

Financial Assistance Scheme for Regional Climate Change

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A Brief Overview



Outline

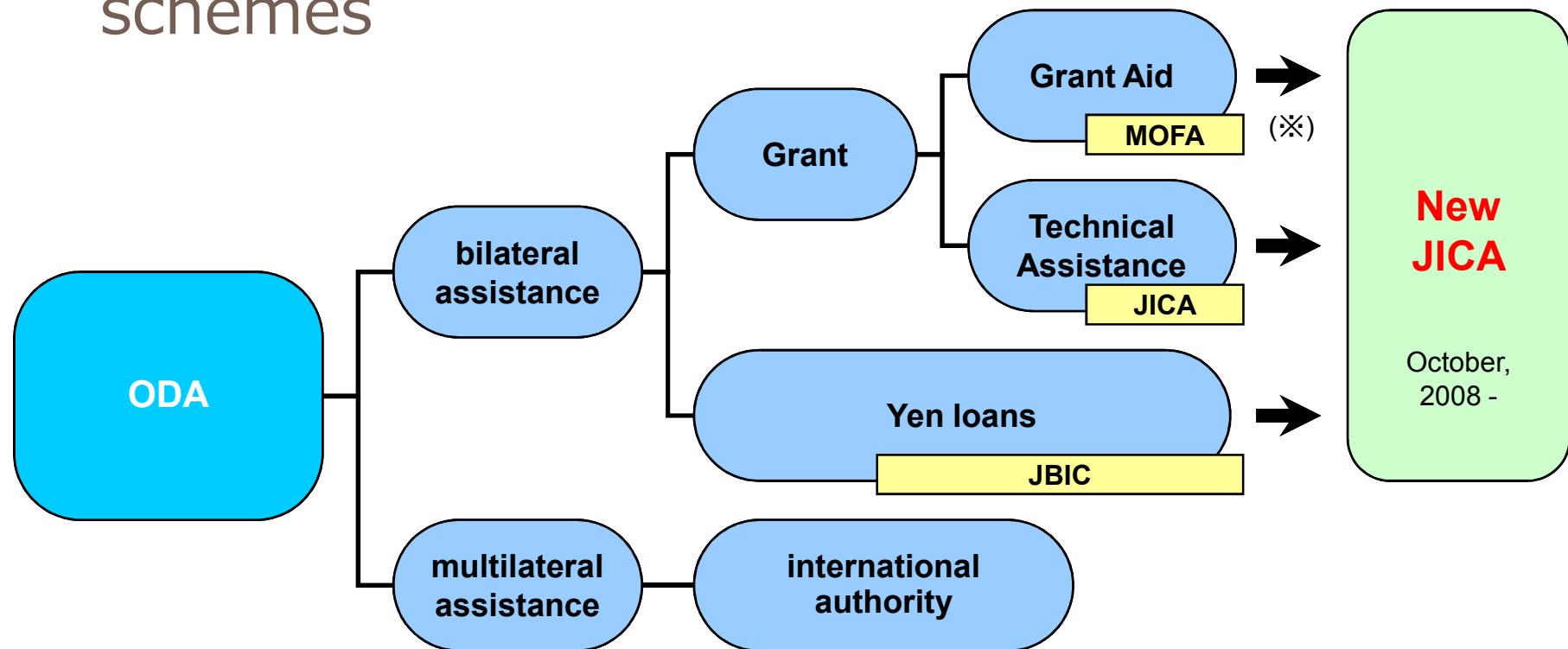
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- What is Japan ODA
- What is Japan ODA Loan
- Japan ODA Approach to support climate change measures
- What kind of support ODA loan can do

What is Japan ODA?

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ODA Reform: Integration of 3 assistance schemes



(※) A part of grant assistances will be provided by MOFA
and the rest of the financial assistances will be shifted to JICA.

New JICA's main activities

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Technical Assistances and Grants

- Technical Cooperation Projects
- Acceptance of Participants/
Dispatch of Experts
- Equipment Provision
- Formulation of Development Plan
- Dispatch of Volunteers
- Implementation of Grant Aid
- Emergency Disaster Relief

ODA Loans

- Project Loans
→ Support Government Actions
- Development Policy Loans
→ Support Government Policies
- Two Step Loans
→ Support Actions taken by Private Sector
- Engineering Service Loans

New **JICA**

What is ODA Loan ?

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ODA Loans

- Government to Government (G-G) loans
- Focus on development objective
- Support public projects and public-private partnership projects
- Low commercially viable projects
- General untied or tied for non commercially viable projects

★ ODA Loans has very concessional terms and conditions for environmentally sound projects (Interest rate: 0.55-0.65% p.a., Repayment period : 40 years with 10 years grace period)

What is the significance of Japanese ODA loans?

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- **Japanese ODA loans have the following six characteristics.**
 - ▣ Securing ownership of developing countries
 - ▣ Meeting the Millennium Development Goals
 - ▣ Ensuring sustainability (contribution to effective and efficient investment in development)
 - ▣ A bridge from dependence to independence
 - ▣ Stability of funds
 - ▣ Strengthening of Partnerships between Japan and Developing Countries

Cool Earth 50

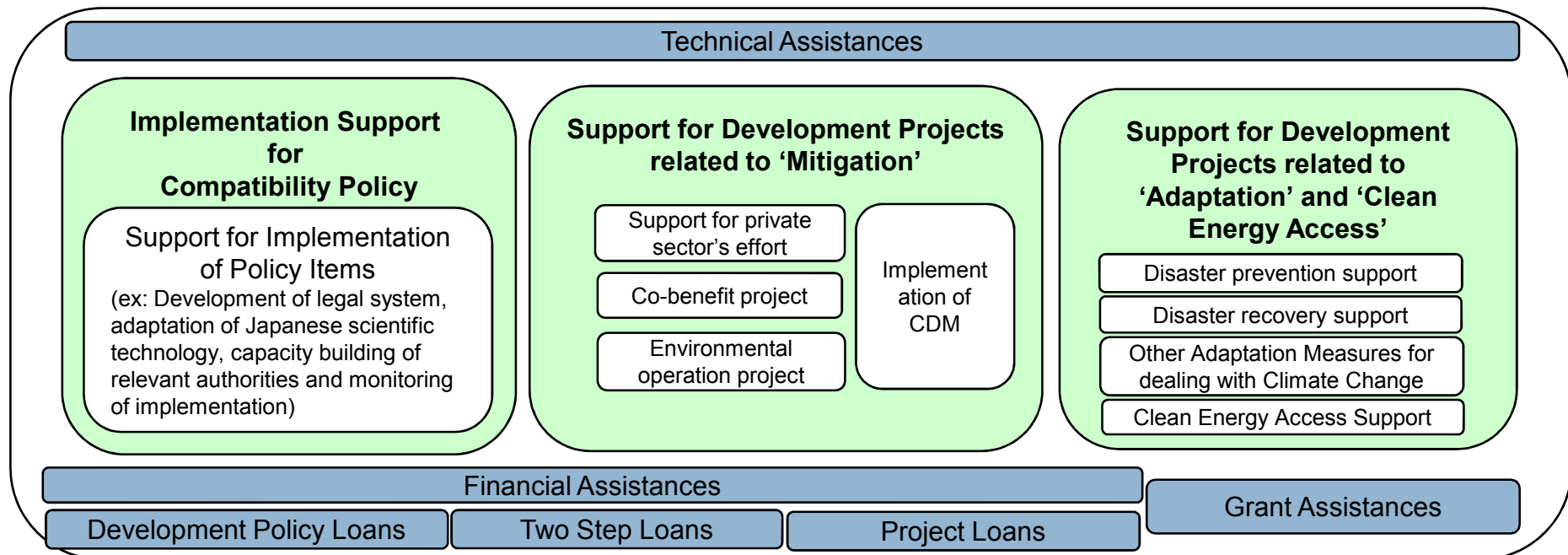
ODA support to tackle Climate Change

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“High-spirited” developing countries positively seeking to participate in the next framework by achieving a balance between “GHG emissions reduction” and “Economic growth”

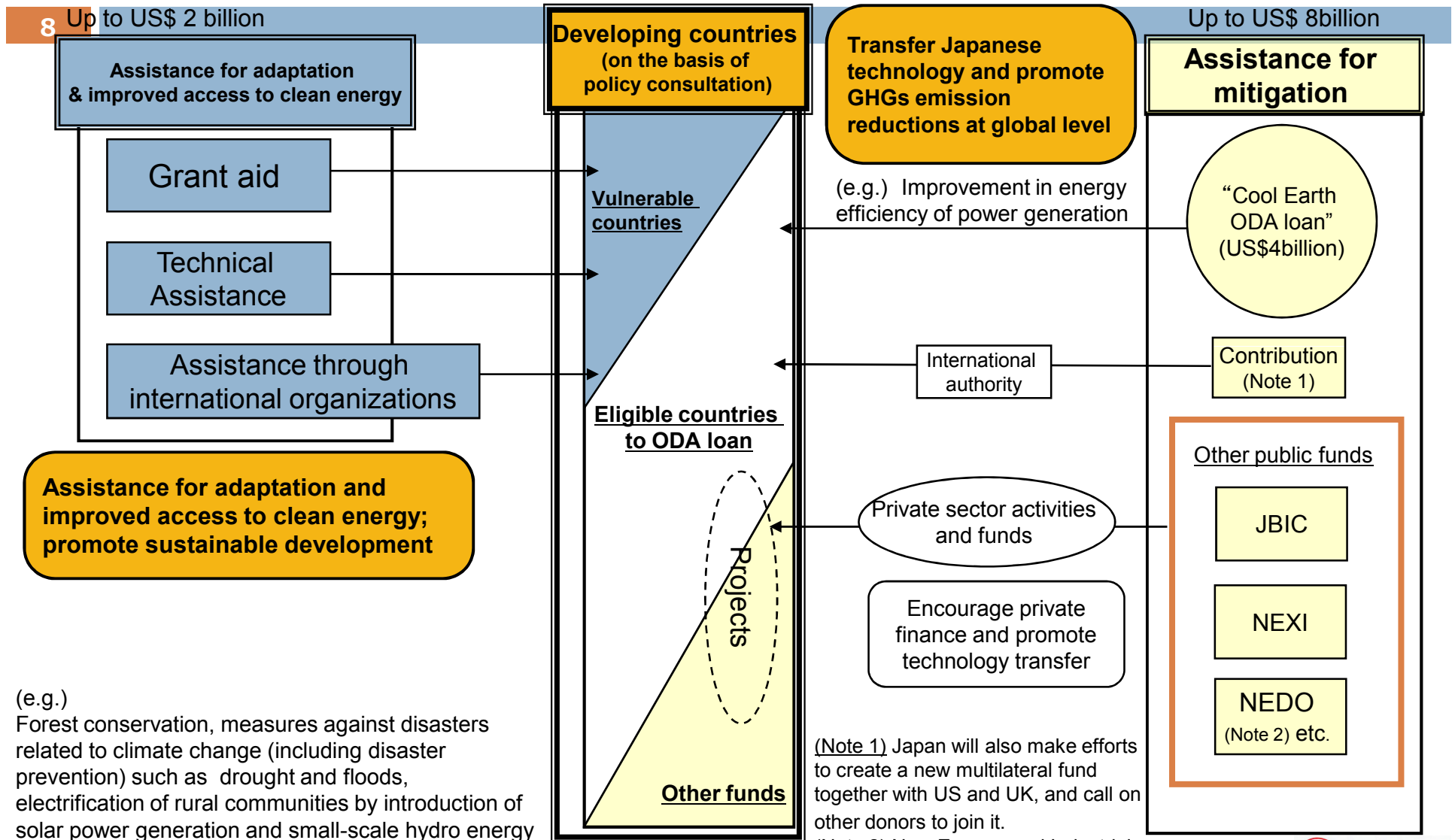
Examples of support for achievement of “Cool Earth”

ODA's support for compatibility



Financial Mechanism “Cool Earth Partnership” (Image)

From 2008, Japan will provide funds on the scale of US\$10billion over the next five years.
 →to assist developing countries making efforts to reduce GHGs emissions and achieve economic growth in a compatible way.



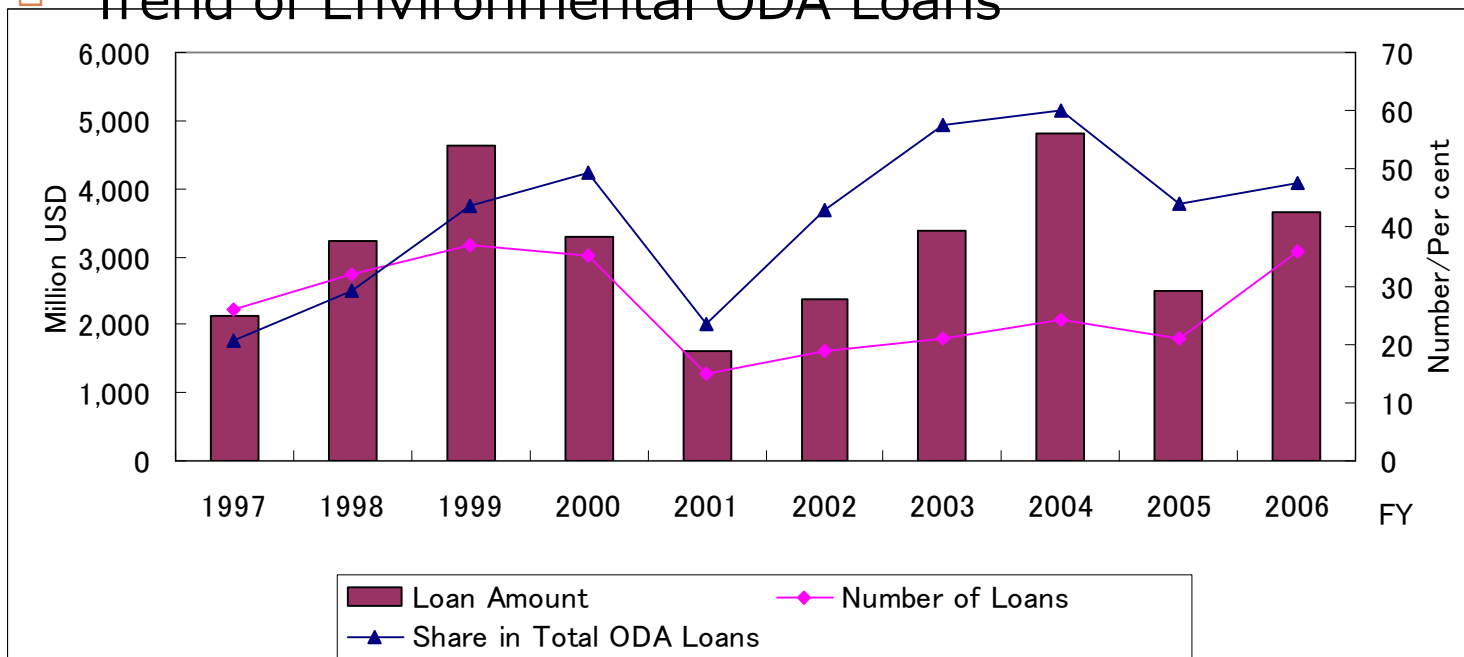
(Note 1) Japan will also make efforts to create a new multilateral fund together with US and UK, and call on other donors to join it.

(Note 2) New Energy and Industrial Technology Development Organization

ODA Loans as policy incentive tool

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□ Trend of Environmental ODA Loans



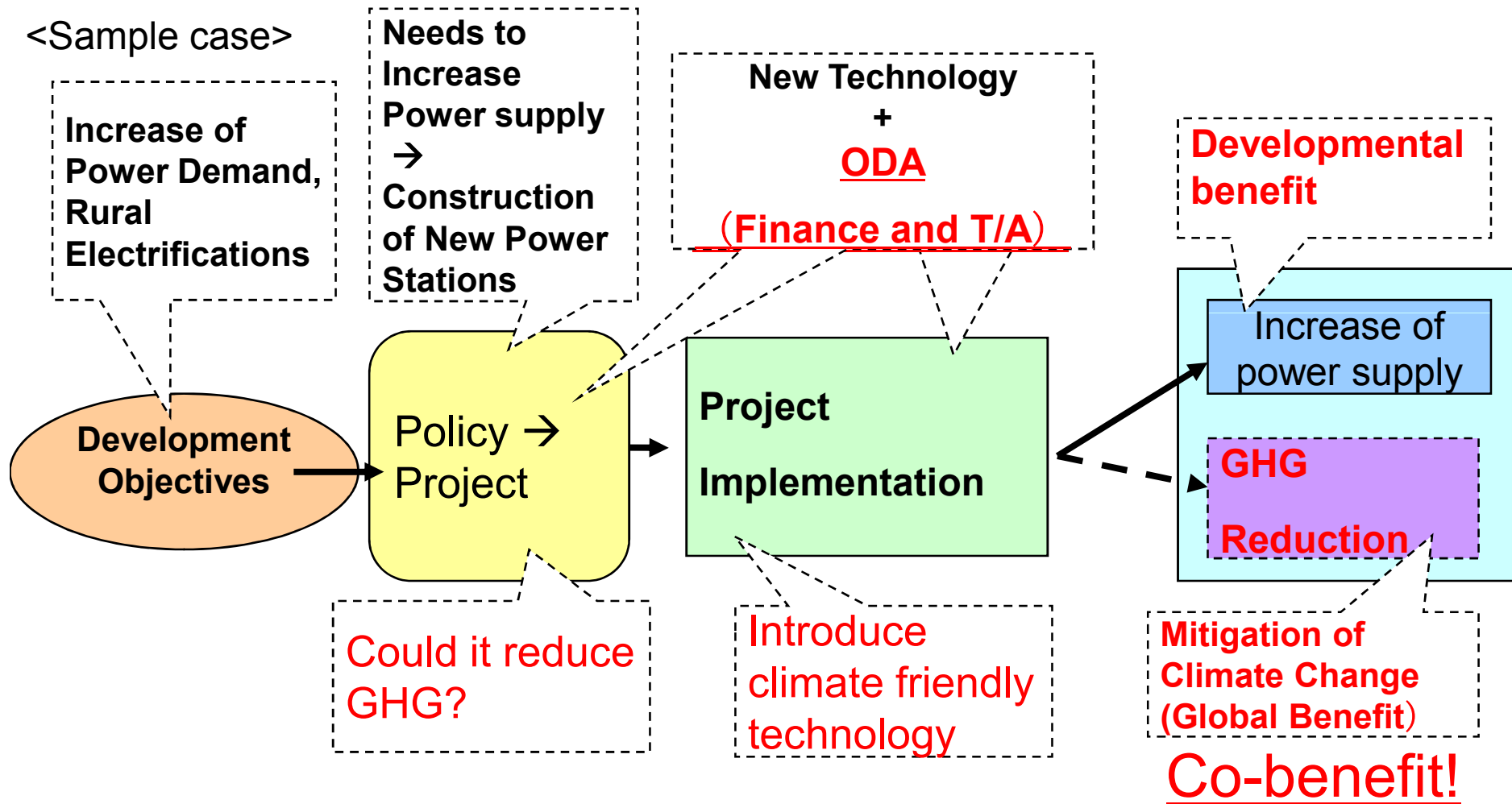
- Introduced “Special terms and condition for environmental projects/programmes (0.55~0.65% of interest rate and 40 years repayment period)” as a part of Kyoto Initiative in 1997.

➔ Since then, number of environmental projects has been increased

- Effectively work as “policy incentive tool”
- Stocktaking of “know-how” to address to climate change

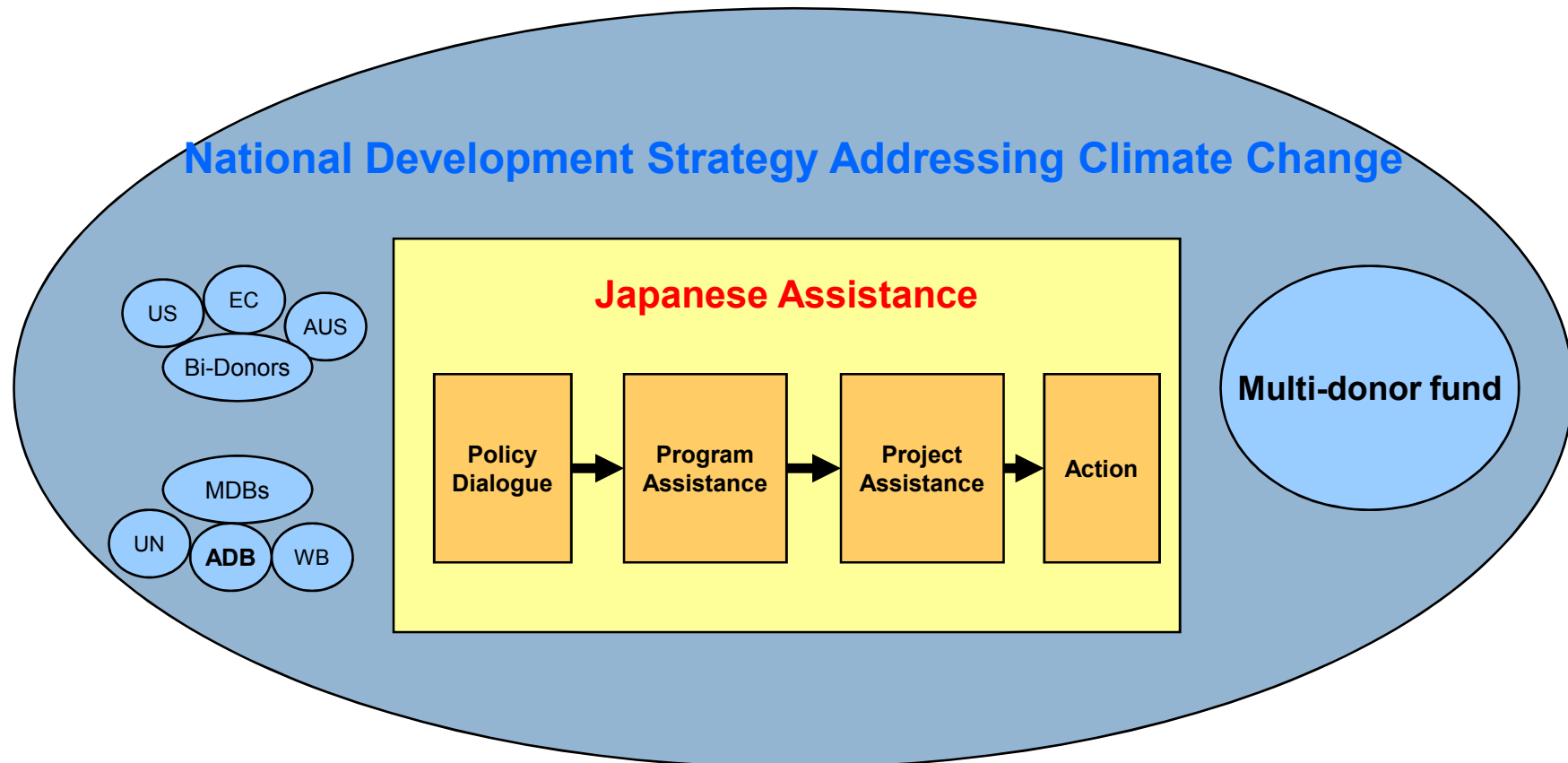
We support to generate “co-benefit”

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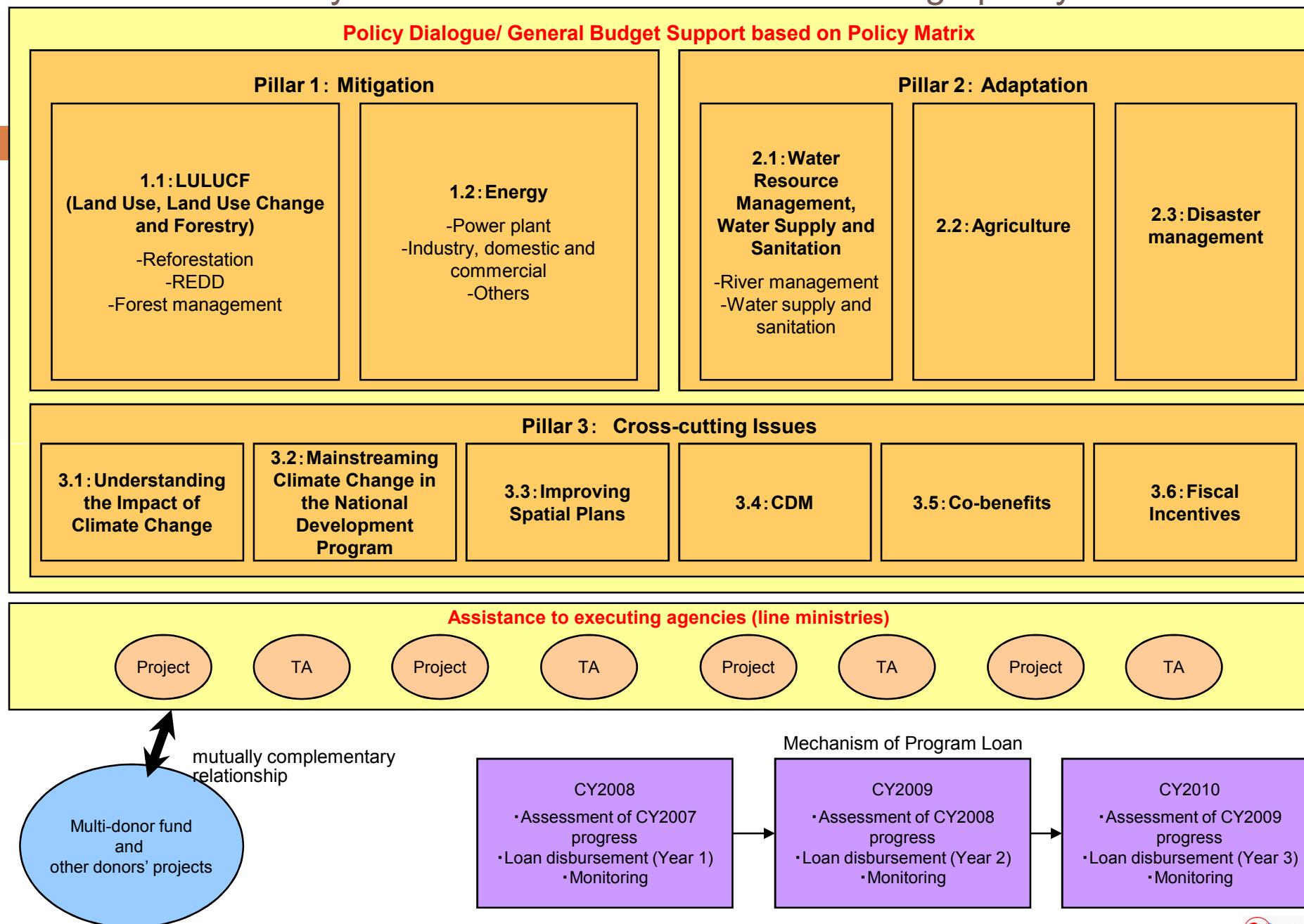


Climate Change Development Policy Loan supporting SD-PAM (Concept Image)

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Policy based Assistance for climate change policy



Example case of Japanese ODA Loan project for Mitigation: -Transport-

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□ Delhi Mass Rapid Transport System Project . India

▣ Project objective:

- To relieve traffic congestion and improve the urban environment through the reduction of vehicle emissions in the capital territory of Delhi by constructing the capital's first mass rapid transport system.
- The mass transit system is expected to carry 2.26 million passengers a day, a figure comparable to the volume of passengers carried by the subway system in Tokyo or in Osaka.

▣ Effect of the Project

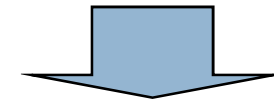
- Approx ~~38,000 t~~ of CO₂ will be reduced by modal shift from vehicle.
- Approx ~~39,500 t~~ of CO₂ will be reduced by installation of regenerative brake system.



Example case of Japanese ODA Loan project for Adaptation: -Coastal Management-

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- Indonesia: Bali Beach Conservation Project
 - ▣ **Project objectives**
 - To conserve four beaches in the island of Bali, where coastal erosion is becoming a growing concern due to the increasing impact of ocean waves caused by damages to coral reefs.
 - The project is expected to counteract the current and future problems, thus inducing sound socio-economic development in the area.
 - It is also considered as an effective adaptation measure to rising sea levels due to climate change.



Thank you for your attention!

For further inquiry, please contact
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