

Policy Proposal: Towards a New International Framework for the Post-Kyoto Protocol Era

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1. The Issues

- Japan has made efforts to reduce GHG emissions and achieved steady results. But there is a limit to how much the efforts made by restricted number of countries can achieve.
- The Kyoto Protocol is meaningful as a concrete step towards combating climate change. But with reduction commitments assigned to only a limited group of countries, global GHG emissions have continued to increase even after the protocol came into effect.
- We need to build a single equitable international framework with participation by all major emitters, including each of the developed countries as well as the fast-growing developing countries and emerging economies, with the goal of “a 50 percent reduction in global emissions by 2050.”

2. The Type of International Framework That Should Be Adopted

- ◆ Total GHG emissions covered by the countries with reduction commitments under the **Kyoto Protocol**'s first commitment period (2008–12), including Japan and Europe, amount to only 27 percent of total global emissions, and the share is expected to drop to less than 20 percent by 2050. A so-called simple extension of the Protocol would lock in this commitment group and sap momentum for participation by all major emitters—a step backward in the fight against climate change.
 - ◆ Countries accounting for more than 80 percent of global emissions participated in the **Copenhagen Accord** (adopted in Cancun COP16).
- ⇒ A “pledge and review system,” in which each country makes an international commitment (pledge) to its own reduction targets and actions and the international community assesses and verifies (review) progress towards those targets, is a practical and valid approach to building an international framework. Eminently realistic and promises swift results to combat climate change.

3. Measures for Realising a Low Carbon Society of Global Scale

(1) Disseminate BATs, develop/deploy innovative tech.

- Technology holds the key to halving global emissions by 2050 while balancing environmental concerns and economic growth. Essential to disseminate existing low-carbon technologies, products & services as well as develop & deploy innovative technologies that will enable drastic reductions in GHG emissions.
- Japan and other developed countries must work to promote ongoing improvements and maximum dissemination of best available technologies (BATs).
- Public and private sectors must work together to realise reduction potential in developing countries. Deploying Japan's unique energy-saving systems (Top Runner programme, etc.) would be effective.

(2) Provide bi/multilateral cooperation in areas of tech. & financing

[1] Bilateral offset mechanism as complement to Clean Development Mechanism (CDM)

An effective complement to the CDM would be a bilateral offset mechanism, whereby Japan could develop energy-efficient/low-carbon projects tailored to developing countries' needs and have a portion of the emissions reductions from technology transfers applied to its reduction commitment.

[2] Effective financial support

Financing system must enable objective assessment of environmental benefits to recipient countries and mobilise investment & financing from developed nations.

(3) Promote capacity building

- A vital key to ensuring the effectiveness of technical & financial cooperation is capacity building in developing countries: enhancing policies & systems for mitigating climate change, developing skills & human resources, and building social & economic infrastructure.
- Keidanren intends to leverage the technology, know-how, and human resources of Japan's industrial sector to support the efforts of developing nations.

(4) Advance concrete measures for African aid

Support electrification, energy access, and infrastructure development in Africa via public/private initiative.

(5) Facilitate transfer of low-carbon technologies

Promote business-based technology transfer by creating database of low-carbon technologies.

(6) Pursue the sectoral approach

Lead energy-saving cooperation by sector with focus on electricity, steel, and cement.

4. Japan's Medium-Term Emission Reduction Targets

- With the overhaul of Japan's energy policy in the wake of the March earthquake/tsunami, Japan's medium-term targets for GHG emission reduction should be revised accordingly.
- Need to re-launch an open and transparent national debate with an eye to ensuring international equity, feasibility, and a reasonable public burden.

5. In Conclusion

- Keidanren will continue to uphold its Commitment to a Low Carbon Society, setting the goal of having Japanese industry, with the help of its technology, play a pivotal role in the drive to halve global GHG emissions by the year 2050.