

Since U.N. climate talks have stalled, Japan is hoping that contributions to cut greenhouse gas emissions abroad will produce carbon credits to offset emissions at home over the next decade as an alternative to the U.N.'s existing complex carbon market. If the proposed 15 projects all proceed, they would reduce an estimated total of 5 to 10 million tonnes of carbon dioxide equivalent a year, the Nihon Keizai Shimbun daily said. That would amount to less than 1 percent of Japan's annual greenhouse gas emissions currently. But the daily said these CO2 cuts enabled by Japanese technologies, subject to bilateral negotiations, could allow for offsetting emissions by Japanese industry.

The Ministry of Economy, Trade and Industry (METI) has said it will announce on Tuesday which companies are to conduct the studies and benefit from 500 million yen (\$5.85 million) in government subsidies. The daily said the 15 projects included forest preservation, geothermal power, energy-saving technologies in homes and in industry.

The companies included Tokyo Electric Power Co, Tohoku Electric Power Co, Electric Power Development Co, Mitsubishi Corp, Marubeni Corp, Nippon Steel Corp, Taiheiyo Cement Corp, Toshiba Corp and Nomura Research Institute Ltd. Nine countries are targeted, four of which have reached basic agreement with Japan on offset schemes -- India, Indonesia, the Philippines and Vietnam. Negotiations are to proceed with China, Peru, Laos, Myanmar and Thailand, the daily said.

Japan, the world's fifth-largest emitter, has pledged to cut its emissions by 25 percent from 1990 levels by 2020, a target too tough to meet with local efforts only. Japan is already a major buyer of carbon offsets from U.N.-approved clean-energy projects abroad and those via bilateral agreements with East European countries.

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