

# **Japan Association of New Economy Carbon Neutral Vision**

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**April 26, 2023**

**Carbon Neutral Working Group**

**Japan Association of New Economy**

- ❑ **Section 1 (pp. 3-5)**
  - ❑ **Japan Association of New Economy Carbon Neutral Vision (Basic Policy)**
  
- ❑ **Section 2 (pp. 6-19)**
  - ❑ **Policy Proposal for the Acceleration of GX 2023**
  
- ❑ **Appendix**

# **Section 1**

## **Japan Association of New Economy Carbon Neutral Vision (Basic Policy)**

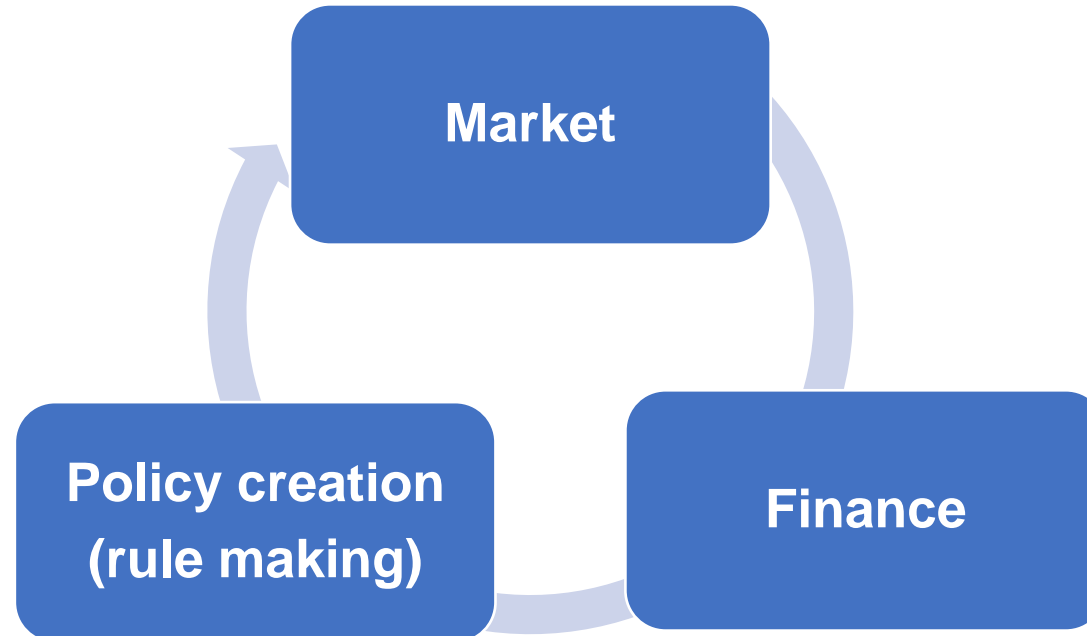
The Japan Association of New Economy (hereinafter “JANE”) Carbon Neutral Vision, based on the basic philosophy described in the 10th Anniversary Policy Proposal, presents policy recommendations for the national government to realize carbon neutrality - one of the most critical issues for Japan.

## JANE Carbon Neutral Vision (Basic Policy)

- For the realization of the structural reform of Japan as a whole (Japan Transformation; we call it as “JX”), our key basic principle is **“Harnessing the power of the private sector”**.
- JANE considers recent global environmental issues, in particular climate change caused by greenhouse gases, as a significant factor in market evolution. In order to promote and realize carbon neutrality, a framework that can extract the full strength of the private sector is necessary. For this reason, **leveraging the digital capability of startups and venture companies is indispensable**.
- It is necessary to create an environment where competition is promoted as it will result in the generation of a “New Combination.” In addition to **creating an environment in Japan that accelerates the speed of innovation and independent development by the private sector, taking the lead in international rule-making** is important.
- In order to accelerate “GX: Green Transformation” by the private sector, mutual cooperation between the public and private sectors is vital. To realize this, **reforms in the three areas of the market, finance, and policy creation (rule making) need to be executed simultaneously with mutual, organic coordination**. [Refer to the following page for a specific image.]
- To ensure the Japanese government’s carbon-neutrality target is achieved by 2050 while harnessing the strength of the private sector through the promotion of startup and venture companies and utilization of digital technologies, JANE will continuously propose measures in the three areas of market, finance, and policy creation.

To accelerate GX, it is necessary to mutually coordinate and promote the use of market mechanisms and incentives (market), the circulation of funds where the function of the finance market is leveraged (finance), and the creation of a system to reinforce these items (rule making).

- Acceleration of GX through market mechanisms and incentives that encourage behavioral changes in each area



- Acceleration of GX through the creation of a system that supports the transition to decarbonization by private companies and innovation creation (including rule making and human resource development)
- Acceleration of GX through the creation of new financial instruments

## **Section 2**

# **Policy Proposal for the Acceleration of GX 2023**

Based on the JANE Carbon Neutral Vision Basic Policy and taking current government trends into consideration, JANE **proposes the following three items regarding the market, finance, and policy creation (rule making) as policy solutions in 2023.** Details of individual proposal items are described on the next page and thereafter.

## 1. Promote market mechanisms to encourage the emergence of the GX industry

### Basic philosophy:

Since the GX industry will be globally important, **Japan's global competitiveness needs to be enhanced** through the development of the GX industry. The energy crisis, in particular, is expected to be resolved **by new technologies** created by **startup companies**, and startup support is therefore required. In addition, these measures should be carried out through a market mechanism that is based on economic rationality.

### Specific proposals (p.8 to p.13)

- 1-1: Promote Future-Oriented Investment and Enhancement of Global Competitiveness in Anticipation of Changes in Energy Sources and Industrial Structures Due to GX
- 1-2: Early System Design of Carbon Pricing in Consideration of Japan's Global Competitiveness
- 1-3: Disclose Carbon Information of Products and Services

## 2. Effective financing of over 150 trillion JPY in GX investments

### Basic philosophy:

**Supporting GX investment of over 150 trillion JPY for 10 years** is the highest priority investment for Japan's future. The **20 trillion JPY GX economic transition bond** must be **operated efficiently with well-balanced budget allocations**. **A further total of 130 trillion JPY from private funds** needs to be used to encourage activity and innovation in the private sector.

### Specific proposals (p.14 to p.16)

- 2-1: Select of priority investment areas
- 2-2: Efficient support scheme with long-term commitments
- 2-3: Expansion of private investment through government debt guarantees, etc.

## 3. Creating a structure for advancing GX (rule making)

### Basic philosophy:

The acceleration of GX requires **fair and highly transparent rules (especially for the electric power industry, which is the center of GX)** to coordinate numerous related parties in a cross-sectoral manner (e.g. government agencies and local governments). In addition, through the **development of a workforce who promote GX**, a framework where the people of Japan as a whole are able to become broadly involved in GX is necessary.

### Specific proposals (p.17 to p.19)

- 3-1: Additional electricity policy reforms
- 3-2: Training and reskilling of workforce for GX
- 3-3: Establishing supervisory authority by creating a new GX agency

# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

1-1: Promote Future-Oriented Investment and Enhancement of Global Competitiveness in Anticipation of Changes in Energy Sources and Industrial Structures Due to GX

## Current Status and Challenges

- While a significant change is expected in the future energy sources and industries under GX, enhancement of the global competitiveness of Japan led by future-oriented investments in new industries and technologies are necessary. However, a large budget is currently allocated for ensuring energy affordability and security from existing sources, and the budget allocated for new future-oriented industries and technologies is limited.
- A certain level of energy affordability and security is necessary, but the concern is that there will be a reinforcement of dependence on existing energy sources and as a result, Japan will end up losing its global competitiveness as energy sources and industries develop in the future.
- For this reason, subsidies for existing energy sources should be gradually decreased, and more resources should be allocated to investment in new GX industries and technology.

## Proposal

- In anticipation of changes in energy sources and industries due to GX, boldly shift the allocation of resources to future-oriented investments in new industries and technologies; enhance the global competitiveness of Japan in the future by such investments; and gradually shrink subsidies for existing energy sources.

### Government Subsidies (FY2022) \*Including second supplementary budget

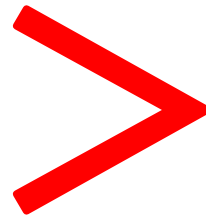
Gasoline  
7 trillion JPY



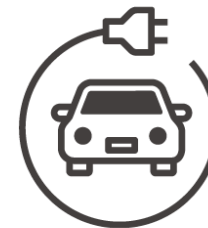
Electric power  
3.1 trillion JPY



200 times or more



Electric vehicles (EVs)  
0.04 trillion JPY



Rechargeable  
batteries  
0.01 trillion JPY





# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

## 1-2: Early System Design of Carbon Pricing in Consideration of Japan's Global Competitiveness

### Current Status and Challenges

- In Europe and the US, in addition to the full-fledged introduction of carbon pricing, the acceleration of domestic technical development and the securing of global competitiveness are being promoted through the Carbon Border Adjustment Mechanism (CBAM) in the EU and trade and industrial policies to encourage a shift to regional manufacturing (e.g. the Inflation Reduction Act (IRA) in the US).
- Japan, on the other hand, is beginning to **design a carbon pricing system.**<sup>(Note)</sup> To ensure this does not lead to adverse effects, such as deceleration of the Japanese economy and degradation of Japan's global competitiveness, efforts must be made to ensure proper system design.  
(Note: In the Basic Policy for the Realization of GX, carbon pricing is scheduled to be introduced after a certain period of time of focusing on GX, e.g., from FY2026 an emission trading system and from FY2028 a carbon surcharge for fossil fuel importers will take effect.)
- **A specific roadmap for the transition to carbon pricing needs to be released** so the impacts for Japan's industrial sectors will be more predictable. Consequently, private investment for developing and strengthening the global competitiveness of GX industries will be stimulated and industries affected by the emission trading system and surcharges will be able to respond smoothly.
- Moreover, **the handling of carbon credits (use and disclosure methods, tax processing, etc.) in Japan and overseas** for the realization of carbon neutrality by companies also needs to be resolved in conjunction with the introduction of surcharges and the emission trading system.

### Proposal

- **Introduce a carbon pricing system that minimizes negative impacts, including the deterioration of the global competitiveness of Japan.**
- **At minimum, release a specific roadmap for the carbon pricing transition following the introduction of a carbon surcharge and an emission trading system.**
- **Clarify the use, disclosure, and tax processing methods of carbon credits in Japan and overseas, as well as the evaluation method of contributions to greenhouse gas (GHG) reduction projects other than the purchasing of carbon credits.**

# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

## 1-2: Early System Design of Carbon Pricing in Consideration of Japan's Global Competitiveness

- In Europe and the US, GX has been promoted by aggressively using a policy mix consisting of carbon pricing with negative incentives (emission trading systems and carbon taxes) and positive incentives, such as the CBAM, tax credits, and financial support.
- In addition to the EU, Japan's neighboring countries, including South Korea and China, have also introduced emission trading systems.

Country/Region	Government Investment Support for GX	Carbon Pricing Related Initiatives	Reference: Reduction Target and GDP
EU	<p><b>Approximately 140 trillion JPY in GX investment for 10 years by the public and private sector (January 2020: Green Deal Investment Plan and February 2023: Green Deal Industrial Plan)</b></p> <p>* Financial source: Revenue from the emission trading system and the CBAM, EU budget allocations, and the issuance of EU bonds</p>	<p>[Emission trading system]</p> <ul style="list-style-type: none"> <li>• <b>Introduction of the emission trading system (EU-ETS) in 2005</b></li> </ul> <p>[Carbon tax]</p> <ul style="list-style-type: none"> <li>• Some member states (France, Sweden, and Finland) have already introduced a carbon tax, in addition to the UK. *Note: Companies applicable to the EU-ETS are essentially exempted from the tax.</li> </ul> <p>[Other initiatives]</p> <ul style="list-style-type: none"> <li>• There is a plan to <b>introduce the CBAM to imports from outside of the region.</b></li> </ul>	<p>2030: -55% (Compared to 1990) * -41.6% (Compared to 2013)</p> <p>Approximately 17.9 trillion JPY</p>
US	<p><b>Approximately 54 trillion JPY in GX investment by the public sector for 10 years (August 2022: IRA)</b></p> <p>* Financial source: The investment is not significantly linked to energy-related taxes, and the primary financial source of the investment is the introduction of a minimum 15% corporate tax and prescription drug price reform.</p>	<p>[Emission trading system]</p> <ul style="list-style-type: none"> <li>• <b>Introduced in some areas, such as the north-east region and California</b></li> </ul> <p>[Carbon tax]</p> <ul style="list-style-type: none"> <li>• Not introduced</li> </ul> <p>[Other Initiatives]</p> <ul style="list-style-type: none"> <li>• Carbon pricing at the federal level does not exist. <b>Emission reductions are targeted by tax credits, subsidies, and financing (positive incentives) based on the IRA.</b></li> </ul>	<p>2030: -50% to -52% (Compared to 2005) * -45.6% (Compared to 2013)</p> <p>Approximately 23.0 trillion JPY</p>
Japan	<p><b>Approximately 150 trillion JPY in GX investment by the public and private sectors (February 2023: GX Basic Policy)</b></p> <p>* Financial source: GX economic transition bonds (Approximately 20 trillion JPY from public funding and the revenue from carbon pricing as funds for redemptions)</p>	<p>[Emission trading systems and carbon taxes]</p> <ul style="list-style-type: none"> <li>• <b>Emission trading system (From FY2026: Full-scale operation of a voluntary emission trading system by the GX League. From FY2028: Growth-oriented carbon pricing concept. From FY2033: Introduction of "paid auctions" for energy generation business operators and the introduction of a carbon surcharge.)</b></li> </ul> <p>* <b>Introduction of the scheduled carbon pricing has fallen behind other countries.</b></p>	<p>2030: -46% (Compared to 2013)</p> <p>Approximately 4.3 trillion JPY</p>

# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

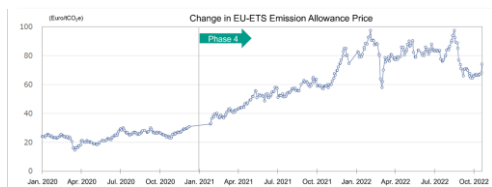
## 1-2: Early System Design of Carbon Pricing in Consideration of Japan's Global Competitiveness

Carbon pricing policies have been strengthened, mainly in Europe

The US promotes domestic production by tax credits according to the Inflation Reduction Act (IRA)

### <Emission Trading System (ETS)>

Changes in the price of emission allowances in the EU-ETS

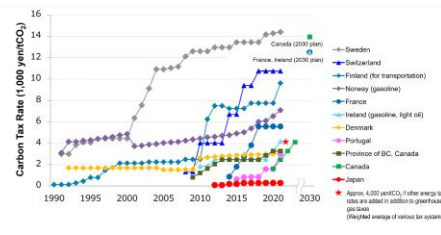


Source: Handout in the 21st meeting of the Subcommittee on Utilization of Carbon Pricing, Central Environmental Council, Ministry of the Environment

The EU-ETS was launched in 2005. Due to the introduction of the paid emission allowance, the price of the emission allowance rose to over 10,000 JPY/t-CO<sub>2</sub>e. The long-term outlook for the rules, including elimination of the free allowances by 2034, have been released.

### <Carbon Tax>

Carbon tax rate by country



Carbon taxes were introduced in some European countries in the 1990s. Rates gradually rose, and in some countries, the 10,000 JPY/t-CO<sub>2</sub> level has already been exceeded. Some countries released a specific scheduled tax rate for 2030.

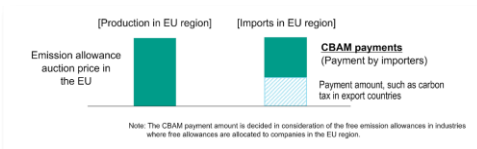
### IRA Outline

Key Requirements for EV Purchase	Standard
The manufacturer's suggested retail price is less than 55,000 USD (there are some exceptions)	Requirement
EV underwent final assembly in North America	Requirement
40% of the procurement price of the critical minerals contained in the battery must be extracted or processed in a country with which the United States has a free trade agreement or be recycled in North America	Tax credit: 3,750 USD Either are required
50% of the battery components must be produced in North America	

For carbon pricing, instead of the negative incentives used in mainly the EU, such as various taxes and the CBAM, the US introduced systematic measures as positive incentives (tax credits, subsidies, and financing) in the IRA. The use of various 10-year tax credits and requirements for domestic production are intended to accelerate domestic technical development. Additionally, these incentives are supported by funding sources that are not linked to either carbon or energy.

In the EU, payment of the carbon price for imports is going to be required according to the CBAM

### <EU CBAM>

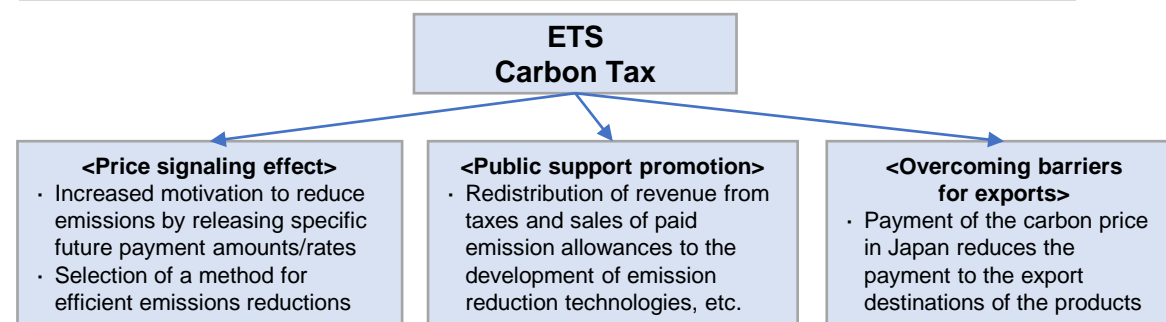


Source: A handout in the 21st meeting of the Subcommittee on the Utilization of Carbon Pricing, Central Environmental Council, Ministry of the Environment

- A system that requires the payment of carbon costs equivalent to market prices in the EU-ETS according to the amount of emissions contained in certain imported goods (iron, steel, aluminum, cement, electricity, and fertilizers) is under consideration.
- If the carbon price is already paid in the country of production, the corresponding amount will be deducted from such payments. When the carbon price is equivalent to or higher than the price in the EU, payments may be exempted.
- A permanent system is scheduled to be enforced in 2026.
- Raising the CBAM is expected when the free emissions allowance in the EU-ETS ends.

Based on the situation where Europe and the US take advantage of GX to establish global competitiveness, Japan also needs to design a system to establish global competitiveness

### <Effects of Carbon Pricing>



Promote technical innovation  
Potentially contributes to the market expansion of products and services with reduced GHG emissions

# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

## 1-3: Disclose Carbon Information of Products and Services

### Current Status and Challenges

- The key to encouraging companies to take the initiative in the acceleration of GX is **establishing a system that allows consumers to appropriately assess and select the businesses, products, and services for which efforts for GHG reductions are being made. It is important that through this system, voluntary initiatives expand and are promoted across the country.**
- The contributions of businesses, products, and services to GHG reductions can be released to the public in an easily understandable format by directly disclosing the carbon information of each business, product, and service; launching awards or certification programs by the government for good practices; voluntary award programs; or releasing case studies by business groups.(Note)
- Consequently, carbon information disclosure by companies is expected to **contribute to the promotion of Scope 1, 2, and 3 data disclosure.**
- In the future, **a system is needed where consumers are able to receive benefits and incentives to promote behavioral change.** Currently this is limited to subsidy programs offering relatively small amounts of one-time rebates or discounts.

(Note: Currently in Japan, the Guidelines for Quantifying GHG emission reductions of goods and services through the Global Value Chain [March 2018] by the Ministry of Economy, Trade and Industry describe the fundamental principles for quantifying reduced emissions. For certification programs, there are carbon footprint declarations and the EcoLeaf environmentally friendly label program by the Sustainable Management Promotion Organization [SuMPO].)

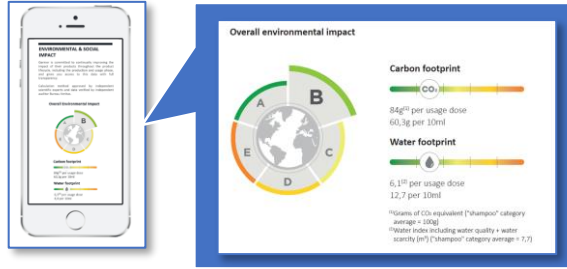
### Proposal

**Create an environment and a system that allow businesses, products, and services contributing to GHG reductions to be appropriately assessed and selected by consumers. For example, encourage carbon information disclosure by companies, introduce a new award program by the government, and establish incentives and policies that encourage positive behavioral changes by consumers.**

# Proposal 1. Promote market mechanisms to encourage the emergence of the GX industry

## 1-3: Disclose Carbon Information of Products and Services

### Worldwide Initiatives to Limit Carbon Footprints



Source : <https://www.loreal.com/en/articles/commitments/our-methodology/>

The major French cosmetic company L'Oréal calculates, assesses, and releases the environmental and social impact of its products to consumers mainly by using its carbon footprint and water footprint, based on the company's own methodology.



Source : <https://www.allbirds.jp/pages/sustainable-practices> (Japanese)  
<https://www.allbirds.com/pages/sustainable-practices#reality> (English)

The apparel company Allbirds releases the carbon footprint of all its products, including the use of 100% renewable energy for the manufacturing process and operation facilities, and the company is making proactive efforts to reduce its environmental burden.

### Initiatives in Japan (Carbon Footprint, Reduction Contribution Amount)



Source: [https://www.maff.go.jp/wp/wpaper/w\\_maff/r3/r3\\_h/trend/part1/zoom/zoom\\_043.html](https://www.maff.go.jp/wp/wpaper/w_maff/r3/r3_h/trend/part1/zoom/zoom_043.html) (Japanese)

NH Foods launched a carbon footprint label in 2010. The Ministry of Agriculture, Forestry and Fisheries promotes the quantification of GHG reduction effects of agricultural products and food items.

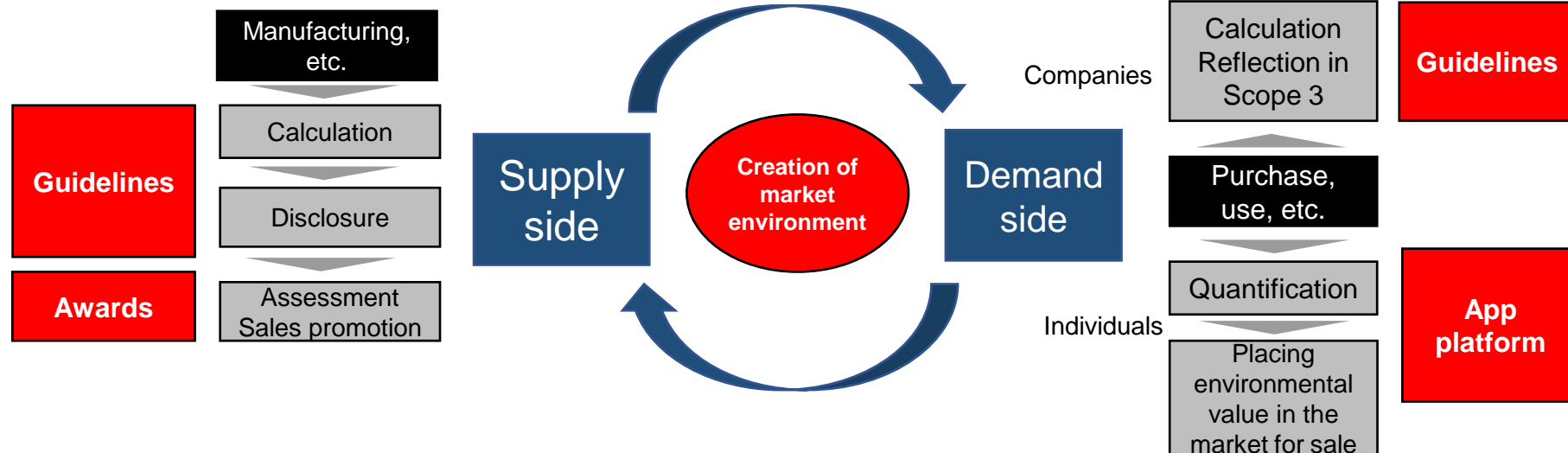


Source : <https://www.yaskawa.co.jp/company/csr/env/co2signage> (Japanese)  
<https://www.yaskawa-global.com/company/csr/env/co2signage> (English)

YASKAWA Electric calculates and releases on its website the CO<sub>2</sub> emission reductions of its products (inverters, high-efficiency motors, renewable energy devices, etc.).

## Diagram of a market environment where the assessment of products and services contributing to GHG reduction is established

- Carbon information disclosure
- Formulate guidelines that match global standards (calculation and disclosure method)
- Awards and labelling by the government or business groups, etc.



- Establish a scheme where individual consumers are able to create and sell environmental value (selecting certain products, participation in planting trees, etc.)
- Build a trading platform where individual consumers can participate easily

# Proposal 2. Effective financing of over 150 trillion JPY in GX investments

## 2-1: Selection of priority investment areas

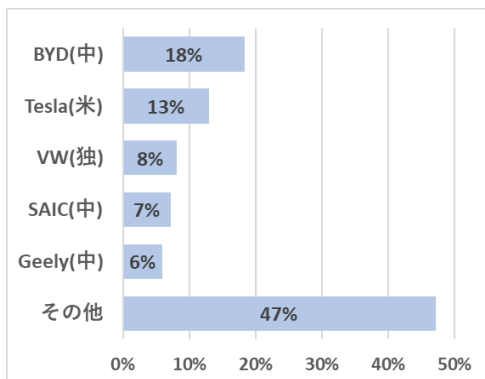
### Current Status and Challenges

- GX is related to a wide variety of industries, and the basic policy for the realization of GX (hereafter, the “GX Basic Policy”) provides a roadmap for 22 fields.
- For the execution of GX investment exceeding 150 trillion JPY over the next 10 years, selecting the investment fields and carrying out well-balanced investments are important, as is closely monitoring the constantly changing state of the world and the global competitiveness of Japan’s domestic industries.
- The automotive industry is Japan’s core industry. It is also close to the battery industry and the Japanese way of life, but in the GX Basic Policy, the automotive industry is simply a part of the transportation sector.

### Proposal

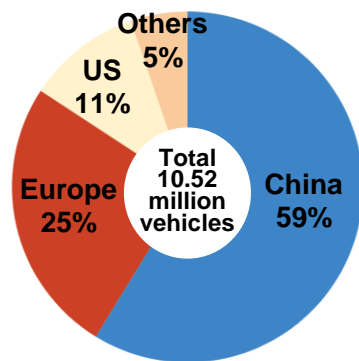
- The automotive industry, which is a core industry of Japan, should be positioned as a priority investment area.
- Regarding the globally accelerating shift to EVs, the following are critical: the involvement in various policy discussions and initiatives at the international level to advocate for Japan’s national interests, the global competitiveness of the domestic automotive industry, and the CO<sub>2</sub> reduction effects by LCA.\*
- The following are necessary: closely monitoring the state of the world, providing extensive support to the automotive industry including the development of emerging technologies such as EVs and FCVs (fuel cell vehicles), and the application of the technologies currently owned by the automotive industry in growth fields (aerospace, robotics, etc.).

2022 EV and PHV Manufacturers’ Market Share



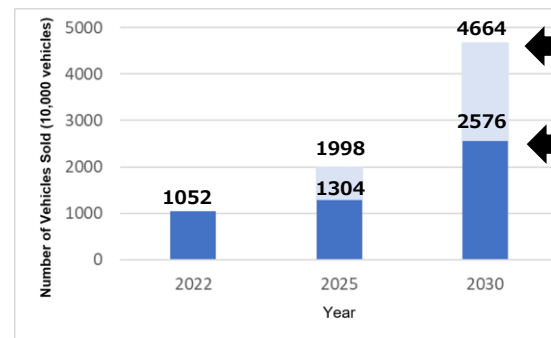
Source: INSIDE EV

2022 EVs and PHVs Market Share of Vehicles Sold by Country and Region



Source: EV-volumes.com

EVs and PHVs Sales Outlook by 2030 (Global)



Source: IEA

Scenario 1: Stated policies scenario

Scenario 2: Sustainable development scenario

\* Life Cycle Assessment  
Environmental burden in all processes from manufacturing to product disposal

# Proposal 2. Effective financing of over 150 trillion JPY in GX investments

## 2-2: Efficient support scheme with long-term commitments

### Current Status and Challenges

- Decisions on medium- to long-term investments in some GX-related industries are difficult for private businesses due to immature technologies and markets.
- For the IRA (US), multi-year budgets covering 10 years were secured, and support targets, support methods (tax credits, subsidies, financing, procurement, etc.), and investment amounts are clearly specified, which allows companies to have greater certainty around future planning.

An example of a specific challenge in Japan: subsidies for promoting the introduction of charging and refilling infrastructure for the adoption of clean energy vehicles

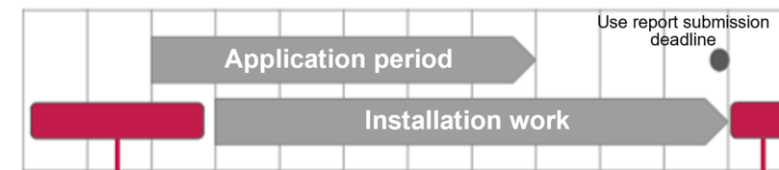
- Since the availability and precise details of subsidies, including monetary amounts and requirements, are decided in each year's budget, the application period and subsidy use reporting period are fixed.
- For this reason, all installation work takes place in a limited window of time, which results in inefficiencies and high costs.
- The uncertainty of subsidies (whether or not they will be available, amounts given, requirements, etc.) for the following fiscal year makes it difficult for business operators to make decisions on medium-term investments.

### Proposal

- **Support investments by business operators by making long-term or multi-year commitments for GX-related subsidy programs, potentially by using the GX economic transition bond and funds.**
- **Provide more specific funds and investment plans (including monetary amounts and schemes) by the government to increase the predictability for business operators.**

### An example of a schedule for subsidies for promoting the introduction of charging and refilling infrastructure for the adoption of clean energy vehicles in the FY2021 Supplementary Budget

Feb. Mar. Apr. May June Jul. Aug. Sept. Oct. Nov. Dec. Jan. Feb.



Period when installation cannot be conducted



Source: Based on Charging Equipment of the Application Handbook for Clean Energy Vehicles and Infrastructure Subsidies in the FY2022 Supplementary Budget by the Next Generation Vehicle Promotion Center

# Proposal 2. Effective financing of over 150 trillion JPY in GX investments

## 2-3: Expansion of private investment through government debt guarantees, etc.

### Current Status and Challenges

- To realize private investment exceeding 130 trillion JPY for the next 10 years, proactive financing by the private sector is indispensable. However, private financing is expected to struggle in some GX-related industries due to uncertainty about the technologies and demand.
- In the early development stages for GX technology, a scheme where public and private institutions share the risk and where funds from public and private institutions are combined (blended finance), as well as support programs including tax credits, is also required.

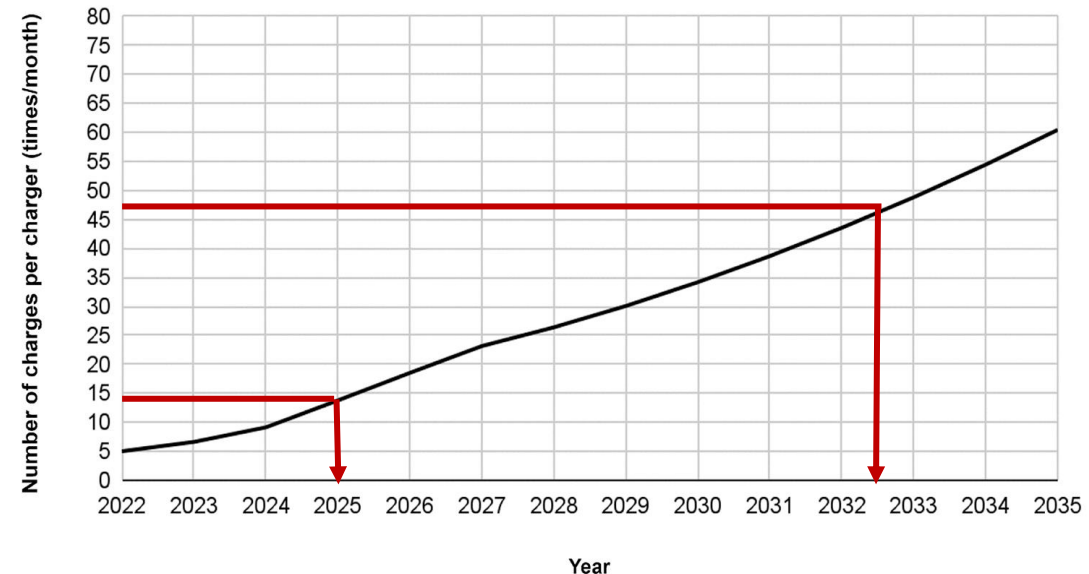
#### Example: EV charging equipment

- A lack of past examples of EV charging equipment operations and the return on investment and financing that depend on the existence of government subsidies, etc., make predicting the future difficult, which results in difficulties assessing financing requests.

### Proposal

Establish a system to gather private investment exceeding 130 trillion JPY by ensuring the predictability of the future growth of GX industries and reduce investment and financing risks by proactively using government-guaranteed debt from the the GX Agency

### Regular Charger Monthly Use Forecast



[Basis for Calculation] Calculations were carried out under the precondition that one EV or PHV uses an AC charging port once every four weeks. The total number of charges with a regular charging port for one month was calculated by using the number of EVs or PHVs owned each year. Then the figure was divided by the number of regular charging ports to obtain the number of charges per charging port. The estimated number of EVs and PHVs owned is 420,000 vehicles for 2022 and 11.44 million vehicles for 2035, and quadratic growth is estimated. (It is estimated that 50% of new car sales in 2035 will be EVs or PHVs.) The number of charging ports is projected to be 20,000 in 2022 and 120,000 in 2030. An increase of a certain percentage is assumed. The figures for the period from 2022 to 2026 were corrected in consideration of the expected decline of regular charging port utilization due to a certain number of 3kW charging ports remaining.



# Proposal 3. Creating a structure for advancing GX (rule making)

## 3-1: Additional electricity policy reforms

### Current Status and Challenges

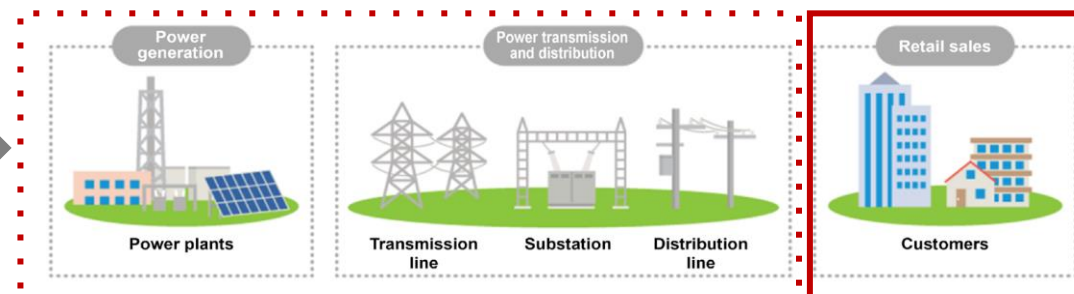
- In the electric power sector, departure from the dependence on fossil fuels by large-scale GX investment (hydrogen, ammonia, offshore wind, power grid investment, nuclear power, etc.) is necessary. In addition, based on the Russia–Ukraine situation, avoiding risks caused by instability in the fossil fuel supply chain is critical.
- An environment of fair competition must be secured and the reform of the electric power system must be accelerated to improve efficiency throughout the whole process, from power generation, transmission and distribution to retail sales of electricity.
- Many problems occurred that rocked the foundation for deregulating the electric power industry (price-fixing, information leaks by electricity transmission/distribution operators and retail sellers, and concerns over the fair selling of electricity). In order to avoid these wrongdoings derailing the reform of the electric power system, the reform must be carried out thoroughly.

Enhance the independence of individual business operators by separating the ownership (management) of generation, transmission and distribution from the retail sales of electricity in the former General Electricity Utility.

- By promoting the horizontal separation of work in generation, transmission and distribution, and retail sales of electricity, the management status of each sector and respective business operators will be more transparent, which will lead to reduced oversight costs, according to the disclosure obligations in the Companies Act.
- Consequently, more efficient investment in decarbonized energy sources, the grid, and a more active fundraising environment are expected through the mechanism of competition.

### Proposal

Long-term support by the government



The retail sales sector requires stronger independence and enhanced monitoring. For the power generation transmission and distribution sectors, a firewall regulation between the banking and securities businesses is necessary.

# Proposal 3. Creating a structure for advancing GX (rule making)

## 3-2: Training and reskilling of workforce for GX

### Current Status and Challenges

- **More personnel with knowledge of GX are needed to** accelerate GX in a wide variety of fields, such as management, business planning, research and development, consulting, and finance.
- Expertise in GX covers a wide range of areas, including energy, resource management, communications(non-financial information disclosure), and engineering. **Defining these green jobs and creating reskilling systems for the development of GX experts are needed by society as a whole.**
- There are already some private services offering programs for developing GX experts and certifications. Therefore, the government and business associations need to endorse the existing services and provide assistance to reduce the cost of using these services.
- **The creation of a platform and framework offering services matching GX experts with regions facing challenges or with needs in the private and public sectors is necessary** in the future so GX experts can make full use of their abilities and skills across the country and contribute to the realization of decarbonization regionally.

### Proposal

**Identify the necessary skills for GX experts; create information sources on GX expert development programs and certifications; build a reskilling framework for the development of GX experts in society as a whole; and establish a platform and system that allow GX experts to utilize their talents.**

#### Green Job Examples



Environmental counsellor



Specialist who calculates and verifies GHG



Engineers

# Proposal 3. Creating a structure for advancing GX (rule making)

## 3-3: Establishing a supervisory authority by creating new GX agency

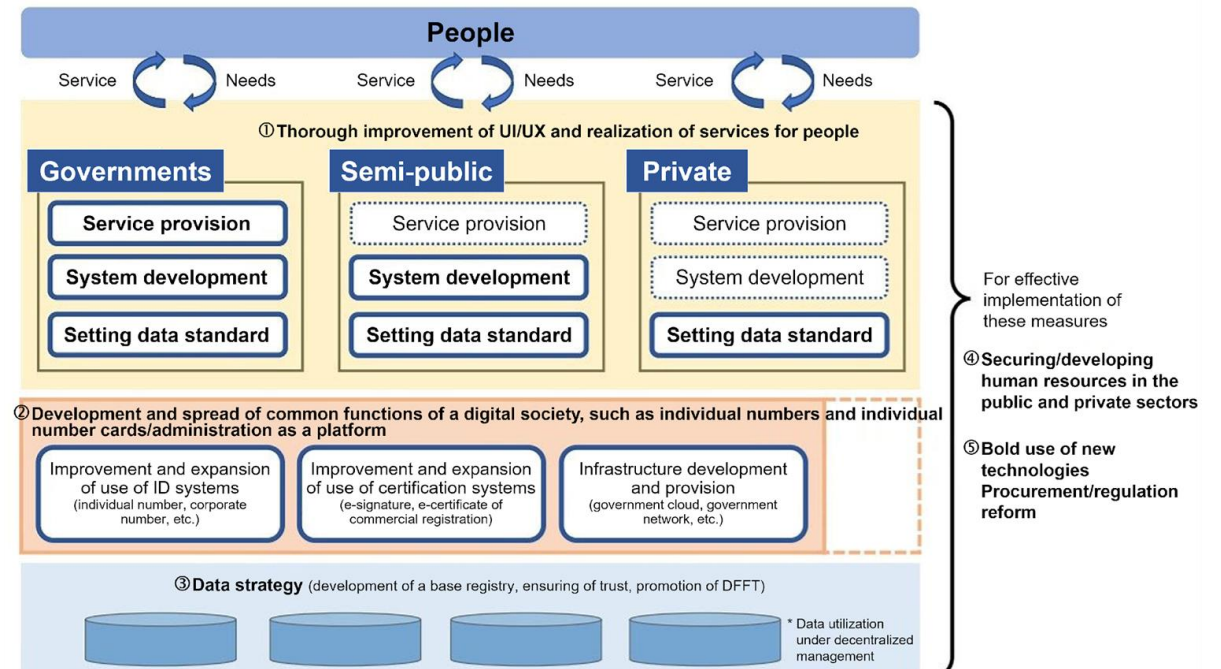
### Current Status and Challenges

- GX policy work involves a wide variety of ministries. In addition, GX is a task that needs to be tackled as a country-wide effort by closely working with local governments.
- When the government plans GX policies, building a system that allows the flow of human resources between the private sector and the public sector is indispensable to enable the employment of experts in a wide array of fields and promote development of GX experts in the country as a whole.
- The organization of the GX Agency (tentative name), should be designed and operated by the Digital Agency as a model where numerous personnel from the private sector are employed and which establishes a foundation of digital transformation beyond the borders of all government agencies and local governments.

### Proposal

- **As a comprehensive control mechanism for GX policy, establish the GX Agency which will comprehensively manage and promote GX-related matters.**
- **The GX Agency should adopt an organizational design, using the Digital Agency as a model case, and also introduce a revolving door concept and aggressively hire specialists from the private sector.**

### Goals Targeted by the Digital Agency



# Appendix

# Objectives of the Carbon Neutral Working Group, Japan Association of New Economy

- Due to the global trend of promoting carbon neutrality, more companies are working on management and business development activities that match a decarbonized society in Japan as well.
- Mainly backed by the expansion of ESG investment, higher standards of action for climate change are required for companies regardless of their size. To implement measures based on these latest trends, JANE inaugurated the Carbon Neutral Working Group in April 2022 as a platform for sharing information and discussion among members.

## ■ Member Company and Committee Member List (Partial) in Random

- (Chairperson)
- Koichiro Yoshida, President and CEO, CrowdWorks Inc.
- (Vice Chairperson)
- Yohei Kiguchi, CEO, ENECHANGE Ltd.
- (Committee Members)
- Yoshio Ishihara, Executive Officer, Deputy Director, Business Development Division, Hazama Ando Corporation
- Yasuo Kozono, Director, Kagoshima Sports Promotion
- Tomoya Kimura, Manager, SIGMAXYZ Holdings Inc.
- Kazumi Negishi, Division Manager, Corporate Division, Jimoty, Inc.
- Kazukiyo Fujita, Section Manager, Outsourcing Division, Techno Fujita
- Sho Sakakibara, Department Manager, Sustainability Department, Tokyu Construction Co., Ltd.
- Hiroyuki Watanabe, CEO, B Dash Ventures Inc.
- Kathy Liu, Director, Energy Sector, Plug and Play Japan
- Hirokazu Aoi, Chief Executive Officer, boost technologies, Inc.
- Kohei Yatsubayashi, President & Director, blue dot green Inc.
- Kunihiro Ishibashi, Japan Director, Bloomberg L.P.
- Ryo Ishizuka, Manager, Prored Partners Co., Ltd.
- Daisuke Yamashita, Senior Manager, Sustainability Management Department, LINE Corporation
- Koyuru Ohashi, Vice General Manager, Environmental Department, Operation Division, Rakuten Group, Inc.
- Takayuki Inoue, President & CEO, CARSEVEN DIGIFIELD.CO.,LTD



