

Kyoto Protocol Target Achievement Plan

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Introduction

The global warming issue is one of the most important environmental issues that impacts on the very foundations of human survival. The global warming issue forces us to make efforts to use resources and energy efficiently and to reconsider socioeconomic activities and lifestyles that involve large volumes of production, consumption and waste. To that end, the adoption of the 1997 Kyoto Protocol was a major turning point.

The Kyoto Protocol entered into force in February 2005. Under the protocol, Japan makes a legally binding promise to reduce its greenhouse gas emissions by 6%.

The government has already developed a number of global warming countermeasures. These include the Action Program to Arrest Global Warming (1990), Basic Policy on Measures to Tackle Global Warming (1999), and Outline for Promotion of Efforts to Prevent Global Warming (1998, 2002).

The 2002 Outline for Promotion of Efforts to Prevent Global Warming underwent evaluation and review in 2004. The Law Concerning the Promotion of Measures to Cope with Global Warming (Law No. 117 of 1998) stipulates that the Kyoto Protocol Target Achievement Plan is to be formulated when the Kyoto Protocol enters into force.

Therefore, based on the Law Concerning the Promotion of Measures to Cope with Global Warming, the "Kyoto Protocol Target Achievement Plan" was formulated which carries on the Outline for Promotion of Efforts to Prevent Global Warming, Action Program to Arrest Global Warming, and Basic Policy on Measures to Tackle Global Warming based on the results of the evaluation and review of the Outline in order to stipulate the measures necessary to reliably achieve the target of a 6% reduction promised by Japan under the Kyoto Protocol.

Moreover, under this plan, Japan will produce a report to show the clear progress toward achievement of its promise under the Kyoto Protocol and submit it to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) sometime during 2005.

○ Scientific Knowledge Concerning Global Warming

The global warming issue is one which will have a serious impact on the natural ecosystem and humans as greenhouse gases released as a result of human activities increase the concentration of atmospheric greenhouse gases and this leads to an incremental increase in the surface and air temperatures of our entire planet. Viewed in terms of the expected scale and seriousness of the impact of global warming, it can be concluded that this issue is one of the most important environmental issues that impacts on the very foundations of human survival.

The Intergovernmental Panel on Climate Change (IPCC) Third Assessment Report used observational data to show that the global average surface temperature increased by $0.6 \pm 0.2^{\circ}\text{C}$ and the global average sea level rose by between 10 cm and 20 cm during the 20th century. Moreover, the report concluded that as a result of the retreat of glaciers and melting of permafrost, etc., global warming has brought about global climactic changes and is already having an impact on a wide variety of physical and biological systems in many regions around the world. The report claims to have obtained new and more solid evidence that the majority

of the global warming which occurred over the past 50 years was caused by human activities.

The report forecasts that during the 21st century the global average surface temperature will increase in a range between 1.4°C and 5.8°C, and that an increase in the amount of seawater and other factors will lead to a rise in the sea level of between 9 cm and 88 cm by the end of the 21st century. It further concludes that the impacts of these changes will include an increasing number of extreme weather events, increased negative impacts on the ecosystem, and an increase in the number of people suffering from infectious diseases such as malaria, flood damage, etc. The report also noted that even a minute temperature increase leads to economic losses for developing countries and that a temperature increase of at least a few degrees Celsius leads to economic losses in developed countries, so that as a result the North-South divide would expand.

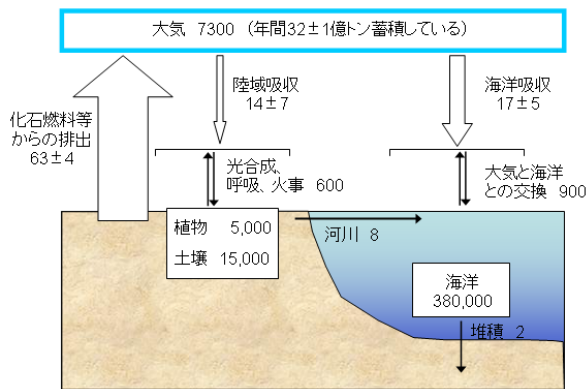
In Japan, the average temperature increased approximately 1°C during the 20th century. In recent years changes in the distribution of the ecosystem have appeared, such as a reduction in the habitats of certain species of alpine flora, changes in the habitats of insects and animals, as well as changes in the dates that cherry blossoms bloom and maple leaves change color in autumn, and an increase in the frequency of heavy rain has also been observed.¹ Global warming has been suggested as one of the causes of these changes in the weather and the ecosystem, but at the present point in time sufficient scientific evidence concerning the cause-and-effect relationship between specific phenomena that have occurred to date and climate change resulting from human-induced factors has not been established, and further research developments are expected in future. Even though this scientific uncertainty remains, research continues to be announced which asserts that climate change and its impact will be more serious in Japan in the future². Therefore, based on the precautionary principle, we must continue to push ahead with measures to deal with the climate change issue on a global scale.

In order to achieve the ultimate objective of the United Nations Framework Convention on Climate Change (hereafter “Framework Convention on Climate Change”), namely “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system,” it is necessary to get to a situation in which such a level is maintained, there is a balance between the volume of greenhouse gases emitted and the volume of greenhouse gases absorbed, and in which the earth’s stock of atmospheric greenhouse gases does not change. Currently, worldwide emissions of greenhouse gases into the atmosphere are approximately twice the amount that can be absorbed by the oceans and forests, and as a result the concentration of atmospheric greenhouse gases is continuing to increase. In order to stabilize the concentration of greenhouse gases, it is necessary to greatly reduce current emissions to the level that can be absorbed.

¹ References: Japan Meteorological Agency (2005) Press Release *Annual Average Surface Temperature in the World and in Japan in 2004*; Japan Meteorological Agency (2002) *Japan’s Climate in the 20th Century*; and Ministry of the Environment (2001) *The Impacts of Global Warming on Japan 2001*.

² References: Center for Climate System Research, University of Tokyo; National Institute for Environmental Studies; Frontier Research Center for Global Change, Japan Agency for Marine-Earth Science and Technology: September 16, 2004 Press Release *The Latest Global Warming Projection Using the Earth Simulator Has Been Completed*; and Japan Meteorological Agency (2003) *Global Warming Projection, Volume 5*.

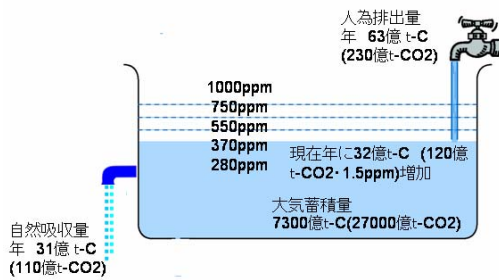
Figure 1 Relationship between Carbon Dioxide Emissions and Absorption (Pattern Diagram)



注1) 枠内の数字は億トン、矢印の数字は億トン/年を表す
注2) ±の幅は不確実性を表している。

(出典) A Special Report of the IPCC "Land Use, Land-use Change, and Forestry" (2000) をもとに、IPCC第3次評価報告書(2001)のデータを用いて修正

Figure 2 Image of Stabilization of the Concentration of Carbon Dioxide (Pattern Diagram)



18世紀後半工業化以前は、280ppmあたりで自然循環がバランスしていた

注) 濃度安定化のイメージをわかりやすく示すため、図1に示されているような陸域・海洋の蓄積量や炭素交換は省略されている。

(出典) IPCC第3次評価報告書(2001)のデータをもとに作成

○ The Series of Events Leading Up to the Entering into Force of the Kyoto Protocol

1. Adoption and Entering into Force of the Framework Convention on Climate Change

In order to respond to the global warming issue, the Framework Convention on Climate Change was adopted in May 1992 and entered into force in 1994. Japan signed it at the June 1992 United Nations Conference on Environment and Development (UNCED) and concluded it in May 1993.

The Framework Convention on Climate Change made its ultimate objective to achieve “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system” and stated that such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

The Framework Convention on Climate Change noted that per capita emissions in developing countries are still relatively low compared to those in developed countries, that the largest share of historical and current global emissions of greenhouse gases has originated in developed countries, and that there were differences between each country with respect to the state of their global warming countermeasures and capacity to implement them. Based on the principle of “common but differentiated responsibilities,” it was agreed to divide the State Parties to the Convention into three groups: 1) all signatory countries including the developing countries, 2) Annex I countries (OECD countries and countries undergoing transition to a market economy), and 3) Annex II countries (OECD countries), and to formulate global warming countermeasures at different levels for each group.

2. Adoption of the Kyoto Protocol

As a first step toward the long-term, continuous emissions reduction required to achieve the ultimate objective of the Framework Convention on Climate Change, the Kyoto Protocol, under which developed countries make a legally binding commitment to reduce their greenhouse gases, was adopted at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3) held in Kyoto in December 1997.

The Kyoto Protocol determined that the following greenhouse gases would be subject to quantified commitments concerning limitation and reduction of emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulphur hexafluoride (SF₆).

With the objective of reducing emissions of these greenhouse gases by at least 5% below 1990 levels in all developed countries in the first commitment period (2008-2012), legally binding and quantified commitments were stipulated for each country. For Japan an emissions reduction of 6% was determined.

Furthermore, under the Kyoto Protocol, carbon sinks can also be counted toward achievement of commitments and the Kyoto Mechanisms were provided as well to add flexibility in the achievement of the commitments by each country.

3. Entering into Force of the Kyoto Protocol

The Kyoto Protocol contains a provision stating that it will enter into force on the ninetieth day after the date on which not less than 55 Parties to the Convention, incorporating Parties included in Annex I which accounted in total for at least 55% of the total carbon dioxide emissions for 1990 of the Parties included in Annex I, have deposited their instruments of ratification, acceptance, approval or accession.

With the ratification of the Kyoto Protocol by Russia in November 2004, the Kyoto Protocol met the above conditions for entering into force and thus entered into force on February 16, 2005.

○ Efforts by Japan to Date

Japan formulated the Action Program to Arrest Global Warming in October 1990 in a Cabinet Meeting of ministers related to conservation of the global environment. The action program set targets such as stabilization of carbon dioxide emissions at the 1990 level in and after 2000 and formulated a variety of global warming countermeasures.

Subsequently, with the adoption of the Kyoto Protocol in December 1997, in June 1998 the Global Warming Prevention Headquarters approved the Outline for Promotion of Efforts to Prevent Global Warming, a compilation of global warming countermeasures that had to be urgently promoted toward 2010.

Through the establishment of the Law Concerning the Promotion of Measures to Cope with Global Warming, the Cabinet Decision on the Basic Policy on Measures to Tackle Global Warming, etc., the basic framework for promotion of global warming countermeasures in Japan has been built, and Japan has implemented a variety of domestic countermeasures such as the amendment of the Law Concerning the Rational Use of Energy (Law No. 49 of 1979; hereafter “Energy Conservation Law”).

With the adoption in November 2001 of the Marrakesh Accords, which established rules, procedures and institutions for implementing the Kyoto Protocol, an environment was in place to enable ratification of the Kyoto Protocol by each country.

In March 2002 Japan revised the Outline for Promotion of Efforts to Prevent Global Warming with a view to ratifying the Kyoto Protocol. Japan amended the Law Concerning the Promotion of Measures to Cope with Global Warming to stipulate the Kyoto Protocol Target Achievement Plan, etc. for when the Kyoto Protocol entered into force. With the development of this domestic framework, Japan ratified the Kyoto Protocol in June 2002.

Russia held the key to meeting the conditions required for bringing the Kyoto Protocol into force, and a number of other countries have not ratified the protocol, including the United States which has announced a policy of withdrawal from the protocol. Japan, the conference chair of COP3, continuously called on these countries to ratify the protocol with a view to bringing it into force as soon as possible.

Chapter 1 Basic Direction of Promotion of Global Warming Countermeasures

Section 1 Direction of Japan's Global Warming Countermeasures

Japan will steadily achieve its 6% reduction commitment under the Kyoto Protocol. In addition, Japan will further aim at long-term and continuous reduction of emissions.

The 21st century is known as the “century of the environment” and responding to the global warming issue is becoming an important issue shared by all humans. In this context, Japan, as a leading environmentally advanced nation that is a model for other countries, will take the role of leading the world with respect to the global warming issue.

1. Steady Achievement of the 6% Reduction Commitment under the Kyoto Protocol

Japan is promoting the measures necessary to achieve its commitment under the Kyoto Protocol to reduce its total greenhouse gas emissions by 6% from the level of the base year in the first commitment period (2008-2012).

There are already only three years remaining until the commencement of the first Kyoto Protocol commitment period. The slower Japan is to take countermeasures, the more it will have to formulate measures to achieve large reductions over a short period in order to achieve the 6% reduction commitment. Thus, Japan intends to steadily reduce emissions by promptly implementing the countermeasures and policies that are feasible to be introduced at the present stage.

2. Further Long-term and Continuous Reduction of Greenhouse Gas Emissions on a Global Scale

Achievement of the reduction commitments of developed countries stipulated in the Kyoto Protocol is a significant step toward achieving the ultimate objective of the Framework Convention on Climate Change: stabilization of the atmospheric concentration of greenhouse gases. Japan will work to achieve its 6% reduction commitment under the Kyoto Protocol and will further take the lead on long-term and continuous reduction of emissions.

From this perspective, Japan will position countermeasures and policies to achieve the 6% reduction commitment among its medium- and long-term measures, and will aim to build a society which incorporates reduction of greenhouse gas emissions while ensuring the consistency of efforts to achieve the Kyoto Protocol commitment and medium- and long-term measures. Through this process, Japan will aim to develop a vigorous and sustainable socioeconomy and advance the development and dissemination of technology for medium- and long-term global warming countermeasures, the development of social infrastructure, etc.

Furthermore, because the causes and impacts of global warming are on a global scale, Japan will continue efforts to ensure international collaboration on global warming countermeasures.

Section 2 Basic Philosophy of Global Warming Countermeasures

The emission of greenhouse gases is closely related to economic activities and the lives of the citizens. Therefore, Japan will boldly implement global warming countermeasures founded on the basic philosophy of “compatibility between the environment and the economy.”

Aiming to be an environmental nation that leads the world, Japan will promote technological innovation, encourage the participation and collaboration of central and local governments, corporations and citizens, ensure the transparency necessary to achieve it, and share information.

Japan will promote countermeasures utilizing diverse policy instruments and steadily achieve the 6% reduction commitment by carrying out quantitative evaluations and reviews of countermeasures. Japan will also ensure international collaboration on global warming countermeasures.

1. Compatibility between the Environment and the Economy

In order for efforts to achieve the 6% reduction commitment under the Kyoto Protocol to also lead to Japan’s economic revitalization, employment creation, etc., Japan will take full advantage of technological innovation and its originality and ingenuity to develop and build mechanisms that contribute to compatibility between the environment and the economy.

Specifically, to realize sound economic development with a small environmental burden and a high quality of life for the citizens while at the same time reducing the emission of greenhouse gases, Japan will develop and disseminate energy-conserving equipment, improve the efficiency of energy use, further accelerate technology development, and raise environmental awareness. In addition, Japan will boldly implement global warming countermeasures which entail wide-ranging transformations to socioeconomic systems.

2. Promotion of Technological Innovation

In order to achieve the Kyoto Protocol commitment and also the long-term and continuous reduction of emissions with a view to becoming a “society that exits from inducing global warming,” ultimately it is necessary to reduce our dependency on fossil fuels.

In order to work toward compatibility between the environment and the economy and achieve these targets, Japan will accelerate technological innovations such as energy conservation, utilization of unused energy, etc., work to disseminate efficient equipment and cutting-edge systems, and aim to be an environmental nation which leads the world.

3. Promotion of the Participation and Collaboration of all Stakeholders and Ensuring of Transparency and Sharing of Information to that End

The global warming issue is deeply involved with all aspects of socioeconomic activities and the lives of the citizens, so it is necessary for all stakeholders including central and local governments, corporations, and citizens to participate and collaborate in efforts on this issue.

For this reason, the Government of Japan will promote the active participation of all stakeholders in

countermeasures and policies, and strengthen collaboration between each stakeholder by actively providing and sharing information concerning the progress of global warming countermeasures.

The Government of Japan will actively provide and share, in as visible a manner as possible, knowledge about the increasingly serious global warming issue, the specific actions for which enormous efforts are needed in order to achieve the 6% reduction commitment, and information about what each individual must do, as well as carry out public relations and dissemination activities on these topics in order to improve the awareness of households and businesses and rouse them to take action.

4. Utilization of Diverse Policy Instruments

In order to meticulously take into account the conditions in each sector, realize the potential for emissions reductions as much as possible, fully mobilize all types of policy instruments, and work toward effective and efficient limitation, etc. of greenhouse gases, the Government of Japan will consider the fairness of the cost burden on each stakeholder and will effectively utilize diverse policy instruments, such as voluntary methods, restrictive methods, economic methods, informational methods, etc., while taking advantage of their special characteristics.

Furthermore, in order to ensure wide-ranging emission limitation effects, the Government of Japan will place importance on incentive policies utilizing economic methods which encourage technology development which overcomes cost constraints and the introduction of countermeasures.

5. Placing of Importance on the Evaluation and Review Process (PDCA)

In FY2007, the year before the commencement of the first commitment period, the Government of Japan will comprehensively evaluate the progress of countermeasures and policies stipulated in the Kyoto Protocol Target Achievement Plan and the level of emissions, etc. and will formulate the necessary countermeasures and policies for the first commitment period beginning in FY2008.

Furthermore, in order to constantly assess the effectiveness of the Kyoto Protocol Target Achievement Plan and make it reliable, the Government of Japan will strengthen the policies as necessary by checking each year after formulation of the plan, with reference to the evaluation indicators of the measure, the progress, etc. of policies formulated by the government for each countermeasure.

The FY2007 comprehensive evaluation and review must evaluate the preconditions at the time the Kyoto Protocol Target Achievement Plan was formulated, the projected greenhouse gas emissions, countermeasures and policies, etc., and carry out a comprehensive review.

For this reason, the Kyoto Protocol Target Achievement Plan clearly specifies targets for greenhouse gases and in other categories, individual countermeasures and their evaluation indicators, the expected extent of greenhouse gas emissions reduction, the roles and measures to be taken by each stakeholder for the countermeasures, and the policies of the central and local governments. (Details are in Chapter 4, Section 1.)

6. Ensuring of International Collaboration on Global Warming Countermeasures

Since the causes and impacts of global warming are on a global scale, it is essential for all countries to

endeavor to reduce greenhouse gases in order to ensure the effectiveness of the global warming countermeasures. Not only efforts by each country but also further efforts through international coordination are indispensable. For this reason, Japan will unceasingly continue to put in its utmost efforts to make it possible for common rules to be built that will be participated in by all countries, including the United States and developing countries.

Moreover, carbon dioxide emissions are projected to rapidly increase as a result of future increases in the world population and economic development. Therefore, Japan, which has outstanding technological capabilities and has accumulated a lot of experience in environmental conservation, will take a leading role in the world's efforts to combat global warming through international cooperation.

Chapter 2 Targets for the Limitation and Absorption of Greenhouse Gases

Section 1 Emissions Projections Based on Current Countermeasures and the 6% Reduction Commitment

Japan's base year emissions of all greenhouse gases (hereafter "base year total emissions") were 1.237 billion t-CO₂. In order to achieve the 6% reduction commitment, it is necessary to reduce annual average total emissions to 1.163 billion t-CO₂ per year in the first commitment period.

On the other hand, Japan's total emissions of greenhouse gases in FY2002 were 1.331 billion t-CO₂, a 7.6% increase over the base year, so that Japan now has to reduce emissions by 13.6% to achieve its reduction commitment.

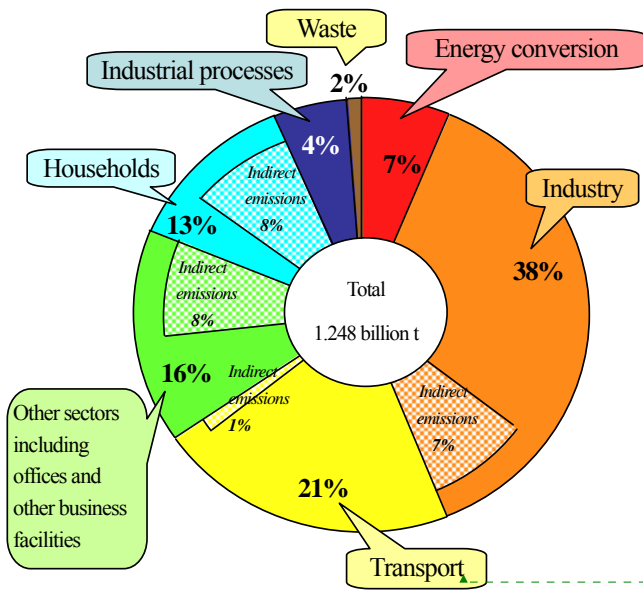
This happened because even though there has been progress in the reduction of non-energy-originated carbon dioxide, methane, nitrous oxide and the three substitute chlorofluorocarbon gases, emissions of energy-originated carbon dioxide, which account for approximately 90% of Japan's greenhouse gas emissions, greatly increased (by FY2002, an increase of 10.2% over the base year total emissions). Factors behind the increase in emissions of energy-originated carbon dioxide include the cessation of nuclear power generation in the second half of 2002 and other one-off factors, the economic expansion of China, the transformation of the industrial structure, an increase in energy consumption in offices and households due to factors such as increase in the floor area of office buildings, etc., and increased numbers of personal computers, home appliances, etc. In addition, due to an increase in passenger demand, etc., although emissions from the industrial sector, which accounts for approximately 40% of carbon dioxide emissions, and from the transport (trucks and public transport systems, etc.) sector, which accounts for approximately 10%, did not show much change, emissions greatly increased from the other sectors including offices and other business facilities, which account for approximately 20%, the household sector, which accounts for approximately 10%, and the transport (passenger cars for personal use) sector, which accounts for approximately 10%.

Carbon dioxide emissions in FY2002 by sector are shown in Figure 3.

The projection of total emissions of greenhouse gases as of FY2010 if the Government of Japan continues to implement the various countermeasures to date in the same way based on the Outline for Promotion of Efforts to Prevent Global Warming (hereafter "existing measures scenario") is approximately 1.311 billion t-CO₂, an increase of approximately 6% over the base year. (Refer to Table 1 for the projections of emissions by type of greenhouse gas and emissions of energy-originated carbon dioxide by sector.)

Therefore, in order to achieve its 6% reduction commitment under the Kyoto Protocol, it is necessary for Japan to implement countermeasures based on the Kyoto Protocol Target Achievement Plan and policies to promote these countermeasures in addition to the countermeasures and policies it has already been implementing, if it wants to achieve a further incremental emissions reduction of approximately 12% (approximately 148 million t-CO₂).

Figure 3 Japan's Carbon Dioxide Emissions by Sector (FY2002)



“Indirect emissions” refers to emissions resulting from power generation by power suppliers, etc.

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Figure 4 Japan's 6% Reduction Commitment under the Kyoto Protocol and Japan's Greenhouse Gas Emissions

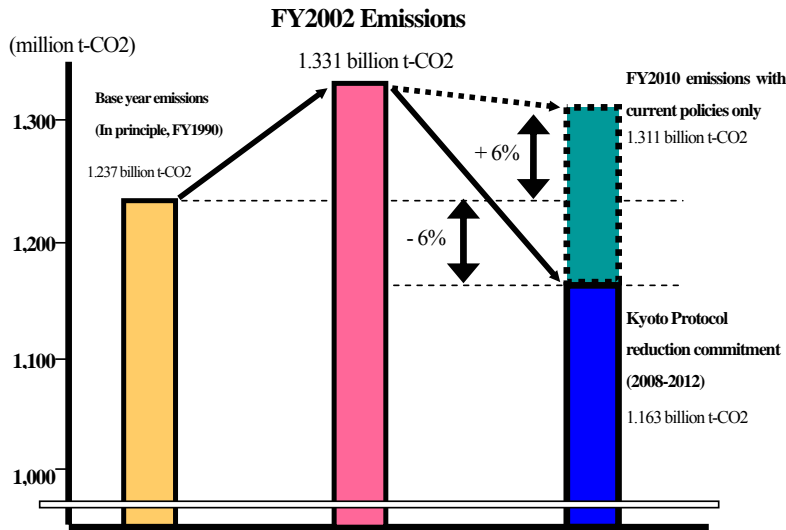


Table 1 Estimated Greenhouse Gas Emissions in FY2010

	Base year	FY2002		Existing measures scenario	
	Million t-CO2	Million t-CO2	Ratio to base year total emissions	Million t-CO2	Ratio to base year total emissions
Energy-originated CO2	1,048	1,174	+10.2%	1,115	+5.4%
Industrial sector	476	468	-0.7%	450	-2.1%
Non-industrial sector	273	363	+7.3%	333	+4.9%
(Other sectors including offices and other business facilities)	144	197	+4.3%	178	+2.8%
(Household sector)	129	166	+3.0%	155	+2.1%
Transport sector	217	261	+3.6%	259	+3.4%
Energy conversion sector	82	82	-0.0%	73	-0.8%
Non-energy originated CO2, CH4, N2O	139	128	-0.9%	130	-0.8%
CO2 not generated from energy	74	73	-0.1%	74	+0.0%
CH4	25	20	-0.4%	20	-0.3%
N2O	40	35	-0.4%	35	-0.4%
Three substitute chlorofluorocarbon gases	50	28	-1.7%	67	+1.4%
HFC	20	13	-0.6%	46	+2.1%
PFC	13	10	-0.2%	9	-0.3%
SF6	17	5	-0.9%	12	-0.4%
Greenhouse gas emissions	1,237	1,331	+7.6%	1,311	+6.0%

* Due to rounding, the totals in the table above may not match the sum of the columns.

Section 2 Targets in Other Categories by Type of Greenhouse Gas

The Government of Japan has established the following targets for limitation and absorption of greenhouse gas emissions.

1. Greenhouse Gases

The Kyoto Protocol determined that the following greenhouse gases would be subject to quantified commitments concerning limitation and reduction of emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulphur hexafluoride (SF₆). The Kyoto Protocol Target Achievement Plan established the following targets for the limitation of emissions in the first commitment period for each greenhouse gas.

The targets for each greenhouse gas shown below were basically determined as a standard for emission limitation that can be achieved through implementation of the Kyoto Protocol Target Achievement Plan taking into account rational and transparent projections of the volume of activities and the improvement effect of basic units such as energy use efficiency and the substitutes for chlorofluorocarbon emission basic unit, etc.

* Greenhouse gas emissions are decomposed by factors to the “basic unit,” which is energy consumption and greenhouse gas emissions per unit of activity, and the “volume of activities,” which includes the volume of production of businesses, the number of households, etc.

(Examples) Basic units: automobile fuel efficiency, per household energy consumption in households, energy consumption per unit of production in factories, carbon dioxide emissions per unit of energy consumption for each type of energy such as gasoline, coal, electric power, etc., HFC emissions per unit of production, etc.

Volume of activities: Index of Industrial Production, number of households, floor area, transport volume, etc.

Table 2 Global Warming Potential³ and Major Sources of Gases Subject to the Kyoto Protocol

	Global warming potential	Major sources
Energy-originated CO ₂	1	Generated through the burning of fuel. In addition to direct consumption of heating oil, gas, etc., when electricity, etc. is obtained from fossil fuels the consumption of those fuels leads to indirect emissions.
Non-energy-originated CO ₂	1	Generated from consumption of limestone, incineration of waste, etc. in industrial processes.
Methane (CH ₄)	21	Generated by anaerobic fermentation, etc. of organic matter in paddy fields and waste disposal sites.
Nitrous oxide (N ₂ O)	310	Generated in some manufacturing processes for raw materials for chemical products, the decomposition process of microorganisms in livestock excrement, etc.
Hydrofluorocarbons (HFC)	1,300 (HFC-134a)	Used in the refrigerant in refrigeration devices and air conditioning devices, and in foaming agents such as heat insulation materials, etc.
Perfluorocarbons (PFC)	6,500 (PFC-14)	Used in manufacturing processes for semiconductors, etc.
Sulphur hexafluoride (SF ₆)	23,900	Used in the cover gas when making a magnesium solution, manufacturing processes for semiconductors, etc., and electrical insulation gas, etc.

(1) Energy-originated Carbon Dioxide

The target for energy-originated carbon dioxide⁴ is a level of total emissions relative to the base year of +0.6% from the FY1990 level (approximately 1.056 billion t-CO₂).

Emissions of energy-originated carbon dioxide, which accounts for 90% of Japan's greenhouse gas emissions, in statistical terms can be divided into five sectors: the industrial sector⁵, the other sectors including offices and other business facilities⁶, the household sector, the transport sector, and the energy conversion sector⁷. It is also possible to look at the effects of countermeasures and policies in each of these sectors. The targets in each of these sectors are as in Table 3, but these targets have been established as approximations that provisional calculations show can be achieved if Japan records the currently forecast level of economic growth⁸, countermeasures on the energy supply side produce the anticipated results, and countermeasures in each sector on the energy demand side also produce the anticipated results.

* It is expected that if countermeasures and policies are not formulated, emissions will increase through economic growth and other major factors. Thus, the targets provisionally calculated and established in

³ Global Warming Potential expresses the extent of the global warming effect caused by each greenhouse gas relative to the global warming effect caused by a similar mass of carbon dioxide.

⁴ Energy-originated carbon dioxide refers to carbon dioxide generated as a result of the use of energy.

⁵ Factories, etc.

⁶ Office buildings, retail stores, hospitals, schools, etc.

⁷ Self-consumption such as power plants, petroleum processing facilities, etc.

⁸ January 21, 2005 Cabinet Decisions *Economic Outlook for FY2005 and Basic Economic and Fiscal Management Measures and Structural Reform and Medium-Term Economic and Fiscal Perspective - FY2004 Revision*.

each sector will be realized through countermeasures and policies to reduce emissions from FY2002 levels by 33 million t-CO₂ in the industrial sector, 31 million t-CO₂ in the other sectors including offices and other business facilities, 29 million t-CO₂ in the household sector, 11 million t-CO₂ in the transport sector, and 13 million t-CO₂ in the energy conversion sector.

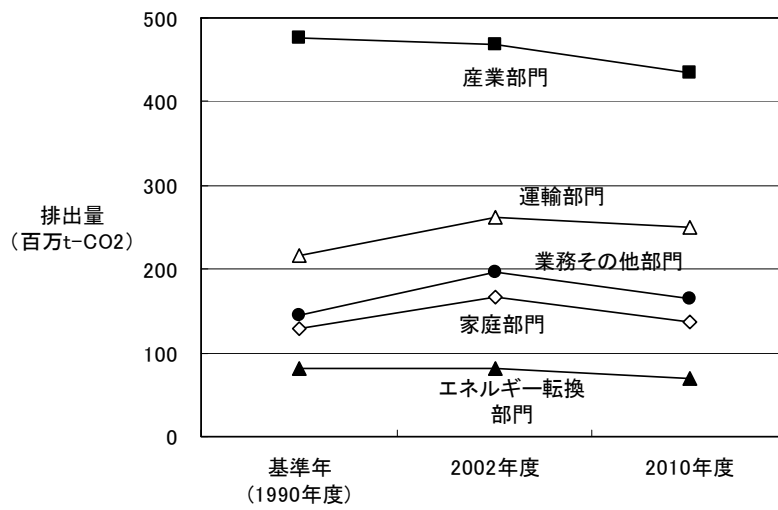
Table 3 Target Goals in Each Sector for Energy-originated Carbon Dioxide

Estimated results	Base year (FY1990)	FY2002 level of emissions		Targets in each sector for FY2010		<Reference> Difference between the FY2010 targets and the FY2002 level of emissions
	A	B	(B-A)/A (Percentage change relative to base year in each sector)	C	(C-A)/A (Percentage change relative to base year in each sector)	
Energy-originated CO2	1,048	1,174		1,056		
Industrial sector	476	468	(-1.7%)	435	(-8.6%)	It is expected that if countermeasures and policies are not formulated, emissions will increase through increases in the volume of production resulting from economic growth, etc. Provisional calculations show that emissions can be reduced by 33 million tons from FY2002 levels through countermeasures and policies.
Civilian sector	273	363	(+33.0%)	302	(+10.7%)	
(Other sectors including offices and other business facilities)	144	197	(+36.7%)	165	(+15.0%)	It is expected that if countermeasures and policies are not formulated, emissions will increase through increases in the floor area in buildings, etc. Provisional calculations show that emissions can be reduced by 31 million tons from FY2002 levels through countermeasures and policies.

(Household sector)	129	166	(+28.8%)	137	(+6.0%)	It is expected that if countermeasures and policies are not formulated, emissions will increase through increases in the number of households and the per household device ownership rate, etc. Provisional calculations show that emissions can be reduced by 29 million tons from FY2002 levels through countermeasures and policies.
Transport sector	217	261	(+20.4%)	250	(+15.1%)	It is expected that if countermeasures and policies are not formulated, emissions will increase through increases in the number of automobiles owned, etc. Provisional calculations show that emissions can be reduced by 11 million tons from FY2002 levels through countermeasures and policies.
Energy conversion sector	82	82	(-0.3%)	69	(-16.1%)	This is self-consumption such as at power plants, petroleum processing facilities, etc. Provisional calculations show that by continuing to steadily develop efficient energy use in these facilities, etc., emissions can be reduced by 13 million tons from FY2002 levels.

* Due to rounding, the totals in the table above may not match the sum of the columns.

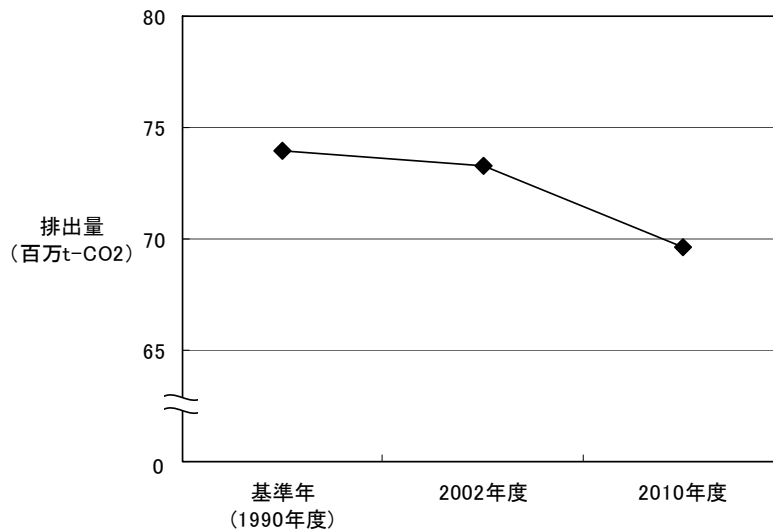
Figure 5 Emissions and Target Goals in Each Sector for Energy-originated Carbon Dioxide



(2) Non-energy-originated Carbon Dioxide⁹

The target for non-energy-originated carbon dioxide is a level of -0.3% from the FY1990 level as the ratio to the base year total emissions (approximately 70 million t-CO2).

Figure 6 Emissions and Targets for Non-energy-originated Carbon Dioxide

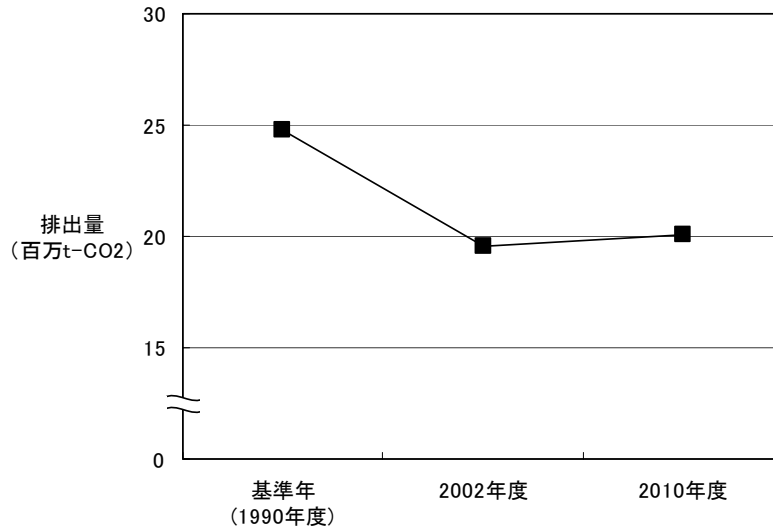


⁹ For example, when promoting countermeasures it is sometimes necessary to strike a balance between carbon dioxide not generated from energy, methane and nitrous oxide, as when effective countermeasures for reducing methane emissions in the treatment of human waste increase emissions of nitrous oxide, etc.

(3) Methane⁹

The target for methane is at a level -0.4% from the FY1990 level (approximately 20 million t-CO₂) as the ratio to the base year total emissions.

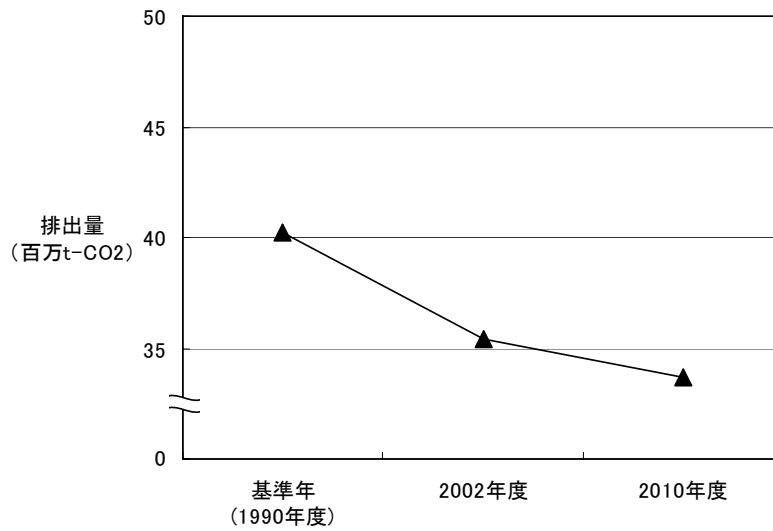
Figure 7 Emissions and Targets for Methane



(4) Nitrous Oxide⁹

The target for nitrous oxide is a level of -0.5% from the FY1990 level (approximately 34 million t-CO₂) as the ratio to the base year total emissions.

Figure 8 Emissions and Targets for Nitrous Oxide



(5) Three Substitute Chlorofluorocarbon Gases

The target for the three substitute chlorofluorocarbon gases (HFC, PFC, SF6) is a level of total emissions relative to the base year of +0.1% from the base year (1995) level (approximately 51 million t-CO2).

In some industries there are ways of using these three substitute chlorofluorocarbon gases which are interchangeable gases, and because countermeasures and policies are sometimes implemented for all of these three gases, it is appropriate to combine countermeasures and policies according to technology and market conditions that minimize the social cost while at the same time obtaining the maximal results. For this reason, the figures shown for each gas are shown as the rough breakdown to more steadily achieve the target of “+0.1%” for the three substitute chlorofluorocarbon gases collectively, on the assumption of technology and market conditions, etc. at the present time. It is necessary to keep in mind the fact that future changes in these conditions may lead to fluctuations.

Table 4 Emissions and Targets for the Three Substitute Chlorofluorocarbon Gases and Target Goals for Each Gas

	Base year (1995)	2002		Targets for the three substitute chlorofluorocarbon gases and target goals for each gas	
	million t-CO2	million t-CO2	Ratio to the base year total emissions	million t-CO2	Ratio to the base year total emissions
Three substitute chlorofluorocarbon gases	50	28	-1.7%	51	+0.1%
HFC	20	13	(-0.6%)	34	(+1.1%)
PFC	13	10	(-0.2%)	9	(-0.3%)
SF6	17	5	(-0.9%)	8	(-0.7%)

Figure 9 Emissions and Targets for the Three Substitute Chlorofluorocarbon Gases and Target Goals for Each Gas

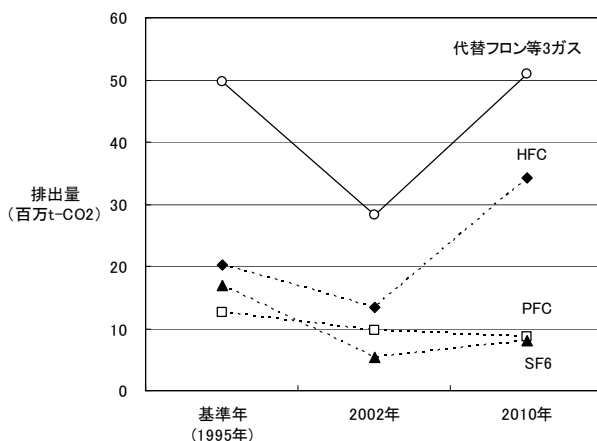
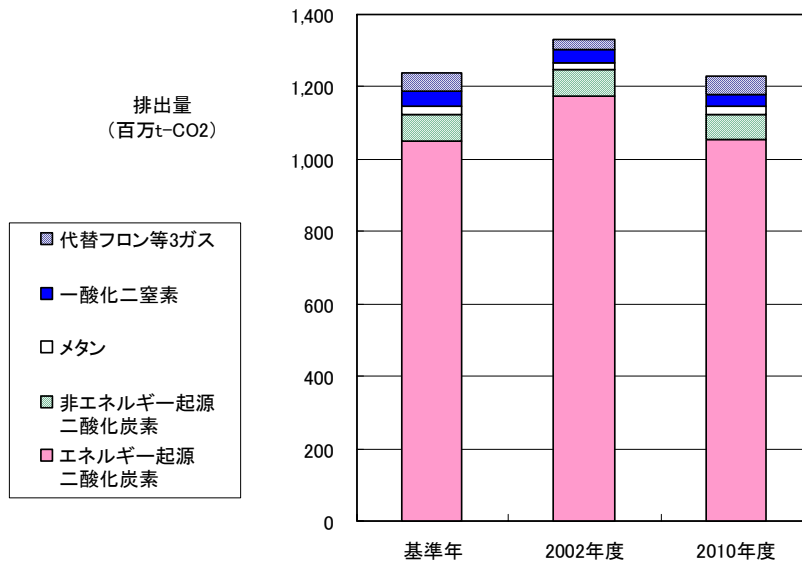


Figure 10 Emissions and Targets by Type of Greenhouse Gas



2. Greenhouse Gas Carbon Sinks

The target of the Government of Japan is to ensure absorption of the 13 million t-C (47.67 million t-CO₂, approximately 3.9% compared to the base year total emissions), agreed to at the Seventh Conference of the Parties to the UN Framework Convention on Climate Change (COP7) as the amount of absorption to be achieved through Japan's forest management, in all forests subject to Article 3, Clauses 3 and 4 of the Kyoto Protocol.

3. Kyoto Mechanisms

Concerning the difference between emissions equivalent to the reduction commitment in the first commitment period of the Kyoto Protocol and actual greenhouse gas emissions (this refers to emissions after deduction of greenhouse gas absorption) in the same period, the target is to utilize the Kyoto Mechanisms.

Even if any of the targets for greenhouse gases and greenhouse gas carbon sinks are confidently expected to be achieved in the first commitment period, the Government of Japan will not rest but rather will continue to steadily promote countermeasures.

* If it is based on the emissions projections for each gas from the results of each kind of countermeasure being undertaken at the present time, the difference is 1.6% of total emissions in the base year but fluctuations may occur due to the results of various countermeasures and policies, economic trends, etc.

Section 3 Targets of Individual Countermeasures

In order to give an overall picture of countermeasures with a specific grounding to achieve the 6% reduction commitment under the Kyoto Protocol, the Kyoto Protocol Target Achievement Plan addresses the individual countermeasures to achieve the targets for each greenhouse gas and for other categories and approximate targets for each sector for energy-originated carbon dioxide described in Section 2. It stipulates nationwide countermeasures evaluation indicators, expected emissions reductions, national policies to promote countermeasures, and examples of policies that local governments are expected to implement, and shows this information in tabular form for each sector and category. (Refer to Attached Tables 1-5.)

Countermeasures evaluation indicators are stipulated as targets of individual countermeasures designed to achieve targets for each greenhouse gas and approximate targets for each sector of energy-originated carbon dioxide.

The expected reduction in greenhouse gas emissions (carbon dioxide equivalent) resulting from countermeasures is calculated by combining factors other than the results of the countermeasures in question. By clarifying the premise of cumulation at the time of the formulation of the Kyoto Protocol Target Achievement Plan, it becomes possible to carry out ex-post verification.

Chapter 3 Countermeasures and Policies to Achieve the Targets

Section 1 Basic Roles of Central and Local Governments, Corporations, and Citizens

The central government has the role of comprehensively promoting global warming countermeasures and implementing measures undertaken on its own initiative. Local governments, corporations, and citizens are expected to undertake roles appropriate for their respective positions.

Concerning the promotion of global warming countermeasures, the central government is to have the following basic role and local governments, corporations and citizens are expected to undertake the following roles.

If all the stakeholders are aware of their roles and closely collaborate with each other to promote the countermeasures, it is expected that synergistic results exceeding those of efforts by each stakeholder alone can be obtained.

1. Basic Role of the Central Government

(1) Comprehensive Promotion of Global Warming Countermeasures that Mobilize Diverse Policy Instruments

Taking into account the fact that in order to reduce the emission of greenhouse gases, etc. it is essential to reconsider socioeconomic activities and lifestyles that involve large volumes of production, consumption and waste, the central government has the role of forming the overall framework of Japan's global warming countermeasures and comprehensively implementing global warming countermeasures through promotion of the Kyoto Protocol Target Achievement Plan. Furthermore, all central government agencies are to promote the countermeasures by sufficiently collaborating in line with the overall framework and mobilizing diverse policy instruments including the utilization of measures such as voluntary methods, restrictive methods, economic methods, informational methods, environmental impact evaluation, development of social capital, etc.

In addition, when implementing policies for which the major objective is not prevention of global warming, all central government agencies are to design the policies so that they contribute to the limitation, etc. of the emission of greenhouse gases.

(2) Implementation of Measures Undertaken on the Central Government's Own Initiative

The central government shall take the lead in implementing measures to reduce the emission of greenhouse gases and to conserve and strengthen the absorption effect for its own administration and projects while placing importance on dissemination and promotion of measures to society as a whole.

2. Basic Role of Local Governments

(1) Implementation of Countermeasures Tailored to the Characteristics of the Regions

Local governments shall endeavor to formulate and implement comprehensive and well-planned policies tailored to the natural and social conditions in their area to reduce the emission of greenhouse gases, etc.

For example, local governments will develop pioneering, highly original, and ingenious countermeasures tailored to the natural and social conditions in their regions including CO2-saving¹⁰ town planning, promotion of the use of public transport systems and bicycles, and the introduction of new forms of energy including biomass energy, etc.

(2) Implementation of Measures Undertaken on the Initiative of Local Governments

Local governments themselves are expected to be a model for the regions by carrying out measures on their own initiative. To this end they will formulate and implement a plan of action for their administration and projects based on the Law Concerning the Promotion of Measures to Cope with Global Warming.

(3) Information Provision and Activities Promotion for Local Residents, etc.

When prefectural centers for the promotion of activities to stop global warming, volunteers to promote activities to mitigate global warming, and global warming countermeasures regional councils have been designated, commissioned, and organized, local governments shall endeavor to utilize them to provide education and support for private organizations, introduce pioneering measures, and provide advice.

3. Basic Role of Corporations

(1) Highly Original and Ingenious Measures

Each corporation shall utilize its originality and ingenuity in order to autonomously and actively implement appropriate, effective and efficient global warming countermeasures in a wide range of sectors based on the nature of its business activities, etc. Each corporation shall promote measures contributing to the limitation, etc. of the emission of greenhouse gases of other stakeholders to the extent possible. Such measures include development of CO2-saving products, reduction of the amount of waste, etc.

(2) Measures Based on the Social Role of Corporations

Corporations are members of society and, individually or in cooperation with others, shall autonomously formulate plans and examine their state of implementation. Furthermore, they shall provide environmental education to employees and collaborate with labor unions, consumer groups and community groups, etc. to work toward the limitation, etc. of greenhouse gases. In addition, they shall cooperate with the policies of central and local governments.

(3) Reduction of the Environmental Burden through the Life Cycle when Providing Products and Services

Corporations providing final-consumption products shall monitor greenhouse gas emissions, etc. throughout the life cycle of products and services, and provide products and services that contribute to

¹⁰ In the Kyoto Protocol Target Achievement Plan, CO2-saving refers to the limitation and reduction of carbon dioxide emissions through countermeasures on the energy demand side, such as promotion of energy conservation, etc. or countermeasures on the energy supply side such as promotion of nuclear power, introduction of new forms of energy, etc.

the reduction of these environmental burdens. Moreover, they shall provide information concerning the reduction of greenhouse gases through their products and services.

4. The Basic Role of Citizens

(1) Limitation of the Emission of Greenhouse Gases in Daily Life

Citizens need to be aware that the increase in greenhouse gas emissions in recent years is closely related to the lives of the citizens, namely households and transport (passenger cars for personal use), and must actively work toward reforming lifestyles that involve large volumes of consumption and waste.

Specifically, citizens should monitor their own energy consumption and greenhouse gas emissions, and choose a CO₂-saving lifestyle. For example they should install heat insulation in their homes, switch to energy-conserving equipment, promote the use of public transport systems and bicycles, etc.

Citizens should also carry out meticulous measures such as using standby electric power and adopting other power saving measures, refraining from non-essential automobile use, etc.

(2) Participation in Global Warming Countermeasures Activities

Citizens should further deepen their understanding of the global warming issue and implement measures in collaboration with all stakeholders, such as endeavoring to actively participate in recycling campaigns, forest-building and other tree-planting campaigns, and other global warming countermeasures activities.

Section 2 Global Warming Countermeasures and Policies

1. Countermeasures and Policies Concerning Reduction, Absorption, etc. of Greenhouse Gas Emissions

(1) Countermeasures and Policies Concerning Reduction of Greenhouse Gas Emissions

1) Energy-originated Carbon Dioxide

The Government of Japan will implement all of the countermeasures and policies based on the following five basic philosophies.

○ From patchwork measures to an integrated approach

The Government of Japan will continue to promote previous countermeasures for individual energy-related equipment and workplaces, and at the same time will rethink Japan's energy supply and demand structure from an integrated, wide-ranging perspective in order to change the structure itself into a CO₂-saving structure. In other words, it will maximize CO₂-saving through such measures as reform of Japan's socioeconomic structure, including the structure of cities and regions and public transport infrastructure, the design of CO₂-saving cities and transport systems, etc.

○ Transcend the individual boundaries of each stakeholder

Each stakeholder involved in energy supply and demand should be appropriately aware of their own role and aim to further improve energy efficiency in collaboration with other suppliers and users of energy, not just within the areas they directly manage, and should work to limit carbon dioxide emissions in as wide a range of sectors as possible. For example, industry could actively contribute to a switch to a CO₂-saving approach in non-industrial and transport sectors.

○ Combined supply and demand side approaches placing the priority on demand countermeasures

In order to effectively implement CO₂-saving countermeasures it is necessary to take measures on both the energy supply and demand sides. However, if the countermeasures are to produce results by the first commitment period, first of all, the Government of Japan must place the priority on countermeasures on the energy demand side and set a target for Japan to become an “energy conservation nation that is a model for the world.” Although a certain amount of time is required for infrastructure development and reform, the Government of Japan will make every effort to continue steady promotion of energy supply side countermeasures.

○ Approaches placing priority on improvement of basic units

In order to steadily advance CO₂-saving countermeasures, the Government of Japan will place priority on improving the energy consumption basic unit and the carbon dioxide emission per unit of energy consumption basic unit by increasing the efficiency of energy use.

Specifically, it will work on the autonomous action plans of industry, the utilization of a framework such as the Energy Conservation Law, the Top-runner Program, the dissemination of energy-conserving equipment and automobiles, the introduction of architectural structures and homes with high energy efficiency, traffic flow countermeasures and measures to make distribution more efficient, the mutual energy interchange at the regional level, etc.

In order to improve the carbon dioxide emission basic unit in the energy supply sector, the Government of Japan will steadily advance promotion of nuclear power and the introduction of new forms of energy, etc.

○ Effective measures to respond to the factors behind increases in emissions

Looking at carbon dioxide emissions trends by sector, although emissions from the industrial sector, which accounts for approximately 40% of emissions on the demand side, and from the transport (trucks and public transport systems, etc.) sector, which accounts for approximately 10%, did not show much change, emissions greatly increased from the other sectors including offices and other business facilities, which account for approximately 20%, the household sector, which accounts for approximately 10%, and the transport (passenger cars for personal use) sector, which accounts for approximately 10%. For this reason, the Government of Japan will steadily promote countermeasures in the industrial sector and the transport (trucks and public transport systems, etc.) sector and will place priority on formulating effective countermeasures in other sectors including offices and other business facilities, the household sector and the transport (passenger cars for personal use) sector.

(Insert “Table 5 Overview of Countermeasures Concerning Energy-originated Carbon Dioxide” on this page.)

A. Forming CO₂-saving Regional and Urban Structures and Socioeconomic Systems

Through sweeping reviews of regional and urban structures and transport systems, and reviews of socioeconomic systems through collaboration, etc. among energy consumption entities, structural incorporation of efficient energy use has a profound impact.

Therefore, the Government of Japan will work toward building a “society that exits from inducing global warming” by commencing the transformation of regional and urban structures and socioeconomic systems from a medium- and long-term perspective at the earliest possible time.

In particular, the form of cities has a big impact on global warming and so, while taking into account the aims of the Urban Renaissance Project, the Government of Japan will promote sweeping and structural countermeasures with urban renaissance as a turning point.

Furthermore, the Government of Japan will formulate and improve policies taking into account regional voices through special zones for structural reform and the process of calling for public submissions concerning revitalization of the regions.

a. CO₂-saving Urban Design

As improving energy use efficiency in urban areas with highly concentrated energy demand is very effective, the Government of Japan will improve the energy environment of cities and promote the creation of CO₂-saving regions through the integrated use of energy, heat island countermeasures, etc.

○ Promotion of the Integrated Use of Energy

Efficient, integrated use of energy includes the supply of efficient energy to multiple facilities and buildings, energy interchange between facilities and buildings, utilization of unused energy, etc. and can be expected to produce large CO₂-saving benefits in regions. The Government of Japan will therefore actively introduce and disseminate environmentally outstanding region-wide air conditioning, etc. while keeping in mind the characteristics of each region, the promoting entity, feasibility, etc.

For this reason, the Government of Japan will implement policies such as those indicating regions in which integrated use is feasible, implementing pioneering model projects, utilizing the urban planning system, and reviewing the operation of the Heat Supply Business Law to encourage energy conservation awareness in users. This will be done with a view to promoting collaboration among a wide range of stakeholders including central and local governments, energy supply corporations, regional development corporations, etc., the selection by the regions of efficient energy based on evaluations from the perspectives of the global environment, city environment, etc., and on the consumer side improving the understanding and promoting the cooperation of users of architectural structures, etc.

○ Measures Transcending the Individual Boundaries of Each Entity

In order to promote CO₂-saving in general buildings such as buildings and housing complexes, etc., the Government of Japan will take more vigorous measures transcending the individual boundaries of each entity involved, namely, building owners, tenants and energy supply corporations.

For this reason, the Government of Japan will utilize IT to promote measures such as energy management for entire facilities and collective management of energy for multiple architectural structures.

○ Promotion of CO₂-saving by Improving the Thermal Environment through Tree-planting and Other Heat Island Countermeasures

The Government of Japan will promote CO₂-saving through improvements to the thermal environment of cities by utilizing the knowledge obtained from scientific observations, studies and research concerning the heat island phenomenon to implement comprehensive heat island-related policies.

To this end, the Government of Japan will work to reduce the amount of heat artificially emitted from air conditioning units, automobiles, etc. by promoting highly efficient energy consuming equipments, etc. and promoting the use of unused energy, etc. In addition, it will improve city lifestyles and working styles in order to alleviate the heat island phenomenon, for example, by adjusting the temperature of cooling and heating units to more appropriate levels, etc.

As a larger proportion of the earth's surface is covered by artificial materials, the evapotranspiration effect is declining and the surface temperature is increasing. From the perspective of preventing this and improving the situation, the Government of Japan will take measures to improve the coverage of the earth's surface in all regions, including ensuring green areas through the development of urban parks, etc., tree-planting in public spaces and at facilities including public offices, etc., tree-planting in the premises of architectural structures through utilization of the regional greening system, etc., utilization of spring water, recycled waste water, etc., utilization of road paving materials that are very effective in reducing road surface temperatures, conservation of agricultural land, etc.

In addition, with a view to forming and utilizing greenery centers that are sources of cold air and ensuring passages for wind from green areas and water surfaces, etc., the Government of Japan will improve the form of cities by conserving the green areas remaining in cities, developing city parks, and promoting the formation of a water and greenery network through collaboration among projects such as parks, roads, rivers, erosion control, ports, sewerage systems, etc., and promoting the building of cities with a small environmental burden.

b. Design of CO₂-saving Transportation Systems

In order to increase the efficiency of transportation systems, etc., the Government of Japan will not only implement measures for automobiles; it will also implement comprehensive countermeasures including the development of transport safety facilities such as Transportation Demand Management (TDM), traffic signals, etc., and promotion of the use of public transport systems, etc.

○ Promotion of the Use of Public Means of Transportation

The Government of Japan will make ongoing efforts to develop public transportation systems such as new railway lines, medium-capacity transit systems¹¹, Light Rail Transit (LRT)¹², etc., promote informatization through the introduction of IC cards, etc., improve transit, and improve service and convenience through park and ride schemes, etc. and will also promote measures toward the realization of seamless public transport.

In addition, the Government of Japan will promote independent measures such as commuter transit management by corporations collaborating with the above policies and the implementation of car sharing using low-emission vehicles, etc. and will use enlightenment activities for citizens to promote a move away from passenger cars for personal use in passenger transport and a switch to public transport systems such as railways, buses, etc. Furthermore, in order to promote these kinds of independent measures by businesses, the Government of Japan will launch councils at the nationwide level and regional level made up of people from transport corporations, the business world, etc., and advance specific measures.

○ Promotion of Environmentally-friendly Use of Automobiles

The Government of Japan will disseminate and promote eco-driving, which includes anti-idling of stationary vehicles, and driving at a safe and constant speed appropriate for the traffic conditions, etc.

To this end, the Government of Japan will raise the awareness of citizens through public relations activities, etc. led by the Eco-driving Dissemination Liaison Meeting of four related government ministries and agencies¹³, and develop an environment for the dissemination of eco-driving.

In order to promote eco-driving with business use automobiles, etc., the Government of Japan will build and disseminate Eco-drive Management Systems (EMS)¹⁴ for transportation companies, etc.

In addition, the Government of Japan will continue to provide support, etc. for the introduction of anti-idling equipment, and develop the environment by encouraging automakers, etc. to increase the number of models fitted with such equipment and make efforts to promote sales of those models, etc. Furthermore, the central and local governments will take the lead in introducing this equipment.

○ Build a System to Realize Smooth Road Traffic

As improving traveling speeds by improving the traffic flow improves effective fuel consumption and reduces carbon dioxide emissions from automobiles, the Government of Japan will promote the development of trunk road networks such as ring roads, etc., the construction of continuous flow intersections using an overpass or underpass, improvements to railway crossings through construction of continuous grade separation, etc., and implement traffic flow measures including regulation of the demand for automobile traffic, promotion of Intelligent Transport Systems (ITS), promotion of companies that provide road traffic information, promotion of measures against vehicles parking on

¹¹ These are iron tracks of new transport systems, etc. with a carrying capacity midway between that of railways and buses.

¹² Next-generation road surface train system which is friendly to people and the environment and has the characteristics of being easy to get into and out of, and being outstanding with respect to punctuality, speed, carrying capacity, comfort, etc., achieved through improvements in the traveling space and vehicle performance.

¹³ The National Police Agency, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure and Transport, and the Ministry of the Environment.

¹⁴ Measures to implement well-planned and continuous eco-driving of automobiles and evaluate and provide guidance in an integrated manner.

roads, reduction of road constructions, and development of transport safety facilities.

○ Realization of Environmentally Sustainable Transport (EST)

To limit excessive dependence on passenger cars for personal use which is a major cause of increases in carbon dioxide emissions in the passenger sector, and to realize Environmentally Sustainable Transport (EST), the Government of Japan will recruit pioneering regions aiming to promote EST, and take measures focused on support for promotion of the use of public transport systems, measures to improve traffic flow, promotion of the introduction of low-emission vehicles, and dissemination and enlightenment, etc. Related ministries and agencies will collaborate to strengthen policies for specific ambitious measures tailored to the characteristics of the regions.

c. Building of CO₂-saving Distribution Systems

In order to promote the greening¹⁵ of the overall distribution system, the Government of Japan will strengthen and expand measures based on cooperative efforts among shippers and distributors and will promote modal shifts¹⁶, greater efficiency in trucking, etc.

○ Promotion of CO₂-saving through the Cooperative Efforts of Shippers and Distributors

The Government of Japan will promote the greening of the entire distribution system by strengthening collaboration between shippers who request delivery and distributors who undertake delivery, and by expanding measures related to global warming countermeasures.

For this reason, the Government of Japan will provide support to cutting-edge model projects in which shippers and distributors collaborate on modal shifts and greater efficiency of trucking through the Green Distribution Partnership Council¹⁷. In order to facilitate collaboration between shippers and distributors, the government will formulate integrated methods (guidelines) for the calculation of carbon dioxide emissions in the distribution sector that can be utilized jointly by both parties to enable them to objectively evaluate the effects of each measure.

In addition, the Government of Japan has established the Law Concerning the Promotion of the Integration and Efficiency of Distribution Operations and is supporting integrated and efficient implementation of transportation, storage, distribution processing and other distribution operations through the introduction of 3rd Party Logistics (3PL)¹⁸ projects, a switch to joint transportation and delivery, utilization of IT, etc.

In combination with this, the Government of Japan has amended the Energy Conservation Law and has introduced countermeasures in the transport sector which include imposing an obligation on freight

¹⁵ This refers to building a distribution system which imposes a smaller burden on the environment through modal shifts, improving efficiency of trucking, the integration and improved efficiency of distribution operations, improving the low-emission of transportation systems, etc.

¹⁶ “Modal shift” means a change (shift) in transportation system (mode) through utilization of railway freight transport and domestic shipping, which is the mass transit systems with a small environmental burden, for freight transport.

¹⁷ The Green Distribution Partnership Council is an organization established to promote autonomous measures by industry toward the greening of distribution, and consisting of shipping businesses, distribution businesses, the government, and member businesses and groups of other parties concerned. It is operated through cooperation with the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure and Transport, and concerned groups.

¹⁸ 3PL is a high-quality service which consistently undertakes distribution from shippers.

transport businesses, passenger transportation businesses and shippers above a certain size to formulate an energy conservation plan and report the amount of energy used, etc.

- Promotion of Greater Efficiency in Distribution through Modal Shifts, Improving Efficiency of Trucking, etc.

In order to promote the greening of the entire distribution system, the Government of Japan will promote a switch from automobile transportation to transportation using domestic shipping and railways which produces low carbon dioxide emissions.

As a part of these efforts, in order to increase the competitiveness of domestic shipping, which is essential to this approach, the Government of Japan will cut transportation costs and improve services through the development of domestic trade terminals able to handle combined multimodal transportation, and develop and disseminate new technologies with good energy efficiency, such as next generation domestic vessels (super eco-ships), etc., and review regulations, etc. Furthermore, the government will make efforts to electrify and improve the efficiency of cargo-handling equipment, etc. in port terminals, which are centers of distribution, for example, by studying the development of land-based facilities for supplying electricity to ships in port, etc.

In the same way, in order to increase the competitiveness of railway freight transport, the Government of Japan will improve the convenience of freight railways by expanding and enhancing transportation capabilities and reducing the costs of terminal transportation, etc. through expansion of the carrying capacity of railway transportation, development of better train schedules, and enhancement of transportation equipment and materials such as containers, etc.

The Government of Japan will also promote greater efficiency in trucking. To this end, it will promote a switch from trucks for personal use to business use trucks and the use of bigger trucks with more trailers, and will advance the development of roads able to handle the bigger vehicles. In combination with this, it will improve loading efficiency through elimination of congested transportation, and ensuring back-hauling, etc.

In addition, the Government of Japan will promote the development of international marine container terminals, the development of multipurpose international terminals, and the development of infrastructure that deepens collaboration among each mode, etc. in core and hub international ports that contribute to reducing the over-land transportation distances of international freight.

d. Promotion of Integrated Introduction of New Energy and Energy Interchange

The Government of Japan will aim at CO₂-saving in the regions as a whole through the efficient utilization of distinctive energy resources, such as biomass resources and unused energy sources, etc., for local production.

- Building of a Network of Dispersed New Energy Sources

In order to introduce new energy sources, the Government of Japan will combine multiple dispersed power sources such as wind power, biomass, photovoltaic power generation, cogeneration systems (systems with high energy efficiency), fuel cells, etc. with IT control units, etc. to create a network, and introduce small-scale systems (micro-grids) designed for efficient energy use taking into account

technological challenges, etc. related to connection to the existing network. Through this approach, the government will promote the introduction of new energy sources, etc. in the regions as a whole and realize CO₂-saving energy systems. To this end, the Government of Japan will implement leading model projects and will advance the development and demonstration, etc. of technology.

○ Promotion of the Use of Biomass

In order to build biomass towns possessing systems that efficiently and comprehensively utilize the various biomass resources with which the regions are endowed for thermal and electric power, fuel, materials, etc., the Government of Japan will provide information and promote regional activities, while at the same time developing facilities for utilization of biomass resources and technology for conversion, use, etc. of biomass energy.

○ Effective Use of Unused Energy Sources, etc.

The Government of Japan will provide an efficient energy supply in the regions by taking full advantage of the characteristics of the regions to promote the use of unused energy sources (energy using the differences in temperature such as sea water and sewage, heat from snow and ice, etc.) and the use of waste heat from waste incineration, etc.

○ Energy Interchange Among Multiple Entities

In order to promote energy interchange through the collaboration of multiple entities, including the interchange among businesses of factory exhaust heat in areas with a high concentration of industry, such as industrial complexes, etc., the Government of Japan will develop an environment that encourages collaboration among entities and will provide support to collaborative projects with large energy conservation effects.

B. Measures by Facility and Entity

Each entity that consumes energy, including businesses, individuals, etc. will take various measures aimed at limiting the overall levels of carbon dioxide emitted in relation to their own activities.

In doing so, each entity shall be appropriately aware of its own responsibilities and role, and the measures it can take. Power-consuming entities can contribute to the limitation of carbon dioxide emissions in a wide range of sectors. Such measures include measures for the civilian and transport sector by manufacturers and the provision of information to consumers by retailers, etc.

Furthermore, in the energy supply sector as well, energy-consuming entities will utilize energy sources with a small carbon dioxide emission basic unit and improve the efficiency of supply.

a. Efforts in the Industrial Sector (Manufacturers, etc.)

Carbon dioxide emissions in the industrial sector were 1.7% lower in FY2002 than in FY1990 and voluntary action plans and other countermeasures will continue to be steadily promoted. In combination with this, businesses in this sector will contribute to CO₂-saving in the civilian and transport sectors.

○ Steady Implementation of Voluntary Action Plans

In the industrial and energy conversion sectors, in 1997 the Nippon Keidanren took the lead in formulating environmental voluntary action plans, and established the target of limiting carbon dioxide emissions in FY2010 to under $\pm 0\%$ of FY1990 levels. To date 34 industrial sectors have formulated environmental voluntary action plans establishing quantitative targets for each industrial sector. These action plans now cover approximately 80% of the industrial and energy conversion sectors.

* Each industrial sector voluntarily decides which of four indicators—energy basic unit, energy consumption, carbon dioxide emission basic unit, carbon dioxide emissions—it will select as targets of the voluntary action plan for their own industrial sector.

These voluntary action plans by businesses have already produced results and are occupying a central role in countermeasures in the industrial and energy conversion sectors. The advantages of these voluntary methods include the ability of each entity to use its originality and ingenuity to select outstanding countermeasures, the likelihood of incentives to attempt to reach more difficult targets, and having no procedural costs for both the government and the implementing entity. It is expected that these advantages will be further exploited in voluntary action plans by businesses.

In order for Japan to achieve its reduction commitment under the Kyoto Protocol, it is extremely important for industry to advance efforts to limit emissions, including efforts to improve the energy consumption basic unit and the carbon dioxide emission basic unit, so that these targets of voluntary action plans in the industrial and energy conversion sectors are achieved. Therefore, concerning the targets and content of voluntary action plans of industry, while taking into account the fact that the voluntary nature of the plans must be respected, it is also important that they meet social demands and fully achieve the Nippon Keidanren voluntary action plan targets, that individual industrial sectors are

encouraged to make active efforts toward achievement of their own voluntary targets, and that the transparency, reliability, and probability of achieving the targets is improved. The Government of Japan will thus continue to regularly conduct follow-ups in related councils, etc.

It is expected that businesses that have not yet formulated such voluntary action plans will formulate one and take effective CO₂-saving countermeasures tailored to their own special characteristics.

- Thorough Management of Energy in Factories, etc.

In addition to the above voluntary measures, measures are being taken in the industrial sector to strengthen the voluntary management of energy through measures based on the Energy Conservation Law.

In order to encourage more thorough and meticulous voluntary management of energy in future, it is necessary to amend the Energy Conservation Law and adopt comprehensive energy conservation countermeasures for both heat and electricity.

- Measures by Industry in the Civilian and Transport Sectors

Industry will contribute to CO₂-saving in the civilian and transport sectors through the development of lighter and more functional materials, etc., providing products that are highly energy-efficient and have greater efficiency in distribution by moving away from personal use trucks to business use trucks and modal shifts, etc. It will also contribute to CO₂-saving in those sectors through promotion of the use of public transport systems, etc. for the daily commute of company employees.

In particular, in order to strengthen measures in the transport sector, the Government of Japan will amend the Energy Conservation Law and introduce countermeasures in the transport sector which include imposing an obligation on shippers above a certain size to formulate an energy conservation plan and report the amount of energy used, etc.

b. Efforts by Transport Businesses

Carbon dioxide emissions in the transport sector have increased by approximately 20% over FY1990 levels, but in recent years emissions from the transport (trucks and public transport systems, etc.) sector have been on a declining trend. In order to make this a steadier trend, the Government of Japan will promote the greening of transportation. For example, it will promote the limitation of carbon dioxide emissions through cooperative efforts by shippers and distributors, etc.

Furthermore, the Government of Japan will promote the dissemination of the Green Management Certification System which certifies transport businesses implementing certain levels of outstanding environmental measures, such as measures to improve fuel consumption, etc.

In addition, the Government of Japan will improve the efficiency of operation of business use automobiles by promoting the introduction of systems making the efficient dispatch and operation of taxis, etc. possible through utilization of information technology such as GPS, etc.

- Promotion of Environmentally-friendly Use of Automobiles (Same as last time)

- Promotion of CO₂-saving Through the Cooperative Efforts of Shippers and Distributors (Same as last time)
- Promotion of Greater Efficiency in Distribution through Modal Shifts, Improving Efficiency of Trucking, etc. (Same as last time)

c. CO₂-saving in Business Facilities such as Offices and Stores, etc.

Carbon dioxide emissions in the business sector of offices, etc. (including members of the service industry such as stores, etc.) have increased by approximately 40% over FY1990 levels along with the increase in floor area. The Government of Japan will limit these emissions through steady implementation of energy management and voluntary action plans according to the Energy Conservation Law.

- Steady Implementation of Voluntary Action Plans

Efforts to formulate environmental voluntary action plans that establish targets for each industrial sector have also been expanded to 10 industrial sectors in the business sector, other than the industrial and energy conversion sectors. Concerning the targets and content of voluntary action plans, while taking into account the fact that the voluntary nature of businesses must always be respected, it is extremely important to meet social demands and to improve the transparency, reliability, and probability of achievement of targets, so it is necessary to regularly conduct follow-ups in related councils, etc.

In industrial sectors that have not yet formulated environmental voluntary action plans, such as private hospitals, private schools, etc., it is expected that voluntary action plans will be formulated, and effective CO₂-saving countermeasures tailored to the characteristics of each sector will be taken.

- Thorough Management of Energy According to the Energy Conservation Law

In order to encourage energy management in office buildings and other buildings with high energy consumption, the regulations of the Energy Conservation Law were strengthened in April 2003 and an obligation was imposed on such buildings to make a regular report and formulate a medium- and long-term plan for energy use.

In future, in order to further encourage energy management, it will be necessary to amend the Energy Conservation Law and adopt comprehensive energy conservation countermeasures for both heat and electricity.

In order to ensure further measures in offices, etc., comprehensive examinations, etc. by the central government will be implemented.

- Improvement of the Energy Conservation Capability of Buildings

As the energy conservation capability of buildings has a large impact over the long term on carbon dioxide emissions from other sectors including offices and other business facilities through energy consumption, the Government of Japan will continue to advance energy conservation countermeasures at the time a new building is constructed and in addition promote improvement in energy conservation

by improving the energy conservation capability of the existing stock of buildings.

To this end the Government of Japan will amend the Energy Conservation Law and take measures such as imposing an obligation to notify the responsible government agency of the energy conservation measures taken when newly constructing, extending, or reconstructing buildings above a certain size or when carrying out large-scale repairs, etc.

Furthermore, the Government of Japan will provide support through financing, etc., develop and disseminate the Comprehensive Assessment System for Building Environmental Efficiency (CASBEE¹⁹), promote the provision of information concerning the design, construction, etc. of energy conservation features in buildings such as energy conservation improvement, etc., provide support to model projects aiming at the collaboration of building owners and tenants on energy conservation countermeasures, promote the development of green government buildings²⁰, promote green diagnostics and improvement²¹, and carry out thorough and appropriate operation and management of existing government office facilities, etc.²²

In addition, the Government of Japan will promote the introduction of energy-conserving equipment and facilities utilizing ESCO²³, etc.

○ Spread of Building Energy Management System (BEMS)

In order to spread BEMS, an energy demand management system which utilizes IT to display the state of use of energy in real time and ensures the most appropriate operation of lighting, air conditioning, etc. based on the indoor conditions, the Government of Japan will support its introduction.

d. CO2-saving in Households

Carbon dioxide emissions in the household sector have increased by approximately 30% over FY1990 levels even though the increase in the number of households is gradually slowing down due to the increase in energy consumption resulting from the increase in the number of household appliances, etc.

For this reason, the Government of Japan will work to improve the energy conservation capability of houses, etc. and will encourage citizens to think of the global warming issue as their own issue, constantly review their lifestyles, and endeavor to take energy conservation countermeasures.

○ Improvement of the Energy Conservation Capability of Houses

¹⁹ CASBEE is a comprehensive environmental capacity assessment system for houses and buildings which gives an overall assessment in a unified manner of the improvement of comfort of houses (indoor environment) and energy conservation countermeasures and other efforts to reduce the environmental burden, etc. in terms of comprehensive environmental capability and presents the results as easy-to-understand indicators.

²⁰ Green government buildings are government office facilities that aim to reduce the environmental burden throughout the life cycle of a building from planning, construction and operation to abolishment.

²¹ Green diagnostics are diagnostics to assess the environmental efficiency of existing government office facilities. Green improvements aim to reduce the environmental burden throughout the life cycle of a building from the improvement plan to the improvement construction work, operation, and abolishment.

²² When using heat insulation materials in order to achieve energy conservation in houses and buildings, heat insulation materials containing chlorofluorocarbons tend to increase total greenhouse gas emissions rather than decrease them when the greenhouse effect of the chlorofluorocarbons is taken into account. Thus, it is necessary to promote the use of heat insulation materials that do not contain chlorofluorocarbons.

²³ ESCO stands for Energy Service Company, a type of business that offers a comprehensive energy conservation service.

The energy conservation capability of houses has a large impact over the long term on the carbon dioxide emissions of the household sector through energy consumption, so in addition to thorough implementation of energy conservation measures at the time a new building is constructed, the Government of Japan will promote energy conservation renovation work that improves the energy conservation capability of the existing stock of houses.

To this end the Government of Japan will amend the Energy Conservation Law and take measures such as imposing an obligation to notify the responsible government agency of the energy conservation measures taken when newly constructing, extending, or reconstructing houses above a certain size or when carrying out large-scale repairs, etc., the same obligations as for buildings.

Furthermore, the Government of Japan will provide support through financing, etc., develop and disseminate the Comprehensive Assessment System for Building Environmental Efficiency (CASBEE) for houses, etc., promote the provision of information concerning energy conservation improvement and building facilities by enhancing energy conservation standards, etc., support the development of leading technology by private businesses, etc., and provide support for the introduction of model houses which combine the introduction of heat insulation materials and the installation of photovoltaic power generation systems, etc.²⁴

In addition, in order to encourage the wider use of window glass and sashes with a high energy conservation capability, the Government of Japan will establish a system under which manufacturers, etc. have to state the energy conservation capability of their products on product labels and will thoroughly publicize the energy conservation effects of products utilizing all forms of media.

In addition, the Government of Japan will provide information to the residents of stand-alone houses concerning the advantages of introducing energy-conserving equipment, facilities and building materials tailored to their state of use of energy and will promote the introduction of energy-conserving equipment, facilities and building materials utilizing leases and ESCO in housing complexes.

○ Spread of Home Energy management System (HEMS)

In order to spread HEMS, an energy demand management system which utilizes IT to display the state of use of energy in real time and ensures the most appropriate operation of lighting, air conditioning, etc. based on the indoor conditions, the Government of Japan will conduct experiments to test the system.

e. CO₂-saving in the Energy Supply Sector

Although a certain amount of time is required for infrastructure development and reform in the energy supply sector, the Government of Japan will commence countermeasures at the earliest possible time, work toward utilization of energy sources with a small carbon dioxide emission basic unit, and improve the efficiency of supply by working toward the environmentally conscious use of fossil fuels while also keeping in mind the stable supply of energy.

○ Steady Promotion of Nuclear Power Generation

²⁴ Refer to footnote 22.

Nuclear power generation does not emit carbon dioxide in the power generation process, so it occupies an extremely important position with respect to the promotion of global warming countermeasures. In future, with the assurance of safety the major premise, the Government of Japan will work toward the further utilization of nuclear power generation and will steadily promote public sector-private sector cooperation for nuclear power generation as a key power source. When doing so, the Government of Japan will steadily advance the establishment of the nuclear fuel cycle within Japan as the basic approach of the country with a view to further improvement in the characteristic features of nuclear power generation such as its outstanding supply stability, etc.

In addition to the 53 plants currently in operation, the Government of Japan is following up on the efforts of the businesses to ensure the three new plants under construction (Tomari Unit 3, Higashidori Unit 1 (Tohoku), Shika Unit 2) will steadily go into operation by FY2010.

The Government of Japan will develop an investment environment in order to ensure investment in nuclear power generation (rules to ensure power transmission capacity which make the operation of long-term and stable nuclear power generation feasible, etc.)

With a view to steady implementation of the nuclear fuel cycle, the Government of Japan will develop laws for the appropriate implementation of back-end projects and establish the spent fuel reprocessing reserve system using the external funding method. It will also provide active support to ensure that the reprocessing projects, plutonium-thermal projects, high-level radioactive waste final disposal projects, etc. being advanced by businesses are steadily promoted.

The Government of Japan will realize scientific and rational operation and management of nuclear power plants with the assurance of safety as the major premise.

○ Promotion of the Introduction of New Energy

As new energy utilizing sunlight, wind power, biomass²⁵, etc. makes a big contribution to global warming countermeasures and contributes to improvement of the energy self-sufficiency ratio, the Government of Japan will promote its introduction.

* Heat sector

The Government of Japan will take measures including promotion of the formulation, implementation and evaluation of comprehensive plans for the introduction of new energy by local governments, strengthening of the promotion of the use of biomass heat in collaboration with the promotion of the Comprehensive Strategy for Biomass Nippon, promotion of the use of solar heat (development of cutting-edge technology using solar heat, etc.), and promotion of the use of waste heat, etc.

Furthermore, concerning the use of fuel derived from biomass for transportation-use fuel (gasoline and diesel oil), the Government of Japan will respond to challenges related to fuel economy, safety, the impact on the atmospheric environment and stable supply, and continue testing of these types of fuel as well as study the most appropriate methods of introducing them taking into account these challenges in order to facilitate their smooth introduction.

²⁵ The carbon dioxide emissions of renewable energy including biomass are not counted under the Framework Convention on Climate Change.

* Power Generation Sector

The Government of Japan will take measures including expanded introduction of new energy in the public services, development of photovoltaic power generation and other technology which promotes the reduction of costs and improved efficiency, carry out smooth coordination of network connection countermeasures for wind power generation and all types of land use regulations, promotion of the introduction of power generation from waste, steady implementation of the Renewables Portfolio Standard (RPS) Law²⁶, etc.

○ Promotion of a Shift to Natural Gas

Natural gas is a clean form of energy which has a relatively small environmental burden compared to other fossil fuels and the earth is endowed with plentiful supplies of natural gas dispersed widely throughout all its regions, including the Middle East. Therefore, the Government of Japan will promote an acceleration in the shift to natural gas while taking into account the balance with other energy sources such as nuclear power, etc.

* In order to revitalize domestic gas distribution, the Government of Japan will comprehensively promote the development of an environment for the building of a natural gas supply infrastructure by private entities.

* The Government of Japan will advance the fuel conversion of industrial-use boilers, etc. to natural gas, and the conversion of the type of gas of urban gas businesses to natural gas.

* In order to promote the efficient use of natural gas, the Government of Japan will improve the efficiency of gas turbines and gas engines and promote the introduction of highly efficient gas air conditioning that also contributes to natural gas cogeneration and measures for electrical load leveling.

* The Government of Japan will promote the development of technology related to Gas-to-Liquid (GTL)²⁷, which uses natural gas, etc. as its raw material, Dimethyl ether (DME)²⁸, and methane hydrate, and advance the introduction of these technologies.

○ Reduction of the Carbon Dioxide Emission Basic Unit in the Electric Power Sector

It is important to reduce the carbon dioxide emission basic unit in the power generation sector, which accounts for a large part of Japan's energy-originated carbon dioxide emissions, and the Government of Japan will take the countermeasures below.

²⁶ The law requiring Japanese electric power companies to use electricity of new energy sources for a certain percentage of their sales.

(Promulgated in June 2002, came into full force in April 2003.) RPS stands for Renewables Portfolio Standard.

²⁷ Gas-to-Liquid: new substitute fuels such as diesel oil, etc. are manufactured using synthetic gas made from natural gas, etc.

²⁸ Dimethyl ether: a fuel gas manufactured using synthetic gas made from natural gas, etc. It has similar properties to liquefied petroleum gas (LPG) and can be liquefied easily. In the wider sense it is one type of GTL product.

* Follow-up on the achievement of the autonomous targets of the business efforts, etc. listed below.

- Improvement of the nuclear power facilities usage rate through realization of scientific and rational operation and management.
- Further improvement of the heat efficiency of thermal power generation, adjustment of the operational methods of thermal power sources that consider environmental characteristics, etc.
- Obtaining of credits under the Kyoto Protocol (volume of emissions reduction) through utilization of the Kyoto Mechanisms by businesses.

* Promotion of measures for electrical load leveling that result in CO₂-saving by disseminating and promoting thermal storage systems, etc.

* Steady enforcement of the RPS Law and promotion of the conversion of obsolete coal thermal power generation to natural gas (same as last time).

○ Promotion of the Efficient Use of Petroleum

Petroleum will continue to be an energy source occupying an important position in the primary energy supply in future, and the Government of Japan will use it efficiently while considering the environment.

For this reason, the Government of Japan will disseminate and promote petroleum systems with a smaller environmental burden, such as petroleum cogeneration systems, highly efficient boilers with low NO_x, etc. as energy conservation systems that contribute to CO₂-saving.

○ Promotion of the Efficient Use of LPG

The Government of Japan will promote the use of LPG, which has a relatively low environmental burden and is a clean energy along with natural gas. To this end, the government will promote the highly efficient use of LPG systems such as LPG cogeneration systems, gas engine boilers, etc.

○ Realization of a Hydrogen Society

Hydrogen is an energy medium which does not emit carbon dioxide at the use stage and as manufacturing from non-fossil fuels is also possible, it is a desirable secondary energy from the energy security perspective.

For this reason, the Government of Japan will promote technology development of fuel cells and hydrogen manufacturing, key technologies of the hydrogen society, formulate standards and norms, review regulations, etc. and will also promote the leading introduction of the technologies and make efforts to disseminate them.

C. Measures by Equipment

Energy conservation capability for all types of equipment, including refrigerators, air conditioning equipment, equipment related to the supply of hot water, etc., is dramatically improving, but the Government of Japan will work to further improve energy conservation capability in future and will introduce and disseminate a wide range of equipment with a high energy conservation capability.

a. Industrial Sector

○ Introduction and Promotion of Equipment and Facilities with a High Energy Conservation Capability

In addition to the introduction of various kinds of energy-conserving equipment based on the voluntary action plans, in order to promote the dissemination of high capability industrial furnaces, etc. which make a wider range of energy conservation possible than with conventional equipment, the Government of Japan will give priority to measures to support them and will provide support for the introduction of next-generation coke ovens.

Furthermore, the Government of Japan will promote CO₂-saving in the construction sector. For example, it will promote the dissemination of fuel-efficient construction machinery by encouraging the use of fuel-efficient construction machinery and actively utilizing such machinery in public construction projects, etc.

b. Transport Sector

(a) Automobile Sector

The majority of energy consumption in the transport sector is accounted for by the automobile sector, so the Government of Japan will promote measures such as further improvements in fuel consumption technology of a world-class standard, and as automobile-based countermeasures the dissemination of automobiles with outstanding fuel efficiency and vehicles with anti-idling equipment installed.

○ Expansion and Dissemination of Models Conforming to Top-runner Standards

Top-runner standards were introduced in FY1998 based on the Energy Conservation Law and the scope of the law has been successively expanded. For example, in FY2003 LPG passenger automobiles became subject to the provisions of the law. As a part of that process, heavy vehicles (trucks with a total body weight exceeding 2.5 tons and passenger automobiles with a passenger capacity of 11 persons or more) also became subject to top-runner standards.

As of FY2003 approximately 80% (shipment basis) of gasoline passenger automobiles had already achieved the top-runner standards for gasoline passenger vehicles of FY2010 due to active efforts by major domestic automakers, etc. to achieve the standards ahead of schedule and the effects of the automobile green tax, etc.

Taking this into account, in order to further improve fuel efficiency, the Government of Japan will formulate top-runner standards for new gasoline passenger automobiles after FY2010 taking into

account future trends, etc.

○ Dissemination of Automobiles with Outstanding Fuel Efficiency

In addition to models conforming to top-runner standards, in order to promote the dissemination of automobiles with outstanding fuel efficiency, the Government of Japan will take measures such as tax incentives and the utilization of an evaluation and public disclosure system concerning automobile fuel efficiency.

Furthermore, the Government of Japan will advance the building of mechanisms to provide appropriate information concerning energy conservation to retailers, who are the link between manufacturers and consumers.

In addition, diesel automobiles are more fuel-efficient than gasoline automobiles, so in future when clean diesel passenger automobiles possessing emission gas capability no worse than that of gasoline passenger automobiles are developed, the Government of Japan will study the dissemination of those automobiles.

○ Spread of Clean Energy Vehicles (CEV)

In order to promote the dissemination of Clean Energy Vehicles (CEV)²⁹ that contribute to CO₂-saving, such as hybrid automobiles, natural gas automobiles, etc., the Government of Japan will take support measures including a subsidy system and tax incentives, etc.

○ Limitation of the Traveling Speed of Large Trucks

The Government of Japan will work to achieve CO₂-saving through improved fuel consumption efficiency by imposing an obligation to install speed limitation equipment in vehicles and limiting the maximum speed of large trucks on high-speed roads.

○ Promotion of Environmentally-friendly Use of Automobiles (Same as last time: section related to the introduction of anti-idling equipment)

○ Introduction of Sulphur-free Fuel

Taking into account the introduction of sulphur-free (sulphur content of no more than 10ppm) petroleum fuel, the Government of Japan will work to improve fuel consumption efficiency through the most appropriate combination with automobile technology.

(b) Railway, Ship and Aviation Sectors

In the railway sector, the Government of Japan has introduced carriages with good energy efficiency. For example, it has introduced light carriages and carriages equipped with VVVF equipment³⁰. The government will continue to promote the introduction of these types of carriages.

²⁹ Here CEV is a general name for electric automobiles, hybrid automobiles, fuel cell automobiles, natural gas automobiles, methanol automobiles, and automobiles using LP gas instead of diesel fuel.

³⁰ Carriages equipped with VVVF equipment are carriages equipped with a mechanism that efficiently controls the revolutions per minute of the motor without using electrical resistance.

In the ship sector, the Government of Japan has worked to construct ro-ro ships³¹, container ships, etc. that contribute to modal shifts. In addition to these, in future it will promote the dissemination of ships introducing new technology, such as electrical propulsion ships and ships equipped with electronically-controlled engines³², etc.

In the aviation sector, the Government of Japan has supported the introduction of new energy-efficient equipment and materials by businesses and as a result the targets of the environmental voluntary action plans of industry and of the government's Outline for Promotion of Efforts to Prevent Global Warming had already been achieved as of FY2002. The Government of Japan will continue this policy of promotion of the introduction of energy-efficient aviation equipment and materials in future.

c. Other Sectors Including Offices and Other Business Facilities and the Household Sector

Attempts are being made to limit energy consumption in the other sectors including offices and other business facilities and the household sector by improving the efficiency of equipment used in households, offices, etc. and disseminating more energy-efficient equipment. The Government of Japan will promote further improvements in the energy efficiency of equipment by aiming for the world's highest standard of energy efficiency.

○ Improvement of Efficiency of Equipment that Meets Top-runner Standards

Top-runner standards were introduced in FY1998 based on the Energy Conservation Law and to date 18 types of equipment have been designated under the Top-runner Program. In order to further improve the efficiency of individual types of equipment in future the Government of Japan will expand the range of products subject to top-runner standards and expand the range of applications, and toughen up the standards for types of equipment already designated.

(Reference: The 18 types of equipment designated under the Top-runner Program)
Air conditioners, fluorescent lights, video cassette recorders, TVs, copy machines, electronic calculators, magnetic disk units, electric refrigerators, electric freezers, space heaters, gas cooking appliances, gas water heaters, oil water heaters, electric toilet seats, vending machines, transformers, passenger vehicles, and freight vehicles

○ Provision of Information Concerning Energy-conserving Equipment, etc.

The Government of Japan will encourage industry to supply equipment that contributes to energy conservation and will sufficiently provide information and methods related to energy conservation to users of energy-conserving equipment.

To this end, in addition to the Energy Conservation Labeling System introduced in FY2000 to enable consumers to easily identify the energy efficiency of equipment, etc., the Government of Japan will disseminate and enhance the System for Evaluation of Businesses Selling Energy-conserving Products and will promote the purchase and use of products with low energy consumption through

³¹ "Ro-ro ships" is an abbreviation for roll-on, roll-off ships. These are ships using a freight-handling method in which trailer chassis and vehicles for sale are automatically driven onto and off the ship.

³² Electronically-controlled engines are diesel engines that optimize combustion by electronically controlling the timing, etc. of initial injection of air into the cylinders, fuel injection, and opening and closing of the air release valve after combustion.

dissemination and enlightenment, etc. such as holding Energy-conserving Home Appliances Dissemination Lectures, etc., in order to promote the active sale of energy-conserving products by retailers.

In combination with this, the Government of Japan will amend the Energy Conservation Law to promote the active provision of energy conservation information to consumers by retailers of home appliances, gas appliances, oil appliances, etc. and energy supply businesses.

- Support for Dissemination and Technological Development of Energy-Conserving Equipment such as Efficient Water Heaters, etc.

In the hot water supply sector, which accounts for approximately 30% of energy consumption in households, equipment with particularly outstanding energy conservation capability compared to traditional types of equipment such as CO₂ refrigerant heat pump water heaters, latent heat recovery type water heaters and gas engine water heaters are being developed and commercialized. In order to accelerate the dissemination of these new types of equipment, the Government of Japan will support their introduction, promote their further dissemination by businesses and promote technological developments such as miniaturization of the new types of water heater or facilitating their installation.

Furthermore, recent years have seen the development of highly-efficient commercial-use air conditioners utilizing heat pump technology³³, commercial-use water heaters and low temperature natural refrigerant freezer units that do not use chlorofluorocarbons and are highly energy-efficient, as well as integrated systems combining energy-efficient refrigerators and freezers, and air conditioning for the use of small- and medium-scale retail stores that consume a lot of energy, such as convenience stores. The Government of Japan will work to accelerate the dissemination of these appliances in the commercial-use sector through measures to support their introduction, etc.

In addition, by introducing energy-efficient lighting utilizing light emitting diodes (LEDs) it is possible to achieve major energy conservation compared to traditional incandescent and fluorescent lights, so the Government of Japan will promote technological development toward further improvements in the efficiency of these kinds of lights and work to accelerate their dissemination.

- Reduction in Standby Power Consumption

In order to reduce standby power consumption, to date the Government of Japan has provided technological development support for voluntary measures by industry. The targets of industry (1W or less: audio components, televisions, air conditioners, etc.; 0W: clothes washing machines, microwave ovens, etc.) are being achieved as per the initial plan, but the Government of Japan will continue to follow up on the voluntary measures of industry.

³³ Heat pump technology is technology that exchanges heat between the outside air and the indoor air by condensing and evaporating the refrigerant.

2) Non-energy-originated Carbon Dioxide

To date the Government of Japan has implemented various measures for promoting the expanded use of blended cement which generates fewer carbon dioxide emissions in the production process, the reduce, reuse and recycle of wastes, the effective use of timber which has a smaller impact on the environment as a reproducible raw material or biomass energy source, the cultivation of green manure on farmland, recycling through composting, the use of biomass plastics, etc., among others.

Emissions of carbon dioxide from industrial processes such as consumption of limestone and manufacturing of ammonia in FY2002 (49 million t-CO₂) were 14.0% lower than FY1990 emissions in the same sector. Factors responsible for this reduction include the 16.7% reduction in the volume of production of cement in FY2002 compared to FY1990.

Moreover, FY2002 emissions of carbon dioxide resulting from the combustion, etc. of waste (waste oil, waste plastics), which accounts for approximately 2% of carbon dioxide total emissions (24 million t-CO₂), were approximately 1.4 times higher than emissions in the same sector in FY1990.

○ Expanded Use of Blended Cement

The Government of Japan will expand the production ratio and use of cement which blends clinker, an intermediate product of cement, with blast-furnace slag, etc.

In addition, the Government of Japan will promote the use of blended cement, for example, by taking the lead in using blended cement in public construction projects carried out by the central government and other entities through promotion of leading use based on the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and other Entities (Law No. 100 of 2000, hereafter “Green Purchasing Law”).

○ Promotion of Measures to Reduce Carbon Dioxide Emissions Deriving from Waste Incineration

The Government of Japan will promote measures toward the achievement of the waste volume reduction targets based on the Waste Disposal and Public Cleansing Law (Law No. 137 of 1970, hereafter “Waste Disposal Law”) and the targets determined in the Basic Plan for Establishing the Recycling-based Society (hereafter “Recycling Plan”) approved in a Cabinet Decision in March 2003 under the Basic Law for Establishing the Recycling-based Society (Law No. 110 of 2000, hereafter “Basic Framework Law”). Specifically, the Government of Japan will promote the reduce, reuse and recycle of wastes, and advance the reduction of carbon dioxide emissions resulting from incineration, by implementing measures based on the individual recycling laws and evaluating and studying them, providing support to projects such as the development of facilities that contribute to global warming countermeasures, and formulating guidelines, etc. for separated garbage collection and a switch to paid garbage collection in municipalities.

3) Methane and Dinitrogen Monoxide

A. Methane

To date the Government of Japan has promoted the reduce, reuse and recycle of wastes, upgraded combustion in waste incineration facilities through such measures as the promotion of the introduction of continuous furnaces, improved management of cultivated fields and improved livestock excrement treatment methods, among other measures.

Emissions of methane in FY2002 (20 million t-CO₂) were 21.1% lower than in FY1990. A big contributor to this was the reduction of emissions from coal mining.

- Reduction in Amount of Final Disposal of Waste, etc.

The Government of Japan will promote measures toward the achievement of the waste volume reduction targets based on the Waste Disposal Law and the targets determined in the Recycling Plan under the Basic Framework Law. Specifically, the Government of Japan will promote the reduce, reuse and recycle of wastes, and advance the reduction of methane emissions resulting from direct burial of waste in landfills by implementing measures based on the individual recycling laws and evaluating and studying them, providing support to projects such as the development of facilities that contribute to global warming countermeasures, and formulating guidelines, etc. for separated garbage collection and a switch to paid garbage collection in municipalities. Furthermore, the Government of Japan will promote the upgrading of combustion in general waste incineration facilities.

B. Dinitrogen Monoxide

To date the Government of Japan has promoted measures for emissions reductions in industrial processes and has advanced the upgrading of combustion in incineration facilities for waste, sewage sludge, etc. through the promotion of the introduction of continuous furnaces, etc., along with other efforts.

Emissions of dinitrogen monoxide in FY2002 (35 million t-CO₂) were 11.9% lower than in FY1990. The introduction of equipment to decompose dinitrogen monoxide in manufacturing processes in workplaces manufacturing adipic acid, a raw material for some chemical products, largely contributed to this result.

- Installation of Equipment to Decompose Dinitrogen Monoxide in the Adipic Acid Manufacturing Process

Equipment to decompose dinitrogen monoxide will continue to be introduced to recover and destroy the dinitrogen monoxide that is emitted as a by-product when adipic acid is manufactured.

- Upgrading Combustion in Sewage Sludge Incineration Facilities

The Government of Japan will reduce the emission of dinitrogen monoxide resulting from incineration by upgrading the combustion in incineration facilities for sewage sludge. To this end, the government will establish standards concerning the upgrading of combustion of sewage sludge and thoroughly implement them.

○ Upgrading Combustion in General Waste Incineration Facilities, etc.

The Government of Japan will advance the upgrading of combustion in general waste incineration facilities by providing support to projects such as the development of facilities that contribute to global warming countermeasures and promoting the installation of incineration facilities with continuous furnaces by switching to waste disposal over a broader area. The government will also promote the reduce, reuse and recycle of wastes, and advance the reduction of dinitrogen monoxide emissions resulting from waste incineration in order to achieve the waste volume reduction targets based on the Waste Disposal Law and the targets determined in the Recycling Plan under the Basic Framework Law.

4) Three Substitute Chlorofluorocarbon Gases

The three substitute chlorofluorocarbon gases account for approximately 2.1% of total greenhouse gas emissions (FY2002 carbon dioxide equivalent). There are now a number of factors that are increasing the emissions of these gases. For example, it is projected that HFC emissions will increase as they are substituted for the substances that deplete the ozone layer (CFCs and HCFCs are outside the scope of the Kyoto Protocol but they are gases that also have a strong greenhouse effect) whose production and consumption is being reduced under the Montreal Protocol. The Government of Japan will move to limit the increase in emissions of these gases.

○ Promotion of Planned Efforts Made by Industry

In response to the February 1998 Guidelines for Measures to Limit Emissions of HFCs, etc. by Industry (Ministry of International Trade and Industry notification), as of the present date, action plans have been formulated by 22 organizations in eight sectors. The Government of Japan will continue to follow up on the progress of the action plans of industry in the Industrial Structure Council and work to improve the transparency and reliability of the action plans and improve the certainty of target achievement.

Furthermore, the government will take measures to support efforts made by businesses to limit emissions and will urge industrial sectors that have not yet formulated action plans to do so and to publicize them.

○ Promotion of Development, etc. of Substitute Materials and Use of Substitute Products

The Government of Japan will promote the use of new substitute materials for the three substitute chlorofluorocarbon gases, technology that does not use the three substitute chlorofluorocarbon gases, and technology and products for recovering and destroying the three substitute chlorofluorocarbon gases.

To this end, the government will carry out research and development of new substitute materials and substitute technology.

Furthermore, taking into account safety, economy, energy efficiency, etc., the Government of Japan will provide information concerning technology and products using substitute materials and those products using the three substitute chlorofluorocarbon gases which have a smaller impact on global warming. The government will disseminate these products and technology, and educate the public about them.

In particular, it is expected that measures to improve the energy conservation capability of buildings and houses will result in increased use of heat insulation materials and from the beginning of 2004 the manufacturing and import of a major HCFC (HCFC 141b), which was formerly used as a foaming agent, was restricted and this has led most businesses to switch to HFCs. Therefore, as the emissions into the atmosphere of HFCs used as foaming agents in heat insulation materials is expected to increase, the Government of Japan will formulate policies to limit these emissions, for further promoting the use of foaming and heat insulation materials which do not contain chlorofluorocarbons.

Moreover, as it is expected that SF₆ emitted when magnesium solutions are made and HFCs emitted as

a result of the use of aerosol products using HFCs will increase, the Government of Japan will promote the development of substitute materials and substitute technology in these sectors, disseminate these materials and technology, and educate the public about them.

- Recovery of HFC Packed as Refrigerant in Equipment in Accordance with Laws, etc.

The Government of Japan will thoroughly implement the recovery and destruction of HFCs in the refrigerant sector through appropriate operation of laws including the Law for Recycling of Specified Kinds of Home Appliances (Law No. 97 of 1998, also known as the Home Appliances Recycling Law), the Law for Ensuring the Implementation of Recovery and Destruction of Fluorocarbons concerning Specified Products (Law No. 64 of 2001, also known as the Fluorocarbons Recovery and Destruction Law) and the Law for the Recycling of End-of-Life Vehicles (Law No. 87 of 2002, also known as the End-of-Life Vehicle Recycling Law).

Furthermore, as manufacturers of commercial-use refrigeration and air conditioning appliances in particular are increasingly substituting HFCs for HCFCs for the refrigerant and the chlorofluorocarbon recovery rate at disposal remains low, it is expected that HFC emissions will rapidly increase in future. Therefore, the Government of Japan will take countermeasures to improve the recovery rate, including a drastic review of systematic aspects concerning recovery of chlorofluorocarbons from industrial-use refrigeration and air conditioning appliances.

(2) Greenhouse Gas Sink Measures

1) Forest Sink Measures

The Forests and Forestry Basic Plan was approved in a Cabinet Decision in October 2001 under the Forestry Basic Law (Law No. 161 of 1964). It is estimated that if the plan's targets are achieved with respect to full utilization of multifaceted functions of forests and to supply and use of forest products, it will be possible to ensure absorption close to the upper limit of the amount of absorption through Japan's forest management in all forests subject to Article 3, Clauses 3 and 4 of the Kyoto Protocol (47.67 million t-CO₂, approximately 3.9% of the total emissions volume of the base year).

The volume of absorption by forests is an estimate based on the Forests and Forestry Basic Plan, and careful examination and study is necessary in future as to the calculation methodologies, etc. Furthermore, if the estimate is calculated for the case in which forest development and the supply and use of timber, etc. remains close to current levels, it is expected that the volume of absorption that could be ensured will be much lower than 3.9% of the total emissions volume of the base year.

In order to ensure absorption at the upper limit of the amount to be obtained through Japan's forest management, it is important to further promote forest development, etc. Therefore, the current challenge is to come up with measures to achieve this, and united efforts of the government, including studies of cross-sectoral policies, and cooperation and strenuous efforts of all entities, including local governments, forest owners, businesses in the forestry and timber industries and citizens, etc. are necessary.

To this end, taking into account the progress of studies on cross-sectoral policies, through the policies shown below the Government of Japan will make united efforts to steadily and comprehensively promote the forest development, timber supply, effective use of timber, etc. necessary for achieving the targets of the Forests and Forestry Basic Plan, and will continue to develop systems for reporting and verifying absorption volume.

○ Development of Sound Forests

- A. Promotion of efficient and effective thinning of forests by strengthening collective thinning operations and promoting greater use of thinned wood, etc.
- B. Engineering a shift toward forests with longer cutting cycles and multistoried forests
- C. Countermeasures to eliminate the land allowed to be left denuded
- D. Programs to secure and foster essential personnel responsible for forest development

○ Promotion of Appropriate Management and Conservation, etc. of Protection Forests, etc.

- A. Appropriate operation of the land use conversion regulations and logging regulations and planned designation of protection forests under the protection forests system, as well as promotion of appropriate forest conservation management under the sanctuary forest system, etc.
- B. Planned promotion of forest conservation projects in mountain regions with a high disaster risk and denuded forests in the hinterland, etc.
- C. Promotion of countermeasures to prevent and control damage caused by pine weevils and other forest pests and wild birds and animals; promotion of countermeasures to prevent forest fires
- D. Expansion and enhancement of natural parks and nature conservation areas and strengthening of

conservation management within these areas

- Promotion of Forest Creation with the Participation of Citizens, etc.
 - A. Promotion of forest creation activities by a wider range of actors, including promotion of the participation of corporations, etc. in forest creation
 - B. Improvement of the skills of forest volunteers, etc. and upgrading of safety systems
 - C. Promotion of forest environmental education
 - D. Promotion of the green worker program in national parks, etc. that aims to protect flora and fauna, including forests
- Promotion of the Use of Timber and Wood Biomass

In order to contribute to the promotion of sustainable forest management and to work toward the active utilization of reproducible timber that will contribute to the reduction of the carbon dioxide emissions by limiting the amount of fossil fuels used, the Government of Japan will promote the following measures.

- A. Promotion of utilization of locally harvested timber in houses, public facilities, etc.
- B. Promotion of consumer-focused programs to expand the user base for locally harvested timber, which will lead to actual demand
- C. Promotion of production, distribution and processing systems closely coordinated from upstream to downstream, to make them capable of meeting consumer needs
- D. Promotion of the utilization of low-grade timber and wood biomass for energy and products

2) Promotion of Urban Greening, etc.

Urban greening, etc. are the sink measures that have the most impact on the daily lives of the citizens of Japan. Promotion of such measures is not only effectual as an actual sink measure but also very effective for educating the public on the purpose of the global warming countermeasures.

Furthermore, urban greening, etc., could add to the amount of absorption as “vegetation restoration” subject to Article 3, Paragraph 4 of the Kyoto Protocol Article 3, Paragraph 4, outside the framework of the upper limit of the amount of absorption to be obtained through Japan’s forest management (47.67 million t-CO₂, approximately 3.9% of the total emissions volume of the base year).

To this end, concerning urban greening, etc., the government will continue to actively promote the upgrading of urban parks, the greening of roads, rivers, erosion control facilities, harbors and other public facilities, the conservation of existing privately owned green areas, and the creation of new green space, such as on the rooftops or wall surfaces of buildings, etc. based on comprehensive central and local government plans for the conservation and creation of greenery such as the Green Policy Guidelines and the Green Basic Plan drawn up by the municipalities.

Furthermore, as a part of these efforts, the government will educate all sectors and strata of society on the value and effects of urban greening, etc., and will actively promote support, etc. for the creation of new greenery in urban areas, etc. enlisting different actors and approaches, including urban greening with wide-ranging participation including citizens, corporations, NPOs, etc., conservation of privately owned green areas, utilization of the greenery area scheme and multilevel city parks system.

It is estimated that if these countermeasures are implemented according to plan, an annual average absorption volume of about 0.02% of the total emissions volume of the base year (280,000 t-CO₂) will be ensured in the first commitment period.

This is an estimate based on the plan for planting tall trees in the urban greening, etc. program; careful examination and study is necessary in future as to the calculation methodologies, etc. in conformity with the Good Practice Guidance for Land Use, Land-Use Change and Forestry that was decided at the Tenth Conference of the Parties to the United Nations Framework Convention on Climate Change (COP10) held in December 2004.

Furthermore, the government will continue to promote in a planned manner development of a system for reporting and verification of the amount of absorption in the urban greening programs, etc.

(3) Measures and Policies Related to the Kyoto Mechanisms

○ Value of Promotion and Utilization of the Kyoto Mechanisms

In order to achieve the reduction commitments and at the same time to prevent warming on a global scale and support the sustainable development of developing countries, the Kyoto Protocol approves the Kyoto Mechanisms³⁴ (Joint Implementation (JI), the Clean Development Mechanism (CDM) and emissions trading) to be utilized³⁵ as flexible mechanisms that enable a country to use a part of greenhouse gas emission reduction or absorption in another country or the emissions quota of another country toward achievement of their own reduction commitments.

In order to certainly and cost-effectively achieve the Kyoto Protocol commitment, it is necessary to appropriately utilize the Kyoto Mechanisms while bearing in mind the general rule that the Kyoto Mechanisms are supplementary to domestic measures.

Furthermore, given that greenhouse gas emissions in developing countries, etc. are expected to dramatically increase in the future, it is important for Japan to promote and utilize the Kyoto Mechanisms with a view to contributing to prevent warming on a global scale.

1) Government Efforts toward the Promotion and Utilization of the Kyoto Mechanisms

○ Approach to Achieve Commitments

All sectors of society will have to make every effort to achieve the Kyoto Protocol commitment on the basis of the domestic reduction of greenhouse gas emissions countermeasures and domestic sink measures (hereafter “domestic measures”). These efforts notwithstanding, Japan will fall short of achieving its Kyoto Protocol commitment by 1.6% of the total emissions volume of the base year. It will be necessary to make up for this difference by utilizing the Kyoto Mechanisms while respecting the general rule that the Kyoto Mechanisms are supplementary to domestic measures.

When utilizing the Kyoto Mechanisms, it is necessary to proceed while taking the following into account. First, if utilization of the Kyoto Mechanisms is commenced after 2013 when the final confirmation of any shortfalls in the achievement of the Kyoto Protocol commitment will be made, the risk that the number of credits necessary to achieve the commitment cannot be obtained is very high.

³⁴ Joint Implementation (JI) is a mechanism under which greenhouse gas emissions reduction or absorption resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases in developed countries, etc. can be received as emission reduction units (ERUs) by project participants from other developed countries, etc. that contributed to the project. The Clean Development Mechanism (CDM) is a mechanism under which greenhouse gas emissions reduction or absorption resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases in developing countries can be received as certified emissions reductions (CERs) by project participants from developed countries, etc. that contributed to the project. Emissions trading is a mechanism under which trading of assigned amount units (AAUs) issued to each developed country, etc. under the protocol, removal units (RUs) for forests subject to the protocol, etc. is carried out. One form of emissions trading which is conducted under the condition that funds resulting from the transfer of assigned amount units, etc. are used for emissions reduction or other environmental policy objectives is called the Green Investment Scheme (GIS). (Hereafter emission reduction units, certified emissions reductions, assigned amount units and removal units will be referred to by the general name of “credits”.)

³⁵ “Utilization” of the Kyoto Mechanisms means obtaining credits generated by CDM, JI and such projects and credits of developed countries, etc. and counting them toward achievement of the Kyoto Protocol commitment (transferring them to the [holding](#) account of the national registry).

Second, it takes three to five years for CDM and JI projects, which contribute to incremental greenhouse gas emissions reduction and absorption, and similar projects under the Green Investment Scheme (GIS), which is an emissions trading mechanism linked to specific environmental countermeasures (hereafter “CDM/JI, etc.”) to progress from planning to implementation and obtainment of credits. In addition, other countries, in which achievement of the Kyoto Protocol commitment through domestic measures alone is expected to be difficult, have already commenced utilization of the Kyoto Mechanisms and are advancing the selection, etc. of high-quality projects in a systematic manner with a view to ensuring that they obtain the credits necessary to achieve their own commitments. It is important for Japan to monitor the status of such efforts in other countries.

Taking all this into account, the government will endeavor to fully utilize the Kyoto Mechanisms from FY2005 and systematically take the necessary measures in order to make the utmost effort toward achievement of the Kyoto Protocol commitment.

A. Support for the Forming of Projects, etc.

It is important to make efforts placing the priority on the implementation of a large number of specific emission limitation, reduction and absorption projects, such as CDM/JI, etc. projects to increase the number of credits Japan could obtain in the future.

Specifically, the Government of Japan will advance development of a foundation for the promotion and utilization of the Kyoto Mechanisms, as well as efforts to support the discovery of projects and project formation.

a. Development of a Foundation

Japan will develop the foundation necessary for utilizing the Kyoto Mechanisms and will advance efforts to make it possible for CDM/JI, etc. projects to be implemented in a broad range of countries, regions and project sectors, etc.

* The Government of Japan will continue to give approval for CDM and JI projects as necessary based on the provisions of the Kyoto Protocol. Furthermore, in order to be qualified to utilize the Kyoto Mechanisms from 2008, the year the first commitment period begins, the Government of Japan will develop the national registry system for the monitoring and recording of the transfer of credits, etc., and the domestic system for calculating greenhouse gas emissions and absorption. The government aims to report the outline of these systems, etc. to the United Nations Framework Convention on Climate Change secretariat by the summer of 2006. In addition, the Government of Japan will appropriately operate Japan’s national registry based on international agreements, etc.

* In order to make the international rules related to CDM/JI, etc. versatile and rational, the Government of Japan will actively contribute to improving their formulation and operation. Furthermore, the Government of Japan will deepen understanding of the Kyoto Mechanisms in host countries through the holding of intergovernmental talks and seminars, etc., as well as technical cooperation, etc., and will provide support for the development of structures related to domestic systems, etc. so that host countries can meet the qualifying standard for participation in the Kyoto Mechanisms.

b. Support for Discovery of Projects and Project Formation

The Government of Japan will promote the discovery and formation of CDM/JI, etc. projects and will advance efforts to ensure that Japan can obtain credits from these CDM/JI, etc. projects.

* The Government of Japan will support human resources development, etc. to ensure that Japan's private businesses, etc. can be designated as CDM/JI independent entities or operational entities. Furthermore, concerning CDM/JI, etc. projects, the government will work to discover promising energy and environmental technology and projects, enhance feasibility studies, etc. and promote their implementation. In addition, the government will make efforts to hold negotiations with the host country government and form agreements, and work to transfer credits to Japan.

* Through such means as intergovernmental talks and support for structural development in the host country, the Government of Japan will work to strengthen relations with the host country and monitor priority sectors. At the same time, the Government of Japan will advance the development of conditions to facilitate the smooth transfer of credits to Japan from the host country as necessary, for example, by ratifying agreements, etc. with the government and other entities of the host country.

B. Full Utilization of the Kyoto Mechanisms

It is expected that even if the best possible efforts are made through domestic measures, there will still be a shortfall of 1.6%. In order for Japan to make utmost effort toward achievement of its Kyoto Protocol commitment, it is necessary for the public and private sectors to collaborate appropriately and effectively utilize a variety of methods to obtain credits through the Kyoto Mechanisms.

To this end, from FY2005 the public and private sectors will cooperate to steadily promote support projects for the promotion of CDM/JI, etc. projects implemented by private businesses, etc. in order to facilitate smooth obtaining of credits.

In addition, in order to appropriately advance the obtaining of credits for the achievement of Japan's Kyoto Protocol commitment, it is necessary to study and build specific mechanisms for the smooth obtaining of credits, at the earliest possible time in the second step period. The concerned ministries and agencies are to collaborate to conduct studies with a view to implementation from FY2006 and promptly take the necessary measures. In doing so, consideration will be given to cost-effectively obtaining the necessary number of credits.

Furthermore, when promoting and utilizing the Kyoto Mechanisms, the Government of Japan will advance the effective utilization of ODA in conformity with international rules and on the premise of the agreement of the recipient country. In addition, the government will advance the effective utilization of other public funding.

C. Development of a Structure for Promotion and Utilization of the Kyoto Mechanisms

It is important for all of the concerned ministries and agencies within the government to unite to make efforts for measures and policies concerning promotion and utilization of the Kyoto Mechanisms. The Government of Japan will develop the structures of internal government agencies and government-affiliated organizations in order for concerned ministries and agencies to cooperate to efficiently advance their efforts.

In order to strengthen collaboration among concerned ministries and agencies for the promotion and

utilization of the Kyoto Mechanisms and to promote the measures and policies to be implemented, the current Liaison Committee for Utilization of the Kyoto Mechanisms, which has the objective of giving government approval to CDM/JI projects, will be reorganized and promptly reestablished as the Council for Promotion and Utilization of the Kyoto Mechanisms (provisional name) which will be composed of the concerned ministries and agencies with the objective of comprehensive promotion and utilization of the Kyoto Mechanisms.

The council will promptly study the ideal form of mechanisms to smoothly obtain credits, the division of roles among concerned ministries and agencies, and other modes with the aim to work out specific policies for the period from FY2006.

The concerned ministries and agencies will actively and at their own initiative advance their respective efforts, particularly in the following sectors.

(Ministry of the Environment)

* For achieving Japan's Kyoto Protocol commitment, the Ministry of the Environment, as a Deputy-Chief of the Global Warming Prevention Headquarters, will make independent efforts with regard to all aspects of promotion and utilization of the Kyoto Mechanisms by the government.

* With a view to promoting efforts toward project formation by private businesses, etc., and contributing to the sustainable development of the host country through CDM/JI, etc. projects, among other aims, the Ministry of the Environment will make independent efforts for promotion and utilization of the Kyoto Mechanisms.

(Ministry of Economy, Trade and Industry)

* For achieving Japan's Kyoto Protocol commitment, the Ministry of Economy, Trade and Industry, as a Deputy-Chief of the Global Warming Prevention Headquarters, will make independent efforts with regard to all aspects of promotion and utilization of the Kyoto Mechanisms by the government.

* With a view to promoting efforts toward project formation by private businesses, etc., disseminating Japan's energy and environmental technology worldwide, and alleviating energy use restrictions, among other aims, the Ministry of Economy, Trade and Industry will make independent efforts for promotion and utilization of the Kyoto Mechanisms.

* The Ministry of Economy, Trade and Industry will make independent efforts for promotion and utilization of the Kyoto Mechanisms utilizing ODA in conformity with international rules and on the premise of agreement of the recipient country.

(Ministry of Foreign Affairs)

* With a view to complying with international treaties, the Ministry of Foreign Affairs will make independent efforts for achieving Japan's Kyoto Protocol commitment with regard to all aspects of promotion and utilization of the Kyoto Mechanisms by the government.

* The Ministry of Foreign Affairs will make independent efforts with regard to coordinating negotiations and formation of agreements, etc. with foreign governments necessary for promoting and utilizing the Kyoto Mechanisms, building cooperative relations with foreign governments

concerning the Kyoto Mechanisms, implementing the necessary studies, and promoting and utilizing the Kyoto Mechanisms through participation in international organizations, etc.

* The Ministry of Foreign Affairs will make independent efforts for promotion and utilization of the Kyoto Mechanisms utilizing ODA in conformity with international rules and on the premise of agreement of the recipient country.

(Ministry of Land, Infrastructure and Transport)

* The Ministry of Land, Infrastructure and Transport will make independent efforts for promotion and utilization of the Kyoto Mechanisms in the transport sector and the social capital development sector.

(Ministry of Agriculture, Forestry and Fisheries)

* The Ministry of Agriculture, Forestry and Fisheries will make independent efforts for promotion and utilization of the Kyoto Mechanisms in the forest sector.

(Ministry of Finance)

* The Ministry of Finance will make independent efforts for promotion and utilization of the Kyoto Mechanisms from the perspective of international financing. For example the ministry will support the vigorous activities of multilateral development banks and utilize the Japan Bank for International Cooperation.

* The Ministry of Finance will make independent efforts for promotion and utilization of the Kyoto Mechanisms utilizing ODA in conformity with international rules and on the premise of agreement of the recipient country.

Furthermore, government-affiliated organizations, etc. responsible for implementing measures and policies for the promotion and utilization of the Kyoto Mechanisms, such as independent administrative institutions, government-affiliated financial institutions and diplomatic missions abroad, are to collaborate in making united efforts for the promotion and utilization of the Kyoto Mechanisms.

2) Utilization of the Kyoto Mechanisms by Private Businesses, etc.

Efforts by private businesses, etc. to limit domestic greenhouse gas emissions in order to achieve their voluntary action plans and other targets, and their voluntary utilization of the Kyoto Mechanisms at their own expense can be positively evaluated from the perspective of emissions reduction on a global scale using outstanding technology and from a cost-benefit perspective.

In order to promote such utilization of the Kyoto Mechanisms by private businesses, etc., in addition to the measures in 1) above, the Government of Japan will carry out policies including the development of human resources, provision of consultations and information, development of instruction manuals, etc. on the use of the Kyoto Mechanisms, provision of support at the project discovery and project formation stage, effective utilization of systems of lending for the formation of so-called carbon funds, etc., measures to facilitate the obtaining of credits, and development of the institutional base for voluntary repayment of credits, among others.

Reference: Accounting and Tax Treatment of Private Businesses, etc. when Utilizing the Kyoto Mechanisms

The accounting and tax treatment of private businesses, etc. when voluntarily utilizing the Kyoto Mechanisms is as follows.

1) Accounting Treatment of Corporations

Based on Working Report No. 15 of the Accounting Standards Board of Japan Current Treatment Concerning Account Processing for Emissions Trading (November 30, 2004), credits are counted as “intangible fixed assets” or “investments and other assets” when they are obtained and are processed as “selling costs and general management costs” in the fiscal year in which they are redeemed.

2) Treatment under the Corporation Tax Law

Taxable income, unless otherwise stipulated by law, “is to be calculated in compliance with the standards of accounting processes generally recognized to be fair and reasonable” (Corporation Tax Law (Law No. 34 of 1965) Article 22, Clause 4). Concerning the tax treatment of credits, in principle, they are to be handled in compliance with the above accounting standards.

2. Cross-sectoral Policies

(1) Systems for Calculation, Reporting and Public Disclosure of Greenhouse Gas Emissions

The Government of Japan will promote the building of a foundation for efforts by citizens of all levels toward voluntary warming countermeasures by having entities that emit greenhouse gases calculate their emissions themselves. In addition, with a view to increasing incentives and motivation for the promotion of voluntary measures by all citizens and corporations through the publication and visibility of emissions information, the government will introduce a system under which entities that emit a certain volume of greenhouse gases or above are obliged to report their emissions to the central government responsible for collating and publishing the reported information. In so doing, in order to further advance understanding of the published emissions information, the Government of Japan will allow entities that emit greenhouse gases to report information related to the published emissions information if they so wish.

To this end, the Government of Japan proposes to amend the Law Concerning the Promotion of Measures to Cope with Global Warming, etc.

(2) Promotion of Environmental Consideration in Business Activities

The Government of Japan will promote efforts by businesses to voluntarily and actively engage in environment-conscious business activities.

Based on the stipulation in the Law Concerning Promotion of Business Activities that Consider the Environment by Specified Businesses, etc. through Promotion, etc. of the Provision of Environmental Information (Law No. 77 of 2004), large corporations are to endeavor to publish environmental reports. Taking this into consideration, among other things, the Government of Japan will promote the use of environmental information by businesses and citizens and work to develop the conditions for environment-conscious business activities to be highly evaluated by society and the market, among other measures.

Furthermore, the Government of Japan will promote the inclusion of information about greenhouse gas emissions and progress on efforts to limit emissions in the environmental report. Concerning the small- and medium-sized enterprises as well, the government will promote environment-conscious efforts, such as monitoring of carbon dioxide emissions.

(3) Development of National Campaigns

In order to promote the understanding of all sectors of society, including businesses, citizens, etc. and to make the realization of specific warming prevention actions certain, the government will collaborate with the business circle, NPOs, the labor circle, researchers, etc. to disseminate knowledge and develop national campaigns.

Furthermore, the Government of Japan will further strengthen the role of the Japan Center for Climate Change Actions, the prefectural centers for promotion of activities to stop global warming, the Global Warming Countermeasures Regional Councils, the volunteers to promote activities to mitigate global warming and other organizations, etc. promoting global warming prevention activities.

1) Provision of Information and Education of the Public

The Government of Japan will encourage voluntary actions by each individual citizen by strongly appealing to the awareness of citizens through the appropriate provision of information using diverse methods. In doing so, the government will work to foster a sound sense of crisis through the provision of the latest scientific knowledge, and to provide information and educate the public concerning what specific actions or purchases will contribute to the limitation of greenhouse gas emissions or the promotion of sink measures.

○ Presentation of the Actions and Standards Expected of Citizens

Currently the central and local governments as well as businesses are establishing targets in their respective action plans and voluntary action plans, etc. and are advancing specific measures. It is thought that informing each individual citizen of the specific actions and standards expected, in other words specifically what kinds of efforts they are expected to make and to what degree, is also effective for encouraging efforts to reduce greenhouse gases.

As a part of this process, with a view to encouraging each individual citizen to constantly review their lifestyle and working style, the Government of Japan will formulate and present the specific actions expected of citizens and other details such as the amount of energy consumption including electric power, gas and petroleum expected of each household taking into account the characteristics of the regional climate, the number of people in the household, etc. as standards of actions of citizens and endeavor to educate the public about them.

In addition, the Government of Japan will implement the following measures.

- * Promote green purchasing efforts by businesses and citizens through such means as the provision of information concerning environmental products, etc.
- * Promote the practice in offices, etc. during the summer season of wearing light clothes that are more suitable in hot weather.
- * Promote information provision and public education activities by the private sector for the private sector, such as public relations activities by corporations.
- * Require electric power businesses and gas businesses to publicize on the implementation of energy conservation promotion projects and their progress, such as providing information on the promotion of the dissemination of highly-efficient devices and the state of energy use.
- * Promote voluntary restraint from non-essential use of passenger cars for personal use and dissemination of eco-driving.
- * Spread public education activities to promote cooperative efforts among transport businesses, the business circle, etc. concerning promotion of the use of public transport systems.
- * Spread public education activities to promote cooperative efforts between shippers and distributors.
- * Spread public dissemination and education activities to raise awareness of railway freight transport that is friendly to the environment.
- * Develop citizen participation greening campaigns including national greening campaigns in Greenery Week, Urban Greening Month, etc. and the promotion of private sector forest creation and greening activities through the utilization of charity collections for greenery and urban greening funds, etc., in order to widely disseminate and educate the public on the

importance of greening as a sink measure.

* Develop public dissemination and education activities concerning the value of utilizing locally harvested timber, etc.

2) Environmental Education, etc.

In order to ensure that the awareness and understanding of the citizens of the importance of the global warming issue and that citizens take habitual actions to prevent global warming, the Government of Japan will promote environmental conservation activities and environmental education based on the Law for Enhancing Motivation on Environmental Conservation and Promoting of Environmental Education (Law No. 130 of 2003) as well as taking into account the United Nations Decade of Education for Sustainable Development commenced in 2005.

Specifically, the Government of Japan will promote policies concerning environmental education, human resources development and development of centers, etc. being advanced in collaboration among all entities in various locations such as schools, regions, workplaces, etc.

In particular, the Government of Japan will promote the implementation of hands-on environmental education and energy conservation activities in school facilities that play a central role in regions, through such measures as renovations including the introduction of heat insulation materials and the use of locally harvested timber, etc. that would contribute to global warming countermeasures and the introduction of new energy devices, etc., and will utilize the Internet, etc. to promote support for global warming countermeasures, etc. in households.

In combination with these measures, the Government of Japan will continue to advance the development of teaching materials and programs that would encourage understanding and actions by citizens in collaboration with concerned entities such as NPOs.

Furthermore, the Government of Japan will promote various hands-on activities, etc. in forests and green park areas, etc. in order to deepen understanding of the role of forests in preventing global warming, necessity of forest development and cyclical use of timber resources and the value of urban greening, among others.

(4) Basic Items of Measures to be Undertaken on the Initiative of Public Institutions

1) Measures to be Undertaken on the Central Government's Own Initiative

The government intends to formulate a new government action plan to succeed the "Plan for Measures the Government Must Implement in Order to Limit, etc. the Emission of Greenhouse Gases in its Work and Projects" (hereafter "Government Action Plan") approved in a Cabinet Decision in July 2002. The new Government Action Plan incorporates the following content in addition to the measures described in the former plan.

The progress of the Government Action Plan will be examined annually in a meeting of the Global Warming Prevention Headquarters, and the results will be published.

Furthermore, for the period after FY2006 as well, which is the target fiscal year of the Government Action Plan, the Government of Japan will promptly formulate a plan for the implementation of

measures to be undertaken on its own initiative bearing in mind the first commitment period (FY2008-FY2012).

In addition, the central government will take the initiative in procuring environmental products, etc. based on the Green Purchasing Law in order to encourage a switch to demand for products that contribute to reduction of greenhouse gas emissions and other environmental products, etc.

○ Promotion of CO₂-saving Model Projects in the Kasumigaseki Government Office Area

The Government of Japan will work to form a “CO₂-saving government office area” around Kasumigaseki through taking the initiative in introducing new technology and systems and organic collaboration with individual ministries and agencies.

Specifically, the government will advance the following items, etc.

- * Accelerated introduction of fuel cells
- * Further introduction of new energy, etc. such as photovoltaic power generation and wind power generation.
- * Selection of energy sources that contribute to CO₂-saving
- * Introduction of thermal storage systems and gas air conditioning, etc. that contribute to electric power load leveling
- * Introduction of water-retaining materials, etc. for pavements upon their replacement in government office sites
- * Thorough implementation of appropriate operation and management of facilities
- * Upgrading of common-use bicycle systems
- * Further promotion of greening

○ Formulation of Implementation Plans by Each Ministry and Agency

Each ministry and agency will formulate an implementation plan which stipulates the measures it will implement to reduce the emission of greenhouse gases and conserve and strengthen the absorption effect. The implementation plans formulated by the ministries and agencies are to establish FY2006 as the target fiscal year and incorporate the following targets.

- * In all ministries, implement a feasibility study on the introduction of ESCO projects and introduce them as widely as possible.
- * Based on the green diagnosis, focus on implementing energy conservation renovations by the end of FY2006. Furthermore, thoroughly implement appropriate operation and management of facilities that contribute to CO₂-saving.
- * Introduce photovoltaic power generation, efficient water heaters, highly-efficient air conditioning, fuel cells, etc. as widely as possible in government offices and housing for government workers.
- * Promote the use of public transport systems such as railways and buses for commute and work-related travel.
- * Maintain 100% use of low-emission vehicles for general official vehicles. For official vehicles other than general official vehicles as well, establish numerical targets for switching to the use of low-emission vehicles.
- * Install Electronic Toll Collection (ETC) devices in official vehicles using toll roads.

- * Introduce a purchasing method that considers CO2-saving factors when purchasing electric power for use by government offices.
- * Formulate and implement “rules for CO2-saving actions,” for example, for everyone to turn off the lights during lunch breaks.
- * Solicit employees for ideas that contribute to CO2-saving (eco-ideas), and implement the effective ones.
- * Achieve a reduction of 7% compared to FY2001 through the above measures, etc.

In the implementation plans each ministry will clearly specify the department responsible for formulation, evaluation and examination and will introduce the PDCA (plan-do-check-action) cycle. Furthermore, responsible departments in each ministry are to share CO2-saving experience, know-how and technology with one another. With a view to ensuring transparency, the government will publish the results of the examination, evaluating not only total emissions but also the efforts in comparison with target values and past recorded figures, etc. concerning the progress on each item and in each organization, with all this information included.

2) Plans of Action, etc. of Local Governments

Based on Article 21 of the Law Concerning the Promotion of Measures to Cope with Global Warming, prefectures and municipalities are obliged to formulate a Plan Concerning Measures to Reduce the Emission of Greenhouse Gases and Conserve and Strengthen the Absorption Effect in its Work and Projects (hereafter “Local Government Action Plan”).

Local governments must formulate these plans with reference to a manual formulated by the central government and in compliance with the provisions of the Government Action Plan. In particular, they are expected to keep the following points in mind.

- Targets
 - * The plan should specify quantified targets concerning total emissions of greenhouse gases and deadlines for achieving them.
- Scope
 - * For local governments, not only energy consumption in government offices, etc. but also emissions from waste treatment operations, water supply and sewerage systems, local government-managed public transport systems, the operation of public schools and public hospitals, etc. and other operations sometimes account for a large proportion of total emissions. For this reason, these kinds of operations should also be included within the scope of the plan.
 - * In particular, local governments should work toward CO2-saving with respect to electric power use in government offices, etc.
- Evaluation Structure
 - * A regular examination of the status of implementation should be carried out and the results of the examination published.
 - * When publishing the results of the examination, the local government should evaluate not only total emissions but also the efforts in comparison with target values and past recorded figures, etc. concerning the progress on each item and in each organization, and will publish all this information together.

With a view to ensuring transparency, the central government is to compile the results published by the

local governments and publish them in the form of a list.

In addition, the local governments are to work on green purchasing efforts based on the Green Purchasing Law, such as drawing up guidelines for the promotion of procurement of environmental products, etc.

3) Promotion of Actions Undertaken on the Initiative of Public Institutions Other than Central and Local Governments

The central and local governments are to provide information to public institutions such as independent administrative institutions concerning effective global warming countermeasures tailored to the characteristics of that institution and are to encourage efforts undertaken on the initiative of such institutions. The central government is to regularly monitor the status of these efforts to the extent possible.

(5) Introduction of Daylight Saving Time

The Government of Japan will work to encourage a public debate concerning the introduction of summer time (daylight saving time), including the ideal form of lifestyles and working styles, and will endeavor to foster environmental awareness and reach public consensus.

(6) Utilization of a Policy Mix

In order to advance the effective and efficient reduction of greenhouse gas emissions, and to reduce the cost burden on the nation as a whole as much as possible while taking fairness into consideration and achieving the multiple policy objectives of environmental conservation and economic development at the same time, the Government of Japan will utilize the policy mix approach of fully mobilizing all policy methods, including voluntary methods, restrictive methods, economic methods and informational methods, taking advantage of their respective characteristics and organically combining them. The Government of Japan will comprehensively study the most appropriate form for this approach while monitoring the progress of the measures and policies of the Kyoto Protocol Target Achievement Plan.

(6-1) Economic Methods

Economic methods rely on market mechanisms and provide economic incentives to induce actions for emission limitation, etc. based on the economic rationality of each entity. They are expected to be effective as economic support policies for global warming countermeasures as well. When utilizing economic methods it is important to maximize their effects and minimize the burden on citizens and the administrative and fiscal costs in line with the policy mix approach. When providing fiscal support, the Government of Japan will endeavor for efficient utilization of the budget, etc. while taking into account the cost-benefit performance.

(6-2) Environment Tax

The environment tax, which is being discussed in related councils, etc. as a method for imposing a tax according to the amount of carbon dioxide emissions or consumption of fossil fuels, is one of the economic methods. Studies are being carried out from various perspectives in related councils, etc. with a view to tax leading to a wide range of entities being encouraged to take warming countermeasures through price incentives and as a source of funds to implement carbon dioxide emissions reduction measures, forest sink measures, etc., among other aims.

Since the environment tax would impose a burden on wide range of citizens, it is an issue for which comprehensive studies must be seriously advanced. In so doing, efforts must be made to obtain the understanding and cooperation of citizens, companies, etc., while keeping in mind studies of the various policy methods related to global warming countermeasures conducted in related councils and elsewhere, and taking into account the specific position of the tax within overall global warming countermeasures, its effects, its impact on national economy and the international competitiveness of the industry as well as the current state of warming measures in foreign countries, etc.

(6-3) Domestic Emissions Trading System

In order to accumulate knowledge and experience concerning cost-efficient emissions reductions and trading, etc., the Government of Japan will provide economic incentives to corporations that are attempting to achieve reduction targets they have determined themselves and will implement voluntary participation domestic emissions trading utilizing the trading of emissions quotas.

The domestic emissions trading system is an issue that must be comprehensively studied. The wide range of discussion points includes a comparison of the domestic emissions trading system with other methods and their effects and the impact on industrial activities and the national economy.

* The domestic emissions trading system is a system that first establishes the total emissions quotas to be issued, then allocates emissions quotas to individual entities and allows such options as trading of emissions quotas with other entities and utilization of Kyoto Mechanism credits.

3. Basic Policies

(1) Development of a Domestic Framework for Calculating Greenhouse Gas Emissions and Absorption Based on the United Nations Framework Convention on Climate Change and the Kyoto Protocol

The Kyoto Protocol includes an obligation to develop domestic systems for the calculation of greenhouse gas emissions and absorption by one year before the first commitment period. Therefore, the Government of Japan will promptly develop a domestic framework for calculating emissions and absorption in compliance with the guidelines of the plan to be decided in the First Conference of the Parties of the protocol (COP 1).

Specifically, the related ministries will cooperate, led by the Ministry of the Environment, to put in place structures for the prompt submission of a greenhouse gas emission and absorption catalog by the stipulated deadline, quality control of data, the catalog study and approval process, the response to examinations of expert study teams to be dispatched based on the Kyoto Protocol, etc.

Furthermore, when calculating emissions, the Government of Japan will advance studies and research concerning the development of statistics used as volume of activities, calculation of the energy consumption basic unit and carbon dioxide emission basic unit, greenhouse gas measurement methods, etc., promote standardization (development of Japanese Industrial Standards (JIS)) based on the results of these studies and work to further refine the calculation of greenhouse gas emissions and absorption. This is to more accurately monitor the state of emissions for each sector and to meticulously examine the methods of evaluating implementation of countermeasures by each entity.

On the other hand, when measuring, monitoring and reporting absorption through carbon sinks (in some cases emissions), the Government of Japan will establish methods that are transparent and have a high degree of scientific verifiability in conformity with the Good Practice Guidance for Land Use, Land-Use Change and Forestry that was decided at COP10. In order to carry out continuous measurement, monitoring and reporting, the government will promote the development of information concerning the volume of activities and land use changes, as well as studies and research concerning greenhouse gas absorption and emission mechanisms in forests, etc.

(2) Promotion of the Development of Global Warming Countermeasures Technology

It could be expected that development of technologies will help achieve compatibility between the environment and the economy and that their wide dissemination will greatly contribute to the reduction of greenhouse gases into the future. Taking into account the Council for Science and Technology Policy's Promotion of Technical Research and Development for Prevention of Global Warming (decision and opinion offered of April 21, 2003) and global warming research initiatives, etc., the related ministries and agencies will collaborate to comprehensively promote technology development through cooperation among the government, industry and academia.

○ Promotion of the Practical Application and Commercialization of New Technologies

Realizing technology development will lead to further improvement of the efficiency, cost reduction and miniaturization, etc. and make it possible to promote carbon dioxide emissions reduction countermeasures such as the introduction and dissemination of new energy and highly-efficient devices.

However, whether the benefits of technology development lead to a reduction in greenhouse gases within the first commitment period will depend on how quickly the new technology can be practically applied and commercialized.

For this reason, through collaboration among the government, industry and academia, the Government of Japan will strongly promote:

- * Clear specification and sharing of a road map for commercializing the results of research and development

- * Development and demonstration of technology that promotes practical application

- * Support for pioneering efforts toward commercialization

In so doing, the Government of Japan will work in conjunction with policies, etc. for the dissemination of development results in the market.

- Promotion of Cross-sectoral Efforts

As can be seen in the case of the battery technology supporting hybrid automobiles, innovative and promising global warming countermeasures technologies are being practically deployed through the application of elemental technologies of a certain sector to other sectors and through joint work across the boundaries of industrial sectors. In order to increase the number of such success stories as much as possible, the Government of Japan will strongly promote efforts through cross-sectoral collaboration among the government, industry and academia.

- Promotion of Technology Development from a Medium- and Long-term Perspective

Concerning global warming countermeasures, even if benefits of the technology development should take a long time to appear, the Government of Japan will take the medium- and long-term view from an early stage and provide sufficient support for the development if sustained benefits can be expected from that development.

For example, it is necessary to break the cycle in which economic growth and improved quality of life results in increased energy demand and therefore increased carbon dioxide emissions by reforming the energy supply and demand structure, etc. To that end, the Government of Japan will support breakthrough energy conservation technologies, technologies utilizing the vast unused energy sources, carbon dioxide recovery, storage and isolation technologies that recover carbon dioxide emitted through the use of fossil fuels and reduce emission of carbon dioxide into the atmosphere, etc. from an early stage.

Furthermore, the Government of Japan will focus on promoting technology for encouraging reform of regional and urban structures and reform of socioeconomic systems to form the foundation for medium- and long-term global warming countermeasures and technology for the provision of cross-sectoral underlying support for all kinds of countermeasures.

In addition, the Government of Japan will promote basic research in universities contributing to global warming countermeasures also from the perspective of continuously developing human resources in sectors in which Japan possesses strength, while at the same time respecting the voluntary efforts in universities.

The Government of Japan will moreover meticulously promote warming countermeasures

technologies in various sectors, including development of substitute materials for the three substitute chlorofluorocarbon gases and other emissions limitation technologies and greenhouse gas emissions limitation technology, etc. in the agriculture, forestry and fisheries sectors.

(3) Promotion of Research on Climate Change and Strengthening of the Scientific Observation and Monitoring Structure

Concerning research on global warming, the Government of Japan will promote research to elucidate the climate change mechanism, monitor the present state of global warming and make future projections, evaluate the impact of global warming on the environment, society and the economy, and to develop policies for greenhouse gas reduction and policies to adapt to global warming, among other ends, taking into account global warming research initiatives, etc. in the Council for Science and Technology Policy. It will promote such research strategically and in a focused manner while working to cooperate with the international community.

Concerning scientific observation and monitoring of global warming, the Government of Japan will strengthen the comprehensive scientific observation and monitoring structure to monitor greenhouse gases, climate change and their impacts, etc., taking into account the 10-Year Implementation Plan for earth observation approved at the Third Earth Observation Summit (February 2005, Brussels) and the Council for Science and Technology Policy's Strategy Promoting Earth Observation (decision and opinion offered of December 27, 2004), etc.

In particular, Japan's efforts will include scientific observations of atmospheric, continental and marine greenhouse gases primarily in the Asia and Oceania region, scientific observations of the continental and marine carbon cycle and ecosystems and scientific observations of the impact of warming in regions vulnerable to climate change such as snow and ice zones and coastal zones as well as the integration of observational data and socioeconomic data.

(4) Ensuring of International Collaboration on Global Warming Countermeasures and Promotion of International Cooperation

Long-term efforts to reduce greenhouse gas emissions by not only Japan but the entire world working together are indispensable for global warming countermeasures. The Kyoto Protocol is an important first step and it is necessary for the entire world to steadily implement it.

To that end, Japan will continue to call on the countries that have not yet ratified the protocol to do so. At the same time, the Government of Japan will play a leading role in the global efforts by utilizing the outstanding technological capabilities and accumulated experience of environmental conservation possessed by Japan to carry out a wide range of international cooperation with developing countries, including the transfer of environmentally-appropriate technology and know-how, through such means as implementation of the Kyoto Initiative,³⁶ conservation and restoration of forests, as well as holding of various meetings and seminars, and by endeavoring to meet the Kyoto Protocol commitments in a way that would minimize negative impacts on society, the environment and the economy of developing countries.

³⁶ The Kyoto Initiative is a package of measures to support the global warming countermeasures of developing countries which was announced by Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change (December 1997). It consists of three pillars: (1) cooperation for human resources development (3,000 people trained over five years beginning in FY1998), (2) yen loans provided under concessional terms, and (3) utilization and transfer of Japan's technology and experience.

Furthermore, in order to achieve the ultimate target of the United Nations Framework Convention on Climate Change, it is absolutely necessary for the Parties to the Convention to certainly achieve their Kyoto Protocol commitments. At the same time, it is also considered necessary for world greenhouse gas emissions to subsequently shift from an increasing trend to a decreasing trend at an early stage, and to reduce emissions to below half their current levels and maintain them at that level.

To this end, it is important to establish a balanced and effective framework (the so-called commitments for the second commitment period) for the period after 2013, the year of the completion of the first commitment period of the Kyoto Protocol, and to build common rules for the participation of all countries including the US and developing countries in the framework, taking into account the principle in the United Nations Framework Convention on Climate Change stating that the Parties should protect the climate system in accordance with their common but differentiated responsibilities and respective capabilities.

Article 3, Paragraph 9 of the Kyoto Protocol provides that consideration of the commitments for the second commitment period is to be initiated this year. Japan will show leadership concerning consideration of the future framework, for example by holding international conferences to promote dialogue among the countries concerned.

Furthermore, the Government of Japan will continue to provide support for appropriate countermeasures to cope with global warming, etc. in vulnerable countries with a low capacity to respond to it, such as island countries and least developed countries.

Section 3 Items Expected of Local Governments in Particular

In order to promote global warming countermeasures it is important to bring out the initiative of local governments, the bodies responsible for environmental administration in the regions. It is expected that local governments will promote measures conceived in the regions and most suited to the conditions there.

1. Implementation of Comprehensive and Well-planned Policies

Local governments are expected to formulate and implement comprehensive and well-planned policies tailored to the natural and social conditions of their area (regional promotion plans) based on Article 20 of the Law Concerning the Promotion of Measures to Cope with Global Warming and taking into account the basic philosophy concerning global warming countermeasures in the Kyoto Protocol Target Achievement Plan.

Specifically, it is expected that each region will exercise its originality and ingenuity to advance the building of cutting-edge model regions (global warming countermeasures cutting-edge model regions) that can serve as examples for other regions and that incorporate regional development such as development of cities, etc. that contribute to the reduction of greenhouse gas emissions, development of social capital, introduction of new energy, etc. utilizing the local region's resources. It is expected that they will also contribute to the promotion of the active use of timber resources, etc., conservation and development of forests, use of timber and woody biomass, and the promotion of greening campaigns, etc. and that these policies will spread to other regions. In making these efforts, it is expected that each region will incorporate utilization of the Special Zone for Structural Reform system and the regional revitalization plan system.

Local governments, as the part of the public sector most accessible to businesses and residents, are expected to advance policies closely tied to the regions such as education and dissemination of information for local residents, and support for the activities of private organizations.

When promoting policies they are expected to appropriately ensure the cooperation and participation of businesses, private organizations and residents.

When local governments formulate policies it is expected that they will base them on respect for the voluntary nature of each local government, collaborate with the policies of the central government in this Kyoto Protocol Target Achievement Plan, and contribute to the reduction of greenhouse gas emissions on a national scale while considering improvements to the effective energy efficiency on a national scale of businesses.

2. Items Expected of Prefectures in Particular

In particular prefectures, as a part of the local public sector covering a wider area, are mainly expected to promote wide-area large-scale regional global warming countermeasures such as traffic flow countermeasures and promotion of efforts by commercial buildings and businesses in that area, and to provide support for efforts by municipalities including support for formulation of the action plans, in cooperation with the prefectural centers for promotion of activities to stop global warming, the Global Warming Countermeasures Regional Council and the volunteers to promote activities to mitigate global warming.

The prefectures are to utilize the Regional Committees on Energy Supply and Demand and Prevention of Global Warming (refer to Chapter 4, Section 3) established in regional blocks throughout Japan to back up the global warming prevention efforts of local governments and other regional entities.

3. Items Expected of Municipalities in Particular

In particular municipalities, as the part of the public sector in the region most accessible to the businesses and residents in that area, are mainly expected to cooperate with the Global Warming Countermeasures Regional Council, analyze the natural and social conditions of their region and advance policies more closely tied to the region and most effectively tailored to the characteristics of the region such as education and dissemination of information for local residents, support for the activities of private organizations, projects to study and introduce new energy utilizing the resources of the local region, etc. in collaboration with the central government, prefectures, regional businesses, etc.

Section 4 Items Expected of Businesses with High Emissions in Particular

In businesses with significantly high total emissions of greenhouse gases the types of greenhouse gases, greenhouse gas sources, and emission limitation countermeasures are diverse. In order to promote effective countermeasures taking this fact into account, such businesses are expected to individually or jointly formulate plans that include quantitative targets for measures for emission limitation, etc.

Although the content of the plans is left up to the businesses, they are expected to pay attention to the following points in order to make their best effort to exercise their originality and ingenuity to create a plan.

- As the target of specific efforts, limit emissions by advancing improvement of the energy consumption basic unit and carbon dioxide emission basic unit and carry out analyses of performance.
- Carry out an international comparison of the basic unit taking into account the characteristics of each industrial sector.
- To the extent possible incorporate measures in the plan to contribute to the limitation, etc. of the greenhouse gas emissions of other entities, such as the development of products with low greenhouse gas emissions, reduction of the volume of waste, etc. and carry out a quantitative evaluation of their contribution to emissions limitation in other sectors including offices and other business facilities, the household sector and the transport sector, etc.
- Businesses that have formulated a plan shall publish it and shall endeavor to publish the status of implementation of measures taken based on it.
- Businesses shall endeavor to improve the transparency and reliability of their plan, for example by undergoing an objective evaluation of the plan by a related council of the government or a third-party institution and shall endeavor to make efforts toward improving the probability of accomplishing the plan, taking into account the results of the evaluation.

Chapter 4 To Promote Global Warming Countermeasures in a Sustained Manner

Section 1 Evaluation Methods for Emissions, Absorption, and Individual Countermeasures

1. Basic Philosophy

In order to ensure the effectiveness of the Kyoto Protocol Target Achievement Plan and reliably achieve the 6% reduction commitment under the Kyoto Protocol, it is essential to develop and collect comprehensive data concerning the status of achievement of targets for each greenhouse gas and for other categories as well as data concerning the progress of individual measures and policies. It is also essential to carry out an appropriately transparent ex-post evaluation, and flexibly review and supplement measures and policies.

In order for individual measures and policies to produce results, government policies alone are not enough. It is essential for each entity involved in the countermeasures to make active efforts. With a view to encouraging such efforts, it is necessary to carry out ex-post evaluations of the status of efforts by each related entity for each countermeasure contained in this Kyoto Protocol Target Achievement Plan.

To this end, every year the Global Warming Prevention Headquarters will strengthen policies as necessary by examining the progress of policies formulated by the government for individual countermeasures, etc., with reference to the countermeasures evaluation indicators established for each countermeasure.

Furthermore, in FY2007 the Global Warming Prevention Headquarters will carry out a quantitative evaluation and review of this Kyoto Protocol Target Achievement Plan and from FY2008 will implement the measures and policies necessary for the first commitment period.

When carrying out the annual examination and the FY2007 quantitative evaluation and review, the views of members of the Joint Conference of Relevant Advisory Councils on Domestic Measures Addressing the Global Warming Issue will be sought.

When carrying out the quantitative evaluation and review of this plan, public comments will certainly be sought and opportunities will also be created so that the participation of citizens in the evaluation and review process is substantially ensured.

At the earliest possible time, the Government of Japan will establish appropriate evaluation methods for policy areas in which countermeasures evaluation indicators and other evaluation methods are not sufficiently established at the present time, such as measures and policies leading to reform of socioeconomic systems.

2. Overview of Quantitative Evaluation and Review Methods

(1) Evaluation Methods Concerning Targets for Each Greenhouse Gas and for Other Categories

1) Evaluation Methods Concerning Targets for Greenhouse Gas Emissions

Greenhouse gas emissions, in principle, are decomposed by factors to the product of the “volume of

activities”—the number of households, floor area, etc. —and “greenhouse gas emissions per unit of activities.”

In the FY2007 evaluation of this Kyoto Protocol Target Achievement Plan, emissions and absorption projections are to be evaluated by decomposing greenhouse gases into the factors of the volume of activities and greenhouse gas emissions per unit of activities.

Based on these evaluation results, in order to reliably achieve the 6% reduction commitment under the Kyoto Protocol, as necessary the Government of Japan will comprehensively review the targets for each greenhouse gas and for other categories, individual countermeasures, countermeasures evaluation indicators for those countermeasures, expected emissions reduction, policies for the promotion of the role and countermeasures of each entity, etc.

A. Emissions Projection for Energy-originated Carbon Dioxide

The emissions projection for energy-originated carbon dioxide is decomposed into three factors:

- 1) “Volume of activities” – the Index of Industrial Production, the number of households, floor area, transport volume, etc.
- 2) “Energy consumption per unit volume of activities” – automobile fuel efficiency, etc.
- 3) “Carbon dioxide emissions per unit of energy consumption for each energy type” – gasoline, coal, electric power, etc.

A comprehensive evaluation of the emissions projection must be carried out based on the above points and taking into account changes in economic conditions in Japan and the impact of those changes, changes in the recorded figures of each type of indicator used on the assumption that the effects of countermeasures have been accumulated, and the progress of all countermeasures on the demand side and supply side and their effects, etc. during the period between the time of formulation of the Kyoto Protocol Target Achievement Plan and the time of the FY2007 evaluation and review.

B. Emissions Projection for the Three Substitute Chlorofluorocarbon Gases

The three substitute chlorofluorocarbon gases convert into substances that deplete the ozone layer and are widely used in a diverse range of sectors including the industrial sector, household sector, other sectors including offices and other business facilities and the transport sector. An evaluation of the emissions projection for the three substitute chlorofluorocarbon gases must include an estimate of the volume of activities and in addition must be carried out taking into account the progress of countermeasures to protect the ozone layer, emissions performance and trends based on the voluntary action plans of industry, the status of development of substitute materials and substitute technology, and the effects of improvements in the basic unit and recovery rate, etc. for each application.

C. Emissions Projection for Non-energy-originated Carbon Dioxide, Methane and Dinitrogen Monoxide

Emissions in the industrial processes sector are estimated based on estimates of the volume of products manufactured and raw material consumption, etc. for each emissions category. In the waste sector, taking into account related policies, the future burial volume and incineration volume for each type of waste will be estimated and emissions will be calculated by multiplying this estimate by the emission factors.

In addition to the above, taking into account fuel consumption, the number of livestock, paddy field area, etc., future emissions will be estimated for non-energy-originated carbon dioxide, methane, and dinitrogen monoxide separately to evaluate the emissions projection.

2) Evaluation Methods for Utilization of Sinks

Absorption in the first commitment period which is subject to calculation in the Kyoto Protocol is estimated and evaluated based on trends in forest area for each category (managed forests, naturally regenerated forests, protection forests, etc.), forestry businesses area, the tall tree planting area in public interest facilities, etc. in the year the evaluation is carried out, and on the latest scientific knowledge concerning the volume of absorption.

3) Evaluation Methods Concerning Promotion and Utilization of the Kyoto Mechanisms

Promotion and utilization of the Kyoto Mechanisms will be evaluated with respect to the status of development of the foundation for promotion and utilization of the Kyoto Mechanisms domestically and internationally and the formation of projects, the number of Kyoto Mechanism credits planned to be transferred or already transferred to the government account, the status of development of the structures of internal government agencies and government-affiliated organizations, and the status of development of an environment for utilization of the Kyoto Mechanisms by private businesses, etc.

(2) Evaluation Methods for Countermeasures Concerning Reduction, Absorption, etc. of Greenhouse Gas Emissions

Indicators that are the subject of evaluation are to be stipulated for each of the various countermeasures concerning the limitation, etc. of greenhouse gas emissions which are specified in this Kyoto Protocol Target Achievement Plan and at the time of the evaluation every effort is to be made to evaluate the countermeasures based on these indicators.

In order for individual measures to produce results government policies alone are not enough; it is essential for each entity involved in the countermeasures to make active efforts. With a view to encouraging such efforts, the status of efforts by related entities for each countermeasure contained in this Kyoto Protocol Target Achievement Plan will be quantitatively monitored as much as possible.

By clarifying the premise of cumulation at the time of the formulation of the Kyoto Protocol Target Achievement Plan, it was made possible to carry out ex-post verification of the expected reduction in greenhouse gas emissions (carbon dioxide equivalent) resulting from countermeasures.

The evaluation indicators, etc. for each measure are as in Attached Tables 1-5.

Section 2 Evaluation Methods for Efforts of Citizens and Technology Development

1. Evaluation Methods for Efforts of Citizens

Efforts of each individual citizen, such as reform, etc. of lifestyles and working styles, are the driving force for realization of global warming countermeasures effects.

Emissions reduction effects achieved through the efforts of citizens appear as a part of energy-originated carbon dioxide emissions reduction effects. The status of promotion of items that can be quantitatively evaluated, such as the dissemination of energy-conserving equipment, etc., is to be examined utilizing appropriate countermeasures evaluation indicators, just as for other CO₂-saving countermeasures.

On the other hand, it is difficult to evaluate independently the effects of efforts regarding human actions and ways of using things, such as reform of the lifestyles and working styles of citizens through citizens' campaigns, dissemination of information and educational activities, the realization of eco-driving, etc. because of the technological difficulty of monitoring, etc. Therefore, the effects are examined in an integrated manner as a part of CO₂-saving countermeasures. In order to ensure the sustainability and continuity of efforts and to use the PDCA cycle to lead to strengthening of policies, however, quantitative evaluations of related policies will be implemented as much as possible by monitoring the level of understanding of the importance of global warming countermeasures and the level of implementation of efforts of each individual citizen, etc. through questionnaire studies, warming countermeasures diagnostics, utilization of standards for actions of citizens, etc.

2. Evaluation Methods for Technology Development

It is thought that the benefits of research and development on environmental and energy technologies, such as energy conservation technology, etc. will be realized along with the benefits of other policies among the greenhouse gas emissions reduction countermeasures.

For this reason, with a view to implementation of more appropriate evaluations of policies, the benefits of strengthening research and development on environmental and energy technologies should not be independently quantitatively evaluated, but rather examined in an integrated manner as a part of greenhouse gas emissions reduction countermeasures. Appropriate follow-up will continue to be implemented, including making clear the indicators that will be the targets for individual technologies and implementing PDCA based on those indicators, etc.

Section 3 Development of a Promotion Structure

In order for each entity to continuously advance measures and policies to realize a society that exits from inducing global warming, it is important to develop a systematic promotion structure.

The Government will flexibly establish working groups tailored to each issue, centering on the Global Warming Prevention Headquarters with the Prime Minister as its chief and all ministers as its members. The Steering Committee of the Global Warming Prevention Headquarters, a conference of Director-Generals from each ministry, and the concerned ministries and agencies also are to closely collaborate to make efforts to develop the promotion structure.

Concerning countermeasures in cities, the Global Warming Prevention Headquarters and the Urban Renaissance Headquarters are to collaborate. In the working groups of concerned ministries and agencies, the government will collaborate in promoting global warming countermeasures through urban renaissance projects, taking into account the decision of Urban Renaissance Projects.

In the regions, the government will establish Regional Committees on Energy Supply and Demand and Prevention of Global Warming in each regional block in order for concerned ministries and agencies to cooperate to back up efforts in the regions for global warming countermeasures, in collaboration with local governments, etc.

Members of the Regional Committees on Energy Supply and Demand and Prevention of Global Warming will be of an appropriate number for each region and are to be drawn from local governments within the region, in particular local branch offices of the central government and prefectural governments, with additional members including energy officials, economic organizations, consumers, prefectural centers for promotion of activities to stop global warming and NGOs. The Regional Committees will also collaborate with the Local Council for Global Warming Measures, Regional Biomass Councils, etc.

Conclusion

(The Global Warming Issue)

The global warming issue is an environmental issue that impacts on the very foundations of human survival.

In order to achieve the ultimate objective of the Framework Convention on Climate Change, that is, the stabilization of the concentration of greenhouse gases to prevent the progress of global warming, it is necessary to reduce worldwide carbon dioxide emissions to at least below half of their current levels at an early stage. Nonetheless, greenhouse gases, in particular carbon dioxide, are, in a manner of speaking, a by-product generated from socioeconomic activities and the daily lives of the citizens, and it is not easy to reduce them.

Furthermore, efforts by Japan alone are insufficient; it is necessary to reduce the total emissions of greenhouse gasses on a global scale.

(Japan's Position as it Makes Efforts to Tackle the Global Warming Issue)

Taking into account these issues, it is necessary for Japan itself to make efforts for technological innovation that makes sustainable development possible, reform of social systems, and improvement of the environmental awareness of each individual citizen, and, as an environmentally advanced nation, to take the lead for efforts toward global warming prevention based on international collaboration.

Japan is a resources-poor country in which the foundations of the citizens' lives and industrial activities are dependent on overseas natural resources and which has developed technologies to overcome energy and environmental issues. Moreover, it possesses a lifestyle and history in harmony with nature represented by the concept of "mottainai" (literally translated as "don't waste what is valuable"). This adds even more to the reasons why Japan should contribute to the world by presenting a vision of an attractive society which uses natural resources efficiently, making more effort than any other country to achieve the safety and reassurance of the human race and producing results.

(Aims of the Kyoto Protocol Target Achievement Plan)

From this perspective, in this Kyoto Protocol Target Achievement Plan the focus is simultaneously on certain achievement of the immediate target of the Kyoto Protocol commitment and on approaches to take after the completion of the first commitment period toward achievement of long-term, continuous emissions reduction. An effort was made to incorporate a variety of measures and policies that would lead to the realization of a society that enables sustainable development.

Furthermore, in order to overcome the various social conditions, and historical and environmental differences, etc. among countries and work together to advance efforts toward building a sustainable world, the Government of Japan will promote technological innovation from a long-term perspective and the dissemination of that technology on a global scale, and will make efforts to ensure that reform of awareness, reform of social systems, as well as development and dissemination of technology and investment for them are carried out in all regions of the world.

(Responsibility of the Current Generation)

It is thought that the impact of climate change is already becoming apparent in regions throughout the world, so the actions of humans over the next few decades will affect the future of this planet. Whether or not the global warming issue is successfully resolved indeed depends on the decisions and actions of those of us living in the world now.

The important thing is that we ourselves know past history, accurately monitor present conditions and look to the future. By knowing present realities and projecting into the future we can discover the value of protecting the global environment, reform the structure of society and change our daily actions.

(Message to the Citizens of Japan)

Currently Expo 2005 Aichi is being held. The theme of the Expo is "Nature's Wisdom." So that "Nature's Wisdom" will be of lasting benefit to the entire world and in light of Japan's ancient wisdom of coexistence with nature, we would like all citizens to make efforts to protect the planet.