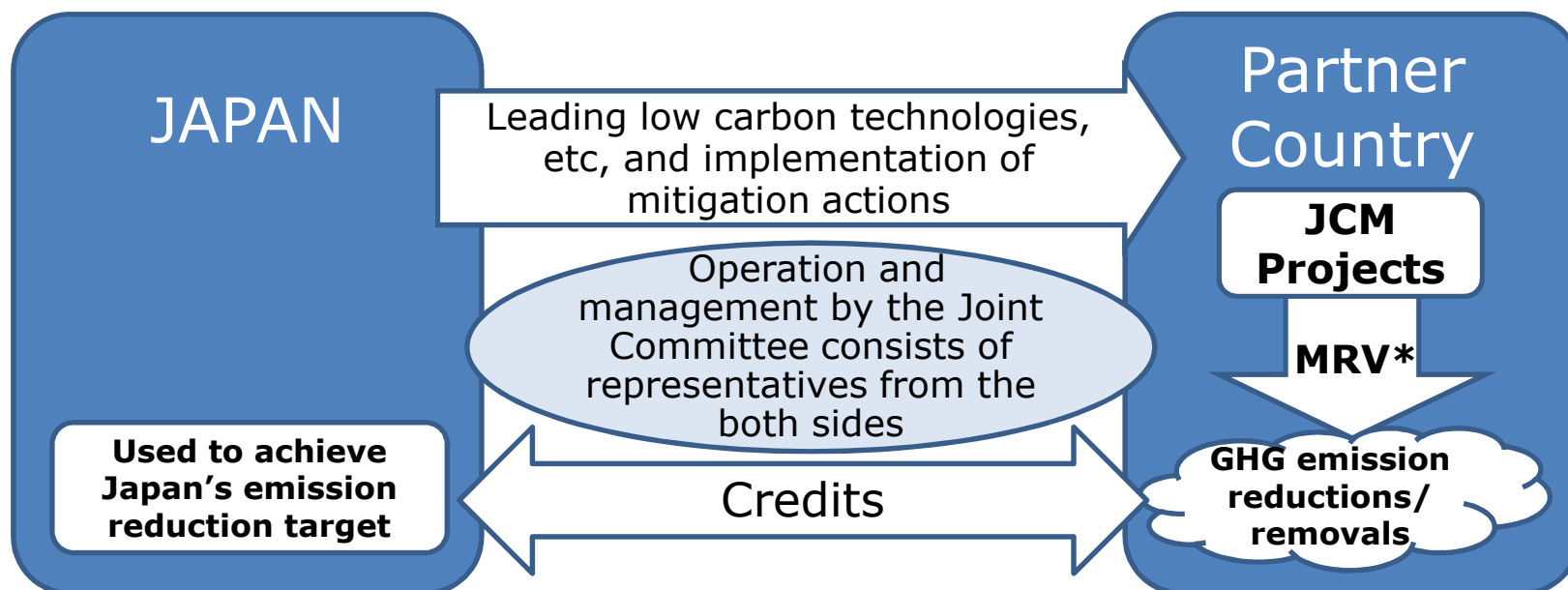


# **Progress in the Joint Crediting Mechanism**

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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 2

## Statement by Prime Minister Shinzo Abe at the COP21



### **【A part of the statement regarding JCM】**

**In addition, many of the advanced low-carbon technologies do not generally promise investment-return to developing countries.**

**Japan will, while lowering burdens of those countries, promote diffusion of advanced low carbon technologies particularly through implementation of the Joint Crediting Mechanism (JCM).**

# Japan's INDC (Excerpt)

## Japan's INDC

- 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-CO<sub>2</sub>eq. 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

- 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

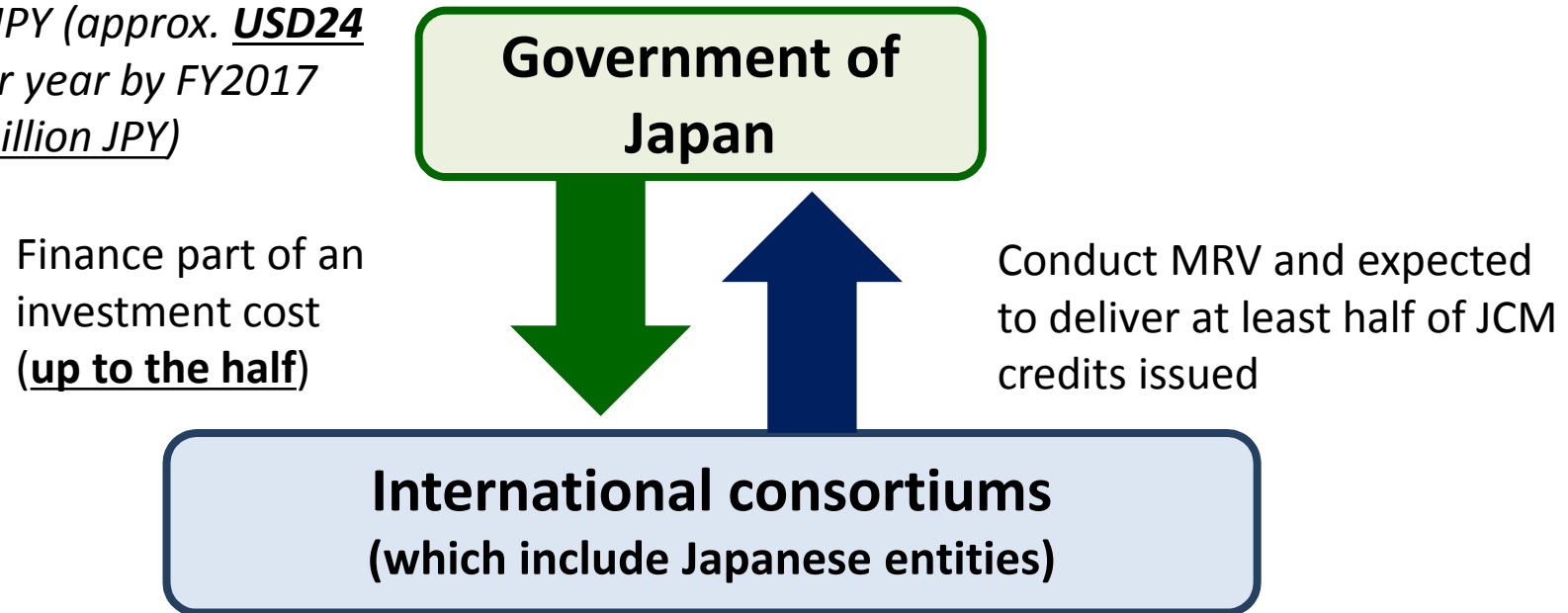
### JCM and other international contributions

- 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.
- 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</sub>.



## JCM Model Projects by MOE

*The budget for FY 2015  
2.4 billion JPY (approx. **USD24 million**) per year by FY2017  
(total 7.2 billion JPY)*



- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO<sub>2</sub> 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.

# Support Program Enabling “Leapfrog” Development (Finance/ADB) by MOE

## Collaborative Financing Programme

### Budget for FY 2015[Budget for FY2014]

1.8 billion JPY (approx. USD18 million) per year by FY2018 (total 7.2 billion JPY) [4.2 billion JPY]

### Scheme

To finance the projects which have the better efficiency of reducing GHG emission in collaboration with other projects supported by JICA and other governmental-affiliated financial institute.

### Purpose

To expand superior and advanced low-carbon technologies for building the low carbon society as the whole city wise and area wise in the wider fields, and to acquire credits by the JCM.

## ADB Trust Fund (JF JCM)

### Budget for FY 2015[Budget for FY2014]

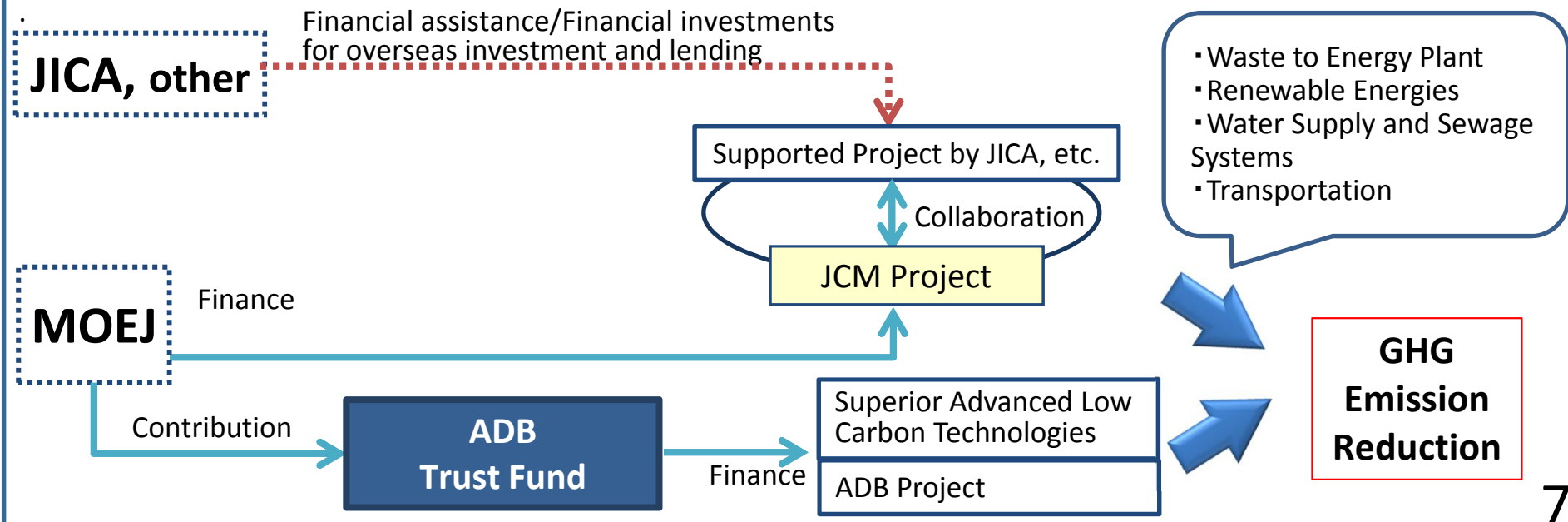
1.8 billion JPY (approx. USD18 million)[1.8 billion JPY]

### Scheme

To provide the financial incentives for the adoption of the advanced low-carbon technologies which are superior in GHG emission reduction but expensive in 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.







# Examples of JCM Projects and Model Projects



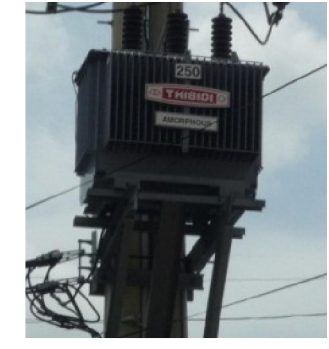
Waste heat recovery in Cement Industry, JFE engineering, Indonesia



Eco-driving with Digital Tachographs, NITTSU, Vietnam



Geothermal power generation, Mitsubishi Hitachi Power Systems, Mexico



Amorphous transformers in power distribution, Hitachi Materials, Vietnam



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



Solar power plant for commercial facilities, Kyocera, Palau



High efficiency air-conditioning and process cooling, Ebara refrigeration equipment & systems, Indonesia



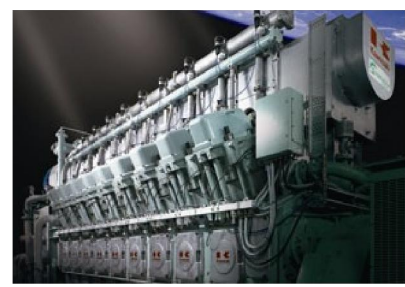
Energy saving at convenience stores, Panasonic, Indonesia



Waste to Energy Plant, JFE engineering, Myanmar



High efficiency air-conditioning system, Daikin, Hitachi, Panasonic, Vietnam, Indonesia



Co-generation system at factory, Toyota, Nippon Steel & Sumikin Engineering, Indonesia, Thai



High efficient refrigerator, Mayekawa MFG, Indonesia