

Global Bank Group

Partnership for Climate Finance and Development



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The Global Bank Group on Partnership For Climate Finance And Development

About Global Bank Group

The Global Bank Group (the “Bank Group”) is a development financial institution with an agenda driven by G-7/G-8 and G-20¹-priorities when and where it is appropriate; its leading priority is to promote global economic and social development.

The Global Bank Group action is following the priority of the G-7/G-8 and G-20 to foster support, in particular for sustainable development, infrastructure investment, long-term finance and financing for climate change. Each remains key priorities, as they are the main drivers of growth and employment, to boost global growth. The relevance of the Global Bank Group as a tool to foster growth and jobs supports the view that the G-20 institutions shall be represented in the G-20 work as the implementation bodies of agreed policies.

The Mission of the Global Bank Group

The mission of the Global Bank Group is to support the economic and social development efforts of the less developed countries as they seek achievement of internationally agreed upon development goals, including those contained in the [Millennium Declaration](#) and the [Sustainable Development Goals](#), and to implement the recommendations of major United Nations conferences and summits. The goals lay out a blueprint for the Global Bank Group, setting its priorities and measuring its results. The Bank Group’s strategic priorities are aligned to advance the G-7/G-8 and G-20 priorities.

The Global Bank Group supports the [Millennium Development Goals](#) and an outcome on the UN-led negotiations on the [Post-2015 Development Framework](#) but recognizes that it is the United Nations that must drive this work. The relevance of the Bank Group, as a tool to foster the implementation of the internationally agreed upon development goals, including those contained in the Millennium Declaration and the [Sustainable Development in Post-2015](#), and to implement the recommendations of major United Nations conferences and summits.

The Bank Group’s purpose is to work with developing countries so that they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global problems in economic development and environmental sustainability, all with a view to overcoming poverty and improving standards of living. It pursues this goal primarily by providing, through its subsidiaries, financing, risk management products, and other financial services, access to experts and a pool of knowledge in development-related disciplines, so that borrowing developing countries can pool, administer and prioritize resources they dedicate to development-related objectives.

The Goals of the Global Bank Group

The Global Bank Group goals are to end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion.

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Background and Objectives

¹ The Group of Twenty (G20) comprises 19 major industrialised and emerging economies and the European Union. Traditionally, the annual meetings of G20 heads of state and government have focused on issues relating to world economic growth, international trade and the regulation of financial markets.

Climate change is the defining issue of our time. Stabilizing the global climate is one of the most urgent challenges in coming decades. Our warming world affects all people and ecosystems, particularly the poor who already suffer disproportionately from climate-change impacts. Climate change is the ultimate test for the global community to unite and meet a challenge that respects no borders. It exacerbates nearly every other development challenge.

Climate change, which continues to pose serious challenges to all countries, including persistent drought, extreme weather events, rising sea levels, coastal erosion, and ocean acidification. Each further threatening efforts to eradicate poverty and achieve sustainable development worldwide.

Climate change presents significant challenges and opportunities for development, in particular in the context of sustainable development. International, regional and national financial institutions are increasingly considering climate change as an important factor in their operations, recognizing opportunities for investments that contribute to sustainable development and promote mitigation and adaptation to climate change. In fact, by acting on climate change, we can significantly advance the [sustainable development agenda](#).

Today, it is increasingly clear that the finance required for a successful, orderly transformation to a growing low-carbon and resilient global economy is counted in the trillions and not billions. The immediate challenge of climate finance is to meet the promise made by developed countries to mobilize USD 100 billion a year by 2020. Meeting this commitment is critical to building trust and confidence around the UN climate negotiations in Paris later this year.

Role of the Global Bank Group

Given the pivotal role of public finance agencies in scaling up climate finance, the Global Bank Group have a major role to play in mainstreaming climate change and in providing and mobilising large-scale financing. Including leveraging private climate finance in an effective, catalytic manner to an increased adaptive capacity and a low greenhouse gas emission and climate-resilient development, aiding in the achievement of related [Sustainable Development Goals](#). Transparent and credible information on finance flows is essential to demonstrate the effectiveness of delivering impacts on the ground.

The Global Bank Group climate actions will facilitate an effective response to client countries' demands, by cooperating with national and regional institutions and fostering the [mainstreaming of climate dimensions into development](#). The Bank Group activities under the Climate Change Action Plan are organized along four top-level priorities: (i) Support Transformational Policies and Institutions; (ii) Leverage Resources; (iii) Scale up Climate Action; and (iv) Align Internal Processes and Work with Others.

The Global Bank Group Delivering on Climate Change and Sustainable Development

Economic growth, sustainable development, and prosperity are at the heart of Global Bank Group operation cooperation. Both developed and developing countries rely on universal access to affordable, reliable, sustainable energy sources and clean technologies. The leaders of developed and developing countries will continually develop their economies and energy systems to better reflect the evolution of the global energy and environmental landscape.

To facilitate the implementation of [The United Nations Framework Convention on Climate Change](#) (UNFCCC), the [Paris Agreement](#), and the [2030 Agenda for Sustainable Development](#), the Global Bank Group strives to move forward in a coherent and mutually supportive manner that will provide significant opportunities for modernising of global economy, enhancing competitiveness, stimulating employment and growth, and ensuring socio-economic benefits of increased energy access. In addition, and in view of the

increasing impacts of climate change, the Global Bank Group will strive to increase the resilience of communities and economies.

The Global Bank Group is guided by the [Sustainable Development Goals](#) (SDGs) and the Paris Agreement's aim to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty. Including holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels; by increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience; and by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development. The Global Bank Group actions pursuant to the implementation of the Paris Agreement will reflect equity and the principle of common, but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

The Global Bank Group emphasises the urgency and priority of accelerating the implementation of [pre-2020 Commitments and Actions](#), in particular, for parties to the [Kyoto Protocol](#), the ratification of the [Doha Amendment](#).

The Global Bank Group shares the common understanding of the energy system as the backbone of the global economy. Diverse energy systems rely on affordable, secure and sustainable energy sources and clean technologies such as energy efficiency, renewable energy, natural gas and nuclear power for those countries that opt to use it, and advanced and cleaner fossil fuel technologies, employed in a sustainable manner. Such energy systems can contribute greatly to achieving energy services for all at affordable prices and prosperity for future generations. The Global Bank Group recognises that our collective actions contribute substantially to global greenhouse gas emission reductions, global energy developments, and global prosperity, leaving no one behind.

In facilitating well-balanced and economically viable long-term strategies and signals for investments and to continually transform and enhance our economies and energy systems, the Global Bank Group will collaborate closely and balance a number of important factors. These include energy security, energy access, infrastructure, environmental protection, poverty reduction, good health, quality education and quality job creation.

The Global Bank Group intends to collaborate closely on climate and energy issues to successfully address the challenges of energy security and productivity, environmental protection, and to harvest the opportunities for innovation and economic growth fully.

The Global Bank Group joins the efforts in implementing the [G20 Action Plan on Climate and Energy for Growth](#), whilst not duplicating other processes.

2030 Agenda for Sustainable Development

The ambitious [2030 Agenda for Sustainable Development](#) has set the objectives for the Global Bank Group to achieve sustainable development, eradicate poverty and foster shared prosperity, combat climate change and environmental degradation, and make the world safer. Its implementation requires scaled up, urgent and meaningful engagement by all countries as well as other development actors and stakeholders.

The early entry into force of the Paris Agreement is sending a strong signal regarding Governments' commitment to urgently address climate change, which continues to pose serious challenges to all countries, including persistent drought, extreme weather events, rising sea levels, coastal erosion, and ocean acidification. Each further threatening efforts to eradicate poverty and achieve sustainable development worldwide.

For both the climate change and Sustainable Development Goals, 2020 is a particularly critical year. Numerous scientific studies place 2020, or near it, as a threshold for when sufficient actions must be taken so not to cross dangerous thresholds. Many countries' domestic existing greenhouse gas reduction strategies and nationally determined contributions (NDCs) include 2020 year as a benchmark year. Moreover, the year 2020 is also significant for achieving many Sustainable Development Goals (SDGs) targets, as set out in the [2030 Agenda](#), and in particular for land-use, the ocean, and other climate-relevant SDGs.

Achieving these objectives, some as soon as 2020, and achieving a just transformation to a low greenhouse gas emission and climate resilient global economy, will require the Global Bank Group to drawing on the contributions of all parts of society – the Member and Non-Member States, the private sector, civil society, cities and local authorities, Indigenous Peoples, academia, and others. Already the Global Bank Group, independently and in partnerships, are innovating and leading on climate and sustainable development solutions.

On sustainable development, the Global Bank Group commits to further align its actions with the 2030 Agenda and the [Addis Ababa Action Agenda on Financing for Development](#) (AAAA), support the central role of the [High-Level Political Forum](#) on sustainable development(HLPPF), and pledge to engage in voluntary peer learning on the implementation of the 2030 Agenda.

Protection of global climate for present and future generations of mankind

The Global Bank Group pledged to provide strong and coherent support to the Member States in addressing climate change as an integral part of the implementation of the transformative 2030 Agenda for Sustainable Development. To this end, the Bank Group is strengthening its coordinated approach to supporting climate action in the context of the 2030 Agenda for Sustainable Development. As a first step, in October 2017, The Board Executives Director of the Global Bank Group agreed on "Common Core Principles for a Global Bank Group Approach to Climate Action."

Improving Sustainable Livelihoods

Energy and Climate: A strong economy and a healthy planet are mutually reinforcing. The Global Bank Group recognises the opportunities for innovation, sustainable growth, competitiveness, and job creation of increased investment into sustainable energy sources and clean energy technologies and infrastructure. The Bank Group remain collectively committed to mitigating greenhouse gas emissions through, among others, increased innovation on sustainable and clean energies and energy efficiency, and work towards low greenhouse-gas emission energy systems. In facilitating well-balanced and economically viable long-term strategies to transform and enhance economies and energy systems consistent with the 2030 Agenda for Sustainable Development, the Global Bank Group will collaborate closely.

Considering the [G20 Principles on Energy Collaboration](#), the Global Bank Group regard energy security as one of the guiding principles for the transformation of energy systems, and the Bank Group will continue to work on open, flexible, and transparent markets for energy commodities and technologies.

The Global Bank Group will support the international cooperation on the development, deployment, and commercialisation of sustainable and clean energy technologies and support financing by Bank Group to promote Universal Access to Affordable, Reliable, Sustainable and Clean Energy.

The Global Bank Group reiterate the importance of fulfilling the United Nations Framework Convention on Climate Change (UNFCCC) commitment by developed countries in providing means of implementation including financial resources to assist developing countries with respect to both mitigation and adaptation actions in line with Paris outcomes and note the Organisation for Economic Co-operation's report "[Investing in Climate, Investing in Growth](#)". We reaffirm our strong commitment to the [Paris Agreement](#), moving swiftly towards its full implementation in accordance with the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances and, to this end, we agree to the [G20 Hamburg Climate and Energy Action Plan for Growth](#) as set out in the Annex.

Leading the Way towards Sustainable Development: The adoption of the 2030 Agenda represented a milestone towards global sustainable development. The Global Bank Group call on countries to work with stakeholders to strive towards its ambitious and integrated implementation and timely realisation in accordance with national circumstances. The Global Bank Group commit to further align our actions with the 2030 Agenda for Sustainable Development and its integral part, the Addis Ababa Action Agenda on Financing for Development, domestically and internationally, including in support of developing countries and the provision of public goods.

Building on the G20's Action Plan on the 2030 Agenda for Sustainable Development, the [Hamburg Update](#) emphasises our collective and concrete commitments. The Global Bank Group support the central role of the high-level political forum on sustainable development and other key UN processes towards achieving the Sustainable Development Goals. The Bank Group will also engage in voluntary peer learning on the implementation of the 2030 Agenda and call upon others to join this important exercise as a complementary action towards Voluntary National Reviews.

Enhancing Climate Resilience and Adaptation Efforts

The Global Bank Group will support adaptation efforts and cooperation on climate resilience within the developing countries and beyond. The impacts of climate change such as changes in temperature, precipitation, sea level rise and the frequency and intensity of extreme weather events are already noticeably impacting global ecosystems, economies, and societies. This puts at risk past and future progress towards the 2030 Agenda, including the goals of ending poverty and hunger. Whilst these impacts will be felt by all countries, poor and vulnerable people will be disproportionately affected. Faster and more effective responses for affected poor and vulnerable people, in particular women and children, are required. Therefore, taking appropriate steps to enhance adaptive capacity, including through support to adaptation planning, is becoming increasingly pressing.

The Global Bank Group can build on important work and initiatives, such as the [Sendai Framework for Disaster Risk Reduction](#), to enhance adaptation efforts and scale up the resilience of people, sectors, and regions. For example, include to support from the [Global Bank Infrastructure Project Preparation Facility](#) (GBIPPF) and [GFIC InfraVentures](#) from the [Global Finance and Investment Corporation](#) the private sector arm of the Global Bank Group, for the preparation of **'bankable'** climate-smart infrastructure projects primarily in the energy, transport, telecommunications and urban infrastructure sectors and the [Global Bank Atlantic Disaster Reconstruction Trust Fund](#) – An Umbrella Trust Fund (GBARTF), which its primary aims focuses on five pillars of action to further the Disaster Risk Management (DRM) agenda: Risk Identification, Risk Reduction, Preparedness, Financial Protection and Resilient Recovery. The GBARTF accelerates transition from relief to longer term recovery after a disaster. This track supports co-operation among stakeholders in post-disaster damage loss and needs assessments. Despite these efforts, significant protection gaps remain, particularly in Asia, Africa, and other vulnerable regions.

Climate Finance and Green Finance

The Global Bank Group will continue to cooperate closely to combat climate change and its impacts and promote the timely entry into force and implementation of the Paris Agreement, encourage more resources to be provided and mobilized to combat climate change, and encourage financial flows to be consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The Bank Group will mainstream climate change actions across development, and it will continue to work and deepen the identified options to enhance the ability of the financial system to mobilize private capital for green investment.