



# Tips for Successful JCM Project Implementation

Presented by Pacific Consultants Co., Ltd.

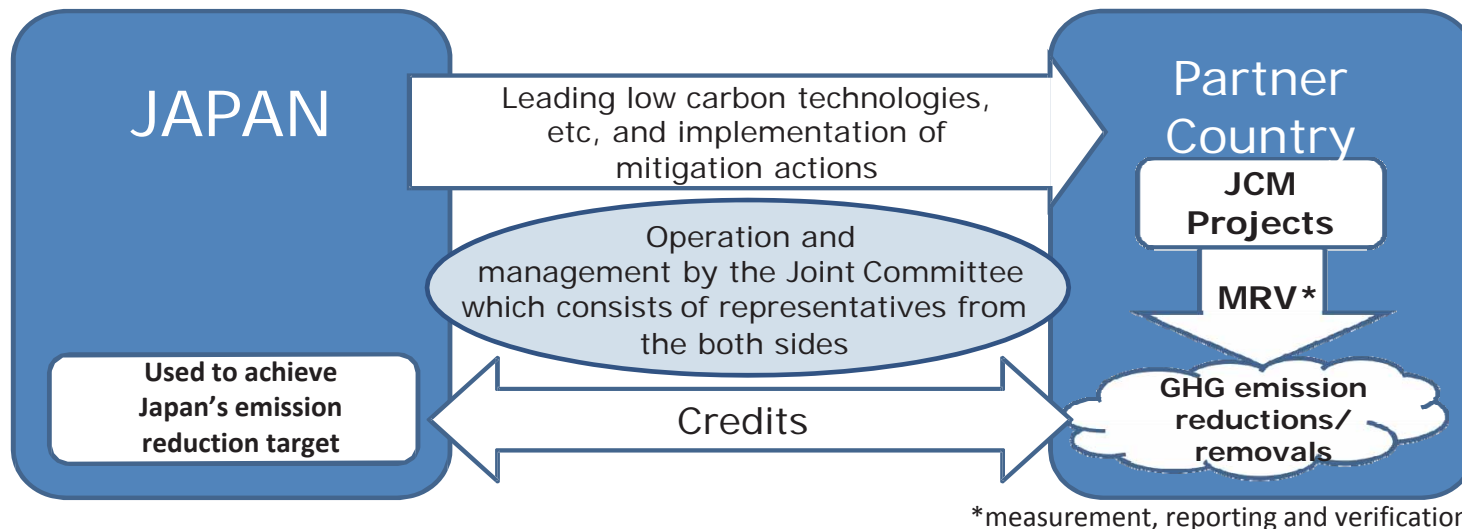


11 July 2019

P R O D U C I N G  
T H E F U T U R E

# Basic Concept of the JCM

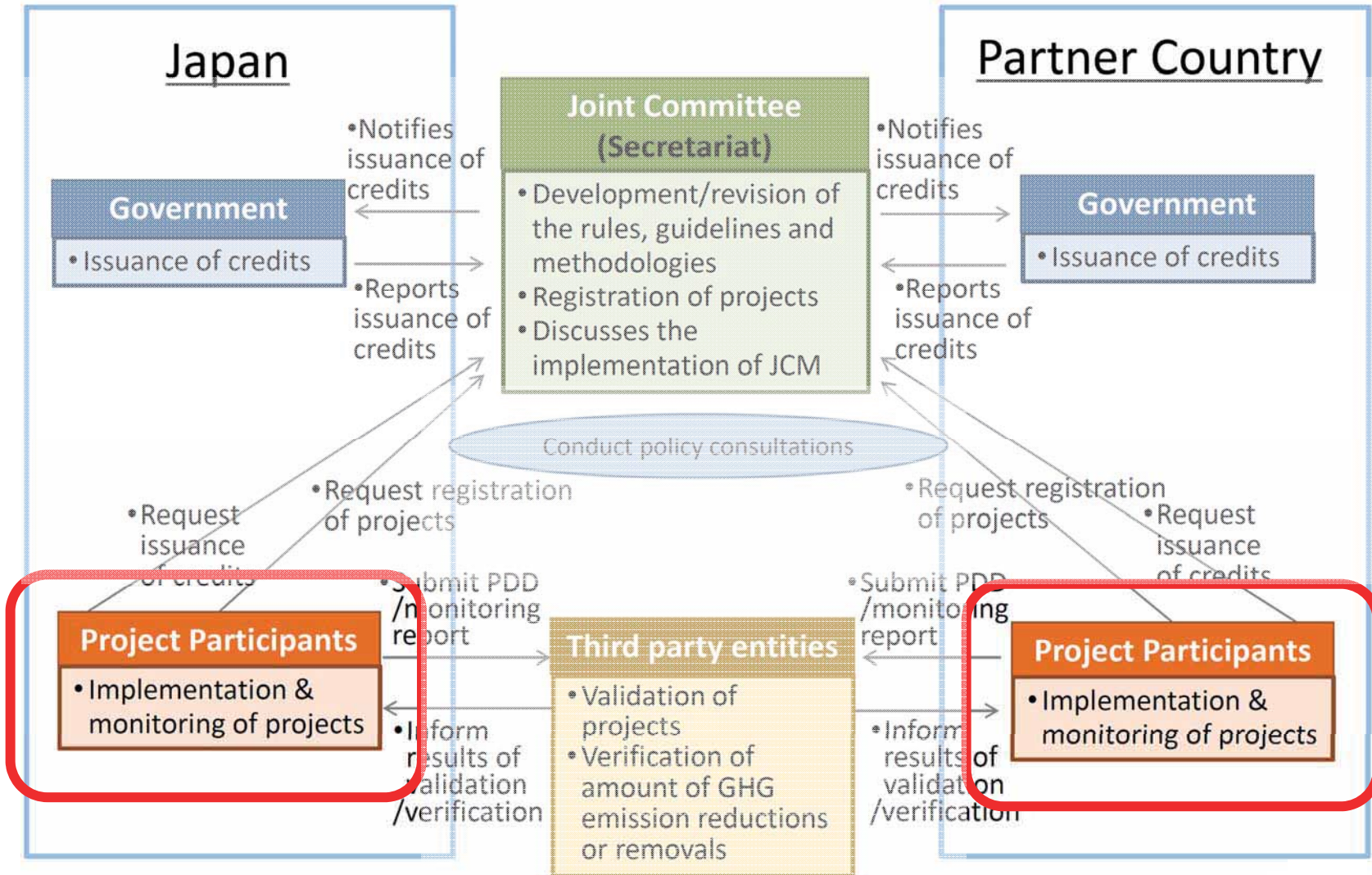
- Facilitating diffusion of leading low carbon technologies, products, systems, services , and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- Appropriately evaluating contributions from Japan to GHG emission reductions 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

- Source: Recent Development of The Joint Crediting Mechanism (JCM), March 2019, MOEJ website

# Scope of the presentation



# Tip 1: Japanese partner to be applicant to JCM Financing Programme

## Project Implementation Structure

### International Consortium

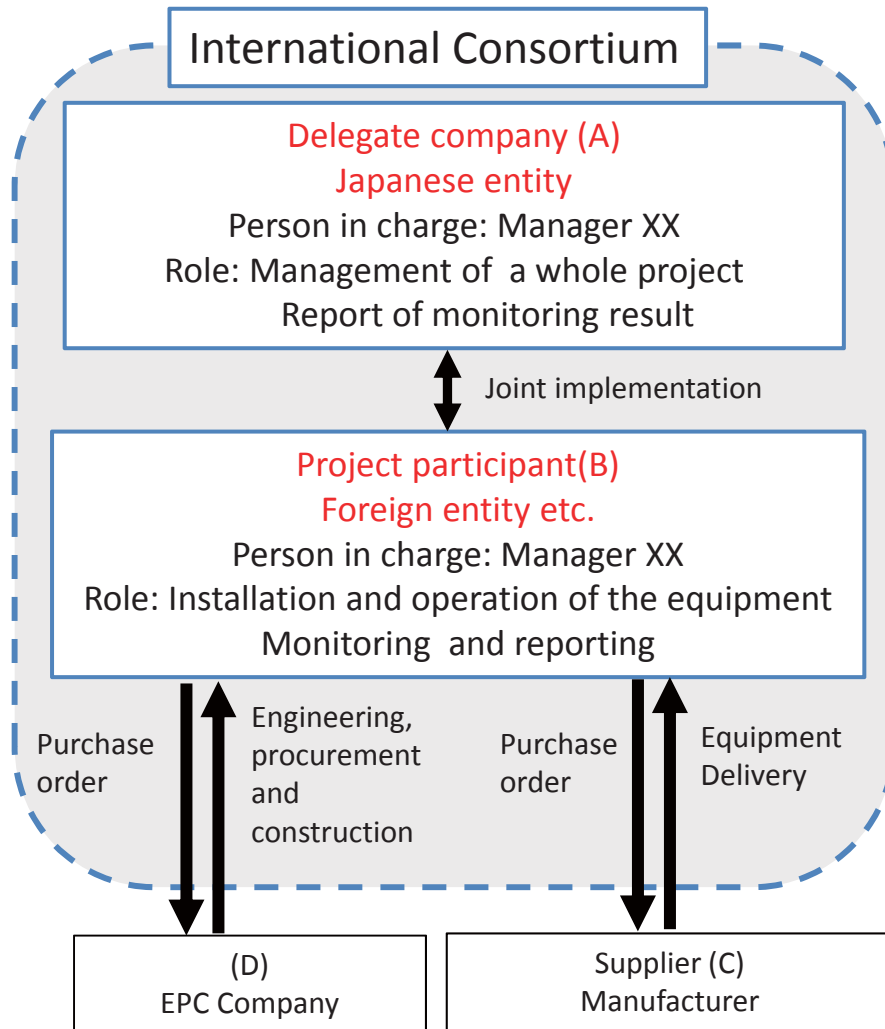
[Delegate Company: **Japanese company**]

Japanese Company  
Role: Overall Project Management

[Consortium Member Company]

**Maldivian** Local Partner  
Role: Installation and Operation

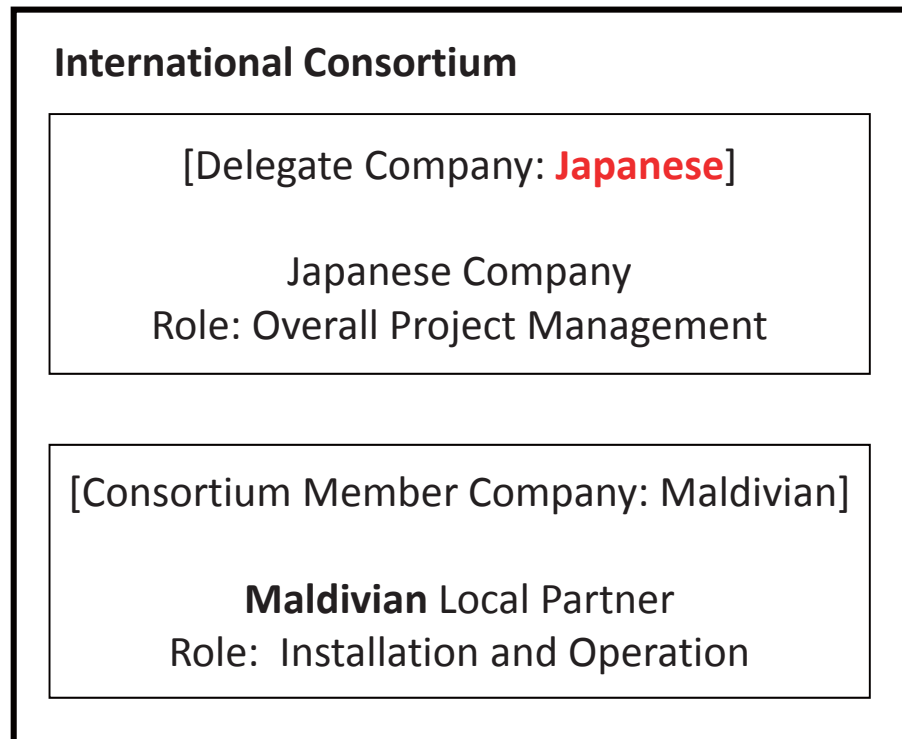
# Formulation and Development of Implementation Structure



- i. Delegate company of International Consortium is required to be **Japanese entity**.
- ii. **Japanese entity is responsible for the followings:**
  - Applying for the JCM Financing Programme
  - Developing a specific project implementation plan, managing the progress of the project, acting as the liaison for accounting and other administrative work related to the project.
  - Introducing the leading low carbon technology
  - Procuring, installing and commissioning of the facilities.
  - Returning the finance in case of the order of refund, resulting from violations of the Financing Regulations by any of the members of International Consortium.
- iii. **All members of the international consortium are responsible for the followings:**
  - Managing and operating the facilities/ equipment for statutory durable years.
  - Monitoring and calculating CO<sub>2</sub> emissions, and reporting until the end of statutory durable years
  - Registering the project under JCM
  - Delivering 50% or more of the JCM credits to MOEJ

## Tip 2: Maldivian partner company having an investment plan with access to loan etc.

### Project Structure



### Inputs required before the application (part)

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- ◆ Size and number of equipment / facility to be installed
- ◆ Space to install equipment
- ◆ Investment plan and Financial plan
- ◆ Project cost based on drawings and layouts
- ◆ Long term commitment for maintenance and MRV\*

\* Monitoring, verification and reporting

# Tip 3: Long term Vision and feasibility study

## Inputs required before the application (part)

- ◆ Size and number of equipment / facility to be installed
- ◆ Space to install equipment
- ◆ Investment plan and Financial plan
- ◆ Project cost based on drawings and layouts
- ◆ Long term commitment for maintenance and MRV\*

\* Monitoring, verification and reporting

## As requested by financiers...

### International Consortium members have

Investment plan & corporate finance  
based upon

### feasibility study

in different size and options

### Long term Vision

for the project

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# Tips for Successful JCM Project Implementation

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## Tip 1:

Japanese partner to be applicant to JCM Financing Programme

## Tip 2:

Maldivian partner company having an investment plan with access to loan etc.

## Tip 3:

Long term Vision and feasibility study



# Contact Information

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Thank you so much for  
allowing us to make a presentation.

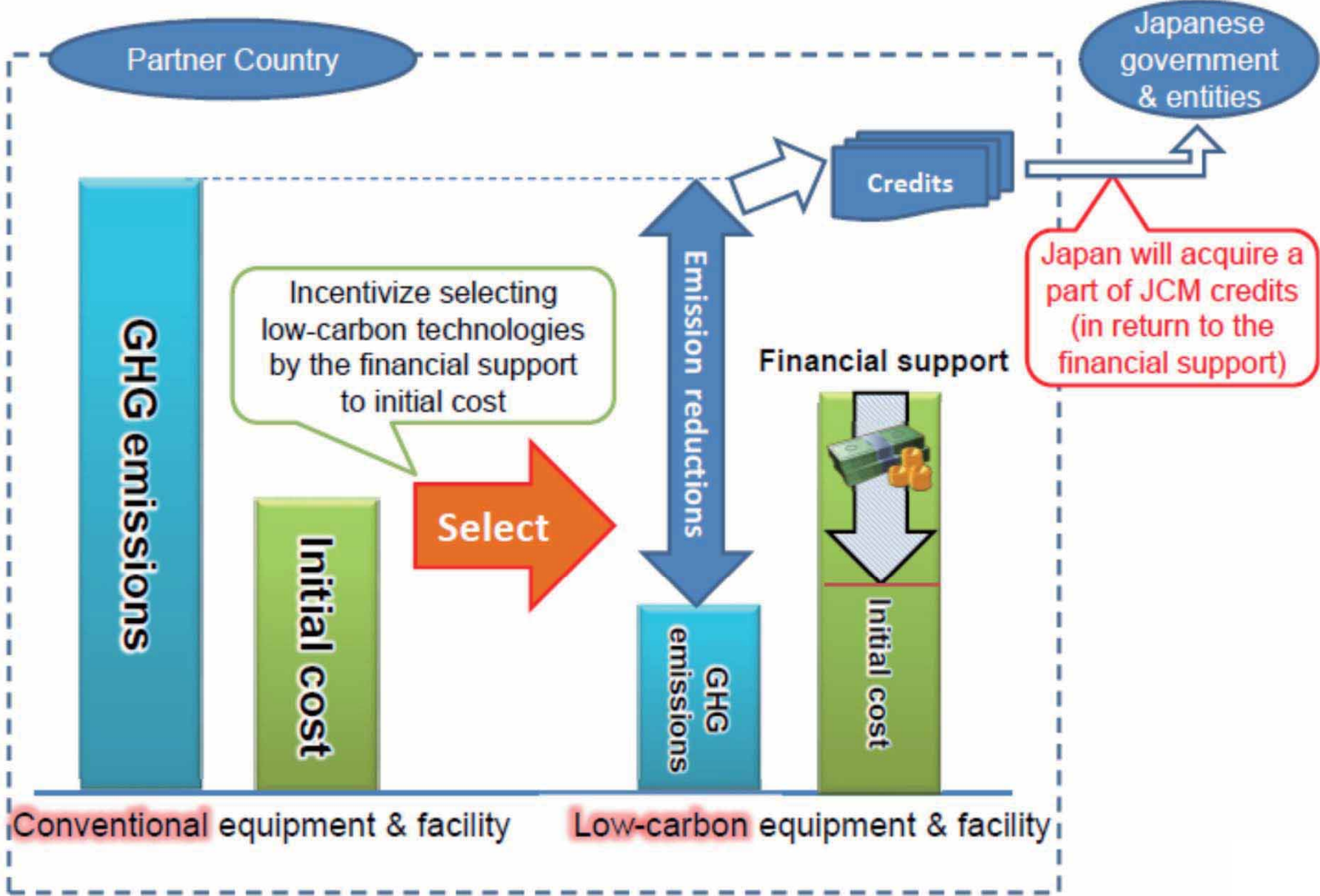
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# Support materials

# Contributions from Japan



■ Source: Recent Development of the JCM and JCM Model Project, June 2017, MOEJ

# Maximum Percentage of Financial Support (as of July 2019)

Number of existing project(s) per country, using a similar technology	Percentage of financial support
None (0)	Up to 50%
Up to 3 (1-3)	Up to 40%
More than 3 (>3)	Up to 30%

Partner country	Maximum percentage
Kenya	- PV: 40% - Others: 50%
Ethiopia	- Biomass CHP: 40% - Others: 50%
Maldives	- PV: 40% - Others: 50%
Palau	- PV: 30% - Others: 50%
Saudi Arabia	- Electrolyzer in chlorine production: 40% - Others: 50%

# Costs Covered

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- 1) Construction cost
- 2) Appurtenant work cost
- 3) Machinery and equipment cost
- 4) Survey and testing cost
- 5) Facility cost (includes monitoring equipment)
- 6) Office expenses
- 7) Other necessary expenses approved by the  
Minister of the Environment

# Costs Not Covered

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- 1) Removal of existing facilities
- 2) Consumables
- 3) Civil engineering work and building (excluding structures that directly contribute to energy-related CO2 emission reductions)
- 4) Simple restoring of existing facilities and equipment to their original conditions
- 5) Spare parts
- 6) Cost related to writing reports
- 7) Foreign exchange loss and forward exchange contract fee
- 8) Land acquisition cost

# Attached Conditions

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- Before Project implementation
  - Submission of project proposal
  - Attending interview session
  - Submission of application to JCM Financing Programme
  
- During Installation
  - Paying in full to supplier/installer and book-keeping
  - Project monitoring and reporting when demanded
  - Submission of interim report
  - Attending to on-site interim review mission
  - Preparation of register of assets (equipment) obtained
  - Marking equipment to indicate it was introduced with MOEJ finance
  - Submission of project completion report
  - Demand financial support release



# Attached Conditions

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## ■ After installation

- Management of paid-in finance and distribution
- Proper maintenance of assets obtained, including not transferring to third parties without permission
- Storing all relevant documents including financial transaction for at least 5 years and attending to audits
- Provision of relevant information for developing JCM methodology
- Registration of the project under JCM
- Measurement, Reporting and Verification (MRV) of CO2 emissions reduction for at least XX years
- Claiming of JCM credits and surrendering at least half to Japanese government for at least up to XX years
- Annual reporting to MOEJ for at least XX years

*\*Note: XX is the statutory useful life (in years) of the equipment to be installed under Japanese regulations.*