

Development Cooperation for Climate Change (Energy Efficiency and Conservation)

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Office for Climate Change, Global Environment Department
Japan International Cooperation Agency



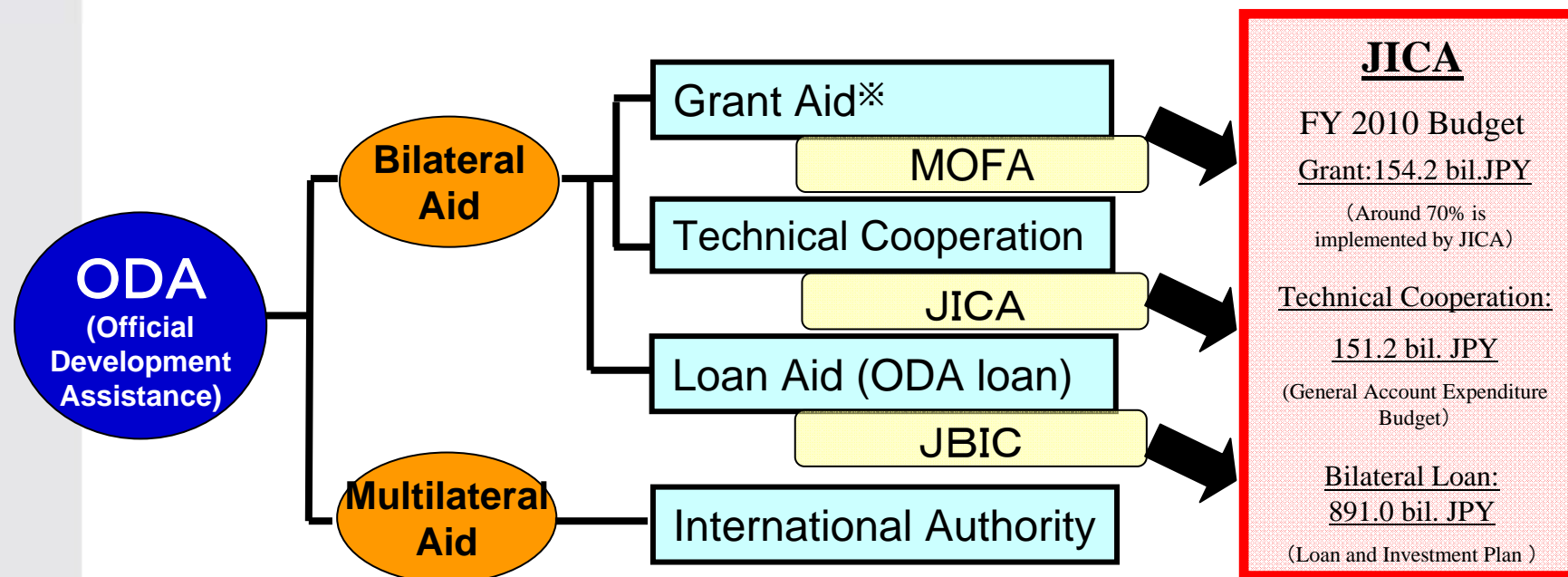
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1. About JICA and Assistance Schemes

- The current JICA was inaugurated in October 2008 with a merger of
 - 1) Technical Cooperation of the existing JICA,
 - 2) Loan Aid operation (ODA loans and Private Sector Investment Finance (PSIF)) of the Japan Bank for International Cooperation (JBIC), and
 - 3) a large portion of Grant Aid implementing operation of the Ministry of Foreign Affairs (MOFA).
- JICA provides strategic and effective ODA through integrated, comprehensive and seamless implementation of Technical Cooperation, Loan Aid and Grant Aid as one of the largest ODA executing agency in the world.



*Non-project Assistance and Emergency Grant Assistance remain with MOFA

国際協力機構



Various Schemes of JICA Assistance to Meet the Needs of Developing Countries

- Technical Cooperation: includes ...
 - (1) dispatch of experts
 - (2) acceptance of training participants
 - (3) provision of equipment for efficient implementation of assistance by experts, etc.
 - (4) assistance for development planning and public projects

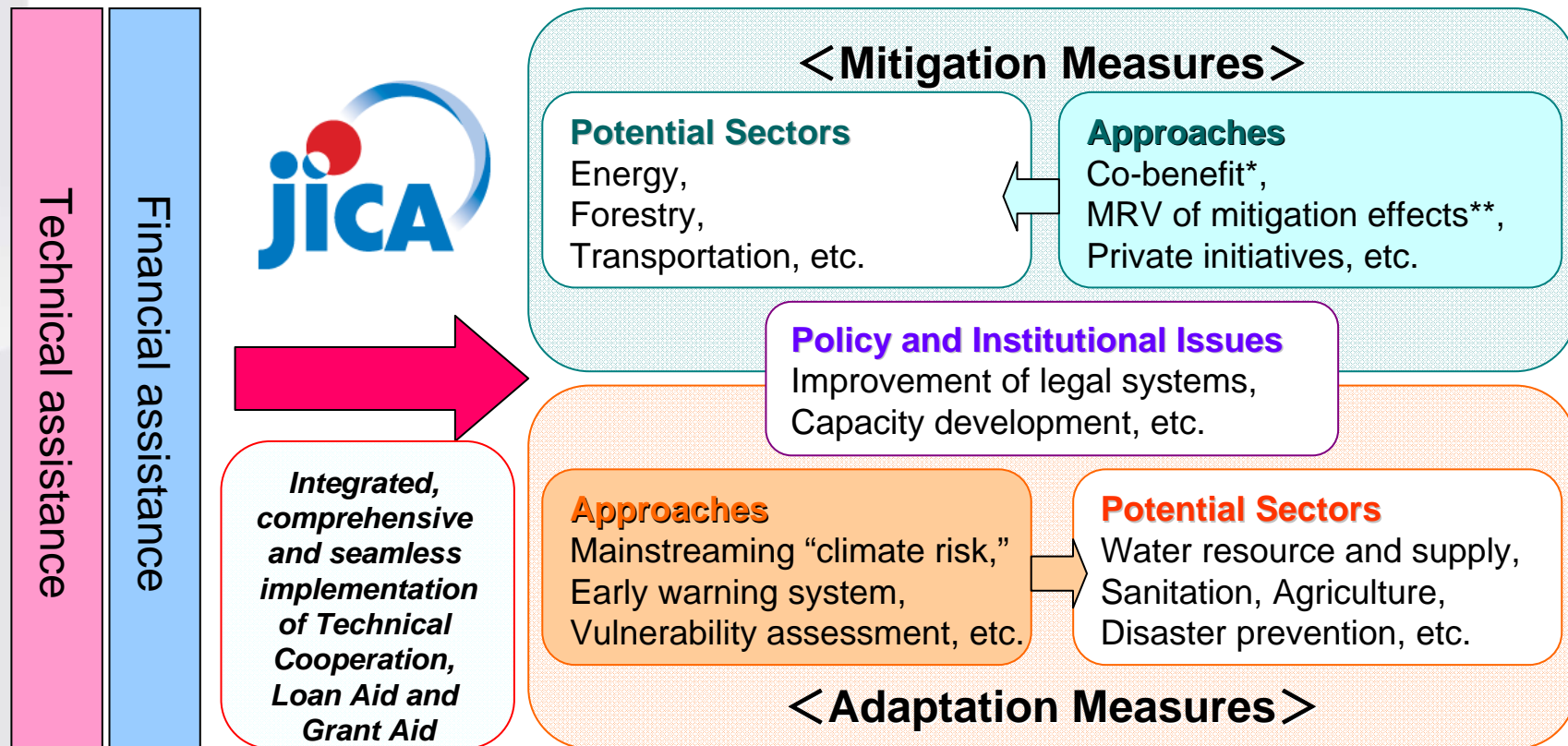
- Loan Aid (ODA loans, PSIF): includes ...
 - (1) project loans
 - (2) program loans (sector support / development policy support)
 - (3) financial intermediary loans (“two-step” loans)
 - (4) engineering services (E/S) loans

- Grant Aid: includes ...
 - (1) grant aid for general projects
 - (2) program grant aid for environment and climate change

- Others (research, volunteers, disaster relief, etc.)



2. Development Cooperation for Climate Change by JICA



Encourage cross sector approach based on policy dialogue

Utilize Japan's private cutting-edge technologies effectively

Promote globally conducive research

*Co-benefit" Approach --- To promote project or program with double dividends of sustainable development and climate change mitigation / adaptation

**MRV of mitigation effects --- To ensure rigorous, robust and transparent mitigation through measurable, reportable and verifiable emission reduction



Summary of Climate Change Japanese ODA Loan

- Highly concessional compared to past preferential terms
- Candidate projects can be processed on a “Fast Track” basis (e.g. a loan request can be made at any time and is considered separately from ordinary projects).
- Provided to developing countries which make efforts to reduce GHG emissions and to achieve economic growth in a compatible manner, on the basis of policy consultations between Japan and those countries
- Covers projects and programs that contribute to mitigation (increased access to clean energy and adaptation may also be included)

Category	Interest Rate (% p.a.)	Repayment Period (year)	Grace Period (year)
LDCs	0.2	40	10
Low-income countries	0.25	40	10
Lower- middle-income Countries	0.3	40	10
Middle-income countries	0.3	40	10
Upper-middle income countries	0.6	40	10

* Option terms (interest rate and repayment/grace period) are available for each category (e.g. LDC may opt for 0.15% interest rate, 30(10) year repayment (grace) period.)



3. Assistance for Energy Efficiency and Conservation (EEC) (Comprehensive EEC Assistance Approach in Viet Nam)

Legal, institutional & policy issues

**【ODA loan】 Climate Change Policy Loan (CCPL)
(10 bil. JPY*)**

■ Budget support for policy / institutional improvement
(law and preferential policy measures for EEC, etc.)

Capacity Building

【Technical Cooperation】 EEC Master Plan

■ Preparation of Roadmap and Action Plan to Promote National Target Program for EEC, etc.

Strengthening environmental finance

【Technical Cooperation】 Capacity Building of Viet Nam Development Bank (VDB)

■ Strengthening environmental finance credit analysis

Implementation of EEC actions by firms

【ODA loan】 Energy Efficiency and Renewable Energy Promoting Project (4.68 bil. JPY*)

■ Finance for energy-saving devices, etc. thru Viet Nam Development Bank, offers EEC consulting services for firms

【Technical Cooperation】 EEC Master Plan (Implemented by J-POWER)

Objective

National Target
Program for EEC



Roadmap
Action Plan

Activity

Survey of
local
situation

EEC Review
of factories,
buildings

Promoting EEC
to researchers,
consumers

EEC training
program
In Japan

Priority Proposal

Introduction of
Registered
Energy Manager
system

Introduction of
EEC / Energy
Labeling
system

Strengthening
EEC data
management

【ODA loan】 Energy Efficiency and Renewable Energy Promoting Project

Project Summary	Loan Agreement	Loan Amount (mil. JPY)	Interest Rate (% , p.a.)	Repayment / Grace Period (year)
Providing medium- and long-term loans through the Viet Nam Development Bank (VDB) (called two-step loan) required to promote the use of energy-saving devices and renewable energy by companies in energy-intensive industries (iron & steel, cement, food processing, etc.)	Nov 2009	4,682	0.25% (0.01% for consulting services)	40/10

- Assistance to VDB will be provided for
 - 1) capacity building of evaluating energy-related finance based on Japan's experiences
 - 2) creating and managing energy-saving and renewable energy device lists

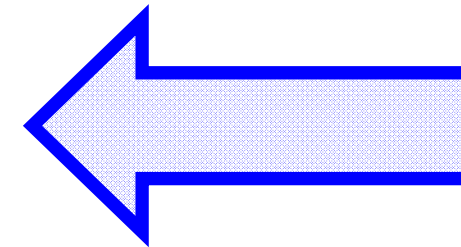
- Project implementation assistance by Japan Consulting Institute (JCI) and the Japan Economic Research Institute (including introduction of EEC products, conditions of VDB finance, etc. through seminars)



JICA has experience in providing EEC related assistance for climate change mitigation in many developing countries ...



(only in Japanese...)



- JICA has experience in providing many EEC related assistance that contribute to climate change mitigation (i.e. Indonesia, Thailand, India, China, Sri Lanka, Iran, Saudi Arabia, Poland, Latin America, etc.)

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