

JAPAN'S FINANCING PROGRAMS FOR AIR QUALITY IMPROVEMENT THROUGH THE JOINT CREDITING MECHANISM

DAY 2 – BREAKOUT SESSION

16 November 2023 14:00-15:30

Financing Clean Air Action through Climate Funds

Yu Kamei
Director for International Cooperation
Environmental Management Bureau
Ministry of the Environment, Japan



JAPAN's financing programs for air quality improvement

■ Co-benefits Approach

Air Quality
Improvement



Climate Change
Mitigation

■ Joint Crediting Mechanism



JCM THE JOINT CREDITING
MECHANISM

- Finance Program for JCM Model Projects
- Japan Fund for the JCM - ADB Trust Fund

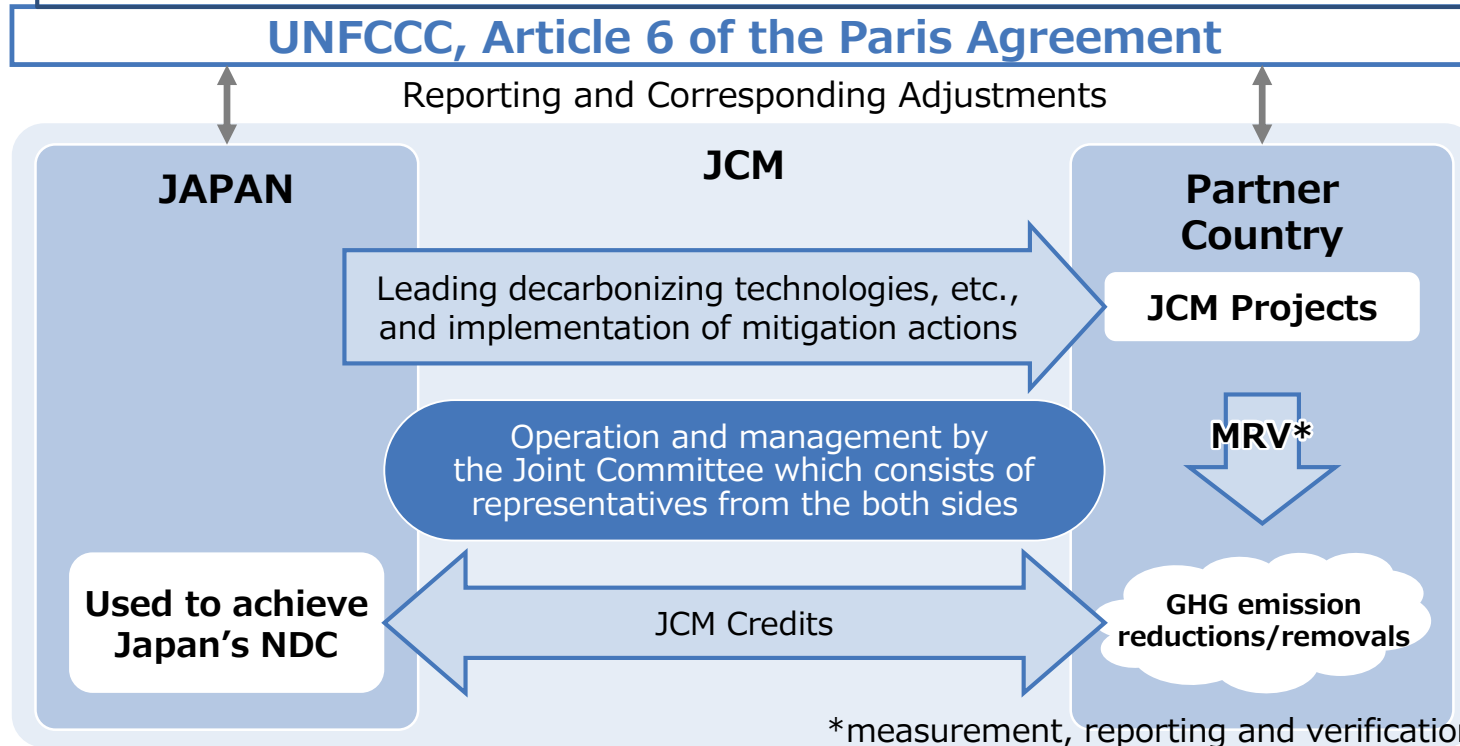
■ JCM Project Development

- JCM Global Match
- Japan Platform for Redesign: Sustainable Infrastructure
- City to City Collaboration Program
- **Capacity Building Program**
 - cooperation with relevant organizations (CAA, IGES, ACAP, ...)



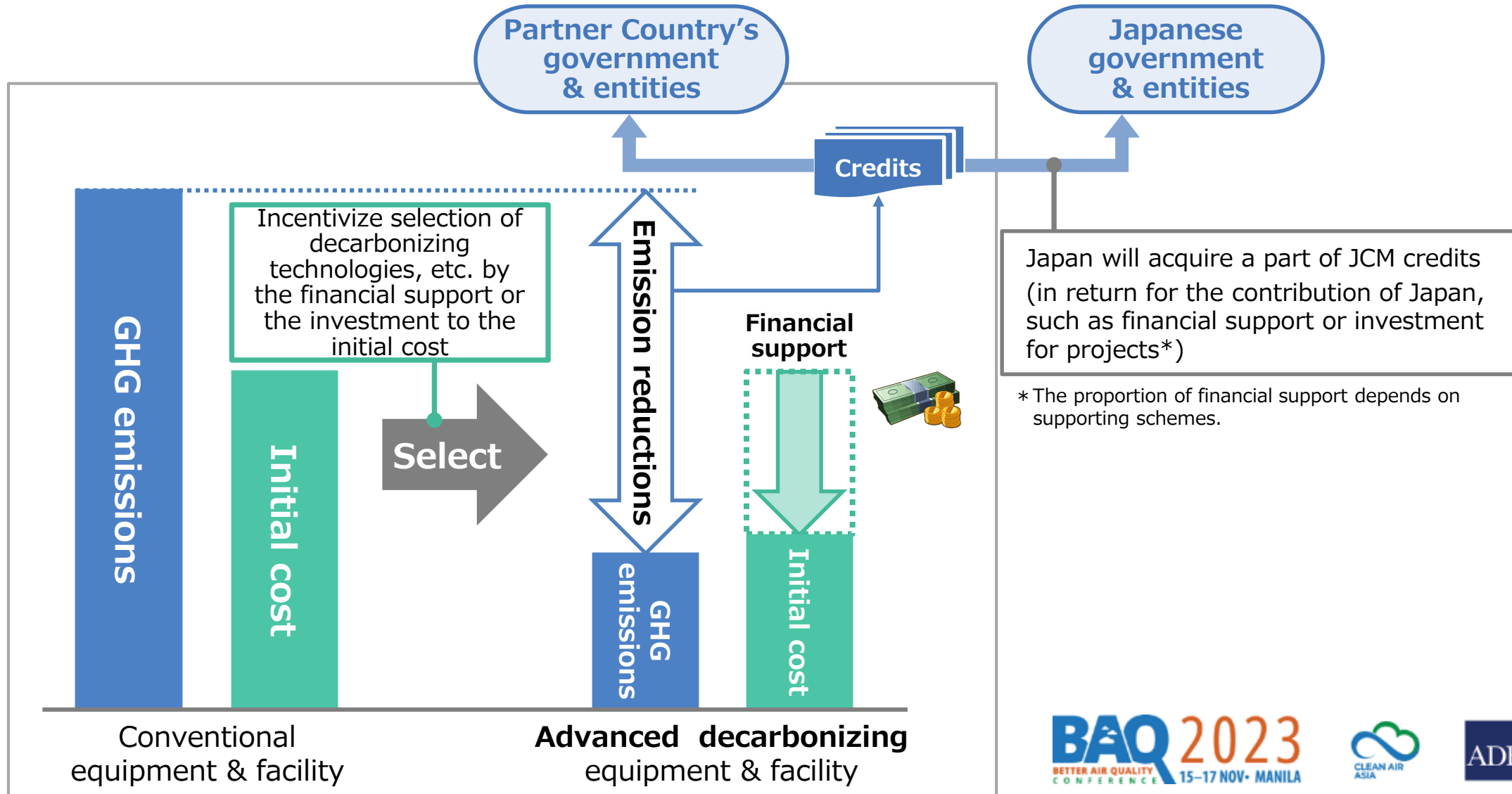
Basic Concept of the Joint Crediting Mechanism (JCM)

- Facilitate diffusion of leading decarbonizing technologies and infrastructure, etc., through investment by Japanese entities, thereby contributing to GHG emission reductions or removals and sustainable development in partner countries.
- Contribute to the achievement of both countries' NDCs while ensuring the avoidance of double counting through corresponding adjustments.
- Implement the JCM consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement.



Since 2013, Japan has established the JCM with **27** partner countries and over **230** projects have been selected.

Joint Crediting Mechanism - Contribution from Japan (example)



Finance Programme for JCM Model Projects by MOEJ

Budget for projects starting from FY 2023 is approx. 15 billion JPY (approx. USD 109 million) in total by FY2025 (1 USD = 137 JPY)

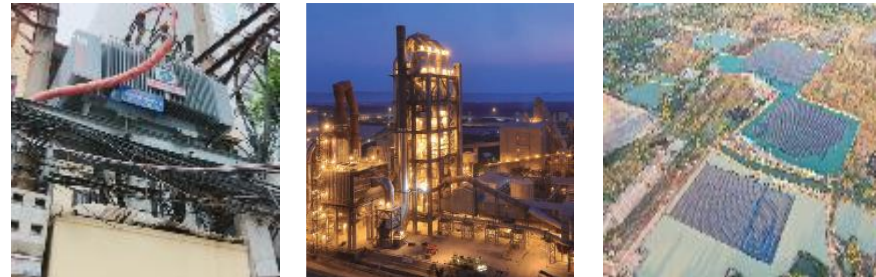
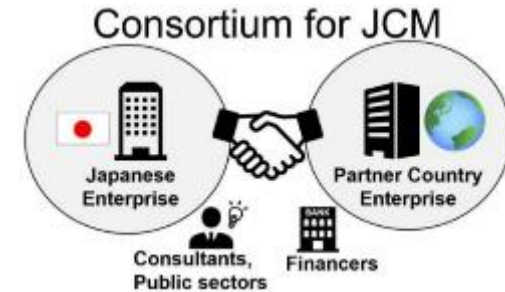
Government of Japan

* Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute.

Finance part of an investment cost (**up to half**)

Conduct MRV and expected to deliver JCM credits issued

International consortiums (which include Japanese entities)



- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO₂ from fossil fuel combustion as well as construction cost for installing those facilities, etc.
- Eligible Projects: starting installation after financing is awarded and finishing installation within three years.

Examples of Projects supported by the JCM financing programs

Renewable Energy



Solar power, FARMLAND Co., Ltd., Chile



Floating Solar PV, TSB Co., Ltd., Thailand



Hydro Power Plant, Toyo Energy Farm Co., Ltd., Indonesia



Biomass Co-Generation System, Fuji-Foods Corporation, Thailand



Binary Power Generation Project at Geothermal Power Plant, MHI, Ltd., Philippines

Energy efficiency [Consumer sector]



High-efficiency refrigerator, Mayekawa MFG, Indonesia



Energy saving at convenience stores, Panasonic, Indonesia



High-efficiency air-conditioning system, Hitachi, Daikin, Vietnam

Energy efficiency [Industrial sector]



Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia



Energy-saving of mobile communications base transceiver stations, KDDI Corp. Indonesia

Energy efficiency [Urban sector]



LED street lighting system with wireless network control, MinebeaMitsumi, Cambodia



Amorphous transformers in power distribution, Hitachi Materials, Vietnam

Waste



Power Generation with Methane Gas Recovery System, NTTDATA, Mexico



Waste to Energy Plant, JFE engineering, Myanmar

Transport



CNG-Diesel Hybrid Public Bus, Hokusan Co., Ltd., Indonesia



JCM Project Development

- To **identify barriers and needs** for JCM project development in partner countries in terms of technology, financing and partnership, and **provide solutions for overcoming barriers** through consultations.
- To **enhance overall capacity for JCM implementation** through facilitating understanding on the JCM rules & guidelines, and MRV methodologies by organizing workshops, seminars, training courses and site visits.
- **JCM Business Matching Site “JCM Global Match”** provides business matching opportunities for sellers and buyers of low and zero carbon technology for the JCM project.



- Japan Platform for Redesign: Sustainable Infrastructure(JPRSI)

- **Capacity Building Program**

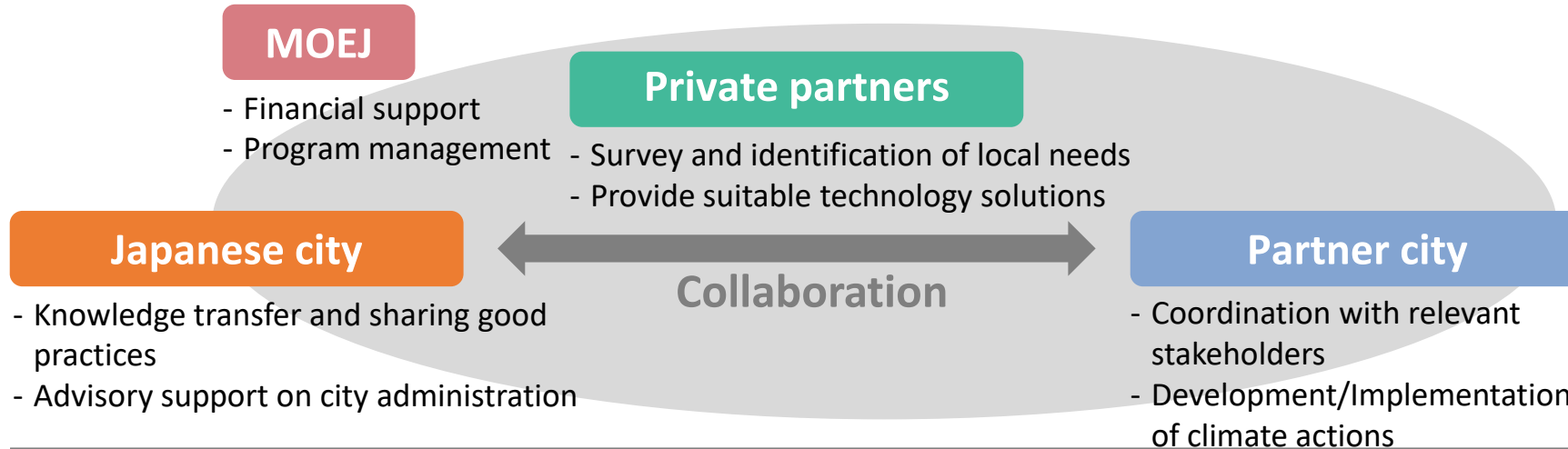
- cooperation with relevant organizations (CAA, IGES, ACAP, ...)

- City to City Collaboration Program



City-to-City Collaboration Program

Pairing Japanese cities with partner cities abroad and promoting **transfer of knowledge and experience for decarbonization** in partnership with private solution providers.



- **Co-create low-carbon projects**
- Support developing **policies and plans** to promote climate actions
- **Build capacity** for government staff
- Raise awareness of stakeholders



Partnering 20 Japanese subnational governments with **49** subnational governments in **13** countries

JCM Model Projects Formulated in the framework of City-to-City Collaboration Program



For more information...

Please contact MOE Japan

(E-mail) YU_KAMEI@env.go.jp

YUMI_YASUDA@env.go.jp

(URL) <https://www.jcm.go.jp/>

Thank you for your attention !

