

# **Outcomes of COP19 on Market Mechanisms and the JCM**

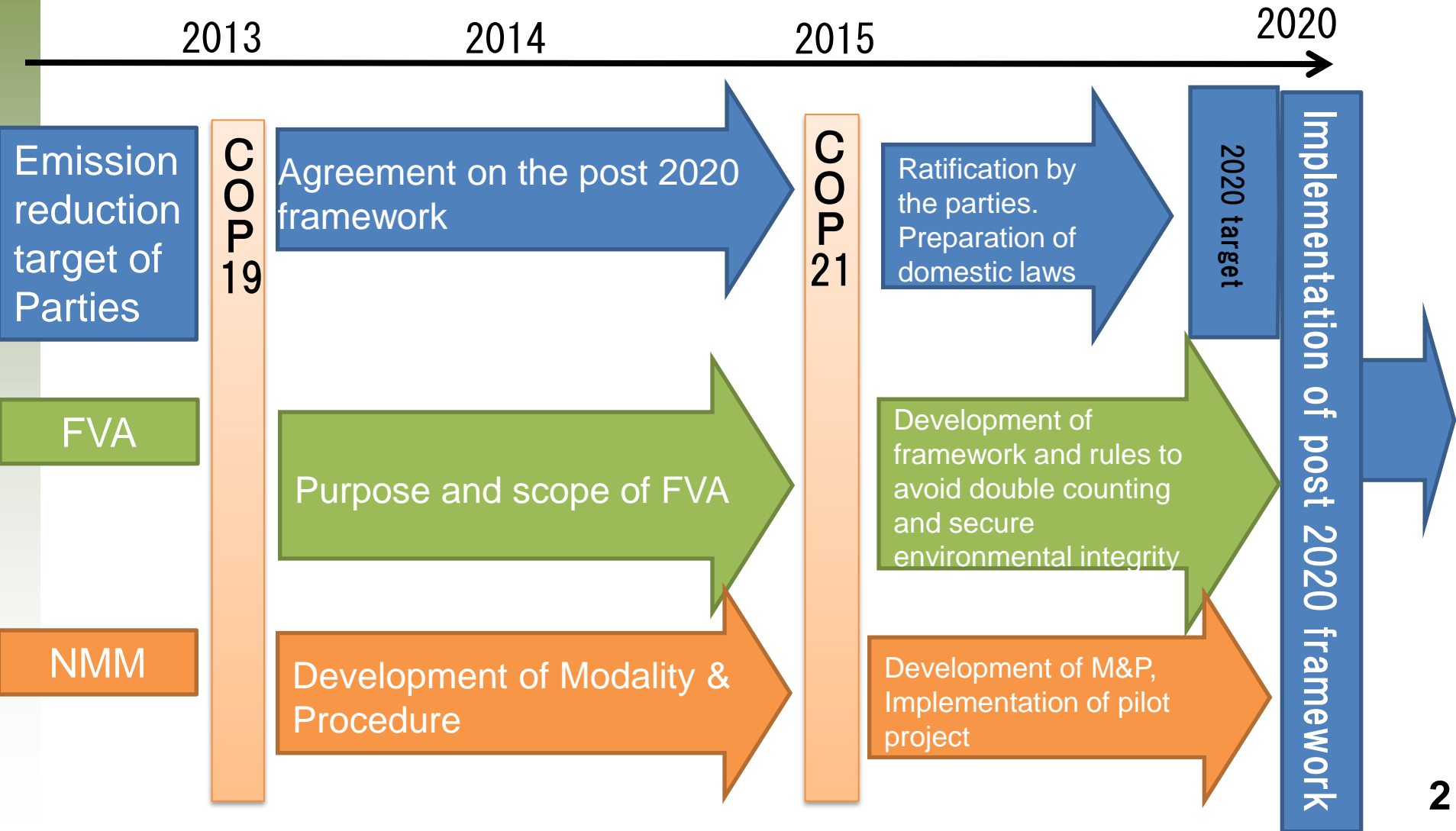
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# Road to the post 2020 framework



# Decisions on the CDM

## ◆ Request of guidance to the CDM EB

- Development of SD monitoring tool
  - Analysis of validation of monitoring plan for microscale and PoA projects
  - Development of country-specific baseline and additionality thresholds
  - Review the concept of materiality in the verification process
- etc

## ◆ Review of the modalities and procedures for the CDM

- ✓ Continue to work on SBI40 since many issues remains to be discussed
- ✓ Request the secretariat to prepare a technical paper for seven issues.

# Current status of Joint Crediting Mechanism

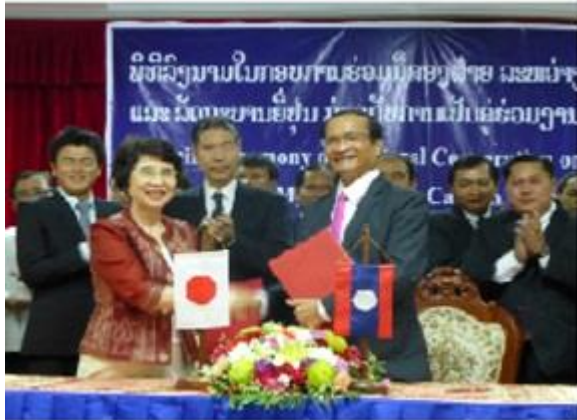
- 10 countries have signed the bilateral documents.
  - Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Viet Nam, Lao PDR, Indonesia, Costa Rica and Palau
- The JCM Partners Roundtable was organized during COP19 in Warsaw, Poland.
  - Share the vision of the Actions for Cool Earth (ACE) for countering global warming through the actions of Innovation, Application and Partnership



# Joint Crediting Mechanism in Lao PDR

- Lao PDR and Japan have already signed the bilateral document on 7 August 2013.
- Number of Planning/Demonstration/Feasibility

<http://www.mmechanisms.org/>



Signing ceremony on August 7, 2013 (Vientiane)

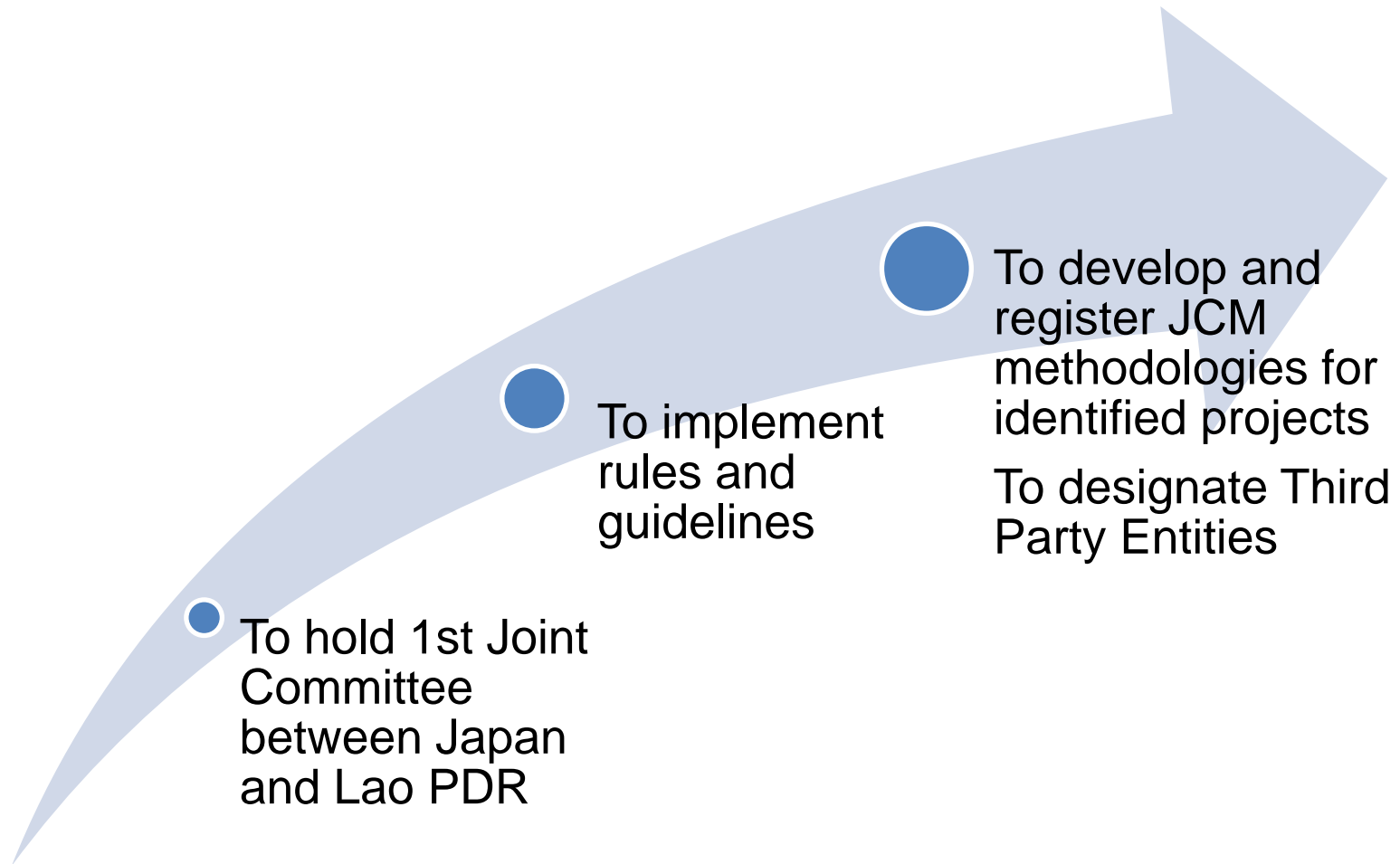
Title	Ministry in charge
Promotion of the Use of Electric Vehicles	MOEJ
Energy Efficiency Projects in Beer Factory	METI
REDD+ in Luang Prabang province, Lao PDR	METI

JCM Planning/Demonstration/Feasibility Studies in FY2013

# Progress in the other partner countries

Country	1st JC	Rules and guidelines	Third-Party Entities (TPEs) for validation and verification
Mongolia	Done	Adopted	Designated
Bangladesh	Done	Adopted	
Ethiopia	Done	Adopted	
Kenya	Done		
Maldives			
Viet Nam	Done		
Lao PDR			
Indonesia	Done	Adopted	
Costa Rica			
Palau			

# Expected process after signing with the bilateral document



# List of rules and guideline to be adopted

- Project Cycle Procedure
- Guidelines for Developing Proposed Methodology
- Guidelines for Developing Project Design Document and Monitoring Report
- Guidelines for Designation as a Third-Party Entity
- Guidelines for Validation and Verification
- Rules of Procedures for the Joint Committee
- Rules of Implementation
- Glossary of Terms

Example of Mongolia case

<http://www.mmechanisms.org/e/initiatives/mongolia.html>



# Financial incentives for the JCM project

The JAPANESE participant(s) can apply for the one of the following subsidies and receive it **upfront**:

*MOEJ (GEC): no more than half of the initial installation cost of the equipment, in return for GHG emission reduction to the government of JAPAN.*

Note: There is also financial support scheme by METI.

Note: METI stands for Ministry of Economy, Trade and Industry;  
MoEJ for The Ministry of the Environment.

# Way forward

- Framework for Various Approach would include transaction of units/outcomes under the JCM.
- The JCM is a new mechanism which incentivizes low carbon technology in developing countries.
- Implementation of rule and guidelines and project identification for the JCM are to be proceeded.