

Pillar 2 : Addressing Challenges in an Indo-Pacific Way

Case (7): Efforts for Practical Energy Transitions (ex. Promotion of the "Asia Zero Emission Community" (AZEC))

1. Basic concept

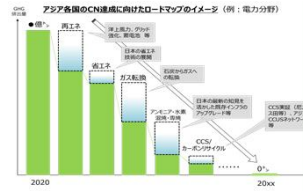
- Japan is leading the creation of clean markets and innovation cooperation to contribute to the realization of GX (Green Transformation) globally. In order to contribute to the realization of GX in Asia, which accounts for more than half of the world's emissions, Japan will realize the "Asian Zero Emissions Community (AZEC) " Initiative as a regional platform, further boosting energy transition.
 - In this regard, ensuring energy security is also an important factor in Asia, which faces the same challenges as Japan, such as the uneven distribution of renewable energy resources. It is important to promote efforts toward decarbonization in a practical way, including LNG cooperation with Asian countries.
- ⇒ **Promoting decarbonization initiatives in each country, using methods appropriate to their circumstances. Contributing to global decarbonization by mutually developing efforts at the global and Asian level.**

2. Items of cooperation

- Through the following initiatives and others, supporting practical energy transition in Asia and accelerating the formation of clean energy projects.
- Accelerate development of the Asia Energy Transition Initiative (AETI) (roadmap formulation, financial support, human resource development, etc.)
- Promotion of the Joint Crediting Mechanism (JCM)
- Energy cooperation with other countries (bilateral and multilateral cooperation)

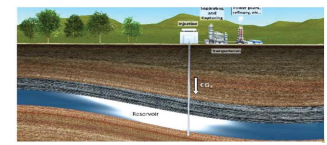
● Accelerated Development of Asia Energy Transition Initiative (AETI)

<Support for formulating roadmaps>
ERIA and IEEJ developed a roadmap (model analysis) for each ASEAN country that utilizes all energy sources and technologies based on a cost minimization model. Based on this, ERIA and IEEJ will support Asian countries in formulating their own roadmaps toward carbon neutrality.

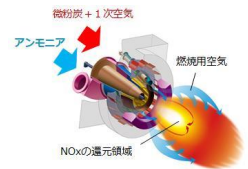


<Spreading and establishing Asia Transition Finance>
Financing for transition technologies and projects will be supported by financial institutions to help Asian countries make a gradual and realistic energy transition. Specifically, financial support will be provided for projects and technologies that are positioned in the "Roadmap toward Carbon Neutrality" to be developed by Asian countries in line with the Paris Agreement.

<10billion USD financial support>
Japan provides 10 billion USD in public and private financing support for transition technologies and projects in renewable energy and energy conservation, hydrogen, ammonia, LNG, CCUS, etc.



CCS (Carbon Capture and Storage)



Ammonia Co-firing Technology

<Human resource development>
Japan will implement human resource development training on decarbonization technologies, the Asian CCUS network, workshops on energy transitions, and other knowledge sharing activities for 1,000 people in Asian countries.



Human resource development training for Vietnam (September 2022)

● Promotion of the Joint Crediting Mechanism (JCM)

Regarding the Joint Crediting Mechanism (JCM), Japan expands the number of JCM partner countries and implement large-scale projects including CCS. Japan promotes the development of "High Integrity Carbon Markets" through "Paris Agreement Article 6 Implementation Partnership" and other measures for further utilization of the JCM.