

Japan's Climate Change Policy

September 2, 2003

Kuniaki MAKIYA

Ministry of the Environment, Japan

Contents

◆ Domestic Policy

- Implementation of "Climate Change Policy Program" to meet the reduction target of Kyoto Protocol

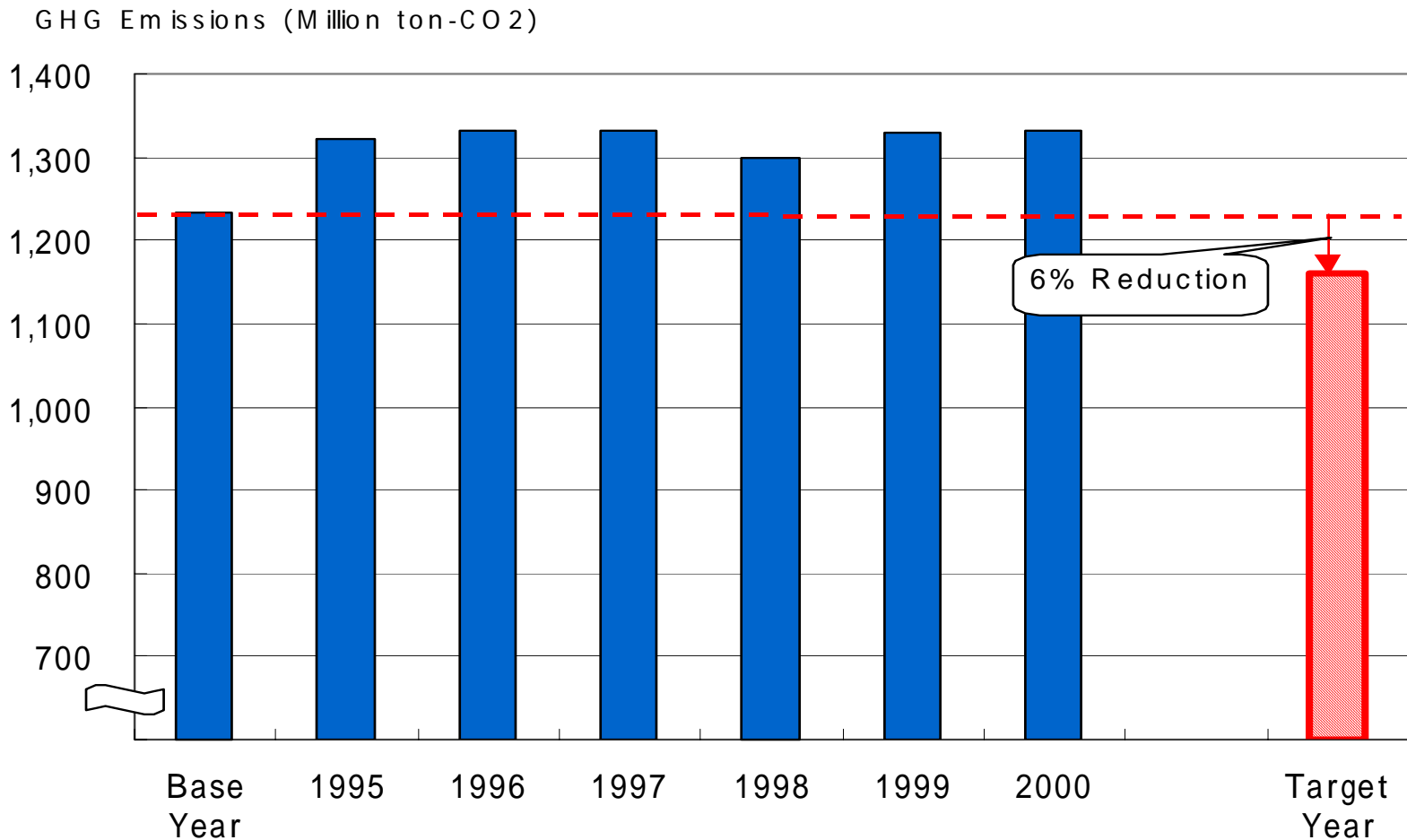
◆ International Policy

- Early entry into force of Kyoto Protocol
- Further action beyond 2013
- Kyoto Mechanism
- International cooperation



Domestic Policy

Challenges Ahead: Our Kyoto Commitment



(Source) Ministry of the Environment, Japan

Climate Change Policy Program

Package of more than 100 measures

Serving as the basis for for achieving 6% emission reduction commitment under KP

Achieve 6%
reduction
commitment

Measures with quantitative support

Target and implementation schedule for respective GHG

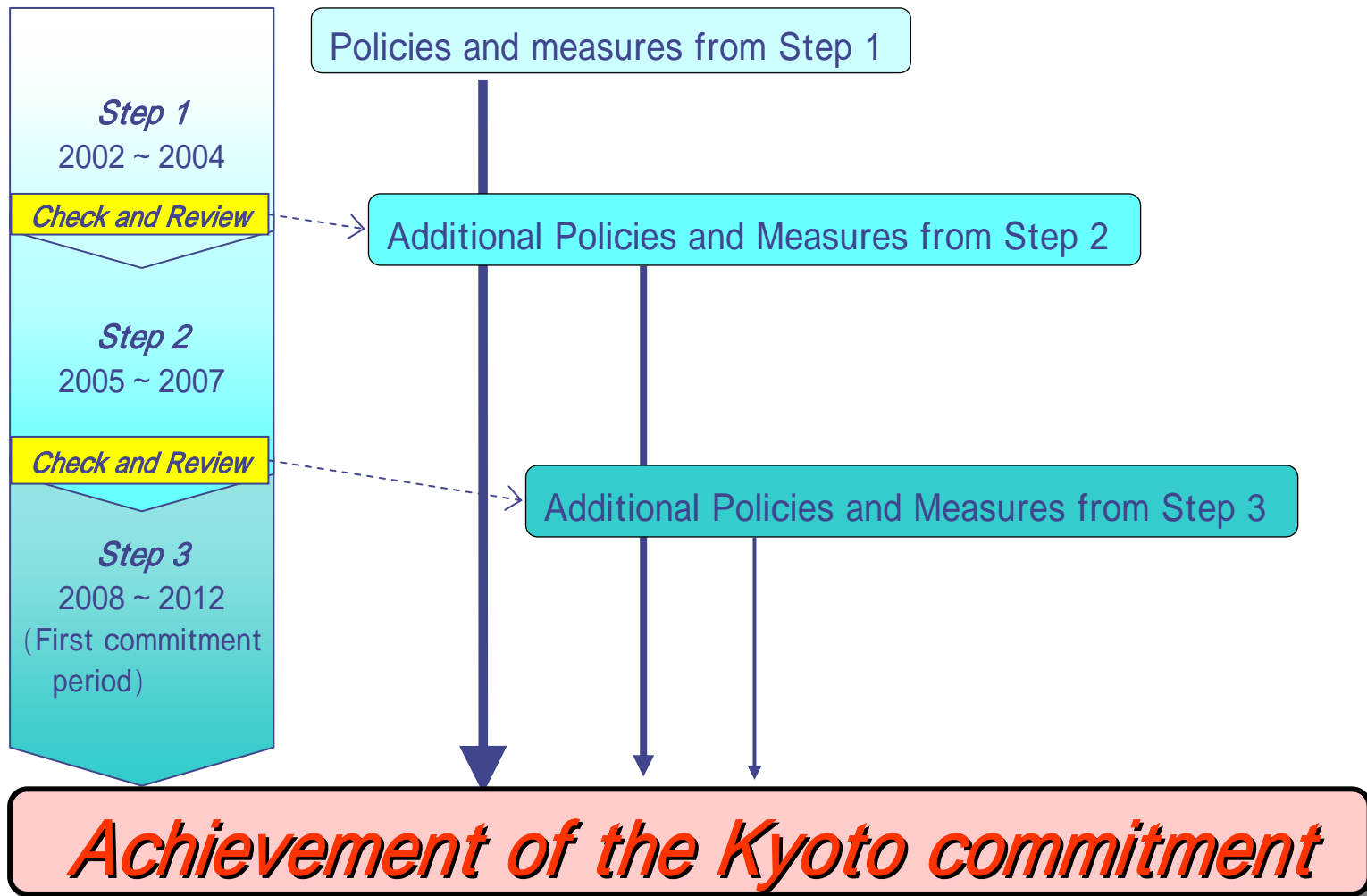
- Overall implementation target
- Estimated reduction amount
- Policies for promotion

Review and revise with step by step approach

Revise the Program based on the review on GHG emission and the progress of measures in 2004 and 2007

Revise the economic frame if necessary

Step-by-Step Approach



GHG Reduction through Economic Incentives

- ◆ Taxation on Environmentally-friendly Cars
 - In FY 2001, 2 million environmentally-friendly cars were purchased under reduced taxation.

- ◆ Reform of Existing Energy Tax Scheme
 - Taxation on coal
 - Expenditures focusing on GHG reduction measures

- ◆ Discussions on GHG Reduction Tax as one of possible policy options

Stakeholders' Involvement in GHG Reduction Measures

◆ National and Local Government Initiatives

- Green procurement
- Official vehicles will be switched entirely to low-emission vehicles, such as hybrid cars, no later than FY 2004

◆ Voluntary Action Plan by Nippon Keidanren

- Voluntary commitment to limit CO₂ emissions in 2010 below its 1990 level
- Checked up on by the government

◆ Promotion of Public Involvement

- A unique conference to discuss environmentally-friendly lifestyles (“*Wa-no-Kuni Kurashi Kaigi*”)
- Environmental Education Law

Development of Technology

- ◆ The first fuel-cell vehicles sold on the market at large were made in Japan.



A Fuel-cell Vehicle Leased to the Ministry of the Environment



International Policy

Early Entry into Force of the Kyoto Protocol

Kyoto Protocol

- ◆ A significant step to address climate change
Only international framework
- ◆ Early entry into force is crucial

Formulation of a set of common rules in which all countries participate

- ◆ Dialogue on the action beyond 2013 should be started
- ◆ Informal Meeting on “Further Actions against Climate Change”
 - With participation of both developed and developing countries

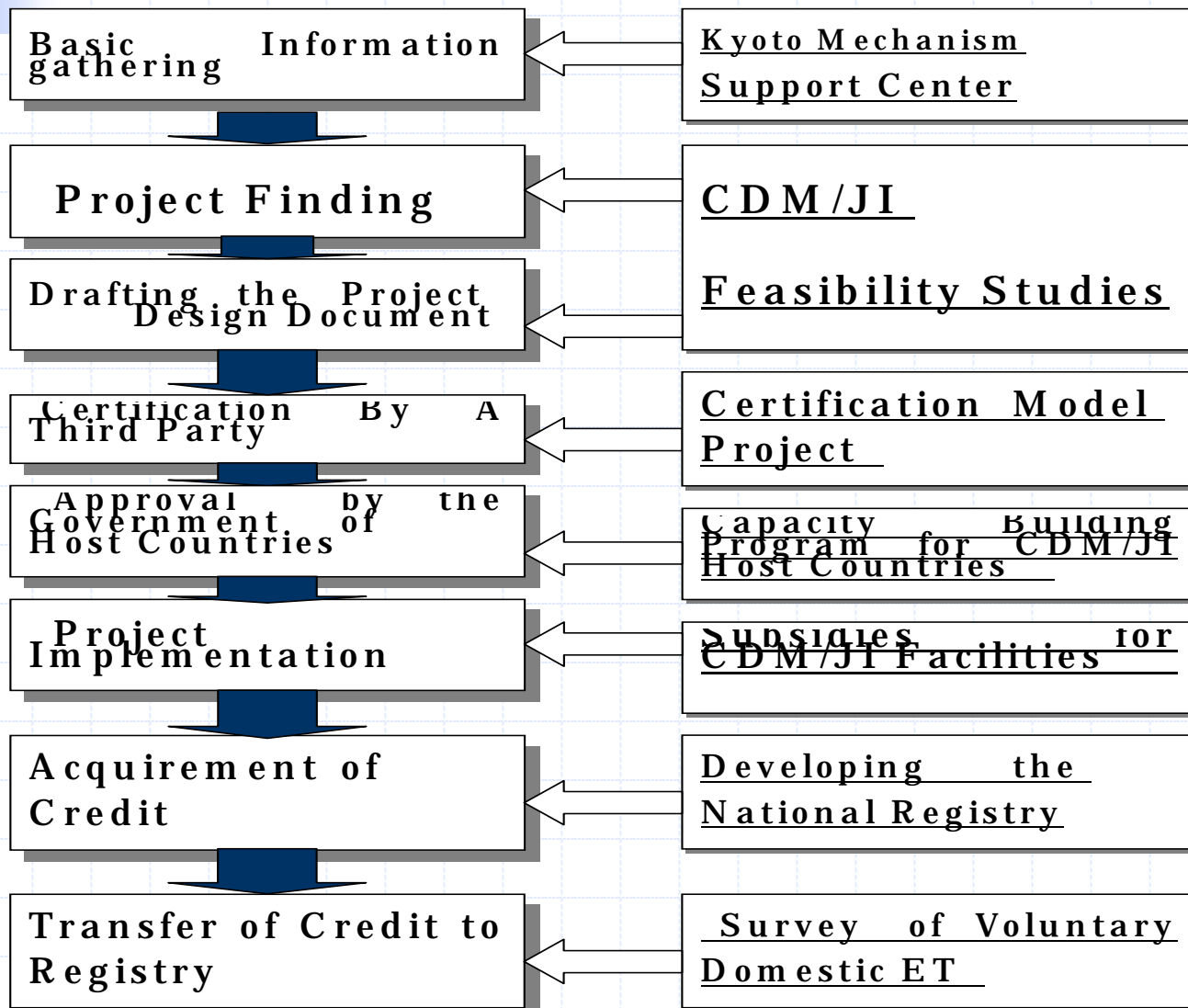
Use of the Kyoto Mechanisms

- ◆ Cost-efficient measures to achieve the 6% reduction commitment
 - Supplemental to domestic reduction measures

Institutional Framework to utilize Kyoto Mechanism in Japan

- ◆ Liaison Committee for Utilization of Kyoto Mechanism established (Cabinet Secretariat, MOE, METI, MOFA, MAFF, MLIT)
- ◆ Guideline for CDM/JI projects approval made on Oct, 2002
 - ◆ Liaison Committee approve CDM/JI projects as a party to the Convention
 - ◆ Five projects have been approved so far
- ◆ Supporting ministry is supposed to be designated
- ◆ MOE and METI will work jointly to establish and manage National Registry (since 2002)

CDM project development and support program



MOE's support to CDM/JI projects (Ongoing)

(1) CDM/JI Feasibility Study (1999 ~)

Feasibility study is to find promising CDM/JI projects to be carried out by private companies

(2) CDM/JI Implementation Manual (2000 ~)

Implementation Manual for private companies considering CDM/JI projects is being prepared

(3) Capacity building of CDM operational entities (2002 ~)

CDM validation model project is to help AOE (applicant for operational entities) in gaining experience to get accreditation

(4) Information dissemination (2002 ~)

Information on Kyoto Mechanism and government policy is provided on Web. Also inquiries are accepted via email (kyotomecha@env.go.jp)

MOE's support to CDM/JI projects (New)

(1) Subsidy for CDM/JI Projects (2003 ~)

Subsidize additional facilities needed to qualify as CDM/JI projects

(2) Consulting service for Kyoto Mechanism (2003 ~)

Disseminate information on the framework, project needs in host countries, promising projects for credit issuance, PDD preparation, etc, aiming for private companies to implement CDM/JI

Working Together with Other Countries (1)

◆ Kyoto Initiative

- Implemented mainly through Japan's Official Development Assistance program

◆ Information Exchange and Dialogue

- Asia-Pacific seminar (annually)

◆ Information dissemination

- Asia-Pacific Network on Climate Change (Type-2 project)

Working Together with Other Countries (2)

◆ Capacity building program

- JICA Group Training Course in cooperation with MOE
- ICS-CDM(Integrated Capacity Strengthening for CDM)

◆ Policy development assistance

- ◆ APN (Asia-Pacific Network for Global Change Research) (Type-2 project)
- ◆ Modeling capacity building (AIM model)
- ◆ Resource Book (Vulnerability assessment)