

The Project Cycle of the JCM and Support by IGES

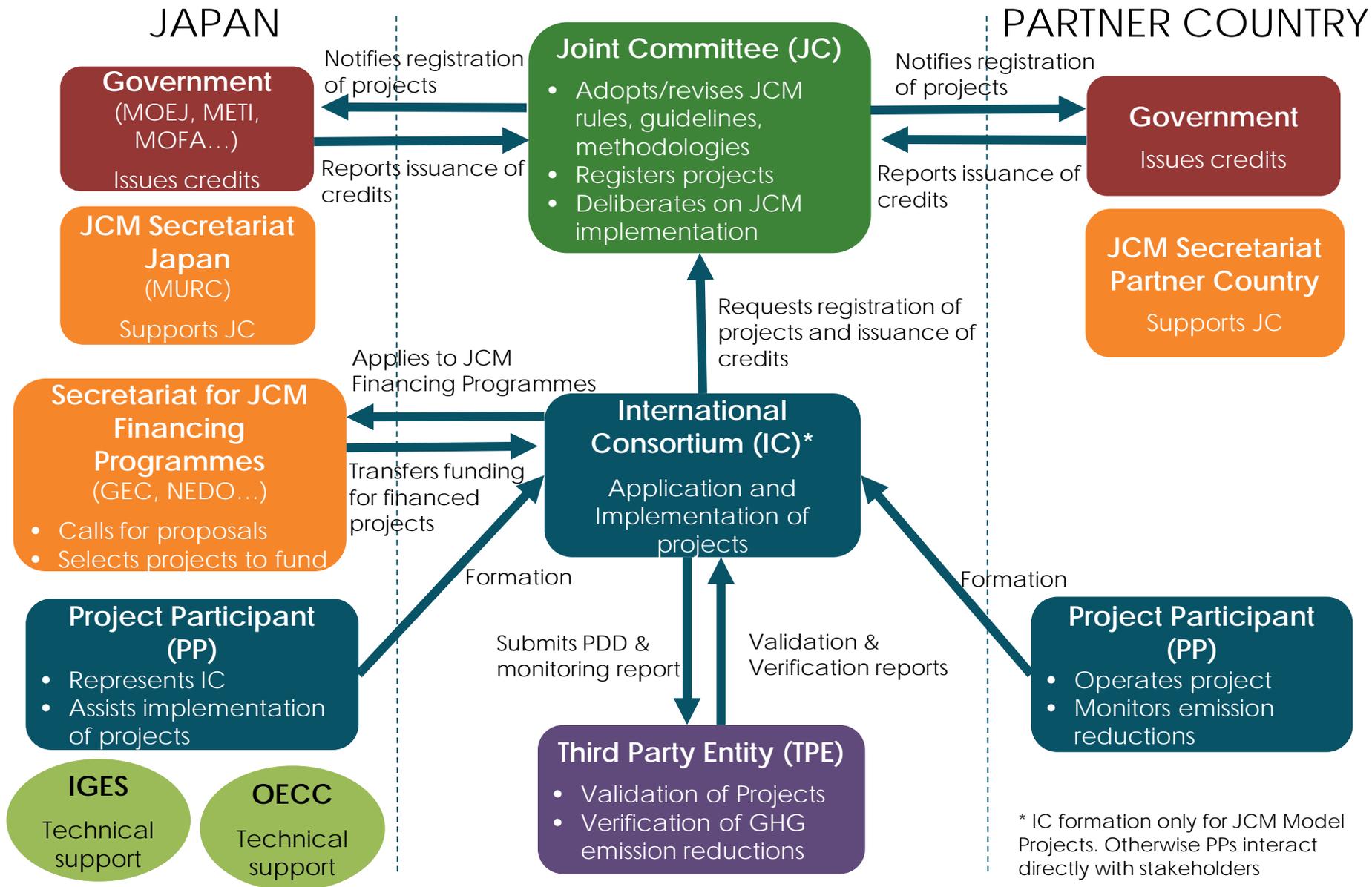
Workshop for understanding the Project Cycle under the
Joint Crediting Mechanism,
Bangkok, Thailand, 30 September 2016

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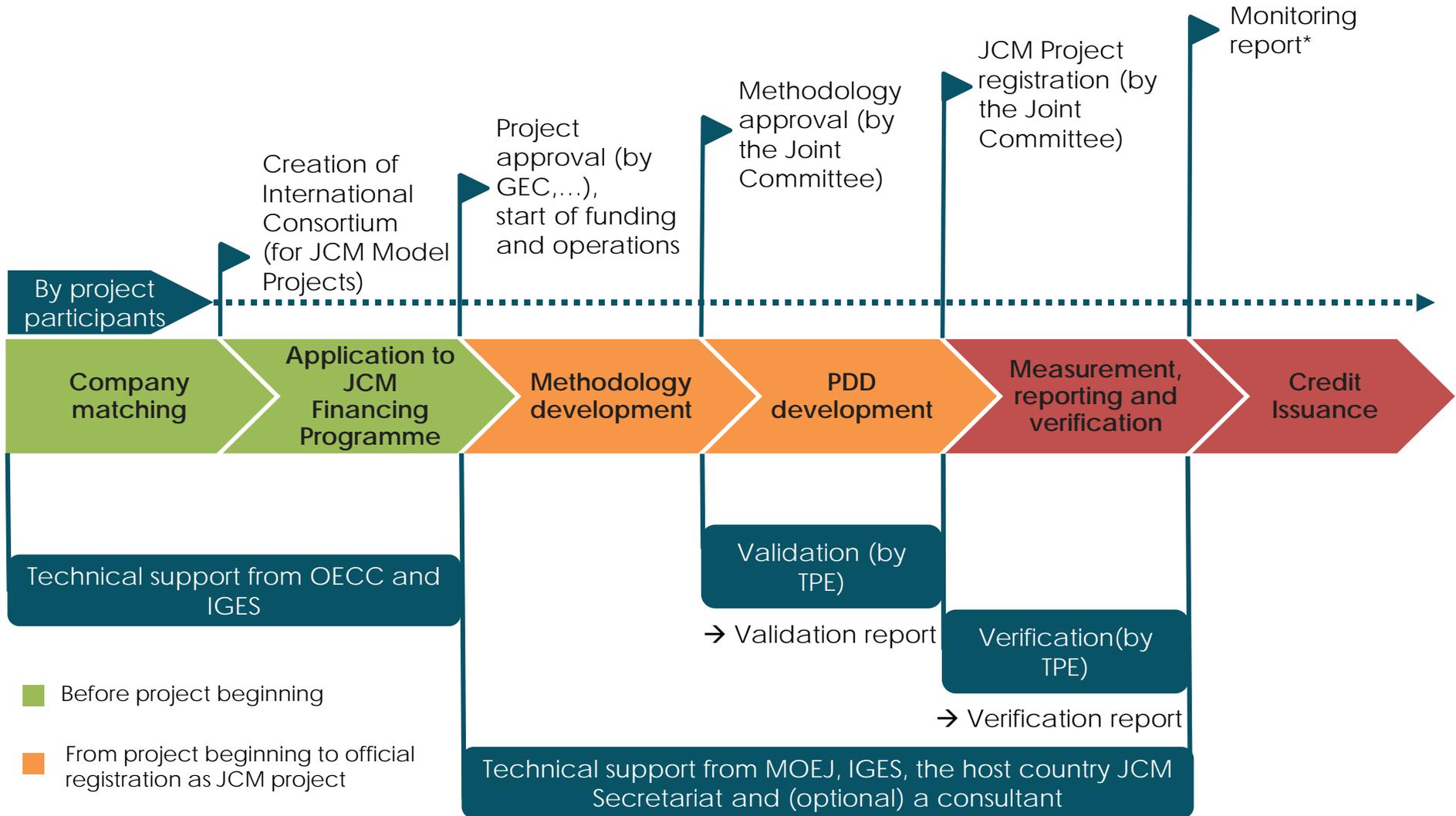


The JCM Project Cycle in 9 steps

JCM Main Stakeholders



Overview of JCM Project Development



*Support for monitoring report first time only

Step 1: Company matching



1. Feasibility Study report from the Japanese government

1. OECC approaches companies

1. Company matching during IGES JCM workshops

2. Project identification

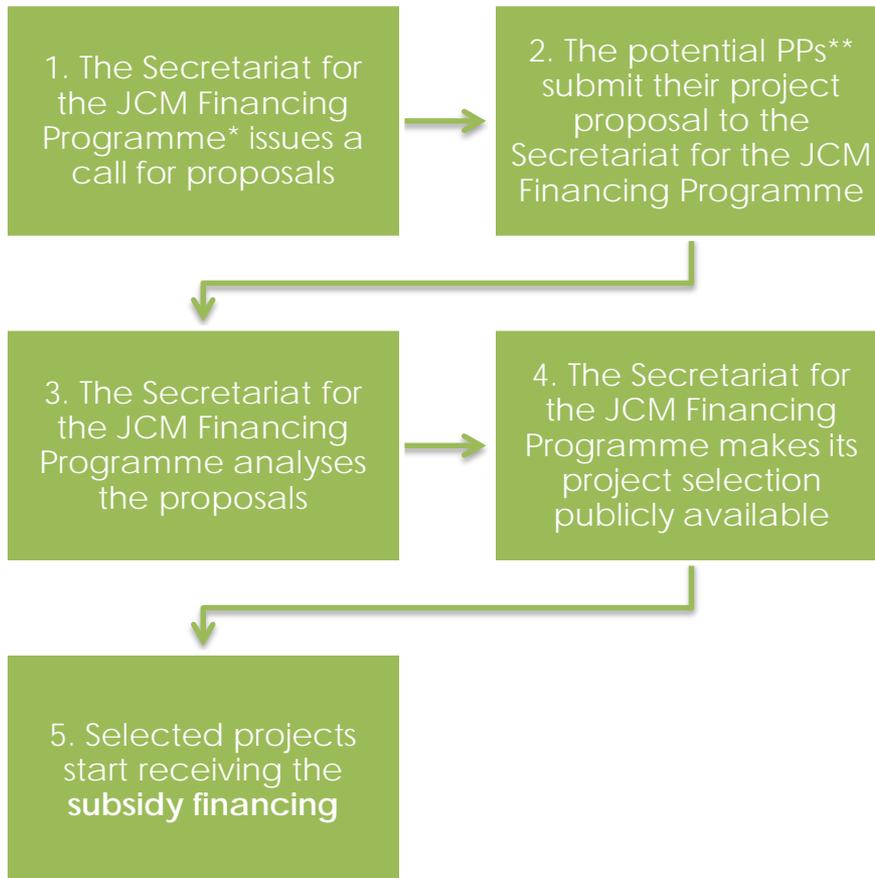
3. Letter of interest (optional)

4. Both potential PPs jointly form an **International Consortium***

*In case of application to a JCM Model Project

Step 2: Application to a JCM Financing Programme

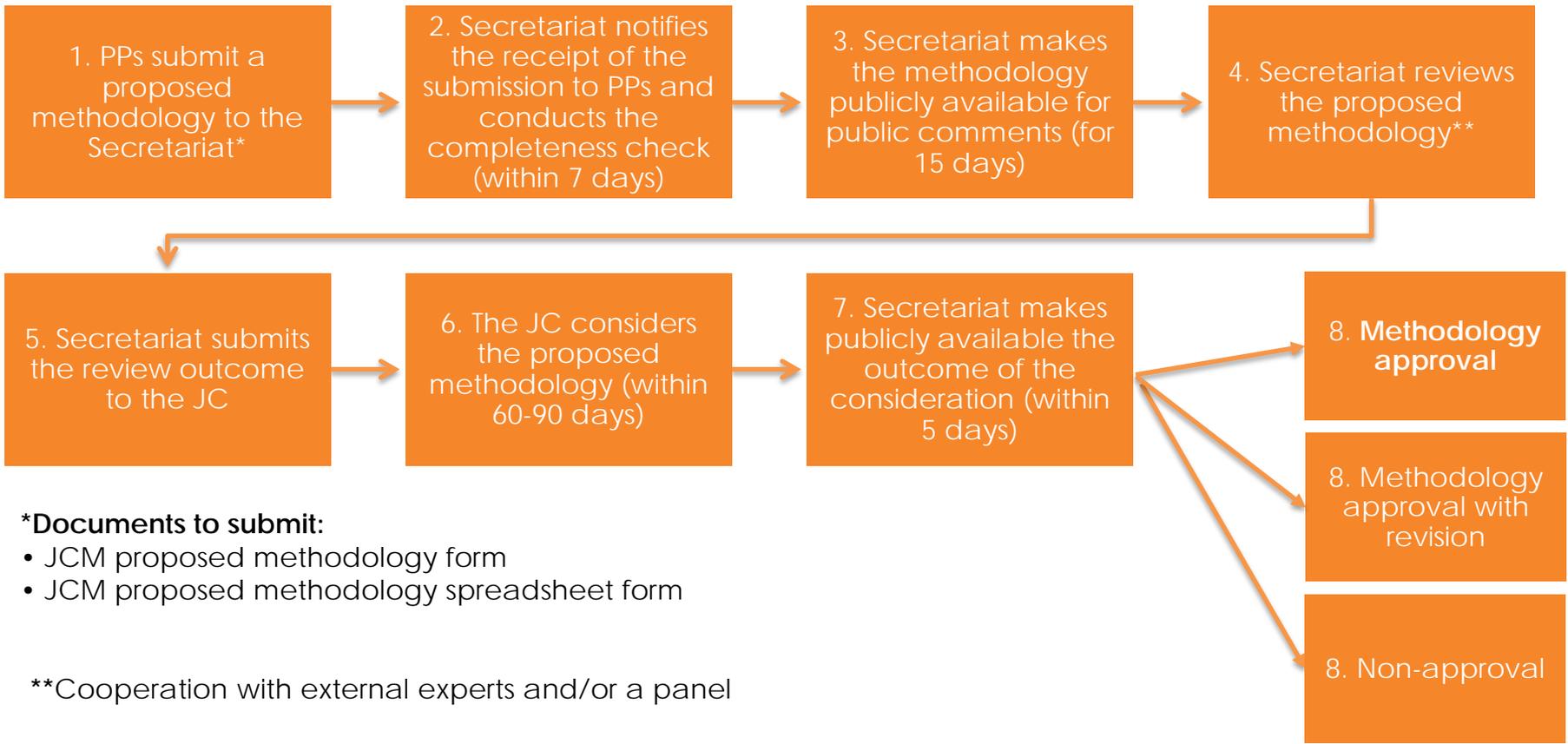
Example of the JCM Model Projects



*The GEC for JCM Model Projects, NEDO for JCM Demonstration Projects...

** In case of application to a JCM Model Project, application is submitted by the representative of the International Consortium, which is the Japanese entity.

Step 3: Methodology Development

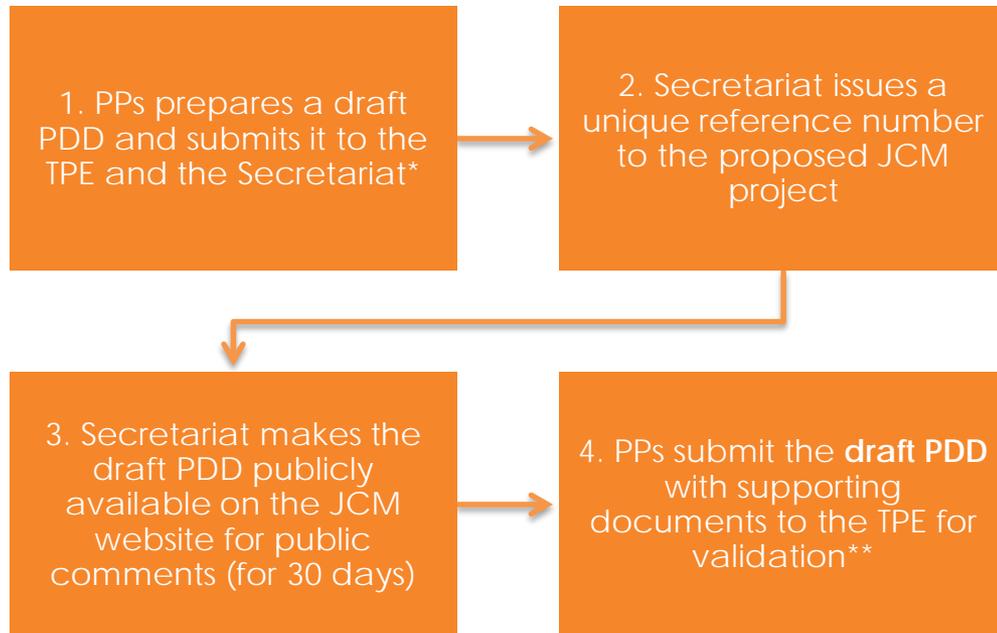


- *Documents to submit:**
- JCM proposed methodology form
 - JCM proposed methodology spreadsheet form

**Cooperation with external experts and/or a panel

Reference document: JCM Guidelines for Developing Proposed Methodology

Step 4: Project Design Document (PDD) Development



*A draft PDD consists of a completed "JCM PDD Form" and monitoring plan.

**Public input can be conducted in parallel with validation (step 5).

Documents to prepare

- JCM Project Design Document , Monitoring plan and Modalities of communication (MoC)

List of required information

- Name of the proposed JCM project
- Location of the proposed JCM project
- Name of all project participants
- Name of the TPE for validation
- Estimated annual emission reductions or removals
- Name of an approved methodology applied
- Proposed starting date and operation period

Good practices for developing the PDD (box 1.)

- Local stakeholders consultation: inviting company management, technology users, local experts, business associations and government entities.
- Good communication between project participants, JCM secretariat, and supporting entities.

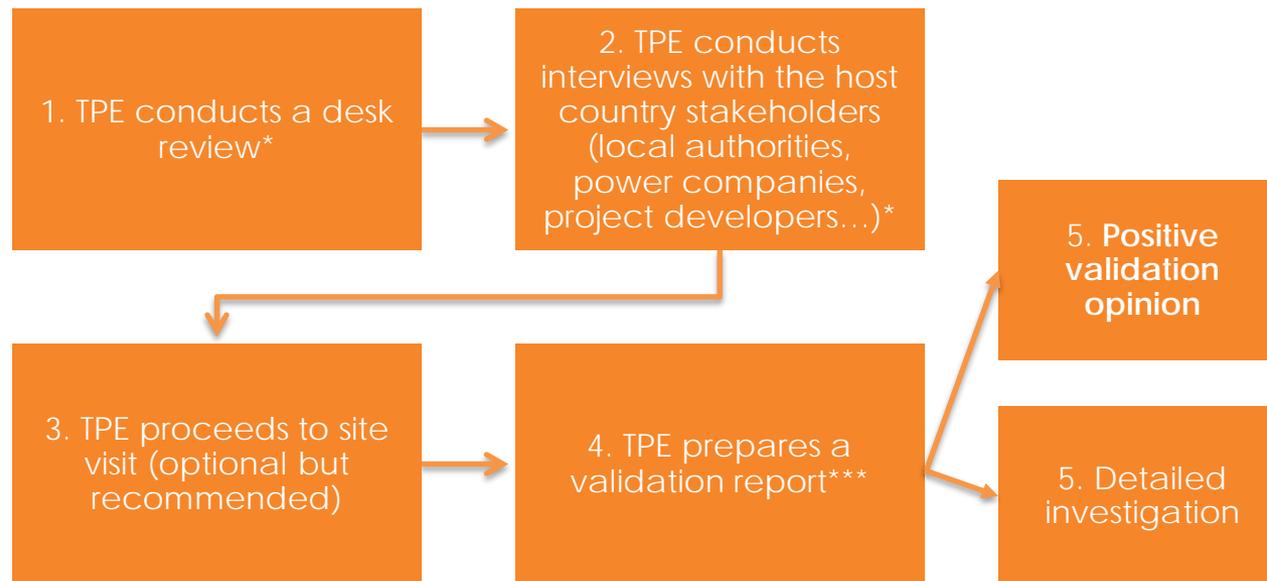
Reference document: JCM Guidelines for Developing PDD and Monitoring Report

Step 5: Validation



Validation is the process of independent evaluation of a proposed JCM project by a TPE against VV Guidelines.

- The TPE validates the Modalities of Communication and the proposed JCM project (PDD and monitoring plan sheet)
- TPEs designated by JC in each country are either **accredited under ISO 14065**, based on ISO 14064-2; or **Designated Operational Entities (DOEs)** under the Clean Development Mechanism (CDM).
- The **TPE's validation team** is designated by the JC. They must be independent and have no conflict and interest (prohibition of auditing and consulting for the same client)



*The TPE checks **double registration** of the project (e.g. JCM+ CDM or ETS)

The TPE verifies notably whether there is a need for **special permission to operate (EIA...)

***Validation and verification can be conducted simultaneously or separately

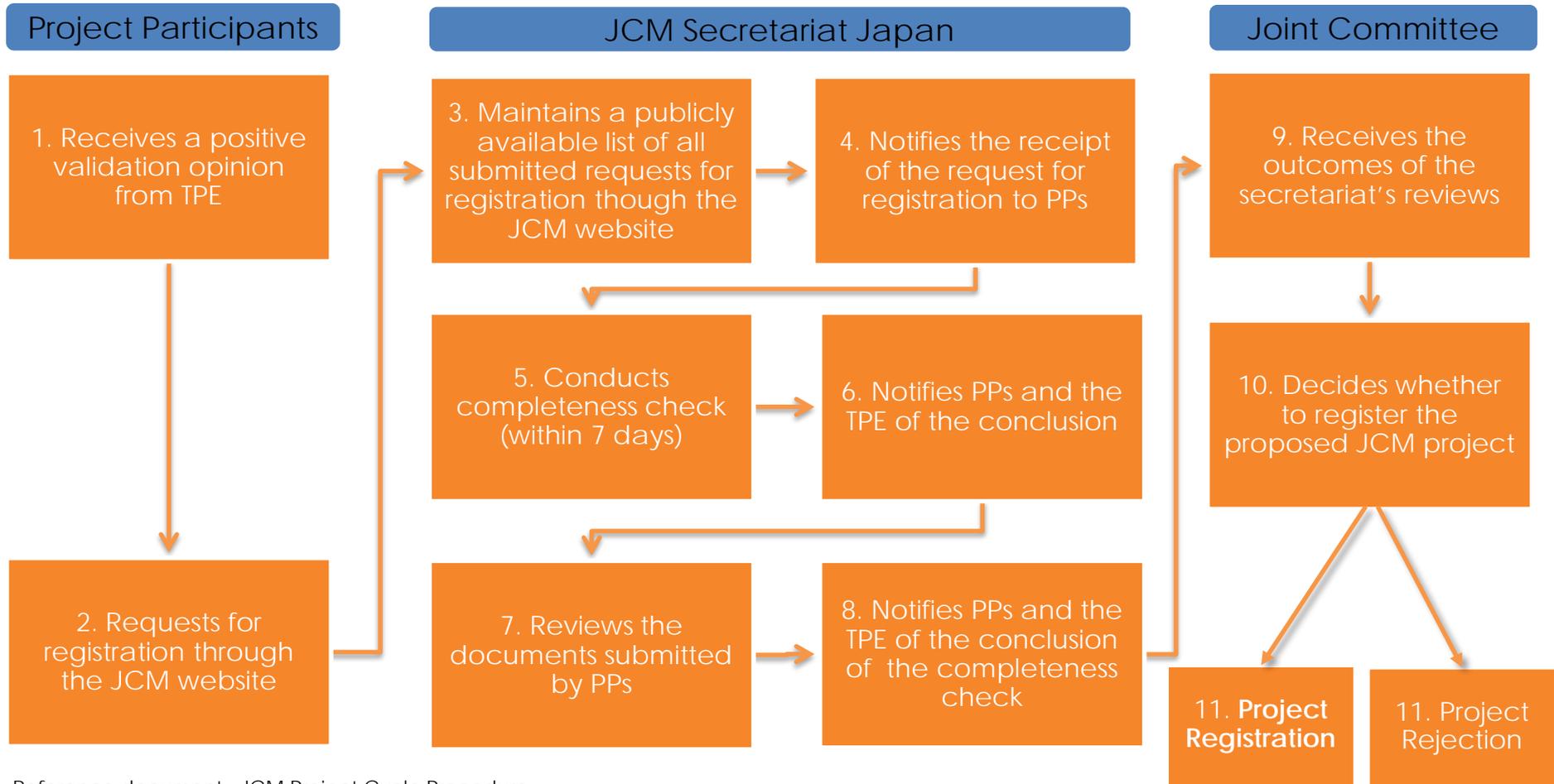
Reference document: JCM Guidelines for Validation and Verification

List of TPEs: <https://www.jcm.go.jp/kh-jp/tpes>

Step 6: Registration



Registration is the formal acceptance by the Joint Committee of a validated project as a JCM project.



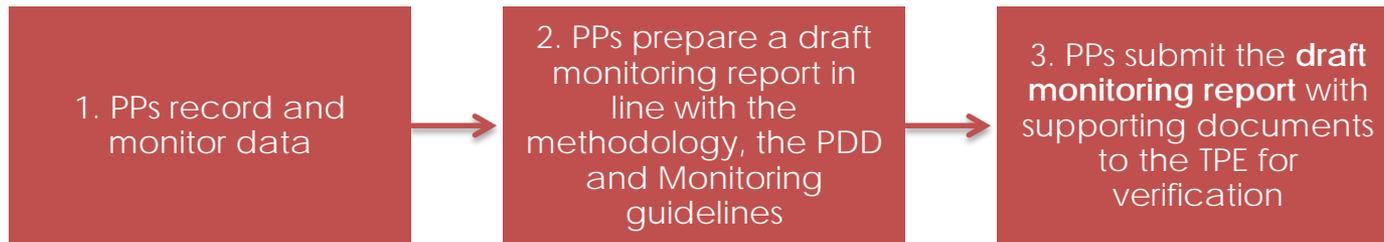
Reference document: JCM Project Cycle Procedure

Step 7: Monitoring



Monitoring options

- Option A: use of public data measured by entities other than the project participants (e.g. statistical data)
- Option B: use of the transaction amount that is measured by the measuring equipment (use of commercial evidence, e.g. invoices from retailers for diesel fuel consumption)
- Option C: use of the actual measured values using measuring equipment (e.g. electricity consumption data from the monitoring device).



The Monitoring Spreadsheet includes

- **Monitoring Plan Sheet:** used before validation for developing a monitoring plan and calculating emission reductions *ex ante*.
- **Monitoring Structure Sheet:** used before validation for developing an operational and management structure to be implemented in order to conduct monitoring.
- **Monitoring Report Sheet:** used before verification for developing a monitoring report and calculating emission reductions *ex post*.

Good practices for Monitoring

- Diagram of emission sources and monitoring points to clarify project system.
- Setting up a monitoring team responsible for monitoring points (collect data, maintain and control measuring instruments, calibration of regular inspection), composed of people understanding the JCM project cycle, procedure, and set up data backup system.
- Recheck data, provide evidence, supporting documents, and equipment specification.

Reference document: JCM Guidelines for Developing PDD and Monitoring Report

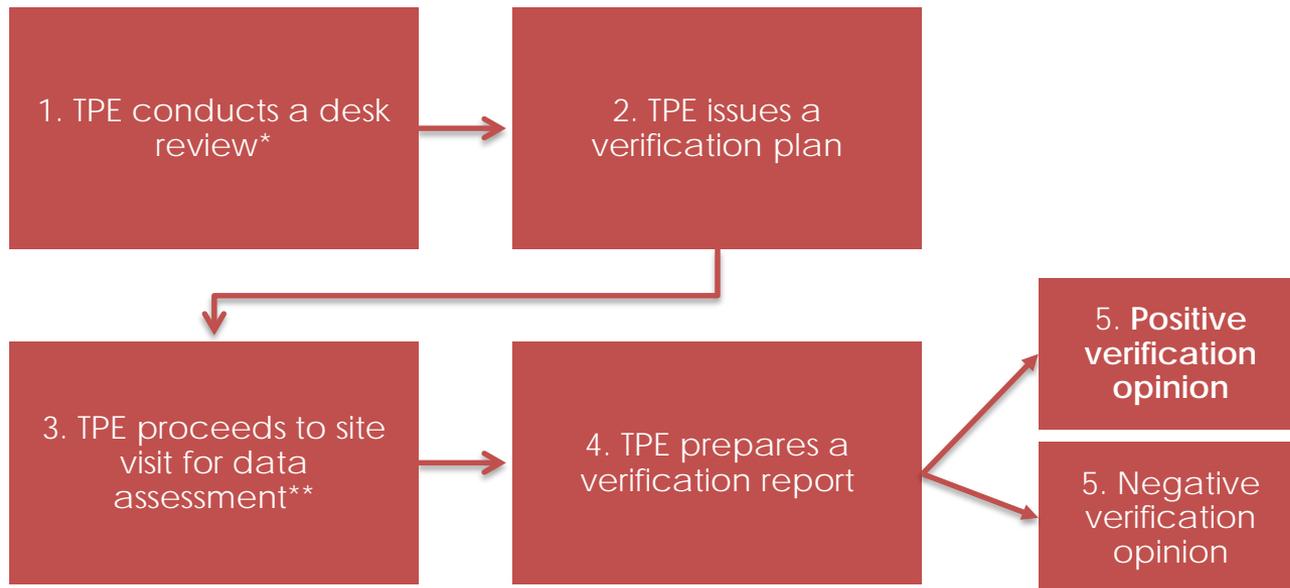
Step 8: Verification



Verification is the periodic independent review and ex post determination by a TPE of the monitored GHG emissions reductions, as a result of a registered JCM project during the verification period.

A TPE determines whether the project complies with the requirements of the applied methodology(ies), these Guidelines, and decisions by the JC. Main focus:

- Eligibility criteria are satisfied
- Monitoring report data credibility and reliability
- Double registration is avoided
- There are no post registration changes which prevent the use of the applied methodology.



*A **desk review** allows to check the compliance with the program, PDD and monitoring plan. The verifier can issue a clarification request if he needs more information.

** The verifier checks errors, omissions and misrepresentation. 3 kinds of risks: inherent risk (material discrepancy), detection risk (monitoring defect) and control risk (problem in the data management system).

Step 9: Issuance of credits

Company matching

Application to JCM Financing Programme

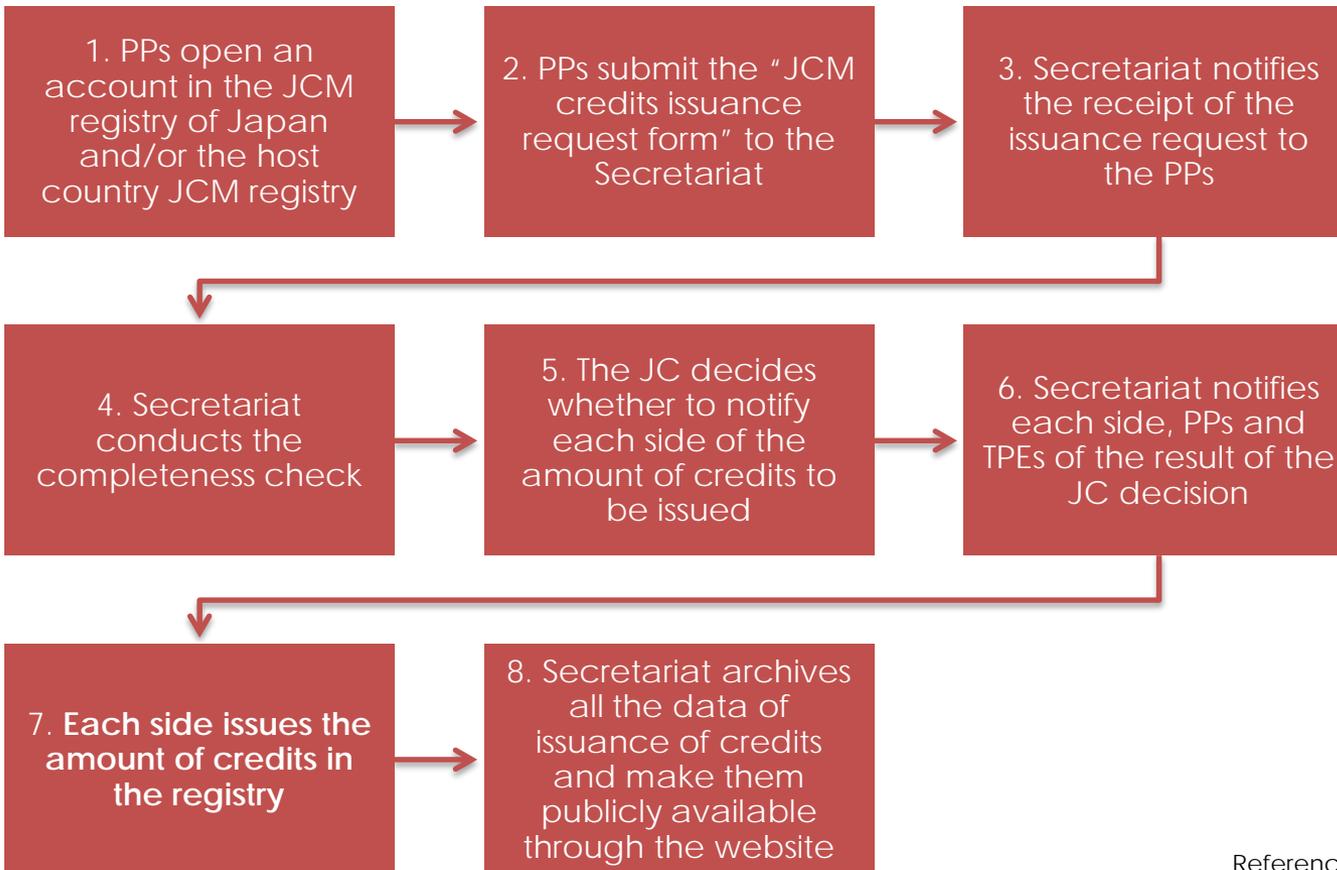
Methodology development

PDD development

Measurement, reporting and verification

Credit Issuance

PPs request the JC to notify each side to issue the credits to its respective account in the registry on the basis of the verification report with the determined allocation of the credits among the project participants.



JCM Credits Issuance Request Form	
Project name	
Project location	
Project start year	
Project end year	
Project status	
Project description	
Project participants	
Project sponsor	
Project manager	
Project contact	
Project email	
Project phone	
Project fax	
Project website	
Project website URL	
Project website description	
Project website screenshot	
Project website URL	
Project website description	
Project website screenshot	

Table of the total project credits	
Project name	
Project location	
Project start year	
Project end year	
Project status	
Project description	
Project participants	
Project sponsor	
Project manager	
Project contact	
Project email	
Project phone	
Project fax	
Project website	
Project website URL	
Project website description	
Project website screenshot	
Project website URL	
Project website description	
Project website screenshot	

"JCM credits issuance request form"

The JCM Registry of Japan:
<https://www.jcmregistry.go.jp/>

Reference document : JCM Project Cycle Procedure

Documents and Forms

Documents can be obtained at https://www.jcm.go.jp/kh-jp/rules_and_guidelines

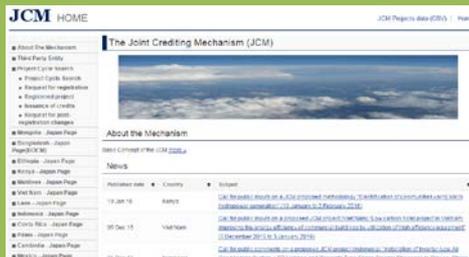
ACTIVITY		REFERENCE DOCUMENTS	FORMS
General		<ul style="list-style-type: none"> • Low Carbon Growth Partnership between the Japanese side and the Cambodian side • Rules of Implementation for the Joint Crediting Mechanism (JCM) • JCM Glossary of Terms 	
Joint Committee		JCM Rules of Procedures for the Joint Committee	
Project Procedures	Overall	JCM Project Cycle Procedure	
	Methodology development	JCM Guidelines for Developing Proposed Methodology	<ul style="list-style-type: none"> • JCM Proposed Methodology Form • JCM Proposed Methodology Spreadsheet Form • JCM Approved Methodology Revision Request Form
	PDD development	JCM Guidelines for Developing Project Design Document and Monitoring Report	<ul style="list-style-type: none"> • JCM Project Design Document Form • JCM Modalities of Communication Statement Form
	Monitoring	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • Monitoring Plan Sheet • Monitoring Structure Sheet • Monitoring Report Sheet
	TPE, Validation and Verification	<ul style="list-style-type: none"> • JCM Guidelines for Designation as a Third-Party Entity • JCM Guidelines for Validation and Verification 	<ul style="list-style-type: none"> • JCM Application Form for Designation as a Third-Party Entity • JCM Validation Report Form • JCM Verification Report Form
	Registration	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • JCM Project Registration Request Form • JCM Post-Registration Changes Request Form • JCM Registration Request Withdrawal Form • JCM Project Withdrawal Request Form
	Credit Issuance	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • JCM Credits Issuance Request Form • JCM Issuance Request Withdrawal Form

For further information

Official JCM Webpage

<https://www.jcm.go.jp/>

Content: rules and guidelines, JCM methodology, projects



GEC website

<http://gec.jp/jcm/index.html>

Content: call for proposals, financial and project development, feasibility study, JCM booklet



New Mechanisms Information Platform

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

Content: recent development of the JCM



IGES JCM Database

<http://bit.ly/igesjcmdatabase>

Content: details of methodologies, projects, feasibility studies

Project Reference Number	Name	Project Site	Region	Host Country	Project Participants (Joint Country)	Project Participant (Other Country)	Type of Project	Regional Information
0001	SD	Group Meeting for Developing and Promoting Environmental Information Center	Asia	Indonesia	EE, Indonesia, Indonesia	Japan, Korea, US, UK, Philippines, China, Bangladesh, Myanmar, Thailand, Viet Nam	Energy efficiency	Energy
0002	SD	Project of introducing high efficiency refrigerator in food service (2nd stage) in Indonesia	Asia	Indonesia	EE, High-Speed Train, Support, EE, Indonesia, Indonesia	EE, Indonesia, UK, US	Energy efficiency	Energy
0003	SD	Project of introducing high efficiency refrigerator in food service (1st stage) in Indonesia	Asia	Indonesia	EE, High-Speed Train, Support, EE, Indonesia, Indonesia	EE, Indonesia, UK, US	Energy efficiency	Energy
0004	SD	Installation of high efficiency LED lighting in public facilities in the region of Myanmar	Asia	Myanmar	EE, Myanmar, Myanmar, Myanmar	UK, USA, USA, USA, USA	Energy efficiency	Commercial & Residential
0005	SD	Introduction of high efficiency LED lighting in public facilities in the region of Myanmar	Asia	Myanmar	EE, Myanmar, Myanmar, Myanmar	UK, USA, USA, USA, USA	Energy efficiency	Commercial & Residential

Support provided by IGES

Capacity building support

→ **Objective:** enhancing institutional and human resource capacity of JCM stakeholders in Partner countries for better implementation of the JCM.

→ **Activities:** workshops, seminars and individual meetings in Partner countries.



Dissemination Workshop on JCM between Cambodia and Japan, Jan. 2016



Green Investment Incentive for Low-Carbon Indonesia - Workshop on the JCM, Feb. 2016



Capacity Building Workshop on the JCM for Private Sectors, Bangladesh, Sept. 2015



Workshop on Guidelines and Procedures of the JCM, Myanmar, Jun. 2016



IGES-TGO Joint Crediting Mechanism Workshop, Jan. 2016



Training for validation/verification agencies as potential Third-Party Entity candidates, Vietnam, Jan. 2016

11 Countries in which JCM Capacity Building Activities are being implemented by IGES



Support for Methodology, PDD and monitoring report development



Methodology Development:

- Preparation and submission of draft methodology to MOEJ.
- Submission of approved methodology proposal to the JCM Secretariat of Partner countries.

PDD Development:

- Preparation of draft PDD
- Coordination with project participants, TPEs and both sides' governments to submit necessary documents for each procedural step

Monitoring report:

- Preparation of draft monitoring report in coordination with TPEs
- Submission of monitoring reports to the JCM Secretariat of Partner countries.

Thank you for your attention



Towards a Sustainable Asia-Pacific