

Japan



European Bank
for Reconstruction and Development

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Japan is a founding member of the EBRD, with a 8.5 per cent capital share and has a representative on the Board of Directors. The EBRD is owned by 61 countries, including its countries of operations, and two intergovernmental institutions. The Bank's subscribed capital is €20 billion, and it borrows in various currencies on world capital markets.

Technical cooperation

Technical Cooperation (TC) assistance enables the EBRD's clients to prepare sound investments, provides flexibility and helps improve the institutional and regulatory framework.

Japan has provided over €150 million to the EBRD's Technical Cooperation Funds Programme, through bilateral and multilateral funds, making it the largest bilateral contributor. The main tool for TC is the Japan-Europe Cooperation Fund (JECF). Japan is the third largest contributor to the Early Transition Countries (ETC) Fund and the largest contributor to the Mongolia Cooperation Fund (MCF). In 2009 Japan signed a new agreement of €3 million in support of the EBRD's Sustainable Energy Initiative.

Japan has also contributed to Investment Funds such as the Japan Post Conflict Support Fund (€6.1 million) and the Russia Small Business Investment Special Fund (€21.2 million).

The JECF has committed funding for 546 projects for €121 million as at end of 2009. One-third of JECF commitments were carried out in Central Asian countries, and just over 15 per cent were committed in Russia.

This distribution of funds represents the strategic aim of the JECF to work with the less-developed countries as well in the far east of Russia, where support from donors is relatively scarce.

Finance and business sectors are the main recipient of TC funds. Other important sectors for JECF support are manufacturing mainly through the TurnAround Management (TAM) and Business Advisory Services (BAS) Programme, legal transition and energy.

Co-financing

Japan is an important source of foreign direct investment in the EBRD's countries of operations. As of January 2009 the value of joint Japanese-EBRD investment stood at €5.4 billion. Of this, EBRD investment was €3.27 billion and Japan's was €2.1 billion. Adding in further investment from other countries and sources, the total value of projects with Japanese-EBRD involvement was €19 billion. The majority of these deals were in the private sector.

Japanese-EBRD investment has been especially strong in Russia at €1.2 billion, followed by Hungary at €656 million, and Poland at €274 million.

Broken down by industry, joint Japanese-EBRD investment has been €1.55 billion in energy, €1.33 billion in financial institutions, €920 million in general industries, €826 million in corporates and €772 million in infrastructure.

At a glance

Japan is the largest bilateral contributor to the EBRD

€5.4 billion – the value of joint Japanese-EBRD investments

128 consultancy contracts were awarded to Japanese consultants in 2008

Japanese investment includes €641.2 million of commercial co-financing and €966 million of co-financing from official sources, such as export credit agencies.



Consultancy services

In 2008, 128 consultancy contracts with a total value €1,396,195 were awarded to Japanese consultants by the EBRD. All contract awards were by the TurnAround Management Programme for provision of management advice.

Procurement

During 2008, 124 public sector contracts were financed by the EBRD for a total contract value of €1.2 billion. From 1992 to 2008, Japanese entities submitted 199 tenders for a total of 3,313 public sector contracting opportunities and won 35 contracts for a total value of €44.7 million.

Public sector contracts highlights

January 2004: NEC Corporation won a supply and installation contract for a Pre-privatisation Convertible Loan to the Telekom Srpske Project, valued at €0.9 million.

March 2002: Marubeni Utility Services won a contract to supply guaranteed power supply systems under the KEGOC Power Transmission and Rehabilitation Project in Kazakhstan worth €3.0 million.

TAM/BAS Programme

TurnAround Management (TAM)

Japan has provided over €10 million to support the TAM Programme in 19 countries. Most of the projects were funded in Kazakhstan, Russia and Uzbekistan. This funding has financed projects with 163 enterprises, in particular in the building materials and garden, fabricated metal and food manufacturing sectors.

Business Advisory Services (BAS)

Japan has provided over €12 million to support BAS programmes in far east Russia, Kazakhstan, Mongolia and Uzbekistan.

Trade Facilitation Programme

Under the Trade Facilitation Programme (TFP) the EBRD guarantees the payment of trade finance instruments (such as letters of credit or payment guarantees) that are issued by banks in the EBRD's countries of operations to foreign confirming banks.

Since the start of the programme in 1999 the EBRD has financed more than 7,860 transactions for a total amount of more than €4.8 billion. At present, 114 issuing banks in 21 of the EBRD's countries of operations participate in the programme, together with over 770 confirming banks, their subsidiaries and branches throughout the world. The TFP financed 39 export and import transactions of Japanese companies for a total amount of €31.5 million. These transactions were confirmed by foreign banks in Japan and abroad. The EBRD issued two transactions worth €258,000 in favour of one Japanese bank. Sixteen Japanese banks and branches of banks have joined the programme as confirming banks (all figures as at January 2009).

Japanese confirming banks

The Asahi Bank
Australia and New Zealand Banking
Banca di Roma
Bank of New York, Tokyo Branch
BNP Paribas Tokyo
Credit Lyonnais, Tokyo Branch
Deutsche Bank, Tokyo Branch
First Commercial Bank, Tokyo Branch
Korea Development Bank, Tokyo Branch
Mizuho Corporate Bank
Sanpaolo Imi Tokyo Branch
Société Générale, Tokyo Branch
Sumitomo Mitsui Banking Corporation
Union Bank of California, Tokyo Branch
Wachovia Bank, Tokyo Branch
Woori Bank (Tokyo Branch)

Improving wastewater treatment in Armenia

Through its participation in the multi-donor Early Transition Countries Fund, Japan is backing an EBRD investment to improve wastewater management services in Armenia. Residents of five municipalities near Lake Sevan in Armenia will benefit.

Lake Sevan covers 15 per cent of Armenia and is a place of natural beauty and historic significance. The project will support efforts to achieve compliance with Armenian and EU environmental standards for wastewater treatment. This is the EBRD's first municipal and environmental infrastructure project in Armenia.



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