

**IPCC Symposium**  
**Business Sector's Efforts and Expectation for IPCC**

**The Chairman of Working Group on International Environmental  
Strategy, KEIDANREN (Japan Business Federation)**

**Hiroyuki Tezuka**

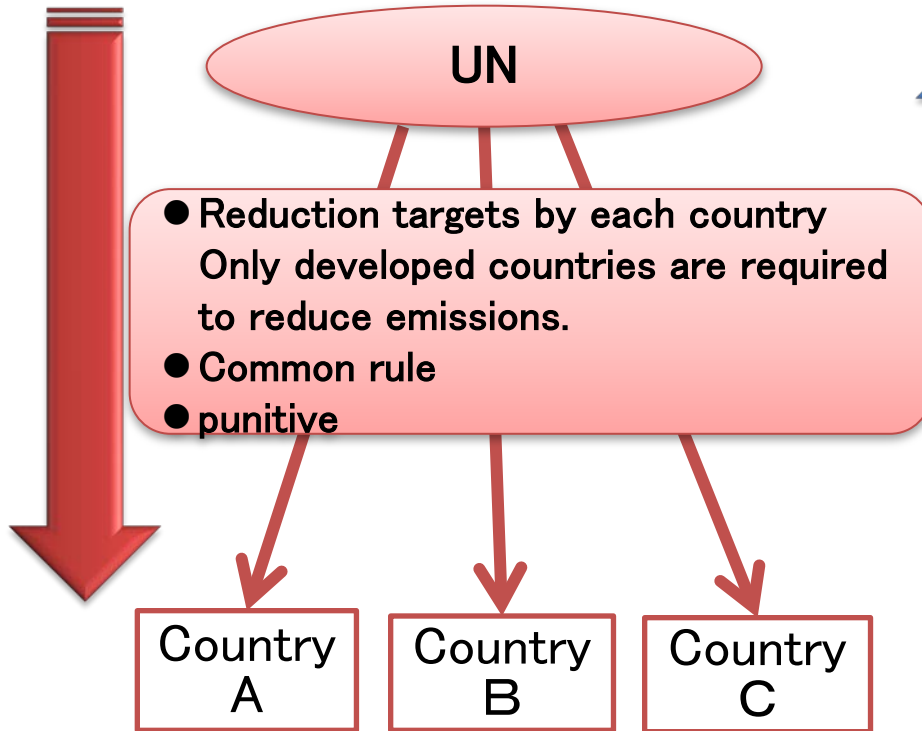
# Scheme of Paris Agreement

## Kyoto Protocol

Top-down approach/ Kyoto Protocol)

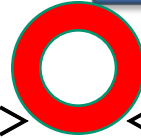


<Participants: Other than US and developing countries such as China>

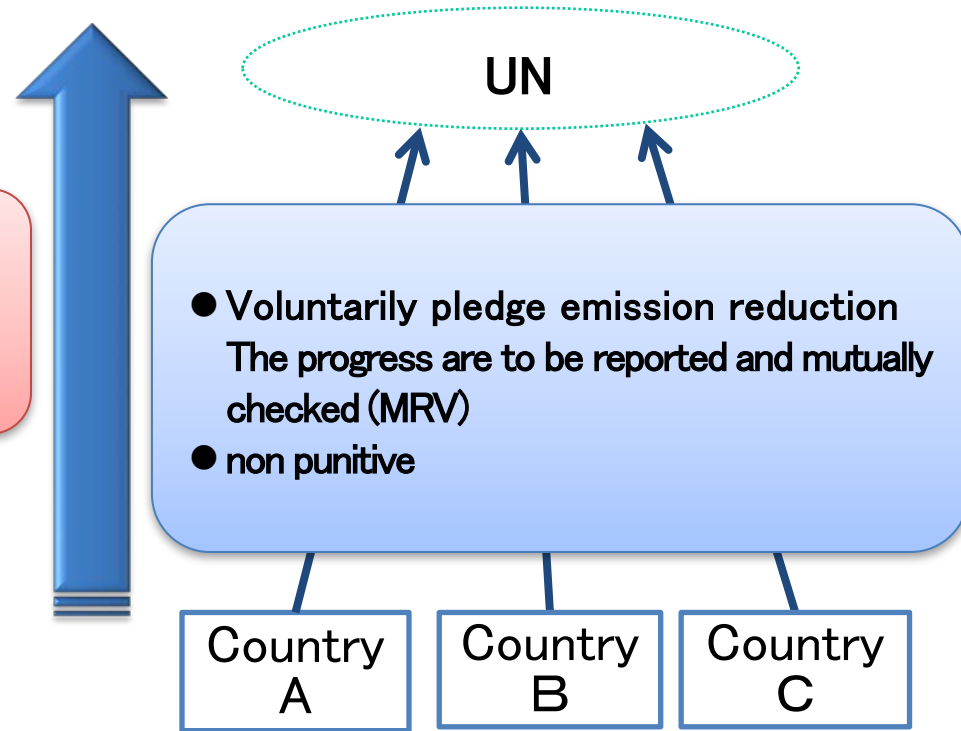


## Paris Agreement

Bottom-up approach/ Pledge & Review scheme

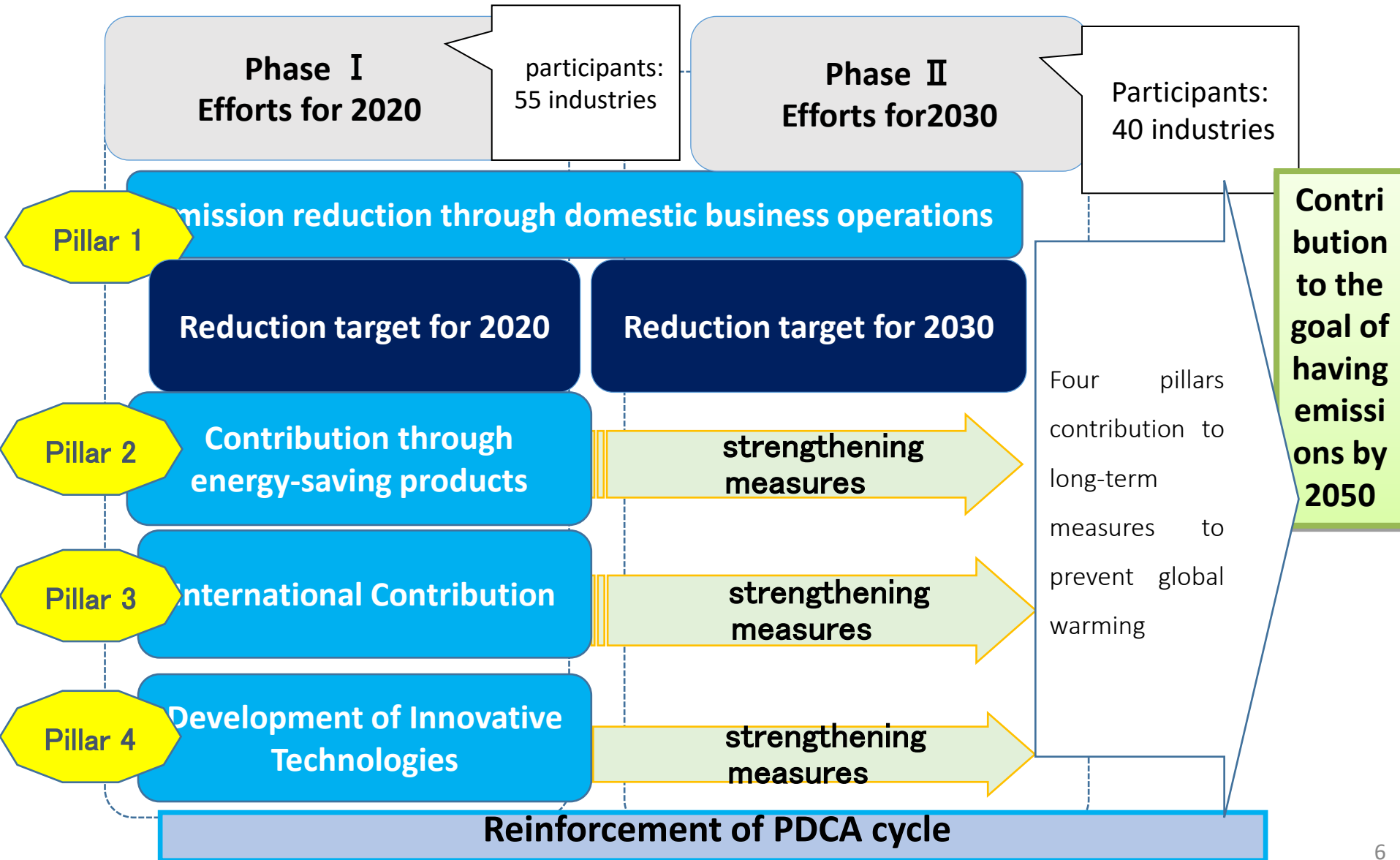


<Participants: all major emitting countries including US and China>



*the same scheme as Keidanren Voluntary Action Plan*

# Keidanren's Commitment to a Low Carbon Society



# Emission Credit : Way of thinking in Kyoto Protocol era

Target year 2030

$$\boxed{\text{Global Emissions}} = \sum \text{Emissions from developed Countries} + \sum \text{Emissions from developing Countries}$$

Emissions

— Emissions reduction from base year

— Carbon credit

(=Emissions reduction from developing countries )

BAU emissions (=GDP × emission intensity)

— INDC emissions reduction

+ Carbon credit

(= Emissions reduction by the support from developed countries )

*In Kyoto era, developing countries have no obligation to reduce emissions  
→ Transfer emission credit of developing countries to developed countries.*

*Under Paris Agreement where developing countries have also NDC, transfer of emission credit will be more cautious?*

# International cooperation under Paris Agreement?

In target year (2030)

**Global emissions** =  $\Sigma$  Emissions from each country

Existing emissions

+ Increase (decrease) of BAU emissions in target year

— Reduction through future efforts

Self reduction

+ Reduction through international cooperation

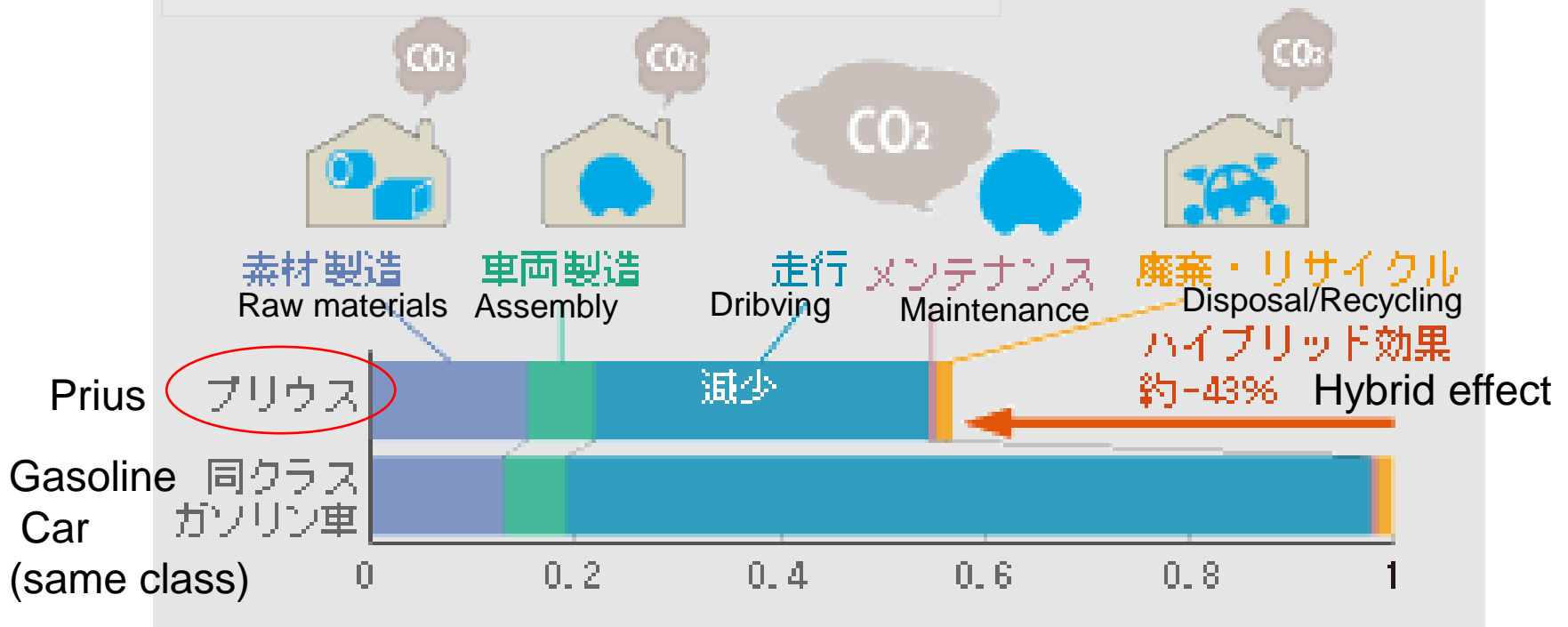
- *Reductions through technology deployments and innovations are more effective under international cooperation.*
- *“Facilitation and enlargement of cooperation” is more important than how to distribute emission credits under cooperation.*

# Eco-Products: Contribution through development of products

*To de-carbonizing the whole society, assessing the measures from the viewpoints of total lifecycle is necessary.*

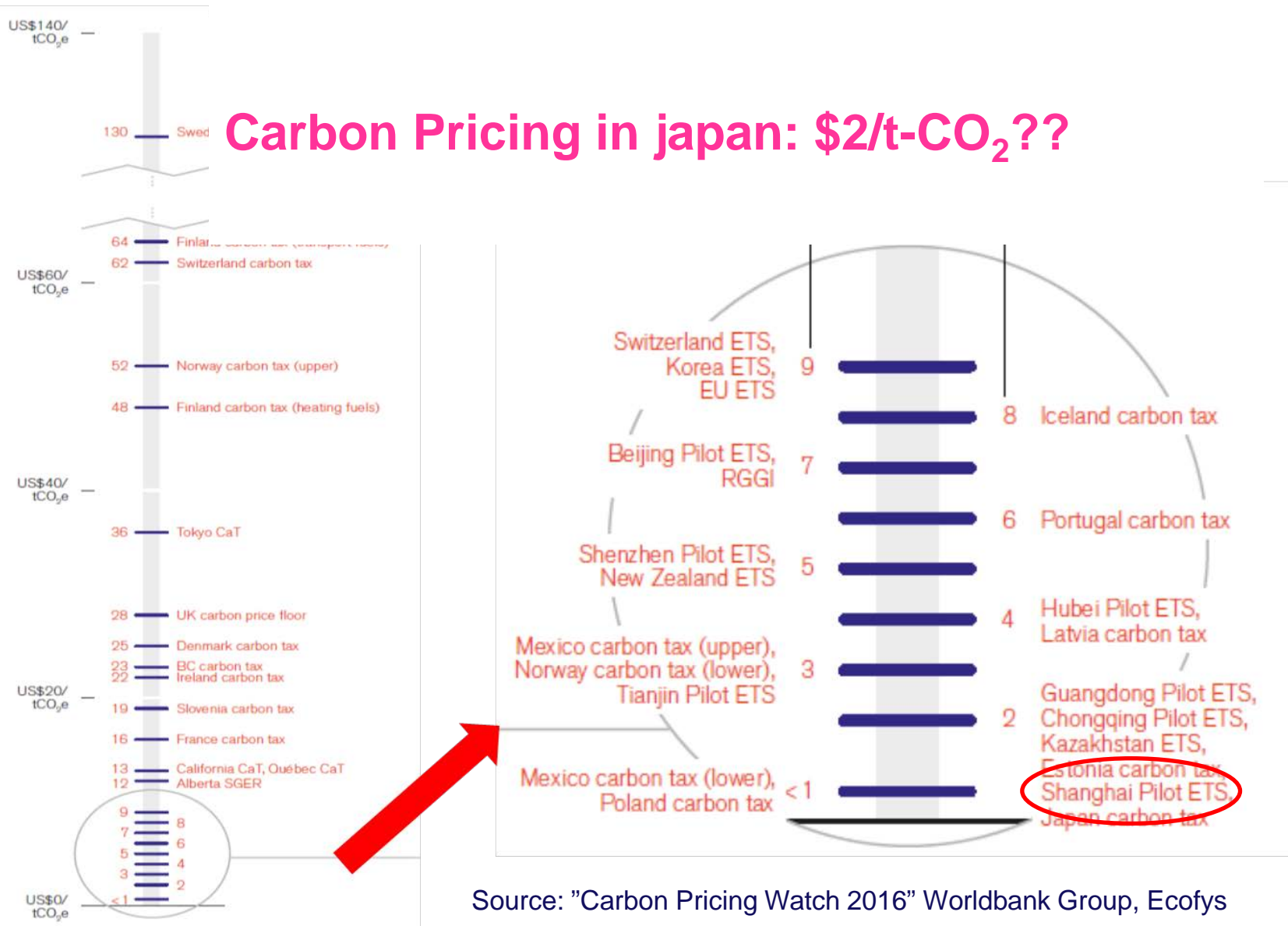
## Case of CO2 emission by steel product cycle

### LCA assessment of Prius



# Carbon Pricing (WorldBank)

Carbon Pricing in Japan: \$2/t-CO<sub>2</sub>??



Source: "Carbon Pricing Watch 2016" Worldbank Group, Ecofys

# Implicit carbon pricing

Carbon pricing =  
Explicit carbon pricing  
+ Implicit carbon pricing

FIT Levy  
Equivalent to 50,000 yen/t-CO<sub>2</sub>  
Increase in future

## Explicit Carbon Tax

Tax for tackling Global Warming  
289 yen/t-CO<sub>2</sub>

Energy Tax etc.  
Equivalent to 4,000 yen/t-CO<sub>2</sub>

