

**Promoting Decarbonization in Asia Pacific  
and  
Asia Zero-Emission Community**

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I would like to talk about the recent development of energy transition and decarbonization efforts made by Asia-Pacific countries.

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Energy situations in Asia-Pacific countries vary. Some countries are rich in energy resources, such as oil and gas, coal, or hydroelectric resources, and some countries are not.

Most of the countries in Asia-Pacific depend on fossil energy. The increase of energy demand in Asia-Pacific countries in recent two decades was covered by fossil energy resources.

In Japan, domestic energy resources are very limited. And most of the nuclear power plants have been shut down after the big earthquake and tsunami in 2011. Since then, huge investments have been made in the development of renewable energy, such as solar and wind.

In Asia-Pacific countries, it is expected that their economy will continue to grow and energy demand will continue to expand. And recently, we found that the emergence of Artificial Intelligence and the spread of data centers create huge demand for electricity

[Slide 2]

Until last week, delegates discussed the climate change issue at COP 29 meeting in Azerbaijan. Asia-Pacific countries must address climate change, too. This slide shows Nationally Committed Contributions of Asia-Pacific countries submitted to UNFCCC in 2022.

[Slide 3]

To achieve these goals, it is required; 1 to promote energy transition, 2 to enhance energy efficiency, 3 to promote carbon capture and storage, or CCS, and 4 to introduce carbon tax and carbon markets.

[Slide 4]

Russian invasion into Ukraine reminds us of the importance of energy security in addition to the importance of the stable supply of energy. To address the geopolitical and the geoeconomic risks, diversification of the import sources of energy, development of domestic energy resources, and oil stockpiling are necessary. This slide shows the oil stockpile systems in Asia-Pacific countries.

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11 countries in the Asia-Pacific region gathered in Tokyo to establish Asia Zero Emission Community in March 2023. Asia Zero Emission Community is a platform for cooperation towards carbon neutrality/ net-zero emissions in the Asia Pacific region.

The first Leaders meeting was held in December 2023 in Japan. The leaders adopted the AZEC principles, which emphasized the importance of achieving “**Triple Breakthrough**”, namely addressing climate change, promoting inclusive growth, and achieving energy security simultaneously. They also embraced the concept of “**One goal, Various pathways**”, acknowledging that there were various and practical pathways towards carbon neutrality/net-zero emission, considering each country’s unique circumstances.

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In October, this year, the second Leaders meeting was held in Vientiane, Lao PDR, and the Action Plan for the Next Decade was declared. They agreed to promote the development of zero-emission technology, to facilitate international transition finance, to set up common standards, and to foster carbon markets.

Right now, various international cooperation projects which involve government agencies and private firms are in progress, such as the MOU between University of Philippines and AZEC regarding the generation of carbon credits from rice paddy field in the Philippines, a technological cooperation for promoting CCS and the development of green ammonia in Indonesia between private companies in Japan and Indonesia, and the MOU on gas turbine hydrogen co-firing technology between EGAT, Thailand and Mitsubishi Heavy Industries in Japan.

Progress of these international cooperations will be reviewed annually by the AZEC process.

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Reduction of the emission of Green House Gas through the promotion of energy transition and the enhancement of the energy efficiency cost a lot. These efforts may not be expected under the market mechanism. Strong government initiatives and international cooperation are necessary.

Joint Crediting Mechanism is one of the promising methods for international cooperation. Under this mechanism, Japanese firms would take actions for decarbonization jointly with government agencies or private firms in a partner country to contribute the GHG emission reduction goal of the partner country, and then Japanese country would acquire credit.

Under the leadership of Asia Zero Emission Community, I hope that various international cooperations for Zero Emission would be promoted.