Promoting the Co-benefits Approach through the Financial Mechanism, "Cool Earth Partnership"

-Aligning Climate and Development-

The Announcement of Financial Mechanism, "Cool Earth Partnership"

The Cool Earth Partnership was announced by Japanese Prime Minister Fukuda at the World Economic Forum Annual Meeting 2008 in January 2008, in Davos, Switzerland. This new initiative aims to strengthen Japan's support to developing countries in efforts to address climate change. Under the partnership, the Government of Japan has pledged financial support amounting to approximately US $ 10 billion (1,250 billiion Japanese Yen) over the next five years. Japan is undertaking policy consultations with developing countries that are making efforts to reduce GHG emissions and achieve economic growth in a compatible way.

Co-benefits Dialogue with Developing Country Partners

Under the partnership, the Ministry of the Environment, Japan (MOEJ) has been promoting policy and technical dialogue with developing country partners and key stakeholders, with a view to implementing co-benefits activities for climate and development.

A Workshop on Co-benefits Projects through ODA Loan in Vietnam was held by MOEJ and the Japan Bank for International Cooperation (JBIC) on 15 May 2008 in Hanoi, Vietnam. The Workshop contributed to enhancement of understanding on the co-benefits approach through Japan's ODA Loan projects in Vietnam and financial mechanisms under the "Cool Earth Partnership". Participants jointly learnt the practical aspects of how co-benefits projects would be formulated.

MOEJ and the Ministry of Environment Protection, China, concluded the "Statement of Intent on Cooperation on the Co-benefits Approach Addressing Climate Change and Environmental Improvement" in December 2007. Under the statement, both ministries will intensify their efforts to promote policy dialogue on development and implementation of several co-benefits projects in China.

MOEJ and the Ministry of Environment, Indonesia agreed on the "Statement of Intent on Cooperation on the Co-benefits Approach" in December 2007. Under the statement, both ministries held a policy consultation meeting in March 2008 to formulate co-benefits projects in Indonesia.

May 2008

How to Use Tools to Formulate Co-benefits Projects

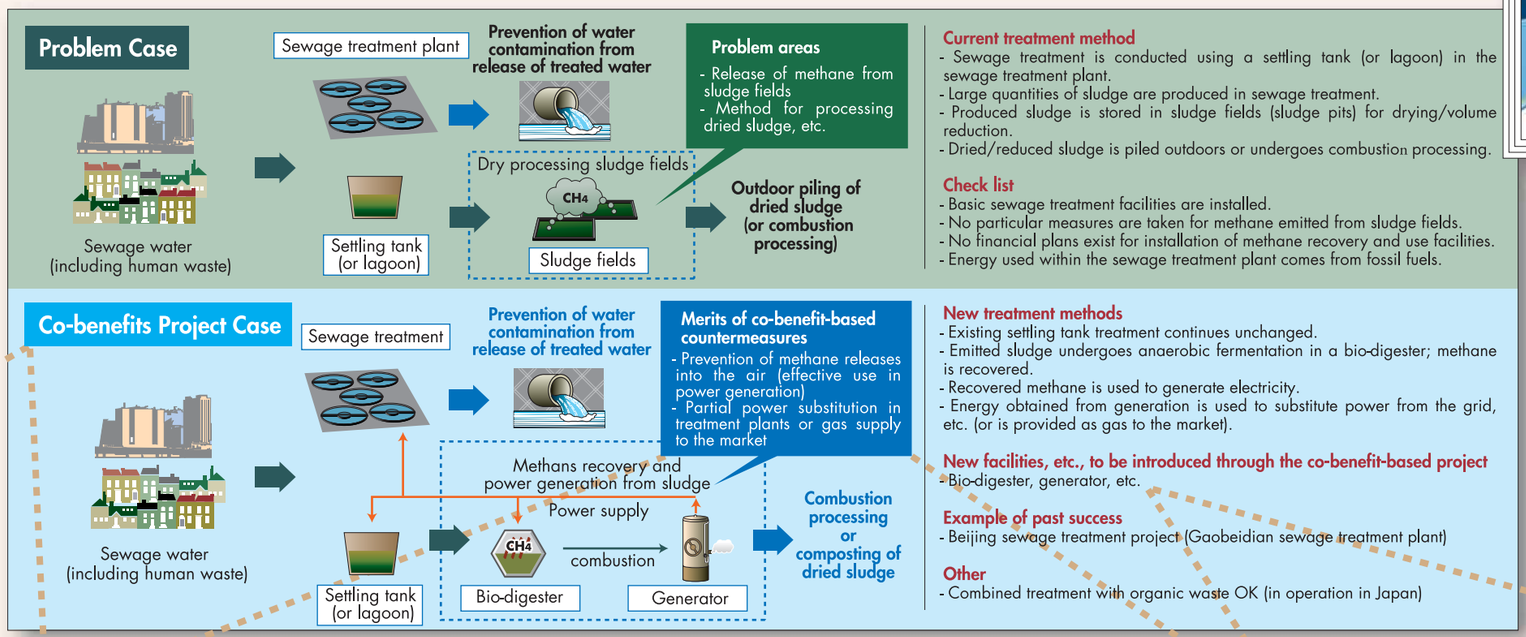
To share Japan's experience and know-how, MOEJ has conducted studies on good practices for projects, and developed technology maps (lists of technologies applicable to co-benefits projects) and tools to formulate potential co-benefits projects. Those tools assist to formulate co-benefits projects, with focus on air quality management, water quality management and waste management.
Through utilization of those tools, Japan moves forward with development and implementation of co-benefits projects to address both GHGs emission reduction and development.
One Example is outlined below.

Catalog for Identification of Co-benefits Projects to GHG Reduction and Local Environmental Improvement

Project participants may wonder how to formulate co-benefits project. The Catalog will be helpful to recognize the outline and steps for developing a project.

Step 1

Compare;
1) current conditions and
2) a suggested co-benefits project
(Basic figures of emission reduction/ abatement of GHGs and pollution substances available)



Step 2

If the "problem case" is applicable to your project site, go to a "potential case check sheet".

You may start considering how to apply co-benefits methods, using the policy tools.

Good Practices Matrix

You can find more examples of co-benefits projects in each sector.

(· Construction of sewage treatment plants + recovery of sludge methane)
(·Energy conservation in treatment facilities)
(·Aerobic biological treatment)

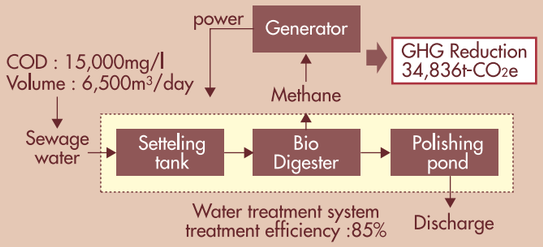
Quantitative and/or Qualitative Evaluation Manual

You can figure out Estimated annual GHG Reduction by using the simplified chart.
Eg) Wastewater volume is 6,500m³/day, COD level is 15,000mg/l, and the efficiency of the treatment equipment is 85%.
Therefore, the Estimated annual GHG Reduction is 34,836t-CO_2e.

Estimated annual GHG Reduction

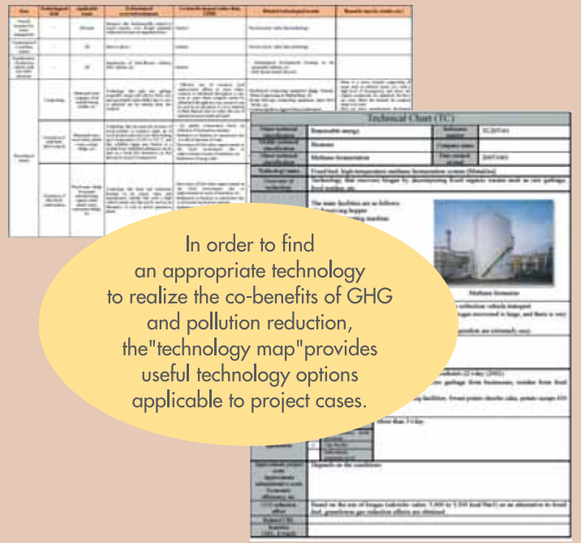
Unit:t-CO_2 equivalent

		COD level(mg/L)			
		5,000 (0.005t/m³)	10,000 (0.01t/m³)	30,000 (0.03t/m³)	50,000 (0.05t/m³)
WasteWater volume (m³/day)	65% treatment efficiency				
	1,000	2,841	6,507	21,170	35,833
	5,000	15,404	33,733	40,911	68,386
	10,000	31,108	27,174	82,123	137,072
	75% treatment efficiency				
	1,000	2,896	2,896	21,501	36,384
	5,000	15,680	34,284	51,214	85,557
	10,000	31,659	34,043	102,729	171,414
	85% treatment efficiency				
	1,000	2,951	6,727	21,831	36,936
	5,000	15,955	34,836	61,517	102,729
	10,000	32,211	40,911	123,334	205,757
	95% treatment efficiency				
	1,000	3,006	6,837	22,162	37,487
	5,000	16,231	35,387	71,820	119,900
	10,000	32,762	47,780	143,940	240,100



For project formulation, the "Manual on Qualitative and Quantitative Evaluation for Co-benefits Project" provides useful guidance with qualitative and quantitative evaluation methods.

Technology Map



In order to find an appropriate technology to realize the co-benefits of GHG and pollution reduction, the"technology map"provides useful technology options applicable to project cases.

Support for Formulating and Implementing Co-benefits Projects

Tools for co-benefits projects will be continuously developed including a technology map and manuals. MOEJ will also develop proactive tools and manuals including a "Good Practice Manual" and study criteria related to co-benefits projects, in an attempt to formulate and implement co-benefits projects to address both GHGs emission reduction and development. Recognizing the importance of formulating tangible co-benefits projects in developing countries, feasibility studies and capacity building will be launched to share Japanese expertise and know-how. These activities will be focused on not only environmental improvement, but also other areas including renewable energy and energy efficiency.

Expanding International Cooperation on Co-benefits Projects

MOEJ and Japanese stakeholders welcome broader participation in policy and technical dialogues to establish a common denominator for promoting the co-benefits approach addressing climate change and development among relevant ministries in developing countries. MOEJ has established a cooperation framework, called the Asia Pacific Gateway to Climate and Development (AP Gateway) , for information sharing and project support. The AP Gateway focuses on the co-benefits approach to support concrete projects with participation by both environmental ministries and development planning agencies. The Kick-off meeting was held in April 2008 in Bangkok, Thailand, jointly by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the Overseas Environmental Cooperation Center, Japan (OECC).

Financial Mechanisms to Promote Co-benefits Approach

As part of the "Cool Earth Partnership", the Government of Japan plans to offer ODA loans with higher concessionality than the conditions currently applicable to environmental projects. Financial assistance and capacity building are critical to implement activities based on the co-benefits approach to achieve mitigation of climate change and sustainable development in developing countries. In this regard, MOEJ will continue to intensify its efforts to expand international cooperation with developing countries and other donors.

In addition, Japan is now preparing to create a new multilateral fund together with the United States and the United Kingdom. This fund will be utilized to strengthen the solidarity with developing countries and work towards the reduction of GHG globally.

Ministry of the Environment, Japan
Kasumigaseki 1-2-2, Chiyoda-ku, Tokyo 100-8975, Japan
E-mail: kyotomecha@env.go.jp URL: www.env.go.jp/en/

Overseas Environmental Cooperation Center, Japan (OECC)
Shibakoen Annex 7th Floor, 3-1-8 Shibakoen, Minato-ku, Tokyo 105-0011 Japan
Phone: +81-3-5472-0144 Fax: +81-3-5472-0145
Email: info@kyomecha.org URL: www.kyomecha.org/e