

**“Financing Programme to Demonstrate Decarbonization
Technology for Realizing Co-Innovation”**

and

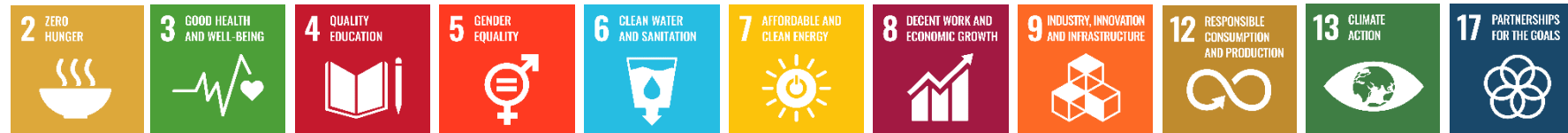
**“Pilot Project for Comprehensive Support throughout
the Whole Hydrogen Supply Chain Abroad”**

September 2, 2021

**Global Environment Centre Foundation
(GEC)**



Japan (MOEJ) promotes the JCM Financing Schemes for the transition to a decarbonized society in developing countries.



< JCM Financing Schemes >

1. Financing Programme for JCM Model Projects
- ✓ 2. Financing Programme to Demonstrate Decarbonization Technology for Realizing Co-Innovation
- ✓ 3. Pilot Project for Comprehensive Support throughout the Whole Hydrogen Supply Chain Abroad

Budget for projects starting from FY 2021 is about JPY 8.8 billion (approx. USD 88 million) in total by FY2023 (USD1 = JPY100)

“Financing Programme to Demonstrate Decarbonization Technology for Realizing Co-Innovation”

Purposes and Characteristics

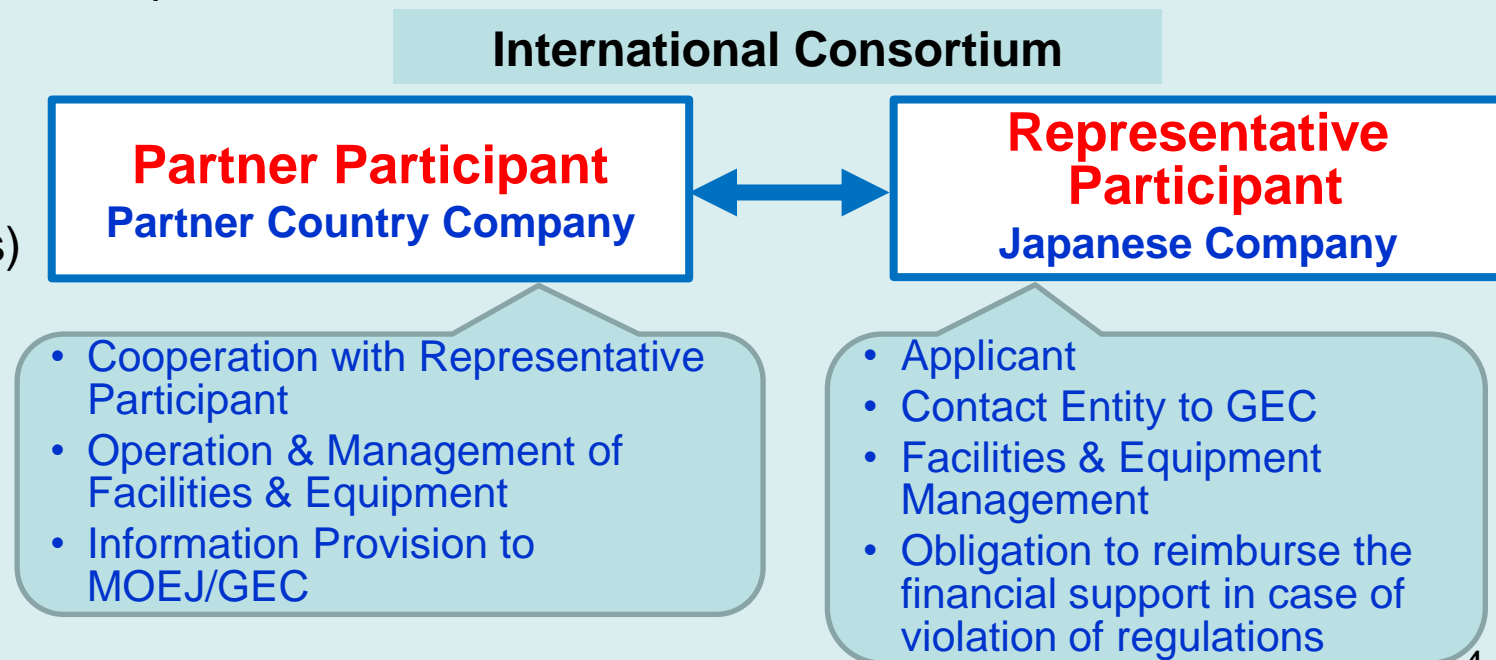
This financing programme aims to;

- Contribute to creating a decarbonized society through renovation and dissemination of high quality decarbonization technologies.
- Create innovation beneficial for both Japan and partner countries through collaboration (co-innovation).
- Contribute to fulfill the aim of a greenhouse gas reduction in Japan through the Joint Crediting Mechanism (JCM) .
- Bring benefits to the technology developers in Japan as a result.

Participant Eligibility

- Japanese entities (e.g. private companies)

Participants must establish the International Consortium that consists of foreign entities, etc.



Implementation Period of Financing Programme

- Project implementation period shall be within 3 years.

(Application documents for the Contract of Finance must be submitted in the first fiscal year.)

Ratio of Financial Support

- Small and medium-sized enterprises: 2/3
(Definition in the law of Japan)
- Participants who do not fall into the above classification
 - Project cost at time of the application exceeds ¥100,000,000 per fiscal year: 1/2
 - Project cost at time of the application does not exceed ¥100,000,000 per fiscal year: 1/3

- This financing programme is intended for renovation and demonstration of decarbonizing technologies that reduce energy-related CO2 emissions.
- Desirable projects are those that aim to systematize or package multiple technologies.

Eligible Technologies are contributing to;

- The reduction of energy-related CO2 emissions through waste management in partner countries.
- The reduction of CO2 emissions from the transport, household, or business sectors and others in partner countries.
- The promotion of renewable energy using solar power generation, wind power generation, geothermal power generation or hydroelectric power generation in partner countries.
- Transformation of social systems of partner countries into decarbonizing ones.
- The reduction of energy-related CO2 emissions the above cases.

- The financing programme covers the costs below.
- **Costs directly required to implement the project.**

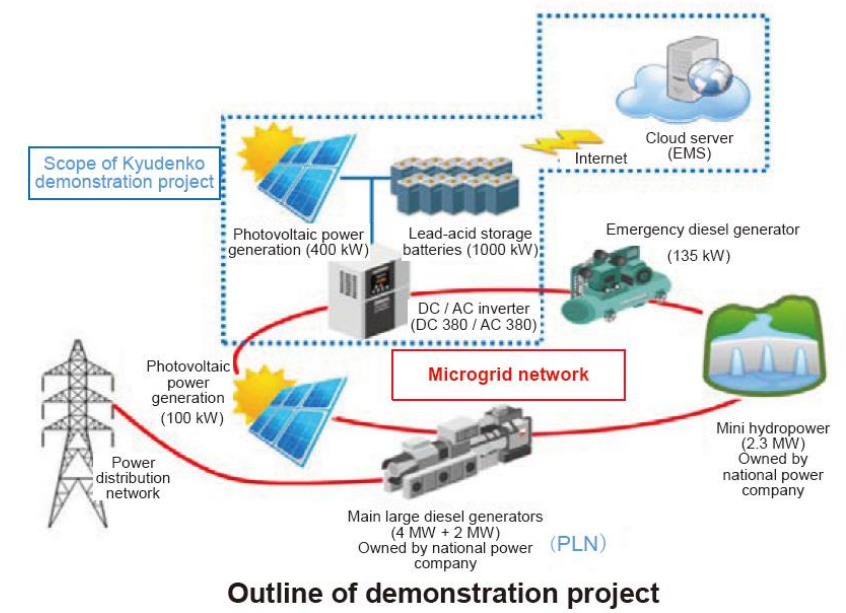
Cost of ;

- Machinery and equipment
- Erection and installation
- Ancillary work
- Survey and test
- Facilities/instruments (including monitoring system)
- Administrative work

Development of an energy management system (EMS) to provide a stable supply of renewable energy Representative Participant: Kyudenko Corporation

Outline of project

- This project aims to;
- Reduce CO2 emissions by substituting renewable energy for existing diesel generators.
 - Also, in collaboration with BPPT, to demonstrate EMS and storage batteries for stable power supply from various sources including renewable energy.



Region: Sumba Island

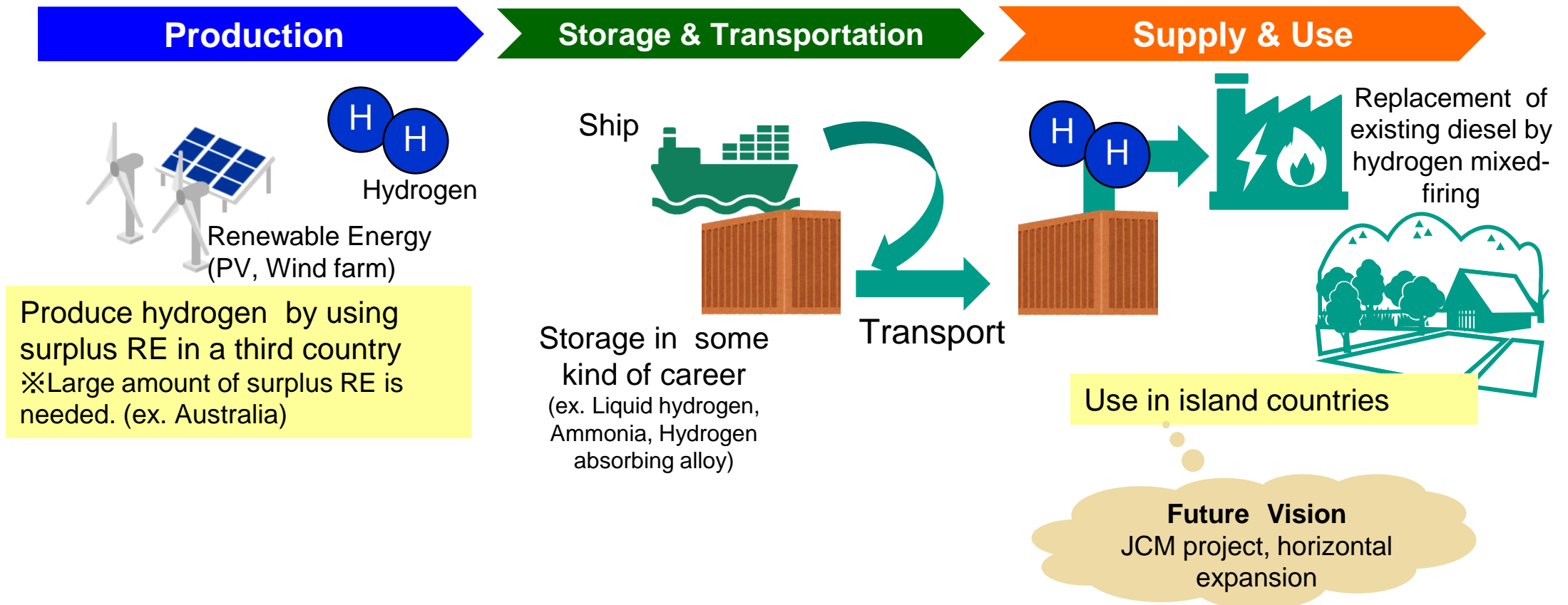


Map data ©2021 Google

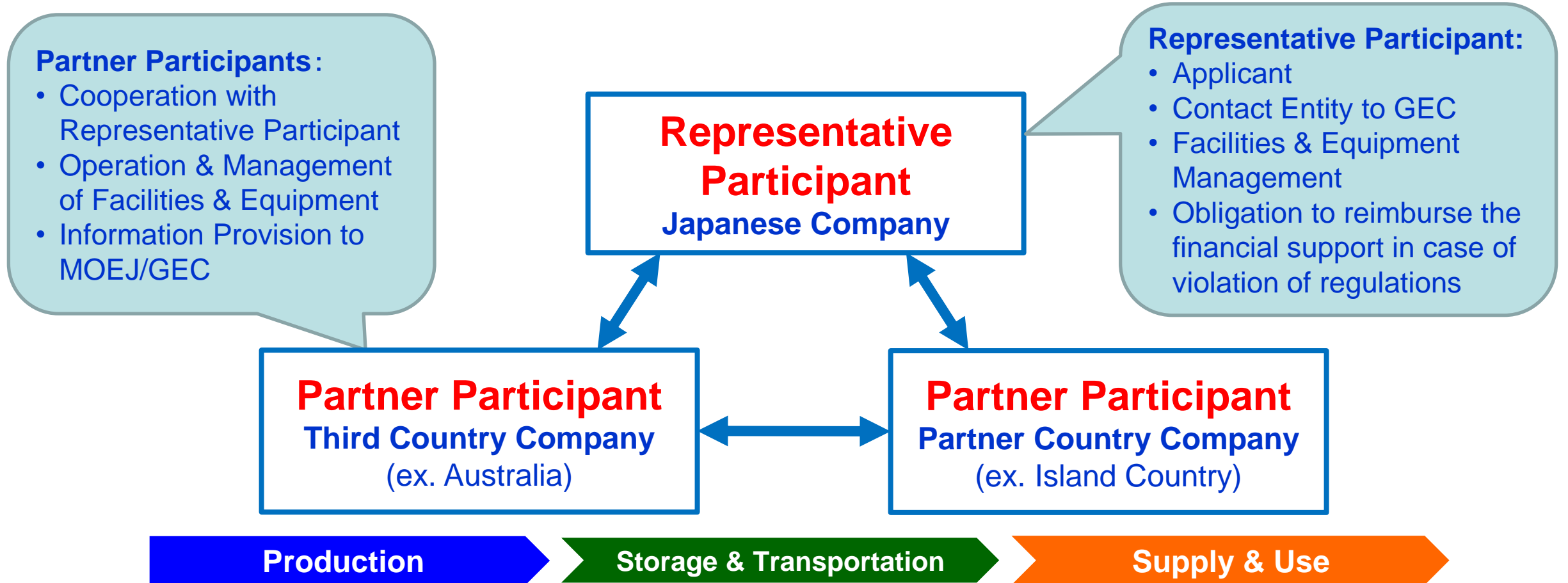
- A model region for the introduction of renewable energy designated by the Indonesian government.
- Local power grids in isolated islands are mainly supplied by diesel generators.

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- Produce and storage renewable hydrogen in a third country where renewable energy is abundant, and transport to supply and use in island countries.
- Cultivate demand market by supplying renewable hydrogen to island countries, which will lead to JCM projects and help developing countries transition to a decarbonized society.



International Consortium



1. **Budget for projects starting from FY 2021 :**
JPY 500 million (Approx. USD 5 million)

2. **Ratio of Financial Support :**
50% of Costs Eligible for Financing

3. **Costs Eligible for Financing :**
Costs directly required to implement the project
 - a. Machinery and equipment
 - b. Erection and installation
 - c. Ancillary work
 - d. Survey and test
 - e. Facilities/instruments (including monitoring system)
 - f. Administrative work

1. Implementation Period of the Project :

Within 3 fiscal years

2. Period of Financing Support :

1 fiscal year

3. Evaluation of financing support has 2 steps as follows. Applicants must submit 2 different types of application documents.

- **Evaluation of adoption:** When implementing a project that spans multiple fiscal years, the plan of the entire period should be described in the project implementation plan at the time of application.
- **Evaluation of contents:** Applicants selected for the financing support must submit application documents for the Contract of Finance each fiscal year.

Terima kasih!
Thank you!

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