

Asia Zero Emission Community (AZEC) Leaders' Joint Statement
December 18, 2023, Tokyo

We, the leaders of Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam held the Asia Zero Emission Community (AZEC) Leaders Meeting in Tokyo, Japan, on December 18, 2023.

AZEC principles

We are committed to tackling climate change as a common global challenge while ensuring energy security and mitigating geopolitical risks, and to advancing cooperation towards carbon neutrality/net-zero emissions, with a view to achieving the goals of holding the increase in the global average temperature to well below 2°C above pre-industrial levels, pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, while recalling the Paris Agreement will be implemented to reflect the principle of common but differentiated responsibilities and respective capabilities in the light of different national circumstances. We also emphasize that Asia, in particular the ASEAN region, is projected to remain the engine of global economy and energy demand growth, and we will promote decarbonization towards carbon neutrality/net-zero emissions, while also achieving economic growth, energy security and resilience, especially through innovation. In doing so, we share an understanding that there are various and practical pathways towards carbon neutrality/net-zero emissions depending on the national circumstance and different starting point of each country, including, but not limited to, its industrial structures, social contexts, geographies, and stages and rates of development, and that it is important to utilize a diverse range of energy sources and technologies to design and implement such pathways.

We welcome the outcome of the first Asia Zero Emission Community (AZEC) Ministerial Meeting held in March 2023 in Tokyo, which set out these common understandings among partner countries. We will promote cooperation through the AZEC platform which builds on the mutual trust cultivated over the years while sharing the above common understandings as guiding principles. We welcome, as important steps under the AZEC platform, Japan's continuous commitment to Asia's energy transitions including under the Asia Energy

Transition Initiative (AETI), which was launched in 2021, and the outcome of 1st to 3rd Asia Green Growth Partnership Ministerial Meeting (AGGPM), and expect our Ministers to further accelerate discussion for cooperation. We also welcome the outcome of the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) recently held in Dubai, United Arab Emirates.

Promoting policy support and collaboration in tangible projects

We recognize the need to take a tailored approach towards decarbonization in line with different national circumstances, including by, but not limited to, enhancing energy efficiency as “the first fuel” through technologies such as heat pumps, scaling up renewable energy, energy storage, regional interconnectivity and improving grid flexibility, using nuclear energy including small modular and other advanced reactors for those that opt to use nuclear energy, applying hydrogen and its derivatives including ammonia and e-methane, electrolyzer technology, biomass and carbon capture, utilization and storage (CCUS) across sectors and industry, and recycling of critical minerals, while promoting electrification, fuel switching, noting the important role that natural gas and LNG will play as transition fuels in line with climate goals of the Paris Agreement, deploying reliable renewable-based micro-grids including in remote islands, perovskite solar cells, and offshore wind power, and learning experiences to solve grid constraints, as well as decarbonizing transport sector through the spread of activities using multiple technologies such as electric vehicles (EVs), biofuels such as Sustainable Aviation Fuel (SAF), and hydrogen and its derivatives including ammonia and e-fuels.

We invite our Ministers to work on these areas, including by sharing information and best practices, coordinating policies where applicable, and undertaking human resource exchange and development.

Among others, we will work together to promote innovation, support deployment of, build robust, transparent, resilient and reliable supply chain for, and create or expand the market for clean energy and related technologies, as well as to foster policy development and coordination where appropriate to facilitate their deployment, for example by developing plans or roadmaps for energy transition tailored to each country’s circumstance and by mutually learning and coordinating policies, standards, frameworks and practices put in place in AZEC

partner countries, including those to resolve grid constraints to accommodate renewable energy, to promote the use of energy-efficient equipment and to develop carbon/emissions-intensity based accounting methodology for hydrogen production. To this end, we invite the Economic Research Institute for ASEAN and East Asia (ERIA) to set up Asia Zero Emission Center as a platform to share information, conduct studies on policies and projects and help AZEC partners develop vision, roadmaps or policies towards decarbonization, where applicable, to promote energy transitions.

To achieve decarbonized economic growth, we recognize the importance of exchanging views through dialogues and explore policy options to enhance competitiveness and decarbonization in manufacturing industries in AZEC partner countries, for instance by developing master plans for decarbonizing automobile industry, as well as policies to allow industrial consumers to use decarbonized power sources towards establishing green industrial supply chains, while underscoring the importance of fair and sustainable business environment.

We will foster public-private partnerships and cooperation among private sectors to accelerate energy transitions through creation of specific energy transition projects. In this regard, we welcome activities to promote public-private cooperation in partner countries such as those in AZEC Advocacy Group, AZEC/GX Promotion Working Team in Viet Nam, AZEC Japan-Indonesia Joint Task Force in Indonesia and Cleaner Energy Future Initiative for ASEAN.

We affirm the importance of adequate financing to support the acceleration of energy transitions in the region. Recognizing the need of inclusive investment to meet growing energy demand and to achieve economy-wide decarbonization, we emphasize the importance of transition finance, as a financial instrument to achieve the whole-of-economy transition, including the energy sector, and will work to scale-up investment in this aspect through the AZEC platform. We acknowledge various initiatives by both public and private sectors such as regional and national roadmaps, taxonomies and cross-sectoral dialogues at the Asia Transition Finance Study Group. We also recognize the importance of promotion and implementation of high integrity carbon markets and crediting schemes, for instance through collaboration models including, but not limited to, the Joint Crediting Mechanism (JCM), taking into account various national circumstances.

Fostering cooperation beyond AZEC partners

We welcome collaboration with all other countries within and beyond Asia that wish to support our region's energy transition and energy security. We further recognize the importance to reach out to countries, including through existing bilateral frameworks, with a view to cooperating in energy transition, and establishing mutually beneficial clean energy trade markets and resilient supply chains in the future.

We will also collaborate with relevant international organizations and institutions such as the ERIA, the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), the ASEAN Center for Energy (ACE), and others as required.