Japan Fund for the Joint Crediting Mechanism (JFJCM)

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ADB's Carbon Market Program

Japan Fund for the Joint Crediting Mechanism

Carbon finance to incentivize deployment of advance low-carbon technologies

- Provides financial incentive for deploying advanced low-carbon technologies in ADB-financed projects, under the Joint Crediting Mechanism, aligned with Article 6.2.
- Upfront finance
- Demand signal

$138.58 mn

Article 6 Support Facility

Technical and capacity building support to enhance carbon market readiness and projects

- **Upstream**: National strategies, frameworks, institutional infrastructure for carbon markets
- **Midstream**: Pipeline of projects for carbon credits
- **Downstream**: Support development of carbon projects to generate carbon credits

$8.8 mn

Climate Action Catalyst Fund

Carbon finance to support transformative mitigation actions

- Pre-purchase of carbon credits from ADB financed projects generating carbon credits under Article 6 of the Paris Agreement
- Long term fixed price contracts and upfront payments
- Price signal

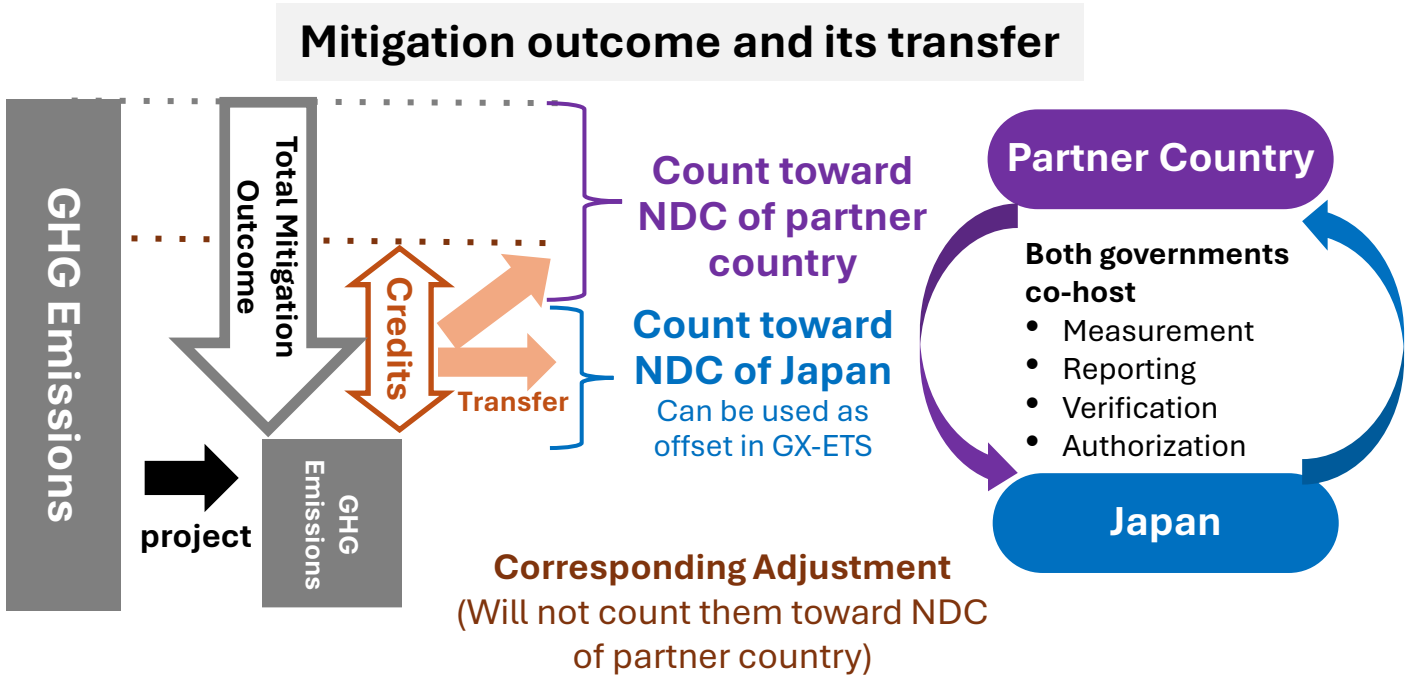
$77 mn

- **Ministry of the Environment, Japan**
- **Ministry of Foreign Affairs and Trade, New Zealand**
- **Federal Ministry for Economic Cooperation and Development, Germany**
- **Swedish Energy Agency**
- **Norwegian Ministry of Climate and Environment**

Japan Fund for the Joint Crediting Mechanism

- Established in June 2014 as one of ADB's trust funds
- Contribution by the Government of Japan: $138.58M (2014-2025)
- Provides financial incentive for the adoption of advanced low-carbon technologies in ADB-financed projects
- Projects funded by JFJCM are required to generate carbon credits under the Joint Crediting Mechanism (JCM)* and allocate a portion of these credits to the Government of Japan
- Both sovereign and nonsovereign projects are eligible

***Concept of JCM**



JFJCM Eligibility

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 partner country context.

JFJCM Project Portfolio

#	Project	Country	JFJCM support ($ mn)	Total project cost ($ mn)*	ADB Approval	Technologies supported
1	**Preparing Outer Islands for Sustainable Energy Development Project (POISED)**	Maldives	5.00	129.00	2015	Advanced battery and energy management system (EMS)
2	**Southwest Transmission Grid Expansion Project**	Bangladesh	7.00	532.00	2018	Energy efficient transmission lines
3	**Upscaling Renewable Energy Sector Project**	Mongolia	6.00	66.22	2018	Solar PV with advanced battery system and EMS
4	**Improving Access to Health Services for Disadvantaged Groups Investment Program**	Mongolia	3.48	80.44	2019	Energy efficient HVAC, high insulation window, rooftop solar PV and ground source heat pump
5	**Greater Male Waste to Energy Project**	Maldives	10.00	151.13	2020	Waste-to-energy plant (incineration)
6	**Geothermal Power Generation Project**	Indonesia	10.00	479.20	2023	Geothermal power plant with advanced designs
7	**Accelerating Sustainable System Development Using Renewable Energy Project (ASSURE)**	Maldives	6.20	100.47	2023	Advanced flow battery system and ocean renewable energy pilot
8	**Disaster Resilient Clean Energy Financing Project (DRCEF)**	Palau	5.00	9.00	2023	Financial intermediation to support investment in low-carbon technologies
9	**Bishkek Low-carbon Municipal Building Upgrading Pilot**	Kyrgyz Republic	5.00	8.00	-	Energy efficient heat pumps, ventilation system with heat recovery, and building energy management systems (BEMS)
10	**Sustainable Energy Sector Development Program – Subprogram 1**	Papua New Guinea	10.00	110.00	2025	Energy efficient transmission lines
11	**Accelerating Expansion and Sustainability of Health Services for Universal Health Care (ACCESS-UHC) Project**	Philippines	3.5	514.00	-	Energy-efficient HVAC, rooftop solar PV and building-integrated PV (BIPV)
		Total	**71.18**	-		

**Source: Project Administration Manual of each project or other published documents at ADB website under https://www.adb.org/projects*

Deployment of Advanced Mini-Grid Technologies in Maldives

Preparing Outer Islands for Sustainable Energy Development Project

- Solar–diesel hybrid system aimed at transforming power grid in Maldives.
- JFJCM supported deployment of advanced battery energy storage and energy management system to enhance the performance of 1.6 MW Solar Photovoltaic project (ADB-funded).
- Project Cost: $129 million
- JFJCM Support: $5 million
- Verified GHG Emissions Reductions: 750 tCO_2e
- Issuance of JCM Credits: 16 December 2025
- SD Co-benefits: improved air quality, job creation, increased energy security

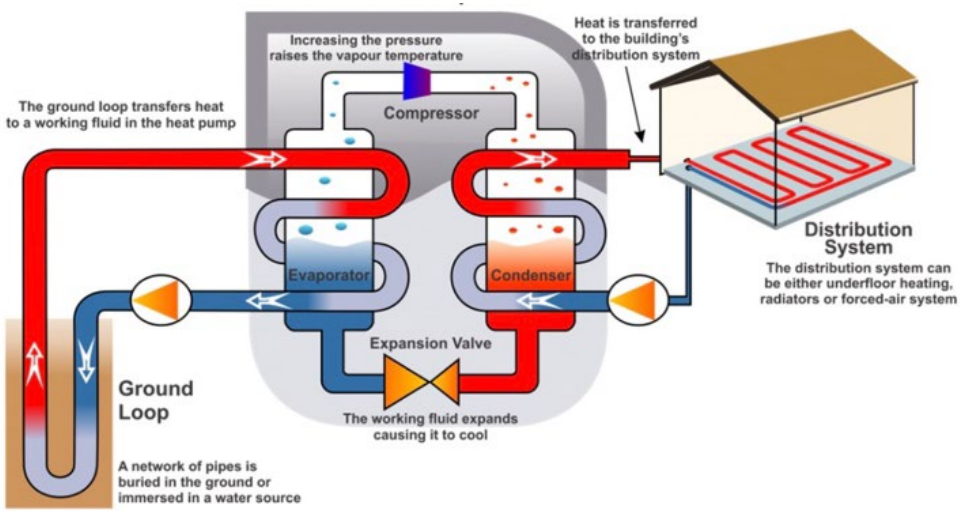
BESS installed in Addu City

Solar PV at the project site

Low-Carbon Heating in the Kyrgyz Republic

Bishkek Low-carbon Municipal Building Upgrading Pilot under the Multisector Activities Support Facility 2025–2030

- Piloting clean heating with air quality improvement, combining building envelope insulation with advanced low-carbon technologies in schools.
- JFJCM will introduce the deployment of energy-efficient heat pumps, heat recovery ventilation, and building energy management systems in six schools in Bishkek.
- Project Cost: $8 million
- JFJCM Support: $5 million
- GHG Emission Reductions : ~6,400 tCO_2e/yr
- SD Co-benefits: improved air quality and better education environment for school children



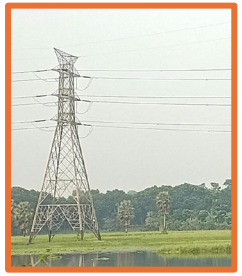
Source: Niessink, R.J.M. 2019. Ground-source Heat Pump (GSHP) – Households. Energy.nl

How closed-loop ground-source heat pumps work

Existing coal-fired boilers in a targeted school

Thank You!

Japan Fund for the Joint Crediting Mechanism

Fund At A Glance	
Established	June 2014
Funding	**$138.58 million** contributed by the Ministry of Environment Japan, Government of Japan (GOJ)
Objective	JFJCM provides financial incentives for adoption of advanced low-carbon technologies in ADB-financed projects. In return, a portion of generated carbon credits under the Joint Crediting Mechanism (JCM) will be shared with the GOJ.
Support Provided	Support up to 10% of total project cost, capped to $10 million for sovereign and nonsovereign projects
Eligible Countries	All ADB developing member countries that have signed bilateral agreements on the JCM with the Government of Japan: 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 (**19 developing member countries** as of August 2025)
Project Portfolio	**$71.18 million** allocated to **11 JCM projects** which are expected to reduce 372,975 tCO_2e per year
Examples of Technologies Deployed	 Maldives: 500KWh Battery Energy Storage System  Bangladesh: High-Temperature Low-Sag Conductors  Mongolia: 5MW Solar Power Plant + 3.6MWh BESS