

COP28 side event @ Japan Pavilion

Progresses & challenges for implementing the JCM under Article 6 of the Paris Agreement

3 December 2023

Recent Developments of the Joint Crediting Mechanism (JCM)

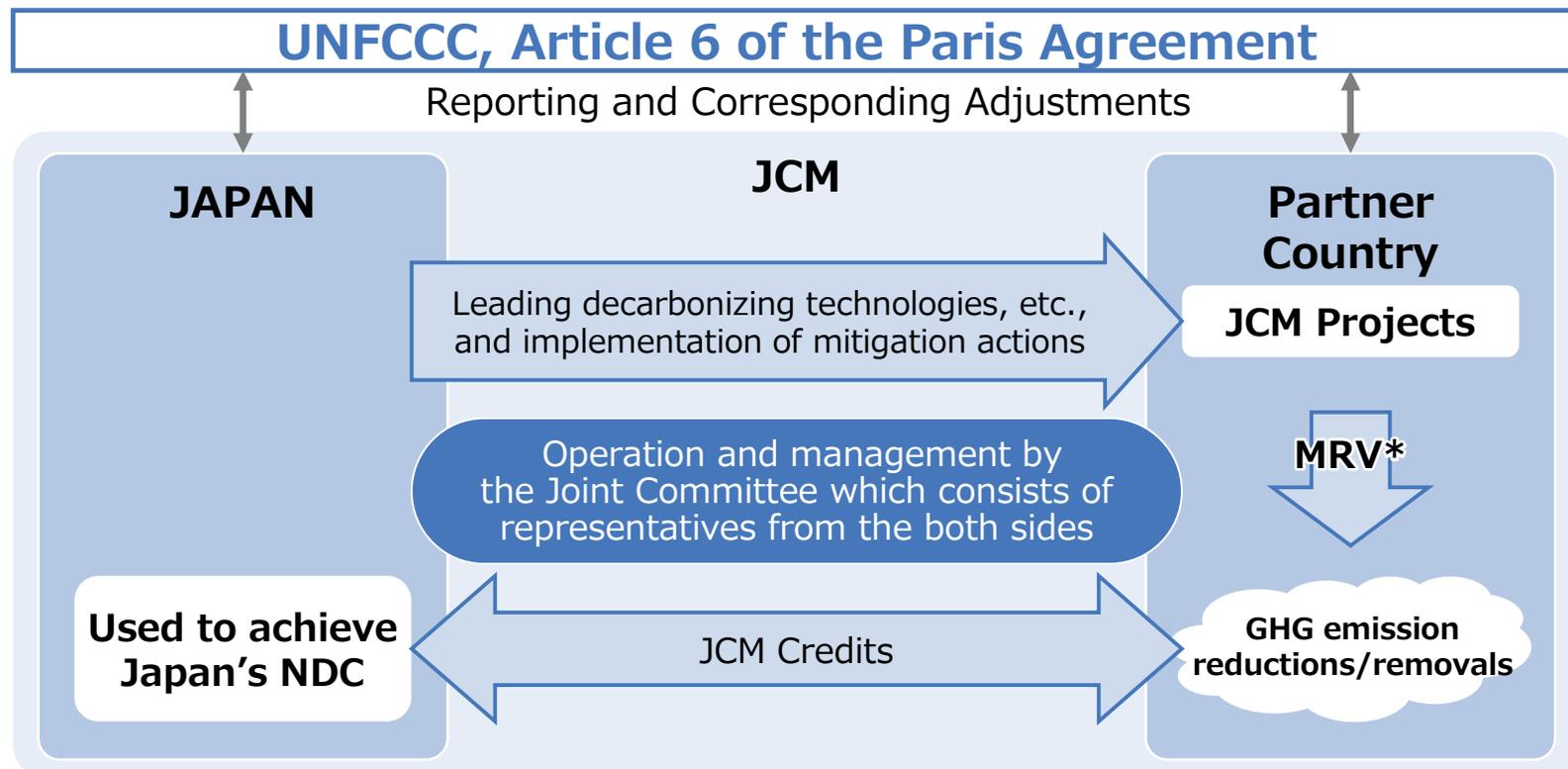


All ideas are subject to further consideration and discussion with partner countries

Basic Concept of the JCM

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- Facilitate diffusion of leading decarbonizing technologies and infrastructure, etc., through investment by Japanese entities, thereby contributing to GHG emission reductions or removals and sustainable development in partner countries.
- Contribute to the achievement of both countries' NDCs while ensuring the avoidance of double counting through corresponding adjustments.
- Implement the JCM consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement.



*measurement, reporting and verification

JCM Partner Countries (28 countries)



Mongolia

Jan. 8, 2013 (Ulaanbaatar)



Bangladesh

Mar. 19, 2013 (Dhaka)



Ethiopia

May. 27, 2013 (Addis Ababa)



Kenya

Jun. 12, 2013 (Nairobi)



Maldives

Jun. 29, 2013 (Okinawa)



Viet Nam

Jul. 2, 2013 (Hanoi)



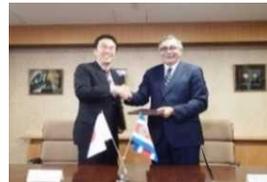
Lao PDR

Aug. 7, 2013 (Vientiane)



Indonesia

Aug. 26, 2013 (Jakarta)



Costa Rica

Dec. 9, 2013 (Tokyo)



Palau

Jan. 13, 2014 (Ngerulmud)



Cambodia

Apr. 11, 2014 (Phnom Penh)



Mexico

Jul. 25, 2014 (Mexico City)



Saudi Arabia

May. 13, 2015



Chile

May. 26, 2015 (Santiago)



Myanmar

Sep. 16, 2015 (Nay Pyi Taw)



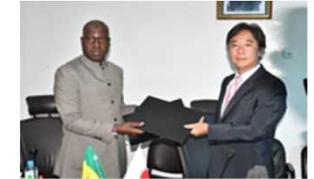
Thailand

Nov. 19, 2015 (Tokyo)



Philippines

Jan. 12, 2017 (Manila)



Senegal

Aug. 25, 2022 (Dakar)



Tunisia

Aug. 26, 2022 (Tunis)



Azerbaijan

Sept. 5, 2022 (Baku)



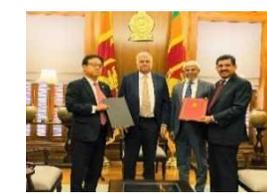
Moldova

Sept. 6, 2022 (Chisinau)



Georgia

Sept. 13, 2022 (Tbilisi)



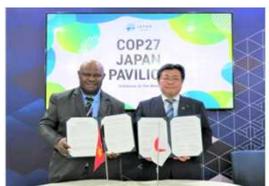
Sri Lanka

Oct. 10, 2022 (Colombo)



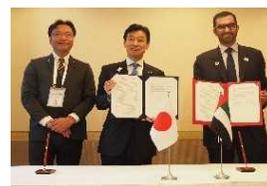
Uzbekistan

Oct. 25, 2022 (Tashkent)



Papua New Guinea

Nov. 18, 2022 (Sharm-el-Sheikh)



United Arab Emirates

April. 16, 2023 (Sapporo)



Kyrgyz Republic

July. 6, 2023 (Bishkek)



Kazakhstan

Oct. 30, 2023 (Astana)

Projects supported by the JCM financing programmes

Renewable Energy



Solar power, FARMLAND Co., Ltd., Chile



Floating Solar PV, TSB Co., Ltd., Thailand



Hydro Power Plant, Toyo Energy Farm Co., Ltd., Indonesia



Biogas Power Generation, ITOCHU Corporation, Philippines



Binary Power Generation Project at Geothermal Power Plant, MHI, Ltd., Philippines

Energy efficiency [Consumer sector]



Energy saving at convenience stores, Panasonic, Indonesia



High-efficiency refrigerator, Mayekawa MFG, Indonesia

Energy efficiency [Industrial sector]



Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia



Energy-saving of mobile communications base transceiver stations, KDDI Corp. Indonesia

Effective Use of Energy



Gas Co-generation System and Absorption Chiller, Kansai Electric Power, Thailand

Energy efficiency [Urban sector]



LED street lighting system with wireless network control, MinebeaMitsumi, Cambodia



Amorphous transformers in power distribution, Yuko-Keiso, Vietnam

Waste



Power Generation with Methane Gas Recovery System, NTTDATA, Mexico



Waste to Energy Plant, JFE engineering, Myanmar

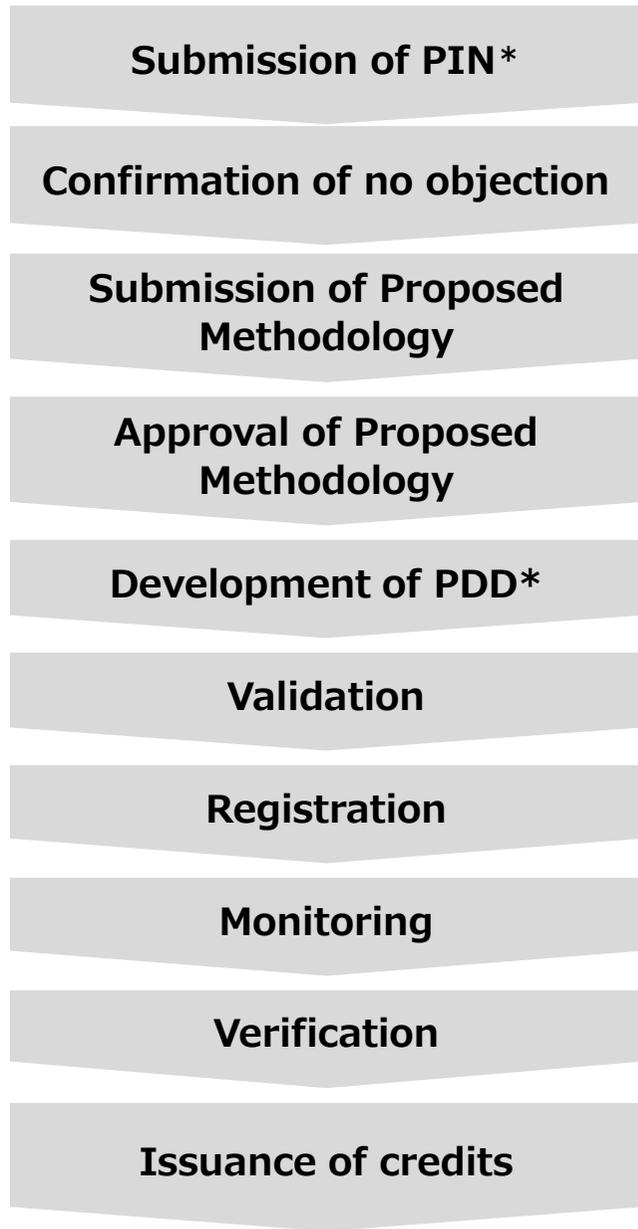
Transport



CNG-Diesel Hybrid Public Bus, Hokusan Co., Ltd., Indonesia

Project Cycle of the JCM

Can be conducted by the same TPE
Can be conducted simultaneously



<Terminology>

- **PIN (Project Idea Note):** A document used to explain the outline of the project to the partner country and confirm whether there is an objection.
- **PDD (Project Design Document):** A document that includes monitoring methods and estimated emission reductions. Required for project registration.

<Note>

For the latest information on JCM rules and guidelines, including the PIN procedures adopted with each Partner Country, please refer to each partner country page on the JCM website.

URL: <https://www.jcm.go.jp/>

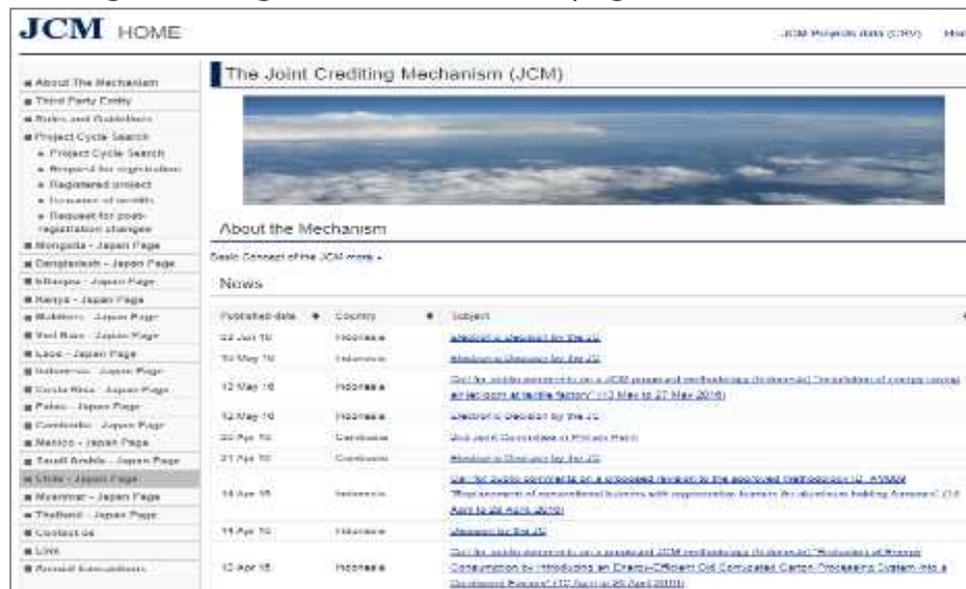
Contents

- General information page
- Individual JCM Partner countries-Japan page

Function

- Information sharing to the public, e.g.,
 - the JC decisions
 - rules and guidelines
 - methodologies and projects
 - issuance of JCM credits
 - call for public inputs/comments
 - status of TPEs, etc.
- Internal information sharing for the JC members, e.g.
 - File sharing for electric decisions by the JC

▼Image of the general information page



▼Image of the individual JCM Partner countries-Japan page



■ Plan for Global Warming Countermeasures (Cabinet decision on Oct 22, 2021)

- Designate the JCM implementing authorities to establish the JCM Promotion and Utilization Council
- Designate the JCM Promotion and Utilization Council to authorize JCM credits issued in the JCM registry of Japan and decide the procedures for authorization as a Party to the Paris Agreement.

■ Establishment of the **JCM Promotion and Utilization Council** consisting of five relevant Ministries* (Jan 17, 2022)

- * Ministry of the Environment; Ministry of Economy, Trade and Industry; Ministry of Foreign Affairs; Ministry of Agriculture, Forestry and Fisheries and Ministry of Land, Infrastructure, Transport and Tourism

The Council's duties include:

1. the authorization of JCM credits as a Party to the Paris Agreement,
2. the determination of a method to apply corresponding adjustments to prevent double counting,
3. the revision of the Guidelines for the Implementation of the JCM.

- * Reference: <https://www.env.go.jp/content/000060591.pdf>

■ Formulation of **the procedures on the authorization and corresponding adjustments** (Apr 7, 2022)

- Establishment "Procedures for Authorization as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (JCM)" and "Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism."

- * Reference: <https://www.env.go.jp/content/000060562.pdf>

Private-Sector JCM projects

<Background>

- In order to achieve the JCM target of "cumulative international emission reduction/removal of approximately 100 million t-CO2 by 2030 through public-private partnership" based on the Global Warming Countermeasures Plan (approved by the Cabinet in October 2021), in addition to the conventional JCM project formation using financial support from the government, there is a need to promote the formation of JCM projects invested and implemented by private companies without any governmental financial supports for the purpose of obtaining JCM credits (private sector JCM), in light of the growing interest in the use of JCM credits on the part of private-sector companies in recent years.
- In FY2021, the "Study Group on Measures to Promote the Use of JCM by the Private Sector" released "Recommendations" including the following.
 - Significance of utilization of private-sector JCM and expectations from the private sector for the development of the system: Necessity of developing specific procedures for the JCM system, etc.
 - Promotion of partner countries' understanding of the concept of credit allocation, etc.: Importance of improving foreseeability through the advance inquiry process, etc.

Promotion through the formulation of "Guidance on the development of Private-Sector JCM projects invested and implemented by private companies without any governmental financial supports"

- Introduction of the following new procedure, which is under discussion with each JCM Partner country:
 - Making an advance inquiry to the partner countries on the "Project Idea Note (PIN)" which includes the project contents and credit allocation plan
 - Confirming whether there are any objections at the Joint Committee prior to the implementation of a JCM project.
- Explanation of matters to be considered when proposing a private-sector JCM project by PIN and requesting credit allocation (e.g., the concept of financial and non-financial contributions).
- Support measures for implementation of private-sector JCM projects, points to keep in mind when dealing with human rights, etc., and introduction of the support desk.
- This guidance will be updated as necessary based on future revisions of JCM rules with JCM partner countries and the status of private-sector JCM projects.

<JCM Project Cycle>



Newly added process (under discussion with partner countries)
 ※To be implemented for all JCM projects

Overview of Japan's support for the JCM partner countries

	Programme	Type of support
Ministry of the Environment	Finance Programme for JCM Model Projects*	Subsidy
	Finance Programme for F-gas Recovery and Destruction Model Projects*	Subsidy
	Japan Fund for the JCM (JF JCM) - managed by ADB	Grant
	JCM support programme by UNIDO*	Grant for projects, technical cooperation
	Project development/capacity building/MRV support	Technical cooperation
Ministry of Economy, Trade and Industry	JCM Feasibility Study	Technical cooperation
	JCM Demonstration Programme	Government-commissioned project
Ministry of Agriculture, Forestry and Fisheries	Development of MRV for JCM projects in Agriculture –implemented by ADB	Technical cooperation
	Field studies for JCM REDD+	Government-commissioned project

* These programmes can support projects implemented by government-owned companies but not those implemented by the government itself.

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