

# 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

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# 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

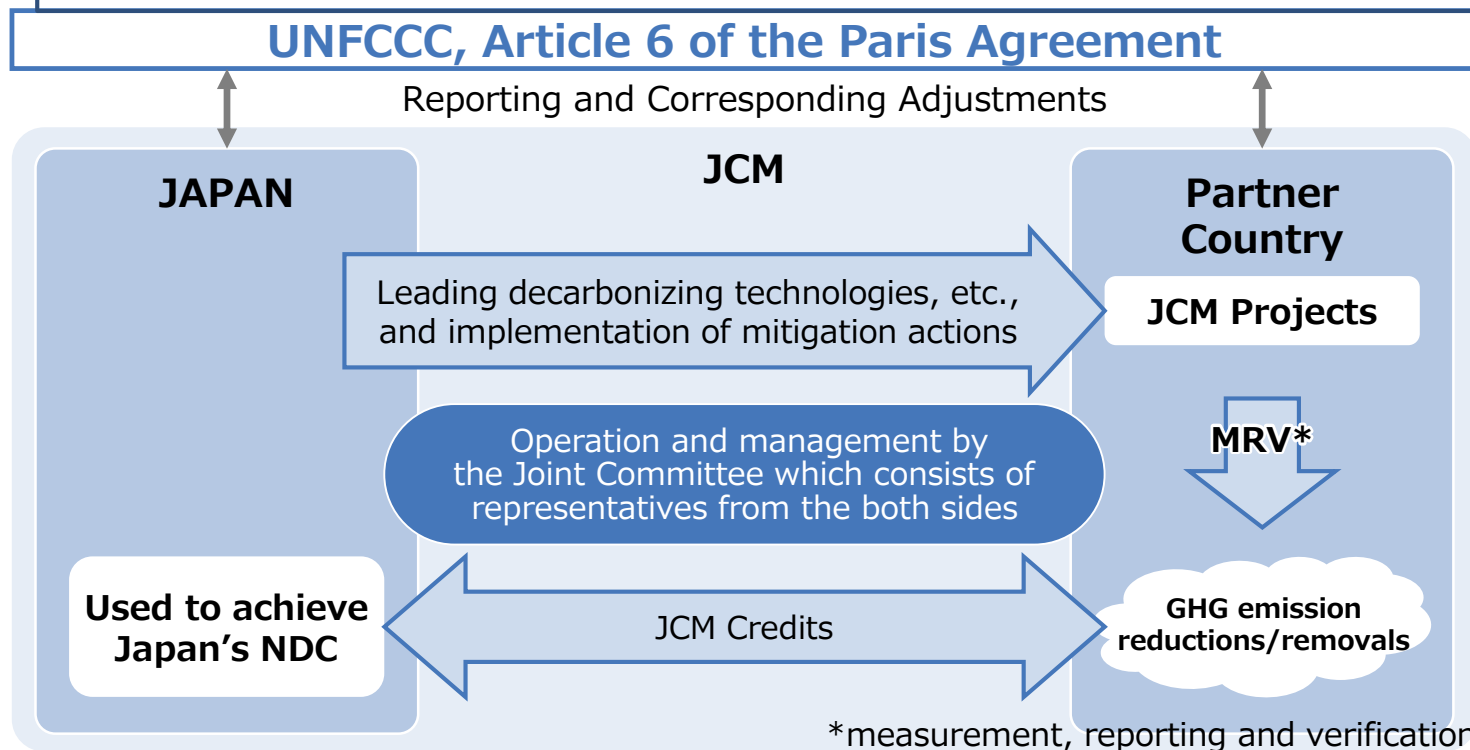
## ■ JCM Project Development

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



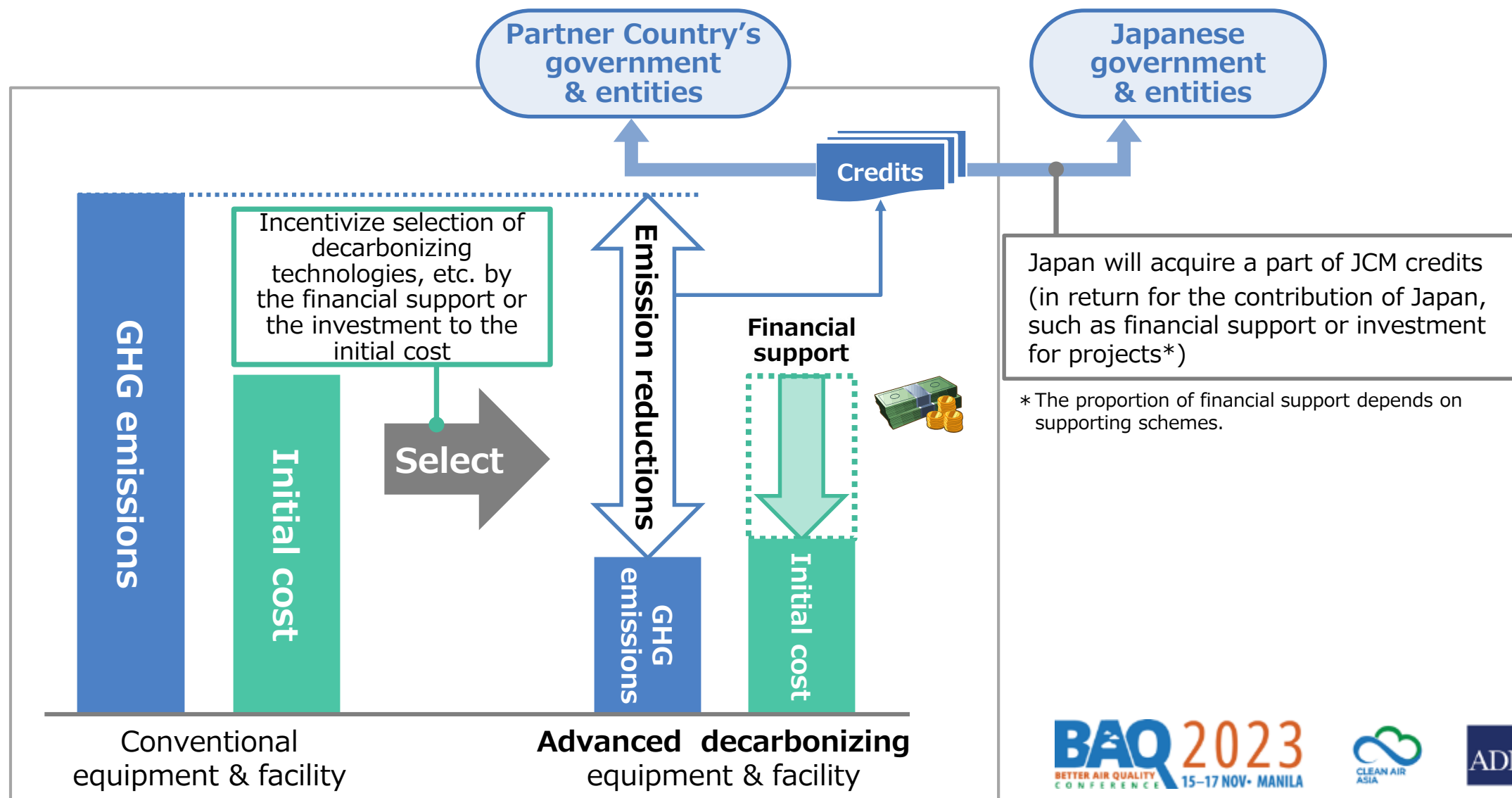
# Basic Concept of the Joint Crediting Mechanism (JCM)

- 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 CO<sub>2</sub> 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.

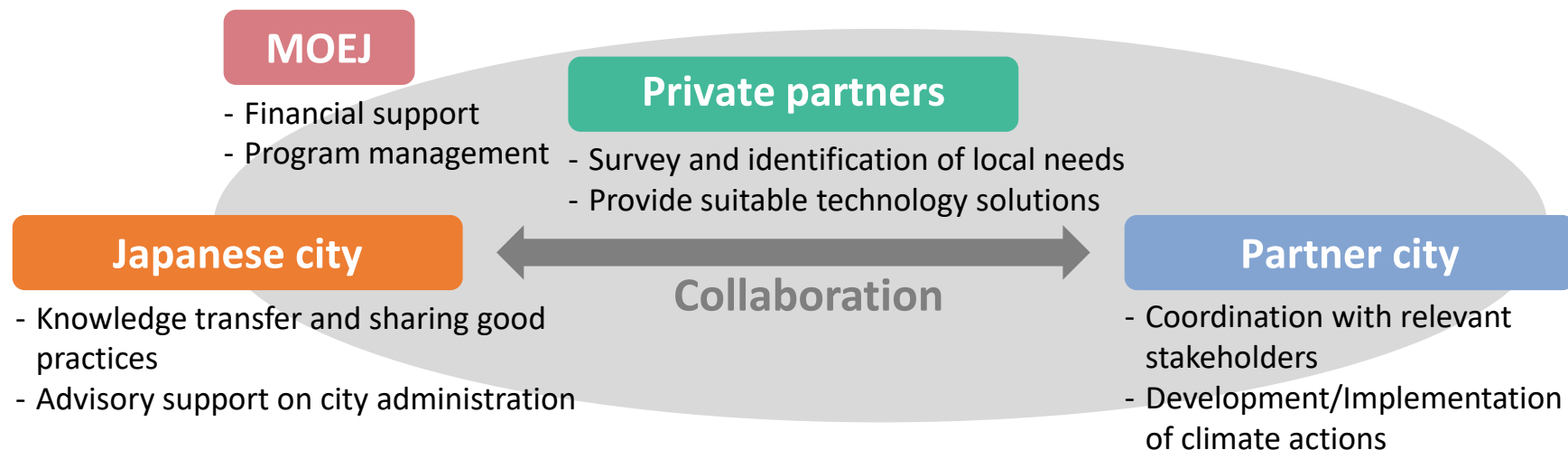


- Japan Platform for Redesign: Sustainable Infrastructure(JPRSI)
- **Capacity Building Program**
  - cooperation with relevant organizations (CAA, IGES, ACAP, ...)
- City to City Collaboration Program



# 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

**Deliver net zero commitment**

**Deploy decarbonized technologies/infrastructure**

**Develop action plans and regulations**

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

**24** projects  
in  
**7** countries





**For more information...**

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**Thank you for your attention !**

