



ASIAN INFRASTRUCTURE
INVESTMENT BANK

Role of MDBs in Financing Climate Resilience Technologies

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Sept 15, 2023



PHOTO: SEMBCORP

Who We Are and What We Do

We are a multilateral development bank with a mission to finance the **Infrastructure for Tomorrow (i4t)**. We enable clients to build i4t—green infrastructure with sustainability, innovation and connectivity at its core. We do this by unlocking finance that brings this vision to fruition. As our clients succeed in building i4t, society shares in that success.



How We Do It

We adapt and innovate constantly to deliver customized investment solutions that overcome the challenges our clients face. Clients count on our responsiveness and resilience to help them meet their objective even during the most difficult times.



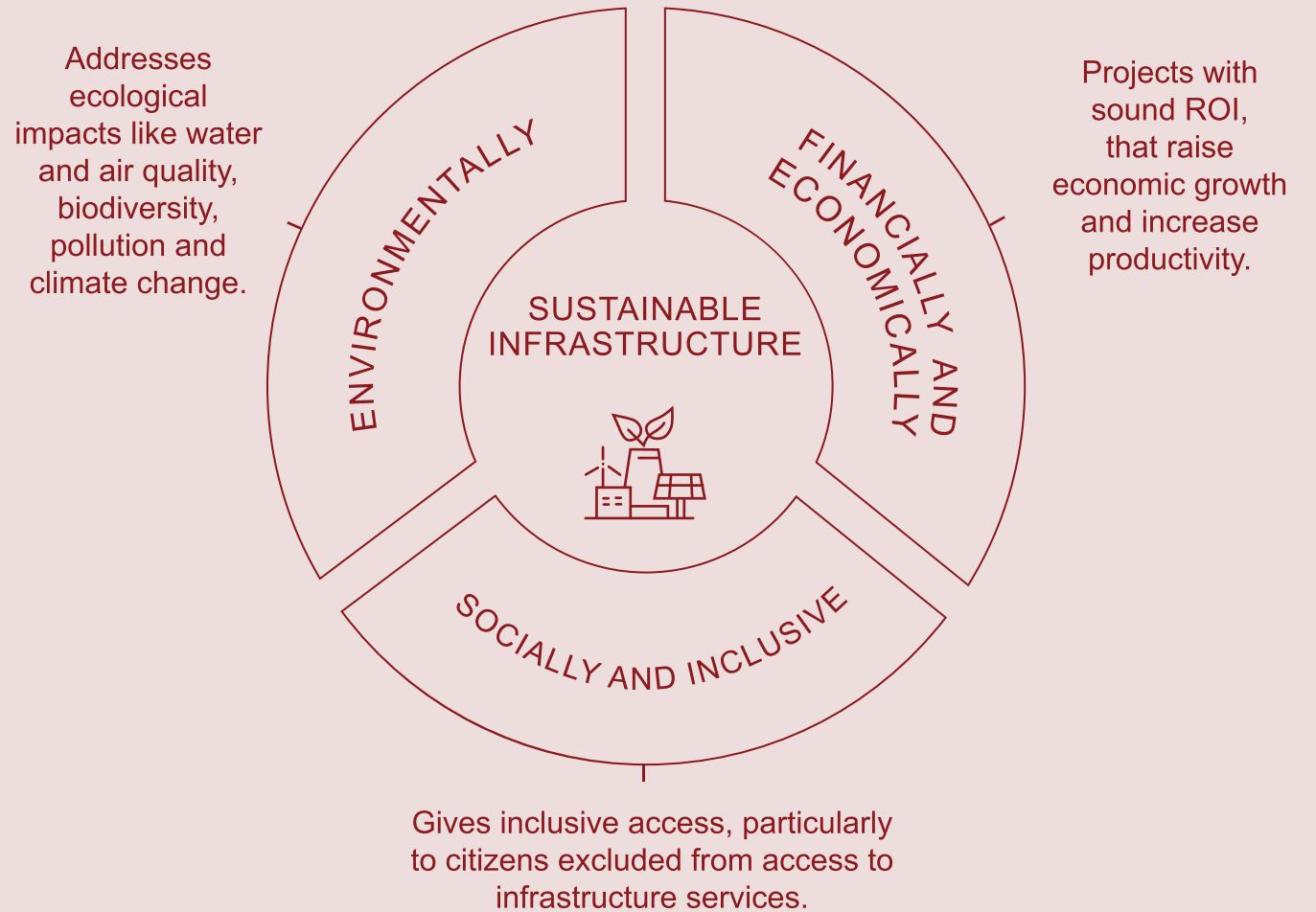
Why We Do It

Prosperity and economic development for Asia is our goal. To realize this, we facilitate the i4t that empowers regions and their people with access to physical, digital and social services. This in turn contributes to local, regional and global sustainability.

AIIB Invests in i4t

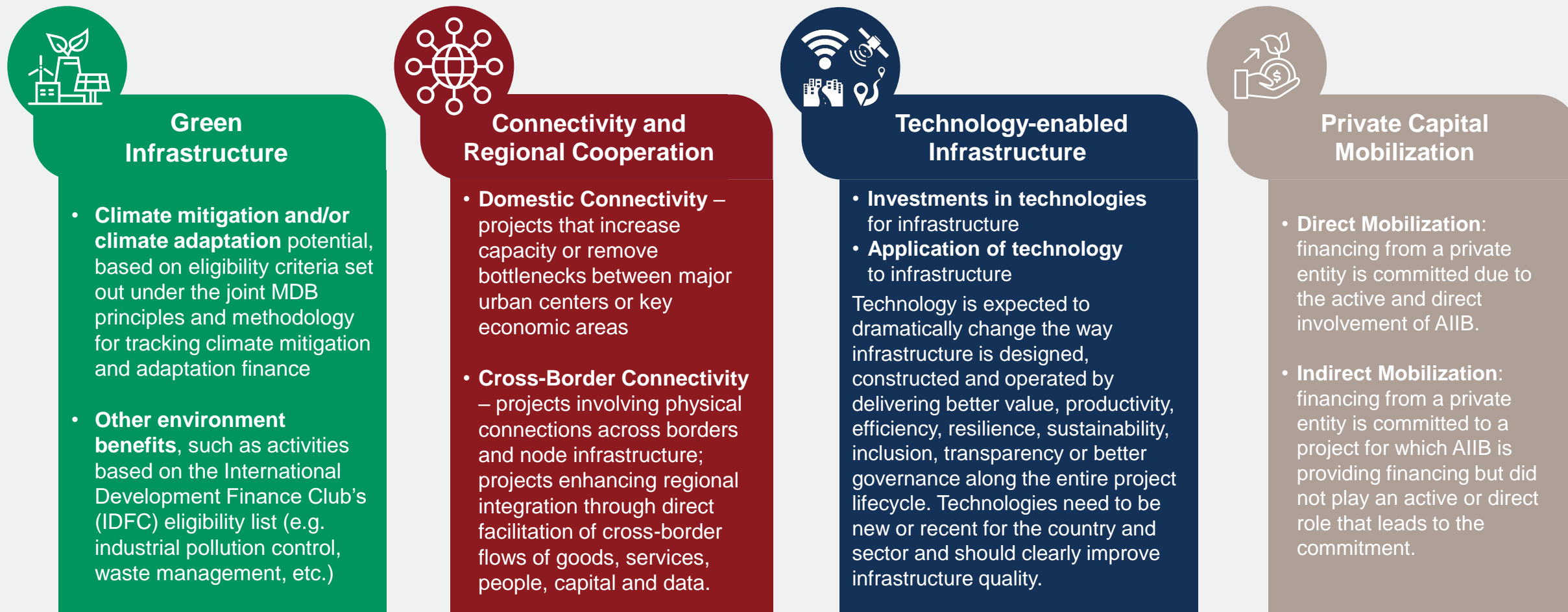
Merely seven years old, AIIB's mission financing **Infrastructure for Tomorrow (i4t)** reflects the bank's firm commitment to build technologically-enabled sustainable solutions. i4t unlocks new capital, new technologies and new ways to address climate change and to connect Asia, and the world.

AIIB Invests in i4t, the Infrastructure for Tomorrow:



AIIB's Four Thematic Priorities

AIIB's investment across infrastructure and other productive sectors should ordinarily add value through one or more of the four cross-cutting themes of i4t:



Infrastructure needs and climate change impacts in Asia

- Physical assets and infrastructure in Asia are expected to bear the brunt of losses under a changing climate: by 2050, **75%** of the USD1.6 trillion **global annual damage** to capital stock from riverine flooding alone **will occur in Asia**.
- To maintain its growth momentum and tackle remaining poverty in the region, developing Asia will need to **invest USD1.5 trillion annually in infrastructure until 2030**.
- In 2020, **overall disaster loss** in Asia amounted to **USD67 billion**, and it is **estimated** that the growth in average annual disaster losses will outpace gross domestic product growth in the region.





COP27 Adaptation Agenda

Through initiatives such as the [Sharm-El-Sheikh Adaptation Agenda](#), MDBs could help in mobilizing its own financing and private capital for technological development that builds resilience and achieves the following targets/objectives



IRRIGATION

Sustainable irrigation systems implemented across **20% of global croplands** to preserve water availability and support yield growth



SMART WARNING

Smart and early warning systems to reach **3 billion people**



ENERGY GENERATION

A diverse set of energy generation sources to enable affordable access to electricity for **679 million unconnected** and higher quality access for **1 billion underserved**

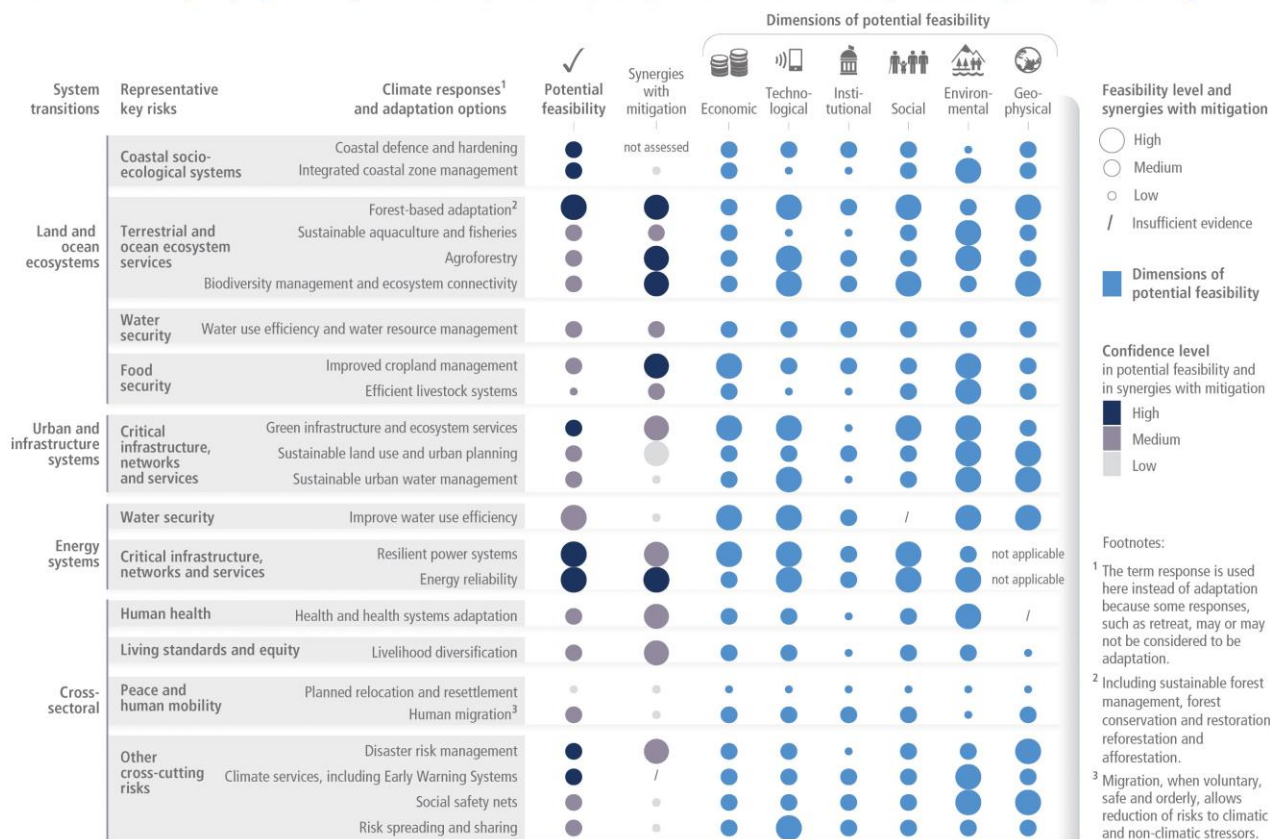


TRANSPORT

Transport infrastructure to be made resilient to climate hazards through **adoption of new technology, design and materials**

Adaptation technologies- key solution

Diverse feasible climate responses and adaptation options exist to respond to Representative Key Risks of climate change, with varying synergies with mitigation
Multidimensional feasibility and synergies with mitigation of climate responses and adaptation options relevant in the near-term, at global scale and up to 1.5°C of global warming



- There s a clear **link** between **mitigation** and **adaptation** technologies
- The feasibility of implementing adaptation options in the near-term differs across sectors and regions
- Effectiveness of adaptation will decrease with increasing warming
- Urban and infrastructure sectors, adaptation technological solutions include **green infrastructure** and **ecosystem services; sustainable urban water management;**
- Energy sector options include **resilient power systems** and **energy reliability**

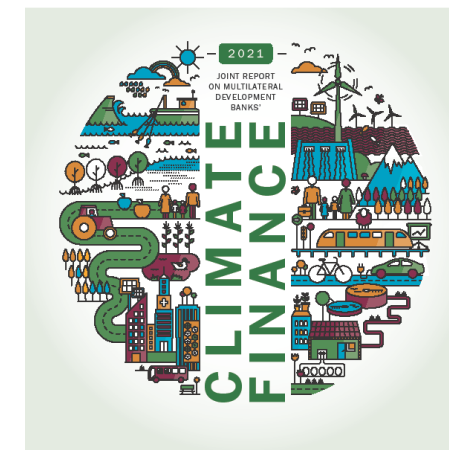
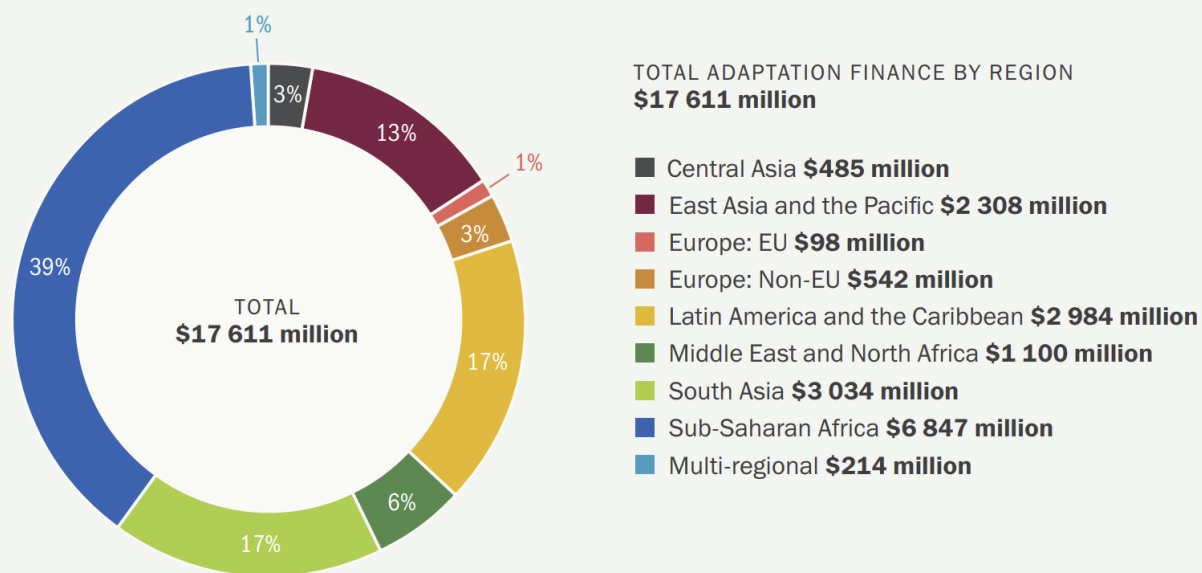
Source: IPCC report

MDBs and Climate Finance



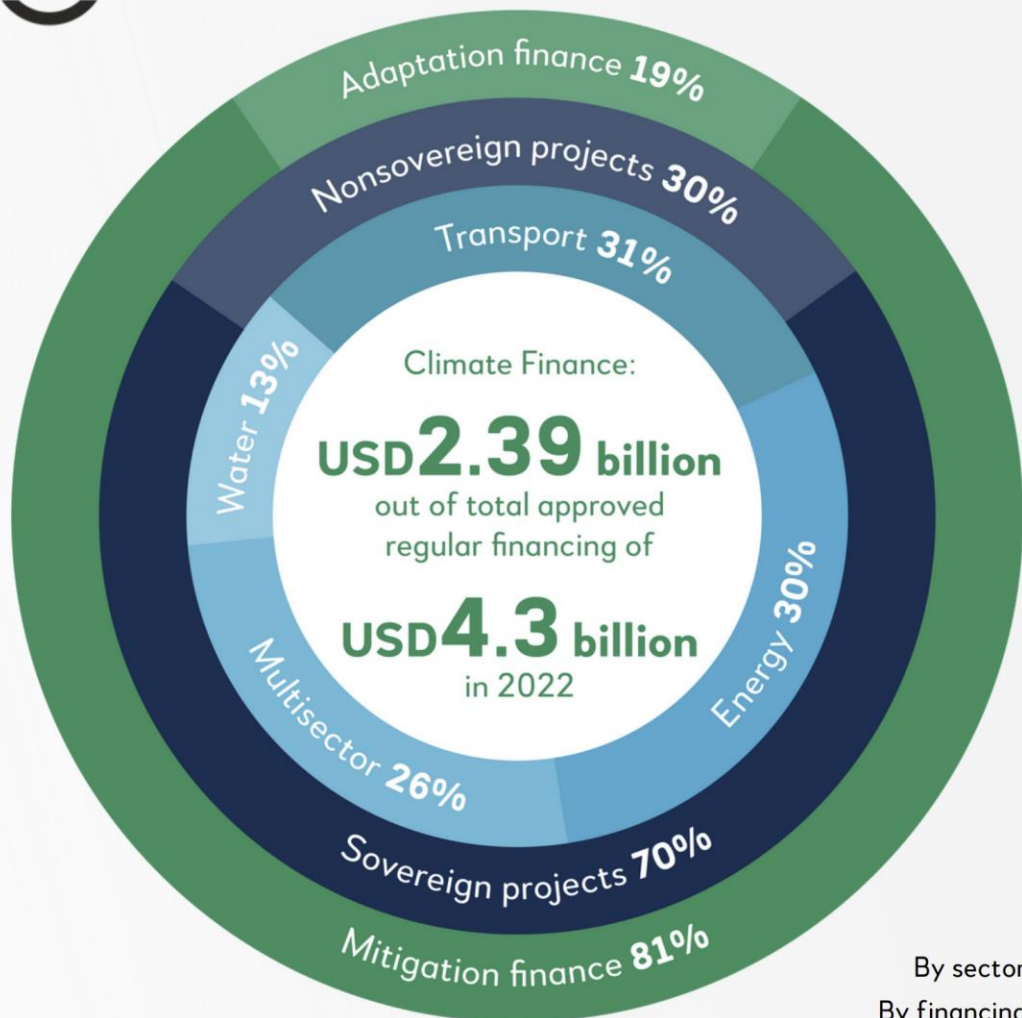
- Each year, MDBs issue a joint climate finance report, providing an overview on the nine multilateral development banks' contribution to climate finance, including mitigation and adaptation, low- and middle-income and middle- and high-income economies.
- In 2021, MDBs provided around **\$51 billion** (62% of overall MDB climate finance) in climate finance to **low- and middle-income** economies.
- Of this total, **\$33 billion (65%)** was for **mitigation** and **\$17 billion (35%)** for **adaptation**
- Central, South and East Asia and the Pacific receives **largest amount of** adaptation finance, totaling **\$5.83 billion**

Figure 5. MDB adaptation finance by region in low- and middle-income economies, 2021 (in \$ million)





AIIB CLIMATE FINANCE IN 2022



By sector ●
 By financing ●
 By type of project ●

In 2022, AIIB's climate finance amounted to **56%** of total approved regular financing, up from **48%** in the previous year.



- AIIB climate finance is estimated using the joint MDB climate mitigation and adaptation finance tracking methodologies. 5% of climate adaptation finance had dual benefits of mitigation and adaptation.
- AIIB climate finance for 2022 excludes financing approval through the COVID-19 Crisis Recovery Facility.



**CLIMATE FINANCE TARGET:
 50% OF TOTAL APPROVED
 REGULAR FINANCING
 BY 2025**



**ALIGNMENT OF
 NEW INVESTMENT
 OPERATIONS WITH THE GOALS
 OF THE PARIS AGREEMENT
 BY JULY 1, 2023**

Multicountry

Lightsmith Climate Resilience Partners



AIIB Funding

USD 30
Million



Eligible
Investment

Climate
resilient
technologies



Review

Regular
monitoring
of the
Fund's
activities

Lightsmith Climate Resilience Partners is a specialist growth private equity fund with a strategy focusing on global climate resilience solutions. The Fund plans to make growth equity investments in companies that build resilience to the physical damage and disruption, risk and volatility, and resource scarcity that are being increased by climate change. The Fund is the first dedicated private equity investment strategy focused on climate resilience and adaptation solutions.

The Fund will target the following three types of companies for efficient, sustainable, and resilient infrastructure: (i) software, data and analytics; (ii) technology-enabled products; and (iii) technology-enabled services.

AIIB approved the project in August 2020.



Multicountry VC Investment Program



USD 130
Million



Climate
technologies



Regular
monitoring of
the Fund's
activities

AIIB's VC Investment Program invests in innovative and transformative technologies and new business models that would contribute to climate mitigation efforts and lead to improving traditional infrastructure's resilience and adaptation to climate change. The Program aims to develop innovation and greater VC investment in AIIB members by primarily investing in early-stage (Pre-Series A and Series A–B) technologies and new business models through small-scale VC funds that focus on Energy Access, ClimateTech, CleanTech, Carbon accounting-related tech, Resource Efficiency and Sustainable Cities.

AIIB approved the program in August 2022.



Technological solutions to support adaptation

Some of the solutions that help in addressing resilience



Infratech Platform – Public Web Portal

Infratech Platform promotes and facilitates increased development and adoption of Infratech through knowledge sharing on solutions, use cases, and vendors

Search and explore Infratech Solutions



Upload Infratech solutions to attract users

Focus sectors

Technologies for all AIIB's infrastructure sectors are included



Climate



Energy



Transport



Sustainable Cities



Digital Infrastructure



Water



Social Infrastructure



Functionality

- Browse solutions through various filters: e.g. (sub-) sectors, type of technology, lifecycle / value chain
- Upload new solutions and relevant content
- Contact authors, vendors, and other users

Content per solution

- Solution description and key benefits
- Technology components (sensors, analytics, AI, etc.)
- Market overview (size, growth, in which geographies the solution is widely used)
- Vendors (companies that sell the solution)
- Case studies (stories of successful adoption)



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Thank you!

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