

THE KARLSRUHE DECLARATION

September 09, 2011

(Drafted by the delegates attending the Global Sustainable Finance Conference held on September 8-9, 2011 in Karlsruhe, Germany under the auspices of the World Federation of Development Financing Institutions composed of regional associations in Africa (AADFI), Asia-Pacific (ADFIAP), Latin America and the Caribbean (ALIDE) and the Middle East (ADFIMI). The event, organized by ADFIAP and ETECH Germany, was also an occasion to launch the Global Sustainable Finance Network (GSFN), a voluntary membership global initiative that brings together financial institutions and other stakeholders committed to the advancement of sustainable finance).

Recognizing that finance and investment are an essential resource in advancing sustainable development do hereby:

- Acknowledge that economic activity at current levels consumes more of the Earth's living and non-living resources than it can sustainably re-generate;
- Note that the momentum towards a green development and growth paradigm, of which "green economy" is an integral part, is essentially driven by a profound shift in public opinion, which has generated a positive response from policy makers, development institutions, financial institutions, civil society, and industry;
- Stress that Rio+20 is a major milestone on the road to sustainable development and a unique opportunity to achieve agreement on significant innovations to ensuring economically, socially and environmentally sustainable development;
- Applaud the substantial progress made in the years since the first Rio conference to further the social and economic dimensions in context of UNDP's HDR/HDI and the World Bank's World Development Report;
- Underscore the urgent need for Rio+20 to prioritize the environmental dimension of sustainable development;
- Agree that the further development of existing indexes to more fully incorporate environmental concerns merits particular attention;
- Recognise the important contribution to the methodological agenda made by the Report of the Commission on the Measurement of Economic Performance and Social Progress (2010);
- Acknowledge that integrating the economic value of ecosystems into national income accounts is key to achieving sustainable development, including a commitment at Rio+20 to implementing

this by 2030;

- Support, therefore, accelerated development of standards, methodologies, and tools for the "greening" of national accounts (ref. WAVES and TEEB), including an agreement on a concrete road map for achieving this at Rio+20;
- In particular, call for enhanced efforts to overcome statistical and measurement challenges, which may facilitate the incorporation of the environmental dimension into the Human Development Index of the HDR.
- Encourage the development of measures to enable stakeholders, including financial institutions, to effectively and efficiently manage the risks of sustainability