



New Energy and Industrial Technology Development Organization, Japan
 State Environmental Investment Agency of Ukraine, Ukraine

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**NEDO’s Greenhouse Gas Emission Trading with Ukraine
 Implements GIS Projects
 -Outlook to Utilize Japan’s Cutting-edge Technologies-**

The New Energy and Industrial Technology Development Organization (NEDO) and the State Environmental Investment Agency (SEIA) of Ukraine have agreed to implement a modernization project on subway rolling stock together with an energy efficiency enhancement project for a regional central heating system based on the Green Investment Scheme (GIS)*1 agreement*2.

Both projects are expected to utilize Japan’s cutting-edge energy conservation technologies, including alternating current (AC) drive systems and highly efficient large-scale industrial heat pumps, and by 1) decreasing the electricity consumption of rolling stock (Subway Rolling Stock Modernization Project) and 2) decreasing the amount of fossil fuel used for heating (Regional Central Heating System Efficiency Enhancement Project), the projects aim to reduce greenhouse gas emissions.

Based on the “Joint Statement on Japan Ukraine Global Partnership” released by the heads of state of Japan and Ukraine in January 2011, NEDO, in coordination with SEIA, will strive to quickly select projects expected to utilize Japanese technologies as GIS projects, and through its secure implementation, will continue to contribute to resolving global warming challenges as well as increasing Japan’s environment-related investment in Ukraine.

Outline of Projects

Project name	Subway Rolling Stock Modernization Project	Regional Central Heating System Efficiency Enhancement Project
Project outline	Converting drive systems of existing Kiev Metro subway rolling stock from direct current (DC) motors to alternating current (AC) motors. The project will reduce energy consumption and lead to a reduction of greenhouse gas emissions.	Introducing highly efficient large-scale industrial heat pumps to the regional central heating system of Dzerzhynsk City, Donetsk Oblast. The project will reduce consumption of fossil fuels and lead to a reduction of greenhouse gas emissions.

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Glossary:

*1 GIS:

Under Article 17 of the Kyoto Protocol, GIS is a mechanism in the framework of international emission trading which designates the use of proceeds from AAU*³ transfers to greenhouse gas emission reduction and other environmental projects.

With the above project implementation agreement as a beginning, NEDO will work to further its cooperation with SEIA, formerly NEIA, in an effort to actively promote additional GIS projects utilizing Japan's advanced technologies.

*2 GIS agreement:

On March 18, 2009, NEDO and SEIA, formerly NEIA, concluded an AAU purchase agreement for 30 million tons. Through this agreement, NEDO's AAU purchase funds are guaranteed to be used for greenhouse gas emission reduction and other environmental projects.

*3 AAU:

Based on Article 3 of the Kyoto Protocol, an Assigned Amount Unit is a greenhouse emission unit allocated to Annex B countries (countries committed to binding targets of quantitative emission reduction) to the Protocol.

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