## Approaches to sensitive LCS sectors and NGO role

## Kimiko Hirata

The Japanese policy relies more on 'voluntary actions' rather than formal standards to achieve improvements in efficiency and environmental performance in various sectors. For instance, 54.3% of the measures towards achievement of Kyoto Protocol targets have been undertaken via voluntary action plan, whereas only 11.7% of the measures could be categorized as induced by formal efficiency improvement standards.

A case in point is the Keidanren Voluntary Action Plan. It is an environment action plan devised by the Nippon Keidanren (Japan Business Federation) that makes no commitment to the Japanese government that GHG mitigation targets will be met. It uses "easy targets" through "indicators convenient to the industry," and does not aim to reduce emissions of greenhouse gases significantly. Such voluntary plans cannot become an alternative for emissions trading system.

While the energy efficiency in Japan varies from industry to industry, the average efficiency trends have saturated since the past decade or so, and Japanese industries are no longer the best in this aspect. Therefore, 'industrial structural change' (ISC) is inevitable towards achievement of low carbon society (LCS). However, to induce ISC the following issues will become important:

- New business style: in order to bring about ISC it will be difficult for heavy industry and energy conversion sectors to continue with the current business model; these sectors need to diversify their business and make best efforts to improve energy efficiency
- Pricing carbon: innovative ways to price carbon, for example environmental tax, fiscal
  reform, and auctions under ETS, will have to be devised to give strong signals to induce
  the desired shift

NGOs will play an important role to achieve these objectives. They can act as 'watchdogs', monitor government policies, suggest better alternatives, and create pressure to counter vested interests. For instance, the KIKO Network, an NGO, has observed through a study that speedy adoption of bold government policies is required to achieve the target of 30% CO2 reduction by 2020. In particular, strong governmental measures are needed to deal with homes and other buildings, promote energy conservation technologies and renewable energy sources. Independent actions by citizens will also be needed.

However, the current situation of NGOs in Japan leaves a lot for improvement. The NGOs lack critical resources like funds and human resources. Thus empowering NGOs is the key to achieve LCS in Japan.