
New Initiatives from the ZERI Foundation
to dramatically reduce emissions

15:30-17:30 08 Dec 2007
Bali International Convention Centre
Hydro Room

Concrete case studies on how to make a positive difference in climate change

ZERI Foundation

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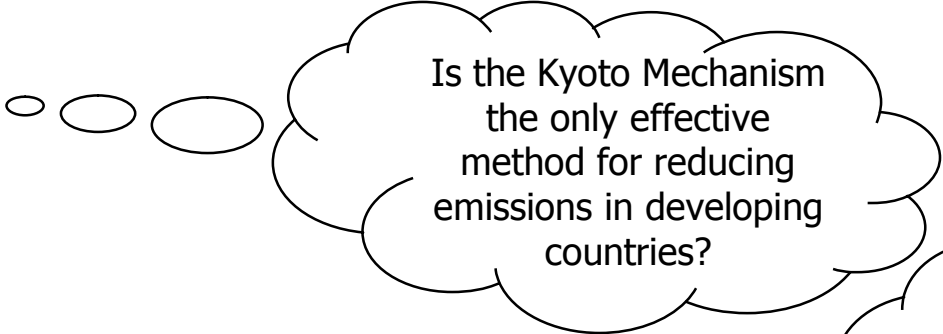
Domestic CDM in Japan

ZERI Pan Pacific Representative Office

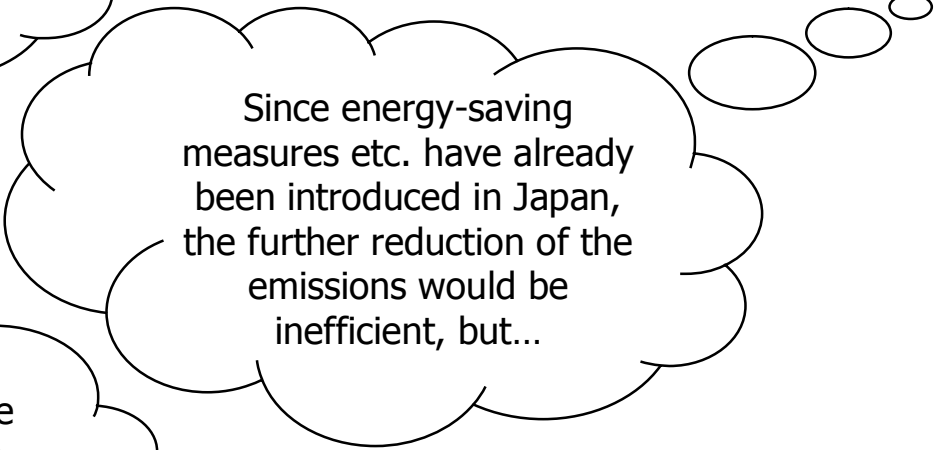
1. Domestic CDM in Japan
 - Purposes
 - Basic Concepts
 - Major Assignments and the Measures against them
 - Case Examples
2. Carbon Zero Emissions Initiative

Purposes on Domestic SMEs' CDM System in Japan

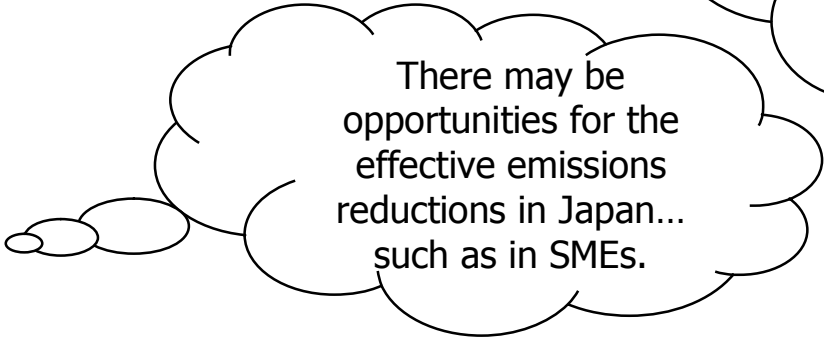
More opportunities to reduce the emissions effectively in Japan such as in SMEs.



Is the Kyoto Mechanism
the only effective
method for reducing
emissions in developing
countries?



Since energy-saving
measures etc. have already
been introduced in Japan,
the further reduction of the
emissions would be
inefficient, but...



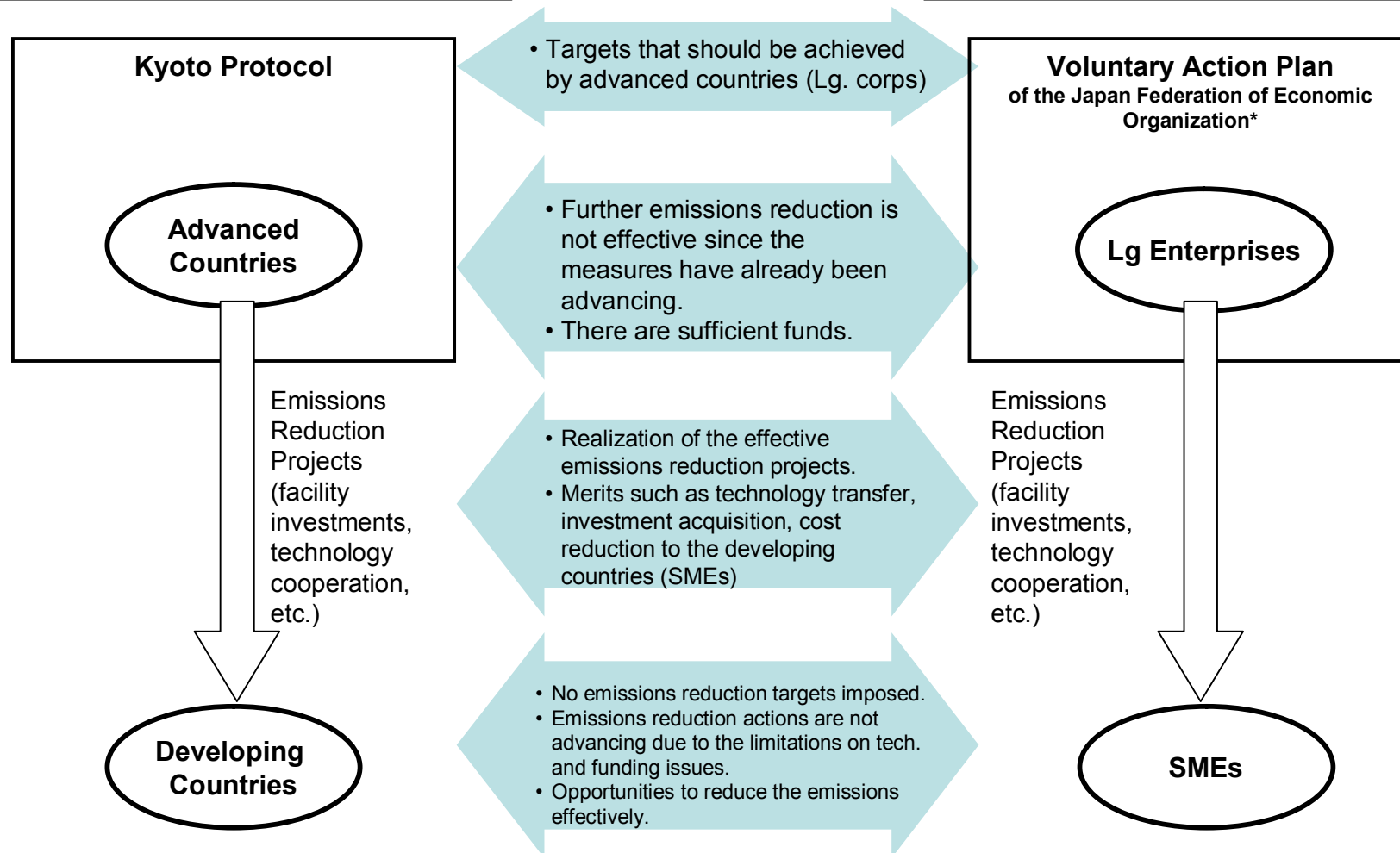
There may be
opportunities for the
effective emissions
reductions in Japan...
such as in SMEs.

Basic Concepts for the Domestic SMEs' CDM in Japan

Can we think of the system that could be called as the “Domestic CDM”, inspired by the Kyoto Mechanism’s CDM?

CDM in the Kyoto Mechanism

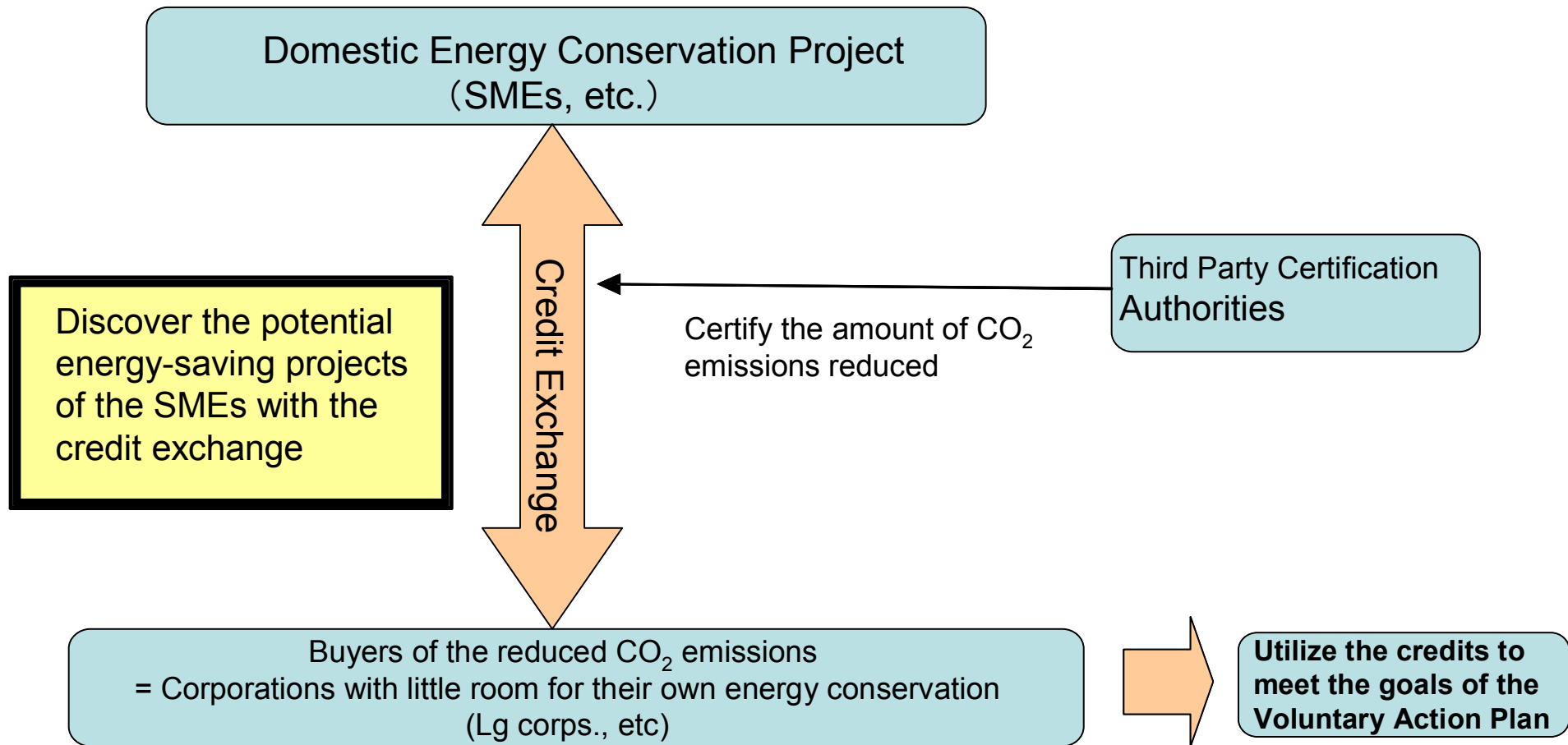
Domestic CDM



*This is, nevertheless, the 'voluntary' action plan that is stipulated in the cabinet approved national goal achievement plan; it is followed up by the government.

Review on the SMEs' New Emissions Reduction Project

<Image for the Domestic CO₂ Emissions Reduction Project>

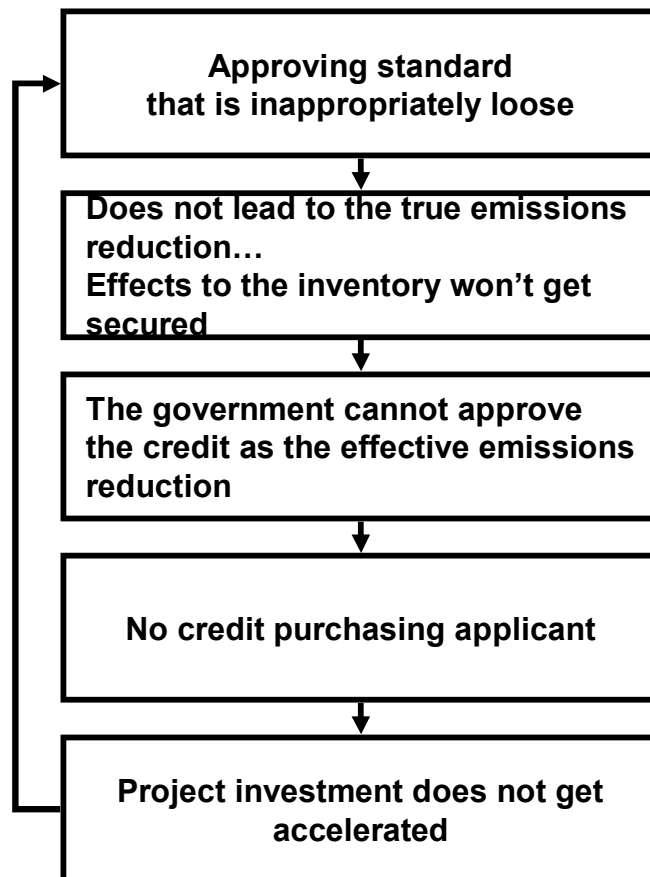


Agendas for the Realization of the Domestic CDM

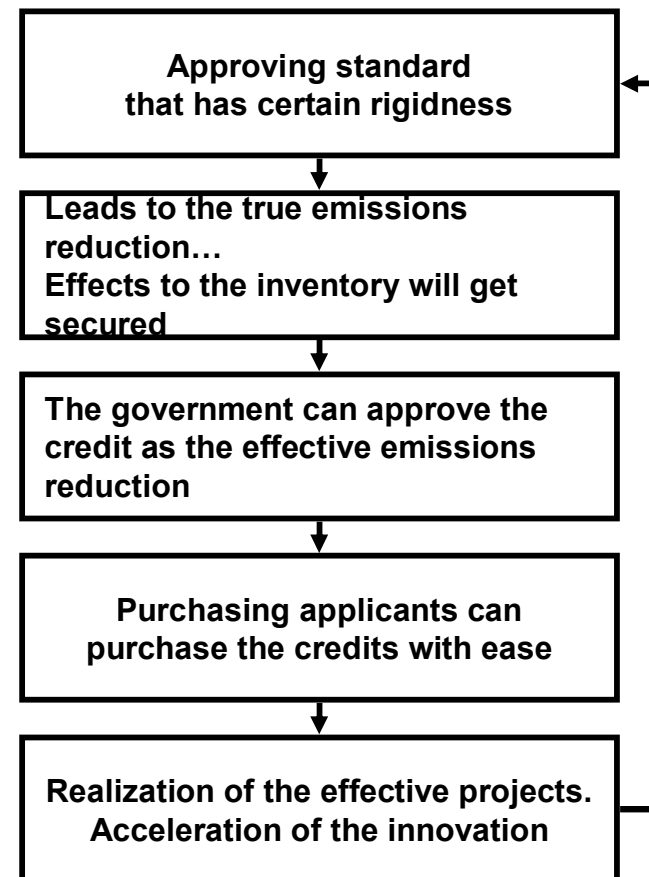
In order to actualize the Domestic CDM, for example, it is required to establish desirable cycle such as below.

Improvements on negative cycle that destabilize the success of the Domestic CDM

Negative Cycle



Desirable Cycle



The Major Agendas and Measures against Them to actualize the Domestic CDM system

Agendas	Corresponding Measures
<p>From the economical perspective, how to secure the sufficient incentives to realize the projects?</p>	<ul style="list-style-type: none"> • This is the system that the credit itself will have the monetary value, therefore being the incentive as well. • There might be possibilities, however, to subsidize the minimum budget for the projects that are difficult to implement only with the domestic emission credits after judging and approving the projects' rationality.
<p>How to assess the emissions reduction effect when approving the project credits?</p> <ul style="list-style-type: none"> – If the approving standard is loose, it will end up giving the emission credits despite of projects' reduction effect. – On the other hand, if we tighten the accreditation, we can not promote the emissions reduction projects. 	<ul style="list-style-type: none"> • In order to maintain a certain rigidness, we approve the project credits that are based on the Small-scale CDM of the Kyoto Mechanism (specific screening and accreditation process before and after the projects (including the monitoring), verification of additionalities, bundling of the similar projects, relationship with the governmental supports, etc.)
<p>How to promote the project realizations that have the emissions reduction effects?</p>	<ul style="list-style-type: none"> • In order to secure the 'convenience', the government would develop a 'Guideline'. In the guideline, it assesses the appliances and technologies in the important fields appropriately, and indicate the reduction amount goals when those are adopted. • Ensuring the process simplification while keeping the rigidness.
<p>How to secure the incentives for the buyers of the domestic reduction amount? (Consequently, how to secure the value of the domestic reduction amount, and promote the project realization?)</p>	<ul style="list-style-type: none"> • The acquired domestic emission credits can be reflected on the occasions to publicize the achievements of the Voluntary Action Plan goals, emission amounts in regards to the law to promote global warming countermeasures and the energy saving law.

Specific Images on Japan's Domestic SMEs' CDM

Assuming the actions in various fields...

Pilot projects are implemented in agricultural, commercial, and industrial fields for now.

①Agricultural

Improvements on heating efficiency in the greenhouse cultivation

Trying to reduce the energy cost by substituting oil heaters to the energy-saving heaters as a thermal source of greenhouses



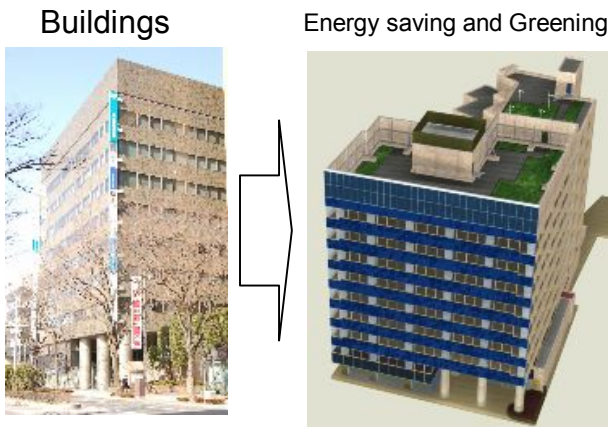
If the 50% of all the greenhouses in Japan adopt this system, it would reduce About 2.64 mil.t/year of CO2

↓
3.7% equivalent of the reduction amount goals of 7090t (base year of 1990).

②Commercial

Energy saving and greening by renovating the office bldg.

Trying to reduce the energy cost by installing the energy-saving tech. and greening to the bldgs.



If the 5% of non-residential bldgs. are renovated, it would reduce about 3.86 mill.t/year of CO2

↓
5.4% equivalent of the reduction amount goals of 7090t (base year of 1990).

③Industrial, etc.

Discussing to implement pilot projects that has high bundling effects

- Too small to invest into energy saving
- Operation methods are similar in those offices
- There are too many offices

Specifically the industrial sectors such as below,

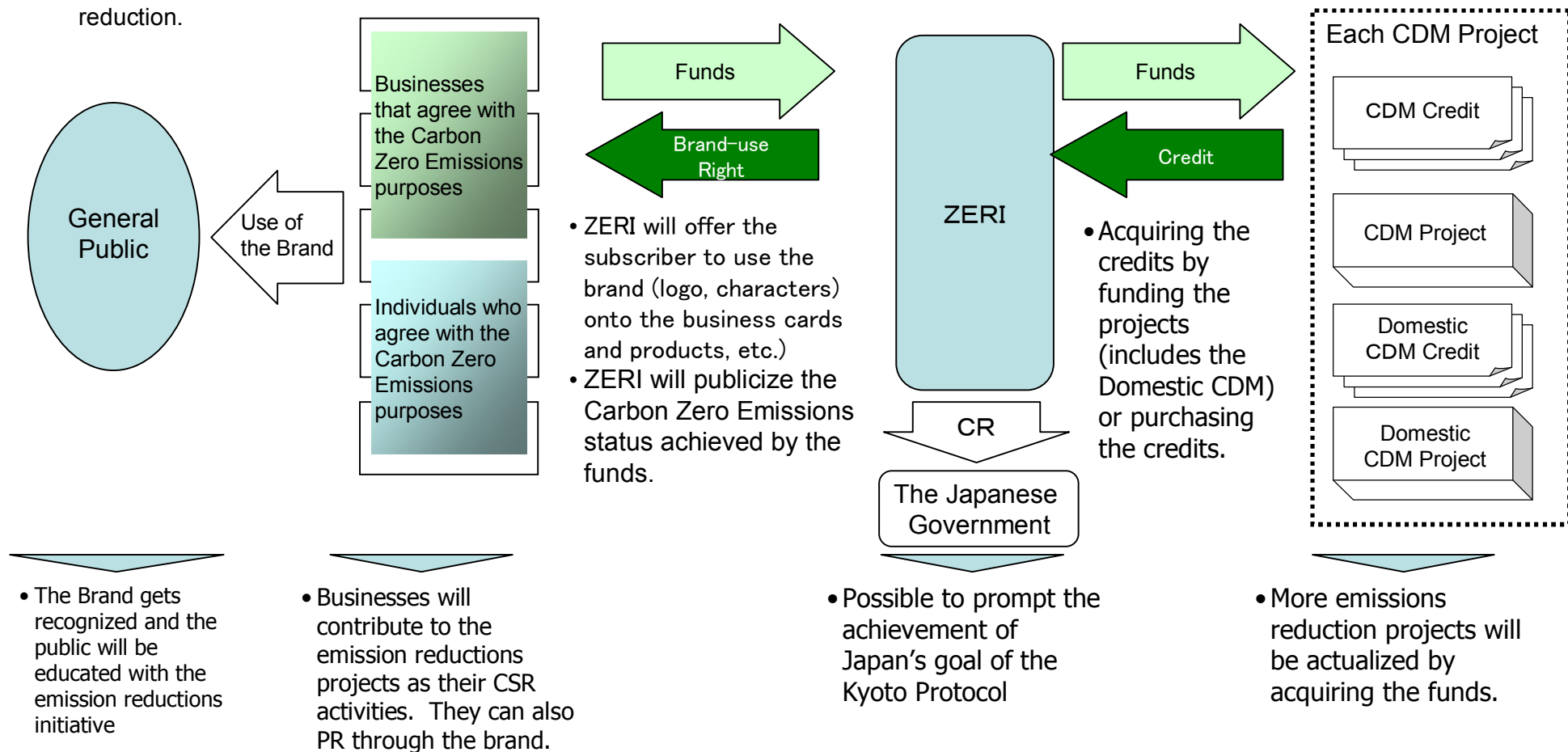
- Plating (hot-dip galvanization)
- Casting
- Cleaning, etc.

Ex) Hot-dip galvanization process (CO2 emissions from the plating bath. Reduce the energy by adopting the anti-rust tech.)



CO₂ Emissions Reduction and the Carbon Zero Emissions Initiative as its Awareness Campaign

- This initiative offers the opportunities for businesses and individuals with great awareness of the CO₂ emissions reduction to contribute to the emissions reduction as well as to publicize their attitudes externally. This approach also makes possible to educate the public with the concept of the emissions reduction.
- ZERI Pan Pacific Representative Office will raise the funds from those businesses and individuals, and acquire the credits either by investing into the projects including the 'Domestic CDM' or purchasing the credits directly. The acquired credits will contribute to meet the "minus 6%" of Japan's target by transferring the credits to the Japanese Government.
- In the mean time, ZERI Pan Pacific Representative Office will allow the subscribed businesses or individuals to use the Carbon Zero Emissions Brand. When this brand is used widely in public and recognized, the public will be educated with the concept of the emissions reduction.



Expansion of the Domestic SMEs' CDM Model

Exchanging Image of the Carbon Zero Emissions Logo

We are discussing the labeling system that approves the GHG emission reductions when businesses successfully reduce the GHG generating from the products and service offerings by improving the operation or the offset activities. With this system, businesses can appeal to the consumers the values of GHG emission reductions.

“Approving Labels” Structure

