Preparing the INDC: Japan's Experience

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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!

**Pledge & Review Scheme**

**(1) Pledge**
- Registering INDCs
  - Country A
  - Country B
  - Country C

**(2) Review**
- Raising level of ambitions through international review
- Raising targets through PDCA (Plan, Do, Check, Act) cycle
  - Industry A
  - Industry B
  - Industry C

**United Nations' New Framework**
- Defining their targets
The assessment of progress is conducted every year. The overall performance is publicized by Keidanren Secretariat.

Graphical representation of the Review Process of Keidanren's Action Plan:

- **Companies** provide data to **Keidanren Secretariat**.
- Data is aggregated by the **Keidanren Secretariat** and evaluated by the **Evaluation Committee for the Plan**.
- The **Committee** reviews the plan and provides expert pressure.
- Peer pressure and public pressure are factors in the assessment.
- The overall performance is publicized by Keidanren.
- Follow up assessment of progress.

Additional notes:
- Act on the Rational Use of Energy
- Commitment
- Public Pressure
- Governmental Councils
1. Participating industries and companies set their own targets.
2. The plan consists of 4 pillars (shown below).
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.

1st Pillar

**Emission Reduction from Domestic Business Operation**

<table>
<thead>
<tr>
<th>Phase I toward 2020</th>
<th>Phase II toward 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 industries participate</td>
<td>51 industries participate (Still inviting)</td>
</tr>
</tbody>
</table>

**1st Pillar**

- **Targets for 2020**
- **Targets for 2030**

2nd Pillar

- **Contribution through low carbon products**
- **Enhance efforts**

3rd Pillar

- **International Contribution**
- **Enhance efforts**

4th Pillar

- **Development of Innovative Technology**
- **Enhance efforts**

Both an international framework and conventional domestic measures do not cover enough these fields.

Conventional climate protection measures mainly focuses on this field.

**Emission Reduction from Domestic Business Operation**

- **Halving GHG emission by 2050**
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.**
- **not top-down approach.**
How Japan's businesses engaged in formulating the INDC

July, 2015

Japan decided and registered its INDC to UN!
(The GHG reduction target is at the level of 26% by 2030 compared to 2013)

June, 2015

Energy mix in 2030 was decided

January, 2015

Japan's industries (Keidanren) strongly engaged.
(e.g.: putting the information on their emission reduction initiative)

October, 2014

The Committee for Japan's energy mix

The Committee for Japan's 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)

<table>
<thead>
<tr>
<th>Energy-Originated CO₂</th>
<th>FY 2030 emission targets (million t·CO₂)</th>
<th>FY 2013 (FY 2005) (million t·CO₂)</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry sector</td>
<td>927</td>
<td>1,235 (1,219)</td>
<td>• Promotion and enhancement of the industries’ action plans towards a low carbon society</td>
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<td></td>
<td></td>
<td></td>
<td>Iron and steel industry</td>
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<td></td>
<td></td>
<td></td>
<td>• Efficiency improvement of electricity-consuming facilities</td>
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<td>• More chemical recycling of waste plastic at steel plants</td>
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<td>• Introduction of next-generation coke making process (SCOPE21)</td>
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<td></td>
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<td>• Improvement of power generation efficiency</td>
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<td></td>
<td></td>
<td>• Enhanced energy efficiency and conservation facilities</td>
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<td>• Introduction of innovative ironmaking process (Ferro Coke)</td>
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<td></td>
<td>• Introduction of environmentally harmonized steelmaking process (COURSE50)</td>
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<td>Chemical industry</td>
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<td></td>
<td></td>
<td>• Introduction of energy efficiency and conservation process technology in petrochemicals</td>
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<td></td>
<td>• Introduction of energy efficiency and conservation process technology in other chemical industry</td>
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<td></td>
<td>• Introduction of energy efficiency and conservation technology using membranes for distilling process</td>
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<td></td>
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<td></td>
<td>• Introduction of technology which uses CO₂ as a feedstock</td>
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<td></td>
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<td>• Introduction of chemical product production technology with inedible plant-based material</td>
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<td>• Introduction of electricity-generating waste water processing with microbe catalysis</td>
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<td>• Introduction of sealed plant factory</td>
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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