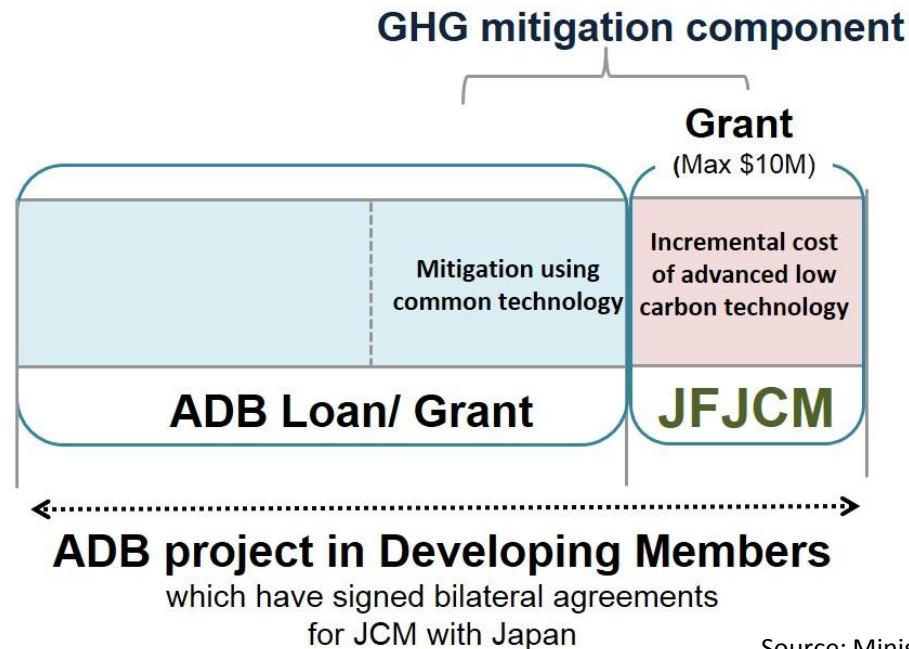


Japan Fund for the Joint Crediting Mechanism (JFJCM)

February 2017

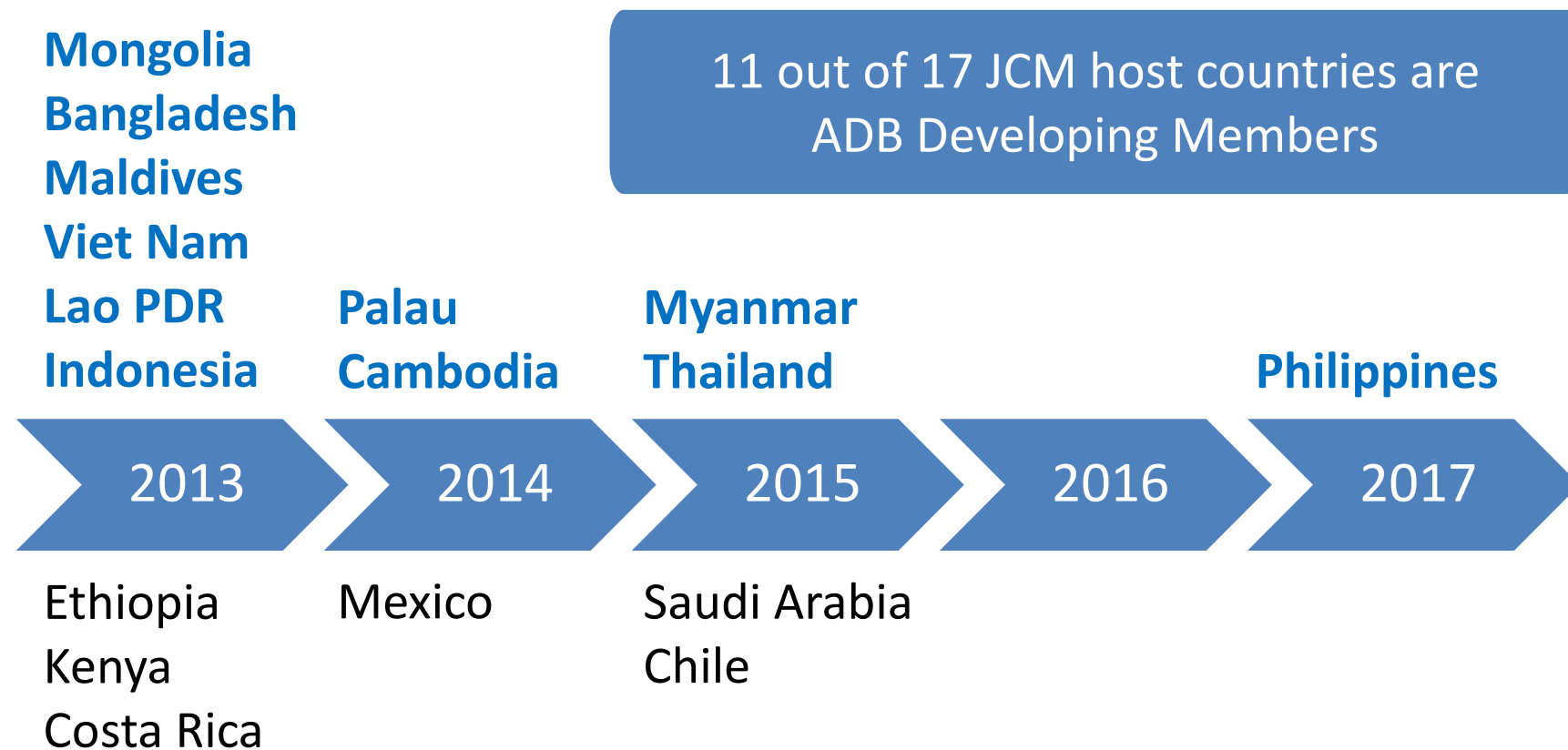
Japan Fund for the Joint Crediting Mechanism

- Established in June 2014 as one of ADB's trust funds
- \$42.6M contributed by MOEJ between 2014-2016
- Provides financial incentives for adoption of advanced low-carbon technologies in ADB-financed projects
- Provides grants and technical assistance to projects using the JCM

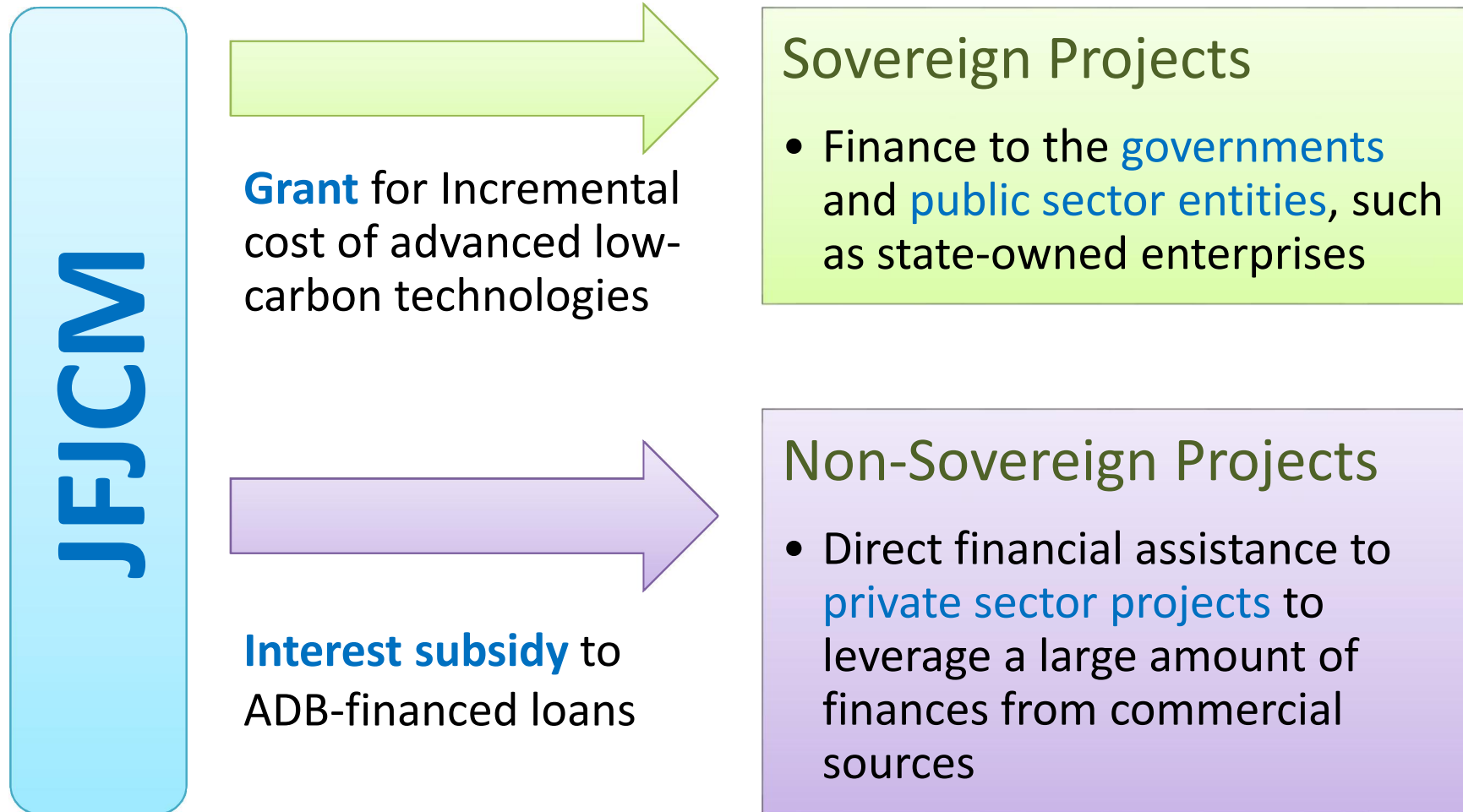


Source: Ministry of the Environment, Japan

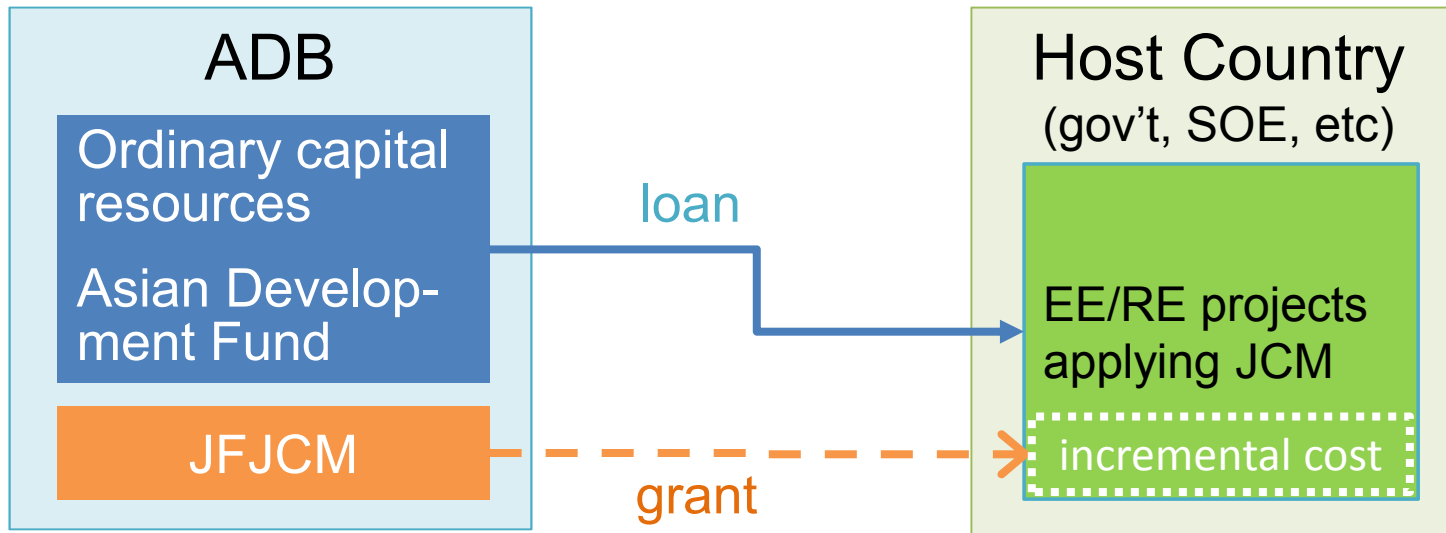
JFJCM Eligible Countries



Use of JFJCM

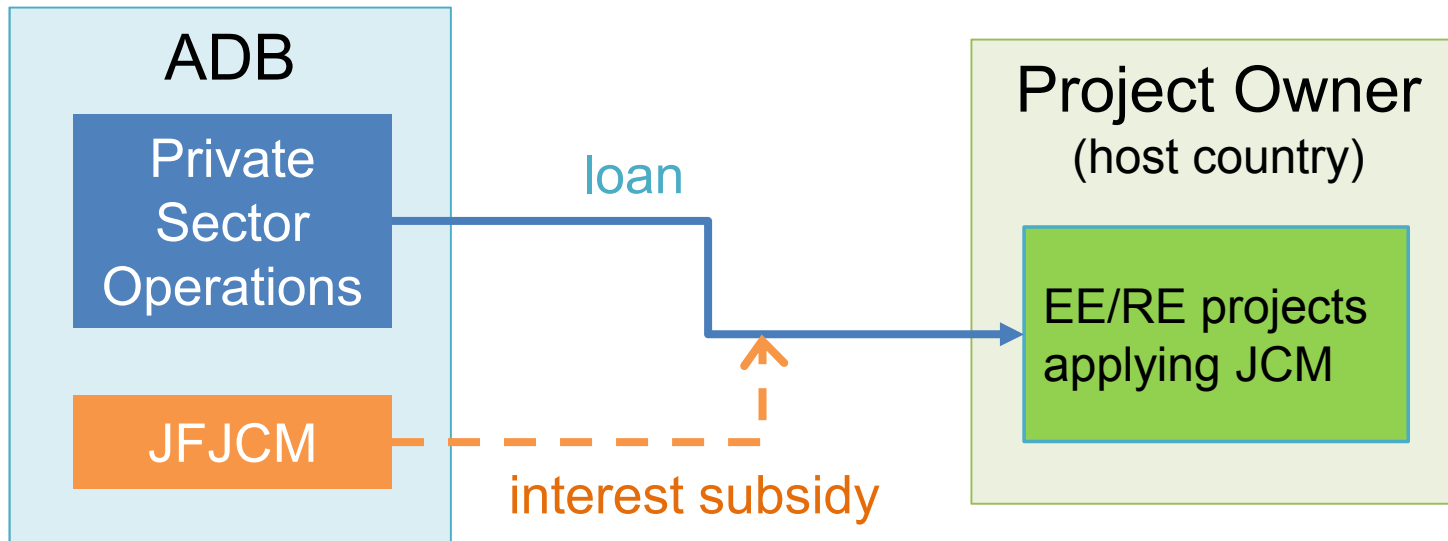


ADB Support for JCM (Sovereign)



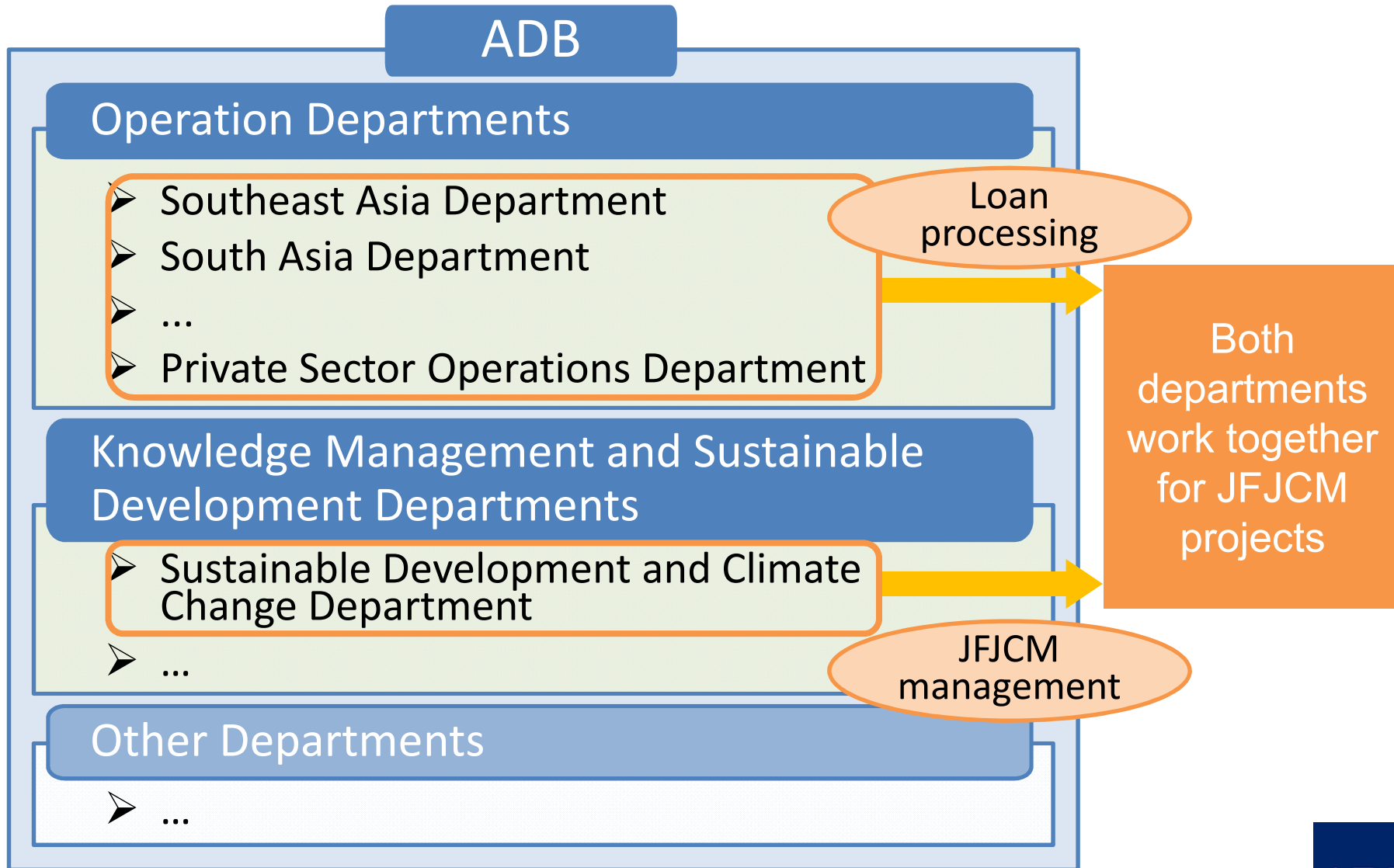
- JFJCM provides grant for **incremental cost of advanced low-carbon technologies**
- Amount of grant, maximum of:
 - i. **10% of the project cost (maximum is \$10 million)**
 - ii. **\$5 million** if the project cost < \$50 million

ADB Support for JCM (Non-sovereign)



- JFJCM provides interest subsidy to ADB's loan to EE/RE projects applying JCM
- Amount of interest subsidy:
10% of project cost (maximum is \$10 million)

Relevant ADB Departments for JFJCM Projects



Eligible Projects and Technologies

Eligible Project

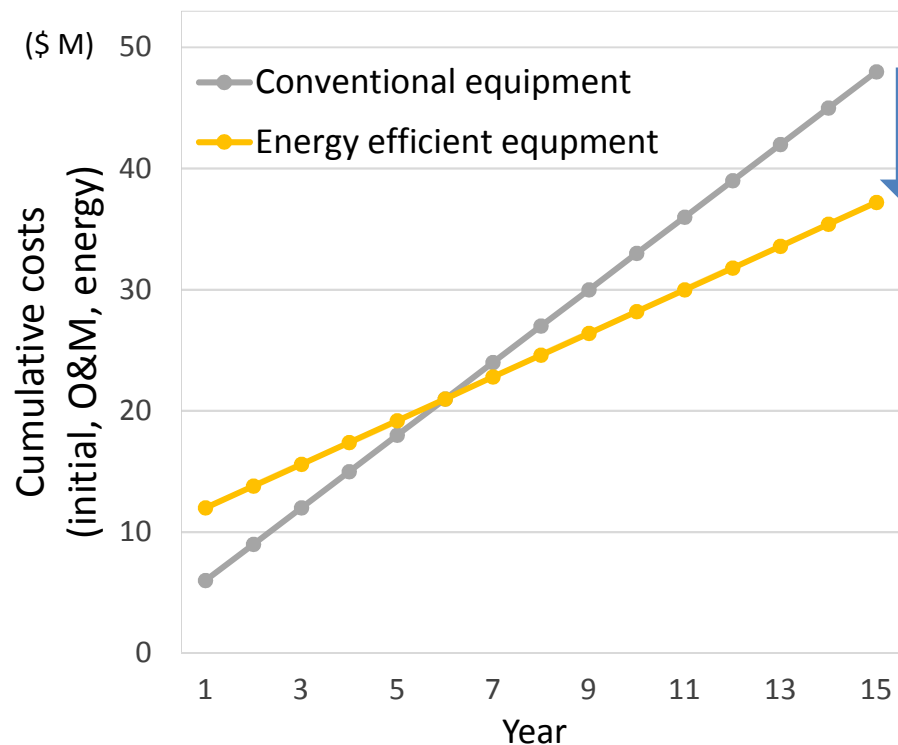
- Project co-financed with an ADB or ADB administered funds.
 - * Can be used for additional financing to ongoing ADB project.

Eligible Technology

- **Advanced low carbon technologies** that reduce greenhouse gas (GHG) emission including CO₂ from energy source.
- The technologies must have a proven implementation and operation record of its technical effectiveness.

Life Cycle Cost Consideration (Sovereign)

- International competitive bidding is required for ADB sovereign projects' procurement
- For JFJCM projects, **life cycle cost (LCC)**, as well as technical performance, is considered



LCC
Energy Efficient Equipment < Conventional Equipment

Other Requirements: JCM Application

JCM Application

- Preparation and approval of **JCM Methodology**, if necessary
- Preparation of **Project Design Documents (PDD)**
- **Validation** by Third Party Entities (TPEs), and **registration** of the project
- **Monitoring, reporting and verification** of GHG emission reduction;
- **Issuance** of the JCM credits and delivery to government(s)

ADB

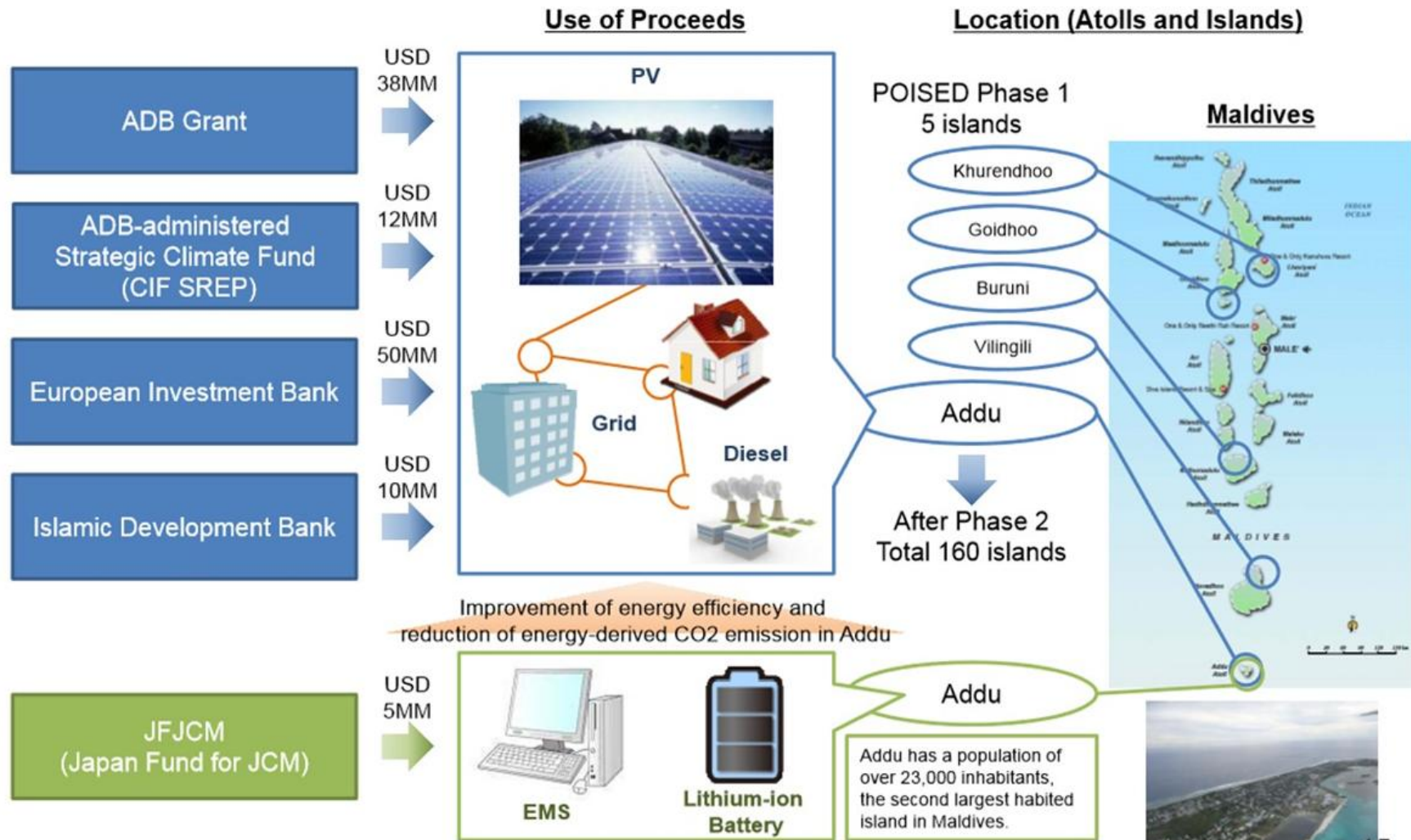
- Fund or technical assistance (TA) may support methodology and PDD preparation
- Fund or TA may support TPE costs for validation and verification

Points Considered in Project Evaluation

- Contribution to development goals of host country
- Technical feasibility, financial and economic viability of project
- Operational experience, track record and institutional capacity of project developer
- Use of **advanced low-carbon technologies** with:
 - ✓ clear and long-term GHG emission reductions
 - ✓ possibility of robust MRV
- **Cost effectiveness***
 - ✓ cost of reducing 1tCO₂e ≤ \$40

* grant amount / (annual GHG emission reduction x project period)

Case Study: Maldives



*POISED: Preparing Outer Islands for Sustainable Energy Development

Source: Ministry of the Environment, Japan

Case Study: Maldives (cont'd)

- Install smart micro-grid technology with advanced battery system and energy management system (EMS)
- Increase Solar PV penetration Capacity in the island
 - ✓ Suppression of PV and load fluctuations
 - ✓ Large amounts of renewables integrated to the grid
 - ✓ Optimization of diesel generator operation
 - ✓ Expected emission reductions: 2.5 - 3 thousand tCO₂/yr



Source: Ministry of Environment and Energy, Maldives

Contact us

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