

[Press Release] Asia GX Consortium Announces Its Official Launch to Advance Transition Finance Agenda in Asia

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The Asia GX (Green Transformation) Consortium, composed of regulators, private financial institutions, and public and multilateral institutions who share the intention to promote and orient finance towards a just and orderly transition in Asia, today announced its official launch at a high-level meeting held in Tokyo. The consortium is pleased to make this initial announcement to a global audience during “Japan Weeks,” where various meetings are held with the participation of investors and stakeholders from across the world.

The consortium will bring together regulatory visions and market practices, with the regulators in the consortium inviting private financial institutions as well as public and multilateral institutions to provide market input and support for the consortium's initiatives. The Financial Services Agency of Japan will serve as the initial Secretariat of the consortium.

The scaling up of transition finance in Asia is crucial to achieving global climate goals and also provides huge investment opportunities in the region. This consortium, with members from different backgrounds, aims to develop a practical and common approach to transition finance by facilitating discussions while considering Asian context including through case studies and other methods; to use the outputs of the approach to facilitate transition finance flows, particularly to emerging and developing markets in the ASEAN region; and to explore ways to promote the flows of transition finance in Japan and the ASEAN region.

The consortium will comprise two groupings, one from the official sector and one from the private sector. The members are: the Financial Services Agency of Japan, the ASEAN Capital Markets Forum (ACMF) and ASEAN Working Committee on Capital Market Development (WC-CMD), the Asia Development Bank (ADB), the Glasgow Financial Alliance for Net Zero (GFANZ), Mizuho Financial Group (MHFG), Mitsubishi UFJ Financial Group (MUFG), Sumitomo Mitsui Financial Group (SMFG), the Development Bank of Japan Inc. (DBJ), the Japan Bank for International Cooperation (JBIC) and the Japan International Cooperation Agency (JICA).

Technical meetings in the run-up to the high-level meeting highlighted the importance of mobilizing funds for Asia's climate transition, the role of blended finance, their implementation in the regional context of Asia and facilitating discussion among diverse stakeholders. Details of these preliminary discussions are laid out in the Working Paper Regarding Practical Approach to Transition Finance in Asia, prepared by the Secretariat through consultation with the consortium members.

As one of the Japan Weeks events, this high-level meeting of the Asia GX Consortium was held back-to-back with the Asia High-Level Financial Regulators' Forum where regulators in the region engaged in in-depth discussions on decarbonization in Asia.

Building on this official launch, this consortium will play a key role in transition finance efforts in this region, through continuing discussion among the members, formulating further outputs, and outreaching to a wide range of stakeholders with the voice of this region.

"Today, we are especially delighted to announce the official launch of the Asia GX Consortium. This consortium brings together key stakeholders from across the public and private sectors in this region, uniting our strengths, resources, and expertise. By working together in this consortium, we aim to make meaningful strides toward scaling up transition finance in this region," said ITO Hideki, Commissioner of the Financial Services Agency of Japan.

"The ACMF commends the Asia GX Consortium initiative, which references the ASEAN Taxonomy for Sustainable Finance and ASEAN Transition Finance Guidance, among others, in developing a common approach for Transition Finance for the Asian region" – ACMF.

"We look forward to participating in the Asia GX Consortium and working with other members of the Consortium to advance the transition finance agenda in the ASEAN region" – WC-CMD.

"Transition is the new battleground for our future. Therefore, it is imperative that we direct finance to support just transitions, yet this is a challenge because transitions are a balance between ambition and reality, making geographic contextualisation critical. The Asia GX Consortium represents a crucial step towards enabling transition finance through credible contextualisations that are universally recognized" – the Sustainable Finance Institute Asia (SFIA).

"ADB's collaboration in the Asia Green Transformation Consortium Initiative, alongside leading public and private sector stakeholders like Japan's Financial Services Agency, will be crucial in scaling up transition finance across Asia and the Pacific. The Initiative will serve as a vital regional cooperation platform for fostering meaningful dialogue and delivering actionable solutions that drive an orderly and just transition towards a sustainable, net-zero future in the region," said Masatsugu Asakawa, President of ADB.

"If we are to achieve the goals of the Paris Agreement, we need to massively scale financing for the transition. GFANZ is focused on supporting the financial system to help deliver the transition finance needed and we are glad to share our efforts with the Asia GX Consortium. Asia will need to be central

to the world's efforts to decarbonize the global economy," said Mary Schapiro, Vice Chair of GFANZ.

"The ASEAN region is crucial for achieving global carbon neutrality and requires orderly and just climate transition pathways that consider factors such as geography, industry, and timelines. Through discussions within the consortium, Mizuho will continue to work towards the shared objective of a sustainable and decarbonized society and economy," said Masahiro Kihara, President & Group CEO of MHFG.

"We welcome the announcement of the official launch of the Asia GX Consortium. Asia needs trillions of dollars every year to deliver a just and orderly transition. As a financial group with extensive footprint across the region, especially in the ASEAN economies, we have "skin in the game" when it comes to decarbonizing this fast growing region. Partnership between public and private is vital in mobilizing the capital needed for the transition, and the Consortium is uniquely positioned to develop a set of solutions for the future of the region. We look forward to working with the stakeholders involved in the Consortium," said Hironori Kamezawa, President & Group CEO of MUFG.

"Transition finance is indispensable for achieving decarbonization in Asia, and fostering public-private partnerships is crucial for its advancement. We warmly welcome the establishment of the Asia GX Consortium and look forward to engaging in meaningful discussions with members to greatly contribute to the decarbonization of the real economy," said Toru Nakashima, Director President and Group CEO of SMFG.