**Full Notes**

**Summit for New Global Financing Pact**

**Paris Official Roundtables**

June 22, 2023

**Roundtable 1: Evolving the model of multilateral development banks to address the 21st century challenges**

*Moderator: Bruno Le Maire*

**M. Abiy Ahmed**, Prime Minister, Ethiopia
**Mme Nirmala SITHARAMAN**, Minister of Finance, India
**Mme Janet YELLEN**, Secretary of the Treasury, USA
**M. Ajay BANGA**, World Bank President
**Mme Mafalda DUARTE**, Director General, Climate Investment Funds (CIF)
**Mme Melinda FRENCH GATES**, Bill & Melinda Gates Foundation

**Summary:**

The first session started with **Janet Yellen**, Secretary of Treasury of the United States of America. She opened her remarks saying that the development landscape has been challenged with several economic shocks, which impact more heavily developing countries and puts in risk our shared goals. In this context, MDBs would have a very important role to play; and even though MDBs are filled with knowledge and they bring resources when times are tough, it is time for them to evolve. If MDBS are to continue to foster growth sustainably amidst shocks, they need to look at issues such as the reforming of their vision, operating model and financial capacity, the development of a framework for concessional resources, offer borrowers the option of having climate resilience clauses, strengthen private sector mobilization. Besides, MDBS could also look at a closer relationship with regional banks and trust funds, and at the optimization of its balance sheets. Yellen also highlights the G20 adequacy Framework for MDBs. From the G20 Presidency, **Nirmala Sitharaman**, Minister of Finance of India, brought the points being discussed within the G20 regarding the reform of the international financial architecture, that include recommendations such as balance sheet optimization, the scaling of MDBs operational models, enhancing the coordination between MDBs, and between the G20, and the broadening of the mission state. She also highlights the G30 Adequacy Framework and the Expert Working group created to discuss precisely the reform of the international financial architecture.

Both **Ajay Banga**, President of the World Bank, and **Abiy Ahmend**, Prime Minister of Ethiopia, stress the importance of looking at challenges as inter-connected crisis, in which issues such as poverty, debt crisis, food security, climate change, pandemics and conflicts cannot be looked at in an isolated way: “the time of picking crisis has passed”. Ahmed pointed out to the unprecedented squeeze of funding suffered by Africa, while facing impacts from these inter-connected crises from an extreme magnitude. In this context, MDBs should be central players in addressing this crisis, and they should, therefore, undergo through a reform that allows them to better address issues such as market failures, boost concessional finance and grants and to foster shared prosperity. Ajay recalls the importance of the partnerships between MDBs and actors like the private sector, philanthropies and governments, and that the biggest concern is the fact that efforts are lagging in speed and scale. Finally he points also to the need to secure jobs, especially for young people in the south, who are more likely to suffer from impacts of the “demographic bomb”.

**Mafalda Duarte**, CEO of the Climate Investment Fund, claims for a paradigm shift towards climate finance, and recollects how the sector has advanced throughout the last decade. But she identifies some limitations regarding this growth. Even though climate finance resources have almost doubled within the last decade, resource mobilization still isn’t growing in enough speed and scale, as it happens with partnerships with the private sector. There’s also the lack of common metrics and criteria for funds, and countries should strengthen their national regulation in order to enable an environment for investments of the sort. Finally, the sector is still very fragmented, with overlapping mandates and lack of scale, which poses the need to establish an effective complementarity between green funds.

Finally, **Melinda Gates**, from Bill and Melinda Gates foundation recalls that in Bretton Woods in 1944, we were looking for peace and development, and we got peace and development for some countries; now it’s time to look for everyone. She highlighted the need to push for relieving the debt burden so countries can really ensure development. But that she believes that the right agenda has been set, and now we need to find a way of properly finance it.

**Full Notes:**

**Roundtable 2:** **Debt and SDR channelling: where do we stand and how to go further?**

*Moderator: Nadia Calvin, Deputy Prime Minister, Spain*

**M. Edouard NGIRENTE**, Prime Minister, Rwanda
**M. Kaïs SAÏED**, President, Tunisia
**M. Mahamat Idriss DEBY ITNO**, President, Chad
**M. Ranil WICKREMESINGHE**, President, Sri Lanka
**Mme Kristalina GEORGIEVA**, President, IMF
**Dr. Akinwumi A. ADESINA**, President, African Development Bank

**Summary:**

There is a huge need for investment in green technologies and transition – but the reality of the cost of climate change as it is today, prohibits that sort of investment. Extreme weather events are now more and more common place, displacing people and livelihoods. But these costs are the result of a growing crisis that the countries worst affected did the least to cause. Oil (or other fossil fuels) is part of the fiscal solution for some countries – as the **President of Chad** outlined, in how they are reinforcing their stabilisation funds with the IMF. Diversifying away from these sorts of economic activities requires more concessional finance.

The **President of Sri Lanka** emphasised the specific challenges that middle income countries also face. When Sri Lanka went bankrupt, they were not eligible for the Common Framework nor many of the other measures that low-income countries can access. Help from the IMF was slow and delayed – they had to look to their neighbours for help including $4bn from India. More to the point, having a viable process to deal with this when the country was under stress rather than in default, would have been beneficial to all. **Kristalina Georgieva** encouraged reform, to make our institutions work harder and better, but not to throw them out wholesale. The IMF recognises and is working to get funds out the door faster and on concessional terms. Georgieva also declared victory on the $100bn SDR recycling target (failing to note that $21bn of that, from the US, is an unlikely to be met) and emphasised the financing being delivered by the PRGT (to 56 LICs), the RST (7 so far) and the effort to get the AfDB SDR hybrid capital instrument working. The **President of Rwanda** noted it was the first country to receive an ‘SDR loan’ via the RST and are very pleased with it, but noted the need for more partnership and more engagement with the private sector to fight climate change.

Fundamentally the growth in need is outstripping the pace of reform so debt financing, even unsustainable debt, becomes part of the answer. The old system was designed for a post-WWII world and a new system cannot be built on the same principles – bare minimum in ensuring that other countries have a seat at the table and that those least responsible, do not bear the highest cost. The SDR allocation was a stark example of the inequalities and irrationalities of the system, very little went to where it was needed most. Speakers also drew comparisons between the level of support for Ukraine – ‘a model of action for broader international development’ – and the burden that African other countries bear.

Outlining reforms needed, speakers emphasised:

* More concessional resources are urgently needed overall.
* More affordable resources where they are needed including a better sharing of SDRs.
* MDBs should move faster, reduce bureaucracy and take more risk.
* MDBs can also be a great opportunity to make the most of the SDRs sitting unused, leveraging them by three or four – making progress on recycling through SDRs should be a priority.
* Unilateral suppression of debt in order to alleviate the huge burden that African countries have to suffer from climate change which they didn’t cause.

For MICs, access to concessional finance has to consider a broader range of factors including other vulnerabilities.

 **Full Notes:**

**President of Chad:** Committed to achieve SDGs, reduce GHGs, and help economy from global warming. If we dedicate most of our resources to make up for the losses from global warming which we haven’t caused, then we won’t be able to invest in green technologies, or support our health systems. Quite common in African countries. 36% of pop in Africa is currently exposed to at least one extreme climate related event. Last year in Chad we suffered floods affecting our economy and population. 1 million people from Chad have been displaced. 1000 acres of cattle have been decimated

Only recently we committed with the IMF to reinforce our stabilisations funds with oil finance. This without taking into account the multiple crises Chad is facing. Deployed over 1000 men over 1300km to secure the population fleeing Sudan. Have received over 200k refugees from Sudan. Use our own means to support and has a heavy impact on our budget.

Until now we have all taken stock of the situation that the needs of the population are going faster than the reforms are happening that are needing. We use debt to finance development in Chad, with a level of 32.6% in 2023, we are still far from the 70% threshold of the sub-region. Over the last 10 years we have invested in reducing our debt level. Chad is the first country to pass an agreement to manage external debt with G20 and private creditors.

Chad has committed to greater transparency with creditors and carrying on with structural reforms and seeking to diversify economy and reduce dependency on oil. To do so we need more concessional resources. The global financial system needs to make available more resources and ensure there is accurate sharing of SDRs. MDBs should make greater efforts to reduce bureaucracy and take more risks.

Powerful countries are the origin of climate change, and climate change which has severe and heavy consequences on countries in the Southern hemisphere and particularly Africa. Therefore, I would like to call for the unilateral suppression of debt in order to alleviate the huge burden that African countries have to suffer from climate change which they didn’t cause. And highlight the very commitment and mobilsation towards Ukraine is a model of action for broader international development.

**President of Sri Lanka:** When Sri Lanka went bankrupt, we were not eligible for the CF. We had to deal with it ourselves. India came to help with about $4bn when no one else is helping. From the time Sri Lanka was declared bankrupt, there was delays getting help from IMF. Undertook significant economic reform which inflicted pain on the population but without any predictability.

MICs access to concessional financing must be viewed from a broader perspective. Given vulnerabilities there need to be a mechanism in place which is more automatic if you meet certain indicators. Our financing needs public and private have quadrupled. Following conclusions at IMF, we have had no roadmap to follow for further debt restructuring to get the next round of help from the IMF.

The key to success was: 1) finding a sponsor among the official creditor committee. 2) Also need to be very pragmatic when addressing this. A binding framework like CF might not be more efficient. CF moves as fast as the slowest creditor and you get slowed down. Doing it independently you can move faster. Creditors are PC and non-PC. China and India are biggest funders. Established a new platform which all creditors could join and SL share all information with all parties. IMF helping Sri Lanka deal with negotiations with Japan, India and China separately. Better to deal with countries when they are under stress than when they are bankrupt.

 **President of Tunisia**: We are not going to build a new financial system using the same principles as established after WWII is not possible. We weren’t there to participate in building the old Bretton Woods system. Can we start over based on an outdated vision which is no longer viable today? We owe it to ourselves to think in a completely new way.

We all know how SDRs were allocated and what did Africa or the global south obtain? Less than a third. All of these epidemics that we didn’t cause. Covid, mad cow disease….We have always borne the cost of outside issues. And the debt financing obtained didn’t trickle down to where it needed to be. Where is that money now? Sitting in banks in the global north.

The world is facing a crisis and we can’t tackle it if we don’t tackle fairness and equity and justice between and within countries. We need to work on equal footing. Preserving a system that has run its course will not bring us forward. The system needs to be rebuilt and rethought. Our suffering and interests can no longer be ignored. We want a new world based on a new common vision that encompasses all humans on an equal level.

 **Kristalina Georgeiva – IMF**: The world is very different than when the Bretton Woods institutions were built. There were 44 countries making agreements then. Now we have 200. Per capita income has tripled 3 times since when Bretton Woods institutions were built but averages hide inequalities.  You can put your head in the oven and your feet in the refrigerator and you would be at an average temperature but you would be dead. Don’t lose the institutions you have, but make them work harder and make them work better

On debt. Burden of debt has gone up, and it has become more expensive to service because interest rates have gone up. Also landscape of debt is much more confusing with multiplicity of public and private lenders. Need to bring this diverse group together with debtor countries – GSDR – objective to improve debt restructuring and make it faster and common sense improvement. Every day that passes without resolution on debt people suffer. Zambia is a case for celebration because it makes debt restructuring makes it agile and effective. Congratulations to Zambia.

At IMF, seek to bring more resources faster on concessional terms. On SDR allocation, don’t poo poo it. Yes Africa only received 34bn but that is much better than having none. SDR allocation may be unfair and go to countries that don’t need it

One day when I report to my grandchildren what I did in life I will be proud to talk about SDRs like they are Sleeping Beauty who was resting but has now awoken. Macron was the prince who gave the first kiss. Spain gave the first contribution. We have achieved the $100bn target and 60bn is already in the IMF. We have given PRGT finance to 56 LICs and RST to 7 countries. And we are working with AfDB to make it possible for RDMs to use SDRs as hybrid capital. Message is to stretch and do the best you can.

 **Prime Minister of Rwanda**: Climate change is a massive problem and is real now. Got first tranche of SDRs loans from RST and very pleased about that. First cannot fight climate change alone and need to have partnerships. Second need more financing because effects of climate change are huge. Third it cant just be public sector, it needs to be the private sector. Rwanda creating a fund to help private sector come in.

 **President Adesina – AfDB**: Need global financial system to work much better. In the whole issue of the debt system. It’s like when a patient goes to doctor, and the doctor keeps saying come back tomorrow and then the next day. And by the time they finally get to actually see the doctor the patient is dead. The current system is way too slow and only treats a few number of countries. It needs to work faster and at scale. Also, multiplicity of creditors is very important. Commend G20 efforts but need to improve the speed. Natural resource-backed loans are not transparent and possible for corruption. And makes debt restructuring very complicated. Need to end all types of natural resource-backed loans.

The big push of SDR allocation was a game changer after COVID. The first $34 bn African countries got was a huge help. But now we have even more crises so we need more resources than ever before. Want to thank Kristalina for partnership and think about how to make greater use of SDRs. MDBs are leverage machines and can leverage SDRs 3-4 times. Also working with IMF on the RAC issue, liquidity issue and credit quality. AfDB has now created liquidity support agreement which allows countries to easily withdraw SDRs if they BoP issues. This model also sets up a liquidity guarantee facility that allows some donors to guarantee for others. 200bn in SDRs for MDBs could easily become 1 trillion in lending due to leveraging that MDBs can do with hybrid capital. Should change name of SDRs to ‘supporting development revitalization’.

**President of Chad**: We’re in Paris for a new start, and this new beginning must start with debt write-offs…We’re here in Paris today for a new global financing pact and the best way of having a fresh start is by freezing the debt of LICs.

**Roundtable 3:** **A new method: green growth partnerships**

*Moderator: Catherine Colonna*

**M. Denis SASSOU-NGUESSO**, President of the Republic of Congo
**M. Abdel FATTAH AL-SISSI**, President, Egypt
**M. Cyril RAMAPHOSA**, President, South Africa
**M. Gustavo PETRO**, President of Colombia
**M. SANJAYAN**, CEO of Conservation International

**Summary:**
Partnership for just energy transition can become a model of sustainable development and they necessarily involve the mobilisation of private and public funding. **Cyril Ramaphosa**, President of South Africa mentioned the following lessons learned from the Just Energy Transition Partnership: any plan like this needs to take into consideration the countries particularities and never be imposed on any country, it must foster for a just transition, must be flexible and take into account the current country challenges, access to concessional loans is key and it should involve all the communities and stakeholders. **Abdel Fattah el-Sisi**, President of the Arab Republic of Egypt also mentioned that a concessional funding platform is a condition for development to occur and to reach the Paris Agreement objectives in the context of the climate change crisis.

For **Ursula Von Der Leyen**, President of the European Commission, JETPs are key not only in terms of funding but also regarding the knowledge transfer. She also mentioned that green bonds are key for the green energy transition, attracting funding from the emerging market is a core subject for developing economies and carbon pricing is one of the most effective tools to cut emissions. **Denis Sassou-Ngueso**, President of the Republic of Congo claimed that the support measures to developing countries to adapt and mitigate promises at Copenhagen have not yet arrived and that concrete solutions are needed. He announced that the Summit for the three forest basins will be held this year. The three basin Summit could be a new environmental alliance and he invites the North to participate in the creation of a structured market for the services they rendered to humanity through their environmental preservation effort.

**Gustavo Petro**, President of Colombia, suggested that capital that creates markets has limits and that it could only support processes up to the point where they are profitable, but the resources that are going to be needed to solve these crises go beyond profitability. Therefore, he proposed a Global Marshal Plan of Investment, in which  a much greater capital flow to increase climate action and a reduction to public debt for climate action swap is needed**. M. Sanjayan**, CEO of Conservation International, agreed that we will never be able to tame the Paris Agreement if we do not have a Marshal Plan for climate and nature. Therefore, we need seed funding to get countries prepared for a transition of nature, large scale funding that involves philanthropy, private public sector and all instruments possible. Last but not least, local and indigenous communities need to have a voice in this process.

**Full Notes:**

*Opening remarks*

**Catherine Colonna, Minister for Europe and Foreign Affairs of France**

* Threats to the environment are threats to our people. Climate change, pollution and loss of biodiversity prevent development. 80% of the SDGs will not be achieved if biodiversity is not protected.
* The IPCC has once again warned clearly alerted us from the consequences of climate change. With the current and planned production of fossil fuels the average surface temperature of our planet will increase more than 1.5 degrees.
* We cannot and must not look aways, these threats must be combatant, we must fight against them collectively, act together and through partnerships of a new kind, partnerships associating developed, emerging and developing countries all working on the same footing in an equal basis. But also, financial and economic actors, civil society, including Conservation International, now a leader in this field.
* Through better coordination of actors, this new method will make it possible to rationalise funding, maximise collective impact and then support ambitious commitments on the part of beneficiary countries while meeting the needs of other countries.
* Partnerships for Just Energy Transition known as JETPs can become a model of sustainable development for partnerships built according to a similar logic of all stakeholders to enable a gradual exit from fossil fuels and they mobilised both public and private funding. Many of the participants of the panel are piloting these strategies with significant funding.
* France is investing in this partnership with South Africa, Indonesia, Vietnam and Senegal. France is also considering a JETP with Mongolia.
* France is in the partnership for the protection of forest that will be concluded between now and the COP28.

**M. Cyril RAMAPHOSA, President, South Africa**

* South Africa was the first member of the Just Energy Transition Partnership working with Denmark and the Netherlands who made financial contributions.
* This summit will lead to a number of processes, but it should not be seen as replacing what we are doing in multilateral institutions. This summit should add on to that and bring influence.
* JETP is quite historic and pioneering for the country. An amount of 8.5 billion USD was committed to support South Africa's transition to clean energy.

Lessons learned so far:

1. Any plan like this needs to take into consideration the country's particularities and never be imposed on any country. In SA´s case they are dealing with unemployment, poverty, racial division, etc. Any plan of this nature, that helps a country to transition, needs to take into consideration the country's particularities.
2. It must be a just transition: take into account the existential situation of various communities. For example, workers that work in fossil fuels companies. This needs to be taken into account. Every country must define what a just transition is going to be and what it is going to look like. Leaving no one behind.
3. It should be a flexible type of journey that takes into account the current challenges, energy shortage (In SA´s case 90% of our energy is generated through fossil fuels). As they transit, this needs to be taken into account. Some fossil fuels stations need to become non-existent.
4. Finance part: the amount committed from the JETP was made in the form of grants, concessional loans and plain vanilla loans. They realised that they will need much more, up to 98 billion USD. What is far much more that they are being offered right now, so there is the need of funding. And that funding should be innovative and needs to increase on the grants and concessional loans side. The Prime Minister of Denmark and the Netherlands visited South Africa quite recently and they understood their situation. So, partnerships should be active and willing to commit to a future that leads to fairness.
5. It is important for all members of the communities to participate in this process. South Africa has set up a commission that brings every important stakeholder together: scientists, academics, trade unions, government people at all levels, all of them participate in this debate. It is not the country imposing, but sharing the information with transparency and debating.

**M. Abdel FATTAH AL-SISSI, President, Egypt**

* Egypt thanked Mr. Macron for hosting this Summit in the context of this crisis. This crisis has a real impact on the world as a whole and is particularly sensitive to developing countries. And a threat to everything these countries have been building. This will allow us to have a more robust response to our different challenges from climate change, challenges that we have not been responsible for, but we are the first to be impacted by.
* In November last year Egypt hosted COP27 and many commitments were made, but the scope of the problem, funding and all the associated challenges will have to lead us to search for solutions either nationally or internationally. Egypt considers green growth is not an alternative to development.
* During COP, Egypt launched an innovative program dealing with equitable finance in water, food and energy. This platform will benefit from several different partnerships with support and concessional funding. Concessional funding is a condition for development to occur and to reach the Paris Agreement goals to be met.
* Structural balance is needed because the imbalance has been making it difficult for us to react quickly and effectively to the climate crisis.
* We will have to deal with new criteria. People need new paradigms to finance development in the context of a multilateral agenda.
* In Egypt they have a Children's Health Program that was launched in 2016. This effort together with the IMF has allowed them to meet many of their goals and have 6% improvement overall. If they continue along this path they will be able to meet their goal on the basis of the egyptian reform oriented program. The pandemic and the Ukraine war had a very negative impact on their projects; as well as the problem of indebtedness, which is pretty serious for developing and middle income countries. We have a plan to deal with our debt, but given the circumstances of the past 3 years, we need to solve these burdens. We will need understanding for our partners and to find the mechanism to suspend the debt of the most vulnerable, following UN recommendations.

**Mmme Ursula Von Der Leyen, President of the European Union Commission**

* The Global Gateway is the 3 hundred billion investment program from the European Union for investments abroad. They have JETPs in South Africa, Indonesia,Vietnam and Senegal for the transition to renewable energy. But they also have forest partnerships in Zambia, Uganda, Congo, for example, and they have the partnerships that the Global Gateway is investing in regarding green hydrogen (just signed in COP27).
* These projects have a team Europe approach, so also the member states are contributing and it is not only about funding, but also about knowledge transfer.
* The Global Gateway is de-risking for private capital and a conducive environment for private capital is key.
* How can the EU attract more private investment in climate finance for the emerging markets and the developing economies? This is the core subject that it is been dealt with:
	+ New Green Bond initiative: the problem for emerging markets and the developing economies is the access to capital markets. Public funds will not be able to come up with a solution, therefore they have looked at what are the attractive capital markets elements and green bonds are vital to help any kind of country to develop or to push forward the green transition. But there are is still a few stumbling blocks:
		- From the side of the countries: lack of expertise. It is a new market element
		- Investor side: they are not really well informed about these interesting markets and too little is done. Last year there was a pulling out of 70 billion USD from emerging bond funds. There is an urgent need to address this issue.
		- The EU proposal:
			* is to share expertise regarding how to develop these green bond markets and give technical assistance.
			* Also, the EU wants to financially support the de-risking for the investors. They are committing 1 billion EUR to give private investors the certainty they need to step up their investments. This could attract around 15 to 20 billion USD of sustainable investment.
	+ Carbon pricing: is one of the most effective tools to cut emissions in a way that the polluters, if they continue to pollute, pay for the pollution. Putting a price on carbon has a consequence that people decide to innovate and go in a clean direction. They have a very good experience, starting in 2005. Retrospectively, the EU has estimated that 142 billion EUR of revenues were created and, at the same time, CO2 emissions went down by 35%. Now the EU is extending emission trading to buildings and roads transport and 100% of the revenues should go into climate change issues and a fair share should go to climate finance abroad.
		- The EU proposal: to look at global carbon pricing markets because there is a source of much funding and that private money can go into the climate finance that the world is needing so badly. Right now, only 4% of the global greenhouse gas emissions are covered by carbon pricing, but this 4% have already generated 55 billion USD. H
		- How can we increase carbon pricing into different sectors? This could liberate a lot of funding. She mentioned the example of Canada.

**M. Denis SASSOU-NGUESSO, President of the Republic of Congo**

* How can we build a strong international partnership to protect the biodiversity in Congo?
* Climate change has had a devastating effect in the economics and the population of developing countries, especially in Africa.
* The President claimed that the support measures to developing countries to adapt and mitigate promises at Copenhagen have not yet arrived and that concrete solutions are needed. He is not sure if something significant has changed since the last COP; the leaders made the same announcement. In Copenhagen it was announced that there will be 1 hundred billion USD per year for poor countries, but they never saw it. Today they are at a crossroads where decisions must be made and look concretely at this problem and come up with solutions.
* Despite this difficult situation, countries like Congo are engaging in significant efforts to preserve the forest, which is considered some of the largest tropical rainforests and a world resource. The Congo has launched a program for reforestation for the next 10 years and an objective of 1-million-hectare reforestation.
* He announced that the Summit for the three forest basins will be held this year. The three basin Summit could be a new environmental alliance and he invites the North to participate in the creation of a structured market for the services they rendered to humanity through their environmental preservation effort. The President called on partners and the financial sectors for concrete action, because the cost of inaction is much greater than the cost of financial support. 10 % of the world's biodiversity is being protected in the region of the Congo River Basin.
* Supporting countries with a high level of environmental resources is crucial. Social and economic investment in these countries shall continue for the warfare of the people of the world.
* The 16 countries based in the Congo River Basin have set up a blue fund that targets economic development. The fund will give countries that are members of the alliance an opportunity to develop green economies. This blue fund has been established within the Development Bank of Central African states for its management and it is supported by the World Bank. They are asking polluting countries in particular to make an effort and move to concrete solutions and contribute to this fund, which will enable the countries of the Congo River Basin to continue preserving and protecting this patrimony that belongs to all humankind. Today and tomorrow, we need to commit to concrete solutions.

**M. Gustavo PETRO, President of Colombia**

* Petro had a very interesting debate during the CELAC Summit (Community of Latin American and Caribbean States) with Ursula Von Der Leyen, President of the European Union Commission that has to do with the question of the level of investment which is needed to overcome the climate crisis at global level and its linkage with changing world energy and finding substitutes for fossil fuels. Without doing this, there will not be a solution as well as changing the public transport systems and changing the ways in which we produce in farming and industry, moving away from carbon, oil and processes and changing the social process of this production.
* Some areas of the Global South like the Congo River Basin, the Amazonia, Indonesia, etc. are working as sponges, absorbing all the greenhouse emission gases that are being produced in the Global North. Being a sponge is not enough, therefore the Global South has to make efforts for climate mitigation and adaptation. From sponges, the Global South will become an exodus.
* So how much does it cost this reorganisation of the territories, changing energy use, changing technical forms of production of agriculture and changing mobility? This is the main debate around the Summit.
* Human life is failing our planet.
* Petro suggested that capital that creates markets has limits and that it could only support processes up to the point where they are profitable, but the resources that are going to be needed to solve these crises go beyond profitability and will not be subject to a logic of profitability.
* He proposed a Global Marshal Plan of Investment, in which a much greater capital flow to increase climate action and a reduction to public debt for climate action swap is needed. As well as a special issue of Special Drawing Rights throughout the world. The action climate swap will be the very first step that also involves a global financial system reform.
* We are facing an extinction and we need to act in consequence and that kind of action necessarily requires a global financial system reform that will allow the global North and the global South to have different conversations, no longer based on the relationship between those who invest and those who receive, but within the creation of a new association. This can benefit real gas emission reduction worldwide.
* Petro also proposed to create an expert group of economists, people who have worked in the financial system internationally for the COP where we can have a report on the reform of the world financial system. The idea is not to fight against the capital, but we need a new paradigm.

**M. SANJAYAN, CEO of Conservation International**

* M. Sanjayan, CEO of Conservation International, agreed that we will never be able to tame the Paris Agreement if we do not have a Marshal Plan for climate and nature.
* The energy transition as a trajectory is happening right now, even if it is not moving, scaling fast enough, it is moving in that direction. Unfortunately, it is not the same for the nature transition. It is stuck.
* About 14% of the planet has the world's most dense carbon stores: Congo basin, Colombia, part of South Africa. They also contain about 90% of the world's biodiversity and they need to be the focus of our attention in this coming decade.
* He announced that in Gabon in March, France and the Rob Walton Foundation announced a seed fund of a hundred million USD to get started to jumpstart this process that is inspired by JETP.
* Therefore, seed funding, large scale funding that involves philanthropy, private public sector and all instruments possible are much needed to get countries prepared for a transition of nature. There are three points that need to be present for its success:
1. Head of state engagement and endorsement and the alignment on policies across multiple ministries.
2. Indigenous voices and local communities need to have a part in this process.
3. Good science and good monitoring.

**Roundtable 4:** **Innovating with instruments and financing to address new vulnerabilities**

*Moderator: Chrysoula Zacharopoulou & Mia Mottley*

**M. Nana Addo AKUFO-ADDO**, President of Ghana
**M. Muhammad Shehbaz SHARIF**, Prime Minister, Pakistan
**M. William RUTO**, Preident, Kenya
**M. Charles MICHEL**, President, EU Council
**M. Ilan GOLDFAJN**, President, InterAmerican Development Bank (BID)
**Mme Laurence TUBIANA**, President and Executive Director, European Climate Foundation

**Summary:**

**Chrysoula Zacharopoulou** emphasised the need to move beyond ‘optimising’ existing resources and instruments. **Mia Mottley** then said that, while the Summit is not a ‘pledging’ conference, it needs to produce more innovative financial instruments, in the form of foreign exchange guarantees, debt for climate (and health, education etc.) swaps, guarantees, and sources of concessional financing for middle-income countries. She also called for debt cancellation for IDA countries, an increase in MDBs’ callable capital and emphasised the role of credit rating agencies.

**Nana Akufo Addo** highlighted three priorities: greater resource mobilisation and taxation in Africa, innovative financial instruments, and regional integration and cooperation on the African continent. He also highlighted the power, and lack of accountability, of ratings agencies. **Muhammad Shehbaz Sharif** questioned how the West could afford to spend billions in Ukraine (not mentioned by name but heavily implied) while it failed to increase development finance. **Ilan Goldfajn** emphasised the importance of debt swaps, natural disaster clauses and sustainability-linked bonds, and argued that the next step was scaling these instruments through MDB coordination.

**Laurence Tubiana** called for a shipping levy, a financial transactions tax and a tax on fossil fuels. She emphasised that the principle “polluters pay” should underscore these initiatives and called for a new taskforce to work on these measures. **Charles Michel** emphasised the importance of instruments to address perceptions of risk in the private sector, carbon pricing, and measures to create safe environments for investment. **William Ruto** Called for two outcomes from the Summit: an immediate solution to the liquidity crisis for low income countries and the scaling up of longer term financing. He called for MDBs to give global south countries a grace period for loans. He emphasised new taxes, and signalled Kenya’s willingness to participate in them. He emphasised governance issues at the Bretton Woods Institutions, and highlighted the Africa Climate Summit as a landing point for reform.

**Full Notes:**

**Chrysoula Zacharopoulou**: Opening Remarks

Chrysoula Zacharopoulou noted that the Conference had to go beyond simply ‘optimising’ existing resources and instruments. She then praised the Bridgetown and Accra-Marakkesh Agendas for their contributions to the debate.

**Mia Mottley**: Opening Remarks

Mia Mottley noted that, while the event hadn’t been billed as a pledging conference, it was vital to come to make progress on new innovative financial instruments. She highlighted foreign exchange guarantees as an important mechanism, and expressed optimism that we would see movement on mobilising private sector resources during the conference.

She called for a ramp up in MDB lending, and especially an increase in callable capital allocated to banks by shareholders. She argued for innovative taxes, as well as debt for education, health and climate swaps. She mentioned that these swaps had to be underpinned by guarantees form MDBs or other actors.

Mia Mottley pointed out the hypocrisy of European countries who had debt to GDP ratios over 90%, and who nevertheless had previously demanded developing countries reduce their indebtedness. She further called for debt cancellation for IDA countries. She mentioned the important role of credit rating agencies in ensuring debt sustainability. She argued that countries should not be forced to choose between climate and development, and called on international financial institutions to provide concessional financing to middle income countries.

**Nana Addo AKUFO-ADDO**

Akufo-Addo began by mentioning the severe impacts of US monetary tightening on African economies. He then made three main points:

1. African countries needed to strengthen themselves by improving their own domestic capacity, specifically with regard to taxation and prevention of illicit capital flight.
2. There is a general need to develop innovative financial instruments to fund climate adaptation and mitigation.
3. There is a need to strengthen African regional cooperation, through institutions like the African Development Bank.

**Muhammad Shehbaz SHARIF**

Sharif made reference to the tragic context of the floods in Pakistan, the inability of Pakistan to take on more debt, and the insufficient response of the international financial architecture to the crisis. He made a veiled reference to Ukraine, and hinted that it was unjust that the West was willing to send large quantities of money to defend one country, while not providing financing to the developing world.

**William RUTO**

Ruto said the Summit needed to achieve two things:

1. An agreement on how to provide emergency liquidity to countries in debt distress
2. An agreement on how to provide a broader package of financing for developing countries

He pointed out that states in the Global South face significantly higher interest rates than those in the Global North, and called for reform to address this. He argued that states needed to be given longer to pay back loans as a matter of urgency.

Ruto then argued for MDB reform to mobilise hundreds of billions of dollars for the global south. He argued for broad reforms of the global financial architecture that would transcend North vs South conflict, claiming that the financial order needs new governance structures. Ruto also called for a carbon tax, as well as other innovative taxes, naming shipping, aviation, and financial transactions as possible avenues. He highlighted the Africa Climate Action Summit in Nairobi in September as a decision point for many of these proposals.

**Charles MICHEL**

Michel noted the severity of overlapping crises, and emphasised that now is the time to act. He called for an increase in financing, and tools to address perceptions of risk in the private sector for investments in developing countries. He argued that one key element of reform was building environments in which the private sector was comfortable investing. Finally, he called for the expansion of carbon pricing.

**Ilan GOLDFAJN**

Goldfajn argued that the next phase for MDB evolution was to increase scale of financing through risk distribution and other methods. He gave three examples:

1. Debt swaps. He highlighted the Barbados blue bond case study and claimed that MDBs should also explore debt swaps for health, education and other public goods.
2. Natural disaster clauses.
3. Sustainability-lined bonds. Goldfajn emphasised the importance of simplifying and replicating the KPIs used to underpin these bonds.

In all cases, he emphasised the importance of MDBs working together as a system to scale up these initiatives.

**Laurence TUBIANA**

Laurence Tubiana claimed the Summit had already achieved some aims, by moving beyond technical economic discussions and providing a sense of global solidarity.

She then noted that one source of climate financing should be taxation from multinationals, many of whom have experienced sharp rises in profitability over the last few years. She called for new taxes on the principle that the ‘polluters pay’, such as a shipping levy, and taxes on aviation, financial transactions and fossil fuels. She noted that some countries, like France and South Korea, have successfully implemented taxes of this kind. She called for a taskforce to examine a series of proposals for taxes of this type.

**Roundtable 5**: **Ensuring more reliable, comparable information and data**

*Moderator: Sylvie Goulard & Mark Carney GFANZ*

**Ambassador Adam, MOHAMMED**, Nigeria
**M. David CRAIG**, TNFD
**M. Mark CARNEY** GFANZ
**Mme Mary SCHAPIRO**, Bloomberg
**Mme Sabine MAUDERER**, Vice-President, Network for Greening the Financial System
**Mme Catherine MCKENNA**, Special Envoy, UN

**Summary:**

The panel report discusses the importance of data and system change in the finance sector, emphasizing the need for a new financial paradigm due to the ongoing economic and digital revolutions. **Mark Carney** highlighted the parallels between the current transformation and the Industrial Revolution, which necessitated changes in banking, central banking, and the international monetary system and argued that similar transformative measures are required now to address climate change, including banks focusing on carbon, stress testing by central banks, and the establishment of a new international financial system. **Mary Shapiro** acknowledged the crucial role of data in enabling action at the necessary scale in climate finance and underlined the importance of the upcoming release of the International Sustainability Standards Board's climate standards. Shapiro shared information on the new data platform to be housed at the UN from the Climate Data Steering Committee (CDSC) which will provide open access to data needed by financial institutions for the transition to a net-zero economy.

**David Craig** addressed the work of The Nature-related Financial Disclosures (TNFD) in addressing the risks and impacts associated with nature. He acknowledged the complexity of measuring nature-related risks and impacts and the need for a methodology that simplifies and standardizes disclosures and how the TNFD was using existing pillars from the TCFD and the forthcoming Montreal agreement and its 23 targets. **Ambassador Mohammed** underlined that Africa’s perspective on climate change and environmental issues has shifted substantially from seeing it as Western concern to an African concern as climatic disasters have made it clear that climate change is a real and immediate threat. Mohammed underlined that after Covid, it’s evident that relying solely on public resources and government funding would not solve the problems at hand so will have to attract private capital which will require aligning with global standards and compete internationally and data availability and transparency have become crucial as private capital tends to flow towards regions where risks and opportunities can be assessed accurately,

**Catherine McKenna** noted merely relying on commitments and long-term pledges is insufficient in addressing climate change and global poverty and measuring progress on an interim basis allows for innovation and adjustments to be made when necessary, fostering accountability and driving further action Discipline is crucial in addressing climate change - by measuring progress and scaling up financial resources on a global scale, not limited to a few countries, we can solve the climate crisis and tackle poverty simultaneously. **Sabine Mauderer** explained the work of the Network for Greening the Financial System (NGFS) and how its growth to include members from the Global South broadened its perspective. Data is key given that public funds will primarily be allocated to adaptation, there is limited funding available for transformation so there is a need to mobilize greater private capital by encouraging corporates and financial institutions to present comprehensive transition plans outlining their transformation strategies for the next decade or two.

**Full Notes:**

**Sylvie Goulard,** Moderator

I would not say that without our roundtable or over roundtables will be irrelevant. It will be a little bit exaggerated but to reach the objectives for MDBs, for the IMF for the private finance, one thing is indispensable the right data.

We learnt this morning the needs in front of us are so huge. If we want to allocate properly resources, we need to know where we put the money we need to make sure that it is useful for transition, we need to make sure that this is actually going to protect nature. We don't want to encourage greenwashing. So that's the reason why all these tools, which may seem a little bit abstract are quite important for finance. And there is sometimes the idea floating around that, you know, this is a luxury good for Westerners, and we can afford to spend time to elaborate, sophisticated tools. The purpose of this summit, is to leave no one behind, to allow all countries to develop and at the same time to respect the Paris agreements and limit the increase in temperature.

**Mark CARNEY** GFANZ

I'm going to speak for a few minutes on data and system change and I just want to capture how the system is being changed and where in the world data is playing in and to underscore why we need a new financial pack.

This requires a revolution in finance. Because we are having a economic revolution which is as large as the Industrial Revolution and at the speed of the digital revolution. When we had the Industrial Revolution, everything changed. We had new types of banking, fractional reserve banking, we had new types of central banking lender of last resort we had a new international monetary system, the gold standard and that was all necessary for the capital and scale. We need banks focused on carbon, we need central banks focused on stress test central banks, and we need a new international financial system that builds on that in order to get the capital to where it's needed.

Second, in order to get there we have the objective that every financial decision takes climate change into account. In other words, it's always a consideration. When making a loan, when making investment. Sometimes it's decisive sometimes it's one of many factors. But in order to be there, you need clear comparable decision useful disclosure. You need central banks and supervisors who challenge the banks and insurers to think about what will happen if they stay on their current course. And they do that through stress testing and supervision and this isn't all about just about risks, it's about enormous opportunities. It follows that if you're solving an existential problem, you create enormous your solution will create enormous value, so values and values right there. And that's part of the reason why you've seen such coalition's come together to act on this as countries and the youth and others expressed the demands that we do. One of the core points is in order to move. You need a plan, not just an objective but a plan. And one of the things we've been doing a defence, along with authorities that are moving forward has been to develop a consistent, comprehensive approach to transition planning for financial institutions and what their expectations are of companies and countries for their plans there. That was developed and released for COP27. It's now being implemented by the 575 members of the coalition with $150 trillion of capital.

So we have this data, we will have transition plans so we need to be consistent. The expectation should be that this is mandatory, certainly in developed economies, it should be mandatory amongst sophisticated financial institutions and companies. In emerging and developing economies, it should be tailored, and many of these transition plans actually will be at the country level - country platforms, taking into account the unique circumstances and energy transitions there. We need the multilateral development ban's and the authorities to help drive that.

**Mme Mary SCHAPIRO**, Bloomberg

In the world of climate finance, we've really seen over the past few years how important it is that we address the data challenges if we want to see action at the scale that's necessary. So we know we need better data to ensure that all institutions can actually understand their climate risks and report those and their climate impacts. We need better data to ensure that financial institutions can scale transition finance and seize the opportunities of the transition. We know that all stakeholders need to be able to measure progress against those Net Zero commitments that they've made. And we need data to equip supervisors and policymakers with better understanding of both institutions specific and system wide risks from climate change.

As we know, in 2015, the Financial Stability Board, established the TCFD to try to address the fragmentation and climate reporting and to increase firm level climate disclosure. 18 months later, the TCFD recommendations were delivered to the G20 and now virtually the entire financial sector demands TCFD disclosures - that's super encouraging

The ISSB International sustainability standards board next week will release its first climate standards, building on the framework created by the TCFD. Building upon that recommendation, GFANZ developed a global framework for net zero transition planning to provide a real a roadmap for how financial institutions would incorporate climate objectives into their strategies and operations. But even with widespread disclosure, there were still challenges with accessing and comparing data across institutions. So that's when President Macron and Michael Bloomberg who was co-chairing GFANZ with Mark recognised those challenges with the state of the art of data and launched the Climate Data Steering Committee CDSC, aiming to try to address the gaps and guide the development of a platform solution that could bring greater standardisation and transparency to climate data.

At COP28, the CDSC released a white paper outlining recommendations for the design and the development of the NetZero GPU. It will provide free and open access to data that's needed by financial institutions for the transition - it will allow free and open access to all stakeholders to monitor progress towards climate goals. A pilot will be up and running later this year at COP in an accessible user interface, and it will include scope one, two and three emissions data emissions reduction targets, the relevant metadata to provide users with greater transparency and confidence and in 2024, the data will be included on the use of carbon credits, and then it's the CDSC's intention that once the system is up and running, it will be ultimately housed in the United Nations. So over time, additional data will be added to the utility so it can continuously meet stakeholders needs. It's going to be free access. It's going to be at the United Nations because what we what we hear that from so many countries The system is being built through Michael Bloomberg Philanthropy and once it's up and running and has a stable and with a core amount of data. It will go to the UN but there's no intention that any day they'd be behind a paywall.

**M. David CRAIG**, TNFD

Two years ago when we started, TNFD was met with this enormous enthusiasm but then the sort of excuses of why it was too hard then was also heard - people said there's not enough data to measure nature risk and impacts, it's too complicated. There's no single metric. There's no single target. Since 2021 we have made incredible progress, although it's important to recognise what we know what we don't know and what we still need to learn.

We know that nature is an enormous issue in terms of the risk it presents to our economies, our financial system, and society and communities. We know it's impacting valuations and that we know that the risk is there. What we don't know is exactly where is that risk. And how to measure it in a standard way.

And that's one of the big challenges - it's really important to know that nature and climate are not two separate things, Mother Nature, Mother Earth didn't create all this list of acronyms. It doesn't recognise them it sees nature, including climate as one ecosystem. So what we did by reusing the model from TCFD. Now, we're not quite there yet, because we started on that journey in 2015. But what we do learn and what we do recognise that much of the physical risks that climate change is creating is actually manifesting itself in the natural system droughts, floods, damaging nature production and those areas. We know that the natural system is a huge tool that we can put to use to absorb greenhouse gas emissions in soil in preserving forests and seagrass and all those others. We know that we have to think about these in an integrated way even though we started off thinking by climate.

First, we consulted with the TCFD team and who said we could take everything they've done, build on it, learn on it. We've reused the four pillars of TCFD on governance, strategy, risks, impacts and metric. Our taskforce, now over 1100 members, is delighted that we've done that because it means that they can ease the friction of adopting.

But the goal is really not just better disclosures. It's actually to create a methodology where we can tackle this complexity issue. It is complicated. How do we break down that complexity and make it manageable, the disclosures at the end product, a part of that we've actually created this methodology that helps you simplify the work that you need to do to understand your nature related dependencies or ecosystem services like water or pollination, or the impacts that you're having and how that gets into risks and opportunities.

There isn't a single target for nature. It is a complex set of things. But the good news now is whilst when we started we didn't have the equivalent of the Paris Agreement. We now have the coming Montreal agreement, over 200 countries signed that last year with 23 targets. So we align ourselves against many of those like land use water use change, pollution, etc. We created a methodology we then group the metrics into just three groups of impact metrics, based on land or water use change pollutants, resource use or replenishment.

So you end up actually with five groups of metrics, three on nature, one on climate, and then the risks and opportunities. We are piloting that approach. What people are finding is there's a learning curve to understand this but this is workable, this is doable. And we're actually realising the efficiencies of combining our climate and nature teams, and doing this in one go.

We're also learning a huge amount about the data - the amount of innovation and new technologies and measuring the state of nature as we call it has been incredible.

So whilst there is plenty of data getting it connected and access is an issue so we're also looking at scoping a similar project to the to Bloomberg - to how do we collect an organising connect state of data in nature, and make it more freely accessible – to make it easier for companies to do that?

We're learning a lot we've done a lot we published in September, we have over 200 pilots from all countries over 50 countries around the world. In fact, most of the pilots are in the southern hemisphere by number at the moment. In September, we will have broken down the complexity, we've simplified the metrics, we've created a methodology where you can approach this and we've demonstrated that integrating nature and climate together it's actually a more efficient and effective way to deal with this kind of risk.

**Ambassador Adam, MOHAMMED**, Nigeria

A few years ago, probably four years ago, the issue of climate and nature was not on the table of most African countries. There is belief that this is just a Western agenda. This is a developing world agenda and that Africa has more pressing issues to address the issue of climate and nature. But over the last few years, that narrative has started changing due to the unprecedented climatic disasters that Africa has been confronted over the last two, three years. We also have the issue of deforestation, deforestation, and desertification, which is clearly evident in Africa now. The level of heatwave has greatly increased the sea level has greatly risen. So it's now longer a matter of debate. It's a matter of reality. People have seen it on the ground, they know that this is for real. Okay. So we've moved beyond that.

To accept that climate change issue of sustainability development is really on the table. And one of the things that we had before in Africa, as I mentioned earlier, was issue that in Africa we have more pressing social issues. So why is the West not talking about them? Why are they talking just about climate? And suddenly, again, the Western developed world was pleased to elevate the social to the same level as elevating African about environment. Okay, and I'm happy to see I must commend the president of France, who has brought the issue of poverty now to the table centre stage. This summit is about climate, it's about people. It's about diversity. So we welcome that greatly. And is one of the reasons why you have seen the way Africa has embraced this summit.

The third reason why there is change in attitude. It is strong advocacy, that international sustainability standards board has undertaken over the last year and a half in Africa. They have been everywhere. They've been there to engage high level policymakers. They've been there to do some bit of capacity building, public enlightenment, so this has greatly brought to the fore and just enhance acceptability of this standards been developed.

The fourth reason is the severe financial economic crisis that African countries found themselves shortly after post COVID-19 We’ve all realised that public resources, government resources will no longer solve the problem. We need to attract private capital and to attract private capital we need to compete with other countries around the world. So that has also forced African countries to try to be in tandem with what is happening internationally. And it's also important like I mentioned, which is the focus of this panel discussion, the issue of data, because private capital follows.

Areas where they can assess the risk involved or the opportunity that has prompted African countries to say that look, we need to join the international community. We need to compete it's no longer going to be business as usual to just for us to sit down, sit back and expect to be getting official development assistance. We need to attract private capital to come in to Africa.

These are some of the things that have really changed narrative in Africa. But one of the challenges we have was where are the resources for us to assemble this data? What are the resources for us to develop some kind of repository for this data? We've tried to come together we saw the value of continuity original partnership, because when we realised over the last six months that it might be difficult for one country to be able to mobilise resources to put up that repository, we even tried to reach private investors to help us out with that. So we welcome this idea of President Macron to develop the net zero data public utility because we feel that it's an open free repository, which will greatly help African countries.

So the message from the African continent, it's now clear, we're on board. And we're now seeing movement from mere commitments to development and implementation of transition concrete Transition Plans. For example, in Nigeria in 2021, we enacted the Climate Change Act, which enable us to establish a climate change Council of which the president of the country is heading which enable us to establish a climate climate change fund.

Also, we were able to develop a national action plan on climate change, which clearly lays out a roadmap to the net zero target, which for Nigeria has a 2060 and not 2050 target because we know of the challenges that we are confronting. We have tried as much as possible to form regional partnership. We've just recently created the African forum of independent accounting auditor regulators. We feel that we need to have a voice in the standard setting process is no longer just sitting back.

These standards are developed and then just for us to just adopt, and I think the International Service Standards Board can attest to the fact that Africa was actively involved in the process of development of this ISSB standards. This is the reason why a lot of African countries have clearly made the pronouncement. Nigeria was the first country to announce option seven, there will be an early adopter of the ISSB standards on Monday 26th of June. We're going to have a launching of the ISSB IFRS in Lagos alongside the other major developed countries that would be launching on that day.

**Mme Catherine MCKENNA**, Special Envoy, UN

We actually have a temperature goal. A goal is 1.5 degrees. And we need to reduce emissions by half, almost half by 2030. And we're not there. So if we don't actually measure things we're never going to get there. If it just took commitments and longterm pledges, we'd solve climate change, we'd have solved global poverty, but we are seeing catastrophic impacts of climate change, and seeing that we're actually not on track. I think there's a lot of positive developments and I think that's measuring has shown that, but its partly it is about accountability. If we need to measure and see how we're doing at an interim basis. That's when you can innovate and adjust - if you actually see you're not on track and we're not on track so we all need to do more.

I think that this is where we need to have discipline. When you measure you know what you need to do, because it's actually not that hard on climate: emissions need to come down now. money needs to go up at scale, and we need to ensure just transition for all. So that's why we're measuring things, and that's why accountability is so important.

So if we don't actually scale the money and measure it and see this going at scale, and not just to one or two countries, but to all of the countries then we're not going to solve this problem. And we're certainly not going to tackle poverty at the same time. And so I think this is the this is the opportunity to provide discipline, and it's in a way the natural evolution of the Paris Agreement. But the agreement was the easy part in a way like having ambitious targets. That's your stretch goal. But then every day, you've got to do the work. And so I think the Bloomberg portal is really amazing because we need to see where everyone's at. And if companies are not doing well, financial institutions will not give them money. Young people will not work for these companies. Consumers will decide they're not going to buy their products from them. Its got to start with the large corporates. We have to start at scale and we got to look at who has the capacity. And then we have to support all the other companies, financial institutions, cities and regions that don't have the capacity

**Mme Sabine MAUDERER**, Vice-President, Network for Greening the Financial System
For those of you who have never heard of the network for greening the financial system, it is a group of now 140 central banks and supervisors and we are dealing with climate change as a financial risk. When we started five years ago, we were just eight which showed that the awareness of climate change in central banks was low but now we have 140 central banks and supervisory entities.

When we started five years ago, we were basically members from the advanced economy from the global north. We concentrated on our perspective - is our business model under threat? Do we have to transform our economies because our business model is under threat? So this is our perspective. The whole work we did at that time was dedicated to fulfil our mandates. Now with especially also African countries on board but also Southeast Asian developing and emerging markets, we have broadened our view on our tasks, because all of a sudden realising that is not just about transforming the Global North. It is about dealing with those countries who are already facing climate change today. We need to deploy a lot of money for the transformation, but at the same time, we need also money for adaptation.

What is this all to do with data? I think that the amount of money we need for adaptation will be a huge and I'm pretty sure that this is not a case for private money because adaptation will be in the hands of public money so that means is there's little money left for transformation. So what you really have to do is to deploy much more private capital. In transformation plans or transition plans, corporates and financial institutions will tell us how they're going to do their transformation over the next 10 to 20 years. So what this really tells us is not only what kind of goals they have, but how they really want to do it. And this is what getting set is not about setting goals is about implementing in doing something. We did our own stock chain stocktake about transition plans, and we saw there's a lot of to do because we have seen a lot of different approaches.

We started in the beginning to identify the risk for the financial system, in order to mitigate the risks. A couple of years later, we understood it's not only about de risking the financial system, it's rather about defining the role of the financial system. And the role of the financial system is to enable transformation to share the risks and to make money available for also adaptation. Last point, I think we completely under estimating the threat we'll see from the lack of biodiversity. And if I'm very glad that we see the first approaches, and we had the network for greening the financial system we just will by the end of this year, have a stocktake take on what will it need to do scenarios about nature related risks. So for example, what will happen if we see a lack of water if we all of a sudden realise how important the soil is? Forest and so on.

**Inter-Panel Q&A**

**Ambassador Mohammed**

One of the key challenges that we have, especially in Africa, in terms of implementation of some of these standards and frameworks, is the issue of capacity building and advocacy. The problem is we don't even have enough resources to do both of those recently. One of the issues that we discussed at the Africa forum, is that we're going to adopt the FSs. 1 & 2s from next year which become implementable from first January next year. But do we really have the capacity on the ground to do the proper implementation of those standards? These are the kind of things we expect from the international community to support African countries to build that capacity.

**Mark Carney**

I'll make three points if I could. First just to emphasis when you have an objective and you have data, and you look at the data, you learn, and you respond, you learn about how big the gap is and how much more you have to do and that adds pressure in real time. You learn which financial institutions are doing well compared to others. And you learn what you don't have as you just mentioned something about transformation plans and, and then you respond, first point, second point, in that spirit on capacity. What we're doing today, what the authorities are doing today firms are doing today is cutting edge. But in a few years, it'll look quite primitive. I think that's how fast things are moving and I think about how we model the economic impacts how we think about the financial stability impacts, we still it's relatively limited channels compared to the totality of impacts that climate will have and loss of biodiversity in nature will have and so we need to pull that through last point on capacity and and particularly with respect to the new financial pact. What GFANZ is doing is we're creating regional financial networks. We're not saying you have to be part of GFANZ - these are becoming core competencies of financial institutions and we need to do that in Asia and we will announce one in Latin America shortly.

**Catherine McKenna**

I just want to say a word on capacity building. we're going to have to bridge this gap and recognise that that capacity is a thing, but it's also not going to be perfect and we need to also look at what is the country trying to do it because obviously climate is one thing but as is alleviating poverty. So the just energy transition partnerships, need to make sure there is a just transition ie money for communities and for jobs for workers because you can't cut and not think about those communities and workers. I think that's really making sure we dig a lot deeper and listen to the global south to learn from them. And yes, data is really important, but it's not going to always be as perfect as folks would like, when you're sitting in New York. If you're sitting in you know, you're sitting in Paris or sitting in London.

**David Craig**

Well, I mean, we talked about transition and capacity building, and we talk about it generally around climate. And what I've learned in the last two years is we haven't even really started thinking about what transition and capacity building in nature really looks like. So just three points on that. And I'm really glad that we're thinking about transition before we think about targets because I think just setting targets and then wondering how we do transition in nature would be a really big mistake. But three points on that. One is one of the reasons we've got so many companies, particularly in the south during pilots is to build capacity by learning and we're learning a lot and actually a lot of companies say where do we start on this TNFD, this nature journey? And my message is to start because actually learning by doing is better than nothing as there are no universities out there that will give you the graduates that understand all this stuff yet. Maybe that'll come. Second point, which I think theme just said was when it comes to data, people mistakenly think that perfection is the goal and we mustn't let, perfect be the enemy the good. And we can get carried away with perfect data and perfect analysis. And we've got to be practical, because there is no such thing in this world as perfect data when it comes to nature. And then the third part of transition, put the S back in ESG. You can't do nature, related dependencies and impacts without thinking about local communities. The stewards of nature climate is quite different. Yes, there's a massive impact but its nature. It's so local, the average farmers. The stewards of land and local people. So what we found in our approach is you really have to be very deliberate on involving local communities and they're going to have to be involved in transitions because you can't get farmers to change what they're doing be it in Nigeria, in in England in Germany, In France without involving them.

**Roundtable 6:** **Mobilizing the private sector for the SDGs: sustainable infrastructure and SME financing**

*Moderator: Bertrand Badré & Rémy*

**M. Macky SALL**, President of Senegal
**M. Yoshimasa HAYASHI**, Foreign Minister, Japan
**M. Makhtar DIOP**, Director General, International Finance Society
**M. Khadem AL REMEITHI**, ADIA, UAE Sovereign Fund
**Mme Jamila BEN BABA** (PDG Laham Industries)
**M. Jay COLLINS**, Vice-President, Citigroup
**M. Thomas BUBERL**, Director General, AXA Group

**Summary:**

 **Macky Sall**, President of the Republic of Senegal stated that the actual financing infrastructure model is no longer adequate, given that the rules are no longer appropriate to respond to the needs of the different countries and do not take into account climate change requirements. Developing countries are still waiting for the reallocation of the Special Drawing Rights (SDR) with no concrete results. Governance needs to change in order to meet these needs and the most urgent need for Africa is financial infrastructure. With 31% of renewables based on a debt, Senegal was incurred in unfavourable conditions. He announced a JETP agreement with the G7 for just energy transition to move up to 40% of renewables in their share of energy by 2030. In 2023, Japan assumed the G7 Presidency and during the Hiroshima Summit the G7 remarked the importance of mobilising private financial assets to have less financial gap and the needs of continued effort to scale up ODA and expand its catalytic use.  **Yoshimasa Hayashi**, Minister of Foreign Affairs of Japan participated in the panel and stressed that the public and private sector should work together. Japan continues to support the Indonesia JETP with the private sector engagement. The G7 launched the Partnership for Global Infrastructure and Investment (PGII) with a pledge to mobilise up to 600 billion USD. ODA from Japan will increase from 20% to 40% (8.4 billion USD).

**Khadem Al Remeithi** from ADIA presented 5 key conclusions from The Working Group 3:

1. The need to create a quality enabling environment to attract more investments,
2. Create more country catalyst in order to originate more bankable projects,
3. Improve regional aggregation and syndication platforms,
4. Develop a global toolkit to help share data and risks with all stakeholders
5. Pursue the dialogue between public and private.

**Werner Hoyer**, President of the European Investment Bank (EIB) agreed that good quality infrastructure is essential and for this, taking care of a decent in-house expertise for the opinion about the quality of investments that guarantees that. EIB provided 11 billion EUR in financing and more than half of their lending support the private sector directly and they are in charge of the implementation of the Union´s Global Gateway Strategy, an example of how the EIB finances sustainable infrastructure. **Jay Collins**, Vice President of Citigroup remarked that they are not working bold enough and that project centricity should not be confused with bankability. There is an urgent need for MDBs and others to triple down on creating more projects, the private sector needs to sit at the table with MDBs and countries to re-look at an enabling environment and to supercharge the tools that mitigate the risks of the private sector asking if these tools are fit for purpose for mobilising the private sector. **Makhtar Diop**, IFC's Managing Director of the World Bank observed that the water sector, sanitation sector and adaptation are not being included in the current conversations and they can become vertical areas. Also, there is a challenge for middle income countries to aggregate the demand of larger projects.

**Jamila Ben Baba**, PDG from Laham Industrie marked the need to invent new financial tools adapted to fragile countries: simple, quickly deployed and at reasonable cost. For **Thomas Buberl**, CEO of Axa Group, the issue of innovation in the private sector was fundamental and how instruments such as blue bonds can make us more resilient to climate change. **Odile Renaud-Basso**, President of the European Bank for Reconstruction and Development (EBRD) mentioned that investments in the private sector in emerging countries are fundamental because employment is created locally.

**Full Notes:**

There were 2 main subjects of this panel:

* How can we attract local and international saving for infrastructure
* How can we create jobs.

**M. Macky SALL, President of Senegal**

* The actual model is no longer adequate because the rules that control financial governance are no longer appropriate to respond to the needs of the different countries. These rules don't take into account the urgent need for infrastructure, so it is imperative to create new institutions.
* In Paris 2021, they have spoken with much hope about the reallocation of Special Drawing Rights, but they are still waiting for the results. Some countries agreed to yield their SDRs but there was an actual gap between their commitment and the receipt of these SDRs.
* Governance needs to change in order to meet these needs and the most urgent need for Africa is financial infrastructure.
* With 31% of renewables based on a debt, Senegal was incurred in unfavourable conditions.
* The consequences of pollution have been felt strongly in their country. They incurred so much effort to finance renewable energy like gas, which should be a transitional energy and should be able to cohabit with renewables.
* He announced a JETP agreement with the G7 for just energy transition to move up to 40% of renewables in their share of energy by 2030.
* Their limit to financial resources is good credit practice and they cannot benefit from their credit practice because people perceive their risks will be high.
* If they can get better access to credit, they would be able to create more resources for their continent.

**M. Yoshimasa HAYASHI, Foreign Minister, Japan**

* In 2023, Japan assumed the G7 Presidency and during the Hiroshima Summit the G7 remarked the importance of mobilising private financial assets to have less financial gap and the needs of continued effort to scale up ODA and expand its catalytic use.
* Solidarity is joining efforts to achieve SDGs and to make the world more resilient for future shocks. He shared three different possibilities ways in which this can be achieved:
1. The public and private sector should work for the same goal.
2. Public and private sector should exercise solidarity through financing. Japan has pledged to increase its SDR from 20% to 40% of new allocations. It's also continuing to expand its ODA. They took the lead in the finance of global issues. They also support MDBs evolution to maximise development impact by strengthening their response capacity to global challenges.
3. Financing is not in itself the end; the objective is to empower developing countries' governing capability so that development can be better sustained. Japan was in JICA. Finally, any development finance must be transparency and fair

**M. Khadem AL REMEITHI, ADIA, UAE Sovereign Fund**

* The objective of the working groups was to propose practical solutions to increase investments in sustainable infrastructure in emerging and developing markets.
* presented 5 key conclusions from The Working Group 3:
1. The need to create a quality enabling environment to attract more investments:
	1. He encouraged more countries to enter into programmatic partnerships such as JETP or other programmes. They need to explore the possibility of reinforcing a gold plated institutional and contractual framework to help ensure a fair allocation of risks between relevant stakeholders. Sources is a free digital platform that supports countries' capabilities to manage project preparation.
2. Create more country catalyst in order to originate more bankable projects:
	1. Part of the resources managed by PDBs and MDBs should be made available to scale up existing project preparation facilities. They need to strengthen capacity building and staff secondments between public and private institutions. He announced that the international development finance club is launching its capacity building and staff secondment programme called Origination.
3. Improve regional aggregation and syndication platforms:
	1. Stakeholders should support these platforms. It is also crucial to stimulate secondary markets, so private capital keeps flowing.
4. Develop a global toolkit to help share data and risks with all stakeholders
5. Pursue the dialogue between public and private

**M. Werner Hoyer, President of the European Investment Bank (EIB)**

* With financial means as limited as they are, good infrastructure is needed. This means that countries need in-house expertise that guarantees that.
* As the UE Bank, they are in charge of the implementation or the delivery of the European Union´s Global Gateway strategy. With it, their aim is to support financially and technically projects that can mobilise at least 100 billion EUR of investment by 2028.

**M. Jay COLLINS, Vice-President, Citigroup**

* He stated that in all his years of career he realised that the sector just keeps talking about the same topics and they have been repeating themselves over and over and they are not fixing it. They know that there are solutions, but they are not acting bold enough.
* Recommendations:
	+ Project centricity should not be confused with bankability. Bankability is a later stage. There are not enough feasibility studies on real projects of scale that are created.
	+ There is an urgent need for MDBs and others to triple down on creating more projects, the private sector needs to sit at the table with MDBs and countries to re-look at an enabling environment and to supercharge the tools that mitigate the risks of the private sector asking if these tools are fit for purpose for mobilising the private sector.
	+ The JETP private investor participants were asked to draft detailed memos on the private sector's view of what was necessary to participate in JETP so their capital could be crowded in.
	+ Regarding private capital mobilisation. It is necessary to assess whether the tools and the products of all the MDBs are fit for purpose to take this risk.

**M. Makhtar DIOP, Director General, International Finance Society**

* He suggested pushing the debate further forward.
* There are some economic sectors in African countries that were working well and had very low inflation but the market did not see them, so it is needed to find an instrument to make the market understand and better appreciate the real risk in their countries; so a credit rating could be made.
* The water sector, sanitation sector and adaptation are not being included in the current conversations and they can become vertical areas. Also, there is a challenge for middle income countries to aggregate the demand of larger projects.
* He suggested the President of Senegal take a leading role in two or three sectors with infrastructure and climate change.

*Second part of the panel*

**Mme Jamila BEN BABA (PDG Laham Industries)**

* She is a business woman from Mali, where it is difficult to work from a financial and operational point of view.
* They asked the World Bank to help them to create parks where the cattle could be fattened, so the cattle would meet the international standards. It took them five years to receive the money. So integrating sub regional markets is really difficult for them.
* She marked the need to invent new financial tools adapted to fragile countries: simple, quickly deployed and at reasonable cost.
* It is a priority to convince technical and financial partners and provide them with equity. Also, they need subsidies and access to the international market.

**M. Macky SALL, President of Senegal**

* He created a bank for young people and women and supplied them with nano credits and structuring credits.
* They have another tool, a guarantee fund, up to 100 to 300 million EUR for business projects.
* The African Development Bank helped them finance 200 million EUR of assistance to young people and women.

**M. Thomas BUBERL, Director General, AXA Group**

* The issue of innovation in the private sector is fundamental and how instruments such as blue bonds can make us more resilient to climate change.

**Odile Renaud-Basso, President of the European Bank for Reconstruction and Development (EBRD)**

* She mentioned that investments in the private sector in emerging countries are fundamental because employment is created locally.