



Boao Forum for Asia
**Sustainable Development:
Asia and the World Annual Report 2023**

—Public Private Joint Actions in Financing Asia's Development



对外经济贸易大学出版社
University of International Business and Economics Press



Financing the 2030
Sustainable Development
Goals and the 2015-2030
Agenda under the 2015 Addis Ababa
Agreement

Public Finance and Development Series



图书在版编目（CIP）数据

博鳌亚洲论坛可持续发展的亚洲与世界 2023 年度报告：
亚洲发展融资：政府社会共行动 = Development: Asia
and the World Annual Report 2023 — Public Private
Joint Actions in Financing Asia's Development
Boao Forum for Asia Sustainable: 英文. —北京：
对外经济贸易大学出版社，2023.3
ISBN 978-7-5663-2488-7

I. ①博… II. III. ①经济发展—研究报告—亚洲—
2023—英文②绿色经济—经济发展—研究报告—亚洲—
2023—英文 IV. ①F130.4

中国国家版本馆 CIP 数据核字（2023）第 041374 号

**Boao Forum for Asia Sustainable Development: Asia and the World
Annual Report 2023
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责任编辑：陈培风

出版发行：对外经济贸易大学出版社
社 址：北京市朝阳区惠新东街 10 号
网 址：www.uibep.com
资源网址：www.uibepresources.com

邮政编码：100029
邮购电话：010-64492338
发行部电话：010-64492342
E-mail: uibep@126.com

成品尺寸：215mm×278mm
印 张：9.25
字 数：313 千字
ISBN 978-7-5663-2488-7

印 刷：北京博海升彩色印刷有限公司
版 次：2023 年 3 月北京第 1 版
印 次：2023 年 3 月第 1 次印刷
定 价：200.00 元

Dr. Shamshad Akhtar, member of the BFA Council of Advisors and Former UN Under Secretary-General

This report is overwhelming in terms of its quality, content and substantiveness, with a lot of empirical evidence. In this difficult environment, quite a few countries in Asia are in the category of high debt distress, which is preventing them to think long term. Solving this requires multilateral hand holding and multilateral cooperation. One possible solution could be to have debt restructuring in a way that we link the restructuring with the investment in infrastructure, in an attempt to solve the debt distress problem.

Mr. Anil Kishora, Vice President of NDB

Sincere compliments to the team of authors for their immense efforts. Development finance is confronted with quite a few challenges. First, local currency financing is yet to take off at scale. Second, public money just can't meet the humongous funding required to support sustainable development, build green energy sources and develop infrastructure. On top, flow of private resources into long term infrastructure projects continues to be impeded despite the need to invest global surpluses into revenue generating real assets to sustain the slowing economies of the global north and to support the development needs of the global south. Time to put in place innovative minds and practices to address the challenges and to move the needle! I am confident G20 will continue to lead the effort and deliver what we all need.

Mr. Enrique Florencio, Secretary General of ADFIAP

National development finance institutions (DFIs), as instruments of public good created by governments, have a special mandate to contribute to the country's sustainable development programs. NDFIs need to be committed to achieving cross-border and international transfer of knowledge. To build a sustainable future, development financial institutions need to set examples and show that prosperity and progress can go hand in hand with environmental sustainability.

Dr. Erik Berglof, Chief Economist of Asian Infrastructure Investment Bank

The demands on the multilateral development finance architecture are ratcheting up in volume and scope. This report brings together comprehensive data on the activities and resources of the multilateral development banks allowing us to identify gaps and pressure points. Taking a systemic perspective, it points out important opportunities to better leverage the resources of national development finance institutions and sovereign wealth funds, but also to mobilize private sector and civil society institutions. Working towards agreed international standards and using a multilateral approach will prevent fragmentation.

Mr. Fabrizio Costa, Economic and Financial Counsellor of the Embassy of Italy in China

The covid pandemic shaped new opportunity to transform international development assistance and promote sustainable economic growth through multilateral development banks (MDBs) finance. However, the ability of MDBs to mobilize private capital is still limited and the objective of raising much higher levels of development finance is largely unmet. The report assesses prospects for establishing more effective and equitable relationships between MDBs and recipient countries in view of meeting the current economic, social and climate change challenges.

Dr. Xu Jiajun, Executive Deputy Director and Assistant Professor of the Institute of New Structural Economics in Peking University

There is no lack of capital, but available finance is not channeled towards sustainable development at the scale and speed required to achieve the Sustainable Development Goals and goals of the Paris Agreement. As development-oriented public financial institutions, public development banks and development financing institutions are uniquely positioned to catalyze private capital and incubate markets for achieving public policy objectives. The present report provides a useful landscape on development financing in Asia and makes policy recommendations on how to better foster public private joint action.

Dr. Zhang Guoxiong, Managing Director of Deloitte Economics Institute

To achieve the world's two important goals of sustainability and economic development now more than ever requires the joint efforts of governments, international and national development banks, and the private sector. I am pleased to read this report that highlights the indispensable roles of these parties and offers actionable suggestions with real business cases on how development finance can help us achieve sustainability and development simultaneously through enhanced public-private cooperation.

Preface

In 2022, world sustainable development faced grave threats—resurgent COVID-19 infections, food and energy crises triggered by the Russia-Ukraine conflict, global inflation, and extreme weather events. Each country was struggling to get out of the severe situation, only to find more threats were looming over the horizon. On February 6, 2023, a magnitude-7.8 earthquake hit Turkey and Syria, resulting in an inestimable humanitarian crisis. In face of frustrated efforts or even retrogress in the pursuit of the 2030 Agenda for Sustainable Development (2030 Agenda), the international community needs to make tremendous efforts to restore peace, heal divisions, and create a favorable international environment for development. Governments and various sectors of society are required to act together and mobilize resources to build global development partnerships.

The 2030 Agenda was adopted at the UN Summit on Sustainable Development in September 2015. The Addis Ababa Action Agenda was incorporated into the 2030 Agenda to promote financing for development and mobilize more private-sector resources. In the same year, the International Monetary Fund (IMF), the World Bank and other multilateral development banks (MDBs), in their report “From Billions to Trillions: Transforming Development Finance”, emphasized that “the global community needs to move the discussion from ‘Billions’ in ODA (official development assistance) to ‘Trillions’ in investments of all kinds: public and private, national and global, in both capital and capacity.”

Over the past seven years, the world has made relentless efforts to bridge gaps in development finance. In 2021, ODA amounted to USD185.9 billion, more support was provided to the least developed countries, and vaccine assistance, infrastructure and climate finance emerged as a focal area of development finance. However, there remains a huge gap between “billions” and “trillions”. ODA from developed countries is still less than half of the pledged 0.7% of their national income, and some countries are even scaling down their assistance. Multilateral and bilateral development finance institutions (DFIs) find their collaboration with each other constrained by factors such as insufficient capital, low ratings, and politicization. The external financing cost of many emerging markets and developing economies remains high, with some countries suffering from debt distress. Enormous financing gaps are also identified within the



developing world. In February of this year, UN Secretary-General António Guterres called on the G20 to launch a stimulus plan for Sustainable Development Goals (SDGs), intending to provide at least USD500 billion in sustainable development funding annually for the developing countries, especially for those in Africa.

Asia is a key source of global economic growth. Development finance has significantly contributed to poverty reduction, economic growth, social progress, institutional development, knowledge sharing and capacity building in Asia, and continues to help Asian countries embrace globalization and promote regional economic integration. In the post-Covid era, Asia is also confronted with geopolitical tensions and overlapping crises in food, energy and climate. To address these issues, the region needs to mobilize funding from various sources to increase investment in health, coping with climate change, digital transformation, and industrial and supply chain stability, and to prevent the deterioration of development deficits and potential damage to people's well-being. In September 2021, Chinese President Xi Jinping proposed the Global Development Initiative at the United Nations General Assembly. At the High-level Dialogue on Global Development held in June 2022, China, as the chairing country, proposed pragmatic cooperation with international partners, especially with developing countries, in eight areas—poverty reduction, food security, pandemic controls and vaccines, development finance, climate change and green development, industrialization, digital economy, and digital connectivity.

To understand holistically the current status and development financing gaps in Asia, analyze the roles of multilateral and national DFIs and other actors in Asia in development finance, keep abreast of progress in public private partnership (PPP) frameworks, and advise on public private collaboration in Asian development finance—the Boao Forum for Asia (BFA) Academy, in collaboration with the New Development Bank (NDB), the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), and Deloitte China, launched the report “Boao Forum for Asia Sustainable Development: Asia and the World Annual Report 2023 — Public Private Joint Actions in Financing Asia’s Development”. This is the third issue of the “Boao Forum for Asia Sustainable Development: Asia and the World” series. It is intended to make the voice of the BFA family widely heard—a voice for placing development at the heart of agendas for international cooperation, for building united, equal, balanced, and inclusive global development partnerships, and for getting the world back to the trajectory of the 2030 Agenda.



Secretary General of Boao Forum for Asia

Acknowledgement

The Boao Forum for Asia “Sustainable Development: Asia and the World Annual Report 2023 — Public Private Joint Actions in Financing Asia’s Development” is the fruit of a trustful and efficient collaboration between the BFA Academy, New Development Bank (NDB), Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and Deloitte China. With a common passion and commitment for the development agenda and development finance, the 4 organizations pulled together expertise and efforts to jointly produce this report.

BFA Secretary General Mr. LI Baodong guides through the writing up of this report with valuable support and advice. Our sincere gratitude also goes to the advisory team, formed by 4 internal advisors – Dr. Shamshad Akhtar, member of the BFA Council of Advisors and Former UN Under Secretary-General, Mr. Anil Kishora, Vice President of NDB, Mr. Enrique Florencio, Secretary General of ADFIAP, and Dr. Zhang Guoxiong, Managing Director of Deloitte Economics Institute, and 3 external advisors – Dr. Erik Berglof, Chief Economist of Asian Infrastructure Investment Bank, Mr. Fabrizio Costa, Economic and Financial Counsellor of the Embassy of Italy in China, Dr. Xu Jiajun, Executive Deputy Director and Assistant Professor of the Institute of New Structural Economics in Peking University. The experts urge to sharpen the suggestions in highlighting the pressing call to address the debt sustainability and strengthen green finance. Their guidance and suggestions safeguard the high quality of this report.

As always, the author team’s spirit of dedication, sense of responsibility, efficient communication and cooperation ensured the successful completion of the report. The BFA team, responsible for managing the whole report and the writing up of the Executive Summary, Section 1.4, Section 3.1 (with ADFIAP) and Section 3.2, is comprised of Ms. Cao Li (lead, Vice President of the BFA Academy), Dr. Liu Yan, Mr. Wang Haoyu, Ms. Xue Chen and Ms. Lan Huanqi. The NDB team, responsible for writing up Sections 1.1-1.3 and Chapter 2, include Mr. Liu Hanyong (lead), Dr. Xu Bing, Dr. Zhang Chi, Dr. Lin Yanjun, and Mr. Shreyans Bhaskar. The ADFIAP team, responsible for Section 3.1 (with BFA), is comprised of Mr. John Alianza (lead) and Sandra H. Honrado. The Deloitte China team, responsible for Chapter 4, is comprised of Marco Hu Yifei (lead), Aileen Li Tian, Jerry Lei Jinqiao, Neil Xu Yuan, and Yang Xianfeng. All teams contribute to Chapter 5.

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Views presented in this report are the authors’ own and do not necessarily represent authors’ institutions.

Executive Summary

Against heightened complexity and uncertainty in the world today, Asia remains a relatively bright spot in a global economy which is losing steam. Nevertheless, many low- and middle- income countries in Asia are encountering massive development challenges amid multiple crises, such as inflation, earthquakes, droughts, floods, supply chain disruptions, food and energy shortages and climate change. The intensity of these crises has been coupled with external vulnerabilities, in particular, external debt distresses. Multilateral cooperation and blended finance are important ingredients to address the dire challenges and fill in development funding gaps in Asia.

This report is trying to analyze the developing finance issues from an integrated and systematic way with a focus on Asia. First, we give a comprehensive summary of the current macroeconomic context and the challenges for development finance in Asia. Then, we introduce major players in Asian development finance community, including Multilateral Development Banks (MDBs), National Development Financing Institutions (NDFIs), and other players like stock exchanges, sovereign wealth funds as well as philanthropic foundations. Based on the problems and possible game changers, we propose to better utilize the Public Private Partnership (PPP) Framework to mobilize private capital and maximize the potential of the development finance projects. And finally, we conclude our report with eight recommendations.

The BFA member institutions and partners are calling for joint actions of the public and private sectors to spare no effort in development finance, cease the deterioration of social solidarity, heal the divide of the international community and bring the world back to a sustainable development track.

Development Finance under Challenging Macroeconomic Context

- **Global economic growth is losing momentum.** According to the estimate of the IMF (October, 2022), global GDP is likely to expand by only 2.7% in 2023, which translates to per annum growth of 2.2% in the four years since 2020, 1.2 ppts (percentage points) lower than that during the four years to 2019. The global trade growth dropped to 0.9% in 2019, the lowest in nearly two decades except for the aftermath of Global Financial Crisis in 2009.
- **The international financial market has becoming more volatile,** due to the fastest policy rate hikes in the US and the Euro Area in three decades and the increasingly applied financial sanctions amid geopolitical conflicts. Consequently, one-third of emerging economies have seen their currencies depreciating by more than 10% against the USD in 2022, while portfolio outflows from emerging markets totaled USD15.4 billion in the first three quarters of 2022,

compared with an inflow of USD379.6 billion in 2021. To stabilize foreign exchange markets and capital flows, central banks in Emerging and Developing Economies (EMDEs) are expected to lose USD101.6 billion worth of international reserves in 2022 as per the forecast of the IMF, which may result in worse growth prospects and potential downgrades in sovereign credit ratings, and finally hindering the long-term debt issuance.

- **Governments have smaller fiscal capacity to finance public spending for long-term development objectives**, as a consequence of the lower revenues and higher expenditures during the COVID-19 pandemic. The average EMDEs' budget balance fell from -4.5% of GDP in 2019 to as much as -8.6% in 2020, before recovering to -5.3% in 2021. The general government gross debt reached 64.5% of GDP in 2022, up from 53.8% in 2019, and is expected to keep rising in the next five years.
- **The Sustainable Development Goal (SDG) investment gap is widening**, increasing by 70% from USD2.5 trillion annually before the pandemic to USD4.2 trillion annually in 2020. Asia in particular, needs to invest USD1.5 trillion annually from 2016 to 2030 to achieve the SDGs by 2030 (about 5% of the region's combined GDP in 2018). By 2020, climate finance provided and mobilized by developed countries increased by 4% over 2019 to USD83.3 billion, but it still failed to meet the 100 billion per year goal. Public investments to reach net zero emissions alone are estimated to be around 2% of GDP annually over the next decade. These gaps cannot be filled by the official development assistance (ODA) alone since it only reached USD185.9 billion in 2021, accounting for 4.4% of annual SDG funding gap.
- **Development finance flows have more than tripled from USD134.2 billion in 2000 to USD467.4 billion in 2021**, with ODA increased from USD54 billion to USD184.8 billion, while private flows grew even faster, from USD70.9 billion to USD253.8 billion during the same period. As a result, private flows are gradually taking a larger share of development finance flows, representing 48% of the total on average in the last two decades, compared to ODA's share at 41.4%.

Main characteristics and challenges of development finance in Asia

- **Over the past half century, Asia has been one of the key destinations of development finance, which significantly contributed to Asia's fast catching up.** According to the OECD ODA data, over the past six decades (1960-2021), Asian countries received close to USD2.6 trillion of ODA, accounting for approximately one third of total global ODA. From 2019 to 2021, developing Asia takes 41%, 39%, and 35% of the share of all global official resources flowing into developing countries for their sustainable development, each year. Asia takes 10 seats among the 20 top recipients of ODA funding and over 60% of the total funding going to the top 20 recipients.
- **Given Asia needs USD1.5 trillion investment per year from 2016-2030 to meet the SDGs by 2030, around 5% of the region's combined GDP in 2018, there is an urgent need in new sources and innovative model in development financing.** But New regional MDBs, including the Asia Infrastructure Investment Bank (AIIB) and New Development Bank (NDB), have provided powerful impetus to this process. Along with traditional partners from US, EU and Japan, emerging markets such as China, Korea, India, Thailand, Saudi Arabia and UAE have all been quite active in providing development funding. Asia has emerged as an increasingly

important destination for blended capital, accounting for 36% of transactions in 2020, i.e., East Asia and Pacific and South Asia accounted, respectively, for 17% and 19%.

- **Development finance has been very crucial in transforming Asia into greener, smarter and more inclusive and has notably facilitated knowledge sharing and institutional setting.** Investing sustainability, in particular climate finance, has effectively mobilized funds from MDBs, NDBs and private sector. Asia is the destination of 24.1% of total climate finance funding from MDBs in 2020, with South Asia taking larger than half that amount. Many DFIs are trying to transform themselves into a knowledge bank to assist institutional setting and improve market functioning in the developing world.
- **Many challenges need to be tackled facing development finance in Asia. Capital inflows dropped remarkably** to negative USD4 billion during the first half of 2022 due to the fiscal and monetary tightening of developed countries. **Development financing gaps differ remarkably across the continent** and need to be urgently curtailed in subregions such as North and Central Asia, Southeast, South and Southwest Asia, which are not on track to achieve any of the SDGs by 2030. **Limited fiscal room in many Asian economies constrained public support to development finance.** Afghanistan, Laos, Maldives and Tajikistan are among those low income countries at high-risk of debt distress, while Sri Lanka declared debt default in May 2022. In addition, **current policy framework is not sufficient to provide bankable projects in many Asian economies.** What is more, **synergies are not enough among all development finance actors with fragmentation risk rising.**

Players in Development Finance in Asia: Multilateral Development Banks

- **MDBs are financial institutions created by governments to leverage capital and knowledge for development purposes, uniquely positioned to address the development finance gap.** In many developing countries, other financing channels failed to solve the problems. Capital markets are still at the early stage of development, reflected in shallow market depth, a lack of liquidity, insufficient institutional investors, and wide presence of regulatory and institutional barriers. For commercial banks, the mismatch of the long-term nature of infrastructure projects and short-term characteristics of commercial banks' liability is a central concern. The public goods nature, high initial investment, and sometimes unstable or unpredictable revenue streams of most development projects can't attract enough private sector investors. MDBs are uniquely positioned to address these development challenges, by serving as development financiers, providing countercyclical support, acting as key forces in enhancing climate finance, catalyzing private investment, and facilitating project preparation.
- **MDBs are an important channel of development finance in Asia.** MDBs provided an annual average amount of USD32.0 billion for development finance in Asia in 2016-2020, and 5.0% of Asia's external debt came from MDBs in this period. The share of Asia in MDBs' global lending was 47.6% over the five-year period. In 2016-2020, 11.7% of MDB loans in Asia were concessional loans. The share of concessional loans declined steadily from a peak of 13.9% in 2016 to 9.7% in 2020. The share of MDB financing in lower middle-income economies increased from 60.0% in 2016 to 83.3% in 2020. The sector which received the largest share (46.2%) of MDB financing was social infrastructure. Water and urban development, transport, and energy sector each accounted for about 10% of MDB lending. Digital infrastructure only

accounted for a small share of 0.6%.

- **Besides macroeconomic challenges, three obstacles constrain MDBs to scale up development financing in Asia: Lack of bankable projects.** 55%-65% of infrastructure projects in emerging Asia are not bankable, while another 15%-20% are bankable but are subject to low quality and high risks, as a result of poor documentation, inappropriate deal structures, lack of legal or economic resources, and obscurer definitions of payment rights. **Expensive funding costs of hard currencies.** The business model of MDBs hinges critically on their ability to mobilize funding from capital markets at preferred rates, but the monetary tightening in most advanced economies and many Asian economies may question the financial viabilities of some future infrastructure projects in Asia. **Private sector mobilization for infrastructure development** continued a declining trend after the COVID-19 pandemic, and the sector distribution is not fully compatible with Asia's infrastructure investment gap.
- **MDBs could contribute to Asian development through better utilization of financial resources, enhancing private participation, and strengthening cooperation with other development actors.** MDBs could work together with credit rating agencies to adopt more flexible criteria on capital adequacy, increase operations using emerging market currencies, and design innovative financing tools. MDBs could also act as a third-party coordinator between public and private to explore the mechanisms aligning private sector investors' demand with MDBs' country/sectoral development strategies. Besides, MDBs' project preparation funds and technical assistance capacity are important resources to enlarge bankable project pipelines. Collaboration among MDBs and with other development actors could go from co-financing to better coordination on country and sector strategies.

Players in Development Finance in Asia: National Development Financing Institutions and Other Actors

- **NDFIs are public financial institutions initiated by national governments to fulfill public policy objectives and lead their respective nations in achieving sustainable development.** NDFIs are dedicated to establishing a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. The various NDFIs have a diverse selection of business focus that encompass various sectors and industries that are all known key players in assisting their respective countries to improve basic infrastructure to social services, increase life expectancy, expand immunization rates, and raise school enrollment. Indeed, National Development Financing Institutions are critical to the Asia Pacific region, especially now when reforms are required to aid post-pandemic recoveries and overall economic resilience.
- Besides the common challenges faced by the development finance community, **NDFIs face another layer of difficulties, including corporate governance and risk management, undue political influence and lack of government support, as well as financial sustainability while not reducing the funding provided.** Lack of knowledge, capacity and clarity on DFI guidelines is another problem. Without clearly defined commissions and target borrowers for financing, DFIs' financial and operational efficiency also suffers. To address the above challenges, we propose **three possible solutions** for NDFIs accordingly: **Augment government support, strengthen cooperation with MDBs and commercial banks, as well as keep business focus and innovation with a target for ESG related projects**

- **Other players, such as stock exchanges, sovereign wealth funds, and philanthropic foundations, also play an important role in Asian development finance community.** Stock exchanges provide financial infrastructure and financing channels to support companies aligning with particular developing goals, including small and medium enterprises (SMEs) development and sustainability. Sovereign wealth funds utilize their significant financial resources to directly invest in development projects in sustainable infrastructure, clean energy, digital transformation, and climate change. Philanthropic foundations' not-profit nature allows them to focus on the social impact of their investment and act as de-risking partners to mobilize private capital.

Public Private Partnership (PPP) Framework for Development Finance

- **Asia was the leading region with most PPP projects in 2022 given its variety of PPP frameworks over different developing countries.** From 2018, the number of PPP projects in Asia increased from 34 to 78, except a significant drop in 2020 due to a possible impact of the COVID-19 outbreak. The transport sector led the recovery of PPP projects, outpacing the energy sector by USD43.8 billion in investments globally. With the overall enhancement in ESG awareness in both public and private sectors, more and more PPP projects are falling into social infrastructure, environment, and renewables. The infrastructure stimulus plan being introduced by many countries may stimulate the number of PPP projects and the participation from the private sector.
- **A well-functioning PPP framework includes enabling environment, legal framework, institutional framework and government support mechanism.** First, establishing a PPP framework communicates the government's commitment to PPPs and promotes efficiency in the PPP program's governance. Second, governments need to reform the current legislative framework and design a PPP law, concession legislation and detailed guidelines to guarantee that contracts for the delivery of public services by a private business can be engaged into. Besides, creating dedicated institutions to plan and manage PPP projects may catalyze internal capacity development because they enable the concentration and accessibility of necessary knowledge through the accumulation of experience and the potential for sufficient training. Government support mechanism, such as PDF (Project Development Facility), VGF (Viability Gap Fund), government guarantees and AP (Availability Payment) system, is important to assist in the development of more bankable projects to encourage private involvement.
- **There are three trends in Asian PPP framework: green infrastructure, MDBs penetration, and PPP disclosure.** ESG is the next growth frontier in asset management. The continued shift to sustainable investing and green infrastructures may require leadership, a culture of innovation and effective engagement with all stakeholders. MDBs have the ability to bring financiers together, ensure socioeconomic alignment of projects and provide counter-cyclical financing and protection against political risk. It is imperative that MDBs continue to work with the private sector to mobilize much needed investments to boost recovery and help reduce public debt. PPP disclosure also help reduce the risk of corruption, mobilize private capital for investment in infrastructure, increase public confidence and awareness, and achieve value for money through PPP transactions.

Eight Recommendations

1. Top priority: While imminent development crises call for immediate actions, developing Asia is also in great need of planning and building long-term sustainable health, green and digital infrastructure and capacities, to fairly share the benefits brought by technology advancement and green revolution and narrow the development divide. Collective efforts from MDBs, NDFIs, and other development actors are crucial to bringing development issues to the center of global communities. In particular, to achieve the ambitious targets outlined in the Paris Agreement, large financing resources need to be mobilized to upscale and accelerate climate mitigation and adaptation actions.

2. Actions from MDBs: MDBs need to safeguard capital adequacy through capital augmentation, sustainable revenue generation and constructive communication with credit rating agencies; to mobilize more external resources through better utilization of emerging market currencies and continuous exploration for innovative financial products; and to enhance private participation by leveraging capital, technical, and knowledge advantages to de-risk development projects, align private sector investors' demand with development agenda, and enlarge bankable project pipelines in the region.

3. Actions from NDFIs: NDFIs ought to serve as a main pillar for the integrated national financing framework through clear mandates from the government and fortified corporate governance. Close partnership of NDFIs in Asia with MDBs can amplify financing ability and learning from peers in best practices of project preparation, implementation and review and aligning with international standards. NDFIs can also strengthen cooperation with each other for mega projects in Asia in line with national and sub-regional development strategies.

4. Funding solutions for debt-ridden developing countries: New solutions need to be found to meet the mounting development finance demand in debt-ridden developing countries. Other than debt suspension, debt/equity swap joined by development finance institutions can be explored to help alleviate debt burden of those countries and attract new funding from the private sector. Debt for Green Swap can also be considered.

5. Role of institutional investors and financial infrastructure: Institutional investors including sovereign wealth funds in Asia can, on commercially viable terms, direct their financing resources to development finance. Stock and bond exchanges across Asia can provide most needed services to SMEs and SDG financing.

6. Role of NGOs: The great potential of NGOs such as philanthropic foundations needs to be further unlocked in blended finance for development agenda in Asia. NGOs can be important de-risking partners by providing risk mitigation instruments.

7. PPP framework: As sustainability has emerged as an important topic for Asian PPPs, a new chapter should be opened for PPP programs, towards ESG criteria, adopting Green Finance, and providing environmental benefits and enhancing bankability.

8. Global development cooperation: Fragmentation risk needs to be mitigated in global development cooperation. Synergies in the Belt and Road Initiative (BRI) and G7 Partnership for Global Infrastructure and Investment can bring a huge impetus to fill the funding gap and boost market confidence, so as to jointly address all-front development crises and difficulties in Asia and the world.

Acronyms

ACGF	ASEAN Catalytic Green Finance Facility
ADB	Asian Development Bank
ADBC	Agricultural Development Bank of China
ADIFAP	Asia Development Financing Institutions in Asia and Pacific
ADIA	Abu Dhabi Investment Authority
AEs	Advanced Economies
AfDB	African Development Bank
AIF	ASEAN Infrastructure Fund
AIIB	Asian Infrastructure Investment Bank
AP	Availability Payment
AP3F	Asia Pacific Project Preparation Facility
APAC	Asia Pacific
B20	Business 20
BCFP	Blended Climate Finance Program
bcm	billion cubic metres
BIM	Bayfront Infrastructure Management
BPMB	Malaysia Development Bank
BRI	Belt and Road Initiative
BSE	Bombay Stock Exchange
BSEC	Bangladesh Securities and Exchange Commission
CABEI	Central American Bank for Economic Integration
CAF	CAF Development Bank of Latin America
CAGR	Compound Annual Growth Rate
CBI	Climate Bonds Initiative
CCFF	Climate Change Financing Framework
CCGT	Combined Cycle Gas-Turbine
CDB	China Development Bank
CDS	Credit Default Swaps

CGB	Chinese Government Bonds
CIC	China Investment Corporation
CNY	Chinese Yuan
COP	Conference of Parties
CSE	Chittagong Stock Exchange
DAC	Development Assistance Committee (OECD)
DBJ	Development Bank of Japan, Inc.
DBS	Development Bank of Singapore
DFI	Development Finance Institution
DSA	Debt Sustainability Analysis
DSE	Dhaka Stock Exchange
E/L ratio	Equity-to-Loan ratio
EAP	East Asia and the Pacific
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia
EDB	Eurasian Development Bank
EDCF	Economic Development Cooperation Fund
EIB	European Investment Bank
EMDEs	Emerging and Developing Economies
EMEA	Europe, the Middle East and Africa
ESCAP	Economic and Social Commission for Asia and the Pacific (UN)
ESG	Environmental, Social and Governance
EVN	Viet Nam Electricity
FDI	Foreign Direct Investment
G20	Group of Twenty
GCA	government contracting agencies
GDP	Gross Domestic Product
GFO	Green Finance Organization
GI Hub	Global Infrastructure Hub
GIF	Green Infrastructure Facility
GIIN	Global Intermediary Identification Number
GoB	Government of Bangladesh
GSSS	Green, Social, Sustainability and Sustainability Linked
HSBC	The Hongkong and Shanghai Banking Corporation Limited
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
ICICI	Industrial Credit and Investment Corporation of India
ICT	Information and Communications Technology
IDA	International Development Association
IDBI	Industrial Development Bank of India

IDTS	Industry Digitalisation Transformation Scheme
IEA	International Energy Agency
IFC	International Finance Corporation
IIGF	Indonesia Infrastructure Guarantee Fund
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPIF	Infrastructure Preparation and Innovation Facility
IsDB	Islamic Development Bank
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
JV	Joint Venture
KPI	Key Performance Indicator
LAC	Latin America and the Caribbean
LDCs	Least Developed Countries
LICs	Low-income Countries
LLDC	Landlocked Developing Country
MCPP	Managed Co-Lending Portfolio Program
MDB	Multilateral Development Bank
MENA	Middle East and North Africa
MGTC	Malaysian Green Technology and Climate Change Centre
MIC	Middle Income Country
MIGA	Multilateral Investment Guarantee Agency
MNE	Ministry of National Economy
MSMEs	Micro, Small, and Medium Enterprises
NDB	New Development Bank
NDFI	National Development Finance Institution
NDRC	National Development and Reform Commission
NEA	National Energy Administration
NEDA	Neighboring Countries Economic Development Cooperation Agency
NEEQ	National Equities Exchange and Quotation
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OOF	other official flows
OTC	Over-the-counter
PCA	Preferred Creditor Status
PCT	Preferred Creditor Treatment
PDF	Project Development Facility
PPA	Power Purchase Agreement
PPI	Private Participation in Infrastructure