

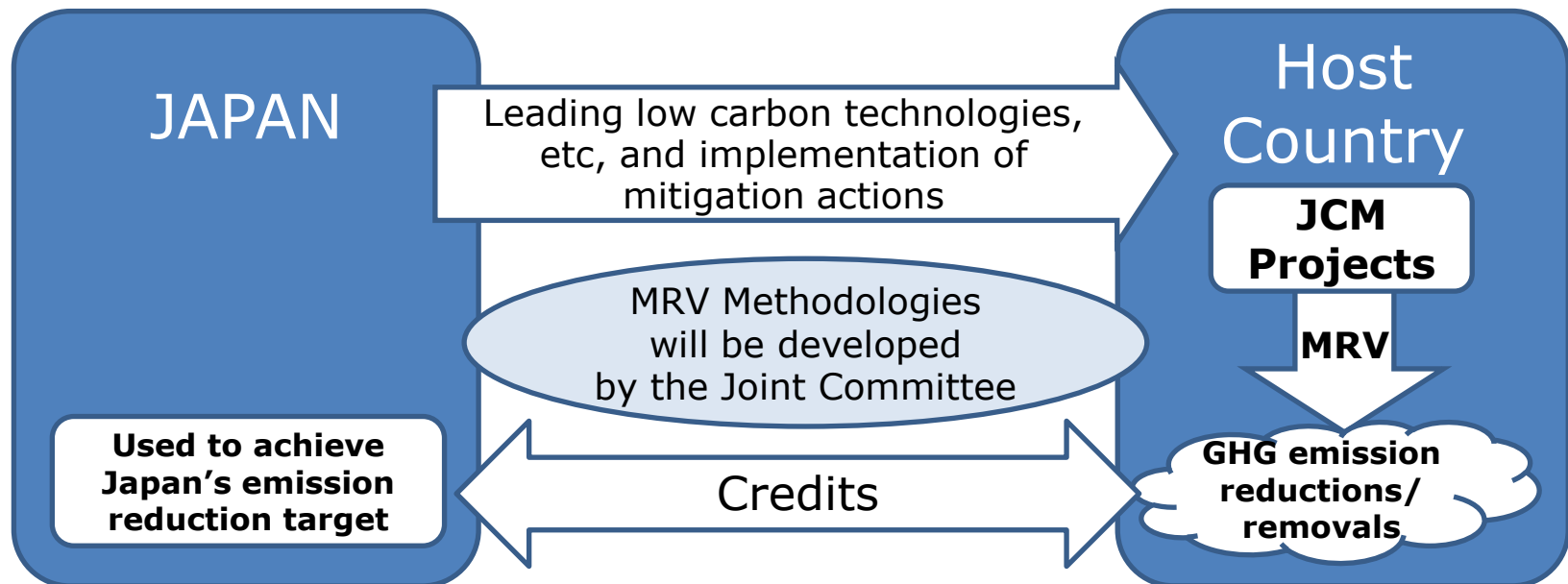
Recent Development of The Joint Crediting Mechanism (JCM)

22th October 2013
Government of Japan

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

Basic Concept of the JCM

- Facilitating diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- Appropriately evaluating contributions to GHG emission reductions or removals from Japan in a quantitative manner, by applying measurement, reporting and verification (MRV) methodologies, and use them to achieve Japan's emission reduction target.
- Contributing to the ultimate objective of the UNFCCC by facilitating global actions for GHG emission reductions or removals, complementing the CDM.



Scheme of the JCM

Japan

Government

- Issuance of credits

Project Participants

- Implementation & monitoring of projects

• Notifies registration of projects

• Reports issuance of credits

• Request registration of projects

• Submit PDD /monitoring report

• Inform results of validation /verification

Joint Committee (Secretariat)

- Develops/revises the rules, guidelines and methodologies
- Registers projects
- Discusses the implementation of JCM

Conduct policy consultations

Third party entities

- Validate projects
- Verify amount of GHG emission reductions or removals

Host Country

Government

- Issuance of credits

Project Participants

- Implementation & monitoring of projects

• Notifies registration of projects

• Reports issuance of credits

• Request registration of projects

• Submit PDD /monitoring report

• Inform results of validation /verification

• Request issuance of credits

Approaches of the JCM

- The JCM should be designed and implemented, taking into account the followings:
 - (1) Ensuring the robust methodologies, transparency and the environmental integrity;
 - (2) Maintaining simplicity and practicality based on the rules and guidelines;
 - (3) Promoting concrete actions for global GHG emission reductions or removals;
 - (4) Preventing uses of any mitigation projects registered under the JCM for the purpose of any other international climate mitigation mechanisms to avoid double counting on GHG emission reductions or removals.

Features of the JCM

- (1) The JCM starts its operation as the non-tradable credit type mechanism.
- (2) Both Governments continue consultation for the transition to the tradable credit type mechanism and reach a conclusion at the earliest possible timing, taking account of implementation of the JCM.
- (3) The JCM aims for concrete contributions to assisting adaptation efforts of developing countries after the JCM is converted to the tradable credit type mechanism.
- (4) The JCM covers the period until a possible coming into effect of a new international framework under the UNFCCC.

Project Cycle of the JCM and the CDM

JCM

<Main actors at each process>

CDM

Project Participant / Each Government
Joint Committee

Submission of
Proposed
Methodology

Project Participant

Joint Committee

Approval of
Proposed
Methodology

CDM Executive Board

Project Participant

Development
of PDD

Project Participant

Third Party Entities

Validation

Designated Operational Entities
(DOEs)

Joint Committee

Registration

CDM Executive Board

Project Participant

Monitoring

Project Participant

Third Party Entities

Verification

DOEs

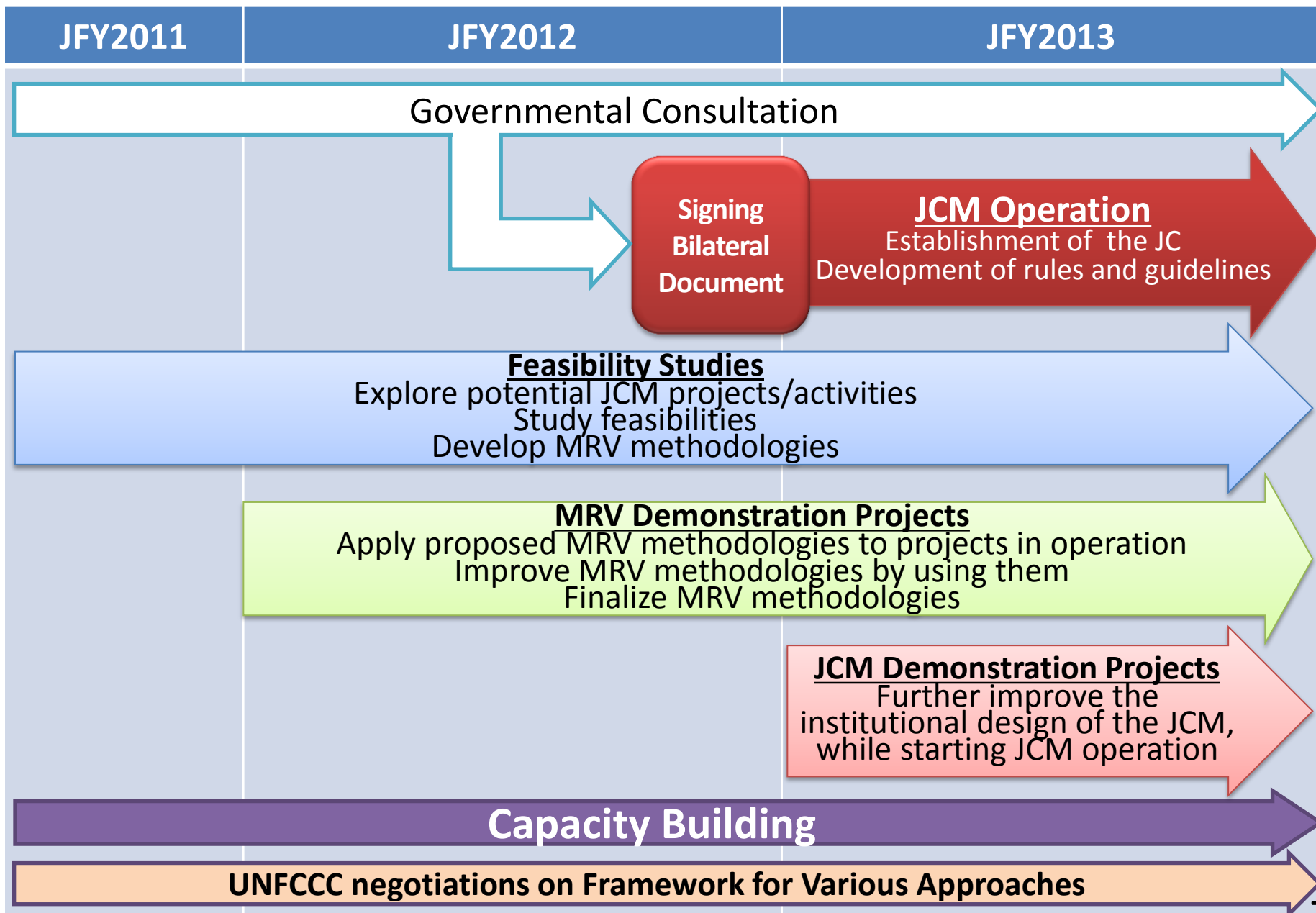
Joint Committee decides the amount
Each Government issues the credit

Issuance
of credits

CDM Executive Board

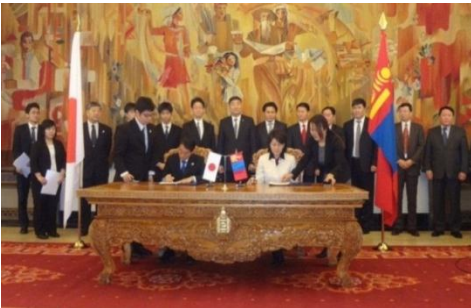
Can be conducted by the same TPE
Can be conducted simultaneously

Roadmap for the JCM



Countries with which Japan has signed on bilateral documents

- Japan has held consultations for the JCM with developing countries since 2011 and signed the bilateral document for the JCM with Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Viet Nam, Lao PDR and Indonesia.



Mongolia

On January 8, 2013
(Ulaanbaatar)



Bangladesh

On March 19, 2013
(Dhaka)



Ethiopia

On May 27, 2013
(Addis Ababa)



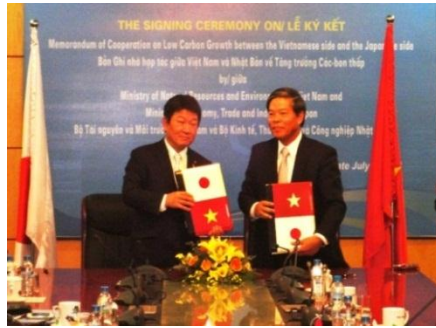
Kenya

On June 12, 2013
(Nairobi)



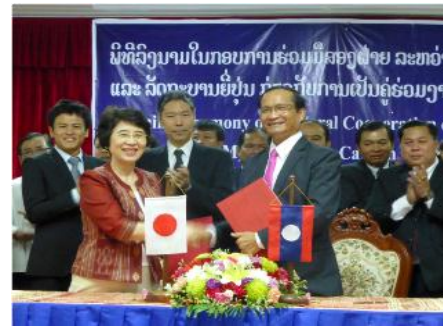
Maldives

On June 29, 2013
(Okinawa)



Viet Nam

On July 2, 2013
(Hanoi)



Lao PDR

On August 7, 2013
(Vientiane)



Indonesia

On August 26, 2013
(Jakarta)

- Japan held the 1st Joint Committee with Mongolia, Bangladesh, Ethiopia, Kenya, Viet Nam and Indonesia respectively.

Necessary documents for the JCM

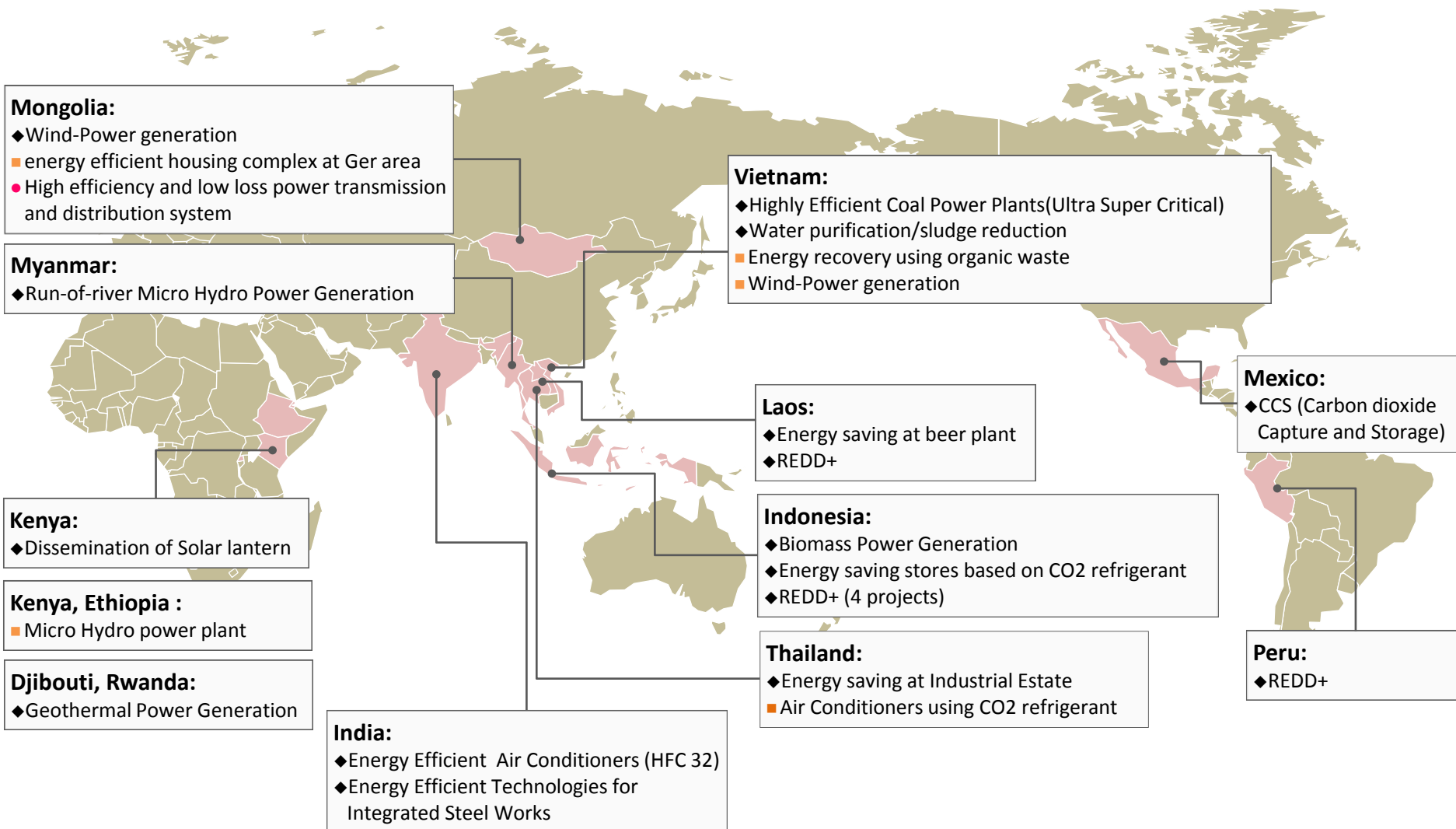
(Subject to further consideration and discussion with host countries)

		Rules and Guidelines
Overall		<ul style="list-style-type: none"> ✓ Rules of Implementation ✓ Project Cycle Procedure ✓ Glossary of Terms ✓ Guidelines for Designation as a Third-Party Entity (TPE guidelines)
Joint Committee		<ul style="list-style-type: none"> ✓ Rules of Procedures for the Joint Committee (JC rules)
Methodology		<ul style="list-style-type: none"> ✓ Guidelines for Developing Proposed Methodology (methodology guidelines)
Project Procedures	Developing a PDD	<ul style="list-style-type: none"> ✓ Guidelines for Developing Project Design Document and Monitoring Report (PDD and monitoring guidelines)
	Monitoring	
	Validation	<ul style="list-style-type: none"> ✓ Guidelines for Validation and Verification (VV guidelines)
	Verification	

JCM Feasibility Studies (FSs) by METI & NEDO in FY2013

25 projects were selected (13 countries)

- ◆→ METI's FSs for Policy Recommendation (19 projects)
- NEDO's FSs for Project Exploration /Development (5 projects)
- NRDO's Demonstration Project (1 project)



JCM Model Projects in 2013 by MOEJ

Mongolia:

♦ Upgrading and Installation of Centralized Control System of High-Efficiency Heat Only Boiler (HOB)

The high-efficiency Heat Only Boilers (HOBs) will replace outdated low-efficiency HOBs, to supply heated water for winter indoor heating. The project will also introduce centralized control system for the integrated heat supply in collective buildings.

Bangladesh:

♦ Brick Production based on Non-Firing Solidification Technology

In place of the existing brick production with the firing process with the combustion of coal, the new brick production with the non-firing solidification technology will be introduced.

Cambodia:

♦ Small-scale Biomass Power Generation by Using Stirling Engines

The introduction of small-scale biomass power generation systems with stirling engines will replace diesel-based power generation at rice mills. The stirling engine, external-combustion engine, is suitable for the utilisation of biomass such as rice husk.

Viet Nam:

♦ Integrated Energy Efficiency Improvement at Beer Factory

A set of high performance equipment for energy efficiency improvement and renewable energy generation will be introduced in beer factories. Before the installation, the potential of energy saving and possible high potential points in the beer production process will be identified by using the energy structure analysis simulation technology.

Indonesia:

♦ Energy Saving for Air-Conditioning and Process Cooling at Textile Factory

At the textile industry where air conditioning is necessary for the product quality control, the high performance refrigerating machine with efficient compressor and economizer cycle will be introduced.

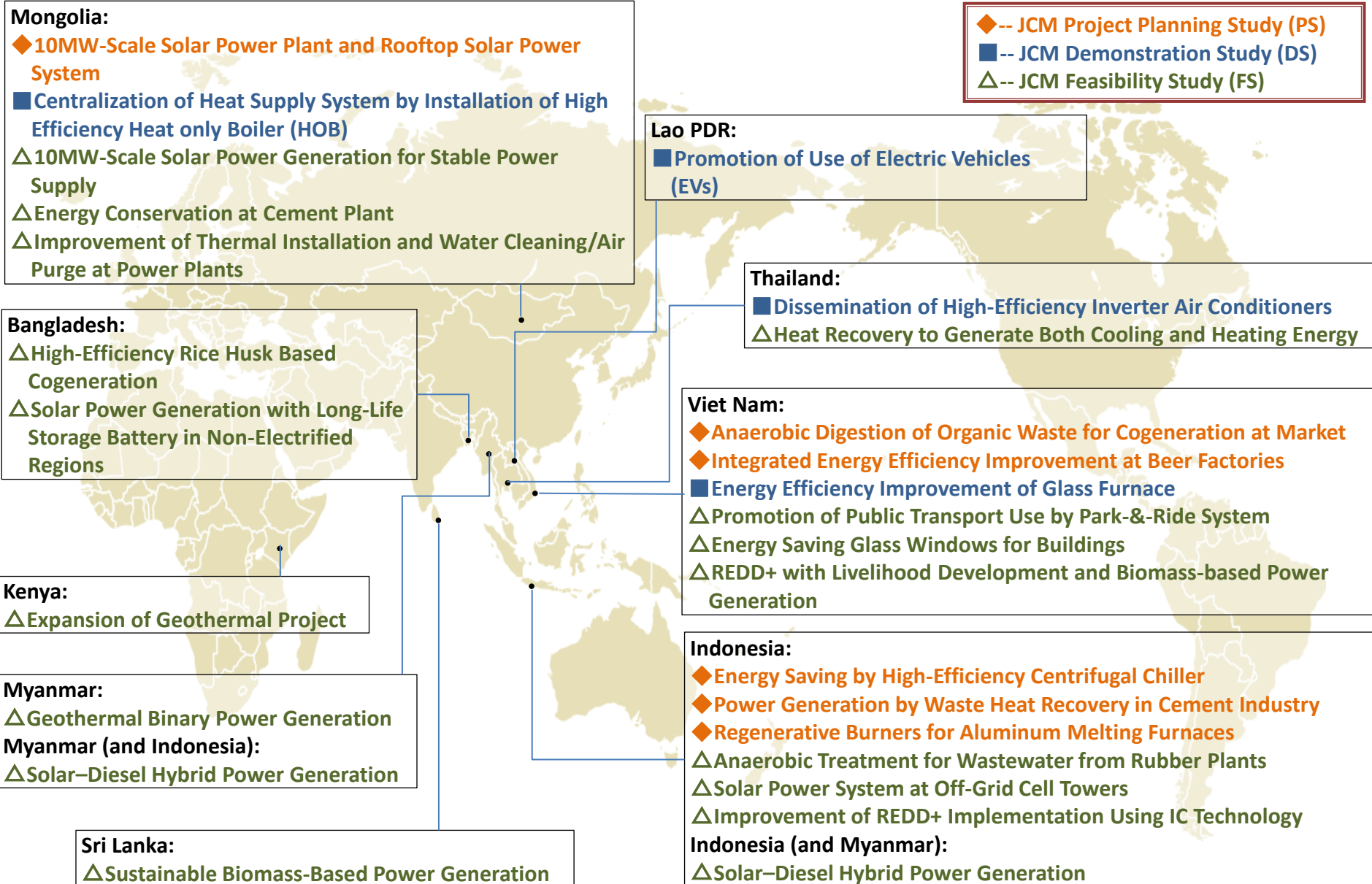
♦ Energy Savings at Convenience Stores

The latest high-efficiency chillers with natural refrigerant (CO₂ refrigerant), inverter-controlled air-conditioners, and LED lighting will be introduced in convenience stores. Rooftop photovoltaic power generation systems will also be introduced.

♦ Energy Efficient Refrigerants to Cold Chain Industry

The advanced energy efficient non-fluorocarbon cooling system using NH₃ and CO₂ will be introduced in the food industry and logistics industry. A screw compressor and an IPM (interior permanent magnet synchronous) motor are adopted and operated integrally, to achieve high efficient operation of the cooling facility.

Overview of JCM Planning/Demonstration/Feasibility Studies in 2013 by MOEJ



New Mechanisms Information Platform

New Mechanisms Information Platform

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Joint Crediting Mechanism (JCM)

About JCM

Proposed Elements of the Joint Crediting Mechanism (JCM)

- To facilitate diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- To appropriately evaluate contributions to GHG emission reductions or removals from developed countries in a quantitative manner, through mitigation actions implemented in developing countries and use those emission reductions or removals to achieve emission reduction targets of the developed countries.
- To contribute to the ultimate objective of the UNFCCC by facilitating global actions for emission reductions or removals.

Japan → Leading Low Carbon Technologies, etc., and implementation of mitigation actions → **Host Country**

Used to achieve Japan's emission reduction target

MRV Methodologies will be developed by the Joint Committee

Credits

JCM Project

MRV

GHG emission reductions / removals

Relevant documents of the JCM

Date	Title
Jul 10, 2013	Recent Development of The Joint Crediting Mechanism (JCM)
May 23, 2013	Recent Development of the Joint Crediting Mechanism (JCM) / Bilateral Offset Credit Mechanism (BOCM)
Mar 8, 2013	Recent Development of the Joint Crediting Mechanism (JCM) / Bilateral Offset Credit Mechanism (BOCM)

Relevant Documents:

[Gov't of Japan](#) [Submissions to the UNFCCC](#) [MOEJ](#) [MOFA](#)

JCM Partner Country Information

[Mongolia](#) [Bangladesh](#) [Ethiopia](#) [Kenya](#) [Maldives](#) [Viet Nam](#)

[Laos](#)

Methodologies and Projects Information

[Methodologies](#) [Projects](#)

- New Mechanisms Information Platform website was established to provide the latest movements and information on the JCM.
- Help Desk also accepts and answers inquiries regarding the JCM.
- Another dedicated website for the JCM will be launched. In the meantime, all the documents regarding the JCM development (e.g. outcome of the JC, decisions, methodologies, and projects) are uploaded on this website.
- URL:
<http://www.mmechanisms.org/e/initiatives/index.html>