

## The situation of the Cool Earth Partnership and the Hatoyama Initiative

24. May. 2010 Kiko Network

### Outline

1. On Jan 2008, the Japanese government pledged USD10 billion as the Cool Earth Partnership (2008 – 2012).
2. On Dec 2009, the Japanese government pledged USD15 billion for first start financing as the Hatoyama Initiative (2010 – 2012).
3. About USD2.5 billion was spent as the Cool Earth Partnership by Dec 2009. In addition to the rest sum of the Cool Earth Partnership, USD 10 billion, the framework of the Hatoyama Initiative added USD 7.5 billion taking into accounts of policy reforms.
4. The current status of the Hatoyama Initiative is not grasped as it has not been publically announced so far. Only (some part of) ODA projects of the Ministry of Foreign Affairs has officially released as the Initiative. (The government prepares to report current status of the Hatoyama Initiative at Bonn session in June. The sum, at present, is likely to be around USD5 billion).
5. The Hatoyama Initiative covers such as loan, grant aid, strengthening bilateral assistance, contribution to international organisations (CIF etc), JICA, expansion of finance programme for climate change by JBIC, assistance for private enterprises by NEDO, complement of trade risks by NEXI.
6. The principles of the Hatoyama Initiative (announced on April 2010) are as follows:
  - (1) utilize for the establishment of a fair and effective international framework in which all major economies participate;
  - (2) assistance on technology transfer aiming to establish new mechanisms which can properly evaluate contribution of Japanese companies. Intended countries are nations tackling climate change and vulnerable nations and its negotiation position (including Copenhagen Accord );
  3. Intended projects are mitigation, adaptation and capacity building. Also cooperate with other fields. In mitigation projects, MRV is ensured as much as possible.
7. JBIC's projects conducting under the GREEN programme (from Apr 2010) will be included as a part of the Hatoyama Initiative.
8. Transparency and additionality: Projects and implementation not publically announced except some ODA projects of the Ministry of

Foreign Affairs. It lacks transparency and it is difficult to check its achievement of the pledge. Additionally, it is not able to check projects' additionality because there is no information showing finance sources of projects. Projects seemed to be within the framework of the Hatoyama Initiative have been now classified among many including past projects.

9. The Hatoyama Initiative seems to include assistance for developing countries announced at the 4<sup>th</sup> Tokyo International Conference on African Development, the 5<sup>th</sup> Japan and the Pacific islands forum and so on.
10. The relationship between the pledge for CIF (USD10 billion , Jan 2010) and the Hatoyama Initiative is not clear.

Table 1 Comparison of the CEP with the HI

unit: USD

	Cool Earth Partnership			Hatoyama Initiative			Comment
<b>Period</b>	2008 – 2012 (5 years)			2010 – 2012 (3 years)			
<b>Pledge</b>	10 bn (JPY 1.25 trillion)			15 bn (JPY 1.75 trillion)			*1
<b>Details of the pledge</b>	Mitigation (Loan)	8 bn		Public fund*2	11 bn		No breakdown into mitigation and adaptation in the HI. Common for the both to use such as CIF, JBIC, NEDO and NEXI.
	Adaptation (Grant aid)	2 bn		Cooperation with private*2	4 bn		
<b>Corresponding projects*3</b>	Jan.2008 - Sep.2009 Total 12 projects			Sep.2009 - Mar. 2010 Total 57 projects			Fundamental policy of the both includes Loan, Grant aid and cooperation with private. As 1 projects of the HI is a combination of loan and grant aid, total projects number looks 58. Conversion of USD1 into JPY100.
	Loan	2(+1*4)	626.93(+74.9*4) million	Loan	5	1,478.4 million	
	Non-project grant aid	3	22 million	Grant aid	17(+1*5)	220.51 (+6.1) million	
	Grant aid for Env. & Climate Change	6	48.98 million	Grant aid for Env. & Climate Change	35*6	241.83 million	
<b>Project cost</b>	697.91 (+74.9*4)			1,940.74 (+6.1*5) million			
<b>Total cost including others</b>	2,500 million (from hearing at the Ministry of Foreign Affairs)			5,000 million (from hearing at the Ministry of Foreign Affairs)			

\*1: When the pledge of the HI (JPY 1.75 tri) is converted into USD with exchange rate using in the CP (USD1 = JPY125), it becomes USD 14 billion. Thus, additional USD 1 bn is generated by the difference of the exchange rate.

\*2: According to the Ministry of Finance (MoF) (<http://www.mof.go.jp/seifuan22/yosan008.pdf>, p.13), the HI is conducted by grant aid, technical cooperation and loan and also funding to the Climate Investment Fund of the World Bank (about USD 7.2 bn) and by cooperation with private companies through the JBIC (about USD 7.8 bn).

\*3: From press release of the Ministry of Foreign Affairs (MoFA) (<http://www.mofa.go.jp/mofaj/press/release/index.html> Jan. 2008 - Mar. 2010).

\*4: A project not identified as a part of the CEP yet but related to the climate change.

\*5: A project not identified as a part of the HI yet but related to the climate change.

\*6: Including projects of the Program Grant aid for Environment and Climate Change not identified as a part of the HI.

## 1. Budget for the Ministry of Foreign Affairs

### 1.1 Budget corresponding to the period of the Cool Earth Partnership

Unit: million USD (USD1 = JPY100)

	Budget	Category	Details	Comment
FY 2008	42.3	Tackling global issues	Tackling environmental and climate problems	
Initial budget*7	15	Grant aid for Env. & CC		All ODA
FY 2008 supplementary budget*8	32	Budget for CC issues	Expanding the Grant aid for Env. & CC for the promotion of the CP	All ODA
FY 2009 Initial budget	40*8	Grant aid for Env & CC	ODA for tackling the CC and water issues	All ODA
	118.4*8	Promotion of the CP	G8 Toyako summit, TICAD4*9	

	370.5*10	Environment & CC issues	Aid for developing countries in Env & CC fields	
	51.3*10	Environment & CC issues	Funding to corresponding international organisations	
FY 2009 first supplementary budget*11	273.84	Economic cooperation	Promotion of PV technology to overseas	
	69.09	Aid through funding to international organisations	Promotion of PV technology to the Pacific area	
Total	1,012.43			

CC: climate change

\*7: FY 2008 budget annual report of the MoFA. [http://www.mofa.go.jp/mofaj/gaiko/yosan/pdfs/h20\\_yosan\\_g.pdf](http://www.mofa.go.jp/mofaj/gaiko/yosan/pdfs/h20_yosan_g.pdf)

\*8: FY 2009 budget annual report of the MoFA. [http://www.mofa.go.jp/mofaj/gaiko/yosan/pdfs/h21\\_yosan\\_g.pdf](http://www.mofa.go.jp/mofaj/gaiko/yosan/pdfs/h21_yosan_g.pdf)

\*9: TICAD 4 refers to the 4<sup>th</sup> Tokyo International Conference on African Development held in May 2008. Under the framework of “Japan-UNDP Joint Framework for Building Partnership to Address Climate Change in Africa,” established by Japan together with the United Nations Development Programme (UNDP) on the occasion of the TICAD 4, Japan and UNDP decided to implement the program for climate change adaptation in 21 African countries which amounts to USD 92.1 million. From this total, USD 11 million will be allocated to the joint programmes with the United Nations Children’s Fund (UNICEF), the World Food Programme (WFP) and the United Nations Industrial Development Organization (UNIDO).

[http://www.mofa.go.jp/announce/announce/2008/12/1185423\\_1080.html](http://www.mofa.go.jp/announce/announce/2008/12/1185423_1080.html) (MoFa, Dec.2008)

\*10: These figures were cited from pages compared budgets between 2009 and 2010 in the 2010 initial budget report of the MoFA ([http://www.mofa.go.jp/mofaj/gaiko/yosan/22/pdfs/h22\\_seifu.pdf](http://www.mofa.go.jp/mofaj/gaiko/yosan/22/pdfs/h22_seifu.pdf)).

\*11: Cited from the 2009 first supplementary budget list from the MoF. <http://www.bb.mof.go.jp/hdocs/bxss010bh21.html>

### Unclear points

- As the figure \*8 and \*10 were cited from different sources, it is not certain that the four budget sections in 2009 initial budget are individual. For example, the section ‘Environment and CC issues (370.5m)’ might include the section ‘Grant aid for Environment and Climate Change (40m)’.
- It is not certain which organisation the budget of the ‘Aid through funding to international organisations’ in 2009 initial budget was funded to, and also how much of it.
- As any material shown details of the 2009 first supplementary budget could not be found, it is uncertain how it was used: for example, it is not certain whether it included the Grant aid for Environment and Climate Change.

## 1.2 Budget corresponding to the periods of the Hatoyama Initiative

Unit: million USD (USD1 = JPY100)

	Budget	Category	Details	Comment
FY 2009 second supplementary budget*12	711	Aid for climate change matters in Asia and Africa	Funds against flood, drought, lack of foods, deforestation	All ODA

\*12: From the 2010 initial budget report of the MoFA ([http://www.mofa.go.jp/mofaj/gaiko/yosan/22/pdfs/h22\\_seifu.pdf](http://www.mofa.go.jp/mofaj/gaiko/yosan/22/pdfs/h22_seifu.pdf)).

### Unclear Point

- According to the MoF (see the table below), USD1080.52 million (¥108.052bn) was added to the MoFA for the second supplementary budget; however, it is uncertain how much of the FY 2009 second supplementary budget USD711 million (¥71.1bn) related to the climate change was used between two category below.

Reference 2009 second supplementary budget list from the MoF (<http://www.bb.mof.go.jp/hdocs/bxss010bh21.html>)

	Budget (USD)	Category	Details	Comment
2009 supplementary budget	47.023 million	Economic Cooperation	Assistance to environment in Asia / Africa	Passed in 28.Jan.10 USD1 = JPY100
	61.029 million	Contribution through int'l. organisations	Aid for environmental matters, HIV / malaria etc and assistance to Afghanistan through international organisations such as WFP etc.	
Total	108.052			

## 2. Projects (press release from the MoFA)

### 2.1 Period in the Cool Earth Partnership (CEP) (Jan.2008 – Sep.2009)

#### a) Projects stated as a part of the CEP

Pledge: million USD (USD1 = JPY100)

No	Date <sup>*13</sup>	Country	Pledge	Details
1	07.Mar.08	Senegal	8	Non-project grant aid
2	10.Mar.08	Guyana	5	Non-project grant aid
3	11.Mar.08	Madagascar	9	Non-project grant aid
4	28.Aug.08	Indonesia	307.68	Loan <sup>*14</sup>
5	18.Feb.09	Bangladesh	12.15	Grant aid for Env. & CC (change to natural gas vehicle for wastes collection)
6	22.Feb.09	Bangladesh	319.25	Loan (thermal power plant construction, improvement to grids)
7 <sup>*15</sup>	30.Mar.09	Mozambique	10 <sup>*16</sup>	Grant aid for Env. & CC (project for water supply)
8 <sup>*15</sup>	30.Mar.09	Senegal	10 <sup>*16</sup>	Grant aid for Env. & CC (project for water supply)

9*15	31.Mar.09	Niger	4*16	Grant aid for Env. & CC (project for water supply)
10*15	23.Apr.09	Ethiopia	8*16	Grant aid for Env. & CC (project for water supply)
11*15	19.May.09	Kenya	4.83	Grant aid for Env. & CC (Adaptation for flood)

**b). Project not stated clearly as a part of the CEP but related to climate change issues**

12*17	31.Mar.09	Indonesia	74.9	Loan (Infra construction for flood control)*18
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\*13: date press-released from the MoFA.

\*14: Including: Forestry; REDD pilot project; Energy; geothermal power generation etc; Commercial; energy efficiency improvement etc; Water; river management etc

\*15: These projects were conducted as a result of the TICAD4 at which the Japanese government expressed assistance.

\*16: Funded by the FY 2008 second supplementary budget (USD32 m).

\*17: Announced that the project was for climate change.

\*18: Taking climate change into account, assist improvement of management of water resources.

Before the DPJ-led new administration started (Sep. 2009), 11 (+1) projects in total seem to be related to the CEP and its details are as follows.

Aid type	Number of project	Total (mUSD)
Loam	2	626.93
G aid for Env. & CC	6	48.98
Non-project grant aid	3	22
Not stated as the CEP (Loan)	1	74.9
<b>Total</b>	<b>12</b>	<b>772.81</b>

## 2.2 Period in the Hatoyama Initiative (HI) (Sep.2009 – Present (Mar.2010))

### a). Projects stated as a part of the HI

Pledge: million USD (USD1 = JPY100)      Type    L: Loan, E: Grant aid for Env. & CC, G: Grant aid

No	Date	Country	Pledge	Type	Details
1	10.Dec.09	Indonesia	370.44*19	L	Second climate change loan*19
2*20	02.Mar.10	Sierra Leone	3.0	E	Improvement in adaptation capability
3	04.Mar.10	Syria	5.6	E	PV street lights
4*21	04.Mar.10	Laos	29.55	G	Forest information center [14.75], water supply vehicles [10], PV [4.8]
5*20	05.Mar.10	Lesotho	5.0	G	Assist water supply etc
6*20	08.Mar.10	Kenya	5.0+11.0	G	Assist materials for disaster [5], assist forest management [11]
7	10.Mar.10	Peru	4.0	E	PV
8*22	12.Mar.10	Tonga	5.9	E	PV for non-electrified islands
9*20	12.Mar.10	Ghana	Total 28.06	G	Aid for poverty [3.36], PV [6.1], Aid for peasants [4.6], Assist emergency material [7], Assist forest conservation [7]
10	15.Mar.10	Philippines	6.0+15.0	G	PV [6], Flood countermeasure [15]
11	15.Mar.10	Egypt	388.64	L	Construction of wind generation plants [220MW]
12	15.Mar.10	East Timor	2.0+5.0	G	Assist forest management [2], PV [7]
13*20	16.Mar.10	Burkina Faso	7.0	G	Assist water supply, improvement in adaptation capability
14*20	17.Mar.10	Benin	5.0	G	Assist water supply, river revetment
15*20	17.Mar.10	Djibouti	5.0	G	Assist materials for construction catchments

16*20	17.Mar.10	Cameroon	8.0	E	Assist funds for forest management
17*20	17.Mar.10	Mauritania	5.0	E	Improvement in adaptation capability
18*20	18.Mar.10	Ethiopia	17.0	G	Assist forest management including development renewable energy
19*20	18.Mar.10	Gabon	6.7+7.0	G	PV [6.7], Assist forest management [7]
20*21	18.Mar.10	Cambodia	Total 26.2	G	PV [7.2], Assist forest management [9], Assist materials for disaster management [10]
21	18.Mar.10	Tunisia	10.0 *23	E	Construction of groundwater desalination plants
22	18.Mar.10	Indonesia	Total 289.66	LG	Construction of geothermal generation plants [L269.66], Assist forest management [10], Assist funds for disaster management [10]
23*20	19.Mar.10	Gambia	5.0	G	Assist funds for disaster management
24*20	19.Mar.10	Senegal	7.0	G	Assist funds for disaster management
25*22	19.Mar.10	Papua New Guinea	7.0	E	Assist funds for forest management
26*20	19.Mar.10	Cape Verde	3.0	G	Assist water supply for flooding areas
27	23.Mar.10	Costa Rica	7.0	E	Assist materials for forest management
28*20	23.Mar.10	Mali	5.0	G	Assist funds for disaster management
29	23.Mar.10	Afghanistan	7.0	E	PV [250KW]
30	24.Mar.10	Bangladesh	22.09+ 132.41	L	Assist funds for planning thermal generation plants [360MW] [22.09], Improvement in grids [132.41]
31	25.Mar.10	Maldives	10.0	E	PV
32*20	30.Mar.10	Kenya	295.16	L	Construction of geothermal power plants [140MW]

**b). Projects not stated as a part of the HI but related to climate change**

33	04.Dec.09	Sri Lanka	8.6	E	PV
34*22	08.Dec.09	Micronesia	5.3	E	PV
35	11.Dec.09	Mongolia	5.9	E	Assist funds for PV
36	14.Dec.09	Uruguay	7.3	E	Assist funds for PV
37	14.Dec.09	Yemen	6.2 *23	E	Assist funds for PV
38	15.Dec.09	Belize	5.1	E	PV
39*22	16.Dec.09	Marshall Islands	5.3	E	PV
40	21.Dec.09	Palestine	6.0*23	E	Construct PV plants
41*22	24.Dec.09	Palau	4.8	E	Assist funds for PV
42*20	18.Jan.10	Burundi	5.4	E	Assist funds for PV
43	25.Jan.10	Morocco	6.4*23	E	PV
44	27.Jan.10	Guatemala	10.03	E	Construct small hydro-power generation plants etc
45	29.Jan.10	Nepal	6.6	E	PV
46	04.Feb.10	Tajikistan	4.5	E	PV
47*20	04.Feb.10	Botswana	11.1	E	Assist funds for PV
48*24	11.Feb.10	Pakistan	4.8	E	Assist funds for PV
49	12.Feb.10	Egypt	9.7 *23	E	PV
50	17.Feb.10	Costa Rica	8.1	E	PV
51*20	18.Feb.10	Malawi	6.6	E	Assist funds for PV
52	01.Mar.10	Jordan	11.32	E	Improvement in energy efficiency in water supply systems
53	01.Mar.10	Jordan	6.4	E	Assist funds for PV

54	10.Mar.10	Nicaragua	10.88	E	PV
55	18.Mar.10	Ecuador	8.6	E	PV
56	23.Mar.10	Bolivia	4.4	E	Assist funds for PV

**c). Project not stated as a part of the HI and the Grant aid for Environment and Climate Change but related to climate change**

57	02.Dec.09	Djibouti	6.1	G	PV
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\*19: In addition to enhancements of capabilities for mitigation and adaptation (USD 280.83m), this project includes loan for financial support for Indonesia to promote actions for climate change (USD 93.61m).

\*20: These projects were conducted as a result of the TICAD4 at which the Japanese government expressed assistance.

\*21: These seem to be projects that were announced as a result of the “Green Mekong” initiative in Mekong-Japan Summit Meeting in Nov 2009. At the meeting, Japanese government announced its plan of implementing ODA to the tune of more than USD 500m (JPY 500 bn) in total over the coming three years for the region as a whole.

[http://www.mofa.go.jp/mofaj/area/j\\_mekong\\_k/s\\_kaigi/index.html](http://www.mofa.go.jp/mofaj/area/j_mekong_k/s_kaigi/index.html)

\*22: These projects were conducted as a result of the 5<sup>th</sup> Japan and the Pacific islands forum in May 2009. At the forum, maximum USD 500 m (JPY 50 bn) assistance by 2012 was announced, including technological assistance, capacity building etc based on the CEP. [http://www.mofa.go.jp/mofaj/area/ps\\_summit/palm\\_05/index.html](http://www.mofa.go.jp/mofaj/area/ps_summit/palm_05/index.html)

\*23: Funded by the FY 2009 supplementary budget.

\*24: Conducted as a part of an aid scheme for Pakistan, proposing the max. USD 1bn at the Pakistan Donors Conference in April 2009. <http://www.mofa.go.jp/mofaj/area/pakistan/visit/0904kaigo.html>

After the Hatoyama administration started, so far (Sep.2009 - Mar.2010) 33 (+25) projects in total seem to be related to the HI and its details are as follows.

USD1 = JPY100

	Aid Type	Number of projects	Total (m USD)
Stated as a part of the HI	Loan	5	1478.4
	G aid for Env & CC	11	72.5
	Grant aid	17	220.51
		<b>Total 33</b>	<b>1,771.41</b>
Not state	G aid for Env & CC	24	169.33
	Grant aid	1	6.1
		<b>Total 25</b>	<b>175.43</b>
		<b>Total 58*25</b>	<b>1,946.84</b>

\*25: Because the project No.22 was divided into the loan and the grant aid, total here (58) is one more than the project number (57).

## Results

- Some projects press-released as a part of the HI are also stated as a part of ODA proposed as a result of the TICAD4, the 5<sup>th</sup> PIF and the Mekong-Japan summit. It means that the HI probably includes some projects of those other aid schemes.

Table 2 Aid schemes thought to be included in the CEP and the HI.

Aid scheme	Date	Pledge (USD) (USD1=JPY100)	Comment
TICAD4	May. 2008	USD 92.1m	Assistance for the CC
Pakistan Donors Conference	Apr. 2009	USD 1bn	Assistance for poverty reduction etc
5 <sup>th</sup> PIF	May. 2009	About USD 68m ( - 2012)	Assistance for environment and CC matters
Mekong-Japan summit	Nov. 2009	>USD 5bn (2010-2012)	ODA including assistances for forestry and management of water resources.

- JBIC established the JBIC Facility for Asia Cooperation and Environment (FACE)<sup>\*26</sup> corresponding to the CEP on Apr 2008, and the FACE supports the projects contributing to mitigating climate change and promoting projects for cooperating with Asian countries. According to the press-release<sup>\*27</sup>, USD110 million was invested to some environment and climate related funds. Furthermore, the Leading Investment to Future Environment Initiative (LIFE Initiative) was announced on Mar 2009 (total USD5 billion during 2009 to 2010)<sup>\*28</sup>, USD33 million was spent to some projects by Feb 2010.<sup>\*27</sup> The cost of the FACE and LIFE Initiative projects during the HI period by Mar 2010 reached about USD2.6 billion and these are thought to be included in the HI.

\*26: For detail, refer to the following site.

Establishing JBIC Facility for Asia Cooperation and Environment (FACE) (1. Apr. 2008)

<http://www.jbic.go.jp/en/about/press/2008/0401-01/index.html>

\*27: From press release (3. Feb. 2010) [http://www.jbic.go.jp/ja/about/company/message/pdf/ceo\\_100203.pdf](http://www.jbic.go.jp/ja/about/company/message/pdf/ceo_100203.pdf)

\*28: From press release (23. Mar. 2009) <http://www.jbic.go.jp/en/about/news/2008/0323-01/index.html>