

Financing Programme for JCM Model Projects in FY2018 - Part 2 -



11th September 2018

Global Environment Centre Foundation (GEC)
as the implementing organization of the JCM Financing Programme



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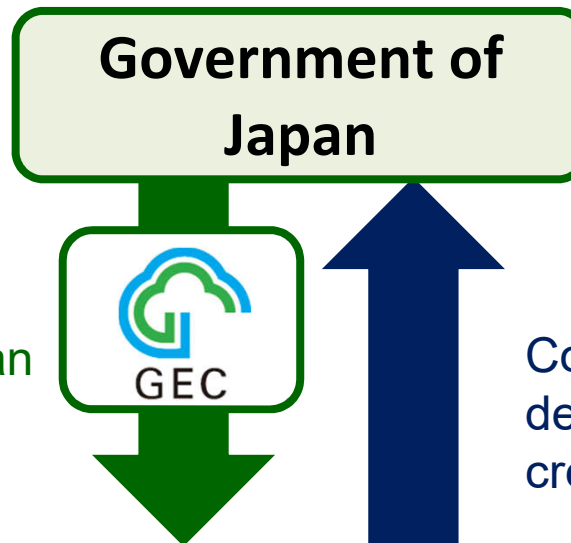
- Financing Programme for JCM Model Projects by MOEJ
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Financing Programme for JCM Model Projects by MOEJ

The budget for projects starting from FY 2018 is **6.9 billion JPY (approx. USD 69million)** in total by FY 2020.

(1 USD = 100 JPY)

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



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

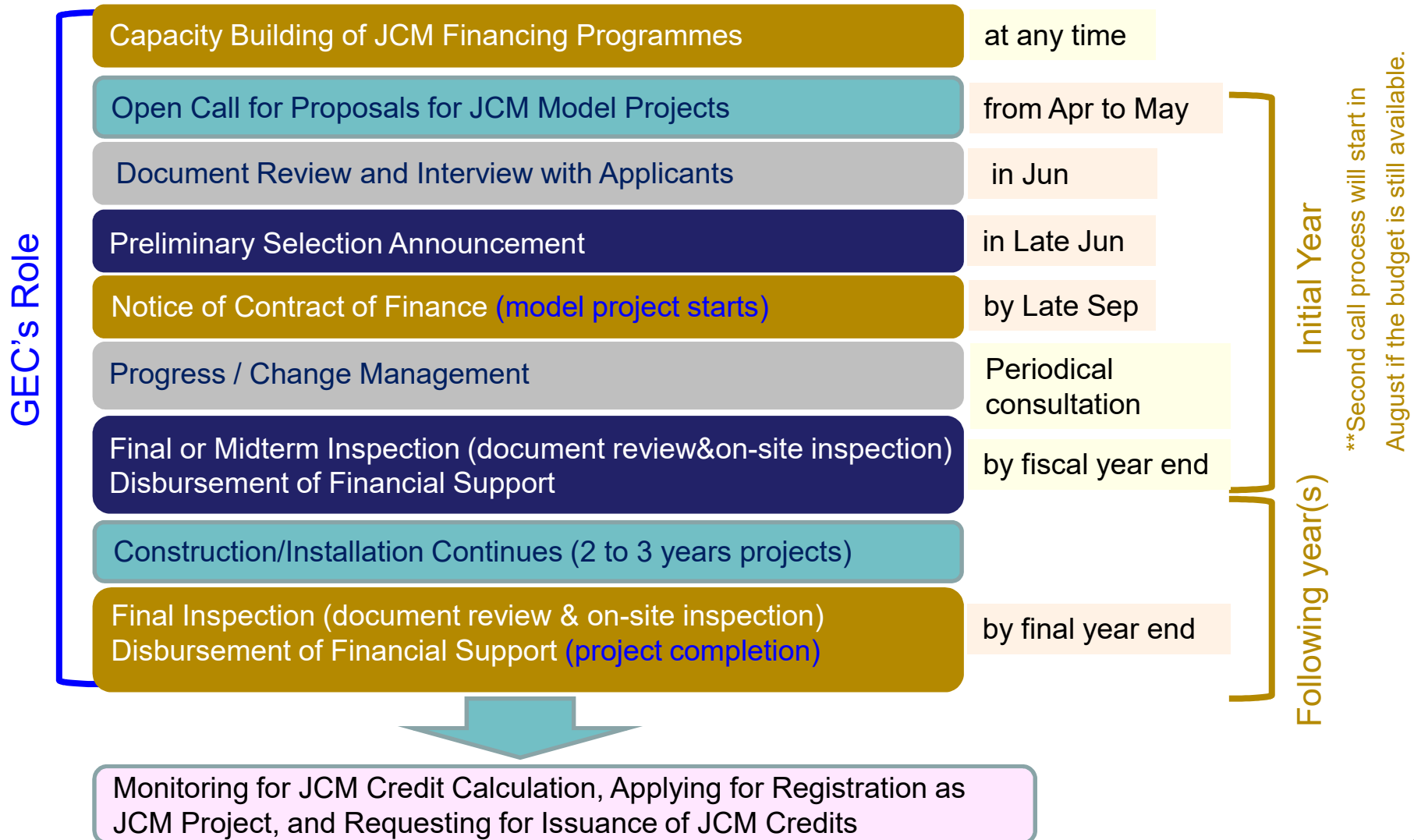
Conduct MRV and expected to deliver at least half of JCM credits issued



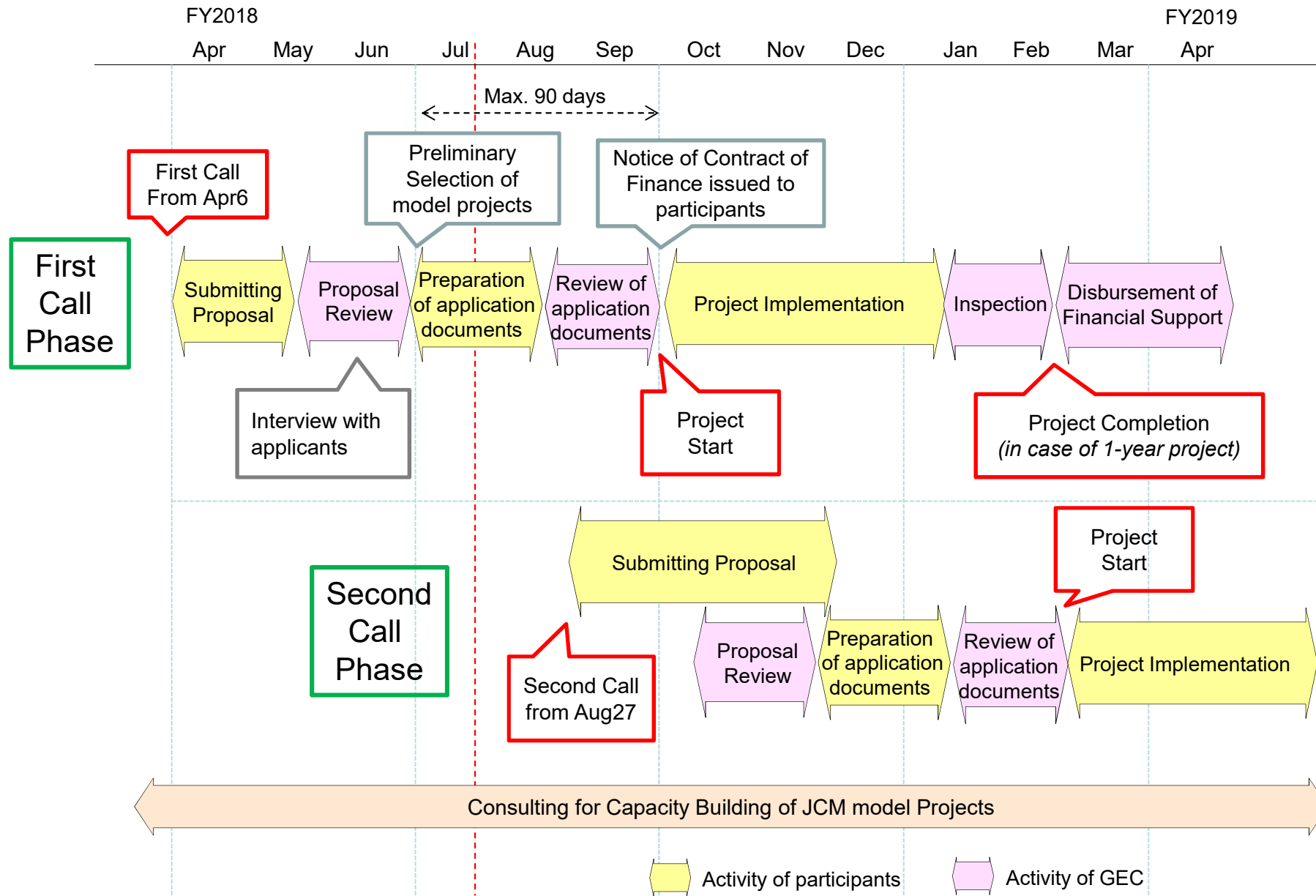
- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO₂ from fossil fuel combustion as well as construction cost for installing those facilities, etc.
- Eligible Projects : starting installation after the adoption of the financing and finishing installation within three years.

JCM Project Cycle and GEC's Role

GEC as an implementing organization for the Financing Programme for JCM Model Projects, is responsible for project selection to project completion as JCM Model Projects.



Project Cycle of JCM Model Project



Call for Proposals for JCM Model Projects in FY2018 (1)

➤ Schedule

➤ First call

Call for Proposal :	April 6 th 2018
Deadline for submitting Proposals	May 14 th 2018
Announcement of selected model projects	June 25 th 2018

Adopted 17 projects (3 projects in Thailand)

➤ Second call

Call for Proposal :	August 27 th 2018 (Just Started)
Deadline for submitting Proposals	November 30 th 2018

Budget: approx. 2.0 billion JPY(approx. USD 20million)

Announcement of selected model projects is sequentially

➤ Maximum Percentage of Financial Support

Number of already selected project(s) using a similar technology in each partner country	Percentage of financial support
None (0)	Up to 50%
Up to 3 (1 – 3)	Up to 40%
More than 3 (>3)	Up to 30%

Call for Proposals for JCM Model Projects in FY2018 (2)

➤ **Countries of Priority**

The model project shall prioritize the following countries that have already established or decided to establish the JCM (as of 13 January 2017):

Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Vietnam, Lao PDR, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar, Thailand and Philippines (*If other countries establishes JCM subsequently, they shall be included.)

➤ **Cost-effectiveness of emission reductions of GHG is expected to satisfy the standard below;**

- 4,000JPY/tCO₂equivalent

$$= \frac{\text{Amount of financial support[JPY]}}{\text{Emission reductions of GHG [tCO}_2\text{equivalent/y} \times \text{legal durable years[y]}}$$

- 3,000JPY/tCO₂equivalent :

In case the number of PV JCM Model Projects by each country is more than 5 projects. (Mongolia and Thailand)

➤ **Payback period is preferred to be 3 years or longer with the financial support.**

1. Eligible Projects – What kind of projects are supported by this financing programme?

A project shall satisfy the requirements listed below:

- (a) Reduce energy-related CO₂ emissions with leading low carbon technologies in partner countries



For example...



Methane reduction only



Methane reduction & power generation

- (b) Contribute to the sustainable development in partner countries



1. Eligible Projects – What kind of projects are supported by this financing programme? (cont.)

A project shall satisfy the requirements listed below (cont.):

- (c) Reduction of GHG emissions achieved by the projects can be quantitatively calculated and verified



For example...

You can combine multiple facilities/technologies into a project, but a mount of GHG reduction has to be calculated for each facility/technology

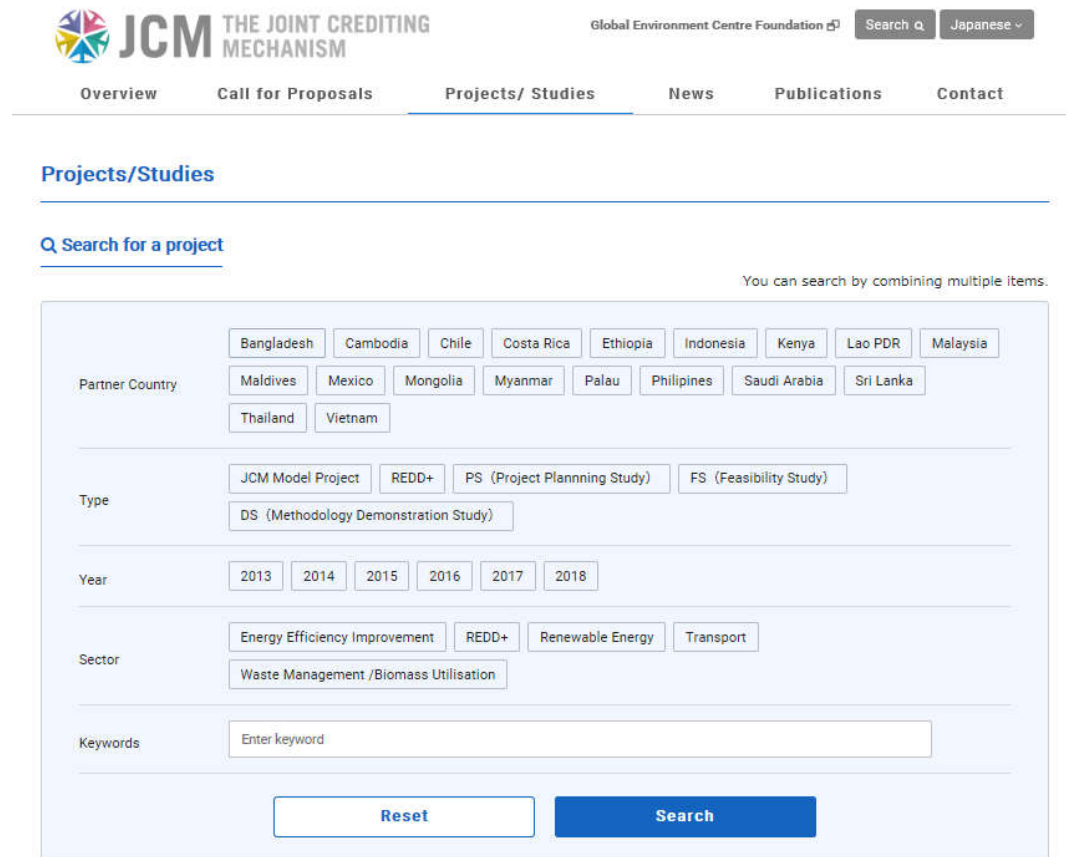
- (d) Facilities installed by the projects do not receive any other subsidy by the Government of Japan



On our website, you can search all the JCM model projects.

<http://gec.jp/jcm/projects/>

*Also available in Japanese.



The screenshot shows the 'Projects/Studies' search page on the JCM website. At the top, there is a navigation menu with 'Overview', 'Call for Proposals', 'Projects/ Studies' (selected), 'News', 'Publications', and 'Contact'. Below the navigation is a search bar with a 'Search' button and a language dropdown set to 'Japanese'. The main heading is 'Projects/Studies' with a search icon and the text 'Search for a project'. A note states 'You can search by combining multiple items.' The search filters are organized into sections:

- Partner Country:** Bangladesh, Cambodia, Chile, Costa Rica, Ethiopia, Indonesia, Kenya, Lao PDR, Malaysia, Maldives, Mexico, Mongolia, Myanmar, Palau, Philippines, Saudi Arabia, Sri Lanka, Thailand, Vietnam.
- Type:** JCM Model Project, REDD+, PS (Project Planning Study), FS (Feasibility Study), DS (Methodology Demonstration Study).
- Year:** 2013, 2014, 2015, 2016, 2017, 2018.
- Sector:** Energy Efficiency Improvement, REDD+, Renewable Energy, Transport, Waste Management /Biomass Utilisation.
- Keywords:** A text input field with the placeholder 'Enter keyword'.

At the bottom of the search form are two buttons: 'Reset' and 'Search'.

2. Basic structure of International Consortium – Who is eligible to apply for this programme?

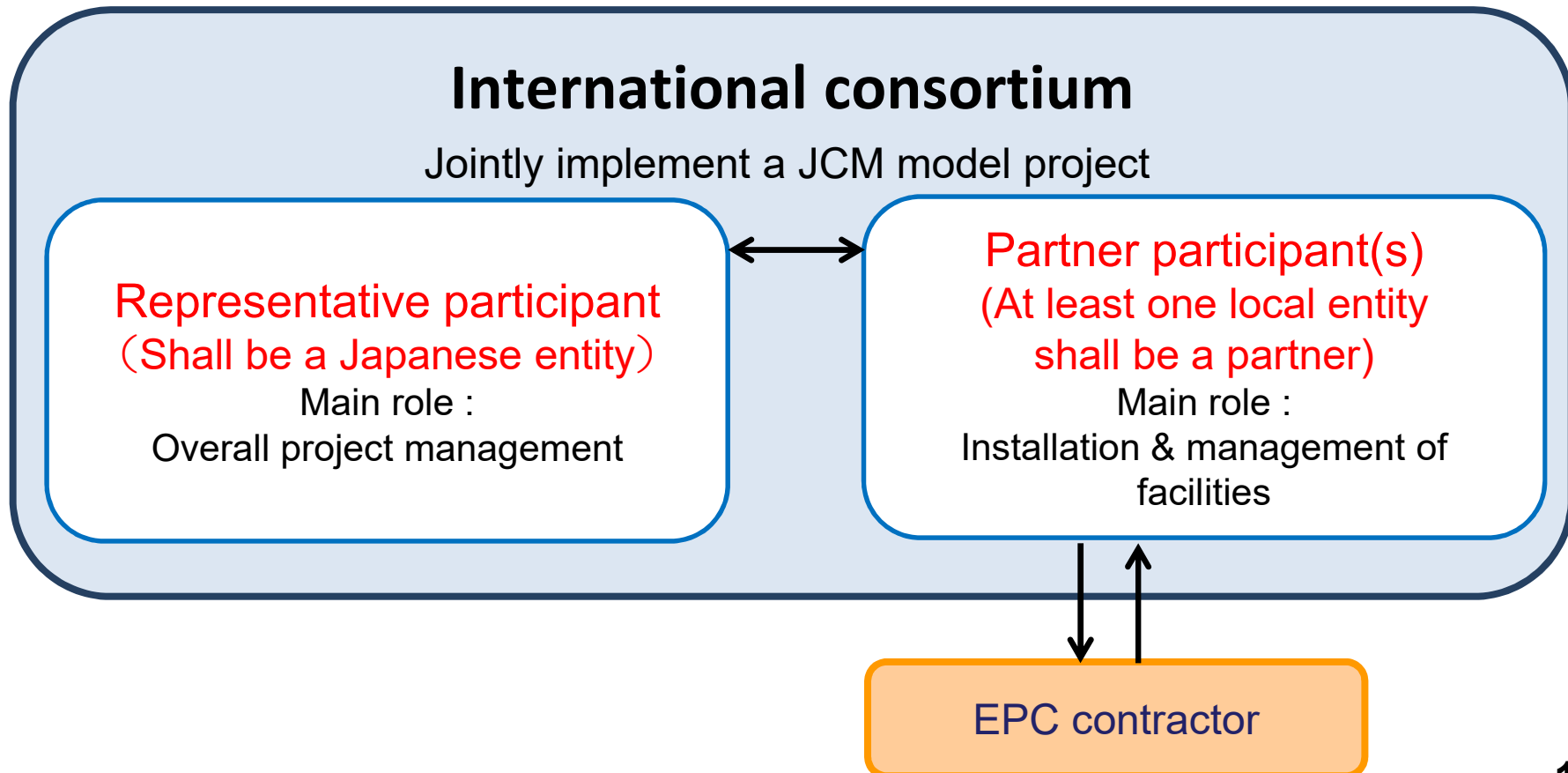
- (a) A representative participant of the model project shall be a Japanese entity, such as a private company, etc.
- (b) A participant described in (a) shall be the representative entity of an international consortium.

Note 1: International consortium is an association (no legal personality) that consists of a Japanese entity mentioned in (a) and a foreign entity(ies), etc., with the objective of effectively implementing the project.

Note 2: Application for the model project shall be in the form of joint application by the international consortium, with the single Japanese entity to act as the representative participant. Member(s) of the international consortium other than the representative participant is called as a partner participant(s).

Basic structure of international consortium

- ✓ Must include both a owner and user of facility, etc. installed by the model project.



2. Basic structure of International Consortium & Requirements (cont.)

- (c) A participant shall have developed structure for the implementation of the eligible project and have technical capacity to appropriately implement the eligible project;
- (d) A participant shall have a financial basis to bear the costs necessary to appropriately implement the eligible project;
- (e) A participant shall have adequate management structures and handling capacity for accounting and other administrative work related to the eligible project;
- (f) A participant shall explain the contents, effect on GHG emission reductions, details of the cost, investment plan, etc. of the eligible project;
- (g) A participant shall take a pledge regarding the exclusion of *boryokudan*, or organized crime groups.

3. Requirements of International Consortium Members

All members of the international consortium are responsible for the followings:

- i. To cooperate with JCM methodology developers by providing information required to develop a methodology applicable to the project for GHG emission reductions;
- ii. To cooperate with TPEs by providing materials and information required to efficiently conduct validation of the abovementioned project and verification of GHG emission reductions at the project site;
- iii. To reduce, monitor and calculate GHG emissions utilizing the facilities with leading low carbon technology;
- iv. To estimate the GHG emission reductions by the project, and to report it to GEC or MOEJ annually until the end of the legal durable years of the facilities as stipulated by the Japanese law, which is unique to each project;
- v. To request the Joint Committee to issue credits and take necessary actions such as application for the project registration by the Joint Committee set up or to be set up by the Governments of Japan and JCM partner country;
- vi. To deliver to the account of Japanese government at least fifty percent of the JCM credits of GHG issued corresponding to emission reductions achieved by the project for the abovementioned legal durable years;
- vii. To manage the facilities with due care of a prudent manager for their legal durable years as stipulated by the Japanese law in order to realize their efficient operation in accordance with the purpose of the financial support even after the completion of the model project.
- viii. To report to GEC in case that a constituent member is changed and to continue the above obligations from i. to vii.

What is “a legal durable years of the facilities”?

- ✓ Legal durable years of the facilities is stipulated by the Japanese law.

http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=340M50000040015_20180401_430M60000040031&openerCode=1#208

- ✓ Legal durable years are dependent on the industry classification.

For example, solar PV system installation:

How the facility is used	Industry classification	Years
Mainly selling generated electricity to the grid	Production, transmission and distribution of electricity	17
Generated electricity used in a food manufacturing factory	Manufacture of food	10
Generated electricity used in a car manufacturing factory	Manufacture of transportation equipment	9

4. Costs Eligible for Financing – What kind of cost is covered & not covered by this programme?

✓ COVERED

- (a) Cost of main construction work
- (b) Cost of ancillary work
- (c) Cost of machinery and appliances
- (d) Cost of surveying and testing
- (e) Cost of facilities (including monitoring equipment)
- (f) Cost of administrative work; and
- (g) Other necessary costs approved by GEC

Categorization by applied technology type, Number of JCM model project by each country

If one JCM model project applies several technologies, the numbers are counted for each technology

Percentage of Financial Support: White 0 project = Up to 50% Yellow 1-3 project(s) = Up to 40% Orange more than 4 projects = Up to 30%

Sector	Technology	JCM Methodology	Mongolia	Bangladesh	Ethiopia	Kenya	Maldives	Viet Nam	Lao PDR	Indonesia	Costa Rica	Palau	Cambodia	Mexico	Saudi Arabia	Chile	Myanmar	Thailand	Philippine	Total	
			MN	BD	ET	KE	MV	VN	LA	ID	CR	PW	KH	MX	SA	CL	MM	TH	PH		
Energy efficiency	Boiler	MN_AM002, ID_AM015	1					1		2				1				2	1		8
	Regenerative Burners	ID_AM009								1											1
	Gas Fired Furnace							1													1
	Air Conditioning System	VN_AM006, ID_AM004						2		1									1		4
	Chiller	BD_AM001, ID_AM002, CR_AM002, TH_AM003, TH_AM005		2				3		4	1		1							3	14
	Refrigerator	ID_AM003									1							2	3		6
	Absorption Chiller Using Waste Heat									2									2		4
	Swirling Induction Type Air-conditioning System	TH_AM006																	1		1
	Air Conditioning Control System							1		1									1		3
	Double Bundle-type Heat Pump	ID_AM010						1		1									1		3
	Fridge and Freezer Showcase	ID_AM008								1									1		2
	Air Compressor	TH_AM002						1											1		2
	Loom	BD_AM003, ID_AM011, TH_AM004		1							2								1		4
	Old Corrugated Cartons Process	ID_AM012									1										1
	Battery Case Forming Device	VN_AM009						1													1
	Electrolyzer in Chlorine Production	SA_AM001												1					1		2
	Transformer	VN_AM005						4	1												5
	LED Lighting	ID_AM005									2								2		4
	LED Street Lighting with Dimming System	KH_AM001								1			1								2
	Pump							1													1
	Frequency Inverter for Pump							1					1								2
	Aeration System									1											1
	Water Heater Using Waste Heat	CR_AM003										1									1
	Waste Heat Recovery System																	1			1
	Wire Stranding Machines							1													1
	Evaporator with Mechanical Vapor Recompression																		1		1
	Gantry crane																		1		1
	Electric Forklift																		1		1
Autoclave										1										1	
Gas Co-generation	ID_AM016									2								3		5	
Renewable energy	Solar Power Plant	MN_AM003, BD_AM002, KE_AM002, MV_AM001, VN_AM007, ID_AM013, CR_AM001, PW_AM001, KH_AM002, MX_AM001, CL_AM001, TH_AM001	6	2		1	1	1	1	3	1	4	3	2		1		8	4		38
	Solar Power Plant with Battery									1											1
	Small Hydropower Plant	KE_AM003				1				2									3		6
	Wind Power Plant													1							1
	Power Generation by Waste Heat Recovery	ID_AM001, TH_AM007								1							1	1			3
	Biomass Power Plant																1		1		2
	Biomass Co-generation	ET_AM003			1													1			2
Waste handling and disposal	Waste-to-Energy Plant	MM_AM001															1				1
	Power Generation by Methane Recovery												1								1
Transportation	Digital Tachograph System	VN_AM001						1													1
	Reefer Container							1													1
	CNG-Diesel Hybrid Bus									1											1
Total	No. of Methodology : 44	7	5	1	2	1	21	2	32	3	4	6	5	1	1	8	35	8	142		

Outreach Activities of GEC

- GEC website on JCM <http://gec.jp/jcm/>
- GEC's JCM Twitter https://twitter.com/GEC_JCM_Info



About the JCM

- Basic concept of the JCM**
The JCM is facilitating diffusion of leading low carbon technologies, products, systems, services and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- Calls for Proposals**
Find the information about calls for proposal
- Projects/Studies**
Introducing examples of projects/studies that have been conducted or ongoing.



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Thank you for your attention!

Please enjoy through the end of this seminar !

Any questions or discussions are quite welcome anytime !!!

GEC members in this seminar

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