



Leveraging the Pivotal Role of Public Development Banks (PDB) for Green and Inclusive Food Systems

DZ BANK Sustainable Finance Day 2022



PDBs can contribute more to the 2030 Agenda and Paris Agreement

- **To accomplish the 2030 Agenda and Paris Agreement objectives**, there is a need to **transform food systems** which requires an additional **US\$300-400 billion per year over the next decade**.
- **Agricultural Public Development Banks (PDBs) can contribute to the goal by:**
 - ❑ mobilizing sustainable and green finance
 - ❑ adopting digital solutions
 - ❑ structuring blended solutions and public-private financing schemes
 - ❑ delivering financial services and products to different types of clients in food systems
 - ❑ reinforce their commitment to international best practice standards
- **But many PDBs lack the relevant capacity and resources, so there is an urgent need for PDBs to:**
 - ❑ Build capacity, e.g. financial management, product development and service delivery, risk assessment and management, and M&E.
 - ❑ Embrace good governance practices to improve PDBs capacity to adapt to their clients needs
 - ❑ Leverage partnerships to gain access to technical assistance and capital, and optimize use of their balance sheets

Strong political support for the creation of the PDB Platform for Green and Inclusive Food Systems

**1st FiC
Paris
2020**

Ag. Cluster PDBs affirmed their commitment to increase investments in sustainable landscapes and food systems

**UNFS
Summit
2021**

UNFS endorsement to create a robust PDB Platform for Green and Inclusive Food Systems

**2nd FiC
Rome
2021**

Hosted by CDP, formal launch of the PDB Platform supported by G20

Role of Finance is critical for the achievement of the 2030 Agenda and Paris Climate Agreement objectives

A concept note prepared with the Agricultural PDBs is now available

Platform Objective: provide a space to build partnerships, knowledge sharing and accelerate learning

3 Pillars

Technical Assistance Facility

- ✓ Help banks build their capacity to tackle key operational and governance challenges
- ✓ Better assessment and monitoring of risks and development impacts
- ✓ Leverage instruments such as SSTC

Communication & Learning Digital Platform

- ✓ Spread best practices between the PDBs
- ✓ Ensure increased volume of rural financing is targeted to better performing projects
- ✓ Use sustainable banking methodologies

Agri. PDB Financing Facility

- ✓ Support PDBs in designing their rural outreach strategies
- ✓ Support innovative approaches
- ✓ Optimize balance sheet resources for greater lending to agriculture

With improved skills and capacities in member banks, the Platform will support the PDBs to systematically increase their participation in inclusive and sustainable rural finance.

Organization

Pending business model finalization, **the PDB Platform will require a governance and operational structure** to address the different functions required.

The Steering Committee

- Composed by main partners
- Provide strategic guidance to the Platform
- Guide Platform activities and review and approve annual work program & budget
- Provide expert counsel, and determine the organizational priorities of the Platform

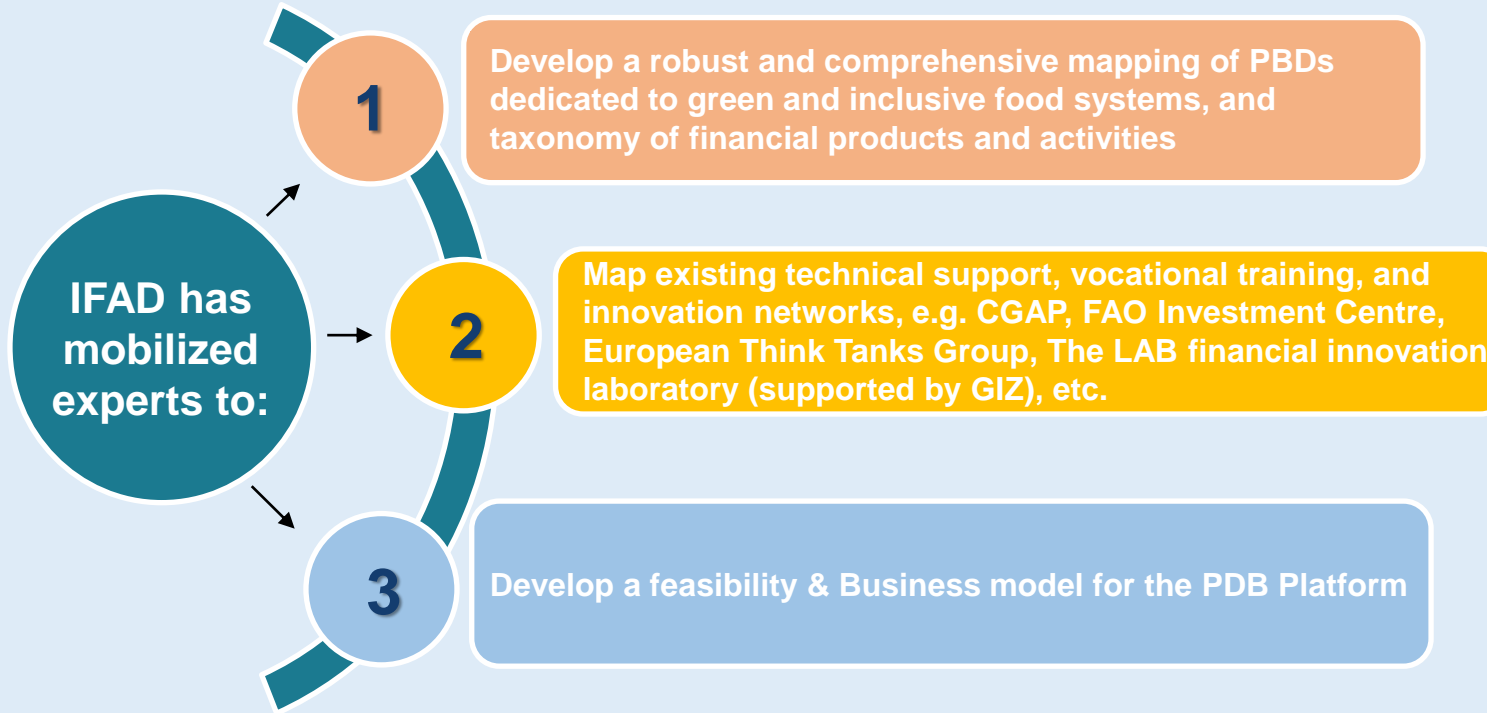
The Platform Secretariat

- Dedicated staff in charge of the daily management of operations of the Platform
- Develop an annual work plan and budget
- Reporting to the Steering committee, and communication of Platform activities

The PDB Working Group(s)

- Will work to carry forward the objectives of the 3 key pillars of the Platform
- Thematic experts invited to support the Workings group(s) if necessary

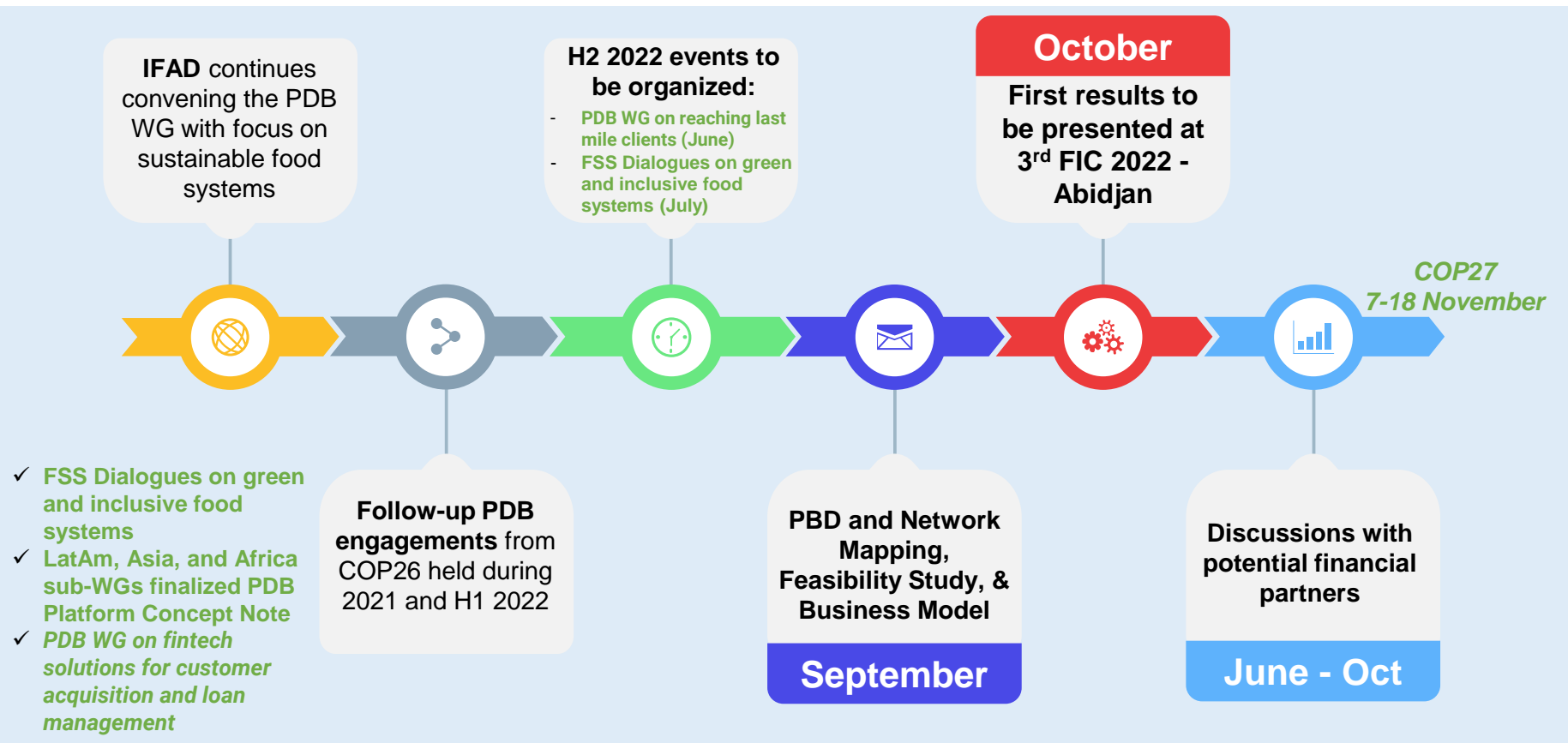
Next steps to build the PDB Platform



Results will be communicated at the 3rd FiC in Oct 2022

Hosted in Abidjan by the African Development Bank

Strategic steps in 2022



Thank you!

