

Sustainability in a Fragmented World



The Singapore Institute of International Affairs (SIIA) convened the 2nd Singapore Green Dialogue (SGD) on 11 February 2026 under the theme “Sustainability in a Fragmented World.”

Held against a backdrop of geopolitical tensions, diverging regulatory regimes, and uncertainty in global climate cooperation, the Dialogue brought together over 100 policymakers, business leaders, investors, and experts to address a pressing question:

How can ASEAN and Asia sustain and advance meaningful climate action and competitiveness in an increasingly fragmented global order?

As multilateral consensus weakens, climate risks intensify. Across the Dialogue, participants emphasised that sustainability is no longer simply an environmental agenda; it is now central to economic resilience, business competitiveness, and regional stability.

The Dialogue featured keynote dialogues with Dr. Janil Puthucheary, Senior Minister of State, Ministry of Sustainability and the Environment & Ministry of Education, and Dr. Bambang Brodjonegoro, Dean and CEO of the Asian Development Bank Institute (ADBI), as well as two panel sessions.

The Dialogue made clear that climate ambition in Asia will increasingly be defined not by global negotiations, but by regional cooperation, credible financing, and private-sector implementation.



“Walking away from green ambition does not make a country strong; strength lies in the capacity to adapt, innovate, and lead. ASEAN and Asia may not set every global rule, but we can shape outcomes through cooperation, pragmatism, and sustained commitment.”

Mr. Simon Tay
SIIA Chairman

In his opening remarks, Mr. Simon Tay, SIIA Chairman, noted that sustainability discourse in the region has advanced significantly over the past decade.

“At a time of economic anxiety and geopolitical strain, some voices are questioning climate action and dismissing renewable energy. But the experience in this room tells a different story: being green is not a ‘scam’. It is an investment in stability, competitiveness, and long-term prosperity,” he said.

For ASEAN:

- The region remains vulnerable to extreme weather and sea-level rise.
- Growth trajectories will determine future emissions.
- Climate risks are already affecting economic and social resilience.

Keynote Dialogue: Sustaining Commitments in a Turbulent World



“Notwithstanding the more challenging geopolitical environment, Singapore remains committed to staying the course in our efforts to address climate change. But we need to be prepared, particularly if global mitigation falls short. We have already started on our climate adaptation efforts – protecting our coasts, improving our resilience for water and food, and diversifying our sources of imports.”

Dr. Janil Puthucheary

Senior Minister of State, Ministry of Sustainability and the Environment & Ministry of Education

In a keynote dialogue, Dr. Janil Puthucheary, Senior Minister of State, Ministry of Sustainability and the Environment & Ministry of Education, shared Singapore’s perspectives on international climate action, the efforts of Singapore and ASEAN, as well as the role of the private sector in addressing climate change.

He emphasised that sustainability underpins Singapore’s survival and resilience, and anchors economic value. “We are developing Singapore’s inaugural National Adaptation Plan, which will chart out Singapore’s long-term strategy to build resilience and adapt to the impacts of climate change,” he said.

“Countries, regions, and businesses that invest in adaptation plans ahead of time are going to become more resilient. They are going to become more prepared, and eventually people will price in either a risk premium or a resilience premium.”

Mitigation refers to actions taken to reduce or prevent greenhouse gas emissions, while adaptation refers to actions taken to prepare for and adjust to the effects of climate change.

He added that the ASEAN region and ASEAN member states must find common cause on sustainability, similar to how the grouping has achieved consensus on other issues.

“The ability to follow the ASEAN approach can potentially create the bankability, the financial structures, that make some of the solutions potentially viable and useful to all of us... The creation of structures at scale, bringing together financing structures around adaptation, the development of capabilities and skill sets across organisations that are multinational and regional.”

Keynote Dialogue:

ASEAN-Asia Climate Cooperation – Regional Leadership, Global Impact



Dr. Bambang Brodjonegoro, Dean and CEO of the Asian Development Bank Institute (ADBI), underscored that ASEAN, while highly vulnerable to climate impacts, also has an opportunity to shape pragmatic pathways for sustainable development.

“Many developing economies face a widening financing divide with high economic cost, limited access to long-term capital, and rising debt vulnerabilities. In this context, sustaining climate ambition without addressing financing constraints is simply not realistic. Fragmentation is also reshaping trade and competitiveness. Sustainability requirements are increasingly embedded in trade frameworks. Sustainability is now closely linked to market access, investor confidence and the cost of capital,” he said.

““The critical question for ASEAN is not whether to engage with sustainability standards, but how to do so in a way that preserves competitiveness and supports development in a fragmented global environment.”

Dr. Bambang Brodjonegoro
Dean and CEO, Asian Development Bank Institute

One key priority is regulatory interoperability by strengthening regional alignment and common frameworks. Tools such as ASEAN Taxonomy for Sustainable Finance provide a shared regional language that recognises sustainability objectives while reflecting development realities. Another priority is cross-border infrastructure. The ASEAN Power Grid is an initiative that illustrates the value of regional cooperation. Greater electricity interconnection can lower the cost of renewable energy deployment, improve energy security, and enhance system resilience across the region.

“Sustaining climate ambition in ASEAN and Asia will depend less on global declarations and more on regional delivery,” he said. “Interoperable standards, cross-border infrastructure, and financing mechanisms that lower risk and reduce the cost of capital are essential to bridging climate ambition with development realities.”

Panel 1:

The Cost of Compliance – Sustainability versus Competitiveness?



Panel 1 examined perspectives on navigating sustainability regulations and climate risks. Panellists discussed the potential impact on international trade and investment flows, and whether such regulations could hinder ASEAN's competitiveness or create new opportunities for growth.

In her keynote address for the panel, Ms Esther An, Chief Sustainability Officer of City Developments Limited (CDL), cited studies showing that ESG investing remained active and dynamic in 2025 despite the global ESG rollback, and explored the shifting international landscape of sustainability reporting requirements.



“We can actually turn ‘license to operate’ into a ‘license to lead’, to make sure that we maintain profitable, but not at the expense of planet and people.”

Ms. Esther An
Chief Sustainability Officer, City Developments Limited

Ms. Kuldip Gill, Assistant Chief Executive (Accounting Development & Regulatory Group), Accounting and Corporate Regulatory Authority (ACRA), highlighted that Singapore was making climate disclosures mandatory in a pragmatic and phased approach. Singapore had been building capacity by assisting companies, especially small and medium enterprises, with knowledge, training, and financial support for their sustainability reporting. She stressed the importance of international cooperation to harmonise sustainability regulations and disclosure requirements.



“To have an effective strategy to address climate risk, each jurisdiction cannot do it in isolation, and we therefore need to collaborate and to drive that final objective.”

Ms. Kuldip Gill
Assistant Chief Executive (Accounting Development & Regulatory Group), Accounting and Corporate Regulatory Authority

Mr. Hirotaka Ishizaka, Chief Sustainability Officer, Mitsubishi Corporation Singapore Branch, provided a real economy perspective to the discussion: “The risk premium is quite real. The earlier the companies understand how much emissions they have on their balance sheet, and then trying to make their business more sustainable is a very fundamental thing for businesses to do.”

He suggested that a regional carbon tax framework could help strengthen compliance markets alongside the voluntary market.



“The fact that Singapore has gone ahead in implementing carbon tax has made companies in Singapore seriously look at their emissions.”

Mr. Hirotaka Ishizaka
Chief Sustainability Officer, Mitsubishi Corporation Singapore Branch

Ms. Melissa Moi, Head of Sustainable Business, UOB, highlighted that sustainability is not just a matter of idealism but also pragmatism for businesses. “How we prepare for business disruption, and how we prepare for any challenges when it comes to heat or water stress, are also a part of every single essential business model,” she said. “UOB is working with clients to identify aspects of climate adaptation that are material to their companies so they can focus on these areas.”



“Nature is a component part of every single economic value chain. Energy reduction is a way of also thinking about cost savings.”

Ms. Melissa Moi
Head of Sustainable Business, UOB

The panel was moderated by Ms. Fang Eu-Lin, Partner and Sustainability & Climate Change Practice Head; and PwC Asia Pacific Centre for Sustainability Excellence Leader, PwC Singapore, and SIIA Council Member. She noted the view that, in time, business as usual will simply be green. “If we are not ahead of the times on this one, there may be a chance that we can’t catch up,” she said.



“I view the carbon tax, emission trading schemes, and other compliance markets and reporting requirements as enablers that is somewhat inevitable and in preparation for a more sustainable future.”

Ms. Fang Eu-Lin
Partner and Sustainability & Climate Change Practice Head; and PwC Asia Pacific Centre for Sustainability Excellence Leader, PwC Singapore, and SIIA Council Member

Key highlights from Panel 1:

- Sustainability reporting is an integral part of overall business strategy and operations.
- Cross-jurisdictional collaboration is needed to harmonise sustainability standards and regulatory frameworks, reducing fragmentation.
- Carbon pricing mechanisms need to be credible and part of a larger ecosystem, such as a regional carbon tax framework.

Panel 2:

ASEAN's Climate Momentum – Progress, Gaps, Opportunities



Panel 2 explored the current state of play for regional climate cooperation in ASEAN and opportunities to involve private finance in this picture. The discussion highlighted three key enablers for ASEAN's climate momentum: bankable regional infrastructure, regulatory interoperability, and commercial-scale private capital mobilisation.



“The challenge is persuading governments to collaborate and be open to the private sector. Trust is essential for ASEAN Member States to work better together. These projects are win-win.”

Mr. Jackie Surtani

Regional Director and Head of Singapore Office, Asian Development Bank

“The [ADB] is super enthusiastic about the ASEAN Power Grid. The ADB is working with the Energy Market Authority here in Singapore to help them on creating bankable projects,” said Mr. Jackie Surtani, Regional Director and Head of Singapore Office, Asian Development Bank (ADB).

Ms. Helena Ooi, Head of Strategy, Sustainability, Digital and Data, Maybank, highlighted that ASEAN's energy transition must be grounded in regional realities rather than replicate approaches adopted in other parts of the world. While many European and global banks have called for an end to coal-fired power plants, she noted that in parts of Southeast Asia, coal remains critical to ensuring reliable electricity access, and an abrupt withdrawal could leave communities without power. “How do we balance what is ideal with what is practical? This is top of mind for us,” she said. “We are looking at it not just from an environmental perspective, but from a societal one – what it means for society and how can we ensure that the actions we take create a positive impact.” She spoke about how the use of sustainable finance taxonomies can help mobilise commercial investment in green and transition areas.



“If we could standardise taxonomies, if we could standardise certain areas of policies, that would be very helpful, given that we want to be able to finance all our clients within this region.”

Ms. Helena Ooi

Head of Strategy, Sustainability, Digital and Data, Maybank



“Every country will legislate and do things slightly different. We need to be able to interoperate and move. As long as there is consistency, and policies do not keep changing, we can incorporate them.”

H.E. Satvinder Singh
Deputy Secretary-General for ASEAN Economic Community, ASEAN

H.E. Satvinder Singh stressed that clear economic benefits are key to driving decisive action by ASEAN leaders and communities. “Once they can see that all of this, whether it is digital integration or sustainability commitment... is going to actually lead to jobs and good growth, good lives for their people, livelihoods, I think that’s where the momentum will come, and we’ll have the collective will to move quickly.”

“For the first time, I’ve seen all four pillar plans – the Political-Security Pillar, the Socio-Cultural Pillar, the Connectivity Pillar, and the Economic Pillar – all of them have placed huge commitments to the sustainability agenda front and centre in their plans for the next 20 years.”

“If there is demand from buyers for green products, farmers will be willing to adjust – reducing the use of chemicals and adopting circular, regenerative farming practices,” he said. “Focus on the large companies, and the SMEs will automatically align themselves to the supply chain. SMEs are not the main creators of carbon footprints in the region – it is the large conglomerates, both state-owned and private.”

The panel was moderated by Ms. Cheryl Chen, President, S&P Global Foundation, and SIIA Council Member. “The challenge is huge and multifaceted,” she said. “But we are coming together – politically and economically – with a clear commitment to tackle it.” This is not just about the public sector. The private sector has a critical role to play, and we are seeing momentum, integration, and demand coming from the private sector as well.



“The goal is to unlock sustainability as a growth engine while ensuring affordability, particularly as we advance adaptation and resilience efforts.”

Ms. Cheryl Chen
President, S&P Global Foundation, and SIIA Council Member

Key highlights from Panel 2:

- Consistent frameworks are essential to unlock private capital; projects often stall due to policy uncertainty, risk allocation gaps, and lack of insurance mechanisms.
- ASEAN’s energy transition must balance sustainability with affordability, energy security, and socio-economic realities.
- Market demand and private sector alignment are key to driving transition, as large conglomerates, governments, and major buyers shape supply chains.

Conclusion:

From Fragmentation to Practical Leadership

The 2nd Singapore Green Dialogue reaffirmed that while global climate governance is entering a more fragmented and uncertain phase, ASEAN and Asia retain both agency and opportunity.

Across the keynote dialogues and panel discussions, speakers highlighted a consistent theme: progress will depend not on waiting for global consensus, but on strengthening regional cooperation, mobilising private sector capital, and ensuring policy clarity, interoperability and long-term coherence. Climate ambition must now be anchored in economic strategy, resilience planning and credible financing frameworks.

ASEAN has the opportunity to demonstrate that pragmatic regional cooperation can sustain climate momentum, even in a fractured global order.

In a fragmented world, climate leadership will be measured less by pledges and positioning, and more by sustained collaboration, scalable financing mechanisms, and practical implementation.

Cross-Cutting Insights

1. Adaptation is Now Central

Floods and extreme weather across Southeast Asia show that mitigation alone is insufficient. Adaptation is now essential to resilience.

2. Regional Cooperation is Critical

Interoperability, power grid connectivity, and shared taxonomies can transform fragmentation into coordinated regional leadership.

3. Compliance Drives Competitiveness

Regulations and carbon pricing mechanisms in major markets like the EU, while challenging for ASEAN businesses, can be positive by catalysing stronger governance and transparency.

4. Finance is the Lever

Mechanisms like green bonds, sustainability-linked loans, blended finance, and catastrophe bonds are essential to bridging the climate financing gap.



About the Singapore Institute of International Affairs (SIIA)

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Established in 1962, the Singapore Institute of International Affairs (SIIA) is a non-profit and independent think tank committed to producing policy analysis, fostering in-depth dialogues and bridging gaps between policymakers, private sector decision-makers and experts to shape public policy and social responses. Centred around ASEAN-focused themes, the institute aims to deliver policy analysis in international affairs and on issues driving environmental sustainability. As a founding member of the ASEAN-ISIS (ASEAN Institutes of Strategic and International Studies) network since 1988, we engage in “Track II” diplomacy, fostering dialogue among stakeholders in our region and beyond.

About the Singapore Green Dialogue (SGD)

The SGD is the SIIA’s flagship event where regional policymakers and business decision-makers come together to discuss key sustainability matters within the region. Read more about the inaugural Singapore Green Dialogue held on 22 October 2024 at <https://siiainline.org/conference-highlights-singapore-green-dialogue-sgd>

About SIIA’s Sustainability Programme

Our Sustainability Programme began in 1997 when we organised Singapore’s first haze dialogue with the Singapore Environment Council on the critical haze problem. The programme has evolved to address a broader range of sustainability issues, including agribusiness and forestry supply chains as well as the leveraging of green finance to advance ASEAN’s climate action and carbon neutrality goals.



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