

**Toward a Low-Carbon Society:
Proposal to Japanese Government on Climate Policies
(Version 2)**

Japan Center for a Sustainable Environment and Society
ABSTRACT (March 2008)

1. The current situation of climate change

- * Global warming is actually taking place.
- * Human-caused greenhouse gas emissions and CO₂ concentration in the atmosphere continue to increase.
- * Continued global warming has been predicted to cause serious damages on human livelihood. The damages far exceed the costs of measures to combat global warming.

2. Setting goals

- * Japan should decide on a mid-term goal as soon as possible and show its commitment to the world. Introduction and strengthening of policies are necessary to guarantee target achievement.
- * In order to meet the target under Kyoto Protocol, Japanese government should not just rely on companies and households' voluntary efforts and Kyoto mechanisms; Japan should improve its Kyoto Protocol Target Achievement Plan and strengthen its domestic policies.

3. Japan's climate change policies

- * To achieve emissions reduction goals, besides companies' voluntary actions, it is important to differentiate companies based on their efforts to reduce emissions. In addition to the mutual agreements between companies and government through the Voluntary Action Plan, policy instruments that guarantee the effectiveness of emissions reduction (e.g. carbon taxes, domestic emissions trading and energy efficiency regulations) are necessary.
- * To achieve the targets under Kyoto Protocol, it is necessary to strengthen domestic policies while using Kyoto mechanisms to supplement domestic actions. It is important to strengthen the quality control and monitoring system of CDM/JI activities. Activities such as the hot air deals should be avoided.
- * Emissions trading schemes on the national or regional levels have been introduced in EU and the U.S. Although how to set a fair cap is still under examination and discussion, it is possible to utilize the emissions trading scheme to effectively reduce emissions in an economically efficient way. As part of the policy mix, it is necessary to accelerate constructive debates on the domestic emissions trading in Japan.
- * There is an urgent need to introduce carbon taxes in Japan, in order to achieve a fair economy where free riders problems can be avoided and both businesses and households are rewarded based on their emissions reduction efforts. Government, political parties and companies should work together to construct a comprehensive policy system to combat climate change.