

Terms of Reference

AZEC Energy Transition Review for Enhancing Cooperation

This Terms of Reference provides guidance on main purpose and outline of the “AZEC Energy Transition Review for Enhancing Cooperation” (hereinafter referred to as the Review) conducted by the International Energy Agency (IEA), which was launched at the 3rd AZEC Ministerial Meeting on the 17th of October, 2025.

1. Purpose

- Recognizing the principles of the Asia Zero Emission Community (AZEC) towards decarbonization, economic growth and the importance of considering energy security to promote just and orderly energy transitions, the review will examine policies towards decarbonization in AZEC partner countries¹ to facilitate discussion among relevant stakeholders on concrete cooperation among AZEC partner countries.
- The aim of the review is to get a better understanding of the particular challenges AZEC partner countries are facing in their energy markets and encourage the exchange of international best practices and experiences in energy policy development in line with the dual objectives of decarbonization and energy security.
- Given the importance of the power sector in energy transition, the review will first focus on the power sector.
- The review will draw and build on the IEA's expertise in data analysis, policy recommendations, tracking, market forecasts and scenario analysis across all energy sources and technologies.
- The review does not intend to benchmark AZEC partner countries against any specific IEA Scenario (e.g. the Net Zero Emissions by 2050 Scenario) but to develop tailored policy recommendations for each partner country consistent with the AZEC partner countries' unique energy situation and economic and demographic circumstances. This aligns with the AZEC principle of achieving a common goal of net zero emissions through various pathways.
- The review will be done in close partnership with the AZEC partner countries and Asia Zero Emission Center under Economic Research Institute for ASEAN and East Asia (ERIA) and will focus on each country's energy strategy and objectives. The

¹ AZEC partner countries: Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

review relies on quality data which will require strong collaboration from the country.

2. Outline

(1) Indicative Review Team

- The review will be led by the IEA Regional Cooperation Centre and may be conducted in collaboration with ERIA, ASEAN Center for Energy (ACE) and other AZEC partner countries.

(2) Countries receiving review

- The countries will be determined through the agreement of AZEC partner countries.

(3) Intended Output

- The IEA, led by the Regional Cooperation Centre, will manage and organize the country visits and work with the relevant AZEC partner country to ensure collaboration with the relevant Government Ministers/Departments.
- The IEA will lead preparation of a short report that provides an overview of the current energy situation in the country's power sector, outlines potential energy challenges the country may face in the short and medium to longer-term² and provides suggestions / recommendations aimed at supporting energy policy development and encouraging the exchange of international best practices and experiences and potential cooperation among AZEC partner countries.

² To identify long term challenges, the IEA will provide scenario modelling support if required.