

*Workshop on facilitating the JCM implementation in Asia and Pacific
In FY2016
28th February, Tokyo*

*Application for the JCM model projects
in FY2017*

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Overview

- Introduction
- JCM Model Projects by MOE
- Finance rate under JCM Model Project in FY2017
- Criterion for selecting the JCM model project
- Schedule of JCM financing programme in FY2017

The Joint Crediting Mechanism

- Facilitating diffusion of leading low carbon technologies through contributions from Japan and evaluating realized GHG emission reductions or removals in a quantitative manner to use them for achieving Japan's emission reduction target.
- Japan will address the high initial cost barrier of introducing advanced low-carbon technologies in developing countries through the JCM (GoJ implements several supporting schemes)



Waste heat recovery in Cement Industry, JFE engineering, Indonesia



Eco-driving with Digital Tachographs, NITTSU, Vietnam



Energy saving at convenience stores, Panasonic, Indonesia



High efficiency air-conditioning and process cooling, Ebara refrigeration equipment & systems, Indonesia



High-efficiency Heat only Boilers, Suuri-Keikaku, Mongolia



Upgrading air-saving loom at textile factory, TORAY etc., Indonesia, Thai, Bangladesh



Installing solar PV system, PCKK, Palau Maldives



Amorphous transformers in power distribution, Hitachi Materials, Vietnam



Co-generation system at factory, Toyota, Nippon Steel & Sumikin Engineering, Indonesia, Thai



High efficiency air-conditioning system, Hitachi, Vietnam



High efficiency air-conditioning system, Daikin, Vietnam



Waste to Energy Plant, JFE engineering, Myanmar



High efficient refrigerator, Mayekawa MFG, Indonesia



Regenerative Burners in industries, Toyotsu Machinery, Indonesia



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

JCM Model Projects by MOE

The draft budget for projects starting from FY 2017 is **6.0 billion JPY (approx. USD 60million)** in total by FY2019

(1 USD = 100 JPY)

※Budget will be fixed after approval by the Parliament

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

Finance part of an investment cost (**less than half**)

Conduct MRV and expected to deliver at least half of JCM credits issued

Government of Japan

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 the adoption of the financing and finishing installation within three years.

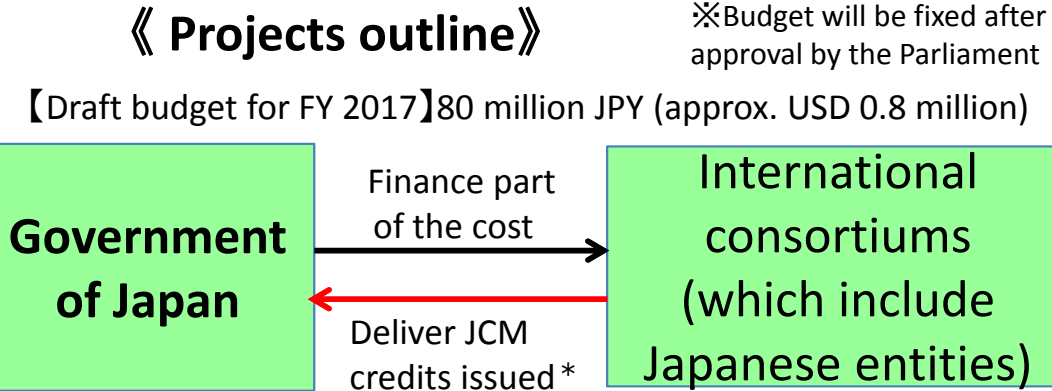
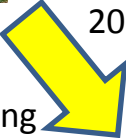
JCM REDD+ Model Projects by MOE

(1 USD = 100 JPY)



- 【Background】**
- Deforestation and forest degradation in developing countries
 - 17 demonstration feasibility studies from 2011 to 2014

- 【Expected outcome】**
- Participatory monitoring of illegal logging, disaster prevention, and forest restoration
 - Provision of alternative livelihoods



*At least half or ratio of financial support to project cost of JCM credits issued are expected to be delivered to the government of Japan except the amount which is allocated to the partner country based on its legislation.

※These projects may be implemented in cooperation with other organizations such as JICA

※REDD+ (Reducing Emissions from Deforestation and Forest Degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries)

Purpose

Implement activities for REDD+ and use them for contributing to achieve Japan’s emission reduction target through the JCM.

Project budget and implementation term

Up to 80 million JPY/year (fixed)

Eligible Companies

Japanese corporation(the representative of international consortiums)

Finance rate under JCM Model Project in FY2017

Finance rate will be determined based on the number of already selected JCM Model Projects using similar technology in each country.

The actual number of already selected projects using similar technology will be published on the Web site.

Number of already selected projects using a similar technology in each partner country	None (0)	Up to 3 (≤ 3 , except 0)	More than 3 (> 3)
Maximum finance rate	50%	40%	30%

Regardless of the finance rate, selected entities in JCM Model Project are expected to deliver at least half of JCM credits issued to Government of Japan

Criterion for selecting the JCM model project
(Cost effectiveness and Payback period)

Cost effectiveness (*1) and payback period (*2) of a proposed project are some of the criteria during selection by MOEJ.

*1: Cost effectiveness (JPY/tCO₂) is calculated as follows;

Dividing “Amount of proposed subsidy” by “Accumulated emission reductions achieved during the legal durable years under Japanese law

*2: Payback period (year) is calculated as follows;

(Total initial cost) – (Amount of proposed subsidy)

(Reduction for annual operation cost)

or

(Total initial cost) – (Amount of proposed subsidy)

(Annual revenue) – (Annual operation cost)

Indicator for evaluating the cost effectiveness

Cost effectiveness of a proposed project is less than 4,000 JPY/tCO₂ (40 USD/tCO₂)

Note:

GHG emission reductions is dependent on its calculation method and not necessarily able to achieve the planned emission reductions after the project implementation. Therefore, the cost effectiveness is not an absolute indicator for the evaluation.

Indicator for evaluating the payback period

Payback period of a proposed project is more than 3 years.

Note:

Since the payback period is also dependent on its calculation method and not necessarily able to achieve the planned assumption after the project implementation, the payback period is not an absolute indicator for the evaluation.

Expected schedule of JCM financing programme in FY2017

[JCM Model Project]

(Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute)

Items	Date
Starting date of call for request	Beginning of April, 2017
Deadline for entities to submit their application	Middle of May, 2017
Announcement of selection	Around end of June, 2017

[ADB Trust Fund]

Items	Date
Call for request	All year round
Selection of projects	All year round

[REDD+ Model Project]

Items	Date
Starting date of call for request	Middle of April, 2017
Deadline for entities to submit their application	Middle of May, 2017
Announcement of selection	Around end of June, 2017

[City to city collaboration Project]

Items	Date
Starting date of call for request	24 February, 2017
Deadline for entities to submit their application	17 March, 2017
Announcement of selection	End of March, 2017