

Japan's approach towards CDM/JI implementation

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Osamu MIZUNO

Director,

Office of International Strategy on Climate Change

Ministry of the Environment

Government of Japan

Japan's policy for CDM/JI (1)

- Kyoto mechanisms are necessary for Japan to achieve the commitment of the Kyoto Protocol in cost-effective manner. (cf. supplemental to domestic measures)
- CDM/JI are preferable mechanisms
- Because ...
 - ✓ CDM/JI are based on concrete GHG emission reduction projects
 - ✓ CDM/JI can directly contribute to Sustainable Development in host countries

Japan's policy for CDM/JI (2)

- Liaison Committee for Utilisation of CDM/JI (Cabinet Secretariat, MOE, METI, MOFA, MAFF, MLIT) was established as a DNA (Designated National Authority) of Japan in 2002
- Guidelines for Approving CDM/JI Projects was stipulated in Oct, 2002
→ As to date, 16 projects have been approved by Japanese DNA

CDM/JI projects approved by the Japan's DNA (as of 3/3/05)

	Data of Approval	CDM/JI	Applicants	Country	Project Name	Outline of the Project
16	28/2/2005	CDM	Shimizu Corporation	Armenia	Nubarahen LFG capture and power generation project	Collecting landfill gas from landfill site in Yerevan, and to burn methane, a combustible LFG in a gas engine generator (GEG) with to generate electricity
15	12/1/2005	CDM	Kajima Corporation	Malaysia	Krubong Melaka LFG capture and electricity generation	Collection of LFG from landfill site and electricity generation (2MW)
14	12/1/2005	CDM	NEDO	Vietnam	Energy conservation project in a brewery	The project aims to realise reduction of comprehensive energy consumption at Hanoi Beer Alcohol Beverages Corporation
13	12/1/2004	CDM	Showa Shell Sekiyu K.K.	Brazil	Salvador da Bahia LFG management	The project improves efficiency of methane capture and destruction with enclosed flaring with controlled burning condition.

CDM/JI projects approved by the Japan's DNA(Cont.)

	Date of Approval	CDM/ JI	Applicants	Country	Project Name	Outline of the Project
12	01/10/2004	CDM	The Tokyo Electric Power Company, Incorporated	Chile	Methane capture and combustion of swine manure treatment for Pocillas and La Estrella	Transforming methane produced in the swine digesting process in the anaerobic digester into CO2 by flaring it
11	01/10/2004	CDM	The Tokyo Electric Power Company, Incorporated	Chile	Methane capture and combustion of swine manure treatment for Corneche and Los Guindos	Transforming methane produced in the swine digesting process in the anaerobic digester into CO2 by flaring it
10	01/10/2004	CDM	The Tokyo Electric Power Company, Incorporated	Chile	Methane capture and combustion of swine manure treatment for Peralillo	Transforming methane produced in the swine digesting process in the anaerobic digester into CO2 by flaring it
9	22/07/2004	CDM	Electric Power Development Co.,Ltd.	Chile	Graneros Plant Fuel Switching Project	Replacing more carbon intensive fuels (coal and petroleum fuels) by natural gas
8	29/06/2004	CDM	Chubu Electric Power Co., Inc	Thailand	A.T.Biopower Rice Husk Power Project in Pichit, Thailand	22MW Biomass Power Plant using rice husk
7	19/05/2004	CDM	Sumitomo corporation	India	Thermal Oxidation of HFC23 in Gujarat	Collection and thermal oxidation of HFC23, which is strong GHG with a GWP of 11,700 at HCFC22 production site

Registered as
CDM by CDM-EB

CDM/JI projects approved by the Japan's DNA (cont.)

	Date of Approval	CDM/ JI	Applicants	Country	Project Name	Outline of the Project
6	03/12/2003	CDM	Japan Vietnam Petroleum Company	Vietnam	Rang Dong Oil Field Associated Gas Recovery and Utilization Project	Recovering associated gas as a by-product of crude oil production at Oil Field
5	29/07/2003	CDM	Kansai Electric Power Co.,Inc.	Bhutan	e7 Bhuran Micro Hydro Power CDM Project	70 kW Micro Hydro Power Plant for electrification of small village in Bhutan
4	Registered as CDM by CDM-EB 15/07/2003	CDM	INEOS Fluor Japan Limited	South Korea	HFC Decomposition Project in Ulsan	Decomposition of HFC23, as a by-product from HCFC22, in Chemical Company in Ulsan
3	22/05/2003	CDM	Electric Power Development Co.,Ltd.	Thailand	Rubber Wood Residue Power Plant Project in Yala	23MW Biomass Power Plant using rubber wood residue
2	12/12/2002	CDM	Toyota Tsusho Corporation	Brazil	V&M Tubes do Brasil Fuel Switch	Use charcoal for the production of steel instead of using cokes Alter the design of existing carbonization kilns
1	12/12/2002	JI	NEDO	Kazakhstan	The Model Project for Increasing the Efficient Use of Energy Using a Gas Turbine Cogeneration System	Replace the existing low efficiency boiler and steam turbine with a Gas Turbine Cogeneration System (GTCS)

Japan's policy for CDM/JI (3)

- MOE and METI have worked jointly to establish and maintain the National Registry since 2002
- 16th Feb 2005, Japan officially starts operation of the National Registry for Japanese legal entities to ensure accurate accounting of the holding, transfer, acquisition of Kyoto Units.
- Please visit Japanese national registry Website; <http://www.registry.go.jp/>

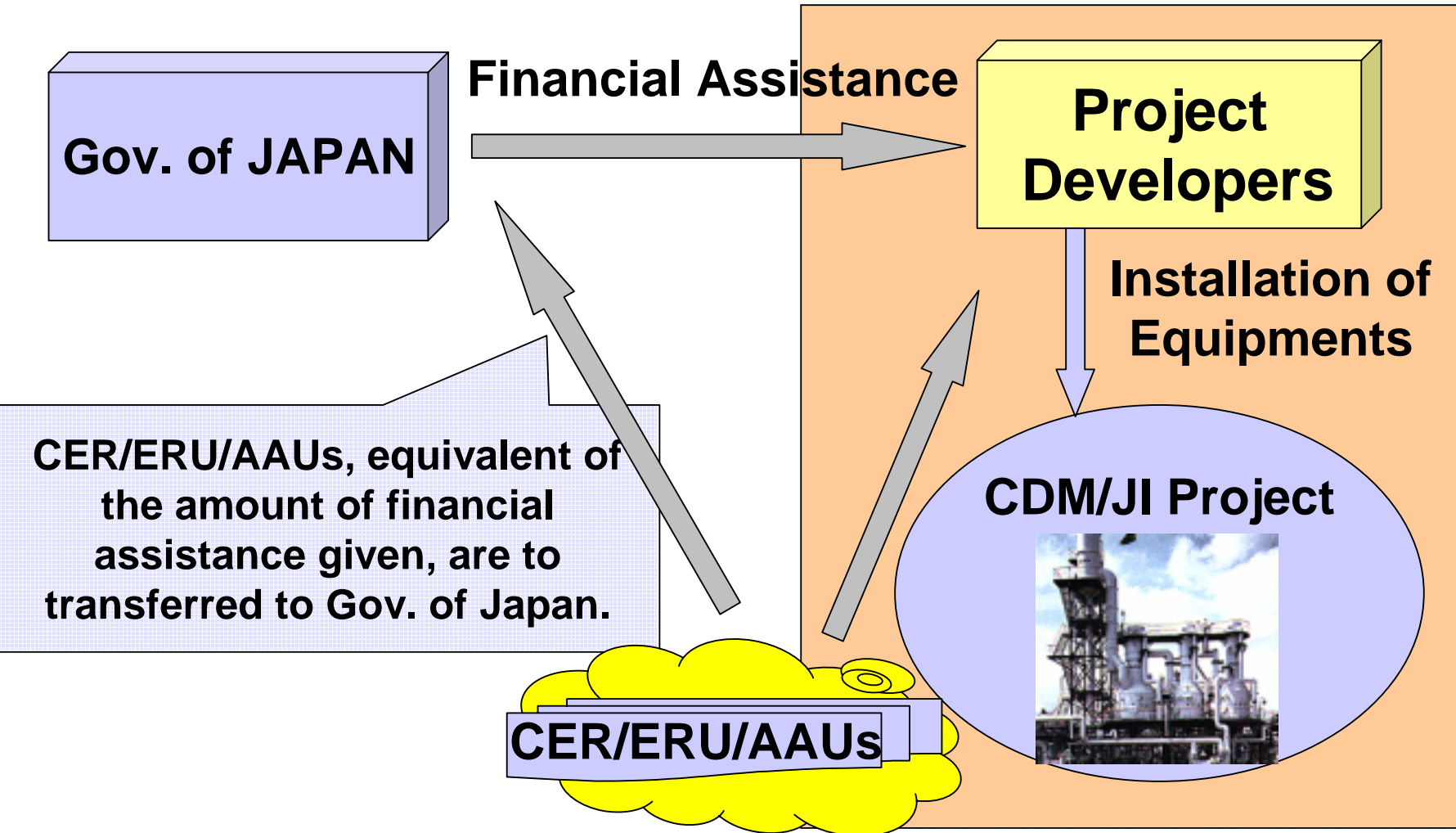
For acceleration of CDM/JI Project

- (1) Assistance to CDM/JI Project formulation**
- (2) Host Country's Capacity Building**
- (3) Provision of Information on CDM/JI Activities**
- (4) Financial Assistance to CDM/JI Projects**

MOE's Programmes to Support CDM/JI Projects

- CDM/JI feasibility studies supported by MOE (1999~) (via GEC)
- CDM/JI Capacity Building Programme in Host Countries (2003~) (via IGES)
- Kyoto Mechanism Information Platform (2003~) (via OECC)
- Upfront Payment Program for CDM/JI Projects (2005~)
 - ✓ Trial project with subsidy started (2004~)

Upfront Payment Program for CDM/JI Projects



Upfront Payment Program (Trial Project with Subsidy) for CDM/JI Projects

First project approved (as of Jan. 2005); CERs will be transferred to Gov. of Japan

Applicants for subsidy (project participants)	Country	Project	Estimated CERs	CERs to Gov. of Japan
A.T. Biopower (Thailand-base affiliate) & Chubu Electric Power Co., Inc.	Thailand (Nakhon Pathom)	A.T. Biopower rice husk power project	About 434,201 ton-CO ₂ e (2006 ~2012)	About 18,500 ton-CO ₂ e (2006 ~ 2012)

Upfront Payment Program for CDM/JI projects(1)

- Japanese government is almost ready for “Upfront Payment Program for GHG emission reduction project under Kyoto Mechanism”.
- Budget Scale (FY2005) is 5.7 - 8.0 billion yen (approx. 54 - 76 million US dollars)
 - Now under review by the Parliament

Objective of the Program:

- To promote GHG emission reduction project under Kyoto Mechanism
- To purchase Emission Reductions (CERs, ERUs, AAUs) valid for Kyoto compliance

Administrator of the Program :

- Ministry of Economy , Trade and Industry (METI) and New Energy and Industrial Technology Development Organization (NEDO) / Ministry of the Environment (MoE)

Scheme:

- Administrator of the Program provide financial assistance (=advance against ERs) for project activity / up to 50% of the project cost
- Project participants have to transfer the ERs to Administrator of the Program
- ”financial assistance (advance against ERs)” = “credit price” × “ total amount of ERs promised to transfer to Administrator of the Program”

* Further details about the Program is under constructing.

Upfront Payment Program for CDM/JI projects(2)

Coverage of the Program:

- 1)project cost: project development cost (PDD, Validation etc.) , equipment , construction cost etc.
- 2)project type : energy efficiency improvement , renewable energy use , methane capture and energy use , HFC decomposition , N2O reduction ,etc./ except sink project

Credit Price:

- Fair price (To be decided on project-by-project basis , in view of project risk , delivery risk and market price etc.)

Timing of Payment :

- Upfront payment in principal , at the time construction or equipment installation finishes

Eligibility for Application:

- Foreign entities can also apply for the program, but Japanese partner is necessary

Start of the Program :

- End of March , 2005

* Further details about the Program is under constructing.

Application for Upfront Payment Program is greatly welcome!

- Upfront Payment Program for CDM/JI Projects is waiting for more applications.
- Find your Japanese partner and apply for the program.
- The more your projects are cost effective, the more likely they are to be adopted.

Start of the Program :

End of March , 2005

Contact :

METI:kyomecha@meti.go.jp / NEDO:cdmji@nedo.go.jp
MoE:kyotomecha@env.go.jp



**Thank you for
listening!**

**If you have any questions
please contact...**

osamu_mizuno@env.go.jp