

Preparing the INDC

Japan's Experience

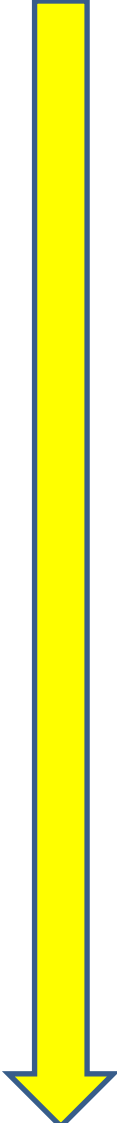
September 12th, 2016

Hiroyuki TEZUKA

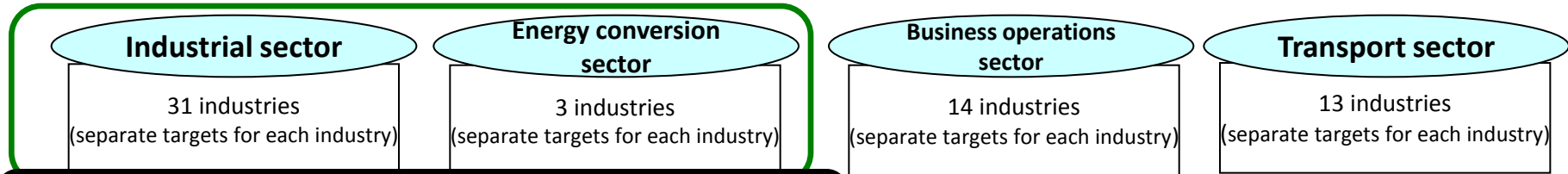
**Chair, WG on Global Environment Strategy
Committee on Environment and Safety
Keidanren**

(1) Business Engagement through Keidanren's Proactive Action Plan

History of Keidanren's Initiatives to Address Climate Change

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- Apr. 1991 Keidanren Global Environment Charter released
 - Jun. 1992 United Nations Earth Summit (Rio de Janeiro)
 - Jul. 1996 Keidanren Environment Appeal (implementation policy for Action Plan on the Environment) released
 - Jun. 1997 Keidanren Action Plan on the Environment released**
 - Dec. 1997 Kyoto Protocol adopted ↗
 - Dec. 1998 First follow-up on Action Plan on the Environment (annual follow-ups thereafter)
 - Jul. 2002 Establishment of third-party evaluation committee for Keidanren Action Plan on the Environment
 - Dec. 2009 Released basic policy of Keidanren Commitment to a Low Carbon Society
 - Jan. 2013 Formulated and released Keidanren Commitment to a Low Carbon Society
 - Apr. 2013 - Apr. 2015 Keidanren Commitment to a Low Carbon Society initiated
Formulated and released the new initiative: Phase II of Keidanren Commitment to a Low Carbon Society

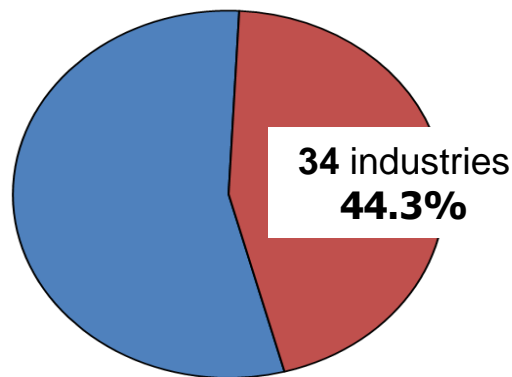
Overview of the Keidanren Action Plan on the Environment



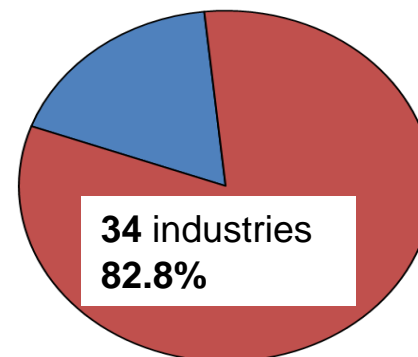
Sector wide target = $\pm 0\%$ change from FY1990 levels (average over FY2008-FY2012)

- (1) **Participants consist of a total of 61 industries or enterprises** from not only the manufacturing sector, a large energy consumer, but also a wide range of other fields including business operations such as logistics and financial services.
- (2) **With regard to manufacturing processes (at the service provision stage)**, four separate **quantitative targets** are set (total CO2 emissions, CO2 emission intensity, total energy consumption, energy consumption rate) and the most appropriate target selected for each process, taking into account differences among industries and business categories.
- (3) When results exceed initial predictions, **more ambitious targets are set**. At the same time, **in some industries large numbers of CDM (clean development mechanism) credits or other credits are purchased** in order to meet targets.
- (4) **Annual reviews by government councils (Central Environment Council, Industrial Structure Council) and third-party evaluation committee.**

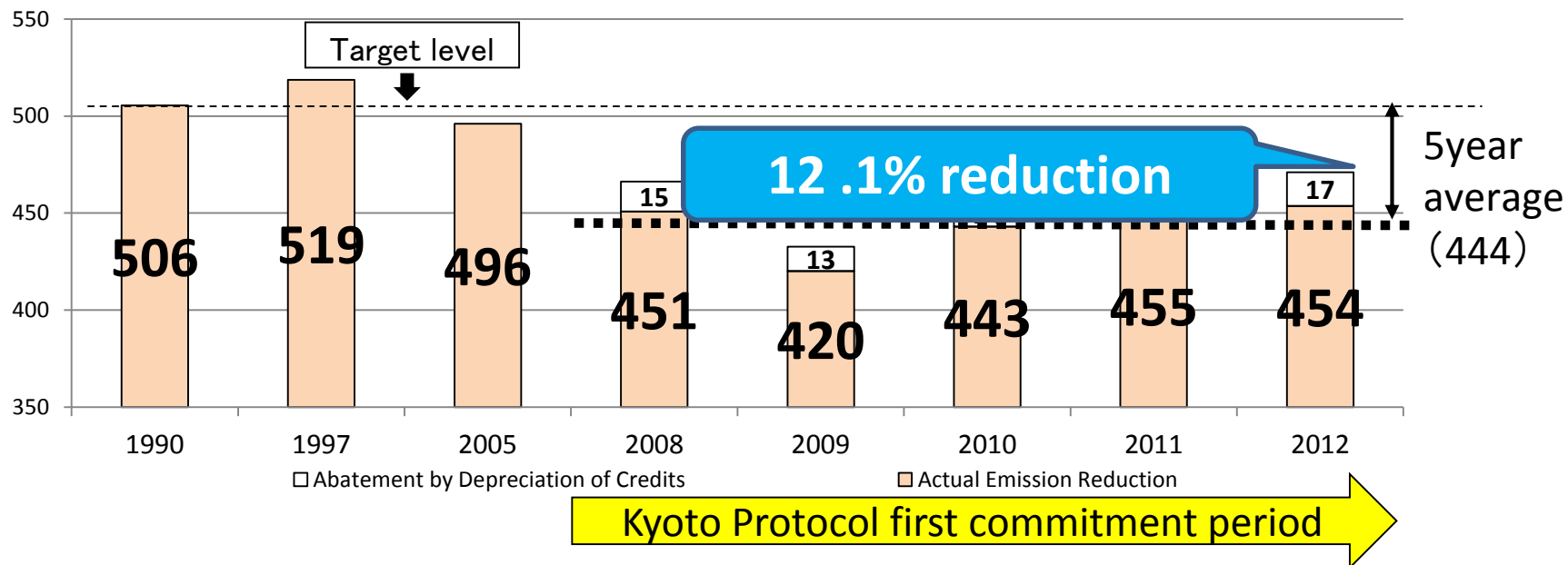
Share of Japan's total CO2 emissions, FY1990
(1,143.4 million tons)



Share of industrial and energy conversion sector CO2 emissions, FY1990
(612.2 million tons)



Results of Keidanren's Action Plan



Factors Contributing to Reduction (Average of 2008-2012)	Comparison to FY 1990
Change in production activity	+2.0%
Change in CO2 emission factor	+0.0%
Change in CO2 emissions per unit of output (efficiency improvement)	-14.0%
Total	-12.1%

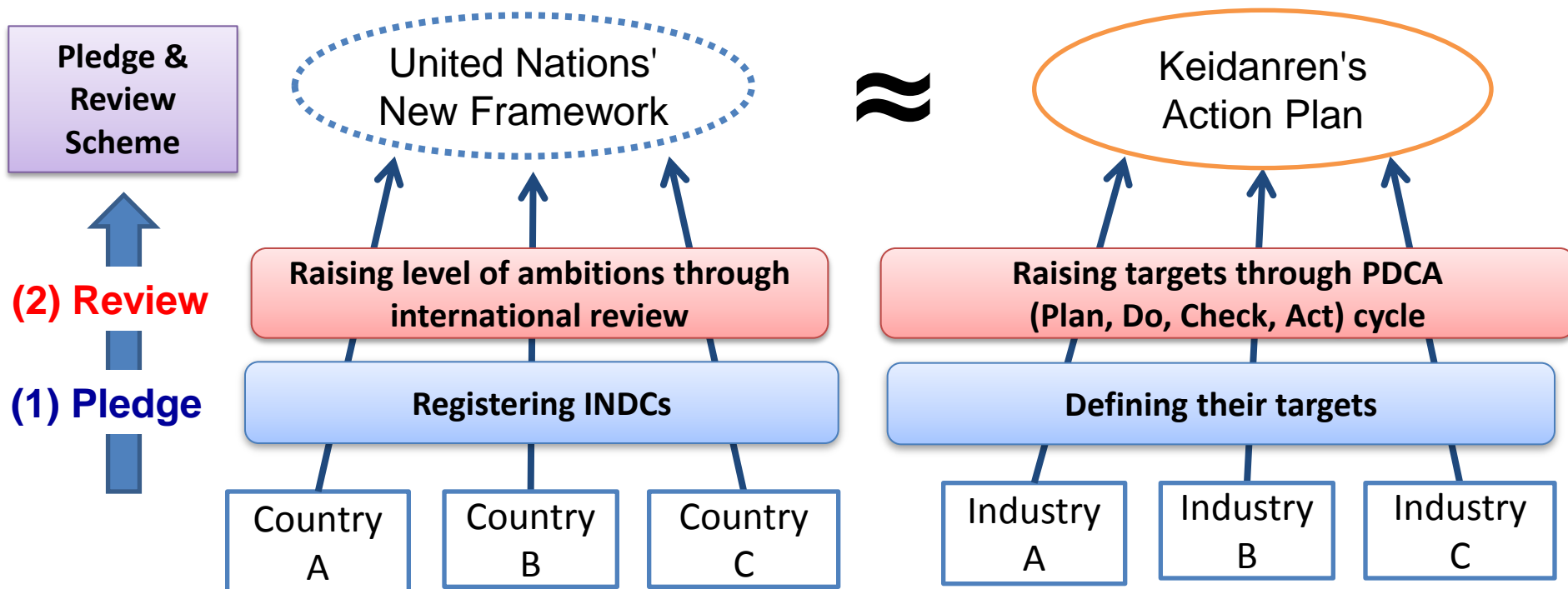
Efficiency improvement was the driving force to reduce CO2 emissions in KEIDANREN's plan.

Lessons for Paris Agreement: Pledge & Review

Keidanren's Action Plan has proven the effectiveness of a pledge and review approach.

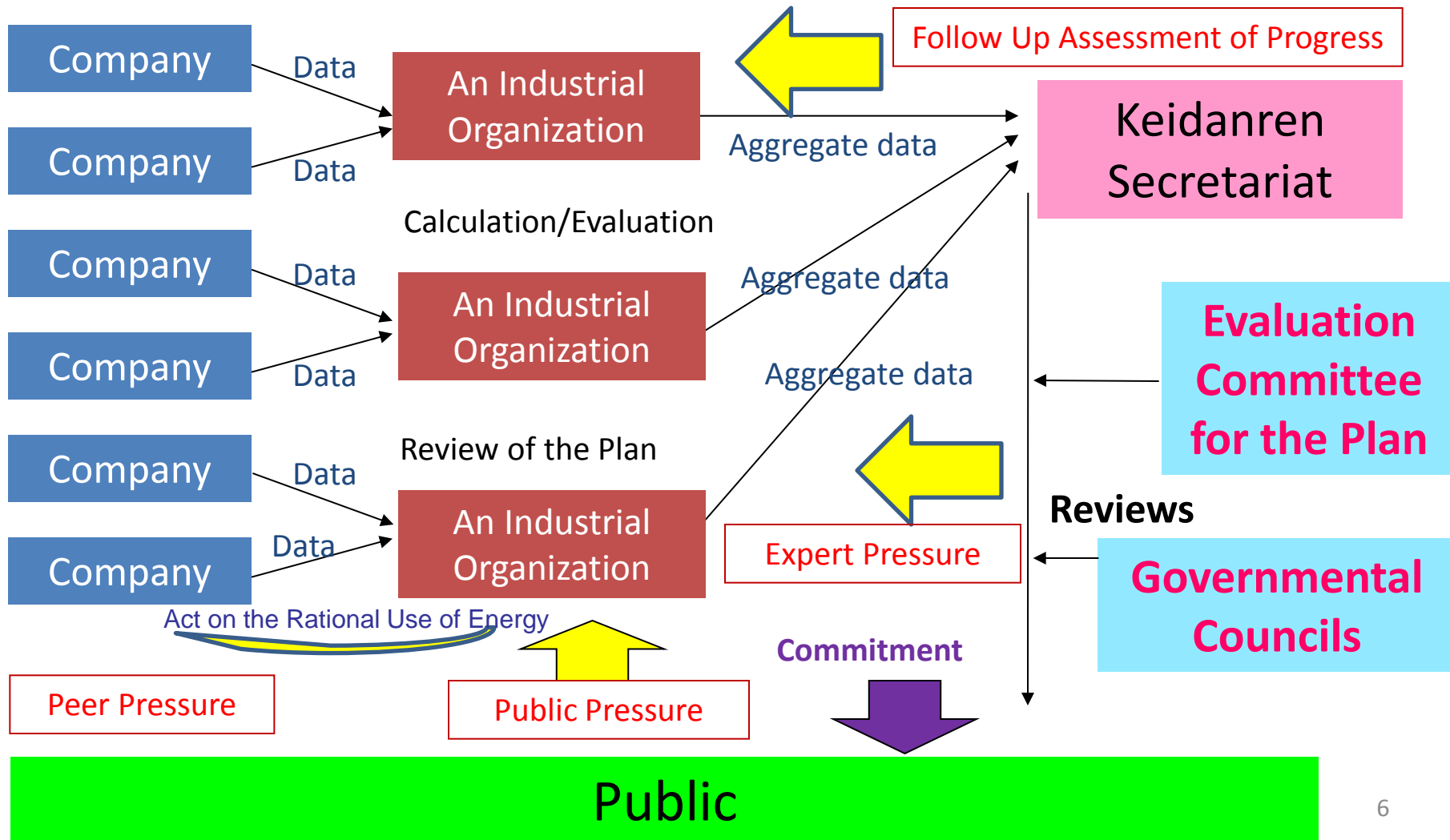
- (1) The number of participating organizations increased from 36 in 1997 to 61 in 2012.
- (2) 29 of 61 organizations raised their targets (enhanced their ambitions.)

A pledge and review type new international agreement can work well !



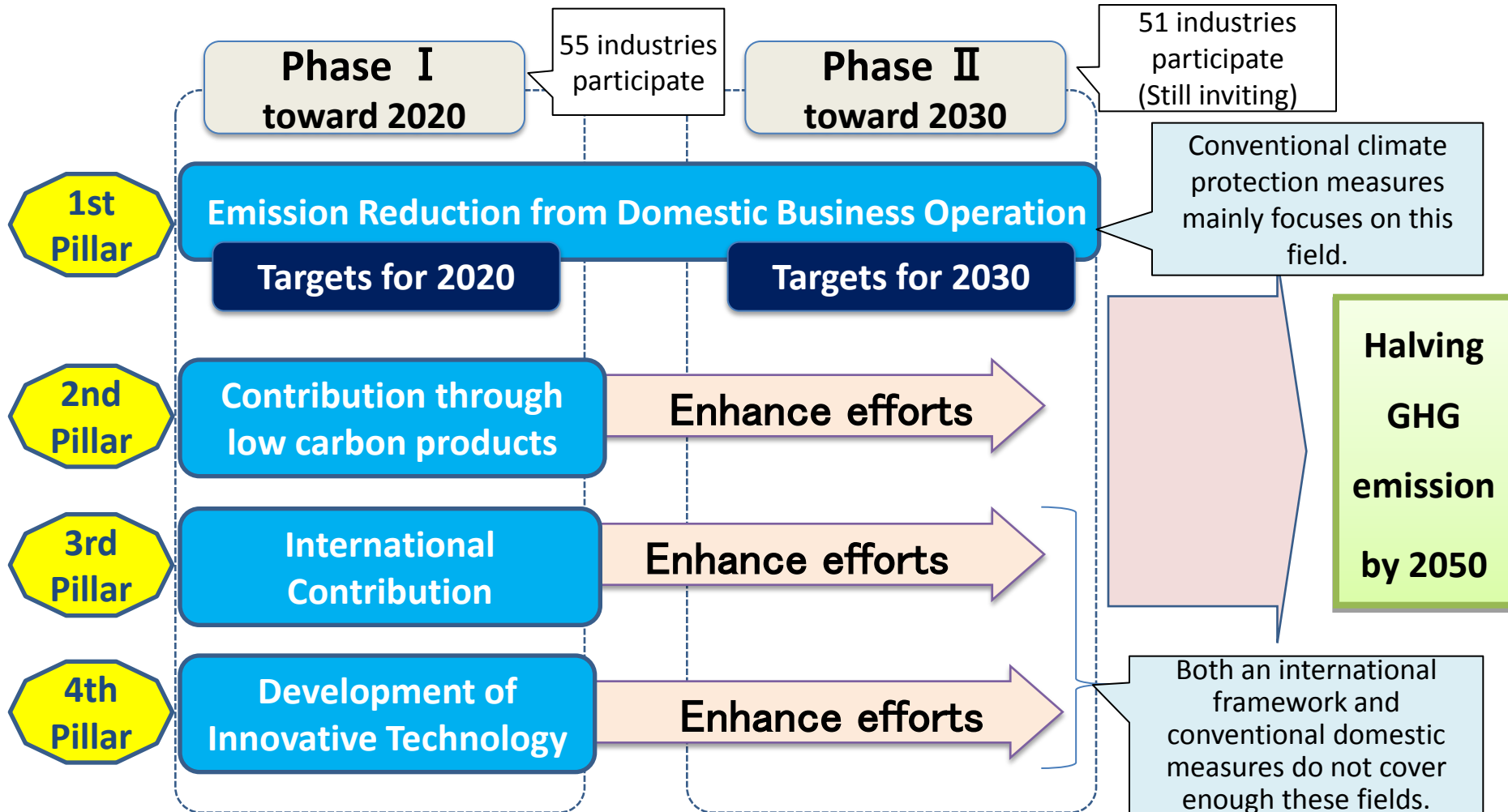
Review Process of Keidanren's Action Plan

The assessment of progress is conducted every year. The overall performance is publicized by Keidanren Secretariat.



KEIDANREN's Commitment to a Low Carbon Society

1. Participating industries and companies set their own targets.
2. The plan consists of 4 pillars (shown bellow).
3. 55 industries made their plans as for the Phase I toward 2020.
4. Endeavor to expand our efforts for the Phase II toward 2030.



(2) Business Engagement in Japan's INDC

Keidanren's Opinion on the INDC

From the policy proposal "Pursuing an Effective Climate Change Policy for Emission Reductions on a Global Scale" (released in April, 2015)

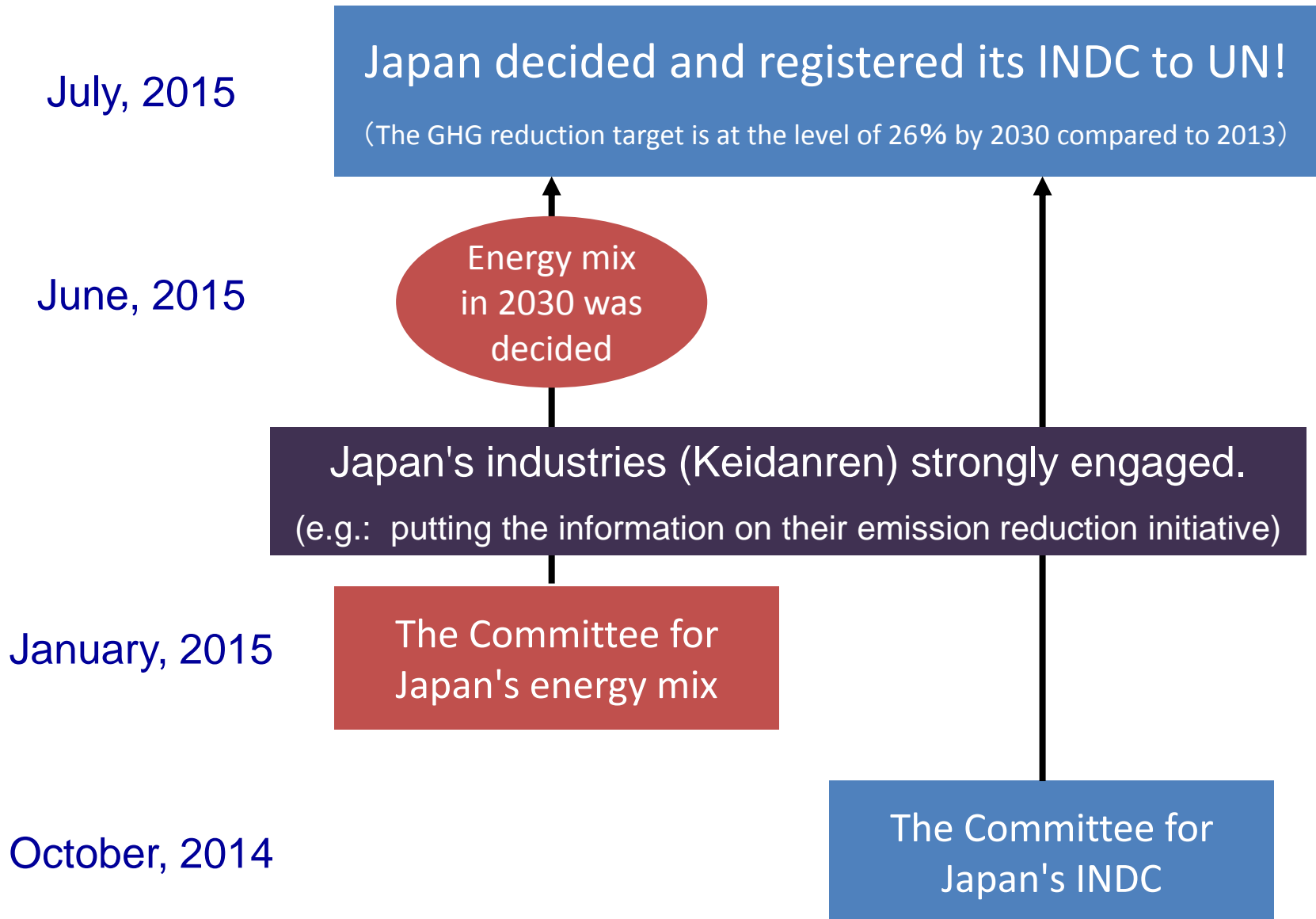
In order to set up responsible quantitative targets for 2030 as a government, **the Japanese government should not determine ungrounded quantitative targets based on a top-down approach. ... Japan should formulate a well-balanced energy mix that will underpin its growth strategy and then build up individual measures...**

➔ Japan should pursue...

○ **bottom-up approach.**

✗ **top-down approach.**

How Japan's businesses engaged in formulating the INDC



The "Keidanren's Commitment to a Low Carbon Society" in Japan's INDC

Quoted from the Japan's INDC
(Decided and Submitted to the UN on July 17, 2015)

Japan's INDC is highly transparent and concrete as it has been drawn up by accumulating concrete policies for major sectors with clear breakdowns.

For example, with regard to Japan's industrial sectors, ... **further improvement is planned through specific policies and measures listed in the attached documents, such as promotion and enhancement of the industries' action plans towards a low carbon society.**

"The Commitment to the Low Carbon Society" is specified as a significant contribution implemented by industrial sectors!

Measures which form the basis for the bottom-up calculation of the GHG emission reduction target (Excerpt from Japan's INDC)

	FY 2030 emission targets (million t-CO ₂)	FY 2013 (FY 2005) (million t-CO ₂)	Measures
Energy-originated CO ₂	927	1,235 (1,219)	
Industry sector	401	429 (457)	<ul style="list-style-type: none"> • Promotion and enhancement of the industries' action plans towards a low carbon society <p><u>Iron and steel industry</u></p> <ul style="list-style-type: none"> • Efficiency improvement of electricity-consuming facilities • More chemical recycling of waste plastic at steel plants • Introduction of next-generation coke making process (SCOPE21) • Improvement of power generation efficiency • Enhanced energy efficiency and conservation facilities • Introduction of innovative ironmaking process (Ferro Coke) • Introduction of environmentally harmonized steelmaking process (COURSE50) <p><u>Chemical industry</u></p> <ul style="list-style-type: none"> • Introduction of energy efficiency and conservation process technology in petrochemicals • Introduction of energy efficiency and conservation process technology in other chemical industry • Introduction of energy efficiency and conservation technology using membranes for distilling process • Introduction of technology which uses CO₂ as a feedstock • Introduction of chemical product production technology with inedible plant-based material • Introduction of electricity-generating waste water processing with microbe catalysis • Introduction of sealed plant factory

A lot of BATs are listed!

Summary

Business can and should contribute to tackling climate change effectively in many aspects:

(1) Proactive action plan in tackling climate change

(2) Development and implementation of the INDCs

(3) Enhancing low carbon technology development

(4) Promoting Technology Transfer