

II Outcomes of Each Research Project/Programme



Climate Policy (CP) Project

1. Summary of the Third Phase Strategic Research

The long-term mission of the CP project is to propose, evaluate and recommend pragmatic climate policies contributing to sustainable development in the Asia-Pacific region in an era of evolving global climate regime. In Phase 3, our research is geared to (a) evaluate domestic climate policies in developed countries (defined as Annex 1 countries under the United Nations Framework Convention on Climate Change [UNFCCC]), (b) propose measures for effective implementation of the Kyoto mechanisms, (c) examine ways to achieve global participation in the future climate regime, and (d) propose appropriate policies and measures for enhancing adaptation to climate change.

Our research in Phase 3 is guided by basic principles such as (a) recommending timely and appropriate measures by closely following the progress in UNFCCC negotiations and various national contexts, (b) considering climate change from a wider perspective of sustainable development, (c) ensuring high relevance of our research to both academic and policy circles, and (d) conducting research that is action-oriented through an effective information dissemination and outreach platform.

2. Activities in FY2004

In FY2004, the first year of the Third Phase, we made considerable progress in each of the four objectives mentioned above.

A. Domestic Climate Policies

Through a comparative assessment of policies and measures, coupled with high level policy dialogues, interviews and workshops, we analysed factors determining the progress of climate policy development in Germany and USA. In Germany, we found that domestic factors (e.g., participation of the Greens in the government, integration of climate concerns in policies of other sectors) had a greater impact on climate change mitigation policies than the ratification of the Kyoto Protocol. Likewise, external institutional and political factors at the European Union (EU) level (e.g., the adoption procedure of environmental directives, favourable support by other

member states to the EU Emissions Trading System [ETS]) led to a reversal of Germany's position from purely voluntary approaches to active compliance with the EU ETS Directive. Based on the analysis of Germany's experience and the risk that Japan might be forced to agree on an international scheme which does not reflect its interests, we recommended that Japanese policy makers quickly launch multi-stakeholder dialogues in order to form a broad-based, unified position on a workable ETS in Japan.

In March 2005, a workshop on domestic policies in the US and Japan was co-organised with the Center for Clean Air Policy (CCAP) in New York, and a field survey was conducted to examine the role of finance and shareholders' litigation in shaping the policies of the US private sector. Analysis of the climate diplomacy in the US, the largest emitter of greenhouse gases (GHG) in the world, revealed that there was a policy gridlock at the federal level mainly due to wide gaps in interests between the executive and the legislature. It was also suggested that facilitation of proactive mitigation policies at the state and private firm levels is perhaps the best way for optimal re-engagement of the US in global efforts. It was suggested that programmes, such as regional emissions trading in the Northeast US, and emission reduction plans in the transportation sector in California, could be considered for implementation in Japan and the rest of Asia after necessary modifications.

Climate policy analysis in rapidly growing Asian economies such as Korea, which is the 6th largest oil consumer and the 4th largest oil importer in the world, is the focus of another study. A visiting researcher from Korea examined policies adopted in the 1st and 2nd National Action Plan (NAP) and made recommendations to improve their effectiveness (e.g., energy efficiency, renewable energy promotion) in the 3rd NAP (2005 - 2007).

B. Kyoto Mechanisms

The main focus here was to examine how international cooperation could be enhanced through effective implementation of the Kyoto mechanisms while simultaneously looking at how Japan could reach its emission reduction targets using such mechanisms. Through a

field survey in Germany, Belgium, and five Central and Eastern European countries (Slovakia, Czech Republic, Hungary, Romania, and Poland), we examined the pros and cons of six options for Japan to acquire emission reduction certificates: (a) Joint Implementation (JI) projects in the EU Member States, (b) JI projects in other countries, (c) Clean Development Mechanism (CDM) projects, (d) purchase of Assigned Amount Units (AAUs), (e) Green Investment Schemes (GIS), and (f) the establishment of domestic ETS in Japan and its linkage with other domestic ETS. Based on this study, we recommended that Japan should consider establishing a national credit purchasing scheme, and a mandatory domestic ETS with a view to link other domestic ETS schemes. The survey revealed that the EU linking directive is likely to have a negative impact on Japan's ability to acquire credits, especially from countries such as the Czech Republic and Slovakia.

Based on a comparative assessment of emissions trading schemes in the UK, EU and Canada, we put forward a proposal for introducing the domestic ET system in Japan, and suggested that more active private sector participation, in both design and implementation of the scheme, was crucial to its success. In another study, we examined the implications of the EU ETS on the CDM/JI market and concluded that the EU ETS, in general, improved the liquidity of the CDM/JI market worldwide, thereby increasing the volume of demand for Certified Emission Reductions (CERs). Through an assessment of capacity building needs of selected Asian countries, measures for effective implementation of CDM (e.g., raising awareness of legal and financial institutions, simplification of procedures for project approval) were suggested. The study was useful not only as an input to the IGES CDM programme, but also to clarify priorities for CDM in the region.



Fig.1: International Seminar on CDM in Pacific Island Countries, Apia, Samoa (14 Oct. 2004)

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In October 2004, in cooperation with the UNEP Risoe Centre for Energy, Climate and Development (URC), and the Secretariat for the Pacific Regional Environmental Programme (SPREP), we organised an international seminar in Samoa on "Clean Development Mechanism in Pacific Island Countries: Issues and Challenges" with a view to assess the current status and future potential for CDM in the region (Fig. 1).

Under the editorship of Prof. Shuzo Nishioka, the former project leader, a special issue of the International Review for Environmental Strategies (IRES) featuring the Kyoto Protocol and its implications was published (Fig. 2). Several authors suggested that more active use of the Kyoto mechanisms and their suitable restructuring in the future would create a base for a more effective international climate policy framework.



Fig.2: IRES Vol.5 No.1

C. Future Climate Regime

The Russian ratification of the Kyoto Protocol in November 2004, and the consequent entry into force of the Protocol on 16 February 2005, gave further impetus to our work on the post-2012 climate regime. As part of our efforts to identify the effective means of achieving global participation in the future regime, we examined the credibility of the US commitments in international climate protection. We suggested that more attention should be paid to domestic politics in the US, and on ways to reconcile the interests of the White House and Congress, perhaps through creating necessary domestic institutional frameworks.

In September 2004, we organised, in cooperation with the National Institute for Environmental Studies (NIES), an open symposium and an informal expert consultation entitled "International Climate Regime Beyond 2012: Long-term Goals and Near-term Actions" (Fig. 3). An international panel discussion at the open symposium, which was attended by over 200 participants, identified that it is technically possible to stabilise GHG concentrations at 550 and 650 ppmv CO₂-eq but the latter concentration is unlikely to keep a rise in global mean temperatures below 2°C. A fully effective ET system and

progressive policies by Japan and Europe were considered crucial to influence the US policies in the future. At the request of the Japanese Ministry of Foreign Affairs, we summarised the discussions of an informal meeting

of senior climate negotiators from nineteen countries on "Further Actions against Climate Change" held in September 2004.



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Fig. 3: Open symposium on International Climate Regime Beyond 2012: Long-term Goals and Near-term Actions, Tokyo (10 September 2004)

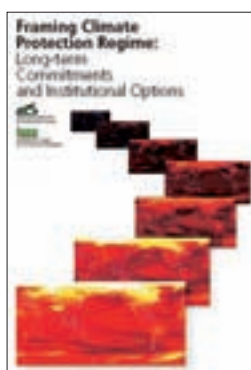


Fig.4

At the 10th Session of the Conference of the Parties to the UNFCCC (COP10) held in Dec. 2004, we held a side event in cooperation with The Energy and Resources Institute (TERI), India, and discussed the Kyoto Protocol's achievements and ways to establish a future climate regime (Details on page 30). On this occasion, a report jointly prepared with NIES entitled "Framing Climate Protection Regime: Long-term Commitments and Institutional Options" was distributed (Fig. 4).

Some attention was focused on the role of developing countries in the future climate regime. At a UNU-IAS Round Table on Climate Change held in March 2005, we suggested that effective participation by developing

countries, which is crucial to the success of the future climate regime, is largely dependent on building trust among countries. This can be accomplished through: (a) showing demonstrable progress in commitments by Annex 1 countries, (b) considering developing country concerns such as equity, adaptation and development, and (c) enhancing the flexibility of the Kyoto mechanisms through proper restructuring. In association with NIES and the Tokyo Institute of Technology, we organised in March 2005 an open symposium entitled "Low Carbon Society Scenario Toward 2050 - Scenario Development and Its Implications for Policy Makers". At the symposium, we discussed concerns and dilemmas faced by major developing countries in choosing pathways to realising a low carbon society, and argued for creation of a global framework for resource transfers that provide incentives for transition away from carbon-intensive economies.

D. Adaptation to Climate Change

Building on field surveys and focus group discussions with policy makers and local communities affected by floods, droughts and sea level rise in three districts (Manikganj, Thakurgaon and Satkhira) of Bangladesh, six local practices that are potentially useful to facilitate adaptation to future climate change were identified and included in the Good Practices Inventory of the Research on Innovative and Strategic Options (RISPO) project. In addition, two strategic policy options (facilitating adaptation to climate change using local knowledge, and integrating local knowledge in sectoral development plans) were formulated. The field surveys revealed that local people used indigenous knowledge to cope with climate change, but policy makers both at local and national levels did not make proactive efforts to include local knowledge in adaptation plans. In certain sectors related to disaster management (e.g., floods), however, some efforts were underway to exploit local knowledge. At the 14th Asia-Pacific Seminar on Climate Change held in Sydney, Australia, we presented the Bangladesh case study as an example of Proactive Micro-Adaptation (PMA), which comprises anticipatory strategies, measures and means by communities, local governments and other stakeholders at local level to reduce negative impacts and capitalize on positive opportunities associated with climate change.

As Pacific island countries (PICs) are one of the highly vulnerable regions affected by climate change and sea level rise, we organised in October 2004 an international workshop entitled "Adaptation to Climate Change in the South Pacific Region: Bridging Research, Policy and Implementation" in Apia, Samoa (Fig. 5). This workshop brought together policy makers and research-



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Fig. 5: International Workshop on Adaptation to Climate Change in Pacific Island Countries, Apia, Samoa (12-13 Oct. 2004)

ers from 18 countries including 12 PICs and was jointly held with URC and SPREP, with generous financial support from the governments of Japan, New Zealand and Australia. At the workshop, we presented an overview of issues and challenges in designing adaptation policies in the context of sustainable development at local, national and international levels. For example, the rationale and need for designing a protocol on adaptation at the international level was discussed.

To raise awareness of adaptation needs and priorities at the international level, we organised a side event at COP10 entitled "Mainstreaming Adaptation to Climate Change in Development". A panel comprising of policy makers, representatives of development agencies and regional organizations, and researchers, including those of IGES, discussed options and challenges for mainstreaming adaptation in development (Details on page 29).

3. Future Work

With the Kyoto Protocol coming into force on 16 February 2005, climate change policies have received a big boost in the Asia-Pacific region with high expectations for utilizing the Kyoto mechanisms and for developing a more effective climate regime beyond 2012. To deal with this new development, we will intensify efforts focusing on ways to design the future regime that adequately reflects the concerns and developmental aspirations of various countries in the region. We will continue to utilise international meetings like COP11/MOP1 and IHDP (International Human Dimensions Programme) to strengthen the debate on climate policies, and make proactive efforts in designing options aimed at environmental conservation and sustainability in Asia.

Forest Conservation (FC) Project

1. Summary of the Third Phase Strategic Research

The original goal of the FC project in the Third Phase was to promote "collaborative forest governance" (CFG) under the theme of "Designing Policy Options for Sustainable Forest Management".

2. Activities in FY 2004

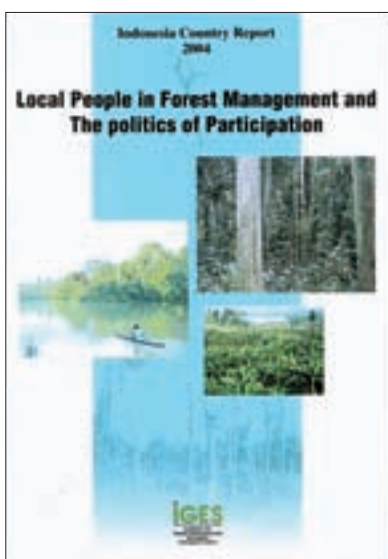
Three countries were selected for action research and a discussion paper on collaborative forest governance was drafted. The discussion paper was presented in December at the workshop "Bridging between research and practice: Towards the realisation of collaborative forest governance in West Kutai District, Indonesia", organised jointly with the "Biodiversity and Ecosystem Restoration Research Project" of 21st Century Centre of Excellence (COE) Programme at the University of Tokyo.

Additionally, research was conducted in East Java and Lombok on collaborative forest management. The local policy guidelines and village action guidelines for participatory forest management in Laos were also revised.

The FC Project commissioned studies on forest governance in selected Asian countries to identify bottlenecks and countermeasures to good governance, particularly at the local level. The results of these studies will be synthesized in FY2005 to extract broad lessons for better forest governance in the region.

A paper based on the FC Project's Second Phase research was presented at the Third Asia Forest Partnership (AFP) workshop held in July 2004. Project researchers facilitated a session of the subsequent workshop in December. The Project also presented a paper at the "Climate Change and Forest Sector: Clean Development Mechanism in Tropical Countries" workshop in September 2004 organised by the International Tropical Timber Organization (ITTO). The Project attended the World Conservation Congress in Bangkok and acted as a moderator at the Asian Wetland Symposium in India, further raising the profile of IGES.

In FY 2004 various publications were finalized. The "Policy Trend Report 2004" provided an analysis of trends in forest policy in selected Asian countries. The "Guidelines and Recommendations for Participatory, Sustainable Forest Use and Management" set



out Village Action Guidelines, Local Policy Guidelines and National Policy Recommendations which were the main results of Second Phase research. The "Indonesia Country Report 2004" summarized the results of field studies in Indonesia where the process of guideline formulation took place.

3. Issues

However, critical shortcomings of the proposed research were identified by peer reviewers and Board Directors during meetings held in February. Taking heed

of these comments, the project decided to drastically modify its research plan for the remainder of the third phase. The project is seeking to build on past and ongoing research and to set a new research agenda under the theme "Replacing Destructive Forestry Practices with Sustainable Forest Management". Research will be conducted on two separate topics - the involvement of local people in plantation forestry and forest certification - and a scoping study will be undertaken of illegal timber imports to Japan.



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Workshop on Collaborative Forest Governance (7-9 December 2004)

Urban Environmental Management (UE) Project

1. Summary of the Third Phase Strategic Research

The Urban Environmental Management Project proposes practical strategies for urban environmental management, aiming to create sustainable cities in Asia. In practical terms, it addresses such problems as air pollution, wastewater and solid waste management as well as various cross-cutting issues including regulations, financing and organisational arrangements. The project contributes to policy-making processes through international networks and initiatives for urban management capacity building, with the involvement of city policy-makers.

2. Activities in FY 2004

In FY 2004, the UE project carried out activities in fields such as transportation and the environment, municipal solid waste management, and community participation and public-private partnership in urban environmental management. These are directly and indirectly linked to urban air pollution and greenhouse gases, material flow and waste policies, and urban water supply, with aims to make a firm contribution to the environmental issues faced by cities in developing countries in the Asia-Pacific region. It has also carried out activities for strengthening intercity environmental cooperation networks in the Asia-Pacific region towards the ESCAP Environmental Ministers' Conference.

On the theme of transport and the environment, the UE project members participated in the "Better Air Qual-

ity 2004 Conference on Co-benefits of GHG Mitigation Strategies from Urban Transportation in Asian Cities" hosted by the Asian Development Bank, and the conference on "Strategies to Promote Energy Efficient Technologies in Urban Transportation in Asian Cities" hosted by the Asian Institute of Technology under the auspices of the Swedish International Development Agency, as well as presenting its research articles. It also hosted a dialogue on strategies to mitigate air pollution from urban transport in the Kathmandu Valley with the Nepalese Ministry of Population and the Environment, in Kathmandu (Nepal) in July.

On the theme of urban waste management, the project was invited to publish a paper in a special edition of Waste Management World, the magazine of the International Solid Waste Association and presented another paper at the 2004 World Conference of the Association held in Rome (Italy) in October. It carried out field investigations in Dhaka (Bangladesh), Switzerland and Germany. The project was also invited to participate in the Workshop-cum-Study Visit on Community-based and Decentralized Solid Waste Management organised by UN-ESCAP in Bangladesh.

On the theme of citizens' participation and public-private partnership in urban environmental management, the project co-hosted a workshop with OECD on Environmental Policy Measures for Water Quality Management in Tokyo, in December. It also presented research articles at the World Bank and Japan Bank for International Cooperation training workshops, such as



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The 7th Thematic Seminar of the Kitakyushu Initiative



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The 3rd Meeting of the Kitakyushu Initiative Network

the "Training Workshop for Mayors of Thai Municipalities on Public Participation in Solid Waste Management".

On the theme of activities for strengthening intercity environmental cooperation networks in the Asia-Pacific region towards the ESCAP Environmental Ministers' Conference, the project compiled a report on activities such as the collection and analysis of successful practices in urban environmental management carried out up to now, hosting thematic seminars, and carrying out pilot activities, based on the Kitakyushu Initiative agreed at the 4th Ministerial Conference on the Environment and Development (MCED4) held in Kitakyushu City in 2000, and submitted this report to the MCED5 meeting held in Seoul (Republic of Korea) in March 2005. It also hosted a preliminary conference on the 3rd Conference on the Kitakyushu Initiative for MCED5, in Kitakyushu in August, and also thematic seminars in Kitakyushu and Bangkok (Thailand) in July and December respectively.

3. Upcoming Activities

Based on the recommendations of the Peer Review conducted by outside evaluators in June 2004, the project has revised the previous research plan for the Third Phase research. In the FY 2005, the project will conduct research into two areas, namely, transportation and waste disposal with air pollution control and solid waste management as strategic targets by addressing various technical and soft measures as tools of implementation and GHG reduction as an ultimate goal. The study on technical measures will include the ways to improve energy performance, fuel changes, and waste disposal techniques. The soft measures will include transport modal shift, 5R (Reduce, Reuse, Resource, Recovery, Residual Management), city planning and other administrative and management systems. The project will work closely with the international forums of local policy makers such as Kitakyushu Initiative and will also disseminate its research results through other international initiatives such as CITYNET (Network of Local Authorities in the Asia-Pacific) and the International Council for Local Environmental Initiatives (ICLEI).



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Composting demonstration plant (Dhaka, Bangladesh)



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Illegal houses (Dhaka, Bangladesh)

Freshwater Resources Management (FW) Project

1. Summary of the Third Phase Strategic Research

The Freshwater Resources Management (FW) Project promotes two programmes under the theme "Strategies for Sustainable Freshwater Resources Management", namely "Research on Sustainable Water Management Policy" (SWMP) which aims to propose integrated policy design, and "Water Environment Partnership in Asia" (WEPA) which is developing an information platform including policies and technology for water environment conservation.

2. Activities in FY 2004

2-1 SWMP: Research on Sustainable Water Management Policy

In FY2004, SWMP focused on groundwater resources, and carried out case studies in Bangkok (Thailand), Ho Chi Minh City (Vietnam), Bandung (Indonesia), Tianjing (China) and several cities in Japan. Based on the data collected in each area, comparative analysis took place on various quantity and quality issues regarding groundwater use, including land subsidence. The socio-economic conditions in each city as well as policy measures were also studied.

a. Inception Workshop (12 June 2004, IGES)

At this workshop, the status of groundwater resources in the four target cities and in Japan was introduced. There was also discussion and consensus on the framework for collaboration with research partners. Based on this discussion, the research partners collected information and data on groundwater use and management in the four cities.

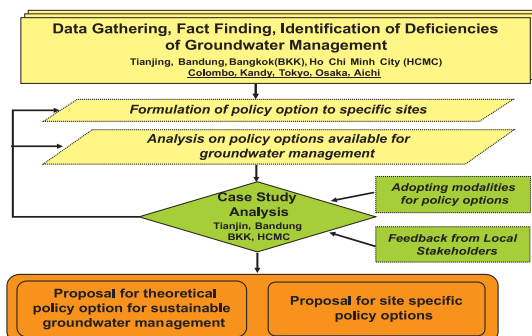


Figure: Scheme of SWMP

b. 2nd Research Meeting/Stakeholder Meeting

(31 January - 2 February 2005, Bandung, Indonesia)

At this research meeting, the research partners shared information through reports of interim study outcomes on groundwater management in the four target cities and three Japanese cities (Tokyo, Aichi, Osaka). There was also a discussion about the framework and direction of future collaborative research. The research meeting was followed by a Stakeholder Meeting, at which participants from government agencies, universities, industries, and NGOs in Bandung exchanged opinions on the SWMP interim research findings.



Stakeholder Meeting

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2-2 WEPA: Water Environment Partnership in Asia

WEPA was an initiative proposed by the Japanese Ministry of the Environment at the 3rd World Water Forum in March 2003, and the project was launched formally in April 2004. WEPA, with 10 partner countries from Asian monsoon regions, is developing 4 databases on policy-related information for water environment, activities by NGOs and CBOs, technology for water environment conservation, and information sources. The FW project acts as the secretariat for WEPA and set up a steering committee of Japanese water experts. It studies the structure and content of the database, as well as collecting data from partner countries. The FW project participated in the 12th Session of the United Nations Commission on Sustainable Development (CSD12) and the Stockholm Water Week, to publicise WEPA activities.

The Working Meeting for the Policy-related Information Database was held in Tokyo on 13-14 December 2004, to discuss how to facilitate data collection. On

24-25 January 2005, the 1st International Workshop for WEPA took place in Tokyo to share the current status of WEPA activities including database development and to discuss a concrete data collection schedule leading up to the 4th World Water Forum (WWF4) to be held in Mexico in March 2006.

In January 2005, the WEPA homepage was launched. (URL <http://www.wepa-db.net/>) (note that the database is not yet released to the general public)



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3. Future Developments

Based on the comparative research done so far, SWMP will continue to cooperate with researchers from each of the countries to select theories and conditions for implementing sustainable groundwater management, and to develop specific policy options for groundwater management in the target areas. Furthermore, the scope of research will be extended to include surface water as an alternative water source to groundwater. The outcome of the research will be presented to the 4th World Water Forum (WWF4).

WEPA will organise two working groups, one for policy-related information and the other for technology, to promote data collection and the finalisation of the contents. It aims to release a prototype database into the public domain by WWF4. A second WEPA international workshop is planned to increase awareness of WEPA through water environment policies in the Asian area.



The First International Workshop for WEPA (24-25 January 2005)

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Business for Sustainable Society (BSS) Project

1. Summary of the Third Phase Strategic Research

In light of the growing strength of global environmental constraints in the decision-making process, the project presents mid- and long-term development scenarios for industries and local communities, through environmentally-sound business models and local development systems, with the aim to contribute to sustainable society.

2. Activities in FY2004

FY 2004 was the first year of the BSS Project and priority was placed on the clarification of research concepts and frameworks. Focusing on "business" and "local community" as elements in encouraging social change towards a sustainable society, the project established a research base by collecting cases of environmentally-sound business models and local development systems.

2-1 Research on Environmentally-Sound Business Models

The private sector must identify and promote business models that can successfully balance economy and environment, as without this transformation, social structural change will not be achieved. The BSS project focuses on "Product Service Systems (PSS)" which offers a set of products and services that create value-added advantages for the needs of the customer. Research is being conducted to report on the environmental effectiveness of the transformation to these new

business models, and on the adaptation methods and policies based on case studies.

In FY 2004, the project gained a good understanding of and characterised the current state of PSS and related business models in Japan. We then identified models and cases likely to have high sustainability potential, and carried out a basic evaluation of this potential. From these models and cases, we will be able to identify policy, market and business factors influencing economic success and sustainability potential, and then clarify their potential contribution to sustainability at the local level and to the general economy in Asia.

2-2 Research on Environmentally Sound Local Development Systems

Local level decisions and activities play an important role in the transformation to a sustainable society. This project conducts research on the degree of environmental, economic and social effectiveness of technology on local systems of transport, energy, housing, water and waste management. Our goal is to produce an adaptation manual on such environmentally-sound technology and on local planning.

In FY 2004, we investigated technology systems using local resources, based on information on environmentally-sound technology gathered in case studies. We kept track of local development systems in Japan, China and Korea, and gathered and analysed information on sustainable development strategies adopted by local authorities. For the case study collection on environmentally-sound local development, documented information



International Symposium 2004 on Business and the Environment (17 November 2004)

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on ecovillages around the world was gathered and analysed based on elements concerning urban planning. To gain further practical research results, we selected case study areas and formulated specific sustainability strategies.

2-3 Integrated Research

In FY2004, the BSS project conducted quantitative analysis of global environmental constraints in Japan up to the year 2050.

2-4 Other Activities

To celebrate the inauguration of the BSS project, we organised an international workshop entitled "Environmentally-sound Business Model - Potential of PSS for Sustainable Production, Consumption and Supply Chain" (16 November 2004) and an international sym-

posium "Prospective Directions of Sustainable Society - Roles and Possibilities of Industry, Technology and Community" (17 November 2004). The workshop and symposium gave us the opportunity to launch the "BSS Study Group". Furthermore, we promoted the "Studies on Environmental Accounting and Environmental Measures Leading to Technological and Managerial Innovation" funded by the Global Environmental Research Fund (MoE, Japan).

3. Future Issues

The BSS project will try to show quantitatively local and national strategies for achieving sustainable society. In FY 2005, further progress will be made in researching environmental business models and environmentally sound local development systems, compiling case studies and carrying out evaluations.

Long-term Perspective and Policy Integration (LTP) Project

1. Summary of the Third Phase Strategic Research

The Long-term Perspective and Policy Integration Project examines how the fundamental principles of sustainable development apply to the Asia-Pacific region, from a long term, cross-sectoral viewpoint. The project aims to propose effective and straightforward policies.

2. Activities in FY 2004

2-1. Asia-Pacific Environmental Innovation Strategy Project/Research on Innovative and Strategic Policy Options (APEIS/RISPO)

Asia-Pacific Environmental Innovation Strategy Project (APEIS) is an international joint project with participants from research institutes connected with the environment and development, as well as other international organisations and policy makers from countries in the Asia-Pacific region. The main goals of APEIS are to develop support tools for policy makers based on technical information, to propose policy options and to put forward progressive, strategic policy options to promote environmental innovations in the region. APEIS consists of three sub-projects: Integrated Environmental Monitoring (IEM); Integrated Environmental Assessment (IEA), and Research on Innovative and Strategic Policy Options (RISPO).

APEIS/RISPO, under IGES' charge, brings together an international team of research institutes and international organisations from about 20 countries in the Asia-Pacific region. The team works on 8 research sub-themes such as Financial Mechanisms for Renewable Energy Development and Environmentally Sustainable Transport Systems for Urban Areas and etc. Research is also carried out in coordination with other IGES projects.

FY2004 is the final year of the project, and we continued to conduct research based on written surveys and field studies to improve the Good Practices Inventory, as well as preparing strategic policy options. The Third RISPO Plenary Workshop was held in March 2005 to review 89 strategic policy options for the Asia-Pacific region compiled over the past three years. These were revised and included in the web database, which was officially launched in June 2005. Furthermore, the final

results of RISPO were presented to the region's environmental ministers at the 13th Environmental Congress for Asia and the Pacific (ECO ASIA).

2-2 Asia-Pacific Forum for Environment and Development (APFED)

APFED was established in ECO ASIA 2001 to consider a model for an equitable and environmentally sustainable society, and present the results to policy-makers around the world. IGES was appointed as the secretariat for APFED to support the smooth deliberation and formulation of results.

FY2004 was the final stage for APFED to make its final report and implement the three commitments in the APFED message, and there were 2 substantive meetings and several expert and multi-stakeholder meetings held last year. The results of discussions at these meetings were reflected in the final APFED report, compiling policy recommendations for sustainable development in the Asia-Pacific region. The report was approved at the APFED 6th Substantive Meeting held in Tokyo in December 2004. The final draft of the report was presented at the 5th Ministerial Conference for Environment and Development (MCED) held in March 2005 in Seoul, Korea, and the APFED appeal was adopted.

2-3 Sustainable Asia 2005 and beyond: In Pursuit of Innovative Policies

The LTP project is responsible for the coordination of this research to be formulated and published as an IGES-wide initiative, a decision made by the Board of Directors in February 2001. The research aims to offer innovative policy options and strategies for sustainable development in the Asia-Pacific region through an integrated, cross-cutting effort involving all IGES research projects, and to disseminate the results on a wide scale. At the Board of Directors meeting in June 2004, a concept paper was presented, approaching stakeholder participation from 3 angles: "vertical synergisation" at local, national and international levels; "horizontal synergisation" between stakeholders cutting across geographical borders, and "cross-sectoral synergisation". It was then proposed to give a wider range of research into sustainable development and environmental management to

include such areas as "regulations", "standards", "market-based mechanisms", "voluntary actions", and "partnerships", and a draft chapter formulated for each topic. We plan to continue checking and improving the draft so as to submit policy recommendations with a wider scope.

2-4 State of the Environment: Northeast Asia, 2005

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) organises the Ministerial Conference for Environment and Development (MCED) every 5 years. UNESCAP prepared a report for the 5th MCED conference held in Seoul, Republic of Korea in March 2005, entitled "State of the Environment in Asia and the Pacific 2005" (SOE 2005), and the LTP project had been commissioned to draft one of the chapters, on the Northeast Asia sub-region. The chapter gathered together information on the causes, current status and measures taken regarding particularly important environmental issues in Northeast Asia.

3. Future Issues

FY2005 will see the start of APEIS/RISPO II (Integrated Policy Design on Trade, Environment and Sustainable Development in the context of Regional Economic Integration in Asia) and APFED II (Action Platform). In addition, a new sub-project "Environmental Education for Sustainable Development" added in April 2004, will be put into practice. The LTP project will continue to support and activate dialogue centered among stakeholders in the Asia-Pacific region and work to boost its presence as a leading strategic research body in the area.



The Third Plenary Workshop of Research on Innovative and Strategic Policy Options (RISPO) © IGES



Launch of the APFED Final Report at the MCED Side Event
Photo courtesy of IISD/ENB
Photographer: Franz Dejon/IISD

Clean Development Mechanism (CDM) Programme

1. Summary

The CDM Programme is an implementing body for one of the several promotional initiatives for the Clean Development Mechanism (CDM) and Joint Implementation (JI) launched by the Ministry of the Environment of Japan. The CDM programme implements capacity building activities with regard to CDM/JI in developing countries and in transition economies, mainly in the Asia-Pacific region. In concrete terms, the programme compiles and distributes CDM/JI-related information, supports networking between Japan and related organisations in the host countries, trains human resources to implement CDM and supports the identification, development and implementation of projects.

2. Activities in FY2004

2-1 Workshops, National Meetings, General Meeting

In FY2004, Thailand was added to the group of target countries from the previous year, namely Cambodia, India, Indonesia, and the Philippines, and various training sessions and workshops were held to develop Project Idea Notes (PIN) and Project Design Documents (PDD). National meetings on FY2004 activities were also held in each host country to identify and propose countermeasures against barriers to CDM implementation. The activities of each country are set out below.

Cambodia

Operation/Activity	Date
National Meeting	4 Feb. 2005
Training Workshop on Project Design Workshop (PDD)	17-18 Jan. 2005
Training Workshop on Project Idea Note (PIN) and Baseline Calculation	17-18 Nov. 2004

India

Operation/Activity	Date
National Workshop	31 Jan. 2005
DA-IGES Workshop on CDM: Opportunities in Rajasthan	28-29 Jan. 2005
Capacity Building Workshop for the Financial Sector on CDM	25 Jan. 2005
Facilitating CDM in States in Southern India	17-18 Jan. 2005
Facilitating CDM in States in Western India	10-11 Jan. 2005

Indonesia

Operation/Activity	Date
National Meeting	21-22 Feb. 2005
Training Workshop on Project Design Document (PDD)	1-3 Feb. 2005
Training Workshop on Project Idea Note (PIN) and Baseline Calculation	13-15 Dec. 2004

The Philippines

Operation/Activity	Date
National Workshop	7 Feb. 2005
Project Design Document (PDD) Training Workshop	24-26 Jan. 2005
Training Workshop on CDM Baseline Calculation	30 Nov.-2 Dec. 2004
Project Idea Note (PIN) Training Workshop	24-27 Oct. 2004
Integrated Capacity Strengthening for the CDM Training Workshop	18-21 Oct. 2004

Thailand

Operation/Activity	Date
1st Designated National Authority (DNA) officials CDM study meeting	21 Jan. 2005
2nd Designated National Authority (DNA) officials CDM study meeting	30 March 2005

In March 2005, a meeting to review FY2004 activities was held in Tokyo with participants from target countries of Integrated Capacity Strengthening for CDM/JI. Multi-stakeholders from many sectors including national government representatives, NGOs, and international institutions gathered to hear activity reports from each participating country, and to take part in general and group discussions. There was lively discussion on effective capacity development programmes to promote CDM.

From 29 September to 1 October 2004, a regional level workshop on CDM was held in co-operation with UNEP-RISO (United Nations Environment Programme Risoe Centre on Energy, Climate and Sustainable Development).

At the 10th Session of the Conference of Parties (COP10) to the United Nations Framework Convention on Climate Change (UNFCCC), a side event on CDM was organised to discuss the future capacity building needs.

2-2 Publications

In FY2004, we published a textbook (CDM and JI in CHARTS) to provide a basic and easy-to-understand description of CDM and other Kyoto Mechanisms, and also the CDM Country Guide to provide a summary of information necessary when implementing CDM in each host country, including DNA structures and national project approval processes, regulations in relation to CDM projects, national CDM potential, government incentives, and financial issues.

3. Future Issues

In FY2005, we will continue activities to further contribute to capacity building in host countries, and plan to hold various events including workshops for government officials to strengthen the CDM national approval process. We plan to publish the CDM Country Guide translated into local languages, prepare basic information for formulating CDM projects, as well as organise regional level workshops with other international organisations.

