

Green Investment Principles for the Belt and Road

Working Group on Green Financial Products Innovation – Work Plan 2019-2020

Working Group Overview

Summary of Objectives

1. To establish a working group that brings together GIP signatories and supporters to share knowledge and best practices on green investment for the B&R region
2. Build capacity of GIP Signatories and supporters in the focus area of green financial products innovation
3. To look into the financing gap and potential pathways for bridging the gap by providing green financial products in a more innovative way
4. To mobilize more private capital into green projects along the Belt and Road

Administrative Items

- Semiannual update calls and annual meetings with all GIP signatories and supporting agencies
- Group email distribution list to be set up; Secretariat to share progress updates / deal announcements / other news to the working group

Current Membership

Co-chairs	Secretary	GIP signatories and supporting agencies
 		                         

Focus Areas

Targeted Financial Instruments

Financial Instrument	Description
Blended Finance	<ul style="list-style-type: none"> To use concessional and non-concessional sources of funding strategically to crowd-in commercial capital flows into sustainable projects in emerging and frontier markets
Green / Sustainable Bonds	<ul style="list-style-type: none"> To drive more green / sustainable bond issuances which can be based on use of proceeds, revenues, a project or securitised assets
ABS & CLOs	<ul style="list-style-type: none"> To promote the usage of green or sustainable ABS / CLOs to attract different investor classes with varying risk appetite
PE & VC	<ul style="list-style-type: none"> To increase investments from PE / VC funds into green or sustainable B&R projects

Targeted Stakeholders

Stakeholder	Examples
Regulators	   
IFIs and DFIs	   
Banks	       
Investors	     

Targeted Outcomes

Targeted outcome	Plan	Deliverables
<p>To increase awareness and build capacity by providing education and training on green financial instruments to stakeholders</p>	<ul style="list-style-type: none"> • To provide education and training on green financial products • To continually work with members and stakeholders on improving their green finance capabilities • To facilitate the establishment of a tight-knit working group that communicates regularly and shares knowledge / best practices 	<ul style="list-style-type: none"> • Co-chairs to work with GIP Secretariat on an appropriate questionnaire to circulate to the working group in January 2020, to identify member needs and focus areas. Co-chairs to provide one training each in 2020 (budget of USD 5000 per training workshop)
<p>To increase green financing for B&R projects and help B&R countries address infrastructure gaps and accelerate economic growth through green financing</p>	<ul style="list-style-type: none"> • To look into the financing gap and potential pathways for bridging the gap by providing green financial products in a more innovative way (e.g. blended finance) • To mobilize more private capital into green projects along the B&R 	<ul style="list-style-type: none"> • Each working group member to target one green B&R deal by Q4 2020 • Case study to be created and circulated to working group members post each deal's completion
<p>To increase blended finance in B&R countries</p>	<ul style="list-style-type: none"> • To understand and expand the effective use of blended finance involving GIP members, MDBs and other public source of funding. 	<ul style="list-style-type: none"> • WG3 will commission a scoping and feasibility report on blended finance within a year, including exploring a dedicated blended finance facility for green GIP investments.