

Financing and Implementing the Green Transition: National and Regional Policy Essentials

UN Trade and Development/ESCAP Workshop
16-17 December 2024
United Nations Conference Centre
Bangkok, Thailand

Concept Note and Programme

A. Background

The investment requirements for all developing countries excluding China to implement the 2030 Agenda for Sustainable Development, the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework has been estimated at US\$ 5.4 trillion per annum by 2030, an increase of \$3 trillion per annum from 2019.¹ This will require not only a massive scaling up and re-alignment of currently available financial resources but also a rethinking of existing products and production pathways, as well as the relationship between states and markets.² Moreover, because the challenges and opportunities to finance and achieve sustainable transformations and deliver on the global commitments go beyond national borders, a regional approach will be key to creating the environment in which finance can be raised and guided to where it is most needed. As such, the workshop aims to further understanding on the financing of the green transition across two axes: in terms of national and regional imperatives and institutions, and in terms of public and private ones.

The difficulties to rely on national budgets to fund the green transition are well understood. In most countries, the budgeting system requires a more systematic review and alignment to sustainable development financing needs through Integrated National Financial Frameworks,³ and national public funds alone can never be sufficient given the very large scale of additional investment required. Thus, public budgets need to be complemented with public bilateral and multilateral sources of finance and by domestic and international sources of private finance.

From the perspective of domestic and international *private* finance stakeholders in Asia and the Pacific, be it banks, asset managers, or asset owners, there is much that is either inadequate or missing in terms of an enabling policy and regulatory environment that would encourage them to invest in the green transition. This includes a lack of clear regulations, low profitability of SDG-related investments compared to non SDG-related investments, a confusing set of national, regional and international standards and taxonomies that are not aligned and which raise significant transaction costs, a world of high costs of capital and increasingly complex, difficult-to-quantify risks, public sector counterparts that do not set or signal actions that allow for reliable, credible long-term investments to be made, and an array of local, public, corporate and regulatory governance challenges. To address these concerns, it is important for governments and regulators in the developing countries of Asia and the Pacific to rethink the relationship between policy, regulation and private finance.

¹ G20 Independent Expert Group (2023). [Strengthening Multilateral Development Banks: The Triple Agenda, Report of the Independent Expert Group](#). October. P. 24.

² United Nations, Inter-agency Task Force on Financing for Development (2024). [Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads](#).

³ United Nations Sustainable Development Group (2023). [Six transitions: Investment Pathways to Deliver the SDGs](#). September.

At the same time, from the perspective of domestic and regional *public* finance stakeholders, the expectations of the private sector are sometimes unclear or unrealistic; funds for public and development banks have multiple demands and are sorely lacking for what is requested of them; and the lack of supportive industrial or trade policies can undermine implementation even when funds are forthcoming. Moreover, some public funds are going in directions that are not helpful for climate or development pledges and need to be better directed. Different ministries need to collaborate more both with each other, as well as with private investors, stakeholders and rightsholders for the kind of integrated, inter-linked transformations that the SDGs and climate pledges require. Finally, while there is a lot that nations can do alone, much is required from the level of the region, both in terms of finance and in terms of policies for implementation.

This workshop therefore aims to discuss this complex set of opportunities and challenges facing countries in Asia and the Pacific, by sharing ongoing work by ESCAP and UNCTAD on these themes, and hearing directly from regional, national and industry experts, from the private and public sectors. It aims to draw insights from the diverse set of different financial institutions, policy frameworks and investment experiences in the region; some of which have a long history and others that are much more recent. There is much to learn from this diversity.

B. Objectives, structure, and participation

This Workshop has three main objectives:

1. To share emerging theory and empirical findings on ways to scale up finance, at lower cost, and to implement the structural transformation required to meet the SDGs and climate goals.
2. To discuss relevant country case studies on how Asia-Pacific countries are improving their financing frameworks and industrial and trade policies, to increase financing for development, including the necessary actions of policymakers and regulators in accelerating private finance.
3. To engage with public sector representatives, think-tanks, policymakers, financial institutions and other stakeholders in peer-reviewing relevant insights from the forthcoming ESCAP FFD Report and UNCTAD Trade and Development Reports, also related to the themes of this workshop.
 - The ESCAP report presents a proposal for a coherent set of policy actions that are needed to be undertaken by policymakers and regulators to strengthen sustainable capital markets, finance the energy transition, and improve project pipelines to support investments for climate action and the SDGs at the required scale.
 - Complementary findings from UNCTAD will share country and regional efforts to better align climate finance with development finance, including policies to shift finance from fossil fuels to more sustainable energy sources; making the leap into industrial production of new, greener products and processes; and how public development banks and central banks can support and lead the process.

The meeting will be conducted in English in a hybrid mode with no simultaneous interpretation.

Target participants include senior officials from Ministries, private and public banks and financial institutions, think-tanks, policymakers, investors and enterprise, and other stakeholders. The aim is to host a lively, informal exchange of experiences and information, and to identify and reach consensus on crucial but missing pieces of the policy puzzle, and what can be done next.

C. Tentative Programme

DAY 1 – Monday 16 December 2024 (Meeting Room G)	
08:30 – 09:00	Reception Tea and Coffee
09:00 – 09:15	Opening Remarks <ul style="list-style-type: none"> Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP Ms. Diana Barrowclough, Senior Economic Affairs Officer, Division on Globalisation and Development Strategies Officer, UNCTAD Mr. Muhsin Syihab, Advisor to the Minister of Foreign Affairs on Inter-Institutional Relations, Indonesia
09:15-11:00 (105 mins)	Session 1: Discussion of the Recommendations in ESCAP's Forthcoming 6th Edition of the Financing for Development Report <p><i>The aim of this session is to review the draft of ESCAP's Financing for Development report. This report includes a proposal for a coherent set of policy actions that are needed to be undertaken by policymakers and regulators to strengthen sustainable capital markets, finance the energy transition, and improve project pipelines to support investments for climate action and the SDGs at the required scale. A presentation of the three draft chapters will be followed by comments from discussants and from the floor.</i></p> <p>Topical presentations led by: Ms. Suba Sivakumaran, Chief, Financing for Development Section, ESCAP</p> <ul style="list-style-type: none"> <i>Sustainable Debt Capital Markets</i>, Mr. Veerawin Su and Ms. Chiara Amato, Economic Affairs Officers, Financing for Development Section, ESCAP <i>Financing the Energy Transition</i>, Mr. Pierre Horna, Economic Affairs Officer, Financing for Development Section, ESCAP <i>Green Project Pipelines</i>, Ms. Deanna Morris, Economic Affairs Officer, Financing for Development Section, ESCAP <p><i>Moderated Discussion and Exchange of Views</i></p> <p>Moderator: Mr. Alberto Isgut, Economic Affairs Officer, Financing for Development Section, ESCAP</p> <p>Dedicated Discussants:</p> <ul style="list-style-type: none"> Mr. Ulrich Volz, Professor of Economics and Director of the Centre for Sustainable Finance at SOAS, University of London, United Kingdom Ms. Nirrita Talukdar, Asia-Pacific Regional Lead, UNEP – Finance Initiative Mr. Juckchai Boonyawat, President, Capital Market Development Fund, Thailand Ms. Tamara Singh, Sherpa, Global Finance and Technology Network, Singapore Mr. Robert Pollin, Distinguished University Professor of Economics and Co-Director of the Political Economy Research Institute, University of Massachusetts at Amherst, United States (<i>online</i>)

	<i>Open discussion</i>
11:00 – 12:30 (90 mins)	<p>Session 2: Asian Regional Financial Instruments and Institutions: Success Stories, Limitations and How Can They Be Strengthened</p> <p><i>Addressing the challenges of scaling up significantly financing for sustainable development and climate action can benefit from regional cooperation. An early example is the successful cooperation among ASEAN+3 countries since the early 2000s to establish local currency bond markets. Recent initiatives such as the ASEAN and the Singapore-Asia taxonomies for sustainable finance and the EU-China Common Ground Taxonomy are also supporting the development of sustainable finance in the region. This session discusses how these and related regional cooperative initiatives can enhance access to sustainable finance throughout the region.</i></p> <p><i>Moderated Discussion and Exchange of Views</i></p> <p>Moderator: Ms. Suba Sivakumaran, Chief, Financing for Development Section, ESCAP</p> <ul style="list-style-type: none"> • Ms. Dushni Weerakoon, Executive Director and Head of its Macroeconomic Policy research, Institute of Policy Studies of Sri Lanka • Mr. Chi Xiang Wong, Senior Market Analyst, Capacity Building and Technical Assistance, Climate Bonds Initiative • Ms. Maria Teresita Lacerna, Legal Adviser and Lead for Sustainable Finance and Green Development, Association of Development Financing Institutions in Asia and the Pacific • Mr. Mah Hui Lim, former Assistant Professor at Temple University, international banker, and City Councilor in Penang, Malaysia <p><i>Floor discussion</i></p>
12:30 – 13:30	Lunch
13:30 – 15:00 (90 mins)	<p>Session 3: Industrial Policies in Support of the Green Transition</p> <p><i>After decades of neoliberal, market-oriented policies in the developed countries, recent years witnessed the re-introduction of industrial policies such as the US Inflation Reduction Act (IRA) and the EU Green Deal Industrial Plan, with the aim of supporting the green transition. Industrial policies complement financial policies in creating incentives or disincentives for investments in certain sectors. While industrial policies have played a fundamental role in the industrialization of Asian countries, particularly in East Asia, and continue to be widely used, their instruments and objectives vary considerably across countries. This session discusses the use of industrial policies in Asia to support the green transition.</i></p> <p><i>Moderated Discussion and Exchange of Views</i></p> <p>Moderator: Ms. Diana Barrowclough, Senior Economic Affairs Officer, Division on Globalisation and Development Strategies Officer, UNCTAD</p>

	<ul style="list-style-type: none"> • Mr. Amir Lebdioui, Associate Professor of the Political Economy of Development and Director, Technology and Management Centre for Development, Oxford University (online) • Mr. Tu Nguyen Pham Minh, Marketing Specialist, VinFast • Mr. Asanka Wijesinghe, Research Fellow, Institute Policy Studies • Mr. Ranga Pallawala, Climate Change Policy Expert, Switch Asia • Mr. Ardhi Wardhana, Climate and Energy Economics Researcher, Centre for Strategic and International Studies (CSIS), Indonesia • Mr. Fakhrul Aufa, Team Leader of Strategic Partnership, PT Sarana Multi Infrastruktur (Persero) (online) <p><i>Floor discussion</i></p>
15:00 – 15:15	Coffee break
15:15 – 17:00 (90 mins)	<p>Session 4: Policy Recommendations to Accelerate Financing for the Green and Energy Transition</p> <p><i>This session summarizes key recommendations discussed in the previous sessions to support countries in Asia and the Pacific to scale up significantly their access to finance and investments on the green and energy transition. Recommendations on finance and industrial policy, as well as on regional collaborative mechanisms, are considered. The recommendations will help identify priorities for the region, including capacity building activities in member States and potential considerations for national and regional policies and institutions.</i></p> <p><i>Moderated Discussion and Exchange of Views</i></p> <p>Moderators: Mr. Pierre Horna, Economic Affairs Officer, Financing for Development Section, ESCAP and Ms. Diana Barrowclough, Senior Economic Affairs, Division on Globalisation and Development Strategies Officer, UNCTAD</p> <ul style="list-style-type: none"> • Ms. Minerva Novero-Belec, Regional Policy Specialist, UN Office for South-South Cooperation • Ms. Yanki Ukyab, Policy Advisor for the Pacific, UNDP Fiji • Mr. Aziz Durrani, Team Leader and Senior TA Specialist, AMRO • Ms. Andrea Webster, Lead, Financial System Benchmark, World Benchmarking Alliance (online) <p><i>Floor discussion</i></p>

On Day 2, participants at the workshop are kindly invited to attend the opening session and the scene-setter session of the High-Level Regional Consultation on Financing for Development in Asia and the Pacific in preparation for the Fourth International Conference on Financing for Development organized by ESCAP.

DAY 2 – Tuesday 17 December 2024 Conference Room 4	
9.00-9.30	<p>Welcome Remarks and Keynote Speeches</p> <ul style="list-style-type: none"> • Ms. Armida Salsiah Alisjahbana, Executive Secretary of ESCAP • H.E. Mr. Bishnu Prasad Paudel, Deputy Prime Minister and Minister of Finance, Nepal

	<ul style="list-style-type: none"> • Ms. Rebeca Grynspan, Secretary-General of the United Nations Trade and Development <p>Election of Officers of the Bureau conducted by Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP</p>
9:30 -10:20	<p>The Future of Financing for Development in Asia-Pacific: A High-Level Scene-Setter</p> <p>The latest UN analysis estimates that the annual Sustainable Development Goal (SDG) financing gaps range between \$2.5 trillion and \$4 trillion for developing countries. Asia and the Pacific is the largest region by population and is home to several dynamic and large economies. In 2023, it contributed an estimated two-thirds to global economic growth. Importantly, sufficient financial capital is available in the region to meet the SDG financing gap. However, policies, regulations, markets and sectors are not yet fully aligned to accelerate financial flows in support of SDGs. As the world convenes in Spain in 2025 to review and discuss the progress and the gaps in the implementation of the Addis Ababa Action Agenda, as well as to identify actions and ideas to accelerate financing for sustainable development; this high-level panel will present the views of Asia and the Pacific, focusing on the following issues:</p> <ul style="list-style-type: none"> • <i>Why has progress in financing for development in Asia and the Pacific been insufficient to-date to meet the sustainable development goals?</i> • <i>What lessons and successful examples can Asia-Pacific offer to the international community with regards to financing sustainable development?</i> • <i>How can the international financial architecture be strengthened to support the region's efforts in accelerating financing for development?</i> • <i>How can developing countries in the region transform to mobilise more public and private financing for development at the scale needed?</i> <p>Moderator: Ms. Lin Yang, Deputy Executive Secretary, United Nations Economic Commission for Asia and the Pacific</p> <p>Distinguished Speakers:</p> <ul style="list-style-type: none"> • H.E. Mr. Biman Chand Prasad, Deputy Prime Minister and Minister of Finance, Fiji • H.E. Mr. Lyonpo Lekey Dorji, Minister of Finance, Bhutan • H.E. Mr. Ali Haidar Ahmed, Minister of Housing, Land and Urban Development, Maldives • H.E. Mr. Ahsan Iqbal, Minister for Planning, Development and Special Initiatives, Pakistan (<i>video message</i>) • H.E. Mr. Byadran Lkhagvasuren, Governor of the Bank of Mongolia • H.E. Mr. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka (<i>online</i>) • Mr. Yingming Yang, Vice President, Asian Development Bank • Mr. Rodrigo Salvado, Director General of the Operational Partnership Department, AIIB