



# **ASEAN-UK Green Transition Fund**

## **Term of Reference**

**Call for Proposals – Climate Policy, Green Finance and Clean and Just Energy Transition**

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## **1. ASEAN-UK Green Transition Fund (GTF) background**

The UK became a Dialogue Partner to ASEAN in 2021, developed a 5-year ASEAN-UK Plan of Action (2022-2026), and launched five flagship programmes on economic integration, women, peace and security, advancing girls' education, health security, and climate.

The ASEAN-UK Green Transition Fund (GTF), with up to £40 million in funding from 2024-2029, aims to accelerate ASEAN's transition to a clean and climate-resilient economy by reducing emissions in key sectors, supporting green economic growth and improving the livelihoods of vulnerable people. It will provide technical assistance throughout the region, targeting all ten ASEAN Member States (AMS) and Timor-Leste. The GTF works with ASEAN institutions, such as the ASEAN Secretariat, ASEAN Centres and Facilities, and various ASEAN Entities and Sectoral Bodies.

The GTF is managed by the UK Mission to ASEAN and delivered through the UK Partnering for Accelerated Climate Transition (UK PACT) mechanism. UK PACT is a £340 million capacity-building programme providing UK's Official Development Assistance (ODA) for International Climate Finance (ICF). UK PACT supports ODA-eligible countries with high mitigation potential to increase their climate ambition and implement it more rapidly, effectively, and equitably.

The GTF is a key tool to enhance collaboration between the ASEAN Secretariat, ASEAN Member States, and the UK on climate action. It supports impactful projects through capacity-building, knowledge-sharing, and peer-to-peer learning. It also pilot transformational technologies and facilitates evidence-based climate mitigation actions. Climate adaptation co-benefits will also be delivered.

The ASEAN-UK GTF spans across five pillars:

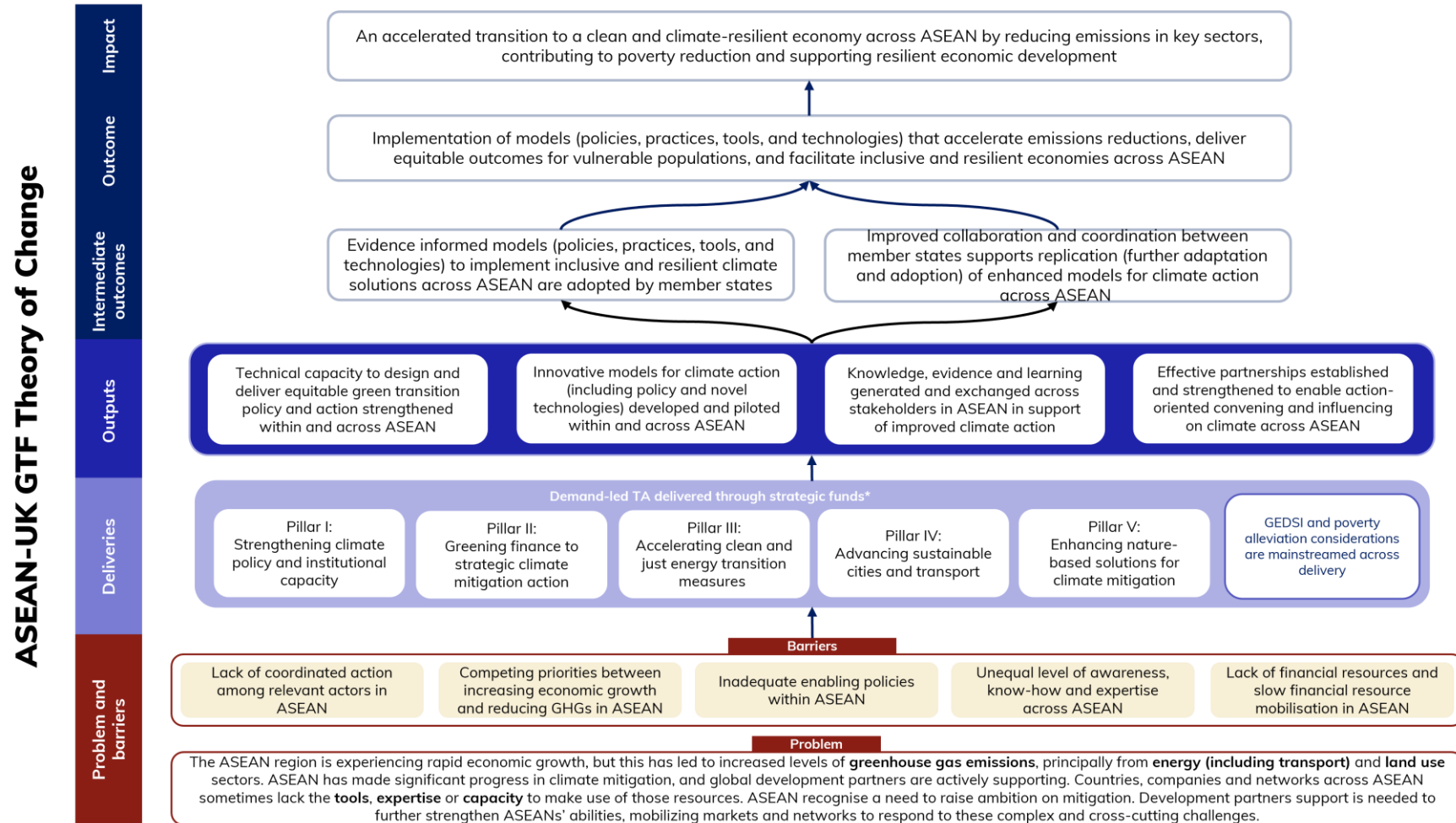
- I. Strengthening Climate Policy and Institutional Capacity (Climate Policy)**
- II. Greening Finance to Strategic Mitigation Action (Green Finance)**
- III. Accelerating Clean and Just Energy Transition Measures (Clean and Just Energy Transition)**
- IV. Advancing Sustainable Cities and Transportation (Cities and Transportation)**
- V. Enhancing Nature-based Solutions for Climate Mitigation (Nature-based Solutions)**

This Call for Proposals (CfP) focuses on the first three pillars. Interventions planned across the three pillars are further detailed in Section 4: Work Packages.



## 2. The ASEAN-UK GTF Program Theory of Change

FIGURE 1 THE ASEAN-UK GTF THEORY OF CHANGE



\*Strategic funds refer to targeted resources under the Green Transition Fund (GTF) used to implement Technical assistance (TA) activities across the five pillars. These demand-led funds respond to the specific needs of ASEAN and support tailored interventions, such as policy development, pilot initiatives, partnership facilitation, capacity building, and knowledge exchange aligning with the programme's overarching outcomes and impact

### 3. Eligibility criteria

The UK PACT Applicant Handbook & Budget Template provides detailed information on organisational, project, and cost eligibility. We highlight the eligibility criteria below but encourage applicants to review the Applicant Handbook and proposal templates for further details.

- 
- Applicant**
- Government agencies and/or departments, including the ASEAN Secretariat, are not eligible to apply as a lead organisation or partner in a consortium.
  - International, national and local organisations are eligible to apply.
  - Organisations applying as a consortium must have at least one entity that is based in ASEAN Member States and/or Timor-Leste, either as consortium lead or consortium partner.

- Project**
- Proposals must align with the strategic priorities outlined in these terms of reference.
  - Projects are intended to provide Technical Assistance.
  - There is a capital expense allocation for projects to support initiatives such as piloting climate-smart technology innovations, blended financing, investment transaction facilitation, and general climate mitigation project preparations. However, please note that this type of allocation will only be available in the second fiscal year (FY 26/27). Therefore, budgets for the first year should not include capital expenses or tangible assets.
  - The value of projects must not exceed **£800,000/year** tax inclusive.

- Cost**
- All projects must be delivered on a **not-for-profit** basis. Eligible costs include:
    - Consultancy and/or staff time required to deliver activities.
    - Reasonable travel and subsistence costs.
    - Other costs directly related to activities and outputs (workshops, seminars, production of reports, translation, etc.).
    - Taxes
    - Overhead costs (see Applicant Handbook for further guidance)
  - Funding for tangible assets, e.g. computers and furniture, is not permissible.
  - Applicants must include a budget line for activities related to the ASEAN accreditation/formalisation process for the project with the ASEAN Secretariat.
  - Applicants are encouraged to include a project coordination budget to collaborate at minimum with other projects in the GTF portfolio, projects in UK PACT Asia portfolios, and other relevant UK-funded projects.

- Application**
- Applications must be coherent and legible.
  - All documents must be completed. The omission of any one document will lead to disqualification.
  - Applications and all forms of communication with the programme must be submitted in English.
-

## 4. Work packages

For this first Call for Proposals, ASEAN-UK GTF seeks to award ten work packages (WP).

Pillar	Work Package	Link to page
<b>Pillar I: Climate Policy and Institutional Capacity Development (Climate Policy)</b>	1.1: Strengthening Nationally Determined Contributions (NDC) planning and preparing for Article 6 implementation	<a href="#">Annex 1 – 1.1</a>
	1.2: Capacity building, peer-to-peer learning for relevant working groups in ASEAN	<a href="#">Annex 1 – 1.2</a>
	1.3: Centre of Excellence for Monitoring, Reporting and Verification (MRV) in ASEAN	<a href="#">Annex 1 – 1.3</a>
	1.4: Skills and Capacity Strategy for Climate Mitigation in ASEAN	<a href="#">Annex 1 – 1.4</a>
<b>Pillar II: Green Finance to strategic regional climate mitigation action (Green Finance)</b>	2.1: Brokerage, Networking and Matchmaking for Investment	<a href="#">Annex 2 – 2.1</a>
	2.2: Carbon Pricing Mechanism Study and Simulation	<a href="#">Annex 2 – 2.2</a>
	2.3: Empowering and Enabling Funders and Financiers	<a href="#">Annex 2 – 2.3</a>
	2.4: Cross-Cutting Project Preparation across ASEAN	<a href="#">Annex 2 – 2.4</a>
<b>Pillar III: Accelerating Regional Low Carbon Energy Transition Measures (Energy Transition)</b>	3.1: Enhancing Grid Resilience and Clean Energy Market Transformation	<a href="#">Annex 3 – 3.1</a>
	3.2: Advancing Industrial Decarbonisation	<a href="#">Annex 3 – 3.2</a>

ASEAN-UK GTF expects each work package to **be treated and delivered as one project**. Applicants may bid for multiple work packages. Details of the scope of each work package are listed in the Annexes. ASEAN-UK GTF will manage the work packages within each pillar as a portfolio of projects. Each project will be expected, where applicable, to collaborate and create synergies with other projects.

## 5. Application specifications

### 1. Work package budgets

We expect Applicants to submit a single proposal to address one work package. Proposals may be submitted by the same organisation/consortium for multiple work packages, provided each proposal fully addresses a work package individually. Each proposal will be assessed independently. Within the proposal narrative, Sections 3 (Work Packages) and Section 14 (Value for Money) applicants are asked to reference any separate work package proposals submitted and elaborate on the benefits and efficiencies of joint delivery. However, each work package must remain fully budgeted individually for the proposal stage.

## 2. Project duration

Project proposals should anticipate an implementation period of **June 2025 - December 2026 (19 months)**.

The ASEAN-UK GTF reserves the right to ask clarification questions or to ask for amendments after the initial proposals have been reviewed. In some cases, ASEAN-UK GTF might also suggest that Applicants work closely together or form consortia where projects are working to achieve similar objectives and/or where consolidation into a larger programme approach would be beneficial over a longer period. Applicants should be prepared to respond to and discuss these requests.

As ASEAN-UK GTF is a demand-led programme, we expect ongoing consultation with the ASEAN Secretariat and Sectoral Bodies. Selected organisations will be able to refine their workplans and activities based on consultation with key stakeholders during a three-month inception period following the grant signature. Any adjustments agreed between the parties will be reflected in relevant delivery schedules of the grant agreement.

ASEAN-UK GTF is an adaptive programme, and we seek partners who can be flexible and adapt to deliver against changing demands. In line with the goal of the ASEAN Secretariat, various ASEAN Entities and Sectoral Bodies, the ASEAN Member States (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam), and the Timor-Leste Government, we invite applicants to indicate how they may extend, expand, or build on the first 19 months of delivery—should further funding become available.

## 3. Application Guidance

The submission deadline is **19<sup>th</sup> February 2025 at 18:00 ICT/ 11:00 UTC**.

The following documents form your application pack and must be completed in English. Applicants must complete the online form on the Call for Proposals web page. After submitting this form, you will receive an email containing a link to upload your application template pack for Applicants to fill out. The pack consist of:

- ASEAN-UK GTF Proposal Template
- ASEAN-UK GTF Budget and Workplan Template
- ASEAN-UK GTF Project Risk & Issue Register Template
- Project Theory of Change (ToC) Application Form

## 6. Gender Equality, Diversity and Social Inclusion (GEDSI)

Applicants should refer to [the UK PACT GEDSI Guidance](#) on considering and suitably integrating GEDSI principles in project design. Below are some ideas to consider:

- **Ensure Accessibility:** Projects should make activities and information accessible to all, including those with disabilities. Proposals must specify how materials, meetings, and outputs will be accessible to individuals with different needs.
- **Promote Safety and Equity:** Outline specific measures to safeguard vulnerable groups, particularly women in the working area, against potential harms like workplace violence or harassment.
- **Enhance Affordability and Economic Inclusion:** In transforming markets, it's essential to propose financial models that make the solutions affordable and accessible to marginalised and low-income groups, ensuring equitable energy access.

- **Broaden Participation:** Clearly demonstrate strategies for including diverse community voices in decision-making processes, particularly those from indigenous and other under-represented groups. This involves active engagement and capacity-building within local communities to elevate their role in shaping project outcomes.
- **Detail Inclusive Project Benefits:** Explain how the project will deliver benefits across different societal segments, particularly how technologies and practices developed will be accessible and beneficial to marginalised groups.
- **Inclusive Decision-Making:** For projects focused on policy and regulatory frameworks, describe how diverse stakeholder inputs will be incorporated into the development and implementation phases to ensure policies are responsive to the needs of all community members.
- **Implement Safeguarding Measures:** Describe mechanisms for protecting vulnerable community members from the unintended consequences of project activities, including specific measures to mitigate environmental, social, and economic impacts.
- **Plan for Scalable and Sustainable Impacts:** Highlight how integrating GEDSI principles contributes to the long-term sustainability and potential scaling of project impacts, ensuring that advancements in clean energy and industrial practices benefit a broad range of stakeholders.

## 7. Call for Proposals timeline

Stage	Date
1. Market Engagement Event	12 December 2024
2. Call for proposals opened for applications	19 December 2024
3. Deadline for clarification questions.	30 January 2025
Consolidated clarifications will be published on the ASEAN GTF web page. Kindly note that clarification questions will not be answered by email.	
Final publication of responses to clarification questions.	13 February 2025
4. Deadline for submission of applications	19 February 2025
5. Final Awards Announced	16 April 2025
7. Due Diligence, Co-Creation on project activities and Grant Signing Deadline for clarification questions	17 April – 30 May 2025
8. (Estimated) project start date	1 June 2025



## 8. Proposal scoring and weighting

TABLE 1 PROPOSAL CRITERIA DESCRIPTION AND WEIGHTING

Area	Criteria	Description	Weighting
Technical (70%)	<b>Impact</b>	<p>The applicant provides a clear impact pathway in the Project ToC Application Form. The applicant shows how their outputs will lead to the outcomes required for transformational change. This includes:</p> <ul style="list-style-type: none"> <li>○ articulating how the project will specifically help the counterpart achieve and accelerate their goal for the related sector development (political will and ambition)</li> <li>○ identifying opportunities for replication/scaling up of activities (scalability, critical mass)</li> <li>○ <b>identifying</b> clear actions to provide suggested science-based recommendations and improve leverage (evidence sharing and creating leverage)</li> <li>○ clearly articulating how proposed activities will increase the capacity of counterparts to achieve outcomes and/or pilot/test an innovation</li> </ul>	20
	<b>Project description, approach, and mapping, and workplan</b>	<ul style="list-style-type: none"> <li>• The applicant clearly articulates how the project will deliver one or more of the expected outputs (as stated in the ASEAN-UK GTF ToC document) and lays out a project plan which includes the description of a technically robust project, activities, and workplan</li> <li>• The applicant has a strong rationale for the project's ability to deliver outcomes and a clear plan for engaging with key counterparts during delivery to ensure the uptake of project outputs and earning ASEAN accreditation/ formalisation.</li> <li>• Applicants detail their intended methodology to address the gaps and</li> </ul>	20

Area	Criteria	Description	Weighting
		<p>provide a proposed roadmap and timeline for overcoming them with counterparts.</p> <ul style="list-style-type: none"> <li>The proposal demonstrates a strong understanding of the causal relationship between outputs/outcomes within the work package, the proposed work package, and other ongoing actions conducted by the applicant and/or other implementing partners conducting relevant activities.</li> </ul>	
	<b>Inclusivity</b>	<p>The applicant clearly describes the resources required and the technical approach to ensure inclusivity throughout various phases of project delivery, including:</p> <ul style="list-style-type: none"> <li>During the project inception phase, to identify the GEDSI gap in the sector and sub-sector in line with activities and deliverables; develop list of all affected stakeholders, beneficiaries, and other stakeholders, and finalise a plan for monitoring and reporting (e.g., development of sex-disaggregated data).</li> <li>During the implementation phase, develop a plan to recognise the fundamental rights of the affected stakeholders and beneficiaries to fill the GEDSI gap. From the list of affected stakeholders, beneficiaries, and other stakeholders, develop a vulnerability analysis (e.g., using multi-layered vulnerability based on gender, race, disability, poverty, and age to define the target from the most to the least vulnerable)</li> <li>Developing empowerment activities, poverty alleviation for the affected stakeholders, beneficiaries, and other parties. GEDSI-specific activities and outputs (e.g., empowering the voice of coal workers in coal phase-out studies) developed.</li> </ul>	15

Area	Criteria	Description	Weighting
Project management (20%)	<b>Knowledge, skills, experience, and team structure</b>	<ul style="list-style-type: none"> <li>The proposed project team has relevant knowledge and experience in the subject area and the skills to deliver the project. The team is well-structured and available to mobilise quickly. Applicants must submit CVs with the proposal. The proponent demonstrates prior experience with similar activities and can articulate efficient start-up and delivery based on their experience.</li> <li>To ensure effective knowledge transfer and capacity building, applicants must demonstrate a strong understanding of stakeholders and the context of delivery and bring the relevant expertise required to achieve impact. Given the in-person activities outlined in the project, proposals are expected to have at least part of their teams based locally to key stakeholders involved in proposed activities.</li> </ul>	15
	<b>Project management</b>	<ul style="list-style-type: none"> <li>The proposal outlines a clear plan for mobilising the project quickly and effectively. The proposal describes a robust project management mechanism to ensure activities stay on track and on budget and deliver project results. This must include collating and submitting evidence of activities and outputs and reporting project progress to ASEAN-UK GTF. The applicant provides a clear plan for managing consortia where applicable.</li> </ul>	15
	<b>Risk management</b>	<ul style="list-style-type: none"> <li>The applicant has clearly outlined the key risks associated with delivery, with straightforward plans for mitigating these and an understanding of the likelihood and impact of each risk. This includes risks associated with impacts on marginalised groups and changing political contexts.</li> </ul>	5

Area	Criteria	Description	Weighting
Financial (10%)	<b>Budget and Value for Money</b>	<ul style="list-style-type: none"> <li>The budget is clearly linked to the activities and outputs outlined, with appropriate allocation of time, resources and costs that appear reasonable for the activities proposed. This includes sufficient allocation for project management, reporting, and data collection to allow for close coordination with ASEAN-UK GTF. The application provides confidence that the project will represent good value for money, including FCDO's Four Es (economy, efficiency, effectiveness, and equity) and excluding all non-eligible costs, such as profit. The Four Es are detailed in the Applicant Handbook.</li> </ul>	10

## 9. Further detail

Applicants should read this Terms of Reference together with the Applicant Handbook and other guidance documents for all further details.

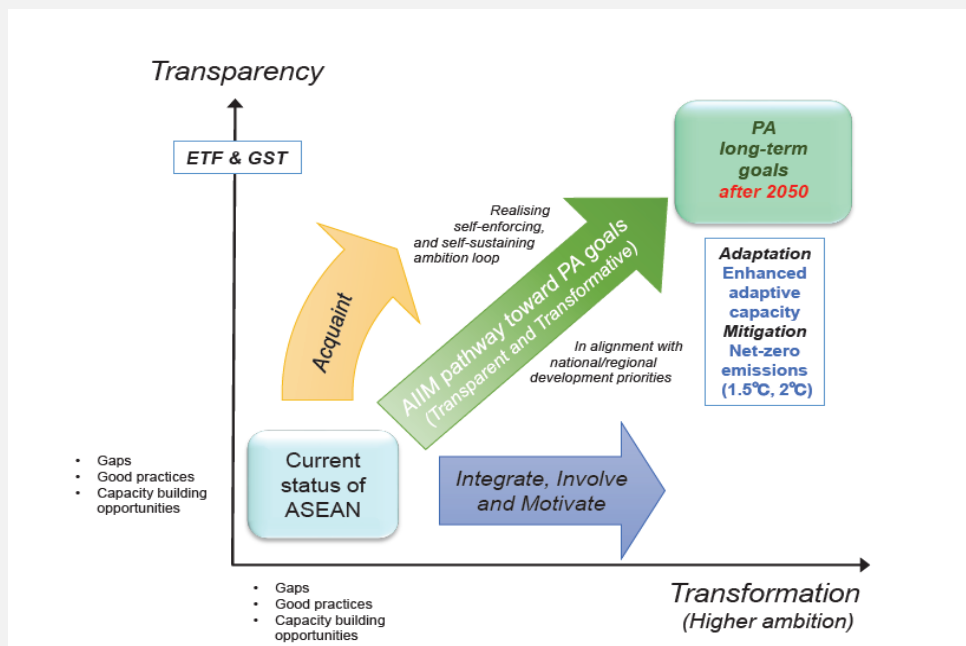
Clarification questions should be sent to [aseangtf@ukpact.co.uk](mailto:aseangtf@ukpact.co.uk) and will be accepted until 18:00 ICT/ 11:00 UTC) on 30 January 2025. Answers will be published on the ASEAN-UK GTF Call for Proposals page.



## Annex 1 Scope of Work of Pillar I: Climate Policy and Institutional Capacity Development (Climate Policy)

### Why are we looking for proposals related to climate policy and institutional capacity development?

Despite efforts since the Paris Agreement was reached in 2015, ASEAN still requires technical and institutional capacity support to refine and scale up climate policy efforts and implement the frameworks needed as part of the net zero transition. Recognising these challenges, the ASEAN *Climate Vision towards 2050* outlines a pathway towards achieving the goals of the Paris Agreement for the region based on the two guiding principles of transformation and transparency. The vision highlighted the need for higher ambition in climate policy in alignment with national and regional development priorities, such as poverty reduction. It strengthened capacity and transparency to help build institutional frameworks and successfully deliver outcomes. The GTF is seeking proposals to help support this vision's delivery.



Source: ASEAN State of Climate Change Report (2021)

To achieve the vision, GTF identified key gaps within identified areas for climate policy and institutional capacity development in the region. These include:

- **Enhancing and strengthening NDCs:** Support is needed to identify low-cost opportunities across the region and help support NDC commitments across ASEAN Member States.
- **Measurement, reporting, and verification (MRV) and enhanced transparency:** There is a need to improve MRV capacity and tools to support policymakers and other stakeholders in Member States to develop, track and deliver on NDC targets in line with the Paris Agreement Enhanced Transparency Framework (ETF).
- **Increasing technical capacity and knowledge:** The move to net zero and the clean energy transition will require a step-change in knowledge, skills, training, and know-how across

the ASEAN region. This will help countries prepare for the challenges of the low-carbon energy transition while managing potential impacts on sectors and communities.

- **Regional cooperation on GHG mitigation:** Some important mitigation project opportunities face barriers to financing and development due to various issues around a lack of regional coordination and engagement. There is, therefore, a clear demand for better coordination among Member States to accelerate transformational low-carbon projects in the ASEAN region.
- **Climate finance and carbon markets:** There is a clear need and demand from Member States to improve the flow of climate finance and carbon market enablement to leverage investment into a low-carbon transition.

## Ensuring alignment with ASEAN key strategies

The following ASEAN policy and strategies informed GTF Pillar I for all Work Packages:

- ASEAN Report on Climate Change
- ASEAN Strategy for Carbon Neutrality
- ASEAN Joint Statement on COP
- ASEAN Joint Statement on COP CBD
- ASEAN Working Group on Climate Change Action Plan
- ASEAN Plan of Action for Energy Cooperation (APAEC) (Phase II: 2021-2025 and beyond)
- ASEAN Blue Economy Framework

We strongly encourage prospective applicants to review ASEAN strategies as they prepare their proposals, ensuring that these strategies are deeply integrated into their project plans. Proposals should reflect a profound understanding of ASEAN's strategic priorities and demonstrate alignment with ASEAN's broader regional objectives rather than merely aggregating country-specific initiatives. This approach underscores the importance of adopting a comprehensive ASEAN perspective—a fundamental criterion for endorsement and support under the ASEAN-UK GTF. By focusing on a unified regional framework, proposals will distinctively contribute to a cohesive and integrated ASEAN agenda, setting them apart from projects that are predominantly national in scope.

## Work Package 1.1: Strengthening NDCs planning and preparing for Article 6 implementation

The following table provides detailed information and expectations for the work package on climate policy pillars. We are actively seeking proposals for these themes, which include the scope of work for applicants to respond to. Applicants must respond to these activities in their proposals.

TABLE 2: WORK PACKAGE 1.1 ACTIVITY COMPONENT

No	Activity	Description of Activity
1.1.1	<b>Updated synthesis of NDCs and LTSS and</b>	Conduct an updated desk-based synthesis of the latest NDCs (3.0) at the time of assignment across the ASEAN region in terms of ambition

No	Activity	Description of Activity
	<b>mitigation potential across ASEAN</b>	compared to requirements to meet Paris Agreement goals, including assessing Member State GHG projections and sectoral mitigation targets/actions compared to net zero trajectories and long-term strategy (LTS) goals. Elements include the level of ambition, the scope of mitigation, the trajectory towards net zero, etc. The synthesis should indicate where efforts could be strengthened for the next round of NDCs - as well as the potential to raise LTS ambitions - and help to highlight the remaining potential for mitigation efforts, helping to identify sectors and measures which most need actions and funding.
1.1.2	<b>Identify potential for accelerated cost-effective climate mitigation actions in priority sectors.</b>	Based on the synthesis, identify the potential for accelerated climate mitigation actions within the energy, sustainable cities and transport, and Nature Based Solutions (NBS) sectors. The assessment should comprise of mitigation scale (i.e. the size/volumes of possible reduction and removal opportunities) as well as cost-effectiveness of identified measures, with particular attention given to measures with co-benefits - including building climate resilience and green growth - and the need to avoid "carbon lock-in".
1.1.3	<b>Outline best practice cases and examples in ASEAN Member States as part of low carbon pathways and the just energy transition towards net zero.</b>	Examples of good practice and strong ambition should be identified to encourage a "race to the top" in the ASEAN Member States rather than criticising specific countries with the least ambition. These may include specific policies and measures that deliver important mitigation outcomes and examples of good climate governance, MRV and other less-quantifiable aspects.
1.1.4	<b>Support ASEAN in developing science-based products (e.g. modelling for energy sectors, etc.)</b>	Develop and utilise science-based tools like energy modelling and academic research to advocate for higher RE ambitions within ASEAN's industrial and transportation sectors, ensuring a technology-neutral approach.
1.1.5	<b>Development of enabling conditions and ecosystem for Article 6 of Paris Agreement Participation</b>	<ul style="list-style-type: none"> <li>• Conduct studies and develop up-to-date policy recommendations on high-integrity carbon standards and practices supported by international actors (e.g., ICVCM &amp; VCMI) and the Article 6 Supervisory Body to provide ASEAN Member States with a deeper understanding and consequences regarding Article 6 project pipeline development and authorisation process.</li> <li>• Convene ASEAN Member States to discuss their experiences, create a cross-country sharing platform regarding the policy and institutional framework for Article 6 operationalisation, and develop a shared understanding between buyer and seller countries in the Member States.</li> </ul>

No	Activity	Description of Activity
		<ul style="list-style-type: none"> <li>Provide technical assistance for Article 6 project implementation and early development of project pipeline developed by ASEAN Member States, convening the necessary stakeholders and guiding them through the process of these transactions.</li> </ul>

## Work Package 1.2: Capacity-building, peer-to-peer learning for relevant working groups in ASEAN

This work package is expected to support ASEAN Member States (AMS) in uplifting and bringing them to the same level of knowledge in climate policy, energy transition and green finance sectors through capacity building and exchanging experiences among AMS and with international partners. Specific aims include support for accessing to the Green Climate Fund (GCF), creating an environment that integrates finance and nature, and broadening and enhancing the effectiveness of the ASEAN Power Grid for energy transition. This work package aims to work through the relevant ASEAN strategy frameworks to help Member States better create the policy environment to reach net zero emissions in each AMS and the region.

The following table provides detailed information and expectations for the work package on climate policy pillars. We are actively seeking proposals for these themes, which include the scope of work for applicants to respond to. Applicants must respond to these activities in their proposals.

TABLE 3 WORK PACKAGE 1.2 ACTIVITY COMPONENT

No	Activity	Description of Activity
1.2.1	<b>Exchange of best practice and peer-to-peer learnings between ASEAN policymakers</b>	<ul style="list-style-type: none"> <li>Consult with the relevant ASEAN sectoral bodies on the planned exchange of best practices and peer-to-peer learnings in 2025 and 2026</li> <li>Facilitate exchange of best practice and peer-to-peer learnings between regional ASEAN policymakers to understand and accelerate climate financial flows for mitigation in the region and AMS</li> <li>Facilitate exchange of best practice and peer-to-peer learnings between regional ASEAN policymakers on the integration of nature, finance, and energy transition policies</li> </ul>
1.2.2	<b>Support for GCF accreditation for ASEAN Centres and ASEAN Secretariat</b>	<ul style="list-style-type: none"> <li>Explore the potential for ASEAN Centres and ASEAN Secretariat to be accredited entities under GCF</li> <li>Facilitate activities to understand and support the accreditation procedure and to prepare for the process</li> </ul>



No	Activity	Description of Activity
1.2.3	<b>Capacity building on the integration of nature and finance subsequently to increase understanding of the value of nature-positive investments and the impact of nature-negative investments</b>	<ul style="list-style-type: none"> <li>• Conduct political and economic analysis on the value of nature's positive investment and the impact of nature's negative investment</li> <li>• Develop guidance notes to present nature-based solutions, nature-positive and nature-negative investments with case studies and clear guidance offered on a sectoral basis (i.e., forestry, energy, water and sanitation, solid waste management, transportation, housing, etc.), including suggestions on policies to incentivise better behaviour and penalise violators</li> <li>• Facilitate workshops to present guidance notes to Member State representatives</li> <li>• Ongoing technical assistance facility prepared to offer advisory support on policies supporting integration of nature and finance to Member States</li> </ul>
1.2.4	<b>Facilitate knowledge transfer and regulatory discussions relevant to the ASEAN Power Grid.</b>	Conduct workshops and training sessions to address essential regulatory and infrastructure needs for effective cross-border energy trading. This can include but is not limited to, sharing UK best practices on power wheeling, HVDC (High-voltage Direct Current) sub-sea cable infrastructure and financing business models, integration of utility-scale batteries and development of standardised Power Purchase Agreement (PPA) templates and Public-Private Partnership (PPP) toolkits for APG projects.

### **Work Package 1.3: Centre of Excellence for MRV in ASEAN**

The Enhanced Transparency Framework (ETF), which is agreed upon under the Paris Agreement and Katowice Package rules, provides an ambitious framework for national reporting of the progress of climate targets. However, ASEAN Member States are at different stages in their national GHG accounting quality, including using methodologies and standards. Because NDCs and Article 6 trades under the emerging Paris Agreement Crediting Mechanism (PACM) are tracked using national GHG inventories, national accounting systems must be aligned with international MRV standards and accounting rules. In parallel, corporate-level GHG reporting and data flows are highly variable across ASEAN Member States. There often needs to be more clarity around which GHG accounting standards should be used and for what purposes.

This work package aims to encourage, through practical guidance and knowledge-sharing coordinated through ASEAN, the following tangible outcomes:

- Best practice GHG accounting and NDC reporting to UNFCCC aligned with Paris Agreement ETF and Information Clarity Transparency and Understanding (ICTU) guidance.
- Robust and transparent corporate MRV practice aligned with international standards; and
- Stronger institutional MRV capacity within Member States

These objectives could be realised by developing an ASEAN Regional Centre of Excellence (COE) or similar platform for MRV. The following table provides detailed information and expectations for this work package. Applicants should consider these activities when preparing their proposals.

**TABLE 4 WORK PACKAGE 1.3 ACTIVITY COMPONENT**

No	Activity	Description of Activity
1.3.1	<b>Define a programme of work and set of activities to develop a Centre of Excellence (COE) on MRV.</b>	<ul style="list-style-type: none"> <li>Map and identify needs for MRV and carbon accounting guidelines to allow strengthening transparency and accounting in AMS</li> <li>Define and develop a program of work to establish a Regional COE on MRV and carbon accounting to strengthen the capacity of AMS in the region</li> </ul>
1.3.2	<b>Cultivate partnerships to secure the institutionalisation of the Centre of Excellence on MRV in ASEAN.</b>	<ul style="list-style-type: none"> <li>Consult with the relevant ASEAN sectoral bodies on the proposed programme</li> <li>Based on the proposed programme of the Centre, identify potential host on the regional COE on MRV</li> <li>Establish partnerships needed to host regional COE</li> </ul>
1.3.3	<b>Develop guidance and tools to support both national and corporate MRV.</b>	<ul style="list-style-type: none"> <li>Develop guidance and tools for AMS on which suitable standards and guidelines to adopt to improve NDC target achievement transparency in line with ETF</li> <li>Develop guidance and tools for corporate GHG accounting and reporting in AMS, including data management as part of national MRV framework arrangements</li> </ul>
1.3.4	<b>Best practice sharing between ASEAN Member States on MRV</b>	Facilitate best practice and knowledge-sharing sessions (such as workshops) amongst AMS. Such sessions can also be done through sharing from other countries outside the region

## **Work Package 1.4: Skills and Capacity Strategy for Climate Mitigation in ASEAN**

Achieving net zero while maintaining green growth in ASEAN requires huge regional human capacity and skills. Strengthening targets and ambition involves detailed quantitative analysis and other skill sets. This work package aims to develop a strategy and roadmap to help boost skills, R&D and mitigation knowledge across the region.

The following table provides detailed information and expectations for this work package. Applicants should consider these activities when preparing their proposals.

**TABLE 5 WORK PACKAGE 1.4: ACTIVITY COMPONENT**

No	Activity	Description of Activity
1.4.1	<b>Stocktaking of current capacity across key skills and capacity areas on climate mitigation in ASEAN</b>	<ul style="list-style-type: none"> <li>Undertake a regional stocktake and comprehensive survey of the current capacity of ASEAN Member States across key skills and capacity areas relating to climate mitigation and the energy transition.</li> <li>Beginning with a scene-setting overview of the challenges faced by the region in responding to climate change and the Paris Agreement goals - and the types of skills, knowledge and capacity that will be needed to meet these challenges and manage socio-economic impacts (e.g. from the transition away from fossil fuel energy) - the stocktake should develop appropriate metrics and evaluation areas. e.g. How many university and college degree and MSc courses? How many training and re-skilling programmes? How many graduates? What level of carbon market readiness and capacity?</li> </ul>
1.4.2	<b>Identify strengths and weaknesses and gap analysis</b>	Identify strengths and weaknesses based on the capacity and skills needs identified for the region and stocktake of the current state of play (as per above). This task should answer questions such as: Where are there current areas of excellence, and where are there gaps? What skills are most needed in the short- medium- and long term?
1.4.3	<b>Develop a strategy with a roadmap of activities, roles and funding gaps.</b>	<ul style="list-style-type: none"> <li>Develop a regional Strategy (“Regional Skills and Capacity Strategy for Climate Mitigation”) and Roadmap with a timeline of activities, roles, funding needs, and funding sources. The roadmap should seek to identify specific metrics as far as possible. For example, are more postgraduate courses, training schemes, or e-skilling programmes needed? In what areas?</li> <li>Review best practices and international experiences to support the Strategy (how have other countries/regions developed skills and capacity? What lessons can be learned and applied to the ASEAN region?)</li> <li>Provide recommendations on the institutional nesting of the programme based on the identified target groups and expected outputs to guide the implementation</li> </ul>

No	Activity	Description of Activity
		<ul style="list-style-type: none"> <li>Consult with the relevant ASEAN sectoral bodies on the roadmap of activities, roles and funding needs</li> </ul>
<p><b>1.4.4</b></p>	<p><b>Initiate the implementation of an ASEAN community of practice to support climate mitigation through accelerator activities.</b></p>	<ul style="list-style-type: none"> <li>Based on the near-term phase of the roadmap of actions, propose the design of a programme of potential accelerator activities to help drive skills and capacity in the region. Based on international good practice and experiences, these might include the development of R&amp;D and innovation prizes (e.g. based on low carbon technology inducement and recognition prizes as employed to date in Europe, North America, Japan and elsewhere). The proposed activities should clearly describe their intended aims, the specific steps and milestones involved, including roles and timings, and possible funding sources/models.</li> <li>Consult closely with the relevant ASEAN sectoral body on the implementation plan for the near accelerator activities.</li> </ul>



## **Annex 2 Scope of Work of Pillar II: Green Finance to Strategic Regional Climate Mitigation Action (Green Finance)**

### **Why are we looking for proposals related to Green Finance?**

In 2018–2019, climate finance flows to Southeast Asia amounted to just \$27.8 billion or 5% of the nearly \$520 billion tracked for Asia and the Pacific. According to the Climate Policy Initiative, the region requires up to \$1.7 trillion annually until 2030 to meet climate targets, while early estimates of ADB put the climate finance needs of Southeast Asian countries at \$210 billion per year. In the October 2024 ASEAN Joint Statement on Climate Change to the 29th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP-29), the ASEAN Secretariat explicitly stated a key priority as:

This pillar's objectives are to support the development of innovative financing mechanisms and improve climate finance's effectiveness, quality, and transparency, responding to the needs and priorities of ASEAN Member States.

More specifically, the GTF is well-positioned to accelerate the flow of funding and finance to strategic regional climate mitigation interventions through three overarching areas: (1) upskilling policymakers, public sector project sponsors, and funders/financiers on blended finance structures in the delivery of climate solutions, especially energy transition solutions, (2) ensuring the maturity and financial viability of priority regional projects through the provision of targeted technical assistance, and (3) demonstrating the applicability of carbon credits and other innovative financing mechanisms to project sponsors and funders/financiers.

Interventions in green finance are anticipated to leverage the work of other components of GTF, notably energy transition, noting that the sequencing of interventions might require that some of the support on financial readiness (under this pillar) follow technical feasibility studies from other pillars.

### **Ensuring alignment with ASEAN key strategies**

The GTF Green Finance Pillar comprises four work packages, each aligned with key ASEAN strategies and built upon key ASEAN strategic reports and stakeholder engagement.

#### **Work Package 2.1**

1. ASEAN Strategy for Carbon Neutrality
2. ASEAN State of Climate Change Report (ASCCR)
3. ASEAN Transition Finance Guideline V.2
4. ASEAN Taxonomy for Sustainable Finance V.3
5. ASEAN Sustainable and Responsible Fund Standards
6. Roadmap to ASEAN Sustainable Capital Markets
7. ASEAN Regional Investment Promotion Action Plan

Work Package 2.2	<ol style="list-style-type: none"> <li>1. ASEAN Strategy for Carbon Neutrality</li> <li>2. ASEAN State of Climate Change Report (ASCCR)</li> <li>3. (Draft) ASEAN Common Carbon Framework</li> <li>4. ASEAN Regional Investment Promotion Action Plan 2025-2030</li> </ol>
Work Package 2.3	<ol style="list-style-type: none"> <li>1. ASEAN Strategy for Carbon Neutrality</li> <li>2. ASEAN State of Climate Change Report (ASCCR)</li> <li>3. ASEAN Transition Finance Guideline V.2</li> <li>4. ASEAN Taxonomy for Sustainable Finance V.3</li> <li>5. ASEAN Social Bonds Standards</li> <li>6. ASEAN Sustainability Linked-Bonds Standards</li> <li>7. ASEAN Sustainable and Responsible Fund Standards</li> <li>8. ASEAN Green Bonds Standard</li> <li>9. ASEAN Sustainability Bonds Standard</li> <li>10. Roadmap to ASEAN Sustainable Capital Markets</li> <li>11. Report on Promoting Sustainable Finance in ASEAN (ASEAN Working Committee on Capital Market Development, April 2020)</li> </ol>
Work Package 2.4	<ol style="list-style-type: none"> <li>1. ASEAN Strategy for Carbon Neutrality</li> <li>2. ASEAN State of Climate Change Report (ASCCR)</li> <li>3. ASEAN Transition Finance Guideline V.2</li> <li>4. ASEAN Regional Investment Promotion Action Plan 2025-2030</li> </ol>

We strongly encourage prospective applicants to thoroughly engage with ASEAN strategies as they prepare their proposals, ensuring that these strategies are deeply integrated into their project plans. Proposals should reflect a profound understanding of ASEAN's strategic priorities and demonstrate alignment with ASEAN's broader regional objectives rather than merely aggregating country-specific initiatives. This approach underscores the importance of adopting a comprehensive ASEAN perspective—a fundamental criterion for endorsement and support under the ASEAN-UK GTF. By focusing on a unified regional framework, the proposals will distinctively contribute to a cohesive and integrated ASEAN agenda, setting them apart from projects that are predominantly national in scope.

### **Work Package 2.1: Brokerage, Networking and Matchmaking for Investment**

This work package specifically targets supporting public-sector project sponsors and public funders/concessionary and commercial financiers to communicate to realise climate finance opportunities across ASEAN more effectively. This is done by initially designing capital stacks and funding structures for up to 5 priority, pre-identified projects, supporting more effective matchmaking between project sponsors and finance providers, and coaching project sponsors on better presenting investable opportunities. In addition, this work package responds to the need to support the ASEAN Secretariat and Member States to prepare rigorous and well-defined transition finance plans, as well as helping them gain more international exposure from investors.

**TABLE 6 WORK PACKAGE 2.1 ACTIVITY COMPONENT**

No	Activity	Description of Activity
2.1.1	Design funding structures for up to 5 pre-identified ASEAN projects that rely on blended finance solutions	<ul style="list-style-type: none"> <li>• Review of the preliminary list of projects to support in line with ASEAN priorities</li> <li>• Selection of suitable projects that are mature and bankable; matching the project sponsors with appropriate international and domestic finance providers; facilitating initial conversations and supporting relationship-building</li> <li>• Design specific blended finance structures that enable the delivery of priority projects with clear and well-defined financial models and preliminary identification of likely funders/financiers</li> </ul>
2.1.2	Facilitate public and private sector funder/financier engagement	<ul style="list-style-type: none"> <li>• Coaching project sponsors on how to improve the attractiveness of the project to finance providers</li> <li>• Facilitating detailed and technical discussions and negotiations between project sponsors and finance providers</li> <li>• Help project sponsors to expand their network of suitable finance providers and support with relationship building as well as providing training on how to communicate investment opportunities best to finance providers</li> </ul>
2.1.3	Draft sample transition finance plan, with accompanying finance strategy, for early-stage member states to review and appropriately contextualise.	<ul style="list-style-type: none"> <li>• Draft sample transition finance plan for the agreed Member States and support them to implement the plans by considering local and national political economy context</li> <li>• Workshops/Peer-to-peer learning between ASEAN Member States to discuss the sample of transition finance with international best practices and contextualise into national and local context</li> </ul>
2.1.4	Support the ASEAN Secretariat and Member States to gain more international exposure for transition finance plans.	<ul style="list-style-type: none"> <li>• Workshops/events with international investors to introduce them to ASEAN Secretariat and ASEAN Member States' transition finance plans; matching suitable investors with member states' transition finance representatives/department</li> <li>• Support the ASEAN Secretariat and Member States to better communicate their transition finance plans with international investors and to expand their network of investors that may be interested in their transition plans</li> </ul>

## Work Package 2.2: Carbon Pricing Mechanism Study and Simulation

Industrial sectors are significant contributors to ASEAN GHG emissions. The UK and EU Carbon Border Adjustment Mechanism (CBAM) implementation is under development, and CBAM implementation may impact the ASEAN industry. At the same time, ASEAN Member States are developing relevant carbon pricing policy instruments in their jurisdictions, aiming to mobilise carbon financing nationally or internationally. Furthermore, carbon pricing implementation is a priority in the ASEAN Strategy for Carbon Neutrality.

In line with the above-mentioned demand and context, this work package aims to strengthen the implementation of carbon pricing policies and practices in ASEAN, with an additional focus on simulating the impact of carbon pricing policy in the ASEAN industry sector vis a vis EU and UK CBAM implementation. Furthermore, to further incentivise climate mitigation action in the sector, these work packages open an opportunity to support the development of pilot novel carbon project scale-up.

TABLE 7 WORK PACKAGES 2.2 ACTIVITY COMPONENT

No	Activity	Description of Activity
2.2.1	Strengthening carbon pricing mechanisms in ASEAN	<ul style="list-style-type: none"> <li>• Refresher training modules on carbon pricing policy instruments: a series of training and follow-up detailed training in line with the request and interest of ASEAN Member States Policy Makers. The training must consider the existing arrays of materials available, such as materials developed by the Partnership for Market Implementation of the World Bank, NDC Partnership, and others.</li> <li>• A convening of ASEAN Member States to discuss their experiences and create a cross-country sharing platform on mitigation actions and the monetisation of carbon pricing policy.</li> <li>• Conduct early studies on ETS development in ASEAN Member States as well as exploring the early development of regional ETS to better understand how advanced ETSs are in each region and what type of support they may need</li> </ul>
2.2.2	Industrial Carbon Pricing Simulation	<ul style="list-style-type: none"> <li>• Conduct an assessment on carbon pricing toward industry impact, affordability, and feasibility. Applicant could pick one critical industry sector (e.g. cement or steel). Discuss results and policy implications with AMS.</li> <li>• Develop a carbon pricing simulator tool tailored for the industrial sector to assess the economic impacts of carbon pricing on industrial CO2 emissions. This tool will conduct studies contextualised to the ASEAN region, addressing industrial competitiveness concerns.</li> </ul>
2.2.3	Support the development of pilot novel carbon projects maturity and market scale-up	<ul style="list-style-type: none"> <li>• Identify ASEAN priorities on pilot novel carbon projects (e.g. Carbon Capture and Storage, Jurisdictional REDD+, coal-fired power plant early decommissioning, methane capture, etc.)</li> </ul>

No	Activity	Description of Activity
		<ul style="list-style-type: none"> <li>• Map the gap of enabling environment for novel carbon projects (e.g. the need for carbon methodology development, streamlining ASEAN agreement on high-quality carbon credit criteria, the need for piloting in ASEAN, etc.)</li> <li>• Conduct gap-filling activities, including but not limited to:               <ul style="list-style-type: none"> <li>○ Conduct pre-feasibility or feasibility study of selected pilot novel carbon projects aimed for ASEAN or possibly a global showcase</li> <li>○ Develop/co-develop carbon methodology</li> <li>○ Support facilitation of high-integrity carbon credit criteria in ASEAN</li> </ul> </li> </ul>

### Work Package 2.3: Empowering and Enabling Funders and Financiers

This work package specifically targets supporting sources of capital to better appreciate and subsequently integrate sustainable finance products and tools to accelerate project delivery and create more efficient and effective blended finance solutions. In addition, this work package specifically targets upskilling financiers to better understand how to support project sponsors seeking debt or equity to deliver projects incorporating nature-related outcomes, either as a direct or secondary benefit. It is not intended to help develop a project pipeline (i.e., the demand side of the climate finance ecosystem).

Opportunities exist to increase the diversity and frequency of using sustainable finance products and tools across ASEAN without requiring the member countries to increase financial commitment. The interventions will aid in identifying alternative tools that can help improve climate finance flow across ASEAN with long-term support in crafting ASEAN-level guidelines that can be domestically contextualised.

Tools can be classified in several different ways, including through (1) use of proceeds (i.e., green, social, blue transition, municipal, or sustainability bonds or loans), (2) de-risking mechanisms (i.e., guarantee mechanisms, first-loss facilities, and insurance) (3) achievement of outputs (i.e., sustainability-linked loans or bonds), and work best in countries with predictable, stable policy enabling environments and well-organised financial systems.

TABLE 8 WORK PACKAGE 2.3 ACTIVITY COMPONENT

No	Activity	Description of Activity
2.3.1	Upskill funders in the knowledge of unfamiliar products and tools and more efficient use of technology for streamlined due diligence and origination of funds	<ul style="list-style-type: none"> <li>• Map and review existing ASEAN sustainable finance products, tools and guidelines</li> <li>• Upskill financiers on sustainable finance, carbon pricing, transition finance and establish basic training modules</li> </ul>
2.3.2	Introduce domestic financiers to offshore capital providers to structure more compelling, blended	<ul style="list-style-type: none"> <li>• Map potential connections between local financiers and international capital providers to create blended finance deals</li> </ul>

No	Activity	Description of Activity
	finance transactions, including Green Climate Fund (GCF)	<ul style="list-style-type: none"> <li>Assist domestic financiers to better interact with offshore capital (including GCF)</li> <li>Assist domestic public financiers to submit GCF accreditation applications</li> </ul>
2.3.3	Identify emerging best practices on financing nature-based solutions, hosting technical workshops for financiers and project sponsors.	<ul style="list-style-type: none"> <li>Identify and map existing and potential nature-based solutions projects in ASEAN's variety of sectors</li> <li>Gap analysis on barriers to financing nature-based solutions projects in ASEAN</li> <li>Host workshops on best practices for financing nature-based solutions projects</li> <li>Document a market-wide understanding of opportunities to invest in/conduct due diligence on nature-related projects</li> </ul>
2.3.4	Assist countries and their resident financial institutions in complying with nature-related financial disclosures and ultimately joining the Taskforce on Nature-related Financial Disclosure (TNFD) and comply with International Sustainability Standard Boards (ISSB)	Upskill financiers on data and disclosure as part of broader compliance on nature prior to joining TNFD and complying with ISSB

## Work Package 2.4: Cross-Cutting Project Preparation across ASEAN

This work package specifically targets supporting sponsors to progress their projects along the development cycle (i.e., from ideation through pre-feasibility and full feasibility to a completed dossier of documents that can be circulated to funders and financiers in anticipation of access to funding). This project pipeline is anticipated to interface directly with the activities under Work Package 2.1 Brokerage, Networking and Matchmaking for Investment and Work Package 2.3 Empowering and Enabling Funders and Financiers.

The activities considered in this Work Package are primarily anticipated to yield a pipeline of investible opportunities. Still, they will nonetheless interface with other components of the GTF's work in green finance, mainly through:

- Enhanced financing mechanisms: Providing access to early-stage project funding to establish overall feasibility while access to risk mitigation instruments can boost project viability.
- Improved coordination: Streamlining processes and fostering collaboration among government agencies, development partners, and the private sector can expedite project development.
- Increased private sector engagement: Encouraging private sector participation in project development and financing can bring invaluable expertise and resource



**TABLE 9 WORK PACKAGE 2.4 ACTIVITY COMPONENT**

No	Activity	Description of Activity
2.4.1	Identify specific projects and mitigation areas in need of ASEAN cooperation.	Project identification by engaging with asset owners or utilising existing networking the potential IP has on the maturing project.
2.4.2	Produce guidelines to better enable progress on targeted ASEAN projects	Prepare detailed guidelines on each identified thematic area to help streamline the process of project development
2.4.3	Host workshops and facilitate dialogues around specific ASEAN projects and/or issue areas.	Conduct workshops with asset owners, project developers, financiers, and the ASEAN Secretariat steering.
2.4.4	Assist project sponsors in designing projects that align with the goals and objectives of offshore capital providers.	Work with ASEAN to identify priority cross-boundary/regional projects in need of support; provide targeted technical assistance to a minimum of 4 projects that require significant capital inflows that are best supported by a blend of domestic and international capital.
2.4.5	Identify and assist in the maturity of projects that align with transition plans at the country and regional level.	Provide technical assistance, as appropriate, to help projects progress through the project development cycle.
2.4.6	Identify and assist in the maturity of NbS projects that align with nature-related projects at the country and regional level.	Provide technical assistance, as appropriate, to help projects progress through the project development cycle.

## **Annex 3 Scope of Work of Pillar III: Accelerating Regional Low Carbon Energy Transition Measures (Clean and Just Energy Transition)**

### **Why are we looking for proposals related to ASEAN's Energy Transition?**

ASEAN-UK GTF aims to address several critical gaps in ASEAN's energy transition:

1. **Technology Adoption and Integration:** One of the primary gaps is the slow rate of adoption and integration of advanced clean energy technologies across the region. This includes renewable energy sources like solar and wind and energy-efficient technologies in industrial processes and power grids. The proposed work packages will focus on facilitating the adoption of these technologies through pilot projects, demonstrations, and capacity building, which are crucial for reducing reliance on fossil fuels and enhancing energy security.
2. **Regulatory and Policy Frameworks:** Another significant gap is the lack of comprehensive and supportive regulatory and policy frameworks that can encourage investment in and deployment of renewable energy. Work packages aim to assist in developing and harmonising policies that promote renewable energy, energy efficiency, and carbon trading, which are essential for creating a conducive environment for the energy transition.
3. **Financing and Investment:** There is also a gap in securing sufficient financing and investment in renewable energy and energy efficiency projects. The focus will be on developing financial mechanisms and models to leverage private and public investment, such as green bonds, climate finance, and public-private partnerships, to support large-scale energy transition projects.
4. **Capacity Building and Knowledge Transfer:** Limited local expertise and capacity in planning, implementing, and managing energy transition initiatives are substantial barriers. Through the UK PACT, work packages will address this gap by providing targeted training programs, workshops, and knowledge exchange forums to build the capabilities of ASEAN energy stakeholders.
5. **Market Development for Clean Energy:** Another gap is the region's underdevelopment of markets for clean energy technologies. This includes the need for more supply chains for renewable energy technologies and services. Work packages will support the development of these markets by fostering regional and national supply chains and promoting local manufacturing of clean energy technologies.
6. **Public Awareness and Stakeholder Engagement:** The public and key stakeholders often lack sufficient awareness and engagement about the benefits and necessity of the energy transition. Projects will enhance public and stakeholder engagement through awareness campaigns, stakeholder consultations, and participatory planning processes to ensure broad support for transition policies and initiatives.

### **Ensuring alignment with ASEAN key strategies**

The GTF Energy Transition Pillar is aligned with key ASEAN strategies and is built upon key ASEAN strategic reports and stakeholder engagement.

Work Package	ASEAN strategies
Work Package 3.1	<ul style="list-style-type: none"> <li>• ASEAN Plan of Action for Energy Cooperation (APAEC) (Phase II: 2021-2025 and beyond)</li> <li>• ASEAN Power Grid (APG) and ASEAN Interconnection Masterplan Study (AIMS) III</li> <li>• ASEAN Energy Efficiency and Conservation (EE&amp;C) Initiatives</li> <li>• ASEAN Strategy for Carbon Neutrality (2024)</li> </ul>
Work Package 3.2	<ul style="list-style-type: none"> <li>• ASEAN Plan of Action for Energy Cooperation (APAEC) (Phase II: 2021-2025 and beyond)</li> <li>• ASEAN Power Grid (APG) and ASEAN Interconnection Masterplan Study (AIMS) III</li> <li>• ASEAN Energy Efficiency and Conservation (EE&amp;C) Initiatives</li> <li>• ASEAN Strategy for Carbon Neutrality (2024)</li> <li>• Industry Advisory Panel White Papers</li> <li>• ASEAN Sustainable Consumption and Production Framework</li> </ul>

We strongly encourage prospective applicants to thoroughly engage with ASEAN strategies as they prepare their proposals, ensuring that these strategies are deeply integrated into their project plans. Proposals should reflect a profound understanding of ASEAN's strategic priorities and demonstrate alignment with ASEAN's broader regional objectives rather than merely aggregating country-specific initiatives. This approach underscores the importance of adopting a comprehensive ASEAN perspective—a fundamental criterion for endorsement and support under the ASEAN-UK GTF. By focusing on a unified regional framework, your proposals will contribute to a cohesive and integrated ASEAN agenda, setting them apart from projects that are predominantly national in scope.

### Work Package 3.1: Enhancing Grid Resilience and Clean Energy Market Transformation

This work package focuses on enhancing the flexibility and resilience of the ASEAN energy infrastructure (both hard and soft infrastructure) to support a smooth transition from coal and mitigate the integration challenges associated with renewable energy sources. It aims to pilot innovative business models and market transformation strategies that facilitate the adoption of clean technologies and practices across the ASEAN region.

TABLE 6 WORK PACKAGE 3.1 ACTIVITY COMPONENT

No	Activity	Description of Activity
3.1.1	Fossil Fuel Transition: Flexibility, Repurposing and Decommissioning	<ul style="list-style-type: none"> <li>• Conduct studies on flexibility and repurposing approaches for Coal-Fired Power Plants (CFPPs), typically younger than 15 years.</li> <li>• Explore methods to repurpose grid connections or operate CFPPs at lower capacities to continue providing necessary baseload services without extending the operational life of these high-emission assets.</li> </ul>

No	Activity	Description of Activity
	Technical Assistance	<ul style="list-style-type: none"> <li>Explore partnership with existing relevant initiatives to conduct pre-feasibility and/or feasibility study</li> </ul>
3.1.2	ASEAN energy connectivity and trade	<ul style="list-style-type: none"> <li>Conduct studies and explore case studies on how the APG can support member states in power trading and in enhancing the flexibility and reliability of national grids.</li> <li>Investigate various business models and their associated challenges, assess the types of flexibility and market mechanisms required, and determine the energy storage options to support these objectives.</li> </ul>
3.1.3	Enhance Smart Grid Design, Flexibility and Collaboration	<ul style="list-style-type: none"> <li>Offer technical assistance and share best practices in smart grid design, focusing particularly on energy storage technologies, subsea cable interconnections, managing variable renewable energy (VRE), and developing a cohesive ancillary service market.</li> <li>Explore potential collaborations with National Grid, the Green Grid Initiative or others to leverage their extensive experience in grid modernisation and resilience strategies.</li> </ul>
3.1.4	Regional Coal Power Cap and Trade Study	Assess the feasibility of developing a regional coal power cap and trade market to facilitate more sustainable energy practices within ASEAN. This study will explore the potential mechanisms, benefits, and challenges of implementing a cap-and-trade system for coal power, looking to successful international examples for guidance. The goal is to provide comprehensive insights and recommendations on how such a market could be structured and regulated to reduce coal dependency and promote cleaner energy alternatives across the region.

## Work Package 3.2: Advancing Industrial Decarbonisation

This work package aims to establish a comprehensive framework that supports the transition to low-carbon industrial processes and promotes sustainable industrial growth in the region. This is envisioned to be done by leveraging regional and international best practices in carbon capture, utilisation, and storage (CCUS), hydrogen energy, electrification of heating, and other clean technologies. It focuses on building capacities and creating strategic partnerships that enable the implementation of green manufacturing strategies and the adoption of environmentally friendly technologies across ASEAN industries. The initiative also includes conducting regional decarbonisation workshops to disseminate knowledge and align industrial policies with sustainable development objectives.

TABLE 8 WORK PACKAGE 3.2 ACTIVITY COMPONENT

No	Activity	Description of Activity
3.2.1	Clean and Competitive	Create and support the regional implementation of a Clean and Competitive Manufacturing toolkit/strategy for ASEAN to help industries

No	Activity	Description of Activity
	Manufacturing Strategy and Pilot	navigate changes such as the Carbon Border Adjustment Mechanism (CBAM), energy security, and carbon pricing. This strategy will outline the benefits and barriers, including market access, cost implications, and industry adaptation challenges, ensuring a comprehensive approach to fostering sustainable industrial practices. Based on this strategy, a pilot can be supported through technical-economic assessments and feasibility studies.
3.2.2	Capacity Building for Industry: New Decarbonisation Technologies	Organise capacity building such as regional workshops and training programs with experts on industrial decarbonisation technologies, including Carbon Capture, Utilisation, and Storage (CCUS), electrification of heating and hydrogen, and energy efficiency for industrial processes. Leverage the UK's extensive research and applications in industrial decarbonisation to provide practical training and the latest developments, drawing from the industrial decarbonisation challenge. Focus on Industrial Parks or hubs to facilitate integration and economies of scale.



The ASEAN-UK Green Transition Fund (GTF) is the UK's flagship programme to accelerate ASEAN's transition to a clean and climate resilient economy. ASEAN UK GTF works with ASEAN institutions and supports ASEAN Member States and Timor Leste. This programme is delivered through the UK Partnering for Accelerated Climate Transition (UK PACT) mechanism.