

*Japan's Agenda after COP15*

*Forget Numerical Targets, Give the World a Framework*

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The fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change closed with broad agreement on the Copenhagen Accord.

What is its significance and what are its implications for the future?

**COP 15 Agenda**

The biggest agenda of COP15 was to decide on a post-Kyoto protocol Framework within which the world would address climate change beyond 2012. The world's attention had been focused on whether or not the meeting would succeed in

establishing a framework that would impose legally binding emission reductions, in particular, upon the US, the developing countries, China, India, and other newly emerging economies experiencing remarkably rapid growth. Earlier, however, the US explicitly announced that it had no intention to return to the Kyoto Protocol.

The worst scenario for Japan would have been a decision on both a new framework involving the US and China and the extension of the Kyoto Protocol, therefore, perpetuating the disparity of obligation levels between Japan and other countries including the US. We can give the government

credit for its diplomatic efforts to successfully avoid pushing Japan into such dire straits.

**No Penalties/Obligations**

The Copenhagen Accord was finally concluded as a political agreement that did not impose any penalties or obligation to purchase credits (allowances) in case of failure to achieve numerical targets, but showed the way towards a new structure.

Even such a loose framework, so long as it engaged the US and China in mitigation action, was determined the better solution against the Kyoto Protocol, which without their

involvement could not possibly work as an effective framework to save the world's future.

The Copenhagen Accord has been said to have the same legal status as if it had been accepted in a legal document and should be endorsed as such. However, the Accord does not make any clear reference as to whether or not a new legally binding Protocol shall be formulated. The Copenhagen talks, in their course of development, revealed two important issues for Japan to consider.

### CO<sub>2</sub> Emissions Reduction Issues

The first issue is how Japan should address climate change diplomacy in the future. The current administration set out an outstandingly ambitious target of reducing emissions by 25% from 1990 levels just after it won elections, seeking world leadership in international negotiations.

However, in the shadows of the diplomatic game between the world's two largest emitters, Japan was invisible. It had been unreasonable to begin with for Japan, representing merely four percent of global emissions, to try to have world influence by setting out a powerful target.

Even an ambitious target, without sufficient economic rationality, would only imply to other countries that Japan is ready to be a "welcome customer" that will purchase emission allowances.

After its announcement of the 25% reduction target, Japan's exposure in overseas media has been limited to reference to it as a credits buyer (an entity that purchases emission allowances from abroad to achieve its target).

### Australia's Role

While Japan was still mired in the conventional Kyoto-type concept of diplomatic bargaining of numerical targets, Australia unexpectedly strengthened its presence in the Copenhagen talks. Australia does not account for a large portion of emissions, and yet, it joined the drafting of almost all important documents and served as a good advisor to the US and UK in several critical points in the negotiations.

Why was Australia so strongly represented? This was because earlier this year, Australia proposed a master plan for a post-Kyoto framework that both the US and major developing economies could agree on. It presented rules that gave consideration to country-specific circumstances and timelines and that would also urge voluntary efforts.

Therefore, Australia was in a position to broker the deal. Was this not what Prime Minister Hatoyama had sought to do – "bridge" negotiations?

### Sharing the Burden with Developing Countries

The times have changed since the Kyoto Protocol era, when developed countries represented 60% of global emissions. The problems can no longer be resolved without developing countries sharing the burden. Today, we are in need of diplomatic power that can correctly recognize such structural changes and comprehensively design a framework for fair and effective solutions instead of competition over numerical targets.

### Japan's Position

Upon submitting mid-term target due before the end of next January, Japan

should reconsider its current target, which entails conspicuously large marginal abatement costs, and come up with a more well-balanced one from both economic and technological dimensions. Japan should shift its diplomatic weight to presenting a concrete design for a post-Kyoto framework based on the Copenhagen Accord.

For example, Japan could develop a new version of the sectoral approach (a method of deriving global emissions by mobilizing technology transfer by industry or sector) that the Japanese government has continuously proposed to serve as a basis for the next framework. This would work harmoniously with the Copenhagen Accord, which recognizes the necessity of mitigation action on the part of developing countries.

Japan could also contribute to curbing climate change by enhancing bilateral and regional ties in technology transfer and financial assistance based on its industrial and technological strengths. I propose a win-win framework founded on such international cooperation that would introduce a unique scheme to generate carbon offset credits that can be counted as an equivalent of domestic emission reduction efforts.

If Japan can come up with an original developed – developing country cooperation scheme at the Davos meeting for example, the fruit of climate change negotiations that failed to see light in Copenhagen could be ripened, and perhaps lead to a stronger representation of Japan in climate change negotiations.

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<sup>1</sup> *The original Japanese version of this article was released on December 24, 2009.*

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