

How to develop a JCM project



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Presentation outline



- Financing support from the Government of Japan
- JCM project cycle



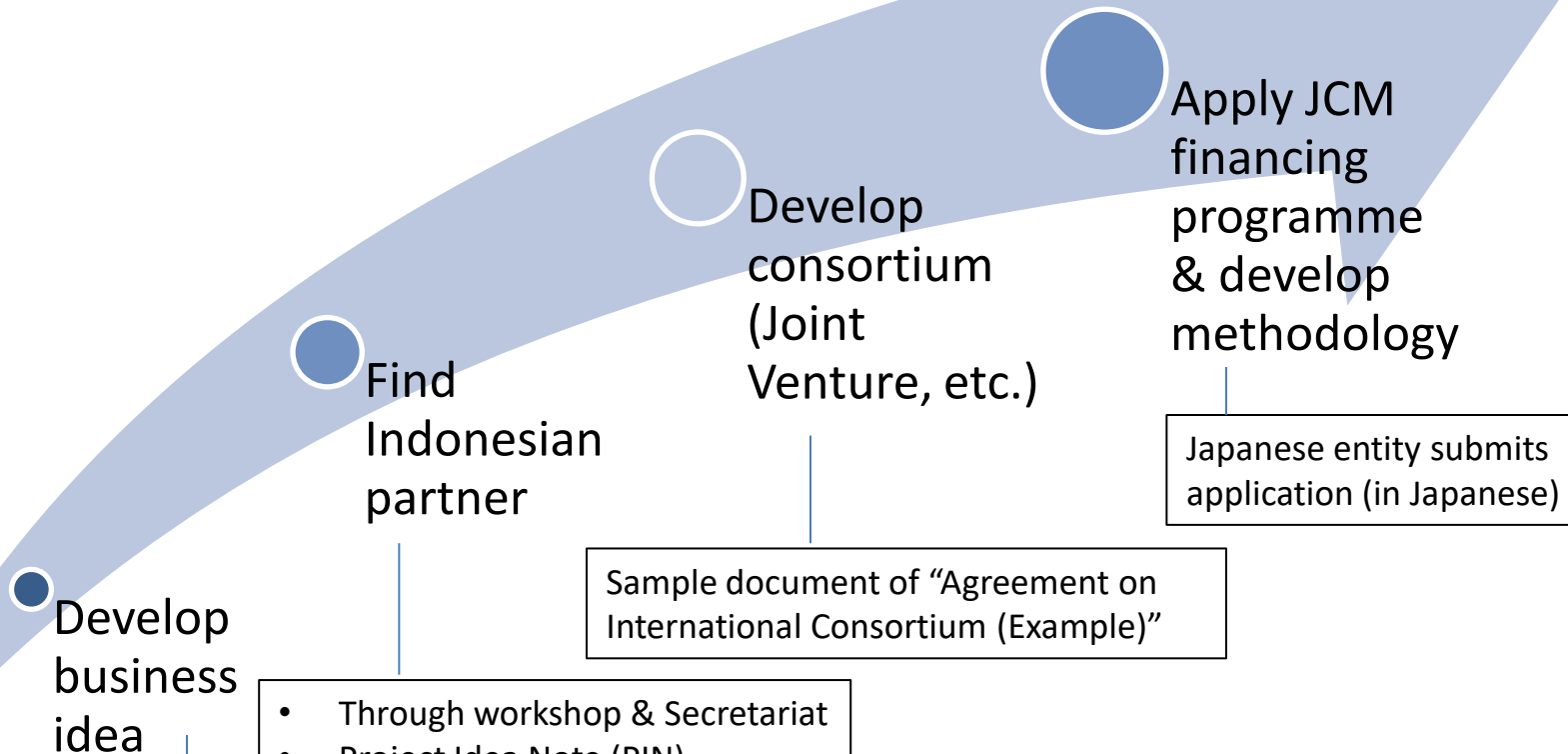
Coordinating Ministry
for Economic Affairs
Republic of Indonesia



FINANCING SUPPORT FROM THE GOVERNMENT OF JAPAN



Developing a JCM Project



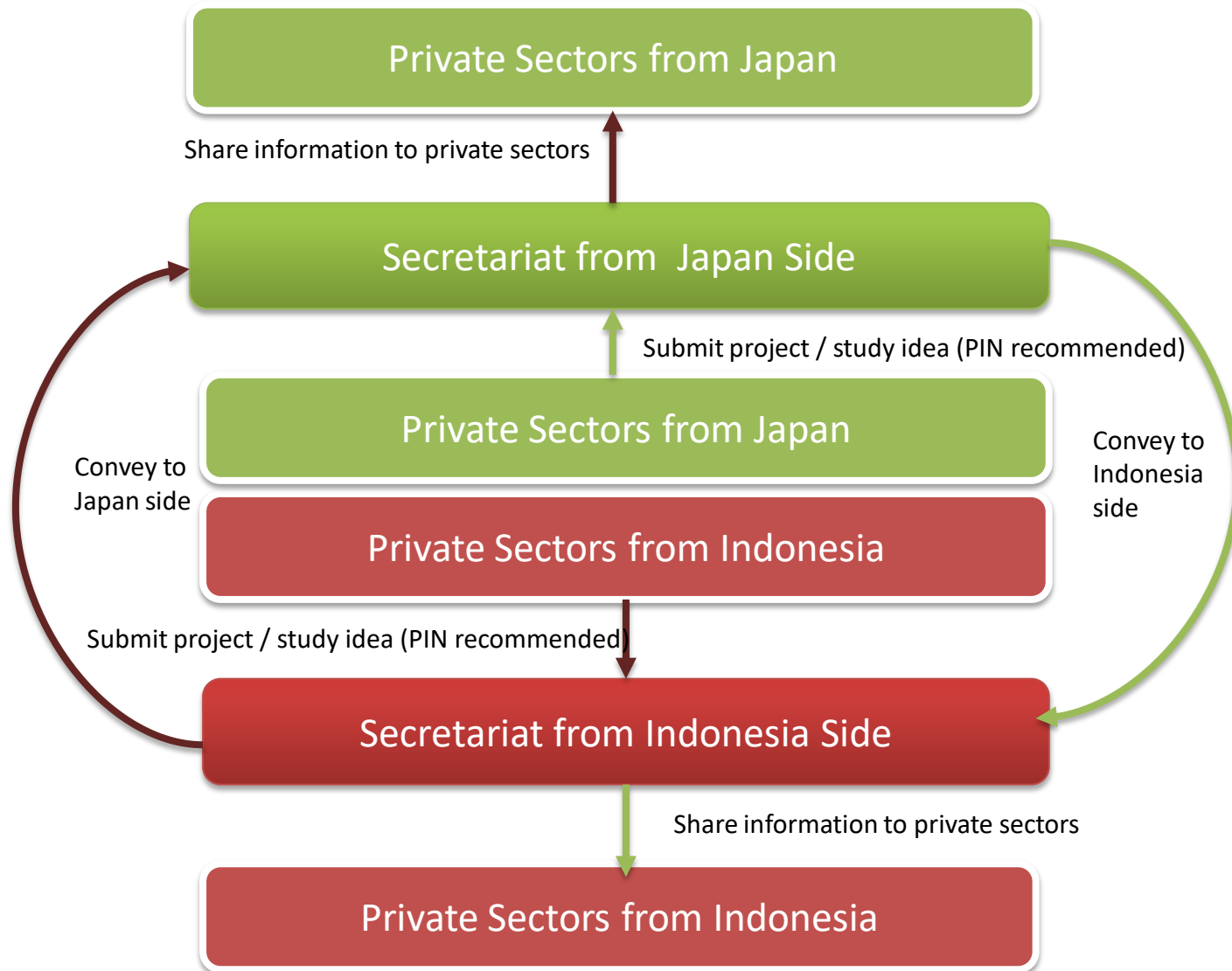
Sample document of "Agreement on International Consortium (Example)"

Japanese entity submits application (in Japanese)

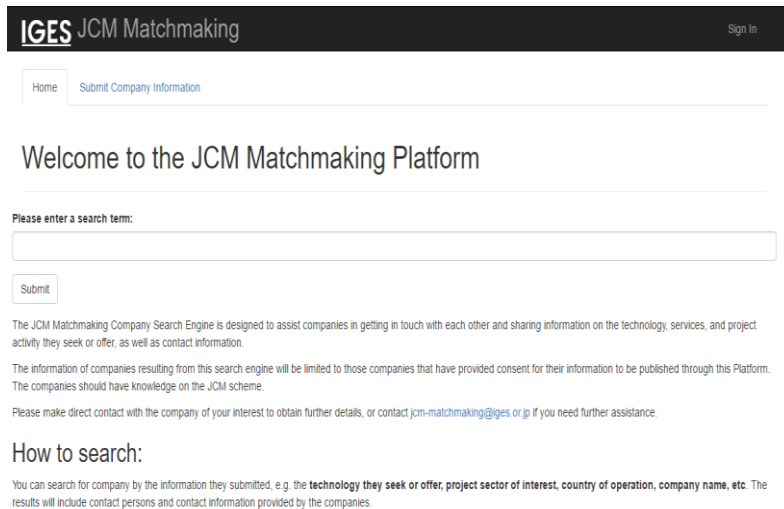
- Through workshop & Secretariat
- Project Idea Note (PIN)

- Secure finance other than JCM or
- Find another financial source for the rest of initial cost (JCM financing programs will not cover all cost, e.g. JCM Model Project covers less than half of the investment cost)

How we accommodate the involvement of private sectors to join us?



IGES' JCM Matchmaking Platform



IGES JCM Matchmaking Sign In

[Home](#) [Submit Company Information](#)

Welcome to the JCM Matchmaking Platform

Please enter a search term:

The JCM Matchmaking Company Search Engine is designed to assist companies in getting in touch with each other and sharing information on the technology, services, and project activity they seek or offer, as well as contact information.

The information of companies resulting from this search engine will be limited to those companies that have provided consent for their information to be published through this Platform. The companies should have knowledge on the JCM scheme.

Please make direct contact with the company of your interest to obtain further details, or contact jcm-matchmaking@iges.jp if you need further assistance.

How to search:

You can search for company by the information they submitted, e.g. the **technology they seek or offer, project sector of interest, country of operation, company name, etc.** The results will include contact persons and contact information provided by the companies.



JCM Matchmaking Platform, Company Information Form



IGES
Institute for Global
Environmental Strategies

Purpose of this form

By submitting this form, you will allow IGES to publish the information disclosed on its website through the JCM Matchmaking Platform.

This publication allows to:

- provide more visibility to your company or organisation's interest in the JCM;
- facilitate matchmaking with potential JCM partners;
- initiate to potential JCM project development

Note that this form is for information sharing only and does not constitute an application for project or an official statement.

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Institute for Global Environment Studies (IGES), provides a matchmaking platform for companies from Japan and host countries. Through this platform, interested companies can find partner(s) to develop JCM projects.

The platform can be accessed through:
http://jcm-matchmaking.iges.jp/#tab_home



JCM Model Project (MoEJ)

The draft budget for projects starting from FY 2016 is **6.7 billion JPY (approx. USD 56 million)** in total by FY2018

※Budget will be fixed after approval by the Parliament

Finance part of an investment cost (**less than half**)

Government of Japan

※Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute.

Conduct MRV and expected to deliver at least half of JCM credits issued

International consortiums (which include Japanese entities)



- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO2 from fossil fuel combustion as well as construction cost for installing those facilities, etc.
- Eligible Projects : starting installation after the adoption of the financing and finishing installation within three years.



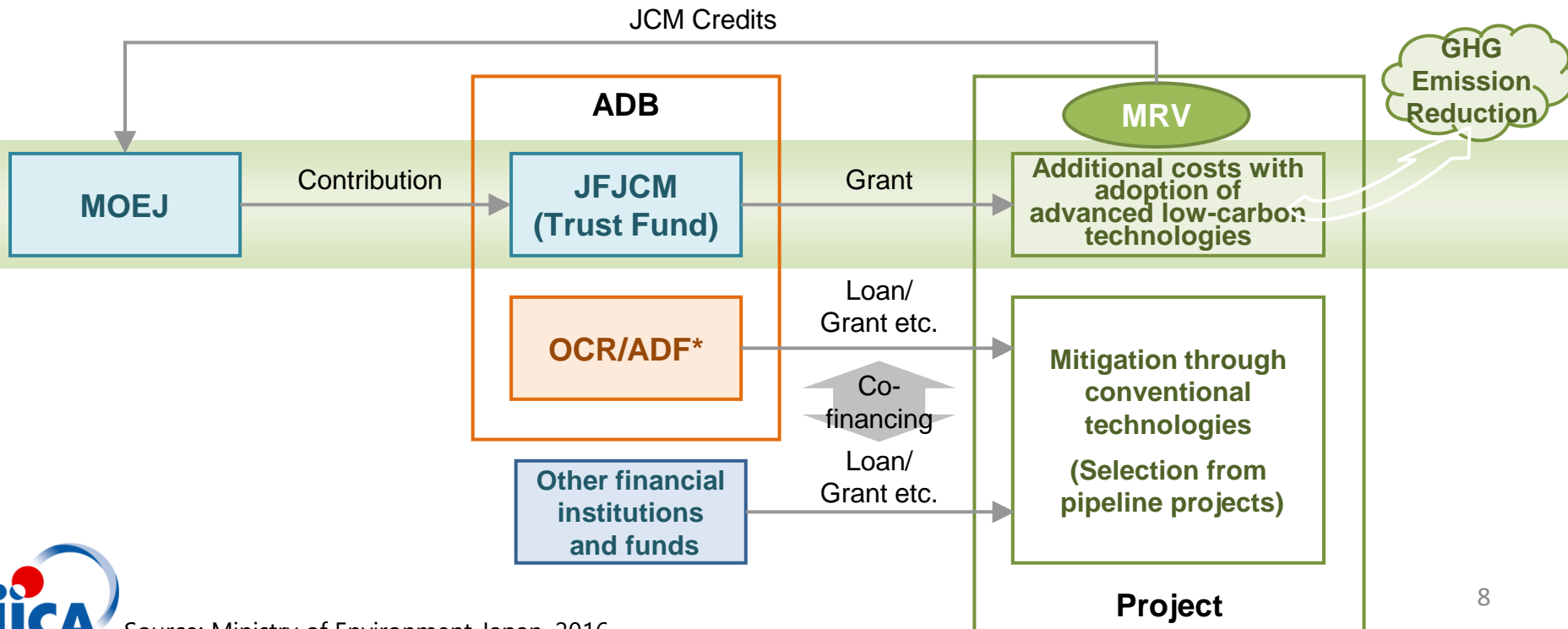
ADB – Japan Fund for JCM

Scheme

To provide the financial incentives for the adoption of advanced low-carbon technologies which are superior in GHG emission reduction but expensive in Asian Development Bank (ADB)-financed projects.

Purpose

To develop ADB projects as the “Leapfrog” developments by the advanced technologies and to show the effectiveness of the JCM scheme by the acquisition of credits of the JCM.





JFJCM funding scheme

General eligibility

Project co-financed with an ADB or ADB-administered funds with proven advanced low-carbon technologies

Leads to a reduction of environmental pollution and/or other social economic benefits

Grant & interest subsidy

Sovereign/public sector

Maximum grant of \$10 million or 10% of the project cost, whichever is lower, or \$5 million if the project cost < \$50 million

Non-sovereign-Project Owner

Interest subsidy up to \$10 million or 10% of the project cost, whichever is lower

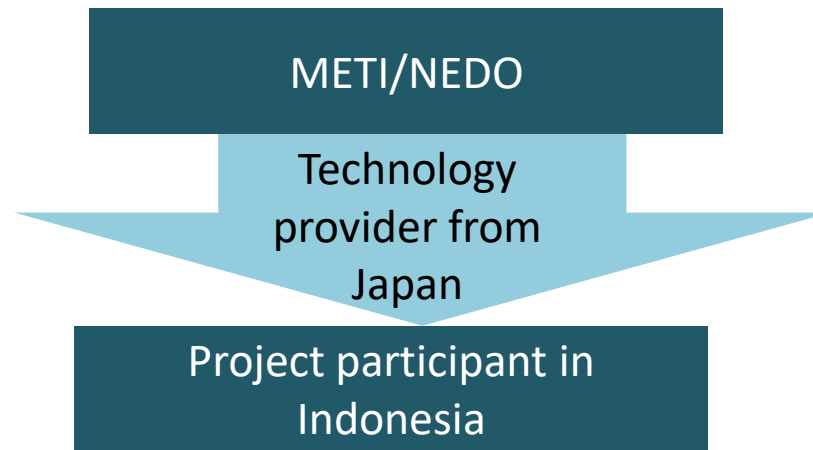
Non-sovereign - Local Financial Institution

Interest subsidy further reduces financing cost of host country financial institutions (banks, ESCOs, leasing companies)



JCM Demonstration project (METIJ)

Funded by Ministry of Economy, Trade & Industry Japan and implemented by New Energy and Industry Technology Development



Funding provided up to more than 50% from the investment

- Coverage of funding:
Cost of the JCM Demonstration project necessary MRV e.g. cost of design, machinery, material, labor travel, etc.
- Within certain period, the equipment will be owned by METI, subsequently it will be transferred to the participant
- Establishment of Joint Venture is not mandatory



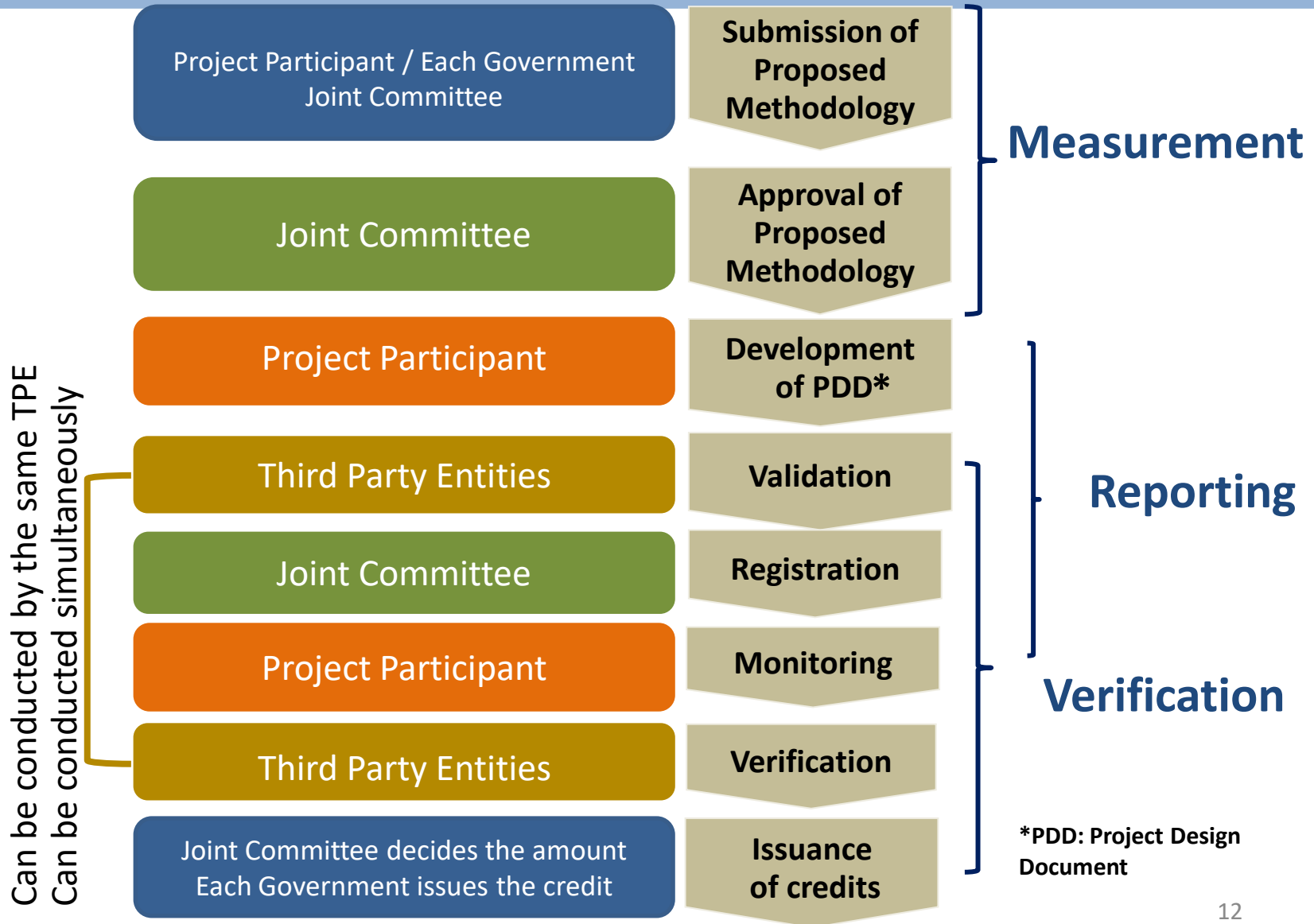
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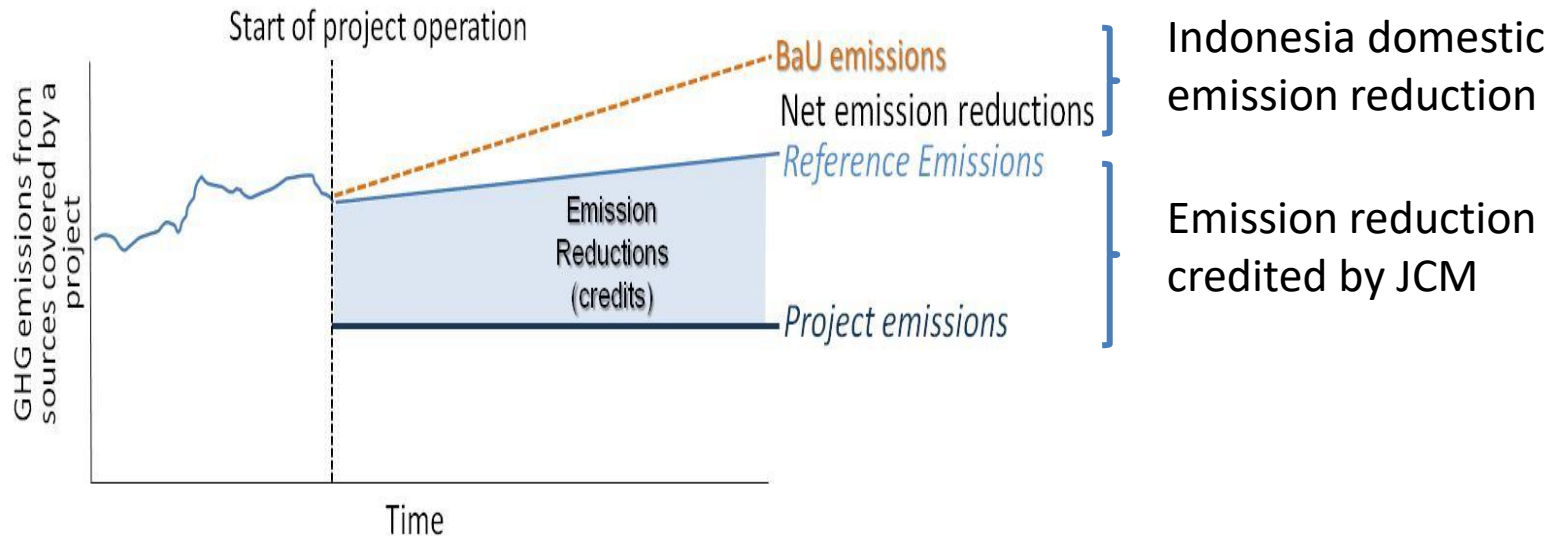
JCM PROJECT CYCLE: WHAT YOU NEED TO KNOW AFTER YOU RECEIVE THE JCM FINANCIAL SUPPORT



JCM Project Cycle



Measuring emission reduction in JCM



JCM utilizes reference emission based calculation

1. In the JCM, *emission reductions* to be credited are defined as the difference between **reference emissions** and project emissions.
2. *Reference emissions* are calculated below business-as-usual (BaU) emissions which represent **plausible emissions** in providing the same outputs or service level of the proposed JCM project in the host country.
3. JCM approach will ensure a net decrease and/or avoidance of GHG emissions.
4. *The value of Reference Emissions in JCM depends on the methodology. Therefore, the value can be equal or different with Baseline Emission.*

Methodology in JCM

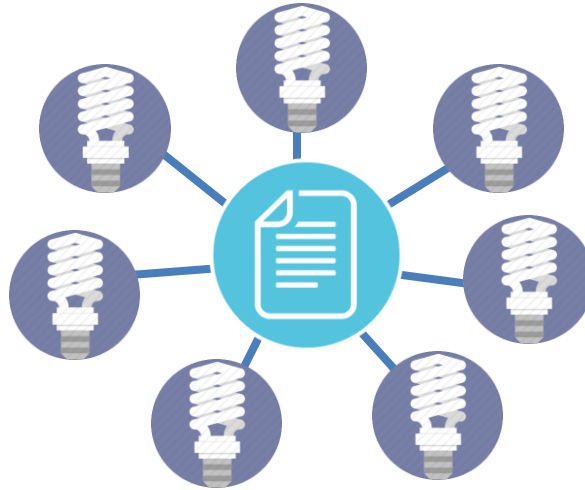
- JCM methodologies should cover these 3 elements:

Eligibility criteria

Monitoring method

Emission reduction
measurement
method

- The methodology is designed according to the type of applied technology.



1 methodology is applicable for many projects which utilize the same technology

SDIP and SDIR

Sustainable Development
Implementation Plan (SDIP)

Sets out a plan of the JCM project to contribute to sustainable development based on ex-ante analysis

Sustainable Development
Implementation Report
(SDIR)

Sets out the achievement of SDIP implementation for a particular monitoring method

7 sustainable development items considered in JCM:



Environmental
Impact Assessment



Pollution control



Safety and health



Natural Environment
and Biodiversity



Economy



Social Environment and
Community Participation



Technology

Developing PDD in JCM

PDD

PDD form

Monitoring
form

Project
explanation

Selection of
methodology(ies)

Estimated
emission
reduction

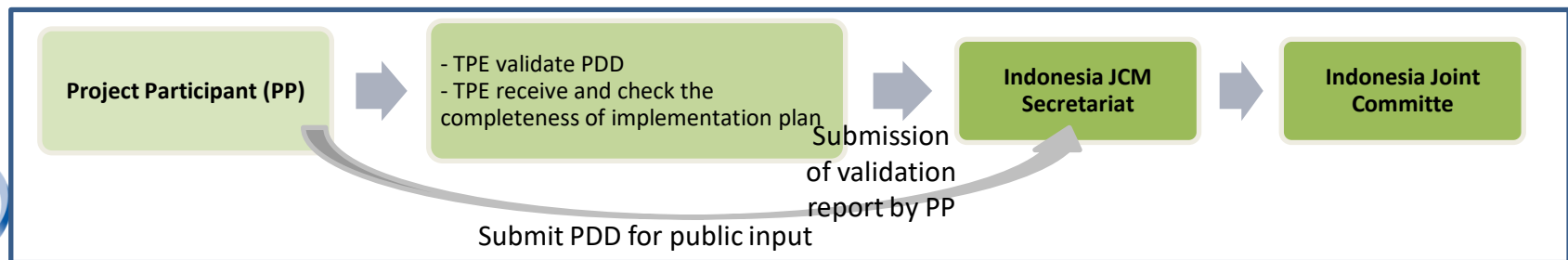
EIA (if any)

LSC result

Ex-ante data

Ex-post data

PDD sets out in detail , in line with the JCM rules and guidelines,
the JCM project which is to be realized.



Validation and verification with TPE

- TPE are selected by the project participants to validate and/or verify their PDD and/or emission reductions.
- Requirements/Eligibility:
 - Candidate entities are either:
 - (a) Accredited under ISO 14065; or
 - (b) Designated Operational Entities (DOEs) under the UNFCCC CDM
 - Candidate entities have sufficient knowledge of the JCM between the Republic of Indonesia and Japan by reading and knowing all applicable rules and guidelines of the JCM.
- Eligible entities can apply as TPE for JCM in each host country separately
 - Candidate entity submit application form and related document stated in Guideline for TPE to JCM Secretariat of Japan and Indonesia (id-jc-secretariat@jcm.go.jp and secretariat@jcmindonesia.com)

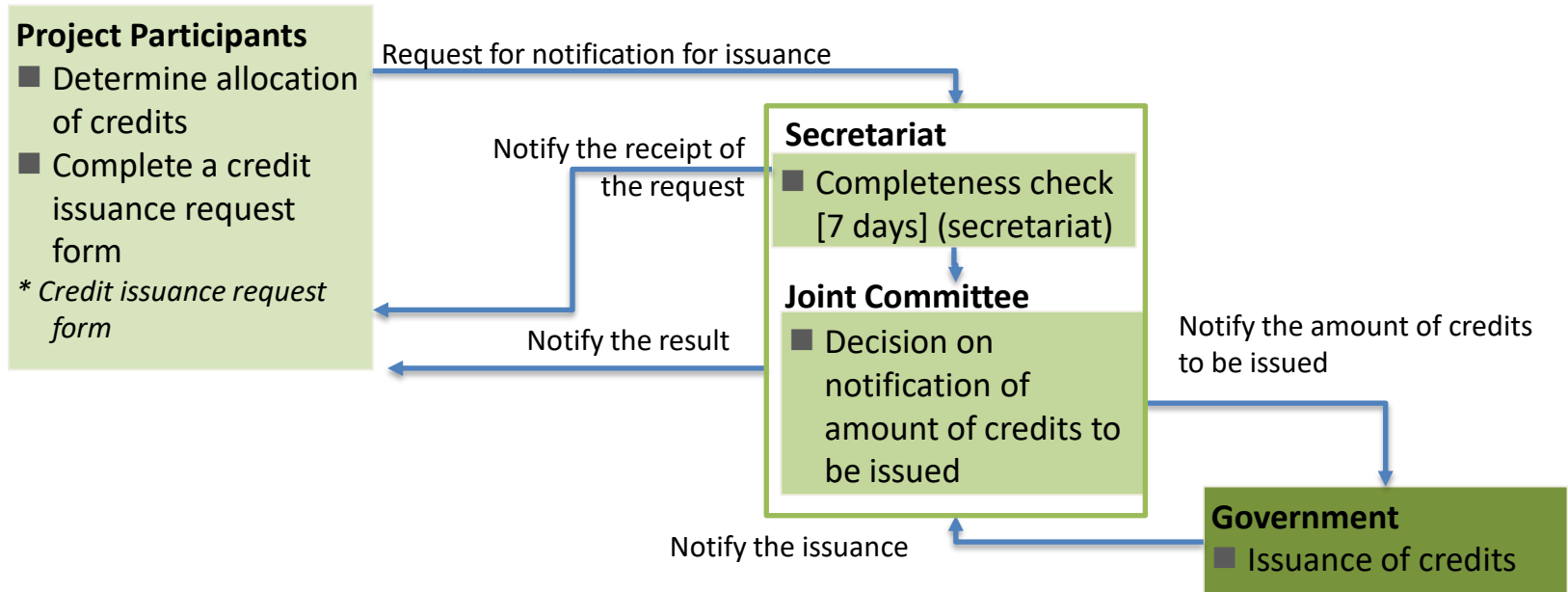
TPE in Indonesia

TPE	JCM Sectoral Scope (for Validation and Verification)	Accreditation	
		ISO 14065	CDM DOE
Lloyd's Register Quality Assurance Limited (LRQA)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	Yes	Yes
Japan Quality Assurance Organization (JQA)	1, 3, 4, 5, 9, 10, 13, 14	Yes	Yes
Japan Management Association (JMA)	1, 2, 3, 4, 6, 8, 9, 14	Yes	Yes
TÜV SÜD South Asia Private Limited (TÜV SÜD)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	No	Yes
Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.	1, 2, 3, 4, 5, 8, 10, 12, 13, 15	No	Yes
TÜV Rheinland (China) Ltd.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	No	Yes
EPIC Sustainability Services Private Limited (India)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15	No	Yes
KBS Certification Services Pvt. Ltd. (India)	1, 3, 4, 5, 6, 7, 9, 10, 11, 13, 15	No	Yes
PT Mutu Agung Lestari	1, 2, 3, 14, 15 Provisionally designated: 4, 13	Yes	No
ERM Certification and Verification Services Ltd	1, 2, 3, 4, 5, 8, 9, 10, 13, 15	No	Yes
PT TUV Rheinland Indonesia	1,2,3,4,7,13,15	Yes	No

Sectoral Scope

1. Energy Industries (renewable/non-renewable sources);
2. Energy Distribution;
3. Energy Demand;
4. Manufacture Industries;
5. Chemical Industries;
6. Construction;
7. Transport;
8. Mining/Mineral Production;
9. Metal Production;
10. Fugitive emissions from fuel (solid, oil and gas);
11. Fugitive emissions from production and consumption of halocarbons and sulfur hexafluoride;
12. Solvent Use
13. Waste handling and disposal
14. Reducing emissions from Deforestation and Forest Degradation in developing countries; and the role of conservation, sustainable management of forest and forest carbon stocks in developing countries (REDD-plus),
15. Agriculture.

Credit issuance



- Once the GHG emission is verified by the TPE and SDIR is deemed positive by the JC, project participants can request for JCM credit issuance.
- Part of the JCM credit will be belong to Government of Indonesia and Japan.
- The project participants are allowed to have the JCM credit and should discuss among themselves for the credit portion of each respected entities.



Coordinating Ministry
for Economic Affairs
Republic of Indonesia



Thank you! Terima kasih!

Our website: <http://jcm.ekon.go.id>

Contact us at secretariat@jcmindonesia.com

Sekretariat JCM Indonesia

Gedung Kementerian Koordinator Bidang Perekonomian Lt.2

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