

● Overview

- “JCM Eco Lease Scheme” is a new scheme which supports more effective diffusion and expansion of the de-carbonizing technologies through financial support for leasing businesses instead of support for (physical) facilities.

● Features

- Monitoring period applied for the scheme is equal to the leasing period (but no shorter than five years.)
- Amount of the financial support is 10 % of the leasing charge across all projects. The percentage is similar to the interest rates of JCM partner countries.
- Reference of cost-effectiveness (*) is equivalent to the existing JCM scheme.

(*) $\text{Amount of financial support [JPY]} \div \text{Total emission reductions of GHG [tCO}_2\text{eq]}$
= Amount of financial support for 1t of GHG.

< Overview of JCM Eco Lease scheme (Comparison to the existing scheme) >

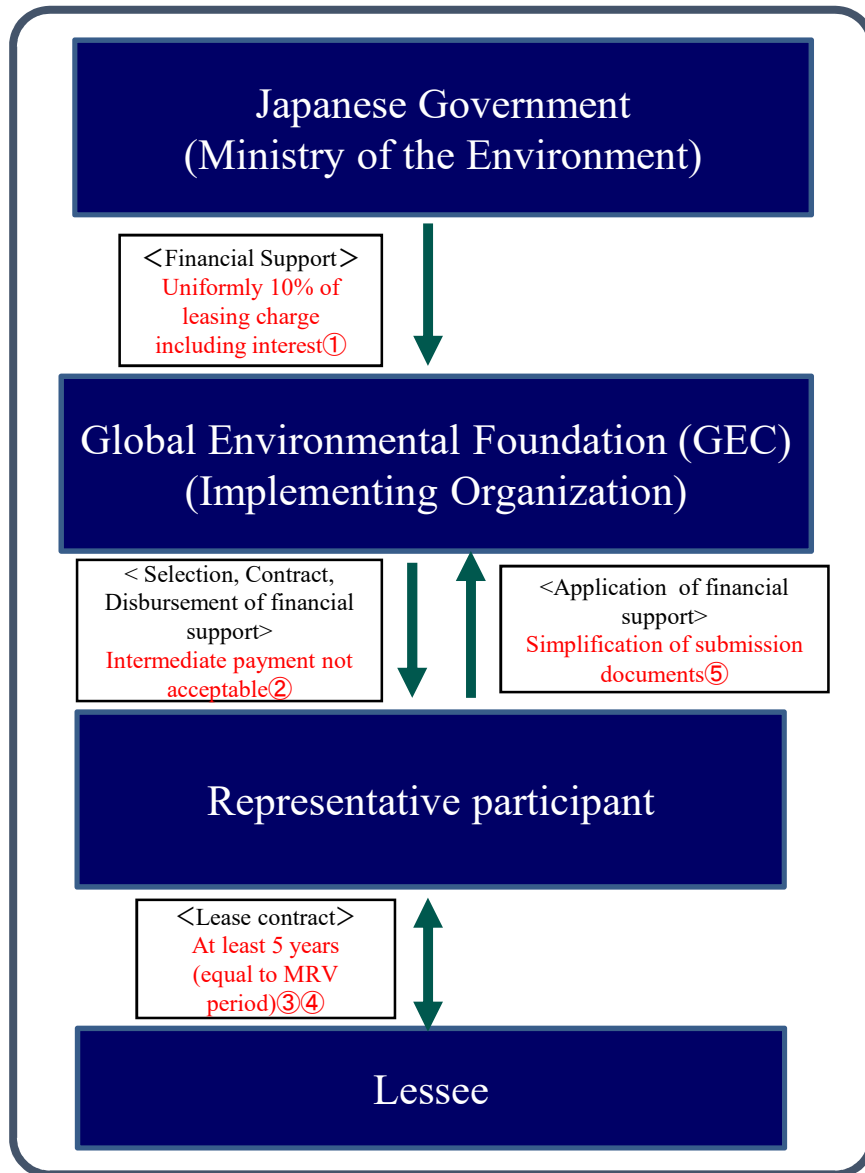
Items	JCM Eco Lease scheme	Existing scheme
Amount of financial support	Up to 500 million JPY (5 million USD) for 3 years in principle	Up to 2 billion JPY (20 million USD) 3 years per project in principle
Type of business	Lease	No special regulations (lease eligible)
Maximum percentage of financial support	10% of total leasing charge including leasing interest (Uniform percentage across all projects)	Maximum 50% of eligible cost
Costs Eligible for Financing	Cost of facilities/equipment and the relevant leasing interest based on leasing charge	Cost of machinery and appliances, cost of construction work, cost of administrative work, etc.
Eligible types of technologies	In principle, technologies with JCM methodology(ies) that have been either approved or proposed.	The advanced low/de-carbonizing technologies
Eligible facilities/technologies	Those which GEC approve with consideration of results of approved JCM projects	Those which directly contribute to reduction of GHG emission
Leasing Period	At least 5 years	No special regulations. (Owner of equipment must be in the consortium until the end of legal durable years)
Period of MRV	Equal to the leasing period	Legal durable years of facilities/equipment
Disbursement of financial support	Payments will be made after the completion of the project and the final inspection by GEC. Intermediate payments will not be made.	Intermediate payments can be made based on the completed portion of the model project as needed
Submission of the documents relevant to the leasing project	Submission of the documents (breakdown of lease charge) to prove that the equivalent amount to the financial support is reduced from the lease contract (draft) is needed at the time of proposal submission.	The same as JCM Eco Lease scheme when participants use leasing operation
Simplification of submission documents	Submission of financial statement is needed only for representative participant (That of partner participant's is not required.)	Submission of financial statements of both representative and partner participant are needed.

JCM Model Projects (JCM ECO Lease Scheme)



Chart of JCM ECO Lease Scheme

※1USD=100JPY



- “JCM Eco Lease” scheme is financial support for leasing businesses.
- Maximum allotted budget is about 500 million JPY(5 million USD) out of about 9 billion JPY(90 million USD) for 3 years

<Notable changes from the existing scheme>

- Eligible cost of financial support (Uniformly 10% of total leasing charge including leasing interest) __ ①
- Disbursement (Intermediate payment not acceptable) __ ②
- Leasing period(at least 5 years) __ ③
- Period of MRV(Equivalent to leasing period) __ ④
- Simplification of submission documents (Submission of financial statements is needed only for representative participant) __ ⑤

<Examples of eligible facilities/equipment>

- PV
- High Efficiency Air Conditioner
- High Efficiency Boiler
- High Efficiency Refrigerator