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NEDO JCM Demonstration Programs

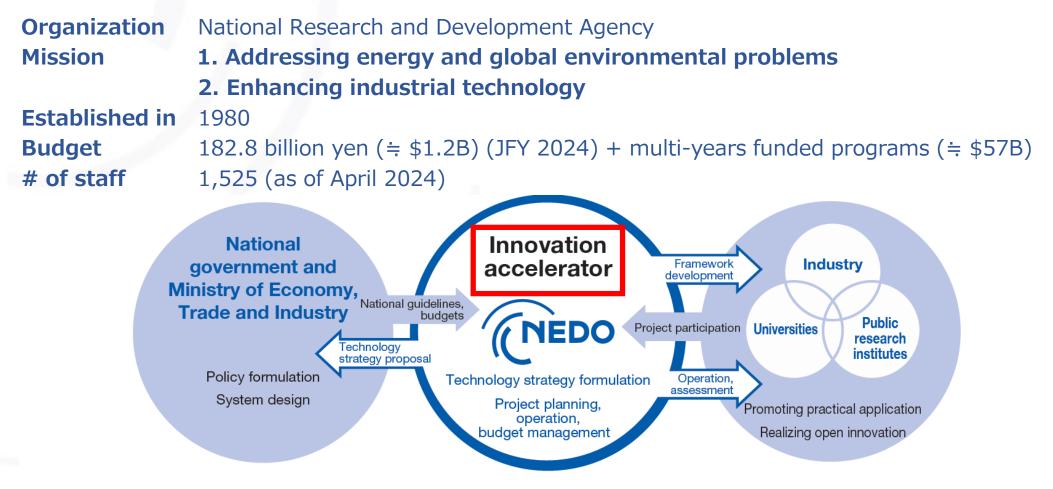
December 11, 2024

JCM Projects Section International Projects Department New Energy and Industrial Technology Development Organization (NEDO)

What's NEDO



New Energy and Industrial Technology Development Organization (NEDO)



Organization





NEDO Head Office (Kawasaki, Kanagawa) Strategic Planning and Management Dept.

Audit Office

General Affairs Dept. Human Resources Dept. Accounting Dept. Legal Dept.

Technology & Innovation Strategy Center

6 overseas offices (Washington D.C. / Silicon Valley / Bangkok / Beijing / Paris / New Delhi)

Project Implementation Departments

Project Management Dept. - Green Innovation Funding Program Coordination Office - Economic Security Program Coordination Office Hydrogen and Ammonia Dept. Renewable Energy Dept. Circular Economy Dept. Semiconductor & Information Infrastructure Dept. Post 5G Projects Promotion office Artificial Intelligence and Robotics Dept. Biotechnology & Material Dept. - Bioproduction Fund Project Promotion Office Automotive & Storage Battery Dept. Aerospace Dept. Startup Support Dept. Frontier Dept. International Projects Dept.

2 types of International Demonstration Project (IDP)



Type A: IDP on Japan's Decarbonizing / Energy Transition Technologies Type B: IDP on Low Carbon Technologies under the Joint Crediting Mechanism (JCM)

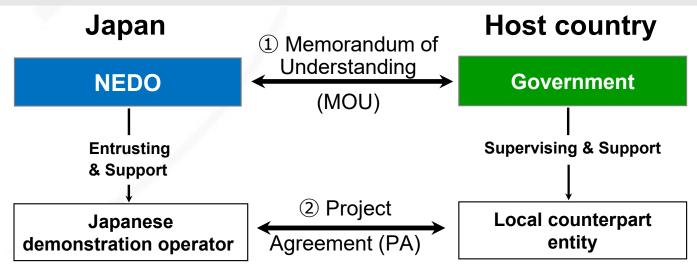
	Туре А	Type B (JCM)
Purpose	 To demonstrate Japan's advanced decarbonizing / energy transition technologies in foreign countries To disseminate the demonstrated technology in host and neighboring countries on a commercial basis To contribute to global energy security 	 Same as Type A, but more focus on GHG reduction under the Joint Crediting Mechanism (JCM) To quantify the amount of GHG reduction achieved by the demonstration project To share the JCM credit between two countries and count them in their respective NDC(*) (*NDC: Nationally Determined Contribution)
Target country	All countries except Japan	JCM partner countries (29 countries as of today)
Project cost (max.)	4 billion JPY (demonstration phase) (approx. 26 million USD at the current exchange rate)	1 billion JPY (demonstration phase) (approx. 6.6 million USD at the current exchange rate)
Subsidy rate	Large company: 1/2 SME, start-ups: 2/3	100% (entrusted by NEDO)
Project period	3 years (demonstration phase)	3 years (demonstration phase)
Call for proposal	Twice a year	Once a year (from March to May)
Applicant	Japanese demonstration operator(s)	Japanese demonstration operator(s)

Cooperation Framework



 NEDO and host country government entity (a competent Ministry, local government, etc.) sign memorandum of understanding (MOU) or similar agreement that has clauses for implementation of the demonstration project.

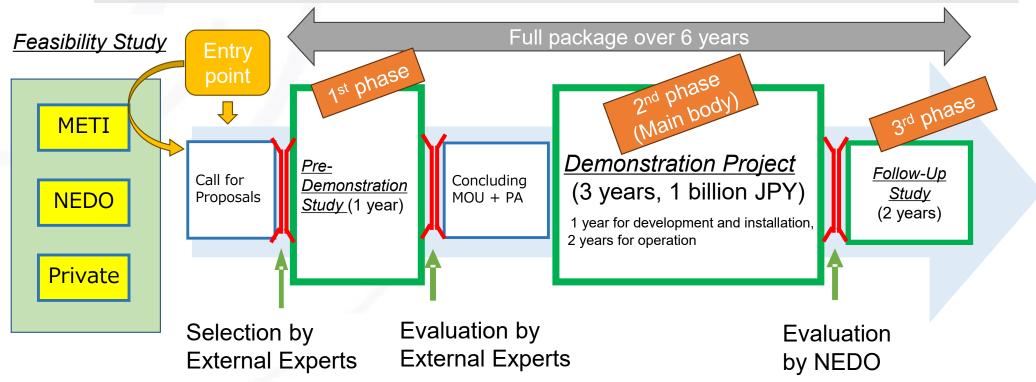
② Japanese demonstration operator and their local counterpart entity sign project agreement (PA) which stipulates details of demonstration activities, division of works, rights and duties.



Phased approach



Type B: IDP on Low Carbon Technologies by Joint Crediting Mechanism (JCM)



Project cycle of JCM



<Terminology> **Project Participant** Submission of PIN* **PIN** (Project Idea Note): A document used to explain the outline of Joint Committee Confirmation of no objection the project to the partner country and confirm (1) New JCM whether there is an Project Participant / Submission of Proposed objection. methodologies Each Government Methodology PDD (Project Design **Joint Committee** development study Document): A document that includes monitoring Approval of Proposed methods and estimated Joint Committee Methodology be conducted by the same TPE be conducted simultaneously emission reductions. Required for project registration. **Development of PDD*** Project Participant (2) Supporting study Note> for JCM project cycle Validation **Third Party Entities** For the latest information on JCM rules and guidelines, including the PIN Registration Joint Committee procedures adopted with each Partner Country, please refer to each Monitoring **Project Participant** partner country page on the JCM website. Verification **Third Party Entities** Can Joint Committee decides the amount Issuance of credits Each Government issues the credit

JCM project cycle

Source: Recent Developments of the Joint Crediting Mechanism (JCM), July 2023, Government of Japan https://www.jcm.go.jp/opt/all/about/202307_JCM_goj_eng.pdf

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Other study programs for JCM project cycle



(1) New JCM methodologies(*) development study

Purpose	In order to develop new and promising JCM methodologies and to estimate the expected amount of emission reductions, NEDO calls for research projects proposed by experienced JCM / MRV (**) methodology experts or consultants, presumably in partnership with future operator of JCM project.
Target country	JCM partner countries (29 countries as of today) + potential countries
Project cost (max.)	20 million JPY (approx. 133,000 USD at the current exchange rate)
Subsidy rate	100% (entrusted by NEDO)
Project period	Within 1 year
Call for proposal	Once a year (from March to May)

*Methodology : a method for calculating and monitoring emission reductions or removals achieved by a project ** MRV : Measurement, Reporting, Verification of greenhouse gas (GHG) mitigation



Other study programs for JCM project cycle

(2) Supporting study for JCM project cycle

Purpose	 Call for low carbon technology projects driven by Japanese private initiatives in JCM partner countries. This program covers the cost of JCM methodology development and JCM procedures to be applied to the proposed projects. Projects financially supported by the Japanese government for JCM purposes are not eligible. Applicants should be the operator(s) of the project in partnership with experienced JCM methodology experts or consultants. 	
Target country	JCM partner countries (29 countries as of today)	
Project cost (max.)	100 million JPY (approx. 660,000 USD at the current exchange rate)	
Subsidy rate	100% (entrusted by NEDO)	
Project period	4 years (max.)	
Call for proposal	Once a year (from April to May)	





askjcm@ml.nedo.go.jp