

## 2008

Cosmo Oil Eco Card Fund Activity Report 2008 Sixth year: April 1, 2007 to March 31, 2008

South Pacific Countries Support Project (Tuvalu)

# Helping island nations deal with climate change



Students carrying mangrove seedlings



Water truck on a delivery

### Rising seas force the people of Tuvalu from their homeland

Tuvalu, an island nation in the South Pacific, is composed of nine coral islands. The entire population of some 10,000 people enjoys a commanding view of the clear, beautiful waters of the Pacific Ocean. To the Japanese, it looks like paradise, but the people of Tuvalu are facing terrible fears due to global warming. Some of them are moving away to other countries. Unless global warming is stopped, there is nothing we can do to prevent the disaster now facing the people of Tuvalu and other South Pacific island nations. But the Cosmo Oil Eco Card Fund is providing assistance to help ease the impact of global warming. Cosmo Oil has been active in Tuvalu since 2004. In the first year we carried out a survey and identified a number of "coping measures" that have since been taken, such as the planting of mangrove seedlings and the use of water trucks. In fiscal 2008 we will begin taking "mitigation measures," such as holding waste treatment workshops. Global environmental problems, and especially the issue of global warming, are matters of urgent concern to the international community, both for individuals and for international organizations. To address these problems, we must move forward one step at a time on many different fronts. We must change our lifestyles, for example, and develop new technologies.

# "Living With Our Planet" Projects

The Cosmo Oil Eco Card Fund was established in April 2002 in response to our customers' desire to do something for the earth. The Cosmo Oil Eco Card Fund carries out "Living With Our Planet" projects with the help of holders of Cosmo The Card House Eco (launched in April 2002) and Cosmo The Card Opus Eco (launched in June 2006), who contribute 500 yen per year. The Fund is also supported by Cosmo Oil, which donates a fixed percentage of card sales.

## Message

The G8 Hokkaido Toyako Summit was held in July 2008, bringing together the leaders of eight global powers (including Japan) plus the European Union. One of the main themes of the summit was "Environment and Climate Change," highlighting the importance of global environmental issues to the international community.

The theme of "Environment and Climate Change" is linked by a common thread with Cosmo Oil's motto of "Living With Our Planet." Both of these phrases express the hope that our beautiful planet will remain livable far into the future. In April 2002, Cosmo Oil established the Cosmo Oil Eco Card Fund and launched "Living With Our Planet" projects to contribute to the environment. Today, we have 86,579 cardholders (as of June 30, 2008) who "want to do something good for the Earth" as the Fund enters into its seventh year of operations. This success is due entirely to the support and encouragement of our cardholders, for which we are deeply grateful.

Concentrating on the theme of global warming, we have helped developing countries respond to serious environmental problems, while within Japan we have worked to educate children on environmental issues. The internationally accepted principle of "common but

differentiated responsibility," which was put forward at the Earth Summit held in Rio de Janeiro in 1992 and reaffirmed at the Johannesburg Summit in 2002, is one we take very seriously as we push forward with the "Living With Our Planet" projects.

We will continue working in fiscal 2008 to contribute to the environment, primarily by improving communications with our stakeholders. Carrying out participatory programs and recruiting more people to take part in our global warming prevention projects are two things we will do to improve these communications.

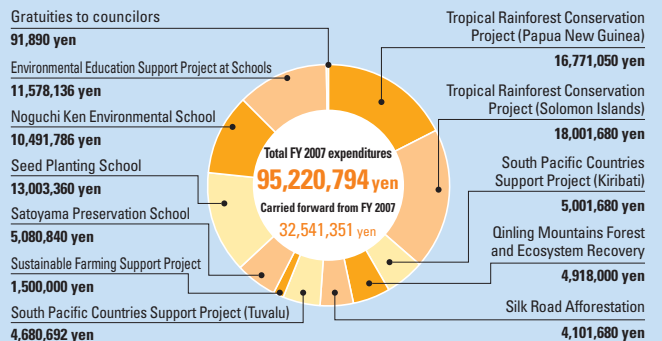
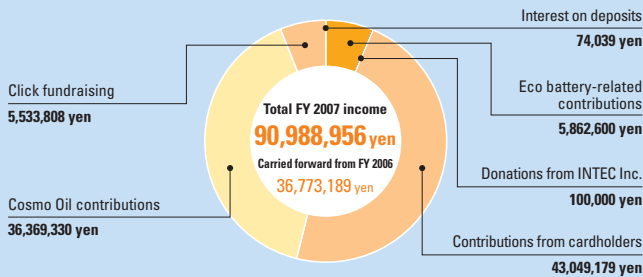
And finally, we still have a long way to go before we can resolve problems related to "Environment and Climate Change." Guided by the motto of "Living With Our Planet," we will join forces with our cardholders to do what we can to preserve the global environment, and toward that end we request the continued support of everyone who shares our ideals.

## Naomasa Kondo Chairperson

Cosmo Oil Eco Card Fund



## Income and Expenditure Report



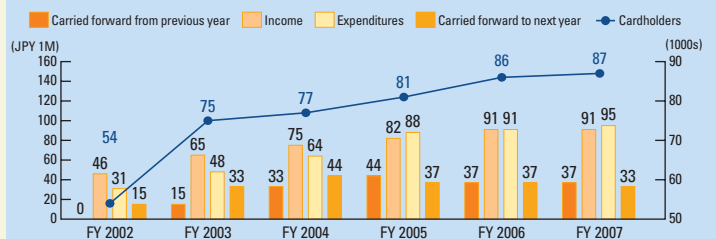
## Results of review of income and expenditure

April 8, 2008

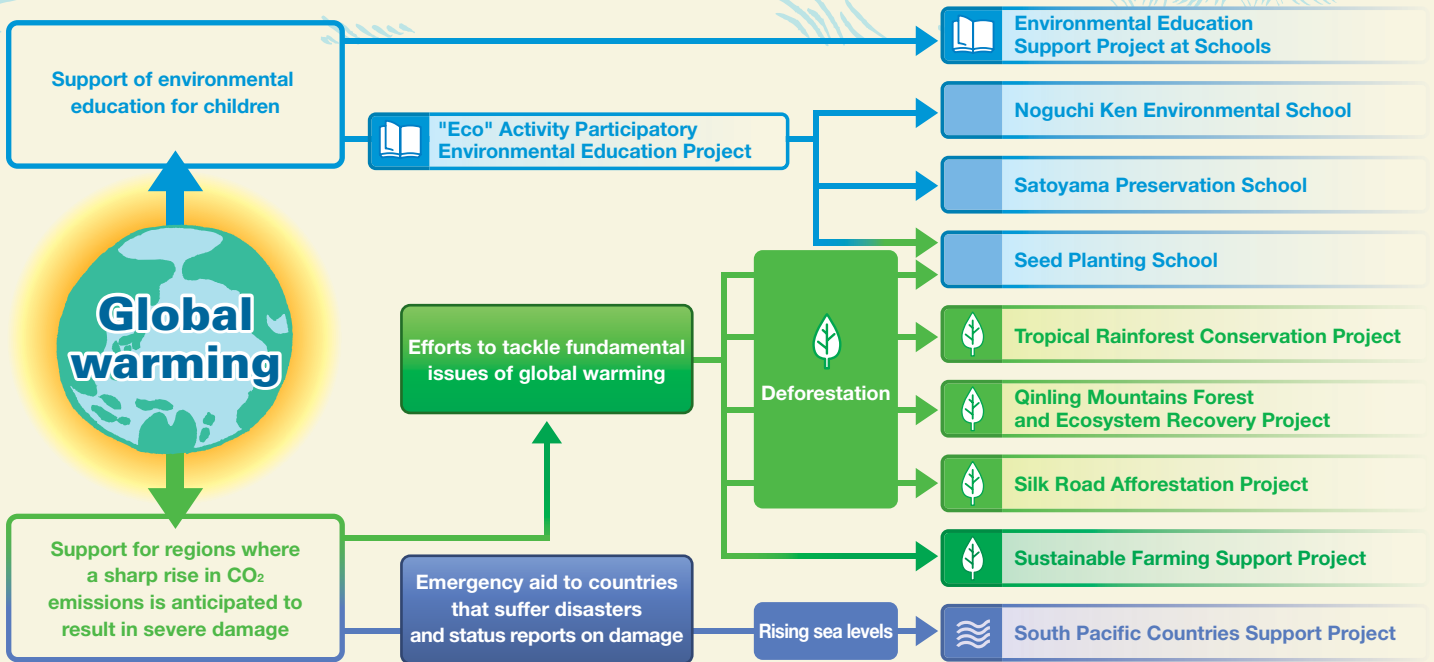
Toshiya Kato  
Certified Public Accountant

As an outside accountant without any conflict of interest, I have conducted an independent review to verify the accuracy of the Income and Expenditure Report prepared by the Fund for fiscal 2007 (April 1, 2007 to March 31, 2008). I conducted my review in accordance with generally accepted standards for reporting income and expenditures, and found no problems. A review, unlike an audit, includes only a limited range of procedures, such as questions and analysis regarding financial information and a check of the main supporting source documents and accounting records.

## Funds and cardholders since 2002



# Project 2008



## Achievement of a sustainable society

### Project concept

As a fossil fuel, petroleum is closely linked to global warming, and prevention of global warming is the main theme of the "Living With Our Planet" projects, which we are pursuing with the cooperation of Eco cardholders, NGOs, NPOs, overseas governments, and other partners. Toward this end, we are carrying out activities designed to bring about a sustainable society. To achieve the ideal of "Living With Our Planet," we are working at home and abroad on two sub-themes: (1) support for sustainable development (support for developing countries); and (2) education of the next generation (support for environmental education).

### 2007 activity topics



**Michikatsu Ehara**  
OISCA International Technical Advisor

#### Effects of global warming in Papua New Guinea (PNG)

I started working in PNG's East New Britain (ENB) in March 1993, and since then, several apparent consequences of global warming have become evident: (1) the residents of the Duke of York islands in ENB are preparing to move to other islands because of the rising sea level; (2) there has been a malaria outbreak for the last four years in the PNG highlands; (3) rainfall has increased throughout the country, causing landslides and destroying roads everywhere; (4) the huge Cyclone Guba hit PNG last September, causing especially heavy damage in Oro Province; and (5) the rainy and dry seasons have become unpredictable, which has disrupted planting schedules. In addition to these, minor effects of global warming can be seen all around.

#### Meetings of the Project Council

A meeting of the Project Council was held on March 27, 2008. During the meeting, officers of the Cosmo Oil Eco Card Fund exchanged views with three experts regarding the "Living With Our Planet" projects and the operation of the Fund. The Fund officers briefed the others on project achievements and activities now being planned, and participants at the meeting discussed the possibility of recruiting more people to take part in our global warming prevention projects, implementing outside reviews, and hiring an outside party to manage the Fund's finances.

Cosmo The Card Opus Eco



Cosmo The Card House Eco

## Cosmo The Card Opus Eco and Cosmo The Card House Eco are card plans that anyone can join if they want to do something good for the earth.

Cosmo The Card Opus Eco and Cosmo The Card House Eco receive 500 yen contributions each year from their customers as well as a donation from Cosmo Oil, and this money is then used to provide donations to support the activities of NPOs and public service organizations dedicated to environmental conservation.

**Cardholder donations to Cosmo The Card Opus Eco and Cosmo The Card House Eco**  
Cardholders make 500 yen donations when they join, and then again in every year in the month that they joined.



**Donations by the Cosmo Oil Group**

**Funds are used to run "Living With Our Planet" projects for the sake of global environmental preservation.**

Visit this website to join. ▶▶▶▶

<http://www.cosmo-oil.co.jp/eng/envi/eco/index.html>

Applications to join are also available at a Cosmo station near you.



# 7 Projects

2007 Eco projects

**Legend**

- Community development
- Environmental education



China

**Silk Road Afforestation Project**

## Fighting desertification by planting trees

Desertification continues to claim new land in the dry loess plateau along China's ancient Silk Road. Local residents say there used to be plenty of greenery stretching from the City of Xian in Shaanxi Province all the way to the Xinjiang Uighur Autonomous Region, but the felling of trees for fuel, overgrazing, and other overuse of the land are creating an expanded wasteland. Together with project partner NPO2050, we have been planting sea buckthorn, which is highly resistant to the arid climate and severe temperature extremes of Shaanxi Province, and our afforestation work has now spread to neighboring Gansu Province.

**FY 2007 activities**

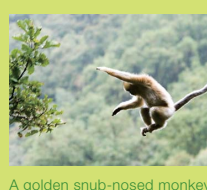
We organized an afforestation tour in October 2007 to Gansu Province, where 14 members worked together with local residents to plant 120,000 seedlings. Including 30 hectares left over from FY 2006, we planted another 90,000 seedlings from November 2007 to April 2008. In addition, working with the locally based China Population Welfare Foundation we have visited afforestation districts and discussed seedling conditions, harvesting of sea buckthorn and environmental issues. We plan to address these issues in FY 2008.

**Future activities**

We will plant sea buckthorn in the loess plateau and monitor the situation. In FY 2008, local farmers will spearhead efforts to plant another 35 hectares with 105,000 sea buckthorn. We will continue to monitor planting techniques and data management to evaluate afforestation districts and resolve problems thus identified.

**Qinling Mountains Forest and Ecosystem Recovery Project**

## Replanting abandoned roads



A golden snub-nosed monkey

The Qinling Mountains are world famous as the home of a number of rare animals, including pandas and the endangered golden snub-nosed monkey (*Rhinopithecus roxellana*). However, the felling of trees for fuel since the late 20th century has desolated the land and begun to threaten the survival of many species of wild animals. In order to restore the rich forest ecosystem, we are replanting the abandoned roads thought to pose the most serious environmental threat (72.5 km out of a total of 194 km) and observing local animal and plant life.

**FY 2007 activities**

Some 310 people were involved in the planting of 12,000 trees in a 16 km area along abandoned roads in the Qinling Mountains. According to news media reports, recent surveys indicate that small animals and even wild boars and golden snub-nosed monkeys (*Rhinopithecus roxellana*) are frequently observed along replanted sections of road. In addition, the habitat of the golden snub-nosed monkeys is under observation through a field work program, and academic papers are being published by both Chinese and foreign universities, including Cambridge University.

**Future activities**

By restoring the ecosystem inhabited by rare animals, reforestation in the Qinling Mountains has helped these animals regain strength and numbers. Unused forest roads lie abandoned on the northern slope of the mountains, and plans have been adopted to plant 14 km of these abandoned roads with 11,000 seedlings. We will continue observing numerous aspects of the ecological situation there, including how well wild animals are adapting.

**Sustainable Farming Support Project**

## Cassava and silkworm farming

Located in the southwestern Philippines, the lush, green Palawan Island is said to be the most underdeveloped area in the country. Most of the farmers and other residents log the forests and engage in slash-and-burn agriculture. Working together with project partner NPO2050, we obtained the support of the TagBabay Foundation, which is located in the capital city of Puerto Princesa, for an environmental conservation activity in which we help local women learn how to cultivate cassava and raise Eri silkworms.

**FY 2007 activities**

In FY 2007 we sent experts to train instructors, so that they can in turn teach people how to make Eri silk. We held three courses in Puerto Princesa and another one in Port Barton focusing on how to raise Eri silkworms, spin silk thread, and loom and weave silk fabrics. In addition, we dispatched instructors to three locations on the island to show local residents how to raise Eri silkworms.

**Future activities**

In FY 2008, we will continue to develop the skills of the instructors who teach local residents how to spin silk thread and loom and weave silk fabrics, and these instructors will in turn travel around the area upon request to share their skills with others. We will also continue providing micro-credit.

**South Pacific Countries Support Project**

## Dealing with changing precipitation patterns and rising seas

The South Pacific island nations of Kiribati and Tuvalu are bearing the brunt of climate change. With an average elevation of just a few meters, rising seas in Kiribati and Tuvalu can send water into homes and cause wells to go saline. The threat is immediate. As a result, societies that once generated minimal waste and were largely self-sufficient have come to depend much more on outside sources for food. The influx of imports has generated huge volumes of trash. Very clearly, climate change is having a big impact on local society.

**Tropical Rainforest Conservation Project**

## Encouraging a change from slash-and-burn agriculture

The South Pacific island nations of Papua New Guinea and the Solomon Islands both have close ties with Japan. They enjoy an abundant natural environment, but their populations are growing fast and their societies are undergoing rapid modernization, creating a need for greater food production and more cash income. As a result, commercial logging and slash-and-burn activities have expanded, and are now felling forests at a pace that exceeds the rate of natural regeneration. As part of the effort to save the tropical rainforests and solve the root causes of poverty, we are working to support a shift from slash-and-burn agriculture to more sustainable farming practices.

**Papua New Guinea**

We worked mainly to build up our model training farms and to promote sustainable organic agriculture. At our training farms, we produced chocolate from cocoa beans grown on the farms, purchased 300 specialist books on organic farming and other topics, and registered 20 agricultural advisors with the national government. Our eventual aim is to localize operations. We experienced delays in procuring land, so the opening of Kokopo Eco Wildlife Park has been postponed to FY 2008.

**Future activities**

We will work to promote the adoption of sustainable farming. At our model training farm, which we intend should eventually be independently run, we will collect more reference books and train more technical personnel, and will provide organic farming advice at prison farms and improve the fertility of rice paddies. We will also dig wells and waterways in preparation for opening of the Kokopo Eco Wildlife Park in FY 2008.

Students learn about wet-rice agriculture at the Eco-tech Center

**China**

**Furano**

**Sapporo**

**Miyagi**

**Saitama**

**Tokyo**

**Kochi**

**FY 2007 activities**

We continued in FY 2007 to preserve and expand Kiribati's mangroves, planting 4,243 mangrove seedlings in the Anau and Nanikai districts, bringing the total for FY 2005 through FY 2007 to 28,528 seedlings (survival rate, 40%). The survival rate improved from 54% to 84% from September 2005 to September 2007, which shows that we have learned from our earlier experience. To ensure that the activity continues in the future, we are encouraging the government to make independent efforts, and its work is beginning to see results.

**Future activities**

In FY 2008, we will transfer appropriate technologies that local residents will need in order to continue planting mangrove seedlings. In addition, we will hold workshops where environmental videos will be shown to spread the word in an easy-to-understand way about what is happening not only in Kiribati but in the South Pacific as a whole. We hope in so doing to make people more aware of environmental problems, and to help forge ties between different regions.

**Solomon Islands**

A total of 30 students graduated in FY 2007 from the Permaculture Center (PCC), while one PCC instructor completed training in Japan. PCC trains people to engage in sustainable farming. In addition, the Solomon Organic Center (SOC), an incubator for small business, has begun developing dried fruit products and buying honey from PCC graduates and other local residents to sell in Japan.

**Future activities**

We will keep helping PCC and SOC to expand their projects by setting up rice mills and other operations throughout the country. In addition, we will engage actively in public relations so that more people will understand what we are doing. Also, in response to the earthquake that occurred in the Solomon Islands in April of last year, we will continue working to make the country more self-sufficient in food production.



Children experience nature by a river

**Environmental Education Support Project at Schools**

## Improving environmental awareness in the schools

The goal of this project is to help schools provide environmental education. We match up NPOs around Japan, which know how to run nature experience programs, with schools that are looking for this type of expertise and opportunity. By combining the best of these two types of organizations, we are able to arrange excellent environmental education programs. In addition, we also use the EE kids environmental education website as a platform for our activities.

**FY 2007 activities**

We provided support for environmental education programs at nine schools around Japan in an effort to promote independent, self-directed environmental education. The EE kids website is popular with parents, who usually have few chances to see what goes on in school classrooms.

**Future activities**

In FY 2008, we will provide support for environmental education programs in 13 elementary and junior high schools (1 in Hokkaido, 1 in Iwate, 3 in Miyagi, 1 in Saitama, 3 in the Tokyo Metropolitan area, 2 in Mie, 1 in Kagoshima, and 1 in Okinawa).

**Schools supported in FY 2007**

Area	School	Supporting organization	Theme
Hokkaido	Teinenyanooka Elementary School	Neos (NPO)	Getting to know nature in urban Sapporo
Miyagi	Ugusuzawa Elementary School	Kurikoma Highlands Nature School	Getting to know local nature and history
Saitama	Obukuro Higashi Elementary School	Center for Environmental Studies	Survey of living things in the biotope
Tokyo	Secondary Education School attached to the Faculty of Education, The University of Tokyo	Mokufusha (NPO)	Learning about how forests work and global warming, and then taking action
Gifu	Kiyomi Junior High School	Shirayn Takumi Juku	Seeing the function of forests and local culture through woodworking
Hiroshima	Kidari Elementary School	Human Sciences Institute	Getting to know the richness of the local sea and history
Kochi	Nanokawa Elementary School	Kuroshio Jikkan Center	The link between mountains and sea
Kumamoto	Oozu Elementary School	Communi-Net Association	Seeing the environment from the perspective of water
Kagoshima	Nishura Elementary School	Kusunokishizenkan	Learning about river environments

2004: 5 schools 2005: 6 schools 2006: 10 schools

**"Eco" Activity Participatory Environmental Education Project Noguchi Ken Environmental School**

## Helping to cultivate "environmental messengers"

"I want to cultivate 'environmental messengers' who can take environmental action and communicate their message to the rest of the world." With that thought in mind, Noguchi Ken and the NPO he leads opened up the Environmental School. Students there experience the beauty and fun of nature, and learn about social issues relating to environmental preservation.

**FY 2007 activities**

We held a total of three sessions of the Environmental School at Mt. Fuji and Sado Island, and one messenger meeting in Tokyo. By means of hands-on programs at the forefront of environmental action, we are cultivating "environmental messengers" who can take environmental action on their own and communicate their message to the rest of the world. About 100 people attended the Environmental School courses and the meeting in Tokyo in FY 2007.

Location	Dates	Participants	Theme
Sado	Jul. 22-25	24	Release of the crested ibis into the wild in Sado.
Mt. Fuji	Aug. 11-14	28	Illegal dumping on Mt. Fuji.
Mt. Fuji (for family)	Sep. 15-17	21	Illegal dumping on Mt. Fuji. What a family can do about it on Mt. Fuji, and at home.
Tokyo	Dec. 15-16	31	Corporate environmental activities (eco product trade shows, etc.), influence of environmental messengers.

**Future activities**

The school will continue to train environmental messengers throughout the country. In FY 2008, it will hold the Environmental School classes on Mt. Fuji (3 classes) and in Sado and Tokyo, and will collect fees from participants to defray part of the costs, with a view to achieving its eventual goal of operating independently.

**Satoyama Preservation School**

## The beauty of terraced paddy fields

As Japan's population declines and ages, its rural "satoyama" woodlands are beginning to go untended. This trend has had a big impact in Iizuna, Nagano Prefecture, but residents there have decided to rebuild and preserve their terraced paddy fields and satoyama, and to use them for the education of children.

**FY 2007 activities**

The Preservation School carried out environmental preservation of abandoned field 30a (assorted grains, buckwheat) and terraced rice paddy 20a (ancient rice). It enrolled 44 students to take part in the process and receive training as environmental education leaders who will be able to communicate with others about the environment. In addition, the school also gave guest lectures to 791 elementary and junior high school students in the Kanto region on such subjects as agriculture, food, and the environment.

**FY 2007 activities**

We planted some 1,640 mangrove seedlings on the Funafuti Atoll. In October 2007 we held a seedling event, attended by the deputy prime minister and 20 elementary school students, who carefully planted mangrove seedlings. We also repaired rainwater tanks, contracting with a local firm to handle the repairs. From June through September of 2007, 76 rainwater tanks were repaired.

**Future activities**

For FY 2008, we have set a target of planting 2,000 mangrove seedlings on Funafara Island, which has suffered considerable environmental damage. In addition, we will invite experts to teach workshops focusing on waste problems. We want to communicate to local residents how serious the problem is, and to prevent it from getting worse.



Junior high students planting seedlings



Graduates of the Permaculture Center



Residents gather to discuss local environmental issues

**Japan**

**Future activities**

The school will continue to carry out environmental restoration and preservation work, and to teach elementary and junior high school students about the environment, food, and agriculture. To ensure that both of these activities can continue to be carried out in the future, the school plans to take the farm products grown in the course of satoyama preservation work and sell them in the cities, and to make this activity a regular feature of its education programs.



Water truck



Repairing a water tank

**Republic of Kiribati**

**Papua New Guinea**



Blending organic fertilizer

**Solomon Islands**

**Tuvalu**



## 23,915,467 clicks

For every click, Cosmo Oil makes a donation to the Cosmo Oil Eco Card Fund.



Each time you click on one of the "Living With Our Planet" projects, Cosmo Oil will automatically donate 1 yen to that project. As of July 2008, there are eight projects described on our website. Just click on whichever project you would like to support at home or abroad to contribute to the environment. The website received 5,533,808 clicks in fiscal 2007.

- \* Each visitor is limited to one valid click per day.
- \* You will not be charged for your clicks.
- \* The figure 23,915,467 represents the number of clicks received as of March 31, 2008.

## What We Can Do Right Now

What the hummingbird story inherited from indigenous people in South America can teach us

A girl named Mari is sitting in her classroom reading *The Hummingbird Who Tried to Save a Forest* in order to write a book report. Tomo, her brother, who likes to play soccer, asks what she's reading, and so the story begins. The main character in the story is a hummingbird that acts as a teacher. Together with the hummingbird, we learn about the issue of global warming. Other issues in the "What We Can Do Right Now" series introduce the Seed Planting School of a nursery operator in Furano, Hokkaido, the Silk Road Afforestation Project on the loess plateau of China, and coastal afforestation work being done in connection with the South Pacific Countries Support Project (Tuvalu).



URL <http://www2.cosmo-oil.co.jp/kankyo/charity/index.html> \*Japanese language

URL <http://www.cosmo-oil.co.jp/netmovie/index.html> \*Japanese language



## A thank you letter to our cardholders from the government of Kiribati

The Kiribati government sent a thank you letter for our mangrove planting.

We began working in fiscal 2003 on measures to mitigate environmental destruction in the Republic of Kiribati, and fiscal 2008 marks our sixth year there. Measures taken to date include the installation of rainwater storage tanks, provision of plastic trays for use in natural salt production, installation of seawater pumps, mangrove planting, and technology transfer. The success of these efforts is largely due to the active support provided by the government of Kiribati, which is a project partner. Congratulations to our Eco cardholders on receiving this thank you letter from Anote Tong, president of Kiribati.



### COSMO's Funding of Mangrove Planting Program in Kiribati

Climate change poses one of the biggest challenges to the entire global community today whilst the consequential rise in sea level in turn threatens our very survival as a nation and as a people with a distinct culture and way of life.

Mitigation and adaptation measures to counter these effects are therefore very welcome indeed. One of these measures involves the planting of mangroves along the coastline which cushions the impact of extraordinarily high tides. In this regard I wish to take this opportunity to express on behalf of the Government and the people of the Republic of Kiribati our deep gratitude for the ongoing program of mangrove planting which the International Society for Mangrove Eco-System (ISME) has been undertaking in Kiribati. I also acknowledge with gratitude the financial contributions which COSMO Oil has been providing to your organization in order to make this program possible. I would be further indebted if you would be so kind as to pass on to COSMO Oil Co this expression of gratitude.

Finally but not least I thank your good self and your dedicated team of volunteers for your tireless efforts to assist our people.

I will look forward to meeting you during your next visit to us in Kiribati.

Anote Tong



**Anote Tong**

President, Republic of Kiribati

## About the Cosmo Oil Eco Card Fund

Many people would like to do something and somehow be involved in work for a better global environment. The Eco Card Fund is a fantastic way to translate that feeling into effective, concrete action. To deal with environmental issues, we must make judgments based on careful observation of our surroundings, and establish priorities. Data provided to the Project Council is detailed and truthful. Unclear points are discussed from the perspectives of corporate social responsibility, financial affairs, and legal compliance, and then action is taken. As a member of the Council, I have been quite impressed to see how people responsible for projects actually visit the sites and confer with others to arrive at a good understanding of the situation. Considerable experience has been built up, and a big network of people has been established. I think these things constitute a great asset to the Fund.

Reports by project participants on their experiences are posted on our website. It is important to use many different media and tools to keep a

wider audience informed about what we are doing. Spreading the message can create new opportunities for further activities. The more visible we make Fund activities, the greater the sense of satisfaction our cardholders will feel. I think it motivates people to become more involved. I hope to see more and more cardholders involved in the process of spreading and cultivating these seeds of hope. The emergence of a shared vision will surely provide the power that gives birth to a new round of action and keeps us moving forward.



**Risa Tanaka**

Editor-in-Chief, *Senden Kaigi* Magazine  
(Member, Cosmo Oil Eco Card Fund Project Council)

### For further information on the Cosmo Oil cards

Cosmo The Card House Eco	0120-987-622 (from inside Japan only) If calling from a mobile phone +81-3-4330-1660	Mon-Sat & holidays: 9:15 - 17:30; Sundays: 10:00 - 17:30
	Northern Japan +81-22-771-1500    Tokyo +81-43-296-6200 Chubu +81-59-353-2100    Osaka +81-6-4863-0100	Open all year round 09:00 - 21:00

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