

Catalyzing Green Finance for S2S Solutions

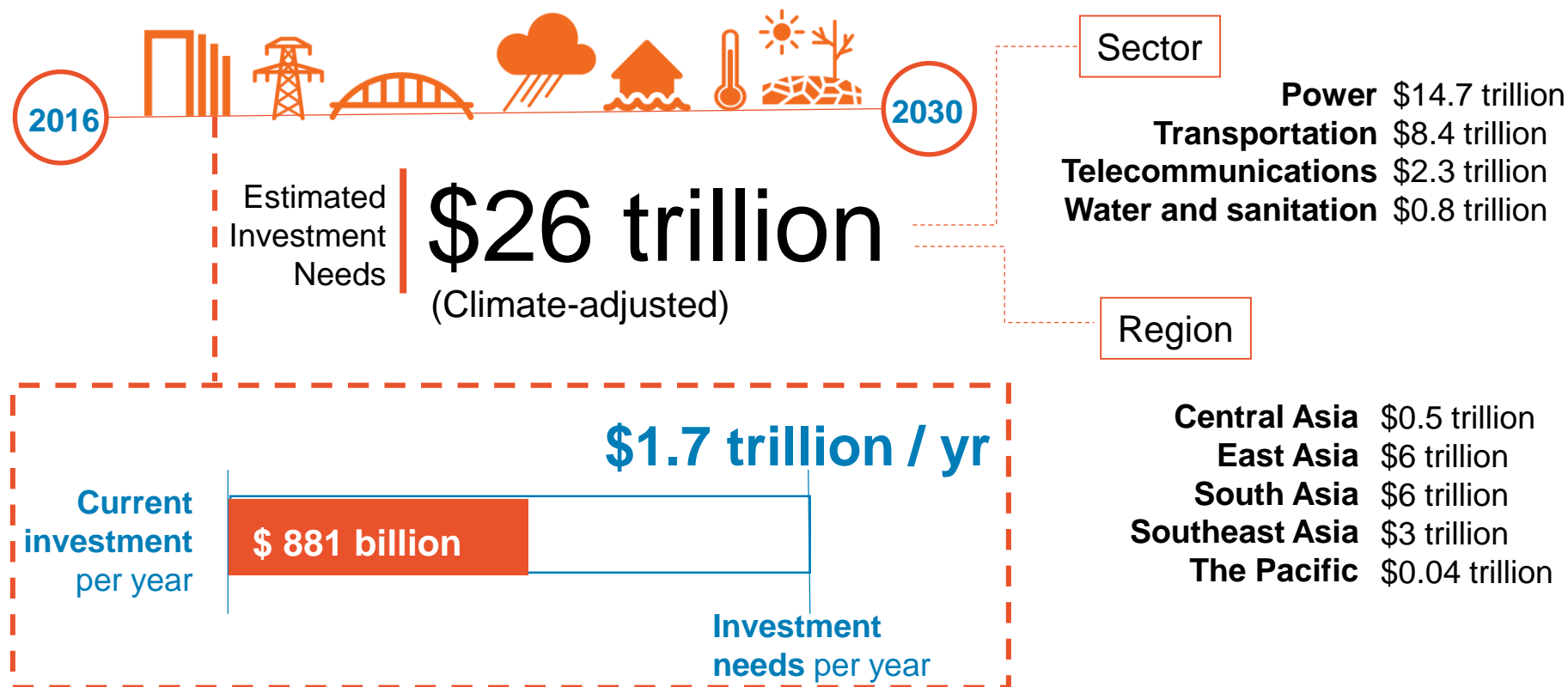
ADB

EAS Congress, Iloilo, Philippines, 27 Nov 2018,

Bruce Dunn, Director, Environment and Safeguards, ADB



Asian Infrastructure Demand and Finance Gap (2016-2020)



ADB Source to Sea Investments 2010 - 2017

Natural resources management \$1.6B



River clean up initiatives \$2.7B



Wastewater management \$2.9B



Solid waste management \$344M

**\$7.5 billion
invested**

ADB'S EMERGING PLATFORM FOR S2S SOLUTIONS

ADB

IMPACT

REDUCED Marine pollution and litter
RESTORED Health of rivers and marine ecosystems

OUTCOMES

Enhanced commitment & action to address marine and fresh water pollution
Increased investments in Source to Sea solutions



KNOWLEDGE

- Sharing Asia best practices
- Support to high level commitments and regional coordination efforts
- Business leaders forum on circular economy
- IEC and behavior change
- Partnerships



ENABLING ENVIRONMENTS

- Action plans
- Policy and regulatory support
- Institutional strengthening for S2S
- Capacity building
- Economic and financial analysis
- Pre-feasibility studies



PROJECT INVESTMENTS From Source to Sea

- Basin investment programs
- Solid waste management systems (including 3R / circular economy). Solid waste management systems (3R / collection services / new or rehabilitated infrastructure / circular economy)
- ADB Ventures Facility
- Green Financing Catalyzing Facilities
- Blue Bonds

Bankability?

The case for Green Investments

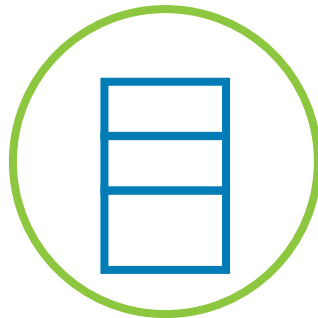


Source: ADB, 2017. [Catalyzing Green Finance](#).

Addressing Financing Gaps: Key Financing Modalities



Green Bonds



Blended Finance



**Catalyzing
Green
Finance**



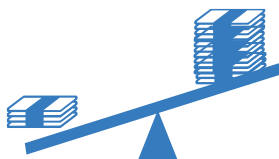
Credit Guarantees



Catalyzing Green Finance



**Innovative
financing**



**Resource
leveraging**

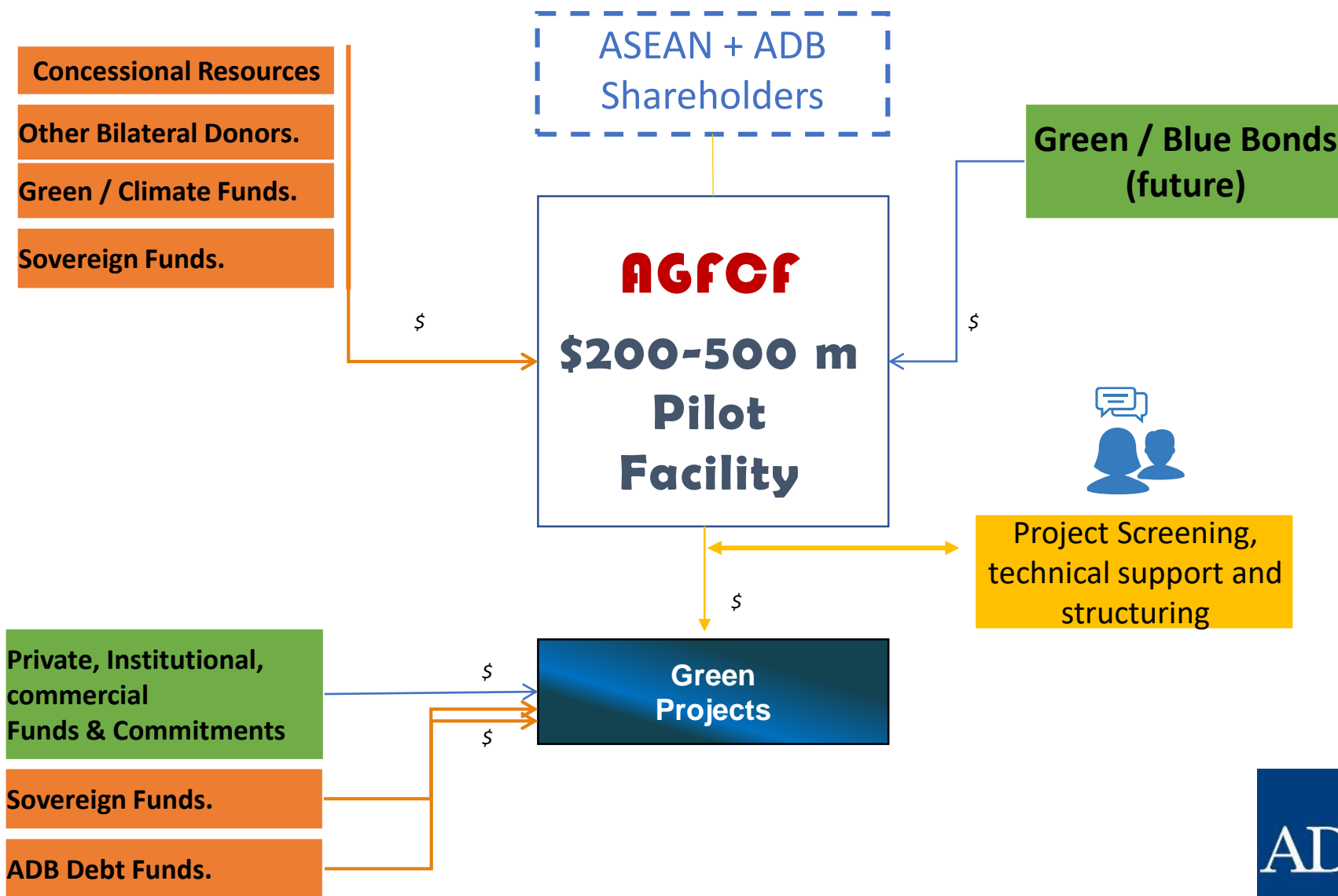


**Knowledge
collaboration**



**Green Finance
Catalyzing Facility
(GFCF)**

Asian Green Finance Catalyzing Facility (Proposed)



Green Bonds

A green circular icon containing a blue document with a ribbon seal, representing a certificate or official document.

Initial issue



Amounting to
\$155.5 billion



Expected to issue
amounting to
\$1 trillion

Criteria
established under
the Green Bond
Principles



Challenge: Local governments, utilities or SOEs – difficult to attract financing from the private and commercial finance sources

Option: Help local governments or utilities issue blue bonds, to finance water and WWTP infrastructure

- Institutional reform (e.g. corporatization, financial management or SPVs to increase credit ratings)
- Capacity building on target setting and monitoring of water body clean up programs

Finance package:

- Restructuring of existing debt
- Provide initial liquidity or low-cost financing for capex programs
- Provide guarantees or first loss for bond issuance
- Shadow revenue accounts