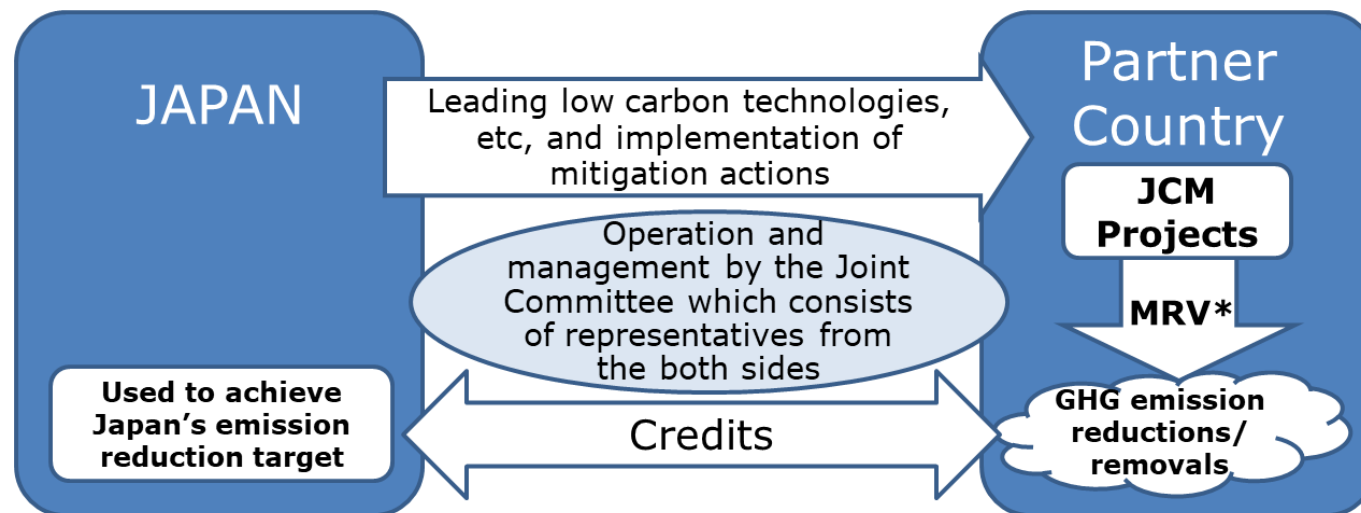


Article 6 of the Paris Agreement and the Joint Crediting Mechanism (JCM)

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Basic Concept of the JCM

- Facilitating diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- Appropriately evaluating contributions from Japan to GHG emission reductions or removals in a quantitative manner and use them to achieve Japan's emission reduction target.
- Contributing to the ultimate objective of the UNFCCC by facilitating global actions for GHG emission reductions or removals.



*measurement, reporting and verification

Source: Ministry of the Environment Japan (MOEJ)

Current Progress of the JCM



17 partner countries

(Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Viet Nam, Lao PDR, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar, Thailand, and the Philippines)

12,220 JCM credits issued

(9,495 credits to Japan, 2,725 credits to partner countries)

40 registered projects

> 100 financially supported projects in the pipeline

63 approved GHG MRV methodologies

Source: IGES JCM Database as of October 2018

Article 6 of the Paris Agreement

Cooperative approaches

1. Parties recognize that some Parties choose to pursue voluntary cooperation in the implementation of their NDCs to allow for higher ambition in their mitigation and adaptation actions and **to promote sustainable development and environmental integrity.**
2. Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards NDCs, **promote sustainable development and ensure environmental integrity and transparency, including in governance,** and **shall apply robust accounting to ensure, inter alia, the avoidance of double counting,** consistent with guidance adopted by the CMA.
3. The use of internationally transferred mitigation outcomes to achieve NDCs under this Agreement shall be voluntary and **authorized by participating Parties.**

Sustainable Development (SD) under the JCM

Bilateral Document between Japan and each JCM partner country

1. The Japanese side and the [Name of Partner Country] side (hereinafter referred to as "both sides"), in pursuit of the ultimate objective of the United Nations Framework Convention on Climate Change (hereinafter referred to as the "Convention") as stated in its Article 2 and of **achieving sustainable development**, and in order to continue to address climate change in cooperation beyond 2012, promote the Low Carbon Growth Partnership as follows.

Rule of implementation for the JCM

A. Purpose of the JCM

1. The JCM has the following purposes:
 - (a) To facilitate diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to **sustainable development** of [Name of Partner Country];

Promotion of SD under the JCM in Indonesia

SDIP: Sustainable Development Implementation Plan

SDIP sets out a plan of the JCM project to contribute to SD during **registration stage**.

☞ 7 items

- 1) Environmental Impact Assessment
- 2) Pollution Control
- 3) Safety and health
- 4) Natural Environment & biodiversity
- 5) Economy
- 6) Social Environment and Community Participation
- 7) Technology

☞ 20 Yes/No questions to identify potential of negative impact

☞ If any potential negative impact of the project on sustainable development is identified, appropriate action plans are described.

SDIR: Sustainable Development Implementation Report

SDIR sets out the achievement of SDIP implementation for a particular **monitoring period**, based on **ex-post** evaluation.

☞ 7 items:

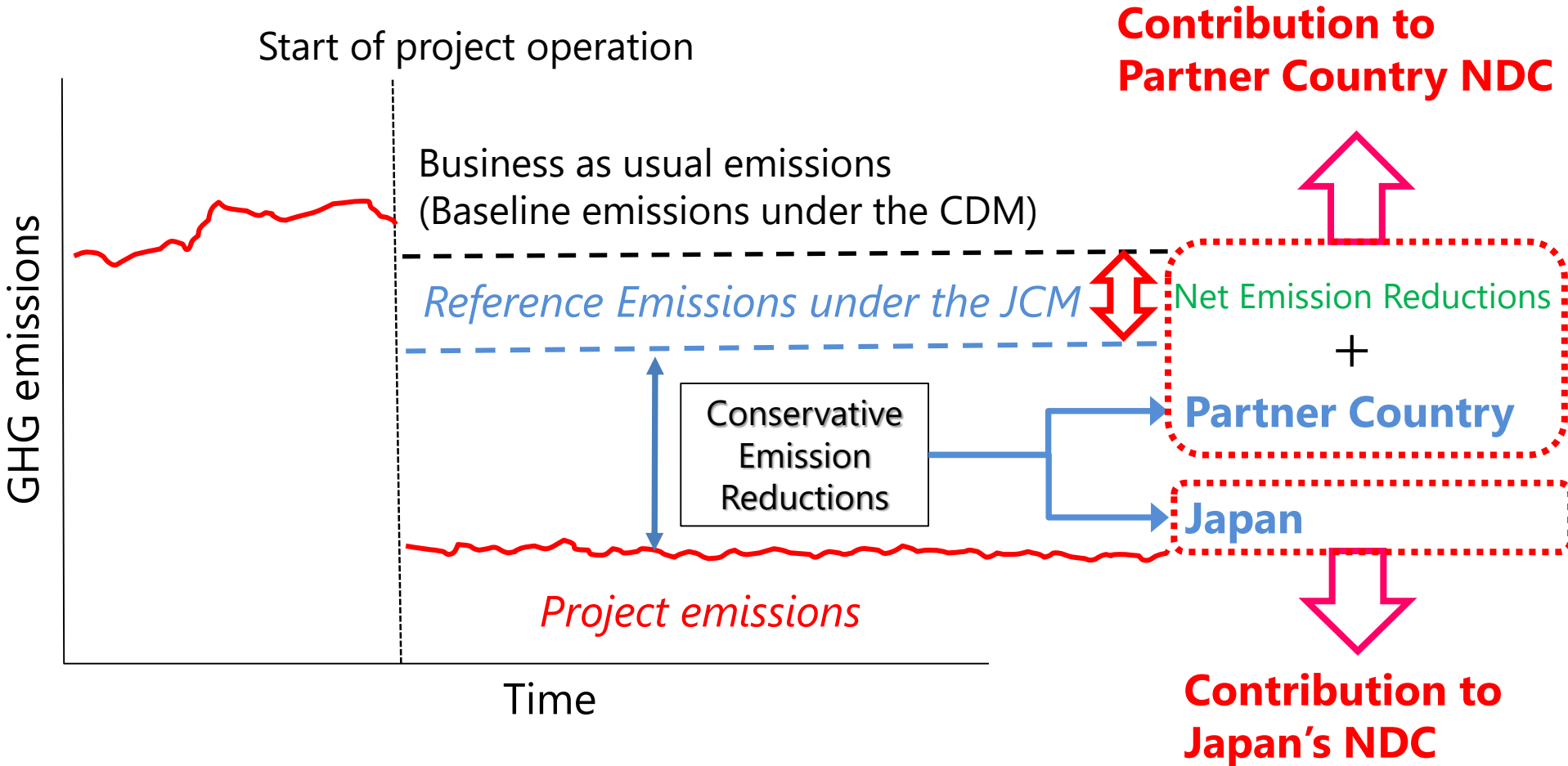
- 1) Environmental Impact Assessment
- 2) Pollution Control
- 3) Safety and health
- 4) Natural Environment & biodiversity
- 5) Economy
- 6) Social Environment and Community Participation
- 7) Technology

☞ 20 checklist for Identified/Not Identified negative impacts

☞ If any negative impact of the project on sustainable development is identified, corrective action plans are described.

In Mongolia, the guideline for sustainable development under the JCM will be approved in the future.

Ensuring Net Emission Reductions



Source: Ministry of the Environment Japan (MOEJ)

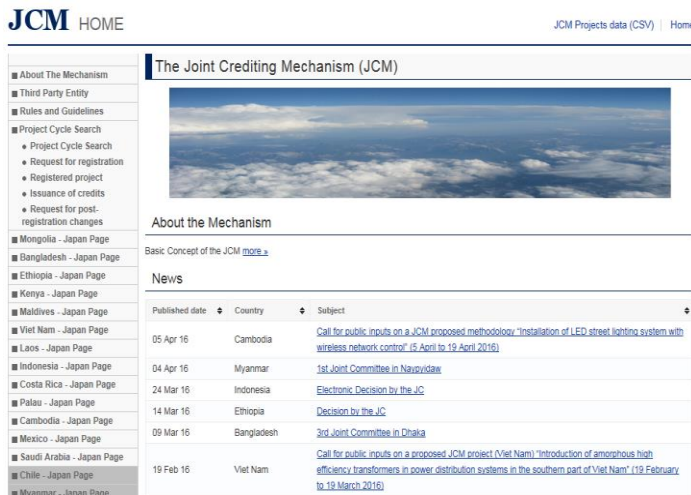
Ensuring Transparency (1)

8. **Both sides ensure** the robust methodologies, **transparency** and the environmental integrity **of the JCM** and maintain the JCM simple and practical, to promote concrete actions for global greenhouse gases emissions reductions or removals.

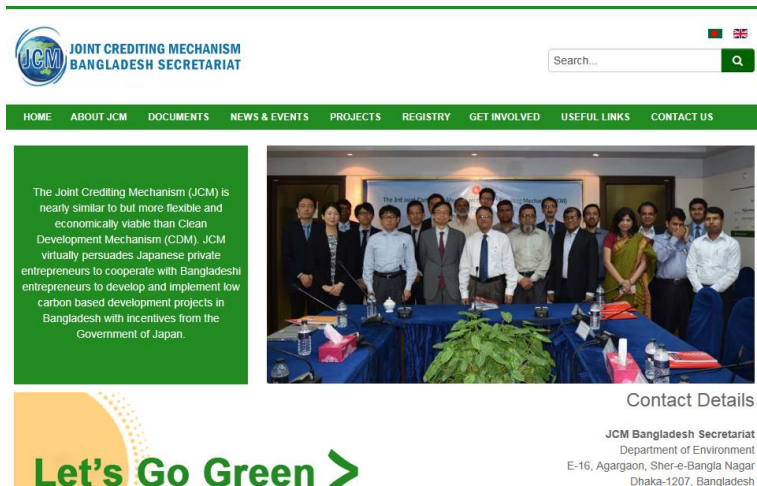
Source: Bilateral Cooperation on the Joint Crediting Mechanism for the Low Carbon Growth Partnership

- Public participation is encouraged **through public inputs** and **local stakeholder consultations** in the process of approval of methodologies (**15 calendar days**) and project registration (**30 calendar days**) (**The period for public inputs under the JCM is not shorter than CDM (same period)**).
- All relevant information on rules and guidelines, methodologies, project registration and issuance of credit and other information on project descriptions have been disclosed in the following website immediately after the decision are made.
 - JCM website (The page for each country established)
 - JCM website in the JCM partner countries (Indonesia, Bangladesh and Vietnam etc)

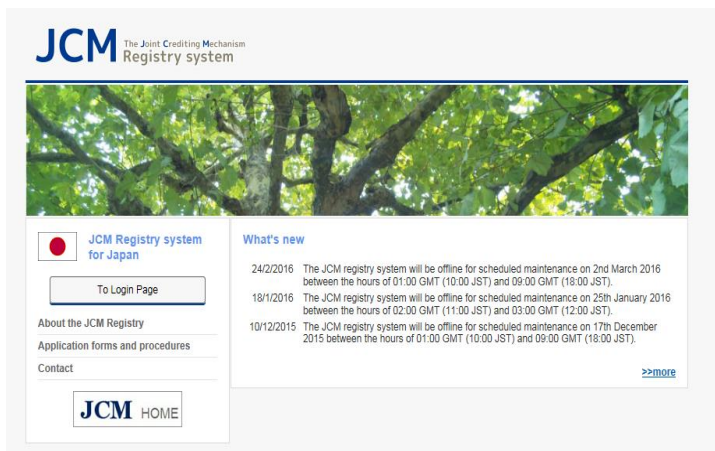
Ensuring Transparency (2)



JCM website



Bangladesh JCM website



JCM Registry

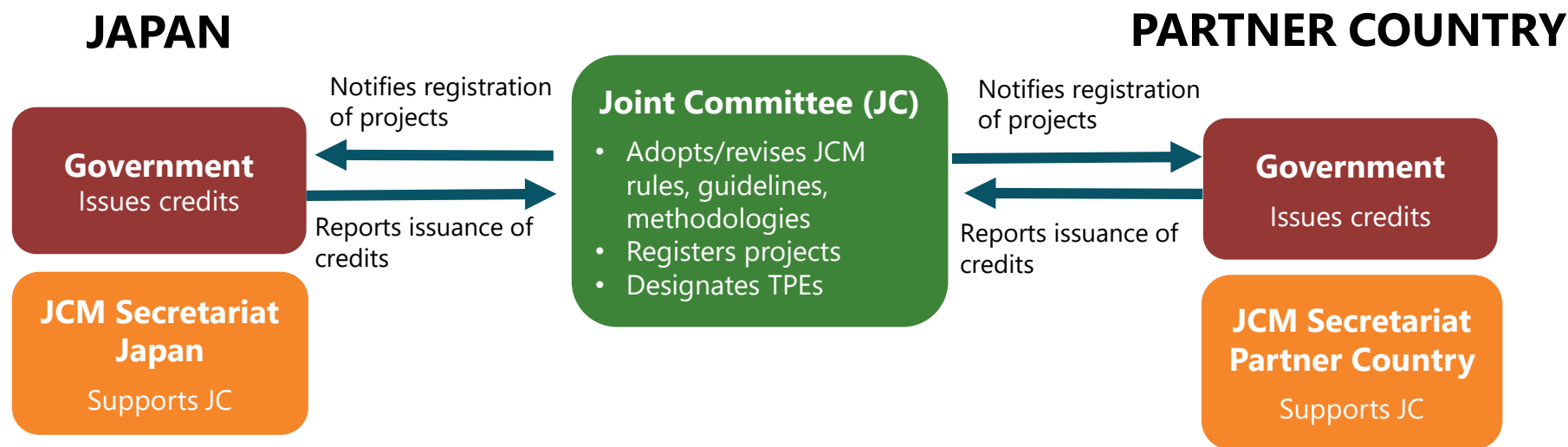


Local Stakeholder Consultation

Governance of the JCM

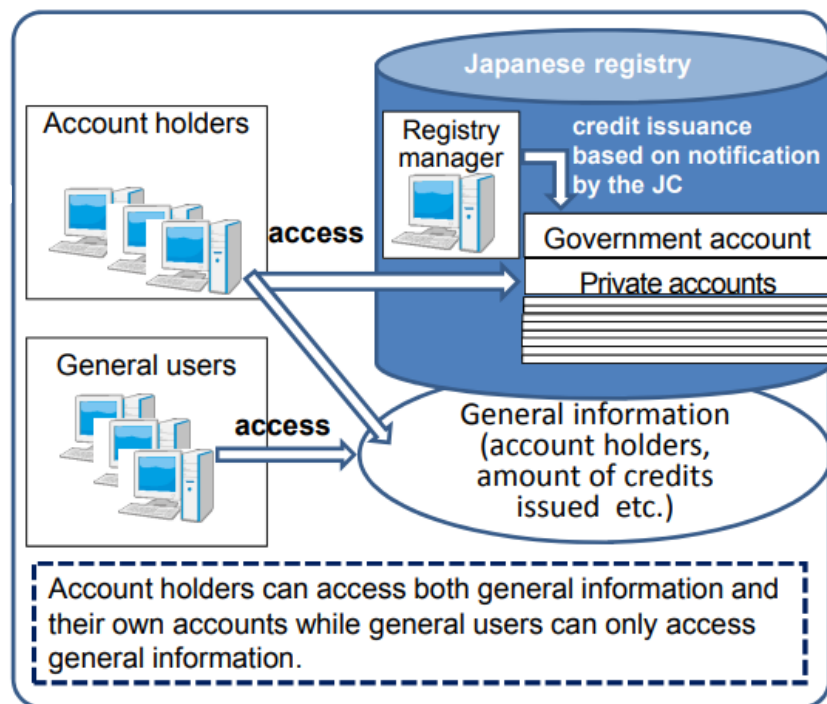
3. **Both sides**, in order to promote investment and deployment of low carbon technologies, products, systems, services and infrastructure to achieve low carbon growth in [Name of Partner Country], **establish a Joint Crediting Mechanism** (hereinafter referred to as the “JCM”) and implement it in accordance with the relevant domestic laws and regulations in force in respective countries.
4. **Both sides establish the Joint Committee to operate the JCM**, which consists of representatives from both sides.

Source: Rule of implementation for the JCM



Avoidance of Double Counting

- The JCM has developed its own rules and procedures, **to avoid double registration of project, double issuance of credit and double usage of already issued credits or allocated allowances**.
 - Development of JCM registry
 - Confirmation of avoidance of double registration by TPE during validation and verification
- It is important to define a robust accounting rule **to avoid double claiming of credit under the Paris Agreement**.



Source: Ministry of the Environment Japan (MOEJ)

Conclusion

- The JCM meets all requirements of Article 6 of the Paris Agreement.
 - ✓ **Promotion of Sustainable Development**
 - ✓ **Ensuring Environmental Integrity**
 - ✓ **Ensuring Transparency**
 - ✓ **Governance (Authorized by participating Parties)**
 - ✓ **Avoidance of double counting**
- The robust accounting to ensure, inter alia, the avoidance of double counting under the JCM will be applied to an international accounting rule (which will be adopted as a Paris rule book at COP24).