



Japan's Climate Finance Mobilization

**Status and policies deployed on public and private finance
Implications for effective climate finance mobilization**

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Japan's Climate Finance Commitments

'Net-Zero by 2050 and 46% reduction by 2030 from 2013 levels'

Prime Minister Suga's General Policy Speech (2020)

'Japan will provide climate finance, both public and private, **totaling 60bn USD over the next five years from 2021 to 2025** and further enhance its assistance for adaptation...'

*Prime Minister Suga
June 2021*

G7 Cornwall

COP26 Glasgow

'Provide an **additional 10bn USD in the next five years...** will include contribution to the launch of the ADB's Innovative Financial Facility for Climate...'

*Prime Minister Kishida
November 2021*

GFANZ

participation by industry heavy weights

Net-Zero Asset Owner Alliance (NZAOA)

- Dai-ichi Life Insurance

Net-Zero Asset Managers Initiative (NZAMI)

- Asset Management ONE
- Nissei Asset Management
- Sumitomo Mitsui Trust Asset Management

Net-Zero Banking Alliance (NZBA)

- Mitsubishi UFJ Financial Group



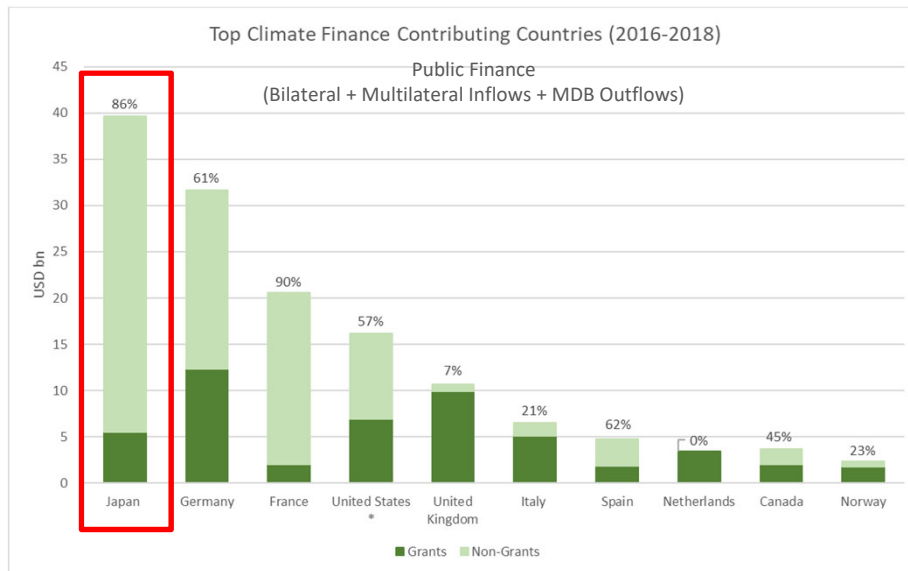
Japan's Climate Finance for Developing Countries

figures at face value on par but recurring questions remain?

Pledged to provide 12bn USD per year up to 2020 (2015 / COP21)

Pledged to provide 70bn USD over five years (2021-2025) and increase financing for adaptation (2021 / G7&COP26)

Asia Energy
Transition Initiative
(AETI)
May 2021



Source: graph and chart created by author utilizing data from WRI (2021)

	GNI Share of Annex II Countries	Climate Finance Share of Annex II Countries
Japan	11.2%	25.6%
Germany	8.4%	20.5%
France	5.9%	13.3%
United States *	43.9%	10.4%
United Kingdom	5.9%	6.9%
Italy	4.4%	4.2%
Spain	2.9%	3.1%
Netherlands	1.9%	2.2%
Canada	3.6%	2.4%
Norway	0.9%	1.5%

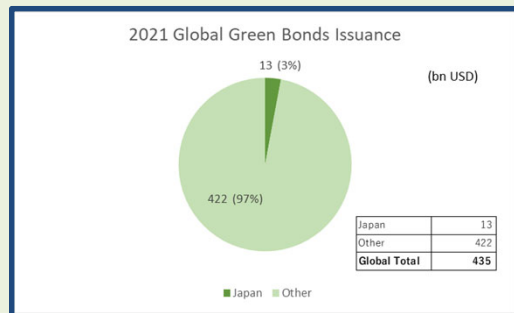
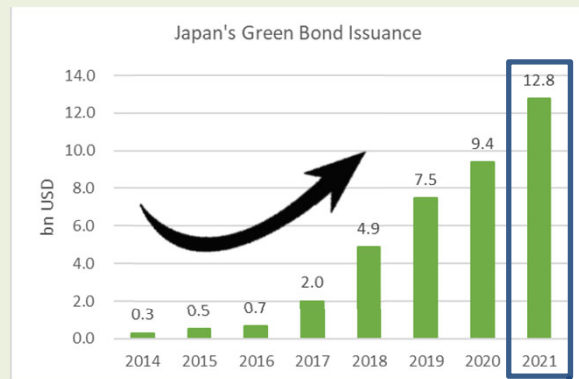
'sizable' but with some CAVEATS....

- limited use of grants (14%)
- limited adaptation support (8%)
- inclusion of coal financing

Relative fair share contribution but with some caveats - further consideration of how and for what finance is mobilized
Measures to address the mobilization of private finance not explicit

Domestic Private Finance Mobilization

the missing pieces in a busy policy development landscape?



Source: Climate Bonds Initiative / Ministry of the Environment

A busy sustainable finance policy development landscape

Green Instruments Guidelines & Subsidies
Green / Sustainability-linked Bonds & Loans (MOE)

Disclosure Guidance
discussions ongoing regarding further regulatory measures (FSA / METI)

Climate Risk Analysis Support & Monetary Measures
(BOJ / FSA)

Transition Finance Guidelines & Subsidies
* development ongoing of 'Industry Roadmaps' (METI)

Funding Innovation
Green Innovation Fund
2 trillion JPY (19bn USD) (NEDO)

Underlying Economic Challenges
identifying 'growth' areas in a shrinking economy?

Continued Uncertainty in Key Climate Policies
clearer policy forthcoming?

COVID-19 Response
a missed opportunity?

Market fixing approaches relatively up-to-speed, but more clarity needed around market-shaping efforts?

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