

For immediate reporting

SINGAPORE AND JAPAN DEEPEN COLLABORATION OPPORTUNITIES ON CARBON CAPTURE AND STORAGE

This was announced on the sidelines of the 2nd Asia Zero Emissions Community Ministerial Meeting.

1. Singapore and Japan signed a Memorandum of Cooperation (MOC) to pursue collaboration on Carbon Capture and Storage (CCS) today, on the sidelines of the 2nd Asia Zero Emissions Community (AZEC) Ministerial Meeting in Jakarta, Indonesia. Second Minister for Trade and Industry Dr Tan See Leng and Japan's Minister of Economy, Trade and Industry Ken Saito signed the MOC.
2. CCS is the process of capturing, transporting and storing carbon dioxide, thereby avoiding emissions into the atmosphere. It provides a pathway to decarbonise emissions from hard-to-abate sectors such as energy and chemicals, power, and waste. Internationally, CCS is regarded as an important decarbonisation pathway to achieve global climate mitigation. Both the Intergovernmental Panel on Climate Change¹ (IPCC) and International Energy Agency² recognise the crucial role of CCS to achieve net zero emissions by mid-century and mitigate the effects of global warming.
3. The MOC will facilitate knowledge exchange on best practices for cross-border CCS and the sharing of insights on CCS technologies. It will also pool together expertise and resources from Singapore and Japan to accelerate the adoption of CCS in the region.
4. Minister Tan said, "This MOC signals both Singapore and Japan's interest to deploy decarbonisation pathways to address climate change. Singapore is keen to work closely with Japan to develop and adopt common standards for CCS, creating a more interoperable market for CCS solutions in the region. Japan is also a leader in CCS technology innovation, and there is much to learn from Japan in terms of research and adoption of CCS technologies. I look forward to taking this partnership forward."
5. Minister Tan also attended the 2nd AZEC Ministerial Meeting hosted by Jakarta, with representatives from the AZEC partner countries³. Initiated by Japan, the AZEC is a multilateral platform that aims to accelerate Asia's decarbonisation transition, through working with regional partners to pursue energy transition pathways.

¹ The IPCC 6th Assessment Report by Working Group III: Mitigation of Climate Change (2022) highlighted that actively removing carbon from the atmosphere through carbon capture, utilisation and storage (CCUS) is a key decarbonisation pathway to keeping global warming to within 1.5 and 2°C.

² The International Energy Agency (IEA) has affirmed the role of CCS in limiting future temperature increases, as "no other technology solution is capable of delivering the deep emissions reductions needed across industrial processes", and "no other technology solution can significantly reduce emissions from the coal and gas power generation capacity".

³ The AZEC partner countries comprise Australia, Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

6. At the Meeting, Minister Tan shared about Singapore's energy transition journey to fulfil our commitment to the climate goals and the Paris agreement, to reduce carbon emissions. He highlighted the importance of collaborations to realise the shared vision of an ASEAN Power Grid, as well as to catalyse the deployment of low-carbon energies.

7. Minister Tan also took part in the AZE Centre launch ceremony with the AZEC partners. The Centre, which would be hosted under the Economic Research Institute for ASEAN and East Asia (ERIA) in Jakarta, will serve as an energy-focused research and implementation platform to support AZEC partners in developing the vision, roadmaps and policies towards national and regional decarbonisation.

Annex: Joint Ministerial Statement

MINISTRY OF TRADE AND INDUSTRY 21 AUGUST 2024

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Joint Ministerial Statement

**2nd Asia Zero Emission Community (AZEC) Ministerial Meeting
Joint Statement
August 21, 2024, Jakarta**

We, the Ministers of Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam met in Jakarta, Indonesia on August 21, 2024, to hold the 2nd Asia Zero Emission Community (AZEC) Ministerial Meeting, with Ministry of Energy and Mineral Resources of Indonesia and Ministry of Economy, Trade and Industry of Japan serving as Co-Chairs.

Reaffirming AZEC Principles

We welcome the consensus reached at the 28th United Nations Climate Change Conference (COP28) held in United Arab Emirates (UAE) and are committed to accelerating efforts, in line with the CMA.5 decision on the Global Stocktake (GST). We recognize the urgent need for deep, rapid, and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways. In this context, we underscore the significance of 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 embrace the concept of “one goal, various pathways”, acknowledging that there are various and practical pathways towards carbon neutrality/net-zero emission, 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 welcome the outcome of the first AZEC Ministerial Meeting held in March 2023 and the AZEC Leaders Meeting held in December 2023 in Tokyo, which set out these common understandings among AZEC 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. Recalling the AZEC Leaders’ Joint Statement in December 2023, which invites the Economic Research Institute for ASEAN and East Asia (ERIA) to set up the Asia Zero Emission Center in ERIA as a platform to share information, conduct studies on policies and projects and help AZEC partner countries develop vision, roadmaps, or policies towards decarbonization to promote energy transitions, we welcome the launch of the Asia Zero Emission Center this August, as well as endorse the Terms of Reference (ToR) and activities as attached to this joint statement.

We welcome, as important steps under the AZEC platform, initiatives to achieve energy transition in Asia, including the Asia Energy Transition Initiative (AETI) and Asia Green Growth Partnership Ministerial Meeting (AGGPM).

AZEC Partner Countries Supporting Global Decarbonization

We acknowledge the commitment of AZEC partner countries to accelerate the global energy transition and follow through on the collective commitments of the GST on global efforts including tripling renewable energy capacity globally, doubling the global average annual rate of energy efficiency improvements, accelerating zero- and low-emission technologies and transitioning away from fossil fuels in energy systems in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches.

We recognize that the transition to net zero emissions presents economic opportunities for all countries, and that ambitious NDCs linked to clear national transition plans that are aligned with long term low greenhouse gas emission development strategies, will help identify investment priorities and opportunities, drawing in public and private capital to underwrite the transition to net zero.

Promoting Policy Support and Collaboration in Tangible Projects

To accelerate efforts towards energy transition in line with the CMA.5 decision on the GST, we welcome the AZEC sectoral initiatives as attached to this joint statement, namely, AZEC Initiative to promote Zero Emission Power, AZEC Initiative to create Sustainable Fuel Markets, and AZEC Initiative to establish Next- Generation Industry. We encourage AZEC partner countries to make progress on energy transition efforts by coordinating policy development or conducting projects related to these initiatives, taking into account different national circumstances. We confirm that we will promote access to financial, human resources, and technical cooperation based on these initiatives.

To support and sustain these collective efforts towards carbon neutrality/net-zero emissions among AZEC partner countries, we will take actions holistically by promoting access to finance and inclusive investment to accelerate energy transitions in a sustainable manner. In this regard, we emphasize the importance of transition finance as a financial tool and blended finance as a financial mechanism 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 and promote integrated efforts through various initiatives by both public and private sectors such as development of regional and national decarbonization roadmaps, cross-sectoral dialogues to enhance transition finance in Asia at the private-led Asia Transition Finance Study Group (ATF SG), and Cleaner Energy Future Initiative for ASEAN (CEFIA). Furthermore, to accelerate sustainable finance, we promote integrated efforts through the AZEC platform to support policy coordination and to reduce emissions while contributing to economic growth.

Moreover, we will promote efforts to create a market where emission reduction efforts are valued and to further promote cooperation among AZEC partner countries, such as sharing our knowledge and existing practices in carbon pricing, which, among various policy instruments and if appropriate, can be effective not only in reducing emissions but also driving economic growth in Asia and the entire world. Additionally, we recognize the importance of managing emissions across the entire supply chain and using recognized emission measurement methodology. We also welcome the progress on the cooperation towards promotion and implementation of high integrity carbon markets and crediting schemes through the recent conduct of AZEC International Conference to Promote the Joint Crediting Mechanism (JCM) and Develop Carbon Markets. We also welcome some AZEC partner countries working together in this regard to accelerate the ambitious use of carbon markets towards net-zero emissions, including by incorporating relevant sectors and initiatives that promote GHG emissions reduction.

We will promote possible cooperation and resiliency in the area of policy, financing, human resources and technologies, to support AZEC partner countries in their respective transitions to net zero emissions. This includes support to accelerate the deployment and uptake of clean and low carbon energy technologies, including renewable energy, energy efficiency, biofuels, Sustainable Aviation Fuel (SAF), hydrogen and its derivatives such as ammonia, e-fuels and e-methane, and Carbon Dioxide Capture, Utilization and Storage (CCUS)/carbon recycling. In this context, we acknowledge, depending on national circumstances, the important role that natural gas and LNG will play as transition fuels, as part of wider efforts to deliver the goals of the Paris Agreement. We acknowledge that some AZEC partner countries, depending on national circumstances, such as the diversification of their energy mix, the existence of nuclear science and technologies, industries, or programs, as well as their limited renewable energy resource potential, may choose to cooperate on the safe and peaceful uses of nuclear energy. AZEC partner countries may also cooperate in knowledge sharing and policy dialogue to support the development of smart cities, and support for promoting on retrofit in building and industrial equipment towards energy efficient buildings and industries. We will also work towards the development of measurement in areas such as green manufacturing and Carbon Dioxide Removal (CDR)/CCUS/carbon recycling that contribute to the expansion of their market and the promotion of collaborative projects in these fields. In addition, we will promote sustainable production of energy from waste, including waste-to-energy. We will accelerate the reduction of emission from road transport through a range of pathways, including through development of infrastructure and rapid deployment of zero and low-emission vehicles.

To promote steady implementation, we call upon the Asia Zero Emission Center to report at the next AZEC Ministerial Meeting on the progress of above-mentioned research and regional cooperation including the sectoral initiatives, policy options to achieve emission reduction while supporting economic growth, transition/green

finance, and high integrity carbon market schemes as well as to review progress and identify common challenges for clean energy projects.

We welcome the recommendations made by the AZEC Advocacy Group, led by ASEAN Business Advisory Council (BAC), Japan Business Federation, and ERIA and will continue to promote stronger public-private partnerships.

In addition, we will work together to communicate AZEC's principles and actions to the public and stakeholders through events such as Singapore International Energy Week, Energy Asia in Malaysia, Indonesia EBTKE ConEx, Indonesia Energy Efficiency and Conservation Conference & Exhibition, Indonesia International Geothermal Convention and Exhibition, and Sustainable Energy Technology Asia in Thailand to further encourage efforts both in governments and private sectors.

Recognizing that the bilateral initiatives such as the AZEC/Green Transformation (GX) Promotion Working Team in Vietnam, the AZEC Japan-Indonesia Joint Task Force in Indonesia, the AZEC Japan-Philippines High-Level Coordination Dialogue in the Philippines, and the Working Group on the Cooperation between the Ministry of Energy (MOEN) and Ministry of Economy, Trade and Industry (METI) to achieve the target of Thailand's Energy Transition, as a useful framework to advance projects with Japanese government or private sector, we push forward the projects under the bilateral initiatives to make concrete steps towards energy transition including monitoring project progress and assisting with problems or bottlenecks that arise while ensuring sound and predictable business environment as well as bankable projects. We also welcome the progress of the tangible demonstration projects that promote energy transition supported by some AZEC partner countries, such as the Global South Future-oriented Co-Creation Project in Japan.

Fostering cooperation beyond AZEC partner countries

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 on energy transition, and establishing mutually beneficial clean energy trade markets and diversified resilient supply chains in the future, especially via an ASEAN Power Grid. We also welcome and further look forward to cooperation with related international institutions and organizations such as ASEAN Center for Energy (ACE), ASEAN Center for Climate Change (ACCC), and International Energy Agency (IEA), including through the Asia Zero Emission Center in ERIA.

Way forward

We express our sincere gratitude to Indonesia for serving as Co-host of the 2nd AZEC Ministerial Meeting as well as to Malaysia to Co-host the next AZEC Ministerial Meeting in Malaysia.