



HOW TO DEVELOP JCM PROJECTS



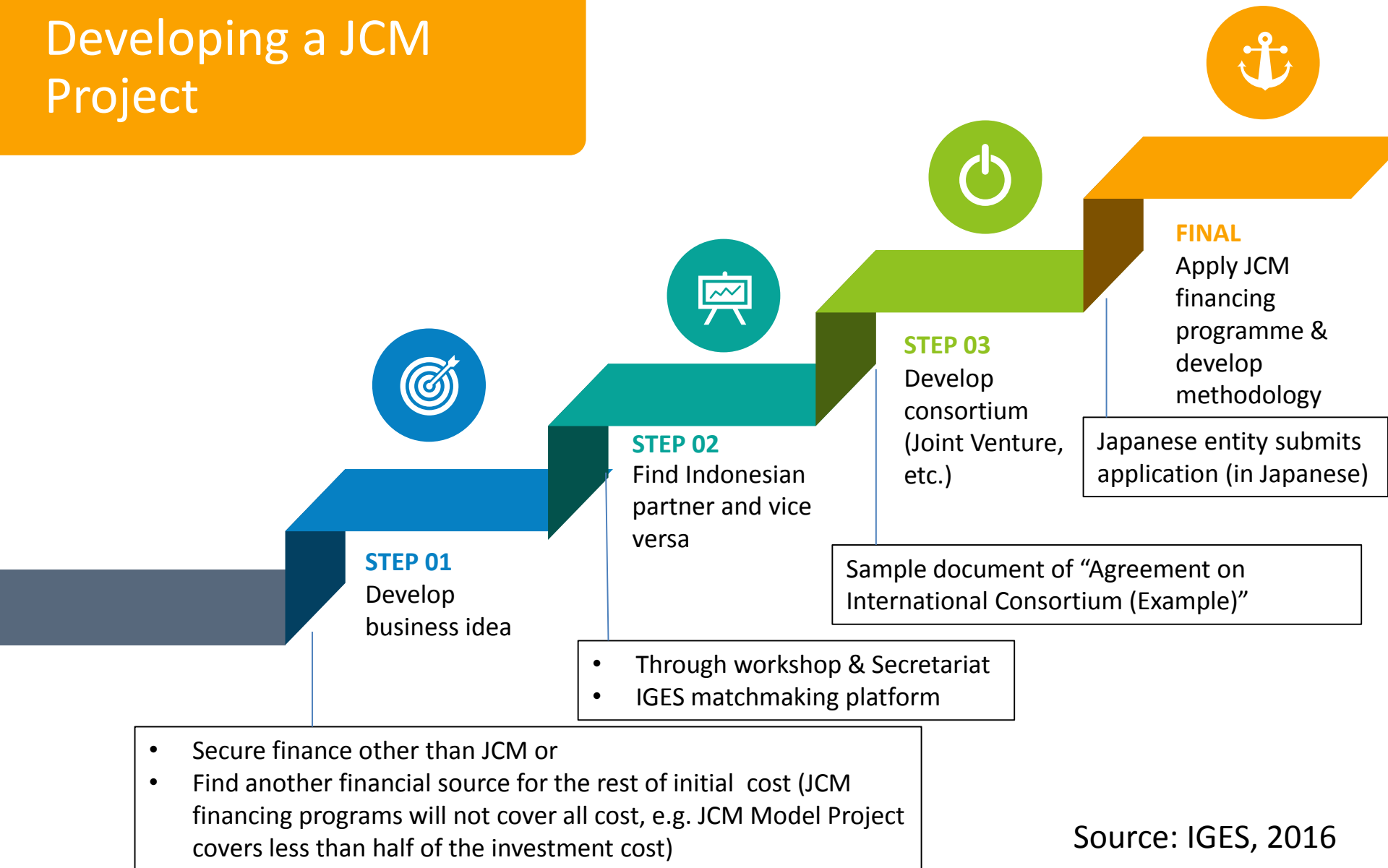
INDONESIA JCM SECRETARIAT
VIONITA RIZQA PERMANA

THE OUTLINE OF THE PRESENTATION

DEVELOPING JCM PROJECTS: How to unlock JCM financing scheme

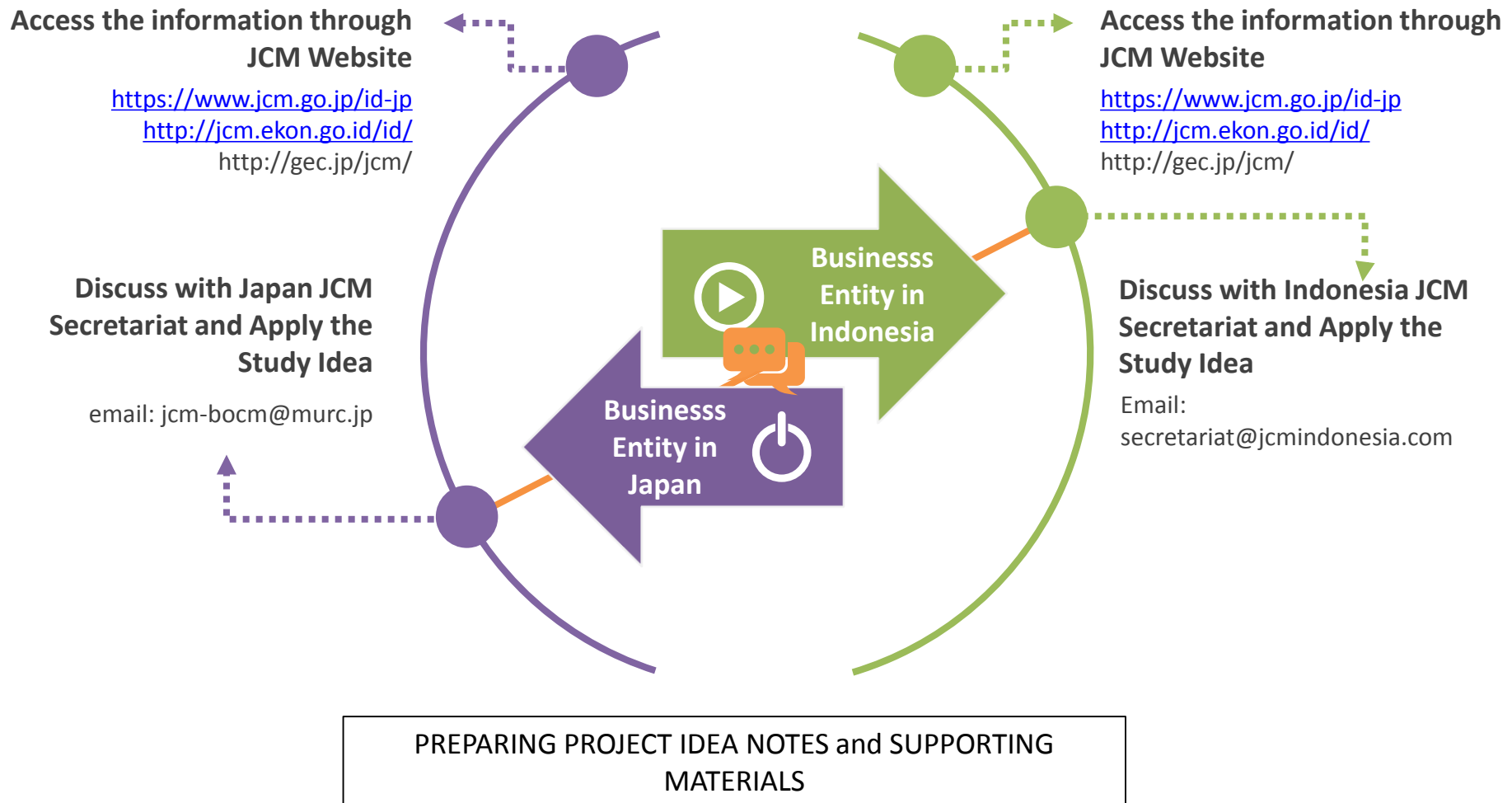
JCM PROJECT CYCLE: what you need to know after you receive the JCM financial support

Developing a JCM Project



Source: IGES, 2016

HOW POTENTIAL PROJECT PROPONENTS ACCESS THE INFORMATION ON JCM



PROJECT IDEA NOTES

公募提案書（様式 3b）

Project Idea Note for the JCM Model Project

| | |
|--|---|
| Document release date | 19/05/2017 |
| Title of the proposed project (should be self-explanatory and clearly indicate the activity leading to emissions reduction) | JCM Model Project "Introduction of Gas Cogeneration System by absorption type refrigerating system and PV System in Large Shopping Mall in Indonesia" |
| Host country | Republic of Indonesia |
| The main contact for the project (for identification of the person in charge for the project in terms of communication) | Name of the contact entity (company, etc): AEON Mall co., Ltd. Address of the contact entity: XXXX Website of the contact entity: XXXX Name and position of the main contact person in the entity: XXXX E-mail of the main contact person: XXX Phone number of the main contact person: XXX |
| 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): AEON Mall co., Ltd. Roles of the entity in the project: Representative Company Address of the entity: XXXX Website of the entity: XXX Name and position of the contact person in the entity: XXX E-mail of the contact person: XXX Phone number of the contact person: XXX |
| Participant[s] of host country 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): PT. AMSL DELTA MAS Roles of the entity in the project: Co Participant Address of the entity: Jl. XXXXX Website of the entity: XXX Name and position of the contact person in the entity: XXX E-mail of the contact person: XXX Phone number of the contact person: XXX |

Detail project
proponent info

Brief summary of the project

Example:

- Objective of the project
- Location of the project
- Scale of investment including planned source of investment
- Technology[ies] to be adopted for the project, and brief description of the technology[ies]
- Project implementation scheme, and role of each participant
- Current status and progress of the project

Detail project
information

➢ Outline of the JCM Model Project

PT. AMSL DELTA MAS will open "AEON MALL DELTA MAS" in late 2019. This mall will be the third core mall for Aeon Mall in Indonesia. The theme of this JCM Model Project is Introduction of Gas Cogeneration System by absorption type refrigerating system and PV System for CO2 reduction.

➢ Scale of investment including planned source of investment

- Total investment :JPY XXX (IDR XXX)
- Investment with subsidy: JPY XXX (IDR XXX)

➢ Location of the project

Jl. XXXXX

➢ Technology[ies] to be adopted for the project, and brief description of the technology[ies]

Gas cogeneration system consists of Gas engine generator (3.8MW) and Absorption type refrigerating system (670RT). Absorption type refrigerating system use the waste heat from Gas engine generator in order to generate cool water for air conditioning in the mall.

The capacity of PV system is 107.52kW and generates 138,118kWh/year.

➢ Project implementation scheme, and role of each participant

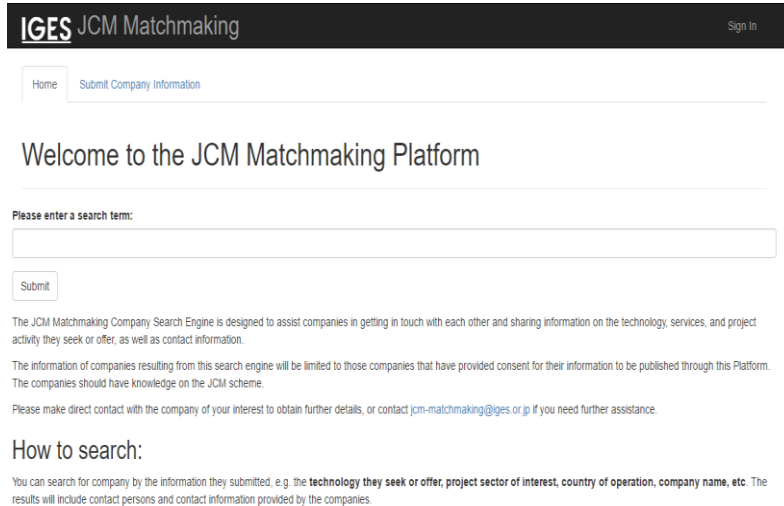
Rough estimation of expected GHG emission reductions (unit: tCO₂/year)

- Gas Cogeneration System by absorption type refrigerating system: 6,883.34tCO₂/year
- Solar Power Generation: 112.4 tCO₂/year

Expected schedule up to the EPC completion and the registration under the JCM

| | |
|----------|---|
| 2017 May | Submit proposal to JCM application |
| 2017 Nov | Start engineering and manufacturing of facilities/machinery |

IGES' JCM MATCHMAKING PLATFORM



The screenshot shows the homepage of the IGES JCM Matchmaking Platform. At the top, there is a dark header with the IGES logo and the text 'JCM Matchmaking' on the left, and a 'Sign In' link on the right. Below the header, there are two buttons: 'Home' and 'Submit Company Information'. The main heading reads 'Welcome to the JCM Matchmaking Platform'. Below this, there is a section titled 'Please enter a search term:' with a text input field and a 'Submit' button. Further down, there is a paragraph explaining the platform's purpose: 'The JCM Matchmaking Company Search Engine is designed to assist companies in getting in touch with each other and sharing information on the technology, services, and project activity they seek or offer, as well as contact information. The information of companies resulting from this search engine will be limited to those companies that have provided consent for their information to be published through this Platform. The companies should have knowledge on the JCM scheme. Please make direct contact with the company of your interest to obtain further details, or contact jcm-matchmaking@iges.jp if you need further assistance.' Below this, there is a section titled 'How to search:' with a paragraph explaining that users can search by company information, technology sought or offered, project sector of interest, country of operation, company name, etc., and that results will include contact persons and contact information provided by the companies.



The screenshot shows the 'JCM Matchmaking Platform, Company Information Form'. The header features a green geometric pattern on the left and the IGES logo (Institute for Global Environmental Strategies) on the right. The main heading is 'JCM Matchmaking Platform, Company Information Form'. Below this, there is a section titled 'Purpose of this form' with a green background. The text explains that by submitting the form, users allow IGES to publish the information disclosed on its website through the JCM Matchmaking Platform. It lists the purposes: 'This publication allows to: - provide more visibility to your company or organisation's interest in the JCM; - facilitate matchmaking with potential JCM partners; - initiate to potential JCM project development'. A note states: 'Note that this form is for information sharing only and does not constitute an application for project or an official statement.' At the bottom, there is a 'NEXT' button and a progress bar showing 'Page 1 of 4'.

Institute for Global Environment Studies (IGES), provides a matchmaking platform for companies from Japan and host countries. Through this platform, interested companies can find partner(s) to develop JCM projects.

The platform can be accessed through:
http://jcm-matchmaking.iges.jp/#tab_home

JCM FINANCING SCHEME

01

JCM Model Projects

02

ADB Trust Fund: Japan Fund for Joint
Crediting Mechanism (JFJCM)

03

JCM DEMONSTRATION PROJECT



JCM FINANCING SCHEME

JCM Model Projects by Ministry of Environment

The budget for projects starting from FY 2018 is 6.9 billion JPY (approx. USD 69 million) in total by FY2020

Finance part of an investment cost (less than half)

Government of Japan

✕ Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute.

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

International consortiums
(which include Japanese entities)



ADB Trust Fund: Japan Fund for Joint Crediting Mechanism (JFJCM)

Budget for FY2018

JPY 1 billion (approx. USD 10 million) (1 USD = 100 JPY)

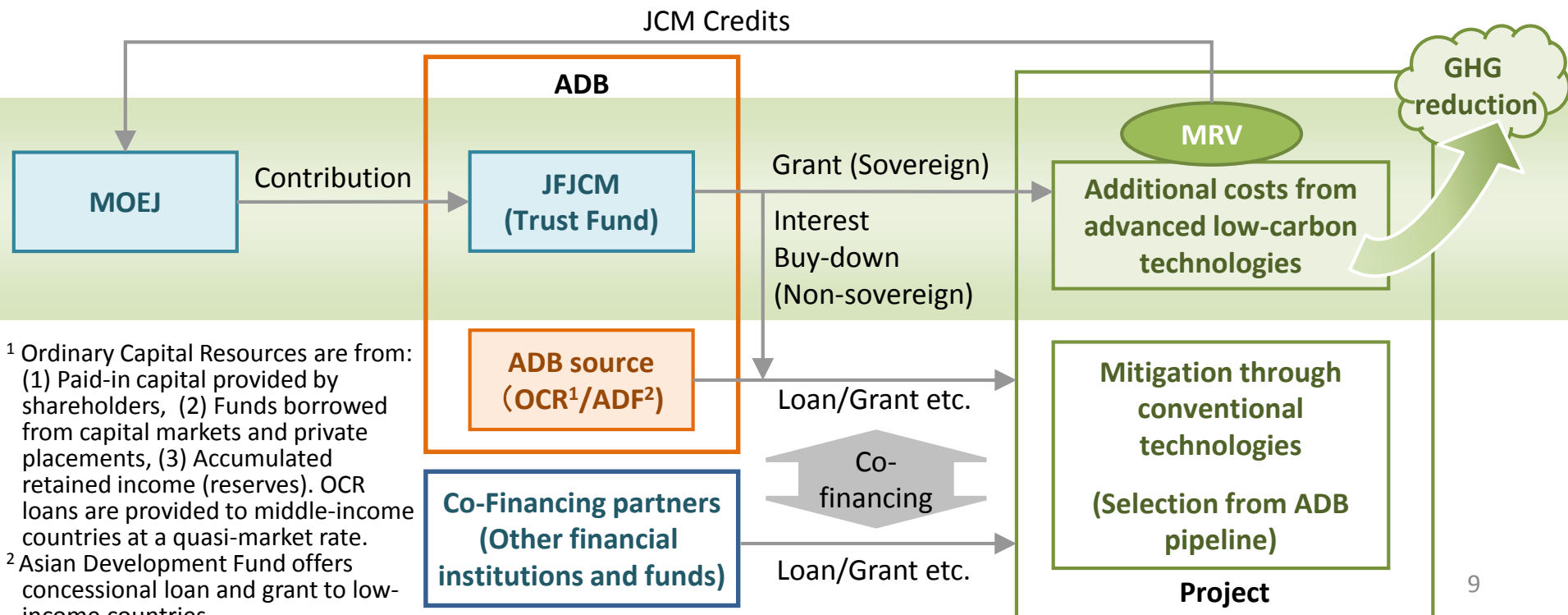
Scheme

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

Purpose

To develop ADB projects with sustainable and low-carbon transition perspective by introducing advanced low-carbon technologies as well as to acquire JCM credits

Source: Ministry of Environment Japan, 2018



JCM DEMONSTRATION PROJECT (METIJ)

Funded by Ministry of Economy, Trade & Industry Japan and implemented by New Energy and Industry Technology Development

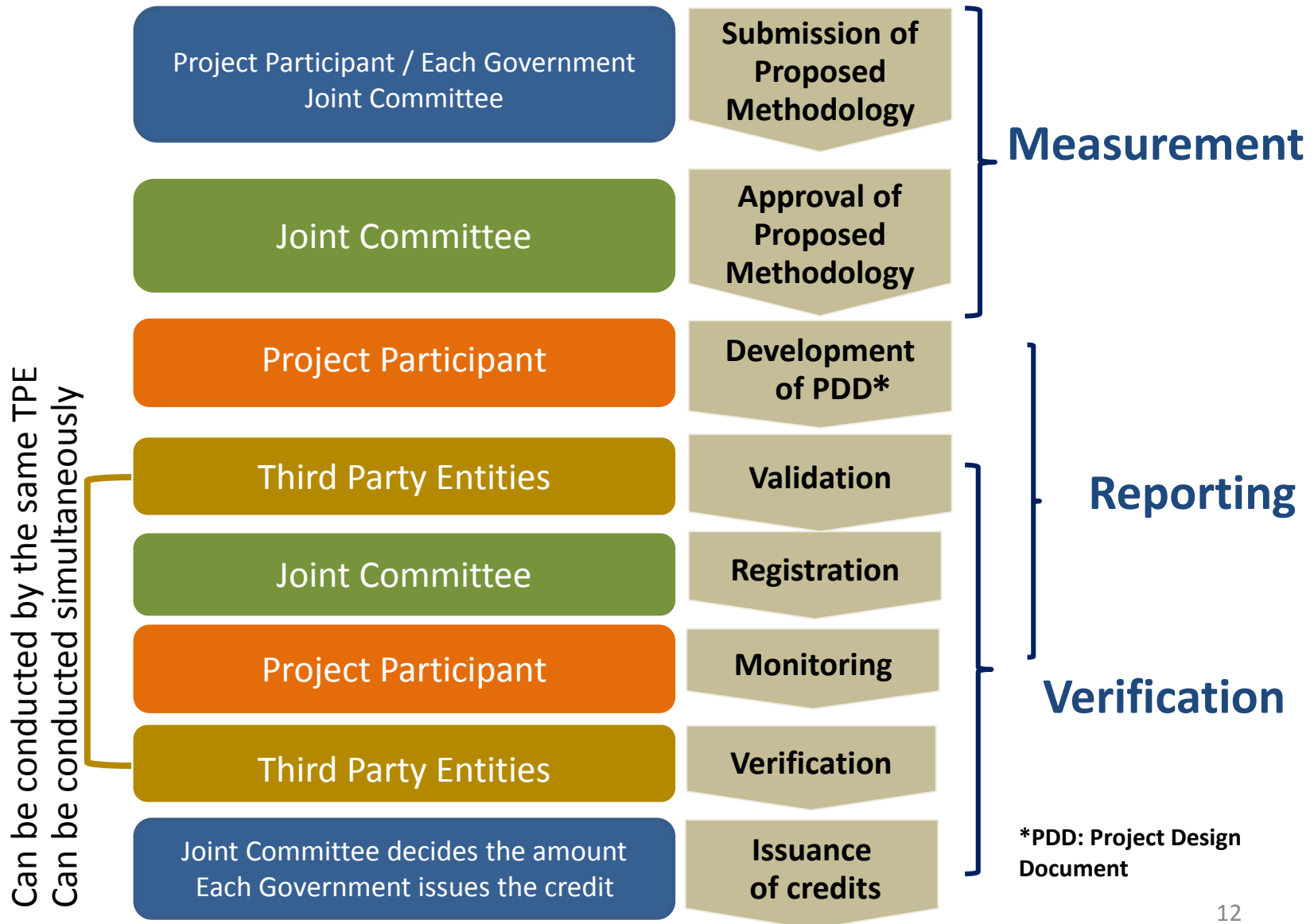


Funding provided up to more than 50% from the investment

- Coverage of funding:
Cost of the JCM Demonstration project necessary MRV e.g. cost of design, machinery, material, labor travel, etc.
- Within certain period, the equipment will be owned by METI, subsequently it will be transferred to the participant
- Establishment of Joint Venture is not mandatory



JCM PROJECT CYCLE



JCM METHODOLOGIES

| Aspect | Examples |
|-----------------------|--|
| Technical | <ul style="list-style-type: none"> • Conservativeness of reference emission (case-by-case) • Reference to available standards for default values and regulations [SNI (Indonesian National Standard), ISO, and JIS (Japanese standard)] • Scientific principles and references |
| Reference data source | <ul style="list-style-type: none"> • Consideration of Indonesian circumstances: <ul style="list-style-type: none"> • The level of technology widely used in Indonesia • Interviews with relevant resource persons • Collection of real data and field survey • Source of available data (IPCC, national data, public data) |
| Compliance | <ul style="list-style-type: none"> • Compliance to international and national regulations (e.g. control of refrigerants, hazardous materials) • Compliance to JCM agreed rules, guidelines, and principles |
| Relevance | <ul style="list-style-type: none"> • Applicability to real project situation • Use of various energy sources at project locations • Improvement from 'business as usual' |
| Ease of understanding | <ul style="list-style-type: none"> • Use of simplified diagram • Simplified language |
| Consistency | <ul style="list-style-type: none"> • Terms and reference used consistent with other methodologies applied in Indonesia |

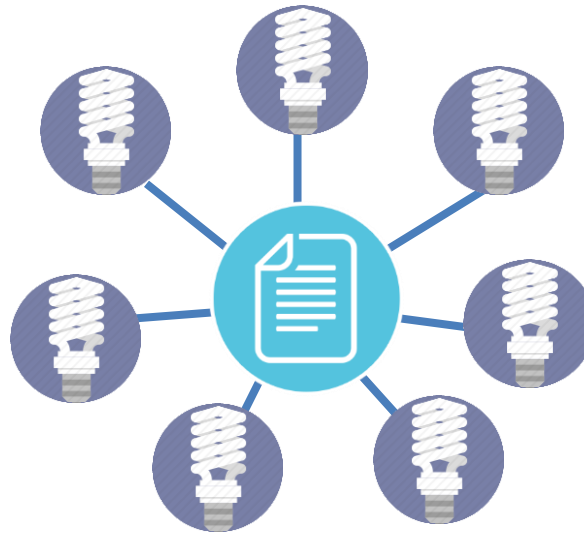
JCM METHODOLOGIES

Eligibility criteria

Monitoring method

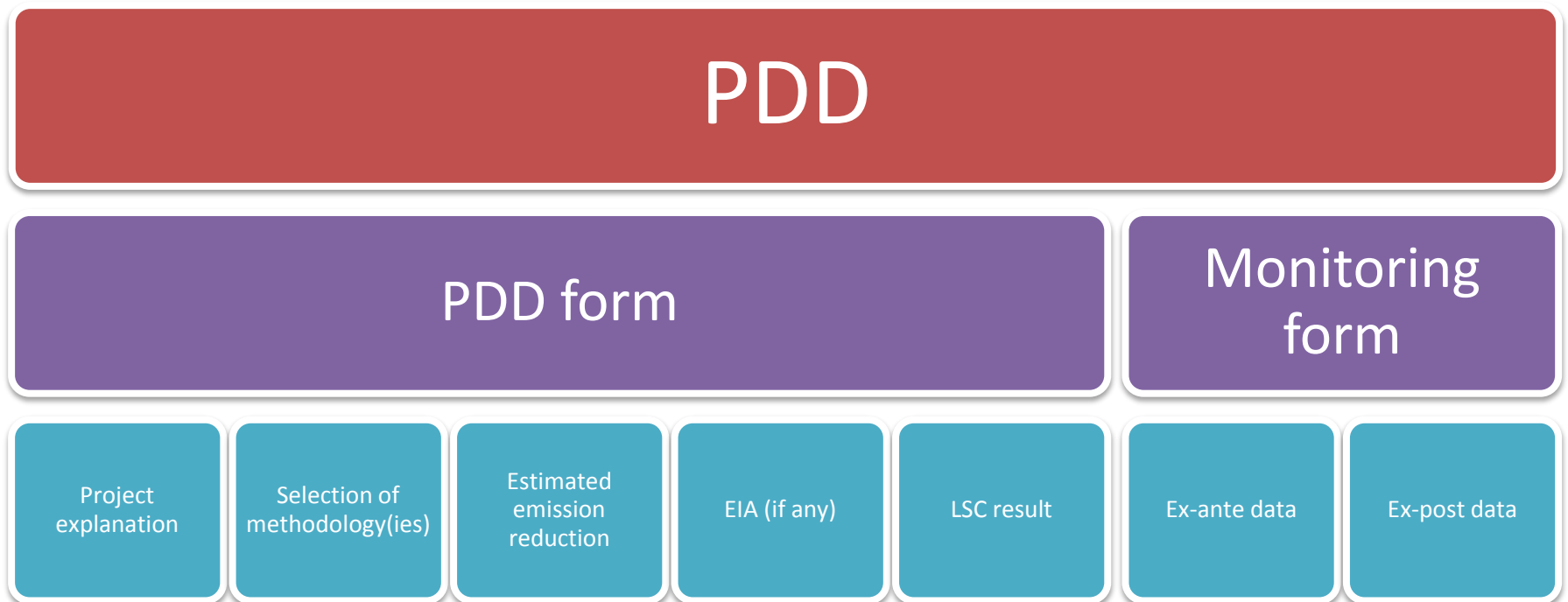
Emission reduction
measurement
method

The methodology is designed according to the type of applied technology

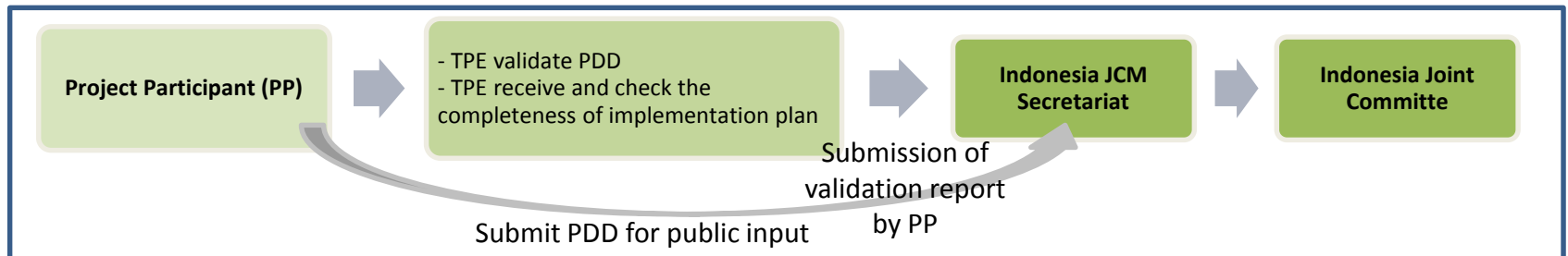


1 methodology is applicable for many projects which utilize the same technology

PDD DEVELOPMENT



PDD sets out in detail , in line with the JCM rules and guidelines, the JCM project which is to be realized.



SDIP and SDIR

Sets out a plan of the JCM project to contribute to sustainable development based on ex-ante analysis

*Sustainable
Development
Implementation Plan*

SDIP

Sets out the achievement of SDIP implementation for a particular monitoring method

*Sustainable
Development
Implementation Report*

SDIR

7 sustainable development items considered in JCM:



*Environmental
Impact
Assessment*



Economy



*Pollution
control*



*Social Environment and
Community Participation*



*Safety and
health*



Technology

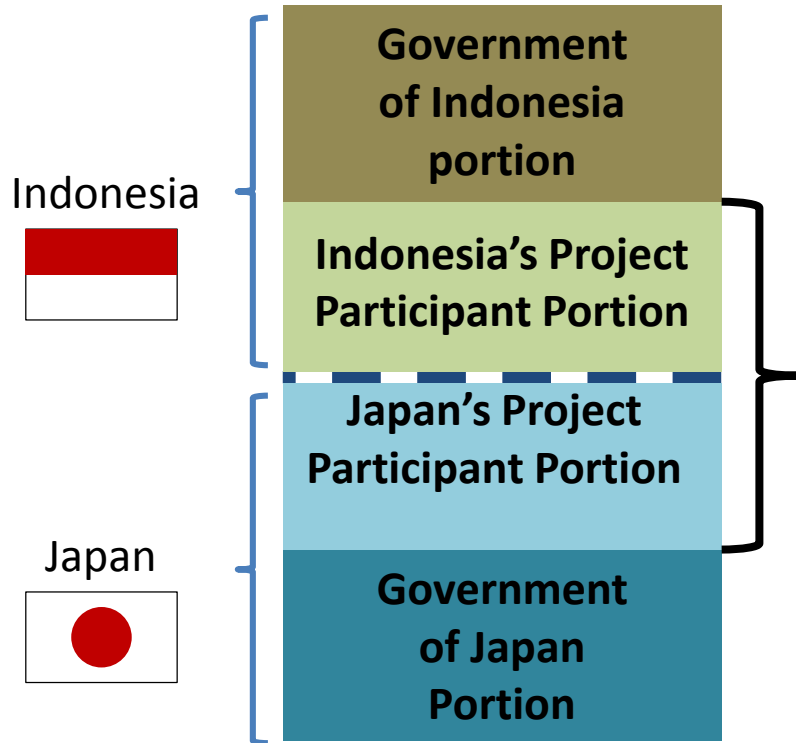


*Natural
Environment and
Biodiversity*

VALIDATION AND VERIFICATION WITH TPE

- TPE are selected by the project participants to validate and/or verify their PDD and/or emission reductions.
- Requirements/Eligibility:
 - Candidate entities are either:
 - (a) Accredited under ISO 14065; or
 - (b) Designated Operational Entities (DOEs) under the UNFCCC CDM
 - Candidate entities have sufficient knowledge of the JCM between the Republic of Indonesia and Japan by reading and knowing all applicable rules and guidelines of the JCM.
- Eligible entities can apply as TPE for JCM in each host country separately
 - Candidate entity submit application form and related document stated in Guideline for TPE to JCM Secretariat of Japan and Indonesia (id-jc-secretariat@jcm.go.jp and secretariat@jcmindonesia.com)

CREDIT SHARING SCHEME

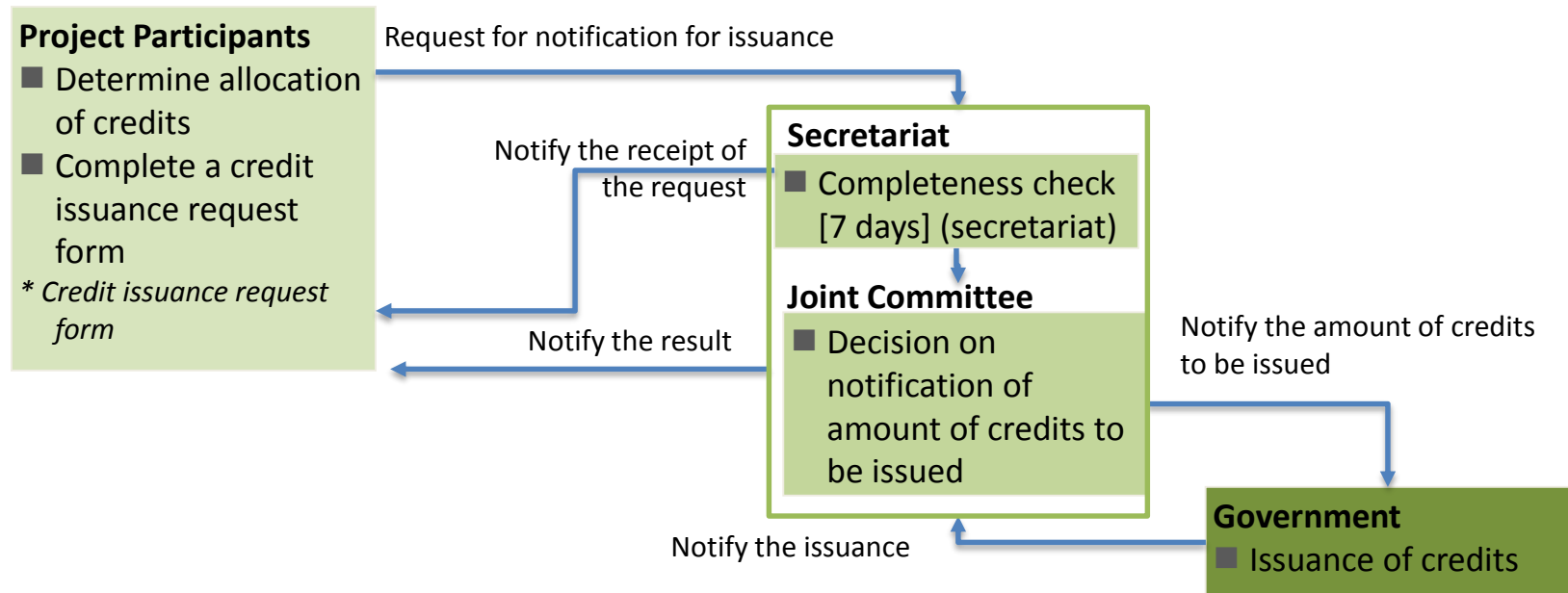


- Government of Japan and Indonesia will have their contribution in reducing emission
- *Indonesia side* = Government of Indonesia+Indonesia's Project Participant
- *Japan side* = Government of Japan+Japan's Project Participant

How does the credit sharing work?

1. Government of Indonesia will have their share from the emission reduction
2. The project participants will discuss on how the emission reduction will be shared based. This could be based on their total investment of the project.

CREDIT ISSUANCE PROCEDURE



- Once the GHG emission is verified by the TPE and SDIR is deemed positive by the JC, project participants can request for JCM credit issuance.
- Part of the JCM credit will belong to Government of Indonesia and Japan.
- The project participants are allowed to have the JCM credit and should discuss among themselves for the credit portion of each respected entities.

Project Case Study

ID003 Project of Introducing High Efficiency Refrigerator to a Food Industry Cold Storage in Indonesia

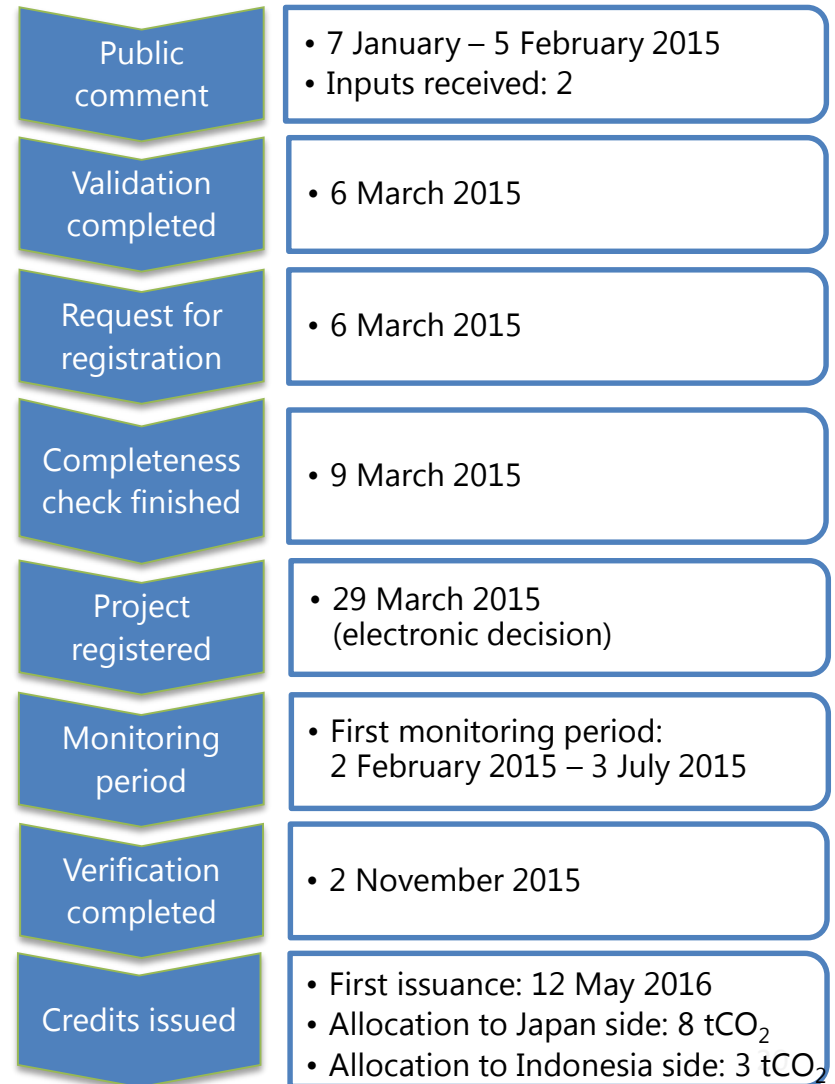
The project installed a high-efficiency refrigerator for individual quick freezing at an existing frozen fish processing plant in West Java, Indonesia. A higher Coefficient of Performance (COP) of the project refrigerator resulted in reduced GHG emissions.


The project participants conducted a local stakeholder consultation meeting with Regency and Provincial Governments. The expected operational lifetime of project is 12 years.



Further reference:

<https://www.jcm.go.jp/id-jp/projects/2#!/general>,
http://jcm.ekon.go.id/en/index.php/content/MjY%253D/registered_projects





TERIMA KASIH
Thank you