ADB’s Role in Promoting Growth, Green Recovery, and Inclusion in ASEAN
ADB—ASEAN cooperation: six facts


ADB’s overarching goal is poverty reduction and inclusion, which complements ASEAN’s commitment to narrow the development gap and promote equitable sharing of development benefits.

<table>
<thead>
<tr>
<th>Population below International Poverty Line (%)</th>
<th>Population with Access to Electricity (%)</th>
<th>Adult Population with Account at Formal Financial Institution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.15/day</td>
<td>$3.65/day</td>
<td>CLMV</td>
</tr>
<tr>
<td>48.4 1.2 76.5 9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28.4 3.4 59.7 19.5</td>
<td>ASEM-6 CLMV</td>
<td></td>
</tr>
<tr>
<td>33.6 2.9 64.1 16.9</td>
<td>ASEM CLMV</td>
<td></td>
</tr>
<tr>
<td>2000 2019 2000 2019</td>
<td>CLMV</td>
<td></td>
</tr>
<tr>
<td>13.0 37.3</td>
<td>CLMV</td>
<td></td>
</tr>
<tr>
<td>56.6 76.9</td>
<td>CLMV</td>
<td></td>
</tr>
<tr>
<td>37.2 59.3</td>
<td>CLMV</td>
<td></td>
</tr>
</tbody>
</table>

ASEAN-6 = Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand; CLMV = Cambodia, the Lao People’s Democratic Republic, Myanmar, and Viet Nam. Source: ADB.

2. ADB helped establish the ASEAN Infrastructure Fund (AIF) in 2012 and its ASEAN Catalytic Green Finance Facility (ACGF), a $1.9 billion regional green financing initiative supported by nine development financing partners. The ACGF initially operated on a 3-year pilot from 2019 to 2021 and subsequently became a permanent facility. AIF has approved 14 projects at $551.6 million, including four green projects under the ACGF.

ADB and ASEAN have been working toward achieving infrastructure connectivity, increasing trade and investment flows, and improving living conditions. Below is ADB financing support since the formal establishment of the ASEAN Community in 2015.

<table>
<thead>
<tr>
<th>ADB Loans, Grants, and Technical Assistance in Southeast Asia ($ billion)</th>
<th>ADB financing</th>
<th>Cofinancing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.6</td>
<td>3.4</td>
</tr>
<tr>
<td>2016</td>
<td>7.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2017</td>
<td>5.4</td>
<td>1.4</td>
</tr>
<tr>
<td>2018</td>
<td>7.3</td>
<td>4.7</td>
</tr>
<tr>
<td>2019</td>
<td>10.9</td>
<td>3.7</td>
</tr>
<tr>
<td>2020</td>
<td>4.1</td>
<td>2.1</td>
</tr>
<tr>
<td>2021</td>
<td>9.3</td>
<td>7.5</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
<td>9.6</td>
</tr>
<tr>
<td>2023</td>
<td>0.7</td>
<td>5.1</td>
</tr>
<tr>
<td>2024</td>
<td>0.1</td>
<td>9.4</td>
</tr>
<tr>
<td>2025</td>
<td>2.0</td>
<td>7.5</td>
</tr>
</tbody>
</table>


ADB supports capacity building, knowledge sharing, and policy dialogues. The Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and the Greater Mekong Subregion (GMS)—B-I-G Capacity Building Program for Connectivity, which started in 2015, has trained nearly 3,000 government officials.

ADB provided $7 billion financing for COVID-19 response and recovery in Southeast Asia, primarily in health care, social protection, and assistance to small and medium-sized enterprises. ADB identified modalities to address ASEAN financing gaps for pandemic response, including expansion of the COVID-19 Response Fund to the ASEAN Public Health Emergency Fund.
REGIONAL COOPERATION AND INTEGRATION PRIORITIES IN THREE PILLARS

**ADB’s Strategy 2030**
To achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty

**Promoting inclusion**
to help poor people, vulnerable groups, and small businesses cope with recent transformations

**Implementing a green and sustainable recovery**
to address the looming climate crisis and deliver on the sustainable development goals and country targets and commitments

**Reinvigorating growth and competitiveness**
to accelerate recovery and revive the region’s competitive strengths

**Ways ADB can add value**
Regional cooperation and integration mechanisms in Southeast Asia at 3 levels

**Operational priorities organized under three pillars**
Contextualized against the climate crisis and post-pandemic global and regional trends

**ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, MSMEs = micro, small, and medium-sized enterprises. Source: ADB.**
ADB SUPPORTS REGIONAL COOPERATION AND INTEGRATION IN SOUTHEAST ASIA AT THREE LEVELS

1. INDIVIDUAL COUNTRIES
   • Country partnership strategies to support sustainable recovery
   • Capacity building for Timor-Leste to meet accession requirements of ASEAN and the World Trade Organization

2. SUBREGIONAL PROGRAMS
   • Secretariat of the Greater Mekong Subregion Economic Cooperation Program
   • Regional and subregional linkages at strategy, sector, and institutional levels

Three Subregional Programs in Southeast Asia Supported by ADB

<table>
<thead>
<tr>
<th>Program</th>
<th>Establishment Year</th>
<th>Projects/Investments</th>
<th>Value (billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIMP-EAGA</td>
<td>1994</td>
<td>104</td>
<td>$32.9</td>
</tr>
<tr>
<td>IMT-gT</td>
<td>1993</td>
<td>36</td>
<td>$57.0</td>
</tr>
<tr>
<td>Greater Mekong Subreg</td>
<td>1992</td>
<td>359</td>
<td>$30.9</td>
</tr>
</tbody>
</table>

Initial collaboration focused on three sectors:

1. Tourism (and aviation) recovery
2. Clean energy transition
3. Sustainable urban development

Source: ADB.

3. REGIONAL AND ASEAN INITIATIVES
   • Participation in high-level policy dialogues and cooperation initiatives with ASEAN, including the ASEAN Finance Ministers’ Meeting

Catalyzing green finance in ASEAN

The ASEAN Catalytic Green Finance Facility (ACGF) is a regional green finance vehicle under the ASEAN Infrastructure Fund, set up to support transformative climate projects in the region. Since its launch in 2019, nine financing partners have pledged $1.9 billion in cofinancing toward ACGF, of which half has been allocated. ACGF operates as a one-stop shop to originate, develop, and finance climate projects, combining support for upstream planning and downstream projects.

- 6 green projects approved worth $2 billion
- $606 million funds deployed
- 21 green projects developed with technical assistance

Source: ADB.
STONGER REGIONAL COOPERATION AND INTEGRATION FOR GROWTH, GREEN RECOVERY, AND INCLUSION

How will ADB add value?

Southeast Asia Green Finance Hub catalyzes green and innovative financing solutions

Blue Southeast Asia Finance Hub helps governments develop and finance bankable ocean health projects

Southeast Asia Sustainable Tourism Hub assists in developing and financing innovative tourism projects

ASEAN Policy Network supports policy formulation to address the region’s development challenges

Southeast Asia Development Symposium (SEADS) helps crystallize thinking on critical development issues through regular dialogues among ASEAN stakeholders

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations.

Source: ADB.

KNOWLEDGE PARTNERSHIP WITH ASEAN

Some of the more recent publications:

ASEAN and Global Value Chains (GVC): Locking in Resilience and Sustainability—reviews challenges and opportunities faced by GVCs in Southeast Asia as they build greater resilience and promote sustainable, green development for ASEAN and its people.

Joint ADB-ASEAN Study on Narrowing the Development Gap: Follow-Up Monitor of the ASEAN Framework for Equitable Economic Development—tracks development progress of ASEAN member states, including convergence between ASEAN-6 and CLMV.

Reinvigorating Financing Approaches for Sustainable and Resilient Infrastructure in ASEAN+3—provides a practical toolkit for merging public, private, and institutional capital to deliver resilient, sustainable, and future-ready infrastructure in the ASEAN+3 region.

ASEAN+3 = ASEAN plus the People’s Republic of China, Japan, and Republic of Korea; ASEAN-6 = Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand; CLMV = Cambodia, the Lao People’s Democratic Republic, Myanmar, and Viet Nam.
ADB’S WORK IN ASEAN

Shareholder, cofinancier ($3.1 billion cofinancing as of Q1 2023), and administrator of ASEAN Infrastructure Fund (AIF) established to provide innovative financing options for addressing ASEAN’s connectivity challenges

Facilitator of the Energy Transition Mechanism (ETM) that leverages the power of blended finance to accelerate retirement or repurposing of coal-fired power plants in support of the region’s clean energy transition

Administrator of the $13.95 million ASEAN Australia Smart Cities Trust Fund to build livable, green, competitive, inclusive, and resilient cities

Secretariat of the Asian Bond Markets Initiative of ASEAN+3 supporting local currency bond market development in the region

Co-implementer of the ASEAN Agreement on Disaster Management and Emergency Response Work Programme 2021-2025

Collaborator of the ASEAN Health Cluster and ASEAN Centre for Public Health Emergencies and Emerging Diseases

Partner in the ASEAN-ADB Energy Dialogue that will enable access to sustainable financing for regional energy integration and energy transition of ASEAN countries

Co-implementer of joint projects under the Post-COVID-19 Recovery Plan for ASEAN Tourism

Partner in the implementation of the ASEAN Gender Mainstreaming Strategic Framework

For more information, contact:
ASEAN Policy Network
Southeast Asia Department, Asian Development Bank
https://seads.adb.org/asean-policy-network

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