



G7 Public Development Banks and Development Finance Institutions Statement of Intent Leveraging the Role of G7 Development Finance in Addressing Global Challenges during the 2024 G7 Italian Presidency 9th May 2024

As the world faces unprecedented global crises, geopolitical interests have taken precedence over economic considerations, jeopardizing essential international cooperation precisely when it is most critical to tackle pressing global challenges, such as climate change, food security and inequality. Indeed, in this volatile context the urgency to progress delivery of the sustainable development goals by 2030 is paramount.

Breaking the vicious cycle of these interconnected challenges requires immediate action. G7 Public Development Banks (PDBs) and Development Finance Institutions (DFIs) emerge as key players in both fostering conditions for and contributing to long-term sustainable investments. By acting as a bridge and catalysing public and private capitals, G7 PDBs and DFIs can foster investments and expertise in support of the UN Agenda for Sustainable Development and the Paris Agreement objectives with a particular focus on supporting fragile states.

Aligned with Italian G7 Presidency priorities, including the efforts to build a strategic partnership with countries in the Global South and the African continent especially, G7 PDBs and DFIs have established for 2024 a coordination effort on the topics of Climate and Energy, Infrastructure, Sustainable Food Systems, Ukraine, Health, Gender Equality and Artificial Intelligence (AI).

We, the G7 PDBs and DFIs, within each institution's mandate, commit to increasing the coordination among us and with our international partners to contribute to the 2024 G7 efforts under the Italian Presidency to help address the current global challenges.

In 2024, within the remittance of each institution's mission, we wish to focus our role and efforts on:

- **Climate and Energy.** It is part of our duty to support urgent global emissions reduction in the most cost-effective way, enhance climate resilience, actively engage in climate adaptation, mitigate environmental degradation and address global climate change equitably. We therefore aim to scale up our support to climate, water, and sustainable energy projects and clean-energy products in emerging markets and developing economies, particularly in Africa and supporting countries with net zero and climate resilient development pathways, in alignment with the Paris Agreement. This can be addressed by leveraging on synergies through the Partnership for Global Infrastructure and Investments (PGII) and the Resilient and Inclusive Supply-chain Enhancement (RISE) Partnership, by providing finance, offering de-risking tools and developing a common bankable project pipeline, to attract both public and private capital.



- **Infrastructure.** We consider it crucial to support the G7 PGII pledge to collectively mobilize \$600 billion in private and public funds to finance sustainable infrastructure in emerging markets and developing economies by attracting private investment, enabling business activity, and improving living standards. We welcome the re-establishment under the 2024 Italian G7 Presidency of the PGII Expert Group on Development Finance, initially launched under the German G7 Presidency, composed of PDBs and DFIs and support its continuation going forward, as a meaningful forum of discussion and pipeline sharing on impactful initiatives in climate-resilient infrastructure.
- **Sustainable Food Systems.** We believe it necessary to increase the focus on the food-climate nexus and to invest more extensively in sustainable food systems to ensure people's food security, promote economic viability, and safeguard the environment for present and future generations. To this end, we will work towards more operational cooperation on co-investment and risk mitigation initiatives for sustainable food systems and the food-climate nexus, also evaluating new structured information sharing initiatives and financing solutions, the development of bankable projects pipelines, co-financing investment platforms and joint funds.
- **Ukraine.** We reaffirm our unwavering support of Ukraine and will intensify our efforts to support private investment and create the conditions to rebuild critical infrastructure and to assist with Ukraine's recovery and reconstruction, even prior to the end of the Russia's war of aggression against Ukraine. We will also enhance our cooperation and coordination, including through initiatives such as the Ukraine Investment Platform.
- **Health.** We support the establishment of more resilient and equitable health systems across emerging markets and developing economies, particularly in Africa, with a view to supporting the achievement of universal health coverage (UHC) as well as strengthening prevention, preparedness, and response (PPR) for future health emergencies. We are therefore willing to increase our efforts in 2024 through the advancement of innovative and collaborative health initiatives including the G7's Pact for Pandemic Preparedness, Triple I for Global Health endorsed at the G7 Hiroshima Summit in 2023, and the Surge Financing for Medical Countermeasures Initiative, which aims to further strengthen collaboration by creating a framework to develop financing facilities focused primarily on vaccines and diagnostics.
- **Gender Equality.** Inspired by the global success of the 2X Challenge since its launch at the G7 Summit in 2018, we reaffirm our commitment at a global level to gender-lens investing, bringing together the private and public sector for a new 2X Challenge capital commitment in view of the G7 Summit 2024. Furthermore, under this new phase, we will collectively aim to drive investments at the nexus of gender and climate finance, recognizing the importance of climate justice and the power of gender-diverse leadership in accelerating climate action.



- **Artificial Intelligence (AI).** We recognise AI as a cross-cutting transformative tool that can enhance economic resilience, improve infrastructure planning, natural resource management, resource management and climate mitigation as well as challenges that must be carefully addressed. We aim to contribute to the responsible and ethical use of new AI technologies by working on common standards for responsible investing in AI, setting a precedent for AI development across financial markets, in close cooperation with the relevant thematic G7 Working Groups.

We, the G7 PDBs and DFIs, commit to support G7 initiatives on the abovementioned priorities in accordance with our respective institutional mandates. We pledge to serve as facilitators between our shareholders and partners, and between the public and private sectors. We pledge to deliver on high-impact projects by enhancing their feasibility and bankability, thereby paving the way for a more equitable and sustainable future.

Endorsed by G7 PDBs and DFIs (the detailed list of the G7 financial institutions will follow upon confirmation)

- Agence Française de Développement (AFD) and Proparco
- British International Investment (BII)
- Cassa Depositi e Prestiti (CDP)
- Development Finance Institute Canada (DFIC) Inc. / Institut de financement du développement Canada (IFDC) Inc. (FinDev Canada)
- Japan Bank for International Cooperation (JBIC)
- Japan International Cooperation Agency (JICA)
- Kreditanstalt für Wiederaufbau (KFW)
- U.S. International Development Finance Corporation (US DFC)
- European Investment Bank (EIB)
- European Development Finance Institutions (EDFI)