



June 2024

Development Banks' Joint Roadmap for Climate-Health Finance and Action



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This Roadmap was prepared by a group of multilateral development banks (MDBs) and public development banks (PDBs), collectively known as the “Development Bank Working Group for Climate-Health Finance”, composed of the African Development Bank (AfDB), the Agence Française de Développement (AFD), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Development Bank of Rwanda (BRD), the Development Bank of Southern Africa (DBSA), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the Islamic Development Bank (IsDB), the KfW Development Bank (KfW), and the World Bank Group (WBG). The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the official views of the MDBs’ and PDBs’ Boards of Executive Directors or the governments they represent.

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The Challenge

At 1.2°C of global warming, climate change is already having profound impacts on human health and wellbeing, making it “the single biggest health threat facing humanity” and threatening to push millions of people into poverty.^{1,2} The latest report of the Intergovernmental Panel on Climate Change (IPCC) finds that 3.3 to 3.6 billion people live in contexts that are “highly vulnerable to climate change.”³ The effects are felt disproportionately by low- and middle-income countries (LMICs) who did the least to contribute to the problem. Climate pressures are putting an unsustainable burden on already stressed public health systems. The World Bank estimates that, after decades of declines in global poverty levels, as many as 44 million people could be driven into extreme poverty by climate-driven health impacts by the end of the decade, principally in Africa and South Asia.² The failure to meet the Paris Agreement targets to keep warming below 1.5°C means that climate-driven health impacts will only intensify in the coming decades, exposing billions more people to life-threatening extreme temperatures, food insecurity, outbreaks of vector- and water-borne diseases, wildfire smoke, and catastrophic extreme weather risks.⁴ Healthcare delivery contributes to the problem, accounting for roughly 5% of global greenhouse gas emissions, with G20 countries accounting for more than 75% of that total.⁵

Despite the grave threat, current investments in the nexus of climate change and health (climate-health) are extremely low.^{6,7} With multiple crises in recent years, including the COVID-19 pandemic and conflicts, the health sector is facing immense fiscal pressures while the demand for scaling up funding for climate and health has never been higher. The Paris Agreement in its preamble indicates the importance of ensuring the right to health of the global population in view of climate change.⁸

The Opportunity

There is an opportunity to leverage and build on the significant global momentum to address climate and health. This includes the COP28 hosting the first-ever health and climate ministerial, the G20 Health Working Group Meetings prioritizing One Health and climate change impacts, and the recent interest from the G7 on health sector decarbonization. The international community - led by the World Health Organization (WHO) and the Alliance for Transformative Action on Climate Change and Health (ATACH) - is now gathering momentum in recognizing and prioritizing the climate-health nexus. This will have benefit not only at the individual country level but also across borders. There is no more time to lose for development institutions to integrate climate

¹ WHO. 2021. COP26 Special Report on Climate Change and Health: The Health Argument For Climate Action <https://www.who.int/publications/i/item/9789240036727>

² Jafino BA, Walsh B, Rozenberg J, and Hallegatte, S. 2020. Revised estimates of the impact of climate change on extreme poverty by 2030. Policy Research Working Paper; No. 9417. World Bank, Washington, DC.

³ IPCC. 2023. Summary for Policymakers. In: Climate Change 2023: Synthesis Report. Section A.2.2. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34.

⁴ Rocklöv J, Huber V, Bowen K, and Paul R. 2021. Taking globally consistent health impact projections to the next level. *Lancet Planet Health*. 5(7):e487-e493.

⁵ Prabhakaran P, Armstrong F, and Karliner J. 2023. Decarbonising the healthcare sector: A Roadmap for G20 Countries, Observer Research Foundation.

⁶ Alcayna T, O'Donnell D, and Chandaria S. 2023. How much bilateral and multilateral climate adaptation finance is targeting the health sector? A scoping review of official development assistance data between 2009–2019. *PLOS Global Public Health* 3(6): e0001493.

⁷ Romanello M, Napoli CD, Green C, et al. 2023. The 2023 report of the Lancet Countdown on Health and climate change: the imperative for a health-centred response in a world facing irreversible harms [published online ahead of print, 2023 Nov 13]. *Lancet*. S0140-6736(23)01859-7.

⁸ Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on ... the right to health...” (Paris Agreement, United Nations 2015, page 2, paragraph 2).

change and health as an investment priority in their own operations and put forward their commitments for strategically integrated support. Doing so will shape the global climate-health response and could unlock billions of dollars in additional funding from donor- and affected-countries, health and climate financing agencies, major philanthropies, the private sector, and commercial investors. There is also an opportunity to invest better with existing funding, including pivoting existing portfolios to become climate-responsive.

The Development Bank Working Group for Climate-Health Finance

Background, Mission, and Objectives

The Development Bank Working Group for Climate-Health Finance (the 'Group') is a global network of development finance institutions dedicated to enhancing their collective impact in responding to the health impacts of climate change and elevating the health sector's role in climate change adaptation and mitigation. It serves as a platform for development banks to align on a common agenda for urgently increasing and prioritizing investments at the pace and scale necessary to sustainably finance effective climate and health action, in line with the Finance in Common⁹ 2020 Joint Declaration of all Public Development Banks (PDBs) in the world and the Paris Declaration on Multilateral Development Banks (MDBs), as well as Development Bank respective mandates and other declarations (Annex). The Group comprises more than a dozen institutions,¹⁰ including MDBs and PDBs, as part of the Finance in Common network, representing more than \$2.2 trillion in annual investments across all sectors.¹¹

The Group's mission is to maximize investments in climate and health through shared tools, financing, and thought leadership for integrating and scaling international investment at the intersection of climate and health. It is guided by the principles of equity, people-centered development, a science-based approach, and Universal Health Coverage (UHC).

⁹ The Finance in Common (FiCS) brings together around 530 PDBs and serves as a collaborative nexus, fostering open dialogue and partnership among a diverse range of stakeholders from the international financial landscape. FiCS acts as the spokesperson of PDBs' perspectives and priorities, positioning them as enablers for the SDGs, and as a source of solutions to contribute to a strengthened international financial architecture. It organizes annual summits that bring together heads and senior representatives of PDBs as well as other key stakeholders to discuss priorities, projects, and financing.

¹⁰ Development Bank institutions that are part of the Group include the African Development Bank, the Agence Française de Développement, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Development Bank of Rwanda, the Development Bank of Southern Africa, the European Investment Bank, the Inter-American Development Bank, the Islamic Development Bank, the KfW Development Bank, and the World Bank and the International Finance Corporation as part of the World Bank Group. Additional development banks participate as observers.

¹¹ <https://financeincommon.org/why-finance-in-common>

The objectives for the Group include:

- Elevating health as a climate investment priority;
- Demonstrating substantial financial commitment to support the health sector's adaptation and mitigation needs;
- Directing resources to the highest-impact interventions to improve health outcomes and reduce net greenhouse gas emissions;
- Building capacity in climate change and health at the sub-national, national, regional, and global levels, including building capacity in the private sector to help companies and investors to make the investments needed to mitigate climate change and adapt to its effects, where appropriate and relevant within respective mandates;
- Facilitating coordination and communication with other stakeholders, including Finance in Common, governments, other international organizations and Working Groups relevant to climate-health, academia, the private sector, and other partners, including to signal the needs from external stakeholders that may enable development banks to fulfil their role in climate-health financing.

The Comparative Advantage

Development Banks possess a unique capacity to mobilize significant financial resources, technical expertise, and policy influence. As trusted institutions with in-depth technical expertise - including multisectoral expertise and reach - and the ability to finance large-scale complex projects with favorable terms, Development Banks are key players in the response to the climate crisis. The combined investment envelope of Development Banks is significant, accounting for more than 10% of annual world investments.¹² Leveraging the Development Banks' convening power also has the potential to support countries and other relevant stakeholders to mobilize additional needed finance, including unlocking private sector capital.

The Approach

Through the Group and in support of its clients, Development Banks will pursue a common strategy to maximize investments and impact at the climate-health nexus. The approach under this Joint Roadmap will be strategically flexible - to ensure that each institution can tailor their actions in alignment with their respective mandates, geographies, and skillsets - and regularly reflected by the Group to ensure that the most evidence-based approaches are used.

¹² <https://financeincommon.org/why-finance-in-common>

The Group's joint approach includes the following:

1. **Understanding climate-health investments:** Using a common understanding of climate-health investments.
2. **Identifying country and regional vulnerabilities, needs, and efficiency gaps:** Supporting assessments of country and regional vulnerabilities and capacity gaps to inform investments that are based on needs, and identifying opportunities to mobilize national resources in a more efficient way.
3. **Building capacity:** Where appropriate, committing to investing in developing capacity across relevant ministries and regional authorities to ensure that countries and regions have the capacity to implement their climate-health plans. As relevant to respective mandates, this includes building capacity in the private sector to help companies and investors to make the investments needed for climate change mitigation and adaptation.
4. **Supporting evidence-based interventions tailored to population health needs and local contexts:** Prioritizing the most effective, evidence-based, people-centered, and context-tailored solutions to ensure that investments reach those in need and achieve the greatest possible impact. As relevant to each institution's mandate, this may include broader multi-sectoral investments, such as those through a One Health approach.
5. **Mobilizing synergistic financing:** Supporting country leaders and Ministers of Finance to mobilize synergistic sources of financing and identify and apply appropriate instruments to align with regional and country needs, including through the pursuit of co-investment opportunities, including with the private sector.
6. **Focusing on results, transparency, and accountability:** This includes embedding learning into operations with transparent monitoring and reporting of investments made and results achieved.

To support the Group's work, coordination and partnerships with other stakeholders will be critical, including with WHO, academia, and other stakeholders, to enable the use of effective, science-based, and tailored methodologies, tools, and solutions. Furthermore, sharing and disseminating the work of the Group, including with the public, as relevant, will be critical to ensure lessons learned are shared and used widely to improve outcomes.

1. Understanding Climate-Health Investments

The Group embraces the definitions of climate investments utilized by MDBs as part of the MDB Joint Methodology for tracking Climate Change Finance, which includes both adaptation and mitigation financing, as well as the three-part definition of climate-health investments put forward by the WHO and the COP28 Presidency, which recognizes three categories of climate-health investments: (i) addressing the direct health impacts of climate change (adaptation); (ii) strengthening the climate resilience and environmental sustainability of health systems and facilities (adaptation and mitigation); and (iii) defining and promoting the 'health co-benefits' of mitigation investments beyond the health sector (mitigation).

2. Identifying Country and Regional Vulnerabilities and Needs

Development Banks will support countries and regions to conduct climate-health diagnostic assessments - including economic analyses - that balance urgency and rigor to identify country and regional vulnerabilities, capacity gaps, and priority areas of need. Through a people-centered approach, community engagement will be actively promoted in these processes, as relevant. Country climate-health risk assessments should be reflected in Health National Adaptation Plans (HNAPs), Nationally Determined Contributions (NDCs), and long-term low-emission development strategies (LT-LEDS). They should include a clear articulation of the costs of inaction, the benefits of investments, and the resources required to scale priority interventions. The Group will work to develop a common approach and a suite of standardized tools to undertake country climate-health diagnostics that are operationally focused, so that risk assessments can be used across countries and amongst financing institutions to inform investments across the globe.

Development Banks will also discuss how to work towards supporting client countries to develop financial plans for priority interventions that are implementable and investible by Development Banks and other financing partners.

3. Building Capacity

Where appropriate and relevant within respective mandates, Development Banks will invest in building capacity across relevant ministries, regional authorities, and the private sector to ensure that countries, regions, and the private sector have the capacity to implement their climate-health plans. This includes:

- Providing responsive technical assistance and strengthening staffing across relevant ministries (e.g. Health, Finance, and Environment);
- Promoting coordination between relevant ministries and amongst regional blocks to ensure country-led innovation and cooperation are successful;
- Developing an enabling environment for ongoing management of these strategies, including supportive national policy frameworks and data capacity to respond to a changing climate;
- Supporting the private sector to develop the capabilities to respond effectively to climate change. This includes advice on areas such as alignment with standards, certification of green products and services, and compliance with the disclosures required for sustainable finance regulations, among others.

Leveraging its multisectoral expertise, the Group will also discuss how to work closely with the education sector¹³ to support long-term and sustainable capacity building efforts, in line with existing mandates. For example, some institutions may look to support the integration of climate-health topics into health and broader education curricula.

4. Supporting Country-Driven and Evidence-Based Interventions

While mobilizing urgently to address the immediate needs of client countries, Development Banks, through this Working Group, will coordinate and aim to simultaneously embrace a robust investment framework and learning agenda that will enable the appraisal and synthesis of evidence on the effectiveness and cost-effectiveness of

¹³ See notably: <https://financeincommon.org/coalition-for-social-investment-main-takeaways-from-the-webinar-on-the-role-of-education-skills-and>

interventions. Ultimately, this work will lead to the definition of a set of 'best buys' that compare interventions across the following investment criteria:

- *WHAT is the climate relevance* – Does the intervention address a clear climate-driven health risk in line with the three-part definition described above?
- *WHO benefits* – Does the intervention address priority needs of countries and communities that are especially vulnerable to the health impacts of climate change?
- *WHAT IMPACT is achieved* – Does the intervention produce a clear and measurable benefit – e.g. expressible in terms of Disability-Adjusted Life Years (DALYs) saved or CO₂ emission reduced?¹⁴
- *HOW COST-EFFECTIVE is the impact* – Does the intervention rate highly in terms of the absolute amount of impact achieved per dollar spent?
- Are there *SIGNIFICANT RISKS* – Does the investment address feasibility and implementation risks that might cause the impacts not to be achieved? What is the impact on equity?

To ensure a science-based approach, the Group will work with development partners, academia, think tanks, civil society, and other stakeholders, to support the generation and pooling of evidence, including across sectors to maximize the health co-benefits from climate action in other sectors.

5. Mobilizing Synergistic Financing

The financing needs for climate-health are substantial and require 'all hands-on deck', a variety of financing instruments, and innovative approaches if we are to increase and prioritize investments at the pace and scale necessary to sustainably finance effective climate-health action. In addition to our investments, we will support countries to identify and mobilize additional resources from a variety of sources and instruments, including, but not limited to, philanthropic sources, private capital, and non-sovereign instruments, to maximize our impact.

To complement Concessional Finance,¹⁵ which is offered by some participating Development Banks, Development Banks will support countries to identify and mobilize the needed financing to strengthen governments' response and the implementation of the country-driven cost-effective solutions, using convening powers as appropriate. This will require mobilizing finance from health financiers towards climate, and mobilizing finance from climate financiers towards health. A summary of sources of financing that must be mobilized include Catalytic Funding,¹⁶ Impact Investment,¹⁷ Commercial Investment,¹⁸ and Country Budgets.¹⁹

There is no one-size-fit-all approach in climate-health investment. Not only are typical loans and grants (if offered) needed, but also fiscal policies and innovative financial instruments such as Interest Rate Buy Downs,²⁰

¹⁴ The Group will also explore linkages with various metrics, including the indirect impacts of climate change and adaptation and climate-resilience outcome metrics.

¹⁵ Finance provided by Development Banks and Development Finance Institutions that is extended on terms or conditions that are more favorable than what is available on the market, which can accelerate development objectives.

¹⁶ Such as grant capital from donor agencies or philanthropies that is flexible, patient, risk-taking, and concessional. It is a key source of funding for unlocking other financial sources.

¹⁷ Return-seeking capital that seeks risk-adjusted financial returns while creating positive impact.

¹⁸ Return seeking capital that seeks a market-rate financial return.

¹⁹ The on-budget domestic spending by countries to support interventions.

²⁰ Catalytic grant capital to reduce the cost of loans or other debt instruments.

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Loan and Volume Guarantees,²¹ Outcome Funding,²² Strategic Matching Grants,²³ and Green/Theme Bonds.²⁴ Different institutions may offer different instruments, according to their specialist areas of expertise and the nature of their offerings. The IFC, for example, offers a diversified range of financial tools that could support private sector transactions related to climate-health in LMICs. Development Banks will rely on their own financial instruments to support defining country plans, building country capacity, and investing in interventions and exploring financial innovations to further support investments. The Group will support client countries in identifying and applying the appropriate instruments - including blended financing - given the country context and needs as well as crowding-in additional financing partners. As relevant to respective mandates, we will also work to support the alignment of climate-health financing with the strengthening of public financial management and the broader transformation of the international financing system, which is vital for delivering on climate and health goals.

6. Focusing on Results, Transparency, and Accountability

Development Banks are committed to continuously enhancing the evidence base to ensure the most impactful solutions are reaching the affected parts of the global population, with a special attention to the most vulnerable communities, at the pace and scale needed. The Group will work to pool data on investments for climate-health to provide a global estimate of levels of operational financing in this regard. The Group will also work closely with partners to define and refine the most effective metrics of success, and how these can be used to improve outcomes through their operations. Furthermore, sharing and disseminating the work of the Group, including with the public, as relevant, will be critical to ensure lessons learned are shared and used widely to improve outcomes.

²¹ Loan Guarantees are catalytic or concessional capital to share the risk of a debt investment and to crowd-in additional capital while Volume Guarantees involve the use of grant or concessional capital to reduce the market risk premium on goods or services.

²² Concessional or catalytic capital to provide working capital or risk capital for an outcome transaction, or government or donor finance to fund outcome payments (refund initial risk capital), when an outcome is achieved and validated.

²³ Grant capital used to crowd-in other sources of funding by being first-in or anchor capital.

²⁴ Structure in which a borrower raises capital expressly for climate or sustainably focused projects.

Annex. Alignment and Complementarity of Development Bank Approach

In addition to our institutional mandates as Development Banks, the Group's approach is aligned with:

- [The Paris Climate Agreement](#)
- [The Sustainable Development Goals](#)
- [Finance in Common 2020 joint declaration of all Public Development Banks](#)
- [Sendai Framework for Disaster Risk Reduction 2015-2030](#)
- [The 2023 Paris Declaration on Multilateral Development Banks](#)
- [The 2023 G20 New Delhi Leaders' Declaration](#)
- [The Health Ministers' COP28 Declaration on Climate and Health](#)
- [The Multi-Stakeholder's 'Guiding principles for financing climate change and health solutions'](#)
- [COP28 Multilateral Development Banks \(MDB\) Joint Statement](#)