AGXC 2025 Workstreams: progress and key outcomes

Workstream 1: Identifying bottlenecks for scaling transition finance

This workstream focused on identifying the key bottlenecks for scaling transition finance faced by financial institutions (FIs)

- **Insights from interviews with FIs across Asia**: As part of this workstream, interviews were conducted with 35 financial institutions across Asia. These interviews were aimed at uncovering region-specific bottlenecks that hinder the effective expansion of transition finance in the region, including those relating to regional sectorial pathways and small and medium-sized enterprises (SMEs). The resulting *"Survey Summary – Key Bottlenecks"* outlines the key challenges to scaling up transition finance and suggested measures to overcome these challenges, which were identified through the process Together with the *"Working Paper Regarding Practical Approach to Transition Finance in Asia"* released on 11 November 2024, these findings serve as a foundation for further discussions within the AGXC, supporting the development of practical solutions and collaborative approaches to advance transition finance in Asia.

Workstream 2: Facilitating financial collaboration and enhancing engagement with industries

This workstream is designed to strengthen collaboration among FIs and enhance engagement with industry stakeholders to co-develop feasible and bankable transition finance projects.

- **Identifying potential demands**: The workstream collected 37 projects through ASEAN authorities' outreach efforts and developed a list of potential transition finance projects to be structured as transition finance cases in the future. Going forward, members will work towards enhancing the bankability and financing of these opportunities.
- **Pilot case studies**: The workstream also focused on pilot case studies to identify practical, region-specific, and common approaches. These studies recognize that the feasibility and bankability of transition finance cannot be assessed in isolation—they must reflect the realities of local systems, infrastructure, and markets. In this context, several IEG members volunteered to participate in pilot studies aimed at developing practical approaches by identifying key risks and reviewing risk mitigation measures, including the use of blended finance.

  This year, pilot case studies were conducted based on ASEAN's pool of 37 potential transition finance projects. These case studies are currently underway. The key findings of these case studies will be compiled and published as part of a future deliverable of the AGXC, the "*Navigation Map*", which is designed to serve as a practical guide for scaling up transition finance across the region. Preliminary insights from the pilot cases indicate that policy support, policy guidance, engagement with companies, and identifying the right risk mitigation measures are important factors to consider.

Workstream 3: Developing a mechanism to track the status of transition finance and the flows of funds

This workstream focused on taking stock of the current status of transition finance and the flow of funds, to provide a solid foundation for future discussions within the AGXC.

- **Compilation of existing cases**: The workstream focused on collecting existing transition finance cases. These cases are distinct from those in the list of potential transition finance projects. In this cycle, 20 implemented projects were gathered and compiled into a reference document to share best practices and lessons learned in the "*Existing Case Book of Sustainable Finance for Transition in Asia*".

- **Development of a tracking mechanism**: The AGXC Secretariat is currently exploring the possibility of establishing a robust mechanism to monitor financial flows effectively.

Looking Ahead

While the implementation of the AGXC Work Plan 2025 is ongoing, the AGXC High-Level Meeting 2025 reaffirmed the importance of collaboration among stakeholders in accelerating green transformation across Asia, as well as exchanged views on future activities of the AGXC.

By emphasizing geographical contextualization and practical implementation, the AGXC continues to lay the groundwork for expanding transition finance solutions tailored to Asia's diverse needs.

Building on this momentum, the AGXC likewise stands ready to push its agenda forward and expand its collective efforts in the years ahead.

End