Developing Potential JCM Model Projects

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GHG Emissions in Cambodia

- Major source of GHG emission is from LULUCF sector
- In the energy sector, transport and energy industries have a large share of emission

Source: IGES Climate Policy and Market Mechanism Status Report, November 2015
## Potential Mitigation Actions in Cambodia

<table>
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<tr>
<th>Sector</th>
<th>Priority actions</th>
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| Energy Industries      | • Renewable energy (solar energy, hydropower, biomass and biogas)  
                         • Connecting decentralised renewable generation to the grid.  
                         • Off-grid electricity such as solar home systems, hydro (pico, mini and micro).  
                         • Energy efficiency by end users. |
| Manufacturing Industries | Promoting use of renewable energy, energy efficiency for garment factory, rice mills, and brick kilns.                                          |
| Transport              | • Promoting mass public transport.  
                         • Improving operation and maintenance of vehicles through motor vehicle inspection, eco-driving, electric vehicles and bicycles. |
| Other                  | • Energy efficiency for buildings and more efficient cookstoves.  
                         • Biodigesters and water filters.  
                         • Use of renewable energy for irrigation and solar lamps.  |

Source: Kingdom of Cambodia, *Cambodia’s Intended Nationally Determined Contribution* submitted to the UNFCCC (2015)
Potential JCM projects

Solar power

| Palau   | Small scale solar power plants for commercial facilities in island states | JCM registered project |

Biogas utilization

| Viet Nam | Anaerobic Digestion of Organic Waste for Biogas Utilization at Market | JCM Model Project |

Potential JCM projects (2)

Fossil fuel saving for vehicle

| Viet Nam | Eco-Driving by Utilizing Digital Tachograph System | JCM registered project |

Energy efficiency for garment factory

| Indonesia | Energy Saving for Air-Conditioning and Process Cooling by Introducing High-efficiency Centrifugal Chiller | JCM registered project |

Steps to develop JCM projects

1. Develop business idea
2. Find Japanese partner
3. Develop Consortium
4. Apply JCM financial scheme and develop methodology
   - Japanese entity submits application (in Japanese) for JCM financing programme (Model Project/Demonstration Project/JF JCM/etc.)
5. Workshops and local entities in host countries
6. Refer to companies in list of feasibility studies/projects (JCM Database etc. and JCM webpages)
7. Refer to list of technologies and companies (under development)
8. Secure finance other than JCM, or
9. Find another financial source for the rest of 50% of initial cost (JCM Model Project covers maximum 50% of initial cost)
Requirements for JCM Model Project Applicants

- Private company, an independent administrative institution, an incorporated association/foundation, a corporation established under the Japanese law, or any organization admitted as appropriate by GEC with approval from the MOEJ.

- Application shall be in the form of joint application by a Japanese participant(s) and a JCM partner-country participant(s) (international consortium).

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

Reference document: JCM Model Projects Public Offering Guidelines tentative translation (GEC website)
General eligibility of projects

✓ Implemented in developing countries with which Japan has signed or has been consulting to sign bilateral document on the JCM, and that are expected to contribute to achieving Japan’s emission reduction target
→ priority on the countries that have already signed or decided to sign the bilateral documents

✓ Implementation of projects will not adversely affect the environment and society of countries where projects are implemented

✓ Reduction of GHG emissions achieved by the projects can be quantitatively calculated and verified

✓ Facilities installed by the projects do not receive any other subsidy by the Government of Japan.

Reference document: JCM Model Projects Public Offering Guidelines tentative translation (GEC website)
Cost and Financing

• Government of Japan finances part of an investment cost (up to the half) of JCM Model Project.
• Financing for those costs that can be verified as having been spent for implementation of eligible projects:
  a) Cost of main construction work
  b) Cost of ancillary work
  c) Cost of machinery and appliances
  d) Cost of surveying and testing
  e) Cost of facilities
  f) Cost of administrative work; and
  g) Other necessary costs approved by the GEC

Reference document: JCM Model Projects Public Offering Guidelines tentative translation (GEC website)
Application method

The Global Environment Centre Foundation (GEC) as a secretariat for the Financing Programme for Joint Crediting Mechanism (JCM) Model Projects solicits the call for proposals:

• The Japanese entity acting as the representative participant make application.
• In FY2015, two calls for proposal were announced:
  20 April - 25 May 2015: 18 selected projects from 22 submissions
  7 Sept - 18 Dec 2015: 17 selected projects from 21 submissions

➢ Public Offering Guidelines
➢ Agreement on International Consortium (Example)
➢ Project Idea Note for the Model Project ➔ can be used for potential projects to be developed

Financial/Technical Support Provided by MOEJ

Applicable for project participants of JCM Model Projects, Collaborative Financing Programme, and ADB Trust Fund (JF JCM).

**IGES provides technical support (Methodology Development, PDD development and Preparation of monitoring Report)**

Source: Government of Japan
Websites for further JCM information

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**Official JCM Webpage:** rules and guidelines for each country, JCM methodology, public inputs announcement, JCM projects

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

**GEC website:** call for proposals, financial and project development support scheme, outline of JCM Model Project and feasibility study, JCM booklet

http://gec.jp/jcm/index.html

**New Mechanisms Information Platform:** recent development of the JCM, list of JCM projects and studies

http://www.mmechanisms.org/e/

**IGES JCM Database:** details of methodologies, project cycle, feasibility studies, duration, statistics, etc.

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