# New Mechanisms Express August 2012 No.5

The New Mechanisms about to Be Launched



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#### **Special Report 1**

## Human Capacity Building for NAMAs Development and MRV Implementation

#### Background and Objectives

The Overseas Environmental Cooperation Center (OECC) has been implementing a project titled "Human Capacity Building for NAMAs Development and MRV Implementation in Developing Countries" on behalf of the Ministry of the Environment of Japan (MOEJ) for the fiscal year 2012. The Copenhagen Agreement adopted at COP15 calls on the developing country parties to make a submission of their Nationally Appropriate





Kick-off meeting for NAMAs development in Cambodia

Geothermal heat pumping site in Mongolia

Mitigation Actions (NAMAs) to the UNFCCC secretariat; about 40 member states have completed this task so far. In this context, Annex 1 countries are expected to support NAMAs development, including establishment of methodologies for measurement, reporting and verification (MRV) in developing countries.

The Japanese government is of the view that the proposed Bilateral Offset Credit Mechanism (BOCM) can be implemented hand in hand with NAMAs. In this context, the project aims to build human and institutional capacities for NAMAs development and MRV implementation, thereby contributing to creating a low carbon society in Japan's partner countries.

### **Towards NAMAs Development and MRV Implementation in Asia**

#### Project Outline

The proposed project aims to build human and institutional capacities for NAMAs development and MRV implementation in a selected sector in the following Asian partners: Cambodia, Lao PDR, Mongolia and Vietnam. To this end, it is above all needed to quantify the current total Greenhouse Gas (GHG) emissions in the selected sector in each country, which will be followed by the identification of a business-as-usual (BAU) scenario (reflecting the historical GHG emissions trend) and an alternative NAMAs scenario, which takes into account mitigation actions based on NAMAs. It is important to fully consider the respective national circumstances of each country - in particular different needs for capacity building - and design NAMAs accordingly.



#### The Way Forward

It is imperative to further enhance mitigation actions in developing countries in order to lower the overall GHG emission levels compared to the BAU scenario. The project aims to contribute to this ultimate objective by sharing low-carbon technologies of the Japanese private sector with the partner countries through workshops in the respective countries and a series of training in Japan, in which full consideration will be given to the unique national circumstances of each country.

#### Special Report 2 Adoption of MRV Demonstration and BOCM/CDM Feasibility Studies for the Fiscal Year 2012

#### Adoption of 29 demonstration/feasibility studies for FY 2012

MOEJ made the decision to provide funding for 13 MRV demonstration studies, 12 BOCM feasibility studies and 4 CDM feasibility studies on 19 June 2012, following a rigorous selection process.

The former two types of studies will be conducted with the goal of acquiring knowledge and experience that would be useful for the establishment of the BOCM – which is to be launched in 2013 by the Japanese government, whereas the third type of studies are expected to explore the possibility of broadening the scope of the CDM, in terms of its geographical coverage in particular, thus contributing to its overall improvement. The selected entities will be conducting the studies until March 2013 in cooperation with the "host country committees" on the BOCM and local verification bodies.



#### MRV Demonstration Studies

The MRV demonstration studies will be conducted for ongoing projects/activities that can potentially be part of the BOCM. The studies are expected to develop appropriate MRV methodologies, which will be applied to the respective projects/activities in order to measure, report and verify the amount of GHG emission reductions in cooperation with a local counterpart. The results thus obtained will subsequently be used to improve the original methodologies, thereby more practical methodologies applicable to the BOCM will be developed.



#### **BOCM Feasibility Studies**

The targets of the BOCM feasibility studies are potential projects/activities that can be part of the BOCM. The purposes of these feasibility studies are threefold: 1. to develop MRV methodologies applicable to the respective projects/activities; 2. to assess the possibility of each project/activity to be implemented under the BOCM; and 3. to accumulate knowledge and experience acquired through the above-mentioned processes.

The expected outputs of the BOCM feasibility studies are the following: 1. development of specific eligibility criteria for each methodology proposed; and 2. identification of data and formula(s) necessary for the calculation of the total GHG emission reductions.



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Region	Country	Sector	Implementing Entity	Project Title	Region	Country	Sector	Implementing Entity	Project Title
	Cambodia		Japan NUS Co., Ltd.	Methane Recovery and Utilization from Livestock Manure with Bio-digesters		Sri Lanka		EX Research Institute Ltd.	Biomass-based Thermal Energy Generation to Displace Fossil Fuel
	Thailand	T.	Mizuho Information & Research Insitutute, Inc.	Bagasse-based Cogeneration at Sugar Mill	East and	India	Å.	Nippon Koei Co., Ltd.	Bagasse-based Power Generation including Waste Heat Utilization
	Thailand	ţırışi	MRV DS Joint Venture of Japan Weather Association and Almec (tentative name)	Transport Modal Shift through Construction of Mass Rapid Transit (MRT) System	south Asia	Mongolia	$\uparrow$	Shimizu Corporation	Replacement of Coal-Fired Boiler with Geo-Thermal Heat Pump for Heating
Southeast Asia	Thailand	9	Price Water house Coopers Co., Ltd.	Energy Savings through Building Energy Management System (BEMS)		Mongolia	Ŷ	Suuri-Keikaku Co., Ltd.	Upgrading and Installation of High-Efficiency Heat Only Boilers (HOBs)
	Thailand		Smart Energy Co., Ltd.	Waste Heat Recovery System with Cogeneration	North America	Mexico	$\uparrow$	Komaihaltec Inc.	Small-scale Wind Power Generation with Remote Monitoring System
	Vietnam	Ŷ	Recycle One, Inc.	Integrated Energy Efficiency Improvement at Beer Factory	Europe	Moldova	ŧ	Joint Venture of Mitsui Consultants and Japan Environmental Consultants	Biomass Boiler Heating using Agricultural Waste as Fuel

Transportation Improvement through

introduction of Efficient Buses and

Provision of Good Services

Katahira & Engineers

International

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Region	Country	Sector	Implementing Entity	Project Title	Region	Country	Sector	Implementing Entity	Project Title
	Cambodia	*	Pro-Material Co., Ltd.	Small-scale Biomass Power Generation with Stirling Engine		Thailand	<b>ф</b>	Chuo Fukken Consultants Co., Ltd.	Introduction of Electric Gate to International Trade Port to Improve Port-related Traffic Jam
	Cambodia		Conservation International Japan	REDD+ in Tropical Lowland Forest		Vietnam		Tepia Corporation Japan Co., Ltd	Biogas-based Cogeneration with Digestion of Methane from Food/Beverage Factory Wastewater
Southeast Asia	Indonesia	$\uparrow$	Hitachi Zosen Corporation	Solar-Diesel Hybrid Power Generation to Stabilize Photovoltaic Power Generation	Southeast Asia	Vietnam	ţıţi	Almec Corporation	Improvement of Vehicle Fuel Efficiency through Introduction of Eco-Drive Management System
Southeast Asia	Indonesia	۰	Shimizu Corporation	Prevention of Peat Degradation through Groundwater Management, and Rice Husk-based Power Generation		Vietnam	۰	Sumitomo Forestry Co., Ltd.	REDD+ through Forest Management Scheme, and Biomass-based Power Generation using Timber Industry Waste
	Indonesia		Mitsubishi UFJ Research and Consulting Co., Ltd.	REDD+ for Conservation of Peat Swamp Forest, and Biomass-based Power Generation using Timber Mill Waste to Process Indigenous Trees Derived from Conserved Forest		Vietnam and Indonesia	ţţ	Mitsubishi Research Institute, Inc.	Promotion of Modal Shift from Road-based Transport to Mass Rapid Transit System (MRT)
	Laos		EX Research Institute Ltd.	Introduction of Mechanical Biological Treatment (MBT) of Municipal Solid Waste, and Landfill Gas (LFG) Capture, Flaring and Utilization	South America	Colombia	$\uparrow$	Mitsubishi Research Institute, Inc.	Geothermal Power Generation to Stabilize Photovoltaic Power Generation

#### **CDM Feasibility Studies**

The CDM feasibility studies are expected to contribute to broadening the scope of the CDM, whereby the mechanism will be improved in the post-2012 framework, addressing the shortcomings of the current CDM. In this regard, the studies must involve one of the following elements: 1. development of a standardized baseline; 2. development of a new CDM methodology; 3. contribution to redressing the uneven geographical distribution of the existing CDM projects. Four projects that meet the third criterion were adopted this year; all of them will be implemented in LDCs with less than ten registered CDM projects at present.



MOEJ and its partner organizations - GEC, IGES and OECC jointly organized a side event titled, "Toward the Establishment of the Bilateral Offset Credit Mechanism (BOCM) – Utilization to Support the NAMA Implementation" at the 36th session of the Subsidiary Body for Implementation (SBI) of the UNFCCC in Bonn, Germany on 17 May 2012.

The event featured the situation of NAMAs development in two of Japan's partner countries: Mongolia and Laos and Japan's efforts to support them through the BOCM. Specifically, MOEJ outlined the basic concepts of the BOCM and Japan's activities for its establishment; GEC explained about its MRV demonstration and BOCM feasibility studies; IGES detailed capacity building for the development of MRV methodologies applicable to the BOCM; and OECC gave explanations about the New Mechanisms Information Platform – a website that disseminates information on the abovementioned activities of Japan to push forward the development of NAMAs and the BOCM.





Conference Hall at SB36

Side Event at SB 36

# RI0+20

Held in Rio de Janeiro, Brazil from 13 to 22 June 2012, the United Nations Conference on Sustainable Development (UNCSD) - better known as Rio+20 – was the third major international conference on sustainable development with the goal of reconciling economic growth and environmental protection across the planet. Also, it was the opportunity for the international community to assess the progress made on this issue in the course of twenty years following the 1992 Earth Summit held in the same city. Rio+20 adopted as the primary result of the conference a nonbinding document titled "The Future We Want," which calls for the development of "Sustainable Development Goals (SDGs)."

This historic event provided the three partner organizations of MOEJ - GEC, IGES and OECC - with the opportunity to organize a side event titled, "For Achieving a Low Carbon Society supported by New Market Mechanisms" at the Japan Pavilion on 16 June 2012. The three organizations discussed how MOEJ plans to contribute to creating a low carbon society through the establishment of the BOCM, which was followed by a heated discussion among the participants of the event.





Meeting Venue of RIO+20

#### **New Mechanisms Information Platform**

# What's New

#### Additional Information on the Bilateral Offset Credit Mechanism (BOCM)

Additional information on the BOCM has been added to the New Mechanisms Information Platform website. The following page explains the three major objectives of the BOCM and lists relevant materials of the government and the MOEJ:

#### http://www.mmechanisms.org/e/initiatives/index.html

It is recommended for those who are interested in the BOCM to check this page on a regular basis for the latest information.

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#### **Overseas Environmental Cooperation Center, Japan (OECC)** Shibakoen Annex 7th floor

3-1-8, Shibakoen, Minato-ku, Tokyo 105-0011 Tel: +81-(0)3-5472-0144 Fax: +81-(0)3-5472-0145 E-mail: info@mmechanisms.org Website: http://www.mmechanisms.org/e/



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