

INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY (IPEF) PARTNERS ANNOUNCE SIGNIFICANT OUTCOMES AT IPEF MINISTERIAL MEETING IN SAN FRANCISCO

IPEF Partners sign first multi-country supply chain agreement of its kind, and substantially conclude Clean Economy and Fair Economy Agreements

Minister for Trade and Industry Gan Kim Yong participated in the Indo-Pacific Economic Framework for Prosperity (IPEF) Ministerial Meeting in San Francisco, California on 13 and 14 November 2023.

2. Minister Gan and the 13 other IPEF Ministers¹ signed the IPEF Supply Chain Agreement which was substantially concluded in May 2023. This is the first multi-country arrangement aimed at strengthening the resilience and connectivity of supply chains through collective action. IPEF partners will now put the Agreement through their respective domestic ratification procedures to bring it into force.

3. The Ministers also welcomed the substantial conclusion of negotiations on the IPEF Clean Economy Agreement and IPEF Fair Economy Agreement.

4. The IPEF Clean Economy Agreement will advance regional cooperation to accelerate deployment of clean energy technology, develop offshore electricity infrastructure for unrestricted cross-border electricity trade, promote carbon market activities, collaborate on regional and international Carbon Capture, Utilisation and Storage (CCUS) value chains, reduce non-tariff barriers to trade of low- and zero-emissions goods and services, and promote sustainable transport, amongst others.

5. The Clean Economy Agreement includes commitments to mobilise investment and finance, including through an annual Clean Economy Investor Forum bringing together IPEF governments, investors and other private sector players, with the objective of matching funding to projects and catalysing investment into sustainable infrastructure and climate technology. At the invitation of the US, Singapore will host the inaugural IPEF Clean Economy Investor Forum in the first half of 2024. The US has also established two financing initiatives, viz. a Catalytic Capital Fund to assist with project preparation, and a Climate Fund.

6. The Clean Economy Agreement also establishes a novel mechanism for IPEF partners to develop and participate in “Cooperative Work Programmes” (CWPs). The first CWP is the regional Hydrogen initiative announced in May 2023. Since its launch, partners have organised capacity-building initiatives, including a seminar on green hydrogen held during the Asia Clean Energy Summit in Singapore last month. IPEF partners are exploring additional CWPs, such as on sustainable aviation fuels, clean electricity, and carbon markets.

7. Under the IPEF Fair Economy Agreement, partners committed to strengthening their implementation of anti-corruption measures and taxation initiatives to boost

¹ In addition to Singapore, the IPEF partners are Australia, Brunei, Fiji, India, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Thailand, the United States, and Vietnam.

commerce, trade and investment by promoting a fair and transparent regional business environment. Partners will enhance their efforts to combat corruption including bribery, and support efforts to improve tax transparency and the exchange of information, domestic resource mobilisation, and tax administration.

8. In addition, Minister Gan and 12 other IPEF Ministers² noted the progress made in the IPEF Trade pillar, and agreed to continue to work towards a mutually-beneficial outcome in this pillar.

9. Minister Gan said: “Singapore joins partners in celebrating significant outcomes from the IPEF that give us a firm foundation to further deepen regional cooperation. The signing of the Supply Chain Agreement, and the substantial conclusion of the Clean Economy and Fair Economy agreements, will create opportunities for Singapore businesses and help them expand in the region and internationally. They will provide more opportunities to secure investments and participate in the development of new climate solutions; and help establish an even more conducive business environment for companies looking to expand abroad. Singapore will work closely with IPEF partners to implement these Agreements to quickly realise their full potential, while continuing to work closely with partners to realise positive and cooperative outcomes in the Trade pillar.”

10. The Clean Economy and Fair Economy Agreements will undergo legal scrubbing before they are signed and subsequently ratified. Ministers will meet annually to oversee the implementation of the IPEF.

Annex A: Press Statement by the IPEF Partners

Annex B: Photographs of Minister Gan Kim Yong at the IPEF Ministerial Meeting

Annex C: Infographic on the IPEF

MINISTRY OF TRADE AND INDUSTRY SINGAPORE

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²India is not currently a participant in the IPEF Trade pillar.

PRESS STATEMENT ON INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY MEETINGS IN SAN FRANCISCO

The 14 IPEF partners signed the IPEF Supply Chain Agreement and announced the substantial conclusion of the negotiations for the IPEF Clean Economy Agreement, IPEF Fair Economy Agreement, and the Agreement on the Indo-Pacific Economic Framework for Prosperity.

Today, the 14 partners of the Indo-Pacific Economic Framework for Prosperity (IPEF) – Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Viet Nam – announced major milestones related to Pillar II (Supply Chain), Pillar III (Clean Economy), and Pillar IV (Fair Economy) during the IPEF Ministerial Meeting in San Francisco, California.

Following the launch of IPEF in Tokyo, Japan on May 23, 2022, and since the release of the IPEF Ministerial Statements on September 9, 2022, the IPEF partners have worked constructively and intensively through eight rounds of in-person negotiations, a significant number of virtual intersessional meetings, numerous bilateral meetings at all levels, and throughout have engaged a wide range of stakeholders, including through listening sessions with labor, non-governmental organizations, and industry. Through the determined efforts and perseverance of the group, the 14 IPEF partners have achieved unprecedented results in record time, developing innovative, first-of-their-kind approaches to addressing 21st century challenges and strengthening economic engagement across a critical region comprising 40 percent of global GDP and 28 percent of global goods and services trade.

Specifically, the 14 IPEF partners announced the substantial conclusion of the negotiations of the IPEF Clean Economy Agreement under Pillar III and the IPEF Fair Economy Agreement under Pillar IV, as well as of the Agreement on the Indo-Pacific Economic Framework for Prosperity, which seeks to establish a ministerial-level council and commission to formalize and ensure ongoing cooperation. Moreover, following the substantial conclusion of the negotiations on the IPEF Supply Chain Agreement in May 2023, the IPEF Ministers signed the IPEF Supply Chain Agreement during the Ministerial Meeting.

SUBSTANTIAL CONCLUSION OF NEGOTIATIONS

Today, the 14 IPEF partners announced the substantial conclusion of the negotiations of the **IPEF Clean Economy Agreement**, the **IPEF Fair Economy Agreement**, and the **Agreement on the Indo-Pacific Economic Framework for Prosperity** at the IPEF Ministerial Meeting in San Francisco, California. The IPEF partners will now undertake the necessary steps, including further domestic consultations and a legal review, to prepare final texts of the three proposed agreements. Once finalized, the proposed agreements will be subject to IPEF partners' domestic processes for signature, followed by ratification, acceptance, or approval.

The IPEF partners are committed to operationalizing these groundbreaking proposed agreements and cooperating on capacity building and technical assistance initiatives as soon as practicable.

The IPEF Clean Economy Agreement

Through the IPEF Clean Economy Agreement, the IPEF partners are committed to actively pursue their shared climate objectives and respective pathways to net-zero emission economies while also ensuring the promotion of sustainable growth and success for all partners. To that end, the proposed agreement covers a range of issues critical to transitions to clean economies, including efforts towards energy security and transition, climate resilience and adaptation, greenhouse gas emissions mitigation, and the promotion of sustainable livelihoods and just transition.

Specifically, through the cooperative efforts contemplated under the IPEF Clean Economy Agreement, the IPEF partners intend to:

- accelerate the research, development, commercialization, availability, accessibility, affordability, and deployment of a diverse set of clean energy and climate friendly technologies;
- strengthen interconnections in the region to help facilitate cross-border business activities through collaboration on infrastructure, technologies, and mutually recognized standards, methodologies, and certifications;
- strengthen clean energy supply chains across our markets by building a better understanding of the challenges and vulnerabilities of the region's supply chains and securing more diversified and sustainable sources of critical inputs, including critical minerals or materials, for clean energy technologies;
- promote renewable energy, energy efficiency, and energy conservation, including by supporting the region's development of high-quality, reliable, and economically viable electric grids and mini-grids;
- reduce global anthropogenic methane emissions by 2030, particularly through cost-effective measures in the energy sector;
- decarbonize and otherwise reduce the climate impact of the transportation sector, including through efforts related to the establishment of green shipping corridors, increasing the production and availability of sustainable aviation fuels, and decarbonizing the road sector, including by scaling up infrastructure and a vehicle fleet that supports zero emission transport (e.g., zero emission vehicles and their associated infrastructure, and sustainable carbon-neutral fuels) while noting the range of pathways that the partners are adopting;
- identify and advance economic clusters in the region that are focused on integrating innovative clean technologies, promoting clean energy supply chains, and engaging in decarbonization projects;

- advance sustainable agricultural practices through innovative policies, tools, and technologies, to reduce emissions, increase productivity, and adapt to the impacts of climate change;
- increase efforts towards the sustainable management, conservation, and restoration of forests and other natural ecosystems, addressing drivers of deforestation and degradation, including by working with companies that source products from the Indo-Pacific region, and creating the enabling conditions necessary to facilitate these activities;
- take steps to lower the cost of greenhouse gas removal technologies by catalyzing investment, promoting research and development, strengthening legal and regulatory frameworks, collaborating on the development of and affordable access to regional and international CCUS value chains, and sharing information on international measurements, reporting, and verifications;
- accelerate action to promote sustainable water solutions and ocean based solutions, which are considered nature-based solutions and ecosystem-based approaches, in order to progress climate change adaptation and mitigation, including through developing and integrating ocean-based clean energy supply chains, collaborating on water-related climate solutions that seek to reuse and recycle water, and sharing best practices to strengthen protection and restoration of blue carbon;
- bolster the supply of and demand for low- or zero-emissions goods and services, including by working closely with the private sector, reducing potential non-tariff barriers, providing greater clarity and certainty in business environments, or promoting fiscal incentives;
- recognize the preference among companies to ensure their supply chains are supported by verified low- or zero-carbon emission electricity;
- cooperate with partners in the development of and engagement with carbon markets by working together on issues such as carbon credit certification standards, capacity building for participation in carbon markets, and collaboration to boost high-quality mitigation activities so as to generate credible supply and demand in international carbon markets, including with the private sector;
- recognize that measuring and managing climate-related financial risk will help safeguard their citizens and economies against the effects of climate change;
- provide opportunities for technical assistance and capacity building to help partners in their transitions to clean economies, including areas such as education and training to advance workforce development, research and development of low-cost climate technologies, and supporting infrastructure modernization;
- support just transitions for workforces and communities as the IPEF partners move to clean economies and pursue actions related to policymaking, labor rights, social

protection, upskilling and reskilling, to create quality jobs and decent work, and social dialogues at all levels; and

- partner with Indigenous Peoples, and local communities, to enhance efforts to transition to clean economies.

The IPEF partners also seek to increase investment flows to the region to address the acute need for financing for climate-related infrastructure, technologies, and projects in support of their transitions to clean economies. To that end, the proposed agreement includes commitments to:

- increase the flow of investments through measures that will boost investor confidence in the region such as: promoting sustainable finance and transition finance; fostering innovative financial mechanisms; working towards a stable and more seamless regulatory and policy environment; facilitating interoperability of different approaches to financing; and promoting secure, resilient, and diverse clean energy supply chains; and
- mobilize and expand access to financing, including by deploying concessional capital, pursuing blended financing structures, guarantees and risk insurance, and technical assistance consistent with robust labor rights and environmental protections, developing the pipeline of bankable climate projects, and forming public-private partnerships.

As part of these efforts, the IPEF partners will convene an annual IPEF Clean Economy Investor Forum, with the first meeting taking place in Singapore in the first half of 2024, to catalyze investment for sustainable infrastructure and climate technology. The IPEF partners also welcome the establishment of the IPEF Catalytic Capital Fund administered by the Private Infrastructure Development Group to expand the pipeline of bankable climate-related infrastructure projects.

The proposed agreement would provide a mechanism for the IPEF partners or a group of partners to craft Cooperative Work Programs (CWP) to prioritize their focus and resources towards a common goal. Following the May 2023 announcement by interested IPEF partners of the launch of a regional hydrogen initiative as the first CWP, interested partners are developing a detailed framework for cooperation. The IPEF partners also welcome exploring possible new CWPs, with topics such as blue carbon, sustainable finance, mainstreaming of green jobs, embedded emissions accounting, methane abatement, biofuels, e-waste solutions, clean electricity, carbon markets, and sustainable aviation fuels under consideration.

The IPEF Fair Economy Agreement

Under the IPEF Fair Economy Agreement, the IPEF partners are committed to working together to enhance fairness, inclusiveness, transparency, the rule of law, and accountability in their economies to improve the trade and investment environment in the Indo-Pacific region. The IPEF partners further recognize that a more transparent and predictable business environment can spur greater trade and investment in their markets and level the playing field for businesses and workers in the economies of the IPEF partners. To achieve these goals, under the proposed agreement, the IPEF

partners would work together to enhance their efforts to prevent and combat corruption including bribery, and support efforts to improve tax transparency and the exchange of information, domestic resource mobilization, and tax administration.

To that end, under the IPEF Fair Economy Agreement, the IPEF partners would:

- enhance their efforts to effectively prevent, detect, investigate, prosecute, and sanction corruption offenses consistent with their respective obligations under the United Nations Convention against Corruption (UNCAC) and, as applicable, the Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention, including through adopting or maintaining and effectively enforcing measures concerning domestic and foreign bribery and money laundering, and ensuring appropriate accounting and auditing standards;
- adopt or maintain measures enabling the identification, tracing, freezing, seizure, and confiscation in criminal or civil proceedings of proceeds of crime, consistent with the UNCAC, and other actions to promote transparency and accountability in the return and disposition of recovered proceeds of crime, and strengthen international cooperation on asset recovery;
- promote the active participation of the private sector to prevent and combat corruption including bribery, raise public awareness on the existence, causes, and the gravity of and threats posed by corruption including bribery, and encourage the private sector to implement internal controls, ethics, and compliance programs that contribute to preventing and detecting corruption including bribery;
- address gaps in their respective legal and operational frameworks to prevent money laundering and meet the standards set out in Financial Action Task Force recommendations regarding transparency and beneficial ownership of legal persons, including those relating to government procurement, and take concrete actions to prevent corrupt actors from funneling the proceeds of their corruption into partners' real estate markets;
- adopt or maintain confidential complaint systems or procedures for the appropriate protection of individuals reporting corruption offenses;
- promote integrity, honesty, and responsibility among their public officials by, for example, promoting education and training programs to raise awareness of corruption risks in the performance of their functions;
- adopt or maintain criminal, civil, or administrative measures to address corruption, fraud, and other illegal acts in government procurement, and promote contracting with suppliers that operate with integrity and use good business practices;
- engage with non-governmental stakeholders on the proposed agreement;
- raise public awareness and promote the active participation of individuals and groups outside the public sector to prevent and combat corruption, support and protect media in their efforts to expose corruption, and promote policies that

advance gender equality and women's empowerment in anti-corruption programs and initiatives;

- take actions to reflect the importance of transparency and inclusion relating to the UNCAC implementation review mechanism, such as engaging with relevant stakeholders and following up on UNCAC country review reports;
- affirm their obligations as members of the International Labour Organization (ILO), including to respect, promote, and realize the principles concerning the fundamental rights as stated in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998, as amended in 2022), and adopt or maintain measures, as appropriate, to ensure that labor rights are respected including prohibiting employers from interfering with employees in the exercise of their freedom of association or collective bargaining rights, as well as provide appropriate protection for migrant workers under their labor laws;
- recognize and support efforts on tax transparency and information exchange for tax purposes, efforts to improve domestic resource mobilization, and effective implementation and administration of tax policies;
- support capacity building to: ensure the development of well-trained and efficient tax administrations, and effectively investigate and prosecute transnational anti-corruption cases and cooperate on international tax matters;
- cooperate in relation to money laundering, associated predicate offenses, and countering the financing of terrorism, as well as share financial intelligence through appropriate channels; and
- provide partners who have concerns with implementation of the proposed Agreement an innovative consultations provision, including an *ad hoc* committee that provides an option to ask the other partners for a summary of the issue, and to obtain advice and proposed solutions to their concerns.

Under the proposed Agreement, the IPEF partners also would establish a new Capacity Building Framework (CBF) to enhance each other's capabilities to effectively implement all aspects of the proposed Agreement. Specifically, the CBF outlines the principles, modalities, identification of needs, and processes for the provision of technical assistance and capacity building underpinning the proposed Agreement and is an integral part of the proposed Agreement. The IPEF partners also recognize and welcome the role that non-government stakeholders, workers' organizations, and the private sector may play in contributing to capacity building efforts among the partners.

The IPEF partners would also:

- hold annual coordination meetings on anti-corruption, labor, and tax to discuss implementation of commitments, challenges in implementation, and any technical assistance needs;

- monitor implementation through a system of mutual information exchange, including to inform the technical assistance and capacity building needs for the CBF; and
- facilitate stakeholder input on the implementation of the proposed Agreement, and public-private sector dialogue to deepen coordination on supporting the proposed Agreement's aims.

The Agreement on the Indo-Pacific Economic Framework for Prosperity

Recognizing the importance of maintaining their partnership into the future through a formalized and durable structure for ongoing cooperation at the ministerial level, the IPEF partners announced the substantial conclusion of the negotiations on the proposed Agreement on the Indo-Pacific Economic Framework for Prosperity to establish an IPEF Council and Joint Commission. The IPEF Council would consider matters affecting the collective operation of the agreements related to the four IPEF pillars, as well as considering the possibility of adding new members or new agreements. The Joint Commission would monitor work under the agreements negotiated under Pillars II-IV, with a view to identifying ways to reduce duplication and potential conflicts and enable work between or across those agreements. The IPEF Council and the Joint Commission would meet annually, with the goal for all ministerial meetings to be co-located and concurrent.

THE IPEF SUPPLY CHAIN AGREEMENT

Recognizing the importance of building resilient and competitive supply chains across the Indo-Pacific region, the 14 IPEF partners signed the Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience (IPEF Supply Chain Agreement) negotiated under Pillar II. In May 2023, the IPEF partners announced substantial conclusion of negotiations on this first-of-its-kind agreement, which will establish the structures to enable parties to work together on supply chains, including by developing deeper shared understanding of regional supply chains, improving crisis response capabilities for supply chain disruptions, sharing information and best practices on supply chain opportunities and vulnerabilities, facilitating business matching and investments to strengthen supply chains, promoting supply chain resilience in critical sectors and key goods, and promoting labor rights and workforce development across IPEF supply chains. The 14 IPEF partners continue their work on their respective domestic processes necessary for the entry into force of the IPEF Supply Chain Agreement, and are eager to begin to put it into formal action. To that end, the IPEF partners have begun cooperating on supply chain issues, including by sharing best practices on supply chain monitoring and participating in tabletop exercises related to cybersecurity and crisis response.

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Photographs of Minister Gan Kim Yong at the IPEF Ministerial Meeting



Infographic on the IPEF

**THE INDO-PACIFIC ECONOMIC FRAMEWORK
FOR PROSPERITY (IPEF)**

Launched in  |  negotiating rounds to date

14 partners representing **40%** of global GDP:



4 Pillars to establish high-standard commitments and enhance cooperation for resilient, sustainable, inclusive and fair economic growth and competitiveness in the Indo-Pacific region.

PILLAR 1: TRADE NEGOTIATIONS ONGOING



Advances shared goal of inclusive, fair and open trade commitments that build upon the rules-based multilateral trading system.

PILLAR 2: SUPPLY CHAIN AGREEMENT SIGNED



First IPEF Agreement to be substantially concluded in May 2023. Signed by IPEF Ministers on 14 November 2023.



First multi-country Agreement aimed at strengthening supply chain resilience and connectivity through collective action.

Establishes 3 coordination bodies:



Supply Chain Council to develop action plans to strengthen resilience in critical sectors and key goods.



Crisis Response Network to facilitate communication and coordination between IPEF governments during supply chain disruptions.



Tripartite Labour Rights Advisory Board to promote labour rights in IPEF supply chains.

PILLAR 3: CLEAN ECONOMY SUBSTANTIALLY CONCLUDED

Advances cooperation among IPEF partners, including to:



Accelerate deployment of clean energy technology.



Develop offshore electricity infrastructure for unrestricted cross-border electricity trade.



Mobilise investment and sustainable finance, including through an annual Clean Economy Investor Forum.



Enhance development and deployment of sustainable transport solutions, including production and availability of sustainable aviation fuels (SAF).



Promote carbon market activities and international Carbon Capture, Utilization and Storage value chains.



Reduce non-tariff barriers to trade of low- and zero-emissions goods and services.



Establishes a mechanism for interested IPEF partners to pursue Cooperative Work Programmes that advance the objectives of the Agreement.

- The first Cooperative Work Programme is the IPEF Regional Hydrogen Initiative.

PILLAR 4: FAIR ECONOMY SUBSTANTIALLY CONCLUDED



Promotes a clean and transparent business environment in the Indo-Pacific region to provide greater certainty for Singapore companies operating in IPEF markets.



Includes commitments to implement measures to combat corruption including bribery.



Supports efforts in improving tax administration and compliance.

A "substantially concluded" agreement is one where the essential terms are settled. It will undergo further finalisation and legal scrubbing before it is signed. After an agreement is finalised and signed, parties would need to complete their domestic ratification procedures in order to bring the agreement into effect.