



Key rules of JCM:

Key considerations for Joint Committee and Project Participants

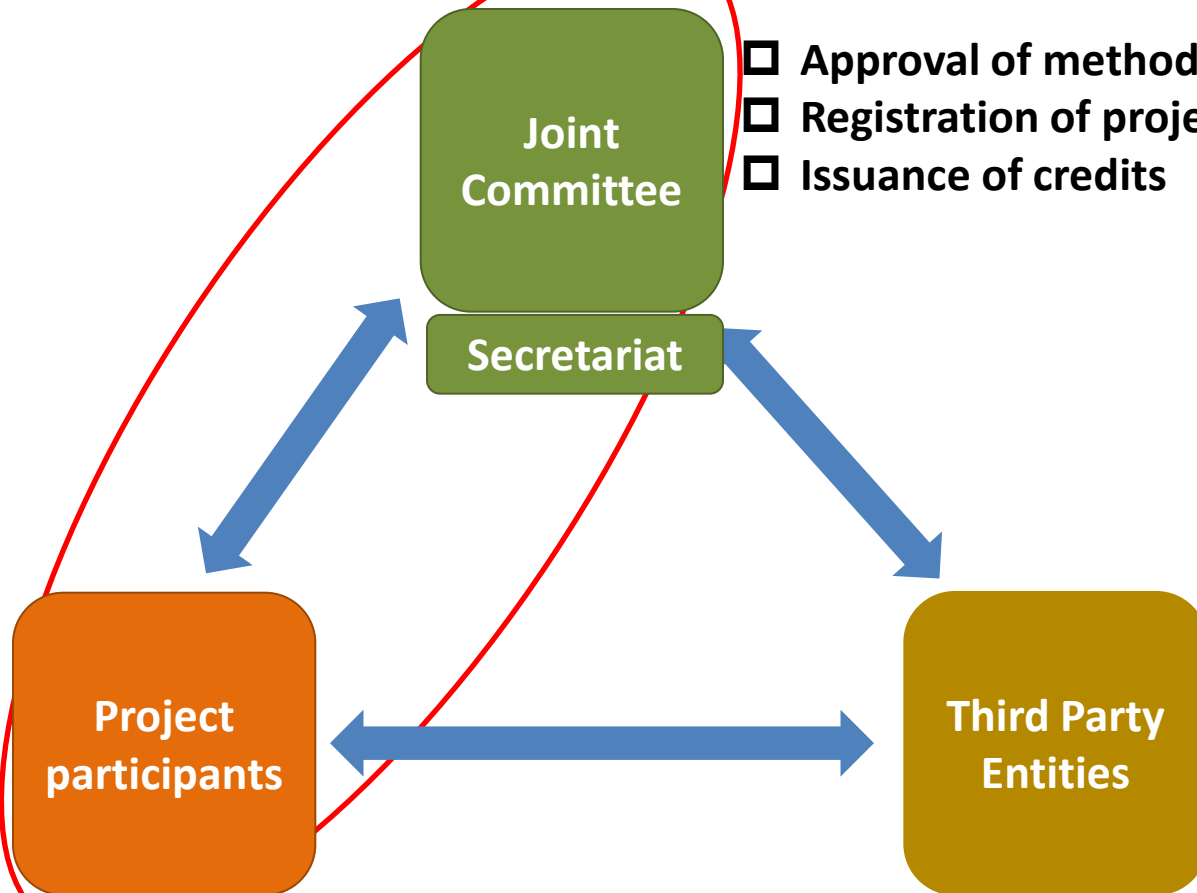
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Three key actors in JCM

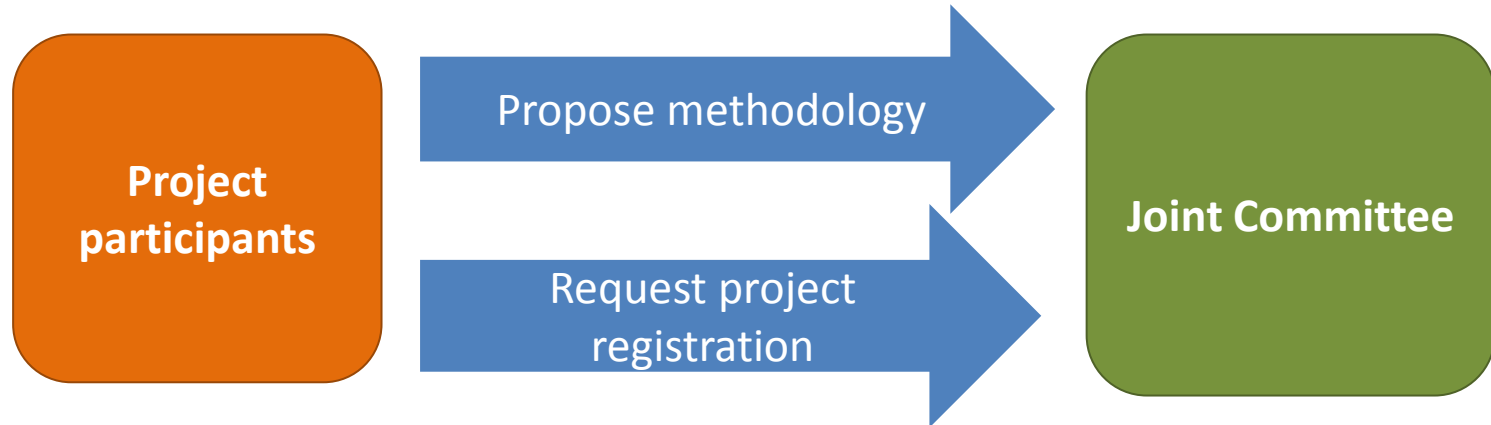
- ❑ Approval of methodologies
- ❑ Registration of projects
- ❑ Issuance of credits



- ❑ Methodology development
- ❑ Project development
- ❑ Project implementation
- ❑ Monitoring

Validation and verification

PPs propose, JC approves



- Proposes methodologies to quantify GHG reduction
 - Proposes GHG-reducing projects
- Assesses and approves proposed methodologies (possibly with revisions)
 - Decides on whether to register the proposed JCM project

JC members

Japan	Mongolia
<p>Ministry of Foreign Affairs Ministry of Economy, Trade and Industry Ministry of Environment Embassy of Japan in Mongolia</p>	<p>Ministry of Environment and Green Development Ministry of Foreign Affairs Ministry of Industry and Agriculture Ministry of Mining Ministry of Road and Transport Ministry of Construction and Urban Development Ministry of Economic Development Ministry of Energy Air Quality Agency of the Capital City</p>

But how?

- Current JCM guidelines provide limited guidance on the assessment criteria. These criteria are important for both JC and PPs.
 - **On what criteria should JC assess proposed methodologies?**
 - **On what criteria should JC decide approval/rejection of proposed projects?**





Key considerations for assessing methodologies

Key1: Conservativeness

- The parameters included in the methodologies should be conservative (=should underestimate GHG reduction)

If the probability of emission reduction is

- 100t (10% probability)
- 50t (80 % probability)
- 10t (10% probability)

-  100t (maximum)
-  50t (highest probability)
-  51t (expected value based on probability)
-  10t (minimum)

- It eliminates the chance of overestimating GHG reduction
- It simplifies calculation

Conservative examples

- E.g. If Grid Emission Factor value entails uncertainty, value at lower range should be used (lower grid emission factor implies lower GHG reduction)
- E.g. If boiler energy efficiency in reference scenario is uncertain, higher range should be picked (high boiler efficiency at reference scenario implies lower emission reduction)

Key 2: Objectivity for TPE

- Eligibility criteria of methodologies should be objective without relying on expert judgment.
 - Eligibility criteria normally provides (very) technical specifications to apply the methodologies
 - The objectivity of eligibility criteria is important to ensure consistent judgment by TPEs.

Eligibility criteria: MN_AM001

“Installation of energy-saving transmission lines in the Mongolian Grid”

Criterion 1	The transmission line constitutes of a single or double circuit(s) directly connecting a substation and another substation within the country with no branching in between, and does not constitute a part of a loop.				
Criterion 2	The type of conductor is LL-ACSR/SA, which meets the following technical criteria ¹ .				
Type of energy-saving conductors	unit	Equivalent to LL-ACSR/SA 279/20mm ²	Equivalent to LL-ACSR/SA 337/27mm ²	Equivalent to LL-ACSR/SA 445/36mm ²	
Outer diameter of conductor	mm	≅ 21.6	≅ 24.0	≅ 27.5	
Direct current resistance (@20degC)	Ω/km	≅ 0.1063	≅ 0.0862	≅ 0.0659	
Tensile strength	N	≅ 75,050	≅ 90,574	≅ 120,481	
Weight	kg/km	≅ 921	≅ 1,132	≅ 1,490	
Corresponding conductors currently in use that forms the basis of calculating the reference emissions.		ACSR 240/32mm ²	ACSR 300/39mm ²	ACSR 400/51mm ²	

Eligibility criteria: IN_AM001

“Power Generation by Waste Heat Recovery in Cement Industry”

Criterion 1	The project utilizes waste heat from the cement production facility by waste heat recovery (WHR) system to generate electricity.
Criterion 2	WHR system consists of a Suspension Preheater boiler (SP boiler) and/or Air Quenching Cooler boiler (AQC boiler), turbine generator and cooling tower.
Criterion 3	WHR system utilizes only waste heat and does not utilize fossil fuels as a heat source to generate steam for power generation.
Criterion 4	WHR system has not been introduced to a corresponding cement kiln of the project prior to its implementation.
Criterion 5	<p>The cement factory where the project is implemented is connected to a grid system and the theoretical maximum electricity output of the WHR system, which is calculated by multiplying maximum electricity output of the WHR system by the maximum hours per year ($24 * 365 = 8,760$ hours), is not greater than the annual amount of the electricity imported to the cement factory from the grid system:</p> <ul style="list-style-type: none"> ➤ During the previous year before the validation, if the validation of the project is conducted before the operation of the project, or ➤ During the previous year before the operation of the project, if the validation of the project is conducted after the operation of the project.
Criterion 6	The WHR system is designed to be connected only to an internal power grid of the cement factory.

Key considerations for project registration

Consistency/Accuracy

- Check the validation report prepared by a TPE
- Theoretically, most of the these are already done by TPEs, but JC could re-assess if desired)
- Consistency with methodology guideline
- Consistency with Project Cycle Procedures guideline
- Accuracy of calculation

Sustainable development (SD)

- Japan-Mongolia low-carbon partnership document includes text on **sustainable development**
- But SD is not explicitly included in JCM processes (although EIA and local stakeholder consultation are included)
- In CDM, host countries developed sustainable development criteria.

SD Criteria for CDM in Mongolia

	SD criteria groups	11 specific SD criteria
Sustainable development criteria	Impact on environment	Climate change (fossil fuel use, carbon sequestration, energy efficiency)
		Local environment (air, water, soil, waste)
		Natural resource use (depleting natural resource base, biodiversity)
	Impact on society	Poverty reduction (employment)
		Equity (income distribution)
		Health
		Satisfying basic demand (energy, water, sanitation)
		Improving ecological education
	Impact on economy and technology	Efficient resource utilisation (financial, technical and human resource)
		Transfer of technology and know-how
		Creation of infrastructure (road, transport, water pipe and energy grid etc.)

Summing up

On what criteria should JC assess proposed methodologies?

>From the past experience, conservativeness of selected parameters and objectivity of eligibility criteria tend to be key points for assessment.

On what criteria should JC decide approval/ rejection of proposed projects?

>Assessment criteria for project registration is unclear. JC could possibly re-do the assessment done by TPE, or assess the project's contribution to sustainable development of Mongolia.

