

Date of meeting: 20 February 2014

Place of meeting: Ulaanbaatar, Mongolia

**Joint Committee of the Joint Crediting Mechanism between Mongolia and Japan
Second Meeting**

Meeting report

Agenda item 1. Opening

The Co-Chair from the Mongolian side, Dr. Dagvadorj, Chairman of the Climate Change Coordination Office, Ministry of Environment and Green Development of Mongolia opened the second meeting of the Joint Committee (JC) of the Joint Crediting Mechanism (JCM), and gave opening remarks.

The Co-Chair from the Japanese side, Mr. Tamura, Director of the Climate Change Division, International Cooperation Bureau, Ministry of Foreign Affairs of Japan gave opening remarks.

Table: Attendance

JC Members from Mongolian side	
Mr. Dagvadorj D	Ministry of Environment and Green Development
Ms. Gereltsetseg B (alternate)	Ministry of Foreign Affairs
Mr. Altantsetseg B	Ministry of Industry and Agriculture
Mr. Gan-Ochir S (alternate)	Ministry of Mining
Mr. Battulga N	Ministry of Road and Transportation
Ms. Dorjpagma(alternate)	Ministry of Construction and Urban Development
Mr. Bekhbat S	Ministry of Economic Development
Mr. Tumenjargal M (alternate)	Ministry of Energy
Mr. Galimbek Kh	Air Quality Agency of the Capital City
JC Members from Japanese side	
Mr. Masami TAMURA	Ministry of Foreign Affairs
Mr. Yoshikazu HASUNUMA (alternate)	Ministry of Economy, Trade and Industry
Mr. Naoki TORII (alternate)	Ministry of the Environment
Mr. Hiroshi FUKASAWA	Embassy of Japan in Mongolia

* The names of members present at the meeting are in bold print above.

Agenda item 2. Organizational matters

Agenda item 2.1 Adoption of the agenda

The JC adopted the agenda of the meeting.

Agenda item 2.2 Attendance

The JC members, other representatives and observers from the Mongolian side and the Japanese side introduced themselves. The JC approved attendance of observers at this JC meeting.

Agenda item 3. Methodologies

Agenda item 3.1 Proposed Methodologies

The JC considered the proposed methodology “Installation of energy-saving transmission lines in the Mongolian Grid” and public inputs received to the proposed methodology.

In response to the points raised by the public inputs, the JC concluded as following:

- i. Historical data on transmission loss in Mongolia is not readily available. While the emission reductions are proportionate to the project transmission loss in the proposed methodology, manipulation of project transmission loss is not expected due to continuous monitoring by power meters installed at both ends of the transmission line. Further, intentional increase of the transmission loss will not occur without setting the maximum cap since it results in economic losses.
- ii. The proposed methodology has eligibility criteria which define technical aspects of conductors. In line with the "Joint Crediting Mechanism Guidelines for Validation and Verification", the third party entities determine whether a project meets those eligibility criteria not only in the validation but also in the verification stage. Regarding projects to which this proposed methodology is applied, storage and disposal associated with replacement of conductors is not expected to cause emissions. Therefore, treatment of replaced conductors does not need to be included in the eligibility criteria of this proposed methodology.
- iii. CO₂ emission factor of Central Electricity System (CES) in Mongolia has been calculated and made publicly available by Ministry of Environment and Green Development.

Based on the consideration, the JC approved the proposed methodology with revisions, as contained in the Annex 1 to this meeting report.

Agenda item 4. Other matters

Agenda item 4.1 Progress and current status of feasibility and planning studies, model and

demonstration projects implemented in FY 2013

The Japanese side introduced the progress and current status of feasibility and planning studies, model and demonstration projects implemented in FY2013. The JC noted that the reports of the studies in English will be available after April 2014.

Agenda item 4.2 Potential JCM methodologies in Mongolia

The JC discussed the potential JCM methodology on replacement and installation of high-efficient heat only boilers (HOBs) for hot water supply systems in Mongolia. The JC noted the importance of the replacement of HOBs in Mongolia including its expected co-benefit effects to reduce air pollution. The JC concluded to continue its discussion on the methodology at a future JC meeting.

Agenda item 4.3 Financing schemes of JCM projects

The JC noted planned financing schemes for the JCM projects. The JC concluded to continue its discussion at a future JC meeting.

Agenda item 4.4 Technical/advisory panel under the Joint Committee

Both sides noted the necessity of technical assistances for the JC in performing its functions, i.a. possible establishment of ad-hoc panel on methodologies. Both sides also noted that the capacity building programmes implemented by the Japanese side can contribute to address such needs. The JC concluded to continue its discussion at a future JC meeting.

Agenda item 4.5 Way forward including the plan for JFY2014

The Japanese side introduced the plan for the JFY 2014. The JC noted the importance of further involvement of Mongolian companies in the JCM projects and the necessity of information dissemination of potential project participants of both Mongolia and Japan. The JC concluded to continue discussion on potential JCM projects at a future JC meeting.

Agenda item 6. Conclusion of the meeting

The Co-Chairs gave closing remarks and closed the meeting.

Annexes to the report

Annex 1 MN_AM001 “Installation of energy-saving transmission lines in the Mongolian Grid”