

Bridging THE GAP
Japan's Assistance Package to Promote Investments for Global Actions
Toward the Achievement of the Paris Agreement Goals

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ITO Shintaro

Head of Delegation of the government of Japan for COP28

I. Background

The Paris Agreement has been a driving force to promote climate change countermeasures globally, and countries have gradually increased their Nationally Determined Contributions (NDCs) and implemented measures. However, there is still a significant "ambition gap" toward achieving the 1.5°C target. Thus, substantial, rapid, and sustained emissions reductions are needed worldwide.¹ On the other hand, extensive and rapid changes are already occurring in the atmosphere, oceans, and other areas. As global temperatures continue to increase, simultaneous hazards are predicted to occur more frequently. Therefore, drastic reductions in greenhouse gas emissions are also important to reduce the need for adaptation and to minimize loss and damage.

COP28 will assess the progress of global climate change measures toward achieving the goals of the Paris Agreement through a Global Stocktake. Whether the 1.5°C target can be met will depend on how much countries can raise their ambitions in the submission of the next round of NDCs by 2025, and to what degree we can implement these ambitions.

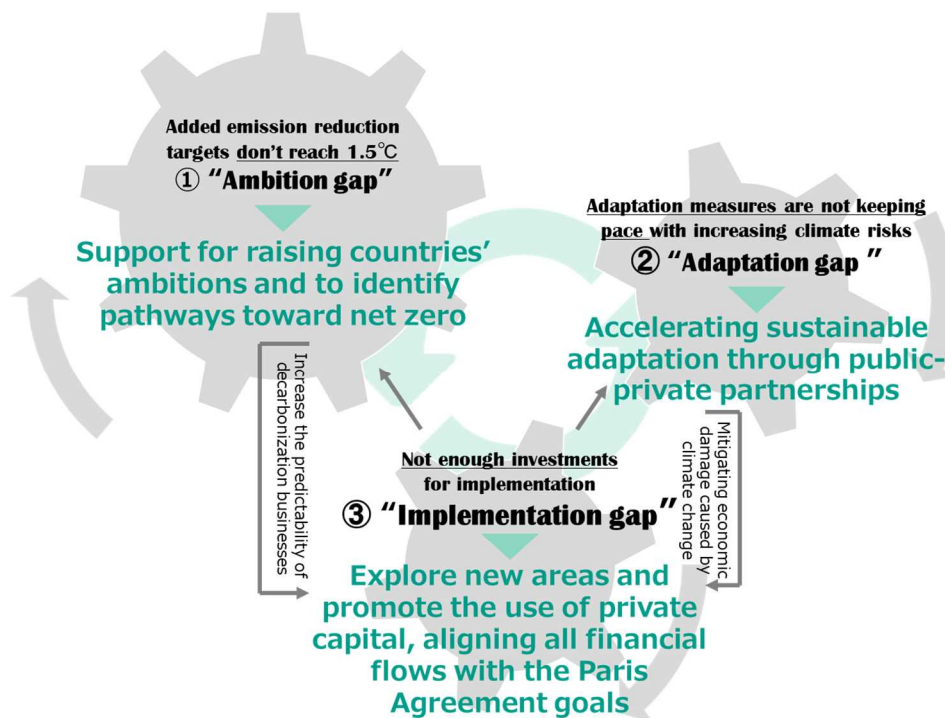
The Government of Japan has been contributing toward global net zero through the Joint Crediting Mechanism (JCM) with 28 partner countries and the Asia Zero Emission Community (AZEC) platform, including countries in Asia that play a key role in forwarding this agenda. Also, the G7 Hiroshima Communiqué called on all parties whose emissions reduction targets are not consistent with the 1.5°C target or net zero by 2050 to strengthen their NDCs and to commit to net zero by 2050. The Government of Japan commits to do its utmost in addressing the "ambition gap" and two other urgent gaps and will encourage the rest of the world to step up its ambition and get on a globally aligned path to the 1.5°C target.

¹ AR6 Synthesis Report Climate Change 2023 (IPCC)

II. Three Gaps and Three Gears

The Government of Japan will support: (i) the raising of NDCs for all greenhouse gases including methane, which has a higher global warming potential than CO₂, (ii) efforts to close the "adaptation gap" to address adaptation measures that are not keeping pace with increasing climate risks, and to ensure that goals and plans are actually implemented, and (iii) the expansion of the flow of private finance to close the "implementation gap" worldwide, recognizing that decarbonization investments of approximately 8,000 trillion yen are necessary.²

These three gaps are resolved by interlocking and rotating the three driving gears. Raising ambitions will increase the predictability of decarbonization for business and attract private investment in each country. At the same time, promoting adaptation will mitigate the economic damage caused by climate change, and secure investments and resources for climate action. Accelerating investment is a key driver to raise ambitions regarding NDCs.



² Estimated calculation by IEA

III. Assistance Package

The Government of Japan will dedicate efforts to resolving the three gaps by implementing a support package based upon the following three pillars:

- (1) Closing the "ambition gap" by providing support to help countries raise their ambitions
- (2) Closing the "adaptation gap" by accelerating adaptation to outpace climate change
- (3) Closing the "implementation gap" by promoting the expansion of private finance

In addition, closing these gaps will contribute to simultaneous action against climate change and other challenges the world is facing, such as the realization of a circular economy and Nature Positive through the implementation of Nature-based Solutions (NbS). The Government of Japan will encourage the realization of "New Growth" that leads to the "Well-being" of the planet and its people.

(1) Closing the "ambition gap" by providing support to help countries raise their ambitions

(i) Support to set net-zero-aligned goals

To raise ambitions, technical support for evaluation of the feasibility of emissions reduction measures are necessary. Thus, the Government of Japan will expand the scope of technical support provided for the formulation of net-zero targets with feasible measures using a simulation model (Asia-Pacific Integrated Assessment Model, or AIM) to 10 countries, while considering the timeline of the next round of NDCs submission by 2025.

At the city level, the Government of Japan has assisted 20 Japanese cities that are leading decarbonization efforts to partner with around 50 cities and regions overseas for the development of climate action plans and/or to build institutional arrangements for decarbonization. The Government of Japan will continue to support around 20 city-to-city partnerships each year.

- Support the development of net-zero targets using a simulation model (AIM) (Ministry of the Environment [MOE]), Japan

International Cooperation Agency [JICA])

- Realization of decarbonization domino-effect through city-to-city collaboration (MOE, Ministry of Land, Infrastructure, Transport and Tourism [MLIT]), JICA)
- Human resource development for climate change (JICA, MOE)
- Concurrent support for ASEAN countries in developing roadmaps to achieve net zero (Ministry of Economy, Trade and Industry [METI])

(ii) Support to build a basis for goal-setting

To establish GHG emissions reduction targets and to enable stakeholders to access information on climate change, it is essential to compile accurate GHG emissions information and to establish a system whereby such information is properly reported to the UNFCCC Secretariat in accordance with the Paris Agreement.

The Government of Japan will provide support to improve the reliability of data on emissions reduction from each country by utilizing the Greenhouse gas Observing SATellites (GOSAT), which have continuously measured emissions coming from across the entire globe for the past 15 years. To promote emissions estimation technology developed thus far, GOSAT-GW, the third satellite, will be launched in 2024 and used to support Central and South Asia with the aim of expanding the number of supported countries to six by 2030.³

In addition, while utilizing the Workshop on Greenhouse Gas Inventories in Asia (WGIA) network of 16 countries and the "Paris Agreement Article 6 Implementation Partnership" involving over 70 partner countries, bilateral support will be expanded to ensure that all emissions and emission reduction efforts for all sectors and gases in each country, including the use of carbon credits, are properly counted in accordance with the Paris Agreement. In particular, model cases for the visualization of GHG emissions across supply chains will be established in Asia.

- Workshop on Greenhouse Gas Inventories in Asia (WGIA) (MOE)
- Support to compile inventories of hydrofluorocarbon (HFC) emissions in developing countries including those in Asia (MOE)

³ MOE announced the main scientific results obtained from the GOSAT and its future policy. The Ministry will continue to actively provide scientific findings to the world.

- Support for emissions estimation technology using GOSAT (MOE)
- Partnership to Strengthen Transparency for co-Innovation (PaSTI) (MOE)
- Paris Agreement Article 6 Implementation Partnership toward high-integrity carbon markets (MOE)

(2) Closing the "adaptation gap" by accelerating adaptation to outpace climate change

Extensive and rapid changes are already occurring in the atmosphere, oceans, etc., and the loss and damage caused by climate change will worsen as global temperatures increase. However, current adaptation measures are fragmented and insufficient in scale, and the majority of private investments for climate change are directed at reducing greenhouse gas emissions. If this continues, the adaptation gap will widen further. This means that adaptation measures must be accelerated as soon as possible.

To accelerate the development of early warning systems by the private sector, the Government of Japan has established the "Public Private Partnership for the Development of Early Warning Systems" as a framework for public-private partnership. The aim is to establish the system in more than half of ASEAN countries by 2025, with prototypes of early warning systems being built first in the Asian region. In addition, the Asia-Pacific Climate Change Adaptation Information Platform (AP-PLAT) will be used to support climate change impact assessment and capacity building on climate change adaptation and other relevant themes to narrow the adaptation gap. Furthermore, the Government of Japan will contribute to enhancing the resilience of cities in the Asia-Pacific region through the SUBARU Initiative, in which local governments and other entities in Asia-Pacific countries with climate change adaptation needs are matched with Japanese companies that possess adaptation technologies.

Biodiversity and ecosystem services can increase climate resilience by providing a buffer zone against extreme weather events. Nature-based Solutions (NbS) and Ecosystem-based Approaches (EbA) have thus been identified as important elements of the Kunming-Montreal Global Biodiversity Framework (GBF). In addition to general flood and storm surge protection, the Government of Japan will support Ecosystem-based Adaptation (EbA) to climate change and Ecosystem-based Disaster Risk Reduction (Eco-DRR). To implement these initiatives, it is necessary to achieve the goals and targets of the GBF globally. To support the achievement

of the GBF, the Government of Japan will contribute 650 million yen to the GBF (Global Biodiversity Framework) Fund, which was established at the 7th GEF General Assembly in August 2023.

- Public Private Partnership for the Development of Early Warning Systems in the Asia Pacific Region (MOE)
- Asia-Pacific Climate Change Adaptation Information Platform (MOE)
- Forest-based disaster risk reductions (F-DRR) and Ecosystem-based Disaster Risk Reduction (Ministry of Agriculture, Forestry and Fisheries [MAFF], Forestry Agency, MOE, JICA)
- SUBARU (SUstainable Business of Adaptation for Resilient Urban future) Initiative (METI)
- Climate Change Adaptation Good Practices by Japanese Private Sector in Developing Countries (METI)

(3) Closing the "implementation gap" by promoting the expansion of private finance

(i) Expanding the JCM and strengthening cooperation with financial institutions

To achieve the climate goals in both mitigation and adaptation, investment needs to increase manyfold and all financial flows need to be aligned with the objectives of the Paris Agreement. There is sufficient international capital to fill the global investment gap, but it is not flowing toward climate action and further expansion of private investment is essential.

To attract private investment and to diffuse leading decarbonization technologies, products, systems, services, and infrastructure, it is hoped that the number of JCM partner countries will reach around 30 by 2025. In addition, by enhancing the JCM implementation structure and by improving the environment for the establishment of JCM projects in a wide range of sectors including agriculture and forestry using private-sector funds (private-sector JCM), investment opportunities will be expanded, and project implementation will be facilitated. Furthermore, the Government of Japan will strengthen cooperation with various international development finance institutions that are working to increase investment in climate change measures, including the ADB,

which has set a target of \$100 billion in climate change finance by 2030, and the Green Climate Fund (GCF), to which the Government of Japan has committed up to 165 billion yen from 2024 to 2027. The Government of Japan will work to accelerate and expand the JCM and other projects, and further mobilize private-sector funds.

In addition, through the Cleaner Energy Future Initiative for ASEAN (CEFIA), a public-private initiative to achieve energy transition and decarbonization in the ASEAN region, specific cooperative projects (flagship projects) will be implemented by public-private partnerships to promote energy conservation and the introduction of renewable energy, and to promote the development of an energy-related business environment including finance.

In developing countries, by maximizing synergies between development issues and climate change measures, and by promoting co-benefits-based climate change mitigation and adaptation measures that minimize potential trade-offs, the Government of Japan helps achieve the goals of the Paris Agreement and promotes climate resilient development.

In addition, a public-private consortium to promote green transformation (GX) investment in Asia (Asia GX Consortium) will be launched in order to encourage specific implementation cases of transition finance that match and leverage the strengths and attributes of each country.

- JCM to diffuse leading decarbonization technologies, products, systems, services, and infrastructure (MOE, Ministry of Foreign Affairs [MOFA], METI, MAFF, MLIT, Forestry Agency)
- Expanding the Fukuoka Method (semi-aerobic landfill structure) by utilizing the Africa Clean Cities Platform (ACCP), JICA Clean City Initiative (JCCI) and the JCM (MOE, JICA)
- Support to reduce fluorocarbon emissions through the JCM and the Initiative on Fluorocarbons Life Cycle Management (IFL) in Asia and developing countries (MOE)
- Strengthening partnerships with international development finance institutions to expand investments for climate change countermeasures (MOE)
- Promoting Energy Transition and Decarbonization in the ASEAN Region through Public-Private Partnerships through Cleaner Energy Future Initiative for ASEAN (METI)

- Promoting emissions reduction contributions to properly assess the contributions made by companies using decarbonization solutions (METI)
- Asia GX Consortium (Financial Services Agency)
- Co-benefits to solve developmental challenges and combat climate change (JICA)

(ii) Support for countermeasures to address all greenhouse gases

To realize the 1.5°C target, every possible opportunity must be taken to achieve rapid and drastic reductions not only of energy-derived CO₂ emissions but of all types of greenhouse gases in all sectors. In particular, efforts that have recently been gaining attention—including CO₂ removal by blue carbon ecosystems such as seaweed beds, wetlands/tidal flats, and mangrove forests as well as methane emissions reduction from the waste sector—contribute to the simultaneous resolution of global social issues other than climate change such as Nature Positive through the implementation of Nature-based Solutions and the realization of a circular economy.

The Government of Japan will share widely the latest efforts and knowledge on the utilization of Japan's blue carbon and will create an environment where the private sector can utilize the JCM in forestry projects to create carbon sinks and adaptation through conservation, restoration, and creation of ecosystems.

In the waste sector, the Fukuoka Method, a remarkable and cost-effective waste treatment technology developed in Japan, will be introduced through the African Clean Cities Platform (ACCP) and the JCM to reduce methane emissions, which have a high global warming potential. This will also solve urban sanitation problems such as fires, landfill collapses, and water pollution at disposal sites.

In the agriculture sector, Japan supports the achievement of both the reduction of greenhouse gas emissions and building of resilient and sustainable agriculture/food systems in the ASEAN region based on the "ASEAN-Japan MIDORI Cooperation Plan." In this regard, a consortium consisting of public and private stakeholders is established to formulate joint cooperative projects.

Regarding fluorocarbons for refrigeration and air-conditioning refrigerants, demand for which is increasing in many parts of the world, capacity building and legislation development for emissions control under the Initiative on Life Cycle Management, and implementation of emission

reduction projects through JCM projects will be undertaken.

- Utilization of blue carbon as one of the new options for CO₂ sinks (MOE, Fisheries Agency, MLIT)
- (Reiterated) Expanding the Fukuoka Method (semi-aerobic landfill structure) through the Africa Clean Cities Platform and by utilizing the JCM (MOE)
- Support for efforts to achieve both greenhouse gas emissions reduction and building of resilient and sustainable agriculture/food systems based on the "ASEAN-Japan MIDORI Cooperation Plan" (MAFF)
- (Reiterated) Support to reduce fluorocarbon emissions through the JCM and the Initiative on Fluorocarbons Life Cycle Management in developing countries including those in Asia (MOE)

(iii) Investment in people who will lead climate change measures

Building the capacity of policy makers to develop and implement climate change measures and training the next generation to implement climate actions will lead to the creation of an environment that promotes environmental investment and the implementation of climate action while also effecting behavioral change.

To strengthen climate change plans/policies including reduction targets and to enable their implementation, Japan will strengthen human resource technical capacities in the areas of mitigation, adaptation, and access to finance. In collaboration with the United Nations University, the Government of Japan will nurture climate experts to promote transitions in each country toward the realization of the Paris Agreement. Also, based on Japanese national "Deco-Katsu" campaign for new and prosperous lifestyles toward decarbonization, the Government of Japan will share good practices that promote behavioral change and lifestyle transformation among citizens and consumers with the world in collaboration with the G7 and G20.

- (Reiterated) Human resource development for climate change (JICA, MOE)
- National Movement for New and Prosperous Lifestyles toward Decarbonization (dubbed "Deco-Katsu") (MOE)

IV. Expected outcomes

In this critical decade for the realization of the 1.5°C target, the Government of Japan will dedicate itself to the following to resolve the three gaps: (1) closing the "ambition gap" by achieving a global reduction of around 43% by 2030 and beyond, (2) closing the "adaptation gap" by accelerating adaptation measures to outpace the rate at which climate change is progressing, and (3) closing the "implementation gap" by accelerating investment by the required three- to six-fold multiple.⁴

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⁴ AR6 Synthesis Report Climate Change 2023 (IPCC)