

## **EU-Japan Business Dialogue Round Table**

### **WP 6: “Sustainable Development” 2008**

Since this working party made recommendations in June 2007, there have been many discussions globally among the United Nations, governments, and the private sector about addressing global warming with a focus on a post-Kyoto Protocol framework. This year, we will continue to make recommendations to address global warming in a way that reflects the latest discussions.

#### **1. Introducing a system for promoting energy-efficiency**

6-EJ-1a: It is fundamentally necessary to promote the development and production of energy-efficient products, equipment, facilities, and fuel-efficient vehicles more widespread in the short term to reduce greenhouse gases (GHG) and lessen global warming.

6-EJ-1b: Industries in the EU and Japan have also been focusing on developing energy-efficient products, equipment, facilities, and fuel-efficient vehicles with the goal of improving competitiveness. To accelerate the spread of them, support for establishing social and economical systems is necessary.

6-EJ-1c: We ask the Commission and the Japanese government to introduce policies and measures that support and promote the dissemination of energy-efficient products and equipment in offices and homes and energy-efficient houses and buildings. The Japanese members ask the Japanese government to introduce subsidies and preferential tax treatment.

#### **2. Reduction of reliance on fossil fuels**

6-EJ-2a: In the mid- to long-term period, promoting the diversification of energy sources and reducing the reliance on fossil fuels is needed.

6-EJ-2b: Spreading the use of nuclear energy as one of the alternatives in electricity generation is necessary also for the reasons of energy security and availability at reasonable costs. It is vital to strengthen efforts to ensure safety and restore citizens' trust for the use of nuclear energy.

6-EJ-2c: In addition, the spread of renewable energy, such as solar and wind energy is necessary. In this regard, lowering costs through technological development and introducing government policies are required. The Japanese members ask the Japanese Government to develop and introduce effective systems, such as, buyback programs for private companies and subsidies to enhance the use of energy. In promoting wind power energy system's security and grid balances has to be taken into account.

6-EJ-2d: In promoting biomass energy and bio-fuel, the food supply such as sugar and corn for consumers should not be affected nor the wood supply for related industries. Such valuable resources should be utilized for their primary end uses and only after that for energy.

### **3. Development of innovative technologies**

6-EJ-3a: It is difficult to achieve a significant reduction in GHG emissions without the development and deployment of innovative technologies over the mid- to long-term period. With this in mind, the Japanese government announced “Cool Earth – Innovative Energy Technology Program” in March. The program addresses 21 energy technologies, including carbon capture and storage (CCS), fuel-cell vehicles, and power electronics. Needless to say, it will take a lot of money and time to put them to practical use.

6-EJ-3b: Therefore, global partnerships among industry, government, and academia are fundamental for developing such breakthrough technologies. Consequently, we ask for the Commission and the Japanese government to take the initiative in establishing mechanisms for technological development.

#### **4. Technology transfer to emerging and developing countries**

6-EJ-4a: To promote reductions in GHG emissions on a global scale, initiating measures equally in emerging and developing countries is essential. Addressing global warming in China and India will be a particularly big challenge. Those countries have recently been experiencing rapid increases in GHG emissions, and continued increases are expected. Thus, the dissemination of environmental and energy-efficient technologies developed by European and Japanese companies to these countries is necessary so as to contribute to reductions in GHG emissions.

6-EJ-4b: The Commission and the Japanese government should work together to enhance effective mechanisms to expand the scale of these technology dissemination. In addition, protection of intellectual property rights should be included in the mechanisms.

#### **5. Promoting forestation**

6-EJ-5a: Forestation and plantations should be promoted by the European Commission and the Japanese Government in line with the plan of United Nations Environment Program UNEP, which supports the development and implementation of environmentally sound and socially equitable carbon sequestration projects. The UNEP plan for the Planet Billion Tree Campaign encourages the planting of trees in four key areas, namely; degraded natural forests and wilderness areas, farms and rural landscapes, sustainably managed plantations and urban environments. Forestation provides a renewable carbon sink and sustainable raw material source not only for the industry but also for biomass energy and bio-fuel. Acquiring and planting forests should be accepted as emission reduction effort as a true Carbon Sink.

6-EJ-5b: With advanced forest management practices both output and stock of CO<sub>2</sub> in

forests can be optimized by keeping the sustainable biodiversity in balance. An international value chain based prioritization of wood raw material utilisation should be agreed upon without delay in order to ensure the most rational use of forests. Energy policies must ensure that competition of wood raw material will not be realized through illegal logging or similar phenomena.

## **6. Post-Kyoto Protocol framework**

We ask for the Commission and the Japanese government to take the lead together in establishing an international framework for the post-Kyoto Protocol that goes into effect in 2013. In doing so, we request that the points below be given due consideration.

6-EJ-6a: It is vital to have the participation of all major carbon-emitting developed countries including the United States and developing countries such as China and India. They should assume appropriate responsibilities under common rules.

6-EJ-6b: The ultimate goal of addressing global warming is to stabilize GHG concentration in the atmosphere at a level that would not endanger the climate system. Major carbon-emitting countries should agree on specified numerical value of GHG concentration and share reasonable and feasible mid-term (the year 2020-30) and long-term (the year 2050) targets of reducing and deterring GHG emissions to achieve the value of the concentration.

6-EJ-6c: In setting mid-term targets, it is effective for major carbon-emitting countries to work together to calculate GHG reduction amounts based on energy efficiency indicators or Best Available Technology indicators and aggregate them by sector. In addition to the industry sector, the transportation and commercial/household sectors should be included in this sectoral approach. Also, this aggregation method should be used to set a quantified national GHG emission reduction target.

6-EJ-6d: A sectoral approach, as part of a global post-2012 agreement, ensures that countries can set equitable quantified national reduction targets and promote

technological development and dissemination of technology to developing countries. It is an effective measure that enables the participation of many countries, including developing ones.

6-EJ-6e: It is difficult to set fair and equitable caps using a cap-and-trade emission trading scheme. We have to carefully assess whether the scheme contributes to effective reductions in emissions, enables companies to compete and develop on equitable terms in global markets, and promotes the development of innovative technology to prevent global warming in the long term. Effects of the scheme on global industrial competitiveness and a risk of carbon leakage should be considered.

## **7. Industry efforts and raising public awareness**

6-EJ-7a: To achieve a fair and cost efficient share of reduction efforts for all relevant stakeholders, a comprehensive integrated approach is necessary. The integrated approach identifies the cost-efficient reduction potentials in each sector. European and Japanese industries have been developing technologies, such as those for energy-saving products and fuel-efficient vehicles, as mentioned above. They have also made efforts to reduce GHG emissions through the total product life cycle – from green procurement and production innovation to recycling – so as to reduce the burden on the environment. Moreover, both industries have been working hard on promoting energy-efficiency in factories and offices and reduced GHG emissions from 1990 levels. We will continue to work further to reduce GHG emissions.

6-EJ-7b: On the contrary, GHG emissions from the residential sector have been increasing. Therefore, it is vital to raise public awareness to reduce carbon dioxide emissions. In Japan, companies have been encouraging their employees' families to use "household eco-account books" to both raise awareness and monitor carbon dioxide usage. We ask the Japanese government to provide

activities that enlighten all citizens, such as by having better environmental education in children's compulsory education and adopting daylight-saving time.