



Ministry of the Environment

Recent Development of the Joint Crediting Mechanism (JCM)

Webinar on the Joint Crediting Mechanism (JCM) Implementation in Republic of Maldives
- Innovation for Carbon Neutrality through JCM –

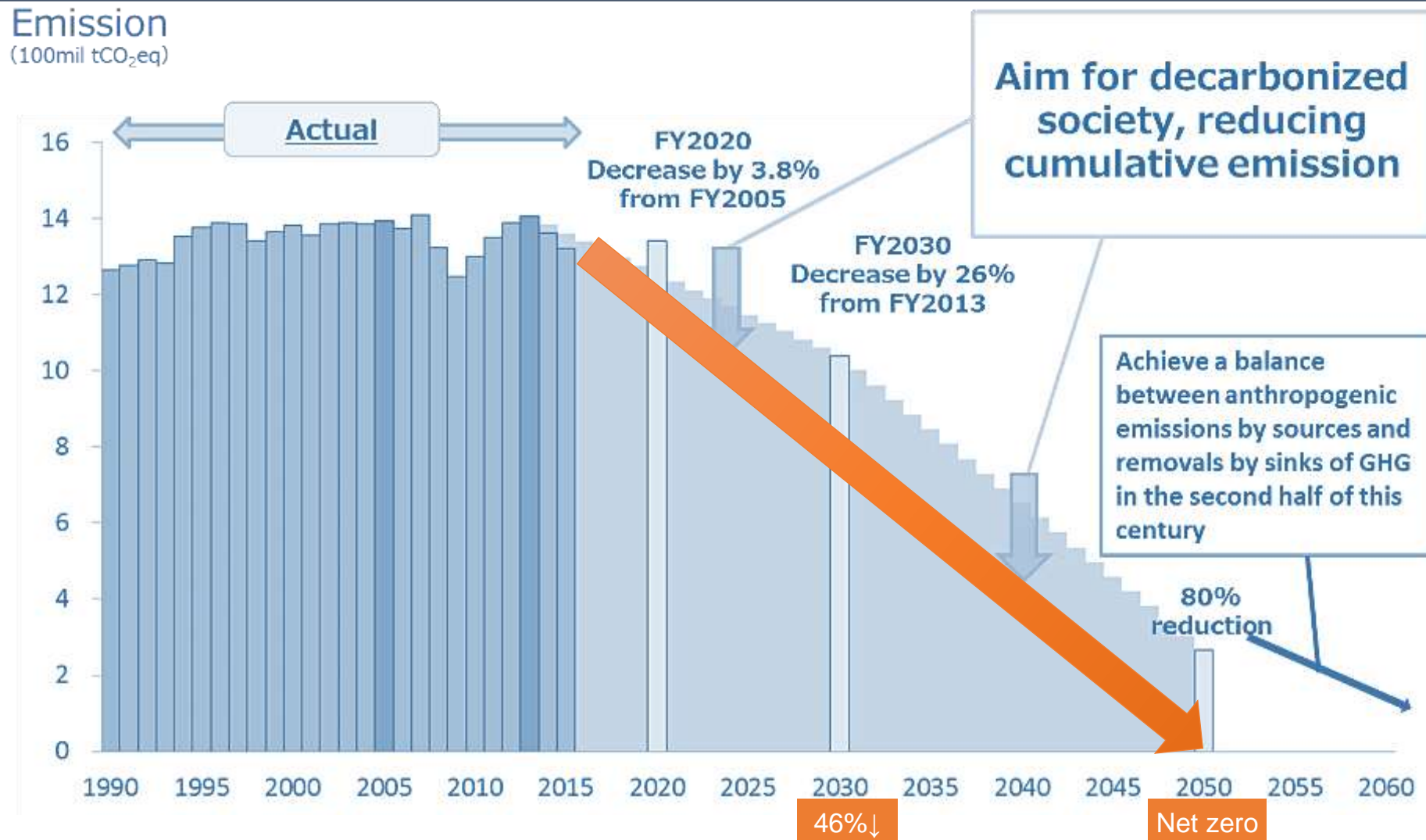
February 28, 2022

Ministry of the Environment, Japan

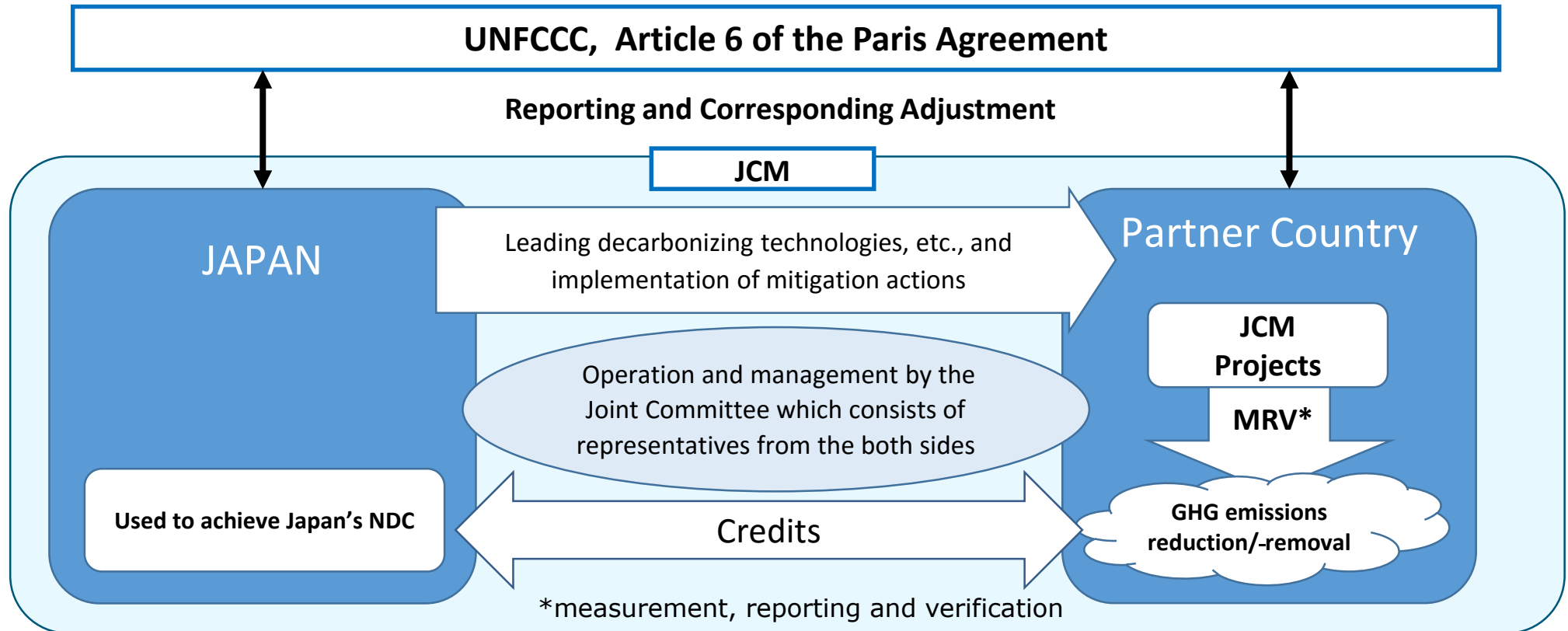


GHG emissions and target in Japan

- ❑ **Long-term goal: Net zero emissions by 2050** compared to 2013
- ❑ **Mid-term target: 46% emission reduction by 2030** compared to 2013
- ❑ GHG emissions in 2020: 1,149 mil ton of CO₂ eq. (5.0% reduction to 2019, 18.4% reduction to 2013)
- ❑ **JCM target: cumulative GHG emission reduction for 100 mil tons** of CO₂ eq. by 2030



Basic concept of the JCM and contribution to carbon neutrality



Cooperation towards achieving carbon neutrality

With the successful conclusion of the Rulebook for Article 6 of the Paris Agreement at COP26, carbon markets will further expand. The JCM, as a pioneering mechanism under the Article 6, will benefit not only for GHG emission reductions, but also for the sustainable development of the partner countries.



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



Bangladesh
Mar. 19, 2013
(Dhaka)



Ethiopia
May 27, 2013
(Addis Ababa)



Kenya
Jun. 12, 2013
(Nairobi)



Maldives
Jun. 29, 2013
(Okinawa)



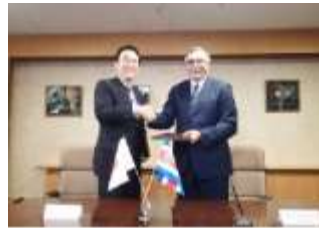
Viet Nam
Jul. 2, 2013
Oct.14, 2021 (Hanoi)



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)



Philippines
Jan. 12, 2017
(Manila)

JCM Financing Programme by MOEJ

	JCM Model Projects (including ECO Lease scheme)	ADB Trust Fund: Japan Fund for JCM (JFJCM)	JCM F-gas Recovery and Destruction Model Project
Overview	Support projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries.	Provide the financial incentives for the adoption of advanced low-carbon technologies which are superior in GHG emission reduction but expensive in ADB-financed projects	Support projects that recover and destroy of F-gas (GHG except for energy-related CO2, etc.) from used equipment instead of releasing to air, and reduce emissions
FY2022 Draft budget (USD)	<u>approx. 171 million</u> <u>in total by FY2024</u>	approx. 10 million	approx. 0.60 million
Type of support	Subsidy	Grant (Sovereign) / Interest Buy-down (Non-sovereign)	Subsidy
More info	<ul style="list-style-type: none"> https://gec.jp/jcm/kobo/ https://www.carbon-markets.go.jp/eng/jcmgp/index.html 	https://www.adb.org/what-we-do/funds/japan-fund-for-joint-crediting-mechanism	Please contact us.

Need business partners? **JCM Global Match:** <https://gec.jp/jcm/globalmatch/>





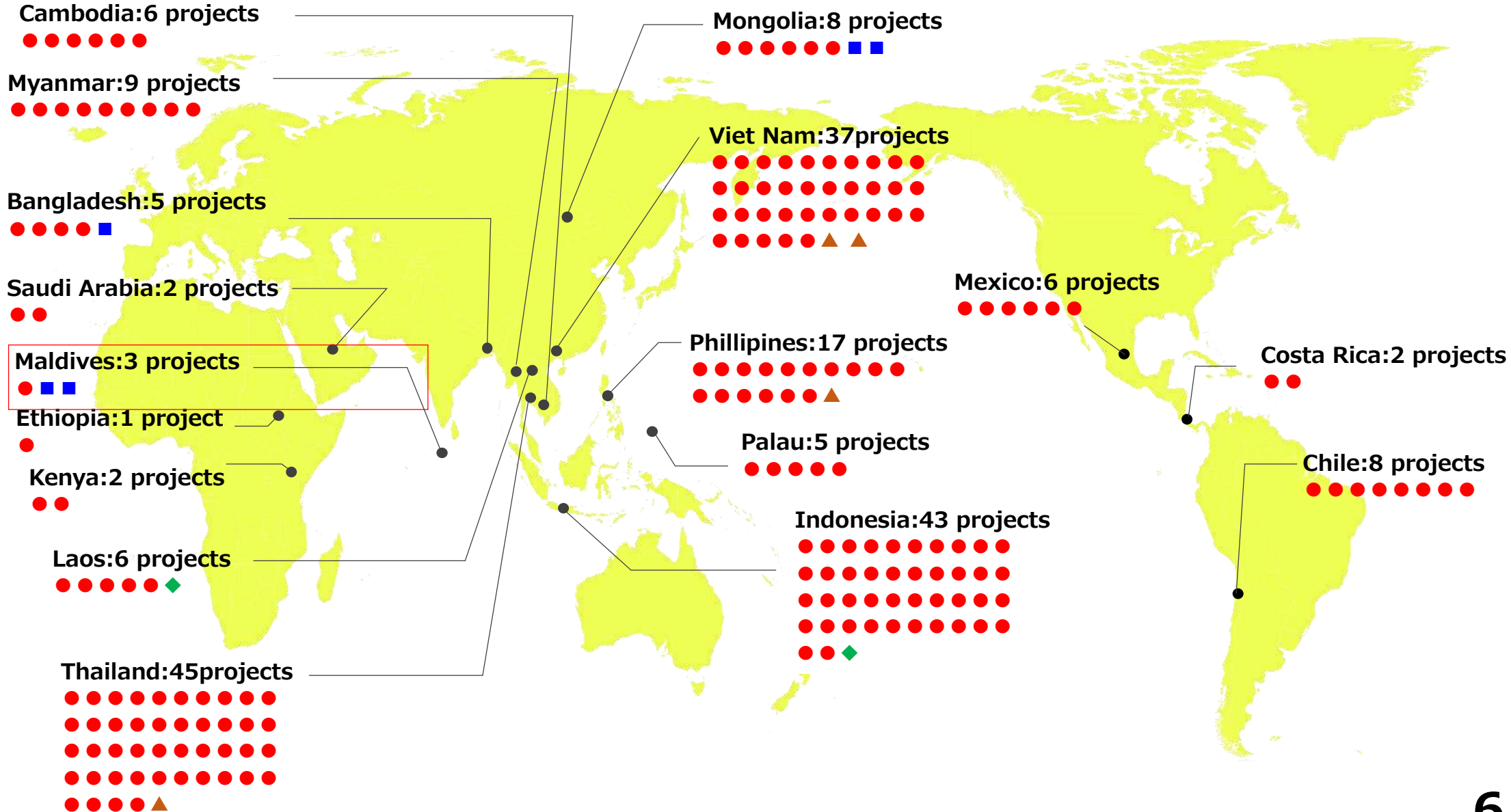
JCM Financing Programmes by MOEJ (FY2013~2021) (December, 2021)

Total 205 projects (17 partner countries)

(● Model Project: 194 projects (including Eco Lease: 3 project), ■ ADB: 5 projects, ◆ REDD+: 2 projects, ▲ F-gas: 4 projects) Other 1 project in Malaysia

118 projects have been started operation.

58 projects with have been registered as JCM projects.



Examples of the JCM Model Projects

Renewable Energy



Solar power, FARMLAND Co., Ltd., Chile



Floating Solar PV, TSB Co., Ltd., Thai



Hydro Power Plant, Toyo Energy Farm Co., Ltd., Indonesia



Biomass Co-Generation System, Fuji-Foods Cooperation, Thailand



Binary Power Generation Project at Geothermal Power Plant, MHI, Ltd., Philippines

Energy efficiency [Consumer sector]



High-efficiency refrigerator, Mayekawa MFG, Indonesia



Energy saving at convenience stores, Panasonic, Indonesia



High-efficiency air-conditioning system, Hitachi, Daikin, Vietnam

Energy efficiency [Industrial sector]



Regenerative Burners in industries, Toyotsu Machinery, Indonesia



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

Energy efficiency [Urban sector]



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

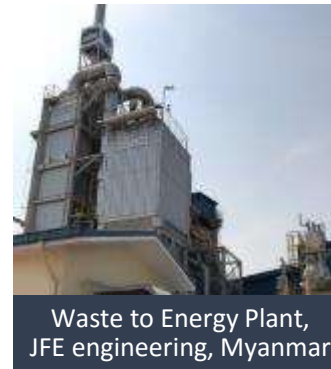


Amorphous transformers in power distribution, Hitachi Materials, Vietnam

Waste



Power Generation with Methane Gas Recovery System, NTTDATA, Mexico



Waste to Energy Plant, JFE engineering, Myanmar

Transport



CNG-Diesel Hybrid Public Bus, Hokusan Co., Ltd., Indonesia



Technologies Transferred through the JCM (FY2013-2021)

- Total of 205 JCM Model Projects being selected by MOEJ's Finance Programme in 17 partner countries
- 50% for renewable energy, 40% for energy efficiency, 10% for Effective use of Energy, Transport, Waste to energy, F-gas Recovery and Destruction and REDD+ project

Waste (4) 2%

- Waste to Energy
- Power Generation with Methane Gas

Transport (3) 1%

- Digital Tachographs
- Modal Shift
- CNG-Diesel Hybrid

REDD+ (2) 1%

- Controlling slush and burn

February, 2022

Effective Use of Energy (8) 4%

- Waste Heat Recovery
- Gas Co-generation

Energy efficiency (86) 40%

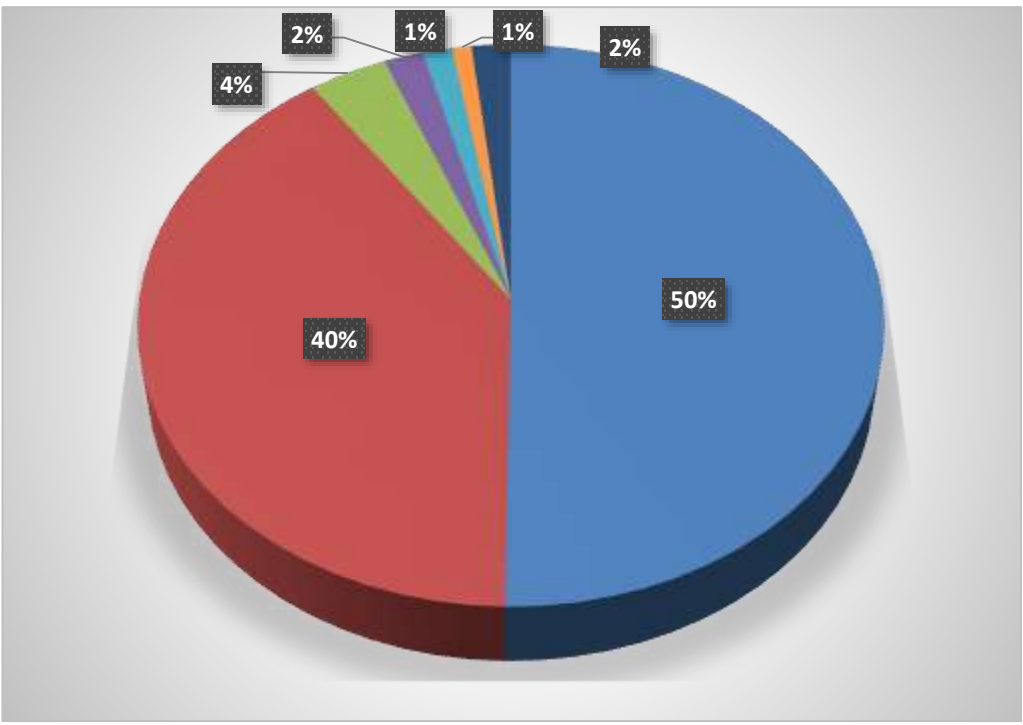
- Boiler
- Air Conditioning
- Refrigerating/Chiller
- Looms
- Transformer
- LED Lighting

F-gas (4) 2%

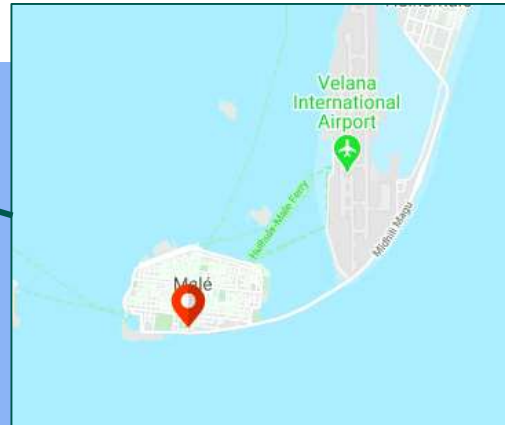
- Recovery & Destruction

Renewable energy (108) 50%

- Solar(&Storage battery)
- Micro hydro
- Wind
- Biomass
- Geothermal



JCM Projects in Maldives



- ◆ Solar Power on Rooftop of School Building Project(JCM Model project) 2014
- ◆ Greater Male Waste to Energy Project(JFJCM)2020



- ◆ Smart Micro Grid System at Addu Atoll(JFJCM)2015

MOEJ - Implementation of Article 6 following COP26

- At COP26, the Rulebook for the Article 6 (market mechanism) of the Paris Agreement was concluded, paving the way for utilizing market mechanisms to reduce global emissions.
- Leading Article 6 negotiations and being a frontrunner with the experience of the Joint Crediting Mechanism (JCM), Japan will take the following three actions to contribute to global decarbonization.



< 3 Actions >

1. **Expanding JCM partner countries, and strengthen project development and implementation in collaboration with international organizations;**
 - Accelerate expansion of the JCM partner countries, **mainly in the Indo-Pacific region and strengthen in African region**
 - Strengthen cooperation with **the Asian Development Bank (ADB), the UN Industrial Development Organization (UNIDO), the World Bank, and others**
2. **Scale up the JCM by mobilizing further private finance**
3. **Contribute to the global operationalization of market mechanisms.**
 - Supporting capacity building for related officials and project operators with **UNFCCC's Regional Collaboration Centre (RCC)**.



Regional Collaboration Centre – Bangkok
Promoting Action Against Climate Change

Implementation of the Article 6 rules into domestic rules

- Establishment of the **JCM Promotion and Utilization Council** which consists of relevant 5 Ministries at January 2022 (MoEJ, Ministry of Economy, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism)
- The Council's duties include:
 1. the authorization of JCM credits as a Party to the Paris Agreement,
 2. the determination of a method to apply a corresponding adjustment to prevent double counting,
 3. the revision of the Guidelines for the Implementation of the JCM.
- **The draft procedures on the authorization and corresponding adjustment are currently under public consultation process by March 2022.**

※ These are referred in the Guidelines for the Implementation of the JCM in Japan (effective since 17th January 2022) as the separately specified procedures.

Thank you for your kind attention



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