



THE ASEAN WORKSHOP ON INNOVATIVE FINANCING APPROACHES FOR SUSTAINABLE INFRASTRUCTURE

BANGKOK, THAILAND - 11 FEBRUARY 2019

Centara Grand & Bangkok Convention Centre at Central World
Bangkok, Thailand

1. Background and Rationale

Infrastructure in support of **sustainable development** has a critical role to play in Southeast Asia's economic growth, poverty reduction and environmental sustainability. According to the Asian Development Bank (ADB), infrastructure financing needs for ASEAN members is estimated at 5% of GDP between 2016 and 2030, or around \$184 billion per year. This increases to 5.7% of GDP or around **\$210 billion annually** when taking into account adjustments needed as a result of climate change.

At the same time, ASEAN members are still heavily **reliant on public financing** when it comes to infrastructure investment. Meeting the massive investment need with public financing will be untenable in the long run, raising the risk of mounting public debt. Larger volumes of **private investment and commercial capital** will be needed across ASEAN to help bridge the investment gap and reduce pressure on national budgets. Mobilising this financing and increasing access to international institutional investment through capital markets will require ASEAN to develop institutional and financial mechanisms to enhance project bankability.

Innovative financing approaches to mobilize funds from capital markets and attract commercial investors to sustainable infrastructure projects are gaining traction globally. Public finance can be used strategically to leverage and crowd-in private investors through approaches such as blended finance, asset securitization, minimal revenue guarantees, etc. These mechanisms help to mitigate and better allocate risks for the public and private sector.

The **ASEAN Workshop on Innovative Financing for Infrastructure** is being held on the 11th of February 2019, in the margins of the ASEAN Finance and Central Bank Deputies' Working Group Meeting (AFCDM-WG), to exchange knowledge and experiences on innovative finance approaches for sustainable infrastructure projects in ASEAN, and discuss viewpoints on infrastructure financing in the region. It will target ASEAN officials, private sector banks and investors, and international actors.

2. Objectives

2.1 To share experiences among ASEAN members, private sector and other experts on possible non-traditional (vs. pure public sector funding) financing approaches for infrastructure development for accelerating crowding in of private and commercial capital.

2.2 To enhance ASEAN members' understanding of the structures underpinning several of these non-traditional financing approaches, especially public sector roles in risk mitigation, benefits and limitations, and replicability in light of each member country's ecosystem.



2.3 To identify the possible needs or roadmaps for enhancing ASEAN member countries' capacities and potential to implement such non-traditional approaches for attracting private capital including pilot projects/regions/countries.

2.4 To pave the way for further cooperation among ASEAN regarding the development of the capital market to facilitate non-bank financing for infrastructure development.

3. Expected Outputs

3.1 Workshop participants have an increased understanding of non-traditional approaches for financing infrastructure development, especially the means of financing which suits each country's ecosystem.

3.2 Summary of findings from the workshop will be studied further by the ASEAN Finance and Central Bank Deputies' Working Group Meeting (AFCDM-WG), the Working Committee on Capital Market Development (WC-CMD) and the ASEAN Capital Markets Forum (ACMF).

4. Workshop Format

The workshop format is designed to facilitate audience interactions and panel discussions around the current topical themes in infrastructure financing across the world. Also, participants are expected to formulate possible follow-on actions. The workshop will involve high-level experts from both public and private sectors.

5. Key Themes for the Workshop

1. Green Finance: (focus on) National Green Funds for Accelerating Infrastructure Investments and the Capital Markets
2. Leveraged & Blended Finance: (focus on) Asset Recycling and Securitization to reduce fiscal burdens
3. Blue Bonds for Oceans and Water Bodies

Each theme will start with a keynote expert speaker followed by a panel debate between experienced practitioners from various sectors.

6. Date and Venue

The workshop will take place on 11 February 2019 at the Centara Grand & Bangkok Convention Centre at Central World, Bangkok, Thailand.

7. Expected Participants

The Workshop will be attended by government officials in ASEAN interested in and responsible for developing financing approaches for infrastructure or PPPs, and experts from the private sector (e.g. consultancy and commercial firms) and experts from international organizations such as the ADB.

Agenda and Program

11 February 2019

8:00 – 8:30	Registration	
8:30 – 9:00	Opening Session	
	Welcome remarks by representatives of the Asian Development Bank (ADB) and the Fiscal Policy Office, Ministry of Finance of Kingdom of Thailand.	<ul style="list-style-type: none">- Ramesh Subramaniam, Director General, Southeast Asia Department, ADB- Ketsuda Supradit, Deputy Director General, Fiscal Policy Office, Ministry of Finance, Thailand
9:00 – 9:30	Session 1: Setting the Stage by organisers (ADB)	
	Context: The Need for Innovative and Sustainable Finance. This session will briefly outline the critical need for innovative financing in ASEAN, especially in the context of sustainable infrastructure.	<ul style="list-style-type: none">- Alfredo Perdiguero, Director, Regional Cooperation and Operations Coordination Division, Southeast Asia Department, ADB- Anouj Mehta, Principal Regional Cooperation Specialist, Southeast Asia Department, ADB
9:30 – 10:00	Group Photo-taking and Coffee Break	
10:00	Session 2: Thematic sessions	
10:00 – 11:15	Theme 1: Green Finance	
	Context - Overview of Green Finance theme. The speaker will present what Green Finance means, some data, and especially the challenges in mainstreaming this in ASEAN, presenting 2-3 examples to be provided (Bonds, Green Facilities, Green Stock Exchanges). The speaker will pull together the key challenges and policy recommendations emerging from the session for use in Session 4.	Speaker and panel moderator (15 min): Andrew Jauncey , Head of Corporate Planning, Clean Energy Finance Corporation
	Moderated panel discussion: How can we scale up green finance in ASEAN?	Panelists (30 min): <ul style="list-style-type: none">- Subash Narayanan, Deputy Head Project Finance, Development Bank of Singapore- Christopher Botsford, Co-founder, Joint Chief Investment Officer, ADM Capital- Aleksi Lumijärvi, Program Manager, Nordic Development Fund- Kristiane Davidson, Green Infrastructure Investment Opportunities Programme Manager, Climate Bonds Initiative
	Open discussion	Panelists and audience (30 min)

11:15 – 12:30 **Theme 2: Blended / Leveraged Finance**

Context: Overview of Blended / Leveraged Finance.

The speaker/moderator will provide an overview of blended finance approaches and examples. The moderator will need to pull together the key challenges and policy recommendations emerging from the session for use in Session 4.

Moderated panel discussion: Mobilizing private finance through blended / leveraged finance – opportunities and challenges?

Open discussion

Speaker and panel moderator (15 min):

Mark Rathbone, Capital Projects & Infrastructure Leader, Asia, PricewaterhouseCoopers

Panelists (30 min):

- **Angela Marcarino Paris**, Head of the Asia and Pacific Public Sector Division, European Investment Bank
- **Young Seok Kim**, Director General, MDB Co-Financing Division, EDCF Korea Eximbank
- **Abhishek Dangra**, Lead Analyst for South & South East Asia, S&P Global Ratings
- **Jenny Koh**, Regional Director Asia, GuarantCo

Panelists and audience (30 min)

12:30 – 13:30 **Lunch**

13:30 – 14:45 **Theme 3: Blue Bonds**

Context - Blue Bonds. The speaker/moderator will provide an overview of the emerging blue finance segment. The moderator will need to pull together the key challenges and policy recommendations emerging from the session for use in Session 4.

Moderated panel discussion: What is the potential for Blue Bonds in ASEAN?

Open discussion

Speaker and panel moderator (10 min):

Raghu Rama Swamy, Senior Lecturer, Faculty of Architecture, Building and Planning, University of Melbourne

Panelists (35 min):

- **Rahul Sheth**, Executive Director, Debt Capital Markets, Standard Chartered Bank
- **Valeria Ramundo Orlando**, Vice President, Blended Finance, Rare
- **Alain Maulion**, Country Manager for the Philippines, Blue Finance
- **Carlos Sanchez**, Director, Capital Science & Policy Practice, Willis Towers Watson

Panelists and audience (30 min)

14:45 – 16:00 **Session 3: Innovative Finance Initiatives in ASEAN**

Moderated panel discussion on innovative finance initiatives:

- ASEAN Catalytic Green Facility
- Thailand Future Fund
- Indonesia SDG One
- Philippine Initiatives
- Thailand SEC Initiatives
- Other Initiatives (tbc)

Moderator:

- Hung Ba Nguyen**, Trade Specialist, Southeast Asia Regional Department, ADB

Speakers (45 min):

- Natnipha Luangsomboon**, State Enterprise Analyst, Senior Professional Level, State Enterprise Policy Office, Thailand Ministry of Finance

- b. **Darwin Trisna Djajawinata**, Director, PT Sarana Multi Infrastruktur (Persero)
- c. **Ephyro Luis B. Amatong**, Commissioner, Philippines Securities and Exchange Commission
- d. **Madasiree Sunthornyotin**, Director, Corporate Finance-Equity and Infrastructure Department, Securities and Exchange Commission of Thailand

Open discussion

Panelists and audience (30 min)

16:00 – 16:15 **Coffee Break**

16:15 – 17:15 **Session 4: The Way Forward**

Group discussion: Messages for ASEAN policymakers - What do we need to promote innovative finance in ASEAN?

Mark Rathbone will present 5-6 challenges to mainstreaming innovative finance for infrastructure in ASEAN and the aligned key policy recommendations to mitigate these. The 5-6 issues would have been gathered from the discussions in the previous 3 sessions.

After the presentation of the 5-6 issues, a group of senior policy makers from ASEAN governments (either from the audience or asked onto the stage) will be asked to give their quick feedback on these recommendations. The findings will be presented by FPO/ADB at the ASEAN Finance and Central Bank Deputies' Working Group Meeting (AFCDM-WG) on February 15th, 2019.

Facilitator (20 min):

Mark Rathbone, Capital Projects & Infrastructure Leader, Asia, PricewaterhouseCoopers

Feedback from group of ASEAN policy makers (40 min)

17:15 – 17:30 **Closing Session**

Closing Remarks by representatives from ADB

- **Hideaki Iwasaki**, Country Director, Thailand Resident Mission, ADB