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A Japanese Perspective on the International Energy Landscape (21)

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COP 16 Meeting and Kyoto Protocol Extension Proposal

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On November 29, the 16th Conference of Parties to the United Nations Framework Convention on Climate Change, known as COP 16, opened in Mexico's Cancun. The meeting lasting until December 10 will deal with important challenges including a new international framework for global warming measures after the 2012 expiration of the Kyoto Protocol.

It may be risky to predict the results of the meeting at its outset. But many COP 16 participants and experts share the view that any agreement is unlikely to come out from the meeting on the new international framework. The overall view grew clear at last year's COP 15 meeting in Copenhagen. Basic conditions for the view have remained unchanged, including the absence of the United States' domestic agreement on the new framework and developing countries' rejection of legally binding targets for cutting their domestic greenhouse gas emissions. Rather, the ruling Democratic Party's defeat in the U.S. midterm Congressional elections and industrial countries' protracted slump have become additional negative factors. Therefore, the environment surrounding an agreement on the new international framework has grown tougher. Relevant future developments are uncertain.

Surfacing under the situation is a proposal for a simple Kyoto Protocol extension that Japan has feared most. As indicated by media reports, the Kyoto Protocol extension seems to have become subject to discussions at the COP 16 meeting. Anticipating the absence of any agreement on the new framework, developing countries have reportedly been insisting that there is no choice but to extend the Kyoto Protocol in order to prevent the absence of GHG emission reduction requirements after the 2012 end of the emission reduction commitment period under the protocol. As far as the Kyoto Protocol is extended, developing countries may have no emissions-cutting obligations while securing fund and technology flows from industrial nations through the Clean Development Mechanism and other systems under the protocol. It may be natural for developing countries to strongly support the extension that would be the most advantageous for them in a sense.

But I would like to anew specify key points and problems regarding the Kyoto Protocol extension issue, as indicated already by various experts. The first point is that the Kyoto Protocol's coverage of GHG emission restrictions is very narrow. As of 2007, the countries that are required to cut GHG emissions under the Kyoto Protocol accounted for only 28% of global CO₂ emissions. In spite of the fact that warming is a global problem, less than 30% of global emissions are covered by the Kyoto Protocol. This situation means that the effectiveness of emission cuts is doubtful, apart from the problem of fairness. The simple Kyoto Protocol extension may thus amount to using a holed bucket to carry water. As far as developing countries are free from the framework despite their GHG emissions growing over a short to medium term and even over a long term, the hole in the bucket will clearly grow larger (emissions-cutting countries' coverage of global emissions will decline further).

Second, it is a grave problem that China and the United States, the first and second largest GHG emitters in the world, are left free from emission-cutting requirements. The two countries cover more than 40% of global carbon dioxide emissions. Irrespective of these countries' voluntary emissions-cutting efforts, it is significantly unreasonable for this big portion to be left outside a system where countries are responsible for reducing emissions. Doubts may naturally emerge about the significance of an international framework in which the most important players regarding the global warming problem do not participate.

Third, the Kyoto Protocol lacks fairness regarding burdens on economy, industry and people's life by requiring only a limited range of specific countries such as Japan and the European Union members to reduce GHG emissions. Particularly for Japan that has accumulated energy-saving efforts and that features very high marginal costs for emission cuts as pointed out by many research organizations in the world, the Kyoto Protocol extension may lead to the continuation of heavier burdens. This is the reason why Japan's industry sector has raised strong opposition to the simple Kyoto Protocol extension.

As a matter of course, these points have been discussed and recognized sufficiently in Japan. The government has specified a policy of opposing the simple Kyoto Protocol extension. But the EU has been inclined to tolerate the Kyoto Protocol extension if a comprehensive framework is anticipated to cover all major GHG emitters such as the United States and China. Thus, the problem is that Japan could be isolated by opposing the simple Kyoto Protocol extension. I believe that Japan's argument against the above-noted problems with the simple Kyoto Protocol extension is sound. But no one can guarantee that a sound argument will always stand in international negotiations. Sound arguments can succumb to force of numbers, dominant atmospheres or

prevailing trends in many cases. Considering that Japanese delegates are engaged in very difficult negotiations through tough efforts to reiterate sound arguments and maintain a firm attitude while trying not to be isolated, I feel that the promotion of international understanding and diffusion of Japan's stances through domestic forums and external messages is important and that we should make some contributions to the promotion.

Delegates from not only Japan but also other countries should have undoubtedly made full consideration of various strategies and measures and sufficient preparations to face the very difficult international negotiations. Nevertheless, they may have to make tough decisions at some occasions during changing discussions lasting for more than 10 days. Hoping that Japan could get results that are desirable from long-term and comprehensive perspectives, or avoid undesirable results or damage at the negotiations to defend its national interests while pursuing global warming prevention as a global interest, I would like to send cheers to Japanese delegates.

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