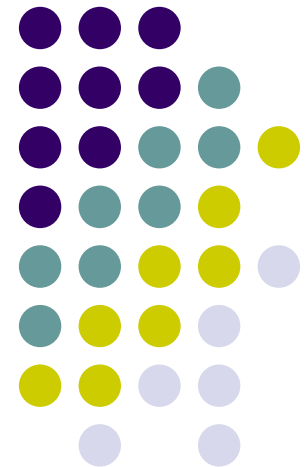


Collaborative opportunity between APP and JBIC OECOs

The Asia-Pacific Partnership on Clean Development and
Climate,
Policy and Implementation Committee Meeting,
Tokyo, Japan

Tomonori SUDO
Advisor, Coordination Division,
Development Assistance Department
Japan Bank for International Cooperation
(JBIC)



Japan's ODA Policies and JBIC OECCO's Strategy



Government of Japan

Japan's ODA Charter

Basic Policy for Japan's ODA



Mid Term Policy on ODA

Mid-term Policy for Japan's ODA



JBIC's Basic Strategy for ODA Loan Operation

The Medium-Term Strategy for Overseas Economic Cooperation Operation

Basic Approach

- (1) Focus on Development Results
- (2) Medium to Long Term Perspectives
- (3) Efforts for Transparency of Japanese ODA Loans

Priority Areas

- (1) Poverty Reduction
- (2) A Foundation for Sustained Growth
- (3) Global Issues and Peace Building
- (4) Human Resources Development

How JBIC (OECOs) would support the APP activities?



JBIC (OECOs) has TWO major assistance tools to support sustainable development of developing countries.

1. ODA Loans

2. Technical Assistance



(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: 0.75% p.a., Repayment period : 40 years with 10 years grace period)



(2) What is JBIC(OECOs)'s TA?

- JBIC (OECOs) provides technical assistance as “Special assistance facility (SAF)”.
- SAF is a *study* to give advice and recommendations to borrower countries on individual projects at each stage of project cycle of JBIC ODA Loans (project formation, implementation, and post-completion).
- Another opportunity is “pilot study for project formation”.



Characteristics of SAF

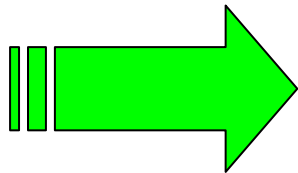
- Studies are carried out by consultants employed by JBIC.
- Necessary funds are provided by JBIC on a grant basis.
- Scale of study ranges from 2 to 15 M/M of International Consultants.
- Study period is 6 months on average (2-3 months for preparation in addition).

Which areas JBIC (OECOs) would like to participate in?



JBIC (OECOs) is **Compliment to Private Sector Finance** in terms of

- Country / Region Coverage
- Sector Coverage
- Area Coverage

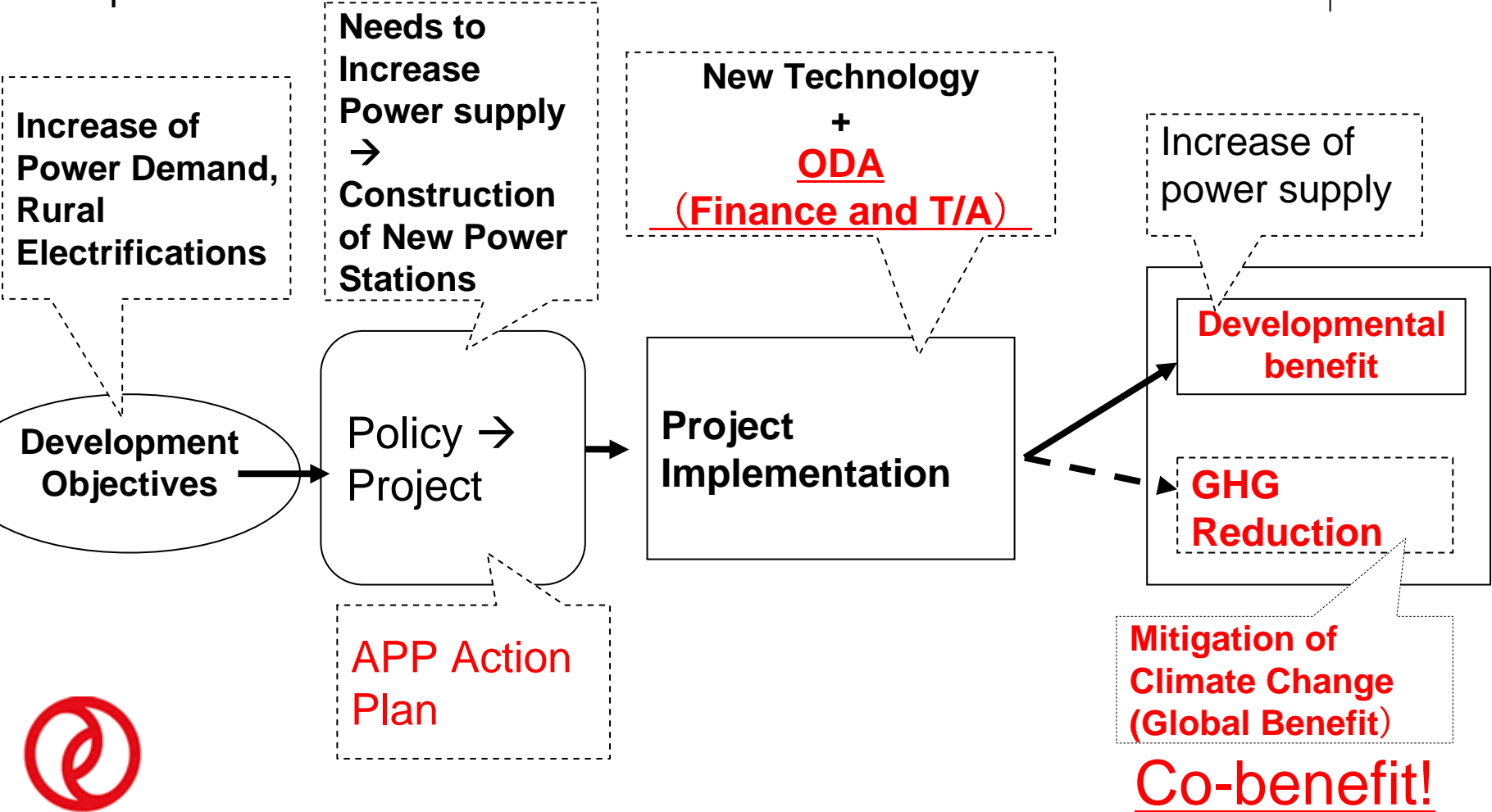


JBIC OECOs is pleased to support partner countries' activities, e.g. pilot projects demonstrating good practices of new technology by all TFs.

We are seeking “co-benefit” projects.



<Sample case>



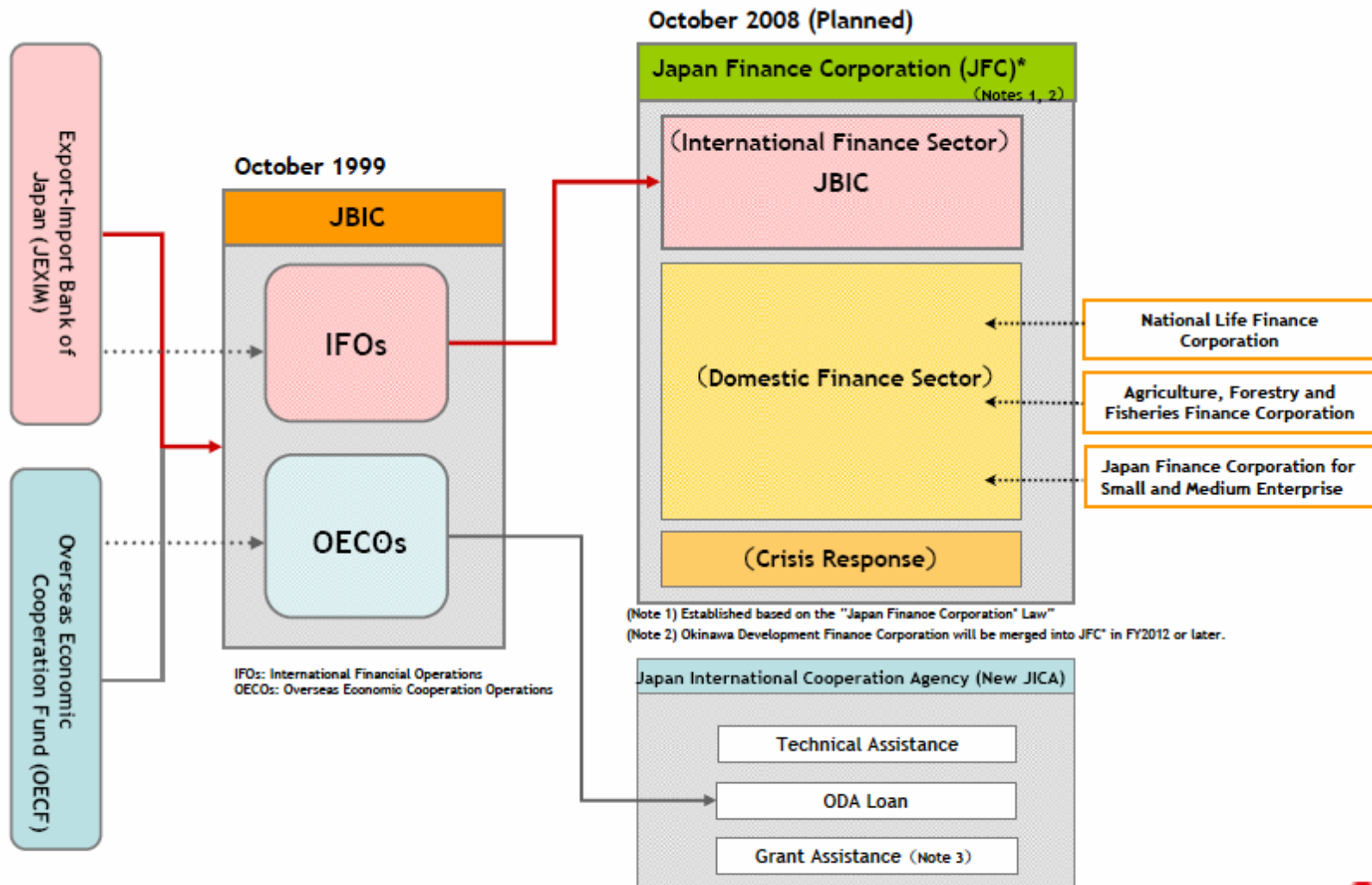
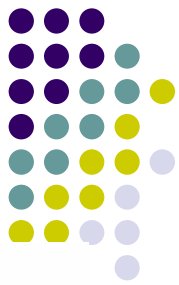
What kind of existing / future financing schemes could be applicable for the APP activities?



- ODA Loans
 - Project Loans
 - Development policy Loans (DPLs)
 - Two Step Loans
 - Engineering Service Loan

=Co-finance with WB, ADB, GEF and/or other donors are welcome.
- Technical Assistance
 - Special Assistance facility (SAF)

What kind of existing / future financing schemes could be applicable for the APP activities?



(Note 1) Established based on the "Japan Finance Corporation" Law"

(Note 2) Okinawa Development Finance Corporation will be merged into JFC" in FY2012 or later.

IFOs: International Financial Operations
OECOs: Overseas Economic Cooperation Operations

(Note 3) This excludes grant assistance which the Ministry of Foreign Affairs will continue to directly implement for the necessity of diplomatic policy.



Some examples of our experiences



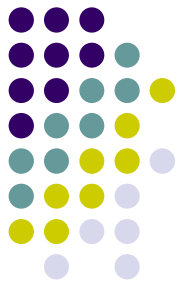
Example case of our financing project(1) : -Project Loan-

- **Bangalore Distribution Upgradation Project, India**

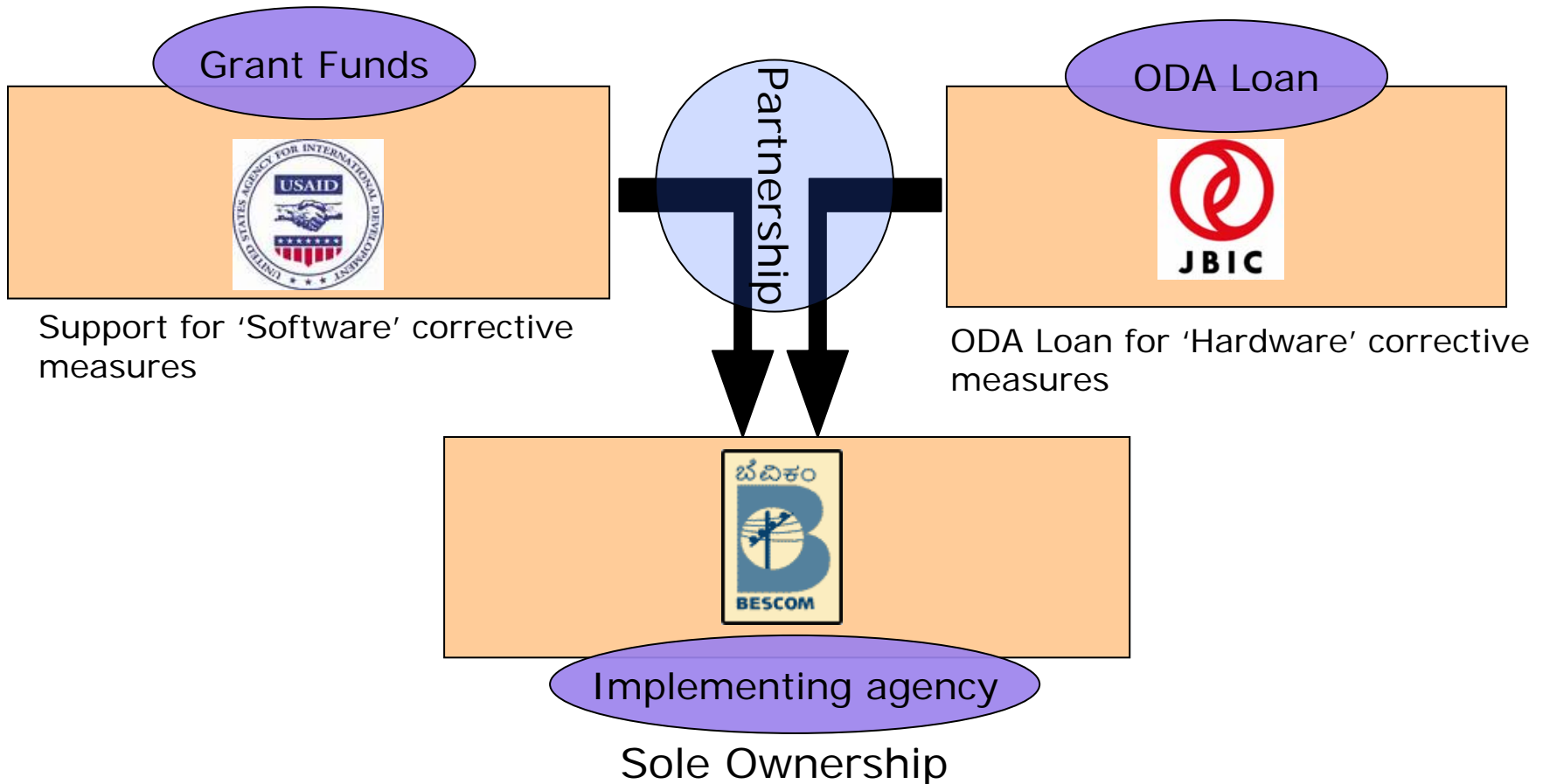
Project Objectives	Date of L/A	Amount	Interest rate	Repayment/ Grace Period
<p>To contribute to economic development and improved living standards in the region through the stabilization of power supply by establishing a distribution automation system (DAS) over the entire metropolitan area including the city of Bangalore.</p> <p>Furthermore, the project will carry out surveys to compile the opinions of consumers in collaboration with the US Agency for International Development (USAID), which is conducting an assistance program for distribution projects in India, as well as with local NGOs, in an effort to help further improve service delivery by the project executing agency.</p>	March 2007	\10,643 million	0.75%	15/5 Years

Good news!:

A synergistic partnership among BESCOM-USAID-JBIC to support BESCOM achieve excellence in Service delivery



A Japan-US Partnership toward an Effective and Stable Power Supply and Implementation of Energy Conservation Projects

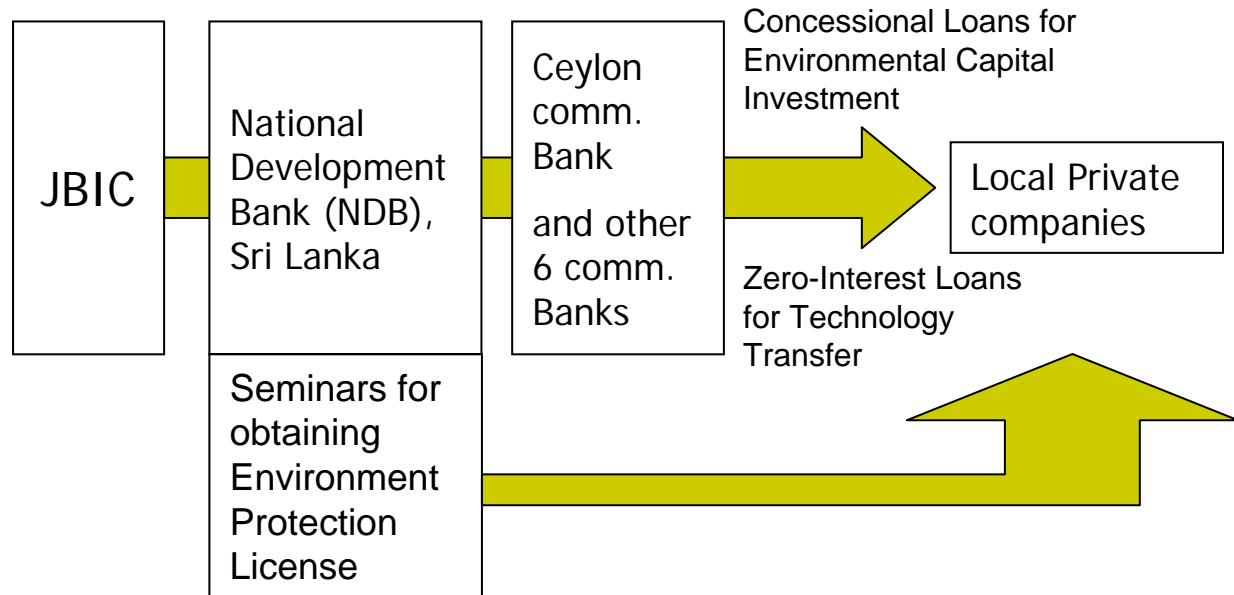




Example case of our financing project (2) : -Two Step Loan-

- Environmentally Friendly Solutions Fund, Sri Lanka**

Project Objectives	Date of L/A	Amount	Interest rate	Repayment/ Grace Period
To promote environment-related capital investment by the industrial enterpriser by providing interest-free loans and low-interest financing for loans, and thereby contribute to improvement of environment in Sri Lanka through preventing and alleviating environmental pollution.	Sept 1998	∨2,730 million	0.75%	40/10 Years

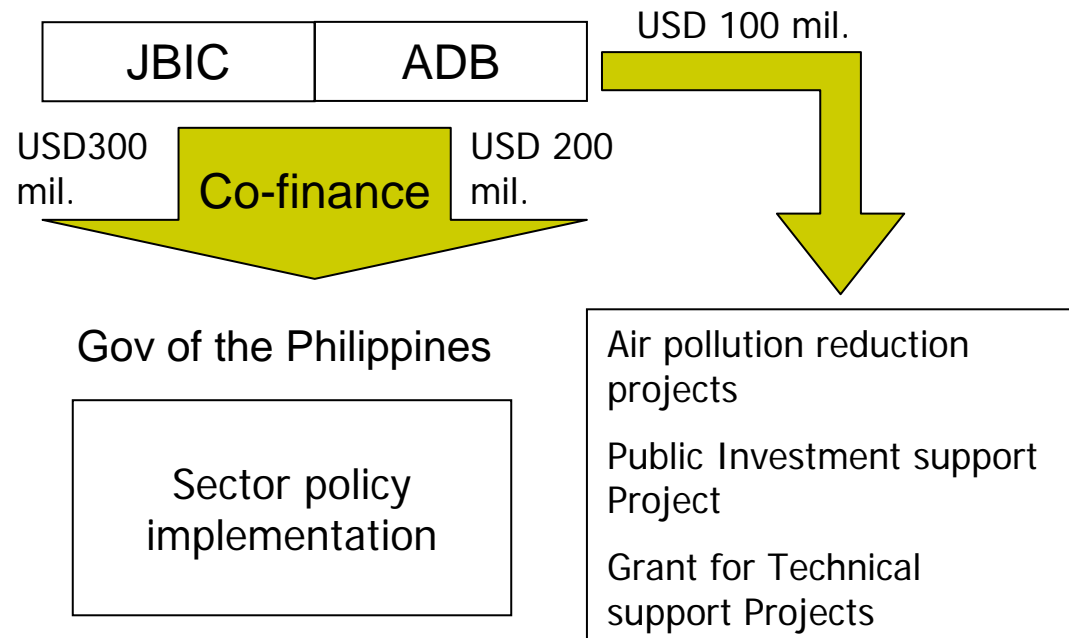




Example of our financing Project (3): -Sector Policy Loan-

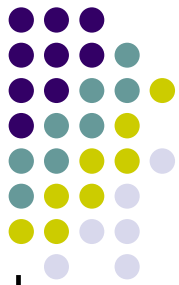
- Metro Manila Air Quality Improvement Sector Development Program, The Philippines

Project Objective	Date of L/A	Loan Amount	Interest Rate	Repayment/ Grace Period
To stabilize the balance of payments of the Philippines, a country which adversely affected by the Asian currency crisis, through the provision of a dedicated loan under the New Miyazawa Initiative (NMI), and to improve in air quality management by providing support for relevant policy reforms under the Air Quality Action Plan (AQAP).	March 1999	\36,300 million	0.75%	40/10 Years



Example case of our financing project (4) :

-Program Loan-



- Promotion of Electricity Energy Efficiency Project, Thailand

Project Objectives	Date of L/A	Amount	Interest rate	Repayment/ Grace Period
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, and pursue policies and implement actions which would lead to the development, manufacture and adoption of energy efficient equipment and processes within Thailand.	Sept 1993	2,800 million	3.0%	25/7 Years



US\$25mil	US\$9.5mil	US\$5.4mil
JBIC	WB/GEF	Gov of Australia

Co-finance

EGAT DSMO

- Implement Demand Side Management Program
 - High energy efficient home appliances, light
 - Green Building Program
 - Thermal Energy Storage
 - ESCO