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## **Webinar Report**

### **Needs-Based Climate Finance Project for the Association of Southeast Asian Nations (ASEAN)** 10<sup>th</sup> August 2020

#### **A. Background**

1. The Webinar on Climate Finance in the Association of Southeast Asian Nations (ASEAN) was organized under the auspices of the Needs-based Climate Finance Project of the UNFCCC Secretariat.
2. The Needs-based Climate Finance Project is in response to the decision of the Conference of the Parties at its twenty-third session (COP 23) requesting the UNFCCC secretariat “to assist developing country Parties in assessing their needs and priorities and in translating the climate finance needs into action” (6/CP.23, para 10). In addition, the Conference of Parties requested the UNFCCC secretariat to support the financing of climate projects (3/CMP.1, 6/CMP.11 and 12/CMA.1). Collectively, these mandates form the basis for assisting developing countries assess their needs relating to the implementation of the nationally determined contributions, national adaptation plans and climate strategies and for mobilizing support to address these needs.
3. The Project also supports the implementation of the ASEAN Working Group on Climate Change (AWGCC) Action Plan under the programme area 4: Climate Finance and fulfils the mandate of the 10<sup>th</sup> meeting of the AWGCC.
4. The Project was also officially endorsed by the AWGCC and the ASEAN Senior Officials on the Environment (ASOEN) on 28 August 2019 and 9 September 2019 respectively and appointed Brunei Darussalam and the Philippines to co-lead the Project.
5. The Webinar was attended by over 6 experts from 7 southeast Asian countries, in addition to representatives from 13 bilateral, multilateral, UN agencies and international organizations. The list of participants can be found in **ANNEX A**.
6. The purpose of this webinar was to present the zero draft document of the “Technical Assessment of Climate Finance in Southeast Asia” (the draft Technical Annexes (TA) of the ASEAN Climate Finance Strategy) which was initiated at the Inception Workshop which took place in Quezon City, the Philippines, in October 2019, and to solicit initial feedback from the focal points of the member states, as well as from representatives of UN agencies and international organizations who attended the Inception Workshop.
7. This webinar was the first step in a consultation process with AMS and ASEC, during which the UNFCCC secretariat will revise the draft Technical Assessment and work towards producing an enhanced version of the document.

#### **B. Webinar Programme**

8. The programme of the Webinar on Climate Finance can be found in **ANNEX B**.

9. The webinar was held over two hours and comprised a presentation of the contents of the Technical Annex, a Q&A and discussions, and delineation of the timeline and next steps.

## **C. Technical Workshop on Climate Finance Proceedings**

### **1. Opening**

**10.** Mr. Albert Magalang, Ministry of Environment and Natural Resources of the Philippines, began proceedings by welcoming the participants.

**11.** Mr Jens Radschinski, Programme Officer, Mitigation RCC chaired the webinar, and Mr. Yolando Velasco, Manager, Climate Finance Sub-Division, UNFCCC Secretariat, then shared the background and structure of the Needs-based Finance (NBF) project.

### **2. Webinar presentations**

**12.** Mr. Yolando Velasco, Manager, Climate Finance Sub-Division, UNFCCC Secretariat, presented Chapters I and II.

**13.** Ms. Federica Chiappe, NBF Project Consultant, presented Chapters III and IV.

**14.** Mr. Grant Kirkman, Team Leader, Climate Finance, UNFCCC secretariat, presented Chapters V and VI.

### **3. Discussions**

**15.** At this point, the floor was opened for discussion.

**16.** Mr. Sum Thy (Cambodia) enquired whether (1) there are overlaps or differences between the ASEAN NBF and the ASEAN LDC NBF and (2) given that UNESCAP, JICA and KOICA implemented a number of projects in many ASEAN countries, synergies should be explored.

**17.** Mr. Yolando Velasco replied that (1) some groupings overlap with ASEAN. The team is pursuing the project from perspective that some LDCs are part of ASEAN and SEA, depending on common interests with other countries in the region. There is encouragement for countries to be part of also other blocks. This would reduce overlaps, and ultimately enhance mobilization of finance, when they are part of different groups and can access different stakeholders. This project catalyzes different projects and bring together different initiatives. With regard to (2) KOICA, as UNESCAP takes the lead and only covers a small amount of countries, and since the project is still to be launched, the outcomes of this project is expected to feed into the project. And similarly, with regard to JICA, where collaboration can take place on regional training and technical work, and there are shared objectives of supporting the region to mobilize finance.

**18.** Sufina asked (1) whether the technical assessment would include a compilation of best practices of climate change management in the region, as was indicated in the NBF Concept Note; and (2) when might they expect this document to be finalized.

**19.** Mr. Yolando Velasco replied (1) that best practices are not included in this document as still a draft. In addition, the team is keen to hear from AMS on priorities in terms of needs and supply. Once region is able to identify these priorities, then the team would be able to target best practices. In terms of (2), next steps will be explored further in the presentation through an ad-hoc slide.

**20.** Dr Vong asked clarifications on the methodology for the assessment. It is understood that data is mainly secondary, but whether funding institutions have been consulted to identify needs and priorities. In fact, it is important to understand these, in order to effectively access finance.

**21.** Mr. Yolando Velasco replied that the team tried to map the funding institutions in terms of sources, especially from UNFCCC and bilateral and multilateral. This will be expanded when project pipelines will be developed, and it will be difficult to develop a profile before targeting the needs first. The Convention is actually giving a mandate, instead of countries adjusting to priorities to FIs, it should be the other way around and based on the needs of the countries. Mr. Grant Kirkman added that this process would put back the power onto the countries to identify what the needs are, and less on the donors. There are only three countries with GCF Strategic Programmes, and some banks have this too, but it is important to identify country-specific needs to strengthen the strategic programming.

**22.** Mr. Koji Fukuda indicated that (1) it would be necessary to take into account the impact of Covid-19. He is convinced that the principles enshrined in the Paris Agreement will not remain unchanged, the financial landscape will be impacted. There are economic impact assessments carried out by organizations such as ADB and ESCAP that could be included. (2) To make this assessment handier, there should be more case studies on how the instruments are used. JICA is working on a stocktake of domestic financing options, specifically in Thailand, to see how tools are accessible and what the barriers for users and providers are. JICA could provide support and complement, in the case of limited scope of this project.

**23.** Mr. Yolando Velasco replied that (1) the Climate Finance Strategy cannot ignore the situation with respect to the Covid-19 crisis, but the question is how to scope this change with regard to climate finance. There are studies dealing with resilience, health, and food security, and enquired whether anyone knew of any study more specific on climate finance. Also, (2) the team would welcome collaboration with JICA on case studies (to include sources, delivery models, case studies) to enhance the technical assessment and the strategy.

**24.** Mr. Noel Verdote (ADFIAP) reiterated that there will be changes in priorities due to the pandemic, both from the beneficiaries and the fund provider sides. (See above response)

**25.** Mr. Tony Ng (Singapore) enquired whether case studies could be included in the technical assessment. Mr. Grant Kirkman replied that the suggestion to include business cases and models is good and well accepted.

**26.** Mr. Albert Magalang (Philippines) noted that while access to climate finance can be both through public and private sources, there is concern on how to allow entry of private sector in assessing climate finance, considering that most NDC options will be implemented fully or partially by the private sector. It will be necessary to translate the actions into viable business models (similarly to what is being done in the Philippines), and enquired whether the narrative of the next draft could mention entry points for the private sector.

**27.** Mr. Yolando Velasco replied that regarding the private sector, rather than accessing finance, the issue relates more to the enabling environment and policies to encourage the private sector to operate in the climate change space. Notably, ADFIAP and WWF have been doing extensive work on engaging the regulatory agencies of various governments to progress favorable fiscal policies, regulations, and incentives. In terms of access, there are limited funding windows by multilateral and bilateral to encourage the private sector (GCF-PSF, GEF, WB, ADB etc).

**28.** Mr. Tony Ng (Singapore) enquired whether the strategy will be binding.

**29.** Mr. Yolando Velasco indicated that based on experience in other regions, the objective of the strategy is more to guide the region in finance mobilization and access.

In other regions there are efforts to use it the strategy as basis for closer collaboration among countries, so not necessarily binding.

**30.** Thawatchai (TGO) asked if there could be more information on capacity building in the strategy, given the high needs.

**31.** Mr. Edgardo Tongson stated that the finance needs indicated for the Philippines is not enough, and is premised on submission of NDCs. Ms. Federica Chiappe indicated that the finance needs have been extracted from the NDCs, where available, but requested to receive any further data and information to strengthen the existing evidence.

**32.** Sheela (Malaysia) indicated that the technical assessment could include information on climate finance initiatives that have been launched recently, such as the Coalition of Finance Ministers for Climate Action and the International Platform on Sustainable Finance, where a number of AMS already participate in.

**33.** Mr. Yolando Velasco replied that these are important points that will be included in the enabling policies and regulations in the region and will be linked with the private sector. Also, to note, the UNFCCC is actively engaged in the Coalition of Finance Ministers.

**34.** Dr Vong requested to clearly identify finance opportunities for each target group. He would like to see more pragmatic recommendations of (1) opportunities and aspects of regional needs with regard to access to finance, also with regard to the AMS that have more developed markets and that can be transferred to other countries and (2) would like to encourage the team to speak with funding agencies, such as the WB and others, and feedback priorities from AMS to understand what opportunities for concrete support could be available. Also (3) required the AMS to organize a workshop to discuss and understand what support there would be from financial institutions to further support to the sector.

**35.** Mr. Yolando Velasco indicated that the team will focus next steps on capacity building, access, delivery, highlighting best cases on these sources. Also, updated NAPs and NDCs will be included, including the recent finance flows report by OECD.

#### **4. Next steps and completion**

**36.** Mr. Jens Radschinski illustrated the proposed next steps and welcomed further feedback.

**37.** Mr. Albert Magalang thanked and provided closing remarks to the webinar.

## Annex A

### List of participants

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*AWGCC focal points for the NBF project*

<i>Name</i>	<i>Country</i>
Sufina Raihani binti Haji Mohd Salleh	Brunei Darussalam
Dr. Ulaganathan Subramanian	Brunei Darussalam
Dr. Roslynn Rosli	Brunei Darussalam
Sum Thy	Cambodia
Marhaini Binti Mat	Malaysia
Loong Sok Sim	Malaysia
Sheela Inthiram	Malaysia
Aung Thu Han	Myanmar
Kyaw Soe Win	Myanmar
San Win, ECD	Myanmar
Albert MAGALANG	Philippines
Kathleen Anne	Philippines
Rohaya	Singapore
Tony Ng	Singapore
Chatchawan Genarkarn	Thailand
Thawatchai Saengkhamasuk	Thailand
Worapon Mathurosmatane	Thailand
Wisnu	

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*External specialists/experts*

<i>Name</i>	<i>Country/Organization</i>
Ed Tongson	World Wide Fund for Nature (WWF), Philippines
Koji Fukuda	JICA Expert
Bjoern Surborg	Coordinator for Climate Change and Disaster Risk Management GIZ Philippines
Noel Verdote	Head, ADFIAP Finance and Investment Center (AFIC)

Vic Abainza	Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
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Angela Consuelo “Gia” Ibay	World Wide Fund for Nature (WWF), Philippines
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*ASEAN Secretariat*

*Name*

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Le Phuong Thao

Natalia Derodofa

Tri Sulistyo Saputro

Vong Sok

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*UNFCCC / RCC Bangkok Team*

*Name*

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Ariel Yu

Bjorn Fonden

Federica Chiappe (Consultant)

Leonie Routil

Saudamini Bagai

Tracey Lue

Jens Radschinski

Yolando Velasco

Grant Kirkman

Mary Katherine Laekemaeker

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*Other participant*

*Name*

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Thulaja Thessa K Vasudhevan

## **Annex B**

### **Programme**

#### **Needs-Based Climate Finance Project for the Association of Southeast Asian Nations**

#### **Webinar: “Technical Assessment of Climate Finance in Southeast Asia”**

**10 August 2020**  
2:30-4:00 pm (ICT)

<b>Time</b>	<b>Activity</b>	<b>Speakers</b>
<b>2:30-2:35</b>	Opening: Welcoming participants	Philippines and Brunei Darussalam
<b>2:35-2:40</b>	Self-Introduction of participants / meeting guidance	UNFCCC / RCC Bangkok
<b>2:40 – 3:10</b>	Presentation outline and summary of the “Technical Assessment of Climate Finance in Southeast Asia”	UNFCCC
<b>3:10 – 3:50</b>	Questions and discussion / feedback	Moderated discussion (UNFCCC) participants, experts
<b>3:50– 3:55</b>	Outlook: proposed next steps	UNFCCC
<b>3:55 – 4:00</b>	Closure	ASEC