Press Release

Media contact:

Marlistya Citraningrum, Interim Head of SETC Secretariat
Email: citra@iesr.or.id, phone: +62 81945526737

Dr. Nora Yusma Yusoff, Director of IEPRe at UNITEN
Email: nora@uniten.edu.my, phone: +60 139819179

ASEAN's Energy Transformation Must Move from Connectivity to Competitiveness

SETC Calls for Leaders to Institutionalize Energy Transition at the ASEAN Summit 2025

Jakarta, 26 October 2025 — The Southeast Asia Energy Transition Collaborative Network (SETC) today urged ASEAN leaders to take the strong results from the 43rd ASEAN Ministers on Energy Meeting (AMEM) and turn regional promises into real, ready-to-invest actions at the upcoming ASEAN Summit 2025.

Earlier last month, during the SETC Workshop at the Regional Dialogue, "Realizing ASEAN Vision 2045: From Vision to Implementation through the Southeast Asia Energy Transformative Initiative (SEA-ETI) Agenda," held at the Mandarin Oriental, Kuala Lumpur, Malaysia, from 17–18 September 2025, the network concluded similar key recommendations, pointing out the importance of accelerated implementation mechanisms under the SEA-ETI framework. SETC reaffirmed its shared stance with ASEAN stakeholders that achieving the region's long-term decarbonization and energy transition goals requires transforming high-level policy commitments into actionable, bankable, and inclusive initiatives.

Convened under Malaysia's Chairmanship with the theme *"Powering ASEAN: Bridging Boundaries, Building Prosperity,"* the 43rd AMEM marked a significant milestone in ASEAN's collective journey toward energy integration and decarbonization. Ministers adopted the ASEAN Power Grid (APG) Enhanced Memorandum of Understanding, launched the APG Financing Initiative (APGF) with the Asian Development Bank and World Bank, endorsed the Submarine Power Cable Development Framework, and finalized the ASEAN Plan of Action for Energy Cooperation (APAEC) 2026–2030, which sets ambitious targets of 45% renewable capacity and 40% energy-intensity reduction by 2030.

SETC welcomes these achievements as critical building blocks toward a more connected and resilient ASEAN power system. However, the network emphasizes that connectivity must now evolve into competitiveness by transforming regional coordination into tangible industrial and social outcomes.

"The 43rd AMEM joint statement showed that ASEAN can deliver frameworks such as power grid, financing, and cross-border trade; but the next stage must deliver transformation," said Marlistya Citraningrum, Interim Head of SETC Secretariat.

"Energy transition cannot remain a technical agenda. It must become the region's new economic and social narrative: how ASEAN creates jobs, attracts capital, and secures energy sovereignty in a volatile world."

The AMEM's deliverables, particularly the APG Financing Initiative and the Submarine Cable Framework, represent ASEAN's most comprehensive institutional effort to date to link energy security with clean energy integration. The initiatives aim to unlock multilateral power trade, enable cross-border renewable electricity flows, and reduce fossil-fuel dependence through grid connectivity and de-risked investment mechanisms.

SETC recognizes these milestones as a vital foundation but notes that ASEAN must move beyond the hardware of interconnection to the software of transformation: coherent policies, aligned incentives, and inclusive financing.

"Malaysia's leadership has successfully positioned ASEAN to bridge boundaries through the Power Grid and Financing Initiative,"
said Dr. Nora Yusma Yusoff, Director of the Institute of Energy Policy and Research (IEPRe) at UNITEN, Malaysia, and SETC partner.

"The next step is ensuring these frameworks attract real investment and create regional industrial opportunities. The energy transition must become ASEAN's new engine of competitiveness and not just connectivity."

Earlier this year, SETC developed the Southeast Asia Energy Transformation Initiative (SEA-ETI), a regionally driven policy framework proposing a practical pathway for ASEAN to accelerate clean energy deployment, expand manufacturing capacity, and strengthen green finance.

SEA-ETI builds on the ASEAN's strategic direction to further advance energy transformation in the region and organizes the proposed transformation around four interlinked pillars: accelerating clean energy deployment and grid integration, positioning Southeast Asia as a clean-energy manufacturing and trade hub, strengthening green investment and financing mechanisms, and enhancing policy coordination and workforce development.

This agenda reflects a growing recognition that ASEAN's decarbonization and industrial transformation must advance together. With regional energy demand rising 3–4% annually and fossil fuels still making up more than 80% of supply, Southeast Asia's challenge is not lack of ambition but fragmented implementation.

SETC's analysis points to five priority actions that ASEAN Leaders can adopt during the ASEAN Summit 2025 to sustain AMEM's momentum and embed SEA-ETI into the region's economic and political architecture:

1. Launch the ASEAN Green Investment Platform in 2026
   Transform the newly established APG Financing Initiative into a comprehensive regional platform that curates bankable clean-energy and infrastructure projects, aligns them with the ASEAN Green Taxonomy, and connects them to sustainable finance. This would shift ASEAN from scattered projects to a strategic investment ecosystem, enabling blended finance and risk-sharing at scale.

2. Establish a regionally-owned ASEAN Just Energy Transition Partnership (ASEAN-JETP)
   Building on Indonesia's and Vietnam's JETP experiences, ASEAN can pool concessional and blended finance to support early coal retirement, renewable energy scale-up, and workforce reskilling. Malaysia's expertise in Islamic finance, with over RM31 billion in Sustainable and Responsible Investment (SRI) Sukuk issuances, offers a powerful vehicle for mobilizing transition-aligned capital.

3. Accelerate the ASEAN Power Grid and Submarine Cable Framework
   The AMEM-endorsed Framework can evolve into a multilateral power-trade platform, allowing countries with surplus renewables, such as Lao PDR and Vietnam, to export clean electricity regionally, while improving grid reliability and resilience. Full implementation could save ASEAN over USD 1 billion annually and unlock USD 21 billion in investment between 2026–2030.

4. Embed a clean energy workforce and industrial strategy
   ASEAN's energy transition must be matched by human capital and industrial readiness. SEA-ETI proposes an ASEAN Clean Energy Workforce Initiative and the development of Green Industry Corridors, integrating renewable access, logistics infrastructure, and vocational training across borders.

5. Institutionalize policy continuity through a rolling Green Transition Flagship Agenda
   ASEAN's rotating chairmanship often slows long-term implementation. SETC recommends a Chair-to-Chair "shadow" mechanism or rolling flagship agenda to ensure sustained follow-through on AMEM and APAEC priorities beyond annual cycles. This can be started with The Philippines ASEAN Chairmanship in 2026.

SETC also calls for closer coordination between the ASEAN Centre for Energy (ACE) and research networks as well as civil society to bridge policy with practice. ACE's expanding mandate, now covering the APG, APGF, and APAEC implementation, makes it an ideal anchor for public–private partnerships and regional R&D initiatives that translate AMEM deliverables into local impact.

Since its establishment in August 2024, SETC has actively led a series of high-level engagements and collaborative dialogues with ASEAN representatives across the region including in Indonesia (Jakarta and Bali), Malaysia (Kuala Lumpur and Putrajaya), the Philippines (Manila), Thailand (Bangkok), and Singapore, reinforcing its unified and long-standing commitment to advancing ASEAN's collective energy transition agenda. These sustained efforts illustrate SETC's deep alignment with ASEAN's shared objectives under the AMEM and the ASEAN Vision 2045. They also reaffirm the network's continuous commitment to supporting regional collaboration, policy coherence, and actionable investment pathways in ensuring that Southeast Asia's energy transformation remains just, competitive, and inclusive for all member states.

"The region's strength lies in its diversity of resources, economies, and institutions," Citraningrum noted.

"To make energy transition inclusive, ASEAN needs not just megawatts, but mechanisms; for communities, MSMEs, and women in energy to participate in and benefit from this transformation."

The upcoming ASEAN Leaders' Summit 2025, under Malaysia's Chairmanship, presents a historic opportunity to align energy, economy, and equity under one transformative agenda. By adopting SEA-ETI recommendations as a cross-cutting deliverable within the Summit's Priority Economic Deliverables, ASEAN can send a clear message: that Southeast Asia's energy future will be built through regional ownership, strategic coordination, and just transition principles.

****end***

About SETC

The Southeast Asia Energy Transition Collaborative Network (SETC) is a network of homegrown think tanks and civil-society organizations from Indonesia, Malaysia, the Philippines, Thailand, Cambodia, and Singapore dedicated to advancing a just, inclusive, and regionally coordinated energy transition. Initiated by the Institute for Essential Services Reform (IESR) and formed in 2024, SETC's flagship policy framework recommendation, the Southeast Asia Energy Transformation Initiative (SEA-ETI), provides actionable policy recommendations to align energy transition with industrial growth, green finance, and workforce readiness across ASEAN.

SETC
Southeast Asia Energy Transition Collaborative Network

IESR Institute for Essential Services Reform

ICSC Institute for Climate and Sustainable Cities

SERI SOLAR ENERGY RESEARCH INSTITUTE

IEPRe Institute of Energy Policy and Research

NUS National University of Singapore

SERIS Solar Energy Research Institute of Singapore

LKY Lee Kuan Yew School of Public Policy

IES Institute for Environment and Sustainability

(Energy)Lab

SDG MOVE MOVING TOWARDS SUSTAINABLE FUTURE