

Topic on: ***Unlocking investments for decisive climate action and just transition towards low-carbon resilient development.***

Excellencies, distinguished delegates,

Dear Chair of the 78 Commission Session,

Madam Acting Deputy Executive Director of UNEP,

Fellow panelists,

It's my pleasure to make this intervention at this important high-level roundtable.

In April 2021, Bank of America announced a \$1.5T sustainable finance commitment to support the United Nations Sustainable Development Goals. In 2021, we mobilized and deployed approximately \$205B in sustainable finance activity of which approximately \$155B was for climate and environmental transition, and rest for social inclusive development purposes. For example, in Dec. 2021, we issued our second Equality Progress Sustainability Bond for \$2B. Proceeds from the bond will be focused on providing financing, investments, and socioeconomic empowerment to the underserved minority populations.

Our bank believes in that companies can deliver strong financial returns AND help make progress in society. That's called 'the genius of the AND'. We drive progress on the SDGs through all of our efforts and activities. We do so through our operations, our philanthropy, our human resources practices, our client financing capabilities, and the guidance we provide to investor clients.

How do we measure our progress? The World Economic Forum's international Business Council – chaired by our CEO Brian Moynihan, has compiled a set of universal Stakeholder Capitalism metrics, and these metrics focus on four pillars: Governance, Planet, People and Prosperity. These metrics demonstrate how our sustainable business model drives progress towards INCLUSIVE capitalism and the UN's SDGs. Nearly 80 companies committed to reporting on these established SDG metrics, with more committing as we speak.

According to the UN conference on trade and development, developing economies globally need to invest as much as US\$4.5trillion annually to achieve the SDGs by their 2030 deadline. The Asian Development Bank (ADB), which estimates a **US\$3.1 trillion annual funding gap across developing economies, says the Asia-Pacific region needs to spend 4% of its collective GDP annually (US\$1.5trillion) to reach the goals.**

Many Asia-Pacific governments could struggle to handle the economic and social costs of decarbonization without further capital support, especially given the region is heavily relying on coal-fired power and strong predicted energy demand among high-growth economies.

So how to bridge this funding gap? A few themes I would like to discuss:

First one is to tap the growing sustainable bond market. In 2021, global sustainable bond issuance surged above US\$ 1 trillion; green debt accounted for roughly half. It's estimated this year overall sustainable bonds issuance will rise to US\$1.4 trillion.

APAC sovereigns and local governments could integrate sustainable bonds into their borrowing strategies. For example, last year, Indonesia became the first country in southeast Asia to issue an SDG bond in the global debt capital market, raising EUR 500mio to finance social and environmental projects. Last month, Malaysia has issued \$800mio worth of sustainability sukuk and the proceeds will be used exclusively for green projects. These issuances received multiple over-subscription and helped the investors better understand the country, the region's commitment, and action plans to reach SDGs.

With multilaterals' support and increasing fund flows to ESG debt, we will expect to see more sovereign issuers tap the sustainable bond market to scale up sustainability initiatives. The efforts on harmonization of taxonomy and regulatory rules to address transparency and consistency concerns, could yield further unlocking of international capital to this region.

Secondly, sustainable supply chain financing. As multinational corporations increase their net zero commitment, this includes their scope 3 value chain emission reduction. Providing technology and capital to support greening the supply chain will create a more resilient eco-system for future business. In Bank of America, we structure many programs for our clients to INCENTIVISE their suppliers to use sustainable practices. These programs are further scaled up in partnership with Development institutions.

Lastly, let's remind ourselves of nature's role in our sustainable future. More capital is needed to protect, restore and amplify the power of nature to reduce carbon, build biodiversity and regulate climate. The World Economic Forum has estimated that a \$10 trillion opportunity in terms of annual business value by 2030 from a nature-positive transition—some of the biggest opportunities are in Asia Pacific. Last year, ADB's first dual-tranche blue bond was issued to finance ocean related projects in Asia Pacific. This much needed funding gap calls for further collaboration between private and public sectors to define policies and unlock capital.

I thank you for this great event to get policy and industry practitioners together to call for decisive climate actions towards our sustainable future.