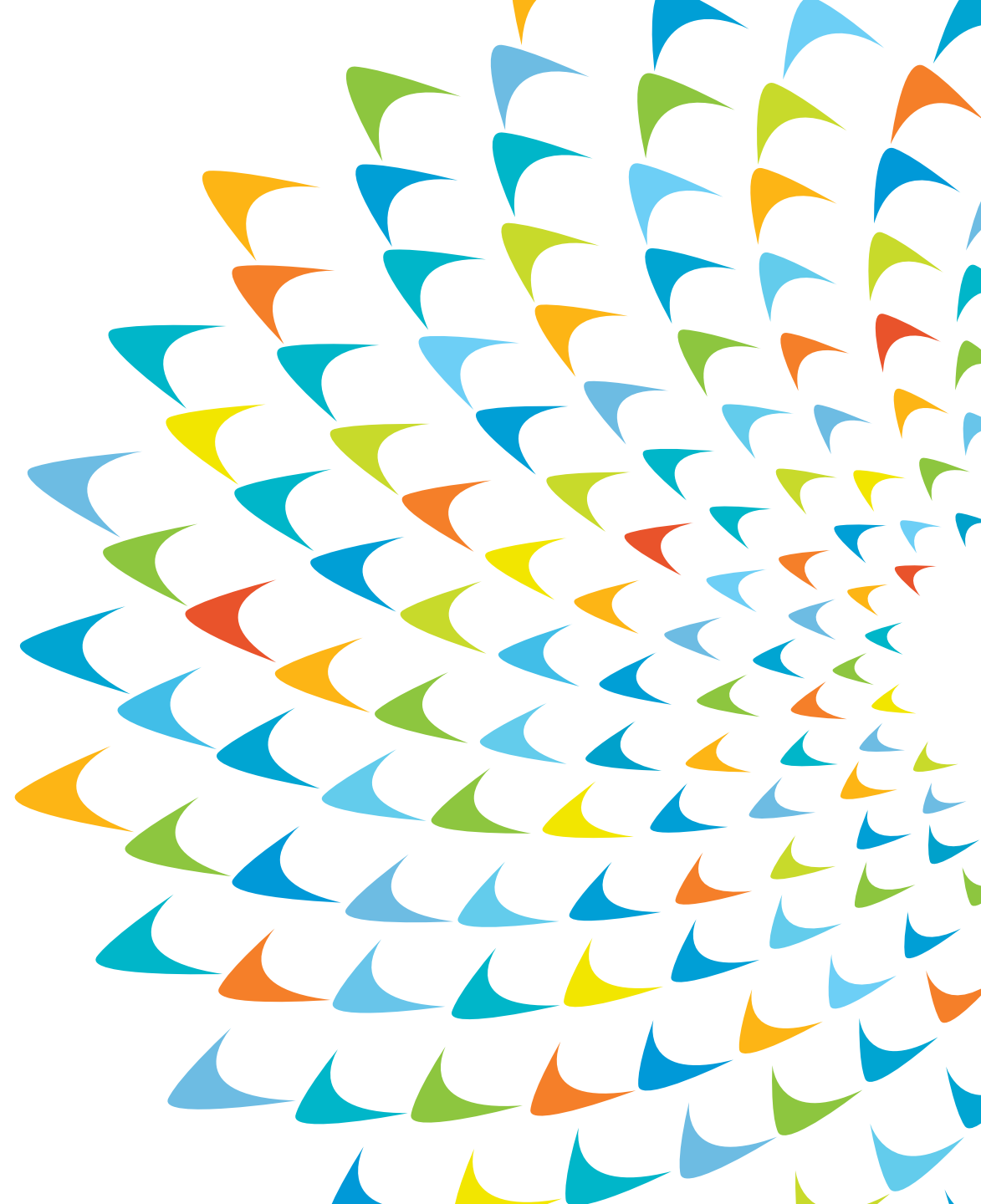




JFJCM

The Japan Fund for the Joint Crediting Mechanism

9 October 2025





ADB's Carbon Market Program

Climate Action Catalyst Fund

- Commenced Operations in Jan 2024.
- **Financial Commitment: A total of \$ 77 million from the Swedish Energy Agency and the Norwegian Ministry of Climate and Environment.**
- **Mobilize carbon finance** to catalyze investments for the deployment of low-carbon technologies and solutions **including through the private sector.**
- Incentivize transformative Mitigation Actions in ADB DMCs by **purchasing ITMOs and MOs** under **Article 6 of the Paris Agreement** on behalf of the Financing Partners.
- Support a diverse range of Mitigation Actions and facilitate the **delivery of sustainable development impacts** in ADB's DMCs.

Article 6 Support Facility

- Commenced Operations in Jan 2019.
- Funded under TA 9695 (**US\$ 8.8M**) by ADB's TASF, Govt of Germany, Swedish Energy Agency and Govt of New Zealand.
- **Enhance Carbon Market Readiness**
 - **Upstream:** Policy, Regulatory & institutional infrastructure
 - **Midstream:** Identify potential sector and develop pipeline
 - **Downstream:** Technical support for project preparation for carbon markets
- **Collaboration** with Other Development Partners for the co-creation of **high integrity carbon markets.**
- **Knowledge Products & capacity building**
- **Global Public Goods**
 - Attribution
 - SD Impact Assessment
 - MOPA/Term Sheet Templates

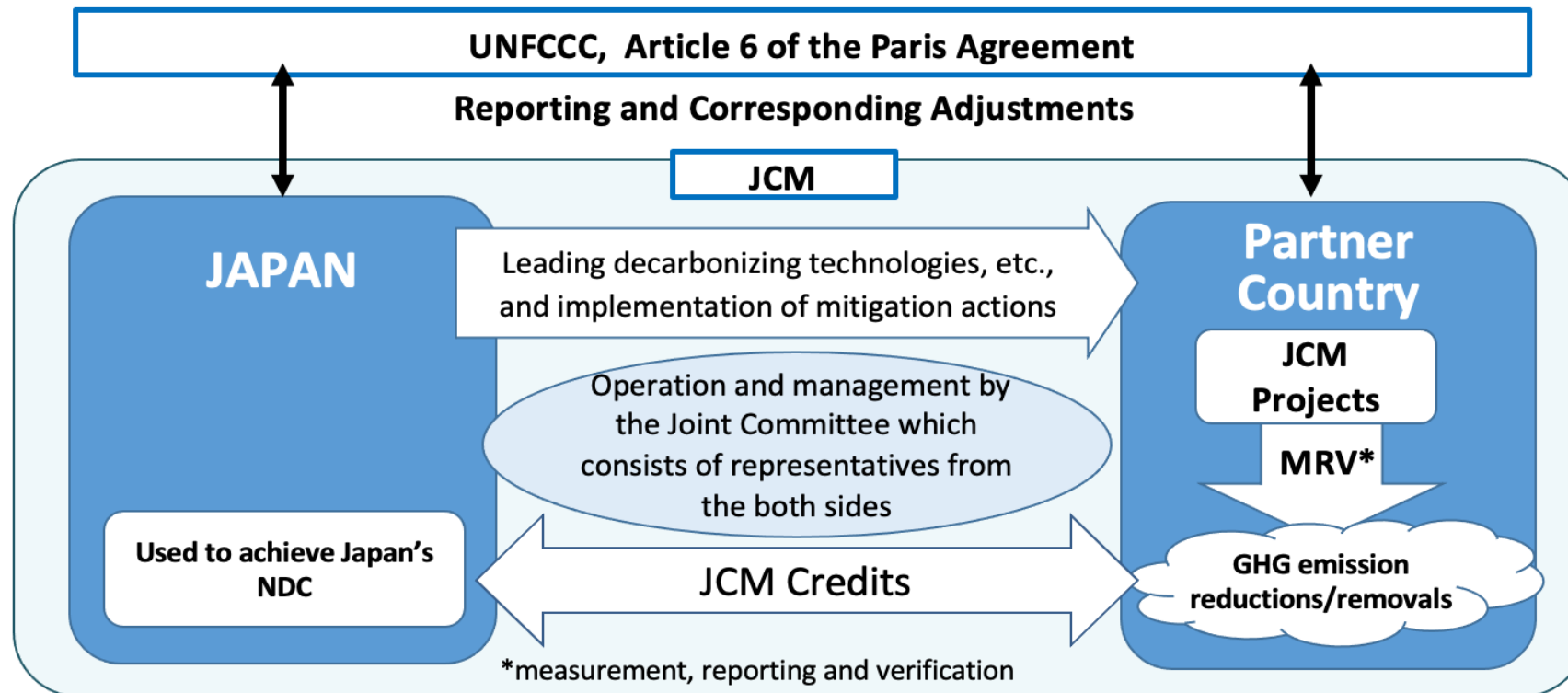
Japan Fund for the Joint Crediting Mechanism

- Commenced Operation in June 2014.
- **Financial Contribution: \$137.30 million by the Ministry of Environment Japan, Government of Japan.**
- Provide financial incentives (grant) for the deployment of advanced low-carbon technologies and solutions.
- Support GHG mitigation actions through the Joint Crediting Mechanism, a bilateral carbon market mechanism between Japan and the DMCs, aligned with Article 6.2 of the Paris Agreement.
- Provide co-financing support to ADB-financed projects including investment projects financed by ADB or ADB administered funds, and ADB TAs for developing JFJCM pipeline projects.



Japan Fund for the Joint Crediting Mechanism

- ❖ Established in June 2014 as one of ADB's trust funds
- ❖ Contribution by Government of Japan: **\$137.30M** (2014-2024)
- ❖ Provides **financial incentives** for the adoption of **advanced low-carbon technologies** in **ADB-financed projects** that use the Joint Crediting Mechanism
- ❖ Both **sovereign** and **non-sovereign** projects are eligible





JFJCM Eligibility Criteria

Eligible Countries

- ❖ All ADB developing member countries that **have signed bilateral agreements on the JCM** with the Government of Japan (19 out of 31 JCM partner countries).
- ❖ **Azerbaijan**, Bangladesh, Cambodia, **Georgia**, India, Indonesia, **Kazakhstan**, **Kyrgyz Republic**, Laos, Maldives, **Mongolia**, Myanmar, Palau, Papua New Guinea, Philippines, Sri Lanka, Thailand, **Uzbekistan**, and Viet Nam (as of August 2025).

Eligible Projects

- ❖ 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 Technologies

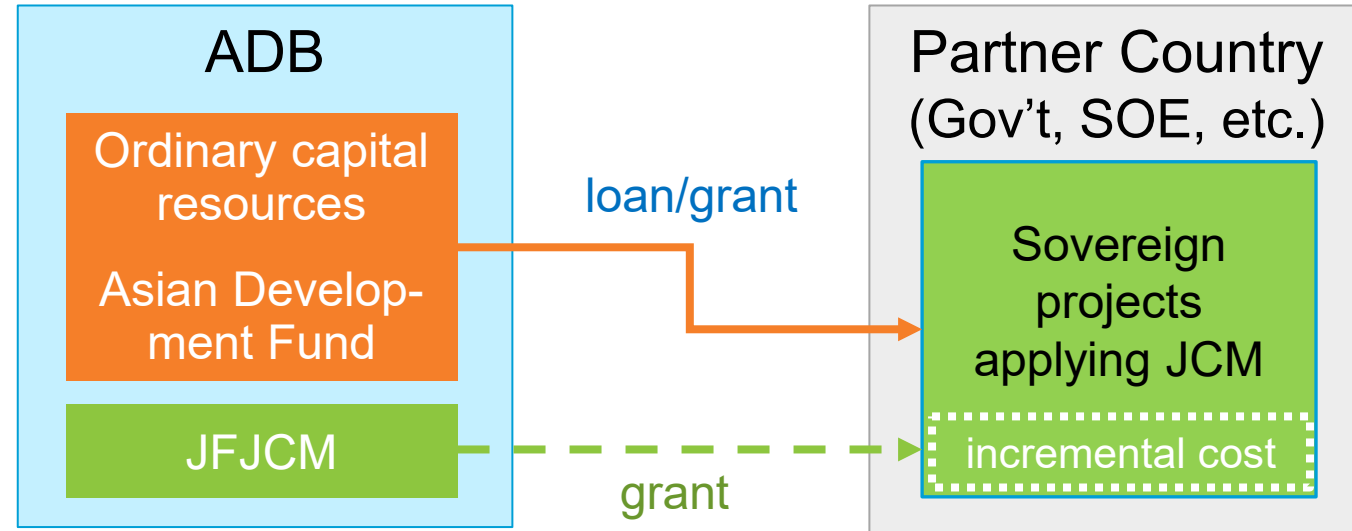
- ❖ **Advanced low carbon technologies** that reduce greenhouse gas (GHG) emissions from energy source.
- ❖ The technologies must have a **proven track record** but must be "advanced" in the host country context.



JFJCM Support Schemes

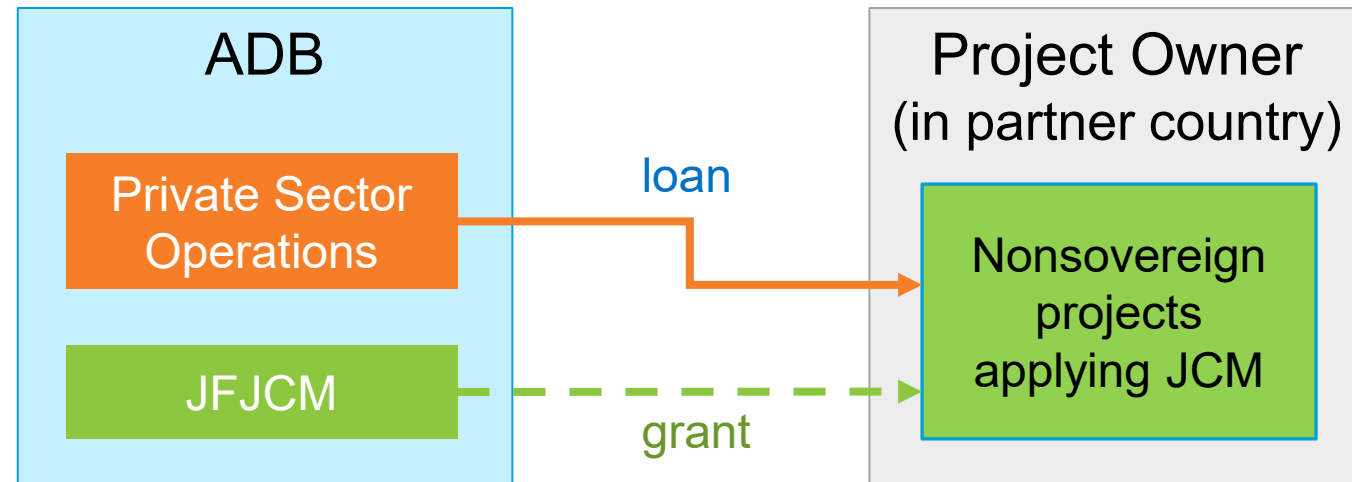
For Sovereign Projects

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



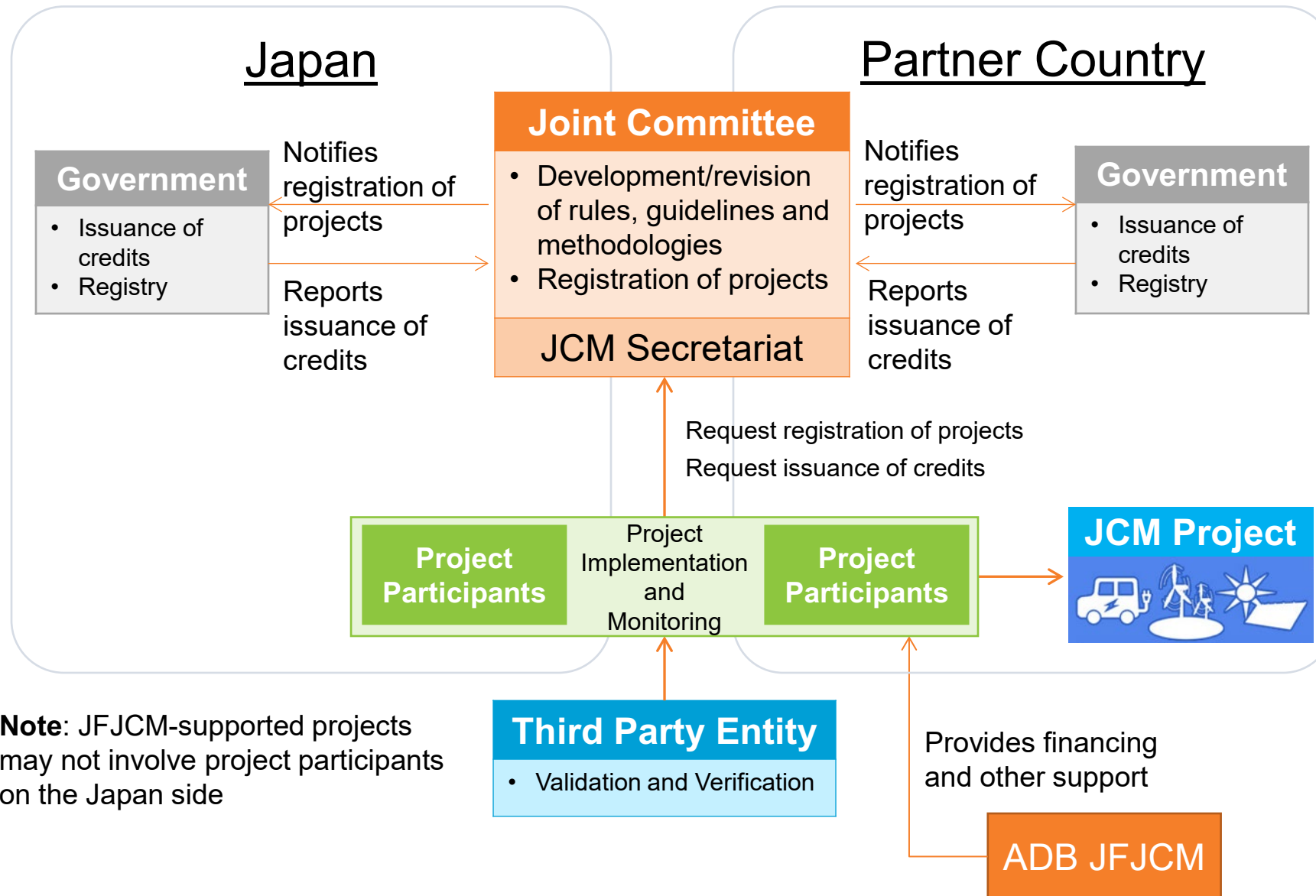
For Nonsovereign Projects

- ❖ 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)**





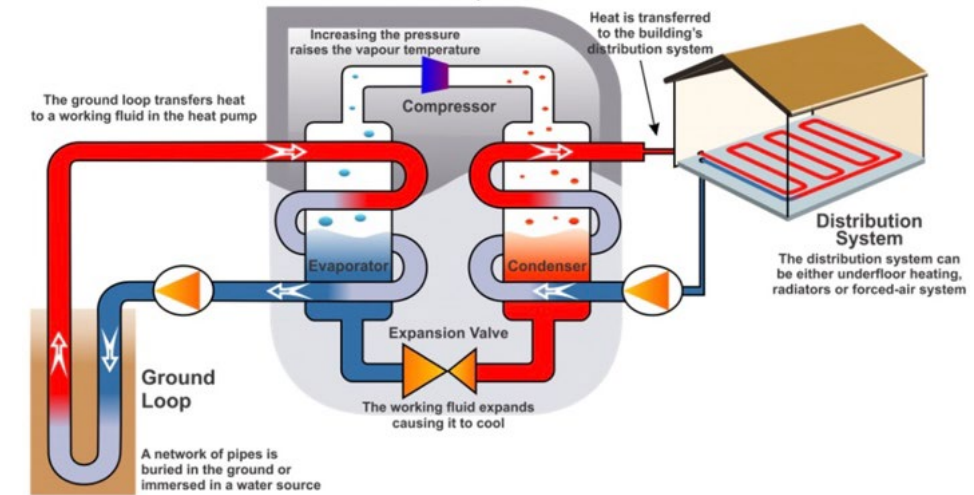
Roles of key entities in JCM projects





Case Study: Low-carbon Municipal Building Upgrading Pilot in Kyrgyz Republic

Project	Bishkek Low-carbon Municipal Building Upgrading Pilot under the Multisector Activities Support Facility 2025–2030
JFJCM Support	\$5 million (total project cost: \$8.8 million)
Technology Deployed	Heat pumps (closed-loop ground-source, air-to-water, and wastewater types), heat recovery ventilation, and building energy management systems
Description	The project will introduce energy-efficient space conditioning using heat pumps, heat recovery ventilation, and building energy management systems in five schools and one preschool in Bishkek. These upgrades will replace coal-fired heating, reducing GHG emissions and energy costs, and improving indoor and outdoor air quality.
Location	Bishkek, Kyrgyz Republic
GHG Reductions	Appx. 6,400 tCO ₂ e/year



Source: Niessink, R.J.M. 2019. Ground-source Heat Pump (GSHP) – Households. Energy.nl

How closed-loop ground-source heat pumps work



Existing coal-fired boilers in a targeted school



JFJCM Project Portfolio

S.No.	Project Portfolio	Host Countries	JFJCM Support	Technologies Deployed
1	Preparing Outer Islands for Sustainable Energy Development Project (POISED)	Maldives	\$5.00 M	Advanced battery and energy management system
2	Southwest Transmission Grid Expansion Project	Bangladesh	\$7.00 M	Energy efficient transmission lines
3	Upscaling Renewable Energy Sector Project	Mongolia	\$6.00 M	Solar PV with advanced battery system and EMS
4	Improving Access to Health Services for Disadvantaged Groups Investment Program	Mongolia	\$3.48 M	Energy efficient HVAC, high insulation window, rooftop solar PV and ground source heat pump
5	Greater Male Waste to Energy Project	Maldives	\$10.00 M	Waste-to-energy plant (incineration)
6	Geothermal Power Generation Project (Phase 1)	Indonesia	\$10.00 M	Geothermal power plant with advanced designs
7	Accelerating Sustainable System Development Using Renewable Energy Project (ASSURE)	Maldives	\$6.20 M	Advanced flow battery system Ocean renewable energy pilot
8	Disaster Resilient Clean Energy Financing Project (DRCEF)	Palau	\$5.00 M	Financial intermediation to support investment in low-carbon technologies
9	Bishkek Low-carbon Municipal Building Upgrading Pilot	Kyrgyz Republic	\$5.00 M	Energy efficient heat pumps, ventilation system with heat recovery, and building energy management systems
10	Sustainable Energy Sector Development Program	Papua New Guinea	\$10.00 M	Energy efficient transmission lines
Total			\$67.68 M	

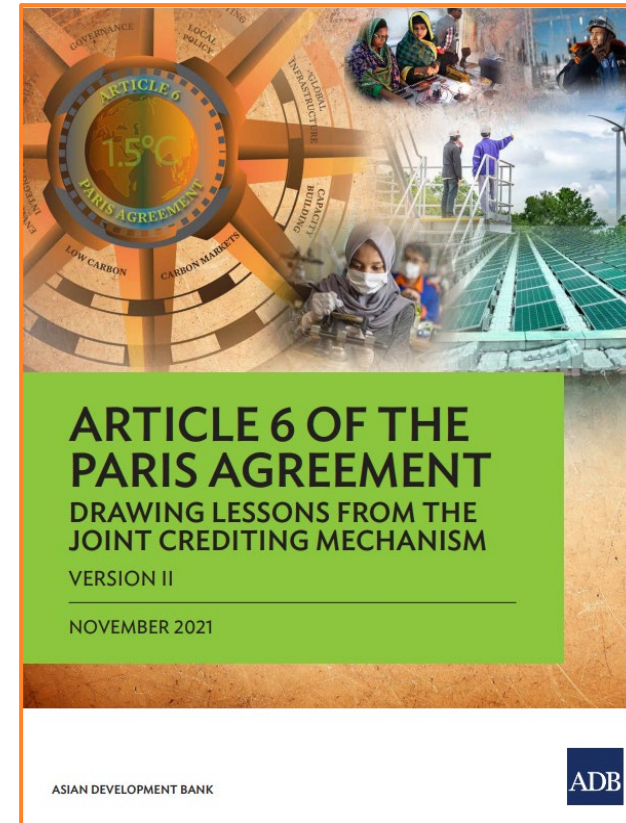


Knowledge Products

ADB publications on promoting the JCM as a forerunner of Article 6.2 mechanisms.



<https://www.adb.org/publications/article-6-paris-agreement-lessons-jcm>



<https://www.adb.org/publications/article-6-paris-agreement-lessons-jcm-v2>



JFJCM

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Thank you!

