

COP23 Side Event Report The Joint Crediting Mechanism (JCM) contributions towards achievement of the NDCs

Overseas Environmental Cooperation Center, Japan
Prepared by Yuriko Koyanagi

This is a report of a side event held at 23rd Session of the e Conference of the Parties to the UNFCCC (COP23) from November 6th to 17th 2017, in Bonn, Germany.

- Title: The Joint Crediting Mechanism (JCM) contributions towards achievement of the NDCs
- Date: 9 November 2017, Thursday, 13:00-14:30
- Organizers: The Ministry of the Environment, Japan (MOEJ), and the Overseas Environmental Cooperation Center, Japan (OECC)
- Venue: Japan Pavilion
- Facilitator: Prof. Dr. Kazuhiko Takemoto (President of the OECC)
- Presenter: Mr. Le Van Phu (Deputy head of Technical division, Danang Power Company, Ltd: DNPC)
- Panelists: Ms. Anand Tsog (Climate Change Officer, Department of Climate Change and International Cooperation, Ministry of Environment and Tourism, Mongolia), Mr. Nguyen Van Huy (Director, Division of Science, Technology and International Cooperation; Department of Climate Change, Ministry of Natural Resources and Environment: MONRE, Viet Nam), Mr. Kazuhisa Koakutsu (Director for International Negotiation, Ministry of the Environment, Japan)

■ Key messages

- Good practices realized under the JCM would help to identify appropriate technologies which would contribute ER in the partner countries and achievement of their NDC.
- Taking the JCM projects as a “showcase” further project implementation was facilitated in the field of energy efficiency in a self-sustainable way.
- The governments of JCM partner countries were active in involving their private sectors to share ideas/experiences in project development aiming at further promotion of JCM project implementation.
- The government policy would be important because it could show a signal to the market.

■ Session summary

- Mr. Phu, Danang Power Company, Ltd. (DNPC), shared the achievement of energy efficiency efforts through the JCM projects implemented in 2016. DNPC expressed its view to install more Amorphous High Efficiency Transformers in their network to achieve their 2020 target. Such efforts would benefit not only DNPC itself but also its customers and clients while contributing to addressing climate change.

Q1. Could you share the current status and progresses on the implementation of the JCM in your country?

- Mongolia: Heat Only Boiler (HOB) projects were not only practical but they are well appreciated because efficient HOB reduced air pollution that had been occurring in winter caused by consumption of low quality coal. Solar PV projects implemented at the suburbs of Mongolia enabled greenhouse cultivation under the PV panels and the projects were called “solar-farms”. A 10MW solar PV project in Darkhan City was successfully developed within a short period of time. In addition to energy efficiency and renewable energy projects, we would welcome projects contributing to adaptation as well.
- Viet Nam: So far, 5 projects and 10 methodologies were approved in Viet Nam. Viet Nam is the second largest JCM partner country following Indonesia. We are always ready to approve new project proposals. At the 6th Joint Committee, it was decided the issuance of credits for 2 projects. Vietnamese projects participants (PPs) gained many benefits from the JCM.
- Japan: The JCM is in the implementation stage: Among 17 partner countries, over 100 projects were in the pipeline and credits were already issued in 4 countries.

Q2. From the perspectives of efficient and effective achievement of NDCs, what are your expectations regarding implementation of the JCM?

- Japan: Japan’s NDC stated a 26% emissions reduction (ER) target and 50 to 100 million t-CO₂ of ER are to be realized through the JCM. The JCM methodologies were designed very conservatively in order to achieve net ER which are not to be credited. Facilitating JCM projects implementation would contribute to promote more ER in partner countries. With regard to ways for broadening the JCM, a good example was given by the projects installing Amorphous High Efficiency Transformers in Viet Nam which showcased geographical replication of the JCM project horizontally, so now 10% of Vietnam’s electricity distribution network has the same high efficiency of transformers

at the moment.

- Viet Nam: Viet Nam has a target of 25% of ER with international support. Viet Nam's NDC will identify a list of prioritized technologies and JCM is one option in line with the priority list. We were discussing carefully how we could use the JCM efficiently to contribute to Viet Nam's NDC, and how to handle credits issued for the Vietnamese side. The JCM should be implemented as part of our NDC.
- Mongolia: In order to develop the GHG inventory system it is necessary to put emphasis on capacity building efforts. The lessons learned through implementation of the JCM could contribute to this efforts.

3. To realize horizontal expansion of successful projects, how do you support project participants?

- Japan: The Amorphous High Efficiency Transformers introduction project has been implemented in collaboration with local partners. Other power companies followed this effort and the equipment was started to be introduced even outside of the JCM financing programme. Taking the JCM projects as a "showcase" facilitated project implementation in the field of energy efficiency in a self-sustainable way. Such lateral replication could also be seen in for example, projects installing energy efficient chillers and LED lightening.
- Viet Nam: We would facilitate communication among stakeholders from the private sector through a platform. In JCs, we would like to select technologies that will drive replication of projects in addition to prioritized technologies.
- Mongolia: There were a lot of ideas of technologies that can be replicated. From next year, the government of Mongolia will strengthen efforts on outreach and public awareness in consultation with stakeholders of the private sector to further promote project implementation.

To access the Side Event Reports, please refer to the following link:

https://www.carbon-markets.go.jp/en_info-2/en_info_event/y_2017/20171109-2/