

The Asia-Pacific Partnership
on Clean Development and Climate
Policy and Implementation Committee Meeting
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JBIC's Business Model for Clean Development and Climate

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JBIC's role for Clean Development and Climate



About JBIC

**An Official Financial Institution with Special
Mandates
wholly owned by the Japanese government**

JBIC's activities

1 Promotion of Private Financial Flows

**Co-finance with and guarantee for commercial financial
institutions**

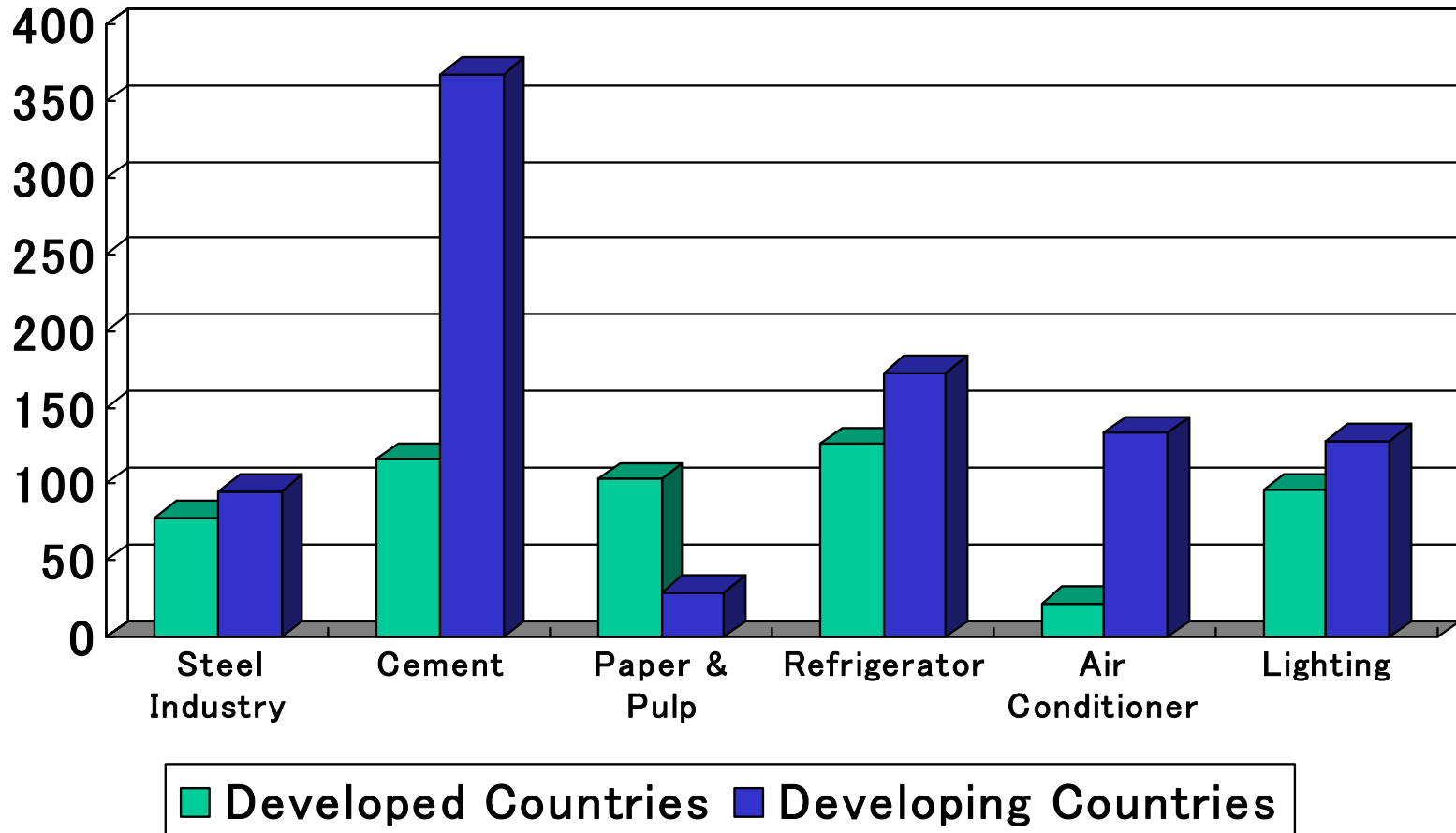
2 Arranging carbon credits for Japanese buyers (for JCF and Japanese government)

3 Contribute to new international framework Asia-Pacific Partnership Gleneagles Initiative for Clean Energy

Potential of CO₂ Reduction by BAT



(K ton)



Source: IEEJ

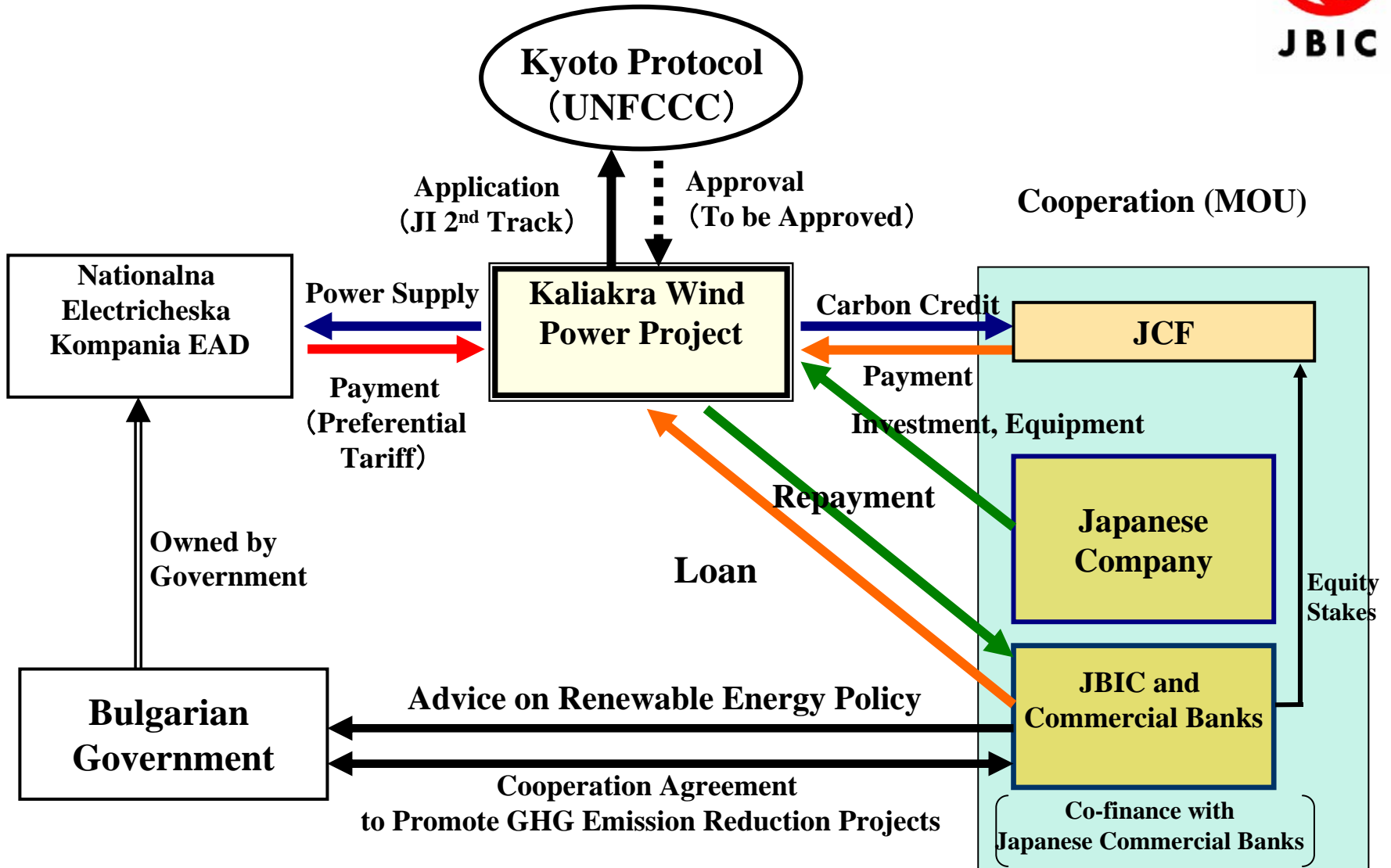
CO₂ emission reduction potential by using Japanese BAT

Modality of Financial Security

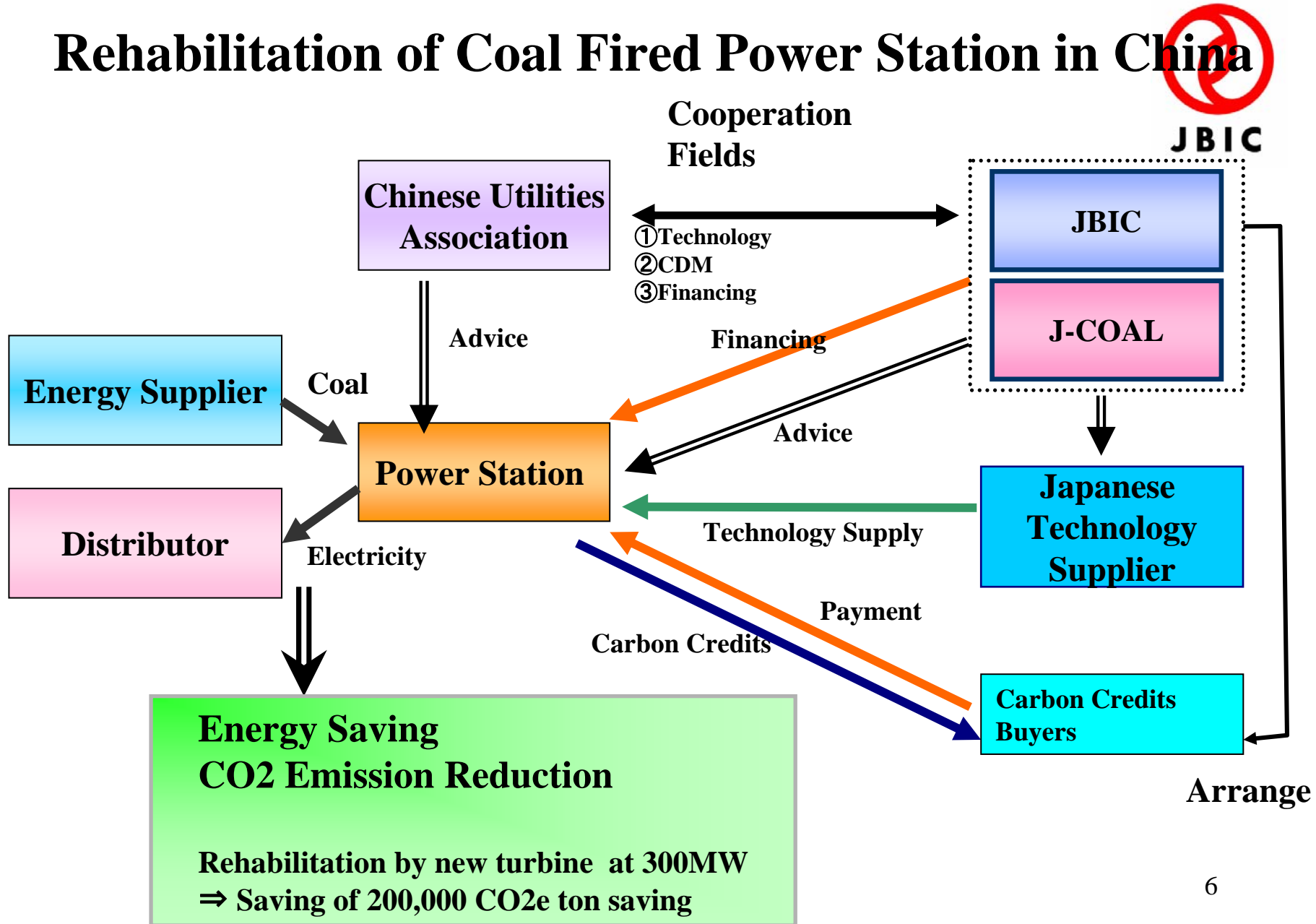


- 1 Sovereign lending
- 2 Corporate lending
- 3 Local bank lending
- 4 Limited recourse lending
(based on project cash flow)

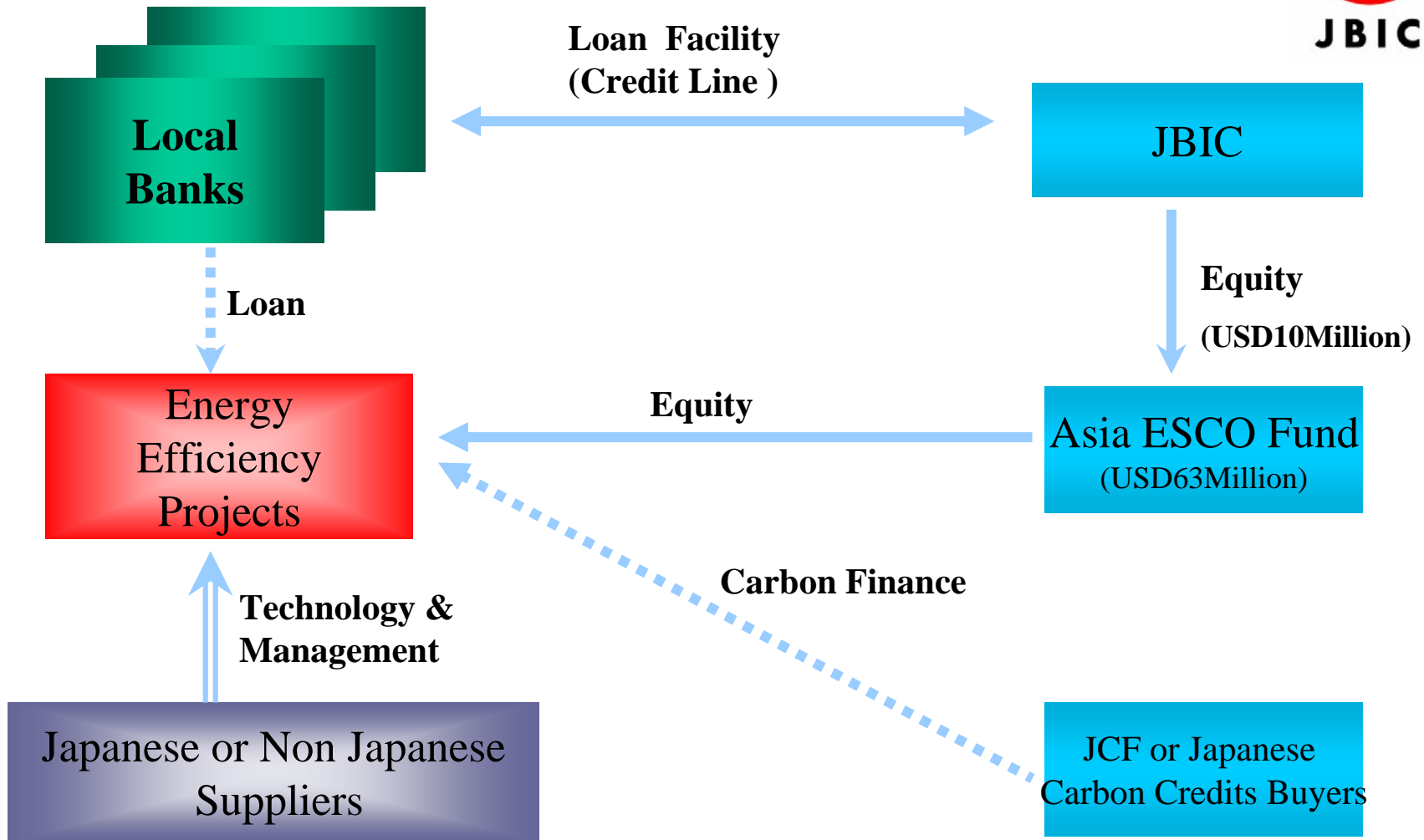
Wind Power Project in Bulgaria



Rehabilitation of Coal Fired Power Station in China



Financial Structure for Small Scale Project



Future Framework for Clean Development



<Developing Countries>

<Japan>

Government

Policy Dialogue

Government

Common Energy Efficiency Standard

Energy Efficiency Standard

Adoption

Energy Supply

Energy Consumption

Mutual Cooperation

(Technology Supply and Investment)

Industry

Finance

JBIC Co-finance

JBIC

Banks

Finance

**Local
Banks**

Cooperation
(Co-finance)

US EXING or
ECAs

Cooperation
(Co-finance)

Conclusion

1 Energy Security and Climate Security

Energy security and climate security are critical global issues and decarbonization is long term global goal.

2 Market Mechanism

Most of energy and high energy intensity industries in developing countries are already privatized. Private sectors are major players of Energy Efficiency (EE) and Renewable Energy (RE).

The role of the public sector is to set up regulatory frameworks including energy efficiency targets and to create mechanism to private sector investments in EE and RE.

3 Mobilization of commercial financing

For sustainable development of EE and RE markets, the public sector should encourage commercial financing to EE and RE in developing countries. JBIC is playing an important catalytic role in promoting commercial financing by Japanese banks to developing countries through co-financing and guaranteeing activities.