Overview and Recent Development of the Joint Crediting Mechanism (JCM)

9 October 2025

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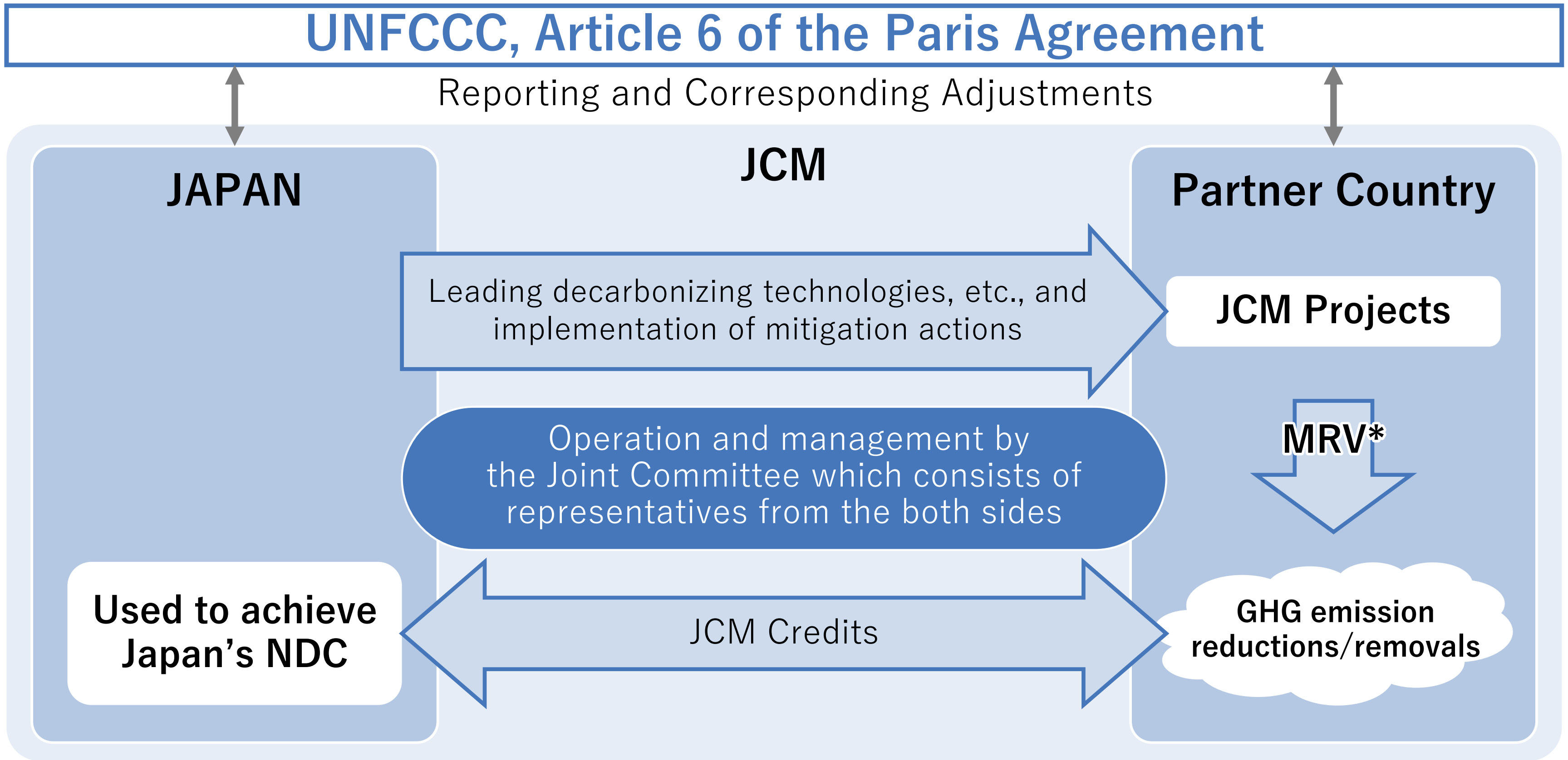
Basic Concept of the JCM

- Facilitate diffusion of leading decarbonizing technologies and infrastructure, etc., through investment by Japanese entities, thereby contributing to GHG emission reductions or removals and sustainable development in partner countries.
- Contribute to the achievement of both countries' NDCs while ensuring the avoidance of double counting through corresponding adjustments.
- Implement the JCM consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement.



JCM Partner Countries since 2013


Mongolia
Jan. 8, 2013
(Ulaanbaatar)


Bangladesh
Mar. 19, 2013
(Dhaka)


Ethiopia
May. 27, 2013
(Addis Ababa)

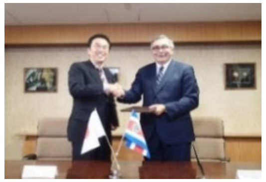

Kenya
Jun. 12, 2013
(Nairobi)


Maldives
Jun. 29, 2013
(Okinawa)

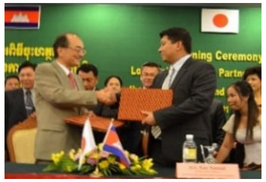

Viet Nam
Jul. 2, 2013
(Hanoi)


Lao PDR
Aug. 7, 2013
(Vientiane)


Indonesia
Aug. 26, 2013
(Jakarta)


Costa Rica
Dec. 9, 2013
(Tokyo)


Palau
Jan. 13, 2014
(Ngerulmud)


Cambodia
Apr. 11, 2014
(Phnom Penh)


Mexico
Jul. 25, 2014
(Mexico City)

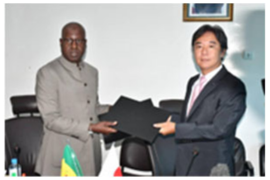

Saudi Arabia
May. 13, 2015

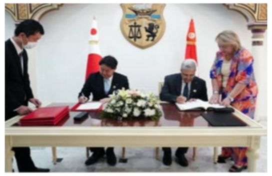

Chile
May. 26, 2015
(Santiago)


Myanmar
Sep. 16, 2015
(Nay Pyi Taw)


Thailand
Nov. 19, 2015
(Tokyo)


Philippines
Jan. 12, 2017
(Manila)


Senegal
Aug. 25, 2022
(Dakar)


Tunisia
Aug. 26, 2022
(Tunis)


Azerbaijan
Sept. 5, 2022
(Baku)

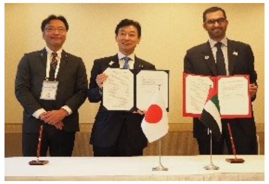

Moldova
Sept. 6, 2022
(Chisinau)

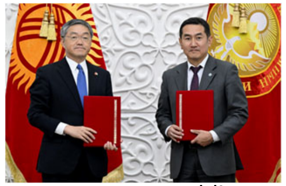

Georgia
Sept. 13, 2022
(Tbilisi)


Sri Lanka
Oct. 10, 2022
(Colombo)


Uzbekistan
Oct. 25, 2022
(Tashkent)


Papua New Guinea
Nov. 18, 2022
(Sharm-el-Sheikh)

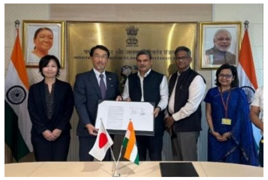

United Arab Emirates
April. 16, 2023
(Sapporo)


Kyrgyz Republic
July. 6, 2023
(Bishkek)

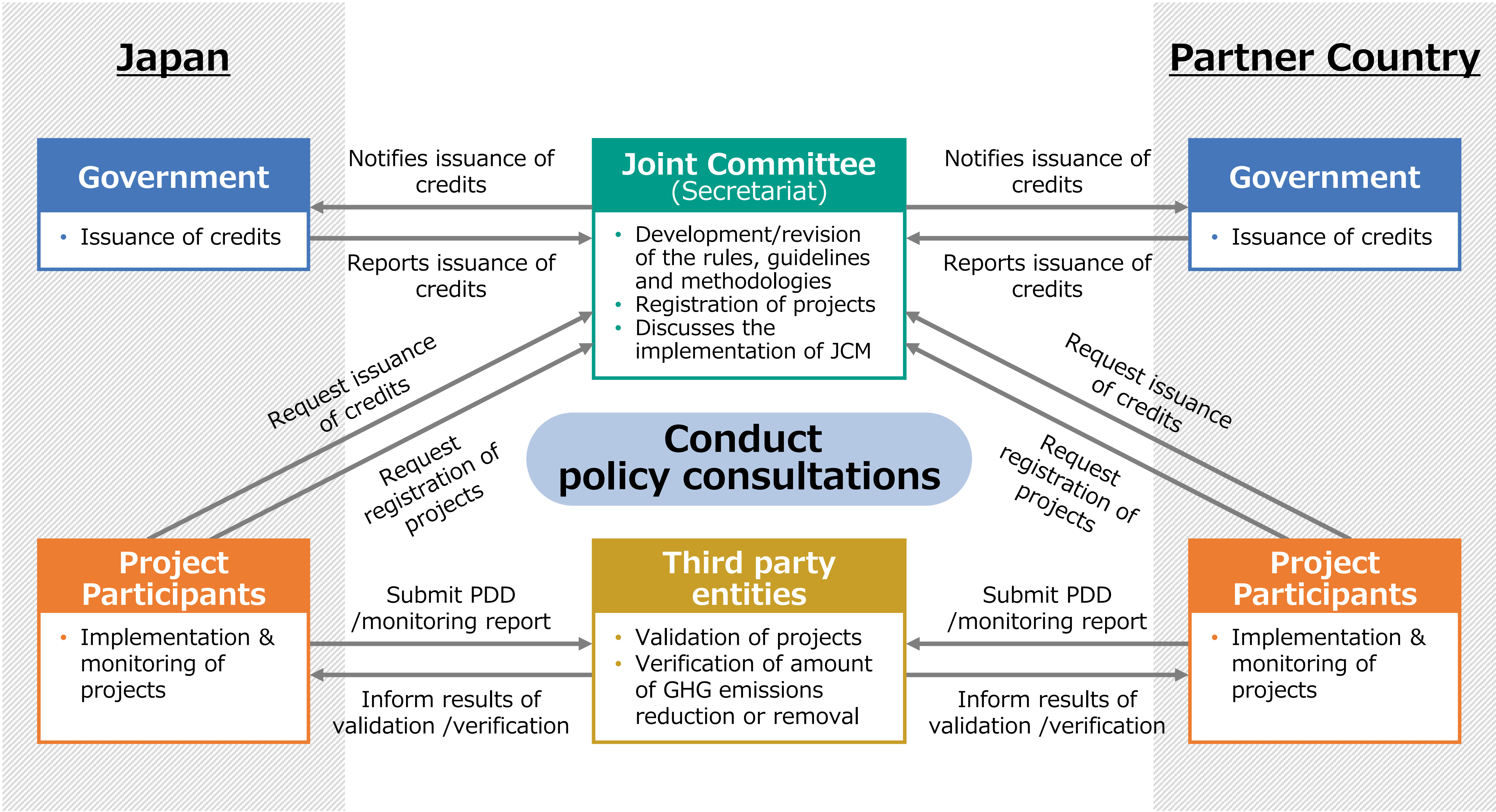

Kazakhstan
Oct. 30, 2023
(Astana)


Ukraine
Feb. 19, 2024
(Tokyo)


Tanzania
on May 28, 2025
(Tokyo)


India
on August 7, 2025
(Delhi)

Scheme of the JCM



Project Cycle of the JCM

Project Participant	Submission of PIN*
Joint Committee	Confirmation of no objection
Project Participant / Each Government Joint Committee	Submission of Proposed Methodology
Joint Committee	Approval of Proposed Methodology
Project Participant	Development of PDD*
Third Party Entities	Validation
Joint Committee	Registration
Project Participant	Monitoring
Third Party Entities	Verification
Joint Committee decides the amount Each Government issues the credit	Issuance of credits

Can be conducted by the same TPE
Can be conducted simultaneously

<Terminology>

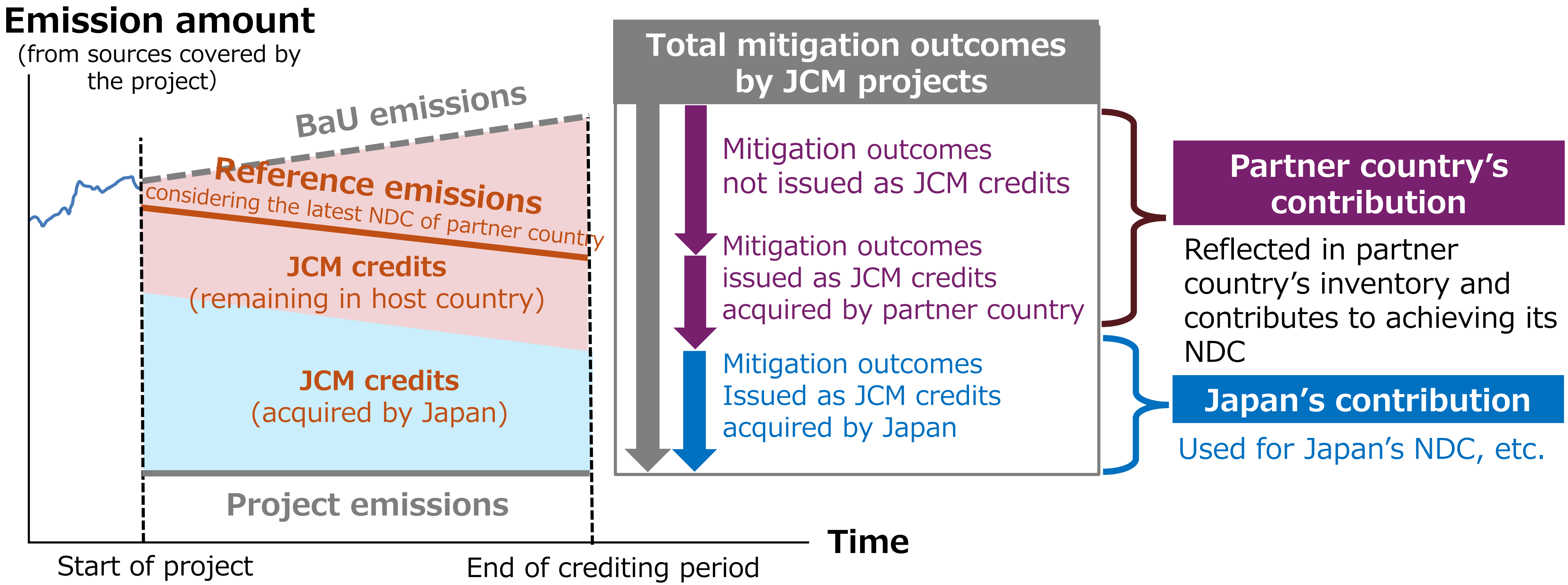
- **PIN (Project Idea Note)**: A document used to explain the outline of the project to the partner country and confirm whether there is an objection.
- **PDD (Project Design Document)**: A document that includes monitoring methods and estimated emission reductions. Required for project registration.

<Note>

For the latest information on JCM rules and guidelines, including the PIN procedures adopted with each Partner Country, please refer to each partner country page on the JCM website.

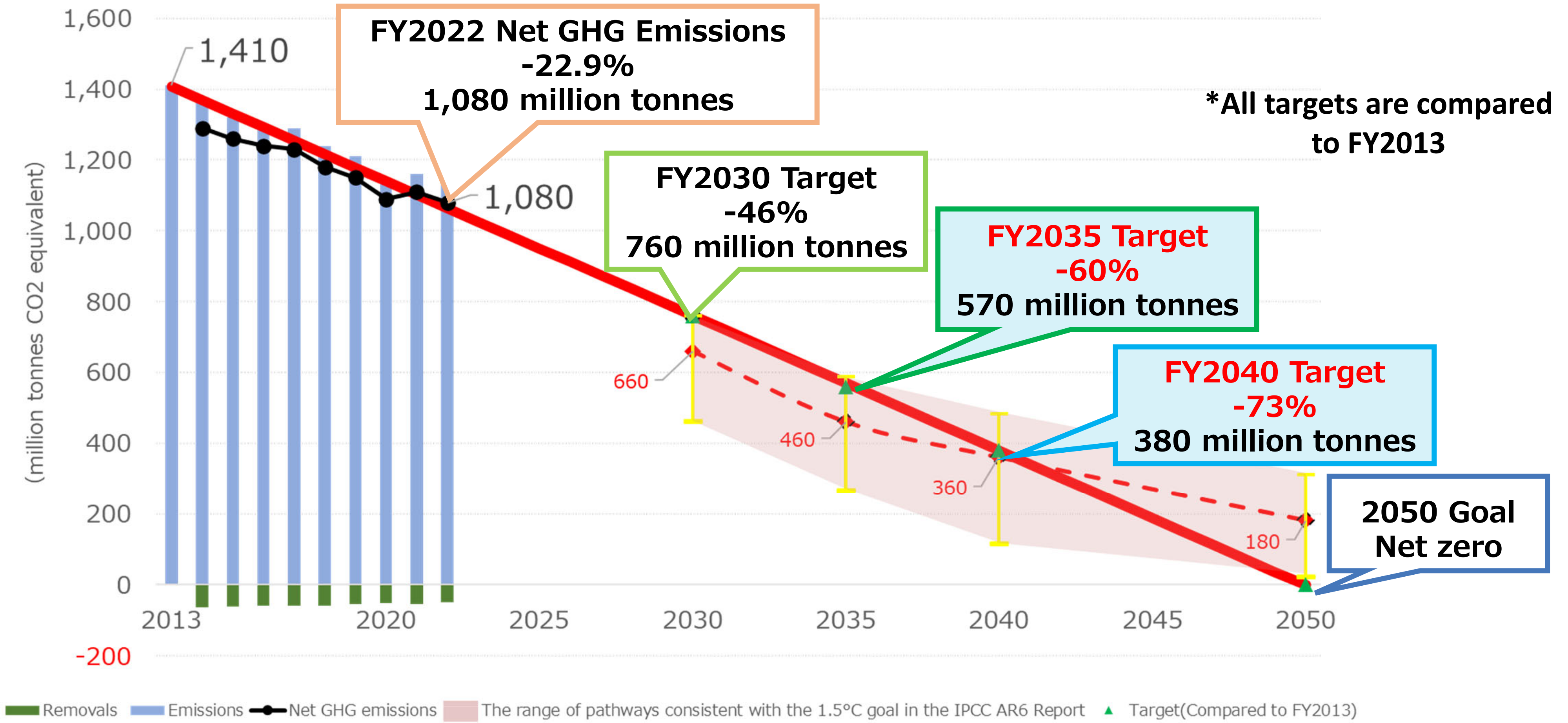
Evaluation & crediting of mitigation outcomes under the JCM

- Mitigation outcomes issued as JCM credits are the difference between project emissions and reference emissions that are established considering the latest NDC of a partner country.
- Total mitigation outcomes by JCM projects, the difference between business-as-usual (BaU) and project emissions, consist of mitigation outcomes that are NOT issued as JCM credits, mitigation outcomes issued as JCM credits acquired by partner countries and Japan. All of them contribute to achieving their NDCs.
- Allocation of total mitigation outcomes for each government and participant will be consulted bilaterally, taking into consideration their respective contributions to the JCM project. Such contributions include private and public financial contributions, as well as in-kind contributions, such as technical and operational contributions.



Japan’s New GHG Emission Reduction Targets（NDC)

- Japan will pursue efforts to steadily reduce its GHG emissions on a linear pathway from FY2030 target towards the achievement of net zero by 2050.
- As for the new NDC, Japan sets ambitious targets to reduce its GHG emissions by 60% in FY2035 and by 73% in FY2040, from its FY2013 levels, aligned with the global 1.5°C goal.
- These targets will increase medium and long-term predictability and accelerate Green Transformation (GX) investments, towards simultaneous achievement of net zero and economic growth.



New Target for the JCM in the latest NDC

Through JCM, Japan aims to contribute to reduction of

- 100 million ton-CO2 in FY2030 and
- 200 million ton-CO2 in FY2040

*Accumulated

Japan's Nationally Determined Contribution (NDC) 18th February 2025
(g) The intention to use voluntary cooperation under Article 6 of the Paris Agreement

Japan will establish and implement the Joint Crediting Mechanism (JCM) in order to quantitatively evaluate the contributions of Japan to greenhouse gas emission reductions and removals which are achieved through the diffusion of, among others, decarbonizing technologies, products, systems, services, and infrastructures as well as through the implementation of measures in global south countries and others, and to use such contributions to achieve Japan's NDC. With these efforts, through public-private collaborations, Japan aims to secure accumulated emission reductions and removals at the level of approximately 100 million t-CO2 by FY 2030 and approximately 200 million t-CO2 by FY 2040. Japan will appropriately count the acquired credits to achieve its NDC.

JCM Website

URL: https://www.jcm.go.jp/

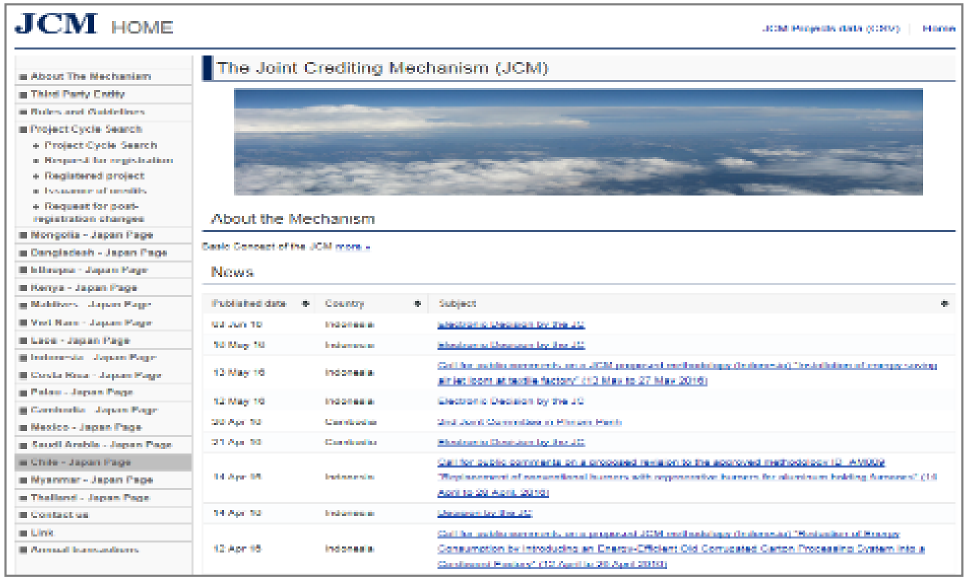
Contents

- General information page
- Individual JCM Partner countries-Japan page

Function

- Information sharing to the public, e.g.,
  - the JC decisions
  - rules and guidelines
  - methodologies and projects
  - issuance of JCM credits
  - call for public inputs/comments
  - status of TPEs, etc.
- Internal information sharing for the JC members, e.g.
  - File sharing for electric decisions by the JC

▼Image of the general information page



▼Image of the individual JCM Partner countries-Japan page

JC1 and Article 6 aligned Rules & Guidelines updates

Tunisia

- June 20, 2023: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

Sri Lanka

- October 13, 2023: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules & Guidelines.

Georgia

- January 23, 2024: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules & Guidelines.

Senegal

- May 23, 2024: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules & Guidelines.

Thailand

- July 8, 2024: Revised the Memorandum of Cooperation (MoC) and Implementation Rules (RoI) in accordance with the domestic system in Thailand, and signed the documents.
- September 23, 2024: Held the 6th Joint Committee Meeting. Adopted Art 6 aligned Rules & Guidelines.

Moldova

- September 25, 2024: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules & Guidelines.

Indonesia

- December 18, 2024: The 10th Joint Committee Meeting was held. Adopted Art 6 aligned Rules & Guidelines and CCS/CCUS Guidelines.

JC1 and Article 6 aligned Rules & Guidelines updates

Kazakhstan

- January 28, 2025: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

Uzbekistan

- February 26, 2025: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

Papua New Guinea

- March 21, 2025: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

Kyrgyzstan

- May 16, 2025: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

Kazakhstan JC1

Uzbekistan JC1

PNG JC1

Kyrgyzstan JC1

JC1 and Article 6 aligned Rules & Guidelines updates

Bangladesh

- September 14, 2025: Joint Committee adopted Art 6 aligned Rules and Guidelines by electronic resolution

Tanzania

- September 16, 2025: Held the 1st Joint Committee Meeting. Adopted Art 6 aligned Rules and Guidelines.

India

- September 22, 2025: Held the 1st Joint Committee Meeting. The rules necessary for implementing the JCM are scheduled to be adopted shortly.

Tanzania JC1


India JC1

JCM Implementation Agency（JCMA） Overview

- In accordance with the revised Act on Promotion of Global Warming, the Global Environment Centre was appointed as the designated JCM Implementation Agency (JCMA).
- The JCMA carries out operation of the JCM, from project registration to credit issuance, including consultation with partner countries, on behalf of the competent ministers (Environment; Economy, Trade and Industry; and Agriculture, Forestry and Fisheries), and also takes actions for the effective implementation of JCM projects.

Name: JCM Implementation Agency (JCMA)
Board Members: Senior Executive Director: Yuji KIMURA, Secretary-General: Yuji MIZUNO
Structure: JCM Secretariat Gr., Project Management Gr., Public Relation Team, Planning & Accounting Gr.

(As of April 1st, 2025)

■ Advantages of establishing the JCMA

- ✓ Ability to coordinate with multiple countries at the same time as an organisation with the same authority as the government.
- ✓ Streamlined and accelerated process by making it a one-stop service for issuance JCM credit
- ✓ Focused allocation of government staff resources

■ Main activities of the JCMA

(1) Carrying out administrative management of the JCM scheme
(2) Operation of the JCM Registry
(3) Supporting procedures for JCM projects and operation of the JCM management platform
(4) Management of the information dissemination website
(5) Consultation and public relations for project development

Overview of Japan’s support for the JCM partner countries

	Programme	Type of support
Ministry of the Environment	Subsidy Programme for the JCM Facility Introduction by MOEJ*	Subsidy
	Japan Fund for the JCM (JF JCM) - managed by ADB	Grant
	JCM support programme by UNIDO*	Grant for projects, technical cooperation
	Project development/capacity building/ MRV support	Technical cooperation
Ministry of Economy, Trade and Industry	JCM Feasibility Study	Technical cooperation
	JCM Demonstration Programme	Government-commissioned project
	New JCM methodologies development study JCM Creditiong support / MRV application study	Technical cooperation
Ministry of Agriculture, Forestry and Fisheries	Development of MRV for JCM projects in Agriculture –implemented by ADB	Technical cooperation
	Field studies for JCM REDD+	Government-commissioned project

* These programmes can support projects implemented by government-owned companies but not those implemented by the government itself.

Subsidy Programme for the JCM Facility Introduction by MOEJ

Budget for projects starting from FY 2025 is approx. <u>11.4 billion JPY</u> (approx. <u>USD 76 million</u>) in total by FY2026 **(1 USD = 150 JPY)**

Government of Japan

＊ Includes collaboration with projects supported by JICA and other governmental-affiliated financial institute.

Finance part of an investment cost (**<u>up to half</u>**)

Conduct MRV and expected to deliver JCM credits issued

International consortiums
(which include Japanese entities)

- Scope of the financing: facilities, equipment, vehicles, etc. which reduce CO_2 from fossil fuel combustion as well as construction cost for installing those facilities, etc.
- Eligible Projects: starting installation after financing is awarded and finishing installation within three years.

METI's support for the JCM partner countries

- METI supports the introduction of advanced decarbonizing technologies though Demonstration Projects which contribute to the decarbonization of the JCM partner countries.
- The project cost burdened by Japanese side is 100% supported by Japanese government (METI/NEDO).

Examples of past projects

Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia

Energy-saving of mobile communications base transceiver stations, KDDI Corp. Indonesia

Total: 11 projects in 6 countries (As of April 2025)

JCM Feasibility Study by METI

METI Ministry of Economy, Trade and Industry

Scope:
- Consider basic elements of the demonstration (technology, project site, stakeholders, etc.)
- Establish the basis of JCM methodology for quantification of the GHG emission reduction
- Study the possibility of dissemination of the introduced technology
- Project cost: 15 million JPY (approx.103 thousand USD) per study

Project period: Up to 1 year

Assumed technical areas: Energy efficiency with IoT, EMS, Renewable energy, CCS/CCUS, Hydrogen/Ammonia, etc.

JCM Demonstration Program by NEDO (*)

Scope:

Demonstrate and verify the effectiveness of advanced decarbonizing technology:
- Introduction of relevant facilities and systems, and conduct demonstration
- Quantification of GHG emission reduction effectiveness
- JCM procedure toward issuance of JCM credits
- Budget for FY 2025: 1.2 billion JPY (approx. 8.3 million USD)

Project period: Pre-demonstration stage: up to 1 year
Demonstration stage: up to 3 year
Follow-Up Project stage: up to 2 year

Japan — NEDO ⟷ Agreement(MOU) ⟷ Partner Country — Competent Government Agency

NEDO → Entrustment → Japan Side Implementing Entity

Competent Government Agency → Supervision, Instruction and Cooperation → Partner Country Implementing Entity

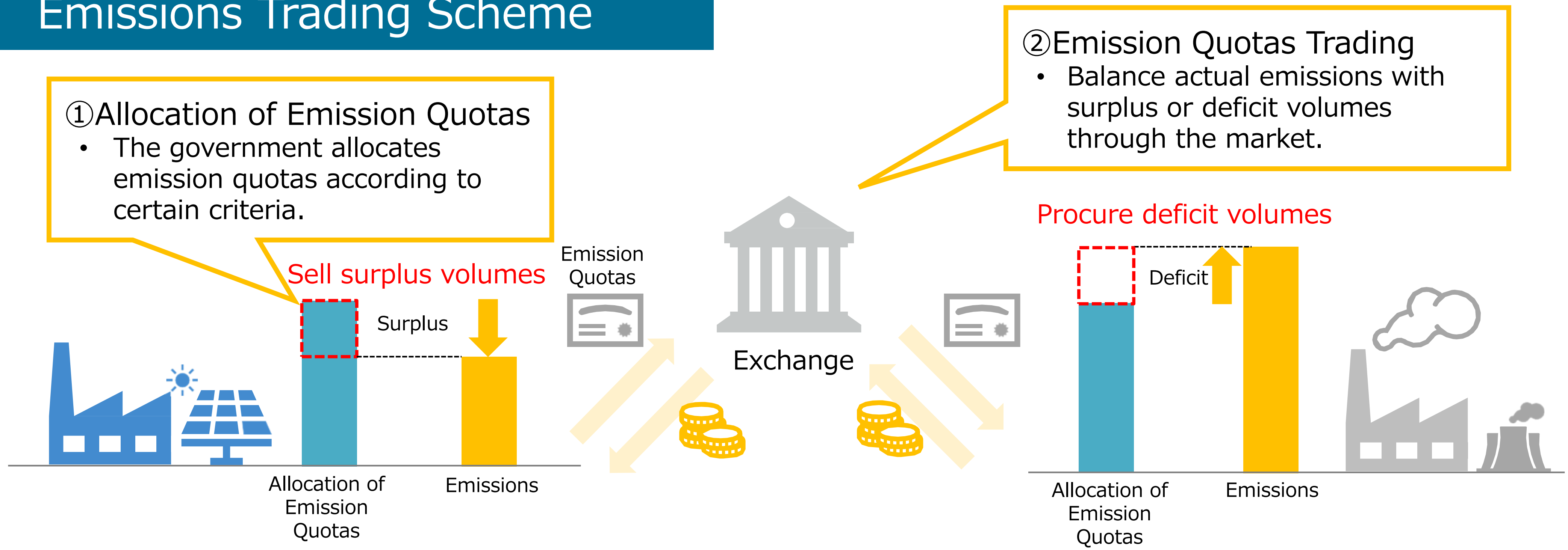
Japan Side Implementing Entity ⟷ Contract(PA) ⟷ Partner Country Implementing Entity

* NEDO = New Energy and Industrial Technology Development Organization

GX-ETS and Credit Trading

- Amendments to the GX Promotion Act (approved by the Cabinet in February 2025) will establish an emissions trading system by law starting in fiscal year 2026.
- Within GXETS, J-Credits and JCM Credits will be available, allowing companies to offset their mandatory emission reduction obligations.
- Detailed rules are currently under consideration.

Emissions Trading Scheme



➡ Promote effective and cost-efficient emission reduction initiatives, particularly targeting companies with high emissions.