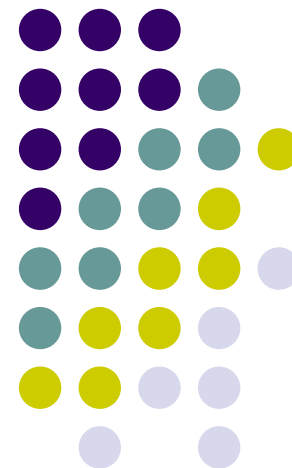


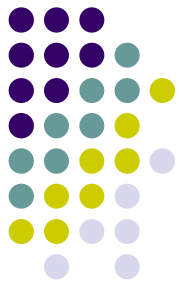
# Linking Urban Environmental Management with Innovative Finance through CDM

Makoto Kato

Local CDM Task Force Member / Senior Researcher  
Overseas Environmental Cooperation Center, Japan  
(OECC)



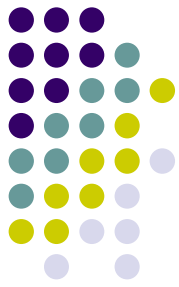
# Outline of the Presentation



- CDM for local governments
- Current status in CDM host countries, and Japan
- Challenges and opportunities, and beyond
- Policy survey by the Task Force on CDM for local governments

# Basic Structure of CDM

Kyoto Protocol Art.12, and Marrakech 17/CP7



## Developing Country

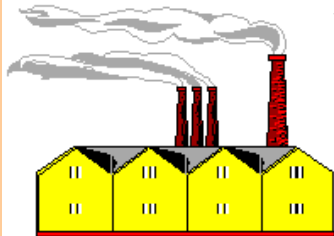
## Developed Country

GHG Reduction Project

CO2  
CH4  
N2O  
HFCs  
SF6

decrease

Sustainable Development



Finance & Technology

Credit

CERs

CERs

CERs

CERs

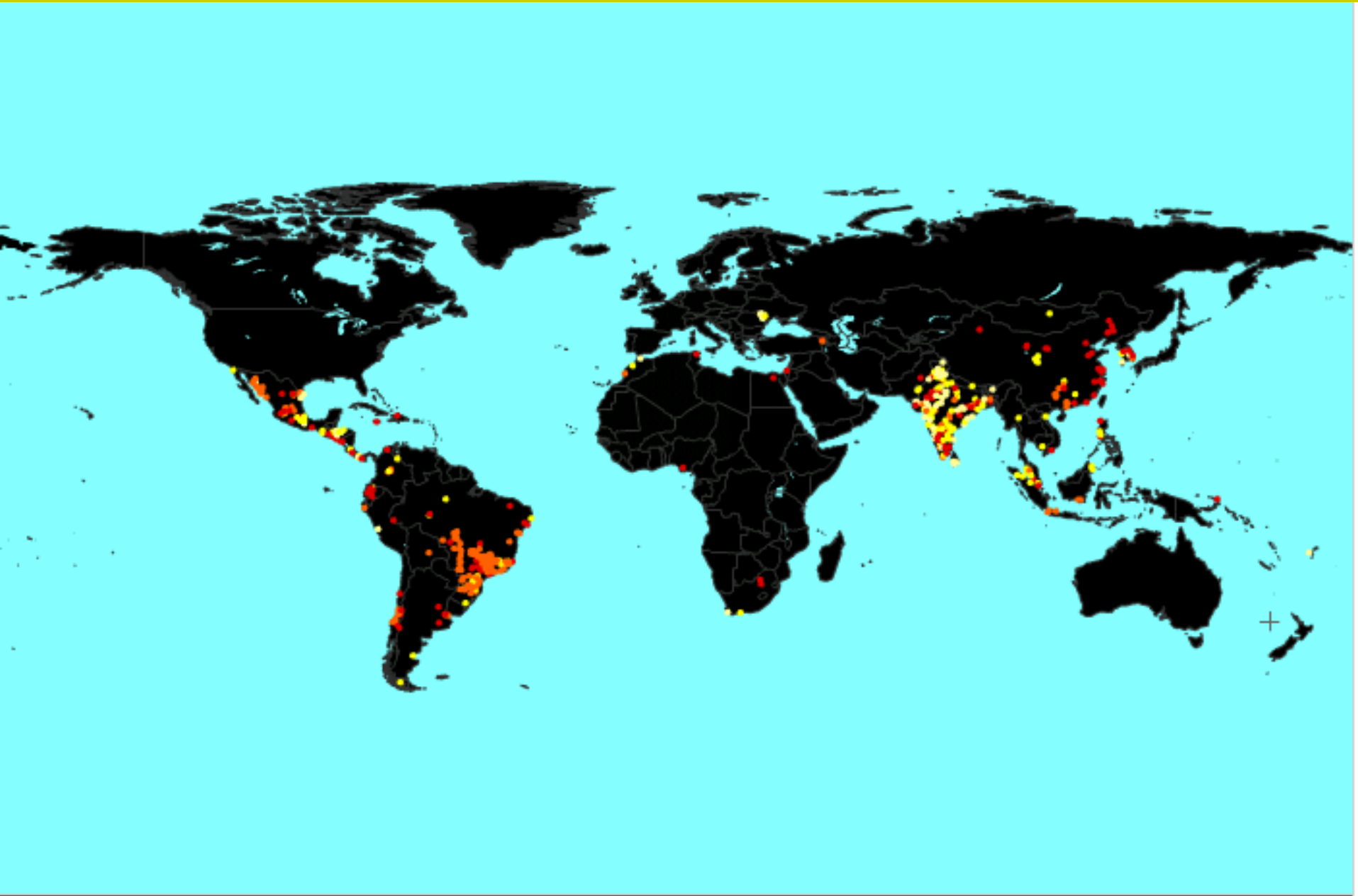
National Government

Private Sector

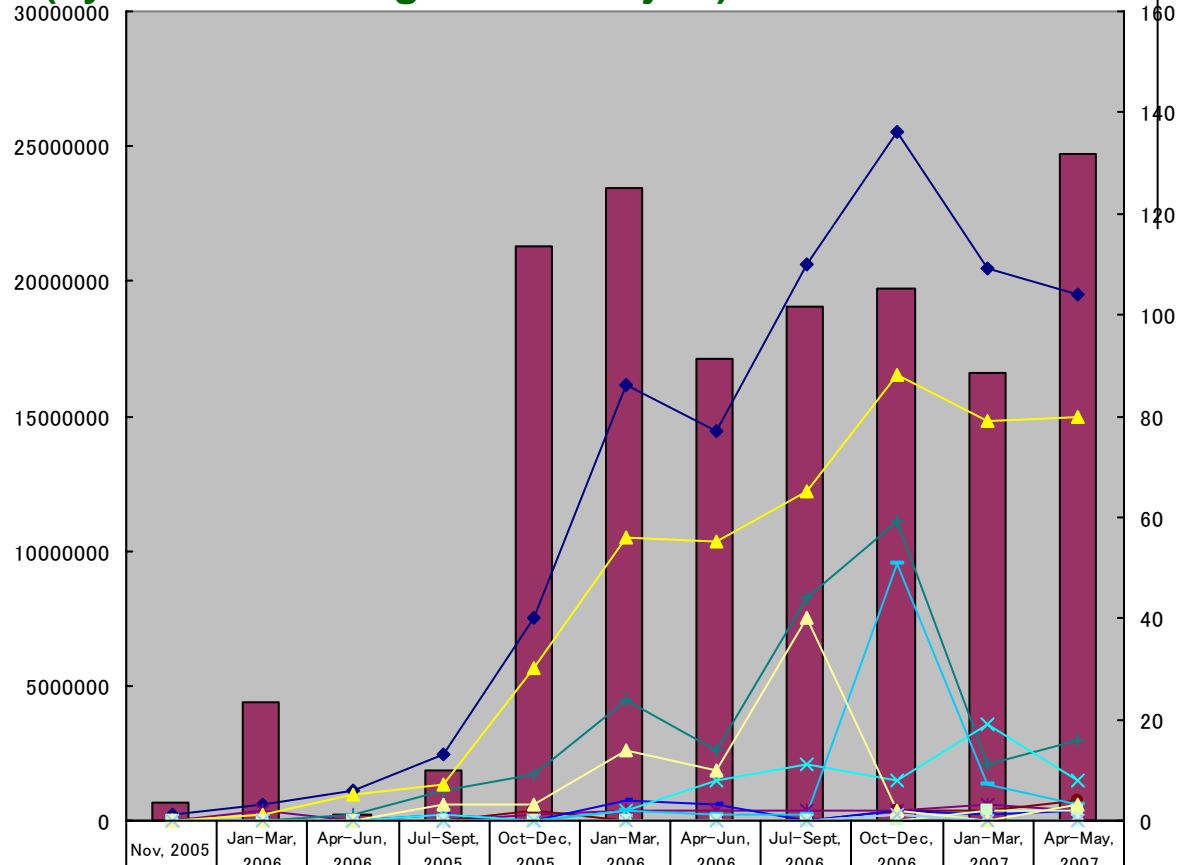
Flexibility in Achievement of the Kyoto Target

# CDM Project Registered by the CDM Executive Board

Lots of Greenhouse Gas Reduction Projects are taking in place in KIN areas!

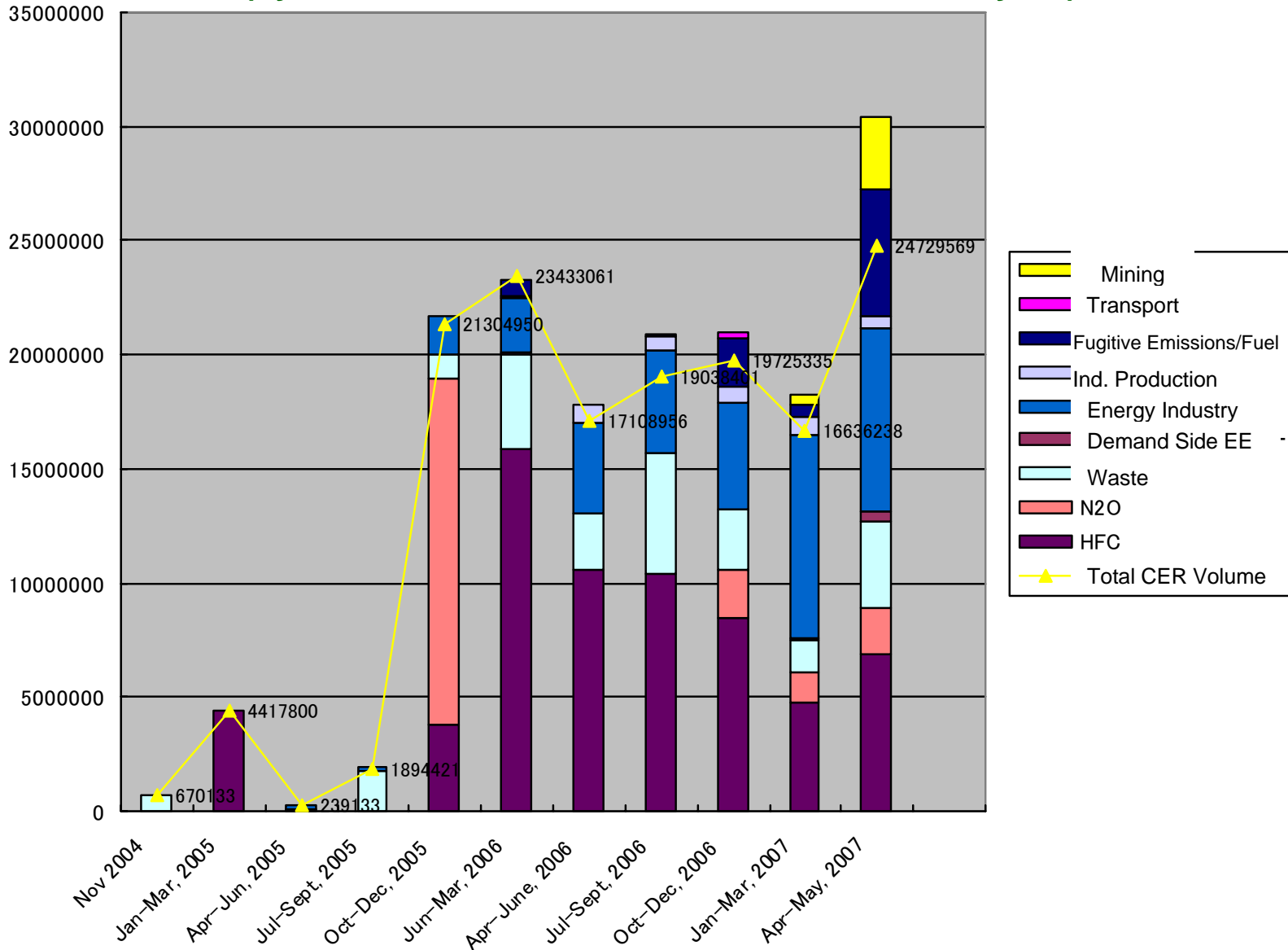


# Sectoral Breakdown of Registered Project by UN CDM Executive Board (by number of Registered Project)



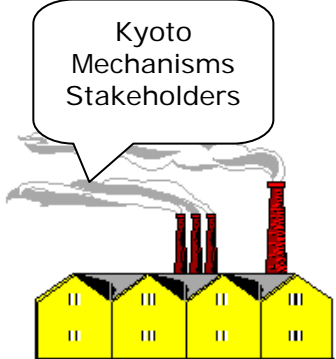
CER Volume	670133	4417800	239133	1894421	21304950	23433061	17108956	19038401	19725335	16636238	24729569
No. of Regst Projects	1	3	6	13	40	86	77	110	136	109	104
HFC	0	2	0	0	1	2	2	2	2	3	2
N2O	0	0	0	0	2	0	0	0	2	2	4
Waste	0	0	1	6	9	24	14	44	59	11	16
Demandside EE	0	0	0	1	0	4	3	0	2	1	2
Energy Industry	0	1	5	7	30	56	55	65	88	79	80
Industrial Production	0	0	0	1	0	2	8	11	8	19	8
Fugitive Emission from Fuels	0	0	0	0	0	2	1	1	51	7	3
Transport	0	0	0	0	0	0	0	0	1	0	0
Mining	0	0	0	0	0	0	0	0	0	2	2
Forestry	0	0	0	3	3	14	10	40	2	0	3
Sink	0	0	0	0	0	0	0	0	1	0	0

# Sectoral Breakdown of Registered Project by UN CDM Executive Board (by Volume of Certified Emission Reductions/year)



\* Some projects include more than 2 sectoral scopes  
**Source: CDM Executive Board, as of June 1**

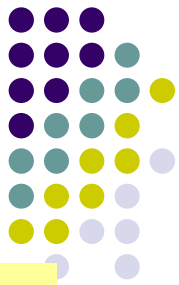
# Japan Kyoto Mechanisms Acceleration Programme (JKAP)



JKAP Member Organizations



# For more Information on CDM Procedure and Support Scheme



Kyoto Mechanisms Information Platform  
[www.kyomecha.org/e](http://www.kyomecha.org/e)



Assisting host country and Japanese stakeholders information wise, which may help them reduce risks and costs in their CDM/JI activities.

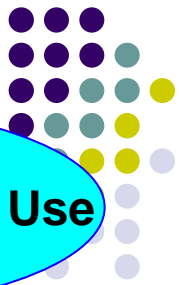


The screenshot shows the homepage of the Kyoto Mechanisms Information Platform. At the top, there is a navigation bar with links for HOME, SITE MAP, CONTACT US, and JAPANESE. The main header features the title 'Kyoto Mechanisms Information Platform' in English and Japanese, along with a banner image of industrial smokestacks and wind turbines. A left sidebar contains a 'Contents' menu with items like Home, News Tank, What's the Platform?, Info on Japan, JKAP, Upfront Payment, FAQ, Site Map, and Contact. The main content area includes a paragraph explaining the platform's purpose as an information dissemination vehicle for stakeholders, followed by a 'Kyomecha Updates' section listing recent news items with dates and descriptions. On the right side, there are logos for partner organizations: Japan JKAP, Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry (METI), Ministry of the Environment, and Global Environment Centre Foundation (GEC).



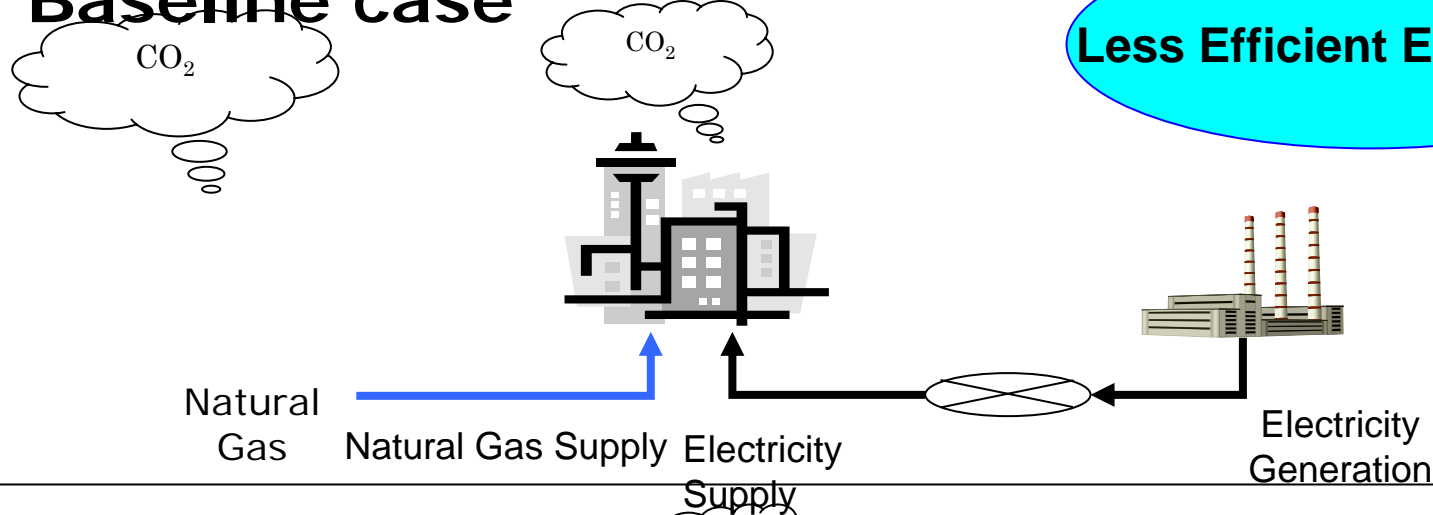


# CDM Project Activities (example...)



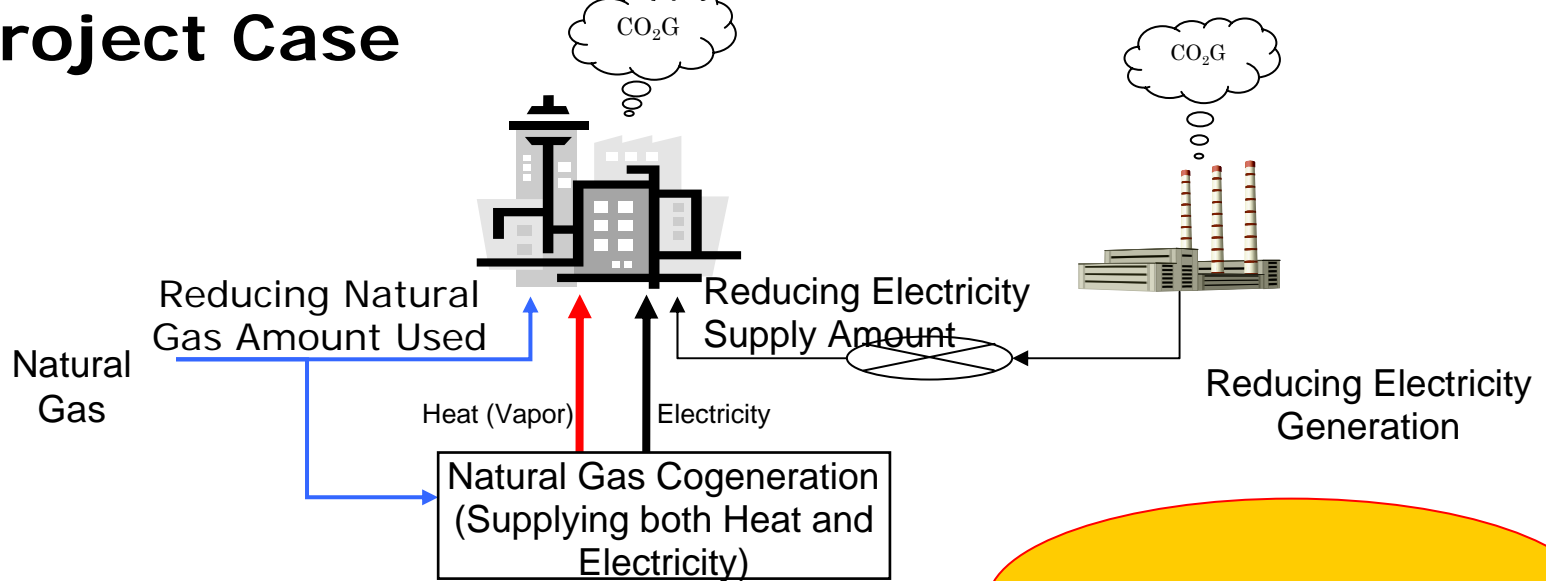
## Baseline case

Less Efficient Energy Use



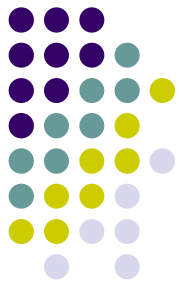
## Project Case

More Efficient Energy Use



Please look at the Questionnaire Reference

# CDM for local governments

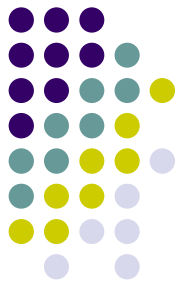


## Clean Development Mechanism(CDM)

- Attracted business sector willing to invest on carbon credits
- The level of their attention is already high, and the volume of carbon credit traded is still growing
- Some of the key areas in CDM are relevant to activities of local governments

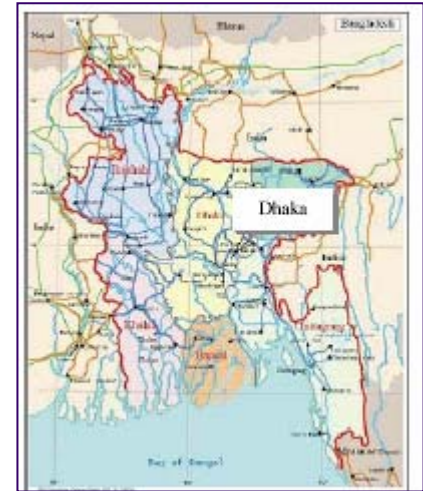
**CDM may provide a new window for local governments to mobilize resources**

# Current status in CDM host countries, and Japan



In host countries, some local governments already started CDM for their local environmental management.....

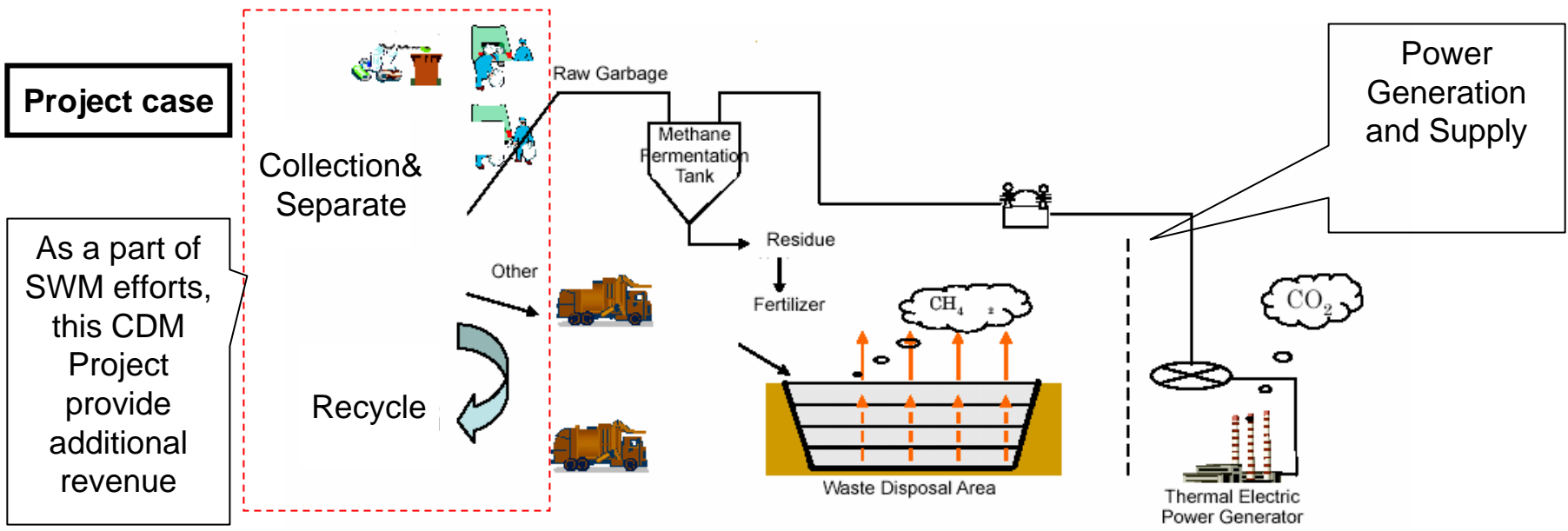
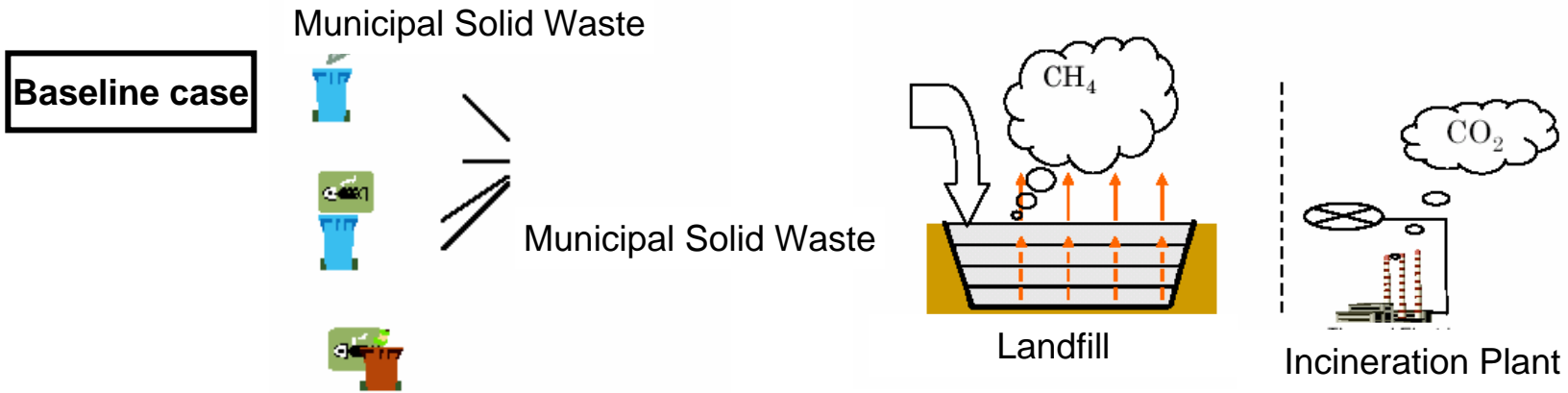
- Landfill Gas(CH<sub>4</sub>) distruction (CER: 80,000 CO<sub>2</sub>e-t/year)
- Avoiding fire and explosion at the landfill site



Landfill Gas Extraction and Utilization at the Matuail landfill site, Dhaka, Bangladesh

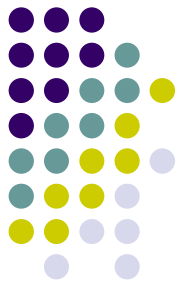


# Current status in CDM host countries, and Japan



Composting of Organic Waste in Dhaka (CER: 89,259CO<sub>2</sub>e/year)

# Current status in CDM host countries, and Japan



Growing Attention by Local Governments in Japan as...

- A window for their diversifying channel of international environmental cooperation
- A measure to contribute to GHG mitigation

**Japanese Local Governments may be potential players to support CDM**

# Challenges and opportunities, and beyond



**CDM** as a mechanism where business community is vigorously acting

- **Additional finance, other than public funding**
- **Market-oriented, so that the cost-effectiveness is emphasized**

**Gap may be filled**

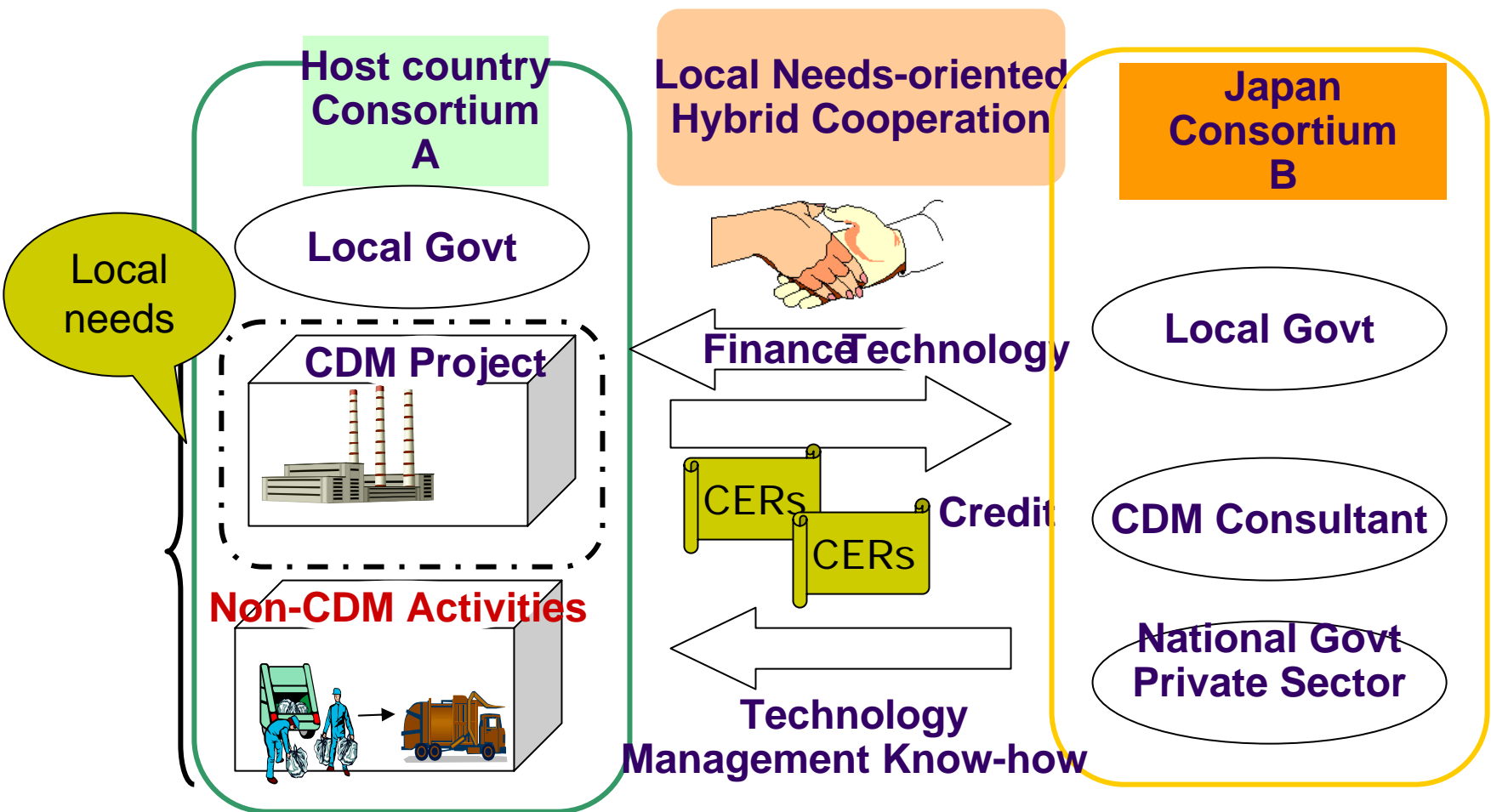
**CDM**, if used for local governments in host countries

- **Local governments may be interested in utilizing CDM is for local environmental management, and**
- **And not necessarily, do they follow business-oriented model strictly.**

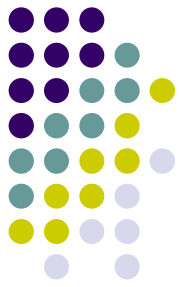
# Challenges and opportunities, and beyond



## Looking at a Broader Picture of CDM suitable for local SD Needs



# Policy survey by the Task Force on CDM for local governments



Task Force

Kitakyushu!



Kyoto!



Ministry of  
the Environment

Joint Secretariat

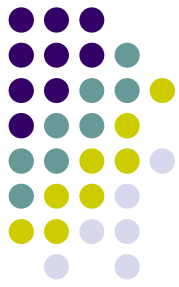


I.C.L.E.I

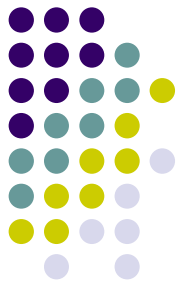




# Policy survey by the Task Force on CDM for local governments



- Survey covers to propose a possible cooperation mode in a local co-benefits oriented manner.
- REAL ACTIONS – in partnership with local governments in host countries, and Japanese Business, feasibility study activities are being prepared by someone the TF members.



**We welcome your input!**

**Thank You!**

**[kato@oecc.or.jp](mailto:kato@oecc.or.jp)**