

Masaya Fujiwara: “The Green Economy is critical in the recovery from the COVID-19 pandemic”

As the world is recovering from the negative impact of the COVID-19 pandemic, we should Build Back Better from this crisis. In this process the green economy is a key pillar to achieve a sustainable and resilient recovery taking into account the serious effects of the climate change and the need to keep the temperature rise within 1.5 degrees Celsius as agreed at the COP26.

Of course, this is not an easy task, and there are many challenges and hurdles before us. International partnerships are therefore important, because it is not something that can be done by one country alone. As Prime Minister Kishida of Japan emphasized during the World Leaders Summit at COP26 in November 2021, “no one must be left behind” as we confront the issue of climate change.

Within this context, Japan is committed to strengthening the partnership for promoting the green economy. Since Japan declared to be Carbon Neutral by 2050 on October 2020, it has embarked on this difficult challenge through its "Green Growth Strategy".

The Tokyo 2020 Olympic Games held last year was “Recovery Olympic” from the East Japan Great Earthquake ten years ago. The Olympic Flame lit by the professional tennis player Naomi Osaka was fueled by Fukushima Hydrogen Energy Research Field (FH2R), the world’s largest facility to produce Hydrogen from solar energy, constructed in the Namie-Town, which had been hit by the nuclear power plant accident. Leading-edge efforts were made, as Fuel Cell Vehicles (FCVs) and Electric Vehicles (EVs) equipped with storage batteries were used for transfer of Athletes in the Olympic village and transportation between venues. It becomes a symbol of our “Build Back Better” vision and a guiding principle of our recovery from the Corona pandemic.

【Change our mindset to transform our society】

In order to build back better from this crisis, we need to transform our society to ensure the sustainable and resilient future growth by “decoupling” between the economic growth and the energy consumption.

That transformation stimulates "evaporated" demand by COVID-19 and raises the potential growth rate by developing and utilizing the requisite innovative technologies. Indeed, transforming the economic structure is a big and daunting challenge but it simultaneously brings us new business opportunity and adds more fuel for sustainable economic growth in future. Fundamentally, we need to change our mindset. Likewise, addressing the issue of global warming is not a constraint nor cost on economic growth, but rather, it ideally becomes a new engine of growth.

This notion is applicable for developed countries like Japan. Thus, transforming economic structure means changing business models and strategies, all of which, are big challenges to overcome. Undoubtedly, these "transitions" will bring new growth opportunities, thereby creating innovations and utilizing new technologies and energy sources. For emerging and developing countries, the formulation of appropriate strategies is highly critical to promote and achieve realization of the green economy. Securing the funds, technology and human resources and collaborating with institutions are needed for that. If the success stories of developed countries are suitably incorporated, then “leapfrogs” will be possible.

Since the geographical features and economic and social conditions differ from country to country, each country should take an appropriate steps according to the actual situation where it stands. In each case, having a digital economy such as an advanced digital processing technology becomes a vital growth engine to promote the green economy, as the experience of COVID-19 has accelerated the digital transformation in our society.

**【Ambitious goals and support measures are
Key Areas for Transformative Evolution】**

Japan is an island state and relies on imports of fossil fuels. It has made strenuous efforts for energy saving, resource reuse and developing

renewable energy and has today, the highest energy efficiency in the world. To become Carbon neutral by 2050 is a big challenge for Japan especially in the circumstances where it could not depend much on the nuclear energy.

The Green Growth Strategy therefore sets an ambitious goals in a wide range of 14 fields, which is not only targeting the energy industry, but also the transport and manufacturing industries as well as home and office fields. Overall, it aims at a "virtuous cycle of economy and environment". Three (3) of the Five (5) cross sectoral support measures are; grant funding, tax incentive, and regulatory reform. The Government of Japan has set up green innovation fund of 2 trillion yen, approximately 18 billion US\$ to support innovation of private sector.

Let me highlight two (2) fields that Japan has been making serious efforts. One is hydrogen, which has the advantage not to emit CO₂, and can be a game changer in both terms of energy security and the realization of a carbon-neutral society. To date, Japan has been developed its manufacturing and hydrogen power generation technology and aims at making steady progress towards commercialization in 2030 and reaching at competitive level with fossil fuel in 2050.

Battery storage technology is another key area as a carbon neutral society is an electrified society. It relates not only automobile industry, but also a wide-ranging sector of our society. We aim at realizing 100% electrification of new car sales by 2035 and achieving growth by developing related technology and supply chain. We expect in 2050 overall economic effect to be around 290 trillion yen or approximately 2.6 trillion US\$ as well as 18 million employment opportunities through this strategy.

【International partnership in Asia and beyond】

Japan is supporting the transition to clean energy and creating a carbon-free society, mainly in Asia, through the Asia Energy Transition Initiative. Japan will develop leading projects worth 100 million USD to transform fossil-fuel-fired thermal power into zero-emission thermal power such as ammonia and hydrogen. Since 2021, Japan is conducting pilot projects together with Australia to produce hydrogen, transport liquefied hydrogen

by sea to build out the commercial supply chain in the region including Pacific Islands countries by 2030.

Japan is ready to provide up to 10 billion USD in the coming five years, which would include our contribution to the launch of Innovative Financial Facility for Climate to support the decarbonization of Asia and beyond.

【The green economy in Japan-Jamaica Partnership】

Finally, Japan, Jamaica and CARICOM countries are traditional partners for sustainable development. The environment and disaster risk management sectors remain the priority areas of our Cooperation. As Prime Minister Kishida announced at COP26, Japan would double the assistance for adaptation to climate change, such as disaster risk reduction, to approximately 14.8 billion USD in the five-year period leading to 2025.

Grant Assistance projects are underway in Jamaica to improve the emergency communication system for disaster prevention as well as the provision of patrol and rescue vessels for which the agreement was signed when Prime Minister Holness Visited Japan in 2019. They will soon arrive to Jamaica.

Unequivocally, the green economy has great potential of cooperation between our countries. When Foreign Minister Motegi visited Jamaica in July last year, we started discussions about how we can cooperate in the fields of "green" and "digital" in the recovery from the COVID-19 pandemic.

Following the Foreign Minister's working Visit, Japan International Cooperation Agency (JICA)'s preliminary study is underway for Jamaica Special Economic Zone Development based on the concept of Smart City. We consider that there is demand in Latin America and Caribbean countries for establishing hydrogen supply chain in future. The Japan International Cooperation Agency (JICA) is planning to conduct a study on the development needs and potential of hydrogen technology and value chains in the Latin America region. Jamaica has been selected as a target country.

Jamaica has an advantage as a logistics hub and high potential for renewable energy such as solar. In addition, since a Japanese company has been investing in the electric power sector here in Jamaica, we could develop

our cooperation in the green growth area through public-private partnerships.

The history of mankind tells us that times of difficulty, are in fact times of innovation. Humans cannot change the past or the nature, but can change the future and society. Now is the time for us to turn the ongoing crisis into an opportunity to change our future and society for the better.

I hope that the 21st century will be valued in retrospect as the time when human-kind leaped onto a new stage of development by boosting innovation in every aspect of life and that our Japan and Jamaica partnership will also leap into the new stage of the green economy in this commemorative year of 60th anniversary after independence of Jamaica.