, and **seven Satellite Events** took place during the week of the Summit covering other important themes. A total of 30 events were held, providing the FICS with an extraordinarily rich and diverse program.

The Joint Declaration of All Public Development Banks

Through a [Joint Declaration](#), presented during the Plenary, the Public Development Banks expressed their commitment to support the transformation of the economy and societies towards sustainable and resilient development. In particular, they committed to aligning their financing with the Paris Agreement; to move away from coal; to act in favour of biodiversity; to take better account of the fight against inequalities, particularly between women and men; and to take into account human rights-based approaches and to apply the most demanding environmental and social standards. Finally, through this Declaration, the Public Development Banks commit themselves to forming a global coalition determined to promote cooperation and to act coherently in the service of the planet and its populations.

The Signatories

The Declaration was signed by all ten PDB associations, representing some 400 PDBs, as well as six multilateral banks – the three European MDBs (the Council of Europe Development Bank [CEB]; the European Bank for Reconstruction and Development [EBRD]; and the European Investment Bank [EIB]), along with the Islamic Development Bank (IsDB); the African Development Bank [AfDB]; and the International Fund for Agricultural Development (IFAD).

The five other MDBs signed the Declaration in the "In the presence of" category: the Asian Infrastructure Investment Bank (AIIB); the New Development Bank (NDB); the Asian Development Bank (ADB); the Inter-American Development Bank (IDB); and the World Bank. The presence of these institutions will enable an inclusive dialogue to continue with them in 2021.

Many other international organizations also added their signature in the "In the presence of" category: the International Monetary Fund (IMF); the European Commission; the UN Development Programme (UNDP); the UN Environment Programme (UNEP); the Organisation for Economic Co-operation and Development (OECD); the Green Climate Fund; the Global Center on Adaptation; and the International Chamber of Commerce (ICC).

Additional Statements and Operational Announcements

Additional statements also came from specific coalitions of Public Development Banks wishing to engage further on certain themes. The European DFIs, for example, have committed themselves to transitioning their investment portfolios to net-zero GHG emissions by 2050 at the latest, and to exclude new coal and fuel oil financing. The European Practitioners' Network, to which Expertise France belongs, has mobilized to strengthen the capacities of Public Development Banks to improve the quality of their financing. Specific texts have been published on biodiversity (led by the International Development Finance Club [IDFC]); gender equality (led by Türkiye Sinai Kalkınma Bankası [TSKB]); sustainable agriculture and food systems (led by IFAD); adaptation to climate change (led by Commonwealth Development Corporation [CDC UK]); social investment (led by CEB); and sport and development (led by the Agence Française de Développement [AFD]).

Operational announcements were also made. The European development finance institutions, together with the AfDB; the West African Development Bank (BOAD); Development Finance Institute Canada (DFIC); Findev Canada; the US Development Finance Corporation (US-DFC); and the Islamic Corporation for the Development of the Private Sector (ICD) pledged to provide more than USD 4 billion to the African private sector by the end of 2021. For its part, the European Commission has taken a further step to increase investment in Africa and the EU neighbourhood by concluding ten financial guarantee agreements with partner financial institutions worth EUR 990 million. These guarantees, integrated into the "Team Europe" program to support partner countries in the fight against the Covid-19 pandemic and its consequences, are expected to generate up to EUR 10 billion in global investment. In addition, the European Commission, with the support of the Kreditanstalt für Wiederaufbau (KfW), the International Finance Corporation (IFC) and Proparco, participated in the replenishment of the Currency Exchange Fund (TCX) by investing more than USD 200 million.

The Finance in Common Coalition

Other stakeholders accompanied the work of the PDBs and expressed their desire to enter into closer partnership with them to create a more global, coherent and coordinated financial system. COP15, COP26 and the Generation Equality Forum all granted their label to the Finance in Common Summit. Some institutions participated in the work of the Summit's Executive Committee, which was in charge of defining the Summit's strategic direction, while others took an active part in the sessions during the Summit. Among them, in particular: the private sector (ICC); the financial sector (IIF); civil society (Forus networks, the Nature Conservancy, Climate Action Network (CAN), Coordination Sud, One Campaign); philanthropic foundations (Rockefeller, Children's Investment Fund, Tony Elumelu, Aga Khan Development Network); the United Nations (UNSG, UNDESA, UNDP, UNEP, UNESCO, WHO, ILO, UN Women, UN Economic Commission on Africa and the conventions on climate, desertification, and biodiversity); international organizations (OECD, European Commission, Green Climate Fund, Global Center on Adaptation, et al.); and also central banks (the Network of Central Banks and Supervisors for Greening the Financial System [NGFS] and the Bank for International Settlements [BIS]).

The Geopolitics of the Summit

All regions of the world participated actively in the preparation of the FiCS, and their voices were heard:

- For Europe, the EIB and the CEB were financial and strategic partners on the respective themes of climate and social investments. The EBRD joined them as a signatory of the Declaration. The presence of Valdis Dombrovskis, Executive Vice-President of the European Commission, in the Plenary Session; Commissioner Jutta Urpilainen in a High-Level Panel; and Koen Doens in a High-Level Event provided strong support for the initiative. The Practitioners' Network for European Development Cooperation has presented a statement

declaring its commitment to supporting PDBs in the South. The Italian Cassa Depositi e Prestiti and the German KfW, both members of IDFC, have also been particularly active. The European DFIs have made strong commitments on Climate and energy as mentioned before.

- For Africa, the AfDB was the main financial partner of the Finance in Common Summit and participated in the Plenary and as lead for the HLE dedicated to “Human Security in Fragile Settings”. AfDB President Akinwumi Adesina also participated in the press conference. AADFI President Thabo Thamane, this year’s WFDFI Chair, spoke during the opening session of the Summit and during the Plenary. An HLE was specifically dedicated to private sector financing in Africa. Finally, the Development Bank of Southern Africa (DBSA), the BOAD, CDG Capital and the Trade and Development Bank (TDB) also actively participated as IDFC members.
- Regarding Asia: China was present at the Summit through the research partnership with the INSE at Peking University and the participation of the Agricultural Development Bank of China (ADBC) in the HLE on agriculture. The Indonesian Ministry of Finance represented PDB shareholders by participating in the HLP “How to Make the Most of PDBs”. The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP); the AIIB; the ADB; the Japan International Cooperation Agency (JICA), PT-SMI, and the Asian Farmers’ Association for Sustainable Rural Development (AFA) also participated.
- Latin America was also broadly represented among the Summit’s partners and stakeholders. The Latin American association of DFIs (ALIDE), the Brazilian Development Bank (BNDES), the Development Bank of Minas Gerais (BDMG), the Colombian Development Bank Bancoldex and the IADB represented the Latin American PDB community. Finally, the presidents of Costa Rica and Argentina also shared their vision on the development of the region.
- The United States participated in the Summit through the research program (notably Columbia University); through the presence of US-DFC in the opening session; and with a message of support (video) from Massachusetts Democratic Senator Ed Markey, a great defender of the Green New Deal who sponsored a bill in the US House of Representatives to create a federal Public Development Bank in the United States.

Next Steps

The structuring of the coalition will be the objective of the next few months. A great deal of work and ongoing political support will still be needed to make good on the various strategic, partnership and operational promises that emerged from the Summit. The Summit’s Executive Committee will meet in early 2021 to determine how the coalition will be organized.

The group of Public Development Banks stands ready to make a substantial contribution to the major international events of 2021, including the fifth anniversary of the Paris Agreement, the next One Planet Summit, the conference on financing African economies, the international conference on food security and nutrition, COP15 on biodiversity, COP26 on climate, and the Generation Equality Forum.