

Lesson Learned from Transparency Works in Japan

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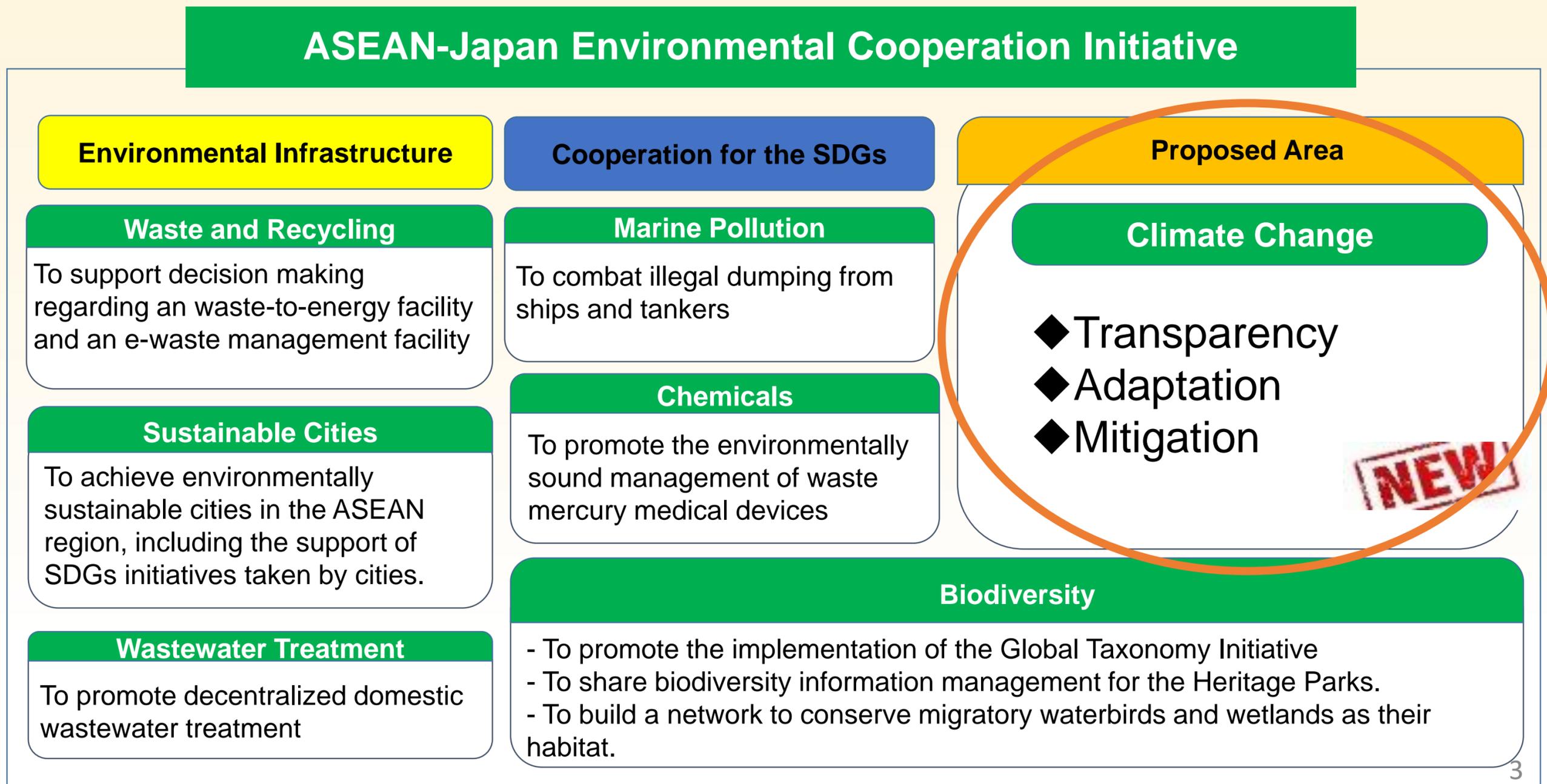
Outline

- Japanese government Initiative on climate change actions for ASEAN
- PaSTI's perspectives
- Current activities under PaSTI
- Experiences in Japan

Climate change action agenda and existing initiative



✓ 3 pillars of activities on climate change in the **“ASEAN -Japan Environmental Cooperation Initiative”**



Japanese government Initiative for climate change actions



ASEAN-Japan Climate Change Action Agenda

Transparency

Partnership to Strengthen
Transparency for Co-Innovation
(PaSTI)

Adaptation

Asia-Pacific Climate Change
Adaptation Platform (AP-PLAT)

Mitigation

Joint Crediting Mechanism (JCM)

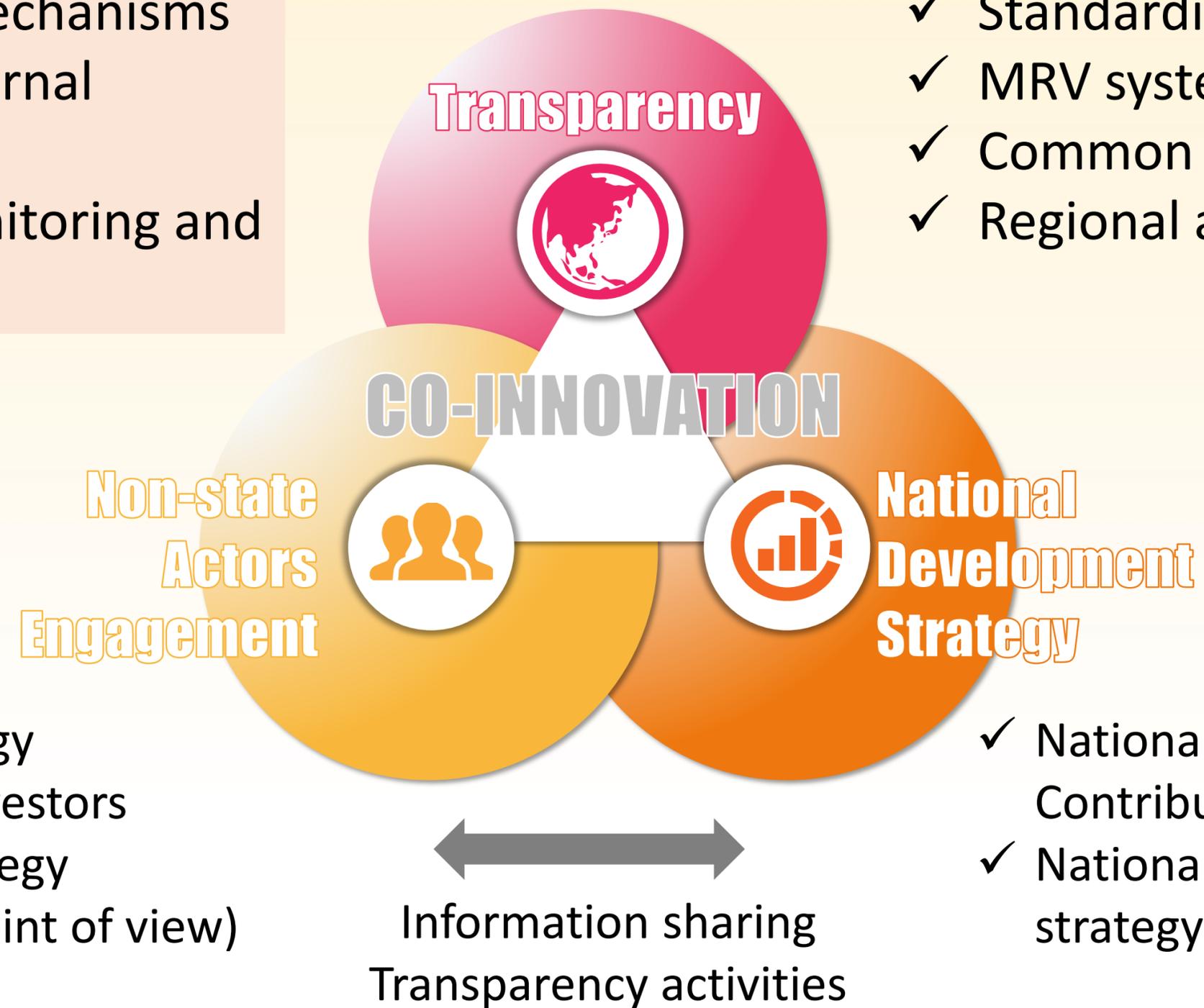
- ✓ To strengthen the regional cooperation on climate change
- ✓ To enhance **Co-Innovation** by using Japanese advanced low/zero carbon and resilient technologies with ASEAN.

PaSTI's perspectives

Concept

- ✓ Incentive mechanisms
- ✓ Building internal capacity
- ✓ Regular monitoring and reporting

- ✓ Standardized guideline
- ✓ MRV system
- ✓ Common reporting format
- ✓ Regional activities



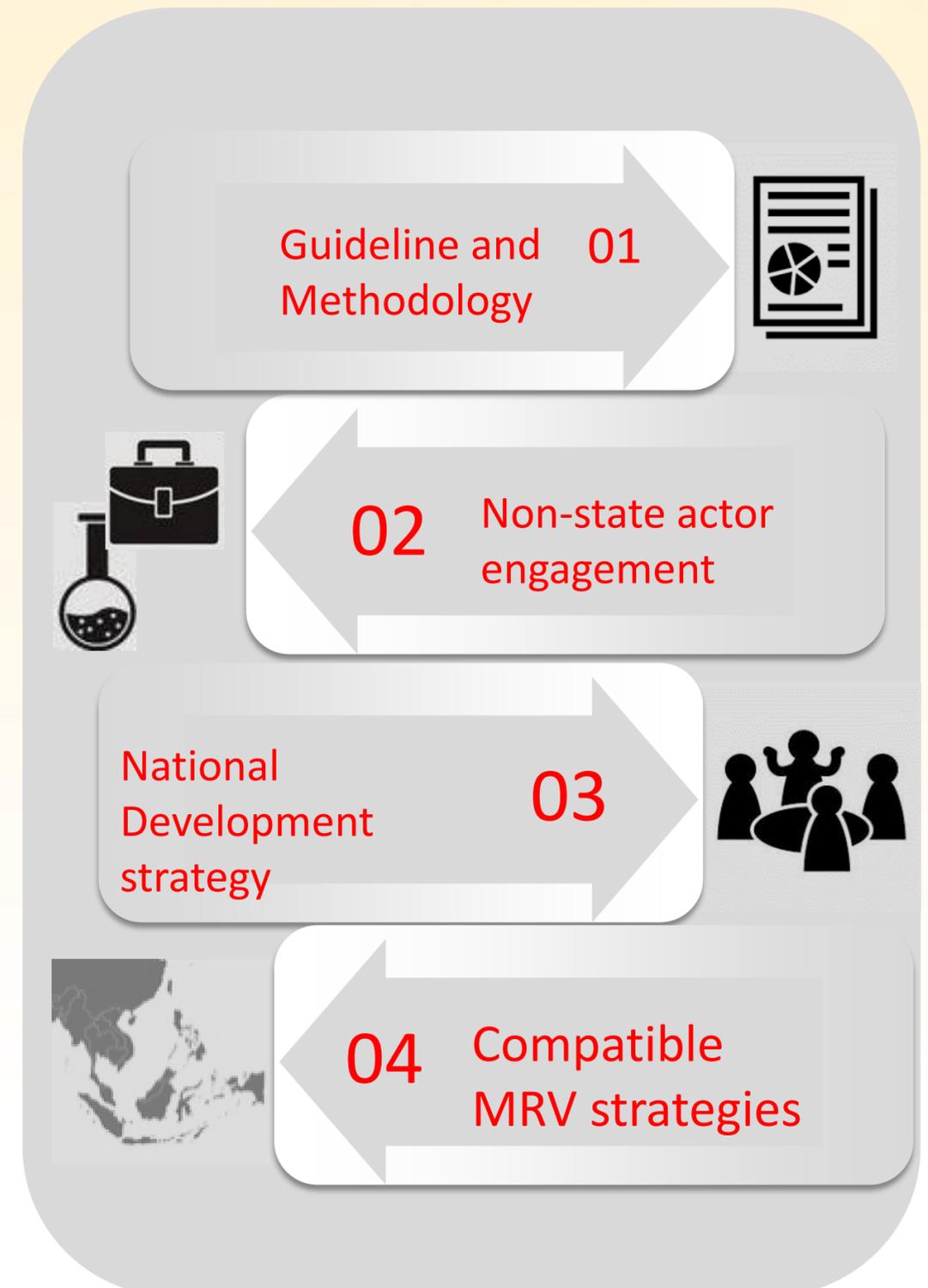
- ✓ Business strategy
- ✓ Institutional investors
- ✓ Marketing strategy (Consumer's point of view)

- ✓ Nationally Determined Contribution
- ✓ National development strategy

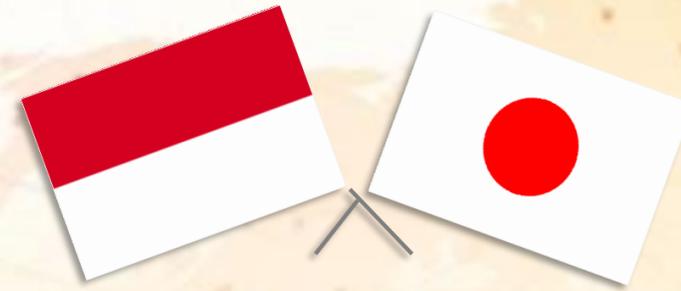
PaSTI's perspectives

Proposed actions in PaSTI

- To support the development and use of critical **tools** including guidelines and methodologies
- To reinforce the initiative of **compatible MRV systems** and enhance cooperative climate actions



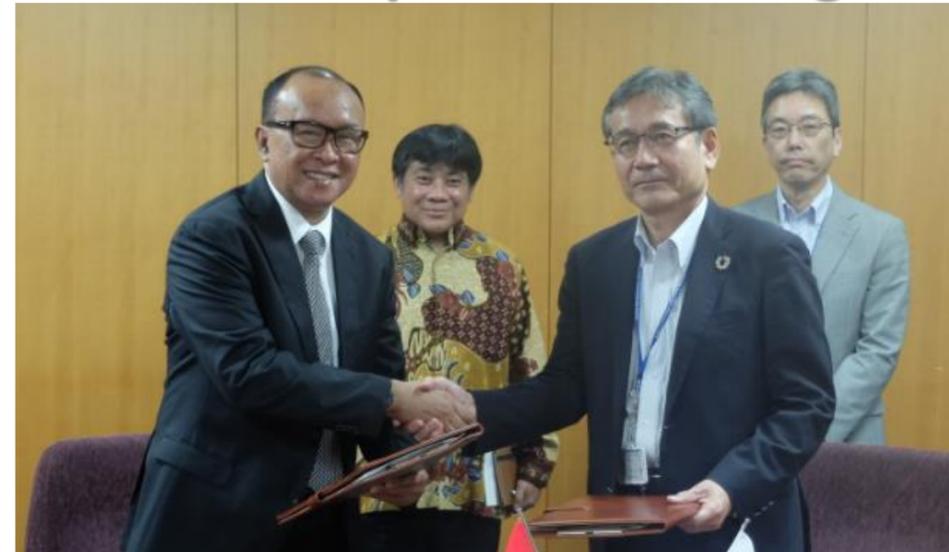
Current activities under PaSTI PaSTI in Indonesia



“Sure” with PaSTI

- In September 2018, MOEJ and the National Development Planning Ministry, Indonesia (BAPPENAS) have signed the Letter of Intent
- This bilateral cooperation reinforces our vision to be sure of ourselves toward the achievement of goals under the Paris Agreement.

Indonesia and Japan bilateral agreement



Left : Dr. Ir. Arifin Rudiyanto, Deputy Minister of BAPPENAS
Right : Mr. Yasuo Takahashi, Vice-Minister of MOEJ

Component of Workplan (Sep 2018-Mar 2020)

Understanding of the
Transparency Framework
with a view to private
sector

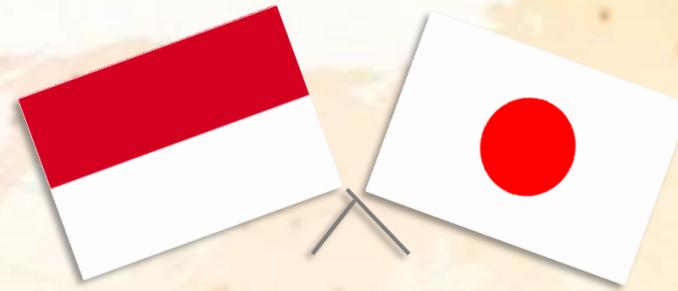
Capacity building
mine Ministry and
relevant stakeholders

Implementation
scheme

Evaluation and
Integrate annual
development plan

Current activities under PaSTI

PaSTI in Indonesia



PaSTI's perspectives in Indonesia

- Given PaSTI is required for active engagement of both government and the private sector, promoting mainstreaming climate change action in Indonesia is highly advantageous and it strengthens PaSTI.
- Indonesia has started with transparency activities in both public and private aspects.
- We believe it is a right time to accelerate and strengthen transparency system as a nationwide action while growing economy in next decades.

Current activities under PaSTI

Multilateral activities



ASEAN member states

Brunei, Cambodia, Indonesia, Lao PDR,
Malaysia Myanmar, Philippines, Singapore,
Thailand, Viet Nam

AWGCC

ASEAN Working Group on Climate Change

Regional Initiative on CI-ACA

“Collaborative Instruments for Ambitious
Climate Action”

Phase 1: Capacity Building

**Phase 2: Needs Assessment /
Study MRV**



**Implementation phase
PaSTI-JAIF**



Development and implementation of facility / company level MRV systems for GHG emissions in ASEAN member states

- Cooperation and consultations with national focal points and relevant stakeholders
- Study on status of **the private sector engagement** in each country and technical training in Japan
- **Designing pilot project**

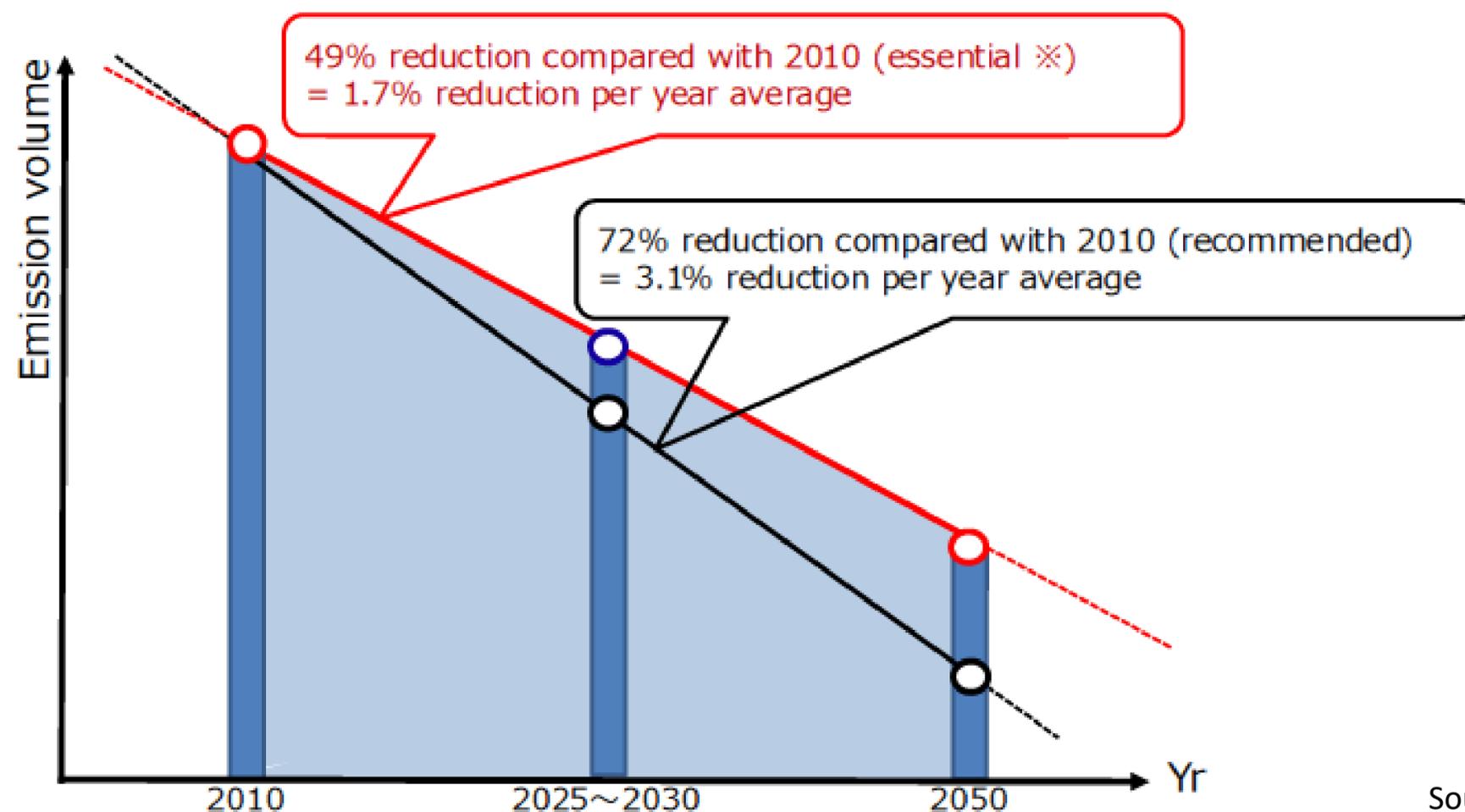
Activities are building by insights from ASEAN member states

Incentive mechanism- Science Based Target (SBT)

It is global initiative that company sets a emission target to keep global temperature increase below 2 degrees C compared to pre-industrial temperature, in accordance with description in the IPCC AR5.

SBT (2°C target set by companies)

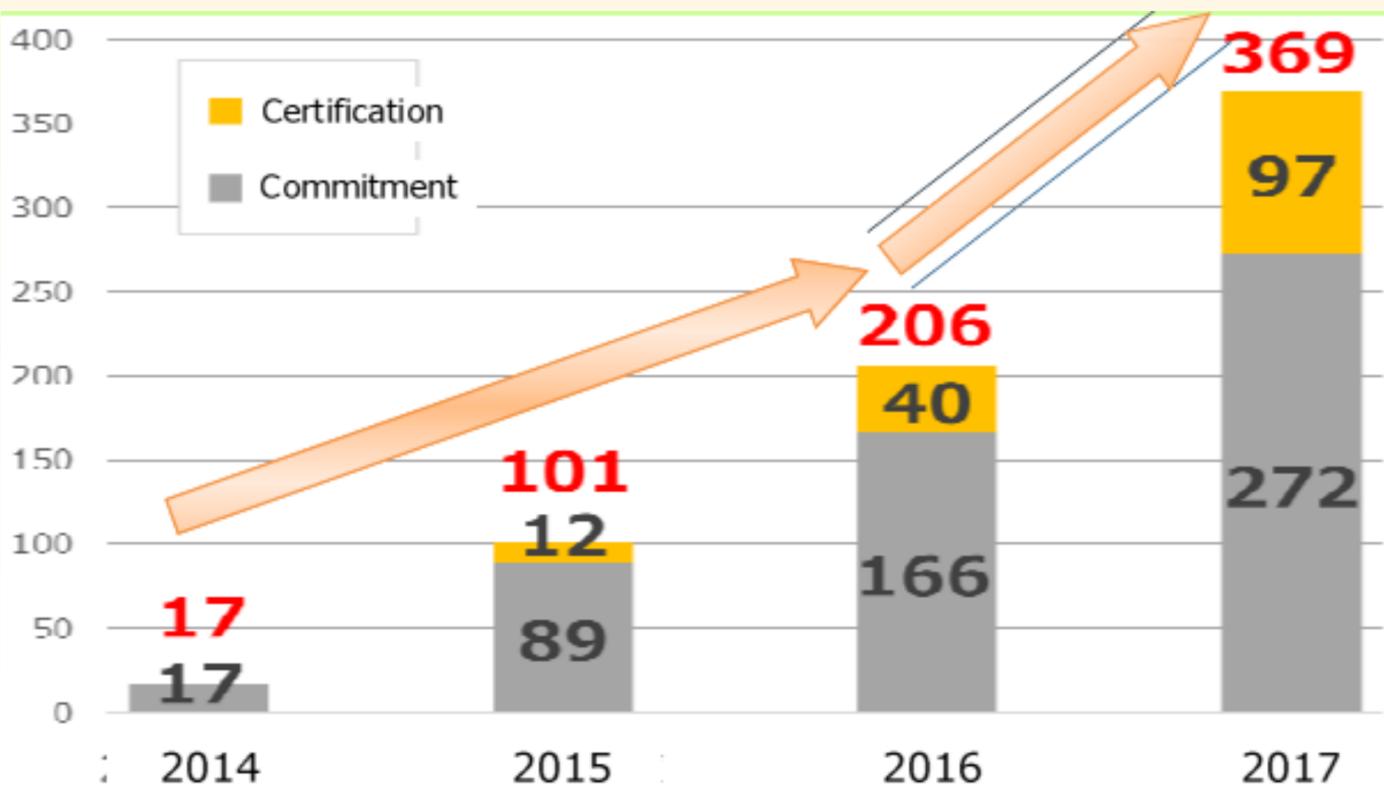
Company sets a goal toward 2025 to 2030 in line with 49-72% reduction target by 2050.



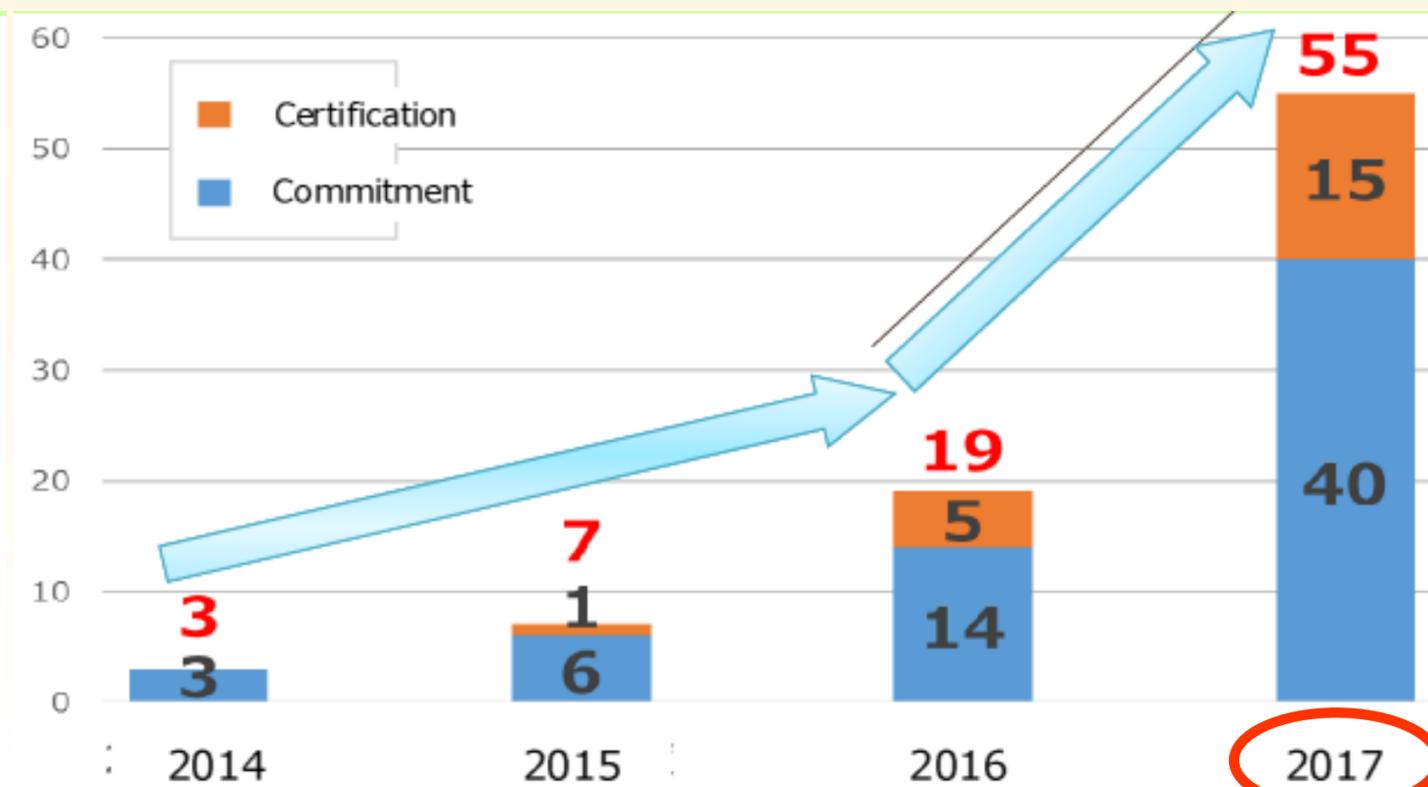
Incentive mechanism- Science Based Target (SBT)

- 57 Companies acquired certification in 2017. The number of committed companies is a net increase of 106 companies
- Rapidly increasing in certification/commitment are observed since 2016.

Global



Japan



MOEJ provided subsidy to selected companies in order to promote the private sector in SBT

Incentive mechanism- Science Based Target (SBT)



26 Japanese companies certified by SBT

Construction :	<u>Sumitomo Forestry Co. Ltd</u> , <u>Sekisui House, LTD</u> , <u>Daiwa House Industry Co., Ltd.</u> , TODA Corporation, LIXIL Group Corporation
Food :	Kirin Holdings Co Ltd , Suntory Beverage & Food Limited, Suntory Holdings Limited, Asahi Group Holdings
Chemistry :	SEKISUI CHEMICAL CO., LTD , Unicharm Corporation
Pharmaceuticals:	Daiichi Sankyo Co., Ltd. ,
Mechanical equipment:	Komatsu Ltd., Nabtesco Corporation
Electric equipment :	<u>Konica Minolta, Inc.</u> , Sony Corporation, Panasonic Corporation, Fujitsu Limited, <u>FUJIFILM Holdings Corporation</u> , Brother Industries, Ltd. , Ricoh Co., Ltd.,
Other products :	<u>ASICS Corporation</u> , <u>Nomura Research Institute, Ltd.</u>
Printing :	<u>Dai Nippon Printing Co., Ltd.</u>
Marine industry :	Kawasaki Kisen Kaisha, Ltd., <u>Nippon Yusen</u>
Retail :	<u>MARUI GROUP CO.,LTD.</u>
Service :	Dentsu Inc.

Companies with underline were supported by the MOEJ in 2017

Incentive mechanism- Science Based Target (SBT)



List of 37 Japanese companies intends to commit SBT in 2 years

Construction :	<u>Shimizu Corporation</u> , <u>Taisei Corporation</u> , <u>Daito Trust Construction Co., Ltd.</u>
Food :	<u>Ajinomoto Co., Inc.</u> , FUJI OIL HOLDINGS INC.
Chemistry :	<u>KAO Corporation</u> , <u>SUMITOMO CHEMICAL Co., Ltd.</u> , <u>Zeon Corporation</u>
Pharmaceuticals:	<u>Astellas Pharma Inc.</u> , <u>Eisai Co., Ltd.</u> , <u>Otsuka Pharmaceutical Co., Ltd.</u> , Takeda Pharmaceutical Company
Rubber products	<u>Yokohama Rubber Company, Limited</u>
Glass and stone products	Nippon Sheet Glass Co (NSG Group)
Mechanical equipment:	<u>YKK AP Inc.</u>
Metal products	<u>Daikin Industries, Ltd.</u> , <u>Hitachi, Ltd.</u>
Machinery:	<u>OMRON Corporation</u> , <u>Seiko Epson Corporation</u> , <u>NEC Corporation</u> , Hitachi Construction Machinery Co. LTD, Mitsubishi Electric Corporation, Yamaha Corporation
Electric equipment :	<u>Toyota Motor Corporation</u> , <u>Nissan Motor Co.</u> , <u>Honda Motor Company</u> , <u>YAMAHA MOTOR CO., LTD.</u> , <u>UK-NSI Co.</u>
Information and communication :	<u>NTT Docomo Inc.</u> , <u>KDDI Corporation</u> ,
Retail:	AEON Co., Ltd
Finance and insurance	<u>MS&AD Insurance Group Holdings, Inc.</u> , <u>Sompo Holdings, Inc.</u> , Tokio Marine Holdings, Inc.
Service industry	<u>Benesse Corporation Co., Ltd.</u>

Companies with underline were supported by the MOEJ in 2017

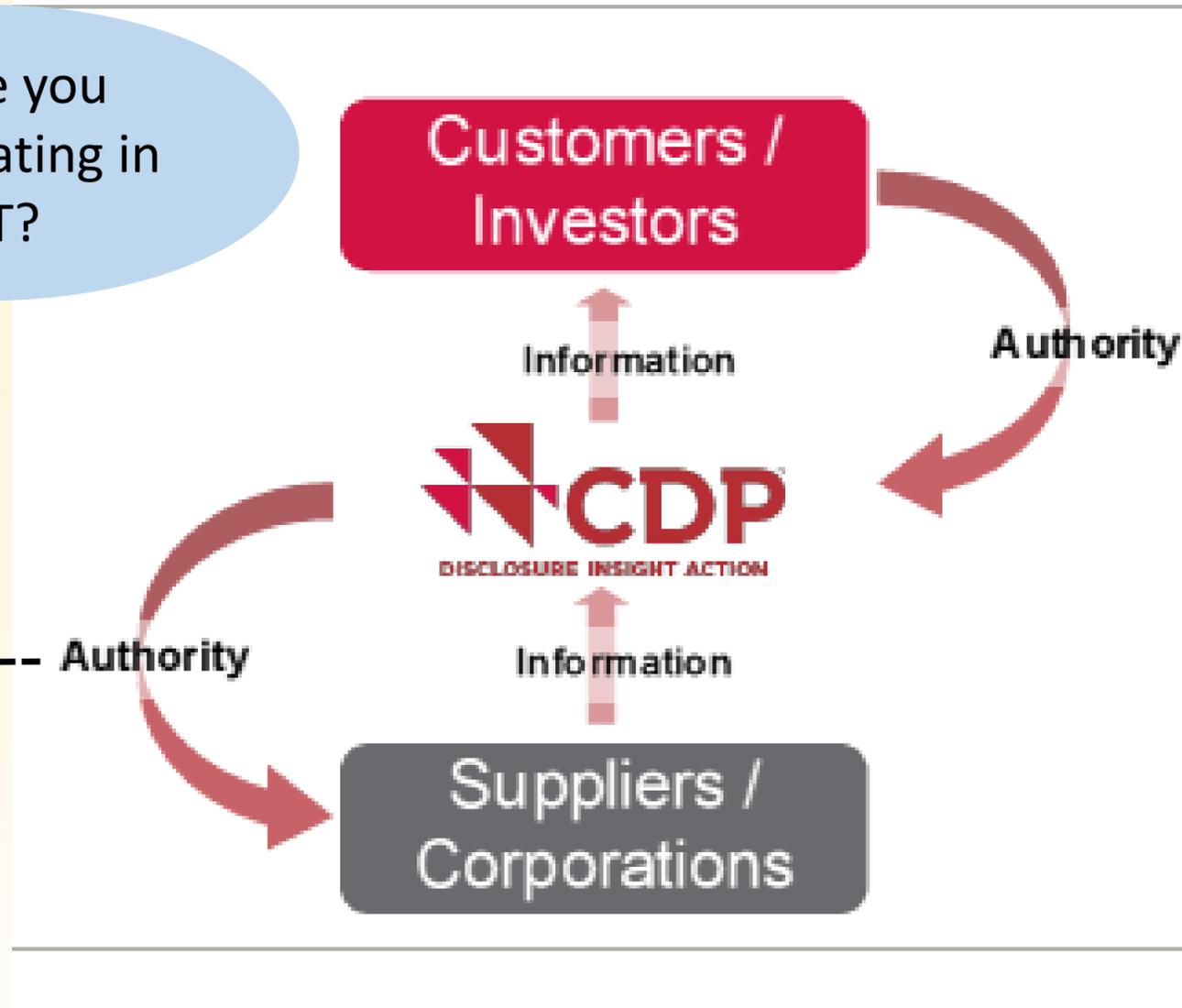
Incentive mechanism- CDP

Questionnaire

- C0. Introduction
- C1. Governance
- C2. Risks and opportunities
- C3. Business strategy
- C4. Targets and performance
- C5. Emissions methodology
- C6. Emission data
- C7. Emissions breakdown
- C8. Energy
- C9. Additional metrics
- C10. Verification
- C11. Carbon pricing
- C12. Engagement
- C13. Other land management
- C14. Signoff

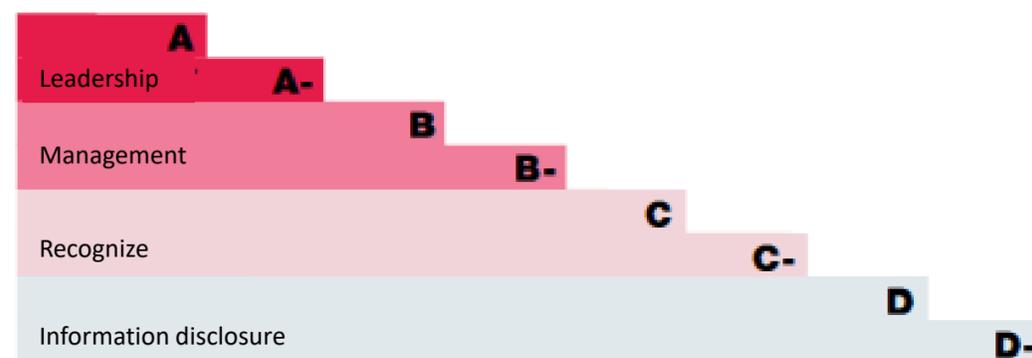
Q. Are you participating in SBT?

Score is uploaded on the CDP website



Name	Response	Year	Status	Score
Ajinomoto Co.Inc.	Climate Change 2017	2017	Submitted	A-
Alfresa Holdings Corporation	Climate Change 2017	2017	No Respons	F
Alps Electric Co., Ltd.	Climate Change 2017	2017	Submitted	C
Amada Holdings, Ltd.	Climate Change 2017	2017	Submitte	C
ANA Holdings Inc.	Climate Change 2017	2017	Submitted	A-

CDP scoring system



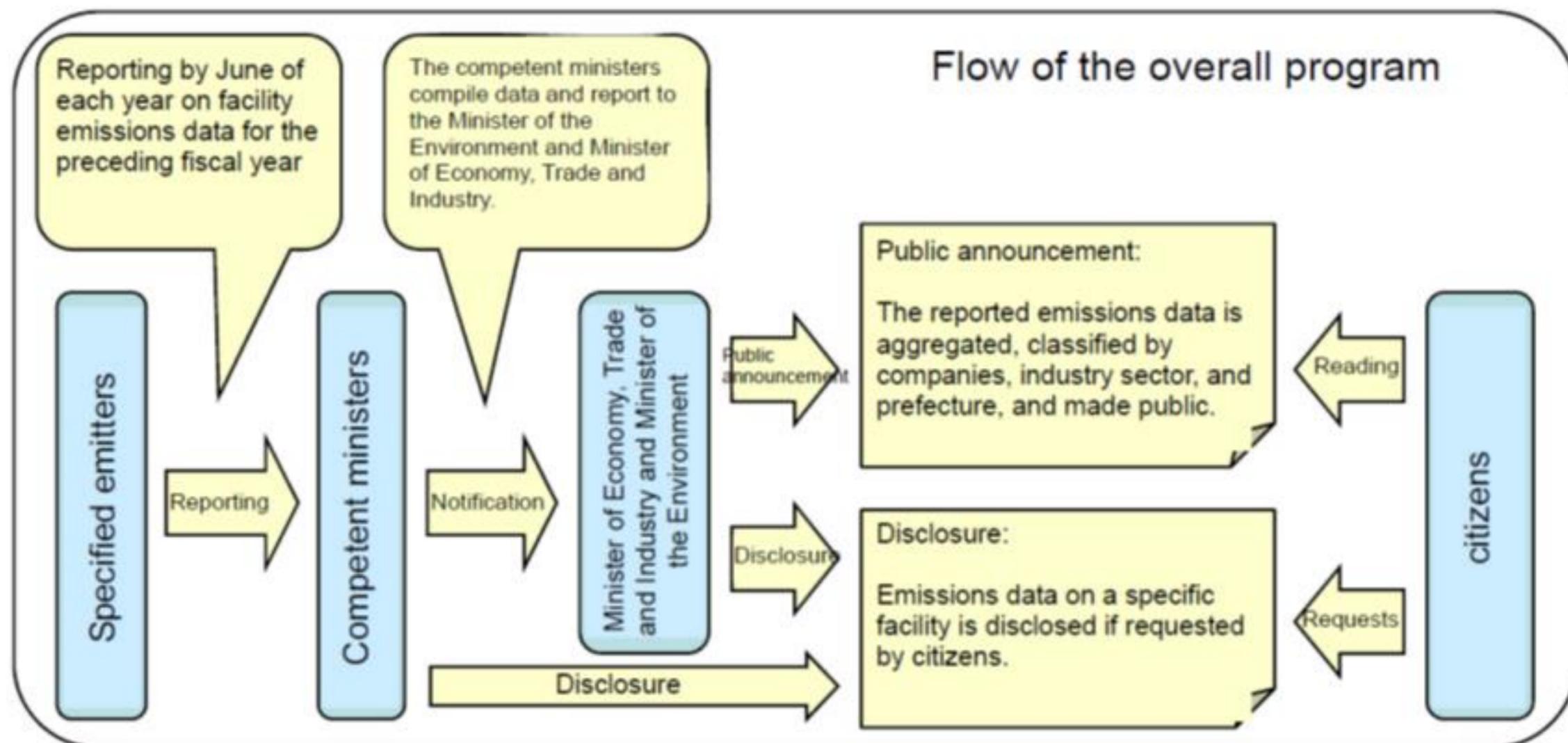
How can we mobilize the private sector to climate action?



- Interview to the Private sector (13 companies (9 in Japan, 4 in Indonesia))
- Global companies concern on carbon disclosure / environmental issue
 - Scoring by CDP and use of SBT
 - Some institutional investor request companies to disclose information
- Linkage between business strategy and climate change action
 - Business strategies are along with SDGs and Paris Agreement, i.e. 2030, 2050 long term target
- Many of companies are still limited in cross-border actions
 - Many difficulties to implement cross-border activities; national circumstances, compliance, available data set, different regulations
 - Good observation: sharing information among companies

Incentive mechanism- Mandatory Greenhouse Gas Accounting and Reporting System

Pursuant to the Act on promotion of Global Warming Countermeasures (1998), Mandatory Greenhouse Gas Accounting and Reporting System (2006) requires entities that emit considerably large amounts of greenhouse gases ("specified emitters") to calculate their greenhouse gas emissions and report the results to the government, which compiles the reported data and announces the results.



Action taken by Japanese Business Federation (KEIDANREN)



KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,376 representative companies of Japan, 109 nationwide industrial associations and 47 regional economic organizations (as of May 31, 2018).

Mission: Support corporate activities which contribute to the self-sustaining development of the Japanese economy and improvement in the quality of life for the Japanese people.

Policy proposal in Environment (partial)

Year	Action	Description
April 1991	Keidanren Global Environment Charter	
June 1997	Keidanren Voluntary Action Plan on the Environment	<ul style="list-style-type: none">• Voluntary basis,• Wide range of sectors,• Setting target,• Reporting system
Dec 2009	Commitment of low carbon society	<ul style="list-style-type: none">• Setting reduction targets for domestic business operations by 2020
April 2015	Commitment of low carbon society, Phase II	<ul style="list-style-type: none">• Strengthening cooperation with other interested groups• Contribution at global level• Development of innovative technologies

PaSTI website and leaflet



Latest information will find at.....

■ PaSTI website is opened!!

<https://www.oecc.or.jp/en/pasti/index.html>

■ PaSTI leaflet in Dec 2018

PaSTI Activities

Year 2019			
Date	Venue	Title	Resources
Feb.	-	Enhance MRV for the private sector	Webinar
Feb.	TBC	PaSTI ASEAN Meeting	Meeting
Jan.	Jakarta, Indonesia	2nd Indonesia-Japan Policy Dialogue	Meeting
Jan.	-	Driving ambition: SBT and leveraging other initiatives	Webinar
Year 2018			

What is PaSTI? – the Partnership to Strengthen Transparency for co-Innovation –

In order to pursue effective implementation of the Paris Agreement to achieve progress towards the long-term goal, it is indispensable that the national reports are developed

PaSTI Partnership to Strengthen Transparency for co-Innovation
December 2018

PaSTI - the Partnership to Strengthen Transparency for co-Innovation -
The PaSTI supports developing countries to strengthen transparency action with promoting the engagement of non-state actors, based on utilization of low-carbon technologies and know-how in a collaborative and co-innovative manner (“co-innovation”).

WHAT - Goal of PaSTI

The PaSTI aims to deliver three key outputs.

- 1) Promoting the engagement of non-state actors such as private companies and local governments with incentive mechanism
- 2) Enhancing the capacities and institutional structure in each country under their national development strategies
- 3) Strengthening and streamlining the transparency action at subnational, national and regional level

WHY – Background of PaSTI

Under the Paris Agreement, it is indispensable to enhance transparency of reporting climate change actions to ensure mutual trust and understandings among countries. In particular, engagement of non-state actors is essential for reporting system, innovative climate actions, and risk reduction. The PaSTI, established in 2017 by the Ministry of the Environment Japan (MOEJ) in collaboration with World Resources Institute (WRI), encourages non-state actors to contribute to low carbon society with promoting the linkage among stakeholders.

OECC, Ministry of the Environment, WORLD RESOURCES INSTITUTE

Thank you for your attention



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PaSTI webpage:

<https://www.oecc.or.jp/en/pasti/index.html>