Climate "Changes" the Development Agenda?
- JICA/JBIC Experiences

Side Event
Japan International Cooperation Agency (JICA)
Japan Bank for International Cooperation (JBIC)
10, December, 2007
Japanese ODA

- ODA
  - Bilateral Assistance
  - Multilateral Assistance
  - Grant
    - Grant Aid
      - MOFA
    - Technical Cooperation
      - JICA
  - International Organization
    - ODA Loan
      - JBIC(OECO)
Focus on Co-benefits: Climate Benefits of ODA
Mainstreaming climate change in JICA’s operations

- Office of Climate Change
- J-J Working Group on Climate Change
- Project screening
  - Integration of climate considerations in project design
- Research on climate change
  - CDM
  - Adaptation
  - Co-benefit approach to mitigation
“Capacity Development for AR-CDM Promotion in Vietnam” (07/2006-)

- Counterpart
  - Ministry of Agriculture and Rural Development
- Pilot project for small-scale AR-CDM
- Co-benefits
  - Income generation for local people
  - GHG removals
  - Flood mitigation
- Investment
  - Japanese companies to invest in the pilot project as their CSR (corporate social responsibility).
“Capacity Development for Adaptation to CC in Argentina”

- Technical assistance on downscaling methods for local-scale climate change scenario.
- High-resolution climate models with computing power of the “Earth Simulator” (20km-mesh atmospheric model).
(1) What is ODA Loans?

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?

- **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
Japan’s ODA Policies and JBIC OECO’s Strategy

Government of Japan

Japan’s ODA Charter

Mid Term Policy on ODA

Mid-term Policy for Japan’s ODA

The Medium-Term Strategy for OECO

Basic Approach
- Focus on Development Results
- Medium to Long Term Perspectives
- Efforts for Transparency of Japanese ODA Loans

Priority Areas
- Poverty Reduction
- A Foundation for Sustained Growth
- Global Issues and Peace Building
  - Climate change issue
- Human Resources Development

JBIC’s Basic Strategy for ODA Loan Operation
Example case of Japanese ODA Loan project for Mitigation (1) :-Transport-

- 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 Mitigation (2) - Energy Efficiency -

- Promotion of Electricity Energy Efficiency Project, Thailand

- **Project objective:**
  - To build sufficient institutional capacity in Thailand’s power sector, and energy-related private sector, so as to deliver cost-effective energy services throughout its economy,
  
  - To pursue policies and implement actions which would lead to the development, manufacture and adoption of energy efficient equipment and processes within Thailand.

- **Effect of the Project**
  - Approx 4,160 GWh of total energy consumption were saved
  - Over 3 million t-CO2 was reduced. (During 8 years project period)
The Philippines: Iloilo Flood Control Project

- **Project objectives:**
  - To enable Iloilo City to withstand the floods within the 20-year return period.
  - To improve sanitation conditions and the living environment of the people living in this area, and in turn, to contribute to the development of the regional economy.

- **Expected effects of the Project**

<table>
<thead>
<tr>
<th></th>
<th>Reference (1994 Flood)</th>
<th>Without Project (20 years Return Period)</th>
<th>With Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Disaster (Million Peso)</td>
<td>1,152</td>
<td>863</td>
<td>0</td>
</tr>
<tr>
<td>No. of affected households</td>
<td>24,836</td>
<td>21,990</td>
<td>0</td>
</tr>
</tbody>
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Example case of Japanese ODA Loan project for Adaptation (1): -Flood Control-
Example case of Japanese ODA Loan project for Adaptation (2) : -Coastal Management-

- 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.
Japanese ODA Reform

(※) Ministry of Foreign Affairs will execute parts of grant aid, while the rest will be transferred to New JICA.
Thank you for your attention!

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