

IFC and HKMA embark on new climate finance initiative

The following is issued on behalf of the Hong Kong Monetary Authority:

The International Finance Corporation (IFC) announced today (November 3) that it will partner with the Hong Kong Monetary Authority (HKMA) and another institutional investor to create a new US\$3 billion global platform for climate-smart investment aligned with the Paris Agreement.

The new program, Managed Co-Lending Portfolio Program (MCP) One Planet, combines institutional investor contributions with IFC's own funds to scale up climate-responsible financing for private companies in emerging markets.

MCP One Planet will create the world's first cross-sectoral portfolio of emerging-market loans aligned with the Paris Agreement. The facility enables institutional investors to directly provide capital for sustainable lending in emerging markets – allowing investors to scale up their exposure to this asset class and increase the share of their portfolios aimed at climate-resilient development.

MCP One Planet builds on successful collaboration between IFC and its partners and will mark a further scale-up of IFC's innovative MCP private debt platform. Since its launch in 2013, MCP has raised over US\$10 billion from 11 investors and provided financing to more than 200 firms across 55 developing countries.

Announcing MCP One Planet at COP26 United Nation climate change conference today, IFC Managing Director Mr Makhtar Diop, said, "Expanding partnerships with some of the world's largest investors is fundamental to scaling up financial flows to emerging markets for climate-smart solutions consistent with the goals of the Paris Agreement. MCP One Planet will create a new global model for mobilization of institutional investor financing in support of the climate agenda for the most vulnerable communities on the frontlines of climate change – in emerging and developing economies."

Mr Eddie Yue, Chief Executive of the HKMA, said, "The HKMA has partnered with IFC in the MCP initiative targeting sustainable investments across emerging markets since 2017. We are very pleased to further our partnership with IFC to develop MCP One Planet which aligns with the HKMA's commitment to green and sustainable investments. Climate risk is one of the biggest threats to our planet and future generations. Joining hands with IFC allows the HKMA to tap into the considerable expertise, experience and network of IFC in sourcing investable and climate-responsible opportunities with proper risk management and governance framework. Together with IFC and other like-minded partners, we believe the MCP One Planet initiative will support emerging markets in accelerating their transition to low-carbon economies and provide the catalytic and demonstrative effect in the scaling of climate-

responsible investments."

About IFC

IFC – a member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using their capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record US\$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, please visit www.ifc.org.

About HKMA

The Hong Kong Monetary Authority is Hong Kong's central banking institution. The HKMA's four main functions are: (i) maintaining currency stability within the framework of the Linked Exchange Rate System; (ii) promoting the stability and integrity of the financial system, including the banking system; (iii) helping to maintain Hong Kong's status as an international financial centre, including the maintenance and development of Hong Kong's financial infrastructure; and (iv) managing the Exchange Fund.