

JAPAN'S ACTIONS TO PROMOTE GREEN FINANCE

Yasuhisa NAKAO
Deputy Vice Minister
for International Affairs
Ministry of Finance, Japan

March 3, 2017

GLOBAL TREND IN GREEN FINANCE

Mobilization of Private Resources

COP (Copenhagen Accord, 2009):

- Mobilization of USD 100 billion annually, both from public and private sources, by 2020

G20:

- Establishment of G20 Green Finance Study Group (GFSG) in Jan 2016
- Publication of the Synthesis report, welcomed by G20 Leaders (G20 Hangzhou Summit)

GLOBAL TREND IN GREEN FINANCE (cont.)

FSB:

- Establishment of Task-Force
on Climate-related Financial Disclosures (TCFD)

OECD:

- Success of the 3rd OECD Green Investment Financing Forum (GIFF), a first large scale forum on green finance in Japan (October, 2016)
- Establishment of the OECD Centre on Green Finance and Investment (CGFI), taking the opportunity of the GIFF

JAPAN'S ACTIONS

Actions for Cool Earth (ACE) Initiative

- USD 20 billion of public and private climate finance in 2 years from 2013 to 2014.
- Pledged 1.3 trillion yen, approx. USD 13 billion, in 2020 (ACE 2.0).

Fiscal Policy Actions

Budgetary Support for Tech Innovation including Renewable Energies:

- Allocating necessary budget for promoting technological innovation, and enhancing renewable energies.

Tax Measures for Reducing CO2 Emissions:

- Raising tax rates on the consumption of all the fossil fuels (petroleum, natural gas and coal) in accordance with their individual volume of CO2 emissions.

JAPAN'S ACTIONS (cont.)

Financial Contributions to Global Activities

Partnership with MDBs:

- Promoting “Quality Infrastructure” with eco-efficiency and disaster resilience.

Development of Disaster Risk Insurance with the World Bank:

- Launching the parametric insurance program for Pacific Island Countries (PCRAFI).

Financial Contribution :

- USD 1.5billion to GCF (Green Climate Fund)
- USD 2.7billion to GEF (Global Environment Facility)
- USD 1.2billion to CIF (Climate Investment Funds)

G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment

Principle 1

Ensuring effective governance, reliable operation and economic efficiency in view of life-cycle cost as well as safety and resilience against natural disaster, terrorism and cyber-attack risks

Principle 2

Ensuring job creation, capacity building and transfer of expertise and know-how for local communities

G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment (cont.)

Principle 3

Addressing social and environmental impacts

Principle 4

Ensuring alignment with economic and development strategies including aspect of climate change and environment at the national and regional levels

Principle 5

Enhancing effective resource mobilization including through PPP

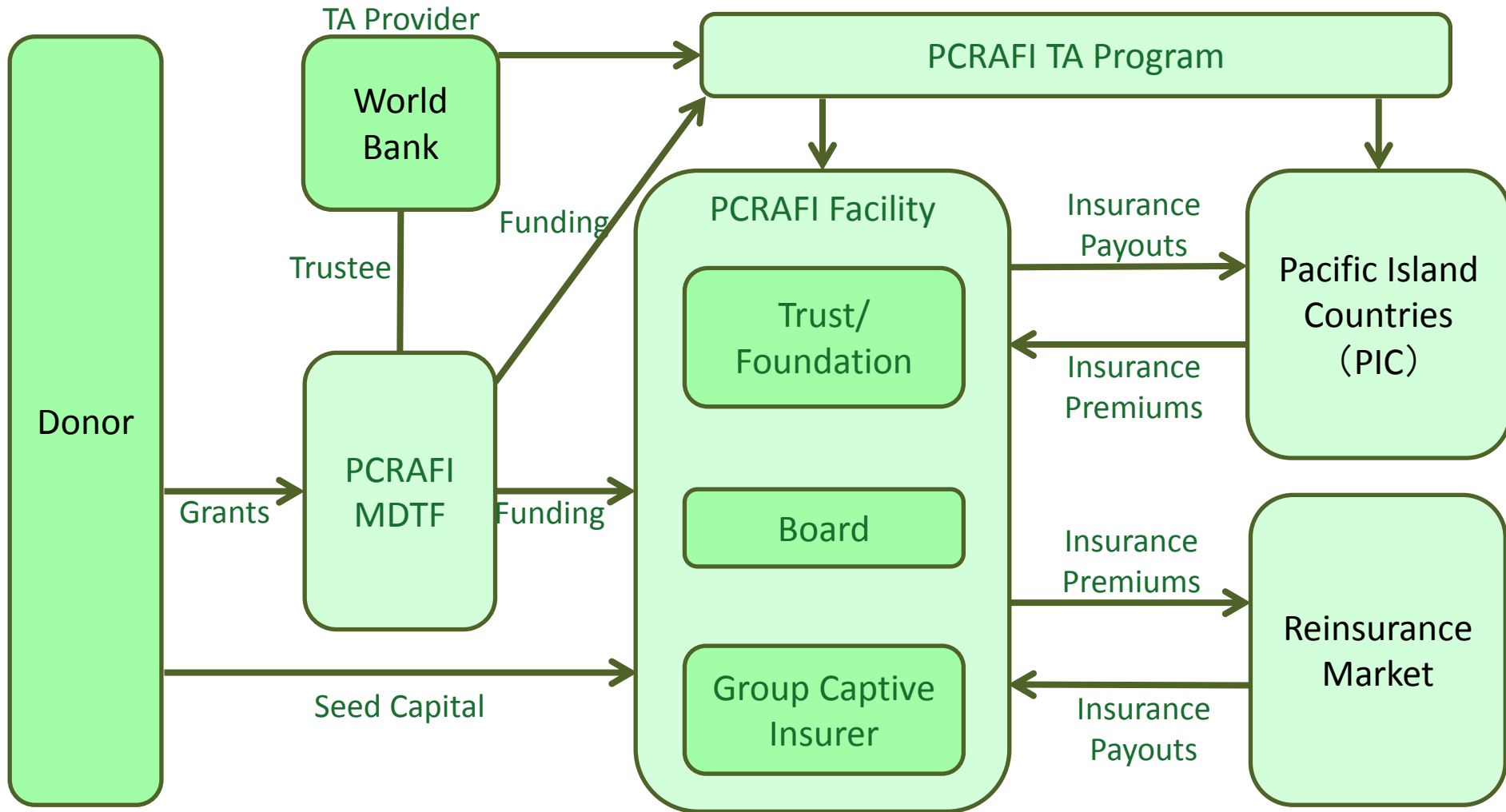
Utilization of Insurance Mechanisms

PCRAFI

(Pacific Catastrophe Risk Assessment Financing Initiative)

- The PCRAFI insurance program provides the Pacific Island Countries with parametric insurance as a mechanism for rapid response financing through an immediate injection of cash following a major tropical cyclones or earthquake /tsunami.
- Japan launched a pilot program of PCRAFI jointly with the World Bank in 2013.
- November 2016, a new phase of PCRAFI started, along with the establishment of a new insurance company, called the PCRAFI Facility, and the participation of Germany, US and UK as new donors.

Utilization of Insurance Mechanisms (cont.)



Thank you !