

JBCE Comments on “The EU’s stakeholder consultation on Action on Climate Change Post 2012”

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We, Japan Business Council in Europe (JBCE)¹, are the organization representing Japanese companies with significant operations in Europe.

This paper is our views on “The EU’s stakeholder consultation on Action on Climate Change Post 2012” where you invite comments. We are delighted to have this opportunity, and would be more than happy if this paper could be of any assistance to the further discussion.

1. Introduction

The Kyoto Protocol is an important first step for addressing climate change, but it is not an end in itself. The goal for addressing climate change is the “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system,” as stated in the Article 2 of the convention. In achieving this ultimate goal, discussion for the next steps is crucial important as well as achievement of the current targets in the Kyoto Protocol.

The EU’s stakeholder consultation on actions on climate change post 2012 opens the way for discussion of the global approach of the next steps to climate change. The limitation of current approach is getting apparent, and we believe that some significant changes are essential in the future framework. The followings are our views that we believe to be considered in the future framework.

2. Diversification of Commitments for Global Emissions Reduction

1) Each Country’s Meaningful Commitments in Emissions Reduction

- Particularly, Encouraging The Development of Innovative Technologies -

Under the current Kyoto Protocol, the type of commitment is solely absolute emissions reduction by countries. However, since climate change is the global problems, there can be

¹ For details, including a list of its member companies, please refer to the following website: <http://www.jbce.org>

other types of committed contributions that lead to the global emissions reduction.

For example, we believe that the development of innovative technologies for emissions reduction can contribute to the global emissions reduction substantially through the diffusion of technologies to the world. Several reports suggest that the extensive application of existing technologies alone cannot achieve significant emissions reduction, and the development of innovative technologies is essential. In the current framework of each developed country's commitment to national emission reduction, the development of innovative technologies can be undervalued. We believe that such a contribution should be much valued and encouraged since it has a high potential of reducing the global emissions effectively.

Therefore, the future framework should allow diversified commitments so that each country makes meaningful contributions, such as more focusing on the development of innovative technologies, to the global emissions reduction.

2) Participation of Major Emitters

The goal of coping with climate change is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. To achieve this goal, the participation of major emitters including the US and major developing countries is essential in the new framework of emissions reduction efforts. Since carbon dioxide emissions from developing countries will exceed those of developed countries in a few decades ahead and continue to grow, how to control the emissions increase in developing countries is crucially important.

Furthermore, we should keep in mind that the emissions reduction can contribute equally to climate change mitigation wherever it is done. If both developed and developing countries cooperate in emissions reduction efforts, it is expected to cut the marginal reduction cost substantially than when developed countries undertake individual efforts.

From a viewpoint of having participation from all major emitters including developed and developing countries, a future framework should be flexible so that each country makes meaningful commitments in emissions reduction.

3. Implementing Methodologies

1) Industry Sector Based Approach

We believe that industry sector based approach is effective and efficient for emissions reduction. It is important for each country to promote measures aiming to achieve the world's top-level energy efficiency or energy intensity in each major industry sector. The future framework should be made to promote the attempts to achieve the world's top-level energy efficiency based

on the industry sector based approach. Focusing on best technological practice and diffusing it to the world under international cooperation will be one of the most effective measures in emissions reduction.

2) Setting The Target in Longer-term

Since the commitment period of the Kyoto Protocol is short, each country tends to take short-term measures, not to take drastic measures which will take long-term. However, in order to stabilize GHGs concentration by implementing truly meaningful measures strategically, each country needs to pursue more drastic measures.

For example, several studies indicate that the extensive application of existing technologies alone cannot achieve significant emissions reduction, and the development of innovative technologies, which can bring a new energy system, is essential, although development of innovative technology tends to take long-term.

Therefore, the future framework should incorporate a longer-term commitment period, so that each country can commit to its own qualified target.