

# Current Status of the JCM and UNFCCC negotiations on markets

March 2017

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# The Joint Crediting Mechanism

- Facilitating diffusion of leading low carbon technologies through contributions from Japan and evaluating realized GHG emission reductions or removals in a quantitative manner to use them for achieving Japan's emission reduction target.
- Japan will address the high initial cost barrier of introducing advanced low-carbon technologies in developing countries through the JCM (GoJ implements several supporting schemes)



Waste heat recovery in Cement Industry, JFE engineering, Indonesia



Eco-driving with Digital Tachographs, NITTSU, Vietnam



Energy saving at convenience stores, Panasonic, Indonesia



High efficiency air-conditioning and process cooling, Ebara refrigeration equipment & systems, Indonesia



High-efficiency Heat only Boilers, Suuri-Keikaku, Mongolia



Upgrading air-saving loom at textile factory, TORAY etc., Indonesia, Thai, Bangladesh



Installing solar PV system, PCKK, Palau Maldives



Amorphous transformers in power distribution, Hitachi Materials, Vietnam



Co-generation system at factory, Toyota, Nippon Steel & Sumikin Engineering, Indonesia, Thai



High efficiency air-conditioning system, Hitachi, Vietnam



High efficiency air-conditioning system, Daikin, Vietnam



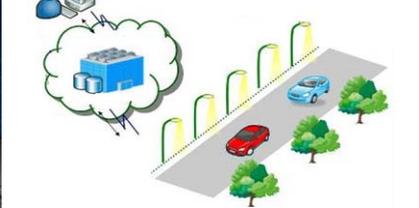
Waste to Energy Plant, JFE engineering, Myanmar



High efficient refrigerator, Mayekawa MFG, Indonesia

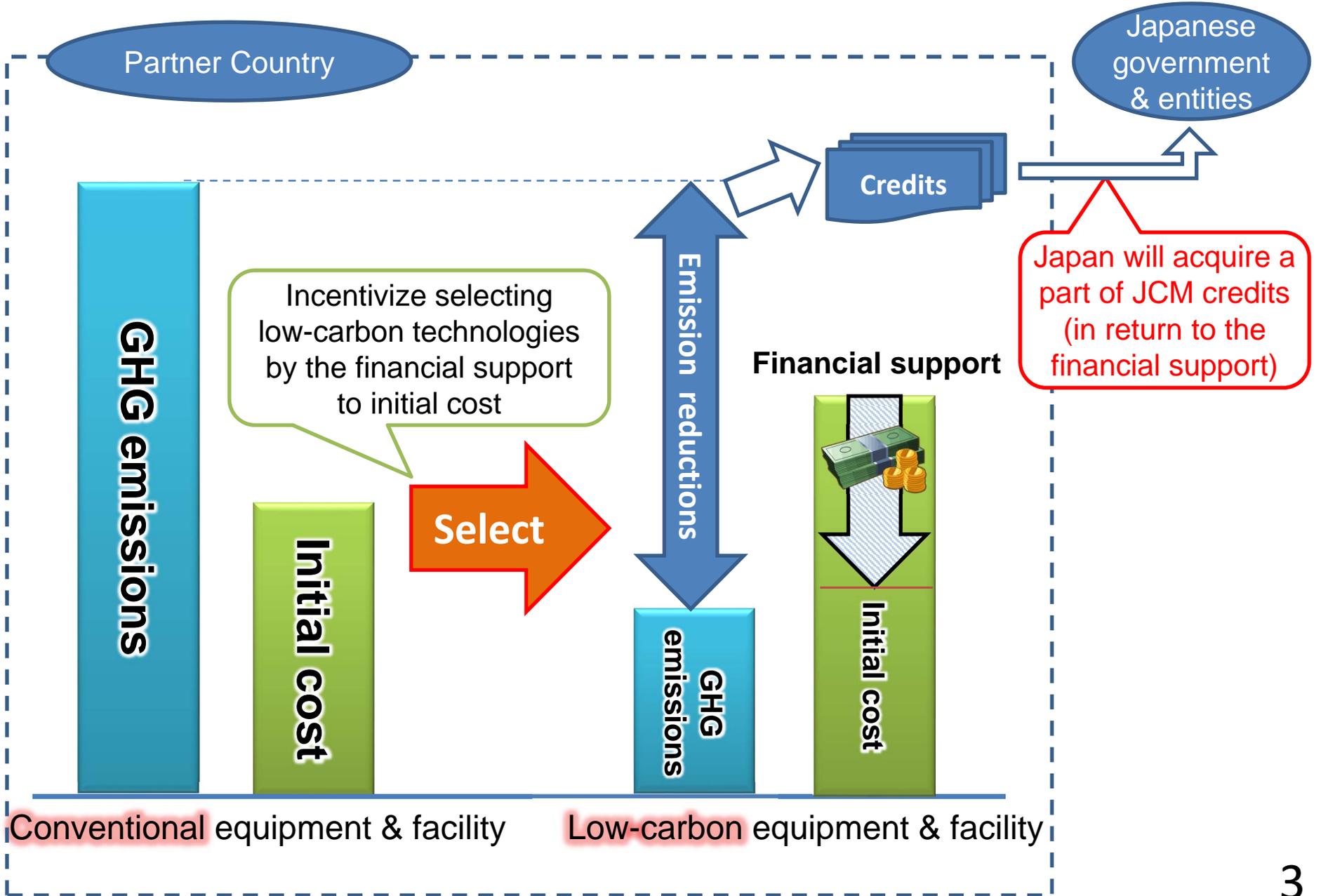


Regenerative Burners in industries, Toyotsu Machinery, Indonesia



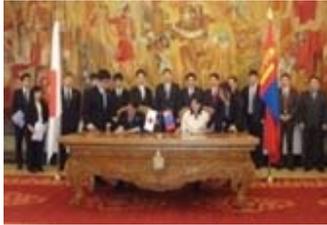
LED street lighting system with wireless network control, MinebeaMitsumi, Cambodia

# Contributions from Japan



## 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, Thailand and the Philippines.



Mongolia  
Jan. 8, 2013  
(Ulaanbaatar)



Bangladesh  
Mar. 19, 2013  
(Dhaka)



Ethiopia  
May 27, 2013  
(Addis Ababa)



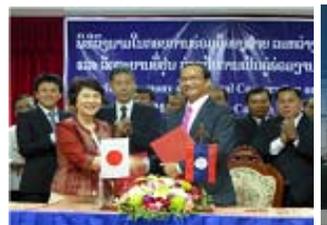
Kenya  
Jun. 12, 2013  
(Nairobi)



Maldives  
Jun. 29, 2013  
(Okinawa)



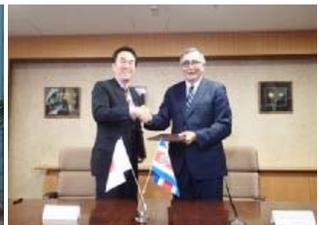
Viet Nam  
Jul. 2, 2013  
(Hanoi)



Lao PDR  
Aug. 7, 2013  
(Vientiane)



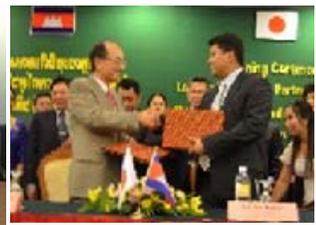
Indonesia  
Aug. 26, 2013  
(Jakarta)



Costa Rica  
Dec. 9, 2013  
(Tokyo)



Palau  
Jan. 13, 2014  
(Ngerulmud)



Cambodia  
Apr. 11, 2014  
(Phnom Penh)



Mexico  
Jul. 25, 2014  
(Mexico City)



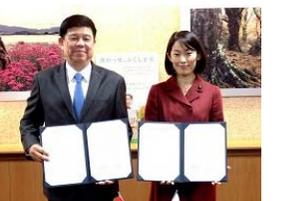
Saudi Arabia  
May 13, 2015



Chile  
May 26, 2015  
(Santiago)



Myanmar  
Sep. 16, 2015  
(Nay Pyi Taw)



Thailand  
Nov. 19, 2015  
(Tokyo)



the Philippines  
Jan. 12, 2017  
(Manila)

## Progress of the JCM in each partner country as of Feb 13 2017

Partner countries	Start from	No. of JC	No. of registered projects	No. of approved methodologies	Pipeline (JCM Financing Programme & Demonstration Projects in FY 2013-2016)
Mongolia	Jan 2013	4	2	3	5
Bangladesh	Mar 2013	3		1	6
Ethiopia	May 2013	2		1	2
Kenya	Jun 2013	2		1	3
Maldives	Jun 2013	2		1	3
Viet Nam	Jul 2013	5	4	6	17
Lao PDR	Aug 2013	2		1	2
Indonesia	Aug 2013	6	7	12	27
Costa Rica	Dec 2013	1			2
Palau	Apr 2014	4	3	1	3
Cambodia	Apr 2014	2		2	5
Mexico	Jul 2014	1			2
Saudi Arabia	May 2015	1			1
Chile	May 2015	1			1
Myanmar	Sep 2015	1			5
Thailand	Nov 2015	2		2	21
Philippines	Jan 2017				
<b>Total</b>	<b>17</b>	<b>39</b>	<b>16</b>	<b>31</b>	<b>105</b>

**5**

# The JCM related Articles in the Paris Agreement

## Article 6 of the Agreement

2. Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.
3. The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.

- Use of market mechanisms, including the JCM, is articulated under Article 6 which prescribes for the use of emission reductions realized overseas towards national emission reduction targets.
- The amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan's reduction in accordance with the Paris Agreement.
- Japan is going to contribute to the development of the guidance for robust accounting including for avoidance of double counting to be adopted by the CMA\*.

\*the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

# Negotiations on Market Mechanisms in COP22

Guidance on cooperative approaches (PA 6.2)

Rules, modalities and procedures for the UN governed mechanism (PA 6.4)

Work programme under the framework for non-market approaches (PA6.8)

## Points and conclusions in COP22

- The SBSTA considered possible work towards 2018 and Parties engaged in a productive exchange of views
- Parties are invited to submit their views on matters related to each agenda sub items by March 17<sup>th</sup> 2017. specifically on:
  - the elements to be addressed, incl. their operationalization
  - overarching issues
  - relationships between matters under Article 6 and other provisions of the PA
- **“A round-table discussion among Parties”** is held in conjunction with the SBSTA46 in May 2017

# Japan's INDC (Excerpt)

## Japan's INDC

- Japan's INDC towards post-2020 GHG emission reductions is at the level of a reduction of 26.0% by fiscal year (FY) 2030 compared to FY 2013 (25.4% reduction compared to FY 2005) (approximately 1.042 billion t-CO<sub>2</sub>eq. as 2030 emissions), ensuring consistency with its energy mix, set as a feasible reduction target by bottom-up calculation with concrete policies, measures and individual technologies taking into adequate consideration, *inter alia*, technological and cost constraints, and set based on the amount of domestic emission reductions and removals assumed to be obtained. .

## Information to facilitate clarity, transparency and understanding

- The JCM is not included as a basis of the bottom-up calculation of Japan's emission reduction target, but the amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan's reduction.

## Reference information

### GHG emissions and removals

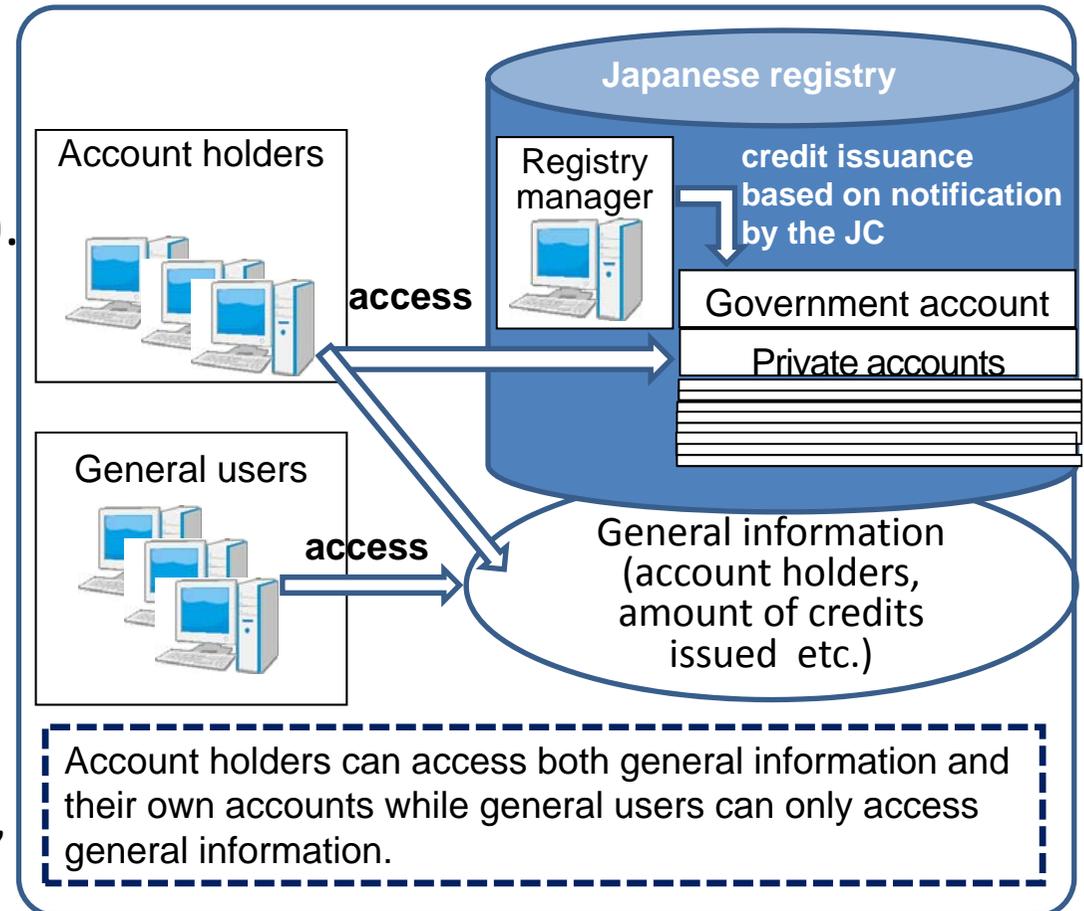
### JCM and other international contributions

- Japan establishes and implements the JCM in order both to appropriately evaluate contributions from Japan to GHG emission reductions or removals in a quantitative manner achieved through the diffusion of low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions in developing countries, and to use them to achieve Japan's emission reduction target.
- Apart from contributions achieved through private-sector based projects, accumulated emission reductions or removals by FY 2030 through governmental JCM programs to be undertaken within the government's annual budget are estimated to be ranging from 50 to 100 million t-CO<sub>2</sub>

# JCM Registry

## Establishment & operation

- A registry will be established by each side (RoI (draft) para13 (b)).
- The registries need to share **“Common specifications”**, e.g.,
  - functions (e.g. issuance, retirement, holding, cancelation of credits)
  - account type (e.g. holding account, government holding account, cancellation account, and retirement account)
  - rules of serial number of the credit
  - information sharing
- Japan has established its registry and started operation in Nov. 2015.
- The partner countries will also establish their own registry.



# 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,
  - projects,
  - 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

The screenshot shows the JCM HOME website. The main heading is "The Joint Crediting Mechanism (JCM)". Below the heading is a large image of a blue sky with white clouds. To the left is a navigation menu with categories like "About The Mechanism", "Third Party Entity", "Rules and Guidelines", "Project Cycle Search", and "Mongolia - Japan Page". The main content area includes "About the Mechanism" with a link to "Basic Concept of the JCM", and a "News" section with a table of recent updates.

Published date	Country	Subject
03 Jun 16	Indonesia	<a href="#">Electronic Decision by the JC</a>
10 May 16	Indonesia	<a href="#">Electronic Decision by the JC</a>
13 May 16	Indonesia	<a href="#">Call for public comments on a JCM proposed methodology (Indonesia) "Installation of energy saving air jet loom at textile factory" (13 May to 27 May 2016)</a>
12 May 16	Indonesia	<a href="#">Electronic Decision by the JC</a>
26 Apr 16	Cambodia	<a href="#">2nd Joint Committee in Phnom Penh</a>
21 Apr 16	Cambodia	<a href="#">Electronic Decision by the JC</a>
14 Apr 16	Indonesia	<a href="#">Call for public comments on a proposed revision to the approved methodology ID_AM002 "Replacement of conventional burners with regenerative burners for aluminum holding furnaces" (14 April to 28 April 2016)</a>
14 Apr 16	Indonesia	<a href="#">Decision by the JC</a>
12 Apr 16	Indonesia	<a href="#">Call for public comments on a proposed JCM methodology (Indonesia) "Reduction of Energy Consumption by Introducing an Energy-Efficient Old Corrugated Carton Processing System into a Cardboard Factory" (12 April to 26 April 2016)</a>

Image of the general information page

The screenshot shows the JCM Partner Country - Japan page. The main heading is "About the Mechanism". Below the heading is a link to "Basic Concept of the Joint Crediting Mechanism (JCM)". To the left is a navigation menu with categories like "News", "About The Mechanism", "Joint Committee", "Rules and Guidelines", "Third Party Entity", "Methodologies", "Project Cycle Search", "Contact us", and "Annual transactions". The main content area includes "About the Mechanism" with a link to "Basic Concept of the Joint Crediting Mechanism (JCM)", and a "News" section with a link to "07 Aug 13 The Bilateral Document Signed by Laos and Japan".

Image of the individual JCM Partner countries-Japan page