



# Regional: Enabling Green Recovery in Central and West Asia through a Sustainable Financing Program

Project Name	Enabling Green Recovery in Central and West Asia through a Sustainable Financing Program							
Project Number	56117-001							
Country / Economy	Regional Armenia Kazakhstan Pakistan Uzbekistan							
Project Status	Active							
Project Type / Modality of Assistance	Technical Assistance							
Source of Funding / Amount	<table border="1"> <tr> <td>TA 10042-REG: Enabling Green Recovery in Central and West Asia through a Sustainable Financing Program</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 1.80 million</td> </tr> <tr> <td>Financial Sector Development Partnership Special Fund</td> <td>US\$ 125,000.00</td> </tr> </table>		TA 10042-REG: Enabling Green Recovery in Central and West Asia through a Sustainable Financing Program		Technical Assistance Special Fund	US\$ 1.80 million	Financial Sector Development Partnership Special Fund	US\$ 125,000.00
TA 10042-REG: Enabling Green Recovery in Central and West Asia through a Sustainable Financing Program								
Technical Assistance Special Fund	US\$ 1.80 million							
Financial Sector Development Partnership Special Fund	US\$ 125,000.00							
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth							
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development							
Sector / Subsector	Finance / Infrastructure finance and investment funds							
Gender Equity and Mainstreaming	Some gender elements							
Description	<p>The knowledge and support technical assistance (TA) program will address requests from the governments of the developing member countries (DMCs) of the Central and West Asia Department (CWRD) of the Asian Development Bank (ADB) to support their post-coronavirus disease (COVID-19) green recovery by enabling the strategic adoption of globally acceptable sustainable financing standards and practices by their sovereign institutions. To achieve the Strategy 2030 objectives, the TA program will help enhance the capabilities of CWRD DMC sovereign institutions to conceptualize sustainable financing strategies, identify priority investment projects, facilitate appropriate private sector participation, address institutional barriers, and adopt internationally accepted sustainable financing practices.</p>							
Project Rationale and Linkage to Country/Regional Strategy	<p>Coronavirus disease impact and constrained fiscal bandwidth. Sovereign institutions in the CWRD region dominate the key economic sectors and control a significant share of public resources that will be central to developing an effective COVID-19 green economic recovery approach for the region. The immediate consequences of COVID-19 have been rising public debt levels, increased sovereign risk, rating downgrades, and capital outflow, all which have been a cause of extreme concern among ADB DMCs. With more than 90% of Asia's overall infrastructure investment being provided by the public sector, the limited tax revenues, drop in overseas remittances, slower economic growth, and crisis relief packages have created a possible threat for reversal of green economic development policy mandates in favor of short-term revenue recovery measures and are further constraining public investments.</p> <p>Enhanced role of public sector in green recovery. It is important that the private sector supplements the public sector's role in recovery strategies by scoping and identifying opportunities associated with climate change benefits. As DMCs contemplate and strategize the revitalization and the restart of their economies, it is critical that the recovery strategies they adopt do not neutralize past efforts toward creating a sustainable economy (footnote 11) and appropriately diversify their sources of financing to meet their nationally determined contributions (NDCs).</p> <p>Limited uptake of sustainability-labeled financial securities. A main challenge limiting the growth of the sustainability-labeled financial securities market is the lack of supply of securities with good credit ratings owing to high transaction costs, lack of effective tools to validate projects, and ineffective risk mitigation tools. DMC governments are further constrained because of limited fiscal resources, sub-investment-grade sovereign ratings, small project sizes, and lack of asset securitization mechanisms. Sustainability-labeled financial securities like green bonds (footnote 11) complement the DMC governments' efforts in mobilizing private capital for meeting their NDCs through market-based approaches.</p> <p>Weak institutional implementation mechanisms for green financing. Although work has been initiated on greening of the financial systems by many DMCs in the CWRD region, to accelerate the adoption of green financing guidelines and environmental, social, and governance (ESG) frameworks, the domestic financial institutions still need to design new financial products, develop internal systems and controls, educate relevant stakeholders (including staff), and identify target industries and technologies for requisite financing.</p>							
Impact	Institutional capacity of DMCs strengthened and sustainable economic growth facilitated							
Project Outcome								
Description of Outcome	Capacity of CWRD DMCs for sustainable financing enhanced							
Progress Toward Outcome								
Implementation Progress								
Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Sustainable financing strategy for sovereign institutions developed</li> <li>2. Institutional capability of sovereign institutions for sustainable financing enhanced</li> <li>3. Knowledge support to sovereign institutions for mainstreaming of international sustainable financing standards and practices provided</li> <li>4. Capacity for development of a national blended sustainable financing facility enhanced</li> </ol>							
Status of Implementation Progress (Outputs, Activities, and Issues)								

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Responsible ADB Officer	Hegde, Abhishek Naveen
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Office of the Director General, CWRD
Executing Agencies	ADB POHQ Asian Development Bank

Timetable	
Concept Clearance	11 Oct 2022
Fact Finding	24 Oct 2022 to 26 Oct 2022
MRM	-
Approval	13 Dec 2022
Last Review Mission	-
Last PDS Update	13 Dec 2022

## TA 10042-REG

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,925,000.00	0.00	0.00	0.00	0.00	0.00	1,925,000.00	-	0.00

Project Page	<a href="https://www.adb.org/projects/56117-001/main">https://www.adb.org/projects/56117-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=56117-001">http://www.adb.org/forms/request-information-form?subject=56117-001</a>
Date Generated	14 December 2022

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.