

# PRESS RELEASE 005



## PLENARY 4

### Public Development Banks Take on the Challenge of Aligning Financial Flows to Achieve the 2030 Agenda

- *During the fourth edition of the Common Finance Summit, actors from public development banks, private banking, and international organizations called for collective action to align global financial flows with the 2030 Agenda.*
- *According to the experts who participated in the fourth plenary of the Summit, strategically deciding where to invest efforts and resources to address the world's major challenges is paramount.*
- *Experts are hopeful about the emergence of a new frontier within the global financial community to prioritize the fulfillment of the 2030 Agenda.*

**Cartagena (Colombia), September 5, 2023.** Representatives of development banks and private banking gathered at the fourth edition of the 2023 Common Finance Summit to ensure the earliest possible compliance of the 2030 Agenda for sustainable development, which was

established in 2015; the representatives issued a call to collective action to seek tools that will enable making major global financial flows compatible with attaining the Sustainable Development Goals (SDGs), which are part of the 2030 Agenda targets.

During Plenary 4 (Aligning Public and Private Finances with SDGs), leaders of development banks from Latin America, Africa, Europe, and private banking stated that a new frontier is already emerging within the global financial community to prioritize compliance of the 2030 Agenda. This is in line with major global challenges such as alleviating poverty, hunger, and mitigating climate change.

As the experts pointed out, the main challenges to address include the need to prioritize the Sustainable Development Goals (SDGs) since certain points in the SDG's are contradictory. For example, supporting environmental goals may negatively impact the productive and economic activities in certain communities; in some cases, they are ancestral (and therefore, may also impact the social SDGs) and require in depth work.

The experts stated that it is essential to strategically decide where efforts and resources should be invested to address the world's major challenges of the 2030 Agenda.

In addition to aligning efforts and financial flows (from public development banks and global private banking), experts raised a second key challenge: consistently and rigorously monitoring information and impacts concerning accountability in fulfilling the SDGs.

To this effect, the discussion highlights the tools developed by the International Development Finance Club (IDFC), which can be made available to other public banks worldwide.

As noted by the International Development Finance Club (IDFC), "Public Development Banks have a unique role to play in redirecting economies towards the Sustainable Development Goals in a manner that aligns with the different countries' strategies and action plans. PBD's can accomplish this by addressing market failures, mobilizing governments and public institutions, financial markets, the private sector, civil society, and connecting global issues with local solutions."

For the Club, "In an increasingly complex and volatile world, where economic and geopolitical instabilities, environmental and climate decline,

social and health crises, as well as technological acceleration are shaping the future, public development banks are more relevant than ever.”

As stated by the Club, the world’s public development banks currently provide “over US\$800 billion in annual investment, with an average of 20% allocated to green financing; additionally, PDB’s have the potential to mobilize significantly larger amounts.”

Similarly, the conversation shed a light on the fact that together with country regulators, the private financial sector has evolved to implement investment strategies addressed at mitigating climate change and that are aligned not only with the 2030 Agenda but also with the goals of the Paris Agreement.

Participating attendees to Plenary 4 included Marcos Neto, Director of the Sustainable Finance Hub of the United Nations Development Program (UNDP); Boitumelo Mosako, Chief Financial Officer of the Southern African Development Bank; Paolo Lombardo, Director of the Department of International Cooperation and Development Finance at *Cassa Depositi e Prestiti* (Italy); Johannes Böhmer, Vice-Governor for Social Development of the European Bank for Development; Alejandra Botero, Manager of Planning and Development Impact at CAF; and Larry Sacks, Director of Development at the U.S. International Development Finance Corporation.

Alejandra Botero, Manager of Planning and Development Impact at CAF, stated that, “as a development bank for Latin America and the Caribbean, CAF actively aligns capital flows in the region to achieve the SDGs. CAF’s mandate is to assist member countries in structuring and implementing green projects and promoting initiatives that generate inclusive growth.”

On the other hand, Boitumelo Mosako, Chief Financial Officer of the Southern African Development Bank, stated, “The expectation for this Summit is to continue collaborating and addressing the challenges we face as development banks. FICS 2023 is a great opportunity to make collaboration agreements. We need to seek innovative solutions to close the gaps in achieving the Sustainable Development Goals (SDGs).”

Similarly, Johannes Böhmer, Vice-Governor for Social Development of the European Bank for Development, emphasized, “our projects are committed to the Paris Agreement and the SDG’s, which are inseparable.

Paolo Lombardo, Director of the Department of International Cooperation and Development Finance at *Cassa Depositi e Prestiti* (Italy), assured that one of the major challenges is being sustainable as a bank. “We embarked on a journey to be institutionally aligned with the agenda of the SDG’s. The bank needed to change its ADN to achieve this objective, and the response has been very positive.”