

Pledge and Review Systems

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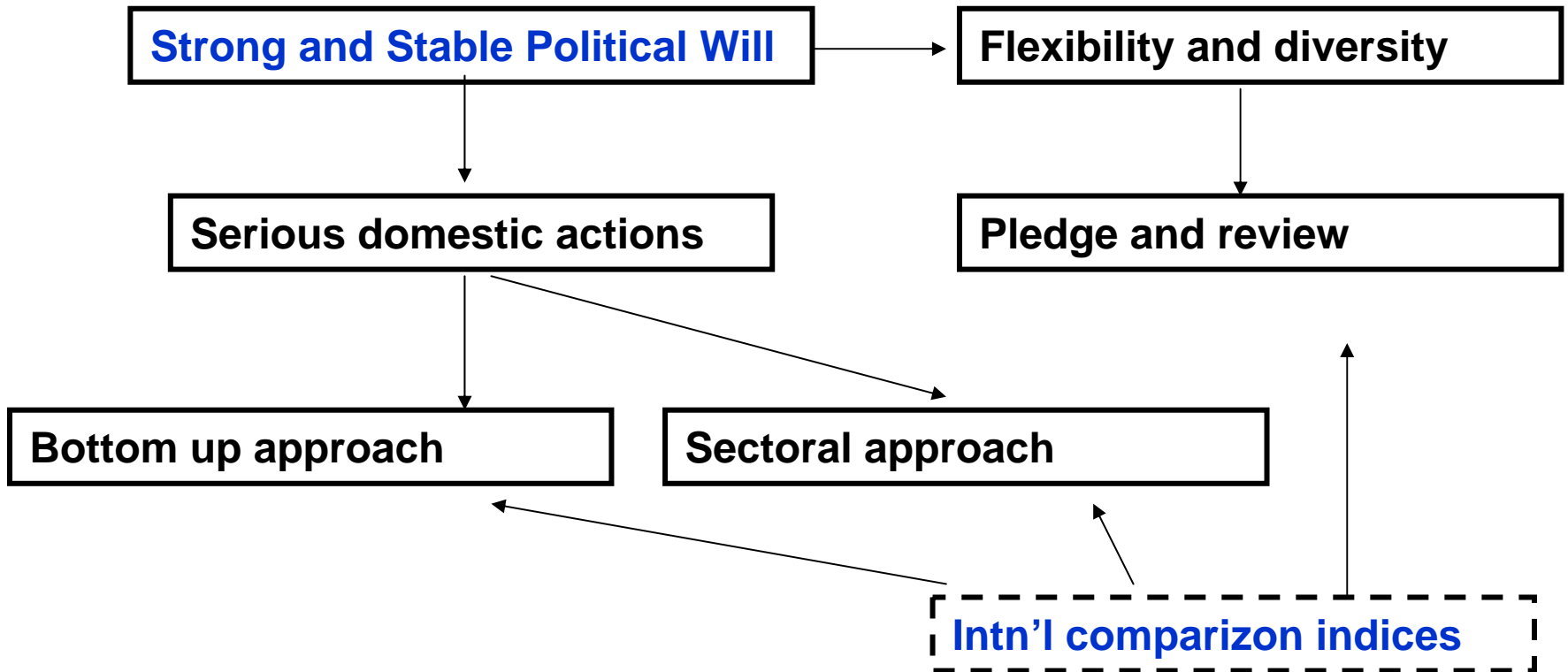
www.climatepolicy.jp

Concepts

True Nature of International Climate Treaty

- Domestic policies matter! (target, plan, regulation, tax, subsidies..)
- The role of international treaty is to legitimize each country to sustain her political will and enhance domestic policy continuously
- No global government – commitment and implementation are voluntary
- International cooperation is minor part in the entire technological development and diffusion chain.

Concepts of Post-Kyoto



Strong and stable political commitment

International tool:

1. Dedicated meetings and joint declarations by the key national leaders.
 2. Institutionalization (organization, process) to stabilize political commitment
- * Beyond “more participation”

Flexibility and diversity necessary for strong and stable political commitment

- Japan, US, Europe (+China etc) can agree to ambitious actions only if the agreement accommodates their differences of regulatory framework.
- Kyoto-style “target and time table” can not secure ambitious commitment of the key countries.

“Pledge and review” is the system to operate “Flexible and diverse” framework

- “Pledge and review” is the system in which countries voluntarily pledge, implement and review domestic policies, subject to mutual scrutiny.
- “Pledge and review “ is the logical consequence when countries want to seriously operate “flexible and diverse” framework.

Sectoral & bottom-up approach is logical consequence of serious climate policy

- If one is serious with climate policy, **sectoral** analyses of individual technological measures and R&D needs in **bottom-up** manner are prerequisite.
- Top-down target setting without sectoral & bottom-up analyses are often irresponsible and lack implementation.

Two definition of sectoral

- Broad definition

Sectoral approach as the order of analysis. Sectoral policies are analyzed at first, and then national policy as the aggregation of them, to secure feasibility of national policy.

- Many proposals/ variations

- Setting efficiency target for sectors
- Information exchange and business-base cooperation under AP6.
- GATT/WTO model(Murase)
- Sawa Proposal

“Commitments to actions” are logical consequence of “serious climate policies”

- Commitments to actions mean: promises to implement policies (e.g. regulations, tax, subsidies) whose feasibilities are analyzed by sector and by technology
- Serious commitments for national emissions are impossible due to large uncertainty. Serious commitments are possible for actions to implement specific policies.
- In some sectors with proven technological options, commitments to actions can take the form of target & timetable. (eg. ODS, SF6)

Scenario

Trilateral Leadership Scenario

1. Political agreement
2. Efficiency first
3. Technology market transformation:
Involvement of developing countries
4. Sustained enhancement of domestic policies

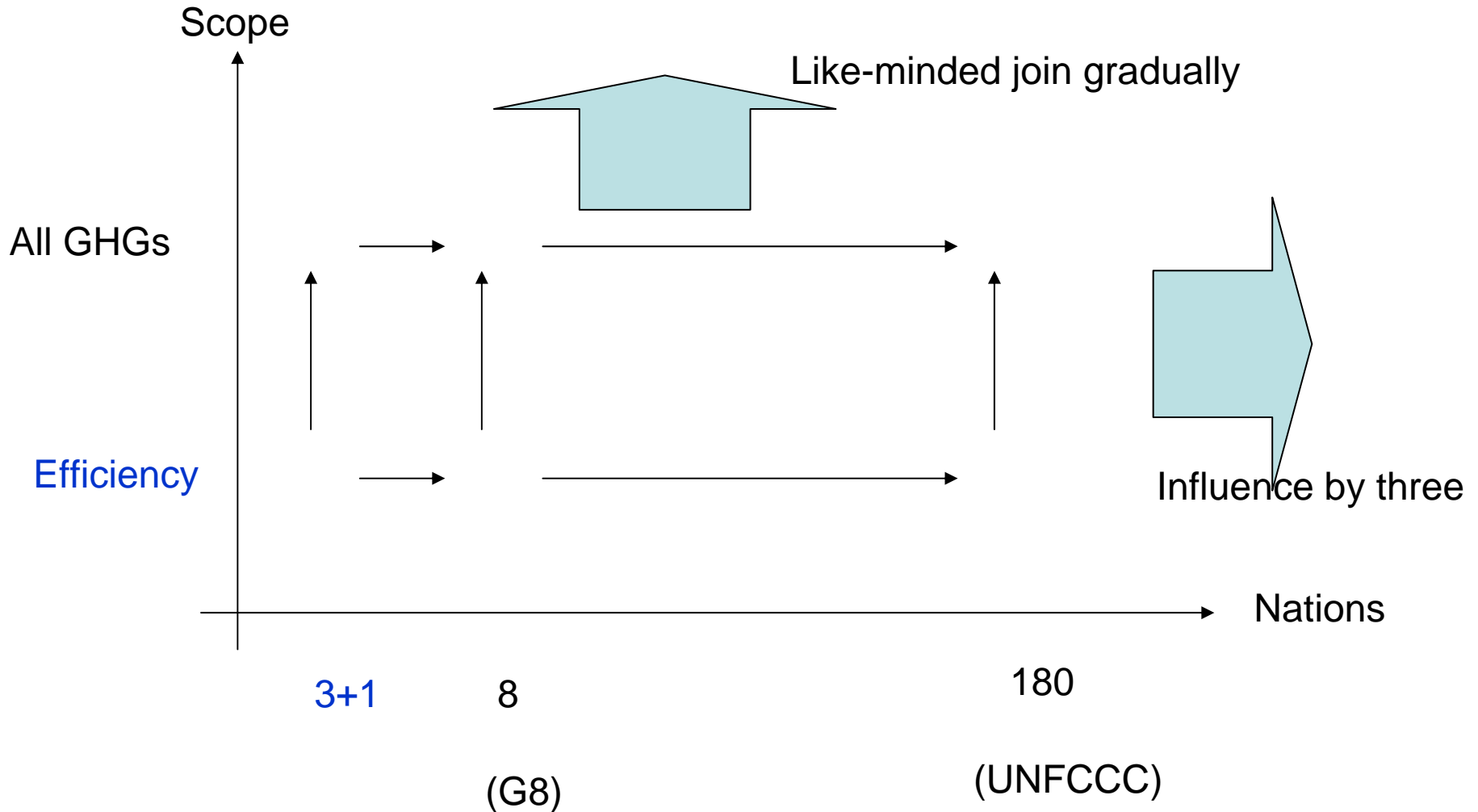
1. Trilateral Political Agreement

1. **[Basic Concept]: The three parts agree that mitigating climate change is important and continuously enhance domestic policies.**
2. **[Securing Political Commitments] Trilateral leaders meet annually to enhance domestic policies**
3. **[Institutionalization] Enhance domestic and international organization to review domestic policies.**
 - **Agreement is simple, but political commitment is strong and stable.**
 - **Gradually expand the scope and members.**

Cf. Realizing the Potential of Energy Efficiency

Targets: Policies, and Measures for G8 Countries, UN Foundation.

From efficiency” to “global climate”



Why 3+1?

- Developed countries are not in position to seriously implement domestic policies *and* aid developing countries at the scale they want.
- The US will form domestic policy by 2010, which is not compatible with Kyoto Protocol.
US and Japan can agree and invite key European countries and China.
- The rest of the world can be involved once strong trilateral alliance is formed.

2. Efficiency First

- Many benefits
- Early agreement possible among Japan, US, Europe and China
- Other developing countries can join

Caveat: don't try uniform regulation!
Each has its own efficiency policy already. Details of enhancement should be also of each own.

3. Global Technological Market Transformation

Serious commitments by US, Japan and Europe result in global change:

- **Common expectation for technologies**

“Inefficient appliances can not make money”
manufacturing countries, including China, will voluntarily enhance domestic policies.

- **Transfer of technology policy**

eg. Automobile pollution, desulfurization.

- **Positive feedback**

Active R&D and mass-production of efficiency technologies on global scale bring the costs down and enable more ambitious policies of all.

4. Continuously enhance domestic policies

1. Do not put too much emphasis on comparison indices! What matters is to enhance domestic policies under cooperative atmosphere.
2. No single index is perfect due to data availability and national circumstances. Many indices should be developed:
 - Efficiency (power, steel, some home appliances)
 - CO₂ per energy, national GHG emissions, CO₂ per GDP,
 - Share of specific energy source (nuclear, hydropower, solar, ..)
 - Energy retail price by sector
 - (Carbon price is not a well-defined index)

Caveat to the indices

- Penalizing “poor” by simple comparison of indices, through emission quota or any other means, is neither scientific nor productive.
- Let the countries discuss, domestically and internationally, how the indices can be improved, and let each country seriously reconsider and implement her domestic policy in the pledge and review system.

Similar policy vs. Comparable policy

Similar policy

- implement the same regulatory framework (eg. Emission trading)

Comparable policy

- implement different regulatory framework, but continuously try keeping the pace of countries

“Similar policy” can not secure strong and stable political commitments.

For more info:

Cooperative Climate: Energy Efficiency Action in East Asia

Taishi Sugiyama, Stephanie Ohshita, IISD, 2006

http://www.iisd.org/pdf/2006/climate_cooperative.pdf

続・これが正しい温暖化対策

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