

# Carbon market trends in Asia and the Joint Crediting Mechanism (JCM)

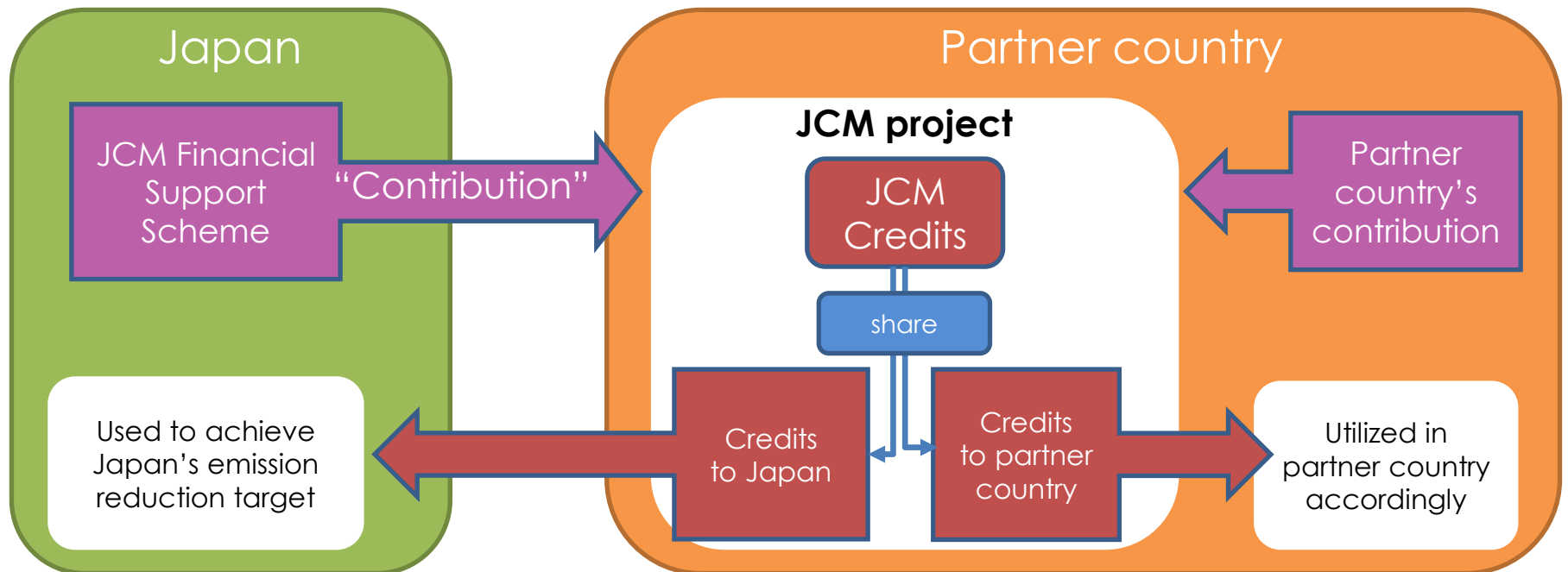
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# The Joint Crediting Mechanism (JCM)

## Cooperation between Government of Japan and partner countries

- Facilitates greenhouse gas emissions reduction/removal projects by companies, cities, etc. in partner countries.
- As a result of emission reductions, “JCM credits” will be issued and utilized to achieve Japan’s emission reduction target and may be utilized in partner countries.
- JCM Financial Support from Japanese government is available.



# JCM established in 16 countries since 2013



# The Paris Agreement and the JCM

- JCM is included in Article 6 of the Paris Agreement

## Article 6

Cooperative approaches  
(Paragraph 2)

A mechanism authorized and guided by UNFCCC  
(Paragraph 4)

Non-market approaches  
(Paragraph 8)

- Use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency 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. (Article 6 para 2)
- The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties (Article 6 para 3)

# COP22 outcomes relating to Market Mechanisms

- Call for submissions to Parties and NGOs on Article 6 of the Paris Agreement by 17 March 2017
- Agreed to organize a roundtable discussions in conjunction with SBSTA 46 (May 2017)

## UNFCCC

## JCM

**2011**

### **COP17**

*Defined a new market-based mechanism*

**2012**

### **COP18**

Call for submissions for market mechanisms (MMs)

- Governmental consultation
- The joint statement issued by two Ministers at COP18

**2013**

### **COP19**

(No decision for MMs)

- **Partnership document** for the JCM signed in January
- **Joint Committee** held in April
- **JCM guidelines** adapted

**2014**

### **COP20**

(No decision for MMs)

- **JCM methodology** adapted

**2015**

### **COP21**

Adapted the Paris Agreement  
Call for submissions for MMs

- **JCM Projects** registered in January
- Mongolian TPE designated

**2016**

### **COP22**

Call for submissions for MMs

- **JCM credits** issued

# 15 projects already registered by governments

Country	Technology Type	Location
Mongolia	Heat Only Boilers	118th School of Ulaanbaatar
Mongolia	Heat Only Boilers	Bornuur soum public facilities
Indonesia	Cooling system (refrigerator, freezer)	Frozen Food Processing Plant
Indonesia	Cooling system (refrigerator, freezer)	Food Industry Cold Storage
Indonesia	Centrifugal Chiller	Textile factory
Indonesia	Centrifugal Chiller	Textile factory
Indonesia	Centrifugal Chiller	Textile factory
Indonesia	AC System, LED Lighting, Fridge/Freezer	Convenience store
Vietnam	Tachograph	Trucks, trailers
Vietnam	Inverter-type room air conditioners	Hospitals
Vietnam	Amorphous transformers	Electricity grid
Vietnam	Boiler, heat pump, LED lighting	Hotel
Palau	Small-scale Solar PV	School rooftop
Palau	Small-scale Solar PV	Building rooftop
Palau	Small-scale Solar PV	Building rooftop

**JCM credits issued**  
to Japanese and Host  
country side



# Japan's INDC and the JCM

- **Japan's INDC:** 26.0% by fiscal year (FY) 2030 compared to FY 2013 (approximately 1.042 billion t-CO<sub>2</sub>eq. as 2030 emissions)
- **Role of JCM:** 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.
- **Emission reduction target through the JCM:** 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 Partner Countries High-Level Meeting at COP22



Source: Ministry of the Environment Japan (MOEJ)  
<https://www.env.go.jp/press/103253.html>

# Thank You

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