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**Round Table: Kyoto Protocol Article 3-9
(Japan)**

1. Sectoral Approach

(1) Sectoral approach is a fair tool which can be used in following ways.

A: Domestic Target Setting: Effective estimation of economy-wide emission by accumulating sector-based mitigation potentials which could be materialized using Best Available Technologies/Best Practices (BATs/BPs).

B: Internationally Cooperative Sectoral Approach: Effective and efficient mitigation by sector-based actions by cross border sharing of BATs/BPs (e.g. APP, IISI, CSI), in accordance with common but differentiated responsibilities and respective capabilities

* Slide: Sectoral Approach

(2) With this approach, we can compare efforts of each country under objective standards such as energy efficiency. This approach identifies technically possible mitigation potentials based on aggregated sectoral reduction amounts. A bottom up sectoral approach should be used as a comparable and fair means to set quantified national emission reduction targets, and contribute to enhance their measurable, reportable and verifiable actions. Obviously, this does not replace quantified national emissions reduction targets.

(3) An internationally cooperative sectoral approach allows effective and efficient sector-based mitigation actions. It is also useful in dealing with the issue of carbon leakage.

(4) In applying this approach, unique national circumstances must be taken into account. It is necessary to take into account the costs of the technical mitigation potentials as well as the financial capability of each country. Under the "common but differentiated responsibilities and respective capabilities," it is natural that the different goals will be applied to developing countries from developed countries.

* Slide: Sectoral Approach (cont.)

(5) On May 8th, in Paris, Japan organized a Workshop on Sectoral Approaches. I am happy to report that the participants came to share the recognition that sectoral approaches are useful means in identifying equitable mitigation potentials.

Also, at G8 Environmental Ministers Meeting on May 24-26, the participants recognized the usefulness of sector approach.

(6) Japan proposed to start discussion on four key-subsectors: coal-fired power generation, steel, cement, road transport. Countries can start with these key-subsectors with large reduction potentials.

* Slide: Need to start with "key sub-sectors"

(7) Enhanced data collection, financial support mechanism for the sectoral actions, and international collaboration in technology R&D is also important in materializing this approach. Public and private initiatives as well as expertise of specialized organizations such as IEA should be utilized in these works.

2. Special consideration for countries with vulnerability including least developed countries and small-island developing states

(1) It is less likely that countries with vulnerability including least developed countries and small-island states would face with enormous GHG emissions from heavy industries such as steel and cement. Rather than the emission reduction, the access to clean energy seems to be the focus for them. Financial as well as technical support for the access to clean energy is crucial. However, at the moment, CDM does not seem to fit with this particular purpose in vulnerable countries. Japan has, thus, proposed to conduct a comprehensive review of the current CDM and make the system respond to various needs raised by developing countries.

(2) Japan launched the "Cool Earth Partnership" in Davos this year. Under the Cool Earth Partnership, adaptation and the access to clean energy is one of the most important pillars in supporting the efforts of countries with vulnerability.

* Slide: Financial Mechanism "Cool Earth Partnership" (Image)
Progress of "Cool Earth Partnership"

3. Emissions of GHGs from Aviation & Marine Bunker Fuel

(1) Japan believes that mitigation on international aviation and marine bunker fuel is very important.

(2) In this regard, the ICAO showed its strong leadership at the 36th Assembly in September 2007, by agreeing to develop an aggressive "ICAO Program of Action". The program includes comprehensive framework of various measures as well as global aspirational goal in the form of fuel efficiency to be discussed under the Group on International Aviation and Climate Change.

* Slide: ICAO 36th Assembly Resolution in Sep 2007
(International Aviation)

(3) The IMO is also making progress towards establishing a new framework to mitigate on international shipping. At the 57th session of the Marine Environment Protection Committee in April this year, 9 principles for future IMO regulatory framework were agreed. Also, a mandatory CO2 design index for new ships is now under consideration.

* Slide: IMO 57th MEPC in April 2008 (International Shipping)

(4) Japan believes that the work under the ICAO and IMO should be facilitated to pursue global solutions for international aviation and shipping sectors. The two organizations are the appropriate specialized organizations with expertise that enjoy broad consensus of developed and developing countries.

(5) Finally, to conclude my remarks, Japan will hold "the Ministerial Conference on Global Environment and Energy in Transport" in this October. We believe that not only will the outcome of the Conference promote national efforts for inland transport, but it will also encourage further efforts in the ICAO and the IMO to reduce GHGs. Japan is willing and ready to put its utmost efforts to contribute to the discussions at this roundtable and the discussions at AWG-KP. Thank you for your attention.