Strategies for Strengthening Green Project Pipelines in Emerging Markets

Side event at the 81st **session** of the Economic and Social Commission for Asia and the Pacific

Meeting Room H, United Nations Conference Center, Bangkok, Thailand
25 April 2025, 12:45 – 13:45, Bangkok

CONCEPT NOTE

Description

Sustainable finance plays a crucial role in funding initiatives aimed at reducing greenhouse gas emissions, such as renewable energy projects, as well as in helping communities and sectors vulnerable to climate impacts build resilience. These funds are essential for advancing the transition to low-carbon economies and addressing the urgent need for climate adaptation, particularly in sectors like agriculture, forestry, and water management, which are significantly affected by climate variability.

According to the most recent figures for global annual sustainable finance flows are estimated at US$ 1.27 trillion in 2022, only 16 per cent of the US$8.1 trillion investment which is required[1]. About half of this flowed to the Asia-Pacific region[2], with relatively limited flows to developing economies in the region. Developing economies have limited access to sustainable finance, particularly from private investors. One major reason why sustainable finance does not flow is due to a lack of an investable pipeline of green deals.

Sustainable finance in Asia and the Pacific grew by 34% from USD 24.2 billion to 32.58 billion between 2016 and 2021, with an increasing proportion of finance being allocated to adaptation projects. Sustainable finance has been largely concentrated in transport (29.6% of total funds) and energy (22.7%), with relatively lower amounts invested in water supply and sanitation (9.9%) and non-infrastructure sectors (e.g., agriculture, forestry and fishing (8.9%)). This highlights untapped opportunities to increase the flow of green finance to non-infrastructure sectors.

If current growth rates of green finance from developed countries persist, the funding available will fall short of addressing the significant financial gaps faced by countries in Asia and the Pacific in their transition to low-carbon economies. To bridge these gaps, it is imperative to diversify access to additional sustainable and green finance sources. Additionally, prioritizing investment in non-infrastructure sectors presents a crucial opportunity to better position these countries to meet their climate goals.

---

[1] Buchner, Barbara and others, *Global Landscape of Climate Finance 2023* (Climate Policy Initiative, 2023).
[2] Ibid.

Objective

This session, organized under ESCAP's *Climate Invest* project, aims to strengthen the development of green project pipelines in emerging markets by addressing key barriers to mobilizing sustainable and green finance. While governments in the Asia-Pacific region have made significant strides in establishing policies and frameworks for sustainable finance, investment flows remain constrained by a lack of investable, bankable green projects. Co-hosted by the Securities and Exchange Regulator of Cambodia (SERC), the Ministry of Economy and Development of Mongolia, Mongolian Sustainable Finance Association (MSFA) and the National Innovation Agency (NIA) of Thailand, this session will:

- Deep-dive into the findings of the *Climate Invest* research, assessing green investment trends and investor priorities in the region.
- Identify policy, regulatory, and financial innovations that can accelerate the development of green pipelines.
- Highlight successful case studies and practical approaches for mobilizing green finance in sectors beyond large-scale infrastructure.
- Foster collaboration among policymakers, financial institutions, and investors to create enabling conditions for sustainable investment at scale.

By bringing together key policymakers, regulators, and financial actors, this discussion will contribute to shaping actionable solutions to bridge the sustainable financing gap in emerging economies.

Programme

Time	Description
5 mins	**Opening Remarks** • **Mr. Hamza Malik**, Director, Macroeconomic Policy and Financing for Development Division, ESCAP • **H.E. Mr. Zhiwei Lu**, Deputy Permanent Representative, People's Republic of China to the ESCAP
50 mins	**Presentation of Findings & Roundtable of National Perspectives on Green Finance** The session will be a moderated roundtable discussion bringing together policy makers, regulators and relevant stakeholders to share case studies and practical approaches for mobilizing sustainable finance. Moderator • **Ms. Deanna Morris**, Economic Affairs Officer, Financing for Development Section, ESCAP Panel • **H.E. Sou Socheat**, Delegate of the Royal Government in charge as Director-General of Securities and Exchange Regulator of Cambodia • **Mr. Batbaatar Batkhuu**, Head of Green Finance Policy Division, Ministry of Economy and Development (MED), Mongolia • **Mr. Nimit Nipattummakul,** Innovation Development Manager, Innovation Business Promotion Department, National Innovation Agency, Thailand • **Ms. Kelly Hattel**, Sr. Financial Sector Specialist, Asian Development Bank

5 mins	**<u>Conclusion</u>** • **Ms. Suba Sivakumaran,** Chief, Financing for Development Section, ESCAP