

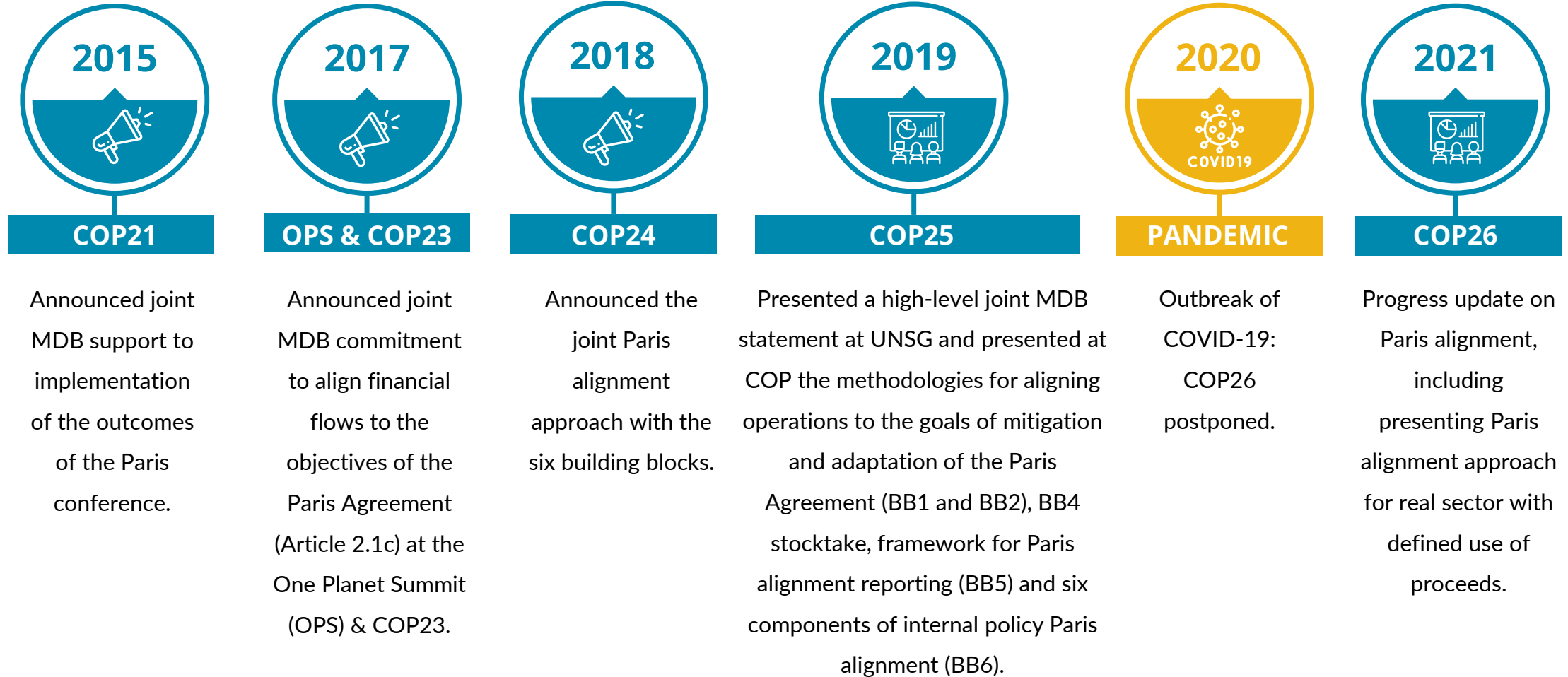
Presentation on MDB Paris Alignment Approach: linkages with Climate Finance

UNFCCC Sharm el Sheik dialogue – Oct 4th 2023 – Panel 1 - Climate Finance and Paris Alignment of finance flows



Joint MDB Climate Finance and Paris Alignment history

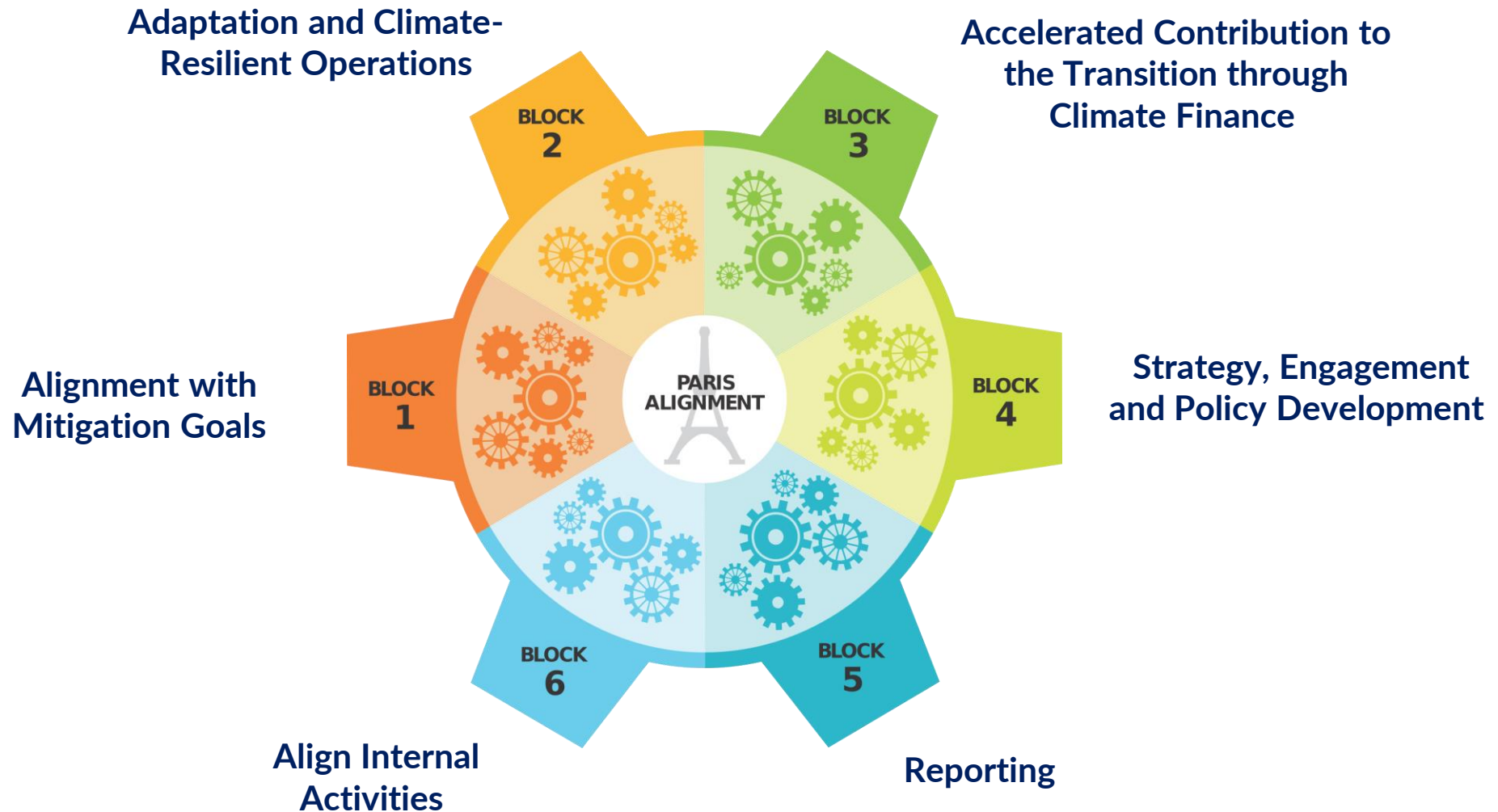
Joint MDB Climate Finance tracking began in 2011 with first publication of climate finance tracking methodologies. **MDBs' Paris Alignment journey began in 2015:**



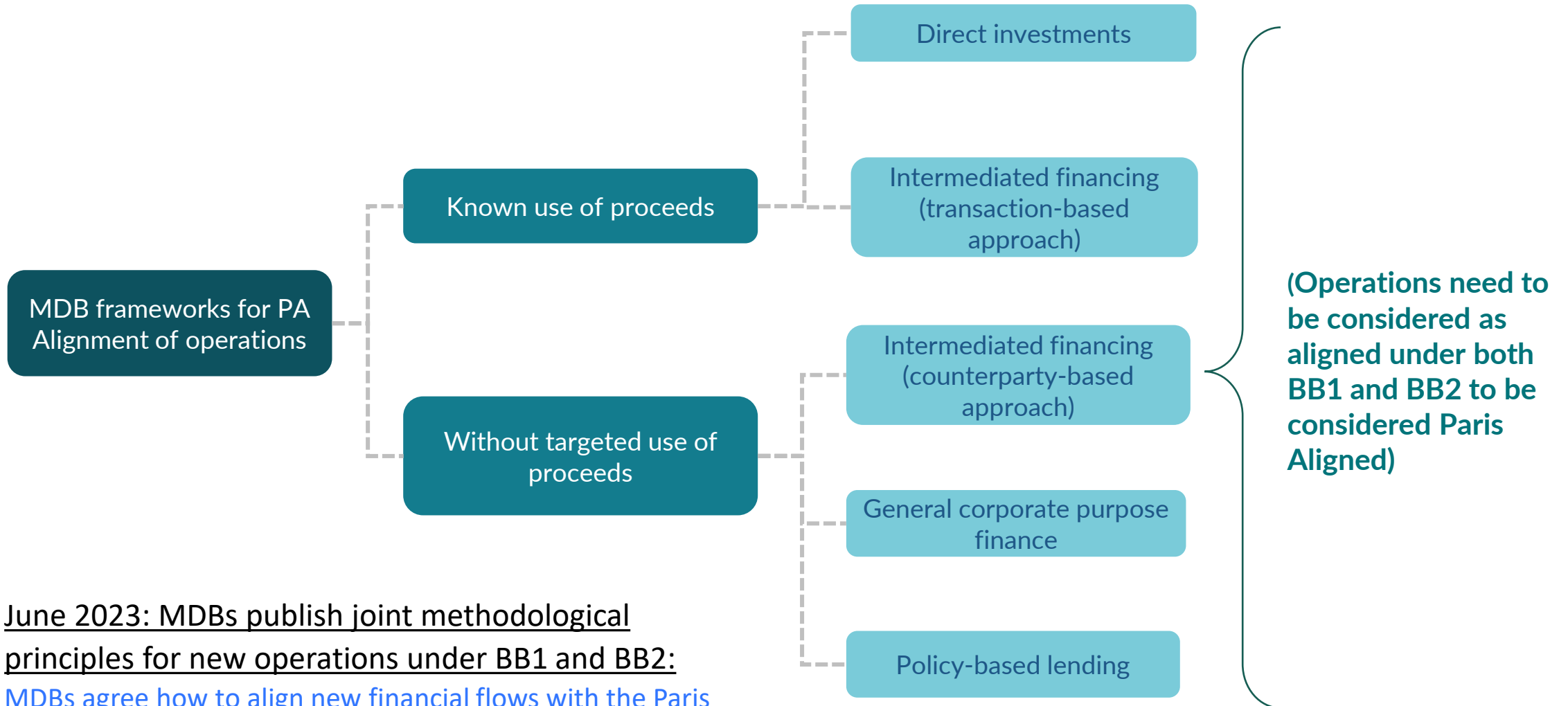
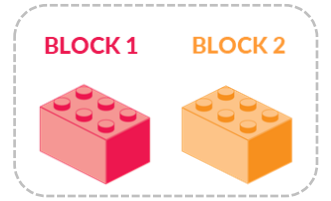
Joint MDB update event at COP27 9th November 2022

MDBs Paris Alignment Framework published at COP24:

https://www.eib.org/attachments/press/20181203-joint-declaration-mdbs-alignment-approach-to-paris-agreement_cop24.pdf

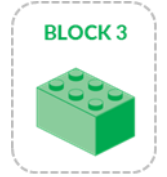


Alignment of new operations in different financial instruments (forward looking aspect of Building Blocks 1 and 2)



June 2023: MDBs publish joint methodological principles for new operations under BB1 and BB2: [MDBs agree how to align new financial flows with the Paris Agreement goals \(eib.org\)](https://www.eib.org/en/press/2023/06-01-mdb-agree-how-to-align-new-financial-flows-with-the-paris-agreement-goals)

Building Block 3:



Accelerated contribution to the transition through **climate finance** (extract from joint MDB declaration at Katowice COP24)

We will strive to actively support low-emissions and climate-resilient development pathways through our interventions. **To that end, we will further scale-up the provision of climate finance. We will operationalize new approaches to bridge the climate finance gap and accelerate the transition** in order to effectively support countries in achieving the goals articulated in their Nationally Determined Contributions (NDCs), including adaptation plans.

We will go beyond current efforts to (i) prioritize, target and report on climate finance, (ii) mobilise private sector investments, (iii) support clients' access to concessional finance, including for leveraging private capital, and (iv) provide the needed technical assistance for climate action. We will do this in support of ambitions agreed to under the United Nations Framework Convention on Climate Change (UNFCCC) and in line with science-based evidence identified by the IPCC.

Building Block 4:

Engagement and policy development support
(extract from joint MDB declaration at Katowice COP24)

We will build on existing efforts to support the NDCs' revision cycle and **develop services for countries and other clients to put in place long-term strategies and accelerate the transition to low-emissions and climate-resilient development pathways.**

In developing these new services, we will ensure consistency with the SDGs and **establish collaborative partnerships with other institutions and private sector actors** while scaling-up outreach and knowledge-sharing initiatives

BB5: Transparency Framework

BLOCK 5



Purpose

- Reporting on alignment of MDBs activities and financial flows.
- Setting joint principles and criteria.
- Enabling robust reporting within consistent framework.
- Help clients to be aligned with the Paris Alignment Framework.



Key Principles & Approach

- Building on existing practices from joint reporting on climate finance and covering all building blocks.
- Considering international emerging standards for climate related disclosures and reporting where appropriate e.g.:
 - Climate Disclosure Standards Board (CDSB, 2018).
 - TCFD 2019 recommendations (TCFD, 2019).
 - The state of EU environmental disclosure (CDSB, 2020).
 - Guidance for climate-related disclosures (CDSB, 2020).
 - Scenario Analysis for Non-Financial Companies (TCFD, 2020).
 - Guidance: Risk Management Integration & Disclosure (TCFD, 2020).
 - TCFD 2021 Status Report (TCFD, 2021).
 - TCFD 2021 Annex (TCFD, 2021).
 - Guidance on Metrics, Targets, & Transition Plans (TCFD, 2021).
 - TCFD: Guidance on Metrics, Targets, and Transition Plans 2021 (TCFD, 2021).
 - International Sustainability Standards Board (ISSB, 2021).
 - TCFD 2022 Status Report (TCFD, 2022)
 - TF on Nature-related Financial Disclosures (TNCF beta 2022).

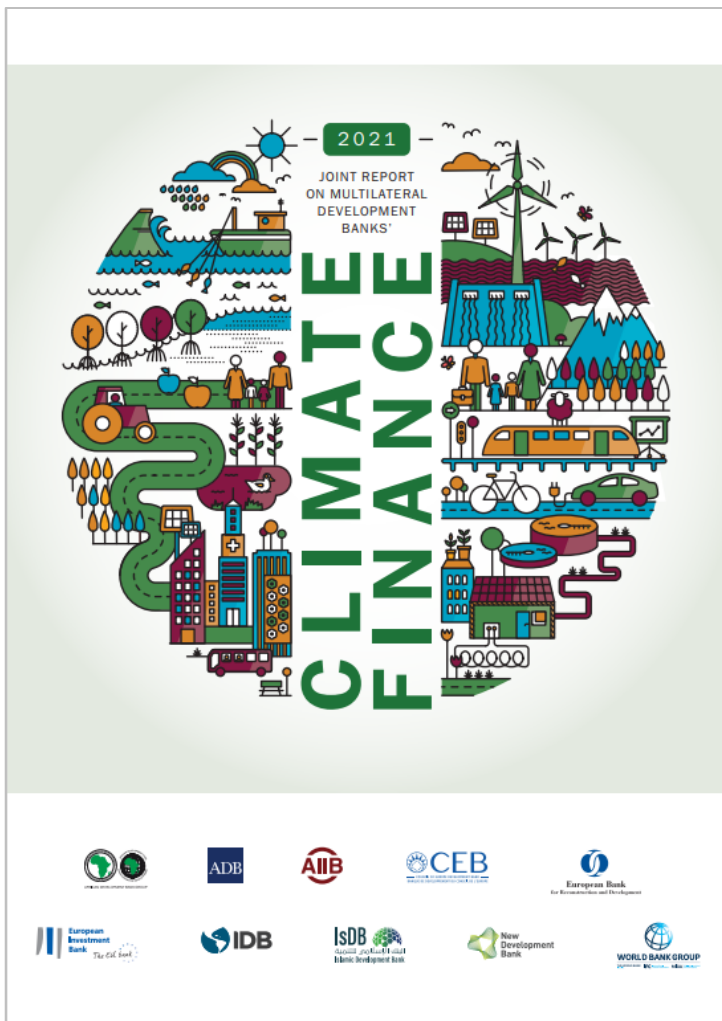


Joint Principles for Reporting

- Reporting on an annual basis.
- Reporting for new operations, ex-ante on basis of commitment.
- Reported forward-looking financial flows are derived from the BB1 and BB2 assessments. Financial flows not assessed or with a non-conclusive assessments will be noted.
- Reporting will become more granular and comprehensive, with portfolio considerations where appropriate, over time.

Related MDBs joint reporting:

[2021 Joint Report on Multilateral Development Banks' Climate Finance \(eib.org\) \(regular annual reporting\)](#)
[2021-01-14-MDB-Joint-Report-2019.pdf \(ifc.org\)](#)



2022 Climate Finance Report
publication imminent



Thank you!

