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SD-PAMs and LCS:

Co-benefit Approach to Mitigation in Developing Countries and a Role of ODA

Japanese ODA on Climate Change

Addressing global issues, including climate change, is one of four priorities outlined in the Official Development Assistance (ODA) Charter, Japan's basic policy of ODA, which was revised in 2003. Japan's Medium-Term Policy on ODA, formulated in 2005, also underlines the importance of taking measures against climate change. Japan introduced the 'Invitation to Cool Earth 50' initiative in 2007 and announced that it would support 'developing countries with high aspirations' that make efforts to achieve both greenhouse gas (GHG) emissions reduction and economic growth. Most recently, Prime Minister Fukuda announced that Japan would establish the 'Cool Earth Partnership', a financial mechanism for assistance to developing countries on climate change.

As the agencies of implementing ODA, Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC)¹ carry out a number of developmental projects which also produce climate benefits². A co-benefit approach is emphasized, given the fact that the primary concerns of developing countries are their own development, not the climate. With co-benefit approach, ODA gives an incentive for developing countries to take a more climate-friendly development path.

SD-PAMs and Co-benefits

The use of Sustainable Development Policies and Measures (SD-PAMs) is proposed as one type of mitigation action by developing countries (Bradley et al, 2005). It comes from the idea that 'a more sustainable development path has lower emissions, *even without* any explicit climate policy' (South Africa, 2007). In other words, SD-PAMs are based on co-benefits, more specifically climate benefits of sustainable development. In this sense, SD-PAMs share the common basis with JICA/JBIC approach to mitigation in developing countries. SD-PAMs are expected to play a role of engaging developing

¹ In October 2008, JICA and the Overseas Economic Cooperation Operations (OECOs) of JBIC will merge to form the 'New JICA', which will offer a *one stop* service for technical assistance, grant aid and ODA loans.

² For our co-benefit project examples, please refer to JICA and JBIC (2007).

countries in the post-2012 framework.

There are a range of issues, however, that need to be defined to implement SD-PAMs, such as which countries and what types of policies and measures would be eligible for SD-PAMs (Ellis, 2007). How SD-PAMs could be monitored is also an important question in light of the Bali Action Plan, adopted at COP13, where the international community agreed to consider 'mitigation actions by developing countries in the context of sustainable development ... *in a measurable, reportable and verifiable manner*' (UNFCCC, 2007).

In addition, the real effectiveness of SD-PAMs needs to be examined. Given the scale of the climate problems we face, SD-PAMs on their own may not be enough. For more advanced developing countries in particular, SD-PAMs would need to be implemented together with other strategies, such as sectoral approaches.

Conclusion

SD-PAMs as well as a co-benefit approach are a good starting point for engaging developing countries into mitigation action. In order to achieve the ultimate objective of the Convention, however, SD-PAMs would need to be complemented by other strategic approaches. This would be particularly the case with major emitting countries, where some climate-centric actions would need to be integrated into SD-PAMs in order to achieve Low Carbon Society (LCS).

References

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