JOINT DECLARATION OF INTENT FOR COLLABORATION ON CLIMATE FINANCE APPROACHES

between

the FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ),

FEDERAL REPUBLIC OF GERMANY,

and

the ASIAN DEVELOPMENT BANK (ADB)

The Paris Agreement notes the goal of limiting the increase of global average temperatures to well below 2°C above pre-industrial levels and pursing efforts to limit the temperature increase to 1.5°C above pre-industrial levels and also states that adaptation support shall be both “continuous and enhanced” over current levels.

In this view, the Federal Ministry for Economic Cooperation and Development (BMZ) and the Asian Development Bank (ADB) will be jointly cooperating on the implementation of Article 2 (1) c of the Paris Agreement, specifically to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. BMZ and ADB (collectively referred to as the “Institutions” and individually as an “Institution”) intend to further develop their partnership to support climate finance initiatives and operations in Asia and the Pacific with the aim to support the country-led implementation of the Nationally Determined Contributions (NDC) for reduction of greenhouse gas emissions as well as for investing in adaptation in the context of national circumstances. ADB has identified environment and climate change as one of its core operational areas under Strategy 2020 and has announced to double its climate finance by 2020. Equally the Government of Germany has announced to aim for doubling its climate finance from budgetary sources by 2020.

THEREFORE, the Institutions have come to the following understanding

Section 1. The Institutions will jointly explore new and innovative cofinancing modalities for climate change. The Institutions aim at assisting developing countries in the Asia-Pacific region with accessing climate finance sources and overcoming barriers that currently inhibit the scaling-up of investments in climate change adaptation and mitigation. In order to achieve this, ADB plans to establish and administer a multi-donor Asia Climate Finance Facility (AClIFF) that aims to leverage concessional finance, capital markets and private sector finance for low carbon and climate resilience investments.

Section 2. BMZ will seek to support AClIFF. A contribution to the fund is subject to further negotiation of AClIFF, approval of the 2017 budget and a decision by the German Parliament.
Section 3. The Institutions endeavor to commence internal processes in 2016 to jointly determine the scope and nature of ACliFF, including its administration. Other arrangements, as applicable, will be determined on a case by case basis.

Section 4. Subject to the policies and procedures on disclosure of information of each Institution, this joint declaration may be made available to third parties.

Section 5. Communications, including notices required under this joint declaration, will be addressed to the following:

For ADB:
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila, Philippines
Attention: Head, Office of Cofinancing Operations

For BMZ:
Federal Ministry for Economic Cooperation and Development (BMZ)
Stresemannstraße 94
10963 Berlin
Attention: Head, Division Multilateral Development Banks, IFAD

Signed in Frankfurt/Main, Germany; on 2nd May, 2016, in duplicate in the English language.

For the
FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT
of the Federal Republic of Germany

Hans-Joachim Fuchtel
Parliamentary State Secretary

For the
ASIAN DEVELOPMENT BANK

Takehiko Nakao
President