Q1. What are the focal issues of COP18 in Doha, Qatar this year?

- Q2. What contributions will Japan make in order to make progress in the climate negotiation?
 - Q2-1. What is "Joint Crediting Mechanism/Bilateral Offset Credit Mechanism"?
 - Q2-2. What is "East Asia Low Carbon Growth Partnership"?
 - Q2-3. What kind of assistance is Japan doing to support developing countries vulnerable to climate change?
- Q3. Does Japan remain unchanged on its stance not to participate in the second commitment period of the Kyoto Protocol?
- Q4. Although the use of nuclear energy has become difficult as a result of the Great East Japan Earthquake, can Japan achieve its goal of "minus 6%" under the Kyoto Protocol?

Q1. What are the focal issues of COP18 in Doha, Qatar this year?

(A) •At COP18 in Doha, it is important to make further progress by building upon the outcomes of COP17 in Durban last year. The two crucial points are (1) to develop a work plan for the ADP to share a common understanding of the negotiation process and (2) to complete the work of two existing working groups (AWG-KP and AWG-LCA) and terminate them.

•By achieving these two points, Japan believes major outcome of COP18 is to send a clear signal to the world that basic arrangements for negotiations have been set up toward an agreement on future framework by 2015.

ADP: Ad Hoc Working Group on the Durban Platform for Enhanced Action

AWG-KP: Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

AWG-LCA: Ad Hoc Working Group on Long-term Cooperative Action under the Convention

1992 Adoption of the United Nations Framework Convention on Climate Change (UNFCCC)(entered into force in 1994) 1997 Adoption of the Kyoto Protocol (COP3)

2005 the Kyoto Protocol entered into force

•Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) was established.

2007 "Bali Action Plan" (COP13)

【brief history】

• Ad hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) was established.

2009 "Copenhagen Accord" (COP15)

• although agreed to list the reduction objectives and obligations of developed/developing countries, could not reach the official COP decision and just "took note" those objectives and obligations.

2010 "Cancun Agreements" (COP16)

• COP decision was adopted which anchors the reduction objectives and obligation submitted by Parties based on the Copenhagen Accord, and decides the development of the general guidelines for MRV and the establishment of the Green Climate Fund.

2011 "Durban Agreements" (COP17)

• A series of COP/CMP decisions were adopted as follows:(1)Establishment of an ad-hoc working group(ADP) toward the new framework applicable to all Parties (2) Agreement on the second commitment period of the Kyoto Protocol (3)The basic design of the Green Climate Fund (4)The implementation of Cancun Agreement

Q2. What contributions will Japan make in order to make progress in the climate negotiation?

 In order to develop work plans of ADP and terminate both AWG-KP and AWG-LCA at COP18, Japan has made concrete proposals in the related meetings this year as well as through the submission to UNFCCC.

•At COP18, Japan will also contribute to the success of the meeting by providing concrete ideas and closely cooperating with other countries.

(A)

• In addition, Japan has been making sincere efforts to achieve "minus 6%" target under the first commitment period of the Kyoto Protocol which will be expired at the end of this fiscal year. As a part of the efforts, "Feed-in Tariff Scheme for Renewable Energy" and "Tax for Measures against Global Warming (Carbon Tax)" were introduced this year.

• "Innovative Strategy for Energy and the Environment" developed this September describes that "the Government will formulate its 'Global Warming Action Plan' for the period from 2013 by the end of this year." Taking into account this Strategy, Japan will formulate the Plan and actively continue domestic emission reduction, in addition to forest sink and international efforts from 2013 onward.

 Moreover, Japan will also promote its own initiatives such as "East Asia Low Carbon Growth Partnership", "Joint Crediting Mechanism/Bilateral Offset Credit Mechanism" and Fast Start Finance based on Japan's "Vision and Actions toward Low-Carbon Growth and a Climate-Resilient World" announced at COP17 from a viewpoint that full mobilization of "technology" "market" and "finance" is important to effectively address global warming.

Q2-1. What is "Joint Crediting Mechanism/Bilateral Offset Credit Mechanism"?

(A)

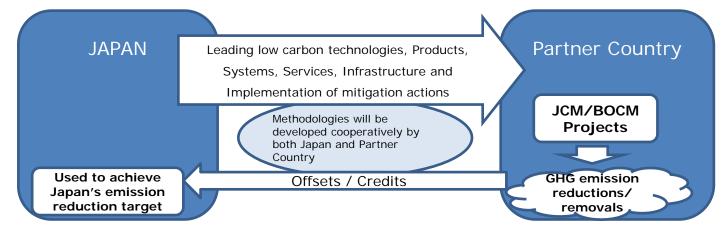
 Japan proposes the Mechanism to make use of its efforts for emission reductions and sinks abroad as well as to realize global low-carbon growth by actively diffusing Japan's advanced low-carbon technologies to the world.
 Japan regards this Mechanism as a complement of Clean Development Mechanism(CDM) under the Kyoto Protocol.

• Japan has started the consultations on this Mechanism with countries like Indonesia, Vietnam, Mongolia with a view to operationalizing it from JFY 2013. In addition, Japan has also implemented feasibility studies in various sectors in 30 countries so far.

Joint Crediting Mechanism/Bilateral Offset Credit Mechanism

Japan proposes the Mechanism that covers broader sector/projects of GHG emissions reduction activities and that enables transfer of low-carbon technologies and implementation of climate change actions, in accordance with circumstances of developing countries flexibly and expeditiously, for the following purposes.

- To accelerate diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and to contribute to sustainable development of developing countries.
- To appropriately evaluate contributions to GHG emission reductions or removals from developed countries in a quantitative manner, through mitigation actions implemented in developing countries and to use those emission reductions or removals to achieve emission reduction targets of the developed countries.
- To contribute to the ultimate objective of the UNFCCC by facilitating global actions for emission reductions or removals.



Q2-2. What is "East Asia Low Carbon Growth Partnership"?

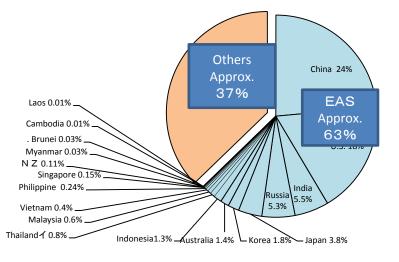
(A)

• East Asia is the growth center of the world economy and the largest greenhouse gas emission area in the world which includes the U.S, China and India. <u>Promoting the diffusion of low carbon technologies and low-carbon growth in this region would be beneficial not only to this region but also to the whole world.</u>

As a regional cooperation toward low-carbon growth, Japan proposed "East Asia Low Carbon Growth Partnership" under the framework of EAS and co-chaired the First "East Asia Low Carbon Growth Partnership Dialogue" (ministerial conferences) with Indonesia this April in Tokyo.
At this Dialogue, EAS countries confirmed the importance to advance cooperation for achieving low-carbon growth in line with 3 pillars: (1) cooperation for formulation and implementation of a low-carbon growth strategy; (2) utilization of market/technologies; (3)enhancement of networks in the region.

• Based on the outcome of the first Dialogue, Japan continues to make efforts and will organize the second Dialogue co-chaired with Cambodia in Tokyo next spring.





the ratio of EAS countries of the global emission of CO2(2009)

Q2-3. What kind of assistance is Japan doing to support developing countries vulnerable to climate change?

(A)

• In order to support climate change negotiation, Japan announced 15 billion US dollars assistance for developing countries for three years up to 2012 at COP15(Copenhagen) and has so far steadily implemented it. These assistances are highly valued by many developing countries and are contributing to emission reductions efforts in those countries.

•Those supports need to focus on the vulnerable countries such as Africa and small islands states. As for Africa, Japan is now <u>cooperating to elaborate the "TICAD Strategy</u> <u>for Low-Carbon Growth and Climate Resilient Development**"</u>, with a view to the TICADV in 2013.

*Japan's Fast Start Financing … attached 1

** TICAD Strategy for Low-Carbon Growth and Climate Resilient Development …attached 2

Japan's Fast-Start finance

Attached 1

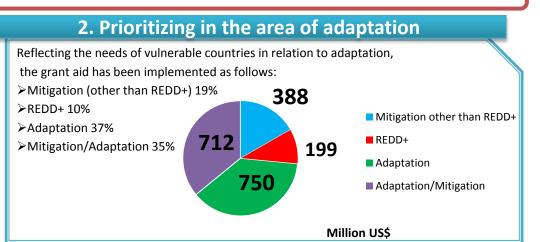
To assist developing countries, especially those making efforts to those emission and/or being particularly vulnerable to climate change. Announced the Fast-Start Finance of approximately USD 15 billion(including approximately USD 11 billion dollars comprised of public financing).

More than USD 13.2 billion has already been implemented (as of 29 February 2012)

taking into account developments in the international negotiations and domestic reconstruction

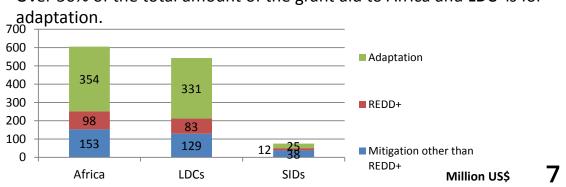
1. Various types of assistance in a wide range of areas

783 projects have been implemented in 107 countries. Japan has been providing assistance through various channels, taking into account local economic situations and content of projects.



3. Focusing on vulnerable countries

Japan has implemented the assistance focusing on vulnerable countries such as Africa (USD 1.39 billion), LDC (USD 0.92 billion), SIDS (USD 0.08 billion).



Over 50% of the total amount of the grant aid to Africa and LDC is for

TICAD Strategy for Low-Carbon Growth and Climate Resilient Development

<Goal>Support African countries to promote Low-carbon growth and Climate resilient development

<Principle>(1)Combination of adaptation and mitigation

(2) Enhancement of country ownership

(3) Enhancement of partnership between public and private sector

(4) Improvement of coordination among development partners for the future climate finance

≻Sectoral issues

(DEnergy (renewable energy, energy access and efficiency), (2) Agriculture (including food security), (3) Forest, (4) Disaster reduction, (5) Water supply (including sanitation), (6) Transportation

Closs-sectoral issues

()promoting Human resource development, knowledge sharing and policy dialogue

(2) promoting utilization of a financial mechanism including Joint Crediting Mechanism/ Bilateral Offset Credit

Mechanism, and utilization of green technologies

③increasing private finance catalyzed by public finance and introducing a base of pyramid business,

(4)information dissemination and advocacy

Accelerating the work toward final report

Attached 2

> The strategy was decided to formulate in May 2011, Tokyo International Conference on African Development (TICAD) Third Ministerial Follow-up Meeting in Dakar

This strategy is expected to be used as a guideline for African countries and development partners, enhanced utilization of private finance, to achieve low-carbon growth by utilization of Japanese green technologies

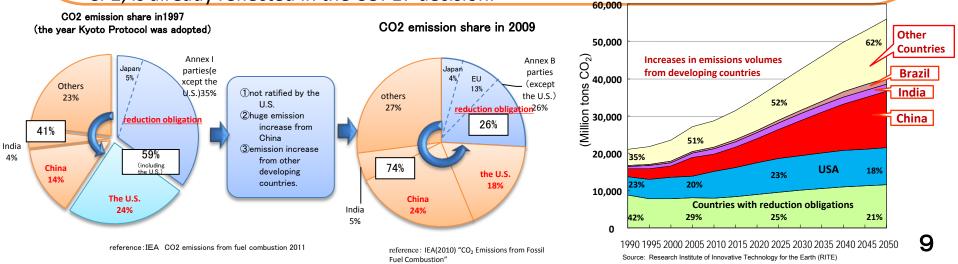
> Interim progress report was submitted at the 4th TICAD Follow-up Ministerial Meeting in Morocco May 2012.

Q3. Does Japan remain unchanged on its stance not to participate in the second commitment period of the Kyoto Protocol?

(A) • Compared to the 1990s when the UNFCCC('92) and the Kyoto Protocol('97) were adopted, the structure of the international community has significantly changed. The share of GHG emission by emerging countries has been increasing. In addition, the U.S. didn't ratify the Kyoto Protocol, although it signed the protocol.

•As a result, <u>the coverage of the countries with reduction obligation under the current Kyoto</u> <u>Protocol is less than 26% of overall in the world</u>. <u>China(the 1st largest emitter), the U.S.(2nd),</u> <u>India (3rd) and other developing countries do not have the obligation on their emission</u> <u>reduction</u>.

• Considering this current situation, Japan aims to establish a fair and effective framework which all countries participate in. Therefore, Japan remains unchanged on its stance that it will not participate in the second commitment period of the Kyoto Protocol, which does not lead to the establishment of such a new framework. This Japan's stance, not to take part in the CP2, is already reflected in the COP17 decision.



Q4. Although the use of nuclear energy has become difficult as a result of the Great East Japan Earthquake, can Japan achieve its goal of "minus 6%" under the Kyoto Protocol?

(A)

• Minus 6%" goal is counted by the average of 5 years between 2008 and 2012. All the data will be available in 2014. At the moment, according to the data 2008-2010, the average of these three years including the forest sink and the credit of Kyoto Mechanism* amounts to -10.9% compared to the datum year(1990).

• Although it is, at this moment, difficult to predict whether Japan can achieve the target by the average of five years including the years 2011 and 2012 due to the unforeseeable factors of the electricity demand, economic activities and climate, Japan will continue to make its utmost efforts toward achieving the target.

