

# Japan-U.S. Joint Statement on Advancing a Free and Open Indo-Pacific Through Energy, Infrastructure and Digital Connectivity Cooperation

Japan and the United States reaffirmed their shared goal of bolstering a free and open Indo-Pacific and welcomed concrete progress in their joint effort to develop energy, infrastructure, and digital connectivity in the region. The two countries resolved to deepen and expand their partnership, whose major components include:

## **Senior-level Coordination**

- Japan and the United States intend to deepen cooperation to promote a free and open Indo-Pacific through senior-level policy coordination and efforts to forge broad public support. At the Japan-U.S. Summit meeting on September 26, 2018, the two sides confirmed their shared vision and highlighted their cooperative work on specific projects in third countries.

## **Energy Sector Development**

- Cooperating within the Japan-U.S. Strategic Energy Partnership (JUSEP) established last year, Japan and the United States intend to facilitate high-standard investment in projects to supply liquefied natural gas (LNG) or build LNG infrastructure by aligning the Japanese government's target of \$10 billion in public and private investment and capacity building training with the United States' Asia Enhancing Development and Growth through Energy (Asia EDGE) initiative.
- Japan and the United States held the second meeting of JUSEP on October 24, 2018, and both sides committed to promoting open and competitive energy markets, fostering business-to-business connections, and achieving regional energy sector integration by pursuing concrete activities in the Indo-Pacific and Africa.
- On November 13, 2018, Japan's Ministry of Economy, Trade, and Industry (METI), its Ministry of Education, Sports, Culture, Science and Technology (MEXT), and the U.S. Department of Commerce (DOC) and Department of Energy (DOE) announced a Memorandum of Cooperation concerning Research and Development and Industrial Cooperation in the Nuclear Energy Sector.
- METI, the Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS), and the U.S. Trade and Development

Agency (USTDA) are cooperating on the LNG Value Chain Training Program for Southeast Asian officials. The Japan Oil, Gas and Metals National Corporation (JOGMEC) and DOE are also cooperating on an LNG value chain training program for Indo-Pacific countries.

### **Sustainable Financing**

- On November 12, 2018, the Japan Bank for International Cooperation (JBIC), the United States' Overseas Private Investment Corporation (OPIC), and Australia's Department of Foreign Affairs and Trade (DFAT) and Export Finance and Insurance Corporation (Efic) signed a Memorandum of Understanding to catalyze Indo-Pacific investment projects that produce quality infrastructure, increase connectivity, and promote sustainable economic growth.
- The Japan International Cooperation Agency (JICA) and OPIC signed a Memorandum of Cooperation on September 21, 2018 to provide a framework for co-financing options for private investments in developing countries.
- Japan and the United States are utilizing JUSEP to leverage JBIC and Nippon Export and Investment Insurance (NEXI)'s preferential terms for financing for LNG projects in third countries.
- JOGMEC improved the financing mechanism scheme for LNG liquefaction facilities, on condition that Japanese companies have the right to offtake LNG from those projects.

**Private Sector Cooperation.** Japanese and U.S. private companies are cooperating on concrete projects in the Indo-Pacific region, including:

- The Jawa 1 Gas-to-Power Project in Indonesia, which JBIC and NEXI agreed to finance.
- The LNG to Power project in Bangladesh which is being coordinated by Japanese and U.S. private sectors.
- The Japan-Guam-Australia Fiber-Optic Submarine Cable System Project which is coordinated by Japanese and U.S. private sectors.

### **Standards Setting**

- Japan and the United States are working together to promote international standards for quality infrastructure in international fora such as the G7, G20, and APEC. During the upcoming APEC meeting, the two countries will cooperate to achieve consensus on upgrading the "APEC Guidebook on Quality of Infrastructure Development and

Investment,” which contains APEC’s first concrete guidelines for infrastructure investment.

- Japan and the United States on November 1, 2018 convened the Working Group on Economic and Structural Policies, committing to promote infrastructure investment rooted in principles of transparency, market-based financing, open infrastructure, and debt sustainability.
- At the ninth U.S.-Japan Policy Cooperation Dialogue on the Internet Economy, held on July 23 and 24, 2018, Japan and the United States committed to cooperate on infrastructure in third countries, including digital infrastructure in support of a free and open Indo-Pacific.
- To promote international best practices for public procurement, METI and USTDA are cooperating under Japan’s Partnership for Quality Infrastructure and USTDA’s Global Procurement Initiative to offer training programs in third countries in the Indo-Pacific region.