



## Research Seminar on Public Development Banks

Under the auspices of the Finance in Common Summit – 2022 Edition

“Green and Just transition for a sustainable recovery”

Hybrid edition | the event will be in English only | All timings are in local time GMT

**Oct. 18, 2022** | Sofitel Ivoire, Abidjan, Côte d’Ivoire

Co-organized by



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## **18 October 2022 – Research Conference**

### **I. Overview**

There are some 500+ Public Development Banks (PDBs) across the globe, present on all continents and operating within an international, regional, national or sub-national perimeter. They are independently managed and ensure the financial implementation of the public mandate entrusted to them.

While the world remains preoccupied by the Covid-19 crisis, the resurgence of wars and nationalism that seems to come from another age, humanity is still confronted with the persistence of poverty and inequalities, by climate change and the loss of nature. The reminder that the problems are interlinked is everywhere and calls for a combination of local and global actions.

We are entering a period of uncertainty, a transition, during which we must chart the critical path to ensuring that consumption and production modes are compatible with sustainable pathways. What are the possible modalities and who are the agents of change able not only to ensure a coherence between investment choices and the crucial need for sustainability, but also to incite the financial community to evolve?

This seminar aims at analysing the special role that development banks can play on this road to transition. In its third edition of the kind, a group of researchers has taken the initiative to investigate the conditions by which PDBs could take on greater responsibility and imagine their transformation through a mandate centred on the SDGs.

## II. Programme highlights

The seminar will explore the challenges ahead for development banks to play a leading role in the transition.

The precedent sessions of Paris (2020) and Roma (2021) outlined a series of recommendations for decision-makers, among which:

- Aligning with SDGs: the necessity to streamline into financing decisions the need to transition towards low-carbon and equitable economies, which imply a better and common understanding of what alignment to the SDG means and entails.
- PDBs as a policy tool: Clearly, certain market imperfections greatly harm social balances and the smooth running of the economy. Climate, persistent poverty and inequality, loss of nature, the need for affordable financing for small farms or businesses all justify proactive public policies across the world. But what is the recipe for success? Under what conditions are PDBs better adapted than private sector and market instruments?
- Rethinking global financial architecture: SDG financing probably means rethinking the international finance landscape and perhaps even its very architecture. Currently, this system locks the actors into fixed roles, each acting according to their own logic. Yet, multilateral banks, special international funds (eg Green Climate Fund, Global Partnership for Education,...), national development banks, aid agencies, foundations, CSOs, cities, regions or federal states, private firms must share a common “radar screen”, in the form of the SDGs, to guide their financing decisions, their activities and/or their partnerships.
- The need to better incorporate the question of inequalities, especially with poorer countries of Africa, and identify how development banks could become a stronger network of partners to channel funds for sustainable solutions.

The knowledge pillar of the third edition of the FICS will enrich the summit with the presentation of research and policy dialogue on these four main issues. The event will be hosted on October 18<sup>th</sup> at the Sofitel Abidjan Hôtel Ivoire and through Zoom. However, given the number of events that have been organized on line over the recent years, the recommendation is that attendance should preferably be physical.

Organization of the discussion:

- Each researcher would be given 8 minutes to present his/her paper and policy recommendations, with the support of a maximum of 5/6 slides.
- Comments from two peer reviewers
- Q&A with the audience (in presence and on line) through a moderator

RESEARCH CONFERENCE	
8h00-8h30	Arrival of participants and registration - Welcome coffee
8h30-8h45	<p><b>Opening Remarks</b></p> <ul style="list-style-type: none"> <li>- <b>Rémy Rioux</b>, Chairman, Finance in Common Initiative</li> <li>- <b>Ambroise Fayolle</b>, Vice-President, European Investment Bank</li> </ul>
8h45-9h15	<p><b>Introductory session: Mapping 500+ Public Development Banks</b></p> <ul style="list-style-type: none"> <li>- <b>Jiajun Xu</b>, Executive Deputy Dean, Institute of New Structural Economics (INSE) at Peking University (online)</li> <li>- <b>Régis Marodon</b>, Sustainable Finance Advisor, French Development Agency (AFD)</li> </ul> <p><i>Presentation of the <a href="#">new version of the database</a> on Public Development Banks, identifying 520 PDBs, with cumulative assets of USD 23 trillion</i></p>

<p><b>9h15-10h15</b></p>	<p><b>Session 1 – PDBs serving public policies: lessons to be learned - In connection with PDBs Business Model Research Group</b></p> <p>Whether they have a specific or a generalist mandate, PDBs are responsible for substituting or complementing the markets when they fail. Governments are expecting that, but often lack to specify a clear mandate for PDBs to implement the international agreement they have signed. The session would present and discuss how PDBs manage to be useful tools for public policies and what its limits are.</p> <p><u>Thematic</u>: Public finance, Governance, Equitable growth, Business model</p> <p><u>Moderator</u>: <b>Hélène Djoufelkit</b>, Director of the Research Department, French Development Agency (AFD)</p> <p><u>Speakers</u>:</p> <ul style="list-style-type: none"> <li>- <b>Jiajun Xu, Executive Deputy Dean, Institute of New Structural Economics (INSE) at Peking University</b> (online) <i>Art is in the Doing, Public Development Banks serving public policies</i></li> <li>- <b>Stephany Griffith-Jones, Central Bank of Chile Board</b> (online) and <b>Diana Barrowclough, Sr. Economist, United Nations Conference on Trade and Development (UNCTAD)</b> <i>Counter-cyclical Responses: How Development Banks helped the Covid-19 Recovery, and Lessons for the Future”</i></li> <li>- <b>Eva Gutierrez, Lead Financial Economist, World Bank</b> <i>National Development Financial Institutions: Trends, Crisis Response Activities, and Lessons Learned.</i></li> <li>- <b>Florian Leon, Economist, Foundation for Studies and Research on International Development (FERDI)</b> <i>Public bank lending in Africa in times of crisis</i></li> </ul>
<p><b>10h15-10h45</b></p>	<p style="text-align: center;"><b>Coffee Break and networking</b></p>

<p>10h45-12h15</p>	<p><b>Session 2 – Aligning development banking models with SDGs: is it simply feasible? - In connection with the PDBs SDG Alignment Research Group</b></p> <p>The arbitrage between banking models and the alignment with the 2030 agenda is subject to caution; the research shows that some PDBs have engaged their transition for more sustainable investment but the path is still long and the rhythm of change is not fast enough.</p> <p><u>Thematic:</u> Green growth, SDG, Sustainable finance, Artificial intelligence</p> <p><u>Moderator:</u> <b>Sébastien Treyer</b>, Executive Director, Institute for Sustainable Development and International Relations (IDDRI)</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> <li>- <b>Jean-Baptiste Jacouton, Research officer, French Development Agency (AFD)</b> <i>The Proof is in the Pudding – Revealing the SDGs with Artificial Intelligence</i></li> <li>- <b>Martina Colombo, Seconded National Expert, European Commission</b> <i>The role of Public Development Banks and Institutions in the UN Agenda 2030: a survey in Europe (co-author:Matteo Cude, VUB)</i></li> <li>- <b>Nicole Pinko, Senior Economist, Climate Policy Initiative (CPI)</b> <i>Public Financial Institutions’ Climate Commitments</i></li> <li>- <b>Laura Sabogal, Policy Advisor for Sustainable Finance, E3G</b> <i>Public Bank Bilateral and Multilateral: the Climate Tracker Matrix</i></li> <li>- <b>Marcos Mancini, Senior Sustainable Finance Advisor, UNDP</b> <i>The Role of Public Development Banks in Scaling up Sustainable Finance</i></li> <li>- <b>Orith Azoulay, Global Head, Natixis CIB Green &amp; Sustainable Hub</b> <i>PDBs’ catalytic role in achieving the UN SDGs</i></li> </ul>
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<p>12h15-13h45</p>	<p style="text-align: center;"><b>Lunch Break</b></p>
<p>13h45-14h45</p>	<p><b>Session 3 – Enhancing the role of PDBs in the global financial architecture - In connection with the PDBs International Finance Architecture Research Group</b></p> <p>Could Public development banks (PDBs) –at sub-national, national, regional or international level –cooperate and become central in implementation of sustainable economic models? PDBs are developing different types of interrelationship, depending on their mandate, specific corporate culture and visions. Is the current level of cooperation enough and is it possible to optimize the current international financial architecture to better serve the SDGs objectives?</p> <p><u>Thematic:</u> Partnerships, Global finance, International Relations between Multilateral and National Development Banks</p> <p><u>Moderator:</u> <b>Kampeta Pitchette Sayinzoga</b>, Chief Executive Officer at Development Bank of Rwanda (BRD) PLC</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> <li>- <b>C. P. Chandrasekhar, Formerly Professor, Centre for Economic Studies &amp; Planning, Jawaharlal Nehru University, New Delhi</b> (online) <i>Public Development Banks and the SDGs: A global architecture for global good</i></li> <li>- <b>Thomas Marois, Reader and Director of the Public Banking Project, SOAS University of London</b> <i>Overview of the relations between the multilateral system and the national development banks</i></li> <li>- <b>Alfredo Schclarek, Associate Professor, National University of Córdoba</b> <i>Local currency denominated loans in the global development finance architecture; The link with IMF post-crisis SDR allocation</i></li> <li>- <b>Valerie Laxton, Sr. Associate in WRI's Finance Center</b> <i>Aligning Policy-Based Finance with the Paris Agreement: Potential to Bolster Cooperation with Governments and PDBs</i></li> </ul>

14h45-15h15	<b>Coffee Break</b>
15h15-16h45	<p><b>Session 4 - Africa PDBs in the frontline of the transition</b> - Crosscutting research issue: <b>Focus on Africa</b></p> <p>Counting more than 100 development bank, African PDBs are struggling to participate to the achievement of the 2030 Agenda, and ensure that everyone in the continent gets access to basic services.</p> <p><u>Thematic:</u> Africa, Sustainable development, Leaving no one behind.</p> <p><u>Moderator:</u> <b>Barbara Marchitto</b>, Head of Country and Financial Sector Analysis, European Investment Bank (EIB)</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> <li>- <b>Samantha Attridge, Sr. Research Fellow, Overseas Development Institute (ODI) &amp; Yunnan Chen, Sr. Research Officer, Overseas Development Institute (ODI)</b> <i>Weathering the storm: African public development banks' response to Covid-19 shock and their recovery role</i></li> <li>- <b>Charles Odoom, Head - Private Sector Development, African Centre for Economic Transformation (ACET)</b> <i>Challenges and Changes: The Political Economy of National Development Banks. A Synthesis of Four Country Case Studies (Tunisia, Rwanda, Cote D'Ivoire and Ghana)</i></li> <li>- <b>Jasmin Fouad, Associate Professor, American University in Cairo</b> <i>Development Banks in Egypt: Overview, Issues and the Way Forward</i></li> <li>- <b>Colin Bermingham, Sr. Economist, European Investment Bank (EIB)</b> <i>Finance in Africa report finds that banks want to move faster into green lending</i></li> </ul>
16h45	<b>End of Research Conference</b>