# NEAT Working Group on "Toward Carbon Neutrality in East Asia"

**Final Report** 

Tokyo
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# 1. Background

Under the Paris Agreement, the goal is holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

In East Asia, all the countries have already submitted their Nationally Determined Contributions (NDCs), and 7 countries also submitted their long-term low greenhouse gas emissions development strategies (LT-LEDS).

Last December, Parties adopted the Glasgow Climate Pact, aiming to turn the 2020s into a decade of climate action and support in COP26, and the Pact notes with serious concern the findings of the synthesis report on NDCs under the Paris Agreement, according to which the aggregate greenhouse gas emission level, taking into account implementation of all submitted NDCs, is estimated to be 13.7 per cent above the 2010 level in 2030. Therefore, the Pact requests Parties to revisit and strengthen the 2030 targets in their NDCs as necessary to align with the Paris Agreement temperature goal by the end of 2022, taking into account different national circumstances. In addition, the Pact urges Parties that have not yet done so to communicate LT-LEDS towards just transitions to net zero emissions by or around mid-century by COP27, taking into account different national circumstances, and also welcomes Parties to communicate new or updated NDCs, LT-LEDS and other actions that demonstrate progress towards achievement of the Paris Agreement temperature goal.

In East Asia, the situation of each country is different in their efforts to achieve carbon neutrality, including the re-setting of NDCs, and the region should further cooperate and collaborate with each other. Therefore, this WG aims to share the efforts of ASEAN plus Three (APT) countries' NDCs and LT-LEDS development, elaborate the contents of each country's strategy, and explore what kind of cooperation is possible in the region.

# 2. Discussion Points

The WG meeting consists of two sessions. For the session on how LT-LEDS can be formulated, the questions for the discussions are as follows.

- What kind of formulating process and characteristics should LT-LEDS have in order to best promote alignment with the achievement of your country's sustainable development goals?
- How could the process of formulating LT-LEDS be structured in order to best promote

- alignment with near- and mid-term planning on climate change?
- What contents of LT-LEDS should have in order to best promote alignment with near- and mid-term planning on climate change?
- Whether and to what extent should adaptation be incorporated in LT-LEDS? What pros and cons of including adaptation in LT-LEDS could be?
- What are the major difficulties for your country to formulate LT-LED? What are the needs for technical support and capacity building to overcome these difficulties?
- The discussion points for the other session on how LT-LEDS can be effectively implemented are listed as below.
- What experiences and/or lessons may be learnt from the formulation and publication of your country's LT-LEDS?
- What is your view on the advantages and disadvantages of LT-LEDS issued by your country?
- How has LT-LEDS actually been implemented in your country? How will its progress be monitored, evaluated and updated?
- What are the main challenges for implementing LT-LEDS?
- What kind of impact does the formulation and implementation of LT-LEDS have in your country?

# 3. Discussions at the Working Group meeting

Experts from APT member think tanks and the sponsoring organization, the Japan Forum on International Relations (JFIR), took part in the working group meeting online on 26 July 2022, which was organized with two sessions.

The theme of session I is "How can LT-LEDS be formulated". The speakers from Japan, Vietnam, Cambodia and Laos shared the information on their countries' efforts in the development and update of NDCs, and the latest policy actions on climate change. The discussions in session I are summarized as follows.

• The importance of LT-LEDS is addressed. To formulate LT-LEDS is necessary for a country to develop its national target toward carbon neutrality considering the country's specific context for jointly achieving the global goal under the Paris Agreement. LT-LEDS can provide direction and strong signals for the decision making of businesses and actions taken

- by local governments from the long-term view. It is useful for the planning and implementation of NDCs in a cost-effective manner.
- Key ministries, sub-national government, private sector, NGOs and general public should participate in the process for formulating LT-LEDS. In order to mobilize the large involvement of various stakeholders, political leadership at the country's top level is essential.
- To keep the alignment of NDCs with long-term target should be a basic principle for the formulation of LT-LEDS.
- In terms of the contents, LT-LEDS should give a clear timeline for the achievement of netzero emissions, and describe the policies and actions by sectors with priorities in the short and medium term.
- Although LT-LEDS usually focuses on mitigation, adaptation should be also included due
  to the unavoidable climate risks and the needs for maximizing the synergy between
  mitigation and adaptation.
- LT-LEDS should be regularly reviewed and updated as in necessary, i.e., every 5 or 6 years.
- Insufficient data availability, time constraint, lack of technical and financial resources and difficulty in scenario setting were pointed out as the challenges for the formulation of LT-LEDS, especially in the developing Asian countries with lower income. The financing and technology support mechanism was mentioned as a key issue for the developing countries to enhance their NDCs in line with LT-LEDS.

The theme of Session II was "How can LT-LEDS be effectively implemented". Speakers from China, Singapore, Indonesia, Japan, the Philippines and Republic of Korea presented their views on the discussion points.

- Regional cooperation such as cross-border power grid interconnections can help some APT countries to shift toward decarbonized energy systems.
- Adaptation is one of the important components of LT-LEDS. Adaptation would be the area
   where APT countries can cooperate and accelerate the implementation of LT-LEDS.
- The experience of formulating and implementing a LT-LEDS indicates that consultation among key stakeholders including industries is crucial to enhancing their better understanding and ownership, thereby contributing to effective implementation of LT-LEDS.
- Translating key principles and directions of LT-LEDS into sectoral action plans is also crucial to effective implementation, but simultaneously poses challenges. Consultation and

- involvement of key line ministries are essential.
- For the effective implementation of LT-LEDS, showing the direction alone is not adequate. Securing multiple public funding and mobilising private finance is also important.

# 4. Policy Recommendations

Based on the discussions above, the Working Group on "Toward Carbon Neutrality in East Asia" summarized the following policy recommendations.

- In spite of a large variety in the economic development level, social condition and resource endowment, APT governments, which have not yet done, should formulate LT-LEDS at the earliest to define their pathways toward carbon neutrality by or around mid-century, as well as to set policy agenda for achieving the aligned mitigation targets in medium term, thereby sending strong signals to the market and society.
- In order to strengthen capacity for LT-LEDS formulation, APT countries should enhance experience sharing and mutual learning, and strengthen the capability for integrated modelling analysis to create scientific basis for scenario setting and emission pathway development.
- In order to promote the awareness and ownership of various stakeholders, APT governments should enhance the involvement of related ministries, local governments, businesses, NGOs and general public in the process of LT-LEDS formulation. A national consultative process among various sectors and stakeholders should be applied to strengthen the existing institutional arrangement and transparency of climate policy framework.
- APT governments should take advantage of diversity in the region in order to promote regional cooperation in the pursuit of raising climate ambition and practices. In particular, the three large economies in Northeast Asia, including Japan, China and Republic of Korea, may provide experiences and technical assistance for the formulation and implementation of LT-LEDS in the developing countries of Southeast Asia.

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