

Rome, 20 October 2021

## Communiqué

### 2021 Finance in Common Summit (FiCS)

#### Progress and New Directions for the Public Development Banks Coalition and its Stakeholders

The second edition of the Finance in Common Summit (FiCS) was held in Rome on 19 and 20 October under the auspices of the 2021 Italian G20 Presidency. As an initiative of the World Federation of Development Finance Institutions (WFDI), the International Development Finance Club (IDFC), and with the support of all the members of the FiCS coalition (see Annex 2), the Summit was hosted by Cassa Depositi e Prestiti (CDP), in partnership with the International Fund for Agricultural Development (IFAD). The Summit received the label of COP26, COP15, the Generation Equality Forum, and the United Nations Convention to Combat Desertification (UNCCD). The participants warmly thanked CDP, the Italian authorities, and IFAD for their hospitality and support to advance the FiCS agenda for short-term responses to the pandemic and longer-term measures for climate and sustainable development.

After the inaugural Summit in Paris in November 2020, this edition brought together for the second time the whole community of Public Development Banks (PDBs) and its stakeholders and served as a global platform to share experiences and research, launch joint initiatives and frame new partnerships. More than 160 high-level speakers participated online and in-person in more than 20 events over these two days, to contribute to the Covid-19 recovery and the 2030 Agenda, with a specific focus on the pressing issue of sustainable agriculture, agribusiness, and food systems. The FiCS also contributed to the ongoing discussion about the international financial architecture, as requested by the G20 Finance Ministers and Central Bank Governors in their meeting on Wednesday 13 October 2021, taking the opportunity of the meeting of the Heads of all Multilateral Development Banks (MDBs) on Wednesday 20 October, and just before the G20 Leaders Summit in Rome.

The third edition of the Summit will be hosted in 2022 by the African Development Bank and the European Investment Bank. This third edition will notably explore how regional, national and subnational PDBs together can better harness their financial resources and policy expertise to scale up sustainable investment in their respective constituencies.

## FiCS progress since the inaugural Summit in 2020

PDBs mobilized a record level of financing during the Covid-19 pandemic and related crises, providing a response to affected sectors, businesses and households, adapting strategies, funding sources, and financing instruments. According to [the first comprehensive database of PDBs](#), prepared by the Institute of New Structural Economics (INSE) of Beijing University and the Agence Française de Développement (AFD) and updated on the occasion of the second FiCS, PDBs significantly raised their aggregated balance sheet in 2020. Based on preliminary estimates, PDBs' total investments reached over US\$2.5 trillion in 2020 depending on the perimeter, or about 12% of global investments in 2020. This amount increased by at least 13% compared to 2019. Estimated commitments from MDBs and the IDFC increased by at least 45% and 25% respectively in 2020 compared to 2019 (from US\$90 billion to US\$131 billion and from US\$750 billion and US\$940 billion respectively).

New [research](#) in 2021 facilitated a better understanding of the reality and the role of PDBs in their respective constituencies. We have identified about 530 PDBs around the globe, as defined by the following five criteria: stand-alone entities; utilizing fund-reflow-seeking financial instruments as their main products and services; funding sources going beyond periodic budgetary transfers; deploying proactive public policy-oriented mandate; with government steering their corporate strategies. In terms of geographical distribution, PDBs can be classified into three categories, national PDBs being the most prevalent category, accounting for 70% of the total, whereas subnational ones account for 21%, and multinational ones for 9%. Thirty one percent (31%) of all PDBs are located in Asia, 20% in Africa, 22% in Europe, 22% in the Americas, and 4% in Oceania. In terms of distribution across development levels, low-income countries have only 0.8 national PDB on average per country, whereas lower-middle-income countries have 2.4, and upper-middle-income countries and high-income countries two respectively. Even though in absolute terms almost half of PDBs are very small, in relative terms they may carry substantial weight in their respective countries or regions, as total assets of some national PDBs may account for 60% of their country's gross domestic product (GDP). PDBs are investing in many sectors to address market failures and mobilize the private sector, including rural and agricultural development, promoting exports and foreign trade, social housing, infrastructure, international financing of private sector development, local government, and micro-, small-, and medium-sized enterprises.

**Additional academic and institutional contributions are necessary to analyze more precisely what still remains a blind spot of the global financial architecture** – namely, the impact of PDBs' countercyclical contribution, including in the health sector, whether they invest directly or blend their own capital with private resources – and to help find ways to rebalance the regional distribution of PDBs.

A progress report of the Finance in Common initiative was published, referring to the commitments made in the ambitious [Joint Declaration](#) signed in November 2020. All of the 14 thematic coalitions of PDBs (see Annex 1) progressed on their respective roadmaps. On social investment and health in particular, the coalition continued to promote the cross-benefits that social investments provide in strengthening economic, human and planetary resilience, and prepared to launch a survey to better understand PDBs' social investment practices, leverage the private sector, and showcase replicable experience. The Water Finance Coalition published in Rome a study that analyzes the involvement of PDBs, in particular national ones, in the water and sanitation sector and provides policy recommendations.

Since November 2020, the Finance in Common initiative was active in international fora relevant for the global economic recovery, emphasizing cooperation among all financial and technical stakeholders to meet the 2030 Agenda and leave no one behind. PDBs intensified dialogue with civil society, projecting new and innovative dialogue mechanisms. They are acknowledging the role that civil society plays in development processes, in line with the 2021 OECD-Development Assistance

Committee (DAC)'s Recommendations on Enabling Civil Society reasserting civil society organizations' full and meaningful role as independent development and humanitarian actors. In 2022, concrete opportunities for dialogue with civil society organizations (CSOs) will be explored further, such as the setting up of an ad-hoc working group with interested CSOs for instance, in order to institutionalize dialogue at the local, national and international levels.

**The PDB Coalition also strengthened its dialogue with the private sector, local governments, donors, philanthropies, and think tanks.** With the support of the FiCS, PDBs are joining forces to make finance more future-aware, through the setting up of a Task Force on Foresight for Sustainable Development Finance, hosted by the OECD-DAC Friends of Foresight Community.

**The Finance in Common movement agreed in Rome on its governance.** The Executive Committee of the FiCS gathers all stakeholders of the movement and convenes to define the strategy and decide on the main deliverables. A Steering Group will gather the representatives of the PDBs to further structure and mobilize the FiCS Coalition. A Secretariat, hosted by AFD as chair institution of the FiCS from 2020 to 2022, and headed by a Secretary General, oversees and operationalizes the deliverables of the movement and coordinates the Summit's preparation, annually hosted by a member institution.

## FiCS mobilization for agriculture, climate and biodiversity

This year, the Finance in Common Summit highlighted a specific effort to mobilize PDBs for a transition of food systems compatible with climate and biodiversity imperatives, through the building of a **Coalition for Action for Inclusive and Sustainable Food System Finance led by IFAD**. To accelerate progress on the ground, following the guidance of the United Nations Summit on Food Systems on 23 September 2021 and the Matera Declaration of 29 June 2021, the FiCS agriculture coalition and its partners (encompassing farmers' organizations, smallholder enterprises, public and private organizations, and civil society organizations) is establishing a new [PDB Platform for Green and Inclusive Food Systems](#). Operationalizing the [FiCS Agriculture Statement](#) of 12 November 2020, this platform will **deliver the following services to PDB members: technical assistance, sharing of expertise, support for innovation, and tools to measure the social and environmental impact of investments and to better assess risks**. With more than 40 PDBs specialized in agriculture, particularly present in emerging and developing countries, and 72 PDBs with large portfolios in the agricultural sector, representing [two-thirds of the world's formal financing of smallholder farmers](#), this coalition has the potential to leverage PDBs – including directing and leveraging private funding – to transform agriculture, food systems, and value chains towards sustainability, resilience, nature protection, agro-ecology, and social inclusivity, and to contribute to closing the estimated US\$300-350 billion annual financial gap towards sustainable agriculture, while ensuring productivity and sustainable trade.

**PDBs also demonstrated their capacity to mobilize more climate finance to make COP26 a success.** In 2020, MDBs' climate finance rose to US\$66 billion, up from US\$61.6 billion in 2019, including US\$20 billion for climate change adaptation. In the past six years, the MDBs have jointly committed a total of US\$257 billion in climate finance, of which US\$186 billion was directed at low- and middle-income economies. IDFC members collectively financed green projects amounting to US\$185 billion in 2020, reaching a total of US\$1 trillion since COP21, already meeting the target set at the UN Climate Action Summit for the period 2019-2025. MDBs and IDFC are spearheading the operationalization of alignment with the Paris Agreement, publishing methodologies and frameworks and recognizing the importance of collaboration with all partners to align the entire financial chain. With the adoption of the revised Common Principles for Climate Mitigation Finance tracking, MDBs and IDFC will strengthen the quality and impact of their climate finance. In an effort to strengthen their accountability, several PDBs have also started reporting as per the Taskforce on Climate-related Financial Disclosures (TCFD). Finally, PDBs are willing to support more ambitious Nationally Determined Contributions and Long-Term Strategies, and stand ready to finance their

implementation. To this end, the FiCS welcomes the World Bank's new Country Climate and Development diagnostics that will set a strong base to inform climate action responding to national climate goals and needs. Likewise, it welcomes the European Investment Bank's framework to assess and support counterparty alignment and its first Adaptation Plan to be published in Glasgow.

**On adaptation and biodiversity, the FiCS initiative seeks to promote nature-based solutions** as powerful levers to support resilient societies. IDFC members will build on their climate finance effort to push for adaptation – current investments amount to US\$27 billion a year, a 42% increase compared to 2019— and for nature which amounted to US\$14 billion in 2020. The PDB Coalition welcomes the work of the Adaptation and Resilience Investors Collaborative and encourages the endorsement of its recommendations, including systematically addressing physical climate risks. And all PDBs can contribute substantively through their own experience to the assessment of dependency and impact risks related to the declining state of ecosystems, mainstreaming nature-based solutions in key sectors (agriculture, cities, infrastructure, water management, among others), and biodiversity-positive finance tracking. PDBs reiterate their overall biodiversity commitments as per the 2020 global Joint Declaration, recognizing that biodiversity protection cuts across many aspects of development and is paramount to stability, prosperity and inclusiveness. In parallel, FiCS will provide concrete added-value to the Taskforce on Nature-related Financial Disclosures (TNFD), through the Development Finance Hub hosted by AFD as part of the secretariat of the initiative, in order to bring in the expertise and experience of PDBs. Finally, in line with the IUCN World Conservation Congress and the COP15 process, a call was launched to join a coalition to make climate finance converge with biodiversity. The FiCS noted that several PDBs have already adopted the target of 30% of their climate finance to be nature-positive by 2025 or 2030.

## FiCS as a contributor to the global financial architecture as requested by the UN and the G20

FiCS is extremely honored to be recognised by the G20 Finance Ministers and Central Bank Governors in their statement of 14 October 2021, in line with the goal of catalysing more resources, as per the G20 Sustainable Finance Working Group (SFWG). The G20 declared: *"We welcome the Finance in Common Coalition and recognise the important role of Public Development Banks towards the achievement of the SDGs and the Paris Agreement goals. We look forward to the 2021 Finance in Common Summit on 19 and 20 October in Rome and ask the Coalition to report its progress in 2022."*

FiCS is pleased to see the crucial role of PDBs in reorienting global finance towards the SDGs recognised by the United Nations. The 2021 [Financing for Sustainable Development Report](#) highlighted the importance of the FiCS and formulated the following recommendation: *"the international community needs to better leverage public development banks (PDBs) as a tool for sustainable development investment."*

FiCS has also taken note of the inter-governmentally-agreed conclusions and recommendations of the [2021 United Nations Financing for Development Forum](#) directed to PDBs: *"We invite national and regional development banks and international financial institutions to provide a long-term coordinated response to the crisis and help countries to rebuild better, reduce risks and build resilience to future shocks and crises, by focusing on promoting a sustainable, inclusive and resilient recovery, in support of the Addis Ababa Action Agenda and the 2030 Agenda."*

FiCS called in Rome for strengthening the explicit mandates and capacity of all PDBs to align their activities with the SDGs and the Paris Agreement, through best practices and internationally accepted norms and standards on environmental, social and governance, as well as through incentives to invest in a just and inclusive transition towards sustainable, low-carbon, and resilient development pathways. FiCS encouraged the channelling of more resources through the global architecture of all

PDBs and welcomed the creation of the new IMF Resilience and Sustainability Trust and the G20 openness “to consider viable options to voluntarily channel Special Drawing Rights (SDRs) to MDBs”, to leverage more the PDBs’ collective capacity to mobilize Paris- and SDG-aligned investments.

In Africa, FiCS supports the joint declaration of all African PDBs, led by the African Development Bank and the Association of African Development Finance Institutions (AADFI), published at the May 18 Summit for the Financing of African Economies, calling Heads of State and international organizations to effectively support their role and capacity to reinforce domestic financial systems. The PDB Coalition can help in reaching out to local financial institutions, in particular in Africa, which are well-placed to originate and implement effective projects through their networks and knowledge of policies and local value chains. As a community, the FiCS initiative intends to share practices and procedures, build strategic partnerships, co-finance projects, and strengthen local capacities through international cooperation. In this perspective, FiCS 2021 organized the first dialogue to reinforce collaboration between foundations, private philanthropy, public donors and PDBs, in the presence of the OECD-DAC’s Chair.

This second edition of the Finance in Common Summit also helped PDBs to strengthen collaboration with investors and other private actors in areas such as the characterization of sustainable investment, financial innovation, and outreach. The Global Impact Investing Network (GIIN) and the Long Term Infrastructure Investors Association (LTIIA) signed the PDBs’ Joint Declaration, and they are supporting a reinforced PDB-Investor framework to accelerate private finance alignment with the SDGs. The FiCS also welcomed the acknowledgement by the Berne Union, the leading global association for the export credit and investment insurance industry, of the common goals set by PDBs under their Joint Declaration that include supporting the transformation of the global economy and societies towards sustainable and resilient development.

#### About the Finance in Common Summit (FiCS)

The first-ever platform of all Public Development Banks (PDBs), the Finance in Common Summit focuses on how PDBs can influence the global financial system to better protect our planet and societies. By rallying and challenging a new and significant global community with enhanced capacity of action, and by promoting sustained collective action, the Finance in Common Summit is a key milestone for COP26 and for other major international events in 2022

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## Communiqués issued on the occasion of the 2021 FiCS Summit

[European Commission highlights the need to jointly address inequalities with sustainable finance.](#) Finance in Common Summit.

[UN Women and AFD unveil new Report on Public Development Banks' contributions to advancing gender equality](#)

[Launch of the PDBs for Sustainable Food Systems Platform: A Multi-stakeholder Perspective.](#) Finance in Common Agriculture Coalition.

[Rome Public Development Banks Statement on Financing Water and Sanitation.](#) Finance in Common Water Finance Coalition.

[Biodiversity: A Growing Momentum - Making Finance Work for Nature Working Group of the International Development Finance Club](#) (Progress Note since the first edition of the Finance in Common Summit).

[On the way to FiCS 2021 and COP26: PDBs moving forward on Paris Alignment.](#) Agence Française de Développement, European Investment Bank. Finance in Common Summit Event Brief.

[Public Development Banks-Investors Dialogue.](#) Finance in Common Summit Event Brief.

[Berne Union acknowledges the Finance in Common Joint Declaration of Public Development Banks targeting a transformation of the global economy and societies towards sustainable and resilient development.](#) Press release. Berne Union.

## Reports issued on the occasion of the 2021 FiCS Summit

Dembele, F., R. Schwarz and P. Horrocks. 2021, [Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#), OECD Publishing, Paris.

Xu J., Marodon R., Ru X., [Mapping 500+ Development Banks: Qualification Criteria, Stylized Facts, and Development Trends](#), AFD Research papers n°192, Agence Française de Développement. Paris, October 2021.

Griffith-Jones D. and Barrowclough D. How are development banks managing the covid-19 crisis and planning for a transition towards recovery. Agence Française de Développement, Global Development Network. October 2021.

Laura Vigano. [The role of finance and public development banks in promoting sustainable agriculture around the world](#). International Fund for Agricultural Development, Agence Française de Développement. Rome, October 2021 ([Moving Towards Sustainable Agrifood Systems: Analysis and Strategic Scenarios](#), Cassa Depositi e Prestiti. Rome, October 2021).

Kenney et al. The challenge of the digital agricultural revolution: A comparison between advanced economies and developing countries. Cassa Depositi e Prestiti. Rome, October 2021 ([Moving Towards Sustainable Agrifood Systems: Analysis and Strategic Scenarios](#), Cassa Depositi e Prestiti. Rome, October 2021).

Rob Vos. Climate change and food system sustainability: challenges and solutions. Cassa Depositi e Prestiti. Rome, October 2021 ([Moving Towards Sustainable Agrifood Systems: Analysis and Strategic Scenarios](#), Cassa Depositi e Prestiti. Rome, October 2021).

European Think Tank Group. [Financing the 2030 Agenda: An SDG alignment framework for Public Development Banks](#), October 2021.

[PDBs in Action: Progress Report from the First Year of Life of the Finance in Common Movement](#). Finance in Common General Secretariat. Paris, 20 October 2021.

[The role of Subnational Development Banks in financing an urban and territorial resilient post-Covid recovery](#). Alliance of Subnational Development Banks in Latin America, 19 October 2021.

[Green Finance Mapping 2020](#), International Development Finance Club, 2021.

[Public Development Banks Driving Gender Equality – An Overview of Practices and Measurement Frameworks](#). FiCS Coalition on Gender Equality and Women's Empowerment in Development Banks, 20 October 2021.

[Common Principles for Climate Mitigation Finance Tracking](#) (Multilateral Development Banks; International Development Finance Club), 18 October 2021.

## Annex 1 FiCS Thematic Engagements

TOPIC	NAME OF THEMATIC GROUP/ COALITION	TITLE OF THE ADDITIONAL STATEMENT	MEMBERS / PARTNERS
1. PRIVATE SECTOR IN AFRICA	› Coalition for a Sustainable and Inclusive Recovery for the Private Sector	› Public Development Banks Initiative in Response to Covid-19 Crisis for African SMEs	› AfDB, BOAD, EDFI members, FinDev Canada, ICD, US DFC
2. CLIMATE CHANGE (PARIS AGREEMENT)		› Together for a Sustainable and Resilient global recovery, advancing the Paris Agreement and Sustainable Development Goals (IDFC)  › Statement on Climate and Energy Finance (EDFI)	› IDFC members, EIB  › EDFI members
3. ADAPTATION AND RESILIENCE	› Accelerating Investment in Climate Adaptation and Resilience Collaborative	› Accelerating Investment in Climate Adaptation and Resilience	› Signatories: AFD, CDC Group, CDP, FCDO, FMO, GCA, PROPARCO
4. AGRICULTURE AND FOOD SECURITY	› PDB Working Group on Financing Sustainable Food Systems	› Investing in Sustainable Food and Agriculture Systems: The Role of Public Development Banks	› ADB Ltd, ADF, APRACA, AFRACA, BANRURAL, BFA, DBS, DBSI, IFAD, LBA, NENARACA, TADB  › <u>New members</u> : ADIBC, BNDES, FIRA, NABARD
5. BIODIVERSITY		› Making Finance Works for Nature Group (IDFC Position Paper)	› CFA, CI, IDFC, TNC, WCS, WWF, IFAW

<p><b>6. GENDER EQUALITY</b></p>	<p>› Gender Equality and Women's Empowerment in Development Banks</p>	<p>› Paris Development Banks Statement on Gender Equality and Women's Empowerment</p>	<p>› AADFI, ADFIMI, AECID, AFD, AFD Paraguay, AfDB, ALIDE, Banco do Nordeste, Bancoldex, BANOBRAS, BDMG, BICE, BIO Invest, BNCR, CABEL, Central Bank from Suriname, CDC Group, DBSA, DEG, DFC, EIB, FinDev Canada, FINAGRO, Findeter, Finfund, FIRA, FOGABATSKB, HBOR, IFAD, IFU, JICA, KFW, PROPARCO, PT-SMI, Swedfund, TSKB, VEB.RF</p>
<p><b>7. SOCIAL INVESTMENT</b></p>	<p>› Coalition for Social Investment</p>	<p>› To Build Back Better from Covid, Social Investment is Key to Sustainable Economic Recovery</p>	<p>› Members: AADFI, AFD, ALIDE, BOAD, CEB, FONPLATA, TSKB, WFDPI Sponsors: ILO, UNDP, WHO</p>
<p><b>8. SUBNATIONAL BANKS AND RESILIENT CITIES</b></p>	<p>› Latin America Alliance of Sub-National Development Banks (SDBs)</p>		<p>› Partners: AFD, BDMG, FMDV</p>
<p><b>9. FRAGILITY AND DEVELOPMENT</b></p>			<p>› ICRC, WEF</p>
<p><b>10. SPORT FOR DEVELOPMENT</b></p>	<p>› The Coalition for Sustainable Development through Sport</p>	<p>› Letter of Intent for the Launch of a Sport for Development Coalition of PDBs and Partners</p>	<p>› AFD, ADFIMI, ALIDE, BOAD, ICS, JICA, VEB.RF with the support of Dakar 2026, ENAS, GIZ, IOC, IPC, Paris 2024 and UNESCO</p>
<p><b>11. WATER</b></p>	<p>› Water Finance Coalition</p>	<p>› PDBs Call for Action Towards a Water Finance Coalition</p>	<p>› Initial partners: AFD, CAF, CDP, EIB, SWA, World Bank</p>
<p><b>12. GREEN BANKS</b></p>	<p>› Green Bank Platform</p>		<p>› Green Finance Institute, NRDC, Rocky Mountain Institute</p>
<p><b>13. FORESIGHT FOR SUSTAINABLE FINANCE</b></p>	<p>› Task Force on Foresight for Sustainable Development Finance</p>		<p>› OECD</p>
<p><b>14. ALIGNMENT OF FINANCIAL CHAINS WITH THE PARIS AGREEMENT</b></p>	<p>› Financial Institution Group on Aligning Financial Chains with the Paris Agreement</p>		<p>› Mainstreaming Climate Action in Financial Institutions Initiative, UNEP FI</p>

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## Annex 2 Members of the FICS Coalition

**List of signatories Regional and International Associations of Public Development Banks:** - Association of African Development Finance Institutions (AADFI) - Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) - Association of National Development Finance Institutions in Member Countries of the Islamic Development Banks (ADFIMI) - Latin American Association of Development Financing Institutions (ALIDE) - D20-Long-Term Investors Club (D20-LTIC) - European Association of Public Banks (EAPB) - Association of European Development Finance Institutions (EDFI) - European Long-Term Investors Association (ELTI) - International Development Finance Club (IDFC) - World Federation of DFIs (WFDFI)

**Multilateral Development Banks:** - African Development Bank Group (AfDB) - Council of Europe Development Bank (CEB) - European Bank for Reconstruction and Development (EBRD) - European Investment Bank (EIB) - International Fund for Agricultural Development (IFAD) - Islamic Development Bank Group (IsDB) International Fund for Agricultural Development

**In the presence of International organizations:** - European Commission (EC) - Global Center on Adaptation (GCA) - Global Impact Investing Network (GIIN) - Green Climate Fund (GCF) - International Chamber of Commerce (ICC) - International Monetary Fund (IMF) - Long Term Infrastructure Investors Association (LTIIA) - Organization for Economic Co-operation and Development (OECD Secretariat) - United Nations Development Programme (UNDP) - United Nations Environment Programme (UNEP)

**And other Multilateral Development Banks:** - Asian Development Bank (ADB) - Asian Infrastructure Investment Bank (AIIB) - Inter-American Development Bank (IDB) - New Development Bank (NDB) - World Bank Group (WBG)