

Healthy Ocean Tech and Finance Forum 2022, ADB
Ocean Finance Thematic Track
Draft 25th January 2022

Spotlight Session: Thursday 27th January, 2:30pm – 4:00pm, Manila time

Closing Remarks

Junkyu Lee, Chief Financial Sector Group, SDCC, ADB

Good afternoon, good evening and good morning to all of you, also from my side.

Let me start by saying that I am very happy that today we launched “SME BlueImpact Asia”, at our first ADB Healthy Oceans Tech and Finance Forum.

We have had a very interesting Spotlight Session with lively interactions gaining insights on the challenges and opportunities ahead of us as we begin to implement this new venture.

Suzanne Gaboury, Director General of ADB’s Private Sector Operations, highlighted in her Welcome Remarks the substantial impact that the launch of SME BlueImpact Asia can have on the health of our oceans, which are threatened from so many angles.

Providing financial access to small and medium enterprises that dominate the blue economy in Asia and the Pacific is key to the solution for healthy Oceans. This will require both the public and private sector to work together to mobilize the unprecedented amount of capital.

The initiative also fully aligns with the G20 agenda and priorities proposed by the Sustainable Finance Working Group under the Indonesia Presidency 2022 which promotes “Scaling up sustainable finance instruments, with a focus on improving accessibility and affordability”. SMEs, which encompass the vast majority of all established businesses, must be included in financing the climate transition to achieve the goals of the Paris Agreement and the 2030 Agenda.

The economic slowdown resulting from the COVID-19 pandemic has significantly cut into SME markets, and disrupted supply chains and staff availability. Given these conditions, overcoming the challenge of access to finance that SMEs face becomes paramount in efforts to mitigate the impacts of the pandemic and lay the foundation for long-term growth. ADB Financial Sector Group is supporting our developing member countries in promoting SME Financing based on three pillars: developing Credit Guarantee schemes, Government SME Lending schemes and Credit Insurance schemes.

SME BlueImpact Asia will be an essential component in this endeavour, as it will operate using an innovative customized digital platform that will help SMEs who inherently face challenges accessing finance. It will focus on the generation of blue SME pipeline, ensure SME investment readiness and support SME investment deal aggregation. The platform will include a blended finance toolkit that combines various financial instruments to de-risk the SMEs and the investments and so attract private sector financing. Development partners will provide catalytic funding and consider credit guarantees, and first loss protections to match initially on a 1:1 their funding with private co-investors. Sovereign loans and or SME Finance Bond Issuances can complement the funding of the platform. Blue SMEs will be able to tap into the available funding

mainly through equity and loans and a range of other innovative financial services including insurance products.

We appreciate the European Commission's offer to leverage their experience made with BlueInvest Europe. We will make the necessary adjustments to the regional and local context.

The discussion with the investors participating on today's panel illustrated their different perspectives, risk appetite, as well as their individual approaches and concerns. It confirmed that there is substantial interest to invest in blue projects and SMEs from the private sector.

UN Secretary-General's Special Envoy for the Ocean, Peter Thomson, requested an urgent and ambitious roll-out. We will answer his request to report preliminary results during the second UN Ocean Conference, in Lisbon, coming 27th June to 1st July 2022.

Together, we can make it.

I would like to thank our colleagues from UNEP and UNDP for their fantastic cooperation which further ensures that we are aligned with UNDP-UNEP Poverty-Environment Action for Sustainable Development Goals as well as with UNEP FI's (Finance Initiative's) Sustainable Blue Economy Finance Principles seeking significant improvement in poverty reduction, gender equality as well as positive environmental impact.

I also would like to express my sincere gratitude to all panelists, both live and by video, for their contributions and time.

Many thanks to the ADB Environment Thematic Group who have put together this Forum and provided us this great stage for launching SME BlueImpact Asia.

Most importantly, I would like to thank all of you for attending this Spotlight Session and I wish you all good health and look forward to your further cooperation.

Before we end the day, we'd like to turn you over to our ADB colleagues for some closing words of Day 2 and provide you with a short outlook on tomorrow's program. "

[Event technician plays video of Closing for Day 2 – Anna Oposa & Qingfeng Zhang of ADB]