

HIGH-LEVEL ROUNDTABLE ON GREEN FINANCE OPPORTUNITIES IN ASEAN

Thursday, 31 October 2019, OECD Conference Center (CC4), Paris

Roundtable Objectives

This high-level, invitation only event is being organised back-to-back with the 6th OECD Forum on Green Finance and Investment, with the aim of convening a discussion between investors, policymakers, financiers and development partners looking to finance green infrastructure in ASEAN. The objective of the meeting is to:

- Illustrate the green finance opportunities in ASEAN for investors;
- Help ASEAN governments better understand their role in scaling-up green investment; and
- Demonstrate the international support available to unlock green finance in the region.

As part of the meeting, policymakers and planners will present potential project pipelines to investors and financiers to understand applicability for investment.

Rationale and Context

While infrastructure remains the backbone to economic growth in Southeast Asia, its environmental costs - degradation of natural resources, air and water pollution, rising greenhouse gas emissions - remain high. Addressing the rising costs and integrating climate change action with inclusive growth will be key for countries to meet the Sustainable Development Goals (SDGs) and their obligations under the Paris Agreement. At the same time, ADB estimates that ASEAN countries face a major investment gap to support much needed infrastructure – \$210 billion per year.

Green finance offers a win-win solution. UN Environment Inquiry and the Development Bank of Singapore estimate that the size of the ‘green finance opportunity’ in ASEAN is \$3 trillion between 2016 and 2030 from four sectors: infrastructure, renewable energy, energy efficiency and food, agriculture and land use¹. Investment will be required throughout ASEAN, with the greatest volumes in Indonesia, Thailand and Viet Nam. The Climate Bonds Initiative estimates that green bonds are on the rise in the region, with a total issuance of USD 5 billion as of 2018 but that the overall share of ASEAN issuances are still low, estimated at 1% of global green bond issuance².

Public finance alone will not be enough to bridge the gap. However, greater private investment for green infrastructure in ASEAN – through instruments such as green bonds – faces a severe lack of commercially bankable projects with attractive risk-return profiles. Private financiers are wary of investing in green infrastructure projects which often entail higher up-front costs than conventional alternatives and are still relatively new to stakeholders in the region. Creating bankable commercial green investments will require public finance, especially concessional finance, to be used strategically to create conditions to leverage and crowd-in private sources of green finance and investment.

¹ DBS and UNEP Inquiry, Green Finance Opportunities in ASEAN, www.dbs.com/iwov-resources/images/sustainability/img/Green_Finance_Opportunities_in_ASEAN.pdf

² Climate Bonds Initiative 2018, ASEAN Green Finance State of the market 2018, <https://www.climatebonds.net/resources/reports/asean-green-finance-state-market-2018>

This roundtable is being organised within the context of the ASEAN Catalytic Green Finance Facility (ACGF) and the OECD's Clean Energy Finance and Investment Mobilisation (CEFIM) Programme. The ACGF is a facility owned and supported by ASEAN governments, and administered by ADB under the ASEAN Infrastructure Fund (AIF), that will direct \$1.3 billion from the ASEAN governments, ADB, and other development partners to de-risk and bridge the viability gap for green infrastructure projects. The OECD CEFIM Programme is a multi-year, multi-stakeholder initiative to support emerging economies strengthen their policy frameworks and unlock investment and finance in renewables and energy efficiency. In each country, the programme will review clean energy finance and investment policies, provide in-country technical assistance and convene high-impact domestic and international dialogues to highlight investment opportunities and address policy misalignments.

DRAFT AGENDA

9:00 - 9:30 Opening and welcome

- **Masamichi Kono**, Deputy Secretary General, OECD
- **Cleo Kawawaki**, Deputy Director General, Southeast Asia Department, ADB
- **Datuk Siti Zauyah Md. Desa**, Deputy Secretary General (Policy), Ministry of Finance, Malaysia and Chair, ASEAN Infrastructure Fund

9:30 - 10:45 Policymakers' debate: state of play on green finance in ASEAN

This session will take stock on progress made on green finance in ASEAN, with a focus on instruments (e.g. bonds) and regulation (e.g. disclosure, road maps) that promote or hinder green finance. It will include interventions by governments and policy makers from ASEAN and elsewhere, and will be structured as an interactive panel.

Moderator: Sean Kidney, Chief Executive Officer, Climate Bonds Initiative

Panel:

- **Ephyro Luis B. Amatong**, Commissioner, Securities and Exchange Commission, Philippines
- **Ruenvadee Suwanmongkol**, Secretary-General, Securities and Exchange Commission, Thailand
- **Ibu Dwi Irianti**, Director of Islamic Financing, Ministry of Finance, Indonesia
- **Zainal Izlan**, Deputy Chief Executive, Securities Commission, Malaysia
- **Helena Vines Fiestas**, Deputy Global Head of Sustainability, BNP Paribas Asset Management
- **Mireille Martini**, Senior Policy Analyst, Green Finance and investment, OECD

10:45 - 11:00 Coffee

11:00 -12:30 Finding the projects: investment pipelines in ASEAN (energy and transport)

Country representatives (policy makers, SOEs, utilities, cities, project developers) will present masterplans and investment projects in ASEAN, and provide a perspective on emerging pipelines in the near and mid-term future.

Moderator: Anouj Mehta, Unit Head, Green and Innovative Finance, ACGF, ADB

Panel:

- **Wandee Khunchornyakong Juljarern**, Chief Executive Officer, SPCG Public Company Ltd Thailand
- **Zairil Khir Johari**, State Executive Councillor for Public Works, Utilities and Flood Mitigation, Penang State Government, Malaysia
- **Paul D. Lazaro**, Senior Vice President, Development Bank of Philippines
- **Nguyen Xuan Nam**, Vice President, EVN, Viet Nam
- **Reynaldi Hermansyah**, CEO, PT Indonesia Infrastructure Finance

- **Indar Barung**, Head, Financing and Investment III, PT Sarana Multi Infrastruktur (PT SMI), Indonesia
- 12:30 - 14:00 Networking Lunch

14:00 - 15:15 **Investing in projects: investor perspective on project opportunities in ASEAN**

Based on projects and pipelines presented in the previous session, this session will facilitate a free-flowing discussion with investors to understand how 'investor-ready' ASEAN projects are, and what needs to be done to mobilize commercial investments.

Moderator: Ephyro Luis B. Amatong, Commissioner, Securities and Exchange Commission, Philippines

Scheduled interventions:

- **Vuong Thanh Long**, Executive Vice President & Head of FDI Banking Department, Bank for Investment and Development of Vietnam (BIDV)
- **Gavin Templeton**, Green Investment Group
- **Martina Tonizzo**, Manager, Copenhagen Infrastructure Partners
- **Pierre Rousseau**, Strategic Advisor, Sustainable Business, BNP Paribas

15:15 - 15:30 Coffee

15:30 - 16:30 **Building the green finance system in ASEAN: support for policies and projects**

This session will showcase support available from development partners to scale-up green finance in the region, with a focus on investment and project pipelines.

Moderator: Simon Buckle, Head of Climate, Biodiversity and Water Division, Environment Directorate, OECD

Scheduled interventions:

- **Jean-Louis Ville**, Head, East Asia, Southeast Asia and Pacific, European Commission
- **Lasse Ringius**, Deputy Director and Head of Green Investment Services, GGGI
- **Naeda Crishna Morgado**, Senior Climate Finance Specialist (Consultant), ASEAN Catalytic Green Finance Facility
- **Cecilia Tam**, Team Leader, OECD, Clean Energy Finance and Investment Mobilisation Programme

16:30 – 16:45 **Closing plenary**

- **Alfredo Perdiguero**, Director for Regional Cooperation and Operations Coordination Division and Administrator ASEAN Infrastructure Fund, Southeast Asia Department
- **Simon Buckle**, Head of Climate, Biodiversity and Water Division, Environment Directorate, OECD