
Experience of issuance of JCM credits in Palau

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Overview

Credit Allocation

Credit Allocation Shares

Private Sector's Agreement

Credit Issuance Process

Efficient Process

Registry Software

Lessons Learned



Credit Allocation

❖ Credit Allocation Shares

- Understanding the formula
 - Discuss and accept shorter term period from 20 years to 10 years
- Credit for Palau side used for contribution towards Palau's reduction in GHGs



Credit Allocation

❖ Private Sector's/Project Participant Agreement

- Provide to Palau JCM Committee (PJCMC) all of its earned carbon credits
- Will not encumber its earned carbon credits or dispose to any third party
- Will preserve as reasonably as possible its carbon credits for delivery to PJCMC
- Will take no action that could interfere with PJCMC's rights to earned carbon credits
- Will take no action that could interfere with its transfer of carbon credits to PJCMC

JOINT CREDITING MECHANISM PROJECT

MEMBERSHIP AGREEMENT

I, as duly authorized representative of _____
(hereinafter Project Participant), hereby agree to become a project recipient of the Joint Crediting Mechanism (JCM) project undertaken by the Republic of Palau and Japan. I understand that my participation is subject to the terms and conditions set forth in this Agreement and such other terms and conditions as may hereafter be adopted by the Palau Joint Crediting Mechanism Committee (PJCMC).

1. I certify that I am the duly authorized representative of _____;

Please initial the appropriate statement:

_____ I am a sole proprietor.

_____ I am a signor authorized by my company's corporate bylaws.

_____ I am a managing partner.

_____ I am a manager authorized to sign on behalf of the business.

2. I understand that my membership in the Joint Crediting Mechanism venture entails the following rights and obligations:

a. Project Participant will provide to PJCMC all of its carbon credits as such credits are earned by Project Participant.

b. Project Participant will not encumber its earned carbon credits, or dispose of them to any third party.

c. Project Participant will preserve as reasonably as possible its carbon credits for delivery to PJCMC as such credits are earned.

d. Project Participant will take no action that could interfere with PJCMC's rights to Project Participant's carbon credits.

e. Project Participant will take no action that could interfere with its transfer of carbon credits to PJCMC.

f. PJCMC, in exchange for Project Participant's carbon credits will grant Project Participant's participation to the subsidized costs of alternative energy source hardware and installation at Project Participant's place of operation in accordance with Appendix A attached hereto.



Credit Allocation

❖ Private Sector's/Project Participant Agreement

- In exchange for project participant's earned carbon credits, PJCMC will grant project participant's participation to the subsidized costs of alternative energy source hardware and installation at PP's place of operation.



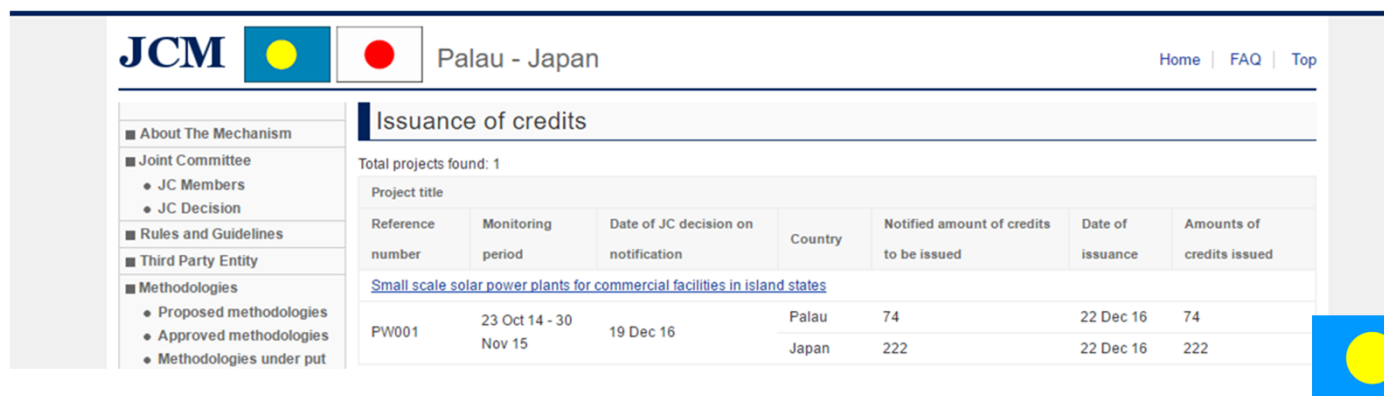
Credit Issuance Process

❖ Efficient Process

Section 1.9. Issuance of credits of JCM Project Cycle Procedure document.
Process executed by electronic means in line with the JCM Rules of Procedures for the Joint Committee

- Submission of request - first credit issuance initiated by Japan Side
- Processing of request - No negative assertions from either side
- Finalizing request - Issuance of credits on registry. Notify joint committee

❖ Published to the JCM Website



Reference number	Monitoring period	Date of JC decision on notification	Country	Notified amount of credits to be issued	Date of issuance	Amounts of credits issued
PW001	23 Oct 14 - 30 Nov 15	19 Dec 16	Palau Japan	74 222	22 Dec 16 22 Dec 16	74 222

Credit Issuance Process

❖ Registry Software

- Training on software provided by Japan Side
 - Hands-on in Palau
 - From registering a project through to issuance of credits
- Technical issues
 - Errors on automatic fields during initial processing of “Issuance of Credits” worksheet, but was swiftly corrected by Japan-side on the same day



Lessons Learned

- ❖ **Include private sector in process to gain their understanding and agreement to process.**
- ❖ **Allow time for unknowns, like errors in registry software or internet connectivity issues.**
- ❖ **Communications is key between both sides. Discuss technical and non-technical issues so both sides are in agreement.**
- ❖ **Flexibility. Need to be flexible since this is a new process for Palau.**



Mesulang!

