

**Policy Design of Climate Change Collaboration in Northern Asia:  
Possible Options and Constraints for Co-operative Efforts between  
Russia, Japan, China and Korea (APN 2001-15)**

**Project Leader:**

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## **Possible Options and Constraints for Co-operative Efforts between Russia, Japan, China and Korea (APN 2001-15)**

### **APN Funding**

US \$60,000

### **Participants from the following countries were funded**

China, Japan, Republic of Korea, Russia

### **Introduction/Background**

The main objective of this project is to analyze possibilities and constraints in developing collaboration between four countries of North Asia, i.e. between China, Japan, Republic of Korea and Russia in implementing the UN Framework Convention on Climate Change (UNFCCC). Also, we are to study national approaches to joint efforts, strategies and practical steps undertaken, and its impacts to other countries in the Asia Pacific region, as well as to elaborate policy recommendations on how to make joint instruments in the region an effective tool in domestic and international climate policies

### **Outline of activities conducted**

In comparison with many other international environmental agreements the FCCC suggests broader options for collaboration efforts by so-called-‘Kyoto Mechanisms’, which are Joint Implementation (JI), Emission Trading (ET), and Clean Development Mechanisms (CDM), aimed at greenhouse gas emission reduction. This project explores the appealing opportunities, emerging practical schemes, and constraints for co-operation between countries mainly in North Asia. This region represents developed, economies in transition, and developing countries (China, Japan, Republic of Korea and Russia) through application of these new instruments, as well as their participation in financial and technology transfers resulting in combating global warming. This project especially analyzes the specifics of the current domestic trends and institutional framework in Russia; which is becoming an active player in international co-operative schemes in climate change policy implementation. We intend to explain how and to what extent these domestic specifics, especially development of collaborative efforts between Japan and Russia (mainly JI and ET) affect international policies and co-operation of countries in this region, and also to provide policy recommendations on what can be done to improve its effectiveness.

### **Outcomes/Products**

First of all, we briefly summarized the UNFCCC and Kyoto Mechanism that are the international mechanisms of combating global warming. The most recent agreement at COP 7 (Marrakech Accord) was also summarized. Among Annex I countries, now the most important issue is to ratify the Kyoto Protocol, following the domestic processes of each country. We examined existing collaboration in the field of the environment in Northeast Asia, most of which are focusing on the mitigation of local air pollution. We noted the effectiveness of such collaboration, combining climate policy collaboration in this region. We also found that centralizing political, economic or social forces were lacking until the late 1980s due to a diversity of systems. Except for certain bilateral initiatives, there was little cooperation on environmental issues.

We intend to analyze the evolution of the major positions of China, Japan, Republic of Korea and Russia regarding co-operative efforts in the implementation of the FCCC, including GHG emission profiles. Especially, we aim to assess Russia's domestic potential as the world's largest seller of carbon credits. For this purpose, the analysis will combine the assessment of trends in economic development of this country with possible developments in its energy sector. The major approach of this task is based on the necessity to take into account a variety of 'situational factors' rooted in the specifics of the transition period in Russia. For example, we may list institutional uncertainties, including uncertainties for investments, in property rights, in vertical and horizontal division of responsibilities between governmental institutions; weakness of the governmental authority; and the shadow economy, etc. The above factors have serious impacts on the development of GHG emission scenarios, on patterns of international co-operation, on design of possible domestic and international policies and its instruments in response to climate change.

### **Future directions/Follow-up work**

As the international negotiation for climate change continues, it is necessary to follow-up discussions at international negotiations. Furthermore, it is crucial to analyze the potential for collaboration in this region, which is to analyze to what extent the CDM is to open additional opportunities for China and the Republic of Korea in expanding international trade and foreign investments. Co-operative efforts between China, Japan, Republic of Korea and Russia in this field are to be studied.

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