

Ambassador's Address
at the Institute for European Studies
on Global Sustainable Development

Brussels

October 26, 2004

Thank you very much, Professor Pallemmaerts.

Ladies and Gentlemen and Colleagues

I. Introduction

Firstly, I would like to express my sincere appreciation for the opportunity to speak to you here today. Environmental issues are equally important in Japan as they are in Europe. The cross-border effects of pollution and waste make environmental preservation by nature an issue of great concern internationally, and that the people in areas such as Japan and EU have opportunities to work together very closely.

Before being appointed to my current position, I was personally involved in various negotiations on environmental issues including those regarding the Kyoto Protocol. This Protocol is, in fact, a very good example of Japanese/EU cooperation and leadership. I would like to welcome, with you, the recent good news from Moscow on their ratification process of the Kyoto Protocol.

I also participated in the World Summit on Sustainable Development which was held in Johannesburg, in the year of 2002.

It is without question that environmental issues are very important policy agenda commonly shared by both EU and Japan.

Today, I would like firstly to briefly introduce and discuss with you Japanese initiatives that address environmental issues and, secondly, to discuss the international aspect of the environmental agenda and sustainable development which need to be addressed by EU and Japan in a cooperative manner.

II. Our commonality: raising awareness of environmental issues

Before going into a concrete description of our experiences, I would like to draw your attention to our commonality, which is the people's awareness on environmental issues.

It is well known that, in Japan, people historically have tended to cherish our country's natural beauty. Unfortunately, however, high economic growth in Japan has had the adverse effect of polluting our air and water supplies and have even caused serious diseases in some regions. And an additional problem has been the limited space available for waste disposal sites. But these unfortunate experiences and geographical limitations have, however, helped raise awareness of the importance of environmental preservation in Japan. A similar phenomenon, I think, has also been observed here in Europe. This is a very important element in addressing environmental protection.

III. Japan's Efforts on behalf of Environmental Issues

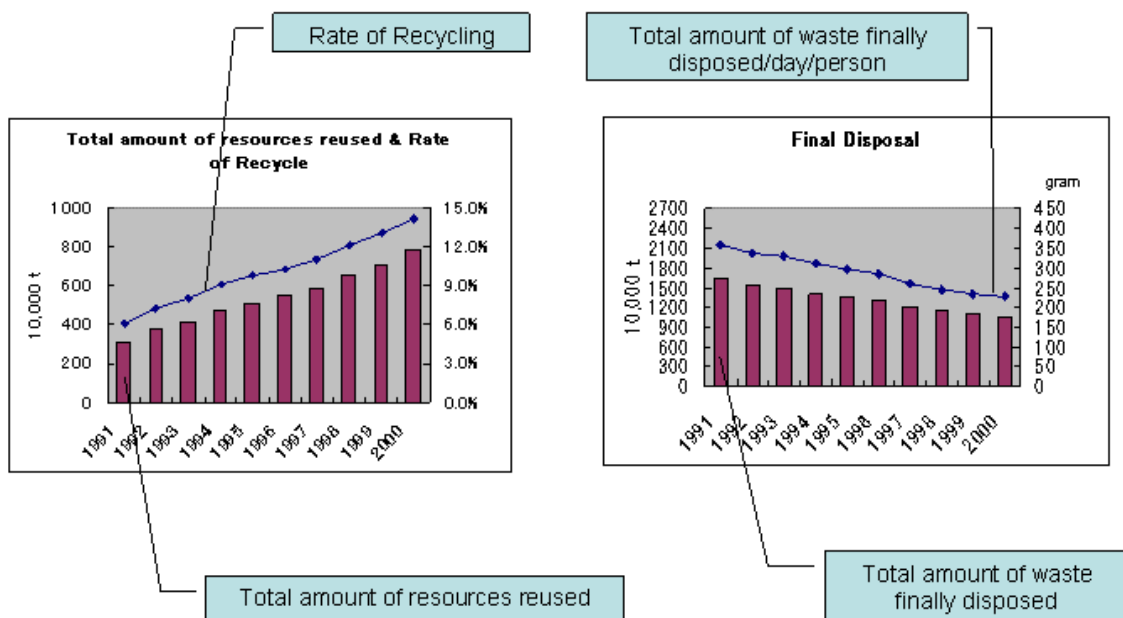
Heightened awareness has prompted our national government, local governments and our private sector to implement stricter environmental measures. As a result, a clear sky is back above the big cities, and fish have returned to the rivers. We can say that Japan has solved many of the traditional types of pollution problems. And now it is determined to address new type of issues.

Today, I would like to touch upon two such initiatives, namely recycling and global warming.

Japan is committed to becoming a “recycling society.” Becoming a “recycling society” involves the 3 “R’s”: “Reduce”, “Re-use” and “Recycle”. First, products should be designed with waste-reduction; second, products should be re-used; and third, wastes should be recycled.

To illustrate Japan’s commitment to problems, let me cite a few figures: Japan recycles today more than 80% of cans, approximately 60% of paper, 80% of glass bottles, and 45% of plastic bottles. In addition, in 2001, Japan introduced a recycling program for electronic appliances and at the beginning of next year another recycling program for automobiles will be launched.

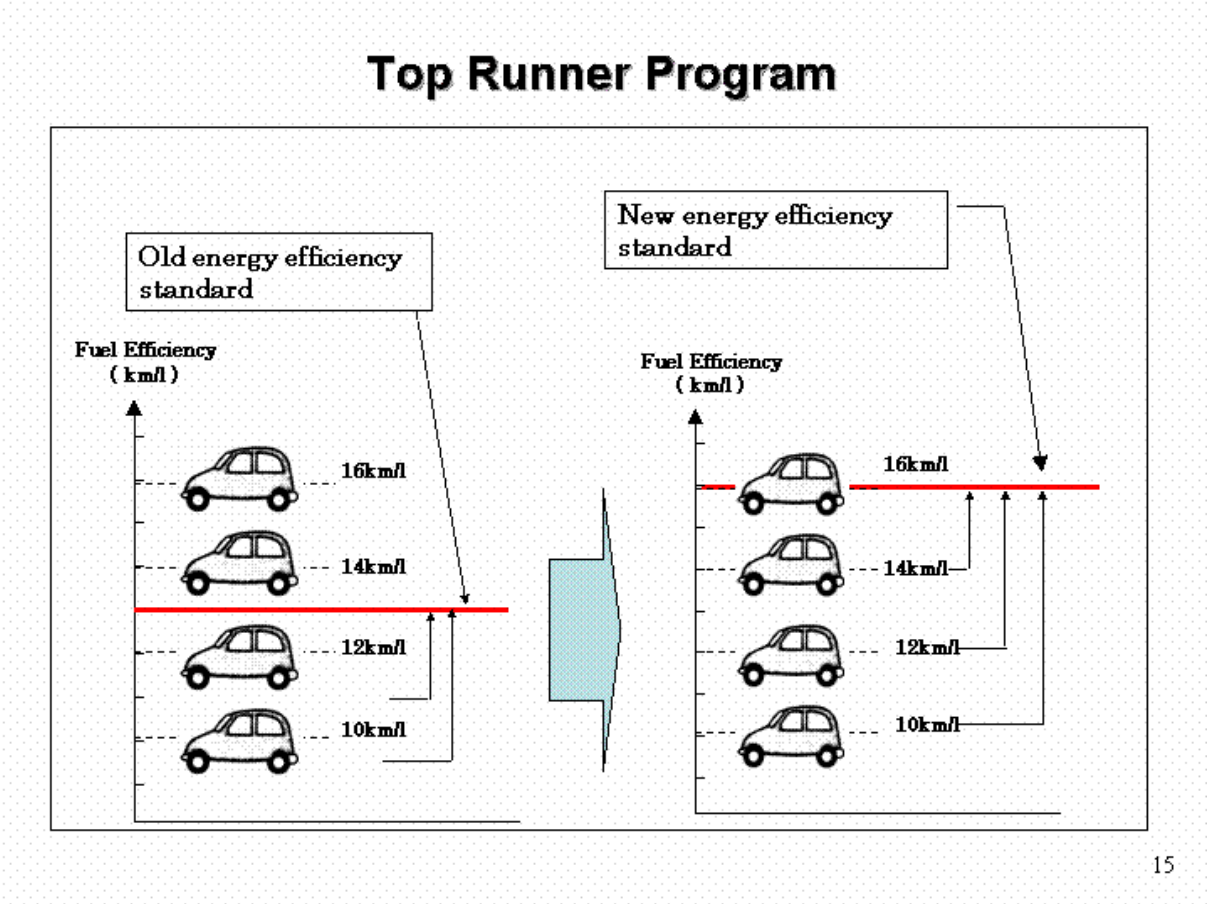
Current situation of disposal of waste and recycling in Japan



As a result, the rate of recycling as a whole is continuously increasing in Japan, and total amount of waste is decreasing.

Regarding the second matter, the question of global warming, the Japanese Government and private businesses have made enormous efforts to improve energy efficiency for the sake of the environment. It is needless to say that Japanese factories and power plants, for example, have introduced the most advanced energy efficient technologies in the world. In addition, the Japanese Government has set a very high level of energy efficiency standards for electronic appliances and automobiles. As a result, Japan's consumer goods have become the most energy-efficient in the world.

As an example of the innovative policy tool, I would like to explain about so called 'Top Runner Approach' which was introduced in 1997.



This approach is to set energy efficiency standards of energy consuming products such as electric appliances, automobiles at the level of the most efficient product in the market. Before this approach

was adopted, the standard was set somewhere in the middle of diversified efficiency levels in the market.

The target of the policy shifted from 'getting rid of inefficient products' towards 'forcing all products to catch up the top runner.'

Top Runner Program (cont.)

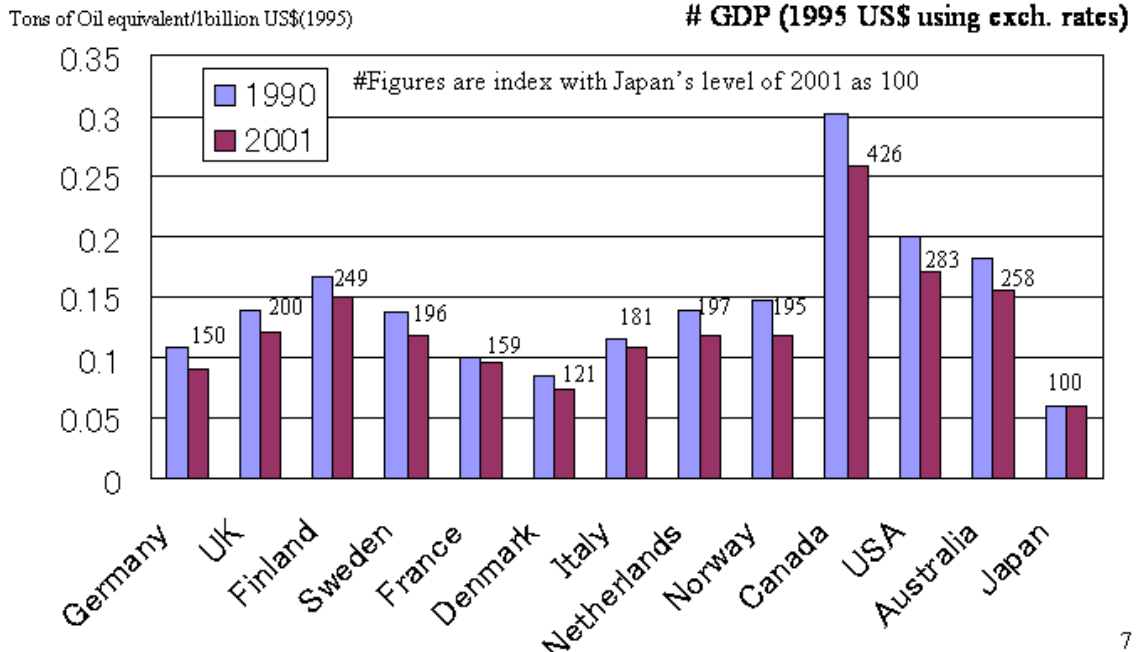
	Target year	Improvement of efficiency
Air conditioner(heating & cooling)	2004/07	63%
Air conditioner(cooling only)	2007	14%
Television receivers	2003	17%
Video cassette recorders	2003	59%
Fluorescent light	2005	17%
Copying machines	2006	30%
Computers	2005	83%
Magnetic disc units	2005	78%
Gasoline-fueled passenger vehicles	2010	23%
Gasoline-fueled freight vehicles (2.5 tons or below)	2010	13%
Diesel powered passenger vehicles	2005	15%
Diesel powered freight vehicles (2.5 tons or below)	2005	7%
Refrigerators	2004	30%
LP gas passenger vehicles	2005	11%
Space heater	2006	1.4% (Base year: 2000)
Gas cooking appliances	2006	14%
Gas water heaters	2006	4% (Base year: 2000)
Oil water heaters	2006	4%
Electric toilet seats	2006	10%
Vending machines	2005	34% (Base year: 2000)
Oil-filled transformer	2006	30%
Molded transformer	2007	30%

*Base year: 1997(automobiles: 1995)

Source: METI

The product categories covered by this policy is expanding continuously and that is now more than 20 categories as you see on the screen.

Energy Efficiency Indicators - energy consumption/GDP -



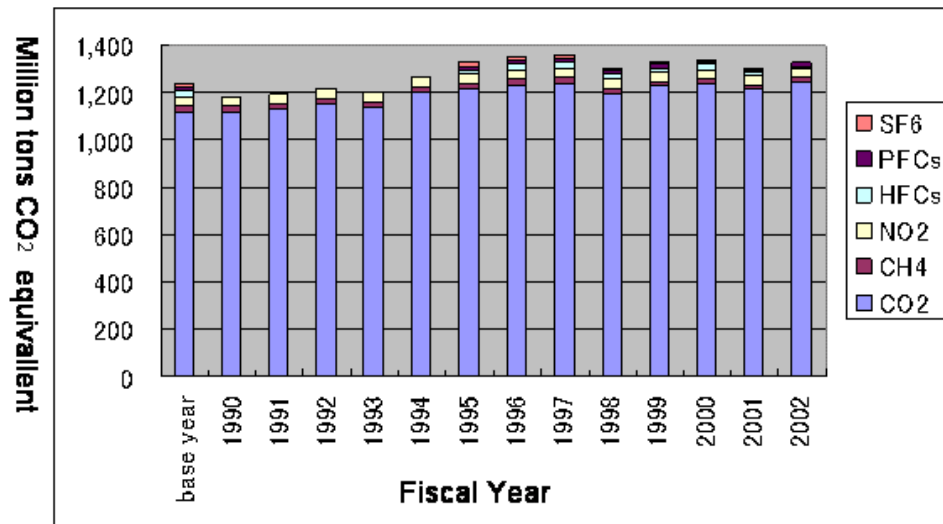
(Source): OECD/IEA, Energy Balances of OECD countries

If we compare the energy consumption per GDP, Japan is at the highest level of energy efficiency among the developed countries.

Japan has also undertaken robust initiatives for renewable energy as well. For example, installation of solar panel systems in houses has been assisted by the Government since about 10 years ago, so that there are today more than 130 thousand installations in households. Today, Japanese solar power capability amounts to 50% of the total world's capacity.

Japan's GHG Emissions (1990-2002)

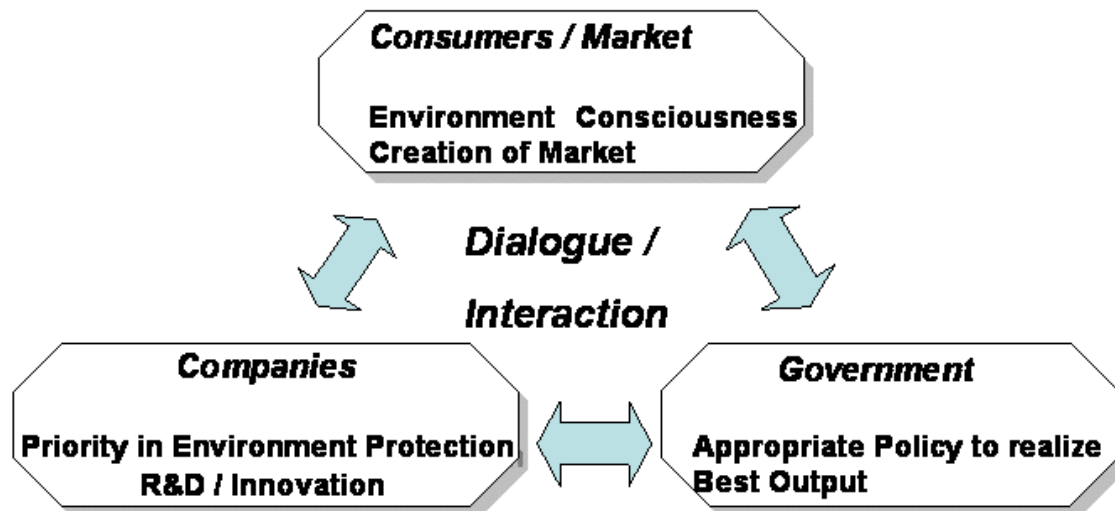
GHGs emissions in 2002 is 7.6% higher than the base year.



(Source): Japan's Inventory

In spite of these initiatives, we need to admit that it is not easy for Japan to meet its Kyoto Protocol target, namely, a 6% reduction. The Green House Gas emission of Japan in 2002 exceeds the level of 1990 by more than 7%. Various additional measures, including utilization of the Kyoto Mechanism (Emission Trading, Joint Implementation, Clean Development Mechanism), need to be introduced.

Key point to address the Environment Agenda from Japan's Experience



Here, I would like to touch upon three important elements needed for effective environment protection, inspired by the Japanese experiences:

Firstly, heightened consumer awareness of environmental issues has had a strong impact; it is no more evident than in Japan, for example, where 100 thousand hybrid cars have already been sold.

Secondly, consumer initiatives have influenced industry's decision to implement environmental protection measures as an important management strategy; and

Thirdly, sound government policy is required in order to achieve the optimum output. The first and second points are indispensable in realizing the expected outcome of the policy measures.

Intimate interaction among the three players, consumers, companies, and the government, creates effective environmental protection.

Let me touch upon the example of refrigerators, because it shows how important the role of consumers is, and government initiative is not indispensable if the consumers encourage the innovation by the companies successfully.

3 years ago, a major Japanese consumer electric company introduced a non-Freon refrigerator. Although the price was higher than the normal brands, its sales record exceeded the expectation significantly. Encouraged by that success, that company increased the non-Freon product line. Other Japanese competitors have also introduced various non-Freon refrigerators, and the major part of the refrigerator market in Japan is now covered by non-Freon products.

This has been achieved without any government regulations nor any government incentives.

This is a good example in which preference of the consumers encouraged innovation by the companies, and interaction between the consumers and the companies resulted in creation of the new market.

We see a similar example in the automobile sector. Major automobile companies in Japan, Europe and United States are spending enormous amount of money in developing hybrid cars and fuel cell vehicles. This is a result of the companies' prediction on the future market. In this respect, I expect that entry into force of the Kyoto Protocol will give further signal and confidence to the companies involved.

IV. Japan and EU's common international agenda

Now, let me turn to the international aspect.

It goes without saying that Europe is the global leader in environmental policy. Past international negotiations on various environmental policies have demonstrated that Europe's input has had significant impacts on the rest of the world. I would like to emphasise the following two points:

Firstly, in most cases, policy messages and directions coming from Europe have contained progressive and advanced concepts.

Secondly, Europe-wide initiatives cover a huge area, and economic and social entity of approximately 500 million people.

Japan, on the other hand, has been conducting technology development, its dissemination, and introduction of various policy tools. This approach could be described as a bottom up type approach, rather than a concept-led approach.

Thus, EU and Japan are poised to take the lead in the international field, cooperating and supplementing each other.

In this respect, I would like to pick up on three pillars, namely, international dialogue, R&D, and assistance to the developing countries.

(1)International Dialogue

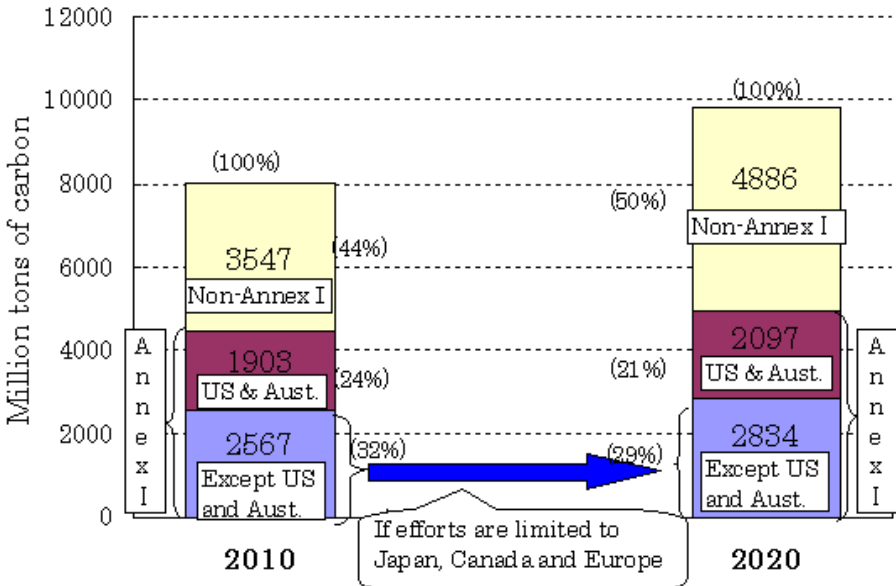
Firstly, let me elaborate on the international dialogue.

As the environmental agenda bears international characteristics, involving as many countries as possible is the key to the effectiveness of our effort.

Again, climate change comes to my mind as an example.

It is without question that the Kyoto Protocol is a very important first step in combating climate change. However, we still have a further task to be addressed: The creation of a framework which accommodates the United States and major developing countries is our next goal.

GHG Emissions in the World



(Source): IPCC Third Assessment Report

Major GHG Emitting Countries

Figure: The World's Energy-Related CO₂ Emissions in 2000

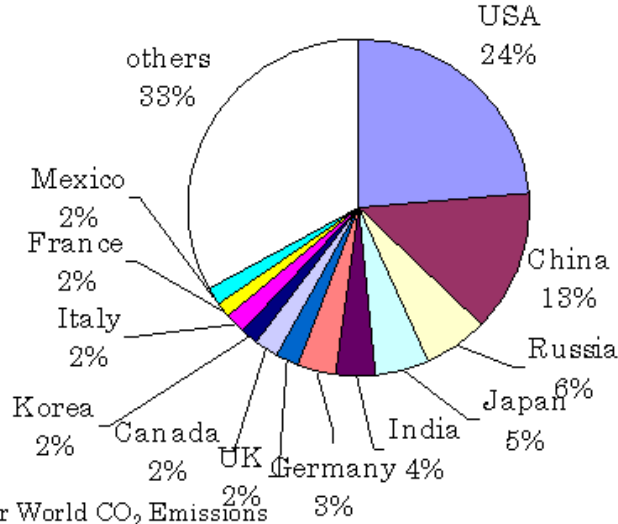


Figure: Prospects for World CO₂ Emissions

(Source): OECD/IEA CO₂ Emissions from Fuel Combustion

If we look at the emission of Green House Gas in the world, the Kyoto protocol covers about one third of the total emission. According to the estimation of the future trend, emission from United States and the developing countries will increase rather rapidly. This is to say, emission reduction effort by the countries which are not covered by the Protocol is critically important to the prevention of Global Warming.

As the Kyoto Protocol sets the reduction target up to 2012, future framework beyond 2012 is our next important agenda. United States has not changed its position against the Protocol, and the developing countries argue that the developed countries should make their effort first and they oppose to reduction target on their emissions.

3rd Informal Meeting on Further Actions against Climate Change

(September 15th and 16th, 2004 Tokyo)

1. Participants

18 countries both from developed countries and developing countries, and the European Commission, covering more than 80% of the current emission

Co-chair: Japan, Brazil,

Annex I countries Australia, Canada, EC, France, Germany, Netherlands, Russia, UK, US

Others Argentine, China, India, Iran, Korea, Mexico, South Africa, Tubule

2. Setting

The meeting is set in a closed style so that the participants may express their view frank freely and easily.

3rd Informal Meeting on Further Actions against Climate Change (cont.)

3. Major Outcome

- **Recognize the importance of the counter measures against global warming based on scientific analysis and knowledge**
- **Major developing countries expressed their attitude towards more substantive policy measures**
- **Recognize the importance of fragility and measures for "adaptation" by the bad effect of climate change**
- **Contribution to the official process of COP10**

In order to solve the stalemate, Japanese Government has been initiating an informal meeting on further action against Climate Change since 2002. I was the chair of the first meeting in 2002. This has been designed to encourage frank discussion in an informal setting, inviting negotiators from both developed and developing countries including the European Commission. I expect that the accumulation of discussion in such forum may lead to mutual understanding, confidence building, and innovative solutions.

Next spring, long term reduction strategies and targets will be discussed at the European Summit.

In Japan, related ministries are also trying to present proposals on the future framework.

If the world is divided again on the future framework, that will delay effective effort against Climate Change for another decade or more. Our innovative and flexible idea is required.

Follow up of WSSD 2002

Major Activities of Japan

<p>1. UN Decade of Education for Sustainable Development</p> <ul style="list-style-type: none"> ■ Adoption of Ten years for education in 57th and 58th General Assembly of UN ■ Financial Contribution to UNESCO <p>2. Water</p> <ul style="list-style-type: none"> ■ The 3rd World Water Forum in Kyoto, Osaka, & Shiga (2003) ■ "Portfolio of Water Actions" ■ Approx. 120 million euro free grant for water ■ Human Resources Training (1,000 peoples in 5 years) 	<p>3. Measures against environment pollution</p> <ul style="list-style-type: none"> ■ support to the measures against environment pollution and improving residential environment in Asia <p>4. Conservation of natural environment</p> <ul style="list-style-type: none"> ■ conservation of forest and natural areas to be protected in developing countries
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I would like to draw your attention to the World Summit on Sustainable Development in 2002 as an international dialogue held on a large scale. It worked as an important opportunity for us to deliberate

on our global agenda. In order to heighten the value of the outcome of the Conference, continuous follow-up is needed. Let me elaborate on Japanese activities conducted after WSSD.

Firstly, Japan attached great importance to Human Resources Development as the most important pillar of realizing sustainable development. Against this background, Japan proposed a resolution on UN Decade of Education, which was adopted unanimously at the General Assembly last year. Related financial contribution to UNESCO has been conducted by Japan.

Secondly, Japan has been very active in its contribution to Water related programs. We hosted the 3rd World Water Forum in Kyoto, Shiga, and Osaka. More than 24 thousand people from 182 countries and regions gathered in this occasion. In the ministerial conference, Portfolio of Water Actions was adopted. Web site Network was established in order to realize actual activities out of the adopted Portfolio. In addition, Japanese Initiative on Water Cooperation was announced, committing 16 billion yen, or 120 million Euros of grant aid.

(2)R&D

I would like to turn to the second pillar, R&D. Importance of R&D cannot be emphasized too much because R&D gives us a tool to understand what is happening to our globe, what is the cause, and in addition, R&D gives us solutions.

The Earth Observation Summit

1. Basis

Action Plan on Science and Technology for Sustainable Development (June 2003, Evian)

2. Leading Members

Japan, the European Commission, US, South Africa

3. Progress

(1) 1st Earth Observation Summit (Washington DC, July 2003)

Declaration was adopted.

(2) 2nd Earth Observation Summit (Tokyo, April 2004)

10 Year Implementation Plan for the initiative was adopted

(3) 3rd Earth Observation Summit (Brussels, February 2005)

Among the various international cooperation initiatives on R&D, I would like to pick up the example of Global Earth Observations (GEO), because the leadership taken by EU, Japan, and US is very eminent in this field.

Following the first Earth Observation Summit held in Washington D.C. in 2003, Japan hosted the second Earth Observation Summit in Tokyo this April, and the Framework Document for a 10-Year Implementation Plan for this initiative was adopted. The Framework Document identified disasters, health, energy, climate change, water, weather, ecosystems, agriculture and desertification, and biodiversity as nine socio-economic benefits of earth observation. We are now working to develop the Plan, which will be adopted at the third Earth Observation Summit, to be held here in Brussels in February 2005.

(3) Assistance to the developing countries

The last pillar, but not the least, is assistance to the developing countries.

On one hand, the load on global environment caused by the developing countries activities is becoming more and more significant. On the other hand, the developing countries are far more vulnerable to environmental change than the developed countries.

I do hope that our unfortunate experiences of polluting the environment and harming people's health are not repeated in developing countries. At the same time, we need to draw developing countries' attention to their role for preserving global environment.

The key to the expected effort by the developing countries may be the people's environmental consciousness. That would lead to their understanding that environmentally sound policies and technologies are indispensable to their sustainable development.

Our assistance to these countries may help them realize usefulness and cost efficiency of environmentally sound technologies, and meanwhile, we can expect their active participation in our effort on environment protection.

In this regard, Japanese Assistance policy has been putting priority in environment related projects, which amounts to 23% out of our total ODA in 2001.

Environment Conservation Initiative for Sustainable Development (EcoISD)

Announced in WSSD held in Johannesbrug

1. Priority Areas

- Efforts to address global warming
- Pollution Control
- Fresh water issues
- Conservation of the natural environment

2. Key Contents of EcoISD

- Training 5,000 peoples in environment field
- Providing concessionary yen loans
- Enhancing grant aid for global environment
- Partnerships with international organization and other institutions

***Since 2001, 8 projects in 7 countries for 4,500 million yen have been applied for grant aid.**

Japan announced the Environment Conservation Initiative for Sustainable Development at the occasion of WSSD. Four areas, global warming, pollution control, fresh water, and the conservation of the natural environment, are identified as priority areas in that Initiative. The contents of the initiative include such activities as training 5,000 people in the environment field, providing concessionary yen loans, and enhancing grant aid.

V. Closing Remarks

We commend the EU's active initiatives aimed at implementing sound environmental policies. The ecosystem is a treasure to be preserved for the entire human race. As I mentioned previously, Japan has the experience, knowledge and technology to implement efficient, effective and workable environmental policies. Japan is determined to contribute to our common mission proactively and hand-in-hand with the EU. Our strong cooperation, through discussions and exchange of experiences and ideas will certainly make an important contribution to the preservation of the global environment.

Thank you very much for your attention.