



The ASEAN Catalytic Green Finance Facility

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The need: Paris Challenge

Massive Need for Climate Resilient Infrastructure

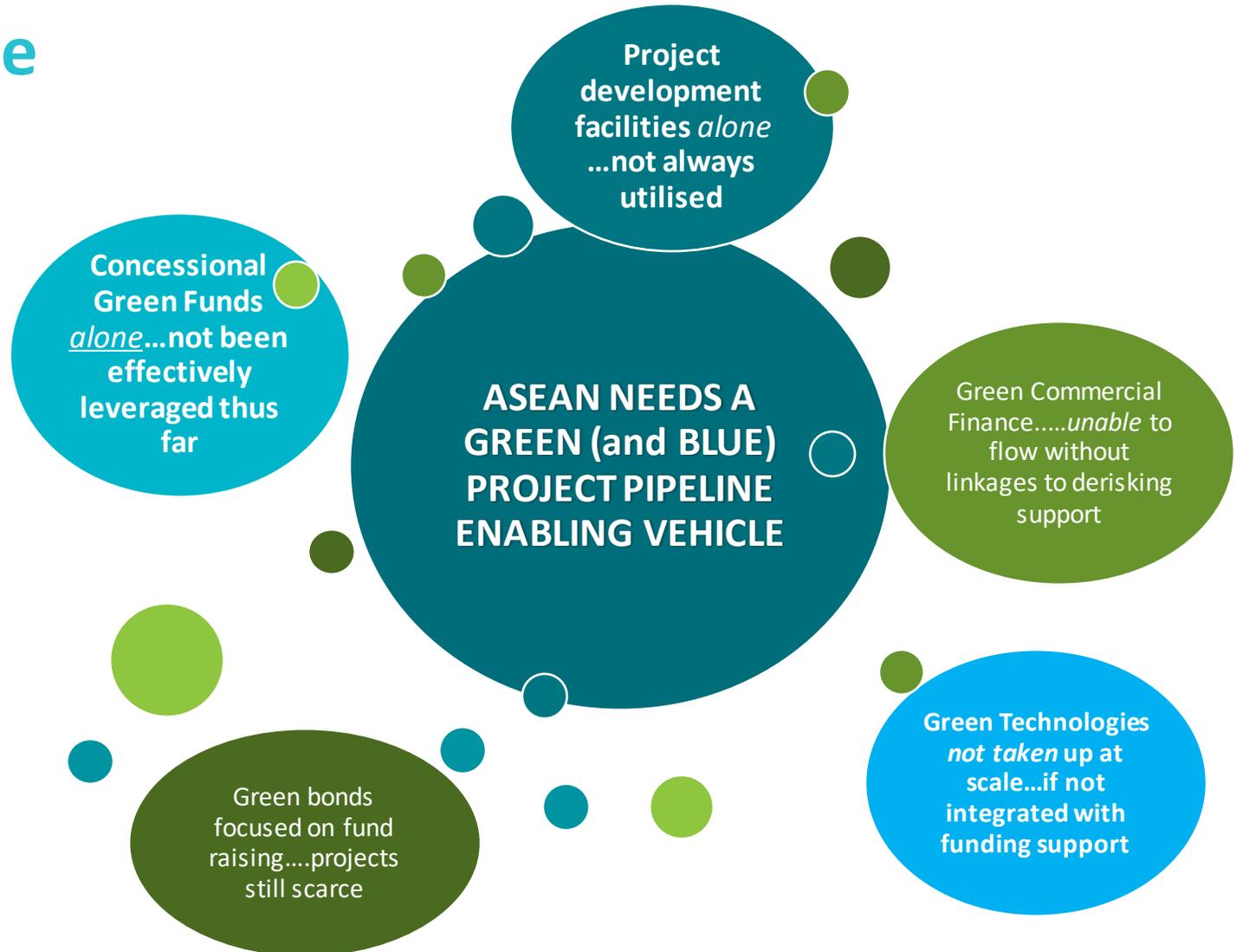
\$3.147 bn (2016-2030, SE Asia)

BUT Rising Investment Gap in SE Asia

\$ 102 bn p.a. gap vs \$ 157 p.a. need (Selected SE Asia 2016-20)

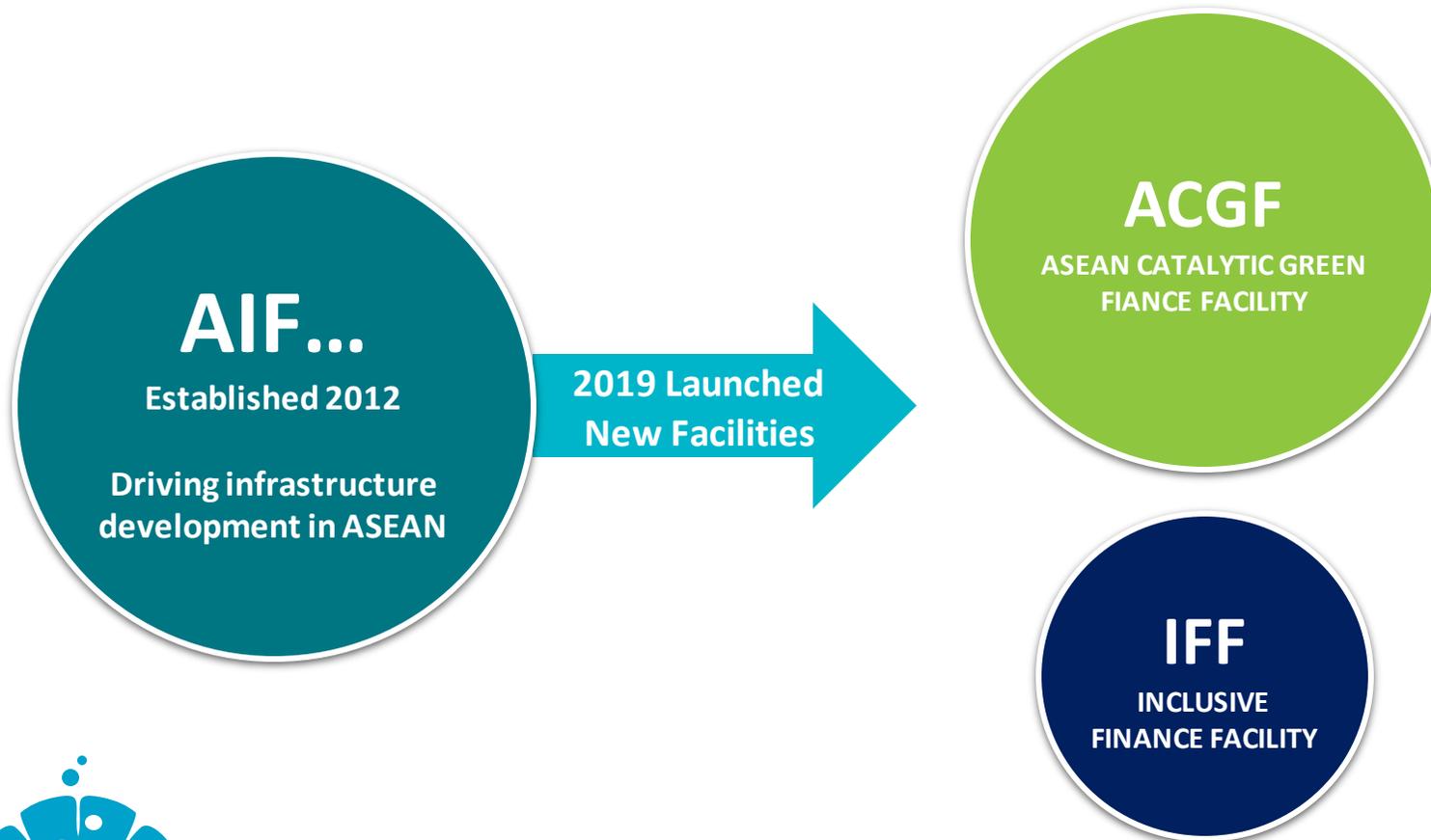
\$459 bn p.a. (Asia- Pacific)

**Private Sector Critical:
60% Needed Funding**





ASEAN Infrastructure Fund (AIF) → ACGF & IFF



- Accelerate green infrastructure in ASEAN
- Provide concessional financing from both AIF own resources + green ACGF co-financers
- Support Group A countries inclusive infrastructure :
 - CAM
 - LAO
 - MYA
- Provide limited funds from AIF own resources





AIF's new "Green and Inclusive Infrastructure Window" launched at ASEAN Finance Ministers' Meeting, Chiang Rai, Thailand, 4 April 2019

The screenshot shows the ADB website's news release page. The main headline is "New Facility to Mobilize \$1 Billion for ASEAN Green Infrastructure". The date is "4 April 2019". Below the headline is a group photo of officials at a signing ceremony. The page includes a "Media Contact" section with details for Nitithanprapas, Roymkaew (Duckie) and Zhang, Jane. There is also a "Related" section with a link to a news item about the Republic of Korea pledging \$355 million to support ASEAN Green Infrastructure and Ocean Health.

Launched!

Co-financing partners

ADB

EIB

AFD

KfW

Gov. of Korea

EU

Knowledge partners

OECD

GGGI

Private sector partners

ADM Capital

City of London

BNP Paribas

OPIC



ACGF mission

To accelerate the development of green infrastructure in ASEAN by better utilizing public funds to create bankable projects and catalyze private capital, technologies and management efficiencies.

ACGF 'value-added'

Combines project origination, project structuring and financing for green infrastructure projects



CATALYTIC

Mobilizing resources and building pipelines



GREEN

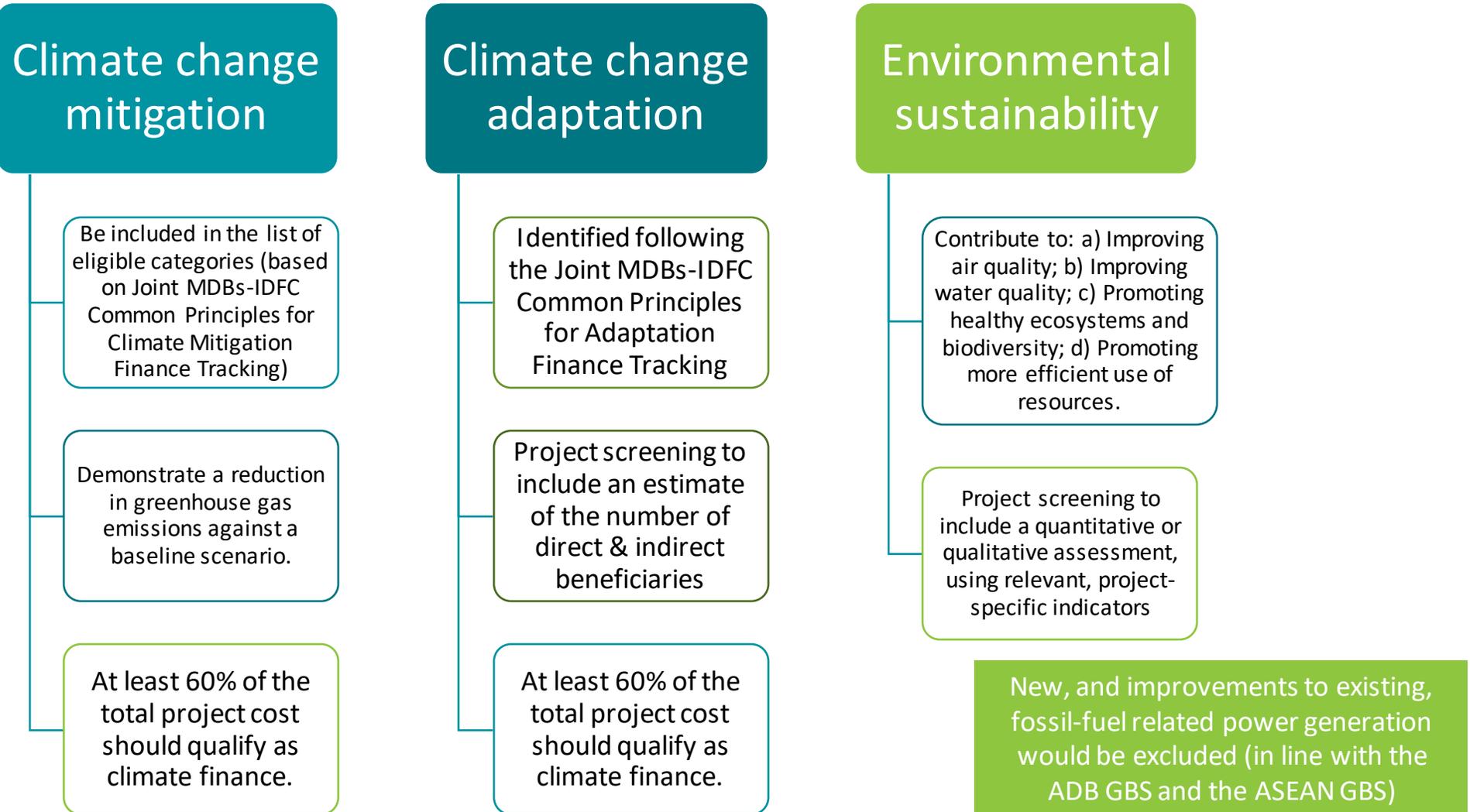
Promoting environmental sustainability by scaling up green infrastructure

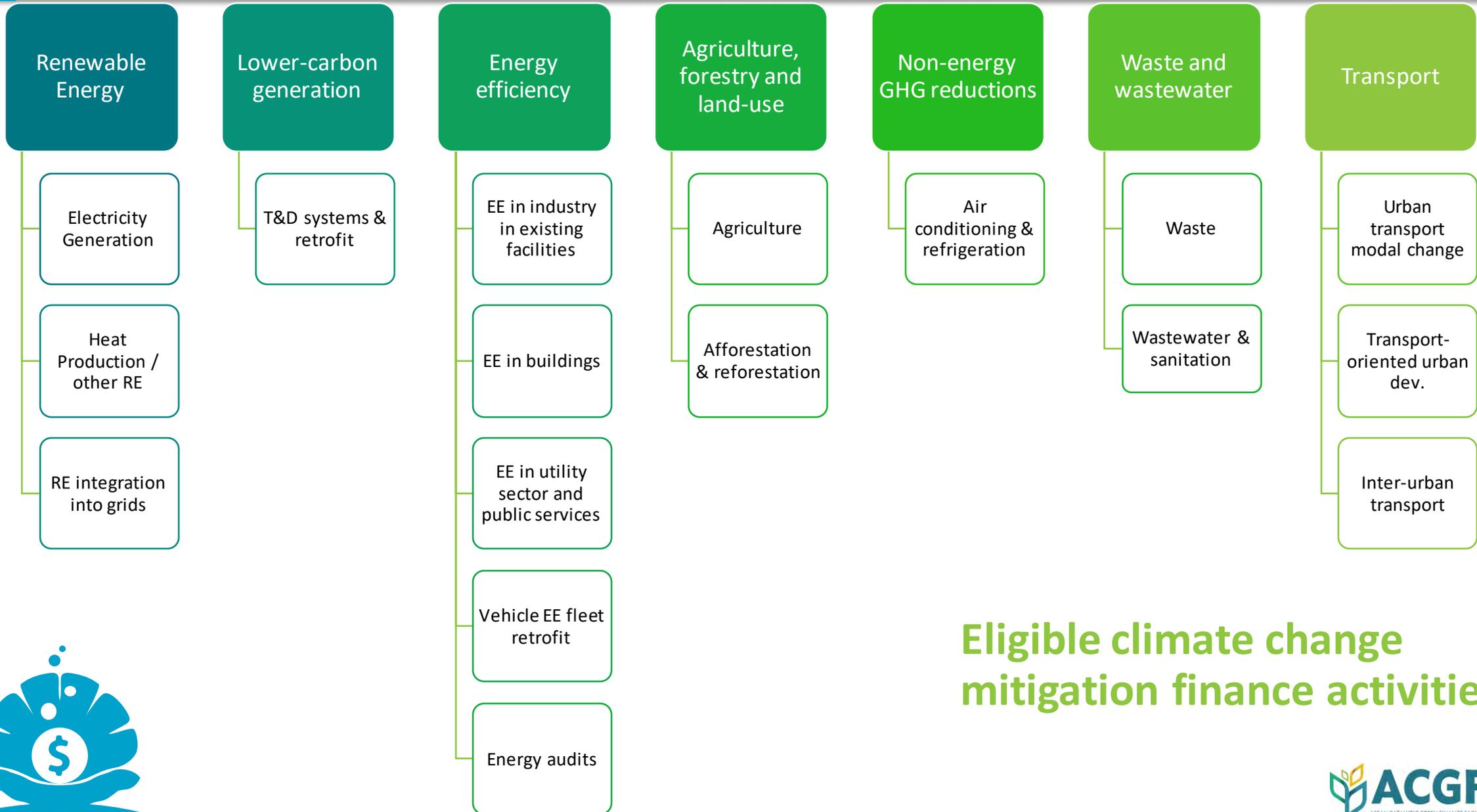


FACILITY

Pooling and leveraging public capital







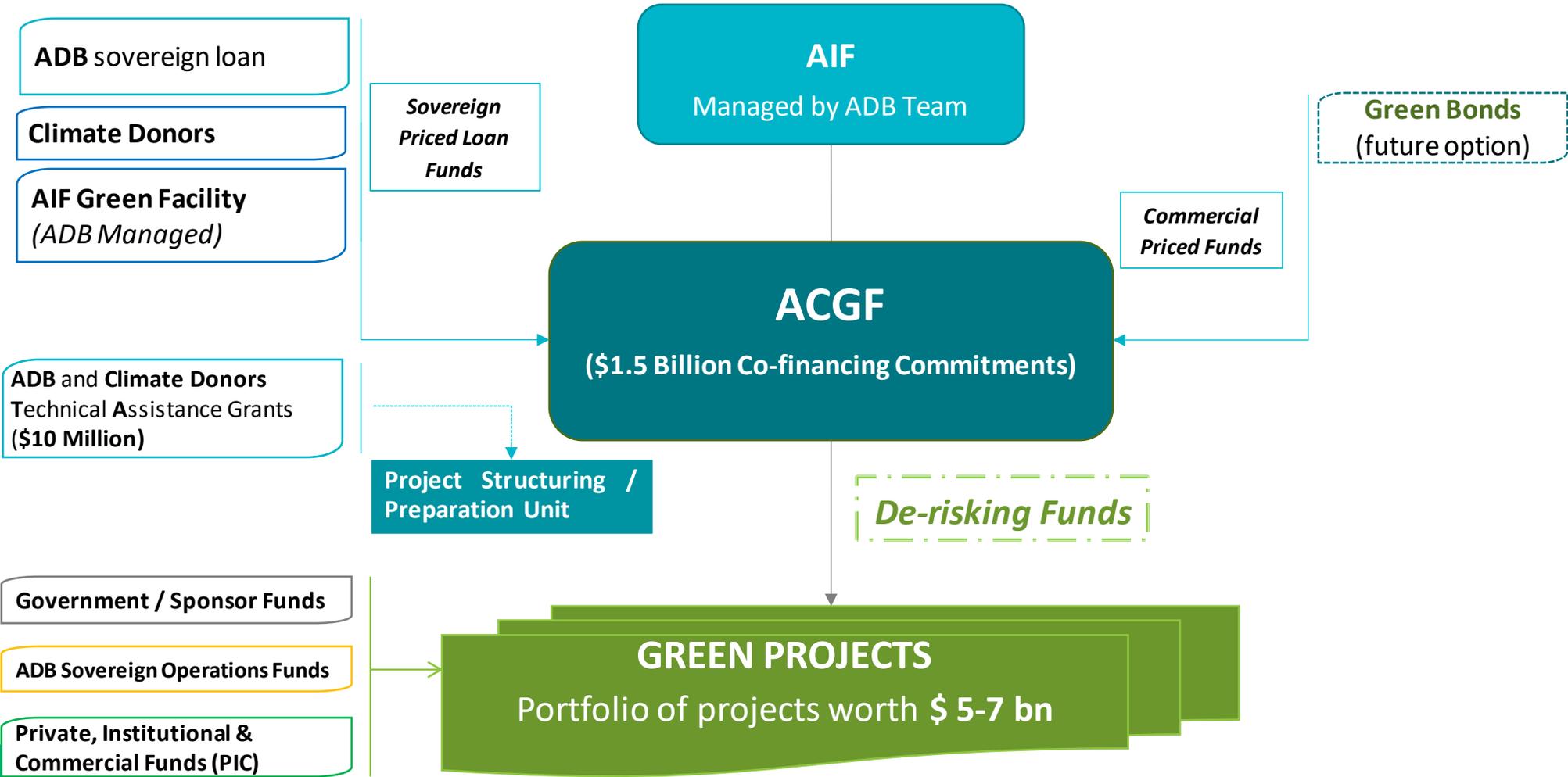
Eligible climate change mitigation finance activities

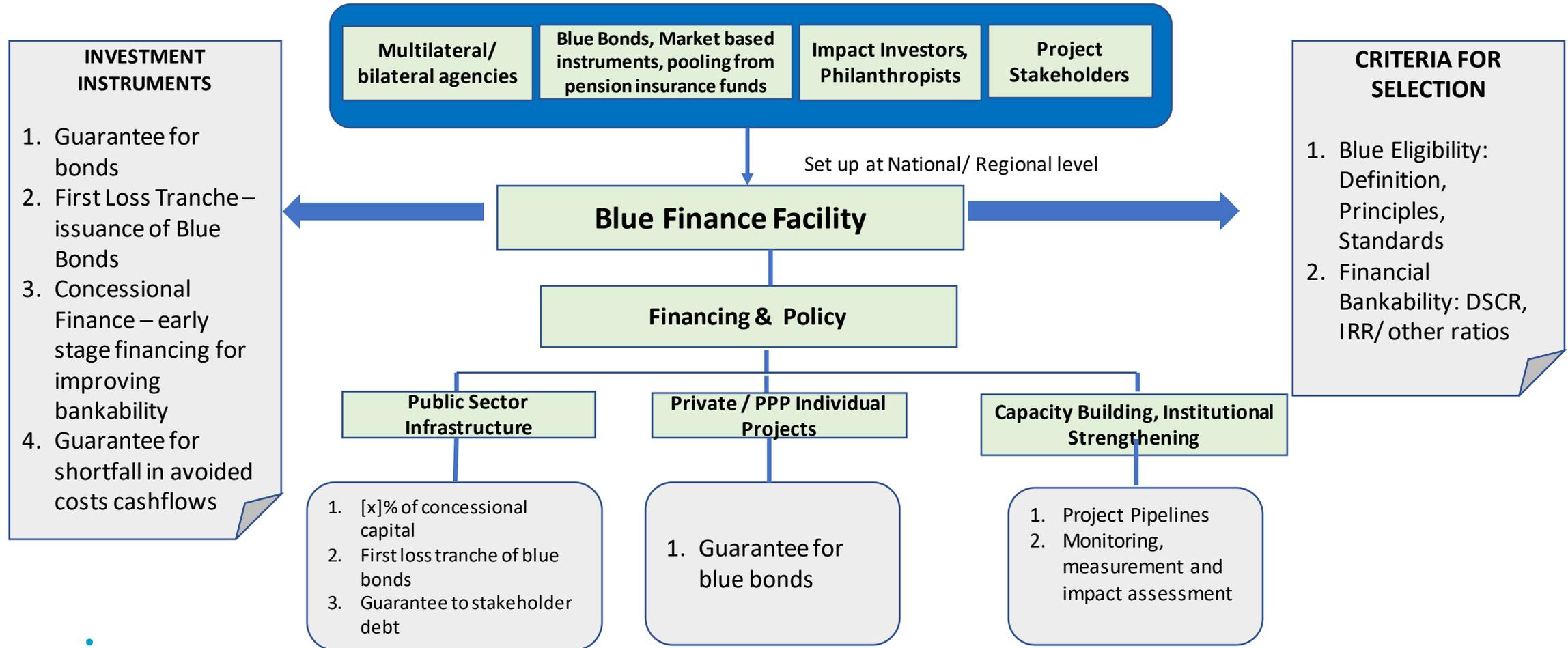




ACGF Structure

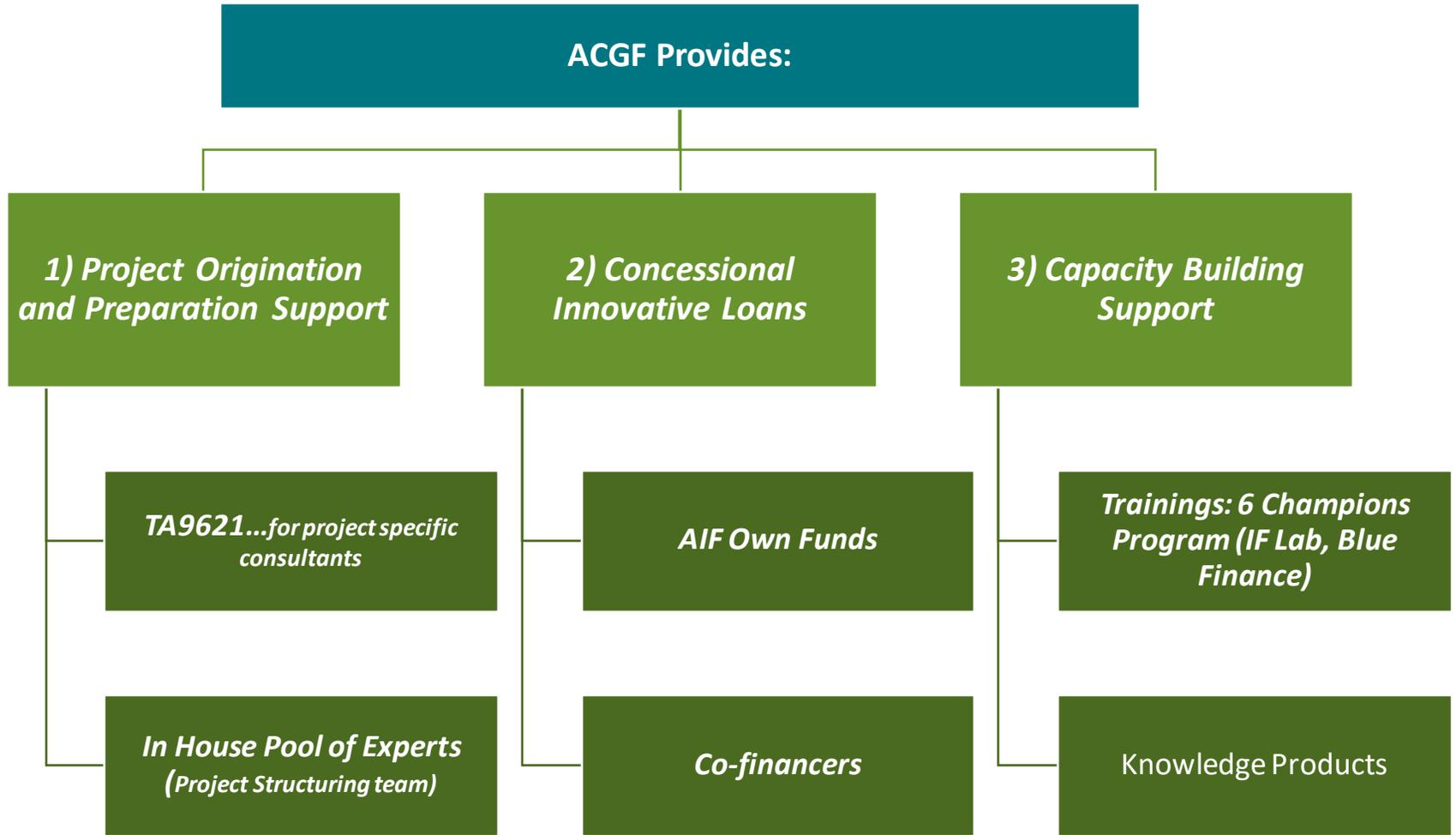
4 HOW DOES ACGF WORK?





Proposed Marine and Fisheries Finance Facility in Indonesia & Cambodia Fisheries Project



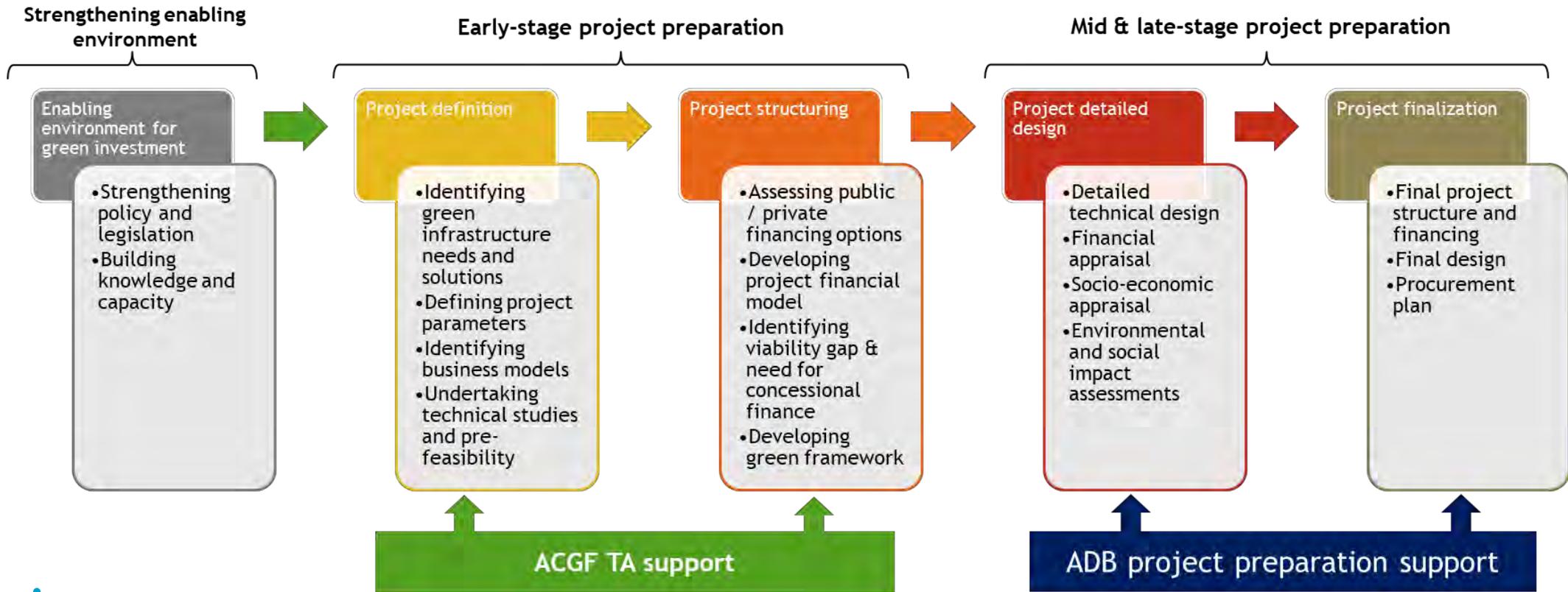


- The blended cost might be lower than standard ADB sovereign rates





1) ACGF Support....at Project Level



ACGF project structuring support targets early-stage project preparation, and complements ADB project preparation



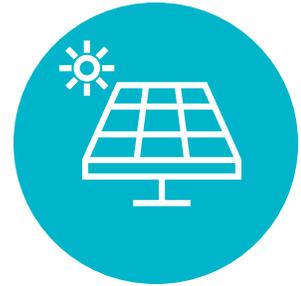


Pilot Use of Rapid Assessment Support (RAS) Tool

- Apply new Rapid Assessment Tool (potential ACGF projects)
 - Project structuring support for projects at prefeasibility stage
 - Preparing bankable and financial models and plans
 - Identify potential financing sources
 - 2-3 months, maximum of \$150,000 / per project



Project origination & structuring



ASEAN CATALYTIC GREEN FINANCE FACILITY (ACGF)
Rapid Assessment Study (RAS)

Objective

The ASEAN Catalytic Green Finance Facility (ACGF) is a facility under the ASEAN Infrastructure Fund (AIF) fully administered by ADB. The ACGF provides loans funded from the AIF's equity, and collates this with technical assistance and co-financing from ADB and other development partners, to **originate, structure and provide de-risking funds for green infrastructure projects, with the aim of crowding-in private sector investments.**

In order to develop a pipeline of green infrastructure projects which need technical structuring support and / or financing, a **Rapid Assessment Study (RAS) on grant basis** is available to Public Entities and Private Sponsors to **create bankable commercial green and blue (oceans health related) investments that will require public finance to de-risk investments and leverage / crowd-in private sources of green finance and investment.**

RAS Characteristics, Scope and Value-add

- **Project structuring over the project life cycle** (bankable financial model & plan) including an assessment of potential financing sources from public and private sources
- Potential overview of project **technical feasibility**
- Duration of the study is estimated to be **2-3 months**
- Maximum **budget per project is up to USD\$150,000** subject to eligibility criteria and prioritization by ACGF Team
- **Selection, Contracting & Monitoring of Financing Structuring Experts under ACGF Team**

Eligibility

Projects eligible for a **Rapid Assessment Study (RAS)** must fulfill the following:

- qualify as **green or blue infrastructure under the ACGF Investment Principles and Eligibility Criteria** (<https://www.adb.org/documents/acgf-investment-principles-eligibility-criteria>)
- have a clear **public sector component, project champion and endorsement from national government**
- have **pre-feasibility studies conducted** and available data on project **CAPEX & OPEX**
- present **bankability constraints**
- demonstrate potential **crowd-in of private sector** participation of any form during the first 8 years of the project

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1) ACGF Support....at Country Level

- 1 Creating Facilities, Funds or SPVs funded by private and public sources
- 2 Financing different subsectors, tailored made to country context
- 3 Flexibility to cross subsidize revenue and & non-revenue generating activities
- 4 Potential for piloting different tools under a single vehicle
- 5 Developing blue finance expertise, including project preparation expertise





1) ACGF Support.....at Regional Level

1

Creating a pipeline of 'shovel ready' projects in ASEAN

2

Raising Global Profile to attract MDBs, DFIs, impact Investors, Philanthropies...and Private Capital at SCALE





Pipeline Origination Strategy



ASEAN governments

- Roadshow in countries
- Working through country PPP units
- Regular engagement with sector ministries



ADB country offices and sector teams

- ACGF marketing meetings through country missions
- Focal points in ADB sector teams: Energy, Transport, Urban, Agriculture & Natural Resources, Finance



ACGF partners

- Regular engagement w/ ACGF partners, including in in-country roadshows
- Joint Actions with Co-Financing partners

Three-pronged project origination strategy targeting governments and utilizing ADB + partner links





*What next to bring BLUE FINANCE
agenda forward in ASEAN?*

Exciting news coming, keep tuned!





Thank You

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