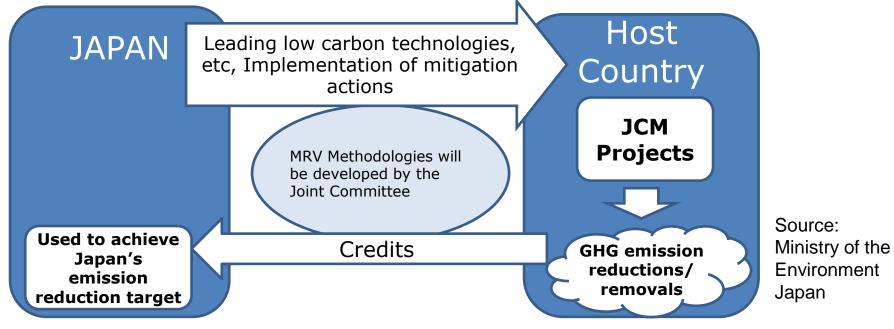


Introduction to Joint Crediting Mechanism - with case study of composting-

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Basic Concept of 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 to GHG emission reductions or removals from developed countries in a quantitative manner, through mitigation actions implemented in developing countries and use those emission reductions or removals to achieve emission reduction targets of the developed countries.
- Contributing to the ultimate objective of the UNFCCC by facilitating global actions for GHG emission reductions or removals, complementing the CDM



JCM as new means for climate change

2008~2012

◆Japan is currently making utmost efforts to achieve its target under the first commitment period of the Kyoto Protocol through domestic measures(GHG emissions reduction and carbon sinks) as well as acquiring credits of the Kyoto Mechanism.

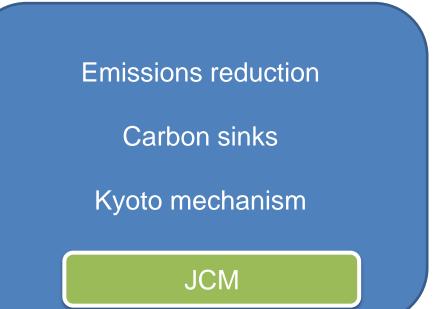
2013~

◆Japan will continue to make emissions reduction efforts beyond 2012. Its concrete targets are currently reviewed and considered domestically.

◆The JCM can be an effective way to achieve Japan's post 2012 targets, complementing the existing Kyoto Mechanism. Although Japan will not participate in the second commitment period of the Kyoto Protocol, it will remain in the Protocol and will intend to continue to use the Kyoto Mechanism to achieve its post 2012 targets.

Emissions reduction Carbon sinks Kyoto mechanism

Source: Ministry of the Environment Japan



Approaches of JCM

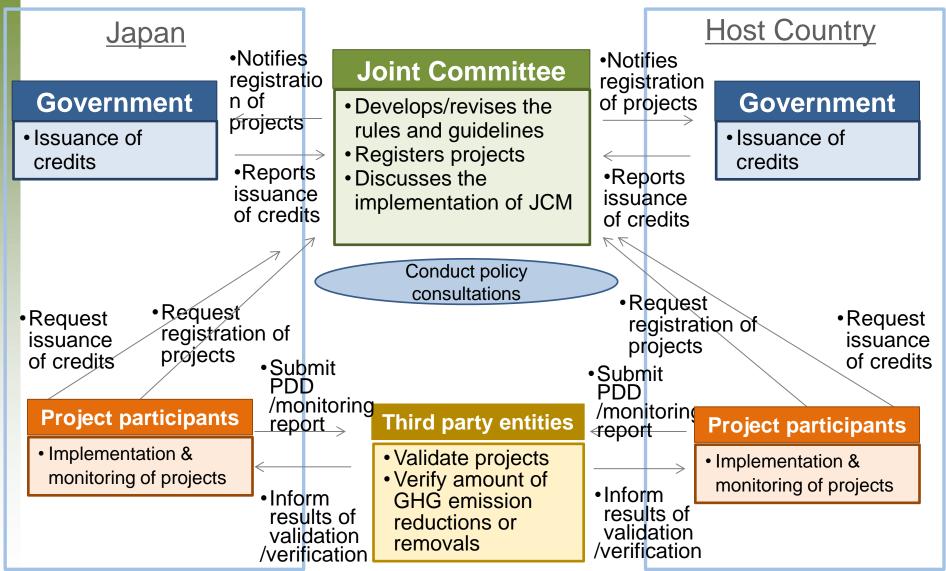
The JCM should be designed and implemented, taking into account the followings:

- (1) Ensuring the robust methodologies, transparency and the environmental integrity:
- (2) Maintaining simplicity and practicality;
- (3) Promoting concrete actions for global GHG emission reductions or removals;
- (4)Preventing uses of any mitigation projects registered under the JCM for the purpose of any other international climate mitigation mechanisms to avoid double counting on GHG emission reductions or removals.

Feature of JCM (1)

- (1) JCM starts its operation as the non-tradable credit type mechanism.
- (2) Both Governments continue consultation for the transition to the tradable credit type mechanism and reach a conclusion at the earliest possible timing, taking account of implementation of the JCM.
- (3) The JCM aims for concrete contributions to assisting adaptation efforts of developing countries after the JCM is covered to the tradable credit type mechanisms.
- (4) The JCM covers the period until a possible coming into effect of a new international framework under the UNFCCC.

Scheme of JCM



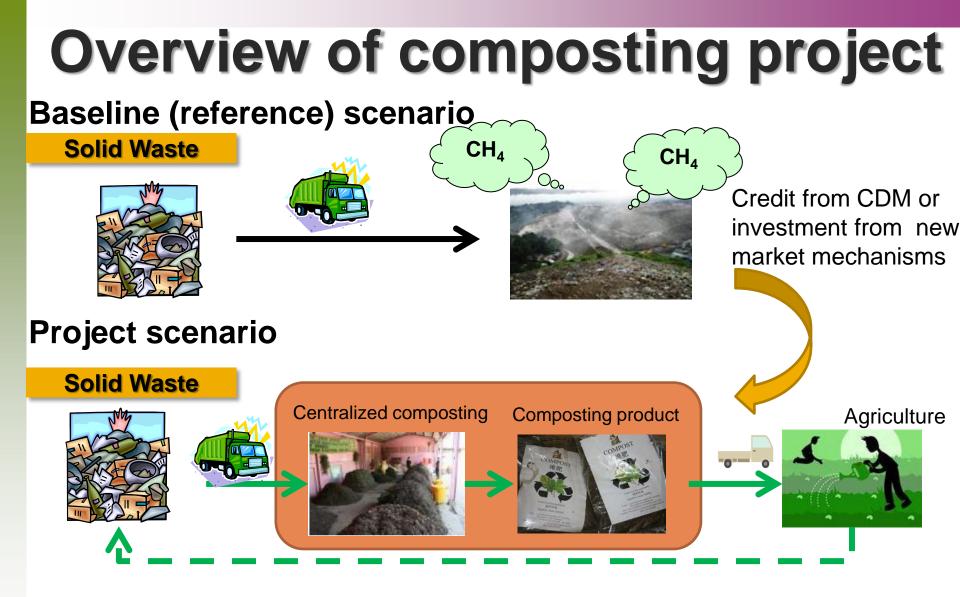
Source: Ministry of the Environment Japan

Feature of JCM (2) in comparison with the CDM

	JCM	CDM
Governance	-"de-centralized" structure (each government, joint committee)	-"centralized" structure (CMP, CDM Executive Board: CDM EB)
Sector/project Coverage	-Broader coverage	-Specific projects are difficult to implement in practice (e.g. USC coal-fired power generation)
Validation of projects	- In addition to Does, ISO14065 certification bodies can conduct checking whether a proposed projects fits eligibility criteria which can be examined objectively	 Only Does can conduct Assessment of additionality of each proposed project against hypothetical scenarios
Calculation of emission reduction	 Spreadsheet are provided Default vales can be used in conservative manner when monitored parameters are limited 	 Various formulas are listed Strict requirements for measurement of parameters
Verification of projects	 The entity which validated the project can conduct verification Validation & verification can be conducted simultaneously 	 In principle, the entity which validated the project can not conduct verification Validation & verification must be conducted separately

Comparison between the proposed JCM and the CDM

Project participants/ Each Government, Joint Committee can develop by itself	Submission of Proposed Methodologies	Project Participants (PPs)
Joint Committee	Approval of Proposed Methodologies	CDM Executive Board (CDM EB)
Project Participants	Development of PDD	PPs
Third-party entities	Validation	Designated Operational Entity (DOE)
Joint Committee	Registration	CDM Executive Board
Project Participants	Monitoring	PPs
Third-party entities	Verification	DOE
-JI decides the amount -Each Government issues the credit	Issuance of credits	CDM EB Source: Ministry of the Environment Japan



Benefits

- Reduce waste to landfill site
- Reduce GHG emission
- Increase productivity of crops

Requirement for MRV methodology under JCM

- Provide positive list
- Not require demonstration of additionality like CDM

Calculation of GHG emission reduction

Eligibility

criteria

- Set default values to take into account the condition of host parties in order to reduce burden of monitoring implementation
- Consider trend of GHG emissions

Monitoring

- Apply the default values in PDD (if any, project participants can monitor corresponding parameters by themselves)
- Apply sampling and simulation
- Utilize credible documents, e.g. invoice or bill

Data items of composting projects in the Philippines

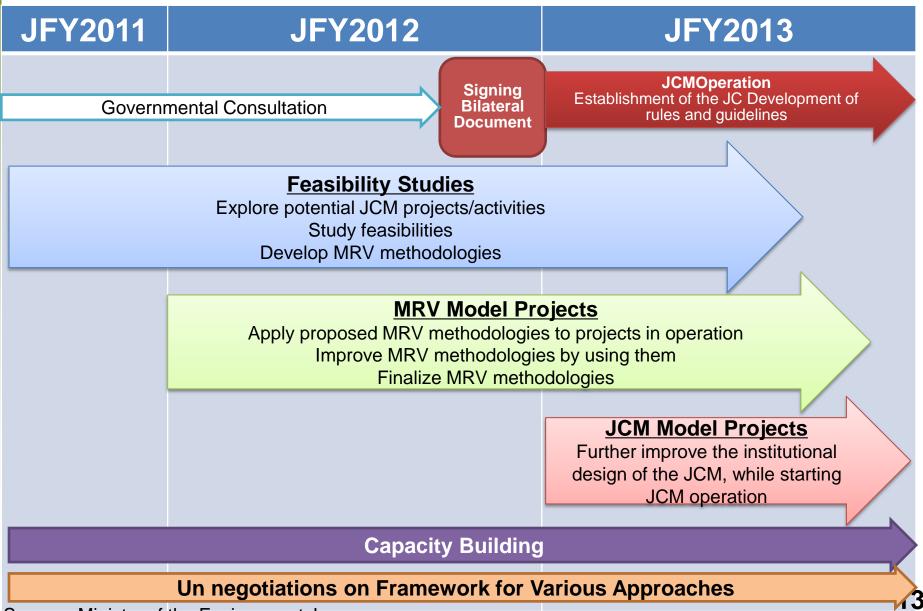
	CDM project1	CDM project2	Non-CDM project1		Non-Cl project		
Amount of waste	0	0		Param	neters	0	
Number of truck to composting site	0	Х		o monitored C		0	J
Waste composition	0	0	X			Х	١
Fuel consumption of truck	0	0	Ο			Х	
Power consumption of the site	Ο	Ο	Х	to be provi		Х	
Production of compost	0	Х	0	value	es	0)
GHG abatement cost	-	-	Around 600US\$/t0		Around 500US		I

Our proposal for MRV Meth.

Eligibility criteria	 The area that cannot accordance with RA9003 is eligible Composting project should have programme to facilitate waste separation practice at household level Collected wastes are from household and food market
Calculation of GHG emission reduction	 Set default value for waste composition based on CDM methodologies and JICA research
Monitoring	 For the most simplified case, the participant are required to monitor amount of waste to be composted
omonstration of pr	onosed MRV methodology: ன

Demonstration of proposed MRV methodology: Note: If most of waste (50t/day = 18,250t/year) is composted....

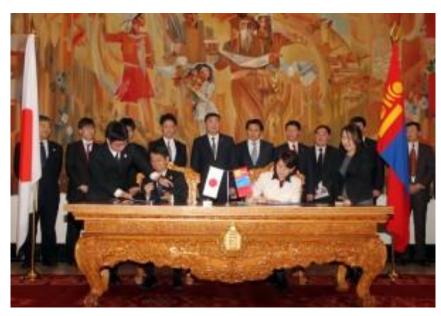
Roadmap for the JCM



Source: Ministry of the Environment Japan

Governmental Consultations

 Japan has held consultations for the JCM with developing countries (e.g. Mongolia, Bangladesh, Indonesia, Viet Nam) since 2011 and made similar briefing to interested countries as well. Japan will continue consultations/briefing with any countries which are interested in the JCM.
 Japanese and Mongolia governments signed the bilateral document for the JCM on 8th January 2013. (first case of signature of the bilateral document for the JCM)



Source: MNET (http://mne.mn/v3/?p=5276)

	Low Carbon Development Partnership between the Japanese side and the Mongolian side
pursui Clima and of	parasee side and the Mongolian side (hereinafter referred to as "both sides"), in of the ultimate objective of the Ultimed Nations Framework Convention on the Change thereinsteiner forter also exploration() as statisf in Marcle 2 radiaving monitonible development, and in order to continue to address climate e in cooperation beyond 2012, promote the Low Carbon Development Partnership was.
	ides hold close policy consultations at various levels for cooperation toward low a development under the UN, at the regional and bilateral frameworks.
produc Monge and in	cide, in order to promote investment and deployment of low carbon technologies, etc, systems, services and inflastructure to achieve low carbon development in olia, establish a Joint Credining Mechanism Generative Trefered to as the ICMJ plenear it in accordance with the relevant dometric laws and regulations in force etcitic countries.
4. Both s	ides establish the Joint Committee to operate the JCM.
(1)	The Joint Committee consists of representatives from both sides.
(2)	Rules of procedures of the Joint Committee, including its membership, are formulated through consultations between both sides.
(3)	The Joint Committee develops rules and guidelines regarding of the ICM, methodologies to quantify the amount of greenhouse gause emission reductions or removals, requirements for accreditation of finite-party emittee, and other matters relating to the implementation and administration of the JCM as necessary.
(4)	The Joint Committee convenes meetings on regular basis to evaluate the implementation of the JCM.
projec	ides mutually recognize that verified reductions or removals from the mitigation to under the JCM can be used as a part of their own internationally pledged sourse gases mitigation efforts.
integri	ides ensure the robust methodologies, transparency and the environmental ty of the JCM and maintain the JCM simple and practical, to promote concrete s for global greenhouse gases emissions reductions or removals.
	1

Source: MOEJ (http://www.env.go.jp/press/file_view.php?seri al=21291&hou_id=16174)