

Presentation on:

The Hayama Proposal

An Option for Moving Ahead

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What is the Hayama proposal?

- Hayama is the place where IGES is located
- Part of the on-going work of IGES has on international climate change policy
- Not the views of any governments
- The proposal will be further developed through consultations with various stakeholders

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The context

- We need find a comprehensive and compromise option to maintain the integrity and momentum
- “Internationality” and “Legally-binding” are important for some parties, though they can bog down negotiations in “terminological disputes”

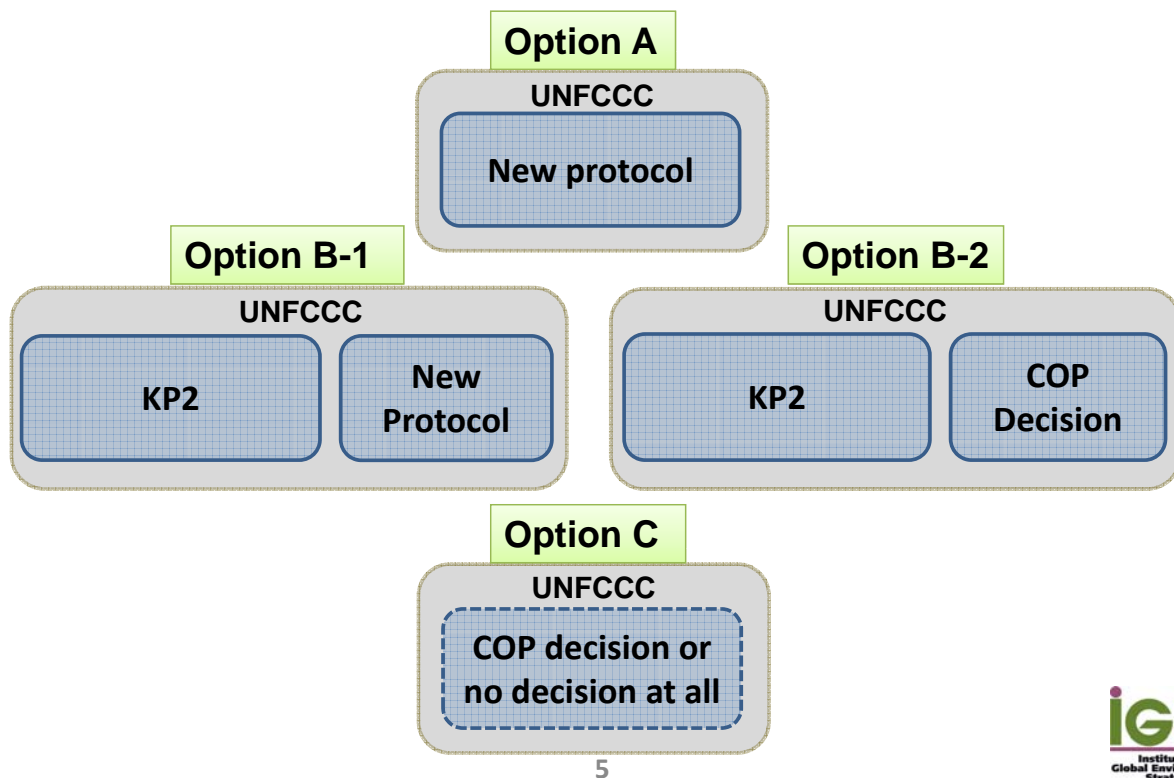


The context (cont'd)

- “Stringent MRV/IAR/ICA only” may or may not be sufficient
- Comparability of the numerical targets and actions is very difficult to judge, especially between developed countries and developing countries



“Probable” options



“Probable” options (cont’d)

Option A: Ideal but difficult and takes time

Option B-1: Not easy and takes time

Option B-2: Internationality and legality are issues

Option C: Possibility to become a chaotic situation

To go beyond the “probable” options

- A regime of “Internationally-bindedness for all major economies with the CBDR principle” such as:
 - ✓ Developed countries: numerical target based on the Cancun agreements **WITH** some consequences of non-compliance
 - ✓ Emerging countries: numerical **INTERNATIONAL** target based on the Cancun agreements **WITHOUT** any consequences of non-compliance (**UNILATELAL DECLARATION**)

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Incentives (rationales) needed to inscribe the target number

For example:

- **Rationale:** International-legally-binding targets or actions of the emerging economies
- **Incentives:** No-limited use of Kyoto mechanism, Easy access and low tariff on environmental technology export/import, compliance mechanism



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Compliance mechanism

- Even if a numerical target is not met, non-compliance can be avoided if the party provides a sufficient amount of:
 - a. financing
 - b. investment for renewable energy
 - c. reduction in fossil fuel subsidy
- Content of the consequences of non-compliance should be workable

Financial/Technology transfer/ Adaptation commitments

- Public support for LDCs to promote technology transfer
- Comprehensive climate change risk management system

Flexible mechanism

- Continuation of the JI/CDM/IET
- Limited carry-over of AAUs
- New flexible mechanisms including NAMA crediting considering the integrity and impacts on the market carefully
- Levy for all mechanisms (e.g. adaptation fund)

Other elements

- Establishment of a rigid MRV/IAR/ICA system
- MOUs with non-parties (e.g. California state) and specific industries (e.g. aviation and marine)

In addition, promotion of the Int'l study such as 1) comparison of the climate policy and its MRV, 2) actual carbon constrain(price) , 3) int'l competitiveness, 4) climate insurance, are needed.

Issues to be solved

- Gigaton Gap
- Domestic politics
- Predictability of the future targets and actions
- Development and responsibility

Unfortunately, no clear idea at this moment



*Thank you and let's
keep fingers crossed!*

