



経済産業省 令和5年度二国間クレジット取得等のためのインフラ整備調査事業
(JCM実現可能性調査業務) 委託業務

Seminar: Joint Crediting Mechanism (JCM) Implementation in the Republic of the Philippines

Key Points for Utilizing METI JCM FS Schemes

January 19, 2024

JCM-FS Secretariat

(PACIFIC CONSULTANTS CO., LTD.)

E-mail : JCM_pckk@tk.pacific.co.jp

This English translation is a provisional translation for reference purposes only. Please be sure to refer to the Japanese original for an accurate understanding of the content.

PRODUCING
THE FUTURE
PRODUCING
THE FUTURE
PRODUCING
THE FUTURE
PRODUCING
THE FUTURE

Pacific
Consultants

Producing
The Future™



**経済産業省 令和5年度
二国間クレジット取得等のためのインフラ整備調査
(JCM実現可能性調査)**

企画提案の公募説明会資料

公募期間：令和5年4月24日（月）～5月26日（金）正午

***Presentation is based on JCMFS application
guideline in FY2023.**

PRODUCING
THE FUTURE
PRODUCING
THE FUTURE
PRODUCING
THE FUTURE
PRODUCING
THE FUTURE

**Pacific
Consultants**

Producing
The Future™

CONTENTS

1. Purpose of JCM FS
2. Target technologies • products
3. Expected exit strategy after JCM FS
4. Research items on JCM FS
5. JCM FS budget (In case of FY2023)
6. Eligibility for Application
7. Screening Criteria
8. Overall schedule in case of FY2023

1. Purpose

□ Purpose

Examining the feasibility of a project to commercialize the dissemination of decarbonization technologies and products by Japanese and other entities, and to realize GHG emission reductions and **JCM credits issuance by utilizing the Joint Crediting Mechanism (JCM)**.

As an exit strategy of JCM FS, it is expected to **apply for either the NEDO JCM Demonstration Project or a Private JCM project**.

2. Target technologies/products

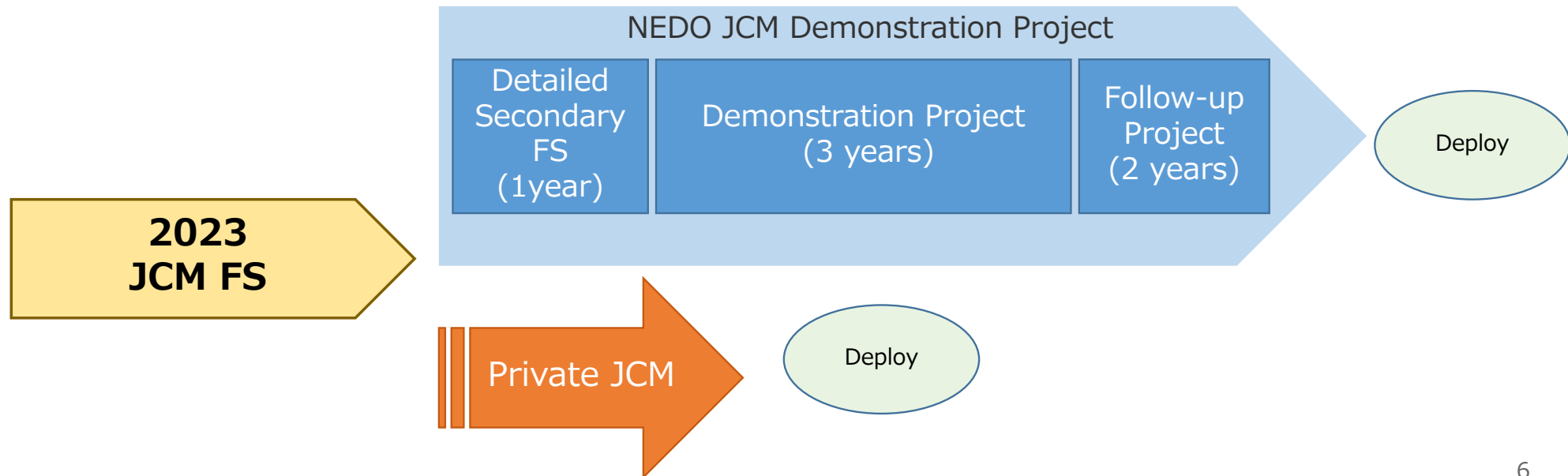
□ Target technologies/products

Reduction of **energy-derived** CO2 emissions through the use of superior decarbonization technologies, etc., and contribution to **issue JCM credits** in partner countries that have signed or are expected to sign the Memorandum of Cooperation on JCM.

Projects that contribute to **quantifiable GHG emission reductions** and contribute to the largest possible GHG emission reductions. No clear threshold for GHG emission reductions will be set, but priority may be given to proposals that are expected to achieve larger GHG emission reductions.

3. Expected exit strategy after JCM FS

- NEDO JCM Demonstration Project
- Private JCM project



3. Developments after the end of the FS (assumed exit strategy)

Differences in target technologies and assumed GHG emission reductions by exit strategy assumed in the JCM FS

Exit strategy	NEDO JCM Demonstration Project	Private JCM
Target Technology	<ul style="list-style-type: none"> ① The technology to be demonstrated must be a Japanese low-carbon technology or system owned by the proposer, and there must be technical issues to be overcome in order to promote the technology or system in the partner country (hereinafter referred to as "technical issues"). The demonstration project is necessary to overcome such technical issues. ② The demonstration project is expected to have quantifiable GHG emission reduction effects as a countermeasure against global warming, and is expected to have large-scale GHG emission reduction effects during and after the demonstration project period. ③ The dissemination strategy for the technology/system must be concrete and highly feasible. ④ The demonstration plan must be appropriately prepared as an effective means of overcoming the technical issues identified in ①. 	There are no restrictions on the target technologies if the introduction, etc. of superior decarbonization technologies that contribute to emission reductions and absorption by private enterprises in Japan is financed by the private enterprises themselves. The target of this FS is the introduction of technologies, etc. that contribute to the reduction of energy-based CO2 emissions.
Assumed GHG emission reductions	<ul style="list-style-type: none"> • JCM credits of 1,000 t-CO2 or more are expected during the monitoring period of the JCM Demonstration Project, and • emission reductions of 10,000 t-CO2 or more per year during the period of diffusion and deployment after the JCM Demonstration Project is completed. <p>※Same as NEDO JCM demonstration project</p>	No specific criteria are set, but the evaluation will be based on the feasibility of the project as a private-sector JCM and its GHG emission reduction potential from a medium- to long-term perspective, as well as other factors, to evaluate the project comprehensively.

※ Both are only available for JCM Partner countries.

4. The research items in FS

Items	Survey Details
1. Analysis of related policy and institutional trends	<ul style="list-style-type: none"> ● Identify trends (current and future) in policies and systems related to FS in the partner country, as well as issues and local needs. ● Policies and systems to be covered include NDC, global warming policy, related energy policy, and policies, systems, laws, and regulations related to commercialization.
2. Consideration of commercialization and JCM project	<ul style="list-style-type: none"> ● Based on the results of the analysis in 1 above, identify business needs and study specific commercialization plans and dissemination strategies for commercialization and JCM project development (including studies necessary for financing, investment, and mitigation of business risks for commercialization). ● Examine the possibility of and measures to expand dissemination in other regions of Japan, other countries, and within the region. ● Examine plans for the NEDO JCM demonstration project, diffusion and expansion using private-sector JCM, etc.
3. Study of issues and countermeasures	<ul style="list-style-type: none"> ● In considering future commercialization and JCM project development, issues related to commercialization and dissemination strategies (business risks, identification of bottlenecks in dissemination, etc.) as well as success factors and issues to be resolved and measures to be taken for future business development (including contributions to regulations and standards in partner countries, approaches other than policies and systems, and proposals for business models linked to policy and system building).
4. Calculation of GHG emission reductions and consideration of emission reduction contributions	<ul style="list-style-type: none"> ● To estimate the estimated GHG emission reductions when the JCM project is implemented, and to study and prepare the JCM methodology for estimating the GHG reductions. ● To examine the contribution to emission reductions in the country concerned and within other countries and regions when the proposed decarbonization technology/product, etc. is expanded (e.g., contribution to reductions through the introduction of the system in the country concerned and quantification of the contribution to reductions when the system is expanded within other countries and regions). <p style="text-align: center;">Estimate GHG emission reductions for the assumed project unit and the reductions based on the assumption of widespread deployment.</p>
5. Coordination for commercialization through sharing proposed technologies/products, commercialization plans, issues, and countermeasures, etc. with counterparts in other countries.	<p>Through dialogues with counterpart government officials, etc., share the contents of the studies reviewed or discussed in 1-4 above, promote commercialization, and identify government officials and counterpart companies that will serve as counterparts in future JCM project development. This includes efforts to collaborate with relevant institutions and companies in the partner country, embassies, JETRO, NEDO, JICA, and other overseas parties, etc. Effective implementation of surveys of relevant facilities in Japan and holding of briefing sessions, etc. for government officials, etc. of the counterpart country, as necessary.</p>

4. Research items on JCM FS

Project Idea Note

PIN refer number

All the information described in this document is at the pre-implementation project develops.

1. Basic project information	
1.1. Date of Submission	dd/mm/yyyy
1.2. Partner country <i>(A host country where the planned project is located)</i>	
1.3. Title of the planned project <i>(Should be self-explanatory and clearly indicate the activity leading to GHG emissions reductions / removals)</i>	

The Joint Committee makes the result publicly available, including the planned project, the date of submission in the above, and the reason for objects to the planned project described in the PIN through the JCM website.

2. Project participants and contact information

2.1. Representative Japanese participant for the project and its role

(For identification of the person in charge for the project in terms of the project)

Name of the entity (Company, etc.):	
Roles of the entity in the project:	
Address of the contact entity:	
Website of the contact entity:	
Name and position of the main contact person in the entity:	Last name: First
E-mail of the main contact person:	Position:
Phone number of the main contact person:	

2.2. Japanese participant(s) for the project and their roles in the project

(If possible, please indicate the contact person of each entity involved in the project)

Name of the entity (Company, etc.):	
Roles of the entity in the project:	
Address of the entity:	
Website of the entity:	
Name and position of the contact person in the entity:	Last name: First
E-mail of the contact person:	Position:

1

本様式はJCMパートナー国と調整中のものであり最新様式はJCMホームページを参照する必要があります。

Phone number of the contact person:

2.3. Participant(s) of partner country for the project

(If possible, please indicate the contact person of each entity involved in the project)

Name of the entity (Company, etc.):	
Roles of the entity in the project:	
Address of the entity:	
Website of the entity:	
Name and position of the contact person in the entity:	Last name: Position:
E-mail of the contact person:	
Phone number of the contact person:	

2.4 Relevant ministry or governmental agency of partner country

(If possible, please indicate the contact person)

Name of the entity:	
Address of the entity:	
Website of the entity:	
Name and position of the main contact person in the entity:	Last name: Position:
E-mail of the main contact person:	
Phone number of the main contact person:	
Is the project information already shared with the entity?	<input type="checkbox"/> Yes (Briefly explain) <input type="checkbox"/> No

3. Project information

3.1. Summary of the planned project

Description of the project: <i>(Project implementation scheme, role of each participant, etc. Insert an image of the implementation structure in section 5)</i>	
Location of the project	
Technologies, products, systems, services, infrastructure, or implementation of mitigation actions to be adopted for the project, and a brief description of them:	
Status and progress of the project <i>(Feasibility study, license application status, etc.):</i>	

2

本様式はJCMパートナー国と調整中のものであり最新様式はJCMホームページの各パートナー国ページを参照する必要があります。

3.2. Expected scale of investment	Total project costs: In project currency: In Japanese Yen: Breakdown (in project currency):
-----------------------------------	--

3.3. Applicable JCM methodology(ies)	<input type="checkbox"/> Existing methodology(ies) <i>(Please specify below)</i> <input type="checkbox"/> New methodology(ies) needed <i>(Briefly explain)</i>
--------------------------------------	---

3.4. Expected GHG emission reductions / removals (unit: tCO ₂ /year)	tCO ₂ /year
---	------------------------

3.5. Expected schedule up to the commercial operations date and the project registration under the JCM	
--	--

3.6. Contribution to Partner Country's NDC (Nationally Determined Contributions)	
--	--

3.7. Contribution other than GHG emissions reductions or removals <i>(Financial contribution should be explained in section 4)</i>	
---	--

3.8. Credit allocation

Select one of the following:
 Credit allocation is still under discussion among project participants.
 Project participants propose a preliminary percentage of credit allocation as below, condition that numbers will be decided by the Joint Committee at the time of project registration.
 *In case the project expects to receive financial support from the Government of Japan, the Japan determines a preliminary percentage of credit allocation.

Partner country (Government and project participants)	
Japan (Government and project participants)	
The reason for the above credit allocation:	

4. Financial contribution

(Please indicate which government support is expected; otherwise, explain in the "Other" section)

<input type="checkbox"/> Financial support from the Government of Japan: Select one of the following	Fiscal
<input type="checkbox"/> Financing Programme for JCM Model Project by Ministry of the Environment, Japan (MOEJ)	
<input type="checkbox"/> JCM Support Programme administered by the United Nations Industrial Development Organization (MOEJ)	
<input type="checkbox"/> F-gas Recovery and Destruction Model Project by MOEJ	
<input type="checkbox"/> Japan Fund for the JCM administered by the Asian Development Bank (MOEJ)	
<input type="checkbox"/> JCM Demonstration Project by New Energy and Industrial Technology Development Organization (Ministry of Economy Trade and Industry, Japan)	
<input type="checkbox"/> Other <i>(Please explain how the project will be financed and what financial support is expected)</i>	

3

本様式はJCMパートナー国と調整中のものであり最新様式はJCMホームページの各パートナー国ページを参照する必要があります。

contribution or economic incentive will make the project viable.):

5. Implementation structure

Please insert an image of the implementation structure including financial flows below:

Revision history of PIN		
Version	Date	Contents revised
	dd/mm/yyyy	
	dd/mm/yyyy	
	dd/mm/yyyy	

*Project participants fill in this section when they submit a revised PIN to the Joint Committee.
 *Rows may be added, as needed

4

5. JCM FS budget

- ❑ **Type : Entrustment from JCMFS secretariat**
- ❑ **FS schedule : Contract date ~ 9 February 2024**
- ❑ **Budget:15 million JPY (tax excluded)/JCMFS = 100,000 USD/JCMFS
(1USD=150JPY)**

FY2023 result: 14 JCMFS project approved

- **This project is expected to be implemented for the next fiscal year.**

6. Eligibility for Application

Applicants eligible for FS are corporations that meet the following conditions. Joint applications by two or more applicants (in the form of a consortium) are also acceptable, but in such cases, a managing corporation shall be determined and the managing corporation shall submit a proposal (however, the managing corporation may not sub-consign all of the work to other corporations).

Overseas branches, etc. with headquarters in Japan may apply.

- ① **The applicant must have a base of operations in Japan.**
- ② The applicant must have the organization, personnel, etc., to properly carry out the FS.
- ③ The applicant must have the necessary management infrastructure to smoothly execute the FS, and must have sufficient management capabilities with respect to funds and other matters.
- ④ Have an organizational structure that does not inappropriately disclose or leak any information obtained through the FS.
- ⑤ The FS shall not fall under the provisions of Articles 70 and 71 of the Budget, Settlement of Accounts and Accounting Order.
- ⑥ The applicant shall not be subject to suspension of subsidies, etc. or suspension of nomination by the Ministry of Economy, Trade and Industry.
- ⑦ The contract with METI must not have been terminated within the past three years due to inadequate information management.
- ⑧ The applicant must be able to understand and agree to the draft contract and special terms and conditions presented by METI.
 - ※Proposals must be made by establishing a system in which companies, etc. that will be responsible for commercialization after the FS are involved, and we do not anticipate independent proposals by those who provide support for commercialization (consulting firms, research firms, etc.).

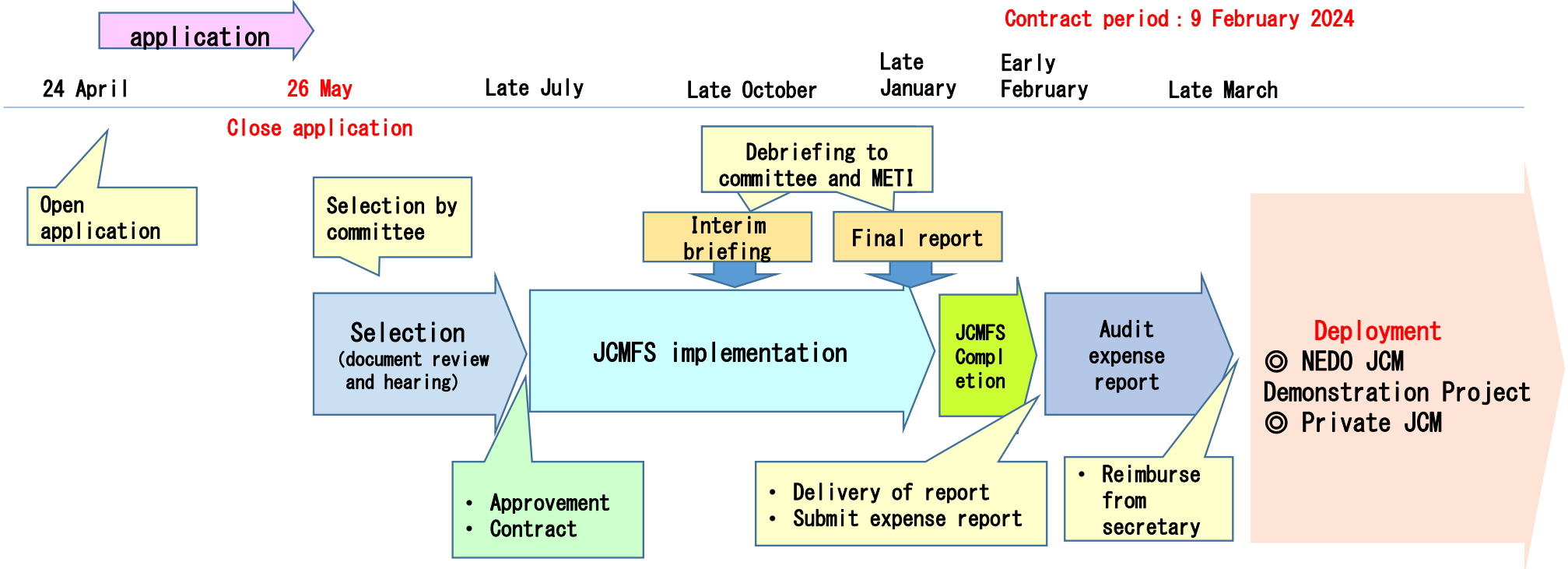
7. Screening Criteria

1. Does the applicant meet the qualifications listed in section “10.
2. Have all application documents been submitted?
3. Does the proposal conform to “1. Purpose”?
4. Have the countries in which the project will be implemented and the target technologies been rationally selected based on a specific analysis of the diffusion potential, support measures of the partner government, legal systems, etc.?
5. Are excellent technologies, know-how, products, etc. expected to be utilized, and will they contribute to wide dissemination and promotion after the implementation of the FS?
6. Are the GHG emission reduction logic and calculation method of emission reductions described concretely and precisely? If the project requires the development of a new methodology for calculating emission reductions, are the study procedures and issues to be considered organized, and are solutions (hypotheses) for the issues presented?
7. Will the project implementation contribute not only to large-scale GHG emission reductions, but also to environmental improvement in the partner country, promotion of environmental and energy technology diffusion, promotion of energy conservation, and global emission reductions? In addition, is the project expected to spread not only to the target country/area of the FS, but also to other countries, within the region, and to other related areas, etc. (spillover effect on contribution to emission reductions through diffusion and expansion)?
8. Is the project positioned within the company, consistent with the company’s strategy, and does the company have a clear management policy for commercialization (e.g., clear positioning in the company’s short-term and medium- to long-term management plans)?
9. Whether a concrete business plan is being considered for future commercialization and JCM project realization, and whether there is a high prospect for business development and JCM project realization after the completion of the FS.
10. (2) How much experience and track record does the applicant have in the proposed project, including any past activities, surveys, or project development experience?
11. Are the hypotheses regarding the issues to be overcome for the implementation of the project (including issues for project promotion such as investment risk, reduction of investment burden, and enhancement of price competitiveness) to be verified in the FS, and the verification methods for these hypotheses clearly presented?
12. Is the FS expected to be able to start the survey immediately after the adoption of the FS, and is there coordination with the government of the partner country, companies, and other related parties in order to start and execute the FS smoothly?

7. Screening Criteria

13. (The form of participation shall be the applicant (including co-applicants), contractors, subcontractors, or cooperative partners who will not incur any cost expenditure in this FS in the form of commissioning fees.)
14. If the project implementation structure includes more than one business, are the capabilities, roles, and results of each business clearly defined? In addition, is the legal entity that will be the project entity in the future NEDO JCM demonstration project or private-sector JCM clear?
15. Is an implementation system appropriate for the scale of the FS study, etc. established?
16. (Is the implementation method and schedule of the FS effective and realistic (i.e., are the information on the status of the survey and local information exchanged regularly with the secretariat and METI staff, and is the implementation method and schedule flexible enough to respond to the status of the survey?) In addition, are milestones clearly set at the midpoint of the survey?)
17. Is the total cost of the FS and the cost performance of the future commercialization effect excellent?
18. Is the company promoting work-life balance, etc.?
19. In line with the Action Plan on Business and Human Rights (2020–2025) (formulated by the Liaison Conference of Relevant Ministries and Agencies on the Action Plan on Business and Human Rights in October 2020) (see URL below), is the company working on the best possible human rights measures (introduction of human rights due diligence processes, dialogue with stakeholders, etc.) under its own responsibility? (e.g., introduction of human rights due diligence processes, dialogue with stakeholders, etc.) under the company's own responsibility. <https://www.mofa.go.jp/mofaj/files/100104121.pdf>
20. Is an appropriate information management system in place? Are there no persons other than information handlers who have access to the information?
21. Are the planning and drafting of the entire business, as well as the execution and management part that relates to the fundamentals of the business, being subcontracted (refers to subcontracting a part of the subcontracted work to a third party, regardless of the form of subcontracting or other forms of subcontracting. The same shall apply hereinafter). (2) Is the subcontracting cost in relation to the total project cost?
22. (2) Does the ratio of subcontracting costs to the total project cost exceed 50%? If it exceeds 50%, is there a reasonable reason (prepare and submit a "Statement of Reasons Why the Ratio of Re-consignment Expenses Exceeds 50%")

Overall schedule in case of FY2023



Individual consultation is also available.

- We can visit your office on January 22 (Mon.) or 23 (Tue.) and explain JCM, JCMFS, etc. individually.

- Please contact the JCMFS office (Kawashima, Dimaano) after the seminar.
(Please indicate your request for an interview in the questionnaire)

If you have a project idea that might be a candidate for JCMFS, please contact the secretariat!

■ If you have a project idea that may be applicable to JCMFS program, Please download the information sheet and send it to us [JCM_pckk@tk.pacific.co.jp].

➤ Information sheet

➤ <https://pckk.box.com/s/aihboagd1h105kfje4nwl6f50yczww6m>
File : [Please fill in] Project information sheet for JCMFS

Useful Links

- JCM Official Website (incl. Rules and Guidelines, Methodologies for each partner country)
 - <https://www.jcm.go.jp/>

- About JCM
 - <http://carbon-markets.env.go.jp/index.html>
 - <http://carbon-markets.env.go.jp/eng/>

- Guidance for the Development of Private-Sector JCM Projects
 - <https://www.meti.go.jp/press/2022/03/20230328004/20230328004.html>
 - https://www.meti.go.jp/english/press/2023/0328_002.html

- 2023 JCM-FS website for application (No English website)
 - <https://www.pacific.co.jp/news/2023/20230724-001119.html>
 - FAQ https://www.pacific.co.jp/news/upload_files/20230724_proposal_QandA.pdf

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

 Pacific Consultants

PRODUCING
THE FUTURE
PRODUCING
THE FUTURE
PRODUCING
THE FUTURE