



Nine Countries “Take Flight” With Green Banks for Climate Action

MADRID, SPAIN (Dec. 11, 2019) – As pressure builds for stronger country-level action to curb climate change, nine countries and partners are demonstrating that leadership at the COP25 climate conference by announcing progress towards creating green banks, which attract private financing for clean energy and low-carbon development.

The countries spotlighted their advances today at a COP25 event, “Green Banks for Country-Driven Climate Finance: Showcasing Country Ambition.” And they are not alone – 35 countries and jurisdictions now are exploring the use of green banks, compared to 12 just a couple years ago.

Green banks finance a broad array of projects such as large-scale offshore wind, small-scale solar, low-carbon transport, building energy efficiency and LED street lighting.

“Climate change must be addressed with bold actions to deploy new technologies rapidly and at scale,” said **Prof. Anthony Nyong, Director of Climate Change and Green Growth at the African Development Bank (AfDB)**. “To this end, AfDB, with support from the Climate Investment Funds, is working with the Coalition for Green Capital to explore how Green Banks and National Climate Change Funds can raise and deploy blended capital to finance local climate infrastructure while also driving an increase in private investment.”

Similar progress was highlighted at today’s event. Representatives from Mongolia’s Ministry of Environment and Tourism discussed building the Mongolian Green Finance Corporation; the Indian Renewable Energy and Development Agency announced it is providing an initial investment to launch a fund supporting India’s ambitious goal of installing 450 gigawatts of renewable energy by 2030; and Rwanda outlined plans to set up a new Rwanda Catalytic Green Investment Bank to mobilize private investment in Rwanda and serve as a hub for other African nations.

In addition, officials from New Zealand described efforts to enable success of New Zealand’s new green bank. Other officials from Portugal, Peru, Spain, and Latin America shared their advances in green banking.

“Mongolia has taken flight in accelerating its efforts towards the Paris Agreement, the latest contribution of which can be seen by the newly updated Nationally Determined Contributions reflecting more audacious ambitions,” said **Naidalaa Badrakh, CEO of the Mongolian Sustainable Finance Association and one of the representatives featured at the event.**

“To meet the financing needs of this robust climate and social agenda, the public and private sector actively collaborates to create a 50 million USD national green financing vehicle, the Mongolian Green Finance Corporation, with seed funding from the Green Climate Fund,” Badrakh added. “The project has already led to growth in green businesses and realization for the need of green capacity building in all sectors and industries. [We] believe the next Green Climate Fund's Board decision will see to reality a private-public partnership based future Green Bank that will unlock great green market potentials and achieve Mongolia's green and sustainability goals.”

Creating institutions dedicated to financing green projects is a key way for countries to raise capital needed for projects that curb climate change and create clean energy economies. “We’ve been surprised and heartened to see the rapidly growing number of countries pursuing national green banks as a key strategy to mobilize climate finance for Paris Agreement targets,” said **Paul Bodnar, Managing Director at Rocky Mountain Institute.**

The statement made by **Chintan Shah, Technical Director of Indian Renewable Energy Development Agency** demonstrated the level of India’s ambition. “As India moves towards becoming a USD 5 trillion economy, the country’s aim to achieve the 450 gigawatts (GW) of renewable energy could be a driver of this economic growth. To support this effort, the Indian Renewable Energy Development Agency has announced the creation of a new Green Window at IREDA - which is a catalytic finance facility based on the green bank model - to mobilize private finance to expand renewable energy in India.”

Worldwide, countries need to invest an estimated \$1.6 trillion to \$3.8 trillion annually through 2050 in low-carbon development to meet the Paris goal to limit global temperature rise to well below 2 degrees Celsius. Innovative tools like green banks help countries catalyze public and private investment for sustainable development.

The COP25 event was convened by the Green Bank Design Platform, a global collaboration to accelerate green bank formation. It was hosted by the Inter-American Development Bank (IDB), Natural Resources Defense Council, Coalition for Green Capital, and Rocky Mountain Institute.

Doug Sims, Director of NRDC’s Green Finance Center said: “Around the world, on every continent, green banks are on the rise. Some are private, some are public, some are independent, others are specialized teams embedded in larger organizations. The model is evolving to suit local conditions in Africa, Asia-Pacific, Latin America, the US and Europe. What is critical and what is common, is that these institutions are pure-play green and dedicated to providing the right capital for spurring the uptake of innovative, low-carbon technologies and business models and drawing slower-moving mainstream capital off of the sidelines and onto the field of green, inclusive growth.”

The following statements address additional green bank developments at the COP25 event:

Hubert Ruzibiza, CEO of FONERWA in Rwanda, said: “The Rwanda Green Fund is working with the Coalition for Green Capital to develop a Catalytic Green Investment Fund. The fund will complement existing instruments to unlock and expand private investment in Rwanda’s

green growth. The catalytic approach aims to utilize public investment to attract private investment by reducing risk and addressing other market barriers. We are excited about the potential of the fund as we strive to build a green Rwanda.”

Andrea Colnes of the Coalition for Green Capital, said: “Green Banks have tremendous potential to scale-up private investment in support of national climate goals. Emerging Green Banks in Rwanda, Southern Africa and elsewhere around the globe illustrate the applicability of this model in developing countries.”

Juan Antonio Ketterer, Division Chief, Connectivity, Markets and Finance Division, Inter-American Development Bank, said: “Addressing climate change requires innovative financial solutions to scale up private investments - at IDB we have been pioneering such solutions with public banks and financial institutions, conveying programs of USD 3 billion in the last 5 years. We are pleased to host the Green Bank Design Platform forum in Madrid, and we are looking forward to continuing working together on building sustainable capital markets across the region.”

Eduardo Brunette, Greenward Partners, Spain said: “The inaugural gathering exploring the potential for a Green Bank in Spain, was a great success. The session was convened at the Instituto de Crédito Oficial in Madrid where leaders in climate finance showcased the international experiences of Green Banks as a powerful model for Spain to drive and leverage private climate investment.”

John McGinley, Managing Partner, Mekong Strategic Partners, said that that the U.S. Agency for International Development, “through its flagship climate finance program for Asia, USAID Green Invest Asia is pleased to announce that it has decided to invest into supporting the development and launch of a catalytic Green Bank / Financing Institution for Cambodia.”

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The Natural Resources Defense Council (NRDC) is an international nonprofit environmental organization with more than 3 million members and online activists. Since 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC has offices in New York City, Washington, D.C., Los Angeles, San Francisco, Chicago, Bozeman, MT, and Beijing. Visit us at NRDC.org and follow us on Twitter [@NRDC](https://twitter.com/NRDC).

Rocky Mountain Institute (RMI)—an independent nonprofit founded in 1982—transforms global energy use to create a clean, prosperous, and secure low-carbon future. It engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. RMI has offices in Basalt and Boulder, Colorado; New York City; the San Francisco Bay Area; Washington, D.C.; and Beijing. Find us at RMI.org and follow us on Twitter [@RockyMtnInst](https://twitter.com/RockyMtnInst).

The Coalition for Green Capital (CGC) is a non-profit organization focused on accelerating the growth of clean energy markets through the creation of Green Banks, and offers a unique and proven capacity as a leading creator, advocate, and expert on Green Banks since 2009. CGC works directly to support the formation of Green Banks with governmental and civil society partners, and provides on-going consulting and guidance to operating Green Banks. For more information visit coalitionforgreencapital.com/.

