



Attracting low-carbon investment to Myanmar: the role of JCM

21 November 2013

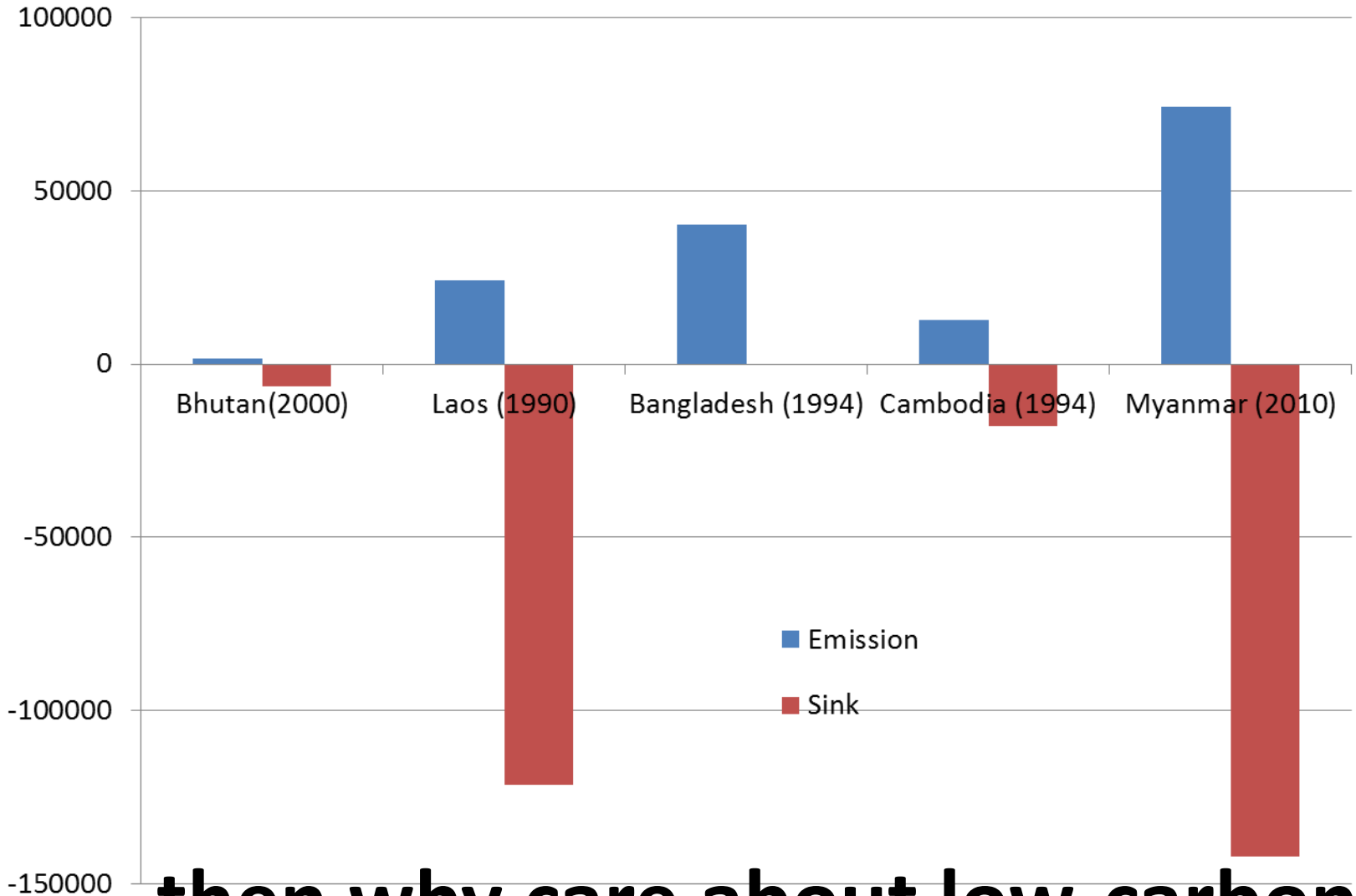
Kenta Usui

Climate and Energy Area, IGES

My Message:

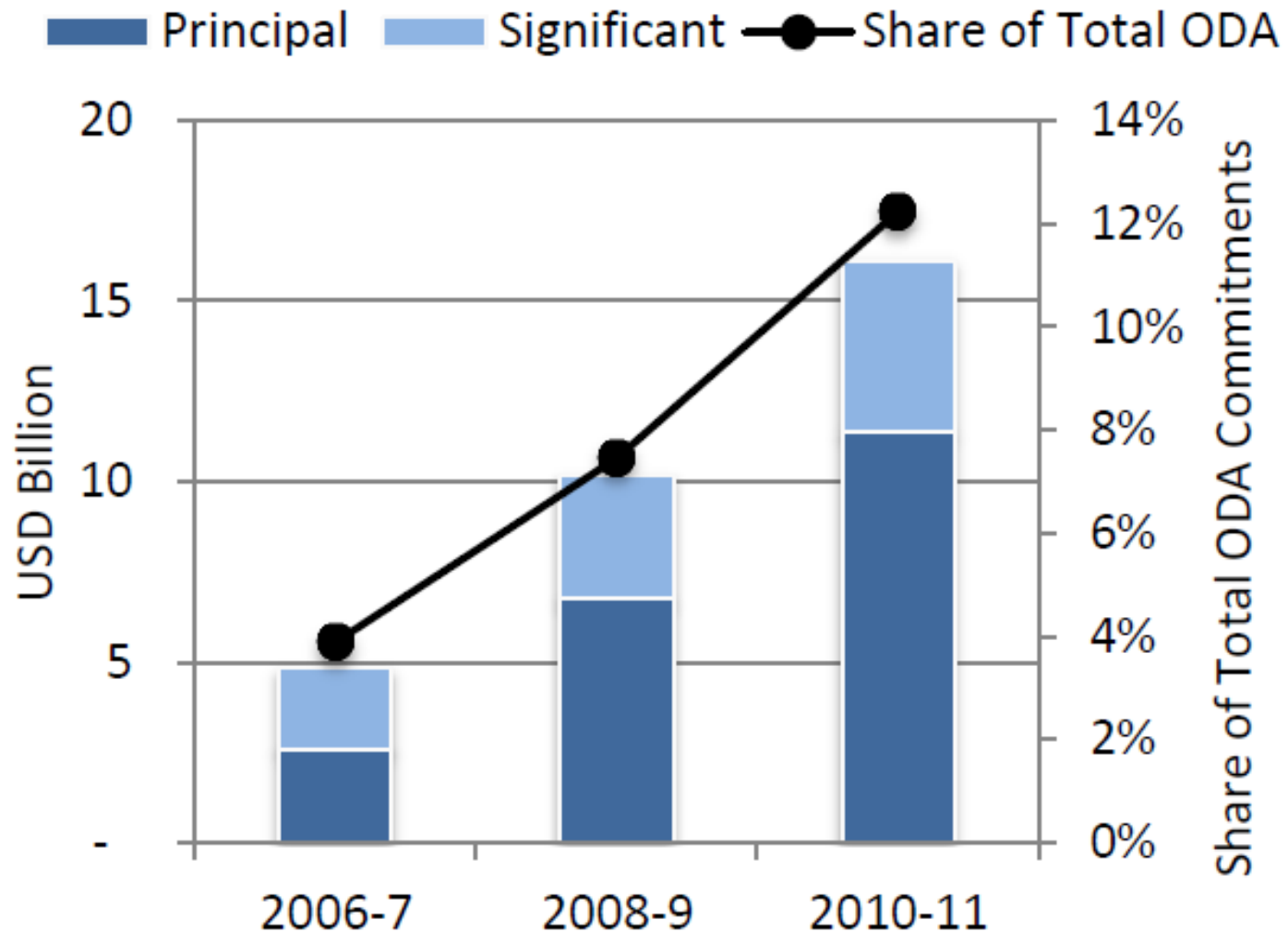
Low-carbon investment can help Myanmar address multiple development challenges.

Myanmar's negative GHG emission



..then why care about low-carbon?

Why low-carbon still matters: scale



Bilateral commitments, average over 2 years

Source: OECD

Why low-carbon still matters: co-benefits

Low-carbon measures	Co-benefits
Renewable energy	Off-grid access to electricity, deduced indoor air pollution,
Energy efficiency	Reduced air pollution and energy bills
Integrated waste management	Enhanced recycling, reduced water pollution
Energy-efficient water treatment	Improved water quality
Low-carbon transport	Reduced air pollution and traffic congestion

My Message:

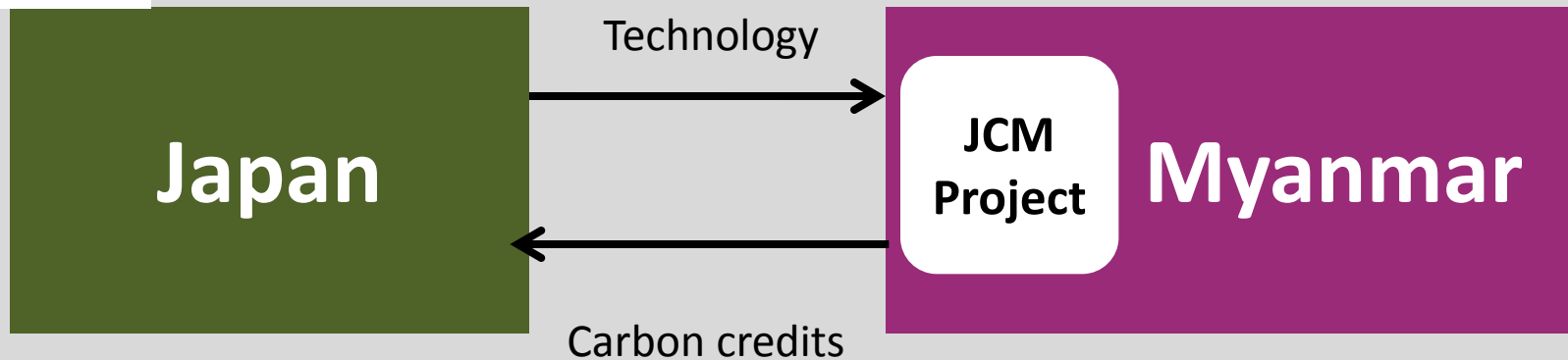
Low-carbon investment can help Myanmar address multiple development challenges.

But how?

INTRODUCING JAPANESE JOINT CREDITING MECHANISM

How JCM works

JCM Scheme



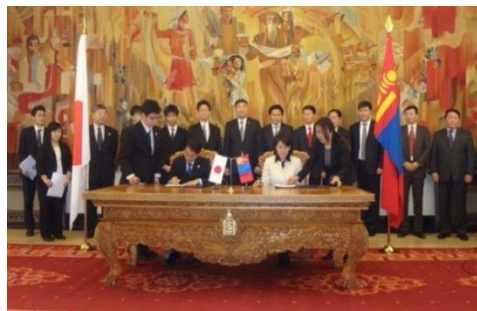
Benefits to Japan

- GHG reduction at lower cost
- Market opportunities for Japanese firms

Benefits to Myanmar

- Advanced Japanese technology made available at significantly lower cost
- Attracts low-carbon investment
- Improved environmental performance
- Reduced fossil fuel dependency

JCM Partners



Mongolia: January 2013



Bangladesh: March 2013



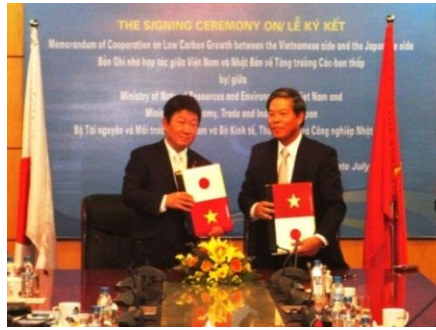
Ethiopia May 2013



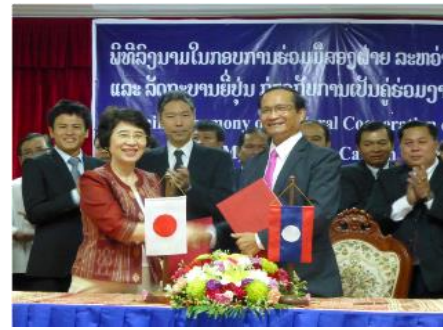
Kenya: 2013 June



Maldives; June 2013



Vietnam: July 2013



Lao PDR, August 2013



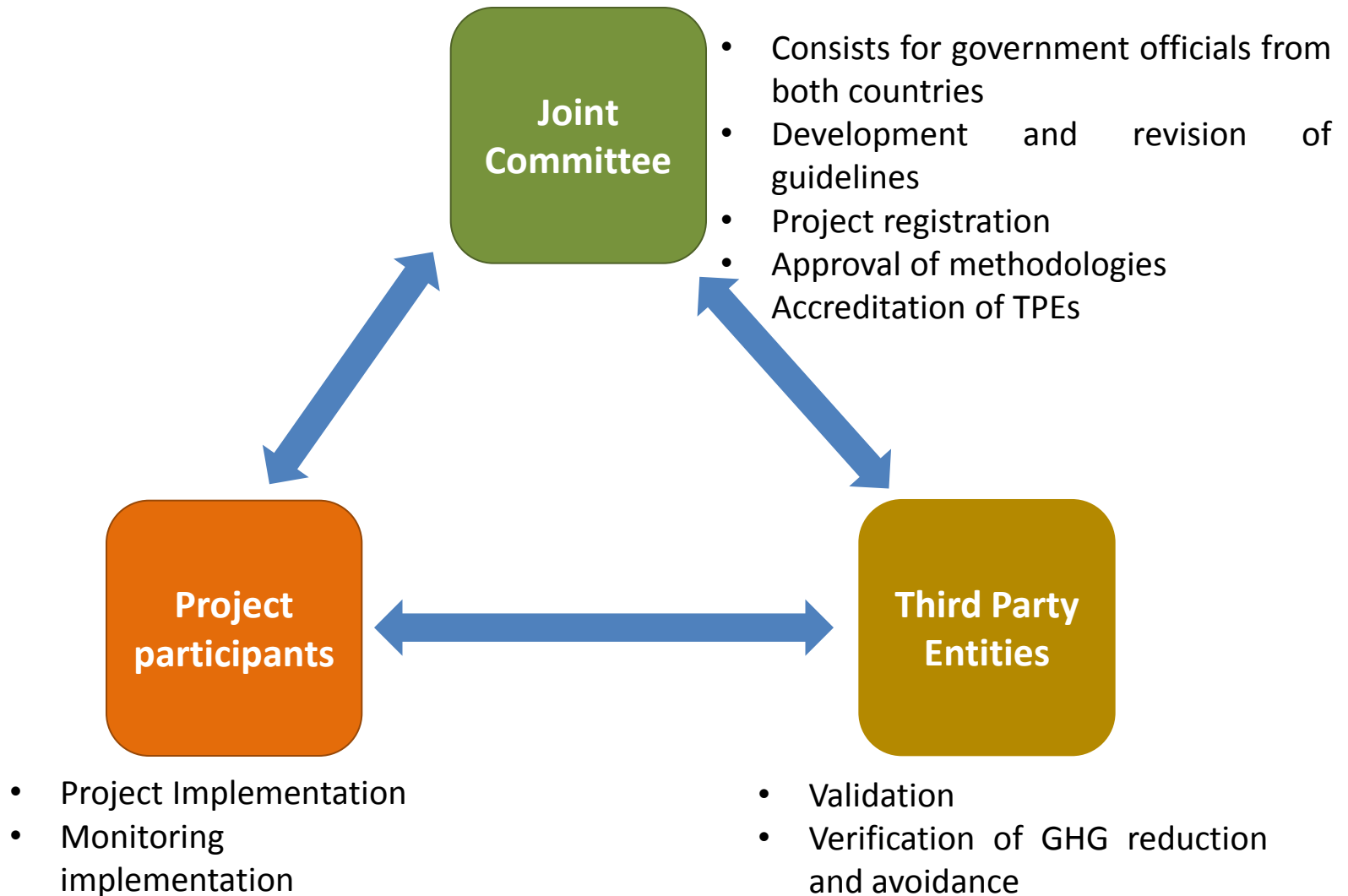
Indonesia: August 2013

JCM has been signed under “Low Carbon Development Partnership”

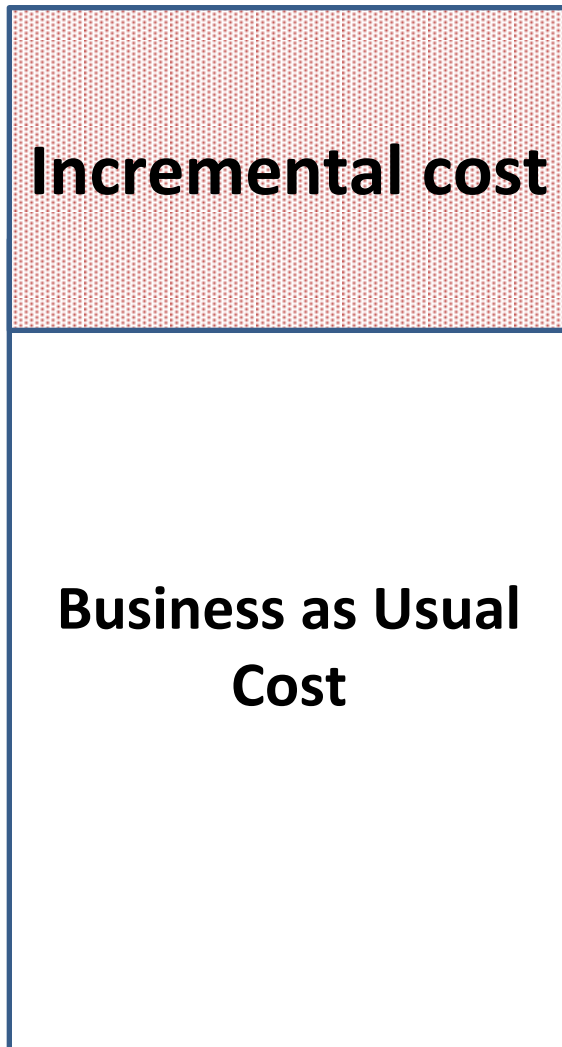
Key approaches of JCM

1. Assuring flexibility while maintaining environmental integrity
2. Providing incremental cost for de-carbonizing growth
3. Focusing on cities

Joint Committee to assure flexibility



Incremental Cost



← e.g. Combined gas cycle turbine – energy conversion rate 60%

← e.g. gas turbine – 40 % energy conversion rate

Providing incremental cost

- **Japanese government subsidizes low-carbon technologies**

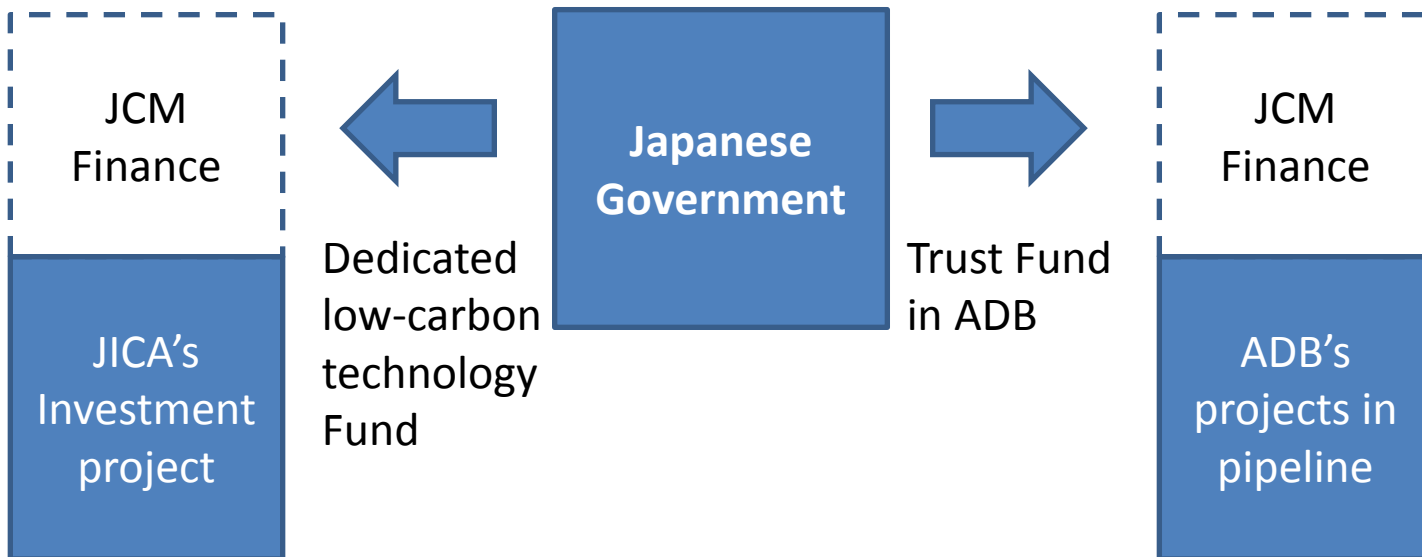
- Global Environment Centre (GEC) finance up to **50%** of the initial investment cost

- New Energy Development Organisation (NEDO) provides full initial finance, and installed facilities are purchased by project participants at later stage



Providing incremental cost

- Provision of finance to allow additional cost to introduce low-carbon technologies in collaboration with development agencies
 - Japan International Cooperation Agency (**JICA**)
 - Asian Development Bank (**ADB**)



Focusing on Cities

- Building on ongoing partnership between cities to share “software” including capacity building and maintenance
 - Tokyo-Yangon (Myanmar)
 - Kitakyushu-Surabaya (Indonesia)
 - Osaka- Ho Chi Min (Vietnam)
 - Kawasaki-Penang (Malaysia)

Upcoming JCM projects



Mongolia

Introduction of energy-efficient heat boilers

Cambodia

Small-scale biomass power generation using sterling engine

Vietnam:

Integrated energy efficiency improvement in beer factories

Bangladesh:

Non-combustive brick making
(does not combust coal)

Indonesia

- Introduction of energy-efficient industrial air conditioner
- Energy improvement in convenience stores (using high-efficiency freezers, air conditioners and LED lightings)
- High-efficiency freezers

With Myanmar...

- Exploring the potential of low-carbon waste management in Yangon
- Exploring the potential of off-grid renewable energy sources (with Indian TERI)



My Message:

Low-carbon investment can help Myanmar address multiple development challenges.

...and Joint Crediting Mechanism is a practical, ready-for-use scheme to attract low-carbon investment .

**Thank you.
Mingalabar.**