

EIB to support green infrastructure development and climate resilience in ASEAN countries with EUR 150 million

- The EIB to support green infrastructure development in ASEAN member countries with EUR 150 million;
- ASEAN's Catalytic Green Finance Facility (ACGF) is designed to accelerate the development of green infrastructure and attract more private investment in the sector;
- Needs of ASEAN member countries for investments in green infrastructure are currently assessed at around USD 200bn each year;

The European Investment Bank (EIB) will invest EUR 150m in the Catalytic Green Finance Facility (ACGF) established by Association of Southeast Asian Nations` (ASEAN) to accelerate the development of green infrastructure projects and crowd-in much needed private investments in the sector. With the investment, the EU's Climate Bank continues to support development of transport, energy and water schemes in South East Asia.

In line with its role as the EU's Climate bank and its focus on climate action in Asia, the EIB support for ACGF will also improve environmental sustainability and climate resilience of ASEAN member countries, jointly the seventh-largest economy in the world, and advance global climate action.

Luca Lazzaroli, Director General of the EIB, said: *"The EIB is ready to support ASEAN attract funding for green infrastructure as it is a true win-win partnership for South East Asia, the European Union and the whole world. Our cooperation will benefit the people and economies of the ASEAN, support local communities by making them more climate resilient and aid the global effort to combat climate change. Partnerships like this one with ASEAN are the only way to ensure success of the global climate action and preserve our planet for future generations."*

The investment from the EU Bank will also support ASEAN meet its own climate action goals and attract much needed private funding for its green infrastructure projects in sectors like energy, transport, water and urban development.

Mobilising private sector support for green investment

Currently, ASEAN countries attract only 40 out of \$200bn required each year for green infrastructure finances, with only 25% of financing from the private sector, mostly as commercial loans. The ACGF will mobilize and catalyse private finances through instruments such as green bonds, and development of commercially bankable projects with attractive risk-return profiles in order to accelerate development of green infrastructure in ASEAN.

With the support from the EIB, ACGF will address these issues to reduce high

up-front costs of green infrastructure and introduce new technologies, as well as create long-term finances options for green project developers and address exchange rate volatility that hinders foreign investments in the sector.

ACGF will develop a project pipeline and provide project financial structuring support, both key to attracting private sector investments. It will promote innovative finance approaches, create bankable financial models, and respond to the need for climate-responsive projects in ASEAN countries.

To support sustainable development of South East Asia, the EIB supported ACGF develop a definition of green investment criteria and currently explores expanding the cooperation to include cooperation on EIB's Clean Oceans Initiative, in areas such as coastal protection, plastic reduction and waste management.

Other contributions to EUR 1.2 billion strong ACGF include Asian Development Bank, Agence Française de Développement, German development bank KfW and the Government of South Korea.

About EIB in Asia:

For 25 years, the EIB has supported economic development in Asia and the Pacific region through projects ranging from cutting travel times for people of Bangalore with a new metro line, to providing cheaper, cleaner energy to western Nepal.

In Asia, the EIB focus is our lending on climate action across all sectors. Through our financing, we act as a catalyst to attract the funding needed to meet the UN's Sustainable Development Goals for 2030. We also work to include gender equality in our projects, ensuring that women, men, girls and boys can benefit from projects equally and equitably.

In recent years, the EIB has supported new sustainable transport projects in India, Cambodia, Laos, Vietnam, and Bangladesh, water schemes in Sri Lanka and Bangladesh, renewable energy in Nepal and India and urban metro rail systems in India.

About the EIB in ASEAN:

The EIB financed 32 projects in the ASEAN Region, investing EUR 1.8bn and mobilizing investments of up to EUR 10.7bn in key sectors including rural development, transportation, energy and renewable energy, water and waste management, as well as support to Small and Medium Enterprises (SMEs).