

Date of meeting: 21 March 2017

Place of meeting: Addis Ababa, Ethiopia

**Joint Committee of the Joint Crediting Mechanism
between Ethiopia and Japan
Third Meeting**

Meeting Report

Agenda item 1. Opening

Mr. Mehari Wondmagegn, Director, Monitoring and Control Directorate, Ministry of Environment, Forest and Climate Change, opened the third meeting of the Joint Committee (JC) of the Joint Crediting Mechanism (JCM) and gave opening remarks.

Mr. Kenji Yokota, Minister, Embassy of Japan in Ethiopia, gave opening remarks.

Table: Attendance

JC Members from Ethiopian side	
Mr. Mehari WONDIMAGEGN	Ministry of Environment, Forest and Climate Change
Mr. Geremicheal GEBREKIDAN	Ministry of Industry
Mrs. Bethelihem MEKONNEN (alternate)	Ministry of Water, Irrigation and Electricity
Mr. Dirsha DEJENE (alternate)	Ministry of Mines, Petroleum and Natural Gas
Mrs. Rukia SEIDE	Ministry of Urban Development and Housing
JC Members from Japanese side	
Mr. Kenji YOKOTA	Embassy of Japan in Ethiopia
Ms. Mio OTASHIRO (alternate)	Ministry of Foreign Affairs
Mr. Wataru MATSUMURA	Ministry of Economy, Trade and Industry
Mr. Naoki TORII (alternate)	Ministry of the Environment
Mr. Shigeki HATA	Forestry Agency
Mr. Keiichiro ICHIKAWA	Embassy of Japan in Ethiopia

* 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. Approval on attendance of observers

The Co-Chairs introduced the observers and the JC gave its consent to attendance of the observers at this JC meeting.

Agenda item 2.3. Possible extension of the JCM

The JC discussed a possible extension of the partnership for the JCM beyond a coming into effect of a new international framework under the United Nations Framework on Climate Change and noted the partnership would be extended by exchanging the notes between both sides on the modification of the related paragraph of the bilateral document, “Low Carbon Growth Partnership between the Japanese side and the Ethiopian side”.

Agenda item 3. Rules and guidelines

Agenda item 3.1. Revisions related to possible extension of the JCM

The JC considered the draft revisions on “Rules of Implementation for the Joint Crediting Mechanism (JCM)”, “Joint Crediting Mechanism Guidelines for Developing Project Design Document and Monitoring Report”, “JCM Verification Report Form” and “JCM Credits Issuance Request Form” and decided to revise and make them publicly available upon the completion of the above-mentioned modification to the bilateral document.

Agenda item 3.2. Revisions related to editorial matters

The JC considered the draft revisions on “JCM Project Cycle Procedure”, and adopted it, as contained in Annex 1 to this meeting report.

Agenda item 3.3. Common Specifications of the JCM Registry

The JC considered the draft “Common Specifications of the JCM Registry” and decided to adopt the document and make it publicly available upon the confirmation on the JCM registry by the Ethiopian side.

Agenda item 4. JCM methodology

Upon the approval of the JCM methodologies, the JC took note of the importance of capacity building requested by the Ethiopian side for experts and stakeholders including those from relevant ministries in Ethiopia on technologies as well as on applicable MRV (measurement,

reporting and verification) measures for the ongoing projects. The JC also took note of possibilities to further revise the methodologies in line with the applicable JCM rules and guidelines subject to consultations with the experts and stakeholders as necessary.

Agenda item 4.1. Electrification by photovoltaic power generation in Ethiopia

The JC considered the proposed methodology ET_PM002 “Electrification by photovoltaic power generation in Ethiopia”. Based on the consideration, the JC approved the proposed methodology ET_PM002 with revisions, as contained in [Annex 2](#) to this meeting report.

Agenda item 4.2. Introduction of biomass combined heat and power plant

The JC considered the proposed methodology ET_PM003 “Introduction of biomass combined heat and power plant” and the public inputs received to the proposed methodology.

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

- i. The Clean Development Mechanism introduced the concept of “suppressed demand” which is understood as a situation where a minimum service level to meet basic human needs is unavailable to the end user of the service prior to the implementation of the project activity. Considering the mode of a possible project applying the proposed methodology, which is expected to be implemented in a factory, the concept, at this stage, is still premature to be applied to the methodology. Therefore, the proposed methodology took a conservative approach to take only a portion of displacement of captive electricity into account for the calculation of emission reductions.
- ii. The methodology sets the reference emission factor for electricity based on the power generation efficiency of 49% using diesel fuel as the power source which is calculated to be the default value of 0.533 tCO₂/MWh. This approach ensures the principle of ensuring net GHG emission reductions and is commonly adopted by other JCM methodologies. The aim is to establish a robust methodology which will not generate questionable emission reduction credits.
- iii. Under the methodology, any combined heat and power (CHP) plants whether they are imported or not are applicable as long as they meet the criteria of the proposed methodology. The details of the CHP plants will be described in the form of Project Design Document (PDD) for each proposed project during its validation process, which will be conducted after the approval of the proposed methodology.
- iv. The way of distributing CHP plants depends on the project which applies the proposed methodology and such information will be described in the form of PDD.
- v. There are no criteria in the proposed methodology to differentiate any geographic areas or sectors as long as it is in Ethiopia.

- vi. Affordability issues should be considered as per project which applies this methodology. In general, the Government of Japan introduces several supporting schemes to address the issues regarding the costs to promote the implementation of the JCM.

Upon consideration of the above, the JC approved the proposed methodology ET_PM003 with revisions, as contained in Annex 3 to this meeting report.

Agenda item 5. Third-Party Entity

Agenda item 5.1. Addition of new sectoral scope (Japan Quality Assurance Organization)

The JC designated Japan Quality Assurance Organization (JQA) for the additional sectoral scope 10.

Agenda item 6. Other matters

Agenda item 6.1. Promoting development of JCM projects in Ethiopia

The Japanese side explained the JCM model projects, ADB Trust Fund (Japan Fund for the JCM), JCM promotion scheme and UNIDO pilot project for the JCM in Ethiopia. The JC took note the importance of close communications between both sides for promoting implementation of the JCM projects.

Agenda item 7. Conclusion of the meeting

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

Annexes to the report

Annex 1 JCM Project Cycle Procedure (version 03.0)

Annex 2 ET_AM002 “Electrification by photovoltaic power generation in Ethiopia”

Annex 3 ET_AM003 “Introduction of biomass combined heat and power plant”