# Recent development of the Joint Crediting Mechanism

Naoki Torii Chief Administrator Office of Market Mechanisms Climate Change Policy Division Global Environment Bureau Ministry of the Environment, Japan

# The Joint Crediting Mechanism

Facilitating diffusion of leading low carbon technologies through contributions from Japan and evaluating realized GHG emission reductions or removals in a quantitative manner to use them for achieving Japan's emission reduction target.
Japan will address the high initial cost barrier of introducing advanced low-carbon technologies in the Partner countries (17 countries as of Sep. 2017) through the JCM (GoJ implements several supporting schemes)



Waste heat recovery in Cement Industry, JFE engineering, Indonesia



Eco-driving with Digital Tachographs, NITTSU, Vietnam



Energy saving at convenience stores, Panasonic, Indonesia



High efficiency airconditioning and process cooling, Ebara refrigeration equipment & systems, Indonesia



High-efficiency Heat only Boilers, Suuri-Keikaku, Mongolia



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



Installing solar PV system, PCKK, Palau Maldives



Amorphous transformers in power distribution, Hitachi Materials, Vietnam



Co-generation system at

factory, Toyota, Nippon

Engineering, Indonesia,

Steel & Sumikin



High efficiency airconditioning system, Hitachi, Daikin, Vietnam



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



Solar PV System at Salt Factory, PCKK, Kenya



Waste to Energy Plant, JFE engineering, Myanmar



High efficient refrigerator, Mayekawa MFG, Indonesia



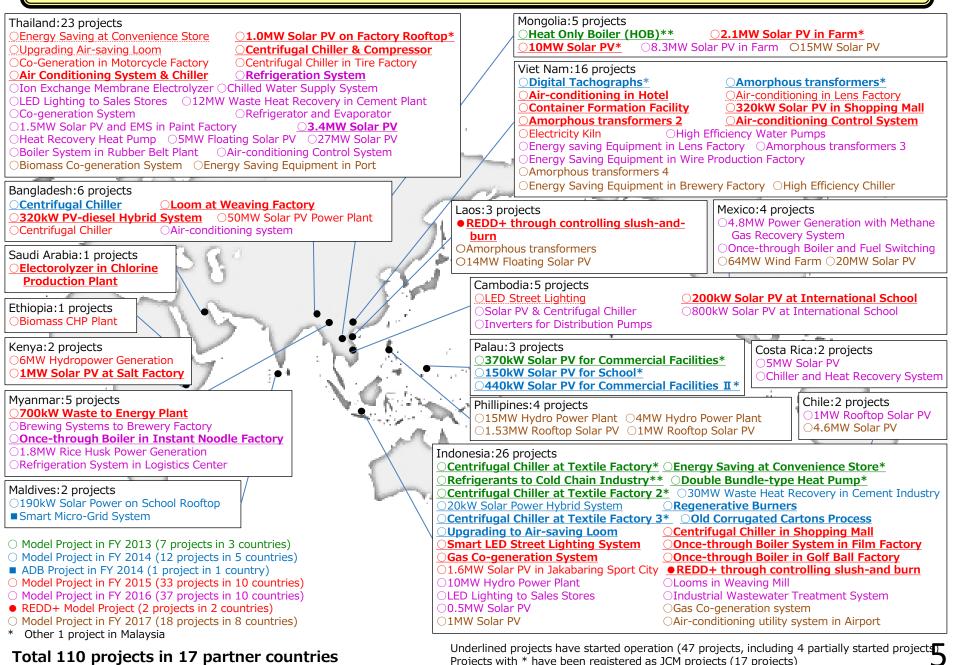
Regenerative Burners in industries, Toyotsu Machinery, Indonesia

Progress of the JCM in each partner country as of June 26 2017							
Partner countries	Start from	No. of JC	Registered projects	Approved methodologies	Number of Credit issuance	Project Pipeline (FY2013-2017)	
Mongolia	Jan 2013	4	4	3	2	6	
Bangladesh	Mar 2013	3		1		6	
Ethiopia	May 2013	3		3		2	
Kenya	Jun 2013	3		3		3	
Maldives	Jun 2013	2		1		3	
Viet Nam	Jul 2013	5	4	6		20	
Lao PDR	Aug 2013	3	1	1		4	
Indonesia	Aug 2013	6	7	12	2	29	
Costa Rica	Dec 2013	2		1		2	
Palau	Apr 2014	4	3	1	1	3	
Cambodia	Apr 2014	3		2		5	
Mexico	Jul 2014	2				4	
Saudi Arabia	May 2015	2				1	
Chile	May 2015	1				2	
Myanmar	Sep 2015	1				5	
Thailand	Nov 2015	3	1	6		23	
Philippines	Jan 2017					4	
Total	17	47	20	40	5	<sup>122</sup> 3	

## JCM Credits Issued

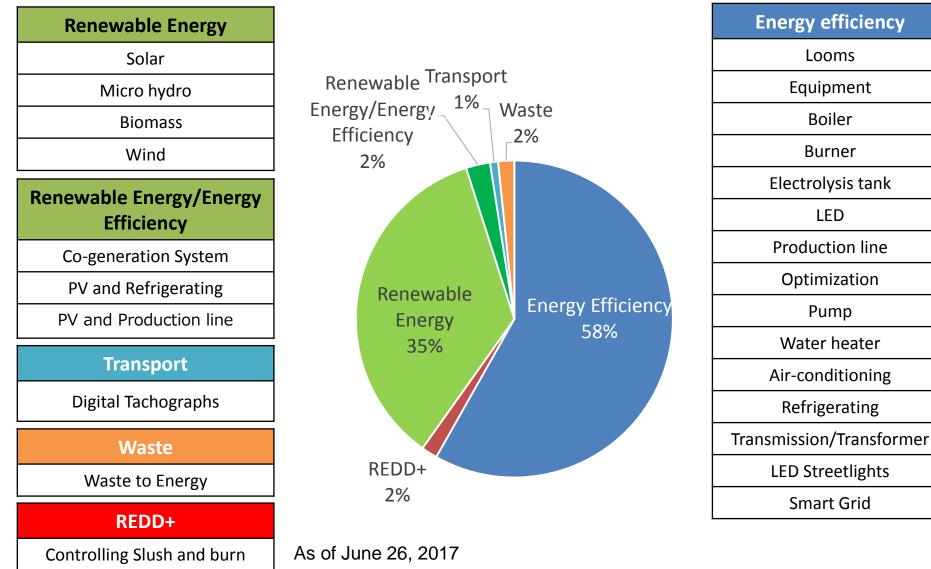
Partner country	Project title	Issuance Date	Amount (t-CO2) (Partner Country)	Amount (t-CO2) Japan)
Indonesia	Project of Introducing High Efficiency Refrigerator	2016/5/12	3	8
Indonesia	Project of Introducing High Efficiency Refrigerator	2016/5/12	6	23
Mongolia	Installation of high-efficiency Heat Only Boilers in 118th School of Ulaanbaatar City Project	2016/9/30	10	40
Mongolia	Centralization of heat supply system by installation of high-efficiency Heat Only Boilers in Bornuur soum Project	2016/9/30	22	85
Palau	Small scale solar power plants for commercial facilities in island states	2016/12/22	74	222
			115	378

#### JCM Financing programme by MOEJ (FY2013~2017) as of September 11, 2017



#### JCM Financing Programme by MOEJ (FY2013-2017)

### Total of 110 projects in 17 partner countries



# Japan's INDC (Excerpt)

#### Japan's INDC

O Japan's INDC towards post-2020 GHG emission reductions is at the level of a reduction of 26.0% by fiscal year (FY) 2030 compared to FY 2013 (25.4% reduction compared to FY 2005) (approximately 1.042 billion t-CO2eq. as 2030 emissions), ensuring consistency with its energy mix, set as a feasible reduction target by bottom-up calculation with concrete policies, measures and individual technologies taking into adequate consideration, *inter alia*, technological and cost constraints, and set based on the amount of domestic emission reductions and removals assumed to be obtained.

#### Information to facilitate clarity, transparency and understanding

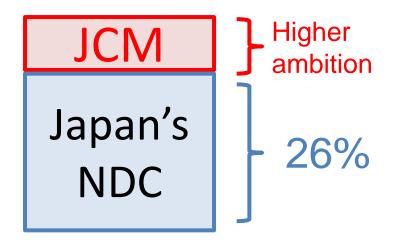
O The JCM is not included as a basis of the bottom-up calculation of Japan's emission reduction target, but the amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan's reduction.

Reference information GHG emissions and removals JCM and other international contributions

- O Japan establishes and implements the JCM in order both to appropriately evaluate contributions from Japan to GHG emission reductions or removals in a quantitative manner achieved through the diffusion of low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions in developing countries, and to use them to achieve Japan's emission reduction target.
- O Apart from contributions achieved through private-sector based projects, 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>2-7</sub>

# Japan's INDC and JCM

- ➤ As stated in Japan's INDC, the 26% reduction target is set based on the amount of domestic emission reductions and removals assumed to be obtained. It is therefore anticipated that Japan will achieve the target through domestic emission reductions and removals without using international reductions and removals (credits).
- ➤ The amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan's reduction.



# JCM's Contribution to NDC

- JCM's conservative emission reduction calculation (reference emissions below BaU emissions) will ensure a net decrease and/or avoidance of GHG emissions.
- This part of emission reductions will automatically contribute to the achievement of NDC.

