Background

The 2021 issue of ESCAP’s Financing for Development Series, *Financing the SDGs to build back better from the COVID-19 pandemic in Asia and the Pacific*, reviews a range of financing instruments, strategies and mechanisms that can help Asia-Pacific economies recover from the pandemic and effectively pursue the SDGs. In particular, the report takes a “deep dive” on the role of **innovative climate and digital finance strategies** to address the financing gaps and support the achievement of the SDGs, and it suggests key regulatory and solution-oriented policy actions that can help scaling up financing in support of the SDGs.

While countries prioritize speedy economic recovery from the COVID-19 pandemic, it is critical that financial flows are not diverted away from the SDGs and climate action and that policymakers “build back better” by enhancing the resilience of their economies. However, the rising debt burden faced by developing countries in the region is becoming a daunting challenge and squeezing fiscal space considerably. Therefore, innovative financing instruments are required to both streamline existing financial flows and generate additional financial resources in a fiscally responsible and sustainable manner. The “deep dive” chapter on **innovative climate financing** covers policy instruments and mechanisms such as thematic bonds, including green, sustainability, and SDG-linked bonds, climate risk disclosure and reporting, and debt-for-climate swaps. It also discusses the importance of enabling policy frameworks for climate action.

The other “deep dive” chapter looks at the potential of **digital finance** to support the achievement of the SDGs. Digital finance has the potential to transform how we engage in economic activities and do business. New innovative solutions in the digital space are enabling unbanked and underbanked individuals to access financing and engage in the real economy. Digital platforms linked with digital payment systems have also supported businesses to swiftly transition during the pandemic to online means of doing business. Despite the global shift towards digital finance, barriers still remain. Digital infrastructure, interoperable payment systems, the ability for financial clients to meet customer due-diligence processes are just a few of the critical challenges still faced by the policymakers and regulators in ensuring an inclusive and competitive digital finance ecosystem. The publication takes a critical look at these challenges and identifies opportunities and innovations which can drive digital finance adoption in the Asia Pacific region.
Objectives

The launch of ESCAP Financing for Development Series No. 4, *Financing the SDGs to build back better from the COVID-19 pandemic in Asia and the Pacific*, takes place just before the third session of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development, to be held from 20-22 October 2021. The Committee, which is attended by senior government officials from Ministries of Finance and Central Banks, is ESCAP’s main intergovernmental platform for policy deliberations on economic and financing issues. The panel discussion organized as part of the publication launch event is designed to set the stage for subsequent discussions at the forthcoming Committee session. A summary document highlighting the main policy messages emerging from this panel discussion will be shared with the policymakers of the Asia-Pacific region at the Committee session.


Guiding questions for the panelists include:

1. What specific policy actions are needed to make innovative financings strategies and mechanisms, particularly those related to support climate action (i.e. green bonds, establishment of green taxonomies, debt-for-climate swaps, etc.), effective?
2. What institutional capabilities are needed to adopt best practices in thematic bond issuance standards, taxonomies, preparation of bankable green projects, and climate-related financial disclosures? How can regional cooperation help in this regard?
3. What are the key barriers that policymakers and regulators must overcome to enable a functional and inclusive digital finance ecosystem in support of SDGs?
4. What is the future of climate finance or digital finance agenda in your experience, and based on your respective expertise?
# Tentative Agenda

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<td><strong>Tuesday, 12 October 2021</strong></td>
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## Opening remarks
Mr. Hamza Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP

10:00 – 10:05

## Presentation
Mr. Alberto Isgut, Acting Section Chief, Financing for Development Section, Macroeconomic Policy and Financing for Development Division, ESCAP

10:05 – 10:25

## Panel discussion
Moderator
Ms. Deanna Morris, Economic Affairs Officer, Financing for Development, ESCAP

10:25 – 11:00

## Speakers
Mr. Youraden Seng, Director, Banking Supervision II, National Bank of Cambodia

Dr. Allinnettes Adigue, Head, Global Reporting Initiative (GRI) - ASEAN Regional Hub

Mr. Xiaochen Zhang, Principal Manager, Amazon Web Services

Q&A

11:00 – 11:25

## Closing remarks
Mr. Hamza Malik, Director, Macroeconomic Policy and Financing for Development, ESCAP

11:25 – 11:30