



Asian Development Bank:

Support Areas and Financing Facilities

Needs-based Finance Asia Investment Forum

Global Knowledge Exchange and Development
Center, Seoul, Korea 29 November 2024



ADB Climate Finance Target

\$ 100 billion
cumulative climate finance
from 2019-2030

MDB Cumulative Target

\$ 120 billion
annually through 2030



Fund Conduit

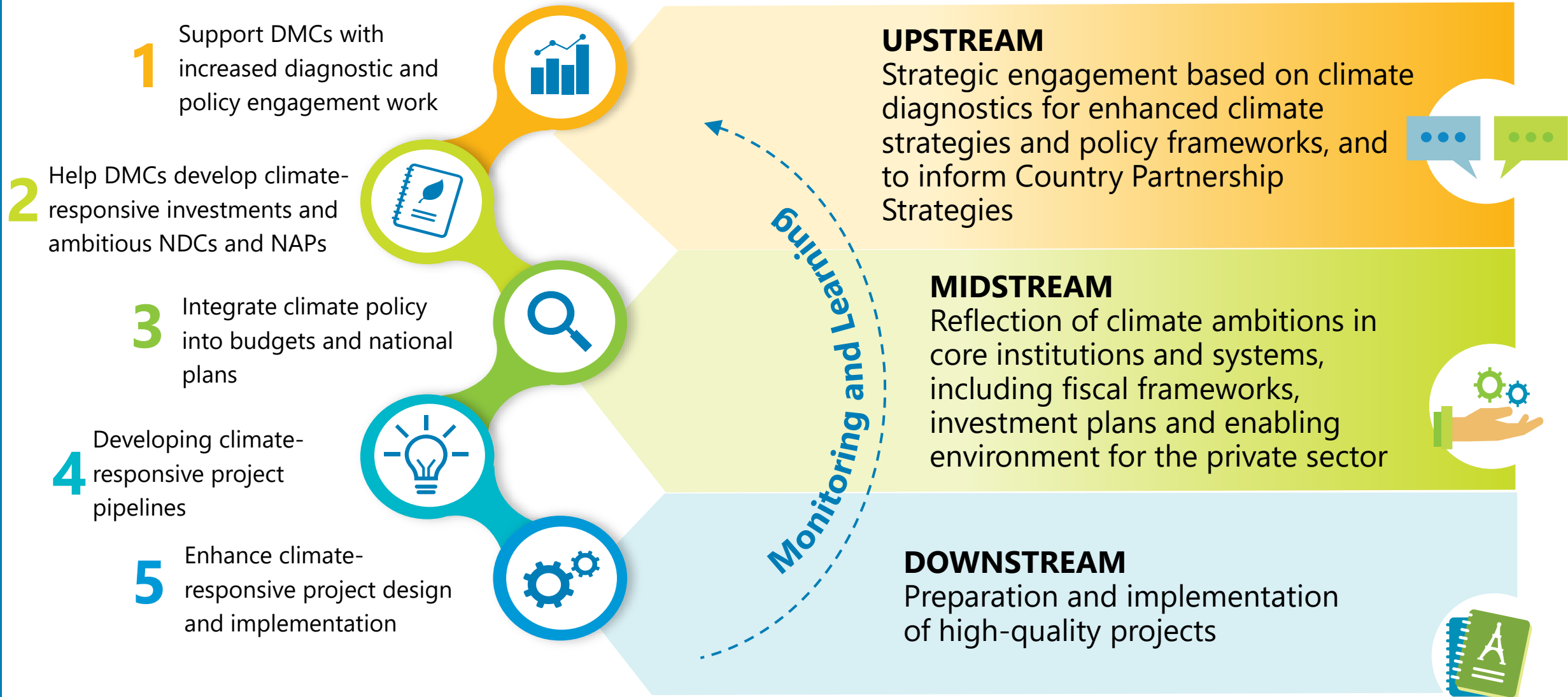
- Establish innovative and thematic funding windows and facilities
- Administer funds (external sources: trust funds, global funds)
- Mobilize/leverage public and private capital

Development Partner

- Capacity building and technical assistance to DMCs
- Create enabling environment through policy advisory and institutional reforms



Support Package: How we engage

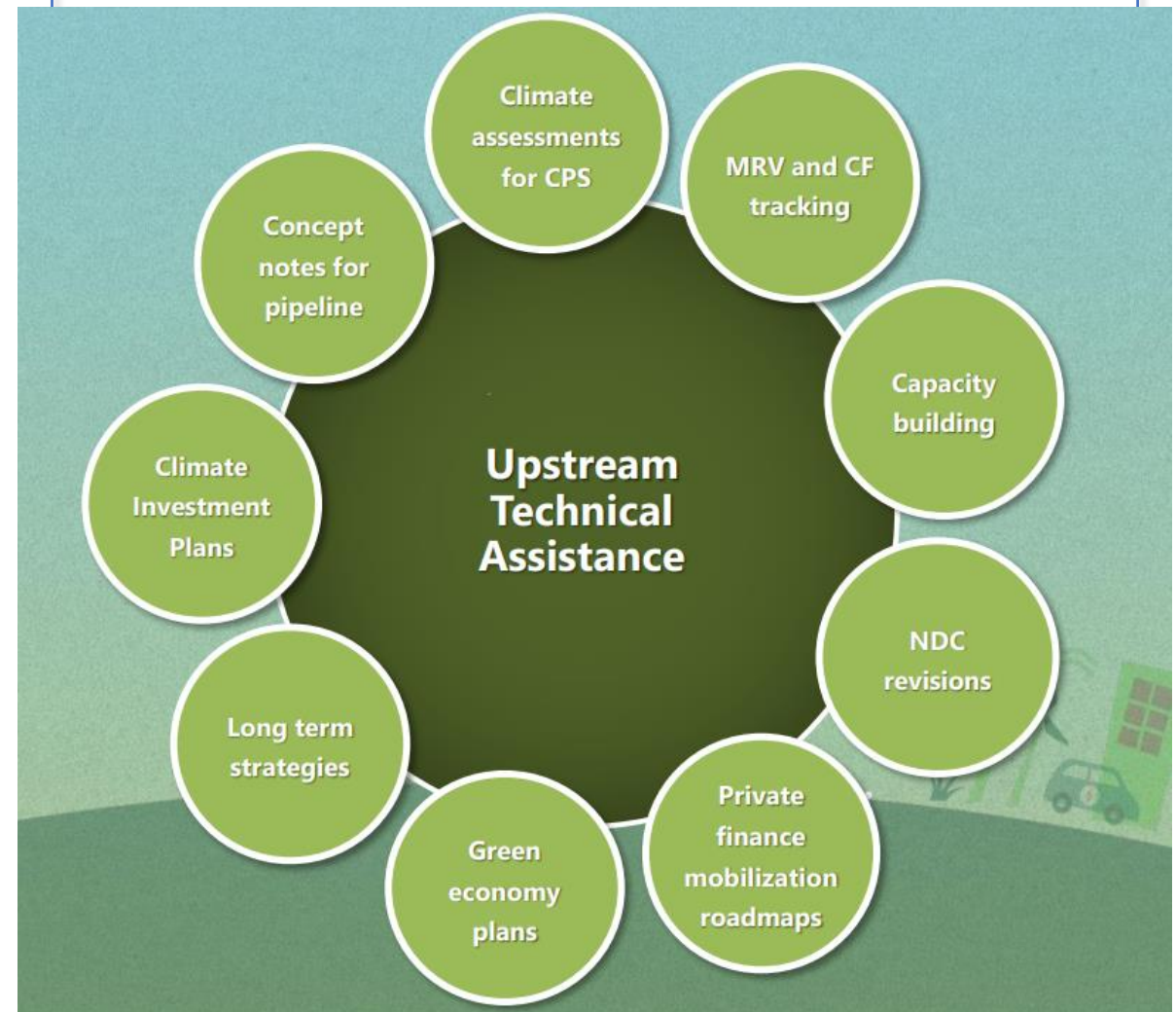


Support Package: How we engage

Regional Technical Assistance (TA)

- **Knowledge and support TA**
 - Capacity development, policy advice, and research and development
 - Outputs from these TAs inform government policies, strategies and development plans.
- **Transaction TA** is linked to an ADB-financed project or program.
 - Prepares and enhances the implementation readiness of a specific ensuing project
 - Develops capacity and provides policy advice
 - Develops a specific public–private partnership project under transaction advisory services.

Example: NDC Advance TA Platform



Supporting the Implementation of ADB's Climate Change Action Plan Through Enhancing Climate Finance Plans



OUTPUT 1:

Climate finance plans for selected DMCs developed

Assessments and diagnostics to determine regional and/or country needs and institutional capacity

Comprehensive climate finance plans and investment programs

OUTPUT 2:

Government capacity to count, monitor, and coordinate climate finance improved

Climate finance tracking, budget monitoring system

Public climate investment management

OUTPUT 3:

Knowledge on climate finance concepts and tools improved

Assessment of challenges and issues in accelerating climate finance

Guidelines on identifying entry points and improving processes on public financial management and government budgeting

Initial DMCs supported by the TA: Nauru, Pakistan, Solomon Islands, Thailand and Vanuatu

Support Package: How we engage



Programmatic Instruments

Policy-based Loans (PBL)

PBL provides general budget support to public sector borrowers; PBL is disbursed only when the borrower completes policy reforms or actions that have been agreed

Sector Development Programs (SDP)

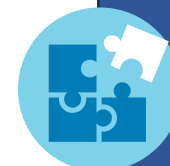
SDP combines PBL with an investment loan, responding to occasions when a country has both an investment requirement and a need for policy reform in a given sector

Elements of Transformational Climate Policy-Based Lending

- Direct Response to country climate priorities
- Maximized opportunities for climate financing supporting transformational climate outcomes
- Long-term climate policy engagements
- Strong co-leadership between ADB sectors and themes

ADB as conduit of Climate Finance

ADB administers over 18 funds and facilities dedicated to climate change and disaster risk management.



ADB Climate Change Fund

- provides grant financing of component of investments, technical assistance and direct charge
- Focus on: Adaptation, Clean Energy, Transport, and Low-Carbon Urban Development and REDD+

ADB



Asia Pacific Project Preparation Facility (AP3F)

- bring **commercially feasible public-private partnership projects** to market with private sector engagement.
- provides **upstream enabling assistance** such as capacity building and policy reform.

Project Preparation and Implementation Support Trust Fund

- technical assistance (TA) grants for **project preparation to both non-sovereign and sovereign operations**

Spanish Cooperation Fund for Technical Assistance

- **project preparation and transaction advisory services** in the energy, water and urban infrastructure services, sustainable or smart cities, transport, and agriculture sectors



Asia-Pacific Climate Finance Fund (ACliff)

- **development and implementation of financial risk management products** that can help unlock capital for climate investments and improve resilience to climate change impacts

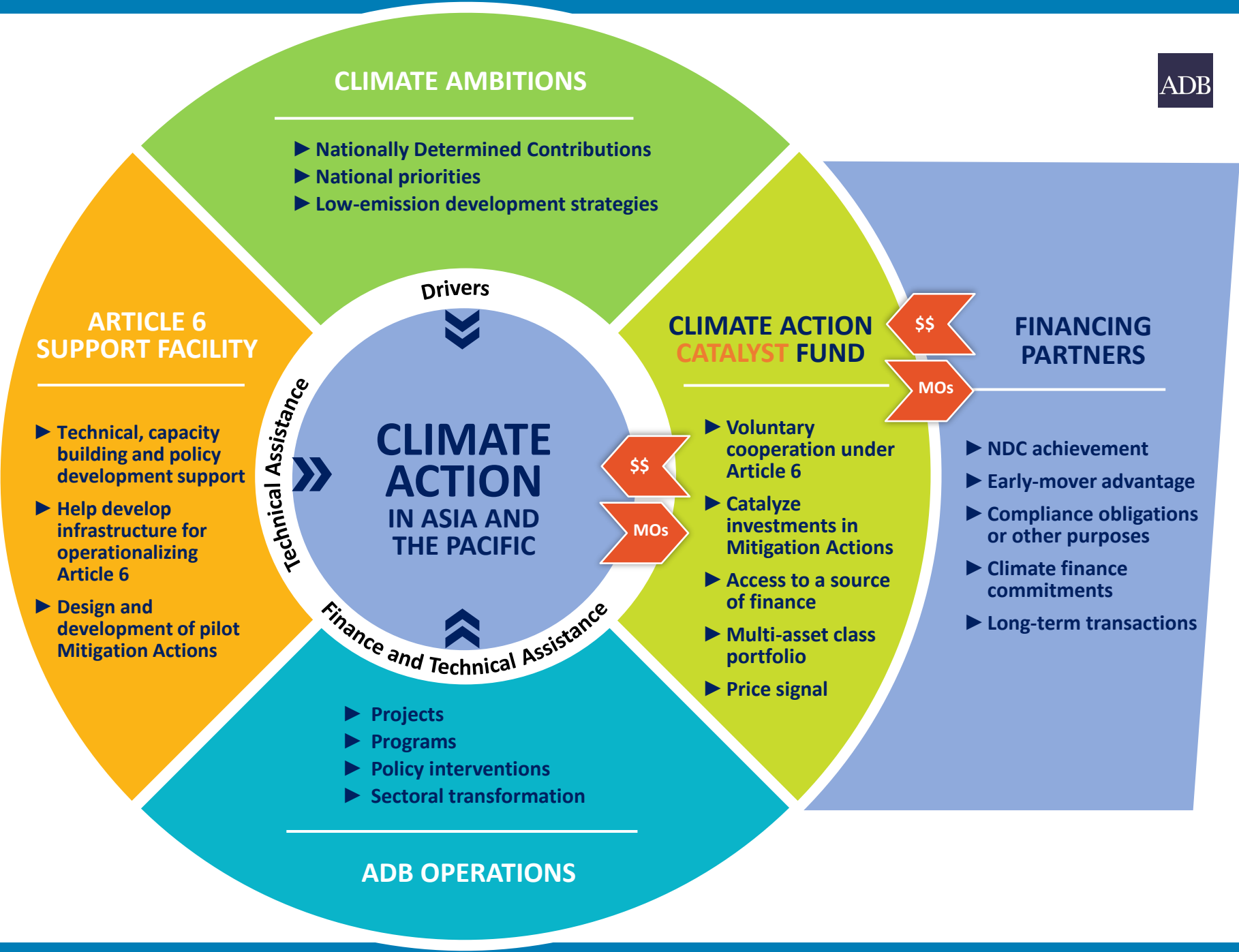


ASEAN Catalytic Green Finance Facility Trust Fund

Support transition to low-emission, climate-resilient development: provide **de-risking loan funds, project origination and structuring, knowledge and capacity building on low-emission and climate-resilient infrastructure**

Climate Action Catalyst Fund

The fund aims to **mobilize innovative carbon finance through the purchase of carbon credits** to catalyze investments in transformative mitigation actions.



Energy and Energy Transition

- Smart Energy Innovation Fund
- Asian Clean Energy Fund
- **Energy Transition Mechanism Partnership Trust Fund:** catalyze public and private capital to accelerate the transition from carbon-intensive coal-based power plants to clean energy



Ocean Resilience and Coastal Adaptation

- increase the finance for and the quality of investments in ocean health (including resilience and the blue economy) and coastal adaptation
- Scale up existing initiatives Blue Finance Hubs and enable OneADB approach

Financing Partnership Facilities

Urban

Supports climate change mitigation and adaptation of urban infrastructure project (TAs, viability gap investment, guarantees):

- Urban Resilience Trust Fund
- Urban Climate Change Resilience Trust Fund
- Urban Environmental Infrastructure Fund



Water

- Water Innovation Trust Fund
- Water Resilience Trust Fund
- Sanitation Financing Partnership Trust Fund



Asia and the Pacific
Water Resilience Hub
CONNECT. COLLABORATE. CAPACITATE.

IF-CAP: Innovative Finance Facility for Climate in Asia and the Pacific

- IF-CAP is the first **leveraged guarantee mechanism for climate finance** to ever be adopted by a multilateral development bank.
- IF-CAP partners will provide guarantees for parts of ADB's sovereign loan portfolios to enable ADB to free up capital to increase lending for climate investments. Supplementary grants will facilitate project preparation, capacity building, and knowledge solutions.



Global Energy Alliance for People and Planet (GEAPP) Energy Access and Transition Trust Fund:

- provide **grants and blended finance** to support transition to clean energy through innovative distributed renewable energy (DRE) and energy transition solutions



Multiplier

For every \$1 of guarantees, ADB will be able to accelerate up to \$5 in much needed climate finance.



Empowering

IF-CAP financing will help vulnerable countries in Asia and the Pacific meet their mitigation and adaptation goals.



Ambitious

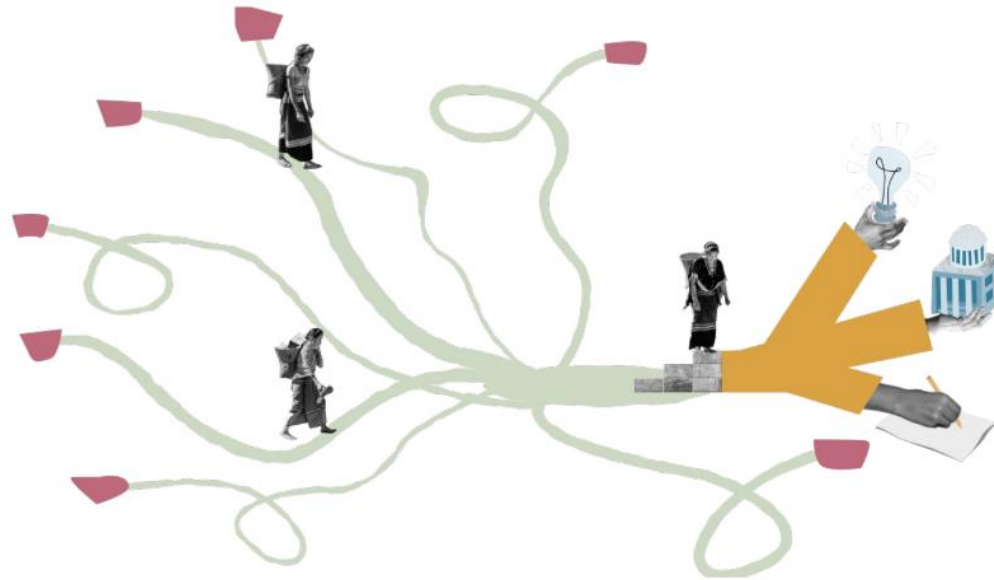
IF-CAP will support ADB's raised ambition for \$100 billion in climate finance from 2019-2030.

Community Resilience Financing Partnership Facility

Scale-up climate adaptation solutions at the community level addressing the nexus of poverty reduction, climate change, and gender issues

Technical assistance:

- Applied research studies
- Policy dialogues and capacity building of national and local institutions, and community-based organizations to access climate finance
- Strengthening partnerships between local governments and grassroots women's organizations



Project preparation:

- undertake prefeasibility and feasibility studies for pro-poor investment projects to support community-led adaptation
- Capacity building to develop and implement these projects

Grant financing:

- Pilots as part of ADB financed investment projects to demonstrate innovative approaches and/or solutions for implementing community-led adaptation measures
- Small grants to grassroots women's organizations to test innovative ideas on building local resilience
- Has a dedicated [gender window](#) for women-focused investments

Nature Solutions Finance Hub for Climate and the Environment

Incubator

To act as a value-adding generator of high-impact NBS projects for developing member countries in Asia and the Pacific

Innovating Finance

To foster development of catalytic finance solutions—including national facilities/instruments—for NBS projects

NSFH Vision

Scale up finance from private, public and philanthropic sources into a growing pipeline of NBS projects across Asia and the Pacific

De-risking Finance

To pool and scale up development funds—philanthropies, concessional sources—to innovatively be used as de-risking capital for enhancing NBS bankability

Visibility and Profile-Building

To combine global efforts into building visibility, capacity and interest in NBS projects among developing member countries

ADB and Global Multilateral Climate Funds



Global Environment Facility

Blending ADB's financial resources with GEF grant resources provides substantial opportunities for enhancing local and global environmental benefits of projects, through testing of innovations, scaling up investments, mainstreaming environmentally sustainable approaches, policy reforms and capacity development.



Food, Land Use and Restoration



Sustainable Cities



Sustainable Forest Management (SFM)

(3) GEF Impact Programs

Climate Investment Fund

- Provide concessional loans, technical assistance (TA), and grant investments; Cumulative co-financing to date: **US\$1.5 B**
- ADB strategically engages in the design and development of new programs under CIF

Clean Technology Fund

- scale up low-carbon technologies (RE, EE, transport)

Strategic Climate Fund

- Targeted programs at specific climate change or sector (cities, nature...)

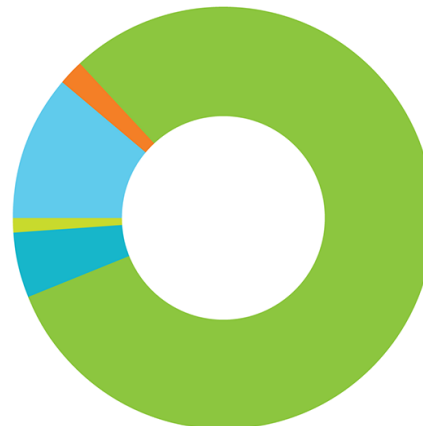
Green Climate Fund


14 Projects
US \$ 9.06 Billion


 **11.4%**
Transport
\$ 1,1035 million

 **1.3%**
Energy
\$ 114 million

 **5.3%**
Water and Urban
\$ 480 million



 **1.5%**
Agriculture and Natural Resources
\$ 141 million

 **80.5%**
Multisector
(Energy, Multisector, Transport, Water and Urban, Agriculture and Natural Resources)
\$ 7,293 million

[ADB-GCF Portfolio Impact Areas \(% of total portfolio\)](#)

Multi-country projects

E-mobility Program

Community Resilience

ASEAN Catalytic Green Finance Facility

Takeaways:



- MDBs are the fastest growing source of climate finance
- As Asia and Pacific's Climate Bank, ADB aims to address key barriers to accessing finance through strategic upstream-midstream-downstream country engagement
- ADB has over 18 dedicated funds and facilities to support member countries in advancing and implementing their climate change goals; and continues to innovate and foster partnership to scale up resources available to the region
- Access to these funds are mainly initiated by ADB sectors/departments and resident missions as informed by Country Partnership Strategies/Regional Cooperation Strategy

Thank you!