

# How Private Sector Will Engage with Green Climate Fund in Japanese Private Sectors' Perspectives

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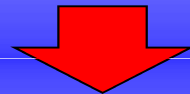
**&**

**The Federation of Electric Power Companies, Japan**



## Japanese Private sector's Perspectives(1)

The new fund should focus on development, transfer and diffusion of technology to developing countries



Bilateral or multilateral governments (owners and recipients)' agreements are necessary;

- to promote the investment (mitigation & adaptation)
- to minimize the financial and other risks
- to ensure measurement of emission reduction, so that financial return should be ensured



## Japanese Private sector's Perspectives(2)

Private sectors' advantages are;

### Energy Efficiency

- *The most important* is to diffuse to the developing countries the most efficient technology that is still not in the market but to be sure to be brought to market if some conditions are met
- expect to decrease the energy cost and increase the energy security of the developing countries

### Waste management

- also important to reduce the utilization of natural resources and contribute to the sustainable development



## Basic ideas to utilize GCF from Japanese Private sector's Perspective

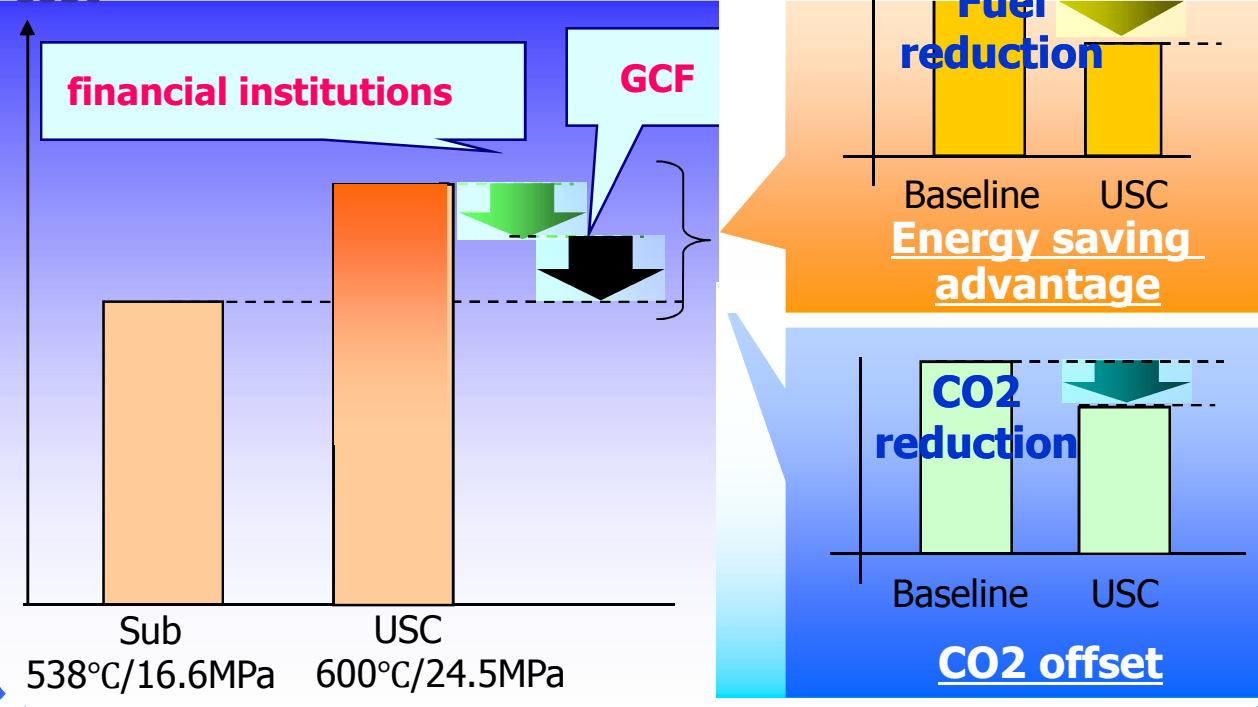
- To establish catalogs of environment benign and energy saving technologies worth GCF financial support
- To concentrate investment in the technologies listed in the catalog so that concerned technologies can diffuse
- Leverage is expected by inviting private sectors through maximizing economic advantages under GCF's support



# An Example - Ultra Super Critical Coal Firing Technology

- In place of low-efficiency but inexpensive sub critical coal firing technology (Sub) , dominant in developing countries, ultra super critical coal power plants (USC) is applicable due to its technological advantage.
- Incremental cost of USC can be covered by mobilizing financial institutions' loan and by utilizing GCF.
- Optimal financing can be explored through energy saving advantage and possible CO2 offset acquisition if necessary.

## Construction cost



In case of 600MW class USC ( approx.5% improvement of efficiency ), we can expect;

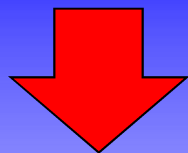
- Fuel reduction : approx.170,000 t /year
- CO2 reduction : approx.400,000 t /year



USC Plant in Japan

## What is expected to receive technologies

- To eliminate the challenges in place through cooperating in legislation to introduce concerned technologies and promoting green development policies
- To prepare Internationally standardized regulation
- To measure the CO2 reduction and to report



### ***Private sectors are ready***

- a) to participate in the GCF process and
- b) to promote co-operations to establish & implement relevant policies

