

NEDO JCM Demonstration Scheme

March 5, 2024

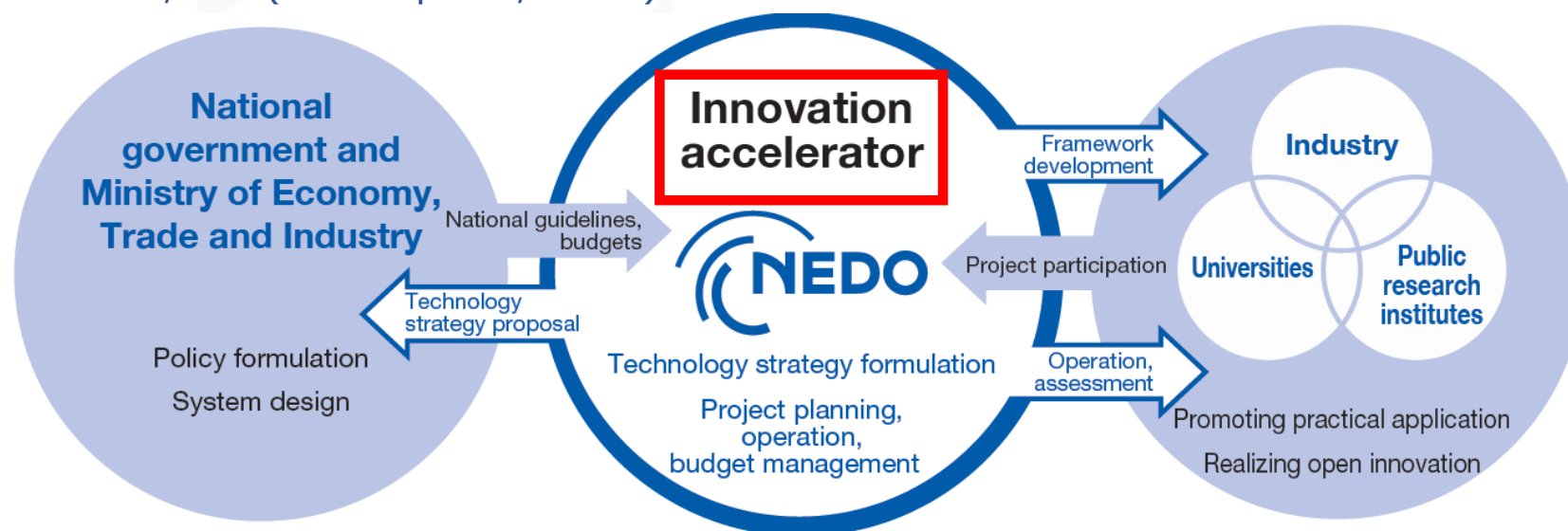
Global Environment Technology Promotion Division
International Affairs Department
New Energy and Industrial Technology Development Organization (NEDO)

What's NEDO



■ New Energy and Industrial Technology Development Organization (NEDO)

Organization	National Research and Development Agency
Mission	1. Addressing energy and global environmental problems 2. Enhancing industrial technology
Established in	1980
Budget	152.8 billion yen (≒ \$1B) (JFY 2023) + multi-years funded programs (≒ \$40B)
# of staff	1,464 (as of April 1, 2023)



Organization



NEDO Head Office
(Kawasaki, Kanagawa)

General Affairs Dept.
Personnel Affairs Dept.
Accounting Dept.
Risk Management Dept.
Information and Systems Dept.
Public Relations Dept.
Kansai Branch Office
Overseas Offices

Technology Strategy Center (TSC)
Green Innovation Funding Program Coordination Office
Economic Security Program Coordination Office
Evaluation Dept.
Innovation Promotion Dept.
Frontier and Moonshot Technology Dept.
Robot and Artificial Intelligence Technology Dept.
Internet of Things Promotion Dept.
Materials Technology and Nanotechnology Dept.
Energy Conservation Technology Dept.
New Energy Technology Dept.
Smart Community and Energy Systems Dept.
International Affairs Dept.
Environment Dept.

2 types of International Demonstration Project (IDP)



Type A: IDP on Japan's Decarbonizing / Energy Transition Technologies

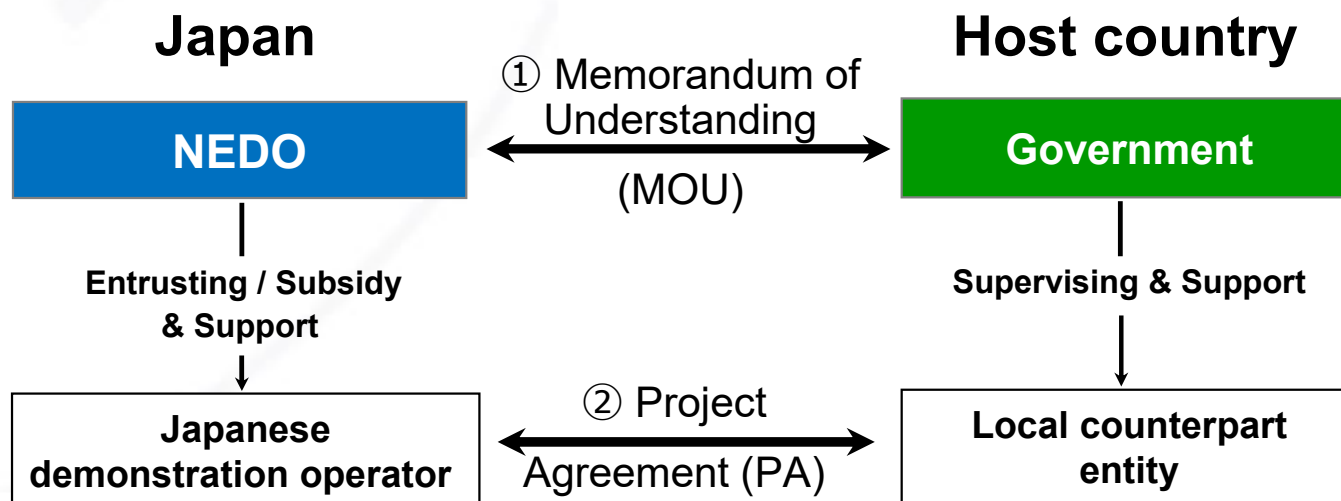
Type B: IDP on Low Carbon Technologies under the Joint Crediting Mechanism (JCM)

	Type A	Type B (JCM)
Purpose	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Same as Type A, but more focus on GHG reduction in line with Paris Agreement and 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(*) <p>(*NDC: Nationally Determined Contribution)</p>
Target country	All countries except Japan	JCM partner countries (29 countries as of today)
Project cost (max.)	4 billion JPY (demonstration phase) (approx. 27 million USD at the current exchange rate)	1 billion JPY (demonstration phase) (approx. 6.7 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 (common to Type A and B)



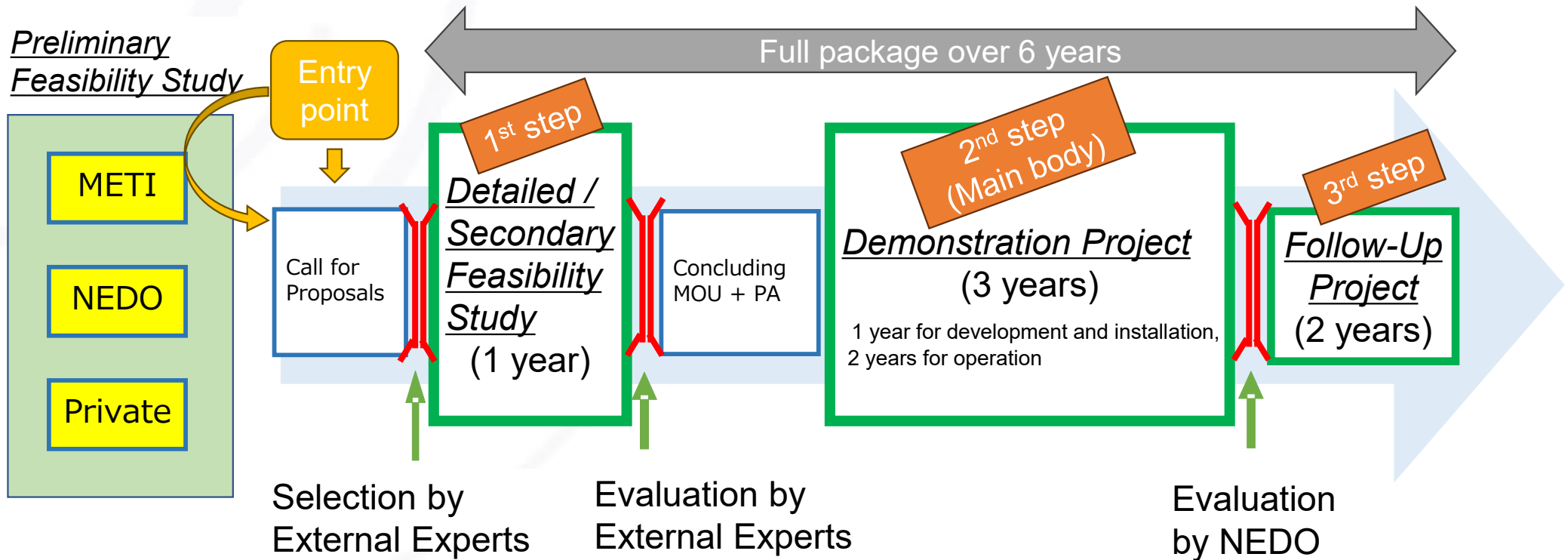
- ① NEDO and host country government entity (a competent Ministry, local government, etc.) sign memorandum of understanding (MOU) or similar agreement that has clauses for implementation of demonstration and dissemination.
- ② Japanese demonstration operator and their local counterpart entity sign project agreement (PA) which stipulates details of demonstration activities, division of works, rights and duties.



Phasing approach

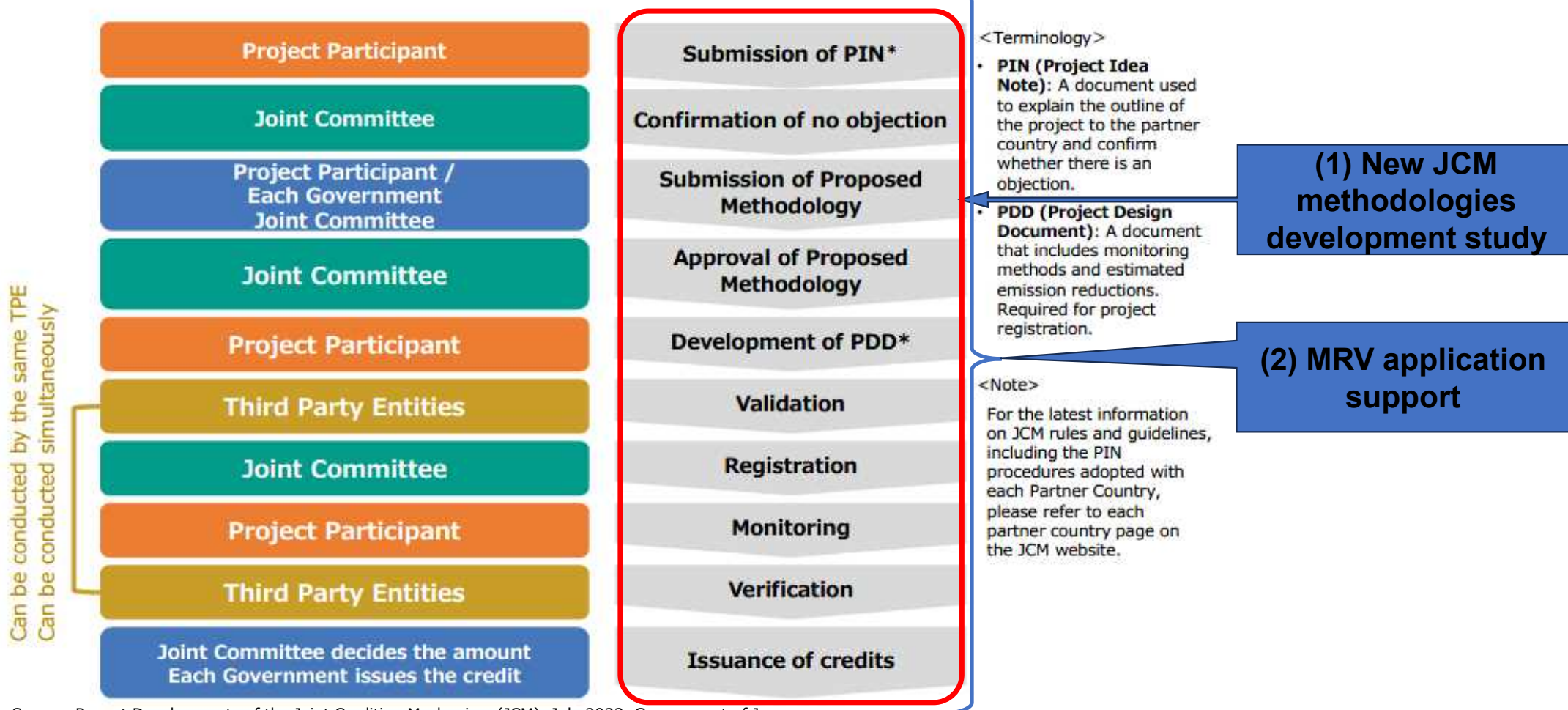


Type B: IDP on Low Carbon Technologies by Joint Crediting Mechanism (JCM)



Project cycle of JCM

JCM project cycle



Other supporting schemes



(1) New JCM methodologies(*) development study

Purpose	In order to develop new and promising MRV methodologies and to estimate the expected amount of emission reductions, NEDO calls for research projects proposed by experienced MRV experts / 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

Other supporting schemes



(2) MRV(**) application support

Purpose	In order to apply MRV methodology to promising low carbon technology projects (except for the projects financially supported by the Japanese government for JCM purpose) in the JCM partner countries, NEDO calls for MRV “add-on” projects proposed by the operator of project in partnership with experienced MRV experts / consultants. This program covers the additional cost for MRV activities throughout JCM procedures.
Target country	JCM partner countries (29 countries as of today)
Project cost (max.)	To be confirmed
Subsidy rate	100% (entrusted by NEDO)
Project period	Within 4 years
Call for proposal	Newly planned for 2024 (from April to May)

** MRV : Measurement, Reporting, Verification of greenhouse gas (GHG) mitigation

Thank you



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