



Financing Post-Pandemic Green Growth and Green Recovery Session

17 March, 3:30pm to 5:00pm (GMT+8/ Manila Local Time)

Background

The COVID-19 pandemic has had a major impact in Southeast Asia, with the region's economy estimated to contract by 4.4% in 2020, according to ADB estimates. Post-COVID investments will need to provide economic opportunities that are socially just and green in the near-term and that enhance the sustainability and resilience of economies in the medium-to-long-term. Pursuing a green recovery will be critical to ensure an environmentally resilient future in the region.

Globally, investors are calling on governments to put in place sustainable recovery plans. While significant progress has been made in Southeast Asia to scale up green infrastructure, the global COVID-19 crisis has severely affected the momentum on climate action that was gathering pace in 2018-19. Public budgets face increasing pressure, and private investment has been severely impacted by the crisis. Clear and robust low carbon policies and green national recovery strategies are needed to give our societies a sense of direction and purpose, and guide investors, businesses, workers, and consumers towards sustainability which can be determined by frameworks for sustainable finance and taxonomy principles.

Green finance approaches which mobilize private capital and target investment to environmentally sustainable solutions will be key. These instruments – such as green bonds, catalytic green financing vehicles, green loans – can provide ASEAN economies with the fiscal firepower to respond to the immediate COVID-19 crisis. Green financing will also help steer their economies towards resource-efficient and low-carbon growth. The [ASEAN Catalytic Green Finance Facility](#) (under the ASEAN Infrastructure Fund), owned and driven by ASEAN countries, and managed by ADB, is promoting green financing for a green recovery by developing and financing a pipeline of green infrastructure projects in the region.



In this context, the European Union looks for building greener and more sustainable societies and economies that are socially just. The [EU Green Deal](#), adopted by the European Commission in December 2019, relevant not just for EU domestic strategies, but also for international partnerships, responds clearly to the challenges of current crisis, aiming at building forward better for a greener recovery. Working together with partner countries and organisations will create needed opportunities to achieve our common and shared goals. [SWITCH-Asia](#) is a programme to strengthen this collaboration in the region. Through the SWITCH-Asia Programme, the EU has been strongly committed to work closely with our partners in the region to strengthen sustainable consumption and production policy and practice in various sectors. The programme has targeted SMEs and entrepreneurs, as they are the backbone of the region's economies.

OECD has been at the forefront of the debate about the importance and opportunities of pursuing a “green recovery”. [The OECD green recovery focus page](#) highlight a range of policy recommendations for countries to ensure that their recovery packages are aligned with environmental objectives, as well as delivering short-term economic growth and jobs. The OECD has also developed a database tracking the environmental implications of recovery packages already announced in OECD and other major economies.

As governments across Asia devise post-COVID recovery plans to address the social and economic consequences of the COVID-19 crisis, it is increasingly clear that investing in sustainable and resilient infrastructure will be a critical element of the post-pandemic recovery. Investments in sustainable infrastructure, such as renewable energy, energy efficiency in building and industry sectors and low-emission transport systems, brings short-term employments creation while laying the groundwork for a low-carbon, resilient and more inclusive economy.¹ There is an urgent need to align policy frameworks and strengthen capacities in countries to reconcile long-term low-emission, resilient pathways and short-term infrastructure investment decisions. The OECD and key partner organisations - UNDP, WWF, ITF and IISD - are preparing a 4-year technical assistance and capacity-building programme to help governments across Asia set strategic directions, plan, develop and finance pipelines of infrastructure projects that contribute to *building back better*. The programme benefits from the financial support of Germany's International Climate Initiative (IKI).²

Objectives of the Session and Benefits

The Asian Development Bank (ADB) through its Southeast Asia 'Innovation Hub', European Union SWITCH-Asia Programme (EU SWITCH-Asia) and the Organisation for Economic Co-operation and Development (OECD) and its [Southeast Asia Regional Programme](#) are organizing this session to discuss what is needed to scale up green finance to support governments in their COVID-19 recovery plans.

The session will focus on four pillars around building a green financing ecosystem in Southeast Asia: policy frameworks, projects and pipelines, national de-risking vehicles and increasing access to capital markets. Initial expert presentations on these aspects will be followed by a discussion with key decision makers and thought leaders from the region on what the main challenges are and where immediate action should focus. The discussion will aim to identify the top 3-4 actions that must be taken in the next year to kick-start financing for a green recovery in the region.

¹ OECD/The World Bank/UN Environment (2018), Financing Climate Futures: Rethinking Infrastructure, OECD Publishing, Paris, <https://doi.org/10.1787/9789264308114-en>; OECD (2017), Investing in Climate, Investing in Growth, OECD Publishing, Paris, <https://doi.org/10.1787/9789264273528-en>.

² “Orientation of infrastructure investments on the goals of the Paris Agreement and the 2030 Agenda in Central and Southeast Asia” - 21_I_405_ASIA_M_Infra Asia.

Agenda

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Time	Activity
Moderator: Anouj Mehta, Unit Head, Green and Innovative Finance and the ASEAN Catalytic Green Finance Facility (ACGF)	
3:30pm – 3:40pm	Welcome & introduction and opening
3:40pm – 4:00pm	Context: Financing for a green recovery <ul style="list-style-type: none">• Building Forward Better through the EU Green Deal, Jean-Louis VILLE, Head of Unit for East Asia and Pacific at Directorate-General for International Partnerships (DG INTPA), European Commission• Aligning policies for a low-emission, resilient recovery, Virginie Marchal, Senior Programme Manager - Sustainable Infrastructure, Environment Directorate, OECD
4:00pm – 4:30pm	Panel discussion: Green financing approaches, policies and projects <ul style="list-style-type: none">• Ephyro Luis B. Amatong, Commissioner in Securities and Exchange Commission, Philippines• Tiza Mafira, Associate Director, Climate Policy Initiative• Sean Kidney, CEO, Climate Bonds Initiative
4:30pm – 4:50pm	Open Discussion and Q&As from the audience
4:50pm – 5:00pm	Wrap-up: Key Takeaways Anouj Mehta, Unit Head, Green and Innovative Finance and the ASEAN Catalytic Green Finance Facility (ACGF)