

Asia Zero Emission Community (AZEC) Leaders' Joint Statement
October 26, 2025, Kuala Lumpur

We, the leaders of Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam met in Kuala Lumpur, Malaysia on October 26, 2025, to hold the 3rd Asia Zero Emission Community (AZEC) Leaders Meeting, which was co-chaired by Her Excellency TAKAICHI Sanae, Prime Minister of Japan and His Excellency Dato' Seri Anwar Ibrahim, Prime Minister of Malaysia.

We acknowledge and welcome the outcomes of the 3rd AZEC Ministerial Meeting in Kuala Lumpur, Malaysia and the Joint Statement adopted on October 17, 2025.

We recognize the urgent need for ambitious greenhouse gas (GHG) emissions reductions in line with 1.5°C pathways, and reiterate our unwavering commitment on the efforts towards achieving carbon neutrality/net-zero emissions, amongst others through the mitigation actions referred to in the Outcome of the first global stocktake (GST) adopted at the 28th United Nations Climate Change Conference (COP28). We recall our intent to pursue our common goal, reflected in the ASEAN Outlook on the Indo-Pacific (AOIP) and Japan's Free and Open Indo-Pacific (FOIP), of just, affordable and inclusive energy transition and decarbonization towards carbon neutrality/net-zero emissions through various and practical pathways in the region and beyond. In this context, we reaffirm the "AZEC principles", which emphasize the importance of achieving a "triple breakthrough", namely addressing climate change, promoting inclusive economic growth, and achieving energy security simultaneously. We also continue to embrace the concept of "one goal, various pathways", acknowledging again that there are various and practical pathways towards carbon neutrality/net-zero emissions, taking into account each country's unique circumstances, existing targets or policies and developmental challenges including, but not limited to, geographic, economic, technological, institutional, social, and equity factors.

We emphasize the need to accelerate actions in this critical decade, based on the "Action Plan for Next Decade" adopted at the 2nd AZEC Leaders

Meeting as well as in line with AZEC partner countries' policies including their existing strategies. The progress made in this year based on the Action Plan is detailed in the attachment.

We affirmed that the efforts in the Action Plan will be duly followed by the relevant Ministers of AZEC partner countries.

We express our sincere gratitude to Malaysia for accommodating the 3rd AZEC Leaders Meeting as a Co-Chair.

Asia Zero Emission Community (AZEC)
The Progress made in 2024-2025
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:

- 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 and the promotion of high-integrity carbon markets, as well as on the importance of decarbonization investments. Based on these discussions, a constructive and fruitful report was issued. Besides above AZEC-DCM discussions, ASEAN countries and Japan facilitated GHG measurement and reporting systems of facility level and held the workshop for exchanging views and sharing information regarding its system through PaSTI (Partnership to Strengthen Transparency for co-Innovation), including in “PaSTI - JAIF (Japan-ASEAN Integration Fund) Phase 3”. Future GHG emissions and reduction levels in ASEAN countries were estimated using the Asia-Pacific Integrated Model (AIM) and support for national inventory preparation including capacity building on emission factors was provided. (1-1, 1-6)
- To promote transition finance, a joint report entitled “Decarbonizing Southeast Asia’s Hard-to-Abate and High-Emitting Sectors: Transition Finance, Technologies and Policy Approaches” was issued by Asian Development Bank (ADB), Economic Research Institute for ASEAN and East Asia (ERIA) and METI. Additionally, a report entitled “Scaling Up Transition Finance” was issued by the International Energy Agency (IEA). (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, were advanced. To further accelerate these efforts, the revised ASEAN-Japan MIDORI Cooperation Plan was adopted at the Meeting of ASEAN-Japan Ministers of Agriculture and Forestry held on October 2, 2025. The new plan includes new cooperative projects, such as the one to reduce GHG emissions through the use of smart agricultural technologies. (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 is working with ASEAN countries to develop guidelines as part of a joint research project under the framework of AJTP. At the meeting of ASEAN-Japan Port Technology Group in November 2024, opinions were exchanged based on the guidelines drafted by Japan and information was also shared on Japan's CNP certification system. (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) and the Asia-Pacific Economic Cooperation (APEC). (1-5)
- Japan provided support to eight AZEC partner countries in establishing institutional arrangement for Article 6 of the Paris Agreement, which is essential for the development of carbon credit markets. Japan has also implemented 24 projects under "the City-to-City Collaboration for Zero Carbon Society program," centered on partnerships between Japanese cities and local governments in AZEC partner countries. Including these and other efforts, the public and private sectors are working together to accelerate the formulation of JCM projects and scale them up. (1-6)

2. Sectoral initiatives

- As sector-specific collaboration initiatives towards carbon neutrality/net-zero emissions, active discussions took place at the AZEC Leading Action Forum (AZEC LEAF) held in May 2025, where efforts, challenges, best practices and measures for energy transitions were shared and exchanged, particularly on three major-emitting sectors: power, transportation, and industry. (2-1)
- AZEC partners have been exploring mutually beneficial collaboration on the ASEAN Power Grid, including discussions held at the AZEC business forum as a side-event of the 3rd AZEC Ministerial Meeting. (2-1)
- As an initiative of the Asia Zero Emission Center at the ERIA, the AZEC Progress Report was produced to summarize the energy transition trends in AZEC partner countries, as well as their recent policy developments and the progress of tangible projects. (2-2)

3. Promoting tangible projects

3-1. Japan-led projects

- Regarding the creation of tangible projects through Official Development Assistance (ODA), particularly the Co-Creation for Common Agenda Initiative, the following has progressed. (3-1-1)
 - Technical cooperation for master plan development
Japan is providing technical cooperation by Japan International Cooperation Agency (JICA) for master plan towards energy transition and decarbonization in Laos, Cambodia and Indonesia through dispatching experts to the governments of those countries.
 - Training
Japan, through JICA, is conducting various training programs related to decarbonization and energy transition for government officials and others from developing countries, including Vietnam, 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.

- Co-Creation for Common Agenda Initiative
Japan is promoting “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.
- Other Projects
Japan, through JICA, is conducting a joint study with the Ministry of Energy and Mineral Resources of Indonesia to provide various analyses and recommendations that will contribute to realizing hydrogen society in Indonesia, while collaborating broadly with Japanese and Indonesian public and private sector stakeholders. Additionally, in the Philippines, Japan is providing technical cooperation to establish a database of potential hydropower sites, aiming to improve the investment environment for future hydropower development.
- Japan, through Japan Bank for International Cooperation (JBIC), is promoting decarbonization through support for the introduction of Japanese energy-saving technologies and services in Thailand, advancing cooperation with Sarawak Energy of Malaysia to support energy transition and enhance electricity grids in ASEAN in alignment with the ASEAN Power Grid vision, promoting cooperation with the Malaysian national oil company in the field of decarbonization and related areas, promoting cooperation with the Bases Conversion and Development Authority (BCDA) of the Philippines to support the development of BCDA projects for energy transition and quality infrastructure in the country, and providing financing for the Muara Laboh Geothermal Power Expansion Project in Indonesia. (3-1-2)
- For emission reductions and carbon removals in the agriculture and forestry sectors, Japan has been promoting approximately 50 projects based on the ASEAN-Japan MIDORI Cooperation Plan, such as improving operational efficiency through automated steering technologies, reducing GHG emissions by enhancing water management in paddy fields through ICT, and establishing basic measurement, reporting, and verification (MRV) systems to expand the scale of GHG emission

reductions. Furthermore, in cooperation with AZEC partner countries, Japan has launched more than 50 new initiatives involving both the public and private sectors that contribute to decarbonization this year. (3-1-3)

- Around 120 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 3rd AZEC Ministerial Meeting. (3-1)
- To promote Green Transformation (GX) through cooperation in the smart city sector, Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan held “The 6th ASEAN – Japan Smart Cities Network High Level Meeting” in October 2024 and confirmed the importance that Japan and ASEAN promote cooperation to decarbonize with using smart city technology in the sector of urban, transport and energy, etc. In 2025, Japanese companies have started a pilot project in Indonesia. (3-1-5)
- Regarding hybrid dam technology, Japan held bilateral meetings in Vietnam, Singapore, the Philippines, and Indonesia after November 2024 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 Regok Nanka Waste-to-Energy PPP Project. (3-1-6)

3-2. Australia-led projects

- Australia continued strengthening its role as a key partner in Southeast Asia’s energy transition, supporting ASEAN priorities and helping build two-way clean energy trade and investment opportunities. (3-2)
Australia:

- continued our support for the Southeast Asia Energy Transition Partnership (ETP) and its targeted technical assistance programs supporting regional energy transition ambitions
- is implementing the \$10 million climate and energy window under the 'Southeast Asia and Australia Government-to-Government Partnerships Program'
- through its \$6.9 million ASEAN energy cooperation package, supported the ASEAN Centre for Energy to progress development of the ASEAN Power Grid, deliver the 8th ASEAN Energy Outlook and develop the ASEAN Long-Term Renewable Energy Roadmap
- invested an additional AUD140 million through the Partnerships for Infrastructure program to support infrastructure development and attract diverse, quality infrastructure finance
- established a Ministerial Dialogue on Energy with Singapore and announced a Cross-Border Electricity Trade (CBET) Framework with Singapore to provide a model to inform greater power connectivity among ASEAN countries
- invested AUD175 million into Singapore's Financing Asia's Transition Partnership (FAST-P) to support clean energy and sustainable infrastructure in Southeast Asia
- mobilised AUD28 million in private finance into climate entrepreneurs in Southeast Asia, helping abate GHG emissions and adding new solar capacity
- through the AUD200 million KINETIK Climate and Infrastructure partnership supported Indonesia to grow its green economy by providing climate finance and technical assistance for clean and renewable energy
- supported the Asia Zero Emissions Centre to undertake studies on semiconductors and critical minerals in Laos and Cambodia
- awarded AUD24 million in grant funding for research and development and feasibility studies targeting solar PV, hydrogen electrolyser and battery supply chains in the Indo-Pacific through the Quad Clean Energy Supply Chain Diversification Program.