

Policy Speech by Foreign Minister Taro Kono
‘Evolving Energy Diplomacy – Energy Transition and the Future of Japan’

The era of energy transition and Japanese energy diplomacy

Energy is indispensable for our lives and has developed while wielding a significant influence on the modern history of humanity both in times of war and peace. Coal, which underpinned the European industrial revolution in the 18th century, was eclipsed by oil in the 20th century and then by gas in the present 21st century. What is more, we are currently witnessing a further energy transition to renewables.

A variety of problems have been caused by the large-scale consumption of fossil fuels since the industrial revolution. Climate change in particular has become one of the overriding global issues of this century. Accelerated by the adoption of the Paris Agreement in 2015 and its entry into force in 2016, countries around the world are strengthening their efforts towards decarbonisation. Active discussions are progressing worldwide to realise an energy transition which is consistent with the Paris Agreement and transforms our energy system into one characterized by low greenhouse-gas emissions.

Meanwhile, in considering the current international energy situation, it is also important to pay attention to significant changes in other areas. On the supply side, we acknowledge the appearance of new suppliers as seen in the shale revolution, which has enabled the United States to achieve pre-eminence as the largest supplier of crude oil and natural gas. Shifting our attention to the demand side, we also observe the ongoing shift in the centre of world energy consumption from developed countries to emerging economies such as China, India and the ASEAN countries.

In the face of rapidly-unfolding cataclysmic change in the global energy landscape, Japan’s Ministry of Foreign Affairs has declared its firm commitment to a constantly-evolving energy diplomacy, initiated by the ‘global vision’ announced last summer. Let me break down our efforts into three steps.

1st step: ‘Global vision for a shared future’

As a first step, the new vision and strategy of Japan’s energy and resource diplomacy were announced just last year at this symposium. Underlying our awareness of the issues at the heart of this strategy, which we have called ‘global vision for a shared future’, is the reality we are presently facing, which is that, under globalization no country is an energy island. Bearing this point in mind, the vision embraces the following five substantive points: firstly,

promoting free trade and investment in energy and resources as well as fostering sophisticated markets; secondly, accelerating our efforts toward energy access for all; thirdly, reducing environmental costs and improving energy efficiency; fourthly, promoting the development and deployment of new and renewable forms of energy; and finally, strengthening international preparedness for emergencies in oil and gas supplies as well as boosting global energy governance. The vision is driven by the perspective that energy security for Japan and the whole world can only be achieved by increasing mutual dependence, thus highlighting Japan's commitment to contributing to addressing global issues.

Japan is dependent on imports for the majority of its energy resources, thus ensuring stable supplies of energy is of paramount importance. Nevertheless, pushing forward with energy diplomacy grounded on the monolithic perspective of only ensuring a source of energy supplies for Japan could not accommodate the reality of this new era. Given the increasingly complex international mutual dependence concerning energy, we should strengthen legal and cooperative frameworks bilaterally and multilaterally, and both in ordinary times and in emergencies.

2nd step: 'Renewable energy diplomacy'

As a second step, let me touch on the 'renewable energy diplomacy' I launched at the IRENA Assembly in January. The 1st step, 'global vision', already covers elements such as the reduction of environmental costs, the enhancement of energy efficiency, and the development and deployment of new and renewable forms of energy. On that occasion I delivered a speech focusing on renewables, driven by Japan's determination to internationally promote its positive approach to this rapidly growing area and to contribute to the world by engaging the power of its advanced technology and innovation.

In recent years, the cost of renewables has dramatically decreased in many parts of the world, to the extent that renewables has become cost-competitive against fossil fuel-derived energy by virtue of the development of a bidding system and technological progress. It has become axiomatic to refer to energy security as inseparably linked to energy transition utilising renewables in major international fora such as the G7 and the G20. Furthermore, there is already a shared international awareness that both developing energy efficiency and the expanded introduction of renewables are indispensable towards the decarbonisation of the energy sector. Accelerating energy transition is presently regarded as a key strategy in emerging countries such as China and India as well as in developed countries.

In the speech on 'renewable energy diplomacy' underlining Japan's clear intention to

welcome the era of renewables, I expressed Japan's determination to undertake renewable energy diplomacy with new ways of thinking; to grasp the global dynamics properly; and to implement coherent, long-term solutions that are aligned with global trends. I also pointed to the great potential of Japan's innovation skills and advanced projects in renewables in contributing to energy transition throughout the world.

3rd step: Promotion of world renewable energy trends in Japan and overseas

It is crucial as well to further deepen Japanese people's understanding of the latest situation concerning renewables in the world as well as to publicize internationally Japan's efforts in advancing renewable energy diplomacy. In this spirit, we invited Mr. Adnan Amin, Director-General of IRENA, to Japan last April as a third step. His visit helped to increase awareness in Japan of the recent global situation surrounding renewables, and efforts were also made in areas which have the potential to create synergy for the expanded introduction of renewables such as women's empowerment and the revitalisation of local communities. We strengthened renewable energy diplomacy in various aspects by means of these approaches.

Aiming even higher

While MOFA has been a leading player in promoting the previously noted 'three steps', a rising momentum of change encouraged by the climate of energy transition is evident everywhere across Japan. Last February, I got the compelling message suggesting renewable energy diplomacy should be the pillar of Japan's future energy diplomacy through 'Recommendations on Energy' by the Advisory Panel to the Foreign Minister on Climate Change. Also, the 5th Strategic Energy Plan recently approved by the Cabinet put forward approaches for speedy action in ensuring the use of renewables as a primary power resource and for engaging in international cooperation towards energy transition. It is clear that the awareness of people in Japan concerning the issue of energy transition is steadily rising.

Japan's Infrastructure Systems Export Strategy is putting the spotlight on support for energy transition in countries around the world using high-quality infrastructure technology. For example, Japan leads the world in terms of advanced technology for geothermal energy. Indeed, Japanese companies have provided 70% of installed geothermal power generation capacity worldwide and have delivered a number of results such as construction of geothermal power plants in Olkaria, Kenya featuring large turbines. We will leverage these advantages to provide support in many ways such as human resource development and surveys to find appropriate areas for geothermal plants. We also pay close

attention to international frameworks, and recently indicated Japan's interest in the Global Geothermal Alliance, in which diverse stakeholders are working towards the world-scale promotion of geothermal development.

Against the backdrop of heightened domestic and international momentum towards energy transition, the big challenge for us is to convert our energy diplomacy policies into further substantive measures. Leveraging our diplomatic resources in close cooperation with the relevant actors including business enterprises, local governments and NGOs, we are determined to open up a new avenue for Japan and the world as a whole to fully embrace energy transition in the future. As long as the world energy landscape continues to change so relentlessly, we will adapt our energy diplomacy accordingly.