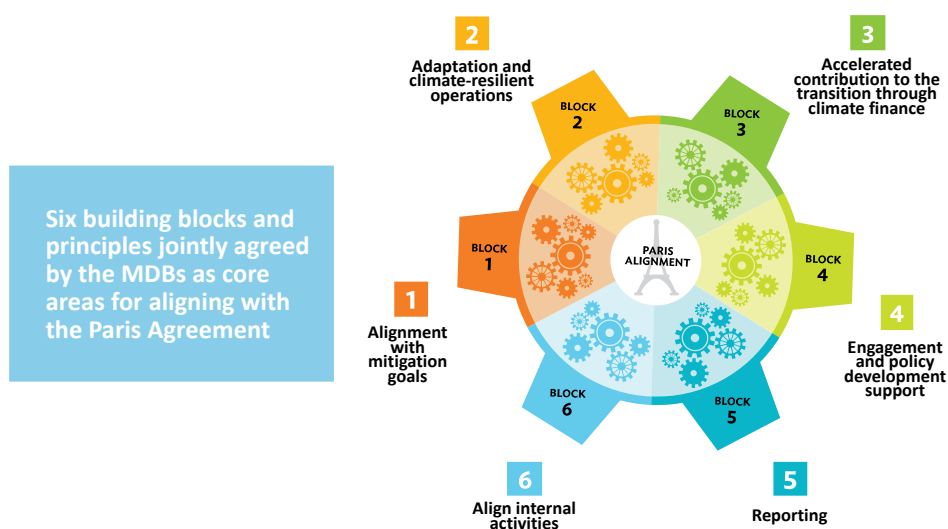


IsDB Paris Alignment: Ambitious Commitment to Align Sovereign Investments with the Goals of the Paris Agreement

The well-being of people and nature is at risk from climate change, which also hampers the chances of achieving sustainable development, especially in developing and emerging economies. The Islamic Development Bank (IsDB), the premier South-South multilateral development finance institution that reaches one-fifth of the global population, has a significant role in helping to increase climate action.

Starting 1 January 2024, all new sovereign projects and commitments by the IsDB are aligned with the objectives of the Paris Agreement. The Paris Agreement is an international treaty on climate change that is legally binding, and 196 Parties agreed to it at the 21st United Nations Climate Conference in Paris, 2015. It aims to keep global warming well below 2 degrees Celsius, or even better, below 1.5 degrees Celsius, relative to pre-industrial levels.

Countries aim to peak their greenhouse gas emissions as soon as possible and reach a climate-neutral world by the middle of the century to meet this long-term goal for temperature. IsDB's operations will be consistent with the Paris Agreement and support its member countries' Nationally Determined Contributions. They will also help them create and execute long-term climate strategies that are bold and make their economies adaptable to climate change while moving towards low-carbon development.



The IsDB is implementing its Paris Alignment through a joint framework that was developed by the multilateral development banks (MDBs). The framework consists of six building blocks that cover the main aspects of MDB operations and activities. The six building blocks are: (i) alignment with mitigation goals, (ii) adaptation and climate-resilient operations, (iii) accelerated contribution to transition through climate finance, (iv) strategy, enhancement, and policy support, (v) reporting, and (vi) aligning internal activities. IsDB continues to develop practical methods and tools to support progress under each of the building blocks.

IsDB's Paris Alignment is consistent with the IsDB Climate Change Policy, Climate Action Plan, and its pledges to help member countries achieve low-carbon, climate-resilient sustainable development. The Bank's commitment to Paris Alignment will put the Bank on a long-term path to align its financing with increasingly ambitious climate change goals of its member countries, in a just and fair way, recognizing that its member countries are highly exposed to climate change impacts as well as their enormous development needs.

By implementing the Paris Alignment framework, IsDB and its member countries can gain various advantages, such as improving the effectiveness and outcomes of projects and programs, securing more funding and partnerships for climate action, meeting the changing needs and goals of member countries on climate, enhancing trust and recognition, filling climate and development knowledge and capacity gaps, and supporting global initiatives to address climate change.

IsDB's Paris Alignment matters because it signals a shift in how the Bank helps its member countries meet their national climate pledges and long-term low-emission and climate-resilient development plans – it helps put climate action at the heart of sustainable development. By aligning with the Paris Agreement, IsDB is making sure that its investments are in line with the global climate objectives. The Bank's Paris Alignment will enable more effective collaboration and coordination with its partners and stakeholders, as well as to access more expertise and resources to increase climate action and innovation in member countries.