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“Supporting mitigation actions in developing countries - Promotion of the JCM, NAMAs and other initiatives” SB40 Side Event Report

Overseas Environmental Cooperation Center, Japan (OECC)
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This is a report of a side event held at the 40th Session of the Subsidiary Bodies of Implementation of the UNFCCC from June 4th to 15th 2014, in Bonn, Germany.

- Title : “Supporting mitigation actions in developing countries - Promotion of the JCM, NAMAs and other initiatives”
- Date : June 5, 2014 (15:00-16:30)
- Organizer(s) : Ministry of the Environment, Japan (MOEJ), Global Environment Centre Foundation (GEC), Overseas Environmental Cooperation Center, Japan (OECC)
- Venue : Wind, Ministry of Environment
- Presenter(s) :
 - Mr. Tomokatsu Kitagawa, Ministry of the Environment, Japan (MOEJ)
 - Ms. Hiromi Masuda, Ministry of the Environment, Japan (MOEJ)
 - Mr. Dicky Edwin Hindarto, Joint Crediting Mechanism Secretariat (Indonesia)
 - Mr. Kenji Shiraishi, Director, Global Environment Centre Foundation (GEC)
 - Ms. Emi Kaneko, Overseas Environmental Cooperation Center, Japan (OECC)
- Abstract: The Joint Crediting Mechanism (JCM) is one of various approaches Japan and partner countries are jointly developing and implementing. This event introduced support programmes (e.g Financing and Feasibility Study Programme) to develop JCM projects, as well as NAMAs and other initiatives supporting developing countries efforts to mitigate the effects of climate change

Summary

Opening remarks: Mr. Tomokatsu Kitagawa, Ministry of the Environment, Japan (MOEJ)

- Mr. Kitagawa expressed the importance of the challenges faced by countries in light of the agreement to be signed in Paris in 2015.
- He summarized initiatives from the Japanese government for the promotion of low carbon societies, such as the Joint Crediting Mechanism (JCM) which has been signed already by 11 countries.

1. Ms. Hiromi Masuda: “Japan’s support programmes to implement low-carbon initiatives – Promotion of the JCM, NAMAs and other initiatives”

- Mr. Masuda briefly summarized support schemes from the Japanese government in developing countries. In order for developing countries to not be relegated she suggested to follow a “leapfrog” low carbon development model.
- Among other initiatives, she mentioned support for NAMAs, JCM, MRV, etc. She also mentioned the examples of support for Green Economy, Green Community, Green Environment held in Iskandar, Malaysia through a partnership between Surabaya city and Kita-Kyushu city
- As for JCM, she remarked expansion in the number of signatory countries and a partnership with ADB to provide financial support to the process.
- Concluded her intervention by mentioning the Workshop on Greenhouse Gas Inventories in Asia (WGIA) for capacity building in inventories as well as support for national communications and biennial update reports.

2. Mr. Dicky Edwin Hindarto: “Indonesia’s Response to Climate Change and results of the 1st JCM – Joint Committee”

- He started his presentation by indicating that Indonesia is the one of the countries making most progress with the JCM.
- In the period between 2010-2013, there has been 75 FS and also they have conducted two Joint Committees already. In the last committee, they have selected one methodology for renewable energy and seven TPEs have been selected.
- He finalized his intervention pointing out some differences in the process between CDM and JCM.

3. Mr. Kenji Shiraishi: “Results and Progress of the MOEJ’ s Financing Programme & Study Programmes for JCM Projects in 2013”

- He started his intervention by explaining the aim of increasing the number of JCM signatory countries to 16.
- He explained that JCM is a financial support scheme that is backed with funding of USD 12 million.
- He summarized results by indicating that 10 model projects have been selected in 2013. Additionally, 28 feasibility studies were selected in 2012 and 26 studies in 2013. Surveys costs have been supported entirely by Japan.
- Two important lessons learned are: 1) in order to succeed, it is necessary to have a contribution not only from Japan but also from the host country, 2) the necessity to

establish an MRV system to compile data.

4. Ms. Emi Kaneko: “Experience of NAMA capacity building activities in Asia and development of seeds for the JCM”

- She started her intervention by indicating that OECC is currently supporting 4 countries for NAMAs. Mongolia in the energy sector, Cambodia in the biomass sector, Lao PDR in the transport sector, and Vietnam in the waste sector.
- She indicated that OECC is supporting host countries in the elaboration of project planning and policy formulation through a bottom-up approach.
- She also mentioned information on JCM and NAMAs provided in a dedicated webpage and also the publication of the NAMA Guidebook, among others.

■ Q&A

Q.1 (Mr. Somnam, TGO, Thailand): Please explain about the linkage between JCM and NAMAs. When doing JCM projects, is Japan going to provide official support for NAMAs?

A.1 (Emi Kaneko): There is no official linkage between them. While NAMA is a low carbon policy, JCM is a financial scheme. JCM is a scheme inside the NAMA framework.

Q.2 (Mr. Somnam, TGO, Thailand): To Mr. Hindarto: can you elaborate on how Indonesia is engaging project participants?

A.2 (Dicky Hindarto): JCM is a flexible mechanism that provides financial support for emissions reduction. For example, when we were planning a cement project under JCM, we have discussed about how to split the emissions reductions generated by the project. Although a considerable part of finance comes from Indonesian companies, currently we are discussing about the type of support that Japan can provide. It can be NAMA support for example but it is still under discussion. Basically Japan will provide financial support and also capacity building, so that more participants can join the process. We also have created a “JCM Arena” where Indonesian companies can propose initiatives to start JCM projects.

Q.3 (Dr. Rabbi Ahmed, Representative from Bangladesh): I am confused about differences between NAMAs and JCM. Bangladesh is already a signatory country for JCM and I have the impression that there are so many pre-requisites that seem too complicated but it also seems that JCM is more conservative than CDM.

A.3 (Kejni Shiraishi): Bangladesh is already a signatory country of JCM. Under this scheme, the Japanese government provides financial incentives upfront. You don't have to generate

credits which price will be fixed by the market. So, companies have two options, you can opt for introduction of ordinary technology that can be cheap, or you can opt for a more efficient technology and on top of that, you can have half of the funds required and also a good technology. But for this, you will need a Japanese partner because the JCM provides a holistic support. JCM also considers regional balance when we call for JCM projects, we also consider regional balance. In relation to the burden to companies that engage in JCM, once you get the finance you need to MRV. The ultimate goal of JCM is to achieve UNFCCC's mission of net emissions reduction, but the advantage of this scheme is that the Japanese government will provide funds for MRV which is good for your companies.

Q.4 (Mr. Patrick Burgi, South Pole Carbon Asset Management Ltd.): From the negotiations perspective, how Japan is trying to fit JCM in the various approaches discussions. How the JCM will be placed in the 2015 agreement?

A.4 (Hiromi Masuda): From the negotiation perspective, discussions at the UNFCCC are multilateral while at the JCM, negotiations are bilateral. But it is necessary to seek kind of a linkage between bilateral and multilateral discussions. In terms of how JCM will be placed, it is still in the negotiation process in the nationally determined contributions (NDCs). We are not sure how it will be located in the 2015 agreement. Under the JCM, countries will decide their own methodology in a flexible way. It is responsibility of each country to make their own decisions.

Q.5 (Mr. Patrick Burgi, South Pole Carbon Asset Management Ltd.): To Mr. Dicky: From a host country perspective, how the JCM will handle the risk of double counting of credits?

A.5 (Dicky Hindarto): First, in relation to how to put JCM in market negotiations, Indonesia will act in partnership with Japan to put it in the international discussions as one framework among various approaches. Transfer of credits will be between Indonesia and Japan. We are planning to develop a very simple registry and Japan will use their own registry system so that double counting doesn't occur, because Indonesia has a lot of initiatives aside from JCM as well. The idea is to conduct reporting in a transparent way in order not to have double counting.

To access the Side Event Reports, please refer to the following link:

English:

http://www.mmechanisms.org/e/info/event/details_oecc_SB40report.html