

Japan

General Information

<p>Summary</p>	<p>Status: ETS under consideration</p> <p>Jurisdictions: Japan</p> <p>In March 2017, the Global Environment Committee of the Central Environment Council of Japan formulated the country’s ‘Long-term Low-Carbon Vision.’ The document refers to carbon pricing as essential to decarbonizing society. Based on this discussion, in March 2018, an expert committee on carbon pricing released a study assessing how carbon pricing could help Japan achieve long-term, substantial emissions reductions, as well as address economic and social issues. In June 2018, a deliberative council—the Subcommittee on Utilization of Carbon Pricing, Global Environmental Subcommittee, Central Environment Council—was established to consider how carbon pricing can encourage Japan to make the transition to a decarbonized society and to achieve economic growth. Both industry groups and academic experts participated in the Council. In August 2019, the subcommittee published an interim summary report of the discussion and is scheduled to resume activities beginning early 2021. Discussions on the shape of a future carbon pricing mechanism, in addition to the existing 2012 carbon tax levied on fossil fuels such as petroleum, natural gas, and coal, are still ongoing within the Ministry of Environment and with various stakeholders. In December 2020, Prime Minister Yoshihide Suga instructed the Minister of the Environment and the Minister of Economy, Trade, and Industry to consider a carbon pricing proposal.</p> <p>In parallel, Japan operates the Advanced Technologies Promotion Subsidy Scheme with Emission Reduction Targets (ASSET) Program, which functions as a voluntary cap-and-trade program. To receive an ASSET subsidy, entities establish a reduction target based on historical emissions and propose new technologies to reach these targets. Entities that implement such technologies and achieve their target are granted the ASSET subsidy. Entities unable to meet their target on their own are permitted to purchase either credits from other participating entities, or so-called ‘J-Credits.’ The government administers the voluntary J-Credit Scheme, where energy saving, renewable energy, and domestic forest management mitigation activities are verified as tradable J-Credits.</p> <p>Japan is also implementing the Joint Crediting Mechanism (JCM), a bilateral offset crediting mechanism to incentivize low-carbon technologies, in 17 JCM partner countries (Mongolia, Bangladesh, Kenya, Ethiopia, Indonesia, Vietnam, Lao PDR, Cambodia, Maldives, Palau, Costa Rica, Mexico, Chile, Saudi Arabia, Myanmar, Thailand, and the Philippines).</p> <p>In October 2020, Prime Minister Suga pledged to reduce GHG emissions in Japan to net zero by 2050.</p>
<p>Year in Review</p>	<p>No information available yet.</p>
<p>Overall GHG emissions (excluding LULUCF)</p>	<p>Emissions: 1,240.4 MtCO₂e (2018)</p>

Overall GHG emissions by sector (in MtCO ₂)	Sector Name	MtCO ₂ e
	Energy (1,085.7)	1085.7
	Industrial Processes & Product Use (100.1)	100.1
	Agriculture (33.3)	33.3
	Waste (19.3)	19.3
	Indirect CO ₂ (2.1)	2.1
GHG reduction target	BY 2030: 26% reduction from FY2013 GHG levels (NDC) BY 2050: Climate net neutrality (October 2020 pledge)	
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.	

ETS Size

Covered emissions	No information available yet.
GHGs covered	No information available yet.
Sectors and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading periods	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other systems	No information available yet.
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Other Information

Institutions involved	Ministry of the Environment, which manages the Subcommittee on Utilization of Carbon Pricing; Global Environmental Subcommittee; Central Environment Council
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	No information available yet.

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