

# answers pertaining to frequently asked questions on the JCM

The Secretariat of the New Mechanisms Information Platform  
Overseas Environmental Cooperation Center, Japan (OECC)  
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**07 Dec. 2015 side Event “Advanced Technologies to Tackle Climate Change: Application of the JCM and Project Development”**

[cop21-japanpavilion.jp](http://cop21-japanpavilion.jp)



# About As

## New Mechanisms Info. Platform

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

### Contents

Latest information on the JCM, such as:

- ▶ basic concept of the JCM,
- ▶ JCM partner countries,
- ▶ projects/methodologies,
- ▶ support programme by the Govt. of Japan,
- ▶ list of selected projects/studies,
- ▶ current discussion in UNFCCC,
- ▶ events/seminar, etc.

### Services

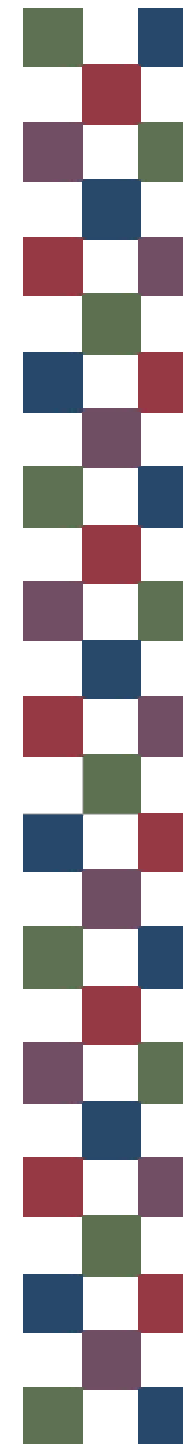
- ▶ Help desk
- ▶ Providing information through websites, seminars, news letters, etc.

→ *If you wish to subscribe e-mail news letter, registration form is available at the website !!*

### Contact info. for inquiries

Secretariat : Overseas Environmental Cooperation Center, Japan (OECC)

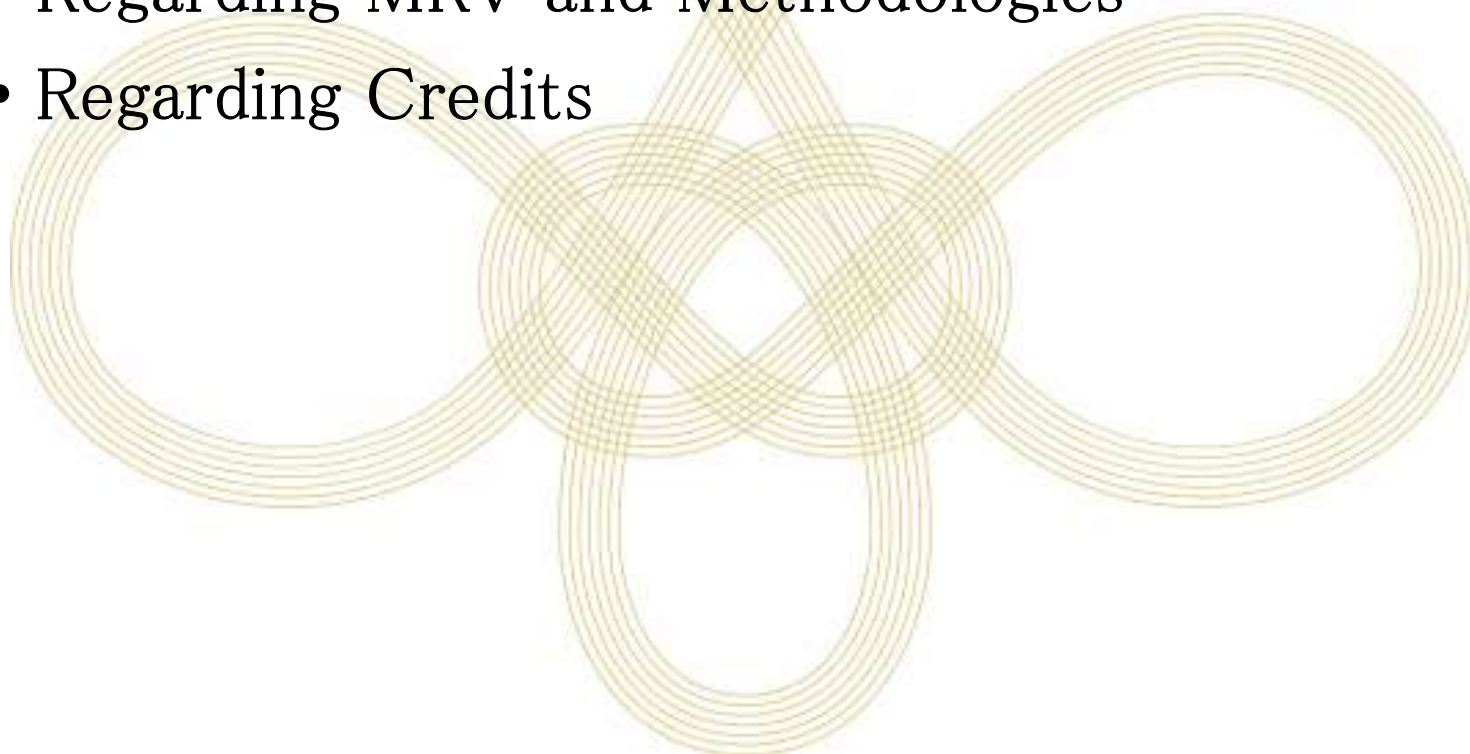
E-mail : [info@mmechanisms.org](mailto:info@mmechanisms.org)





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- Regarding eligibility criteria
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# Regarding procedures of the JCM



Q. How long will it take from an application of a JCM project registration to a registration as the JCM project?

A. The length may differ from a project to another while JCM is aiming for a simple and practical mechanism. For the seven registered JCM projects, it took **52 days in average** from an application to its registration.



# Regarding eligibility criteria



## Q. What does "net decrease and/or avoidance" mean?

- A. The JCM is implemented **in accordance with the decision 1/CP.18 under which a mechanism must achieve a net decrease and/or avoidance** of greenhouse gas emissions.

The concept of the net decrease is achieved by calculating the amounts of emission reductions **to be credited lower than that is calculated from the Business-as-usual (BAU) emissions.**

# Q. How are "net decrease and/or avoidance" applied to the JCM methodologies? How will the JCM ensure environmental integrity?

A. Issuing credits by calculating emission reductions from the BAU emissions means that, once they are used, it will lead to pure offsetting of the emissions and not to the global emission reductions.

The JCM realizes net decrease by crediting emission reductions as the deference between the **"reference emissions" which are conservatively calculated below BAU emissions and the project emissions.** This approach is realized by hiring conservative default values set in the methodologies, which will also enable to reduce the task related to monitoring and/or establishing reference emissions as per the project, as well as verification by TPEs.





# Regarding Credits



## Q. How will the allocation of the issued JCM credits be decided?

- A. Part of the credits is allocated to the project participants from Japan taking into consideration their contribution to GHG emission reductions or removals through the JCM project.

Actual amount of allocation of credits is **consulted and determined by the project participants from Japan and a partner country among themselves.**



## Q. Will the JCM continue after 2020?

- A. It depends on the international regime beyond 2020 and also on discussions between Japan and the JCM partner countries.  
**Meanwhile the following is mentioned in Japan's INDC.**

- Japan establishes and implements the JCM in order both to appropriately evaluate contributions from Japan to GHG emission reductions or removals in a quantitative manner achieved through the diffusion of low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions in developing countries, and to use them to achieve Japan's emission reduction target.
- Apart from contributions achieved through private-sector based projects, **accumulated emission reductions or removals by FY 2030 through governmental JCM programs to be undertaken within the government's annual budget are estimated to be ranging from 50 to 100 million t-CO<sub>2</sub>.**



## Q. Is a prevention of double accounting necessary for the JCM?

- A. Yes. Japan has been constructively engaging in the UNFCCC negotiations on market mechanisms over several years, **aiming at developing proper accounting rules, including how to avoid double counting.**

**The issue of double counting may occur in all market mechanisms** including the CDM in which mitigation outcomes are transferred internationally and, therefore, **it should be dealt with internationally.** These accounting rules need to be developed under the UNFCCC as soon as possible.

## Q. Is a prevention of double accounting necessary for the JCM? (contd.)

- A. Also, as stated in ["Submission by Japan on the Framework for Various Approaches" submitted in October 2014](#) (page 5), in order to avoid "double registration" of projects and "double issuance" of credits, the information regarding the proposed project e.g. project location including coordinates, scope, scale, etc. are provided to the JC. Project participants are also required to submit a written oath in the modalities of communication statement (MoC) form indicating that a proposed JCM project is not registered under any international climate mitigation mechanisms other than the JCM.

**If a proposed JCM project is registered under the JCM, the same project will not be registered under any other international climate mitigation mechanisms, and vice versa.**

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Q. Is a prevention of double accounting necessary for the JCM? (contd.)

**A. The matter of double registration and double issuance is checked by a TPE at the time of both validation and verification.** A TPE conducts, at the minimum, a search on the website of the CDM and JI to check whether projects with similar technology and location in the partner country have been registered.

In addition to that, **all the project information is shared to the public through the JCM Website to secure transparency.**

# JCM Website

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

## Contents

- ▶ General information
- ▶ JCM partner countries



## Function

1. Information sharing to the public, such as:
  - ▶ the JC decisions,
  - ▶ rules and guidelines,
  - ▶ methodologies,
  - ▶ projects,
  - ▶ call for public inputs/comments,
  - ▶ status of TPE, etc.
2. Internal info. Sharing for the JC members,
  - ▶ file sharing for electric decision by the JC



Q. How is the JCM's compliance with the WTO rules?

A. The rules on subsidies are described in **Article 3.1 (a), 3.1 (b) and 2** of the Agreement on Subsidies and Countervailing Measures of the WTO.

There are **several Financing Programs** conducted by MOE in relation to the JCM and they **do not violate these articles for the following reasons.**





## Q. How is the JCM's compliance with the WTO rules?(contd.)

- A. Article 3.1 (a) prohibits subsidies contingent upon export.

The purpose of the JCM Financing Programs is to financially support the implementation of projects which reduce CO2 emissions by saving energy and/or introducing renewable energy in developing countries with leading low carbon technologies, and in return, these programs seek to acquire JCM credits for achievement of Japan's GHG emission reduction target. **These Financing Programs don't require, or are not limited to, exportation.**



## Q. How is the JCM's compliance with the WTO rules?(contd.)

A. Article 3.1 (b) prohibits subsidies contingent upon the use of domestic over imported goods.

The JCM Financing Programs **don't prioritize** the leading low carbon technologies **from certain country including Japan.**



## Q. How is the JCM's compliance with the WTO rules?(contd.)

A. Article 2 prohibits subsidies specific to an enterprise or industry or group of enterprises or industries.

The JCM Financing Programs **don't deliver subsidies to specific enterprise, industry, or group of enterprises or industries.**



## Q. How is the JCM's compliance with the WTO rules?(contd.)

- A. Also, gaining profit is one of the definitions of subsidy provisioned in the Agreement on Subsidies and Countervailing Measures of the WTO.

For the JCM Financing Programs, the subsidy recipient receives financial support to cover part of their initial investment cost. Although, in return, **the subsidy recipient delivers, to the government, part of the JCM credit generated from the recipient's CO2 emission reduction activity. From this, we can't simply say that the recipient is gaining profits.**

# Merci beaucoup !

- ✓ **FAQ on the JCM** is available at **New Mechanisms Information Platform**

<http://www.mmechanisms.org/e/initiatives/faq.html>

- ✓ Please subscribe our **e-mail newsletter !**

<http://www.mmechanisms.org/e/newsletter/index.html>

- ✓ Contact us at [info@mmechanisms.org](mailto:info@mmechanisms.org)

During the COP period, please drop in to **GEC/OECC exhibition booth at the island #44D in Hall 4.**

# Invitation to another side event in Paris

## The Joint Crediting Mechanism (JCM): Achievements and current progress of project implementations

**Date & Time:** Friday, 11 December 2015 (11:30 - 13:00)

**Venue:** Observer room 03 , the Conference Centre (Blue Zone)

The JCM is one of various approaches Japan and partner countries are jointly developing and implementing. The recent progress and expectations on the implementation of the JCM will be reported and discussed with representatives from JCM partner countries.



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**LIGHT REFRESHMENTS WILL BE SERVED**

[http://www.mmechanisms.org/e/info/event/details\\_151211COP21sideevent.html](http://www.mmechanisms.org/e/info/event/details_151211COP21sideevent.html)