Exploring the potential of a Joint Crediting Mechanism (JCM) in the forest sector

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Outline

• What is a JCM and status of its development?
• JCM and REDD-plus
• The potential use of JCM in the forest sector
• Summary as research questions
Basic concept of the JCM

- Japan submitted its view on JCM as part of various approaches under the UNFCCC

Source: Adopted from Government of Japan (2013)
Source: UNFCCC (2013)
Characteristics of the JCM

- Involvement of private sector
- A Joint Committee by both countries is the foundation for operationalizing the JCM
- Simplified methodologies, e.g., a check list for eligibility criteria
- Non-tradable credits, which may become tradable depending on consultation
- Will be operated until a new international framework comes into effect
Status of development

- FY2011
  - Governmental consultation
  - Feasibility studies

- FY2012
  - MRV demonstration projects

- FY2013
  - JCM operation
  - JCM demonstration projects

- Subsidies

- 6 countries signed the bilateral document:
  - Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Vietnam
  - ‘Afforestation/reforestation’ is covered in case of Mongolia

- So far, subsidies for JCM operation in FY2013 does not cover forest projects

## Number of feasibility and other funded studies for the JCM

<table>
<thead>
<tr>
<th>Organisation</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>REDD+</td>
<td>All</td>
<td>REDD+</td>
</tr>
<tr>
<td>METI</td>
<td>30</td>
<td>Brazil, Peru</td>
<td>50</td>
<td>Cambodia, Indonesia (3 projects)</td>
</tr>
<tr>
<td>MoEJ</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>Angola, Brazil, Cambodia, Indonesia (3 projects) Vietnam</td>
</tr>
</tbody>
</table>

Note: METI stands for Ministry of Economy, Trade and Industry; MoEJ for The Ministry of the Environment.
*Includes MRV demonstration projects and feasibility studies.
Data as of July 17, 2013.

Source: Government of Japan (2013); Global Environment Centre Foundation (2013b)
Japan’s support and collaboration for REDD-plus (Examples)

- Contributions to REDD+ Partnership, FCPF, UN-REDD Programme
- Financial support by MOFA for MRV
  - Cambodia, Indonesia, Laos, PNG, etc.
- Technical support by JICA for RL/REL, etc.
  - Cambodia, Indonesia, Laos
- Research collaboration by JICA-JST and MAFF*
  - Indonesia and other countries
- Capacity building by MoEJ
- Etc.

* The Ministry of Agriculture, Forestry, and Fisheries.
Source: REDD Research and Development Center, (2010); The Ministry of the Environment, Japan (2013)
REDD-plus and JCM

Phase 1: Development of national strategies, policies, ... capacity-building...

Phase 2: Implementation of national policies... further capacity-building...

Phase 3: Results-based actions that could be fully measured...
The potential use of the JCM in the forest sector

• How to ensure business opportunities?
  – > MRV related technologies and systems; forest management services, eco-tourism, etc.

• Issues of non-permanence, etc.
  – > Linkage with REDD-plus or NAMA in a host country

• Smaller carbon credits in a short time, compared with other sectors
  – > Non-carbon benefits and linkage with REDD-plus or NAMA in a host country
Research questions

• What are technologies, systems, etc. which can benefit forest management and people?
• How to introduce those technologies, etc. and mainstream them in local context?
• Should JCM be linked with REDD-plus or NAMA, and if so, how, e.g., allocation of credits?
• How should the role of communities be integrated into JCM, e.g., allocation of credits?
• And more?
Special thanks to Professor Masahiro Amano at Waseda University and Mr. Kenta Usui at IGES!

References:

• UNFCCC (2013) Submission by Japan on various approaches, including opportunities for using markets, to enhance the cost effectiveness of, and to promote, mitigation actions. Available at http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf