

# Japan's Domestic Offset Mechanism: Japan Verified Emission Reduction (J-VER)

4 November 2011

Workshop for New Market Mechanism in Mongolia  
at Ulaanbaatar

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## J-VER Scheme: What is J-VER?

Japan Verified Emission Reduction (J-VER) Scheme was established by the Ministry of the Environment, Japan in Nov. 2008

### Objective

- ◆ To certify GHG reduction/sink projects voluntary implemented in Japan
- ◆ To issue high-quality carbon credit meeting the international standards

 **J-VER is designed according to ISO14064-2, 14064-3, and ISO14065**

- ◆ To manage carbon credit appropriately for promotion of carbon offsetting activities

# What is J-VER? (cont.)

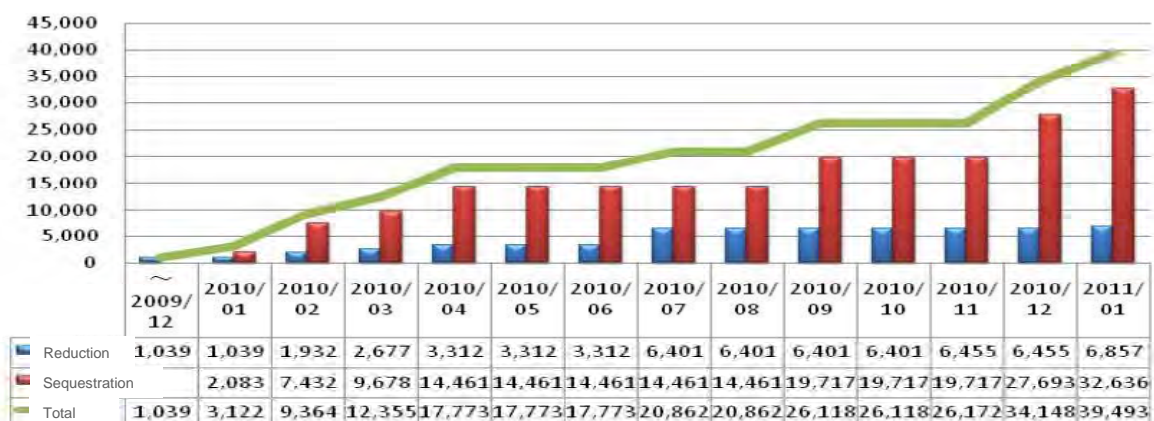
## J-VER is used for

- ◆ voluntary carbon offsetting
- ◆ compliance purpose in Saitama Prefecture's Emissions Trading Scheme and other regulatory framework
- ◆ other purposes by business as well as governmental institutions
- ✓ As a co-benefit of J-VER scheme it is expected that revenue from carbon credits accelerate local environmental protection, as well as local economic development.

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## Credit of J-VER

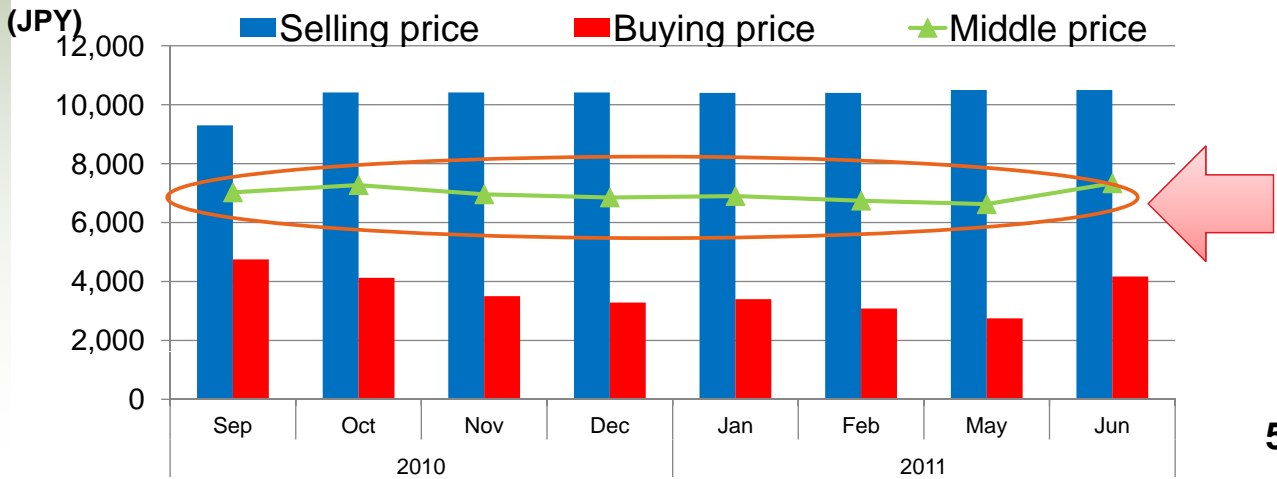
- ◆ Credits are issued for the period from 2008 to 2012.
- ◆ Certified credit amount is about 140,000t-CO<sub>2</sub>.
- ◆ 80% of total credits come from forestry projects.
- ◆ 160 project are registered as of October 2011.



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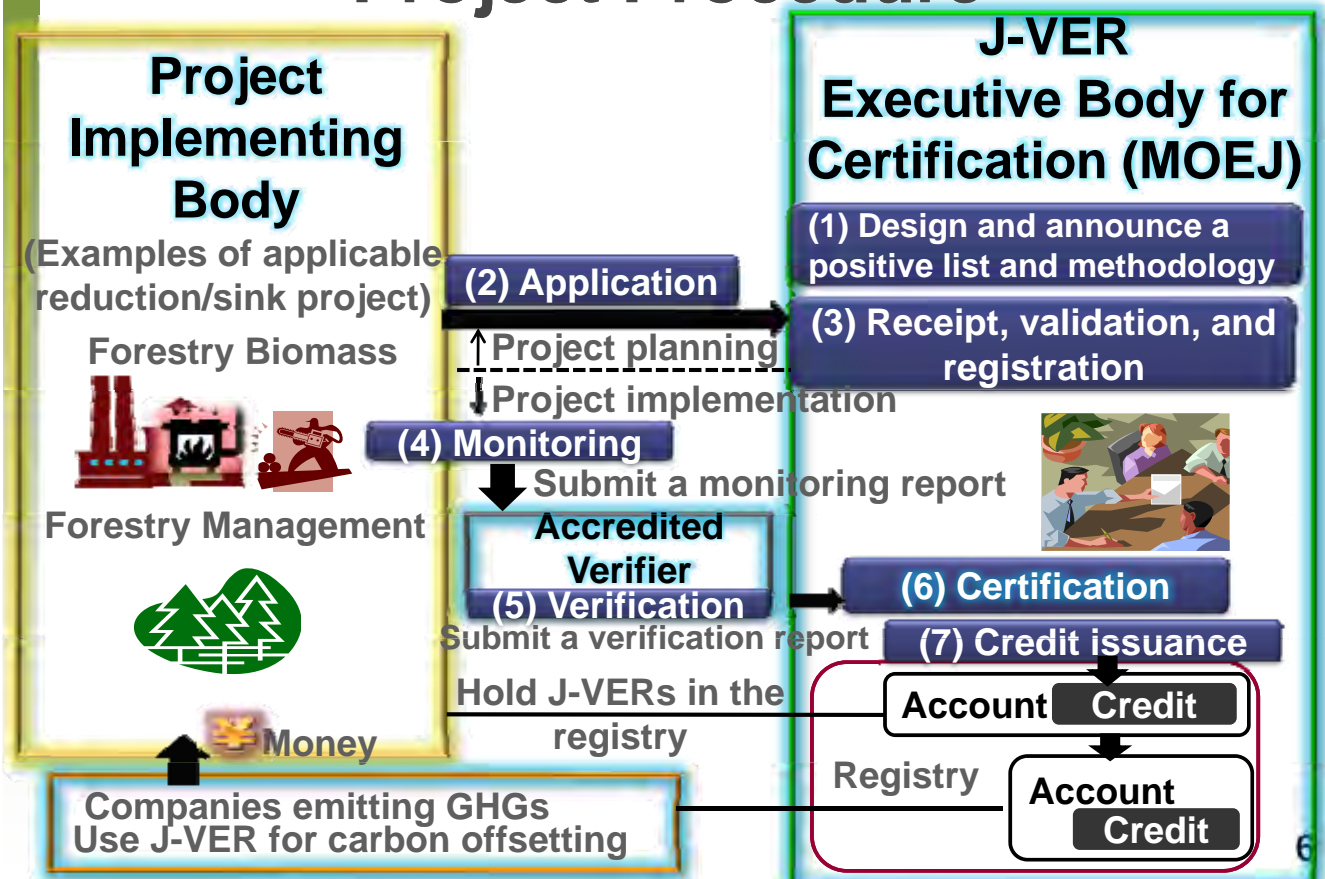
# Price of J-VER Credits for GHG Emission Reduction Projects

- ◆ Approximately 7,000 JPY/t = 90\$/t
- ◆ The high price of J-VER credits reflects the expensiveness of marginal cost for GHG emission reduction in Japan.



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## Project Procedure



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# Organizational Structure

## Ministry of the Environment

- establish committees
- appoint committee members

### Steering Committee

- formulate rules and guideline
- approve methodologies
- supervise the registry
- set up sub-committee
- other relevant issues



### Technical Sub-Committee (Methodology Panel)

- formulate methodologies
- review rules and guidelines
- advice for Certification Committee from tech. perspective

### Certification Committee

- approve/withdrawn projects
- certify/issue credits
- other relevant issues

### Certification Center on Climate Change, Japan (4CJ)

- secretariat for the scheme (helpdesk)
- support the committees
- operate the scheme (registry, web)

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## Positive list

### Demonstration of additionality for J-VER scheme;

- ◆ J-VER administrator (e.g. Japanese government) specifies particular type of technologies which should be encouraged in GHG projects and register them in a “positive list”.
- ◆ Eligibility criteria are presented for each type of technology in “the positive list”
- ◆ If such criteria are met, the project is considered as “additional”.



**Project participant's burden is substantially reduced compared to CDM.**

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# Approved Methodologies

E001	Biomass boiler use
E002	Biomass pellet boiler use
E003	Biomass pellet stove use
E004	Biodiesel use (made from waste edible oil)
E005	Sewage biosolid use
E006	Exhaust heat recovering and use
E007	Wood stove use
E008	Efficiency delivery system through Information and Communication Technology (ICT)
E009	Intelligent gas meter (ICT)
E010	High efficient light
<b>E011</b>	<b>High efficient boiler</b>
<b>E012</b>	<b>High efficient air-conditioning (ex. heat pump)</b>
E013	Energy saving through free cooling
E014	High efficient iron
<b>E015</b>	<b>Small hydroelectric generation</b>
<b>E016</b>	<b>Cogeneration</b>

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E017	High efficient fan and pump and inverter
E018	Biogas use (made from waste)
<b>E019</b>	<b>Heat pump</b>
E020	Refuse paper & plastic fuel (RPF)
E021	Oil and gas use made from waste
E022	Heat recovery from waste combustor
E23	Eco-drive equipment
<b>E24</b>	<b>Photovoltaic generation</b>
E25	Fuel switch to biomass in cement kiln
E26	Energy saving through green roof
R001	Sequestration through thinning
R002	Sequestration through sustainable forestry
R003	Sequestration through afforestation
L001	Nitrous oxide emission reduction through use of low protein feed for stock
L002	Methane avoidance through manure management

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## Key features of J-VER

- ◆ J-VER scheme was established to certify high-quality carbon credit which is compatible to the international standards.
- ◆ J-VER credit was initially designed for voluntary carbon offsetting, but also can be used for compliance purpose such as ETS.
- ◆ Demonstration of additionality in J-VER scheme differs from CDM so that the PP's burden is substantially reduced.
- ◆ J-VER scheme can be used in other countries as well when an establishment of VER crediting scheme is considered.

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## Further Information

- Climate Change Policies of Japanese government in general:  
[http://www.env.go.jp/en/earth/ets/mkt\\_mech.html#03](http://www.env.go.jp/en/earth/ets/mkt_mech.html#03)
- Website for J-VER:  
<http://www.4cj.org/jver/index.html>
- Contact: [cdm-info@iges.or.jp](mailto:cdm-info@iges.or.jp);

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