



Decarbonizing Japan

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July 20, 2022



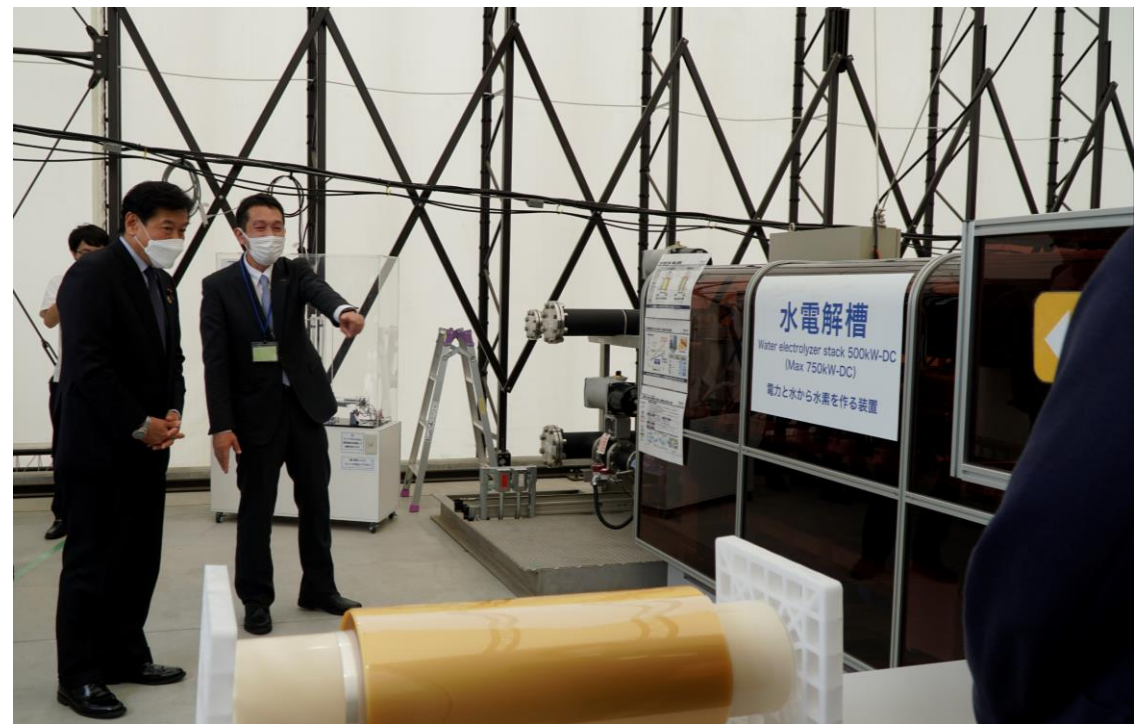
Substantial investment for decarbonization



- **Net-zero GHG emissions by 2050** ➡
Investment of over **400 trillion yen**
- **Over the next decade** ➡ **150 trillion yen**
by public and private

Local decarbonization: National tours on the environment policy

- A total of 56 meetings (in-person and online) were held to exchange views on local decarbonization in all the 47 prefectures from January to June 2022, with the attendance of the Minister, State Ministers and Parliamentary Vice-Ministers of the Environment.
- A total of roughly 500 members, including governors, mayors, and corporate executives, took part in these meetings to exchange views on decarbonization.
- The local governments and private companies shared with us their decarbonization initiatives. They also explained various problems to be solved to promote regional decarbonization, including financial and human support.



Financial assistance to local governments for local decarbonization



- The Ministry of the Environment proactively supports local governments and private business operators which are undertaking decarbonization projects, by allocating a substantial budget of more than **100 billion yen (one-third of the ministry's initial budget)**.

Grants for local decarbonization and renewable energy promotion(20 billion yen)

- A comprehensive subsidy program that enables multifaceted, multi-year decarbonization initiatives, including **Decarbonization Leading Areas**.

Support package to accelerate renewable energy use in community revitalization (26.6 billion yen)

- This package is intended to support local governments' efforts to incorporate renewable energy as a driver for community revitalization from planning to actual installation of facilities.
- The package is designed to serve as preceding support for the local governments which are willingly undertaking decarbonizing programs, before the grants for regional decarbonization and renewable energy promotion.

Establishment of Decarbonization Support Organization (20 billion yen)

Budget for lifestyle change and other regional decarbonization initiatives (37 billion yen)

Decarbonization Leading Areas – A “decarbonization domino” model

- **Decarbonization Leading Areas** are project sites that aim to achieve net-zero GHG emissions in 2030.
- **26 proposals** were selected for the first call for the Decarbonization Leading Areas (DLA) project ➔ **more than 100 DLA locations** by FY2030
- Expand the **“decarbonization domino”** model nationwide

Dairy farming x Decarbonization



Biogas plants

Urban commercial facilities x Decarbonization



Minato Mirai 21 and
adjacent seafront area

Redevelopment x Decarbonization



minato AQUUS

Remote island x Decarbonization



Okinoerabujima Island and the
Decarbonization Leading Areas

Tourism x Decarbonization



Himeji Castle

Waste management x Decarbonization



Food waste recycling facility
(rendering)
Recycling capacity: 36,000kl/year
Liquid fertilizer: 8,000 tons/year

Food waste recycling facility in
Maniwa City

Dialogues with industrial circles

- MOEJ has held dialogues with industrial circles to understand their views and challenges to be solved toward net-zero GHG emissions and to discuss various policies **including carbon pricing**, in order to prepare a grand design of net-zero GHG emissions.

(Industrial sectors in the meetings)

• Steel • Electric power • Petroleum • Gas • Automobile manufacturer • Airline



GX Economic Transition Bonds (tentative name)

Prime Minister Kishida's comment at the Advisory Panel on a "Clean Energy Strategy"
(May 19th, 2022) (excerpt and tentative translation)

- To realize investments of over 150 trillion yen over the next decade, we will embody and make maximum use of the "Pro-Growth Carbon Pricing" that has an effect on maximizing both growth promotion and emissions reduction/absorption
- Under this concept, we will consider procuring prior government funds of 20 trillion yen to lead public-private investment through "GX Economic Transition Bonds (tentative name)" backed by future financial resources



Asia Zero Emissions Community

- Japan aims to join forces with like-minded countries in Asia to realize the concept of “Asia Zero Emissions Community.”

① Development and demonstration of zero-emission technologies

- Hydrogen and fuel ammonia demonstration project
- Support development on transitional roadmap
- Support development of long-term strategy for carbon neutrality, adaptation plan, etc.

② Promotion of international investment and international infrastructure development

- Construct a supply chain for hydrogen and ammonia in region scale
- Formulate Asian transitional finance rules
- Promote decarbonization and resilience of cities through city-to-city collaboration, etc.

③ Standardization of technology and so on

- Formulate international standards that lead to green growth
- Establish a zero-emission human resource network and human resource development related to decarbonizing technologies
- Enhance support for adaptation and resilience in developing infrastructure

④ Development of Asia Carbon Credit Markets

- Based on the rules of Article 6 of the Paris Agreement, implement the following measures
- support early implementation of market mechanisms
 - Expand JCM partner countries (from the current 17 countries to about 30 countries worldwide over the next 3 years) and consider regional treatment of JCM
 - Promote the formation of JCM projects mainly with private-sector funds

The Joint Crediting Mechanism (JCM)

JCM targets

- Aiming to contribute to international emission reductions and removals at the level of a cumulative total of approximately 100 million t-CO₂ by fiscal year 2030 through public-private collaborations.
- As the implementation rules for Article 6 (market mechanisms) of the Paris Agreement was concluded at COP26, utilization of the JCM will be further explored.
- For achieving the target of the JCM, accelerating consultations to expand partner countries up to **30 countries worldwide by around 2025 from the current 17 countries**.

- Since 2013, Japan has established the JCM with **17 partner countries** and over **200 projects** have been selected.
- Under the JCM scheme, Japan is facilitating diffusion of leading decarbonizing technologies and infrastructure, etc. as well as implementation of mitigation actions in partner countries. The JCM contribute to the achievement of both countries' NDCs while ensuring the avoidance of double counting through corresponding adjustments.

Note: Japan has established the JCM partnership with Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Vietnam, Laos, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar, Thailand, and the Philippines.

