



UN Climate Change High-Level Champions

Asia Pacific Forum “Catalyzing climate finance and investment flows to ramp up climate action and advance the SDGs in Asia and the Pacific”

An associated event of the ESCAP Sustainable Business Network and the ESCAP Regional Economic Cooperation and Integration Ministerial

Organised by Egyptian Presidency of COP27; UN Climate Change High Level Champions; UN

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TENTATIVE PROGRAMME

1. Context

Ahead of COP27, the UN system, leveraging its convening power, network of experts and influencers at regional levels, will partner with the incoming Egyptian Presidency of COP27 and the UN Climate Change High Level Champions for COP26 and COP27 to organise a series of five regional forums on “Towards COP27: Regional Forums on Climate Initiatives to Finance Climate Action and Advance the SDGs” bringing together key stakeholders from public and private sectors, to catalyse additional investment in climate mitigation and adaptation in line with the SDGs. Participants, including public and private financial institutions and countries, initiatives and organisations preparing projects will work together to identify and address financing bottlenecks, to showcase and learn from success stories of climate investment and share investment-ready climate initiatives in Member States to spur further investment.

Public and private climate finance must flow at the necessary scale and pace to accelerate Paris aligned sustainable development without further overburdening the already stretched fiscal space of most developing countries to invest in climate action and sustainable development. With a focus on SDGs 7, 9, 13 and 17 as vehicles for change, the Forum is part of a series of five regional forums taking a holistic approach towards financing the 2030 Agenda for Sustainable Development in the new global environment and delivering urgent near-term action.

Trillions of dollars’ worth of investments are needed each year to achieve the rapid, far-reaching transformations required to address the impact of the climate crisis from the perspectives of mitigation and adaptation. Developed countries and private sector investors have yet to deliver on the annual \$100-billion commitment of climate finance agreed to in 2009, which was to be reached by 2020, and progress towards aligning all financial flows with the SDGs and Paris Agreement goals is nowhere near what is needed. Lack of access to finance and investments aligned with climate ambitions, lack of pre-feasibility and/or feasibility studies, increased cost of borrowing for countries due to real and perceived risks as well as reduced fiscal space, remain at the root of significant delays. To transform all sectors of the economy such as the transport, agriculture, manufacturing and energy sectors the necessary financing is required to reduce emissions at the pace required to limit global warming in line with the Paris Agreement and to keep the 1.5°C degree target alive. Furthermore, unlocking access to climate finance, especially in emerging markets and developing economies, is crucial to close the adaptation gap and to build resilience and protect the vulnerable from climate change.



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There has been considerable growth in private sector commitments to setting and pursuing science aligned portfolio decarbonization targets, through the Race to Zero and the Glasgow Financial Alliance for Net Zero, and an increase in green and sustainable debt financing instruments, such as green, blue, and sustainability-linked bonds, in the last five years. Similarly, innovative financing mechanisms like debt for climate swaps are also gaining traction, and the business case for investing in adaptation and resilience to manage and reduce physical climate risk is becoming clearer. However, given the enormous financing requirements, the scale that is needed to ramp up climate action and advance the SDGs is not there. This is because an effective change requires a holistic and cross-sectoral approach. This means changes in enabling conditions for private finance as well as the operating models of development finance institutions and transparency from government leaders on the projects required to achieve their sustainability goals. There is still a disconnect between investors and projects in need of investment. The regional forums will focus on convening development cooperation partners and private sector representatives together with countries, initiatives and platforms looking to raise capital for climate investments to foster greater understanding, connectivity and ultimately catalyse increased investment in critical climate projects.

2. Objectives

In the lead-up to UNFCCC COP27, the world is faced with triple crises brought on by the ongoing COVID 19 crisis, the current geopolitical situation, and the global climate emergency. Against this backdrop, the Asia Pacific Forum, as part of five regional fora, will focus on access to finance through new public/private vehicles, channelling and scaling of investments, and the linkage between climate and debt to support a just transition for all as well as a holistic approach to sustainable development. Organised in connection with the ESCAP Sustainable Business Forum and the ESCAP Regional Economic Cooperation and Integration Ministerial, the Forum will bring together key stakeholders from public and private sectors with a focus on climate finance and investments.

In particular, it will showcase the success stories of private sector investments in climate areas and identify investment-ready climate initiatives in the region including those in the Nationally Determined Contributions of the Asia Pacific countries. The forum will highlight current gaps in climate financing in the region and explore the potential sources of financing and how they can be accessed. The discussions will focus on implementation and delivery, helping identify major climate finance opportunities and catalyzing finance and investment for implementation.

Key objectives for the forum include:

- **Facilitate** engagement with a broad set of partners and stakeholders, to accelerate public and private investment in concrete initiatives, platforms, and projects, and identify and encourage policy actions that correspond to the distinct needs of the five different regions to address climate change in a holistic manner and narrow the current gap in Paris-aligned financial flows.
- **Identify** and share climate finance and investment opportunities that also support the acceleration of access to clean energy, food security, and digital transformations, which remain key catalysts for the attainment of the Sustainable Development Goals (SDGs).



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- **Highlight** successful examples of countries leveraging investment opportunities for climate action as well as financial institutions and investors turning climate commitments into action and financial flows.
- **Connect** representative groups of development partners, governments, and private sector investors to propose and consider concrete instruments and initiatives that accelerate action towards the goals of the Paris Agreement and the 2030 Agenda for Sustainable Development.
- **Advocate** for transparent process that allows developing countries to showcase their investments on climate action.

3. TENTATIVE AGENDA

- **SESSION 1: Opening - Policy Framework/urgency for climate finance and action**

This session will set out the priorities of the incoming Egyptian Presidency of COP27 for climate finance, including ambitions for translating climate finance promises and pledges into projects through regional and global marketplace and matchmaking.

- **SESSION 2: Financing NDCs and national investment gaps**

Session partner: UNFCCC Secretariat

This session will identify illustrative examples of bankable projects and initiatives ready for implementation and/or scale-up and replication including (a) proposed technical measures in NDCs of Asia Pacific countries including priority sectors and needs that are ready for projectization and investment, particularly in LDCs, (b) priority projects from the Needs Based Finance of the UNFCCC secretariat and (c) major nationally approved investment packages and initiatives.

- **SESSION 3: Scaling up investment in climate infrastructure projects through Public Private Partnerships (PPP).**

Session Partner: Infrastructure Financing and Public-Private Partnerships (PPP) Network of Asia and the Pacific

The focus of this session will be on showcasing Governments' investment projects that are bankable and aligned with their respective national SDG and climate-resilient strategy. The discussion would also feature sharing views from investors, green finance experts, multilateral development banks, and financial institutions to identify the role of private finance and to improve the bankability and sustainability of infrastructure project proposals. Sample projects (with high climate impacts/benefits) drawn from the PPP network pipeline as well as suitable existing projects would serve to highlight opportunities to advance low-carbon, climate-resilient



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infrastructure through public-private partnership and promote investment interest and expertise from the private sector.

- **SESSION 4: Unlocking climate finance for green grid investments.**

Session partner: Green Grids Initiative-OSOSWOG Asia-Pacific and Finance Working Groups

Investments in energy grids will need to triple by 2030 to meet net-zero emissions goals. Doing so will require unlocking additional sources of funding for transmission, while simultaneously ensuring that grid investments are compatible with decarbonisation and climate change mitigation goals. Accessing climate finance for grid investments that support energy transition, however, remains challenging. Under the Green Grids Initiative – One Sun, One World, One Grid (GGI-OSOWOG), launched at COP26, a set of principles for unlocking climate finance for grids has been developed. There is a need to increase awareness of these principles and build capacity of governments and other relevant stakeholders to include them in the design and development of transmission projects. The purpose of this session is to raise awareness of the need for and the role of climate finance in power system/transmission investments, to inform stakeholders about the set of principles and their application, to share perspectives of investors and financial institutions on approaches, platforms, and financing solutions for green grid investments, and to highlight specific projects that would benefit from access to climate finance.

- **SESSION 5: Mobilizing green financing through capital markets.**

Session partner: Global Green Growth Institute

This session will look at the role of capital market instruments to mobilise financing towards investment ready green and sustainable projects. Specifically, the equity and green, sustainable and sustainability-linked bond markets are increasingly being utilized to finance climate adaptation, mitigation, and the SDGs. However, governments and the private sector in low and middle-income countries face challenges in identifying investable project pipelines which meet green, social and sustainability objectives. This discussion will feature a) presentations of bankable green projects which are aligned with net-zero targets; b) emerging government investment priorities and thematic bond project pipelines; c) showcase pooled funding and de-risking opportunities.

- **SESSION 6: Conclusions and Next Steps**

The session will highlight practical next steps by participants including the public sector, private finance, development financial institutions, and philanthropists, with a focus on target sector(s) identified in the discussion.

