Asia Zero Emission Community (AZEC) Leaders' Joint Statement
November 17, 2026, Manila

We, the leaders of Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao People's Democratic Republic, Malaysia, the Republic of the Philippines, Singapore, Thailand, and Viet Nam met in Manila, the Republic of the Philippines on November 17, 2026, to hold the 4th Asia Zero Emission Community (AZEC) Leaders Meeting, which was co-chaired by Her Excellency Ms. TAKAICHI Sanae, Prime Minister of Japan and His Excellency Mr. Ferdinand Romualdez Marcos, Jr., President of the Republic of the Philippines.

We acknowledge and welcome the outcomes of the 4th AZEC Ministerial Meeting held on 8 October 2026 in Manila, the Republic of the Philippines. We recognize their outcomes including the progress achieved in implementing AZEC sectoral and cross-sectoral initiatives on diversifying energy sources, energy efficiency, the ASEAN Power Grid, transition finance and carbon markets, including through the AZEC International Conference to Develop Carbon Markets, which has advanced regional cooperation on carbon pricing, knowledge sharing on the Joint Crediting Mechanism (JCM) and other crediting approaches, as well as AZEC projects across renewable energy, energy efficiency, hydrogen and ammonia, biofuels, carbon capture and storage/carbon capture utilization and storage (CCS/CCUS) and other sectors.

Noting Timor-Leste's accession to ASEAN last year and its shared commitment to AZEC principles, we welcome Timor-Leste's full participation in regional cooperation on energy security, resilience, and decarbonization, and express our readiness to explore opportunities for its engagement with AZEC, consistent with the Community's principles and arrangements.

We recognize the urgent need to reduce greenhouse gas (GHG) emissions in line with efforts to keep 1.5°C within reach, noting South-East Asia is

highly vulnerable to the effects of climate change, and that rising sea levels and intensifying natural hazards will affect millions of people in densely populated areas and coastal zones.

We reiterate our unwavering commitment to efforts towards achieving the goals of the Paris Agreement including by undertaking the mitigation actions referred to in the outcome of the first Global Stocktake (GST) adopted at the 28th United Nations Climate Change Conference (COP28) and by contributing to the second Global Stocktake (GST) launched at the 31st Conference of the Parties (COP31) of the United Nations Framework Convention on Climate Change, while taking into account national circumstances, priorities, and development needs. We recall the shared vision reflected in the ASEAN Outlook on the Indo-Pacific (AOIP) and Japan's updated Free and Open Indo-Pacific (FOIP), as well as practical cooperation that supports sustainable development, economic growth, and regional prosperity. We recognize the importance of transition finance through the development of taxonomies and roadmaps, tailored to each region and sector on their various and practical pathways toward the common goal of achieving carbon neutrality/ net zero emissions and facilitating cooperative mitigation activities, including through high-integrity carbon markets and relevant crediting mechanisms, on a voluntary basis and consistent with applicable international rules and national frameworks.

In this context, we reaffirm the "AZEC principles", which emphasize the importance of achieving a "triple breakthrough", by addressing climate change, promoting inclusive economic growth, and achieving energy security simultaneously. We also reaffirm the concept of "one goal, various pathways", recognizing that countries may pursue carbon neutrality through various and practical pathways, taking into account their respective national circumstances, existing targets and policies, technological capabilities and developmental challenges.

In addition to the impacts of climate change, we recognize that Asia also remains highly exposed to disruptions in energy supply chains and key maritime routes, including through the Strait of Hormuz, and we recognize the importance of joint efforts and cooperation by Asian countries – including through ASEAN-led mechanisms. In this regard, we reaffirm our

commitment to strengthen energy security and supply chain resilience, including by maintaining open and transparent energy markets and rules-based trade, recognizing the importance of international cooperation on strengthening oil stockpiling, and close coordination on energy between producing and consuming countries to build more resilient energy supply chains. We also confirmed the importance of evolving the existing AZEC into AZEC2.0 by strengthening economic and energy resilience while advancing energy security and inclusive economic growth, as well as decarbonization, in line with the AZEC principles.

In this context, we reaffirm that AZEC cooperation will support relevant ASEAN priorities, uphold ASEAN Centrality and complement existing ASEAN-led mechanisms and arrangements. We welcome the “Partnership On Wide Energy and Resources Resilience Asia (POWERR Asia)”, a partnership announced by Japan at the AZEC Plus Online Summit held in April this year to further strengthen the region’s resilience in energy and resources in line with the AZEC principles.

Accordingly, we concurred on the inclusion of “economic and energy resilience” in the “Action Plan for Next Decade” adopted at the 2nd AZEC Leaders Meeting, with this area encompassing stronger and more diversified energy supply systems, stable supplies of critical minerals including through resource circulation, resilient and sustainable supply chains, and industrial upgrading in critical industries through innovation, technology and human resource development. We welcomed the Japan-led initiative, "BRIDGE Asia: Bridging Research, Innovation, Deployment and Growth Ecosystems — Connecting Markets across Asia" to become more resilient and prosperous together in the Indo-Pacific region, including by accelerating the energy transition and collaborative investment and research and development (R&D) with relevant countries, including in next-generation technologies such as AI and quantum technologies, thereby fostering an open and integrated Indo-Pacific regional market, consistent with AZEC principles and their respective national priorities and domestic procedures.

Based on the discussion of AZEC-DCM, we underscore the importance of working towards interoperability of carbon accounting methodologies to

improve the comparability and credibility of emissions data and its use to promote trade and investment in low- and zero- emissions goods, services and technologies across the region supported by dedicated technical assistance, open data platforms, and targeted capacity building to ensure fair access for developing nations and smaller market participants.

We also welcomed the AZEC Ministerial Work Programme for Strengthening Oil Stockpiling, which was adopted at the 4th AZEC Ministerial Meeting as a practical contribution to strengthen regional energy supply chain resilience. We also welcome the contribution of the Economic Research Institute for ASEAN and East Asia (ERIA) through its study on potential for joint oil stockpiling in ASEAN. We emphasize that initiatives on joint oil stockpiling should take into account the respective national circumstances, regulatory frameworks, infrastructure readiness, and national oil stockpiling policies of participating countries, while allowing flexibility in determining appropriate cooperation arrangements.

Building on these efforts, we welcomed the initiative of the "Asia Oil Security Task Force" in collaboration with ERIA and the International Energy Agency (IEA), as a voluntary body to advance cooperative efforts among AZEC partner countries under the Work Programme, while supporting, aligning and complementing existing regional energy cooperation mechanisms, particularly the ASEAN Framework Agreement on Petroleum Security (APSA) including through oil stockpiling in emergency preparedness, as appropriate, while avoiding duplication of efforts and respecting their respective mandates and institutional arrangements.

We encourage AZEC partner countries to strengthen their energy supply systems through appropriate policy measures, the diversification of energy sources and suppliers, and constructive engagement and policy coordination. We also encourage enhanced bilateral and commercial cooperation with relevant international partners, to diversify crude oil supply sources and strengthen supply arrangements, taking into account different national circumstances, market conditions, and energy security priorities. These efforts should also include developing adequate oil storage infrastructure, strengthening supply chain connectivity, and improving information sharing and coordination to facilitate timely responses to

potential oil supply disruptions and energy emergencies. We encourage AZEC partners to also pursue opportunities to structurally strengthen energy security and resilience, including through renewable energy, electrification and other measures that reduce exposure to potential future energy shocks.

The progress achieved during the year in implementing the Action Plan for the Next Decade is reflected in the attachment to this statement.

We encourage the relevant Ministers of AZEC partner countries to continue overseeing implementation of the Action Plan, identify opportunities to accelerate practical cooperation, and review progress through relevant existing frameworks, taking into account national circumstances and priorities.

We express our sincere gratitude to the Government of the Republic of the Philippines for hosting the 4th AZEC Leaders Meeting together with Japan as Co-Chair. We look forward to convening the 5th AZEC Leaders' Meeting in Singapore in 2027.

Asia Zero Emission Community (AZEC)
The Progress made in 2025-2026
Following the Action Plan for Next Decade

The following progress has been made over the past year following the "Action Plan for Next Decade", which was adopted at the 2nd AZEC (Asia Zero Emission Community) Leaders Meeting on 11th October in 2024.

1 Develop a short- to medium-term action plan to facilitate AZEC solutions

- Japan has promoted GHG emissions visualization across supply chains to support the creation and expansion of markets that recognize emission reduction efforts. Through the Partnership to Strengthen Transparency for co-Innovation (PaSTI), Japan supported to develop policies and frameworks for corporate GHG measurement and reporting in ASEAN countries, such as Malaysia and the Philippines. Together with the Asian Development Bank Institute (ADBI), Japan and ASEAN countries convened the Environmental and Financial Joint International Workshop to strengthen linkages between corporate GHG measurement and reporting and sustainability-related discloses, which contribute to reduce reporting burdens on companies. These efforts support the creation of markets that appropriately recognize GHG emission reduction efforts while helping attract investment and enhance corporate value. Future GHG emissions and reduction levels in ASEAN countries were estimated using the Asia-Pacific Integrated Model (AIM) for the development of long-term strategies, Nationally Determined Contributions (NDCs) and decarbonization roadmaps for industrial sectors. Japan also supported the development of greenhouse gas inventories in ASEAN countries, helping to create an enabling environment for the implementation of GHG mitigation projects. In addition, Japan and ASEAN countries launched CAMPUR (Climate Action for Mutual Prosperity Under Regional cooperation) to jointly prepare an ASEAN-Japan Report under the framework of the Revised Japan-ASEAN Climate Environment Strategic Program (SPACE) as a contribution to the second Global Stocktake, highlighting regional experiences and practical pathways. (1-1)
- To enhance the competitiveness of industries through visualization of GHG emissions throughout the supply chain and to promote high-

integrity carbon markets, discussions were held at the AZEC International Conference to Develop Carbon Markets (AZEC-DCM) on the visualization of GHG emissions, the promotion of high-integrity carbon markets, carbon pricing, and the importance of decarbonization investments. Recent developments in carbon market policies, including Article 6 and the Joint Crediting Mechanism (JCM), were shared, while views were exchanged on climate change adaptation and disaster risk reduction (DRR). Based on these discussions, a constructive and fruitful report was issued. (1-1, 1-6)

- To promote transition finance, Asian Development Bank (ADB), Economic Research Institute for ASEAN and East Asia (ERIA) and Ministry of Economy, Trade and Industry (METI) jointly launched platform called “AZEC Inclusive Transition Finance Catalyst (AITF Catalyst)” to support project development and capital mobilization in the region. ERIA also issued a report entitled “Supporting Southeast Asia’s Decarbonisation and Energy Transition: Launching the AITF Catalyst Initiative”. AZEC partners recognize that transition finance in Asia has evolved from narrative building to that of actual project development and capital mobilization, including discussions held at the AZEC business forum as a side-event of the 4th AZEC Ministerial Meeting. (1-2)
- Japan International Cooperation Agency (JICA) signed a subscription agreement with the Emerging Asia Infrastructure Credit Fund under the Financing Asia's Transition Partnership (FAST-P) to support industrial transition projects and mobilize private capital for the transition towards low-carbon economies in Asia. (1-2)
- To promote emission reductions and carbon removals through the dissemination of technologies and innovations in the agriculture and forestry sectors, initiatives based on the ASEAN-Japan MIDORI Cooperation Plan, that serve as a model of contribution to decarbonization, including JCM projects in the agriculture and forestry sectors, have been advanced. To further accelerate these efforts, the Attachment of the ASEAN-Japan MIDORI Cooperation Plan was updated with 7 additional projects, including a research project to develop heat-tolerant rice varieties and low-cost, low GHG cultivation technologies in collaboration with the International Rice Research Institute (IRRI). (1-3)

- Regarding the decarbonization of the transport sector, Japan and ASEAN countries cooperated in implementing projects to realize decarbonized and sustainable transport through multilateral frameworks such as the ASEAN-Japan Transport Partnership (AJTP). (1-4)
- Regarding the promotion of Carbon Neutral Port (CNP), Japan has been collaborating with ASEAN countries to develop guidelines through a joint research project under the framework of AJTP. At the meeting of ASEAN-Japan Port Technology Group held in December 2025, participants exchanged views with the aim of finalizing the draft of the guidelines. (1-5)
- Regarding the promotion of the lower emission of road infrastructure, Japan has shared its expertise on asphalt recycling technology with ASEAN Member State through the AJTP joint research project. In addition, Japan has presented its initiatives at bilateral meetings with Indonesia and Vietnam, as well as at international conferences and seminars organized in collaboration with the United Nations Centre for Regional Development (UNCRD). (1-5)
- At the AZEC International Conference to Develop Carbon Markets (AZEC-DCM), Japan has addressed common challenges in the region and presented effective solutions to advance high-integrity carbon markets. Through AZEC-DCM, Japan has promoted regional cooperation on carbon pricing, Article 6 implementation, emerging carbon crediting approaches, and private-sector engagement, contributing to the development of a more robust carbon market ecosystem across the region. A key achievement has been the significant expansion of the Joint Crediting Mechanism (JCM), which has strengthened its role as a leading framework for implementing Article 6 of the Paris Agreement and mobilizing decarbonization investment across AZEC partner countries. To further accelerate this momentum, Japan has reinforced its government-wide JCM implementation framework and enhanced support for project development and deployment. Furthermore, through the Paris Agreement Article 6 Implementation Partnership, we are fostering international collaboration and capacity building in each country, which is essential for market expansion. It is also promoting “the City-to-City Collaboration for Zero Carbon Society program,” centered on partnerships between local governments. (1-6)

2. Sectoral initiatives

- As sector-specific collaboration initiatives towards advancing energy transition while ensuring energy security, active discussions took place at the 2nd AZEC Leading Action Forum (AZEC LEAF) held in May 2026, where national measures undertaken to enhance energy security in response to the global energy crisis were shared, and future challenges to strengthen the resilience of energy supply structure over the medium to long term were discussed. (2-1)
- To promote public-private cooperation, the AZEC Business forum was held as a side-event of the 4th AZEC Ministerial Meeting. Business leaders gathered to exchange views on practical approaches for advancing transition finance. (2-1)
- AZEC partners have been exploring mutually beneficial collaboration on the ASEAN Power Grid. One of the key outcomes is ERIA's study "Layered Market Approach to ASEAN Power Grid Development", which suggests a practical roadmap for achieving deeper regional power market integration and outlines a realistic pathway to enhance system flexibility, support the expansion of renewable energy, and progressively develop a more integrated and resilient regional power system. (2-1)

3. Promoting tangible projects

<u>3-1. Japan-led projects</u>

- Regarding the creation of tangible projects through Official Development Assistance (ODA), the following progress has been made. (3-1-1)
  - Japan is making investments through the Japan International Cooperation Agency (JICA) in energy transition-related funds in Southeast Asia in order to accelerate decarbonization and the energy transition in Asia and mobilize private finance for related projects.
  - In Indonesia, Viet Nam, the Philippines, and Cambodia, Japan is also supporting the development of policies and institutional frameworks for climate change measures, Green Transformation (GX), and green growth through budgetary support and policy dialogue utilizing Japanese ODA Loans, as well as support for the construction of geothermal power plants. (3-1-1)

- Japan, through JICA, continues to provide various training programs related to decarbonization and energy transition for government officials and others from developing countries, including Viet Nam, Malaysia, the Philippines, and Indonesia. These programs include courses that share knowledge on formulating and implementing energy policies and plans, technological innovation, and promoting regional communities for achieving carbon neutrality, in collaboration with Japanese energy policy agencies, universities and research institutions, and private companies. (3-1-1)
- Japan continues to promote “Co-Creation for Common Agenda Initiative” aimed at medium- and long-term regional decarbonization through supporting institutional development and conducts proof of concept projects to help realize the stable electricity supply and the development and export of clean energy in Laos, in collaboration with relevant ministries, agencies, and private companies. (3-1-1)

- Around 159 additional tangible decarbonization projects have been created, some of which were supported by Japanese institutions and resulted in the signing of Memorandums and were highlighted at the 4th AZEC Ministerial Meeting. (3-1)
- Japan, through Japan Bank for International Cooperation (JBIC), has promoted concrete decarbonization and energy transition projects in AZEC partner countries by combining policy dialogue, project development support, partnership frameworks, and financing. (3-1-2)
  Specifically, JBIC is:
  - promoting decarbonization through the AZEC-SAVE (Smart and Advanced Value-chain for Environment) Platform in Thailand, supporting the deployment of Japanese energy-saving technologies and services, and providing financing by signing four loan agreements with TISCO Tokyo Leasing Co., Ltd. (TTLCL), a Thai subsidiary of Tokyo Century Corporation,
  - deepening engagement with Tenaga Nasional Berhad (TNB), promoting cooperation with Sarawak Energy Berhad (SEB), a Sarawak Government-owned power utility company with one of the largest renewable capacities in Malaysia, and advancing cooperation with PETRONAS, including decarbonization-related

areas such as carbon capture and storage (CCS), in support of the energy transition and enhanced electricity connectivity across ASEAN in line with the ASEAN Power Grid vision,

- promoting cooperation with the Bases Conversion and Development Authority (BCDA) of the Philippines by holding a series of Project Pitching Events to support the development of BCDA projects for energy transition and quality infrastructure in the country, with the Department of Finance of the Philippines through signing an MOC to promote the Philippines' economic and energy resilience, and with the Department of Energy by holding a seminar to promote Japanese decarbonization technologies and a forum to improve the business environment in the power sector,
- providing financing for the Muara Laboh Geothermal Power Expansion Project in Indonesia, while promoting cooperation with Indonesia's national electricity company (PLN) to support the achievement of the electricity supply business plan (RUPTL) 2025–2034, including the development of transmission and interconnection projects, and with its national energy company (Pertamina) in the fields of decarbonization, biofuels, and related areas,
- promoting energy transition and power infrastructure development in Vietnam through providing a credit line with Vietnam's state-owned commercial bank, BIDV, and financing a power transmission line project under an existing credit line with Vietnam's private bank VPBank, along with policy engagement under the AZEC/GX Project Accelerating Platform,
- providing financing for UnicornMark Discovery Pte Ltd to own a newly built floating storage and regasification unit (FSRU) and provide vessel chartering services to Singapore LNG Corporation Pte Ltd in Singapore, and
- strengthening the partnership with the Queensland Government, thereby encouraging Japanese companies' investments in the region in broad sectors, such as biomass, renewable energy, sustainable fuels, power grid, and energy storage.

- For emission reductions and carbon removals in the agriculture and forestry sectors, Japan has completed 7 projects and has been promoting 40 projects based on the updated ASEAN-Japan MIDORI

Cooperation Plan, such as improving operational efficiency through automated steering technologies, and reducing GHG emissions by enhancing water management in paddy fields through ICT. Furthermore, in cooperation with AZEC partner countries, Japan has launched 57 new initiatives involving both the public and private sectors that contribute to decarbonization or climate change adaption this year. (3-1-3)

- The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan held "The 7th ASEAN-Japan Smart Cities Network High Level Meeting" in November 2025 and confirmed the importance of promoting cooperation between Japan and ASEAN on smart city technologies in the sectors of urban development, transport, energy and other fields, including decarbonization. Since 2025, Japanese companies have been conducting a pilot project in Indonesia. (3-1-5)
- Regarding hybrid dam technology, Japan held bilateral meetings in Indonesia and the Philippines after November 2025 to share knowledge on improving the operation and dam upgrading of existing dams. (3-1-5)
- In order to promote waste-to-energy projects, prevent pollution, and achieve clean and decarbonized waste treatment, Japan promotes pollution prevention, improvement of public health, and decarbonization in the field of waste and resource circulation through environmentally sound waste management with AZEC partner countries in Asia. In Indonesia, Japan has been promoting the deployment of advanced waste-to-energy technology that contributes reducing GHG emissions including methane through Legok Nangka Waste-to-Energy PPP Project. (3-1-6)

<u>3-2. Australia-led projects</u>

- In partnership with ASEAN, Australia continues to support the region's clean energy transition, development of the ASEAN Power Grid (APG) and greater cross-border energy connectivity, including through the ASEAN-Australia Energy Cooperation Package, delivered through Aus4ASEAN Futures Initiative. Australia's contribution includes support for the ASEAN Centre for Energy and its central role in progressing the APG, support for improved energy policy, regulation, system planning and management, and support for partners to develop clean energy

infrastructure and attract quality investment

- Australia is also supporting ERIA to strengthen policy-making capability across ASEAN, including work supporting the region's energy transition and private sector engagement on the ASEAN Power Grid. This builds on Australia's ongoing support for ERIA since 2014.
- Australia has made investment commitments to FAST-P to support the region's development and clean energy transition. This includes in Pillar 2 in the Green Investments Partnership (GIP) through the Southeast Asia Investment Financing Facility (SEAIFF) and Export Finance Australia, and in Pillar 1 through co-ownership of the Private Infrastructure Development Group.
- Other recent support by Australia that contributes to decarbonization cooperation in the region includes: the Southeast Asia Investment Financing Facility announced at the 2024 ASEAN-Australia Special Summit; energy cooperation through the Aus4ASEAN Futures Initiative with a focus on support for the ASEAN Centre for Energy; a climate and energy window under the Southeast Asia and Australia Government-to-Government Partnerships Program; Australia's support for Partnerships for Infrastructure (P4I) which will enable continued support for partner countries on energy system regulation and management, grid integration of renewables, transport decarbonization and the development of energy infrastructure; the Australia-Indonesia Climate and Infrastructure Partnership (KINETIK); the Australia-Vietnam Partnership for Economic Growth (Aus4Growth); the program Promoting Growth, Resilience, Economic Stability and Sustainability in the Philippines (PROGRESS); the Cambodia-Australia Partnership for Resilient Economic Development (CAPRED); the Laos-Australia Sustainable Energy Partnership (LASEP); the Thailand-Australia Energy Cooperation initiative; cooperation under the Singapore-Australia Green Economy Agreement; and cooperation through the Quad Clean Energy Supply Chain Diversification Program and the IPEF Hydrogen Supply Chain Initiative.