



MoEJ Initiative for Decarbonized Infrastructure

June 15, 2021

Ministry of the Environment, Government of Japan

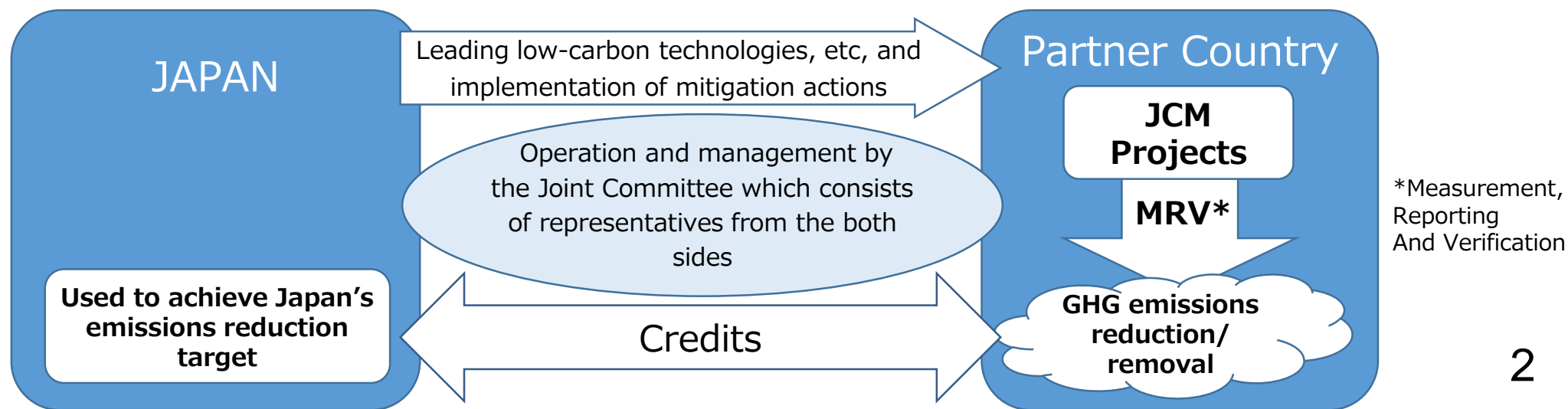


1 Background of the “Initiative”



- As we face the two global crises of the coronavirus pandemic and climate change, the world is undergoing a rapid socio-economic re-design, as seen with in green recovery, and has triggered a large-scale competition for the development of decarbonization technologies and market acquisition.
- Japan’s growth strategy will dependent on the acquisition of such technologies to secure its place in the decarbonization market, fast becoming the largest global investment sector.
- As the public and private sectors cooperate towards achieving carbon neutrality by 2050, there is a growing expectation for JCM (Joint-Crediting Mechanism), allowing GHG emission reductions to be realized in partner countries to contribute to the achievement of Japan’s emissions reduction goal.
- With the expected agreement on Article 6 of the Paris Agreement at COP26 this year, this market mechanism will attract increasing JCM projects. JCM will also benefit the private sector as it is a useful system enabling private companies to utilize GHG reductions overseas to achieve their own carbon neutrality goal (guidance is to be developed for the utilization of private funds).
- In light of this situation, MoE Japan is strengthening key public-private partnerships to promote the development of “environmental infrastructures” overseas through JCM.

Joint Crediting Mechanism (JCM)



2 Environmental Infrastructure to Facilitate Overseas Expansion with JCM



<FY2030 Target >

- Aiming for a cumulative GHG emission reduction of about **100 million tons** of CO2 from JCM projects through public-private partnerships (maximum project size of about 1 trillion yen through public-private partnerships with a diversification of funds accelerating the implementation of projects).
 - The project will also be used for Japan's emission reduction goal.
- ⇒To realize above, we will proceed condition arrangement for JCM expansion

1. Renewable Energies

(Solar Power, Wind Power, Hydro Power, Geothermal Energy, Biomass Energy, Green Hydrogen, and so forth)



Solar Power



Wind Power

2. Green Logistics (Including Cold Chain)

(Non-Fluorocarbon Cooling System, Modal Shift, Airports, Ports and Harbors, and so forth)



High-Efficient Freezer



Modal Shift

3. Waste management Infrastructure

(Waste to Energy, Recycling system, Landfill and so forth)



Waste to Energy



Improvement of landfill
(Fukuoka method)

- ※ Further including energy efficient facilities, effective use of energies, CCUS, fluorocarbons recovery and destruction, Johkasou, and REDD+, in addition to the above

3 Arranging the conditions for the expansion of JCM



- Towards the FY2030 reduction target, MOE will implement 4 actions to create favorable conditions for a diversity and large-scale JCM projects.

1. Formulation of Global Rules

- Lead the discussion on Paris Agreement Article 6 (market mechanism)
- Make JCM a global de-facto standard and develop decarbonization markets



United Nations
Framework Convention on
Climate Change

2. Diversification of Funds

- Cooperate with public funds (co-financing with JBIC and JOIN)
- Cooperate with international organizations (JCM project creation with ADB, utilization of funds of the World Bank, and so on)
- Improve the conditions for JCM projects with a focus on private funds



3. Global and Regional Expansion

- Expand projects in the Indo-Pacific region target area
- Introduce advanced technologies through cooperation with third countries including the US and Australia
- Applicate JCM to Carbon Offsetting Reduction Scheme for International Aviation (CORSIA)



4. Facilitation of Decarbonization Market

- Promote the transition to decarbonization, from the formulation of a long-term strategy to its implementation
- Spread Japan's efforts on Zero Carbon Cities, environmental measures and standards (Decarbonization Domino Effect)
- Utilize "Japan Platform for Redesign: Sustainable Infrastructure" (413 members joined, as of now)

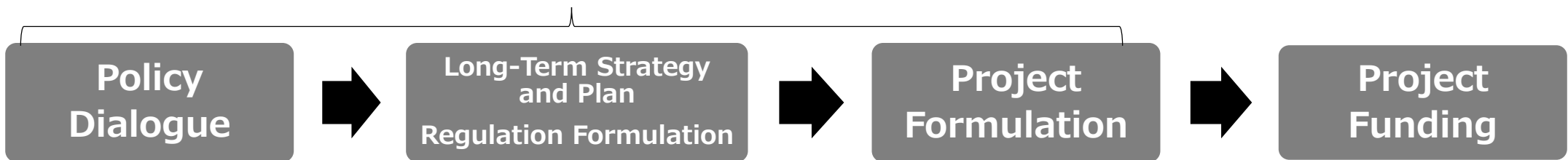


<Annex> Promote Transition to Decarbonization in the Indo-Pacific Region (Overview)



- In developing and emerging countries, it is essential to address environmental issues which directly affect people's health and quality of life (QoL). In parallel, achieving a decarbonized society is required by the Paris Agreement. **Expectations for Japan to contribute its knowledge and technologies to these countries** has become higher than ever.
- **We will promote transition (redesign) to decarbonization and a sustainable society in the Indo-Pacific region**, from the formulation of strategies to the implementation of measures, in an integrated manner.

- Promote introduction of general principle for decarbonization, resilience, and transparency (**Mainstreaming**)
- **International cooperation** with QUAD partner countries, contribution to FOIP
- **Co-realization of SDGs including** decarbonization, circular economy, and pollution countermeasures
- Transfer of knowledge and technologies of Japanese cities to cities abroad through **city-to-city collaborations** (Realization of **decarbonization domino** by the diffusion of **Zero Carbon Cities**).



- Strategy formulation which reflects situations of each country and fostering human resources

- Public private cooperation will be promoted under **Japan Platform for Redesign: Sustainable Infrastructure (JPRSI)**
- Intergovernmental Cooperation will be facilitated for **introduction of environmental infrastructures to various sectors**