

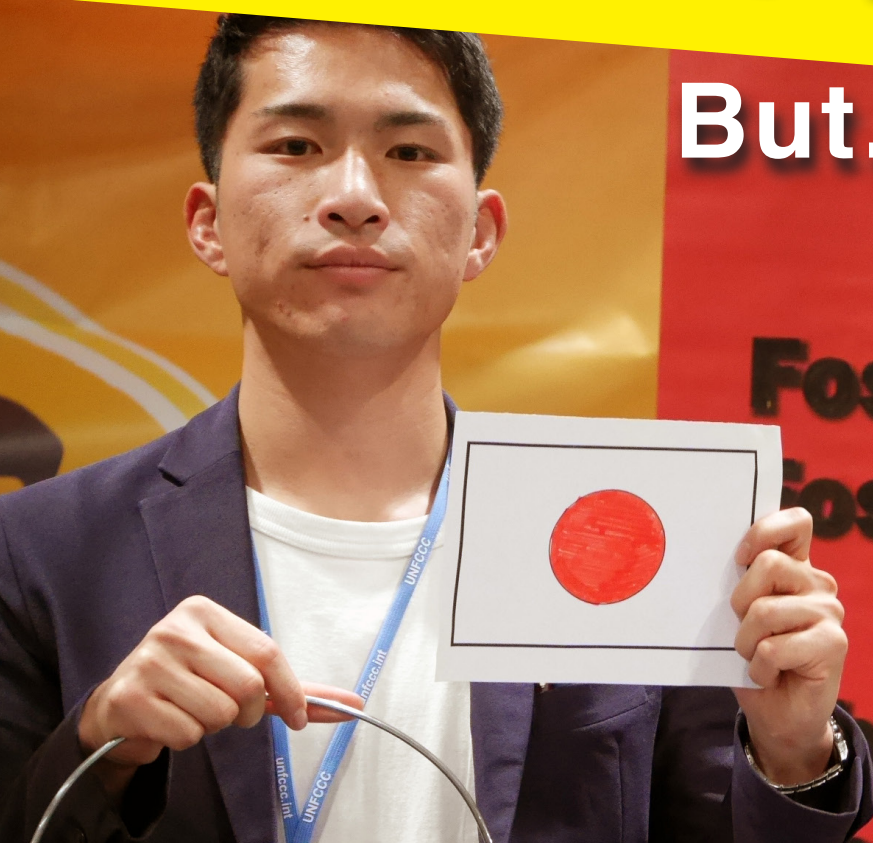


Kiko Network's Annual Report

2019

Steady Progress on the Path to a **Coal Exit**

But...



Moving Toward a Coal Exit Climate action and COVID-19

2019, a year of rising climate concern and changing public opinion

2019 was a year of heightened public concern in Japan and around the world about the issue of climate change. There was also some progress with phasing out coal, both in Japan and elsewhere in the world, an issue that has been the focus of much effort by Kiko Network. In the context for all this we are witnessing changes in public opinion about climate change and coal-fired power plants.



One key factor is that extreme weather is now occurring more frequently in Japan and around the world, forcing us all to recognize that the impacts of climate change are already affecting us now, not some time in the distant future, and right where we are, not just in faraway islands or developing countries. In 2018, Japan experienced heat waves in July, as well as torrential rains in western Japan, followed by destructive Typhoon 21 (Jebi) in September. In 2019 much of eastern Japan experienced extensive river bank failure and flood damage due to torrential rains.

Meanwhile, the school strikes started by young activist Greta Thunberg with the message “Our house is on fire” have spread around the world, including Japan, as Fridays For Future, and the movement has gained extensive media coverage.

Japan criticized for coal addition, Kiko Network launches new activities for 2030 targets

Incidentally, we cannot deny the messaging power of the words and actions of Shinjiro Koizumi, who became Japan’s environment minister immediately prior to the UN Climate Action Summit in September 2019. The COP25 climate conference could not be held at the planned venue in Chile, so the location was suddenly changed to Madrid, Spain. There, Japan was unable to make any commitment to raise its greenhouse gas (GHG) emission reduction targets or express any intention to stop coal-fired power plant infrastructure exports, and this failure attracted critical message from UN Secretary-General Antonio Guterres for Japan’s “coal addiction.” That message also reached the domestic audience in Japan.

In the end, COP25 failed to achieve any major results and there was no visible progress domestically in Japan to transition from coal to renewable energy. Kiko Network has started new activities. For example, we informed the Japanese public about a Netherlands supreme court decision that orders the country to raise its GHG emission reduction targets, on the basis of climate change damage being a human rights issue. We protested Japan’s resubmission to the UN of its nationally determined contribution (NDC), which left unchanged Japan’s GHG emission reduction targets for the year 2030. We also submitted a shareholder resolution to the annual shareholders meeting of the Mizuho Financial Group, the world’s top financier of coal-fired power plants.

New lifestyle and economic opportunities can promote a coal phase-out and transition to a green economy

Meanwhile, the COVID-19 problem emerged in early 2020 and has been rocking the world ever since. Although mortality rates are relatively low, the risk of causing quick death spread rapidly around the world. Many large cities have taken the unprecedented step of initiating simultaneous lockdowns. Even in mid-2020, no solutions are yet in sight, but we now have the opportunity to think not only about how to respond to COVID-19, but also about issues like how we should live in the future and how to deal with extreme weather disasters caused by climate change. Everyone is beginning to realize that common underlying factors have spread and exacerbated these challenges, and that for humanity to survive we need to transition to new forms of economic activity and ways of living.

The Paris Agreement calls for a transformation of our economies, from production to consumption, and a transformation of society as a whole. We could see the COVID-19 pandemic as having both strengthened the need for transformation and accelerated real action. Kiko Network continues moving forward in 2020, aware that we are now at a critical moment in time for the transition to a coal-free green economy.

Mie Asaoka
President, Kiko Network

浅岡美恵

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[CAPTION]:

Cover photos: Global Climate March (Kyoto, Nov. 29, 2019), and “Fossil of the Day” award being presented to Japan at COP25 Climate Conference (Dec. 3, 2019)

More Progress on the Path to a Coal Exit



De facto suspensions or cancellations of coal-fired power plant projects

Kiko Network has been monitoring and campaigning on new construction plans for coal-fired power plants that have emerged since 2012. In addition to the cancellation of 13 units in previous years, in 2019 we have seen the de facto suspension of a total of four units at two plant locations. One is the Nishi-Okinozawa Power Station that was being planned by J-Power, Osaka Gas, and Ube Industries in Ube City, Yamaguchi Prefecture. On April 24, 2019, Osaka Gas announced its withdrawal from the project, and the draft environmental impact statement that had been submitted was withdrawn. Nevertheless, J-Power has stated that it will consider changes to the plans, so the possibility remains that they could submit a revised plan, and we still need to monitor the situation.

The other location is the Akita Port Power Plant, which was being planned by Kanden Energy Solution and Marubeni Corporation. This cancellation avoids a future increase of 15.86 million t-CO₂ of emissions per year.

Environment Minister Koizumi publicly acknowledges criticism of Japan's "coal addiction"

At COP25 in Spain, UN Secretary-General Antonio Guterres criticized countries promoting coal-fired power generation saying they need to end their "coal addiction." Japan is basically the only developed country still promoting coal power both domestically and internationally and has shown no intention to raise its GHG emission reduction targets. Japan's stance earned it the infamous "Fossil of the Day" award and made it the target of repeated protests at the climate conference.

In response to these criticisms, Environment Minister Shinjiro Koizumi, representing Japan at COP25, said at a ministerial meeting that Japan hears the call to stop



its coal addiction and takes the criticism seriously. It is unusual for the minister of the environment, representing the government of Japan, to recognize the problems of Japan's coal policy at an official forum like the COP. This could be seen as one positive step toward a change in policy. However, the situation remains unchanged, as Japan has not applied the brakes to its promotion of coal power. Therefore, advocacy toward the government of Japan must continue, from both inside and outside of the country.

Shareholder resolution presses Mizuho to strengthen policies

Kiko Network purchased shares of the Mizuho Financial Group in the summer of 2019, and on March 13, 2020, submitted a shareholder resolution calling on the group to disclose its climate-related risk and plans to manage its financing in ways that are consistent with the targets of the Paris Agreement, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (Bank for International Settlements).

Reuters and other media outlets reported that three institutions – Kommunal Landspensjonskasse (KLP), which is Norway's largest corporate pension and insurance company, as well as Storebrand ASA, also from Norway, and pension fund MP Pension, from Denmark – said they would support our shareholder resolution. These institutional investors have a total of nearly 200 billion dollars (about 21.06 trillion yen) in assets under management, so our resolution with the 34.5% support was able to have a significant impact even though it didn't pass.

Going forward, we will continue to urge Mizuho Financial Group to make a commitment to disclose plans for a corporate strategy that includes investment metrics and targets aligned with the targets of the Paris Agreement.

Global People's Action before G20 Osaka Summit

Leading up to the G20 Osaka Summit (June 28 and 29, 2019), NGOs from Japan and overseas held actions around the world calling on host country Japan to adopt effective climate actions and coal phase-out policies. In Japan, under the name of Global People's Action, prior to the G20 Osaka Summit, we co-organized actions in Yokosuka and Kobe near planned coal-fired power plant construction projects, and in Osaka near the G20 Summit venue.



Building an International Framework



COP25 results unsatisfactory

Full-scale implementation of Paris Agreement has begun

The COP25 climate conference in 2019, originally planned for Santiago, Chile, ended up being held in Madrid, Spain. There, negotiations were held on Article 6 (the so-called market mechanisms, etc.) as part of the detailed implementation guidelines for the Paris Agreement on climate change. Also, it was hoped that governments could reach consensus on calling for countries to raise their GHG emission reduction targets in 2020 and resubmit them to the United Nations as updated nationally determined contributions (NDCs). Seeking better outcomes for such a consensus, Kiko Network worked closely with the Climate Action Network (CAN), an international network of NGOs, and reached out to the Japanese government, as well.

Even after a two-day extension, the conference reached no agreement on market mechanisms, so the topic was postponed to COP26. Regarding the raising of targets, the conference ended without getting into a proper discussion on the topic.

Nevertheless, the demands of science and the people are clear. Even if the discussions on rules for market mechanisms were postponed, other obligations of the Paris Agreement (such as domestic measures to achieve emission reduction targets) are unchanged. Countries must continue to negotiate to achieve strict rules and reach consensus on raising the targets for each country, and must work domestically on full-scale implementation of the Paris Agreement.



Photo: Masayoshi Iyoda, Kiko Network

Japan fails to show leadership

2020 must be the year for change

In 2019, Greta Thunberg and other youth of the world held global climate marches and demanded solutions for the “climate emergency.” In parallel with this movement, using opportunities such as the G20 Osaka Summit in June, the UN Climate Action Summit in September, and COP25 in December, a growing tide of voices around the world has been calling for decarbonization. However, Japan failed to take advantage of these opportunities.

Regarding emission reduction targets, at the end of March 2020, Japan attracted international criticism for submitting unchanged its 26% reduction target, which was already considered lacking in ambition. UN Secretary-General Antonio Guterres called on Japan to end its “coal addiction,” but Japan continues to promote coal-fired power generation, which is the largest source of CO2 emissions. Instead of demonstrating leadership, Japan is attracting criticism for going in the opposite direction from where the world should be heading.

On the other hand, Environment Minister Shinjiro Koizumi acknowledged that talk of a “coal addiction” referred to Japan, and it was a positive sign that after returning to Japan he launched a review of Japan’s coal-fired power infrastructure export policies. The year 2020 must become the year that the government of Japan makes progress on the transition to 100% renewable energy and away from a reliance on nuclear and coal power.

Japan is awarded “Fossil of the Day” twice at COP25

At COP25 in December 2019, the government of Japan was twice awarded the satirical “Fossil of the Day” award, which goes to countries judged to have done their “best” to block progress in negotiations or in implementation of the Paris Agreement. The awards attracted media attention and we witnessed an increase in public interest.

The first occasion was in response to a comment by Hiroshi Kajiyama, Minister of Economy, Trade, and Industry, who said Japan wants to keep open the option of fossil-fuel power plants such as coal-fired power plants. His comment was in response to a new report by the United Nations Environment Programme (UNEP) recommending, among other things, that Japan phase out coal-fired power generation. The second award was after Environment Minister Shinjiro Koizumi, speaking at a COP ministerial level meeting, failed to say that Japan intended to strengthen its climate actions, adopt concrete targets to phase out coal, and adopt more ambitious GHG emission reduction targets, all of which are being requested by international society.

Promoting Climate Action in Japan



Global Climate Marches were held simultaneously around the world on Sept. 20, 2019 (Kyoto)

Japan's Long Term Strategy: Behind closed doors

Each country was being asked to submit a long-term low greenhouse gas emission development strategy under the Paris Agreement. Japan submitted its "Long Term Strategy" to the UN in June. Although some mention of a restriction of coal was reportedly included in early drafts, it ended up completely missing from the final text. Instead, the document contains dubious solutions that would perpetuate the use of coal and nuclear power, using problematic technologies that currently have no clear prospects of commercialization, such as carbon capture and storage (CCS), carbon capture and utilization (CCU), "space solar power," and next generation nuclear power.

Kiko Network had asked for a proper long term strategy and offered proposals for what they should include. We also requested the disclosure of the minutes of the long term strategy committee's meetings, but only received a highly redacted version with all statements by members blacked out.

An increasingly complex new electricity market

In the name of reforming Japan's electrical power system, the government adopted a series of changes to the regulatory regime, but it is becoming increasingly complex. It would be no exaggeration to say that the real outcome of market reforms is over-protection of nuclear power and fossil fuels (policies happen to be beneficial for Japan's existing major utilities) and brakes being applied to renewable energy, all with the aim of achieving the declared target energy mix in 2030 (nuclear 20–22%, renewable energy 22–24%, coal 26%, LNG 27%, and oil 3%). Japan's "capacity market" launching in 2020 is essentially a de facto scheme to pay subsidies to nuclear and coal-fired power plants, even when they are not operating. It will be important to monitor Japan's electricity markets and counter any regulations that might put the brakes on climate actions.

Climate Marches lead to Climate Emergency Declarations

Hakuba is a small town in Nagano Prefecture with a population of about 9,000. Three students from Hakuba High School organized a Climate March on September 20, and marchers presented a petition to the mayor hoping the local council would declare a Climate Emergency. Accordingly, the village council issued the "Hakuba Climate Emergency Declaration" at its regular meeting on December 4, 2019.

Zero carbon cities & climate emergency declarations

In an initiative sponsored by the Ministry of the Environment, many municipal mayors have signed a "Net Zero Carbon Dioxide Emissions Declaration" targeting the year 2050. By the end of February 2020, 74 municipalities had signed, including the Tokyo Metropolitan Government and Osaka City, representing 56 million people (about 44% of Japan's total population).

Many local governments have also adopted a Climate Emergency Declaration, starting with Iki City in Nagasaki Prefecture, and now including Kamakura City, Hakuba Village, Nagano Prefecture, Oki Town, Chikuma City, Hokuei Town, Sakai City, Kanagawa Prefecture, and more.

The declarations vary in content, however. Some local governments say they are developing roadmaps for climate actions while others did nothing more than adopt the declaration. It will be important for their citizens to monitor actions so that the governments don't assume that making a declaration is all they need to do.

Youth taking action

The climate strikes inspired by the young Swedish activist Greta Thunberg rippled around the world in the blink of an eye. Youth began to come forward in Japan as well to do the Fridays for Future climate strikes.

On September 20, Global Climate Marches were held in 23 prefectures of Japan, from Hokkaido in the north to Okinawa in the south, with more than 5,000 people participating. Japan's youth movement is spreading and gaining attention as young people in many communities demand stronger climate policies from central and local governments.



Photo - Kensuke Teraoka, Hakuba High School

Decarbonizing Communities, Building Human Capacity



Category winners in children's essay contest, with Seita Emori

Photo: Nao Tera, Kiko Network

Creating decarbonization scenarios and visions

Working toward a decarbonized society in 2050, Kiko Network continued with research into decarbonization scenarios and visions for Japan. We also organized seminars and symposiums with experts as guest participants. Based on these activities and timed with Kyoto City's plans to amend its municipal ordinance on global warming prevention, we shared scenarios and exchanged input, aiming to have decarbonization scenarios included in the ordinance. We also prepared decarbonization scenarios for Yao City and Nose Town in Osaka Prefecture, being local governments that differ in size and characteristics. We were able to show that a decarbonized society is indeed possible by enhancing a broad range of policies, including a fuel shift to renewable energy.

100% renewable energy starts to go mainstream

As renewable energy is expected to play a greater role in the future, an increasing number of companies and organizations in Japan are joining initiatives such as RE100 and RE Action. Kiko Network serves as the secretariat for CAN-Japan, which is coordinating the Renewable Energy 100% Platform in Japan. To date, 16 organizations have made the 100% renewable energy pledge and there are now 110 supporter organizations. The number of local governments that have made the pledge to have net zero CO2 emissions by 2050 is also rising. Companies and communities are in the process of shifting from making pledges to the action stage.

Networking and supporting new power producers

Kiko Network has been supporting efforts to establish new power producers in order to revitalize local communities and promote renewable energy. TERA Energy, a new power producer established mainly by Buddhist monks, was able to expand the areas it supplies into the domains served by

several of Japan's major utilities, including Chugoku Electric Power Co., Kansai Electric Power Co., Kyushu Electric Power Co., and Tokyo Electric Power Co. Meanwhile, TANTAN Energy has started supplying electricity to local governments. It was established by Ryukoku University, the Kyoto Center for Climate Actions and Kiko Network as a new power producer to supply electricity in the northern region of Kyoto Prefecture.

“Essay for Future“ children's essay contest

As the sense of crisis grows about the impacts of climate change on future generations, Kiko Network held an inaugural essay contest for primary, middle and high school students on the theme of preventing global warming. Many essay submissions came in from around the country. The best ones were selected for grand prizes, awards of excellence, future awards, and special awards. An awards ceremony with presentations was held at a Citizens' Climate Summit on October 19 and 20. These activities also provided opportunities to hear the voices of primary, middle and high school students so that they can be reflected into climate actions and policies.

Education for climate action

The “Childrens Eco-Life Challenge” climate change education program reached its tenth year since we launched it at all schools in Kyoto. We have also supported initiatives in other parts of Japan and in Malaysia. The number of children who learned grew significantly over the decade. The message has spread to many households and regions, and we see examples where the program has inspired children to take action in later years.

Collaboration + Network activities

We collaborated with and supported many other initiatives, including the Community and Cooperative Power Producers' Forum (Okayama), Power-Shift campaign, Green Alliance Japan, G20 Osaka Citizens' Summit, and Fridays for Future groups around Japan, No Coal Japan, etc.

11th Community and Cooperative Power Producers' Forum

This year the forum was organized in Okayama in November 2019, the first time to be held in western Japan outside the Kansai region.

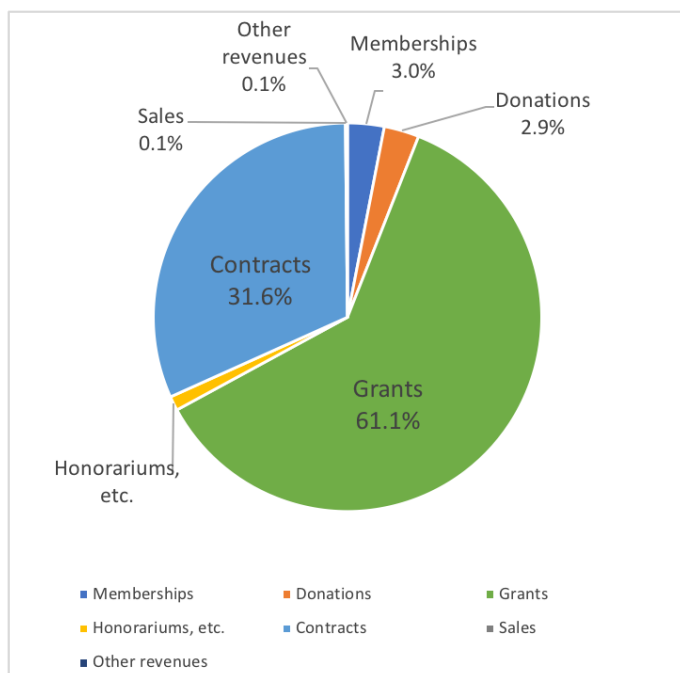


Financial Report & List of Board Members

Kiko Network Financial Report for 2019

In fiscal 2019* our revenues increased slightly from the previous year, mainly due to an increase in grants and contracts. Expenditures also rose compared to the previous year, the main reason being an increase in grant-related expenditures spanning two fiscal years. The closing balance increased slightly. However, this amount includes grant periods that differ from our fiscal year, so a portion of the funds is restricted for uses planned for the first half of fiscal 2020. Thanks to efforts to develop connections and interact with new companies and organizations, our membership and donation revenues increased. We will continue working to attract more members and donations. Finally, the COVID-19 pandemic has made it more difficult to forecast some aspects of revenues and expenditures, but we will strive our utmost to maintain stable operations and the effective use of our financial resources.

*Note: Our 2019 fiscal year was from April 1, 2019 to March 31, 2020



Revenue Breakdown

FY2019 Revenues	
Category	Amount (JPY)
Memberships	2,977,000
Donations	2,848,979
Grants	59,652,459
Honorariums, etc.	1,162,980
Contracts	30,797,069
Sales	70,460
Other revenues	98,646
Total	97,607,593

FY2019 Expenditures	
Category	Amount (JPY)
1. Program expenditures	
Outreach	3,243,092
Research and advocacy	3,337,642
Network building	926,597
International negotiations and policy work	1,295,346
Community and NGO support	652,400
Grant-funded programs	51,825,788
Contract-funded programs	30,802,807
Program subtotal	92,083,672
2. Administrative expenditures	
Salaries	1,632,375
Travel	218,930
Communications and shipping	140,011
Supplies	106,113
Office rent	316,747
Printing	128,245
Employee benefits	327,818
Tax and public dues	66,265
Other expenditures	38,366
Administrative subtotal	2,974,870
3. Income taxes - current	140,000
Total	95,198,542

Revenues and expenditures	FY2019 results
Opening balance	37,215,315
Total revenues	97,607,593
Total expenditures	95,198,542
Closing balance (March 31, 2020)	39,624,366
Closing balance (restricted portion)	29,062,271
Closing balance (unrestricted portion)	10,562,095

List of Board Members

President Mie Asaoka

Kuniyasu Inoue

Takuma Kani

Hiroshi Kanda

Ayako Sakurada

Yoshitsugu Sasaki

Kenro Taura

Ken Tsuzuku

Oomi Nishizono

Ikumi Hara

Tsuyoshi Hara

Shunichi Hiraoka

Kimiko Hirata

Takako Momoi

Motohiro Yamazaki

Naoyuki Yamagishi

Juta Wada

Auditor; Toshiyuki Ueda

Auditor; Yoshimichi Sakakibara

Auditor; Shigenori Fukushima

As of June 2019, in random order

Kiko!Kiko!



Change the rules, not our **climate**.

The work of Kiko Network can only be achieved with your supports.

There are many ways you can support, by becoming a member, donating, volunteering, assisting with joint research, and spreading our campaigns, etc.

We at Kiko Network thank all our supporters for their past and future contributions to change the world as we move toward a sustainable global society.

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