

Proposal for Assertive Diplomatic Strategies to Tackle Climate Change (Overview)

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KEIDANREN

1. Introduction

- (1) By steadily implementing Keidanren's Commitment to a Low Carbon Society, the Japanese business community will continue to lead global efforts to combat climate change.
- (2) We have firm expectations that assertive diplomatic strategies to tackle climate change developed by the Japanese government will be organically linked to Keidanren's Commitment to a Low Carbon Society.

2. Basic Concept

- (1) Technology is the key to combating climate change while achieving economic growth. We need to maximise the spread of BAT and develop and commercialise innovative technologies that will enable extensive reductions in emissions.
- (2) Widespread use of technologies, products, and expertise developed by Japanese industry can contribute to global climate change countermeasures. It will also help expand Japanese companies' overseas business and revitalise Japan's economy.

3. Measures Aimed at Spread of Japan's Energy-Saving and Low-Carbon Technologies and Products

- (1) Creating an environment for the international spread of advanced technologies
 - It will be useful to develop highly transparent and reliable evaluation mechanisms while continuing to raise international awareness of the environmental performance of Japanese technologies and products.
 - International efforts to eliminate barriers to trade in environmental goods are also crucial.
- (2) Encouraging emerging and developing countries to adopt low-carbon technologies
 - (a) Establishment of internal systems in recipient countries
 - Reasonable environmental standards (top runner programmes, etc.)
 - Best practice accreditation systems
 - Tax incentives and subsidies
 - Green purchasing, environmental performance requirements for bidding
 - Recycling systems
 - (b) Awareness-raising activities in recipient countries
 - Seminars and events for companies and citizens
 - Support of capacity-building for government officials
 - Efforts to make energy saving more visible through websites, etc.
- (3) Promoting a bilateral/joint offset mechanism
 - (a) Appropriate MRV to foster understanding and recognition in the international community
 - (b) Forums for industry participation under joint committees to reflect private sector views
 - (i) Accelerate and promptly conclude negotiations with favourable countries (including ASEAN nations and India)
 - (ii) Enhance feasibility studies with a view to identifying promising projects, and steadily implement trials
 - (iii) Establish and expand funding assistance schemes to encourage the introduction of new technology, e.g.:
 - Yen loans and other forms of official development assistance
 - Extended use of low-interest JBIC and JICA finance schemes
 - Establishment and enhancement of NEDO support schemes for trials
 - (iv) Support human resource development and capacity building in target countries
 - (c) While ensuring transparency, reliability, and environmental integrity, the mechanism should be as flexible and user-friendly as possible.
 - (d) The essential purpose is reduction of actual CO₂ emissions overseas and provision of a framework for evaluating Japan's contribution, not the creation and trade of credits.
 - (e) Reductions achieved should be regarded as supplementary to and separate from Japan's mid-term reduction targets.

4. Development of Innovative Technologies

- (1) Maximum introduction of BAT and development and commercialisation of innovative technologies are essential to halving world GHG emissions by 2050.
- (2) The government should share a R&D road map with the business community and focus investment on priority areas. The R&D tax incentive system also needs to be enhanced.

5. A Framework for 2020 and Beyond

- (1) A bottom-up approach predicated on maximum introduction of BAT will be effective in encouraging maximum effort in each country.
- (2) Keidanren advocates a pledge and review approach where countries submit and pledge to reduction targets and action plans, and progress towards fulfilment of targets is subject to international review. We hope international negotiation will emphasise national autonomy.
- (3) Rather than focusing solely on national targets, it is crucial to evaluate sector-specific energy efficiency improvement and product life cycle.

6. Conclusion

- (1) Keidanren will contribute to reducing worldwide GHG emissions through our Commitment to a Low Carbon Society.
- (2) We hope that the government will formulate effective and assertive diplomatic strategies to tackle climate change to achieve economic growth for Japan, making an international contribution through initiatives including support for developing countries, and combating global climate change integrally.