



In-Depth Review of Japan's Third National Communication Under the United Nations Framework Convention on Climate Change

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Preamble

Japan ratified the Kyoto Protocol on June 4th, 2002. In order to ratify, the government laid out plans to reduce 6% GHG emissions from 1990 level as stipulated in the Kyoto Protocol. However the plan does not include any real policy or measures or any teeth to guarantee the reduction. We are deeply concerned that Japan will not be able to meet the 6% target of the Kyoto Protocol. I would like to elaborate this concern on the following three points, 3.9% from sinks, 1.5% from individual's voluntary efforts, and 1.6% from using the Kyoto Mechanisms.

1. 3.9% from Sinks Activities

Japan plans to absorb 13 MTC (equivalent to 3.9% of the 6% target) from forest management. This itself is a means to avoid real reduction from sources, and we believe Japan should not be dependent on sinks to achieve the target, since sequestration by forests is unreliable due to uncertainty of data, non-permanence, leakage, and difficulty in separating human-induced activities to non-human-induced ones. These issues are still under negotiation by the parties, and so we should wait for the outcome of the discussion to find ways to deal with the problems before starting to count up amount of potential sinks in Japan. This is because all these problems are relevant to all sinks activities whether domestic or international.

On another front, the Japanese forests have been neglected for a long time due to high labor costs and as a result, there had only been little forest activities for the past several decades. Consequently, there is less potential to account for forest management activities than expected. Even the government admits in its national

communication that under current situation in Japan, it may be difficult to count the amount of sinks up to 13 MTC.

What is now needed are policies to support and promote forestry industry, so that forests would be cut and utilized, and planted again to make a living forest cycle. For example, obligating newly built houses or public buildings to use certain percentage of domestic wood, establish a system to use wood-origin biomass for power and heat generation, tax incentives to produce, buy and use domestic wood for houses and furniture.

Such policies should be made by joint work of all related ministries, but as a matter of fact, only the Forestry Agency is appointed to acquire 3.9% from domestic forests.

2. Individuals to make Voluntary Efforts to reduce 1.5%

The general public is asked to make efforts to account to 1.5% reduction by, for example, families spending time together in one room, refrain from watching TV one hour, refrain from using shower 1 minute everyday by every person, change light bulbs to fluorescent ones, replace microwave ovens to energy efficient ones, etc. However, there is no policy to mobilize the public to do so, such as subsidy or tax incentives to buy energy efficient appliances, energy efficient labels to inform the consumers what appliances to buy, nor regulation for lightings, wall insulators, double windows, or manufacturing standards for air conditioners and heaters to avoid over-cooling or over-heating.

Efforts of the general public without any policy cannot be counted, and should not be part of the reduction plan to achieve any target figure. Efforts of the public are necessary and effective, and the reductions should be counted as an additional reduction, apart from the original reduction plan which should be made to achieve the 6% target without this type of general public participation.

3. 1.6% by Kyoto Mechanism

Even with all the measures the government could think of, there is still a 1.6% gap between the target. The government plans to fill the gap using the Kyoto Mechanism. But here again, the government does not give any incentives to mobilize the private sector, such as tax incentive, subsidy, or a system to buy up credits earned through projects abroad. Instead they succeeded in having a Japanese representative, Mr. Okamatsu appointed as a member of the CDM Executive Board. Through him and the many Japanese companies applying for Operational Entities, Japan is seeking to make the CDM/JI rules favorable to Japanese companies, only from economic rationale

point of view. And the Japanese corporations are interested to acquire credits to sell in the international credit trading market system to make profits. This is quite worrisome, as the reduction through the Kyoto Mechanism may become much larger than expected, as there is now no prospect for more new nuclear power plants, nor certainty to achieve 3.9% by sinks, and no guarantee to achieve 1.5% by the general public. The government prepared a “Kyoto Mechanism Guidebook” for the industries, some part of which are misleading. Some of our concerns are:

- ODA

One of the big concerns we have is that Japanese government has not ruled out ODA. The Kyoto Mechanism Guidebook says that you will have to prove that the use of public finance is not a “diversion of ODA” as written in the Marrakech Accord. However according to the Japanese government’s explanation of ODA, the amount is decided every year and thus it is “new” and “additional” each year. In such a context, all projects with ODA financing will be approved as “no diversion.”

- Project Additionality

The Kyoto Mechanism Guidebook only refers to emission reduction additionality and not project additionality. It says, it could be said as additional if there is additional emission reduction compared to the case without the project. What this means is that Business as Usual projects could be defined as “additional” since it could make reduction which could not have occurred in the absence of the project. This would lead to increase in domestic emissions from BAU projects that would have occurred anyway.

- Environmental and Social Impact assessment

The Kyoto Mechanism Guidebook says the project should comply with the legal requirements of the host country and there is no need to do any more than what is required. In countries with weak environmental protection law or in the absence of any social impact assessment requirement, projects may be approved accordingly. Japanese corporations have carried out a number of environmental destructive projects in the developing countries to date, some of which are still under local disputes and oppositions. We strongly ask the Japanese government to take rigorous position to ensure that all Kyoto-related projects are strictly additional to make emission reductions and that they are environmentally sound and socially acceptable. One of the tools WWF suggest is to introduce a carbon label system in which good projects that benefits the environment are labeled as Gold Standard and encourage host country governments to accept only those projects.

Attachments: WWF Scenario for Solving the Global Warming Problem, Fact Sheet for Gold Standard