Session B2
Overview of Transition Finance Based on Existing Discussions

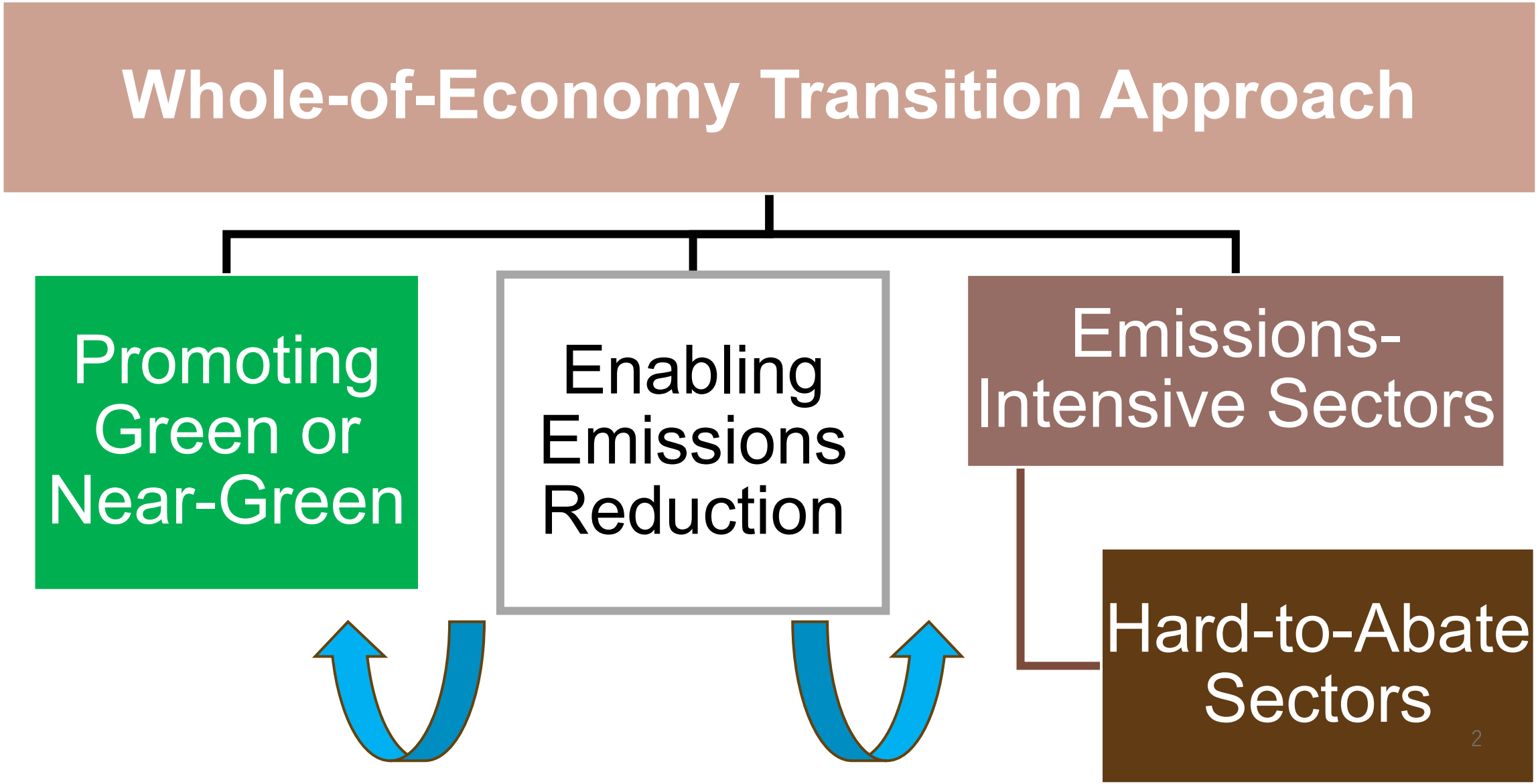
The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

Sayuri Shirai

Professor, Keio University

ADBI Fellow

What is “Transition Finance”?



Credible Transition Plans (General)

Science-Based 1.5 °C (or well below 2°C) Targets	• SBTi or equivalent with interim milestones • Scopes 1 and 2 and Scope 3 (if material)
CAPEX Alignment	• Linking capital expenditure to emissions reduction (interim) targets
Issuer-Level Integrity	• Ensure that the issuer's overall strategy aligns with 1.5°C (or well below 2°C)
Governance	• Describe internal governance structures and board-level oversight of transition plans

Additional Factors for Hard-to-Abate Sectors

Taxonomy	• Use taxonomies to classify transition activities (e.g. Amber category)
National Strategy	• Align a transition plan with national sectoral decarbonization strategies
Emissions Data	• Use data based on lifecycle emissions
Carbon Lock-In	• Use sunset clauses and phase-out timelines for emissions-intensive assets

ASEAN Taxonomy

- TSC-based: Singapore, Thailand, Indonesia, Vietnam
- Principle-based: Malaysia, Philippines

Greater China

- PRC: Green Finance Endorsed Project Catalogue
- Hong Kong, China: Hong Kong Taxonomy & Transition

Republic of Korea, Mongolia, Sri Lanka, Nepal, Bangladesh, Armenia, Georgia, Kazakhstan, etc.

- EU-China Common Ground Taxonomy
- Multi-jurisdiction Common Ground Taxonomy including Singapore (M-CGT)
- Interoperability with Hong Kong taxonomy

ADBInstitute

Thank you for listening!