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KUALA LUMPUR (Oct 15): The Asian Development Bank (ADB) and World Bank on Wednesday agreed on a financing platform to mobilise investments and technical support for the Asean Power Grid project.

The ADB pledged to mobilise over US\$10 billion (RM42.25 billion) through loans, grants, and blended instruments under the Asean Power Grid Financing Initiative while the World Bank commits technical assistance and project preparation support under a US\$2.5 billion financing envelope.

The initiative “brings all those partners together which will particularly help on the project preparation sides, which is one of the really crucial points to get the larger project going”, ADB director general for Southeast Asia Winfried F Wicklein told reporters after the event launch.

The financing platform aims to accelerate cross-border electricity trade, grid interconnections and renewable energy integration across member states, supporting the bloc’s goal of a sustainable energy future for over 700 million people in the region.

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The initiative will act as a coordinating platform for financiers, utilities, and developers in addressing issues such as fragmented funding support, limited project data, and sequencing inefficiencies, as well as align financial and technical support across Asean energy and economic cooperation entities.

Realising vision of the cross-border power grid project, however, will require around US\$248 billion in investments by 2040, including US\$16 billion for cross-border grid interconnections alone, according to the Asean Centre for Energy.

First conceptualised two decades ago, the grid project now features 18 priority interconnection projects identified, including emerging subsea cable, national grid expansion projects for regional energy security and transition.

Feasibility studies are already underway for several projects, including the Laos-Vietnam Monsoon Wind Project, with the platform now focusing on building momentum

through stronger public-private partnerships, said the ADB’s Wicklein.

In Malaysia, Tenaga Nasional Bhd (KL:TENAGA) and Petroliam Nasional Bhd (Petronas) are working with Asean partners on the proposed Vietnam-Malaysia-Singapore interconnection that aims to transmit renewable energy from southern Vietnam into the regional grid.

At the launch on Wednesday, Deputy Prime Minister Datuk Seri Fadillah Yusof, who is also the energy transition and water transformation minister, said the multilateral grid represents “more than infrastructure — it is a symbol of Asean solidarity and interconnectivity”.

He stressed that the initiative’s success hinges on innovative financing mechanisms to mobilise both public and private capital while de-risking investments to secure long-term commitments.

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