Reflecting on the 2021 Summit

The primary goal of the Summit was to foster the global green bank community of practice and provide tailored assistance to countries who are interested in the green bank model or in the process of developing local green finance institutions. It showcased green banks as an implementable solution that help countries and institutions realize their ambitious climate goals and enable green recovery.

The Summit welcomed 350 participants from 54 countries, with presentations from representatives of 12 existing green banks.

This document provides a summary and takeaways from each session and includes a link to video recordings

Session 1: Plenary Keynote Session:
The Green Bank Movement: Enabling Green Recovery Through National Institutions
Watch

This session offered keynote remarks to frame the Summit, including an overview of the global interest in the green bank model, context for the shifting role of climate finance to the national level, and the necessity of public-private finance collaboration to build back better. The session also included a panel discussion to explore the role of different types of national institutions – a pure play green bank in India and national development banks in Latin America that are playing a role in their local green economies.

Keynote Speakers:

Nigel Topping, High-level Climate Action Champion, CoP26
Lord Nicholas Stern, IG Patel Chair of Economics and Government and Chair of the Grantham Research Institute on Climate Change and the Environment, London School of Economics
Amal-Lee Amin, Director Climate Change, CDC Group

Takeaways:

- Nigel Topping highlighted that it is critical that as North-South public climate finance flows accelerate that these funds have the greatest possible impact by leveraging private capital – both international and domestic. According to him, national institutions like green banks that foster financial innovation can accelerate the maturity of local green markets and support Paris Agreement-aligned green recoveries.
- Lord Stern asserted that to move forward in the face of the twin crises of COVID and climate change, the world needs innovation and strong investment in sustainable and green sectors. He highlighted the special role of green investment banks in charting the course forward by using their strengths: patient long-term
capital and financial instruments; expertise in sustainable investments, and ability to take on risks the private sector cannot.

- Amal-Lee Amin listed three key ways in which green banks can be a “pivotal actor” by: serving as a bridge between policy makers and investors; targeting the deployment of technical assistance and blended finance to overcome specific barriers; and investing in businesses that will help manage climate risks.

**Panel Speakers:**

Moisés Schwartz, Manager, Institutions for Development, Inter-American Development Bank  
Manish Chourasia, Managing Director, Tata Cleantech Capital Limited  
Douglass Sims, Director and Senior Advisor, Green Finance Center, Natural Resources Defense Council – Moderator

- In Latin America, the national development banks the Inter-American Development Bank works with have played a key role in mobilizing and redirecting private capital towards low carbon climate resilient activities. Given their public development mandate, they are well placed to develop innovative financial solutions for low-carbon and climate resilient investments. The four elements that make these institutions’ specialized green funds effective are: innovation, actionability, catalytic potential & financial sustainability.
- In India, Tata Clean Tech Capital mobilizes international sources of climate finance and blends these funds with domestic capital sources. This pure play green bank also plays a role in advising the government and policy makers by providing feedback on what policies could bolster investment activity in low-carbon markets

---

**Session 2: Green Banks 101 Panel Discussion**

This session provided an overview of green bank models, the role these institutions play in the market, as well as barriers that countries developing green finance institutions typically encounter. In addition to creating a shared understanding about the role and function of green banks, the session aimed to help inform the thinking of participants and individual questions as they prepared for deeper dive workshops.

**Speakers:**

Andi Colnes, Director of Global Green Bank Development, Coalition for Green Capital  
Bryan Garcia, CEO, Connecticut Green Bank  
Muhammed Sayed, Specialist, Development Bank of Southern Africa (DBSA) Climate Finance Facility  
Mary Templeton, Executive Director, Michigan Saves - Moderator

**Takeaways:**

- The green bank model is flexible, but generally shares four core characteristics: a clear green mandate, dedicated specialized expertise, a focus on using financial innovation to mobilize private capital, and operation as a self-sustaining financial institution. A key role they share is that they use public funds to mobilize private capital, using private sector disciplines to achieve public sector goals.
- Green banks can take a variety of forms. They can either be part of existing institutions or standalone entities. In developing countries, it often makes sense to create them as part of host institutions, such as national development banks, to take advantage of the entity’s capacities, (such as DBSA’s back office and sector expertise) and to help access capital which is often restricted to existing institutions.
- Green banks can be capitalized from diverse sources: public appropriations, international public sources, green bonds from private capital markets, and/or philanthropic or impact investors.
• Every journey to create a green bank is different and depends on a country's geography, access to renewable energy, political situation, overall market contexts and policies a government is pursuing. Key early steps for green bank formation include identifying and engaging political champions, aligning with national goals and targets, and assessing the target market.

• The mandate and scope of a green bank can also evolve as the needs of the market change. For example, the Connecticut Green Bank, initially focused on financing commercially available clean energy technologies, but recently their scope has expanded to include environmental infrastructure, meaning that in addition to mitigation in the energy sector they can now invest in adaptation and resilience.

---

**Session 3: Green Banks & Climate Leadership:**
A Discussion with Countries on Green Banks to Catalyze Job Creation and Infrastructure

This session explored securing the political buy-in necessary for green bank establishment, including through national legislation, as well as considerations critical to designing a resilient, independent green bank that can catalyze the country’s NDCs and other climate and economic goals.

**Speakers:**

*U.S. Representative Debbie Dingell*, D-Michigan,
*M. Min Hyung-bae*, Member of the National Assembly, Republic of Korea
*Ian Learmonth*, CEO, Clean Energy Finance Corporation
*Jeffrey Schub*, Executive Director, Coalition for Green Capital - Moderator

**Takeaways:**

• The Clean Energy and Sustainability Accelerator (CESA), the American green bank legislation passed by the U.S. House of Representatives, has bipartisan support, in part because of the success of green banks at the U.S. state level. For example, there is a green bank initiative at the state level in Alaska, which has a Republican governor, and Florida, which also has a Republican governor, has an operational green bank. CESA's focus on mobilizing private investment resonates with the public and elected officials on both sides of the isle.

• In the Republic of Korea, lawmakers are supporting the scale-up of green finance via several complementary initiatives, including a proposal to set up a green bank. This integrated approach is expected to lead to increased awareness about the benefits a green bank could provide to the country and how it could enable Korea to meet its ambitious net zero goal.

• The Clean Energy Finance Corporation (CEFC) was established in Australia under a relatively simple Act of Parliament, defining its capitalization level, what financial tools it can use, and broadly what types of sectors it can address. CEFC doesn’t have hard and fast rules on how they approach any given transaction, or how they catalyze other investors. Rather, they look at each deal individually, and then invest CEFC capital in the way it is needed to make the deal work. This level of independence is critical for achieving its mandate.

---

**Session 4: Service, TA, and Capitalization Provider Brief and Roundtable Discussion**

This session was geared at service and technical assistance providers. It was aimed at presenting opportunities for collaboration with the Green Bank Design Platform and highlighting the potential for service providers to become involved with green bank work.
Speakers:
Ricardo Nogueira, Senior Advisor, Pollination
Natalia Santoyo-Rivers, Deputy Director for Projects Financed by International Finance Organizations, Nacional Financiera, Mexico
Ilmi Granoff, Director, ClimateWorks Foundation
John McGinley, Founder and Managing Partner of Mekong Strategic Partners, Cambodia

Takeaways:

• From a TA perspective, events hosted by the Platform, especially regional ones, help TA providers understand the development story of green bank practitioners and allow them to be in the same room as the donors and service providers.
• From a donor perspective, projects that identify clear country demand and make the case that the country is well positioned to pursue a green bank, are easier to support. Likewise, projects should demonstrate clear additionality, articulating what the green bank will do that other institutions are unable to.
• The Platform can help clarify processes, information that is needed by donors and TA providers, and help users specify their request for support.

Session 5: Sparking America’s Global Economic & Climate Leadership with a National Green Bank

This session explored how a national green bank in the U.S. can learn from other jurisdictions that have used national development banks and green banks to increase domestic economic growth, private sector investment and competitiveness, in order to spark new U.S. global leadership.

Speakers:

U.S. Senator Chris Van Hollen (D-Maryland)
Remy Rioux, CEO, Agence Française de Développement
Ambroise Fayolle, Vice President, European Investment Bank
Professor Stephany Griffith-Jones, Financial Markets Director, Initiative for Policy Dialogue at Columbia University - Moderator

Takeaways:

• The U.S. is well positioned to create a green bank, which will support green jobs. It will allocate 40% of investment to underserved communities, including those with powerplants and other polluting industries, and communities that are disproportionately impacted by climate change.
• The U.S. is also making an effort to increase its climate investment abroad. The U.S. Senate just passed legislation to increase its commitment to U.S. International Development Finance Corporation from $60 to $100 billion and to increase the proportion to climate projects to 33%.
• Lessons from the EIB include setting both qualitative and quantitative targets in its transition to becoming a climate bank. It has committed to increasing its lending activities to climate and sustainability from 25-50% by 2025. It has also committed to making the zero-carbon transition just, recognizing that some regions need more support than others, such as Eastern Europe. This support includes capacity building and TA.
• The EIB’s use of a shadow price on carbon means that instead of banning investment in certain sectors, like highways, the applied carbon price allows assessment of the full cost of a project.
• Public development banks are well positioned to help with global crises, including both climate change and the global pandemic, because their mission is to support economic development and operate countercyclically. The creation of a U.S. green bank will send an important signal to the world by
demonstrating that public green banks can help countries get through the dual crises of COVID recovery and climate change.

- The International Development Finance Club is ready to welcome the U.S. to the network of development banks and support public banks dedicated to climate.

### Session 6: Workshops: Deep Dives into the Stages of Green Bank Development

**Tailored Country Practitioner Workshop 1: Early Stages of Green Bank Development**

**Watch**

During this session, speakers and participants explored the first three stages of green bank development. Topics included building political buy-in, developing champions, designing and completing a market assessment, and understanding the institutional design process and best practices of green bank establishment.

**Speakers:**

Rob Youngs, Director, International Green Bank Development, Coalition for Green Capital,

Susana Escária, Director, Ministry of Environment, Portugal

Jonathan First, Managing Director, GFA Climate & Infrastructure

Gavin Templeton, Partner, Pollination

**Takeaways:**

- Local context is critical in choosing the appropriate green bank model and the constraints in the Global North and Global South are different. Options in the Global South are to create a stand-alone institution, a private green bank, or a facility within an existing institution. While all are possible, in most cases, the latter may be the easiest because the green bank or facility is able to draw on and utilize the resources and capabilities of the established institution.

- Designing an institution that is fit for purpose will help ensure it can achieve its goals and the climate and sustainability goals of the country. For example, it should be independent so as not be perceived as political by the market, it should be flexible to deploy whatever financial products are best suited to address the gaps in the market, and it should be ambitious to respond to an evolving landscape and up to the challenge of mitigating climate change.

- Political opportunities and obstacles play a significant role in whether a green bank moves forward and how easily establishment progresses. Generating political will and buy-in is a key early milestone of green bank creation.

- Pipeline development and demand generation are critical when designing a green bank. Selecting investable sectors and creating a sightline to investable projects are important, even in the early stages; doing so will spur interest in the green bank’s activity and signal potential profit-making opportunities.

**Tailored Country Practitioner Workshop 2: Capital Recruitment**

**Watch**

During this workshop speakers and participants discussed topics including designing the capital structure, capitalization strategies, as well as setting performance metrics.
Speakers:

Craig Weise, Chief Executive, New Zealand Green Investment Finance
Nomindari Enkhtu, Former CEO, Mongolian Sustainable Finance Association
Thomas Bishop, Climate Investments Officer, Green Climate Fund

Takeaways:

- The mandate and goals of the green bank are important in considering how to structure the institution and deploy capital. For example, New Zealand Green Investment Finance, as a market accelerator focused on investing in projects that reduce emissions in the country's most carbon intensive sectors, agriculture and transport. This requires investment approaches tailored to the specific sectors and the market characteristics (small and well developed).
- The Mongolian Green Finance Corporation is a public-private partnership model between the government of Mongolia and national commercial banks with capital from these entities plus the Green Climate Fund. This model was chosen to encourage local banks to invest in low-carbon opportunities and to help the government of Mongolia achieve its goals under the Paris Agreement.
- The green bank model a country chooses will help determine what capital sources the institution should pursue. The choice of which green bank model to use should be based on the problems that must be solved in the market and the sectors the green bank will invest in (new technology, adoption of commercial technologies, increased access, specific sectors like land-use and forestry, etc.) The focus of the institution and the model chosen (public, private, public/private partnership; new or existing), will help lead to the capital sources that are most aligned with the green bank's objectives.

Tailored Country Practitioner Workshop 3:
Green Bank Investments: Innovative Approaches and Measuring Impact

During this workshop participants discussed launching a green bank, including developing and deploying financial products designed to spur low-carbon markets, how to invest in under-invested sectors, aligning with climate targets, and tracking financial and environmental impacts.

Speakers:

Ivan Gerginov, Sector Lead, Sustainable finance for Econoler; Founding ED of Energy Efficiency and Renewable Sources Fund
Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
David Grosspietsch, Senior Manager for Cleantech Investment, South Pole & Management Agency of the Swiss Technology Fund
Enrique Nieto, Financial Markets Lead Specialist, Inter-American Development Bank

Takeaways:

- Greening existing institutions often starts with creating green products. National banks in Latin America are a key intermediary and partner for the Interamerican Development Bank. By creating new green products, these national institutions can be used to drive more low-carbon investment in countries’ priority sectors such as energy, water, agriculture, and transport.
- Investment in under-invested in sectors is at the core of what green banks do. For example, the Connecticut Green Bank strives to provide equal opportunity across the market in terms of access to low-cost capital and technical assistance to low-and-moderate income households, SMEs, NGOs and governments. They have a
number of approaches for spurring activities in these sectors but start with trust building among communities.

- Taxonomies are an important step in converting policies into specifics that drive market decision making. However, while taxonomies are useful because they set definitions for what is green, they need an ecosystem of supporting regulation to be useful in driving the market. Without additional guidance they can be cumbersome and hard to decipher.
- Green and transition bonds are an important tool green banks and NDBs can use for capital raising. In the case of the Connecticut Green Bank, their Green Liberty Bond allowed retail investors to partake in low carbon opportunities. In this process, verification of the "greenness" of the proceeds is critical.