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Climate Change Policy Outlook and Challenges for 2018

<Summary>

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COP23 Overview

1. From November 6 to 18, the twenty-third session of the Conference of Parties to the United Nations Framework Convention on Climate Change, or COP23, took place in Germany's Bonn, with Fiji taking the President. At COP23 accompanied by meetings of the UNFCCC subsidiary bodies and the Ad Hoc Working Group on the Paris Agreement, great progress was sought toward working out the rulebook for the Paris Agreement.
2. The Paris Agreement includes mitigation (emission reduction), adaptation and finance as key elements. As for adaptation and finance, to which developing countries give priority, fora to consider the rulebook for implementing the Paris Agreement had been unclarified. At COP23, developing countries proposed additional agenda items on the assessment of developed countries' mitigation efforts and provision of financial resources pre-2020, and on finance post-2020.
3. The Ad Hoc Working Group on the Paris Agreement, which considers the rulebook for implementing the agreement, compiled a 265-page informal note that was written by the co-facilitators responsible for the respective agenda items and attached to the APA conclusions. At the same time, the APA concluded the Co-Chairs would issue a document on an overview of this session and options for the way forward by April 2018. Based on the outcomes of the UNFCCC subsidiary bodies and the APA in April-May 2018, the COP President will consider whether to hold an additional meeting before COP24 in December 2018 in Poland's Katowice to complete the work programme for implementing the Paris Agreement.
4. At COP23, "facilitative dialogue" in 2018 for assessing progress in efforts to achieve long-term mitigation goals was named "Talanoa dialogue." "Talanoa" is a traditional word used in the Pacific to reflect a spirit of inclusive, participatory and transparent dialogue. The dialogue was set to start in January 2018.

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5. As developing countries have been requesting to balance finance and adaptation with mitigation, and to balance measures pre-2020 with those post-2020, it may be difficult to complete the work programme for implementing the Paris Agreement by COP24 in 2018.
6. The United States has started procedures to repeal the Obama administration's Clean Power Plan for reducing emissions from existing power plants. The repeal is, however, expected to exert no major impact on actual GHG emission trends in 2018, given relevant lawsuits being prepared in multiple states, and renewable energy and energy conservation policies continuing at state-level. While notifying its withdrawal from the Paris Agreement to the United Nations, the U.S. administration vowed to participate in U.N. climate change negotiations and meetings to defend national interests and preserve future policy options. Actually, the United States participated in COP23. For the immediate future, the United States' withdrawal from the agreement may have limited impact on international climate change negotiations.
7. China has planned to launch a nationwide emissions trading system within 2017. Due to the incredibility of statistical data, however, no announcement was made before this report was written. The system will be completed and improved by 2020. China has announced a system to require automakers to secure a certain share of production for new energy vehicles including electric vehicles, fuel cell vehicles and plug-in hybrid vehicles. The system will utilize credit trading to lead automakers to comply with the requirement. China's future strategies for developing green or low-carbon industries including electric vehicle will attract attention.
8. The EU's 2030 GHG emission reduction target, unlike the 2020 target, may not be easy to attain. In 2018, the European Commission will step up coordination with the European Parliament and the Council on the revised emissions trading system (ETS) directive, the effort-sharing regulation for non ETS sectors and the revised energy efficiency directive.
9. While the United States and the EU are revising their respective passenger car fuel efficiency standards, China and India have launched measures to promote electric vehicles. France and the United Kingdom have also vowed to prohibit sales of internal combustion engine vehicles in the future. We may have to closely watch countries' moves for promoting electric and other advanced vehicles.
10. In Japan, discussions are underway at advisory councils on: challenges toward achieving the 2030 GHG emission reduction target; the design of a non-fossil value trading market to increase non-fossil power share to 44% or more; the achievement of fossil power generation efficiency standards under the Energy Saving Act; a long-term climate change strategy toward 2050 and; carbon pricing (carbon tax, etc.).