



Policy Paper on the Mid-term GHG Reduction Target of Japan

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Japan Climate Leaders' Partnership

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Climate change is a serious crisis that threatens the social foundations vital to people's lives and to corporate activities. The international community has agreed to commit to limiting global temperature rise to 2°C from pre-industrial levels in order to prevent the most severe impacts of climate change (known as the 2°C target). The IPCC Fifth Assessment Report, based on scientific knowledge and consensus, states that it is necessary for global GHG emissions to approach, or dip below zero by the end of the 21st century in order to meet this target.

In March, the EU and the US submitted their mid-term targets for the reduction of GHG emissions, ahead of other major countries. Most notable was the clear intention of both the EU and the US to achieve a long-term goal of '80% emissions reduction below 1990 levels by 2050', which, according to scientific knowledge, is the minimum amount of reduction necessary to keep temperature rise below 2 °C. Both have positioned their mid-term targets on the predicted future paths. By demonstrating their clear intention to achieve the 2°C target, both the EU and the US have demonstrated leadership in the global community.

In Japan, as a result of four months of discussions from the perspectives of the safety, stability, economic efficiency, and transition to a low-carbon economy, as well energy savings, the government announced a proposed mid-term target of a 26% reduction in GHG emissions by 2030 from 2013 levels (a 25.4% reduction from 2005 levels).

We sincerely respect the commitment of those people who, in consideration of an array of information and situations, have been involved in the coordination of this target, reflecting the difficult position in which Japan has been placed since the Great East Japan Earthquake.

However, based on the following perspectives, the Japan-CLP considers it desirable that Japan's mid-term reduction target to be more ambitious as:

- it is necessary to align with the long-term 80% reduction target by 2050, which has been approved by the Cabinet, and which is the minimum target needed to avoid imposing excessive burdens on future generations and prevent the most severe impacts of climate change. (In order to achieve the 2°C target, controlling total cumulative emissions is necessary which requires early and ambitious reductions. In addition, by understanding the next 15 years to be a turning point for society, a shift to low-carbon social infrastructure will be critical.)
- if the future vision of Japan to address climate change (low-carbon national strategy) is clarified, it will be possible for Japan, a country with limited resources, to drive forward innovation that will be needed to achieve the 2°C target and contribute to global low-carbon transition.
- a target needs to be something that will be well-received by the international community and reflecting the scientific knowledge (which has increased its reliability from numerous

compilations of research and observational data, and international consensus that have undergone many difficult periods of working to balance the interests of multiple stakeholders).

- being viewed as passive in addressing climate change may endanger trust from the international community on the achievements of Japan to date in this area, and may have a negative impact on overseas expansion of low-carbon technologies and human resources.

By referencing the above issues, scientific evidence, and the knowledge of various research institutions, The Japan-CLP considers a minimum of 30% reduction from 1990 levels (about 36% compared to 2005) to be a desirable target for the country by 2030, in order to responsibly and actively address climate change.

There have been some discussions on avoiding ambitious mid-term targets due to uncertainty on feasibility and return on investment. However, considering climate action is a major challenge imposed on the global community, and is an issue that must break with conventional ideas on economic growth (which is dependent on fossil fuel resources), this is an issue that the current generation cannot put off for future generations to deal with. Rather, it is an issue of what *must* be done now to avoid severe impacts in the short term and in the future.

The Japan-CLP considers it is possible for Japan to aim at a more ambitious reduction target while simultaneously preventing the outflow of the nation's wealth and resources, stimulating the economy, and contributing to the resolution of issues facing Japan. This would be possible if effective measures are sufficiently strengthened and enhanced, for example, by taking advantage of the potential of renewable energy to lead to a revitalization of the local economy, energy savings in households that have multiple benefits such as maintaining the health of the elderly through insulation retrofitting, and energy savings in the business sector which can contribute to office energy efficiency.

Furthermore, if the government sends out the clear signal of an ambitious target, and offers incentives such as carbon pricing, companies could actively invest and engage in technological innovation to elicit change. Consumers would be able to purchase attractive low-carbon products at more affordable prices, which will also improve their own environmental awareness.

Business innovation and expansion of the low-carbon market due to changes in consumer behavior will give rise to a virtuous economic cycle. This will lay the foundation for Japan's future prosperity, by governments, businesses, and citizens coming together. It is worth taking up this challenge.

The Japan-CLP thinks that ambitious climate action is not merely a cost, but is a promising investment to maintain the basis of people's livelihoods, and strengthen the competitiveness of Japan, a country with limited resources. We would like to share this idea with policymakers, business peers, and the citizens of Japan to work together to build our sustainable low carbon future.



Japan Climate Leaders' Partnership (Japan-CLP) is a business coalition in Japan that regards spearheading to a sustainable low carbon society to be a business opportunity. On July 30th 2009, Japan-CLP was set up to urge the industrial community in Japan to develop a sound sense of urgency on the issue of climate change and to initiate more proactive actions. The member companies share the common goal of building a sustainable low carbon society through communicating proactively with policy makers, industry and citizens, and will undertake a variety of activities with a focus on Asia.

Members (as of March 2015):

AEON, ASKUL, DOWA Ecosystem, Ernst & Young ShinNihon LLC, Fujitsu, Kikkoman, LIXIL Group, ORIX, Ricoh, Sagawa Express

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