

Japan-EU Green Alliance operational work plan - Toward further co-operation

1. Introduction

The Japan-EU Green Alliance was launched at the 27th Japan-EU Summit held on May 27th, 2021. At the Summit, both leaders recognized that climate change, environmental degradation and biodiversity loss are interconnected and existential threats to humanity that require urgent, decisive and coordinated global action. The Government of Japan and the European Commission (hereinafter referred to as “both sides”) are determined to move towards climate neutral and resilient, biodiversity-friendly, circular and resource efficient economies, and to promote implementation of the Paris Agreement worldwide.

Significant progress in bilateral cooperation has already been made based on the Japan-EU Green Alliance. On climate, both sides share the net-zero greenhouse gas emissions goal by 2050 and both have updated the respective Nationally Determined Contributions (NDCs) in line with this goal. Both sides have also adopted climate change adaptation plans/strategies to promote both domestic and international adaptation measures. Recognizing the importance of the best available science for effective climate action and policymaking, mitigation and adaptation efforts of both sides are based on the scientific knowledge. In line with commitment made in G7 and G20 Summits, both sides are determined to implement mitigation actions in line with net-zero greenhouse gas emissions by 2050 and promote domestic and international energy transition toward the decarbonized energy system. Furthermore, to accelerate global climate actions, both sides are determined to implement the outcomes of COP26 and COP27, as well as the presidency’s initiatives and pledges to which both sides have signed up to, including the Global Methane Pledge. Both sides will continue to work together toward COP28 together with the UAE presidency, other Parties and relevant stakeholders to help achieve ambitious and tangible outcomes, including by keeping the 1.5°C temperature goal within reach.

In 2021, both sides moved to a new phase in their cooperation on climate change, green transition and other environmental issues following the launch of the Japan-EU Green Alliance. Both sides will seek further cooperation during the critical decade towards 2030 and towards 2050 to create climate neutral, biodiversity-friendly, circular and resource efficient economies to achieve green growth. Progress and future outlook of Japan-EU cooperation are as follows:

2. Follow-Up on Areas of Cooperation

Cooperation between Japan and the EU based on the Japan-EU Green Alliance has actively taken place through various policy frameworks. Among them, the following thematic areas and joint actions have emerged as possible areas for enhanced collaboration:

2-1. Energy Transition

- Both sides will continue and deepen their cooperation on offshore wind energy including by building on ongoing technical work, workshops and seminars on specific issues such as tendering, standardization and certification to support cost effectiveness, openness, competition and business to business engagement in Japan’s offshore wind market.
- Both sides will continue and deepen cooperation on hydrogen, with following specific focuses: 1) the development of an international standardization/certification framework for renewable and low-carbon hydrogen; 2) avoiding the emergence of barriers to trade and investment in hydrogen; 3) a policy framework for renewable hydrogen (production, infrastructure, storage, dispatch and use). To this end, both sides will continue the series of Japan-EU Hydrogen Workshops, organized in the context of the Japan-EU energy dialogue. Needs for bringing

together policy makers and business on the issue of developing global markets for hydrogen also emerged in the context of the discussions held in the Committee on Trade and Sustainable Development (TSD) under the EU-Japan EPA. They would constitute a follow up to the 2021 Japan-EU online Conference on “Trade and Industry toward carbon neutrality”. As confirmed during the bi-lateral meeting between former Minister Hagiuda and Commissioner Simson on 25 March 2022, both sides had negotiated a Memorandum of Cooperation (MoC) on hydrogen, which was signed between Minister Nishimura and Commissioner Simson on 2 December 2022. This MoC is an important deliverable under the Japan-EU Green Alliance. Both sides will also discuss the possible cooperation with regard to ammonia, as one of the derivatives of low carbon and renewable hydrogen.

- Both sides will continue cooperation on power market regulation with a focus on approaches to congestion management to enable the integration of large shares of renewable energy in the electricity system and market.
- Both sides will explore cooperation on energy savings and energy efficiency including acceleration of switching to heat pumps and introducing more efficient appliances in view of addressing the Paris Agreement objectives and ensuring energy security.
- Both sides will continue joint work on methane emissions including through expert workshops on methane mitigation, with participation by Japan’s experts and stakeholders as well as through international initiatives such as the Global Methane Pledge and active involvement in the International Methane Emissions Observatory.
- Recognizing the role that natural gas plays during the energy and climate transition, both sides will continue their cooperation to enhance the well-functioning of the international market for Liquefied Natural Gas in support of secure and affordable gas supplies. Mindful of their shared ambition of reaching net-zero GHG emissions by 2050, both sides will address in this cooperation the avoidance of carbon lock-in and stranded assets and the increasing role of decarbonized and renewable gases.
- Both sides will deepen cooperation to accelerate the development, deployment and dissemination of technologies and the adoption of policies to transition towards low-emission energy systems which both sides were committed at COP26 and in COP27, as well as in the context of existing commitments and ongoing work under the multilateral initiatives and fora, in particular the G7 and G20.

2-2. Environmental Protection

- Both sides have been closely cooperating in the field of resource efficiency and circular economy at the multilateral level such as within the Global Alliance on Circular Economy and Resource Efficiency (GACERE), G7 Resource Efficiency Alliance, G20 Resource Efficiency Dialogue and at the bilateral level. In the G7 Resource Efficiency Alliance, both sides are working together to develop the "circular economy and resource efficiency principles: CEREP" by the G7 meeting in 2023. Both sides contributed to the "G20 Report on Actions against Marine Plastic Litter: Third Information Sharing based on the G20 Implementation Framework" submitted to the G20 Environment Ministers' Meeting held in Naples, Italy in July 2021. In addition, both sides recently concluded the Rethinking Plastics program and exchanged views in a constructive manner within the TSD Committee in which both sides highlighted their shared interest in stronger cooperation. In multilateral fora, both sides will continue to enhance their cooperation in the contexts of UNEA, GACERE, the G7 Resource Efficiency Alliance and the G20 Resource Efficiency Dialogue. In GACERE, both sides organized the High-Level Meeting in September 2021 and March 2022 respectively and will continue to work together in GACERE to accelerate the global Circular Economy transition. Bilaterally, both sides will deepen collaboration on key elements and sectors for the transition to a circular economy. Policy coordination and building connections between the sides, including Japan’s circular economy networks (civil society,

industry, local government) will be key. To the extent possible, both sides will involve all relevant policy departments in such discussions.

- Both sides have a good record of cooperation in the context of the G20 Implementation Framework for Actions on Marine Plastic Litter and the Osaka Blue Ocean Vision. The signature by both sides of the Ministerial Statement issued at the Ministerial Conference on Marine Litter and Plastic Pollution in September 2020 confirmed their ambition to act against plastic pollution, not only at the national but also at the multilateral level. In light of this, both sides welcomed the adoption of the resolution “End Plastic Pollution: Towards an International Legally Binding Instrument” at UNEA5.2, and shared the view to continue the exchanging of views and information as both sides engage in negotiations at the intergovernmental negotiating committee. Strengthened cooperation on circular design for plastic products and bio-based and biodegradable plastics is also desirable. To formulate an effective international legally binding instrument on plastic pollution, including in the marine environment, both sides will closely cooperate with each other to ensure wide participation of as many major plastic consuming and emitting countries as possible. Both sides will proactively engage in the process of intergovernmental negotiations by coordinating and cooperating on the issues such as the adoption of a lifecycle approach and assistance to developing countries.
- Both sides joined the High Ambition Coalition for Nature and People and endorsed the Leaders’ Pledge for Nature, showing a shared commitment to reverse current negative trends. The run-up to CBD COP15 has been the occasion for a higher level of cooperation. At the multilateral level, both sides will keep aligning and jointly promoting their views with third countries in order to deliver an ambitious Kunming-Montreal Global Biodiversity Framework, including by deepening exchanges in priority on resource mobilisation and access and benefits sharing / digital sequence information, but also on issues such as business and biodiversity, or nature-based solutions for climate change mitigation and adaptation. At the bilateral level, cooperation should also be strengthened in order for both sides to improve their delivery on biodiversity objectives, notably the implementation of the 30 by 30 conservation target domestically.
- Both sides have maintained a close dialogue over the past years, including at the latest TSD Committee and TBT Committee, on their respective policies aiming at combatting illegal logging, halting and reversing deforestation and related trade¹ in line with Sustainable Development Goal 15.2². Both sides also continue to be engaged in various forest-related multinational processes, including but not limited to the International Tropical Timber Organization (ITTO), the Dialogue on Forests, Agriculture and Commodity Trade (FACT), and endorsed the Glasgow Leaders’ Declaration on Forests and Land Use. The EU-Japan dialogue on this issue should now be increased under the Green Alliance to address unsustainable production and consumption. Concretely, both sides, as two major consumers, should increase cooperation for sustainable supply chains for agricultural and forestry products to achieve the related Sustainable Development Goals. Both sides will, if appropriate, develop relevant policies in line with the G7 Climate, Energy and Environment Ministers’ Communique of May 2022.

2-3. Business and Trade Cooperation

- In bilateral cooperation, a focus has been on the deployment of offshore wind power in Japan, mainly on tendering guidelines and standardization and conformity assessment. The emphasis remains on tendering procedures and guidelines as well as on standards, and standardization and

¹ Japan’s experience of its Clean Wood Act, its assistance to tropical wood producing countries, and its interventions in the APEC provide a good basis for advanced exchanges. Similarly, the EU experience with the EU Timber Regulation, support to producing countries and the recent EU legislative proposal aimed at minimising the placement of products associated with deforestation and forest degradation on the EU market have provided important insights to progress towards setting joint ambitions.

² “By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally”.

accreditation of conformity assessment bodies in off-shore wind.

- Cooperation in the TSD Committee has a role to play in contributing to deliverables on the trade-related aspects of the Japan-EU Green Alliance priorities.
- Possible deliverables may include the on-going work on the standardization and certification for the development of hydrogen markets, and the potential work on the circularity requirements for product packaging to facilitate the integration of the respective supply chains.
- The strong engagement with civil society in the Joint Dialogue with civil society under the EPA allows the participants from the civil society to provide the added value that they can bring about to the implementation of the Japan-EU Green Alliance.
- In December 2021, together with a significant number of WTO Members, both sides co-sponsored plurilateral statements on trade and environmental sustainability and on plastic pollution and sustainable plastics trade in the WTO. The work on the implementation of these statements is ongoing in Geneva with similar priorities identified by both sides.
- The Japan-EU Industrial Policy Dialogue (between Ministry of Economy, Trade and Industry and DG GROW) remains an important forum to discuss issues related to the Japan-EU Green Alliance and green growth in general. Key topics of relevance in the context of implementation of the Japan-EU Green Alliance and of shared interest include hydrogen, batteries, mobility, electrification of vehicles, sustainable product initiatives and circular economy, all of which have been discussed in the Dialogue and relevant working groups. One of the Working groups under the Industrial Policy Dialogue deals specifically with climate change and the environment. The meeting was held at the end of May 2022. Policy for climate change and circular economy, plastic issues and eco design strategy on material industry were on the agenda.
- The Japan-EU Centre on Industrial Cooperation has been equally contributing to the discussions on the above-mentioned topics, including through a series of SPIPA (Strategic Partnerships for the Implementation of the Paris Agreement) events that brought together Japanese and European stakeholders from industry and beyond and remains an important partner for the implementation of the Japan-EU Green Alliance on the ground and among the business community.
- The annual Japan-EU Business Roundtable that brings together Japanese and European CEOs also had the Japan-EU Green Alliance on its agenda in its last meeting, offering business and industry's perspective.
- Both sides decided on the joint statement "Increased Cooperation between the EU and Japan on Innovation for the Transition to Sustainable Agriculture and Food System" at the meeting between Commissioner for Agriculture and Rural Development of the EU Janusz Wojciechowski and Minister of Agriculture, Forestry and Fisheries of Japan, Kotaro Nogami in Rome on the occasion of the Pre-Summit of the UNFSS.
- A seminar was held on 5 October 2022 in Tokyo where both sides explained their respective strategies (EU Farm to Fork and Japanese MIDORI) with the aim to deepen the understanding of the respective strategies and look into further collaboration for such initiatives.

Subsequently, at a specialized Committee under the EPA, both sides shared the importance of strengthening cooperation on Sustainable Food System and the EU will send some proposals for activities.

2-4. Research and Development

- In line with the commitments expressed in the Japan-EU Green Alliance, the Japan Science and Technology Agency co-funded the Horizon 2020 call titled "Building a Low-Carbon, Climate Resilient Future: Secure, Clean and Efficient Energy": "International cooperation with Japan for Research and Innovation on advanced biofuels and alternative renewable fuels". The call resulted

in three research projects with the participation from Japanese entities, respectively on: 1) developing aviation fuel from CO₂ and renewable energy, 2) optimizing CO₂ hydrogenation to obtain methanol, 3) developing CO₂-free ammonia synthesis process as an alternative fuel for storage, transportation and utilization of renewable energies. All projects are currently ongoing, demonstrating their determination to engage jointly on research.

- The Japan-EU Workshop on Climate Change Research is a unique tool for promoting enhanced scientific dialogue and mutual trust between Japan's and EU research communities in the area of climate change. The meetings are co-organized by DG RTD and the Ministry of Education, Culture, Sports, Science and Technology. The 8th Workshop took place in Brussels in February 2020³. Both sides encouraged cooperation between experts as reconfirmed in the 6th Joint Committee Meeting on Cooperation in Science and Technology held online on 30 November 2021, in particular on topics related to the assessment of climate models and in the framework of the IPCC. The next workshop is planned in Japan after the UNFCCC COP27.
- Both sides will explore collaboration under Mission Innovation 2.0 (MI2.0) in the newly launched Mission on Clean Hydrogen. Discussions are currently ongoing with regard to the components of the Clean Hydrogen Mission supported by the Fuel Cells and Hydrogen Joint Undertaking and the European Commission. Similarly, cooperation under the other MI activities, notably the EU Mission on Soil Research, would demonstrate concrete progress on their shared priorities.
- Both sides will explore synergies and common objectives to share experiences between Japan's plans to establish at least 100 Decarbonisation Leading Areas by 2030, as included in Japan's Regional Decarbonisation Roadmap, and the EU Mission on 'EU's 100 climate neutral cities Mission'.
- Japan's full membership in the International Bioeconomy Forum would also be welcome and considered as reflecting the objectives of the Japan-EU Green Alliance.
- In general, both sides will consider positively cooperation on research and innovation in areas of mutual interest and underpinning the Green Alliance objectives.

2-5. Sustainable Finance

- The joint work in the International Platform on Sustainable Finance (IPSF), with the goal to increase comparability and interoperability among sustainable finance frameworks and ultimately the flow of investments to sustainable projects, remains a priority. As an example of active cooperation, the IPSF prepared (under the Japan-EU co-chairs) and published, at COP26, a report on ESG disclosures – which delivers on the Alliance's commitment “to progress towards more consistent sustainability-related disclosures”.
- As from 2022, both sides co-chair the IPSF work on transition finance, which is another priority topic identified in the Alliance and which may also partially contribute to discussions on how to support developing countries in their transition.
- Both work streams (disclosures, transition finance) are also themes discussed in other international fora, such as the G20, in particular in the context of the adoption (end 2021) and implementation of the G20 Sustainable Finance Roadmap. Both sides are active G20 members and contributors in the Sustainable Finance Working Group, as well as in the Financial Stability Board (FSB) or G7, where sustainable finance topics are discussed (e.g. disclosures and climate-related financial risks in the FSB, follow-up to the establishment of the International

³ With a focus on Climate and Earth system modelling for climate change prediction and projection (and their relevance for the climate service sector and the wider society); Detection and attribution of climate change and extreme weather events based on large ensembles; Earth Observation, climate change impacts, climate services and disaster risk reduction strategies.

Sustainability Standards Board in the G7). Both sides will continue working closely together in those fora.

- The regular EU-Japan Joint Financial Regulatory Forum is to remain the main space where sustainable finance continues to feature prominently in the context of the bilateral engagement.

2-6. Transition Support for Third Countries

- Policy dialogues between both sides in partner countries may offer opportunities for ensuring stronger complementarities and policy synergies between them. Technical-level meetings between both sides took place in the past to better understand their respective approaches to cooperation in partner countries (e.g. respective funding mechanisms, role of local EU Delegations/Embassies, etc.).
- Cooperation and engagement opportunities are being explored, notably in Southeast-Asia, which plays a pivotal role in the Joint Communication on the EU Strategy for Cooperation in the Indo-Pacific, which Japan welcomes, and is a central and longstanding partner region for Japan in its Free and Open Indo-Pacific. In this regard, a mapping is being carried out by the EU (lead: DG INTPA) and its delegations in the region, aiming at identifying synergies to underpin the goals of both the Indo-Pacific and the Global Gateway Strategies.
- Additional Team Europe approaches with Japan may be explored in the framework of the Memoranda of Understanding signed between the EIB, EBRD and their Japanese counterparts (the Japan International Cooperation Agency, the Japan Bank for International Cooperation and the Nippon Export and Investment Insurance) supporting priority areas under the Japan-EU Green Alliance.
- The Japan-EU Green Alliance could also become an important platform for testing early stages of potential triangular cooperation such as Just Energy Transition Partnerships in the Indo Pacific region.
- A joint Japan-EU event on enhancing renewables focusing on off-grid and mini-grids in Africa is being explored - as an example of concrete action to accelerate clean energy transition in third countries.

2-7. Global Integrity and Stability of Climate Action

- Both sides continue their cooperation to encourage all countries, in particular major emerging economies that have not yet communicated new or updated NDCs in line with pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels to do so as soon as possible in advance of the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.
- Both sides will cooperate to promote capacity-building support for Parties and relevant stakeholders implementing a “high integrity carbon market” consistent with Article 6 of the Paris Agreement so as to ensure that any use of Article 6 of the Paris Agreement by developing and emerging countries both supports their domestic mitigation strategies and facilitates enhanced mitigation ambition overall, in line with the long term goals of the Paris Agreement.
- Both sides acknowledge the importance of addressing the risk of carbon leakage, while enhancing international climate ambition. Both sides aim to cooperate to reduce carbon leakage through various means, including carbon markets and non-market measures. The EU also continues to be available to explain and discuss the EU Carbon Border Adjustment Mechanism and its legislative developments both in bilateral and multilateral settings.

2-8. Other Cooperation Areas

Cooperation on climate strategies and modelling for the 2030 and 2050 enhanced ambition

- Bilateral engagement on climate strategies which fosters mutual learning on how to measure and report ongoing emissions, model future policies and get a better understanding of successful long-term transformation could be a fruitful and important avenue for cooperation, especially in the context of the Japan and EU's ongoing work on their respective enhanced 2030 targets and 2050 net-zero objectives. In 2019, an expert dialogue brought together their respective modelling communities. Further expert workshops would be useful, for instance with a focus on methodological issues, dialogues on challenges and opportunities associated with low carbon development and innovation, and/or public events focused on specific sectors (energy, technologies, transport) or stakeholder groups (industry, cities, regions).

Decarbonisation at local/urban level

- Successful implementation of the Covenant of Mayors in Japan and Japan-EU activities organized with the support from the EU SPIPA Programme⁴ demonstrated a clear potential for this type of actions. The Covenant of Mayors' focus on committing to action as well as monitoring and reporting progress could be usefully enhanced by joint action to support commitments at cities level, through joint seminars, workshops and policy discussions building on the work done so far.

Civil society and citizens' action and empowerment

- The European Climate Pact provides a space for citizens across all walks of life to connect and collectively develop and implement climate solutions, big and small. The Pact focuses on spreading awareness and supporting action through pledges made by companies, municipalities, investors, individuals and other stakeholders. The EU considers the Climate Pact as a model of how to engage with citizens and stakeholders, inspire everyone to take action 'in their own environment' and develop climate solutions together. If of interest, the EU could share its experiences with the EU Climate Pact and make available some of the solutions and models of engagement that proved effective and successful.
- While most of the EU concrete actions focused on "just transition" in the context of its coal phase out, further actions based on a broader understanding of "just transition", looking at (1) 'just transition' in sectors that are meant to cease operating⁵ and (2) "just transition" in society at large⁶ will be an important part of the conversation. Japan's Long Term Strategy under the Paris Agreement submitted to the UN in October 2021, recognizes 'the Government, local authorities and companies as well as financial institutions will work together to provide vocational training to the workforce, support for diversification and shifts in business operations, support for inviting new business and replacement of the labor force, in order to achieve the transition of the workforce to a decarbonized society smoothly and without delay. This creates a good basis to jointly look into this new but important area of work and explore it in the context of the implementation of the Japan-EU Green Alliance.

⁴ EU-Japan conference on 'Cities, regions, clusters: on the road to zero carbon held in October 2021' and 'Sharing the practices of regional climate actions and the Kanagawa Decarbonisation Vision 2050 - Mobilize concrete actions by local stakeholders' that took place on 26 January 2022 in Kanagawa implemented through EU's SPIPA and the EU-JP Industrial cooperation Center.

⁵ Calling for an increased support to technological innovation, social dialogue and upskilling of the workforce, in order for jobs to be protected while processes are decarbonized.

⁶ Calling for targeted measures aimed at supporting and empowering citizens through the transition, especially most vulnerable groups and/or households, for instance those at risk of energy or fuel poverty.

3. Way Forward

- Both sides decided to continue follow-up of priority areas identified in this document in the longer term without creating any additional structures. As such, both sides will include an agenda item on the Japan-EU Green Alliance co-operation and implementation in all relevant existing bilateral Dialogues to ensure that the priorities are not left out from the cooperation, and to keep track of specific deliverables in the formal context of those Dialogues. In addition, both sides will consider to take up the feedback from the implementation of the Japan-EU Green Alliance in the context of existing Dialogues, at the annual Joint Committees under the SPA and EPA meetings, as appropriate.
- Noting the whole of the government approach required to drive the transition to a sustainable, net-zero emissions economy, and the broad range of government departments associated in these efforts, both sides will seek to hold an ad-hoc inter-departmental meeting to be convened in 2023 to consider cross-departmental matters and overall results.
- The EU is considering to establish specific budgets to implement the Japan-EU Green Alliance. With the budgets, the EU would like to promote Japan-EU cooperation based on the Japan-EU Green Alliance by creating a practical tool to ensure meaningful action not only at policymakers' level but also on the ground in close collaboration with the government of Japan. The EU aims for such a program and funding to become operational in 2023 and support in particular those thematic activities that do not benefit from existing fundings or programs. Recently, the EU already implemented a program for Strategic Partnerships for the Implementation of the Paris Agreement (SPIPA) that supported activities falling under the scope of the Japan-EU Green Alliance (technical work on offshore wind, hydrogen, sustainable finance, trade/climate nexus, decarbonization at local/urban level) aligned with the priorities of the Green Alliance. Following up on SPIPA, a new EU funded project - EU Climate Dialogues (EUCDs) - was launched in February 2022 and a first event under this project took place in January 2023: *100 cities EU-Japan climate action dialogue: Decarbonising local governments in the EU (Climate-Neutral and Smart Cities) and Japan (Regional Decarbonisation Roadmap)*. Japan appreciates the EU efforts and will keep close coordination with it to promote Japan-EU cooperation based on the Japan-EU Green Alliance.