

Recent Progress of Preparation for Joint Crediting Mechanism (JCM) in Thailand

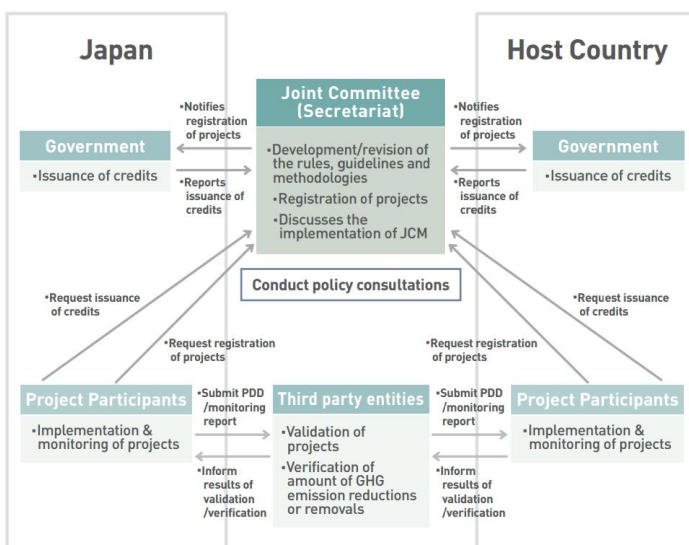
Strategy Office, Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)
28th September 2015

The stall of Clean Development Mechanism (CDM), due largely to the low price of carbon credit (CERs) leads Thailand to explore possible options that may supplement the CDM and incentivize low carbon investment and sustainable development in Thailand, up to 2020.

Joint Crediting Mechanism (JCM) provides for such the opportunity. As developed by Japan, the JCM is a non-tradable credit mechanism with an aim to promote investment and deployment of low carbon technologies, products, systems, services and infrastructure to facilitate low carbon growth in developing countries, through supports in form of up-front payment funded by the Government of Japan.

Basic Concepts of the JCM

JCM is a project-based mitigation mechanism. Joint Committee (JC), consisted of representatives from both sides, is established as the main institution to implement the JCM and tasked with the development of necessary rules and guidelines. JCM projects will be formulated by international consortiums, which comprise of Japanese and Thai entities. Similar to the CDM, the project must be MRV-able.



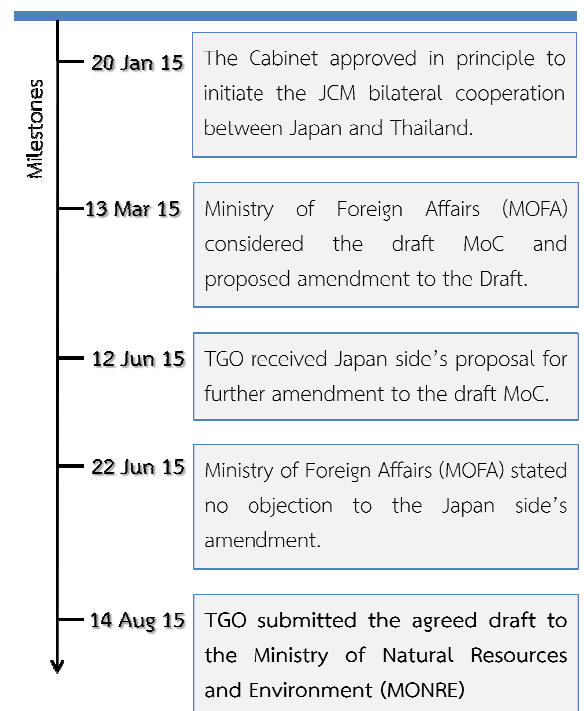
Source: JCM Booklet, November 2014 (MOEJ, GEC)

Progress in establishing the JCM in Thailand

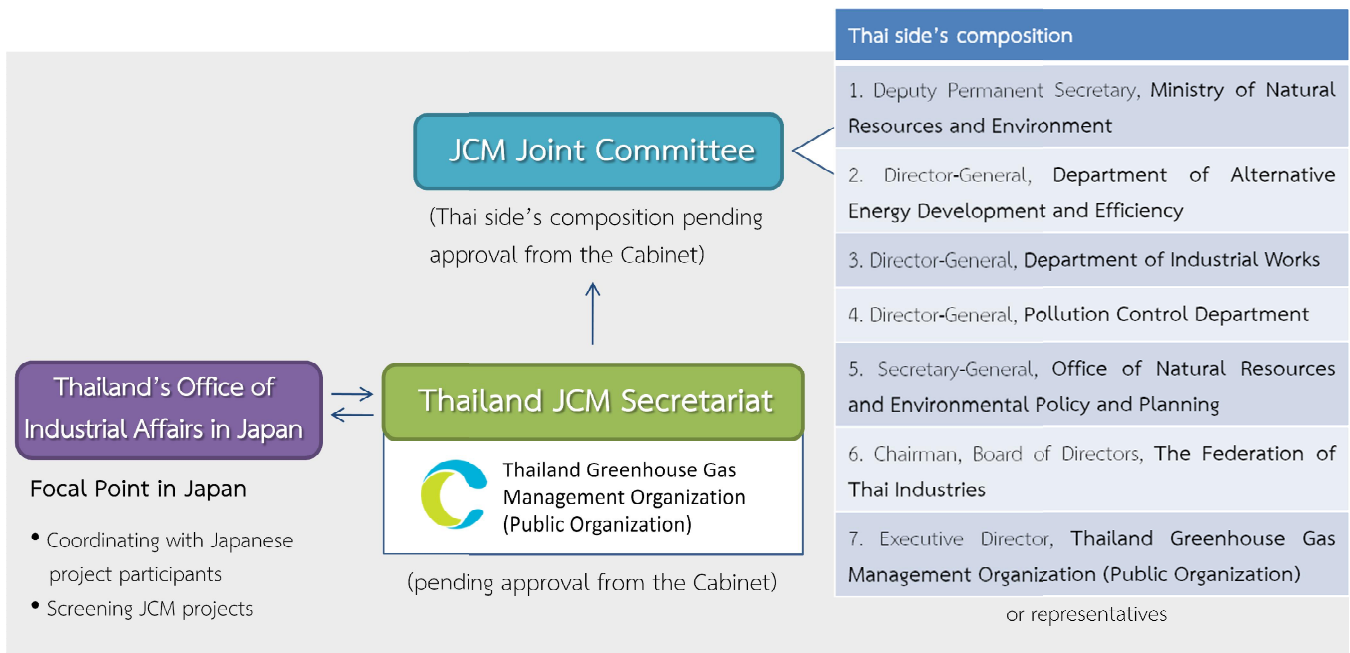
On 20th January 2015, the Cabinet approved in principle to initiate bilateral cooperation between Japan and Thailand to establish the JCM, and designated Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) to proceed in details, in accordance with relevant law and regulations.

On 22nd June 2015, the bilateral agreement between Japan and Thailand, so called Memorandum of Cooperation (MoC), was preliminarily agreed by both sides. Subsequently, on 23rd September 2015, TGO submitted the agreed draft to the Ministry of Natural Resources and Environment (MONRE) to proceed.

Milestone of progress in Thailand



Thailand's Potential Institutional Arrangement for JCM Implementation



TGO's Technical Preparation for the JCM

Since February 2015, JCM Technical Working Group of TGO has been conducting preparatory works for the JCM, including:

- Reviews and proposes revised JCM Rules and Guidelines to be considered and approved by JC
- Sets eligibility criteria for potential JCM projects in Thailand
- Establishes a registry system for the JCM
- Provides capacity building and promote the JCM to private sector, potential project developers, and relevant stakeholders
- Disseminates information and knowledge about the JCM



JCM Model Projects in Thailand

While pending for the signing of the MoC between Japan and Thailand, Ministry of Environment, Japan (MOEJ) allows potential project developers to submit a project proposal for financial support under the Financing Programme for JCM Model Projects.

At the 1st call for JCM Model Project proposals, four projects in Thailand have been selected, including projects in the area of energy efficiency and renewable energy.

Currently, the 2nd call for JCM Model Project proposals is open for submission. Further information can be found at:

<http://gec.jp/jcm/kobo/mp150907.html> (in English)

<http://gec.jp/jcm/jp/kobo/mp150907.html> (in Japanese)

(Submission deadline: 18th December 2015)

(Noted that all selected Model Projects are subject to JC approval before becoming JCM projects)