

COP22 Side Event Report Achievements and Current Progress of the Joint Crediting Mechanism (JCM): Cooperative approaches under Article 6 of the Paris Agreement

Overseas Environmental Cooperation Center, Japan
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This is a report of a side event held at 22nd Session of the e Conference of the Parties to the UNFCCC (COP22) from November 7th to 18th 2016, in Marrakesh, Morocco

- Title: Achievements and Current Progress of the Joint Crediting Mechanism (JCM): Cooperative approaches under Article 6 of the Paris Agreement
- Date: 18 November 2016, Friday, 15:00-16:30
- Organizers: Ministry of the Environment, Japan , OECC
- Venue: Japan Pavilion
- Facilitator: Mr. Makoto Kato (OECC)
- Presenters: Mr. Motoharu Yamazaki (UNFCCC Secretariat), Mr. Takaaki Ito (Ministry of the Environment, Japan)
- Panelists: Mr. Takaaki Ito (Ministry of the Environment, Japan), Mr. Dicky Edwin Hindarto (Indonesia JCM secretariat), Mr. Uy Kamal (Ministry of Environment, Cambodia), Mr. Gonzalo Guaiquil Smoje (Ministry of foreign affairs, Chile), Mr. Gerelt-Od Tsogtbaatar (Ministry of Environment, Green Development and Tourism)

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Japan and 16 partner countries are cooperatively developing and implementing the JCM, which is an international market-based mechanism that is currently active. The use of market mechanisms, including the JCM, is articulated under Article 6 of the Paris Agreement, which prescribes the use of emission reductions achieved overseas for national emission reduction targets. The recent progress, achievements and expectations for the implementation of the JCM will be reported and discussed.

■ Session summary

- This side event was co-organized by the Ministry of the Environment, Japan (MOEJ) and Overseas Environmental Cooperation Center, Japan (OECC) with the aim to share progress of the JCM and discuss about experience gained and future development of the JCM in the partner countries of Indonesia, Cambodia, Chile and Mongolia.
- In the beginning of the side event, the UNFCCC secretariat shared updates on the

discussion of SBSTA on market mechanisms under Article 6 of the Paris Agreement.

- Next, the MOEJ shared updates on the JCM such as project registrations and credit issuances achieved so far.
- In the discussion session, Indonesia, Cambodia, Chile, Mongolia and the MOEJ answered to 4 questions regarding the JCM as follows;
- 1. What have you learned in implementation of the JCM?
 - Indonesia: We've learned a lot especially about MRV system and involvement of private sector. Also there were good lessons gained through the efforts in implementing the JCM, especially on how to develop a new scheme such as the JCM.
 - Mongolia: Capacity-building was promoted for JCM stakeholders such as the JCM secretariat, project developers and domestic third party entities.
- 2. What do you think is beneficial to start the JCM?
 - Chile: Implementation of the JCM is important for Chile to start the cooperative approaches under the Article 6.2 of the Paris Agreement. For developing countries such as Chile, taking ownership for implementing the JCM gives good opportunities to gain a lot of experiences. We also expect private sectors in both Chile and Japan to become closer to disseminate low carbon technologies through implementation of the JCM.
- 3. What is needed to enhance the development of the JCM projects in your country?
 - Chile: It is important to promote involvement of private sector in the JCM project development through dialogues or seminars. Capacity-building is an important issue, as is the case with the other countries. It is also important to share information with universities or research institutes regarding the JCM.
 - Cambodia: There are some considerations to promote the JCM project development. First, introduction of FIT (Feed-in Tariff) is discussed in Cambodia. This would influence the development of large solar farm project etc.. Second, the necessity of internal coordination among ministries, for example treatment of import taxes on low carbon products should be considered. Third, there are international demands for carbon credits such as in the REDD+ sector, so utilization of the JCM for crediting can be considered in the future.
 - Indonesia: It is important to take ownership to implement the JCM. For example, Indonesia conducted a survey to apply the JCM more smoothly.
- 4. What do you expect for initiatives such as the JCM beyond 2020 in the context of Article 6 of the Paris Agreement?

- MOEJ: Article 6.2 of the Paris Agreement allows parties to implement cooperative approaches bilaterally or multilaterally. The JCM has already issued credits to Japan from projects in Indonesia and Mongolia and these are concrete examples of Internationally Transferred Mitigation Outcomes (ITMOs) defined in Article 6.2. Japan can contribute for the negotiation regarding development of guidance for accounting based on the experiences of JCM implementation.

■ Key messages

While status of JCM implementation differs from one country to another, as some countries have developed many projects already while the other countries are trying to promote its implementation in the near future, the panelists from each partner country shared various experiences and opinions, and expressed their expectation on further development of the JCM.