

Complementarities between the ASEAN Community Vision 2045 and the United Nations 2030 Agenda for Sustainable Development:

A GREEN Agenda for a green ASEAN

Complementarities Initiative 2.0



ESCAP
Economic and Social Commission
for Asia and the Pacific



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Forewords



As ASEAN embarks on a new chapter of community-building under “ASEAN 2045: Our Shared Vision”, the region stands at a critical juncture. We continue to face existential threats and challenges ranging from climate change, environmental degradation and transboundary pollution to digital disruption and widening inequality, requiring coordinated responses and a renewed commitment to cooperation, sustainability, and inclusivity.

The notion that sustainability must be part of the ASEAN Community Vision, and that economic growth and sustainable development must go hand in hand, continues to shape our collective path. It was with this conviction that the “Complementarities between the ASEAN Community Vision 2025 and the 2030 Agenda for Sustainable Development” or the “Complementarities Initiative” was launched as a collaboration between Thailand, the ASEAN Secretariat, and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and noted at the 9th ASEAN-United Nations (UN) Summit in 2017.

Looking ahead to 2045, the Complementarities Initiative 2.0 builds upon this foundation by reaffirming our shared and continued commitment to aligning ASEAN’s regional ambitions with global imperatives, while adapting to new challenges and opportunities. Underscoring the value of multilateralism and shared responsibility in advancing the Sustainable Development Goals (SDGs) in ASEAN’s unique regional context, the Complementarities Initiative 2.0 reflects the region’s evolving priorities based on the ASEAN Community Vision 2045 and provides a practical roadmap to address the region’s pressing sustainable development needs, marking another milestone in the continued partnership between ASEAN and the UN. It also supports the mainstreaming and implementation of the ASEAN Outlook on the Indo-Pacific (AOIP), where sustainable development is identified as an area of cooperation, by fostering inclusive partnerships with external partners and reinforcing ASEAN centrality through ASEAN-led frameworks.

As the ASEAN Coordinator for Sustainable Development Cooperation, Thailand remains strongly committed to playing an active role in advancing this important initiative. We sincerely appreciate the UNESCAP and the ASEAN Secretariat for their close collaboration and steadfast support throughout the development of this report. It is our hope that the insights and recommendations in this report will serve as a catalyst for further dialogue and collaboration, and inspire concrete cooperation within ASEAN, between ASEAN and external partners, and across the international community. To this end, Thailand will continue to lend its full support towards the shared goal of a people-centred ASEAN Community as well as a resilient and sustainable future where no one is left behind.

Sihasak Phuangketkeow

Minister of Foreign Affairs of the Kingdom of Thailand



The Economic and Social Commission for Asia and the Pacific (ESCAP) is pleased to present the Complementarities Initiative 2.0 in partnership with the Ministry of Foreign Affairs of Thailand and the ASEAN Secretariat. This report builds on the foundation laid by the original Complementarities Initiative, which sought to align the ASEAN Community Vision 2025 with the 2030 Agenda for Sustainable Development. With the adoption of the ASEAN Community Vision 2045, this second phase marks a renewed commitment to a greener, more resilient and inclusive ASEAN.

The Complementarities Initiative 2.0 reflects the evolving priorities of South-East Asia and the urgent need to accelerate progress towards the Sustainable Development Goals (SDGs). It identifies five new priority areas - green finance, resilience against climate change, energy transition, effective digital transformation, and networking and partnerships - that are essential to realising the ASEAN vision of a future-ready, people-centred community. These priorities are not only timely but also deeply interconnected, requiring coordinated action, robust data systems and inclusive governance.

ESCAP is committed to supporting ASEAN in this endeavour. Through our technical expertise, regional platforms and data resources such as the Asia-Pacific SDG Gateway, we will continue to assist ASEAN Member States as they translate ambition into action. The recommendations in this report are practical, forward-looking and grounded in the principle of complementarity, ensuring that regional and global agendas reinforce one another for maximum impact.

We commend the Ministry of Foreign Affairs of Thailand for its leadership and look forward to continued collaboration with all stakeholders to build a sustainable, resilient and prosperous future for the peoples of South-East Asia.

Armida Salsiah Alisjahbana

Under-Secretary-General of the United Nations
Executive Secretary of ESCAP



In 2015, ASEAN Leaders made a commitment to align our region's development aspirations and priorities under the ASEAN Community Vision 2025 with the 2030 Agenda for Sustainable Development. This vision gave rise to the first Complementarities Initiative—a testament to our shared conviction that a prosperous ASEAN must be built upon the foundations of global sustainability. Today, as we embark on a new era with the ASEAN Community Vision 2045 (ACV 2045), I am pleased to present the Complementarities Initiative 2.0 Report.

This report reaffirms our unwavering commitment, demonstrating how the ACV 2045 build upon its predecessor by more comprehensively integrating the Sustainable Development Goals (SDGs) across all dimensions of regional cooperation. It serves as a renewed roadmap toward a greener, more resilient, and inclusive future for our region.

Our region confronts complex and interconnected challenges—from climate change and environmental degradation to social inequalities and infrastructure deficits—that demand unified and strategic responses. The findings within these pages offer a candid assessment of our progress to date, celebrating significant achievements in health, education, and social services while acknowledging continuing challenges in poverty eradication and disaster management.

Drawing upon these insights, we have identified five new priority areas: Green Finance, Resilience against Climate Change, Energy Transition, Effective Digital Transformation, and Networking and Partnerships. These represent more than new objectives; they constitute the strategic pillars that will enable deeper SDG integration across all aspects of our community and propel us toward realising the ambitious ACV 2045.

The path ahead demands renewed commitment to evidence-based decision-making, innovative financing mechanisms, and strengthened multilateral partnerships. This report provides concrete policy recommendations to advance these priorities—from streamlining institutional frameworks and accelerating green finance deployment to enhancing data systems and analytical capabilities that need to address existing gaps.

As ASEAN continues pursuing a sustainable, integrated, and resilient community, this report stands both as a milestone of our journey and a clarion call for action. I invite you to engage deeply with its findings, embrace its recommendations, and join us in forging a future where the promise of the SDGs and the vision of a thriving ASEAN Community are fully realised

A handwritten signature in blue ink, consisting of a stylized 'C' shape followed by a horizontal line.

DR. Kao Kim Hourn
Secretary-General of ASEAN



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Abbreviations

AADMER	ASEAN Agreement on Disaster Management and Emergency Response
ACCC	ASEAN Climate Change Centre
ACCSAP	ASEAN Climate Change Strategic Action Plan
ACLP III	ASEAN Climate Leadership Program III
ACMF	ASEAN Capital Markets Forum
ACV	ASEAN Community Vision
ACW	ASEAN Committee on Women
ADB	Asian Development Bank
AEC	Economic Community
AEDS	ASEAN Energy Database System
AMS	ASEAN Member States
AOIP	ASEAN Outlook on the Indo-Pacific
APAEC	ASEAN Plan of Action for Energy Cooperation
APG	ASEAN Power Grid
APSC	ASEAN Political-Security Community
ASCC	ASEAN Socio-Cultural Community
ASEC	ASEAN Secretariat
AWGCC	ASEAN Working Group on Climate Change
CI	Complementarities Initiative
CSA	Climate-Smart Agriculture
DEFA	Digital Economy Framework Agreement
ESBN	Sustainable Business Network
GAD	Gender and Development

GBS	Green Bond Standards
HLBD	High-Level Brainstorming Dialogue
LIB-SI	Lead Implementing Body for Sustainable Infrastructure
MPAC	Master Plan on ASEAN Connectivity
NAPs	National Adaptation Plans
NDCs	Nationally Determined Contributions
PPPs	Public-Private Partnerships
REPP-SSN	Regional Energy Policy and Planning Sub-sector Network
SBS	Sustainability Bond Standards
SCP	Sustainable Consumption and Production
SDGs	Sustainable Development Goals
TAGP	Trans-ASEAN Gas Pipeline
UHC	Universal Health Coverage
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific





Executive Summary

In 2015, the ASEAN Leaders underlined the complementarity of the United Nations 2030 Agenda for Sustainable Development with ASEAN community building efforts to uplift the standards of living for all ASEAN's people.. This vision gave rise to the Complementarities Initiative (CI 1.0), a collaborative effort between ASEAN and UNESCAP to align and synergize the ASEAN Community Vision 2025 with the UN 2030 Agenda for Sustainable Development. Now, with the adoption of the ASEAN Community Vision 2045 (ACV 2045), the region embarks on a renewed journey—Complementarities Initiative 2.0 (CI 2.0) — to build a greener, more resilient, and inclusive future.

The core objectives of both CI 1.0 and 2.0 are to promote synergies between the ACV (2025 and 2045) and the UN 2030 Agenda, enhance cooperation between ASEAN and UN agencies, accelerate SDG implementation in the region, and support ASEAN's community-building efforts for a sustainable, resilient, and prosperous future. CI 2.0 specifically aligns the “green strategic measures” under ACV 2045 with priority areas for action related to achieving the SDGs.

Both ACV 2025 and ACV 2045 provide roadmaps for ASEAN's development, showcasing continuity and evolution in priorities. While sharing foundations of regional integration, peace, and economic growth, ACV 2045 shifts towards adaptability, innovation, and resilience in a changing global landscape. Both visions emphasize upholding democracy, human rights, good governance, and regional peace, with ACV 2045 expanding on these to position ASEAN as a “locomotive for peace, stability, resilience, and prosperity.” The principle of ASEAN Centrality remains crucial.

ACV 2025 focused on a “highly integrated and cohesive regional economy,” whereas ACV 2045 is more ambitious, envisioning ASEAN as the world's fourth-largest economy and an industrial/manufacturing hub, with a shift towards global competitiveness, digital transformation, and supply chain resilience. Security priorities have also evolved, with ACV 2045 addressing geopolitical tensions, cybersecurity, AI, pandemics, and environmental challenges. Both stress a people-centred ASEAN, but ACV 2045 takes a stronger stance on inclusion and empowerment, particularly for youth, women, and vulnerable populations, alongside a commitment to sustainable development, climate action, and digital inclusion. Institutional capacity building is also more detailed in ACV 2045, highlighting the strengthening of the ASEAN Secretariat (ASEC) and decision-making processes for greater agility and responsiveness to global challenges.

SDGS AND ASEAN COMMUNITY VISION 2045 ALIGNMENT

ACV 2045 integrates the SDGs more comprehensively, demonstrating ASEAN's greater focus

on sustainability within a complex geopolitical environment. ACV 2045 aligns with the SDGs by supporting:

Economic Growth: Supporting SDG 8 (Decent Work and Economic Growth) through inclusive participation, job creation, and workforce upskilling; SDG 9 (Industry, Innovation, and Infrastructure) by promoting technology and smart infrastructure; and SDG 12 (Responsible Consumption and Production) through embedding sustainability across supply chains.

Environmental Sustainability: Committing to climate resilience, green growth, and environmental protection, directly supporting SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land) through initiatives such as the blue economy, sustainable fisheries, and forest conservation.

Social Equity: Emphasizing the reduction of inequalities and improving quality of life, supporting SDG 1 (No Poverty), SDG 10 (Reduced Inequalities), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 5 (Gender Equality).

Governance and Connectivity: Reaffirming commitment to regional peace, security, and strong governance (SDG 16), and promoting a seamlessly connected ASEAN through digital infrastructure, sustainable urban planning, and transportation networks, aligning with SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), and SDG 11 (Sustainable Cities and Communities).

APPROACH TO CROSS-CUTTING ISSUES

ACV 2045 adopts a holistic approach, integrating cross-cutting issues like climate action, environmental protection, and technological advancements across its three pillars (Political-Security Community, Economic Community, and Socio-Cultural Community), as well as ASEAN Connectivity and Institutional Strengthening. This integrated perspective creates synergies and ensures progress in one area reinforces advancements in all pillars, strongly aligning with the inherently cross-cutting nature of the SDGs.

ASEAN recognizes gender equality as a cross-cutting issue, embedding it across all four strategic plans of ACV 2045. While SDG 5 specifically targets gender equality, other SDGs (1, 2, 3, 4, 8, 10, 11, 16) also incorporate gender-related targets. ASEAN addresses these through mechanisms like the ASEAN Committee on Women (ACW), the ASEAN Declaration on the Gender-Responsive Implementation of ACV 2025, the ASCC Blueprint 2025, the Regional Action Plan on Women, Peace, and Security, and the ASEAN Gender Mainstreaming Strategic Framework.





Environmental Sustainability and Climate Change are central pillars in ACV 2045, with ASEAN acknowledging the urgent need to address environmental challenges and mitigate climate change impacts. The vision emphasizes a green economy, promoting renewable energy, sustainable agriculture, green finance, and eco-friendly industries. ASEAN's plans include fostering regional cooperation for green finance access, technology transfer, and scalable climate resilience initiatives. This closely complements SDGs related to environmental sustainability and climate action, including SDG 7, SDG 11, SDG 12, SDG 13, and SDG 14. Key frameworks include the ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030, the ASCC Blueprint 2025, the ASEAN State of Climate Change Report, and the ASEAN Climate Leadership Programme.

ASEAN however faces challenges in data collection, including data gaps, inconsistencies, lack of standardization, and fragmented sharing and governance. These hinder the region's ability to track development goals and make evidence-based policies. To address this, ASEAN has implemented policies and frameworks such as the ASEAN Framework on Personal Data Protection, ASEAN Framework on Digital Data Governance, ASEAN Data Management Framework, ASEAN Digital Master Plan 2025, ASEAN Model Contractual Clauses, ASEAN Guide on Data Anonymisation, and the ASEAN Digital Economy Framework Agreement. As well as the work done by the ASEAN Working Group on SDG Indicators under the ASEAN Statistical Community, and the ASEAN Gender Outlook 1st and 2nd editions. The Asia-Pacific SDG Gateway serves as a vital resource to overcome some of these challenges.

REVIEW OF CI 1.0 PRIORITY AREAS PROGRESS

The CI 1.0 Framework for Action identified five interlinked priority areas: poverty eradication, infrastructure and connectivity, sustainable management of natural resources, sustainable consumption and production, and resilience. The COVID-19 pandemic significantly impeded progress across these areas, making the achievement of the 2030 targets more challenging.

Progress of Poverty Eradication: Despite significant efforts, ASEAN is unlikely to meet the 2030 target for poverty eradication (SDG Goal 1: No Poverty). Several factors hinder progress, including economic disparities among AMS. The COVID-19 pandemic also reversed years of poverty reduction, especially in lower-middle-income countries. High-income inequality within several AMS, vulnerability to economic shocks and crises, and the impacts of climate change and natural disasters all exacerbate poverty. Challenges in data collection and monitoring further impede accurate assessment of poverty levels and program effectiveness.

Progress of Infrastructure and Connectivity: This area has shown the most significant progress among the CI 1.0 Priority Areas. The focus was on transportation, broadband, energy, water, and sanitation. Initiatives such as the Master Plan on ASEAN Connectivity (MPAC)

2025, which has nearly 84% of its 143 key implementing measures completed or in progress, have been instrumental. ESCAP's assessment using 36 indicators across 12 SDGs showed "accelerating progress" for 28 indicators and "maintaining progress" for 5, with only 3 showing "reversing trends". Despite this strong progress, integrating climate change considerations and renewable energy remains challenging and crucial for future sustainability. Progress of Infrastructure and Connectivity: This area has shown the most significant progress among the CI 1.0 Priority Areas. The focus was on transportation, broadband, energy, water, and sanitation. Initiatives such as the Master Plan on ASEAN Connectivity (MPAC) 2025, which has nearly 84% of its 143 key implementing measures completed or in progress, have been instrumental. ESCAP's assessment using 36 indicators across 12 SDGs showed "accelerating progress" for 28 indicators and "maintaining progress" for 5, with only 3 showing "reversing trends". Despite this strong progress, integrating climate change considerations and renewable energy remains challenging and crucial for future sustainability.

Progress of Sustainable Management of Natural Resources: Between 2017 and 2025, ASEAN has made notable progress in this area (Priority Area 3) through measures for biodiversity conservation, reducing environmental impacts, and fostering partnerships (e.g., with EU, Australia, Japan, and UN). ESCAP's measurement of this area with 20 indicators across 8 SDGs showed 12 with "accelerating progress," 4 "maintaining progress," and 4 "reversing trends". However, based on available data, ASEAN is not fully on track to achieve all aspects of this priority by 2030. Significant challenges remain concerning environmental degradation, climate change impacts, balancing economic growth with sustainability, transboundary issues, and implementation gaps.

Progress of Sustainable Consumption and Production (SCP): AMS have undertaken diverse national efforts to implement SCP principles in agriculture, forestry, energy, and waste management. Initiatives include Green Public Procurement (GPP), Extended Producer Responsibility (EPR) schemes, and plastic reduction campaigns. ESCAP measured progress for Priority Area 4 with 8 indicators across 5 SDGs. Four indicators showed "accelerating progress," one "maintaining progress," and three "reversing trends" (Renewable Energy Share, Material Footprint, and Domestic Material consumption). Despite some improvements in CO₂ and Greenhouse Gas emissions, significant challenges persist in achieving SCP goals, particularly concerning plastics and food waste.

Progress of Resilience: Progress in Resilience (Priority Area 5) shows a consistent reversing trend, according to ESCAP measurements. Out of 8 indicators across 3 SDGs, 5 showed "accelerating progress," 1 "maintaining progress," and 2 "reversing trends" (deaths/missing/affected from disaster, and economic loss from disaster). This indicates that despite some positive developments, overall resilience is declining, primarily due to increasing impacts from disasters. ASEAN faces challenges in building adaptive, anticipatory, absorptive, and





transformative capacities, further compounded by increasing global uncertainties and environmental risks. A lack of sufficient and compatible data across AMS also hinders accurate measurement and effective policy responses for resilience. The Asia and the Pacific SDG Progress Report 2024 noted that none of the 17 SDGs are on track for the broader region, with slow or regressing progress in resilience-linked areas.

NEW PRIORITY AREAS FOR CI 2.0

The CI 2.0 identifies five new priority areas for action, reflecting changing global conditions, ASEAN leaders' ambitions, and building upon lessons learned from CI 1.0. These new priority areas are critical for aligning with the ACV 2045's vision of a "green ASEAN" and effectively achieving the SDGs. The new priority areas, which can be labelled as a GREEN agenda, consist of the following:

Green Finance: Green Finance is crucial for achieving a rapid transition to a green economy and meeting the region's energy needs sustainably. Initial SDG indicators for Green Finance show mixed progress. Access to Electricity (SDG 7.1.1) and Internet Users (SDG 17.8.1) demonstrate good progress. However, Passenger and Freight Volume (SDG 9.4.1) has significantly regressed, with most AMS showing stagnation. While other indicators show progress, substantial improvement is needed to meet UN Green Finance SDG goals by 2030.

Resilience against Climate Change: This Priority Area focuses on strengthening ASEAN's capacity to adapt to climate-related hazards and natural disasters. Nine initial SDG indicators for Resilience against Climate Change indicate that significant progress is still required for ASEAN to meet UN Climate Change SDG goals by 2030. It also underscores the need for robust data for effective monitoring and policy formulation.

Energy Transition: Energy transition aims to shift towards sustainable energy practices, decarbonize energy systems, increase renewable energy share, and enhance energy security. ASEAN has ambitious renewable energy targets: 23% share in Total Primary Energy Supply (TPES) by 2025 and 35% in installed power capacity. Ten SDG indicators were selected, with seven showing improvement. Access to Electricity (SDG 7.1.1) showed the greatest progress and is near the 2030 target. However, Material Footprint (SDG 12.2.1) has significantly regressed. Despite solid gains, considerable improvement is needed to close the gap. Ensuring a just and inclusive energy transition, particularly for vulnerable populations, remains a significant challenge, requiring targeted policies, retraining, and local stakeholder engagement.

Effective Digital Transformation: The COVID-19 pandemic accelerated digital transformation, firmly establishing it as a cross-cutting imperative for economic and social

development. ACV 2045 envisions a leading, connected Digital and Technological Community with an open, interoperable, secure, and trusted digital ecosystem. This includes leveraging advanced technologies like IoT, AI, and big data to enhance economic integration, digital innovation, and cybersecurity, in ways that drive efficiencies and supports sustainable practices across all sectors.. The ASEAN Connectivity Strategic Plan emphasizes a continuously innovative digital ecosystem that advances cybersecurity, supports efficient cross-border data flows, and promotes digital inclusion, addressing the digital divide and ensuring safe, inclusive access to digital technologies.

Networking and Partnerships: This area is crucial for strengthening internal cohesion and building impactful partnerships across ASEAN's three pillars. Hurdles exist in developing effective Public-Private Partnerships (PPPs), including regulatory uncertainty, high upfront costs, risk allocation challenges, limited expertise, and difficulties in stakeholder coordination. Externally, ASEAN faces challenges in maintaining its centrality amidst competing major power initiatives and varying levels of trust with dialogue partners.

PRIORITY AREAS CI 2.0 RECOMMENDATIONS

The Complementarities Initiative 2.0 outlines a series of recommendations to advance ACV 2045 and achieve the UN SDGs by 2030. The proposals focus on strengthening existing ASEAN agendas rather than introducing new objectives, with implementation contingent on approval by relevant ASEAN bodies and AMS.

A foundational recommendation involves streamlining existing institutional mechanisms for SDG forums within ASEAN. Currently, numerous platforms lead to significant overlap and inefficiency. Consolidating these into a single, cohesive forum with a unified tracking and reporting system would enhance efficiency, reduce redundancy, and foster a more integrated approach to SDG achievement, thereby strengthening ASEAN's leadership and credibility.

THE CI 2.0 ALSO PRESENTS SPECIFIC RECOMMENDATIONS ACROSS FIVE KEY AREAS:

Green Finance: To foster a sustainable region, the report recommends accelerating the implementation of the ACMF Roadmap, with a specific emphasis on the ASEAN Taxonomy for Sustainable Finance. This acceleration should include introducing a Just Transition Finance mechanism, which is vital for improving AMS' access to critical international funds like the Green Climate Fund and ensuring equitable financing for green investments. This strategic move signals ASEAN's commitment to a sustainable and prosperous future. Additionally, it is recommended to accelerate the implementation of the ASEAN Catalytic Green Facility (ACGF) to mobilize private capital for green infrastructure projects.





Resilience against Climate Change: To enhance climate resilience, the report emphasizes the operationalization of the ASEAN Centre for Climate Change (ACCC). This includes developing an ASEAN knowledge and capacity hub on climate resilience to facilitate knowledge exchange, capacity building, and technology transfer for SDG achievement. Furthermore, it advocates for strengthening climate resilience through improved data management, leveraging the ACCC to establish a comprehensive database for monitoring climate change initiatives. Support for reviewing the ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030 is also crucial, including prioritizing capacity building, stakeholder engagement, technical assistance, inter-agency coordination, and public awareness.

Energy Transition: Recognizing the current fragmentation of data and information-sharing mechanisms, the initiative recommends enhancing ASEAN's energy transition by supporting the development of a regional energy information system. This system would centralize data collection, analysis, and dissemination, thereby streamlining existing initiatives like the ASEAN Energy Database System (AEDS) and the Regional Energy Policy and Planning Sub-sector Network (REPP-SSN). Such an integration aims to enhance coordination and ensure efficient resource utilization for a cohesive energy transition strategy.

Effective Digital Transformation: To support the ASEAN digital economy, the report highlights the need for unimpeded cross-border data flows. It recommends supporting regulatory alignment and a technical framework for cross-border data flows in alignment with the ASEAN Digital Economy Framework Agreement (DEFA). This includes fostering ASEAN-wide cooperation on data governance mechanisms, such as cross-border transfer agreements and international standards. This alignment is essential for enabling seamless digital trade, enhancing regional integration, and supporting economic growth by reducing compliance costs and increasing consumer trust.

Networking and Partnership: The initiative suggests building upon existing ASEAN SMART indicators and the ASEAN SDG Indicators Baseline Report to improve data collection and close data gaps for reporting progress on the SDGs and complementarity with ACV 2045. This involves providing technical assistance, capacity building for national statistical offices, and securing funding to enhance data collection, management, and analysis. Integrating local knowledge systems and fostering regional collaboration are also essential for deepening public ownership of the SDGs and promoting inclusive policies. Robust engagement from all sectors—private, civil society, and youth—and strong coherence between national and regional strategies are paramount for accurate SDG reporting and optimized resource allocation.



01

Introduction





Introduction

In 2015, the ASEAN Leaders underlined the complementarity of the United Nations 2030 Agenda for Sustainable Development with ASEAN community building efforts to uplift the standards of living for all ASEAN's people. The Complementarities Initiative between UNESCAP and ASEAN is an ongoing effort that started in 2016. It aimed originally to align and synergize the ASEAN Community Vision 2025 with the UN's 2030 Agenda for Sustainable Development, maximizing the impact of both frameworks in Southeast Asia. The Report on the Complementarities between the ASEAN Community Vision 2025 and the United Nations 2030 Agenda for Sustainable Development, commonly known as "Complementarities Initiative", was developed and welcomed by the 9th ASEAN-United Nation Summit in 2017.

With the ASEAN Community Vision 2025 having recently being concluded and the ASEAN Community Vision 2045 now officially adopted by ASEAN Leaders on 26 May 2025 at the 46th ASEAN Summit in Malaysia, this report “Complementarity Initiative (CI) 2.0”, is designed to support ASEAN Member States (AMS) in aligning and attaining the global and regional development goals. It identifies and analyses the synergies between the UN 2030 Agenda for Sustainable Development and the ASEAN Community Vision (ACV) 2045, which aspires toward a “green ASEAN” and a more sustainable, inclusive, and resilient future.. The CI 2.0 is designed to reflect the emerging challenges ASEAN faces while complementing its aspiration for a sustainable and resilient future.¹

The objectives of the Complementarities Initiative (CI 1.0 and 2.0) are to:²

- Promote synergies between the ACV (2025 and the 2045) and the UN 2030 Agenda.
- Enhance cooperation between ASEAN and UN agencies to achieve sustainable development.
- Accelerate the implementation of the SDGs in the ASEAN region.
- Support ASEAN’s efforts to build a sustainable, resilient and prosperous community.

The framework for CI 2.0 is structured similarly to CI 1.0. This document draws on a range of source material with an emphasis on ASEAN and ESCAP documents. Following the introduction, it provides a framework for complementarity that is followed by a review of progress of each of the five priority areas identified in CI 1.0. The analysis of the five priority areas under CI 1.0 provides a series of lessons that help identify and define the new priority areas. Each of the five new priority areas are presented with baseline data drawn from ESCAP SDG indicators and an overview, followed by a gap analysis. The final substantive chapter covers several recommendations emerging from the gap analysis of the five new priority areas.

The purpose of CI 2.0 is to review progress achieved under CI 1.0 and identify new priority areas for action under CI 2.0. The Complementarities Initiative (CI 1.0 and 2.0) represents a significant step towards a more integrated and sustainable approach to development in the region. By aligning regional and global agendas, ASEAN and the UN are working together to create a better future for the people of the region. The CI 2.0 aligns the green strategic measures under the ACV 2045 with priority areas for action linked to achieving the SDGs.³

¹ <https://asean.org/asean-leaders-declaration-on-the-development-of-strategic-plans-to-implement-the-asean-community-vision-2045/>.

² https://asean.org/wp-content/uploads/2021/11/UN-ASEAN-Complementarities-Report_Final_PRINT.pdf.

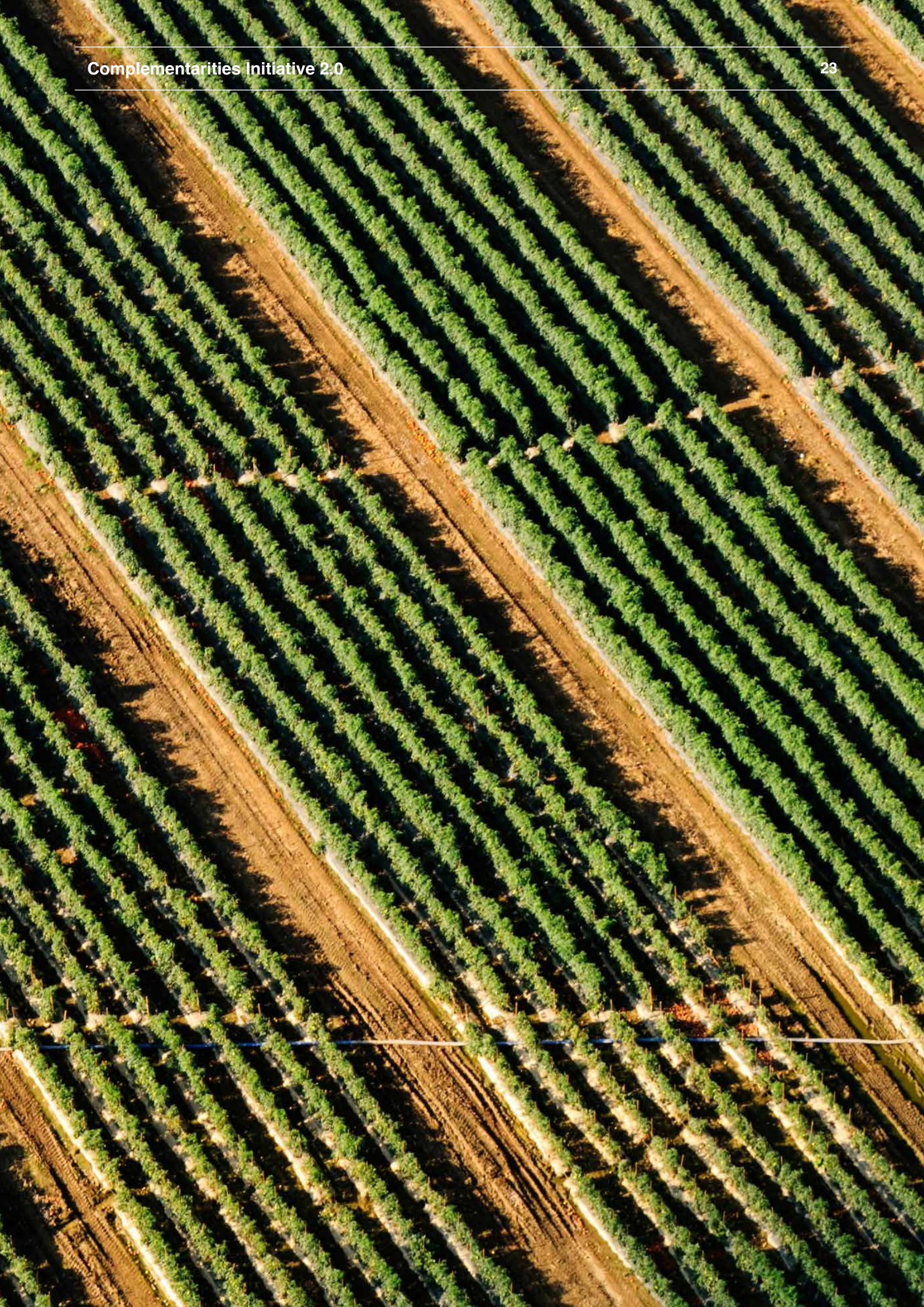
³ The ACV 2045 and the related strategic plans for each pillar of the ASEAN Community identify several green strategic measures and sustainability goals that include: Green Economy and Blue Economy, Renewable Energy and Green Transition, Carbon Pricing and Green Bonds, Climate Change and Environmental Degradation, Sustainable Infrastructure and Smart Urban Development, Sustainable Agriculture and Land Use, Resource Efficiency, Disaster Preparedness and Climate Adaptation, Sustainable Finance and Business Transitions, Digital Innovation for Sustainability, and Environmental Education and Public Awareness.



02

Framework for Complementarity





Framework for Complementarity

The framework for complementarity provides a structure for analysing the complementarities and synergies between the UN 2030 Agenda for Sustainable Development and the ACV 2045.

The framework builds upon the work done under CI 1.0. It first examines the continuity and differences between the ACV 2025 and 2045. The framework then examines how the ACV 2045 continues to align with and support the SDGs.

Cross-cutting issues are also analysed in this chapter. The ACV 2045 adopts a holistic approach, integrating cross-cutting issues across its three pillars. It explicitly recognizes and addresses a range of cross-cutting issues that are fundamental to achieving a resilient, innovative, dynamic, and people-centred ASEAN.

2.1 Complementarities and Synergies

Both the ACV 2025 and ACV 2045 align with the United Nations Sustainable Development Goals (SDGs), though they approach them with different levels of emphasis. While both documents support sustainable development, economic growth, and social inclusivity, the 2045 vision integrates the SDGs more comprehensively, demonstrating ASEAN's shift towards a future-ready, innovation-driven, and sustainability and resilient focused regional community.

2.1.1 ACV 2025 and ACV 2045

The ACV 2025 and the ACV 2045 each present a roadmap for ASEAN's development. In doing so, they reflect both continuity and evolution in priorities. While they share a foundation of regional integration, peace, and economic growth, the 2045 vision demonstrates a shift toward adaptability, innovation, and resilience in a changing global landscape.

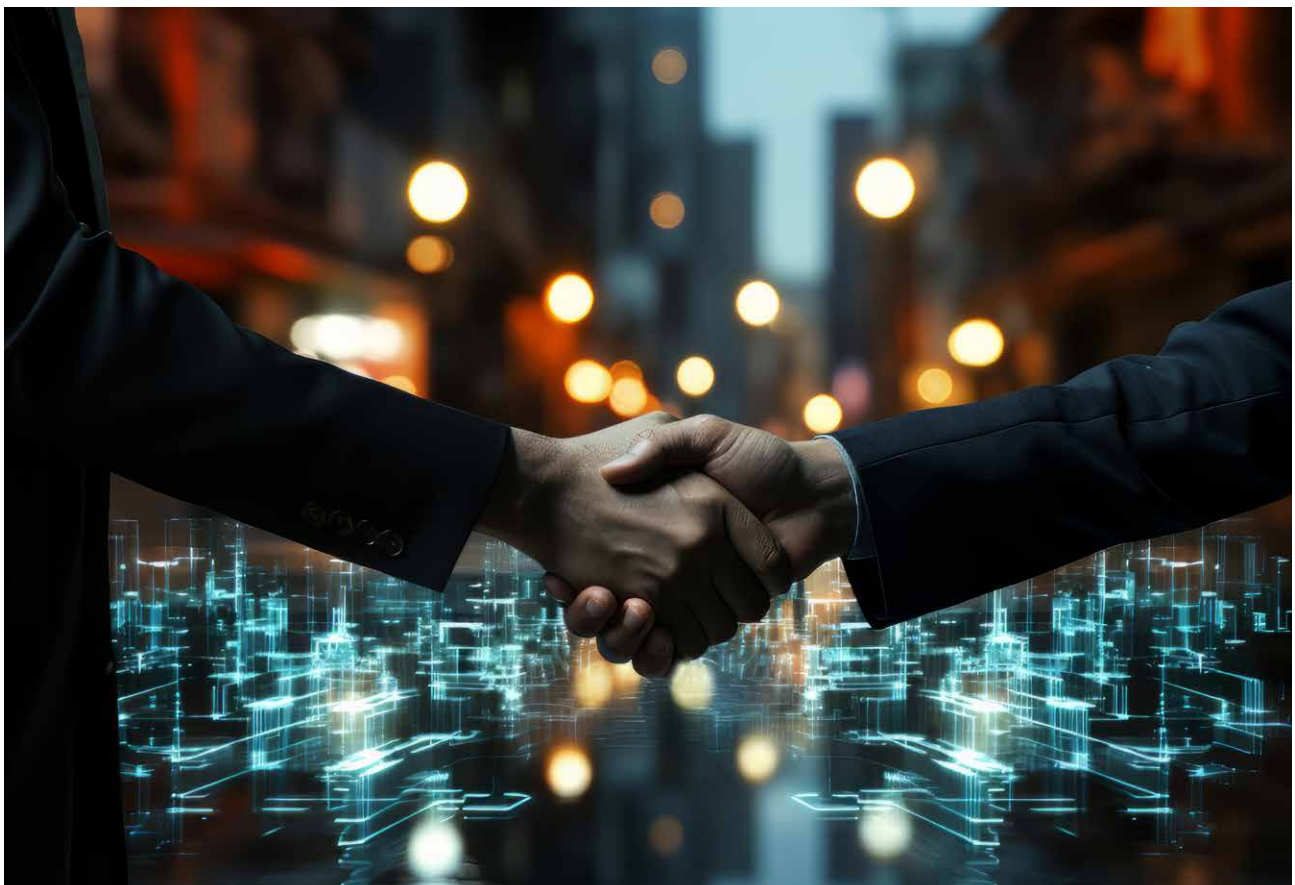




Both the 2025 and 2045 Vision emphasize ASEAN's commitment to upholding democracy, human rights, good governance, and regional peace. The 2025 vision states ASEAN's aim to be "a rules-based, people-oriented, people-centred ASEAN Community, where our peoples enjoy human rights and fundamental freedoms", while the 2045 vision expands this, calling for ASEAN to remain a "locomotive for peace, stability, resilience, and prosperity in the region". The principle of ASEAN Centrality remains crucial, ensuring the association remains a key player in shaping regional architecture.

In the ACV 2025, ASEAN aimed for a "highly integrated and cohesive regional economy," focusing on trade, investment, and sustainable growth. In the ACV 2045, the vision is more ambitious, envisioning ASEAN as the fourth largest economy in the world, with an industrial and manufacturing hub status. The emphasis has shifted from regional integration to global competitiveness, digital transformation, and supply chain resilience, reflecting how ASEAN navigates the impacts of geopolitical tensions and technological advancements.

ACV 2025 concentrated on maintaining regional stability through security cooperation, counterterrorism, and maritime security. The ACV 2045 expands on this by addressing geopolitical tensions, cybersecurity, artificial intelligence, and emerging threats such as pandemics and environmental challenges. Both documents emphasize a nuclear-free region and highlight ASEAN's role in contributing to a rules-based international order.



Both visions stress a people-centred ASEAN. The ACV 2045 takes a stronger stance on inclusion and empowerment, particularly of youth, women, and people in vulnerable situations. It also introduces a more defined commitment to sustainable development, climate action, and digital inclusion, areas that were less pronounced in Vision 2025.

Both Visions recognize the need for improving ASEAN's institutional capacity. However, the ACV 2045 is more specific about strengthening the ASEAN Secretariat (ASEC), ASEAN's decision-making processes, and cross-sectoral coordination. The ACV 2045 highlights the need for a more robust and proactive Secretariat to support ASEAN's evolving goals and challenges. This includes enhancing the Secretariat's capacity to coordinate and implement ASEAN's strategic plans, as well as respond to regional and global developments effectively. The increased emphasis on ASEC reflects a recognition that ASEAN must become more agile and responsive to global challenges.

The ACV 2025 laid the groundwork for regional integration, focusing on economic connectivity, security cooperation, and community-building. The 2045 vision builds on this foundation but embraces digital transformation, global economic leadership, resilience and sustainability, and geopolitical agility. This shift reflects ASEAN's adaptability to a more complex and interconnected world, ensuring its continued relevance and leadership in the global arena.

2.1.2 The SDGs and ASEAN Community Vision 2045

The ACV 2025 and ACV 2045 both align with UN's SDGs, although they do so in different ways. While both documents support sustainable development, economic growth, and social inclusivity, the 2045 vision integrates the SDGs more comprehensively, demonstrating ASEAN's greater focus on sustainability and addressing a more complex geo-political environment.

The ACV 2045 aligns closely with the SDGs, integrating sustainability, innovation, inclusivity, and resilience into its strategic framework. It reflects ASEAN's commitment to economic growth, social equity, environmental sustainability, and institutional strengthening, ensuring that the region not only adapts to global challenges but also contributes meaningfully to the 2030 Agenda for Sustainable Development.



The ACV 2045 envisions ASEAN as a global economic powerhouse, aiming to be the fourth-largest economy in the world with sustainable and technology-driven growth. The ACV 2045 directly supports:

- **SDG 8 (Decent Work and Economic Growth):** ASEAN prioritizes inclusive economic participation, job creation, and workforce upskilling and reskilling, ensuring that economic progress benefits all sectors of society.
- **SDG 9 (Industry, Innovation, and Infrastructure):** The vision highlights ASEAN's role as an industrial and manufacturing hub, leveraging advanced technology, digital transformation, and smart infrastructure to drive long-term economic resilience.
- **SDG 12 (Responsible Consumption and Production):** By embedding sustainability across supply chains, ASEAN ensures that economic activities contribute to environmental and resource efficiency.



The ACV 2045 commits ASEAN to climate resilience, green growth, and environmental protection. It recognises the urgent need for action against climate change, biodiversity loss, and pollution, and directly supports:

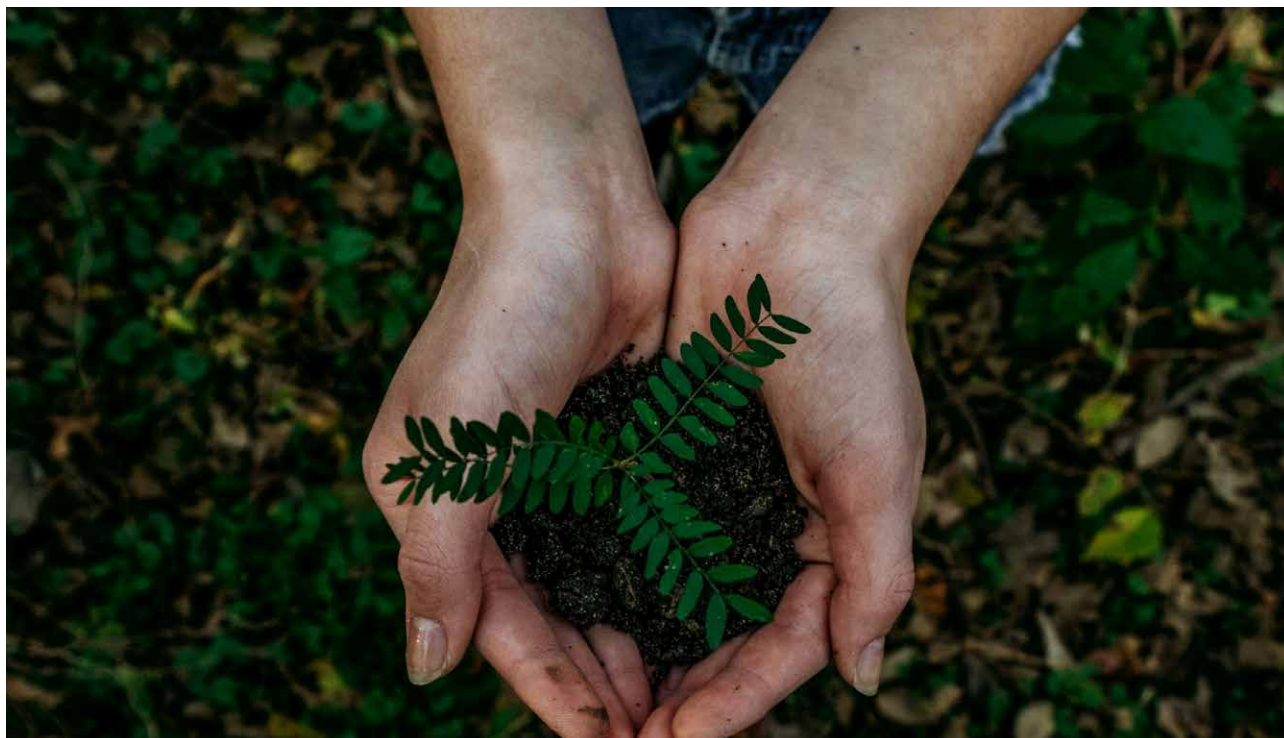
- **SDG 13 (Climate Action):** ASEAN integrates climate adaptation, disaster risk reduction, and green energy initiatives into regional policies.
- **SDG 14 (Life Below Water) & SDG 15 (Life on Land):** ASEAN's commitment to the blue economy, sustainable fisheries, and forest conservation ensures that economic growth does not come at the cost of environmental degradation.



Furthermore, the ACV 2045 emphasises ASEAN's role in reducing inequalities, empowering people in vulnerable situations and improving quality of life across the region. Key SDGs supported include:

- **SDG 1 (No Poverty) & SDG 10 (Reduced Inequalities):** ASEAN aims to accelerate poverty reduction to narrow the development gaps, promote inclusive economic policies, and ensure equitable access to resources.
- **SDG 3 (Good Health and Well-being):** The vision outlines commitments to universal health coverage (UHC), pandemic preparedness, and enhanced healthcare systems to ensure a healthier ASEAN population.
- **SDG 4 (Quality Education):** ASEAN prioritizes inclusive, transformative education systems to equip its workforce with digital and technical skills for the future economy.
- **SDG 5 (Gender Equality):** The vision explicitly promotes women's empowerment and youth participation, ensuring that people in vulnerable situations have a greater voice in decision-making.





ACV 2045 also reaffirms ASEAN's commitment to regional peace, security, and strong governance. In doing so, it supports political stability and adherence to international law that are ratified or acceded to by AMS. This directly supports:

- **SDG 16 (Peace, Justice, and Strong Institutions):** ASEAN aims to be a leader in conflict resolution, human rights protection, and transparent governance, while strengthening its institutional framework for faster and more effective decision-making.

ACV 2045 further promotes a seamlessly connected ASEAN, integrating digital infrastructure, sustainable urban planning, and transportation networks. This aligns with:

- **SDG 6 (Clean Water and Sanitation):** Urbanization requires access to clean water and sanitation. ASEAN investments are important for sustainable water management systems, waste treatment technologies, and water conservation projects in order to provide access to safe and clean water, promoting health and reducing the risk of water scarcity.
- **SDG 7 (Affordable and Clean Energy):** ASEAN's investment in renewable energy, smart grids, and energy efficiency, including targets for reducing energy intensity and consumption and for increasing the share of renewable energy, supports the transition to a low-carbon economy.
- **SDG 9 (Industry, Innovation, and Infrastructure):** by leveraging technology and smart infrastructure. SDG 9 promotes development of resilient digital infrastructure, sustainability urban systems, and efficient, inclusive transportation networks that drive innovation and enable a seamlessly connected ASEAN.

- **SDG 11 (Sustainable Cities and Communities):** The vision's emphasis on smart and sustainable cities, improved urban infrastructure, clean and green environment, and resilient communities ensures liveable environments for future generations.

2.2 Approach to Cross-Cutting Issues

The ACV 2045 adopts a holistic approach, integrating cross-cutting issues across its three pillars – Political-Security Community (APSC), Economic Community (AEC), and Socio-Cultural Community (ASCC). In addition to the three pillars the ACV 2045 and the APSC Strategic Plan have imbedded in it an ASEAN Connectivity and Institutional Strengthening component that explicitly recognizes and addresses a range of cross-cutting issues that are fundamental to achieving a resilient, innovative, dynamic, and people-centred ASEAN. To promote complementarities and synergy on cross-cutting initiatives such as climate action, environmental protection, technological advancements, and areas of other mutual interests, the ACV 2045 emphasizes the importance of environmental sustainability and climate change resilience not only within the ASCC but also as a critical factor for economic development and regional stability under the AEC and APSC respectively. Similarly, issues such as digital transformation, gender equality, and disaster management are mainstreamed across all three pillars, acknowledging their pervasive impact on various aspects of the ASEAN community. By adopting this integrated perspective, ASEAN aims to create synergies and ensure that progress in one area mutually reinforces advancements in all three pillars.

The comprehensive approach within the ACV 2045 strongly aligns with the principles and objectives of the SDGs. The SDGs themselves are inherently cross-cutting, recognizing the interconnectedness of development challenges. ASEAN's commitment to addressing issues like poverty eradication, health and well-being, quality education, gender equality, sustainable cities and communities, and climate action directly mirrors specific SDGs as previously discussed. Furthermore, the Vision's emphasis on regional cooperation, innovation, and building resilient societies contributes to the overarching spirit of the 2030 Agenda for Sustainable Development. By ASEAN embedding cross-cutting themes within its long-term vision and striving for integrated solutions, ASEAN is strategically positioning itself to contribute effectively to the achievement of the SDGs within Southeast Asia.



2.2.1 Gender Equality

ASEAN recognises gender equality as a cross-cutting issue and is committed to advancing gender equality and women empowerment.⁴ The ACV 2045 explicitly addresses this cross-cutting issue by embedding gender equality and women's empowerment across all four strategic plans: APSC, AEC, ASCC and ASEAN Connectivity. This mainstreaming approach is not confined to social and cultural aspects but is also crucial for regional peace and security, inclusive economic growth, and overall societal progress.



While SDG 5 is the standalone goal explicitly focused on achieving gender equality and empowering all women and girls, several other SDGs also incorporate targets and indicators that address gender equality across different dimensions. This includes:

- **SDG 1 No Poverty:** Aims to ensure that all men and women, particularly the poor and vulnerable, have equal rights to economic resources, as well as access to basic services, land, natural resources, appropriate new technology, and financial services.
- **SDG 2 Zero Hunger:** Seeks to double the agricultural productivity and incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists, and fishers.
- **SDG 3 Good Health and Well-being:** Includes targets related to maternal health, sexual and reproductive health and rights, and addressing epidemics such as HIV/AIDS, which disproportionately affect women and girls in some contexts.
- **SDG 4 Quality Education:** Focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including girls, and eliminating gender disparities in education.
- **SDG 8 Decent Work and Economic Growth:** Aims to achieve full and productive employment and decent work for all women and men.

⁴ ASEAN Gender Outlook 2024: Achieving the SDGs for all and leaving no woman or girl behind. ASEAN 2024. https://data.unwomen.org/sites/default/files/documents/Publications/2024/ASEAN-gender-outlook_2024.pdf



- **SDG 10 Reduced Inequalities:** Includes targets to reduce inequalities based on gender, among other factors.
- **SDG 11 Sustainable Cities and Communities:** Aims to provide access to safe and inclusive public spaces, particularly for women and girls.
- **SDG 16 Peace, Justice and Strong Institutions:** Seeks to ensure equal access to justice for all and promote the rule of law at the national and international levels, which is crucial for protecting women's rights.



The ACV 2045 addresses SDG 5 and gender equality embedded in other SDGs through various frameworks and initiatives. It has made significant strides in addressing gender equality and empowering women and girls. ASEAN leaders have acknowledged that gender equality is fundamental to achieving sustainable development, social justice, and peace.⁵ Mechanisms and efforts ASEAN has focussed on to empower women and girls that address the gender related SDGs include: ⁶

- The ASEAN Committee on Women (ACW) which plays a central role in promoting gender equality across AMS. It focuses on formulating policies, frameworks, and initiatives to empower women and girls in the region. The ACW has championed the adoption of the ASEAN Gender Mainstreaming Strategic Framework to integrate gender equality into regional policies and plans.
- The ASEAN Declaration on the Gender-Responsive Implementation of the ACV 2025 and Sustainable Development Goals which emphasizes the importance of gender equality in achieving the goals of the ASEAN Community. It outlines a shared commitment among AMS to empower women and girls by creating enabling environments for their participation in political, economic, and social spheres.
- The ASEAN Socio-Cultural Community (ASCC) Blueprint Post 2025 that emphasizes promoting gender equality and the empowerment of women in various areas such as health, education, access to economic opportunities, and protection from violence. It seeks to improve women's participation in leadership positions, reduce gender-based violence, and enhance women's roles in decision-making processes.



⁵ This is demonstrated in various documents, including the ASEAN Vision 2025 and ASEAN Community Blueprint 2025, the ASEAN Declaration on the Gender-Responsive Implementation of the ASEAN Community Vision 2025 and the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025.

⁶ The list provides an example and selection of mechanisms and efforts ASEAN has focussed on to empower women and girls and is not exhaustive.



- The ASEAN Regional Action Plan on Women, Peace, and Security (WPS) which is in line with the UN Security Council Resolution 1325 on Women, Peace, and Security. ASEAN has developed the Regional Action Plan on Women, Peace, and Security (2019-2025). This plan aims to increase the participation of women in peace building and conflict resolution, while addressing the impacts of conflict on women and girls, including through education and the provision of essential services.
- ASEAN's gender and development (networks provide a platform for exchanging best practices, lessons learned, and policy recommendations on gender equality and women's empowerment. These networks enable AMS to share strategies on improving gender equality in sectors such as health, education, and employment.⁷

Through these efforts and frameworks as well as national projects, ASEAN is achieving the SDGs focussed on gender equality and making progress toward a more equitable and inclusive society. ASEAN is achieving the SDGs by enabling women and girls to have the opportunity to lead, thrive, and contribute fully to the region's development.⁸

⁷ See: <https://mneawp.asean.org/public/publications/20211025-ASEAN-Regional-Framework-on-PGI.pdf> and <https://asean.org/wp-content/uploads/2022/01/ASEAN-Gender-Mainstreaming-Strategic-Framework-endorsed-by-AMMW.pdf>.

⁸ For details see: ASEAN Gender Outlook 2024: Achieving the SDGs for all and leaving no woman or girl behind. ASEAN 2024. https://data.unwomen.org/sites/default/files/documents/Publications/2024/ASEAN-gender-outlook_2024.pdf





2.2.2 Environmental Sustainability and Climate Change

The cross-cutting issue of environmental sustainability and climate change are central pillars in the ACV 2045. ASEAN recognizes that the region's future prosperity and stability are inextricably linked to addressing environmental challenges and mitigating the impacts of climate change. AMS acknowledge the increase in extreme weather events, rising sea levels, and biodiversity loss. By embedding environmental goals into the ACV 2045, ASEAN seeks to foster collective action, recognizing that these issues transcend national borders.

ASEAN acknowledges that economic growth must be decoupled from environmental degradation. In the ACV 2045, the emphasis on a green economy includes promoting renewable energy, sustainable agriculture, green finance and eco-friendly industries. Furthermore, ASEAN has encouraged countries to adopt low-carbon development strategies, which will help limit the environmental footprint of growing economies.

One of the key aspects of environmental sustainability in ACV 2045 is the promotion of green finance. ASEAN's vision includes fostering regional cooperation to access green finance, facilitating technology transfer, and creating climate resilience initiatives that can be scaled regionally to achieve a green economy. ASEAN's green economy includes investments and finance in renewable energy, energy efficiency, and sustainable infrastructure projects. ASEAN's plans involve strengthening cooperation with international partners, multilateral organizations, and the private sector to mobilize green investments.

In relation to the cross-cutting issue of environmental sustainability and climate change, the ACV 2045 closely complements the SDGs related to environmental sustainability and climate change. This includes:

- **SDG 7 Affordable and Clean Energy:** The ASEAN Community Vision's emphasis on renewable energy transition directly contributes to this goal, aiming to ensure access to affordable, reliable, sustainable, and modern energy for all.
- **SDG 11 Sustainable Cities and Communities:** ASEAN promoting sustainable urban development, including green infrastructure and resilience to climate-related disasters, aligns with this goal.
- **SDG 12 Responsible Consumption and Production:** Efforts towards resource efficiency, circular economy, and sustainable consumption patterns within the ACV 2045 directly support SDG 12.
- **SDG 13 Climate Action:** This is a central focus within the ASEAN Community Vision, which aims for climate change mitigation and adaptation through various strategies, as well as the ASEAN Climate Change Strategic Action Plan (ACCSAP).

- **SDG 14 Life Below Water:** Conservation and sustainable use of marine resources and addressing the impacts of climate change on oceans are directly addressed in ASEAN's blue economy.



SDG 15 Life on Land is directly supported by the ACV 2045 commitment to conserving and sustainably using terrestrial ecosystems, halting biodiversity loss, and combating desertification. The ACV 2045 strategies for sustainable forest management and biodiversity conservation complement this SDG. The ASEAN Community integrates environmental sustainability and climate change considerations into its regional development agenda in a variety of ways. In doing so it also addresses a range of SDGs. ASEAN frameworks and initiatives for addressing the cross-cutting issues of environmental sustainability and climate change include:

- **ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030:**⁹ This plan serves as a roadmap for addressing climate change in the region. It focuses on enhancing support for finance, technology, and capacity-building to accelerate the implementation of Nationally Determined Contributions (NDCs) and sectoral roadmaps.
- **ASEAN Socio-Cultural Community (ASCC) Blueprint 2025:**¹⁰ This blueprint guides ASEAN's cooperation on environmental sustainability, emphasizing the conservation and sustainable management of biodiversity and natural resources, and promoting environmentally sustainable cities.
- **ASEAN State of Climate Change Report (ASCCR):** Published in 2021, this report synthesizes the current status of climate change across the ASEAN region and identifies high-priority actions for climate mitigation and adaptation.
- **ASEAN Climate Leadership Programme (ACLP):** This program aims to build leadership capacity in climate action among AMS, focusing on sustainable agricultural practices, resilience building, and minimizing Greenhouse Gas Emissions.



⁹ <https://www.iges.or.jp/en/projects/accsap2024>

¹⁰ <https://asean.org/wp-content/uploads/2018/02/50.-December-2017-ASEAN-Cooperation-on-Environment-At-A-Glance.pdf>



2.3 Data Collection

ASEAN faces several challenges when it comes to the cross-cutting issue of collecting data to effectively record progress and inform decision-making. Data collection issues can hinder the region's ability to track development goals, make evidence-based policies, and monitor progress on a variety of fronts, including economic growth, social development, and environmental sustainability. Data challenges also affect recording ASEAN's progress in achieving the SDG, including in the CI 1.0 Priority Areas. Some of the key challenges ASEAN faces in data collection include, but not limited to:

1. Data gaps and inconsistent data availability.

- **The Problem:** Some AMS face difficulties in collecting comprehensive, accurate, and up-to-date data across various sectors. This includes critical data for policymaking in areas like health, education, infrastructure, agriculture, and the environment.
- **The Impact:** Missing or inconsistent data means AMS and regional organizations cannot accurately assess progress or measure the effectiveness of policies. It also makes it difficult to identify emerging issues or areas that require urgent attention.

2. Lack of standardization across AMS

- **Problem:** AMS lack standardization in how data is collected, categorized, and reported, creating challenges when comparing data across countries or aggregating it at the regional level.¹¹
- **Impact:** Until a full ASEAN Interoperable ASEAN Data Framework is achieved, it's difficult to create reliable regional statistics that can guide ASEAN-wide policies or initiatives.

¹¹ AMS have been working towards harmonizing their data collection and management practices, but there isn't a fully standardized system across all member states yet. Efforts like the ASEAN Data Management Framework aim to promote sound data governance practices by helping organizations manage and protect their data effectively. Additionally, the ASEAN Interoperable Data Framework seeks to enhance data connectivity and cooperation among member states.





3. Challenges in data sharing and integration

- **Problem:** Data-sharing practices across AMS are often fragmented due to differences in regulations, data ownership, and security concerns. Some hesitation exists in sharing sensitive data, and there may be concerns about protecting privacy or intellectual property.
- **Impact:** Data fragmentation can prevent a comprehensive view of regional issues. For example, in cases like climate change or pandemic response, a lack of cross-border data sharing can result in inefficient or delayed responses.

4. Fragmented data governance and legal frameworks

- **Problem:** Data governance structures and legal frameworks differ widely across AMS. Some countries have advanced data protection laws (like Singapore's Personal Data Protection Act), while others have little to no legal framework governing data privacy or access.
- **Impact:** The lack of uniformity complicates data collection efforts, particularly when it comes to cross-border data flows.

To address these challenges, ASEAN has implemented a series of policies, frameworks and master plans, including:

- ASEAN Framework on Personal Data Protection (2016)
- ASEAN Framework on Digital Data Governance (2018)
- ASEAN Data Management Framework (2021)
- ASEAN Digital Master Plan 2025
- ASEAN Model Contractual Clauses (MCCs) for Cross Border Data Flows (2021)
- ASEAN Guide on Data Anonymisation (2025)
- ASEAN Digital Economy Framework Agreement (DEFA) (Expected 2025)

These reforms and guidelines have focused on improving data infrastructure, promoting standardized data collection practices, strengthening data governance frameworks, and ensuring inclusive and equitable access to data across all member states. Regional cooperation, capacity building, and investments in technology will be important for overcoming the barriers to effective data collection and use. By addressing these challenges, ASEAN is improving decision making and reducing risks based on incomplete or inaccurate information. Including, reporting on progress of CI 1.0 and CI 2.0.

The Asia-Pacific SDG Gateway, a collaborative initiative primarily by ESCAP, ADB, and UNDP, also addresses some of the data challenges faced by ASEAN. By acting as a central repository for over 1000 datasets on SDGs and other thematic indicators, it directly tackles data gaps and inconsistencies by providing a comprehensive and accessible source of information for the entire region. The Gateway's focus on standardized data collection practices and its tools, such as the National SDG Tracker and Country SDG Profiles, help to promote greater uniformity in how data is collected and reported across member states. This standardization is particularly beneficial for countries preparing their UN Voluntary National Reviews (VNRs), as it provides a readily available and consistent evidence base for reporting on SDG progress to the High-Level Political Forum on Sustainable Development.

The Asia-Pacific SDG Gateway partly overcomes the problem of a lack of standardization. By making data readily available through its portal, the Gateway facilitates data sharing and integration among AMS. In doing so, the SDG Gateway fosters a more holistic view of regional progress and challenges, which is crucial for issues like climate change or pandemic response that transcend national borders. The availability of standardized and accessible data also supports countries in fulfilling their reporting obligations under international agreements, such as the submission of Biennial Transparency Reports (BTRs) to the UNFCCC, by providing a robust foundation for tracking climate-related indicators and progress. While not directly reforming legal frameworks, the Gateway's emphasis on transparency and accessible data can indirectly encourage the harmonization of data governance by demonstrating the benefits of open and shared data for evidence-based policymaking. Ultimately, the Asia-Pacific SDG Gateway serves as a vital resource for ASEAN, enabling more effective tracking of development goals, informing robust policy decisions, and strengthening regional cooperation in achieving the SDGs.



03

Review of Progress





Review of Progress



Progress in each of the five priority areas identified in the CI 1.0 Framework for Action are examined in this chapter. As previously mentioned, the five priority areas are interlinked and action taken under each provided support and progress for all the five priority areas and more generally the 17 SDGs. The five priority areas in the CI 1.0 Framework for Action were as follows:

- Poverty eradication,
- Infrastructure and connectivity,
- Sustainable management of natural resources,
- Sustainable production and consumption, and
- Resilience.

Figure 1: Priorities under the Complementarity Initiative



Source: UNESCAP

The COVID-19 pandemic significantly impeded progress towards achieving the SDGs. The impact was acutely felt within ASEAN, directly undermining the five priority areas identified in the 2017 Complementarity Initiative. The COVID-19 pandemic exacerbated poverty, disrupted infrastructure and connectivity, strained natural resource management, altered consumption and production patterns. Thus, making the achievement of both the SDGs and ASEAN's complementary goals by 2030 considerably more challenging.

The original CI 1.0 Framework for Action Report provides a starting point for this document. The CI 1.0 report looked at progress made in each of the five priorities over the 15 years between 2000 to 2015. It identified trends and projected progress to 2030 if current trends were maintained. It also provided a gap analysis to show the extent to which the current development pathway of the ASEAN community meets the objectives and aspirations of the ACV 2025 and supported the objectives of achieving the SDGs by 2030.

Data for analysing progress in achieving the priority areas identified in the CI 1.0 are drawn from a range of existing sources, including ASEAN publications and ESCAP published data. However, data is not limited to the two sources and draws from a variety of publications to provide a more complete picture. Annex A provides an overview of ASEAN's progress across each of the 17 SDGs as of August 2024 and Annex B provides a snapshot of progress related to the five priority areas. Figure 2 below shows that by 2025, progress had been achieved in four of the five priority areas. The priority area of Resilience has however continued to reverse in trend while infrastructure and connectivity have progressed the fastest.

Figure 2: SDG-ASEAN – Progress by Complementarity (2025)



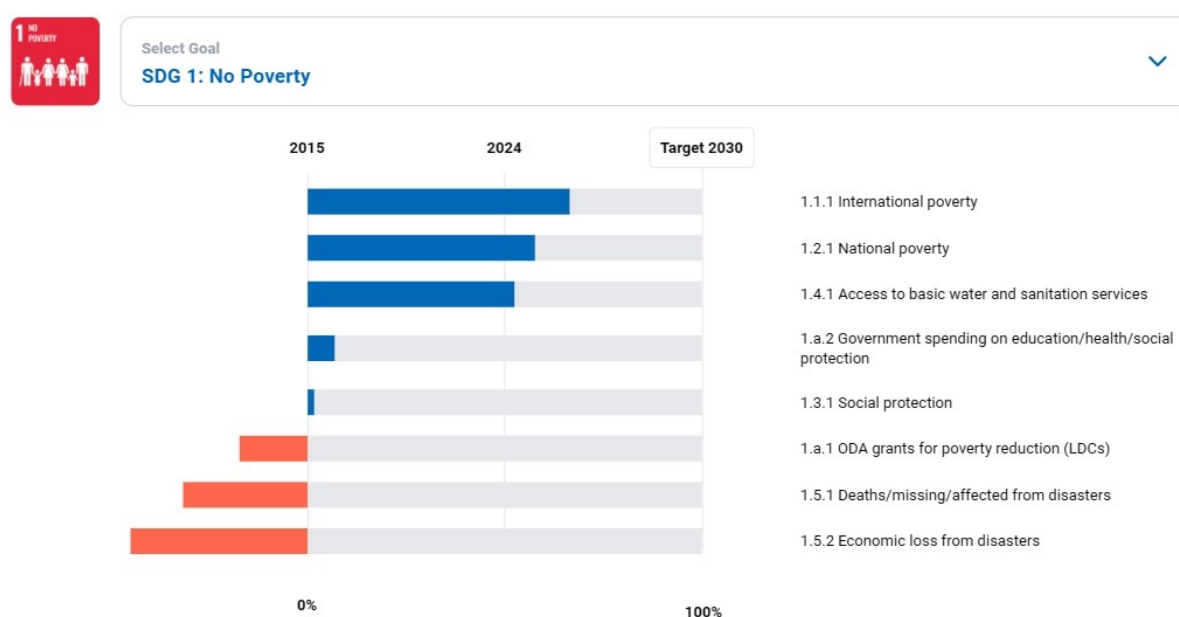
Source: <https://public.tableau.com/app/profile/unescap.statistics.division/viz/SDG-ASEAN-2025/Story?publish=yes>.

3.1 Progress of Poverty Eradication

Significant progress has been made by AMS in reducing the rate of poverty, however progress is remains uneven. The SDG Goal of ending poverty is strongly aligned with ASEAN vision 2025 and is a key element of many ASEAN strategies. It is also the SDG with the most indicators (58) (Annex B).¹² ASEAN efforts to address poverty include the ASEAN Framework Action Plan on Rural Development and Poverty Eradication 2021-2025, and the ASEAN Master Plan on Rural Development 2022-2026. Expanding national social protection and safety nets, especially during COVID-19 further contributed to the progress of the SDG goal and the CI 1.0 priority area of ending poverty. Many of the policies and efforts integrated a gender perspective into rural development and poverty alleviation initiatives, promoting women's economic empowerment.

The CI 1.0 Framework for Action Report notes that between 2000 and 2015 significant progress was made in reducing undernourishment and absolute poverty. The report notes extreme poverty declined from 138 million people in 2000 to 44 million people in 2015 and predicted if the trend continued, was on track to be under 25 million people by 2030.

Figure 3: ASEAN SDG 1: No Poverty Progress



Source: ESCAP SDG Gateway (<https://data.unescap.org/>). 11 August 2024.

¹² The number of indicators changed slightly over time as ESCAP determined additional existing indicators applied to the Priority Area identified by CI 1.0.



COVID-19 significantly impacted poverty rates across ASEAN. Table 1 estimates for a select number of AMS the increase in poverty rates due to COVID-19. ADB estimated that in 2021 the pandemic pushed an estimated 4.7 million more people in Southeast Asia into extreme poverty compared to a no-COVID scenario.¹³ It also calculated that in 2021 because of the pandemic some 9.3 million jobs disappeared in Southeast Asia.¹⁴ The COVID-19 pandemic disproportionately impacted people in vulnerable situations, including those in the informal economy, and women, younger workers, and the elderly who were particularly vulnerable to job losses and loss of income.

Table 1: Estimated Increase in Poverty Rates Due to COVID-19

Country	Pre-COVID Poverty Rate	Estimated Increase
Indonesia ¹	9.2%	+1.0%
Philippines ¹	16.7%	+7.0%
Viet Nam ²	5.8%	+0.8%
Cambodia ³	17.8	+2.8%
Malaysia ⁴	0.4%	+0.6%

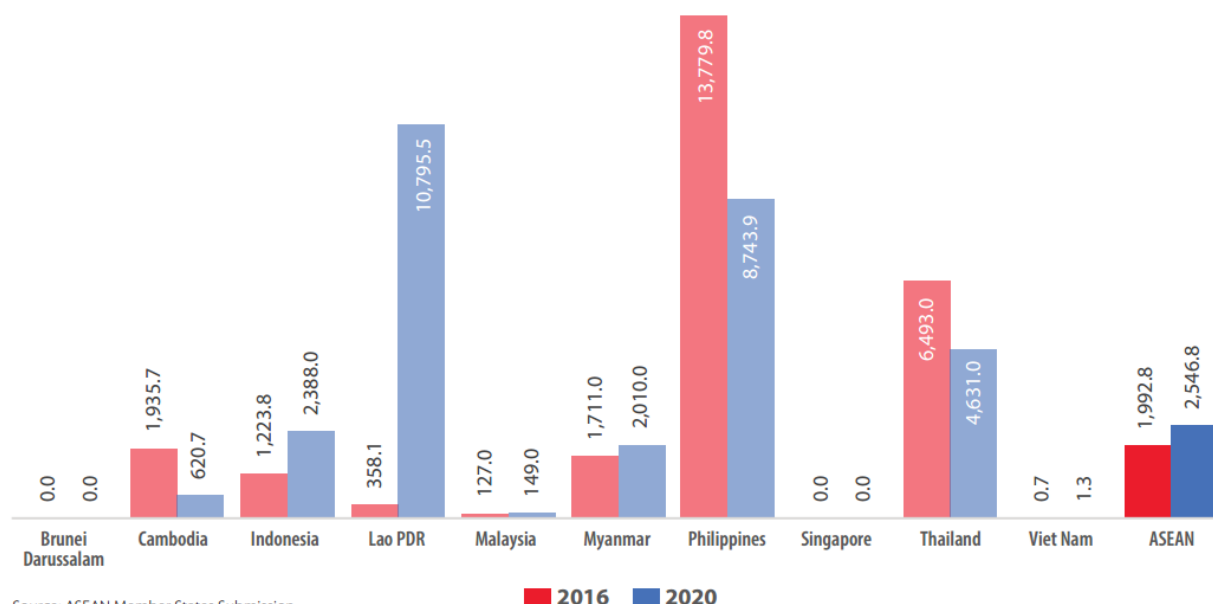
Source: ¹ <https://www.adb.org/sites/default/files/publication/779416/southeast-asia-rising-pandemic.pdf>. ² <https://documents1.worldbank.org/curated/en/099115004242216918/pdf/P176261155e1805e1bd6e14287197d-61965ce02eb562.pdf>. ³ <https://www.worldbank.org/en/news/press-release/2022/11/28/pandemic-checks-cambodia-s-progress-on-poverty#:~:text=Cambodia's%20poverty%20rate%20dropped%20from,Inclusive%20and%20Resilient%20Cambodia%2C%20says>. ⁴ https://open.dosm.gov.my/data-catalogue/hh_poverty. Note the figure for Malaysia is for “Hardcore Poverty.” The official poverty rate in Malaysia increased from 5.6% in 2019 to 8.4% in 2020.

The 2022 ASEAN SDG Snapshot Report noted that the region had become more vulnerable to climate-related disasters as shown by the increasing average level of population affected by such disasters (see Figure 4). five AMS reported an increased proportions of population adversely affected by climate-related disasters. These were Lao PDR, Indonesia, Myanmar, Malaysia, and Viet Nam, with Lao PDR and Thailand suffering the largest increases. Cambodia, Philippines and Thailand reported a reduced level between 2016 and 2020. However, the Philippines is not comparable with those of the rest of the AMS because the data included human-induced disasters.

¹³ See: [https://www.adb.org/news/pandemic-sets-back-fight-against-poverty-asia-least-2-years-has-likely-hurt-social-mobility#:~:text=MANILA%2C%20PHILIPPINES%20\(24%20August%202022,years%2C%20and%20many%20in%20the](https://www.adb.org/news/pandemic-sets-back-fight-against-poverty-asia-least-2-years-has-likely-hurt-social-mobility#:~:text=MANILA%2C%20PHILIPPINES%20(24%20August%202022,years%2C%20and%20many%20in%20the)

¹⁴ <https://www.adb.org/news/features/significant-job-losses-developing-asia-2020-adb-data-show>

Figure 4: Number of deaths, missing persons and directly affected persons attributed to climate-related disasters in ASEAN, 2016 and 2020¹⁵



Notes:

- ASEAN aggregate is weighted average based on population; excludes Viet Nam (its data refer to the number of deaths, missing and injured persons only) and Philippines since its data include human-induced disasters.
- 2020 data: Cambodia's and Lao PDR's data refer to 2019 figures.
- Indonesia's data refer to the sum of number of deaths and missing (excluding COVID-19-related), injured, and suffered and displaced.
- Malaysia's data refer to the sum of number of deaths, missing persons, and affected persons per 100,000 population.
- Data from the Philippines includes number of deaths, missing persons and directly affected persons by human-induced disaster.
- Brunei Darussalam and Singapore are not prone to natural or climate-related disasters.
- Thailand data refer to the sum of number of deaths and affected persons per 100,000 population (population derived from Registration) Thailand data cover these types of disasters - flood, windstorm, fire, drought, and cold

Despite COVID-19 and the previously identified difficulty with data collection, the SDG indicators for Priority Area 1: Poverty Eradication, has continued to improve, albeit at different levels and pace across AMS. Table 2 below shows poverty trends for AMS, while starting from different baselines, they have improved for almost every member state, over the period 2013 – 2022.¹⁶ Annex B shows that for the last three years (2023 – 2025) poverty eradication has progressed across the 58 indicators. Looking at a more detailed analysis, it shows that for the 58 indicators covering 12 SDGs, 40 indicators were “accelerating progress”, 8 were “maintaining progress” and 10 were “reversing trends” (Annex B).

¹⁵ Source: <https://www.aseanstats.org/wp-content/uploads/2022/11/The-2022-ASEAN-SDG-Snapshot-Report-b.pdf>

¹⁶ For Singapore and Brunei Darussalam the poverty level is insignificant and not applicable. For Myanmar limited data was available and there is no clear trend.



Table 2: Percent of Population below the National Poverty Line, 2013-2022 ¹⁷

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Brunei Darussalam	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cambodia	16.0	13.5	13.5	13.5	-	-	17.8	17.8	21.5	-
Indonesia	11.4	11.3	11.2	10.9	10.6	9.8	9.4	9.8	10.1	9.5
Lao PDR	23.2	-	24.0	-	-	18.3	-	-	-	-
Malaysia	-	-	-	7.6	-	-	5.6	8.4	-	6.2
Myanmar	-	-	19.4	32.1	24.8	-	-	-	-	-
Philippines	-	-	23.5	-	-	16.7	-	-	18.1	-
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Thailand	-	10.5	7.2	8.6	7.9	9.9	6.2	6.8	-	-
Viet Nam	9.8	8.4	7.0	9.2	7.9	6.8	5.7	4.8	4.4	4.2

Source: ASEAN Statistical Yearbook 2023, ASEAN Secretariat.

¹⁷ ASEAN Statistical Yearbook 2023, ASEAN Secretariat. See: <https://www.aseanstats.org/publication/asean-statistical-yearbook-2023/>. Note: Malaysia's poverty rates refer to proportion of household living below the national poverty line while Vietnam's poverty rates refer to the multidimensional poverty rate at national level. "n.a." refers to not applicable and "-" refers to not available at time of publication.



Despite significant progress towards achieving Priority Area 1: Poverty Eradication (SDG Goal 1: No Poverty), ASEAN is unlikely to meet the 2030 target. Several factors have contributed to this situation, including:

- **Economic Disparities:** While countries like Thailand, Vietnam, and Singapore are performing relatively well, others such as Laos and Myanmar face significant challenges.¹⁸ This disparity affects the overall progress of the region.
- **Impact of COVID-19:** The pandemic has reversed years of progress in poverty reduction, increasing the number of people living in extreme poverty. The economic fallout has been particularly severe in lower-middle-income countries.
- **Income Inequality:** Despite economic growth, income inequality remains high within several AMS. This inequality hampers efforts to reduce poverty uniformly across the region.¹⁹
- **Economic Shocks and Crises:** AMS remain vulnerable to external shocks, including economic downturns, financial crises, and fluctuations in global commodity prices, which can hinder poverty reduction efforts.²⁰
- **Climate Change and Natural Disasters:** The region is highly susceptible to climate change impacts and natural disasters, which can impact livelihoods, displace populations, and exacerbate poverty. Building resilience among the poor to these shocks is crucial but challenging.
- **Data Gaps and Monitoring Challenges:** Lack of consistent and reliable data in some AMS makes it difficult to accurately monitor poverty levels and the effectiveness of poverty eradication programs.

¹⁸ See for example: Two Decades of Declining Poverty but Rising Inequality in Laos (<https://www.nottingham.ac.uk/credit/documents/papers/2018/18-06.pdf>) and Poverty and the Household Economy of Myanmar: a Disappearing Middle Class (<https://www.undp.org/publications/poverty-and-household-economy-myanmar-disappearing-middle-class>) See also: <https://s3.amazonaws.com/sustainabledevelopment.report/2024/sustainable-development-report-2024.pdf>. Note, the observations for Thailand, Vietnam, and Singapore apply not only to SDG 1 but more broadly across the SDGs.

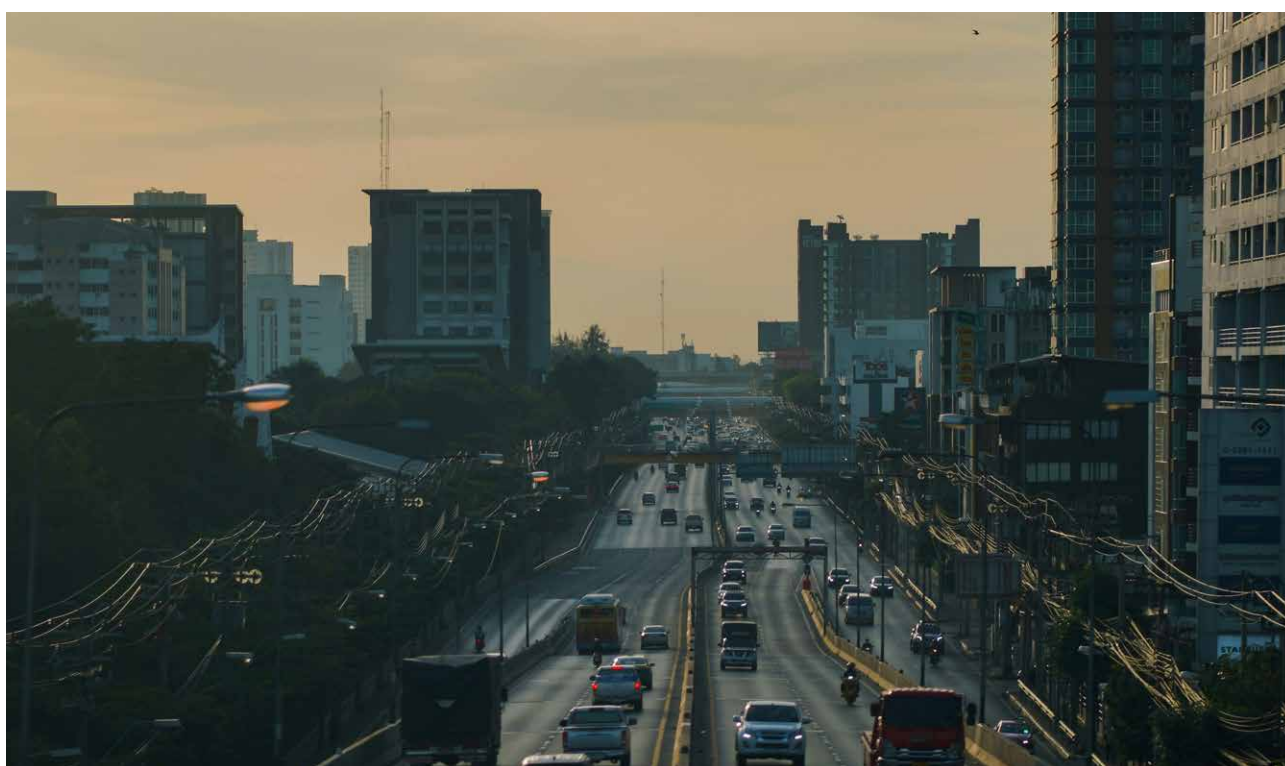
¹⁹ https://wid.world/world/#sptinc_p90p100_zUS;FR;DE;CN;ZA;GB;WO/last/eu/k/p/yearly/s/false/24.722500000000004/80/curve/false/country

²⁰ <https://www.elibrary.imf.org/view/journals/087/2024/007/article-A001-en.xml>



3.2 Progress of Infrastructure and Connectivity

The objective in the CI 1.0 Report for Priority Area 2: Infrastructure and Connectivity was to enhance regional connectivity and infrastructure development to support economic growth, social development, and environmental sustainability. This included improving transport, energy, and digital infrastructure to facilitate trade, investment, and people-to-people connections across ASEAN. The CI 1.0 Report Priority Area 2 focused on five aspects: transportation, broadband, energy, water, and sanitation, arguing that these were essential for economic and human development.



Complementarity Priority Area 2: Infrastructure and Connectivity align closely with ASEAN Vision 2025. It supports ASEAN overarching goals of a politically cohesive, economically integrated, and socially responsible Community. Enhancing infrastructure and connectivity is vital for economic integration. Improved transport, energy, and digital infrastructure facilitate trade, investment, and economic activities across the region are key components of the AEC Blueprint 2025. Improving access to essential services such as electricity, water, and sanitation, infrastructure projects contribute to social development and poverty reduction, aligning with the ASCC Blueprint 2025. While sustainable infrastructure initiatives, such as the development of clean energy projects, support environmental goals and align with ASEAN's commitment to sustainable development.²¹

²¹ <https://asean.org/wp-content/uploads/2021/08/67.-December-2015-ASEAN-2025-Forging-Ahead-Together-2nd-Reprint.pdf>

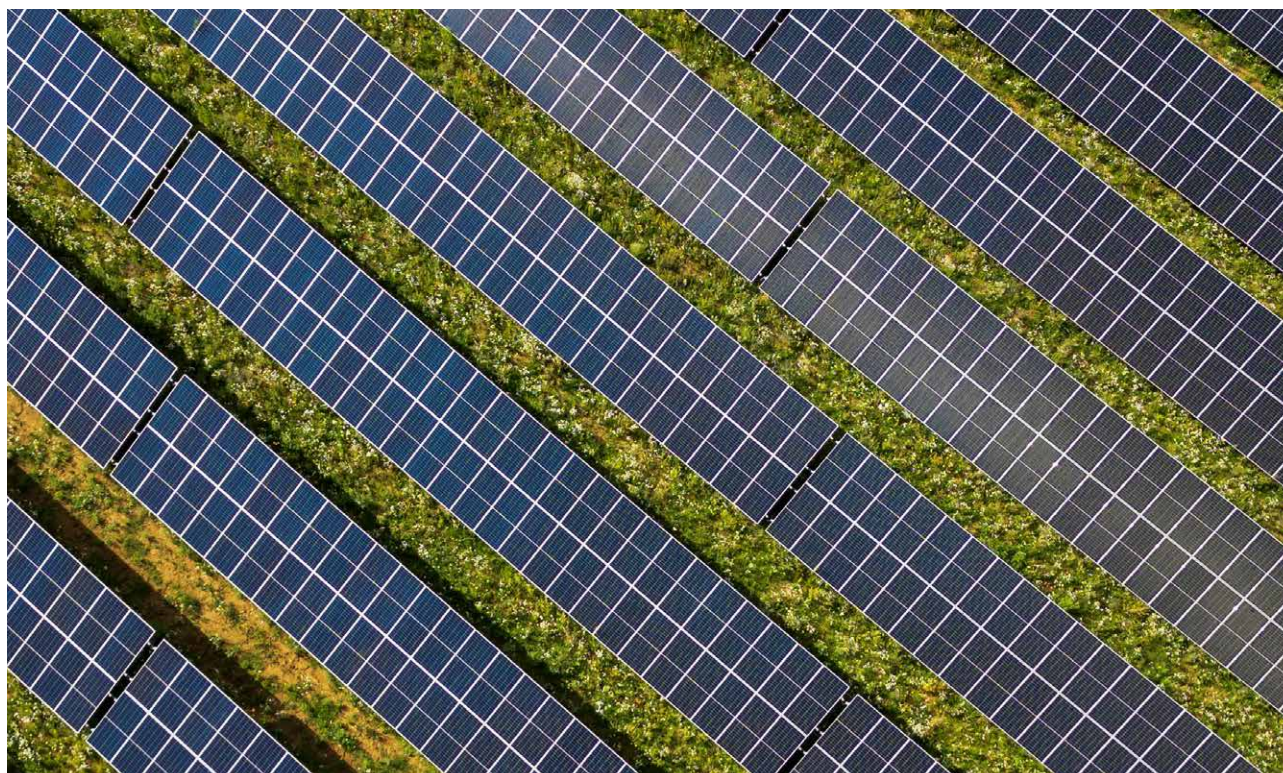


Infrastructure and Connectivity are both a regional and national priority for AMS. During Lao PDR's ASEAN Chairmanship in 2024, enhancing connectivity and resilience was noted as a key priority for the region's development. Connectivity, serves as a cornerstone of ASEAN's regional integration efforts, a social-cultural glue, and a key enabler for future prosperity. Several initiatives have supported ASEAN in achieving Priority Area 2: Infrastructure and Connectivity, including:

- **Master Plan on ASEAN Connectivity (MPAC) 2025:** This plan outlines strategic initiatives to enhance regional connectivity. MPAC 2025 consists of five strategic areas: sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence, and people mobility. Under the five strategic areas, fifteen initiatives and 143 key implementing measures are included. As of May 2025, nearly 84 per cent of these measures have either been completed or were in various stages of implementation.²²
- **Lead Implementing Body for Sustainable Infrastructure (LIB-SI):** This body coordinates efforts to advance sustainable infrastructure projects, including resource mobilization, capacity building, and regional cooperation.
- **Initial Pipeline of ASEAN Infrastructure Projects:** This pipeline serves as a platform to promote priority infrastructure projects in the region, attract investment, and strengthen project bankability. It includes projects identified by ASEAN Member States in the transport, energy, and digital sectors.
- **Framework for Improving ASEAN Infrastructure Productivity:** The framework aims to optimize infrastructure planning, delivery, and operations, ensuring that investments lead to high productivity and sustainable outcomes.

²² <https://theaseanmagazine.asean.org/article/asean-connectivity-strengthening-regional-integration-and-resilience/> <https://theaseanmagazine.asean.org/article/asean-connectivity-strengthening-regional-integration-and-resilience/>





Among the five priority areas outlined in CI 1.0, Area 2: Infrastructure and Connectivity demonstrated the most significant progress. ESCAP's assessment of this area utilized 36 indicators, spanning 12 Sustainable Development Goals (SDGs). Notably, 28 of these indicators showed 'accelerating progress', with an additional 5 'maintaining progress'. Only 3 indicators indicated 'reversing trends' (refer to Annex B for details).

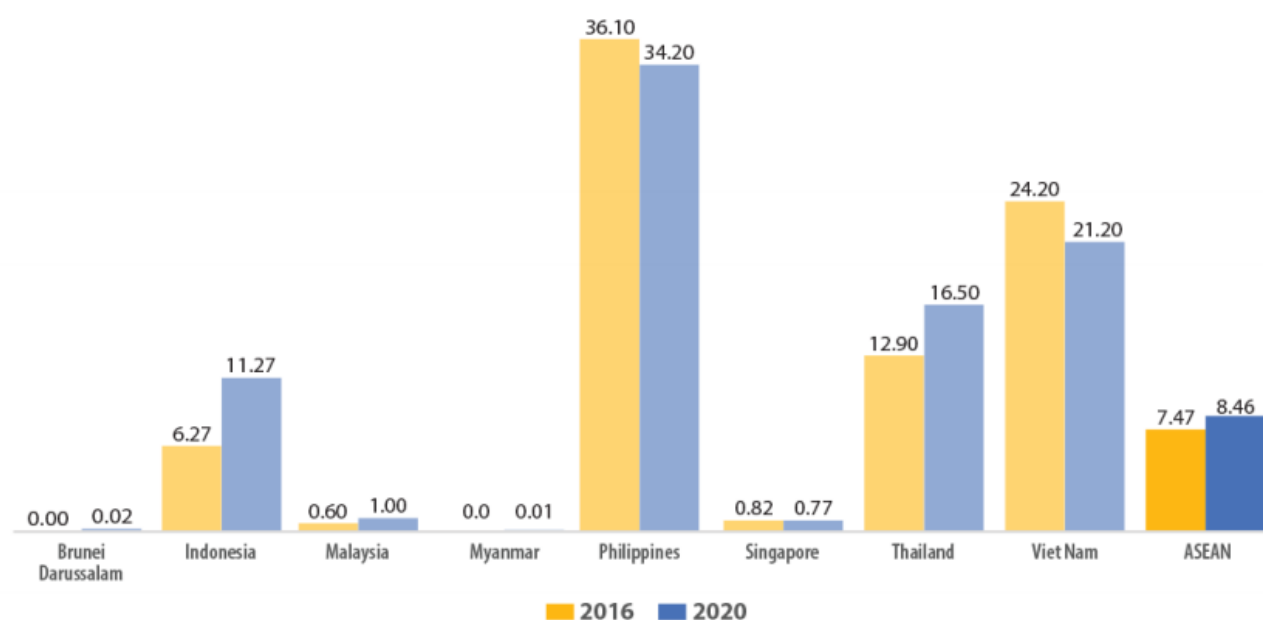
Despite strong progress, when considering climate change and the importance of renewable energy, the share in the Total Final Energy Consumption had changed very little (see Figure 5). Between 2016 and 2020, renewable energy changed from 7.47 to 8.46 percent. The Philippines and Viet Nam, which had the highest shares in renewable energy sources, experienced decreased shares in 2020. Meanwhile, improvements in the share of renewable energy were recorded for Indonesia and Thailand. Data for Myanmar and the Philippines were not included in the ASEAN aggregate data due to inconsistent definition. Data for Cambodia and Lao PDR were not available.

Notable achievements under Priority Area 2: Infrastructure and Connectivity that contributed to the ASEAN Community Vision 2025 goal of sustainable development and regional integration include:

- **Completion of Key Infrastructure Projects:** Several major infrastructure projects have been completed, enhancing connectivity within the region. Examples include the ASEAN Highway Network and the Singapore-Kunming Rail Link.

- **Digital Connectivity Initiatives:** Efforts to improve digital infrastructure have been successful with initiatives like the ASEAN ICT Masterplan 2020, which aimed to enhance broadband penetration and digital services across member states.
- **Public-Private Partnerships (PPPs):** ASEAN has promoted PPPs to leverage private sector investment in infrastructure projects. This approach has helped in mobilized resources and expertise for large-scale projects.
- **Sustainable Urban Development:** Projects focusing on sustainable urban development, such as the ASEAN Smart Cities Network, have been launched to promote smart and sustainable urban solutions.
- **Cross-Border Transport Agreements:** Agreements such as the ASEAN Framework Agreement on the Facilitation of Goods in Transit have been implemented to streamline cross-border transport and logistics, reducing trade barriers and improving regional integration.

Figure 5: Renewable Energy Share in the Total Final Energy Consumption in ASEAN, 2016 and 2020 (%) ²³



Source: ASEAN Member States Submission

Notes:

- ASEAN aggregate is simple average; excludes Cambodia and Lao PDR as their data are not available; and Myanmar and Philippines because both their denominators pertain to Total Primary Energy Supply (TPES)
- On 2016 data: Malaysia's and Myanmar's data refer to 2017 figures
- On 2020 data: Data for Malaysia, Thailand and Viet Nam refer to 2019 figures

²³ Source: <https://www.aseanstats.org/wp-content/uploads/2022/11/The-2022-ASEAN-SDG-Snapshot-Report-b.pdf>





ASEAN has made significant strides towards Complementarity Priority Area 2: Infrastructure and Connectivity, but it is unlikely that it will be fully achieved by 2030. While substantial progress has been made in certain areas, particularly in high-priority projects and by more developed member states, it is likely that some of the more difficult infrastructure and connectivity gaps will take longer to close. Some of the reasons why it has been challenging to achieve the SDG 2030 targets include:

- **Significant Investment Needs:** The region's infrastructure needs are substantial, estimated to be at least USD 210 billion annually to sustain economic growth, respond to climate change, and promote sustainable development.²⁴ This often exceeds the historical spending capacity of AMS, and mobilising private capital remains a priority.²⁵ Initiatives like the ASEAN Infrastructure Fund (AIF) and multilateral development bank support and financing are helpful, but some countries still rely heavily on foreign investments, which can sometimes be delayed or contingent on geopolitical factors.
- **Regulatory Hurdles:** Diverse regulations and bureaucratic processes across AMS can cause delays and complicate foreign investment in infrastructure projects (e.g., transport regulations, digital rules).
- **Geopolitical Instability:** Political instability and differing national policies can hinder cross-border infrastructure projects. For instance, border disputes or changing leadership priorities in certain countries have delayed or cancelled planned initiatives.

²⁴ <https://www.adb.org/news/features/greening-southeast-asia-infrastructure-pipeline>.

²⁵ <https://www.dfat.gov.au/countries-economies-and-regions/southeast-asia/invested-australias-southeast-asia-economic-strategy-2040/chapter-6-infrastructure>

- **Environmental and Social Factors:** Sustainability concerns are becoming more prominent. As ASEAN pursues large-scale infrastructure projects, there is growing attention on ensuring that these developments are environmentally and socially sustainable. Balancing development with environmental preservation is challenging, and the urgency of meeting 2030 targets may sometimes clash with long-term sustainability goals.

3.3 Progress of Sustainable Management of Natural Resources

The objective in the CI 1.0 Report for Priority Area 3: Sustainable Management of Natural Resources aligns with the UN 2030 Agenda. Priority Area 3 supports economic growth while minimizing negative impacts on natural resources such as soil, forests, and water, and reducing greenhouse Gas Emissions. This involves strategic measures for conservation and sustainable management of biodiversity and natural resources.

ASEAN Complementarity Priority Area 3: Sustainable Management of Natural Resources aligns with both ASEAN Vision 2025 and the SDGs. It does so by emphasizing the need for sustainable economic growth that minimizes environmental impact. ASEAN Vision 2025 aims to create a politically cohesive, economically integrated, and socially responsible community, which includes strategic measures for the conservation and sustainable management of biodiversity and natural resources.²⁸ In particular, the ASCC Blueprint emphasizes the conservation and sustainable management of biodiversity and natural resources, the promotion of environmentally sustainable cities, climate change adaptation and mitigation, and the advancement of sustainable consumption and production toward a circular economy.

ACV 2025 Priority Area 3 aligns with several SDGs, including Goal 12 (sustainable consumption and production), Goal 13 (climate action), Goal 14 (life below water), and Goal 15 (life on land).²⁹ Both frameworks recognize the importance of managing natural resources sustainably to support economic activities, human well-being, and environmental health, ensuring that development remains within ecological thresholds.

The CI 1.0 Report for Priority Area 3 used the per capita material footprint as a proxy for the overall environmental pressure and impact of a national economy's consumption (including households, governments and capital investment). In addition, CI 1.0 used forests, protected areas, air pollutions, and Greenhouse gas emissions as proxies for measuring progress of ASEAN's Sustainable Management of Natural Resources.

²⁸ <https://asean.org/asean-2025-at-a-glance/>

²⁹ See: <https://sdgs.un.org/goals>





ASEAN and AMS carried out a wide range of activities to support the Sustainable Management of Natural Resources. These efforts were largely guided by the ASCC Blueprint 2025. The Blueprint emphasized the conservation and Sustainable Management of Biodiversity and Natural Resources as a key priority and supported the SDGs and Priority area 3 through specific mechanisms and activities that included:

- **ASEAN Ministerial Meeting on the Environment (AMME).** The institutional framework of the ASEAN cooperation on environment consists of the AMME, ASOEN, and 7 subsidiary bodies/working groups. AMME meets once every two years, while ASOEN and its subsidiary bodies meet once every year to oversee the implementation of the ASEAN Strategic Plan on Environment (ASPEN) and the ASCC Blueprint 2025.
- **ASEAN Strategic Plan on Environment (ASPEN):** Developed to support the ASCC Blueprint 2025, ASPEN provided a comprehensive guide for ASEAN environmental cooperation, covering key thematic areas such as nature conservation and biodiversity, coastal and marine environment, water resources management, climate change, chemicals and waste, and environmental education and sustainable consumption and production.
- **ASEAN Declaration on Environmental Sustainability (2007):** While adopted before CI 1.0, the declaration continues to provide a foundation for regional cooperation, emphasizing the need for a clean and sustainable environment for present and future generations. It recognized the importance of sustainable forest management, combating land degradation, and promoting sustainable agriculture.
- **2016-2025 Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry:** This plan included a focus on enhancing the sustainable use of natural resources in these sectors, promoting green technologies, and minimizing losses and waste. It also aimed to balance production increases with conservation objectives.
- **The ASEAN Agreement on Transboundary Haze Pollution (AATHP):** Transboundary haze affects a significant population in the ASEAN region and presents significant challenges due to its impact on health, the environment and the economy. The AATHP was signed in 2002 to prevent, monitor and mitigate land and forest fires to control transboundary haze pollution. The Roadmap on ASEAN Cooperation towards Transboundary Haze Pollution Control, including 8 strategies for implementation, was adopted at the 12th Meeting of the Conference of Parties to the AATHP in Kuala Lumpur, Malaysia on 11 August 2016. Institutions like the ASEAN Specialised Meteorological Centre (ASMC) and the ASEAN Coordinating Centre for Transboundary Haze Pollution (ACC THPC) have been set up to support the goals of haze prevention and mitigation. The ASEAN Haze Fund and the ASEAN Investment Framework for a Haze-Free, Sustainable Land Management contribute to supporting relevant activities that implement the AATHP.

- **The ASEAN Centre for Biodiversity (ACB)** was established in 2005 and is located in Los Banos, Philippines. ACB continues to facilitate cooperation and coordination among AMS and with relevant national government, regional and international organisations, on the conservation and sustainable use of biological diversity.²⁸



²⁸ <https://asean.org/wp-content/uploads/2018/02/50.-December-2017-ASEAN-Cooperation-on-Environment-At-A-Glance.pdf>





Between 2017 and 2025, ASEAN made notable progress in the Sustainable Management of Natural Resources under the Complementarity Initiative Priority Area 3. Key achievements include the implementation of strategic measures for the conservation and sustainable management of biodiversity and natural resources.²⁹ Efforts have also focused on reducing environmental impacts, promoting sustainable consumption and production, and enhancing resilience against climate change. Additionally, ASEAN has fostered partnerships and cooperation with various stakeholders, including:

- **ASEAN-EU Cooperation:** This partnership focuses on environmental sustainability, including biodiversity conservation and climate change mitigation. The EU supports various ASEAN initiatives through funding and technical assistance.
- **ASEAN-Australia Development Cooperation Program (AADCP):** This program supports several CI priority areas, including sustainable development projects, natural resource management, and environmental protection.
- **ASEAN-Japan Cooperation:** Japan collaborates with ASEAN on projects related to sustainable forest management, biodiversity conservation, and climate resilience.
- **ASEAN-UN Partnership:** The UN supports ASEAN through various programs and initiatives aimed at achieving the Sustainable Development Goals (SDGs), including those related to natural resource management.

ESCAP measured the progress of CI 1.0 Priority Area 3: Sustainable Management of Natural Resources with 20 indicators across 8 SDGs. Of these, 12 showed ‘accelerating progress’, 4 ‘maintaining progress’ and 4 ‘reversing trends’ (Annex B).

Despite these advances, ASEAN is not fully on track to achieve all aspects of its SDG Complementary Initiative Priority Area 3 by 2030. While there has been good progress and ongoing efforts exist, significant challenges related to environmental degradation, climate change impacts, balancing economic growth with sustainability, transboundary issues, and implementation gaps still need to be addressed. Achieving the goals in Priority Area 3 will require ongoing intensified efforts, stronger regional cooperation, improved data collection, and effective integration of sustainability into all aspects of development.

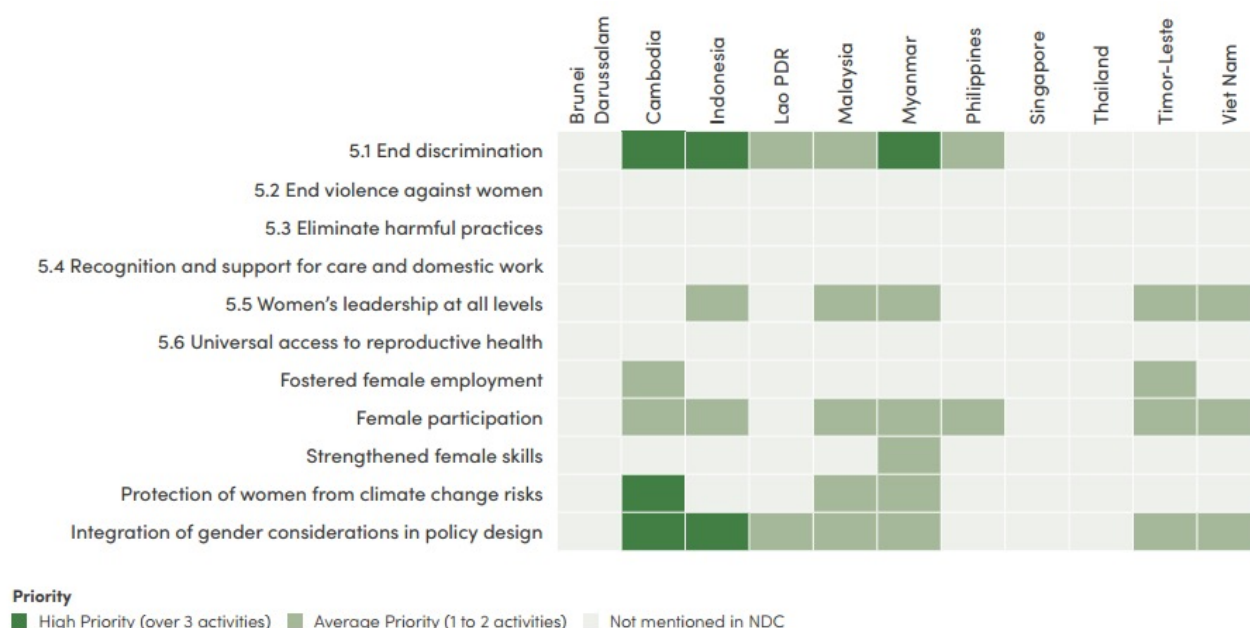
The 2021 “Co-Chairs’ Summary” from the High-Level Dialogue on Climate Finance noted that the COVID-19 pandemic has impeded progress on SDG implementation in ASEAN, underscoring the need for sustainable development and resilience. Additionally, the 2024 Asia and the Pacific SDG Progress Report highlighted enhancing that data availability on SDG indicators was a priority to better inform policy and action.³⁰

²⁹ <https://www.aseanbiodiversity.org/key-programme/biodiversity-conservation/>.

³⁰ See: https://asean.org/wp-content/uploads/2021/08/FINAL-Co-chairs_Summary_5th_HLBD.pdf? And <https://www.sdgbrunei.gov.bn/media/t30fl2ph/escap-2024-fs-ap-sdg-progress.pdf?>

Finally, in assessing progress, it is worth noting that climate change affects women and men differently, and therefore national climate policies should address climate-related challenges with a gender lens. An analysis of national governments' commitments to Nationally Determined Contributions (NDCs), however, reveals that only a few countries in the ASEAN region prioritize gender issues in their climate policies. Those that do typically refer to activities around ending discrimination against women overall or integrating gender considerations in policy design (see Figure 6). For climate action to reflect the needs of women and girls, it is important that women are involved in environmental decision-making bodies, such as climate change commissions, or as decision-makers in Ministries for the Environment.

Figure 6: Prioritization of gender equality goals in Nationally Determined Contributions (NDCs)



Source: ASEAN Gender Outlook 2024: Achieving the SDGs for all and leaving no woman or girl behind. ASEAN 2024. https://data.unwomen.org/sites/default/files/documents/Publications/2024/ASEAN-gender-outlook_2024.pdf



3.4 Progress of Sustainable Consumption and Production

The objective in the CI 1.0 Report for Priority Area 4: Sustainable Consumption and Production (SCP) was to promote sustainable consumption and production patterns across the region. The objective aligns with the UN 2030 Agenda's SDG 12 (Responsible Consumption and Production), which aims to ensure sustainable consumption and production patterns globally. To measure progress for Priority Area 4, CI 1.0 used five main indicators sourced from the UN Environment Material Flow and Resource Productivity database.³¹

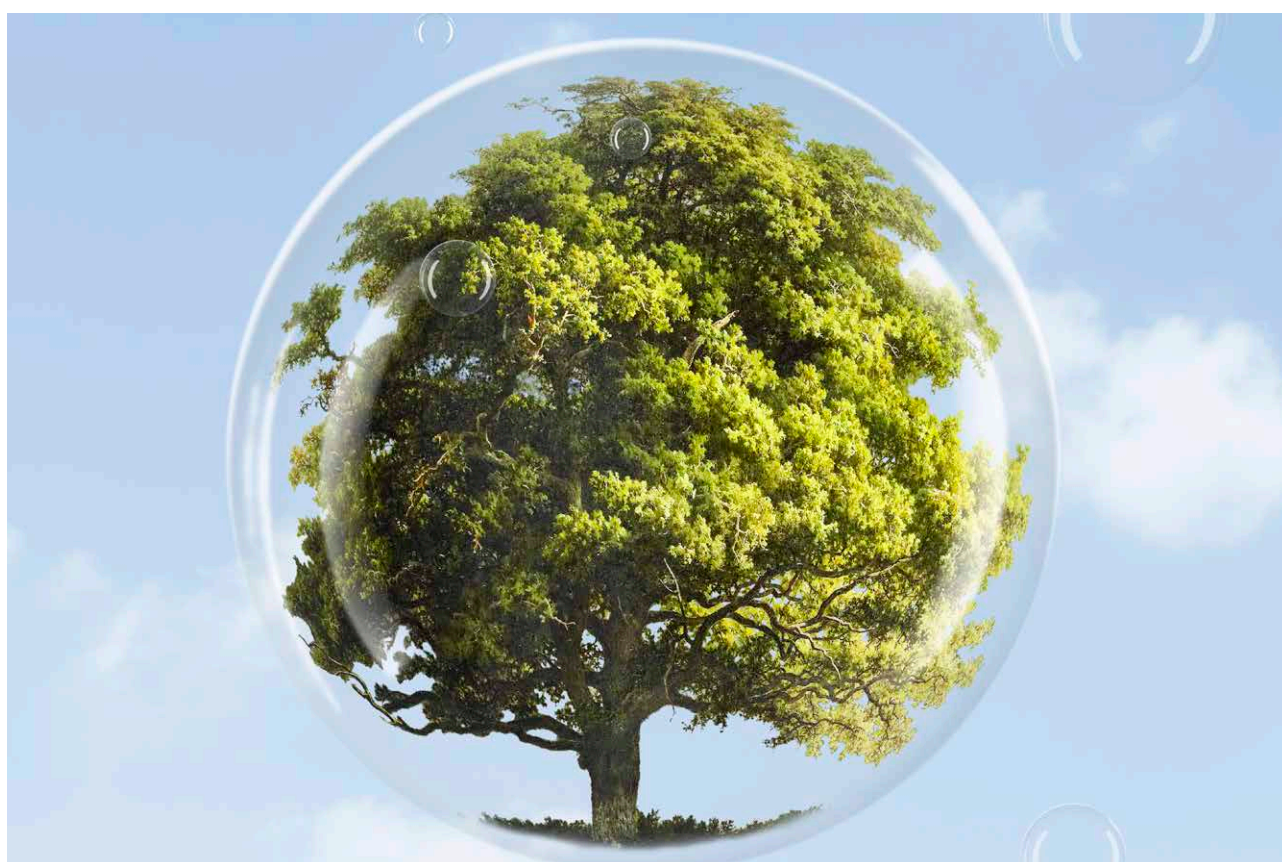
AMS have actively engaged in a range of efforts to advance the goals of Priority Area 4. To help guide member states in their transition, ASEAN established the ASEAN SCP Framework in 2021. The ASEAN SCP Framework provided a comprehensive roadmap for promoting sustainable food systems, fostering the adoption of green products and procurement practices, and encouraging sustainable lifestyles in both urban and rural environments. The framework also identified specific actions and opportunities for collaboration among member states and with external partners. The Framework for Circular Economy for the ASEAN Economic Community (AEC), adopted in 2021, outlines ASEAN's long-term vision to advance a resilient economy, enhance resource efficiency, and promote sustainable and inclusive growth by transforming production and consumption patterns through circularity.

To facilitate the practical implementation of SCP principles, ASEAN has developed key resources and tools. The ASEAN Toolkit on Sustainable Consumption (2022) serves as a valuable resource for government officials, consumer associations, and businesses alike, offering tools and educational materials to enhance understanding and promote the adoption of sustainable consumption policies. Additionally, the ASEAN Guidelines on Green Meetings demonstrate a commitment to integrating sustainability into the region's own operational practices. These regional initiatives are aligned and reinforced by the integration of SCP objectives in broader strategic documents. For example the AEC Blueprint 2025, highlights the cross-cutting importance of sustainable consumption and production for the region's overall development.

Beyond frameworks and tools, ASEAN also fostered specific regional initiatives and programs to drive SCP implementation. The Promotion of Sustainable Consumption in ASEAN Project, supported by the Japan-ASEAN Integration Fund (JAIF), focuses on developing and implementing effective SCP policies and empowering consumers with the knowledge needed to make sustainable choices. Educational initiatives such as the ASEAN Eco-School Programme and the ASEAN Green Higher Education Programme

³¹ Indicators for sustainable consumption and production used included: 1) Material productivity, 2) Material footprint of government expenditure per capita, 3) Material footprint of household expenditure per capita, 4) Material footprint of capital investment per capita, and 5) Eco-efficiency of production. All data was sourced from the UN Environment Material Flow and Resource Productivity database

aimed to cultivate a culture of sustainability within educational institutions, nurturing future generations of environmentally conscious citizens. Such regional communication and public awareness campaigns are crucial for shifting mindsets and promoting responsible environmental behaviour. Initiatives under the SWITCH-Asia program, such as the ASEAN Energy Manager Accreditation Scheme (AEMAS) and programs promoting improved cook stoves and energy-efficient air conditioners, have made significant contribution to sustainable production and consumption patterns in the energy sector. The establishment of platforms like the ASEAN Circular Economy Business Alliance (ACEBA) and the ASEAN Circular Economy Stakeholder Platform further facilitates collaboration among businesses and stakeholders to advance circular economy principles within the region.



At the national level, AMS have undertaken a diverse range of efforts tailored to their specific contexts and priorities.³² Many countries have developed dedicated SCP policies or integrated SCP principles into their national development plans and sectoral strategies, covering the areas of agriculture, forestry, energy, and waste management.³³ All 10 AMS are at various stages of implementing Green Public Procurement (GPP) initiatives to leverage government purchasing power to drive demand for sustainable goods and services. Extended Producer Responsibility (EPR) schemes are also increasingly being adopted to hold producers accountable for the lifecycle of their products, particularly concerning waste management.³⁴

³² See: https://www.switch-asia.eu/site/assets/files/3186/scoping_study_on_scp_in_asean.pdf

³³ This includes Cambodia, Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

³⁴ AMS with existing EPR's include Philippines, Viet Nam, Singapore, and Indonesia. Countries preparing or planning for EPR include Malaysia, Thailand, Cambodia, Lao PDR, Myanmar, and Brunei Darussalam.



Several AMS have also launched plastic reduction campaigns and policies, including “No Plastic Bag” initiatives and targets for reducing marine plastic pollution.³⁵ Efforts to improve waste management and recycling infrastructure, reduce food waste, promote energy efficiency and renewable energy, and implement sustainable labelling and certification schemes are also widespread across the region.³⁶ Public awareness campaigns and the integration of education for sustainable development into national curricula further contribute to fostering a culture of sustainable consumption among citizens.

ESCAP measured progress of CI 1.0 Priority Area 4: Sustainable Consumption and Production (SCP) with eight indicators across five SDGs. Curiously, indicators used by ESCAP to measure progress in Priority Area 4 did not include indicators from SDG 12: Responsible Consumption and Production (see Annex B). Of the eight indicators used to measure progress, 4 showed ‘accelerating progress’, 1 ‘maintaining progress’, and 3 ‘reversing trends’ (Annex B). The three indicators showing reversing trends were: indicator 7.2.1: Renewable Energy Share, 8.4.1: Material Footprint, and 8.4.2: Domestic Material consumption. However, indicators 9.4.1: CO2 Emission per Unit of Manufacturing and 13.2.2 Greenhouse Gas (GHG) Emission, both showed ‘accelerating progress’ i.e. improvement.



While ASEAN has acknowledged the importance of SCP as a key component of its SDG Complementary Initiative Priority Area 4 and has undertaken various efforts, an assessment based on the limited available data suggests that the region is currently not on track to fully realize Priority Area 4 ambitions by the 2030 deadline. This conclusion stems from a convergence of factors rooted in the region’s rapid development and existing structural challenges.

³⁵ Eight of the 10 AMS states have implemented some form of plastic reduction campaigns and policies, including “No Plastic Bag” initiatives and targets for reducing marine plastic pollution. Myanmar and Lao PDR are yet to implement such policies.

³⁶ See: <https://environment.asean.org/resources/detail/asean-scp-framework-implementation-mechanism-2022>

One significant impediment to achieving the 2030 SCP targets is the trend of increasing consumption and production across AMS. Driven by robust economic growth, increasing urbanization, and the expansion of industrial sectors, the demand for natural resources such as food, water, and energy is surging. Unfortunately, this growth often leads to unsustainable patterns, where resource efficiency gains are outpaced by the sheer volume of increased activity, leading to a net increase in environmental impact.

The issue of inadequate waste management infrastructure and practices across numerous ASEAN nations poses an additional substantial barrier to achieving SCP goals. The limited ability to effectively manage and minimize waste generation directly undermines efforts to promote resource efficiency and reduce pollution, a core tenet of SDG target 12.5.³⁷ The rise of resource-intensive industries, such as textile and leather production, further exacerbates environmental burdens through significant pollution, including toxic wastewater, and substantial Greenhouse Gas Emissions.

Overall, ASEAN has laid the groundwork and articulated a clear commitment to SCP. However, existing trends and ongoing challenges suggest that the region is currently not on track to achieve the objectives of CI 1.0 Priority Area 4 by 2030. Bridging the gap requires a significant acceleration of effort, including stronger policy implementation, increased investment in sustainable infrastructure, and a more widespread transition towards circular economic models across all member states. Critically, addressing unsustainable consumption patterns and effectively decoupling economic growth from resource depletion will be pivotal for meaningful progress towards achieving the SDGs goals and indicators related to Priority Area 4.

³⁷ SDG Target 12.5 is to substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030.



3.5 Progress of Resilience

The objective for achieving “Resilience”, as outlined in CI 1.0 Priority Area 5, is to strengthen adaptive, anticipatory, absorptive, and transformative capacities. These capacities help societies and economies adapt to long-term risks, anticipate new threats, absorb the impacts of disasters, and transform systems that create vulnerabilities. Such a holistic approach ensures resilience from households to national levels, addressing critical infrastructure and essential services.



Resilience is embedded in both Sustainable Development Goals (SDGs) and ACV 2025. The CI 1.0 uses four indicators to measure resilience capacity, namely: Economic management, Social inclusion/equity, Public sector and institutions, and Structural policies. For all “Resilience” indicators, CI 1.0 collected data from the World Bank’s World Development Indicators 2017. However, the data for the four Resilience indicators were available only for four of the 10 AMS: Cambodia, Lao PDR, Myanmar, and Viet Nam.

The CI 1.0 Report didn’t explicitly list the specific SDGs and indicators linked to the Priority Area of Resilience. However, the CI 1.0 emphasizes enhancing the capacity to adapt and respond to social and economic vulnerabilities, disasters, climate change, as well as emerging threats and challenges. Using the CI 1.0 Report’s definition of resilience as a cross-cutting issue, it can be inferred that resilience is likely to contribute to several SDGs. Based on the broader context of resilience as discussed within the UN 2030 Agenda and the ASEAN Vision 2025, it is likely “Resilience” is linked to SDGs 1, 11, 13, 16 and 17.



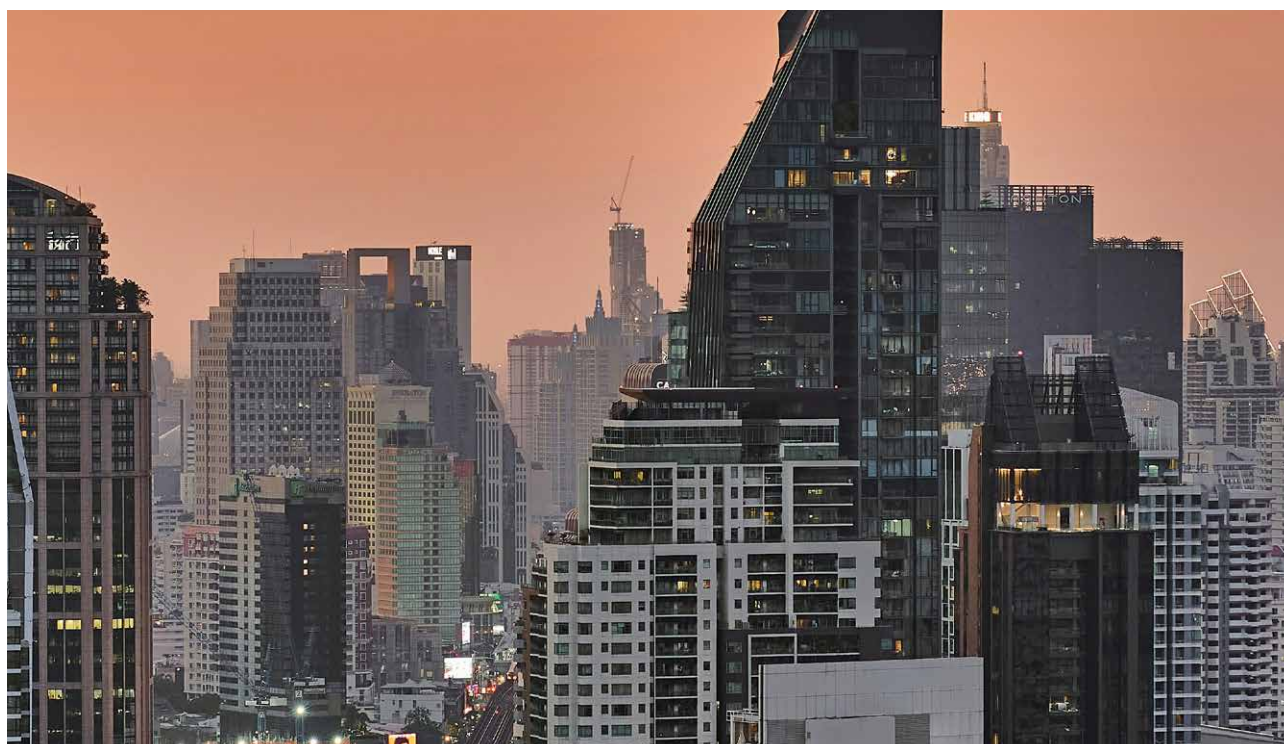
ASEAN and AMS have actively pursued the implementation of the CI 1.0 Priority Area 5 through a diverse range of efforts. A key part of this approach focused on bolstering regional capacity for disaster management and humanitarian assistance. The ASEAN Agreement on Disaster Management and Emergency Response (AADMER) serves as a crucial legal framework, guiding cooperation in all phases of disaster management. Complementing this, the AADMER Work Programme outlines specific actions and projects aimed at enhancing preparedness and response capabilities. The ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre), as the operational engine of AADMER, plays a pivotal role in coordinating regional responses, mobilizing essential resources, and facilitating the vital exchange of information during crises. Initiatives like the ASEAN Framework on Anticipatory Action in Disaster Management also contribute to a more proactive and preventative approach for building resilience against disasters.

Recognizing the importance of social well-being in overall resilience, ASEAN and AMS are strengthening social protection systems to better safeguard people in vulnerable situations against various shocks.³⁸ Initiatives promoting inclusive development aim to reduce disparities, thereby enhancing the resilience of all segments of society. Specific attention is also given to the protection of women and children, with targeted measures and frameworks designed to bolster their resilience in crisis situations.³⁹

³⁸ <https://asean.org/book/policy-brief-developing-shock-responsive-social-protection-system-to-mitigate-the-impact-of-covid-19-enable-speedy-recovery-and-strengthen-the-resilience-of-vulnerable-people-in-asean/>

³⁹ See: <https://asiapacific.unwomen.org/en/digital-library/publications/2025/03/asean-regional-guidance-on-empowering-women-and-children> and <https://asiapacific.unwomen.org/sites/default/files/2022-06/Ensuring%20Gender%20Responsive%20DRR%20Case%20Studies.pdf>





Building economic resilience is a key focus area. ASEAN prioritizes the maintenance of macroeconomic stability through sound economic policies. Deepening economic integration through initiatives like the Regional Comprehensive Economic Partnership (RCEP) and the upgrading of Free Trade Agreements aims to create a more robust and interconnected regional economy capable of withstanding economic shocks. Recognizing the vulnerability of Micro, Small, and Medium Enterprises (MSMEs), ASEAN actively supports their resilience.⁴⁰ Furthermore, the promotion of sustainable consumption and production practices contributes to both long-term economic and environmental sustainability, enhancing overall resilience.

Beyond these specific examples, ASEAN recognizes the critical role of health resilience. The establishment of the ASEAN Public Health Emergency Coordination System aims to strengthen regional preparedness and response mechanisms for health crises. Cooperation on biosafety and biosecurity further enhances the region's ability to withstand biological threats. Cross-cutting efforts, such as enhancing connectivity through the MPAC 2025, contribute to overall regional resilience by fostering stronger physical, institutional, and people-to-people linkages. Capacity building initiatives, improved data collection and monitoring systems, and active engagement in partnerships with external actors further support ASEAN's comprehensive approach to implementing the SDG Complementarity Initiative Priority Area 5.

⁴⁰ See: <https://fulcrum.sg/aseanfocus/strategies-to-boost-the-inclusion-of-asean-small-and-medium-sized-enterprises-in-global-value-chains/>? And <https://asean.org/our-communities/economic-community/resilient-and-inclusive-asean/development-of-micro-small-and-medium-enterprises-in-asean-msme/>

Based on ESCAP measurement, only Priority Area 5 is showing a consistently reversing trend (see overview in Annex B for 2023-2025). ESCAP measures Priority Area 5 with 8 indicators across 3 SDGs (SDG 1, 16, and 17). Indicators used by ESCAP to measure progress in Priority Area 5 did not include indicators from SDG 11 and 13. ESCAP's 8 indicators for Resilience are somewhat different from the concepts used in CI 1.0. From ESCAP's 8 SDG indicators used to measure progress, 5 showed 'accelerating progress', 1 'maintaining progress' and 2 'reversing trends' (Annex B). The two indicators showing reversing trends were indicator 1.5.1 Deaths/missing/affected from disaster, and 1.5.2 Economic Loss from Disaster. Presumably, the weighting of the indicators is such that the two "reverse trends" indicators outweigh the 5 accelerate and one maintained progress indicators to give the overall negative rating.

Based on current trends and existing challenges it is unlikely that by 2030 ASEAN will achieve the SDG Complementarities Initiative (CI) Priority Area 5 on Resilience. The Asia and the Pacific SDG Progress Report 2024 indicates that for the broader region, including Southeast Asia, none of the 17 SDGs is on track, with progress being particularly slow or even regressing in areas critically linked to resilience.⁴¹

In the area of resilience, ASEAN initially identified gaps in four key capacities: adaptive, anticipatory, absorptive, and transformative. Addressing these gaps is crucial for enhancing the region's ability to respond to various challenges, including environmental and disaster-related risks.⁴² Recent reports indicate that ASEAN continues to face challenges in building resilience, particularly in adapting to climate change, improving infrastructure, and developing human capital.⁴³ These challenges are compounded by increasing global uncertainties and environmental risks, which require strengthened regional cooperation and enhanced capacities.

A significant impediment to progress is the lack of sufficient data to accurately measure advancements in building resilience. In turn, the lack of data hinders the formulation of effective policy responses. Data issues include both the collection and compatibility of data from AMS, as well as the difference between ASEAN and other regional bodies. For example, in terms of how Resilience is measured, the 8 indicators used by ESCAP appear to be highly selective and perhaps do not reflect the overall efforts made by ASEAN.

⁴¹ <https://repository.unescap.org/bitstream/handle/20.500.12870/6659/ESCAP-2024-FS-AP-SDG-Progress-Report.pdf?sequence=9&isAllowed=y>

⁴² <https://unfccc.int/sites/default/files/resource/Session%202022%20Stefanos%20Fotiou.pdf>

⁴³ See for example: <https://amro-asia.org/revitalizing-growth-asean3s-path-to-strong-sustainable-and-inclusive-development>; <https://www.partnershipsforinfrastructure.org/newsroom/cop29-why-climate-resilient-inclusive-infrastructure-essential-2040-net-zero-goals-southeast-asia>; <https://eastasiaforum.org/2025/02/07/weathering-the-economic-storms-of-the-asean-climate/>



04

Implementation Challenges





Implementation Challenges

This chapter brings together Chapter Two: The Framework for Complementarity, and Chapter Three: Review of Progress in the Five Priority Areas under CI 1.0. This leads to the identification of several themes or challenges linked to the implementation of the five priority areas under CI 1.0 and provides a series of lessons that are useful for identifying future directions. The themes, challenges and lessons learned from the implementation of CI 1.0 support the selection of the priority areas for CI 2.0.

The themes emerged from the analysis of CI 1.0 that are used to identify the priority areas for CI 2.0, are selected based on their alignment with ACV 2045. Specifically, their alignment with ACV 2045 part two: Challenges and Opportunities. While the experience from CI 1.0 offers numerous lessons and the challenges facing ASEAN in the next two decades are numerous, the selected priority areas for CI 2.0 are selected based on.

- a) lessons learned from CI 1.0.
- b) alignment with ACV 2045; and
- c) complementarity with the UN SDGs.

4.1 Challenges from Complementarity Initiative 1.0

Despite impressive progress in ASEAN's SDGs implementation overall and specifically in its CI 1.0 priority areas, significant challenges remain.⁴⁴ In addition to a range of ongoing challenges that the ASEAN grouping and individual AMS face, the challenge of implementing the SDGs was exacerbated by the COVID-19 pandemic.

The Second ASEAN Ministerial Dialogue on Accelerating Actions to Achieve the SDGs, in its joint statement on 31st March 2023, noted that the pandemic caused economic downturns with GDP per employed person in the region contracted by 0.8% and the unemployment rate rose to 5.4% in 2020, which hampered attainment of the SDGs including SDG 1 on ending poverty and SDG 8 on decent work and economic growth.⁴⁵

By 2023, ASEAN showed significant recovery. The region achieved a growth rate of 4.1% in 2023, surpassing the global average of 3.2%. Total trade and investment also recovered, exceeding pre-pandemic figures. The recovery was largely driven by the implementation of the ASEAN Comprehensive Recovery Framework (ACRF), focusing on public health, economic integration, digitalization, and sustainability. Significant progress was also made in recovering pre-pandemic levels of SDG implementation.⁴⁷

By the start of 2025 ASEAN had largely regained its momentum in achieving the SDGs.⁴⁸ However, the diversity among its member states in terms of economic development, governance systems, and environmental concerns continues to present challenges.

⁴⁴ <https://asean.org/wp-content/uploads/2020/10/ASEAN-Sustainable-Development-Goals-Indicators-Baseline-Report-2020.pdf>.

⁴⁵ <https://asean.org/wp-content/uploads/2023/05/Joint-Statement-of-the-2nd-ASEAN-Ministerial-Dialogue-on-SDGs-FINAL.pdf>.

⁴⁶ https://asean.org/wp-content/uploads/2024/07/FIN_ASEAN-Annual-Report-2023-June-December-Epub-1.pdf.

⁴⁷ See: <https://theaseanmagazine.asean.org/article/asean-comprehensive-recovery-framework/>; and https://asean.org/wp-content/uploads/2020/11/2-FINAL-ACRF-adopted-37th-ASEAN-Summit_12112020.pdf

⁴⁸ <https://www.unescap.org/kp/2025/asia-and-pacific-sdg-progress-report-2025>.

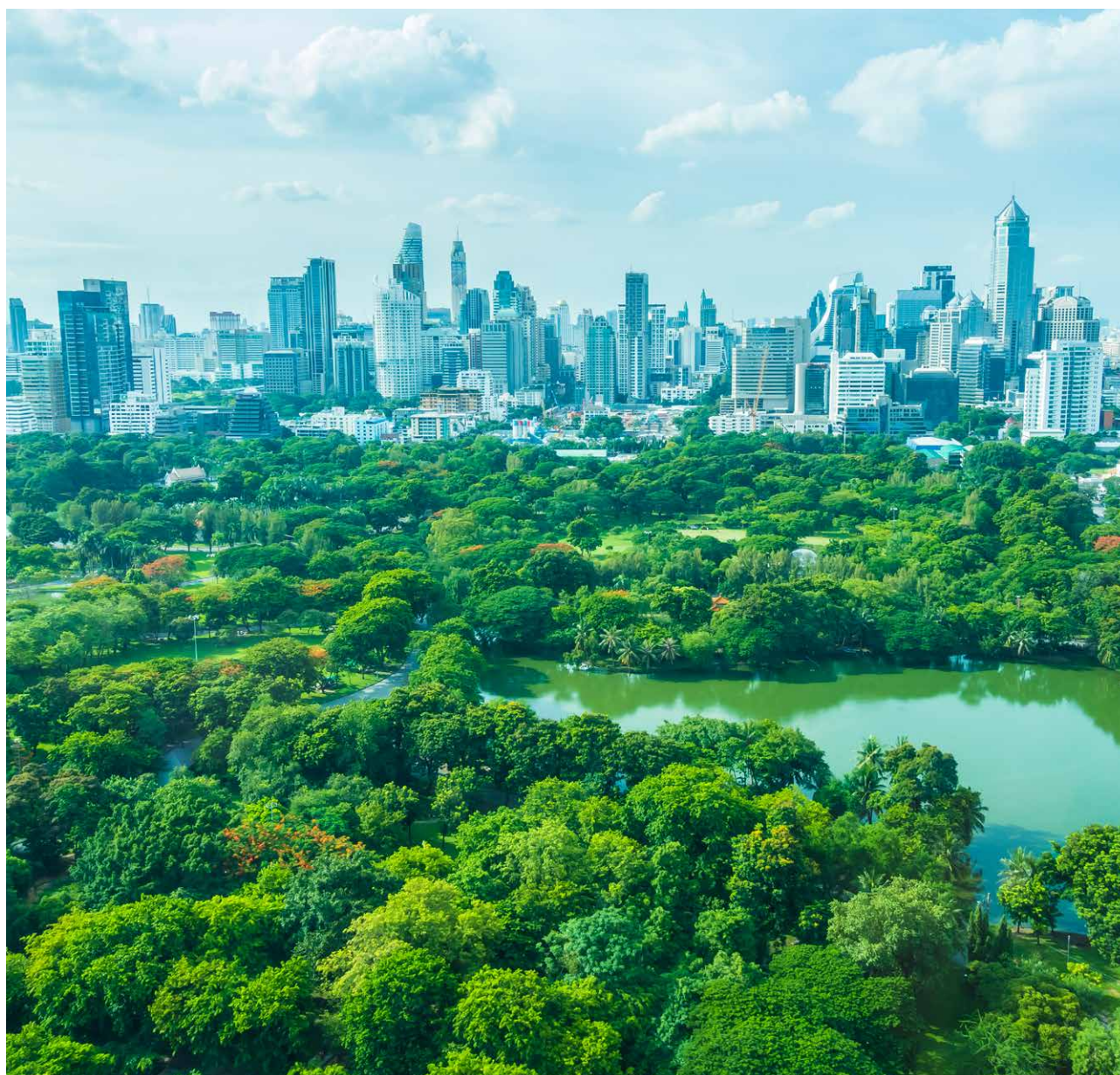


4.1.1 SDGs ASEAN Implementation Challenges

The previous analysis identified a range of challenges linked to the implementation of the SDGs, and specifically the SDG priority areas under CI 1.0. The challenges identified in this section are limited to those that fit all three previously identified criteria of a) lessons learned from CI 1.0; b) alignment with ACV 2045; and c) complementarity with the UN SDGs.

- **Environmental Degradation:** including deforestation, air pollution, and loss of biodiversity remains a major challenge for many if not all AMS. In many ASEAN countries environmental degradation continues, particularly in economies with high levels of agricultural activity or rapid industrialization. This undermines the region's ability to achieve environmental SDGs (e.g., SDG 13 on climate action, and SDG 15 regarding land degradation and biodiversity loss). Several AMS are also becoming more vulnerable to the effects of climate change, and disaster such as rising sea levels, extreme weather events, flooding, and earthquakes, which adds pressure on resources and systems of governance.
- **Governance and Institutional Challenges:** These remain in a number of AMS. The region's diverse political systems have in the past led to the need to ensure policy coherence and cooperation for effective implementation of SDGs. Despite the different systems, the agility and responsiveness of public services, as well as the competencies and professionalism of the civil service, also matter. In this respect, progress of e-government services across AMS which promote accountability, transparency and effectiveness, is important and have led to significant improvement since the pandemic.
- **Funding and Resource Constraints:** Many AMS face resource constraints that make it difficult to fund and implement SDG-related programs and projects. External funding from international organizations and the private sector is often insufficient or inconsistent. Where countries rely heavily on foreign aid or investment, these investments may not always align with long-term sustainable development goals. Mobilizing adequate resources, both domestic and international, remains a critical challenge for SDG implementation.
- **Vulnerable to External Shocks:** AMS are vulnerable to external shocks, such as global economic downturns, natural disasters, and pandemics. The COVID-19 pandemic, for example, exposed weaknesses in healthcare systems and economic resilience, particularly in low-income ASEAN countries. These shocks disrupt progress toward SDGs related to health (SDG 3), decent work (SDG 8), and economic growth (SDG 9). Recovery from such crises can be slow and uneven.

- **Data and Monitoring Challenges:** Reliable and consistent data remain a critical gap. The cross-cutting nature of SDG Goals also exacerbates the difficulty of properly capturing existing statistical indicators of SDGs. While some countries have made progress in improving data collection, others still lack reliable data on key indicators, making it difficult to track progress accurately. This data gap can hinder informed decision-making and policy adjustments.
- **Public Awareness and Engagement:** The challenge is in fostering public awareness and engagement with the SDGs. While government leaders may commit to achieving SDGs, they often lack strong public buy-in or participation in the process. In some cases, there may be a lack of understanding of what the SDGs are and how they directly relate to people's daily lives. Engaging citizens, civil society, and the private sector is crucial for successful SDG implementation.



4.1.2 The Challenge of Climate Change

The Challenge of Climate Change emerges as a clear lesson from the implementation of CI 1.0. Lesson emerging from the five priority areas under CI 1.0 shows climate change as a cross-cutting issue affecting all five of the priority areas. Climate change also clearly aligns with ACV 2045 where it is identified as one of the challenges AMS faces and is mentioned throughout the ACV 2045 in various forms and several times. Similarly, climate change is a significant element of the SDGs, with SDG 13: Climate Action directly related to climate change and interconnected with several other SDGs, including SDG 1, 2, 3, 6 and 7.⁴⁹

ASEAN member states failing to meet their SDG climate goals will have severe and multifaceted negative impacts on the region's economy, GDP, and inflation. The ADB estimates that unchecked climate change could reduce the region's GDP by 11 percent by end of century.⁵⁰ Increased climate-related disasters will damage infrastructure, strain public finances through increased repair and adaptation costs, and depress labour productivity due to heat stress and health crises. This will hinder sustained GDP growth and development. Climate change disruptions are likely to fuel inflationary pressures, particularly through rising food prices due to crop failures and supply chain disruptions.⁵¹ ESCAP has highlighted that climate change-induced disasters are already decreasing agricultural produce and surging food prices, particularly affecting the urban poor and farming communities.⁵² The transition risks of a delayed green shift will add to economic instability. Ultimately, the failure to meet climate goals will undermine regional stability, reduce investor confidence, and make the ASEAN region less competitive in a global economy increasingly prioritizing sustainability.



⁴⁹ <https://unfccc.int/news/impacts-of-climate-change-on-sustainable-development-goals-highlighted-at-high-level-political-forum>

⁵⁰ Asian Development Bank. (2024, October 31). ADB Says Climate Change Could Reduce GDP in Developing Asia and the Pacific by 17% by 2070. News Release. <https://www.adb.org/news/adb-says-climate-change-could-reduce-gdp-developing-asia-and-pacific-17-2070>.

⁵¹ Oxford Economics. (2024, May 20). Climate Change and Food Prices in Southeast Asia: 2024 Update. <https://www.oxfordeconomics.com/resource/climate-change-and-foo>.

⁵² UNESCAP (2023). Seizing the Moment: Asia-Pacific Disaster Report 2023. <https://un-ggim-ap.org/sites/default/files/media/docs/Asia-Pacific%20Disaster%20Report%202023-Full%20report.pdf>.

Table 3 : Synergies and trade-offs between climate change mitigation measures and SDGs, Southeast Asia

SDG target Mitigation measure	No poverty	Zero hunger	Good health and well-being	Clean water and sanitation	Affordable and clean energy	Decent work for all	Inclusive sustainable economic growth	Fostering innovation	Reduced inequalities	Sustainable cities and communities	Responsible consumption & production	Life below water	Sustainably manage forests	Halt biodiversity loss	Revitalize global partnership	Strengthen means of implementation
	1	2	3	6	7	8	9	10	11	12	14	15	17			
Electricity generation																
No new installations of unabated coal power plants																
Increase renewables in electricity generation																
Land use																
Increase afforestation and reforestation																
Halt natural forest deforestation																
Non-CO2																
Increase nitrogen use efficiency (N ₂ O)																
Risks for trade-offs outweigh potential of synergies Synergies and trade-offs strongly dependent on context Potential of synergies outweigh risks for trade-offs Potential of synergies strongly outweigh risks for trade-offs																

Source: https://sdgs.un.org/sites/default/files/2023-01/pbl-2021-climate-change-measures-and-sustainable-development-goals_4639.pdf#page=38&zoom=100,110,94



Considerable evidence from within and outside of ASEAN confirms the region is facing a growing challenge climate change. Achieving the UN sustainable development goals requires addressing the issue of sustainability which is closely linked to climate change. Several scientific studies, reports, and real-world observations provide clear indicators of how climate change is already impacting the region. For example, the UN Intergovernmental Panel on Climate Change (IPCC) reports that Southeast Asia is already seeing more erratic rainfall patterns and rising temperatures. In 2015-2016, the El Niño phenomenon caused severe droughts in several countries, including Indonesia, Thailand, and Vietnam, and affected crop yields. These and similar climate change patterns threaten food and water security.

Reports from organizations like the IPCC, the Asian Development Bank (ADB), and the United Nations underscore Southeast Asia is one of the most vulnerable regions in the world to the impacts of climate change. The ADB's 2017 report highlights the economic costs of climate change in Southeast Asia, estimating that by 2100, climate change could reduce the region's GDP by as much as 11% per year if no mitigation and adaptation efforts are made.

Table 4: Climate Change Impact Projection on Agriculture Commodity

Country/Region	Commodity	Temperature	Prec.	Impact on production yield	Projected year
Cambodia	Rice	+1°C		Decrease (45%)	2080
North West Viet Nam	Agricultural	+1°C		Decrease	2050 & 2100
Viet Nam	Rice	+1°C		Decrease (5.5-8.5%)	2050 & 2100
North East Thailand	Rice	+	+	Decrease Decrease (14%) Decrease (10%)	2080
Philippines	Crops	+1°C		Decrease	Yes
SE Asia (5 Countries)	Livestock			Decrease	2080

Source: https://asean.org/wp-content/uploads/2025/02/ASCC-RD_Trend-Report_CC-8-2025.pdf

4.2 ACV 2045: Challenges and Opportunities

Having looked back and drawn out the lessons to be learned from the implementation of CI 1.0, the analysis now looks forward. The ACV 2045 outlines a bold future for Southeast Asia. By 2045, ASEAN aims to be a resilient, innovative, dynamic, and people-centred community. This vision emphasizes a shared ASEAN identity and a strong sense of belonging among its peoples. It also seeks to promote inclusive, participatory, and equitable access to economic opportunities for all, while achieving sustainability across all dimensions. Section two of the ACV 2045 focuses on “Challenges and Opportunities” and provides a clear vision of ASEAN’s priorities going into the next two decades. Specifically, examining the ACV 2045, with an eye on challenges and opportunities that align with achieving the UN SDGs by 2030, it is possible to identify a range of priorities that build on CI 1.0 and align with the priorities of the ACV 2045.

The ACV 2045 is “mindful of the impacts, as well as inherent opportunities of existing and future megatrends such as, but not limited to”:⁵³

i.	Maintenance of peace, security and stability in the Indo-Pacific region including the South China Sea;
ii.	Major power rivalries;
iii.	Digitalisation and its impacts on the future of work;
iv.	Cybersecurity;
v.	Artificial intelligence;
vi.	Rising protectionism and barriers to trade and investment;
vii.	Supply chain resilience;
viii.	Blue economy;
ix.	Food, water, and energy security;
x.	Poverty, widening development gaps and scarcity of funding;
xi.	Natural disasters;
xii.	Climate change, environmental degradation, biodiversity loss, and transition to a green economy;
xiii.	Pandemics, communicable and non-communicable diseases;
xiv.	Increased world population, ageing societies and migration;
xv.	Inclusion of vulnerable and marginalised groups;
xvi.	Empowerment of women and youth; and
xvii.	ASEAN Connectivity.

⁵³ The sentence is taken directly from the ASEAN 2045: Our Shared Future (<https://asean.org/wp-content/uploads/2025/05/ASEAN-2045-Our-Shared-Future.pdf>). Note also, in “Our Shared Future” list of megatrends is presented as dot points but have been changed here to allow for easier reference to individual megatrends. Otherwise, they appear unchanged from the ASEAN Community Vision 2045.





Being aware that a number of ACV 2045 existing and future megatrends fall outside of the scope of the SDGs or have only a very narrow overlap with the SDGs, it is possible to identify a number of “priority areas” that are applicable for CI 2.0 consideration. Note, that almost all the priority areas overlap and reinforce each other.

- **First, climate change** continues to be of significant importance. It is mentioned directly in the ASEAN Community Vision 2045 megatrend xii but is also part of megatrend viii Blue economy; ix Food, water, and energy security; xi Natural Disaster; and xiii Pandemics, communicable and non-communicable diseases. Indirectly it also influences a range of other megatrends, for example climate change affects migration patterns and can significantly affect people in vulnerable situations.



- **Second, digitalisation has accelerated, particularly during and after COVID-19, shaping the future of work.** It is also linked to megatrend iv. Artificial intelligence; and vii Supply chain resilience. There is also a strong overlap between digitisation and access to finance, availability of data and empowering women and girls.
- **Third, governance, institutional challenges and inadequate funding and resource constraints** have been identified as constraining SDG implementation and achieving the ACV 2045. This links to megatrends vi. rising protectionism and barriers to trade and investment; vii. supply chain resilience; ix. food, water, and energy security; x. poverty, widening development gaps and scarcity of funding; iv. increased world population, ageing societies and migration; xv. inclusion of people in vulnerable situations; xvi. empowerment of women and youth; and finally, but not least xvii. ASEAN Connectivity.

It is worth noting that the ACV 2045 megatrend of xvi. (empowerment of women and youth) is a cross-cutting issue, fundamental for achieving equitable, effective and efficient implementation of all SDGs and for achieving ASEAN’s long-term goals under ACV 2045.



4.3 Emerging Priority Areas

The previous Chapter provided a review of progress, and this chapter highlighted the implementation challenges, stressing ASEAN's implementation of the SDGs continues to be an ongoing project. Achieving the SDGs will require sustained efforts and careful monitoring to achieve the ambitious goals by 2030. The 2017 Complementarities Initiative Report identified complementarity existed between the ACV 2025 and the United Nations 2030 Agenda for Sustainable Development. Within this context the 2017 Complementarities Initiative identified a number of priorities for ASEAN implementing the SDGs.

In 2025, as noted in this chapter, additional ASEAN priorities are emerging, reflecting changing global conditions and ASEAN leaders' ambitions. With the ASEAN Leaders' adoption of ACV 2045 and its ambitious goal of a : "Green ASEAN", the Complementarity Initiative needs new priorities to align with this vision and effectively achieve the SDGs.





The emerging priority areas identified below are a continuity of the 2017 Complementarities Initiative CI 1.0. The 2017 priority areas remain important and an ongoing project. ASEAN is continuing its efforts to achieve all 17 SDG Goals across the 169 targets. Nevertheless, despite ASEAN's significant progress, challenges remain and progress across member countries is uneven.

Drawing on the previous analysis, lessons learned and linked to ACV 2045, the narrative coalesces around the new five priority areas that address the SDGs and are closely linked and complement ACV 2045. Annex C shows an initial analysis of the five new priority areas and how they address a range of SDGs.⁵⁴

Addressing climate change remains an important area to achieve a just, equitable and sustainable future that delivers for all citizens of AMS a range of important SDGs. Addressing climate change is also the impetus for addressing significant ASEAN aspirations. Namely achieving ASEAN rapid transition to a green economy and meeting the regions energy needs while transitioning to sustainable practices. The priority areas of finance and energy have both been flagged in the earlier analysis and when combined with ASEAN Vision of a “green ASEAN” lead to priority areas of “Green Finance” and “Energy Transition” that complement the UN 2030 SDGs.

⁵⁴ The link between the new priority areas and the SDG are shown in Annex C. Annex D shows a possible list of indicators for each priority area. The final and complete list of which indicators apply to each of the new priority areas will be determined in consultation with ESCAP and ASEC.

Underpinning ACV 2045 of being “*A major player in the global economy and the fourth largest economy in the world; a single and future-ready economy, anchored on sustainable growth and good governance, empowered by advanced technologies and responsive to emerging opportunities*”⁵⁵ is the need for good governance, access to timely data and effective and efficient networking and partnership among AMS. This leads to the new priority areas of digital transformation and emphasis on networking and partnership.

Therefore, the five priority areas for CI 2.0, derived from the analysis of CI 1.0, and aligned with ACV 2045 and complementary to the UN SDGs 2030 goals, are summarised as follows:

- **Green Finance**
- **Resilience against Climate Change**
- **Energy Transition**
- **Effective Digital Transformation, and**
- **Networking and Partnerships**

⁵⁵ https://asean.org/wp-content/uploads/2025/05/05.-ASEAN-Community-Vision-2045_adopted.pdf .



05

Priority Areas for Actions



Priority Areas for Actions

The five new Priority Areas identified in the previous chapter serve as key focus points for policy makers and practitioners in supporting efforts towards implementing the two complementing agendas of ACV 2045 and the UN 2030 SDGs. This chapter provides an overview for each of the five new priority areas, followed by a gap analysis. Each of the priority area's gap analysis begins with selected SDG indicators that illustrate progress in achieving the UN 2030 SDG Goals.

ASEAN continues to work towards achieving all 17 SDGs across 169 indicators, recognising the SDGs are interconnected with both the ACV 2025 and the ACV 2045, which spans across the Political-Security, Economic and Socio-Cultural Communities Pillars. The discussion of the new priority areas should therefore be seen as a continuation of ASEAN's ongoing efforts to implement the SDGs in the context of complementarity. The intention in CI 2.0 is to support member states in achieving a green ACV within the context of the SDGs.

ASEAN's prominent role and strategic positioning within regional and global value chains (GVCs) are intrinsically linked to the achievement of the UN SDGs and achieving progress across the five Priority Areas. AMS deep integration into regional and global value chains, marked by the expansion of cross-border trade networks, manufacturing and services, is a primary driver of economic growth and job creation (SDG 8: Decent Work and Economic Growth) across Southeast Asia. However, this strategic positioning also brings challenges concerning environmental impact and social inequality. Integrating SDG principles directly into ASEAN's GVC operations is a strategic imperative for the region to be able to maintain its competitiveness.

ASEAN's continued integration into GVCs is vital for achieving the region's five new Priority Areas. As a manufacturing, services, and trade hub, GVCs serve as a powerful conduit for promoting:

- **Green Finance:** directing investments towards sustainable production, eco-friendly infrastructure within supply chains, and the adoption of cleaner technologies that reduce the environmental footprint of regional industries.
- **Resilience against Climate Change:** Leveraging diversified and adaptive supply networks that are better equipped to withstand climate-related disruptions, while simultaneously incentivizing the implementation of sustainable operational practices across the value chain.
- **Energy Transition Adoption:** of renewable energy sources and energy-efficient technologies to meet global supply chain sustainability demands, given the high levels of energy consumption in manufacturing, services, and logistics sectors.
- **Effective Digital Transformation:** by leveraging the use of technologies such as blockchain for traceability, AI for logistics optimization, and e-commerce platforms to enhance regional competitiveness and sustainability.
- **Networks and Partnerships:** that facilitate both intra-regional and global networks and partnerships, allowing ASEAN to strategically leverage to foster collaborative efforts, share best practices, and mobilize resources.



5.1 Green Finance

Green Finance does not have a universally accepted definition.⁵⁶ However, the G20 Green Finance Study Group in 2016 described green finance as the *“financing of investments that provide environmental benefits in the broader context of environmentally sustainable development”*.⁵⁷ Essentially, green finance aims to support initiatives that contribute to environmental sustainability while also fostering economic growth. This includes any structured financial activity, such as loans, investments, or other financial instruments, designed to achieve better environmental outcomes. This can also include funding for projects that promote renewable energy, energy efficiency, pollution prevention, biodiversity conservation, and sustainable use of natural resources.

Green finance can be applied to a variety of financial instruments designed to support environmentally sustainable projects. Green financial instruments help channel capital towards projects that contribute to environmental sustainability, thereby supporting the transition to a greener economy. Some examples of green financial instruments include:⁵⁸

- **Green Bonds:** These are fixed-income securities whose proceeds are earmarked for climate and environmental projects. They are one of the most mature and widely used green finance instruments.
- **Sustainability-Linked Loans:** These loans have interest rates tied to the borrower’s achievement of specific environmental, social, and governance (ESG) targets. If the borrower meets these targets, they benefit from lower interest rates.
- **Green Equity Investments:** This involves venture capital or private equity investments in companies focused on clean energy, circular economy solutions, or eco-friendly technologies.
- **Green Insurance:** Insurance products that provide coverage for environmental risks or offer incentives for policyholders to adopt sustainable practices.
- **Green Investment Funds:** These funds pool capital from multiple investors to finance a portfolio of green projects or companies.

Green Finance plays a crucial role in achieving the SDGs, particularly by supporting environmentally sustainable, socially inclusive, and economically equitable development (see Annex C and D for details).⁵⁹ It directly complements and supports achieving at least 11 of the 17 SDGs (including SDGs 1, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 (see Annex C for details). For example, green finance can be directly linked to creating new employment opportunities in renewable energy, sustainable agriculture, and environmental services, thereby supporting SDG 8. The renewable energy sector has the potential for job creation

⁵⁶ However, in 2020 the 6th ASEAN Finance Ministers and Central Bank Governors’ Meeting (AFMGM), recommended the development of an “ASEAN Green Map”. The vision was that the ASEAN Green Map would help to ensure the comprehensive development of sustainable finance in the region and unified efforts across the banking, insurance, and capital market sectors, as well as ancillary services that support sustainable financing (e.g. green certification, advisory services, etc.). The ASEAN Green Map is an ongoing project and has not yet been completed. The ASEAN Taxonomy for Sustainable Finance, which is a key component of the broader sustainable finance agenda, is being developed progressively and as of late 2024 is on Version 3.

⁵⁷ https://g20sfwg.org/wp-content/uploads/2021/07/2016_Synthesis_Report_Full_EN.pdf

⁵⁸ <https://www.weforum.org/stories/2020/11/what-is-green-finance/>.

as transitioning to renewable energy will require new skill sets and job training, contributing to increased employment opportunities in green industries.



5.1.1 Green Finance Overview

ASEAN is highly vulnerable to climate change, facing urgent challenges such as rising sea levels, extreme weather events, and resource scarcity. In response, the region has committed to key sustainability goals, including the ASEAN Strategy for Carbon Neutrality, the Framework for Circular Economy, and the ASEAN Blue Economy Framework. However, achieving these goals and facilitating ASEAN's green transition requires substantial investments in green infrastructure, renewable energy, and climate-resilient projects.

While ASEAN member states have set ambitious unconditional and conditional NDC targets, often including net-zero goals, significant investment is required. The region's estimated funding need for climate action is around USD422 billion by 2030, with mitigation needs alone projected at USD293 billion.⁶⁰ However, current finance flows into the region are significantly lower, estimated to be between USD3.2 billion and USD6 billion annually, indicating a substantial financial shortfall.⁶¹ Many NDCs include "conditional" pledges that hinge on international financial, technological, and capacity-building support, with about one-third of the USD4.5 trillion developing countries say is needed globally linked to such conditional commitments.⁶²

⁵⁹ The list of SDG and SDG indicators provided here are meant to be the bases for consultation and input from ESCAP, ASEC and AMS to finalise to final set of SDG indicators to be used.

⁶⁰ UNFCCC and ASEAN, Climate Finance Access, and Mobilization Strategy for the Member States of the Association of Southeast Asian Nations (2024 - 2030). https://unfccc.int/sites/default/files/resource/ASEAN_CF%20Strategy_Dec%202024.pdf.

⁶¹ Ibid.

⁶² Climeatworks Centre, Southeast Asia needs serious money to get to net zero. <https://www.climeatworkscentre.org/news/southeast-asia-needs-serious-money-to-get-to-net-zero/>.



Achieving a successful green transition while balancing development imperatives requires the urgent mobilization of green financing. While the total green investment in ASEAN has risen, the figure remains significantly below what is required to support the region's transition by 2030.⁶³ The costed NDC financing needs from five Southeast Asian countries alone accounted for USD629 billion to 665 billion, making the sub-region the highest costed needs in the Asia-Pacific region.⁶⁴ Furthermore, it should be noted that not all NDCs have been costed and that the figures are likely to be considerably higher.⁶⁵

ASEAN is actively working to close its green financing gap by implementing various initiatives aimed at attracting and deploying green investments throughout the region. ESCAP has also supported these effort through the Sustainable Business Network (ESBN) Green Finance Taskforce, which provides concrete examples and solutions to advance green frameworks, taxonomies, and green recovery strategies. Moreover, ESBN can play a similar supportive role across all five Priority Areas.



⁶³ Bain & Company, GenZero, Standard Chartered, and Temasek. (2024). Southeast Asia's Green Economy 2024 Report: Moving the needle.

⁶⁴ UNFCCC 2024, Second report on the determination of needs of developing country Parties related to implementing the Convention and the Paris Agreement. <https://unfccc.int/documents/640757>.

⁶⁵ ESCAP, UNFCCC RCC Asia-Pacific, ADB, CBI and IRENA (2025). A Call to Action: Developing Sustainable Capital Markets, Financing Energy Transitions, and Building Project Pipelines. ESCAP Financing for Development Series, No. 6. Bangkok: ESCAP. https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2025/Jun/ESCAP_IRENA_PAR_Call_to_action_FFD-6_2025.pdf.

ASEAN and AMS have implemented several policies, agreements, and frameworks to promote and implement green finance. Key initiatives include:

- **ASEAN Green Bond Standards (GBS):** These standards are based on the International Capital Market Association (ICMA) Green Bond Principles. They aim to enhance transparency, consistency, and uniformity in the green bond market across ASEAN, reducing issuance and investment costs.⁶⁶
- **ASEAN Sustainability Bond Standards (SBS):** Similar to the GBS, these standards provide guidelines for issuing bonds that finance projects with environmental and social benefits.
- **ASEAN Sustainable Finance Framework:** This framework includes various guidelines and standards to support sustainable finance initiatives, including green loans and green sukuk (Islamic bonds).⁶⁷
- **ASEAN Taxonomy for Sustainable Finance:** This is a key regional framework, with the latest update in December 2024, that provided a common language and classification system for sustainable economic activities across the region. It aims to guide investments towards projects that contribute to environmental objectives, particularly climate change mitigation and adaptation.⁶⁸
- **ASEAN Transition Finance Guidance:** Introduced in 2023 and updated in 2024, helps entities demonstrate credible transitions to attract financing from capital markets, accelerating the region's green transition.⁶⁹
- **Roadmap for ASEAN Sustainable Capital Markets:** Developed by the ACMF in 2020, this roadmap identifies key elements for advancing ASEAN's sustainability agenda, including the ASEAN taxonomy, transition finance frameworks, disclosures, and creating a virtuous cycle for the demand and supply of sustainable finance.
- **ASEAN Green Recovery Platform:** This platform aims to provide concessional financing by the ADB for green sovereign projects alongside loans from the ADB to catalyse both public and private finance. It also offers technical assistance for project development, scaling up green bonds, and capacity building.⁷⁰

⁶⁶ https://www.climatebonds.net/files/reports/asean_green_fin_instruments_cbi_012019_0.pdf.

⁶⁷ <https://asean.org/wp-content/uploads/2022/09/Report-on-Promoting-Sustainable-Finance-in-ASEAN-for-AFCDM-AFMGM.pdf>.

⁶⁸ https://ieeb.fundacion-biodiversidad.es/sites/default/files/policy_asean-taxonomies-comparison_0.pdf.

⁶⁹ <https://asean.org/wp-content/uploads/2024/07/ASEAN-for-Business-Bulletin-June-2024.pdf>.

⁷⁰ work being done under the ASEAN Green Map initiative. See: <https://gggi.org/project/asean-green-map-in-brunei-cambodia-indonesia-lao-pdr-malaysia-myanmar-philippines-thailand-singapore-viet-nam/>.

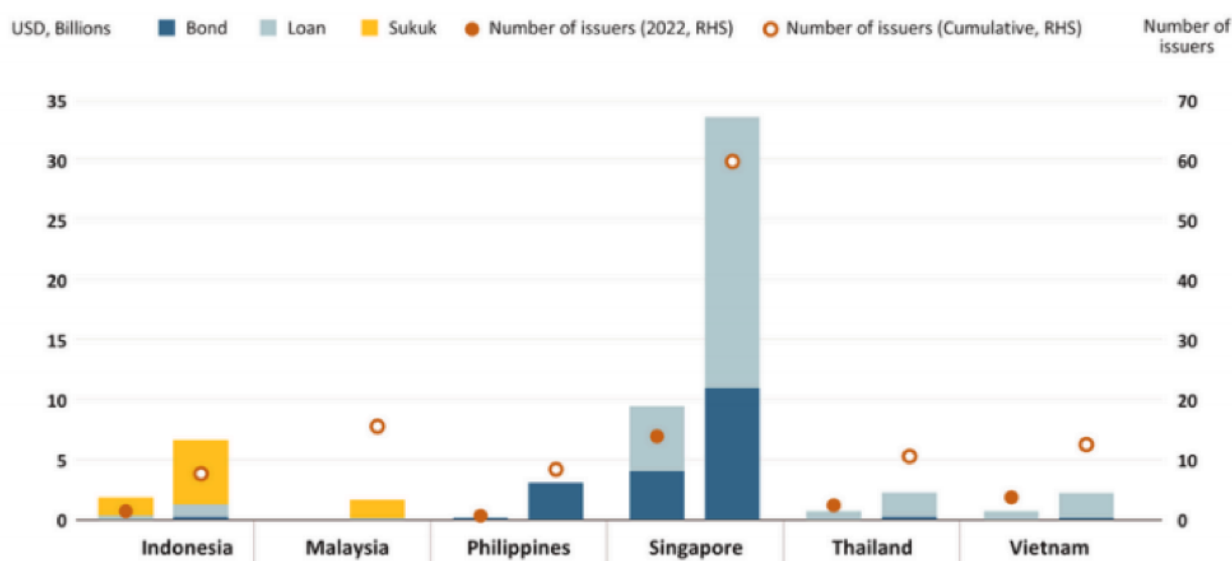




These initiatives collectively aim to create an enabling environment to mobilize green capital for sustainable projects, enhance market confidence, and support the region's transition to a low-carbon economy. Overall, in 2025, a picture is emerging of increasing harmonization across national systems of green finance. Several AMS have also developed national sustainable finance taxonomies and frameworks, which, while addressing their specific national priorities, are increasingly aligning with the regional ASEAN Taxonomy.⁷¹ Examples include:

- **Indonesia:** Indonesia has incorporated both principles-based and technical screening criteria in its national taxonomy, with an updated version released in February 2024. It has the largest green bond market in ASEAN, including sovereign green sukuk.
- **Malaysia:** Malaysia has developed both a principles-based taxonomy by the central bank and another by the securities commission. It was one of the earliest in the region to develop a national taxonomy (April 2021). Malaysia also established the Malaysian Green Financing Taskforce (MGFT) to accelerate green financing, particularly in renewable energy, and the Joint Committee on Climate Change (JC3) to address climate-related financial risks.
- **Philippines:** The Philippines has adopted a principles-based assessment in its sustainable finance taxonomy and was the first ASEAN country to issue a green bond.
- **Singapore:** Singapore focuses on technical screening criteria in its national taxonomy, published in December 2024. It is also a significant hub for green bond issuance in the region.
- **Thailand:** Thailand focuses on technical screening criteria. Phase 2 was published in May 2025. Combined, Phases 1 and 2 encompass 6 sectors, Energy, Transportation, Agriculture, Manufacturing, Building and real estate, and Waste management, accounting for over 95% of Thailand's GHG emissions.
- **Vietnam:** Vietnam is part of Just Energy Transition Partnerships (JETP) to leverage international financial support for phasing out coal and expanding renewable energy and has started developing sustainable finance policies.

⁷¹ https://ieeb.fundacion-biodiversidad.es/sites/default/files/policy_asean-taxonomies-comparison_0.pdf.

Table 7: Share of Green Debt Fundraising in ASEAN Countries (2016-2022)

Source: Climate Bond Initiative 2023

<https://www.krungsri.com/en/research/research-intelligence/asean-green-finance-2024>

5.1.2 Green Finance Gap Analysis

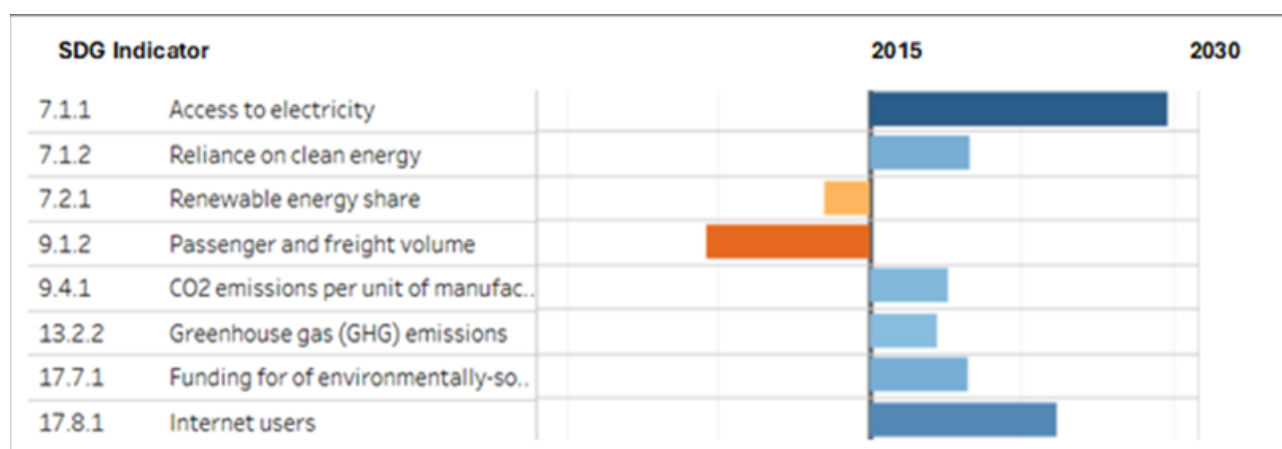
Based on the initial identification of SDG indicators in Annex D, and for each of the five new priority areas, including Green Finance, ESCAP has provided a “baseline” as shown in Annex E.⁷² Disaggregated data by individual AMS performance is also shown in Annex E.⁷³ The initial indicators for each of the five new priority areas, as shown in Annex D, were selected based on an initial analysis and are provided as a starting point for feedback from ESCAP, ASEC, AMS and other stakeholders with the intention to eventually arrive at a final, **agreed** set of indicators **that will establish** a baseline for each priority areas.

For Green Finance, the selected SDG indicators from Annex E are shown in 5 below. It provides a starting point for understanding where Green Finance is at in 2025. From the initial eight SDG indicators selected for measuring Green Finance, Access to Electricity (7.1.1) and Internet Users (17.8.1) showed good progress. In contrast, Passenger and Freight Volume (9.4.1) had significantly regressed, with only Cambodia and Viet Nam showing progress (see Annex E for individual country data), and all other AMS recorded as stagnant. Progress was also recorded for the other remaining four indicators (see Figure 8 below), but they are likely to require significant improvement to achieve the UN Green Finance SDG goals by 2030.

⁷² Note: Some SDG Indicators are used for more than one Priority Area, reflecting the interconnected nature of the Priority Areas.

⁷³ The regional progress and current country trends shown in Annex E use different methodologies, making direct comparison not possible. However, the regional progress and current country trends shown are correlated and give a good idea of where the region stands.



Table 8: Baseline Data for New Priority Area of Green Finance

Source: ESCAP

AMS face several gaps and issues in regard to advancing green finance. The gap analysis shows that ASEAN has not yet fully achieved its potential to for fully leverage sustainable financing for achieving the UN SDGs goals by 2030.

One significant issue is the perceived lack of harmonisation and standardisation across the region in defining and classifying green economic activities. While the ASEAN Taxonomy for Sustainable Finance aims to provide a regional framework, some ASEAN member states such as Indonesia, Malaysia, Philippines, Singapore, and Thailand also have their own taxonomies, which take into account local considerations. This is in part, intentional, as national taxonomies are meant to be contextualised to individual AMS, while a regional taxonomy provides a common benchmark with internationally recognised and interoperable standards. While users are free to choose their adoption of one or more taxonomies, understanding and awareness of taxonomies is still nascent, leading to further complexity in assessment and comparison of green projects across ASEAN.

ESCAP's Asia-Pacific SDG Gateway data collection helps address the lack of harmonization and standardization. It achieves this by primarily utilizing the globally standardized SDG indicator framework, promoting a common understanding and classification of data. Furthermore, ESCAP provides technical assistance and capacity-building to help member states align their data collection with international standards, improving consistency. The Gateway also facilitates data comparability and encourages data-driven policymaking, incentivizing countries to refine their classifications. While not creating a separate "green economy" classification, its foundational approach to standardizing SDG data, particularly for relevant goals like SDG 12, serves as a crucial mechanism for fostering greater harmonization in this area.

In addition to the lack of harmonisation and standardisation, a significant climate finance gap persists despite growing awareness and initiatives. The estimated need for climate mitigation and adaptation in ASEAN by 2030 is substantial, with some estimates reaching over USD422 billion. Current financing flows, heavily reliant on public funds in many member states, fall considerably short of this requirement. While private sector involvement is increasing, it is still in the nascent stages, constrained by factors such as regulatory uncertainties, a lack of commercially viable green projects, and perceived higher risks associated with green infrastructure. For example, concessional finance and grants sometimes cover less than half of the required investment in large-scale projects like Indonesia's Just Energy Transition Partnership (JETP), leaving a substantial financing gap.⁷⁵

There are also capacity and knowledge gaps within the financial sector and among project developers in ASEAN regarding green finance instruments, project structuring, and environmental, social, and governance (ESG) assessments. The shortage of expertise hinders the development and implementation of bankable green projects and limits the ability of financial institutions to effectively evaluate and manage green finance risks. Over 40% of institutional investors in Asia report being held back from greater ESG investing due to a lack of expertise.⁷⁶

Data availability and transparency also pose a challenge to green finance. Inconsistent or insufficient data on environmental impacts and the performance of green assets make it difficult for investors to make informed decisions and for regulators to monitor the effectiveness of green finance initiatives. This lack of transparency can also contribute to concerns about greenwashing.

Despite these shortcomings innovative financing mechanisms like blended finance, and green bonds are gaining traction in ASEAN. However, their scale and impact remain limited. Mobilizing private capital at the required scale necessitates further de-risking of green infrastructure projects through public-private partnerships and other catalytic mechanisms. For example, the ASEAN Catalytic Green Finance Facility (ACGF) aims to de-risk projects and mobilize commercial finance, but its overall impact needs to be scaled up significantly to help meet the region's vast needs. The ASEAN Infrastructure Fund's new action plan for 2025-2028 aims to increase its financing capacity and support joint green projects, indicating a move towards addressing these gaps.

⁷⁴ https://unfccc.int/sites/default/files/resource/ASEAN_CF%20Strategy_Dec%202024.pdf. Note, some estimates are significantly higher. For example, the Asian Development Bank (ADB) estimates that Southeast Asia needs USD 210 billion annually until 2030 for climate adaptation and mitigation investments. See: <https://seads.adb.org/articles/temperatures-rise-southeast-asia-needs-larger-share-climate-finance-flows>.

⁷⁵ <https://www.climatepolicyinitiative.org/highlights-from-indonesias-jetp-comprehensive-investment-and-policy-plan/>.

⁷⁶ <https://www.global-solutions-initiative.org/publication/the-sustainable-finance-market-in-asean3-development-opportunities-and-future-steps/>.



5.2 Resilience against Climate Change

ASEAN's concept of resilience against climate change is woven through various declarations, frameworks, and action plans. For example, the ASEAN State of Climate Change Report mentions of “resilience”⁷⁷ The concept of “resilience against climate change” is not explicitly defined in any singular ASEAN document.

For the purpose of this report, resilience against climate change is defined as a multifaceted concept that describes the capacity of various systems – encompassing social, ecological, and economic dimensions – to withstand, adapt to, and recover from the adverse effects of climate change and its associated hazards. This ability extends beyond simply surviving climate-related shocks and highlights that ASEAN's resilience strategy is designed to advance not only regional goals but also global SDGs. ASEAN's resilience against climate change encompasses the proactive measures needed to anticipate and prepare for climate-related challenges, minimizing long-term damage and ensuring the continued functionality of essential services and societal well-being. Furthermore, a resilient system possesses the inherent capacity to learn from past experiences and transform its structures and processes to reduce future vulnerabilities and foster sustainable development pathways in a changing climate.

ASEAN's resilience initiatives are intended to contribute to SDG 13 (Climate Action) and SDG 11 (Sustainable Cities), supporting both regional and global sustainable development. In doing so, several interconnected elements contribute to the overall resilience of ASEAN and AMS against climate change. First, anticipatory and preparedness measures are crucial, involving the identification of potential climate risks, comprehensive vulnerability assessments, and the development of proactive strategies and robust contingency plans.⁷⁹ Second, the ability to withstand and absorb the initial impacts of climate-related events with minimal disruption is a fundamental aspect of resilience and aligns with SDG 17 (Partnerships for the Goals). This is often linked to the robustness and redundancy built into infrastructure and socio-economic systems.⁸⁰ Third, adaptation and adjustment are essential, requiring deliberate changes in practices, technologies, and policies to better cope with both current and projected climate conditions. These adaptations can range from incremental adjustments to transformative shifts in societal norms and structures.

⁷⁷ https://asean.org/wp-content/uploads/2021/10/ASCCR-e-publication-Correction_8-June.pdf.

⁷⁸ https://www.ipcc.ch/site/assets/uploads/2018/02/AR5_SYR_FINAL_Front_matters.pdf

⁷⁹ ESCAP's Economic and Social Survey 2025 noted that most countries in the region lack adequate readiness and coping capacity for climate risks and would benefit from standardized risk assessment methodologies. See: <https://unescap.org/kp/2025/survey2025>.

⁸⁰ ESCAP's Economic and Social Survey 2025 notes that infrastructure deficits are a major cause of vulnerability to climate shocks. See: <https://unescap.org/kp/2025/survey2025>.



In practical terms, building resilience against climate change can include a range of concrete actions at national and regional level. Actions aimed at minimizing the negative impacts of climate change and enhancing the ability of ASEAN and AMS to cope with current and future climate risks can include, but are not limited to:

- **Developing and Implementing Climate Change Policies and Plans:** This includes formulating National Adaptation Plans (NAPs) and integrating climate change considerations into sectoral policies (e.g., agriculture, water, energy, health) as highlighted in the ASEAN State of Climate Change Report and various national strategies.⁸¹
- **Investing in Climate-Resilient Infrastructure:** This involves building or upgrading infrastructure (e.g., transportation, water management, energy systems) to withstand climate-related hazards like floods, storms, and heatwaves.⁸²
- **Promoting Climate-Smart Agriculture (CSA):** Encouraging practices that sustainably increase agricultural productivity, enhance resilience to climate change, and reduce Greenhouse Gas Emissions, as emphasized in the ASEAN Climate Leadership Program III (ACLP III).⁸³ This includes diversifying crops, improving water management, and adopting climate-resilient technologies.⁸⁴ Such investments directly support SDG 2 (Zero Hunger) and SDG 13 (Climate Action), illustrating practical alignment between ASEAN and the SDGs.

⁸¹ https://asean.org/wp-content/uploads/2021/10/ASCCR-e-publication-Correction_8-June.pdf.

⁸² <https://lens.monash.edu/@climate-change-rising-to-the-real-urgent-and-global/2024/10/23/1387077/why-southeast-asia-needs-to-build-climate-resilient-energy-systems>.

⁸³ https://aseanclimateleadership.org/wp-content/uploads/2024/10/Sep-2024_Booklet-ACLP-III-final-lowres.pdf.

⁸⁴ <https://alliancebioversityciat.org/stories/simple-ways-boost-benefits-climate-smart-agriculture>.





- **Strengthening Disaster Risk Reduction (DRR) and Management:** Enhancing early warning systems, improving preparedness for extreme weather events, and developing effective response and recovery mechanisms, as guided by the ASEAN Agreement on Disaster Management and Emergency Response (AADMER). Improved data systems and coordination are crucial for tracking progress toward both ASEAN resilience targets and SDG indicators and support mutual accountability.
- **Enhancing Climate Resilience in the Health Sector:** Establishing climate-resilient health systems that can anticipate, respond to, cope with, recover from, and adapt to climate-related health risks, as outlined in an ASEAN policy brief.⁸⁵ This includes strengthening surveillance, improving healthcare infrastructure, and training health professionals.
- **Building the Climate Resilience of Communities and the Workforce:** Implementing measures to protect livelihoods, improve social safety nets, and offer skills development to help communities and workers adapt to the changing climate and potential displacement. ASEAN focus on inclusion in resilience planning reflects the SDG principle of 'leave no one behind' (SDG 1 and SDG 10) and strengthen the link between regional and global frameworks.
- **Promoting Sustainable Natural Resource Management:** Protecting and restoring ecosystems, such as forests and mangroves, which act as natural buffers against climate impacts and enhance carbon sequestration.⁸⁶
- **Investing in Renewable Energy and Energy Efficiency:** Transitioning towards cleaner energy sources and improving energy efficiency to reduce Greenhouse Gas Emissions and enhance energy security in the face of climate disruptions.⁸⁷ This aligns with the UN ESCAP Sustainable Business Network (ESBN) ability to engage in dialogue with officials around the areas of energy, knowledge sharing and climate finance.
- **Enhancing Regional Cooperation and Knowledge Sharing:** Collaborating among AMS on research, technology transfer, capacity building, and developing of regional strategies to address transboundary climate risks.⁸⁸
- **Mobilizing Climate Finance:** Seeking and utilizing financial resources from various sources, including international climate funds and private sector investment, to support climate resilience initiatives.⁸⁹

Resilience against climate change plays a crucial role in achieving the SDGs. Achieving SDG 1: No Poverty is significantly enhanced by developing national and regional systems resilient against climate change. For example, improving measures to protect livelihoods and strengthening social safety nets in the face of climate change can significantly improve individuals and communities' ability to withstand or escape poverty. Similarly, achieving SDGs 2, 3, 6, 7, 11, 14 and 15 are all improved by building resilience against climate change (see Annex C). Given the cross-cutting nature, the impact of building resilience against climate change is not limited to the SDGs listed here.

⁸⁵ https://asean.org/wp-content/uploads/2024/02/ASCC-RD_Policy-Brief_Health2-2024.pdf.

⁸⁶ https://asean.org/wp-content/uploads/2024/10/18-Final_AJS-on-CC-to-UNFCCC-COP29.pdf.

⁸⁷ <https://climatepromise.undp.org/news-and-stories/what-sustainable-energy-transition-and-why-it-key-tackling-climate-change>.

⁸⁸ <https://www.adaptation-undp.org/strengthening-collaboration-among-asean-members-climate-adaptation#:~:text=Strengthening%20collaboration%20among%20ASEAN%20members%20for%20climate%20adaptation%207C%20UNDP%20Climate%20Change%20Adaptation>.

⁸⁹ <https://www.recessary.com/en/news/asean-regulation/asean-countries-cop29>.

5.2.1 Resilience against Climate Change Overview

ASEAN and AMS have implemented a wide range of policies, programs, projects, and initiatives to build resilience against climate change. These efforts encompass climate adaptation and mitigation, renewable energy, disaster risk reduction, water management, urban planning, biodiversity conservation, public awareness, and sustainable finance. Efforts also include regional and national level strengthen measures to protect livelihoods and improve social safety nets. These efforts can further strengthened SDG alignment by ensuring that all resilience policies and programs explicitly target vulnerable groups and are supported by robust data systems.⁹⁰ The following are ASEAN-level actions or policies that have been taken to build resilience against climate change:

- **The ASCC Strategic Plan 2045, includes:**
 - Objective 4.1: To achieve a resilient community that promotes human security and increases people's resilience in responding to future health emergencies, crises, and disasters, and impacts from climate change.
 - Objective 11.2: To achieve a resilient community, especially at the local level, against future crises and long-term challenges, including climate change and health emergency preparedness, and response through a whole-of-ASEAN approach for sustainable resilience.
 - Objective 12.1: To achieve a sustainable community that advances ASEAN's sustainability agenda in alignment with the Sustainable Development Goals and the post-2030 global development agenda.
- **ASEAN Agreement on Disaster Management and Emergency Response (AADMER):**
 - While it focuses on disaster risk, it integrates climate resilience strategies like early warning systems, climate-informed infrastructure, and community preparedness.
 - Promotes cooperation and knowledge sharing for disaster response and recovery, especially for people in vulnerable situations.
- **ASEAN Working Group on Climate Change (AWGCC)⁹¹**
 - Coordinates regional efforts to mainstream climate change into national and sectoral planning.
 - Works on climate adaptation policies, renewable energy initiatives, and sustainable urban development.
- **ASEAN Climate Change Strategic Action Plan 2025**
 - Emphasizes building adaptive capacity in rural and urban communities.
 - Includes social protection, livelihood diversification, and sustainable agriculture as pillars of resilience. ASEAN Climate Change Strategic Action Plan 2025

⁹⁰ ESCAP's analysis has highlighted persistent inclusivity and data gaps in regional resilience efforts.

⁹¹ ESCAP Survey 2025 highlights the importance of cross-sectoral integration to strengthen mainstreaming of climate change into sectoral planning to support SDG 13 and SDG 7.
See: <https://www.unescap.org/kp/2025/survey2025>



- **ASEAN Centre for Biodiversity & Blue Economy Initiatives**

- Supports ecosystem-based adaptation and sustainable coastal livelihoods, recognizing that environmental health underpins socio-economic security.

At the national level, AMS have undertaken a range of initiatives to promote and achieve resilience against climate change. Some key actions and measures include NAPs developed by AMS to enhance adaptive capacities and manage climate risks, as well as the implementation of Climate-Smart Agriculture (CSA) to improve agricultural resilience and reduce Greenhouse Gas Emissions. Specific AMS initiatives include, but are not limited to:⁹²

Indonesia

- The National Action Plan for Climate Change Adaptation (RAN-API): Focuses on sectors like water, agriculture, marine, and health.
- The plan promotes climate-resilient infrastructure, sustainable farming, and community-based adaptation programs.

Malaysia

- Developed the National Adaptation Roadmap and integrated climate risk into its development planning.
- Emphasizes vulnerability assessments, particularly for low-income and rural populations.

Philippines

- Has a Climate Change Act and a People's Survival Fund to finance local resilience efforts.
- Strong focus on community-based adaptation, disaster preparedness, and social protection programs.

Thailand

- Implemented the Climate Change Master Plan 2015–2050 with socio-economic resilience as a key focus.
- Promotes integrated water management, climate-smart agriculture, and support for SMEs adapting to climate impacts.

Viet Nam

- Highly vulnerable to sea-level rise; government has invested in climate-resilient agriculture, infrastructure, and urban flood management.
- Promotes livelihood diversification for farmers and fishers to reduce dependency on climate-sensitive sectors.

⁹² For a more complete list see Annex 1 of the ASEAN State of Climate Change Report: Current status and outlook of the ASEAN region Toward the ASEAN climate vision 2050. https://asean.org/wp-content/uploads/2021/10/ASCCR-e-publication-Correction_8-June.pdf.

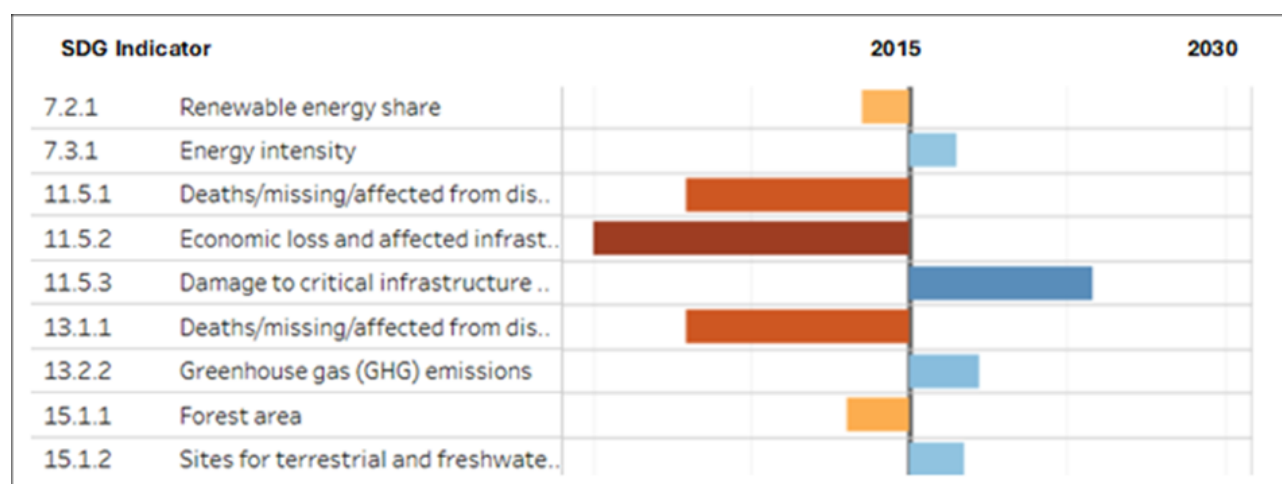
5.2.2 Resilience against Climate Change Gap Analysis

To measuring current progress towards achieving Resilience against Climate Change, nine initial SDG indicators were selected as shown in Figure 9 below. The nine initial indicators provide a starting point for understanding where Resilience against Climate Change is at in 2025. The nine indicators showed that significant progress is still required for ASEAN to meet the UN Climate Change SDG goals by 2030. It also highlights the need for robust, transparent data systems to track progress and inform policy.

Five of the nine SDG indicators have regressed compared to the initial ESCAP baseline of 2015. Economic loss and affected infrastructure & services from disasters (11.5.2) had significantly regressed by 2025 from the initial 2015 baseline calculated by ESCAP (see Figure 9 below).⁹³ Only indicator 11.5.3 - Damage to critical infrastructure and number of disruptions to basic services, attributed to disasters, had significantly improved. Indicators 7.3.1, 13.2.2, and 15.1.2 also improved to some extent (see Figure below and Annex E).

The detailed breakdown by AMS performance for Resilience against Climate Change, as shown in Annex E, highlights persistent challenge in data collection. Figure 9 below shows SDG indicator 11.5.2 had the greatest regression while indicator 11.5.3 showed the greatest improvement. However, for each of these two indicators there were only five AMS with sufficient data to provide a result. The overall result, therefore, was based on five AMS. It is worth noting that the insufficient data for the SDG indicators was not limited to the CLMV economies.

Figure 9: Baseline for New Priority Area of Resilience against Climate Change



Source: ESCAP

⁹³ Note 11.5.1 and 13.1.1 both measure the "number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population", but do so for different SDGs, thus providing a slightly misleading picture of overall Priority Area performance.



In 2025, the prospect of ASEAN achieving its climate change resilience SDG goals by 2030 remains challenging due to several interconnected gaps and issues. A significant hurdle for AMS is the substantial investments required to meet its renewable energy targets outlined in the ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II (2021-2025). Recent ASEAN analysis highlights the considerable shortfall in mobilizing both public and private capital that is necessary for achieving the energy transition.⁹⁴ **Barriers** such as **limited market opportunities, complex regulatory frameworks, and perceived investment risks** further exacerbate this challenge. These barriers hinder the deployment of crucial funds for renewable energy and climate resilience projects.

Beyond financial constraints, **policy implementation and coordination** challenges remain significant. While ASEAN has established regional goals, including the targeted of a 23% renewable energy share by 2025, progress across member states is uneven.⁹⁵ The ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030 aims for greater sectoral integration of climate considerations, yet the effective coordination between various ASEAN bodies and national-level implementation remains a critical area requiring improvement.⁹⁶ As highlighted by ASEAN, there is a need for a more **centralized coordinating mechanism** for climate action within ASEAN.⁹⁷

Significant **data, research, and capacity gaps** also exist, which hinder informed decision-making and effective implementation. Recent ASEAN studies and reports underscores the need for robust climate change and disaster data systems to underpin risk management and adaptation strategies.⁹⁸ Deficiencies in data availability, quality, and sharing across the region limit the scope of comprehensive regional assessments. Moreover, the successful adoption of climate-smart agriculture (CSA) practices is contingent upon overcoming technological and policy barriers and bolstering the technical and institutional capacities of relevant stakeholders.⁹⁹



⁹⁴ ASEAN. (2025). *Bridging the Investment Gap: Empowering Energy Transition Through Climate Finance*.

⁹⁵ Et. Al. ASEAN. (2025).

⁹⁶ <https://www.iges.or.jp/en/projects/accsap2024>.

⁹⁷ ASEAN. (2021). Gaps and Opportunities in ASEAN'S Climate Governance.

⁹⁸ https://asean.org/wp-content/uploads/2025/04/20240324_Trend-Report_DM-10-2025.pdf.

⁹⁹ https://www.researchgate.net/publication/316621636_Overcoming_Barriers_to_the_Adoption_of_Climate-Friendly_Practices_in_Agriculture.



A further challenge relates to addressing socio-economically vulnerable people and ensuring inclusivity in climate resilience efforts. The ASCC Blueprint 2025 and ASCC Strategic Plan for ASEAN Community Vision 2045 both emphasise the ongoing efforts and acknowledge the necessity of strengthening social protection for people facing climate-related crises. The ASCC Strategic Plan specifically highlights the challenges posed by climate change and the importance of enhancing AMS capacity to respond to climate-related events and to build sustainable resilience, particularly for people in vulnerable situations.

Finally, **infrastructure resilience** remains a critical challenge for AMS as they strive to adapt to the impacts of climate change.¹⁰⁰ The region's infrastructure, including roads, bridges, ports, and buildings, is increasingly vulnerable to extreme weather events such as typhoons, floods, and rising sea levels. Developing and upgrading infrastructure to withstand these impacts requires significant investment and innovative engineering solutions. However, many ASEAN countries face financial constraints and technical limitations that hinder their ability to implement these necessary upgrades. Additionally, comprehensive planning and coordination are needed to ensure that new infrastructure projects are designed with climate resilience in mind. This involves integrating climate risk assessments into the planning and construction processes and by adopting sustainable building practices. Despite ongoing efforts, achieving climate-resilient infrastructure remains a persistent challenge for many AMS.

¹⁰⁰ https://asean.org/wp-content/uploads/2025/02/ASCC-RD_Trend-Report_CC-8-2025.pdf.



5.3 Energy Transition

The concept of “energy transition” is addressed in various ways across the ACV 2045 and the strategic plans of the Political-Security Community, Economic Community, and Socio-Cultural Community Pillars.

In the ACV 2045, the energy transition is framed within the broader context of moving towards a green economy. The vision underscores the importance of mitigating climate change and achieving environmental sustainability. It emphasizes the adoption of renewable energy sources and the reduction of Greenhouse Gas Emissions as critical components of this transition. Additionally, it highlights the need to promote energy efficiency and conservation to ensure a sustainable future for ASEAN.

The AEC Strategic Plan provides a comprehensive framework for energy transition, detailing several strategic measures. It emphasizes the decarbonization of energy systems to reduce Greenhouse Gas Emissions and to increase the share of renewable energy in the energy mix. The plan also promotes energy efficiency and conservation, supporting the development and deployment of carbon capture, utilization, and storage (CCUS) technologies. Additionally, it highlights the importance of enhancing energy security through diversified energy sources and regional cooperation, ensuring a resilient and sustainable energy supply for ASEAN.



The APSC Strategic Plan defines “energy transition” as a comprehensive shift towards sustainable energy practices to address non-traditional security challenges, including energy security. It emphasizes enhancing cooperation to promote energy efficiency, the adoption of renewable energy sources, and the development of resilient energy infrastructure. The plan also highlights the importance of regional collaboration to ensure a stable and secure energy supply, reduce dependency on fossil fuels, to mitigate the impacts of climate change. This transition is seen as crucial for maintaining regional stability, security, and sustainable development in the face of evolving geopolitical and environmental challenges.

The ASCC Strategic Plan for ASEAN Community Vision 2045 highlights “energy transition” as a critical component of building a sustainable and resilient ASEAN. It emphasizes the need for a just energy transition that enhances human and institutional capacity, particularly for people in vulnerable situations. The plan advocates for the promotion of green jobs and skills, the adoption of circular economy approaches, and the mainstreaming of biodiversity and climate change into development processes. It also highlights the importance of cross-sectoral cooperation to stimulate sustainable growth, reduce vulnerability to climate change, and to ensure the availability of clean energy.

The ASEAN Connectivity Strategic Plan (2026-2035) integrates energy transition into its goals of enhancing regional connectivity and sustainability. It outlines specific initiatives such as promoting energy interconnection through the ASEAN Power Grid (APG) and the Trans-ASEAN Gas Pipeline (TAGP). The plan also focuses on accelerating the development of sustainable, accessible, and inclusive digital infrastructure. Encouraging investment in renewable energy and energy-efficient technologies is another key aspect, reflecting a commitment to a sustainable energy future that supports regional integration and economic growth.

Overall, the ACV 2045 and the various ASEAN Strategic Plans integrate the concept of energy transition into broader goals of sustainability, economic resilience, and regional cooperation. This reflects ASEAN’s holistic approach to achieving a sustainable and secure energy future, addressing both environmental and economic challenges.





5.3.1 Energy Transition Overview

Several ASEAN policies, guidance, and frameworks have been instrumental in driving the energy transition across AMS. The initiatives have provided a comprehensive roadmap for achieving sustainable energy goals, enhancing energy security, and addressing climate change. Some of the most significant policies and frameworks include:

- **ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2025.** The APAEC has been a cornerstone policy framework guiding ASEAN's energy cooperation and transition efforts.
- **ASEAN Power Grid (APG)** aims to establish a regional power grid to enhance electricity trade across ASEAN countries. This initiative supports the integration of renewable energy sources and improves energy security by optimizing the use of regional energy resources. The APG is expected to reduce the economic cost of decarbonization and the carbon footprint of the energy transition.¹⁰¹ ESCAP's work in 2024 on financing energy transition in Indonesia, Viet Nam and Philippines noted financing the ASEAN Power Grid requires addressing early-stage funding gaps, de-risking cross-border investments, and mobilizing large-scale capital.¹⁰²
- **The Trans-ASEAN Gas Pipeline (TAGP)** project focuses on developing a regional gas pipeline network to enhance energy security and accessibility. By integrating gas infrastructure across ASEAN, the TAGP supports the transition from coal to cleaner natural gas, facilitating the region's energy transition.
- **ASEAN Renewable Energy Targets** provides a set of ambitious renewable energy targets to increase the share of renewables in the energy mix. The region aims for a 23% share of renewable energy in TPES by 2025 and a 35% share in installed power capacity. These targets are supported by national policies and action plans in individual AMS, promoting the development and deployment of renewable energy technologies.
- **Energy Efficiency and Conservation (EE&C) Initiatives** were implemented to reduce energy consumption and improve energy intensity. These initiatives include setting minimum energy performance standards (MEPS) for appliances, promoting energy-efficient buildings, and implementing energy management systems in industries.
- **ASEAN Climate Change and Energy Project (ACCEPT)** initiative aimed to integrate climate change considerations into ASEAN's energy policies and planning. It focused on enhancing the capacity of AMS to develop and implement climate-resilient energy strategies, mobilizing climate finance, and promoting low-carbon technologies.

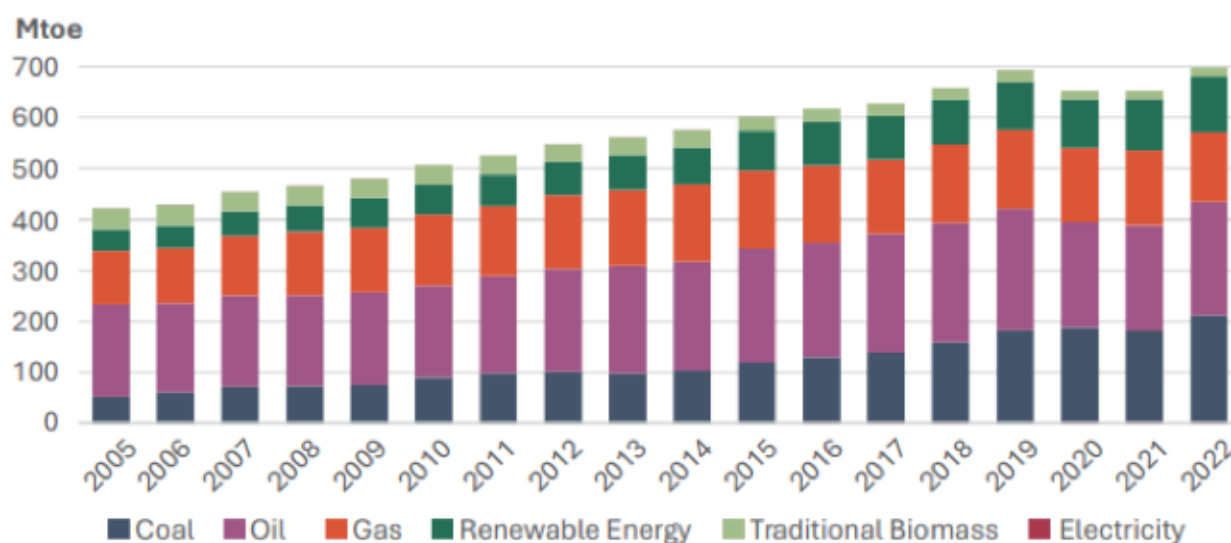
¹⁰¹ [https://asean.org/wp-content/uploads/2023/04/ASEAN-Plan-of-Action-for-Energy-Cooperation-APAEC-2021-2025-Phase-II-2021-2025.pdf](https://asean.org/wp-content/uploads/2023/04/ASEAN-Plan-of-Action-for-Energy-Cooperation-APAEC-2016-2025-Phase-II-2021-2025.pdf).

¹⁰² <https://thailand.un.org/en/156350-southeast-asian-energy-transition-partnership-etp-focus-region%E2%80%99s-pathways-low-carbon-future>.

- **ASEAN Green Finance Initiatives**, as previously mentioned, supported the funding of sustainable energy projects, including the development of green bonds, carbon pricing mechanisms, and renewable energy certificates (RECs). These financial instruments helped to attract private sector investment and reduce the financial risks associated with renewable energy projects.
- **ASEAN Energy Regulatory Network (AERN)** facilitated cooperation among energy regulators in ASEAN to harmonize regulatory frameworks and promote best practices. The network supports the development of a conducive regulatory environment for renewable energy and energy efficiency projects.
- **Heads of the ASEAN Power Utilities and Authorities (HAPUA)** facilitated cooperation among power utilities to support development of the ASEAN Power Grid and complementary initiatives in the areas of renewable energy and energy efficiency.
- **ASEAN Just and Inclusive Energy Transition Framework** emphasized the importance of a people-centric approach to energy transition, ensuring that the benefits of the transition are shared equitably across all communities. It includes measures to support people in vulnerable situations, provide retraining programs for displaced workers, and engage local communities in decision-making processes.

As of 2025, notable progress has been made in the ASEAN energy transition. These efforts have been driven by a combination of national policies, regional cooperation, and technological advancements (see Figure 10). The region has focused on increasing the share of renewable energy, enhancing energy efficiency, and developing sustainable energy infrastructure to meet growing energy demands while reducing greenhouse gas emissions.

Figure 10: ASEAN Total Primary Energy Supply by Fuel, 2005-2022



Source: <https://aseanenergy.org/wp-content/uploads/2024/09/8th-ASEAN-Energy-Outlook.pdf>.





Significant investments have been made in developing sustainable energy infrastructure, including the ASEAN Power Grid (APG) and the Trans-ASEAN Gas Pipeline (TAGP). These projects aim to enhance regional energy security and facilitate the integration of renewable energy sources. The APG, in particular, is expected to play a crucial role in optimizing energy systems and reducing the need for additional storage and generation capacity. Energy access has improved, with the region's electrification rate projected to reach 99.9% by 2030 and 100% by 2040. Efforts to provide universal access to clean cooking are also progressing, with several AMS expected to achieve 100% clean cooking access by 2030.

The region is making progress in reducing greenhouse gas emissions, with the ASEAN Target Scenario (ATS) projecting a 46.9% reduction in emissions by 2050 compared to the Baseline Scenario (BAS). The Regional Ambition Scenario (RAS) aims for a further 23% reduction compared to the ATS, and the Clean Net-zero Scenario (CNS) targets even more significant reductions through the implementation of net-zero measures and the adoption of low-carbon technologies. The energy transition is expected to create a significant number of new jobs, particularly in the renewable energy sector. For instance, the RAS project is expected to create 1.6 million new jobs in Viet Nam alone by 2045-2050.¹⁰³ However, there will also be job losses in the fossil fuel sector, highlighting the need for retraining programs and support for displaced workers to ensure a just and inclusive transition.

Despite the progress, challenges remain. While ambitious targets have been set, the implementation of policies varies across AMS. The following lists some of the key commitments made by individual AMS:¹⁰⁴

- **Brunei** has set ambitious targets to increase the share of renewable energy in its energy mix. The country aims to achieve at least 30% of renewable energy in its totalled capacity mix by 2035. Brunei is also focusing on energy efficiency measures and has introduced policies to promote the use of electric vehicles (EVs) and energy-efficient appliances.
- **Cambodia** has made significant strides in expanding its renewable energy capacity, particularly in solar power. The country aims to achieve a minimum of 70% renewable energy capacity by 2030. Cambodia is also working on improving energy efficiency and has set targets to reduce energy consumption in various sectors.
- **Indonesia** has set a target to achieve 23% renewable energy in its energy mix by 2025. The country is focusing on expanding its geothermal, solar, and wind energy capacities. Indonesia has also implemented policies to promote biofuel usage and aims to achieve a 30% biodiesel blending ratio by 2025. Additionally, Indonesia is investing in energy efficiency measures and has set targets to reduce energy intensity.

¹⁰³ <https://documents1.worldbank.org/curated/en/973841543238555966/pdf/129380-v4-WB-Vietnam-Future-Jobs-Main-report-English.pdf>.

¹⁰⁴ <https://aseanenergy.org/post/aseans-cops-energy-pledges-and-the-2026-2030-regional-energy-blueprint>

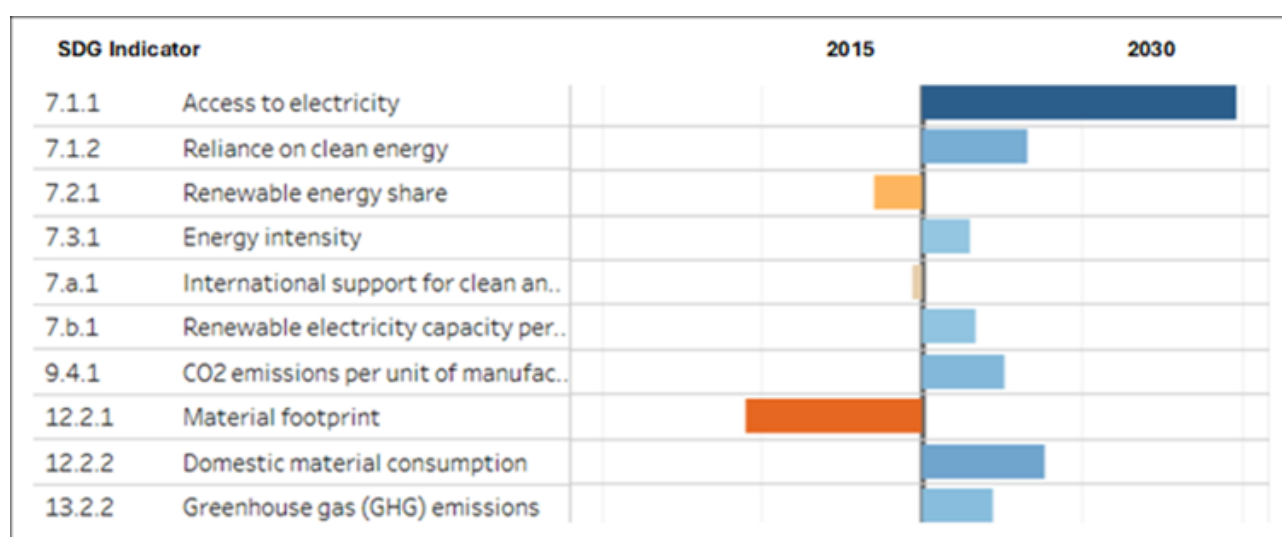
- **Lao PDR** is leveraging its abundant hydropower resources to achieve its energy transition goals. The country aims to increase the share of renewable energy in its total energy consumption to 30% by 2025. Lao PDR is also focusing on improving energy efficiency and has set targets to reduce energy consumption in various sectors.
- **Malaysia** has set a target to achieve 31% renewable energy in its power capacity mix by 2025 and 40% by 2035. The country is focusing on expanding its solar and biomass energy capacities. Malaysia is also promoting energy efficiency through various initiatives, including the implementation of Minimum Energy Performance Standards (MEPS) for appliances and energy management systems in industries.
- **Myanmar** is working on increasing its renewable energy capacity, particularly in hydropower and solar energy. The country aims to achieve 39% renewable energy in its electricity generation by 2030. Myanmar is also focusing on improving energy efficiency and has set targets to reduce energy consumption in various sectors.
- **The Philippines** has set ambitious targets to increase the share of renewable energy in its power generation mix to at least 35% by 2030 and more than 50% by 2040. The country is focusing on expanding its solar, wind, and geothermal energy capacities. The Philippines is also promoting energy efficiency through various initiatives, including the implementation of energy efficiency standards and labelling programs.
- **Singapore** is focusing on increasing its solar energy capacity and aims to achieve at least 2 GWp of solar energy by 2030. The country is investing in energy storage systems and smart grid technologies to enhance energy efficiency. Singapore has announced targets to import 6GW of low-carbon electricity by 2035. The country has also implemented policies to promote the use of electric vehicles and energy-efficient appliances.
- **Thailand** has set a target to achieve 30% renewable energy in its total energy consumption by 2037. The country is focusing on expanding its solar, wind, and biomass energy capacities. Thailand is also promoting energy efficiency through various initiatives, including the implementation of energy efficiency standards and labelling programs.
- **Viet Nam** has made significant progress in expanding its renewable energy capacity, particularly in solar and wind energy. The country aims to achieve 30% renewable energy in its total energy consumption by 2030. Vietnam is also focusing on improving energy efficiency and has set targets to reduce energy consumption in various sectors.



5.3.2 Energy Transition Gap Analysis

Ten SDG indicators were selected for measuring ASEAN's progress towards achieving the priority area of Energy Transition. Figure 11 below shows the selected SDG indicators and provides a starting point for understanding where Energy Transition stands in 2025. From the initial analysis and as shown in the figure below, seven of the ten SDG indicators showed improvement. Access to Electricity (7.1.1) showed the greatest progress and was close to meeting the UN 2030 target. By contrast, SDG Indicator 12.2.1 – Material Footprint, measured by material footprint per capita and material footprint per GDP, had significantly regressed. For the important SDG Indicator of Reliance on Clean Energy (7.1.2) nine of the ten AMS had improved.¹⁰⁵ Despite solid gains across most of the Energy Transition SDG Indicators, considerable improvement is still required to close the gap and achieve the UN SDG targets by 2030.

Figure 11: Baseline for New Priority Area of Energy Transition



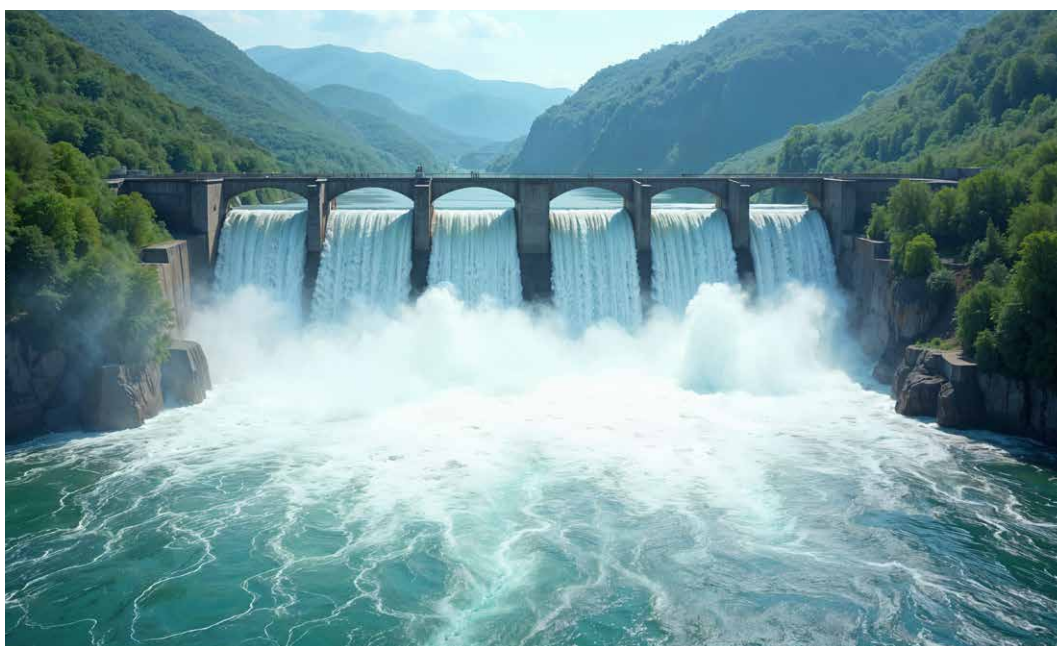
Source: ESCAP

ASEAN's slow energy transition can significantly impact the achievement of the SDGs. One of the critical areas affected by a slow transition is SDG 7 (Affordable and Clean Energy), which aims for universal access to affordable, reliable, and modern energy services by 2030. A slow energy transition can hinder progress in expanding energy access, particularly in remote and underserved areas, leaving millions without access to electricity and clean cooking solutions.

¹⁰⁵ Note of the ten indicators used for the new Priority Area of Energy Transition, five overlap with Green Finance. Specifically, 7.1.1., 7.2.1, 9.1.2, 9.4.1 and 13.2.2 are used for measuring both the new Priority Area of Energy Transition and Green Finance. ESCAP, ASEC, and/or AMS may wish to delineate more precisely between the measurement for each priority Area.

In regard to ASEAN's ambitious energy transition goals and the actual achievements on the ground, significant gaps continue to exist. For instance, the ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2025 set an aspirational target of achieving a 23% share of renewable energy in the total primary energy supply (TPES) and 35% in installed power capacity by 2025. However, the 8th ASEAN Energy Outlook released in late 2024 indicated that the region had only reached about 15.5% renewable energy share in TPES in 2022. While the target for renewable energy in installed capacity is more promising, having reached 33.6% in 2022, there is still a need for accelerated deployment to meet or exceed the 35% goal.

Financial mechanisms and investment also present a significant gap. Mobilizing climate finance and attracting private sector investment remain critical challenges. Many AMS struggle with limited fiscal space and insufficient credit ratings, making it critical to secure the necessary private capital for large-scale renewable energy projects.¹⁰⁶ The slow progress in climate and energy transition financing from developed-country partners, including the private sector, and multilateral development banks, further exacerbates this issue, hindering the region's ability to meet its ambitious energy transition goals.



Technological advancements and integration have also lagged behind targets. The adoption of advanced technologies, such as energy storage, smart grids, and low-carbon technologies, has been uneven across the region. Some AMS lack the technical expertise and infrastructure needed to integrate these technologies effectively, which hinders their ability to maintain grid stability and optimize the use of renewable energy sources.

¹⁰⁶ <https://aseanenergy.org/wp-content/uploads/2025/02/ASEAN-Energy-in-2025.pdf>.





For example, Cambodia, Malaysia, and Singapore have committed to the COP29 Global Energy Storage and Grids Pledge, aiming to deploy 1,500 GW of energy storage by 2030. Cambodia, Malaysia, Myanmar, and Singapore have also signed the COP29 Green Energy Zones and Corridors Pledge. However, other AMS have yet to sign the agreements, highlighting for example the uneven adoption of energy storage and other energy transition technologies across the region.¹⁰⁷ While Malaysia and Singapore are making strides, countries such as Cambodia and Myanmar face greater difficulties in accessing the necessary infrastructure and technical expertise to implement large-scale energy storage solutions effectively.

Energy security remains a concern, with many AMS continuing to rely heavily on fossil fuels, particularly natural gas, and coal. This reliance poses energy security risks, making the region vulnerable to supply disruptions and price volatility in the global energy market. The slow transition away from fossil fuels also hampers efforts to reduce greenhouse gas emissions and achieve climate goals.

For example, Indonesia is one of the world's largest coal producers and exporters. Despite efforts to diversify its energy mix, coal remains a dominant energy source for domestic power generation. This heavy reliance on coal poses energy security risks, particularly in terms of supply disruptions and price volatility. In this context, the Domestic Market Obligation (DMO) policy serves as a strategic instrument to ensure a stable coal supply for domestic needs. Although the DMO has been effective in maintaining energy stability, ongoing discussions highlight the importance of balancing domestic energy requirements with the dynamics of international markets and the broader objectives of Indonesia's energy transition. For instance, in 2021, Indonesia faced a coal supply crisis due to a combination of export restrictions and domestic supply shortages, leading to power outages and highlighting the vulnerabilities associated with over-reliance on a single energy source.¹⁰⁸

Regional cooperation and integration have seen slow progress, despite initiatives like the ASEAN Power Grid (APG) and the Trans-ASEAN Gas Pipeline (TAGP). The development of cross-border energy infrastructure requires high levels of political trust, technical harmonization, and substantial investments, which can benefit from coordination and neutral convening platforms such as the UN. Additionally, the lack of standardized regulations and data-sharing frameworks has complicated regional cooperation and slowed down the integration process. These and other issues may be addressed by the enhanced APG MOU, which is expected to be adopted in 2025.

For example, the Trans-ASEAN Gas Pipeline (TAGP) aims to interconnect existing and planned gas pipeline infrastructure within ASEAN to ensure greater security of gas supply. As of 2025, 13 bilateral connections have been established, with a total of 3,673 kilometres of pipeline connections. However, the development of multilateral pipeline projects has

¹⁰⁷ <https://aseanenergy.org/wp-content/uploads/2025/03/ASEAN-Energy-Booklet-2025-Vol-1.pdf>.

¹⁰⁸ <https://www.iges.or.jp/en/projects/acccsap2024>.

been slow due to the need for technical harmonization and the establishment of regulatory frameworks. The eleven operational regasification terminals (RGTs) in five countries (Indonesia, Malaysia, Singapore, Thailand, and Myanmar) highlight progress, but challenges such as gas source shortages and huge investment requirements remain.

Ensuring a just and inclusive energy transition remains a significant challenge. People in vulnerable situations, including those in remote and underserved areas, often lack access to modern energy services. It has proven difficult to develop and implement targeted policies and programs that support people in vulnerable situations, provide retraining opportunities for displaced workers, and engage local stakeholders in decision-making processes.

For example, the Philippines' efforts to promote renewable energy in off-grid areas have faced difficulties due to high costs and logistical challenges. The Solar Power Initiative aimed at providing solar energy to remote islands has seen limited success due to funding constraints and technical issues. These challenges underscore the need for more robust and well-funded policies to support people in vulnerable situations.¹⁰⁹

Therefore, while ASEAN has made significant progress in its energy transition efforts, several gaps remain between ASEAN's ambitious goals and actual achievements. Addressing these challenges requires coordinated efforts, involving regional and international actors. Additionally, innovative financial mechanisms – such as carbon markets, green bonds and blended finance- must be leveraged to mobilize capital. Technological advancements, and inclusive policies will also be critical for ensuring a sustainable and equitable energy future for the region:

- **Coordinated** efforts, involving regional and international actors. Additionally, innovative financial mechanisms – such as carbon markets, green bonds, and blended finance must be leveraged to mobilize capital.
- **Technological** advancements, and
- **Inclusive** policies will also be critical for ensuring a sustainable and equitable energy future for the region.

¹⁰⁹ <https://aseanenergy.org/wp-content/uploads/2025/01/A-Guide-to-a-Just-and-Inclusive-Energy-Transition-in-ASEAN.pdf>.





5.4 Effective Digital Transformation

Effective digital transformation has become increasingly important in ASEAN. The COVID-19 pandemic significantly accelerated digital transformation across the ASEAN region. As businesses and governments confronted unprecedented challenges, digital technologies became essential for maintaining operations, enabling remote work, and ensuring continuity of services. The ASEAN Comprehensive Recovery Framework (ACRF) and the Ha Noi Declaration on the ASEAN Community's Post-2025 Vision emphasized the need for inclusive digital transformation to address emerging opportunities and social challenges.¹¹⁰

The ACV 2045 highlights effective digital transformation as essential for ASEAN's future economic and social development. It envisions creating a leading and connected Digital and Technological Community with an open, interoperable, secure, and trusted digital ecosystem supported by advanced digital services. This transformation aims to leverage advanced technologies to enhance economic integration, promote digital innovation and cybersecurity, and improve digital connectivity within and between AMS. The ACV 2045 emphasizes the importance of ensuring that all segments of society, including people in vulnerable situations benefit from digital transformation.

The APSC Strategic Plan recognizes the urgent need to bolster ASEAN's capabilities in crime prevention and within its criminal justice systems. This emphasis is a direct response to the pervasive and escalating threat of transnational crimes, which have become more sophisticated and widespread due to accelerated digitalization. The plan specifically highlights the rise of online scams as a key concern, acknowledging how the digital landscape provides fertile ground for these illicit activities to flourish across borders. Consequently, the APSC Strategic Plan advocates for enhanced cooperation and capacity building among member states to effectively address these new forms of crime. This includes initiatives to improve legal frameworks, strengthen law enforcement coordination, and leverage technology to better detect, investigate, and prosecute digital crimes. The goal is to create a more resilient and secure regional environment that can withstand the complex challenges posed by modern criminal networks.

In the ASEAN Connectivity Strategic Plan, effective digital transformation is framed as a pivotal element for enhancing ASEAN's connectivity and economic integration. The plan emphasizes the creation of a continuously innovative digital ecosystem that advances cybersecurity, supports efficient cross-border data flows, and promotes digital inclusion. It highlights the need to adopt frontier technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), and big data to unlock the region's digital economic potential. The ASEAN Connectivity Strategic Plan also underscores the importance of addressing the

¹¹⁰ <https://theaseanmagazine.asean.org/article/accelerating-digital-transformation-and-embracing-growth-in-the-asean-socio-cultural-community-asccl/>.

¹¹⁵ https://asean.org/wp-content/uploads/2021/10/Bandar-Seri-Begawan-Roadmap-on-ASEAN-Digital-Transformation-Agenda_Endorsed.pdf.

digital divide and ensuring safe, inclusive access to digital technologies and services for all segments of society, including underserved communities. Overall, digital transformation is portrayed as a key driver for fostering a resilient, competitive, adaptive, and inclusive ASEAN community capable of navigating future challenges and opportunities.

5.4.1 Effective Digital Transformation Overview

By 2025, ASEAN had made significant strides in achieving its goal of digital transformation. ASEAN had seen substantial improvements in digital infrastructure, with increased broadband penetration and enhanced connectivity, particularly in underserved areas. Efforts to promote digital literacy and skills had also progressed to ensure more inclusive access to digital technologies.¹¹⁵ Specifically, ASEAN has undertaken the following key initiatives:

- **ASEAN Digital Masterplan 2025:** This comprehensive plan outlines strategies to enhance digital infrastructure, promote digital literacy, and ensure inclusive access to digital technologies across the region.¹¹²
- **ASEAN Digital Integration Framework Action Plan (DIFAP) 2019-2025:** DIFAP focuses on six priority areas, including digital trade, data governance, and cybersecurity, to facilitate seamless digital integration within ASEAN.¹¹³
- **ASEAN E-commerce Agreement (2019):** This agreement aims to create a conducive environment for e-commerce growth by harmonizing regulations, enhancing consumer protection, and promoting cross-border e-commerce.
- **Bandar Seri Begawan Roadmap (BSBR) 2021:** The BSBR highlights key actions from existing ASEAN initiatives to accelerate digital transformation, focusing on digital infrastructure, regulatory frameworks, and digital skills development.
- **ASEAN Comprehensive Recovery Framework (ACRF) 2020:** As part of the region's COVID-19 recovery efforts, the ACRF emphasizes the importance of digital transformation in economic recovery and resilience.
- **Promotion of Digital Literacy and Skills:** Various programs and workshops have been conducted to improve digital literacy and skills among ASEAN citizens, ensuring that all segments of society can benefit from digital advancements.¹¹⁴

¹¹² https://asean.org/wp-content/uploads/2021/10/Bandar-Seri-Begawan-Roadmap-on-ASEAN-Digital-Transformation-Agenda_Endorsed.pdf.

¹¹³ <https://asean.org/wp-content/uploads/2021/01/ASEAN-Digital-Integration-Framework-Action-Plan-DIFAP-2019-2025.pdf>.

¹¹⁴ <https://asean.org/our-communities/economic-community/asean-digital-sector/>.





Furthermore, ASEAN has made progress in creating a secure and interoperable digital ecosystem, supported by robust cybersecurity measures as well as the adoption of frontier technologies such as AI, IoT, and big data. Moreover, ASEAN has also made headway in facilitating cross-border digital trade and data flows, contributing to greater economic integration and competitiveness.¹¹⁵

ASEAN's approach to digital transformation is marked by a strong commitment to tackling the inherent challenges it faces. These challenges encompass the persistent digital divide, the constantly evolving landscape of cybersecurity threats, the uneven distribution of internet access across AMS, and the hurdles encountered by MSMEs in adopting digital technologies. Overall, ASEAN has established itself as a prominent digital community. It has promoted digital transformation for sustainable growth and resilience, while remaining cognizant of the challenges that accompany this transformation.

5.4.2 Effective Digital Transformation Gap Analysis

The selected SDG indicators for measuring Effective Digital Transformation are shown in Figure 12 below. It provides a starting point for understanding the status of Effective Digital Transformation in 2025. For the initial analysis, six SDG indicators were selected, and Figure 12 below shows that all six indicators had improved. Particularly impressive was the improvement in Population covered by a mobile network (9.c.1), which was close to meeting its UN 2030 target. The proportion of individuals using the Internet (17.8.1) also showed considerable improvement. For both 9.c.1 and 17.8.1 all 10 AMS and Timor-Leste showed improved performance. Even with extensive mobile network coverage, a significant portion of the ASEAN Member States (AMS) population still lacks the digital skills and literacy needed to fully utilize digital technologies. Despite improvement across all six indicators, it will require significant efforts for at least four of the SDG indicators (9.4.1, 9.5.1, 9.5.2 and 17.6.1) to meet the UN SDGs goals for ASEAN Digital Transformation by 2030.

Figure 12: Baseline for New Priority Area of Effective Digital Transformation



Source: ESCAP

¹¹⁵ <https://www.reedsmith.com/en/perspectives/2025/02/asean-digital-ministers-meeting>.

The assessment of ASEAN's digital transformation, guided by selected SDG indicators, can be enriched through the integration of complementary data sources. This multi-faceted approach offers a more comprehensive understanding of the region's progress and challenges in achieving an effective digital economy. For instance, the Regional Digital Trade Integration Index (RDTII)¹¹⁶ provides insights into the existing disparities within ASEAN's digital economy regulatory and policy frameworks. Comprising 12 distinct policy pillars directly relevant to digital trade, the RDTII empirically highlights the current divergence among ASEAN member states. This divergence in policy approaches can have implications for regional digital integration and the seamless flow of digital goods and services.

To deepen this analysis, the RDTII can be effectively complemented by the Trade Digitalization Index (TDI).¹¹⁷ While the RDTII focuses on policy and regulatory landscapes, the TDI offers a practical perspective on the implementation of digital trade by illustrating the variations in cross-border paperless trade procedures across ASEAN. The TDI specifically reveals divergences in the adoption and effectiveness of digital tools and processes for facilitating international trade, such as e-documentation, digital customs procedures, and electronic payments. By examining both the regulatory intent (RDTII) and the practical application (TDI), a more holistic picture emerges, showing areas where policy harmonization or capacity-building efforts are most needed to accelerate ASEAN's collective digital transformation.



¹¹⁶ See: <https://www.unescap.org/projects/rdtra>.

¹¹⁷ See: <https://public.tableau.com/app/profile/escap.trade.team/viz/RegionalDigitalTradeRegulatoryIntegrationIndexDashboard/RDTIIdashboard2023>





Based on the data, despite significant progress, ASEAN still faces several gaps and challenges in achieving effective digital transformation. The gaps ASEAN faces in achieving effective digital transformation can be grouped as follows:¹¹⁸

- **Digital Divide:** There is a significant disparity in digital infrastructure and access to digital technologies between and within AMS. Rural and remote areas often lack reliable internet connectivity, which limits their participation in the digital economy.
- **Cybersecurity Concerns:** As digital transformation progresses, cybersecurity threats are becoming more prevalent. ASEAN will need to strengthen its cybersecurity frameworks and practices to protect digital ecosystems and build trust in digital services.
- **Regulatory and Policy Harmonization:** There continue to be inconsistencies in digital regulations and policies across AMS. The differences in policy and regulations create barriers to seamless digital integration. Harmonizing these regulations is crucial for facilitating cross-border digital trade and data flows.¹¹⁹
- **Investment in Digital Infrastructure:** While there have been improvements, additional investments in digital infrastructure are necessary to keep pace with technological advancements and ensure widespread access to high-speed internet.
- **Support for MSMEs:** MSMEs often face challenges in adopting digital technologies due to limited resources and knowledge. Providing targeted support and incentives can help them integrate into the digital economy.¹²⁰

¹¹⁸ <https://asean.org/wp-content/uploads/2021/08/ASEAN-Digital-Masterplan-2025.pdf>.

¹¹⁹ https://asean.org/wp-content/uploads/2021/10/Bandar-Seri-Begawan-Roadmap-on-ASEAN-Digital-Transformation-Agenda_Endorsed.pdf.

¹²⁰ <https://asean.org/wp-content/uploads/2021/01/ASEAN-Digital-Integration-Framework-Action-Plan-DIFAP-2019-2025.pdf>.

- **Inclusive Digital Transformation:** Ensuring that all segments of society, including people in vulnerable situations, benefit from digital advancements remains a challenge. Inclusive policies and programs are increasingly needed to address this issue.
- **Human Resources:** There is limited expertise in leading digital initiatives. Government institutions might also be experiencing staff pushback or reluctance to engage in digital transformation. Many government employees may be unfamiliar with new digital systems or hesitant to adopt them due to concerns about job security.

Not all AMS face the same level of challenges in breaching the digital divide. A fundamental gap lies in the digital divide, manifesting as unequal access to infrastructure and affordable internet, particularly impacting rural populations in AMS such as Cambodia, Laos, Myanmar, Indonesia, and the Philippines. Furthermore, varying levels of digital literacy across the region, from basic usage to advanced skills, hinder the effective participation of citizens in the digital economy. For instance, countries such as Cambodia and the Philippines grapple with a large segment of the population lacking the skills to leverage digital tools for productive purposes.

Another critical area of divergence lies in regulatory and policy frameworks.¹²¹ Manifold regulations in crucial areas such as data protection, e-commerce regulations, and cybersecurity protocols across AMS such as Indonesia and Thailand add layered procedures for regional businesses and challenge the development of a seamless ASEAN digital market. Moreover, the effectiveness of implementing and enforcement of existing digital frameworks varies significantly, with some AMS lacking the institutional capacity or legislative determination to translate regional agreements into national action. This patchwork of regulations can stifle cross-border digital trade and investment, hindering the realization of a truly integrated ASEAN digital economy.

Disparities also occur in infrastructure and connectivity, alongside security concerns, further differentiating the digital transformation journeys of AMS. Significant contrasts in internet speeds and the availability of reliable broadband between digitally advanced nations like Singapore and least developed countries like Cambodia and Myanmar underscore the infrastructure gap. Additionally, varying levels of public trust in digital platforms due to data privacy and cybersecurity concerns, coupled with differing capacities to address cyber threats, impact the willingness of citizens and businesses to fully embrace digital transactions and services across the ASEAN region. Addressing these multifaceted and interconnected gaps through targeted national strategies and sustained regional collaboration will be crucial for achieving effective and inclusive digital transformation for all AMS.

¹²¹ See RDTII (<https://public.tableau.com/app/profile/escap.trade.team/viz/RegionalDigitalTradeRegulatoryIntegrationIndexDashboard/RDTIIdashboard2023>).





5.5 Networking and Partnerships

The ACV 2045 emphasizes the importance of partnerships in several key areas. Foremost, it highlights the need to strengthen ASEAN Centrality, ensuring ASEAN remains the driving force in the political, economic, and socio-cultural development of Southeast Asia and in its interactions with external partners. This involves deepening connectivity and cohesiveness within the global community, ensuring that ASEAN remains a trusted and central player in international affairs.

Economic relations with external partners are a significant focus of the ACV 2045. The vision includes maintaining strong and mutually beneficial economic ties, anchored in agreements and other forms of cooperation. These partnerships are designed to bolster innovation, share knowledge, build capacity, and strengthen sectoral cooperation, thereby enhancing ASEAN's economic resilience and competitiveness.

Public-private partnerships are another critical aspect mentioned in the ACV 2045. These partnerships are seen as vital for supporting skills development, enhancing labour mobility, improving working conditions and aligning with ASEAN's sustainability agenda. By involving both public and private sectors, ASEAN aims to address various socio-economic challenges more effectively.

The ACV 2045 also highlights the importance of promoting synergies with key connectivity initiatives as well as stronger cross-pillar and cross-sectoral coordination. ASEAN plans to adopt a whole-of-Community approach to enhance connectivity by aligning with other sub-regional and multilateral cooperation frameworks. This strategy is intended to create a more integrated and cohesive ASEAN Community, capable of managing future urban growth and leveraging modern technologies and innovative infrastructure for sustainable development.

The AEC Strategic Plan, APSC Strategic Plan, and ASCC Strategic Plan collectively emphasize the importance of partnerships. For example, the APSC Strategic Plan highlights the importance of ASEAN to sustain and reinforce its centrality in forging new and potential partnerships, including other regions and relevant regional organisations. The AEC Plan aims to intensify partnerships among the public sector, private industries, academia, and civil societies. It emphasises enhancing economic cooperation with external partners, strengthening collaboration between the private sector and knowledge communities, and mobilizing resources. The ASCC also emphasises partnership in its implementation and review section of its Strategic Plan.

5.5.1 Networking and Partnerships Overview

ASEAN has achieved significant progress in fostering partnerships across its three pillars and deepening connectivity and cohesiveness within the global community. Against the backdrop of heightened geopolitical tensions, economic uncertainty, and persistent security challenges at both the regional and global levels, ASEAN continues to strengthen and expand its external relations. Likewise, external parties have shown a growing interest in acceding to the Treaty of Amity and Cooperation in Southeast Asia (TAC).

The AEC has facilitated numerous internal partnerships to enhance economic integration and competitiveness among AMS. One significant initiative is the signing of the Mutual Recognition Arrangement (MRA) for Authorised Economic Operator (AEO) Programmes. This arrangement, signed by all 10 Customs Administrations of AMS in September 2023, aims to provide a predictable and transparent trading environment within ASEAN. By reducing regulatory burdens and facilitating the movement of goods, the MRA enhances intra-ASEAN trade, promoting economic growth and integration within the region.

The ASCC pillar has also fostered robust partnerships and extensive networks across various sectors, both within ASEAN member states and with external partners. Through its strategic emphasis on human-centric development, the ASCC has established and leveraged numerous platforms and initiatives that facilitate inter-governmental, civil society, academic, private sector, and multilateral cooperation. This includes establishing networks such as the ASEAN Women Entrepreneurs' Network (AWEN), the ASEAN Social Work Consortium (ASCW), and the ASEAN Research Network on Ageing, which facilitate knowledge sharing, capacity building, and joint projects. ASCC's commitment to regional challenges, including but not limited to disaster risk reduction, public health security, poverty alleviation, and environmental sustainability, has led to a focus on multi-stakeholder engagement, reinforcing diplomatic ties and fostering trust among a broad range of regional and international actors.

ASEAN's economic partnerships with external partners are facilitated through various mechanisms, including free trade agreements (FTAs), comprehensive economic partnerships, and strategic dialogues. These partnerships aim to enhance trade, investment, and economic cooperation, fostering regional integration and global connectivity. For example, ASEAN has established FTAs with key partners such as China, Japan, South Korea, India, Australia, and New Zealand, collectively known as the ASEAN+6. Additionally, the Regional Comprehensive Economic Partnership (RCEP) agreement, which includes ASEAN and its FTA partners, represents the world's largest trade bloc, promoting economic growth and development. ASEAN also engages in strategic dialogues and partnerships with the United States, the European Union, and other global entities, focusing on areas such as the digital economy, sustainable development, and innovation.





ASEAN's internal political-security partnerships focus on enhancing cooperation and integration among AMS to ensure regional stability and security. The ASEAN Defence Ministers' Meeting (ADMM) serves as a key platform for dialogue and collaboration on defence and security issues. Through initiatives such as the Mutual Recognition Arrangement (MRA) for Authorised Economic Operator (AEO) Programmes, ASEAN aims to create a predictable and transparent trading environment, thereby enhancing intra-ASEAN trade and security. The Vientiane Joint Declaration of the ADMM in November 2024 highlighted the progress and achievements of ADMM initiatives, which contribute to regional peace, security, and resilience.¹²²

ASEAN's political-security partnerships with external partners are facilitated through mechanisms such as the ADMM-Plus, which includes ASEAN and its eight Dialogue Partners.¹²³ The ADMM-Plus platform has been instrumental in strengthening defence and security cooperation through practical cooperation and capacity-building initiatives. For example, the ADMM-Plus focuses on areas such as maritime security, counterterrorism, humanitarian assistance and disaster management, peacekeeping operations, military medicine, humanitarian mine action, and cybersecurity. These partnerships enhance regional security and stability by promoting mutual trust, confidence, and collaboration on shared security challenges.¹²⁴

Public-private partnerships (PPPs) also play a crucial role in driving ASEAN's economic development and integration. By fostering collaboration between the public and private sectors, PPPs leverage the expertise, resources, and innovation capabilities of private enterprises to support public infrastructure and services. ASEAN encourages PPPs to mobilize private sector investment in key areas such as digital infrastructure, renewable energy, and transportation. These partnerships help bridge funding gaps, enhance project efficiency, and promote sustainable development. Additionally, PPPs facilitate knowledge transfer and capacity building, enabling AMS to benefit from the latest technologies and best practices. By integrating PPPs into its economic strategy, ASEAN can accelerate its development goals and create a more resilient and competitive regional economy.

Public-private partnerships (PPPs) also play a crucial role in ASEAN's political-security landscape by leveraging the expertise, resources, and innovation capabilities of the private sector to support public security initiatives. By integrating PPPs into its political-security strategy, ASEAN has been able to enhance its capacity to address both traditional and non-traditional security threats, ensuring a more resilient and secure region. These partnerships enable the region to leverage private sector expertise, resources, and innovation, ultimately contributing to a safer and more stable ASEAN.

¹²² <https://admm.asean.org/index.php/about-admm/about-admm-plus.html>.

¹²³ ASEAN eight Dialogue Partners are: Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and the United States.

¹²⁴ <https://asean.org/the-11th-asean-defence-ministers-meeting-plus-admm-plus-convenes-in-vientiane-lao-pdr/>.

5.5.2 Networking and Partnerships Gap Analysis

To measure Partnerships progress, six SDG Indicators were initially selected. Annex E and Figure 13 below show the six indicators were all taken from SDG 17 - Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. Figure 13 below shows that by 2025 progress had been made across all five indicators. Commitments to public-private partnerships (17.17.1) and ODA for technical cooperation (17.9.1) had shown steady though not spectacular progress.

At the individual AMS level, the result was more mixed. For 17.17.1 (public-private partnerships), four AMS had shown improvement, four had stagnated and insufficient data was available for the remaining two AMS. A similar picture emerged for 17.9.1 (ODA for technical cooperation), with four AMS showing improved performance, four stagnating and two AMS for which the indicator was not applicable (Brunei Darussalam and Singapore). Despite improvement across all the selected SDG Partnership indicators, significant efforts are still required, especially for indicators 17.12.1 (Average tariff applied by developed countries (LDCs) and 17.6.1 (Fixed Internet broadband subscription). Significant efforts will be required for ASEAN to meet the UN SDGs goals set for Partnership by 2030.

Figure 13: Baseline for New Priority Area of Partnerships



Source: ESCAP

Across AEC, APSC, and ASCC, the development of robust partnerships, both internally and with external actors, has been hampered by several key gaps. Internally, significant development disparities among member states create a “two-tiered ASEAN,” complicating region-wide initiatives. The term “two-tiered ASEAN” refers to the significant development disparities among the ten member states. This generally categorizes the older, more developed members (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, and Thailand – ASEAN-6) and the newer, less developed members (Cambodia, Lao PDR, Myanmar, and Viet Nam – CLMV). These disparities manifest across various indicators, including economic development, infrastructure, human capital, and institutional capacity. Such differences complicate region-wide initiatives by requiring differentiated approaches, varying capacities



for implementation, and potential challenges in achieving uniform progress or integration across all member states.¹²⁵ Moreover, sub-regional frameworks in the region such as Ayeyawady – Chao Phraya – Mekong (ACMECS), Cambodia – Lao PDR – Myanmar – Viet Nam (CLMV), Greater Mekong Sub-region (GMS), Brunei Darussalam – Indonesia – Malaysia – Philippines East Asian Growth Area (BIMP-EAGA), Indonesia – Malaysia – Thailand Growth Triangle (IMT GT) have been insufficiently leveraged to address these intra-ASEAN disparities. Given their geographic scope, knowledge of local conditions as well as resources from development partners, sub-regional cooperation frameworks are highly effective in designing and carrying out context-specific solutions and projects to support the implementation of ASEAN and global SDGs.

Different national priorities and strategic interests can also impede the formation of unified regional positions. While numerous agreements exist, implementation gaps at the national level often undermine their impact. Limited institutional capacity within ASEAN bodies and the traditional norms of non-interference and consensus can also constrain ASEAN's ability to address internal challenges and formulate unified external responses.

In terms of external partnerships, the tension between ASEAN centrality and external power dynamics presents a major challenge, with competing initiatives potentially marginalizing ASEAN's role. For example, the Indo-Pacific Economic Framework for Prosperity (IPEF), while presented as a flexible framework for economic cooperation focused on pillars such as trade, supply chains, and clean economy, involve some, but not all, ASEAN members.



¹²⁵ https://lkyspp.nus.edu.sg/docs/default-source/default-document-library/csa7_denishew.pdf?sfvrsn=1be6350a_0

IPEF's selective membership among ASEAN states undermines the principle of ASEAN's unified approach to external partners. IPEF, while not a traditional free trade agreement, overlaps with some of the economic cooperation areas already being addressed or planned within other ASEAN-led initiatives. This creates a situation where ASEAN members might be pulled in different directions. Thus, diluting the focus and effectiveness of existing ASEAN-centric partnerships.¹²⁶

Varying levels of engagement and trust with dialogue partners and a potential lack of perceived reciprocity can also hinder deeper collaboration with external partners. For example, ASEAN has Comprehensive Strategic Partnerships (CSPs) with several dialogue partners, including Australia, China, and the United States. However, the depth and focus of engagement can vary significantly. Some partnerships prioritize economic cooperation, while others focus more on political-security issues. This uneven engagement can lead to some external partners having greater influence or access than others, potentially creating imbalances.

Coordinating ASEAN's engagement with a growing number of external actors with diverse agendas adds another layer of complexity. ASEAN has ten Dialogue Partners and several Sectoral Dialogue Partners, each with its own cooperation mechanisms and priorities. Coordinating ASEAN's interactions across these numerous partnerships, ensuring coherence, and avoiding duplication of efforts, requires significant resources and diplomatic skill. Differences in the preferred engagement styles and bureaucratic processes of external partners can further complicate this coordination.

In regard to developing effective Public-Private Partnerships (PPPs) across ASEAN a number of hurdles exist. Regulatory uncertainty and inconsistencies across member states deter private investment, while the high upfront costs and challenges in risk allocation can make projects less attractive. Limited expertise and capacity in some member states to manage complex PPPs, a lack of bankable projects, and difficulties in stakeholder coordination further compound these challenges. Addressing these multifaceted gaps is essential for ASEAN to strengthen its internal cohesion and build more impactful partnerships that advance its community-building objectives across all three pillars.

The development of robust partnerships across ASEAN's three pillars faces internal hurdles such as development disparities, differing national priorities, implementation gaps, and institutional limitations. Externally, ASEAN grapples with maintaining its centrality amidst competing major power initiatives, varying levels of trust and engagement with dialogue partners, and complex coordination challenges. Furthermore, fostering effective PPPs is hindered by regulatory inconsistencies, high costs, limited expertise, a lack of viable projects, and difficulties in stakeholder coordination. Addressing these multifaceted gaps is crucial for strengthening ASEAN's internal cohesion and external impact.

¹²⁶ Laksmna, E. A. (2025). ASEAN Centrality and Its Narratives in an Evolving Regional Order. E-International Relations. Retrieved from <https://www.e-ir.info/2025/03/26/asean-centrality-and-its-narratives-in-an-evolving-regional-order/>



06

Recommendations and Conclusion





Recommendation

The following chapter focuses on recommendations that emerge from the five new priority areas identified and discussed in the previous chapter. The recommendations set out here are directly related to the five priority areas and focus on practical policies or actions. They are based on ASEAN existing priorities as identified in various documents and align with the core principles and objectives of ASEAN. Essential elements and core ASEAN principles that are reflected in the recommendations include:

- i) Respect for Sovereignty and Non-Interference;
- ii) Consensus and Consultation;
- iii) ASEAN Centrality; and
- iv) Unity in Diversity.

6.1 Streamlining Institutional Mechanisms

The initial recommendation focuses on improving efficiency and effectiveness the ASEAN SDG forums. ASEAN has established several institutional mechanisms to address the implementation of the UN 2030 Agenda for Sustainable Development. There is a compelling argument for streamlining the ASEAN mechanisms that have a strong focus on the SDGs into a single, more cohesive forum. Along with any streamlining, there should be a single system or mechanism for tracking progress. Consolidation along with a unified reporting mechanism would enhance efficiency, reduce redundancy, and promote a more integrated approach for achieving the SDGs within the ASEAN context. The existing mechanisms or platforms are:

- ASEAN Outlook on the Indo-Pacific (AOIP) Forum on Sustainable Development, organised by ASEAN.
- High-Level Brainstorming Dialogue (HLBD) on Enhancing Complementarities between the ACV 2025 and the UN 2030 Agenda for Sustainable Development, jointly organised by ASEAN and UN ESCAP.
- ASEAN Forum on SDGs with National Development Planning Agencies, organised by ASEAN.
- South-East Asia Multi-Stakeholder Forum on the Sustainable Development Goals, organised by UN ESCAP.¹²⁷
- ASEAN Circular Economy Forum organised by ASEAN in collaboration with various partners.

Several arguments can be made for streamlining these mechanisms.¹²⁸ The HLBD, ASEAN Forum on SDGs, and the South-East Asia Multi-Stakeholder Forum all share a primary focus on SDG implementation in Southeast Asia. Specifically:

- The HLBD aims to ensure that ASEAN's long-term development plans, as outlined in the ACV 2025, are coherent with the global SDG framework. This involves identifying synergies and potential gaps between the two agendas.
- The ASEAN Forum on SDGs with National Development Planning Agencies works to operationalize the SDGs by integrating them into the core planning processes of AMS. It seeks to foster a coordinated approach to SDG implementation at the national level.
- The South-East Asia Multi-Stakeholder Forum on the Sustainable Development Goals broadens the engagement to include non-governmental actors, recognizing that achieving the SDGs requires a collaborative effort from all segments of society.

¹²⁷ Note, consolidating the South-East Asia Multi-Stakeholder Forum on the Sustainable Development Goals into a single mechanism will require working with UN ESCAP as they are the organisers for this forum.



- SEAN Circular Economy Forum serves as a critical platform to accelerate the adoption of circular economy principles across the ASEAN region, recognizing that this transition is not just an environmental imperative but also a powerful driver for achieving a wide range of interconnected Sustainable Development Goals.



While the AOIP has a wider scope, emphasizing ASEAN's vision for the Indo-Pacific, it also acknowledges the importance of sustainable development. The ASEAN Leaders' Declaration on the AOIP highlights key areas of cooperation, including sustainable development and promoting prosperity. This demonstrates a clear link between the AOIP and the SDG agenda. As mentioned in ASEAN documents, the AOIP is based on the principles of among others, "sustainable development," and seeks to "promote prosperity and development" in the Indo-Pacific region.¹²⁹ The ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) can play a key role in linking the AOIP with the SDGs, further demonstrating the interconnection between these mechanisms.

Furthermore, the AOIP can serve as an umbrella for cooperation with interested external partners in the Indo-Pacific region on sustainable development. This will ensure ASEAN's role remains central in shaping cooperation in the wider Indo-Pacific region.

¹²⁹ See: https://asean.org/wp-content/uploads/2024/10/3-Final_ALD-on-the-AOIP-for-the-Future-Ready-ASEAN-and-ASEAN-Centered-Regional-Architecture.pdf, and https://www.asean.org/wp-content/uploads/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf.

Maintaining separate forums for all four interconnected aspects of SDG implementation leads to inefficiencies and potential redundancies. For example:

- Separate meetings often involve the same government officials, experts, and stakeholders, requiring them to allocate time and resources to multiple events.
- Reports and action plans produced by different forums frequently cover similar ground, leading to duplication of effort in data collection, analysis, and monitoring.
- Opportunities for synergy and cross-fertilization of ideas may be missed due to the fragmented nature of these mechanisms.

Achieving the SDGs requires a coherent and integrated strategy that addresses the interconnected nature of the goals and progress is measured through a single universal reporting mechanism. The current fragmented approach, with multiple forums operating in silos, can hinder the development and implementation of such a strategy. A consolidated forum and reporting mechanism would:

- Facilitate a more holistic understanding of the interlinkages between different SDGs and their relevance to the ASEAN context.
- Enable the development of comprehensive action plans that address multiple SDGs simultaneously.
- Promote a more coordinated approach to resource mobilization and allocation for SDG implementation.
- Use a single mechanism to track progress, with regular reporting and the use of comparable indicators across ASEAN Member States.

A consolidated forum and reporting mechanism would strengthen ASEAN's leadership role in driving SDGs implementation in the region. By presenting for SDG-related discussions and initiatives a unified platform with a common reporting mechanism, ASEAN can:

- Enhance its credibility and influence with external partners, including the UN and international financial institutions.
- Promote greater accountability and transparency in SDG implementation across member states.
- Facilitate the sharing of best practices and lessons learned among ASEAN members.





6.1.1 A Proposal for Streamlining SDG Forums

Recommendation 1a: To address inefficiencies and streamline forums, it is proposed that the various platforms with a strong SDG focus be consolidated into a single forum convened back-to-back during the “ASEAN Sustainability Week” as the primary platform for ASEAN to:

- Promote the implementation of the UN 2030 Agenda and the SDGs.
- Integrate the SDGs into ACV 2045 and national development plans.
- Operationalize the sustainable development dimensions of the ASEAN Outlook on the Indo-Pacific.
- Engage with all relevant stakeholders, including government agencies, civil society organizations, the private sector, ASEAN external partners, and international partners.
- Promote networking among relevant ASEAN bodies, centres, and institutions.

It is recommended that the ASEAN Sustainability Week should have the following key features:

- **Comprehensive Scope:** The ASEAN Sustainability Week would cover all aspects of SDG implementation, including economic, social, and environmental dimensions.
- **Integrated Planning and Implementation:** The ASEAN Sustainability Week would promote the integration of the SDGs into national and regional development plans, policies, and programs.
- **Multi-Stakeholder Engagement:** The ASEAN Sustainability Week would provide a platform for dialogue and collaboration among all relevant stakeholders.
- **Thematic Tracks:** The ASEAN Sustainability Week could be organized into thematic tracks aligned with the specific SDGs or clusters of interconnected goals.
- **Capacity Building:** The ASEAN Sustainability Week would facilitate capacity-building activities to support AMS in achieving the SDGs.

The ASEAN Sustainability Week is proposed to include the following components:

- **ASEAN Forum on SDGs** with National Development Planning Agencies of ASEAN Member States and Timor-Leste, who are the focal points for the implementation of SDGs at the national level.
- **ASEAN Networking Symposium on Sustainable Development**, which involves all relevant ASEAN bodies, centres, and institutions to strengthen collaboration and synergize their efforts on sustainable development across ASEAN.
- **South-East Asia Multi-Stakeholder Forum on the Sustainable Development Goals**, which involves governments, development partners, civil society, academia, the private sector and other relevant stakeholders.
- **AOIP Forum on Sustainable Development**, which also involves ASEAN external partners to explore concrete cooperation with ASEAN in support of the mainstreaming and implementation of the AOIP.
- **ASEAN Circular Economy Forum**, which is an annual platform for dialogue among government officials and relevant stakeholders on how to advance a circular transition in support of the ASEAN Circular Economy Framework.



Recommendation 1b: The Conference should use a single mechanism for tracking SDG progress, including the five Priority Areas. This includes regular reporting and the use of comparable indicators across ASEAN Member States.

Ideally, the Conference should utilise ESCAP's data for monitoring progress towards the SDGs and specifically the five Priority Areas. ESCAP already monitors SDG progress across all AMS, including for the five Priority Areas. ESCAP's SDG data was used in this report for providing a baseline for the five priority Areas, on which future reporting can build. The use of ESCAP data for monitoring the five Priority Areas progress will require coordination between ESCAP and ASEC.

The establishment of a consolidated platform for SDGs as the ASEAN Sustainability Week, and a single reporting mechanism would offer several benefits. This includes greater efficiency by eliminating duplication and streamlining processes. The new Conference and a single reporting mechanism would optimize the use of resources and reduce the burden on AMS and the ASEAN Secretariat. It would also enhance coherence by ensuring a more coordinated and integrated approach to SDG implementation, leading to greater policy coherence and synergy. It could further provide the opportunity for stronger regional leadership and strengthen ASEAN's role as a leader in sustainable development in the region, thereby enhancing its influence on the global stage. A revised streamlined Conference would also increase impact by fostering more focused and collaborative effort. This would contribute to more significant progress towards achieving the SDGs in Southeast Asia.

6.2 Priority Area Recommendations

The recommendations listed here specifically align with the SDGs and their corresponding indicators that relate to the identified priority areas. Annexes C and D provide an initial list of the SDGs and indicators linked to the five new priority areas highlighted in this report.¹³⁰ Ultimately, the recommendations aim to advance the ACV 2045 and support the achievement of the UN SDGs by 2030. In doing so, the recommendations focus on strengthening specific elements of ASEAN's ongoing agenda, rather than adding to or create new objectives.

Recommendations identified here are briefly outlined to make the argument for their inclusion. However, it remains for the relevant ASEAN bodies and AMS to decide whether the recommendations have relevant merit for action and to fully develop the concepts. The recommendations primarily relate to increasing existing efforts or providing greater priority to achieving the identified existing goals. The implication of the recommendations included here is that they play an important role in advancing ACV 2045 and complement the achieving of the priority areas linked to the SDGs.

¹³⁰ Note, The list in Annex C and D represent an initial starting point for consultation with ASEAN and ESCAP feedback and to be revised accordingly.

6.2.1 Green Finance

One of the key initiatives under the ASEAN Finance Ministers process is the ASEAN Taxonomy for Sustainable Finance, which represents the collective commitment of AMS in transitioning towards a sustainable region. It is designed to be an inclusive and a credible classification system for activities that will cater to the different development stages of AMS and will be one of the key building blocks in attracting investments and financial flows into sustainable projects. Additionally, the ASEAN Transition Finance Guidance (ATFG) addresses how entities may assess or demonstrate a credible transition in ASEAN to attract financing from capital markets. This accelerates the efforts of financial institutions to channel finance to transitioning companies. At the same time, it creates incentives for companies to develop ambitious and credible transition plans by differentiating what commands a greater demand premium from investors.¹³¹

Recommendation 2a: With the help of development partners and other stakeholders, support accelerating the implementation of the ACMF Roadmap, with specific emphasis on ASEAN Taxonomy.¹³²

ASEAN's Catalytic Green Facility (ACGF) can work with other development partners and donors to amplify their collective impact in scaling up bankable green infrastructure projects in the region. In 2024, the ACGF continued to allocate funds to green projects and expand its project origination efforts to grow the green project pipeline in the region. Since 2020, USD105 million AIF funds, and USD2.3 billion of ACGF partner funds have been allocated to 15 projects, at a total expected project cost of USD7.5 billion.¹³³ Beyond financing mechanisms, ASEAN is also strengthening institutional capacity and knowledge-sharing to ensure an effective, just, and inclusive green transition. This includes the establishment of the ASEAN Centre of Excellence for Green Transition, the ASEAN Sustainable Finance Support Hub, and various capacity-building programs aimed at equipping both public and private sector stakeholders with the necessary expertise to drive sustainability initiatives forward. These efforts collectively reinforce ASEAN's commitment to achieving long-term resilience and economic prosperity while advancing climate action and environmental sustainability.¹³⁴

Support for accelerating the implementation of the ACMF Roadmap should include consideration for introducing a mechanism to support Just Transition Finance. Such a mechanism is essential for ASEAN's green finance strategy. A mechanism that supports Just Transition Finance would significantly improve AMS ability to access critical international funds, such as the Green Climate Fund, Global Environment Facility, and Adaptation Fund. By streamlining access to these resources, AMS can more effectively finance the vital green investment projects needed across ASEAN.

¹³¹ <https://www.theacmf.org/media/news-release/the-acmf-at-20-enhancing-connectivity-sustainability-and-resilience-across-the-asean-capital-markets>.

¹³² The recommendation is in line with Joint Statement of the 12th ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM). See: <https://www.mof.gov.my/portal/en/news/press-release/joint-statement-of-the-12th-asean-finance-ministers-and-central-bank-governors-meeting-afmgm>.

¹³³ <https://www.adb.org/documents/asean-catalytic-green-finance-facility-2024>.

¹³⁴ Consolidated Inputs from Analysis Monitoring Finance and Socio-Economic Division and Finance Integration Division.





A mechanism that supports Just Transition Finance will focus on more equitable and efficient access to funds. A dedicated mechanism will help overcome existing barriers to accessing what are often complex international funds, ensuring that ASEAN green transition is both robust and inclusive. Such a mechanism would facilitate the necessary investments in renewable energy, sustainable infrastructure, and other environmental initiatives, while simultaneously addressing the social and economic impacts on communities and workers affected by the shift away from traditional industries.

The ASEAN Capital Markets under the finance cooperation process have developed green, social, sustainability and sustainability-linked bond standards (GSS+) as part of their initiatives to promote a sustainable capital market in the region. The finance initiative facilitates ASEAN capital markets in tapping green finance through the GSS+ bonds to support sustainable regional growth and meet investors' interest in green investments. It is also a part of the region's broader efforts in developing green finance. As of December 2024, the total issuances of GSS+ labelled bonds in ASEAN totalled USD 54.8 billion.¹³⁵

Accelerating the implementation of the ACMF Roadmap with a mechanism that supports Just Transition Finance will signal ASEAN's commitment to a sustainable, fair, and prosperous future, leveraging global resources to achieve ASEAN's regional environmental and developmental goals.

Recommendation 2b: In partnership and with the support from development partners, and guided by the forthcoming AIF action plan 2025-2028, accelerate the implementation of the key priorities and next steps for ASEAN's Catalytic Green Facility (ACGF) in conjunction with other initiatives to scale up and mobilise private capital for bankable green infrastructure projects in the region.¹³⁶

6.2.2 Resilience against Climate Change

The ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030 serves as a roadmap to accelerate the transition of ASEAN countries towards achieving their Nationally Determined Contributions (NDCs).¹³⁷ It provides long-term strategies, encompassing both mitigation and adaptation efforts. While the full details of the recommendations are still under development, the overarching goals and strategic areas provide insight into the likely direction.

The ACCSAP 2025-2030 is intended to be an action-oriented and time-bound response towards achieving the ASEAN Climate Vision 2050, which aims for a resilient and net-zero ASEAN community. It builds upon the ASEAN Working Group on Climate Change (AWGCC) Action Plan (2019-2025) and considers the prioritized actions for mitigation and adaptation

¹³⁵ <https://www.theacmf.org/initiatives/sustainable-finance/asean-transition-finance-guidance-v2>.

¹³⁶ For key priorities and next steps for ASEAN's Catalytic Green Facility (ACGF) see: <https://www.adb.org/sites/default/files/institutional-document/1037296/asean-catalytic-green-finance-facility-2024.pdf#page=21&zoom=100,0,0>.

identified in the ASEAN State of Climate Change Report (ASCCR). The plan also aims to align with other relevant ASEAN initiatives, such as the ASEAN Carbon Neutrality Strategy.

The ACCSAP is still under review phase by the ASEAN Working Group on Climate Change (AWGCC) and other relevant bodies. The development process involves extensive consultations and collaborations with various stakeholders, including international development partners.

ASEAN has also established the ASEAN Centre for Climate Change (ACCC) in Brunei Darussalam to facilitate regional cooperation and coordination on climate change initiatives among Member States with relevant national governments, regional, and international organisations and to provide policy recommendations to ASEAN Member States. At the time of writing this report, the ACCC was still undergoing ratification among ASEAN Member States.¹³⁸ Once fully operational, the ACCC can also serve as a catalyst for collaboration, bringing together governments, private sector innovators, academic institutions, and civil society organizations to forge strategic partnerships that enhance resource mobilization, knowledge exchange, and coordinated implementation of climate-resilient policies.



¹³⁷ <https://www.iges.or.jp/en/projects/accsap2024>.

¹³⁸ The ACCC will only enter into force once six countries have ratified its Establishment Agreement.





Recommendation 3a: Support advancing the operationalisation of the ACCC and include in its scope of work developing an ASEAN knowledge and capacity hub on climate resilience, through the establishment of an ASEAN Initiative/Network for Green Transition and Climate Resilience. This would serve as a platform for knowledge exchange, capacity building, and technology transfer to support the achievement of the SDGs by 2030.

Recommendation 3b: Strengthening climate resilience through data management. To bolster regional climate change resilience, it is recommended once the ASEAN Climate Change Centre (ACCC) Establishment Agreement enters into force, leveraging the ACCC to establish a comprehensive database. This database would monitor climate change-related initiatives across the ASEAN region, aligning with the ACCC's core functions as defined in its Establishment Agreement.¹³⁹

Recommendation 3c: In collaboration with various stakeholders, including international development partners, develop and implement a program of support for AWGCC and other relevant bodies in reviewing the ASEAN Climate Change Strategic Action Plan (ACCSAP) 2025-2030.

Various stakeholders, including international development partners support for AWGCC, ACCC and other relevant bodies reviewing the ACCSAP 2025-2030, could include prioritising a focus on capacity building, stakeholder engagement, technical assistance, support for inter-agency coordination, and public awareness.

Providing comprehensive training programs and workshops will enhance the understanding of climate change issues and the ACCSAP review process among AWGCC members and stakeholders. Inclusive stakeholder consultations will gather diverse perspectives and

¹³⁹ See: Article 3, Function of the Centre, paragraph 1(d). Agreement on the Establishment of the ASEAN Centre for Climate Change. (2025). ASEAN. <https://agreement.asean.org/media/download/20250326041945.pdf>.

feedback, ensuring the plan addresses the needs and priorities of all involved parties. Offering technical assistance and expert support, including access to climate change experts and consultants, will further strengthen the review process.

Supporting inter-agency coordination among various ASEAN sectoral bodies and working groups will ensure a cohesive and integrated approach to climate change, aligning the ACCSAP with other regional plans and strategies. Increasing public awareness and education on the importance of the ACCSAP and climate change actions through media campaigns, educational programs, and collaboration with academic institutions will foster a broader understanding and support for the plan. The proposed efforts will contribute to improving and accelerating the process of reviewing the ACCSAP 2025-2030 and lead to a more resilient and sustainable ASEAN region, effectively addressing climate change challenges.

Recommendation 3d: To bolster ASEAN's resilience to the complex and interconnected challenges of climate change and natural disasters, it's recommended that ASEAN Member States implement the ASEAN Declaration on Sustainable Resilience.¹⁴⁰ This requires Member States to align their national policies with the declaration. The goal is to ensure that resilience efforts focus not only on recovery from a disaster, but also on proactively building a stronger, more sustainable, inclusive, and "future-proof" community. This approach combines economic, social, environmental, and security dimensions to effectively address the needs of communities most at risk.

This recommendation is a call to action for ASEAN Member States to adopt a holistic and integrated approach to disaster management. The traditional focus has been on immediate disaster response and recovery, but the escalating threats of climate change requires a shift towards a proactive resilience. By implementing the ASEAN Declaration on Sustainable Resilience, AMS can establish a unified framework for action.

Such a framework goes beyond the scope of a typical disaster management plan. It integrates various aspects of national policy — from economic development to environmental protection and social welfare — to build a more robust and adaptive community. For instance, it encourages investments in sustainable infrastructure that can withstand extreme weather events and it promotes social safety nets to protect vulnerable populations.

By aligning national policies with this regional declaration, ASEAN can strengthen its collective ability to prevent, prepare for, and respond to disasters. This collaborative effort, rooted in a people-centred approach, also contributes to the broader goal of achieving the ASEAN Vision to be a global leader in disaster management. Ultimately, the recommendation aims to empower communities and ensure that resilience is a continuous process of sustainable transformation, not merely a one-time recovery.

¹⁴⁰ The "ASEAN Declaration on Sustainable Resilience" was adopted by all 10 ASEAN Member States at the 43rd ASEAN Summit in Jakarta on September 5, 2023. However, the degree and specific methods of its implementation vary across ASEAN, as each AMS integrates the principles into its national policies and programs over time.





6.2.3 Energy Transition

Currently, ASEAN has several initiatives and mechanisms in place to support data and information sharing for the energy transition. The ASEAN Centre for Energy (ACE) plays a central role in coordinating energy data and information sharing among AMS. It supports the implementation of the ASEAN Plan of Action for Energy Cooperation (APAEC) and provides a platform for collaboration and knowledge exchange. Additionally, the ASEAN Energy Database System (AEDS), managed by ACE, collects and disseminates energy data from AMS. Its role is strengthened by international and regional partnerships across the Asia-Pacific, positioning it as a bridge between ASEAN and other global energy transition repositories—facilitating the exchange of data, best practices, and policy solutions. While AEDS provides valuable insights, it is limited in scope and does not fully integrate all aspects of the energy transition, such as renewable energy integration and cross-border energy trade.¹⁴¹

The Regional Energy Policy and Planning Sub-sector Network (REPP-SSN) facilitates policy dialogue and information exchange on energy planning and policies among AMS. It aims to harmonize energy policies, promote regional cooperation, and facilitate collaboration with Dialogue Partners and International Organisations, but its impact is constrained by the lack of a centralized data repository. Initiatives such as the ASEAN Power Grid (APG) and the Trans-ASEAN Gas Pipeline (TAGP) aim to enhance regional energy connectivity and security. However, integrating and optimizing these networks requires comprehensive data on energy supply, demand, and infrastructure, which is currently fragmented.¹⁴²

¹⁴¹ <https://aseanenergy.org/post/aseans-cops-energy-pledges-and-the-2026-2030-regional-energy-blueprint/>.

¹⁴² <https://aseanenergy.org/publications/asean-energy-2025/>.

ASEAN also conducts various capacity-building programs and workshops to enhance the technical skills of stakeholders. These efforts are crucial but need to be supported by a robust data infrastructure to maximize their effectiveness. Despite these efforts, the current data and information sharing mechanisms are fragmented and lack the comprehensive integration needed to support a seamless energy transition. Developing a regional energy information system would address these gaps by providing a centralized platform for collecting, analysing, and disseminating energy data. This system would enhance decision-making, promote regional cooperation, and support the integration of renewable energy sources, ultimately contributing to a more resilient and sustainable energy future for ASEAN.¹⁴³

The above initiatives align with the broader goals outlined in the APAEC 2021-2025 and the upcoming 2026-2030 phases, which emphasize a just and inclusive energy transition. The APAEC's theme, "Advancing Regional Cooperation in Ensuring Energy Security and Accelerating Decarbonisation for a Just and Inclusive Energy Transition," underscores the importance of regional cooperation and data sharing in achieving these goals.¹⁴⁴ Additionally, the ASEAN Joint Statement on Climate Change and the Global Renewables and Energy Efficiency Pledge highlight the region's commitment to enhancing renewable energy capacity and improving energy efficiency.¹⁴⁵

By linking the development of a regional energy information system to existing initiatives and policies, ASEAN can create a more integrated and effective approach to managing the energy transition. Such a system will provide the necessary data and insights to support effective policymaking, regional cooperation, and the integration of sustainable energy solutions, ultimately contributing to a more resilient and sustainable energy future for the region.

Recommendation 4a: With the support from international development partners, enhance ASEAN's energy transition by supporting the development of a regional energy information system. This system will centralize data collection, analysis, and dissemination.

A regional energy information system can be supported by interested development partners and stakeholders. The regional energy information system will support evidence-based decision-making, and regional cooperation. By centralizing data collection, analysis, and dissemination through a regional energy information system, ASEAN can streamline current initiatives, enhance coordination among Member States, and ensure that resources are used efficiently. The proposed approach will integrate and build upon existing mechanisms such as the ASEAN Energy Database System (AEDS) and the Regional Energy Policy and Planning Sub-sector Network (REPP-SSN), while avoiding redundancy and promoting a cohesive strategy for energy transition.

¹⁴³ <https://aseanenergy.org/wp-content/uploads/2025/01/A-Guide-to-a-Just-and-Inclusive-Energy-Transition-in-ASEAN.pdf>.

¹⁴⁴ <https://aseanenergy.org/post/aseans-cops-energy-pledges-and-the-2026-2030-regional-energy-blueprint/>.

¹⁴⁵ <https://aseanenergy.org/publications/asean-energy-2025/>.



Recommendation 4b: To meet ASEAN’s increasing energy demand, while ensuring sustainable economic growth, it is proposed that an integrated renewable energy roadmap be developed. The roadmap should include both institutional and a financial frameworks to accelerate renewable energy deployment, enhance regional energy security, and support the transition towards a low-carbon economy.

By providing clear policy directions, mobilizing investments, and fostering cross-border cooperation, the roadmap will serve as a practical guide for ASEAN Member States in advancing a low-carbon, inclusive, and secure energy future for the region.



6.2.4 Effective Digital Transformation

Effective digital transformation requires unimpeded cross-border data flows to support the ASEAN digital economy. Regulatory fragmentation and varying data localization policies among AMS create significant challenges for businesses, increasing compliance costs and limiting expansion, especially for SMEs. The concept of Data Free Flow with Trust (DFFT) has been put forward as a solution to balance the free flow of data with robust data protection. DFFT requires aligning data governance frameworks, enhancing transparency, and establishing mechanisms to ensure smoother cross-border data flows, ultimately fostering regional digital integration and economic growth.¹⁴⁶

¹⁴⁶ <https://www.eria.org/uploads/Current-Status-of-ASEAN-Data-Governance-and-Its-Implications-for-the-DEFA.pdf>.

As of early 2025, the ASEAN Digital Economy Framework Agreement (DEFA) is in an advanced stage of development. The framework is set to be finalized and endorsed by AMS later in 2025. The DEFA aims to enhance regional digital integration by promoting data governance, facilitating cross-border data flows, and harmonizing digital economy policies across the region.¹⁴⁷

The DEFA is a key initiative under the Bandar Seri Begawan Digital Transformation Roadmap (BSBR), which outlines ASEAN's digital transformation agenda. The agreement focuses on creating a conducive environment for digital trade, fostering innovation, and ensuring cybersecurity and data protection.¹⁴⁸

Recommendation 5a: In alignment with DEFA and working with interested development partners and stakeholders, support regulatory alignment and a technical framework for cross-border data flows. Such an effort is fundamental for unlocking the full potential of digital transformation as an enabler for all other priority areas, from green finance to energy transition. This also requires supporting ASEAN-wide cooperation on data governance, including cross-border transfer agreements and international standards.

Development partners can play a crucial role in supporting ASEAN's regulatory alignment and technical framework for cross-border data flows by providing technical assistance, capacity building, and funding.¹⁴⁹ They can support the harmonization of data protection regulations across AMS by sharing best practices and help align them with international standards such as the OECD Fair Information Principles and ISO standards. Additionally, development partners can facilitate the establishment of cross-border transfer agreements, such as ASEAN Model Contractual Clauses (MCCs) and certifications, ensuring that data flows are secure and compliant with regional and global norms.¹⁵⁰

ESCAP's analytical tools and technical support can play a role, particularly the Regional Digital Trade Integration Index (RDTII), which benchmarks national and regional regulatory environments across areas such as cross-border data flows, digital identity, online consumer protection, and electronic transactions. ESCAP's work on paperless trade, including the Trade Digitalization Index and support for the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, can also help identify practical reforms to reduce trade costs and enhance interoperability.

Facilitating cross-border data flows is essential for ASEAN's digital economy. It enables seamless digital trade, enhances regional integration, and supports economic growth. One of the key steps in promoting cross-border data flows is to harmonize data protection regulations across AMS. By aligning their data governance frameworks with international

¹⁴⁷ https://asean.org/wp-content/uploads/2024/11/DEFA-Report-public-summary-expanded_Final_25112024.pdf.

¹⁴⁸ <https://vntr.moit.gov.vn/news/the-asean-digital-economy-framework-agreement-defa-and-its-negotiation-status-in-2024>.

¹⁴⁹ <https://asean.org/wp-content/uploads/2021/08/Implementing-Guidelines-for-ASEAN-Data-Management-Framework-and-Cross-Border-Data-Flows.pdf>.

¹⁵⁰ https://asean.org/wp-content/uploads/3-ASEAN-Model-Contractual-Clauses-for-Cross-Border-Data-Flows_Final.pdf.





standards, AMS can create a consistent and predictable regulatory environment. This harmonization reduces compliance costs for businesses, particularly for SMEs, and facilitates their expansion across the region. It also enhances consumer trust by ensuring that personal data is protected uniformly, regardless of where it is processed or stored.

ASEAN-wide cooperation on data governance mechanisms is crucial for the success of cross-border data flows. Establishing cross-border transfer agreements, such as mutual recognition agreements (MRAs) or binding corporate rules (BCRs), can provide a legal basis for data transfers between AMS. These agreements should include provisions for data security, privacy, and accountability, ensuring that data is handled responsibly and transparently. Additionally, ASEAN can benefit from adopting the concept of Data Free Flow with Trust (DFFT), which promotes the free flow of data while maintaining robust data protection measures.

Recommendation 5b: To combat the misuse of digital technology for criminal activities, it's recommended that ASEAN Member States implement the ASEAN Declaration on Combating Trafficking in Persons Caused by the Abuse of Technology.¹⁵¹ This declaration, adopted by all AMS, provides a framework for nations to monitor and prevent the use of digital technology for human trafficking. Additionally, it is a call for Member States to work together to mitigate the risks and consequences of technology abuse, including the proliferation of transnational and organized crimes such as online scams.

The recommendation highlights a critical challenge facing the region: the intersection of digital transformation and transnational crime. While technology offers immense opportunities, it also creates new avenues for criminal activities such as human trafficking and online scams. The recommendation calls for a proactive and coordinated response from ASEAN Member States. By implementing the aforementioned declaration, nations can align their policies and law enforcement efforts.

This effort is consistent with the 2030 Agenda for Sustainable Development, particularly SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions), which all call for stronger institutions, safer migration, and effective measures against trafficking and exploitation. To achieve these goals, ASEAN needs to strengthen its regional legal and policy frameworks by aligning national efforts with key documents such as the ASEAN Convention Against Trafficking in Persons, Especially Women and Children (ACTIP), the ASEAN Plan of Action Against Trafficking in Persons (APA), and the ASEAN Digital Masterplan 2025.

At the community level, ASEAN should place emphasis on awareness-raising and digital literacy. Public campaigns across the region could help vulnerable communities, migrant workers, and young people identify and avoid online scams and fraudulent recruitment

¹⁵¹ The declaration was adopted by the leaders of all member states during the 42nd ASEAN Summit held in Labuan Bajo, Indonesia, on May 10, 2023. This collective adoption signifies a shared commitment to addressing the growing threat of technology-facilitated human trafficking across the region.

schemes. Integrating digital literacy into education and training programs, as emphasized in the ASEAN Work Plan on Education, would empower these groups while fostering resilience against exploitation.

6.2.5 Networking and Partnership

ASEAN has made significant strides in developing data governance frameworks to support the digital economy and SDG monitoring. As previously mentioned, the ASEAN Digital Economy Framework Agreement (DEFA) facilitates cross-border digital trade and supports a seamless digital ecosystem. The free flow of data with trust is crucial for achieving SDG 9 (Industry, Innovation, and Infrastructure). The ongoing collaboration between ASEAN countries to standardize data protection laws makes it easier for businesses to operate across borders while ensuring data privacy and security.

In terms of monitoring progress towards the SDGs, ASEAN has implemented SMART indicators and reporting systems. These indicators help track and evaluate the effectiveness of policies and programs, directly supporting SDG 17 (Partnerships for the Goals). For example, the ASEAN SDG Indicators Baseline Report establishes baseline information for tracking and measuring SDG indicators across the region. This report supports policymaking at both national and regional levels by providing a solid framework of indicators and statistical data. Additionally, the ASEAN Statistical Yearbook provides comprehensive data on various socio-economic indicators, enabling policymakers to make informed decisions and measure progress towards the SDGs.

ESCAP has played and continues to be an important partner for ASEAN, providing multifaceted support that includes knowledge generation, technical assistance, and institutional capacity building. The organization provides key tools for measuring progress, such as the Asia-Pacific SDG Progress Report and the SDG National Tracker, which allows countries to assess their own SDG progress using their own data and indicators. ESCAP's regional cooperation platforms facilitate the sharing of data, expertise, and resources, as seen in initiatives like the use of geospatial practices for sustainable development in Southeast Asia. This collaborative approach helps to harmonize methodologies and close data gaps, which are crucial for effective policymaking and monitoring of SDG progress. Ultimately, ESCAP's support strengthens the institutional capabilities of ASEAN member states, helping them to implement data-driven policies and strategies for sustainable and inclusive development.

The ASEAN Biodiversity Dashboard is another notable achievement, visualizing trends and geographic variations in biodiversity indicators. This tool supports evidence-based policymaking for SDG 15 (Life on Land) by providing current and accessible data on biodiversity conservation efforts. For instance, the dashboard includes data on protected





areas and species diversity, helping governments and organizations to prioritize conservation actions and monitor their impact.

The ASEAN Digital Masterplan 2025 outlines strategies for digital development, including infrastructure, cybersecurity, and digital skills. This plan aims to accelerate digital transformation and bridge the digital divide, supporting SDG 4 (Quality Education) and SDG 9 (Industry, Innovation, and Infrastructure). An example of this is the ASEAN Cybersecurity Cooperation Strategy, which enhances regional cyber incident response capabilities and promotes best practices in cybersecurity.

Despite these achievements, there are still gaps that need to be addressed. Effective implementation of the SDGs and Complementarities priorities relies heavily on transparent, accountable, and capable institutions. Good governance, institutional capacity development, and enhancement of data systems are key priority areas, either as cross-cutting themes or as standalone priority areas. This involves efforts to build the capacity of civil servants, enhance public sector innovation, and establish anti-corruption measures to ensure that sustainability-related financing and programs effectively reach their intended beneficiaries.

The development of robust data ecosystems is important for measuring and reporting on progress of the SDGs and Complementarities priorities. This includes the need for disaggregated data by age, gender, disability, and geography to support evidence-based policymaking. Regional cooperation could further support national efforts and harmonise methodologies, close data gaps, and build interoperable platforms. Integrating local knowledge systems and participatory governance processes would also deepen public ownership of the SDGs.



Recommendation 6a: With the support of selected stakeholders and development partners providing technical assistance, capacity building, and funding to build on ASEAN SMART indicators and ASEAN SDG Indicators Baseline Report to improve data collection and close data gaps for reporting progress on the SDGs and complementarity with ACV 2045. This may include leveraging new technologies and platforms to enhance data management and analytic capabilities.

Recommendations 5 and 6 are closely related. Recommendation 5 focuses on the development of the governance ecosystem while Recommendation 6 focuses on the implementation, specifically as it relates to the complementarity initiative. Recommendation 5 includes the regulatory alignment and technical framework for cross-border data flows. It also includes data governance mechanisms, such as cross-border transfer agreements and international standards. Recommendation 6 includes providing technical assistance and capacity building for data collection, management, and analysis technology transfer.

To effectively build upon existing indicators and reports, improve data collection, and align with the ACV 2045, technical assistance will be required. Expertise will be needed to refine existing indicators (like the ASEAN SMART indicators) and develop new methodologies for data collection that align with both the SDGs and the ACV 2045 priorities. This includes statistical expertise, data management skills, and knowledge of sustainable development frameworks.

Capacity Building will be required for national statistical offices and relevant agencies within AMS. This will require training and resources to enhance their capacity to collect, analyse, and report high-quality data on SDG indicators and other relevant metrics for the implementation of the ACV 2045. This could involve workshops, knowledge exchange programs, and the development of standardized data collection tools.

Funding will be required for implementing improved data collection systems, conducting surveys, and leveraging technology for data management. The strategic plans are likely to address mobilizing funding from various sources, including ASEAN member states, external partners, and potentially the private sector.

Integrating local knowledge systems and participatory governance processes will also be important and can deepen public ownership of the SDGs. Fostering regional collaboration promotes inclusive and reflective policies, supporting SDG 11 (Sustainable Cities and Communities). By addressing these gaps and building on current achievements, ASEAN can create a more robust and effective data environment that supports ACV 2045 and the achievement of the SDGs.



Crucially, achieving these ambitious data-driven goals and the broader SDGs necessitates robust engagement from all sectors. Encouraging active participation from the private sector, civil society organizations, and youth is essential, as these stakeholders bring diverse perspectives, innovative solutions, and vital on-the-ground insights. Their involvement in data collection, validation, and utilization can significantly enhance the accuracy and relevance of SDG reporting. Furthermore, promoting strong coherence between national-level implementation efforts and regional strategies is paramount to avoid duplication, optimize resource allocation, and ensure that localized actions collectively contribute to ASEAN's overarching SDG progress and the ACV 2045 vision.

Recommendation 6b: Strengthen linkages and synergy with sub-regional cooperation frameworks.

Sub-regional cooperation frameworks, e.g. ACMECS, CLMV, GMS, BIMP-EAGA, and IMT-GT, can be systematically engaged as platforms to pilot and recommend solutions that advance ASEAN's SDG implementation — including climate resilience, water-food-energy security, green energy, and circular economy. ASEAN should integrate sub-regional cooperation as a core component in the newly proposed and streamlined ASEAN Sustainability Week. To enable comparability and evidence-based evaluation, ASEAN should explore the possibility of promoting the adoption of harmonized SDG-linked indicators and a common reporting template for SDG-related projects financed and implemented under various sub regional cooperation frameworks.

6.3 Conclusion

The Complementarities Initiative 2.0 outlines the alignment between the ACV 2045 and the United Nations 2030 Agenda for Sustainable Development. It identifies **five new priority areas: Green Finance, Resilience against Climate Change, Energy Transition, Effective Digital Transformation, and Networking and Partnerships**. These areas build on lessons learned from the Complementarities Initiative 1.0 and align with ASEAN's Community Vision 2045 and related strategic goals for a sustainable and resilient future. This document emphasizes the need for enhanced cooperation, robust data systems, and inclusive policies to achieve the SDGs and support ASEAN's vision of a green, innovative, and integrated community.





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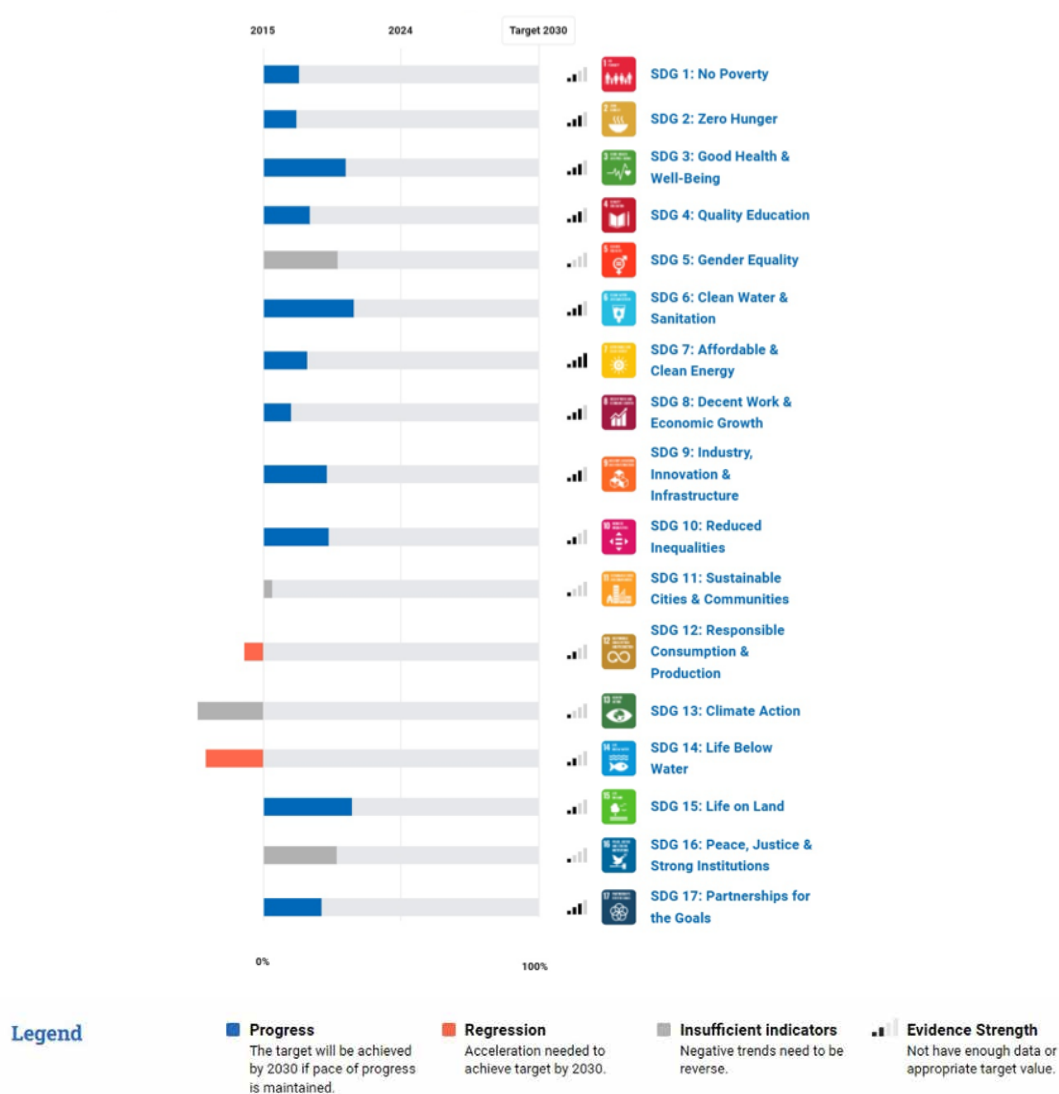
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- B: ASEAN Existing Priority Areas Progress
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- D: Selected SDG Indicators for New Priority Areas
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A: ASEAN's SDG Progress

ASEAN SDG SNAPSHOT

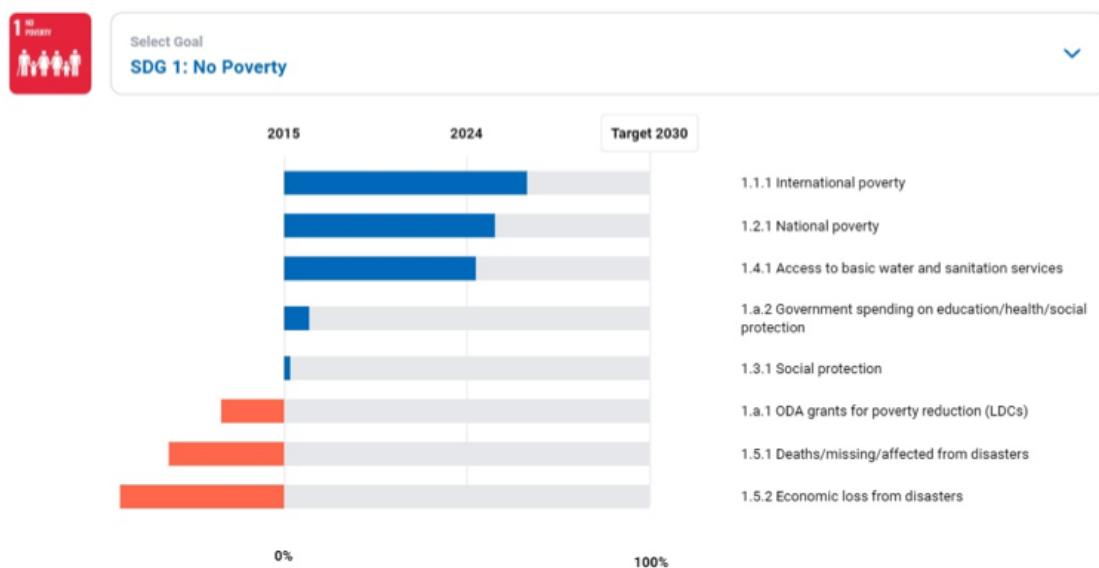


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Note: Data from 11 August 2024

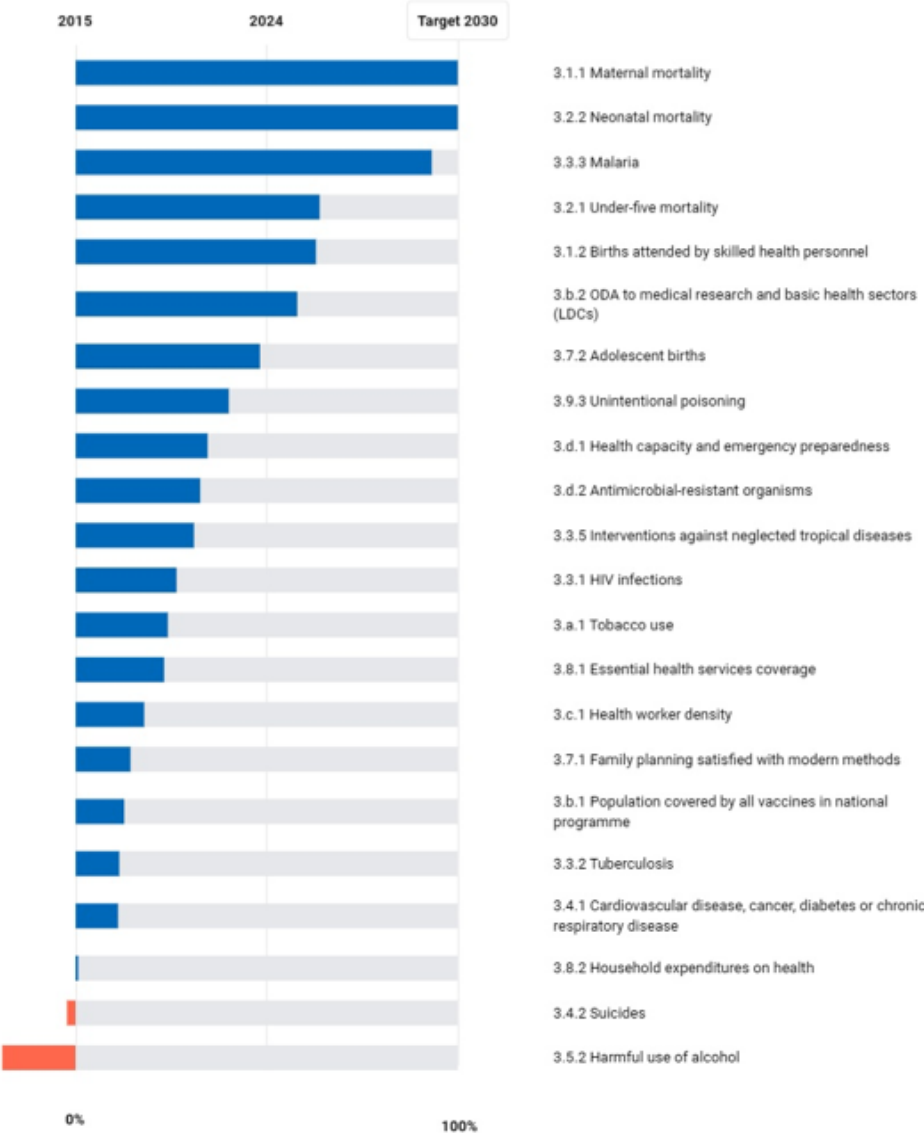


ASEAN PROGRESS by SDG GOAL AND INDICATORS

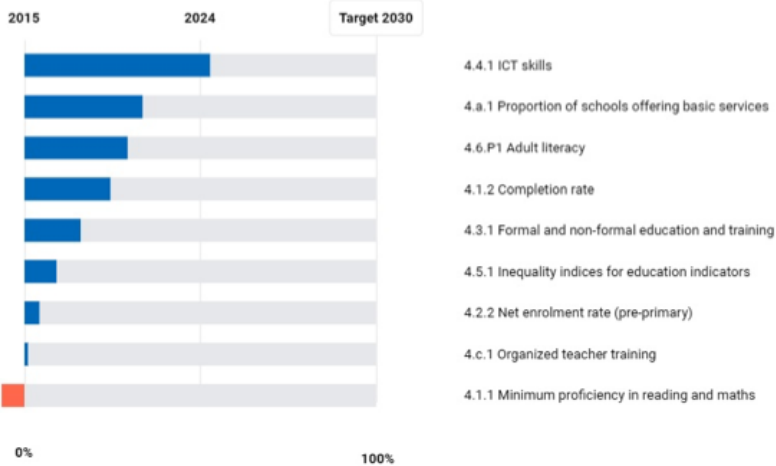




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SDG 3: Good Health & Well-Being



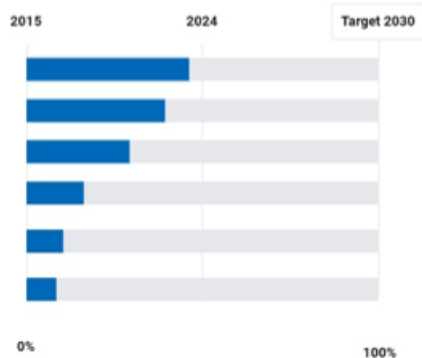
Select Goal
SDG 4: Quality Education





Select Goal

SDG 5: Gender Equality

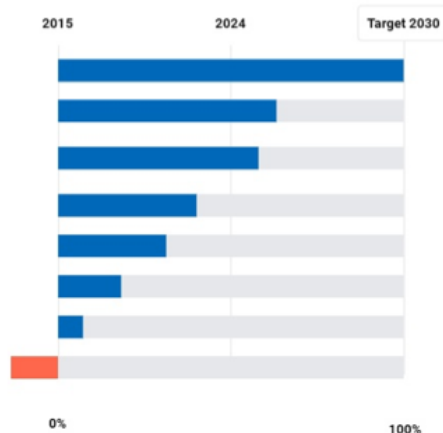


- 5.1.P3 Gender parity in youth NEET
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Select Goal

SDG 6: Clean Water & Sanitation



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- 6.4.1 Water use efficiency
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- 6.6.1 Permanent water body extent



Select Goal

SDG 7: Affordable & Clean Energy

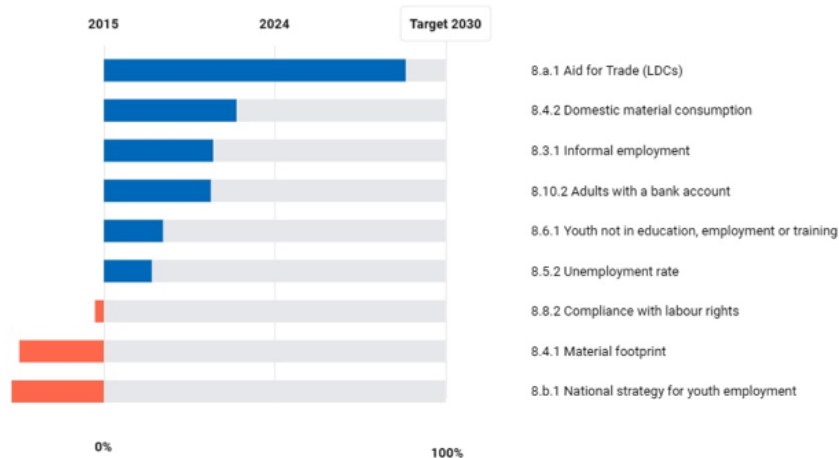


- 7.1.1 Access to electricity
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- 7.b.1 Renewable electricity capacity per capita
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- 7.a.1 International support for clean and renewable energy (LDCs)
- 7.2.1 Renewable energy share



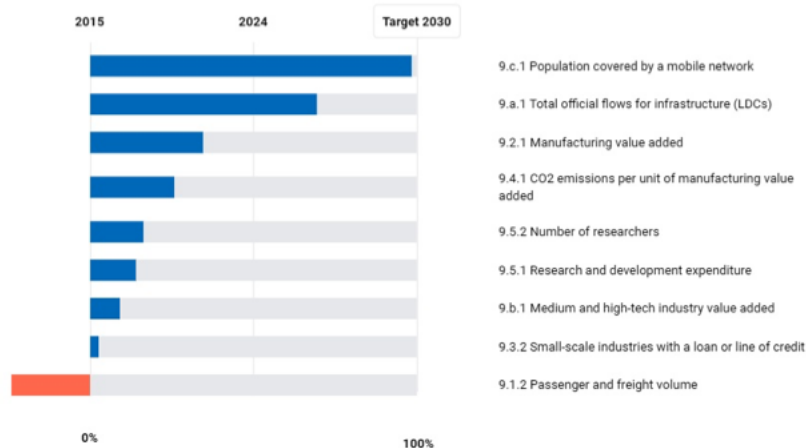
Select Goal

SDG 8: Decent Work & Economic Growth



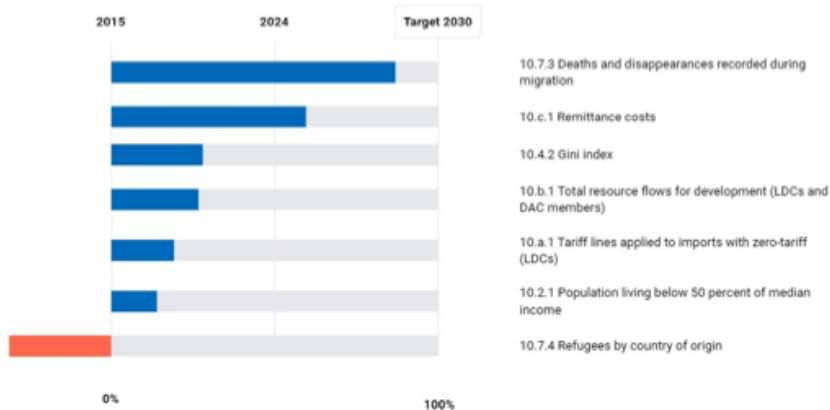
Select Goal

SDG 9: Industry, Innovation & Infrastructure



Select Goal

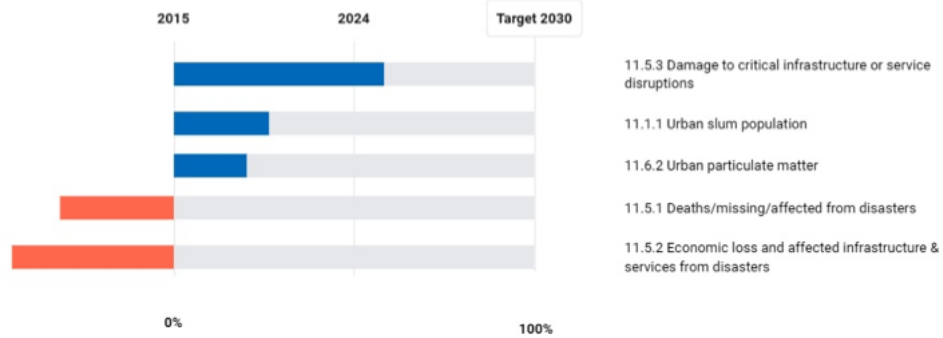
SDG 10: Reduced Inequalities





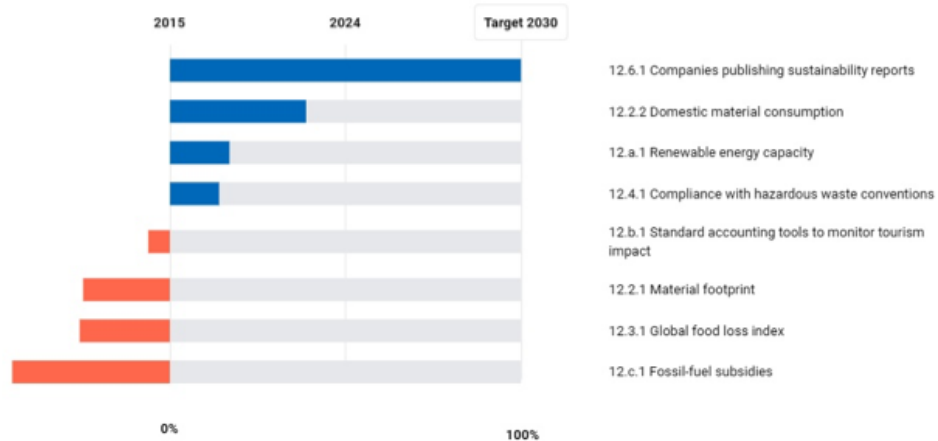
Select Goal

SDG 11: Sustainable Cities & Communities



Select Goal

SDG 12: Responsible Consumption & Production



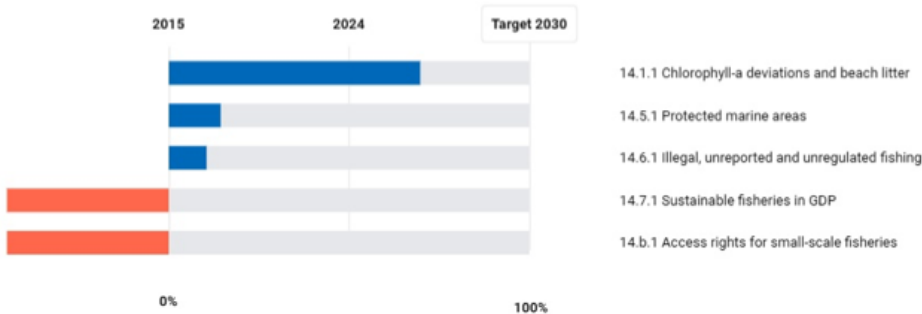
Select Goal

SDG 13: Climate Action

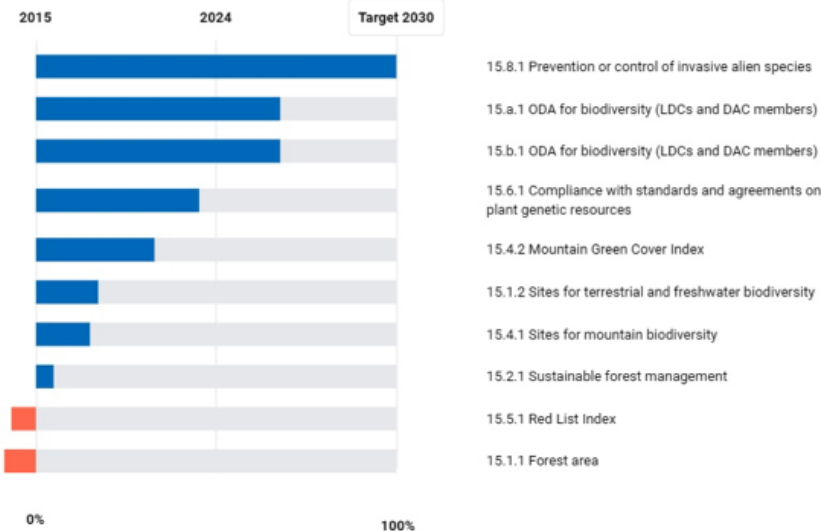




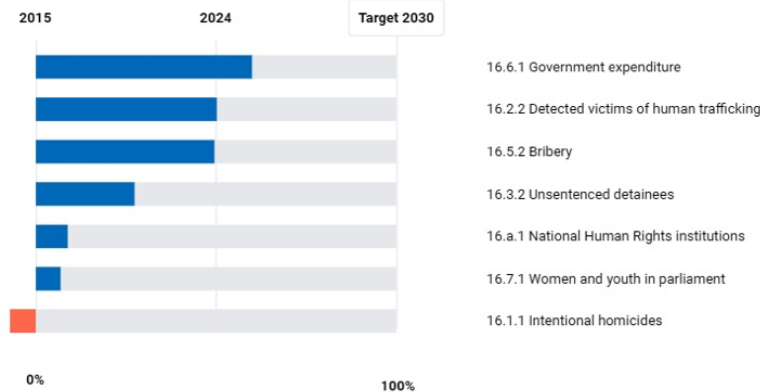
Select Goal
SDG 14: Life Below Water



Select Goal
SDG 15: Life on Land



Select Goal
SDG 16: Peace, Justice & Strong Institutions





Source: ESCAP SDG Gateway (<https://data.unescap.org/>)

Note: Data from 11 August 2024

B: ASEAN Existing Priority Areas Progress¹⁵²



¹⁵² See: <https://public.tableau.com/app/profile/unescap.statistics.division/viz/SDG-ASEAN-2025/Story?publish=yes>



1. Poverty Eradication

1.1.1	International poverty	■
1.2.1	National poverty	■
1.3.1	Social protection	■
1.4.1	Access to basic water and sanitation ser..	■
1.5.1	Deaths/missing/affected from disasters	■
1.a.2	Government spending on education/hea..	■
2.1.1	Prevalence of undernourishment	■
2.1.2	Moderate or severe food insecurity in th..	■
2.2.1	Prevalence of stunting	■
2.2.2	Prevalence of malnutrition	■
2.2.3	Prevalence of anaemia in women	■
2.a.1	Agriculture orientation index	■
3.1.1	Maternal mortality	■
3.1.2	Births attended by skilled health person..	■
3.2.1	Under-five mortality	■
3.2.2	Neonatal mortality	■
3.3.1	HIV infections	■
3.3.2	Tuberculosis	■
3.3.3	Malaria	■
3.3.5	Interventions against neglected tropical..	■
3.4.1	Cardiovascular disease, cancer, diabete..	■
3.4.2	Suicides	■
3.5.2	Harmful use of alcohol	■
3.7.1	Family planning satisfied with modern ..	■
3.7.2	Adolescent births	■
3.8.2	Household expenditures on health	■
3.9.3	Unintentional poisoning	■
3.a.1	Tobacco use	■
3.b.1	Population covered by all vaccines in nat..	■
4.1.2	Completion rate	■
4.2.2	Net enrolment rate (pre-primary)	■
4.3.1	Formal and non-formal education and tr..	■
4.5.1	Inequality indices for education indicato..	■
5.1.P1	Gender parity in labour force participati..	■
5.1.P2	Gender parity in mean years of schooling	■
5.1.P3	Gender parity in youth NEET	■
5.5.1	Seats held by women in national parlia..	■
5.5.2	Proportion of women in managerial posi..	■
6.1.1	Safely managed drinking water services	■
6.2.1	Open defecation and handwashing	■
7.1.1	Access to electricity	■
7.1.2	Reliance on clean energy	■
8.1.1	Real GDP per capita growth rate	■
8.2.1	Real GDP per employed person growth r..	■
8.5.2	Unemployment rate	■
8.6.1	Youth not in education, employment or t..	■
8.8.2	Compliance with labour rights	■
8.10.2	Adults with a bank account	■
9.2.2	Manufacturing employment	■
10.2.1	Population living below 50 percent of m..	■
10.4.1	Labour income share of GDP	■
10.4.2	Gini index	■
10.7.4	Refugees by country of origin	■
16.1.1	Intentional homicides	■
16.2.2	Detected victims of human trafficking	■
17.8.1	Internet users	■

2. Infrastructure and connectivity

1.4.1	Access to basic water and sanitation s..	■
2.a.1	Agriculture orientation index	■
3.1.2	Births attended by skilled health perso..	■
3.8.1	Essential health services coverage	■
3.b.1	Population covered by all vaccines in n..	■
3.c.1	Health worker density	■
4.a.1	Proportion of schools offering basic se..	■
4.c.1	Organized teacher training	■
6.1.1	Safely managed drinking water services	■
6.2.1	Open defecation and handwashing	■
6.b.1	Policies and procedures for participati..	■
7.1.1	Access to electricity	■
7.1.2	Reliance on clean energy	■
7.2.1	Renewable energy share	■
7.a.1	International support for clean and ren..	■
7.b.1	Renewable electricity capacity per cap..	■
8.8.2	Compliance with labour rights	■
9.1.2	Passenger and freight volume	■
9.5.1	Research and development expenditure	■
9.5.2	Number of researchers	■
9.c.1	Population covered by a mobile network	■
10.c.1	Remittance costs	■
12.a.1	Renewable energy capacity	■
12.b.1	Standard accounting tools to monitor t..	■
16.3.2	Unsentenced detainees	■
16.6.1	Government expenditure	■
16.a.1	National Human Rights Institutions	■
17.1.1	Government revenue	■
17.6.1	Fixed Internet broadband subscription	■
17.8.1	Internet users	■
17.9.1	ODA for technical cooperation	■
17.10.1	Worldwide weighted tariff-average	■
17.17.1	Commitments to public-private partne..	■
17.18.2	National statistical legislation	■
17.18.3	National statistical plan funded/under ..	■
17.19.2	Births and deaths registration	■

- Maintain progress
- Accelerate progress
- Reverse trends

3. Sustainable management of natural resources

2.5.1	Plant and animal breeds with sufficient g..	■
2.5.2	Local breeds at risk of extinction	■
3.9.3	Unintentional poisoning	■
6.4.1	Water use efficiency	■
6.4.2	Water stress	■
6.5.1	Integrated water resources management	■
6.6.1	Permanent water body extent	■
6.b.1	Policies and procedures for participative ..	■
11.6.2	Urban particulate matter	■
12.c.1	Fossil-fuel subsidies	■
13.2.2	Greenhouse gas (GHG) emissions	■
14.1.1	Chlorophyll-a deviations and beach litter	■
14.5.1	Protected marine areas	■
15.1.1	Forest area	■
15.1.2	Sites for terrestrial and freshwater biodi..	■
15.2.1	Sustainable forest management	■
15.4.1	Sites for mountain biodiversity	■
15.4.2	Mountain Green Cover Index	■
15.5.1	Red List Index	■
15.8.1	Prevention or control of invasive alien sp..	■

4. Sustainable consumption and production

6.4.1	Water use efficiency	■
6.4.2	Water stress	■
7.2.1	Renewable energy share	■
7.3.1	Energy intensity	■
8.4.1	Material footprint	■
8.4.2	Domestic material consumption	■
9.4.1	CO2 emissions per unit of manufacturing..	■
13.2.2	Greenhouse gas (GHG) emissions	■

5. Resilience

1.5.1	Deaths/missing/affected from disasters	■
1.5.2	Economic loss from disasters	■
16.1.1	Intentional homicides	■
16.6.1	Government expenditure	■
17.1.1	Government revenue	■
17.1.2	Domestic budget funded by domestic tax..	■
17.4.1	Debt service	■
17.6.1	Fixed Internet broadband subscription	■

- Maintain progress
- Accelerate progress
- Reverse trends

ASEAN SDG Indicators by Complementary Area (2025)



C: ASEAN New Priority Areas and the SDGs¹⁵³

The five new priority areas identified from the ACV 2045 align with multiple SDGs. The following provides a brief description of each of the five priority areas in relation to multiple SDGs.

Green Finance

Green Finance plays a crucial role in achieving the SDGs, particularly by supporting environmentally sustainable, socially inclusive, and economically equitable development.

SDG 1 - No Poverty: Green Finance supports poverty alleviation through investments in sustainable projects that create jobs and provide essential services like clean energy, water, and sanitation. Green technologies and renewable energy projects in low-income areas can reduce living costs, improve livelihoods, and enhance resilience against climate-related shocks.

SDG 6 - Clean Water and Sanitation: helps improve access to clean water and sanitation, especially in regions vulnerable to climate change. Through investments in sustainable water management systems, waste treatment technologies, and water conservation projects, green finance ensures that communities have access to safe and clean water, promoting health and reducing the risk of water scarcity.

SDG 7 - Affordable and Clean Energy: Green finance is directly linked to SDG 7, which aims to ensure access to affordable, reliable, sustainable, and modern energy for all. By investing in renewable energy infrastructure, energy efficiency projects, and clean technologies, green finance helps bring clean energy solutions to underserved populations, reducing energy poverty and supporting sustainable development.

SDG 8 - Decent Work and Economic Growth: Green Finance promotes the growth of green industries, such as renewable energy, sustainable agriculture, and eco-tourism, creating decent, green jobs and fostering inclusive economic growth. These sectors provide opportunities for people to engage in work that supports both their livelihoods and the environment, helping to build a green economy.

SDG 9 - Industry, Innovation, and Infrastructure: Green Economy drives innovation in clean technologies, sustainable infrastructure, and low-carbon industries. It supports the development of smart cities, green infrastructure like sustainable transportation systems, and climate-resilient buildings, which are essential to achieving SDG 9. These innovations can boost economic productivity while minimizing environmental impacts.

SDG 10 - Reduced Inequality: By funding initiatives that promote sustainable development, Green Finance can reduce inequalities, especially for people in vulnerable situations. Sustainable projects targeting disadvantaged communities can create new

¹⁵³ The list is an initial starting point for consultation with ASEAN and ESCAP feedback and to be revised accordingly.

economic opportunities, reduce vulnerability to environmental shocks, and ensure that the benefits of green growth are shared equitably.

SDG 11 – Sustainable Cities and Communities: Green finance directly complements and supports SDG 11 by channelling crucial capital towards the development of sustainable cities and communities. This financial approach prioritizes investments in environmentally friendly projects within urban areas, such as energy-efficient buildings, renewable energy infrastructure, sustainable public transport systems, and the creation of green spaces.

SDG 12 - Responsible Consumption and Production: Green Finance encourages the development of sustainable production methods and responsible consumption patterns. By funding eco-friendly technologies, circular economies, and sustainable supply chains, Green Finance helps industries transition to more sustainable practices, reducing waste and resource consumption, and supporting SDG 12.

SDG 13 - Climate Action: Green Finance is pivotal in addressing climate change by financing projects aimed at both mitigation (reducing greenhouse gas emissions) and adaptation (helping communities cope with climate impacts). Investments in renewable energy, energy efficiency, forest conservation, and climate-resilient infrastructure directly contribute to SDG 13 by reducing carbon footprints and enhancing climate resilience.

SDG 14 & SDG 15 - Life Below Water and Life on Land: Green Finance supports the conservation of ecosystems and biodiversity, both on land and in marine environments. Investments in sustainable land management, wildlife protection, reforestation, and marine conservation projects help preserve natural habitats and ensure that ecosystems remain resilient, promoting the long-term health of both land and water resources.

SDG 17 - Partnership for the Goals: Encourages global cooperation in clean energy financing and technology transfer. Promotes policy alignment between governments, businesses, and international organizations.

Resilience against Climate Change

Climate change is interconnected with the SDGs. It affects multiple aspects of global development. Specifically, SDG 13: Climate Action directly addresses the need to combat climate change and its impacts, but other SDGs are also influenced by climate change.

SDG 1: No Poverty: Climate change worsens poverty by increasing the frequency of extreme weather events, displacing communities, and affecting agriculture.

SDG 2 - Zero Hunger: Rising temperatures and changing rainfall patterns threaten food production, making hunger and malnutrition more severe.

SDG 3 - Good Health and Well-being: Climate-related disasters and air pollution contribute to health issues such as respiratory diseases, heat stress, and the spread of infectious diseases.





SDG 6 - Clean Water and Sanitation: Climate change disrupts water supply, leading to droughts, flooding, and water contamination.

SDG 7 - Affordable and Clean Energy: Transitioning to renewable energy sources helps mitigate climate change by reducing carbon emissions.

SDG 11 - Sustainable Cities and Communities: Cities are vulnerable to climate impacts like rising sea levels and heatwaves, requiring sustainable urban planning.

SDG 14 & 15 - Life Below Water & Life on Land: Climate change causes ocean acidification, coral bleaching, deforestation, and loss of biodiversity.

Energy Transition

Energy transition (the shift from fossil fuels to renewable and sustainable energy sources) is critical for achieving multiple SDG, particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), but it also has strong connections to other SDGs.

SDG 1 - No Poverty: Expands energy access in rural and underserved areas, improving economic opportunities. Lowers energy costs in the long run, reducing household expenses.

SDG 3 - Good Health and Well-being: Reduces air pollution caused by burning fossil fuels, decreasing respiratory diseases. Improves healthcare services with reliable electricity in hospitals and clinics.

SDG 7 - Affordable and Clean Energy: Ensures universal access to clean, reliable, and modern energy. Increases the share of renewable energy in the global energy mix. Improves energy efficiency across industries and households.

SDG 8 - Decent Work and Economic Growth: Creates jobs in the renewable energy sector (solar panel manufacturing, wind turbine installation, etc.). Encourages sustainable industrialization and green innovation.

SDG 9 - Industry, Innovation, and Infrastructure: Promotes clean energy infrastructure, such as smart grids and electric transport. Encourages research and innovation in energy storage and efficiency.

SDG 11 - Sustainable Cities and Communities: Supports the development of smart, energy-efficient cities. Reduces urban air pollution and reliance on fossil fuels.

SDG 12 - Responsible Consumption and Production: Encourages energy efficiency in industries, homes, and transportation. Supports circular economy models, such as recycling materials for renewable energy production.

SDG 13 - Climate Action: Reduces carbon emissions by replacing fossil fuels with renewables. Enhances resilience to climate-related disasters through clean energy solutions (e.g., solar-powered emergency systems).

SDG 14 & SDG 15 - Life Below Water & Life on Land: Reduces environmental degradation caused by fossil fuel extraction and pollution. Prevents ocean acidification by cutting CO₂ emissions.

SDG 17 - Partnerships for the Goals: Encourages global cooperation in clean energy financing and technology transfer. Promotes policy alignment between governments, businesses, and international organizations.

Effective Digital Transformation

The integration of digital technologies into all aspects of society and business plays a crucial role in achieving the SDGs. It accelerates progress by enhancing efficiency, connectivity, and accessibility across various sectors.

SDG 1 - No Poverty: Expands access to financial services through digital banking and mobile money. Creates economic opportunities through e-commerce and remote work.

SDG 2 - Zero Hunger: Uses AI and big data to optimize agriculture and food production. Enhances supply chains for better food distribution.

SDG 3 - Good Health and Well-being: Enables telemedicine and digital health records for better healthcare access. Uses AI for early disease detection and outbreak prediction.

SDG 4 - Quality Education: Expands access to online learning platforms and digital classrooms. Provides AI-driven personalized learning experiences.

SDG 5 - Gender Equality: Empowers women through digital financial inclusion and online education. Reduces gender disparities in technology and business.

SDG 6 - Clean Water and Sanitation: Uses IoT (Internet of Things) to monitor and optimize water distribution. Supports smart irrigation and wastewater management.

SDG 7 - Affordable and Clean Energy: Enables smart grids and energy-efficient systems. Uses AI for optimizing renewable energy production.

SDG 8 - Decent Work and Economic Growth: Promotes digital entrepreneurship and remote work opportunities. Enhances job creation in tech-driven industries.

SDG 9 - Industry, Innovation, and Infrastructure: Drives advancements in AI, blockchain, and IoT for smarter industries. Enhances connectivity with 5G and cloud computing.

SDG 10 - Reduced Inequalities: Expands access to digital financial services and education in low-income communities. Supports digital inclusion initiatives to bridge the digital divide.

SDG 11 - Sustainable Cities and Communities: Enables smart city solutions for transportation, waste management, and energy use. Uses AI for urban planning and disaster preparedness.



SDG 12 - Responsible Consumption and Production: Supports circular economy models through AI-driven waste management. Improves supply chain transparency using blockchain technology.

SDG 13 - Climate Action: Uses digital solutions to monitor and reduce carbon emissions. Enhances climate prediction models and disaster response systems.

SDG 14 & 15 - Life Below Water & Life on Land: Uses AI for marine conservation and deforestation monitoring. Enhances biodiversity tracking through satellite and drone technologies.

SDG 16 - Peace, Justice, and Strong Institutions: Strengthens cybersecurity and digital governance. Uses blockchain for transparent and accountable public services.

SDG 17 - Partnerships for the Goals: Facilitates global collaboration through digital platforms. Enables data-driven decision-making for sustainable development.

Partnerships

Partnerships are essential for achieving the SDGs. SDG 17 (Partnerships for the Goals) specifically focuses on strengthening collaboration between governments, businesses, civil society, and international organizations to drive sustainable development.

SDG 1 - No Poverty: Partnerships between governments, NGOs, and financial institutions help provide social protection, microfinance, and job opportunities.

SDG 2 - Zero Hunger: Collaboration among agricultural industries, research institutions, and policymakers can improve food security and climate-resilient farming.

SDG 3 - Good Health and Well-being: Global health partnerships (e.g., WHO, Gavi) support disease prevention, medical research, and healthcare access.

SDG 4 - Quality Education: Partnerships between educational institutions, tech companies, and governments expand access to digital learning and teacher training.

SDG 5 - Gender Equality: Collaborative initiatives help promote women's economic empowerment and reduce gender disparities in leadership and technology.

SDG 6 - Clean Water and Sanitation: Governments, private companies, and NGOs work together to implement clean water projects and sanitation solutions.

SDG 7 - Affordable and Clean Energy: Public-private partnerships (PPPs) help scale up renewable energy investments and technology adoption.

SDG 8 - Decent Work and Economic Growth: Networking between businesses, policymakers, and Labor unions promotes fair wages, safe working conditions, and job creation.

SDG 9 - Industry, Innovation, and Infrastructure: Joint ventures and innovation hubs foster technological advancement and smart infrastructure.

SDG 10 - Reduced Inequalities: International cooperation helps create fair trade policies and inclusive economic opportunities.

SDG 11 - Sustainable Cities and Communities: Partnerships between governments, urban planners, and tech firms drive smart city initiatives and sustainable housing.

SDG 12 - Responsible Consumption and Production: Businesses, NGOs, and regulators collaborate to promote circular economy models and sustainable supply chains.

SDG 13 - Climate Action: Global climate agreements (e.g., Paris Agreement) require cooperation between nations, scientists, and industries to reduce carbon emissions.

SDG 14 & SDG 15 - Life Below Water & Life on Land: Conservation groups, researchers, and governments work together to protect ecosystems, biodiversity, and marine life.

SDG 16 - Peace, Justice, and Strong Institutions: International organizations (e.g., UN, ICC) foster diplomatic relations and advocate for human rights and legal reforms.

SDG 17 - Partnerships for the Goals: Strengthens global collaboration through financial aid, technology transfer, trade agreements, and data sharing.

D: Selected SDG Indicators for New Priority Areas¹⁵⁴

For each of the new ASEAN priority areas we can identify a range of SDG Indicators which can be used to provide a measure of progress going forward. While the previous Annex identified the five ASEAN new priority areas linked to a wide range of SDGs, for the purpose of measuring progress we have identified a select set of indicators as set out below. This selection is meant to be a starting point that ASEAN and ESCAP may wish to enhance based on their analysis.

Green Finance

1. SDG 7 - Affordable and Clean Energy:

- **Target 7.1:** Ensure universal access to affordable, reliable, and modern energy services.
- **Target 7.2:** Increase substantially the share of renewable energy in the global energy mix.

¹⁵⁴ The list is an initial starting point for consultation with ASEAN and ESCAP feedback and to be revised accordingly.





2. SDG 9 - Industry, Innovation, and Infrastructure:

- **Target 9.1:** Develop quality, reliable, sustainable, and resilient infrastructure to support economic development and human well-being.
- **Target 9.4:** Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies.

3. SDG 13: Climate Action

- **Target 13.2:** Integrate climate change measures into national policies, strategies, and planning.

4. SDG 17 - Partnerships for the Goals

- **Target 17.7:** Promote the development, transfer, dissemination, and diffusion of environmentally sound technologies to developing countries.
- **Target 17.8:** Fully operationalize the technology bank and science, technology, and innovation capacity-building mechanism for least developed countries by 2017

Climate Change

1. SDG 7: Affordable and Clean Energy

- **Target 7.2:** Increase substantially the share of renewable energy in the global energy mix.
- **Target 7.3:** Double the global rate of improvement in energy efficiency.

2. SDG 11: Sustainable Cities and Communities

- **Target 11.5:** Significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.

3. SDG 13: Climate Action

- **Target 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- **Target 13.2:** Integrate climate change measures into national policies, strategies, and planning.
- **Target 13.3:** Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

- **Target 13.a:** Implement the commitment undertaken by developed-country parties to the UNFCCC to a goal of mobilizing jointly USD100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation.
- **Target 13.b:** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth, and local and marginalized communities.

4. SDG 14 - Life Below Water:

- **Target 14.2** - sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

5. SDG 15 - Life on Land:

- **Target 15.1** - ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- **Target 15.3** - combat desertification, restore degraded land and soil, including land affected by desertification, drought, and floods, and strive to achieve a land degradation-neutral world.

Energy Transition

1. SDG 7: Affordable and Clean Energy

- **Target 7.1:** Ensure universal access to affordable, reliable, and modern energy services.
- **Target 7.2:** Increase substantially the share of renewable energy in the global energy mix.
- **Target 7.3:** Double the global rate of improvement in energy efficiency.
- **Target 7.a:** Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
- **Target 7.b:** Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, particularly least developed countries, small island developing States, and landlocked developing countries, in accordance with their respective programs of support.





2. SDG 9: Industry, Innovation, and Infrastructure

- **Target 9.4:** Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

3. SDG 12 - responsible consumption and production:

- **Target 12.2** - achieve the sustainable management and efficient use of natural resources.

4. SDG 13: Climate Action

- **Target 13.2:** Integrate climate change measures into national policies, strategies, and planning.

Digital Transformation

1. SDG 9: Industry, Innovation, and Infrastructure

- **Target 9.c:** Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.
- **Target 9.4** - upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- **Target 9.5** - Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

2. SDG 17: Partnerships for the Goals

- **Target 17.6:** Enhance North-South, South-South, and triangular regional and international cooperation on and access to science, technology, and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at the United Nations level, and through a global technology facilitation mechanism.
- **Target 17.8:** Fully operationalize the technology bank and science, technology, and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology.

Partnerships

1. SDG 17: Partnerships for the Goals

- **Target 17.6:** Enhance North-South, South-South, and triangular regional and international cooperation on and access to science, technology, and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at the United Nations level, and through a global technology facilitation mechanism.
- **Target 17.7:** Promote the development, transfer, dissemination, and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.
- **Target 17.9:** Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South, and triangular cooperation.
- **Target 17.12** - Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.
- **Target 17.16:** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals in all countries, particularly developing countries.
- **Target 17.17:** Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.



E: Baseline for New Priority Areas

Using the SDG Indicators identified in Annex D for each new priority areas, ESCAP has calculated an initial baseline. Note, the indicators and baseline for each priority area will need to be revised as part of the consultation process.





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[*Our Future ASEAN will be*] a green ASEAN that will be achieved through sustainable growth on land and in water, as we embrace the green economy and blue economy in the regional context, and strengthen ASEAN's position in promoting sustainability and climate responses

”

ASEAN Community Vision 2045

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