

NIPPON KEIDANREN



日本商工会議所

The Japan Chamber of Commerce and Industry



Confederation of Indian Industry

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CONFEDERATION OF INDIAN INDUSTRY (CII)
AND
NIPPON KEIDANREN and the Japan Chamber of Commerce and Industry
(JCCI), JAPAN
ON
CLIMATE CHANGE**

CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 112 years ago, it is India's premier business association, with a direct membership of over 7000 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 362 national and regional sectoral associations.

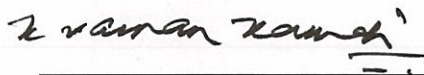
Nippon Keidanren (Japan Business Federation) is a comprehensive economic organization born in May 2002 by amalgamation of Keidanren (Japan Federation of Economic Organizations) and Nikkeiren (Japan Federation of Employers' Associations). Its membership of 1,662 is comprised of 1,343 large companies, 130 major industrial associations, and 47 regional economic organizations. Nippon Keidanren is non-government and non-profit and its mission is to accelerate growth of Japan's and world economy. Nippon Keidanren, for this purpose, shall establish timely consensus and work towards resolution of a variety of issues concerning Japanese business community.

JCCI, established in 1922, is the nationwide organization to which all regional chambers of commerce and industry belong. JCCI is a public, non-profit, and non-political organization, incorporated and operated under a special government law. JCCI is Japan's largest economic federation, involving the participation of 1.41 million businesses of every scale and industry through 516 regional chambers. As an opinion leader in economic circles, JCCI represents regional chambers by presenting their suggestions to the government and other bodies and helping to implement them.

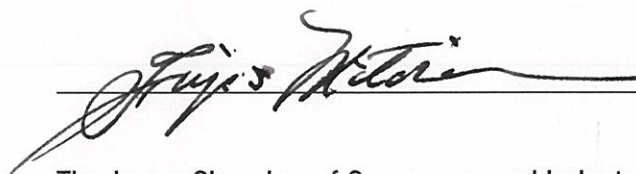
1. Given complementary strengths of India and Japan in various technologies, resources and practices that could lead enhanced actions for mitigating climate change and keen interests in international frameworks on climate change, CII and Nippon Keidanren and JCCI would facilitate activities through cooperative approach which provides a model cooperation to the world to address climate change related concerns in India, Japan and the rest of the world, as well as would jointly make policy recommendations on climate change negotiations for the post-2012 period.
2. CII and Nippon Keidanren and JCCI would develop an agreed industry position on climate change negotiations for the post-2012 period period. The preparatory process would be started soon after the signing of MOU. The COP 14 meeting in Poland would be utilized as an opportunity to discuss the issues.
3. Taking the opportunity of the above mentioned policy dialogue in Poland, CII and Nippon Keidanren and JCCI would also discuss the feasibility of the cooperation and the contribution to mitigating the adverse effects of climate change based on Party's proposal.
4. CII and Nippon Keidanren and JCCI would make efforts to maximize participation of Japanese climate friendly technology providers in the 18th International Engineering & Technology Fair, 2009(IETF 2009), organized by CII as well as other events on climate change. Japan (JETRO) has agreed to be the guest country for the IETF 2009. The theme of the exhibition has been accordingly selected as "Energy and Environment".
5. The activities mentioned above would be advanced in coordination with discussions in the India-Japan Energy Dialogue and its five Working Groups, which deal with energy efficiency, renewable energy, electricity & power generation, coal, and petroleum & natural gas, and could be held jointly with, or supported by, other public or private organizations in each country. Possible areas being proposed for discussions are attached as schedule I, II and III.

This understanding is entered into 22 October 2008. It will be in force until the end of December 2009 and would be renewed based on the agreement between parties from both sides.

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Schedule I: Energy Efficiency:

Japan is one of the most energy efficient economies in the world. This has been achieved by a combination of factors such as regulation (e.g. Energy Conservation Law in Japan), support system provided by the Government (e.g. finance, tax and subsidy), energy conservation efforts by civil society and energy conservation by companies. Though energy intensity of Indian economy has started declining in the recent past, both sides can benefit from sharing of each others' experiences in energy conservation. Such cooperation may include, inter alia, the following:

- Sharing of best practices in technology, policy, regulation, manufacturing and operation and maintenance of plants in order to improve energy efficiency
- Identify modalities and implement similar version of Japanese Top Runners Programme in India
- Capacity building and training of energy managers in Indian industry with the help of Japanese expertise
- Factory diagnosis, energy consumption practices, and implementation of energy efficiency measures. This can be achieved through such measures as developing energy consumption best practices, technology mapping on energy efficiency and final implementation of energy efficiency projects.
- Utilize and strengthen energy consumption best practices and energy efficiency approaches for successful implementation of energy efficiency enhancement measures.
- Identification of key sectors to be taken-up based on technology mapping of India and Japan in terms of energy efficiency. This will factor in mutual strengths and necessities of both countries.

Schedule II: Clean Conventional Energy Technologies:

Both countries can look at the possibility of transfer of cleaner conventional energy technologies such as ultra super critical boiler, other clean coal technologies etc. through cooperative approach that can help India meet its growing energy needs in an environmentally friendly way.

Schedule III: Renewable Energy Sector:

India is bestowed with substantial renewable energy potential. The country has developed robust renewable energy manufacturing base, vast pool of R&D manpower and institutional framework to promote renewable energy sources. This could be combined with Japanese strengths of high-end R&D and competitive financing to accelerate pace of renewable energy deployment in India, Japan and the rest of the world.

1. Manufacturing: Given its low cost resource and manufacturing advantage, India has a potential to be utilized as a renewable energy manufacturing hub by Japanese companies. The package of existing fiscal and financial incentives coupled with upcoming Renewable Energy Special Economic Zones provide a unique opportunity to the Japanese companies to manufacture in India for domestic and regional markets. India and Japan will consider the possibility of future cooperation in the following areas:

- Solar modules
- Hybrid systems
- Wafers
- Batteries with longer life
- Bio fuel processing systems etc.

2.Trade: India and Japan will seek for the possibility to increase two-way trade of renewable energy,

- Solar energy equipment
- Wind energy components
- Solar torches
- Biomass gasifiers
- Small size wind turbines etc.

3.Research and Development: India and Japan will consider the possibility of undertaking collaborative R&D projects with appropriate sharing of IPRs. Indian companies are interested in the following areas:

- Thin-film solar cell
- Double crystalline solar cell
- Solar cell batteries
- Wafers
- Renewable energy hybrid systems
- Hydrogen / fuel cell
- Advanced biomass technologies etc.

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