

**“Asia-Pacific Regional Approach to
Climate Friendly and Climate Change-resilient Society”
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JBIC’s Business Model for supporting Kyoto Mechanism Projects

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About JBIC

Japan Bank for International Cooperation



1. An Official Financial Institution with Special Mandate owned by the Japanese government
2. Major Financing Tools
 - Export Finance
 - Overseas Investment Loans
 - Untied Loans
 - ODA Loans
3. Outstanding Lending as of the End of March 2005
USD201,181 million equivalent
(cf. World Bank: USD223,177 million)
4. International Network
4 Resident Executive Directors and 27 Representative offices

JBIC's role at Carbon Market



1. Financing
2. Arranging carbon credits for Japanese buyers(for JCF and Japanese government)
3. Initiation of new structure
 - e.g.. Green Investment Scheme
 - Demand Side Management CDM
 - Contribution for Asian Pacific partnership for Climate Change and Clean Development and Gleneagles Initiative for Clean Energy
4. Organizing and supporting business seminar
 - 1) CO2 Seminar (CO2 Caravan)
 - London, Paris, Brussels, Frankfurt, Vienna, Hong Kong, Sao Paulo, Manaus
 - Tokyo, Osaka, Nagoya, Sapporo, Kitakyushu
 - 2) Co-works with Japan Institute for Overseas Investment (JOI) and JETRO

CO2 Caravan by JBIC



May 2006 in Hong Kong.

From April 2005 JBIC held CO2 Caravan in 16 cities in and out of Japan

Carbon Expo Asia



**First big carbon emission business messe
in Asia. ---- 26- 27 October 2006 in Beijing**

JBIC participate it as a partner under the cooperation with World Bank, Asian Development Bank. Around 800 people from 30 countries are expected.

Presentation about the policy and market climate.

Exhibition and side events by governments, public institutions, sellers, investors.

Networking meeting



General Background of Kyoto Mechanisms

What are Merits of the Kyoto Mechanisms?



1 To reduce GHG emissions at a reasonable cost

Japan has already achieved the high level of energy efficiency and further reduction in energy consumption is very expensive. In contrast, developing countries have substantial headroom for improving energy efficiency at a reasonable cost.

2 To contribute to environmental improvement and economic development in developing countries

The Kyoto Mechanisms are good instruments for attracting foreign direct investment and increasing technology transfer from developed countries.

3 To provide business opportunity

Projects will generate greater cash flows through sales of carbon credits. Thus more projects can be realized.

Japan's commitment to Kyoto Protocol



Reduction target under Kyoto Protocol

--- 6 %

by domestic measures

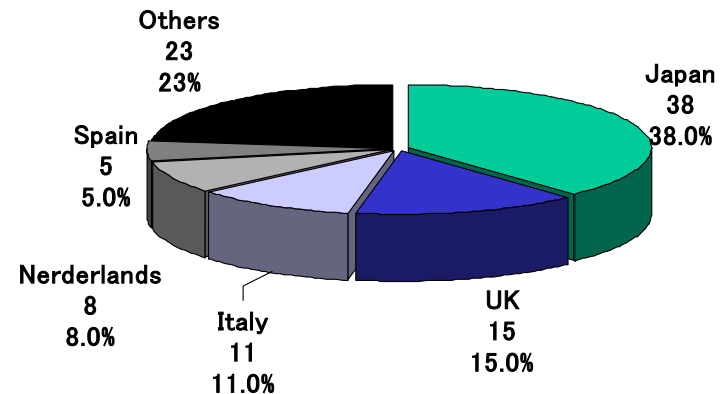
energy efficiency investment at industry
efforts to energy savings at households
and offices(such as 'cool-biz')

Around 170 million ton equivalent is over
the Kyoto Target

Use of carbon credits from Green House Gas emission reduction projects for compliance

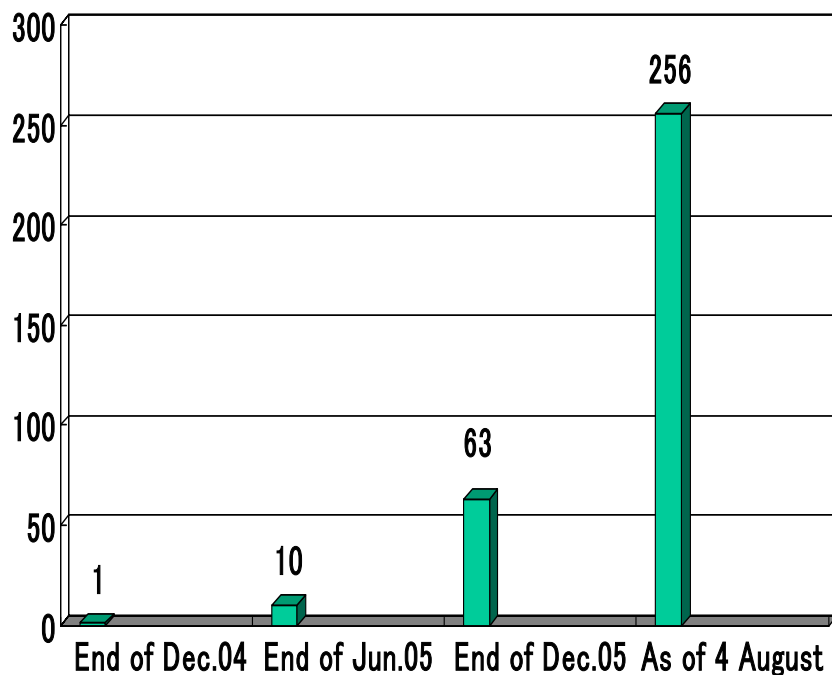
- Government's target : 100 million ton equivalent
- Industry under voluntary reduction commitment

Japan's presence on the Carbon Market Carbon credit contract between Jan.2005-March 2006



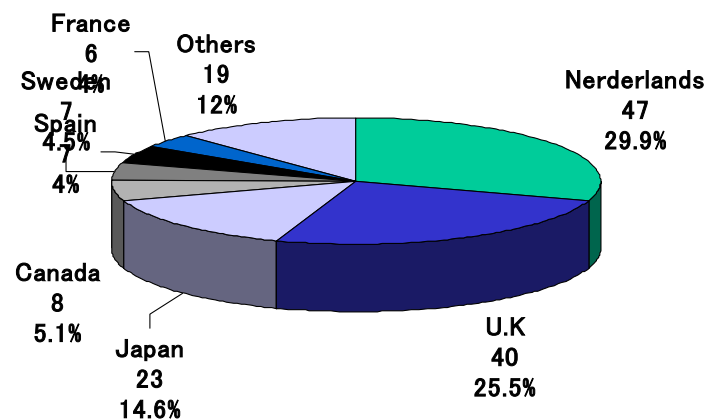
Source : World Bank report, May 2006

Number of the projects registered at UNFCCC

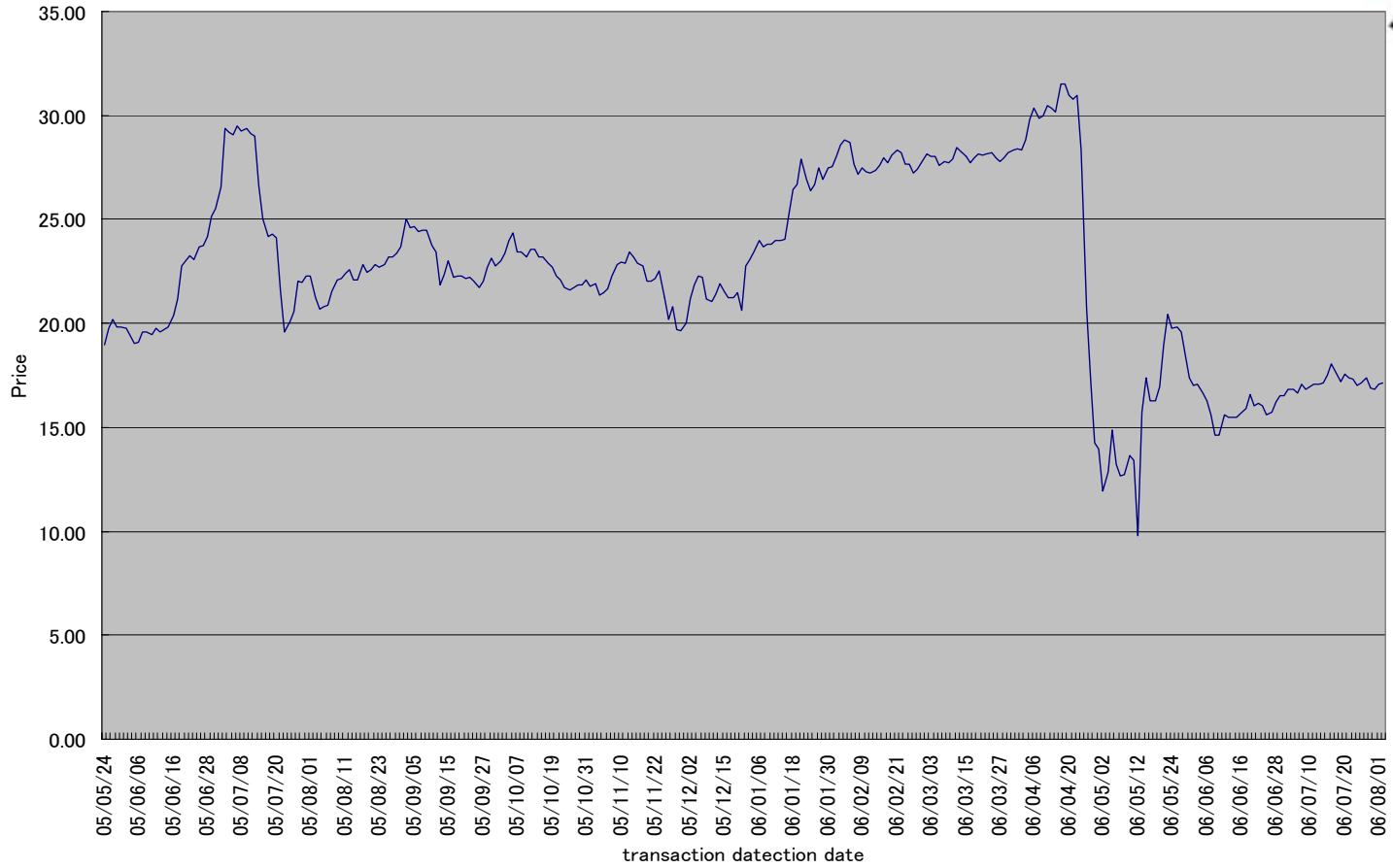


Source UNFCCC

By country as of 4 August 2006



Carbon Credits price

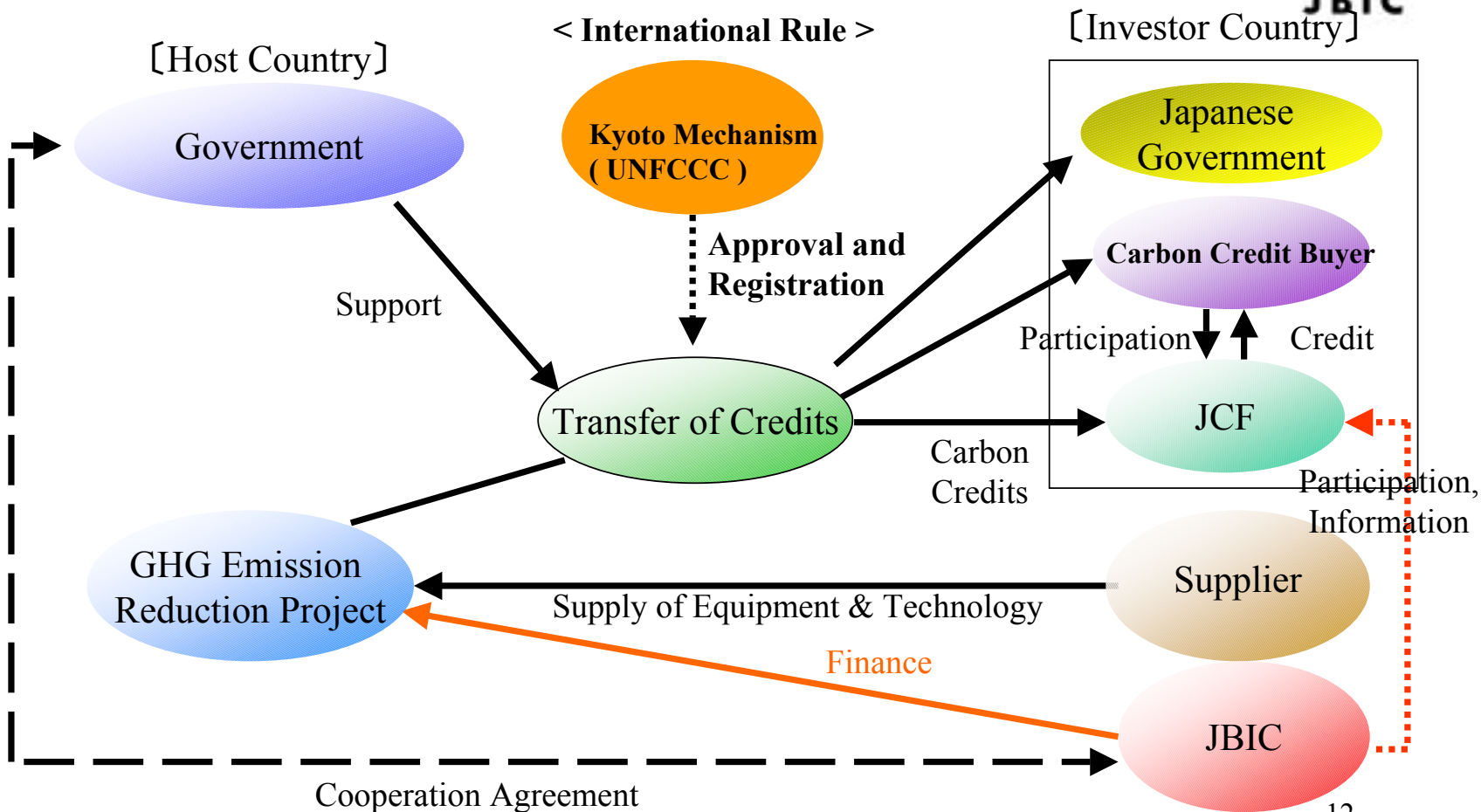


Source European Climate Exchange

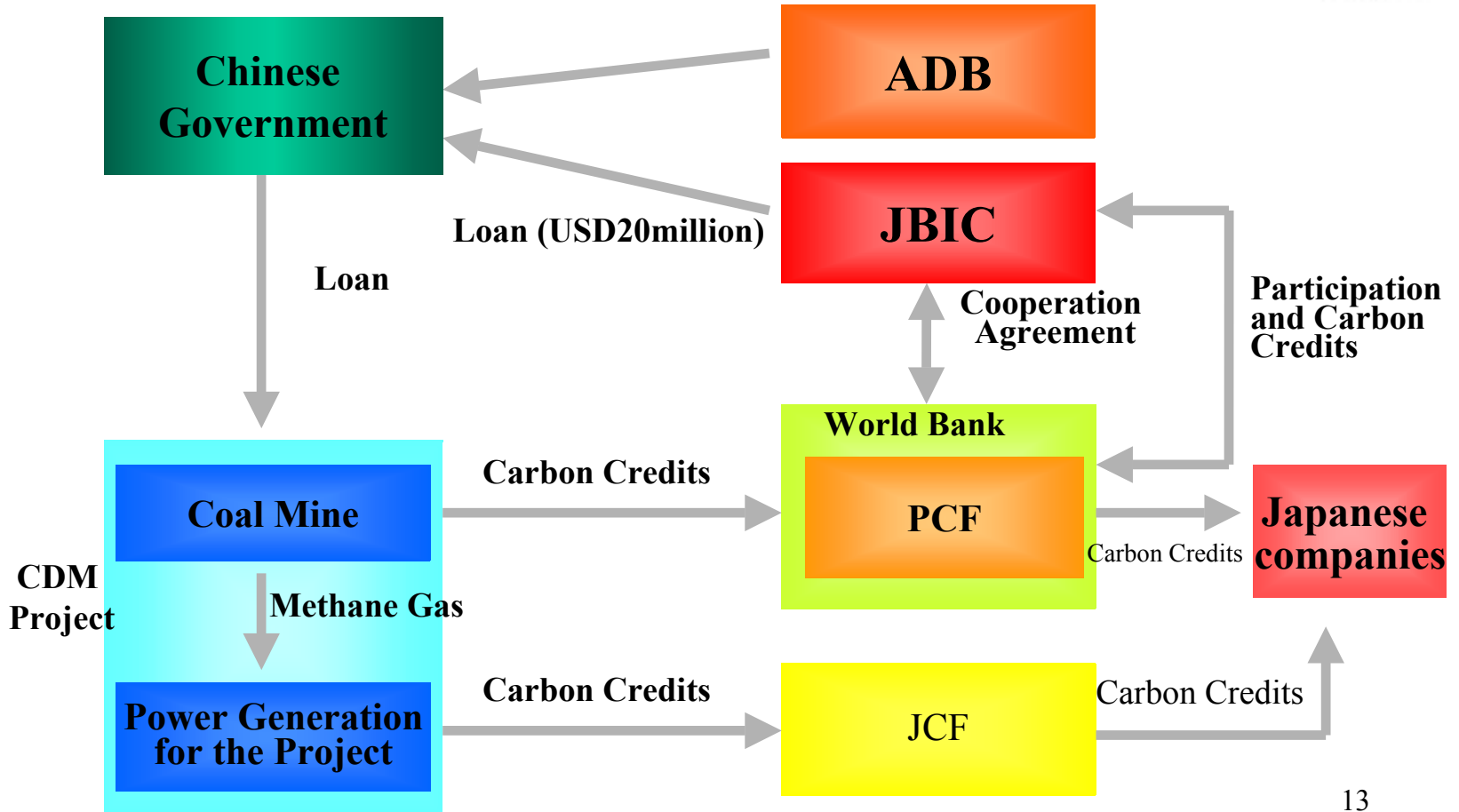


JBIC's Support for GHG Emission Reduction Projects

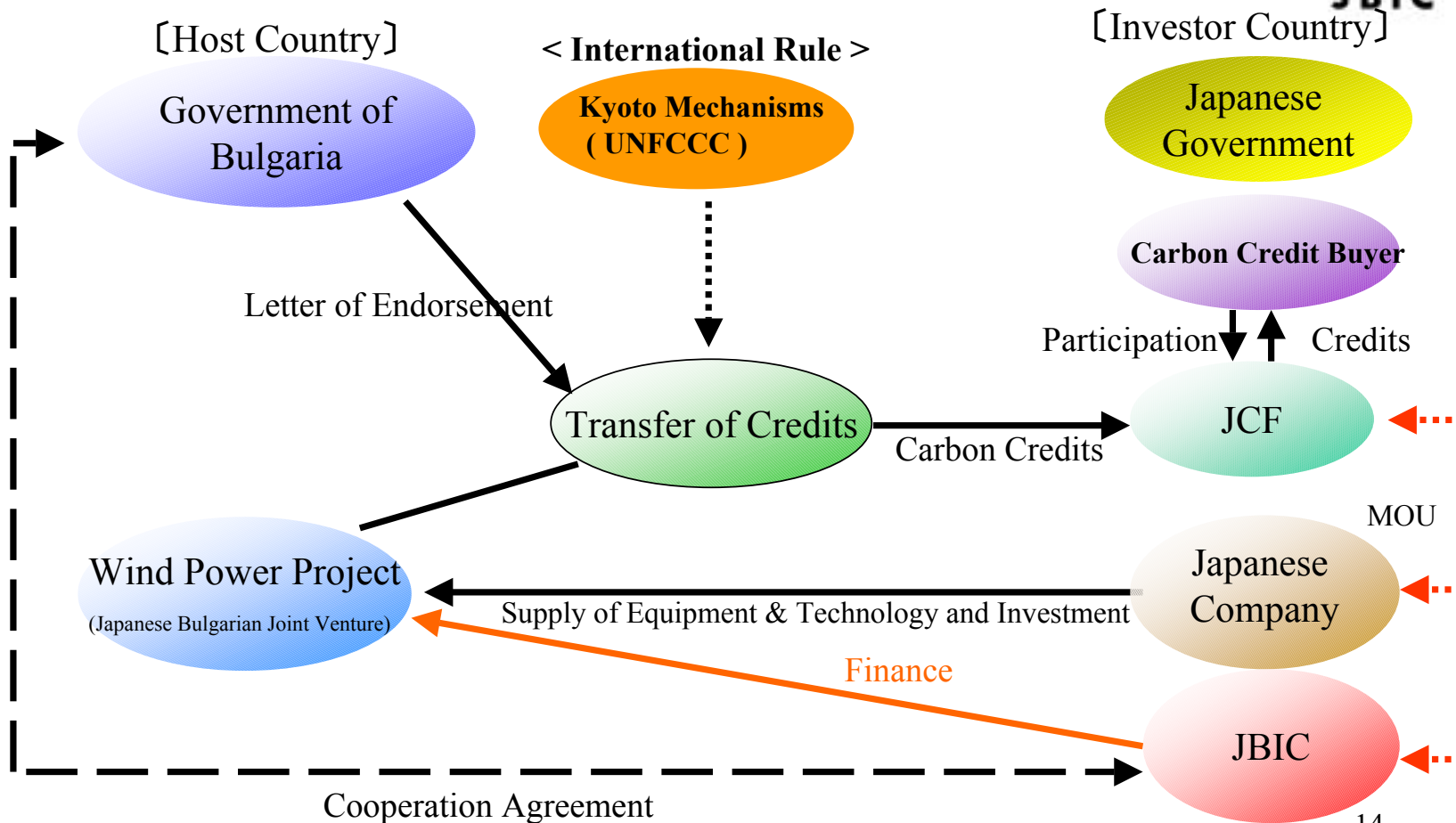
JBIC's Business Model for GHG Emission Reduction Project



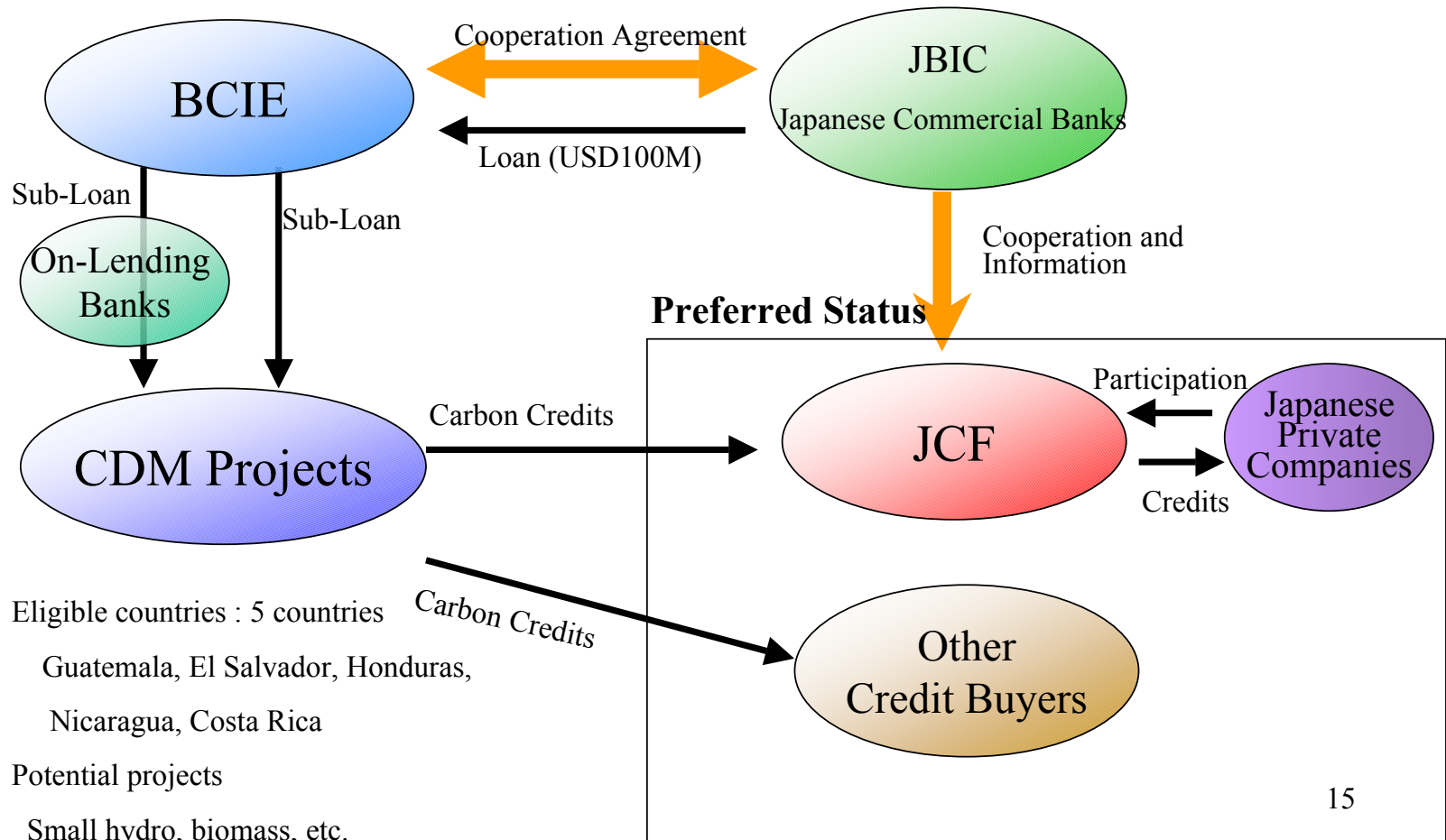
Methane Gas Recovery Project in China



Wind Power Project -Joint Implementation Project-



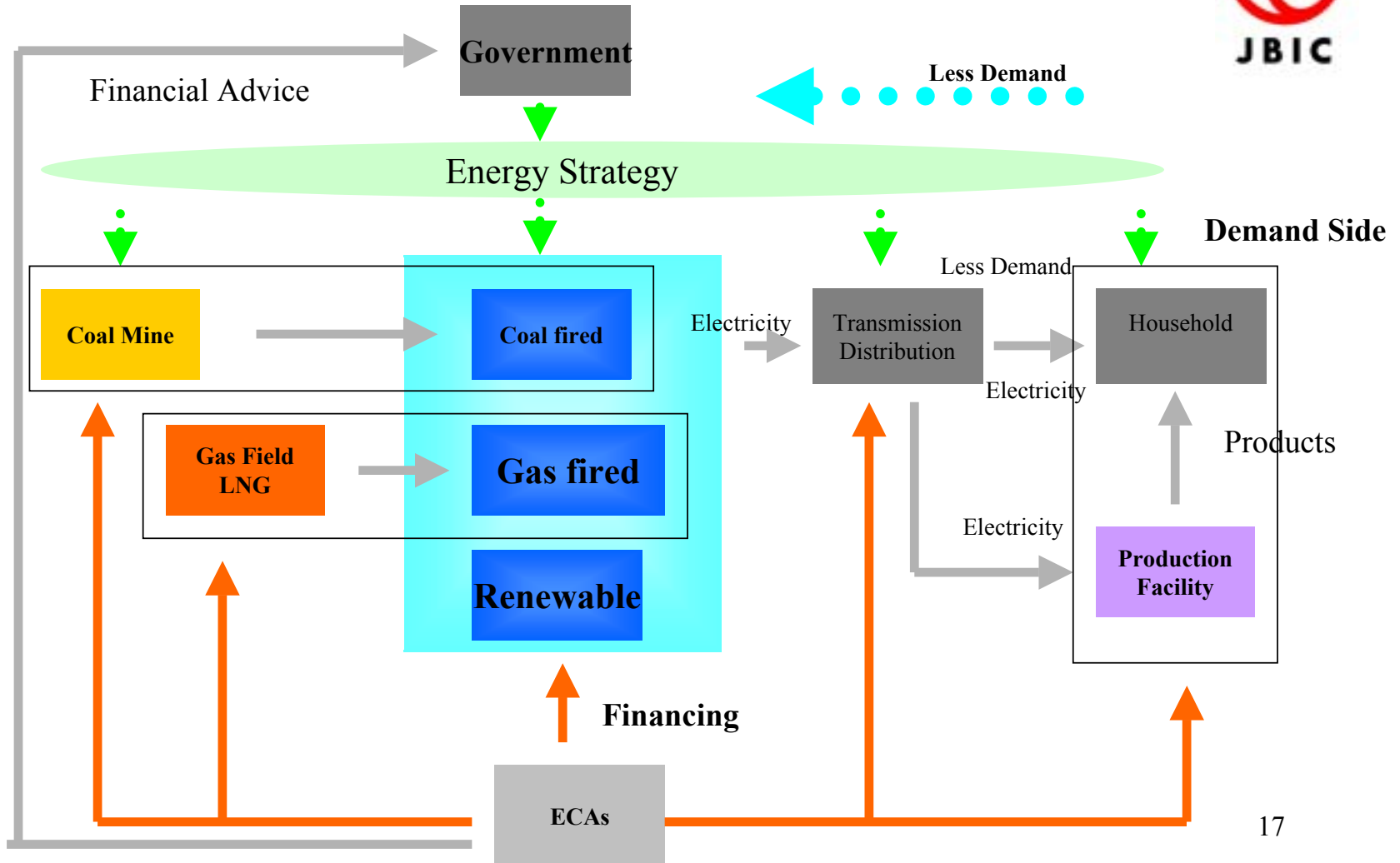
CDM Enhancement Loan by JBIC



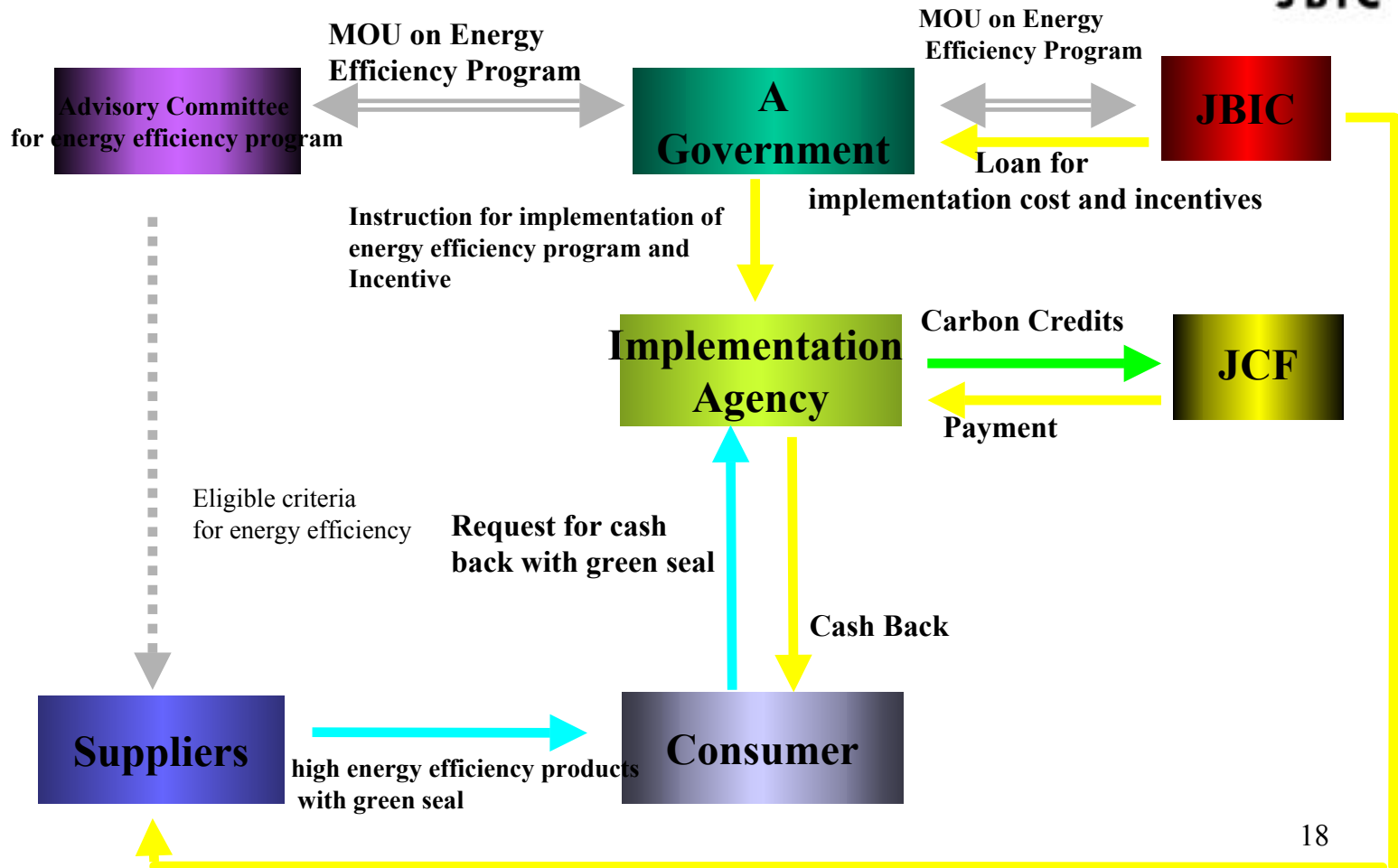


JBIC's Challenge in Demand Side Approach

Financial Support for Energy Chain



Energy Efficiency Program at Consumer products



Merit of Demand Side Approach



Case Study

– Switch to Compact Florescent Lamps

< Assumption >

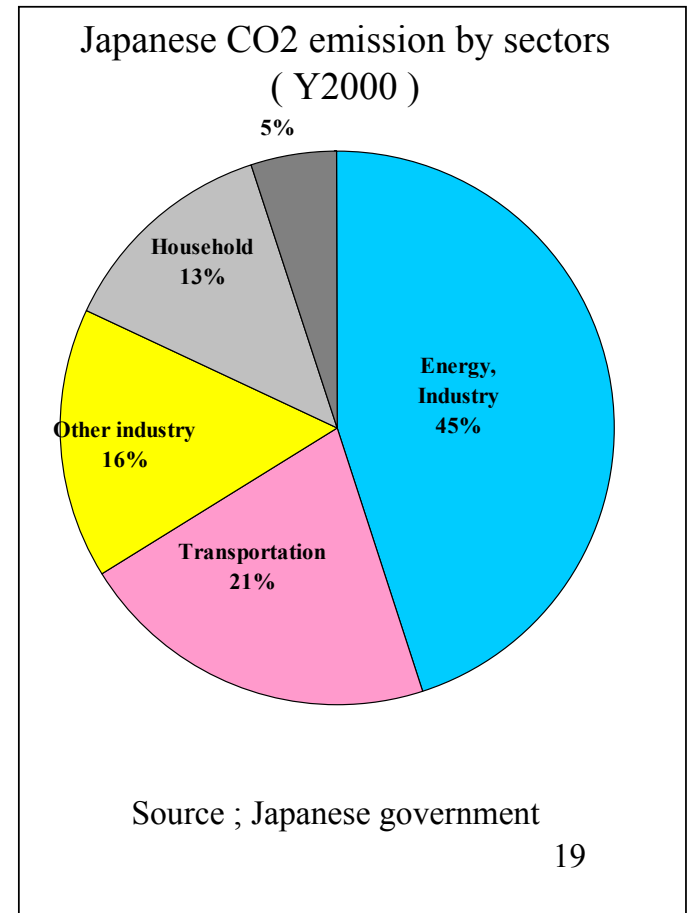
A city with 10 million population with 3 million households and 8 lamps per house
50 % of lamps are replaced by energy-saving lamps.

< Merits >

500 MW power peak load plant will become redundant.
USD400 to 450 million will be saved after deducting the cost of government incentives

< Lesson >

Not only working on the supply side but also demand side energy management is an effective approach to reducing GHG emissions.



JBIC Signed Cooperation Agreements



with

International Organizations:

World Bank

CABEI (Central American Bank for Economic Integration)

CAF (Corporación Andina de Fomento)

Regional Environment Center (REC)

Foreign Governments:

Bulgaria , Romania, Mexico, Chile, Colombia, Vietnam,
Morocco, Brazil, Peru, Paraguay, Indonesia, Sri Lanka

Others Partners:

IETA, ICICI Bank(India), TMB Bank(Thailand), RHB
Bank(Malaysia)

Contact Information

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