

**CLIMATE CHANGE AS A BUSSINESS
OPPORTUNITY**
December 2007



**JBIC's Business Model for
Supporting Kyoto Mechanism Projects**

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General Background of Kyoto Mechanisms

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')

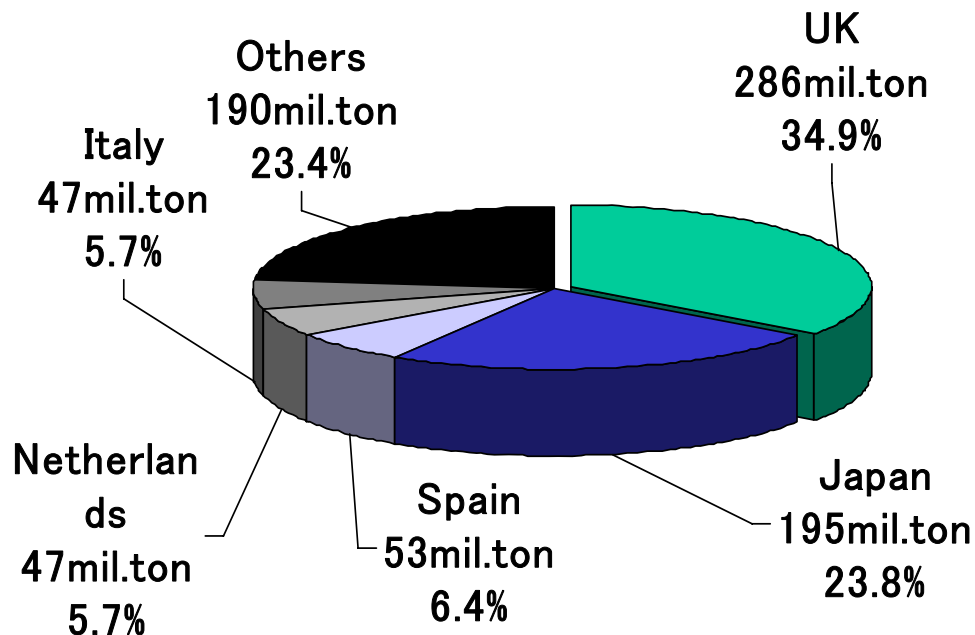
Around 150 million ton equivalent is over the Kyoto Target (in FY2006)

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 as a Carbon Credit Buyer in the Carbon Market

(Carbon credit contract between Jan.2005-Dec. 2006)

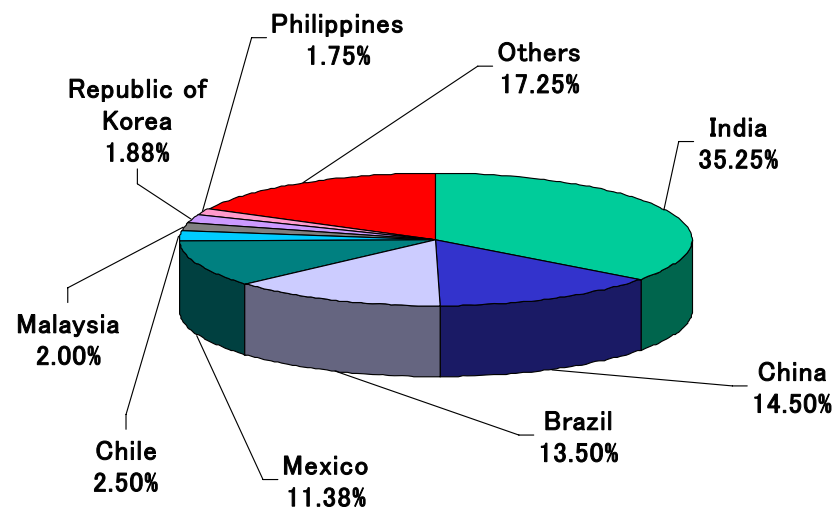
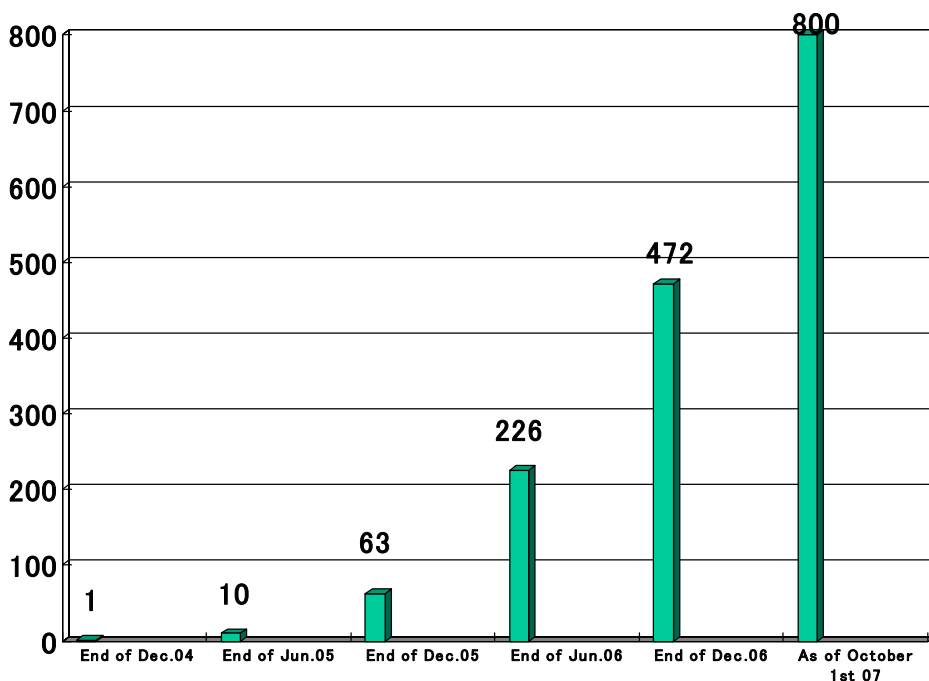


(Source : World Bank report 2007 May)

Number of the CDM projects registered at UNFCCC

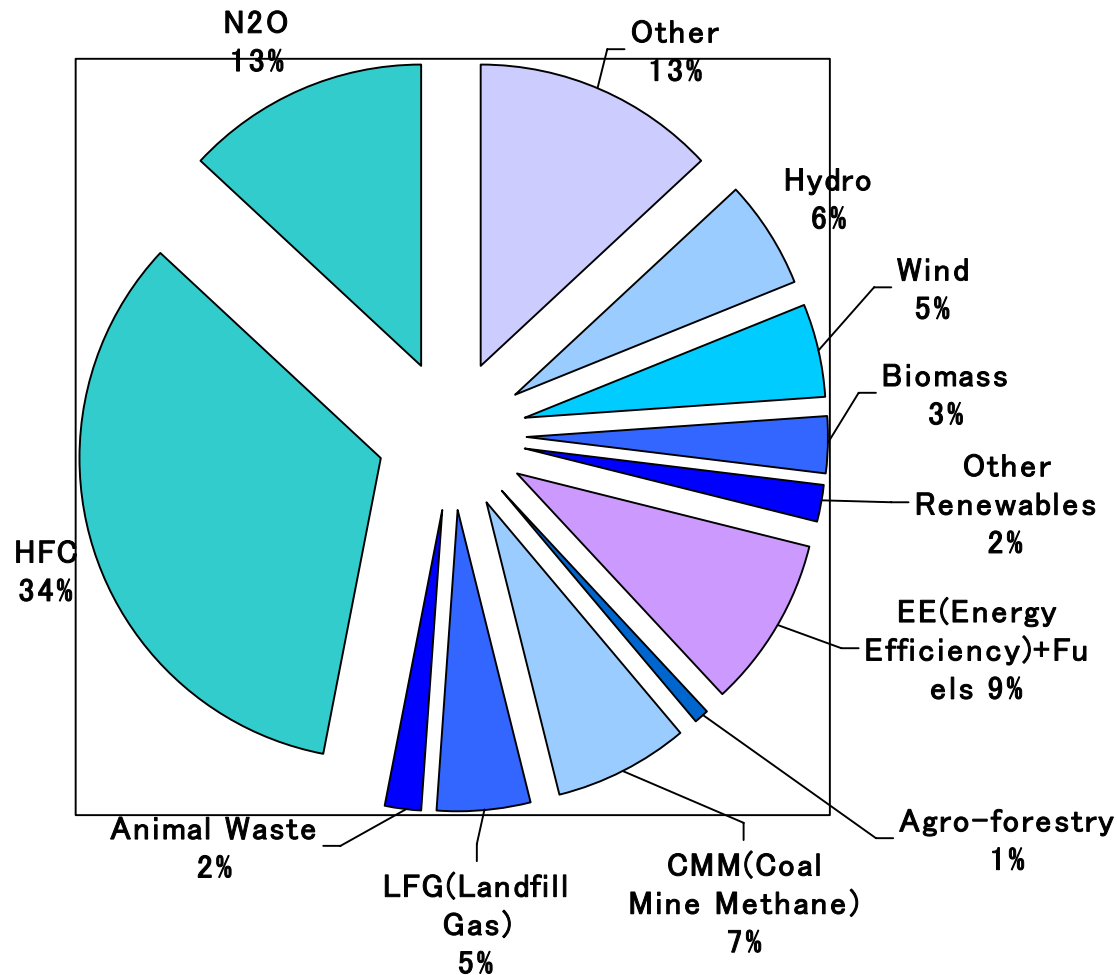


By country as of 1st October.2007



(Source : UNFCCC)

Asset Classes of CDM projects



As a share of CER volumes contracted in 2006

(Source : World Bank Report)



JBIC's Support for GHG Emission Reduction Projects

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
3. Outstanding Lending as of the End of March 2007
USD180,187 million equivalent
4. International Network
4 Resident Executive Directors and 28 Representative offices

JBIC's role at Carbon Market



1. Financing
2. Supporting carbon credits purchase by Japanese buyers (Japanese Private Companies, Government, JCF)
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) Carbon Expo Asia etc.
 - 3) Co-works with Japan Institute for Overseas Investment (JOI) and JETRO

Environment Finance Engineering Department



1. 1 October 2006, Environment Finance Engineering Department was established.
2. The department together with lending department will provide financial and technical advice to Japanese clients and developing countries for environment improving projects.

Finance to environment related projects : Environment Finance

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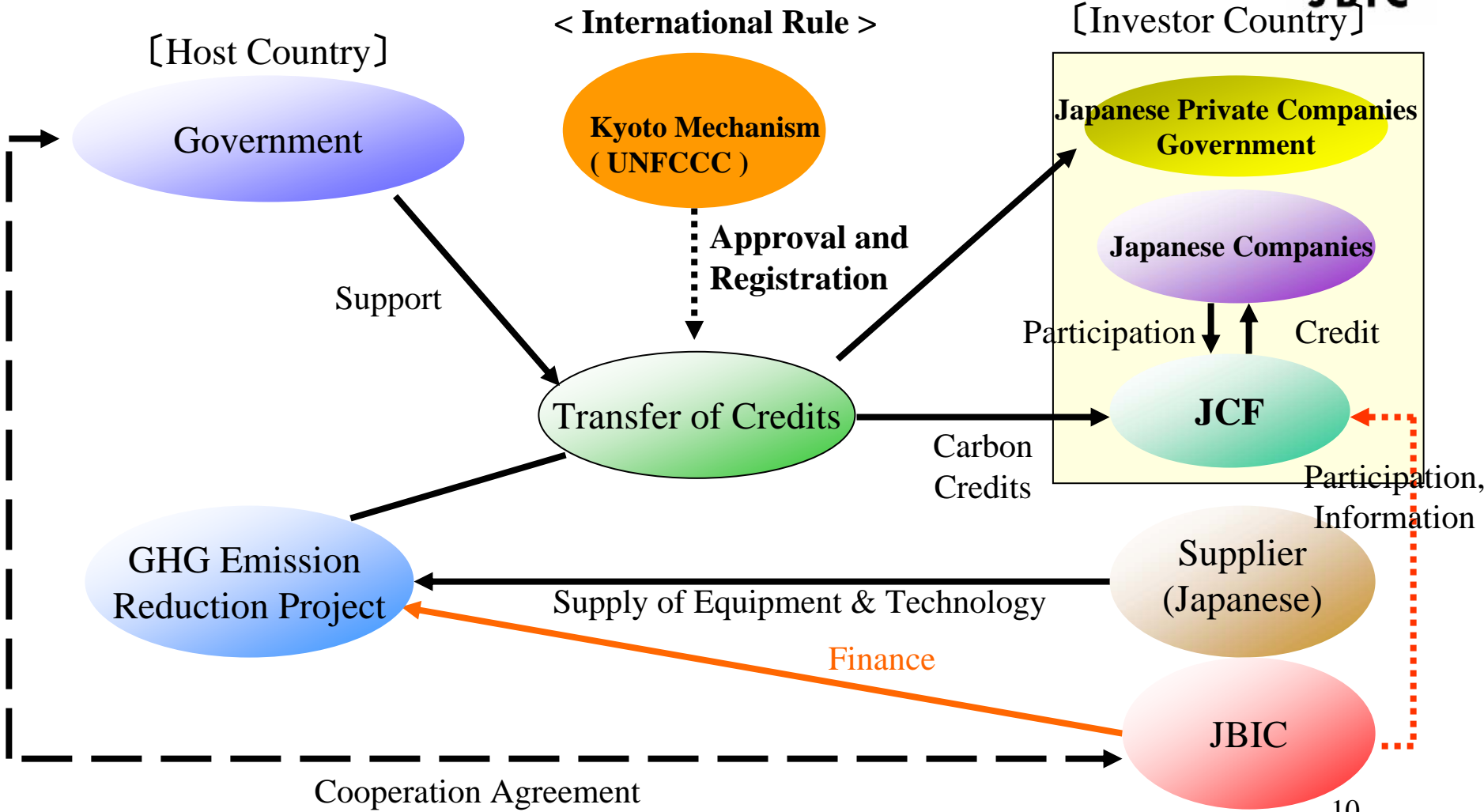
Develop innovative financing : Finance Engineering



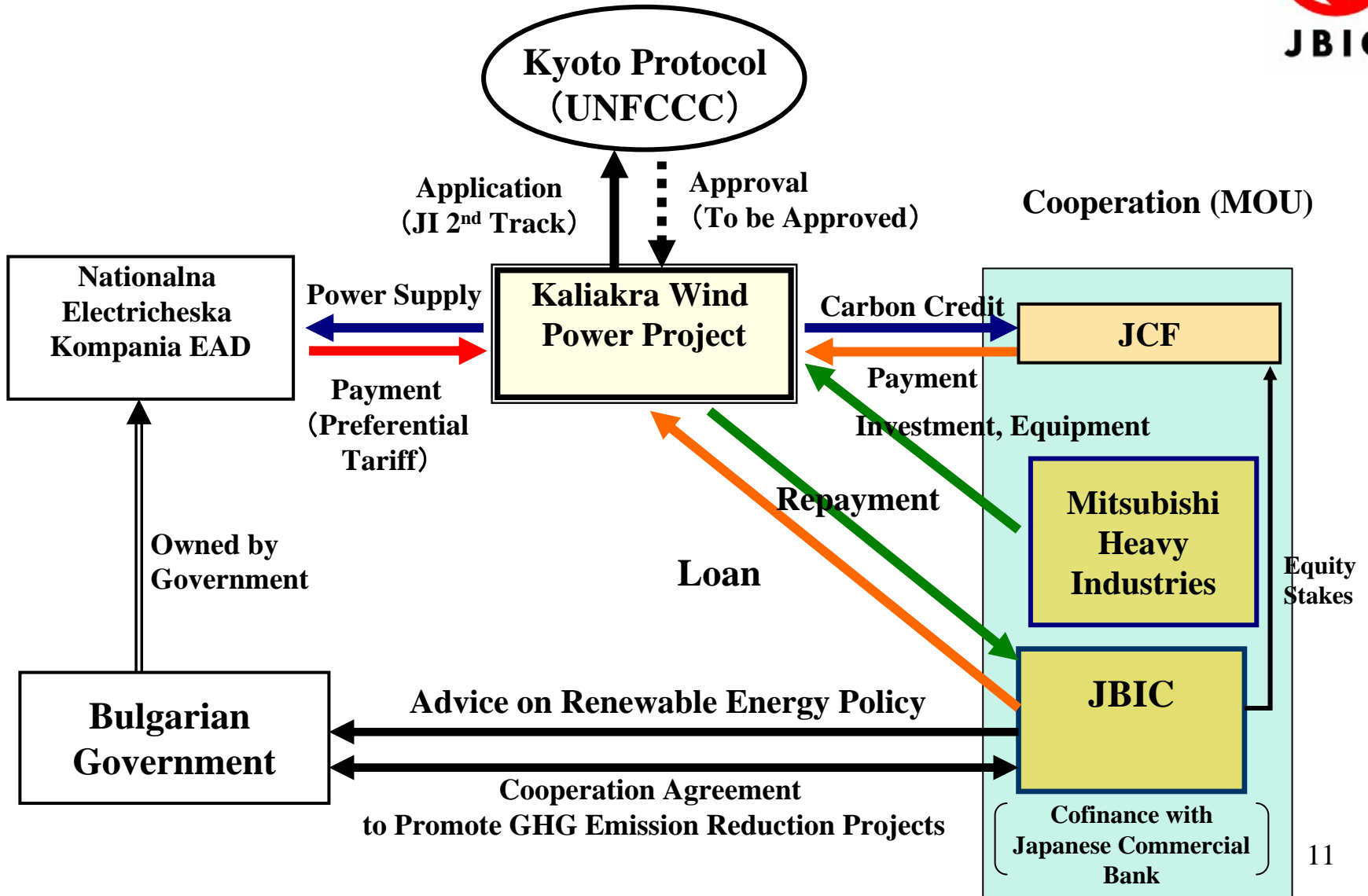
Environment Finance Engineering Department

3. **Goals**
 - Support environmental projects using Japanese technology and experience.
 - Contribution for Climate Change Mitigation and Energy Security through these projects

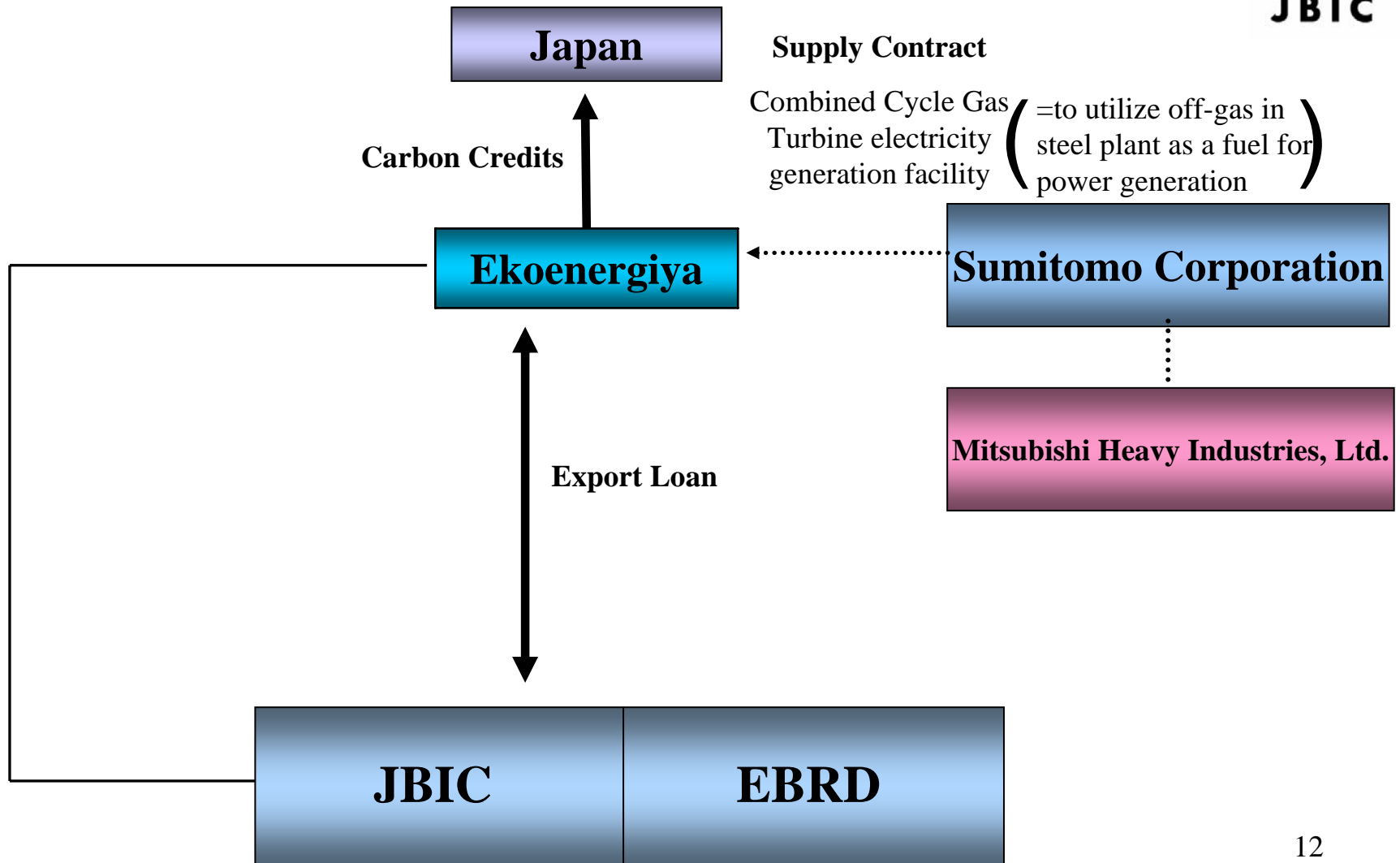
JBIC's Business Model for GHG Emission Reduction Project



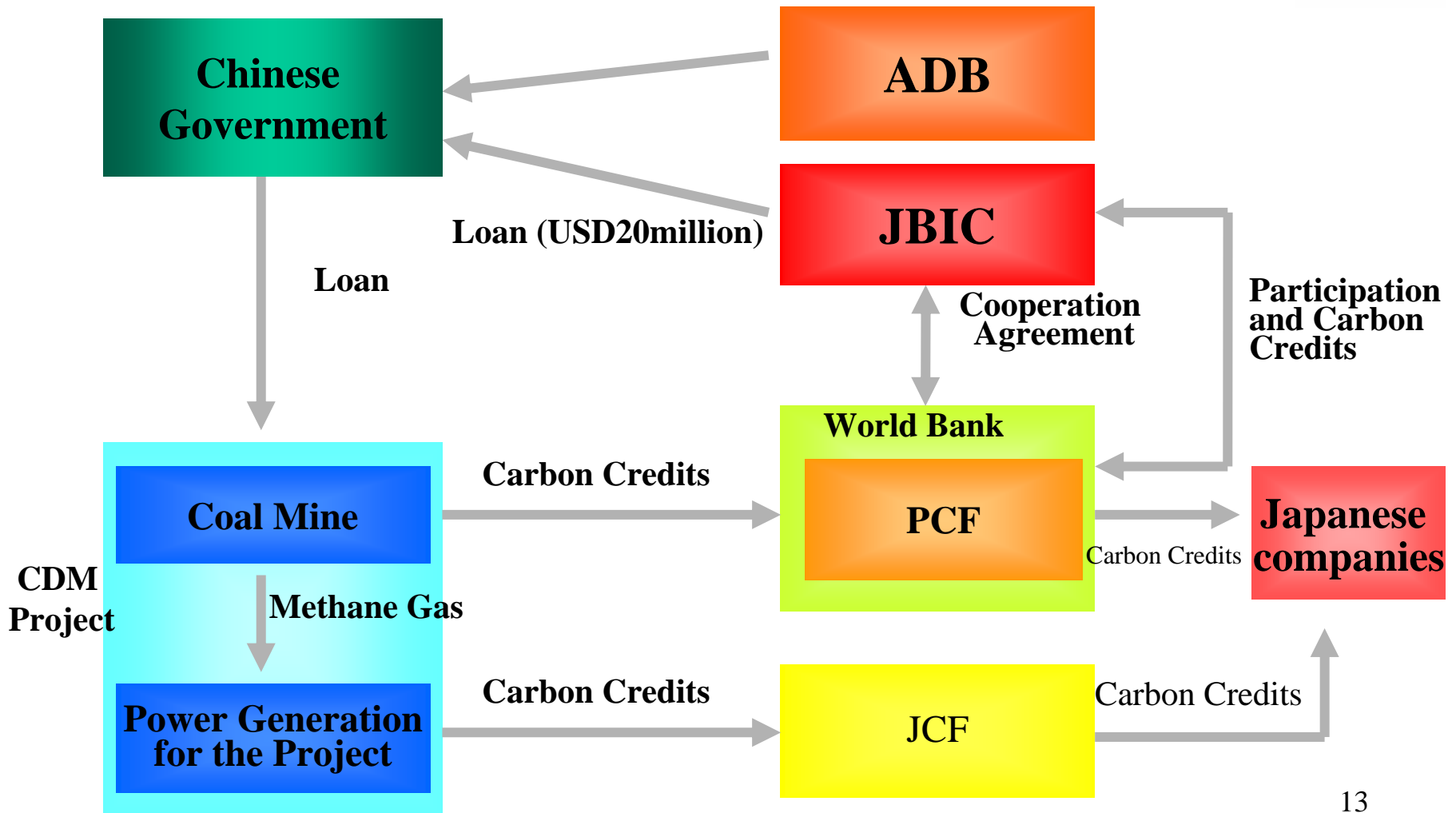
Wind Power Project in Bulgaria



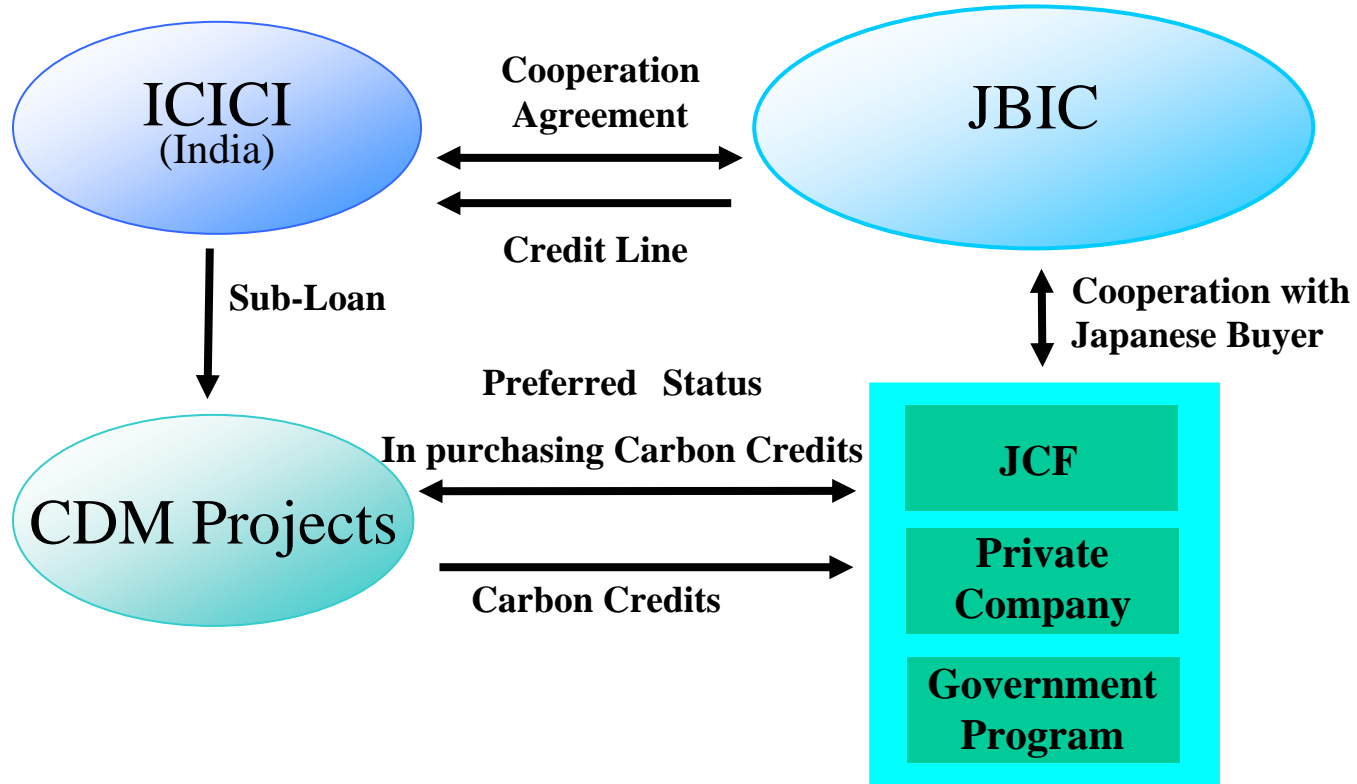
Energy Saving Project of Steel Plant in Ukraine



Methane Gas Recovery Project in China



CDM Enhancement Loan by JBIC



★ Available Other Credit Line

BCIE (Central America), COFIDE (Peru), Unibanco (Brazil)

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) etc.

Foreign Governments:

Indonesia, Bulgaria , Romania, Mexico, Chile, Colombia, Vietnam,
Morocco, Brazil, Peru, Paraguay, Sri Lanka, El Salvador,
Philippine etc.

The cases of cooperation between Indonesia and JBIC



Cooperation on the Kyoto Mechanisms with Republic of Indonesia (27 June 2006)

1. Indonesian Ministry of Environment provides JBIC with information on candidate CDM projects in Indonesia;
2. JBIC provides such information for Japan Carbon Finance Ltd., which will purchase emission credits, as well as other Japanese firms; and
3. JBIC considers financial support for those candidate CDM projects and provides advice on their financing.

Partnership with the Republic of Indonesia on Biomass (28 Nov 2006)

1. Resources (MEMR) of Indonesia and JBIC signed a MOU concerning a strategic partnership on biomass, and
2. The MOU stipulates that JBIC and MEMR establish a Working Team on potential biomass projects in Indonesia, including biofuel development projects, and exchange information on JBIC's possible financing of such projects.

Contact Information

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