ASEAN CATALYTIC GREEN FINANCE FACILITY 2021
Financing for a Green Recovery in Southeast Asia
MARCH 2022
About the
ASEAN Catalytic
Green Finance
Facility (ACGF)

The Association of Southeast Asian Nations (ASEAN) Catalytic Green
Finance Facility (ACGF) is a permanent facility under the ASEAN
Infrastructure Fund (AIF), dedicated to accelerating green infrastructure
investments in Southeast Asia. It supports governments of ASEAN to
prepare and finance infrastructure projects that promote environmental
sustainability and contribute to climate change goals. The ACGF is
owned by ASEAN governments and the Asian Development Bank
(ADB) and managed by ADB.

The ACGF activities benefit from financial and in-kind contributions
from: ADB, Agence Française de Développement (AFD), Cassa Depositi
e Prestiti (CDP), European Investment Bank (EIB), European Union
(EU), Green Climate Fund (GCF), Government of the Republic of
Korea (Economic Development Co-operation Fund [EDCF] and e-Asia
and Knowledge Partnership Fund [EAKPF]), KFW, Government of the
United Kingdom (Foreign Commonwealth and Development Office
[FCDO]), Climate Bonds Initiative (CBI), Global Green Growth Initiative
(GGGI), Infrastructure Asia (IA), and the Organisation for Economic
Co-operation and Development (OECD).

Acknowledgments

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was prepared under the oversight of Anouj Mehta, Unit Head of Green and Innovative Finance and the ACGF, and
Alfredo Perdiguero, Administrator of the ASEAN Infrastructure Fund. Naeeda Crishna Morgado, Infrastructure Specialist
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of the report was managed by Anna Taketani. Editing by Layla Tanjutco. Design and layout by Ross Locsin Laccay.

Cover photo: The Chaiyaphum Wind Farm in Subyai district, Chaiyaphum province, Thailand (photo by ADB).
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## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACGF</td>
<td>ASEAN Catalytic Green Finance Facility</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AFD</td>
<td>Agence Française de Développement</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>AIF</td>
<td>ASEAN Infrastructure Fund</td>
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<tr>
<td>CBI</td>
<td>Climate Bonds Initiative</td>
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<tr>
<td>CDP</td>
<td>Cassa Depositi e Prestiti</td>
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<tr>
<td>COVID-19</td>
<td>coronavirus disease</td>
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<td>EDCF</td>
<td>Economic Development Co-operation Fund</td>
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<tr>
<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FCDO</td>
<td>Foreign, Commonwealth, and Development Office</td>
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<tr>
<td>GCF</td>
<td>Green Climate Fund</td>
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<tr>
<td>GGGI</td>
<td>Global Green Growth Initiative</td>
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<tr>
<td>IFF</td>
<td>Inclusive Finance Facility</td>
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<tr>
<td>NDC</td>
<td>nationally determined contributions</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PIC</td>
<td>private, institutional, commercial</td>
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<tr>
<td>PST</td>
<td>project structuring team</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>TA</td>
<td>technical assistance</td>
</tr>
<tr>
<td>tCO₂e</td>
<td>ton of carbon dioxide equivalent</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
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The Association of Southeast Asian Nations (ASEAN) Catalytic Green Finance Facility (ACGF) was launched as a pilot facility under the ASEAN Infrastructure Fund (AIF) in 2019, and has shown remarkable progress since its inception. It has supported the structuring and development of 29 projects; made available $2 billion in green finance for projects through its own equity, cofinancing pledges and in-kind support; hosted seven high-level knowledge events and launched 15 knowledge products that bring awareness to the opportunities for green and innovative finance; supported the issuance of three sustainability and social bonds; and received AIF Board approval for five projects into its formal pipeline.

Encouraged by these significant achievements in such a short time, the AIF Board of Directors unanimously approved the ACGF as a permanent facility in June 2021. This permanent status renews the confidence of partners and countries alike in the ACGF approach and emboldens them to scale up finance for inclusive and green infrastructure that supports a green recovery and a zero-carbon economy.

Still, more work and challenges lie ahead. The demand for green financing has become much more urgent due to the coronavirus disease (COVID-19) pandemic. Southeast Asian economies are being heavily impacted by the pandemic, which has widened the financing gap for green infrastructure in a region already vulnerable to climate change. Southeast Asian governments are taking ambitious and impactful action.

In the run up to the 26th United Nations Climate Change Conference of the Parties (COP26), countries have submitted updated nationally determined contributions (NDCs) to the United Nations Framework Convention on Climate Change, renewing their commitment to climate action. Indonesia and Thailand have set targets and long-term strategies towards a zero-carbon future, and at a regional level, ASEAN continues to make significant progress on green finance through the development of the new ASEAN Taxonomy for Sustainable Finance. This regional momentum is inspirational, as it reinforces the ACGF’s mandate to continue its mission.

The AIF stands firm in its commitment, under the principle of ASEAN solidarity, to help the ASEAN member countries achieve their NDCs under the Paris Agreement and the mainstreaming of the ACGF will allow us to continue on a greener pathway toward economic recovery.

Kristiyanto
Deputy Director
Center for Regional and Bilateral Policy Fiscal Policy Agency
Ministry of Finance, Indonesia
Southeast Asia has made significant progress to scale up climate action, and we have witnessed a renewed momentum in the weeks and months running up to COP26. But major challenges remain. We need to address the increasing costs of climate change while balancing economic recovery from the COVID-19 pandemic against growing greenhouse gas emissions from the use of fossil fuels and increasing air and water pollution and plastics and other waste in our oceans. ASEAN member countries’ estimated $250 billion allocations toward COVID-19 response and recovery efforts as yet offer support—albeit limited—for a green recovery. Reaching the goals of the Paris Agreement will require all countries to embark on a pathway to a zero-carbon economy.

There is certainly a window of opportunity to influence COVID-19 recovery, when multi-year response measures including financing will start being rolled out by governments. Immediate action is needed to prioritize, prepare, and finance low-emission and adaptation projects that create green jobs. Mobilizing public and private financing will be key. Over the next decade, an estimated $2 trillion investment in infrastructure is required to unlock Southeast Asia’s sustainable future. In contrast, the region raised about $12 billion in green and sustainability bonds in 2020 out of the global total of $700 billion.

The ACGF plays a critical role in this regard. As a truly regional vehicle—owned by all ASEAN countries and the Asian Development Bank (ADB)—the ACGF has, in a very short time, undertaken a number of impactful activities, from project preparation to the provision of much needed sovereign financing for projects, to capacity and knowledge development across almost all ASEAN developing member countries.

Central to the ACGF’s role is its collaborative approach to partnerships. Given the criticality of leveraging global funds for the climate agenda, these partnerships are immensely valuable because they allow a sharing of knowledge and experience both ways. In turn, this should help create the projects and policies that will attract not just global fund flows but also global climate and green frameworks, technology, and management experience—all of which are crucial in the efforts to undertake efficient green recovery projects.

Platforms like ACGF are a central part of the deep commitment of the Asian Development Bank (ADB) to climate finance and action. ADB was a pioneer among multilateral development banks to set clear climate investment targets for 2030, and in October 2021, President Masatsugu Asakawa announced the elevation of our ambition from $80 billion to $100 billion in cumulative climate finance from our own resources by 2030.

ADB stands ready to support the region in ensuring a successful green recovery, and to support the ACGF’s mission to promote green infrastructure and a green recovery in Southeast Asia.

Ramesh Subramaniam
Director General
Southeast Asia Department
Asian Development Bank
COP26 in Glasgow in November 2021 raised global awareness on two clear issues: (i) that the world is not on track to achieve its climate goals and efforts need to be accelerated, between now and 2030, to limit global temperature increase to 1.5 degrees, and (ii) that technology advancements and global pools of capital need to be applied quickly to achieve this major acceleration.

The ACGF was one of the key platforms showcased at COP26 with proven solutions to support this critical issue in ASEAN countries. The ACGF organized a high profile launch of a green recovery platform for the Southeast Asia region, supported by $665 million from the United Kingdom (UK), Cassa Depositi e Prestiti (CDP) (Italy), the Green Climate Fund (GCF) and the European Union (EU). The event was attended by senior officials from the Government of the UK, senior ministers from Indonesia and officials from other countries, and the heads of key development financing institutions, including ADB, Agence Française de Développement (AFD), the Green Climate Fund (GCF), and others.

I mention the above to drive home the importance of ACGF as a key platform for promoting climate finance in Southeast Asia. With operations of less than 3 years, the ACGF has proven its model as a catalytic green finance vehicle and its mission has been made more important by the need for a green and sustainable recovery from the impacts of the COVID-19 pandemic. This was also underscored by the unanimous approval for the mainstreaming of the ACGF as a permanent window of the AIF, by its Board, in June 2021.

By the end of 2021, the ACGF was able to attract financing pledges of over $2 billion from nine financing partners, engage four knowledge partners, and support the structuring of 29 projects. The five projects in its formal financing pipeline have a total estimated project cost of $3 billion, and are projected to reduce carbon dioxide emissions by almost 300,000 tons per year. Equally important, technical assistance associated with ACGF has helped spur a wide array of new innovative concepts, including a Sustainable Development Goal (SDG) financing vehicle in Indonesia, a marine financing platform in Cambodia, green and sustainability bonds in Thailand, and a regional blue hub to support project development, among others.

Building on the extensive work of the past 3 years, the direction for the ACGF in 2022 is well set and its strategies are clearly laid out. The ultimate objective remains to develop a strong pipeline of bankable green (and blue!) projects across all countries in the region using ACGF’s unique ability to bring together new technical and thematic ideas combined with technical assistance for concept development and capacity building as well as funds to help de-risk projects. This combination is necessary and critical to address the challenges raised at COP26.

I want to acknowledge the tireless efforts of the ADB–ACGF team, direction from the AIF Board of Directors and support from all our partners. We have made this journey together of creating one of the most exciting regional green initiatives in the world.

Anouj Mehta
Country Director, Thailand Resident Mission
ACGF Unit Head
Southeast Asia Department
Asian Development Bank
An array of solar-powered cells supply nighttime electricity to a house in Paranaque City, the Philippines (photo by ADB).
Executive Summary

The Association of Southeast Asian Nations (ASEAN) Catalytic Green Finance Facility (ACGF) is a regional green finance vehicle under the ASEAN Infrastructure Fund (AIF), owned by all 10 ASEAN members states and the Asian Development Bank (ADB).

The ACGF has a "catalytic green finance" focus and uses its resources to de-risk green infrastructure projects to make them bankable and attract various sources of funding, including private, institutional, and commercial (PIC) funds.

ACGF mainstreamed as a permanent facility

In 2021, the ACGF was mainstreamed as a permanent facility under the AIF. This was the result of a successful pilot period that demonstrated the ACGF’s ability to originate and support development of green projects, and leverage financing for these. The ACGF met or exceeded five of the six targets set in the 2019–2021 operational plan and it was made permanent by the AIF Board in June 2021, ahead of the end of its pilot phase. The ACGF’s early achievements have cemented its role as a key player supporting a green, resilient, and inclusive recovery in Southeast Asia after the coronavirus disease (COVID-19) pandemic. As the ACGF is scaled up as a permanent facility, it has set ambitious targets for 2022–2024.

Figure 1: ACGF Achievements 2019-2021

ACGF 2019–2021

- **CAPITAL**
  - $2 billion in cofinancing pledged by 9 partners for green infrastructure

- **GREEN PIPELINE**
  - 29 green projects structured and concepts supported with TA funds

- **GREEN PROJECTS**
  - 5 ACGF-eligible projects approved by the AIF Board
  - + 1 project with green co-benefits

- **INTERNAL CAPACITY**
  - ACGF project structuring team established and in place

- **KNOWLEDGE**
  - Knowledge products and platforms developed with 4 partners on green recovery, green infrastructure pipelines, innovative finance

- **CAPITAL MARKETS**
  - 3 green, social and sustainability bond issuances supported

ACGF = ASEAN Catalytic Green Finance Facility, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, TA = technical assistance.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Target</th>
<th>Progress</th>
<th>Behind the numbers</th>
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<tbody>
<tr>
<td>1. Originating and structuring projects, and developing a green infrastructure project pipeline</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Number of green infrastructure projects structured with support of the ACGF, with underlying financial models and potential financing sources identified.</td>
<td>5</td>
<td>19</td>
<td>The ACGF supported 19 late-stage projects (i.e., those that are in the ADB pipeline, or have approved ADB concept papers), of which 5 were approved for financing by the AIF Board.</td>
</tr>
<tr>
<td>A pipeline of further green infrastructure projects developed, with a target of at least five additional concept notes developed.</td>
<td>5</td>
<td>10</td>
<td>The ACGF supported 11 early-stage projects and concepts (i.e., those that are not in the ADB pipeline, or do not yet have approved ADB concept papers). Of these, 1 project was also supported as a late-stage project, and is included in the ADB pipeline.</td>
</tr>
<tr>
<td>2. Providing de-risking of funds to improve the bankability of green infrastructure projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of projects with demonstrable green impacts to improve bankability and attract private, institutional and commercial funds approved for financing by AIF.</td>
<td>3 projects 150,000 tCO₂e saved per year</td>
<td>5 projects 291,000 tCO₂e saved per year</td>
<td>One project was included in the formal AIF financing pipeline by the AIF Board in 2019, two in 2020, and two in 2021, with total projected savings of 291,000 tCO₂e per year.</td>
</tr>
<tr>
<td>Financing from private, capital, and institutional and commercial capital identified for ACGF projects.</td>
<td>At least $300 million</td>
<td>$72 million (capex) $191 million /year (opex)</td>
<td>As a result of the five projects approved by the AIF Board, $72 million in capital expenditure (capex), and $191 million per year in operations and maintenance (opex) is expected to be mobilized from private, institutional, and commercial capital sources.</td>
</tr>
<tr>
<td>3. Building knowledge and capacity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International investor round tables held with engagement from institutional investors.</td>
<td>3</td>
<td>7</td>
<td>Under the ACGF, seven roundtable meetings were held, with investors and private sector participation.</td>
</tr>
<tr>
<td>ASEAN officials and finance stakeholders trained in innovative finance through the 6 Champions Program.</td>
<td>30</td>
<td>63</td>
<td>Under the ACGF, two training sessions were held, one in 2020 and one in 2021, with a total of 63 ASEAN officials participating (56% of which were women).</td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, tCO₂e = ton of carbon dioxide equivalent.

Source: ADB.

**AIF Board approval of several projects with green impacts in financing pipeline**

In 2019–2021, five projects meeting the ACGF’s eligibility criteria (i.e., ACGF-eligible projects) were formally approved for inclusion in the AIF pipeline. Of these, one project—the EDSA Greenways in the Philippines—was approved for financing by the ADB Board in December 2020. In addition, because of efforts to incorporate green financing aspects into other AIF projects, a sixth project with green co-benefits—Agricultural Value Chain Competitiveness and Safety Enhancement Project in Cambodia—was approved for financing by the AIF in November 2020, and shortly after also by ADB, under the Inclusive Finance Facility.

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1 “ACGF-eligible projects” are those that meet criteria on green impact, bankability, and private mobilization as described in the ACGF Investment Principles and Eligibility Criteria. This could include projects financed under the permanent ACGF, as well as projects financed under the Inclusive Finance Facility (IFF), part of the AIF’s Green and Inclusive Window (which was run on a pilot basis in 2019–2021), as long as they meet ACGF criteria.

2 The IFF (alongside the ACGF) was part of the AIF’s Green and Inclusive Infrastructure Window that was approved by the AIF Board in November 2018 on a pilot basis from 2019–2021. The permanent ACGF, approved by the AIF Board in June 2021, consolidates the earlier ACGF and IFF.
Altogether, the five ACGF-eligible projects approved by the AIF Board demonstrate significant leverage, with $60 million of AIF financing committed toward an expected $3 billion in total project costs, including $1.8 billion financing from ADB and $505 million from cofinancing partners. More than half the financing pledged by partners during the launch of the facility have been earmarked to projects and technical assistance.

Together, the five ACGF-eligible projects have the potential to reduce 291,000 tons of carbon dioxide equivalent (tCO\(_2\)e) per year directly and will lead to further downstream emission reductions of 26.7 million tCO\(_2\)e reductions as a result of critical policy reforms. Across the five projects, an average of 88% of project costs count toward climate finance. The projects will also catalyze an estimated $72 million in capital expenditure and $191 million per year in operations and maintenance expenditure from private resources, critical to financial sustainability. Additional mobilization from private sources amounting to $1.4 billion are expected into capital and operations and maintenance expenditure through policy interventions.

Private capital mobilization remains a major issue in most green projects. To broaden the mobilization strategy, technical support to build access to capital markets and develop sustainability bonds was expanded in 2021.

**$2 billion partner funds pledged, including $665 million through a green recovery platform**

In 2021, four partners—the European Union (EU), the Green Climate Fund (GCF), Italy’s Cassa Depositi e Prestiti (CDP) and the Foreign, Commonwealth, and Development Office (FCDO) of the United Kingdom (UK) —announced support of $665 million toward the ACGF’s activities, as part of a “Green Recovery Platform” launched at the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow.

This financing will complement the $1.4 billion in cofinancing and technical assistance pledged to the ACGF by ADB, Agence Française de Développement (AFD), European Investment Bank (EIB), KfW Development Bank and the Government of the Republic of Korea. Altogether, the ACGF provides ASEAN countries with access to close to $2 billion in financing from the AIF and cofinancing partners. In addition, four knowledge partners have pledged in-kind support for developing project pipelines, building knowledge and capacity.

**Strengthening and building green infrastructure pipelines**

By the end of 2021, technical assistance had been provided to originate and structure 29 projects, including 19 late-stage projects and 10 early-stage projects across Southeast Asia.\(^3\) In 2021 alone, technical assistance commenced in support of six new late-stage and one early-stage projects. The ACGF project preparation pipeline has expanded with each year since the initiation of support in 2019, showing the large demand for proactive, hands-on assistance throughout the project development phase, from origination to structuring and development. Technical assistance resources are used to structure financing, develop climate baselines, and design approaches to mobilize private finance.

The ACGF has taken a proactive approach to project origination, based on the growing understanding that many smaller projects and opportunities need to be supported before they are included in financing pipelines of ADB and other ACGF partners. Two new initiatives launched in 2021—the Blue Southeast Asia Finance Hub and project origination under the ACGF 6 Champions Program—support this by providing targeted access to project structuring funds, expertise, and capacity building to originate a new generation of green projects, including for ocean’s health.

**Mobilizing green funds from capital markets**

In 2021, the ACGF broadened its PIC capital mobilization strategy and intensified its efforts to expand access to green and sustainable finance through the development of capital markets in the region and support to sustainability bond issuances. In total, approximately $5.6 billion was mobilized in Thailand through three bond issuances supported between 2020 and 2021. Additionally, efforts to increase awareness and knowledge about green and sustainability bonds were made through production of reports and trainings.

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\(^3\) Late-stage projects refer to projects in the ADB project pipeline, while early-stage projects refer to a wider range of projects and concepts under development, not yet included in the ADB project pipeline.
Building knowledge and capacity on green finance

The focus on knowledge and capacity building in 2021 was on promoting a green recovery from the COVID-19 pandemic, and on supporting actions to promote ocean’s health, with several strategic events organized and knowledge products developed. Seven knowledge and dialogue events were organized to support the ACGF’s work, including a high-level event with partners and representatives from the governments of ASEAN member states, ‘Financing green recovery for a low-carbon and climate-resilient Southeast Asia’ organized at COP26, and a roundtable on ‘Accelerating Blue Finance in Southeast Asia’ in November 2021. Between 2019 and 2021, a total of 15 events were organized, building on ACGF’s ongoing collaboration with key knowledge partners.

A key priority for the publication of knowledge products was to improve the enabling environment for green finance. In 2021, 14 knowledge products were developed, with key ACGF reports including: Accelerating Sustainable Development after COVID-19. The Role of SDG Bonds, Financing the Ocean Back to Health in Southeast Asia: Approaches for Mainstreaming Blue Finance, and the Green Infrastructure Investment Opportunities: Thailand 2021 Report. All products focused on generating practical, implementable models to be discussed with governments, and identifying project pipelines for financing as part of a green recovery. Since 2019, a total of 25 knowledge products have been developed and published under the ACGF.

As part of the ACGF 6 Champions Program, a 7-day thematic virtual training on green bonds was organized in 2021 in partnership with the Climate Bonds Initiative. A total of 21 government officials (57% women) from ASEAN member states participated in the training. In 2019–2021, a total of 63 officials (56% women) were trained on green and innovative finance under two ACGF training programs.

Looking Forward 2022–2024

While its dynamic and flexible approach to providing relevant and timely support to government counterparts in the region will continue, there is a need to further structure and strengthen implementation as both volumes and scope expand. This will require the ACGF to put stronger emphasis on ensuring a strategic approach, while it continues to support a broad range of early- and late-stage projects. Additionally, the ACGF will remain a hub for climate and green finance knowledge sharing and thought leadership, increasing capacities and contributing with expert knowledge in a range of areas.

As a permanent facility, the ACGF will continue its current path, and achieve stronger impact and contribute to climate change mitigation and adaptation, as well as to other environmental benefits, especially as many of the supported projects in various stages of structuring mature and are approved for financing.

Building on its pilot phase, the ACGF aims to meet the following targets in 2022–2024, through a range of activities in the key areas of providing de-risking funds, project origination and structuring, and knowledge and capacity building:

- at least six new projects included in the formal AIF/ACGF financing pipeline;
- projected annual greenhouse gas emission reductions of at least 500,000 tCO₂e;
- at least $450 million in financing from private, institutional, commercial funds identified; and
- at least $500 million in partner funds leveraged for ACGF projects.

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4 The Green Infrastructure Investment Opportunities: Thailand 2021 Report was developed in 2021, although formally launched and published on 28 January 2022.
1 Introduction

What is the ACGF?
The Association of Southeast Asian Nations (ASEAN) Catalytic Green Finance Facility (ACGF) is an initiative of the ASEAN Infrastructure Fund (AIF). The AIF was created in 2011 by the Asian Development Bank (ADB) and ASEAN member states to boost regional infrastructure. The ACGF was launched in 2019, on a pilot basis, under the AIF to accelerate green infrastructure investment in Southeast Asia. In June 2021, the ACGF was adopted as a permanent facility by the AIF Board, ahead of the end of its 3-year pilot phase. The decision was backed by the considerable progress made and the growing relevance and demand for support to green projects in the region. In collaboration with ASEAN member states and cofinancing partners, the ACGF will continue to focus on building a strong pipeline of projects, providing technical assistance and financing support at various stages of project development.

The ACGF mission is to accelerate development of green infrastructure projects in Southeast Asia by better utilizing public funds to create bankable green projects able to attract private capital, integrate innovative technologies, and improve management efficiencies.

It focuses on projects that promote renewable energy, energy efficiency, green urban transport, water supply and sanitation, waste management, and climate-resilient agriculture. The ACGF includes two lending products, with differentiated pricing based on the differing socioeconomic conditions in ASEAN countries. It provides access to $2 billion in financing from nine financing partners.

As part of the ACGF, technical assistance is available to develop and structure projects and to raise awareness and build the institutional capacity of the governments of ASEAN member states to increase green infrastructure investments.

Why is the ACGF Needed?
Infrastructure remains the backbone of economic growth in Southeast Asia. ADB estimates that ASEAN countries require investment of $210 billion per year to support infrastructure development. At the same time, this comes with environmental costs—degradation of natural resources, air and water pollution, and rising greenhouse gas emissions. There is an urgent need for more investment in environmentally friendly and socially inclusive infrastructure in ASEAN countries.

Public finance alone will not be enough to meet the investment needs. For green private capital flows to scale up rapidly, however, there is a need for projects to be considered bankable as well as for liquid capital markets and long tenure funds. A lack of bankability has been an especially major constraint to the flow of global private capital into emerging markets. 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 to be used strategically to create conditions to leverage and crowd in private sources of green finance and investment.
Figure 2: ACGF Design Principles

**CATALYTIC: Mobilizing resources and building pipelines**
The ACGF helps crowding in private finance by directing funds to de-risk and improve the bankability of projects. Beyond the impact of the projects themselves, the ACGF helps building urgently needed robust and green infrastructure pipelines in ASEAN member states by working with governments and partners to originate projects, provide advice and technical assistance to structure these, and raise development and private resources for projects.

**GREEN: Promoting environmental sustainability by scaling up green infrastructure**
The ACGF supports green infrastructure development in energy, transport, water, urban, and multisector projects that actively contribute to environmental sustainability and climate goals. Examples of green infrastructure include, but are not limited to, renewable energy, energy efficiency, sustainable transport systems, green cities, and sustainable water supply and sanitation.

**FACILITY: Leveraging public capital**
The ACGF uses equity provided by ASEAN member states into the AIF alongside support from ADB and other development partners. As a leveraging facility, it will help government in the region use public and concessional funds better, so that each dollar can mobilize commercial funds for projects that are currently not attracting these sources of finance.

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations.
Source: ADB.

What Does the ACGF Do?
The ACGF is supported by AIF resources combined with financing from donors and development partners through cofinancing agreements and technical assistance to support the following:

**Funding for de-risking green infrastructure projects.** The ACGF directs financing to bridge the viability gap for green projects. A flexible approach is used to determine how loans for ACGF projects can improve bankability on a project-by-project basis. The most common use of funds is to cover a portion of the capital of operational costs of a project (to achieve bankability).

**Project structuring and origination.** Technical assistance is provided to support origination and structuring of green infrastructure projects. The aim is to develop a pipeline of investments that integrate innovative financing mechanisms and demonstrate the potential to raise capital at scale. Support is provided to identify, originate, design, and structure green projects. This includes developing and piloting innovative financing mechanisms for green infrastructure projects through rapid assessment studies for early-stage project concepts and structuring of finance-ready projects.

**Building knowledge and capacity on green finance.** Through a multi-partner platform, the ACGF builds knowledge and capacity on green finance in ASEAN countries with the specific aim of supporting the development of bankable, green project pipelines and building capacity to better identify project opportunities. In collaboration with partners, the ACGF organizes investor roundtables and trainings of government officials on green and innovative finance through the ACGF 6 Champions Program, and produces knowledge products to maximize the demonstration impact. The platform leverages and builds on the strengths of existing knowledge and policy organizations.
ACGF in Numbers

De-risking and Financing Green Infrastructure

- 5 projects meeting ACGF criteria approved for financing by AIF
- $60 million AIF funds earmarked
- $505 million in partner cofinancing earmarked
- $1.8 billion in ADB financing earmarked
- $3 billion in expected project costs
- 291,000 tCO₂e reductions estimated per year from ACGF pipeline projects

$72 million in capital expenditure and $191 million/year in operations and maintenance from private capital (private, institutional, and commercial funds) identified

$5.6 billion raised from green and social bonds

Enabling Green Infrastructure

- 29 early and late-stage projects and concepts supported with technical assistance
- 25 knowledge products produced (1 in 2019, 10 in 2020, 14 in 2021)
- 15 round tables on green finance held (3 in 2019, 5 in 2020, 7 in 2021)
- 63 ASEAN government officials trained (56% women) (42 in 2020, 21 in 2021)

More than 1,500 downloads of ACGF flagship report Accelerating Sustainable Development after COVID-19: The Role of SDG Bonds from the ADB website

19 news releases on ADB.org

Leveraging Resources and Partnerships

- $2 billion pledged by partners
- 9 cofinancing partners
- 4 knowledge partners

The Scale of the Challenge

- $210 billion annual financing needs for green infrastructure in ASEAN
- 5 ASEAN countries in the top 15 most affected by climate risks in 2020

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, COVID-19 = coronavirus disease, SDG = sustainable development goal, tCO₂e = tons of carbon dioxide equivalent.

Source: ASEAN Catalytic Green Finance Facility.
From Pilot to Permanent Facility
MILESTONES
AND KEY EVENTS

NOVEMBER 2018
Creation of the ACGF as one of two new facilities under the AIF

MAY
Government of the Republic of Korea pledges $355 million to support the ACGF

APRIL
ACGF launched. Partners (ADB, AFD, EIB, and KfW) pledge $1 billion to support the ACGF at the 23rd ASEAN Finance Ministers’ Meeting in Thailand

OCTOBER
First ACGF eligible project approved for inclusion in the AIF pipeline by the AIF Board (public transport)

NOVEMBER
Partners and countries announce support for ACGF-linked ASEAN Green Recovery Platform at COP26

AUGUST
UK approves £110 million in concessional finance and technical assistance for the ACGF

MARCH
GCF Board approves $300 million for ADB-managed ACGF Green Recovery Program

JUNE
Two ACGF eligible projects approved for inclusion in the AIF pipeline by the AIF Board (clean energy and public transport)

DECEMBER
Two ACGF-eligible projects approved for inclusion in the AIF pipeline by the AIF Board (energy efficiency and public transport)

2021
OCTOBER
CDP joins the ACGF as its ninth cofinancing partner, pledging €130 million

2020
JUNE
The ACGF mainstreamed as a permanent facility by the AIF Board

DECEMBER
First ACGF eligible project approved by ADB Board

2019
OCTOBER
First ACGF eligible project approved for inclusion in the AIF pipeline by the AIF Board (public transport)

MAY
ACGF investment principles and eligibility criteria published

NOVEMBER
EU Asia Investment Facility approves €50 million in concessional finance and technical assistance for the ACGF

DECEMBER
Two ACGF-eligible projects approved for inclusion in the AIF pipeline by the AIF Board (energy efficiency and public transport)

NOVEMBER
Partners and countries announce support for ACGF-linked ASEAN Green Recovery Platform at COP26

AUGUST
UK approves £110 million in concessional finance and technical assistance for the ACGF

MARCH
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MAY
ACGF investment principles and eligibility criteria published


Source: ADB.
2 Mainstreaming the ACGF

Establishing the ACGF as a Permanent Facility

In November 2018, the AIF Board approved piloting of a Green and Inclusive Infrastructure Window under the AIF, composed of two lending facilities – the ACGF and the Inclusive Finance Facility (IFF). In July 2021, 6 months ahead of the end of the 3-year pilot period, the AIF Board approved the mainstreaming of the ACGF as a permanent green facility under the AIF, by consolidating the previous two facilities. This milestone was a result of a successful pilot period, including five projects that meet ACGF eligibility criteria approved for financing by the AIF Board, together with a strong pipeline of 29 green projects and concepts in various stages of readiness.

The rationale for mainstreaming the ACGF included: (i) continued relevance to supporting green finance in the region, especially with emerging challenges due to the coronavirus disease (COVID-19) pandemic; (ii) significant momentum created with countries and partners; and (iii) continued demand for ACGF’s hands-on approach to support origination and structuring of projects for bankability and mobilization of private capital, along with capacity building and knowledge generation. Insights from the ACGF pilot phase indicate that the ACGF’s “one-stop-shop” approach of supporting project structuring and finance, alongside policy and knowledge, is critical in identifying and developing green projects, and in supporting governments to use public finance more innovatively.

Lending Modalities and Investment Principles

The permanent ACGF makes available 18% of the AIF’s equity for the financing of green infrastructure projects, alongside financing from partners. AIF resources will be maximized for the ACGF by allocating a smaller amount of AIF equity funds into each project to leverage a larger amount of funding from ADB and partner resources.

The permanent ACGF consolidates the earlier ACGF and IFF, while substantially maintaining their respective pricing terms through an “ACGF Regular” lending modality, open for all AIF borrowing member countries, and an “ACGF Concessional” lending modality, open for ADB Group A countries. To date, these are Cambodia, Lao People’s Democratic Republic, and Myanmar.
Table 2: ACGF Lending Terms

<table>
<thead>
<tr>
<th>Eligible borrowers</th>
<th>AIF borrowing member countries</th>
<th>AIF borrowing member countries that fall under ADB’s Group A Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity (years)</td>
<td>Up to 20</td>
<td>25</td>
</tr>
<tr>
<td>Grace period (years)</td>
<td>Up to 7</td>
<td>5</td>
</tr>
<tr>
<td>Interest rate&lt;sup&gt;a&lt;/sup&gt;</td>
<td>• 6-month $LIBOR: during grace period</td>
<td>1%: year 1-5</td>
</tr>
<tr>
<td></td>
<td>• 6-month $LIBOR plus 140 bps: after grace period up to 20 years</td>
<td>1.5%: year 6-25</td>
</tr>
<tr>
<td></td>
<td>Beginning 1 January 2022 for new loans, and from the first</td>
<td></td>
</tr>
<tr>
<td></td>
<td>full interest period falling after 1 January 2022 for existing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>loans:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 6-month SOFR compounded in arrears plus 30 bps adjustment spread:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>during grace period</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 6-month SOFR compounded in arrears plus 30 bps adjustment spread:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>during grace period</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Note: For every relevant Interest Rate period, a minimum</td>
<td></td>
</tr>
<tr>
<td></td>
<td>interest rate of 40 bps will be applied.</td>
<td></td>
</tr>
<tr>
<td>Grant element</td>
<td>None</td>
<td>&gt;35%</td>
</tr>
<tr>
<td>Maximum lending</td>
<td>With ACGF (concessional) combined limit of up to 18% of AIF total</td>
<td>10% of AIF total equity</td>
</tr>
<tr>
<td>volume</td>
<td>equity</td>
<td></td>
</tr>
<tr>
<td>Commitment fee</td>
<td>15 bps</td>
<td>None</td>
</tr>
<tr>
<td>Maturity premium/</td>
<td>As applicable for ADB OCR loans</td>
<td></td>
</tr>
<tr>
<td>Prepayment premium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayment</td>
<td>No prepayment penalty</td>
<td>None</td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, bps = basis points, LIBOR = London interbank offered rate, OCR = ordinary capital resources, SOFR = secured overnight financing rate.

<sup>a</sup> For every relevant interest rate period, a minimum interest rate of 40 bps will be applied

<sup>b</sup> For more information on Libor Transition to SOFR, see LIBOR Transition: Sovereign Borrowing

Source: ADB.

**Investment principles and eligibility criteria**

All ACGF projects must meet the ACGF investment principles and eligibility criteria. The criteria were developed jointly by the governments of ASEAN member states and ACGF cofinancing partners and approved by the AIF Board in November 2019.

The aim is to support projects that help meet climate change and environmental goals (green impact), are financially sustainable (bankable), and are designed to mobilized private, institutional, and commercial (PIC) capital over the long-term.

**ACGF criteria for green impact, bankability, and private sector mobilization**

- **Green impact.** Classification as “green” or “priority green” projects, with every project (i) meeting a minimum threshold for climate finance, (ii) demonstrating GHG reduction and climate resilience, and (iii) demonstrating contribution to other environmental benefits.

- **Bankability.** Potential for support to improve financial viability and/or sustainability and bankability.

- **Private capital catalyzation.** Potential to catalyze or have a roadmap in place to catalyze at least 10% resources from private, institutional and commercial sources at any time over the first 8 years.
Implementation Arrangements

Governance

The permanent ACGF continues to work under the institutional structure of the AIF and follows its governance structure and institutional arrangements. The AIF Board of Directors reviews the annual pipeline and approves AIF financing for ACGF eligible projects.

The ACGF Partner Group is the main forum for dialogue with partners. The group meets twice a year, once back-to-back with the AIF Board of Directors’ meeting, and once with the AIF Administrator and ACGF team. The group provides input on strategic issues related to the implementation of the ACGF, it reviews the pipeline of potential ACGF projects to be supported with partner funds and provides feedback on the implementation of ACGF technical assistance support for project structuring and origination, and for knowledge and capacity building.

ADB administration and implementation team

ADB’s Southeast Asia Regional Department administers the AIF, and under this arrangement, the Southeast Asia Innovation Hub, consisting of ADB staff and secondees, manages the implementation of the ACGF. A dedicated project structuring team (PST), including long-term and intermittent experts, carries out financial structuring and project origination, management of ACGF strategy and partnerships, and implements knowledge and communication activities. The team liaises with partners and ASEAN governments, and works closely with ADB country and sector teams to originate and screen potential projects, and provides capacity building on green projects origination and structuring.
Cofinancing and Knowledge Partnerships

In 2021, the ACGF continued to strengthen the collaboration and dialogue with its original partners, and further its intentions to build new partnerships. Cooperation agreements were signed with three new partners, and as the pilot phase ended, discussions were held with the original cofinancing partners towards renewing their commitments beyond 2021. Approximately $2 billion had been pledged in cofinancing and for technical assistance support. In addition, the ACGF continued to engage with several knowledge partners to bring in skills and expertise and accelerate action in specific fields, such as blue finance and sustainability bonds.

Table 3: Overview of ACGF Partners

<table>
<thead>
<tr>
<th>Partner</th>
<th>Cofinancing and Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>$300 million cofinancing and $1.5 million TA</td>
</tr>
<tr>
<td>AFD (France)</td>
<td>€150 million cofinancing and €1 million TA</td>
</tr>
<tr>
<td>CDP (Italy)</td>
<td>€130 million cofinancing and €2 million TA</td>
</tr>
<tr>
<td>EDCF (Republic of Korea)</td>
<td>$350 million cofinancing and $5 million TA</td>
</tr>
<tr>
<td>EIB</td>
<td>€150 million cofinancing</td>
</tr>
<tr>
<td>EU</td>
<td>€46 million cofinancing and €4 million TA</td>
</tr>
<tr>
<td>FCDO (UK)</td>
<td>£100 million cofinancing and up to £10 million TA</td>
</tr>
<tr>
<td>GCF</td>
<td>$280 million cofinancing and $20 million TA</td>
</tr>
<tr>
<td>KFW (Germany)</td>
<td>€300 million cofinancing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Knowledge partners</th>
<th>Type of Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBI</td>
<td>Partnership on knowledge events on green finance and capital markets</td>
</tr>
<tr>
<td>GGGI</td>
<td>Ongoing collaboration on project pipeline development</td>
</tr>
<tr>
<td>Infrastructure Asia</td>
<td>Collaboration on the 6 Champions Program and Innovative Finance Clinics for ASEAN government officials</td>
</tr>
<tr>
<td>OECD</td>
<td>Partnership on knowledge events, and collaboration around linkages to potential private sector investors.</td>
</tr>
</tbody>
</table>


Source: ADB.
Green Recovery Platform for New ACGF Partnerships

Four new ACGF partnerships developed in 2020 and 2021 focus on addressing the financing challenges brought by the COVID-19 pandemic by promoting a green recovery that addresses environmental and climate challenges, promotes growth, and helps create green jobs. The four partnerships—with the European Union (EU), Cassa Depositi e Prestiti (CDP), Green Climate Fund (GCF), and the Government of the United Kingdom (UK)—come together under a common “Green Recovery Platform,” announced at a high-level event at the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow in November 2021. Together, the four partners pledged approximately $665 million in cofinancing and technical assistance, supporting the ASEAN member countries’ efforts to realize their climate ambitions in the face of increased climate and economic vulnerability. The aim is to catalyze $7 billion in total project costs for green infrastructure projects.

ASEAN Green Recovery Platform

Leveraging 10x for a green recovery – $665 million for $ 7 billion

The partnerships capitalize on a limited window of opportunity to influence stimulus packages and prepare green recovery strategies, and help countries refocus on the implementation of their nationally determined contributions (NDCs) under the Paris Agreement.

Partnerships with GCF, EU, and the UK will provide concessional financing and technical assistance to be channeled through ADB-managed trust funds. The focus will be on revolving funds where possible to catalyze financing for a pipeline of green infrastructure projects. The partnership with CDP will provide cofinancing for projects and technical assistance.


Source: ADB.
Lending pipeline

In 2021, the ACGF continued its strong focus on project origination, through a mix of support to early- and late-stage project preparation and by increasing knowledge of and building capacity on green project origination. By the end of 2021, the ACGF had supported a pipeline of 29 projects (10 early-stage and 19 late-stage), compared to 22 projects (12 early-stage and 10 late-stage) by the end of 2020.

In December 2021, two additional projects were approved by the AIF Board for inclusion in the ACGF pipeline of approved projects, one under the concessional and another under the regular window. It is estimated that the implementation of the two projects approved in 2021 would result in the reduction of 218,000 tons of carbon dioxide equivalent (tCO₂e) per year and will help catalyze $72 million into capital expenditure and $181 million per year into operation and maintenance expenditure from PIC funds.

For the 2019–2021 period this adds up to a total of five ACGF eligible projects approved by the AIF Board under the pilot phase, with approximately $60 million of ACGF financing, $505 million from cofinancing partners and $1.8 billion financing from ADB committed toward $3 billion in total project costs. Of these five projects, one was approved by the ADB Board for financing in 2020 and became effective in early 2021.

In addition, one project was approved by the AIF under the previous IFF window in 2020. It was approved by the ADB Board in 2020 and became effective in 2021.

Table 4. Status of Projects Approved by the ADB Board

<table>
<thead>
<tr>
<th>Project</th>
<th>Country</th>
<th>Sector</th>
<th>Total Project Cost ($ million)</th>
<th>ADB Funding ($ million)</th>
<th>AIF Funding ($ million)</th>
<th>Partner Funding ($ million)</th>
<th>Approval Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDSA Greenways Project</td>
<td>Philippines</td>
<td>Transport</td>
<td>179</td>
<td>123</td>
<td>15</td>
<td>-</td>
<td>December 2020</td>
</tr>
<tr>
<td><strong>PROGRESS:</strong> The project was declared effective on 2 March 2021. Bidding documents and terms of reference of consultants to be engaged are being finalized.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Value Chain Competitiveness and Safety Enhancement Project</td>
<td>Cambodia</td>
<td>Agriculture and Natural Resources</td>
<td>11</td>
<td>70</td>
<td>5</td>
<td>-</td>
<td>November 2020</td>
</tr>
<tr>
<td><strong>PROGRESS:</strong> The project was declared effective on 16 March 2021. Procurement is underway. Inception mission will be scheduled once consultants are on-board. This project was approved under the previous AIF IFF window.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, EDSA = Epifanio de los Santos Avenue, IFF = Inclusive Finance Facility.

Source: ADB.
Box 1: EDSA Greenways Project

**Sector:** Transport  
**Country:** Philippines

**Description:** The project was approved for financing by the ADB Board in December 2020 and aims to provide safe and efficient pedestrian crossing by building 5 kilometers of high-quality greenfield elevated walkways, footbridges, and linkages, including lifts and ramps for the accessibility of persons with disability and the elderly, within 800 meters of public transport facilities along EDSA, a main thoroughfare in Manila.

**Progress:** The project was declared effective in March 2021 and by the end of the year, the Department of Transportation had commenced utility relocation works, and were making progress on minor land acquisitions needed, including updating of resettlement plans. Bidding documents for the civil works and terms of reference of consultants to be engaged were being finalized.

**Impact:** The project will support increased use of public transport, increase road safety, and will result in an improvement in local air quality.

**ACGF Criteria:**
- CO₂ emissions reduced: **886 tCO₂ e/year**
- Share of project cost classified as climate finance: **100%**
- Private sector financing catalyzed: **$88 million**  
  (for operations and maintenance)
- Contribution to other environmental benefits:
  **7% of road users diverted to walking, reducing air pollution**

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, CO₂ = carbon dioxide, EDSA = Epifanio de los Santos Avenue, tCO₂ e = ton of carbon dioxide equivalent.

Source: ADB.

**Project Origination and Structuring**

**Technical assistance to structure and develop projects**

The lack of a strong pipeline of projects that are both green and bankable continues to be one of the main barriers to green infrastructure development in Southeast Asia. Technical assistance (TA) funds are a fundamental component of ACGF operations and focus, among others, on supporting the development of a pipeline of green and bankable projects across the region, from concept and early-stage design to late-stage structuring. The ADB TA project **Green and Innovative Finance Initiative for Scaling up Southeast Asian Infrastructure**, funded by both internal ADB resources and external support from the Government of the Republic of Korea through its e-Asia and Knowledge Partnership Fund, continued to allocate funds in 2021 for ACGF project structuring as well as for capacity development.

In addition to TA resources, experts from the ACGF PST continued to proactively engage with ADB sector and country teams to assess entry points for green and innovative finance in sovereign operations. The team also continued to raise the potential for AIF financing through the ACGF regular and concessional windows as part of country programs in Cambodia, Thailand, and Viet Nam and through direct interaction with line ministries, state-owned enterprises, and other government agencies in ASEAN member states. These efforts have led to a strategic involvement of the ACGF PST in the conceptualization, structuring, and processing of numerous projects. Efforts especially focused on the design of de-risking facilities or financial intermediation loans aimed at better leveraging private capital under clear green frameworks, benchmarks, and indicators.

As a result, the ACGF’s project origination efforts in 2021 broadened from 2020 both in number of projects and sectors supported. By the end of 2021, the ACGF had provided structuring support to a pipeline of 29 projects (10 early-stage and 19 late-stage), compared to 22 in 2020 and 4 in 2019. This reflects the large demand for support in developing and structuring projects at both early and late stage.
The PST works closely with a wider number of external partners to monitor green and innovative finance concepts and project opportunities beyond the ADB pipeline. For example, an early-stage concept designed in collaboration with the Global Green Growth Initiative (GGGI) focused on the conservation and restoration of land, ocean, and waterbodies ecosystems in Indonesia, is in exploratory phase and has been presented to government counterparts.
Box 2: Structuring the SDG Indonesia One Green Finance Facility

The ACGF Project Structuring Team developed and discussed concepts for national facilities that can help de-risk green projects in Cambodia, Indonesia, the Philippines, and Viet Nam. In Indonesia, SDG Indonesia One, a national facility to finance projects that contribute to the achievement of the Sustainable Development Goals (SDGs), was launched in October 2018 under PT Sarana Multi Infrastruktur, a state-owned company under the Ministry of Finance of Indonesia.

Technical assistance under the ACGF supported the creation of the SDG Indonesia One Green Finance Facility (SIO-GFF). The facility aims to combine four principles: (i) support green or SDG-related infrastructure, (ii) provide a de-risking financing mechanism through innovative use of public funds, (iii) leverage commercial funds into projects with a multiplier three times on average, and (iv) help design and structure green projects and innovative finance instruments.

SIO-GFF will design and operationalize a model (replicable for other sustainable development goals) using innovative financing tools for project de-risking with clear green and SDG frameworks, and a pipeline of green infrastructure projects blending private and sovereign funds, with at least 450,000 tCO₂ₑ per year reduced by SIO-GFF financed projects. The SIO-GFF will also contribute to the country’s economic stimulus for a sustainable post-COVID-19 recovery, generate employment, and ensure an SDG focus in sectors including infrastructure, health, and eco-tourism, which were adversely affected by the pandemic. A funding of $150 million from the Asian Development Bank is expected to be approved in early 2022.

ACGF = ASEAN Catalytic Green Finance Facility, ASEAN = Association of Southeast Asian Nations, COVID-19 = coronavirus disease, GFF = green finance facility, tCO₂ₑ = ton of carbon dioxide equivalent.
Source: ADB.
New initiatives to originate new projects for the ACGF pipeline

Building on the lessons learned in 2019 and 2020 and commensurate with challenges to promote a green recovery in ASEAN, an expanded project origination strategy was designed, with two new initiatives launched to proactively develop pipelines of green and innovative projects in ASEAN:

- **The 6 Champions Program:** the program focuses on project origination by combining green and innovative finance pitching and capacity building activities for ASEAN government officials, to identify new projects and enhance the capacities of government officials in the use of green and innovative finance instruments. This is achieved through proactive innovative “finance clinics,” combining identification of relevant and replicable concepts and global best practices with green finance capacity building training, and providing TA support to develop concepts and early-stage projects. Some of the identified thematic areas are green urban public transport systems; climate smart urban water, sanitation and hygiene systems; renewable energy and energy efficiency; electric vehicles and charging infrastructure; nature-based agri-business value chains; and green, social, and sustainability bonds.

- **The Blue SEA (Southeast Asia) Finance Hub:** established in the ADB Indonesia Resident Mission and launched in November 2021, the hub will support the operationalization of ADB’s Action Plan for Healthy Oceans and Sustainable Blue Economies in ASEAN and will focus on developing bankable ocean health projects and innovative finance mechanisms, enhancing capacities of national and subnational governments and state-owned enterprises and upscaling of small and medium-sized enterprises (SMEs) in Indonesia, the Philippines, Thailand, and Viet Nam by pooling together resources from ADB, ACGF, and cofinancing partners.

### Box 3: Developing the Concepts of a Finance Facility for Healthy Land, Ocean, and Waterbodies

The ACGF Project Structuring Team in collaboration with the Global Green Growth Institute developed and discussed concepts for an innovative finance vehicle to leverage government, ADB, ACGF, and partner financing to crowd in private capital for projects focusing on peatland, coastal, and marine areas. It aims to provide tailored finance and de-risking instruments to ecosystem conservation and restoration subprojects and related infrastructure by

- assisting in structuring coastal (mangrove), marine (coral reef), and peatland projects to increase their bankability;
- attracting private and philanthropic sources of capital, including access to capital markets through carbon credit schemes; and
- supporting the achievement of Sustainable Development Goals through (i) infrastructure creation, (ii) redevelopment and maintenance, and (iii) policy and enforcement.

Technical assistance under the ACGF supported the creation of the facility concept, which was presented to government agencies and financial institutions.

ACGF = ASEAN Catalytic Green Finance Facility, ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations.

Source: ADB.

### Capital Markets Development

Further fueled by the COVID–19 pandemic and the need for a green and sustainable recovery, many public actors have turned to the capital markets as a source of finance to fund their sustainable and green recovery initiatives. In 2020–2021, approximately $5.6 billion was mobilized through three sustainability bonds issued in Thailand with ACGF support.

Based on the success of the support provided to maiden sustainability and social bond issuances in Thailand in 2020, the ACGF continued to strengthen its focus on supporting capital market development in the region. In March 2021, the National Housing Authority of Thailand completed issuance of a successful bond tranche of B3 billion. In September 2021, with support from the ACGF and the ADB country team, they upgraded their social lens to a broader sustainability framework and issued a maiden Sustainability Bond covering affordable housing and energy efficiency of B2.1 billion. The ACGF and ADB country team supported project selection and reporting and continued to provide post-issuance support. In April 2021, the Thai Sovereign Bond—supported by the ACGF team in 2020—won the Climate Bonds Initiative’s “Sovereign Green Market Pioneer” award.
Technical assistance for green bond issuances was also provided in Indonesia. The ACGF team supported PLN Indonesia’s maiden Sustainability Framework and a benchmark renewable energy focused green bond, which passed a successful external review following detailed project selection support, with expected issuance in 2022. Technical assistance for the issuance of a sovereign sustainability bond is also being explored in the Philippines.

In addition, numerous reports and knowledge products were produced during the year including a Green Recovery for Thailand report, and Green Infrastructure Investment Opportunity reports for both Thailand and Indonesia. Chapter 5 has further details on these and other knowledge products.

The pipeline for broader thematic bonds and issuances at both national and subnational level continues to expand, with growing interest from several ASEAN member countries and existing issuer clients. The ACGF team commenced development of a capital markets strategy for ASEAN to deepen the growth of green, social, and sustainability bonds.

**Box 4: Supporting Thailand’s Efforts to Promote Affordable Housing and Energy Efficiency through Sustainability Bonds**

Globally, buildings used for housing is a large source of global greenhouse gas emissions. There is growing recognition in Asia that its rapid economic growth will challenge governments to not only meet the demand for affordable housing, but to do so in a sustainable manner.

The National Housing Authority (NHA) of Thailand is a state-owned enterprise with a mandate to develop affordable housing for low-income households. In recent years, the NHA has focused on integrating sustainable urban housing concepts and approaches into its assets, including energy efficiency measures, eco-housing concepts, and aligning themselves with national energy efficiency labels. In 2020, the NHA initiated an effort to raise capital in the domestic bond market through the issuance of social bonds and successfully raised $200 million through their maiden social bond, with support from the Asian Development Bank (ADB), including drafting of the NHA’s social bond framework. In 2021, the NHA issued a subsequent social bond for about $100 million in March and a sustainability bond for about $60 million in September, also with ADB’s assistance to upgrade their social framework to a sustainability framework by adding environmental elements.

In May 2021, the Global Environment Facility approved a $3.1 million grant to accelerate the NHA’s green housing efforts. The NHA will utilize these inputs to enhance the sustainability of 130,000 new buildings planned for construction by 2027.

ADB = Asian Development Bank, NHA = National Housing Authority. Source: ADB.
5 Knowledge and Capacity Building: Increasing Awareness and Capacity

The success in mainstreaming the ACGF as a permanent facility and in attracting the interest of relevant partners in the international green finance arena is also the result of continued efforts in raising awareness of the critical and positive impact that green and innovative finance solutions have in the social, economic, and environmental development and recovery of the region. The ACGF believes that a solid strategy to build knowledge and capacity adds value to the development of green infrastructure programs and pipelines.

In this sense, the ACGF keeps pursuing the objectives of:

- sharing global knowledge and best practice to spur the development of green finance in the region,
- using a sustained and consistent approach to building knowledge and capacity in governments over time, and
- identifying and enabling government champions to drive green finance initiatives.

The ACGF’s knowledge and capacity building activities in 2021 focused on the following:

- **Knowledge products.** The ACGF developed knowledge products showcasing green and innovative finance concepts and models applicable and/or replicable in the region. The knowledge products follow the criteria that these must result in a new financing concept, tool, or policy enabler for green finance in Southeast Asia.
- **Trainings.** The ACGF delivered green finance capacity building trainings under the ACGF 6 Champions Program.
- **Awareness-building.** The ACGF achieved extensive participation in external events and media exposure.

Knowledge activities were pursued in collaboration with strategic partners, such as the Climate Bonds Initiative (CBI), the GGGI, the Organisation for Economic Co-operation and Development, and the World Economic Forum, in addition to internal ADB units and platforms.

**Thought Leadership and Knowledge Sharing**

In 2021, the ACGF team continued to create and share global knowledge and best practice on key subjects, including SDG bonds and blue finance. It also participated in an ever-growing number of external events across the region. Selected examples of concerted efforts to share knowledge on capital markets and blue finance are given below.

**Capital Markets and SDG Bonds—promoting Green and Sustainable Investment**

The ACGF continued to work on identifying innovative finance mechanisms to support the SDGs as part of a post-COVID-19 green recovery, focusing on, among other things, capital markets development. The *Accelerating Sustainable Development After COVID-19: The role of SDG bonds* report was prepared in close collaboration with the Sustainable Development Investment Partnership for the ASEAN region of the World Economic Forum and launched in July 2021. In addition to its analysis of the current SDG bond market in the region, the publication proposes a new type of SDG bond that could contribute to accelerating sustainable development in the region.

As a result, the ACGF was commissioned to contribute to the World Economic Forum’s blog platform, and the article was later re-posted on the ADB website. Box 5 has more information on the ACGF’s launch campaign.

At a more technical level, a [thematic bonds primer](https://www.adb.org/publications/sustainable-development-after-covid-19-sdg-bonds) was produced, outlining the recent traction theme bonds have gained. Based on the ACGF support to issuing Thailand’s first sustainability and social bonds in 2020, it explains how theme bonds can help finance COVID-19 recovery programs and projects while catering to specific targets such as environmental sustainability, infrastructure development, and social protection.

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In collaboration with CBI, the ACGF PST supported the development of the *Green Infrastructure Investment Opportunities: Thailand 2021 Report*. This work built on the momentum created by the sustainability bond issuance supported by the ACGF in 2020 and 2021. The report aims to facilitate greater engagement on capital markets and green infrastructure between project owners and developers, and institutional investors. It explores green infrastructure and potential green finance instruments, and presents investment options and policy recommendations for growing green pipelines and attracting more green investment.

Complementing the many knowledge products, the ACGF also organized a green bonds training under the 6 Champions Program (see below) and the ACGF has already received requests from the region on further training on green bonds in 2022.

**Blue Finance**

In November 2021, the Blue SEA Finance Hub was launched at a virtual roundtable with participation from government agencies, development partners, and the private sector. The hub will be hosted by the ADB Indonesia Resident Mission and aims to proactively support the ADB Ocean Financing Framework and its *Action Plan for Healthy Oceans and Sustainable Blue Economies*. As part of the event, a memorandum of understanding was signed between ADB and the United Nations Development Program.

Following the launch, the ACGF report *Financing the Ocean Back to Health: An Approach Paper for Mainstreaming Blue Finance in Southeast Asia* was published. The report focuses on investment approaches, opportunities, and finance mechanisms that are available to promote and catalyze funds for a sustainable ocean economy (multilateral or bilateral sources, a market-based approach, incentives, and regulations, etc.). It looks at the need to align those mechanisms with a cohesive development framework for the blue economy.

**Sharing knowledge through a range of products and participation in external events**

In 2021, a total of 14 knowledge products were produced, including 4 reports focusing on green finance instruments and investment opportunities in the region, in addition to articles, videos, and podcasts based on the ACGF research work, and institutional documents and awareness raising materials to promote the work of the facility. The full list of knowledge products is in Appendix 2 and on the ACGF website.9

In 2021, ADB and the ACGF also contributed as moderators, panelists or presenters to 37 global and regional events to build awareness of the potential for green finance in the region, and raise the profile of the ACGF, compared to nine in 2020 and one in 2019.

**Building Knowledge—Organization of Events and Trainings**

In 2021, the ACGF organized seven high-level dialogues and roundtables as well as one capacity building training, leveraging the strengths of ACGF knowledge partners and with a strong focus on a post-COVID-19 green recovery. In total, the ACGF organized 15 roundtables during the pilot period, and 63 government officials (56% of which were women) participated in trainings, both exceeding the targets of 3 roundtables and 30 government officials.

The full list of knowledge events is in Appendix 2, and on the ACGF website, with a selection of key 2021 events.

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Promoting a green recovery through ADB’s leading development symposium for Southeast Asia

The second Southeast Asia Development Symposium was held in March 2021. It explored how countries in Southeast Asia can position themselves for an inclusive post-COVID-19 recovery, and how they can improve access to vaccines, revitalize businesses, create jobs, and harness big data and new technology to support growth.

The ACGF joined the symposium to support ADB in promoting and implementing a green recovery in Southeast Asia, by helping governments develop innovative finance mechanisms that can catalyze green infrastructure investment in developing Asia, as presented in its 2020 flagship publication Green Finance Strategies for Post-COVID-19 Economic Recovery in Southeast Asia: Greening Recoveries for Planet and People. The ACGF organized and moderated a session on Financing Post-Pandemic Green Growth and Green Recovery, in partnership with the European Union SWITCH-Asia Programme and the Organisation for Economic Co-operation and Development and presented findings of the ADB Brief Implementing a Green Recovery in Southeast Asia. The policy brief describes how green finance can provide the fiscal firepower to manage the impact of the crisis and steer economies toward resource-efficient and low-carbon growth. The findings were further discussed and presented at the 15th Policy Actions for COVID-19 Economic Recovery (PACER) Dialogue, event organized in collaboration with an ADB supported capacity building program.

In addition, the ACGF signed various articles and blogs on the need for and benefits of green finance for a post-pandemic recovery in the region.

Promoting ACGF’s role in supporting Green Recovery at COP26

ADB and the ACGF, in partnership with the Foreign, Commonwealth and Development Office of the UK, and the GCF, organized a high-level event Financing Green Recovery for a Low-Carbon and Climate-Resilient Southeast Asia with partners and governments at COP26 to discuss critical actions needed to finance a green recovery in ASEAN developing member countries after COVID-19.

The event discussed how programs and activities by major development partners can be leveraged to support ASEAN developing member countries catalyze financing for NDCs as part of their COVID-19 recovery efforts. The event also announced support for the ASEAN Green Recovery Platform, through the ACGF, that will develop and finance green infrastructure projects that align with the ambitions of the Paris Agreement, aspiring to use $665 million of development funds to catalyze $7 billion for green infrastructure across ASEAN.

The full session can be watched online.

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Capacity building under the 6 Champions Program

As described in Chapter 4, the ACGF 6 Champions Program is a project origination initiative using capacity building activities for government officials of ASEAN member states, aiming to identify and originate new green and innovative projects in the region, and to enhance capacities of government officials in the use of green and innovative finance instruments. The capacity building section of the program is designed to support senior and mid-level officials from ASEAN countries to become green finance champions. The program focuses on awareness raising, dialogue, and targeted training on green and innovative finance instruments, delivered as part of existing international platforms and programs.

Designed in 2020, delayed due to COVID-19 travel restrictions, the ACGF delivered its first training under the program in 2021, in collaboration with the CBI. The Green Bond Training for ASEAN government officials took place in seven sessions between November and December 2021, with a total of 28 participants (61% of whom were women), 21 of whom were ASEAN government officials (57% of whom were women) from eight countries, and included both a taxonomy deep dive and a project selection workshop where participants developed their own potential green, social, or sustainability debt instruments.

Communications—A Strategic Tool for Knowledge Sharing and to Establish Thought Leadership

Throughout the year, the ACGF prioritized strategic communications to establish the facility as a thought leader in the field of green financing in Southeast Asia. Not only did the ACGF name and logo appear in more publications and keynotes than ever before, but team members also appeared in more media outlets and participated in more events than in previous years. By the end of 2021, the ACGF was frequently approached by organizers of conferences, roundtables, and other events, indicating the ACGF’s relevance and rising profile as a thought leader in the region.

The strategic approach to communications was also used to intentionally tie important announcements and launches to high-profile events and produce specific communications products to accompany them for increased outreach and impact. A prime example of this strategy was the launch of the flagship knowledge product Accelerating Sustainable Development after COVID-19: The Role of SDG Bonds at the Sustainable Development Investment Partnership’s annual meeting in July 2021 and the accompanying animated video that promoted the publication (Box 5), as well as a blog post on SDG bonds published on the World Economic Forum’s Agenda blog platform and re-posted on ADB’s own website (footnotes 6 and 7).

The ACGF’s announcement of four new cofinancing partners was highly prioritized by ADB’s Department of Communications and took place at COP26 in Glasgow early November 2021, accompanied by a campaign on both ADB’s and the ACGF’s social media channels. The Blue SEA Finance Hub was launched in November 2021 with a web page and another animated video to garner interest from the development community.

The year 2021 was also when the ACGF joined Twitter and LinkedIn to interact more actively with current and potential partners, key players in the development sector, government officials, and everyone else with an interest in the ACGF’s work in particular or climate finance in general.

In July 2021, the ACGF published the *Accelerating Sustainable Development after COVID-19: The Role of SDG Bonds* report in collaboration with the Sustainable Development Investment Partnership (SDIP) for the ASEAN region of the World Economic Forum. The report summarizes how SDG bonds can play a crucial role in a green post-pandemic recovery and proposes a new concept, the so-called SDG Accelerator Bond that de-risks SDG bonds in a region where investment is often seen as risky. A strategic communications campaign was planned and implemented to raise awareness, promote dissemination and spark discussions on SDG bonds.

As a teaser, the ACGF team produced a [two-minute animated video](https://www.adb.org/news/videos/accelerating-sustainable-development-after-covid-19-role-sdg-bonds) shared with a wide variety of audiences to explain the fundamentals of the content and raise curiosity about the topic of SDG bonds. The publication launch was timed with the SDIP’s Annual Meeting with link included in SDIP’s subsequent newsletter. Simultaneously a blog post was published through the [World Economic Forum’s Agenda platform](https://www.weforum.org/agenda/2021/07/sdg-bonds-accelerate-green-recovery/) and [ADB’s blog platform](https://blogs.adb.org/blog/how-sdg-bonds-can-accelerate-green-recovery/).

As a result of the campaign, in 2021 alone the report was downloaded 1,551 times, and the ADB blog post was viewed 746 times in addition to more than 1,100 times on the World Economic Forum’s Agenda blog platform and several other outlets that re-published the post.
Lessons learned
During the pilot phase, numerous lessons were learned, that the ACGF takes with it as it continues to develop and grow. Above all, there is a lack of projects that are both green and bankable; a need to strengthen the capacity to structure projects for financial sustainability, and constrained opportunities to leverage private sector funds due to nascent capital markets in several countries.

Concerted effort needed to promote green recovery
COVID-19 has resulted in unique challenges and opportunities for the development of green projects. ASEAN member countries’ estimated $250 billion allocations toward COVID-19 response and recovery efforts provide a window of opportunity to change the future infrastructure pipelines of the region, but so far it offers limited support for a green recovery. Immediate action is needed to prioritize, prepare, and finance low-emission and adaptation projects that create green jobs. The ACGF’s role in the green finance landscape positions it well to strongly promote a green recovery in the region.

Persisting lack of projects and a pipeline
There is a lack of projects that are both green and bankable, and with project development slowing in some areas due to COVID-19, this gap is ever widening. Catalyzing PIC capital beyond operation and maintenance expenditures remains a challenge for most green projects. Making technical assistance available widely and early in the project cycle is important, as evidenced by the demand for ACGF-related assistance.

Broadening access to capital markets
The continued success of the global and regional market for green, social, and sustainability bonds in 2021 demonstrated the potential for capital markets to support COVID-19 recovery and has the potential to become a key source of private capital mobilization. Continued support is needed to harness these instruments for governments, and especially to expand this to support local governments.

Revolving concessional funds to increase impact
With increasingly limited concessional funds available to support projects, there is a need to use innovative models to benefit a longer pipeline of projects. While the ACGF has been successful in attracting the interest of partners, it will be important to limit the use of new partner funds at a project level to enhance leverage, and revolve these to maximize impact across a broader pipeline.

Priorities for 2022
Building on the pilot phase, performance targets for 2022–2024 are presented in the ACGF’s rolling 3-year workplan (Appendix 1). For 2022, the priorities include the following:

- Strengthening partnerships and financing arrangements
  In 2022, the ACGF will continue to strengthen its fund management and deepen relations with existing and new partners, through collaboration and knowledge exchange in addition to cofinancing, while maintaining the focus on project approvals and allocation of partner funds into a growing body of approved projects cofinanced by partners.

- Proactive origination and structuring through 6 Champions
  Under project origination, the team will continue to build and maintain a strong pipeline of projects, by taking a proactive approach to not only structuring but also originating projects and innovative concepts. Through 6 Champions "finance clinics" the focus will be on identifying projects and generating new concepts.

- Expanding access to green capital markets
  Going forward, the ACGF will further its focus on capital markets and the untapped potential of catalyzing large amounts of private capital through green and sustainability bonds. For 2022, the focus will be on engaging with governments to consider accelerating their green, social, and sustainability bond issuances and ensure these are aligned with international best practices, with a focus on Indonesia and the Philippines as a starting point.
• **Dedicated training and knowledge work**
  Building awareness and capacity in the governments of ASEAN member countries will remain a core activity area, catalyzed through investment roundtables and the 6 Champions Program, combining training with project origination and structuring. Knowledge products to support understanding of project pipelines in the region, such as the Green Infrastructure Investment Opportunities reports, will be continued.

• **Expanding communications**
  A range of communication activities, including production of newsletters, videos, and outreach through social media will support all areas and will help further position the ACGF as a frontrunner and trusted partner in green finance in the region.

• **Strengthening implementation**
  ADB will continue to strengthen the implementation arrangements for the ACGF, through a team of ADB staff and secondees, supported by a core team of long-term consultants. It will establish and institutionalize a robust system for monitoring and reporting, for an enhanced focus on results and to support decision making and learning.
Appendix 1. ACGF Rolling Operations Plan 2022–2024

The results of the Association of Southeast Asian Nations (ASEAN) Catalytic Green Finance Facility (ACGF) pilot phase have cemented its role as a key actor supporting a green, resilient, and inclusive recovery in Southeast Asia post the coronavirus disease (COVID-19) pandemic. Looking forward, the ACGF’s dynamic and flexible approach to providing relevant and timely support to government counterparts in the region will continue. At the same time, there is a need to further structure and strengthen implementation as both volumes and scope expand. This will require the ACGF to put stronger emphasis on ensuring a strategic approach, while it continues to support a broader range of early and late-stage projects. Additionally, the ACGF will remain a hub for climate finance knowledge sharing and thought leadership, by increasing capacities and contributing with expert knowledge in a range of areas.

As a permanent facility, the ACGF will continue its current path, and, as many of the supported projects in various stage of structuring mature and are approved for financing, achieve stronger impact and contribute to climate change mitigation and adaptation, as well as to other environmental benefits.

Priorities for 2022-2024

The objective of the ACGF is to accelerate the development of green infrastructure in Southeast Asia by better utilizing public funds to create bankable projects and catalyze private capital, technologies, and management efficiencies.

For the 2022–2024 period, the ACGF will focus on expanding the pipeline of green and innovative projects that reduce greenhouse gas emissions and catalyze private, institutional, and commercial finance. The ACGF will continue to support ASEAN member countries’ shift to low-emission, climate-resilient infrastructure development, with an additional emphasis on promoting a green recovery from the COVID-19 pandemic.

To achieve these objectives, the ACGF will focus implementation in three areas (Table A1): (i) providing funds for de-risking projects; (ii) project structuring and origination, including pipeline development, and support to capital markets development; and (iii) policy, knowledge, and capacity building.

<table>
<thead>
<tr>
<th>Table A1: Proposed Activities 2022–2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Providing de-risking funds to improve the bankability of green infrastructure projects</strong></td>
</tr>
<tr>
<td>• At least six new projects included in formal AIF/ACGF financing pipeline</td>
</tr>
<tr>
<td>• Projected annual greenhouse gas emission reductions of at least 500,000 tCO₂e</td>
</tr>
<tr>
<td>• At least $450 million in financing from private, institutional, commercial funds identified</td>
</tr>
<tr>
<td>• At least $500 million in partner funds leveraged for ACGF projects</td>
</tr>
<tr>
<td><strong>Originating and structuring projects, and developing a green infrastructure project pipeline</strong></td>
</tr>
<tr>
<td>• Eight early-stage concepts developed annually with ACGF-related TA support</td>
</tr>
<tr>
<td>• Five late-stage projects structured annually with ACGF-related TA support</td>
</tr>
<tr>
<td>• Three green and sustainability bonds issued with ACGF-related TA support</td>
</tr>
<tr>
<td><strong>Building policy, knowledge, and capacity</strong></td>
</tr>
<tr>
<td>• 50 stakeholders (30% women) trained through ACGF training programs</td>
</tr>
<tr>
<td>• Three investor roundtables on green finance topics</td>
</tr>
<tr>
<td>• Three green financing frameworks and/or policies supported</td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations, TA = technical assistance, tCO₂e = ton of carbon dioxide equivalent.

Activities

Funds for de-risking green projects

Funding for ACGF projects will be provided as sovereign-guaranteed loans to de-risk green infrastructure projects and transition them to bankability. This funding will include a mix of ASEAN Infrastructure Fund (AIF) resources and cofinancing from development partners, and will be provided alongside cofinancing from the Asian Development Bank (ADB) sovereign operations.

Project Structuring and Origination

ADB’s regional technical assistance (TA) project Green and Innovative Finance Initiative for Scaling Up Southeast Asian Infrastructure will continue to support project structuring and origination and will be complemented by a new ADB TA project focusing on green recovery to be set up in 2022 or 2023. The TA will structure five late-stage projects per year and develop a further eight early-stage concepts per year. Support will also be provided to develop capital markets in the region with a focus on green and sustainability bond issuances.

A proactive approach to project origination will be pursued, through: (i) regular engagement with ADB Southeast Asia Department country offices and sector teams; (ii) ASEAN country roadshows and meetings to engage with finance and sector ministries, subnational and city governments, and other public sector stakeholders; and (iii) liaising with ACGF partners. The ACGF 6 Champions Program and Blue SEA (Southeast) Finance Hub will help to identify early-stage opportunities.

Knowledge and Awareness Building

Knowledge and awareness-raising activities on green finance will be organized in ASEAN member countries with the specific aim of supporting the development of project pipelines and building capacity to better identify project opportunities. Support will also be extended to developing green financing strategies, policies, and frameworks as relevant for building the enabling environment for a green project pipeline in the region.

Partnership Engagements

Engagement with partners will continue through meetings of the ACGF Partners Group, as well as through a dynamic dialogue with financing partners on the project pipeline and cofinancing opportunities, and with knowledge partners on project origination and concepts, trainings and events, and knowledge product development. Administration arrangements (including ADB-administered trust funds, as relevant) will be established and legal agreements finalized to administer contributions from the Green Climate Fund, the European Union, and the United Kingdom. These new funds will support the common theme of promoting a green recovery in Southeast Asia.

Implementation Arrangements

ADB’s Southeast Asia Department Innovation Hub will continue to manage the implementation of the ACGF, under the oversight of the AIF Administrator and Interdepartmental Working Group. The ACGF will continue to carry out financial structuring and project origination, management of ACGF strategy and partnerships, and knowledge and communication activities.
### Table A2.1: Overview of Knowledge Events, Trainings, and Knowledge Products, 2019–2021

<table>
<thead>
<tr>
<th>Type of event</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge products developed by ACGF</td>
<td>1</td>
<td>10</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>Knowledge events organized by ACGF with partners</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Trainings organized by ACGF with partners</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Number of participants (of which ASEAN officials)</td>
<td>-</td>
<td>62 (42)</td>
<td>28 (21)</td>
<td>90 (63)</td>
</tr>
<tr>
<td>Other knowledge events with ACGF participation</td>
<td>1</td>
<td>9</td>
<td>37</td>
<td>47</td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, ASEAN = Association of Southeast Asian Nations.
Source: ADB.

### Table A2.2: Knowledge Products Developed in 2021 (as of 31 December 2021)

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Category</th>
<th>Site Visits</th>
<th>Downloads/Views</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Green, Sustainability, and Social Bonds for COVID-19 Recovery: A Thematic Bonds Primer</td>
<td>Brochure</td>
<td>2,284</td>
<td>1,434</td>
</tr>
<tr>
<td>3</td>
<td>ADB's SERD Innovation Hub: Fostering Green and Innovative Finance across Southeast Asia</td>
<td>Brochure</td>
<td>1,869</td>
<td>1,002</td>
</tr>
<tr>
<td>4</td>
<td>The ASEAN Catalytic Green Finance Facility (ACGF): 12 Things to Know</td>
<td>Article</td>
<td>1,087</td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>Accelerating Sustainable Development After COVID-19: The Role of SDG Bonds</td>
<td>Report</td>
<td>3,533</td>
<td>1,551</td>
</tr>
<tr>
<td>6</td>
<td>Accelerating Sustainable Development After COVID-19: The Role of SDG Bonds</td>
<td>Video</td>
<td>630</td>
<td>615</td>
</tr>
<tr>
<td>7</td>
<td>Q&amp;A: Funding Green Recovery in Southeast Asia</td>
<td>Article</td>
<td>1,050</td>
<td>N/A</td>
</tr>
<tr>
<td>8</td>
<td>How SDG Bonds Can Accelerate a Green Recovery from the Pandemic</td>
<td>Blog</td>
<td>746</td>
<td>N/A</td>
</tr>
<tr>
<td>9</td>
<td>Green Policies for Post-COVID-19 Economic Recovery in Southeast Asia</td>
<td>Blog</td>
<td>1,040</td>
<td>N/A</td>
</tr>
<tr>
<td>10</td>
<td>Q&amp;A: ASEAN Green Recovery Platform</td>
<td>Article</td>
<td>727</td>
<td>N/A</td>
</tr>
<tr>
<td>11</td>
<td>Financing the Ocean Back to Health in Southeast Asia: Approaches for Mainstreaming Blue Finance</td>
<td>Report</td>
<td>516</td>
<td>339</td>
</tr>
<tr>
<td>12</td>
<td>The Blue SEA Finance Hub</td>
<td>Video</td>
<td>225</td>
<td>195</td>
</tr>
<tr>
<td>13</td>
<td>The Blue SEA Finance Hub</td>
<td>Site</td>
<td>166</td>
<td>N/A</td>
</tr>
<tr>
<td>14</td>
<td>Green Infrastructure Investment Opportunities: Thailand 2021 Report</td>
<td>Report</td>
<td>N/A – Published on 28 January 2022</td>
<td></td>
</tr>
</tbody>
</table>

Source: ACGF.
### Table A2.3: Knowledge Events and Trainings Organized by ACGF with Partners in 2021

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date</th>
<th>Location</th>
<th>Type</th>
<th>Total Participants</th>
<th>Participants Government Officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SEADS Symposium – Special Session: Supporting Post-Pandemic Green Growth and Green Recovery (with European Commission-Asia Switch and OECD)</td>
<td>17 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
<td>234 participants (51% women)</td>
<td>53 ASEAN Officials (42% women)</td>
</tr>
<tr>
<td>2</td>
<td>SEADS Symposium: Deep Dive Workshops for ADB Developing Member Country Government Counterparts (Invitation Only). Supporting Post-Pandemic Green Growth and Green Recovery</td>
<td>18 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
<td>46 participants (50% women)</td>
<td>46 ASEAN officials (50% women)</td>
</tr>
<tr>
<td>3</td>
<td>15th PACER dialogues “Green Policies for Post COVID-19 Economic Recovery”</td>
<td>8 Jul</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
<td>65 participants (54% women)</td>
<td>64 ASEAN officials (53% women)</td>
</tr>
<tr>
<td>4</td>
<td>ACGF at COP26 – ‘Financing Green Recovery for a Low-Carbon and Climate-Resilient Southeast Asia</td>
<td>2 Nov</td>
<td>Hybrid - UK</td>
<td>Roundtable / dialogue</td>
<td>25 participants in person (32% women) in addition to online viewers in open live streaming</td>
<td>4 ASEAN officials in person (50% women) in addition to online viewers in open live streaming</td>
</tr>
<tr>
<td>5</td>
<td>Blue SEA Finance Hub Launch – Roundtable ‘Accelerating Blue Finance in the ASEAN Region’</td>
<td>25 Nov</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
<td>77 participants (39% women)</td>
<td>18 ASEAN officials (33% women)</td>
</tr>
<tr>
<td>6</td>
<td>6 Champions Program: Green Bond Training</td>
<td>8, 15, and 22 Nov; 2, 3, and 6 Dec</td>
<td>Virtual</td>
<td>Training</td>
<td>28 participants (61% women)</td>
<td>21 ASEAN officials (57% women)</td>
</tr>
<tr>
<td>7</td>
<td>ADB-CBI Green Bond Training Closing Webinar</td>
<td>7 Dec</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
<td>60 participants (52% women)</td>
<td>38 ASEAN officials (53% women)</td>
</tr>
</tbody>
</table>


Source: ACGF.

### Table A2.4: Other Knowledge Events with ACGF Participation, 2021

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date</th>
<th>Location</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Working Committee on Capital Markets Development (WC-CMD)</td>
<td>5 Feb</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>2</td>
<td>SERD - Roundtable Consultation on COVID-19 Recovery in SEA; Green Recovery session</td>
<td>9 Feb</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>3</td>
<td>ASEAN Finance and Central Bank Deputies’ Working Group (AFCDM-WG)</td>
<td>9 Feb</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>5</td>
<td>Green Social Sustainable Bonds (GSSSBS): Launching the Philippine Initiative</td>
<td>24 Feb</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
</tbody>
</table>

Continued on next page
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date</th>
<th>Location</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>CEFIA Finance Webinar: “Enhancing regional capabilities to attract Cleaner Energy Finance in ASEAN”</td>
<td>4 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>8</td>
<td>Global Round Table on Sustaining Momentum – The role of capital markets in implementing the global sustainability agendas</td>
<td>4 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>9</td>
<td>SEADS Symposium 2021 - ADB President Speech</td>
<td>17–18 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>10</td>
<td>ADB-ERCD-UNDP Regional Webinar: Green and Sustainable Bonds Issuance Process</td>
<td>18 Mar</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>12</td>
<td>ASEAN Finance Ministers’ Meeting’s Special Session between ASEAN Finance Ministers, Central Bank Governors, and Heads of International Financial Organizations</td>
<td>30 Mar</td>
<td>Virtual</td>
<td>Meeting</td>
</tr>
<tr>
<td>13</td>
<td>Developing G20 High-Level Principles on scaling-up Sustainability-linked financial instruments in developing countries</td>
<td>31 Mar</td>
<td>Virtual</td>
<td>Meeting</td>
</tr>
<tr>
<td>14</td>
<td>Danish Embassy Virtual Roundtable Session with the Asian Development Bank</td>
<td>15 Apr</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>15</td>
<td>Virtual Business Opportunities Seminar 2021 with Malaysia</td>
<td>20 Apr</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>16</td>
<td>CNA Leadership Summit 2021 on Green Recovery</td>
<td>22 Apr</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>18</td>
<td>ADB-UNDP Webinar - Easier Capital Raising with Green and Sustainable Labeling</td>
<td>23 Jun</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>21</td>
<td>SDG Dialogues Live Webinar Series</td>
<td>7 Jul</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>22</td>
<td>Philippine Capital Market Development Council (CMDC)</td>
<td>21 Jul</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>23</td>
<td>Inaugural Temasek Foundation Future of Governance in Southeast Asia: Climate Change Programme</td>
<td>5 Aug</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>24</td>
<td>ESG Bonds Development in ASEAN: ASEAN Secretariat’s Technical Assistance for Developing Bond Markets in the Philippines ASEAN+3 Bond Markets Initiative</td>
<td>27 Aug</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>25</td>
<td>UXOLO CLIMATE FINANCE Virtual Event: Accelerating the flow of capital to climate action</td>
<td>30 Sep</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>26</td>
<td>Asia House COP26 Program - Standard Chartered Bank</td>
<td>30 Sep</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>28</td>
<td>8th OECD Forum on Green Finance and Investment - High-Level Plenary on Day 2 – Transition finance, Recovery and Alignment (October 12, 11:35-12:45 CET)</td>
<td>12 Oct</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>29</td>
<td>UK Embassy - Launch of the Philippine Sustainable Finance Roadmap and Guiding Principles</td>
<td>20 Oct</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
</tbody>
</table>

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Table A2.4 continued

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date</th>
<th>Location</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>ADB workshop for Trust Fund Managers: “Leveraging Trust Fund Resources to Support ADB’s Responsiveness to Global Challenges specifically to discuss “Practical Fund-Raising Approach”</td>
<td>21 Oct</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>31</td>
<td>COP26 Event – Department of Finance of the Philippines and TIME Magazine Singapore Panel Discussion on Green Finance</td>
<td>2 Nov</td>
<td>in person</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>32</td>
<td>COP26 Event: Financing A Green, Resilient and Inclusive COVID-19 Recovery in Asia and the Pacific</td>
<td>9 Nov</td>
<td>Hybrid - UK</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>33</td>
<td>5th Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT) Green Council Meeting</td>
<td>9 Nov</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>34</td>
<td>ASEAN Taxonomy Board Webinar</td>
<td>10 Nov</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>35</td>
<td>USAID ESP - Innovative Finance Webinar</td>
<td>18 Nov</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>36</td>
<td>Seminar to EDCF’s vision for Green</td>
<td>24 Nov</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
<tr>
<td>37</td>
<td>Penang’s Green Finance Virtual Conference</td>
<td>4 Dec</td>
<td>Virtual</td>
<td>Roundtable / dialogue</td>
</tr>
</tbody>
</table>


Source: ACGF.

Table A2.5: Institutional Events Related to the AIF and ACGF, 2021

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AIF Informal Board Meeting – policy paper discussion</td>
<td>11 May</td>
<td>Virtual</td>
</tr>
<tr>
<td>2</td>
<td>ACGF Partners Meeting</td>
<td>24 Jun</td>
<td>Virtual</td>
</tr>
<tr>
<td>3</td>
<td>19th AIF Board of Directors Meeting</td>
<td>30 Jun</td>
<td>Virtual</td>
</tr>
<tr>
<td>4</td>
<td>20th AIF Board of Directors Meeting</td>
<td>15 Dec</td>
<td>Virtual</td>
</tr>
<tr>
<td>5</td>
<td>3rd AIF Board of Directors and ACGF Partners Meeting</td>
<td>15 Dec</td>
<td>Virtual</td>
</tr>
</tbody>
</table>

ACGF = ASEAN Catalytic Green Finance Facility, AIF = ASEAN Infrastructure Fund, ASEAN = Association of Southeast Asian Nations.

Source: AIF, ACGF.
About the ASEAN Catalytic Green Finance Facility

The ACGF is an innovative finance facility dedicated to accelerating green infrastructure investments in Southeast Asia. It supports ASEAN governments to prepare and source public and private financing for infrastructure projects that promote environmental sustainability and contribute to climate change goals. The ACGF is a facility under the ASEAN Infrastructure Fund, owned by ASEAN member states and the Asian Development Bank, which also administers the facility.

www.adb.org/acgf

About the Asian Development Bank (ADB)

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members — 49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.