



JFJCM

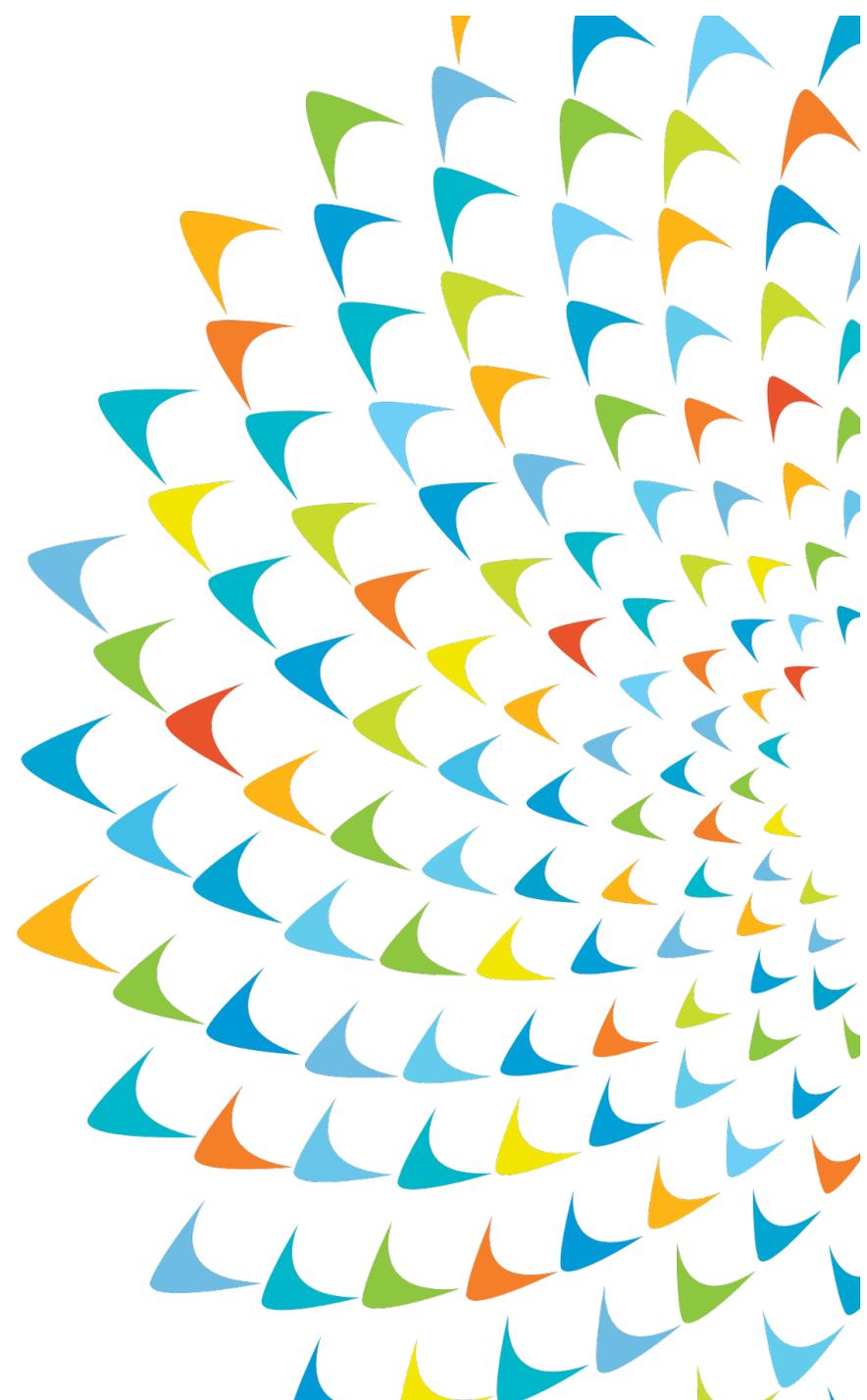
Japan Fund for the Joint Crediting Mechanism

COP28 Side Event at Japan Pavilion

Reduce Methane emissions from landfills around the world

~ Exploring opportunities of the Fukuoka Method ~

2 Dec 2023





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)



ADB's Carbon Market Program

Mobilizing carbon finance for incentivizing investments in low-carbon technologies

Future Carbon Fund

- **\$115 million** Trust Fund to purchase post-2012 CERs.
- Commenced operations in 2009.
- Funding from 4 Sovereign and 2 private sector entities in Asia and Europe.
- Providing **\$53 million** worth of carbon finance to 33 GHG mitigation projects.
- Purchased **8.68 million** post-2012 CERs from projects hosted in 10 DMCs.
- Supports 1.1GW renewable energy projects.
- To be closed in 2023.

JFJCM

- Japan Fund for the Joint Crediting Mechanism (JFJCM).
- Commenced in 2014 and provides grants for advanced low-carbon technologies in ADB-financed and administered projects utilizing the JCM initiated by Japan.
- **\$118 million** contributed by the Government of Japan (as of Jun 2023). Supports seven mitigation activities in **Bangladesh, Indonesia, Maldives, Mongolia** and **Palau** allocating \$52.68 million.
- Supports three TAs to prepare projects to be financed by the JFJCM and build capacity of DMCs, allocating \$4 million.

Article 6 Support Facility

- Established in 2018.
- Providing technical, capacity building, and policy development support to enhance DMC's preparedness to participate in new carbon markets envisaged under the framework of Article 6.
- Supporting Article 6 piloting including POAs, infrastructure for accounting and MRV
- **\$6.2 million** facility funded by ADB and the Governments of Germany and Sweden.
- Supports **Armenia, Bhutan, Georgia, Indonesia, Mongolia, Pakistan, Philippines, Thailand, and Viet Nam.**

Technical Support Facility

- Established in 2006 and implemented through a series of successive TA projects to support DMCs in enhancing the financial viability of mitigation actions through carbon markets.
- Supported by a cumulative amount of \$13.20 million provided by the Governments of Austria, Finland, Japan, Luxembourg, ROK, Spain, and Switzerland.
- Currently implementing TA 6730, which provides participating DMCs with technical and capacity-building support for promoting life-cycle management of HFCs.
- Supports **Maldives, Mongolia, Philippines** and **Viet Nam**

CACF

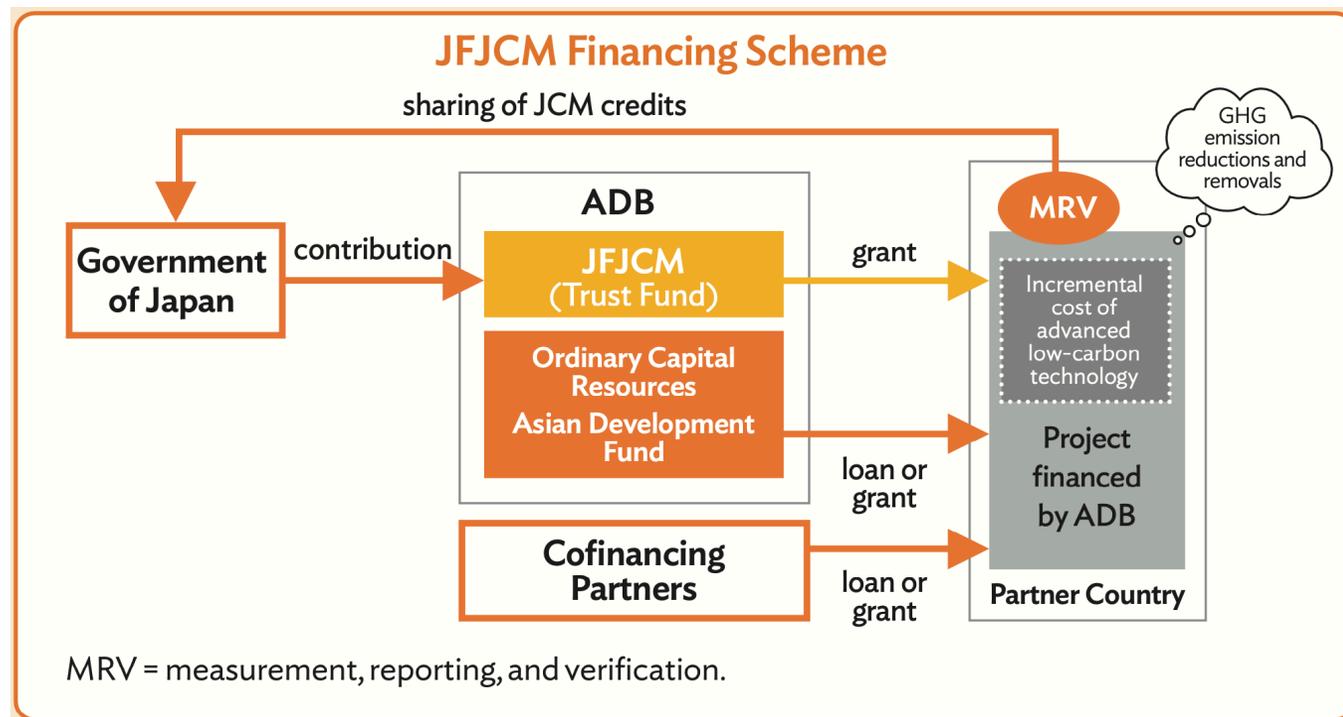
- **Climate Action Catalyst Fund (CACF) is a new carbon fund** to mobilize carbon finance to purchase carbon credits under Article 6 of the Paris Agreement
- **\$100million plus*** to support DMCs in achieving NDC commitments cost effectively and raising ambition over time
- Will support a diverse range of **transformative actions** including projects, programs, and scaled-up
- ADB is in discussion with its development partners for mobilizing financing contribution for CACF
- Expected to commence operation in **2024**



Japan Fund for the Joint Crediting Mechanism

- Contribution by Government of Japan: **\$118.77M** (2014-2023) including \$2.3M as a dedicated budget for methane emission reduction.
- Provides **financial incentives (grant)** for adoption of **advanced low-carbon technologies** that reduce GHG emission including CO₂ from energy source and/or **methane** in **ADB-financed projects**
- Projects supported by JFJCM will use the Joint Crediting Mechanism (JCM)*

* The JCM is a bilateral project-based carbon crediting mechanism initiated by the Government of Japan with partner countries.



- All ADB developing member countries that **have signed bilateral agreements on the JCM** with the Government of Japan*.

*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 October 2023).



JFJCM

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Thank you.

