



# **NEDO's Kyoto Credit Acquisition Program**

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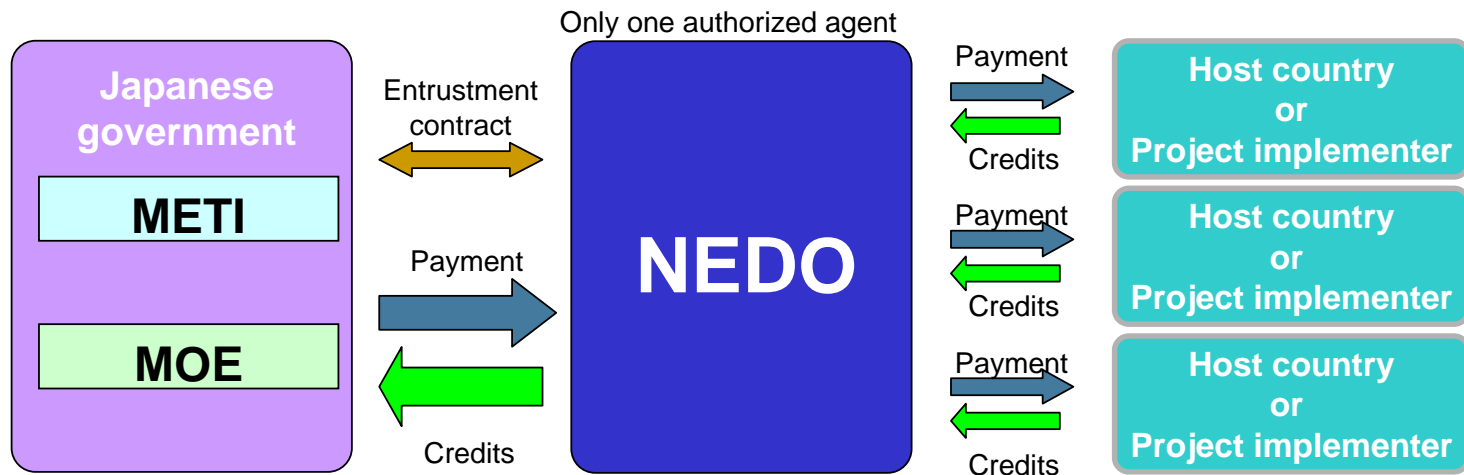
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# What is NEDO?

NEDO is an independent administrative agency created by a special law in order to implement Japanese government policies. One of NEDO's tasks stipulated by the law is to acquire "Kyoto credits" for the Japanese government to fulfill its obligation under the Kyoto Protocol.

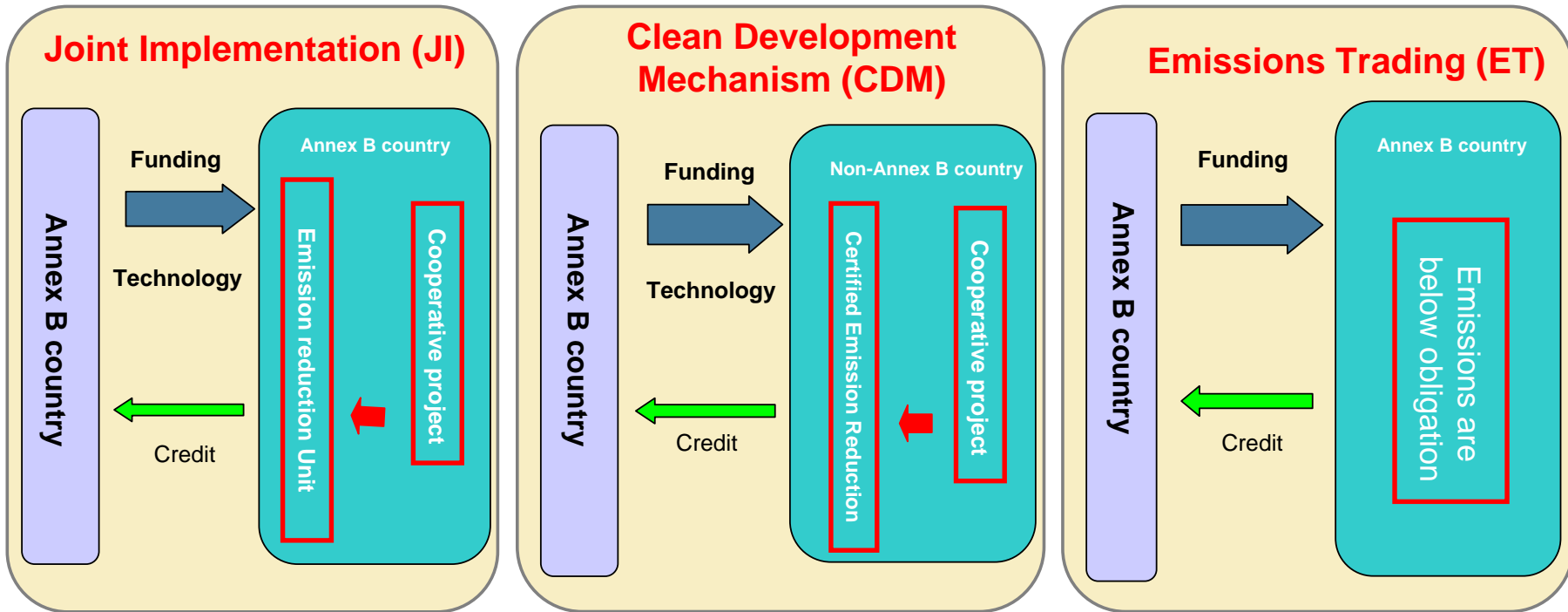
NEDO is commissioned and empowered by the Ministry of the Environment (MOE) and the Ministry of Economy, Trade and Industry (METI) to implement all necessary measures to acquire Kyoto credits.



\* Acquisition budget is around 80 billion yen in FY 2008.

# Kyoto Protocol Flexible Mechanisms

The Kyoto Protocol stipulates three schemes for Annex B countries to acquire “credits” from other countries.



Because both Russia and Japan are Annex B countries, only JI and ET are possible. NEDO is capable to assist Russia to promote JI and GIS\* within the framework of ET.

\*Green Investment Scheme

# Budget of the Kyoto Mechanisms Credit Acquisition Program (in principle Payment on delivery)



Contract year	2006FY	2007FY	2008FY
Maximam amount that can be contracted.	12.2 billion yen	40.7 billion yen	81.2 billion yen
Credit Delivery is made ;	2006FY ~ 2013FY	2007FY ~ 2013FY	2008FY ~ 2013FY

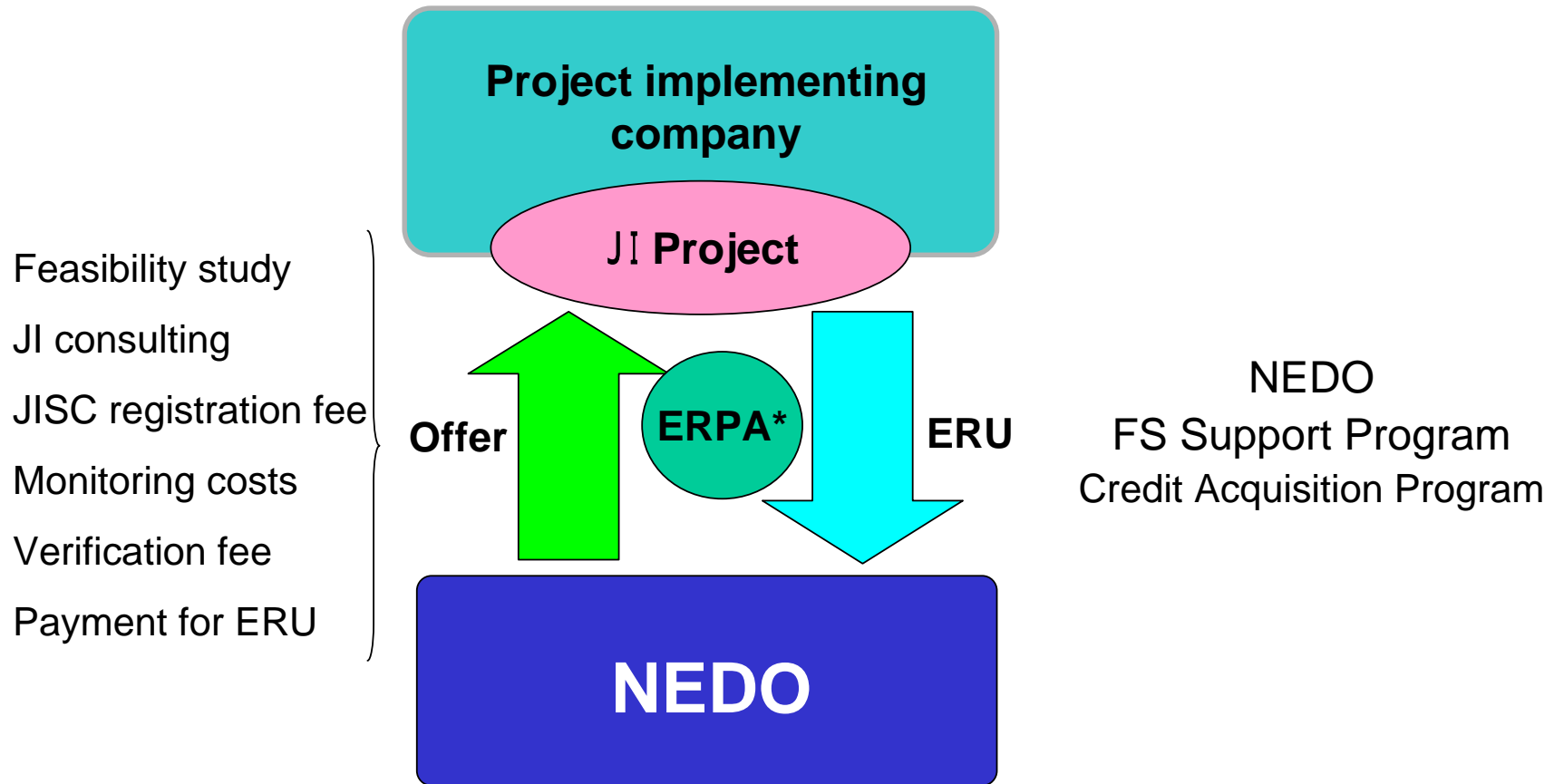
# Capability to support JI project

Investments by Japanese companies in Russia provide a good opportunity to evaluate whether projects will become JI projects. NEDO has various measures to support JI projects according to the project stages.

Project Planning Stage		Project Implementation Stage		
<ul style="list-style-type: none"> <li>• Feasibility Study</li> <li>• JI-PDD preparation</li> </ul>	<ul style="list-style-type: none"> <li>• Determination</li> <li>• JISC* Registration</li> </ul>	<del>Initial cost (When Project begins)</del>	<ul style="list-style-type: none"> <li>• Monitoring</li> <li>• Verification</li> </ul>	<ul style="list-style-type: none"> <li>• Credit</li> <li>• Purchasing (Payment on delivery)</li> </ul>



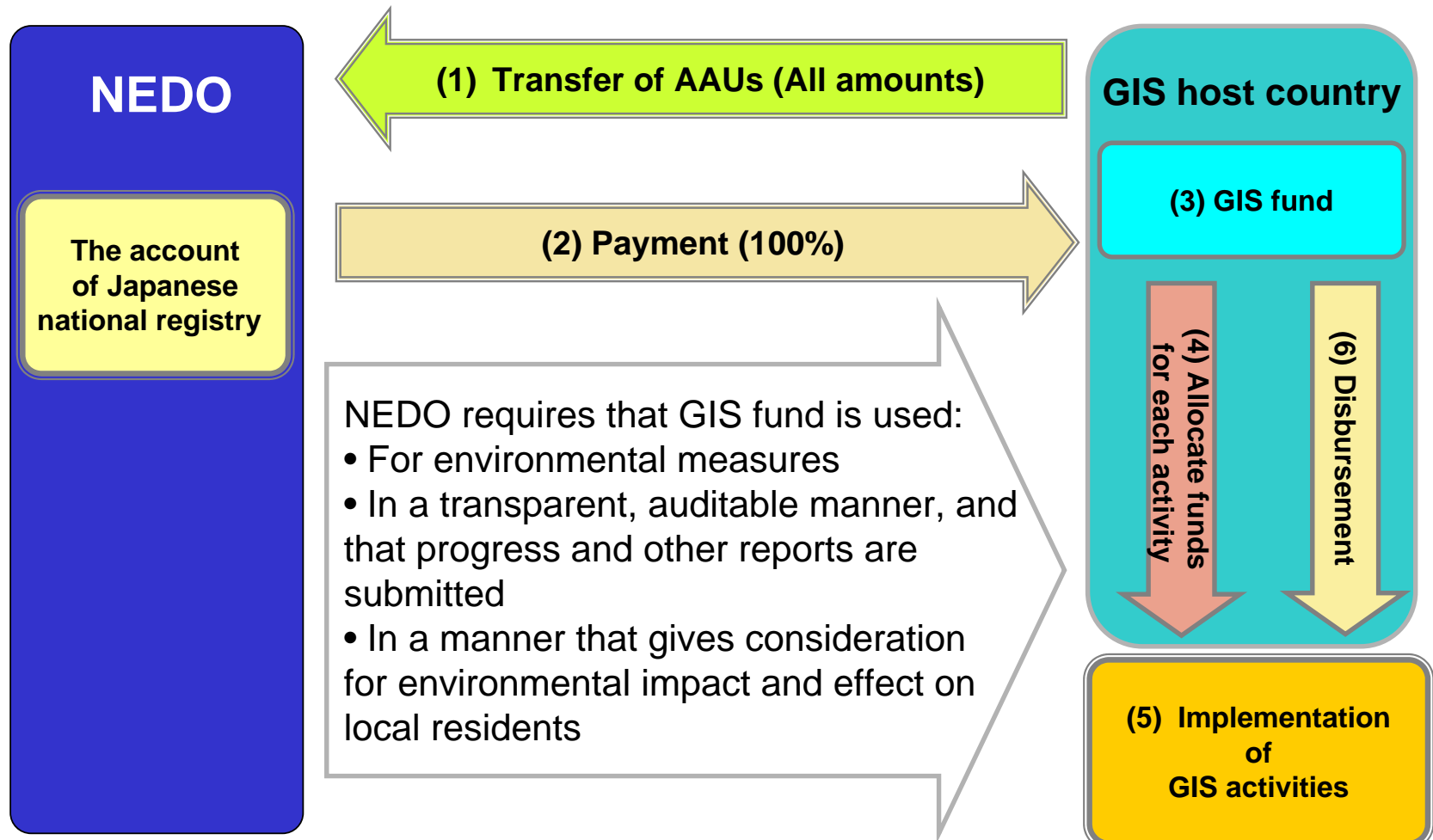
# What Can NEDO Offer Project Developers?



GHG emissions reduction technologies: Energy conservation, Fuel switching, Renewable energy, etc.

# Flowchart of GIS Framework (Example)

If GIS host countries can provide a GIS scheme, NEDO can contract AAU\* purchase agreements.



\*Assigned Amount Units

**Energy conservation**

**Fuel switching**

**Renewable energy**

**Emission reduction of GHG other than CO<sub>2</sub>**

**Other environmental improvement activities**

**Capacity building, etc.**



Host country's side

Party of Japanese side

Government

Memorandum

Government

Government

Guideline\*

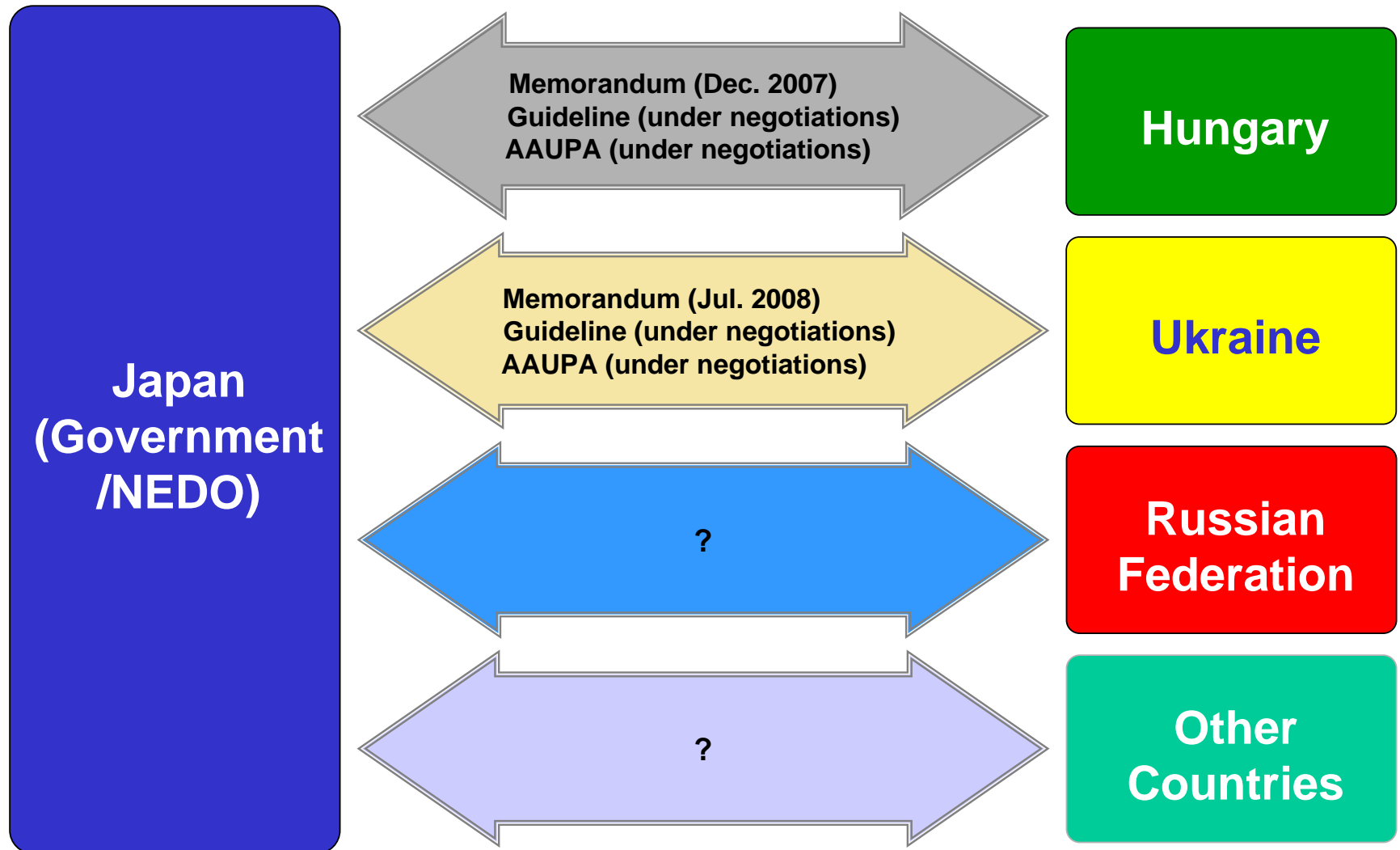
Government

Government  
Or  
GIS managing bodyAAU Purchase Agreement  
(AAUPA)

NEDO

acquires AAUs under GIS

\*Based on a country's circumstances, it may be possible to omit the guidelines procedure.



# ***THANK YOU !***



**Kyoto Mechanisms Promotion Department**

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