

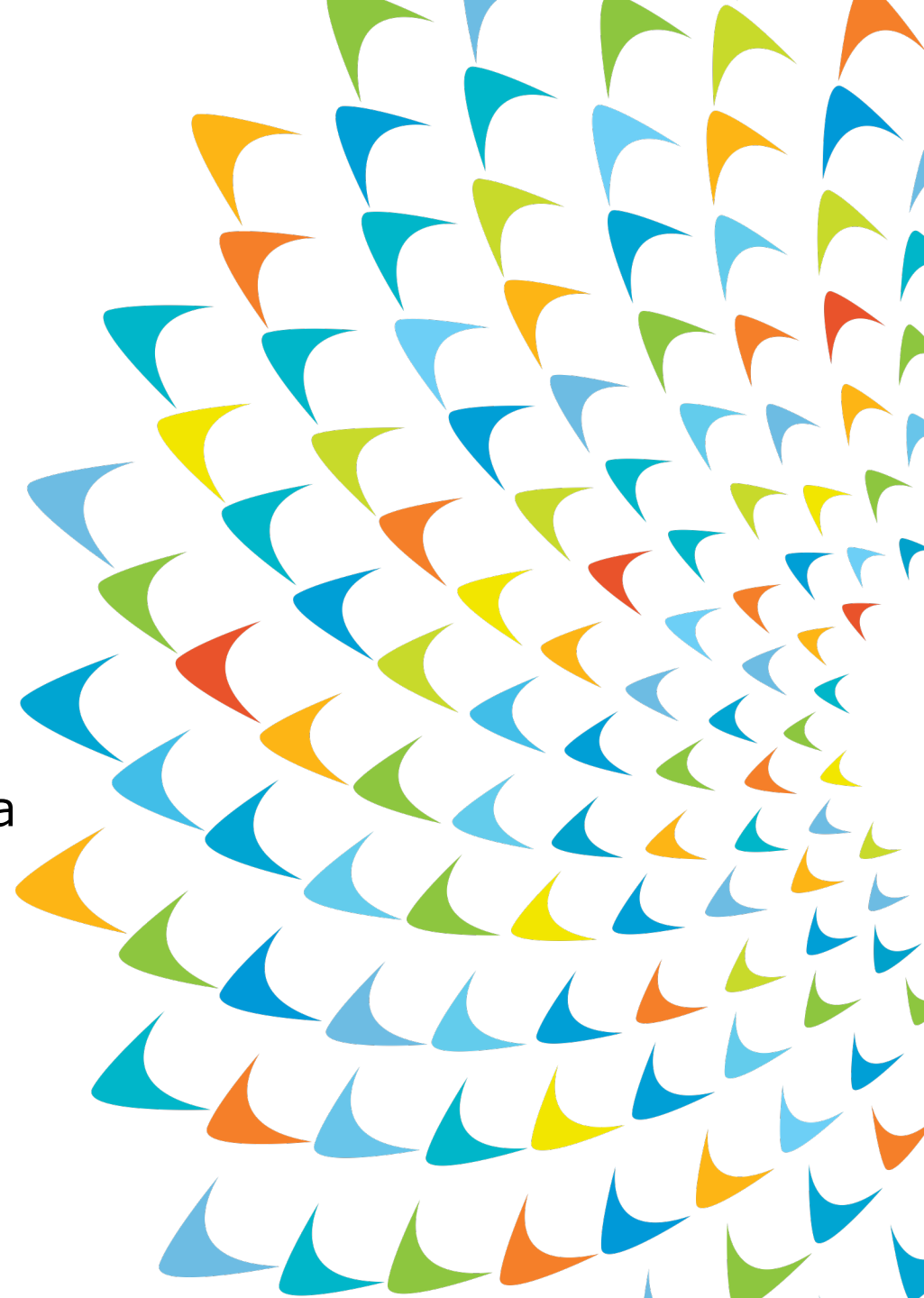


**JFJCM**

# Japan Fund for the Joint Crediting Mechanism

Seminar to promote the JCM implementation in Georgia

24 January 2024





# ADB's Climate Change Strategy

Strategy 2030 sets ADB's course on how best to respond to Asia and Pacific's changing needs

➔ Committed to mobilizing **\$100 billion in climate finance** cumulatively from 2019 to 2030; **75% of committed operations** to support climate change mitigation and adaptation by 2030 (October 2021)

➔ Updated ADB's Capital Adequacy Framework (CAF) to expand the bank's annual new commitments capacity to more than \$36 billion to unlock \$100 billion in new funding capacity over the next decade (September 2023)



## 7 Operational Priorities



Addressing remaining poverty and reducing inequalities



Accelerating progress in gender equality



Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability



Making cities more livable



Promoting rural development and food security



Strengthening governance and institutional capacity

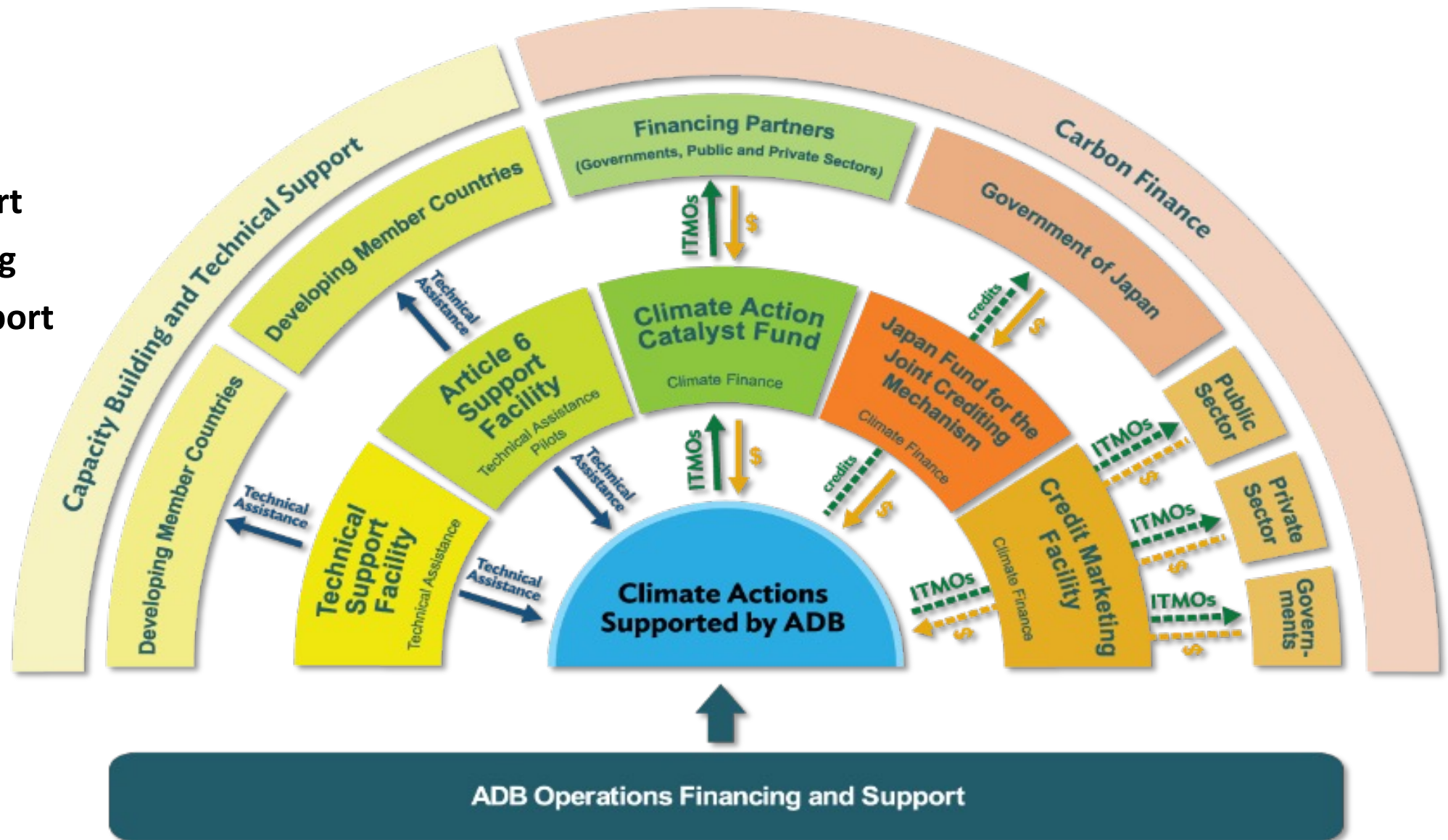


Fostering regional cooperation and integration

# ADB's Carbon Market Program

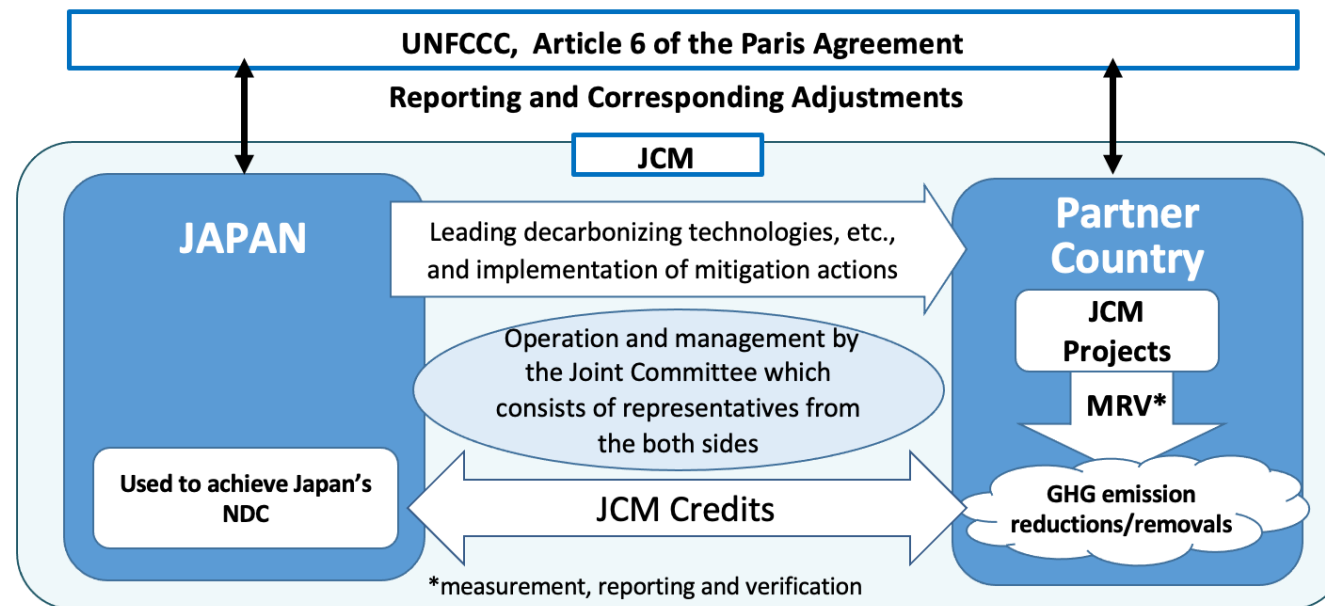
Mobilizing carbon finance for incentivizing investments in low-carbon technologies

- Carbon finance
- Technical support
- Capacity building
- Knowledge support



# Japan Fund for the Joint Crediting Mechanism (JFJCM)

- Established in June 2014 as one of ADB's trust funds
- Contribution by the Government of Japan: **\$118.77M** (2014-2023)
- Provides **financial incentives (grant)** for the adoption of **advanced low-carbon technologies** in **ADB-financed projects**
- JFJCM is one of financing programs to help develop and implement projects under the **Joint Crediting Mechanism (JCM)**, in accordance with **Article 6 of the Paris Agreement**



## Eligible Country

- All ADB developing member countries that **have signed bilateral agreements on the JCM** with the Government of Japan (18 out of 28 JCM partner countries).
- Azerbaijan, Bangladesh, Cambodia, **Georgia**, Indonesia, Kazakhstan, Kyrgyz Republic, Laos, Maldives, Mongolia, Myanmar, Palau, Papua New Guinea, Philippines, Sri Lanka, Thailand, Uzbekistan, and Viet Nam (as of Dec 2023).

## Eligible Project

- Investment project financed by ADB or ADB administered funds.
  - ADB technical assistance for developing JFJCM pipeline projects.
- \* Can be used for additional financing to ongoing ADB project.

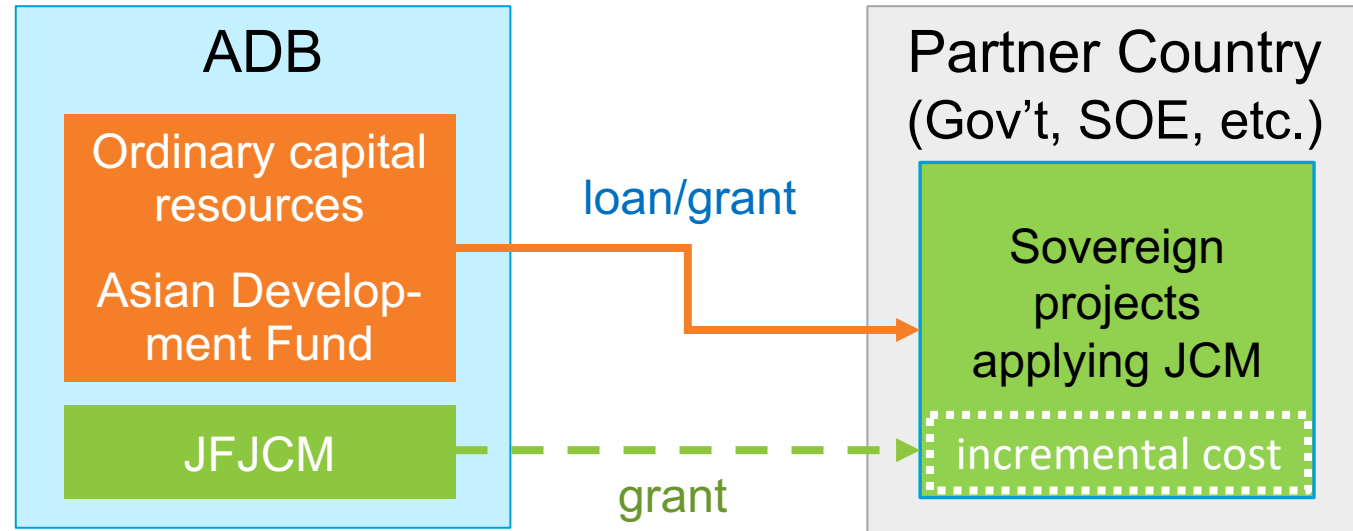
## Eligible Technology

- **Advanced low-carbon technologies** that reduce greenhouse gas (GHG) emissions including CO<sub>2</sub> from energy sources.
- Must have a **proven implementation and operation record** of its technical effectiveness.

# JFJCM Support Schemes

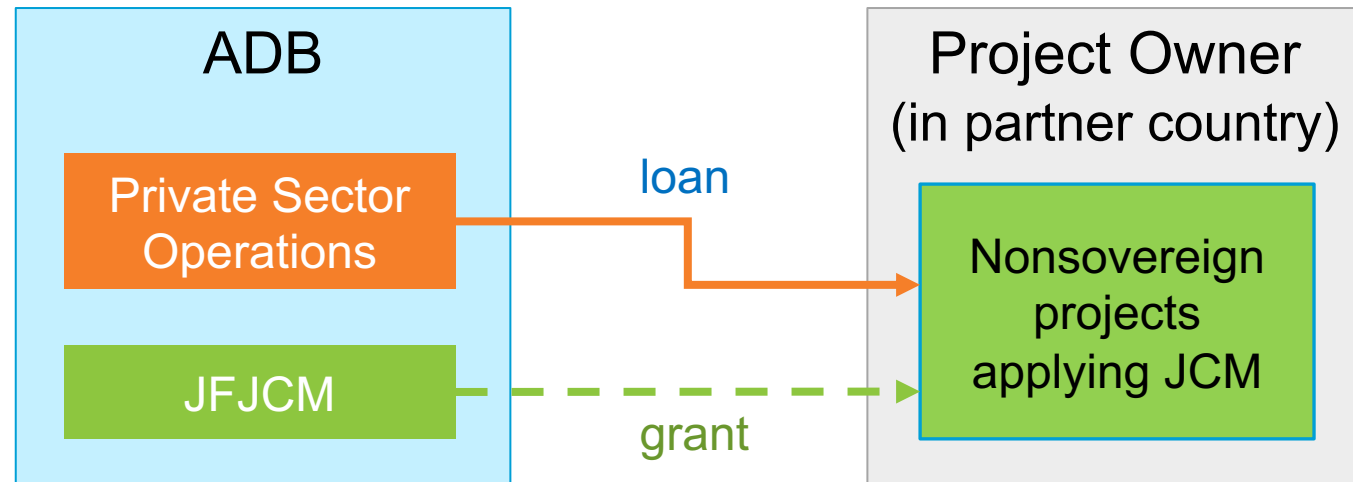
## For Sovereign Project

- JFJCM provides grant for **incremental cost** of advanced low-carbon technologies
- Maximum amount of grant:
  - i. **10% of total project cost (capped to \$10 million)**
  - ii. **\$5 million** if the project cost < \$50 million



## For Nonsovereign project

- On top of the ADB loan, JFJCM provides grant by milestones to support deployment of advanced low-carbon technologies
- Maximum amount of grant: **10% of total project cost (capped to \$10 million)**



# Approved JFJCM-funded Projects

#	Project	Country	JFJCM grant (\$ million)	ADB Approval	Technologies supported
1	Preparing Outer Islands for Sustainable Energy Development Project (POISED)	Maldives	5	Mar 2015	Advanced battery and energy management system (EMS)
2	Southwest Transmission Grid Expansion Project	Bangladesh	7	Jul 2018	Energy efficient transmission lines
3	Upscaling Renewable Energy Sector Project	Mongolia	6	Sep 2018	Solar PV with advanced battery system and EMS
4	Improving Access to Health Services for Disadvantaged Groups Investment Program	Mongolia	3.48	Oct 2019	Energy efficient HVAC, high insulation window, rooftop solar PV and ground source heat pump
5	Greater Male Waste to Energy Project	Maldives	10	Aug 2020	Waste-to-energy plant (incineration)
6	Geothermal Power Generation Project (Phase 1)	Indonesia	10	Jun 2023	Geothermal power plant with advanced designs
7	Accelerating Sustainable System Development Using Renewable Energy Project (ASSURE)	Maldives	6.2	Sep 2023	Advanced flow battery system Ocean renewable energy pilot
8	Disaster Resilient Clean Energy Financing Project (DRCEF)	Palau	5	Dec 2023	Financial intermediation to support investment in low-carbon technologies
		<b>Total</b>	<b>52.68</b>		

# How to Access JFJCM?

## Sovereign Projects

- Project owners (= grant recipients) are usually public sector entities (governments, SOEs, etc)
- Procurement is made through a competitive bidding process
- Projects are discussed periodically between the Government and ADB
- For private sector entities:
  - Participate as a contractor or sub-contractor (EPC, technology provider, etc)
  - Participate as a consultant (individual/firm)

## Nonsovereign Projects

- Project owners (= grant recipients) are usually private sector entities
- The first step is to discuss ADB's loan with the Private Sector Operations Department of ADB





**JFJCM**

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**Thank you.**

