Joint Crediting Mechanism (JCM) and Project Study through City to City Cooperation

October 27, 2016

Hokkaido Government, Sapporo City
Hokkaido International Exchange and Cooperation Center (HIECC)
Overseas Environmental Cooperation Center (OECC)
Joint Crediting Mechanism (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 from Japan to GHG emission reductions or removals in a quantitative manner 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.

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 from Japan to GHG emission reductions or removals in a quantitative manner 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.

*MRV: measurement, reporting and verification
Scheme of the JCM

Japan

Government
- Issuance of credits
- Reports issuance of credits
- Request registration of projects
- Submit PDD/monitoring report
- Implementation & monitoring of projects
- Validation of projects
- Verification of amount of GHG emission reductions or removals

Joint Committee (Secretariat)
- Development/revision of the rules, guidelines and methodologies
- Registration of projects
- Discusses the implementation of JCM

Partner Country

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- Issuance of credits
- Reports issuance of credits
- Request registration of projects
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- Validation of projects
- Verification of amount of GHG emission reductions or removals

Third party entities
- Validation of projects
- Verification of amount of GHG emission reductions or removals
- Inform results of validation/verification

Conduct policy consultations

Project Participants
- Implementation & monitoring of projects
- Request registration of projects
- Submit PDD/monitoring report
- Inform results of validation/verification

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JCM Partner Countries

- Japan has held consultations for the JCM with developing countries since 2011 and has established the JCM with Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Viet Nam, Lao PDR, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar and Thailand.

- In addition, the Philippines and Japan signed an aide memoire with intent to establish the JCM.
The budget for projects starting from FY 2016 is 6.7 billion JPY (approx. USD 65 million) in total by FY2018

Government of Japan

International consortiums (which include Japanese entities)

Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO₂ from fossil fuel combustion as well as construction cost for installing those facilities, etc.

Eligible Projects: starting installation after the adoption of the financing and finishing installation within three years.

 Conduct MRV and expected to deliver at least half of JCM credits issued

※ Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute.
Project Study through City to City Cooperation
Background

Various Issues in Ulaanbaatar city are arising due to recent rapid population increase and sharp economic growth.

- Severe Air Pollution
  (PM10 is 14 times in Japan & double in China)
- Tight Supply-Demand situation for Power System
- Waste Treatment, etc.

Hokkaido Government / Sapporo City constructed the cooperative relationship with Ulaanbaatar City

Population

<table>
<thead>
<tr>
<th>YEAR 2000</th>
<th>2016</th>
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<tbody>
<tr>
<td>700,000</td>
<td>Double</td>
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<tr>
<td>1,350,000</td>
<td></td>
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Memorandum Signing Ceremony between Hokkaido Government and Ministry of Energy Mongolia (Mar. 2015)

“Ulaanbaatar Declare (Jan. 2012)” City of Sapporo & City of Ulaanbaatar
Since GHG is regarded as one of the current extraordinary weather, it is quite important to endeavor the GHG emission mitigation activity. Therefore, we re-recognize for the residence living in the Winter City that reduction of energy consumption and realization of urban city activity lowering the environmental impact should be the major issues, and we put in serious efforts to tackle the above-mentioned issues.
Action (JCM Project Formulation)

Renewable Energy Sector

Solar Power Generation & Power Storage System

Energy Saving Sector

Introduction of Heat Pumps or Thermal Storage Heater

Waste Material Sector

Waste to Energy

Large Capacity Secondary Battery
Thank you for your attention

Overseas Environmental Cooperation Center (OECC) on behalf of the Ministry of Environment, Japan (MoEJ)