

● Overview

- “JCM Eco Lease Scheme” is a scheme which supports more effective diffusion and expansion of the decarbonizing technologies through financial support for leasing businesses instead of support for (physical) facilities.
- Japanese entity, which is a leasing company, shall be the representative participant and liable for implementation of the project.

● 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 close to the interest rates of JCM partner countries.
- Reference of cost-effectiveness (*) is equivalent to the existing JCM scheme.

(*) Amount of financial support [JPY] \div Total emission reductions of GHG [tCO₂eq]
= Amount of financial support for 1t-reduction of GHG emission.

< 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 (approximately 5 million USD) for 3 years, in principle	Up to 2 billion JPY (approximately 20 million USD) for 3 years per one project, in principle
Type of business	Lease	No special regulations (lease is 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 decarbonizing 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 realized.	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 (partner participant's one is not required.)	Submission of financial statements of both representative and partner participant are required.

Chart of JCM ECO Lease Scheme

※ 1USD=100JPY

Japanese Government
(Ministry of the Environment)

<Financial Support>
Uniformly 10% of
leasing charge
including interest ①



Global Environmental Foundation (GEC)
(Implementing Organization)

< Selection, Contract,
Disbursement of financial
support>
Intermediate payment not
acceptable ②



<Application of financial
support>
Simplification of submission
documents ⑤



International Consortium
(Representative participant
Partner Participant)

<Lease contract>
At least 5 years
(equal to MRV
period) ③④



Lessee

- “JCM Eco Lease” scheme is financial support for leasing businesses.
- Maximum allocated budget is 500 million JPY (approximately 5 million USD) out of 8.3 billion JPY (approximately 83 million USD) for 3 years

<Notable changes from the existing scheme>

- Eligible cost of financial support (only 10% of total leasing charge including leasing interest)_①
- Disbursement (intermediate payment not possible)_②
- Leasing period (at least 5 years)_③
- Period of MRV (equal 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