

# **IMPLEMENTATION OF JOINT CREDITING MECHANISM IN THE PHILIPPINES AND THE WAYS FORWARD**

Presented by:

**ALBERT A. MAGALANG**

CLIMATE CHANGE SERVICE

DEPARTMENT OF ENVIRONMENT AND NATURAL  
RESOURCES



## SIGNING OF THE MEMORANDUM OF COOPERATION



January 17, 2017  
Malacañan Palace, Manila, Philippines





**JOINT COMMITTEE**

DENR Secretary /USec– Co-Chair  
DENR-CLIMATE CHANGE SERVICE  
DENR-Environmental Management Bureau  
DEPARTMENT OF ENERGY  
DEPARTMENT OF TRANSPORT  
CLIMATE CHANGE COMMISSION  
DEPARTMENT OF FOREIGN AFFAIRS  
DEPARTMENT OF SCIENCE & TECHNOLOGY  
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY  
CSO/Industry/Academe

Ministry of Environment  
Ministry of Foreign Affairs  
Ministry of Economy, Trade  
and Industry  
Forestry Agency  
Embassy of Japan

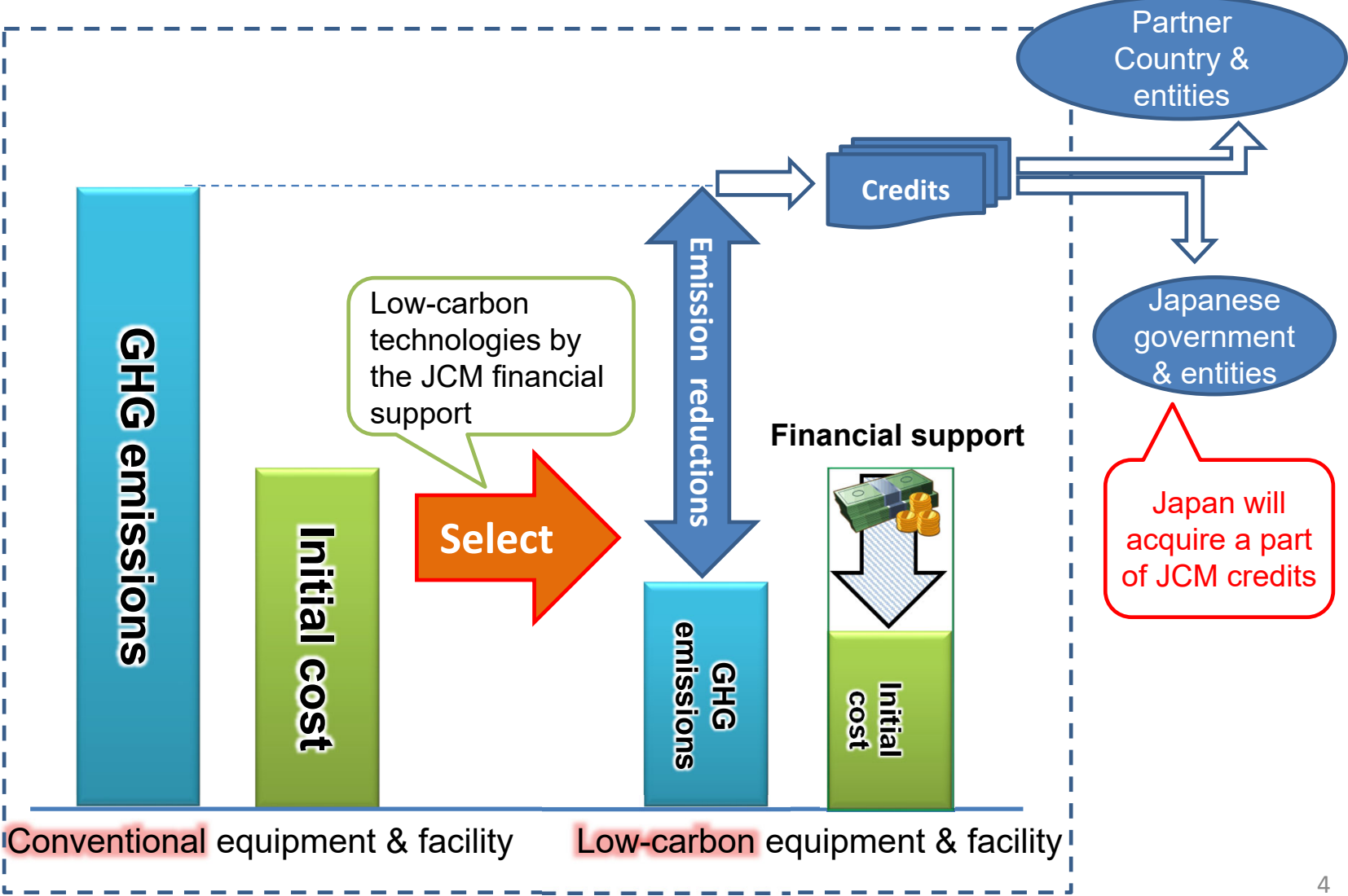
(former EMB-CLIMATE CHANGE DIVISION)  
DENR-CCS  
JCM Secretariat



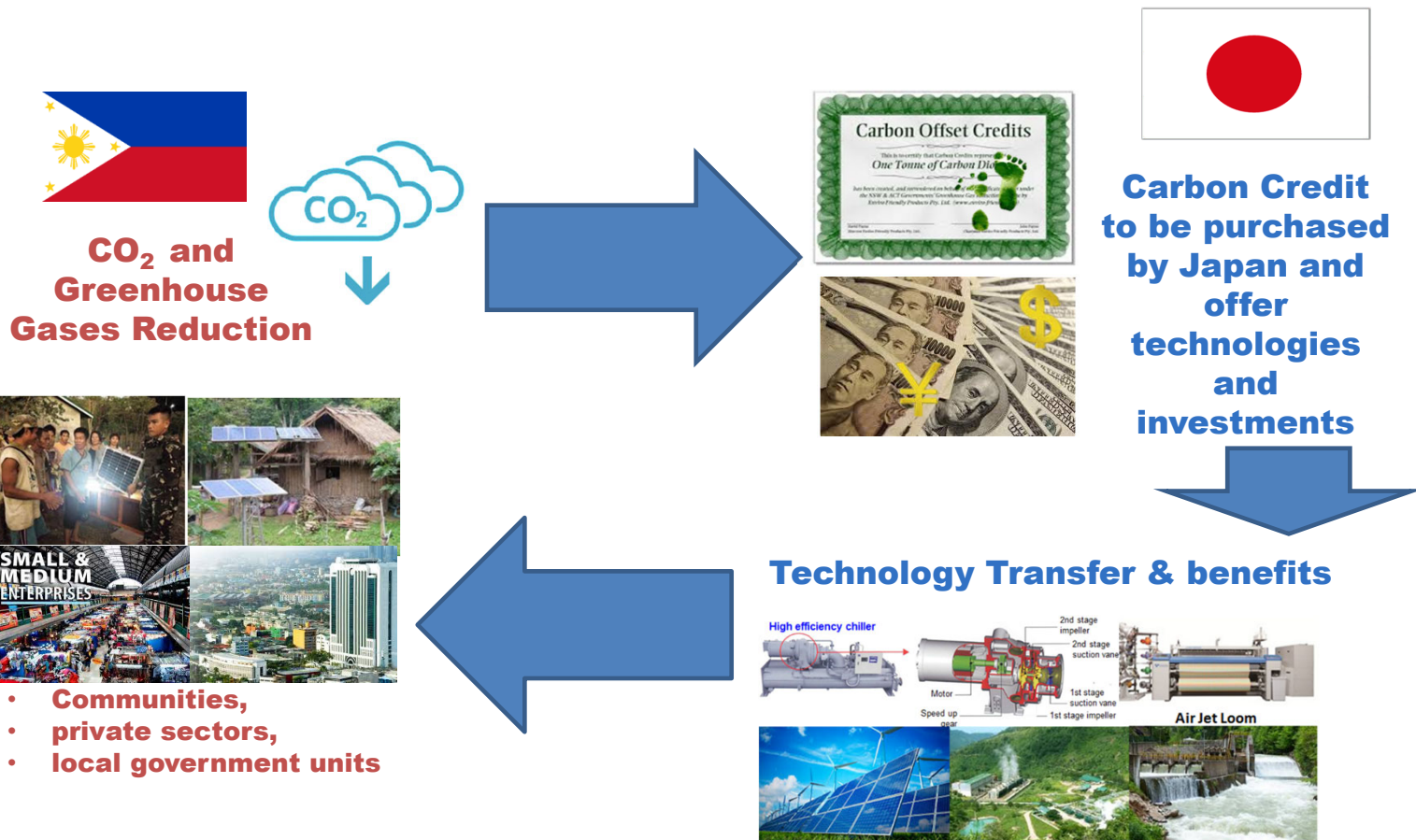
**TECHNICAL EVALUATION TEAM**  
EMB-FMB-DOE-DOT-ACADEME-CSOs-  
Private Sector



# Contributions from Japan



# Technology Transfer under the JCM





## Contributions from Japan

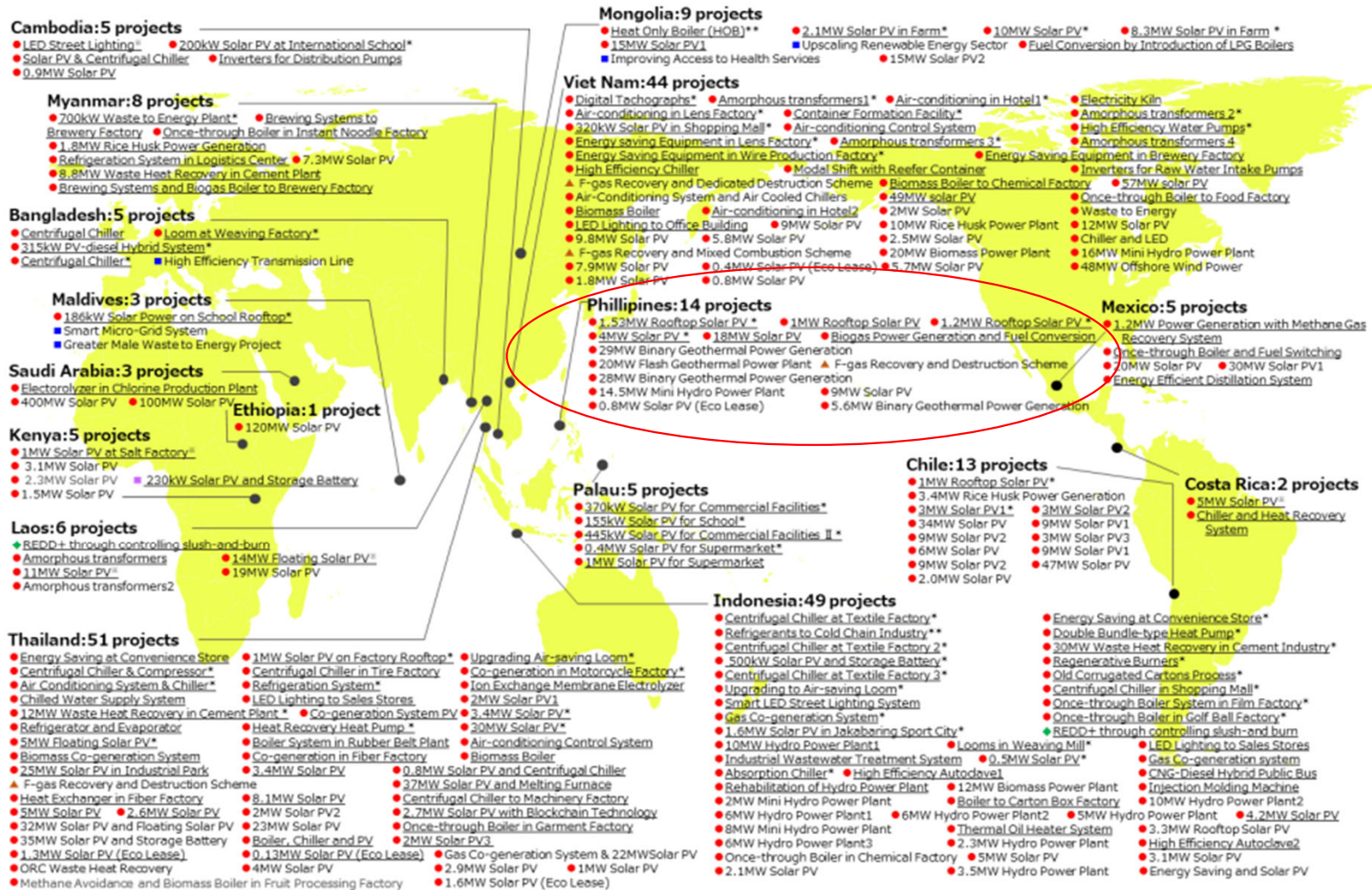
	Programme	Type of support
<b>Ministry of the Environment</b>	Finance Programme for JCM Model Projects*	Subsidy
	Finance Programme for F-gas Recovery and Destruction Model Projects*	Subsidy
	Japan Fund for the JCM (JF JCM) - managed by ADB	Grant
	JCM support programme by UNIDO*	Grant for projects, technical cooperation
	Project development/capacity building/MRV support	Technical cooperation
<b>Ministry of Economy, Trade and Industry</b>	JCM Feasibility Study	Technical cooperation
	JCM Demonstration Programme	Government-commissioned project
<b>Forestry Agency</b>	Field studies for JCM REDD+	Government-commissioned project

\* These programmes can support projects implemented by government-owned companies but not those implemented by the government itself.

# JCM Financing Programme by MOEJ (FY2013~2022) as of July 2023

## Total 228 projects (27 partner countries)

(● Model Project: 216 projects (including Eco Lease: 5 projects), ■ ADB: 5 projects, ■ UNIDO: 1 project, ◆ REDD+: 2 projects, ▲ F-gas: 4 projects) Other 1 project in Malaysia  
 145 underlined projects have been started operation. 68 projects with \* have been registered as JCM projects.



## New types of project in Philippine (JCM Model Project)

Condition	Eligible JCM financial support (% of investment cost)	Philippine's case
New Project (no project using similar technology in Philippine)	Up to 50%	Boiler, Air conditioning, Refrigerating, Chiller, Transformer, etc.
1-3 projects (using similar technology are already selected in Philippine)	Up to 40%	Micro Hydro power (3), Biomass power generation system (1)
More than 3 projects (using similar technology are already selected in Philippine)	Up to 30%	Solar power system (4)



## SELECTED JCM MODEL PROJECTS 2017-2019

Project	Area of Investment	Project Participants
Introduction of 1.53MW Rooftop Solar Power System in Auto Parts Factories	Solar Power	<ul style="list-style-type: none"> <li>• Tokyo Century Corporation</li> <li>• Enomoto Philippine Manufacturing, Inc.</li> <li>• Aikawa Philippines, Inc.</li> </ul>
Introduction of 1MW Rooftop Solar Power System in Vehicle Assembly Factory	Solar Power	<ul style="list-style-type: none"> <li>• Toyota Motor Corporation</li> <li>• Toyota Motor Philippines Corp. (TMP)</li> </ul>
Installation of 1.2MW Rooftop Solar Power System to the Cold Storage for Power Supply	Solar Power	<ul style="list-style-type: none"> <li>• Tokyo Century Corporation</li> <li>• Transnational Uyeno Solar Corporation(TUSC)</li> </ul>
Introduction of 4MW Rooftop Solar Power System in Tire Factory	Solar Power	<ul style="list-style-type: none"> <li>• Sharp Energy Solutions Corporation</li> <li>• - Yokohama Tire Philippines Inc. (YTPI)</li> </ul>
18MW Solar Power Project in Collaboration with Power-supply Company	Solar Power	<ul style="list-style-type: none"> <li>• Tokyo Century Corporation</li> <li>• Mspectrum, Inc."</li> </ul>
Biogas Power Generation and Fuel Conversion Project in Pineapple Canneries	Bio Power	<ul style="list-style-type: none"> <li>• ITOCHU Corporation</li> <li>• -METPower Venture Partners Holdings, Inc.;</li> <li>• Surallah Biogas Ventures Corporation"</li> </ul>
33MW Wind Power Project in Caraga Region, Mindanao	Wind Power	<ul style="list-style-type: none"> <li>• "-Chodai Co., Ltd. -Shizen Energy Inc.</li> <li>• -Equi-Parco Construction Company</li> <li>• -Equi-Parco Holdings Corporation</li> <li>• -Caraga Wind Energy Corporation"</li> </ul>

## SELECTED JCM MODEL PROJECTS 2020-2022

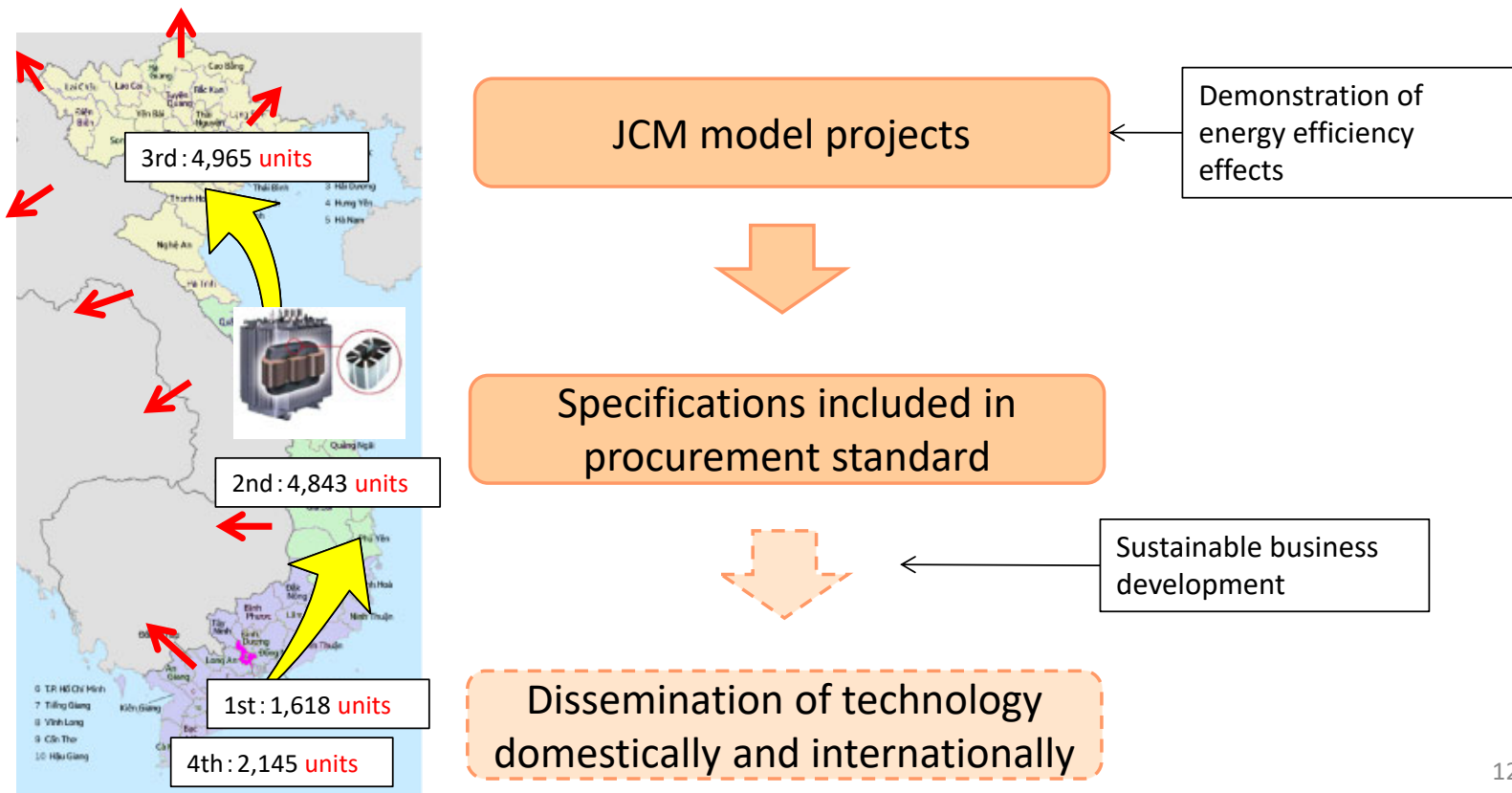
Project	Area of Investment	Project Participants
29MW Binary Power Generation Project at Palayan Geothermal Power Plant	Geothermal Power	<ul style="list-style-type: none"> <li>• Mitsubishi Heavy Industries, Ltd.</li> <li>• Bac Man Geothermal Inc."</li> </ul>
Tanawon 20MW Flash Geothermal Power Plant Project	Geothermal Power	<ul style="list-style-type: none"> <li>• Mizuho-Toshiba Leasing Company Ltd.</li> </ul>
28MW Binary Power Generation Project at Mahanagdong Geothermal Power Plant	Geothermal Power	<ul style="list-style-type: none"> <li>• JGC Corporation</li> </ul>
14.5MW Mini Hydro Power Plant Project in Siguil River in Mindanao	Hydro Power	<ul style="list-style-type: none"> <li>• Toyota Tsusho Corporation</li> </ul>
Energy Supply Project by 9MW Solar Power System to Ceramic Factory and Cement Plant	Solar Power	<ul style="list-style-type: none"> <li>• Marubeni Corporation</li> <li>• TEAM (PHILIPPINES) ENERGY CORPORATION</li> </ul>
Introduction of 0.8MW Solar Power System to Aluminum Products, Packaging Materials and Automotive Parts Factories (JCM Eco Lease Scheme)	Solar Power	<ul style="list-style-type: none"> <li>• Tokyo Century Corporation</li> </ul>
5.6MW Geothermal Binary Power Generation Project in Northern Negros	Geothermal Power	<ul style="list-style-type: none"> <li>• GC Corporation</li> </ul>

## APPROVED METHODOLOGIES

METHODOLOGY NO.	TITLE	DATE APPROVED
PH AM003	Installation of biomass power plant	APRIL 9, 2023
PH AM002	Installation of Solar PV System	FEBRUARY 2, 2020
PH AM001	Electricity generation by installation of run-of-river hydro power generation system(s) in the Philippines	FEBRUARY 2 , 2020

# Business Model Case1: Replicating through specific actions

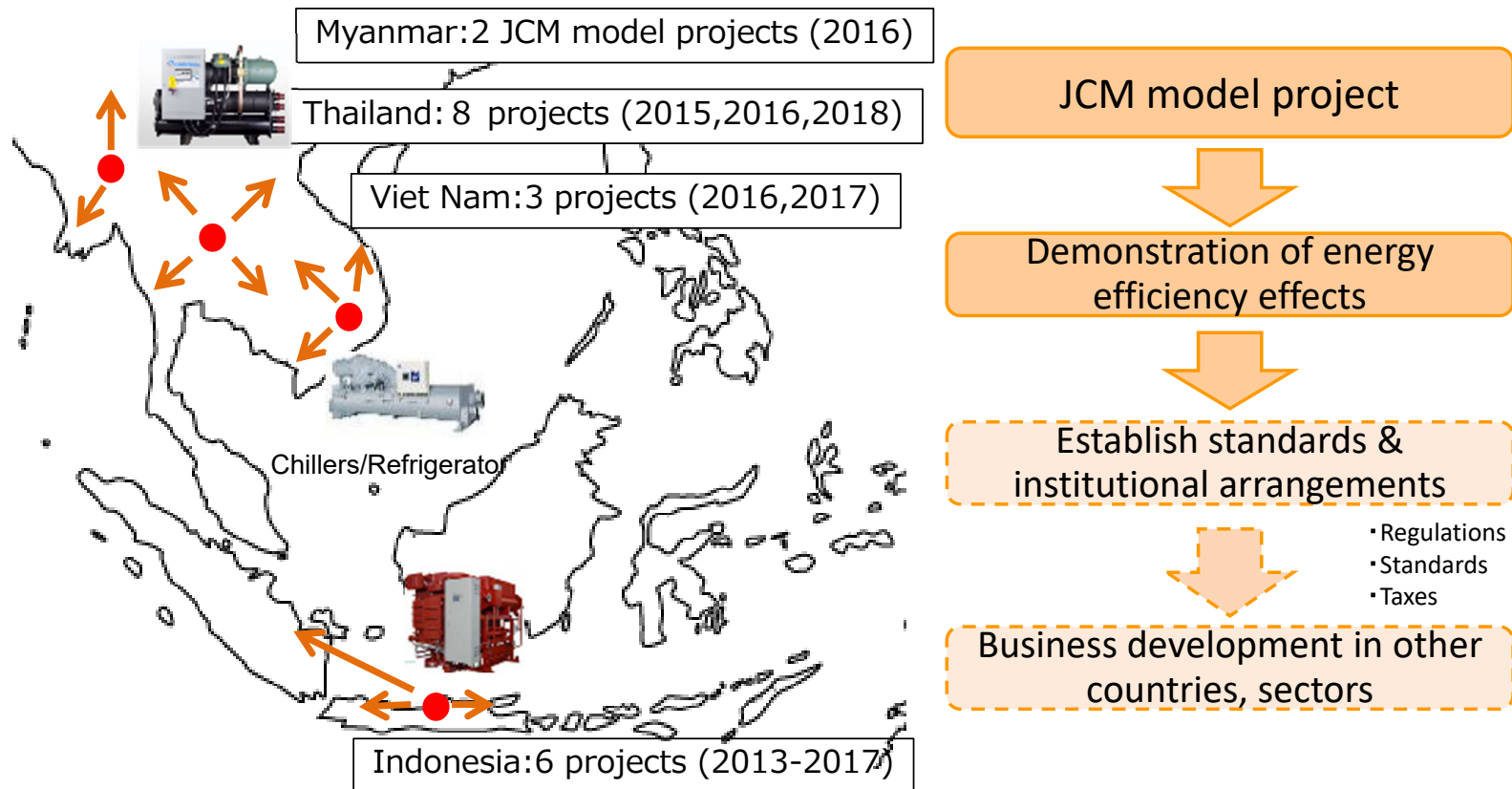
- Succeeded to introduce amorphous high efficiency transformers all over Viet Nam through the JCM
- Local energy distribution company included specific rules on the technology in its procurement standard based on its effectiveness
- Further business development is happening in other countries (e.g. Lao PDR)





## Business Model Case2: Replicating through Standard & Institutional Arrangement

- Succeeded to implement leading low carbon technologies through the JCM
- Using the project as a showcase, their business was developed in ASEAN countries
- Further business development is expected through the establishment of energy efficiency standards and relevant institutional arrangements



# Expectations from JCM

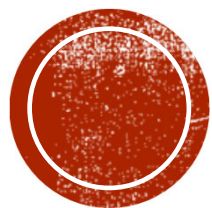
- Support the country's goal on sustainable development and low carbon development
- Facilitate diffusion of low carbon technologies and transition to climate smart industries
- To develop more projects and establish market mechanisms under the JCM
- Improve the measurement, reporting and verification (MRV) of mitigation measures



# Ways Forward

Philippines has a strong experience with developing projects under the JCM, which is largely regarded as a forerunner under Article 6.2 of the Paris Agreement

- Use of market mechanisms, including the JCM, is articulated under Article 6 which prescribes for the use of emissions reductions realized overseas towards national emissions reduction targets.
- The amount of emissions reduction and removal acquired under the JCM will be appropriately counted avoidance or reduction consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement (Decision 2/CMA.3).
- Formulation of the procedures on the authorization and corresponding adjustments
- Establishment “Procedures for Authorization as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (JCM)” and “ Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism.”
- There is a need to promote the formation of JCM projects invested and implemented by private companies without any governmental financial supports for the purpose of obtaining JCM credits (private sector JCM), in light of the growing interest in the use of JCM credits on the part of private sector companies in recent years.



**THANK YOU.**



Albert A. Magalang,  
Climate Change Service,  
Department of Environment & Natural Resources  
+63917 634 4418  
[aamagalang@denr.gov.ph](mailto:aamagalang@denr.gov.ph)