



Virtual Roundtable Financing Sustainable Infrastructure in the Asia-Pacific Region

Hosted by
Asia-Pacific Financial Forum Sustainable Finance Development Network (APFF-SFDN)

As of 2022-04-13

20 April 2022 / 14:00 – 17:00 Singapore Time

In Other Time Zones:

19 April 2022

2300-0200 Canada, Mexico and USA (Pacific Standard Time)

20 April 2022

0100-0400 Canada, Mexico and USA (Central Standard Time) /Peru

0200-0500 Canada, Mexico and USA (Eastern Standard Time)/Santiago

0700-1000 United Kingdom (Greenwich Mean Time)

0800-1100 Switzerland (Central European Time)

0900-1200 Russia (Moscow Standard Time)

1300-1600 Indonesia (Western Indonesian Time)/Thailand/Viet Nam

1400-1700 Brunei Darussalam/China/Hong Kong, China/Malaysia/Philippines/Singapore/Chinese Taipei

1500-1800 Japan/Korea

1600-1900 Australia (Australian Eastern Standard Time)/Papua New Guinea

1800-2100 New Zealand

Many economies in the region today are facing strong headwinds in their efforts to achieve recovery. The shocks from COVID-19 have hit developing economies the hardest. Now saddled with growing debt burdens, many of them are confronted with the spectre of rising inflation and threats to financial stability. Further exacerbating these problems, recent geopolitical conflicts are expected to impact food and energy prices, transport, logistics, supply chains and investment risks. This situation particularly poses a serious challenge to economies' ability to address a key component of the region's long-term development – sustainable infrastructure, which involves a shift in capital spending to create and maintain sustainable and inclusive growth.

Unfortunately, infrastructure is already critically underfunded. Between now and 2040, an estimated US\$94.5 trillion¹ is required to bridge this gap, which far exceeds current stocks. APEC member economies alone represent a significant amount of global financing needs. This represents almost one third of the global investment needed which currently stands at approximately US\$30 trillion. With limited fiscal space and financing constraints, developing economies will need to attract more private sector lending and investment to close this financing gap. In order to do so, however, the public and private sectors need to collaborate in enabling innovation and developing strategic approaches that can be effective in mobilizing private capital for this purpose.

Building a pipeline of sustainable infrastructure projects that are bankable will require addressing specific impediments to the use of ESG financing, which is key to incentivizing transition to greater sustainability in a

¹ Refer to <https://outlook.gihub.org>, from the Global Infrastructure Hub

diverse region with widely varying levels of economic and social development and dependence on fossil fuels. These impediments include the current state of global fragmentation in the development of approaches toward sustainability as reflected in the lack of commonly accepted taxonomies, standards and metrics as well as good-quality data. These are all important to guide lenders and investors in meeting the increasing demand of shareholders and investors for greater alignment with sustainable development goals, while harnessing technological innovation and digitalization to build the infrastructure of a greener and more resilient Asia-Pacific region.

These challenges are not insurmountable. There are already many international initiatives both in the public and private sectors currently being undertaken to address their various aspects, including efforts toward more interoperable taxonomies, alignment of reporting standards and disclosure, and improving availability and quality of data. Effectively proven tools and delivery mechanisms are already in place that can be used to enable project sponsors to prepare projects that are both aligned with SDGs and the particular needs and requirements of individual economies, and to provide investors and lenders with data and information they need in formats that can facilitate evaluation of projects across markets and investment and lending decisions.

In addition to the work of multilateral development banks (MDBs) and international organizations like the OECD and the Financial Centres for Sustainability (FC4S), other examples of initiatives that can be harnessed by governments include the Global Infrastructure Hub (GIH), the Finance to Accelerate the Sustainable Transition-Infrastructure (FAST-Infra) initiative and the Sustainable Infrastructure Foundation's SOURCE, which is supported by all the world's major MDBs. Within the APEC Finance Ministers' Process, the APFF's Sustainable Finance Development Network (SFDN) and the Asia-Pacific Infrastructure Partnership (APIP) provide platforms for public-private sector collaboration that can be leveraged to assist APEC member economies in their uptake of available tools and delivery mechanisms.

This roundtable will discuss the current landscape of sustainable infrastructure financing and the critical impediments facing Asia-Pacific economies in general and in certain key sectors. It will discuss the role that APEC could play in overcoming these challenges, and how APEC, in particular the APEC Finance Ministers' Process, could leverage ongoing initiatives and existing tools and delivery mechanisms to accelerate the development of a robust pipeline of sustainable infrastructure projects across the region. The outcomes of the roundtable will be incorporated in ABAC's 2022 Report to APEC Finance Ministers, together with the recommendations that can emerge from the discussions.

AGENDA

(Times displayed are Singapore Time)

1400-1410

OPENING SESSION

Welcome Remarks

Mr. Tom Harley, Co-Chair, ABAC Finance and Economics Working Group; and Managing Director, Dragoman Pty. Ltd.

Opening Remarks

Mr. Hiroshi Nakaso, Chair, ABAC Finance and Economics Working Group; and Chairman, Daiwa Institute of Research

1410-1525

SESSION 1

IDENTIFYING THE CHALLENGES

Moderator: Mr. Trevor Lewis, Advisor, SPD and Head, Unit for Nonsovereign Operations, Strategy, Policy and Partnerships, Asian Development Bank

1410-1415

Introductory Remarks by Moderator

1415-1425

SESSION 1A

The Landscape of Sustainable Infrastructure

1415-1425

Mr. Nicolas Pinaud, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD

1425-1525

SESSION 1B

Panel Discussion: Impediments to Financing Sustainable Infrastructure

1425-1520

Why is investment in sustainable infrastructure lagging, even though the potential supply of long-term finance is ample? This panel will discuss challenges and obstacles to increasing private sector investment for various sustainable infrastructure sectors, noting sovereign creditworthiness and political risk in emerging markets, project preparation and pipeline quality, life-cycle planning, and data gaps and metrics.

Panelists

Ms. Ana Paula Fernández del Castillo, Managing Partner, Initiatives for Sustainable Development

Mr. Patrick Mallejacq, Secretary General, World Road Association

Ms. Catherine Workman, Partner, Pinsent Masons

Mr. Hajir Naghdy, Senior Managing Director, Stonepeak Infrastructure Partners

Dr. Mamiko Yokoi-Arai, Deputy Head of Financial Markets Division / Head of Infrastructure and Alternative Financing Unit, Directorate for Financial and Enterprise Affairs, OECD

1520-1525

Concluding Summary by Moderator

1525-1535

BREAK

1535-1650	SESSION 2 MEETING THE CHALLENGES Moderator: Mr. Mark Johnson, Chair, Asia-Pacific Infrastructure Partnership; and Senior Advisor, Gresham
1535-1540	Introductory Remarks by Moderator
1540-1615	SESSION 2A Panel Discussion: Leveraging Available Tools and Delivery Mechanisms
1540-1545	GIH - Mr. Henri Blas, Chief Content Officer, Global Infrastructure Hub
1545-1550	FAST-Infra - Mr. Achaiah Thimmaiah, Strategic Industry Solutions, Global Operations, HSBC
1550-1555	SOURCE – Mr. Christophe Dossarps, CEO, Sustainable Infrastructure Foundation
1555-1600	ADB – Mr. Trevor Lewis, Advisor, SPD and Head, Unit for Nonsovereign Operations, Strategy, Policy and Partnerships, Asian Development Bank
1600-1620	Discussion
1620-1650	SESSION 2B The Role of APEC
1620-1625	Dr. Warotai Kosolpisitkul, International Economic Advisor, Fiscal Policy Office, Ministry of Finance, Thailand
1625-1630	Dr. Julius Caesar Parreñas, Coordinator, Asia-Pacific Infrastructure Partnership; Coordinator, Asia-Pacific Financial Forum; and Senior Advisor, Daiwa Institute of Research
1630-1640	Discussion
1640-1650	Concluding Summary by Moderator
1650-1700	CLOSING SESSION Concluding Remarks Mr. Tom Harley, Co-Chair, ABAC Finance and Economics Working Group; and Managing Director, Dragoman Pty. Ltd. Closing Remarks Mr. Stephen Nolan, Managing Director, UNDP Financial Centres for Sustainability (FC4S) and APFF Sustainable Finance Development Network (SFDN) Secretariat

Master of Ceremonies: *Dr. Julius Caesar Parreñas, Coordinator, Asia-Pacific Infrastructure Partnership; Coordinator, Asia-Pacific Financial Forum; and Senior Advisor, Daiwa Institute of Research*

ABOUT THE ORGANIZERS:

APEC Business Advisory Council

The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of the Osaka Action Agenda and on other specific business sector priorities, and to respond when the various APEC fora request information about business-related issues or to provide the business perspective on specific areas of cooperation. ABAC comprises of up to three members of the private sector from each economy.

Asia-Pacific Infrastructure Partnership

The Asia-Pacific Infrastructure Partnership (APIP) is a policy initiative under the APEC Finance Ministers' Process established by the Ministers in November 2011. Its mission is to bring together high-level officials, experts and private sector advisory panelists from a wide range of relevant fields to objectively discuss and consider complex matters facing each economy in the process of developing a conducive environment for private financing of infrastructure. These include lack of capital market depth, dearth of good quality projects, inadequate regulatory frameworks and need for better understanding of how to allocate various types of risk between public and private sectors.

Finance to Accelerate the Sustainable Transition-Infrastructure

The Finance to Accelerate the Sustainable Transition-Infrastructure (FAST-Infra) initiative is a private sector-led initiative that aims to close the trillion dollar sustainable infrastructure investment gap, with urgency, by transforming sustainable infrastructure into a mainstream, liquid asset class. FAST-Infra was conceived in early 2020 by Climate Policy Initiative (CPI), HSBC, the International Finance Corporation (IFC), OECD and the Global Infrastructure Facility under the auspices of President Macron's One Planet Lab. Over 50 global entities, representing governments at all levels, the financial sector, investors, DFIs, insurers, rating agencies and NGOs are now actively participating in developing the FAST-Infra initiative.

Global Infrastructure Hub

The Global Infrastructure Hub (GI Hub) is a not-for-profit organization, formed by the G20, that advances the delivery of sustainable, resilient, and inclusive infrastructure. The focus of its work is helping people act. It collaborate with the public and private sectors, acting as a knowledge sharing hub, to produce data, insights, knowledge tools, and programs that inform both policy and infrastructure delivery. These resources help decisionmakers, policymakers, and practitioners create positive impacts through infrastructure.

APFF Sustainable Finance Development Network

The Asia-Pacific Financial Forum (APFF) Sustainable Finance Development Network (**SFDN**) was set up by the APEC Finance Ministers at the recommendation of ABAC in 2020. The SFDN serves as a paramount platform for private-public sector collaboration, accelerating the convergence of sustainable finance policies among APEC economies, strengthening the region as they develop a common global sustainability framework. This is done primarily through the provision of recommendations via ABAC to the APEC Finance Ministers on a yearly basis. In 2022, SFDN is mandated to provide recommendations in five key areas, which includes Sustainable Infrastructure. The Secretariat of SFDN is lodged in the Financial Centres for Sustainability (FC4S), a collective of international financial centres hosted by the UNDP working together to achieve the Sustainable Development Goals and the Paris Agreement.

Sustainable Infrastructure Foundation

The Sustainable Infrastructure Foundation (SIF) is a not-for-profit Swiss foundation headquartered in Geneva that coordinates the operational provision of SOURCE. SIF is mandated by its Advisory Board, to manage the development of SOURCE, provide capacity building to SOURCE users, and conduct the adoption of SOURCE by governments, public agencies and international organisations. SOURCE is a joint global initiative from

Multilateral Development Banks, in response to the G20, for addressing the global infrastructure gap and advancing the United Nations sustainable development agenda, by delivering on well-prepared projects. SOURCE is an advanced online platform, which allows for aggregating and processing information on all dimensions of project preparation, with the aim of improving infrastructure project bankability, quality and delivery; increasing investment and crowding-in private finance; and in strengthening the technical capacity and ability of the public sector to manage risks.