

Two overlapping curved shapes on the left side of the slide, one in a dark teal color and the other in a lighter teal color.

Japan's policies of the Kyoto Mechanisms

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Kentaro ENDO

Director for Environmental Affairs

Minister's Secretariat

Ministry of Economy, Trade and Industry (METI)

Government of Japan



The Kyoto Protocol and the New Kyoto Target Achievement Plan

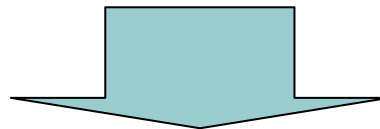
June, 2002 Ratification of the Kyoto Protocol

- Goal of reducing GHG emissions to **6%** below 1990 levels

April, 2005 **The Kyoto Target Achievement Plan**

Kyoto Mechanism : 1.6%

(Total 100 million tons of Credits)



Kyoto credits Acquisition Programme by the Japanese Government (from FY2006)

Japan's GHG emissions (Basic Figures)

More than 90% is
CO₂

Total GHG emissions in the base year

GHGs	Emissions [million tons CO2]		Base Year
CO2	1,144	90.7%	1990
CH4	33	2.6%	1990
N2O	33	2.6%	1990
HFCs	20	1.6%	1995
PFCs	14	1.1%	1995
SF6	17	1.3%	1995
Total	1,261	100.0%	

* Data from "Report on Japan's Assigned Amount", August 2006.

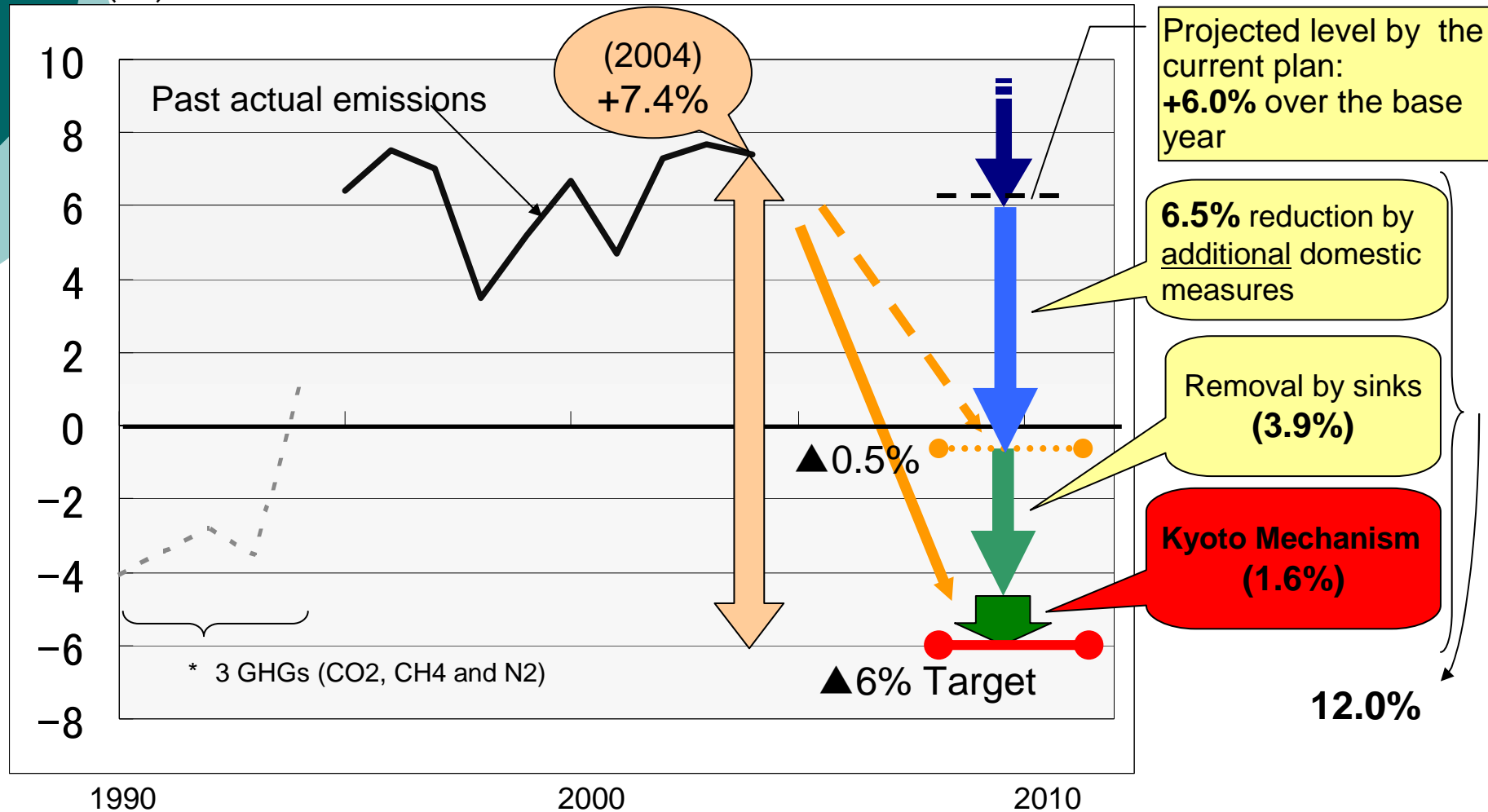
Japan's assigned amount

1,261 million tons CO₂ * 0.94 = 1,186 million tons CO₂
(5,929 million t CO₂ in five years)

Targets setting of the Plan

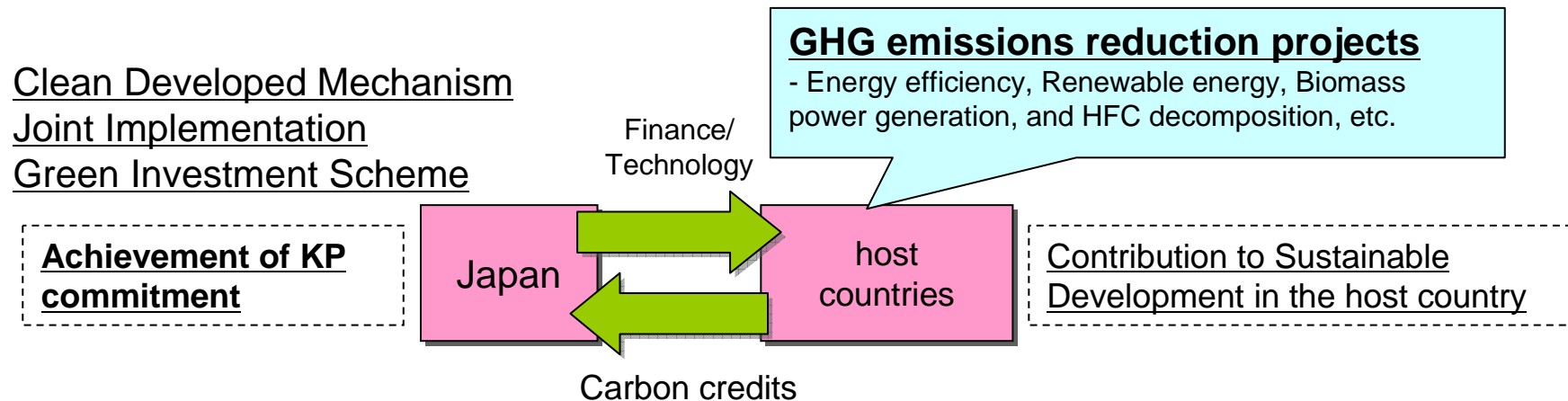
The Kyoto Target Achievement Plan

(%) * One percent of the base year emissions is equivalent to 12.6 million ton-CO₂



Utilization of the Kyoto Mechanisms

- CDM, JI and GIS under the Kyoto Protocol provides both host countries and its partner(s) (Annex I countries) with opportunities for significant GHG emissions reduction as well as for sustainable development, by facilitating transfer of advanced clean technologies from developed countries to host countries.





Kyoto credits Acquisition Programme by the Japanese Government

- Under Japan's "Kyoto Protocol Target Achievement Plan", Japan needs **total of 100 million tons** of Credits (through CDM, JI and GIS)
 - ※1.26 billion tons × 1.6% × 5 years = 100 million tons
- Kyoto credits Acquisition Programme by the Japanese Government starts from FY2006
- Budget for FY2006: US\$100million.
- Implementation: **NEDO** (New Energy and Industrial Technology Development Organization)

About NEDO

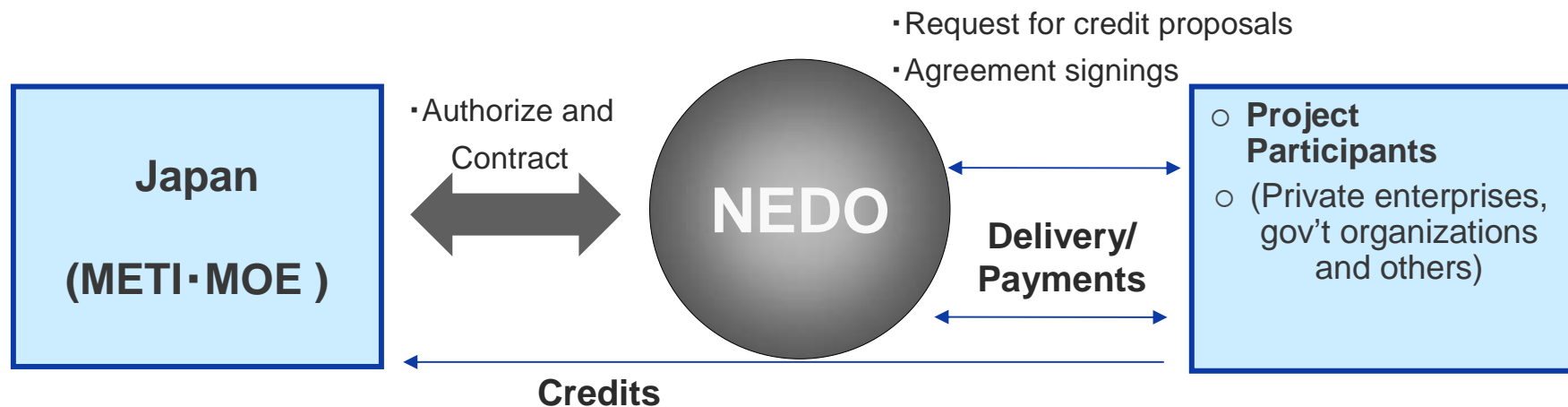


- **NEDO** is a publicly funded, independent administrative agency, located in Tokyo.
(<http://www.nedo.go.jp/english/index.html>)

- **Activities:**
 - Coordination of the research, development and dissemination of Japanese new energy, energy conservation and industrial technologies and so forth
 - Implementation of Kyoto credit acquisition commissioned by the Japanese Government
(Added by the amendment to the Law on NEDO which passed the Diet in April, 2006.)

Japanese Government Begins Kyoto Credit Acquisition Plan in FY2006

- Ministry of Economy, Trade and Industry (METI) and Ministry of the Environment (MOE)) have commissioned NEDO to carry out credit acquisition.
- NEDO aims to acquire credits cost-effectively from FY2006.
- NEDO started this Plan on July 21, 2006



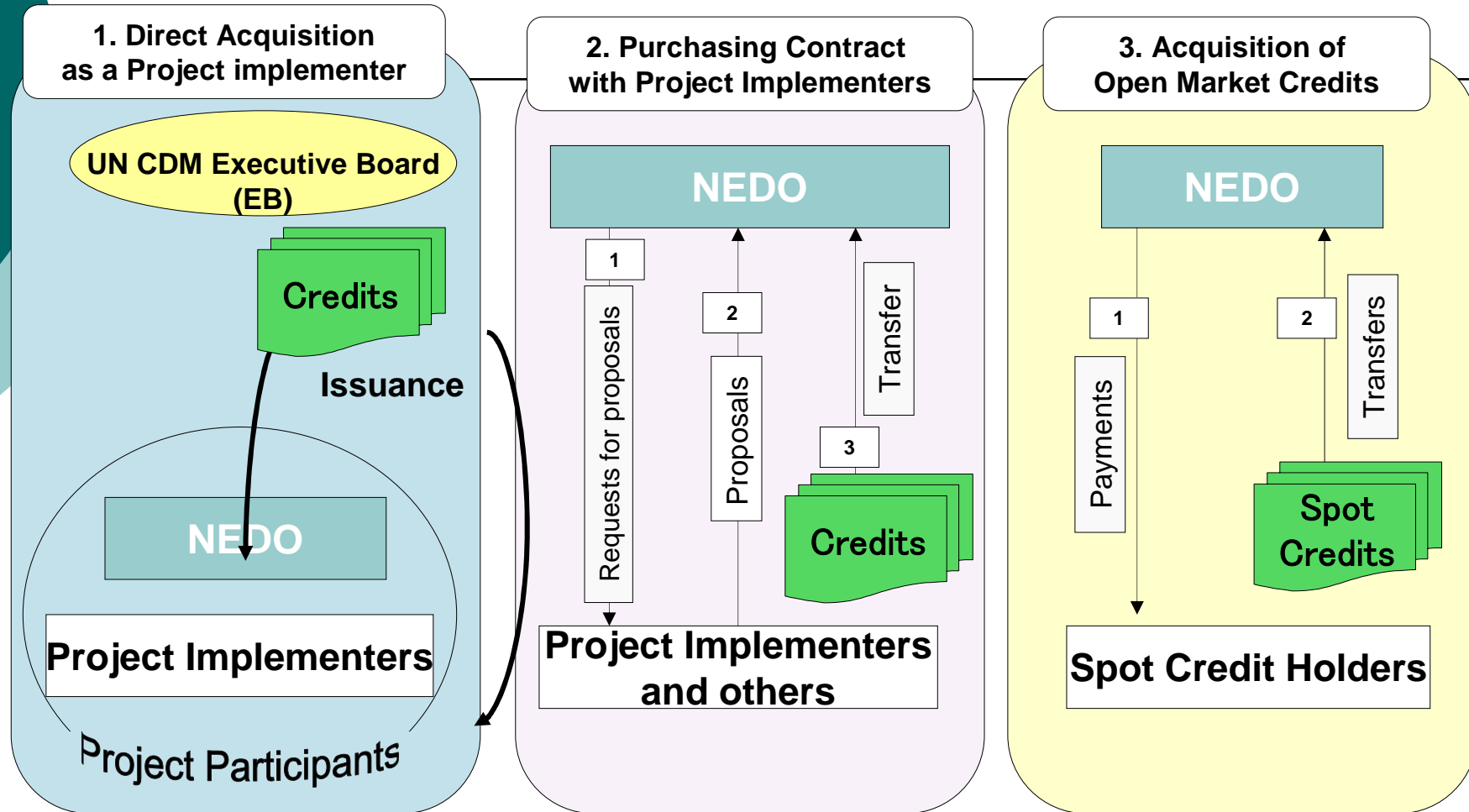


Overview of Credit Acquisition Plan

-Establishment of System for Effective Credit Acquisition through Multiple Instruments-

- Credit acquisition strategy: important to acquire necessary credits effectively through more than one instrument
- NEDO undertakes plan to acquire the credits:
 1. Acquire credits directly as a project participant
 - In case of CDM, Participate in projects and secure credit transfer directly from UN CDM EB -
 2. Credit acquisition contracts with project implementers and others
 - Acquire credits generated by a project from project implementers and others -
 3. Acquire credits on open market
 - Acquire credits from credit holders -

Overview of Credit Acquisition Plan





Framework and Basic Operational Concept

◆ Flexible framework and efficient operation

Difficult to foresee changes in emission reduction credit trading systems in the future (Supply and demand trends, state of the credit market, price trends)

- ◆ Flexible framework to respond promptly and efficiently to changing situations

- ◆ Selecting appropriate acquisition instrument as conditions dictate

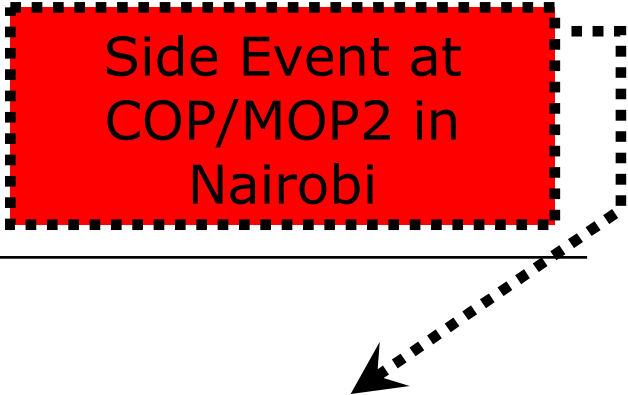
◆ Existing program and cooperation:

- Integrate existing program (FS, capacity building and others) and credit acquisition project
- Contribute, through sustainable development and countermeasures, to global warming prevention
- Acquire credits cost-effectively

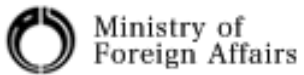


Appendix I: Improving the CDM

Side Event at
COP/MOP2 in
Nairobi



- Explore New Areas
 - Energy Efficiency & Renewable Energy
 - Methodology development
 - “Future CDM” Initiative
 - Small Scale CDM
 - Bring up the thresholds
 - Carbon Capture & Storage (CCS)
 - World-wide potential
- Eliminate Risks
 - Forest (Sinks)
 - Elimination of the risk of replacement



Ministry of Foreign Affairs



Ministry of Economy, Trade Industry



Ministry of the Environment



NEDO



JAPAN BANK FOR INTERNATIONAL COOPERATION



JICA



JETRO
Japan External Trade Organisation



Nippon Export and Investment Insurance



IGES



OECC



Global Environment Centre Foundation



JCF

Appendix II:

JKAP:

Comprehensive Supporting Schemes



Outline of JKAP

