



Finance in Common

The global summit of all Public Development Banks

ROME

**19-20
October
2021**

**BUILDING
RESILIENCE
FOR PEOPLE
AND PLANET**

ORGANIZERS

OF THE FINANCE IN COMMON SUMMIT

The Finance in Common Summit is an initiative of the World Federation of Development Finance Institutions (WFDFI) and the International Development Finance Club (IDFC) with the support of all the members of the FiCS coalition.

The second edition of the Summit will be hosted by Cassa Depositi e Prestiti (CDP), in partnership with the International Fund for Agricultural Development (IFAD).

The event will gather the entire Finance in Common coalition, comprising more than 500 Public Development Banks (PDBs) and other key stakeholders including but not limited to international organizations, governments, central banks, private sector corporates and financial entities, philanthropies, civil society, think tanks and members of the academic community, forming together the Finance in Common System.

Following the open and inclusive approach adopted last year, the second edition of the Finance in Common Summit would welcome individual contributions to the agenda of the event from all interested PDBs and stakeholders, including private sector entities and civil society to build a common, shared vision for the Summit.

“
We must get there collectively by organizing the decisive role of our Development Banks.”

President of the French Republic
Emmanuel Macron

“
PDBs deliver a unique service, that of linking governments and the private sector and turning domestic and international policy signals into local solutions.”

WFDFI Chairperson
Thabo Prince Thaman

“
IDFC members have collectively mobilized their financial capacity and expertise to provide an immediate response to the short-term health challenges as well as to prepare for a post-Covid-19 world that will require a long-awaited paradigm shift.”

IDFC Chairperson
Rémy Rioux

THE FINANCE IN COMMON SUMMIT

BUILDING RESILIENCE FOR PEOPLE AND PLANET

The Second edition of the FiCS will be held under the auspices of the Italian G20 Presidency.

In line with the first edition of the FiCS, to ensure broad and effective engagement of all stakeholders, and in light of the challenges related to the Covid-19 crisis, the Summit will deploy a mix of in-person and enhanced digital session formats.

In the context of the Covid-19 pandemic and subsequent global socio-economic crisis, the Finance in Common Summit will stress the crucial role of Public Development Banks (PDBs) in reconciling short-term counter-cyclical responses to the crisis with sustainable recovery measures that will have a long-term impact on the planet and societies. Gathering PDBs from around the world, the Finance in Common Summit is an opportunity to:

- **gather more than 500 PDBs** and discuss their role, their ambition, their challenges and opportunities;
- **bring together the financial community at large to design a financial system** whereby Public Development Banks would have the ability to reorient and leverage all financial flows in the direction of climate and the SDGs; and
- **contribute to supporting and reinventing multilateralism** by promoting new forms of cooperation.

The reorientation of global finance towards climate and SDGs needs a deeper and more coordinated effort. Public Development Banks are a significant part of the solution.

A KEY TO DELIVERING THE FINANCE WE NEED FOR THE FUTURE WE WANT

With their public mandates and counter-cyclical role, Public Development Banks are more relevant than ever to contribute to the reconciliation of economic recovery and sustainable development.

Public Development Banks have a key role to play in reorienting existing investment patterns towards – and facilitating increased investment in – sustainable development.

There are more than 500 Public Development Banks (PDBs, also called Development Finance Institutions) around the world, operating at sub-national, national, regional, international and multilateral levels. PDBs share three main attributes:

- They enjoy independent legal status and financial autonomy.
- They are controlled or supported by central or local governments.
- They execute a public mandate, addressing market inconsistencies – notably for the financing of small and medium enterprises, essential infrastructures, local financial markets, housing, small agriculture, and regional and international trade – to the benefit of entrepreneurs, rural households, and the most vulnerable, including women and young people.

But they are *not* engaged in commercial banking, individual bank accounts or consumer credit.

The volume of activity of these institutions amounts to USD 2.2 trillion to the financing of global investment in 2019 – above 10% of the total amount invested in the world every year by all public and private sources combined. With their public mandates and counter-cyclical roles, PDBs are more relevant than ever to help reconcile necessary short-term responses to Covid-19-related crises with solutions for long-term sustainable development. These institutions represent a “visible hand” that can help mobilize and direct the finance we need for the future we want.

A COURSE OF ACTION TO RESPOND TO NEW CHALLENGES

What type of collective action is required to avoid a long recession and make the post-Covid-19 recovery a sustainable one? How can PDBs help economies cope with short-term employment support and long-term necessary transformation of industries? How can they implement the transition towards a low-carbon and resilient economy? These questions will be at the core of the Finance in Common Summit.

PDBs are already supporting the climate and SDG agendas. They provide long-term or concessional resources, initiate knowledge-sharing and technical-assistance programs, and promote private-sector involvement. In their effort to align with the goals of the Paris Agreement and the SDGs, a growing number of PDBs are also setting new requirements for the allocation of their own funding. However, the reorientation of global finance towards climate and SDGs requires a deeper and more coordinated effort to profoundly transform harmful practices.

CONCRETE AND SUSTAINABLE SOLUTIONS

In a world awash with liquidities, there is an urgent need for a coalition of financial institutions able to transform public resources into concrete and sustainable projects on the ground. Such coordination among PDBs would eventually link international policy issues with local solutions, and governments’ ability to identify sustainable development trajectories with private-sector opportunities.

As public institutions, they represent a modern and large coalition of actors. PDBs are organized by region, with deep roots in local economic and social fabrics, and with historic support from regional Multilateral Development Banks. They play a vital part among local stakeholders and can deploy a wide range of powerful instruments in order to bridge market failures, mobilize domestic resources, redirect investments, support private sector mobilization and promote sustainability. PDBs are able to deliver both the “first mile” and the “last mile” of funding, connecting policy intentions with results on the ground – before, after, or in conjunction with financial markets.

A NEW VISION OF DEVELOPMENT FINANCING

Some PDBs have already been active for decades, and an increasing number of governments are either strengthening them or establishing new ones. Their legitimacy is reinforced by a new vision of development financing – one that extends beyond the scope of infrastructure investment or other traditional mandates and that is capable of mobilizing both government institutions and financial markets.

On the ground, PDBs can help deliver the institutional change and real economy outcomes that are required to turn the UN SDGs into reality. For example, their funding and advice to governments can boost investment in social infrastructure, notably for healthcare. They can also help build the confidence to achieve carbon neutrality by 2050, while increasing the use of nature-based solutions.

PDBs’ VOLUME OF ACTIVITY



\$2.2 TRILLION

Contribution to the financing of global investment



10%

of global investment

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OVERVIEW

PUBLIC DEVELOPMENT BANKS AT A GLANCE

There are more than 500 Public Development Banks (PDBs) in the world. Where are they, in which sectors, how much do they disburse?

WHAT'S A PDB?

INSE and AFD have proposed a set of five qualification criteria that should be met simultaneously to qualify an entity as a PDB or DFI:

- Being a stand-alone entity
- Deploying fund-reflow-seeking financial instruments as main products and services
- Funding sources go beyond periodic budgetary transfers
- Having a proactive public policy-oriented mandate
- Government steering of corporate strategy

WHERE PDBS ARE LOCATED? GEOGRAPHICAL DISTRIBUTION OF OWNERSHIP

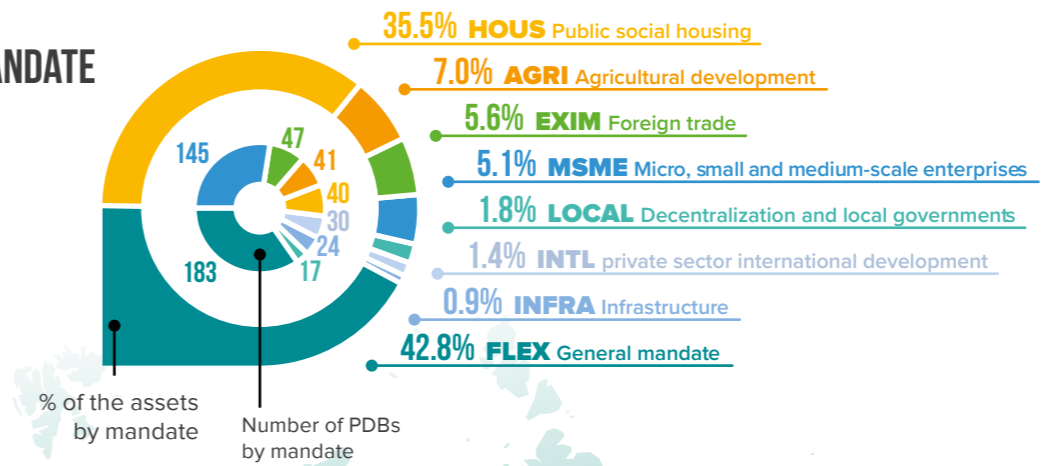
Americas

22%

World

1%

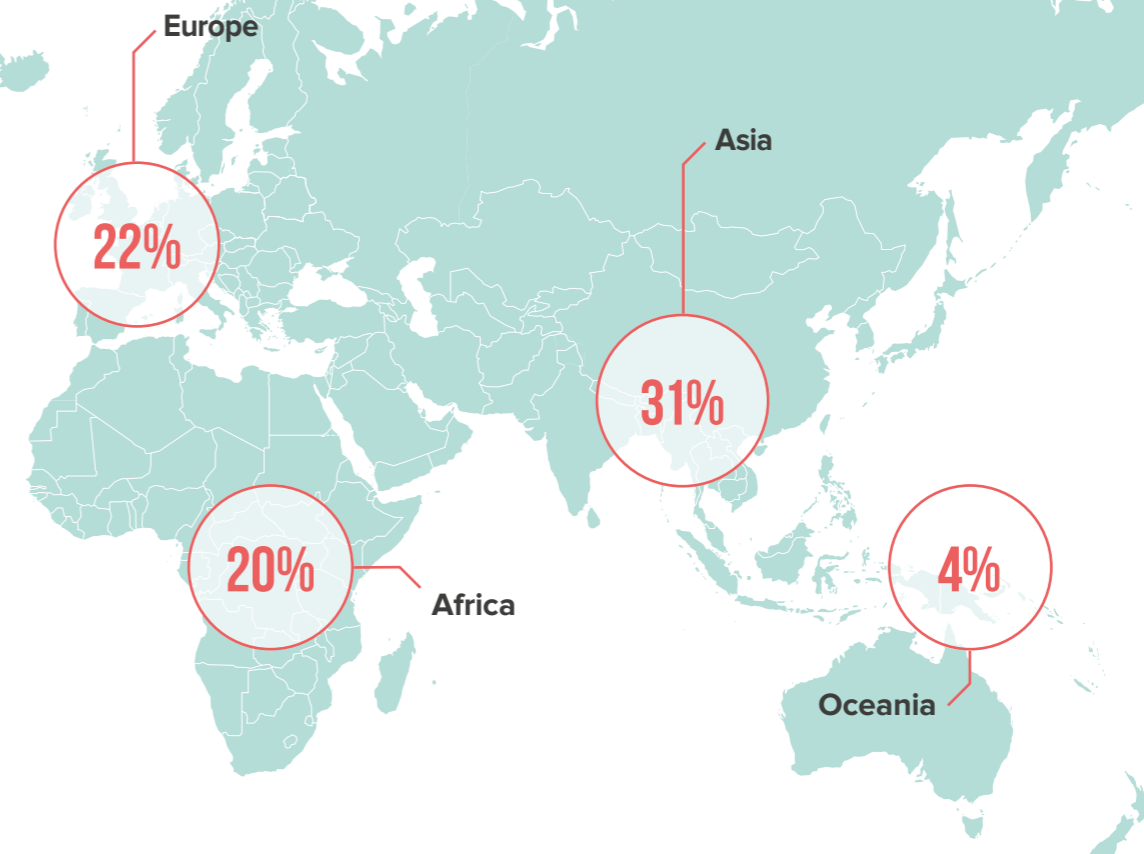
MANDATE



527 PDBs in 2020

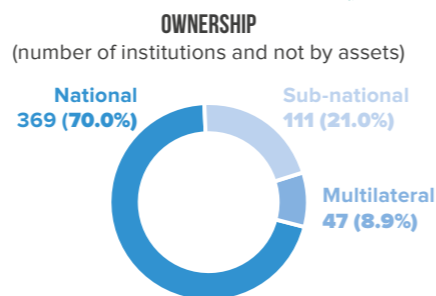
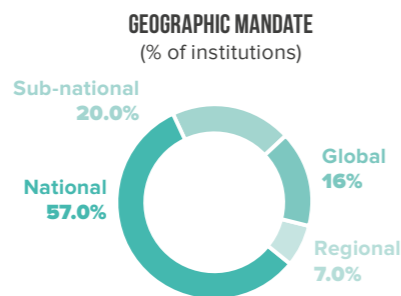


\$18.7 TRILLION in assets



PDBs OPERATE EVERYWHERE

at the international, regional, national and sub-national level



AMAZING FACTS

- China Development Bank is the largest general-mandate PDB with 2.4 trillion in assets (2019)
- The European Investment Bank is the largest multilateral development bank
- The World Bank, created at the Bretton Woods in 1944, is a well-known multilateral development bank with 189 member countries
- Caisse des Dépôts et Consignations (France), created in 1816, is the oldest PDB
- UK Infrastructure Bank was created in June 2021 and is the newest PDB

THE SECOND EDITION EXPLORES THE THEME OF AGRICULTURE

The second edition of the Finance in Common Summit will notably aim to:

The second edition of the Finance in Common Summit is an important opportunity to demonstrate PDBs' concrete ability to guarantee coherence, continuity and engagement on the commitments made on climate, sustainable development and health last year and reinforce their determination in implementing the defined actions.

- **Consolidate the coalition** of all PDBs as fundamental actors of the development finance architecture.

PDBs represent a bridge between national policy goals and global challenges, linking public interests and private capital, in an attempt to balance public policies and market rules. This second edition is an important opportunity to underscore the crucial role of PDBs and further organize their coalition.
- **Reinforce coordination and cohesion among PDBs and other key financial actors**, sharing strategic priorities, best practices and methodologies, confirming PDBs determination to collectively shift their investment patterns and activities to contribute to the achievement of the SDGs and the objectives of the Paris Agreement, while responding to the Covid-19 crisis.
- **Take stock of the commitments made in the Joint declaration of all Public Development Banks** in the World during the first FICS and report on the results achieved by PDBs and their stakeholders on global and urgent issues.

THE SECOND EDITION EXPLORES THE THEME OF AGRICULTURE

Explore the theme of agriculture, agribusiness and food systems financing, which sits at a critical intersection of issues that must be addressed to achieve the 2030 Agenda and the Paris Agreement, representing:

- a major source of productive livelihoods, particularly in emerging economies, a source of job-rich economic growth, a contributor to public health (through improved nutrition),
- an entry-point for the protection of biodiversity and addressing climate change.

GLOBAL PROBLEMS CALL FOR GLOBAL SOLUTIONS

PDBs have crucial role to play in bridging the considerable financing gap in the food economy. This can be achieved by enabling investments that combine public and private goods, by increasing and re-directing financing to more sustainable and inclusive outcomes and by crowding in and de-risking private sector resources. A greater level of coordination, amongst PDBs, private sector and other stakeholders through FICS, can enhance the efficacy of PDBs in filling this unique role in the broader food/agriculture financing architecture. In particular, during this year in which the urgency of this issue is at the top of the global agenda as a key theme of the UN Secretary-General's Food Systems Summit and the G20 Summit, a spotlight on the catalytic role of PDBs in investing in this sector can strongly link the PDBs initiative with development and climate financing international deliberations.

Hosting 2021 FICS in Italy in conjunction with the Italian Presidency of the G20 offers a unique opportunity to attain FICS recognition as the global framework organizing the international debate of financial institutions and PDBs on sustainable and climate finance. Having the FICS back-to-back with the G20 Leaders' Summit will allow the Finance in Common Coalition to convene PDBs from around the globe to contribute to the G20 debate and to its final decisions, including actions to be taken to foster a sustainable economic recovery and shape the new international financial architecture. Likewise, the COP26 led by UK in co-partnership with Italy will provide the opportunity to reinforce a joint commitment in support of common actions for climate and sustainable development.

Strengthen FICS coordination with the G20, COP 26 and other international fora of interest that have a crucial role in setting the path for the future of global economic recovery.

Explore other specific issues that are particularly relevant for a sustainable and equitable Covid-19 recovery including climate, health and alignment of international flows on export and trade finance for the achievement of the UN 2030 Agenda.

EXPECTED DELIVERABLES

THE SECOND EDITION OF THE FICS AIMS TO DELIVER THE FOLLOWING OUTCOMES

Expected deliverables from the first edition and FIC progress (monitoring reports, additional commitments, governance, progress on PDBs database)

➤ **Launch of a Public Development Bank Initiative to Catalyze Green and Inclusive Food System Investments through a potential forum and platform for knowledge-sharing, technical assistance, and engagement around impact metrics and measurement.** This solution is currently under discussion, and will be developed during the course of the year in the context of the Food Systems Summit.

The platform will ideally be associated to other voluntary commitments related to food and agriculture from the PDBs' community.

➤ **Production of new research papers written by economists and experts from the academic community.**

These papers will be shared during the Summit and introduced by a foreword from the CDP-Think Tank. Each research paper will be presented and used as starting point to stimulate discussion sessions among authors, representatives of Public Development Banks and other participants. In

these papers, authors will investigate how the private sector is adapting to climate change as well as the catalytic role development banks are playing in promoting a more innovative and sustainable agri-food system. They will advance knowledge and inform practice in key, catalytic areas.

➤ **To implement its 2020 statement, the Finance in Common Agriculture Coalition and its partners** (farmer organizations, smallholder enterprises, public and private organizations, civil society organizations) commit to accelerate concrete progress, and are launching the Public Development Bank Platform for Green and Inclusive Food Systems, building on the work of the Coalition's Working Group over the past months to improve the financing of sustainable agriculture and food systems. The Platform will focus on inclusive and green food systems financing. It will also support PDBs to improve their overall operations, governance, and practices

➤ **Work on the detailed design of the Platform** has started and a progress report summarizing the main achievements, results delivered and lessons learnt is planned at the occasion of the third edition of the Finance in Common Summit in 2022.

➤ **The PDB Platform for Green and Inclusive Food Systems** is envisioned as dynamic mechanism for accelerated learning, innovation, mobilization and deployment of capital and services, designed to promote investments at scale for sustainable food system transformation.

MAKING THE MOST OF OUR MOMENTUM

Moving forward, the Finance in Common Summit could also welcome individual statements from a number of Heads of State and government leaders, as well as from all willing stakeholders, notably the private sector and civil society, outlining concrete commitments to adjust their mandates and support the work of their PDBs towards climate and SDGs.

Moving forward, the Finance in Common Summit could also welcome individual statements from a number of Heads of State and government leaders.

THE SUMMIT PROGRAM

THE ROLE OF PDBs IN PROMOTING SUSTAINABLE AGRICULTURE, AGRIBUSINESS AND FOOD SYSTEMS

OCTOBER 19TH
09:30 – 17:50

DAY 1

09:30-10:20	FiCS 2021 OPENING SESSION - Led by CDP & SG FiCS Context and objectives of FiCS 2021
10:30-12:00	PLENARY SESSION ON AGRICULTURE - Led by IFAD “Leveraging PDBs to achieve Inclusive and Green Food system transformation: a multi-stakeholder perspective”
12:10-13:00	RESEARCH SESSION 1 “DIGITAL AGRICULTURE” - Led by CDP “The challenge of the digital agricultural revolution”
12:10-13:00	HIGH-LEVEL THEMATIC SESSION 1 - Led by AFD in collaboration with IFAD and FAO “Operationalizing the agriculture-planet nexus”
13:00-14:00	LIGHT LUNCH For onsite speakers/participants
14:00-14:50	RESEARCH SESSION 2 : “CLIMATE CHANGE” - Led by CDP “How to make agriculture and food systems part of the climate solution?”
14:00-14:50	HIGH-LEVEL THEMATIC SESSION 2 - Led by CEB “Do more, do better! Partnering for social investment”
15:00-15:50	RESEARCH SESSION 3 “THE ROLE OF PDBS IN AGRICULTURE” - Led by AFD “The role of public development banks in promoting sustainable agriculture around the world”
15:00-15:50	HIGH-LEVEL THEMATIC SESSION 3 - Led by CDP in collaboration with OECD “Scaling up Green, Social and Sustainability bonds in developing countries”
16:00-16:50	HIGH-LEVEL THEMATIC SESSION 4 - Led by EIB in collaboration with AFD “Investing for change: from water and sanitation investments to resilient countries with PDBs”
16:00-16:50	HIGH-LEVEL THEMATIC SESSION 5 - Led by Latin America Alliance for Subnational Development Bank “Financing an urban and territorial just transition: the role of Subnational Development Banks”
17:00-17:50	PDB-DONORS DIALOGUE - Led by CDP & SG FiCS “How to reinforce collaboration between foundations, private philanthropy, public donors and PDBs”
17:00-17:50	HIGH-LEVEL THEMATIC SESSION 6 - Led by SG FiCS and CDP “Climate adaptation and resilience”

19:30	GALA DINNER Castel Sant'Angelo Lungotevere Castello, 50 — Rome
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THE ROLE OF PDBs IN REINFORCING THE GLOBAL FINANCIAL ARCHITECTURE TOWARDS SUSTAINABLE DEVELOPMENT

OCTOBER 20TH
09:30 – 18:30

DAY 2

09:30-10:00	PRESENTATION OF THE FIRST DATABASE ON PUBLIC DEVELOPMENT BANKS AND DEVELOPMENT FINANCING INSTITUTIONS WORLDWIDE - Led by INSE and AFD “PDBs Database: 500+ mobilized for the FiCS Coalition”
10:00-12:00	PLENARY SESSION ON FiCS COALITION - Led by SG FiCS “Potentials, results and new roadmap for PDBs and FiCS Coalition”
12:00-12:50	HIGH-LEVEL THEMATIC SESSION 7 - Led by European Commission “Sustainable Finance to leave no one behind”
13:00-14:30	LEADERS' DIALOGUE Leaders' Dialogue
15:30-16:20	PDB-INVESTOR DIALOGUE - Led by LTIIA in collaboration with IDFC PDB-Investor Dialogue
15:30-16:20	HIGH-LEVEL THEMATIC SESSION 8 - Led by AFD in collaboration with UN WOMEN “Gender Equality, Climate Change and Funding”
16:30-17:20	HIGH-LEVEL THEMATIC SESSION 9 - Led by EDFI “Inclusive financing solutions for Africa's entrepreneurs”
16:30-17:20	HIGH-LEVEL THEMATIC SESSION 10 - Led by AFD and ICS “Scaling-up Public Development Banks' sport for sustainable development programs”
17:30-18:30	CLOSING SESSION Towards G20, COP 26 and FiCS 2022



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