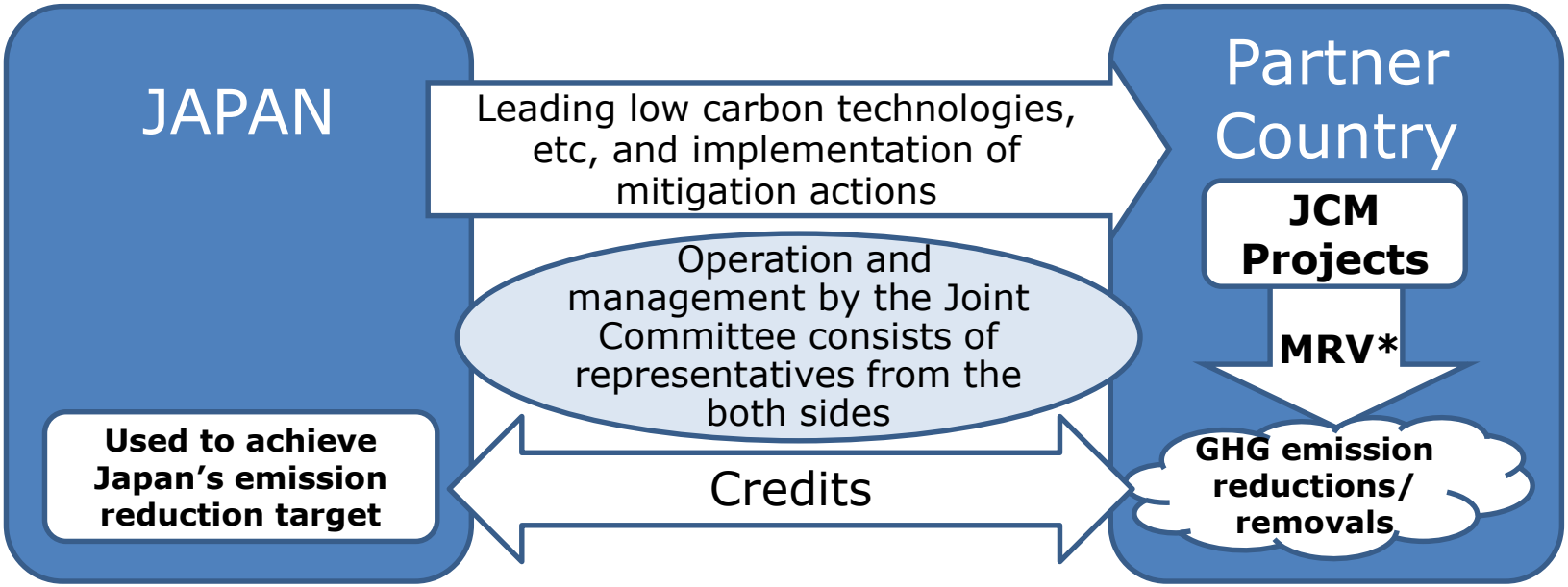
Recent Development of The Joint Crediting Mechanism (JCM)

December 2015
Government of Japan

All ideas are subject to further consideration and discussion with partner countries

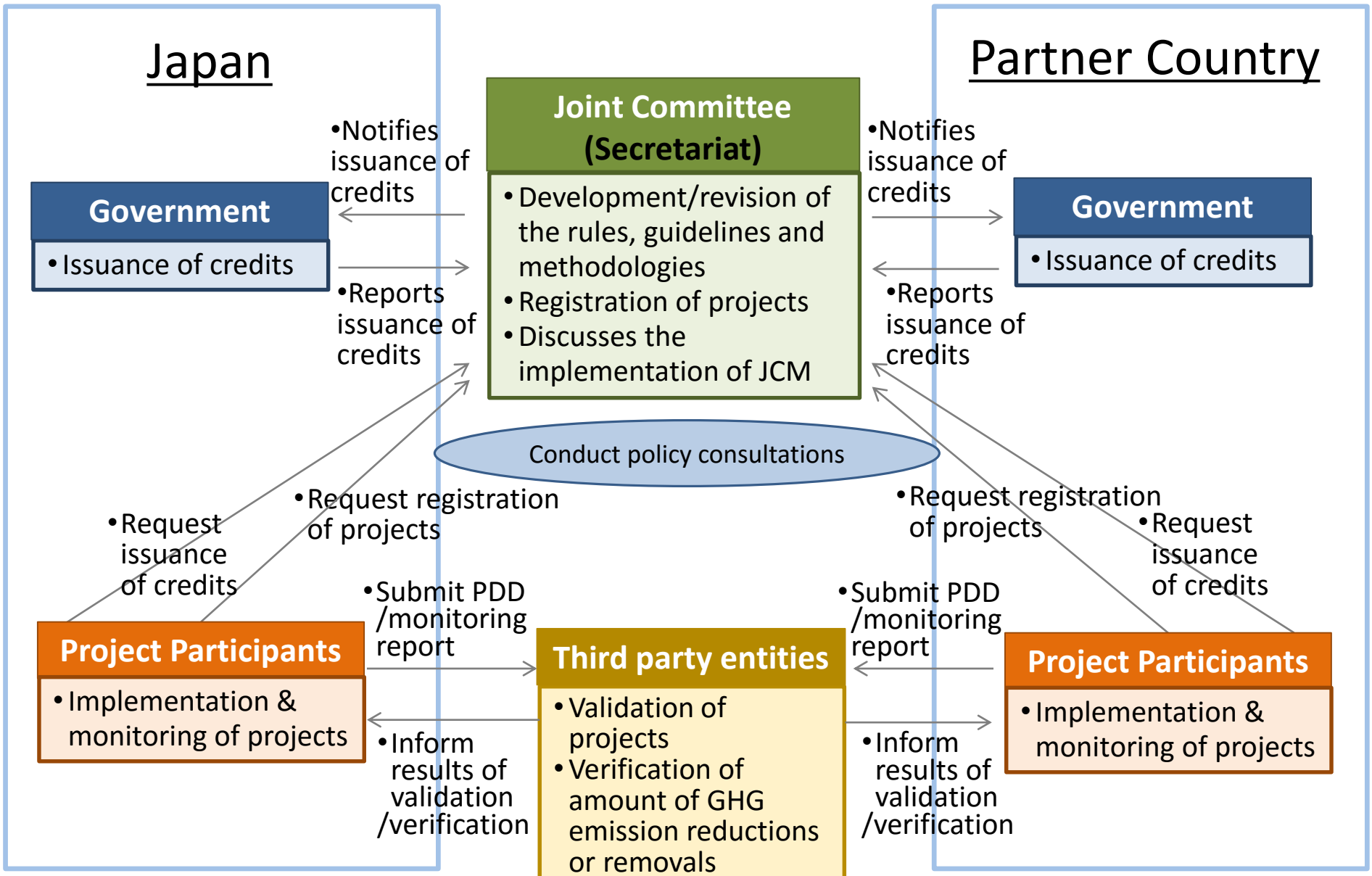
Basic Concept of the JCM

- 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

Scheme of the JCM



The role of the Joint Committee and each Government

- The Joint Committee (JC) consists of representatives from both Governments.
- The JC develops rules and guidelines necessary for the implementation of the JCM.
- The JC determines either to approve or reject the proposed methodologies, as well as develops JCM methodologies.
- The JC designates the third-party entities (TPEs).
- The JC decides on whether to register JCM projects which have been validated by the TPEs.
- Each Government establishes and maintains a registry.
- On the basis of notification for issuance of credits by the JC, each Government issues the notified amount of credits to its registry.

Features of the JCM

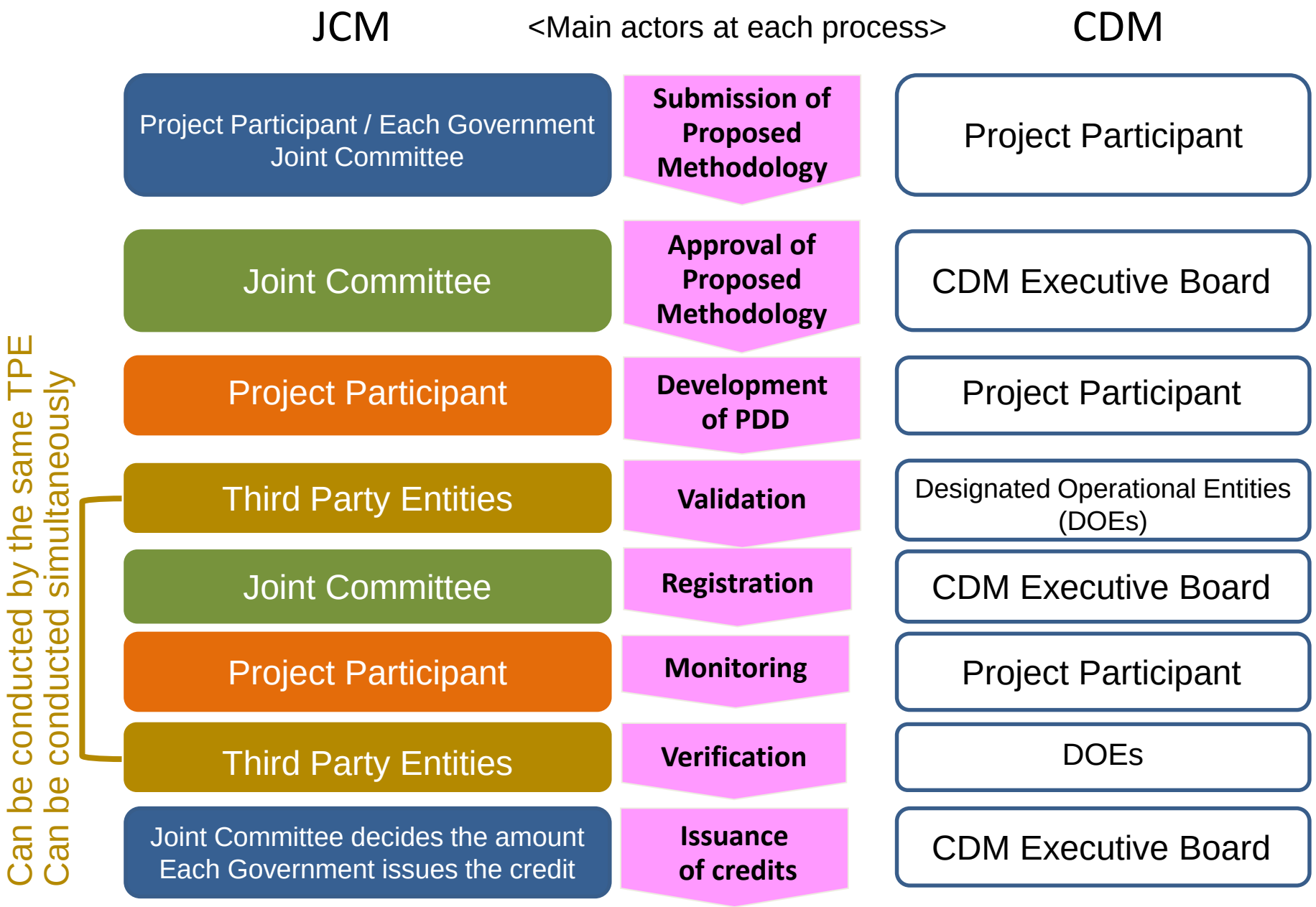
(1) The JCM starts its operation as a non-tradable credit type mechanism.

(2) Both Governments continue consultation for the transition to a tradable credit type mechanism and reach a conclusion at the earliest possible timing, taking account of implementation of the JCM.

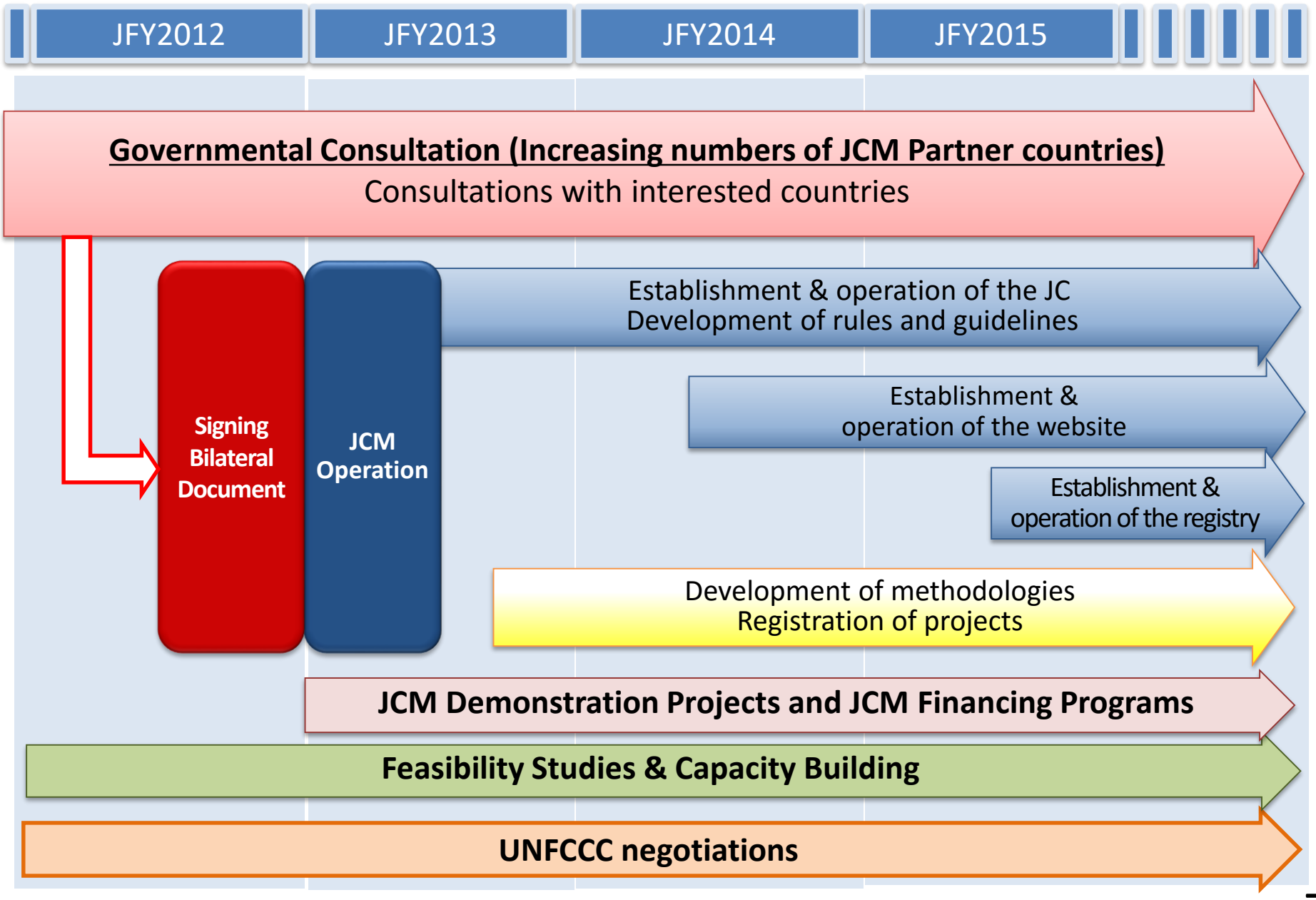
(3) The JCM aims for concrete contributions to assisting adaptation efforts of developing countries after the JCM is converted to the tradable credit type mechanism.

(4) The JCM covers the period until a possible coming into effect of a new international framework under the UNFCCC.

Project Cycle of the JCM and the CDM

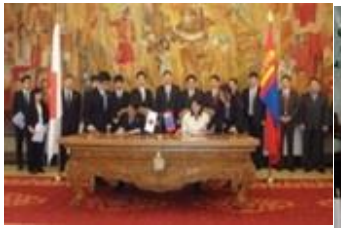


Roadmap for the JCM



JCM Partner Countries

- Japan has held consultations for the JCM with developing countries since 2011 and has established the JCM with Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Viet Nam, Lao PDR, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar and Thailand.



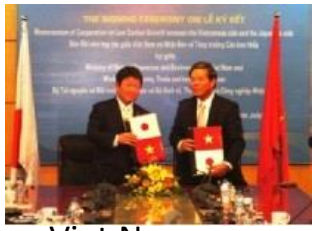
Mongolia
Jan. 8, 2013
（Ulaanbaatar）

Bangladesh
Mar. 19, 2013
(Dhaka)

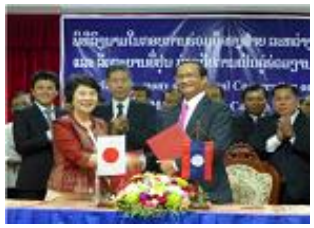
Ethiopia
May 27, 2013
(Addis Ababa)

Kenya
Jun. 12,2013
(Nairobi)

Maldives
Jun. 29, 2013
(Okinawa)

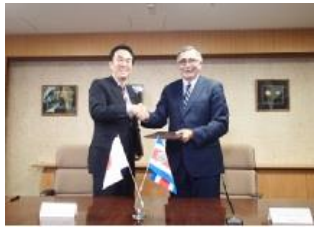


Viet Nam
Jul. 2, 2013
(Hanoi)



Lao PDR
Aug. 7, 2013
(Vientiane)

Indonesia
Aug. 26, 2013
(Jakarta)



Costa Rica
Dec. 9, 2013
(Tokyo)

Palau
Jan. 13, 2014
(Ngerulmud)

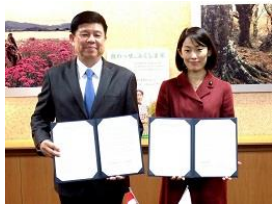
Cambodia
Apr. 11, 2014
(Phnom Penh)

Mexico
Jul. 25, 2014
(Mexico City)

Saudi Arabia
May 13, 2015

Chile
May 26, 2015
(Santiago)

Myanmar
Sep. 16, 2015
(Nay Pyi Taw)



Thailand
Nov. 19, 2015
(Tokyo)

- Three (3) JCM projects between Indonesia and Japan, one (1) JCM project between Palau and Japan, two (2) JCM projects between Mongolia and Japan and one (1) JCM project between Viet Nam and Japan have been registered respectively.

Japan's INDC (Excerpt)

Japan's INDC

○ Japan's INDC towards post-2020 GHG emission reductions is at the level of a reduction of 26.0% by fiscal year (FY) 2030 compared to FY 2013 (25.4% reduction compared to FY 2005) (approximately 1.042 billion t-CO_2eq. as 2030 emissions), ensuring consistency with its energy mix, set as a feasible reduction target by bottom-up calculation with concrete policies, measures and individual technologies taking into adequate consideration, *inter alia*, technological and cost constraints, and set based on the amount of domestic emission reductions and removals assumed to be obtained. .

Information to facilitate clarity, transparency and understanding

○ The JCM is not included as a basis of the bottom-up calculation of Japan's emission reduction target, but the amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan's reduction.

Reference information
GHG emissions and removals
JCM and other international contributions

○ 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_2.

The UNFCCC documents related to the JCM (1/2)

Decision 1/CP18

41. *Acknowledges* that **Parties, individually or jointly, may develop and implement various approaches, including opportunities for using markets** and non-markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries;

42. *Re-emphasizes* that, as set out in decision 2/CP.17, paragraph 79, all such approaches must meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort and achieve a net decrease and/or avoidance of GHG emissions;

44. *Requests* the SBSTA to conduct a work programme to elaborate a framework for such approaches, drawing on the work of the AWG-LCA on this matter, including the relevant workshop reports and technical paper, and experience of existing mechanisms, with a view to recommending a draft decision to the COP for adoption at its 19th session;

45. *Considers* that any such framework will be developed under the authority and guidance of the Conference of the Parties;

The UNFCCC documents related to the JCM (2/2)

Decision 19/CP18

Common tabular format for
"UNFCCC biennial reporting guidelines for developed country Parties"

Table 4(b) Reporting on progress

	Kyoto Protocol units[d] *(kt CO_2 eq)*										*Other units*[d,e] *(kt CO_2 eq)*			
	AAUs		*ERUs*		*CERs*		*tCERs*		*lCERs*		*Units from market-based mechanisms under the Convention*		*Units from other market-based mechanisms*	
	20XX-3	*20XX-2*	*20XX-3*	*Year X-2*	*20XX-3*	*20XX-2*	*20XX-3*	*20XX-2*	*20XX-3*	*20XX-2*	*20XX-3*	*20XX-2*	*20XX-3*	*20XX-2*
Quantity of units														
							20XX-3					20XX-2		
Total														

- The JCM is one of various approaches based on Decision 1/CP.18, jointly developed and implemented by Japan and partner countries, and Japan intends to contribute to elaborating the framework for such approaches under the UNFCCC.
- Japan has reported and will report to the COP the use of the JCM in Biennial Reports including the Common Tabular in line with Decision 19/CP18.

Technical Details for the JCM

(Subject to further consideration and discussion with partner countries)

Necessary documents for the JCM

(Subject to further consideration and discussion with partner countries)

		Rules and Guidelines
Overall		✓ Rules of Implementation ✓ Project Cycle Procedure ✓ Glossary of Terms ✓ Guidelines for Designation as a Third-Party Entity (TPE guidelines)
Joint Committee		✓ Rules of Procedures for the Joint Committee (JC rules)
Methodology		✓ Guidelines for Developing Proposed Methodology (methodology guidelines)
Project Procedures	**Developing a PDD**	✓ Guidelines for Developing Project Design Document and Monitoring Report (PDD and monitoring guidelines)
	Monitoring	
	Validation	✓ Guidelines for Validation and Verification (VV guidelines)
	Verification	

Methodology Development Procedure of the JCM

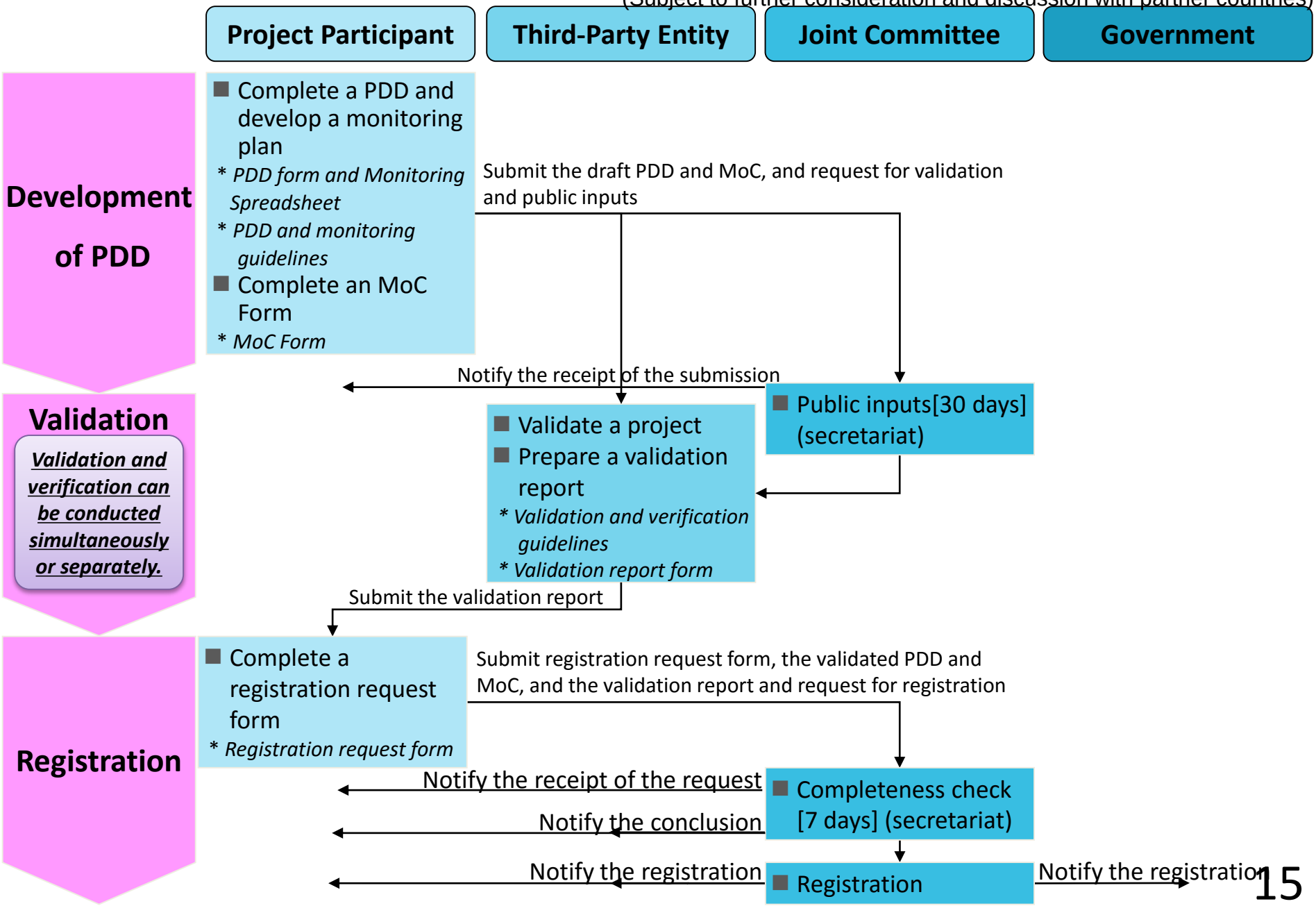
(Subject to further consideration and discussion with partner countries)

	Project Participant (Methodology Proponent)	Government (Methodology Proponent)	Joint Committee
Submission of Proposed Methodology	■ Prepare a proposed methodology * *Methodology guidelines* * *Proposed methodology form* * *Proposed Methodology Spreadsheet Form*	■ Prepare a proposed methodology * *Methodology guidelines* * *Proposed methodology form* * *Proposed Methodology Spreadsheet Form*	■ Develop a proposed methodology under the initiative of the Joint Committee
	Submit the proposed methodology		
Completeness Check	Notify the receipt of the submission Communicate the result of completeness check		■ Completeness check [7 days] (secretariat)
Public Inputs			■ Public inputs [15 days] (secretariat)
Approval of Proposed Methodology	Notify the outcome of consideration		■ Assessment of the proposed methodology [60 days or up to 90 days] ■ Approval of the proposed methodology

Note: Asterisk (*) indicates documentation relevant for each step of the procedure

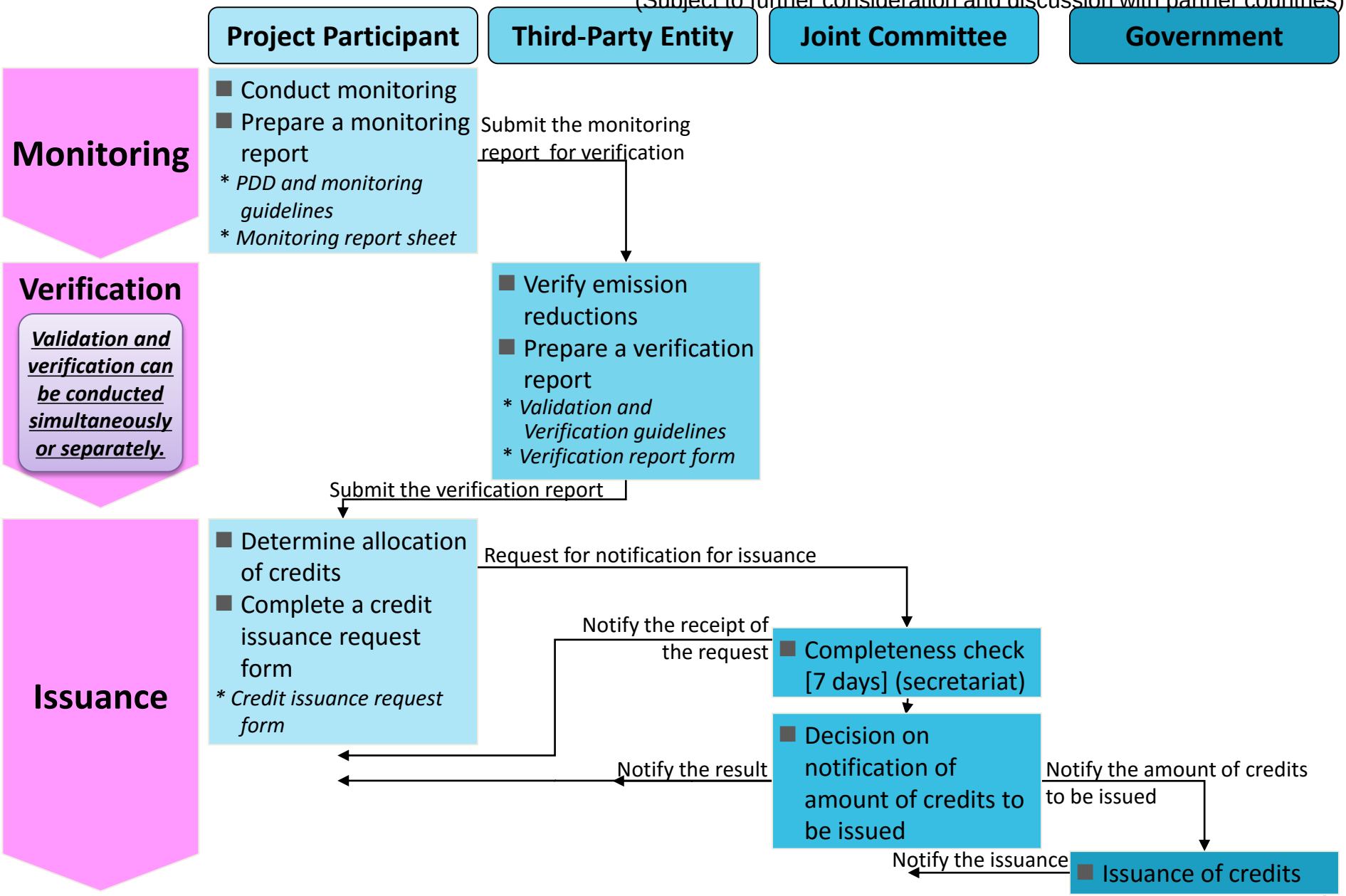
Registration & Issuance Procedure of the JCM (1/2)

(Subject to further consideration and discussion with partner countries)



Registration & Issuance Procedure of the JCM (2/2)

(Subject to further consideration and discussion with partner countries)



Rules of Procedures for the Joint Committee

(Subject to further consideration and discussion with partner countries)

Members

- The Joint Committee (JC) consists of representatives from both Governments.
- Each Government designates members, which may not exceed [10].
- The JC has two Co-chairs to be appointed by each Government (one from the partner country and the other from Japan). Each Co-Chair can designate an alternate from members of the JC.

Decision making in the JC

- The JC meets no less than once a year and decision by the JC is adopted by consensus.
- The JC may adopt decisions by electronic means in the following procedure:
  (a) The proposed decisions are distributed by the Co-Chairs to all members of the JC.
  (b) The proposed decision is deemed as adopted when,
    i) no member of the JC has provided negative assertion within [10] calendar days after distribution and both Co-Chairs have made affirmative assertion, or
    ii) all members of the JC have made affirmative assertion.
- If a negative assertion is made by one of the JC members, the Co-Chairs take into account the opinion of the member and take appropriate actions.
- The JC may hold conference calls to assist making decisions by electronic means.

External assistance

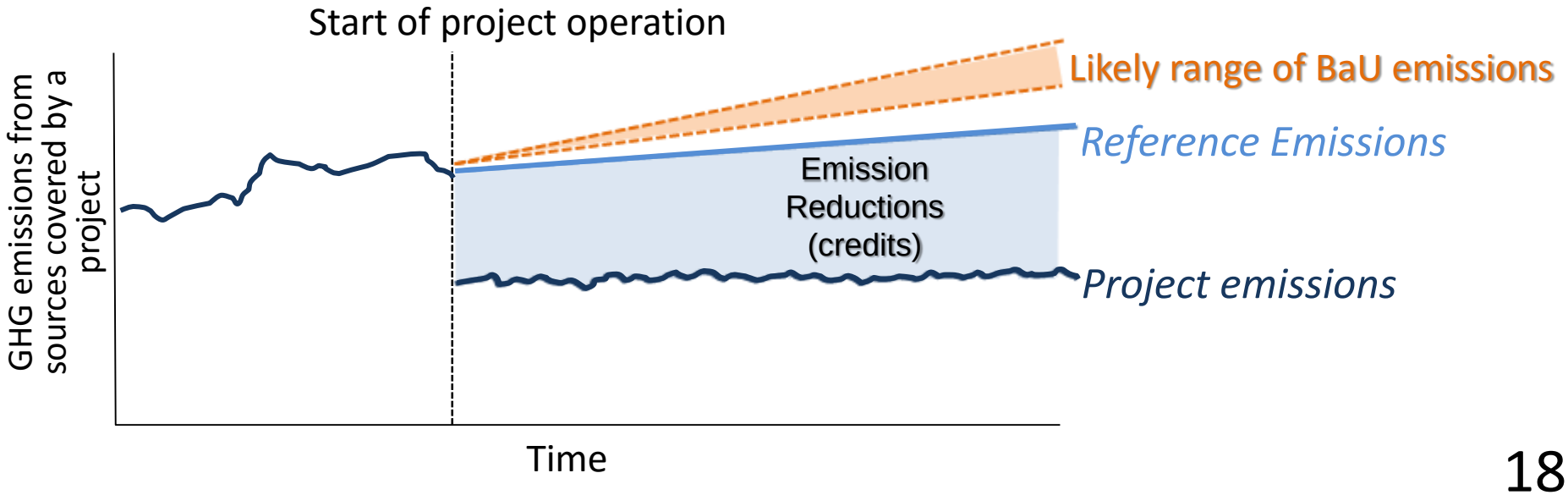
- The JC may establish panels and appoint external experts to assist part of its work.

Languages: English **Secretariat:** The secretariat services the JC.
Confidentiality: Members of the JC, Secretariat, etc. respect confidentiality.
Record of the meeting: The full text of all decisions of the JC is made publicly available.

Basic Concept for Crediting under the JCM

(Subject to further consideration and discussion with partner countries)

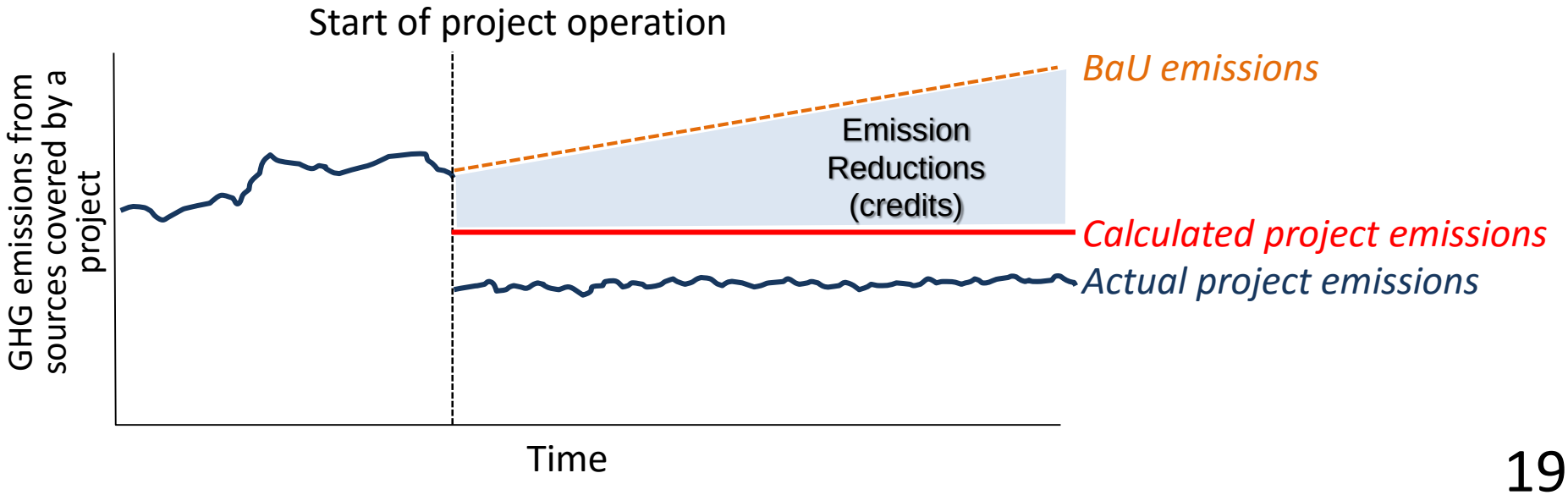
- In the JCM, emission reductions to be credited are defined as the difference between "reference emissions" and project emissions.
- The reference emissions are calculated below business-as-usual (BaU) emissions which represent plausible emissions in providing the same outputs or service level of the proposed JCM project in the partner country.
- This approach will ensure a net decrease and/or avoidance of GHG emissions.



Addendum: ways to realize net reduction

(Subject to further consideration and discussion with partner countries)

- A net decrease and/or avoidance of GHG emissions can be realized in alternative way, instead of calculating the reference emissions below BaU emissions.
- Using conservative default values in parameters to calculate project emissions instead of measuring actual values will lead calculated project emissions larger than actual project emissions.
- This approach will also ensure a net decrease and/or avoidance of GHG emissions, as well as reduce burdens of monitoring.



JCM Methodology

- Key Features of the JCM methodology
  - The JCM methodologies are designed in such a way that project participants can use them easily and verifiers can verify the data easily.
  - In order to reduce monitoring burden, default values are widely used in a conservative manner.
  - Eligibility criteria clearly defined in the methodology can reduce the risks of rejection of the projects proposed by project participants.

Eligibility criteria	• A “check list” will allow easy determination of eligibility of a proposed project under the JCM and applicability of JCM methodologies to the project.
Data (parameter)	• List of parameters will allow project participants to determine what data is necessary to calculate GHG emission reductions/removals with JCM methodologies. • Default values for specific country and sector are provided beforehand.
Calculation	• Premade spreadsheets will allow GHG emission reductions/removals to be calculated automatically by inputting relevant values for parameters, in accordance with methodologies.

Basic concept of Eligibility criteria in JCM methodology

(Subject to further consideration and discussion with partner countries

Eligibility criteria in JCM methodologies contain the following:

- ✓ The requirements for the project to be registered as a JCM project. *<Basis for the assessment of validation and registration of a proposed project>*
- ✓ The requirements for the project to be able to apply the JCM methodology. *<same as "applicability condition of the methodology" under the CDM>*

1. Both Governments determine what technologies, products, etc should be included in the eligibility criteria through the approval process of the JCM methodologies by the Joint Committee.
2. Project participants can use the list of approved JCM methodologies when applying for the JCM project registration.

Examples of eligibility criteria 1.

- Introduction of *xx* (products/technologies) whose design efficiency is above *xx* (e.g. output/kWh) *<Benchmark Approach>*
- Introduction of *xx* (specific high efficient products/technologies, such as air conditioner with inverter, electric vehicles, or PV combined with battery) *<Positive List Approach>*

Examples of eligibility criteria 2.

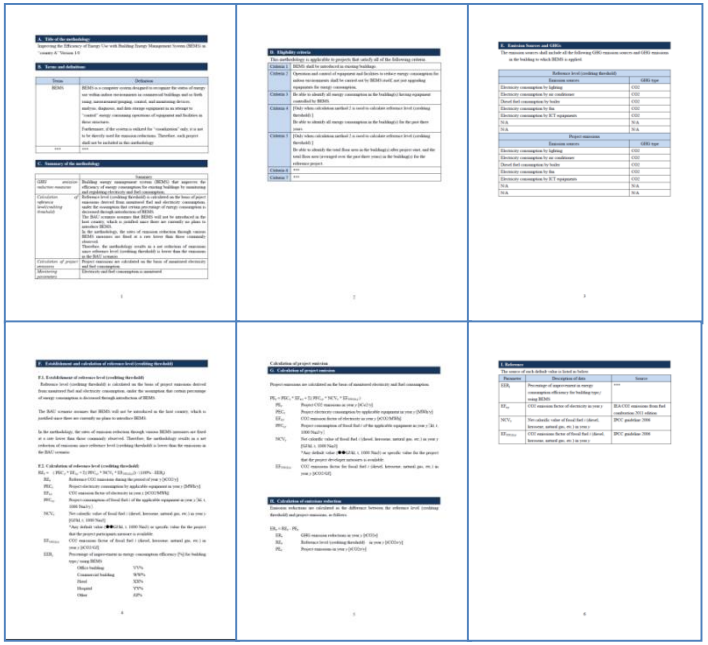
- Existence of historical data for *x* year(s)
- Electricity generation by *xx* (e.g. PV, wind turbine) connected to the grid
- Retrofit of the existing boiler

Overview of JCM Methodology, Monitoring Plan and Monitoring Report

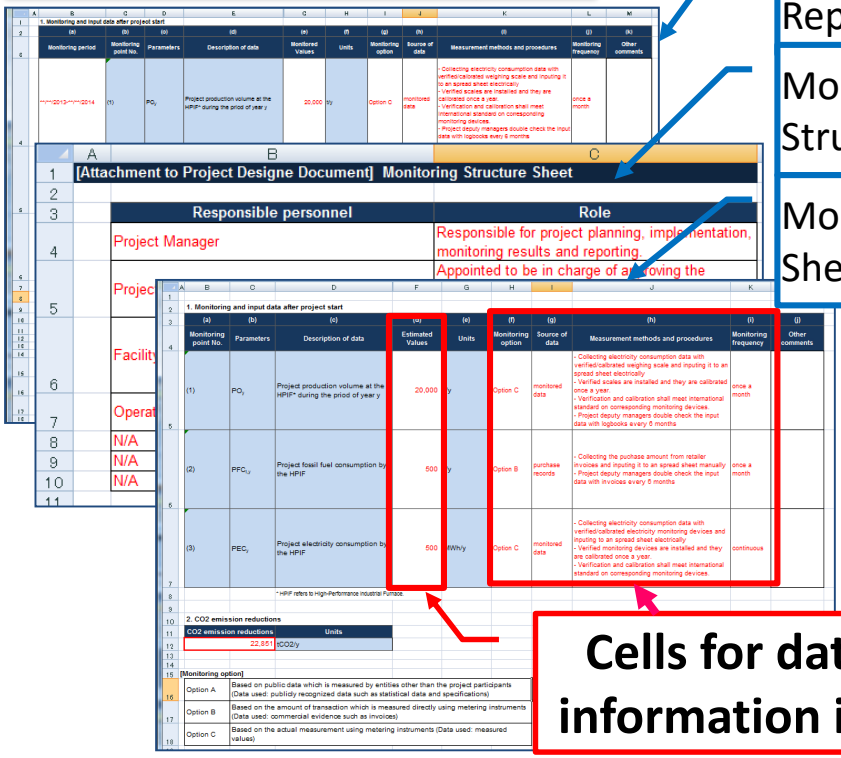
(Subject to further consideration and discussion with partner countries)

- JCM methodology consists of the followings.
  - Approved Methodology Document
  - Monitoring Spreadsheet
    - Monitoring Plan Sheet (including Input Sheet & Calculation Process Sheet)
    - Monitoring Structure Sheet
    - Monitoring Report Sheet (including Input Sheet & Calculation Process Sheet)

Approved Methodology Document



Monitoring Spreadsheet

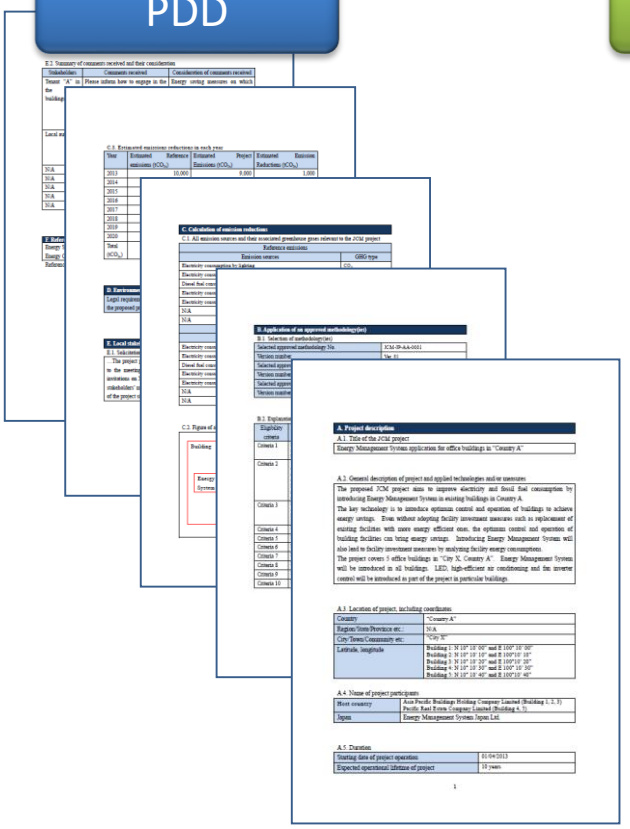


PDD and Monitoring Plan

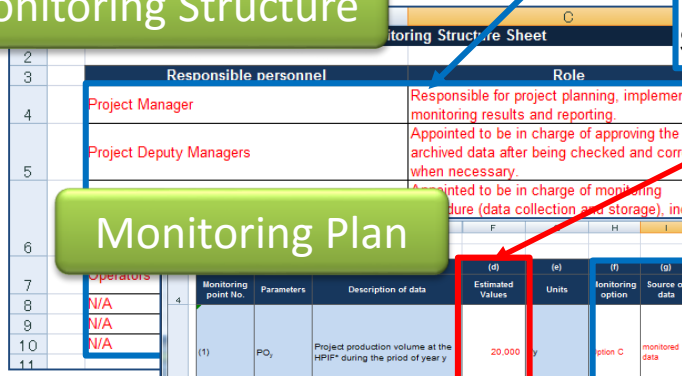
(Subject to further consideration and discussion with partner countries)

- Developing a Project Design Document (PDD) and a Monitoring Plan
  - ➢A PDD form should be filled in with information of the proposed project.
  - ➢A Monitoring Plan consists of Monitoring Plan Sheet and Monitoring Structure Sheet, and it should be filled in as well.

PDD

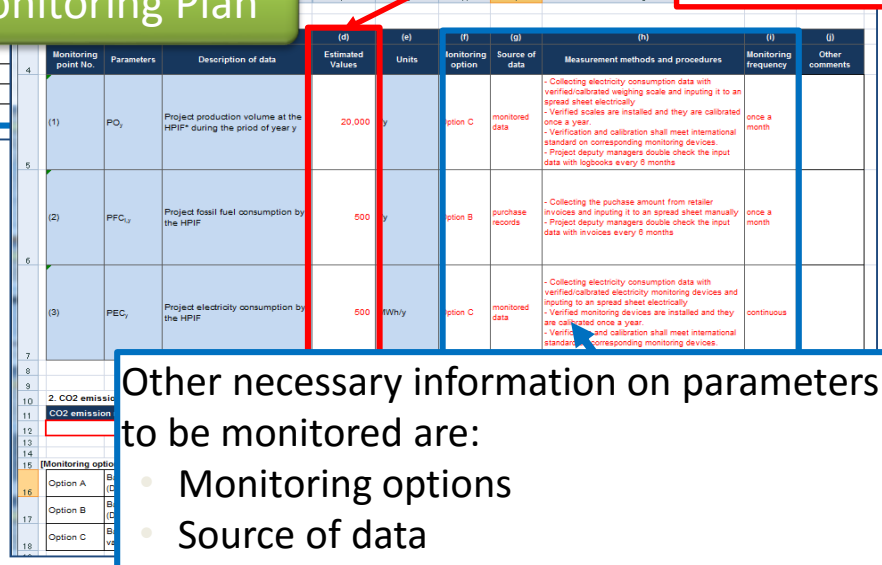


Monitoring Structure



Roles and responsibilities of personnel for monitoring should be described

Monitoring Plan



Cells for data input (ex ante)

Other necessary information on parameters to be monitored are:

- Monitoring options
- Source of data
- Measurement methods and procedures
- Monitoring frequency

Possible Contents of the JCM PDD

(Subject to further consideration and discussion with partner countries)

A. Project description
- A.1. Title of the JCM project
- A.2. General description of project and applied technologies and/or measures
- A.3. Location of project, including coordinates
- A.4. Name of project participants
- A.5. Duration
- A.6. Contribution from developed countries

B. Application of an approved JCM methodology(ies)
- B.1. Selection of JCM methodology(ies)
- B.2. Explanation of how the project meets eligibility criteria of the approved methodology

C. Calculation of emission reductions
- C.1. All emission sources and their associated greenhouse gases relevant to the JCM project
- C.2. Figure of all emission sources and monitoring points relevant to the JCM project
- C.3. Estimated emissions reductions in each year

D. Environmental impact assessment

E. Local Stakeholder consultation
- E.1. Solicitation of comments from local stakeholders
- E.2. Summary of comments received and their consideration

F. References

Annex

Approved Methodology Spreadsheet consists of Monitoring Plan Sheet, Monitoring Structure Sheet and Monitoring Report Sheet, and it shall be attached to the PDD.

Monitoring Report

(Subject to further consideration and discussion with partner countries)

- Making a Monitoring Report
  - ➢A Monitoring Report should be made by filling cells for data input (ex post) in the Monitoring Report Sheet with monitored values.
  - ➢Project participants prepare supporting documents which include evidence for stated values in the cells for data input.

Monitoring Report

Monitoring period

Cells for data input (ex post)

(a) Monitoring period	(b) Monitoring point No.	(c) Parameters	(d) Description of data	(e) Monitored Values	(f) Units	(g) Monitoring option	(h) Source of data	(i) Measurement methods and procedures	(j) Monitoring frequency	(k) Other comments
//2013-**/**/2014	1)	PO_y	Project production volume at the HPIF* during the priod of year y	20,000	t/y	Option C	monitored data	- Collecting electricity consumption data with verified/calibrated weighing scale and inputing it to an spread sheet electrically - Verified scales are installed and they are calibrated once a year. - Verification and calibration shall meet international standard on corresponding monitoring devices. - Project deputy managers double check the input data with logbooks every 6 months	once a month	
//2013-**/**/2014	2)	PFC_{iy}	Project fossil fuel consumption by the HPIF	500	t/y	Option B	purchase records	- Collecting the puchase amount from retailer invoices and inputing it to an spread sheet manually - Project deputy managers double check the input data with invoices every 6 months	once a month	
N/A	3)	PEC_y	Project electricity consumption by the HPIF	500	MWh/y	Option C	monitored data	- Collecting electricity consumption data with verified/calibrated electricity monitoring devices and inputing to an spread sheet electrically - Verified monitoring devices are installed and they are calibrated once a year. - Verification and calibration shall meet international standard on corresponding monitoring devices.	continuous	

* HPIF refers to High-Performance Industrial Furnace.

2. CO2 emission reductions

CO2 emission reductions	Units
22,851	tCO2/y

[Monitoring option]

Option A	Based on public data which is measured by entities other than the proj... used: publicly recognized data such as statistical data and specificatio...
Option B	Based on the amount of transaction which is measured directly using m... used: commercial evidence such as invoices)
Option C	Based on the actual measurement using metering instruments (Data us...

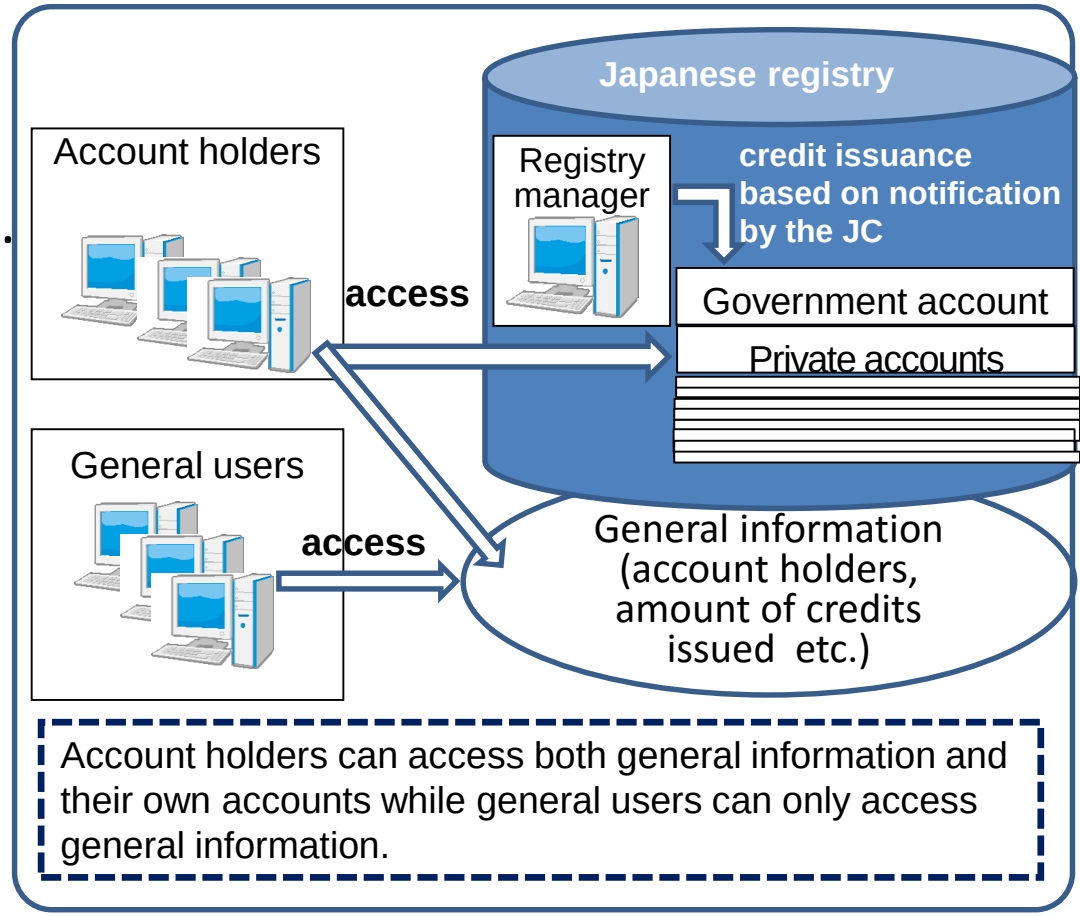
Other necessary information on monitored parameters are to be filled in:

- Monitoring options
- Source of data
- Measurement methods and procedures
- Monitoring frequency

JCM Registry

Establishment & operation

- A registry will be established by each side (RoI (draft) para13 (b)).
- The registries need to share "Common specifications", e.g.,
  - functions (e.g. issuance, retirement, holding, cancelation of credits)
  - account type (e.g. holding account, government holding account, cancellation account, and retirement account)
  - rules of serial number of the credit
  - information sharing
- Japan has established its registry and started operation in Nov. 2015.
- The partner countries will also establish their own registry.



JCM Website

URL: **https://www.jcm.go.jp/**

Contents

- General information page
- Individual JCM Partner countries-Japan page

Function

- Information sharing to the public, e.g.,
  - the JC decisions,
  - rules and guidelines,
  - methodologies,
  - projects,
  - call for public inputs/comments,
  - status of TPEs, etc.
- Internal information sharing for the JC members, e.g.,
  - File sharing for electric decisions by the JC

Image of the general information page

Image of the individual JCM Partner countries-Japan page

Registered Projects

No.	Country	Project Title	General description of project
ID001	Indonesia	Energy Saving for Air-Conditioning and Process Cooling by Introducing High-efficiency Centrifugal Chiller	Improving energy saving for air-conditioning and process cooling by introducing high-efficiency centrifugal chiller equipped with high-performance economizer cycle, and super-cooling refrigerant cycle in a textile factory.
ID002	Indonesia	Project of Introducing High Efficiency Refrigerator to a Food Industry Cold Storage in Indonesia	Introducing advanced energy efficient cooling system using natural refrigerant in the food industry cold storage.
ID003	Indonesia	Project of Introducing High Efficiency Refrigerator to a Frozen Food Processing Plant in Indonesia	Introducing advanced energy efficient cooling system using natural refrigerant in the frozen food processing plant.
PW001	Palau	Small Scale Solar Power Plants for Commercial Facilities in Island States	Installing high quality solar cell modules with high conversion efficiency with a monitoring system which realizes appropriate operation and management.
MN001	Mongolia	Installation of High-Efficiency Heat Only Boilers in 118th School of Ulaanbaatar City Project	Introducing high-efficiency HOBs to fulfill the demand of new heat facilities for the school buildings. Optimizing boiler operation through the implementation of operation management and technical guidance.
MN002	Mongolia	Centralization of Heat Supply System by Installation of High-Efficiency Heat Only Boilers in Bornuur soum Project	Introducing high-efficiency HOBs to fulfill the demand for heat supply system in the public buildings. Optimizing boiler operation through the implementation of operation management and technical guidance.
VN001	Viet Nam	Eco-Driving by Utilizing Digital Tachograph System	Improving transportation fuel efficiency by installing digital tachographs, in which the quantity of fuel consumption and running distance are continuously analyzed and provide feedbacks and advices to the drivers based on the analyzed data.

Approved Methodologies (1/3)

No.	Country	Sectoral Scope	Methodology Title	GHG Emission Reduction Measures
MN_AM001	Mongolia	Energy distribution	Installation of energy-saving transmission lines in the Mongolian Grid	Reduction of transmission loss by introduction of LL-ACSR/SA (Low Electrical Power Loss Aluminum Conductors, Aluminum-Clad Steel Reinforced).
MN_AM002	Mongolia	Energy industries	Replacement and Installation of High Efficiency Heat Only Boiler (HOB) for Hot Water Supply Systems	Installation of new HOB for hot water supply system and the replacement of existing coal-fired HOB. The boiler efficiency of the reference HOB is typically lower than that of the project HOB. Therefore, the project activity leads to the reduction of coal consumption, resulting in lower emission of GHGs as well as air pollutants.
MV_AM001	Maldives	Energy industries	Displacement of Grid and Captive Genset Electricity by Solar PV System	Displacement of grid electricity and/or captive electricity using diesel fuel as a power source by installation and operation of the solar PV system(s)
VN_AM001	Viet Nam	Transport	Transportation energy efficiency activities by installing digital tachograph systems	Improvement of driving efficiency by installation of digital tachograph system to freight vehicle fleets providing to the drivers a real-time feedback against inefficient driving.
VN_AM002	Viet Nam	Energy demand	Introduction of Room Air Conditioners Equipped with Inverters	Energy saving achieved by introduction of RACs equipped with inverters.
VN_AM003	Viet Nam	Energy demand	Improving the energy efficiency of commercial buildings by utilization of high efficiency equipment	Reduction of electricity and fossil fuel consumed by existing facilities is achieved by replacing or substituting these facilities with high efficiency equipment.
VN_AM004	Viet Nam	Waste handling and disposal	Anaerobic digestion of organic waste for biogas utilization within wholesale markets	Avoid the emissions of methane to the atmosphere from organic waste that have been left to decay anaerobically at a solid waste disposal site and to introduce renewable energy technologies that supply biogas that displaces fossil fuel use.
VN_AM005	Viet Nam	Energy distribution	Installation of energy efficient transformers in a power distribution grid	Installation of energy efficient transformers (transformers with amorphous metal core) in a power distribution grid to reduce no-load losses by transformers, which leads to reduction of losses for grid electricity

Approved Methodologies (2/3)

No.	Country	Sectoral Scope	Methodology Title	GHG Emission Reduction Measures
ID_AM001	Indonesia	Energy industries	Power Generation by Waste Heat Recovery in Cement Industry	Waste heat recovery (WHR) system generates electricity through waste heat recovered from cement production facility. Electricity generated from the WHR system replaces grid electricity resulting in GHG emission reductions of the connected grid system.
ID_AM002	Indonesia	Energy demand	Energy Saving by Introduction of High Efficiency Centrifugal Chiller	Saving energy by introducing high efficiency centrifugal chiller for the target factory, commerce facilities etc.
ID_AM003	Indonesia	Energy demand	Installation of Energy-efficient Refrigerators Using Natural Refrigerant at Food Industry Cold Storage and Frozen Food Processing Plant	Saving energy by introducing high efficiency refrigerators to the food industry cold storage and frozen food processing plants.
ID_AM004	Indonesia	Energy demand	Installation of Inverter-Type Air Conditioning System for Cooling for Grocery Store	Saving energy by introducing inverter-type air conditioning system for cooling for grocery store.
ID_AM005	Indonesia	Energy demand	Installation of LED Lighting for Grocery Store	Saving energy by introducing LED (Light Emitting Diode) lighting for grocery store.
ID_AM006	Indonesia	Energy demand	GHG emission reductions through optimization of refinery plant operation in Indonesia	Introduction of plant optimization control systems (APC) that reduce energy consumption in the hydrogen production unit (HPU) and hydro cracking unit (HCU) at a refinery plant.
ID_AM007	Indonesia	Energy demand	GHG emission reductions through optimization of boiler operation in Indonesia	The project achieves energy conservation in boilers, through operation optimization by applying Utility Facility Operation Optimization Technology.
ID_AM008	Indonesia	Energy demand	Installation of a separate type fridge-freezer showcase by using natural refrigerant for grocery store to reduce air conditioning load inside the store	Saving total energy of in-store showcase and air conditioning system by introducing a separate type natural refrigerant fridge-freezer showcase for grocery store, which leads to GHG emission reductions, through the reduction of air conditioning electricity load demand by not releasing waste heat inside the store.

Approved Methodologies (3/3)

No.	Country	Sectoral Scope	Methodology Title	GHG Emission Reduction Measures
ID_AM009	Indonesia	Energy demand	Replacement of conventional burners with regenerative burners for aluminum holding furnaces	By replacing conventional burners with regenerative burners for aluminum holding furnaces, consumption of natural gas is reduced, which leads to the reduction of GHG emissions.
ID_AM010	Indonesia	Energy demand	Introducing double-bundle modular electric heat pumps to a new building	The project contributes to GHG emission reductions at a new building, by reducing electricity and oil consumption with efficient double-bundle modular electric heat pumps where heating/cooling energy is simultaneously generated.
PW_AM001	Palau	Energy industries	Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System	Displacement of grid electricity and/or electricity using diesel fuel as a power source by installation and operation of the solar PV system(s).

References

- JCM Demonstration Projects and JCM Financing Programs
- Feasibility Studies
- Capacity Building

JCM Promotion Scheme by METI

JCM Demonstration Projects

■JCM Demonstration Projects are implemented by NEDO (New Energy and Industrial Technology Development Organization)*, which supports the project costs necessary to verify the amount of GHG emission reduction in line with JCM rules and guidelines.
*See supplementary slides below

■The budget for FY 2015: 3billion JPY (approximately $30million)

■Coverage of project cost: Cost of the JCM Demonstration Projects necessary for MRV
e.g. Cost of design, machines, materials, labor, travel, etc.

■Eligibility for the JCM Demonstration Projects:

- Concrete Projects to demonstrate the effectiveness of leading Japanese technologies and/or products installed and operated in the projects, and the amount of their GHG emission reduction with MRV methodology by actual operation
- Project Participants consist of entities from both countries, only the Japanese entities can apply for the JCM Demonstration projects. The projects shall be completed within 3 years.

JCM Feasibility Study (FS)

■The study to promote potential JCM projects and to survey their feasibility as well as to check the practicality of the MRV methodology.

Capacity Building Programmes

■Variety of capacity building activities to increase technical experts
e.g.,) Experts on measuring amount of emission reductions by introducing low carbon technologies and products in the host country.

(Supplementary) Benefit of JCM Demonstration Program by NEDO

1. Introduce and optimize low-carbon technologies based on the country's situation

- Achieve additional emission reductions through the introduction of new low-carbon technologies
- Reduce the risk of adapting new technologies for the first time , taking into account the country's situation before its commercial/practical operation, including through :
  - (i) Obtaining financial resources to cover the initial cost of the equipment to be introduced in the project
  - (ii) Confirming performance of the equipment during demonstration period
- Acquire know-how of operation and management by continued operation of the demonstration plants

  *Ownership of the introduced equipment will basically be transferred to the project participants at the price indicated by NEDO when the project is completed.

2. Confirm the quantitative effect of GHG reduction through the process of the JCM

- Gain support in the development of MRV methodologies and the interaction with the Joint Committee for the approval of the methodologies
- Verify quantitative effect on GHG emission reductions of the introduced technologies through the process of the JCM

3. Implement the project smoothly and foster the technologies in the country

- Establish a project management formation with NEDO in order to provide solution to project participants against any trouble arisen in the project
- Promote the diffusion of the technologies in line with the low carbon policies in the country
- Obtain lessons learned through the demonstration project and utilize them to develop public policies to address climate change challenges, e.g.,) regulation criteria, labeling standards, and promotion programs

(Supplementary) Overview of JCM Demonstration Program

A. Purpose

Contribute to mitigation of climate change by spreading advanced low-carbon technologies

B. Requirements for Demonstration Projects

i. Develop technologies optimized for the country's situation
ii. Verify the effect of the technologies in the country
iii. Request for registration as the JCM project to apply the MRV methodologies, monitor the data, and verify the GHG emission reductions

C. MOU (between NEDO and the ministry/agency of the host country)

NEDO coordinates with related ministries to conduct demonstration project in the host country and develop communication channel between these ministries and project participants.
NEDO provides solutions when any trouble arises during the demonstration period.

D. Cost Sharing

Costs are to be shared between NEDO and project participants based on the criteria of NEDO.

E. Ownership of the installed equipment

NEDO owns the equipment during the demonstration period.
Ownership will basically be transferred to the project participants at the price indicated by NEDO when the demonstration project is completed.

F. JCM Credits

JCM credits will be shared among the project participants. Part of credits will belong to the Japanese side corresponding to its contribution.

(Ref.) Benefit of JCM Demonstration Program by NEDO

1. **Introduce and optimize low-carbon technologies based on the country's situation**
   - Achieve additional emission reductions through the introduction of new low-carbon technologies
   - Reduce the risk of adapting new technologies for the first time , taking into account the country's situation before its commercial/practical operation, including through :
     (i) Obtaining financial resources to cover the initial cost of the equipment to be introduced in the project
     (ii) Confirming performance of the equipment during demonstration period
   - Acquire know-how of operation and management by continued operation of the demonstration plants

     *Ownership of the introduced equipment will basically be transferred to the project participants at the price indicated by NEDO when the project is completed.

2. **Confirm the quantitative effect of GHG reduction through the process of the JCM**
   - Gain support in the development of MRV methodologies and the interaction with the Joint Committee for the approval of the methodologies
   - Verify quantitative effect on GHG emission reductions of the introduced technologies through the process of the JCM

3. **Implement the project smoothly and foster the technologies in the country**
   - Establish a project management formation with NEDO in order to provide solution to

A. Purpose

Contribute to mitigation of climate change by spreading advanced low-carbon technologies

B. Requirements for Demonstration Projects

i. Develop technologies optimized for the country's situation
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iii. Request for registration as the JCM project to apply the MRV methodologies, monitor the data, and verify the GHG emission reductions

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F. JCM Credits

JCM credits will be shared among the project participants. Part of credits will belong to

JCM REDD+ FS by METI

REDD+ FS outline

Purpose

For the purpose of preventing deforestation and forest degradation, which have caused significant emissions of CO2 in many developing countries, plus additional measures (collectively known as REDD+), this FS intends to examine the feasibility of concrete cooperation in cases where Japanese enterprises are undertaking work in related business fields, applicable methods of measuring the amount of greenhouse gas emissions reduced and ideal approaches to making other environmental improvements, while also investigating the potential contributions of Japanese enterprises in the field of REDD+.

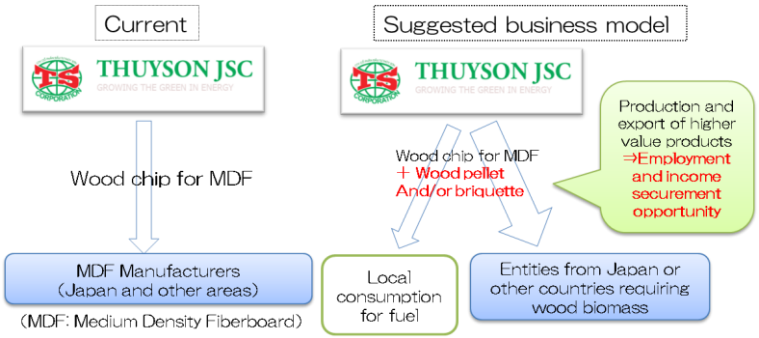
Project Description

Projects on REDD+ in developing countries. The details are as follows:

1. To grasp overall conditions of the trends and policies for climate change in the countries and regions that are targets of this project (especially REDD+)
2. To consider the possibility of specified cooperation for the project to be implemented after 2016, and the way of financial and other environmental arrangements necessary for realizing the implementation of the project.
3. To examine the applicable method for reducing GHG emissions and to calculate the expected amount of the reduction using that method when the project is implemented.
4. To examine the economic and other impacts that will be gained from the project.

Selected Projects in 2015

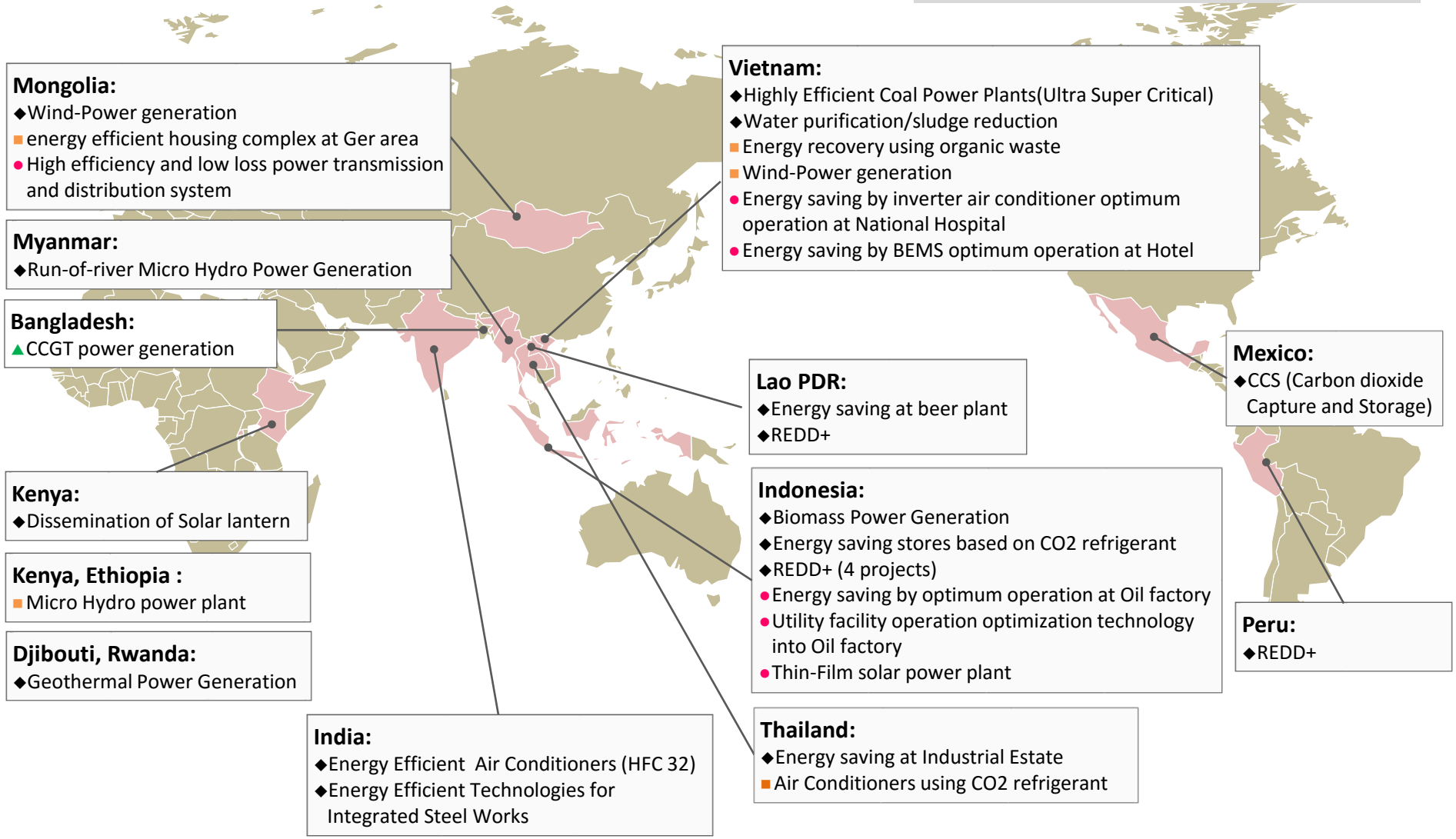
Partner Country : Vietnam
Operator: Kanematsu, Japan NUS
Description :
Thuy Son, a wood material manufacturer in Ca Mau, Vietnam, is planning expansion of its production area in natural forest including peatland. This project suggests protecting the natural forest and its biodiversity by limiting the expansion.
This may be achieved by improving production efficiency and introducing higher value products.



Moreover, pellet normally has higher value in the market and by adding pellet production and export to the current business, Thuy Son will provide job opportunity for the local community. This eventually reduces the risk of cultivation of peatland.

JCM Feasibility Studies, MRV Applicability Verification Studies and Demonstration Projects by METI & NEDO in FY2013

◆→ METI's FSs for Policy Recommendation
■ → NEDO's FSs for Project Exploration /Development
▲→ NEDO's MRV Applicability Verification Studies
● → NEDO's Demonstration Projects



Mongolia:
◆Wind-Power generation
■energy efficient housing complex at Ger area
●High efficiency and low loss power transmission and distribution system

Myanmar:
◆Run-of-river Micro Hydro Power Generation

Bangladesh:
▲CCGT power generation

Kenya:
◆Dissemination of Solar lantern

Kenya, Ethiopia :
■Micro Hydro power plant

Djibouti, Rwanda:
◆Geothermal Power Generation

India:
◆Energy Efficient Air Conditioners (HFC 32)
◆Energy Efficient Technologies for Integrated Steel Works

Vietnam:
◆Highly Efficient Coal Power Plants(Ultra Super Critical)
◆Water purification/sludge reduction
■Energy recovery using organic waste
■Wind-Power generation
●Energy saving by inverter air conditioner optimum operation at National Hospital
●Energy saving by BEMS optimum operation at Hotel

Lao PDR:
◆Energy saving at beer plant
◆REDD+

Indonesia:
◆Biomass Power Generation
◆Energy saving stores based on CO2 refrigerant
◆REDD+ (4 projects)
●Energy saving by optimum operation at Oil factory
●Utility facility operation optimization technology into Oil factory
●Thin-Film solar power plant

Thailand:
◆Energy saving at Industrial Estate
■Air Conditioners using CO2 refrigerant

Mexico:
◆CCS (Carbon dioxide Capture and Storage)

Peru:
◆REDD+

JCM Feasibility Studies, MRV Applicability Verification Studies and Demonstration Projects by METI & NEDO in FY2014

◆→ METI's FSs for Policy Recommendation
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▲→ NEDO's MRV Applicability Verification Studies
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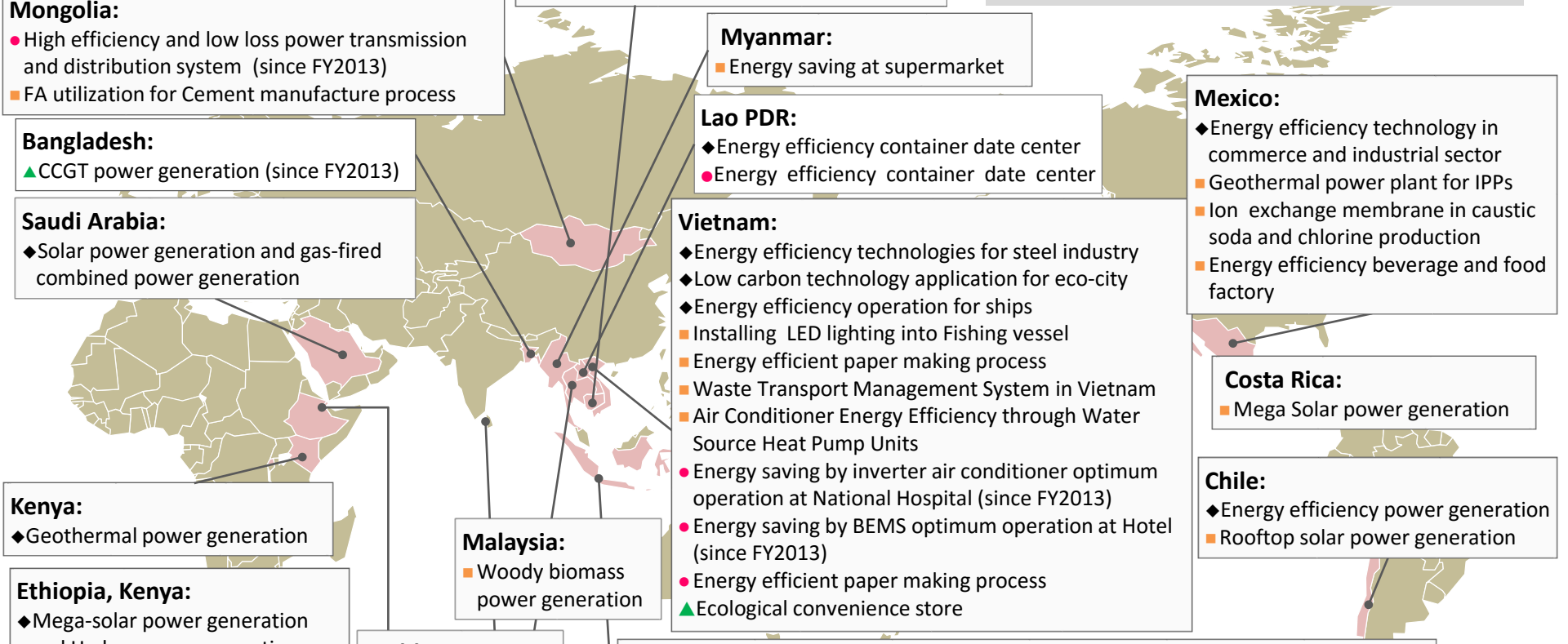


Cambodia:
◆Energy efficiency LED street light
■Hybrid(solar+diesel) power generation in SEZ(Special Economic Zone)

Mongolia:
●High efficiency and low loss power transmission and distribution system (since FY2013)
■FA utilization for Cement manufacture process

Myanmar:
■Energy saving at supermarket

Bangladesh:
▲CCGT power generation (since FY2013)

Lao PDR:
◆Energy efficiency container date center
●Energy efficiency container date center

Saudi Arabia:
◆Solar power generation and gas-fired combined power generation

Vietnam:
◆Energy efficiency technologies for steel industry
◆Low carbon technology application for eco-city
◆Energy efficiency operation for ships
■Installing LED lighting into Fishing vessel
■Energy efficient paper making process
■Waste Transport Management System in Vietnam
■Air Conditioner Energy Efficiency through Water Source Heat Pump Units
●Energy saving by inverter air conditioner optimum operation at National Hospital (since FY2013)
●Energy saving by BEMS optimum operation at Hotel (since FY2013)
●Energy efficient paper making process
▲Ecological convenience store

Mexico:
◆Energy efficiency technology in commerce and industrial sector
■Geothermal power plant for IPPs
■Ion exchange membrane in caustic soda and chlorine production
■Energy efficiency beverage and food factory

Costa Rica:
■Mega Solar power generation

Chile:
◆Energy efficiency power generation
■Rooftop solar power generation

Kenya:
◆Geothermal power generation

Malaysia:
■Woody biomass power generation

Ethiopia, Kenya:
◆Mega-solar power generation and Hydro power generation
■Rural electrification without power grid

Maldives:
◆Medium-size wind power generation

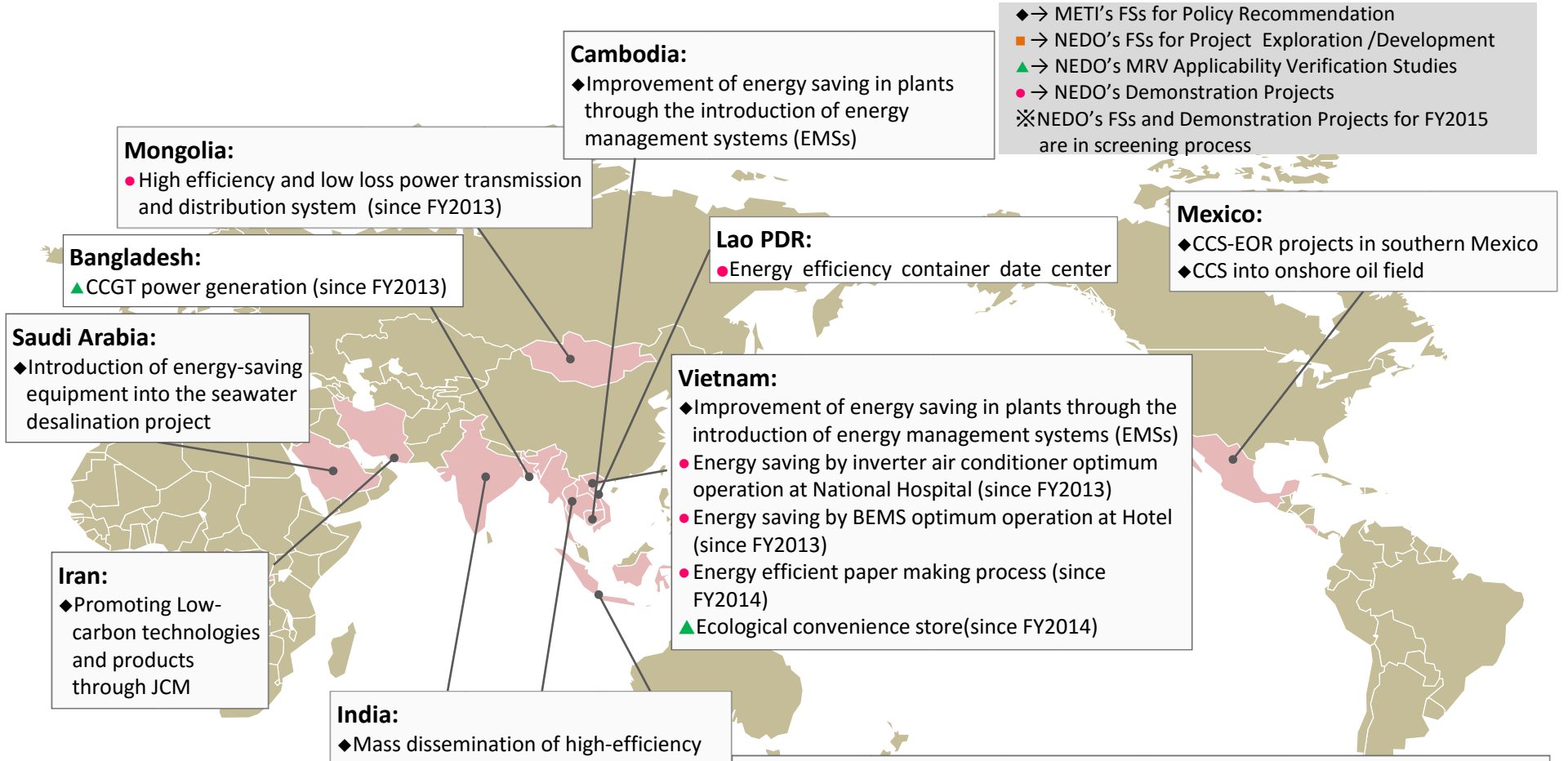
Ethiopia:
■Bioethanol from molasses

Indonesia:
◆Energy efficiency for mobile communication system
◆Low carbon waste treatment
◆LNG supply chain development and energy conversion
◆REDD+（6 projects）
■Energy saving by operation at material factory
■Energy efficiency at data center
■ CCS
●Energy saving by optimum operation at Oil factory (since FY2013)
●Utility facility operation optimization technology into Oil factory (since FY2013)
●Thin-Film solar power plant (since FY2013)

Thailand:
◆Energy efficiency technologies for steel industry
◆Bio-coke
■High efficiency small boiler

JCM Feasibility Studies, MRV Applicability Verification Studies and Demonstration Projects by METI & NEDO in FY2015

◆→ METI's FSs for Policy Recommendation
■ → NEDO's FSs for Project Exploration /Development
▲→ NEDO's MRV Applicability Verification Studies
● → NEDO's Demonstration Projects
※NEDO's FSs and Demonstration Projects for FY2015 are in screening process



Cambodia:
◆Improvement of energy saving in plants through the introduction of energy management systems (EMSs)

Mongolia:
● High efficiency and low loss power transmission and distribution system (since FY2013)

Bangladesh:
▲CCGT power generation (since FY2013)

Lao PDR:
●Energy efficiency container date center

Mexico:
◆CCS-EOR projects in southern Mexico
◆CCS into onshore oil field

Saudi Arabia:
◆Introduction of energy-saving equipment into the seawater desalination project

Vietnam:
◆Improvement of energy saving in plants through the introduction of energy management systems (EMSs)
● Energy saving by inverter air conditioner optimum operation at National Hospital (since FY2013)
● Energy saving by BEMS optimum operation at Hotel (since FY2013)
● Energy efficient paper making process (since FY2014)
▲Ecological convenience store(since FY2014)

Iran:
◆Promoting Low-carbon technologies and products through JCM

India:
◆Mass dissemination of high-efficiency solar pump systems for irrigation in the field of agriculture
◆Introduction of energy-saving technology into India's steel industry
◆Smart City in Navi Mumbai

Indonesia:
◆Reduction of Global Warming Gases through torrefaction systems in which Indonesian biomass is used
● Energy saving by optimum operation at Oil factory (since FY2013)
● Utility facility operation optimization technology into Oil factory (since FY2013)
● Thin-Film solar power plant (since FY2013)

Thailand:
◆Introduction of energy-saving technology into plants that manufacture thin steel sheets

Capacity Building Programmes & Feasibility Studies by MOE

Capacity Building Programmes

Region

Asia, Africa, Latin America, and Small Island countries

Activities

Consultations, workshops, seminars, training courses and study tours, etc.

Scope

Facilitating understanding on the JCM rules and guidelines, enhancing capacities for implementing MRV

Target

Government officials, private sectors, candidate for validation & verification entities, local :itutes and NGOs

Feasibility Studies

Objective

Elaborating investment plan on JCM projects, developing MRV methodologies and investigating feasibility on potential JCM projects,

Type of studies

JCM Project Planning Study (PS)	To develop a JCM Project in the next fiscal year
JCM Feasibility Study (FS)	To survey feasibility of potential JCM projects
FS for City to City Collaboration Project	To survey feasibility of potential large scale JCM projects including city level collaboration

Reports

Available at GEC (Global Environment Centre Foundation) website <URL: http://gec.jp >

Outreach

New Mechanisms Information Platform website provides the latest information on the JCM <URL: http://www.mmechanisms.org/e/index.html>

JCM Model Projects by MOE

The budget for FY 2015
*2.4 billion JPY (approx. **USD24 million**) per year by FY2017 (total 7.2 billion JPY)*

Government of Japan

Finance part of an investment cost (**up to the half**)

Conduct MRV and expected to deliver at least half of JCM credits issued

International consortiums
(which include Japanese entities)



- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO_2 from fossil fuel combustion as well as construction cost for installing those facilities, etc.
- Eligible Projects : starting installation after the adoption of the financing and finishing installation within three years.

Support Program Enabling "Leapfrog" Development (Finance/ADB) by MOE

Collaborative Financing Programme

Budget for FY 2015[Budget for FY2014]

1.8 billion JPY (approx. USD18 million) per year by FY2018 (total 7.2 billion JPY) [4.2 billion JPY]

Scheme

To finance the projects which have the better efficiency of reducing GHG emission in collaboration with other projects supported by JICA and other governmental-affiliated financial institute.

Purpose

To expand superior and advanced low-carbon technologies for building the low carbon society as the whole city wise and area wise in the wider fields, and to acquire credits by the JCM.

ADB Trust Fund (JF JCM)

Budget for FY 2015[Budget for FY2014]

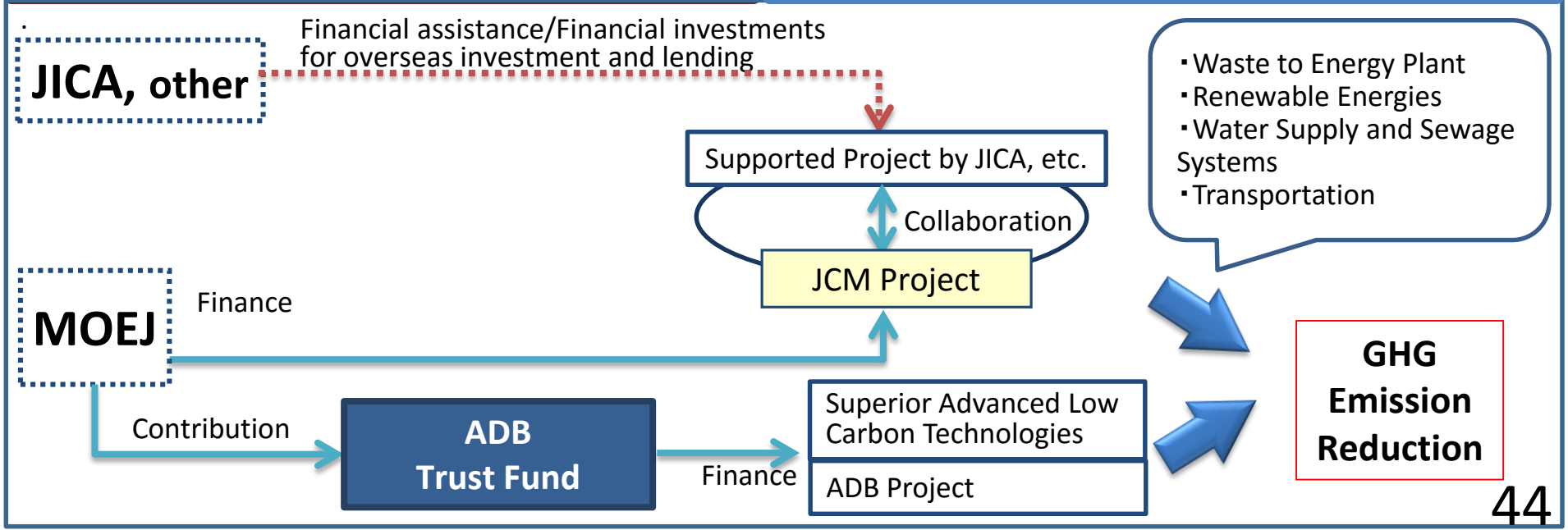
1.8 billion JPY (approx. USD18 million)[1.8 billion JPY]

Scheme

To provide the financial incentives for the adoption of the advanced low-carbon technologies which are superior in GHG emission reduction but expensive in ADB- financed projects.

Purpose

To develop ADB projects as the "Leapfrog" developments by the advanced technologies and to show the effectiveness of the JCM scheme by the acquisition of credits of the JCM.



JCM REDD+ Model Projects by MOE

【Background】
- Deforestation and forest degradation in developing countries
- 17 demonstration feasibility studies from 2011 to 2014

【Expected outcome】
- Participatory monitoring of illegal logging, disaster prevention, and forest restoration
- Provision of alternative livelihoods

《Projects outline》

【The budget for FY 2015】80 million JPY

Government of Japan → Finance part of the cost → International consortiums (which include Japanese entities)

International consortiums (which include Japanese entities) → Deliver JCM credits issued* → **Government of Japan**

*At least half of JCM credits issued are expected to be delivered to the government of Japan except the amount which is allocated to the partner country based on its legislation.

※These projects may be implemented in cooperation with other organizations such as JICA

※REDD+ (Reducing Emissions from Deforestation and Forest Degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries)

Purpose

Implement activities for REDD+ and use them for contributing to achieve Japan's emission reduction target through the JCM.

Project budget and implementation term

Up to 40 million JPY/year (fixed)

Eligible Companies

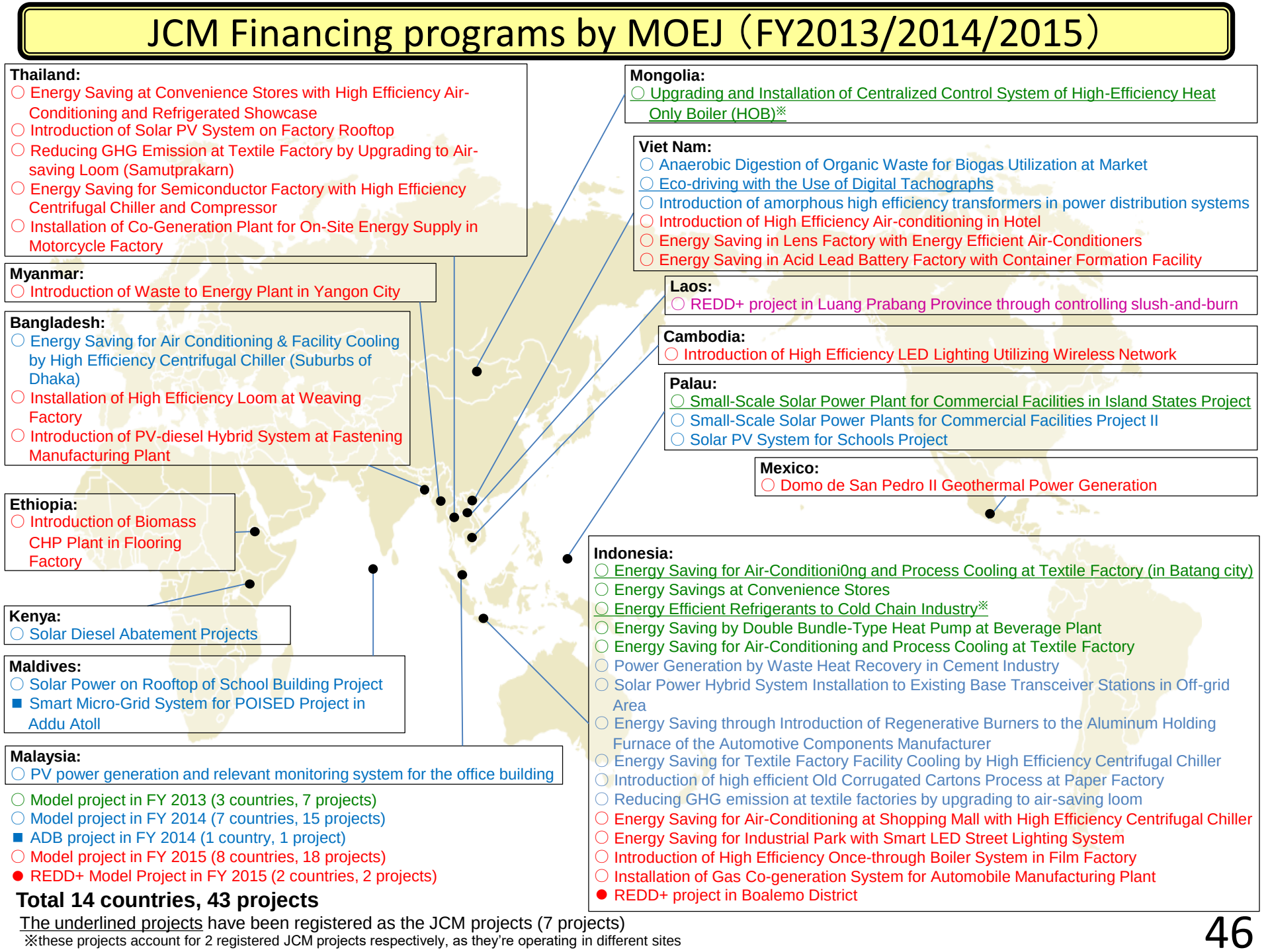
Japanese corporation(the representative of international consortiums)

Selected Projects in 2015

①Representative : Waseda University
Partner country : Laos
Project name : REDD+ project in Luang Prabang Province through controlling slush-and-burn

②Representative : Kanematsu Corporation
Partner country : Indonesia
Project name : REDD+ project in Luang Prabang Province through controlling slush-and-burn

JCM Financing programs by MOEJ（FY2013/2014/2015）



Thailand:
- ○ Energy Saving at Convenience Stores with High Efficiency Air-Conditioning and Refrigerated Showcase
- ○ Introduction of Solar PV System on Factory Rooftop
- ○ Reducing GHG Emission at Textile Factory by Upgrading to Air-saving Loom (Samutprakarn)
- ○ Energy Saving for Semiconductor Factory with High Efficiency Centrifugal Chiller and Compressor
- ○ Installation of Co-Generation Plant for On-Site Energy Supply in Motorcycle Factory

Myanmar:
- ○ Introduction of Waste to Energy Plant in Yangon City

Bangladesh:
- ○ Energy Saving for Air Conditioning & Facility Cooling by High Efficiency Centrifugal Chiller (Suburbs of Dhaka)
- ○ Installation of High Efficiency Loom at Weaving Factory
- ○ Introduction of PV-diesel Hybrid System at Fastening Manufacturing Plant

Ethiopia:
- ○ Introduction of Biomass CHP Plant in Flooring Factory

Kenya:
- ○ Solar Diesel Abatement Projects

Maldives:
- ○ Solar Power on Rooftop of School Building Project
- ■ Smart Micro-Grid System for POISED Project in Addu Atoll

Malaysia:
- ○ PV power generation and relevant monitoring system for the office building

Mongolia:
- ○ Upgrading and Installation of Centralized Control System of High-Efficiency Heat Only Boiler (HOB)※

Viet Nam:
- ○ Anaerobic Digestion of Organic Waste for Biogas Utilization at Market
- ○ Eco-driving with the Use of Digital Tachographs
- ○ Introduction of amorphous high efficiency transformers in power distribution systems
- ○ Introduction of High Efficiency Air-conditioning in Hotel
- ○ Energy Saving in Lens Factory with Energy Efficient Air-Conditioners
- ○ Energy Saving in Acid Lead Battery Factory with Container Formation Facility

Laos:
- ○ REDD+ project in Luang Prabang Province through controlling slush-and-burn

Cambodia:
- ○ Introduction of High Efficiency LED Lighting Utilizing Wireless Network

Palau:
- ○ Small-Scale Solar Power Plant for Commercial Facilities in Island States Project
- ○ Small-Scale Solar Power Plants for Commercial Facilities Project II
- ○ Solar PV System for Schools Project

Mexico:
- ○ Domo de San Pedro II Geothermal Power Generation

Indonesia:
- ○ Energy Saving for Air-Conditioni0ng and Process Cooling at Textile Factory (in Batang city)
- ○ Energy Savings at Convenience Stores
- ○ Energy Efficient Refrigerants to Cold Chain Industry※
- ○ Energy Saving by Double Bundle-Type Heat Pump at Beverage Plant
- ○ Energy Saving for Air-Conditioning and Process Cooling at Textile Factory
- ○ Power Generation by Waste Heat Recovery in Cement Industry
- ○ Solar Power Hybrid System Installation to Existing Base Transceiver Stations in Off-grid Area
- ○ Energy Saving through Introduction of Regenerative Burners to the Aluminum Holding Furnace of the Automotive Components Manufacturer
- ○ Energy Saving for Textile Factory Facility Cooling by High Efficiency Centrifugal Chiller
- ○ Introduction of high efficient Old Corrugated Cartons Process at Paper Factory
- ○ Reducing GHG emission at textile factories by upgrading to air-saving loom
- ○ Energy Saving for Air-Conditioning at Shopping Mall with High Efficiency Centrifugal Chiller
- ○ Energy Saving for Industrial Park with Smart LED Street Lighting System
- ○ Introduction of High Efficiency Once-through Boiler System in Film Factory
- ○ Installation of Gas Co-generation System for Automobile Manufacturing Plant
- ● REDD+ project in Boalemo District

○ Model project in FY 2013 (3 countries, 7 projects)
○ Model project in FY 2014 (7 countries, 15 projects)
■ ADB project in FY 2014 (1 country, 1 project)
○ Model project in FY 2015 (8 countries, 18 projects)
● REDD+ Model Project in FY 2015 (2 countries, 2 projects)

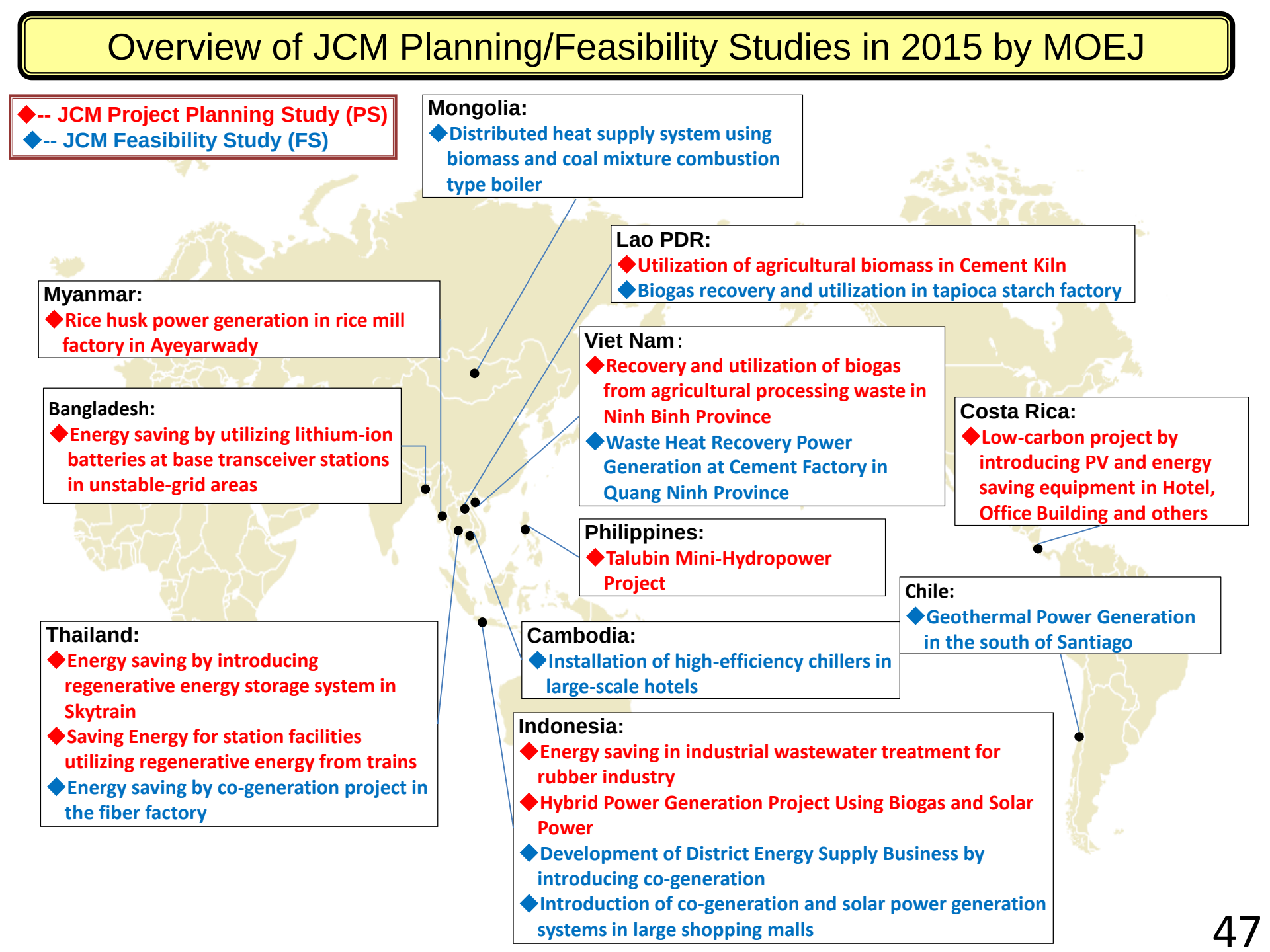
Total 14 countries, 43 projects

The underlined projects have been registered as the JCM projects (7 projects)

※these projects account for 2 registered JCM projects respectively, as they're operating in different sites

Overview of JCM Planning/Feasibility Studies in 2015 by MOEJ

◆-- JCM Project Planning Study (PS)
◆-- JCM Feasibility Study (FS)



Mongolia:
◆Distributed heat supply system using biomass and coal mixture combustion type boiler

Lao PDR:
◆Utilization of agricultural biomass in Cement Kiln
◆Biogas recovery and utilization in tapioca starch factory

Myanmar:
◆Rice husk power generation in rice mill factory in Ayeyarwady

Viet Nam:
◆Recovery and utilization of biogas from agricultural processing waste in Ninh Binh Province
◆Waste Heat Recovery Power Generation at Cement Factory in Quang Ninh Province

Bangladesh:
◆Energy saving by utilizing lithium-ion batteries at base transceiver stations in unstable-grid areas

Costa Rica:
◆Low-carbon project by introducing PV and energy saving equipment in Hotel, Office Building and others

Philippines:
◆Talubin Mini-Hydropower Project

Chile:
◆Geothermal Power Generation in the south of Santiago

Thailand:
◆Energy saving by introducing regenerative energy storage system in Skytrain
◆Saving Energy for station facilities utilizing regenerative energy from trains
◆Energy saving by co-generation project in the fiber factory

Cambodia:
◆Installation of high-efficiency chillers in large-scale hotels

Indonesia:
◆Energy saving in industrial wastewater treatment for rubber industry
◆Hybrid Power Generation Project Using Biogas and Solar Power
◆Development of District Energy Supply Business by introducing co-generation
◆Introduction of co-generation and solar power generation systems in large shopping malls

FY2015 Feasibility studies for city to city collaboration project by MOEJ

Project List

1. Promotion of low carbon city by properly developing material recycling systems in Bengaluru City（Bengaluru City）
2. Establishment of Base for Low-Carbon Project Expansion in Surabaya(Surabaya)
3. Project for Developing JCM projects under city-to-city collaboration between Yokohama city and Batam city(Batam)
4. Project for Low Carbon Society Development under Collaboration between Bandung City and City of Kawasaki(Bandung City)
5. Project for Developing Low-carbon Tourism Cities through the Joint Crediting Mechanism in Siem Reap (Siem Reap)
6. JCM projects development (energy efficiency, and waste and waste water) under the Bangkok Master Plan on Climate Change, and study on financial and other facilitation schemes for introducing low carbon technologies (Bangkok)
7. Promotion of Decarbonizing of Municipal Waste Management and Ecological Industrial Town in Rayong Prefecture (Rayong Pref.)
8. JCM Feasibility Study in Da Nang through "Technical Cooperation for Sustainable Urban Development" with Yokohama City (Da Nang)
9. The whole city low carbonization in Hai Phong City (Hai Phong)
10. Ho Chi Minh City – Osaka City Cooperation Programme for Developing Low Carbon City(Ho Chi Minh)
11. Establishment of Base for Low-Carbon Project Expansion in Iskandar (Iskandar)
12. Study for building a sustainable low carbon city around the industrial zone in Pathein city, Ayeyarwady Division, Myanmar(Pathein)
13. JCM Project Formulation Study through City-to-City Collaboration in Yangon(Yangon)
14. Programme for the Establishment of Low-Carbon Historic City in Vientiane, based on City-to-City Cooperation between Vientiane Capital and Kyoto City(Vientiane Capital)